



Board Action Required ☒

No Action Required ☐

Date: November 14, 2011

To: CISD Board of Trustees

From: Kelly Penny

CC: Dr. Jeff Turner, Sid Grant

RE: Consideration of Committing \$3,000,000 Operating Fund Balance under Governmental Accounting Standards Board (GASB) Statement No. 54

To ensure responsible fiscal management and financial integrity, the Board of Trustees adopted a Fund Balance Resolution in October 2010 Designating \$3M of the General Fund fund balance for potential litigation, land development, and equipment replacement. In August, to adhere to the new Governmental Accounting Standards Board Statement No. 54 (GASB 54), the Board of Trustees took action to Commit Fund Balance for these defined purposes for the 2010-2011 financial statements with the amount to be determined in the subsequent period.

Based upon the new reporting guidelines, board action in August 2011 constrained resources for potential litigation, land development, equipment replacement and residential set-aside. However, the specific amount was to be determined in the subsequent period, as allowed by GASB 54.

Classification of Committed Fund Balance as Defined by GASB

- Amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources.
- Action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period.

Recommendation: That the Coppell ISD Board of Trustees approve the resolution to commit \$3,000,000 in Operating Fund fund balance.