

FY 2010-11

**Year End Financial
Status Report**

8/9/2011

Auditor-Controller and County Executive

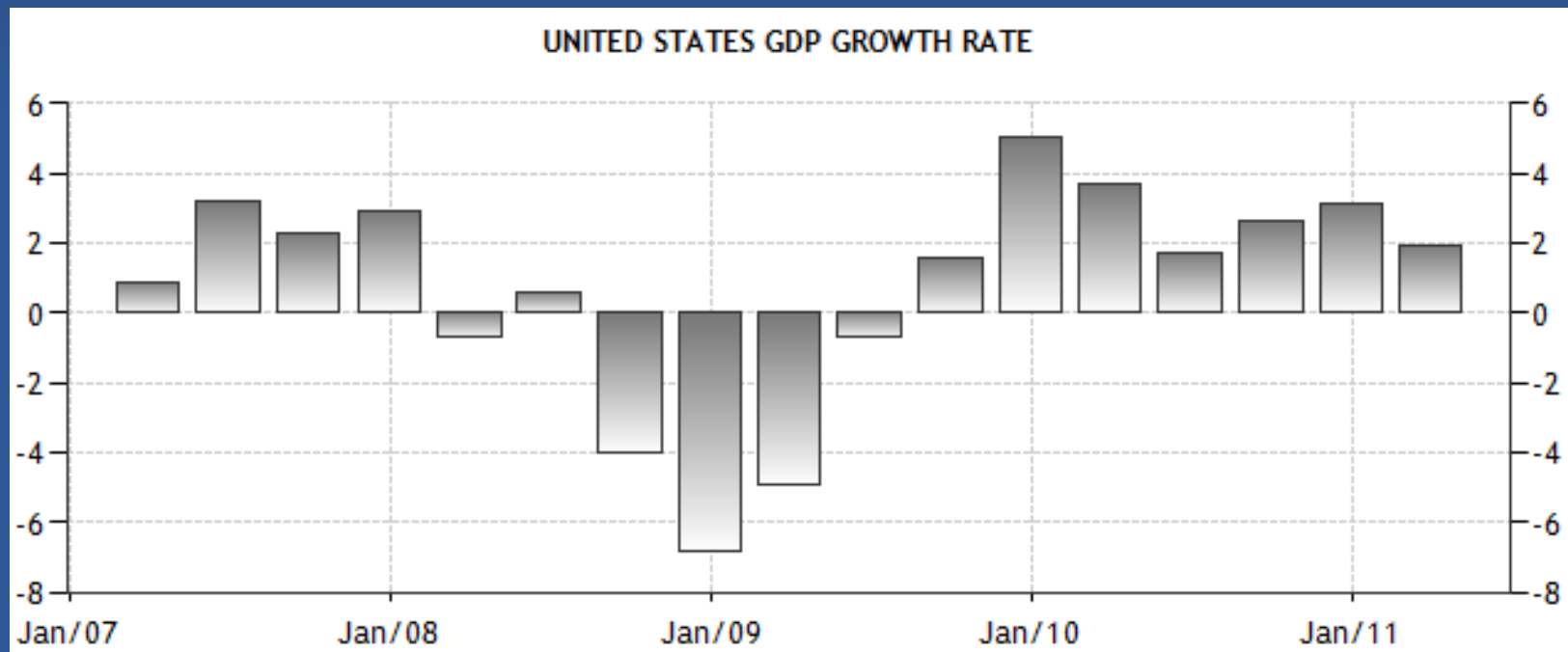
Year End Financial Status Report

- Countywide
- Governmental Funds
- General Fund
- Other Funds
- Conclusions

Economic & Financial Indicators

