



STAFF REPORT

CITY of YORBA LINDA

FINANCE DEPARTMENT

DATE: JANUARY 17, 2023

TO: HONORABLE MAYOR AND MEMBER OF THE CITY COUNCIL

FROM: DIANNA HONEYWELL, FINANCE DIRECTOR / CITY TREASURER

SUBJECT: FISCAL YEAR 2022/23 FIRST QUARTER BUDGET UPDATE

RECOMMENDATION

It is recommended that the City Council receive and file the attached list of line-item budget transfers and supplemental budget appropriations for the first quarter of FY 2022/23 (Attachment 1), as required by City Council Policy F-4 – Supplemental Budget and Line-Item Transfers.

BACKGROUND

On June 15, 2021, the City Council adopted the Two-Year Budget for fiscal years 2021/22 and 2022/23. On June 21, 2022, the FY 2022/23 budget was updated for Mid-Term adjustments. From time to time, the City's operating and capital improvement budgets require modification. These modifications included refinement in estimated costs and events that were unanticipated when the budget was adopted. Subsequent budget adjustments and transfers for the first quarter of FY 2022/23 have been identified and recorded. This update is to inform Council of these adjustments.

DISCUSSION

The following table includes original revenue and expenditure estimates included in the adopted Mid-Term budget for FY 2022/23 and the latest projection as of September 30, 2022. Because the first quarter only reflects three months of actual activity, the updates, as would be anticipated are typically minimal. No significant changes are currently projected. The budget adjustments column reflects budget adjustments already approved by the City Council or City Manager during the first three months of the fiscal year. A list of these adjustments is reflected in Attachment 1.

CITY OF YORBA LINDA
GENERAL FUND BUDGET
FY 2022/23 - FIRST QUARTER BUDGET TOTALS

	ADOPTED BUDGET 7/1/2022	BUDGET ADJUSTMENTS 9/30/2022	ADJUSTED BUDGET 9/30/2022	YTD ACTUALS 9/30/2022
RESOURCES				
Property Taxes	\$ 23,759,536	\$ -	\$ 23,759,536	\$ 242,029
Sales & Use Tax	8,560,000		8,560,000	618,239
Franchise Tax	2,247,486		2,247,486	-
Other Taxes	1,662,000		1,662,000	227,949
Fees, Charges & Permits	2,148,418		2,148,418	723,543
Parks & Recreation Revenue	2,285,399		2,285,399	454,746
Administrative Charges	1,795,484		1,795,484	2,634
Other Revenue	927,850		927,850	208,795
Total Operating Revenue	43,386,173	-	43,386,173	2,477,935
Interfund transfers	403,250	541,533	944,783	-
Fd Balance Reserves	3,271,417	(51,612)	3,219,805	72,195
Total Resources	47,060,840	489,921	47,550,761	2,550,130
APPROPRIATIONS				
Administration	\$ 8,034,513	\$ 159,354	\$ 8,193,867	\$ 3,810,109
City Attorney	650,000	-	650,000	55,324
Community Development	3,762,777	58,080	3,820,857	806,659
Finance	1,261,107	35,854	1,296,961	289,021
Non-Departmental	34,800	-	34,800	13,922
Parks & Recreation	8,759,769	51,726	8,811,495	1,973,665
Police Services	13,837,722	-	13,837,722	3,409,858
Public Works	6,076,137	596,337	6,672,474	1,595,898
Vacancy Factor	(241,358)	-	(241,358)	-
Total Operating Expenditures	42,175,467	901,351	43,076,818	11,954,456
Transfer to LMAD	943,735		943,735	-
Transfer to Capital Projects Fund	2,940,487		2,940,487	-
Total Appropriations	46,059,689	901,351	46,961,040	11,954,456
Excess Resources over Appropriations	\$1,001,151	(\$411,430)	\$589,721	(\$9,404,326)
Fund Balance Reserves @ 7/1/2022	31,633,612	-	31,633,612	31,633,612
Less Uses of Fd Bal Reserves	(3,271,417)	51,612	(3,219,805)	(72,195)
Est. Fund Balance Reserves @ 6/30/23	29,363,346	(359,818)	29,003,528	22,157,091
Uses of Fund Balance Reserves:				
Transfer out - CIP	\$ 2,940,487		\$ 2,940,487	\$ -
GF Carryovers from FY 21/22	330,930	(51,612)	279,318	72,195
	3,271,417	(51,612)	3,219,805	72,195

**When the Mid-Term budget was adopted in June 2022, the GF Carryovers from FY 21/22 were estimated to be \$330,930. When the final carryovers were calculated after the books were closed, they totaled \$279,318, which are funded from reserves.

The adopted budget reflected an anticipated operating surplus of \$1,001,151 for FY 22/23. Due to the adjustments to the revenue and expenditure budgets discussed in this report, the surplus is now anticipated to be \$589,721.

FISCAL IMPACT

The FY 2022/23 first quarter adjustments resulted in a projected surplus of \$589,721.

ATTACHMENTS

1. List of Budget Adjustments for the First Quarter of Fiscal Year 2022/23