

Attachment D

General Fund Revenue and Expenditure Projections

	FY24 Adopted Budget	FY24 Revised Budget	FY24 Projections	\$ Variance (Proj-Rev)	% Variance (Proj/Rev)
GENERAL FUND REVENUE					
Current Real Estate and Personal Property Tax	261,216,608	261,216,608	267,225,902	6,009,294	102.3%
Business-Driven Taxes	19,802,447	19,802,447	20,338,682	536,235	102.7%
Consumer-Driven Taxes	53,846,785	54,910,729	55,314,629	403,900	100.7%
Other Local Taxes	13,128,320	13,128,320	15,116,076	1,987,756	115.1%
Other Local Revenue	14,300,435	16,040,935	18,057,040	2,016,105	112.6%
Subtotal, Local	362,294,595	365,099,039	376,052,329	10,953,290	103.0%
State	29,508,544	29,679,512	28,427,116	(1,252,396)	95.8%
Federal	8,811,771	8,811,771	8,201,782	(609,989)	93.1%
Transfers	6,201,634	9,254,349	9,398,489	144,140	101.6%
TOTAL, GENERAL FUND REVENUE	406,816,544	412,844,671	422,079,716	9,235,045	102.2%
	FY24 Adopted Budget	FY24 Revised Budget	FY24 Projections	\$ Variance (Proj-Rev)	% Variance (Proj/Rev)
GENERAL FUND EXPENDITURE					
Administration	26,609,354	32,254,595	31,209,876	(1,044,719)	96.8%
Judicial	7,683,378	8,284,632	8,097,459	(187,173)	97.7%
Public Safety	61,063,933	66,276,207	65,721,207	(555,000)	99.2%
Public Works	11,211,104	11,739,755	11,027,594	(712,161)	93.9%
Health & Welfare	27,312,230	30,814,171	29,431,587	(1,382,584)	95.5%
Parks, Recreation & Culture	11,256,182	11,465,544	11,178,001	(287,543)	97.5%
Community Development	14,392,115	15,714,408	15,269,547	(444,861)	97.2%
Subtotal, Departmental Operations	159,528,296	176,549,312	171,935,271	(4,614,041)	97.4%
City/County Revenue Sharing	15,715,740	15,715,740	15,715,740	-	100.0%
Transfer to School Operations	182,019,694	182,630,848	182,630,848	-	100.0%
Transfers to Capital & Debt	43,912,802	46,025,979	46,025,979	-	100.0%
Other Transfers	2,296,214	2,759,603	2,759,603	-	100.0%
Other Non-Departmental	4,718,382	4,888,772	4,225,337	(663,435)	86.4%
Subtotal, Non-Departmental	248,662,832	252,020,942	251,357,507	(663,435)	99.7%
TOTAL, GENERAL FUND EXPENDITURES	408,191,128	428,570,254	423,292,778	(5,277,476)	98.8%
Budgeted/Projected Use of Fund Balance	1,374,584	10,312,642	1,213,062		

Discussion

General Fund Revenue Projections

The County's General Fund revenues, excluding use of fund balance, are projected to total \$422.1 million at the end of FY 24, or approximately \$9.2 million or 2.2% above budget. Primary drivers of the projection include the following:

- **Current Real Estate and Property Taxes** are projected at \$267.2 million, \$6.0 million or 2.3% above budget. This is primarily due a Calendar Year (CY) 24 real estate reassessment greater than the projected CY 24 reassessment in the FY 24 Adopted Budget, and due to increased revenue from the Personal Property Tax as a result of increased collections and an increase to the CY 24 Personal Property Tax rate.

- **Business-Driven Taxes** are projected at \$20.3 million, \$0.5 million or 2.7% above budget. This is due primarily to year-to-date and projected collections for Business, Professional, and Occupational Licenses (BPOL) and the Bank Franchise Tax, for which substantial data is not available until March and May, respectively. BPOL revenues are primarily driven by stronger than anticipated local economic activity during CY 2023.
- **Consumer-Driven Taxes** are projected to end the year at \$54.9 million, \$0.4 million or 0.7% above budget. This is primarily due to the year-to-date trends in revenues such as sales, meals, and transient occupancy taxes, which are slightly stronger than anticipated in the FY 24 Revised Budget.
- **Other Local Taxes** are projected to end the year at \$15.1 million, \$1.9 million or 15.1% above budget. This is primarily due to the year-to-date trends in Recordation and Sellers Taxes, which are stronger than anticipated in the FY 24 Budget. This is also due to stronger than anticipated year-to-date collections in delinquencies, penalties, and interest.
- **Other Local Revenues** are projected to end the year at \$18.0 million, \$2.0 million or 12.6% above budget. This is primarily due to revenue related to the Community Development Department, Emergency Medical Services Cost Recovery revenue and interest earnings on investments, all of which exceed the FY 24 Revised Budget.
- **State Revenues** are projected to end the year at \$28.4 million, \$1.2 million or 4.2% below budget. This is primarily due to corresponding projected expenditures in the Department of Social Services, which were lower than what was Adopted in the FY 24 budget.
- **Federal Revenues** are projected to be \$8.2 million, \$0.6 million or 69% below budget. This is primarily due to corresponding projected expenditures in the Department of Social Services, which were lower than what was Adopted in the FY 24 budget.

General Fund Expenditure Projections

General Fund expenditures are forecast to total \$423.3 million at the end of FY 24. This amount is \$5.3 million or 1.2% below appropriations through the third quarter. These projections include June 5, 2024 supplemental appropriations of \$5.3 million to provide one-time funding for the Capital Improvements Program, Housing Fund, and Health Care Fund based on direction from the Board of Supervisors during the FY 25 budget development process. The difference between appropriated and projected expenditures is due primarily to the following:

- **Departmental operational** savings of approximately \$4.6 million across all departments. The majority of these savings include salary and related benefit savings above the budgeted salary lapse; \$1.3 million in the Department of Social Services savings is related to lower than anticipated program support cost; as well as other smaller operating savings across departments primarily based on year-to-date activity.
- **Other Non-Departmental** is estimated to be approximately \$0.7 million under the revised budget due to projected unspent funds primarily in the Salary Reserve and Reserve for Contingencies.

Projected Change in Fund Balance

The adopted and revised budgeted amounts for uses of the General Fund's fund balance do not represent a structurally unbalanced budget and those amounts were budgeted as part of the FY 24 Adopted and FY 25 Budget development process. Any use of fund balance shown in the table is above and beyond the County's Financial Management Policy requirements of a 10% unassigned fund balance and 2% Budget Stabilization Reserve.

Based on projected revenues of \$422.1 million and projected expenditures of \$423.2 million, the General Fund's fund balance is projected to decrease \$1.2 million (equal to projected revenues less projected expenditures), which is less than the budgeted use of fund balance. Once the FY 24 audit is complete, staff will report on the General Fund's fund balance including policy and obligated uses, and any amount that may be available for Board policy decisions.