

CITY OF SANDY OAKS, TEXAS

RESOLUTION NO. 2016-35

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANDY OAKS, TEXAS APPROVING THE COMMITMENT OF FUND BALANCES IN ACCORDANCE WITH GASB STATEMENT 54 STANDARDS AND APPLICATIONS.

WHEREAS, the Government Accounting Standards Board ("GASB") has adopted Statement 54 ("GASB Statement 54"), a new standard for government fund type which change the terminology used for fund balance reporting of governmental funds; and

WHEREAS, for financial statement reporting, GASB Statement 54 defines *restricted* amounts as those constrained to specific purposes by their providers through constitutional provisions or enabling legislation

WHEREAS, for financial reporting purposes, GASB Statement 54 defines *assigned* amounts as those the government intends to use for specific purposes; and

WHEREAS, when expenditures are incurred for which *restricted*, *committed*, *assigned*, or *unassigned* fund balances are available, the City of Sandy Oaks' ("City") policy is to first apply restricted fund balances; and

WHEREAS, when expenditures are incurred for purposes for which *committed*, *assigned*, or *unassigned* fund balances are available, the City's policy is to first apply *committed* fund balances, then *assigned* fund balances, and finally *unassigned* fund balances.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANDY OAKS, TEXAS that the City of Sandy Oaks hereby approves the following Fund Balance Policy:

**CITY OF SANDY OAKS
FUND BALANCE POLICY**

- 1) Fund balance is the difference between the assets and liabilities reported in the City's governmental funds. The City shall report governmental fund balances (per GASB Statement 54 definition) in the balance sheet as follows:

Nonspecified: Resources that cannot be spent because they are either not in a spendable form, such as inventories, prepaid items, or contractually required to be maintained intact, such as permanent funds.

Restricted: Resources having constraints that are either externally imposed by creditors, grantors, contributors, and laws or imposed by constitutional provisions or enabling legislation.