

AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR

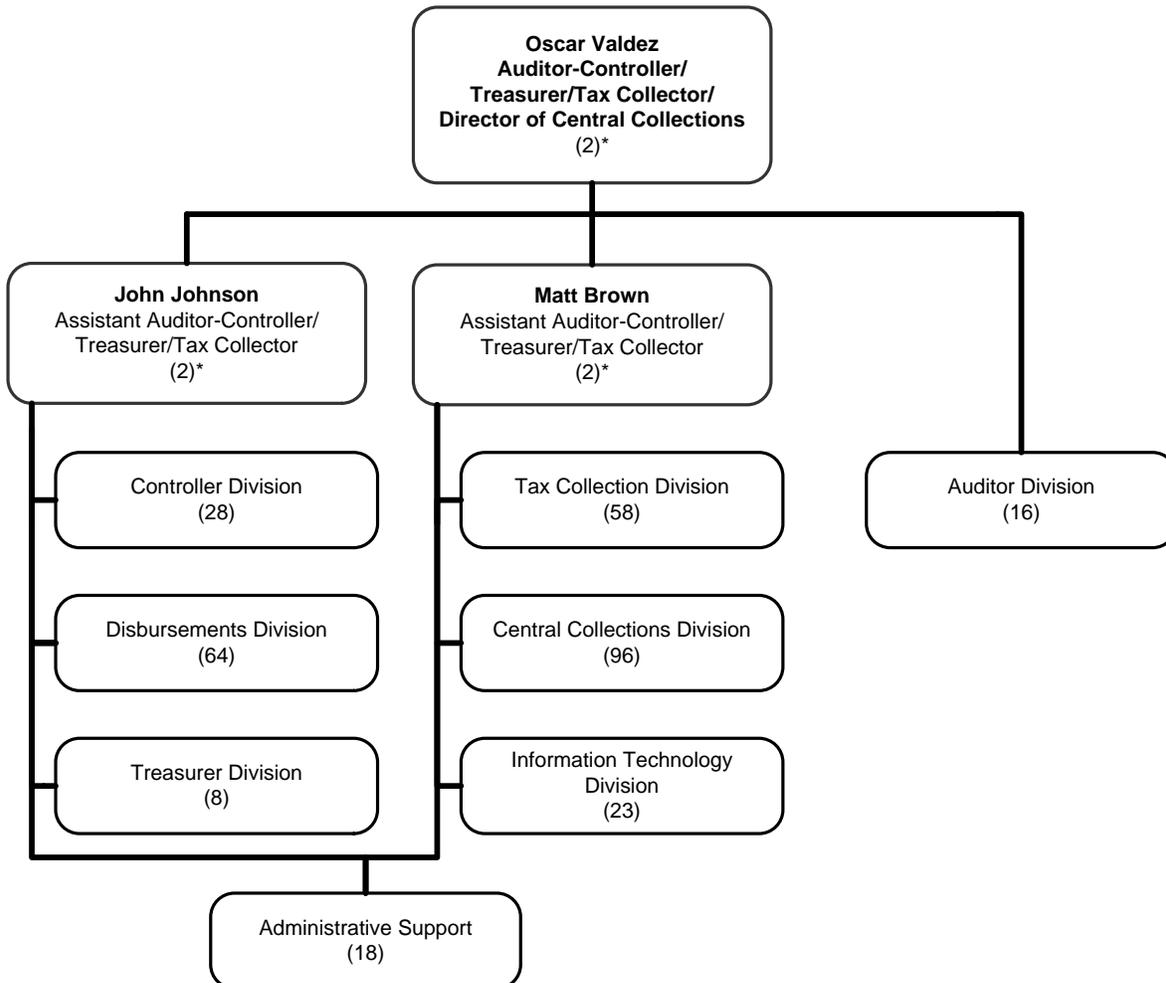
Oscar Valdez

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 fair, timely and innovative in the use of technology to enhance services throughout the County.



