

**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 20, 2005
Department: Auditor-Controller
Budget Unit: 061
Agenda Date: August 2, 2005
Placement: Departmental
Estimate Time: 15 minutes
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

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

STAFF **Theo Fallati x2102**
CONTACT: **Ken Masuda x3411**

SUBJECT: **FY 2004-05 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 a Fiscal Year 2004-05 preliminary overview of the financial activities of the County.

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:

This year we plan a two step process to close out Fiscal Year 2004-05. We are asking your Board to approve a set of budget transfers to keep the County in legal compliance. Most of these transfers are ministerial in nature. We plan to present a brief preliminary overview of the financial operations and overall financial condition of the County. 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.

We will return on August 09, 2005 with a report that focuses on budgetary performance. Also, 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*. The County

Executive Officer meets with each department to assess and review the final status of the completed FY 04-05 budget prior to the final quarterly and year-end report to discuss and analyze deviations from the budget.

Conclusion:

Total Governmental Funds

The overall results of operations for the County leave the organization in good financial position at year-end. The County experienced a healthy overall increase in revenue of \$45 million or 7.9% for all governmental funds. On the expenditure side, operating expenses increased \$29 million or 4.9% and capital expenses decreased \$12 million or 33%. Total salaries and benefits increased \$7 million or 2.1% for the year while the full-time average employment (FTE) count dropped for the third year in a row by 53 FTE to 4156 employees.

The prior two-year trend of expenditure increases that exceeded revenue growth reversed this year. The key factors of this reversal are that the County negotiated minimal salary and benefit increase with a 0% COLA for most of the labor groups in FY 04-05. This coupled with the recovery in the economy and strong property tax growth helped the County absorb budget cuts imposed by the State.

General Fund

As of June 30, 2005 unreserved general fund balances for the County remain adequate at \$42,100,000 or 16% of expenditures. This represented a \$3,700,000 increase over the prior year. The general fund revenue growth increased \$33 million or 6.7% while expenditures grew by \$28 million or 4.4% over the prior year.

For FY 05-06 the county has adopted a balanced budget without significantly decreasing overall reserves and assuming the use of \$3,278,000 in general fund unreserved, undesignated fund balance, a key figure to finance the new budget. The actual undesignated balance was \$8,564,000, an increase of \$5,286,000 over the amount necessary to balance the FY 05-06 adopted budget. In the final budget resolution, the Board directed any excess General fund balance to be distributed to the strategic reserve.

Special Revenue Funds

Each major fund had some type of financial activity of interest.

- The Road fund has over \$13 million in receivables generally related to delayed federal disaster reimbursement. The general fund had to loan \$3 million in cash at year-end to the road fund.
- The Public Health fund drew on designated reserves by \$3 million for a new Animal Shelter in Santa Maria, an upgrade to its computer infrastructure and patient billing system, and for general clinic operations due to the increasing costs of referral physician services and pharmaceuticals.
- The Social Services fund finished slightly positive and maintained their realignment reserves of \$2.8 million.
- Flood Control drew on reserves for winter storm disaster related projects by \$4.6 million.
- The Capital Outlay has multiple projects both under construction and completed; additionally we also completed a COP borrowing for new projects during the fiscal year.
- The Mental Health fund ended the year increasing fund balance by \$3.2 million but had \$16 million in outstanding accounts receivables, \$5 million in accounts payable and the general fund had to loan \$3.5 million in cash at year-end to the Fund.
- The Fire Protection District Fund increased their fund balance by \$1.7 million due to expenditure savings and positive property tax growth in the district.

Internal Service Funds

- We incurred some significant litigation liabilities associated with a number of land use cases and one Sheriff case. One case hit the retention limit of \$500 thousand (Williams) and the balance of the liability although paid by our excess insurance authority will negatively affect our loss experience and insurance rates in the future. One case (Sutti) that approached the retention limit was paid from the general liability fund. In two cases we have adverse judgments that we are appealing (Chase and Adam Bros.). Chase is covered by the general fund litigation reserve and at this time Adam Bros. is covered by the retention limit and the excess insurance authority. The Workers Compensation Fund finished with a negative fund balance of \$8.8 million but improved from the \$12 million prior year end deficit. The general liability fund also finished with a negative fund balance of \$1.1 million but also improved from the \$3 million prior year end deficit.

