

FUND STRUCTURE

Guilford County uses a fund accounting system to account for its operations. This accounting method groups financial activities of common purposes into various "funds." In compliance with the North Carolina Local Government Budget and Fiscal Control Act, the County adopts an annual budget ordinance for all funds except the projects within the Community Development Special Revenue Fund authorized by grant ordinance; certain projects within the County Building Construction, Water and Sewer Construction, and School Capital Outlay Capital Projects Funds authorized by project ordinance; the Internal Service Fund and Trust and Agency Funds.

Shaded funds are included in the annual budget ordinance. Other funds are presented for information only to present a complete picture of the County's fund structure.

Fund	Description	Category	Type	Appropriated in FY 2010 Budget Ordinance
GENERAL	Primary operating fund for the County. Accounts for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.	Governmental	General	Yes
COUNTY BUILDING CONSTRUCTION	Accounts for capital projects in which the assets are retained entirely or in part by the County. (Note: Specific capital project budgets are appropriated by project ordinances. The amount appropriated in this fund in the budget ordinance reflects the County's contribution from the General Fund for various capital needs.)	Governmental	Capital Projects	Yes, partially
RURAL FIRE DISTRICTS	Accounts for voter-approved property taxes levied to provide fire protection services. Separate accounts are established within this fund for each of the 22 fire protection districts.	Governmental	Special Revenue	Yes
ROOM OCCUPANCY/TOURISM DEVELOPMENT TAX	Accounts for occupancy taxes collected from various hotels, motels, and similar establishments in Guilford County. Under North Carolina General Statutes, Chapter 988, Guilford County levies a three percent occupancy tax. The County remits 70% of the net proceeds to the Greensboro/Guilford County Tourism Development Authority and the remaining 30% to the City of High Point.	Governmental	Special Revenue	Yes
INTERNAL SERVICES FUND	Accounts for the County's risk management services provided to other departments of the County on a cost reimbursement basis.	Proprietary	Internal Services	Financial Plan is prepared
WATER & SEWER CONSTRUCTION	Accounts for the construction of water and sewer lines and facilities which are transferred to the cities and towns upon completion.	Governmental	Capital Projects	No
SCHOOL CAPITAL OUTLAY	Accounts for the construction of school buildings and facilities for the Guilford County Board of Education and Guilford Technical Community College.	Governmental	Capital Projects	No
COMMUNITY DEVELOPMENT FUND	Accounts for projects financed primarily with Community Development Block Grant Funds for rehabilitation and new construction of housing for individuals with low to moderate income levels.	Governmental	Special Revenue	No
LAW ENFORCEMENT OFFICER'S SPECIAL SEPARATION ALLOWANCE	Accounts for the activities of a single employer, public employee retirement system, which accumulates resources for pension benefit payments to qualified law enforcement officers.	Fiduciary	Pension Trust	No

Fund	Description	Category	Type	Appropriated in FY 2010 Budget Ordinance
TAX COLLECTION	Accounts for property, occupancy, and/or privilege taxes collected by the County Tax Collector in his/her capacity as agent for various municipalities, a special district, and an authority.	Fiduciary	Agency	No
FINES & FORFEITURES	Accounts for fines and forfeitures collected by the County that are required to be remitted to the Guilford County Board of Education.	Fiduciary	Agency	No
REPRESENTATIVE PAYEE	Accounts for funds deposited with the Mental Health and Social Services Departments for the benefit of specified clients being served by the County.	Fiduciary	Agency	No
NC TREASURER'S VEHICLE INTEREST	Accounts for three percent additional interest collected on the first month's interest assessed on delinquent registered motor vehicle property taxes as per House Bill 1779. The additional interest is remitted to the NC Department of State Treasurer monthly and will be used by the Division of Motor Vehicles to create a combined motor vehicle registration renewal and property tax collection system.	Fiduciary	Agency	No

BASIS OF BUDGETING and BASIS OF ACCOUNTING

Basis of Budgeting

All funds of the County are budgeted for and accounted for during the year on the modified accrual basis of accounting in accordance with North Carolina General Statutes. Under the modified accrual basis, revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the costs for goods or services are incurred (except for unmatured principal and interest on general long-term debt, which are recognized when due). The County maintains encumbrance accounts under which purchase orders, contracts and other commitments are reserved against available appropriations.

The appropriations in the General Fund and annually budgeted projects in the Capital Projects Funds are formally budgeted and legally controlled on a departmental basis. Projects in the Capital Projects Funds with project-length budgets are controlled by project. The legal level of control varies for the Special Revenue Funds. Appropriations in the Rural Fire District Fund are by rural fire tax district; the appropriations in the Room Occupancy/Tourism Development Tax Fund are on a fund basis.

Concurrent with the adoption of the annual budget ordinance, the County approves a balanced financial plan for the Internal Service Fund. A financial plan is balanced when estimated expenses do not exceed estimated revenues. Any change in the financial plan during the year must be approved by the Board of County Commissioners.

Basis of Accounting

Basis of accounting refers to how revenues and expenditures or expenses and related assets and liabilities are recognized in the accounts and reported in the combined financial statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues, except for property taxes, to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for the agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.