



COUNTY OF MENDOCINO

Executive Office

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STAFF REPORT

1st QUARTER BUDGET

Before I begin the presentation on the Quarterly budget report, I would like to give a update to the Board on our county finance system specifically on reporting.

Per direction by the Board of Supervisors, the Executive Office provided its first quarterly budget reports in 2005, and has continued to provide the Board with quarterly reports to track the status of department budgets and financial status since this time. This valuable financial reporting tool has been an important indicator for tracking fund balance and preparing for the new budget year. In order to report this information to the Board and to the public, an Excel worksheet template was originally created as a way to summarize this data for reporting. For reporting to you today, this template and process is cumbersome with many staff hours of manual input. We are now in our second year of being on the MUNIS Finance system, and have one year of data that can now be used for comparison reporting. One of the key important features of the MUNIS financial system is the ability to provide various financial data and historical information for comparison for tracking programs and costs. However, in selecting MUNIS, it was understood that customized reports using a report writer called "Crystal Reports" would have to be created in order to access various kinds of data for reporting by departments because the standard reports were very limited in their scope. Although the data is readily accessible, it cannot be printed and reported in a format that is easily read by the public and the Board. Departments may have a need more for more in depth reporting, or various kinds of reports not available or accessible without creating customized reports. Our county IS department has been working with departments to create various customized reports as needed. Reports created for departments are not necessarily available for all departments viewing but only for the departments requesting the reports. This is due to the security access to the data base which has to be limited. Our Deputy CEO, Justin Phan in charge of IT technology is currently gathering data from surveys from departments, and will be reactivating the finance system steering committee to address any issues or unmet needs by departments in the future. The Executive Office will be actively pursuing creating customized reports for reporting the quarterly budget status as well as comparison financial data to the Board of Supervisors in the near future.

In your Board packets for your review, I have provided you with 2 worksheets on the first quarter financial status of county department budgets. A detailed worksheet shows detail of county department budgets with a break down by account series and total percentages for each department and by function. A summary worksheet shows a summary with overall percentages by department for total expenditures and revenue.

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The primary analysis for first quarter and the 2008-09 financial status of the county was based on a review of actual expenditures and revenue as compared to budget of the county department budgets and including our discretionary revenue. As you may recall, I have reported in the past to the Board that the first quarter lacks sufficient data to really examine the projections at this point for the remainder of the fiscal year. Workman's Comp, unemployment and general liability are not posted usually until second quarter. Also revenues projected are not received or drawn down until second quarter on most state and federal funding.

Overall, the worksheets provided for your review today indicates actual expenditures and revenues for first quarter. A benchmark indicator of 25% for first quarter was used as a percentage to budget. This is only a benchmark for analysis only, and may not reflect a true picture of expenditures or revenue. As well, there could be other one time only postings such as accruals to expenditures and revenue that could skew the percentage to date.

In analyzing department budgets, the worksheet reflects comments on departments that have exceeded the 25% benchmark indicator. Most departments that have exceeded this indicator were in the area of overtime and extra help and explanations and comments have been provided on the worksheet. The total percentage countywide of overtime to date is 31% of the total budgeted amount or \$793,958 as compared to \$2.5 million budgeted countywide. Extra help is at 45% or \$308,488 as compared to \$682,000 budgeted countywide. However, most departments are within the 25 % total within the salaries and benefits line items at this time.

Jennifer Wyatt
Deputy Chief Executive Officer
Finance