



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** County Exec. Office  
Auditor-Controller  
**Department No.:** 012 & 061  
**For Agenda Of:** August 18, 2009  
**Placement:** Departmental  
**Estimated Tme:** 20 minutes  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** 4/5ths Vote Required

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**TO:** Board of Supervisors

**FROM:** Department Michael F. Brown, County Executive Officer  
Director(s) Robert W. Geis, CPA, Auditor-Controller  
Contact Info: Julie Hagen, CPA, Chief Deputy Controller X 2126  
Jason Stilwell, Assistant CEO/Budget Director X 3413

**SUBJECT:** Fiscal Year 2008-2009 Year End Revisions and Financial Status Report

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**Recommended Actions:**

That the Board of Supervisors:

- 1) Approve budget revisions and transfers necessary to close the County's accounting records for all County funds for the fiscal year ended June 30, 2009 (Fiscal Year 08-09).
- 2) Accept and file, per the provisions of Government Code Section 29126.2, the June 30, 2009 Financial Status Report showing the status of appropriations and financing for all department budgets adopted by the Board of Supervisors.

**Summary Text and Background:**

- 1) Approval by the Board of the budget revisions and transfers necessary to close the County's accounting records as of June 30, 2009. The revisions along with a summary are attached (Attachment A).

The summary is a listing of the 31 budget revisions and transfers for Board approval. This will bring the total number of budget revisions to 310 for the fiscal year compared to 296 in the prior fiscal year. These current revisions and transfers consist of changes to designations, changes to contingency, unanticipated and unrealized revenue transfers and a few revisions to correct departmental overruns. Many of these transfers are ministerial, some are legally necessary and a number are done to accommodate proper accounting practices.

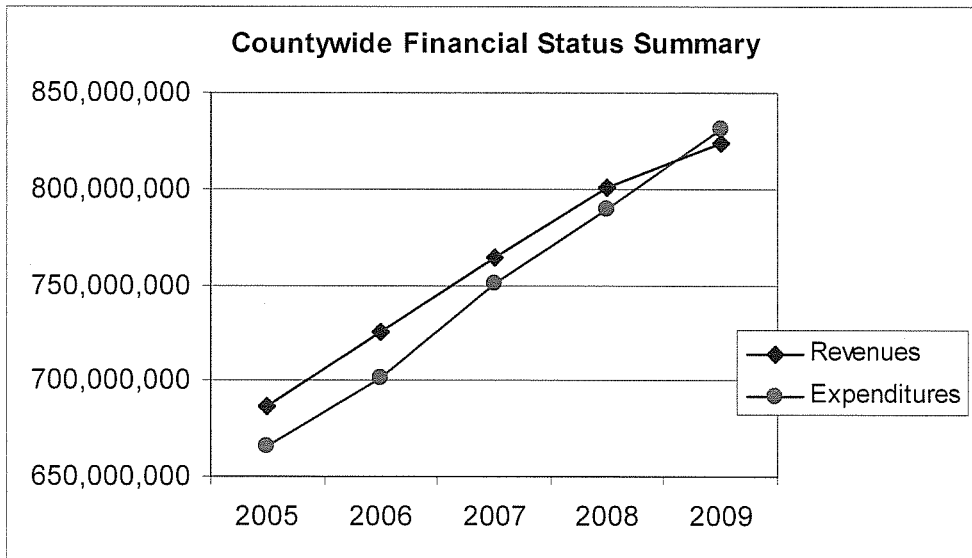
- 2) Accept and file the June 30, 2009 Financial Status Report. The Financial Status Report is intended to give the Board an overview of the FY 08-09 results of operations. The Comprehensive Annual Financial Report (CAFR) is being finalized and will provide audited results of the fiscal year.

## Countywide Financial Status

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The following chart depicts countywide annual revenues and expenditures over the last five years. The gap between revenues and expenditures has been narrowing. Expenditures exceeded revenues at a county-wide level in 2009 meaning one-time designations, reserves, and savings were used to fund expenditures in amounts above available revenue.

During the last three years the County has experienced declining property tax growth of 10.2%, 7.2% and 4.6% respectively. Next year, the property tax growth is budgeted to increase by only 1.46%, thereby causing more pressure on the revenues that finance the budget. Other economic driven revenue accounts also declined, the most significant being the Proposition 172 public safety sales tax that dropped \$4 million or 13.4%. Supplemental property taxes, property transfer taxes, transient occupancy taxes, realignment sales tax and realignment motor vehicle taxes all declined over the previous cycle. The County reacted to this economic downturn by decreasing the paid full time equivalent positions (FTEs) by 129 to 4208, implementing employee furloughs and absorbing a \$9 million or 19% increase in retirement and retiree medical costs.



## Governmental Funds

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Governmental accounting is used due to the unique fiscal accountability necessary in a governmental environment. Financial information is needed in order to make informed decisions on the allocation of scarce resources and to monitor management's compliance with budgetary and legal restrictions. It includes funds, object level reporting, line item reporting, assets, liabilities and the production of traditional financial statements.

