

AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR

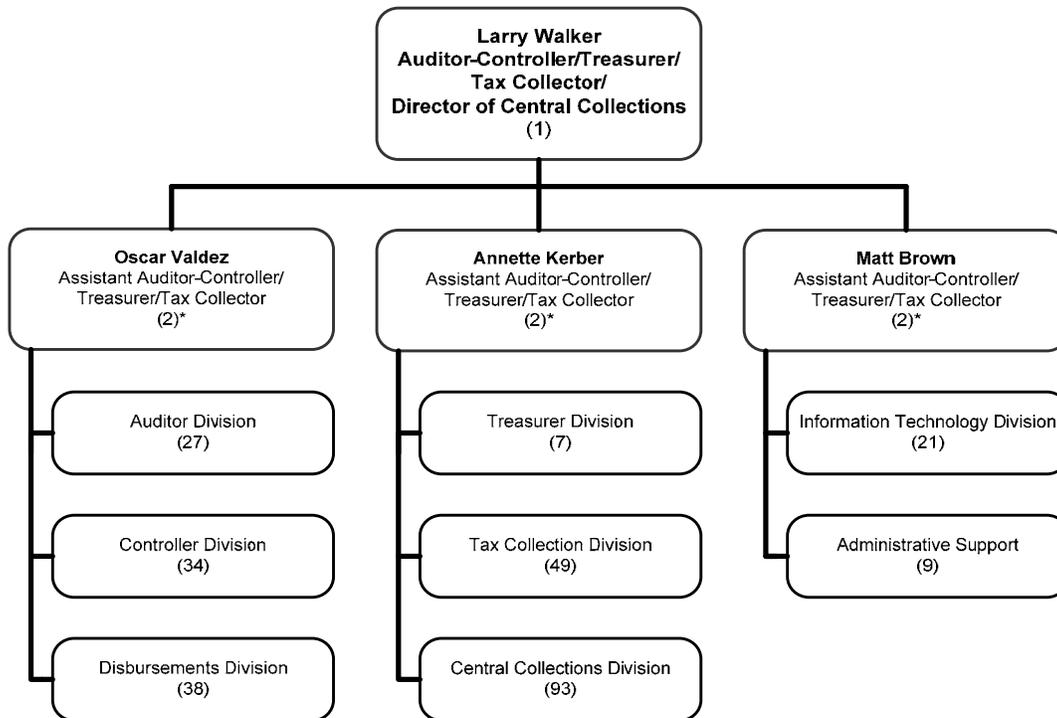
Larry Walker

MISSION STATEMENT

The Office of the Auditor-Controller/Treasurer/Tax Collector processes, safeguards, and provides information regarding County financial activities, manages the County treasury pool, collects and distributes property taxes and other obligations owed to County agencies and courts with integrity, independent judgment, and courteous, outstanding service that is accessible to citizens, businesses, and other public agencies. We are accurate, fair, timely and innovative in the use of technology to enhance services throughout the County.



ORGANIZATIONAL CHART



*Includes one secretary position

2010-11 AND 2011-12 ACCOMPLISHMENTS

- Received the most recent annual Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting, 23rd consecutive year for 2009-10.
- During 2011-12, electronic funds transfer (EFT) vendor payments increased by 22%, from 1,644 to 2,000.
- During 2010-11, e-Pay property tax payments increased by 11%, from 189,311 in 2009-10 to 209,768 in 2010-11.
- San Bernardino County reported a 77% recovery rate for court-ordered debt and was the sixth highest county in the state for gross dollars collected.



GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

GOAL 1: PROVIDE TIMELY AND ACCURATE FINANCIAL INFORMATION.

Objective: Maintain and improve the financial accounting processes and reporting.

Measurement	2009-10 Actual	2010-11 Actual	2011-12 Target	2011-12 Actual	2012-13 Target
Received Certificate of Achievement for Excellence in Financial Reporting.	Yes	Yes	Yes	Yes	Yes

The objective is to maintain the financial accounting system and to improve the internal processes for accounting and reporting.

