

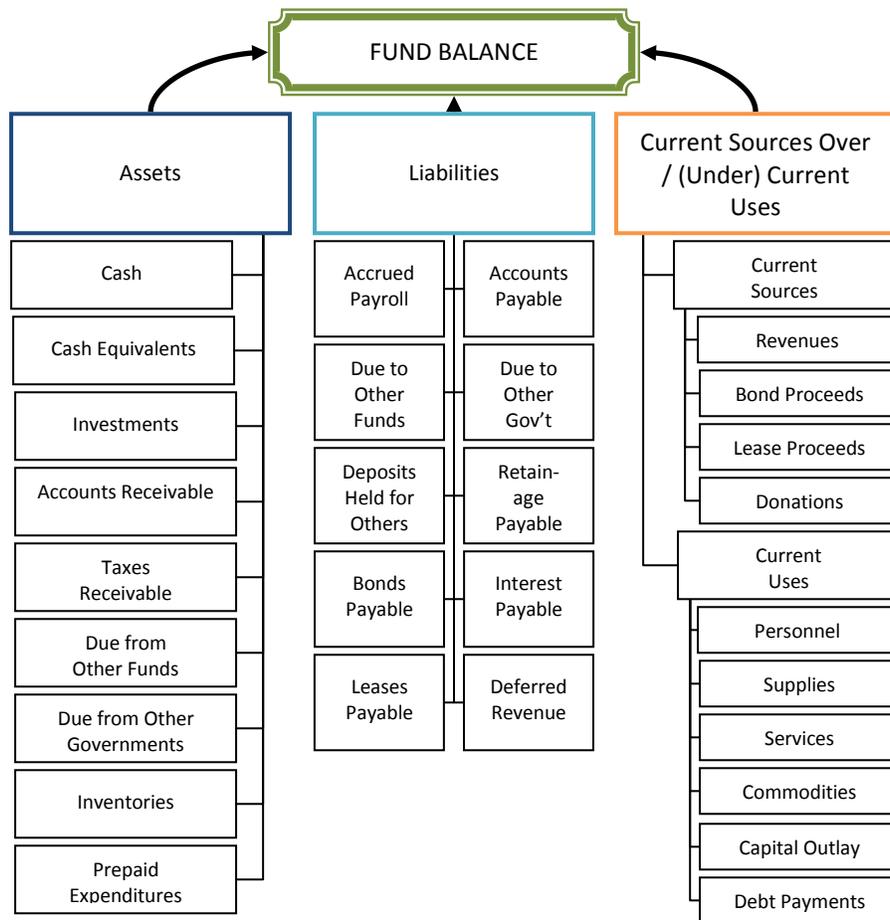
**RECOMMENDED PRACTICE**

A strong cash and fund balance can be quantified, but it should also be qualified. Recommended practices set the percentage of an entity’s budgets dedicated to reserves as ranging from no less than 5% to 15% or two months of regular operating revenues or expenses. A good cash and fund balance should be identified by what requirements will arise in the following fiscal year. Generally applying the 5% to 15% range to the subsequent year’s needs rather than only the current year’s budget is considered good standing.

The County’s adopted cash and fund balance policy delegates the determination of the amount of adequate balance to maintain to the County Administrator and Finance Director. This policy also states the emergency reserves to be set at no less than 5% of operating expenditures.

The adequate amount of balance to maintain for each district and fund that is required to maintain a balance varies. Factors that are considered include, but not limited to: timing of revenue and expenditures, historical and anticipated trends of revenues and expenditures, and future adequate balance requirements.

**COMPOSITION OF FUND BALANCE**



The above flow charts illustrate the composition of fund balance: **Fund Balance** = Assets - Liabilities + Net Current Year’s Source [Over / (under)] Current Uses.