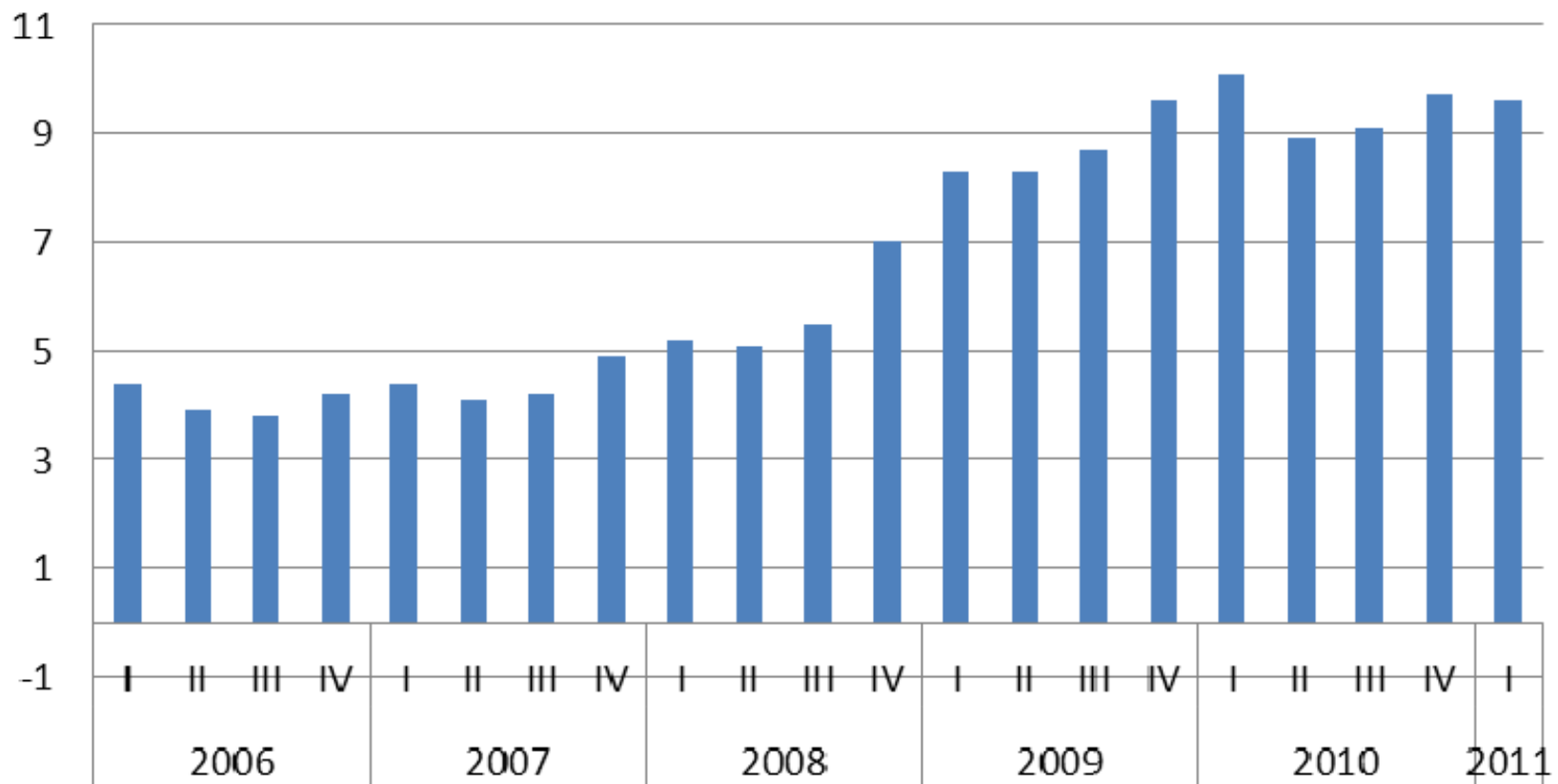
- Seven consecutive quarters of GDP Growth
- Recovery in CA and SB lagging the trend
- Unemployment remains high
- Real estate market is struggling
- Showing a slight recovery in:
 - Property Tax
 - Sales Tax
 - Transient Occupancy Tax