In a measurable aspect of the commitment to provide timely and accurate financial information regarding the finances of the County, the Auditor-Controller/Treasurer/Tax Collector has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for 23 consecutive years for the Comprehensive Annual Financial Report (CAFR), including the most current award for 2009-10. The 2010-11 report has been submitted to the GFOA and the Department is confident it continues to conform to the Certificate of Achievement Program requirements, and anticipates receiving the award.

GOAL 2: MANAGE THE COUNTY TREASURY IN A SAFE, EFFECTIVE AND EFFICIENT MANNER.

Objective: Maintain the highest possible credit rating from the three major rating agencies for the County investment pool.

Measurement	2009-10 Actual	2010-11 Actual	2011-12 Target	2011-12 Actual	2012-13 Target
County investment pool rating.	Moody's - Aaa, S&P - AAAf, and Fitch - AAA.	Moody's - Aaa, S&P - AAAf, and Fitch - AAA.	Moody's - Aaa, S&P - AAAf, and Fitch - AAA.	Moody's - Aaa*, S&P - AA+s*, and Fitch - AAA.	Fitch - AAA

The primary goal of the treasury function is to provide for safe and effective management of the cash and investments in the County investment pool. The objective selected to meet this goal is the maintenance of the highest possible credit rating in compliance to the County Investment Policy. The achievement of this objective will demonstrate the Department's ability to effectively meet the goal of a safe and effective treasury. As guardian of the public's money, we employ conservative County investment policies, focused on the principles of safety, liquidity and yield.

*Ratings effective through March 31, 2012. During 2011-12, the County made the decision to terminate the rating contracts with Moody's and Standard and Poor's for a cost savings of \$60,000 annually.

FISCAL



SUMMARY OF BUDGET UNITS

	2012-13					
	Appropriation	Revenue	Net County Cost	Fund Balance	Net Budget	Staffing
General Fund						
Auditor-Controller/Treasurer/Tax Collector	37,078,261	27,026,066	10,052,195			285
Total General Fund	37,078,261	27,026,066	10,052,195			285
Special Revenue Fund						
Redemption Restitution Maintenance	1,059,419	85,800		973,619		0
Total Special Revenue Fund	1,059,419	85,800		973,619		0
Total - All Funds	38,137,680	27,111,866	10,052,195	973,619		285

5-YEAR APPROPRIATION TREND					
	2008-09	2009-10	2010-11	2011-12	2012-13
Auditor-Controller/Treasurer/Tax Collector	39,961,950	38,143,630	34,607,550	32,441,654	37,078,261
Redemption Restitution Maintenance	179,486	180,350	182,140	973,709	1,059,419
Total	40,141,436	38,323,980	34,789,690	33,415,363	38,137,680

5-YEAR REVENUE TREND					
	2008-09	2009-10	2010-11	2011-12	2012-13
Auditor-Controller/Treasurer/Tax Collector	20,316,913	23,918,402	24,126,528	23,124,508	27,026,066
Redemption Restitution Maintenance	6,704	2,587	1,790	791,562	85,800
Total	20,323,617	23,920,989	24,128,318	23,916,070	27,111,866

5-YEAR NET COUNTY COST TREND					
	2008-09	2009-10	2010-11	2011-12	2012-13
Auditor-Controller/Treasurer/Tax Collector	19,645,037	14,225,228	10,481,022	9,317,146	10,052,195
Total	19,645,037	14,225,228	10,481,022	9,317,146	10,052,195

5-YEAR FUND BALANCE TREND					
	2008-09	2009-10	2010-11	2011-12	2012-13
Redemption Restitution Maintenance	172,782	177,763	180,350	182,147	973,619
Total	172,782	177,763	180,350	182,147	973,619



Auditor-Controller/Treasurer/Tax Collector

DESCRIPTION OF MAJOR SERVICES

The Office of the Auditor-Controller/Treasurer/Tax Collector (ATC) is responsible for providing the County and its constituents with a variety of accounting, collections, and investment services.

