

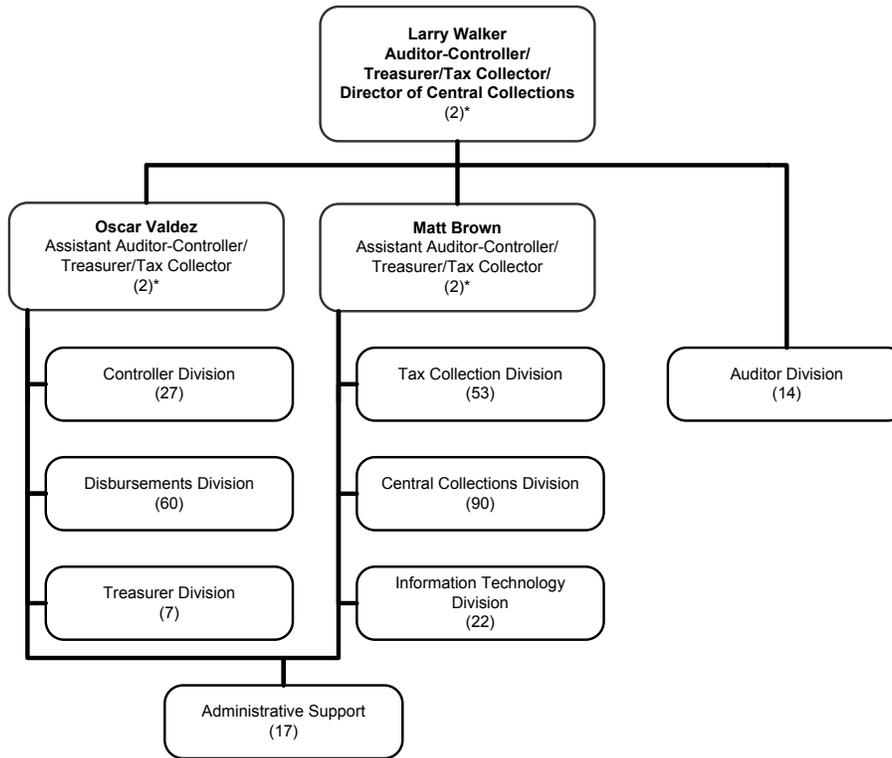
## AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR Larry Walker

### 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

### 2013-14 ACCOMPLISHMENTS

- Internal Audits issued 31 compliance and operational audit reports from July 1, 2013 thru June 30, 2014, making recommendations for improvement of internal controls over cash, trust funds, fixed assets, cost claims, and the management of federal grants.
- Worked diligently to evaluate and analyze a total of eleven (11) new Governmental Accounting Standards Board (GASB) Statements, including the new pension accounting standards, for their effects on the County's financial statements to either implement or develop the plans for future implementations, as required by GASB.



- Worked closely with the Information Services Department to prepare for the implementation of the Financial Accounting System (FAS) 2.2 upgrade, which required ATC to develop and test the largest numbers of testing scripts in recent years.
- Tax Collector partnered with the Land Use Services Department to develop a procedure to increase Transient Occupancy Tax (bed tax) collections within the County. Since this collaboration, the Tax Collector has received information on 131 rentals not previously registered in the Transient Occupancy Tax (TOT) program. The total TOT collected in 2012-13 was \$1.5 million; total TOT collected in 2013-14 was \$1.7 million, with \$98,519 directly resulting from this partnership.

