Governmental Funds—
These funds account for most of the city’s activities that are financed through taxes. Governmental fund reporting often has a budgetary orientation. Governmental funds are classified into five fund types: **general, special revenue, capital projects**, debt service, and permanent funds.

**General (Fund 10)**
Every city should maintain a general fund. Most of the governmental activities should be financed and recorded in this fund. Expenditures for public purposes may be made from cash held in the general fund with freedom from the restrictions imposed on other funds. City commissions or councils may authorize contributions and/or loans to other funds from cash held in the general fund. (For example, if properly budgeted, cash of the general fund could be used to contribute to the debt service funds, or make up existing deficits in internal service or enterprise funds, etc.) Emergencies, catastrophes, and other unforeseen demands for money are usually met from the resources of the general fund.

**Special revenue funds:**
- **Class C (Fund 21)**
- **Recreation (Fund 23)**
- **Community Development (Fund 24)**
- **Housing (Fund 30)**

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The term “proceeds of specific revenue sources” establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. These revenues should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Special revenue funds are distinguished from enterprise funds in that the user of the governmental service does not pay for the service based on actual use. Conversely, the costs of services provided through an enterprise fund are generally recovered through charges to the users of the services.

**Debt Service (Fund 31)**
Debt Service Funds- this fund is established in order to accumulate sufficient resources to make principal and interest payments on debt that has been issued. These funds would normally be classified as restricted, committed, or assigned. This fund should be used if a legal mandate or debt covenant exists that has liquidity, ratio or other requirements. If the entity is not obligated, then an agency fund would be appropriate.

**Capital Projects Funds:**
- **Capital Projects (Fund 41)**
- **Millcreek Project (Fund 28)**

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets (other than those financed by Proprietary Funds or Trust Funds). The financial resources of capital projects funds come from several different sources, including general obligation bonds, grants from the state and federal government and appropriations from the general or special revenue funds.
**Internal Service Funds – Health Insurance (Fund 61)**
The Health insurance fund is established to account for the cost of self-insurance for City Health and Dental insurance on a cost reimbursement basis.

**Proprietary Funds—**
These funds account for a city’s business-type activities that are financed, at least in part, by fees or charges. Proprietary funds are classified into two fund types: enterprise and internal service funds.

**Enterprise Funds:**
- **Culinary Water (Fund 51)**
- **Sewer collections and waste water treatment (fund 52)**
- **Storm Water Utility (Fund 53)**

Enterprise funds may be established to account for the operations of the enterprises which provide goods or services to the public and a fee is charged. As such, these funds are to be handled on the same basis as similar privately-owned utilities or other business organizations.

Source: STATE OF UTAH UNIFORM ACCOUNTING MANUAL FOR CITIES