



Legislation Details (With Text)

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Title: Resolution to Designate Fund Balances in Sheriff's Commissary Fund and Fair Fund for a Specific Purpose for Financial Reporting

Sponsors:

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Attachments: 1. Board Summary Report, 2. Resolution

Date	Ver.	Action By	Action	Result
10/26/2021	1	Board of County Commissioners Business Meeting	approved	Pass

To: Board of County Commissioners

Through: Todd Weaver, Finance Director

Prepared By:

Heather Lin, Accounting Manager, Finance Director

Subject:

Resolution to Designate Fund Balances in Sheriff's Commissary Fund and Fair Fund for a Specific Purpose for Financial Reporting

Purpose and Request:

Request to approve a resolution to designate balances in Sheriff's Commissary Fund and County Fair Fund for their specific uses in order for these two funds to continue to be reported as separate special revenue funds on the County's Annual Comprehensive Financial Report.

Background and Discussion: Government Accounting Standards Board (GASB) statement 54 notes that separate special revenue funds should only be used for revenue sources that are restricted in statute or committed by the County commissioners for a specific purpose. Currently these funds are neither specifically committed by the County Commissioners nor restricted in statute. As of December 31, 2020, Sheriff's Commissary has a fund balance of \$1,271,001 and Fair Fund has a fund balance of \$79,675. With recently

increasing emphasis on ensuring that these funds are properly recorded and to stay in compliance with accounting standards, the options for financial reporting would be to either combine the activities into the General Fund or have a Commissioner resolution to commit these funds for a specific purpose. These particular funds are already only used for specific purposes and passing a resolution to commit these funds, the County can continue to report these two funds as separate special revenue funds and it would not change the nature of how these funds have been used in the past. Reporting them as separate funds provides consistency of presentation and promotes financial transparency.

The Sheriff's Commissary Fund collects fees from inmates from detention center commissary sales or other inmate related activities such as telephone usage and work release or home detention fees. Expenses covered by the Commissary Fund include subscriptions, library services, contracted mental health care, commissary operations, and barber services. The Commissary Fund also covers the expenses of staff in the detention facility related to inmate classification, education and mental health services, as well as the chaplain. The current Sheriff's Commissary Fund policy.

The County Fair Fund is the fund where all of the revenues and expenses of the annual Arapahoe County Fair are input and accounted for. Since the inception of the fund and the first iterations of the County Fair following the construction of the County Fairgrounds, the BOCC has wanted the County Fair to be financial sustainable. If the County Fair generates more revenue than expenses, the BOCC has been amenable to allow those proceeds to be used to plan and host subsequent fairs. Adopting a resolution designating this purpose for these funds does not deviate from the prior practices and guidance from the BOCC.

Alternatives: If there is no resolution, then Sheriff's Commissary Fund and Fair Fund would need to be combined into General Fund on the County's Annual Comprehensive Financial Report and cannot be shown as separate special revenue funds 2021 and beyond.

Fiscal Impact: There is no direct fiscal impact.

Alignment with Strategic Plan:

- ☒ Be fiscally sustainable
- ☐ Provide essential and mandated service
- ☐ Be community focused

Concurrence: The staff recommend the board to adopt a resolution to commit these funds for a specific purpose so they can continue to be reported separately as special revenue funds on the County's annual comprehensive financial report.

Resolution: Attach a copy of the draft resolution.

