

Financial Terms and Definitions



The general ledger totals should match debit and credit balances of the trial balance.

If the net cash resources exceed the three months average expenditures, TDA must require that the school district take action to reduce the excess fund balance.



- Trial Balance:** Record of all the balances of general ledger accounts. The total of debit balances and credit balances should equal.
- General Ledger:** Summary of the School Food Authorities assets, liabilities, fund balance, revenues, and expenses transactions identified by an account number.
- Statement of Activities (Revenue and Expenditures):** The financial report of all revenues and expenditures earned and expended for a given period.
- Statement of Net Position (Balance Sheet):** This financial statement reports the amount of assets, liabilities, and fund balance of a specified date.
- Fund Balance:**
(Carryover balance from the PY + Total Revenues minus Total Expenditures)
- Excess Fund Balance**
 - i. **Net Cash Resources:** Assets (excluding inventories) minus Liabilities
 - ii. **Three-month average operating cost =**
(Total Expenditures ÷ Total Number of Operating months) x 3
 - iii. **Excess Fund Balance =**
(Sum of Number 1 – Sum of Number 2)

