



STAFF REPORT

TO: Mayor and Members of the City Council
 FROM: Pak Lin, Administrative Services Director
 VIA: Brian Dossey, City Manager
 MEETING DATE: October 28, 2020
 SUBJECT: FY 19-20 Financial Update and FY 20-21 Budget Amendment

RECOMMENDATION

Staff recommends that the City Council adopt the following:

RESOLUTION APPROPRIATING FUNDS AND AMENDING ANNUAL BUDGET FOR THE FISCAL YEAR 2020-21

EXECUTIVE SUMMARY

During the first three quarters of FY 2019-20, Town operations are on track to stay within budget and the revenues are on track to meet or exceed projections. On March 18, 2020, the County of San Mateo issued a mandatory Shelter-in-Place order which closed all non-essential businesses. Shortly after, the world started to also shutdown to slow the spread of the novel coronavirus (COVID-19). This pandemic has infected and killed many people worldwide and has put many families and businesses in a major financial crisis. In the last 2.5 months of FY 2019-20, the Town's General Fund revenues were reduced by \$2.1 million from budget. To ensure the Town stays financially healthy and able to help the Colma community, under the City Council's direction, Town Staff immediately took steps to reduce the operating budget. Total spending in FY 2019-20 was \$15.4 million, or \$1.6 million less than budget. The City Council authorized the use of General Fund reserves to offset the operating deficit of up to \$2.5 million. Due to strong fiscal management the actual drawdown on the General Fund reserve for FY 2019-20 was \$1.3 million.

General Fund Comparison Budget to Estimated Actuals to Actuals	May 13, 2020 Projections			Increase/ (Decrease) from 2019-20		Total Increase/ (Decrease) from Budget
	2019-20 Final Budget	2019-21 Est. Actual	Over/ (Under) Budget	2019-20 Actual	from 2019-20 Est. Actual	
	[a]	[a]	[b]-[a]	[b]	[c]-[b]	[c]-[a]
Revenues	17,800,832	14,857,432	(2,943,400)	15,703,109	845,676	(2,097,723)
Expenditures	16,971,516	15,740,421	(1,231,095)	15,337,677	(402,744)	(1,633,839)
Operating Surplus/(Deficit)	829,316	(882,989)	(1,712,305)	365,432	1,248,421	(463,884)

The COVID-19 pandemic has been compared to the Spanish Flu of 1918, which lasted for two years, had four waves, infected 500 million people, and killed 17 million to 50 million worldwide. Because the pandemic will at a minimum last until June 2021, the proposed amendment to the budget includes a more conservative revenue projection and a significantly reduced operating budget to meet ongoing essential needs for the Town and the community. The City Council had authorized use of up to \$2.2 million of General Fund reserves to bridge the financial gap in FY 2020-21.

Town-Wide Financial Summary			Increase/ (Decrease) from Projection
	2020-21 Adopted Budget	2020-21 Proposed Budget	
	[a]	[b]	[b]-[a]
Revenues	19,472,625	15,432,716	(4,039,909)
Expenditures			-
Operation	18,371,140	16,003,465	(2,367,675)
Debt	293,969	293,969	-
Operating Surplus/(Deficit)	807,516	(864,718)	(1,672,234)
Capital Program			
New Funding	1,034,820	499,350	
Carryover	1,339,900	2,563,438	
Total Capital Program	2,374,720	3,062,788	688,068
Add to/(use of) Reserves	(1,567,204)	(2,200,000)	

FISCAL IMPACT

This report will amend the FY 2020-21 Operating Budget. Budgeted revenues will decrease by \$4.0 million and budgeted expenditures will reduce by \$2.4 million. The change in the Capital Program is part of a separate Staff Report and there is no fiscal impact to FY 2019-20.

BACKGROUND

The City Council adopted the FY 2019-20 Operating and Capital Budget on June 12, 2019. The budget has a projection of \$17.8 million for the General Fund revenues, appropriation of \$17.0 million for General Fund operations, and authorization to transfer \$1.7 million to Capital Improvement Fund (31), Debt Service Fund (43), and Sewer Funds (81). Part of the \$1.7 million to Capital Improvement Fund is a one-time transfer of \$727,000 from FY 2017-18 General Fund surplus.

In March of 2020, the State of California went into a state of emergency in response to the novel coronavirus (COVID-19) pandemic. Beginning March 18, 2020, non-essential businesses were closed, and social distancing protocols began. The efforts to slow the spread of COVID-19 resulted in an immediate financial crisis felt by all businesses, government agencies, and residents.

