



Legislation Details (With Board Report)

File #: 17-1236 **Name:** Budget End of Year Report FY 2016-17
Type: General Agenda Item **Status:** Filed
File created: 12/5/2017 **In control:** Board of Supervisors
On agenda: 12/12/2017 **Final action:** 12/12/2017
Title: Receive and accept the FY 2016-17 Budget End of Year Report from the County Administrative Office.
Sponsors:
Indexes:
Code sections:
Attachments: 1. Board Report, 2. BEYR FY 2016-17 Final, 3. BEYR Powerpoint presentation, 4. Completed Board Order

Date	Ver.	Action By	Action	Result
12/12/2017	1	Board of Supervisors	received and filed	Pass

Receive and accept the FY 2016-17 Budget End of Year Report from the County Administrative Office.

RECOMMENDATION:

It is recommended that the Board of Supervisors receive and accept the FY 2016-17 Budget End of Year Report from the County Administrative Office.

SUMMARY:

The *Budget End of Year Report (BEYR)* evaluates year-end fiscal performance in comparison to the County’s budget (operating plan), as adopted and modified by the Board of Supervisors (Board). Production of the BEYR is a collaborative effort between the County Administrative Office and operating departments following year-end closing adjustments overseen by the Auditor-Controller and published in the County’s financial system. Financial data utilized in the BEYR is unaudited and subject to final adjustments. This report evaluates the County’s fiscal condition for the year ending June 30, 2017.

DISCUSSION:

The County’s general fund ended FY 2016-17 with revenues of \$596.4 million and expenditures of \$601.5 million, resulting in an operating deficit of \$5.1 million (the first operating deficit since the recession). The County began the fiscal year with \$6.0 million in *unassigned fund balance* carried forward from prior years and utilized \$18.2 million in existing fund balance (mostly for fire and storm costs). These amounts combined with annual revenue totaled \$620.8 million. In comparison, expenditures and assignments totaled \$611.9 million. The net result is an ending unassigned fund balance of \$8.8 million, of which \$6.0 million represents fund balance that is carried forward from prior fiscal years and has already been obligated to fund one-time expenditures in the FY 2017-18 adopted budget. These results are subject to annual audit, with final results to be presented in the Auditor-Controller’s *Comprehensive Annual Financial Report* later this fiscal year.

Notable financial results discussed in the BEYR include:

- Revenue fell below budget by \$38.3 million, due to a technical accounting change to Vehicle License Fee (VLF) monies that are now accounted for outside the general fund and reductions in federal and State reimbursements in health, social services, and public safety programs due to lower reimbursable program expenditures;

- Unused appropriations totaled \$68.4 million, including \$33.0 million in *salary savings* (mainly in the Health Department due to recruitment challenges and delays in the expansion of primary care clinics), a \$9.4 million technical adjustment for the VLF transfer, lower-than-planned social services entitlement payments, lower than expected capital spending, and fewer vehicle replacements.
- The County assigned \$10.0 million to its reserves including \$3.0 million in cannabis revenue and \$2.3 million for the strategic reserve. Assignments were also made for self-funded programs to the extent they had gains including \$4.1 million for the Laguna Seca Track assignment and \$0.6 million to the Vehicle Replacement Program.

Full details are provided in the attached report with executive highlights beginning on page 3.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office works with all departments throughout the course of the fiscal year to maintain an understanding of budget-related conditions and emerging issues.

FINANCING:

The BEYR provides analysis and perspective on the condition of the general fund and other major County funds. There is no cost associated with the receipt of this report.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Budget End of Year Report (BEYR) supports the Board’s strategic initiative to promote an organization that practices efficient and effective resource management. The BEYR provides a comprehensive analytical comparison between the County’s final modified budget and actual year-end results to promote fiscal transparency and financial planning for future years.

Mark a check to the related Board of Supervisors Strategic Initiatives

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by:

Approved by:

Raquel Escorcia
Associate Administrative Analyst, x5030

Paul Lewis
County Budget Director, x3078

Approved by:

Dewayne Woods
Assistant Co. Administrative Officer, x5309

Attachments: FY 2016-17 Budget End of Year Report