Qtr to Qtr GDP Growth



Unemployment Rate

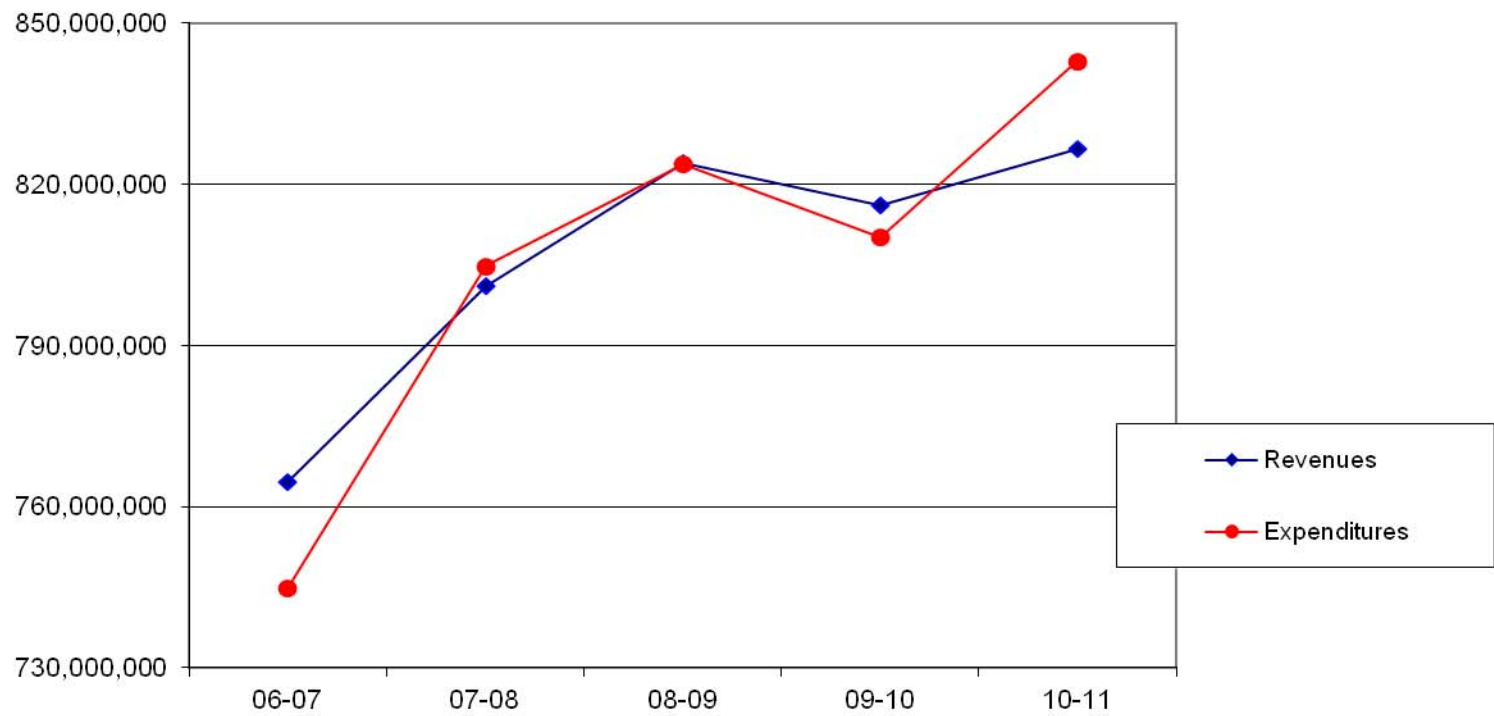
Santa Barbara County
Unemployment Rate



Countywide

Countywide Financial Status

Countywide Financial Status Summary



Countywide Financial Status

- The graph depicts Countywide revenues and expenditures
 - The resulting expenditure gap is attributed to one-time capital expenditures

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED June 30, 2011 (in thousands)

