



**Financial Analysis of Governmental Funds**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental Funds.* The focus of the County’s *governmental funds* is to provide information of near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County’s Commissioners Court.

At the end of the fiscal year, the County’s governmental funds reported a combined fund balance of \$16.2 million, an increase of \$4.9 million or 44% in comparison with the prior year. Approximately 22.3% of this total amount (\$3.6 million) is *unassigned fund balance*, which is available for spending at the County’s discretion. The remainder of fund balance is divided among *assigned* fund balance of \$2.9 million, *committed* fund balance of \$1.0 million, *restricted* fund balance of \$8.6 million, and *nonspendable* fund balance of \$110 thousand. The County’s ability to spend each of these types of fund balance is more limited than with the unassigned fund balance, and the limitations on spending are discussed more fully in the notes to the financial statements.

*General Fund.* The General Fund is the chief operating fund of the County. At the end of the fiscal year, \$3.7 million of the total fund balance of \$3.8 million is unassigned. As a measure of the fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 24% of total general fund expenditures, while total fund balance represents 24% of that same amount.