

Resolution 259

Implementation of GASB 54

STATE OF TEXAS §

COUNTY OF BURNET §

The undersigned officers of the Board of Aldermen (the "board") of the City of Highland Haven (the "city"), hereby certify as follows:

1. The Board of Aldermen convened in regular meeting on June 9, 2011, at the regular designated meeting place with the following Board members present:

- Angelo Anzivino
- Lonnie Ball
- Gail Chenoweth
- Jackie Garrow
- Jim Holgate

and all of such persons were present, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

RESOLUTION APPROVING THE ADOPTION OF GASB 54 STANDARDS AND APPLICATIONS THEREOF:

was duly introduced for the consideration of the board and read in full. It was then duly moved and seconded that such Resolution be passed; and, after due discussion, such motion, carrying with it the passage of such Resolution, prevailed and carried by the following vote:

AYES 5 NOES 0 ABSTENTIONS 0

2. That a true, full and correct copy of such Resolution passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that such Resolution has been duly recorded in such board's minutes of such meeting; that the above and foregoing paragraph is a true, full and correct excerpt from such board's minutes of such meeting pertaining to the passage of such Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the board as indicated therein; that each of the officers and members of the board was duly and sufficiently notified officially and personally, in advance of the time, place and purpose of such meeting,

and that such Resolution would be introduced and considered for passage at such meeting, and each of such officers and members consented, in advance, to the holding of such meeting for such purpose; and that such meeting was open to the public, and public notice of the time, place and purpose of such meeting was given all as required by Chapter 551, Texas Government Code, as amended.

SIGNED AND SEALED this _____, 2011.

Peter E. Freehill, Mayor

Dana Turner, City Secretary

(SEAL)

RESOLUTION APPROVING ADOPTION OF GASB 54 STANDARDS AND APPLICATIONS

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 board elects to implement GASB 54 requirements, and to apply such requirements to its financial statements beginning with the current October 1, 2011 to August 30, 2012 fiscal year;

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF ALDERMEN OF THE CITY OF HIGHLAND HAVEN ADOPTS THE FOLLOWING POLICY:

FUND BALANCE POLICY

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

- The city shall report governmental fund balances per GASB 54 definitions in the balance sheet as follows:
 - Nonspendable
 - Restricted
 - Committed
 - Assigned
 - Unassigned

- The board 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.

- When it is appropriate for fund balance to be assigned, the board delegates the responsibility to assign funds to the mayor or his/her designee. Assignments may occur subsequent to fiscal year-end.

- The board will utilize funds in the following spending order:
 - Restricted
 - Committed
 - Assigned
 - Unassigned

Section 1. Open Meeting. It is hereby officially found and determined that the meeting at which this Policy was adopted was open to the public, and public notice of the time, place and purpose of the meeting was given, all as required by the Texas Open Meetings Act.

Section 2. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 3. Repealer. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.