

## Ruth Stellmacher

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**From:** Kelly Thomas <thecasaverdegroupp@hotmai.com>  
**Sent:** Monday, December 4, 2023 3:56 PM  
**To:** CityRecorder; citycouncil  
**Cc:** Kelly Thomas  
**Subject:** Testimony: Special Order of Business #5a City of Salem, City Council Meeting on December 4, 2023 at 6pm  
**Attachments:** Council Testimony 12-4-23.pdf

Mayor and Councilors:

I am unable to attend this and the following meeting to provide live testimony, whether in person or remotely, due to a family emergency. Thank you in advance for reviewing and considering the testimony herein, even though some are repetitive. A special thank you to the Councilors, staff, and volunteers who reached out after my testimony on November 27, 2023. I look forward to further discussion.

I hope to serve the residents in the City of Salem by assisting in a resilient budget future through collaborative efforts. Please let me know how else I can be of service. May you all have a great holiday season.

Respectfully submitted –

Kelly Thomas  
C: (702) 860-3967

**Testimony: Special Order of Business #5a**  
City of Salem, City Council Meeting on December 4, 2023 at 6pm

Kelly Thomas  
664 Breys Ave. NE  
Salem, OR 97031

December 4, 2023

City of Salem  
c/o City Council  
555 Liberty St. SE, Room #220  
Salem, OR 97301

RE: Revenue Task Force #5a

Mayor and Councilors:

I am unable to attend this and the following meeting to provide live testimony, whether in person or remotely, due to a family emergency. Thank you in advance for reviewing and considering the testimony herein, even though some is repetitive (intentionally for varied reasons). A special thank you to the Councilors, staff, and volunteers who reached out after my testimony on November 27, 2023. I look forward to further discussion.

Based on my overview of the FY 2023-2028 budget there appears to be an opportunity to address spending and projections before addressing revenue. Moss Adams and the proposed Task Force (TF) should adjust their focus (see suggestions on page 3 of this testimony) to address a balanced budget, where reductions in spending can, and should, be considered if not prioritized. The residents of the City of Salem deserve a more well-rounded approach to appropriate spending levels, five-year projections, and progressive revenue resources, if needed. Any regressive revenue solutions should have the least weight and consideration (once again, see Appendix A, pages 4-5, for examples of progressive and regressive revenue sources)

At the November 27, 2023, meeting it was mentioned that the Citizen Budget Committee (CBC) addresses the city spending line items and that is duplicative for the proposed TF to conduct this work. Given the confusion over the necessary revenue necessary, the shortened time frame for this process, and that the TF begins meeting before the CBC it seems reasonable that the TF should *at least* have the authority to address the spending and projections *if they so choose*.

Confusion exists because the Moss Adams Scope of Work (MASOW) states that “the City of Salem seeks sustainable, short- and long-term revenue options to address a \$19M+ general fund shortfall”. However, the City Manager Memo to the CBC on May 3<sup>rd</sup> states that a 0.661% payroll tax would raise \$27 million beginning in FY 2025, and the public messaging was also that \$27 million was needed. However, the final tax rate was 0.814%, so would this have raised more than the \$27 million, or did the exceptions, such as exempting minimum wage employees cause the increase in the rate? Finally, from the “Five-Year Financial Forecasts Fiscal Year 2024 through 2028” report, the General Fund Table 2, FY 2024 – FY 2028 Forecast (on page 12) indicates that a \$11.88 million shortfall exists in FY 2025 and \$14.67 million in FY 2028, the largest shortfall in the next five years.

What is the real revenue target, if needed?

- Is it \$11.88 in FY 2025 escalating over time to achieve the \$14.67 million necessary in FY 2028?
- Is it \$19+ million in additional funding to have cushion to provide future unanticipated services?
  - The difference between \$19 million and \$11.88 is not readily apparent.
- Or is \$27 million, the amount a 0.661% payroll tax rate would have raised (again why was it 0.814% in the end), necessary to fully fund the items listed in the aforementioned letter: a navigation center, a shelter site, mobile crisis response, and a towing program.
  - Those four total \$8.4 million which explains the difference between \$19 million and \$27 million.

