

2008-2009 ANNUAL REPORT
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RESULTS OF OPERATIONS IN THE GENERAL FUND

The General Fund ended the year in a stable position. A final available ending fund balance of \$173.2 million was realized, as reflected in the following table:

GENERAL FUND
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2009
 (\$000s)

	Revised Budget	Budgetary Basis Actual	Variance
<hr/>			
<i>Sources</i>			
<i>Beginning Fund Balance</i>	223,651	223,651	-
<i>Carryover Encumbrances</i>	34,008	34,008	
<i>Liquidated</i>			
<i>Carryover Encumbrances</i>		7,640	7,640
<i>Subtotal</i>	257,659	265,299	7,640
<i>Revenue</i>	803,649	803,519	(130)
<i>Total Sources</i>	1,061,308	1,068,818	7,510
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<i>Uses</i>			
<i>Personal Services</i>	626,149	620,422	5,727
<i>Non-Personal/Equipment/Other</i>	111,173	103,086	8,087
<i>City-Wide Expenses</i>	143,445	107,699	35,746
<i>Capital Contributions</i>	45,054	26,530	18,524
<i>Transfers</i>	38,037	37,868	169
<i>Reserves</i>	97,450	-	97,450
<i>Total Uses</i>	1,061,308	895,605	165,703
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<i>Available Ending Fund Balance</i>		173,213	173,213

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RESULTS OF OPERATIONS IN THE GENERAL FUND (CONT'D.)

The actual ending fund balance of \$173.2 million exceeded the estimated ending fund balance level by approximately \$20.2 million. This positive variance represented 1.9% of the General Fund modified budget. The elements of that variance are illustrated in the following comparison of estimate to actual chart. The estimated fund balance column represents the projections used to formulate the Beginning Fund Balance amount, included as a source of funding in the 2009-2010 Adopted Budget.

**2008-2009 GENERAL FUND
ENDING FUND BALANCE ANALYSIS
(\$000s)**

	Estimate	Budgetary Basis Actual	Variance
<i>Sources</i>			
<i>Beginning Fund Balance</i>	223,651	223,651	-
<i>Carryover Encumbrances</i>	34,008	34,008	
<i>Liquidated</i>			
<i>Carryover Encumbrances</i>	6,307	7,640	1,333
<i>Subtotal</i>	263,966	265,299	1,333
<i>Revenue*</i>	803,649	803,519	(130)
<i>Total Sources</i>	1,067,615	1,068,818	1,203
<i>Uses</i>			
<i>Expenditures*</i>	870,732	857,737	12,995
<i>Transfers</i>	38,037	37,868	169
<i>Reserves</i>	5,854		5,854
<i>Total Uses</i>	914,623	895,605	19,018
<i>Available Ending Fund Balance</i>	152,992	173,213	20,221

* After adjusting for a net-zero \$1.9 million of grant and reimbursement related revenues and expenditures not received or expended in 2008-2009, but rebudgeted to 2009-2010, the revenue variance resulted in a surplus of \$1.8 million and the expenditures variance actually totaled \$11.1 million.

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ANNUAL REPORT**

RESULTS OF OPERATIONS IN THE GENERAL FUND (CONT'D.)

The actual 2008-2009 liquidation of carryover encumbrance amount was \$7.6 million and reflects encumbered appropriations liquidated by the Finance Department during the period between the release of audited 2007-2008 financial statements and the end of the 2008-2009 fiscal year. Liquidation of prior year encumbrances results in a reduction in the obligations against the fund balance. These funds then become available for reappropriation. The estimate to actual variance of \$1.3 million represents carryover encumbrance liquidations that occurred at a higher level than originally anticipated when the fund balance was estimated.

It should be noted that the budgetary fund balance reported for the General Fund in the Comprehensive Annual Financial Report (CAFR) is \$173.25 million, approximately \$0.04 million above the fund balance reflected in this Annual Report. In the CAFR, the Ng Shing Gung Capital Maintenance Fund (Fund 303) is included in the General Fund for governmental accounting purposes. In this report, this fund is not included as part of the General Fund because it is budgeted separately.

A detailed analysis of the significant variances between estimates and actuals for revenues, expenditures, transfers and reserves is provided in the following section.