

RESOLUTION NUMBER 4445

***A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS,
CALIFORNIA, ADOPTING A RESERVATION OF FUND BALANCE POLICY TO
COMPLY WITH GASB STATEMENT NO. 54 AND TO PROVIDE A MEASURE OF
PROTECTION AGAINST UNFORESEEN FINANCIAL CIRCUMSTANCES***

WHEREAS, the City of Perris previously adopted a Unreserved Fund Balance Policy on May 10, 2005 which established the City's unreserved general fund balance to be maintained at between 45% and 55% of annual general revenues.

WHEREAS, the City of Perris establishes a policy for reporting unrestricted fund balance in the General Fund financial statements; and

WHEREAS, certain commitments and assignments of fund balance will help ensure that there will be financial resources to protect the City against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures; and

WHEREAS, the City of Perris, shall establish a Reservation of Fund Balance Policy to contain a provision to commit a General Fund Reserve consisting of 35% of the proposed budgeted revenues for any given fiscal year for specific uses such as economic uncertainty, declaration of a local, state or federal emergency/disaster, or any other emergency expenditure deemed appropriate by City Council; and

WHEREAS, the Reservation of Fund Balance Policy shall supercede the previous Unreserved Fund Balance Policy; and

WHEREAS, the said policy authorizes and directs the Finance Director to prepare financial reports which accurately categorize assigned fund balance as per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions; and

WHEREAS, the General Fund Reserve as a commitment of fund balance cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment; and

WHEREAS, the commitment of fund balance needs to occur within the fiscal reporting period with the amounts to be determined subsequently if necessary; and

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

- A. That the City of Perris, pursuant to said policy, shall establish a General Fund Reserve consisting of 35% of the proposed budgeted revenues for any given fiscal year for specific uses such as economic uncertainty, declaration of a local, state or federal emergency/disaster, or any other emergency expenditure deemed appropriate by City Council.

- B. The General Fund Reserve as a commitment of fund balance cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment.
- C. The commitment of fund balance needs to occur within the fiscal reporting period with the amounts to be determined subsequently if necessary.
- D. That the City of Perris has fully complied with per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

ADOPTED, SIGNED and APPROVED this 30th day of August, 2011.

Daryl R. Busch, Mayor

ATTEST:

Judy L. Haughney, C.M.C., City Clerk

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Judy L. Haughney, City CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number 4445 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 30th day of August, 2011, by the following called vote:

AYES: YARBROUGH, LANDERS, EVANS, ROGERS, BUSCH
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

Judy L. Haughney, C.M.C., City Clerk