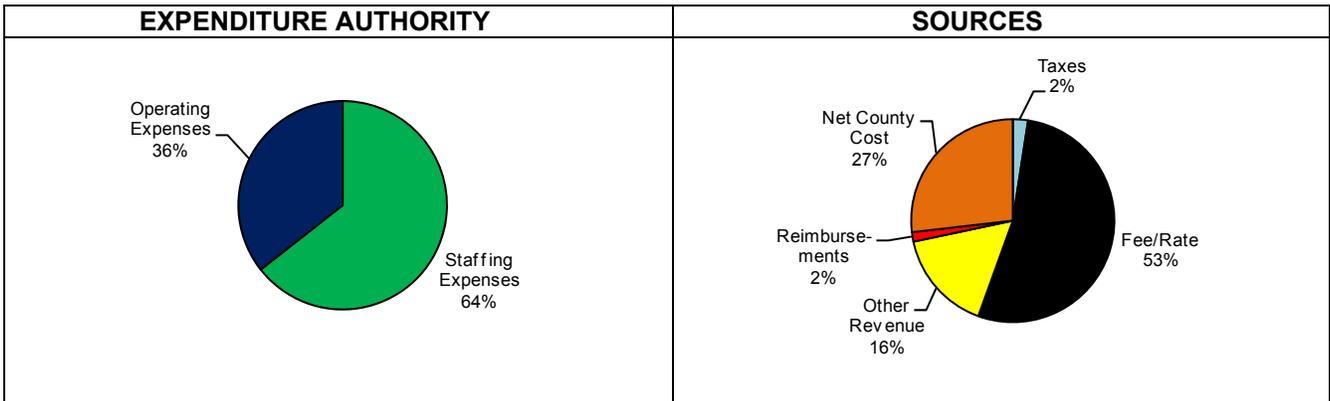
The Auditor and Controller Divisions record the collections and perform the accounting, reporting, claims and audits of all County financial activities to ensure sound financial management. They are also responsible for the compilation of property tax rates, developing and implementing accounting systems and standards, conducting operational risk assessment reviews, and administering the Countywide Cost Allocation Plan. The Disbursements Division is responsible for vendor payments, payroll services, Employee Management and Compensation System (EMACS) development, and revenue disbursements to taxing agencies.

The Treasurer Division performs the County's treasury function including the investment of all County and School District funds within the County investment pool and associated banking services. The Treasurer currently manages assets of \$3.8 - \$4.7 billion. The Tax Collector Division collects property taxes for all County taxing entities which amounted to a little over \$2.1 billion in property taxes and other fees in 2011-12.

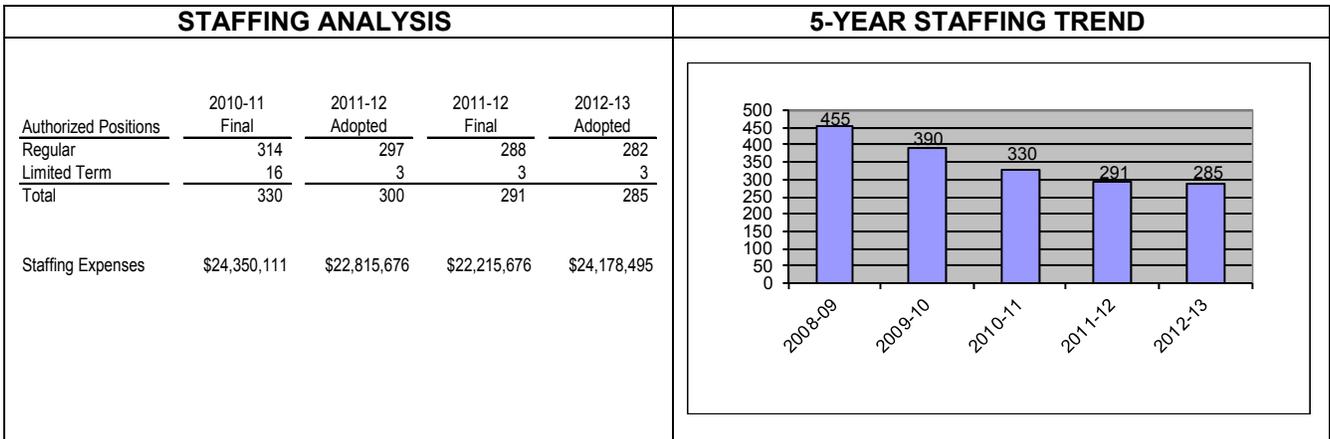
The Central Collections Division provides collection services for the county, collecting nearly \$58.0 million for the year ending June 30, 2012, including collection of court-ordered payments and Arrowhead Regional Medical Center's delinquent accounts receivable.