The focus of the following governmental funds statement is to provide information on revenues, expenditures and fund balance. When compared to the prior year column, one is able to obtain useful information about the overall results of operations of the County and its fiscal health from one annual period to the next.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED June 30, 2009 (in thousands)**

	General	Road	Public Health	Social Services	ADMHS	Flood Control District	Capital Projects	RDA Debt Service	Other Govern. Funds	Total Current Year	Prior Year	% Change
<b>Revenues</b>												
Taxes	\$ 181,997	\$ 7,439	\$ --	\$ --	\$ --	\$ 8,275	\$ --	\$ --	\$ 35,070	\$ 232,781	\$ 231,955	0%
Licenses, permits, and franchises	13,225	276	128	--	--	--	--	--	14	13,643	14,294	-5%
Fines, forfeitures, and penalties	6,826	--	1,828	--	4	--	--	--	4,560	13,218	12,333	7%
Use of money and property	2,715	228	774	394	(248)	1,649	506	90	2,631	8,739	12,173	-28%
Intergovernmental	51,587	21,366	28,273	117,535	32,554	10,017	1,320	--	23,982	286,634	271,211	6%
Charges for services	76,134	8,310	34,615	--	36,161	3,117	389	--	4,606	163,332	156,648	4%
Other	2,620	102	5,464	837	402	27	359	7	6,796	16,614	13,637	22%
<b>Total revenues</b>	<b>335,104</b>	<b>37,721</b>	<b>71,082</b>	<b>118,766</b>	<b>68,873</b>	<b>23,085</b>	<b>2,574</b>	<b>97</b>	<b>77,659</b>	<b>734,961</b>	<b>712,251</b>	<b>3%</b>
<b>Expenditures</b>												
<b>Current:</b>												
Policy & executive	13,971	--	--	--	--	--	--	--	--	13,971	13,290	5%
Law & justice	28,324	--	--	--	--	--	--	--	15,545	43,869	41,875	5%
Public safety	191,675	--	--	--	--	--	(222)	--	1,348	192,801	189,364	2%
Health & public assistance	5,609	--	76,913	126,210	69,257	--	--	--	9,121	287,110	287,957	0%
Community resources & facilities	36,861	35,083	--	--	--	18,696	519	--	15,312	106,471	89,859	18%
General gov. & support services	49,446	--	--	--	--	--	262	--	570	50,278	48,356	4%
General county programs	6,881	--	--	--	--	--	--	--	15,941	22,822	18,452	24%
<b>Debt service:</b>												
Principal	--	24	--	--	--	--	--	--	6,206	6,230	6,595	-6%
Interest	--	2	--	--	--	--	--	--	3,322	3,324	2,642	26%
<b>Capital outlay</b>												
	--	--	--	--	--	--	7,965	--	--	7,965	20,055	-60%
<b>Total expenditures</b>	<b>332,767</b>	<b>35,109</b>	<b>76,913</b>	<b>126,210</b>	<b>69,257</b>	<b>18,696</b>	<b>8,524</b>	<b>--</b>	<b>67,395</b>	<b>734,841</b>	<b>718,445</b>	<b>2%</b>
Excess (deficiency) of revenues over (under) expenditures	2,337	2,612	(5,831)	(7,444)	(384)	4,389	(5,950)	97	10,294	120	(6,194)	
<b>Other Financing Sources(Uses)</b>												
Transfers in	61,779	2,065	8,454	8,827	8,403	20	4,314	--	45,159	139,021	149,323	
Transfers out	(67,684)	(626)	(3,191)	(300)	(1,403)	(7)	(960)	(687)	(93,864)	(138,722)	(148,765)	
Debt Proceeds & Issuance Cost	--	--	--	--	--	--	--	--	--	--	16,912	
Proceeds from sale of capital assets	17	128	--	--	1	--	--	--	1	147	288	
<b>Total other financing sources(uses)</b>	<b>(5,888)</b>	<b>1,567</b>	<b>5,263</b>	<b>8,527</b>	<b>7,001</b>	<b>13</b>	<b>3,354</b>	<b>(687)</b>	<b>(18,704)</b>	<b>446</b>	<b>17,758</b>	
<b>Net change in fund balances</b>	<b>(3,551)</b>	<b>4,179</b>	<b>(568)</b>	<b>1,083</b>	<b>6,817</b>	<b>4,402</b>	<b>(2,596)</b>	<b>(590)</b>	<b>(8,410)</b>	<b>566</b>	<b>11,564</b>	
Fund balances - beginning	88,139	4,862	27,218	6,117	(11,346)	50,321	20,973	(13,704)	66,670	239,250	241,889	
Prior period adjustment	--	--	--	--	2,881	--	--	--	--	2,881	(14,203)	
Fund balances - beginning, restated	88,139	4,862	27,218	6,117	(8,465)	50,321	20,973	(13,704)	66,670	242,131	227,686	
<b>Fund balances - ending</b>	<b>\$ 84,588</b>	<b>\$ 9,041</b>	<b>\$ 26,650</b>	<b>\$ 7,200</b>	<b>\$ (1,848)</b>	<b>\$ 54,723</b>	<b>\$ 18,377</b>	<b>\$ (14,294)</b>	<b>\$ 58,260</b>	<b>\$ 242,697</b>	<b>\$ 239,250</b>	

The County's governmental funds were able to maintain their financial position for fiscal year 2008-2009. Expenditures of (\$734,841) ended up virtually even with revenues of (\$734,961) for the governmental funds. The County was able to increase the fund balance for the governmental funds by only \$566,000. During prior years, a net increase in the governmental fund balances occurred in the amount of \$25 million, \$16 million, and \$12.7 million in 2006, 2007, and 2008 respectively.

In the current fiscal year, revenues increased overall by 3% or \$22.8 million. This is compared to increases in fiscal year 07-08 of 4% or 24.6 million and in 06-07 a 5% or 35.7 million increase. The most significant revenue source, taxes, remained flat with an increase in secured property tax growth of approximately 4% being offset by declines in supplemental property tax, property transfer tax, local sales tax and transient occupancy tax to result in an increase of just 0.4% in taxes. The other significant decline in revenue compared to the previous year was in Proposition 172 public safety sales tax of \$4 million or 13.4%. Interest income is reflected in the Use of Money and Property which also showed a decline of \$3.4 million.

