



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#13-1236

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee Feldman, ICMA-CM, City Manager

DATE: September 17, 2013

TITLE: Resolution to adopt a Fund Balance Policy

Recommendation

It is recommended that the City Commission adopt a resolution approving a Fund Balance Policy to comply with Government Accounting Standards Board (GASB) Statement No. 54 beginning with Fiscal Year ending September 30, 2013.

Background

GASB is responsible for issuing government accounting statements that prescribe how governments should report their financial information in the Comprehensive Annual Financial Report (CAFR). The City's financial statements must be prepared in accordance with these statements to receive a "clean" opinion from the City's external auditors. Receiving a "clean opinion" is very important to readers of the City's financial statements such as bond rating agencies, government oversight agencies, and the neighbors of Fort Lauderdale.

In February 2009, GASB issued Statement No. 54, Fund Balance Reporting and Governmental Type Definitions, to address issues related to how fund balance was being reported in governmental financial statements. The intent of the statement was to bring greater transparency and consistency to fund balance reporting in the governmental sector. The new categories and terminology focuses not on financial resources available for appropriation, but on "the extent to which the government is bound to honor constraints on specific purpose for which amounts in the fund can be spent."

The City began reporting on the new fund balance classification in the Fiscal Year 2011 CAFR, however never adopted an official fund balance policy as recommended. The amounts reported as total fund balance in any given fund are not altered, only the reporting of the individual components that make up the total fund balance has changed. This policy recommendation is the first in a series of Financial Integrity Principles and Policies that will be presented to the City Commission for adoption over the course of the next year as outlined in the Commission Annual Action Plan.

Resource Impact

There is no fiscal impact to the City.

Attachments:

Exhibit 1 – Resolution 13-

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