

To: Board of Supervisors
From: David Twa, County Administrator
Date: June 28, 2011



Contra
Costa
County

Subject: GENERAL FUND RESERVE POLICY

RECOMMENDATION(S):

ADOPT revision to the General Fund Reserve Policy (Resolution No. 2005/792) to comply with terminology revisions required by the Governmental Accounting Standards Board (GASB) Statement No. 54- Fund Balance Reporting and Governmental Fund Type Definitions.

FISCAL IMPACT:

No fiscal impact. The revision is a change in terminology and does impact the fund balance.

BACKGROUND:

The Board of Supervisors established a General Fund Reserve Policy on December 20, 2005 (attached). In March 2009, the GASB issued Statement No 54 (GASB-54) in an effort to improve the consistency in reporting fund balance components, enhance fund balance presentation, and improve the usefulness of fund balance information reported in the Comprehensive Annual Financial Report (CAFR). In summary, GASB-54 introduces new terminology and classification of fund balance in governmental funds for reporting purposes as of June 30, 2010.

APPROVE

OTHER

RECOMMENDATION OF CNTY ADMINISTRATOR

RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: 06/28/2011

APPROVED AS RECOMMENDED

OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYES

NOES

ABSENT

ABSTAIN

RECUSE

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: June 28, 2011

David J. Twa, County Administrator and
Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Lisa Driscoll, County Finance Director (925) 335-1023

cc: Elizabeth Verigin, Assistant Auditor-Controller

BACKGROUND: (CONT'D)

The County Administrator's Office has been working closely with the Auditor-Controller's Department to verify that the County's current fiscal practices and policies comply with GASB-54. Very few changes to County policies are required. A revised General Fund Reserve Policy will be brought to the Board at year end close (September 2011); however, there is one change that is required prior to July 1, 2011. Due to a change in terminology, the County Administrator and Auditor-Controller are recommending that the word 'unreserved' be changed to the new term of 'unassigned' in the first statement of the County's General Fund Reserve Policy (as shown below).

1. Contra Costa County will strive to achieve a minimum ~~unreserved~~ *unassigned* General Fund balance of 5% of budgeted General Fund revenues and a minimum total General Fund balance of 10% of budgeted General Fund revenues;

CONSEQUENCE OF NEGATIVE ACTION:

Existing policy will not be in compliance with GASB 54.

CHILDREN'S IMPACT STATEMENT:

None.