

**Brackett Independent School District  
Resolution of the Brackett Independent School District Board of Trustees  
Establishing Fund Balance Policies as required by GASB 54**

**RESOLUTION APPROVING ADOPTION OF GASB 54 STANDARDS AND  
APPLICATIONS**

**WHEREAS**, the Governmental Accounting Standards Board ("GASB") has adopted Statement 54 ("GASB"), a new standard for governmental fund balance reporting and governmental fund type definitions that became effective in governmental fiscal years starting after June 15, 2010, and

**WHEREAS**, Brackett Independent School District elects to implement GASB 54 requirements, and to apply such requirements to its financial statements beginning with the current July 1, 2010 – June 30, 2011 fiscal year;

**NOW, THEREFORE, BE IT RESOLVED THAT BRACKETT INDEPENDENT SCHOOL DISTRICT ADOPTS THE FOLLOWING POLICY:**

**FUND BALANCE POLICY**

Fund balance measures the net financial resources available to finance expenditures of future periods.

The District's Unassigned General Fund Balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The Unassigned General Fund Balance may only be appropriated by resolution of the Board of Trustees.

Fund Balance of the District may be committed for a specific source by a formal action of the Brackett ISD Board of Trustees. Amendments or modifications of the committed fund balance must also be approved by formal action of the Brackett ISD Board of Trustees.

When it is appropriate for fund balance to be assigned, the board delegates the responsibility to assign funds to the Superintendent or his/her designee. Assignments may occur subsequent to fiscal year-end.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows:

- Restricted Fund Balance
- Committed Fund Balance
- Assigned Fund Balance
- Unassigned Fund Balance

**BE IT RESOLVED** that Brackett I S D Board of Trustees commits the total fund balance of Campus Activity Funds reported in the Special Revenue Fund.

**AND BE IT RESOLVED** that Brackett I S D's financial goal is to have a sufficient balance in the operating fund with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The District shall strive to maintain a yearly unassigned fund balance of 25 percent of the total operating expenditures.

The above Resolution is adopted this 27<sup>th</sup> day of June, 2011

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Board President

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Board Secretary