2016-2017
ANNUAL REPORT

I. BUDGET PERFORMANCE SUMMARY

This section of the Annual Report summarizes 2016-2017 financial performance in the General Fund, Special Funds, and Capital Funds, with the following tables provided for reference.

Comparison of Budget to Actual Revenues and Expenditures by Fund – This table, organized by General Fund, Special Funds, and Capital Funds, displays the 2016-2017 Budgeted and Actual revenues as well as the 2016-2017 Budgeted and Actual expenditures, with the dollar and percent variance for each City fund. The revenue figures exclude the Beginning Fund Balance and Reserves and the expenditure figures exclude the Reserves and Ending Fund Balance.

As shown in the Comparison of Budget to Actual Revenues and Expenditures table, actual 2016-2017 revenues across all funds totaled $3.34 billion, which was 1.4% ($45.8 million) below the budgeted estimate of $3.39 billion. In 2016-2017, expenditures totaled $3.69 billion, which was 11.5% ($479.7 million) below the modified budget of $4.17 billion. Any funds with revenue or expenditure variances to the modified budget that are 10% or greater are numbered with a specific revenue or expenditure code, which are detailed at the bottom of the table.

Comparison of Estimated to Actual 2016-2017 Ending Fund Balance – This table, organized by General Fund, Special Funds, and Capital Funds, displays the 2016-2017 Modified Budget for each fund, followed by the estimated 2016-2017 Ending Fund Balance that was used in the development of the 2017-2018 Adopted Budget, the Actual 2016-2017 Ending Fund Balance, the variance between the Estimated and Actual Ending Fund Balance, the value of additional rebudgets recommended in this report, and the revised 2016-2017 Ending Fund Balance variance, should the recommended rebudgets be approved. The table then displays the percentage of the Modified Budget that the revised Ending Fund Balance represents. It is important to note that the dollar amount for the Modified Budget is not adjusted for transfers, loans, and contributions between funds, and therefore, overstates the total funding that was available between the combined funds.

The financial performance in 2016-2017 is used as the starting point for 2017-2018. The collective 2016-2017 Ending Fund Balances for all City funds totaled $1.4 billion, which was $97.8 million above the 2016-2017 Ending Fund Balance estimates of $1.3 billion used in the development of the 2017-2018 Adopted Budget. After adjusting for additional rebudgets of $9.87 million recommended in this report, the adjusted 2016-2017 Ending Fund Balance variance for all funds falls to $87.9 million, or 1.7% of the 2016-2017 Modified Budget. The adjusted fund balance variance totaled $7.7 million in the General Fund, $50.5 million in the special funds, and $29.7 million in the capital funds.

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For most funds, the Actual 2016-2017 Ending Fund Balance was above the estimate used in the development of the 2017-2018 Adopted Budget. In these instances, the additional fund balance is programmed as part of the 2016-2017 Annual Report actions. For the few funds where the 2016-2017 Actual Ending Fund Balance was below the estimate used in the development of the 2017-2018 Adopted Budget, actions are recommended in this report to bring the fund into balance with the lower starting point. In some instances, the variance is the result of the timing of revenues and/or expenditures and the reconciling actions will adjust for those timing differences.

Summary of 2016-2017 Year-End Reserves by Fund – This table, organized by General Fund, Special Funds, and Capital Funds, displays the 2016-2017 Contingency and Earmarked Reserves balances for each fund.

At the end of 2016-2017, the Contingency and Earmarked Reserves for all City funds totaled $789.6 million, which represented 15.4% of the total 2016-2017 Modified Budget of $5.1 billion (including interfund transfers, loans, and contributions). In the General Fund, Reserves totaled $150.7 million.