FUND BALANCE DISCUSSION
FISCAL YEAR ENDED JUNE 30, 2025

Budget, Finance, and Economic Development Committee
October 21, 2025

Commissioner Erin Hensley

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What is a Fund Balance?

Government Financial Statements are made up of Funds – Segments of Activity that are recorded separately. Each fund's current year activity adds to or takes from a beginning balance.

The General Family of Funds' ending balance is discussed at the close of each Fiscal Year.

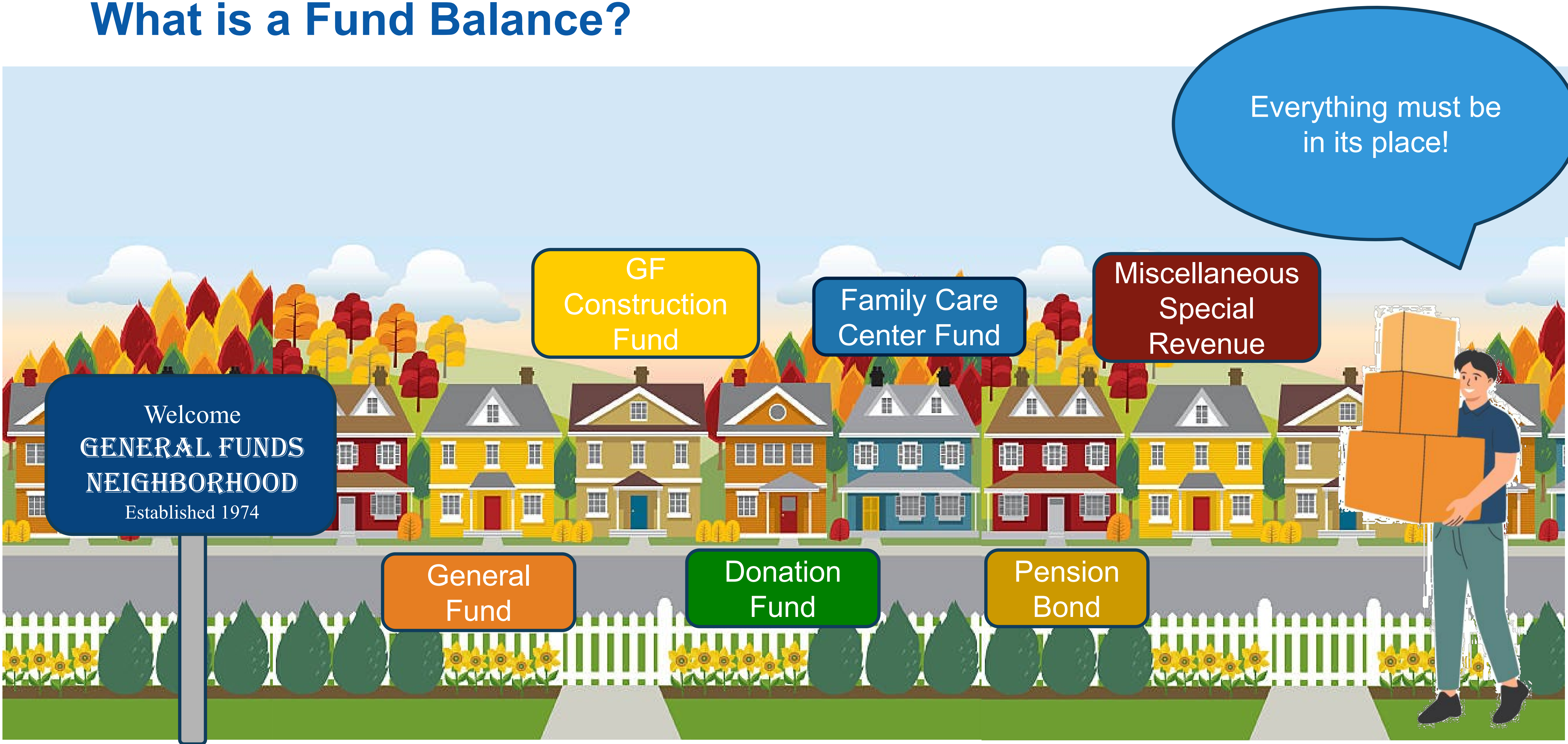
What we talk about as "Fund Balance" is **one piece** of that balance.
It is generally what is left **unassigned** at this point in the audit process.