Budget at a Glance	
Total Expenditure Authority	\$37,646,090
Total Sources	\$27,593,895
Net County Cost	\$10,052,195
Total Staff	285
Funded by Net County Cost	27%

2012-13 ADOPTED BUDGET



BUDGETED STAFFING



FISCAL



ANALYSIS OF 2012-13 ADOPTED BUDGET

GROUP: Fiscal
DEPARTMENT: Auditor-Controller/Treasurer/Tax Collector
FUND: General

BUDGET UNIT: AAA ATX
FUNCTION: General
ACTIVITY: Finance

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2011-12 Final Budget	2012-13 Adopted Budget	Change From 2011-12 Final Budget
Appropriation							
Staffing Expenses	26,022,082	24,458,313	24,350,111	22,181,622	22,215,676	24,178,495	1,962,819
Operating Expenses	10,921,875	13,826,130	11,778,908	11,296,625	11,362,910	13,367,595	2,004,685
Capital Expenditures	74,076	8,691	92,306	55,963	125,000	100,000	(25,000)
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	37,018,033	38,293,134	36,221,325	33,534,210	33,703,586	37,646,090	3,942,504
Reimbursements	(1,425,899)	(1,430,338)	(1,614,279)	(1,258,293)	(1,261,932)	(567,829)	694,103
Total Appropriation	35,592,134	36,862,796	34,607,046	32,275,917	32,441,654	37,078,261	4,636,607
Operating Transfers Out	100,000	0	0	0	0	0	0
Total Requirements	35,692,134	36,862,796	34,607,046	32,275,917	32,441,654	37,078,261	4,636,607
Departmental Revenue							
Taxes	383,710	442,760	307,060	0	0	910,000	910,000
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	357,262	216,455	90,018	136,502	134,500	150,481	15,981
Fee/Rate	19,407,665	19,717,110	18,347,152	18,108,328	18,109,265	19,904,937	1,795,672
Other Revenue	249,731	2,999,989	5,382,219	4,880,121	4,880,743	6,060,648	1,179,905
Total Revenue	20,398,368	23,376,314	24,126,449	23,124,951	23,124,508	27,026,066	3,901,558
Operating Transfers In	0	0	0	0	0	0	0
Total Sources	20,398,368	23,376,314	24,126,449	23,124,951	23,124,508	27,026,066	3,901,558
Net County Cost	15,293,766	13,486,482	10,480,597	9,150,966	9,317,146	10,052,195	735,049
Budgeted Staffing					291	285	(6)

BUDGET CHANGES AND OPERATIONAL IMPACT

During 2011-12, legislation enacted by the passing of ABx1 26 - Dissolution of Redevelopment Agencies (RDAs) has greatly impacted the Controller Division of the ATC. Due to this new legislation, the Property Tax section has assumed the additional duties of interpreting and calculating the complex statutory and negotiated pass-through agreements of all former Countywide RDAs, currently represented by 26 Successor Agencies. In addition to managing more than 150 agreements, the Property Tax section is also collecting each agency's Recognized Obligation Payment Schedule (ROPS), and incorporating Department of Finance adjustments to make payments to the Successor Agencies from each of their respective Property Tax Trust funds, in accordance with legislation.

