

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:

Prepared on: July 12, 2004
Department: Auditor-Controller
Budget Unit: 061
Agenda Date: July 27, 2004
Placement: Departmental
Estimate Time: 30 minutes
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: **Robert W. Geis, CPA** **Michael F. Brown**
Auditor-Controller **County Administrator**

STAFF **Theo Fallati x2126**
CONTACT: **Ken Masuda x3411**

SUBJECT: **FY 2003-04 Year End Transfers and Financial Status Report**

Recommendation(s):

That the Board of Supervisors:

1. Approve transfers and revisions of appropriations necessary to close the County's accounting records for all the County funds for the fiscal year ended June 30, 2004.
2. Accept and file per the provisions of Government Code Section 29126.2, the Fiscal Year 2003-04 Financial Status Report as of June 30, 2004, showing the status of appropriations and financing for all budgets adopted by the Board of Supervisors.

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with actions required by law or by routine business necessity.

Executive Summary and Discussion:

Conclusion:

Last year at this time the county's revenue growth had stalled and strong property tax revenue was offset by decreases in state and federal government funding. We were expecting a continued slowdown in local economic growth and projecting expenditures to outpace revenues. Reductions due to the California State budget were inevitable. We experienced a \$1 million dollar loss in Motor Vehicle In Lieu (MVIL) revenues as we closed the books last year and were anticipating an additional loss of \$7 million in FY 03-04.

In hindsight, the economy actually turned upward in the first quarter of the last fiscal year surprising local economists. Local discretionary revenues that include property transfer tax, sales tax, Prop 172 sales tax and

transient occupancy tax all showed positive increases over the prior year (FY 02-03). Vehicle license fee allocations to the County General fund and county realignment programs have been complicated throughout the year. The County lost an additional amount of approximately \$7.4 million in MVIL revenue as a State take-away. The County kept the budget in balance by making an equal amount of cuts and budget adjustments during FY 03-04.

The overall results of operations for the County leave the organization in good financial position at year-end. As of June 30, 2004 unreserved general fund balances for the County are adequate at \$38,315,000 or 15% of expenditures. This represented a \$2,459,000 decrease over the prior year. For FY 03-04 expenditures outpaced revenues in most of our major funds resulting in draws on fund balances. This occurred in the General, Public Health, Mental Health, Fire District, Social Services and Capital Project funds. However, the resulting declines in fund equity were not dramatic. The Road fund broke even for the year but required a change in the timing of funding for major overlay projects by deferring till the next year. The Flood Control District and its zones of benefit showed positive growth.

For FY 04-05 the county has adopted a balanced budget without significantly decreasing overall reserves and assuming the use of \$3,632,977 in general fund unreserved, undesignated fund balance, a key figure to finance the new budget. The actual undesignated balance was \$9,953,000, an increase of \$6,320,000 over the amount necessary to balance the FY 04-05 adopted budget. In the final budget resolution, the Board directed any excess General fund balance to be distributed as follows: first, \$1,071,000 to budget expansions, second, \$500,000 to the strategic reserve designation and the balance of \$4,749,000 to the contingency designation.

Operating reserve designations and the strategic reserve designations are part of the financial resources that are available to address unanticipated revenue shortfalls or unforeseen expenditures. These designations provide a primary defense against deficit spending and help maintain liquidity when a budgeted drawdown becomes inevitable.

This year the County experienced an increase in our rate of revenue growth. On the expenditure side, we have fulfilled our commitments to long-term salary contracts. Total salaries and benefits increased 6.6% for the year while the full-time average employment (FTE) count dropped for the second year by 65 FTE to 4209 employees. For FY 03-04 general fund revenue growth increased 3% while expenditures grew by 5% over the prior year. The two-year trend of expenditure increases that exceed revenue growth may reverse this next year since the County has not budgeted for salary and benefit COLA's for FY 04-05. This coupled with the recovery in the economy and strong property tax growth will help the County absorb the new budget cuts proposed by the State.

On July 9, 2003, the State Controller notified counties that effective June 19, 2003 he had stopped distributing the part of the MVIL fee apportionment that the state had back filled at 67.5%. Based on the State Controller's new distribution schedule for the month of June 2003, we were only able to accrue \$1.4 million of our expected \$2.4 million MVIL distribution. Therefore we absorbed the first \$1 million of this reduction in FY 02-03. Additional losses of backfill funds were estimated at approximately \$7.6 million until the restoration of the full fee schedule by the Davis administration in October. Governor Schwarzenegger then cut the MVIL and the backfill was reinstated. The estimated \$8.6 million loss is now referred to as a "gap loan" to be repaid in FY 06-07 to the county. The County reduced its budget estimates during the year for MVIL from \$27.4 million to \$19.7 million. We did not take into account possible growth in the MVIL base because of the overall uncertainty of the MVIL allocation. The actual collections are \$21.5 million that provided a boost of \$1.8 million to our General fund balance at year-end.

We again face reductions proposed by the State. The County Administrator is preparing to come to the Board August 3, 2004 to deal with the impacts of the State budget. The recovery in the economy, stronger than anticipated fund balance and the strong property tax growth should help us manage the State budget impacts. County-wide property taxes will increase 8.61% in FY 04-05, up from 6.9% in FY 03-04.

