



FY2018 BUDGET STATUS

Mission: To promote and protect health and wellbeing in Gallatin County.

Vision: Healthy people and healthy communities.

Keith Wilson, Accountant, Gallatin City-County Health Department

April 2018



FY2018 BUDGET STATUS

Matt and I will be presenting our FY2019 budget to you in the May BOH meeting; what follows is a summary update on the state of the FY2018 (current-year) budget.

BUDGET TERMS & METHODS

Appropriation – authority to spend for the stated purpose (i.e., operations appropriation for operating costs, capital appropriation for capital costs).

Expenditure – what a business would call expense, but excluding costs associated with long-term liabilities. GAAP for government is the modified accrual basis of accounting with a current financial resources measurement focus. Employer contributions to pension is an *expenditure* of the current year, but non-current pension obligations, recognized under an economic resources measurement focus, are excluded from our current financial resources measurement focus; an increase in the total pension obligation over the year is an *expense*, but not an expenditure.

Fund – a segregated, self-balancing set of accounts. Fund accounting is used to enhance fiscal accountability, and budget laws often apply to the fund level.

Mill – one-tenth of one percent. Property tax rates are normally expressed in mills; 4.05 mills, then, is the nominal property tax rate 0.405% of taxable value (effective tax rates are often lower). The [ITEP Guide to Fair State and Local Taxes](#) offers an excellent summary of property tax mechanics.

Capital Reserves – funds set aside for capital purchases in future budget years and are not available for spending in the current budget year. Not to be confused with an **Operating Reserve**, which sets aside net assets in a fund to stabilize cash flow and provide a rainy day reserve.

The projections I use to keep program managers up to date generally* assume even cash flows – in the case of this report, simply applying the rate of activity that occurred in the first 75% of the year to the remaining 25% of the year (the books have closed, or have nearly closed, thru March). This formula is sensitive to uneven cash flows, and gains precision as the year progresses.

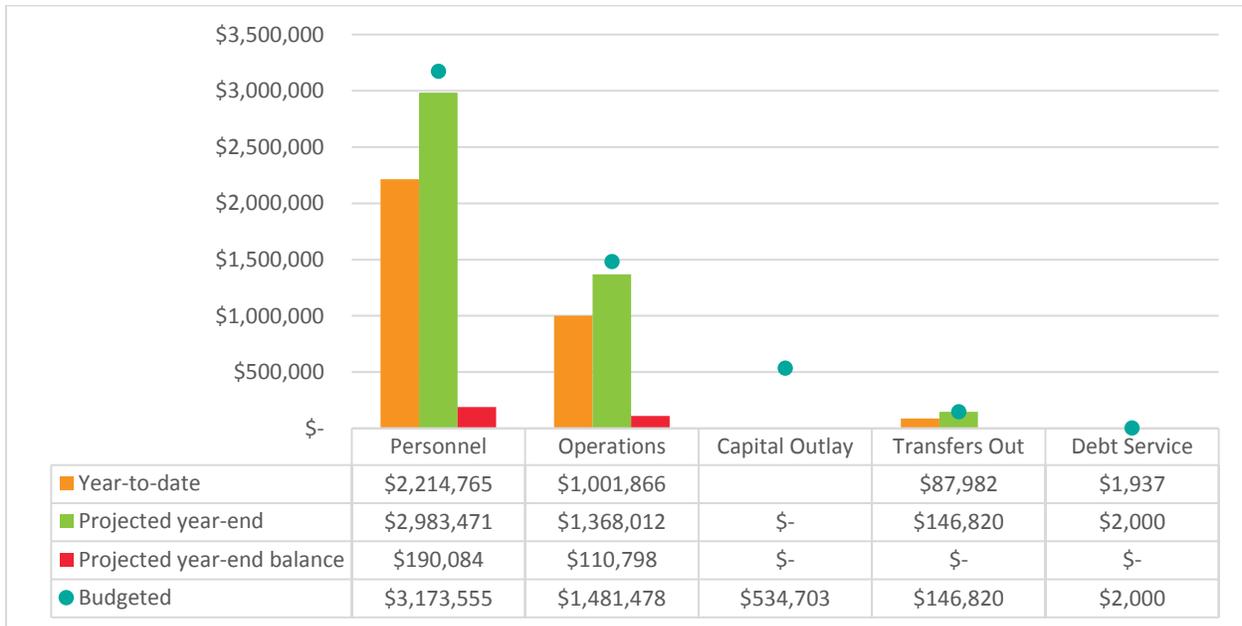
This is especially true of revenues. The spring is a busy time for EHS and the travel clinic; precision will narrow as we approach year-end.

