

AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR

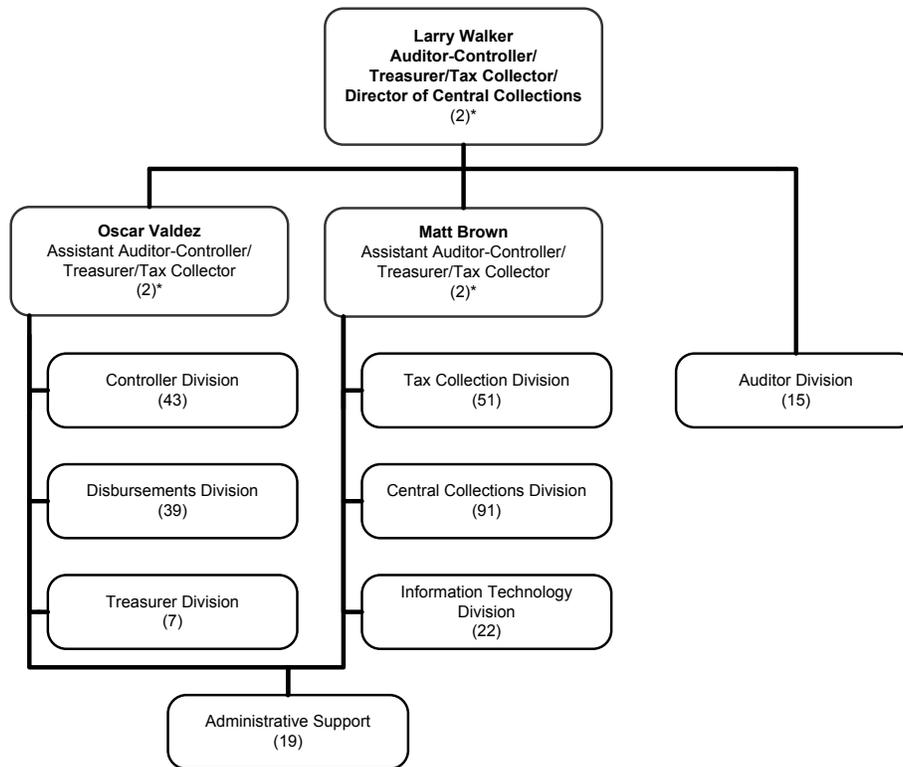
Larry Walker

DEPARTMENT 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

2012-13 ACCOMPLISHMENTS

- In addition to apportioning property taxes to approximately 600 taxing entities Countywide, the Auditor-Controller/Treasurer/Tax Collector (ATC) now manages and calculates approximately 1,515 pass-through agreement payments on behalf of 26 countywide successor agencies. During the past year, ATC has worked diligently with various State Departments, Successor Agencies and Affected Taxing Entities to implement Redevelopment Agency dissolution legislation.
- During the past year, ATC has worked diligently with County School Districts and the County Office of Education to improve school district financings in order to reduce financing costs for districts and taxpayers.



COUNTY GOALS AND OBJECTIVES AND DEPARTMENT PERFORMANCE MEASURES

COUNTY GOAL: OPERATE IN A FISCALLY-RESPONSIBLE AND BUSINESS-LIKE MANNER

Objective(s): • *Live within our means, fully funding basic operating systems, liabilities and reserves, while forming capital to strategically invest in the future.*

Department Strategy: • *Maintain the financial accounting system in accordance with Generally Accepted Accounting Standards and the Government Finance Officers Association (GFOA) to achieve the highest standards in government accounting and financial reporting.*

Measurement	2011-12 Actual	2012-13 Target	2012-13 Actual	2013-14 Target
Receive the GFOA Certificate of Achievement for Excellence in Financial Reporting.	Yes	Yes	Yes	Yes

COUNTY GOAL: PURSUE COUNTY GOALS AND OBJECTIVES BY WORKING WITH OTHER GOVERNMENTAL AGENCIES

Objective(s): • *Develop a closer working relationship with cities, tribes and other governmental agencies.*