“Overall the US economy appears to be in a sustainable recovery and California may currently be more robust than commonly thought” (UCSB economic forecast). Also, let us not forget our strong credit ratings, our County’s adequate reserves, timely budgets and financial reports, and a growing, moderately diverse local Santa Barbara economy. It would appear that we still have a lot of financial pressure caused by the State budget but we should be able to manage through the turmoil by controlling expenses and keeping them in line with anticipated revenues.

Discussion:

This report is intended to provide the Board with a brief overview of the FY 03-04 results of operations. The County performance based budget is a *management tool* tied to departments, cost centers, strategic objectives and performance measurement. Traditional governmental accounting is primarily a *financial tool* and includes funds, object level reporting, line item reporting, assets, liabilities and the production of traditional financial statements. To properly assess the County’s on-going financial integrity, it is important to analyze the actual results of financial operations (income statement), the financial position of the County (balance sheet) including the cash position, receivables, payables and fund equity.

An important link to *next year’s budget* is the dollar amount of *fund equity* we have available at year-end to finance the next budget. In analyzing the *completed budget year*, we need to ask if our *revenue estimates* performed to expectations and if we completed the year within our *legal expenditure appropriations*. In addressing these considerations, it should be noted that this report focuses primarily on the County General Fund and the other major funds of the County - Social Services, Health, Mental Health, Road, Solid Waste, Capital, Fire and one internal service fund – Workers Compensation.

Another intent of this report is to help describe how we directed the process of closing the books and arriving at actual year-end fund balance. In preparing the budget approved by your Board, we use our best estimates for year-end fund balance, based upon on-going revisions of individual departmental estimates updated throughout the year. Although fund balance should be predictable to a rather high degree, the complexities of our business are many and the closing process becomes a coordinated and important endeavor.

Attached is a listing of 70 budget revisions and transfers for your approval. These 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.

Two funds ended the year with negative retained earnings. The Workers Compensation fund and General Liability fund are in deficit positions. Workers Compensation, which has a large deficit, is discussed later in this report.

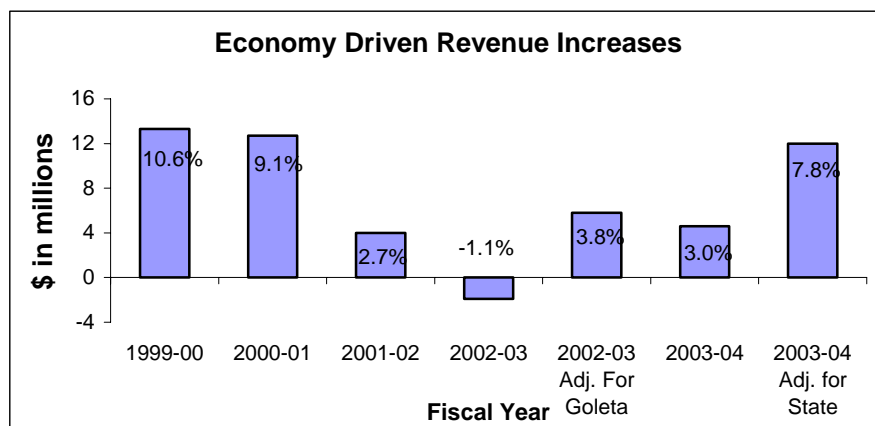
As the economy reversed course... County revenue growth increased again

Displayed below are significant economy driven revenue accounts, which provide the County with most of its discretionary revenue. The larger improvements for the General Fund continue to be in our property tax accounts. A number of other economy driven general revenue accounts increased after they declined in the prior year. In FY 02-03 the composite rate of growth adjusted for the City of Goleta transfer in the prior year would have been an increase of about 3.8%, compared to the presented increase of -1.1%. In FY 03-04 the composite growth rate adjusted for the State take-away of MVIL would have been an increase of about 7.8%, compared to the presented increase of 3.0%. Growth in the property tax, the County's largest revenue source, remains strong. The Assessor has submitted the FY 04-05 local property tax roll with an 8.8% increase for the next cycle. The State utility roll increased slightly by .2% making the composite property tax rate increase 8.6% countywide. This is the seventh consecutive year of growth for this tax source in the 6% to 8% range.

Other leading indicators for property taxes, like the property transfer tax, increased this year and supplemental property tax remained about even but will rise next year, reflecting the rapidly increasing real property values within Santa Barbara County. Prop 172 retail sales taxes improved for the second year after a significant decline in FY 01-02. The local 1% retail sales tax base increased after we absorbed the tax base shift to Goleta in FY 02-03. Road Fund Measure D revenue is flat after reallocation to Goleta in FY 02-03. The transient occupancy tax base rebounded after a decline due to the transfer to Goleta. The next year should produce good results from our local tax base as the Santa Barbara economy grows.

