

**ORDER BY THE BOARD OF DIRECTORS OF
UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT
ADOPTING A FUND BALANCE REPORTING POLICY**

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

WHEREAS, the Governmental Accounting Standards Board ("GASB") is the designated organization for establishing and improving standards of financial accounting and reporting of state and local governmental entities;

WHEREAS, GASB has previously issued a certain "Statement No. 54" ("GASB 54"), establishing new standards regarding the reporting and classifications of fund balances; and

WHEREAS, the Board of Directors of Upper Brushy Creek Water Control and Improvement District (the "District") desires to adopt a policy concerning the reporting and classification of District fund balances that incorporates the new standards of GASB 54.

NOW THEREFORE BE IT ORDERED BY THE BOARD OF DIRECTORS OF UPPER BRUSHY CREEK WATER CONTROL AND IMPROVEMENT DISTRICT THAT:

- I. The District adopts this Fund Balance Reporting Policy, based in part upon the standards set forth in GASB 54, which is provided below:
 - A. The District shall classify and report its fund balances in its balance sheet according to the following categories, as such terms are defined in GASB 54:
 - (i) Nonspendable;
 - (ii) Restricted;
 - (iii) Committed;
 - (iv) Assigned; or
 - (v) Unassigned.
 - B. The Board of Directors shall approve all fund commitments by formal action. The action to commit funds must occur prior to fiscal year-end, to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end. A commitment can only be modified or removed by the same formal action.
 - C. The Board of Directors shall have the authority to assign any amount of funds. Assignments may occur subsequent to fiscal year-end.

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- D. The Board of Directors will utilize funds in the following spending order:
- (i) Restricted
 - (ii) Committed
 - (iii) Assigned
 - (iv) Unassigned
2. The Secretary of the Board of Directors is hereby directed to file a copy of this Order in the official records of the District.
3. This Order shall be effective immediately.

ADOPTED this 9th day of September, 2011.

**UPPER BRUSHY CREEK WATER CONTROL
AND IMPROVEMENT DISTRICT**



Larry Quick, President