

***FUND BALANCE POLICY***

The District shall follow all applicable regulations regarding Fund Balance. Some of the agencies that are responsible for those regulations include, but are not limited to, the following:

- Governmental Accounting Standards Board (GASB)
- Nevada Revised Statutes (NRS)
- Nevada Administrative Code (NAC)

**FUND BALANCE CLASSIFICATIONS**

Fund Balance is defined as the net position of a governmental fund (difference between fund assets and fund liabilities). GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, subdivides fund balance into five separate classifications: non-spendable, restricted, committed, assigned, and unassigned. These classifications apply to governmental funds (General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds) only; not to proprietary funds (internal service funds and enterprise funds) or trust funds.

**SPENDING ORDER OF FUND BALANCES**

Fund balance classifications should be representative of the nature of the net resources reported in the fund. An individual fund may be comprised of a single classification or many classifications. In general, when both restricted and unrestricted resources are available for expenditure it is the District's policy to expend restricted resources then unrestricted resources. GASB Statement No. 54 expands the application of this spending order policy to the fund level for both restricted and unrestricted (committed, assigned and unassigned) resources. In instances where unrestricted funds are available for a specific intended purpose, committed resources will be expended first then assigned resources and unassigned resources.

**BUDGETED GENERAL FUND TOTAL ENDING FUND BALANCE**

The total budgeted ending fund balance (all categories) shall total at least 4% of the total actual expenditures from the General Fund for the previous fiscal year per Nevada Administrative Code (NAC) 354.650.

References: GASB Statement No. 54, NRS 354.608, NAC 354.650