Displayed are some of the changes in economy related revenue accounts for the past two years:

	<u>FISCAL YEAR 2002-03</u>		<u>FISCAL YEAR 2003-04</u>	
	ANNUAL	%	ANNUAL	%
	<u>INCREASE</u>	<u>INCREASE</u>	<u>INCREASE</u>	<u>INCREASE</u>
Secured general fund property taxes	\$ 3.6 million	5.5%	\$ 5.9 million	8.6%
Prop 172 local public safety sales tax	\$ 1.1 million	4.7%	\$ 2.4 million	9.8%
Motor vehicle-in-lieu tax	\$ 0.9 million	3.2%	\$ -5.4 million	-20.0%
Retail sales	\$ -2.4 million	-21.4%	\$ 0.2 million	2.4%
Supplemental property taxes	\$.3 million	8.6%	\$ -0.2 million	-5.6%
Road Fund Measure D sales tax	\$ -2.7 million	-30.4%	\$ -0.1 million	-1.1%
Transient occupancy	\$ -1.5 million	-24.7%	\$ 1.0 million	23.2%
Property transfer tax	\$ -0.8 million	- 23.3%	\$ 1.8 million	69.0%
Interest earnings	\$ -1.0 million	-22.8%	\$ -0.9 million	-25.7%
Unsecured general fund property tax	\$ 0.6 million	19.0%	\$ -0.2 million	-3.8%
Composite Total	\$ -1.9 million	-1.1%	\$ 4.6 million	3.0%

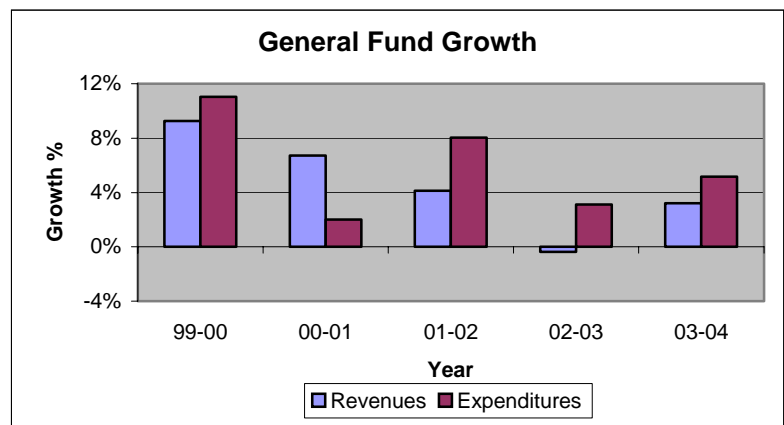


GENERAL FUND SUMMARY:

The following FIN report shows the results of operations for the general fund of the County. The bottom line can be seen at net financial impact. Our budget plan was to use \$12,050,000 of undesignated fund balance. However we were able to realize additional revenues and experience expenditure savings that resulted in a decrease to undesignated fund balance of only \$2,097,000. Therefore we ended the year with a positive undesignated fund balance of \$9,653,000. The cause of such positive change from the budget plan is attributable to a variety of factors. The most significant of which was in the area of tax estimates. Property taxes, supplemental property taxes, property transfer taxes and transient occupancy taxes exceeded budget estimates by \$4.3 million. As discussed earlier MVIL revenue exceeded budget estimates by \$1.8 million. Salary savings would be the third most important factor.

Financial Status Summary (Annual) - By Fund				As Of: 06/30/2004 Accounting Period: CLOSED		
Fund: 0001 General						
<i>Percentage of year elapsed: 100%</i>						
	Annual			Year To Date		
	Adopted Budget	Net Budget Changes	Adjusted Budget	Actual	Variance	Pct of Budget
Revenues						
Taxes	99,138,888.00	-111,748.00	99,027,140.00	103,498,197.19	4,471,057.19	105%
Licenses, Permits and Franchises	13,283,511.00	20,630.00	13,304,141.00	13,778,253.85	474,112.85	104%
Fines, Forfeitures, and Penalties	3,807,684.00	292,682.31	4,100,366.31	4,769,573.66	669,207.35	116%
Use of Money and Property	3,671,426.00	-736,780.95	2,934,645.05	2,389,112.91	-545,532.14	81%
Intergovernmental Revenue-State	64,753,206.00	-6,108,779.00	58,644,427.00	59,378,819.01	734,392.01	101%
Intergovernmental Revenue-Federal	9,798,426.00	1,227,839.00	11,026,265.00	10,121,439.45	-904,825.55	92%
Intergovernmental Revenue-Other	291,517.00	0.00	291,517.00	272,190.19	-19,326.81	93%
Charges for Services	62,999,133.00	1,087,928.00	64,087,061.00	62,543,478.25	-1,543,582.75	98%
Miscellaneous Revenue	1,537,085.00	977,104.00	2,514,189.00	2,580,928.16	66,739.16	103%
Total Revenues	259,280,876.00	-3,351,124.64	255,929,751.36	259,331,992.67	3,402,241.31	101%
Expenditures						
Salaries and Employee Benefits	196,874,709.30	569,527.00	197,444,236.30	195,394,013.70	2,050,222.60	99%
Services and Supplies	43,702,516.00	898,663.00	44,401,179.00	40,958,512.49	3,442,666.51	92%
Other Charges	15,582,447.00	470,383.00	16,052,830.00	15,458,345.14	594,484.86	96%
Fixed Assets	2,635,566.00	510,506.00	3,146,072.00	1,281,930.92	1,864,141.08	41%
Total Expenditures	258,795,238.30	2,249,079.00	261,044,317.30	253,092,802.25	7,951,515.05	97%
Other Financing Sources & Uses						
Other Financing Sources	42,966,196.00	2,328,695.00	45,294,891.00	43,690,177.90	-1,604,713.10	96%
Other Financing Uses	49,994,764.00	2,650,119.00	52,644,883.00	52,040,105.03	604,777.97	99%
Net Other Financing Sources & Uses	-7,028,568.00	-321,424.00	-7,349,992.00	-8,349,927.13	-999,935.13	n/a
Intrafund Transfers						
Intrafund Expenditure Transfers (-)	2,172,128.00	122,001.00	2,294,129.00	2,045,181.20	-248,947.80	89%
Intrafund Expenditure Transfers (+)	2,172,129.00	122,001.00	2,294,130.00	2,045,181.20	248,948.80	89%
Net Intrafund Transfers	-1.00	0.00	-1.00	0.00	1.00	n/a
Changes to Reserves & Designations						
Decreases to Reserves/Designations	10,709,708.00	6,376,175.91	17,085,883.91	15,578,898.42	-1,506,985.49	91%
Increases to Reserves/Designations	16,216,378.00	454,548.27	16,670,926.27	15,564,897.24	1,106,029.03	93%
Net Changes to Reserves & Designations	-5,506,670.00	5,921,627.64	414,957.64	14,001.18	-400,956.46	n/a
Net Financial Impact	-12,049,601.30	0.00	-12,049,601.30	-2,096,735.53	9,952,865.77	