On March 18, 2020, the City Council approved a modified FY 2020-21 budget to allow Town Staff to shift focus from budget development to emergency response. The modified FY 2020-21 budget consists of the FY 2019-20 operating budget and the FY 2020-21 portion of the 2019-2024 Five-Year Capital Improvement Program. The Town knew these numbers would not reflect the Town's priorities and the budget would be amended once more information was available about the fiscal impact of the COVID-19 pandemic.

On May 13, 2020, a preliminary projection of the COVID-19 financial crisis was presented to the City Council and the public. The projection showed a \$2.9 million reduction in General Fund revenues resulting from the immediate closure of non-essential businesses. Since tax revenues are 1 to 3 months behind, the total impact of the COVID-19 pandemic is still unknown. In response to the reduction in General Fund revenues, Staff identified \$1.2 million of expenditure reduction through use of a hiring freeze, adjusting OPEB and pension contribution to PARS Trusts, halting

non-essential operations, and where possible deferring capital projects and maintenance by a year.

The May 13, 2020 projection included preliminary revenues and expenditures for FY 2020-21. Table 1 below, shows the projected operating deficit in FY 2019-20 at \$0.9 million and in FY 2020-21 at \$1.6 million. After accounting for transfers to debt, capital, and sewer operations, a total of \$4.7 million is needed from General Fund reserves to bridge the gap. On May 27, 2020, the City Council authorized Staff to use up to \$2.5 million of General Fund unassigned reserve in FY 2019-20 and up to \$2.2 million in FY 2020-21.

Table 1						
General Fund Projections	2019-20	2019-20	Over/		Increase/	Total
As presented on May 13, 2020	Final Budget	Est. Actual	(Under)	2020-21	from 2019-20	Increase/
	[a]	[b]	[b]-[a]	Projection	Est. Actual	(Decrease)
				[c]	[c]-[b]	[c]-[a]
Revenues	17,800,832	14,857,432	(2,943,400)	13,066,607	(1,790,826)	(4,734,225)
Expenditures	16,971,516	15,740,421	(1,231,095)	14,623,393	(1,117,029)	(2,348,123)
Operating Surplus/(Deficit)	829,316	(882,989)	(1,712,305)	(1,556,786)	(673,797)	(2,386,102)
Transfers						
Capital Reserve (31)	727,000	727,000	-	-	(727,000)	(727,000)
Capital Program (31)	500,000	500,000	-	300,000	(200,000)	(200,000)
Street Capital Program (32)	45,000	45,000	-	-	(45,000)	(45,000)
Debt Service (43)	297,369	297,369	-	297,369	-	-
Sewer Operations (81)	160,700	44,027	(116,673)	46,525	2,498	(114,175)
Total Transfers	1,730,069	1,613,396	(116,673)	643,894	(969,502)	(1,086,175)
Add to/(use of) Reserves	(900,753)	(2,496,385)		(2,200,680)		(4,697,065)

Since May 2020, Staff continued to monitor local, state, and global economy and have updated the projections. The FY 2020-21 Budget is also ready to be amended to reflect the Town's priorities for the remainder of the fiscal year.

ANALYSIS

The analysis below is based on information available through September 30, 2020. The unknowns at this point include:

- Would a second wave of the COVID-19 pandemic be felt in Europe travel to the United States?
- How will the financial market behave before and after the upcoming elections?
- As California eases the shelter-in-place requirements, how will this impact the spread of COVID-19 and how will the local businesses rebound?

FY 2019-20 Financial Condition – General Fund

FY 2019-20 closed at a better position than expected. Table 2, below, shows that the Town received \$0.8 million more in revenue than originally projected in May. The main drivers were the

new auto dealerships on Serramonte Boulevard, new businesses under renovation in Serra Center, and the increase in use tax that resulted from the Wayfair decision. The Wayfair case set new requirements for online businesses to collect and submit tax revenues on behalf of companies who use their online platform to conduct business. The Town's use tax increased by \$300,000 per month since the Wayfair decision became effective. Staff is cautiously optimistic about the increase in use tax as the distribution of use tax is heavily dependent on actual sales tax generated in Town in comparison to other cities in San Mateo County. As our sales tax ratio decreases, our use tax distribution will reduce.

