

FUND BALANCE

The Undesignated, Un-appropriated Fund Balance is one measure of Albany County's overall financial health. Also known as surplus, the fund balances listed on the next page can be appropriated by the Legislature as part of the budget process to address instances in which appropriations exceed anticipated revenues. If, by the end of the fiscal year, actual expenditures exceeded revenues received, the surplus can also be used to offset the shortfall in revenue. Conversely, if revenues received exceed expenditures, the surplus will increase at the end of the year. The fund balance can be appropriated only as part of the budget process and cannot be appropriated or utilized once the budget has been adopted. It is important to note that a fund balance is an accounting tool and isn't completely backed by cash in the same manner as reserves.

The information in the chart on the next page, as reported in the County's Annual Financial Report to the State Comptroller's Office, is a snap shot of the conditions on December 31, 2011. The surplus is used as a diagnostic tool by rating agencies to determine the County's credit rating and risk when it is seeking funding through the issuance of bonds or bond anticipation notes.

As the chart below indicates, the County's surplus has diminished significantly in recent years. In 2007, the fund balance for the General Fund was approximately \$31.3 million. At the end of 2011, the fund balance was approximately \$30.6 million reflecting a decrease of 2.3% over a four year time frame. This figure may change depending on how revenues compare to expenditures in the 2012 annual financial report.

The consistent use of surplus to meet spending needs not backed by revenue has impacted the County's credit rating. In July 2010, The County's Aa2 credit rating was given a negative outlook by Moody's Investor Services. In September 2011, Moody's downgraded the County's credit rating once again, resulting in a change in grade level from Aa2 to Aa3.

The projected fund balance at the close of 2013 for the General Fund represents 6.0% of its \$484.6 million operational budget. Recommended guidelines for municipalities range from 10 – 15%.

UNAPPROPRIATED UNDESIGNATED FUND BALANCE BY FUND

	Fund Balance Available Close 2001	Change During 2002	Fund Balance Available Close 2002	Change During 2003	Fund Balance Available Close 2003	Change During 2004	Fund Balance Available Close 2004	Change During 2005	Fund Balance Available Close 2005
General	\$35,569,746	\$(2,981,441)	\$33,588,305	\$(2,515,535)	\$31,072,770	\$(5,156,181)	\$25,916,589	\$1,833,484	\$27,750,073
Road	\$34,678	\$754,103	\$788,781	\$(529,154)	\$259,627	\$120,445	\$380,072	\$(298,039)	\$82,033
Road Machinery	\$102,508	\$(92,750)	\$9,758	\$16,542	\$26,300	\$70,064	\$96,364	\$(38,272)	\$58,092
Sewer	\$1,419,140	\$541,872	\$1,961,012	\$76,177	\$2,037,189	\$(922,092)	\$1,115,097	\$658,632	\$1,773,729
Nursing Home	\$682,521	\$(705,542)	\$(23,021)	\$710,611	\$687,590	\$(635,184)	\$52,406	\$2,337,927	\$2,390,333
Total	\$37,808,593	\$(2,483,758)	\$36,324,835	\$(2,241,359)	\$34,083,476	\$(6,522,948)	\$27,560,528	\$4,493,732	\$32,054,260

	Change During 2006	Fund Balance Available Close 2006	Change During 2007	Fund Balance Available Close 2007	Change During 2008	Fund Balance Available Close 2008	Change During 2009	Fund Balance Available Close 2009
General	\$2,378,915	\$30,128,988	\$2,823,360	\$32,952,348	\$(3,620,731)	\$29,331,617	\$(12,695,500)	\$16,636,117
Road	\$280,605	\$362,638	\$63,492	\$426,130	\$(407,955)	\$18,175	\$(1,970)	\$16,205
Road Machinery	\$46,607	\$104,699	\$(99,004)	\$5,695	\$52,141	\$57,836	\$122,778	\$180,614
Sewer	\$1,727,231	\$3,500,960	\$(1,854,271)	\$1,646,689	\$(397,667)	\$1,249,022	\$964,147	\$2,213,169
Nursing Home	\$(659,324)	\$1,731,009	\$(5,412,737)	\$(3,681,728)	\$3,011,163	\$(670,565)	\$1,346,069	\$675,504
Total	\$3,774,034	\$35,828,294	\$(4,479,160)	\$31,349,134	\$(1,363,049)	\$29,986,085	\$(10,264,476)	\$19,721,609