**COUNTY GOALS AND OBJECTIVES AND DEPARTMENT PERFORMANCE MEASURES**

<b>COUNTY GOAL:</b>	<b>OPERATE IN A FISCALLY-RESPONSIBLE AND BUSINESS-LIKE MANNER</b>
<b>Objective(s):</b>	• <i>Live within our means, fully funding the maintenance of infrastructure and facilities, the provision of state-of-the-art basic operating systems, liabilities, and reserves; while forming capital to strategically invest in the future.</i>

<i>Department Strategy:</i>	• <i>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.</i>			
Measurement	2012-13 Actual	2013-14 Target	2013-14 Actual	2014-15 Target
Receive the GFOA Certificate of Achievement for Excellence in Financial Reporting.	Yes	Yes	Yes	Yes

<b>COUNTY GOAL:</b>	<b>PURSUE COUNTY GOALS AND OBJECTIVES BY WORKING WITH OTHER GOVERNMENTAL AGENCIES</b>
<b>Objective(s):</b>	• <i>Develop a closer working relationship with cities, tribes and other governmental agencies.</i>

<i>Department Strategy:</i>	• <i>Complete the final property tax apportionment by the third week following the end of the fiscal year.</i>			
Measurement	2012-13 Actual	2013-14 Target	2013-14 Actual	2014-15 Target
Percentage of apportionments completed by the third week of the following fiscal year.	100%	100%	100%	100%

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**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 and improving services.

**Department Strategy:**

- Maintain the highest possible credit rating for the County investment pool.
- Maintain collection of property taxes at 96% or higher, which are used to fund key public services including education, police and fire protection, social and health services.
- Increase marketing, advertising and outreach to improve awareness of the annual Tax Sale and collect defaulted secured property taxes.

Measurement	2012-13 Actual	2013-14 Target	2013-14 Actual	2014-15 Target
County investment pool rating	Fitch - AAA	Fitch - AAA	Fitch - AAA	Fitch - AAA
Percentage of annual tax charge collected	97.2%	N/A	98.2%	96%

**SUMMARY OF BUDGET UNITS**

	2014-15					
	Requirements	Sources	Net County Cost	Fund Balance	Net Budget	Staffing
<b>General Fund</b>						
Auditor-Controller/Treasurer/Tax Collector	36,880,704	26,188,884	10,691,820			296
Total General Fund	36,880,704	26,188,884	10,691,820			296
<b>Special Revenue Fund</b>						
Redemption Restitution Maintenance	1,678,050	288,500		1,389,550		0
Total Special Revenue Fund	1,678,050	288,500		1,389,550		0
<b>Total - All Funds</b>	<b>38,558,754</b>	<b>26,477,384</b>	<b>10,691,820</b>	<b>1,389,550</b>	<b>0</b>	<b>296</b>



<b>5-YEAR REQUIREMENTS TREND</b>					
	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Auditor-Controller/Treasurer/Tax Collector	34,607,550	32,441,654	36,599,126	37,847,511	36,880,704
Redemption Restitution Maintenance	182,140	973,709	1,059,419	1,434,306	1,678,050
<b>Total</b>	<b>34,789,690</b>	<b>33,415,363</b>	<b>37,658,545</b>	<b>39,281,817</b>	<b>38,558,754</b>

<b>5-YEAR SOURCES TREND</b>					
	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Auditor-Controller/Treasurer/Tax Collector	24,126,528	23,124,508	27,026,066	26,519,063	26,188,884
Redemption Restitution Maintenance	1,790	791,562	85,800	223,800	288,500
<b>Total</b>	<b>24,128,318</b>	<b>23,916,070</b>	<b>27,111,866</b>	<b>26,742,863</b>	<b>26,477,384</b>

<b>5-YEAR NET COUNTY COST TREND</b>					
	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Auditor-Controller/Treasurer/Tax Collector	10,481,022	9,317,146	9,573,060	11,328,448	10,691,820
<b>Total</b>	<b>10,481,022</b>	<b>9,317,146</b>	<b>9,573,060</b>	<b>11,328,448</b>	<b>10,691,820</b>

<b>5-YEAR FUND BALANCE TREND</b>					
	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Redemption Restitution Maintenance	180,350	182,147	973,619	1,210,506	1,389,550
<b>Total</b>	<b>180,350</b>	<b>182,147</b>	<b>973,619</b>	<b>1,210,506</b>	<b>1,389,550</b>

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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 developing and implementing accounting systems and standards and administering the Countywide Cost Allocation Plan. The Disbursements Division is responsible for vendor payments, payroll services, the compilation of property tax rates, revenue disbursements to taxing agencies and managing and calculating pass-through agreement payments on behalf of Countywide successor agencies relating to the dissolution of Redevelopment Agencies.

