Board Inquiry Form

Board Member

Carbajal
Wolf
Farr
Gray
Lavagnino

Inquiry Number: 29
Department: CEO
Date: 6/11/12
Page(s) of Budget Book:

Request/Question:
What is included in $28M of future use shown on the budget at a glance slide?

Response Prepared by: Andrew Myung, CEO Fiscal & Policy Analyst

Response:

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase to Nonspendables</td>
</tr>
<tr>
<td>Increase to Restricted Fund Balance</td>
</tr>
<tr>
<td>Increase to Committed Fund Balance</td>
</tr>
<tr>
<td>Increase to Retained Earnings</td>
</tr>
<tr>
<td>Increases to Residual Fund Balance</td>
</tr>
<tr>
<td><strong>28,008,314.00</strong></td>
</tr>
</tbody>
</table>

**Increase to Nonspendables:** This fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

**Increase to Restricted Fund Balance:** This represents a temporary "set-aside" of funds, subject to externally enforceable legal restrictions. Sometimes, these funds have both an increase and a corresponding decrease in the same fiscal year. If a project crosses fiscal years, funds are then "rolled over" into the following fiscal year to be drawn as necessary. Approximately $7.7M is for capital projects; approximately $3.7M is restricted for Health & Public Assistance Programs and $1.9M in various other programs throughout the County.

**Increase to Committed Fund Balance:** This represents a temporary "set-aside" of funds, at the Board’s discretion. Sometimes, these funds have both an increase and a corresponding decrease in the same fiscal year. The majority of these increases were to meet Board budget principles to fund facilities maintenance ($2.8M), roads ($0.5M), new jail operations ($2.0M), contingency ($0.5M) and capital outlay ($0.5M) and Health Care Programs ($3.5) and various other ($0.6M). Nearly all of these funds have planned uses in FY 12-13.

**Increase to Retained Earnings:** This represents operations in enterprise and internal service fund activity, specifically the result of operations for County Unemployment Insurance to meet liability reserve requirements ($0.2M).

**Increases to Residual Fund Balance:** Residual classification for fund balance includes all amounts not contained in the other classifications. This entry represents budgeted payment against booked liability in the Mental Health Fund ($4.1M). There is a final budget adjustment in place to reduce this amount to $3.2M per Board actions on 5/15/12.