

RESOLUTION NO. 11-10-01

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE LEHIGH ACRES FIRE CONTROL AND RESCUE DISTRICT, LEE COUNTY, FLORIDA, TO ESTABLISH A FUND BALANCE POLICY FOR THE DISTRICT; TO RESCIND ALL RESOLUTIONS IN CONFLICT; TO PROVIDE FOR SEVERABILITY; TO PROVIDE FOR LIBERAL CONSTRUCTION; TO PROVIDE FOR SCRIVENER'S ERRORS; TO PROVIDE FOR AN EFFECTIVE DATE.

WHEREAS, the Lehigh Acres Fire Control and Rescue District (hereinafter "District"), desires to establish a Fund Balance Policy consistent with the provisions of Governmental Accounting Standards Board Statement (GASB) No. 54; and,

WHEREAS, a Fund Balance Policy has been prepared, a copy of which is attached hereto, to satisfy the provisions of GASB 54.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Lehigh Acres Fire Control and Rescue District, that:

SECTION ONE. INCORPORATION OF RECITALS.

The recitals set forth above are true and correct and form a part of this Resolution.

SECTION TWO. AUTHORITY.

The Board of Commissioners of the District is authorized to adopt this Resolution by Chapter 191, Florida Statutes, especially § 191.006(5), Florida Statutes, and other applicable laws.

SECTION THREE. ADOPTION OF FUND BALANCE POLICY.

The Board of Commissioners hereby adopts the "Lehigh Acres Fire Control and Rescue District Fund Balance Policy", a copy of which is attached hereto and made a part hereof as Exhibit A, and hereby directs the Chief, or his designee, to implement same so that it applies to the 2010/2011 fiscal year fund balance.

SECTION FOUR. RESCISSION OF ALL RESOLUTIONS IN CONFLICT.

The Board of Commissioners hereby rescinds all prior Resolutions and other official action of the Board of Commissioners to the extent of any conflict with any part of this Resolution or the contents of Exhibit A attached hereto.

SECTION FIVE. SEVERABILITY.

If any section, subsection, sentence, clause, or other provision of this Resolution or Exhibit A is held invalid, unconstitutional, inoperative, or void by a court of competent jurisdiction, such portion will be deemed a separate provision, and such holding shall not affect the remainder of this Resolution or Exhibit A. The Board of Commissioners further declares its intent that this Resolution and Exhibit A would have been adopted even if such invalid or unconstitutional provision was not included herein.

SECTION SIX. SCRIVENER'S ERRORS.

The Board of Commissioners intends that all sections of this Resolution and Exhibit A, attached hereto and made a part hereof, which contain typographical errors that do not affect the intent of this Resolution or Exhibit A can be administratively corrected by the authorization of the District's Fire Chief, or his designee, without the requirement of having a corrective Resolution adopted by the Board of Commissioners.

SECTION SEVEN. CONSTRUCTION AND EFFECTIVE DATE.

This Resolution shall be liberally construed to effect the purposes hereof and shall take effect immediately upon its adoption.


[NEXT PAGE FOR SIGNATURE]

THE FOREGOING RESOLUTION WAS OFFERED BY COMMISSIONER
Shea WHO MOVED THE RESOLUTION'S ADOPTION. THE
MOTION WAS SECONDED BY COMMISSIONER Berndt AND, UPON
BEING PUT TO A VOTE, THE VOTE WAS AS FOLLOWS:

Commissioner David P. Adams	<u>Aye</u>
Commissioner Larry Becker	<u>Aye</u>
Commissioner Jeffrey Berndt	<u>Aye</u>
Commissioner Linda Carter	<u>Aye</u>
Commissioner Kevin Shea	<u>Aye</u>

Duly passed and adopted on this 25th day of October, 2011.

Board of Commissioners of the Lehigh
Acres Fire Control and Rescue District

By: 
Jeffrey Berndt, Chair


Attest by: 
David P. Adams, Secretary

EXHIBIT A

LEHIGH ACRES FIRE CONTROL AND RESCUE DISTRICT

FUND BALANCE POLICY

Purpose

The Lehigh Acres Fire Control and Rescue District ("The District") hereby establishes and will maintain its "Fund Balance", as defined herein, in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The District's Fund Balance shall be composed of non-spendable, restricted, committed, assigned, and unassigned categories/classifications as later defined. This Fund Balance Policy is adopted in order to maintain credit ratings, meet seasonal shortfalls and cash flow, comply with GASB Statement No. 54, and reduce susceptibility to emergency or unanticipated expenditures and/or revenue shortfalls.

Definitions

Fund Balance – Fund Balance is defined as the gross difference between assets and liabilities reported in a governmental fund.