A significant trend in the general fund is that revenue growth rebounded with a 3% increase even with the State MVIL take-away, while expenditures grew 5%. We believe this trend may reverse next budget cycle. Revenues will grow with the economy and outpace the state budget cuts. Expenditures will increase at a smaller rate due to the budget not having any COLA's for negotiated salary agreements. Costs related to salaries such as retirement are expected to rise significantly, while health insurance and workers compensation will need to be watched carefully this next year.



ANNUAL STATUS REPORT GENERAL FUND:

The following Projected Annual Status Report matrixes the same General Fund information from a departmental budget perspective. The report shows the performance of each department’s actual financing sources and uses compared to the annual budget. Even though the report title indicates that the report is projected, the results are final for the year. The positive variances that contribute to the \$9.9 million fund balance carryover, start with savings in a significant number of departments. Again the biggest factor is in general revenues that were \$6.2 million more than estimates primarily due to the property tax accounts and MVIL. The variance in general county programs is caused by interest expense savings, a decrease in the amounts required for property tax impounds and the release of contingency at year-end.

Projected Annual Status Report							As Of: 06/30/2004
0001 General Fund Type: General							Accounting Period: CLOSED
Department	Financing Sources			Financing Uses			Variance: Favorable/ (-)Unfavorable
	Projected Actual	Annual Adj Budget	Projected Variance	Projected Actual	Annual Adj Budget	Projected Variance	
011 Board of Supervisors	20,840.00	25,213.00	-4,373.00	2,018,977.58	2,023,532.68	4,555.10	182.10
012 County Administrator	1,194,348.50	1,189,832.00	4,516.50	2,860,891.00	3,041,635.00	180,744.00	185,260.50
013 County Counsel	3,102,552.84	3,760,539.00	-657,986.16	5,226,183.67	5,685,418.00	459,234.33	-198,751.83
021 District Attorney	7,590,485.67	7,666,810.00	-76,324.33	14,464,404.34	14,540,765.00	76,360.66	36.33
022 Probation	22,726,369.21	23,316,134.11	-589,764.90	35,264,371.25	35,854,137.11	589,765.86	0.96
023 Public Defender	3,099,882.55	3,065,089.00	34,793.55	7,686,779.45	7,691,150.65	4,371.20	39,164.75
031 Fire	32,608,538.09	33,831,570.00	-1,223,031.91	33,997,813.14	35,313,532.00	1,315,718.86	92,686.95
032 Sheriff	51,575,073.67	51,573,595.51	1,478.16	74,746,741.16	74,799,986.10	53,244.94	54,723.10
041 Public Health	436,668.66	643,234.91	-206,566.25	2,213,076.29	2,419,678.40	206,602.11	35.86
051 Agriculture & Cooperative Ext	1,969,978.31	1,828,287.00	141,691.31	3,288,690.26	3,361,084.00	72,393.74	214,085.05
052 Parks	6,685,675.15	6,826,083.56	-140,408.41	9,594,715.09	9,776,371.56	181,656.47	41,248.06
053 Planning & Development	13,062,510.78	15,025,722.34	-1,963,211.56	16,822,667.24	19,024,065.04	2,201,397.80	238,186.24
054 Public Works	3,172,377.74	3,782,041.00	-609,663.26	3,535,959.80	4,146,763.15	610,803.35	1,140.09
055 Housing & Community Develo	823,377.56	1,299,442.00	-476,064.44	1,733,110.29	2,277,081.00	543,970.71	67,906.27
061 Auditor-Controller	2,718,057.00	2,659,320.00	58,737.00	5,649,028.14	5,976,685.00	327,656.86	386,393.86
062 Clerk-Recorder-Assessor	11,749,396.49	11,916,458.00	-167,061.51	16,789,038.28	16,964,425.72	175,387.44	8,325.93
063 General Services	7,794,529.27	7,810,826.00	-16,296.73	15,104,036.35	15,207,135.00	103,098.65	86,801.92
064 Human Resources	1,679,989.00	1,698,303.00	-18,314.00	2,762,024.52	3,089,862.00	327,837.48	309,523.48
065 Treasurer-Tax Collector-Publi	2,112,998.78	2,545,454.00	-432,455.22	4,756,878.31	5,220,243.00	463,364.69	30,909.47
990 General County Programs	4,990,768.42	4,614,047.00	376,721.42	62,154,984.83	63,919,149.63	1,764,164.80	2,140,886.22
991 General Revenues	139,486,651.30	133,232,524.84	6,254,126.46	27,433.53	27,427.53	-6.00	6,254,120.46
Fund Totals	318,601,068.99	318,310,526.27	290,542.72	320,697,804.52	330,360,127.57	9,662,323.05	9,952,865.77

