



BOARD OF TRUSTEES

Date: September 22, 2025 Prepared By: Jimmy Steen
Subject: Discuss and Consider Fund Balance Resolution

Action

PURPOSE:

To approve the Fund Balance Resolution.

BACKGROUND INFORMATION:

A school district's fund balance is made up of four categories: restricted, committed, assigned and unassigned.

Districts are required to analyze their fund balance commitments and bring to the board on an annual basis a resolution to update the "committed" fund balance. The board has the option to pass a new resolution to use the funds in a different manner at any time. The commitment of fund balance communicates to auditors and Texas Education Agency (TEA) a rationale for the excess fund balance beyond the three months operating balance threshold.

The administration recommends MISD commit \$4,880,000 for future construction projects.

The administration recommends MISD commit \$1,500,000 for replacement of the High School Roof.

The administration recommends MISD commit \$500,000 in contingency reserve for an insurance deductible.

The administration recommends MISD commit \$72,783 of fund balance for the retirement incentive.

RECOMMENDATION:

Approve the resolution for Fund Balance Commitment as presented.

BOARD ACTION REQUIRED

Possible motion: I move to approve the following resolution:

Now therefore be it resolved, ordered, and directed that the Millsap Independent School district commit the following portions of its August 31, 2024 General Fund unassigned fund balance:

\$4,880,000 for future construction projects

\$1,500,000 for the replacement of the High School roof

\$500,000 in contingency reserve for an insurance deductible

\$72,783 for retirement incentive