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# General Fund Overview

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## Fines & Forfeitures

Fines and forfeitures represent traffic citations and other fines imposed through enforcement of local ordinances and state statutes. 2021's projected revenue is a increase from 2020 budget by \$31,227 or 23.2%. These revenues are hard to anticipate as they are dependent on specific enforcement actions.

## Interest and Other Revenues

Interest and other revenues represents the interest earned on the City's investments and other miscellaneous revenues such as leases, rental income, insurance recoveries, etc. The City determines each month its immediate cash needs and invests any excess cash into the State's Local Government Investment Pool (LGIP) to maximize its interest earnings. Money invested in the LGIP has no risk to the principal and is available within 24 hours. There are no transaction fees associated with these investments. For longer term monies (money associated with future capital projects), the City invests in federal bonds, as allowed by state law. These investments mature anywhere from one to five years from the date of purchase and allows the City to realize a higher rate of return than our short term LGIP investments. While the City does not budget for miscellaneous revenues each year, this category is anticipated to decrease by \$64,147 from 2020 budget, mostly due to sharply lower interest yields.

## Transfers In

Transfers In represent intermittent moneys that are moved into the General Fund from other funds for special projects. These transfers can fluctuate greatly year to year. There are no anticipated transfers into the General Fund in 2021.

## Beginning Fund Balance

The beginning fund balance represents the cash remaining at the end of the prior fiscal year that is available for use by the City. The beginning fund balance grew steadily over the past few years as departments are cost conscious when spending on their programs and revenues can sometimes exceed the budget. The City's practice is to reserve 17% of anticipated expenditures from the beginning fund balance to insure we have a proper reserve for cash flow purposes and other unanticipated needs.