	General	Roads	Public Health	Social Services	ADMHS	Flood Control District	Capital Projects	RDA Debt Service	Other Gov Funds	Total Current Year	Prior Year	% Change
Revenues												
Taxes	\$ 183,578	\$ 5,956	\$ --	\$ --	\$ --	\$ 8,246	\$ --	\$ --	\$ 36,574	\$ 234,354	\$ 231,648	1.2%
Licenses, permits, and franchises	12,158	254	103	69	--	--	--	--	55	12,639	13,223	-4.4%
Fines, forfeitures, and penalties	7,838	--	1,054	12	4	--	--	--	4,391	13,299	13,527	-1.7%
Use of money and property	2,490	116	114	218	17	326	79	31	1,190	4,581	6,122	-25.2%
Intergovernmental	50,815	27,969	27,394	120,487	41,301	4,168	4,230	--	27,866	304,230	290,440	4.7%
Charges for services	76,143	5,050	38,338	142	35,819	3,184	402	--	5,449	164,527	162,525	1.2%
Other	3,968	295	4,135	688	439	38	2,071	--	4,428	16,062	16,873	-4.8%
Total revenues	336,990	39,640	71,138	121,616	77,580	15,962	6,782	31	79,953	749,692	734,358	2.1%
Expenditures												
Current:												
Policy & executive	15,661	--	--	--	--	--	--	--	--	15,661	13,267	18.0%
Law & justice	28,173	--	--	--	--	--	--	--	16,082	44,255	44,495	-0.5%
Public safety	196,040	--	--	--	--	--	--	--	1,561	197,601	188,820	4.7%
Health & public assistance	5,135	--	77,665	133,934	74,745	--	--	--	16,424	307,903	298,239	3.2%
Community resources & facilities	34,427	36,268	--	--	--	12,778	453	--	13,604	97,530	98,530	-1.0%
General gov & support services	46,478	--	--	--	--	--	--	--	(10)	46,468	48,273	-3.7%
General county programs	5,933	--	--	--	--	--	--	--	12,731	18,664	18,450	1.2%
Debt service:												
Principal	14	--	--	--	--	--	--	--	5,607	5,621	7,506	-25.1%
Interest	1,047	--	--	--	--	--	--	--	3,871	4,918	4,637	6.1%
Capital outlay	--	--	--	--	--	--	18,846	--	--	18,846	10,367	81.8%
Total expenditures	332,908	36,268	77,665	133,934	74,745	12,778	19,299	--	69,870	757,467	732,584	3.4%
Excess (deficiency) of revenues over (under) expenditures												
	4,082	3,372	(6,527)	(12,318)	2,835	3,184	(12,517)	31	10,083	(7,775)	1,774	
Other Financing Sources(Uses)												
Transfers in	36,068	1,951	7,479	12,102	8,940	19	3,379	152	18,496	88,586	146,179	
Transfers out	(45,586)	(107)	(2,143)	(308)	(828)	(34)	(5,076)	(739)	(36,383)	(91,204)	(146,992)	
Proceeds sale of capital assets	19	154	--	--	--	--	--	--	1	174	52	
Long-term debt & issuance costs	--	--	--	--	--	--	--	--	--	--	20,517	
Total financing sources (uses)	(9,499)	1,998	5,336	11,794	8,112	(15)	(1,697)	(587)	(17,886)	(2,444)	19,756	
Net change in fund balances	(5,417)	5,370	(1,191)	(524)	10,947	3,169	(14,214)	(556)	(7,803)	(10,219)	21,530	
Fund balances - beginning	89,155	10,357	26,544	6,216	(1,150)	59,371	30,576	(15,007)	58,377	264,439	242,909	
Fund balances - ending	\$ 83,738	\$ 15,727	\$ 25,353	\$ 5,692	\$ 9,797	\$ 62,540	\$ 16,362	\$ (15,563)	\$ 50,574	\$ 254,220	\$ 264,439	

Governmental Funds Financial Status

- Revenues:
 - Increased by 2.1 %
 - Total of \$749 million
- Expenditures:
 - Increased by 3.4%
 - Total of \$757 million
- Expenditures exceeded Revenues

