


**FINANCE MEMORANDUM**  
#13-08

**DATE:** October 7, 2013

**TO:** Honorable Mayor Joyce Downing and City Council Members

**FROM:** John R. Pick, City Manager  
Jason Loveland, Director of Finance 

**SUBJECT:** Fund Balance Review – General Fund 2010-2013

**PURPOSE:**

The following memorandum analyzes the changes to the fund balance in the General Fund from 2010-2013 and summarizes the reserve requirements of the fund.

**BACKGROUND:**

The City regularly reviews its financial performance by comparing the budget to actual performance. The charts below summarize the changes to fund balance in the General Fund. Table 1 lists the forecasted changes to fund balance as adopted in the budget for the past four years. Table 2 shows the actual changes to fund balance over the same time period. The General Fund has outperformed budget assumptions by \$6,288,596 (\$5,491,278 actual addition to fund balance versus a projected loss of \$797,318) from 2010-2013.

Table 1	2010 Budget	2011 Budget	2012 Budget	2013 Budget	Total
Change in Fund Balance	\$ (1,028,069)	\$ 89,197	\$ 331,303	\$ (189,749)	\$ (797,318)

Table 2	2010 Actual	2011 Actual	2012 Actual	2013 Projected	Total
Change in Fund Balance	\$ 1,250,626	\$ 1,842,040	\$ 1,191,113	\$ 1,207,499	\$ 5,491,278

Fund balance in the General Fund is currently projected to increase 52% from 2010 to 2013.

Table 3	2010 Actual	2011 Actual	2012 Actual	2013 Projected
Ending Fund Balance	\$ 8,045,243	\$ 9,887,283	\$ 11,078,396	\$ 12,285,895

The City's Comprehensive Financial Policy requires a minimum of 25% of the current year appropriations in the General Fund to be committed to buffer against downturns in the economy and provide an additional source of funding for one-time expenditures. For example, with every \$100 of budgeted expenditures, \$25 of fund balance is committed for one-time expenditures. This means that as total expenditures in the fund increase, more of the fund balance will move from an unassigned status to a committed status.

**STAFF REFERENCE:**

Contact Jason Loveland at [jloveland@northglenn.org](mailto:jloveland@northglenn.org) or at 303-450-8817.