

II. GENERAL FUND BUDGET PERFORMANCE

This section of the Annual Report summarizes the performance of the General Fund and is broken down into the following sections:

General Fund Year-End Performance – This section provides data on the overall status of the General Fund at the end of 2022-2023. It includes a chart that compares the General Fund Modified Budget and actuals for sources, uses, and Ending Fund Balance as well as a chart that compares the General Fund actuals to the estimates used in the development of the 2023-2024 Adopted Budget.

General Fund Revenue Performance – This section provides details on the actual 2022-2023 General Fund revenue collections. This section includes a chart that compares the 2022-2023 Modified Budget to the actuals for each of the General Fund revenue categories. This chart is followed by a discussion of the performance in each category that includes an explanation of variances from the Modified Budget, any resulting current year implications for revenue estimates, and a comparison of the actual revenues to prior year collections to indicate collection trends and provide a historical perspective.

General Fund Expenditure Performance – This section provides details on the actual 2022-2023 General Fund expenditures. This section includes charts that compare the 2022-2023 Modified Budget to actuals for the major expenditure categories as well as the 2022-2023 year-end estimates to actuals for the total expenditures. The review of the General Fund expenditure performance also includes detailed information on departmental and non-departmental performance, including a discussion of significant variances as well as a chart of total expenditures by each category broken down in further detail. In addition, this section includes a discussion of significant departmental variances and highlights of non-departmental expenditures and variances.

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GENERAL FUND YEAR-END PERFORMANCE

The General Fund ended the year with an available 2022-2023 Ending Fund Balance (unaudited) of \$639.4 million, as reflected in the following table:

GENERAL FUND BUDGET TO ACTUAL COMPARISON FOR THE YEAR ENDED JUNE 30, 2023

	2022-2023 Modified Budget	2022-2023 Budgetary Basis Actual	Variance
Sources			
Beginning Fund Balance	558,987,400	558,987,400	-
Carry-over Encumbrances	63,827,344	63,827,344	-
Liquidation of Carry-over Encumbrances		(10,474,403)	(10,474,403)
<i>Subtotal</i>	<i>622,814,744</i>	<i>612,340,341</i>	<i>(10,474,403)</i>
Revenues	1,698,821,608	1,703,746,677	4,925,069
Total Sources	<u>2,321,636,352</u>	<u>2,316,087,018</u>	<u>(5,549,334)</u>
Uses			
Personal Services	899,171,816	887,824,518	(11,347,298)
Non-Personal/Equipment/Other	220,404,221	194,846,850	(25,557,371)
City-Wide Expenses	748,714,795	518,580,503	(230,134,292)
Capital Contributions	73,614,946	37,665,210	(35,949,736)
Transfers	37,810,639	37,810,639	-
Reserves	341,919,935	-	(341,919,935)
Total Uses	<u>2,321,636,352</u>	<u>1,676,727,720</u>	<u>(644,908,632)</u>
Available Ending Fund Balance		<u>639,359,298</u>	<u>639,359,298</u>

Note: In the chart above, the General Fund excludes the Emergency Reserve Fund and Cash Reserve Fund, which are budgeted as separate funds and reflected separately in this document. In the 2022-2023 Annual Comprehensive Financial Report (ACFR), the Emergency Reserve Fund and Cash Reserve Fund will be displayed as part of the General Fund to comply with GASB 54 reporting requirements.

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GENERAL FUND YEAR-END PERFORMANCE

The actual ending fund balance of \$639.4 million exceeded the estimated Ending Fund Balance level used in the development of the 2023-2024 Adopted Budget by \$9.7 million (0.3% of the 2022-2023 Modified Budget for revenues and expenditures). However, once adjusted for clean-up actions recommended in this report associated with the close-out of 2022-2023, a true ending fund balance of \$18.6 million (0.5% of the 2022-2023 Modified Budget for revenues and expenditures) remains in 2022-2023 and is available for allocation in 2023-2024. The elements of the Ending Fund Balance variance are illustrated in the following estimate to actual comparison chart.

