

DEPARTMENT: Administration BY: Mike Coffield PHONE: 966-3222
Auditor Ken Hawkins 966-5719

RECOMMENDED ACTION AND JUSTIFICATION: (Policy Item: Yes___ No___)

Policy Consideration for Year-End Budget Reconciliation

BACKGROUND AND HISTORY OF BOARD ACTIONS:

On August 2, 1994, the Board referred to the Auditor and Administrative Officer the issue of closing out at year's end those budgets in which expenditures exceeded appropriations and a policy to deal with such items prospectively. The attached is the result of that direction.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

NA

COSTS: () Not Applicable
A. Budgeted current FY \$ _____
B. Total anticipated costs \$ _____
C. Required additional funding \$ _____
D. Internal transfers \$ _____

SOURCE: () 4/5ths Vote Required
A. Unanticipated revenues \$ _____
B. Reserve for contingencies \$ _____
C. Source description: _____
Balance in Reserve for Contingencies, if approved: \$ _____

SPECIAL INSTRUCTIONS:
List the attachments and number the pages consecutively:
Memorandum entitled "Year-End reconciliation"

CLERK'S USE ONLY:
Res. No.: 94-367 Ord. No. _____
Vote - Ayes: 5 Noes: _____
hwy Absent: _____ Abstained: _____
Approved _____ () Denied _____
() Minute Order Attached () No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.

Date: _____
ATTEST: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California
By: _____
Deputy

ADMINISTRATIVE OFFICER'S RECOMMENDATION:
This item on agenda as:
 Recommended
 Not Recommended
 For Policy Determination
 Submitted with Comment
 Returned for Further Action

Comment: _____

A.O. Initials: [Signature]

MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

TO: KEN HAWKINS, Auditor
FROM: MARGIE WILLIAMS, Clerk of the Board *MW*
SUBJECT: Policy Consideration for Year-End
Budget Reconciliation
Resolution Number 94-367

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA,
ADOPTED THIS Order on August 23, 1994

ACTION AND VOTE:

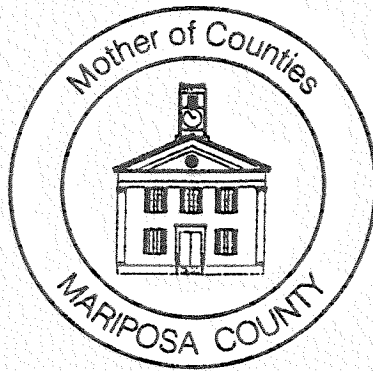
11:52 a.m. Ken Hawkins, Auditor;
Resolution Approving Year-End Adjustments and Policy
Consideration for Year-End Budget Reconciliation (County
Administrative Officer)
BOARD ACTION: Ken Hawkins reviewed each of the requested
year-end adjustments from the various departments.
Supervisor Baggett questioned how the Treasurer's investment
fees are set and budgeted for cost recovery - Board
requested that Treasurer present information on this matter.
Ken advised that a cost benefit analysis for the use of
outside investment firm(s) versus in-house has never been
done. (M)Parker, (S)Erickson, Res. 94-367 adopted approving
year-end adjustments, and adopting policy as recommended by
County Administrative Officer for the future/Ayes:
Unanimous.

cc: Mike Coffield, County Administrative Officer
Don Z. Phillips, Treasurer/Tax Collector
Jim Eutsler, Community Services Director
Mike Edwards, Public Works Director
George Griffith, District Attorney
Rick Campbell, Data Processing
Judge Carlos C. LaRoche, Justice Court
Judge Richard L. McMechan, Superior Court
File

MARIPOSA COUNTY AUDITOR
POST OFFICE BOX 729
MARIPOSA, CA 95338

Ken Hawkins, County Auditor

Chris Ebie, Assistant Auditor



Office (209) 966-7606
FAX (209) 966-6496

August 17, 1994

To: Board of Supervisors

From: Ken Hawkins
Auditor

Mike Coffield
County Administrative Officer

Subj: **Year-End reconciliation**

On August 2, 1994, the Board referred to the Auditor and Administrative Officer the issue of closing out at year's end those budgets in which expenditures exceeded appropriations, and a policy to deal with such items prospectively. The following six budgets are reflected as exceeding Board approved appropriations, for the reasons discussed.

Senior Nutrition - (Fund 50) - The Senior Nutrition special fund overspent its budget by a total of \$4,091.81, but the fund also collected additional revenues in excess of budget by \$10,913.38. The over-expenditure was the result of higher than anticipated food costs, however, the potential for over expenditure was "masked" by the \$11,000 which reimburses the cost of program administration, but is not paid until the last month of the fiscal year. The fund appeared to have an ample balance, but when these expenses were processed, the food over-expenditure was realized.