In many departments, a decrease in department revenue offsets their expenditure savings. The non-public safety departments generated most of the expenditures savings that are rolled into fund balance. In the public safety departments once they hit their budget target, per Board resolution, they designate excess Proposition 172 revenue for their department and carry-over the designated balance for use in future budget cycles. The carryover was just under \$1 million.

FUND EQUITY OF THE GENERAL FUND – AVAILABLE FOR THE FY 04-05 BUDGET

As described above, the ending fund balance is an important link to the FY 04-05 budget since the Board hearings have been completed. The proposed budget and final budget adjustments included the following:

Financing Source -- Estimated for Budget Undesignated Fund Balance	\$3,633,000
Final Budget resolution- fund budget expansions	1,071,000
Final Budget Resolution – increase strategic reserve	500,000
Final Budget Resolution – residual balance to contingency	<u>4,749,000</u>
Allocation of Undesignated Fund Balance	\$9,953,000

Per the FY 04-05 final budget resolution, \$4,749,000 will be added to the \$1,100,000 contingency in the proposed budget after the allocation of the undesignated ending fund balance residual per the budget resolution. \$1,071,000 is used to fund approved budget expansions and \$500,000 will increase the contribution to the strategic designation. The adopted contingency designation would be \$5,849,000.

Balance Sheet - By Fund		As Of: 06/30/2004		
		Accounting Period: CLOSED		
0001 General				
	Beginning Balance 07/01/03	Year-To-Date		Ending Balance 06/30/04
		Debits	Credits	
Equity				
2000 - Fund Balance-Reserved	8,901,496.88	469,914.33	818,251.25	9,249,833.80
2100 - Fund Balance-Designated	28,724,323.84	22,763,940.01	22,401,801.91	28,361,985.54
2200 - Fund Balance-Unres & Undes	12,049,599.29	1,205,671,400.02	1,203,574,864.49	9,952,863.76
Total Equity	<u>49,675,419.81</u>	<u>1,228,905,254.36</u>	<u>1,226,794,517.65</u>	<u>47,564,683.10</u>

Detailed above is the \$47,564,683 total general fund balance: \$9,952,864 undesignated, \$28,361,986 designated and \$9,249,834 reserved. This is a decrease from the prior year balance of \$49,675,420.

ANNUAL STATUS REPORT ALL FUND TYPES:

Attached is a Projected Annual Status Report by Fund Type for all the operating funds under the control of the Board. This report shows each fund’s performance of actual financing sources and uses compared to the annual budget. Again, even though the report title indicates that the report is projected, the results are final for the year. Total financing uses for all County funds is \$838 million for the year compared to \$802 million last year.

The County has continued to segregate its predominately State funded programs (Social Services, Health and Mental Health) in special revenue funds in order to better isolate and track the Board discretionary revenues, expenditures and programs in the General fund. There are several operating funds of the County that then receive general fund contributions. Brief notes about the net results of the County’s major funds follow:

- **Social Services** - \$96 million in expenditures in this program area that is mainly supported by federal and state revenues but requires an \$8.4 million general fund contribution. The State is applying budget cuts to this program and locally we will be reducing services. The fund was able to end the year with a small fund balance of only \$1.2 million.
- **Health Care Services** - \$67 million in expenditures to service the health care needs of the poor. This fund has some of the most complex funding sources in the County with a general fund contribution of \$7.5 million. The fund ended the year with a \$3.9 million decrease to its fund balance, however the fund still has a healthy fund equity position with about \$17 million in fund balance.

