

**S&S Consolidated Independent School District
Resolution of the S&S Consolidated Independent School District
Establishing Fund Balance Policies as required by GASB 54**

WHEREAS, the Government Accounting Standards Board ("GASB") has adopted Statement 54 ("GASB 54"), 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, S&S Consolidated Independent School District ("S&S CISD") elects to implement GASB 54 requirements, and to apply such requirements to its financial statements beginning with the August 31, 2012 fiscal year; and

NOW THEREFORE BE IT RESOLVED THAT S&S Consolidated Independent School District hereby adopts the following policy:

FUND BALANCE POLICY

Fund balance measures the net financial resources available to the 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 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 formal action of the S&S CISD Board of Trustees. Amendments or modifications of the committed fund balance must also be approved by formal action of the S&S CISD Board of Trustees.

When it is appropriate for fund balance to be assigned, the Board delegates authority to the Superintendent or the Superintendent's designee.

In circumstances where 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 as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly unassigned fund balance.

BE IT RESOLVED that S&S CISD Board of Trustees commits \$1,000,000 of the fund balance of the General Fund for capital replacement projects such as major roof repairs and purchase of transportation equipment.

AND BE IT RESOLVED that S&S CISD's financial goal is to maintain 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 fund balance in the general operating fund in which the total fund balance is sixty days of operating expenditures.

This above Resolution is adopted this 17 day of September 2012.

Board President

Board Secretary