Salary & Benefits Costs

- Salary and Benefits of \$450 million are 59% of total county expenditures
- Cost Increases
 - Salaries and Benefits increased by \$9.2 million
 - The main driver was the pension cost increase of \$15 million or 22% across all funds
- FTE Reductions generated cost savings to offset cost increases (wage, retirement, health care increases)
 - FTE reductions (88)—across all departments

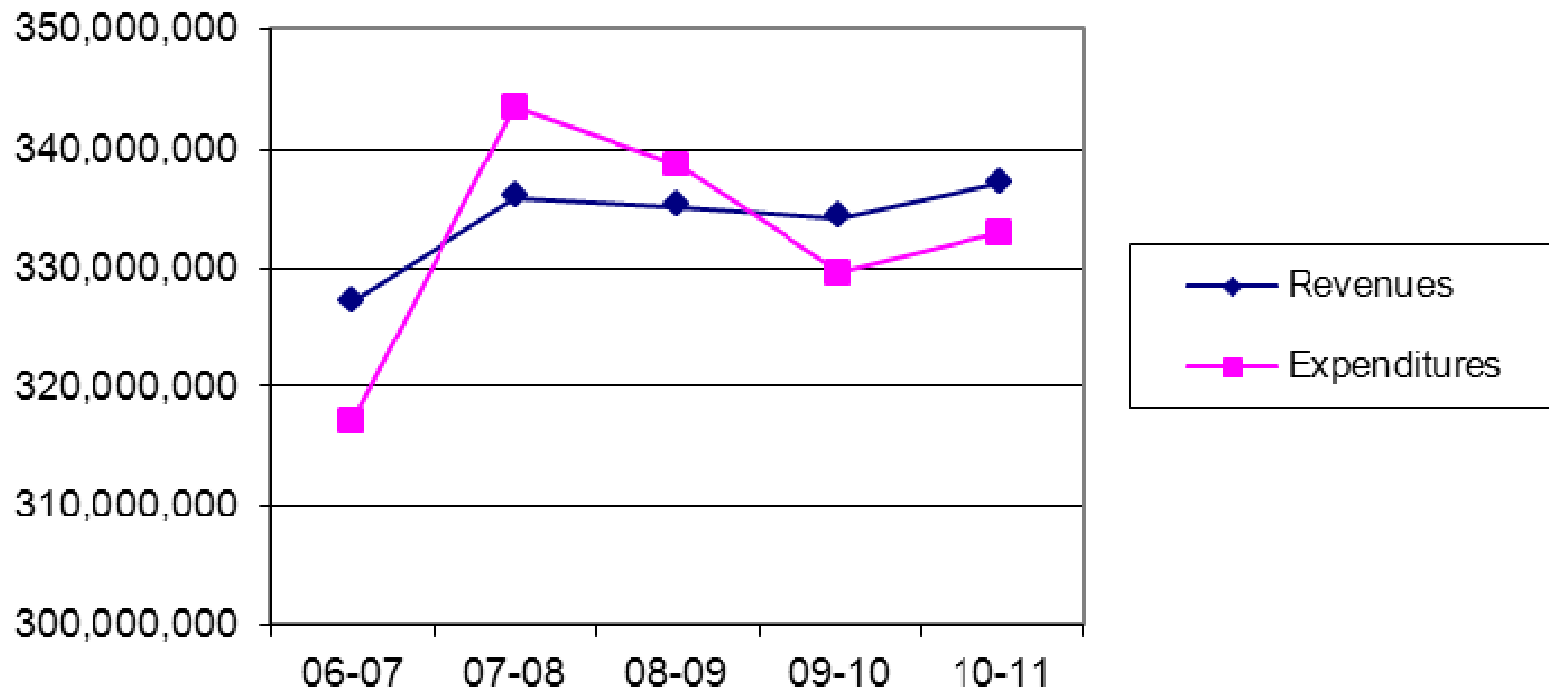
General Fund

General Fund Highlights

- Revenues mostly flat 0.9 % increase
- Expenditures increased 2%
- General Fund ended the year:
- \$4.2 million unreserved, undesignated fund balance
- Draw on designations by \$9 million for capital and ADMHS
- Resulting in net decrease to GF Fund balance of \$5.4 million
- Strategic Reserve decreased from \$21 million to \$19.4 million during FY 10-11
- Strategic Reserve will increase by \$3.2 million to \$22.6 with the addition of residual fund balance to open FY 11-12
- \$0.9 million of residual fund balance will be retained for an operating deficit in ADMHS Fund 0044
- Total GF year-end fund balance \$83.7 million

General Fund

Financial Status Summary General Fund



General Fund

Departmental Variances

- General Revenues:\$4.7 million due to revenues coming in higher than budgeted
- Human Resources:\$231 thousand positive variance due to savings in expenditures
- Fire:\$400 thousand negative variance in revenue transfer from the Fire District
- Parks:\$157 negative variance due to charge for service revenue variance
- Clerk Recorder Assessor:\$500 thousand negative SB90 State revenue for unreimbursed elections

Other Funds

Federal Stimulus Funds

Stimulus funds used to subsidize state and local funding, create local jobs, and fund capital projects (i.e. road repairs)

ARRA Funding

Actual and Budget

Fund	6/30/2010 Year-To-Date Actual	6/30/2011 Year-To-Date Actual	6/30/2012 Adopted Budget
0001 -- General	\$631,534	\$974,559	\$713,631
0016 -- Roads-Capital Maintenance	3,135,783	198,755	0
0017 -- Roads-Capital Infrastructure	1,769,693	1,041,420	0
0031 -- Capital Projects Fund - Parks	0	358,944	931,859
0042 -- Health Care	470,340	346,679	30,000
0044 -- Mental Health Services	2,707,277	2,429,460	0