(Values in Millions, YEE = Year-End Estimate, F = Forecast)

FY 2024 - FY 2028 Summary (in millions)						
	FY 2023 YEE	FY 2024 F	FY 2025 F	FY 2026 F	FY 2027 F	FY 2028 F
Beginning Fund Balance	\$ 40.68	\$ 37.12	\$ 27.60	\$ 15.72	\$ 2.68	\$ (11.19)
Revenues	\$ 156.68	\$ 160.62	\$ 164.89	\$ 170.58	\$ 176.60	\$ 182.84
Total Expenditures	\$ 160.24	\$ 176.88	\$ 183.66	\$ 190.70	\$ 197.74	\$ 204.96
Unspent Contingency		(2.50)	(2.50)	(2.50)	(2.50)	(2.50)
2.5% Savings		(4.25)	(4.40)	(4.58)	(4.76)	(4.95)
Net Expenditures	\$ 160.24	\$ 170.13	\$ 176.77	\$ 183.62	\$ 190.48	\$ 197.51
Fiscal Year Impact	\$ (3.56)	\$ (9.51)	\$ (11.88)	\$ (13.04)	\$ (13.87)	\$ (14.67)
Ending Fund Balance	\$ 37.12	\$ 27.60	\$ 15.72	\$ 2.68	\$ (11.19)	\$ (25.87)

With the Quarterly Financial Report for Q3 of 2023 (March 2023) reporting that the total General Fund balance was a \$8.6 million surplus (\$128.7 million revenue, not including the Beginning Fund Balance, minus \$120.1 million expenses) a final reconciliation of FY 2023 should be provided to the TF before FY 2024-2028 are re-projected. Granted, this surplus will shrink since 97% of the property taxes have been collected, but it *appears* that the city might break even, or have another surplus at the end of FY 2023 once reconciled. This information, along with consideration that the city has reported a deficit in just three (2017, 2018, and 2019) of the last 10 years (page 215 of FY 2022 ACFR and page 183 of FY 2017 ACFR), should be the starting point of the TF.

Then, Moss Adams and/or the TF could address the anomalies pointed out in previous testimony. These anomalies could all be very legitimate, necessary spending increases, etcetera, but the TF should be empowered with the opportunity to investigate if they so choose. Their findings could assist the CBC in their efforts, it would not be duplicative. If anomalies could not be justified, via a General Fund Assumptions and Trends (GFAT) statement or similar explanation, then every department could be asked to further investigate them and/or propose new departments budgets reducing those expenditures, while not impacting services to the community.

Once FY 2023 is reconciled and FY 2024 is reprojected, projections for FY 2025 through 2028 could be more accurately made. As such, please consider these two adjustments to the Moss Adams document.

1. Scope of Work: The City of Salem seeks sustainable, short- and long-term revenue options to address a ~~\$19M+~~ general fund shortfall, the final amount will be determined via the Revenue Task Force and Citizen Budget Committee process. The goal of this engagement is to provide comprehensive project management and facilitation of the process to identify new progressive

revenue sources for possible inclusion on the November 2024 ballot. Regressive sources may be identified as well, but are the least preferable.

2. **Revenue Consulting:** Review prior revenue task force information and other financial data, including but not limited to: year-over-year spending anomalies for FY 2022 through 2024 along with their associated five-year projections, to gain an understanding of the current situation and potential options.

Outside of this agenda item, I hope the City Council will direct the City of Salem to engage with the Oregon League Cities, the Oregon Association of Counties, and/or other appropriate groups, to work towards fixing the structural deficit caused by Measures 5 and 50, which affects all cities across Oregon. Of course, repealing voter authorized measures is unwise, but perhaps cities and counties can collectively investigate a ballot measure for November 2026, not 2024 as it is unlikely to occur next year.

Separately, the city should also engage the legislature during the upcoming short session to further the Payment in Lieu of Taxes effort. Legislative efforts will be difficult so they should begin in earnest as soon as possible. Fixing the root cause of a problem is generally the hardest path to take, but it is almost always the right path.

Thank you for reading this testimony and considering the options herein. I hope to serve the residents in the City of Salem by assisting in a resilient budget future through collaborative efforts. Please let me know how else I can be of service.

Respectfully submitted –



Kelly Thomas  
[thecasaverdegroupp@hotmail.com](mailto:thecasaverdegroupp@hotmail.com)  
702-860-3967

## APPENDIX A

(Information provided by ChatGPT on November 26, 2023)

### What are examples of Progressive Taxation for cities?

#### Progressive Taxation

A system where the rate of tax increases as the taxpayer's income increases. This contrasts with regressive taxation, where the tax rate decreases as income increases, or a flat tax, where everyone pays the same percentage of their income. Cities may implement progressive taxation through various mechanisms. Here are examples of progressive taxation measures at the city level:

#### 1. **Progressive Income Tax:**

- **Graduated Income Tax:** A city can implement a progressive income tax system with multiple tax brackets, where individuals with higher incomes pay a higher percentage of their income in taxes. This is a common approach at the state level but may also be applicable to some city income tax systems.