Expenditures grew \$16.4 million or 2.3% to \$734 million. This is compared to increases in fiscal year 07-08 of 6% or \$43 million and in 06-07 7% or \$44.9 million. The functional areas of Health & Public Assistance and Public Safety account for approximately 65% of the expenditures. These two functional areas showed a small or no increase in expenditures. The main functional area which showed an increase in expenditures was

Community Resources and Facilities with projects such as the Tepesquet Bridge, the Jalama Bridge, the Pardall Road Improvements, and the cleanup necessary due to the GAP and Jesusita Fires.

As a service entity, Salaries and Benefits comprise approximately 55% of expenditures and grew by \$8 million, or 2%. This increase is due to an increase in retirement costs of \$9 million. Other salary cost increases (i.e. COLAs) were offset by a decrease in the FTE count by 129 FTE and furlough savings.

The net decrease in the FTE count is made up of decreases in the FTE count in almost all departments. The most significant decreases were in Social Services with -31, Sheriff with -26, Public Works and P & D with -13 each, and Probation with -10.

Overall, the slight increase in the County governmental funds was a result of increases that were offset by decreases among the individual funds. The most significant of the increases in individual fund balances were increases in Flood Control \$4.4 million, and the Road Fund \$4.2 million. The major decreases in fund balance were in the General Fund (-\$3.5 million), Capital Projects (-\$2.6 million), and across other non-major governmental funds mostly due to a draw on Proposition 10 Funds (-\$2 million) and Fire District Fund (-\$4 million).

## **General Fund**

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The General Fund of the County provides the Board of Supervisors with its major sources of discretionary budget authority. The fund ended the year with a 0.06% or \$2.1 million unreserved, undesignated fund balance (down from \$5.3 million in the prior fiscal year). The General Fund has an additional \$55.7 million of designated fund balance of which \$22 million is designated for the strategic reserve before additional appropriations in the FY 09-10 budget process. Various other designations make up the balance.

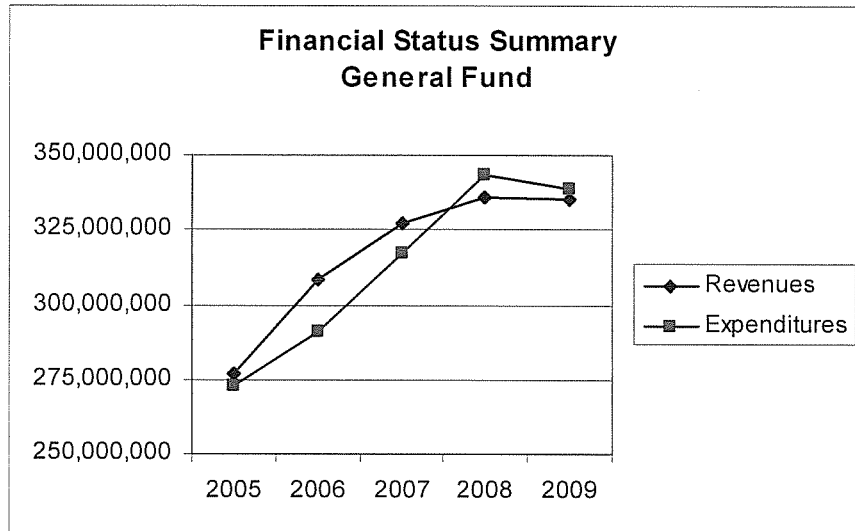
General Fund revenues stayed mostly flat with a 0.2% decrease over the previous year. The trend of expenditure growth exceeding revenue growth, that had been occurring over the last few years, appears to be reversing with a decrease in expenditures of 1.4%. Total tax revenue in the General Fund stayed largely flat with a 4% increase in secured property tax offset by an overall decrease in supplemental property taxes, property transfer taxes, local sales tax and transient occupancy tax. Salaries and Benefits comprise 76% of financial uses in the General Fund and grew 1.3% or \$3 million due to increases in retirement and retiree medical costs. Other salary costs remained flat compared to the prior year due to position cuts and furlough savings.

The cash position of the General Fund is \$8 million less than the prior year (\$46 million less \$14 million cash loans to ADMHS). The year end receivables and payables are about the same as the prior year. After 3 years without a need for Tax and Revenue Anticipation Note (TRAN) borrowing, we have indentified the need for a TRAN for FY 09-10 in anticipation of low points in the General Fund cash position just prior to the December and April property tax collection dates. This is due to ADMHS cash flow issues, slower cash collections, and declining revenues.

As depicted in the following chart, tax revenues in the areas of supplemental property taxes, property transfer taxes, retail sales tax, transient occupancy taxes and intergovernmental revenue were less than budgeted revenue estimates. Expenditures were also reduced and less than budget. The net result overall, generated a positive undesignated fund balance in the General Fund of \$2.1 million and a draw on fund balance of \$3 million.

