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Date: April 24, 2023

To: Honorable Board of Supervisors

From: Chamise Cubbison

Re: 2021-22 Fiscal Year End – General Fund 1100 Fund Balance Carryforward

Attached please find the details for the 2021-22 Fiscal Year End – General Fund 1100 Fund Balance Carryforward.

As you can see, there are many pieces that impact the Fund Balance Carryforward. It is important to note that there does not appear to be any significant new ongoing revenues, but rather a savings in the planned use of the prior year's Fund Balance.

The most significant impacts come from the reduction in Cannabis Tax and also from Social Services ability in 2021-22 to "buy out" the Maintenance of Effort (MOE) County contribution which is normally required for Budget Unit 5010. The MOE for 2021-22 was initially budgeted at \$1,564,659. I have not heard if it will be possible on an ongoing basis for that amount to be covered by other funds.

While the Budget Unit 1000 revenues were up over \$1.2M, that included a new high for Transient Occupancy Tax which may not be sustainable due to the economy and anecdotal reports that lodging businesses on the Coast may be experiencing lower occupancy.

The Board directed that \$4.5M be transferred from the General Reserve to a new 2022 COPs related projects reserve. The Board also directed that \$2.5M of funds be placed in the General Reserve due to the determination that Whitmore Lane was a suitable property for a Measure B project and therefore cancelled the General Fund planned roof replacement which had been allocated \$2.55M in funds. The funds were transferred from the Capital Improvements BU 1710 back to the General Fund through Budget Unit 1000 ND to be placed in the General Reserve during the year end close. The result is a reduction in the General Reserve of \$2M and a use of General Fund of \$2.5M to achieve that change after the reduction of \$4.5M.

Please note that Fund Balance Carryforward is generally calculated by closing all of the revenues (including year-end accruals) and expenses (including year-end accruals) to Fund Balance and then adjusting Fund Balance by any Reserve amounts, resulting in a final fund balance carryforward. This fund balance is further adjusted on the Annual Comprehensive Financial Report (ACFR) to meet Generally Accepted Accounting Principles that are different from budget-based accounting in Munis. The major difference is the reduction of Fund Balance on the ACFR for revenues that are anticipated to be received beyond 60 days after the end of the fiscal year.

2021-22
Year End NCC
Differences from Budget (over \$200,000)

() = Revenue/savings

GENERAL FUND DEPARTMENTS	Available	Comments
1000 NON-DEPARTMENTAL REVENUE	853,335	Under realized Property Tax Revenue
1000 NON-DEPARTMENTAL REVENUE	(600,857)	Addn'l Cannabis Business Tax Revenue (over revised budget)
1000 NON-DEPARTMENTAL REVENUE	(585,364)	Addn'l Transit Occupancy Tax Revenue
1000 NON-DEPARTMENTAL REVENUE	(382,582)	Addn'l Penalty & Cost on Delinquent Tax Revenue
1000 NON-DEPARTMENTAL REVENUE	(268,515)	Addn'l BU 1000 Revenue - Interest
1000 NON-DEPARTMENTAL REVENUE	(279,412)	Addn'l BU 1000 Revenue - Various Sources Net
Total BU 1000:	(1,263,395)	

Partial List of General Fund BU's returning Budgeted NCC (Unused) by at least \$200k:

1320 HUMAN RESOURCES	(421,557)	
1940 MISCELLANEOUS BUDGET	(215,138)	
1960 INFORMATION SERVICES	(533,156)	
2070 DISTRICT ATTORNEY	(416,011)	
2080 PUBLIC DEFENDER	(223,734)	
2510 JAIL AND REHABILITATION	(201,444)	
2550 JUVENILE HALL	(322,975)	
3050 DOT - ROUND VALLEY AIRPORT	(234,778)	
3060 DOT - LITTLE RIVER AIRPORT	(219,217)	
4016 EMERGENCY MEDICAL SERVICES	(484,465)	
5010 SOCIAL SERVICES ADMIN	(1,624,475)	One-time buyout of MOE - unknown if this can continue
Total for BUs Under Budget at least \$200k each:	(4,896,950)	

Partial List of General Fund BU's exceeding Budgeted NCC by at least \$200k:

1020 COUNTY EXECUTIVE OFFICE	451,125
1610 FACILITIES	508,392
1930 TEETER PLAN	665,817
2310 SHERIFF - CORONER	671,158
2560 PROBATION OFFICER	349,748
5170 IN HOME SUPPORTIVE SERVICES	569,690
Total for BUs Over Budget at least \$200k each:	3,215,931

Balance of Remaining General Fund BUs **(988,677)** Cumulative total of all remaining BU's

Total difference Budgeted to Actual **(3,933,091)**

[illegible]