



MARC GONZALES
DIRECTOR

DEPARTMENT OF FINANCE

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

March 17, 2016

Board of County Commissioners
Clackamas County

Members of the Board:

A Resolution Acknowledging Expenditures in Excess of Appropriations for Fiscal Year 2015 and Describing
Corrective Action in Accordance with ORS 297.466

Purpose/Outcome	Acknowledgement of expenditures in excess of appropriations that occurred in Fiscal Year 2015 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
Duration	Expenditures are reported on annually. Corrective action to be implemented will be permanent.
Previous Board Action	N/A
Strategic Plan Alignment	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 2015 and describing corrective action in accordance with ORS 297.466.

Respectfully submitted,
Christa Bosserman-Wolfe, Assistant Finance Director

A Resolution Acknowledging Expenditures
in Excess of Appropriations for Fiscal Year
2015 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, 2015 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 17th day of March, 2016.

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary

The following funds had expenditures in excess of appropriations for the fiscal year ending, June 30, 2015:

General County:

Sheriff's Fund

Transfers Out \$49

Transfers Out were higher than budgeted due to a clerical error after the supplemental budgets were finalized.

Transportation System Development Charge Fund

Materials and Services \$89,036

Materials and Services expenditures were higher than budgeted due to a one-time payment to Trimet for transportation construction.

Public Health Fund

Public Health \$29,173

Materials and Services expenditures were higher than budgeted due to higher personal services costs than budgeted.

Self-Insurance Fund

Materials and Services \$181,937

Materials and Services expenditures were higher than budgeted due to higher than expected Providence and Kaiser monthly premium costs.

The following funds had a deficit fund balance for the year ending June 30, 2015:

Children, Youth & Families Fund

Fund Balance \$(44,039)

During the year end closing process unearned revenues were recorded on the balance sheet which corrected the records to agree with accounting standards, monies unearned were spent and caused the negative fund balance

Risk Management Claims Fund

Fund Balance \$(4,363,450)

The addition of claims payable at year end caused the fund to go from modified accrual fund balance of \$2,326,724 to full accrual negative balance of \$4,363,450.