Mariposa Pines - (Fund 67) - The Mariposa Pines Special District over spent by \$1,802.02, however, the district also has additional revenues of \$5,154.76. The over-expenditure was an oversight because sufficient appropriations existed in the district's Contingency Reserve to cover these costs which should have been transferred into the correct category before year-end. The Auditor does have the authority to shift between categories at year-end, however, he cannot make an appropriation from Contingency Reserves because that requires four votes of the Board.

Treasurer - (General Fund) - This over-expenditure of \$8,047.57 per the attached letter from the Treasurer/Tax Collector was caused by three basic factors: \$4,500 in additional investment consulting fees, \$1,500 in banking and securities fees and \$2,000 in additional charges for bank safe keeping and analysis fees. Most of this overage is the result of appointing a second advisor for investments, which while it has resulted in increased

returns, has not proven to be cost effective. Over \$38,000 in interest earnings are available to offset this over-expenditure.

Victim Witness (General Fund) - This over-expenditure of \$275 was the result of an oversight. This matter will be dealt with by increasing year-end appropriations from the Contingency Reserve, but, grant funds will be used in the new fiscal year to reimburse the general fund so that there is no net cost to this fully grant-funded program.

Justice Court and Superior Court (General Fund) - These two budgets were increased through a shift of expenditures of \$7,207 and \$9,932 respectively from Data Processing. While the expenses were actually incurred and booked in Data Processing, transferring the expenses to the Court budgets will further the chances of the County to increase its Trial Court funding allocation. The shift was done at the suggestion of staff from the Administrative Office of the Courts(AOC), who support the Trial Court Budget Committee.

Policy Considerations

In the past, if the Auditor paid year-end bills which caused a department's budget to be over-expended, the checks would be canceled and the bills would be automatically paid out of the next year's budget. We believe a better policy for the future would be to pay expenses from the budget of the year in which the expenses were incurred and to stop the practice of paying one fiscal year's expenses from another fiscal year's revenues. Such a policy will be a better accounting practice and additionally will foster closer attention to the availability of funds when making expenditure decisions close to year-end.

The Board has already delegated to the Auditor the ability to transfer appropriations between categories of expense as part of cleaning up year-end balances, and the Budget Act section of the Government Code does not allow delegation of the Board's authority over total appropriations or the appropriation of over-realized revenue. Accordingly, no change in the authority delegated to staff is recommended.

BUDGET ACTION FORM

DEPT/DIV: Auditor

CONTACT: Ken Hawkins

DATE: 7/29/94

PHONE: 966-7606

ACTION REQUESTED: (Check All That Apply)

- (X) Budget appropriation by Board of Supervisors (4/5ths Vote Required): Amending the total amount available in the County budget, or in any one fund of the budget, or appropriating Reserve for Contingencies;
- () Transfer by Board of Supervisors (3/5ths Vote Required): Moving existing appropriations from one budget to another, or between categories within a budget unit;
- () Transfer by Administrator: Moving existing appropriations within a single budget category between line items (i.e. services and supplies, etc.)
- () Transfer by Auditor: Moving salaries between line items to accommodate variances internal to salaries; OR transfers within the County budget under \$50.00 to accommodate minor variations from the budget.

FUND/DEPT/ACCT NO.	LINE ITEM DESCRIPTION	AMOUNT (FROM)/TO
001-0108-422-0417	Treasurer Office Expense	\$8,047.57
001-4202-307-8202	Treasurer Investment Fees	(8,047.57)
001-0104-414-1090	Contingencies	(7,207.00)
001-0202-511-0424	Justice Court	7,207.00
001-0151-0433	DATA PROCESSING	(17,139.00)
001-0201-511-0422	Superior Court	9,932.00
001-0104-414-1090	Contingencies	(9,932.00)
001-0215-518-0406	Victim Witness	275.00
001-0104-414-1090	Contingencies	(275.00)
001-0701-761-0430	Parks and Recreation	153.00
001-0104-414-1090	Contingencies	(153.00)

Justification: See attached

Department Head Signature: *[Signature]* Date: _____
 Approved By: Res. No. 94-367 Clerk: *[Signature]* Date: 8-23-94
 Administrator: _____ Date: _____
 Auditor: _____ Date: _____

AUDITOR'S USE ONLY:

