

# **Quarterly Financial Report**

**2018**

**First Quarter**

# Summary

- Revenue was received as expected in the first quarter. No revenue short falls are (so far) indicated.
- Most Expense Categories/Departments are within budget and without issues. **However...**
- Nine Departments are projected to exceed their expense budgets and by significant amounts.
- (During the first quarter of 2017 only two Departments were projected to exceed their expense budgets and the amounts involved were modest).
- The 2018 projected cost overruns are great enough to pose a threat.

# Watch List – Sheriff’s Office

- The following Sheriff’s departments are “budget challenged” as of the first quarter, and have serious projected cost overruns:
  - Investigations 29% Expended, with *Projected* Overruns of: \$6,000 (Travel) and \$14,000 (Overtime).
  - Patrol 26% Expended, with *Projected* Overruns of: \$36,000 (Overtime).
  - Detention 25% Expended, with *Projected* Overruns of : \$70,000 (Overtime) and \$10,000 (On Call).
  - Within the Detention budget, Inmate Housing (paid to LaPlata County) will be \$200,000 to \$250,000 over budget. This item is not discretionary, but other categories are and could be used to offset the excess cost.
- Total *Projected* Overruns are \$336,000 to \$386,000.

# Watch List – Other Departments

- The following departments are budget challenged as of the first quarter, and have projected cost overruns:
  - Human Resources 27% Expended, with Projected Overruns of: \$13,000 (Advertising).
  - County Coroner 24% Expended, Projected Overruns of: \$5,000 to \$10,000 (Medical Services).
  - Building & Grounds 28% Expended, Projected Overruns of : \$30,000 (Air Quality Testing/Courthouse).
- Total Projected Overruns: \$48,000 to \$53,000.

# Significance of Cost Overruns

- The cost overruns are projected to be in the range of \$384,000 to \$439,000.
- The County has contingency funds for use when unexpected problems occur, but within the General Fund, only \$195,500 was budgeted.
- If the costs are not contained or offset (by savings elsewhere), the County will likely overspend the General Fund.
- Overspending the General Fund would be a clear violation of CRS 29-1-110.

# CRS 29-1-110

The text of CRS 29-1-110 opens with the following statement:

*“During the fiscal year, no officer, employee, or other spending agency shall expend or contract to expend any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditures of money in excess of the amounts appropriated.”*

# Finance Department Highlights

- AP, Purchase Cards, Payroll and GL data continue to be processed accurately and on-time.
- We have increased the feedback to departments (on the details of the information they submit in support of disbursements). We are reporting all modifications and/or corrections we make during processing. We intend this to be a form of “ongoing training”.
- One of our goals for 2018 is to give special attention to the Capital Assets of the County. We have been cleaning up various asset records in our books including; updating location codes, purging fully depreciated (and disposed) asset records, etc... We are planning a full asset count and reconciliation for the fourth quarter of this year.