<b>Financial Status Summary (Annual) - General Fund</b>				
<b>As Of: 06/30/2009</b>				
<b>Object Level</b>	<b>6/30/2009 Fiscal Year Adjusted Budget</b>	<b>6/30/2009 Fiscal Year Actual</b>	<b>6/30/2009 Fiscal Year Variance</b>	<b>Actual As a % of Budget</b>
<b>Revenues</b>				
Taxes	183,518,625.00	181,896,665.77	-1,521,959.23	99.17%
Licenses, Permits and Franchises	13,854,916.00	13,224,807.09	-630,108.91	95.45%
Fines, Forfeitures, and Penalties	5,030,660.90	6,825,798.05	1,795,137.15	135.68%
Use of Money and Property	3,242,755.43	2,714,957.56	-527,797.87	83.72%
Intergovernmental Revenue-State	42,553,662.00	40,376,821.32	-2,176,840.68	94.88%
Intergovernmental Revenue-Federal	12,552,920.00	9,928,748.52	-2,624,171.48	79.10%
Intergovernmental Revenue-Other	1,263,967.00	1,281,565.54	17,598.54	101.39%
Charges for Services	76,029,912.00	76,133,824.97	103,912.97	100.14%
Miscellaneous Revenue	2,239,102.00	2,619,871.89	380,769.89	117.01%
Total Revenues	340,286,520.33	335,103,060.71	-5,183,459.62	98.48%
<b>Expenditures</b>				
Salaries and Employee Benefits	262,224,098.00	259,176,847.79	3,047,250.21	98.84%
Services and Supplies	50,219,896.76	47,344,221.56	2,875,675.20	94.27%
Other Charges	25,469,137.00	24,592,877.65	876,259.35	96.56%
Fixed Assets	4,478,842.00	1,652,828.11	2,826,013.89	36.90%
Total Expenditures	342,391,973.76	332,766,775.11	9,625,198.65	97.19%
<b>Other Financing Sources &amp; Uses</b>				
Other Financing Sources	62,536,784.00	61,796,662.19	-740,121.81	98.82%
Other Financing Uses	81,501,648.00	67,684,185.01	13,817,462.99	83.05%
Net Financing Sources & Uses	-18,964,864.00	-5,887,522.82	13,077,341.18	31.04%
<b>Intrafund Transfers</b>				
Intrafund Expenditure Transfers (-)	3,359,616.00	3,196,006.53	-163,609.47	95.13%
Intrafund Expenditure Transfers (+)	3,359,616.00	3,196,006.53	163,609.47	95.13%
Intrafund Transfers	0.00	0.00	0.00	--
<b>Changes to Reserves &amp; Designations</b>				
Decrease to Reserves/Designations	38,378,498.17	20,458,324.87	-17,920,173.30	53.31%
Increase to Reserves/Designations	22,572,919.74	20,068,699.83	2,504,219.91	88.91%
Changes to Reserves & Designations	15,805,578.43	389,625.04	-15,415,953.39	2.47%
Net Financial Impact	-5,264,739.00	-3,161,612.18	2,103,126.82	60.05%

This chart below for the General Fund is very similar to the countywide “jaws” financing chart. This chart illustrates that cost cutting measures (furlough savings and position cuts) in the General Fund have been effective in bringing the expenditures more in line with the revenues. Next year, property tax growth is budgeted to grow only 1.46%, down from 4% actual growth this year, thereby tightening the gap between revenues and expenditures. The potential release of money designated for capital improvements, tight budgets, and a drop in property tax growth may result in a situation where the County could again experience pressure to reduce expenditures to avoid a draw on fund balance.



The Projected Annual Status Report below for the General Fund shows the net financial impact of the various General Fund departments. After budget adjustments, all General Fund departments closed within legal appropriations.

<b>Projected Annual Status Report</b>							
<b>General Fund</b>							
<b>As of 6/30/2009</b>							
<b>Department</b>	<b>Sources Fiscal Year Adjusted Budget</b>	<b>Sources Projected Actual</b>	<b>Sources Projected Variance</b>	<b>Uses Adjusted Budget</b>	<b>Uses Projected Actual</b>	<b>Uses Projected Variance</b>	<b>Net Financial Variance</b>
011 -- Board of Supervisors	5,986.00	2,656.77	-3,309.23	2,593,328.00	2,360,578.83	232,749.17	229,439.94
012 -- County Executive Office	1,211,306.00	1,236,317.09	25,011.09	4,029,365.00	3,767,507.30	261,857.70	286,868.79
013 -- County Counsel	6,034,822.00	6,035,376.01	554.01	8,000,745.00	7,857,079.05	143,665.95	144,219.96
021 -- District Attorney	7,902,043.00	7,091,752.58	-810,290.42	18,878,538.00	18,774,815.72	103,722.28	-706,568.14
022 -- Probation	23,029,506.26	20,892,769.75	-2,336,736.51	44,054,023.26	43,049,171.43	1,004,851.83	-1,331,884.68
023 -- Public Defender	3,572,042.00	3,450,052.77	-121,989.23	9,890,367.00	9,699,921.01	190,445.99	68,456.76
031 -- Fire	52,012,429.00	50,810,031.02	-1,202,397.98	53,603,054.00	52,367,212.40	1,235,841.60	33,443.62
032 -- Sheriff	69,599,051.37	68,742,846.09	-856,205.28	101,613,319.37	100,593,054.38	1,020,264.99	164,059.71
041 -- Public Health	3,082,149.98	2,964,669.19	-117,480.79	5,980,666.98	5,836,830.12	143,836.86	26,356.07
051 -- Agriculture & Cooperative	1,935,790.00	2,089,611.69	153,821.69	3,865,034.00	3,695,242.87	169,791.13	323,612.82
052 -- Parks	7,998,899.88	7,449,893.54	-549,006.34	11,768,259.88	11,149,128.25	619,131.63	70,125.29
053 -- Planning & Development	13,110,690.33	12,390,501.71	-720,188.62	19,124,159.33	17,950,585.37	1,173,573.96	453,385.34
054 -- Public Works	3,516,361.00	3,418,797.80	-97,563.20	4,104,051.00	3,982,788.14	121,262.86	23,699.66
055 -- Housing/Community Develop	1,120,603.00	862,586.84	-258,016.16	1,872,130.00	1,616,821.04	255,308.96	-2,707.20
061 -- Auditor-Controller	3,413,621.00	3,305,431.74	-108,189.26	7,540,974.00	7,065,386.34	475,587.66	367,398.40
062 -- Clerk-Recorder-Assessor	13,844,950.00	8,853,549.49	-4,991,400.51	22,906,309.00	17,198,586.28	5,707,722.72	716,322.21
063 -- General Services	12,450,262.00	12,458,242.69	7,980.69	19,597,021.00	19,547,576.97	49,444.03	57,424.72
064 -- Human Resources	3,374,995.00	3,381,518.15	6,523.15	5,464,131.00	5,255,577.38	208,553.62	215,076.77
065 -- Treasurer-Tax Collector	3,539,686.00	3,438,279.57	-101,406.43	6,406,910.00	6,219,770.88	187,139.12	85,732.69
066 -- Information Technology	880,051.00	882,150.37	2,099.37	1,723,709.00	1,710,640.49	13,068.51	15,167.88
990 -- General County Programs	15,450,106.00	2,754,682.99	-12,695,423.01	95,988,875.90	83,196,205.45	12,792,670.45	97,247.44
991 -- General Revenues	197,476,087.68	198,242,336.45	766,248.77	821,186.78	821,186.78	0	766,248.77
<b>Fund Totals</b>	<b>444,561,418.50</b>	<b>420,554,054.30</b>	<b>-24,007,364.20</b>	<b>449,826,167.50</b>	<b>423,715,666.48</b>	<b>26,110,491.02</b>	<b>2,103,126.82</b>

