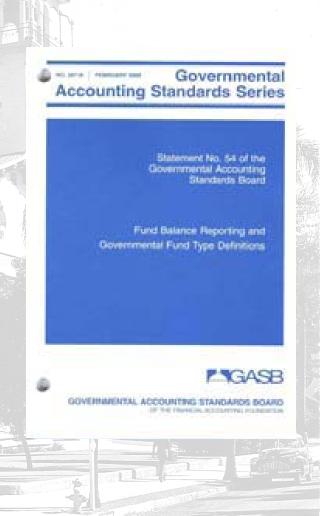
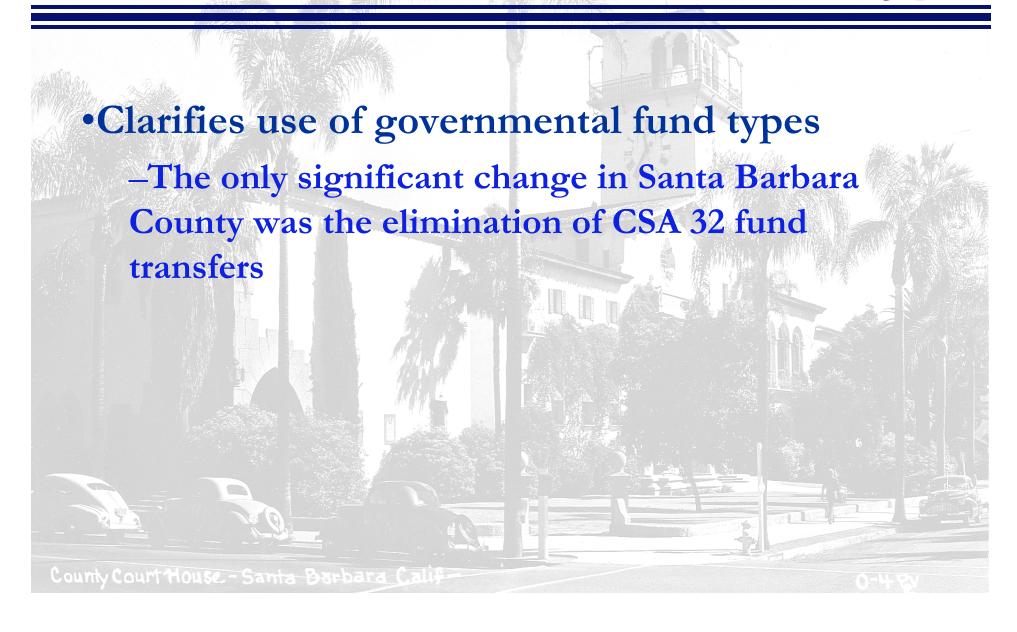
# GASB 54 The New Fund Balance Santa Barbara County Auditor-Controller June 21, 2011 Robert W. Geis, CPA **Auditor-Controller**

## Fund Balance Reporting and Governmental Fund Type

- Definitions
- •What it does:
  - -Clarifies use of governmental fund types
  - -Changes how fund balance is presented
- •Effective: June 30, 2011



#### **Governmental Fund Type**



#### What Is Fund Balance?

- Governmental funds only
- •Fund balance = assets liabilities

- •Fund balance before GASB 54
  - -Reserved fund balance
  - -Unreserved fund balance
    - Designated fund balance
    - •Unreserved undesignated fund balance

#### What Is Fund Balance?

- Governmental funds only
- •Fund balance = assets liabilities
- •Fund balance after GASB 54
  - -Focus on "extent to which government is bound to honor constraints on specific purposes for which amounts in those funds can be spent"
  - -Five (5) categories of fund balance, based on
    - What is the limitation?
    - Who says so?

## **Fund Balance Categories**



## Reporting Changes

#### **Old Format**

Fund 0001 -- General

As of: 6/30/2011 Accounting Period: OPEN

	Beginning Balance 7/1/2010	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 6/30/2011
Equity				
2000 Fund Balance-Reserved	27,237,635.05	1,500,350.00	153,961.56	25,891,246.61
2100 Fund Balance-Designated	61,274,481.03	17,940,771.17	30,846,765.01	74,180,474.87
2200 Fund Balance-Unres & Undes	643,478.69	1,584,095,058.38	1,545,555,182.79	-37,896,396.90
Total Equity	89,155,594.77	1,603,536,179.55	1,576,555,909.36	62,175,324.58
Total Liabilities, Equity & Other Credits	103,154,292.58	2,365,280,541.04	2,348,794,802.37	86,668,553.91

