

Response to Questions from the Board of Supervisors' Retreat February 2012

Request By: Supervisor Foust

Question: Provide more detail on the County's Unreserved General Fund Balance as a Percent of General Fund Revenues which equated to 9.2% for the fiscal year ending 6/30/10 (per the Public Financial Management (PFM) presentation on the County's Bond Ratings on Slide 12).

Response: The County's Financial Advisors PFM provided a presentation at the Board of Supervisors retreat that referenced the County's Unreserved General Fund Balance as 9.2% of General Fund Revenues. This information was derived from Moody's Financial Ratio Analysis Database and recognizes balances from all Funds that are recognized as the "General Fund" for reporting purposes to include the General Fund, Revenue Stabilization Fund, Contributory Fund, Community Funding Pool and Gift Funds. The term "Unreserved" relates to the fact that there is no legal obligation for these funds, such as there is for encumbrances.

The 9.2% equates to \$311 million and includes several categories:

- Revenue Stabilization Fund (\$104 million) which is equal to 3% of general fund disbursements
- Managed Reserve (\$68 million) which is equal to 2% of general fund disbursements
- Balances at year end which were used for:
 - General Fund Unencumbered Carryover funds (\$3 million)
 - General Fund Administrative Adjustments (\$41 million) which are approved at carryover by the Board to account for recommendations for additional funding by the County Executive per requests submitted by County agencies
 - General Fund Balances (\$95 million) which were identified during the year and at year end such as required audit adjustments, reserves set aside for future fiscal years, third quarter reductions, and a retirement reserve