

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> June 27, 2011
	<p><b>Agenda Item No.</b> 40</p> <p><b>Roll Call No.</b> <u>11-1133</u></p> <p><b>Communication No.</b> <u>11-397</u></p> <p><b>Submitted by:</b> Scott E. Sanders, Finance Director</p>

**AGENDA HEADING:**

Reaffirming the purpose for certain special revenue funds according to new General Accounting Practices (GASB 54).

**SYNOPSIS:**

A new accounting practice requires that cities analyze their special revenue accounts to determine their appropriate classification. During the 1980's economic development grants were received to be utilized for economic development activities. The Council resolved at that time that the funds would be loaned out and that repayments and earnings on those amounts would be restricted for the continued purpose of economic development initiatives. Additional amounts (such as donations and land sales) were received subsequent to that time which were also committed for economic development initiatives and, as a result, recorded in this special revenue fund. In lieu of researching council actions dating back more than 25 years, this resolution will confirm and reaffirm the prior commitment at the inception of the special revenue fund to utilize those funds for economic development initiatives.

**FISCAL IMPACT: NONE**

Amount: N/A

Funding Source: N/A

**ADDITIONAL INFORMATION:**

A new accounting rule has been adopted (GASB 54) that introduces new terminology in distinguishing year end fund balances. Currently, ending fund balances are categorized as either Reserved or Unreserved. The new categories starting with the most restrictive are: Nonspendable, Restricted, Committed, Assigned, and Unassigned. The new standard also includes a new definition of special revenue funds.

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Approve resolution reaffirming the composition and purpose of the Economic Incentive Loan Repayment Special Revenue Fund and the Economic Development Enterprise Special Revenue Fund. As of June 30, 2010, the fund balances in these special revenue funds were \$7,440,480, and included \$4,900,184 of outstanding loans receivable and \$286,639 of outstanding contracts receivable.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).