

**BOARD OF TRUSTEES  
CARSON CITY SCHOOL DISTRICT**

**POLICY No. 616  
FINANCES**

**FUND BALANCE ACCOUNTING & REPORTING**

The District establishes this fund balance policy to address the various requirements set forth in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and to establish a minimum ending fund balance.

**CLASSIFICATIONS OF FUND BALANCE**

The term fund balance is used to describe the difference between the assets and liabilities reported in a governmental fund. The five classifications of fund balance established by GASB Statement No. 54 and applicable to governmental funds are listed below.

**Non-spendable Fund Balance**

This will include amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

**Restricted Fund Balance**

This will include amounts that are restricted for specific purposes as stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or rescinded only with the consent of resource providers.

**Committed Fund Balance**

This will include amounts that can only be used for the specific purposes determined by a formal action of the District’s highest level of decision-making authority, the Board of Trustees of the Carson City School District. The action to commit funds must occur prior to fiscal year-end to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year end. Commitments may be changed or lifted only by the District taking the same formal action that imposed the constraint originally (for example: a resolution).

## **POLICY No. 616 - CONTINUED**

### **Assigned Fund Balance**

This will include amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the District Board of Trustees or (b) the Director of Fiscal Services. Assignments may occur subsequent to fiscal year-end. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as non-spendable, restricted, or committed.

### **Unassigned Fund Balance**

This will be the residual classification for the General Fund, which represents the net resources in excess of what can be properly classified in one of the above four categories. The General Fund shall be the only fund that reports a positive unassigned fund balance amount. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned amounts are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally, unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

**References:** GASB Statement No. 54

**Adopted:** February 12, 2013