Through the Council Fund Balance Process, the Council will **direct assignments**.
Any dollars not assigned will remain unassigned, but can be assigned
at a later time through the Budget Amendment process.

Fund Balance designations will be included in the Annual Comprehensive Financial Report.

Let's walk through where the pieces live…

What is a Fund Balance?



FY2025 Fund Balance – ALL GENERAL FUNDS

Year-End FY2024

Beginning Fund Balance

FY2025

Change in Fund Balance

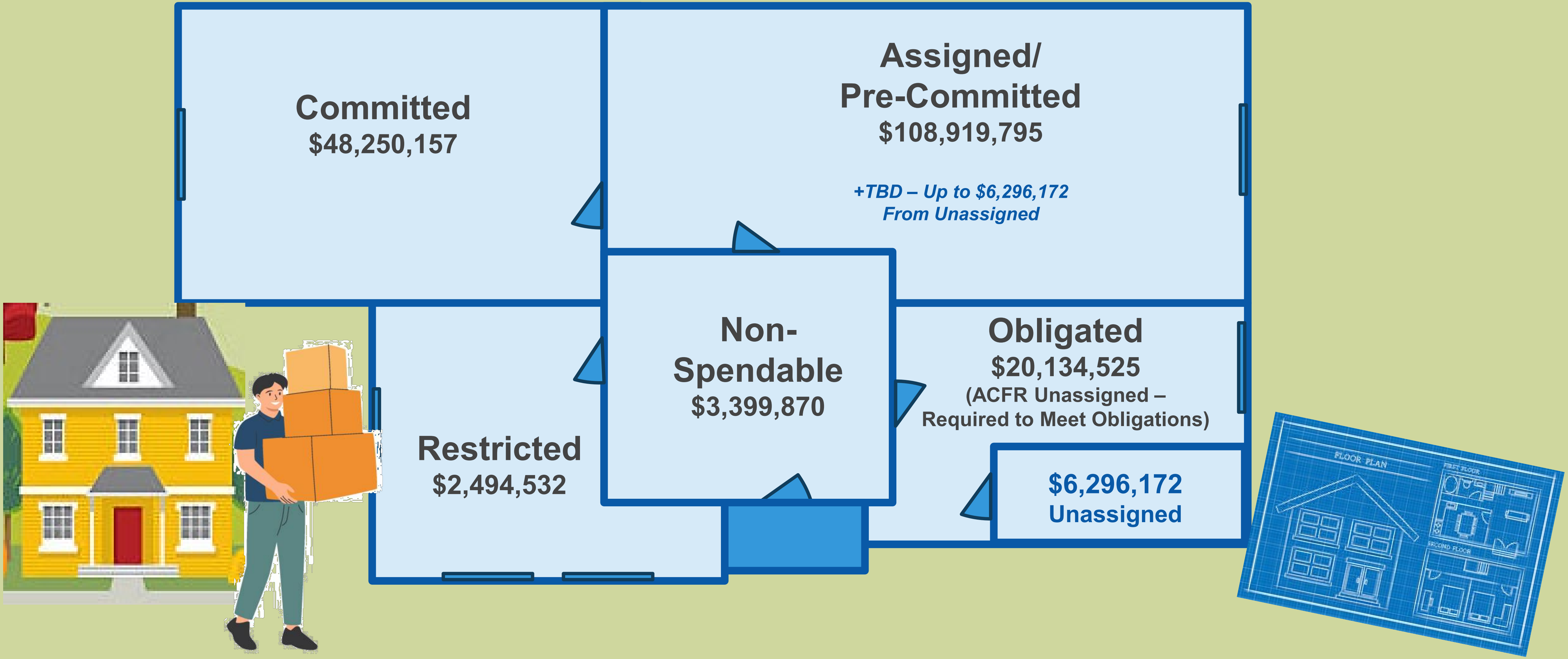
Revenues - Expenses

Year-End FY2025

Ending Fund Balance

FY24 Fund Balance (Restated)	$191,586,621
FY25 Net Change	($2,091,570)
Total FY25 Fund Balance	$189, 495,051

