

# Explanation of Fund Balance

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Governmental funds report the difference between their assets and liabilities as fund balance. In February 2009, The Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This latest GASB standard will not affect the calculation of fund balance, but will fundamentally alter the various components used to report it. Fund balance will now be divided as follows:

1. Non-spendable
2. Restricted
3. Committed
4. Assigned
5. Unassigned

*Non-spendable* funds are not in a spendable form or must be maintained intact. Examples of these are inventories, prepaid expenses, and loans to various agencies.

*Restricted* funds can be used only for the specific purposes as stipulated by (1) external creditors, grantors, or laws of other governments (2) constitutionally, or through enabling legislation.

*Committed* funds are those constrained by limitations that the government imposes on itself at the highest level of decision-making authority. Commitments may be changed or lifted only by the same formal action that imposed the original constraint.

*Assigned* funds are intended to be used by the government for a specific purpose. This intention can be expressed by the governing body, an official, or a body to which the governing body delegates the authority.

*Unassigned* funds are technically available for any purpose. Carroll's consists of anticipated current year unassigned funds.

Governments were required to implement GASB Statement No. 54 starting with the fiscal period that ended June 30, 2011.

## Schedule of Changes in Fund Balance General Fund

|   | Actual for 6/30/14<br>Audited - CAFR | Projected for 6/30/15<br>as of 4/17/15 | Projected for 6/30/16 |
|---|--------------------------------------|--|-----------------------|
| <b><u>Beginning Fund Balance</u></b>                | <b>\$104,887,508</b>                 | <b>\$104,044,469</b>                   | <b>\$93,456,964</b>   |
| Revenues  | 360,281,622                          | 353,976,690                            | 369,016,570           |
| Expenditures  | (365,335,005)                        | (364,564,195)                          | (379,212,320)         |
| GO Bond proceeds, premium, and redemption           | 735,000                              | 0                                      |                       |
| Non-Cash Notes                                      | 3,475,344                            | 0                                      |                       |
| <b>Projected Ending Fund Balance</b>                | <b>\$104,044,469</b>                 | <b>\$93,456,964</b>                    | <b>\$83,261,214</b>   |
| <b><u>Nonspendable</u></b>                          |                                      |  |                       |
| Inventory   | 1,196,709                            | 1,196,709                              | 1,200,000             |
| Prepaid expenses                                    | 253,110                              | 211,074                                | 150,000               |
| Loans for Economic Development                      | 5,755,293                            | 5,786,269                              | 6,000,000             |
| Loans to Volunteer Fire Companies                   | 11,677,896                           | 12,077,088                             | 13,000,000            |
| Loans to Municipalities                             | 141,695                              | 141,695                                | 140,000               |
| Advances to Industrial Development Authority        | 1,141,907                            | 1,141,907                              | 1,141,908             |
| Due from other governmental funds                   | 9,042,550                            | 7,357,775                              | 8,600,000             |
| <b>Total Nonspendable</b>                           | <b>29,209,160</b>                    | <b>27,912,517</b>                      | <b>30,231,908</b>     |
| <b><u>Restricted</u></b>                            |                                      |  |                       |
| Agricultural Preservation Payables                  | 24,572,853                           | 26,812,222                             | 26,812,222            |
| Weed Control future truck equipment purchase        | 91,089                               | 115,414                                | 120,000               |
| Loans collectible within one year                   | 1,388,494                            |  |                       |
| Impact Fees   | 0                                    |  |                       |
| <b>Total Restricted</b>                             | <b>26,052,436</b>                    | <b>26,927,636</b>                      | <b>26,932,222</b>     |
| <b><u>Committed</u></b>                             |                                      |  |                       |
| Stabilization Fund                                  | 18,425,000                           | 18,425,000                             | 18,425,000            |
| Fire Company loan - Mt Airy bond money              | 0                                    | 0                                      | 0                     |
| Medical Claims Reserve                              | 1,400,000                            | 1,400,000                              | 1,400,000             |
| <b>Total Committed</b>                              | <b>19,825,000</b>                    | <b>19,825,000</b>                      | <b>19,825,000</b>     |
| <b><u>Assigned</u></b>                              |                                      |  |                       |
| Appropriation of Prior Year Unassigned Fund Balance | 20,533,868                           | 15,770,635                             | 3,524,786             |
| Agricultural Preservation Payables                  | 0                                    | 0                                      | 0                     |
| Encumbrances  | 1,501,832                            | 1,501,200                              | 1,500,000             |
| <b>Total Assigned</b>                               | <b>22,035,700</b>                    | <b>17,271,835</b>                      | <b>5,024,786</b>      |
| <b><u>Unassigned</u></b>                            |                                      |  |                       |
| Unassigned  | 6,922,173                            | 1,519,976                              | 1,247,298             |
| <b>Total Unassigned</b>                             | <b>6,922,173</b>                     | <b>1,519,976</b>                       | <b>1,247,298</b>      |
| <b><u>Summary</u></b>                               |                                      |  |                       |
| <b>Ending Fund Balance</b>                          | <b>104,044,469</b>                   | <b>93,456,964</b>                      | <b>83,261,214</b>     |
| Less: Nonspendable                                  | (29,209,160)                         | (27,912,517)                           | (30,231,908)          |
| Less: Restricted                                    | (26,052,436)                         | (26,927,636)                           | (26,932,222)          |
| Less: Committed                                     | (19,825,000)                         | (19,825,000)                           | (19,825,000)          |
| Less: Assigned                                      | (22,035,700)                         | (17,271,835)                           | (5,024,786)           |
| <b>Current Year Unassigned</b>                      | <b>\$6,922,172</b>                   | <b>\$1,519,976</b>                     | <b>\$1,247,298</b>    |

Fund Balance