Department Strategy: • *Complete the final property tax apportionment by the third week following the end of the fiscal year.*

Measurement	2011-12 Actual	2012-13 Target	2012-13 Actual	2013-14 Target
Percentage of apportionments completed by the third week of the following fiscal year.	100%	100%	100%	100%

COUNTY GOAL: OPERATE IN A FISCALLY-RESPONSIBLE AND BUSINESS-LIKE MANNER

Objective(s): • *Invest County resources in ways which create more ongoing revenue to reinvest in maintaining services.*

Department Strategy: • *Maintain the highest possible credit rating for the County investment pool.*

Measurement	2011-12 Actual	2012-13 Target	2012-13 Actual	2013-14 Target
County investment pool rating.	Moody's - Aaa*, S&P - AA+s*, and Fitch - AAA	Fitch - AAA	Fitch - AAA	Fitch - AAA

*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.

Department Strategy: • *Increase marketing, advertising and outreach to improve awareness of the annual Tax Sale and collect defaulted secured property taxes.*

Measurement	2011-12 Actual	2012-13 Target	2012-13 Actual	2013-14 Target
Percentage of secured property taxes recovered through tax sale process.	N/A	N/A	50%	50%



SUMMARY OF BUDGET UNITS

2013-14						
	Requirements	Sources	Net County Cost	Fund Balance	Net Budget	Staffing
General Fund						
Auditor-Controller/Treasurer/Tax Collector	36,978,479	26,083,135	10,895,344			293
Total General Fund	36,978,479	26,083,135	10,895,344			293
Special Revenue Fund						
Redemption Restitution Maintenance	1,434,306	223,800		1,210,506		0
Total Special Revenue Fund	1,434,306	223,800		1,210,506		0
Total - All Funds	38,412,785	26,306,935	10,895,344	1,210,506		293

5-YEAR REQUIREMENTS TREND					
	2009-10	2010-11	2011-12	2012-13	2013-14
Auditor-Controller/Treasurer/Tax Collector	38,143,630	34,607,550	32,441,654	36,599,126	36,978,479
Redemption Restitution Maintenance	180,350	182,140	973,709	1,059,419	1,434,306
Total	38,323,980	34,789,690	33,415,363	37,658,545	38,412,785

5-YEAR SOURCES TREND					
	2009-10	2010-11	2011-12	2012-13	2013-14
Auditor-Controller/Treasurer/Tax Collector	23,918,402	24,126,528	23,124,508	27,026,066	26,083,135
Redemption Restitution Maintenance	2,587	1,790	791,562	85,800	223,800
Total	23,920,989	24,128,318	23,916,070	27,111,866	26,306,935

5-YEAR NET COUNTY COST TREND					
	2009-10	2010-11	2011-12	2012-13	2013-14
Auditor-Controller/Treasurer/Tax Collector	14,225,228	10,481,022	9,317,146	9,573,060	10,895,344
Total	14,225,228	10,481,022	9,317,146	9,573,060	10,895,344

5-YEAR FUND BALANCE TREND					
	2009-10	2010-11	2011-12	2012-13	2013-14
Redemption Restitution Maintenance	177,763	180,350	182,147	973,619	1,210,506
Total	177,763	180,350	182,147	973,619	1,210,506

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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 Controller Division records the collections and performs the accounting, reporting, and claims of all County financial activities to ensure sound financial management. It is also responsible for the compilation of property tax rates, developing and implementing accounting systems and standards, administering the Countywide Cost Allocation Plan and managing and calculating pass-through agreement payments on behalf of Countywide successor agencies relating to the dissolution of Redevelopment Agencies. The Disbursements Division is responsible for vendor payments, payroll services and revenue disbursements to taxing agencies.

