County of Monterey

Legislation Details (With Board Report)

File #:	BC 17-019	**Name:**	ITD Bi-annual Financial Report FY 2016-2017
Type:	Budget Committee	**Status:**	Agenda Ready
File created:	2/9/2017	**In control:**	Information Technology
On agenda:	2/22/2017	**Final action:**	
Title:	Receive and accept the bi-annual financial report for the Information Technology Department (ITD) for FY 2016-17.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Exhibit A ITD FY 2016-17 Bi-Annual Report, 2. Exhibit B ITD FY 2016-17 CIP, 3. Exhibit C Assignment Fund Balance		

Date	Ver.	Action By	Action	Result
2/22/2017	1	Budget Committee		

Receive and accept the bi-annual financial report for the Information Technology Department (ITD) for FY 2016-17.

RECOMMENDATION:

It is recommended that the Budget Committee:

Receive and accept the bi-annual financial report for the Information Technology Department (ITD) for FY 2016-17.

SUMMARY:

This report is ITD's bi-annual report of FY 2016-17.

DISCUSSION:

ITD's FY 2016-17 year end estimated General Fund Contribution (GFC) is a surplus of $678,585. Budgeted GFC was a surplus of $2,541,679. This reflects an overall reduction of $1,863,094. Exhibit A is an overview of ITD's FY 2016-17 approved budget, estimated year end totals as currently reflected in the budget system, and the variance between.

Total estimate of Operational Expenditures is $22,022,825 against a modified budget of $23,749,009; reflecting an overall expenditure savings of $1,726,184. Operational Expenditures are comprised of Salaries and Benefits, Services and Supplies, and ITD Capital Improvement Project (CIP) costs. Current Salary and Benefit estimate of $11,950,227 against a budget of $14,138,849 reflect a savings of $2,188,622. This is a result of multiple vacant positions due to retirements and departures. As a result of contract closures, Service and Supply costs are estimated as $6,067,951 against a budget of $6,599,539, reflecting a savings of $531,588. CIP costs are estimated at $4,004,647 against a budget of $3,010,621. The anticipated $994,026 overage is related to prior fiscal year rollover CIP projects and current fiscal year changes necessary to meet customer requirements. Exhibit B reflects the planned CIP expenditure.

Beginning in FY 2016-17, Auditors adjusted the Cost Plan process to now reflect these allocations during the fiscal year. The figures provided to ITD were budgeted to reflect a credit of $2,497,473, which was to pass through to General Fund Contribution. Adjusted Auditor figures now reflect a charge of $168,380 representing a change of $2,665,853. This is the main reason for the change between budgeted and estimated year end GFC. Without this adjustment in allocation, ITD would be reflecting a greater surplus than that of the original budget.

Reimbursement is estimated at $21,880,387 against a budget of $23,022,873, reflecting an anticipated shortfall of $1,142,486. This is a direct correlation to the multiple vacant positions not present for billable work.

Revenue is anticipated at $989,403, which is $219,061 over the budgeted $770,342 and is based upon current customer requests.

Currently, the budget system reflects a surplus GFC of $678,585. This does not include the transfer of authorized Assignment Fund dollars that have been set aside to cover CIP projects from prior year accruals. Transferring $994,026 of these funds to cover the CIP overage would then present a surplus GFC of $1,672,611. Exhibit C reflects current assignment fund availability of $1,156,569.

OTHER AGENCY INVOLVEMENT:
No other agency involvement.

FINANCING:
ITD estimates ending fiscal year 2016-17 with a surplus of $678,585.
Prepared by:

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Kathy Wells, Finance Manager II

Approved by:

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Eric Chatham, Acting Director of Information Technology

Dated: February 8, 2017

Attachments:

Exhibit A: ITD FY 2016-17 Bi-Annual Report

Exhibit B: ITD FY 2016-17 CIP

Exhibit C: Assignment Fund Balance