

<b>5510</b>	<b>Fiscal Accounting and Fund Balance</b>
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The following policy has been adopted by the Board of Education in order to address the requirements of Governmental Accounting Standards Board (“GASB”) Statement No. 54, Fund Balance Reporting and Governmental Fund Definitions. The policy is created in consideration of unanticipated events that could adversely affect the financial condition of the district and jeopardize the continuation of necessary public services. This policy will ensure that the district maintains adequate fund balances and reserves in order to:

- a. Provide sufficient cash flow for daily financial needs,
- b. Secure and maintain investment grade bond ratings,
- c. Offset significant economic downturns or revenue shortfalls, and
- d. Provide funds for unforeseen expenditures related to emergencies.

Fund balance measures the net financial resources available to finance expenditures of future periods. 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 emergencies. The Unassigned General Fund Balance may only be appropriated by resolution of the Board of Education. The Purchasing Agent is responsible for assignment of funds for outstanding encumbrances.

#### **Prioritization of Fund Balance Usage**

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the district to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the District that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

#### **Minimum Unassigned Fund Balance**

The district will attempt to maintain a minimum unassigned fund balance in its General Fund of at least two percent of the subsequent year’s general fund budget. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts.

#### **Implementation and Review**

Upon adoption of this policy the Board of Education authorizes the Assistant Superintendent for Business to establish any standards and procedures which may be necessary for its implementation. The Assistant Superintendent for Business shall review this policy at least annually and make any recommendations for changes to the Board of Education.

Adoption Date: 07/10/2019