

RESOLUTION 2011-08-29

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LLANO, TEXAS ADOPTING GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT 54 (GASB 54) AND APPLICATIONS; SETTING AN EFFECTIVE DATE.

WHEREAS, the Governmental Accounting Standards Board (“GASB”) has adopted Statement 54 (“GASB”), a new standard for governmental fund balance reporting and governmental fund type definitions that became effective in governmental fiscal years starting after June 15, 2010, and

WHEREAS, the City elects to implement GASB 54 requirements, and to apply such requirements to its financial statements beginning with the current October 1, 2010 – September 30, 2011 fiscal year;

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF LLANO ADOPTS THE FOLLOWING POLICY:

SECTION 1. Fund Balance Policy. Fund balance shall mean the gross difference between governmental fund assets and liabilities reflected on the balance sheet.

SECTION 2. The Council shall report governmental fund balances per GASB 54 definitions in the balance sheet as follows:

- Nonspendable
- Restricted
- Committed
- Assigned
- Unassigned

SECTION 3. The Council shall approve all 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.

SECTION 4. This Resolution shall become effective upon passage.

SECTION 5. The Council will utilize funds in the following spending order:

- Restricted
- Committed
- Assigned
- Unassigned

PASSED, APPROVED AND RESOLVED in Llano, Texas, this the 29th day of August 2011.



Mike Reagor
Mike Reagor, Mayor

ATTEST:

Kerry Williams
Kerry Williams, City Secretary