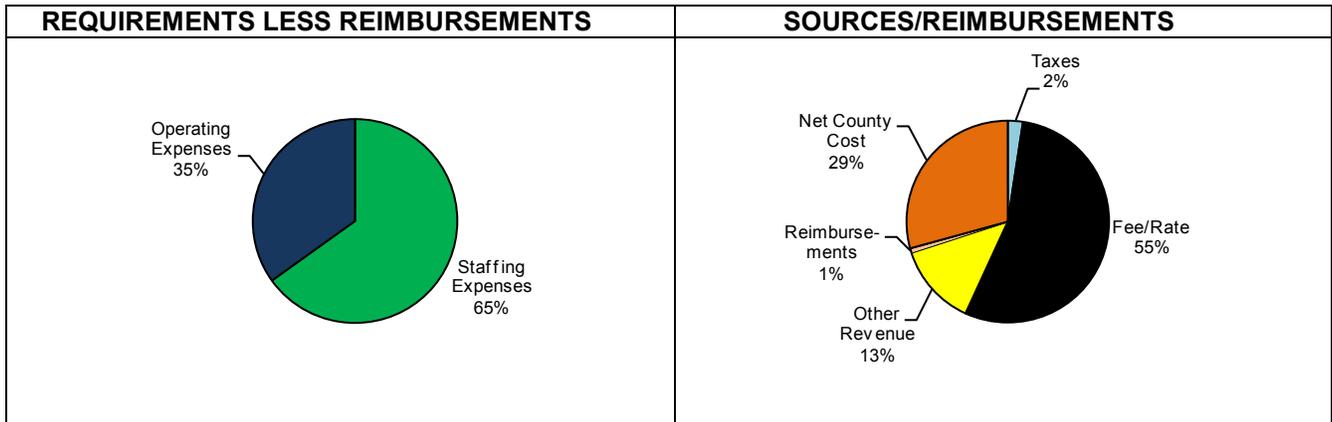
The Treasurer Division performs the County's treasury function including the investment of all County and School District funds within the County investment pool and associated banking services. The Treasurer currently manages assets of \$3.5 - \$4.9 billion. The Tax Collector Division collects property taxes for all County taxing entities which amounted to a little over \$2.1 billion in property taxes and other fees in 2012-13.

The Central Collections Division provides collection services for the County, collecting nearly \$58 million for the year ending June 30, 2013, including collection of court-ordered payments and Arrowhead Regional Medical Center's delinquent accounts receivable.

The Auditor Division performs operational and financial audits of departments, agencies and special districts, evaluates internal controls for operational improvement, and operates the Fraud, Waste and Abuse Hotline.

Budget at a Glance	
Total Requirements	\$36,978,479
Total Sources	\$26,083,135
Net County Cost	\$10,895,344
Total Staff	293
Funded by Net County Cost	29%

2013-14 ADOPTED BUDGET



BUDGETED STAFFING

STAFFING ANALYSIS					5-YEAR STAFFING TREND				
	2011-12	2012-13	2012-13	2013-14					
Authorized Positions	Final	Adopted	Final	Adopted					
Regular	288	282	277	278					
Limited Term	3	3	3	15					
Total	291	285	280	293					
Staffing Expenses	\$22,181,622	\$24,178,495	\$23,797,675	\$24,151,265					

