

### **MANAGEMENT OF FUND BALANCES AND CAPITAL RESERVES**

The Board of Trustees for Laramie County School District #2 recognizes the District uses and maintains diverse funds with assorted requirements on balances of cash, investments and other assets and liability accounts. Additionally, Governmental Accounting Standards Board (GASB) #54 has increased the reporting requirement on 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. The school district will use fund balances definitions in GASB #54 for financial reporting for all governmental fund types. The 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 classifications.

It will be the policy of Laramie County School District #2 to use restricted resources first where applicable, then committed funds, then assigned funds, and last, unassigned resources, for all expenditures from governmental funds.