

GENERAL FUND – FUND BALANCE ANALYSIS

Positive fund balances are considered to be available for future spending unless they have been reserved for a specific spending purpose. The chart below reflects total General Fund Fund Balance after encumbrances and projects carried forward into the new fiscal year are recognized. The dollar amounts on the individual bars represent the undesignated and unreserved portion of the General Fund Fund Balance.

The FY 06 year-end fund balance, according to the Spartanburg County Comprehensive Annual Financial Report (CAFR) was \$18,469,547. The FY 07 General Fund Budget included using \$2,085,036 for one-time capital projects and reserved equipment replacement dollars for new purchases. Also in 2007, County Council approved a capital purchase lease to retire and replace approximately one hundred fifty (150) Sheriff's Office vehicles, and to establish a reserve fund to set aside dollars for future vehicle replacements. As a result, \$897,000 was appropriated for the first lease payment, and \$417,761 was reserved for future vehicle replacement.

It is estimated for FY 08 that approximately \$1.8 million will be unexpended in the current fiscal year and carried forward. \$871,000 will be unreserved and transferred to the Capital Projects Fund for the replacement of Roads and Bridges equipment and vehicles, and other General Fund vehicles scheduled for replacement. Approximately \$468,000 is budgeted as a contribution to the fund balance. The fund balance is projected to be \$17,702,140 with \$7,953,169 designated/reserved and \$9,748,971 undesignated/unreserved.

County Council's policy is to maintain ten percent (10%) of General Fund expenditures in its unreserved fund balance. The size of the fund balance can affect its ability to withstand financial emergencies. Much depends on the circumstances, such as the kinds of natural disasters or hardships that the county may be subject to and the adequacy of its insurance coverage, the flexibility of the revenue base, the overall financial health, new state regulations, and the national economic conditions.