	Change During 2010	Fund Balance Available Close 2010	Change During 2011	Fund Balance Available Close 2011	Projected Change During 2012	Projected Fund Balance Close 2012	Proposed Change During 2013	Projected Fund Balance Close 2013
General	\$2,940,634	\$19,576,751	\$3,613,926	\$23,190,677	\$-	\$23,190,677	\$-	\$23,190,677
Road	\$157,893	\$174,098	\$(14,473)	\$159,625	\$-	\$159,625	\$-	\$159,625
Road Machinery	\$(76,380)	\$104,234	\$(38,636)	\$65,598	\$-	\$65,598	\$-	\$65,598
Sewer	\$1,218,257	\$3,431,426	\$213,049	\$3,644,475	\$(1,200,000)	\$2,444,475	\$-	\$2,444,475
Nursing Home	\$(117,265)	\$558,239	\$3,023,911	\$3,582,150	\$-	\$3,582,150	\$-	\$3,582,150
Total	\$4,123,139	\$23,844,748	\$6,797,777	\$30,642,525	\$(1,200,000)	\$29,442,525	\$-	\$29,442,525

RESERVES

BACKGROUND

Albany County has established a number of reserve funds, which are segregated from the operating budget and intended to provide resources to meet future needs, contingencies, and capital outlays. These reserves were created through discretionary means and to satisfy certain legal obligations. Included in this section is a summary of Albany County's reserve accounts, along with the intended use of any reserve funds in 2013.

RESERVE ACCOUNTS AND RECOMMENDED USES

The table on the following page provides a description of Albany County's reserve accounts and the intended 2013 appropriation.

RESERVE TITLE	Reserve Balances Available Close of 2010	Reserve Balances Available Close of 2011	Projected Reserve Balances Close of 2012	Proposed Use of Reserves for 2013	Projected Reserve Balances Close of 2013	PURPOSE
E 911	\$695,634	\$1,052,022	\$1,052,022	\$ -	\$1,052,022	Emergency Telephone System (Restricted Use)
DWI	\$238,433	\$171,522	\$171,522	\$ -	\$171,522	Stop DWI Program (Restricted Use)
Stormwater Coalition	\$4,316	\$(57,949)	\$(57,949)	\$ -	\$(57,949)	Stormwater Management (Restricted Use)
Employee Benefits	\$1,000	\$ -	\$ -	\$ -	\$ -	Post Employment Health Insurance Benefits (GASB 45)
Debt	\$250,000	\$3,643,247	\$3,643,247	\$ -	\$3,643,247	Payment of County Debt Service
Civic Center Debt	\$1,232,389	\$2,319,151	\$2,319,151	\$ -	\$2,319,151	Payment for Civic Center Debt
Civic Center Capital Reserve	\$1,860,815	\$1,443,106	\$1,443,106	\$ -	\$1,443,106	Capital Improvement or Eligible Equipment
Capital Projects	\$2,335,350	\$2,500,000	\$2,500,000	\$ -	\$2,500,000	Capital Improvement or Eligible Equipment
Capital Repairs	\$2,955,750	\$2,955,750	\$2,955,750	\$ -	\$2,955,750	Repairs to Capital Improvements or Eligible Equipment
Economic Development	\$1,115,000	\$1,111,250	\$1,111,250	\$ -	\$1,111,250	Vista Technology Park
Workers Compensation	\$2,037,624	\$8,438,545	\$8,438,545	\$ -	\$8,438,545	Workers Compensation
Insurance	\$306,924	\$432,821	\$432,821	\$ -	\$432,821	General Liability Insurance
Sewer Capital Repairs	\$215,691	\$215,691	\$215,691	\$ -	\$215,691	Repairs to Capital Improvements or Eligible Equipment
Sewer Repairs	\$352,444	\$353,369	\$483,629	\$ -	\$483,629	Sewer District Repairs
Sewer Debt	\$195,236	\$483,629	\$483,369	\$ -	\$483,369	Payment of Sewer District Debt Service
Sewer Retirement	\$251,561	\$251,561	\$251,561	\$ -	\$251,561	Payment for Sewer District Retirement Contribution
Nursing Home Capital Projects	\$233,128	\$322,683	\$322,683	\$ -	\$322,683	Costs Associated with New Facility
Nursing Home Debt	\$308,355	\$308,355	\$308,355	\$ -	\$308,355	Payment of Nursing Home Debt Service
Hospital and Medical Insurance	\$5,000,000	\$5,000,000	\$5,000,000	\$ -	\$5,000,000	Requirement of Health Insurance Administrator (Restricted Use)
Total	\$19,589,650	\$30,944,753	\$31,074,753	\$ -	\$31,074,753	