

2013-2014 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 \$270.6 million, as reflected in the following table:

GENERAL FUND
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2014
(\$000s)

	Modified Budget	Budgetary Basis Actual	Variance
Sources			
Beginning Fund Balance	215,181	215,181	-
Carryover Encumbrances	18,181	18,181	-
Liquidated			
Carryover Encumbrances		1,469	1,469
<i>Subtotal</i>	233,362	234,831	1,469
Revenues	1,008,770	1,008,010	(760)
Total Sources	1,242,132	1,242,841	709
Uses			
Personal Services	613,612	604,436	(9,176)
Non-Personal/Equipment/Other	121,799	110,804	(10,995)
City-Wide Expenses	266,610	224,597	(42,013)
Capital Contributions	32,454	7,495	(24,959)
Transfers	24,890	24,882	(8)
Reserves	182,767	-	(182,767)
Total Uses	1,242,132	972,214	(269,918)
Ending Fund Balance		270,627	270,627

Note: In the chart above, the General Fund includes the Police Department Seized Asset Fund and excludes the Emergency Reserve Funds and Cash Reserve Fund, which are budgeted as separate funds and reflected separately in this document. In the 2013-2014 Comprehensive Financial Report (CAFR), the Emergency Reserve Funds 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 \$270.6 million exceeded the estimated ending fund balance level used in the development of the 2014-2015 Adopted Budget by \$17.6 million (0.7% of the 2013-2014 Modified Budget total sources and uses). However, once adjusted for clean-up actions recommended in this report associated with the close-out of 2013-2014, a true ending fund balance of \$8.3 million (0.3% of the 2013-2014 Modified Budget total sources and uses) remains in 2013-2014 and is available for allocation in 2014-2015. The elements of the Ending Fund Balance variance are illustrated in the following estimate to actual comparison chart.

**2013-2014 GENERAL FUND
ENDING FUND BALANCE ANALYSIS
(\$000s)**

	Estimate	Budgetary Basis Actual	Variance
Sources			
Beginning Fund Balance	215,181	215,181	-
Carryover Encumbrances	18,181	18,181	-
Liquidated			
Carryover Encumbrances	2,000	1,469	(531)
<i>Subtotal</i>	<u>235,362</u>	<u>234,831</u>	<u>(531)</u>
Revenues	1,008,770	1,008,010	(760) ¹
Total Sources	<u>1,244,132</u>	<u>1,242,841</u>	<u>(1,291)</u>
Uses			
Expenditures	966,174	947,332	18,842 ¹
Transfers	24,890	24,882	8
Reserves	-	-	-
Total Uses	<u>991,064</u>	<u>972,214</u>	<u>18,850</u>
Ending Fund Balance	<u>253,068</u>	<u>270,627</u>	<u>17,559</u>

¹ In 2013-2014, \$3.1 million in grant and reimbursement revenues and expenditures were not expected to be received in 2013-2014 and were rebudgeted to 2014-2015 (\$2.4 million for City-Wide Expenses and \$665,000 for Departmental expenditures). This resulted in lower actual revenues and expenditures in 2013-2014, with no net impact to the General Fund. After factoring out the lower revenues and expenditures associated with these grants and reimbursements, the revenue variance resulted in a surplus of \$2.3 million (0.2%) and the expenditures variance actually totaled \$15.8 million (1.5%) compared to the 2013-2014 Modified Budget (excluding reserves).

Note: In the chart above, the General Fund includes the Police Department Seized Asset Fund and excludes the Emergency Reserve Funds and Cash Reserve Fund, which is budgeted as a separate fund and reflected separately in this document. In the 2013-2014 Comprehensive Financial Report (CAFR), the Emergency Reserve Funds and Cash Reserve Fund will be displayed as part of the General Fund to comply with GASB 54 reporting requirements.

**2013-2014
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GENERAL FUND YEAR-END PERFORMANCE

A detailed analysis of the significant variances between estimates and actuals for revenues, expenditures, transfers, and reserves is provided in the following section. The actual 2013-2014 liquidation of carryover encumbrances was \$1.5 million and reflects encumbered appropriations liquidated by the Finance Department during the period between the release of audited 2012-2013 financial statements and the end of the 2013-2014 fiscal year. Liquidation of prior year encumbrances results in a reduction in the obligations against the fund balance. These funds then become available for reappropriation. The estimate to actual variance of \$531,000 represents carryover encumbrance liquidations that occurred slightly below the level originally anticipated when the fund balance was estimated.

As noted on the chart on the previous page, after adjusting for \$3.1 million in grants and reimbursements that were not received or expended, the final General Fund ending fund balance represents a positive variance of \$17.6 million (0.7% of the 2013-2014 Modified Budget total sources and uses), which includes \$15.8 million of expenditure savings, excess revenues of \$2.3 million in revenues collected, and a \$531,000 shortfall from the liquidation of carryover encumbrances when compared to year-end estimated levels. Additional clean-up actions were previously approved by the City Council in August 2014 and are recommended in this Annual Report. The largest adjustments include: the rebudget of revenues and expenditures associated with the Energy and Utility Conservation Measures Program (\$7.8 million) and allocating the additional revenue and expenditure savings from the Development Fee Programs (\$4.0 million) to the Development Fee Program Reserves. After accounting for these actions and other revenue and expenditure adjustments, including required rebudgets to close-out 2013-2014, \$8.3 million (0.3% of total sources and uses) in additional ending fund balance is available. The \$8.3 million positive fund balance variance is comprised of net additional revenues of \$7.5 million (0.7%), net expenditure savings of \$1.4 million (0.1%), slightly offset by lower than estimated liquidation of prior year encumbrances \$531,000. Recommendations for the allocation of these additional funds are provided elsewhere in this document.