

Delegation of Authority to Business Manager to Determine the Categorization of Fund Balances

The Governmental Accounting Standards Board (GASB) is an organization whose main purpose is to improve and create accounting reporting standards (or generally accepted accounting principles, "GAAP"). GAAP are uniform minimum standards of, and guidelines to, financial accounting and reporting. Adherence to GAAP assures that financial reports of all state and local governments contain the same types of financial statements and disclosures, for the same categories and types of funds and account groups, based on the same measurement and classification criteria.

In February 2009, GASB issued a statement (Number 54) to standardize the presentation of fund balances across governmental organizations in their Comprehensive Annual Financial Reports (CAFR).

The statement *Fund Balance Reporting and Governmental Fund Type Definitions* does not change the calculation of fund balances. Former fund classification terms "Reserved", "Designated" and "Unreserved" were revised to "Nonspendable", "Restricted", "Committed", "Assigned" and "Unassigned".

The GASB also requires that the Governing Board formally designate an authority to determine how to categorize fund balances. This designation is immediately required for the completion of the 2010-2011 Comprehensive Annual Financial Report ("CAFR.")