ANALYSIS OF 2013-14 ADOPTED BUDGET

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

BUDGET UNIT: AAA ATX
 FUNCTION: General
 ACTIVITY: Finance

	2009-10	2010-11	2011-12	2012-13	2012-13	2013-14	Change From
	Actual	Actual	Actual	Actual	Final Budget	Adopted Budget	2012-13 Final Budget
Requirements							
Staffing Expenses	24,458,313	24,350,111	22,181,622	22,511,394	23,797,675	24,151,265	353,590
Operating Expenses	13,826,130	11,778,908	11,296,625	10,365,981	13,254,280	12,958,514	(295,766)
Capital Expenditures	8,691	92,306	55,963	89,777	100,000	140,000	40,000
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	38,293,134	36,221,325	33,534,210	32,967,152	37,151,955	37,249,779	97,824
Reimbursements	(1,430,338)	(1,614,279)	(1,258,293)	(275,419)	(552,829)	(271,300)	281,529
Total Appropriation	36,862,796	34,607,046	32,275,917	32,691,733	36,599,126	36,978,479	379,353
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	36,862,796	34,607,046	32,275,917	32,691,733	36,599,126	36,978,479	379,353
Sources							
Taxes	442,760	307,060	0	386,920	910,000	895,000	(15,000)
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	216,455	90,018	136,501	153,632	150,481	33,081	(117,400)
Fee/Rate	19,717,110	18,347,152	18,108,328	19,472,244	19,904,937	20,267,571	362,634
Other Revenue	2,999,989	5,382,219	4,880,121	4,887,853	6,060,648	4,887,483	(1,173,165)
Total Revenue	23,376,314	24,126,449	23,124,950	24,900,649	27,026,066	26,083,135	(942,931)
Operating Transfers In	0	0	0	0	0	0	0
Total Sources	23,376,314	24,126,449	23,124,950	24,900,649	27,026,066	26,083,135	(942,931)
Net County Cost	13,486,482	10,480,597	9,150,967	7,791,084	9,573,060	10,895,344	1,322,284
Budgeted Staffing					280	293	13

MAJOR EXPENDITURES AND REVENUE IN 2013-14 ADOPTED BUDGET

Staffing expenses of \$24.2 million represent the majority of expenditures in this budget unit and fund 293 budgeted positions, of which 278 are regular positions and 15 are limited term positions. These expenses are necessary to provide accounting, collections, and investment services to County departments and constituents. Sources primarily represent fee/rate and cost-reimbursement revenue generated by services provided.

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BUDGET CHANGES AND OPERATIONAL IMPACT

Overall requirements have increased by \$379,353 primarily due to increased staffing expenses, including increased retirement and other benefit costs, as well as increased operating expenses, including Application Development Maintenance and Support costs of \$1.5 million now being budgeted directly in the Department. These increases are offset by a reduction of \$1.1 million in Countywide Treasury banking fees, COWCAP charges, and other cost savings. Although tax sale revenues are expected to increase because of the large number of parcels available for sale in 2013-14, overall sources are decreasing by \$942,931 due to the elimination of the Treasury banking fee expense and corresponding revenue.

STAFFING CHANGES AND OPERATIONAL IMPACT

Staffing expenses of \$24.2 million fund 293 budgeted positions of which 278 are regular positions and 15 are limited term positions. The 2013-14 budget includes a net increase of 13 positions, consisting of the addition of 1 Automated Systems Analyst II to help manage IT infrastructure, 10 Public Service Employees for ATC's summer internship program, and 2 Public Service Employees to provide support and assistance to meet the increased seasonal workload demands of ATC's Controller Division. In addition, 1 Supervising Accounting Technician position will be added, offset by the deletion of 1 Supervising Fiscal Specialist and 1 Office Assistant III position will be added, offset by the deletion of 1 Office Assistant II position to better meet the needs of the department.

Finally, the budget includes the reclassification of 1 Office Assistant II to an Office Assistant III, as well as 1 Assistant Auditor-Controller/Treasurer/Tax Collector to Auditor-Controller Division Chief to reflect the actual duties performed.



