
Fund balance is a measurement of available financial resources and is the difference between total assets and total liabilities in each governmental fund. The Okefenokee RESA Board of Control recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the RESA and is fiscally advantageous for both the District and its taxpayers. The Okefenokee RESA also seeks to maintain the highest possible credit ratings that are dependent, in part, on the RESA's maintenance of an adequate fund balance.

This policy provides for compliance with GASB Statement 54 and its objectives. The purpose of GASB Statement 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classification in its financial statements. The expanded fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Beginning with the most restrictive constraints, fund balance amounts are to be reported in the following categories:

1. **Nonspendable fund balance** – amounts that are not in a spendable form (e.g., inventory) or are legally or contractually required to be maintained intact (e.g., permanent fund principal).
2. **Restricted fund balance** – amounts that can be spent only for the specific purposes stipulated by external parties either constitutionally or through enabling legislation (e.g., grants or donations).
3. **Committed fund balance** – amounts that can be used only for the specific purposes determined by a formal action of the Board of Control. Commitments may be changed or lifted only by referring to the formal action that imposed the constraint originally (e.g., the Board's commitment in connection with future construction projects). The Board of Control categorizes the School Activity Funds as Committed Fund Balance.
4. **Assigned fund balance** – amounts intended to be used by the government for specific purposes. Intent can be expressed by the Board of Control or by a designee to whom the Board of Control delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed.
5. **Unassigned fund balance** – includes all amounts not contained in other classifications and is the residual classification of the general fund only. Unassigned amounts are available for any legal purpose.

The responsibility for designating funds to specific classifications shall be as follows:

Committed Fund Balance – The Board of Control is the RESA's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a motion approved by the Board.

Adopted: August 23, 2017

Assigned Fund Balance – The Board of Control has authorized the Executive Director and the Financial Officer as officials authorized to assign fund balance to a specific purpose as approved by this fund balance policy.

Policy Reference Disclaimer: These references are not intended to be part of the policy itself, nor do they indicate the basis or authority for the board to enact this policy. Instead, they are provided as additional resources for those interested in the subject matter of the policy.

Note: *The State of Georgia has moved the Georgia Code. This new environment no longer allows us to link directly to the Georgia Code. For example enter 20-02-0211 in the search window and the Georgia Code will appear.*

State Reference	Description
O.C.G.A 20-02-0167	Funding for direct instructional, media center and staff development costs; submission of budget

Adopted: August 23, 2017