

Mental Illness and Drug Dependency 2008 Annual Report

Attachment G

2008 Annual Report MIDD Financial Plan
Fund 000001135 / Appropriation units 0990, 0583, 0688, 0783, & 0883
Department of Community and Human Services / MHCADSD/ Mental Illness and Drug Dependency Fund (MIDD)

| | 2008 Actual ¹ | 2009 Adopted | 2009 Estimated ¹ | 2010 Projected ⁸ | 2011 Projected ⁸ | 2012 Projected ⁸ |
|--|--------------------------|--------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Beginning Fund Balance | 0 | 17,892,395 | 13,744,669 | 13,909,296 | 11,466,016 | 8,999,163 |
| Revenues ² | | | | | | |
| * CD/MH Sales Tax | 35,564,903 | 48,410,000 | 44,564,000 | 45,731,000 | 47,429,000 | 48,995,000 |
| * Interest Earnings ¹¹ | 187,759 | 392,000 | 236,000 | 185,000 | 170,000 | 184,000 |
| Total Revenues | 35,752,663 | 48,802,000 | 44,800,000 | 45,916,000 | 47,599,000 | 49,179,000 |
| Expenditures | | | | | | |
| * Operating Expenditures (MHCADSD) | (5,663,994) | (40,800,067) | (40,800,067) | (47,635,721) | (49,333,647) | (50,320,320) |
| * New Strategies ¹⁰ | | (1,460,000) | (1,460,000) | | | |
| * Operating Expenditures (Superior Court) | | (636,690) | (636,690) | (656,860) | (668,977) | (908,250) |
| * Operating Expenditures (Sheriff) | | (221,136) | (221,136) | (224,000) | (228,888) | (233,466) |
| * Operating Expenditures (DJA) | | (136,988) | (136,988) | (142,800) | (145,656) | (148,569) |
| * Operating Expenditures (PAO) | | (39,142) | (39,142) | (40,800) | (41,616) | (42,448) |
| * 2008 Housing Allocation Expenditures ³ | (16,344,000) | (6,402,551) | (1,656,000) | | | |
| Total Expenditures | (22,007,994) | (49,696,574) | (44,950,023) | (48,700,181) | (50,418,784) | (51,653,053) |
| Estimated Underexpenditures ⁷ | | 347,876 | 314,650 | 340,901 | 352,931 | 361,571 |
| Other Fund Transactions | | | | | | |
| * Total Other Fund Transactions | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Fund Balance | 13,744,669 | 17,345,697 | 13,909,296 | 11,466,016 | 8,999,163 | 6,886,682 |
| Reserves & Designations | | | | | | |
| * Housing & Capital Reserve ⁴ | (1,656,000) | | | | | |
| * Revenue Stabilization Reserve ⁵ | (1,500,000) | (2,000,000) | (2,000,000) | (3,000,000) | (4,000,000) | (4,899,500) |
| * New Strategy Reserve Replenishment | | | | | | |
| * New Strategy Reserve Ending Balance | (2,500,000) | (3,740,000) | (3,740,000) | (5,000,000) | (4,494,975) | (1,470,651) |
| Total Reserves & Designations | (5,656,000) | (5,740,000) | (5,740,000) | (8,000,000) | (8,494,975) | (6,370,151) |
| Ending Undesignated Fund Balance ⁹ | 8,088,669 | 11,605,697 | 8,169,296 | 3,466,016 | 504,188 | 516,531 |
| Target Fund Balance ⁶ | | 496,966 | 449,500 | 487,002 | 504,188 | 516,531 |

Financial Plan Notes:

¹ 2008 Actual is based on 14th month ARMS. 2009 Estimated is based on accrued revenue and updated expenditure projections.

² MIDD sales tax collection began April 1, 2008. GAAP standards require sales tax revenue to reflect sales that occurred in the year. All revenues are on an accrual basis. All sales tax projections are preliminary.

³ Housing expenditures are limited by the 2008 adopted appropriation. Total housing expenditures of \$18,000,000 include \$16,344,000 in 2008 expenses and \$1,656,000 in the Housing and Capital Reserve.

⁴ 2008 Estimated Housing & Capital Reserve of \$1,656,000 is unexpended balance of housing expenditures per the spending plan (\$18,000,000 - \$16,344,000). The approximate split of the \$18,000,000 in housing expenditures is \$16,344,000 for capital expenditures and \$1,656,000 for rental subsidies.

⁵ A Revenue Stabilization Reserve will be established at a level of 10 percent of Sales Tax Revenue. \$1,500,000 was reserved in 2008, an additional \$500,000 is budgeted for 2009, and an additional \$1,000,000 will be added each subsequent year until this level is attained. The Reserve will then be maintained at 10 percent of Sales Tax Revenue.

⁶ Target fund balance is set at 1% of expected expenditures. This is consistent with both the Mental Health and Substance Abuse funds.

⁷ Underexpenditure is 2% of direct services (not under contract). Direct services account for approximately 65% of expenditures.

⁸ 2010 expenditures assume that all strategies are fully operational. 2010, 2011 and 2012 have all been inflated by 2%.

⁹ 2009 Undesignated Fund Balance will be used to stabilize the fund in the event of further decline in sales tax revenue, or for one-time housing expenditures as recommended in the 2009 Proposed Budget.

¹⁰ New Strategies are funded for 2009 and 2010 out of New Strategies Reserve Fund. In 2011, ongoing funding of new strategies will be considered during budget process. 2011 expenditures include funding for continuation of new strategies as part of operating expenditures.

¹¹ Interest earnings are estimated based on investment pool yield forecast applied to average annual fund balance.