

**Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2021-22:
(Continued)**

General Fund and Public Safety fund balance combined – The fiscal year 2021-22 budget provides for the combined use of \$8,973,030 from fund balance as a revenue source to fund expenditures and transfers-out. The 2021-22 combined ending fund balance level is projected to be 10.5 percent / \$6,325,441, which is within the fund balance policy as the fund balance policy is 10 percent to 25 percent of expenditures. However, the projected forecast shows a continued structural deficit with use of fund balance between \$7 million to \$9 million annually. The forecast assumes the public safety millage is renewed and levied beginning fiscal year 2022-23.

The budget and forecast does not take into consideration the use of American Rescue Plan Act grant revenue which impact to this fund is unknown at the time of budget document publication. The city will be evaluating various resolutions to the structural deficit which includes consideration of a new millage request.

The balance of noteworthy program information can be found in the significant note section (an orange box) within each of the funds/cost centers.

Budget Summary

| General Fund Summary | 2020-2021 Estimated Year End | 2021-2022 Adopted Budget | 2022-2023 Projected Budget | 2023-2024 Projected Budget | 2024-2025 Projected Budget | 2025-2026 Projected Budget |
|--|---|---|---|---|---|---|
| Unassigned Beginning Fund Balance | 13,625,862 | 13,591,112 | 5,513,082 | (1,450,748) | (9,010,388) | (17,068,118) |
| Revenues | 35,633,970 | 37,444,310 | 38,246,820 | 38,981,310 | 39,545,780 | 40,324,230 |
| Expenditures | 37,007,830 | 46,259,340 | 45,947,650 | 47,277,950 | 48,340,510 | 49,862,090 |
| Net | (1,373,860) | (8,815,030) | (7,700,830) | (8,296,640) | (8,794,730) | (9,537,860) |
| Transfers from other funds | 1,339,110 | 737,000 | 737,000 | 737,000 | 737,000 | 737,000 |
| Net Change in Fund Balance | (34,750) | (8,078,030) | (6,963,830) | (7,559,640) | (8,057,730) | (8,800,860) |
| Ending Fund Balance | 13,591,112 | 5,513,082 | (1,450,748) | (9,010,388) | (17,068,118) | (25,868,978) |
| Fund Balance as a percentage of Expenditures | 36.72% | 11.92% | -3.16% | -19.06% | -35.31% | -51.88% |
| Public Safety Beginning Fund Balance | 1,611,509 | 1,707,709 | 812,359 | 741,569 | 293,389 | 417,189 |
| Public Safety Revenues | 15,798,850 | 12,464,990 | 12,736,820 | 13,015,490 | 13,301,160 | 13,594,000 |
| Public Safety Expenditures | 33,742,650 | 36,400,340 | 36,847,610 | 38,003,670 | 39,217,360 | 40,483,720 |
| Net | (17,943,800) | (23,935,350) | (24,110,790) | (24,988,180) | (25,916,200) | (26,889,720) |
| Transfers from other funds | 18,040,000 | 23,040,000 | 24,040,000 | 24,540,000 | 26,040,000 | 27,040,000 |
| Net Change in fund balance | 96,200 | (895,350) | (70,790) | (448,180) | 123,800 | 150,280 |
| Public Safety Ending Fund Balance | 1,707,709 | 812,359 | 741,569 | 293,389 | 417,189 | 567,469 |
| General Fund and Public Safety combined Fund Balance as a percentage of Expenditures | 28.73% | 10.51% | -1.20% | -14.22% | -26.83% | -39.63% |