



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: June 18, 2026

Presenter: Susie Lackorn

Subject: Fund Balance Commitments Related Page(s): Attachment

ACTION ITEM

BACKGROUND INFORMATION

Governmental Accounting Standards Board (GASB) Statement No. 54 was enacted to enhance the usefulness of fund balance information and to clarify existing governmental fund type definitions. The requirements improve financial reporting by providing fund balance categories and classifications that are more easily understood and more consistently applied by governments. It establishes fund balance classifications based on the constraints imposed upon a government's use of the resources reported in its governmental funds.

ADMINISTRATIVE CONSIDERATION

Under the rules of GASB 54, fund balances in special revenue funds that are not already restricted by a third party (i.e., the grantor) should be committed for a specific purpose. Further, fund balances in capital projects funds not already restricted by bond covenant should be committed for capital projects. The Board of Trustees has the sole authority to commit fund balances.

Committed fund balances are considered released from commitment as expenditures are incurred for the purpose of the commitment.

BUDGETARY CONSIDERATION

There is no budgetary consideration.

ADMINISTRATIVE RECOMMENDATION

It is recommended the Board of Trustees approve the resolution committing certain fund balances as of June 30, 2026.

BOARD ACTION REQUIRED

Approval/Disapproval