ORGANIZATIONAL CHART



*Includes one secretary position



2016-17 SUMMARY OF BUDGET UNITS

	2016-17					
	Requirements	Sources	Net County Cost	Use of / (Contribution to) Fund Balance	Use of / (Contribution to) Net Position	Staffing
General Fund						
Auditor-Controller/Treasurer/Tax Collector	39,250,013	27,160,388	12,089,625			317
Total General Fund	39,250,013	27,160,388	12,089,625	0	0	317
Special Revenue Funds						
Redemption Restitution Maintenance	200,000	237,500		(37,500)		0
Total Special Revenue Funds	200,000	237,500	0	(37,500)	0	0
Total - All Funds	39,450,013	27,397,888	12,089,625	(37,500)	0	317

2015-16 MAJOR ACCOMPLISHMENTS

- Received a National Association of Counties Achievement Award for the Online Banking Property Tax Payment Program which increased efficiency in processing payments remitted through a taxpayer's online banking system.
- Attained the highest value ever achieved in the County's treasury pool of \$6.025 billion.
- Dispersed over \$1.1 billion in compensation to more than 23,000 County and Special District employees and remitted associated payroll taxes of over \$165.0 million to federal and state taxing entities during calendar year 2015.
- Partnered with the San Bernardino County Employees' Retirement Association to successfully compile and issue schedules of pension related information for financial reporting purposes in accordance with the Governmental Accounting Standards Board Statement No. 68.



DEPARTMENT PERFORMANCE MEASURES

COUNTY GOAL: IMPROVE COUNTY GOVERNMENT OPERATIONS		Measure	2014-15 Actual	2015-16 Target	2015-16 Est.	2016-17 Target
OBJECTIVE	Continue to develop and maintain consistent messaging for the organization.	Receive the GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Yes
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.					
COUNTY GOAL: PURSUE COUNTY GOALS AND OBJECTIVES BY WORKING WITH OTHER AGENCIES		Measure	2014-15 Actual	2015-16 Target	2015-16 Est.	2016-17 Target
OBJECTIVE	Maintain close working relationships with cities, tribes and other governmental agencies.	Percentage of apportionments completed by the third week of the following fiscal year	100%	100%	100%	100%
STRATEGY	Complete the final property tax apportionment by the third week following the end of the fiscal year.					
COUNTY GOAL: OPERATE IN A FISCALLY-RESPONSIBLE AND BUSINESS-LIKE MANNER		Measure	2014-15 Actual	2015-16 Target	2015-16 Est.	2016-17 Target
OBJECTIVE	Invest County resources in ways which create more ongoing revenue to reinvest in maintaining and improving services.	County investment pool rating	Fitch - AAA	Fitch - AAA	Fitch - AAA	Fitch - AAA
STRATEGY	Maintain the highest possible credit rating for the County investment pool.					
COUNTY GOAL: OPERATE IN A FISCALLY-RESPONSIBLE AND BUSINESS-LIKE MANNER		Measure	2014-15 Actual	2015-16 Target	2015-16 Est.	2016-17 Target
OBJECTIVE	Invest County resources in ways which create more ongoing revenue to reinvest in maintaining and improving services.	Percentage of annual tax charge collected	97.50%	96%	96%	96%
STRATEGY	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.					



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.

