

118

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**FROM:** Executive Office

**SUBMITTAL DATE:**  
October 28, 2003

**SUBJECT:** FY2002/03 General Year End Cleanup

**RECOMMENDED MOTION:** That the Board of Supervisors approve and direct the Auditor-Controller to make the budget adjustments applicable to FY2002/03 listed on Attachment A.

**BACKGROUND:** Each year some adjustments are required at year end to accommodate the actual expenses and charges incurred by departments as a result of operations. Many of the recommended adjustments in this document reflect routine year end clean up and most of the remainder were anticipated in the third quarter budget report. A summary is below and details follow on the next page and in Attachment A.

**Summary of General Fund Effects (in \$ millions)**

Added Costs	(8.77)
SB90 Revenue Shortfall	(10.00)
New Revenue	4.13
Use of Available Reserves	<u>14.64</u>
Net Effect =	0

(Continued on next page)

Christopher Hans, Principal Management Analyst

**FINANCIAL DATA**

Current F.Y. Total Cost:	\$ 15,353,808	In Current Year Budget:	No
Current F.Y. Net County Cost:	\$ 4,638,990	Budget Adjustment:	Yes
Annual Net County Cost:	\$ 0	For Fiscal Year:	02/03

<b>SOURCE OF FUNDS:</b> General Fund Reserves, Additional General Fund Revenue, Additional Departmental Revenue, and Departmental Fund Balance	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input checked="" type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE

**County Executive Office Signature**

RECEIVED BOARD OF SUPERVISORS  
OCT 29 2003

FISCAL PROCEDURES APPROVED  
ROBERT E. BYRD, Auditor-Controller  
BY 11/3/03  
Deputy Departmental Conference

Dep't Recomm.:  Consent  Policy   
Per Exec. Ofc.:  Consent  Policy

Prev. Aan. Ref.: | District: all | Agenda Number:

3.4

### **Background (continued)**

Unexpected Trial Court revenue of approximately \$4 million was received and should be recognized in the budget. Current revenue sharing agreements with the Courts and the state call for the transfer of most additional revenue to those entities; to fulfill these obligations, the operating budget need be increased. Hospital debt service expenses were recorded in the general fund, but should be recorded in the hospital fund (40050). A technical adjustment of \$6 million allows this accounting correction.

Anticipated cost overruns and their causes were reported to the Board in the third quarter budget report. The overruns occurred as expected in the Sheriff, District Attorney, Detention Health and Public Defender departments, total approximately \$4.3 million, and resulted in the need for the budget adjustments included in this report.

Additionally, the Auditor-Controller exceeded appropriations by \$385,000 primarily due to: a higher than expected need for temporary services to accommodate OASIS implementation; and to data processing and communications charges unexpectedly billed late in the closing cycle. County Counsel was over by \$190,000 due to three unexpected retirements with high payouts. The Auditor-Controller and County Counsel were able to partially offset their overruns with extra departmental revenue of \$165,000 and \$80,000 respectively. In several other departments, actual expenses exceeded appropriations by minor amounts, necessitating minor adjustments.

New appropriations for all departments totals \$15,353,808 of which \$8,767,808 is in the general fund. New general fund revenue totals \$4,128,818 so the net cost to the general fund is \$4,638,990. This net cost can be covered by reserves as was recommended in the third quarter budget report. The Board established a reserve of \$5.8 million earlier in the year to provide for possible cost overruns. It is therefore recommended that the Board release \$4,638,990 of this reserve to compensate for the cost overruns.

Lost revenue, for example budgeted state revenue for SB90 programs that was not paid to Riverside County, can cause a department to miss its NCC target though it may not exceed its appropriation limit. County general fund departments lost a total of about \$10 million in FY2002/03 because the state did not meet its SB90 obligations. As a result of this effect on departments' NCC, \$10 million less of fund balance will roll from the old year to the new fiscal year. The Board established a reserve of \$10 million earlier in the year to provide for possible lost state SB90 revenue. It is therefore recommended that the Board release all of this reserve to compensate for the lost revenue.

**Attachment A**

**Increase Appropriations**

Fund	DeptID	Name	Amount	Account
10000	1100900000	CONTRIBUTION TO TRIAL COURT	\$3,982,000	537080
10000	1300100000	AUDITOR-CONTROLLER	\$385,000	510040
10000	1500100000	COUNTY COUNSEL	\$190,000	510040
10000	2100100000	COURTS: SUPERIOR COURTS - CO	\$16,000	523230
10000	2100600000	COURTS: GRAND JURY	\$2,000	510040
10000	2200100000	DISTRICT ATTORNEY: CRIMINAL	\$160,000	510040
10000	2400100000	PUBLIC DEFENDER	\$945,000	510040
10000	2500300000	SHERIFF: PATROL	\$1,910,000	510040
10000	2500400000	SHERIFF: CORRECTIONS	\$210,000	510040
10000	2500600000	SHERIFF: CAC SECURITY	\$20,000	510040
10000	2501000000	SHERIFF: CORONER	\$175,000	510040
10000	2600700000	PROBATION: ADMIN & SUPPORT	\$1,000	510040
10000	4300300000	HSA: DETENTION HEALTH SYSTEMS	\$870,000	510040
10000	7200600000	FM: ENERGY MANAGEMENT	(\$98,192)	573800
21200	1100400000	LIBRARY CONSTRUCTION	\$235,000	542020
25190	947580	NPDES SANTA MARGARITA ASSMNT	\$1,000	510040
40050	4300100000	RCRMC	\$6,000,000	533760
40250	943001	WRMD OPERATIONS	\$50,000	510040
45420	1103100000	OASIS IMPLEMENTATION	\$200,000	537080
46040	1131300000	HR: SAFETY LOSS CONTROL	\$100,000	510040
Total Appropriations Increase All Funds =			\$15,353,808	

Net General Fund Appropriations Change = \$8,767,808

**Increase Estimated Revenue**

10000	1100900000	CONTRIBUTION TO TRIAL COURT	\$3,100,000	731200
10000	1100900000	CONTRIBUTION TO TRIAL COURT	\$882,000	731160
10000	1300100000	AUDITOR-CONTROLLER	\$100,000	770070
10000	1300100000	AUDITOR-CONTROLLER	\$65,000	772830
10000	1500100000	COUNTY COUNSEL	\$80,000	777520
40050	4300100000	RCRMC	\$6,000,000	781540
Total Estimated Revenue Increase =			\$10,227,000	

**Decrease Estimated Revenue**

10000	7200600000	FM: ENERGY MANAGEMENT	\$98,182	755020
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Net General Fund Estimated Revenue Change = \$4,128,818

**Adjust Reserve Amount**

10000		SB90 Designation	(\$10,000,000)	320112
10000		PERS Designation	(\$4,638,990)	320118
10000		General Fund fund balance	\$14,638,990	325100