Table 2 General Fund Analysis Compare to May 13, 2020 Projection	May 13, 2020			Increase/ (Decrease)		Total Increase/ (Decrease) from Budget
	2019-20 Final Budget	2019-21 Est. Actual	Over/ (Under) Budget	2019-20 Actual	from 2019-20 Est. Actual	
	[a]	[a]	[b]-[a]	[b]	[c]-[b]	
Revenues	17,800,832	14,857,432	(2,943,400)	15,703,109	845,676	(2,097,723)
Expenditures	16,971,516	15,740,421	(1,231,095)	15,337,677	(402,744)	(1,633,839)
Operating Surplus/(Deficit)	829,316	(882,989)	(1,712,305)	365,432	1,248,421	(463,884)
Transfers						
Capital Reserve (31)	727,000	727,000	-	727,000	-	-
Capital Program (31)	500,000	500,000	-	500,000	-	-
Street Capital Program (32)	45,000	45,000	-	45,000	-	-
Debt Service (43)	297,369	297,369	-	295,830	(1,539)	(1,539)
Sewer Operations (81)	160,700	44,027	(116,673)	98,253	54,226	(62,447)
Total Transfers	1,730,069	1,613,396	(116,673)	1,666,083	52,687	(63,986)
Add to/(use of) Reserves	(900,753)	(2,496,385)		(1,300,651)		

The Departments also worked very hard to stay within the May 13, 2020 projections. Table 3, below, shows all departments spending less than or close to the May 13, 2020 projection. Planning, Building & Engineering ended the year \$13,641 more than projected and it is linked to the revenue increase resulting from new car dealerships in Town. As for emergency response, the Town will receive \$50,000 from the CARES Act and has submitted a \$60,000 reimbursement to FEMA.

Table 3 General Fund Expenditures Compare to May 13, 2020 Projection	May 13, 2020			Increase/ (Decrease)		Total Increase/ (Decrease) from Budget
	2019-20 Final Budget	2019-21 Est. Actual	Over/ (Under) Budget	2019-20 Actual	from 2019-20 Est. Actual	
	[a]	[a]	[b]-[a]	[b]	[c]-[b]	
General Government	3,999,559	3,923,646	(75,913)	3,697,957	(225,689)	(301,602)
Public Safety	8,668,910	8,234,992	(433,918)	7,874,095	(360,897)	(794,815)
Less: Portion to COPS Grant	(228,039)	(182,732)	45,307	(185,165)	(2,433)	42,874
Planning, Building, & Engineering	2,693,853	2,279,879	(413,974)	2,293,519	13,640	(400,334)
Recreation	1,115,908	930,565	(185,343)	903,999	(26,566)	(211,909)
Facility Operations	721,325	471,143	(250,182)	462,131	(9,012)	(259,194)
Emergency Response	-	82,928	82,928	291,140	208,212	291,140
Total GF Expenditures	16,971,516	15,740,421	(1,231,095)	15,337,676	(402,745)	(1,633,840)

FY 2020-21 Financial Condition – General Fund

As mentioned above, on March 18, 2020, the City Council adopted a modified budget. The amounts are shown under Column [c] in Table 4 below. In May of 2020, the Town projected to receive \$13.1 million of General Fund revenue in FY 2020-21. The reduction in revenue is due to the closure of non-essential businesses. When these businesses were closed, the Town received \$700,000 to \$800,000 less per month than normal.

The strategy in preparing the FY 2020-21 expenditure projection was to maintain essential services and operations, reduce or defer expenditures where possible, and amend the budget for emergency operation as needed. The strategy included continuing the hiring freeze of one Police Officer and Recreation Manager positions, delay the hiring of a Police Chief, defer all capital purchases for one year, defer and defund non-essential capital projects for a year, reduce pension and OPEB trusts contributions, and closely monitor the spending.

The May 13, 2020 projection was a study session and not adopted as the FY 2020-21 budget, for staff needed time to assess the financial impact of the COVID-19 pandemic. In the first few months of the COVID-19 pandemic, there were a number of uncertainties, including the definition of essential vs non-essential services, appropriate social distancing protocols, availability of testing and reliable results, and the status of federal and state stimulus packages.

After eight months of monitoring the pandemic, it is clear that the FY 2020-21 Adopted Budget does not reflect the Town's current priorities and financial reality. The FY 2020-21 Proposed Budget, in Table 4 Column [b], takes into consideration that the pandemic and partial business closure will continue into May/June of 2021 and the expenditures reflect service demands during the pandemic. Overall, General Fund expenditures have a minimal increase from the May 13, 2020 projection, in the amount of \$34,333.

