

By: Finance Department
Adopted: November 23, 2015
Vote: Burney, Graham, O'Barr, Sullivan-Leonard, Wall and Wilson in favor

**City of Wasilla
Resolution Serial No. 15-35**

A resolution of the Wasilla City Council Committing Fund Balance in accordance with Governmental Accounting Standards Board, Statement No. 54 for the period ended June 30, 2015.

WHEREAS, the Governmental Accounting Standards Board ("GASB") has adopted Statement 54 ("GASB 54"), a new standard for governmental fund balance reporting and governmental fund type definitions that became effective in governmental fiscal years starting after June 15, 2010; and

WHEREAS, the City of Wasilla has implemented GASB 54 requirements and has applied the GASB 54 requirements to its financial statements beginning June 30, 2011; and

WHEREAS, GASB 54 requires Committed Fund Balance to include amounts constrained for a specific purpose by a government using its highest level of decision making authority and must be adopted prior to or subsequent to the government's fiscal year end.

NOW, THEREFORE, BE IT RESOLVED, that the Wasilla City Council commits \$5,075,895 for future capital improvement expenditures of its June 30, 2015 General Fund Balance of \$15,111,560.

ADOPTED by the Wasilla City Council on November 23, 2015.


BERT L. COTTLE, Mayor

ATTEST:


JAMIE NEWMAN, MMC, City Clerk

[SEAL]

WASILLA

• ALASKA •


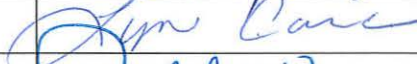

CITY COUNCIL LEGISLATION STAFF REPORT

Resolution Serial No. 15-35: A resolution of the Wasilla City Council Committing Fund Balance in accordance with Governmental Accounting Standards Board, Statement No. 54 for the period ended June 30, 2015.

Originator: Troy Tankersley, Finance Director

Date: 10/29/2015

Agenda of: 11/23/2015

Route to:	Department Head	Signature	Date
X	Finance Director		11-2-15
X	Deputy Administrator		11/5/15
X	City Clerk		11/9/15

Reviewed by Mayor Bert L. Cottle:

 11:05:2015
Fiscal Impact: X yes or noFunds Available: X yes or no**Account name/number:**

General Fund, Committed Fund Balance 001.0000.249.10.00 \$5,075,895

Attachments: None

Summary Statement:

The Governmental Accounting Standards Board (GASB) released Statement 54 -"Fund Balance Reporting and Governmental Fund Type Definitions" on March 11, 2009 which is effective for fiscal year ending (June 30, 2011 or August 31, 2011). This Statement is intended to improve the usefulness of the amount reported in fund balance by providing more structured classification. This Statement applies to fund balance reported in the General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects Fund and Permanent Fund. This Statement does not apply to Enterprise Funds, Internal Service Funds, and extremely restricted reserves.

Prior to June 30, 2011, fund balance was classified as "reserved" or "unreserved." Unreserved fund balance may be further allocated into designated and undesignated. GASB 54 changed how fund balance is reported. The City of Wasilla passed Ordinance 11-10 that provides for the definitions and hierarchy of five possible GASB 54 classifications as follows:

- **Non-spendable Fund balance** includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g., inventory, pre-paid items, permanent scholarships).
- **Restricted Fund Balance** includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds).

- **Committed Fund Balance** includes amounts constrained for a specific purpose by a government using its highest level of decision making authority (e.g. Major Maintenance, Capital Replacement Reserves). Calculated and determined each fiscal year end specified by WMC 5.04 and adopted by resolution.
- **Assigned Fund Balance** includes general fund amounts constrained for a specific purpose by a governing board or by an official that has been delegated authority to assign amounts. Delegation provided to the Finance Director through passage of Ordinance 11-10.
- **Unassigned Fund Balance** is the residual classification for the general fund.

In addition, governments are required to disclose more information in the notes to financial statements about amounts reported in fund balance as follows:

- Description of authority and actions that lead to committed or assigned fund balance
- Government's policy regarding order in which restricted, committed, assigned, and unassigned amounts are spent (through passage of Ordinance 11-10)
- Description of formally adopted minimum fund balance policies (through passage of Ordinance 11-10)
- The purpose of each major special revenue fund
- Encumbrances, if significant

Resolution 15-35 provides the amount determined to be committed for the period ended June 30, 2015, FY2015 and disclosed as such in the fiscal year end Comprehensive Annual Financial Report ("CAFR").

Recommended Action: Adopt Resolution Serial No. 15-35; a resolution of the Wasilla City Council Committing Fund Balance in accordance with Governmental Accounting Standards Board, Statement No. 54 for the period ended June 30, 2015 in the amount of \$5,075,895.