Description: _____ Transfer No.: _____
 B.R. No.: _____

COUNTY OF
MARIPOSA

BUDGET ACTION FORM

DEPT/DIV: Various

CONTACT: Ken Hawkins

DATE: August 2, 1994

PHONE: 966-5719

ACTION REQUESTED: (Check All That Apply)

- (X) Budget appropriation by Board of Supervisors (4/5ths Vote Required): Amending the total amount available in the County budget, or in any one fund of the budget, or appropriating Reserve for Contingencies;
- (X) Transfer by Board of Supervisors (3/5ths Vote Required): Moving existing appropriations from one budget to another, or between categories within a budget unit;
- () Transfer by Administrator: Moving existing appropriations within a single budget category between line items (i.e. services and supplies, etc.)
- () Transfer by Auditor: Moving salaries between line items to accommodate variances internal to salaries; OR transfers within the County budget under \$50.00 to accommodate minor variations from the budget.

FUND/DEPT/ACCT NO.	LINE ITEM DESCRIPTION	AMOUNT (FROM)/TO
033-0251-577-0677	Computer Mapping	673.00
033-0251-577-0678	Traffic Computers	125.00
033-0251-577-0679	Traffic Modeling Software	7.00
033-0251-577-0437	Transportation Planning Services	(805.00)
050-0518-715-0433	Senior Nutrition-Food	4,091.81
050-0518-715-6241	Area 12 Grant	2,788.00
		(2,788.00)
		4,091.81
067-0901-859-0418	Mariposa Pines Professional Services	3,845.00 / 1,802.02
067-0901-301-0100	Secured Taxes	(1,048.00)
067-0901-301-0300	Delinquent Unsecured	(1,833.00)
067-0901-308-1100	Miscellaneous	(964.00)
067-0901-859-1090	CONTINGENCY RESERVE	(1,802.02)

**** EFFECTIVE JUNE 30, 1994 ****

Justification: Fund 50 (Senior Nutrition) and Fund 67 (Mariposa Pines) received unbudgeted revenue to cover these expenditures. Transportation overspent their Fixed Asset account but had a large excess in their Services account.

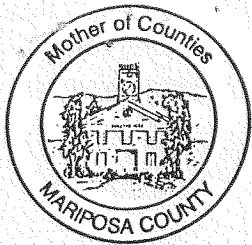
Department Head Signature: [Signature] Date: 7-22-94

Approved By: Res. No. 94-317 Clerk: [Signature] Date: 8-2-94

Administrator: _____ Date: _____

Auditor: _____ Date: _____

AUDITOR'S USE ONLY:
Description: 94-367 Transfer No.: 8-23-94
B.R. No.: _____



County of Mariposa

Office of Treasurer - Tax Collector

August 11, 1994

Telephone:

Tax Collector (209) 966-2621
Treasurer (209) 966-2830
FAX (209) 966-6496

Don Z. Phillips
Treasurer-Tax Collector
Hall of Records
4982 10th Street
P.O. Box 36
Mariposa, CA 95338

TO: Ken Hawkins, County Auditor

FROM: Don Z. Phillips, Treasurer-Tax Collector

SUBJECT: 1993-94 Budget Expenditures

As per your request please note the following:

1. Negative balance in Treasurer salaries = Board Resolution
2. Negative balance in longevity pay = This always is in a negative balance. The salaries will make up the difference
3. Negative balance in services & supplies = First of all, the first item under communications should be under investment services (\$647.31). That doesn't change the amount of the negative balance, but it does put it in prospective. Also #450 County Vehicle doesn't show on your printout (\$100.00). With this in mind, it appears that everything was o.k. except for the investment services line item. I knew transportation would be over budget, but allowed for that in other line items. I traveled to several counties, and have been consulting with other vendors for elections, and county clerk functions. Rather than try to take those from the County Clerk budget, I just allowed for them in the other line items of my budget.

That puts investment services negative about \$8,000.00, which is a result of the added investment consultant we added back in December. This added additional consulting fees, and bank fees. My records show that it has cost approximately \$4,500.00 for the additional investment consulting fees, and about \$1,500.00 for additional banking and securities fees through Wells Fargo Bank. The balance of about \$2,000.00 was an increase in Bank of America fees for safe keeping and analysis fees.

It has not proved cost effective to run two consulting firms, and we are in the process of phasing out the second consultant, and Wells Fargo Bank. However, with the increased banking fees of Bank of America, we may very well need to add an additional \$5,000.00 to the 1994-95 budget, in order to be safe this year. This is an item that we have no control over, and do not know when the banks will increase fees.