All of the funds used by a government must be classified into one of the seven fund types. Four of these fund types are used to account for “governmental-type” activities and are known as governmental funds. Two of these fund types are used to account for a government’s “business-type” activities and are known as proprietary funds. Finally, the seventh fund type is reserved for the government’s fiduciary activities, appropriately broken out into subtypes.

GOVERNMENTAL FUNDS

Four fund types are used to account for a government’s “governmental-type” activities. These are the general fund, special revenue funds, debt service funds, and capital projects funds.

Basis of Accounting: All governmental funds are accounted for using the modified accrual basis of accounting. These fund revenues are recognized when they become measurable and available as net current assets. “Measurable” means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon thereafter (generally sixty days) to be used to pay liabilities of the current period. Those revenues susceptible to accrual are property taxes, sales taxes, interest revenue and charges for services. Fines, license, and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this is principal and interest on governmental funds’ long-term debt which is recognized when due. Financial resources are appropriated in other funds for transfer to the debt service fund in the period in which maturing debt principal and interest must be paid. Such amounts thus are not current liabilities of the debt service fund as their settlement will not require expenditure of existing fund assets.

Basis of Budgeting: Governmental fund budgets are prepared on a modified accrual basis consistent with generally accepted accounting principles (GAAP). Exceptions to the modified accrual basis when budgets are prepared are: (a) Land held for redevelopment is treated as an expenditure when purchased and proceeds from the disposition of this land is treated as revenue when measurable and available; (b) Estimated changes to compensated absences are not budgeted.

GENERAL FUND

The GENERAL FUND (F.001) is used to account for all of the general revenues of the city that are not specifically levied or collected for other city funds, and for the expenditures related to the rendering of general services by the city. The general fund is used to account for all resources not required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the revenue received from specific taxes or other specific revenue sources other than for major capital projects. Law or administrative action to expenditures restricts these amounts for specified purposes.

STREET PROJECTS FUNDS (F.650, 651, 652, 653, 655, 656, 657, 658, 659, 660, 661, 663, 677, 678, 679, 680, 681, 686, 691, 693, 695) Established to account for the construction and maintenance of city streets. Financing is provided by the State gasoline taxes; State Prop 1B; Alameda County Pass-Through, grants, and project specific funds; Local Vehicle Registration Fees; Tri-Valley Transportation Council Fees; Bay Area Air Quality Management District; and Pacific Gas & Electric Rule 20A underground funds.

CITY STREET SWEEPING (F. 602) Established to administer funds received through solid waste collection fees and Alameda County Clean Water Program for city street sweeping services.

DONATIONS (F. 672, 683) Established to account for donations received by the Library and Police Department for support of specific community programs.
LOW and MODERATE INCOME HOUSING FUNDS (F. 611) Established to account for the receipt and disbursement of in lieu housing fees collected from developers and other community housing projects.

REDEVELOPMENT AGENCY LOW-MODERATE FUND (F. 581) Established to account for the 20% of the tax increment that must be set aside to provide low and moderate income housing.

SOLID WASTE MANAGEMENT FUNDS (F. 612, 630, 664, 666, 667) Established to account for the receipt of Alameda County Waste Management funds; Measure D funds; Solid Waste and Recycling funds; and California Beverage Container funds used for the implementation of city source reduction and beverage container recycling.

MAINTENANCE DISTRICT (F. 614) Established to account for landscape and lighting district fees received and the expenditure of these funds in the benefited district.

OTHER LOCAL ASSISTANCE AND FEDERAL AND STATE GRANTS Used to account for local funds and federal and state grants for various citywide programs such as, safety activities (F.603, 605, 610, 617, 619); library activities (F. 673); community development and housing and human services activities (F. 617, 613, 620, 622, 623, 624, 624, 626, 627, 628, 629, 633, 634, 637, 638, 662, 666, 671); MTC/ TDA programs (F. 674); federal economic stimulus programs (F. 696); and other programs (F. 600, 642, 676, 692)

PEG Capital Fees (F. 665) Used to account for Public, Educational, and Government (PEG) Access funds received from cable TV franchises.

MISCELLANEOUS (F. 606, 608) Established to account for other special revenue funds such as Nuisance Abatement and Public Art Fee activities.

CAPITAL PROJECTS FUNDS Capital projects funds are established to account for acquisition and construction of capital facilities other than those financed by proprietary funds and trust funds.


TRAFFIC IMPACT FEE (F. 306) Established to account for construction of interchange and local street improvement projects financed by developer fees.

STORM DRAIN FUND (F. 308) Established to account for acquisition and construction of city storm drains. The source of financing is developer fees.

DOWNTOWN REVITALIZATION FEE FUND and PARKING SPACE FUND (F. 331, 335) Established to account for downtown revitalization and parking. The source of financing is developer fees.

PARK FEE FUND (F. 337) Established to account for acquisition and construction of park improvements. The source of financing is developer fees.

REDEVELOPMENT AGENCY FUND and TAB CONSTRUCTION FUND (F. 580, 583, 586) Established to account for the acquisition, demolition, relocation and sales of land in the Livermore redevelopment area. Financing is provided by bond proceeds, loans from the general fund, property tax increments and transfers from the in lieu housing fund and the community development fund.

