

**To the Mayor and Members of the City Council**

August 20, 2020

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**SUBJECT: FIVE YEAR HISTORY OF GENERAL FUND RESERVE REQUIREMENT AND CHANGES IN FUND BALANCE**

The purpose of this Budget Response is to provide a five year history of the fund balance for the General Fund. The table below represents the five year history of the General Fund's unassigned fund balance. The City policy's goal reserve requirement is to maintain an unassigned fund balance in the General Fund equivalent to two months (16.67%) of regular ongoing operating expenditures. The City has met the goal in fiscal years 2018 and 2019.

	<u>FY2015</u>	<u>FY2016<sup>(a)</sup></u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>
Unassigned Fund Bal.	\$84,280,000	\$68,436,000	\$93,601,000	\$107,272,000	\$128,603,000
Adjustments:					
Unrealized Loss				6,171,045	1,713,018
Unavail. Rev & Others				1,755,955	(157,773)
<b>Adj. Unassigned Fund Bal.</b>	<b>84,280,000</b>	<b>68,436,000</b>	<b>93,601,000</b>	<b>115,199,000</b>	<b>130,158,245</b>
<b>Operating Expenditures</b>	<b>549,049,000</b>	<b>565,732,000</b>	<b>612,876,795</b>	<b>627,461,243</b>	<b>680,715,650</b>
<b>Goal Amount</b>	<b>91,526,468</b>	<b>94,307,524</b>	<b>102,166,562</b>	<b>104,597,789</b>	<b>113,475,299</b>
<b>Actual %</b>	<b>15.35%</b>	<b>12.10%</b>	<b>15.27%</b>	<b>17.10%</b>	<b>19.12%</b>

**Footnote:**

(a) In FY16, Advances to Municipal Airport Grant Fund resulted in lower unassigned fund balance (this was a one-time occurrence). The advance to the Municipal Airport Grant Fund was to cover a construction grant cash deficit that was repaid by the granting agency.

The table below shows the Ending Fund Balance and Net Change in Fund Balance of the General Fund for the last five fiscal years. The Fund Balance is comprised of nonspendable, restricted, committed and unassigned fund balances. In FY2019, the net change in fund balance was \$21,096,000.

<u>General Fund per CAFR</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>
Beginning Fund Balance	\$86,042,000	\$124,561,000	\$131,921,000	\$135,449,000	\$152,701,000
Net Change in Fund Balance	38,519,000	7,360,000	3,528,000	17,252,000	21,096,000
Ending Fund Balance	\$124,561,000	\$131,921,000	\$135,449,000	\$152,701,000	\$173,797,000

For questions, regarding this information, please contact Reginald Zeno, Director of Financial Management Services/Chief Financial Officer, at 817-392-8500.

**David Cooke**  
**City Manager**