

**PARK COUNTY SCHOOL DISTRICT #6
BOARD OF EDUCATION POLICY**

CODE: DFAB

FUND BALANCES

The Board of Trustees for Park County School District No 6 recognizes the District uses and maintains diverse funds with assorted requirements on cash balances, investments, and other asset and liability accounts. Additionally, Governmental Accounting Standards Board (GASB) #54 has increased the reporting requirement of fund balances for financial statement purposes. Since fund balance reporting has a direct influence on state funding, it is the intention of the Board of Trustees to clarify how fund balances will be reported.

Park County School District No 6 will utilize GASB #54 fund balance definitions for financial reporting for all governmental fund types. These classifications are intended to depict the nature of the net resources that are reported in a governmental fund. An individual governmental fund could include any combination of these fund balance classifications:

Nonspendable Fund Balances

These fund balances are the net balance of assets and liabilities that are held legally, contractually, or in a 'not in spendable form'. Inventories, prepaid expenditures (such as insurance), and other items not in a spendable form are included as well as those items legally or contractually held.

Restricted Fund Balances

These fund balances are the net balance of assets and liabilities that have provisions that are externally imposed. These are grants or other funds that are restricted by debt covenants, the grantor, contributor, or by laws or regulations of external governments. In general, these include a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the grants, debt covenant or by law.

Committed Fund Balances

Committed Fund Balances are those imposed by a formal action taken by the Board of Trustees. Once the Board of Trustees has taken formal action the assets cannot be used for other purposes unless the Board of Trustees removes or changes the specified use by taking the same action it employed previously committing those balances.

Assigned Fund Balances

Assigned Fund Balances are the net amounts of assets and liabilities constrained by the intent of the Board of Trustees. The intent will not be done by formal action of the Board of Trustees but will be part of items such as the adopted budget or in a statement by the Board of trustees or by the Director of Business and Finance.

Unassigned Fund Balances

Typically unassigned fund balances will be limited to the general fund and by definition they are the residual balance for fund balance.

Adopted: 5/17/2011