2013-14 POSITION SUMMARY

Division	Regular	Limited Term	Total	Filled	Vacant	New	Total
Management	6	0	6	6	0	0	6
Administrative Support	9	10	19	9	0	10	19
Information Technology Division	22	0	22	21	0	1	22
Auditor Division	15	0	15	14	1	0	15
Controller Division	41	2	43	35	6	2	43
Disbursements Division	37	2	39	38	1	0	39
Treasurer Division	7	0	7	7	0	0	7
Tax Collection Division	50	1	51	46	3	2	51
Central Collections Division	91	0	91	78	13	0	91
Total	278	15	293	254	24	15	293

Management	Administrative Support	Information Technology Division
<u>Classification</u>	<u>Classification</u>	<u>Classification</u>
1 Elected Auditor-Controller/Treasurer/ Tax Collector	1 Administrative Supervisor I	1 Departmental IS Administrator
2 Assistant ATC	1 Special Projects Administrator	1 Office Assistant III
3 Executive Secretary III	1 ATC Building Coordinator	2 Business Applications Manager
6 Total	1 Accountant III	2 Business Systems Analyst III
	1 Payroll Specialist	2 Department Systems Engineer
	1 Fiscal Specialist	4 Programmer Analyst III
	2 Office Assistant III	1 Programmer III
	1 Office Assistant II	3 Automated Systems Analyst II
	10 Public Service Employee	3 Automated Systems Analyst I
	19 Total	3 Automated Systems Technician
		22 Total
Auditor Division	Controller Division	Disbursements Division
<u>Classification</u>	<u>Classification</u>	<u>Classification</u>
1 Auditor-Controller Division Chief	1 Auditor-Controller Division Chief	1 Auditor-Controller Division Chief
1 Secretary I	1 Secretary I	1 Secretary I
1 Auditor-Controller Manager	3 Auditor-Controller Manager	2 Auditor-Controller Manager
2 Supervising Internal Auditor III	3 Supervising Accountant III	1 Supervising Accountant III
1 Internal Auditor IV	1 Supervising Accounting Technician	1 Supervising Accountant II
6 Internal Auditor III	2 Systems Accountant III	3 Sup ATC Payroll Technician
2 Accountant III	5 Systems Accountant II	1 Systems Accountant II
1 Accounting Technician	1 Internal Auditor III	2 Accountant III
15 Total	10 Accountant III	1 Accounting Technician
	5 Accountant II	5 ATC Payroll Technician
	4 Accounting Technician	3 Fiscal Specialist
	2 Fiscal Specialist	5 Fiscal Assistant
	3 Fiscal Assistant	10 Office Assistant III
	2 Public Service Employee	1 Office Assistant II
	43 Total	2 Public Service Employee
		39 Total
Treasurer Division	Tax Collection Division	Central Collections Division
<u>Classification</u>	<u>Classification</u>	<u>Classification</u>
1 Cash Manager/Investment Officer	1 Auditor-Controller Division Chief	1 Director of Central Collections
1 Assistant Cash Mngr/Invstmnt Officer	1 Secretary	1 Chief Central Collections
2 Investment Analyst	1 Tax Collection Manager	1 Secretary II
1 Treasurer Office Manager	1 Tax Collector Accounting Manager	1 Auditor-Controller Manager
1 Accounting Technician	1 Tax Sale Manager	1 Chief Collections Supervisor
1 Fiscal Assistant	1 Supervising Accounting Technician	2 Supervising Accountant II
7 Total	7 Collections Officer	2 Accountant III
	5 Accounting Technician	6 Supervising Collections Officer
	3 Supervising Office Assistant	1 Supervising Fiscal Specialist
	3 Fiscal Specialist	54 Collections Officer
	9 Fiscal Assistant	2 Accounting Technician
	8 Office Assistant III	1 Fiscal Specialist
	10 Office Assistant II	5 Fiscal Assistant
	51 Total	2 Office Assistant III
		11 Office Assistant II
		91 Total

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Redemption Restitution Maintenance