	FY2016 Projected Actuals	FY2017 Adopted Budget	Difference	% Change
General Fund	\$ 15,707,676	\$ 15,717,188	\$ 9,512	0.1%
HURF	18,668,314	3,180,231	(15,488,083)	-83.0%
Jail District Operations	2,224,203	1,703,978	(520,225)	-23.4%
Library District	4,678,100	3,399,397	(1,278,703)	-27.3%
Health District	1,417,821	854,614	(563,207)	-39.7%
Flood Control	17,724,259	849,557	(16,874,702)	-95.2%
Housing	846,329	684,346	(161,983)	-19.1%
Improvement Districts	1,028,576	618,972	(409,604)	-39.8%
Debt Service	662,739	602,334	(60,405)	-9.1%
Capital Improvements	2,661,452	31,533	(2,629,919)	-98.8%
Other Govt. Funds	7,773,512	3,252,501	(4,521,011)	-58.2%
Internal Service Funds	7,228,555	6,820,370	(408,185)	-5.6%
	<b>\$ 80,621,536</b>	<b>\$ 37,715,021</b>	<b>\$ (42,906,515)</b>	<b>-53.2%</b>

### Changes in Fund Balance of 10% or Greater

HURF: The FY2016/2017 budgeted ending fund balance decreases 83.0% (combined Development Services and Public Works) as compared to FY2015/2016 projected actual ending fund balance. This is primarily due to state funding/cost shifts and ongoing projects having reached the stage where spending is anticipated to increase. Road maintenance expenditures are also budgeted to increase in FY2016/2017.

Jail District General Operations: The FY2016/2017 budgeted ending fund balance decreases 23.4% as compared to FY2015/2016 projected actual ending fund balance. This is primarily the result of increased personnel costs.

Library District: The FY2016/2017 budgeted fund balance decreases 27.3% as compared to FY2015/2016 projected actual ending fund balance. Agency Reimbursements revenue is projected to decrease and costs for items such as library materials, electricity and analog camera replacement are budgeted to increase.

Health District: The FY2016/2017 budgeted fund balance decreases 39.7% as compared to FY2015/2016 projected actual ending fund balance. This is primarily due to increased personnel costs.

Flood Control District: The FY2016/2017 budgeted fund balance decreases 95.2% as compared to FY2015/2016 projected actual ending fund balance. This is primarily due to ongoing projects having reached the stage where spending is anticipated to increase. The largest project budgeted in FY2016/2017 is the Smucker Park Detention Basin at a cost of \$8,659,897.

Housing: The FY2016/2017 budgeted fund balance decreases 19.1% as compared to FY2015/2016 projected actual ending fund balance. This is primarily the result of increased personnel costs along with increases in Other Operating Supplies, Buildings and Housing Assistance Payments.

Improvement Districts: The FY2016/2017 budgeted fund balance decreases 39.8% as compared to FY2015/2016 projected actual ending fund balance. This is primarily the result of projects having reached the stage where expenditures are expected to increase.

## Changes in Fund Balance- Concluded

Capital Improvements: The FY2016/2017 budgeted fund balance decreases 98.8% as compared to FY2015/2016 projected actual ending fund balance. This is primarily the result of reduced revenue and ongoing projects having reached the stage where spending is anticipated to increase. The initial phase of the Administration Annex project (\$1,340,000) will be completed in FY2016/2017 along with the replacement of the telephone system (\$774,838) for a number of County departments.

Other Governmental Funds: The FY2016/2017 budgeted fund balance decreases 58.2% as compared to FY2015/2016 projected actual ending fund balance. This is primarily the result of state funding/cost shifts and increased costs in approximately 100 funds.

