

(X) Required
 () Local
 () Notice

FUND BALANCE

The Board of Education recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the school district and is fiscally advantageous for both the district and the taxpayer. This policy establishes goals and provides guidance concerning the desired level of year-end fund balance to be maintained by the District.

Fund balance is a measurement of available financial resources. Fund balance is the difference between total assets and total liabilities in each fund. GASB Statement 54 distinguishes fund balance classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

Non-spendable - amounts that cannot be spent because they are in a non-spendable form (e.g., inventory) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

Restricted - amounts limited by external parties, or legislation (e.g., grants or donations).

Committed - amounts limited by board policy (e.g., future anticipated costs).

Assigned - amounts that are intended for a particular purpose. Such as rate stabilization fund or segregated of an amount intended to be used at some time in the future. (May be assigned by Board of Education or the Assistant Superintendent for Business).

Unassigned - amounts available for consumption or not restricted in any manner.

The Board authorizes the Superintendent of Schools to establish such rules, regulations and procedures necessary to implement and maintain this policy.

Cross-ref: none

Ref: Fund Balance Reporting and Government Fund Type Definitions. Division of Local Government and School Accountability (April 2011 Update)

Governmental Accounting Standards Board (GASB) Statement Number 54. *Fund Balance Reporting and Governmental Type Definitions*, (February, 2009)

Article 3, General Municipal Law

Approved: June 15, 2011

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Fund Balance Guidelines

The school district will strive to maintain an unassigned general fund balance (Unreserved, Unappropriated Fund Balance) of not less than three percent (3%) and not more than either four percent (4%), or the maximum permitted by law, of the budgeted expenditures for the subsequent fiscal year. The total fund balance, consisting of several portions including committed, assigned and unassigned may exceed four percent (4%).

If the unassigned portion of the fund balance falls below the threshold of three percent (3%), the Board will pursue variations of increasing revenues and decreasing expenditures, or a combination of both until three percent (3%) is attained. If, after establishing all appropriate elements of the assigned (Reserved Fund Balance) and unassigned portions of the fund balance, the unassigned general fund balance exceeds four percent (4%) of budgeted expenditures, the Board shall apply the excess portion of unassigned fund balance as Appropriated Fund Balance and designate it to be applied to next year's budget for the purpose of reduction of the tax levy. Amounts allocated among the reserved portion of Fund Balance may be utilized by appropriating excess funds for nonrecurring expenditures in accordance with law and state regulations.

The Superintendent of Schools and Assistant Superintendent for Business shall be responsible for the enforcement of this policy.

Cross-ref: none

Ref: Fund Balance Reporting and Government Fund Type Definitions. Division of Local Government and School Accountability (April 2011 Update)

Governmental Accounting Standards Board (GASB) Statement Number 54. *Fund Balance Reporting and Governmental Type Definitions*, (February, 2009)

Article 3, General Municipal Law

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