

POLICY FOR DISTRICT MINIMUM FUND BALANCE

It is the Board of Director's intent to maintain a reasonable ending fund balance. This will provide greater financial flexibility in times of austerity, reduce the likelihood of short-term cash-flow crises, and assist in acquiring a higher bond rating, thereby decreasing borrowing costs. Maintaining an appropriate ending fund balance shall be the fiscal responsibility of the superintendent and Board of Directors.

Annually, the superintendent or designee will present a general fund budget that includes a commitment of at least eight percent (8%) of the current year's projected expenditures towards a minimum fund balance. When feasible, the district will actively manage towards a ten percent (10%) target for reserves.

Starting with the 2027-28 Trout Lake School District annual budget, this shall include a budgeted unassigned fund balance account of five percent (5%) of the current general fund budgeted expenditures.

The superintendent or designee must inform the Board in a timely manner if projections suggest the above targets cannot be maintained. The superintendent or designee will be required to provide a sustainable plan that ensures targets are met or exceeded. The plan must include a four (4) year budget projection and is subject to Board approval.

Legal References:

[RCW 28A.320.070](#) School district as self-insurer Authority

[RCW 28A.505](#) School Districts Budgets

[RCW 28A.505.130](#) Budget Requirement for balancing estimated expenditures

Cross References:

Trout Lake School District Policy 6040 - Expenditures in Excess of Budget

Trout Lake School District Policy 6020 – System Funds and Accounting

Adoption Date: 8-26-26

Classification: Discretionary

Revised Dates: N/A