The County ended the year with a stronger cash position compared to the prior year. The County was able to reduce next years' tax and revenue anticipation note due to the improved cash position. Both accounts receivable and accounts payable decreased compared to the prior year. Total County fund equity increased from the prior year. All these facts are components of an improved financial position.

“Overall the US economy appears that it will continue to grow in the coming year but California’s economic growth will not approach that of the United States and Santa Barbara’s economy is performing more poorly than California’s*.” Property tax growth has fueled revenue growth at the State and local level. “We do however believe the current rate of growth is unsustainable in the long run. We expect the growth rate to slow but remain positive*”. The current State of California coffers appear to be flush – but it is unclear for how long. For the FY 05-06 budget year, the State returned borrowed VLF funds to the County and then cut grants for property tax collection programs and has not funded the November special election.

* UCSB Economic Forecast Project

The County has been able to maintain its' strong credit ratings, adequate reserves, timely budgets and financial reports, and a growing, moderately diverse economy. It would appear that we still have a lot of financial pressure caused by big projects like the desire for a North County jail, the high cost of housing that puts pressure on recruitment and retention, the State budget gap and the vote on the County split. Long term we face issues such as the termination of revenue sharing with Goleta and the expiration of Measure D transportation funding.

Discussion:

This report is intended to provide the Board with a preliminary overview of the FY 04-05 results of operations. 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.

The focus of the following governmental funds income statement is to provide information on revenues, expenditures and fund equity. When compared to the prior year statement you obtain useful information about the overall results of operations of the County and its' fiscal health from one annual period to the next. We have reported some of these trends in the conclusion section.

COUNTY OF SANTA BARBARA, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED June 30, 2005 (in thousands)

	<u>General</u>	<u>Road</u>	<u>Public Health</u>	<u>Social Services</u>	<u>Flood Control District</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>Prior Year</u>	<u>% Change</u>
Revenues										
Taxes	\$ 136,774	\$ 7,976	\$ --	\$ --	\$ 5,808	\$ --	\$ 26,189	\$ 176,747	\$ 140,594	26%
Licenses, permits, and franchises	13,034	281	391	--	--	--	6	13,712	14,407	-5%
Fines, forfeitures, and penalties	4,202	1	390	--	--	--	5,082	9,675	9,554	1%
Use of money and property	4,761	57	624	277	881	1,151	1,740	9,491	5,532	72%
Intergovernmental	51,902	26,340	30,591	93,282	4,249	2,745	43,993	253,102	260,609	-3%
Charges for services	63,851	1,011	26,377	2	2,472	70	40,493	134,276	123,739	9%
Other	2,184	167	5,419	622	1,116	1,256	4,375	15,139	13,058	16%
Total revenues	<u>276,708</u>	<u>35,833</u>	<u>63,792</u>	<u>94,183</u>	<u>14,526</u>	<u>5,222</u>	<u>121,878</u>	<u>612,142</u>	<u>567,493</u>	8%
Expenditures										
Current:										
Policy & executive	10,229	--	--	--	--	--	--	10,229	10,024	2%
Law & justice	22,360	--	--	--	--	--	15,001	37,361	36,802	2%
Public safety	147,466	--	--	--	--	10	1,462	148,938	140,458	6%
Health & public assistance	2,232	--	70,174	102,695	--	--	65,922	241,023	232,782	4%
Community resources & facilities	33,668	37,007	--	--	10,692	574	11,586	93,527	67,161	39%
General government & support services	39,970	--	--	--	--	5	--	39,975	39,828	0%
General County programs	3,465	--	--	--	--	--	6,266	9,731	13,918	-30%
Debt service:										
Principal	407	62	--	128	--	--	5,434	6,031	5,153	17%
Interest	1,713	--	--	14	--	--	2,433	4,160	4,413	-6%
Capital outlay	1,420	--	364	--	8,194	13,847	136	23,961	35,862	-33%
Total expenditures	<u>262,930</u>	<u>37,069</u>	<u>70,538</u>	<u>102,837</u>	<u>18,886</u>	<u>14,436</u>	<u>108,240</u>	<u>614,936</u>	<u>586,401</u>	5%
Excess (deficiency) of revenues over (under) expenditures	<u>13,778</u>	<u>(1,236)</u>	<u>(6,746)</u>	<u>(8,654)</u>	<u>(4,360)</u>	<u>(9,214)</u>	<u>13,638</u>	<u>(2,794)</u>	<u>(18,908)</u>	-85%
Other Financing Sources (Uses)										
Transfers in (Note 13)	44,569	1,682	8,378	9,680	--	7,288	36,967	108,564	102,682	6%
Transfers out (Note 13)	(54,626)	(884)	(3,611)	(518)	(219)	(677)	(47,653)	(108,188)	(103,185)	5%
Proceeds from sale of capital assets	15	6	--	2	13	10	--	46	69	-33%
Proceeds from long-term debt	--	--	--	--	--	16,747	3,138	19,885	20,023	-1%
Payment to refunded debt escrow agent	--	--	--	--	--	--	--	--	(18,415)	-100%
Total other financing sources (uses)	<u>(10,042)</u>	<u>804</u>	<u>4,767</u>	<u>9,164</u>	<u>(206)</u>	<u>23,368</u>	<u>(7,548)</u>	<u>20,307</u>	<u>1,174</u>	1630%
Net change in fund balances	3,736	(432)	(1,979)	510	(4,566)	14,154	6,090	17,513	(17,734)	-199%
Fund balances - beginning	47,562	6,690	25,001	1,229	38,778	19,232	47,424	185,916	203,650	-9%
Fund balances - ending	<u>\$ 51,298</u>	<u>\$ 6,258</u>	<u>\$ 23,022</u>	<u>\$ 1,739</u>	<u>\$ 34,212</u>	<u>\$ 33,386</u>	<u>\$ 53,514</u>	<u>\$ 203,429</u>	<u>\$ 185,916</u>	9%

