



# Quarterly Financial Report

## 2020 – First Quarter

### (January to March 2020)

**Preliminary and Unaudited**

#### **Executive Summary**

During the first quarter of 2020, the County began to see the economic effects of the COVID-19 induced recession, and grappled with maintaining work production while “social distancing” at the same time.

Most of our news is bad, but there were some positive Revenue developments, including:

- The County budgets PILT funding low, because it is never “assured” of appropriation by the Fed when we must complete our budget. While we have not yet seen our Federal PILT funding, we are being told we will receive the “normal” allocation, which could be \$450,000 or more higher than our budgeted amount.
- The County will likely receive \$75,000 (or more) of COVID-19 related special grants.

But this will be offset by decreases in many other Revenue streams. There is still too much uncertainty about both COVID-19 and the recession it is producing, to make reliable revenue projections. But we are “speculating” the following decreases in revenue by year end:

- Sales Tax revenue, low by \$960,000 (15%).
- Property Tax revenue, low by \$310,000 (5%).
- HUTF revenue, low by \$315,000 (15%).
- Various Other revenues, low by more than \$200,000.

The net effect could easily be a NET REDUCTION in revenue to the Governmental Funds of the County of over \$1,260,000.

Regarding Expenses:

- Only six (6) departments/major categories appear to be over budget during the first quarter.
- None of those six are currently projected to be over budget at year end.
- The Justice System Capital Fund (JSCF) has three Capital Project included in the 2020 budget. Two of those projects are expected to exceed their budgets by significant amounts, as follows:
  - Detention Center: About \$615,000 over budget, due to Change Orders in excess of the allowance for Change Orders.
  - Sheriff’s Office Remodel: About \$302,000 over budget.
- In order to execute the third project (New Courthouse), the County will have to transfer as much as \$900,000 to the JSCF from the General Fund.

The expected cost overruns on the large capital projects and the expected shortfalls in revenue create an urgent need to act. The County’s initial response has been limited. So far, we have implemented a (partial) hiring freeze and post-phoned major capital improvements in the Road & Bridge fund. Additional actions are being considered, but the Finance Department would like to see more and better data about revenue, before quantifying the depth of budget cuts to come. We don’t want to make the current crisis worse than it already is, by cutting deeper than necessary into our existing budgets. One possibility is to maintain most 2020 expenses budget as they are, and absorb some of the shortfall in revenue with the Strategic Reserve. This would buy time for the crisis to come into focus, and let us use the normal budget process to make necessary cuts, becoming effective in 2021.

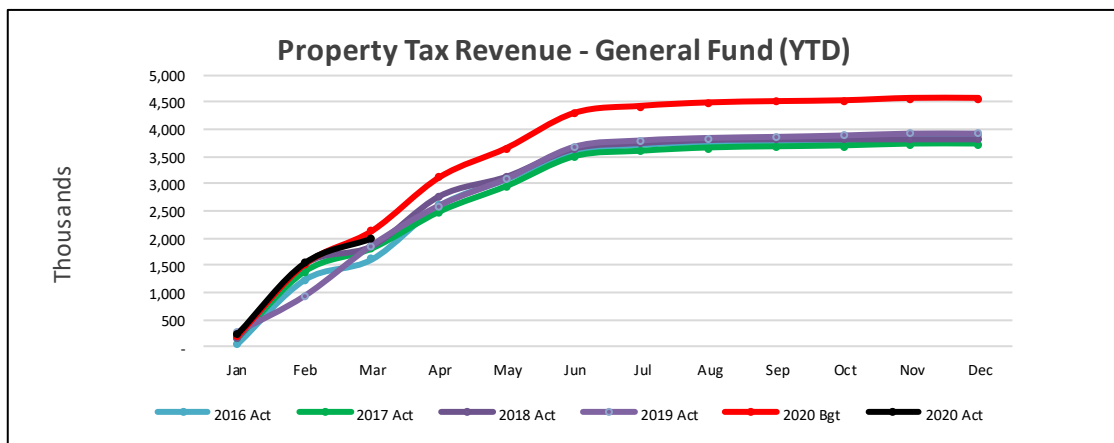
## General Fund:

### Revenue Detail

During the first quarter of the year, about 24% of the budgeted General revenue was received. In the detail, individual types of revenue are subject to very considerable seasonal variations. However, they virtually washed out during the first quarter. The most material variations are:

