



## LYON COUNTY

### ADMINISTRATIVE POLICIES AND PROCEDURES

TOPIC: ACCOUNTING SYSTEMS		NUMBER: 2-1
EFFECTIVE: 9/1/2011	REVISED:	REVIEWED: 02/05/2015
REFERENCE: NEVADA REVISED STATUTE CHAPTER 354		
POLICY CUSTODIAN: COUNTY COMPTROLLER		

#### A. DEFINITIONS

1. Capital assets: Consistent with NRS 354.499, "capital assets" means assets of a long-term character which are intended to continue to be held or used such as land, buildings, machinery, furniture and other equipment.
2. Capital projects fund: Consistent with NRS 354.4995, "capital projects fund" means a fund used to account for resources used for the acquisition or construction of designated capital assets by the county except those accounted for in proprietary or trust funds.
3. Debt service fund: Consistent with NRS 354.510, "debt service fund" means a fund used to account for the accumulation of resources for and the payment of principal or interest on any general long-term debt or medium term obligation.
4. Enterprise fund: Consistent with NRS 354.517, "enterprise fund" means a fund used to account for operations:
  - a. Which are financed and conducted in a manner similar to the operations of private business enterprises, where the intent of the county is to have the expenses (including depreciation) of providing goods or services on a continuing basis to the general public, financed or recovered primarily through charges to the users; or
  - b. For which the county has decided that a periodic determination of revenues earned, expenses incurred and net income is consistent with public policy and is appropriate for capital maintenance, management control, accountability or other purposes.
5. Fiduciary fund: Consistent with NRS 354.5237, "fiduciary fund" means a fund used to account for assets held by the county as a trustee or an agent for persons, private organizations, other governmental units, other funds or any combination of them. The term includes an expendable trust fund, a nonexpendable trust fund, a pension trust fund or an agency fund.
6. Fund: "Fund" means a fiscal and accounting entity having a self-balancing set of accounts, recording cash and other financial resources together with all related liabilities and residual equities or balances, or changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations.
7. General fund: Consistent with NRS 354.534, "general fund" means the fund used to account for all financial resources except those required to be accounted for in another fund.

8. Generally accepted accounting principles: "Generally accepted accounting principles" means the specific accounting principles designated as generally accepted by the American Institute of Certified Public Accountants and adopted by the Governmental Accounting Standards Board.
9. Internal service fund: Consistent with NRS 354.543, "internal service fund" means a fund used to account for the financing of goods or services furnished by a designated department or agency to units within the county or to other departments or agencies on the basis of reimbursement for costs.
10. Permanent fund: "Permanent fund" means a fiduciary fund type used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.
11. Proprietary fund: Consistent with NRS 354.553, "proprietary fund" means an internal service fund or enterprise fund.
12. Special revenue fund: Consistent with NRS 354.570, "special revenue fund" means a fund used to account for specific revenue sources, other than sources for major capital projects, which are restricted to expenditure for specified purposes.

B. COUNTY FUND TYPES AND ACCOUNT GROUPS.

In accordance with the requirements of section 2-2 and as authorized by NRS 354.604, the county may create:

1. The following kinds of governmental funds:
  - a. General fund;
  - b. Special revenue fund;
  - c. Capital projects fund;
  - d. Debt service fund; and
  - e. Permanent fund.
2. The following kinds of proprietary funds:
  - a. Enterprise fund; and
  - b. Internal service fund.
3. The following kinds of fiduciary funds:
  - a. Pension and other employee benefits funds;
  - b. Investment trust funds;
  - c. Private-purpose trust funds; and
  - d. Agency funds.

C. BASIS OF ACCOUNTING FOR GOVERNMENTAL, EXPENDABLE TRUST, AGENCY FUNDS AND PERMANENT FUNDS.

The county shall maintain its accounting records for governmental, expendable trust and agency funds on the modified accrual method of accounting in accordance with NRS 354.550 and in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board.

D. BASIS OF ACCOUNTING FOR PROPRIETARY FUNDS AND NONEXPENDABLE TRUST FUNDS.

The county shall maintain its accounting records for proprietary funds and nonexpendable trust funds on the accrual method of accounting in accordance with NRS 354.479 and in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board.