

## FUND BALANCE POLICY

Fund balance measures the net financial resources available to finance expenditures of future periods. GASB 54 defines fund balance as Nonspendable, Restricted, Committed, Assigned, and Unassigned. The District's Unassigned General Fund Balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies while minimizing the need to borrow. The Unassigned General Fund Balance may only be appropriated by resolution of the Board of Education.

Fund balance of the District may be committed for a specific source by formal action of the Board of Education. Amendments or modification to the committed fund balance must also be approved by formal action of the Board of Education. Committed fund balance does not lapse at year-end. The formal action required to commit fund balance shall be by board resolution or majority vote.

The Board of Education delegates authority to the Chief Financial Officer and/or their designee to assign funds. The intent of the assigned funds may change with appropriate approvals as decided by the Chief Financial Officer.

For purposes of fund balance classification, expenditures are to be spent from restricted first and then unrestricted. Expenditures incurred in the unrestricted fund balances shall be reduced first from the committed fund balance, then from the assigned fund balance and lastly, the unassigned fund balance on an annual basis.

The Board of Education recognizes the need for carrying an operating reserve in the General Fund to:

1. Provide adequate working capital sufficient to meet the District's cash-flow requirements, thus minimizing any cash-flow borrowing during the annual operating cycle.
2. Function as a safeguard to fund unanticipated expenses that the District might incur or to fund unrealized revenues which may occur, but shall not be considered available to meet recurring operational expenses.
3. Demonstrate fiscal responsibility resulting in a high credit rating which will help to reduce District borrowing costs.

In recognition of these needs, the Board shall continually strive to develop operating budgets which will add sufficient funds each year to the operating Fund balance.

**Adoption Date: August 26, 1996**

**Amended Dates: June 22, 1998 and June 27, 2011**