



General Fund Reserves

03/25/2026

Cash Balance vs. Fund Balance vs. Reserve Balance

Cash Balance = Actual cash and investments on hand including all funds (restricted & unrestricted).

Fund Balance = An accounting measure – (Assets – Liabilities). Not all fund balance is flexible.

Reserve Balance = Balance set aside for emergencies and economic uncertainty.

Common Misconception:

A city can have **high cash balances** but **low available reserves**, due to legal or policy restrictions.



Fund Balance Category

Fund Balance = difference between assets and liabilities

Categories include:

- Nonspendable
- Restricted
- Committed
- Assigned
- Unassigned (most flexible)

Focus of analysis:

Unassigned Fund Balance



Reserve Calculation

The Government Finance Officers Association (GFOA) recommends a minimum of 2 months of general fund expenditures.

General Fund Expenditure Budget	300,000,000.00	a
	12.00	b
GF Budget Per Month (a/b)	25,000,000.00	c
Available Reserves	49,406,000.00	d
Months of Reserves (d/c)	1.98	

General Fund Expenditure Budget	300,000,000.00	a
	12.00	b
GF Budget Per Month (a/b)	25,000,000.00	c
* Available Reserves	99,162,000.00	d
Months of Reserves (d/c)	3.97	
*Includes Committed Economic Uncertainties		



Questions?

