

**Year-End
Assignment of Fund
Balance**

Effective June 30, 2018, fiscal year-end surplus, if applicable, will first be utilized to meet the yearly unassigned fund balance cap (25 percent of total operating expenditures) (Tier 1), and then to maintain the established annual amounts for the following assignments of fund balance (Tier 2):

- Economic stabilization;
- Nonrecurring, noncapital purchases;
- Operating contingencies; and
- Emergency preparedness.

Once Tier 1 unassigned fund balance and Tier 2 assignments of fund balance have been met, any remaining amount will initially be allocated during the year-end closing process as follows (Tier 3): capital expenditures.