

## **GENERAL FUND BALANCE**

It shall be the objective of the LPSB to establish and maintain its General Fund Balance as follows:

1. Allocate all required accounting reservations as required by generally accepted governmental accounting principals (i.e. reserves for inventory, encumbrances, prepaid items, workers compensation, debt services, etc.)
2. Designate those funds required for possible future expenditures (i.e. insurance claims, self-insurance fund balance, etc.)
3. Of the General Fund remaining balance, establish:

A fiscal year ending fund balance, excluding designations, and reserves, which is at least fifteen percent (15%), of the budgeted operating expenditures for the year. Group health plan-related expenditures such as group health claims and group health administrative expenses shall not be included in determining budgeted operating expenditures for purposes of this calculation. For any year in which this fund balance is not anticipated to equal fifteen percent (15%) of budgeted operating expenditures, the operating budget shall include a provision to increase this fund balance toward the stipulated amount. Such provision shall be set by the Board but should be at least 50% of the previous year's excess revenues over expenditures or at \$500,000 (which ever is greater). This provision may be changed at the discretion of the Board with a two-thirds vote. Once the 15% level has been obtained, a two-thirds vote of the Board will be required to approve any use of funds that would result in reducing the fund balance below this level

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