# All Funds

# SUMMARY OF CHANGES IN FUND BALANCES

	General Fund	Highway User Revenue Funds	Jail District General Operations	Library District General Operations	Health District General Operations	Flood Control District General Operations	Housing General Operations
Fund balance 06/30/15	\$ 13,233,672	\$ 18,516,924	\$ 1,250,430	\$ 6,026,315	\$ 1,666,786	\$ 16,571,979	\$ 973,825
Sources:							
Revenues	76,466,105	12,132,200	12,610,321	10,448,717	6,699,356	2,586,600	3,801,222
Transfers in	162,972	-	6,720,258	-	1,562,161	-	-
Total sources	76,629,077	12,132,200	19,330,579	10,448,717	8,261,517	2,586,600	3,801,222
Uses:							
Expenditures	65,232,225	11,910,810	17,316,631	8,441,807	7,735,219	1,434,320	3,928,718
Transfers out	8,922,848	70,000	1,040,175	3,355,125	775,263	-	-
Total uses	74,155,073	11,980,810	18,356,806	11,796,932	8,510,482	1,434,320	3,928,718
Change in fund balance (net)	2,474,004	151,390	973,773	(1,348,215)	(248,965)	1,152,280	(127,496)
Fund balance 06/30/16	\$ 15,707,676	\$ 18,668,314	\$ 2,224,203	\$ 4,678,100	\$ 1,417,821	\$ 17,724,259	\$ 846,329
Budget Fiscal Year 2016:							
Sources:							
Revenues	77,822,217	13,427,000	13,673,444	10,438,480	7,755,653	3,476,838	3,937,332
Transfers in	883	-	6,885,255	-	1,576,953	-	-
Total sources	77,823,100	13,427,000	20,558,699	10,438,480	9,332,606	3,476,838	3,937,332
Uses:							
Expenditures	70,497,740	28,915,083	20,059,549	8,622,252	9,105,758	20,351,540	4,099,315
Transfers out	9,581,206	-	1,019,375	3,094,931	790,055	-	-
Anticipated reversions	(2,265,358)	-	-	-	-	-	-
Total uses	77,813,588	28,915,083	21,078,924	11,717,183	9,895,813	20,351,540	4,099,315
Change in fund balance (net)	9,512	(15,488,083)	(520,225)	(1,278,703)	(563,207)	(16,874,702)	(161,983)
Fund balance 06/30/17	\$ 15,717,188	\$ 3,180,231	\$ 1,703,978	\$ 3,399,397	\$ 854,614	\$ 849,557	\$ 684,346

# All Funds

# SUMMARY OF CHANGES IN FUND BALANCES

	Improvement Districts	Debt Service	Capital Improvements	Other Governmental Funds	Internal Service Funds	Total All Funds
Fund balance 06/30/15	\$ 1,142,047	\$ 1,133,141	\$ 4,782,136	\$ 6,733,308	\$ 7,298,610	\$ 79,329,173
Sources:						
Revenues	902,504	183,894	1,232,740	22,883,951	15,803,689	165,751,299
Transfers in	-	4,904,220	934,583	832,250	-	15,116,444
Total sources	902,504	5,088,114	2,167,323	23,716,201	15,803,689	180,867,743
Uses:						
Expenditures	971,650	5,496,338	4,026,103	22,254,343	15,710,772	164,458,936
Transfers out	44,325	62,178	261,904	421,654	162,972	15,116,444
Total uses	1,015,975	5,558,516	4,288,007	22,675,997	15,873,744	179,575,380
Change in fund balance (net)	(113,471)	(470,402)	(2,120,684)	1,040,204	(70,055)	1,292,363
Fund balance 06/30/16	\$ 1,028,576	\$ 662,739	\$ 2,661,452	\$ 7,773,512	\$ 7,228,555	\$ 80,621,536
Budget Fiscal Year 2016:						
Sources:						
Revenues	921,218	179,556	-	19,728,360	16,381,041	167,741,139
Transfers in	-	4,617,161	1,162,313	722,028	-	14,964,593
Total sources	921,218	4,796,717	1,162,313	20,450,388	16,381,041	182,705,732
Uses:						
Expenditures	1,330,822	4,857,122	3,661,018	24,623,587	16,789,226	212,913,012
Transfers out	-	-	131,214	347,812	-	14,964,593
Anticipated reversions	-	-	-	-	-	(2,265,358)
Total uses	1,330,822	4,857,122	3,792,232	24,971,399	16,789,226	225,612,247
Change in fund balance (net)	(409,604)	(60,405)	(2,629,919)	(4,521,011)	(408,185)	(42,906,515)
Fund balance 06/30/17	\$ 618,972	\$ 602,334	\$ 31,533	\$ 3,252,501	\$ 6,820,370	\$ 37,715,021