

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, 2018. 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 diminished significantly during the 'Great Recession'. In 2009, the fund balance for the General Fund dipped to a low of \$16.6 million. At the end of 2011, the fund balance was approximately \$23.2 million - by the end of 2018 the General Fund balance had grown to \$49.3 million—an increase of over 100% since the beginning of the current administration. Our combined undesignated unappropriated fund balances for projected for the close of 2020 remain over \$60 million.

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. This rating was re-affirmed in the summer of 2013 and has remained stable since. The increase in our closing balance signifies that the County's financial outlook has improved and the County's credit rating should follow.

UNAPPROPRIATED UNDESIGNATED FUND BALANCE BY FUND

	Change During	Fund Balance Available	Change During	Fund Balance Available	Change During	Fund Balance Available	Change During	Fund Balance Available	Change During	Fund Balance Available
	2005	Close 2005	2006	Close 2006	2007	Close 2007	2008	Close 2008	2009	Close 2009
General	\$1,833,484	\$27,750,073	\$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	(\$298,039)	\$82,033	\$280,605	\$362,638	\$63,492	\$426,130	(\$407,955)	\$18,175	(\$1,970)	\$16,205
Road Machinery	(\$38,272)	\$58,092	\$46,607	\$104,699	(\$99,004)	\$5,695	\$52,141	\$57,836	\$122,778	\$180,614
Sewer	\$658,632	\$1,773,729	\$1,727,231	\$3,500,960	(\$1,854,271)	\$1,646,689	(\$397,667)	\$1,249,022	\$964,147	\$2,213,169
Nursing Home	\$2,337,927	\$2,390,333	(\$659,324)	\$1,731,009	(\$5,412,737)	(\$3,681,728)	\$3,011,163	(\$670,565)	\$1,346,069	\$675,504
Total	\$4,493,732	\$32,054,260	\$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	Fund Balance Available	Change During	Fund Balance Available	Change During	Fund Balance Available	Change During	Fund Balance Available	Change During	Fund Balance Available
	2010	Close 2010	2011	Close 2011	2012	Close 2012	2013	Close 2013	2014	Close 2014
General	\$2,940,634	\$19,576,751	\$3,613,926	\$23,190,677	\$4,160,229	\$27,350,906	\$7,511,996	\$34,862,902	\$4,874,156	\$39,737,058
Road	\$157,893	\$174,098	(\$14,473)	\$159,625	\$117,227	\$276,852	\$805,493	\$1,082,345	\$814,185	\$1,896,530
Road Machinery	(\$76,380)	\$104,234	(\$38,636)	\$65,598	(\$35,896)	29,702	(\$18,851)	\$10,851	\$255,412	\$266,263
Sewer	\$1,218,257	\$3,431,426	\$213,049	\$3,644,475	(\$35,896)	\$3,608,579	(\$95,705)	\$3,512,874	\$299,525	\$3,812,399
Nursing Home	(\$117,265)	\$558,239	\$3,023,911	\$3,582,150	\$787,807	\$4,369,957	\$115,735	\$4,485,692	\$2,219,941	\$6,705,633
Total	\$4,123,139	\$23,844,748	\$6,797,777	\$30,642,525	\$4,993,471	\$35,635,996	\$8,318,668	\$43,954,664	\$8,463,219	\$52,417,883

	Change During	Fund Balance Available	Change During	Fund Balance Available	Change During	Fund Balance Available	Change During	Fund Balance Available	Proposed Change During	Proposed Fund Balance
	2015	Close 2015	2016	Close 2016	2017	Close 2017	2018	Close 2018	2019	Close 2019
General	\$2,568,027	\$42,305,085	\$2,213,508	\$44,518,593	\$1,754,570	\$46,273,163	\$3,052,033	\$49,325,196		\$49,325,196
Road	\$284,874	\$2,181,404	(\$20,800)	\$2,160,604	\$2,655,315	\$4,815,919	(\$1,939,577)	\$2,876,342		\$2,876,342
Road Machinery	\$196,797	\$463,060	(\$26,257)	\$436,803	(\$231,453)	\$205,350	(\$182,031)	\$23,319		\$23,319
Sewer	(\$870,170)	\$2,942,229	\$1,186,647	\$4,128,876	(\$18,005)	\$4,110,871	\$282,372	\$4,393,243		\$4,393,243
Nursing Home	\$4,460,553	\$11,166,186	\$1,200,077	\$12,366,263	(\$5,586,993)	\$6,779,270	\$286,299	\$7,065,569	(\$2,150,000)	\$4,915,569
Total	\$6,640,081	\$59,057,964	\$4,553,175	\$63,611,139	(\$1,426,566)	\$62,184,573	\$1,499,096	\$63,683,669	(\$2,150,000)	\$61,533,669

