

**Corvallis Rural Fire Protection District  
Resolutions Adopting Governmental Accounting Standards Board  
Statement 54 - GASB 54**

**WHEREAS**, financial management is necessary for the control of the affairs of the Corvallis Rural Fire Protection District (Corvallis RFPD or District).

**WHEREAS**, sound accounting practices and policies are necessary for ensuring the integrity of financial records and the District funds.

**WHEREAS**, the Governmental Accounting Standards Board (GASB) has issued GASB Statement 54.

**THEREFORE BE IT RESOLVED** by the Corvallis RFPD Board, meeting in regular session at 544 NW Lewisburg Ave., Corvallis, Oregon on the 26th day of February, 2013, that the Corvallis RFPD hereby adopts the following GASB 54 policies:

**Minimum Fund Balance (General Fund) Policy**

The Corvallis Rural Fire Protection District (Corvallis RFPD) considers that it is prudent to establish a reserve for economic uncertainties to safeguard the District's financial stability. We have determined that a prudent reserve for a district of our size is a minimum of three percent of budgeted General Fund expenditures and other financing uses.

The Corvallis RFPD Board may appropriate unassigned fund balance purposes for emergency purposes, as deemed necessary, even if such use decreases the fund balance below the designated percentage. Emergency purposes do not include the offsetting of property taxes or mismanagement of funds.

**Policy Granting Authorization for Specific Members of Management to Assign Fund Balances**

The District's treasurer shall be responsible for monitoring and reporting the Corvallis RFPD's various reserves and fund balance categories. The treasurer is directed to make recommendations to the Corvallis RFPD Board on the use of reserve funds both as an element of the annual operating budget submission and from time to time throughout the year as needs may arise. Annually, the budget officer for the District shall be responsible for identification of resource assignments within the proposed budget document. The assignments contained within the adopted budget shall be considered approved by the Corvallis RFPD Board, and any changes in assignment shall be reported to the Board at each regular meeting.

**Flow Assumption (Spending Priority) Policy (i.e., restricted before unrestricted)**

When both restricted and unrestricted fund balances are available for use, it is the Corvallis RFPD's policy to use restricted fund balance first, then

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unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used. Additionally, all spendable, unrestricted revenue amounts in the special revenue funds, debt service funds, and capital projects funds are committed/assigned to be used for the purpose for which the fund was established.

**Policy Stating the Process for Committing Funds**

Commitment of fund balance shall be done through adoption of a resolution or ordinance by the Corvallis RFPD Board. Further, commitments of fund balance may be modified or rescinded only through approval of the District Board via resolution or ordinance.

**Policy Formalizing Fund Types in Order to be in Compliance with GASB Statement 54**

The Corvallis RFPD Board has analyzed the governmental funds of the District, and has determined the appropriate classification for financial reporting for each fund under GASB Statement 54 and that the following governmental funds shall be reported in the financial statements of the District as follows:

- General Fund
- Special Revenue Funds:
  - Rural Sign Fund
- Debt Service Funds
- Capital Projects Funds:
  - Capital Reserve Fund
  - Equipment Reserve Fund