

Fund Balance

The Board of Directors of the Zillah School District recognize the importance of maintaining a sufficient fund balance in each one of its funds to assure sound financial practices, provide program stability, and obtain excellent bond ratings. The fund balance in the Debt Service Fund, Transportation Vehicle Fund, Capital Projects Fund, and Associated Student Body Fund is primarily a function of the scope of the projects and activities found within the operation of each fund. Stability of revenue and predictability of expenditures in these funds enables the district to establish an appropriate budgeted fund balance. The complexities of funding and other economic uncertainties affecting the establishment of the budgeted fund balance for the General Fund include:

- Enrollment fluctuations.
- Unanticipated changes in tax and appropriation levels by state and federal agencies.
- Legislative mandates having financial impacts on school systems.
- Passage/failure of voter referendums and levies.
- Unmatched receipt and expenditure patterns.
- Financial impacts of labor agreements including arbitration judgments.

In recognition of these factors, the Board shall support and strive to develop conservative operating budgets in the General Fund that will add and/or maintain sufficient funds to achieve a minimum of 10% of total actual operating expenses in the fund balance as measured at fiscal year end (August 31). These funds shall be classified as unreserved but designated for the above reasons.

The Board may utilize the fund balance below the established minimum if it deems that an “emergency exception” exists whereby a two-thirds vote of the Board can allow the appropriation of those funds for a non-recurring purpose.

The Board may increase or decrease the required minimum as part of their goal setting process or in respect to long-term plan requirements.

The Superintendent shall be charged with implementing the Board of Director’s minimum required fund balance as a tenant of the budget process and shall achieve such goal by modification of program and district operations as necessary and as approved by the Board.

Zillah School District
Adoption Date: **07.23.09**
Revised:
Classification: **Priority**