

# Governmental Accounting Standards Board Statement 54 (GASB-54)

Initial Presentation: May 17, 2011

Second Presentation: June 7, 2011

# GASB-54

The Goal of this new standard is to more clearly define the categories used to report fund balances

- \* GASB-54 does not change the amount of fund balance reported
- \* GASB-54 does not change most aspects of day-today accounting
- \* It is effective for financial statements for fiscal year 2010-11

# GASB-54

GASB-54 depicts the spending constraints on the use of District resources in the following funds:

Fund 01.0 General Fund

Fund 12.0 Child Development Fund

Fund 13.0 Cafeteria Fund

**Fund 14.0 Deferred Maintenance Fund**

**Fund 20.0 Postemployment Benefits Fund**

Fund 21.0 Building Fund

Fund 25.0 Capital Facilities Fund

Fund 35.0 County Schools Facilities Fund

Fund 40.1 Special Reserve – Capital  
Projects Fund

Fund 40.2 Special Reserve – Food Capital  
Projects Fund

**Fund 56.0 Debt Service Fund**

# GASB-54

## The Fund Balance consists of five categories:

- \* ***Non-spendable*** – Cannot be spent due to their form, or legally must be maintained intact, e.g. inventories
- \* ***Restricted*** – Mandated for a specific purpose by external parties, e.g. State & Federal
- \* ***Committed*** – Set aside for a specific purpose by the district's governing board
- \* ***Assigned*** – Set aside with the intent to be used for a specific purpose by an official designated by the district's governing board
- \* ***Unassigned*** – Excess funds that have not been classified in the previous four categories.

# GASB-54

## Next Steps:

- \* Adopt a Resolution Related to GASB 54 – June 21st
  - Define Reserve Categories
  - Define Authority to Assign
  - Designate Committed Funds – Deferred Maintenance
  - Establish Spending Sequence of Reserves
    - Most Restricted  $\longrightarrow$  Least Restricted
  - Establish Minimum Reserve for Economic Uncertainties
    - 3% Recommendation  $\longrightarrow$  \$6.6 Million
    - ❖ If 5%  $\longrightarrow$  \$11 Million
    - ❖ If 8%  $\longrightarrow$  \$17.6 Million

# GASB-54

## Classification of Fund Balances

### Funds Previously Discussed

#### Auditor Recommendation

- Fund 14.0 – Deferred Maintenance Fund - Commit
- Fund 20.0 – Postemployment Benefits Fund - Unassigned
- Fund 56.0 – Debt Service Fund – Assign COP Payoff Amount Balance - Unassigned