

Quarterly Financial Report

2018

Second Quarter

Summary

- Most departments/major categories are within budget and without issues. However...
- 13 departments are on the “Watch List” and at least 7 will be over budget at year end.
- Last year at this time, there were 5 departments on the “Watch List”, of which 3 were expected to be over budget.
- It is too early to tell if cost savings in some departments will be sufficient to cover the over-spending already identified.
- We are seeing some significant “unanticipated” revenue, which could cover the excess spending.
- However, the County’s long term capital replacement needs drastically exceed existing revenue streams and fund balances and it is desirable to target all “unanticipated” revenue toward those capital needs.

Watch List – Sheriff's Office

- The Following Sheriff's departments are budget challenged as of the second quarter and have serious projected cost overruns:
 - Investigations 62% Expended, with Projected Overruns of: \$10,000 for Overtime and \$6,000 for Travel/Training.
 - Patrol 51% Expended, with Projected Overruns of: \$44,000 for Overtime and \$4,500 for Travel/Training.
 - Detention 61% Expended, with Projected Overruns of: \$68,700 for Overtime, \$12,500 for On Call pay, \$4,600 for Travel/Training.
 - Within the Detention budget, Inmate Housing (paid to LaPlata County) will be about \$245,500 over budget. This item is not discretionary, but other categories are and could be used to offset this excess cost.
- Total Projected Overruns for these three Sheriff's Department budgets are about \$395,800.

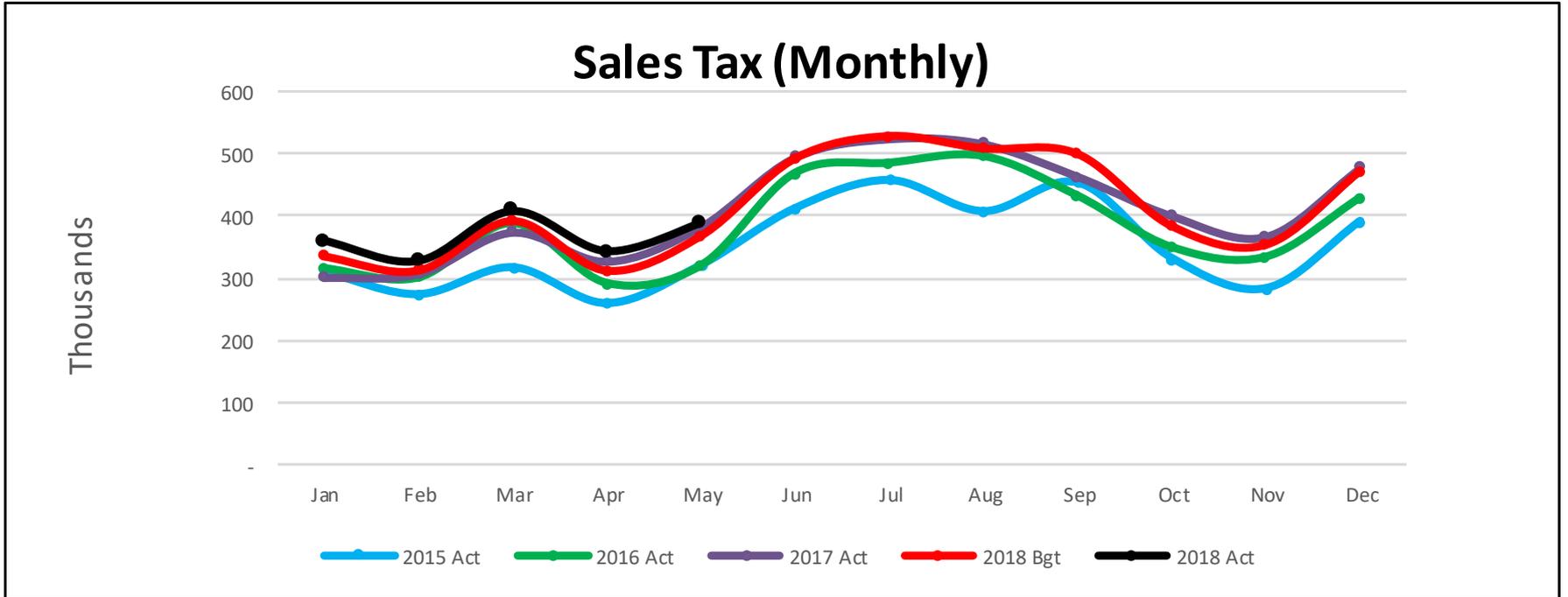
Watch List – Other Departments

- The following additional departments are budget challenged as of the first quarter, and have projected cost overruns:
 - Human Resources 52% expended, with Projected Overruns of at least \$17,000 in Advertising, Office Supply and Office Equipment.
 - County Coroner 57% Expended, with Projected Overruns of \$20,000 in Medical Services costs. There may be additional overages, depending on the expense of training costs for the new Coroner.
 - Road & Bridge Administration 62% Expended, with Projected Overruns of about \$33,000 for Liability Insurance.
- Total Projected Overruns for these departments are approximately \$70,000.
- Of the departments that were on the Watch List last quarter, only two have dropped off the list:
 - Sheriff (Court Security) dropped off by virtue of bringing new grant money to the table.
 - Building & Grounds dropped off the list by slowing down the rate of expenditures.

Positive Revenue Developments

- Unanticipated revenue has been received, including:
 - PILT funding up \$474,204 due to Fed action.
 - Sales Tax Revenue, up 6.2%, which may add as much as \$300,000 to expected revenue (split 50/50 between the General and Road & Bridge funds). See the next slide.
 - Interest Income up \$200,000 to \$300,000, by year end.
- All other Major Sources of funding are coming in at approximately the expected (budgeted) amounts, after taking into account seasonal adjustments.

Sales Tax



Finance Department Highlights

- AP and Payroll continue to be processed accurately and on-time.
- Year End Close work was completed as scheduled and our auditors arrived and conducted their annual field work during the month of June.
- Significant efforts were made in support of departments, including helping Road & Bridge and Solid Waste bid out major projects (such as Peidra Road construction and Cell 4A at the County Landfill), and providing information useful in obtaining a settlement with Hart Construction over the Courthouse Roof case.
- Significant efforts were made in closely monitoring expenses and in analyzing options for dealing with various funding problems, including major capital replacement issues.
- Continued updating Revenue Projections and Long Range Forecasts, in preparation for the 2019 budget process.