



County Executive Office
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NEVADA COUNTY BOARD OF SUPERVISORS
Board Agenda Memo

MEETING DATE: May 12, 2026
TO: Board of Supervisors
FROM: Erin Mettler, Deputy County Executive Officer/CFO
SUBJECT: Adopt a revised Fund Balance Policy

RECOMMENDATION: Adopt the Resolution.

FUNDING: There is no direct fiscal impact associated with adopting this resolution.

BACKGROUND:

In 2011, the Board of Supervisors, via resolution 11-260 adopted a Fund Balance Reserve Policy with the overarching goals of providing a sustainable level of core services to the public; optimize bond ratings which consider the County’s overall financial strength and credit risk; reduce borrowing costs; and meet the requirements and standards of GASB 54 related to fund balance reporting for financial statements. This policy was later updated in 2015 via resolution 15-244 to include additional practices which are in place today, including setting targets for minimum fund balances, identifying key strategic areas where assignments of funds support planning and operations.

The policy before you for approval today was developed in coordination with the Auditor-Controller, Treasurer-Tax Collector and the County Executive Office and was patterned after other County’s best-practice policies and Government Finance Officers Association guidance. The revised policy includes definitions and provisions for fund balance classifications of Nonspendable, Restricted, Committed, Assigned and Unassigned. It also provides more robust criteria by which funds are categorized, prescribes minimum funding levels, outlines reserve designations, and how unassigned fund balance at the close of a fiscal year shall be distributed. Within the general fund assigned and committed reserves sections, the policy specifies how funds can be authorized for use – a four-fifths vote of the Board of Supervisors.

The revised policy also identifies how compliance will be monitored, reported and reviewed annually by the Board of Supervisors. This policy is specific to the general fund, however staff anticipates bringing forward an amendment in the Fall 2026 to incorporate the remaining governmental fund types used by the County.

Item Initiated by: Erin Mettler, Deputy County Executive Officer/CFO

Approved by: Alison Lehman

Submittal Date: April 29, 2026