

2019-2020 ANNUAL REPORT

GENERAL FUND YEAR-END PERFORMANCE

The General Fund ended the year with an available 2019-2020 ending fund balance (unaudited) of \$400.3 million, as reflected in the following table:

**GENERAL FUND
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2020**

	2019-2020 Modified Budget	2019-2020 Budgetary Basis Actual	Variance
Sources			
Beginning Fund Balance	364,812,662	364,812,662	-
Carryover Encumbrances	44,189,506	44,189,506	-
Liquidation of Carryover Encumbrances		2,365,853	2,365,853
<i>Subtotal</i>	<i>409,002,168</i>	<i>411,368,021</i>	<i>2,365,853</i>
Revenues	1,201,968,198	1,204,729,056	2,760,858
Total Sources	1,610,970,366	1,616,097,077	5,126,711
Uses			
Personal Services	877,020,266	860,636,566	(16,383,700)
Non-Personal/Equipment/Other	188,137,162	157,609,345	(30,527,817)
City-Wide Expenses	132,360,247	95,007,480	(37,352,767)
Capital Contributions	95,850,454	53,592,617	(42,257,837)
Transfers	48,967,078	48,967,078	-
Reserves	268,635,159	-	(268,635,159)
Total Uses	1,610,970,366	1,215,813,086	(395,157,280)
Available Ending Fund Balance		400,283,991	400,283,991

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 2019-2020 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.

2019-2020 ANNUAL REPORT

GENERAL FUND YEAR-END PERFORMANCE

The actual ending fund balance of \$400.3 million exceeded the estimated ending fund balance level used in the development of the 2020-2021 Adopted Budget by \$53.9 million (3.3% of the 2019-2020 Modified Budget). However, once adjusted for clean-up actions recommended in this report associated with the close-out of 2019-2020, a true ending fund balance of \$28.4 million (1.8% of the 2019-2020 Modified Budget) remains in 2019-2020 and is available for allocation in 2020-2021. 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, 2020

Sources	Estimate	Actual	Variance
Beginning Fund Balance	364,812,662	364,812,662	-
Carryover Encumbrances	44,189,506	44,189,506	-
Liquidation of Carryover Encumbrances	1,000,000	2,365,853	1,365,853
<i>Subtotal</i>	<i>410,002,168</i>	<i>411,368,021</i>	<i>1,365,853</i>
Revenues	1,201,265,808	1,204,729,056	3,463,248 ¹
Total Sources	<u>1,611,267,976</u>	<u>1,616,097,077</u>	<u>4,829,101</u>
Uses			
Expenditures	1,264,932,258	1,215,813,086	(49,119,172) ¹
Total Uses	<u>1,264,932,258</u>	<u>1,215,813,086</u>	<u>(49,119,172)</u>
Ending Fund Balance	<u>346,335,718</u>	<u>400,283,991</u>	<u>53,948,273</u>

¹ The 2020-2021 Adopted Budget included \$5.0 million in grant and reimbursement-related revenues and expenditures not expected to be received in 2019-2020 and were rebudgeted to 2020-2021. This resulted in lower actual revenues and expenditures in 2019-2020, 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 \$8.5 million (0.7%), rather than a surplus of \$3.5 million, and the expenditures variance actually resulted in savings of \$44.1 million (2.7%), rather than savings of \$49.1 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 2019-2020 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.

2019-2020 ANNUAL REPORT

GENERAL FUND YEAR-END PERFORMANCE

A detailed analysis of the variances between the 2019-2020 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 Carryover Encumbrances category are discussed below.

The actual 2019-2020 Beginning Fund Balance of \$364.8 million was consistent with the estimate. The actual 2019-2020 Liquidation of Carryover Encumbrances was \$2.4 million and reflects encumbered appropriations liquidated by the Finance Department during the period between the release of audited 2018-2019 financial statements and the end of 2019-2020. 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 2019-2020 of \$2.4 million were \$1.4 million above the estimate of \$1.0 million that was used in the development of the 2020-2021 Adopted Budget.

As noted on the chart on the previous page, after adjusting for \$5.0 million in grants and reimbursements that were not received or expended in 2019-2020, the final General Fund Ending Fund Balance represents a positive variance of \$53.9 million (3.3% of the 2019-2020 Modified Budget), which includes higher than estimated expenditures savings (\$49.1 million), higher revenues (\$3.5 million), and higher than estimated liquidation of prior year encumbrances (\$1.4 million). After accounting for revenue and expenditure clean-up actions recommended in the Annual Report, including additional rebudgets, to close-out 2019-2020, \$28.4 million (1.8% of the 2019-2020 Modified Budget) in additional ending fund balance is available. The \$28.4 million positive fund balance variance is comprised of net expenditure savings of \$22.06 million (1.4%), higher than estimated revenues of \$4.96 million (0.4%), and higher than estimated liquidation of prior year encumbrances (\$1.37 million).

Recommendations for the allocation of the additional 2019-2020 Ending Fund Balance are provided elsewhere in this document.