

RESOLUTION

FUND BALANCE POLICY

WHEREAS, the Governmental Accounting Standards Board (GASB) has adopted new financial reporting standards to provide more clearly defined categories to make the nature and extent of the constraints placed on a government's fund balance more transparent; and

WHEREAS, the County of James City intends to be in compliance with the new financial reporting standards.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of James City County, Virginia, hereby adopts the following Fund Balance Policy:

County of James City, Virginia Fund Balance Policy

Purpose

This fund balance policy is intended to:

1. Ensure that the County of James City (the County) maintains adequate levels of fund balance to provide quality services to its residents in a fiscally responsible manner.
2. Protect the County against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures.
3. Provide a long-term perspective recognizing that stated thresholds are considered minimum balances and that credit markets carefully monitor levels of fund balance to maintain creditworthiness.

This policy and the procedures established therein supersede all previous regulations regarding the County's fund balance and reserve policies.

Components of Fund Balance

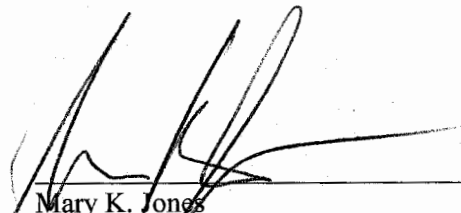
The following shall constitute the components of fund balance:

- A. Nonspendable - Amounts that cannot be spent because of their nature (such as the County's inventory) and amounts that must be maintained intact legally or contractually (such as the long-term amount of loans/notes receivable).
- B. Restricted - Amounts constrained for a specific purpose by external parties, constitutional provisions, or enabling legislation.
- C. Committed - Amounts constrained for a specific purpose by the Board of Supervisors.

- D. Assigned - Amounts constrained for a specific purpose by the Manager of Financial and Management Services, who has been given the delegated authority by the board of Supervisors to assign amounts. The total amount reported as assigned should not result in a deficit in unassigned fund balance.
- E. Unassigned - Amounts not classified as nonspendable, restricted, committed, or assigned. Fiscal Liquidity of no less than eight percent, with a target of 12 percent, of the total operating budget (General Fund plus the County's share of Component Unit Schools) will be included in the unassigned fund balance and this policy will be disclosed in the Notes to the Financial Statements. The General Fund is the only fund that would report a positive amount in the unassigned fund balance.

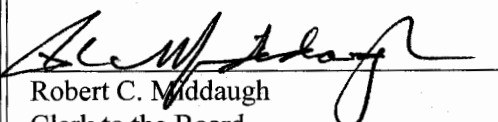
Implementation and Review

Upon the adoption of this policy, the Board of Supervisors authorizes the Manager of Financial and Management Services to establish any standards and procedures, which may be necessary for its implementation. The Manager of Financial and Management Services shall review this policy at least annually and make any recommendations for changes to the Board of Supervisors.



Mary K. Jones
Chairman, Board of Supervisors

ATTEST:



Robert C. Middaugh
Clerk to the Board

SUPERVISOR	VOTE
KENNEDY	AYE
GOODSON	AYE
MCGLENNON	AYE
ICENHOUR	AYE
JONES	AYE

Adopted by the Board of Supervisors of James City County, Virginia, this 14th day of June, 2011.

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