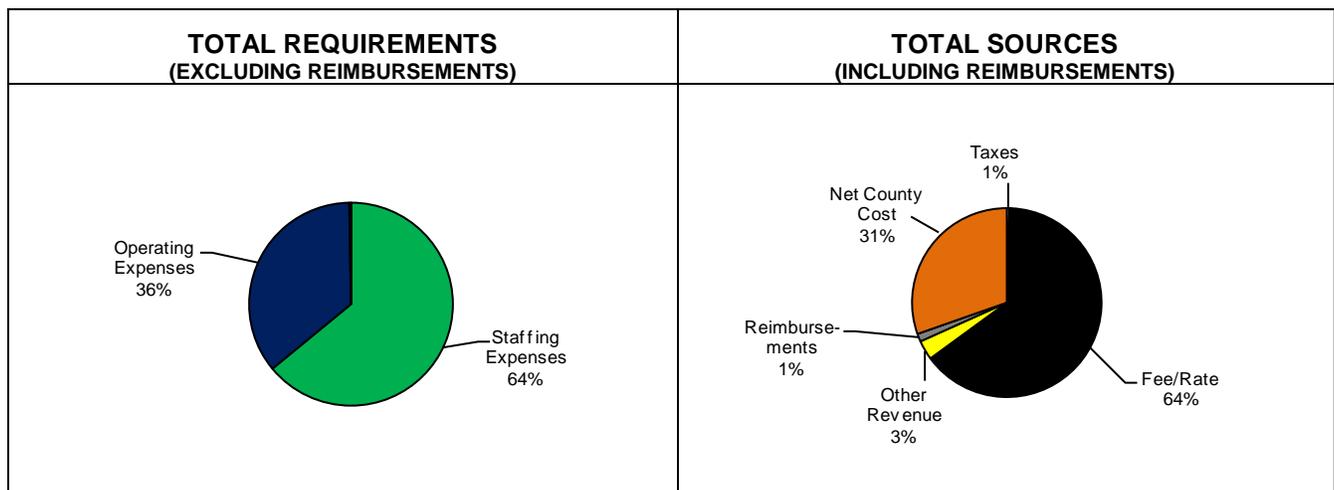
The Treasurer Division performs the County’s treasury function including the investment of all County and School District funds within the County investment pool and associated banking services. The Treasurer currently manages assets of \$5.0 – \$5.9 billion. The Tax Collector Division collects property taxes for all County taxing entities that is anticipated to amount to over \$2.3 billion in property taxes and other fees in 2015-16.

The Central Collections Division provides collection services for the County and Superior Court, and is anticipated to collect nearly \$44.9 million for the year ending June 30, 2016, consisting of \$26.2 million for collection of court-ordered payments and \$18.7 million for 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 (Excl. Reimb.)	\$39,787,364
Total Sources (Incl. Reimb.)	\$27,697,739
Net County Cost	\$12,089,625
Total Staff	317
Funded by Net County Cost	31%

2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

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

BUDGET UNIT: AAA ATX
 FUNCTION: General
 ACTIVITY: Finance

	2012-13	2013-14	2014-15	(A) 2015-16	2015-16	(B) 2016-17	(B-A) Change From Prior Year Modified Budget
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	
Requirements							
Staffing Expenses	22,511,394	22,924,596	21,811,815	25,773,754	22,936,839	25,474,092	(299,662)
Operating Expenses	10,365,494	11,882,362	11,696,888	14,180,431	13,502,694	14,202,272	21,841
Capital Expenditures	88,481	123,796	112,130	138,000	138,000	111,000	(27,000)
Total Exp Authority	32,965,369	34,930,754	33,620,833	40,092,185	36,577,533	39,787,364	(304,821)
Reimbursements	(275,419)	(323,835)	(261,835)	(558,500)	(330,124)	(537,351)	21,149
Total Appropriation	32,689,950	34,606,919	33,358,998	39,533,685	36,247,409	39,250,013	(283,672)
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	32,689,950	34,606,919	33,358,998	39,533,685	36,247,409	39,250,013	(283,672)
Sources							
Taxes	386,920	289,460	272,730	180,000	178,030	180,000	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	153,632	75,605	211,806	127,776	139,888	131,703	3,927
Fee/Rate	19,472,244	19,538,898	19,171,973	26,148,871	23,467,771	25,524,648	(624,223)
Other Revenue	4,887,853	4,869,125	4,019,786	1,261,450	1,321,207	1,324,037	62,587
Total Revenue	24,900,649	24,773,088	23,676,295	27,718,097	25,106,896	27,160,388	(557,709)
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	24,900,649	24,773,088	23,676,295	27,718,097	25,106,896	27,160,388	(557,709)
Net County Cost	7,789,301	9,833,831	9,682,703	11,815,588	11,140,513	12,089,625	274,037
Budgeted Staffing*	280	295	297	315	315	317	2

*Data represents modified budgeted staffing

Note: The Auditor-Controller is classified as a central service department in the Countywide Cost Allocation Plan (COWCAP). In order to allocate full central service costs to the County's operating departments, central service departments do not pay COWCAP charges. Not included in this budget is \$117,274 which represents the Auditor-Controller's share of costs of other central service departments, such as Human Resources.