The County increased the fund balance across its fund structure by \$17,513, a 9% increase, as revenues exceeded expenditures. However, \$19,885 of the amount were proceeds from long-term debt that finance capital projects over the next few years. Total expenditures of \$614,936 were slightly more than revenues of \$612,142. From an operations perspective the County maintained its reserves and equity position.

Revenues grew \$44,649 or 8% to \$612,142. Taxes increased from \$140,594 to \$176,747. The State cut the car tax (MVIL) that was distributed to Counties and then shifted \$28,014 of property tax revenue to the County. Tax revenue increased by this amount and intergovernmental revenue decreased by this amount. The State cut County taxes by \$4,605 or 3% by shifting property tax revenue from the County to education. The County's other tax sources, mainly those generated by property taxes, grew \$12,744 or 9% if we ignored these shifts. Intergovernmental revenue decreased \$7,509 or 3% because of the MVIL shift. Ignoring the shift other intergovernmental revenue grew \$20,507 or 8%. Interest revenue increased \$3,959 or 72% as the Fed increased rates. Charges for services grew \$10,537 or 9% with increases in State FQHC revenue, State medical revenue and fire protection service incident reimbursements.

Expenditures grew \$28,535 or 5% to \$314,936. The function of Community Resources and Facilities increased \$26,366 or 39% due to road projects and flood work related to winter storm damage. Public Safety increased \$8,241 or 6% and Health and Public Assistance increased \$8,480 or 4%. Capital Outlay decreased \$11,901 or 33%. Across all functions, Salaries and Benefits, the County's largest cost increased only 2%.

