

# Fund Balance

**Anchorage Assembly**

**Audit Committee Meeting**

March 9, 2023



# Agenda

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## Presentation Participants

- Grant Yutrzenka, *Chief Fiscal Officer*

## Discussion Agenda

Fund Balance Background	Section 1
2022 Activities	Section 2
Conclusion/Discussion	Section 3

# Section 1

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## Fund Balance Background

# What is Fund Balance?

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## Fund Balance Statements

- Within governmental funds, equity is reported as fund balance. Fund balance and net position are the difference between fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reflected on the balance sheet or statement of net position

## Unassigned Fund Balance

- Unassigned fund balance is the **residual classification** for the general fund after the amounts for the nonspendable, restricted, committed, and assigned classifications have been identified. For the general fund, unassigned fund balance may represent either a positive or negative balance.

# Fund Balance Policy

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**The most recent amended Fund Balance Policy was established pursuant to AR 2015-84 approved on March 24, 2015.**

- Fund Balance Policy:
  - Unrestricted General Fund balance in an amount equal to 10% of current year expenditures in its General Government fund budgets.
  - Unrestricted General Fund balance in an amount equal to 8.25% of current year expenditures in its non-major Government Operating Funds.
  - Unrestricted fund balances in its 5 major funds in an amount between 2.0% and 3.0% of current year expenditures as a Working Capital Reserve.

# Fund Balance – ACFR Pg 122 &123

2021 Fund Balance - Page 122-123 ACFR				
General	MOA Trust	Road Drainage Capital Projects	Nonmajor Funds	Total
11,605,582	448,095,517	2,995,472	160,791,320	623,487,891

Net change in fund balances	(88,387,388)
Fund balances, beginning of year	99,992,970
Fund balances, end of year	<u>\$ 11,605,582</u>

Page 32 - ACFR

## 2021 Fund Balance – ACFR Pg 123 &124

	2021
Nonspendable	19,046,422
Restricted	2,138,405
Committed	50,974,700
Unassigned	
2% Working Capital Reserve	11,035,495
Other Unassigned	(71,589,440)
Total Unassigned	(60,553,945)
Total General Fund Balance	11,605,582
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Bond Rating Reserve	
Committed	50,153,511
Net Unassigned Deficit	(60,553,945)
Available Bond Rating	-
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Working Capital Reserve	
Unassigned for Working Capital	11,035,495
Unassigned for Fund Deficit	(71,589,440)
Net Unassigned Deficit	(60,553,945)
Available Working Capital Reserve	-

# Fund Balance – Historical Changes

Year	Net Change in Fund Balance	Fund Balance at January 1	Fund Balance at December 31	Unassigned: 2% Working Capital Reserve	Unassigned: Other	Total Unassigned
2012	16,996,511	64,841,369	81,837,880	5,748,625	11,462,365	17,210,990
2013	(2,508,266)	81,837,880	79,329,614	6,522,473	21,906,564	28,429,037
2014	(3,614,453)	79,329,614	75,715,161	8,867,425	9,583,325	18,450,750
2015	7,912,524	75,715,161	83,627,685	8,858,425	22,918,025	31,776,450
2016	(18,568,858)	83,627,685	65,058,827	9,245,380	4,648,196	13,893,576
2017	(5,247,695)	65,058,827	59,811,132	9,852,867	6,909,670	16,762,537
2018	6,900,933	59,811,132	66,712,065	9,720,188	6,178,886	15,899,074
2019	209,955	66,712,065	66,922,020	10,127,253	(8,780,864)	1,346,389
2020	33,070,950	66,922,020	99,992,970	9,281,796	(23,032,543)	(13,750,747)
2021	(88,387,388)	99,992,970	11,605,582	11,035,495	(71,589,440)	(60,553,945)





## Section 2

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# 2022 Fund Balance Activities

# 2022 Fund Balance - Forecast

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2022 Unaudited and not closed – Very Preliminary

## Methodology

- Run Trial Balance Funds 100000 – 199999
- Included COVID Revenues and Expenses
- Included certain Revenue and Expenses of Funded Programs in Fund 261010 that were reported under Areawide in the 2021 ACFR.
- Added Revenues not-yet-posted

Suggested Changes to Method?