#### 2. **Property Tax Exemptions or Relief for Low-Income Homeowners:**

- **Homestead Exemptions:** Cities may offer property tax exemptions for a certain amount of a property's assessed value, particularly for primary residences. This can be designed to provide relief for lower-income homeowners.

#### 3. **Local Earned Income Tax Credits:**

- **Earned Income Tax Credit (EITC):** Some cities have implemented local versions of the federal Earned Income Tax Credit. The EITC is designed to provide tax relief for low to moderate-income working individuals and families.

#### 4. **Luxury or Progressive Property Taxes:**

- **Progressive Property Tax Rates:** A city might implement a progressive property tax structure where higher-value properties are subject to higher tax rates. This can help distribute the property tax burden more equitably.

#### 5. **Local Sales Tax Exemptions for Necessities:**

- **Exemptions for Essential Goods and Services:** Cities can consider exempting certain essential goods and services (such as groceries or prescription medications) from local sales taxes, ensuring that lower-income individuals are not disproportionately affected.

#### 6. **Municipal Service Fees Based on Property Value:**

- **Progressive Municipal Fees:** Some cities tie municipal service fees (such as waste collection or water/sewer fees) to the value of the property. This means that higher-value properties pay higher fees.

## 7. Local Business Taxes Based on Revenue:

- **Progressive Business Tax Structures:** Cities may implement business taxes that are based on revenue or profits, ensuring that larger and more profitable businesses pay a proportionally higher amount in taxes.

These examples demonstrate ways in which cities can incorporate progressive elements into their tax structures to promote greater fairness and reduce the tax burden on lower-income individuals and families. The specific implementation can vary based on local laws, regulations, and the unique economic circumstances of the city.

## What are the most regressive taxes?

### Regressive Taxation

Those that take a larger percentage of income from lower-income individuals compared to higher-income individuals. Here are some examples of taxes that are often considered regressive:

#### 1. Sales Tax:

- Sales taxes are regressive because they apply uniformly to the purchase of goods and services, regardless of the individual's income. Since lower-income individuals typically spend a higher proportion of their income on basic goods and services, sales taxes can disproportionately affect them.

#### 2. Flat Income Tax:

- A flat income tax is a system where everyone, regardless of income level, pays the same percentage of their income in taxes. While it's not inherently regressive, it's considered regressive in practice because the impact is more significant on lower-income individuals who may struggle to meet basic needs.

#### 3. Property Taxes:

- Property taxes, while they can be structured to be progressive, are often regressive in practice. This is because lower-income individuals may spend a larger portion of their income on housing, and property taxes are typically based on the value of the property rather than the owner's ability to pay.

#### 4. Excise Taxes:

- Excise taxes, such as those on gasoline, tobacco, or alcohol, are often regressive. Since these taxes are levied on specific goods and services, individuals with lower incomes may end up paying a higher percentage of their income on these items.

#### 5. User Fees and Charges:

- Fees for specific services, such as utility fees, can be regressive. Lower-income individuals may find it more challenging to afford these services, making the fees a higher percentage of their overall income.



## **6. Social Security and Medicare Payroll Taxes:**

- While payroll taxes for Social Security and Medicare are intended to be flat for employees, they are regressive when considering the overall payroll tax burden. This is because there is a cap on income subject to Social Security taxes, so higher-income individuals pay a smaller percentage of their total income in Social Security taxes.

It's important to note that the impact of these taxes on regressivity can vary based on the overall tax structure, exemptions, and credits in place. Some jurisdictions may implement measures to mitigate the regressive nature of certain taxes, such as providing targeted exemptions or credits for low-income individuals.

## **What are some general principles when analyzing a city budget?**

### **Principles of City Budget Analysis**

Analyzing a city budget requires a thorough understanding of financial principles, governance structures, and the unique dynamics of the municipality. Here are some general principles to consider when analyzing a city budget:

#### **1. Transparency and Accessibility:**

- A transparent budget is crucial for public accountability. Ensure that the budget is readily accessible to the public, with clear explanations of revenue sources, expenditures, and financial priorities.

#### **2. Expenditure Categories:**

- Categorize expenditures into major areas such as public safety, public works, education, and social services. Assess the allocation of resources to understand the city's priorities.

