

## GENERAL FUND BALANCE

The Board of Education recognizes the need for carrying an operating reserve in the General Fund to:

1. provide adequate working capital sufficient to meet the District's cash-flow requirements, thus minimizing any cash-flow (short-term) borrowing during the annual operating cycle;
2. function as a safeguard to fund unanticipated expenses that the District might incur; and
3. demonstrate fiscal responsibility resulting in a higher credit rating, which will help to reduce District borrowing costs.

In recognition of these needs, the Board of Education shall strive to develop a district budget which will add sufficient funds each year to the Fund 10 fund balance. The Board's goal for the unreserved designated fund balance shall be ten percent (10%) of Fund 10 audited expenditure as of June 30, 2010 and fifteen percent (15%) by 2020.

The fund balance will consist of two components:

1. Reserved fund balance set aside for specific long term costs such as: parking fees set aside for parking improvements and maintenance, and musical instrument fees set aside for instrument purchase.
2. Unreserved, designated fund balance (i.e., cash flow).

To provide good fiscal management of the unreserved, designated fund balance, two separate motions shall be required to use any portion of these funds for purposes other than meeting cash flow needs. The first motion must identify the amount of dollars to be transferred from the unreserved, designated fund balance to the operating budget. A second motion must identify the purpose of the expenditure(s). Both of these motions shall be approved by a minimum of five board members.

Legal Ref.: Section 65.90 Wisconsin Statutes