



## RESOLUTION/ORDINANCE EXECUTIVE SUMMARY

### **Ordinance: No.**

Reserve Policy for General Fund – General Account

**Committee Flow:** Finance and Budget Committee, Executive Committee, County Board

**Contact:** Corinne Pierog, 630.444-1191

### **Budget Information:**

Was this item budgeted? N/A	Appropriation Amount: N/A
If not budgeted, explain funding source:	
Was this item passed through the appropriate committee? Yes	

The Kane County Financial Policies, Section 17 – Reserve Policies, #1 - Objectives by fund state, “It shall be the intent of the County to set objectives for the Corporate, Enterprise Surcharge and Enterprise General Funds with regard to reserve policies. The County shall set reserves at a minimum of 3 months operating expenditures in the Corporate Fund.”. The County Board is asked to consider moving this County financial policy to Ordinance status.

### ***General Fund components***

The County’s “General Fund” is composed of six (6) sub-accounts as follows:

- **#001** - General “Corporate” Account Fund – this account is the County’s primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund
- **#112** - Special Reserve Account Fund – established by Resolution 13-87 to set aside reserves
- **#223** - States Attorney’s Office Domestic Violence Account Fund – States Attorney program
- **#400** - Economic Development Account Fund – Development program
- **#405** - Cost Share Drainage Account Fund – Environmental Management program
- **#601** - Public Building Commission Account Fund – resources set aside for debt service as well as less than \$1,000 remaining for Public Building Commission

The General “Corporate” Account #001 is the Fund that houses the bulk of County Operations including the Sheriff, States Attorney, Court Services, etc.

### ***Governmental Accounting Standards Board reporting requirements***

It is due to a Governmental Accounting Standards Board Statement, *No. 54, Fund Balance Reporting and Governmental Fund Type Definitions* that Funds 112, 223, 400, 405, and 601, which are all Special Revenue Funds, are grouped together as part of the overall General Fund for financial reporting purposes. GASB 54 states that if a Special Revenue fund is partially or fully supported by transfers from the General Fund, for financial reporting purposes, that fund is reported as part of the General Fund. Fund

#112 – the Special Reserve Fund has been funded over the years by transfers from #001 – the General Fund – General Account. The Kane County Financial Policies, Section 17 – Reserve Policies, #6 – Special Reserve Fund state, “It shall be the intent of the County to establish a Special Reserve Fund in which funds may be set aside and which may only be used with approval of the County Board through the normal budgeting and appropriations process.”

When reading the County’s financial statements – *see attached General Fund – Combining Balance Sheet by Account and General Fund – Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances by Account* - it the General Fund – General Account #001 that houses the revenues and expenditures for the County’s primary operations such as Sheriff, States Attorney, Court Services, etc. It is the General Fund – General Account #001 which has been a primary focus of budgetary concern for several years. However, the County Board has the ability to move monies from Fund #112 – Special Reserve to any fund that needs additional one-time monies.

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