

GENERAL FUND PRESENTATION

Committee of the Whole
March 2011

Agenda

- ▶ Fund Accounting Summary
- ▶ General Fund Offices and Departments
- ▶ General Fund Revenue
 - Summary
 - Timing of Collections
 - Budget Projections
 - 2011 Budget Graphs
- ▶ General Fund Expenditures
 - Timing of Expenditures & Budget Projections
 - 2011 Budget Graphs
- ▶ General Fund– Financial Policies

Fund Accounting Summary

- ▶ Government accounting uses system of fund accounting
 - Self-balancing set of accounts
 - Resources segregated for specific activities or objectives
 - Special regulations
 - Legal Restrictions/limitations
 - Accountability
- ▶ Fund Types
 - General Fund
 - Special Revenue
 - Capital Projects, Debt Service, Enterprise, Other

Fund Accounting Summary

General Fund

- ▶ Chief operating fund used for costs of *general* County government
- ▶ Use unless compelling reason to use some other fund
 - GAAP (Generally Accepted Accounting Principle) requirement
 - Legal requirement
 - Sound financial administration
- ▶ County has only one General Fund

General Fund Offices and Departments

ELECTED OFFICES

County Auditor
Treasurer/Collector
County Clerk
Recorder
Regional Office of Education
Judiciary & Courts
Circuit Clerk
State's Attorney
Public Defender
Sheriff (including Corrections)
Merit Commission
Court Services
Coroner

COUNTY DEPARTMENTS

County Board
Finance (including Purchasing)
Information Technologies
Human Resource Management
Supervisor of Assessments
Emergency Management
Development

OTHER

Adult Justice Center Debt
Aurora Election Commission
Internal Service

General Fund Revenue

- ▶ Used for any purpose determined by Board
- ▶ Not earmarked for any specific function
 - All other fund types are earmarked/restricted
- ▶ State Statute usually determines if revenue is deposited into General Fund
- ▶ Revenue primarily from:
 - Property tax
 - Other local and state shared taxes (sales, Income, etc.)
 - Fees
 - Fines
 - State reimbursements

General Fund Revenue

- ▶ 28% of General Fund revenue received from State in FY10 (\$20.4 million)
- ▶ All revenue collected in General Fund goes into one “pot of money” that supports all General Fund operations
 - Not all departments collect revenue
 - Each department is not self-supporting
 - Revenue must be analyzed as a whole
- ▶ Listing of specific revenues available in budget, CAFR, New World, reports