0048 -- Mental Health Services Act	910,564	771,480	0
0049 -- Alcohol and Drug Programs	572,056	550,442	0
0055 -- Social Services	3,181,796	1,594,823	0
0056 -- SB IHSS Public Authority	0	157,296	0
0057 -- Child Support Services	1,014,900	232,482	0
0058 -- ARRA-WIA	1,054,159	3,107,601	0
0064 -- CDRG Federal	134,825	295,561	140,954
0065 -- Affordable Housing	81,497	459,120	372,692
1940 -- Municipal Energy Finance	0	246,619	1,349,038
Total ARRA Revenues	\$15,664,422	\$12,765,241	\$3,538,174

ADMHS

- Department Fund 0044 ended with \$9.5 million negative variance:
 - Unpaid liabilities to be paid from GF Audit Designation: \$8.6 million
 - FY 09-10 and 10-11 operating deficits of \$900 thousand
- Department MHSA Fund 0048 has an \$18.5 million positive fund balance
- Significant cost settlements, audits and audit appeals remain outstanding for the years 02-03 thru 10-11 for Mental Health and MISC Programs

Status of Other Funds

- Public Health & Social Services
 - Large Federal and State funded programs that are financially stable
- Workers' Compensation Self Insurance
 - \$8.1 million positive variance due mostly to a favorable actuarial adjustment of \$5.4 million
- County Liability and Unemployment Funds
 - \$500 thousand positive variance in both due to claim payments less than budgeted

Conclusions

- Considering the economic downturn during the last couple of years, the County was able to end the year without major reductions in reserves
- Unemployment remains high and real estate market is struggling
- Pension fund investment losses have caused significant increases in unfunded pension liabilities
- Previously negotiated wage increases and health care costs are also driving costs

Conclusions

- County eliminated 88 FTEs
- County departments cut across all areas of organization
- Federal Government has provided one-time stimulus dollars that are mostly coming to an end in FY 11-12
- FY 10-11 ended with a \$10 million draw on fund balances, mainly related to capital expenditures
- FY 11-12 continues to be balanced with draws on designated fund balances
- State budget continues to have significant effects on county budget and finances

Questions?