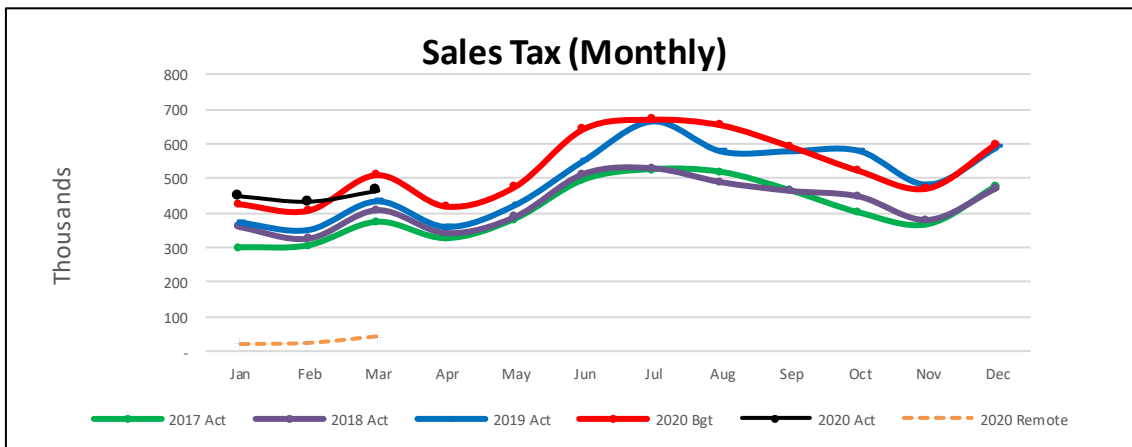
#### Property Tax:

During the first quarter, about 45% of the budgeted property tax was actually received. While property owners may pay their property tax in a single installment (due on or before April 30), most exercise the option of paying in two installments, the first being due by Feb. 28<sup>th</sup> and the second by June 15<sup>th</sup>. The Governor extended the due date for making the first payment and interest on late payments was also waived, within a limited time frame... all due to COVID-19. The amount of revenue collected during the first quarter is about 5% lower than expected. We will have a much better idea how to project this revenue for the balance of the year, when we are done processing May data.



#### Sales Tax:

Sales Tax revenue is collected in arrears. The first quarter General Fund report only includes the January revenue, though we now also know the February and March amounts. When we include the Feb. and March amounts, the Sales Tax receipts were about 0.2% LOWER than the seasonally adjusted budget during the first quarter. The months of January and February were strong, being 4.9% and 5.7% higher than budgeted, respectively. However, March sales tax was 9.1% lower than the seasonally adjusted budget, despite a significant increase in "remote" taxes collected.



Licenses and Permits Revenue:

Like Sales Tax, the larger Licenses and Permits revenues are processed in arrears. The first quarter report mostly shows January revenue, though we also know some of the February amounts. At this point in time there is not enough data to reveal trend information, but we are assuming some budget shortfalls, due to COVID-19 social distancing measures.

Intergovernmental Revenue:

The largest components of Intergovernmental revenue are PILT funding (Payment in Lieu of Taxes from the Federal government), and various “cost reimbursement” grants.

The PILT funding is received in two installments; one from the Southern Ute Indian Tribe and a larger amount from the Federal government. These are generally received around mid-year. We have already received \$98,121 from the Southern Ute’s in March. We do not yet know the amount we will receive from the Federal government, but have been told we will receive the “full” allocation. We budgeted the Federal PILT funding conservatively, so a “full” allocation should be much higher than budget.

Cost Reimbursement grant revenue also falls into this category, and is collected in arrears, being generally received about two months after the reimbursable expenses are incurred. We believe we will receive \$60,000 or more from COVID-19 related disbursements split between the Airport and Mountain Express Transportation. Eventually, some FEMA funding may also be received, and/or a portion of CARES Act funding, as allocated by the State of Colorado.

Miscellaneous Revenue:

The largest components of Miscellaneous revenue are annual proceeds from the Livestock Auction which occur during the County Fair in August of each year.

Revenue Projections?

We would like to be able to use our first quarter revenue information to project likely 2020 funding shortfalls, in order to start making informed budget adjustment decisions. Alas, even in a typical year, the first quarter report does not contain enough information to make proper projections of most revenues for the balance of the year. With the added uncertainty of a possible second wave of COVID-19 infections (and possible additional social distancing measures) it is not possible to estimate how badly revenues will fall below budget. All we know is that most revenue will decline.

That said, we can (at least) “speculate”. Here is my speculation about General Fund revenue shortfalls in 2020:

DOWN: 5%, \$225,000	Property Tax
DOWN: 15%, \$480,000	Sales Tax
DOWN: 20%, \$83,500	Interest Income
DOWN: 10%, \$65,000	License & Permits
DOWN: 10%, \$31,500	Intergovernmental (not including PILT)
UP: \$75,000	Various COVID-19 Related relief grants and reimbursements
UP: \$450,000	PILT (Full Funding, in excess of budget)
DOWN: \$360,000	NET REVENUE SHORTFALL (GENERAL FUND)

## Expense Detail:

During the first quarter only 19% of the General Fund expense budget was utilized. The majority of individual departments (31 out of 35 active) were clearly *under* budget during the first quarter.

Three departments incurred a disproportionate amount of expense during the first quarter of the year, but their expenses are expected to be within the annual budget at year end, as follows:

- **CSU Extension Checking 54% expended:** This cost center appears to be overspent during the first quarter, but this is because the balance of funds held for this specific function were transferred to Colorado State University. CSU will take over monitoring and accounting for these, but our CSU Extension Agent will continue to do the related work.
- **County Clerk-Elections 33% expended:** The Software category appears significantly overspent, but this is because an annual software subscription was paid during the first quarter. In addition, some overspending has occurred in Postage.
- **Human Resources 27% expended:** The Dues & Subscriptions category appears overspent significantly, but this is because the annual MSEC dues were paid during the first quarter.

