

Budgetary Comparison Schedule
Note to Required Supplementary Information
General Fund
Year ended June 30, 2007

The budgetary data reported in the required supplementary information reflects the approved City Budget as adopted by the City Council for the year ended June 30, 2007, as amended. The budget as adopted by the City Council may be amended by the City Council through supplemental appropriations or transfers, as necessary. The legal level of budgetary control rests at the fund level with the exception of the General Fund, which is appropriated at the activity or function level. In addition, the City Code provides that the City Manager may transfer any unencumbered appropriation balance less than \$100,000 from one activity or function to another within the General Fund. The public safety function in the General Fund has expenditures in excess of appropriations of \$703,117 at June 30, 2007.

Also, the City Manager may transfer any or all of the unencumbered balance of the emergency contingency account to any item in the City budget provided that any such utilization from the emergency budget contingency is reported to the City Council at the next regular council meeting. The City Council approved supplemental appropriations in the General Fund for fiscal year 2007 totaling \$8,956,056 as a result increased personnel costs, risk management charges, increased payments for capital projects, and to provide the local share of services provided through the Social Services and Comprehensive Services Funds.

The General, special revenue, and all proprietary funds have legally adopted annual budgets except the Grants Fund and the Donations Fund. The capital projects funds, Grants Fund, and Donations Fund utilize project budgets in lieu of annual budgets.

The City employs encumbrance accounting under which obligations in the form of purchase orders, contracts, and other commitments for the expenditure or transfer out of funds are recorded in order to reserve that portion of the applicable appropriation in the governmental fund balance, since encumbrances do not constitute expenditures or liabilities. For outstanding encumbrances, the appropriation carries over into the following year. According to the City Code, unexpended, unencumbered appropriations lapse at the end of the fiscal year.

The General Fund's budget is adopted on a basis consistent with generally accepted accounting principles (GAAP) except for the recognition of encumbrances as expenditures and certain payments to internal service funds budgeted as transfers. A reconciliation of expenditures from the budgetary basis to the GAAP basis is as follows:

Total General Fund expenditures - Budgetary basis - per Schedule I-2	\$ 194,142,884
Add: Expenditures from prior year encumbrances	1,030,272
Payment made to internal service fund	660,000
Less: Current year encumbrances	(1,149,250)
Total General Fund expenditures - GAAP basis - per Exhibit D	\$ 194,683,906

Unaudited - see accompanying independent auditors' report.