*Fixed Charges, Capital Outlay, Debt Service, Transfers, and Building Maintenance project expenditures equal to appropriation, regardless of activity; Personnel and Equipment accounts carry forward realized variances, but project no future variances; intergovernmental revenue projections equal estimated revenues.

WHAT WENT OUT, WHAT CAME IN

WHAT WENT OUT

The department has budgeted appropriations of \$4.80 million (\$5.34 million with capital reserves), expenditures of \$3.31 million through March 31 (averaging \$364k/month), and projected year-end expenditures of \$4.50 million.

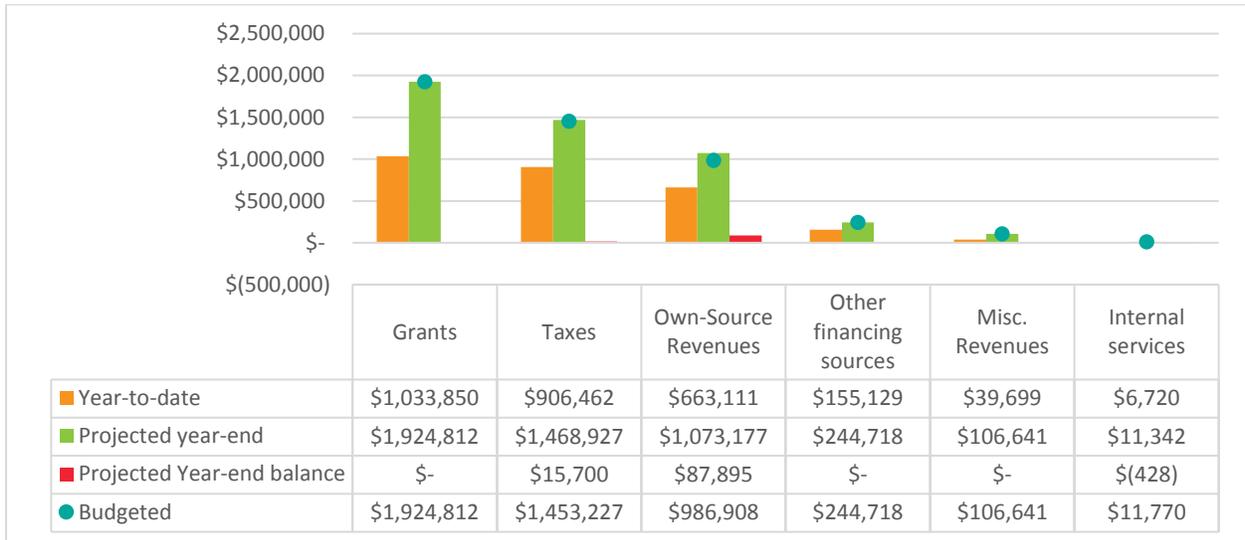


Personnel savings associated with vacancies in open positions were leveraged to bring in temporary part-time help to reduce a wastewater permit review backlog, but the projected year-end surplus remains high, above 5% of personnel appropriation. Two lines in the **operating** budget combine to account for over half of the projected operating variance: sub-recipient payments under Project LAUNCH are lagging behind my projection formula; and the immunization clinic has purchased fewer vaccinations than expected. Budget amendments were processed to reflect new grant amounts under mid-year awards. The department had no planned **capital projects** this year – the amount budgeted reflects Capital Reserve amounts spread out among various funds.

WHAT WENT OUT, WHAT CAME IN

WHAT CAME IN

The department has budgeted revenue estimates of \$4.73 million, revenues of \$2.80 million through March 31 (averaging \$333k/month), and projected year-end revenues of \$4.83 million.



Own-source revenue projections are up over estimates (Charges for Service and Licenses and Permits) in Environmental Health and the immunization clinic. For the accounts listed in last month's [Revenue Forecast](#), we have no significant changes in projections.

As always, I am available for questions or comments at keith.wilson@gallatin.mt.gov or (406) 582-3103. This report, in its brevity, commits an oversimplification. We have two dozen programs, distributed throughout nine responsibility centers, accomplishing a wide variety of goals. The input metrics I have presented in this report are more meaningful when placed in the context of accomplishing these goals. Stefanie Tassaro, our Accreditation Coordinator, would be happy to share our progress towards strategic goals, and is available at Stefanie.tassaro@gallatin.mt.gov or (406) 582-3102. I have also developed scorecards for select programs to aid in program evaluation and decision-making.