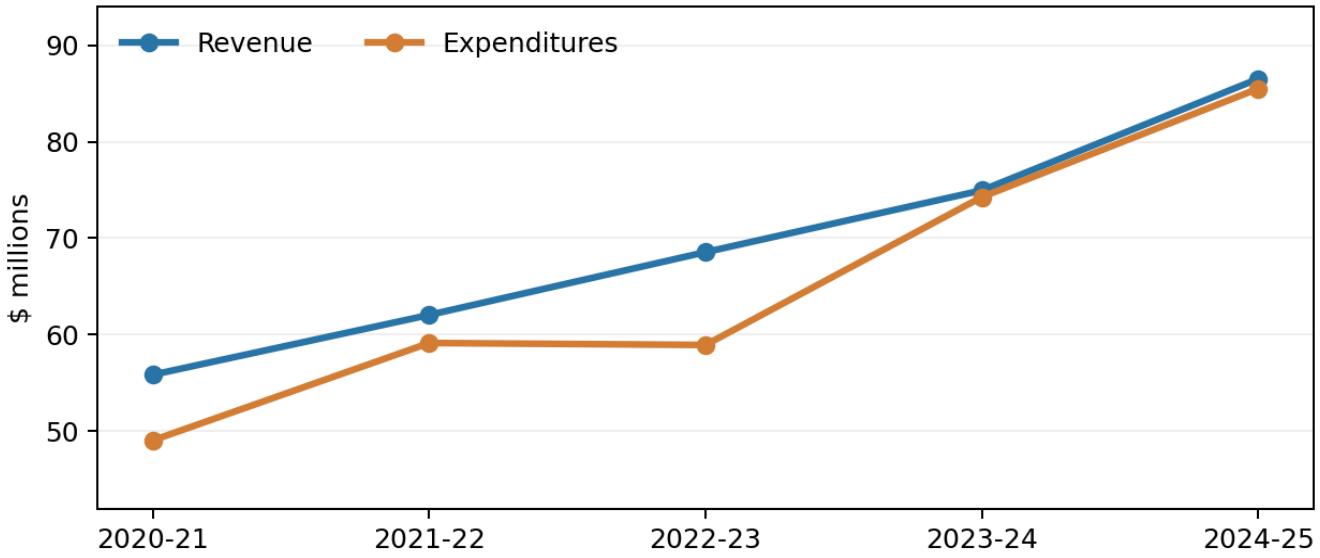
Lake County General Fund: questions before FY 2026-27 adoption

Board of Supervisors budget hearing | September 29, 2026. Figures below are General Fund only; annual actuals and proposed amounts are labeled separately.

1. Revenue rose, while spending caught up



Audited annual revenue and expenditures, excluding transfers. FY 2021-22 included the CAO transition; the chart does not establish the cause of spending growth.

Fiscal year	Revenue actual	Expenditure actual	Gap before transfers
2020-21	$55.854M	$49.058M	$6.796M
2021-22	$62.048M	$59.140M	$2.909M
2022-23	$68.555M	$58.938M	$9.617M
2023-24	$74.954M	$74.263M	$0.690M
2024-25	$86.504M	$85.487M	$1.018M

From FY 2022-23 to FY 2024-25, annual General Fund revenue rose $17.95M and annual spending rose $26.55M. The county has not supplied comparable FY 2025-26 year-end actuals in the proposed detail.

2. The proposed budget uses estimated carryover

FY 2026-27 funding and uses	Amount
Projected annual General Fund revenue	$88,803,656
Estimated available June 30, 2026 balance	$12,147,987
Proposed appropriations	$100,951,643

The $12.148M is an estimated available balance, not a verified cash balance. The prior FY 2025-26 adopted budget used $18.224M available balance from June 2025, a $6.076M difference. The difference alone does not prove a $6M loss; fund classifications, transfers, revenue and spending must be reconciled. A zero remainder in this financing schedule does not mean the General Fund bank account or all reserves are zero.

