

FUND BALANCE

The Board of Education recognizes that the maintenance of a fund balance is essential to the financial integrity of the school district and is fiscally advantageous for both the district and the taxpayer.

Fund Balance measures the net financial resources available to finance expenditures within current or future periods. The Fund Balance may only be appropriated by resolution of the Board of Education unless voter approval is required. Amendments or modification to the applied or transferred fund balance must also be approved by formal action of the Board of Education.

Fund Balance classifications will be reported by the District in accordance with accounting standards issued by the GASB (Governmental Accounting Standards Board) Statement 54 (Fund Balance reporting and Governmental Fund Type Definitions) as follows:

Nonspendable – Amounts that cannot be spent because they are in a non-spendable form (e.g., inventory) or legally or contractually required to be maintained intact (e.g. principal of a permanent fund).

Restricted – Amounts limited by external parties, or legislation (e.g., grants or donations).

Committed – Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority (i.e., Board of Education); to be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.

Assigned – Amount intended to be used for a specific purpose; intent can be expressed by the Board of Education or by an official or body to which the Board delegates the authority.

Unassigned – Amounts available for consumption or not restricted in any manner. These amounts are reported only in the General Fund.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications as defined by GASB 54, the Board will assess the current financial condition of the district and then determine which fund balance classification will be charged.

Great Neck Public Schools
Adopted: 07/05/11