

**Resolution 2017-35**  
**Kootenai County Fund Balance Policy**  
**(Supersedes Resolution 2014-34)**

**WHEREAS**, the Board has determined it is best to supersede Resolution 2014-34 in order to simplify and add clarity to the policy; and

**WHEREAS**, the intent of this fund balance policy is to provide direction and guidance to maintain a prudent level of financial resources to provide sufficient cash flow for fluctuations in revenue timing, maintaining current service levels, providing for emergencies or nonrecurring unanticipated expenditures, and for minimal increases in service delivery costs; and

**WHEREAS**, this policy is to mitigate current and future risks, to address long-term financial planning and to preserve the integrity of the bond rating of the County and to protect against temporary revenue shortfalls or unexpected one-time expenditures. This policy pertains to the governmental funds of Kootenai County and excludes net position of Solid Waste, Trust Funds and Agency Funds; and

**WHEREAS**, this policy is to adopt a fiscally sound policy relating to a fund balance while maintaining an appropriate balance which is not overly excessive or operating as a means to hold and invest funds. To provide our citizens with fiscally prudent fund balances which are not excessive but if so, the requirement to reduce the funds when the maximum is exceeded; and

**WHEREAS**, this policy is in accordance with generally accepted governmental accounting principles and in compliance with the Idaho Constitution, the Idaho County Budget Law, Idaho Code § 31-1601, *et. seq.*, and Idaho Code § 33-1501, *et. seq.*

**WHEREAS**, after evaluating the County's operating characteristics, tax base, reliability of non-property tax revenue sources, working capital needs, impact on bond rating, State and local economic outlooks, emergency and disaster risk, and other contingent issues, the Board of County Commissioners establishes the following policy regarding Fund Balances in Kootenai County; and

**WHEREAS**, the Government Finance Officers Association (GFOA) recommends that governments establish a formal policy regarding the appropriate level and spending priority of fund balance that should be maintained in the County's Governmental funds. Kootenai County recognizes the financial importance of maintaining a stable, appropriate level of unassigned fund balances in the General Fund; and

**WHEREAS**, the Fund Balance Policy 2014-34 is now superseded and replaced by this resolution; and

**NOW THEREFORE, BE IT HEREBY RESOLVED** by the Board of County Commissioners of Kootenai County, that Fund Balance Policy 2017-35 be adopted.

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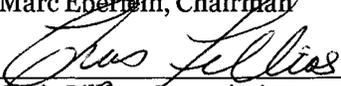
Upon a motion to adopt the text of the foregoing Resolution made by Commissioner Fillios seconded by Commissioner Bingham the following vote was recorded:

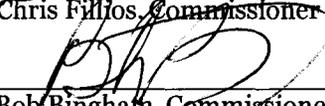
Commissioner Bingham:     Aye  
Commissioner Fillios:     Aye  
Chairman Eberlein:     Aye

Upon said roll call, the text of the foregoing was duly enacted as a Resolution of the Board of County Commissioners of Kootenai County, Idaho on the 10<sup>th</sup> day of May 2017.

KOOTENAI COUNTY  
BOARD OF COMMISSIONERS

  
\_\_\_\_\_  
Marc Eberlein, Chairman

  
\_\_\_\_\_  
Chris Fillios, Commissioner

  
\_\_\_\_\_  
Bob Bingham, Commissioner

ATTEST:  
JIM BRANNON, CLERK

By:   
Deputy Clerk



**Fund Balance Policy: General Definitions**

**Fund Balance:** Fund balance represents the difference between fund assets and fund liabilities. Fund balance is intended to serve as a measure of the financial resources available in a governmental fund.

**Fund Balance Target:** A fund balance target is the amount to maintain as a specific fund balance. The target for each fund is 25% of annual *operational expenses* (A and B budgets). This practice takes into account the predictability of revenues, volatility of expenditures, and liquidity requirements of each fund. Adequate fund balance is necessary for unanticipated expenditures. It is particularly critical that major funds (General, Justice, Replacement Reserve and Liability Insurance) have adequate reserves.