



A HERITAGE OF GOOD LIVING

Dr. Sheryl L. Mitchell Theriot

City Administrator

City of Lathrup Village

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COUNCIL COMMUNICATION:

TO: Mayor Garrett and City Council Members

FR: Sheryl Mitchell Theriot, City Administrator

DA: April 19, 2021

RE: Fund Balance and Reserve Policy

Although, the City of Lathrup Village has held an unofficial policy of maintaining at least a 15% General Fund Balance, best practices recommended by the Government Finance Officers Association and GASB are that there be an official policy adopted.

The attached is a draft of the Fund Balance & Reserve Policy, including classifications, procedures and Appropriate Reserve Level for the General Fund.

The Fund Balance Components are:

- Nonspendable Fund balance
- Restricted Fund Balance
- Committed Fund Balance
- Assigned Fund Balance
- Unassigned Fund Balance

The Reserve Policy is to maintain an unrestricted Fund Balance of 15-20% of expenditures.

It is intended to present this policy on at the April 19th Council Meeting for your consideration and adoption.

Suggested Motion

To Adopt the Fund Balance and Reserve Policy as presented