

<b>Priority:</b>	Accountability	<b>Lead Agency:</b>	Finance Budget & Tax
<b>Program Offer Type:</b>	Existing Operating	<b>Program Contact:</b>	Dave Boyer
<b>Related Programs:</b>	70026		

**Frameworks:**

### **Executive Summary**

The General Ledger (GL) program manages central financial accounting and reporting, including the annual external financial audit, federal cost allocation plan, Internal Revenue Service 1099 reporting, grant accounting and general accounting support and assistance to elected officials, departments and external agencies.

### **Program Description**

The GL program supports and monitors the County's financial accounting activity by performing regular accounting functions, including account reconciliations, review / approval of accounting transactions, and preparing required financial reports. The primary product of GL is the County's comprehensive annual financial report (CAFR), which includes all activities associated with the required annual external financial audits. GL prepares the County's Cost Allocation Plans needed to recover central department overhead and administrative costs. Maintaining internal controls, the chart of accounts, and IRS 1099 reporting are other major functions performed by GL.

### **Program Justification**

The GL program contributes to the Accountability priority because it is necessary for the citizens of the County to have assurance that there are sound financial accounting and reporting processes and effective internal controls in place. The program provides the County and its citizens with audited financial reports that provide useful information to monitor and track the County's financial performance. These reports are relied on by many end users including bankers, investment and bond rating agencies, debtors and grantor agencies. The program's regular review and reconciliation of the County's enterprise system is a key function for proper financial accounting, internal controls, reporting and budgeting Countywide.

### **Performance Measures**

GL performance measure: General Ledger's primary measure is that the County shall receive an unqualified opinion from the County's external auditors (Grant Thornton LLP) on the CAFR. An unqualified opinion means that the County's financial statements present fairly, in all material respects, the financial position of the County and that the County's financial statements are prepared in conformity with generally accepted accounting principles in the United States. This is important because this achievement means that the County has accurately stated its financial position, cash flows, and budgetary comparisons. Analysis of the CAFR is one of the ways Moody's investor services establish the County's bond rating and other financial institutions invest in County bonds or provide credit to the County.

### **Summary of last year's program results and this year's expected results**

FY04 CAFR received an unqualified opinion. County expects to receive an unqualified opinion on the FY05 CAFR. GL is continuously looking for ways to improve financial reporting and processing within the County and anticipates fewer management advisory comments, passed adjustments and single audit findings and questioned costs.

## Program Mandate: 2 Mandated Program with Funding/Service Level Choice

General Ledger's program is mandated. The external audit is required by State law, Oregon Revised Statutes 297.425. The County is also mandated by the Federal Government - US Office of Management and Budget Circular A-133 and A-87 to obtain the audit of the schedule of federal awards and prepare cost allocation plans. In connection with these audits, audit comments and disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules apply as well. Over the past years GL has lost 1 position and any further reduction in funding for this program will result in the County's being unable to produce required reports and could have a negative affect on the county's borrowing capacity if the bond rating were reduced.

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
<b>Program Expenses</b>	2005	2005	2006	2006
Personnel	\$658,359	\$8,040	\$698,290	\$0
Contracts	\$110,300	\$321,542	\$107,800	\$485,600
Materials & Supplies	\$28,384	\$0	\$25,609	\$0
Internal Services	\$33,090	\$20,418	\$149,139	\$14,400
Subtotal: Direct Exps:	<b>\$830,133</b>	<b>\$350,000</b>	<b>\$980,838</b>	<b>\$500,000</b>
Administration	\$0	\$0	\$33,713	\$0
Program Support	\$0	\$0	\$0	\$0
Subtotal: Other Exps:	<b>\$0</b>	<b>\$0</b>	<b>\$33,713</b>	<b>\$0</b>
Total GF/non-GF:	<b>\$830,133</b>	<b>\$350,000</b>	<b>\$1,014,551</b>	<b>\$500,000</b>
Program Total:	<b>\$1,180,133</b>		<b>\$1,514,551</b>	
Program FTE	0.00	0.00	8.41	0.00
<b>Program Revenues</b>				
Fees, Permits & Charges	\$0	\$0	\$14,400	\$0
Intergovernmental	\$0	\$350,000	\$0	\$500,000
Program Revenue for Admin	\$0	\$0	\$6,181	\$0
<b>Total Revenue:</b>	<b>\$0</b>	<b>\$350,000</b>	<b>\$20,581</b>	<b>\$500,000</b>

## Explanation of Revenues

This program is supported by General Fund revenues. Besides the General Fund, the other revenue source which the general ledger program receives is grant funding for the two grants administered by this program. GL acts as fiduciary agent only for the grant revenues which are federally funded for Weed and Seed projects (Department of Justice passthrough payments). The total pass through revenue budgeted for FY06 is \$500,000.

## Significant Program Changes

Current service level budget. The major changes in this program are the transfer of internal service charges that were previously budgeted centrally, and the spreading of FBAT administration to the programs it supports.

Passthrough payments \$247,947 higher in FY06 than FY05 due to additional grant awards.