Non-Spendable Fund Balance – Non-Spendable Fund Balance is defined as categories and amounts that are: (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as the long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted Fund Balance is defined as categories and amounts of the Fund Balance that can be spent only for specific purposes as a result of constraints placed on the use of funds that are either: (a) externally imposed by

resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed Fund Balance is defined as categories and amounts of the Fund Balance that can be used only for specific purposes as constrained/determined by a formal action (resolution) of the Board of Commissioners as the highest level of the District's decision making authority.

Assigned Fund Balance – Assigned Fund Balance is defined as categories and amounts of the Fund Balance which are “intended” to be used for specific purposes that are neither restricted nor committed. Assigned Fund Balance may be created for a specific purpose that is narrower than the general purposes of the District.

Unassigned Fund Balance – Unassigned Fund Balance is defined as categories and amounts of Fund Balance that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned Fund Balance may also include negative balances for any governmental fund if expenditures exceed amounts that are restricted, committed or assigned for those specific purposes.

Unrestricted Fund Balance – Unrestricted Fund Balance is defined as the total of Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

Fund Balance Categories for the General Fund

The Board of Commissioners hereby establishes the following categories of Fund Balances to be used as a part of the annual budget adoption process or to be used as a part of a budget amendment during the fiscal year. The level of action by the Board of Commissioners necessary to establish or modify a category of the Fund Balance will vary depending on whether the Fund Balance is committed, assigned, or unassigned and will be as described herein.

1. **Non-Spendable Fund Balance** – Non-Spendable Fund Balance is comprised of amounts that are: (a) not in spendable form or (b) legally or contractually required to be maintained intact. This includes (but is not limited to) long-term loans and notes receivable. Any changes made to the balances of the long-term receivable(s) will be reflected during the budget adoption process. In the normal course of operations the District expects to expend funds in the current year for expenditures properly reported in another. Except for the repayment of the loan given by the District's general revenue fund to the District's impact fee fund, these amounts, reported as prepaid expenditures, should be minimal and reported as non-spendable fund balance. Prepaid expenditures are reported only at the close of the District's fiscal year. The District Finance Director will present a schedule of prepaid expenditures to the Fire Chief for approval and reporting of non-spendable fund balance. No formal action is required by the District Board of Commissioners.
2. **Restricted Fund Balance** – there is no anticipated Restricted Fund Balance in the general fund except for the unspent balance of impact fee funds received pursuant to an interlocal agreement with Lee County, Florida. As part of the interlocal agreement with Lee County, Florida, the District can only spend impact fee funds on growth related capital assets or on the debt incurred for growth related capital assets.
3. **Committed Fund Balance** – Committed Fund Balance categories and amounts can only be initially imposed/constrained, or subsequently modified or removed by the Board of Commissioners through the taking of the highest level of formal decision-making action that is available to the Board of Commissioners (Board resolution). The "commitment" of Fund Balances will be considered in conjunction with the annual budget adoption process or by budget amendment approved by resolution of the Board of Commissioners during the fiscal year.
4. **Assigned Fund Balance** – Assigned Fund Balance shall reflect the District's intended use of resources as set forth in the annual budget and

any amendments thereto. Assigned Fund Balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the use of resources for which it is assigned. The creation, modification or removal of Assigned Fund Balance categories or amounts shall require approval by the Board of Commissioners in the form of an adopted motion (a resolution of the Board of Commissioners is not required). Assigned Fund Balance categories and amounts will be established as a part of the annual budget process.

5. **Unassigned Fund Balance** - Unassigned Fund Balance is the residual classification for the general fund. Unassigned Fund Balance will be established as a part of the annual budget process.

Budgeting

The actual amount of Unrestricted Fund Balance (total of Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance) available at the end of a fiscal year is not known until the completion of the annual financial audit which takes place after the end of the fiscal year being audited. An estimate of Unrestricted Fund Balance (also called Estimated Ending Fund Balance and/or Estimated Beginning Fund Balance) must be made during the annual budget adoption process which occurs prior to the end of the fiscal year on September 30th of each calendar year.

After the annual financial audit is completed for each fiscal year, the new fiscal year budget will be amended so that the actual Beginning Fund Balance matches the audited Ending Fund Balance from the previous fiscal year. This amendment can be made at any time during or up to sixty (60) days after the end of the fiscal year and it must be made by resolution.

Annual Review and Determination of Fund Balance Policy

Compliance with the provisions of this Policy shall be reviewed as a part of the annual budget adoption process, and the amounts of Restricted, Committed, Assigned,

Non-Spendable, and Unrestricted Fund Balance shall be determined during this process.

This Policy will be reviewed annually as part of the annual financial audit and will be updated as necessary to comply with new auditing regulations.

Effective Date

This Policy shall take effect immediately upon adoption of Resolution No. 11-10-01 and will be applied beginning with the District's Fiscal Year 2010-2011 Budget.