One department was significantly over budget during the first quarter, but is not currently expected to be overspent as the year progresses, as follows:

- **Tourism Fund 35% expended:** There is a disbursement item included in the first quarter in error. When the correction is made, the cost center will be well within budget.

The General Fund statement appears on the next page.

**Governmental Fund - General**

YTD Percent = 25%

as of March 31, 2020

	Original Budget	Amended Budget	YTD Actual	Remaining Budget	% of Budget
<b>Revenues</b>					
Taxes	8,517,355	8,457,236	2,378,343	6,078,893	✓ 28%
Licenses and Permits	638,696	638,696	69,196	569,500	⚠ 11%
Intergovernmental	1,081,838	1,081,838	119,574	962,264	⚠ 11%
Charges for Services	2,153,557	2,153,557	497,461	1,656,096	⚠ 23%
Interest	418,250	418,250	78,235	340,015	⚠ 19%
Misc	536,200	536,200	14,365	521,835	⚠ 3%
<b>Total Revenues</b>	<b>13,345,896</b>	<b>13,285,777</b>	<b>3,157,173</b>	<b>10,128,604</b>	<b>⚠ 24%</b>
<b>Expenditures</b>					
Administration	303,831	303,831	46,129	257,702	✓ 15%
Attorney	248,973	248,973	45,432	203,541	✓ 18%
Building & Grounds	290,826	290,826	40,924	249,902	✓ 14%
County Assessor	663,642	663,642	161,385	502,257	✓ 24%
County Clerk & Recorder	639,513	639,513	105,479	534,034	✓ 16%
County Clerk- Elections	187,227	187,227	61,458	125,769	⚠ 33%
County Commissioners	731,913	731,913	116,154	615,759	✓ 16%
County Coroner	112,685	112,685	15,740	96,945	✓ 14%
County Fair Board	85,108	85,108	1,274	83,834	✓ 1%
County Surveyor	22,771	22,771	3,817	18,954	✓ 17%
County Treasurer	595,864	595,864	150,978	444,886	✓ 25%
County Treasurer - Public Trustee	14,947	14,947	3,716	11,231	✓ 25%
CSU Extension	171,524	171,524	28,947	142,577	✓ 17%
CSU Extension Checking	20,000	20,000	10,704	9,296	⚠ 54%
Development Services-Building	266,626	266,626	40,703	225,923	✓ 15%
Development Services-Planning	238,503	238,503	31,654	206,849	✓ 13%
District Attorney	436,808	436,808	-	436,808	✓ 0%
Finance	404,906	404,906	65,844	339,062	✓ 16%
Human Resources	166,572	166,572	44,767	121,805	⚠ 27%
IT/GIS	490,104	490,104	103,235	386,869	✓ 21%
Jail Bonding/Commissary	51,000	51,000	705	50,295	✓ 1%
Livestock Auction	276,000	276,000	-	276,000	✓ 0%
Pass-Thru	-	-	-	-	N/A
Sheriff Administration	505,284	505,284	109,949	395,335	✓ 22%
Sheriff Animal Control	137,712	137,712	30,654	107,058	✓ 22%
Sheriff Court Security	78,838	78,838	14,753	64,085	✓ 19%
Sheriff Detention	1,627,787	1,627,787	260,072	1,367,715	✓ 16%
Sheriff Emergency Management	409,511	409,511	74,819	334,692	✓ 18%
Sheriff Investigations	240,816	240,816	49,964	190,852	✓ 21%
Sheriff Patrol	1,244,509	1,184,390	218,580	965,810	✓ 18%
Tourism Fund	232,800	232,800	81,604	151,196	⚠ 35%
Transportation Administration	83,255	83,255	16,551	66,704	✓ 20%
Transportation Mountain Express	145,602	145,602	36,824	108,778	✓ 25%
Veterans Services	78,352	78,352	16,156	62,196	✓ 21%
Weed & Pest	209,958	209,958	17,663	192,295	✓ 8%
<b>Non-Departmental</b>	<b>3,302,221</b>	<b>3,302,221</b>	<b>739,714</b>	<b>2,562,507</b>	<b>✓ 22%</b>
<b>Total Expenditures</b>	<b>14,715,988</b>	<b>14,655,869</b>	<b>2,746,348</b>	<b>11,909,521</b>	<b>✓ 19%</b>
Revenue over (under) Expenditures	(1,370,092)	(1,370,092)	410,825		

## Road & Bridge Fund:

### Revenue Detail

During the first quarter of the year, 11% of the annual budgeted Road & Bridge revenue was received. In the detail, individual types of R&B revenue are subject to seasonal variation, just as they are in the General fund. The most material seasonal variations include:

#### Property Tax:

The Road & Bridge portion of County property tax comes in during the first half of the year, just as it is explained in the General Fund narrative. (It is the same tax, just the Road & Bridge portion thereof). During the first quarter, about 45% was actually received.