The causes of the negative variances in the General Fund Departments listed on the Projected Annual Status Report above are described here in further detail: The biggest and over-reaching problem at the departmental level were in the public safety departments due to the rapid decline in the Proposition 172 sales tax revenues totaling \$4 million or 13.4%, with monthly declines reaching 20% toward the end of the year. In a number of instances furlough savings were used to support the public safety department appropriations. In addition, there were other revenue declines in most of the General Fund Departments that were met with cost cutting measures in order to balance out these declines.

District Attorney: The net negative variance in the District Attorney Department is a result of the Proposition 172 revenue shortfall. The Department's Proposition 172 allocation was \$375 thousand below adjusted budget and other State and Federal Intergovernmental Revenues were \$186 thousand below budget, combined with other smaller declines for a total negative revenue variance of \$810,290. The department was able to make up part of this decline on the expenditure side to end the year with a variance of negative \$706,568.

Probation: The Probation Department's primary revenues have been Proposition 172 for public safety services, Title IV-E of the Social Security Act for child welfare services, and TANF Temp Assistance to Needy Families. These revenues were down in FY 08-09 (\$1.4 million). When combined with other declines in revenues this totals a negative revenue variance of \$2.3 million. Probation was able to make up \$1 million of this decline on the expenditure side to end the year with a net negative variance of \$1.3 million.

The department also lost Multi Integrated System of Care (MISC) Medi-Cal Revenues for fiscal year 08-09 totaling \$1.5 million and an audit finding related to 02-03 Probation services collected through ADMHS totaling \$1.3 million was charged to the Strategic Reserve (the County is disputing this audit finding).

General County Programs The large revenue and expenditure variances of approximately \$12 million are related to the budgeting of strategic reserve and audit settlement reserve for liabilities related to Mental Health for fiscal years 02-03 through 07-08 that have not been released or paid. These amounts will have to be rebudgeted on an annual basis until the liability is eliminated or able to be funded by ADMHS reserves.

### **Annual Status Report for Other Funds**

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The following funds had either positive variances greater than \$800 thousand or finished in a negative position greater than \$100,000 as displayed on the attached Projected Annual Status Report – by Fund Type (**Attachment B**).

The Mental Health Services Funds ended the year with an \$8.7 million negative variance. This was due to a planned transfer from the General Fund of \$12 million (to cover prior period liabilities) that did not occur. The liabilities are still outstanding and are reflected on the Balance Sheet under Grant/Audit Settlement Payable in the amount of \$12.6 million.

The department has recorded \$28 million in revenue accruals for the year ended 6/30/2009. This represents 41% of their recorded revenue for 08-09. It may include revenues that may be collected beyond the 180 day rule for recording revenues. In addition, a significant amount of these revenues are based on units of service multiplied by an estimated rate of reimbursement. The estimated rate is subject to a state settlement process and a state audit process. These facts make for a highly leveraged operation. This situation is complicated by delayed billing practices, untimely state reimbursement practices, and an overly complex system of reimbursement.

The Fire Protection District ended the year with a negative \$3.5 million variance. The district's fund equity position and cash position was decreased by \$4 million. This was mostly due to an upgrade/purchase of HAZMAT breathing packs for \$1.5 million and incident response reimbursements are down.

The South Coast Flood Zone 2 finished the year \$1.2 million positive due to delays in construction on creek projects.

The Capital Outlay Fund ended the year positive \$1.2 million due to delays in construction projects that had been budgeted to occur in fiscal year 08-09.

The Resource Recovery & Waste Management Fund The negative \$7.4 million is due to accounting entries not made to close the retained earnings account. The fund appears to be stable and the net change in the fund balance for the year was immaterial.

The County Transit Fund ended the year a negative \$623 thousand due to the closing of the fund and moving the fixed assets to fund 0019.

Laguna Sanitation did not draw down retained earnings as budgeted and ended the year with a negative \$232 thousand. This amount will be closed into retained earnings as part of the year end entries.



Vehicle Operations did not draw down retained earnings as budgeted and ended the year with a negative \$581 thousand. This amount will be closed into retained earnings as part of the year end entries.

