

FY 2023/24 Third Quarter Financial Update

Finance Department

Budget Engagement Commission

July 11, 2024

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GENERAL FUND – FUND BALANCE

General Fund Reserves at March 31, 2024
(in millions)

General Fund	
Economic Reserves (15%)	\$ 49.06 M
Economic Contingency Reserves (5%)	\$ 16.36 M
Infrastructure Reserve	\$ 10.80 M
Technology Reserve	\$ 5.00 M
Insurance Reserves	\$ 2.00 M
Section 115 Trust Reserve Set Aside	\$ 35.00 M
Section 115 Trust	
Section 115 Trust Fund Reserve	\$ 32.70 M

Infrastructure Reserve Balance
(in millions)

Beginning Balance (7/1/23)	\$ 20.62 M
Museum Renovation (12/12/23)	\$ (10.00) M
FYE Surplus Reserves (12/19/23)	\$ 4.68 M
SPC Jesus S. Duran Eastside Library (1/16/24)	\$ (3.50) M
Airport Capital Projects (1/16/24)	\$ (1.00) M
2nd Qtr. Contribution (4/16/24)	\$ 3.00 M
Airport Infrastructure Loan (4/16/24)	\$ (2.00) M
Magnolia Roof Replacement (4/23/24)	\$ (0.83) M
Ending Balance (4/30/24)*	\$ 10.97 M

* The following additional requests for use of the General Fund Infrastructure Reserves will be submitted to Council for approval:

- Victoria Avenue Funding Plan (\$775,000) – To be heard by Council on 6/18/2024

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GENERAL FUND OVERVIEW

FY 2023/24 (in millions)	Total Budget			\$ Change	% Change
	Adopted Budget	As of 3/31/24	Projected		
Revenue & Transfers In	\$ 333.50	\$ 343.98	\$ 345.64	\$ 1.66	0.5%
Expenditures & Transfers Out*	327.09	361.11	359.45	(1.66)	-0.5%
Balance Before Changes in Reserves	\$ 6.41	\$ (17.13)	\$ (13.78)	\$ 3.32	-19.4%
Changes in Reserves					
Decreases to Reserves	\$ -	\$ 28.20	\$ 29.03	\$ 0.83	2.9%
Water GFT Escrow	-	(8.57)	(8.57)	-	0.0%
Increase Infrastructure Reserve	-	(3.00)	(3.00)	-	0.0%
Increase Technology Reserve	-	(2.00)	(2.00)	-	0.0%
Total Change in Reserves	\$ -	\$ 14.63	\$ 15.46	\$ 0.83	5.7%
Net Surplus/(Deficit)	\$ 6.41	\$ (2.50)	\$ 1.65	\$ 4.15	-166.0%

* Includes \$7.05M in encumbrances and \$0.02M project/grant carryovers carried over as allowed by the Riverside Municipal Code. Also includes \$5.73M discretionary carryovers approved by Council in the FY 22/23 4th Quarter report. 3



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GENERAL FUND REVENUE

FY 2023/24 (in millions)	Adopted Budget	Projected	\$ Change	% Change
Property Taxes	\$ 84.43	\$ 88.83	\$ 4.40	5.2%
Sales and Use Tax	94.04	93.44	-0.60	-0.6%
Utility Users Tax	33.52	32.92	-0.60	-1.8%
Transient Occupancy Tax	8.58	8.44	-0.14	-1.6%
Franchise Fees	5.84	6.59	0.75	12.8%
Licenses & Non-Developer Permits	10.03	11.03	1.0	10.0%
General Fund Transfer	53.20	53.40	0.2	0.4%
All Other Revenues	43.86	50.99	7.13	16.3%
Total Revenues	\$ 333.50	\$ 345.64	\$ 12.14	2.4%

