

FUNDS

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A fund is a fiscal and accounting entity with a **self-balancing** set of accounts recording cash and other financial sources, together with all related liabilities and residual equities or balances, 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.

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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.

2019 Beginning Cash

+ Revenues

= Available Resources

- Expenditures

= Ending Cash

2020 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:

- Transactions within funds should balance (debits = credits).
- 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.

Segregated for the purpose of carrying on specific activities

- Funds are created and set-up to account for specific activities of a government.
- Funds are used to monitor and track 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).

RCW 43.09.210

A fund is considered as a separate legal entity.

“One fund cannot benefit another”

Fund Categories

Three different fund categories

- **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 (those operated similar to private business enterprises).

Fund Categories

continued

- Fiduciary funds
 - Used to account for assets that a government holds in a trustee or a custodian 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

Fund Types

- 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 106 = Criminal Justice

Fund 107 = Local Criminal Justice

Fund 113 = Transportation Benefit District (TBD)

Fund 114 = Complete Streets

Fund 198 = Hotel/Motel Tax (Lodging Tax)

Fund Types

- 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 215 = LaBounty LID 2006-1 Bond Redemption

Fund 216 = LaBounty LID 2006-1 Bond Guarantee

Fund 217 = LaBounty GO Bond Debt Service

Fund 218 = 2010 Limited Tax General Obligation Bond Redemption

Fund 219 = 2011 Limited Tax General Obligation Bond Redemption

Fund 220 = 2013 Library LTGO Bond Redemption

Fund Types

- 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 ¼ % (REET 1)

Fund 302 = Real Estate Excise Tax – Second ¼ % (REET 2)

Fund 370 = Thornton Road Construction

Fund Types

- 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 407 = Storm & Flood Control

Fund 408 = Utility Loan Service

Fund 409 = CCWA (Central City Water Assoc.) Conversion
Debt Service

Fund Types

- Proprietary funds continued
 - **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

Fund Types

- Fiduciary funds (Fund 600-699)
 - **Custodial funds** (Fund 630-699) – 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
 - Fund 650 = Court Agency
 - Fund 651 = Court Activity