

Board Information Item

Information
Packet

Board Agenda
Information

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Action

Board Agenda
Consent

05/18/2026

Subject:

Consider and Act on Resolution Rescinding Committed Fund Balance and Reclassifying as Assigned Fund Balance

Contact Person:

Rick DeMasters, Interim Superintendent
Carla Settle, Chief Financial Officer
Paula McBride, Director of Finance
Paula Barbaroux, Chief Operations Officer

Policy/Code:

Board Policy CE(LOCAL), Annual Operating Budget

**Priority and
Performance
Objective:**

Priority 4: Strong Financial Stewardship and Internal System Efficiency
Objective 4.1: Transparent Financial Stewardship

Summary:

GASB 54 (Governmental Accounting Standards Board) establishes the reporting rules of fund balances for governmental entities. The objective of GASB 54 is to enhance the usefulness of fund balance information provided in the financial statements. This statement applies to fund balances reported in the General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects Fund and Permanent Fund.

GASB 54 establishes five fund balance classifications:

1. **Nonspendable**: Pertains to inventories or prepaid items.
2. **Restricted**: Reserved for specific purposes outlined by constitution, external resource providers, or enabling legislation.
3. **Committed**: Allocated for specific purposes based on formal action by the Board of Trustees; usage is constrained unless modified through a similar action.

4. **Assigned**: Intended for specific purposes without meeting the criteria for restricted or committed status; constraints are imposed by the District's administration.
5. **Unassigned**: Reserved for the government's general fund, encompassing all spendable amounts not classified in other categories.

Under GASB 54, the Board is responsible for designating fund balance. Previously, the Board of Trustees earmarked \$4,000,000 of the general fund balance as “committed” fund balance for major maintenance. Currently, the Board also has \$500,000 committed for claims and judgements and \$500,000 for self-insurance.

The recommendation is to change the committed fund balance of \$4,000,000 for major maintenance to assigned fund balance for major maintenance. The proposed change from the committed portion of the total fund balance to assigned fund balance supports the highest rating on the FIRST.

Attachments:

Resolution Rescinding a Commitment of Fund Balance and Reclassifying as Assigned Fund Balance

Recommendation:

The recommendation is for the Board of Trustees to approve the resolution to rescind the \$4,000,000 general fund committed fund balance for major maintenance and reclassify it to assigned fund balance for major maintenance.

Grapevine-Colleyville Independent School District
Resolution of the Grapevine-Colleyville Independent School District Board of Trustees
Resolution Rescinding a Commitment of Fund Balance and Reclassifying as Assigned
under GASB Statement No. 54

WHEREAS, the Governmental Accounting Standards Board ("GASB") has adopted Statement 54 ("GASB 54"), a standard for governmental fund balance reporting and governmental fund type definitions that became effective in governmental fiscal years starting after June 15, 2010, and

WHEREAS, the Grapevine-Colleyville Independent School District (GCISD) Board of Trustees previously committed \$4,000,000 for the purpose of major maintenance via a Resolution; and

WHEREAS, the Grapevine-Colleyville Independent School District (GCISD) has determined that formal commitment is no longer necessary, but the intent to use the funds for major maintenance remains;

NOW THEREFORE BE IT RESOLVED by the Grapevine-Colleyville Independent School District (GCISD) Board of Trustees that the formal commitment of \$4,000,000 for major maintenance is hereby rescinded and removed.

BE IT ALSO RESOLVED by the Grapevine-Colleyville Independent School District (GCISD) Board of Trustees hereby expresses its intent to use said funds for major maintenance, thereby classifying them as Assigned Fund Balance as defined by GASB Statement No. 54.

AND BE IT RESOLVED that the GCISD Board of Trustees' financial goal is to have a sufficient balance in the operating fund with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. Per the current Board Policy CE(LOCAL), the District shall maintain a yearly assigned and unassigned fund balance in the General Operating Fund of 20 percent of the total operating expenditures (net of TIF and recapture).

The above Resolution is adopted this 18th day of May 2026.

Board President

Board Secretary