



CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Joe Roby, Interim City Administrator

SUBJECT: Consider Adoption of Community Center Fund Resolution R2022-020

DATE: For the City Council meeting of April 11, 2022

PURPOSE/ACTION REQUESTED

Consider adoption of R2022-020, which would make the Community Center Fund (Fund 615) part of the City's General Fund, for financial reporting purposes.

SUMMARY

The Community Center's financials are currently housed in Fund 615 in the City's general ledger. Fund 615 has historically been treated as an Enterprise Fund. An Enterprise Fund is used to account for those operations that are financed and operated in a manner similar to private business or where Council has decided that the determination of revenues earned, cost incurred and/or net income is necessary for management accountability.

While the Community Center generates revenue, the increasing General Fund Levy used to support operations at the Community Center suggests that, to present a clearer picture of City General Fund financial standing, it would be logical to allow the City's General Fund financial statements to reflect its contribution to the operation of the Community Center. Fund 615 would still be maintained in order to track the Community Center's financials as a distinct unit.

In consultation with the City's audit firm, BerganKDV, staff are proposing Resolution R2022-020, which would begin treating Fund 615 as part of the City's General Fund, for purposes of financial reporting.

ACTION REQUESTED

Staff is recommending the adoption of Resolution R2022-020, to consider the Community Center Fund (Fund 615) as part of the City's General Fund, effective for the fiscal year ending December 31, 2021.

CITY OF LE SUEUR, MINNESOTA
CITY COUNCIL RESOLUTION **R2022-020**

AUTHORIZING FUND 615 (COMMUNITY CENTER) TO BE CONSIDERED PART OF
THE GENERAL FUND OF THE CITY FOR THE PURPOSES OF FINANCIAL
REPORTING

WHEREAS, the Community Center's financials are maintained in Fund 615 in the City's general ledger; and

WHEREAS, Fund 615 has historically been considered, treated, and reported as an Enterprise Fund; and

WHEREAS, the General Fund Levy provides material financial support to the Community Center operations on an annual basis;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT: Fund 615 shall, for the fiscal year ending December 31, 2021 and moving forward, be considered part of the General Fund of the City of Le Sueur, and shall no longer be considered an Enterprise Fund, for the purposes of reporting of the City's financial statements.

PASSED by the City Council of the City of Le Sueur on this 11th day of April 2022.

ATTEST

Shawn Kirby, Mayor

Stacy Lawrence, City Clerk

VOTE: ___HUNTINGTON ___KIRBY ___KROGMANN
___SCHLUETER ___SULLIVAN ___SWANBERG