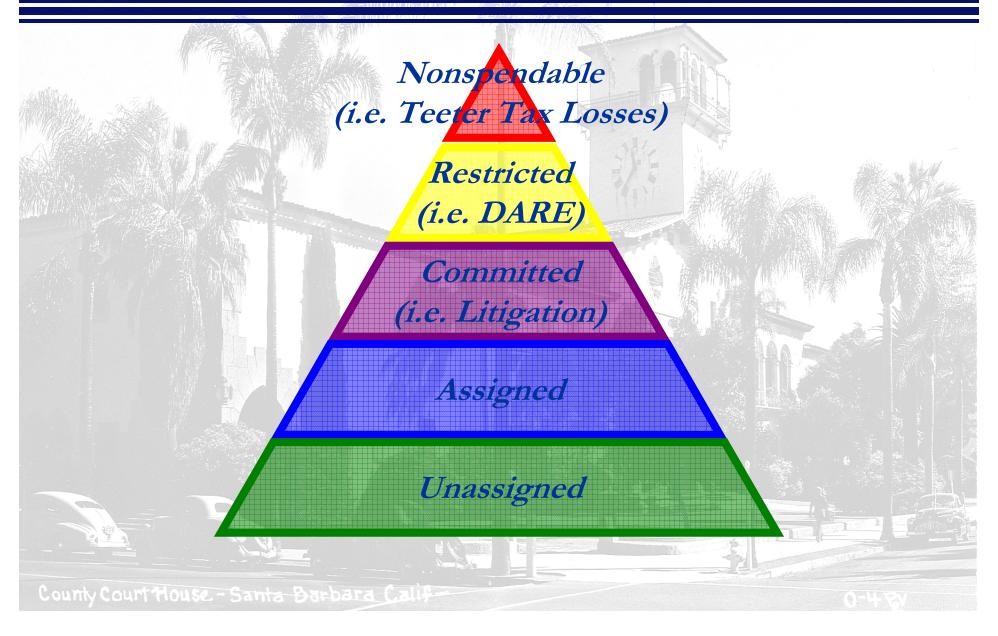
#### **New Format**

<b>—</b>	_	$\alpha \alpha \alpha A$	General	
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As of: 6/30/2011 Accounting Period: OPEN

	Beginning Balance 7/1/2010	Year-To-Date Debits	Year-To-Date Credits	6/30/2011
Equity				
2110 Fund Balance-Nonspendable	26,796,965.33	1,500,000.00	124,723.00	25,421,688.33
2120 Fund Balance-Restricted	7,304,672.43	1,463,309.46	2,881,628.83	8,722,991.80
2130 Fund Balance-Committed	54,410,478.32	16,477,811.71	27,994,374.74	65,927,041.35
2200 Fund Balance-Residual	643,478.69	1,584,095,058.38	1,545,555,182.79	-37,896,396.90
Total Equity	89,155,594.77	1,603,536,179.55	1,576,555,909.36	62,175,324.58
Total Liabilities, Equity & Other Credits	103,154,292.58	2,365,280,541.04	2,348,794,802.37	86,668,553.91