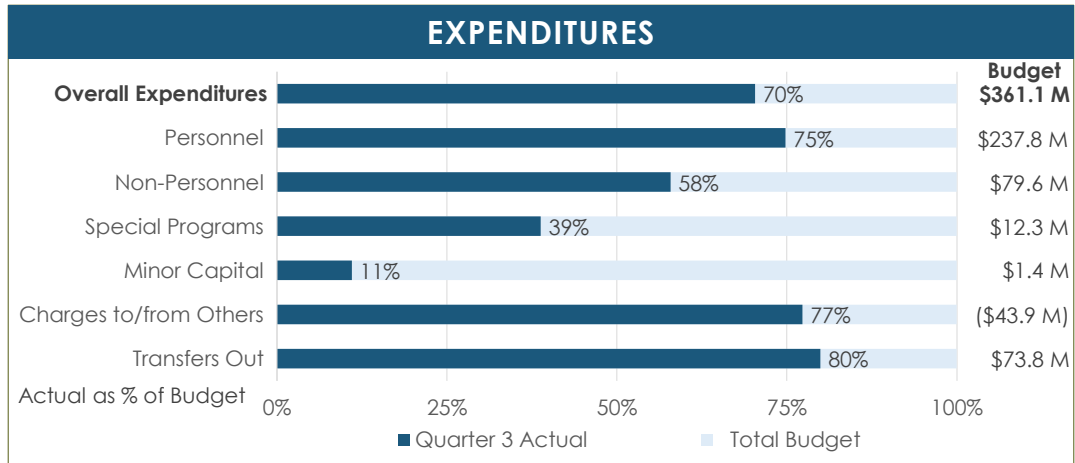
* Use of reserves are excluded from the table above.



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GENERAL FUND EXPENDITURES



*Includes \$7.07 million prior year encumbrances and carryovers carried per RMC and \$5.73M discretionary carryovers approved by Council in the FY 22/23 4th Quarter report.

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MEASURE Z SPENDING PLAN

(in millions)	Actuals				Projected
	2020	2021	2022	2023	2024
Revenue	\$ 63.14	\$ 72.65	\$ 83.91	\$ 85.84	\$ 80.84
Expenditures	(49.56)	(50.85)	(67.45)	(69.61)	(87.59)
Encumbrances & Carryovers				(48.65)	
Net Change in Fund Balance	\$ 13.58	\$ 21.80	\$ 16.46	\$(32.42)	\$(6.75)
Beginning Fund Balance	\$ 39.56	\$ 53.14	\$ 74.94	\$ 91.40	\$ 58.98
Net Change in Fund Balance	13.58	21.80	16.46	(32.42)	(6.75)
Ending Fund Balance	\$ 53.14	\$ 74.94	\$ 91.40	\$ 58.98	\$ 52.23

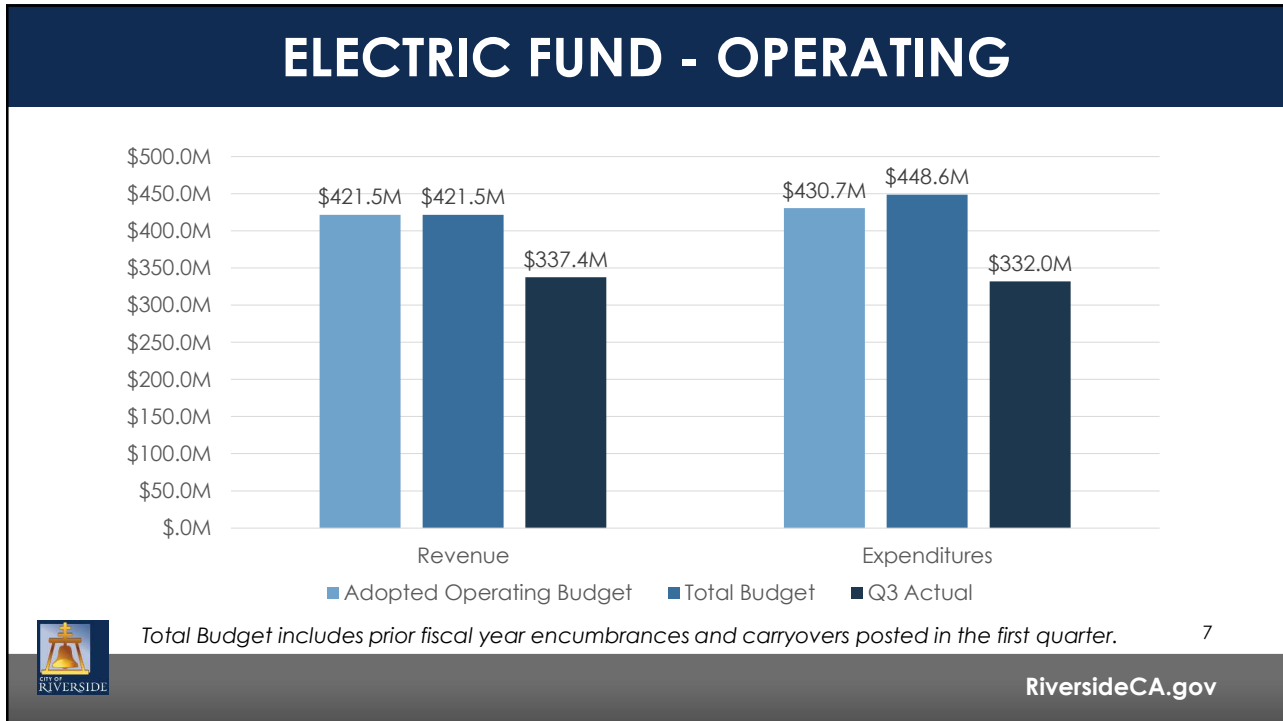
*Contingency reserves of \$5 million are held separately per the Measure Z Reserve Policy.

