



## Board of Directors Meeting

February 10, 2011

### Revised Fund Balance Policy

Item III.C.

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**Recommended Action:** Accept the Updated Fund Balance Policy

**Issue:** Government Accounting Standards Board Statement #54 Compliance

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#### Background:

Attached is a copy of the Fund Balance policy which reflects, in legislative style, the updates needed in order to reflect the new Government Accounting Standards Board (GASB). Statement No.54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Designations of general fund balances represent tentative plans for future use of financial resources. In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise the limitations on the funds. The fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned. These will be included in the updated policy.

Scott Davis, Senior Manager with Cherry, Bekaert & Holland, read through the fund balance policy update, and did not have any suggestions. Of course, GASB 54 is new and, as we continue through implementation, we will monitor for any future changes that might be necessary.