Workers' Compensation Fund reduced its long standing deficit (from \$1.9 million in 07-08) and ended the year with a positive \$1 million in retained earnings.

County Liability-Self Insurance Fund ended the year positive \$1.9 million mostly due to expenditure reductions of \$1.3 million.

## **Conclusions**

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- Property tax growth within the County is slowing and is budgeted at 1.46% for FY 09-10, which is below the 8.1% average since 1977-78.
- Retiree medical costs and basic pension benefits need to be funded and controlled.
- The State budget continues to have a structural deficit.
- The County has a host of difficult projects with long-term impacts that are in need of solutions as highlighted in the monthly Potential Financial Impacts report to the Board.
- The County should continue to focus on planned expenditure reductions to correspond with the reduction in property tax growth and reductions in State Revenues.

## **Attachments:**

1. Attachment A – Budget revisions
2. Attachment B – Projected Annual Status Report – by Fund Type

# Financial Summary

As of: 6/30/2009 (100% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: FundType = 01-06

Layout Options: Summarized By = FundType, Fund; Columns = SrcUseYEP

Fund	Sources Fiscal Year Adjusted Budget	Sources Projected Actual	Sources Projected Variance	Uses Fiscal Year Adjusted Budget	Uses Projected Actual	Uses Projected Variance	Net Financial Projected Variance
<b>Fund Type 01 -- General</b>							
0001 -- General	444,561,418.50	420,554,054.30	-24,007,364.20	449,826,157.50	423,715,666.48	26,110,491.02	2,103,126.82
<b>Total General</b>	444,561,418.50	420,554,054.30	-24,007,364.20	449,826,157.50	423,715,666.48	26,110,491.02	2,103,126.82
<b>Fund Type 02 -- Special Revenue</b>							
0010 -- Children and Families First	9,479,324.52	8,745,670.99	-733,653.53	9,482,923.52	7,976,557.84	1,506,265.68	772,612.15
0015 -- Roads-Operations	26,156,912.32	25,195,000.29	-961,912.03	30,337,607.32	28,996,260.11	1,341,347.21	379,435.18
0016 -- Roads-Capital Maintenance	7,468,196.00	4,938,927.59	-2,529,268.41	7,468,197.00	4,938,927.59	2,529,269.41	1.00
0017 -- Roads-Capital Infrastructure	14,460,749.00	11,393,960.29	-3,066,788.71	14,460,749.00	11,393,960.29	3,066,788.71	0.00
0019 -- Roads-Alternative Transport	815,035.36	628,188.75	-186,846.61	815,035.36	628,188.75	186,846.61	0.00
0040 -- Public and Educational Access	367,544.54	364,085.13	-3,459.41	367,544.54	367,544.54	0.00	-3,459.41
0041 -- Fish and Game	29,116.43	8,010.18	-21,106.25	29,301.43	7,540.99	21,760.44	654.19
0042 -- Health Care	83,435,154.77	80,701,730.72	-2,733,424.05	83,656,618.77	80,581,990.73	3,074,628.04	341,203.99
0043 -- CA Health-Indigents Program	230,762.00	207,115.84	-23,646.16	230,920.00	207,273.84	23,646.16	0.00
0044 -- Mental Health Services	66,762,194.00	54,983,951.47	-11,778,242.53	54,622,817.00	53,305,440.73	1,317,376.27	-10,460,866.26
0045 -- Petroleum Department	448,735.68	389,797.20	-58,938.48	472,268.68	400,922.13	71,346.55	12,408.07
0046 -- Tobacco Settlement	12,505,222.55	12,107,176.49	-398,046.06	12,505,222.55	12,107,176.29	398,046.26	0.20
0047 -- Substance Abuse & Crime Prev	1,718,701.04	1,656,070.16	-62,630.88	1,737,198.04	1,586,295.74	150,902.30	88,271.42
0048 -- Mental Health Services Act	13,378,521.52	13,641,567.63	263,046.11	13,426,330.52	11,705,234.40	1,721,096.12	1,984,142.23
0049 -- Alcohol and Drug Programs	13,549,752.00	12,678,562.68	-871,189.32	13,679,681.00	13,133,610.12	546,070.88	-325,118.44
0052 -- Special Aviation	913,338.74	818,315.69	-95,023.05	913,868.74	818,715.51	95,153.23	130.18
0055 -- Social Services	132,040,691.49	128,775,801.86	-3,264,889.63	133,839,991.49	129,929,670.66	3,910,320.83	645,431.20
0056 -- SB IHSS Public Authority	7,881,940.45	7,773,299.87	-108,640.58	7,886,060.45	7,772,434.60	113,625.85	4,985.27
0057 -- Child Support Services	9,685,136.00	9,537,529.92	-147,606.08	9,803,622.00	9,520,694.91	282,927.09	135,321.01
0058 -- ARRA-WIA	67,842.92	37,990.13	-29,852.79	67,842.92	37,957.24	29,885.68	32.89

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County of Santa Barbara, FIN

# Financial Summary

As of: 6/30/2009 (100% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: FundType = 01-06

