



MEMORANDUM

Date: October 11, 2024

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: Jan Leshner 
County Administrator

Re: Financial Report for Period 2 – August 2024 Update

The following information represents an update to the Financial Report as of August 31, 2024, Period 2. At the time of the last report, Finance did not have all of the revenues analyzed. While the overall projections remain the same, this report provides additional information on the revenues and operating transfers for the General Fund.

The General Fund's high-level Period 2 Forecast is outlined below.

Fiscal Year 2023/24 Adopted Budget, Year to Date Actual, Forecasted Amounts for the General Fund
As of August 2024 - Period 2

Fund Balance Summary	Adopted	Year To Date	Forecasted	Variance	17% Target Received/Spent
Beginning General Fund Balance	\$ 125,335,198	\$ 132,086,235	\$ 132,086,235	\$ 6,751,037	
Revenues					
General Fund Revenues	756,822,108	31,807,515	756,822,108	-	4%
Operating Transfers In	17,455,388	4,158,480	17,455,388	-	24%
Total Revenues	774,277,496	35,965,995	774,277,496	-	5%
Expenditures					
Operating Expenditures	677,333,993	112,722,574	677,333,993	-	17%
Operating Transfers Out	124,332,935	3,408,630	124,332,935	-	3%
Reserve	97,945,766	-	-	97,945,766	0%
Total Expenditures	899,612,694	116,131,204	801,666,928	97,945,766	13%
Ending Fund Balance	-	-	104,696,803	104,696,803	
Unrestricted General Fund Reserve			104,696,803		
Unrestricted General Fund Balance - per Board Policy				Over/Under	
	Minimum 17% of Expenditure	\$ 97,945,766	\$ 6,751,037		
	Affordable Housing	1,400,000			
	General Fund Contingency	4,100,000			
Available Unrestricted General Fund Balance after Adjustments		\$ 1,251,037			

Property Tax Revenues

The Period 2 year-to-date Revenues are at 4% of the budget, which is in line with expectations since the majority of tax revenues begin arriving in October. Below is the breakdown of Property Taxes.

OCT 11 2024 PM 02:26 PCK/KOF/BD

Fiscal Year 2024/ 25 Adopted Budget, Year to Date Actual, Projected Amounts for the Property Tax Revenues

	FY 24/ 25 BUDGET	Year-to-Date ACTUAL	FY 24/ 25 PROJECTED	Percent of Budget
Real Property Taxes	439,946,058	-	439,946,058	-
Delinquent Real Property Taxes	5,824,000	387,456	5,824,000	6.7%
Personal Property Taxes	12,517,518	-	12,517,518	-
Delinquent Personal Property Taxes	244,000	39,157	244,000	16.0%
Interest and Penalties on Delinquent Property Taxes	5,580,000	459,431	5,580,000	8.2%
	\$ 464,111,576	\$ 886,044	\$ 464,111,576	

State, Federal, and Other Non-Departmental Revenues

The Non-Departmental Revenues are a composite of various General Government Revenues that are not associated with an individual department. Below is a table that lists the types of revenues received as of August 31, 2024. Actual receipts of State Shared Sales Tax are lagging as is typical of this time of the year. The projection for the year is still on target.

Fiscal Year 2024/ 25 Adopted Budget, Year to Date Actual, Projected Amounts for the State and Federal Revenues

	FY 24/ 25 BUDGET	Year-to-Date ACTUAL	FY 24/ 25 PROJECTED	Percent of Budget
State Shared Sales Tax	182,000,000	17,578,320	182,000,000	9.66%
Vehicle License Tax	36,800,000	6,384,642	36,800,000	17.35%
Overhead General Fund	16,162,316	-	16,162,316	-
Pooled Investment Interest Revenue	5,000,000	-	5,000,000	-
Federal In Lieu Payment	4,529,000	-	4,529,000	-
Transient Lodging Excise Tax (Stadium)	3,794,400	187,225	3,794,400	4.93%
General Government Fees	1,872,155	7,665	1,872,155	0.41%
Business Licenses & Permits	3,300,000	749	3,300,000	0.02%
Alcoholic Beverage Tax	60,000	3,000	60,000	5.00%
City In Lieu Payment	60,000	-	60,000	-
Other Miscellaneous Revenue	2,000	-	2,000	-
Overages & Shortages	(6,000)	(612)	(6,000)	10.19%
	\$ 253,573,871	\$ 24,160,990	\$ 253,573,871	

General Fund Departmental Revenues

General Fund Departmental Revenues are fees earned by the departments through departmental activities. Revenues by Departments will be reported with the September – Period 3 Financial Update.

General Fund Operating Transfers In and Transfers Out

Several types of Operating Transfers are recorded within the budget. Transfers In to the General Fund are payments made by other departments for services performed by

Departments within the General Fund. The transfers received are primarily reimbursements from grants that allow for the recovery of indirect costs.

Transfers Out from the General Fund fall into three categories: Capital Projects, Debt Service, and General Fund Support to Non-General Fund Departments. Transfers Out are reflected in the forecast as expenditures by the General Fund. The County budgeted \$124.3 million for Operating Transfers Out and is currently projecting to be on target.

Fiscal Year 2024/ 25 Adopted Budget, Year to Date Actual, Forecasted Amounts for the Operating Transfers Out

	FY 24/ 25 BUDGET	YEAR-TO-DATE ACTUAL	FY 24/ 25 PROJECTED	VARIANCE
Transfers Out to Capital Projects	26,934,377	-	26,934,377	-
Transfers Out for Debt Service	67,425,755	-	67,425,755	-
Transfers Out to Support Non-General Fund Departments	29,972,803	3,408,630	29,972,803	-
	<u>\$ 124,332,935</u>	<u>\$ 3,408,630</u>	<u>\$ 124,332,935</u>	<u>\$ -</u>

The Transfers Out for Debt Service are broken down into three categories:

- Debt Service for COPs (multiple years) - \$14.9 million
- Debt Service for CORP and PSPRS Pension Debt - \$27.5 million
- Debt Service for PAYGO Pavement Preservation - \$25 million

With the implementation of Workday, there have been some delays with finalizing some reporting. Those delays are being resolved and the next Financial Update for September 2024 – Period 3 will contain information specific to department forecasts

JKL/je

c: Carmine DeBonis, Jr., Deputy County Administrator
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer
Steve Holmes, Deputy County Administrator
Ellen Moulton, Director, Finance and Risk Management
Andy Welch, Deputy Director, Finance and Risk Management