

# Subfund Reserves, Designations, and Fund Balance

FY 2022-23 BUDGET

El Dorado County’s Budget contains over 300 subfunds to segregate County funds for the purpose of carrying on specific activities or attaining certain objectives, as is outlined in Governmental Accounting Standards Board Code Section 1300. Many of the County’s subfunds are created as is outlined in the State Controller’s Accounting Standards and Procedures for Counties (ASP) manual.

Each of the subfunds begins the fiscal year with a balance, which represents the amount unspent in the fund during the prior year. Fund balance can be classified in two primary ways: unassigned fund balance that is available for use and assigned fund balance. Assigned fund balance has been set aside for specific purposes in reserves and designations. Through the budget process the Board can add to a reserve or designation, shown as an expense in the budget, or use funding from a reserve or designation, shown as revenue in the budget. As outlined by the State Controller, the budget includes the amount of unassigned fund balance for each subfund at the end of the prior year as a fund balance revenue. The assigned fund balance that is being held in reserves and designations for use in future year budgets is not shown as a revenue in the budget, but the amount remains in the subfund and is recorded on the general ledger and reflected as an asset in financial statements.

In an effort to increase transparency of assigned and unassigned fund balances, the Chief Administrative Office has prepared the following information for each of the County’s subfunds, outlining the fund balances at the time of adoption of the Fiscal Year 2022-23 Adopted Budget. These tables do not include any changes made after the adoption of the Fiscal Year 2022-23 Budget. The term “Fund Balance” in the document below describes the unassigned balance in a subfund at the end of the prior year that is shown as revenue in the budget.

## GENERAL FUND

The General Fund is the chief operating fund of the County. Many County programs do not have a dedicated revenue stream to fully offset operating costs and are accounted for in the County’s General Fund and supported by general purpose revenues such as property or sales taxes. Not all appropriations in the General Fund are funded by general purpose revenues as many County programs have state and federal funding or transfers in from other County funds to offset appropriations.

The difference between program expenditures and program revenues is known as the General Fund Contribution or Net County Cost (NCC). Some departmental programs are able to generate substantial revenues, such as state or federal reimbursements for social services programs. The County also uses general purpose revenues to provide a required match to receive these state or federal revenues. This is often referred to as a General Fund contribution. When appropriate, departments charge fees for services. The County’s reliance on general purpose revenues increases if the County loses revenue from state and federal sources, or if fee revenue does not keep pace with the cost of providing services.

### Beginning of Year Fund Balance

SUBFUND	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
10000001 - GENERAL FUND	32,396,154	33,410,522	50,099,235	69,187,588

The unassigned Fund Balance in the General Fund is composed of operational savings across all departments, unanticipated revenues, and unspent appropriations designated for capital project work, Contingency, and other specific activities such as Caldor Fire Relief activities. In anticipation of an economic downturn in FY 2020-21, as a result of the newly emerged coronavirus pandemic, the County





































































































































































































