#### **3. Revenue Sources:**

- Understand the diverse sources of revenue, including taxes, grants, fees, and other income streams. Analyze the stability and predictability of these revenue sources.

#### **4. Long-Term Planning:**

- Examine the budget in the context of long-term financial planning. Look for indicators of sustainability, such as reserve funds, pension liabilities, and debt levels.

#### **5. Debt Management:**

- Evaluate the city's debt levels, including outstanding bonds and loans. Consider how debt is being used to fund capital projects and whether it aligns with the city's overall financial strategy.

#### **6. Reserves and Contingency Funds:**

- Assess the adequacy of reserves and contingency funds. These funds act as a financial buffer during unforeseen events and contribute to the city's financial stability.

**7. Economic Conditions:**

- Consider the economic conditions that may impact the city's revenue, such as local employment rates, property values, and business activity.

**8. Community Engagement:**

- Evaluate the level of community engagement in the budgeting process. Public input is crucial for understanding community priorities and ensuring that the budget reflects the needs of residents.

**9. Performance Metrics:**

- Look for performance metrics and key performance indicators (KPIs) to assess the efficiency and effectiveness of city services. These metrics can provide insights into the value delivered for the resources invested.

**10. Review Budget Narratives:**

- Read accompanying narratives or explanations that provide context for budget line items. These narratives can offer insights into the city's goals, challenges, and strategies.

**11. Interdepartmental Coordination:**

- Examine how different departments collaborate and coordinate their efforts. Efficient interdepartmental communication and coordination can contribute to effective service delivery.

**12. Comparative Analysis:**

- Compare the current budget to previous years to identify trends and changes. Benchmark against similar-sized cities or municipalities to gain a broader perspective.

**13. Compliance and Legal Considerations:**

- Ensure that the budget adheres to legal and regulatory requirements. Understand any constraints or mandates that may impact budget decisions.

**14. Flexibility and Adaptability:**

- Assess the budget's flexibility to adapt to changing circumstances. Consider whether the city has contingency plans for unexpected events.

**15. Sustainability and Green Initiatives:**

- Look for investments in sustainability and green initiatives. Cities are increasingly incorporating environmentally conscious practices into their budgets.

Remember that each city is unique, and the specific considerations for analyzing a budget may vary based on local circumstances. Effective budget analysis requires a comprehensive understanding of the city's financial landscape and consideration of both short-term and long-term factors.



## APPENDIX B

Pages referred to in testimony

### Quarterly Financial Report for Q3 of FY 2023

#### CITY OF SALEM FINANCIAL SUMMARY Through Q3 / FY 2023

The summary of FY 2023 third quarter (Q3) July 2022 through March 2023 financial activity displays expenditure information at the department level for the General Fund and resources displayed by type. For all other City Funds, data is displayed with resources and expenditures. For all funds, the display includes columns noting comparison to budget and prior year actual activity. A positive number in the prior year comparison denotes an increase in FY 2023.

##### General Fund

Resources	Budget	Actual through March 31	As a Percent of Budget	Difference FY 2023 to FY 2022 Actual
Property Taxes	20,790,030	78,510,120	97.2%	4.8%
Franchise Fees	19,533,430	14,965,366	74.9%	4.0%
Internal Charges	21,403,030	13,723,706	64.1%	3.8%
Other Taxes	1,852,340	972,636	52.2%	-2.2%
State Shared	7,711,460	4,940,692	64.1%	7.5%
Fees, Permits	14,515,120	10,173,107	68.2%	-3.9%
All Other Revenues	9,390,660	3,370,341	57.4%	11.9%
Beginning Fund Balance	42,528,330	40,678,032	95.6%	31.6%
<b>Total Resources</b>	<b>198,505,670</b>	<b>169,342,224</b>	<b>85.3%</b>	<b>9.5%</b>

##### BY THE NUMBERS

###### Resources

The City received over 97 percent of total current-year Property Taxes as of the third quarter. Property tax receipts in FY 2023 are 4.8 percent higher than the same time last year.

Franchise Fees (4 percent) and State Shared Revenue (7.5 percent) collections are also trending higher.

The category, Other Taxes, are local marijuana sales tax receipts. These are collected by the State and remitted to the City quarterly. This category is trending downward year-over-year.