Financial Status Summary (Annual) - Countywide

As Of: 06/30/2005
Accounting Period: CLOSED

Percentage of year elapsed: 100%

	Annual			Year To Date		
	Adopted Budget	Net Budget Changes	Adjusted Budget	Actual	Variance	Pct of Budget
Revenues						
Taxes	144,583,394.00	28,684,678.00	173,268,072.00	176,804,945.97	3,536,873.97	102%
Licenses, Permits and Franchises	17,034,552.00	46,125.00	17,080,677.00	16,224,457.63	-856,219.37	95%
Fines, Forfeitures, and Penalties	8,892,782.00	857,236.00	9,750,018.00	9,675,070.24	-74,947.76	99%
Use of Money and Property	8,810,427.00	1,151,462.92	9,961,889.92	11,588,560.03	1,626,670.11	116%
Intergovernmental Revenue-State	173,903,214.00	-23,821,564.00	150,081,650.00	146,561,114.43	-3,520,535.57	98%
Intergovernmental Revenue-Federal	92,274,010.00	14,477,725.00	106,751,735.00	101,344,173.05	-5,407,561.95	95%
Intergovernmental Revenue-Other	5,957,919.00	60,732.00	6,018,651.00	5,782,535.86	-236,115.14	96%
Charges for Services	166,902,708.00	4,037,014.00	170,939,722.00	170,246,751.15	-692,970.85	100%
Miscellaneous Revenue	39,036,010.00	9,654,696.00	48,690,706.00	48,703,476.63	12,770.63	100%
Total Revenues	657,395,016.00	35,148,104.92	692,543,120.92	686,931,084.99	-5,612,035.93	99%
Expenditures						
Salaries and Employee Benefits	351,317,954.00	240,811.00	351,558,765.00	341,155,849.29	10,402,915.71	97%
Services and Supplies	204,737,743.00	25,378,109.00	230,115,852.00	207,984,150.10	22,131,701.90	90%
Other Charges	93,501,436.00	6,740,900.00	100,242,336.00	97,272,158.27	2,970,177.73	97%
Fixed Assets	33,340,964.00	10,438,625.00	43,779,589.00	31,882,403.44	11,897,185.56	73%
Total Expenditures	682,898,097.00	42,798,445.00	725,696,542.00	678,294,561.10	47,401,980.90	93%
Other Financing Sources & Uses						
Other Financing Sources	121,834,564.00	25,972,347.00	147,806,911.00	139,606,899.08	-8,200,011.92	94%
Other Financing Uses	126,757,299.00	4,797,570.00	131,554,869.00	126,961,821.88	4,593,047.12	97%
Net Other Financing Sources & Uses	-4,922,735.00	21,174,777.00	16,252,042.00	12,645,077.20	-3,606,964.80	n/a
Intrafund Transfers						
Intrafund Expenditure Transfers (-)	3,559,971.00	842,380.00	4,402,351.00	3,871,426.84	-530,924.16	88%
Intrafund Expenditure Transfers (+)	3,559,971.00	842,380.00	4,402,351.00	3,871,426.84	530,924.16	88%
Net Intrafund Transfers	0.00	0.00	0.00	0.00	0.00	n/a
Changes to Reserves & Designations						
Decreases to Reserves/Designations	47,813,099.00	33,042,184.15	80,855,283.15	59,538,027.76	-21,317,255.39	74%
Increases to Reserves/Designations	35,230,344.00	46,566,621.07	81,796,965.07	74,743,561.22	7,053,403.85	91%
Net Changes to Reserves & Designations	12,582,755.00	-13,524,436.92	-941,681.92	-15,205,533.46	-14,263,851.54	n/a
Net Financial Impact	-17,843,061.00	0.00	-17,843,061.00	6,076,067.63	23,919,128.63	

Attached as part of this report is a listing of 47 budget revisions and transfers for Board approval. This will bring the total number of budget revisions to 345 for the fiscal year. 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.

As a result of these 345 budget revisions the County's final budget appropriations differ from the original budget by 6%. Supplemental expenditure appropriations of \$42,798 were approved during the year. The Road fund and Flood Control funds had approximately 28% or \$13,000 of additional appropriations due to storm damage, the Capital Outlay fund had approximately 14% or \$6,400 of additional appropriations for capital related projects that required additions or changes to appropriations. Other County Special Revenue funds had approximately 36% or 15,000 of additional appropriations. The County general fund had 11% or \$4,763 in additional appropriations for a variety of fixed assets, homeland security grants and changes related to contracts and services supported by unanticipated revenues outside the budget cycle. County liability self-insurance fund had approximately 7% or \$3,000 in new appropriations do to litigation liability settlements.

