MEETING DATE: 07/25/2011

AGENDA ITEM: **(1) Adoption of a Resolution Classifying the Various Components of Fund Balance as Defined in Governmental Accounting Standards Board Statement Number 54 Effective with Fiscal Year 2010/2011 and (2) Delegation of Certain Authority to the City Manager and Chief Financial Officer.**

ATTACHMENTS

RESOLUTION NO. 2011-R____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CULVER CITY, CALIFORNIA, CLASSIFYING THE VARIOUS COMPONENTS OF FUND BALANCE AS DEFINED IN GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 54

WHEREAS, the Governmental Accounting Standards Board (GASB) has issued Statement No. 54 entitled "Fund Balance Reporting and Governmental Fund Type Definitions"; and,

WHEREAS, the City Council desires to classify the various components of fund balance reported by the City in accordance with GASB Statement No. 54; and,

WHEREAS, certain administrative authority must be expressly granted to staff by the City Council in accordance with GASB Statement No. 54;

WHEREAS, the City provides accounting services for all component units of the City including, but not limited to, the Culver City Redevelopment Agency.

NOW, THEREFORE, the City Council of the City of Culver City, California, DOES HEREBY RESOLVE as follows:

1. The City Council approves and defines the various components of fund balance as reported by the City as set forth in Exhibit A, attached hereto and incorporated herein by reference.

2. The classification and reporting of fund balance components as required by GASB Statement No. 54 shall become effective commencing with Fiscal Year 2010-2011.

3. The City Council designates the City Manager and Chief Financial Officer as the City officials to determine and define the amounts of those components of fund balance that are classified as "Assigned Fund Balance."

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4. The City Council designates the City Manager and the Chief Financial Officer with the authority to create new funds to be used for financial reporting when required.

5. This policy shall extend to all component units of the City including, but not limited to, the Culver City Redevelopment Agency.

APPROVED and ADOPTED this ______ day of __________2011.

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MICHEÁL O'LEARY, MAYOR
City of Culver City, California

ATTEST:

____
MARTIN R. COLE, City Clerk

A11-00380

APPROVED AS TO FORM:

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for CAROL A. SCHWAB, City Attorney

EXHIBIT "A"

VARIOUS COMPONENTS OF FUND BALANCE AS DEFINED BY GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 54

Nonspendable Fund Balance:
Petty Cash: The portion of fund balance that represents the asset amount of petty cash, held by a given fund.

Prepaid Expenditures: The portion of fund balance that represents the asset amount of prepaid expenditures, held by a given fund.

Notes Receivable: The portion of fund balance that represents the asset amount of notes receivable, held by a given fund.

Advances to Other Funds: The portion of fund balance that represents the asset amount of cash advanced to other funds, held by a given fund.

Loans Receivable: The portion of fund balance that represents the asset amount of loans receivable, held by a given fund.

Inventory: The portion of fund balance that represents the value of inventory items on hand, held by a given fund.

Land Held for Resale: The portion of fund balance that represents land owned by the City that is intended to be sold, held by a given fund.

Restricted Fund Balance:
Traffic Congestion Relief The portion of fund balance derived from funds received from the State to be used for future traffic congestion relief.

Debt Redemption: The portion of fund balance derived from those funds within a given fund that has been set aside for debt redemption.

Bond Proceed Requirement: The portion of fund balance that is to be used in compliance with the Bond Official Statement.

Bond Reserve Requirement: The portion of fund balance derived from those funds that are set aside from debt proceeds and maintained as security for holders of the debt.

State Gas Tax: The portion of fund balance derived from gas taxes to be used as specified by the California Streets and Highways Code.

Proposition 1B Street Improvements: The portion of fund balance derived from funds received from the State to fund street infrastructure projects.

Measure R: The portion of fund balance derived from county sales tax to fund transportation projects and programs.

Parking Improvements: The portion of fund balance derived from parking meter and other parking revenues to be used for major parking improvements.

Park Facilities: The portion of fund balance derived from funds received from subdivision/residential development impact fees for the improvement and expansion of public parks and facilities.

Proposition A and C Local Transit Assistance: The portion of fund balance derived from county sales tax fees collected to be used for funding local transit.

New Development: The portion of fund balance derived from fees collected on new non-residential development in excess of 5,000 square feet to street and traffic improvements.

Landscaping: The portion of fund balance derived from homeowner assessments to be used to maintain landscaping in the City.

Grants: The portion of fund balance derived from funds received for specific grant programs to be utilized in accordance with the grant restrictions.

Fund Balance - Restricted: The portion of fund balance that is in any non-general fund governmental fund that is restricted under the "Restricted Fund Balance: definition as prescribed by Governmental Accounting Standards Board Statement No. 54 and not otherwise defined in this category above.

Committed Fund Balance:

Capital Projects: The portion of fund balance that has been appropriated for specified capital projects and remains unspent.

Building Replacement: The portion of fund balance that is set aside each year during budget adoption to be used in future years for building maintenance and repairs.

Arterial System Finance Program (ASFP): The portion of fund balance that has been appropriated for specific public improvements in connection with a particular development project and remains unspent.

Fund Balance - Committed: The portion of fund balance that is in any non-general fund governmental fund that is committed under the "Committed Fund Balance: definition as prescribed by Governmental Accounting Standards Board Statement No. 54 and not otherwise defined in this category above.

Assigned Fund Balance:

Donations: Used to account for the portion of fund balance that is derived from unrestricted donations made to the City.

Fund Balance - Assigned: The portion of fund balance that is in any non-general fund governmental fund that is assigned under the "Assigned Fund Balance" definition as prescribed by Governmental Accounting Standards Board Statement No. 54 and not otherwise defined in this category above.

Unassigned Fund Balance (General Fund Only):
Prior Year Available Fund Balance: The portion of fund balance that is brought forward from the prior fiscal year and is available for appropriation to fund current fiscal year activities.

Contingency Reserve: The portion of fund balance that has been set aside as the City's reserve for contingencies per the financial reserve policy.

Fund Balance: Any portion of General Fund fund balance that does not fall under any of the fund balance definitions presented above.