

Attachment D

General Fund Revenue and Expenditure Projections

	FY23 Adopted Budget	FY23 Revised Budget	FY23 Projections	\$ Variance (Proj-Rev)	% Variance (Proj/Rev)
GENERAL FUND REVENUE					
Current Real Estate and Personal Property Tax	233,599,477	241,511,829	245,626,820	4,114,991	101.7%
Business-Driven Taxes	17,344,348	18,433,207	18,722,812	289,605	101.6%
Consumer-Driven Taxes	49,164,496	51,738,056	53,746,214	2,008,158	103.9%
Other Local Taxes	14,756,987	14,756,987	14,326,976	(430,011)	97.1%
Other Local Revenue	9,526,691	13,256,256	15,129,596	1,873,340	114.1%
Subtotal, Local	324,391,999	339,696,335	347,552,418	7,856,083	102.3%
State	28,801,879	29,212,425	28,230,851	(981,574)	96.6%
Federal	8,266,645	8,310,554	8,357,899	47,345	100.6%
Transfers	3,604,144	4,372,943	4,372,943	-	100.0%
TOTAL, GENERAL FUND REVENUE	365,064,667	381,592,257	388,514,111	6,921,854	101.8%
	FY23 Adopted Budget	FY23 Revised Budget	FY23 Projections	\$ Variance (Proj-Rev)	% Variance (Proj/Rev)
GENERAL FUND EXPENDITURE					
Administration	26,375,658	29,749,190	27,905,660	(1,843,530)	93.8%
Judicial	6,963,217	7,338,688	6,971,018	(367,670)	95.0%
Public Safety	53,478,910	46,803,713	46,770,747	(32,966)	99.9%
Public Works	8,126,282	9,242,104	8,812,403	(429,701)	95.4%
Health & Welfare	24,527,532	25,058,764	23,373,157	(1,685,607)	93.3%
Parks, Recreation & Culture	9,618,543	9,673,543	9,623,604	(49,939)	99.5%
Community Development	13,087,081	13,789,615	13,235,619	(553,996)	96.0%
Subtotal, Departmental Operations	142,177,223	141,655,619	136,692,208	(4,963,411)	96.5%
City/County Revenue Sharing	15,545,227	15,545,227	15,545,227	-	100.0%
Transfer to School Operations	167,453,853	167,453,853	167,453,853	-	100.0%
Transfers to Capital & Debt	35,820,668	47,671,076	47,671,076	-	100.0%
Other Transfers	1,983,176	16,254,912	16,254,912	-	100.0%
Other Non-Departmental	5,304,441	4,990,428	2,718,267	(2,272,161)	54.5%
Subtotal, Non-Departmental	226,107,365	251,915,496	249,643,335	(2,272,161)	99.1%
TOTAL, GENERAL FUND EXPENDITURES	368,284,588	393,571,115	386,335,543	(7,235,572)	98.2%
Budgeted/Projected Use of Fund Balance	3,219,921	12,764,985	(2,178,568)		

Discussion

General Fund Revenue Projections

The County's General Fund revenues, excluding use of fund balance, are projected to total \$388.5 million at the end of FY 23, or approximately \$6.9 million or 1.8% above budget. Primary drivers of the projection include the following:

- **Current Real Estate and Property Taxes** are projected at \$245.6 million, \$4.1 million or 1.7% above budget. This is primarily due a Calendar Year (CY) 23 real estate

reassessment greater than the projected CY 23 reassessment in the FY 23 Adopted Budget.

- **Business-Driven Taxes** are projected at \$18.7 million, \$0.3 million or 1.6% 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 2022.
- **Consumer-Driven Taxes** are projected to end the year at \$53.7 million, \$2.0 million or 3.9% above budget. This is primarily due to the year-to-date trends in revenues such as sales, meals, and transient occupancy taxes, which are stronger than anticipated in the FY 23 Revised Budget.
- **Other Local Taxes** are projected to end the year at \$14.3 million, \$0.4 million or 2.9% below budget. This is due primarily to stronger than anticipated year-to-date collections in delinquencies, penalties, and interest, and weaker than anticipated collections in Recordation and Seller's Taxes.
- **Other Local Revenues** are projected to end the year at \$15.1 million, \$1.9 million or 14.1% 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 23 Revised Budget.
- **State Revenues** are projected to end the year at \$28.2 million, \$0.9 million or 3.0% below budget. This is primarily due to corresponding projected expenditures in the Department of Social Services.
- **Federal Revenues** are projected to be \$8.4 million, \$0.05 million or 0.6% above budget. This is primarily due to FEMA reimbursements from prior year expenditures.

General Fund Expenditure Projections

General Fund expenditures are forecast to total \$386.3 million at the end of FY 23. This amount is \$7.2 million or 1.8% below appropriations through the third quarter. These projections include June 7, 2023 supplemental appropriations of \$15.7 million to provide one-time funding for the Capital Improvements Program and Housing Fund based on direction from the Board of Supervisors during the FY 24 budget development process. The difference between appropriated and projected expenditures is due primarily to the following:

- **Departmental operational** savings of approximately \$4.9 million across all departments the majority of these savings are based upon salary and related benefit savings above the budgeted salary lapse; \$1.6 million of the Department of Social Services savings is related to lower than anticipated foster care and adoption 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 \$2.3 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 23 Adopted and FY 24 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 \$388.5 million and projected expenditures of \$386.3 million, the General Fund's fund balance is projected to increase \$2.2 million (equal to projected revenues less projected expenditures). Once the FY 23 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.