During the year, revenues did not achieve budget estimates by \$5,612. This is generally due to federal and state reimbursement programs where program expenditures were not incurred and therefore not claimable. Actual taxes collected were over revenue estimates by \$3,536 or 2%. These unanticipated discretionary revenues are a reflection of conservative financial estimates for these key revenue accounts.

The difference between final budget appropriations and actual expenditures resulted in \$47,400 of unspent appropriations. Salary and benefit costs savings of approximately \$10,400 resulted from unfilled positions across all functions. \$12,000 resulted from fixed assets and capital expenditures that will generally be subject to re-appropriation. Program appropriation savings or non incurred costs of \$25,000 in service and supply accounts. Examples include \$3,500 in the social service programs, \$4,000 in the Community Development department for projects and \$7,500 in the Public Works department.

As demonstrated above, the adjusted County budget can vary significantly from the adopted County budget and actual results can vary from the adjusted budget. The nature of County services drives these fluctuations and the need to make budget adjustments throughout the budget cycle. This year we had severe winter storms that required appropriation for repairs and a State budget that was approved long after the start of the fiscal year that included significant changes that were labeled the “shift, swap and the flip”. The County receives significant federal and state funding in programs like Social Services where program costs are chronically overstated in the budget submission to the State in order to maximize service delivery and revenue reimbursements. The funding of capital projects and capital maintenance in the road, flood control and capital fund with grants, state funding and debt financing create variances. In addition, these projects span across multiple budget cycles. The rigidity of the County budget act, which is State law, also contributes to over appropriation since officials can be held personally responsible for over spending appropriations. Simply adjusting budgets at year end to make the financial statements look good is also frowned upon by industry standards.

Happy New Fiscal Year!

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**FINAL 2004-05 YEAR END
BUDGET REVISIONS**

08/2/05

CONTINGENCY REVISIONS

Requires 4/5 Votes

None

REVENUE AND DESIGNATION REVISIONS

Requires 4/5 Votes

Transfer No: 2005445

General Services \$11,925 Total

This budget revision is required to establish the designation for the Real Property data base. The original budget was for \$40,000, \$28,075 was spent in FY 04-05 and the balance of \$11,925 will be spent in FY 05-06.

Transfer No: 2005446

General Services Department \$10,000 Total

This budget revision is required to establish the designation for the enhancements to the Project Reporting System for county wide benefit. This effort was scheduled for FY 04-05 but due to other priorities it was never started, it is scheduled to be completed in FY 05-06.

Transfer No: 2005447

Public Health \$72,599 Total

This budget revision will recognize and designate \$72,599 received from the Deborah D. Oldham trust as a bequest to Santa Barbara County Animal Services. Acceptance of this gift was approved by your Board on June 21, 2005, and this transaction will designate the funds in the Public Health Department Special Revenue Fund for future use for Animal Services Operations, particularly an update of the program's vehicles to increase efficiencies.

Transfer No: 2005453

Sheriff's Department \$838,000 Total

To recognize and designate excess State Criminal Alien Assistance Program revenue and to recognize and designate excess Prop 172 revenue to the North County Jail Project in Fund 0030 (Capital Outlay).

Transfer No: 2005454

Public Works, General County Programs \$6,200 Total

County Service Area 3 receives Library Assessments for the Goleta Valley Library from residents in the unincorporated Goleta Valley. Actual assessments received were greater than estimated. These funds are transferred to General County Programs and then used for Library services. This budget revision allows all funds received to be used for the Goleta Library and increases the total assessment from \$133,161 to \$139,361.

Transfer No: 2005458

General Services \$855,296 Total

Decrease outstanding liability for claims from \$25,500,514 to \$24,645,218 for fiscal year-end 04-05. This change with approval by the Risk Management Evaluation Team (RMET) on June 10, 2005 and is based on calculation in the mid-year actuarial report dated June 20, 2005.

Transfer No: 2005459

General Services \$1,368,487 Total

Decrease outstanding liability for General Liability claims from \$5,349,932 to \$3,981,445 for fiscal year end 04-05. This change with approval by the Risk Management Evaluation Team (RMET) on June 10, 2005, and is based on calculation in the mid-year actuarial report dated June 20, 2005.