#### Sales Tax:

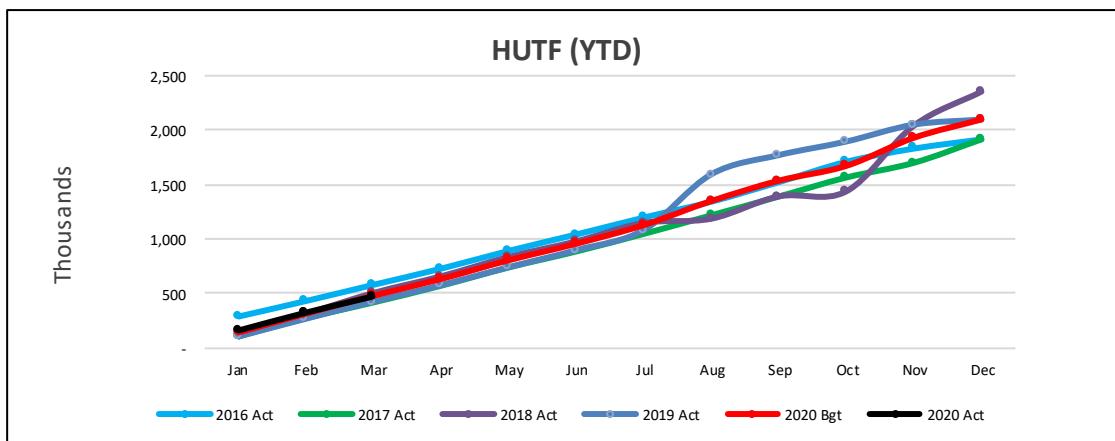
Sales Tax revenue is collected in arrears, just as explained in the General Fund narrative. It is just the Road & Bridge portion of the same tax. Only the January portion appears in this report. However, we also know the February and March amounts. Taken together, the first quarter Sales Tax receipts were about 0.2% LOWER than the seasonally adjusted budget, and for the same reasons explained in relation to the General Fund.

#### Licenses and Permits Revenue:

This refers to Road Cut & Driveway Permits. About 18% of the annual budget was received during the first quarter.

#### Intergovernmental Revenue:

Some sources of revenue are usually received evenly throughout the year. The largest of these is within the category Intergovernmental Revenue and is known as HUTF (Highway Users Tax Fund) revenue. During the first quarter, the march payment was not yet received, but we know what it was. After factoring it in, HUTF is about 3% lower than anticipated by our seasonally adjusted budget. The month of March was 10% lower than expected, and the rest of the year is expected to come in lower than budget.



### Revenue Projections?

Just like with the General Fund, we would like to be able to use our first quarter revenue information to project likely 2020 funding shortfalls in the Road & Bridge fund. But, just like in the General fund, we do not have enough information to make proper projections of most revenues for the balance of the year. With the added uncertainty of a possible second wave of COVID-19 infections (and possible additional social distancing measures) it is not possible to estimate how badly revenues

will fall below budget. That said, we can (at least) “speculate”. Here is my speculation about Road & Bridge Fund revenue shortfalls in 2020:

DOWN: 5%, \$17,500 Property Tax  
 DOWN: 15%, \$480,000 Sales Tax  
 DOWN: 10%, \$210,000 HUTF  
 DOWN: 10%, \$3,000 License & Permits  
 DOWN: \$710,500 NET REVENUE SHORTFALL

**Expense Detail:**

During the first quarter only 12% of the Road & Bridge Fund expense budget was utilized (14% of the 2019 budget was expended over the same period of time). The majority of individual departments (5 out of 7) were *under* budget, as expected. Note that most significant road maintenance and construction occurs during the “construction” season, being late spring thru early fall.

Two departments did incur a disproportionate amount of expense during the first quarter of the year, as follows:

- **Unallocated was 45% expended:** Within this budget, the annual General Liability insurance premium is paid in full during the first quarter. The budget for this insurance is \$208,000, while the actual cost was \$203,225... about 2.3% lower than expected.
- **RCI (Bridges) was about 55% expended:** A significant portion of the engineering work anticipated in this budget was performed in February and March, as it is not weather dependent.

A great deal of the capital improvement work planned for 2020 is being post-phoned until 2021. This is partially a result of the expected revenue shortfalls and also because the will likely have to divert 2021 Property Tax revenue that would have gone to Road & Bridge, to the Justice System fund instead, in order to complete the Courthouse construction project.