- **Alcohol Drug & Mental Health fund** – This fund has \$54 million in expenditures with a general fund contribution of only \$1.4 million. This fund also has a complex set of funding sources in both the alcohol drug programs and mental health programs. The programs are driven by federal and state funding. This fund had no cash at year-end, requiring a year-end general fund cash loan of \$5.8 million. The fund has \$14 million in receivables and \$10 million in liabilities. If the fund continues to collect all receivables they have a fund equity position of about \$3.5 million.
- **Road** – \$30 million in expenditures to maintain our local roads with a general fund contribution of \$1.8 million. Revenues have been reduced as the State has taken away funds and monies were transferred to the new City of Goleta. The City of Goleta has not contracted to use Road Fund staff to maintain Goleta Roads as contemplated in the formation of the new City. Last year the fund drew on its fund balance by \$7 million as it finished numerous projects and this year broke even with a \$6.7 million fund balance. To achieve this management did not fund its year-end overlay program. Management is now working to realign their reduced funding sources against program requirements for the next and future budget cycles.
- **Fire** – The Fire district is funded by property taxes and reimburses the General fund for fire department expenditures. In FY 03-04 the district had \$20.9 million in expenditures. In the prior year the district benefited from the release of oil assessment impounds and shifted \$2 million to its capital designations account. This year as the County no longer impounded taxes and with growth in district property taxes, revenues increased \$2.1 million or 11%. However, fire department expenditures in the General fund are increasing faster than revenues. In FY 02-03 the District drew on its fund equity for operations by \$1.2 million and in the current year it drew on fund equity for operations by \$.5 million, The District ended the year with \$4.0 million in fund balance of which \$2 million remains designated for capital.
- **Capital Projects** – \$24 million in expenditures were incurred mostly on eight major projects that are being financed with certificates of participation. The Casa Nueva project housing three entities has been completed. Three projects are nearing completion including the District Attorney building, the Elections and Solid Waste administration building, and the Probation Juvenile Hall and Court facility. Adequate financing for each of the three remaining projects and meeting original project estimates may be a challenge for this fund. \$18 million in fund equity remains and has been committed to various projects.
- **Refuse Disposal** - Fees were adjusted and operational cost cutting put into place in FY 01-02. This fund had \$21 million in expenditures and an equal amount of revenues. Fees were again updated at the end of FY 03-04 for the coming year. Long-term planning for the future of solid waste operations is an on-going goal for the performance of this fund. This fund has \$55 million in assets.
- **Workers Compensation Self Insurance** – This fund had \$13 million in expenses and for the first time in a number of years decreased the fund's retained earnings deficit from \$15.9 to \$13.5 million. This fund is attempting to amortize this deficit over a ten-year period. The department has multiple efforts underway to try and cut the increase in cost of workers compensation. Case closure for last year and this year has significantly improved and it appears that we are now benefiting from the efforts to improve and reduce worker compensation losses.

Specific reports such as Balance Sheets and Financial Status Reports for each of the above funds along with all the other operating funds and departments are available online from the County's Financial Information System (FIN) or by contacting our office at any time.

We would like to thank our employees for the participation and cooperation in our year-end closing process. We commend the great effort made by CAO & A-C employees and all the County employees who work daily with our offices. Also watch for our Comprehensive Annual Financial Report (CAFR) and our Financial Highlight publications coming soon.

Happy New Fiscal Year!

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Projected Annual Status Report - Fund Type