Transfer No: 2005462

Public Works \$9,000 Total

Increased costs for Cuyama Transit Service and Los Alamos Pilot Program Transit Service due to increased ridership.

Transfer No: 2005463

Sheriff's Department, General Services \$1,100 Total

This budget revision request transfers \$1,100 from unexpended special departmental expense to General Services real property for the purposed of lease negotiations for office in Buellton.

Transfer No: 2005465

Board of Supervisors, County Executive Office, \$27,068 Total
General Services, Sheriff's Department

This Budget Revision Request transfers \$1,200 from salaries to other charges to pay for additional Reprographics charges in the Board of Supervisors budget; it also moves \$12,000 from Services & Supplies to Other Charges in County Executive Office budget to pay for printing the budget book and moves \$334 to an intrafund account to pay for fuel costs of an Aero squad flight by the Sheriff's Department.

Transfer No: 2005471

General Services \$2,635,359 Total

To establish designation for funds held in Escrow for Isla Vista Bluff top purchase. Purchase will be completed in fiscal year 05-06.

Transfer No: 2005474

Housing and Community Development \$2,220,000 Total

To reverse the majority of Budget Journal Entry 2005139 as revenue was not received as projects which were anticipated to progress to the point of funding did not do so. Projects: La Sumida Gardens, G College Apartments, Ellwood Apartments, and Mountain House.

Transfer No: 2005476

General County Programs \$222,933 Total

This Budget Revision Request recognizes revenue received from the State of California (\$222,933) for Disproportionate Share payments on behalf of Alcohol, Drug and Mental Health Services (ADMHS). It also sets up the expenditure line item account to pay the State for prior year medical Disproportionate Share payment on behalf of ADMHS. These funds cannot go through ADMHS directly and are required to go through the General Fund.

Transfer No: 2005477

Public Health \$1,400,000 Total

Entry will recognize unanticipated revenue and move appropriation from Salaries and Benefits in order to cure an overage in the Services & Supplies object level for the Public Health Department due to cost over runs in the pharmaceuticals and patient service expenditures.

Transfer No: 2005478

Sheriff Department \$62,215 Total

This budget revision request increases donations revenue and clothing expenditures for the purchase of SWAT vests donated by the Sheriff's Council.

Transfer No: 2005479

Treasurer-Tax Collector, General Services \$25,000 Total

To fund construction charges for Treasurer-Tax Collector and Clerk-Recorder-Assessor counter remodel in Santa Maria.

Transfer No: 2005481

Planning and Development \$1,622 Total

Year-end budget adjustment to reflect interest/revenue beyond budget.

Transfer No: 2005485

General Services \$89,600 Total

To recognize auction proceeds of \$89,000 and spread to Services & Supplies and Other Charges to cover accruals and last minute expenses.

Transfer No: 2005486

Court Special Services \$5,000 Total

To designate final payment of Juvenile Justice contract with Council on Alcoholism & Drug Abuse.

Transfer No: 2005487

Housing and Community Development \$881,000 Total

Prior year program income was used through release of designation for projects in lieu of drawing down project funds due to lower current year revenue received.

Transfer No: 2005491

Fire Department \$1,851,329 Total

Adjust budgets to balance Reserves & Designations as follows: 1) Decrease Reserve by \$12,085 due to unanticipated repayments in FY 04/05 from the Retirement Fund for Advanced Disability Retirement Payments made by the Fire Departments as per AB 1982. 2) Increase Fire District Capital Designation by \$181,244 to reflect monies received from the State specifically designated for capital improvements at those Fire Stations that provide fire protection of State lands. 3) Increase Fire District designation savings throughout the fiscal year.

Transfer No: 2005495

Parks Department \$4,070 Total

This budget revision increases the Arts Commission designation to pay for FY 04-05 year-end expenditures. The increase in the designation is from the Arts Commission's trust fund.

Transfer No: 2005497

General Services \$3,490,599 Total

To close out project balances in Capital Projects Fund 0030 to year end designation fund balance for 6/30/05. Total amount is \$3,490,588.80. See attached listing.

Transfer No: 2005501

General County Programs/Trial Court Funding \$34,000 Total

Transfer additional General Fund contribution to Court Services to provide sufficient funds to pay for County contribution to the State. Short fall is due to lower County revenues in this fund.