**Governmental Fund - Road & Bridge**

as of March 31, 2020

	Original Budget	Amended Budget	YTD Actual	Remaining Budget	% of Budget
<b>Governmental Fund - Road &amp; Bridge</b>					
as of March 31, 2020					
				YTD Percent =	25%
<b>Revenues</b>					
Taxes	3,696,611	3,696,611	370,412	3,326,200	⚠️ 10%
Licenses and Permits	30,000	30,000	5,309	24,691	⚠️ 18%
Intergovernmental	2,152,168	2,152,168	332,478	1,819,690	⚠️ 15%
Misc	25,000	25,000	1,552	23,448	⚠️ 6%
<b>Total Revenues</b>	<b>6,228,779</b>	<b>6,228,779</b>	<b>709,750</b>	<b>5,519,029</b>	<b>⚠️ 11%</b>
<b>Expenditures</b>					
Administration	556,810	556,810	121,993	434,817	✅ 22%
Road Maintenance	3,189,044	3,189,044	470,345	2,718,700	✅ 15%
RCI (General)	515,118	515,118	113,602	401,516	✅ 22%
RCI (Paving)	2,775,000	2,775,000	18,466	2,756,534	✅ 1%
RCI (Pavement Maintenance)	250,000	250,000	1,809	248,191	✅ 1%
RCI (Bridges)	10,200	10,200	5,586	4,614	⚠️ 55%
Unallocated	338,000	338,000	203,225	134,775	⚠️ 60%
<b>Total Expenditures</b>	<b>7,634,172</b>	<b>7,634,172</b>	<b>935,026</b>	<b>6,699,146</b>	<b>✅ 12%</b>
Revenue over (under) Expenditures	(1,405,393)	(1,405,393)	(225,276)		

## Combined Dispatch Fund:

### Revenue Detail

During the first quarter of the year, about 20% of the annual budgeted Dispatch revenue was received.

#### Intergovernmental:

This category is the support received from various jurisdictions who participate in 911 Dispatch functions, that is, entities that make or received Dispatch calls for service. As of the end of the first quarter, these contributions were received on schedule.

#### Charges for Services:

911 Fees are received from various communication service providers. These continue to be received in arrears and therefore appear quite low (4% received as of the end of the first quarter). It is not yet clear if these will be received as budgeted, later in the year.

The County and the Combined Dispatch Board have requested a rate increase, and the decision on that is still pending.

### Expense Detail

There do not appear to be any spending issues at this time and expenditures are expected to be within budget at year end.

### **Governmental Fund - Archuleta County Combined Dispatch**

as of March 31, 2020

YTD Percent =	25%
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	Original Budget	Amended Budget	YTD Actual	Remaining Budget	% of Budget
<b>Revenues</b>					
Intergovernmental	389,228	389,228	97,307	291,921	✓ 25%
Charges for Services	227,000	227,000	8,893	218,107	⚠ 4%
Misc	-	-	1,465	(1,465)	N/A
Transfers In	397,568	397,568	99,392	298,176	⚠ 25%
<b>Total Revenues</b>	<b>1,013,796</b>	<b>1,013,796</b>	<b>207,056</b>	<b>806,740</b>	<b>⚠ 20%</b>
<b>Expenditures</b>					
Combined Dispatch	1,035,231	1,035,231	196,348	838,883	
Personnel Costs	798,285	798,285	151,696	646,589	✓ 19%
Materials & Services	176,282	176,282	30,236	146,046	✓ 17%
Capital Outlay	3,000	3,000	-	3,000	✓ 0%
Debt Service	57,664	57,664	14,416	43,248	✓ 25%
Non-Departmental	68,750	68,750	-	68,750	
Materials & Services	15,000	15,000	-	15,000	✓ 0%
Transfers	53,750	53,750	-	53,750	✓ 0%
<b>Total Expenditures</b>	<b>1,103,981</b>	<b>1,103,981</b>	<b>196,348</b>	<b>907,633</b>	<b>✓ 18%</b>
Revenue over (under) Expenditures	(90,185)	(90,185)	10,708		



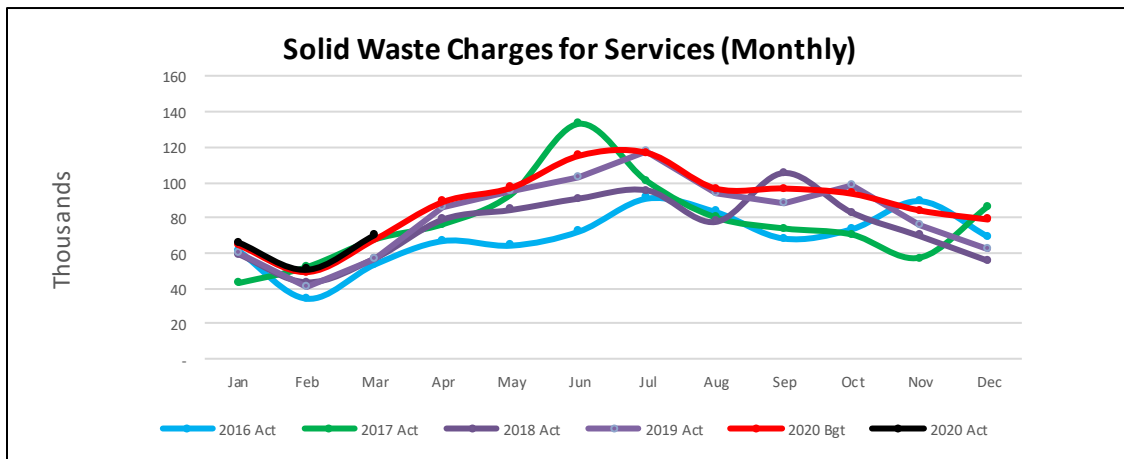
## Solid Waste Fund:

### Revenue Detail

During the first quarter of the year, 17% of the annual budgeted Solid Waste revenue was received.

