

FY 2008-09

**Year End Financial
Status Update**

8/18/2009

Issued by the

County Executive Office and

Auditor-Controller

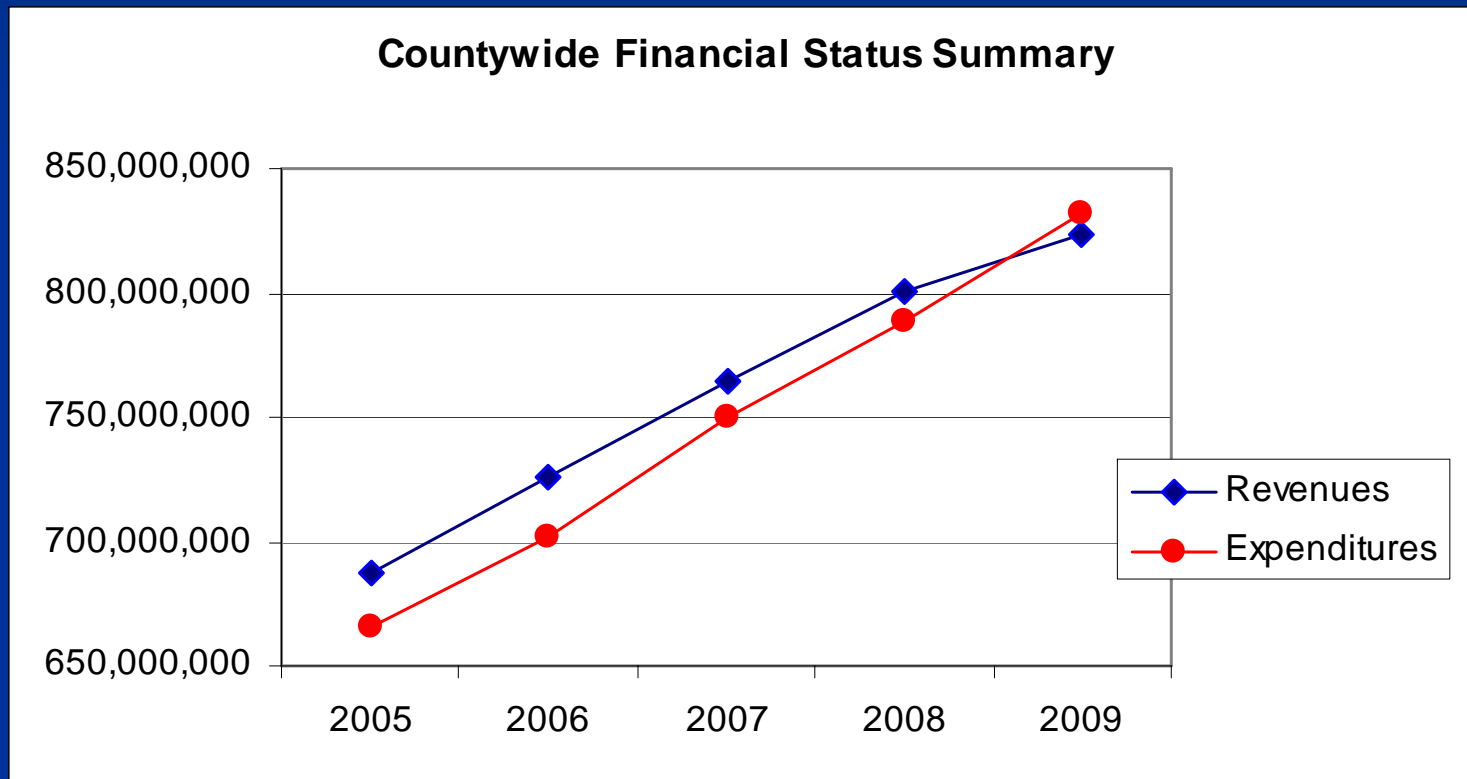
Year End Financial Status Update

- Countywide
- Governmental Funds
- General Fund
- Other Funds

Countywide Financial Status

- Declining property tax growth
 - 10.2%, 7.2%, 4.6%, projected = 1.46%
- Declined: supplemental property tax, property transfer tax, TOT, realignment sales tax, and realignment motor vehicle taxes
- Declined: Prop 172 public safety sales tax impacted the safety departments significantly (\$4 million/13.4% decline)
- County: cut costs, reduced FTEs by 129, and implemented furloughs