#### **New Fund Balance Categories**



## **Fund Balance Components**

Fund 0001 General			Acco	unting Period: OPEN	
Line Item Account	Beginning Balance 7/1/2010	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 6/30/2011	
General Ledger Account 2110 Fund Balance	e-Nonspendable				
9602 Receivables	20,305,811.70	1,500,000.00	0.00	18,805,811.70	
9605 Prepaids/Deposits	50,000.00	0.00	0.00	50,000.00	
9610 Teeter Tax Losses	6,441,153.63	0.00	124,723.00	6,565,876.63	
Total Fund Balance-Nonspendable	26,796,965.33	1,500,000.00	124,723.00	25,421,688.33	A HE WAY
General Ledger Account 2120 Fund Balance	e-Restricted				
9715 Maintenance-Casa Nueva Bldg	417,919.72	0.00	29,038.56	446,958.28	
9733 State Off Hwy Fee	146,926.64	0.00	0.00	146,926.64	
9744 Recorder Modernization	631,921.22	485,703.00	520,183.00	666,401.22	
9758 Forfeiture Penalty	512,029.42	43,997.57	274,763.41	742,795.26	
9759 Gaviota Bikeway	313,582.50	2,039.15	2,122.74	313,666.09	
9762 Real Estate Fraud	28,122.80	0.00	0.00	28,122.80	
9767 Assessor AB818	552,982.94	0.00	0.00	552,982.94	- 34.0
9768 Public Safety Prop 172	146,402.07	0.00	0.00	146,402.07	2= 1
9770 Probation LLEBG	0.00	0.00	0.00	0.00	
9773 Donations	177,128.22	26,846.75	500.00	150,781.47	
9774 Public Arts Program	323,649.86	3,062.04	616,817.29	937,405.11	
9777 Probation LESF/COPS	3,568.15	23.23	120.97	3,665.89	
9778 Survey Monument	356,418.71	0.00	12,220.00	368,638.71	
9780 Animal Control Programs	103,242.38	8,044.00	25,744.92	120,943.30	
9782 P&D Offsite Mitigation	1,030,490.25	153,314.85	21,895.78	899,071.18	
9783 Vital Records	246,697.64	0.00	40,921.65	287,619.29	
9787 DARE	40,383.79	0.00	0.00	40,383.79	
9789 Probation Programs	163,622.63	34,683.87	808,136.99	937,075.75	
9791 Sheriff Categorical Grants	1,948,318.59	705,595.00	279,807.52	1,522,531.11	
9792 Recorder Micrographics	159,794.90	0.00	82,979.00	242,773.90	
9793 Recorder Redaction	1,470.00	0.00	83,188.00	84,658.00	
9794 Recorder ERDS	0.00	0.00	83,189.00	83,189.00	
Total Fund Balance-Restricted	7,304,672.43	1,463,309.46	2,881,628.83	8,722,991.80	

#### **Fund Balance Components**

1,315,401.80

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As of: 6/16/2011

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527,759.37

67,934.41

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40,000.00

Accounting Period: OPEN

Line Item Account	Beginning Balance 7/1/2010	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 6/30/2011
General Ledger Account 2130 Fund Balar	ice-Committed			
9811 Mental Health	0.00	0.00	0.00	0.00
9821 Imprest Cash	22,750.00	350.00	200.00	22,600.00
9822 County Executive Programs	578,728.00	0.00	0.00	578,728.00
9823 Ag Commissioner Projects	39,455.00	25,000.00	0.00	14,455.00
9824 Housing Programs	29,444.00	20,527.00	0.00	8,917.00
9825 Clerk Record Assessor Projects	824,580.83	0.00	0.00	824,580.83
9826 General Services Projects	41,200.00	0.00	0.00	41,200.00
9827 Treas Tax Collector Projects	3,033,984.00	161,164.81	0.00	2,872,819.19
9828 General County Programs	431,654.00	0.00	0.00	431,654.00
9829 Human Resources Programs	449,906.00	177,000.00	177,000.00	449,906.00
9830 Accumulated Capital Outlay	4,375,974.76	2,517,427.48	2,100,000.00	3,958,547.28
9834 Auditor Systems Maint/Develop	876,234.69	0.00	300,000.00	1,176,234.69
9840 Strategic Reserve	21,045,713.00	1,203,267.00	6,739,386.00	26,581,832.00
9841 Sheriff Projects	1,617,723.04	1,312,116.35	112,898.00	418,504.69
9842 Elections Voting Equipment	2,015,416.03	103,982.97	103,982.97	2,015,416.03
9845 Litigation	3,622,699.64	496,898.98	386,934.00	3,512,734.66
9846 ARRA Matching	580,383.00	0.00	0.00	580,383.00
9848 Parks Projects	0.00	0.00	0.00	0.00
9849 Salary & Benefits Reductions	114,010.00	2,196,591.00	3,789,943.00	1,707,362.00
9850 Salary & Retirement Offset	2,365,926.47	0.00	0.00	2,365,926.47