General Fund Revenue

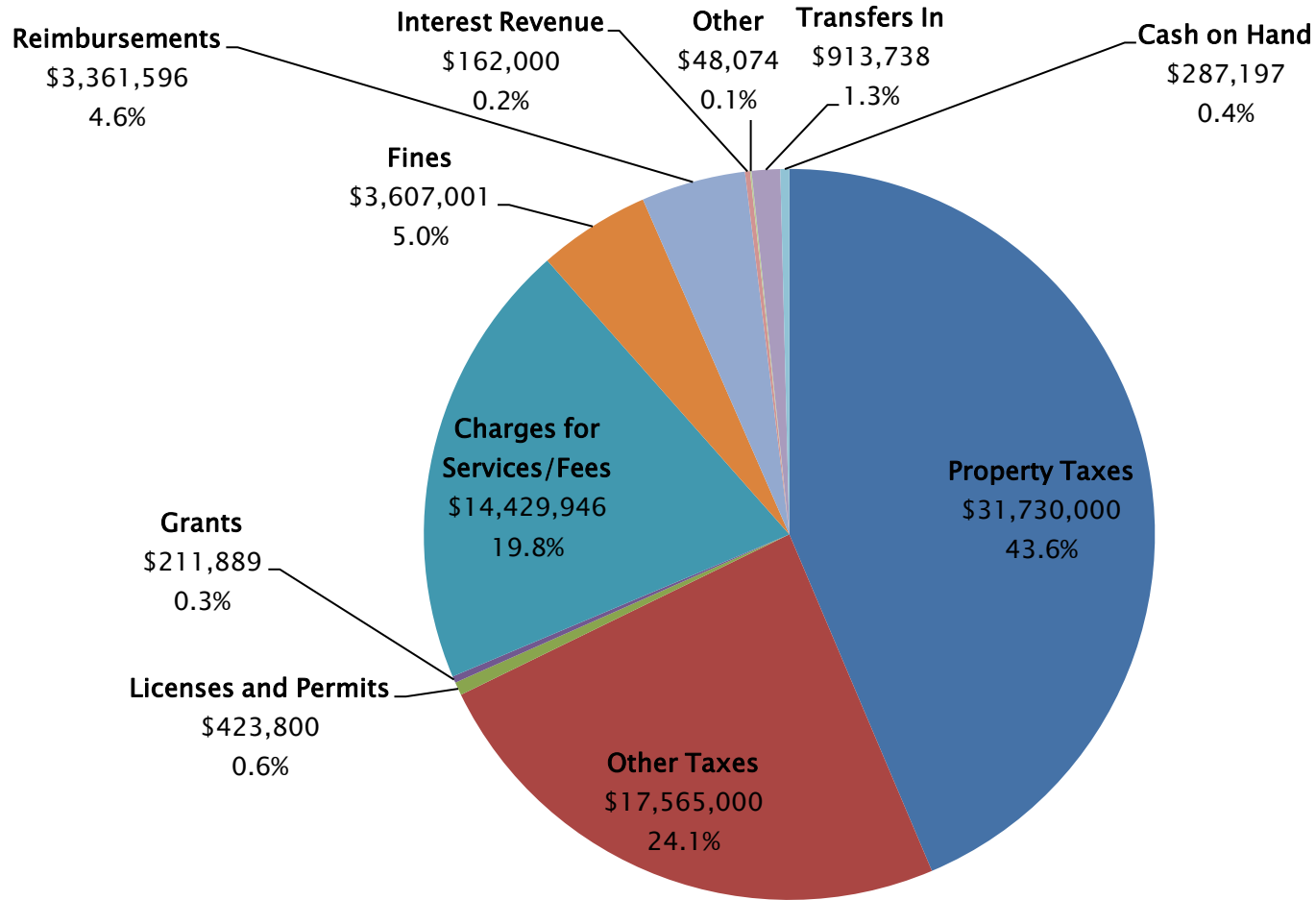
Timing of Collections

- ▶ Property tax: June & September
- ▶ Other taxes: varies– generally within 2–3 months of collection by State
 - Income tax inconsistent over the last two years
- ▶ Permits, fees & fines: varies– generally collected at the time of service
- ▶ State reimbursements: varies
 - Probation Salary reimbursement inconsistent over the last several years
 - SAO, PD, and SO salary reimbursements inconsistent since 2009

