Adopted: September 2016

Reviewed: August 2017

Renewed: August 2017

**7.10.1 Fund Balance**

# PURPOSE

# GENERAL STATEMENT OF POLICY

## The School Board of Watershed High School recognizes the need to establish a minimum level of unrestricted fund balance (committed, assigned and unassigned) in the general fund (Fund 01) to guard against unanticipated events. The minimum amount in this fund shall be the equivalent of three months’ (25%) operating capital in Fund 01, excluding grants.

## Unrestricted fund balances in Fund 01 represent resources available to meet any current and future years’ expenditures. This policy shall be implemented incrementally over the next five years to arrive at the minimum by June 30, 2020:

### 5% operating capital in Fund 01, excluding grants, in 2016 FY

### 10% operating capital in Fund 01, excluding grants, in 2017 FY

### 15% operating capital in Fund 01, excluding grants, in 2018 FY

### 20% operating capital in Fund 01, excluding grants, in 2019 FY

### 25% operating capital in Fund 01, excluding grants, in 2020 FY and thereafter

# BOARD ASSURANCES

## If there is a recommended deviation from this policy during the building of any budget in any given year, it may only be approved by a unanimous roll call vote of the Board of Directors. Deviations cannot be in conflict with any statute or prior approved Statutory Operating Debt plan.

Legal References:

Minn. Stat. 123B.10 (Publication of Financial Information)

Minn. Stat. 123B.77 (Accounting, Budgeting, Reporting)

Minn. Stat. 123B.81 (Statutory Operating Debt)

Minn. Stat. 123B.83 (Expenditure limitations)

Minn. Stat. 124D.111 (Lunch Aid; Food Service Accounting)

Minn. Stat. 124D.10 (Charter Schools)

Minn. Stat. 126C.01 (Definitions-funding)

Minn. Stat. 126C.23 (Allocation of General Education Revenue)