Where the proposed $100.952M goes

General Fund appropriation category	FY 2026-27 proposed
Salaries and employee benefits (including PERS)	$66,859,455
Professional and specialized services	$13,103,537
Other operating (grouped supplies, communications, etc.)	$6,567,420
Special departmental expenses	$4,158,676
Insurance outside employee-benefit lines	$3,707,534
Capital assets and construction	$3,437,344
Contingencies	$2,078,084
Contributions to other agencies	$1,544,811
Travel and transportation	$1,539,232
Maintenance	$1,521,134
Debt service	$1,391,600
Net interfund/intrafund reimbursements	($4,957,184)
TOTAL	$100,951,643

Payroll is 75.3% of projected annual revenue. Within the $66.859M salary-and-benefit proposal, wages are $42.709M and PERS is $12.114M. The amounts are proposed appropriations, not FY 2025-26 actual spending. Net reimbursements reduce the appropriations total; they are not a stand-alone spending program.

Staffing and payroll comparison

General Fund measure	FY 2021-22 adopted	FY 2026-27 proposed
Funded position allocations	421.5 FTE	440.05 FTE
Permanent salaries	$24.339M	$37.811M
PERS contributions	$8.115M	$12.114M
All listed salary and benefits	$43.175M	$66.859M

Position allocations are budget authority, not filled payroll headcount. The CAO office allocation itself changes from 10.5 to 13 FTE. FY 2024-25 actual General Fund listed salary and benefit lines total $46.346M; FY 2025-26 actuals are still needed.

Questions and records requested before adoption

1. Provide the FY 2025-26 General Fund year-end actual or latest closing revenue and expenditures by budget unit and account. Reconcile June 30 cash, receivables, liabilities and restricted/committed/assigned/unassigned balances to the $12,147,987 available carryover. Explain the $6,076,144 difference from the prior budget carryover.
2. Publish an updated five-year General Fund forecast from the June 2026 budget hearings, by year, showing revenue, wages, PERS, health benefits, other spending, reserves, annual gap and ending balance. Identify each specific ongoing cut, its dollar savings and implementation date.
3. For $13.104M in professional services and $4.159M in special departmental expenses, list the largest contracts or projects, vendors, purposes, funding source, one-time versus ongoing status, and changes since June. Explain all material transfers and reimbursements.
4. Provide filled General Fund positions and actual salary/PERS spending for FY 2021-22 through FY 2025-26, alongside funded positions, vacancies and adopted labor agreements. Show the five-year cost forecast given to the Board before compensation commitments were approved.

Requested action and public comment

5. Explain how ongoing operations will be paid if annual revenue falls short of recurring costs after estimated carryover is used. Make the answers and underlying schedules public before the final vote, with time to review them.

Suggested public comment

Supervisors, before adopting this General Fund budget, please show the public how the $12,147,987 estimated carryover was calculated from FY 2025-26 actuals. The proposed $100,951,643 plan uses all of that amount along with $88,803,656 in projected revenue. The prior budget used $18,224,131 of available carryover. Please explain the $6,076,144 difference with a fund-balance reconciliation, including cash, obligations and reserve classifications.

Your published actuals show General Fund revenue rising from $68.55 million in FY 2022-23 to $86.50 million in FY 2024-25, while spending rose from $58.94 million to $85.49 million. The revenue-spending gap narrowed sharply. The new plan proposes $66.86 million in salary and benefit costs, including $12.11 million in PERS contributions, and $13.10 million in professional services. Please show the contracts and ongoing obligations behind these totals.

At the June hearings, a five-year outlook warned of future deficits. Please publish the updated five-year General Fund forecast, the specific cuts and their annual savings, and the forecast provided to the Board when labor costs were approved. Give the public the FY 2025-26 actual or latest closing figures and time to review the answers before the final vote.

Sources: Lake County Annual Comprehensive Financial Reports for fiscal years ended June 30, 2021-2025 (General Fund statements); FY 2021-22 adopted county budget; FY 2025-26 adopted county budget, Schedule 1; FY 2026-27 final recommended budget, Fund Summary C-1 and detailed Fund 1 budget units; FY 2026-27 position allocation chart. lakecountyca.gov/303 and /304; countyoflake.legistar.com (September 29, 2026 budget packet).