Transfer No: 2005504

Sheriff's Department \$38,548 Total

The purpose of this budget revision is to recognize and place in designation Chumash grant funds not spent in FY 2004-2005. This amount representing 7% of the total grant was not expended as staffing for the grant positions was not established until after the beginning of the fiscal year.

Transfer No: 200505

Child Support Services \$95,562 Total

Move designation resulting from prior year fund balance into Fund 0057 to balance current year revenues and expenditures.

Transfer No: 2005512

Sheriff's Department \$2,650 Total

This budget revision recognizes and designates miscellaneous donations made to the K-9 Program and the Sheriff's Department discretionary fund.

Transfer No: 2005514

General Services \$407,219 Total

To return to designation Deferred Maintenance funds at fiscal year end so they may be re-released at 7/1/05 to complete Deferred Maintenance projects such as the Administration Building Air Conditioning Project currently under progress.

Transfer No: 200515

Alcohol, Drug and Mental Health Services \$195,279 Total

Increase the budgeted designations for unanticipated revenue in Prop 36, Fund 0044 and draw on designation in Fund 0047 for unanticipated rise in Prop 36 activity, Prop 36 State revenue from Special Reserve is paying for operation expenses in ADMHS Fund.

Transfer No: 2005518

Park Department \$116,449 Total

Reduce FY 04-05 appropriations for ten Parks deferred Maintenance Capital improvement projects in Parks Capital Outlay Fund and return funds to General Fund Capital Designation.

Project balances to be re-budgeted to FY 2005-06 via Final Budget Adjustment.

Transfer No: 2005520

General Services \$35,000 Total

This budget revision establishes the designation for the sewage grinder unit at the jail from savings in utilities. Although this will fund only a portion of the costs (estimates are currently being generated) it will help offset the total amount.

Transfer No: 2005522

General Services \$46,331 Total

The Santa Maria Animal Shelter Project 8625 in Capital Outlay fund 0030 has incurred \$3,897 of project expenses that are not to be capitalized, and must be budgeted for. From the Wendy McCaw Foundation the 04/05 project budget has unrealized contributions of capital for construction, it is necessary at fiscal year-end to borrow from fund balance \$46,331 to be reversed on 7/1/05 as part of the construction project. McCaw funding will be now received in 05/06.

Transfer No: 2005524

Probation Department \$185,800 Total

This budget revision recognizes \$185,800 of unanticipated Probation Department revenue collected as a result of an MOU with the Franchise Tax Board, Court Ordered Collection Program approved by the Board on January 21, 2003. The revenue will be designated in Acct# 9799 "Designated-Variou" for Probation collection enhancements and capital projects as described in the January 21, 2003 board letter. See attached board letter.

Transfer No: 2005526

Probation Department \$230,300 Total

This budget revision recognizes \$230,300 of unanticipated Probation Department Prop 172 "Public Safety Sales Tax" revenue in Acct. #4330 and designates it in Acct. #9768 "Designated – Public Safety" per agreement with the County Executive Office.

Transfer No: 2005530

Fire Department \$6,000 Total

Adjust budget to reflect increased Fire District designation. This increased designation will be funded via salary savings.

Transfer No: 2005531

Alcohol, Drug and Mental Health Services \$94,002 Total

Line Item Account 9753: Expenditure – Use of Funds (Designation – Mental Health) increase of \$93,225 for the 2004-05 Health insurance Cost and \$777 correction. This corrects an error on a Final Budget Adjustment that posted for the 2004-05 budget in a designation was posted as a source instead of a use of funds.

Transfer No: 2005533

Public Works \$1,062,500 Total

Recognize unanticipated Federal and State revenue for 2005 Storm and increase contact expenditures. Reclassify Federal Highway Administration revenue to correct object level.

Transfer No: 2005538

Public Works \$47,000 Total

Release designations to offset reductions in property taxes in Fund 2120 (County Service Area 3 – lighting, open space, maintenance, library within unincorporated Goleta Valley), due to the shift of property taxes to the State.

