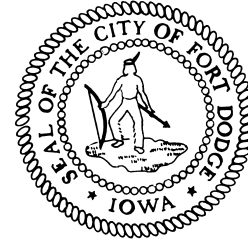


December 5, 2014

**To: Mayor Bemrich and City Council**  
**From: David Fierke, City Manager**  
**Subject: Approval of resolution "assigning" funds received from the transfer of Road Jurisdiction 926.**



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**ACTION: For vote Monday December 22, 2014**

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### **Brief History**

Governmental Accounting Standards Board Statement Number 54 (GASB 54) provides guidance for fund balance categories and classifications.

GASB 54 changed the way we look at cash balances, specifically reporting what cash balances, by major governmental fund type, are or are not available for public purposes.

GASB 54 includes a prescribed hierarchy based on the extent to which a city is bound by constraints for the use of the funds reported in governmental funds. GASB 54 provides the classification as non-spendable, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

The following definitions are provided in GASB 54:

**Non-spendable** - These funds are not available for expenditures based on legal or contractual requirements. An example might be the principal of an endowment or perpetual care cemetery funds.

**Restricted** - These funds are governed by externally enforceable restrictions. In this category, one would see restricted purpose grant funds, Road Use Taxes or Local Option Sales Taxes.

**Committed** - Fund balances in this category are limited by the government's highest level of decision making (in this case the City Council). Any changes of this designation must be done in the same manner that it was implemented. For example, if funds are committed by resolution, the commitment could only be released with another resolution.

**Assigned** - For funds to be assigned, there must be an intended use which can be established by the city council or an official delegated by the council, such as a city administrator or finance director. For example, during the budget process, the council decided to use some existing fund balance to support activities in the upcoming year.

**Unassigned** - This classification is the default for all funds that do not fit into the other categories.

**Analysis of Issue**

Based upon a consultation with our auditor, it is recommended that the Council designate the funds received from the transfer of Road Jurisdiction 926 in the "Assigned" category as described in GASB 54.

Signed

Approved

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Jeff Nemmers  
City Clerk/Finance Director

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David R. Fierke  
City Manager

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION ASSIGNING FUNDS RECEIVED FROM THE IOWA DEPARTMENT OF TRANSPORTATION FOR TRANSFER OF ROAD JURISDICTION IOWA 926.**

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of Fort Dodge, Iowa, on December 22, 2014 that the funds received from the jurisdictional transfer of Iowa 926 are hereby classified as "Assigned" as defined in GASB 54.

PASSED AND APPROVED by the City Council of the City of Fort Dodge, Iowa, this 22nd day of December, 2014.

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Other: \_\_\_\_\_

City of Fort Dodge, Iowa

\_\_\_\_\_  
Matt Bemrich, Mayor

ATTEST:

\_\_\_\_\_  
Jeff Nemmers, City Clerk