Compartmentalizing a Fund Balance



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Non-Spendable and Restricted Fund Balance

	2025
6/30/2025 Total Fund Balance	**$189,495,051**
Non spendable – Prepaids and Inventory	
Prepaids and Inventory	3,399,870
Restricted	
Energy Improvement Fund	289,670
Qualified Energy Bond Reserve (Sinking Fund)	2,204,862
6/30/2025 Fund Balance after Non-spendable and Restricted	183,600,649

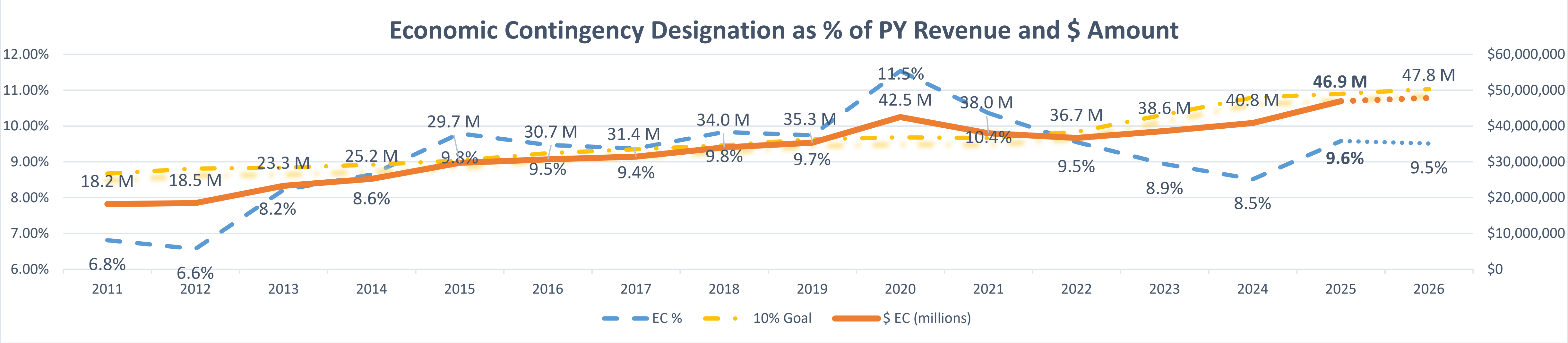
Prepaids
Software Contracts
Advertising
Etc.

Inventory
Fuel
Vehicle Parts
Etc.

Fund Balance Commitments

6/30/2025 Fund Balance after Non-spendable	183,600,649
Committed	
Economic Contingency – Balance on 6/30/2025	46,210,840
Economic Contingency – 10% of Available Fund Balance per Ordinance	699,575
Non 1101 Fund Balances	
1102 Family Care Center	11
1103 Donation	839,157
1141 Misc Special Revenue	490,407
2521 Pension Bond	10,168
	1,339,742
6/30/2025 Fund Balance After Committed	135,350,492