DESCRIPTION OF MAJOR SERVICES

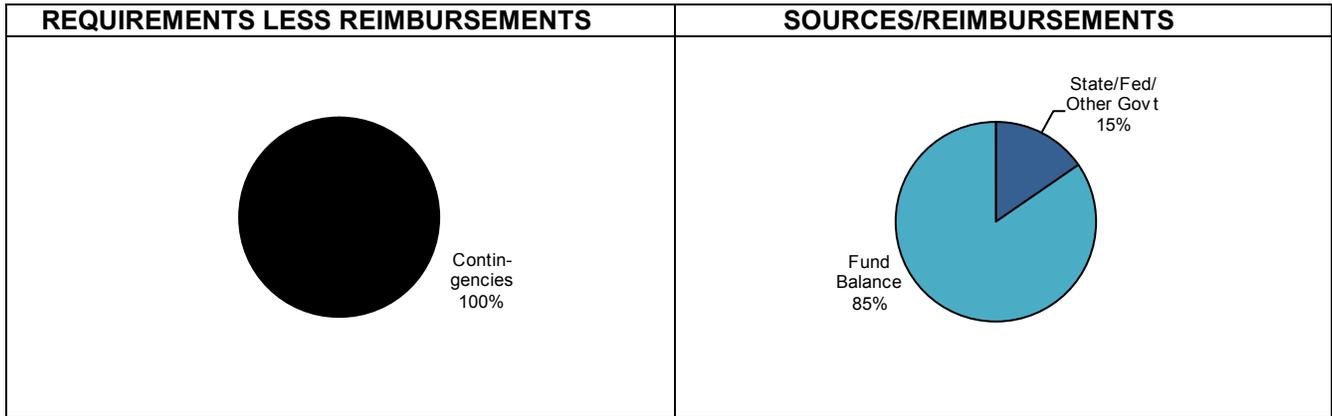
The Redemption Restitution Maintenance budget unit consists of revenue received from tax sales and revenue received from the State of California for the Victim Restitution Rebate.

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.

Restitution Maintenance 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 revenue received shall be used for furthering collection efforts.

Budget at a Glance	
Total Requirements	\$1,434,306
Total Sources	\$223,800
Fund Balance	\$1,210,506
Use of Fund Balance	\$0
Total Staff	0

2013-14 ADOPTED BUDGET



ANALYSIS OF 2013-14 ADOPTED BUDGET

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

BUDGET UNIT: SDQ TTX
 FUNCTION: General
 ACTIVITY: Finance

	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2012-13 Final Budget	2013-14 Adopted Budget	Change From 2012-13 Final Budget
Requirements							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	0	0	0	0	269,219	0	(269,219)
Capital Expenditures	0	0	0	0	0	0	0
Contingencies	0	0	0	0	790,200	1,434,306	644,106
Total Exp Authority	0	0	0	0	1,059,419	1,434,306	374,887
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	0	0	0	0	1,059,419	1,434,306	374,887
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	0	0	0	0	1,059,419	1,434,306	374,887
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	0	0	790,562	233,744	0	220,000	220,000
Fee/Rate	0	0	0	0	85,000	0	(85,000)
Other Revenue	2,587	1,797	910	3,143	800	3,800	3,000
Total Revenue	2,587	1,797	791,472	236,887	85,800	223,800	138,000
Operating Transfers In	0	0	0	0	0	0	0
Total Sources	2,587	1,797	791,472	236,887	85,800	223,800	138,000
				Fund Balance	973,619	1,210,506	236,887
				Budgeted Staffing	0	0	0

MAJOR EXPENDITURES AND REVENUE IN 2013-14 ADOPTED BUDGET

Sources of \$223,800 represent \$220,000 in Victim Restitution Rebate revenue and \$3,800 in anticipated interest earnings.

BUDGET CHANGES AND OPERATIONAL IMPACT

Overall requirements have increased by \$374,887 due to increased budgeted contingencies resulting from the anticipation of a one-time increase in tax sale revenue for 2013-14, therefore the reimbursement to the Auditor-Controller/Treasurer/Tax Collector's general fund for work related to the processing of excess tax sale proceeds will not be needed in 2013-14. Overall sources have increased by \$138,000 primarily due to the addition of Victim Restitution Rebate Revenue to this budget unit and an increase in anticipated interest earnings, offset by a decrease in revenue collected from unclaimed excess tax sale proceeds.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with this budget unit.



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