As Of: 06/30/2004
Accounting Period: CLOSED

Fund Type/Fund	Financing Sources			Financing Uses			Variance: Favorable/ (-)Unfavorable
	Projected Actual	Annual Adj Budget	Projected Variance	Projected Actual	Annual Adj Budget	Projected Variance	
General							
0001 General	318,601,068.99	318,310,526.27	290,542.72	320,697,804.52	330,360,127.57	9,662,323.05	9,952,865.77
<i>Fund Type Totals</i>	318,601,068.99	318,310,526.27	290,542.72	320,697,804.52	330,360,127.57	9,662,323.05	9,952,865.77
Special Revenue							
0010 Children and Families First	6,014,742.77	6,009,443.00	5,299.77	5,654,739.23	6,022,597.00	367,857.77	373,157.54
0015 Road	32,747,236.05	40,819,873.96	-8,072,637.91	33,550,932.77	42,074,868.84	8,523,936.07	451,298.16
0040 Public and Educational Acces	204,822.19	236,498.97	-31,676.78	270,999.88	303,298.97	32,299.09	622.31
0041 Fish and Game	21,655.74	18,669.00	2,986.74	23,161.68	25,916.00	2,754.32	5,741.06
0042 Health Care	69,192,292.92	70,903,389.26	-1,711,096.34	70,176,998.45	71,888,096.20	1,711,097.75	1.41
0043 CA Health-Indigents Program	257,204.23	270,932.50	-13,728.27	257,191.97	270,933.50	13,741.53	13.26
0044 Alcohol,Drug,&Mental Hlth Sv	57,402,404.64	58,883,367.00	-1,480,962.36	57,706,641.08	59,804,769.00	2,098,127.92	617,165.56
0045 Petroleum Department	268,741.45	268,610.48	130.97	266,806.14	269,833.93	3,027.79	3,158.76
0046 Tobacco Settlement	9,201,609.65	9,527,082.38	-325,472.73	9,201,609.64	9,527,082.38	325,472.74	0.01
0047 Substance Abuse & Crime Pr	2,087,422.97	2,166,962.00	-79,539.03	2,210,014.00	2,292,014.00	82,000.00	2,460.97
0052 Special Aviation	742,068.78	958,807.33	-216,738.55	538,288.88	958,962.33	420,673.45	203,934.90
0055 Social Services	100,797,241.79	107,735,769.00	-6,938,527.21	100,882,142.35	108,702,841.90	7,820,699.55	882,172.34
0056 SB IHSS Public Authority	3,505,014.14	4,688,600.00	-1,183,585.86	3,509,058.97	4,692,645.00	1,183,586.03	0.17
0057 Child Support Services	10,486,865.60	10,997,626.00	-510,760.40	10,486,865.60	11,033,388.00	546,522.40	35,762.00
0061 Fisheries Enhancement	35,282.34	37,183.31	-1,900.97	36,980.52	68,617.31	31,636.79	29,735.82
0062 Local Fishermen Contingency	22,579.40	27,706.45	-5,127.05	7,616.44	29,198.45	21,582.01	16,454.96
0063 Coast Resource Enhanceme	1,079,094.82	2,082,274.45	-1,003,179.63	1,093,810.09	2,725,922.45	1,632,112.36	628,932.73
0065 Affordable Housing	1,442,306.53	3,675,802.07	-2,233,495.54	1,610,472.11	3,844,843.07	2,234,370.96	875.42
0066 Home Program	852,197.58	1,507,600.00	-655,402.42	1,920,653.00	2,579,628.00	658,975.00	3,572.58
0069 Court Activities	15,364,589.06	15,601,098.64	-236,509.58	15,365,170.91	15,601,680.64	236,509.73	0.15
0070 Crim Justice Facility Constrt	1,896,379.57	1,905,000.00	-8,620.43	1,944,142.31	1,952,811.00	8,668.69	48.26
0071 Courthouse Construction SB6	1,307,797.24	1,363,251.42	-55,454.18	1,382,555.33	1,438,818.42	56,263.09	808.91
0075 Inmate Welfare	1,138,188.16	1,522,698.36	-384,510.20	1,385,502.75	1,794,303.36	408,800.61	24,290.41
2120 CSA 3	1,098,173.09	1,085,183.31	12,989.78	1,032,181.25	1,102,246.31	70,065.06	83,054.84
2130 CSA 4	26,505.43	24,522.48	1,982.95	24,570.36	25,065.48	495.12	2,478.07
2140 CSA 5	75,552.63	73,756.95	1,795.68	74,933.67	76,996.95	2,063.28	3,858.96
2170 CSA 11	561,739.65	555,729.42	6,010.23	192,673.27	561,977.42	369,304.15	375,314.38
2185 Mission Canyon Swr Svc Chg	316,012.25	350,873.80	-34,861.55	321,161.25	356,046.80	34,885.55	24.00
2220 CSA 31	50,825.18	62,590.00	-11,764.82	52,365.80	67,789.00	15,423.20	3,658.38
2230 CSA 32	17,625,283.00	17,625,283.00	0.00	17,625,283.00	17,625,283.00	0.00	0.00
2242 CSA 41	41,161.73	42,350.00	-1,188.27	41,333.83	42,632.00	1,298.17	109.90

