
2023 ALBANY COUNTY EXECUTIVE BUDGET

INTRODUCTION AND HIGHLIGHTS FUND BALANCES AND RESERVES



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Budget Section	Fund Balance
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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, 2021 and aggregates the various fund balances by fund. 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.

Due to some very unique economic circumstances, record setting sales tax receipts, Federal Stimulus funds and recoveries from FEMA for COVID related cost increases in earlier periods we had an increase \$45.1 million to give a current year-end total of \$92.2 million. Caution must be urged to retain this balance as the vast majority of Economists are stating that we have already entered into the beginning of a recession and central bankers have been increasing interest rates at speeds never before seen to reel in the 8%+ inflation that we are currently facing.

The global financial crisis of 2007-08 reduced worldwide economic growth by approximately 4% and we are most likely headed for a similar situation. The next few years will most likely see the need for the County to dip into these reserves, thankfully through sound fiscal management we will have these funds when needed.

The consistent use of surplus to meet spending needs not backed by revenue has impacted the County's credit rating in the past. 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. In 2020 S&P reaffirmed Albany County as AA with a Stable Outlook and in 2021 Moody's reaffirmed Albany County as AA. This year S&P reaffirmed Albany County at AA with a stable outlook after many other municipalities experienced reductions due to the pandemic. We will continue to work with the County Comptroller on getting these ratings upgraded to the levels they should be at.

	Change During 2005	Fund Balance Available Close 2005	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	\$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 2010	Fund Balance Available Close 2010	Change During 2011	Fund Balance Available Close 2011	Change During 2012	Fund Balance Available Close 2012	Change During 2013	Fund Balance Available Close 2013	Change During 2014	Fund Balance Available 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 2015	Fund Balance Available Close 2015	Change During 2016	Fund Balance Available Close 2016	Change During 2017	Fund Balance Available Close 2017	Change During 2018	Fund Balance Available Close 2018	Change During 2019	Fund Balance 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	\$581,597	\$49,906,793
Road	\$284,874	\$2,181,404	(\$20,800)	\$2,160,604	\$2,655,315	\$4,815,919	(\$1,939,577)	\$2,463,379	(\$824,252)	\$1,639,127
Road Machinery	\$196,797	\$463,060	(\$26,257)	\$436,803	(\$231,453)	\$205,350	(\$182,031)	\$23,319	\$60,581	\$83,900
Sewer	(\$870,170)	\$2,942,229	\$1,186,647	\$4,128,876	(\$18,005)	\$4,110,871	\$282,372	\$4,393,243	\$1,583,334	\$5,976,577
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	(\$4,146,504)	\$2,919,065
Total	\$6,640,081	\$59,057,964	\$4,553,175	\$63,611,139	(\$1,426,566)	\$62,184,573	\$1,499,096	\$63,270,706	(\$2,745,244)	\$60,525,462

	Change During 2020	Fund Balance Available Close 2020	Proposed Change During 2021	Proposed Fund Balance Available Close 2021	Proposed Change During 2022	Proposed Fund Balance Available Close 2022	Proposed Change During 2023	Proposed Fund Balance Available Close 2023		
General	(\$15,362,595)	\$34,544,198	(\$3,000,000)	\$31,544,198	\$0	\$31,544,198	(\$8,500,000)	\$23,044,198		
Road	(\$98,345)	\$1,540,782	\$0	\$1,540,782	\$0	\$1,540,782	\$0	\$1,540,782		
Road Machinery	(\$53,954)	\$29,946	\$0	\$29,946	\$0	\$29,946	\$0	\$29,946		
Sewer	\$842,843	\$6,819,420	\$0	\$6,819,420	(\$750,000)	\$6,069,420	(\$747,735)	\$5,321,685		
Nursing Home	\$0	\$2,919,065	(\$772,438)	\$2,146,627	\$0	\$2,146,627	\$0	\$2,146,627		
Total	(\$14,672,051)	\$45,853,411	(\$3,772,438)	\$42,080,973	(\$750,000)	\$41,330,973	(\$9,247,735)	\$32,083,238		

Budget Section	Reserves
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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 2023.

RESERVE ACCOUNTS AND RECOMMENDED USES

The table on the following page provides a description of Albany County’s reserve accounts and the intended 2022 and 2023 appropriations.

<u>RESERVE TITLE</u>	Reserve Balances Close of 2020	Reserve Balances Close of 2021	Proposed Use of Reserves for 2022	Projected Reserve Balances Close of 2022	Proposed Use of Reserves for 2023	Projected Reserve Balances Close of 2023	<u>PURPOSE</u>
E 911	\$ 1,240,058	\$ 1,047,213		\$ 1,047,213		\$ 1,047,213	Emergency Telephone System
DWI	\$ -	\$ -		\$ -		\$ -	Stop DWI Program
Stormwater Coalition	\$ 173,337	\$ 120,013		\$ 120,013		\$ 120,013	Stormwater Management
EMS Ambulance Program	\$ 289,407	\$ 424,991		\$ 424,991		\$ 424,991	Ambulance Program
Tax Stabilization	\$ 1,850,155	\$ 1,850,155		\$ 1,850,155		\$ 1,850,155	Reduce Levy
Debt	\$ 26,812,989	\$ 21,870,826	\$ 6,677,019	\$ 15,193,807	\$ 10,263,715	\$ 4,930,092	Payment of debt service
Capital Reserve	\$ -	\$ -	\$ 3,749,172				Fund Capital Projects without Bonding
Retirement Contribution Reserve	\$ -	\$ -	\$ 3,000,000				Payment of Retirement Contributions
Civic Center Debt	\$ 7,330,400	\$ 7,676,440		\$ 7,676,440		\$ 7,676,440	Payment for civic center debt
Civic Center Capital Reserve	\$ 1,279,479	\$ 1,280,451		\$ 1,280,451		\$ 1,280,451	Capital Improvement or eligible equipment
Capital Projects	\$ 1,004,867	\$ 1,005,797		\$ 1,005,797		\$ 1,005,797	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
Workers Compensation	\$ 13,463,464	\$ 14,252,727		\$ 14,252,727		\$ 14,252,727	Workers Compensation
Unemployment Insurance	\$ -	\$ 384,517		\$ 384,517		\$ 384,517	Payment of State Unemployment Insurance Fund
Insurance	\$ 125,890	\$ 125,890		\$ 125,890		\$ 125,890	General Liability Insurance
CS Debt	\$ -	\$ 22,468		\$ 22,468		\$ 22,468	Payment related to Risk Retention
Sewer Capital Repairs	\$ 217,423	\$ 217,423		\$ 217,423		\$ 217,423	Repairs to Capital Improvements or eligible equipment
Sewer Repairs	\$ 230,175	\$ 230,863		\$ 230,863		\$ 230,863	Repairs
Sewer Debt	\$ 1,030,954	\$ 1,031,781		\$ 1,031,781		\$ 1,031,781	Payment of debt service
Sewer Retirement	\$ 251,561	\$ 251,561		\$ 251,561		\$ 251,561	Payment for retirement contribution
Nursing Home Capital Projects	\$ 253,749	\$ 253,940		\$ 253,940		\$ 253,940	Costs associated with new facility
Nursing Home Debt	\$ 2,578,338	\$ 2,580,953		\$ 2,580,953		\$ 2,580,953	Payment of debt service