

**STATE OF TEXAS**

**COUNTY OF COMAL**

**ORDER No. 288**

**ADOPTING A FUND BALANCE POLICY IN ACCORDANCE WITH THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENT 54**

WHEREAS, The Governmental Accounting Standards Board (GASB) released Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions," which is effective for the fiscal year ending September 30, 2011; and

WHEREAS, the new Statement is intended to improve the usefulness of the amount reported in fund balance by providing more structured classifications; and

WHEREAS, this Statement applies to fund balance reported in the General Fund and does not apply to Enterprise Funds, Internal Service Funds, and extremely restricted reserves; and

WHEREAS, currently fund balance is classified as "reserved" or "unreserved." Unreserved fund balance may be further allocated into designated and undesignated; and

WHEREAS, GASB Statement 54 will change how fund balance is reported. The hierarchy of five possible GASB 54 classifications with which Comal County will comply is as follows:

- Non-Spendable Fund Balance - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually. (e.g. inventory, prepaid items).
- Restricted Fund Balance - includes amounts constrained for a specific purpose by external parties (e.g. Debt Service Fund, Capital Projects Fund, State and Federal grant funds).
- Committed Fund Balance - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority.
- Assigned Fund Balance - includes General Fund amounts constrained for a specific purpose by a governing body or by an official that has been delegated authority to assign amounts.
- Unassigned Fund Balance - is the residual classification for the General Fund.

WHEREAS, The Commissioners Court 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.

WHEREAS, when it is appropriate for fund balance to be assigned, the Commissioners Court retains the responsibility to assign funds. Assignments may occur subsequent to fiscal year end.

WHEREAS, Where appropriate, Comal County will typically use restricted, committed, and/or assigned fund balances, in that order, prior to using unassigned resources, but reserves the right to deviate from this general policy in the event of extraordinary circumstances.


WHEREAS, Comal County generally aims to maintain the following minimum fund balances:


- General Fund: Unassigned fund balance of approximately 25% of budgeted expenditures for the fiscal year, to be used for unanticipated needs.
- Road and Bridge Fund: Unassigned fund balance of approximately 25% of budgeted expenditures for the fiscal year, to be used for unanticipated needs.
- Debt Service Funds: Restricted fund balances of approximately 10% of the following year's debt service requirements, to be used for debt service.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF THE COUNTY OF COMAL, TEXAS that the Fund Balance Policy created in accordance with GASB Statement 54 is formally adopted.


ADOPTED this 15th day of DECEMBER, 2011.

  
Sherman Krause, County Judge

  
Donna Eccleston  
Commissioner, Pct. #1

  
Scott Haag  
Commissioner, Pct. #2

  
Gregory Parker  
Commissioner, Pct. #3

  
Jan Kennedy  
Commissioner, Pct. #4

ATTESTED:   
Joy Streater, County Clerk

