Code No. 802.11

GASB 54

In as much as GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, which establishes accounting and financial reporting standards for all governments that report governmental funds requires the District to disclose certain requirements, the District identifies the following as District operating policy.

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 or rescind the committed balance.

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

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

Approved May/June 2011 Reviewed September/October 2016 Revised