

SHEBOYGAN COUNTY ORDINANCE NO. 08 (2011/12)

Re: **Delegating Authority to Assign Fund Balance Amounts to be Used for Specific Purposes and Committing Specific Funds Under Governmental Accounting Standards Board Statement 54**

WHEREAS, the Governmental Accounting Standards Board (GASB) has issued Statement 54 for required implementation by governmental entities for financial statements for periods beginning after June 15, 2010; GASB 54 “Fund Balance Reporting and Governmental and Governmental Fund Type Definitions” enhances the usefulness of fund balance, and

WHEREAS, this new accounting standard, when applied in government-wide financial statements, provides that net assets of the reporting entity are restricted when constraints placed on the net assets are externally imposed; that balances of government funds classified as “restricted” are balances with constrictions placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments; that fund balances classified as “committed” can only be used for specific purposes pursuant to constraints imposed by the County Board through an Ordinance or Resolution; that committed fund balances may also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements; that “assigned fund balances” are constrained by an intent that the moneys so designated be used for specific purposes but are neither restricted nor committed; and finally, that a “non-spendable fund balance” classification would include items that are not expected to be converted to cash, and

WHEREAS, the Finance Committee has reviewed the Health and Human Services Funds, Public Safety Funds, Revolving Loan Funds, Debt Service Funds, and Capital Project Funds whose revenues consists of property tax, state aids, federal aids, and fines, forfeitures, and public charges for service and has determined that those resources/revenues should be committed for such purposes, and

WHEREAS, Sheboygan County has amounts that are considered by the County’s intent that they be used for specific purposes but are neither restricted nor committed, and

WHEREAS, Sheboygan County has determined that these amounts should be reported as “assigned fund balances” in accordance with GASB Statement 54 requirements;

NOW, THEREFORE, the County Board of Supervisors of the County of Sheboygan does ordain as follows:

Section 1. **Amending Code.** A new Section 5.08 is hereby added to the Sheboygan County Code of Ordinances to read as follows:

5.08 **FUND BALANCE REPORTING.** The Sheboygan County Finance Department shall implement the use of fund balance reporting and fund type definitions consistent with Government Accounting Standards Board (GASB) Statement 54.

- (a) Delegation of Authority. Subject to Subsection (b), below, the County Administrator and the Finance Director, acting jointly, are delegated the authority to assign amounts to be used for specific purposes to the various “assigned fund balances” to be reported in the County’s financial statements.
- (b) Finance Committee Oversight. The Finance Committee, acting for the County Board, is empowered to revise any fund balance amounts assigned by the County Administrator and the Finance Director.
- (c) Commitment of Uses. The resources/revenues of the current Health and Human Services Funds, Public Safety Funds, Revolving Loan Funds, Debt Service Funds, and Capital Project Funds are committed for use for the respective purposes of these funds.

Section 2. **Effective Date.** The herein Ordinance shall take effect upon enactment.

Respectfully submitted this 24th day of January, 2012.

FINANCE COMMITTEE

Roger Te Stroete
Roger Te Stroete, Chairperson

William C. Goehring
William C. Goehring, Vice-Chairperson

Keith Ablter
Keith Ablter, Secretary

Gregory Wegeman
Gregory Weggeman

Thomas Wegner
Thomas Wegner

ENACTED 02.21.2012

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