

Presented by: The Manager
Introduced: 11/28/2011
Drafted by: J.W. Hartle

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2594

A Resolution Accepting General Accounting Standards Regarding the Commitment of Fund Balances, in Accordance with Governmental Accounting Standards Board, Statement No. 54, and Committing Certain Revenue Streams In Accordance With Those Standards.

WHEREAS, the Governmental Accounting Standards Board (GASB) has issued Statement No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions," which changes the terminology used for fund balance reporting on balance sheets of governmental funds; and

WHEREAS, for financial statement reporting purposes, the GASB Statement defines "restricted" amounts as those that are constrained to specific purposes by their providers through constitutional provisions or enabling legislation; and

WHEREAS, for financial statement reporting purposes, the GASB Statement defines "assigned" amounts as those that the government intends to use for a specific purpose; and

WHEREAS, when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City and Borough's policy is to first apply restricted fund balances. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City and Borough's policy is to first apply committed fund balance, then assigned fund balance, and finally unassigned fund balance; and

WHEREAS, this CBJ policy delegates to the Finance Director the authority to assign unrestricted fund balance amounts where the City and Borough's intent is for those amounts to be used for specific purposes. This delegation of authority is for the sole purpose of reporting these amounts in the annual financial statements.

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NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. That the City and Borough of Juneau hereby approves, in compliance with GASB No. 54, the following Fund Balance Reporting and Governmental Fund Type definitions:

Nonspendable Fund Balance. The portion of a fund balance that cannot be spent because they are either: (a) not in a spendable form, such as prepaid items, inventories of supplies, or loans receivable; or (b) legally or contractually required to be maintained intact, such as the principal portion of an endowment. This category was traditionally reported as a “reserved” fund balance under the old statement.

Restricted Fund Balance. The portion of a fund balance that has constraints placed on the use of resources that are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. This category was traditionally reported as a “reserved” fund balance under the old standard.

Committed Fund Balance. The portion of a fund balance that includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Assembly and remain binding unless removed in the same manner. This category was traditionally reported as a “designated” fund balance under the old statement.

Assigned Fund Balance. The portion of a fund balance that includes amounts that are constrained by the government’s intent to be used for specific purposes, but that are neither Restricted nor Committed. Such intent needs to be established either by the Assembly or by an official designated for that purpose. This category was traditionally reported as a “designated” fund balance under the old standard.

Unassigned Fund Balance. The portion of a fund balance that includes amounts that do not fall into one of the above four categories. The General Fund is the only fund that should report this category of fund balance. This category was traditionally reported as an “undesigned” fund balance under the old standard.

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Section 2. In addition, CBJ commits the following revenue sources in compliance with GASB No. 54 to be consistent with the requirements to be committed revenues and reported as separate special revenue funds.

General Sales Tax Revenues - The general sales tax revenues are committed to be used for the various operational, capital and reserve purposes identified in the ordinances that placed these tax levy questions before the voters.

Hotel Sales Tax Revenues - The hotel sales tax revenues are committed to providing operational support to visitor services that includes Centennial Hall and the Juneau Convention and Visitors Bureau.

Visitor Service Revenues - The revenues generated from the operation of the Centennial Hall facility are committed to funding the operations of Centennial Hall.

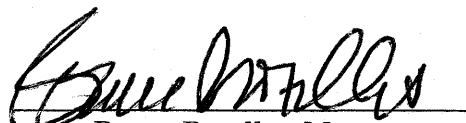
Tobacco Excise Tax Revenues - The tobacco excise tax revenues are committed to providing support to community health and social service needs related to substance abuse and tobacco use, prevention and cessation as identified in the ordinances that placed these tax levy questions before the voters.

Affordable Housing Revenues - Affordable housing revenues and fund balances are committed to the use of developing affordable housing within the CBJ.

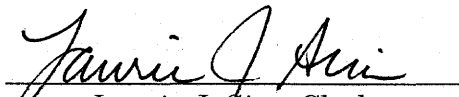
Eaglecrest Revenues - Revenues generated from the operation of the Eaglecrest Ski Area facilities are committed to the operational uses of the Ski Area.

Section 3. Effective Date. This resolution shall be effective immediately upon adoption.

Adopted this 28th day of November, 2011.


Bruce Botelho, Mayor

Attest:


Laurie J. Sica, Clerk