

2015 - 2016 ANNUAL REPORT
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GENERAL FUND YEAR-END PERFORMANCE

The General Fund ended the year with a final available ending fund balance (unaudited) of \$255.2 million, as reflected in the following table:

GENERAL FUND
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2016
(\$000s)

	Modified Budget	Budgetary Basis Actual	Variance
Sources			
Beginning Fund Balance	265,520	265,855	335
Carryover Encumbrances	42,526	42,526	-
Liquidated			
Carryover Encumbrances		1,869	1,869
<i>Subtotal</i>	<i>308,046</i>	<i>310,250</i>	<i>2,204</i>
Revenues	1,059,439	1,055,517	(3,922)
Total Sources	1,367,485	1,365,767	(1,718)
Uses			
Personal Services	704,875	692,220	(12,655)
Non-Personal/Equipment/Other	140,715	129,244	(11,471)
City-Wide Expenses	261,983	223,639	(38,344)
Capital Contributions	67,703	38,308	(29,395)
Transfers	27,150	27,150	-
Reserves	165,059	-	(165,059)
Total Uses	1,367,485	1,110,561	(256,924)
Available Ending Fund Balance		255,206	255,206

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 2015-2016 Comprehensive Annual Financial Report (CAFR), 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 \$255.2 million exceeded the estimated ending fund balance level used in the development of the 2016-2017 Adopted Budget by \$6.2 million (0.2% of the 2015-2016 Modified Budget total sources and uses). However, once adjusted for clean-up actions recommended in this report associated with the close-out of 2015-2016, a true ending fund balance of \$6.8 million (0.25% of the 2015-2016 Modified Budget total sources and uses) remains in 2015-2016 and is available for allocation in 2016-2017. The elements of the Ending Fund Balance variance are illustrated in the following estimate to actual comparison chart.

General Fund Year-End Performance (\$000s)

Sources	Estimate	Budgetary Basis Actual	Variance
Beginning Fund Balance	265,520	265,855	335
Carryover Encumbrances	42,526	42,526	-
Liquidation of Carryover Encumbrances	1,000	1,869	869
<i>Subtotal</i>	<i>309,046</i>	<i>310,250</i>	<i>1,204</i>
Revenues	1,059,439	1,055,517	(3,922) ¹
Total Sources	1,368,485	1,365,767	(2,718)
Uses			
Expenditures	1,119,527	1,110,561	(8,966) ¹
Ending Fund Balance	248,958	255,206	6,248

¹ In 2015-2016, \$4.3 million in grant and reimbursement-related revenues and expenditures were not expected to be received in 2015-2016 and were rebudgeted to 2016-2017 (\$4.1 million for City-Wide Expenses and \$182,000 for Departmental expenditures). This resulted in lower actual revenues and expenditures in 2015-2016, 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 \$407,000 (0.04%), rather than a shortfall of \$3.9 million, and the expenditures variance actually resulted in savings of \$4.6 million (0.4%), rather than savings of \$9.0 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 2015-2016 Comprehensive Annual Financial Report (CAFR), 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 significant variances between the 2015-2016 Modified Budget and actuals for revenues, expenditures, transfers, and reserves is provided in the following section. The actual 2015-2016 liquidation of carryover encumbrances was \$1.9 million and reflects encumbered appropriations liquidated by the Finance Department during the period between the release of audited 2014-2015 financial statements and the end of 2015-2016. Liquidation of prior year encumbrances results in a reduction in the obligations against the fund balance. These funds then become available for reappropriation. The actual liquidations in 2015-2016 of \$1.9 million were \$869,000 above the estimate of \$1.0 million used in the development of the 2016-2017 Adopted Budget.

As noted on the chart on the previous page, after adjusting for \$4.3 million in grants and reimbursements that were not received or expended in 2015-2016, the final General Fund ending fund balance represents a positive variance of \$6.2 million (0.2% of the 2015-2016 Modified Budget total sources and uses), which includes higher than estimated expenditures savings (\$4.6 million; 0.4%), slightly higher revenues (\$407,000; 0.04%), liquidation of carryover encumbrances (\$869,000), and a 2015-2016 Beginning Fund Balance adjustment (\$335,000). After accounting for revenue and expenditure adjustments recommended in the Annual Report, including required rebudgets to close-out 2015-2016, \$6.8 million (0.25% of total sources and uses) in additional ending fund balance is available. The \$6.8 million positive fund balance variance is comprised of net additional revenues of \$3.5 million (0.33%), additional 2015-2016 Beginning Fund Balance (\$335,000), net expenditure savings of \$2.1 million (0.18%), and higher than estimated liquidation of prior year encumbrances of \$869,000. Recommendations for the allocation of these additional funds are provided elsewhere in this document.