GENERAL FUND ESTIMATE TO ACTUAL COMPARISON FOR THE YEAR ENDED JUNE 30, 2023

Sources	2022-2023 Estimate	2022-2023 Budgetary Basis Actual	Variance
Beginning Fund Balance	558,987,400	558,987,400	-
Carry-over Encumbrances	63,827,344	63,827,344	-
Liquidation of Carry-over Encumbrances	500,000	(10,474,403)	(10,974,403)
<i>Subtotal</i>	<i>623,314,744</i>	<i>612,340,341</i>	<i>(10,974,403)</i>
Revenues	1,698,756,368	1,703,746,677	4,990,309 ¹
Total Sources	<u>2,322,071,112</u>	<u>2,316,087,018</u>	<u>(5,984,094)</u>
Uses			
Expenditures	1,692,444,257	1,676,727,720	(15,716,537) ¹
Total Uses	<u>1,692,444,257</u>	<u>1,676,727,720</u>	<u>(15,716,537)</u>
Ending Fund Balance	<u>629,626,855</u>	<u>639,359,298</u>	<u>9,732,443</u>

¹ The 2023-2024 Adopted Budget included \$5.6 million in grant and reimbursement-related revenues and expenditures not expected to be received in 2022-2023 and were rebudgeted to 2023-2024. This resulted in lower actual revenues and expenditures in 2022-2023, with no net impact to the General Fund. After factoring out the lower revenues and expenditures associated with these grants and reimbursements, the revenues variance actually resulted in a surplus of \$10.6 million, rather than a surplus of \$5.0 million, and the expenditures variance actually resulted in savings of \$10.1 million, rather than savings of \$15.7 million.

Note: In the chart above, the General Fund excludes the Emergency Reserve Funds and Cash Reserve Fund, which are budgeted as separate funds and reflected separately in this document. In the 2022-2023 Annual Comprehensive Financial Report, the Emergency Reserve Fund and Cash Reserve Fund will be displayed as part of the General Fund to comply with GASB 54 reporting requirements.

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GENERAL FUND YEAR-END PERFORMANCE

A detailed analysis of the variances between the 2022-2023 Modified Budget and Budgetary Basis Actuals for revenues, expenditures, transfers, and reserves is provided in the following section. However, the variances for the Beginning Fund Balance and Liquidation of Carry-over Encumbrances category are discussed below.

The actual 2022-2023 Beginning Fund Balance of \$559.0 million was consistent with the estimate. The actual 2022-2023 Liquidation of Carry-over Encumbrances was -\$10.5 million due to a transfer of encumbrances from the American Rescue Plan (ARP) to the General Fund, which is offset by a transfer from the ARP Fund to the General Fund. The 2023-2024 Adopted Budget assumed a total of \$500,000 in encumbrance liquidations.

As noted on the chart on the previous page, after adjusting for \$5.6 million in grants and reimbursements that were not received or expended in 2022-2023, the final General Fund Ending Fund Balance represents a positive variance of \$9.7 million (0.3% of the 2022-2023 Modified Budget for revenues and expenditures), which includes higher than estimated expenditures savings (\$15.7 million), higher revenues (\$5.0 million), and lower than estimated liquidation of prior year encumbrances (\$11.0 million). After accounting for revenue and expenditure clean-up actions recommended in the Annual Report, including additional rebudgets, to close-out 2022-2023, \$18.6 million (0.5% of the 2022-2023 Modified Budget for revenues and expenditures) in additional Ending Fund Balance is available. The \$18.6 million positive fund balance variance is comprised of higher than estimated revenues of \$23.34 million, net expenditure savings of \$6.22 million, and lower than estimated liquidation of prior year encumbrances (-\$10.97 million).

Recommendations for the allocation of the additional 2022-2023 Ending Fund Balance are provided elsewhere in this document.