

To: Mayor and City Council

From: Amber Johnson, Administrative Services Manager

Reviewed by: Craig Middleton, City Manager

**Subject: Fiscal Year 2019-2020 Mid-Year Budget Review**

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**Recommended Motion/Item Description**

Receive mid-year budget information.

**Background**

The Fiscal Year 2019-2020 Budget was adopted by the City Council on June 10, 2019, and revised on November 12, 2019. An important part of managing the City’s budget performance is through the presentation of a mid-year budget review, focusing primarily on the General Fund. This report is an opportunity for the Council to review the City’s financial status and provide fiscal and operational accountability.

**Financial Analysis Summary – Current Year Estimated Actuals**

***Beginning Fund Balance July 1, 2019***

The adopted budget assumed a beginning balance in the General Fund of \$3,823,019. Actual fund balance at June 30, 2019 was \$3,927,804, a positive difference of \$104,785.

***Revenues and Expenditures***

General Fund revenues through the 2<sup>nd</sup> quarter are \$3,819,518 which is 54% of the general fund budgeted revenues of \$7,122,799. General fund expenditures are \$2,737,619 which is 49% of the annual general fund expenditure budget of \$5,631,958. Revenues and expenditures are tracking closely to the budgeted amounts, and a significant variance between budgeted and actual revenues and expenditures is not anticipated.

The following table summarizes City-wide revenues and expenditures through the 2<sup>nd</sup> quarter of FY19-20:

Table 1: City-Wide Revenues and Expenditures

City of Belvedere  
Statement of Revenues and Expenditures  
From 7/1/2019 Through 12/31/2019

	<u>Total Budget</u> - Revised	<u>Year to Date</u>	<u>Budget %</u> <u>Used</u>
REVENUES			
<b>General Fund</b>	<b>7,122,799</b>	<b>3,819,518</b>	<b>54%</b>
Fire Fund	923,750	505,328	55%
Capital Improvement Fund	618,589	235,488	38%
Equipment Replacement Fund	<u>40,600</u>	<u>0</u>	<u>0%</u>
Total REVENUES	<u>8,705,738</u>	<u>4,560,333</u>	<u>52%</u>
EXPENDITURES			
<b>General Fund</b>	<b>5,631,958</b>	<b>2,737,619</b>	<b>49%</b>
Capital Improvement Funds	2,225,950	634,514	29%
Fire Fund	1,690,600	984,588	58%
Debt Service	238,044	119,747	50%
Insurance Reserve Fund	525	0	0%
Equipment Replacement Fund	<u>166,735</u>	<u>75,681</u>	<u>45%</u>
Total EXPENDITURES	<u>9,953,812</u>	<u>4,552,148</u>	<u>46%</u>

**General Fund Summary**

The FY 2019-20 Adopted Budget anticipated that expenditures and transfers out would exceed revenues by \$398,381, resulting in a General Fund balance of \$3,424,639. However, this deficit is offset by the positive difference of \$104,785 in the beginning fund balance at 7/1/19. The revised projected General Fund balance is \$3,529,424, which continues to meet the Council’s established reserve policy of 50% of operating expenditures.

The following table provides a General Fund Summary and calculation of anticipated reserves at fiscal year-end:

Table 2: General Fund Summary

	<u>Current</u>	<u>Change</u>	<u>Revised</u>
Beginning Balance 7/1/19	3,823,019	<b>104,785</b>	3,927,804
Revenue	7,122,798		7,122,798
Expenditures	(5,631,958)		(5,631,958)
Transfers	(1,889,221)		(1,889,221)
Surplus/(Deficit)	<b>(398,381)</b>	-	(398,381)
Ending Balance 6/30/20	<b>3,424,639</b>		<b>3,529,424</b>
Reserve Calculations:			
General Fund Expenses + Fire Transfer	6,398,808		6,398,808
General Fund Reserve Policy 50%	3,199,404		3,199,404
Projected General Fund Balance 6/30/20	3,424,639		3,529,424
Over (Under) Policy in Dollars	225,235		330,020
Over (Under) Policy as percentage	54%		55%

**Fiscal Impact**

There is no fiscal impact associated with this report.

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