AIRPORT CONSTRUCTION (F. 307) Established to account for expansion of the protection zone, runways and hangars.

HOUSING AND HUMAN SERVICES (F. 333) Established to account for the use of Housing funding to provide capital improvements to the community. The source of funding is developer fees.

ASSESSMENT DISTRICT CONSTRUCTION FUNDS Established to account for construction and acquisition of land and public improvements in the College Avenue (F. 301), Triad Community Facilities District 90-1C (F. 304), El Charro Assessment District (F. 342), and Shea Development Community Facilities District (F. 343).
LIVERMORE CAPITAL PROJECTS FINANCING AUTHORITY (LCPFA) 2008 COPS CAPITAL PROJECTS FUND (F. 310). Established to account for governmental type capital project expenditures related to community infrastructure, improvements to city buildings, acquisition of computer hardware and software, and acquisition of street lights.

MISCELLANEOUS (F. 303, 314,323, 325, 339) Established to account for various quality community improvements.

OTHER BUDGET SOURCES (F. 003) Anticipated future funding sources used for capital improvement projects. These projects are identified in the CIP budget as: Rule 20A Underground (B), Measure B 2012 (Streets) (C), Participation by Other Agencies (D), New Measure B 2012 (BART to Livermore) (E), Measure B 2012 (Bike/Ped) (F), Toyota Wetland Mitigation (N), Infrastructure Rehab (U), Anticipation of Revenue (W)

DEBT SERVICE FUNDS
Debt service funds are used to account for the payment of principal and interest on city debt.

REDEVELOPMENT AGENCY DEBT SERVICE (F. 584) Accounts for debt service payments made for 2001 TABS.


TAX AND REVENUE ANTICIPATION NOTE (TRAN) – (F. 409, 412) Short-Term notes that will be used to meet cash flows for expenditures in the current fiscal year. Notes are due and payable twelve months from the date of issue.

PROPRIETARY FUNDS
Two fund types are used to account for a government’s “business-type activities,” enterprise and internal service funds.

Basis of Accounting: All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they occurred.

Basis of Budgeting: Proprietary funds are budgeted on a budgetary working capital basis, which is defined as GAAP basis working capital less cash equivalent to the amounts set aside for operations and equipment replacement reserves. Exceptions to the budgetary working capital basis of accounting are that the following items are not budgeted in proprietary funds: (a) depreciation, (b) compensated absences, (c) fixed asset retirements, and (d) costs of issuance amortization.

ENTERPRISE FUNDS
Enterprise funds account for city operations, which are financed and operated in a manner similar to private enterprise. User charges and impact fees recover costs of providing service to the public.

AIRPORT FUNDS (F. 210, 211) Established to account for the operations of the Livermore Municipal Airport and related debt service for 2008 and 2011 COP’s.

WATER FUNDS (F. 250, 251, 252, 253, 259) Established to account for operations of the self-supporting municipal water service. Services are rendered on a user charge basis. Impact fees are collected for future water storage.

SEWER FUNDS (F. 241, 230, 235, 239, 240, 242) Established to account for operations of the self-supporting wastewater disposal plant, the export pipeline, and the urban run-off program as well as related debt service of the Phase V and Reverse Osmosis expansions.

GOLF COURSE FUNDS (F. 270, 290, 271) Established to account for operations of the two self-supporting golf courses in Livermore and related debt service for the 2008 and 2011 COP’s.

INTERNAL SERVICE FUNDS
Internal service funds are used to account for the financing of services...
and supplies provided by one city department to another on a cost-reimbursement basis.

LIABILITY INSURANCE (F. 700) Accounts for the city’s public liability program.

WORKERS COMPENSATION FUND (F. 710) Accounts for the workers compensation program.

INFORMATION TECHNOLOGY (F. 720) Accounts for computer services to city departments.

FLEET AND EQUIPMENT SERVICES FUND (F. 730) Accounts for activities of the vehicle and equipment service fund.

FACILITIES REHABILITATION (F. 740) Accounts for remodeling and maintenance of city buildings.

REPROGRAPHICS FUND (F. 750) Accounts for services provided to users for reprographics.

COMMUNITY DEVELOPMENT SERVICES TO LARPD FUND (F. 760) Accounts for community development services provided to the recreation district.

EMPLOYEE PAYROLL FUND (F. 770)

RETIREE HEALTH (F. 775, 766) Established to account for post employment benefits for retirees under GASB 45.

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the city acting in a fiduciary capacity for other entities. Such funds are operated to carry out the specific actions of agreements, ordinances and other governing regulations. There are four types of subfunds. For budget purposes, the City of Livermore only uses agency funds.

Basis of Accounting: The subfunds are accounted for using the modified accrual basis of accounting.

Basis of Budgeting: These funds are budgeted on a modified accrual basis. There are no exceptions to the basis of budgeting.

AGENCY FUNDS

Agency funds are used to when the government entity plays a limited role such as collecting and remitting funds for a third party.

ASSESSMENT DISTRICT DEBT SERVICE FUNDS (F. 950, 951, 958, 959, 961, 962, 964, 967) Established to account for the 1915 act special assessment districts and a Mello-Roos district. These districts have issued debt for which the city has no legal, contingent, or moral obligation to repay.

SOUTH LIVERMORE TRUST (F. 930) Established to account for deposits held for the South Livermore Trust.