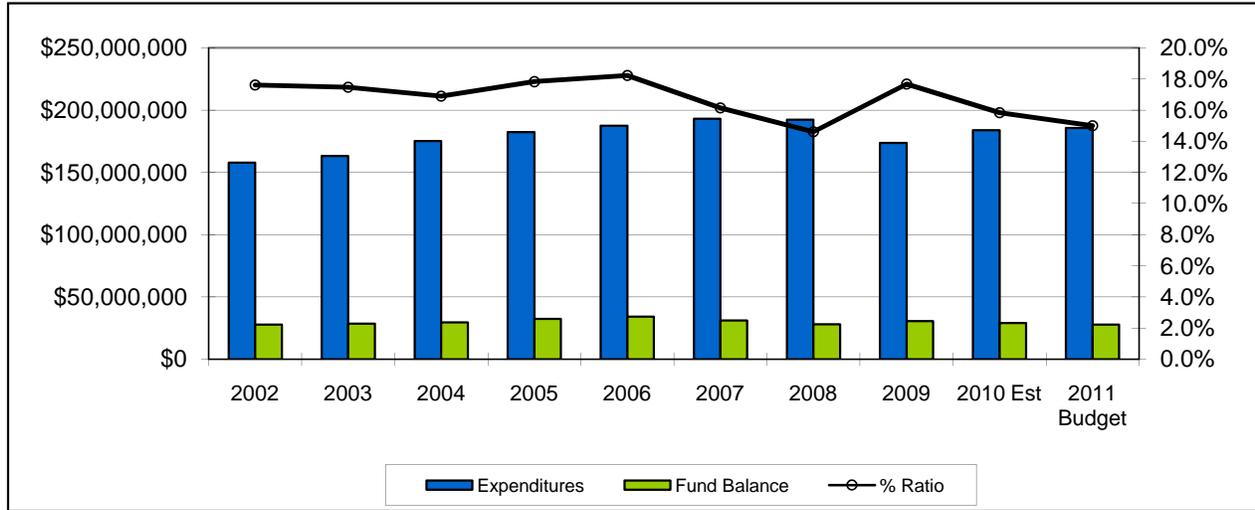


**GENERAL & SPECIAL REVENUE FUNDS**  
**Expenditures, Unassigned Fund Balance**



Expenditures and Unassigned Fund Balance  
 General and Special Revenue Funds

<u>Year</u>	<u>Expenditures</u>	<u>Unassigned Fund Balance*</u>	<u>% Ratio</u>
2002	\$157,722,828	\$27,755,168	17.6%
2003	\$163,223,728	\$28,510,461	17.5%
2004	\$175,235,496	\$29,596,034	16.9%
2005	\$182,433,309	\$32,507,004	17.8%
2006	\$187,410,318	\$34,138,957	18.2%
2007	\$192,949,494	\$31,116,045	16.1%
2008	\$192,284,111	\$28,084,566	14.6%
2009	\$173,554,267	\$30,647,610	17.7%
2010 Est	\$183,746,804	\$29,079,038	15.8%
2011 Budget	\$185,746,887	\$27,839,370	15.0%

**Policy and Practice**

The County will maintain unrestricted fund balances to provide necessary working capital to avoid cash flow interruptions and short-term borrowing to fund daily operations and to maintain the County's Aaa/AAA bond ratings.

The unrestricted governmental (general and special revenue) fund balance to governmental expenditures ratios will be maintained at a minimum of 11%. The current target is 15%, or about eight weeks of working capital for operations.

Fund balance reserves will not be used to offset continuous operation costs.

To the extent possible, reserves will be used to provide operating efficiencies over the long term.

\*Does not include unrealized gains or losses on investments. While the County typically holds these investments to maturity or life of the security, generally accepted accounting principles require that these investments be recorded at their fair value. Prior to the implementation of GASB 54 in 2011, unassigned fund balance was referred to as unreserved, undesignated fund balance.

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## SUMMARY OF FUND BALANCE PROJECTIONS

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Projections of fund balance are an indicator of the estimated financial condition of the County at year-end. Fund balances are projected separately for General, Special Revenue, Enterprise, Internal Service, Debt, and Capital Project Fund types. For a description of the County's financial structure see the Strategic Planning and Budget Policies Section of the 2011 Adopted Budget. For descriptions of funds see the Summary section.

### December 31, 2010 (unaudited)

The current year projection (year-end 2010) is based on year-to-date information together with departmental estimates of revenues, expenditures and net transfers for various fund types. Total combined estimates of fund balances at December 31, 2010 are projected at \$127.6 million, a decrease of \$9.6 million from December 31, 2009 year-end combined fund balances. Of the combined fund balance amount, \$95.5 million is reserved (by State Law, County Board ordinance, etc.) or designated for specific future use exclusively within each particular fund. A summary of projected fund balance by fund type is described below.

**General Fund Balance** - The estimated fund balance for the General Fund at December 31, 2010 is projected at \$55.2 million, an increase of \$74,000 from 2009. Revenues were \$1.0 million over expenditures. Net transfers out of the General fund were just under \$1.0 million, including, \$0.6 million for the Risk Management fund and \$0.4 million for capital. The unreserved, undesignated portion of the fund balance is estimated at \$26.9 million, a decrease of \$1.6 million from 2009.

