

Fund Sufficiency Update

May 2, 2024



City Council Strategic Goals Update

- 🌳 Bring the General Fund and Debt Service Fund fund balance to 25% of our annual General Fund expenditures within 5 – 7 years (by 2030)

Working on Fund Balance Improvement Over Time

Achieved 18% in FY22 and improved to 22% in FY23; Expect to maintain between 21.5% - 23% in FY24 and meet goal in 2030

New fund balance policy adopted in FY21 to match LGC target

- Maintains “super” majority vote for appropriation of fund balance
 - 7 of 9 votes needed for General Fund use
- FY23 – 24 budget includes strategy to help meet goal
- Council reviews status of fund balance plan annually

Greensboro Available Fund Balance Trends

Trending between 21% - 23% over past 7 years

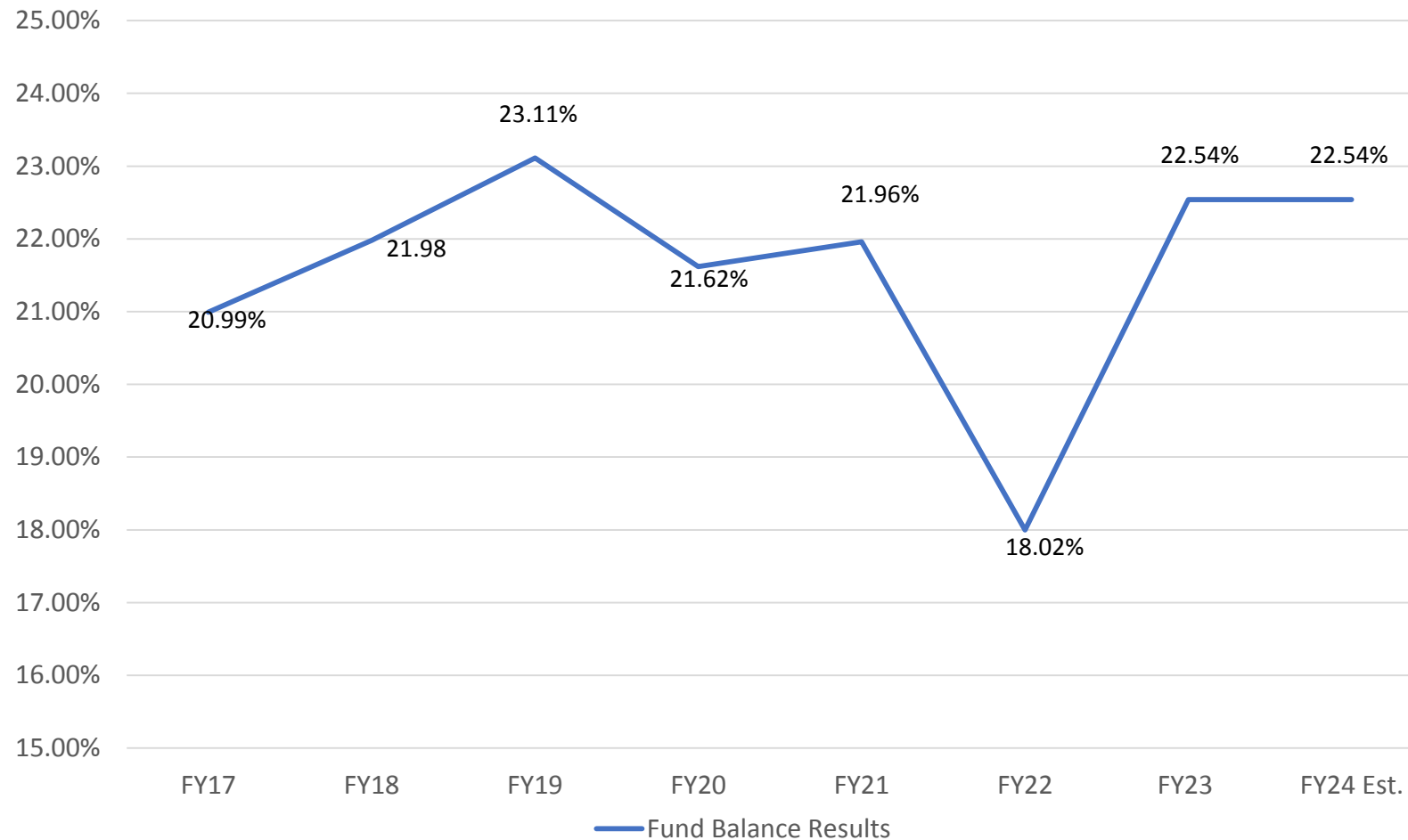
Reduced to 18% in FY2022, due to planned debt service funding for 2016 referendum

LGC minimum target is 25%

Recent actions to build fund balance

- Adopted new fund balance policy
- Growth due to revaluation supports debt
- Additional \$1.5 million fund balance support included in FY2024 Budget

Fund Balance as % of General Fund Expenditures



Fund Balance Comparison to Peers

- Method Used by Rating Agencies for Credit Review
- LGC Financial Performance Indicator

Unit	Population**	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<i>MUNICIPALITIES:</i>						
Winston-Salem	249,545	27.12%	28.79%	38.43%	46.14%	53.15%
Durham	283,506	48.45%	47.62%	40.19%	53.21%	45.36%
Greensboro	299,035	23.11%	21.62%	21.96%	18.02%	22.54%
Raleigh	467,665	51.71%	85.43%	99.72%	97.68%	95.03%
Charlotte	874,579	56.52%	45.08%	42.81%	44.34%	43.62%
High Point	114,059	26.43%	24.97%	29.13%	31.01%	29.09%*

Source: LGC Report

* Estimated from Annual Comprehensive Financial Report

** US Census, 2020

Effect of ARPA-Enabled Funds on 25% Fund Balance Goal

Funds have been set aside in General Fund and not co-mingled in overall Fund Balance

FY 2023, achieved 22.54% including ARPA-enabled funds and 21.93% without ARPA-enabled balances

\$8,351,370 ARPA-enabled money is set aside in General Fund as of 3/31/24

- \$7,706,639 is encumbered or pending Council contract award or routing
- Spending planned to occur over next 2 years