Layout Options: Summarized By = FundType, Fund; Columns = SrcUseYEP

Fund	Sources Fiscal Year Adjusted Budget	Sources Projected Actual	Sources Projected Variance	Uses Fiscal Year Adjusted Budget	Uses Projected Actual	Uses Projected Variance	Net Financial Projected Variance
0061 -- Fisheries Enhancement	12,459.27	9,791.02	-2,668.25	12,783.27	10,043.64	2,739.63	71.38
0062 -- Local Fishermen Contingency	29,953.08	14,836.77	-15,116.31	46,741.08	22,389.05	24,352.03	9,235.72
0063 -- Coast Resource Enhancement	1,499,946.40	1,483,096.43	-16,849.97	1,524,892.40	1,499,094.13	25,798.27	8,948.30
0064 -- CDBG Federal	3,460,380.94	2,114,169.99	-1,346,210.95	3,460,474.94	2,113,961.45	1,346,513.49	302.54
0065 -- Affordable Housing	1,946,268.03	1,433,592.02	-512,676.01	2,731,891.03	2,089,463.21	642,427.82	129,751.81
0066 -- Home Program	1,737,094.96	445,259.19	-1,291,835.77	2,039,615.96	107,598.85	1,932,017.11	640,181.34
0069 -- Court Activities	15,802,805.06	15,755,208.41	-47,596.65	15,795,090.06	15,746,601.55	48,488.51	891.86
0070 -- Crim Justice Facility Constnt	1,373,031.13	1,350,831.94	-22,199.19	1,373,523.13	1,349,578.11	23,945.02	1,745.83
0071 -- Courthouse Construction SB668	1,220,838.15	1,206,514.80	-14,323.35	1,218,366.15	1,203,967.64	14,398.51	75.16
0075 -- Inmate Welfare	1,240,222.64	1,146,550.87	-93,671.77	1,291,675.64	1,256,759.89	34,915.75	-58,756.02
2120 -- CSA 3	1,143,664.31	1,115,271.54	-28,392.77	1,151,955.31	1,112,777.93	39,177.38	10,784.61
2130 -- CSA 4	41,690.77	40,608.24	-1,082.53	47,003.77	46,324.89	678.88	-403.65
2140 -- CSA 5	116,424.31	110,934.27	-5,490.04	120,505.31	117,916.62	2,588.69	-2,901.35
2170 -- CSA 11	90,197.00	76,235.60	-13,961.40	90,198.00	36,703.05	53,494.95	39,533.55
2185 -- Mission Canyon Swr Svc Chg	535,514.98	570,146.37	34,631.39	550,641.98	528,098.47	22,543.51	57,174.90
2220 -- CSA 31	65,063.47	58,144.49	-6,918.98	66,576.47	59,657.42	6,919.05	0.07
2230 -- CSA 32	26,700,053.00	26,700,053.00	0.00	26,700,053.00	26,700,053.00	0.00	0.00
2242 -- CSA 41	25,716.02	25,429.68	-286.34	31,937.02	27,362.02	4,575.00	4,288.66
2270 -- Orcutt CFD	118,733.69	160,518.19	41,784.50	171,682.69	153,416.03	18,266.66	60,051.16
2271 -- Providence Landing CFD	190,053.99	114,129.83	-75,924.16	267,174.99	91,727.74	175,447.25	99,523.09
2280 -- Fire Protection Dist	33,838,085.54	29,607,314.98	-4,230,770.56	35,563,814.54	34,834,139.86	729,674.68	-3,501,095.88
2400 -- Flood Ctr/Wlfr Cons Dst Mt	6,400,053.54	6,760,247.25	360,193.71	7,182,664.54	6,760,929.10	421,735.44	781,929.15
2420 -- SBFC Orcutt Area Drainage	153,938.68	96,533.11	-57,405.57	166,020.68	99,195.68	66,825.00	9,419.43
2430 -- Bradley Flood Zone Number 3	42,306.72	40,233.51	-2,073.21	44,473.72	24,646.40	19,827.32	17,754.11
2460 -- Guadalupe Flood Zone Number 3	96,715.77	93,859.05	-2,856.72	137,036.77	83,000.83	54,035.94	51,179.22



County of Santa Barbara, FIN

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# Financial Summary

As of: 6/30/2009 (100% Elapsed)  
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Selection Criteria: FundType = 01-06

