

2014-2015

ANNUAL

REPORT

I. BUDGET

PERFORMANCE

SUMMARY (ALL FUNDS)

2014-2015 ANNUAL REPORT

I. BUDGET PERFORMANCE SUMMARY

This section of the Annual Report summarizes 2014-2015 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 – This table, organized by General Fund, Special Funds, and Capital Funds, displays the 2014-2015 Budgeted and Actual revenues as well as the 2014-2015 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 2014-2015 revenues across all funds, after rebudgets, totaled \$2.64 billion, which was 0.9% (\$23.4 million) above the budgeted estimate of \$2.62 billion. In 2014-2015, expenditures totaled \$3.13 billion, after rebudgets, which was 4.8% (\$157.5 million) below the modified budget of \$3.28 billion. The *Discussion of Significant Variances by Fund* section that follows includes a description of revenue or expenditure variances to the modified budget of greater than both 5.0% and \$100,000 by fund.

Comparison of Estimated to Actual 2014-2015 Ending Fund Balance – This table, organized by General Fund, Special Funds, and Capital Funds, displays the 2014-2015 Modified Budget for each fund, followed by the estimated 2014-2015 Ending Fund Balance that was used in the development of the 2015-2016 Adopted Budget, the Actual 2014-2015 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 2014-2015 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 2014-2015 is used as the starting point for 2015-2016. The collective 2014-2015 Ending Fund Balances for all City funds totaled \$1.49 billion, which was \$133.7 million above the 2014-2015 Ending Fund Balance estimates of \$1.36 billion used in the development of the 2015-2016 Adopted Budget. After adjusting for additional rebudgets of \$17.7 million recommended in this report, the adjusted 2014-2015 Ending Fund Balance variance for all funds falls to \$116.1 million, or 2.8% of the 2014-2015 Modified Budget. The adjusted fund balance variance totaled \$10.0 million in the General Fund, \$36.9 million in the special funds, and \$69.2 million in the capital funds.

2014-2015 ANNUAL REPORT

I. BUDGET PERFORMANCE SUMMARY

For most funds, the Actual 2014-2015 Ending Fund Balance was above the estimate used in the development of the 2015-2016 Adopted Budget. In these instances, the additional fund balance is programmed as part of the 2014-2015 Annual Report actions. For the few funds where the 2014-2015 actual Ending Fund Balance was below the estimate used in the development of the 2015-2016 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 2014-2015 Year-End Reserves by Fund – This table, organized by General Fund, Special Funds, and Capital Funds, displays the 2014-2015 Contingency and Earmarked Reserves balances for each fund.

At the end of 2014-2015, the Contingency and Earmarked Reserves for all City funds totaled \$680.9 million, which represented 16.2% of the total 2014-2015 Modified Budget of \$4.19 billion (including interfund transfers, loans, and contributions). In the General Fund, Reserves totaled \$192.3 million.