Revenue Budget Projections

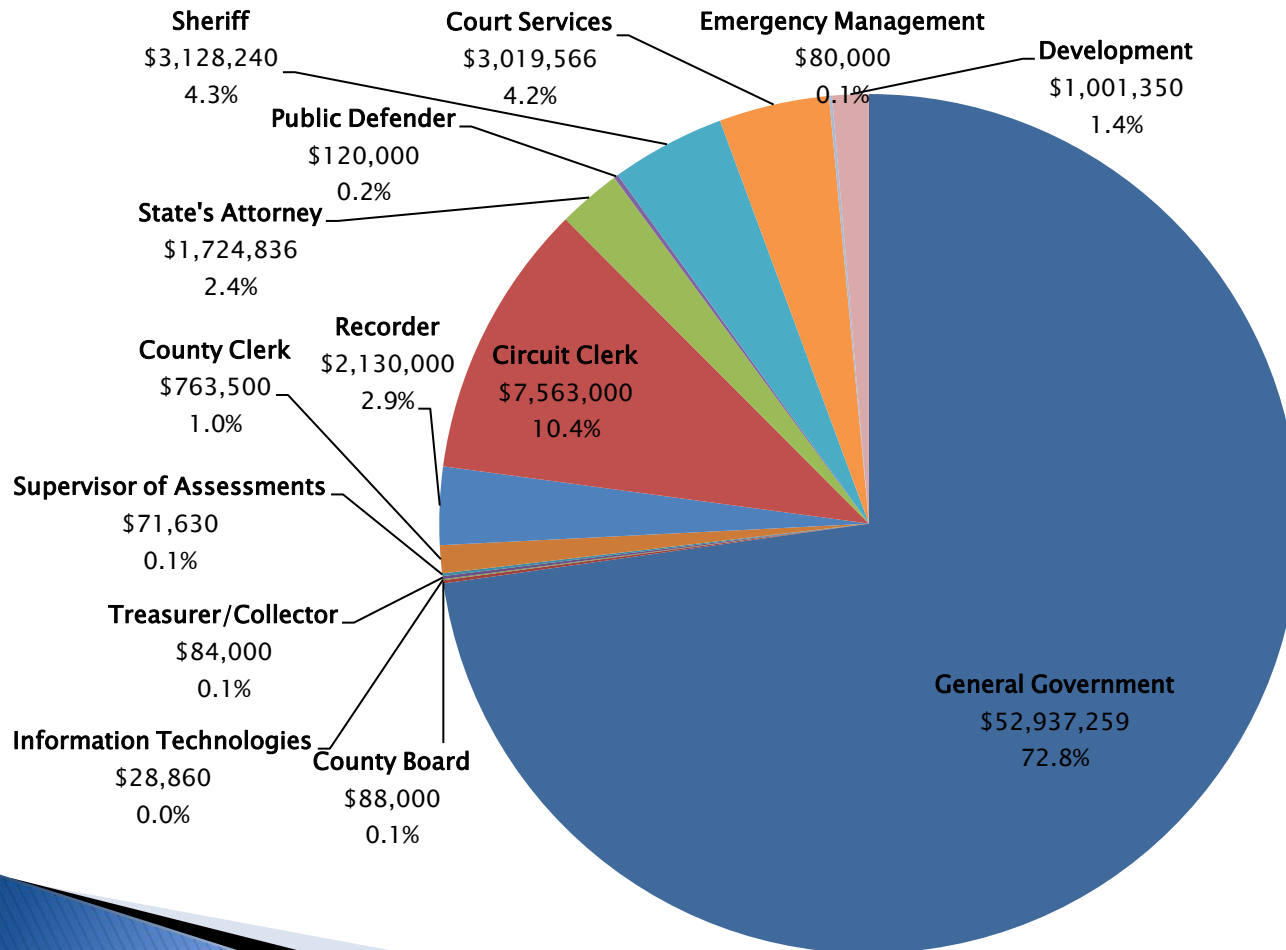
- ▶ Finance Director prepares revenue projections for General Government and Other revenue
 - Property Tax
 - Sales, Income and Other Taxes
 - Certain fees, reimbursements and other miscellaneous revenue (Off Track Wagering, COBRA, etc)
 - Investment Income (with assistance from County Treasurer)
 - Transfers From Other Funds
 - Cash on Hand
- ▶ Departments / Offices prepare revenue projections for their own areas of responsibility
 - Reviewed by Finance Director

