

**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information**  
**General Fund**  
**Year ended June 30, 2008**

Budget as adopted by the City Council for the year ended June 30, 2008, 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 department, project, program, or purpose within the same fund. 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 2008 totaling \$2,175,977 as a result increased personnel costs, operating costs of the Commonwealth Attorney's office, increased payments for capital projects.

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. 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	\$ 214,429,655
Add: Expenditures from prior year encumbrances	1,149,250
Less: Current year encumbrances	(2,123,355)
<b>Total General Fund expenditures - GAAP basis - per Exhibit D</b>	<b>\$ 213,455,550</b>

Unaudited - see accompanying independent auditors' report.