



Marc Gonzales
Director

DEPARTMENT OF FINANCE

PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045

March 12, 2015

Board of County Commissioners
Clackamas County

Members of the Board:

A Resolution Acknowledging Expenditures in Excess of Appropriations for Fiscal Year 2014 and Describing
Corrective Action in Accordance with ORS 297.466

Purpose/Outcome	Acknowledgement of expenditures in excess of appropriations that occurred in Fiscal Year 2014 and description of the Corrective Action that will be implemented.
Dollar Amount and fiscal Impact	The dollar amount of each over expenditure is reported in the Comprehensive Annual Financial Report (CAFR) as part of the Notes to the Basic Financial Statements.
Funding Source	Varies
Safety Impact	N/A
Duration	Expenditures are reported on annually. Corrective action to be implemented will be permanent.
Previous Board Action/Review	N/A
Contact Person	David Bodway, Finance Manager, 503-742-5424
Contract No.	N/A

BACKGROUND:

As part of the annual audit each year, the County's external audit firm reports on compliance with various Oregon statutes. One of these requirements is to report upon compliance with Local Budget Law. Expenditures in excess of authorized appropriations are reported in the CAFR, by category and by fund. Detail of this can be found in the CAFR as part of the Notes to the Basic Financial Statements, as well as in the Auditor's Report on Compliance with Oregon Minimum Standards.

ORS 297.466 requires that the BCC adopt a resolution within 30 days of issuance of the audited CAFR. The resolution is to both acknowledge the over expenditures and describe the corrective actions implemented. Corrective action is commencing now and will continue into the future on a quarterly schedule each fiscal year.

This Resolution has been reviewed and approved by County Counsel.

RECOMMENDATION:

Staff respectfully recommends the Board approve this resolution acknowledging expenditures in excess of appropriations for fiscal year 2014 and describing corrective action in accordance with ORS 297.466.

Respectfully submitted,

Marc Gonzales, Finance Director

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

A Resolution Acknowledging Expenditures
in Excess of Appropriations for Fiscal Year
2014 and Describing Corrective Action in
Accordance with ORS 297.466

RESOLUTION NO.

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WHEREAS, the County's Comprehensive Annual Financial Report for the fiscal year ending June 30, 2014 reports expenditures in excess of appropriations; and

WHEREAS, Oregon Local Budget Law does not allow the expenditure of monies beyond the legal appropriation authority; and

WHEREAS, ORS 297.466(2) requires the County to determine measures considered necessary for corrective action and a period of time estimated to complete them; and

WHEREAS, ORS 297.466(3) requires the Board of County Commissioners to submit an adopted resolution of corrective measures to the Secretary of State's Office within 30 days from the submission of the County's Comprehensive Annual Financial Report to the Secretary of State; and

NOW, THEREFORE, BE IT RESOLVED that in order to ensure current and future compliance with Oregon Local Budget Law, all County Departments will perform a quarterly analysis to review and evaluate expenditures incurred to date compared to the total final adopted budget. Any over-expenditure will be further analyzed, discussed with the Department of Finance's Budget Office, and evaluated for further corrective measures.

Dated this 12th day of March, 2015.

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary

The following funds had expenditures in excess of appropriations for the fiscal year ending, June 30, 2014:

General County:

Building Codes Fund

Personnel Services \$30,037

Personnel Services were higher than budgeted in expenditures for overtime, full-time employees, fringe benefits and temporary workers.

Public Safety Local Option Levy

Personnel Services \$446,713

Personnel Services expenditures were higher than budgeted for overtime and fringe benefits expenditures.

Law Library Fund

Personnel Services \$1,692

Personnel services expenditures were higher than budgeted in the Fringe Benefits category.

Sheriff's Fund

Capital Outlay \$70,124

Capital Outlay was higher than budgeted in various capital expenditure lines in the Capital outlay category.

Justice Court Fund

Materials and Services \$119,118

Materials and Services expenditures were higher than budget appropriation in professional services and criminal fines and assessments.

Public Health Fund

Materials and Services \$28,056

Materials and Services expenditures were higher than budget.

Clackamas Health Centers

Materials and Services \$441,457

Materials and Services expenditures were higher than budget.

Transient Room Tax Fund

Materials and Services \$945

Expenditures for Materials and Services were higher than budget in administrative fees which are monthly expenditures.

Forest Management Fund

Materials and Services \$2,851

Materials and Services were higher than budget internal county contracted services but Materials and Services were budgeted together with payments to other governments which

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should be a separate budgeted category. Moss Adams separated out Materials and Services from payments to other governments which caused the difference in Materials and Services that budget category. This technically does not meet the definition of an over-expenditure, but rather is an error in budgeting, corrected for presentation purposes.

Capital Projects Reserve Fund

Materials and Services \$42,996

Materials and Services expenditures were higher than budget.

Sheriff's Office Retiree Medical Fund

Materials and Services \$37,501

Materials and Services were higher than budget in Premiums- Medical Insurance expenditures which were caused by higher than expected Providence and Kaiser monthly premium costs.