

Year End Financial Status Report

Auditor-Controller's Office
County Administrator's Office

Board Action

- Approve budget revisions necessary to close the books at June 30, 2004
- Accept Year End Financial Status Report per Government Code.

Prior Year Projections

Projection

Outcome

- Expenditures to outpace revenues ✓
- S&B growth > revenue growth ✓
- Economy weakens ✗
- Revenue growth stalls ✗
- Could draw quickly on reserves
when expenditures exceed revenues ✓
(but not dramatic)

Revenue Growth

	FY 03-04		FY 02-03	
	<u>Ann Inc</u>	<u>% Inc</u>	<u>Ann Inc</u>	<u>% Inc</u>
Secured P-Tax	\$5.9M	8.6%	\$3.6M	5.5%
Prop 172	\$2.4M	9.8%	\$1.1M	4.7%
Motor vehicle in-lieu	-\$5.4M	-20.0%	\$0.9M	3.2%
Retail Sales	\$0.2M	2.4%	\$-2.4M	-21.4%
Supplemental P-tax	-\$0.2M	-5.6%	\$0.3M	8.6%
Measure D Sales Tax	-\$0.1M	-1.1%	-\$2.7M	-30.4%
TOT	\$1.0M	23.2%	\$-1.5M	-24.7%
Property Transfer Tax	\$1.8M	69.0%	\$-0.8M	-23.3%
Interest	-\$0.9M	-25.7%	-\$1.0M	-22.8%
Unsecured P-Tax	-\$0.2M	-3.8%	\$0.6M	19.0%
Composite Totals	\$4.6M	3.0%	\$-1.9M	-1.1%