### Charges for Services:

Most Solid Waste fund revenue is Charges for Services, being fees collected when waste is deposited at the landfill. While the landfill receives significant amounts of material year round, the amounts being deposited do vary with the seasons and in a predicable way. Typically, the amounts received in the first quarter are proportionately low. So, while only 17% of the annual budget was received during the first quarter, the seasonally adjusted revenue expected for that time period exceeded expectations by about 3%.



Overall, revenue in this fund are expected to come in close to the amounts budgeted for 2020.

### Expense Detail:

During the first quarter only 12% of the Solid Waste Fund expense budget was utilized. All five departments were *under* budget during the first quarter. First quarter expenses are, typically, relatively low. During the summer months, expenses at the landfill are expected to much higher, as waste from spring cleaning, construction projects, etc..., start to roll in.

The report for the Solid Waste fund appears on the next page.

**Enterprise Fund - Solid Waste**

YTD Percent =	25%
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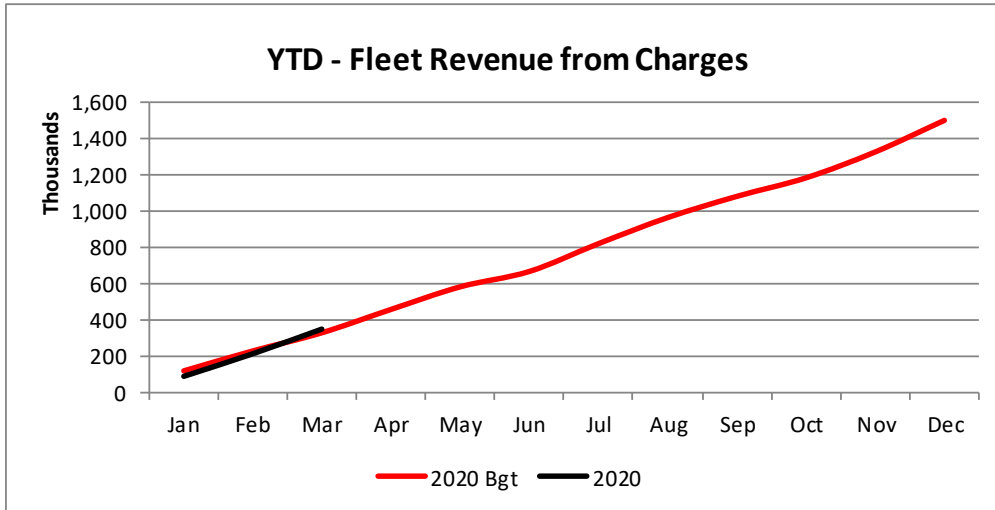
as of March 31, 2020

	Original Budget	Amended Budget	YTD Actual	Remaining Budget	% of Budget
<b>Revenues</b>					
Charges for Services	1,064,049	1,064,049	176,998	887,051	⚠️ 17%
Misc	-	-	76	(76)	N/A
Transfers In	-	-	-	-	N/A
<b>Total Revenues</b>	<b>1,064,049</b>	<b>1,064,049</b>	<b>177,074</b>	<b>886,975</b>	<b>17%</b>
<b>Expenditures</b>					
Administration	140,609	140,609	31,952	108,657	✅ 23%
Arboles Transfer Station	18,026	18,026	3,798	14,228	✅ 21%
Landfill	689,929	689,929	64,008	625,921	✅ 9%
Pagosa Transfer Station	160,310	160,310	30,806	129,504	✅ 19%
Recycling	40,600	40,600	-	40,600	✅ 0%
<b>Total Expenditures</b>	<b>1,058,474</b>	<b>1,058,474</b>	<b>130,565</b>	<b>927,909</b>	<b>✅ 12%</b>
Revenue over (under) Expenditures	5,575	5,575	46,509		