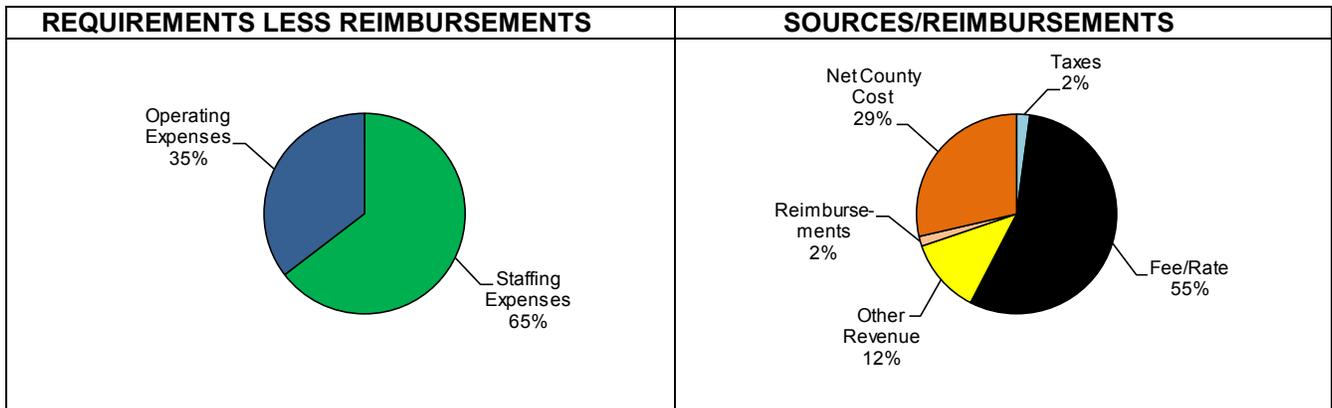
The Treasurer Division performs the County's treasury function including the investment of all County and School District funds within the County investment pool and associated banking services. The Treasurer currently manages assets of \$3.8 - \$4.9 billion. The Tax Collector Division collects property taxes for all County taxing entities which amounted to slightly over \$2.2 billion in property taxes and other fees in 2013-14.

The Central Collections Division provides collection services for the County and Superior Court, collecting nearly \$50 million for the year ending June 30, 2014, 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	
Requirements Less Reimbursements*	\$37,476,564
Sources/Reimbursements	\$26,784,744
Net County Cost	\$10,691,820
Total Staff	296
Funded by Net County Cost	29%
<small>*Includes Contingencies</small>	

### 2014-15 ADOPTED BUDGET



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**BUDGETED STAFFING**

STAFFING ANALYSIS					5-YEAR STAFFING TREND				
Authorized Positions	2012-13 Final	2013-14 Adopted	2013-14 Final	2014-15 Adopted					
Regular	277	278	278	280					
Limited Term	3	15	17	16					
Total	280	293	295	296					
Staffing Expenses	\$23,797,675	\$24,151,265	\$24,535,297	\$24,187,211					

