

SUBJECT: FUND BALANCE

The Board recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the 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.

Components of the fund balances (essentially a legally authorized savings account designated for a specific purpose) are an important component in the District's financial planning for future projects, acquisitions and other lawful purposes. To this end, the District may establish and maintain various fund balances in accordance with New York State Laws, Commissioner's Regulations, opinions issued by the Office of New York State Comptroller and/or GASB as applicable.

Fund Balance Classifications

Fund balance is a measurement of available financial resources. Fund balance is the difference between total assets and total liabilities in each fund. Fund balances are identified by the level of constraints placed upon how the resources can be spent. There are five classifications of fund balance. They are:

Nonspendable- consists of assets that are inherently nonexpendable in the current period either because of their form or they must be maintained intact.

Restricted- consists of amounts that are subject to externally enforceable legal restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed- consists of amounts that are subject to a constraint imposed by the Board of Education before the end of the fiscal year and that require the same level of formal action to remove the constraint.

Assigned- consists of amounts that are subject to a constraint that represents an intended use established by the Board of Education or their designated official. The purpose of the assignment must be narrower than the purpose of the fund in the general

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fund, and in funds other than the general fund, assigned fund balance represents the residual fund balance component.

Unassigned- represents the residual classification for the District's general fund and could report a surplus or deficit. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Periodic Review and Annual Report

The Board of Education will periodically review all fund balances. The District will also prepare and submit an annual report of all fund balances to the Board of Education. The annual report shall include the following information for each fund balance:

- a) The type and description of the fund balance;
- b) The date the fund balance was established and the amount of each sum paid into the fund;
- c) The interest earned by the fund balance;
- d) Capital gains or losses resulting from the sale of investments of the fund balance;
- e) The total amount and date of each withdrawal from the fund balance;
- f) The total assets of the fund balance showing cash balance and a schedule of investments;
- g) An analysis of the projected needs for the fund balance in the upcoming fiscal year and a recommendation regarding funding those projections.

The Board shall utilize the information in the annual report to make necessary decisions to adequately maintain and manage the District's fund balances, while mindful of its role and responsibility as a fiduciary of public funds.

Adopted: 06/15/2011