In the Fourth Quarter of 2011-12, appropriation for staffing expenses was reduced by \$600,000 due to salary savings resulting from vacancies throughout the fiscal year. In 2012-13, the \$1.9 million increase in staffing expenses is primarily due to budgeting for these vacancies, and increases in retirement and other benefits costs. The \$2.0 million increase in operating expenses results from a \$1.2 million increase in banking fees for the County's treasury pool and a \$700,000 department-wide increase in central computer data processing charges from the Information Services Department. In addition, reimbursements are decreasing by \$694,000 due to the transfer of information technology (IT) support for the Recorder's Office to the Assessor/Recorder/County Clerk.

Also in the Fourth Quarter of 2011-12, revenue was reduced by \$1.8 million to reflect unrealized revenues due to lower expenses in the cost reimbursed divisions of the Treasurer and Central Collections, and relating to reductions in excess tax sale proceeds. These sources are expected to be received in 2012-13. Other revenue changes include a \$1.2 million increase in cost-reimbursed revenue for the treasury pool relating to the increase in banking fees, a \$500,000 increase resulting in reimbursement of costs for the ongoing duties pertaining to the ABx1 26 legislation, and an increase in Central Collections to fund budgeted expenses.



MAJOR EXPENDITURES AND REVENUE IN 2012-13 ADOPTED BUDGET

Staffing expenses of \$24,178,495 represent the majority of expenditures in this budget unit and fund 285 budgeted positions, of which 282 are regular positions and 3 are limited-term. These expenses are necessary to provide accounting, collections, and investment services to County departments and constituents. Departmental revenue primarily represents fee/rate and cost-reimbursement revenue generated by services provided.

STAFFING CHANGES AND OPERATIONAL IMPACT

Budgeted staffing has been reduced by 9 positions; 8 information technology positions were transferred to the Assessor/Recorder/Clerk, and 1 Recurrent Office Assistant II was eliminated. These reductions are partially offset by the addition of the following 3 positions: 1 Accountant III and 1 Accountant II for the Controller Division due to the new ABx1 26 legislation, and 1 Internal Auditor IV in the Audit Division to perform more complex audits.

2012-13 POSITION SUMMARY

Division	Regular	Limited Term	Total	Filled	Vacant	New	Total
Management	7	0	7	7	0	0	7
Administrative Support	9	0	9	9	0	0	9
Information Technology Division	21	0	21	21	0	0	21
Auditor Division	27	0	27	21	5	1	27
Controller Division	32	2	34	31	1	2	34
Disbursements Division	38	0	38	35	3	0	38
Treasurer Division	7	0	7	7	0	0	7
Tax Collection Division	48	1	49	47	2	0	49
Central Collections Division	93	0	93	84	9	0	93
Total	282	3	285	262	20	3	285