MAJOR REQUIREMENTS AND SOURCES IN 2016-17 RECOMMENDED BUDGET

Staffing Expenses of \$25.5 million represent the majority of Requirements in this budget unit and fund 317 budgeted positions. The Requirements 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 \$283,672, primarily due to a decrease in Staffing Expenses for eight positions deleted in the budget unit and added to the Automated Systems Development budget unit (AAP CAO) to accurately reflect the staffing needs of the Enterprise Financial Management System project. This decrease is partially offset by the addition of seven less expensive limited term positions that will provide backfill coverage for the deleted positions.

Sources are decreasing by \$557,709, primarily due to a decrease in cost reimbursement associated with the treasury pool.



2016-17 POSITION SUMMARY*

Division	2015-16				2016-17		Limited	Regular
	Modified Staffing	Adds	Deletes	Re-Orgs	Recommended			
Management	6	0	0	0	6	0	6	
Administrative Support	18	0	0	0	18	10	8	
Information Technology Division	23	1	-1	0	23	1	22	
Auditor Division	16	0	0	0	16	0	16	
Controller Division	28	4	-4	0	28	4	24	
Disbursements Division	64	3	-3	0	64	7	57	
Treasurer Division	7	1	0	0	8	0	8	
Tax Collection Division	56	1	0	1	58	1	57	
Central Collections Division	97	0	0	-1	96	0	96	
Total	315	10	-8	0	317	23	294	

*Detailed classification listing available in Appendix D.

STAFFING CHANGES AND OPERATIONAL IMPACT

Staffing Expenses of \$25.5 million fund 317 budgeted positions of which 294 are regular positions and 23 are limited term positions. The budget includes a net increase of two positions.

Eight positions are deleted from this budget unit and added to the AAP CAO budget unit, consisting of: one Departmental IS Administrator, one Auditor-Controller Division Chief, two Systems Accountant III's, one Systems Accountant II, one Systems Accountant I and two Accountant III's. Other changes consist of an increase of seven limited term positions to provide backfill coverage for staff added to the AAP CAO budget unit consisting of: one Contract Business Applications Manager in the Information Technology Division; one Contract Systems Accountant II in the Controller Division; three Contract Accountant III's in the Controller Division; and two Contract Accountant III's in the Disbursements Division.

Two new positions are funded by existing sources and consist of: one Supervising Accountant II in Disbursements to assist staff, review work performed, and monitor and improve controls and processes for the fiscal unit in property tax, and one Accountant II in the Tax Collector's office to serve as a lead in fiscal and accounting operations. The addition of one Investment Officer position in the Treasurer Division is funded by treasury pool interest earnings to assist the Chief Deputy Treasurer in the day-to-day trading and management of the County's treasury pool.



