



FUNDS

OCTOBER 6, 2025
REGULAR COUNCIL MEETING

PRESENTED BY: DANIELLE INGHAM, FINANCE DIRECTOR

FUNDS

A fund is a fiscal and accounting entity with a **self-balancing** set of accounts recording cash and other financial sources. It includes a beginning cash balance, revenues, expenditures, and an ending cash balance and changes therein, which are **segregated for the purpose of carrying on specific activities** or attaining certain objectives in accordance with special regulations, restrictions or limitations.

2025 Beginning Cash

+ Revenues

= Available Resources

- Expenditures

= Ending Cash

2026 Beginning Cash

+ Revenues

= Available Resources

- Expenditures

= Ending Cash



SELF-BALANCING SET OF ACCOUNTS

Self-balancing refers to the innate property and proper use of funds:

- Beginning balance + revenues = expenditures + ending cash
- Financial activity should be properly reflected in the balances of the funds
- Example: disbursements reduce fund balances; revenues increase fund balances

PURPOSE

- Funds are created and set-up to account for specific activities of a government
- Funds are used to track and monitor funding and spending for a specific activity
 - Example: a fund created for water to keep track of all financial activity related to the maintenance and operations of water utilities which include both receipts of funds from water sales and fees, and the disbursements of funds for maintenance and operations

FUND CATERGORIES

- Governmental funds
- Proprietary funds
- Fiduciary

➤ Governmental Funds

- Used to account for activities primarily supported by taxes, grants, and similar revenue sources
- Unique feature – **Expenditures** are controlled by legally adopted budgets which are cash oriented and short-term in nature

➤ Proprietary Funds

- Used to account for activities that receive significant support from fees and charges
- Account for ongoing business-type activities of a government

➤ Fiduciary Funds

- Used to account for assets that a government holds in a custodial capacity for individuals, private organizations, other governments, and/or other funds and that cannot be used to support the government's own programs

BARS NUMBER

Budgeting, Accounting and Reporting System

Also known as a general ledger account number

001-000-002-313-15-00-00 Sales Tax (General fund)

401-000-000-343-40-30-00 Water Sales (Water fund)

FUND TYPES

Governmental Fund

➤ **General fund** (Fund 000-099) – accounts for all resources that are not required to be accounted for in other funds.

- Described as the main operating fund or current expense fund
- A government can only have one general fund

Fund 001 = Current Expense Fund

Fund 002 = General Fund Contingency Reserve

Fund 003 = Facilities Capital Reserve

Fund 004 = Leoff 1 Retiree

Fund 005 = Solid Waste Utility Tax

Fund 007 = Pioneer Pavilion Community Center Operations

Governmental fund

- **Special revenue fund** (Fund 100-199) – used to account for the proceeds of specific revenue sources that are restricted or committed to the expenditure for specified purposes other than debt service or capital projects

Fund 101 = Street Fund

Fund 102 = Park Mitigation

Fund 104 = Traffic Mitigation

Fund 113 = Transportation Benefit District (TBD)

Fund 115 = ARPA

Fund 198 = Hotel/Motel Tax (Lodging Tax)

Governmental fund

- **Debt service fund** (Fund 200-299) – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on long-term debt

Fund 214 = Streets/Parks/Land Debt

Fund 216 = LaBounty LID 2006-1 Bond Guarantee

- will close in 2026

Fund 218 = 2010 Limited Tax General Obligation Bond Redemption

Fund 219 = 2011 Limited Tax General Obligation Bond Redemption

- will close in 2026

Fund 220 = 2013 Library LTGO Bond Redemption

- paid off in 2024, still receiving revenues from outstanding property tax payments

Governmental fund

- **Capital projects fund**(Fund 300-399) – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets

- Separate reporting enhances an understanding of the government's capital activities and it helps to avoid distortions in financial data that can arise when capital and operating activities are mixed
- Usually required by debt covenants, grant contracts, law, or regulation

Fund 301 = Real Estate Excise Tax – First $\frac{1}{4}$ % (REET 1)

Fund 302 = Real Estate Excise Tax – Second $\frac{1}{4}$ % (REET 2)

Fund 310 = Metalworks Skate Park

- Will close in 2026

Fund 315 = Civic Campus

Fund 370 = Thornton Road Construction

- Will close in 2026

Proprietary funds

- **Enterprise funds** (Fund 400-499) – used to report any activity for which a fee is charged to external users of goods and services; also required for debt backed solely by fees and charges.

Fund 401 = Water

Fund 402 = Sewer

Fund 403 = 2005/2011 Water/Sewer Bond Redemption

Fund 404 = 2005 Sewer Bond Reserve

Fund 405 = WWTP Debt

Fund 406 = Utility Debt Service

Fund 407 = Storm & Flood Control

Fund 408 = Utility Loan Service

Fund 413 = WTP Upgrade

Proprietary Funds

- **Internal service funds** (Fund 500-599) – used to report any activity that provides goods or services to other funds, departments, or other governments on a cost-reimbursement basis.

Fund 510 = Computer Repair & Replacement

Fund 550 = Equipment Repair & Replacement

Fiduciary funds (Fund 600-699)

➤ **Custodial funds** – used to report all fiduciary activities that are not required to be reported in other fiduciary funds.

- Resources are controlled by the entity
- Resources are not derived from the entity's own revenues or transactions
- Pass-through accounts

Fund 650 = Court Agency

Fund 651 = Court Activity