## 2022 Fund Balance

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### Spoiler Alert

- Increase in Unassigned Fund Balance
- Not as much as I had hoped

### Good News/Bad News

- SEMT Revenue
- Bed Tax
- MOA Trust
- Labor Costs
- Cash Pool Earnings
- Inflation
- Unknowns such as SWS Building - FEMA

# 2022 Fund Balance



**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS  
DIVISION OF HOMELAND SECURITY  
AND EMERGENCY MANAGEMENT**  
Obligating Award Document for  
**Disaster - Public Assistance Presidentially Declared**

**FAIN: (Disaster Number) DR-4533-AK**      **CFDA No. 97.036**    *Date of Disaster Declaration*    **04/09/2020**

<b>1. Project Worksheet#</b> 0188	<b>12. Category</b> B	<b>13. U.E.I. #</b> G6XSV1B8MVB9	<b>4. Award [i] Amendment</b> <b>D</b> <b>Amendment Number</b>	<b>15. Employer Tax ID #</b> 92-0059987
<b>6. Subrecipient Name and Address</b> Municipality of Anchorage 632 W 6th Ave Ste. 110 Anchorage, AK 99501			<b>7. Issuing Office and Address</b> Department of Military and Veterans Affairs Division of Homeland Security and Emergency Management PO Box 5750 JBER, AK 99505-5750 <a href="http://www.read{.alaska.gov">http://www.read{.alaska.gov</a>	
<b>8. PW Obligation Date</b> 01/18/2023			<b>Agency: Federal Emergency Management Agency (FEMA)</b>	
<b>9. Purpose of Award/Amendment:</b> <p align="center"><b>Initial Award</b></p>				
<b>10. Grant Award and Terms and Conditions: (see attached Grant Terms and Conditions)</b>				
			<i>Total Approved Amount:</i>	\$ 9,326,555.98
			<i>Total Awarded Amount:</i>	\$ 9,326,555.98
			<i>Federal Share:</i>	\$ 9,326,555.98
			<i>State Share:</i>	\$ 0.00
			<i>Subrecipient Share:</i>	\$ 0.00



## 2022 Fund Balance

			2021	2022
Nonspendable			19,046,422	<b>20,245,763</b>
Restricted			2,138,405	2,135,285
Committed			50,974,700	50,935,524
Unassigned				
	2% Working Capital Reserve		11,035,495	10,965,022
	Other Unassigned		(71,589,440)	(61,762,404)
	Total Unassigned		(60,553,945)	(50,797,382)
	Total General Fund Balance		<u>11,605,582</u>	<u>22,519,191</u>
Bond Rating Reserve				
Committed			50,153,511	50,290,463
Net Unassigned Deficit			(60,553,945)	(50,797,382)
Available Bond Rating			-	-
Working Capital Reserve				
Unassigned for Working Capital			11,035,495	10,965,022
Unassigned for Fund Deficit			(71,589,440)	(61,762,404)
Net Unassigned Deficit			(60,553,945)	(50,797,382)
Available Working Capital Reserve			-	-

## Section 3

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# Conclusion and Discussion

# Conclusion/Discussion

Year	Net Change in Fund Balance	Fund Balance at January 1	Fund Balance at December 31	2% Working Capital Reserve	Unassigned: Other	Total Unassigned
2012	16,996,511	64,841,369	81,837,880	5,748,625	11,462,365	17,210,990
2013	(2,508,266)	81,837,880	79,329,614	6,522,473	21,906,564	28,429,037
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2019	209,955	66,712,065	66,922,020	10,127,253	(8,780,864)	1,346,389
2020	33,070,950	66,922,020	99,992,970	9,281,796	(23,032,543)	(13,750,747)
2021	(88,387,388)	99,992,970	11,605,582	11,035,495	(71,589,440)	(60,553,945)
2022	11,483,696	11,035,495	22,519,191	10,965,022	(61,762,404)	(50,797,382)
FEMA unobligated						46,000,000
Fund Balance with FEMA unobligated recognized						(4,797,382)
Building Safety Services					(14,500,000)	

