



## Buncombe County Board of Commissioners

### Request for Board Action

Meeting Date: 5/18/2021

#### New Business

**Department:**  
Budget

**Presenter(s):**  
Jennifer Barnette, Budget

**Contact(s):** Don Warn, Finance

**Subject:** GASB Adjustments - Various Funds

#### Brief Summary:

The County, like other governmental units, has historically used agency funds to account for certain activities where we receive funds on behalf of other agencies or where we are directed by law to disburse funds to certain recipients. Agency funds are strictly balance sheet funds with no budgets required. The Governmental Accounting Standards Board (GASB) has issued statement 84 which eliminates the use of agency funds by governmental units and requires all activity currently accounted for in agency funds to be examined to determine what other fund type in which it is most properly reported. This change is required to be made by the end of FY21.

The County currently has four agency funds. Upon examination, some of our agency activity will continue to be reported as purely balance sheet (unbudgeted) activity in a custodial (rather than agency) fund, but some activity we have historically reported in an unbudgeted agency fund will now be reported in funds requiring budgets. A listing of existing agency funds and their disposition under the requirements of GASB 84 is below:

- Inmate Trust Fund – will become a custodial fund (still unbudgeted by definition)
- Social Services (DSS Trust) Fund – will move to a special revenue fund named Representative Payee Fund (budgeted)
- Sondley Estate Trust Fund – will move to a special revenue fund (to be budgeted when spending is anticipated)
- General Agency Accounts Fund – various activity will move to the General Fund, the Fire and Service Districts Special Revenue Fund, two new special revenue funds entitled Register of Deeds Fund and School Fines and Forfeitures Fund, and a new custodial fund, Municipal Tax Collections Fund (all budgeted, except Municipal Tax Collections Fund)

#### Recommended Motion & Requested Action:

Approve budget ordinance and amendments

#### County Manager's Comments & Recommendation:

County Manager recommends as presented