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**LANCASTER COUNTY, NEBRASKA
GASB 54 FUND BALANCE POLICY**

The following policy is adopted by the Lancaster County Board of Commissioners in order to adhere to the implications of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*. The Fund Balance Policy is established based upon a long-term perspective. This policy shall only apply to the County's governmental funds and specifically excludes internal service funds.

Fund Type Definitions include:

1. The General Fund, used to account for all financial resources not accounted for and reported in any other fund.
2. Special Revenue Funds, used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.
3. Debt Service Funds, used to account for all financial resources restricted, committed, or assigned to expenditure for principal and interest.
4. Capital Projects Funds, used to account for all financial resources restricted, committed, or assigned to expenditure for the acquisition or construction of capital assets.
5. Permanent Funds, used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the County's purposes.

Fund Balance will be reported under the following five categories:

1. **Nonspendable Fund Balance** consists of funds that cannot be spent due to their form (i.e., prepaid inventories) or funds that legally or contractually must be maintained intact (endowments).
2. **Restricted Fund Balance** consists of funds that are mandated for a specific purpose by external parties, constitutional provisions, or enabling legislation.
3. **Committed Fund Balance** consists of funds that are set aside for a specific purpose by the County Board of Commissioners, the County's highest level of decision making authority. Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.
4. **Assigned Fund Balance** consists of funds that are set aside with the intent to be used for a specific purpose by the County Board of Commissioners, the County's highest level of decision making authority or a body or official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance.
5. **Unassigned Fund Balance** consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

Fund Balance is essentially defined as the difference between the assets and liabilities reported in a government fund. It is calculated as Beginning Fund Balance plus Revenues less Expenditures = Ending Fund Balance.

Prioritization of Fund Balance Use

The order in which fund balances will be spent will be in the following order: 1-Restricted balances, 2-Committed, 3-Assigned, and 4-Unassigned. This order will be used for the reporting of fund balances in financial statements. Lancaster County does not have any nonspendable fund balance.

Authority to Commit Funds

The Lancaster County Board has the authority to set aside funds for a specific purpose. Any funds set aside as Committed Fund Balance requires the passage of a resolution by a majority vote.

Authority to Assign Funds

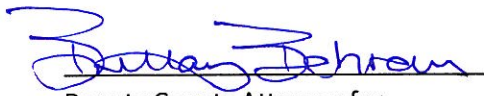
Upon passage of the Fund Balance Policy, authority is given to the Lancaster County Budget and Fiscal Officer to assign funds for specific purposes. Any funds set aside as Assigned Fund Balance must be reported to the County Board at their next staff meeting. The County Board has the authority to remove or change the assignment of funds with a majority vote.


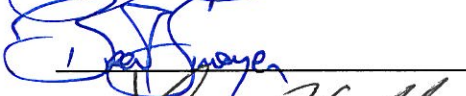
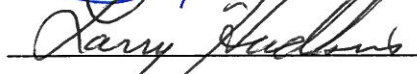
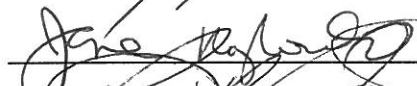

Attachments to this policy include:

- List of existing Lancaster County funds, by type, as of 6/30/2013

EXECUTED this 20 day of May, 2014, by Lancaster County, Nebraska.

APPROVED AS TO FORM
this 20 day of May, 2014


Deputy County Attorney for
JOE KELLY, County Attorney

BY: 





LANCASTER COUNTY FUNDS, BY FUND TYPE
GASB 54

General Fund

- Fund 11 - Lancaster County General Fund
- Fund 26 - Veterans Aid

Special Revenue Funds

- Fund 18 – Visitors Improvement
- Fund 19 – Visitors Promotion
- Fund 20 – County Rural Library
- Fund 27 – Grants
- Fund 28 - Keno
- Fund 30 – Economic Development
- Fund 51 - Building Fund
- Fund 61 – Lancaster Manor
- Fund 63 – Community Mental Health Center
- Fund 64 – Weed Control
- Fund 65 – County/City Property Management
- Fund 66 – County Property Management
- Fund 67 - City Building Maintenance

Debt Service Funds

- Fund 41 – Debt Service Fund

Capital Projects Funds

- Fund 21 – Bridge & Road
- Fund 22 - Highway
- Fund 52 - Jail Savings

Permanent Funds

- None

Excluded from GASB 54 Fund Balance Reporting

Internal Service Funds

- Fund 12 – Workers Compensation Loss
- Fund 13 – Other Self-Insurance
- Fund 14 – Employees Insurance