

Agenda Item Number 10.d.

Policies for Fund Balances

Presenter: Bob Swank

Action Recommended: Adopt Resolution 2011-4

GASB Statement 54, issued by the Government Accounting and Standards Board effective for the fiscal year ending June 30, 2011, requires fund balances to be reported in classifications that “comprise a hierarchy based on primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

In the past, LCOG classified its fund balances as either Designated or Undesignated. This new accounting standard creates more detailed classifications for fund balances.

Resolution 2011-4, recommended by LCOG’s auditor, Pauly, Rogers & Co., accomplishes this requirement.