

RESOLUTION NO. 22-58**Resolution Of The City Council Of The City Of Emeryville Establishing A Threshold For Reporting Leases In Accordance With Governmental Accounting Standards Board Statement No. 87**

WHEREAS, the Emeryville City Council has an established policy of identifying and disclosing any liabilities of funds when the information is available; and

WHEREAS, the City follows the reporting requirements as established by the Governmental Accounting Standards Board (GASB); and

WHEREAS, in June 2017, the GASB issued Statement No. 87 (GASB 87), Leases; and

WHEREAS, in May 2020, the GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, which delayed GASB 87's effective date by 18 months. This postponement now requires adoption of GASB 87 for all fiscal years beginning after June 15, 2021; and

WHEREAS, the City Council wishes to establish a threshold for reporting leases in accordance with GASB 87; now, therefore, be it

RESOLVED, that the City Council of the City of Emeryville hereby establishes a threshold for lease reporting in accordance with Governmental Accounting Standards 87, to be the lesser of \$400,000 or 2.5 percent of any funds' annual operating expenses.

ADOPTED, by the City Council of the City of Emeryville at a regular meeting held Tuesday, June 7, 2022, by the following vote:

AYES:	5	Mayor Bauters, Vice Mayor Medina and Council Members Donahue, Martinez and Welch
NOES:	0	
ABSTAIN:	0	
ABSENT:	0	

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John Bauters

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MAYOR

ATTEST:

APPROVED AS TO FORM:

DocuSigned by:

Sheri Hartz

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CITY CLERK

DocuSigned by:

John Kennedy

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CITY ATTORNEY

City of Emeryville Leases					
Fund	Lease	Annual Lease Payment	Term	Value	Status
101 General Fund	ECCL	\$1	66 years	\$ 66	Not subject to GASB 87 - Operating and Maintenance costs are not applicable to GASB 87
101 General Fund	Gilman Fields	\$ 15,000	25 years	\$ 375,000	Not subject to GASB 87 - Based upon 1. limit proposed and 2. materiality to General Fund
101 General Fund	Bridgecourt	\$ 25,000	7 years	\$ 175,000	Being Terminated in June 2022, Not subject to GASB 87
101 General Fund	Copiers	\$ 6,450	Month to Month	\$ 77,400	Not subject to GASB 87 - Based upon 1. limit proposed, 2. currently month to month and 3. materiality to General Fund
Fund are most likely to hold leases. Materiality as determined by our external auditors is 2.5% of any Fund's expenditure. The General Fund's materiality limit based upon the current budget is over \$1.1 million and the Sewer Fund's materiality level in just over \$400,000. Staff is therefore, proposing a \$400,000 minimum threshold for the City. Should any other Fund in the future obtain a lease, staff will need to review the materiality level of any fund with a lease to ensure compliance with GASB 87.					