

<b>2018-2019 ANNUAL REPORT</b>
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**GENERAL FUND YEAR-END PERFORMANCE**

The General Fund ended the year with an available 2018-2019 ending fund balance (unaudited) of \$364.8 million, as reflected in the following table:

**GENERAL FUND  
BUDGET TO ACTUAL COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>2018-2019 Modified Budget</b>	<b>2018-2019 Budgetary Basis Actual</b>	<b>Variance</b>
<b>Sources</b>			
Beginning Fund Balance	249,953,260	249,953,260	-
Carryover Encumbrances	35,250,265	35,250,265	-
Liquidation of Carryover Encumbrances		3,216,609	3,216,609
<i>Subtotal</i>	<i>285,203,525</i>	<i>288,420,134</i>	<i>3,216,609</i>
Revenues	1,385,489,367	1,394,877,114	9,387,747
<b>Total Sources</b>	<b><u>1,670,692,892</u></b>	<b><u>1,683,297,248</u></b>	<b><u>12,604,356</u></b>
<b>Uses</b>			
Personal Services	861,354,253	842,867,265	(18,486,988)
Non-Personal/Equipment/Other	168,393,093	151,094,908	(17,298,185)
City-Wide Expenses	269,624,500	240,080,350	(29,544,150)
Capital Contributions	60,986,743	36,610,708	(24,376,035)
Transfers	47,831,355	47,831,355	-
Reserves	262,502,948	-	(262,502,948)
<b>Total Uses</b>	<b><u>1,670,692,892</u></b>	<b><u>1,318,484,586</u></b>	<b><u>(352,208,306)</u></b>
<b>Available Ending Fund Balance</b>		<b><u>364,812,662</u></b>	<b><u>364,812,662</u></b>

**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 2018-2019 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.

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### GENERAL FUND YEAR-END PERFORMANCE

The actual ending fund balance of \$364.8 million exceeded the estimated ending fund balance level used in the development of the 2019-2020 Adopted Budget by \$75.4 million (4.5% of the 2018-2019 Modified Budget). However, once adjusted for clean-up actions recommended in this report associated with the close-out of 2018-2019, a true ending fund balance of \$27.4 million (1.6% of the 2018-2019 Modified Budget) remains in 2018-2019 and is available for allocation in 2019-2020. 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, 2018

	2018-2019 Estimate	2018-2019 Budgetary Basis Actual	Variance
<b>Sources</b>			
Beginning Fund Balance	249,953,260	249,953,260	-
Carryover Encumbrances	35,250,265	35,250,265	-
Liquidation of Carryover Encumbrances	3,305,436	3,216,609	(88,827)
<i>Subtotal</i>	<i>288,508,961</i>	<i>288,420,134</i>	<i>(88,827)</i>
Revenues	1,390,489,367	1,394,877,114	4,387,747 <sup>1</sup>
<b>Total Sources</b>	<b>1,678,998,328</b>	<b>1,683,297,248</b>	<b>4,298,920</b>
<b>Uses</b>			
Expenditures	1,389,573,044	1,318,484,586	(71,088,458) <sup>1</sup>
<b>Total Uses</b>	<b>1,389,573,044</b>	<b>1,318,484,586</b>	<b>(71,088,458)</b>
<b>Ending Fund Balance</b>	<b>289,425,284</b>	<b>364,812,662</b>	<b>75,387,378</b>

<sup>1</sup> The 2019-2020 Adopted Budget included \$4.2 million in grant and reimbursement-related revenues and expenditures were not expected to be received in 2018-2019 and were rebudgeted to 2019-2020. This resulted in lower actual revenues and expenditures in 2018-2019, 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 \$8.6 million (.06%), rather than a surplus of \$4.4 million, and the expenditures variance actually resulted in savings of \$66.9 million (4.0%), rather than savings of \$71.1 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 2018-2019 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.

# 2018-2019 ANNUAL REPORT

## GENERAL FUND YEAR-END PERFORMANCE

A detailed analysis of the variances between the 2018-2019 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 2018-2019 Beginning Fund Balance of \$250.0 million was consistent with the estimate. The actual 2018-2019 Liquidation of Carryover Encumbrances was \$3.2 million and reflects encumbered appropriations liquidated by the Finance Department during the period between the release of audited 2017-2018 financial statements and the end of 2018-2019. 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 2018-2019 of \$3.2 million were slightly below (\$89,000) the estimate of \$3.3 million that was used in the development of the 2019-2020 Adopted Budget.

As noted on the chart on the previous page, after adjusting for \$4.2 million in grants and reimbursements that were not received or expended in 2018-2019, the final General Fund Ending Fund Balance represents a positive variance of \$75.4 million (4.5% of the 2018-2019 Modified Budget), which includes higher than estimated expenditures savings (\$71.1 million; 4.2%), higher revenues (\$4.4 million; 0.03%), and slightly lower than estimated liquidation of prior year encumbrances (-\$89,000). After accounting for revenue and expenditure clean-up actions recommended in the Annual Report, including additional rebudgets, to close-out 2018-2019, \$27.4 million (1.6% of the 2018-2019 Modified Budget) in additional ending fund balance is available. The \$27.4 million positive fund balance variance is comprised of net expenditure savings of \$16.1 million (0.9%) and higher than estimated revenues of \$11.3 million (0.7%), partially offset by slightly lower than estimated liquidation of prior year encumbrances (-\$89,000).

Recommendations for the allocation of the additional 2018-2019 Ending Fund Balance are provided elsewhere in this document.