

GOVERNMENTAL ACCOUNTING OVERVIEW

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Governmental Accounting Overview

Five Differences between governments and for-profit business enterprises

1. Organization

- Business – Profit to benefit owners
- Government – well being of citizens by providing public services

2. Sources of Revenue –

- Business – Sales
- Government – Taxes and fees

Governmental Accounting Overview

Five Differences between governments and for-profit business enterprises

3. Longevity

- Business – usually limited to market viability
 - Focus: Near term investment recovery
- Government – Perpetual
 - Focus: Sustainable services/ability to meet future demand

4. Stakeholders

- Business – owners/stockholders
- Government – citizens

Governmental Accounting Overview

Five Differences between governments and for-profit business enterprises

5. Role of the Budget

- Business – Planning and control – public availability is limited
- Government – the budget is the legal expression of public policy available to all; set limits on spending
 - Government budget is a combined revenue projection and an expenditure plan. Plan expenditures must be supported by revenues or deficit spending will result.

Governmental Accounting Overview

Fund Overview

Fund – “....a fiscal and accounting entity with a self balancing set of accounts...segregated for the purpose of carrying on a specific activities or attaining certain objectives.....” *GASB*

- Government Funds (5)
- Proprietary Funds (2)
- Fiduciary Funds (4)

Governmental Accounting Overview Fund Overview

➤ Government Funds (5)

- **General Fund** – accounts for most basic services

11 General

- **Special Revenue Funds** – legally restricted for purpose

101 Stadium
104 Drug Enforcement
105 Criminal Justice
111 Street
112 Arterial Street
114 Cum. Parks
116 Cum. Art
119 Cum. Aid Car
120 EMS
121 Tree Fund Reserve
128 Path and Trails
144 Solid Waste
198 Stabilization Fund
199 Program Development

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- Government Funds (5)
 - Debt Service Funds – payment/debt principal and interest

201 2001 GO Refunding Bonds
202 Limited Tax GO Ref BDS
211 1996 LTGO
212 1998 Library GO
215 800 MHz Debt Service
216 State Local Loan
217 Energy Conservation
2xx LID Funds
224 LID Guaranty

Governmental Accounting Overview Fund Overview

- Government Funds (5)
 - **Capital Projects Funds** – accounts for major capital projects. In addition to the funds listed we also have individuals funds for large capital projects.

330 Real Estate Excise Tax
331 Real Estate Excise Tax
333 Capital Develop Plan
 - **Permanent Funds** – only earnings, not principal, may be expended

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➤ Proprietary Funds (2)

- **Enterprise Fund** – account for resources derived from the sales and service charges to parties external to government.

411 WS Utility
460 Golf Course

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- Proprietary Funds (2)
 - **Internal Service Fund** – Services provided by one department/ government to another on a cost reimbursement basis. Because of their common nature funds 510/511/513 are typically reported together.

510 / 511 ER&R
512 Central Stores
513 Joint Shop Operation
515 Self Insurance
519 Res. Retire

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➤ Fiduciary Funds (4)

- **Agency Fund** – acting as a collecting/ disbursing agent
“other people’s money”

611	Firemens Pension/Relief
631	Salary Clearing
632	Claims Clearing
633	Miscellaneous Suspense
635	Court Trust Fund
650	Transportation Benefit District
699	Consolidated Investments

- **Pension Fund** – Pension and employee benefit activity
- **Investment Trust Fund** – accounts for investments
- **Private Purpose Trust Fund** – management of trust arrangements – principal and interest are used as benefit

Governmental Accounting Overview

Fund Overview

➤ Fund Balance

- Is calculated by taking the fund's total assets and subtracting the fund's liabilities. The excess of fund assets over fund liabilities is the fund balance.