

**Borough of Edinboro**  
**GASB # 54 Fund Balance Requirements Resolution**  
**Resolution 14-2023**

**Background.** GASB #54 requires the governing bodies of school districts, townships, boroughs, and cities to set up procedures for the components of the fund balance in five categories, nonspendable, restricted, committed, assigned, and unassigned as needed by resolution prior to year-end.

1. Nonspendable fund balance: Cannot ever be spent and is legally or contractually required to be maintained intact (ex. Long-term receivables)
2. Restricted: Constraints on purpose/circumstances of spending that are legally enforceable by outside parties such as creditors, grantors, contributors, law, or regulations of other governments, or constitutional provisions such as enabling legislation. Stabilization funds (15% of expense): Resources that can be spent only if certain specific circumstances occur reported in general fund as restricted.
3. Committed: Constraints on purpose and circumstances of spending imposed by government itself by formal action and is binding unless removed in the same manner. Action must be taken before the end of the reporting period, but amount can be determined at a later date. These include prepaid items, accounts payables, and encumbrances.
4. Assigned: Intent to use resources for a specific purpose by governing body.
5. Unassigned: Residual balance reported in general fund.

Also, to designate what Funds will be classified by fund type:

1. Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
2. General Fund is to account for all financial resources except those to be reported in another fund.

**RESOLVED**, by the governing body of the Home Rule Borough of Edinboro, that the following funds have been established:

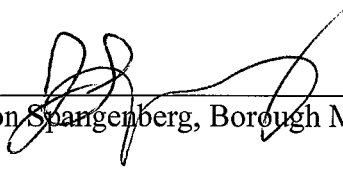
1. General Fund #01: General Fund assigned funds toward equipment, infrastructure, & capital projects.
2. CDBG Fund #04: Special Revenue Fund which is restricted by the grantor as well as for grant match obligations.
3. Water Fund #06, Sewer Fund #08, and Refuse Fund #09: Proprietary Funds with assigned funds toward equipment and infrastructure.
4. Highway/State Aid #35: Special Revenue Fund which is restricted by the state.
5. Pension Funds: Police #60, Non-Uniformed Defined Benefit #65, Non-Uniformed Defined Contribution #66
6. Payroll Fund #90


**NOW, THEREFOR, BE IT RESOLVED** by Council of Home Rule Borough of Edinboro, Erie County, Pennsylvania, assembled this 11<sup>th</sup> day of December, 2023, authorizes the Manager to assign:

1. (15% of expenses) percentage of fund balances for stabilization of accounts which may be used each year in place of a tax anticipation note or in case of emergencies; and
2. Funds available after short term liabilities (prepaid, payables, and encumbrances) to be assigned to equipment replacement (vehicle replacement), IT equipment, infrastructure (dam, storm sewers, reclamation, roads, etc.), municipal building improvements, public safety, recreation, or to pensions; and
3. Restrict match funds for grants.

**ATTEST:**

**BY:**

  
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Jason Spangenberg, Borough Manager

  
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Aaron Gast, Mayor