Expenditures by Department	Budget	Actual through March 31	As a Percent of Budget	Difference FY 2023 to FY 2022 Actual
Mayor & Council	259,780	204,017	78.5%	6.5%
Municipal Court	2,433,290	1,964,362	64.2%	1.3%
City Manager	1,525,220	1,305,764	67.8%	26.7%
Customer Service Center*	509,130	386,674	64.3%	-
Human Resources	2,675,910	2,162,488	80.8%	67.5%
Legal	2,531,290	1,936,110	66.1%	3.7%
Finance	3,698,620	2,414,711	65.3%	-14.9%
Parks and Recreation	12,043,570	9,109,603	75.6%	13.9%
Facilities Services	3,253,280	3,841,510	73.0%	10.0%
Community Development	6,733,160	4,737,179	70.1%	35.1%
Library	5,873,040	3,964,937	67.5%	11.0%
Police	34,779,640	39,711,614	72.5%	6.9%
Fire	45,111,140	33,654,288	74.7%	16.4%
Information Technology	11,384,030	7,651,164	66.4%	11.6%
Non Departmental	9,005,640	4,663,130	51.8%	-13.1%
Urban Development	4,033,770	2,480,913	61.2%	-27.9%
<b>Total Expenditures</b>	<b>169,308,940</b>	<b>120,070,563</b>	<b>70.9%</b>	<b>10.1%</b>

Beginning Fund Balance—the funding available at the start of the fiscal year—equals 24 percent of total resources through Q3, and is 31.6 percent more than FY 2022. This is due to an influx of one-time grants from the State and Federal governments.

Year-to-year decline of 3.9 percent for Fees, Permits reflect lower planning fee revenue and steady franchise fee revenue.

Internal Charges include the support services charges, reimbursements for labor and overhead from other funds, and fund-to-fund transfers. The 3.8 percent increase is mainly due to higher Service Charges and Transfers, which are received in regular intervals.

##### BY THE NUMBERS

###### Expenditures

With 75 percent of the fiscal year complete, including 19.1 payroll periods (representing 73.2 percent of payroll periods for the year), expenditures are trending as anticipated. The 10.1 percent year-over-year increase is influenced by anticipated cost escalators, such as labor contract / market adjustments to salaries, PERC expense, and health benefits expense, increased social services spending and continued impacts of high inflation for goods and services.

\*The Customer Service Center is a new organization for FY 2023. Hence no prior year actuals.

**Page 215 of FY 2021-2022 ACFR**

**SCHEDULE E**

**FIVE-YEAR GENERAL FUND\* CONSECUTIVE STATEMENT OF REVENUES AND EXPENDITURES (Modified accrual)**

For fiscal year ending June 30,	2018	2019	2020	2021	2022
<b>Revenues</b>					
Property taxes	\$ 66,128,401	\$ 70,028,752	\$ 71,146,768	\$ 74,536,268	\$ 77,817,603
Other taxes	758,247	1,004,285	1,160,850	1,584,048	1,777,348
Franchise fees	18,001,644	18,003,359	18,091,467	18,819,078	19,958,970
Licenses and permits	1,069,803	1,522,440	1,406,960	1,588,726	2,068,881
Fees	1,270,388	1,188,425	840,037	664,479	1,081,363
Fines and penalties	2,891,761	2,977,913	2,038,660	1,631,719	2,137,929
Special assessments	-	1,409	10,405	1,232	-
Rents	1,619,906	2,161,366	1,582,858	538,882	760,236
Charges for services	2,472,631	2,740,109	6,280,103	10,460,517	12,068,088
Other revenues	221,416	171,856	338,432	200,570	243,396
Intergovernmental	8,827,876	8,476,183	9,065,844	9,619,997	8,656,154
Federal grants	558,579	458,039	3,849,001	10,634,332	13,567,476
State grants	3,500	21,504	-	10,230	819,000
Intrafund reimbursements	6,493,026	6,797,043	6,795,935	7,087,614	7,149,740
Loan payments received	9,625	(126)	302	-	-
Interest on investments	510,207	767,042	699,802	503,134	385,785
Total revenues	110,837,010	116,323,599	123,309,484	137,879,826	148,789,969
<b>Expenditures</b>					
Personal services	93,170,801	98,566,858	103,118,277	108,298,680	114,491,153
Materials and services	17,929,127	18,147,985	17,620,842	23,219,611	26,362,783
Capital outlay	610,969	579,588	189,928	764,835	859,065
Debt service	15,566	20,829	13,285	47,494	143,876
Total expenditures	111,726,463	118,345,260	120,942,342	132,330,620	141,846,857
Excess (deficiency) of revenues over expenditures	(889,453)	(2,021,661)	2,367,142	5,549,206	6,943,112
<b>Other financing sources (uses)</b>					
Proceeds from leases	-	-	-	-	543,147
Sale of capital assets	2,417	-	-	-	497,111
Transfers in	1,075,947	1,320,470	1,626,201	1,864,460	3,102,256
Transfers out	(1,722,840)	(1,730,950)	(831,260)	(1,338,789)	(1,357,747)
Total other financing sources (uses)	(644,476)	(410,480)	793,941	555,671	2,784,767
Excess (deficiency) of revenues over expenditures and other sources (uses)	(1,533,929)	(2,432,141)	3,161,083	6,104,877	9,727,879
Fund balance - beginning of year	25,744,831	24,210,902	21,778,761	24,939,844	34,044,721
Fund balance - end of year	\$ 24,210,902	\$ 21,778,761	\$ 24,939,844	\$ 31,084,878	\$ 43,772,600