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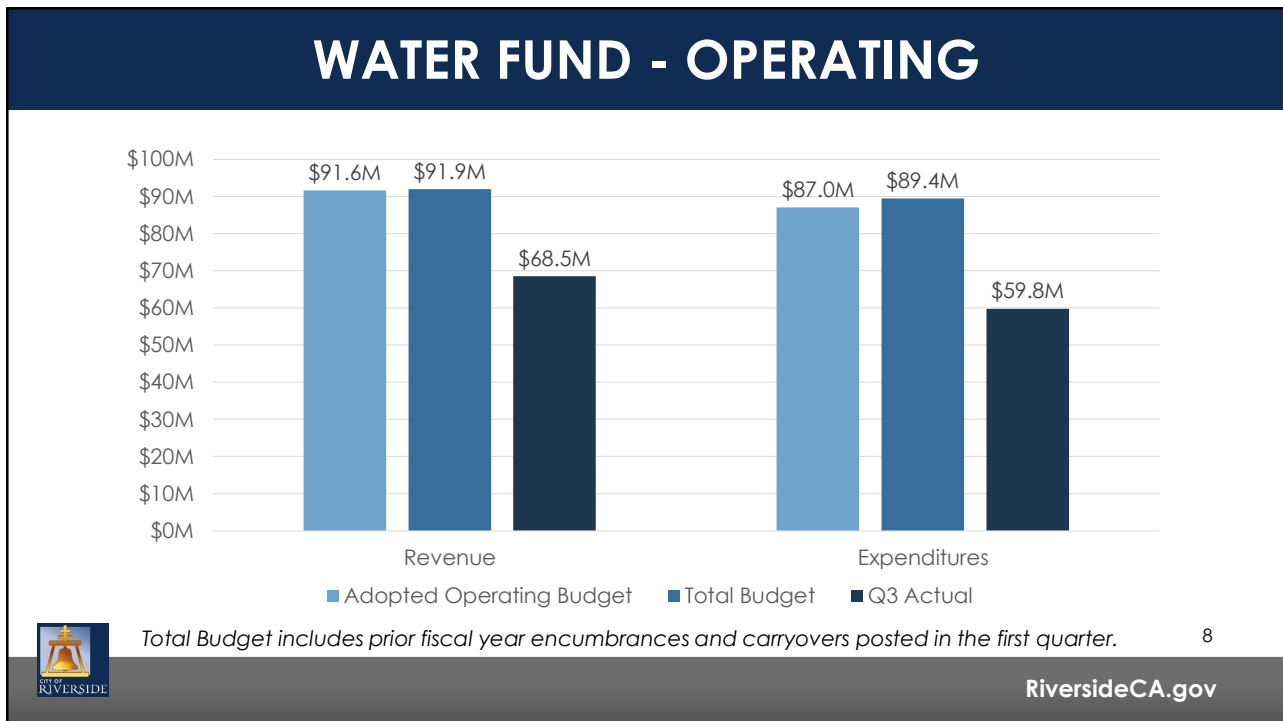