Table 4	<i>May 13, 2020</i>	2020-21	Increase/		
General Fund Analysis	2020-21	Proposed	(Decrease)	2020-21	Increase/
FY 2020-21 Proposed Budget	Projection	Budget	from	Adopted	(Decrease) from
	[a]	[b]	[b]-[a]	Budget	Adopted Budget
Revenues	13,066,607	13,208,374	141,767	17,675,832	(4,467,458)
Expenditures	14,623,393	14,657,726	34,333	16,983,718	(2,325,992)
Operating Surplus/(Deficit)	(1,556,786)	(1,449,352)	(1,556,786)	692,114	2,248,900
Transfers					
Capital Reserve (31)	-	-	-	-	-
Capital Program (31)	300,000	303,085	3,085	631,100	(328,015)
Street Capital Program (32)	-	-	-	100,000	(100,000)
Debt Service (43)	297,369	297,369	-	297,369	-
Sewer Operations (81)	46,525	151,301	104,776	160,700	(9,399)
Total Transfers	643,894	751,755	107,861	1,189,169	(437,414)
Add to/(use of) Reserves	(2,200,680)	(2,201,107)		(497,055)	

The difference between the May 13, 2020 Projection and the Proposed Budget for FY 2020-21 are as followed:

- The projection assumed no planning, building and engineering plan review activities. The Proposed Budget accounts for the revenue and related expenditures for the two new car dealerships and new business improvements at the Serra Center.
- Increase in Police activities in response to events that occurred during the COVID-19 pandemic. This included additional enforcement and investigations. Salary savings from vacancies is being used to offset the increase in overtime cost.

Table 5	May 13, 2020		Increase/ (Decrease) from Projection	2020-21	
	2020-21 Projection	2020-21 Proposed Budget		Adopted Budget	Increase/ (Decrease) from Adopted Budget
General Fund Expenditures FY 2020-21 Proposed Budget	[a]	[a]	[b]-[a]	[b]	[c]-[b]
General Government	3,923,069	3,861,117	(61,952)	4,011,761	150,644
Public Safety	7,639,945	7,654,896	14,951	8,668,910	1,014,014
Less: Portion to COPS Grant	(180,324)	(208,408)	(28,084)	(228,039)	(19,631)
Planning, Building, & Engineering	2,025,835	2,103,875	78,040	2,693,853	589,978
Recreation	739,727	714,354	(25,373)	1,115,908	401,554
Facility Operations	475,141	471,186	(3,955)	721,325	250,139
Emergency Response	-	60,706	60,706	-	(60,706)
Total GF Expenditures	14,623,393	14,657,726	34,333	16,983,718	2,325,992

Items to be added to the Proposed Budget

- **Cordico App.** During the September 9, 2020 City Council meeting, the Police department provided an update on the Town's Use of Force policy and mental health services for Police Officers and other high-stress positions. The program discussed was the use of the Cordico App. The App is estimated to cost \$15,000 per year. There may be setup cost. Budget impact: Increase HR Technology budget by \$20,000.
- **Leave Payout.** In FY 2019-20, two employees retired, and one employee resigned. Total accrued leave payout was \$138,000. The expenditures should be paid for by the Accrued Leave Payout Reserve. Budget impact: transfer of \$138,000 from Fund 12 to Fund 11.

Potential Deficit Strategies from May 2020 Meeting

The May 13, 2020 City Council meeting included a list of potential strategies to further reduce the operating deficit. Some require additional research or costs to complete. Below is a status on these items.

- **Earthquake insurance.** City Council was considering whether to cancel earthquake insurance for one year. Staff worked with the insurance carrier and was able to reduce the cost while keeping the coverage. The cost of the coverage is in the proposed budget.
- **Sewer Fee Study.** City Council wanted more information regarding the process to make the Sewer Enterprise Fund a self-sustaining fund. Attachment B is a memo of the process.

The cost to the businesses and residents is unknown and will depend on the result of the sewer fee study.

- **Unfunded Liabilities Study and Update.** Part of the deficit strategy was to reduce contributions to the OPEB and pension trust. Since the COVID-19 pandemic is widespread, CalPERS was also impacted by the sharp economic decline. The study and update has been postponed to address other financial matters, and will be presented to the City Council in January/February in preparation for the new budget cycle.
- **Town Property at 1365 Mission Road.** Staff is researching on the best path to take with this property and will bring the item forward to the City Council for consideration in late 2020, or early 2021.
- **Outsource Business Registration Process.** In the Cost of Service Study report dated November 16, 2018 and presented to the City Council on November 28, 2018, the cost of Business Registration Application Processing (Page 22 of the report) is \$113 per application. The Town currently charges \$25 per application. Staff has found a vendor who can complete the business registration, remit the revenue to the Town, and maintain the records at \$20/application.

