

**RESOLUTION NO. 2012-06
ADOPTING FUND BALANCE POLICY IN ACCORDANCE WITH NEW
GASB 54 REQUIREMENTS**

WHEREAS, The Government Standards Accounting Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which establishes a hierarchy clarifying the constraints that govern how a government entity can use amounts reported as fund balance; and

WHEREAS, The Trustees of Reclamation District No. 1000 has determined that compliance with GASB 54 will clearly define new fund balance classifications; identify the Board of Trustees as the highest decision-making level of authority; identify authority and actions that lead to committed and assigned fund balances; and

WHEREAS, the Board of Trustees of Reclamation District No. 1000 has determined that certain commitments and assignments of fund balance may be necessary and that an amount established as a Flood Fight Fund will help ensure that there will be adequate financial resources for the District to conduct emergency operations during a flood event;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of Reclamation District No. 1000 hereby adopts the following to establish fund balance classifications for financial statement reporting:

- **Nonspendable Fund Balance:** For funds that cannot be spent due to their form or fund that legally or contractually must be maintained intact.

- **Restricted Fund Balance:** For funds that are mandated for specific purposes by external parties, constitutional provisions or enabling legislation. At the time of adoption of this resolution, the Board of Trustees hereby establishes the following restricted fund balance:
 - Metro Airpark Groundwater Pumping Fund to pay pumping costs for the discharge of groundwater received from the County's Metro Airpark detention basin into the Sacramento River.

- **Committed Fund Balance:** For funds set aside for specific purposes by the District's highest level of decision-making authority (Board of Trustees) pursuant to formal actions taken, such as a majority vote or resolution. These committed funds cannot be used for any other purpose unless the Board of Trustees removes or changes the specific use through the same type of formal action taken to establish the commitment. Board of Trustee action to commit fund balance needs to occur within the fiscal reporting period, no later than June 30th; however, the amount can be determined with the release of the financial statements. At the time of adoption of this resolution, the Board of Trustee hereby establishes the following committed fund balances:

- o Other Post Employment Benefits (OPEB): The District will commit the total expected unfunded liability balance for past service, amortization being paid over the period of ten years.
- **Assigned Fund Balance:** Funds that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. This resolution hereby delegates the authority to assign amounts to be used for the Flood Fight Fund to the District Manager for the purpose of reporting these amounts in the financial statements. Other purposes will be assigned by the Board of Trustees as deemed necessary.
- **Unassigned Fund Balance:** The residual positive net resources of the general fund in excess of what can be properly classified in one of the above four categories.
- **Flow Assumption:** When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. Similarly, when expenditures are incurred for which amounts in any of the unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

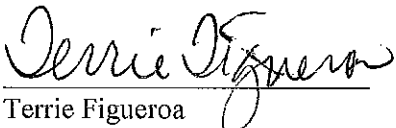
PASSED AND AOPTED this ^{8th} day of June, 2012, by the Board of Trustees of Reclamation District No. 1000.

AYES:

NOES:

ABSTAIN:

ABSENT:


 Terrie Figueroa
 Secretary, Board of Trustees


 David Christophel
 President, Board of Trustees