



Legislation Text

File #: 22-0016, **Version:** 1

Resolution to Amend the FY22 Council Approved Budget to Appropriate \$907,510.28 from the General Fund's Restricted Fund Balance to the City Sheriff - Jail's General Fund Operating Budget

PURPOSE/BACKGROUND:

Governmental Accounting Standards Board (GASB) pronouncement 84, which became effective July 1, 2020, redefined fiduciary activities and made the use of agency funds obsolete. The City's former agency funds were reclassified as either custodial activities or governmental activities.

Resultantly, the Sheriff's Office telephone commissions, inmate and weekend housing and canteen revenues were moved to the General Fund. Its net assets are housed in a separate restricted fund balance account and require an appropriation for FY 2022.

Discussion:

Due to a change in governmental accounting standards, funds previously classified as "agency" were reclassified as either governmental or custodial activity funds. As a result, Sheriff telephone, inmate housing, and canteen monies were reclassified as general funds and now require an appropriation to support FY22 expenditures.

Impact:

Fiscal Impact - \$907,510.28

Recommendation:

Approve.

WHEREAS, the new Governmental Accounting Standards Board (GASB) standard, GASB 84, establishes the criteria for identifying fiduciary activities and reporting requirements;

WHEREAS, the City Sheriff's telephone commission, inmate and weekend housing, and canteen are not considered "fiduciary activities", therefore activities will now be reported in the General Fund; and

WHEREAS, the balance of the assets at June 30, 2021, in the amount of \$907,510.28 were deposited into the General Fund's Restricted Fund Balance.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hampton, Virginia that the FY22 Council Approved Budget be amended and \$907,510.28 be appropriated from the General Funds' Restricted Fund Balance to the operating budget of the City Sheriff - Jail in compliance with the new accounting standard.

BE IT FURTHER RESOLVED that the City Council authorizes the City Manager, or her designee, to

take the appropriate steps to implement this action.