

**SISKIYOU UNION HIGH SCHOOL DISTRICT
RESOLUTION FOR FUND BALANCE CLASSIFICATIONS IN ACCORDANCE
WITH GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)
STATEMENT 54**

RESOLUTION NO. 19-20-05

WHEREAS, the Governmental Accounting Standards Board (GASB) has issued Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*; and

WHEREAS, the Siskiyou Union High School District and the Siskiyou Union High School Board of Trustees intend to comply with the requirements of GASB 54; and

WHEREAS, GASB 54 consists of five separate components of Fund Balance, each of which identifies the extent to which the District Office is bound to honor constraints on the specific purpose for which amounts can be spent. The five categories of Fund Balance are:

- **Nonspendable Fund Balance** - funds that cannot be spent due to their form (e.g. inventories and prepaids) or funds that legally or contractually must be maintained intact.
- **Restricted Fund Balance** - funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.
- **Committed Fund Balance** - funds that are subject to internal constraints self-imposed by formal action of the District Office's highest level of decision making authority (governing board). Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds. The circumstances in which the resources are used must be specific and nonroutine. At the time of adoption of this board resolution, the District Office has the following reserves that meet this component of fund balance.
 - **General Fund** – Upon adoption of this resolution, the residual fund balance above the Reserve for Economic Uncertainties will be **committed** above the state reserve standard. The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. Due to the recently enacted cap on school district reserves of double the state required minimum for economic uncertainties (or 8% for Siskiyou Union High School District), the district has established this would not be sufficient reserves to protect the district from volatility in funding or expenditures, managing cash flow, addressing unexpected costs, and reducing costs of borrowing. The district has identified that 4% will be District match, 2% for increases in CalSTRS and CalPERS employer contribution rates, and LCAP goals, \$40,011.39 will be from one-time revenue for school safety, \$48,942.61 will be from one-time

revenue for nursing, and counseling service, and remaining residual balance for unanticipated/cash flow (not to exceed 5%). Any other use the committed fund balance is expressly prohibited by adoption of this policy, unless or until, such time as this policy is amended or rescinded.

- **Deferred Maintenance Fund** – Upon adoption of this policy, the residual balance in the Deferred Maintenance Fund, \$80,000.00 of the LCFF/RL Apportionment will be deposited to this fund and any earnings on the fund are hereby committed to the purpose of Facilities Maintenance. Any other use of these funds is expressly prohibited by adoption of this policy, unless or until, such time as this policy is amended or rescinded.
- **Pupil Transportation Equipment Fund** - – Upon adoption of this policy, the residual balance in the Pupil Transportation Fund, district will make an interfund transfer of \$10,000 to this fund and any earnings on the fund are hereby committed to the purpose of acquisition, rehabilitation, or replacement of equipment used to transport students. Any other use of these funds is expressly prohibited by adoption of this policy, unless or until, such time as this policy is amended or rescinded.
- **Special Reserve for Other Post Employment Benefits** – Upon adoption of this policy, the residual balance in the Special Reserve for Other Post Employment Benefits, all amounts subsequently deposited to this fund and any earnings on the fund are hereby committed to the purpose of Other Post Employment Benefits. Any other use of these funds is expressly prohibited by adoption of this policy, unless or until, such time as this policy is amended or rescinded. For external financial reporting purposes, including the annual SACS end of year unaudited actual, and the District's annual audited financial statements, Fund 20 will be combined with the General Fund. The entire ending balance so added to the General Fund will be reported as Committed for retiree benefits.
- **Special Reserve for Capital Outlay Projects** – Upon adoption of this policy, are hereby committed to the purpose of acquisition or construction of major capital facilities. Any other use of these funds is expressly prohibited by adoption of this policy, unless or until, such time as this policy is amended or rescinded.
- **Assigned Fund Balance** - funds that are set aside with the intent to be used for a specific purpose by the District Office's highest level of decision making authority (governing board) or an official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance. This resolution hereby delegates the authority to assign amounts to be used for specific purposes to the Superintendent for the purpose of reporting these amounts in the annual financial statements and budget reports.

- **Unassigned Fund Balance** – residual funds that have not been classified in the previous two categories. This classification includes the **Reserve for Economic Uncertainties** maintained pursuant to the Criteria and Standards for fiscal solvency adopted by the State Board of Education. The District Office is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls, cash deferrals or unpredicted expenditures. The District Office will maintain the State recommended level for economic uncertainty plus an additional designated reserve based on recommendations from Siskiyou County Office of Education, FCMAT, and School Services of California.

WHEREAS, the District Office considers restricted fund balances to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District Office considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of the Siskiyou Union High School District, hereby establishes fund balance classification as described above and delegates authority to assign amounts to be used for specific purposes to the Superintendent.

PASSED AND ADOPTED THIS 26th day of June, 2019, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAINED: _____

Clerk of the Board