**ANALYSIS OF 2014-15 ADOPTED BUDGET**

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

BUDGET UNIT: AAA ATX  
FUNCTION: General  
ACTIVITY: Finance

	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2013-14 Final Budget	2014-15 Adopted Budget	Change From 2013-14 Final Budget
<b>Requirements</b>							
Staffing Expenses	24,350,111	22,181,622	22,511,394	22,924,596	24,535,297	24,187,211	(348,086)
Operating Expenses	11,778,908	11,296,625	10,365,494	11,882,362	13,228,514	13,269,353	40,839
Capital Expenditures	92,306	55,963	88,481	123,796	355,000	20,000	(335,000)
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	36,221,325	33,534,210	32,965,369	34,930,754	38,118,811	37,476,564	(642,247)
Reimbursements	(1,614,279)	(1,258,293)	(275,419)	(323,835)	(271,300)	(595,860)	(324,560)
Total Appropriation	34,607,046	32,275,917	32,689,950	34,606,919	37,847,511	36,880,704	(966,807)
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	34,607,046	32,275,917	32,689,950	34,606,919	37,847,511	36,880,704	(966,807)
<b>Sources</b>							
Taxes	307,060	0	386,920	289,460	895,000	800,000	(95,000)
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	90,018	136,502	153,632	75,605	33,081	122,204	89,123
Fee/Rate	18,347,152	18,108,328	19,472,244	19,538,898	20,608,499	20,718,034	109,535
Other Revenue	5,382,219	4,880,121	4,887,853	4,869,125	4,982,483	4,548,646	(433,837)
Total Revenue	24,126,449	23,124,951	24,900,649	24,773,088	26,519,063	26,188,884	(330,179)
Operating Transfers In	0	0	0	0	0	0	0
Total Sources	24,126,449	23,124,951	24,900,649	24,773,088	26,519,063	26,188,884	(330,179)
Net County Cost	10,480,597	9,150,966	7,789,301	9,833,831	11,328,448	10,691,820	(636,628)
Budgeted Staffing					295	296	1

**MAJOR EXPENDITURES AND REVENUE IN 2014-15 ADOPTED BUDGET**

Staffing expenses of \$24.2 million represent the majority of expenditures in this budget unit and fund 296 budgeted positions. These expenses are necessary to provide accounting, auditing, collections, and investment services to County departments and constituents. Sources primarily represent fee/rate and cost-reimbursement revenue generated by services provided.

**BUDGET CHANGES AND OPERATIONAL IMPACT**

Requirements are decreasing by \$966,807, primarily due to a reduction in staffing expenses and capital expenditures, and an increase in reimbursements. Sources are expected to decrease by \$330,179, primarily due to an increase in current services revenue which is offset by a decrease in other revenue. While building the 2014-15 budget, there was a shortfall of \$131,000 due to a loss of single audit revenue (\$81,000) as a result of the County's improvement from a high risk to low risk auditee which resulted in less program audits and an



increase in legal counsel expenses (\$50,000) related to property tax payers in bankruptcy. The Auditor-Controller/Treasurer/Tax Collector received additional Net County Cost of \$131,000 to offset this shortfall.

**STAFFING CHANGES AND OPERATIONAL IMPACT**

Staffing expenses of \$24.2 million fund 296 budgeted positions of which 280 are regular positions and 16 are limited term positions. The budget includes a net increase of 1 position, consisting of the addition of a Systems Accountant II in Property Tax to assist with system processes relating to Redevelopment Agencies (RDA), the addition of an Accountant II in Central Payroll to comply with reporting requirements associated with the Affordable Health Care Act, and the deletion of a vacant recurrent Accountant III in Accounts Payable to offset additional costs. The two new positions are both funded by additional revenue; the Systems Accountant II by RDA revenue and the Accountant II by self-governed districts participating in County payroll.

The budget also includes 3 reclassifications: an Accounting Technician to a Supervising Fiscal Specialist and an Office Assistant II to an Office Assistant III, to reflect the actual duties performed; and the Chief, Central Collections Division to an Auditor-Controller Division Chief, to maintain consistency within the department.

