

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE,
CALIFORNIA ADOPTING THE CITY OF GARDEN GROVE GENERAL FUND RESERVE
POLICY

WHEREAS, the City is committed to effectively mitigate risks and achieve long-term fiscal stability;

WHEREAS, the Governmental Accounting Standards Board issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, requiring fund balance be reported in five components, namely *non-spendable, restricted, committed, assigned, and unassigned*; and

WHEREAS, the Government Finance Officers Association (GFOA) published best practice guidelines recommending all general-purpose governments maintain unrestricted budgetary fund balance in the General Fund at a minimum of regular General Fund operating revenues or expenditures; and

WHEREAS, the City Council has directed staff to develop a reserve policy, establish a minimum General Fund reserve level with the purpose of allowing the City's ability to mitigate current and future financial risks resulting from economic instability or catastrophic loss, and restrict the use of one-time revenue.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Garden Grove does hereby approve and establish the City of Garden Grove General Fund Reserve Policy attached hereto and incorporated herein by this reference.