General Fund Revenue 2011 Budget by Classification



Total Revenue = \$72,740,241

General Fund Revenue 2011 Budget by Department

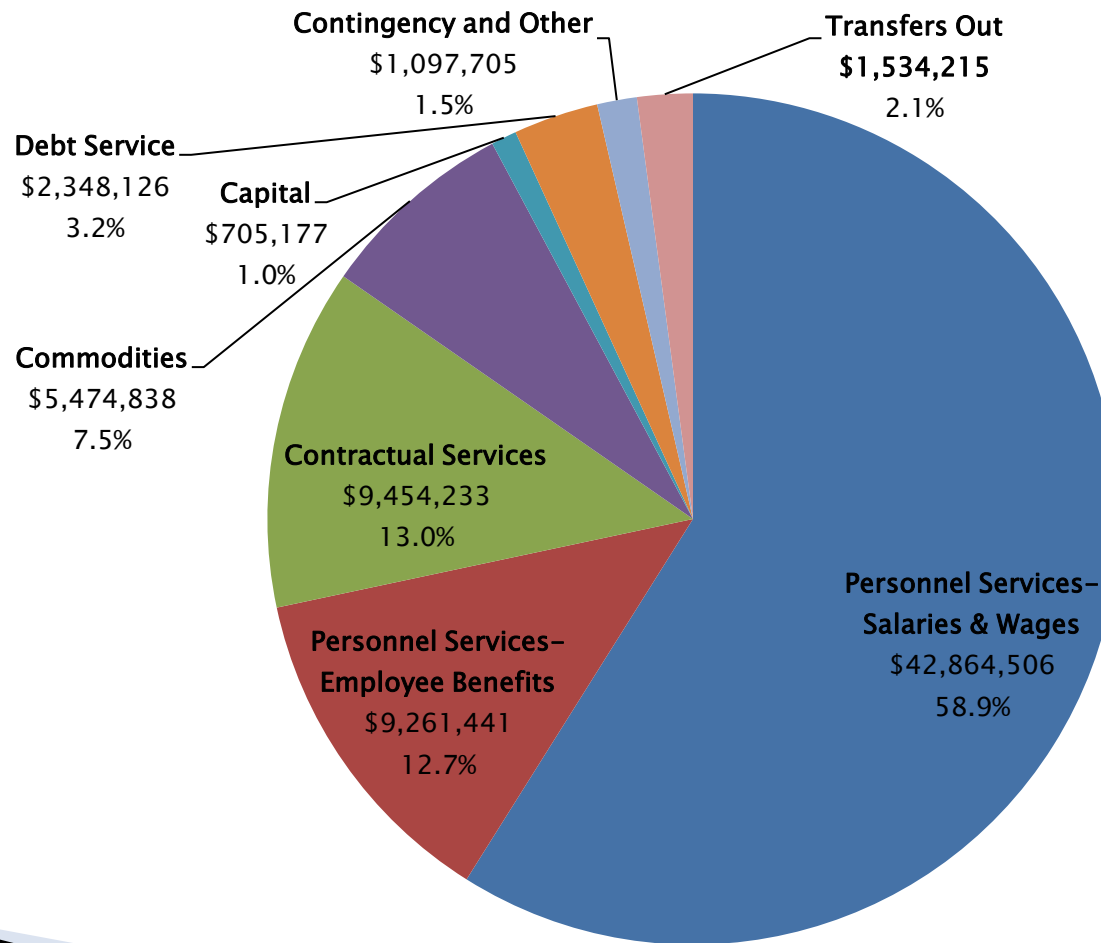


General Fund Expenditures

Timing and Budget Projections

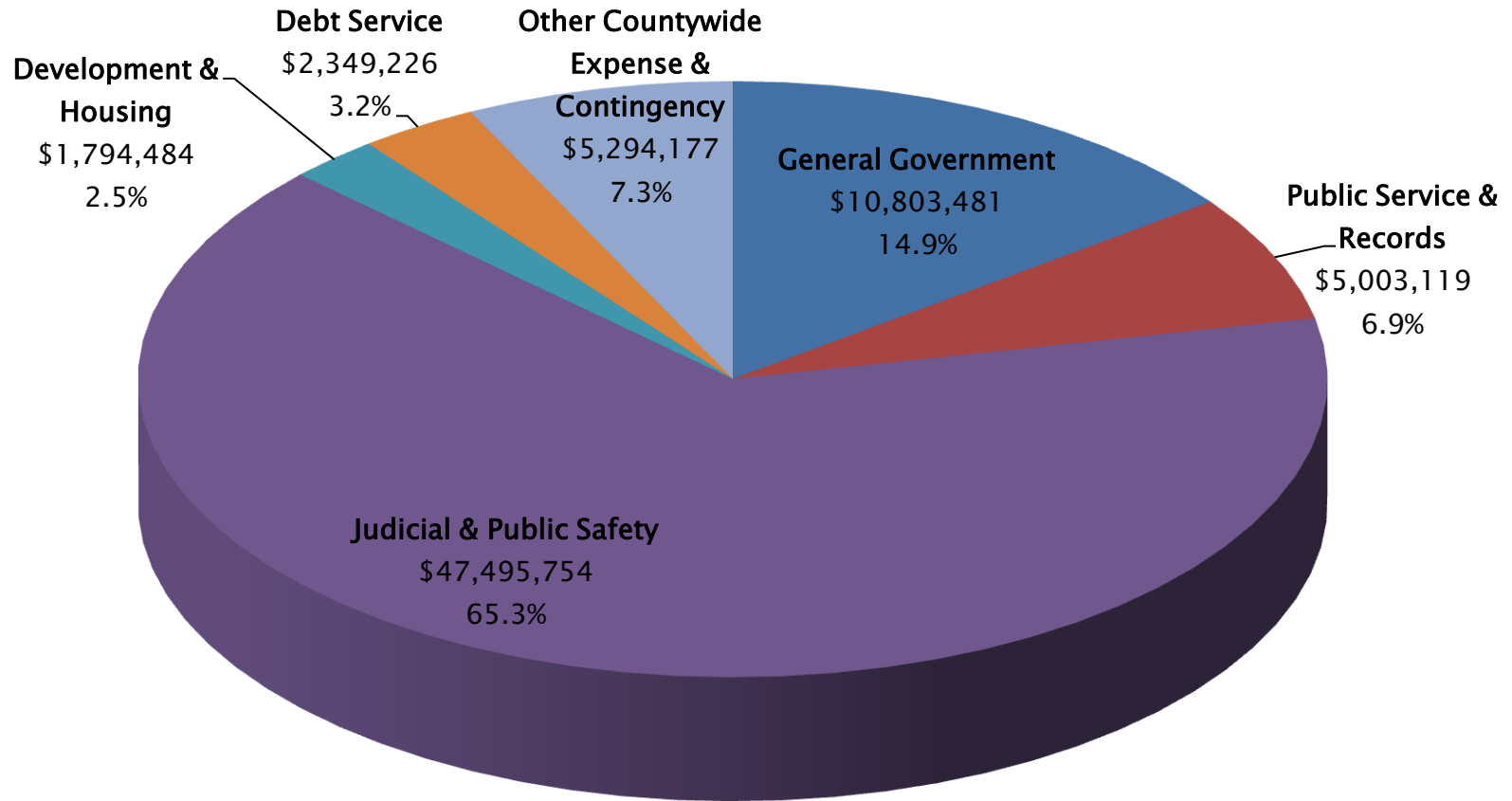
- ▶ Majority of expenditures are spent evenly throughout the year
 - 72% of expenditures are personnel costs
 - 21% of expenditures are contractual and commodity costs
- ▶ Finance Director prepares expenditure projections/requests for general countywide expenses
 - Employee benefits, liability insurance, debt service, capital, interfund transfers, etc.
- ▶ Departments/Offices prepare expenditure projections/requests for own areas of responsibilities
 - Reviewed by Finance Director & County Board
 - Final budget determination made by County Board

