

Fund Accounting Overview

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Budget Preparation Timeline

January - March

- First Quarter Review
- Annual Financial Audit
- Revise 10 Year Infrastructure Plan
- Presentation of Annual Progress Report and Citizen Survey Results to City Council

April

- Second Quarter Review
- Annual Update of the Strategic Action Plan
- Presentation of the Year to Date Budget
- Departments Begin FY 2017 Budget Input



Budget Preparation Timeline

May – June (Budget Preparation Series to City Council)

- Fund Accounting Presentation
- Long Term Financial Planning Presentation
- Revenue Source & Property Tax Presentation

July - August

- General Fund Budget Workshop
- Adopt Maximum Millage Rate
- Proprietary Funds Budget Workshop
- Third Quarter Review
- Special Revenue & Capital Fund Budget Workshop
- Final Proposed Budget Presentation



Budget Preparation Timeline

September

- Public Hearing to Tentatively Adopt Millage Rate & Budget
- Public Hearing to Adopt Final Millage Rate & Budget

October – December

- FY 2016 Year End Close-out
- End of Year Review



Presentation Overview

- ✓ Regulatory Authorities
- ✓ Fund Accounting Overview
 - What is fund accounting?
 - Classification of funds
- ✓ Revenue Overview
 - Restricted vs. Unrestricted Funds



Regulatory Authorities

Governmental Accounting Standards Board (GASB)

Exposure Drafts

Statements

Technical Bulletins

Accounting and Financial Reporting Guidance

Federal Government

(IRS, SEC, GAO)

Payroll taxes

Debt issuance

Grant compliance

1099 reporting

Yellow Book

State Government

(Statutes, Department of Revenue, Rules of the Auditor General)

Truth in Millage (TRIM)

Grant compliance

Annual reporting requirements



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Fund Accounting 101

Fund accounting is a system for segregating financial resources to ensure and demonstrate **legal compliance** with **restrictions** or other special purposes.

A fund is:

- A **segregated accounting entity (checkbook)** for the purpose of conducting specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.
- Divided into various types according to the legal restrictions imposed upon them or by their uses.



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Restrictions

The City is prohibited from using funds (revenue) legally restricted for a specific purpose in general operations and must comply with legal and external requirements.

Some Examples:

- **Small County Surtax**
Capital projects
- **Utility Revenues**
Operation and expansion of utility system
- **Impact Fees**
Infrastructure capacity improvements related to growth
- **Grants**
Specific programs/projects



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Fund Types

Governmental

General fund

Special revenue funds

Capital projects funds

Debt service funds

Permanent funds

Proprietary

Enterprise funds

Internal services funds

Fiduciary

Trust funds

Agency funds



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Fund Classifications

Governmental Funds

Primarily supported by taxes

Proprietary Funds

Primarily supported by user fees

Fiduciary Funds

Not the City's money



Fund Classifications

Governmental Funds

General Fund

Capital Projects
Fund

Special Revenue
Funds

Proprietary Funds

Utility Fund

Stormwater Fund

Building Fund

Fiduciary Funds

VFF Pension
Fund



Fund Classifications

Governmental Funds

Administration & Finance

Public Safety (Fire & Police)

Community Development
(excluding Building)

Streets & Parks Maintenance

Parks & Recreation

Proprietary Funds

Utility

Stormwater

Building

Information Technology

Solid Waste

Fleet

Facilities

Fund Balance

Definition

Accumulated
revenues
over
expenditures

Use

For emergencies
or one time
expenditures
(capital project)

Not meant to fund
continuing
operations

Policy

General Fund

Utility Fund

Stormwater Fund

Solid Waste Fund

Disaster Reserve

Self Insured Fund

Fleet Fund

Restricted Revenue Sources

State Restricted

Fire Insurance Premium Tax

Volunteer
Firefighters
pension

Fuel Tax Refund

Construction
&
maintenance
of roads

Police Automation/ Education

Law
Enforcement

Building Permit & Inspection Fees

Applied solely
to BPI costs

Local Option Fuel Tax

Transportation
expenditures



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Restricted Revenue Sources

State Restricted

State Revenue Sharing (b) 24.86%

Transportation expenditures

Tax Increment Revenue (CRA)

Per CRA plan

Impact Fees

Capacity improvements

Special Assessments

Purpose of assessments



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Restricted Revenue Sources

Other

Water & Sewer Charges

Restricted by Bond Covenants & City Council

Used to maintain system & debt service

Small County Surtax

Restricted by Flagler County Ordinance

Used for construction & improvement of public facilities, operating expenses etc...

Stormwater Fee

Restricted by loan covenants & City Council

Used to maintain system & debt service

Disaster Reserve

Restricted by City Council

Used for costs related to a disaster



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Unrestricted Revenue Sources

Unrestricted revenue can be used for general purpose and at the discretion of the governing body

In Use

Ad Valorem Tax

Alcoholic Beverage License

Business Tax Receipts

Communication Services Tax

Natural Gas Franchise Fee

Half-Cent Sales Tax

Solid Waste Franchise Fee

State Revenue Sharing (a) 75.14%

Not Currently in Use

Utility Franchise Fee

Public Service (Utility) Tax



Looking Ahead

June:

7th - Long Term Financial Planning Presentation

21st Revenue Source & Property Tax Presentation

July:

12th - Budget Workshop - General Fund

19th - Adopt Maximum Millage Rate

26th - Budget Workshop - Proprietary Funds

August:

9th - Budget Workshop – Special Revenue Funds & Capital Funds

23rd - Final Proposed Budget Presentation

September:

Public Hearing to tentatively adopt millage rate and budget

Final Public Hearing to adopt final millage and budget

