

CITY FINANCE COMMITTEE[545]

Adopted and Filed

Pursuant to the authority of Iowa Code section 384.15, the City Finance Committee hereby amends Chapter 2, "Budget Amendments and Fund Transfers," Iowa Administrative Code.

This amendment to subrule 2.5(5) reflects a change in calculating a surplus balance in city utility and enterprise funds according to Governmental Accounting Standards Board (GASB) Statement No. 68.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 2687C** on August 31, 2016.

The Department received one comment during the comment period requesting that language be added to ensure that the transfers do not violate Iowa Code section 388.10(1)(a)(4), which prohibits use of other city utility surpluses to support a city-owned telecommunications utility. The City Finance Committee finds that this amendment is in compliance with the Iowa Code. This amendment is identical to that published under Notice of Intended Action.

The City Finance Committee adopted this amendment on October 10, 2016.

This amendment will not necessitate additional expenditures by political subdivisions or agencies or by entities which contract with political subdivisions or small businesses.

A waiver provision is not included.

After analysis and review of this rule making, no impact on jobs has been found.

The Committee does not intend to grant waivers to these rules.

This amendment is intended to implement Iowa Code chapter 384.

This amendment will become effective December 14, 2016.

The following amendment is adopted.

Amend subrule 2.5(5) as follows:

2.5(5) City utility fund and city enterprise fund. Any governing body of a city utility, combined utility system, city enterprise, or combined city enterprise which has a surplus in its fund may transfer such surpluses to any other city fund, except the emergency fund, by resolution of the appropriate governing body. For the purposes of this subrule, ~~a:~~

a. A surplus may exist only after all required transfers have been made to any restricted accounts in accordance with the terms and provisions of any revenue bonds of loan agreements relating to the utility or enterprise fund.

b. A surplus shall be defined as the cash balance in the operating account or the unrestricted ~~retained earnings~~ net position calculated in accordance with GAAP, after adding back the net pension and other postemployment benefits liabilities and the related deferred inflows of resources and deducting the related deferred outflows of resources, in excess of:

~~(1)~~ The amount of the expenses of disbursements for operating and maintaining the utility or enterprise for the preceding three months, and;

~~(2)~~ The amount necessary to make all required transfers to restricted accounts for the succeeding three months.

[Filed 10/10/16, effective 12/14/16]

[Published 11/9/16]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 11/9/16.