

MEMORANDUM

To: Mayor and City Councilmembers
Steve Parker, City Manager

From: Susan Caddell, Director of Finance

Subject: Mid-year Budget Amendments

Date: March 17, 2023

Attached you will find budget amendments for the General Fund, Utility Fund, Special Revenue Fund, and Debt Service Funds. Along with each amendment, you will find the explanation for each of the amendments. Each year, after receiving results of the audit, we review any unexpected expenditures that have arisen since approval of the original budget. We then review the list of capital items requested during the budget process, but we were unable to fund. After receiving the results of the audit, we have over 5.5 months operating expenditures in the General Fund available based upon the FY23 budget. After these budget amendments and any other prior budget amendments using fund balance, we will have over 4.3 months of fund balance available, which equates to over \$4.5 million available to use, if needed. In the Utility Fund, we finished the year with over 6.7 months operating expenditures in retained earnings. After these budget amendments and any other prior budget amendments using retained earnings, we will have over 5 months of retained earnings available, which equates to over \$9.2 million available to use, if needed.

After these amendments are approved, all funds will maintain the minimum required fund balance of three months operating expenditures as required by the City's Fund Balance Policy.

I will be available for questions prior to and during the meeting. Please let me know if you have any questions.