Countywide Financial Status



Governmental Funds

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
Revenues												
Taxes	\$ 181,997	\$ 7,439	\$ --	\$ --	\$ --	\$ 8,275	\$ --	\$ --	\$ 35,070	\$ 232,781	\$ 231,955	0.4%
Licenses, permits, and franchises	13,225	276	128	--	--	--	--	--	14	13,643	14,294	-4.6%
Fines, forfeitures, and penalties	6,826	--	1,828	--	4	--	--	--	4,560	13,218	12,333	7.2%
Use of money and property	2,715	228	774	394	(248)	1,649	506	90	2,631	8,739	12,173	-28.2%
Intergovernmental	51,587	21,366	28,273	117,535	32,554	10,017	1,320	--	23,982	286,634	271,211	5.7%
Charges for services	76,134	8,310	34,615	--	36,161	3,117	389	--	4,606	163,332	156,648	4.3%
Other	2,620	102	5,464	837	402	27	359	7	6,796	16,644	13,637	21.8%
Total revenues	335,104	37,721	71,082	118,766	68,873	23,085	2,574	97	77,659	734,961	\$ 712,251	3.2%
Expenditures												
Current:												
Policy & executive	13,971	--	--	--	--	--	--	--	--	13,971	13,290	5.1%
Law & justice	28,324	--	--	--	--	--	--	--	15,545	43,869	41,875	4.8%
Public safety	191,675	--	--	--	--	--	(222)	--	1,348	192,801	189,364	1.8%
Health & public assistance	5,609	--	76,913	126,210	69,257	--	--	--	9,121	287,110	287,957	-0.3%
Community resources & facilities	36,861	35,083	--	--	--	18,696	519	--	15,312	106,471	89,859	18.5%
General gov. & support services	49,446	--	--	--	--	--	262	--	570	50,278	48,356	4.0%
General county programs	6,881	--	--	--	--	--	--	--	15,941	22,822	18,452	23.7%
Debt service:												
Principal	--	24	--	--	--	--	--	--	6,206	6,230	6,595	-5.5%
Interest	--	2	--	--	--	--	--	--	3,322	3,324	2,642	25.8%
Capital outlay	--	--	--	--	--	--	7,965	--	--	7,965	20,055	-60.3%
Total expenditures	332,767	35,109	76,913	126,210	69,257	18,696	8,524	--	67,365	734,841	718,445	2.3%
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)	
Other Financing Sources(Uses)												
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)	(63,864)	(138,722)	(148,765)	
Debt Proceeds & Issuance Cost	--	--	--	--	--	--	--	--	--	--	16,912	
Proceeds from sale of capital assets	17	128	--	--	1	--	--	--	1	147	288	
Total other financing sources(uses)	(5,888)	1,567	5,263	8,527	7,001	13	3,354	(687)	(18,704)	446	17,758	
Net change in fund balances	(3,551)	4,179	(568)	1,083	6,617	4,402	(2,596)	(590)	(8,410)	566	11,564	
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	
Fund balances - ending	\$ 84,588	\$ 9,041	\$ 26,650	\$ 7,200	\$ (1,848)	\$ 54,723	\$ 18,377	\$ (14,294)	\$ 58,260	\$ 242,697	\$ 239,250	

Governmental Funds Financial Status

- Revenues:
 - Increased by \$22.8 million (3%)
 - Total of \$735 million
- Expenditures:
 - Increased by \$16.4 million (2.3%)
 - Total of \$735 million
- Revenues = Expenditures

Salary & Benefits Costs

- Salary costs grew by \$8 million in total
- Cost Increases
 - Retirement costs up \$ 9 million
 - Salary cost increases (i.e. COLAs)
- Salary cost reductions
 - FTE reductions (129)—*most significant in number were Social Services, Sheriff, Public Works, P & D, Probation*
 - Furloughs

