

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

MEMORANDUM

TO: Governing Board

FROM: Pam Shaw, Chief, Office of Finance

THRU: Steve Minnis, Deputy Executive Director, Business and Community Services

DATE: July 31, 2020

RE: Resolution 2020-04, Updating Classification of Fiscal Year 2019-2020 Fund Balance

RECOMMENDATION

Approve Resolution 2020-04 authorizing the assignment and internal accounting budget transfer of the Fiscal Year 2019–2020 Fund Balance pursuant to the Governmental Accounting Standards Board 54 classifications.

BACKGROUND

The Governmental Accounting Standards Board (GASB) issued Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions” to address issues related to how fund balances were being reported by governmental entities. GASB 54 provides for consistent reporting procedures by governmental entities and classification structures to improve the understanding of constraints placed on fund balances being reported.

There are five fund balance categories in GASB 54 guidelines including:

- Non-spendable – funds that are not in spendable form or funds that are legally or contractually required to be maintained.
- Restricted – funds externally restricted or constrained by law.
- Committed – funds that are restricted by the highest level of decision-making authority in which the restriction is established by a formal action.
- Assigned – funds that are not designated in non-spendable, restricted, or committed categories, but are intended for a specific purpose.
- Unassigned – funds that are not designated in non-spendable, restricted, or committed categories but are available for any purpose.

Approval of Resolution 2020-04 will:

- Authorize transfer of \$2,000,000 General Fund Unassigned Fund Balance to Committed Fund Balance as follows:
 - RIVER Cost-Share Committed Fund Balance - \$1,000,000
 - Agricultural Cost-Share Committed Fund Balance - \$1,000,000
- Authorize an internal accounting budget amendment for the transfer of these funds.

The Economic Stabilization Fund and the Operating Liquidity Reserve do not require changes for Fiscal Year 2019-2020. The Fund Balance of \$2,434,127 and \$3,651,190 respectively meet the minimum levels as outline in the District’s Fund Balance and Reserves procedure.

PS/tm
Attachment