

Title: Fund Balance Reporting

District accounting practices will follow state and federal laws and regulations, generally accepted accounting principles (GAAP), and the uniform financial accounting system provided by the Iowa Department of Education. As advised by the District's auditor, determination of liabilities and assets, prioritization of expenditures of government funds, and provisions for accounting disclosures shall be made in accordance with governmental accounting standards.

The District follows Governmental Accounting Standards Board (Summary of Statement 54), Fund Balance Reporting and Governmental Fund Type Definitions, which establishes accounting and financial reporting standards for all governments that report governmental funds, and requires the District to disclose certain requirements.

The fund balance identified as 'committed fund balance' will be determined by the Board of Directors and will require formal board action. An identified committed fund balance should be for a specific purpose pursuant to constraints imposed by the formal action of the Board of Directors. The Board of Directors will take action to 'commit' a fund balance prior to year-end (June 30) of the year the original committed amount is determined. The exact amount of the committed balance may be determined after the year-end; however, in compliance with GASB 54 the intended committed purpose must be identified, prior to year-end (June 30).

In the event that a committed fund balance is identified subsequent to year-end (June 30), the amount will be reflected on the balance sheet as assigned for that year.

The committed amounts cannot be used for any other purpose unless the Board of Education at a public meeting by formal action makes changes to or rescinds the committed balance.

The Board of Directors authorizes the Chief Financial Officer to assign amounts to a specific purpose in compliance with GASB 54. An assigned Fund Balance should be reported for constraints by the District's intent to be used for specific purpose, but are not restricted or committed.

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In accordance with GASB 54 the District identifies that when an expenditure is incurred, it is applied to the highest level of classification of fund balance and then subsequently applied, as appropriate, to honor constraints on the specific purposes for which amounts in those fund balances can be spent.

Cross Reference

Legal Reference:

Governmental Accounting Standards Board(GASB)
Statement 54

Approved: May 24, 2011

Reviewed: _____

Revised: February 23, 2016

March 28, 2023