**Special Revenue Fund Balance** - The December 31, 2010 estimated fund balance is \$13.7 million, a decrease of \$1.6 million from 2009. This decrease results mainly from the use of \$1.2 million of fund balance for land purchases in the Tarmann Parkland Acquisition Fund. The unreserved, undesignated portion of fund balance is estimated at \$5.2 million, the same as 2009.

**Working Capital** - The unreserved General Fund balance combined with the unreserved Special Revenue Fund balance (governmental funds, excluding debt and capital projects) provides working capital for about eight weeks of operations based on the 2011 expenditure budget. In addition, the ratio of governmental funds unreserved fund balance to governmental expenditures for year-end 2010 is estimated at 15.8%. This estimated percentage exceeds the County's goal of at least 11%, which provides sufficient cash flow for the County's operations. It also exceeds the County's target goal of 15%.

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## SUMMARY OF FUND BALANCE PROJECTIONS, Cont.

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**Enterprise Fund Balance** - Fund balance is projected at \$17.6 million, a decrease of \$0.5 million from 2009. This reflects revenues under expenses of \$124,000 combined with the transfer out of \$395,000 from the materials recycling facility to the General fund. The enterprise funds include three golf courses, two indoor ice arenas, radio services, a materials recycling facility, and an airport.

**Internal Service Fund Balance** - Year-end 2010 fund balance is estimated at \$12.2 million, a decrease of \$678,000 from 2009.

**Debt Service Fund Balance** - Year end 2010 fund balance is estimated at \$4.3 million, about the same level as 2009.

**Capital Projects Fund Balance** - Fund balance is projected at \$24.7 million, a decrease of \$7.1 million from 2009. The entire fund balance is reserved for existing capital projects.

### December 31, 2011

The County is implementing GASB statement 54 in 2011. This statement organizes fund balance into five classifications: nonspendable, restricted, and committed (essentially what was previously classified as reserved fund balance); assigned (previously unreserved, designated); and unassigned (previously unreserved, undesignated). The new classifications are used below.

Additionally, GASB 54 clarifies the definitions of individual fund types. As a result, the Health and Human Services and Child Support special revenue funds were reclassified to the General Fund. The total amount transferred was \$6.6 million.

The year-end 2011 projection is based on 2011 budgeted revenues, expenditures, and estimates on completion of capital projects appropriated in prior years. At year-end 2011, total combined fund balances are estimated at \$116.4 million, a decrease of \$11.3 million from the estimated 2010 level. Of the estimated combined year end 2011 total fund balance, \$85.5 million is restricted, committed or assigned specific future use within the particular funds, and \$30.9 million is estimated to be the unassigned fund balance. This is an estimated decrease in unassigned fund balance of about \$1.2 million from year-end 2010.

**General Fund Balance** - The estimated fund balance for the General Fund is projected at \$57.9 million, an increase of \$2.7 million from the 2010 estimate. This increase results from the \$6.6 million of fund reclassifications discussed above, offset by the planned use of \$3.9 million in the 2011 budget.

The unassigned portion of the fund balance is estimated at \$30.9 million.

**Special Revenue Fund Balance** - The December 31, 2011 estimated fund balance is \$6.3 million, a decrease of \$7.3 million from 2010. This decrease results mainly from the reclassification of funds discussed above.

**Working Capital** - The ratio of governmental funds unreserved fund balance to governmental expenditures for year-end 2011 is estimated at 15.0%, a decrease from the 15.8% estimate for year-end 2010.

**SUMMARY OF PROJECTED FUND BALANCE  
AS OF DECEMBER 31, 2010**

SCHEDULE 1

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
<b>Revenues:</b>							
General Intergovernmental	\$10,091,698	\$48,155,497	\$1,200,000	\$ -	\$ -	\$ 1,085,700	\$60,532,895
Taxes	59,324,912	22,854,010	192,563	684,872	13,005,000	2,430,000	98,491,357
Fines/Licenses	2,265,346	427,700	-	-	-	-	2,693,046
Charges for Services	15,729,726	6,723,474	5,399,834	3,212,080	-	-	31,065,114
Interdepartmental Revenue	3,581,346	522,244	594,635	28,610,417	-	-	33,308,642
Interest Income	4,593,900	199,000	-	-	280,000	450,000	5,522,900
Other Revenue	5,977,947	2,900,459	874,100	1,580,268	-	9,000,000	20,332,774
<b>Total Revenues</b>	<b>\$101,564,875</b>	<b>\$81,782,384</b>	<b>\$8,261,132</b>	<b>\$34,087,637</b>	<b>\$13,285,000</b>	<b>\$12,965,700</b>	<b>\$251,946,728</b>
<b>Expenditures:</b>							
Personnel Costs	\$70,085,017	\$34,498,361	\$2,577,769	\$4,957,940	\$ -	\$ -	\$112,119,087
Operating Expenses	20,691,396	40,332,571	4,507,359	30,059,708	-	-	95,591,034
Interdepartmental Charges	8,565,587	6,826,833	1,300,000	515,513	-	-	17,207,933
Fixed Asset/Capital Projects	1,181,039	1,566,000	-	-	-	20,500,156	23,247,195
Debt Service	-	-	-	-	13,424,280	-	13,424,280
<b>Total Expenditures</b>	<b>\$100,523,039</b>	<b>\$83,223,765</b>	<b>\$8,385,128 (A)</b>	<b>\$35,533,161 (A)</b>	<b>\$13,424,280</b>	<b>\$20,500,156</b>	<b>\$261,589,529</b>
<b>Excess of Revenues over (under)</b>	<b>\$1,041,836</b>	<b>(\$1,441,381) (B)</b>	<b>(\$123,996) (B)</b>	<b>(\$1,445,524) (B)</b>	<b>(\$139,280) (B)</b>	<b>(\$7,534,456) (B)</b>	<b>(\$9,642,801) (B)</b>

