



Resolution of Fund Balance Classifications and Intended Uses

WHEREAS, Western Ada Recreation District established a Fund Balance Policy on September 11, 2014; and,

WHEREAS, the Fund Balance Policy established Committed fund balances and Assigned fund balances and said funds intended uses; and,

WHEREAS, the Western Ada Recreation District now desires to amend the Committed fund and Assigned fund's intended uses.

NOW THEREFORE BE IT RESOLVED THAT Western Ada Recreation District hereby amends the fund classifications as follows:

Fund Balance Policy – Designation and Intent Amendment

Definitions:

Fund balance is a measurement of available financial resources and is the difference between total assets and liabilities in each fund.

GASB 54 distinguishes fund balance classified based on the relative strength of the constraints that control the purposes for which specified amounts can be spent. Beginning with the most restrictive constraints, fund balance amounts will be reported in the following categories:

- 1) **Nonspendable Fund Balance** – amounts that are not in a spendable form (i.e. inventory) or are legally or contractually required to be maintained intact (i.e. permanent fund principal).
- 2) **Restricted Fund Balance** – amounts that can be spent only for the specific purposes stipulated by external parties either constitutionally or through enabling legislation (i.e. grants or donations for specific purposes).
- 3) **Committed Fund Balance** – amounts that can be used only for the specific purposes determined by a formal action of the Board of Directors. Commitments may be changed or lifted only by referring to the formal action that imposed the constraint originally (i.e. the Board's commitment in connection with future construction projects).
- 4) **Assigned Fund Balance** – amounts *intended* to be used by the District for specific purposes. Intent can be expressed by the Board of Directors or by a designee to whom the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- 5) **Unassigned Fund Balance** – includes all amounts not contained in other classification and is the residual classification of the general fund only. Unassigned amounts are available for any legal purpose.



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Responsibility for Designating Funds:

Fund balance of the District may be **committed** for a specific purpose by formal action of the District's Board of Directors. Amendments or modifications of the committed fund balance must also be approved by formal action of the District's Board of Directors.

Order of Expenditure of Funds:

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: Restricted fund balance, followed by Committed fund balance, then Assigned fund balance, and lastly Unassigned fund balance.

NOW THEREFORE BE IT RESOLVED that the District's Board of Directors designates the intended uses of Committed and Assigned funds as:

\$837,889.40 is **committed** for future capital improvement expenditures and/or investment in capital assets held by another entity

\$1,009,871.80 is **assigned** to fund the depreciation account for future facility/equipment replacements and/or investment in capital assets held by another entity

The above Resolution is adopted this 22th day of October, 2020.

Board President

Board Secretary