	Proposed Change During	Proposed Fund Balance Available								
	2020	Close 2020								
General	\$0	\$49,325,196								
Road	\$0	\$2,876,342								
Road Machinery	\$0	\$23,319								
Sewer	\$0	\$4,393,243								
Nursing Home	(\$1,500,000)	\$3,415,569								
Total	\$0	\$60,033,669								

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 2020.

RESERVE ACCOUNTS AND RECOMMENDED USES

The table on the following page provides a description of Albany County's reserve accounts and the intended 2019 and 2020 appropriations.

RESERVE TITLE	Reserve Balances Close of 2017	Reserve Balances Close of 2018	Proposed Use of Reserves for 2019	Estimated Reserve Balances Close of 2019	Proposed Use of Reserves for 2020	Projected Reserve Balances Close of 2020	PURPOSE
E 911	\$ 1,556,857	\$ 1,724,117	\$ -	\$ 1,724,117		\$ 1,724,117	Emergency Telephone System
DWI	\$ 332,520	\$ 332,520	\$ -	\$ 332,520		\$ 332,520	Stop DWI Program
Stormwater Coalition	\$ -	\$ 189,544	\$ -	\$ 189,544		\$ 189,544	Stormwater Management
EMS Ambulance Program	\$ 111,362	\$ 216,938	\$ -	\$ 216,938		\$ 216,938	Ambulance Program
Tax Stabilization	\$ 1,850,155	\$ 1,850,155	\$ -	\$ 1,850,155		\$ 1,850,155	Reduce Levy
Debt	\$ 8,533,939	\$ 9,550,182	\$ -	\$ 9,550,182		\$ 9,550,182	Payment of debt service
Civic Center Debt	\$ 6,423,200	\$ 6,475,501	\$ -	\$ 6,475,501		\$ 6,475,501	Payment for civic center debt
Civic Center Capital Reserve	\$ 1,363,332	\$ 1,363,332	\$ -	\$ 1,363,332		\$ 1,363,332	Capital Improvement or eligible equipment
Capital Projects	\$ 1,000,000	\$ 800,000	\$ -	\$ 800,000		\$ 800,000	Capital Improvement or eligible equipment
Capital Repairs	\$ 2,955,750	\$ 755,750	\$ -	\$ 755,750		\$ 755,750	Repairs to Capital Improvements or eligible equipment
Economic Development	\$ 1,111,250	\$ -	\$ -	\$ -		\$ -	Park
Workers Compensation	\$ 10,750,946	\$ 11,801,133	\$ -	\$ 11,801,133		\$ 11,801,133	Workers Compensation
Insurance	\$ 279,588	\$ 605,545	\$ -	\$ 605,545		\$ 605,545	General Liability Insurance
Sewer Capital Repairs	\$ 217,423	\$ 217,423	\$ -	\$ 217,423		\$ 217,423	Repairs to Capital Improvements or eligible equipment
Sewer Repairs	\$ 230,175	\$ 230,175	\$ -	\$ 230,175		\$ 230,175	Repairs
Sewer Debt	\$ 833,129	\$ 1,035,583	\$ -	\$ 1,035,583		\$ 1,035,583	Payment of debt service
Sewer Retirement	\$ 251,561	\$ 251,561	\$ -	\$ 251,561		\$ 251,561	Payment for retirement contribution
Nursing Home Capital Projects	\$ 245,556	\$ 245,556	\$ -	\$ 245,556		\$ 245,556	Costs associated with new facility
Nursing Home Debt	\$ 795,713	\$ 2,589,605	\$ -	\$ 2,589,605		\$ 2,589,605	Payment of debt service
Hospital and Medical Insurance	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 5,000,000		\$ 5,000,000	Requirement of insurance administrator