Projected Annual Status Report - Fund Type

As Of: 06/30/2004
Accounting Period: CLOSED

Fund Type/Fund	Financing Sources			Financing Uses			Variance: Favorable/ (-)Unfavorable
	Projected Actual	Annual Adj Budget	Projected Variance	Projected Actual	Annual Adj Budget	Projected Variance	
Special Revenue							
2270 Orcutt CFD	13,803.38	15,004.39	-1,201.01	13,800.39	15,004.39	1,204.00	2.99
2280 Fire Protection Dist	21,216,047.84	23,000,139.39	-1,784,091.55	21,203,377.48	23,038,016.39	1,834,638.91	50,547.36
2400 Flood Ctrl/Wtr Cons Dst Mt	4,906,035.49	5,345,194.03	-439,158.54	5,033,793.43	5,902,987.00	869,193.57	430,035.03
2420 SBFC Orcutt Area Drainage	43,688.70	566,109.73	-522,421.03	104,763.52	631,671.73	526,908.21	4,487.18
2430 Bradley Flood Zone Number	23,845.04	27,289.18	-3,444.14	21,070.83	35,651.18	14,580.35	11,136.21
2460 Guadalupe Flood Zone Numb	59,860.46	54,889.21	4,971.25	49,509.73	84,319.21	34,809.48	39,780.73
2470 Lompoc City Flood Zone 2	807,651.62	884,862.42	-77,210.80	924,273.59	1,001,725.42	77,451.83	241.03
2480 Lompoc Valley Flood Zone 2	406,929.66	242,480.02	164,449.64	143,262.37	243,335.02	100,072.65	264,522.29
2500 Los Alamos Flood Zone Num	76,974.78	79,250.90	-2,276.12	84,405.83	103,884.90	19,479.07	17,202.95
2510 Orcutt Flood Zone Number 3	252,018.53	250,222.19	1,796.34	292,963.98	300,071.19	7,107.21	8,903.55
2560 SM Flood Zone 3	971,067.21	2,947,280.84	-1,976,213.63	684,721.42	3,018,038.84	2,333,317.42	357,103.79
2570 SM River Levee Maint Zone	206,763.31	198,503.40	8,259.91	235,958.16	256,494.40	20,536.24	28,796.15
2590 Santa Ynez Flood Zone Num	258,335.70	253,829.95	4,505.75	297,345.52	302,497.95	5,152.43	9,658.18
2610 So Coast Flood Zone 2	5,450,060.24	6,152,045.09	-701,984.85	5,044,729.11	7,573,290.09	2,528,560.98	1,826,576.13
2670 North County Lighting Dist	442,637.35	430,600.00	12,037.35	439,340.75	459,838.00	20,497.25	32,534.60
2700 Mission Lighting District	4,561.50	4,577.88	-16.38	4,158.30	4,787.88	629.58	613.20
2740 Summerland Lighting District	158,097.05	158,098.00	-0.95	163,028.05	163,029.00	0.95	0.00
3000 Sandlyland Seawall Maint Dist	11,483.45	75,133.22	-63,649.77	12,063.19	79,867.22	67,804.03	4,154.26
3050 Water Agency	2,423,486.46	2,899,623.00	-476,136.54	2,037,209.51	3,032,528.65	995,319.14	519,182.60
3060 Water Agency Special	1,298,421.57	2,155,272.00	-856,850.43	1,231,981.75	2,242,642.00	1,010,660.25	153,809.82
3100 SB RDA - Isla Vista Proj	1,433,666.49	1,381,847.00	51,819.49	1,419,724.85	1,436,788.00	17,063.15	68,882.64
3102 SB RDA Housing-Isla Vista P	578,869.17	534,359.00	44,510.17	1,119,855.00	1,119,855.00	0.00	44,510.17
<i>Fund Type Totals</i>	376,907,295.58	408,685,145.38	-31,777,849.80	379,408,193.29	418,807,430.17	39,399,236.88	7,621,387.08
Debt Service							
0036 Municipal Finance Debt Svc	28,280,676.51	28,495,439.52	-214,763.01	28,450,164.00	28,690,254.52	240,090.52	25,327.51
3108 SB RDA - Debt Svc	394,665.40	403,542.14	-8,876.74	392,823.11	403,593.14	10,770.03	1,893.29
<i>Fund Type Totals</i>	28,675,341.91	28,898,981.66	-223,639.75	28,842,987.11	29,093,847.66	250,860.55	27,220.80
Capital Projects							
0030 Capital Outlay	35,764,880.15	45,717,177.59	-9,952,297.44	36,044,363.26	46,231,221.59	10,186,858.33	234,560.89
0035 Municipal Finance Capital Pro	2,479,870.24	2,472,882.21	6,988.03	2,472,881.53	2,472,882.21	0.68	6,988.71
<i>Fund Type Totals</i>	38,244,750.39	48,190,059.80	-9,945,309.41	38,517,244.79	48,704,103.80	10,186,859.01	241,549.60

Projected Annual Status Report - Fund Type

As Of: 06/30/2004
Accounting Period: CLOSED

Fund Type/Fund	Financing Sources			Financing Uses			Variance: Favorable/ (-)Unfavorable
	Projected	Annual	Projected	Annual	Projected	Variance	
	Actual	Adj Budget	Variance	Adj Budget	Variance		
Enterprise							
1930 Refuse Disposal Enterprise	22,153,409.80	23,517,623.00	-1,364,213.20	21,295,609.20	23,517,622.29	2,222,013.09	857,799.89
1935 County Transit	52,200.79	46,930.00	5,270.79	15,935.26	46,930.00	30,994.74	36,265.53
2870 Laguna Co Sanitation-Genera	4,352,887.44	5,900,436.00	-1,547,548.56	5,448,029.72	5,900,436.81	452,407.09	-1,095,141.47
<i>Fund Type Totals</i>	26,558,498.03	29,464,989.00	-2,906,490.97	26,759,574.18	29,464,989.10	2,705,414.92	-201,076.05
Internal Service							
1900 Vehicle Operations/Maintena	9,879,730.70	10,136,069.46	-256,338.76	9,249,724.31	10,136,069.46	886,345.15	630,006.39
1910 Medical Malpractice Self Ins	964,367.33	1,309,843.00	-345,475.67	987,883.10	1,309,843.00	321,959.90	-23,515.77
1911 Workers' Comp Self Insuranc	15,715,379.77	16,944,982.00	-1,229,602.23	15,174,028.70	16,944,982.00	1,770,953.30	541,351.07
1912 County Liability-Self Insuranc	4,977,133.04	5,318,789.00	-341,655.96	4,692,338.90	5,318,789.00	626,450.10	284,794.14
1913 County Unemp Ins-Self Ins	828,899.31	1,112,131.00	-283,231.69	482,709.26	1,112,131.00	629,421.74	346,190.05
1914 Dental Self-Insurance Fund	2,333,912.13	2,491,000.00	-157,087.87	2,073,561.36	2,491,000.00	417,438.64	260,350.77
1915 Information Technology Svcs	7,854,500.20	7,843,659.00	10,841.20	7,338,485.95	7,843,659.00	505,173.05	516,014.25
1919 Communications Services-IS	4,281,503.37	4,377,780.00	-96,276.63	4,124,415.29	4,377,780.00	253,364.71	157,088.08
<i>Fund Type Totals</i>	46,835,425.85	49,534,253.46	-2,698,827.61	44,123,146.87	49,534,253.46	5,411,106.59	2,712,278.98
All Funds Total	835,822,380.75	883,083,955.57	-47,261,574.82	838,348,950.76	905,964,751.76	67,615,801.00	20,354,226.18