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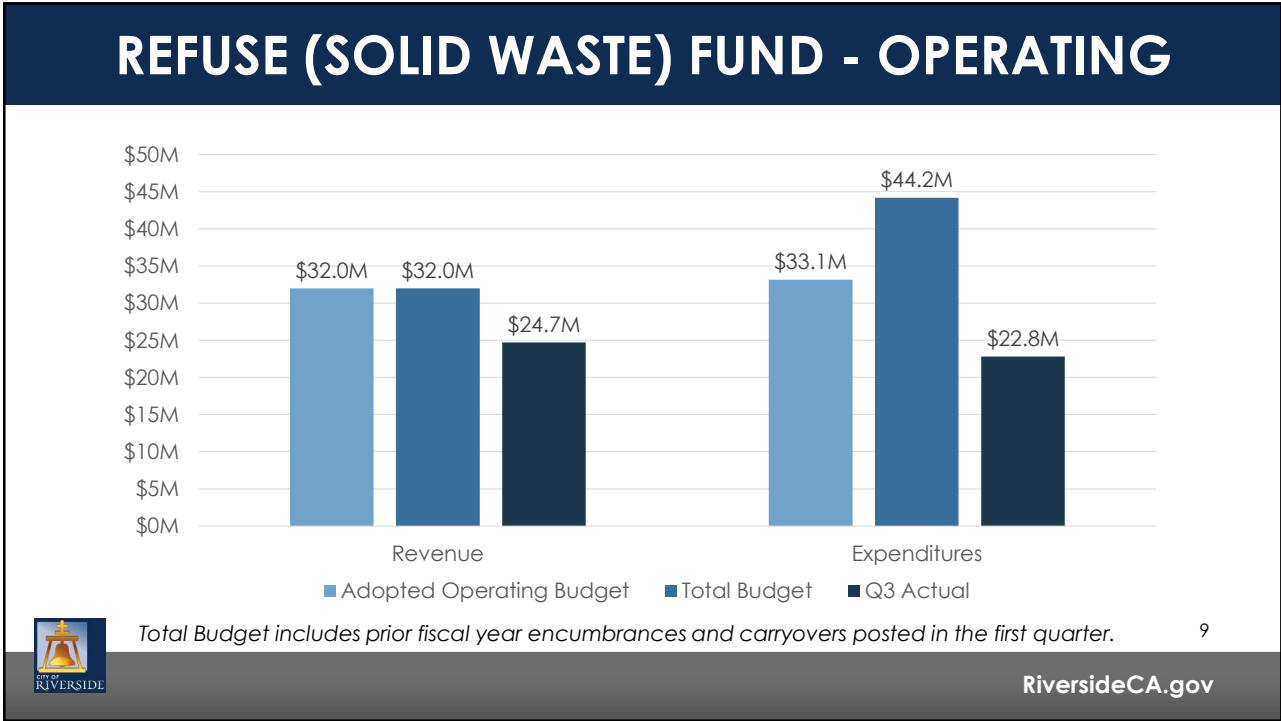
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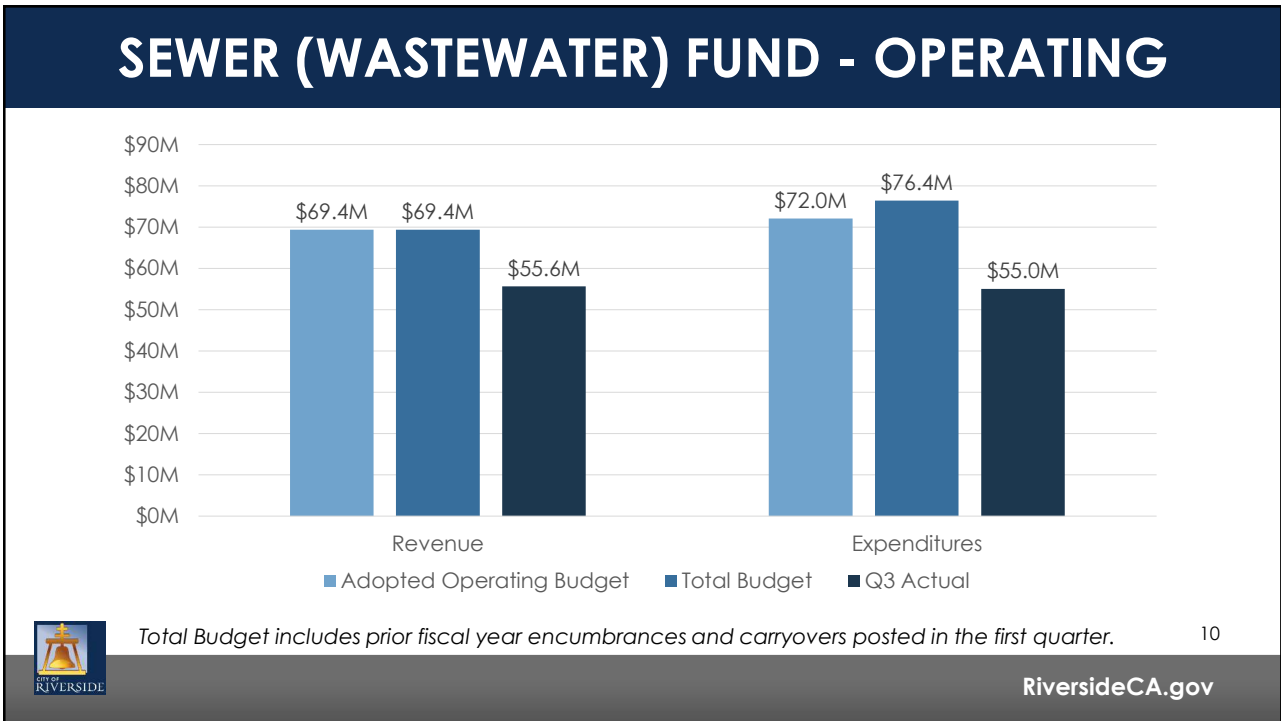
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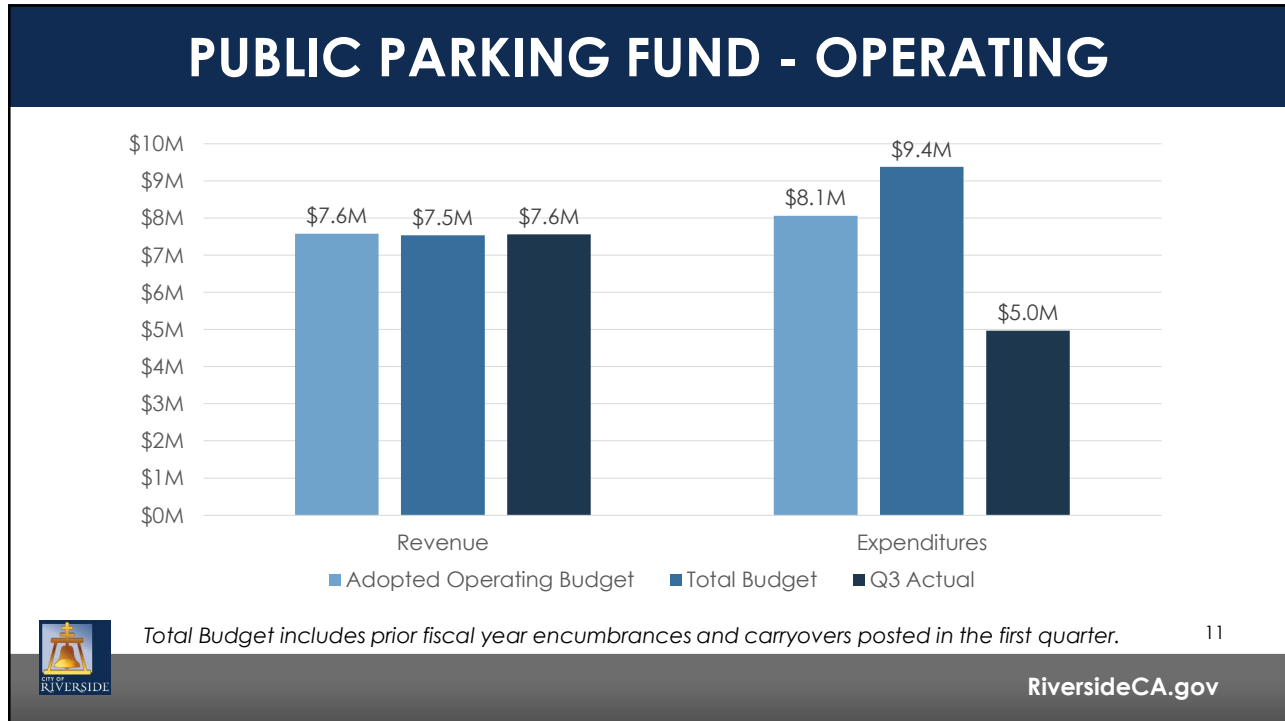
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RECOMMENDATIONS

That the Budget Engagement Commission:

1. Receive and provide input on the Fiscal Year 2023/24 Third Quarter Financial Update; and

Recommend that the City Council, with at least five affirmative votes, authorize the Chief Financial Officer, or designee, to:

2. Record \$330,000 in FY 2023/24 supplemental appropriations in the General Fund, Finance Department, to fund the consultant services contract with Harvard/Partners for Public Good; and

3. Record an increase in FY 2023/24 revenues and supplemental appropriations in the amount of \$260,000 in the General Fund, Finance Department, to modify the accounting treatment of the consultant services contract with Hinderliter, de Llamas and Associates (HdL) for the Business Tax Discovery Program and other services.

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