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Management	Administrative Support	Treasurer Division
<u>Classification</u>	<u>Classification</u>	<u>Classification</u>
Elected Auditor-Controller/Treasurer/		
1 Tax Collector	1 Administrative Supervisor I	1 Cash Manager/Investment Officer
3 Assistant ATC	1 Special Projects Administrator	1 Assistant Cash Mngr/Invstmnt Officer
3 Executive Secretary III	1 ATC Building Coordinator	2 Investment Analyst
<hr/> 7 Total	1 Accountant III	1 Treasurer Office Manager
	1 Payroll Specialist	1 Accounting Technician
	1 Fiscal Specialist	1 Fiscal Assistant
	2 Office Assistant III	<hr/> 7 Total
	1 Office Assistant II	
	<hr/> 9 Total	
Auditor Division	Tax Collection Division	Information Technology Division
<u>Classification</u>	<u>Classification</u>	<u>Classification</u>
1 Auditor-Controller Division Chief	1 Tax Collection Manager	1 Departmental IS Administrator
1 Secretary I	1 Tax Collector Accounting Manager	1 Secretary I
2 Auditor-Controller Manager	1 Tax Sale Manager	2 Business Applications Manager
1 Supervising Accountant III	1 Supv Accounting Technician	2 Business Systems Analyst III
2 Supervising Internal Auditor III	7 Collections Officer	2 Department Systems Engineer
2 Systems Accountant III	5 Accounting Technician	4 Programmer Analyst III
4 Systems Accountant II	3 Supervising Office Assistant	1 Programmer III
1 Internal Auditor IV	3 Fiscal Specialist	2 Automated Systems Analyst II
5 Internal Auditor III	9 Fiscal Assistant	3 Automated Systems Analyst I
5 Accountant III	7 Office Assistant III	3 Automated Systems Technician
2 Accountant II	<hr/> 11 Office Assistant II	<hr/> 21 Total
1 Accounting Technician	49 Total	
<hr/> 27 Total		
Controller Division	Disbursements Division	Central Collections Division
<u>Classification</u>	<u>Classification</u>	<u>Classification</u>
1 Auditor-Controller Division Chief	1 Auditor-Controller Division Chief	1 Director of Central Collections
1 Secretary I	1 Secretary I	1 Chief Central Collections
2 Auditor-Controller Manager	2 Auditor-Controller Manager	1 Secretary II
2 Supervising Accountant III	1 EMACS Manager	1 Auditor-Controller Manager
1 Supervising Fiscal Specialist	1 Supervising Accountant III	1 Chief Collections Supervisor
1 Systems Accountant II	1 Supervising Accountant II	2 Supervising Accountant II
2 Internal Auditor III	3 Supervising ATC Payroll Technician	2 Accountant III
7 Accountant III	1 Systems Procedures Analyst II	1 Accountant II
2 Accountant II	2 Systems Procedures Analyst I	6 Supervising Collections Officer
4 Accounting Technician	1 Systems Accountant II	1 Supervising Fiscal Specialist
1 Fiscal Specialist	2 Accountant III	54 Collections Officer
3 Fiscal Assistant	1 Staff Analyst I	2 Accounting Technician
4 Office Assistant III	1 Accounting Technician	1 Fiscal Specialist
1 Office Assistant II	5 ATC Payroll Technician	5 Fiscal Assistant
2 Public Service Employee	4 Fiscal Specialist	3 Office Assistant III
<hr/> 34 Total	5 Fiscal Assistant	11 Office Assistant II
	5 Office Assistant III	<hr/> 93 Total
	1 Office Assistant II	
	<hr/> 38 Total	



Redemption Restitution Maintenance

DESCRIPTION OF MAJOR SERVICES

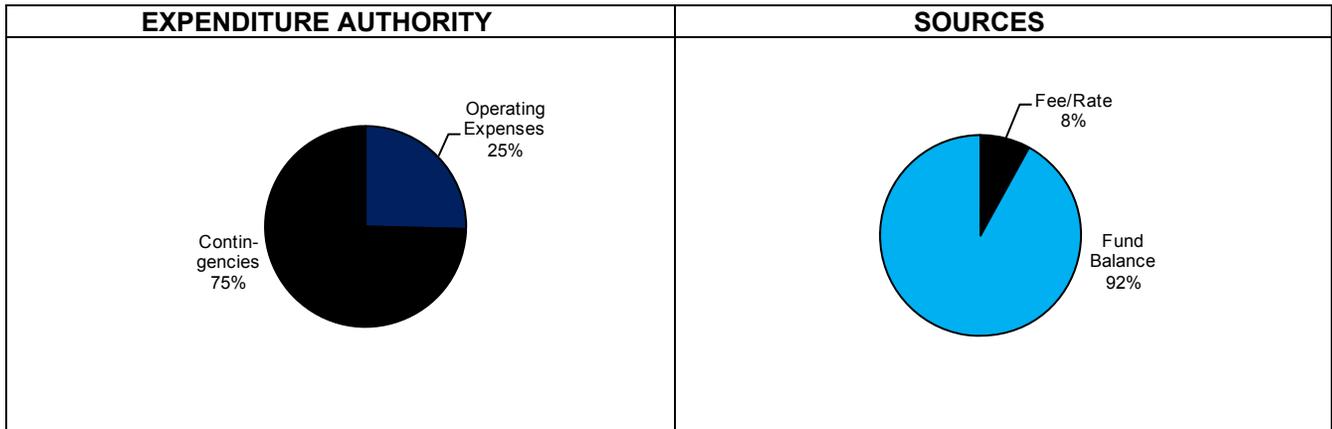
The Redemption Restitution Maintenance budget unit consists of revenue received from tax sales and revenue received from the State of California for the Victim Restitution Rebate.

