

II. GENERAL FUND BUDGET PERFORMANCE

GENERAL FUND YEAR-END PERFORMANCE

The General Fund ended the year with an available 2020-2021 ending fund balance (unaudited) of \$369.2 million, as reflected in the following table:

GENERAL FUND BUDGET TO ACTUAL COMPARISON FOR THE YEAR ENDED JUNE 30, 2021

	2020-2021 Modified Budget	2020-2021 Budgetary Basis Actual	Variance
Sources			
Beginning Fund Balance	400,283,991	400,283,991	-
Carryover Encumbrances	46,447,982	46,447,982	-
Liquidation of Carryover Encumbrances		457,778	457,778
<i>Subtotal</i>	<i>446,731,973</i>	<i>447,189,751</i>	<i>457,778</i>
Revenues	1,342,855,953	1,355,444,037	12,588,084
Total Sources	<u>1,789,587,926</u>	<u>1,802,633,788</u>	<u>13,045,862</u>
Uses			
Personal Services	878,284,373	871,751,515	(6,532,858)
Non-Personal/Equipment/Other	175,324,867	151,741,786	(23,583,081)
City-Wide Expenses	328,350,544	274,241,519	(54,109,025)
Capital Contributions	130,568,593	54,892,934	(75,675,659)
Transfers	80,825,604	80,825,604	-
Reserves	196,233,945	-	(196,233,945)
Total Uses	<u>1,789,587,926</u>	<u>1,433,453,358</u>	<u>(356,134,568)</u>
Available Ending Fund Balance		<u>369,180,430</u>	<u>369,180,430</u>

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 2020-2021 Annual Financial Report, 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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The actual ending fund balance of \$369.2 million exceeded the estimated ending fund balance level used in the development of the 2021-2022 Adopted Budget by \$48.0 million (2.7% of the 2020-2021 Modified Budget). However, once adjusted for clean-up actions recommended in this report associated with the close-out of 2020-2021, a true ending fund balance of \$61.6 million (3.4% of the 2020-2021 Modified Budget) remains in 2020-2021 and is available for allocation in 2021-2022. 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, 2021

Sources	2020-2021 Estimate	2020-2021 Budgetary Basis Actual	Variance
Beginning Fund Balance	400,283,991	400,283,991	-
Carryover Encumbrances	46,447,982	46,447,982	-
Liquidation of Carryover Encumbrances	-	457,778	457,778
<i>Subtotal</i>	<i>446,731,973</i>	<i>447,189,751</i>	<i>457,778</i>
Revenues	1,344,213,300	1,355,444,037	11,230,737 ¹
Total Sources	<u>1,790,945,273</u>	<u>1,802,633,788</u>	<u>11,688,515</u>
Uses			
Expenditures	1,469,756,872	1,433,453,358	(36,303,514) ¹
Total Uses	<u>1,469,756,872</u>	<u>1,433,453,358</u>	<u>(36,303,514)</u>
Ending Fund Balance	<u>321,188,401</u>	<u>369,180,430</u>	<u>47,992,029</u>

¹ The 2021-2022 Adopted Budget included \$4.6 million in grant and reimbursement-related revenues and expenditures not expected to be received in 2020-2021 and were rebudgeted to 2021-2022. This resulted in lower actual revenues and expenditures in 2020-2021, 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 \$15.8 million, rather than a surplus of \$11.2 million, and the expenditures variance actually resulted in savings of \$31.7 million, rather than savings of \$36.3 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 2020-2021 Annual Financial Report, 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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A detailed analysis of the variances between the 2020-2021 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 2020-2021 Beginning Fund Balance of \$400.3 million was consistent with the estimate. The actual 2020-2021 Liquidation of Carryover Encumbrances was \$458,000 and reflects encumbered appropriations liquidated by the Finance Department during the period between the release of audited 2019-2020 financial statements and the end of 2020-2021. Liquidation of prior year encumbrances results in a reduction in the obligations against the fund balance. These funds then become available for reappropriation. The 2021-2022 Adopted Budget did not assume any encumbrance liquidations.

As noted on the chart on the previous page, after adjusting for \$4.6 million in grants and reimbursements that were not received or expended in 2020-2021, the final General Fund Ending Fund Balance represents a positive variance of \$48.0 million (2.7% of the 2020-2021 Modified Budget), which includes higher than estimated expenditures savings (\$36.3 million), higher revenues (\$11.2 million), and higher than estimated liquidation of prior year encumbrances (\$458,000). After accounting for revenue and expenditure clean-up actions recommended in the Annual Report, including additional rebudgets, to close-out 2020-2021, \$61.6 million (3.4% of the 2020-2021 Modified Budget) in additional ending fund balance is available. The \$61.6 million positive fund balance variance is comprised of higher than estimated revenues of \$41.7 million (3.1%), net expenditure savings of \$19.5 million (1.1%), and higher than estimated liquidation of prior year encumbrances (\$458,000).

Recommendations for the allocation of the additional 2020-2021 Ending Fund Balance are provided elsewhere in this document.