

<b>2011-2012 ANNUAL REPORT</b>
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**GENERAL FUND YEAR-END PERFORMANCE**

The General Fund ended the year with a final available ending fund balance (unaudited) of \$168.3 million, as reflected in the following table:

**GENERAL FUND  
BUDGET TO ACTUAL COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2012  
(\$000s)**

<b>Sources</b>	<b>Modified Budget</b>	<b>Budgetary Basis Actual</b>	<b>Variance</b>
Beginning Fund Balance	137,537	137,537	-
Carryover Encumbrances Liquidated <sup>1</sup>	17,656	17,708	52
Carryover Encumbrances		3,225	3,225
<i>Subtotal</i>	<i>155,193</i>	<i>158,470</i>	<i>3,277</i>
Revenues	913,647	907,640	(6,007)
<b>Total Sources</b>	<b>1,068,840</b>	<b>1,066,110</b>	<b>(2,730)</b>
<b>Uses</b>			
Personal Services	579,220	572,695	(6,525)
Non-Personal/Equipment/Other	99,359	89,908	(9,451)
City-Wide Expenses	224,906	195,197	(29,709)
Capital Contributions	15,248	9,789	(5,459)
Transfers	30,223	30,222	(1)
Reserves	119,884	-	(119,884)
<b>Total Uses</b>	<b>1,068,840</b>	<b>897,811</b>	<b>(171,029)</b>
<b>Available Ending Fund Balance</b>		<b>168,299</b>	<b>(168,299)</b>

<sup>1</sup> The Actual Carryover Encumbrances figure incorporates the Special Services Assessment Revolving Loan Fund, which was previously an unbudgeted fund.

**Note:** In the chart above, the General Fund includes the Special Services Assessment Revolving Loan Fund and excludes the Emergency Reserve Fund, which is budgeted as a separate fund and reflected separately in this document. In the 2011-2012 Comprehensive Financial Report (CAFR), the Emergency 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 \$168.3 million slightly exceeded the estimated ending fund balance level used in the development of the 2012-2013 Adopted Budget by \$12.8 million. Once adjusted for clean-up actions recommended in this report associated with the close-out of 2011-2012, a 2011-2012 true ending fund balance of \$7.2 million (0.3%) of the 2011-2012 Modified Budget (total sources and uses) is available for allocation. The elements of the Ending Fund Balance variance are illustrated in the following estimate to actual comparison chart.

#### 2011-2012 GENERAL FUND ENDING FUND BALANCE ANALYSIS (\$000s)

Sources	Estimate	Budgetary Basis Actual	Variance
Beginning Fund Balance	137,537	137,537	-
Carryover Encumbrances Liquidated <sup>1</sup>	17,656	17,708	52
Carryover Encumbrances	2,000	3,225	1,225
<i>Subtotal</i>	<i>157,193</i>	<i>158,470</i>	<i>1,277</i>
Revenues	913,647	907,640	(6,007) <sup>2</sup>
<b>Total Sources</b>	<b>1,070,840</b>	<b>1,066,110</b>	<b>(4,730)</b>
<b>Uses</b>			
Expenditures	885,150	867,589	17,561 <sup>2</sup>
Transfers	30,223	30,222	1
Reserves	-	-	-
<b>Total Uses</b>	<b>915,373</b>	<b>897,811</b>	<b>17,562</b>
<b>Available Ending Fund Balance</b>	<b>155,467</b>	<b>168,299</b>	<b>12,832</b>

<sup>1</sup> The Actual Carryover Encumbrances figure incorporates the Special Services Assessment Revolving Loan Fund, which was previously an unbudgeted fund.

<sup>2</sup> In 2011-2012, \$8.8 million of grant and reimbursement revenues and expenditures were not expected to be received in 2011-2012 and were rebudgeted to 2012-2013. This resulted in lower actual revenues and expenditures in 2011-2012, 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 actually resulted in a surplus of \$2.8 million (0.3%) and the expenditures variance actually totaled \$8.8 million (0.8%) compared to the 2011-2012 Modified Budget.

**Note:** In the chart above, the General Fund includes the Special Services Assessment Revolving Loan Fund and excludes the Emergency Reserve Fund, which is budgeted as a separate fund and reflected separately in this document. In the 2011-2012 Comprehensive Financial Report (CAFR), the Emergency 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 estimates and actuals for revenues, expenditures, transfers and reserves is provided in the following section. The actual 2011-2012 liquidation of carryover encumbrance amount was \$3.2 million and reflects encumbered appropriations liquidated by the Finance Department during the period between the release of audited 2010-2011 financial statements and the end of the 2011-2012 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 \$1.2 million represents carryover encumbrance liquidations that occurred above the level originally anticipated when the fund balance was estimated.

As noted earlier, after adjusting for \$8.8 million of grants and reimbursements that were not received or expended, the fund balance represents a positive variance of \$12.8 million, which includes \$8.8 million of expenditure savings, \$2.8 million of additional revenue, and \$1.2 million from the liquidation of carryover encumbrances. After accounting for clean-up actions to exclude the Development Fee Program and true-up rebudget actions previously approved by the City Council or recommended in this report of \$5.6 million, \$7.2 million in additional ending fund balance is available. The \$7.2 million positive fund balance variance is comprised of net expenditure savings of \$5.8 million and the liquidation of prior year encumbrances above the estimated level of \$1.2 million and slightly higher funding sources of \$183,000. Recommendations for the allocation of these additional funds are provided elsewhere in this document.