



COLLIN COUNTY

Auditor's Office
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To: County Judge and Commissioners Court
From: Jeff May, County Auditor
Date: September 6, 2011
Re: Clarifying commitments of certain fund balances

The Governmental Accounting Standards Board (GASB) issued statement number 54 which will require the County to report our fund balance differently beginning in the FY2011 Comprehensive Annual Financial Report (CAFR). GASB 54 requires the fund balances of each fund to be recorded in one of 5 categories. One of these categories, "committed", requires Commissioners Court action restricting the funds. I am requesting that the Commissioners Court clarify restrictions of certain funds so the fund balances can be reported without question in the "committed" category of fund balance beginning in the FY2011 CAFR. The last item, disaster recovery, is a new item that I was informed the Court would be interested in considering. Any amount that is not included in the "unassigned" category of fund balance will not be used in calculation of the "operating days of fund balance" minimum fund balance calculation in the Fund Balance Policy. The funds needing clarification are as follows:

Juvenile Probation funds – All funds transferred into a Juvenile Probation fund from the General Fund and revenues recorded in any of the Juvenile Probation funds or revenues recorded in these funds may only be used to fund operations or capital improvements of the Juvenile Probation Department, including probation and detention activities.

Pre-Trial Release Fund – All funds transferred into the Pre-Trial Release Fund from the General Fund and revenues recorded in the Pre-Trial Release Fund may only be used for pre-trial release operations including salaries and benefits and equipment.

Jury Fund – All funds transferred into the Jury Fund from the General Fund and all revenues recorded in the Jury Fund may only be used for activities providing jurors to District, County and Justice courts within Collin County.

Myers Park Operating Fund – All funds transferred into the Myers Park Operating Fund from the General Fund and all revenues recorded in the Myers Park Operating Fund may only be used for operations of Myers Park including salaries and benefits, equipment, and capital improvements.

Code Inspection Fund – All funds transferred into the Code Inspection Fund from the General Fund and all revenues recorded in the Code Inspection Fund may only be used for Code Inspection Department activities including salary and benefits, equipment and capital improvements.

Permanent Improvement Fund – All funds transferred into the Permanent Improvement Fund and all revenues recorded in the Permanent Improvement Fund may only be used for infrastructure or facility improvements or construction to the benefit of Collin County and its citizens.

Disaster Recovery - An amount of \$10 million dollars in the General Fund should be committed and not available for spending in normal County operations but only to be used in the event that a major disaster occurs within Collin County. In the event that a disaster occurs the Commissioners Court must take action authorizing use of these funds before the funds may be made available for use.