

CLEVELAND PUBLIC LIBRARY

Finance Committee

October 14, 2014

RESOLUTION REGARDING CLASSIFICATION OF FUNDS

WHEREAS, In March 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*, to address issues related to how fund balances are reported in governmental financial statements. The intent of GASB Statement No. 54 is to bring greater transparency and consistency to fund balance reporting in the government sector; and

WHEREAS, The Library implemented GASB Statement No. 54 for the fiscal year ending December 31, 2011; and

WHEREAS, At their regular meeting on June 19, 2012, the Cleveland Public Library Board of Trustees formally adopted the Fund Balance Policy, which established the procedures for reporting, within the annual financial statements, the fund balances of the Library's governmental funds in accordance with GASB Statement No. 54; and

WHEREAS, Management wants to impose internal restrictions on the use of otherwise unrestricted resources, specifically the CLEVNET revenue received from other libraries and entities on a contractual basis, and wishes to create a new Special Revenue fund, titled "CLEVNET", in order to capture the financial information of this source of revenue along with its associated activities; and

WHEREAS, It is necessary to submit requests to the Auditor of State when the creation of a fund is not specifically authorized by statute or when the purpose of the fund is not identified in ORC 5705.09 (A) – (H); now therefore be it

RESOLVED, That the Cleveland Public Library Board of Trustees authorizes the Chief Financial Officer to submit a request to the Auditor of State for the creation of the CLEVNET Special Revenue fund; and be it further

RESOLVED, Upon the Auditor of State's approval to establish the CLEVNET Special Revenue fund, the Library's Board of Trustees commits the following revenues, therefore classifying the fund balance of the CLEVNET fund as a Committed Fund Balance beginning with the 2015 calendar year:

- 1) Itemized fees assessed during contract term;
- 2) Charges for additional products, materials or services not contemplated in above itemized fees.