## Fleet Fund:

### Revenue Detail

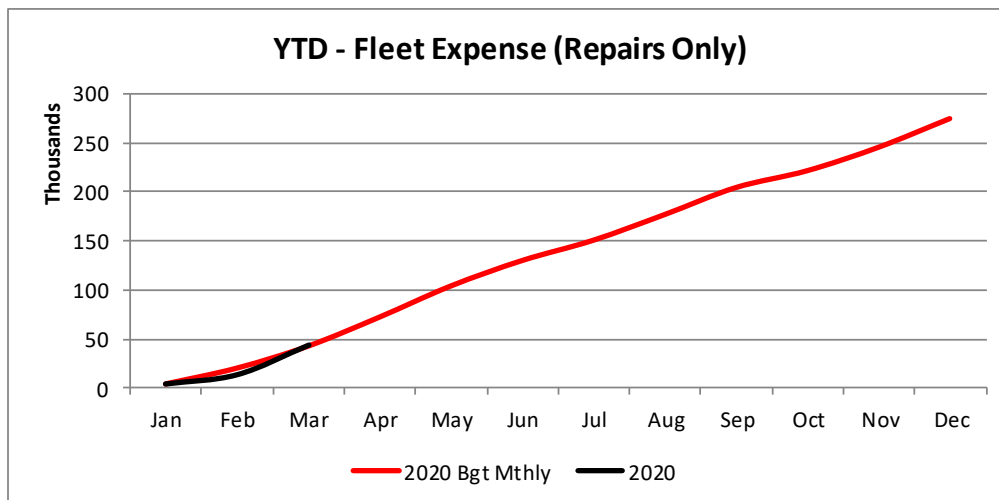
Fleet revenue comes from charges to County departments for fuel and services. From month to month, they are highly variable, depending upon the need for major repairs on heavy equipment. That said, during the first quarter of 2020, Fleet revenue was about 24% of the annual budget; and about 4% higher than the seasonally adjusted year to date budget. See the graph below:



### Expense Detail

The fleet budget was 12% expended (overall) at the end of the first quarter. One expense account in the Fleet Fund is used as a proxy for overall fleet repair costs.

At the end of the first quarter, actual expenses in this account were about 5% higher than the seasonally adjusted budget. See the graph below:



The report appears on the next page.

**Internal Services Fund - Fleet**

YTD Percent =	25%
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as of March 31, 2020

	Original Budget	Amended Budget	YTD Actual	Remaining Budget	% of Budget
<b>Revenues</b>					
Charges for Services	1,494,000	1,494,000	341,818	1,152,182	⚠️ 23%
Misc	-	-	12,271	(12,271)	N/A
Transfers In	350,000	350,000	87,500	262,500	✅ 25%
<b>Total Revenues</b>	<b>1,844,000</b>	<b>1,844,000</b>	<b>441,590</b>	<b>1,402,410</b>	⚠️ 24%
<b>Expenditures</b>					
Fleet Services					
Personnel Costs	307,078	307,078	58,028	249,050	✅ 19%
Materials & Services	869,128	869,128	163,370	705,758	✅ 19%
Capital Outlay	758,000	758,000	5,675	752,325	✅ 1%
<b>Total Expenditures</b>	<b>1,934,206</b>	<b>1,934,206</b>	<b>227,073</b>	<b>1,707,133</b>	✅ 12%
Revenue over (under) Expenditures	(90,206)	(90,206)	214,516	(304,722)	

## Justice System Capital Fund – Projections

There are almost no expenses reported in the Justice System Capital Fund, as almost no expense activity hit the fund during the first quarter. There were very significant expenses for the Detention Construction project, but those were mostly paid out of the COP funds managed by the Trustee.

We are, none the less, monitoring actual costs, activity, change orders, etc... and can project future costs of these programs, using tools developed just for the purpose. Therefore, we can report the following:

### Detention Facility Project

This project is expected to consume about \$612,000 more of the Justice System Capital Fund than was anticipated. Most of this is due to Change Orders being significantly higher than anticipated.

#### Detention Capital (Construction and Debt) Projection

<u>JSCF Fund</u>	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>Over/&lt;Under&gt;</u>
Beginning Fund Balance	1,810,958	2,370,463	559,505
Transfers In	1,790,750	1,737,000	(53,750)
-	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenue	1,790,750	1,737,000	(53,750)
<b>*Capital Contingency</b>	2,731,309	3,290,263	558,954
Courthouse	0	0	0
SO Remodel	0	0	0
<u>Debt (COP Lease)</u>	<u>817,200</u>	<u>817,200</u>	<u>0</u>
Total Expense	3,548,509	4,107,463	558,954
Net Change	(1,757,759)	(2,370,463)	(612,704)
Ending Fund Balance	53,199	0	(53,199)
<u>Detention Facility Costs</u>			
Architect	953,200	953,200	0
Testing	85,000	85,000	0
<u>Utilities/Other</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Sub-total	1,138,200	1,138,200	0
Construction Contract	14,494,064	14,494,064	0
Change Orders (so far)	0	808,954	(808,954)
<u>Change Orders (projected)</u>	<u>250,000</u>	<u>0</u>	<u>250,000</u>
Sub-Total	14,744,064	15,303,018	(558,954)
Total Construction	15,882,264	16,441,218	(558,954)
LESS: COP Financing	13,150,955	13,150,955	0
<b>*Net DRAW - Capital Contingency</b>	(2,731,309)	(3,290,263)	558,954

Sheriff's Office (Remodel of Harman House)

This project is expected to consume about \$302,000 more of the Justice System Capital fund than anticipated in the 2020 budget. Most of this is due to greatly underestimating the amount of Electrical, HVAC and Plumbing work that would be required, as well as making no provision for professional service costs.

