

# IBA Review of the FY 2019 Year-End Financial Performance Report

City Council, Item 200

October 28, 2019



Independent Budget Analyst





*IBA Report 19-26 is intended to complement data provided by the Department of Finance (DoF) in the Year-End Financial Performance Report (Performance Report)*

- The DoF's FY 2019 Performance Report focuses primarily on comparing 3rd quarter projections to year-end actuals.
- The IBA's review compares Adopted Budget expenditures to year-end actuals.
  - Specifically for salaries and wages (including overtime and vacancy savings)

## *IBA Report 19-26 also provides...*

- Additional information on homelessness expenditures.
- General Fund Excess Equity analysis:
  - Changes to Excess Equity since the 3rd quarter projections (from \$2.5M to \$23M)
- An historical resource as we monitor FY 2020 and move into FY 2021 budget development, with the following to be released by DoF on November 6:
  - FY 2020 First Quarter Budget Monitoring Report
  - Mayor's FY 2021-2025 Five-Year Financial Outlook



<b>FY 2019 Year-End Excess Equity (\$ in millions)</b>	
<i><u>Known Excess Equity Uses as of FY 2019 Third-Quarter Report</u></i>	
FY 2019 Third-Quarter Projected Beginning Excess Equity	\$ 38.1
FY 2020 Proposed Budget Use of Excess Equity	(30.7)
FY 2020 May Revise Use of Excess Equity	<u>(4.9)</u>
<b><i>Projected Excess Equity as of FY 2019 Third Quarter Report</i></b>	<b>2.5</b>
<i><u>Excess Equity Changes During the FY 2020 Budget Approval Process</u></i>	
Additional RPTTF Revenues Identified in IBA FY 2020 Budget Recommendations Reports	3.0
Additional FY 2020 Use of Excess Equity Resulting From Council Budget Modifications	<u>(5.2)</u>
<b><i>Projected Excess Equity After FY 2020 Budget Approval <sup>1</sup></i></b>	<b>0.3</b>
<i><u>Subsequent Excess Equity Changes</u></i>	
Reduction in Expenditures from the Third-Quarter Report to Unaudited Year-End Actuals	15.5
Increase in Revenues as of Unaudited Year-End Actuals (Net of IBA-Identified RPTTF Above) <sup>2</sup>	<u>7.1</u>
<b>FY 2019 Year-End Excess Equity</b>	<b><u>\$ 23.0</u></b>

Note: Table may not total due to rounding.

<sup>1</sup> Projected Excess Equity after FY 2020 budget approval includes a recalculation of fringe benefits for the final budget figures.

<sup>2</sup> The \$7.1 million revenue increase is the result of removing \$3.0 million in RPTTF revenues (which were identified in the IBA's FY 2020 budget recommendations reports) from the full \$10.1 million increase in FY 2019 revenues since the Third-Quarter Report. Note that the \$10.1 million increase is \$0.3 million higher than the \$9.8 million revenue increase included in the Performance Report, due to a timing issue related to interest postings.