



Memorandum

To: Livingston County Board of Commissioners
From: Jennifer M. Nash, Treasurer
Date: May 30, 2023
**Re: RESOLUTION AUTHORIZING CREATION OF FIBER OPTIC
TRUNK LINE CAPITAL PROJECT FUND AND FIBER OPTIC
TRUNK LINE SPECIAL REVENUE FUND**

Resolution 2022-12-204 authorized everything necessary to construct the Fiber Optic Trunk Line System. This resolution before you authorizes the creation of two funds in order to properly record this project.

The first fund is a capital project fund which is required by accounting guidelines to be used to record the financial activity related to the construction and/or acquisition of major assets by a governmental unit. This fund will be utilized to record the construction phase (revenues and expenses) of the Fiber Optic Trunk Line System.

The second fund is special revenue fund which is required by accounting guidelines to be used to record the financial activity related to revenue sources committed or restricted for a given specified purpose. This fund will be utilized to record the ongoing service and maintenance (revenue and expenses) related to the Fiber Optic Trunk Line System. There may come a time when then revenues of this fund consistently exceed the expenditures. In this case, there may be a situation where the fund balance builds to have excess funds available. This resolution includes language that would allow the board, upon its approval and discretion, to transfer residual/excess funds to other funds for the purpose of covering costs associated with replacing and upgrading of legacy equipment and/or technology.

Thank you for your consideration and I am happy to answer any further questions you may have.