General Fund Expenditures 2011 Budget by Classification

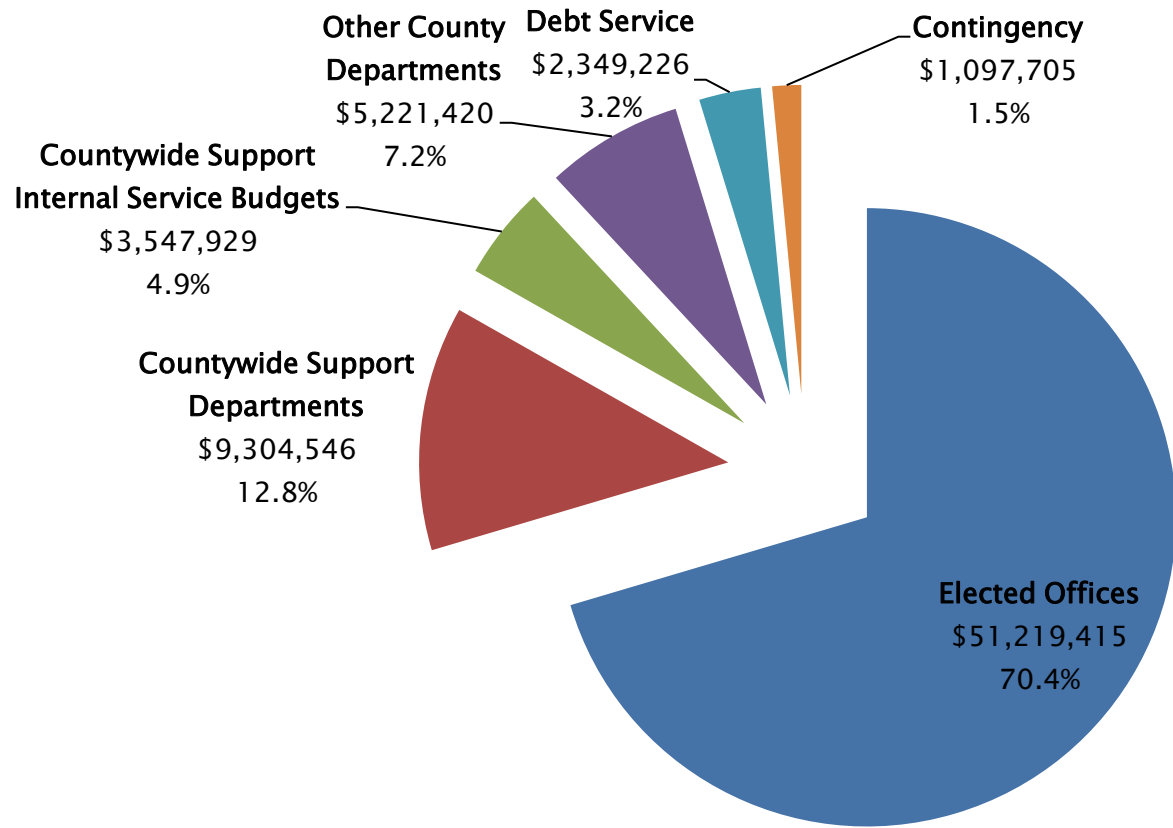


Total Expenditures = \$72,740,241

General Fund Expenditures 2011 Budget by Function



General Fund Expenditures 2011 Budget by Department Type



General Fund Financial Policies

- ▶ Must have a balanced budget each year *(1a)*
- ▶ Budget Overage Policy *(1o)*
 - Department Heads and Elected Officials must stay within bottom line budget appropriated for department
 - Sets procedures if an office/department anticipates an overage
 - Board cannot pay expenditures in excess of bottom line budget
- ▶ Must maintain reserves at a minimum of 3 months operating expenditures *(2a)*
 - Minimum reserves are measured in May when cash is at its lowest point in the year
- ▶ Must set up a contingency account at a minimum of 2% of total operating expenditures *(2c)*
 - Contingency fund is set as part of the annual budgeted expenditures
- ▶ Unspent department expenditures at fiscal year-end get transferred to fund balance *(2e)*

Questions???

