

GENERAL FUND RESERVES

Line Item Budget

A contingency reserve will be established at .2% of the General Fund expense budget at the beginning of each fiscal year to provide for unanticipated expenditures of a non-recurring nature, to meet unexpected minor increases in service delivery costs and to pay for needs caused by unforeseen emergencies.

Financial Metrics

The District is committed to the following financial metrics.

- 1) Solvency Ratio. Maintaining an undesignated, unreserved general fund balance that is at least 8% of that year's annual revenue. The current year's projected balance will be discussed with the Board before establishing the succeeding year's cash reserve levy and before staffing and other spending decisions are finalized.

The District will take reasonable steps to achieve a total general fund balance at least equal to its unspent authority. This enables the district to cash flow its legal spending limit.

- 2) Unspent Authority. Maintaining unspent authority (balance) of not less than 8% of that year's annual expenditures. The current year's projected balance will be discussed with the Board before staffing and other spending decisions are finalized for the succeeding year.

The district will measure attainment of these goals as of June 30, but only after completion of the Certified Annual Report.

As specified in policy 706.2, the Board will receive annual reports on the Solvency Ratio and the Unspent Authority (Balance).

Administrative rules and regulations will identify the specific parameters to be used when calculating the District's attainment of these financial metrics.

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