Layout Options: Summarized By = FundType, Fund; Columns = SrcUseYEP

Fund	Sources Fiscal Year Adjusted Budget	Sources Projected Actual	Sources Projected Variance	Uses Fiscal Year Adjusted Budget	Uses Projected Actual	Uses Projected Variance	Net Financial Projected Variance
2470 -- Lompoc City Flood Zone 2	908,793.10	594,309.31	-314,483.79	965,972.10	188,240.46	777,731.64	463,247.85
2480 -- Lompoc Valley Flood Zone 2	305,005.96	322,678.85	17,672.89	438,421.96	364,738.75	73,683.21	91,356.10
2500 -- Los Alamos Flood Zone Number 1	137,226.72	131,520.43	-5,706.29	139,677.72	103,361.55	36,316.17	30,609.88
2510 -- Orcutt Flood Zone Number 3	442,793.13	432,251.01	-10,542.12	568,228.13	425,224.81	143,003.32	132,461.20
2560 -- SM Flood Zone 3	1,373,811.13	1,301,155.92	-72,655.21	1,705,636.13	1,456,692.52	248,943.61	176,288.40
2570 -- SM River Levee Maint Zone	449,317.55	453,884.76	4,547.21	456,176.55	383,041.37	73,135.18	77,682.39
2590 -- Santa Ynez Flood Zone Number 1	388,773.33	400,258.05	11,484.72	473,149.33	410,509.96	62,639.37	74,124.09
2610 -- So Coast Flood Zone 2	13,848,934.73	13,106,346.27	-742,588.46	15,927,197.73	14,016,050.73	1,911,147.00	1,168,558.54
2670 -- North County Lighting Dist	779,954.64	599,033.63	-180,921.01	814,966.64	632,819.08	182,147.56	1,226.55
2700 -- Mission Lighting District	8,082.32	7,160.44	-921.88	8,360.32	7,306.41	1,053.91	132.03
3000 -- Sandidland Seawall Maint Dist	242,045.56	159,966.81	-82,078.75	325,535.56	242,845.19	82,690.37	611.62
3050 -- Water Agency	10,547,943.44	9,647,384.69	-900,558.75	11,172,482.44	10,250,946.41	921,536.03	20,977.28
3060 -- Water Agency Special	785,817.42	659,009.16	-126,808.26	994,202.42	841,660.97	152,541.45	25,733.19
3100 -- SB RDA - Isla Vista Proj	6,525,293.66	3,139,117.12	-3,386,176.54	8,050,358.66	4,664,182.15	3,386,176.51	-0.03
3102 -- SB RDA Housing-Isla Vista Proj	4,089,255.12	4,256,555.18	167,300.06	6,355,837.12	5,904,192.02	451,645.10	618,945.16
Total Special Revenue	540,109,130.59	500,322,875.06	-39,786,255.53	545,986,795.59	511,383,715.95	34,603,079.64	-5,183,175.89
Fund Type 03 -- Debt Service							
0036 -- Municipal Finance Debt Svc	9,593,258.16	9,346,319.51	-246,938.65	9,838,476.16	9,562,844.18	275,631.98	28,693.33
3104 -- SB RDA - 2008 Loan	780,849.70	714,524.75	-66,324.95	781,559.70	715,234.80	66,324.90	-0.05
3108 -- SB RDA - Debt Svc	451,041.94	443,465.35	-7,576.59	467,972.94	457,808.80	10,164.14	2,587.55
Total Debt Service	10,825,149.80	10,504,309.61	-320,840.19	11,088,008.80	10,735,887.78	352,121.02	31,280.83
Fund Type 04 -- Capital Projects							
0030 -- Capital Outlay	22,623,139.10	13,595,873.00	-9,027,266.10	24,142,838.10	13,885,125.58	10,257,712.52	1,230,446.42
0034 -- 2005 COP Capital Projects	4,535,956.44	3,130,027.66	-1,405,928.78	4,535,958.44	3,130,029.66	1,405,928.78	0.00



County of Santa Barbara, FIN

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# Financial Summary

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Selection Criteria: FundType = 01-06

Layout Options: Summarized By = FundType, Fund; Columns = SrcUseYEP

Fund	Sources Fiscal Year Adjusted Budget	Sources Projected Actual	Sources Projected Variance	Uses Fiscal Year Adjusted Budget	Uses Projected Actual	Uses Projected Variance	Net Financial Projected Variance
3107 -- SB RDA - Capital Project	7,574,897.92	7,417,256.54	-157,641.38	17,849,971.92	17,692,330.33	157,641.59	0.21
Total Capital Projects	34,733,993.46	24,143,157.20	-10,590,836.26	46,528,768.46	34,707,485.57	11,821,282.89	1,230,446.63
<b>Fund Type 05 -- Enterprise</b>							
1930 -- Resource Recovery & Waste Mgt	34,762,531.00	25,471,979.63	-9,290,551.37	34,762,531.00	32,871,767.52	1,890,763.48	-7,399,787.89
1935 -- County Transit	2,306,727.00	1,262,613.12	-1,044,113.88	2,306,727.00	1,885,751.01	420,975.99	-623,137.89
2870 -- Laguna Co Sanitation-General	9,792,270.00	8,054,423.14	-1,737,846.86	9,792,270.00	8,286,144.51	1,506,125.49	-231,721.37
Total Enterprise	46,861,528.00	34,789,015.89	-12,072,512.11	46,861,528.00	43,043,663.04	3,817,864.96	-8,254,647.15
<b>Fund Type 06 -- Internal Service</b>							
1900 -- Vehicle Operations/Maintenance	12,338,592.00	10,164,446.01	-2,174,145.99	12,229,540.00	10,635,988.66	1,593,551.34	-580,594.65
1910 -- Medical Malpractice Self Ins	466,100.00	437,885.45	-28,214.55	751,704.00	671,547.32	80,156.68	51,942.13
1911 -- Workers' Comp Self Insurance	17,258,940.00	18,019,319.03	760,379.03	14,508,132.00	14,203,713.01	304,418.99	1,064,798.02
1912 -- County Liability-Self Insurance	8,221,663.00	8,807,547.28	585,884.28	7,323,248.00	6,028,295.75	1,294,952.25	1,880,836.53
1913 -- County Unemp Ins-Self Ins	587,676.00	304,798.44	-282,877.56	587,676.00	364,632.51	223,043.49	-59,834.07
1914 -- Dental Self-Insurance Fund	2,884,500.00	2,933,265.54	48,765.54	2,884,500.00	2,673,524.04	210,975.96	259,741.50
1915 -- Information Technology Svcs	6,952,279.00	6,539,176.80	-413,102.20	7,519,586.00	7,020,173.98	499,412.02	86,309.82
1919 -- Communications Services-ISF	4,582,226.00	4,438,320.60	-143,905.40	4,576,920.00	4,338,779.89	238,140.11	94,234.71
1920 -- Utilities ISF	5,990,677.00	5,665,038.83	-325,638.17	5,990,677.00	5,664,998.38	325,678.62	40.45
1921 -- Reprographics & Digital Svcs	1,809,989.00	1,849,253.59	39,264.59	1,901,900.00	1,765,876.74	136,023.26	175,287.85
Total Internal Service	61,092,642.00	59,159,051.57	-1,933,590.43	58,273,883.00	53,367,530.28	4,906,352.72	2,972,762.29
Total Report	1,138,183,862.35	1,049,472,463.63	-88,711,398.72	1,158,565,141.35	1,076,953,949.10	81,611,192.25	-7,100,206.47