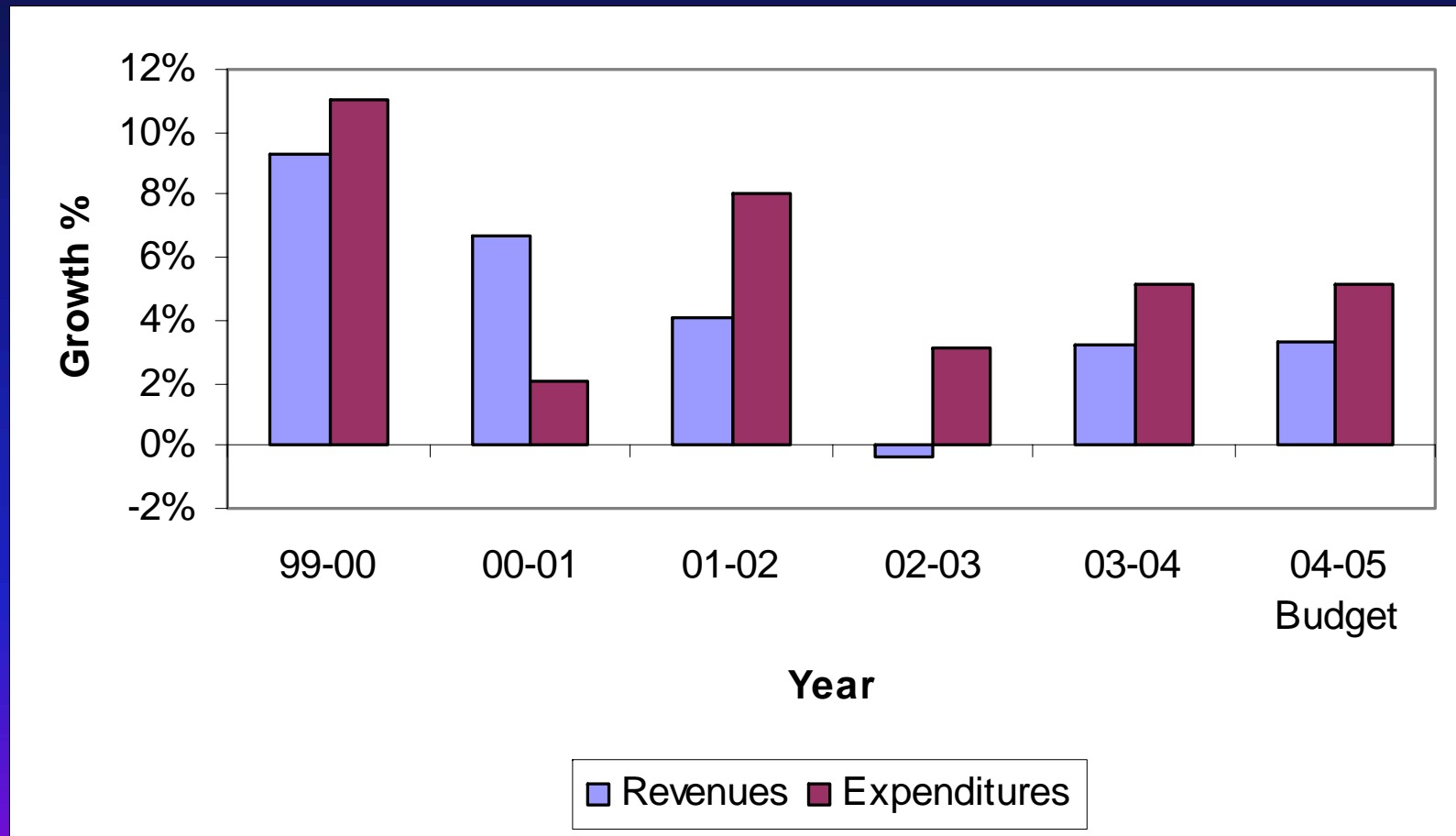
Financial Status Summary

0001 General Fund

(in thousands)

	<u>Adjusted</u>	<u>Year To Date</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>% of</u>
				<u>Bud</u>
Revenues	255,930	259,332	3,402	101%
Expenditures	-261,044	-253,093	7,952	97%
Net Other Fin Uses	-7,350	-8,350	-1,000	n/a
Net Res/Desigs	415	14	-401	n/a
Net Fin. Impact	<u>-12,050</u>	<u>-2,097</u>	<u>9,953</u>	

General Fund Growth



0001 General Fund Equity

(in thousands)

	<u>Beginning Balance 07/01/03</u>	<u>YTD Debits</u>	<u>YTD Credits</u>	<u>Ending Balance 06/30/04</u>
FB Reserved	8,901	470	818	9,250
FB Designated	28,724	22,764	22,402	28,362
FB Unres/Undesig	<u>12,050</u>	<u>1,205,671</u>	<u>1,203,575</u>	<u>9,953</u>
Total Equity	49,675	1,228,905	1,226,795	46,565

General Fund Equity Available for FY 04-05 Budget

Proposed Budget Undesignated FB	\$3,633,000
Resolution – Budget expansions	1,071,000
Resolution -- Inc Strategic Reserve	500,000
Resolution -- Balance to Contingency	<u>4,749,000</u>
Allocation of Undesignated FB	\$9,953,000

General Fund Contingency

Ending 6/30/04	\$0
Inc per Adopted Budget	1,100,000
Residual FB per resolution	<u>4,749,000</u>
Beginning FY 04-05	\$5,849,000

Balance Sheet

FIN Reports:

- **Social Services**
- **Public Health**
- **ADMHS**
- **Road**
- **Fire**
- **Capital Outlay**
- **Solid Waste**
- **Workers' Comp**

FY 03-04 Conclusions

(General Fund)

---Some News:

- **Solid year-end Fund Balance @ \$10M +**
- **GF revenue growth recovered @ 3%**
- **Absorbed \$7.4 million MVIL State take-away = 4.8% revenue loss**
- **GF expenditure growth @ 5%**
 - **Salary & benefits were up 6.6% in 03-04 and 5.7% in 02-03**

FY 04-05 Budget

(General Fund)

- **No salary COLAs (except for Fire) are budgeted for 04-05**
- **Revenue growth should cover additional State take-aways**

FY 04-05 Concerns

State areas of caution:

- Lack of a budget
- VLF swap
- Triple flip
- Delayed payments

FY 04-05 Concerns

(Other Funds)

Areas of Concern:

- **ADMHS poor cash flow and large receivables**
- **Workers' Compensation - outstanding unfunded liabilities...but improved**
- **General Liability – outstanding deficit**

FY 03-04 Conclusions

Overall

Other issues:

- **Revenue accruals reach \$59M**
- **Average annual employment decreased 47 positions to 4,274 for FY 02-03**
- **Average annual employment decreased 65 positions to 4,209 for FY 03-04**
- **Continue to have a diverse revenue base**
- **Last, County split will be debated throughout the year.**