

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

**WHEREAS**, the Governmental 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**, the River Road Independent School District ("RRISD") elects to implement GASB 54 requirements, and to apply such requirements to its financial statements beginning with the current July 1, 2011 - June 30, 2012 fiscal year; and

**NOW THEREFORE BE IT RESOLVED THAT** the River Road Independent School District hereby 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 formal action of the RRISD Board of Trustees. Amendments or modifications of the committed fund balance must also be approved by formal action of the RRISD Board of Trustees.

When it is appropriate for fund balance to be assigned, the Board delegates such authority to the Superintendent or the Business Manager.

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, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

**NOW THEREFORE BE IT RESOLVED** that RRISD Board of Trustees commits the following portions of its July 1, 2011, General Fund Balance, as follows:

\$500,000 is committed for future Capital Replacement expenditures.

\$500,000 is committed for Major Maintenance expenditures.

**BE IT RESOLVED** that the River Road ISD Board of Trustees commits the total fund balance of Campus Activity Funds reported in the Special Revenue Fund.

**AND BE IT RESOLVED** that the River Road ISD'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 fund balance in the general operating fund in which the total fund balance is 33 percent of the total operating expenditures and the Unassigned fund balance is 20 percent of the total operating expenditures.

The above Resolution is adopted this 13<sup>th</sup> day of June, 2011.

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Board President

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Board Secretary