

**Fund Balance****School Board Approved: August 8, 2011**

In accordance with the governmental accounting standard, GASB Statement No. 54, the Jaffrey-Rindge School Board recognizes the following five categories of fund balance for financial reporting purposes:

1. **Non-spendable Fund Balance** - non-cash assets such as inventories or prepaid items and principal of endowment funds.
2. **Restricted Fund Balance** - funds legally restricted for specific purposes, such as grants, food service, reserve funds and expendable trust funds.
3. **Committed Fund Balance** - amounts that can only be used for specific purposes pursuant to a formal vote of the legislative body such as warrant articles approved by the voters authorizing non-lapsing appropriations or transfers to a capital reserve or expendable trust fund for a specified purpose.
4. **Assigned Fund Balance** - amounts intended by the Jaffrey-Rindge School Board for specific purposes. Items that would fall under this type of fund balance could be reserve for encumbrances, open contracts and purchase orders.
5. **Unassigned Fund Balance** - residual spendable fund balance after subtracting all of the above amounts.

**Spending Prioritizations**

1. When an expenditure is incurred that would qualify for payment with either restricted or unrestricted funds, it will be paid from restricted funds.
2. When an expenditure is incurred that qualifies for payment from either of the three unrestricted fund balance categories, it will be applied in the following order:  
1) Committed, 2) Assigned, 3) Unassigned.

**Assigned Fund Balance** - The Jaffrey-Rindge School Board expressly delegates to the Superintendent or his/her designee the authority under this policy to assign funds for particular purposes. Deficit Fund Balance At year end, if any of the special revenue funds (i.e. food service, vocational education funds, etc.) has a deficit unassigned fund balance then the Superintendent or his/her designee is authorized



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to transfer funds from the general fund to cover the deficit, providing the general fund has money to do so.

**Unassigned Fund Balance** - The Jaffrey-Rindge School Board will turn back any unassigned general fund balance at year-end to offset the next fiscal year's tax rate for the Towns of Jaffrey and Rindge.

**Annual Review** Compliance with the provisions of this policy shall be reviewed as part of the annual budget adoption process.

Legal references:

Governmental Accounting Standards Board Statement 54 (GASB 54)

RSA 32, Municipal Budget Law

RSA 33, Municipal Finance Act

RSA 35, Capital Reserve Funds

RSA 198, School Money