

Minutes of a regular meeting of the Chippewa County Board of Commissioners, held at the Chippewa County Courthouse, 319 Court St., Sault Ste. Marie, Michigan on the 12th day of December, 2011 at 6:00 p.m.

PRESENT: Scott Shackleton, Jim Moore, Don Cooper, Ted Postula, Don McLean, Jesse Knoll and George Kinsella

ABSENT: None

The following preamble and resolution was offered by Commissioner Cooper and seconded by Commissioner McLean.

**RESOLUTION NO. 11-23**  
**Resolution Establishing Fund Balances Policies as Required by GASB 54**  
**Chippewa County, State of Michigan**

**Whereas**, the Governmental Accounting Standards Board (“GASB”) has adopted Statement 54 (“GASB”), a new standard for governmental fund balance reporting and governmental fund type definitions, and

**Whereas**, Chippewa County wishes to comply with GASB 54 as required beginning with the year ended December 31, 2011.

**Therefore Be It Resolved**, that Chippewa County hereby adopts the following policy:

**FUND BALANCE POLICIES**

Fund balance measures the net financial resources available to finance expenditures of future periods. Fund balance is the difference between assets and liabilities reported in a governmental fund. The County’s **Unassigned General Fund Balance** will be maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without unnecessary borrowing. The Unassigned General Fund Balance may only be appropriated by Resolution of the Board of Commissioners. It is recognized that it will not always be possible to avoid borrowing to provide cash flow.

Fund Balance of the County may be committed for a specific source by formal action of the Board of Commissioners. Amendments or modifications to the **Committed Fund Balance** must also be approved by formal action of the Board. Committed Fund Balance does not lapse at year end.

Fund Balance of the County may be assigned for a specific purpose by the Finance Committee. **Assigned Fund Balance** does not lapse at year end.

**Restricted Fund Balance** are those amounts that can only be spent for the specific purposes stipulated by external resource providers.

**Nonspendable Fund Balance** includes amounts that are not in a spendable form. Examples include inventory.

For purposes of fund balance classification, expenditures are to be spent from Restricted Fund balance first (when appropriate), followed in order by Assigned Fund Balance, Committed Fund balance and lastly, Unassigned Fund Balance.

An annual reporting of fund balance as classified in accordance with GASB 54 shall be as reported in the annual Audited Financial Statements of Chippewa County.