**2014-15 POSITION SUMMARY**

Division	Regular	Limited Term	Total	Filled	Vacant	New	Total
Management	6	0	6	6	0	0	6
Administrative Support	7	10	17	9	8	0	17
Information Technology Division	22	0	22	21	1	0	22
Auditor Division	14	0	14	14	0	0	14
Controller Division	27	0	27	25	2	0	27
Disbursements Division	55	5	60	52	6	2	60
Treasurer Division	7	0	7	7	0	0	7
Tax Collector Division	52	1	53	52	1	0	53
Central Collections Division	90	0	90	77	13	0	90
<b>Total</b>	<b>280</b>	<b>16</b>	<b>296</b>	<b>263</b>	<b>31</b>	<b>2</b>	<b>296</b>

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 Auditor-Controller/Treasurer/ Tax Collector	1 Special Projects Administrator	1 Secretary I
3 Executive Secretary III	1 ATC Building Coordinator	2 Business Applications Manager
6 Total	1 Internal Auditor III	2 Business Systems Analyst III
	1 Payroll Specialist	2 Department Systems Engineer
	1 Fiscal Specialist	3 Programmer Analyst III
	1 Office Assistant III	1 Programmer Analyst I
	10 Public Service Employee	1 Programmer III
	17 Total	3 Automated Systems Analyst II
		3 Automated Systems Analyst I
		3 Automated Systems Technician
		22 Total



<b>Auditor Division</b>	<b>Controller Division</b>	<b>Disbursements Division</b>
<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 II	1 Secretary I	1 Secretary I
1 Auditor-Controller Manager	2 Auditor-Controller Manager	3 Auditor-Controller Manager
2 Supervising Internal Auditor III	2 Supervising Accountant III	2 Supervising Accountant III
1 Internal Auditor IV	2 Systems Accountant III	1 Supervising Accountant II
5 Internal Auditor III	5 Systems Accountant II	2 Systems Accountant II
2 Accountant III	8 Accountant III	7 Accountant III
1 Accounting Technician	4 Accountant II	2 Accountant II
<u>14 Total</u>	2 Accounting Technician	1 Supervising Accounting Technician
	<u>27 Total</u>	3 Accounting Technician
		3 Sup ATC Payroll Technician
		5 ATC Payroll Technician
		5 Fiscal Specialist
		8 Fiscal Assistant
		11 Office Assistant III
		1 Office Assistant II
		4 Public Service Employee
		<u>60 Total</u>
<b>Treasurer Division</b>	<b>Tax Collector Division</b>	<b>Central Collections Division</b>
<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 Manager/Investment Officer	1 Secretary	1 Auditor-Controller Division Chief
2 Investment Analyst	1 Tax Collection Manager	1 Secretary I
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
<u>7 Total</u>	7 Collections Officer	1 Accountant III
	4 Accounting Technician	1 Internal Auditor III
	1 Supervising Fiscal Specialist	6 Supervising Collections Officer
	3 Supervising Office Assistant	1 Supervising Fiscal Specialist
	3 Fiscal Specialist	54 Collections Officer
	9 Fiscal Assistant	2 Accounting Technician
	9 Office Assistant III	1 Fiscal Specialist
	11 Office Assistant II	5 Fiscal Assistant
	<u>53 Total</u>	2 Office Assistant III
		10 Office Assistant II
		<u>90 Total</u>



## Redemption Restitution Maintenance

### DESCRIPTION OF MAJOR SERVICES

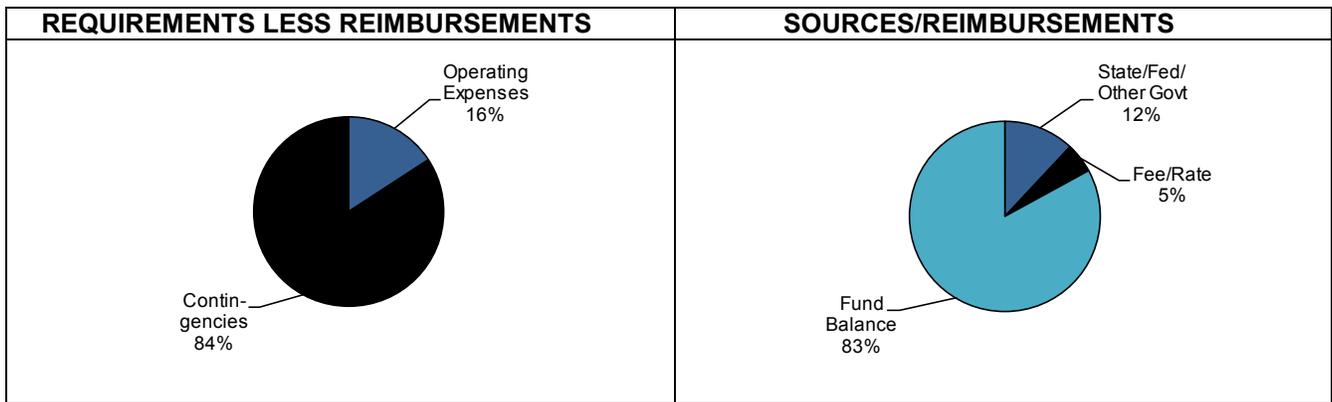
The Redemption Restitution Maintenance budget unit consists of revenue received from tax sales and revenue received from the State of California for the Victim Restitution Rebate.

