

Quarterly Financial Report

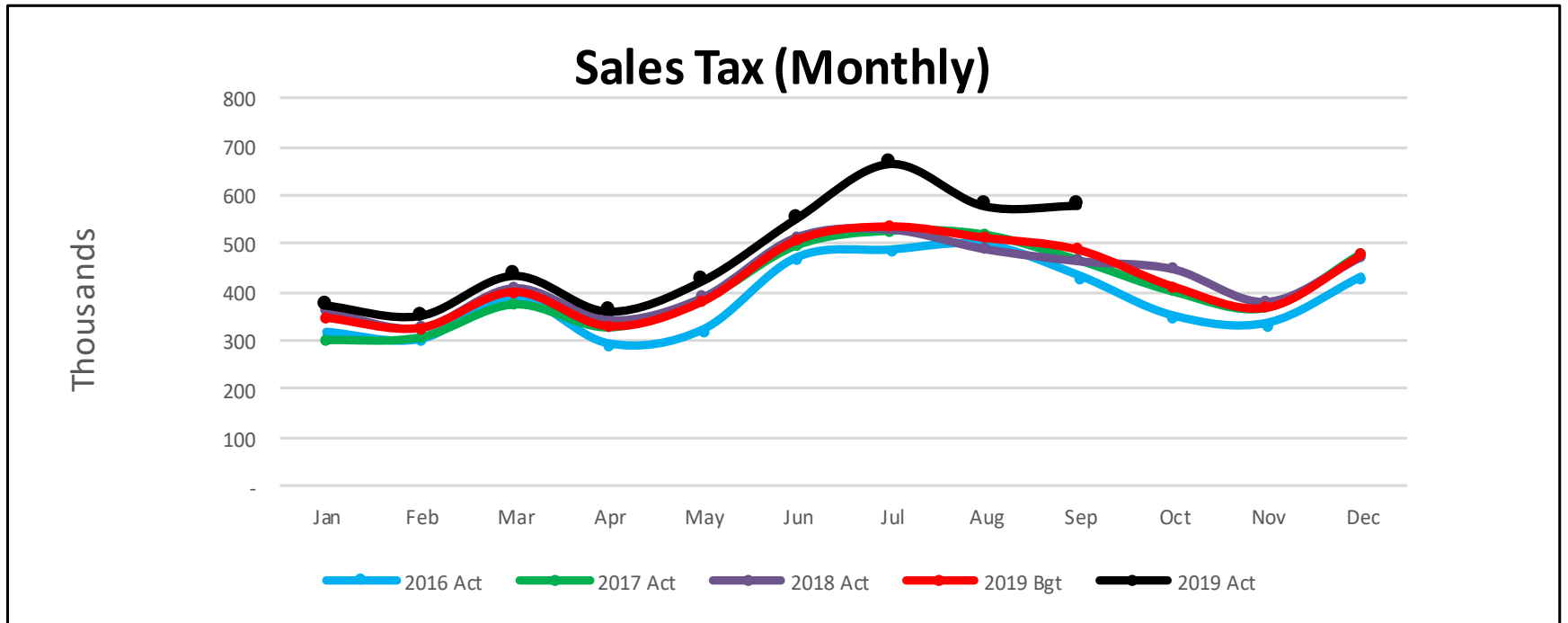
2019

Third Quarter

Some Positive Developments

- PILT funding:
 - \$495,570 revenue higher than budget, due to Fed action.
- Sales Tax Revenue:
 - Very significant growth is occurring. During the first 3 quarters, revenue exceeded budget by \$264,095 in both the General and R&B funds. We are projecting this will increase to \$331,000 by year end.
- Interest Income:
 - Investments by the County Treasurer are projected to net revenue about \$159,000 higher than budgeted in 2019.

Sales Tax



Overspending - Reasons

- Executing activity not originally budgeted, but for which unanticipated revenue was received.
- Reasons essentially beyond the control of department supervisors, such as:
 - Equipment breakdowns.
 - Costs of materials.
 - Etc...
- Choices made by department supervisors, resulting in overspending their approved budgets.

Often, more than one reason is at work at the same time...

Unbudgeted Activity Covered by Unanticipated Revenue

- County Treasurer
 - Treasurer Deed expense over budget, possibly by \$10,000.
 - Investment Income is expected to be \$159,000 higher than budget, which covers the extra expense many times over.

Overspending Beyond Reasonable Control of Supervisors

- Sheriff-Detention
 - Payments to LaPlata County for inmate housing are driven by number of inmates, and “rates” of compensation.
- County Coroner
 - Autopsy costs.
- Sheriff-Investigations:
 - Benefits and Overtime.
- Human Resources
 - Moving (relocation) costs.

Overspending Within the Control of Supervisors

- Sheriff-Investigations
 - Training and various supply costs.

Coverage of Expected Budget Adjustments

- Three methods available:
 - Unanticipated revenue
 - Transfer of underspent operational budget from other departments/funds
 - Deliberate use of appropriated contingency funds
- Unanticipated revenue includes:
 - General Fund: PILT, Sales Tax and Investment Revenues
 - Road & Bridge Fund: Sales Tax
- We generally use savings from underspent budgets first, and then unanticipated revenues second, to cover over spent budgets

Finance Management Highlights

- 2018 Financial Statement Audit completed.
- Significant 2020 Budget work done:
 - Prep, review and work-sessions for 81 dept. budgets.
 - Analysis and review of major projects/changes:
 - Courthouse financing options
 - Detention Facility cost of operations
 - Dispatch proposals
 - Updated long range financial models
- GASB 87 (lease accounting) impact

4th Quarter - Status Update

- 2020 Budget will be approved this week.
- Due to tax rate increase restrictions, citizens will see a Temporary Tax Credit of \$295,967 (0.849 Mills).
- New Court Facility – Financing
 - \$1.91M Letter of Intent, from Underfunded Courts Commission (contract to follow)
 - \$415,397 Grant Application to DOLA for Court Design work
- Selection of New Audit Firm... today.