



**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: Auditor-Controller
County Executive Office
Department No.: 061 & 012
For Agenda Of: August 19, 2014
Placement: Departmental
Estimated Tme: 20 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Robert Geis, CPA, CPFO, Auditor-Controller
Directors (s) Mona Miyasato, County Executive Officer
Contact Info: Julie Hagen, CPA, CPFO, Chief Deputy Controller x2126
Tom Alvarez, CPA, Budget Director x3432
SUBJECT: Fiscal Year 2013-2014 Financial Status Report

Recommendation(s):

That the Board of Supervisors:
Receive and file, per the provisions of Government Code Section 29126.2, the June 30, 2014 Financial Status Report showing the status of appropriations and financing for all department budgets adopted by the Board of Supervisors.

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with Goal No. 3. A Strong, Professionally Managed County Organization.

Executive Summary and Discussion:

The financial results of operations for FY 13-14 reflect signs of *overall improvement tempered by some longer term financial challenges*. This Financial Status Report is intended to give the Board an overview of the financial operations in fiscal year (FY) 13-14 and provide the Board with a preliminary review of the results of operations. The Comprehensive Annual Financial Report (CAFR) is being finalized and will provide audited results of the fiscal year.

The actual report is attached as Exhibit A. We would like to highlight a few changes to the report. We are now reporting nine major revenue funds as compared to six in prior years. This year we added the Fire Protection District Fund, Affordable Housing Funds and the Capital Improvement Fund as major funds. This is the first year we transferred all the financial operations of the Fire Department into its own fund, since the Board of Supervisors approved a multi-year General Fund tax shift. While this year the Fire fund did not meet major fund reporting requirements, we believe it will attain that status next year. The Affordable Housing Program booked approximately \$40 million in long-term loans and obligations that now qualifies it for major fund status. The Capital projects funds were also added to major fund status since the County will be constructing the North County jail facilities over the next five years.

Attachments:

1. Attachment A – Financial Status Report Detail
2. Attachment B – Financial Summary – by Fund

A second change is that prior to the end of the fiscal year, we closed all unassigned fund balances in the County's special revenue funds, debt service funds and capital project funds to either restricted or committed fund balance. Therefore on our typical Exhibit B, we previously used to analyze variances and year-end results of operations in these funds, all the variances are shown as zero. Next year we will reprogram this report to show actual year end results of operations while still keeping the new close-out process.

In completing Exhibit A, to help in the readability of the report for variances greater than \$5 million, we rounded without decimals to the closest million. And, for percentages, we rounded to a whole percentage number rather than using decimals.

Mandates and Service Levels: Government Code Section 29126.2

Fiscal and Facilities Impacts: None

Special Instructions: None

Concurrence: N/A