

## **BUDGET FUND BALANCE**

The Board realizes its responsibility under law to maintain a balanced, non-deficit, financial condition for the District so that the District does not find itself in a serious financial problem. Deficit financing is strictly prohibited by law. A budget fund balance provides flexibility in dealing with unanticipated budget emergencies such as mid-year reductions in state funding. In addition, it will help to avoid borrowing during the two-month period between the August and October State Aid payments.

To this end, the Board will strive to maintain an unappropriated fund balance in accordance with the recommendation of the Board's independent auditor as published in the annual audit report. Generally, this will mean a fund balance of approximately fifteen percent (15%) minimum of the total annual operation expense of the District's General Fund Budget, or as otherwise recommended by the auditor.

The Superintendent is directed to bring only those budget recommendations to the Board that comply with all laws and the intent of this policy.