Redemption Restitution Maintenance

DESCRIPTION OF MAJOR SERVICES

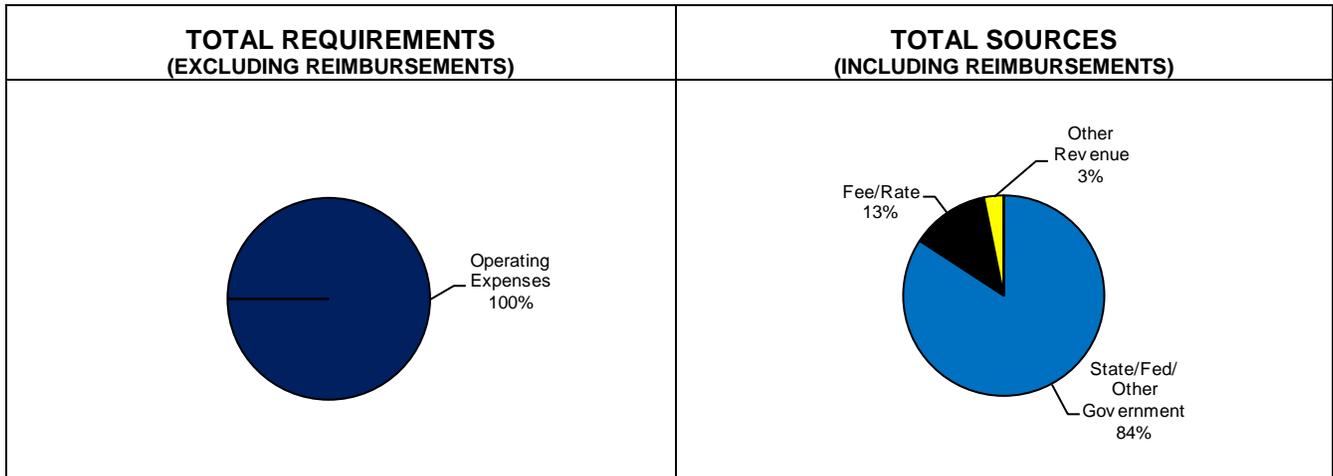
The Redemption Restitution Maintenance budget unit consists of revenue received from tax sales and the State of California for the Victim Restitution Rebate.

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 is used to further collection efforts.

Budget at a Glance	
Total Requirements (Excl. Reimb.)	\$200,000
Total Sources (Incl. Reimb.)	\$237,500
Use of/ (Contribution to) Fund Balance	(\$37,500)
Total Staff	0

2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

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

BUDGET UNIT: SDQ TTX
 FUNCTION: General
 ACTIVITY: Finance

	2012-13	2013-14	2014-15	(A) 2015-16	2015-16	(B) 2016-17	(B-A)
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	Change From Prior Year Modified Budget
Requirements							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	0	0	0	200,000	0	200,000	0
Capital Expenditures	0	0	0	0	0	0	0
Total Exp Authority	0	0	0	200,000	0	200,000	0
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	0	0	0	200,000	0	200,000	0
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	0	0	0	200,000	0	200,000	0
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	233,744	175,355	226,573	200,000	180,052	200,000	0
Fee/Rate	0	0	0	30,000	0	30,000	0
Other Revenue	3,143	3,690	5,490	4,800	7,556	7,500	2,700
Total Revenue	236,887	179,045	232,063	234,800	187,608	237,500	2,700
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	236,887	179,045	232,063	234,800	187,608	237,500	2,700
Fund Balance							
Use of / (Contribution to) Fund Balance**	(236,887)	(179,045)	(232,063)	(34,800)	(187,608)	(37,500)	(2,700)
Available Reserves				1,656,413	1,809,221	1,846,721	190,308
Total Fund Balance				1,621,613	1,621,613	1,809,221	187,608
Budgeted Staffing*	0	0	0	0	0	0	0

*Data represents modified budgeted staffing

**Contribution to Fund Balance appears as a negative number and increases Available Reserves.

MAJOR REQUIREMENTS AND SOURCES IN 2016-17 RECOMMENDED BUDGET

Operating Expenses of \$200,000 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. Sources of \$237,500 represent revenue from the State of California, unclaimed excess tax sale proceeds and anticipated interest earnings.

BUDGET CHANGES AND OPERATIONAL IMPACT

Sources are increasing by \$2,700 due to an increase in anticipated interest earnings.

ANALYSIS OF FUND BALANCE

No use of Fund Balance is anticipated. A Contribution to Fund Balance of \$37,500 is anticipated in 2016-17 as Sources are anticipated to exceed Requirements. In future years, Fund Balance can be used for processing tax sale excess proceeds and to further collection efforts for victim restitution.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with this budget unit.