Transfer No: 2005539

General Services \$465,147 Total

Decrease outstanding liability for Medical Malpractice claims from \$1,061,000 to \$595,853 for fiscal year end 04-05. This change with approval by the Risk Management Evaluation Team (RMET) on June 10, 2005 and is based on calculation in the actuarial report date March 1, 2005.

Transfer No: 2005541

General Services \$27,240 Total

To close out project balances in the Underground Storage Tank Program 1924 in Fund 0030 and move to designation for 6/30/05. See attached schedule for details.

Transfer No: 2005542

Alcohol, Drug and Mental Health Services, \$75,000 Total
Public Health, Probation Department

- A. LIA 7901: To correct and fund operating Transfer (Out) ADMHS budget to actual = \$93,000.
 - B. LIA 5911: To correct and fund operating Transfer (in) PHD budget to actual = \$18,000.
 - C. LIA 5911: To correct and fund operating Transfer (In) Probation budget to actual = \$75,000.
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Transfer No: 2005546

General County Programs, Public and Educational Access \$7,083 Total

This Budget Revision Request releases Operating designation (\$24,408), reduces Interest Income (\$7,083, reduces the release of the Endowment designation (\$6,325), reduces the release of the Capital Outlay Designation (\$11,000) for the Public and Educational Access program in General County Program for year end balancing. This is all a result of Interest Income coming in below expectations due to lower than anticipated interest rates.

Transfer No: 2005548

General County Programs, Public Works \$110,024 Total

To transfer 2001 COP reserve to Solid Waste from Clerk-Recorder- Assessor for Naomi Schwartz building. (46% Solid Waste, 54% Clerk- Recorder- Assessor.

Requires 3 Votes

Transfer No: 2005444

General Services \$10,000 Total

This budget revision is required to reclassify a prior expense to the Fixed Assets object level to comply with the purchase of an item when it is in excess of \$5,000. It will be funded from saving in Services & Supplies where this item was originally budgeted. This item is a "Fit Tester" is a device which tests respirator or gas mask to ensure that it fits correctly with seals in place and functions according to specification.

Transfer No: 2005461

Public Works \$61,661 Total

Striper of road lanes and crosswalks was budgeted in equipment but should be moved to "Other Charges". Purchase was a five year lease option.

Transfer No: 2005502

Public Works \$7,000 Total

Decrease Services & Supplies and increase fixed assets for survey costs related to two capital projects. 1) Alamo Pintado Storm Drain, 2) La Pita Place Drainage Improvements.

Transfer No: 2005537

Park Department \$428,817 Total

Decrease Line Item Account 8700 appropriations in various Parks Capital Projects and increase Line Item Account 7700 appropriations in these same projects to comply with GASB 34 capitalization requirements.

(COPIES OF ACTUAL BUDGET REVISION FORMS ARE AVAILABLE FOR PUBLIC INSPECTION
IN THE AUDITOR-CONTROLLER'S OFFICE)

**Contingency Fund Detail
08/2/05**

Beginning Balance (FIN), 7/31/04	\$800,003.00
General Fund Contingency Transfers:	
7/1/05 Imprest Cash	(\$50.00)
9/21/04 - 2005002 Public Health, General County Programs	(\$62,500.00)
10/5/04 - 2005047 Housing and Community Development	(\$37,000)
12/14/04 - 2005108 Sheriff's Department - Boardletter	(\$64,660.00)
2/28/05 Imprest Cash	(\$150.00)
4/21/05 Imprest Cash	(\$50.00)
4/26/05 - 2005265 Social Services, General County Programs	\$200,000.00
5/10/05 - 2005283 Park Department	(\$15,000.00)
5/24/05 - 2005338 Park Department	(\$26,000.00)
5/24/05 - 2005352 County Executive Office	(\$12,500.00)
6/21/05 - 2005371 Public Health Department, General County Programs	(\$34,000.00)
6/21/05 - 2005385 General County Programs	(\$238,000.00)
6/21/05 - 2005395 General County Programs, Public Health Department – Board Letter	(\$83,393.00)
6/21/05 - 2005393 Public Defender – Board Letter	(\$200,000.00)
<u>Ending Total Remaining General Fund Contingency Balance</u>	\$226,700.00