Sheriff's Office Remodel Projections

<u>JSCF Fund</u>	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>Over/&lt;Under&gt;</u>
Beginning Fund Balance	287,675	315,307	27,632
Sheriff Grant	0	27,000	27,000
<u>Other</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenue	0	27,000	27,000
Architect	0	28,100	28,100
Other Professional	0	14,106	14,106
Specs Writer	0	4,500	4,500
<u>*Construction</u>	<u>287,675</u>	<u>570,000</u>	<u>282,325</u>
Total Expense	287,675	616,706	329,031
Net Change	(287,675)	(589,706)	(302,031)
Ending Fund Balance	0	(274,399)	(274,399)
<u>* Construction Costs</u>			
Basic Stuff	0	287,888	
<u>MEE</u>			
Lighting	0	4,172	
Plumbing	0	29,413	
HVAC	0	65,918	
Electrical	0	131,418	
Security/Access Control (rough-in only)	0	4,172	
<u>Renovation Markup (20%)</u>	<u>0</u>	<u>47,019</u>	
TOTAL	287,675	570,000	<-- AS BID

New Courthouse Project

On a combined basis, the higher than expected costs for the Detention Center and SO Remodel consume over \$900,000 that would otherwise have been available to begin construction of the new Courthouse in 2020. It is still the County's intention to finish the Courthouse design work in 2020 and to begin construction, but in order to do so, the County will have to transfer funding from other parts of the budget to compensate. At the moment, we expect that funding to come from the following sources:

- \$100,000 GF Transfers to Airport (shifted to JSCF)
- \$350,000 GF Transfers to Fleet (shifted to JSCF)
- \$450,000 GF Contingency (shifted to JSCF)

The transfers will be proposed later in the year, when the needed amounts come into better focus.

## Finance Department Performance Measures

This section shows progress on various Performance Measures being used within the Finance Department, in a “table” format. Some categories are only relevant during one quarter of the year.

<u>Activity</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
Audit (Good Opinion)	N/A	_____	_____	_____
Budget (GFOA Award)	N/A	_____	_____	_____
Expenditures/Fund (Within Budget)	100%	_____	_____	_____
<i>Core Processes on Schedule:</i>				
Audit Prep	10%	_____	_____	_____
Accounts Payable	100%	_____	_____	_____
Budget	N/A	N/A	_____	_____
Human Services Accounting	50%	_____	_____	_____
Payroll	100%	_____	_____	_____
Quarterly Reporting	100%	_____	_____	_____
Year End Close Process	30%	_____	_____	_____

The department is behind on its Year End Close Processes, 2019 Audit Preparation and Human Services Accounting. These core processes are partially behind schedule due to illness of staff members, but mostly because of additional, unanticipated responsibilities consuming much of our limited time, including:

- Related to the COVID-19 crisis:
  - In mid-February, the department began in earnest to work out how the normal processes of the department could be accomplished if each individual member was working from home, in isolation, on account of COVID-19.
  - In mid-March, the social distancing plans and ideas were executed, and most department work has been done “from home” ever since.
  - A coding and reporting protocol was created and communicated, so that all COVID-19 expenses would be tagged during normal processing, for future reporting and grant purposes.
  - In response to the Families First Coronavirus Response Act, the department created and communicated a method of controlling and documenting the use of the emergency leave benefits created by the Federal Government.
  - The Department also created an additional leave category to provide the County with additional flexibility in compensating employees sent home for COVID reasons that did not qualify for Federal assistance.
  - The department began working out the budget implications of a COVID-19 induced recession.
- The department performed a great deal of work to facilitate capital construction projects, including:
  - Creation of an IFB for the Harman House Remodel project, advertising the same, assistance with contracting, etc...
  - Various tasks associated with the new Courthouse design and construction project, including:
    - Assistance with finalizing an RFQ for a Courthouse “Project Manager/Owners Rep”.
    - Working out various funding options for the project.
    - Troubleshooting issues with the Underfunded Courts Grant.
    - Prepared a “grant pitch” related to the DOLA grant request in support of Courthouse Design and delivered the same to a DOLA panel. (The grant was approved in principle).
  - Began reevaluating the sufficiency of the Justice System Capital Fund, in light of excessive change orders to the Detention Center construction project, and expected cost overruns related to the SO Remodel project.

- Provided assistance to the Sheriff's Office and Road & Bridge Department related to various IFB's, RFP's and contracts.
- Completed overdue Solid Waste Financial Assurance submissions, which were accepted by the State.
- Received updates from IT regarding their efforts and recommendations about how to increase the County's cyber security and deal with emerging threats.
- Had initial meetings with the new Audit Firm (Hinkle & Co) regarding the 2019 audit. Did the initial PBC (Prepared by Client) items.
- Performed the 2019 year-end close.
- Assisted in the preparation of a "911 Surcharge Increase" application, to increase revenue to Combined Dispatch.

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Larry Walton, Finance Director