Next Steps

Staff will continue to monitor the Town's financial condition and will continue to present quarterly updates and projections to optimize operating flexibility. Staff is expecting to use up to \$2.2 million of General Fund reserves to bridge the gap.

CONCLUSION

Staff recommends that the Council conduct a public hearing and adopt the attached resolution appropriating funds and amending the FY 2020-21 previously adopted budget.

ATTACHMENTS

- A. Resolution
- B. Sewer Memo



RESOLUTION NO. 2020-__
OF THE CITY COUNCIL OF THE TOWN OF COLMA

**RESOLUTION APPROPRIATING FUNDS AND AMENDING THE ANNUAL BUDGET FOR
FISCAL YEAR 2020-21**

The City Council of the Town of Colma does resolve as follows.

1. Background

- (a) The Town of Colma has declared a local emergency in response to the novel coronavirus (COVID-19) and is required to comply with the San Mateo County Health Officer's order prohibiting mass gatherings;
- (b) To comply with the San Mateo County Health Officer's order, the City Council adopted the FY 2020-21 Budget with FY 2019-20 operating budget numbers and FY 2020-21 portion of the capital program as presented in the 2019-2024 Five-Year Capital Improvement Plan;
- (c) Quarterly financial updates are tool to monitor and discuss potential budget amendments and funding strategies;
- (d) The Town has confirmed with third-party vendors on the financial condition in FY 2020-21; and
- (e) The City Council duly considered the amended budget and public comments, if any, thereon.

2. Findings and Order.

- (a) *Summary of Appropriations.* A summary (Exhibit A) is attached hereto and by reference made part of this Resolution, reflects the *Department Limitation*. The City Council authorizes the expenditure of funds for the items specified in the budget, provided that the total expenditures for the department shall not exceed the total budget by fund, for the department.
- (b) *Staffing.* The number and classifications of employment positions shown in the proposed budget is hereby approved as the authorized staffing level for the Town. The City Manager and each department head may not expand the number of full-time equivalent employees beyond that shown as the authorized staffing level for the Town without specific approval of the City Council.
- (c) *Purchasing Ordinance.* All expenditures for services, goods, or public works projects must comply with the Town's Purchasing and Contracting Ordinance (Subchapter 1.06 of the Colma Municipal Code).
- (d) *Administration of Annual Budget.* The City Manager shall be responsible to administer the Budget and financial records and the City Council authorization includes the following administrative actions as may be required during the year:
 - (i) Transfer budgeted amounts between line items, provided that the transfer

is within the same fund, and within the same Department.

(ii) Increase grant funded revenue and expenditure budgets. Changes may be administratively processed, when revenue estimates exceed the amount identified in the Budget due to increases in grant revenues, as verified by financial records. The adjustment will also account for increased expenditures in an amount not to exceed the amount of increased grant revenue. Increased appropriations shall continue to be documented in the financial records and conveyed to the City Council as part of the quarterly financial reports.

(iii) Make transfers among the various funds designated as "Transfers In / Transfers Out" as stated in Exhibit B. All fund transfers shall be recorded in the financial records.

(iv) Administratively adjust the Fiscal Year 2020-21 Operating Budget appropriations to account for the carryover of unspent 2019-20 appropriations for contracts entered into before June 30, 2020, where funds are encumbered. The City Manager shall use discretion in approving carryovers and all such adjustments shall be clearly recorded in the Town financial records. These amendments shall be identified and included in the Fiscal Year 2020-21 quarterly financial report.

3. Reserves

The City Council hereby declares the following classifications of reserves (Net Income):

(a) A Debt Reduction reserve shall be recorded in the General Fund in the amount of \$600,000 as of June 30, 2021. This amount represents a minimum of two years of COP Debt Service. (Committed Fund Balance – Designated by City Council)

(b) The Budget Stabilization Reserve as of June 30, 2021 is established at \$12,000,000, being the amount sufficient to ensure continuity of operations in the event of a severe economic downturn, which amount is hereby determined to be 100% (rounded to the nearest \$100,000) of the General Fund expenditures for the prior fiscal year. The exact amount of this reserve shall be determined based on the final audit and financial statements. (Committed Fund Balance – Designated by City Council)

(c) Accrued Leave Payout Reserve shall be recorded in the General Fund in the amount of \$715,000 as of June 30, 2021. (Committed Fund Balance – Designated by City Council)

(d) Assigned Fund Balances – General Fund: Assigned fund balance includes amounts intended to be used by the Town for specific purposes, subject to change. The City Council authorizes the City Manager to establish the following assignments in the General Fund:

(i) Litigation Reserve of \$100,000, which may fund expenditures in the event of extraordinary legal expenses.