Footnotes:

(A) Net of capital projects expenditures and revenues.

(B) Negative amounts reflect planned use of reserved and designated fund balances for one time or temporary purposes.

**SUMMARY OF PROJECTED FUND BALANCE  
AS OF DECEMBER 31, 2010**

SCHEDULE 2

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Fund Balance Dec 31, 2009	\$55,084,935	\$15,279,548	\$18,137,225	\$12,854,488	\$4,060,379	\$31,871,549	\$137,288,124
Reserved/designated fund balance	26,613,069	10,068,624	18,137,225 (D)	12,854,488 (D)	4,060,379	31,871,549	103,605,334
Unreserved/undesig fund balance Jan 1, 2010	28,471,866	5,210,924	\$0	\$0	\$0	\$0	\$33,682,790
Excess of Revenues over (under) Expenditures (A)	1,041,836	(1,441,381)	(123,996)	(1,445,524)	(139,280)	(7,534,456)	(9,642,801)
Net Operating Transfers in (out)	(968,085)	(175,000)	(395,300)	767,354	371,031	400,000	0
Excess of Revenues & Other Financing Sources over (under) Expenditures	\$73,751	(\$1,616,381)	(\$519,296)	(\$678,170)	\$231,751	(\$7,134,456)	(\$9,642,801)
Total Projected Fund Balance Dec 31, 2010	55,158,686	13,663,167	17,617,929	12,176,318	4,292,130	24,737,093	127,645,323
Reserved/Designated Fund Balance	28,245,442 (B)	8,462,190 (C)	17,617,929 (D)	12,176,318 (D)	4,292,130	24,737,093	95,531,102
Total Projected Unreserved Fund Balance	\$26,913,244	\$5,200,977	\$0	\$0	\$0	\$0	\$32,114,221

Footnotes:

(A) Negative amounts reflect planned use of reserved and designated fund balances for one time or temporary purposes.

(B) Includes \$3,369,293 designated in the 2011 budget.

(C) Includes \$780,501 designated in 2011 budget.

(D) The Enterprise and Internal Service Fund balances include fixed assets and funds budgeted for ongoing capital projects, and may include some unreserved funds.

**SUMMARY OF PROJECTED FUND BALANCE  
AS OF DECEMBER 31, 2011**

SCHEDULE 3

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Fund Balance December 31, 2010	\$55,158,686	\$13,663,167	\$17,617,929	\$12,176,318	\$4,292,130	\$24,737,093	\$127,645,323
Reserved/designated fund balance	28,245,442	8,462,190	17,617,929	12,176,318	4,292,130	24,737,093	95,531,102
Unreserved Fund Balance January 1, 2011	\$26,913,244	\$5,200,977	\$0	\$0	\$0	\$0	\$32,114,221
Total Transfers in (out) for GASB 54 Reclassification of Special Revenue Funds	6,598,201	(6,598,201)					0
Excess of Revenues over (under) Expenditures (A)	(1,769,293)	(751,320)	(628,512)	(2,562,785)	(1,304,386)	(4,247,000)	(11,263,296)
Net Operating Transfers in (out)	(2,133,522) (B)	0	0	558,522	550,000	1,025,000	0
Excess of Revenues & Other Financing Sources over (under) Expenditures	\$2,695,386	(\$7,349,521)	(\$628,512)	(\$2,004,263)	(\$754,386)	(\$3,222,000)	(\$11,263,296)
Total Projected Fund Balance Dec. 31, 2011	57,854,072	6,313,646	16,989,417	10,172,055	3,537,744	21,515,093	116,382,027
Restricted/Committed/Assigned Fund Balance	26,979,519	6,313,646	16,989,417 (C)	10,172,055 (C)	3,537,744	21,515,093	85,507,474
Total Projected Unassigned Fund Balance	\$30,874,553	\$0	\$0	\$0	\$0	\$0	\$30,874,553

Footnotes:

(A) Budgeted fund balances are responsible for the deficit figures.

(B) Includes planned transfer out of \$528,522 to Risk Management fund, \$550,000 for Debt Service, and \$675,000 for Capital Projects

(C) The Enterprise and Internal Service Fund balances include fixed assets and may include some unreserved funds.