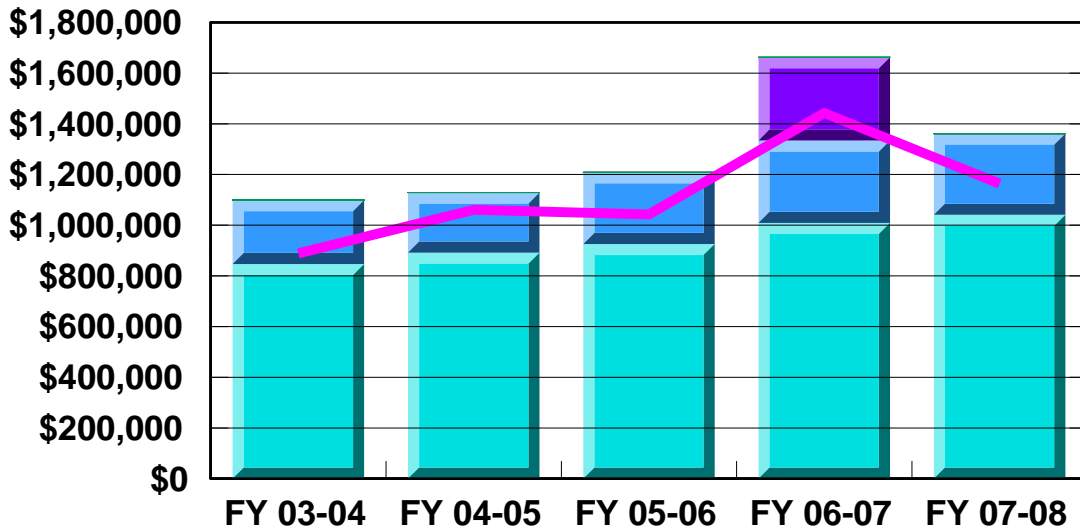


# FINANCE

## 2003-04 to 2007-08



	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08
PERSONNEL	\$846,663	\$891,229	\$925,904	\$1,009,573	\$1,041,310
MATERIALS	\$252,473	\$237,627	\$282,998	\$324,460	\$320,339
CAPITAL	\$0	\$0	\$0	\$329,000	\$0
OTHER	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXP</b>	<b>\$1,099,136</b>	<b>\$1,128,856</b>	<b>\$1,208,902</b>	<b>\$1,663,033</b>	<b>\$1,361,649</b>
<b>TOTAL REV</b>	<b>\$888,443</b>	<b>\$1,060,995</b>	<b>\$1,042,849</b>	<b>\$1,442,502</b>	<b>\$1,164,196</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>13.90</b>	<b>13.84</b>	<b>13.84</b>	<b>14.84</b>	<b>14.84</b>

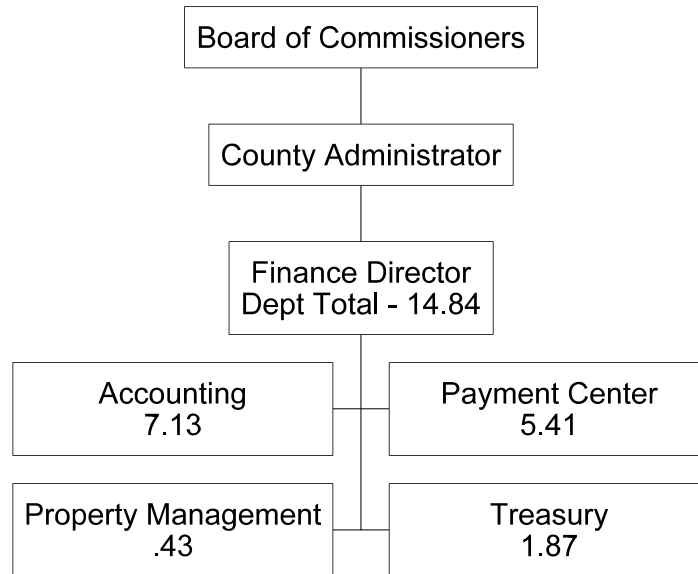
Numbers for FY 03-04 through FY 05-06 are actual revenues and expenditures. FY 06-07 represents the revised budget and FY 07-08 is the adopted budget. For an explanation of the differences between the actual expenditures and budgets, see the Differences Between "Actual" and "Budgeted" Numbers located in the Budget Summary section of this document on page 24.

During FY 06-07 a grant was received to purchase a flood effected property to prevent rebuilding.



# Finance

## Organization Chart



All employees are reported as full-time equivalents.

# Finance

## Highlights and Challenges

### Department Summary

**Purpose Statement:** To provide support, control, and income generation (investment income) services to the organization, revenue collection services to all County taxing districts, and property tax assistance and support services to the public.

#### Major Issues and Service Level Goals for Fiscal Year 2007-2008

- Additional work needs to be put into the EnterpriseOne system to make it more efficient for departments and to address identified departmental information needs that are either not being met or are cumbersome. Emphasis will be on reviewing our set-up of the software, implementing new reports and enhancements to the software, investigating software upgrades and providing both group and targeted departmental training. This is a multi-year effort but the benefits of this emphasis will begin to be realized early in the fiscal year.
- Continued enhancement of the Oregon Counties Assessment and Taxation System (ORCATS) software and the related cash receipting system developed by the same vendor.
- Working with the State Department of Consumer and Business Services, continue to streamline and improve the new system whereby counties implement title changes on manufactured structures. This was previously a responsibility of the Department of Motor Vehicles (DMV).