(ii) Insurance Reserve in the amount of \$100,000, which may fund expenditures in the event of extraordinary insurance claims and related expenses.

(iii) Disaster Response and Recovery in the amount of \$750,000 which may fund expenditures in the event of a catastrophic event.

(e) Assigned Fund Balances – Capital Project Fund / Fleet Replacement Fund: All reserves in the Capital Project Fund and Fleet Replacement Fund shall be recorded as assigned for future projects. Changes in the assignment shall be subject to City Council action.

(f) General Fund 2020-21 – Decrease Reserve: The remaining balance.

4. Transfer to Unassigned Reserve

All General Fund net income on hand on June 30, 2020, which is not designated for a specific reserve category shall be recorded in the Unassigned Reserve.

//

//

//

//

//

//

//

//

//

//

//

//

Certification of Adoption

I certify that the foregoing Resolution No. 2020-__ was duly adopted at a special meeting of the City Council of the Town of Colma held on October 28, 2020, by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
John Irish Goodwin, Mayor					
Diana Colvin					
Raquel Gonzalez					
Helen Fisicaro					
Joanne F. del Rosario					
<i>Voting Tally</i>					

Dated _____

John Irish Goodwin, Mayor

Attest: _____
Caitlin Corley, City Clerk

"EXHIBIT A": SUMMARY OF APPROPRIATIONS FY 2020-21

Town-wide Financial	General Fund	Special Revenues Funds	Debt Service Funds	Capital Funds	Vehicle Replacement Fund	Enterprise Funds	Total
Revenues by Categories							
Sales tax	10,432,019	-	-	-	-	-	10,432,019
Cardroom tax	1,109,236	-	-	-	-	-	1,109,236
Property and other taxes	729,229	-	-	-	-	-	729,229
Licenses and permits	156,357	-	-	-	-	-	156,357
Fines and forfeitures	86,888	-	-	-	-	-	86,888
Charges for services	153,935	-	-	-	-	892,885	1,046,820
Revenues from other agencies	146,168	267,861	-	825,000	-	-	1,239,030
Use of money and property	373,091	51,070	64	-	-	185,805	610,030
Other revenues	21,451	-	-	1,656	-	-	23,107
Total Revenues	13,208,374	318,931	64	826,656	-	1,078,690	15,432,716
Expenditures by Department							
General Government	3,921,822	-	297,218	-	-	-	4,219,040
Public Safety	7,446,489	208,683	-	-	-	-	7,655,172
Planning, Building & Engineering	2,103,875	14,340	-	-	-	1,044,186	3,162,401
Recreation	714,354	-	-	-	-	-	714,354
Facilities	471,186	-	-	-	-	75,822	547,008
Capital	-	-	-	3,042,788	20,000	-	3,062,788
Total Expenditures	14,657,726	223,023	297,218	3,042,788	20,000	1,120,007	19,360,763
Operating Surplus / (Deficit)	(1,449,352)	95,908	(297,154)	(2,216,132)	(20,000)	(41,317)	(3,928,047)
Transfers In/(Out)							
General Fund Transfers	(748,670)	-	297,369	300,000	-	151,301	-
Net Transfers Out/(In)	(748,670)	-	297,369	300,000	-	151,301	-
Change in Fund Balance	(2,198,022)	95,908	215	(1,916,132)	(20,000)	109,984	(3,928,047)

"EXHIBIT B": SUMMARY OF TRANSFERS FY 2020-21

Transfers In/(Out)	Fund Category					Total
	General Fund	Special Revenues Funds	Debt Service Funds	Capital Funds	Enterprise Funds	
General Fund (11)	138,000		(297,369)	(300,000)	(151,301)	(610,670)
General Fund Reserve (12)	(138,000)		-	-	-	(138,000)
Debt Service Fund (42)			297,369	-	-	297,369
Capital Program (31)			-	300,000	-	300,000
Sewer Operations (81)			-	-	151,301	151,301
Net Transfers	-	-	-	-	-	-