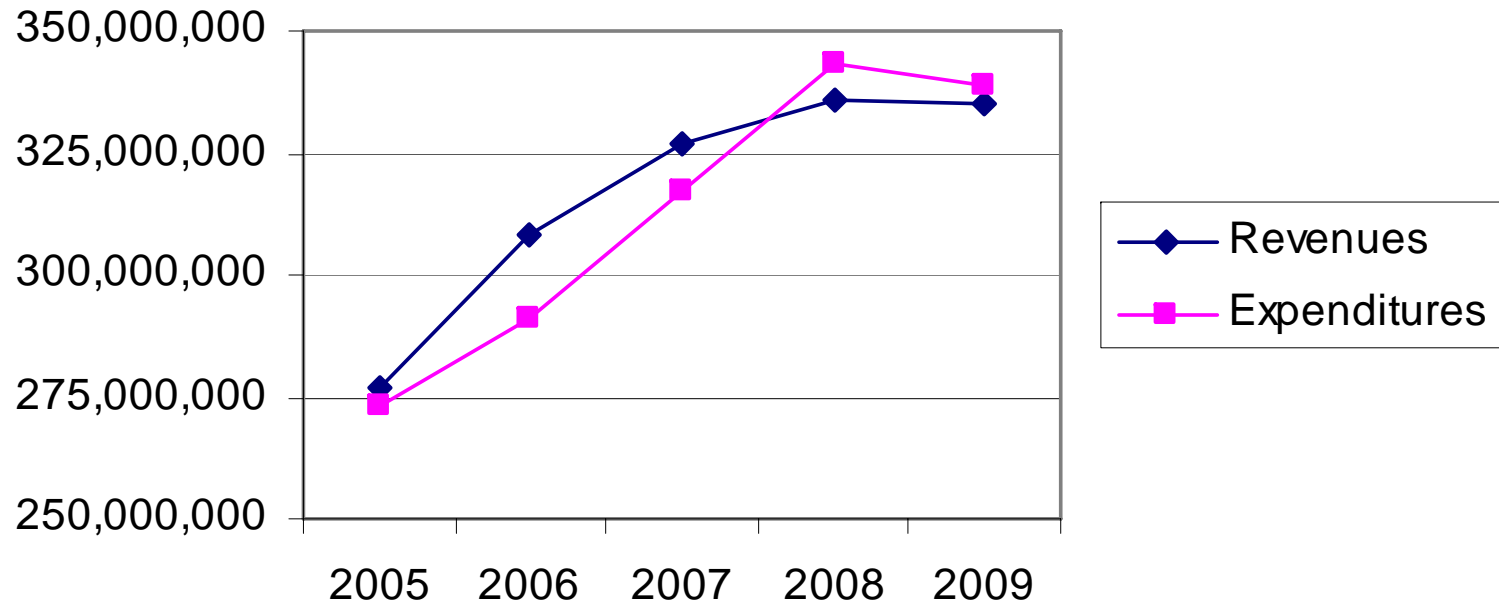
General Fund

General Fund Highlights

- Revenues mostly flat with a .2% decrease
- Expenditures decreased by 1.4%
- General Fund ended the year with \$2.1 million unreserved, undesignated fund balance (down from \$5.3 in the prior fiscal year)
- Tax and Revenue Anticipation Note (TRAN) borrowing in FY 09-10
- General Fund Strategic Reserve remained in tact at \$24 million

General Fund

Financial Status Summary General Fund



General Fund

Public Safety Departments

- Significantly impacted
 - Decline in Prop 172 sales tax revenues totaling \$4 million or 13.4% in 08-09
 - Monthly declines near 20% at end of fiscal year
 - Cost cutting measures and draws on furloughs were used to offset these declines however Probation and District Attorney finished with negative results

Other Funds

ADMHS

- Department ended with \$8.7 million negative variance due to a planned transfer from the General Fund that was not released (to cover liabilities)
- Liabilities still on Balance Sheet \$12.6 million
- \$28 million in revenue accruals=41% of 08-09 revenue
 - May include revenues collected beyond 180 day rule
 - Revenue accruals based on estimates
 - Subject to state settlement and audit process

Status of Other Funds

- Fire Protection District fund equity position and cash position decreased by \$4 million due to equipment purchases and incident revenues are down
- South Coast Flood Zone and Capital Projects Fund ended the year positive due to delays in construction projects
- Resource Recovery & Waste Management Fund appears stable with a slight change in fund balance

Status of Other Funds

- Workers Compensation Fund decreased its long standing deficit from \$1.9 million negative to a positive \$1 million
- County Liability Self Insurance Fund ended the year positive \$1.9 million mostly due to expenditure reductions of \$1.3 million

FYE Budget Transfers

- Board approval in order to officially close the books for FY 08-09
- Final budget revision requests this year total 31 compared to 53 last year
- Total budget revisions this year are 310

Conclusions

- Property tax growth is slowing
- Prop 172 sales tax revenue declining
- Retirement and retiree medical costs need to be funded and controlled
- State budget may still contain a structural deficit
- County has host of difficult projects with long-term impacts
- Focus in 09-10 should be on additional expenditure reductions