

AGENDA REQUEST FORM
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Meeting Date 8/20/13	Open Agenda Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Special Order Request Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Agenda Item Number A-2
--------------------------------	--	--	----------------------------------

TITLE:
Resolution Authorizing the Committed Fund Balance Reserves

REQUESTED ACTION:
Authorize Resolution #14-56, approving the Committed Fund Balance Reserves.

SUMMARY EXPLANATION AND BACKGROUND:
It is recommended that the School Board approve Resolution #14-56 authorizing to reserve the General Fund's fund balance in accordance with Governmental Accounting and Financial Standards Board's Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, by an estimated total of \$53 million for the following: \$25 million estimated reserve for health insurance and \$28 million estimated reserve for workers compensation and general liability. These committed reserves cannot be used for any other purpose unless the Board removes or changes the specific use through the same type of formal action taken that established the commitment. By committing these reserves, the assigned and unassigned percent will remain similar to last year.

SCHOOL BOARD GOALS:
 • Goal 1: High Quality Instruction.
 • Goal 2: Continuous Improvement.
 • Goal 3: Effective Communication.

FINANCIAL IMPACT:
There is no financial impact. The Resolution authorizes the Committed Fund Balance Reserves.

EXHIBITS: (List)
1. Resolution #14-56.

BOARD ACTION: APPROVED (For Official School Board Records' Office Only)	SOURCE OF ADDITIONAL INFORMATION: Oleg Gorokhovskiy <i>OG</i> 754-321-8354 Name Phone
---	--

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

I. Benjamin Leong, CPA, Chief Financial Officer
Office of Financial Management

AUG 20 2013

Approved in Open Board Meeting on: *Laurie Rich Levinson* School Board Chair

The School Board of Broward County, Florida

Resolution # 14-56

**RESOLUTION BY THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA,
AUTHORIZING THE FOLLOWING COMMITTED FUND BALANCE RESERVES**

WHEREAS, the School Board of Broward County, Florida authorizes to reserve the General Fund's fund balance, as defined herein, in accordance with Governmental Accounting and Financial Standards Board's Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, by an estimated total of \$53 million for the following: \$25 million estimated reserve for health insurance and \$28 million estimated reserve for workers compensation and general liability; and

WHEREAS, insurance funds were accounted for in the Internal Service Funds in the past; and

WHEREAS, now the health insurance, workers compensation, and general liability funds are properly accounted for in the General Fund; and

WHEREAS, the Governmental Accounting Standards Board's Statement No. 54 (GASB 54) requires that the reservation of these funds be classified as committed; and

WHEREAS, reserving these funds as committed fund balance in the General Fund will ensure that there are adequate financial resources to protect the District against unforeseen insurance expenditures or revenue shortfalls; and


WHEREAS, reserving these funds as committed fund balance in the General Fund will ensure that these funds are only used to pay future claims; and

WHEREAS, pursuant to GASB 54 only the School Board, being the government's highest level of decision making authority, can in the future redeploy the committed funds for other purposes with appropriate due process. These committed reserves cannot be used for any other purpose unless the Board removes or changes the specific use through the same type of formal action taken that established the commitment.

NOW, THEREFORE, BE IT RESOLVED, that the School Board of Broward County, Florida, authorizes to reserve the General Fund's fund balance by an estimated total of \$53 million as committed fund balance.

Given at Fort Lauderdale, Florida, this 20th day of August, 2013.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

BY: 
Laurie Rich Levinson, Chair

ATTEST: 
Robert W. Runcie, Superintendent of Schools