836,589.79

387,759.37

67,934.41

10,151.57

40,000.00

9851 -- Facilities Maintenance

9855 -- P&D Land Use System

9860 -- Toxic Waste Monitoring

9866 -- Building & Safety Permitting

9857 -- Rental Maintenance

Fund 0001 -- General

#### **Fund Balance Components**

As of: 6/16/2011

					unting Period: OPEN		
	Line Item Account	Beginning Balance 7/1/2010	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 6/30/2011		
	General Ledger Account 2130 Fund Balance	e-Committed					
	9868 District Attorney Programs	3,041.00	0.00	0.00	3,041.00		
	9875 Energy Projects	0.00	0.00	0.00	0.00		
	9876 Audit Exceptions	8,779,382.00	4,282,686.98	6,984,884.00	11,481,579.02		
	9881 Public Health Programs	15,010.76	15,010.76	0.00	0.00		
	9882 Planning/Development Projects	435,005.59	234,700.31	237,528.85	437,834.13		
	9889 Probation Programs	1,059,655.79	966,055.00	0.00	93,600.79		
	9890 Program Restoration	0.00	883,805.64	3,972,037.00	3,088,231.36		
	9897 Unrealized Gains	482,515.58	535,844.63	53,329.05	0.00~		
	9898 Contingencies	227,650.00	29,981.00	896,251.87	1,093,920.87		
	Total Fund Balance-Committed	54,410,478.32	16,477,811.71	27,994,374.74	65,927,041.35		
	General Ledger Account 2200 Fund Balance-Residual						
	*** NOT ON FILE ***	643,478.69	1,584,095,058.38	1,545,555,182.79	-37,896,396.90		
	Total Fund Balance-Residual	643,478.69	1,584,095,058.38	1,545,555,182.79	-37,896,396.90		
	Total General	89,155,594.77	1,603,536,179.55	1,576,555,909.36	62,175,324.58		

#### **Fund Balance Policy**

- What is the purpose of a fund balance policy?
  - -Provide guidance for the management of the governmental fund balance, which represents the net assets or financial position of the county, and providing for a financial "cushion" against unanticipated events
- •Focus of fund balance policy?

Unrestricted fund balance

- -Committed
- -Assigned
- -Unassigned

#### **Fund Balance Policy**

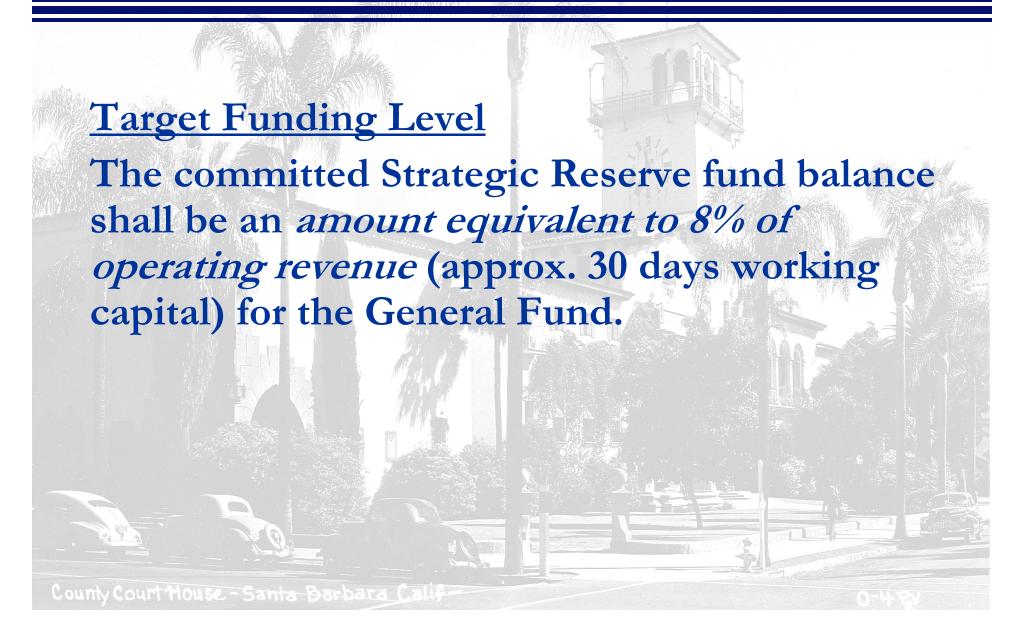
#### **Essential Elements**

- Appropriate level of fund balance
  - •Minimum amount, or
  - •Range
- Circumstances for spending down
- Policy for replenishment

## Stabilization Arrangements (Rainy Day Funds/Strategic Reserve)

- •The Strategic Reserve will be classified as Committed fund balance if the following two requirements are included in the policy:
  - Sufficiently specific stated purpose
  - •Non-routine
- •Without a policy, the Strategic Reserve will classified as Unassigned fund balance for financial statement reporting purposes

#### **Strategic Reserve Policy**



#### Purpose of Strategic Reserve

- Purpose of the County's Strategic Reserve
  - 1.Mitigate economic downturns that reduce County general revenue
  - 2.Mitigate State or Federal budget actions that may reduce County revenue
  - 3. Maintain core service levels essential to public health, safety and welfare
  - 4.Front-fund or completely fund disaster costs associated with emergencies.
  - 5. Absorb liability settlements in excess of available resources in the litigation designation.

#### Purpose of Strategic Reserve