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	
Requirements Less Reimbursements*	\$1,678,050
Sources/Reimbursements	\$288,500
Fund Balance	\$1,389,550
Contribution to Fund Balance	\$23,500
Total Staff	0
<small>*Includes Contingencies</small>	

### 2014-15 ADOPTED BUDGET



**ANALYSIS OF 2014-15 ADOPTED BUDGET**

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

**BUDGET UNIT:** SDQ TTX  
**FUNCTION:** General  
**ACTIVITY:** Finance

	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2013-14 Final Budget	2014-15 Adopted Budget	Change From 2013-14 Final Budget	
<b>Requirements</b>								
Staffing Expenses	0	0	0	0	0	0	0	
Operating Expenses	0	0	0	0	0	265,000	265,000	
Capital Expenditures	0	0	0	0	0	0	0	
Contingencies	0	0	0	0	1,434,306	1,413,050	(21,256)	
Total Exp Authority	0	0	0	0	1,434,306	1,678,050	243,744	
Reimbursements	0	0	0	0	0	0	0	
Total Appropriation	0	0	0	0	1,434,306	1,678,050	243,744	
Operating Transfers Out	0	0	0	0	0	0	0	
Total Requirements	0	0	0	0	1,434,306	1,678,050	243,744	
<b>Sources</b>								
Taxes	0	0	0	0	0	0	0	
Realignment	0	0	0	0	0	0	0	
State, Fed or Gov't Aid	0	790,562	233,744	175,355	220,000	200,000	(20,000)	
Fee/Rate	0	0	0	0	0	85,000	85,000	
Other Revenue	1,797	910	3,143	3,690	3,800	3,500	(300)	
Total Revenue	1,797	791,472	236,887	179,045	223,800	288,500	64,700	
Operating Transfers In	0	0	0	0	0	0	0	
Total Sources	1,797	791,472	236,887	179,045	223,800	288,500	64,700	
					Fund Balance	1,210,506	1,389,550	179,044
					Budgeted Staffing	0	0	0

**MAJOR EXPENDITURES AND REVENUE IN 2014-15 ADOPTED BUDGET**

Operating expenses of \$265,000 represent a transfer to the Auditor-Controller/Treasurer/Tax Collector’s general fund budget unit for staffing and operating expenses for work related to the processing of excess tax sale proceeds. Contingencies of \$1.4 million are available to fund future operations. Sources of \$288,500 represent revenue from the State of California, unclaimed excess tax sale proceeds trust funds and anticipated interest earnings.

**BUDGET CHANGES AND OPERATIONAL IMPACT**

Requirements are increasing by \$243,744 due to transfers for staffing related to the processing of excess tax sale proceeds. Sources are increasing by \$64,700 primarily due to an increase in current services revenue from unclaimed excess tax sale proceeds, partially offset by a decrease in Victim Restitution Rebate revenue and lower anticipated interest earnings.

**STAFFING CHANGES AND OPERATIONAL IMPACT**

There is no staffing associated with this budget unit.

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