TOTAL $46.9M



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ECONOMIC CONTINGENCY

FY2026 Budgeted Balance

$47.8 Million

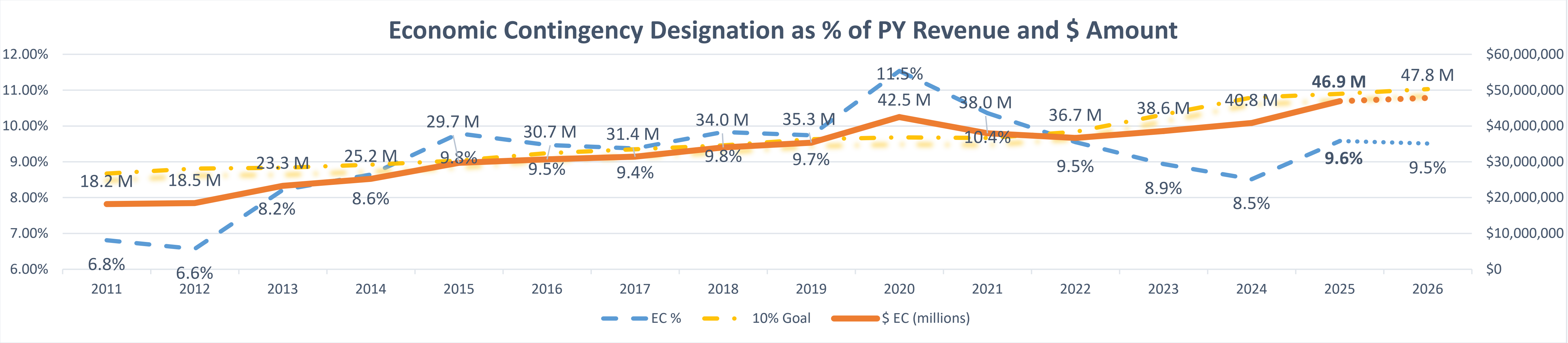
Adds $900,000 to FY25 Balance ($75,000/month)

Interest Earned and
Additional FY26 Contribution from Fund Balance
Not Included in Budgeted Balance

ORDINANCE NO. 099 -2024

AN ORDINANCE AMENDING AND RESTATING ORDINANCE NO. 50-2016 PERTAINING TO THE CONTINGENCY DESIGNATION FUND AND POLICY, TO INCREASE THE AMOUNT OF THE REQUIRED MONTHLY DEPOSIT TO $75,000 AND TO INCLUDE A POTENTIAL ADDITIONAL ANNUAL DEPOSIT IN THE EVENT A FUND BALANCE EXISTS.

- Requires report of funding required to meet 10% goal in current year
  $2.5 Million Additional Contribution would be Required
- Requires 10% Unassigned balance deposited and reported as a commitment
  $699k Additional Contribution Reported as Committed in FY2025 Fund Balance



Historical Assignments, Obligations, and Pre-Commitments

6/30/2025 Fund Balance After Committed	135,350,492
Historical Assignments and Pre-Commitments	
Health Insurance Reserve	6,500,000
Reserve of Opioid Settlement Received – To Be Moved to Grant Fund at Later Date	7,774,174
FEMA Disaster Reserve – General Fund Charges Held for Reimbursement Not Yet Approved by Grantor	202,194
FY26 Budget Commitment – Additional Funding to meet E911 Budgeted Fund Balance	826,570
Capital Projects – General Fund In Progress	93,616,857
Obligations	
Obligated Fund Balance Uses (see below)	20,134,525
6/30/2025 Fund Balance Unassigned	$6,296,172

Obligated Fund Balance Uses		
PO Roll to FY 26	$	15,372,923
Grant Match Roll to FY 26	$	3,761,602
FY 2026 Budgeted Beginning Fund Balance	$	1,000,000
Obligated Uses of Unassigned	***$***	***20,134,525***

Mayor’s Comments

Questions?

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ECONOMIC CONTINGENCY

10% Economic Contingency Calculation

Ordinance 099-2024
10% of Remaining Unassigned to be Reported as Committed and Added to Economic Contingency Designation

Total Fund Balance	$189,495,051
Prepaids and Inventory	(3,399,870)
Energy Improvement Fund	(289,670)
Qualified Energy Bond Reserve – Sinking Fund	(2,204,862)
Economic Contingency Fund – Before Additional 10%	(46,210,840)
Non-1101 Fund Balances	(1,339,742)
Pre-Commitments – FY26 Budget (E911)	(826,570)
FEMA Reserve – FY25 Expenditures	(202,194)
Opioid Settlement Reserve	(7,774,174)
Health Insurance Reserve	(6,500,000)
Capital Projects – 1105 Fund	(93,616,857)
Obligated Fund Balance Uses	(20,134,525)
Remaining Fund Balance	**$ 6,995,747**
10% Addition after Commitments, Pre-Commitments, Historical Assignments, Obligations	$ 699,575