Redemption Maintenance accounts for revenue received from tax sales to defray the costs of maintaining the redemption and tax-defaulted files, and the costs of administering and processing the claims for excess tax sale proceeds. Revenue includes unclaimed excess tax sale proceeds collected pursuant to Revenue and Taxation Code 4674.

Budget at a Glance	
Total Expenditure Authority	\$1,059,419
Total Sources	\$85,800
Fund Balance	\$973,619
Total Staff	0

Effective in the Fourth Quarter of 2011-12, Restitution Maintenance was added to this budget unit, and accounts for rebate revenue received from the State of California for collecting and submitting Victim Restitution funds timely to the State, per Government Code 13963(f). Additionally, the rebate is considered an incentive for collection efforts and shall be used for furthering collection efforts.

2012-13 ADOPTED BUDGET



FISCAL



ANALYSIS OF 2012-13 ADOPTED BUDGET

GROUP: Fiscal
 DEPARTMENT: Auditor-Controller/Treasurer/Tax Collector
 FUND: Redemption Restitution Maintenance

BUDGET UNIT: SDQ TTX
 FUNCTION: General
 ACTIVITY: Finance

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2011-12 Final Budget	2012-13 Adopted Budget	Change From 2011-12 Final Budget
Appropriation							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	0	0	0	0	0	269,219	269,219
Capital Expenditures	0	0	0	0	0	0	0
Contingencies	0	0	0	0	973,709	790,200	(183,509)
Total Exp Authority	0	0	0	0	973,709	1,059,419	85,710
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	0	0	0	0	973,709	1,059,419	85,710
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	0	0	0	0	973,709	1,059,419	85,710
Departmental Revenue							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	0	0	0	790,562	790,562	0	(790,562)
Fee/Rate	0	0	0	0	0	85,000	85,000
Other Revenue	4,981	2,587	1,797	910	1,000	800	(200)
Total Revenue	4,981	2,587	1,797	791,472	791,562	85,800	(705,762)
Operating Transfers In	0	0	0	0	0	0	0
Total Sources	4,981	2,587	1,797	791,472	791,562	85,800	(705,762)
				Fund Balance	182,147	973,619	791,472
				Budgeted Staffing	0	0	0

BUDGET CHANGES AND OPERATIONAL IMPACT

The significant change for 2012-13 is the addition of Victim Restitution Rebate revenue to this budget unit, resulting in a fund name change from Redemption Maintenance to Redemption Restitution Maintenance. The Victim Restitution Rebate revenue was accrued in 2011-12 and is reflected in 2012-13 beginning fund balance. This revenue is currently budgeted in contingencies. It is anticipated that spending authority will not be established until the 2012-13 First Quarter Budget Report.

MAJOR EXPENDITURES AND REVENUE IN 2012-13 ADOPTED BUDGET

Transfers of \$269,219 represent a reimbursement to the Auditor-Controller/Treasurer/Tax Collector’s general fund budget unit for staffing expenses and operating expenses for work related to the processing of excess tax sale proceeds. Departmental revenue of \$85,800 represents revenue from unclaimed excess tax sale proceeds trust funds and anticipated interest earnings.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with this budget unit.

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