

College Station Independent School District

Success...each life...each day...each hour

MEMORANDUM

To: Dr. Eddie Coulson, Superintendent
From: Glynn Walker, Deputy Superintendent
Date: July 13, 2011
Subject: Consider Approval of GASB 54 resolution
Agenda Item: J-6
Board Priority/
District Goal: Priority 3/Goal 5

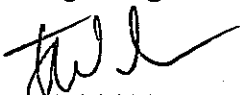
BACKGROUND

The Governmental Accounting Standards Board (GASB) released Statement 54 – “Fund Balance Reporting and Governmental Fund Type Definitions” on March 11, 2009, which is effective for fiscal year end August 2011. This new Statement is intended to improve the usefulness of the amount reported in fund balance by providing more structured classification. This Statement does not apply to Enterprise Funds, Internal Service Funds, and externally restricted reserves. Currently, fund balance is classified as ‘reserved’ and ‘unreserved’. Unreserved fund balance may be further allocated into designated and undesignated. GASB 54 will change how fund balance is reported. The hierarchy of five possible classifications is as follows:

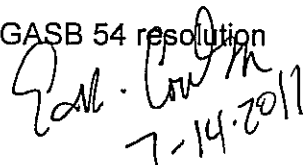
- **Non-spendable Fund Balance** includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually.
- **Restricted Fund Balance** includes amounts constrained for a specific purpose by external parties (e.g., Debt Service, Capital Projects, and Federal Funds).
- **Committed Fund Balance** includes amounts constrained for a specific purpose by a government using its highest level of decision-making authority (e.g., Land, Capital Replacement Reserve).
- **Assigned Fund Balance** includes general fund amounts constrained for a specific purpose by a governing board or by an official that has been delegated authority to assign amounts.
- **Unassigned Fund Balance** is the residual classification for the general fund.

RECOMMENDATION

It is recommended that the College Station ISD Board of Trustees approve the GASB 54 resolution regarding fund balance reporting.


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