

PROJECTED CHANGES IN BUDGETARY FUND BALANCE – GOVERNMENTAL FUNDS

	General Fund	Restricted General Fund	Special Revenue Funds	Capital Project Funds
2013-14 Beginning Budgetary Fund Balance	194,412,332	273,588,603	275,602,268	83,255,885
Add:				
Revenues	2,435,957,234	481,423,463	373,330,704	28,268,715
Other Financing Sources	33,368,256	6,159,432	6,730,272	78,079,321
Use of Reserves	35,918,789	-	-	-
Total Available Financing	2,699,656,611	761,171,498	655,663,244	189,603,921
Less:				
Expenditures	2,412,937,732	479,967,608	430,783,625	174,799,133
Other Financing Uses	84,688,315	37,370,000	44,114,301	3,315,599
Increase in Reserves	12,668,192	-	-	-
Total Requirements	2,510,294,239	517,337,608	474,897,926	178,114,732
2013-14 Projected Ending Budgetary Fund Balance	189,362,372	243,833,890	180,765,318	11,489,189

General Fund

For the General Fund, budgetary fund balance is expected to decrease by \$5.0 million. This is due to several one-time projects funded in the general fund, including \$15.7 million for expansion and remodel of the Sheriff's Crime Lab, \$4.5 million to relocate the Sheriff's aviation division, \$4.5 million for the purchase of a building in Victorville, and \$4.5 million for Glen Helen Road Improvements and road maintenance.

Restricted General Fund

The restricted general fund includes the 1991 and 2011 Realignment funds, the Proposition 172 Fund and the Automated Systems Development fund.

For the Realignment funds, departmental usage exceeds revenue projections. Realignment expenditure levels, budgeted based on requirements with adjustments for recent program changes, continue to be monitored closely, with specific measures being developed to reduce overall departmental usage until such time as revenue growth is realized and fund balance is restored.

For the Automated Systems Development Fund, the budget appropriates the entire fund balance. However, this is a large project which will likely span many fiscal years.



Special Revenue Funds

In accordance with Section 29009 of the California Government Code, the entire unreserved fund balance in special revenue funds must be appropriated each year. Budgeted contingencies are appropriated for future or unplanned expenditures that are not anticipated for the current budget year. The projected 2013-14 ending fund balance of \$180.8 million is the contingency appropriation. Therefore, overall fund balances in the special revenue funds are anticipated to decrease by \$94.8 million from a beginning budgetary fund balance of \$275.6 million. Fund balance at the end of this fiscal year will be carried over to the 2014-15 budget.

Significant details regarding projected reductions in fund balances for Special Revenue Funds:

- **Behavioral Health – Mental Health Services Act (MHSA)** budget unit projects a \$22.8 million decrease in fund balance primarily due to a decrease in MHSA funding and an increase in operating expenses for contracted service providers for mental health and prevention services.
- **Community Development and Housing** estimates a decrease in fund balance of \$23.3 million due to decreased sources as a result of federal sequestration and a change in budget methodology whereby the department no longer budgets funds held by Housing and Urban Development (HUD) for future projects. Other reductions in sources include sources related to projects completed in 2012-13. In addition, operating expenses have increased as compared to prior year actuals.
- **Public Works Transportation** anticipates a \$19.0 million reduction in fund balance due to the addition of new road projects for 2013-14.
- **Sheriff/Coroner/Public Administrator** anticipates a \$17.1 million reduction in fund balance due to increased operating and capital expenditures and a reduction in projected revenue.

Capital Project Funds

Capital project funds normally appropriate the entire fund balance each year by project; therefore, the projected ending fund balance is normally zero. For 2013-14 the projected fund balance of \$11.5 million represents a contingency appropriation in the Housing Successor capital project fund that is the result of unanticipated revenue in 2012-13. A plan for the expenditure of this money has not yet been presented to the Board and as a result has been budgeted as contingencies, which is shown in the schedule as projected fund balance.

Historically, amounts budgeted in capital projects funds each year is greater than the amount actually expended because large capital projects often span many fiscal years and project balances are carried over annually until project completion. Hence, the actual ending fund balance is typically much greater than budgeted.