\*Note this information is for the General fund only, not the General Operating fund that appears in the basic financial statements

Source: Derived from audited annual financial statements.

SCHEDULE E

FIVE-YEAR GENERAL FUND CONSECUTIVE STATEMENT OF REVENUES AND EXPENDITURES (Modified accrual)

For fiscal year ending June 30.	2013	2014	2015	2016	2017
Revenues					
Property taxes	\$ 54,972,735	\$ 56,399,018	\$ 59,053,072	\$ 61,290,361	\$ 63,986,373
Franchise fees	15,610,240	15,630,348	16,378,032	16,809,874	17,323,653
Other taxes	46,578	49,065	44,565	-	121,502
Licenses and permits	672,700	780,100	716,558	833,001	883,431
Fees	1,029,179	1,073,873	1,087,717	1,199,928	1,152,094
Fines and forfeitures	2,547,538	2,712,724	2,772,139	3,023,850	2,963,967
Rents	1,183,609	1,053,355	1,254,898	1,278,003	1,807,588
Charges for services	1,759,165	1,882,196	2,064,822	2,282,858	2,490,466
Other revenues	283,092	231,882	273,408	310,191	337,952
Intergovernmental	6,032,159	6,153,886	6,359,276	6,430,503	7,250,602
Federal grants	1,147,162	1,005,028	920,336	777,561	1,270,677
State grants	22,718	25,717	34,577	36,443	40,374
Intrafund reimbursements	3,713,899	3,338,334	3,644,382	5,216,515	5,264,853
Loan payments received	148	17,336	1,384	1,413	18,226
Interest on investments	128,597	147,336	171,231	248,276	385,561
Total revenues	<u>89,157,618</u>	<u>90,480,198</u>	<u>94,716,197</u>	<u>99,738,777</u>	<u>105,416,617</u>
Expenditures					
Personal services	71,788,397	74,504,948	76,075,832	81,435,677	85,900,025
Materials and services	14,188,378	15,324,979	15,501,719	15,545,084	18,522,985
Capital outlay	174,726	286,097	439,148	256,786	280,882
Debt service	380,459	-	-	6,794	10,151
Total expenditures	<u>86,531,960</u>	<u>90,116,024</u>	<u>92,016,709</u>	<u>97,244,335</u>	<u>104,714,053</u>
Excess (deficiency) of revenues over expenditures	<u>2,625,658</u>	<u>364,174</u>	<u>2,699,398</u>	<u>2,494,442</u>	<u>702,564</u>
Other financing sources (uses)					
Sale of capital assets	25,000	2,819	-	27,492	-
Transfers in	703,880	825,000	1,145,000	1,178,350	1,250,800
Transfers out	(1,126,156)	(994,108)	(841,490)	(920,312)	(2,089,660)
Total other financing sources (uses)	<u>(397,276)</u>	<u>(166,287)</u>	<u>303,510</u>	<u>286,530</u>	<u>(1,738,860)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>2,228,382</u>	<u>197,887</u>	<u>3,002,908</u>	<u>2,780,972</u>	<u>(1,036,296)</u>
Fund balance - beginning of year	<u>18,570,978</u>	<u>20,799,360</u>	<u>20,997,247</u>	<u>24,000,155</u>	<u>26,781,127</u>
Fund balance - end of year	<u>\$ 20,799,360</u>	<u>\$ 20,997,247</u>	<u>\$ 24,000,155</u>	<u>\$ 26,781,127</u>	<u>\$ 25,744,831</u>