

# Fund Balance Update

February 11 & 12, 2021



# Current Greensboro Fund Balance Policy

## Fund Balance & Capital Reserve Policy – General Fund

- The City shall maintain an undesignated fund balance equal to 9% of the following year's General Fund adopted budget, with any amount in excess of 9% being credited to a capital reserve account until a minimum of \$10 million is accumulated
- Once the minimum goal is reached additional funds can be used for “pay-as-you-go” capital expenditures
- Before any appropriations can be made from Undesignated Fund Balance of the General Fund, seven yes votes from the nine-member Council shall be required

# Bring the fund balance to 15% of our annual budget by 2022

## Current Status

### General Fund

- 9% of subsequent budget, \$27.7 million

### Capital Reserve

- Remaining available Fund Balance, \$6.5 million
  - Improved by about \$1.5 million

## Goal

### General Fund

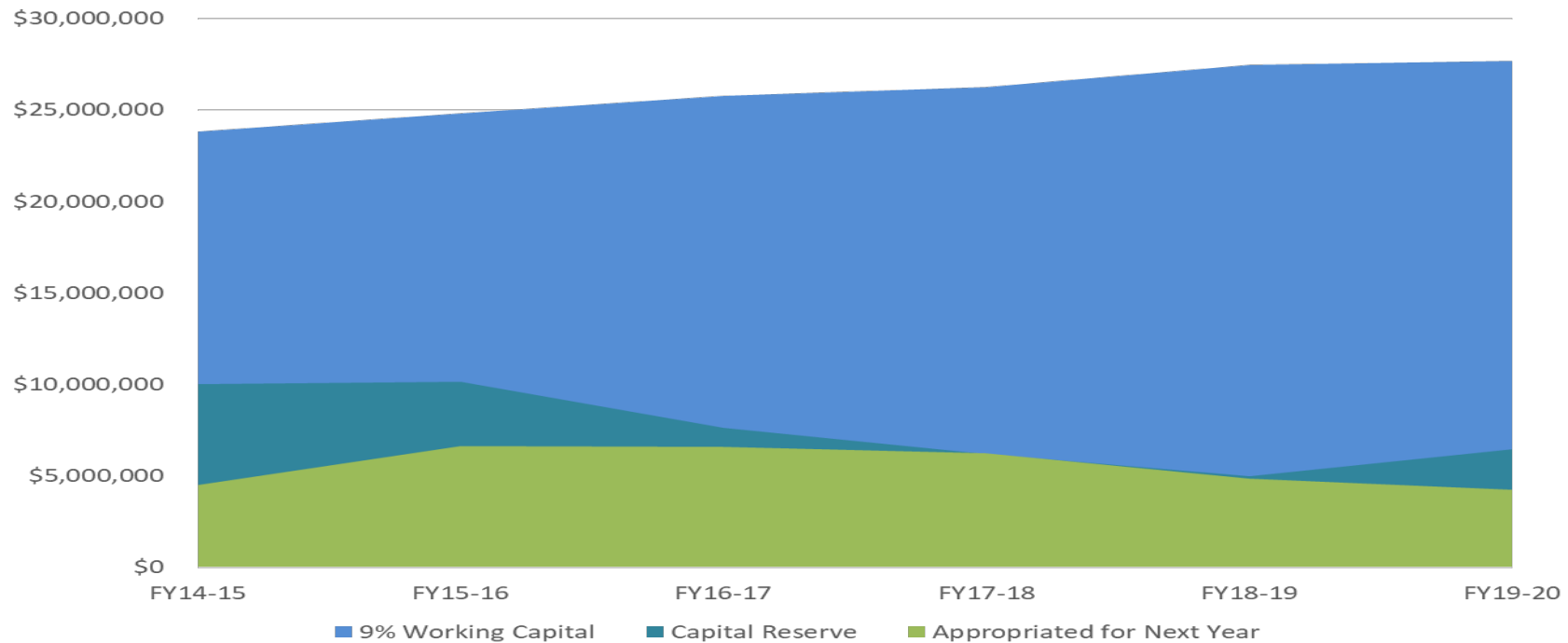
- 9% of subsequent budget, \$27.7 million

### Capital Reserve

- Remaining available fund balance, approx. \$18.4 million
  - Approximately \$12 million more than current

# Fund Balance Results – General Fund

- Local Government Commission recommends minimum Fund Balance of 8% to cover 1 month of operations plus more for unforeseen emergencies



# Strategies for Increasing Fund Balance

## To Achieve 15% Goal

General Fund net financial performance must improve by:  
\$2.4 million each year for five years

- Increased revenues
- Reduced expenditures
- Reduced reliance on fund balance

# Fund Balance Comparison to Peers

Unit	Population	FY 2019	FY 2018
<i>MUNICIPALITIES:</i>			
Winston-Salem	243,447	22.76%	21.76%
Durham	265,060	40.51%	44.75%
<b>Greensboro</b>	<b>292,306</b>	<b>23.02%</b>	<b>22.33%</b>
Raleigh	464,453	51.71%	45.51%
Charlotte	852,992	43.52%	44.78%
<i>COUNTIES:</i>			
Forsyth	376,309	29.58%	29.31%
Durham	311,163	44.47%	42.41%
Guilford	534,346	20.12%	23.01%
Wake	1,070,197	26.96%	26.55%
Mecklenburg	1,088,350	35.97%	41.14%
<i>AVERAGE</i>		33.86%	34.16%

- Includes Debt Service Fund
- Method Used by Rating Agencies for Review