#### Major Issues and Service Level Accomplishments for Prior Year

- Targeted training and report development has been accomplished in 2006-2007 but not at the level required by the organization. A significant accomplishment has been the identification of the need to make this a high priority for the remainder of this year and into the future as we work to identify enhancements and upgrades to the software. A major step to solving any unmet need is identifying the problem and developing a plan to address it. The development of this plan and work this year to put it into place puts us in a position to begin addressing needed software enhancements and training that the organization requires.

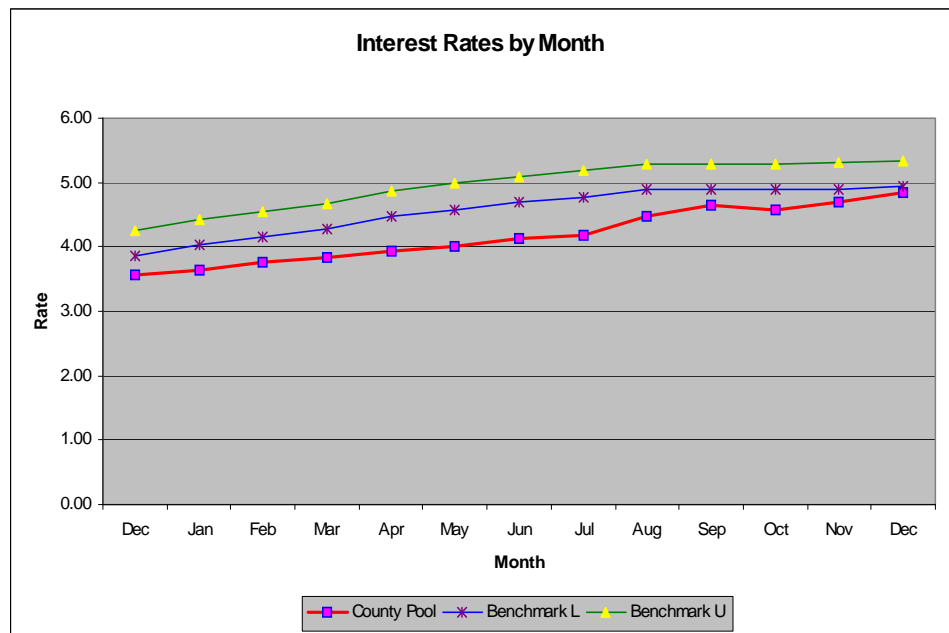
#### Benchmark

The benchmark that Finance has been using for a number of years is based on 90 day securities and represents short-term interest rates. This benchmark has been the LIBOR + 0.50% less adjustments for recent Fed action. We have realized that this isn't necessarily valid for the County as it can change very quickly and will show favorable or unfavorable variances depending upon short-term market conditions. When interest rates rise rapidly there is a lag in any portfolio that has longer investment horizons (longer than 90 days), such as ours. The County can invest up to three years (36 months) when rates and other considerations are favorable. Most local governments may only invest for 18 months.

# Finance

We have decided to simplify our benchmark and give it a range rather than a specific point as a target. Realizing that any investment portfolio benchmark tends to be valid only over a complete market cycle, which runs for a number of years, we have adopted an easier to measure benchmark that, although still subject to rapid movements, is more meaningful to the County. Our benchmark, as shown in the line graph below, reflects investment portfolio performance as measured against the Local Government Investment Pool (LGIP) + or - 0.20%. This provides a targeted range and, as such, permits minor week to week variances in the LGIP without automatically creating an apparently unfavorable variance.

We are approaching our benchmark and intend to eventually exceed it as lower yield investments mature and the proceeds are reinvested to the extent possible.



# Accounting

## *Program Purpose*

The Accounting Program is responsible for providing a flexible, timely management information system that allows easy access to financial data important to decision making, while maintaining necessary internal controls, and encouraging competitive and effective procurement practices in a decentralized environment. The Accounting Program is helping to meet County goal: (11) Maintain public records to provide financial, historical, and statistical information.

## *Program Information*

The Accounting Program provides the following services:

- **Service Delivery Efficiency**

Strategic objective: Maintain general accounting, payroll, and purchasing expense as a modest percentage of the County's operating expense total (excluding capital projects).

<i>Outcome(s)</i>	FY 2004-2005 Actual	FY 2005-2006 Actual	FY 2006-2007 Expected	FY 2007-2008 Projected
Percentage of County expenses	0.33%	0.29%	0.30%	0.32%

- **Timely and Useful Management Information**

Strategic objective: The objective is to develop an ongoing training program to train new employees and further train existing employees on existing functionality, and new functionality that has not yet been deployed.

<i>Outcome(s)</i>	FY 2004-2005 Actual	FY 2005-2006 Actual	FY 2006-2007 Expected	FY 2007-2008 Projected
Group training sessions offered	n/a	2	2	8
Departmental training sessions offered	n/a	3	4	6

### **Significant Issues in the Year Ahead**

The overall emphasis this year will be the enhancement of the current system to correct known gaps in functionality, develop and implement a training program for existing functionality and new features, and begin investigation of software enhancements available to this system from the owner/developer of JDE Enterprise One software (Oracle).



# Accounting

## Financial Condition

This program is 99 percent funded by chargebacks to other County programs, 51 percent coming from general fund programs. The remaining 1 percent of funding is from direct charges to programs for services and rebates received from the Countywide purchasing card program and the Countywide office supply contract.

Program: 060101	2003-2004 Actual	2004-2005 Actual	2005-2006 Actual	2006-2007 Revised	2007-2008 Adopted
<b>REVENUES</b>					
State/Local Gov't	5167	4340	560	0	0
Federal Gov't	0	0	0	0	0
Fees & Charges	381774	423646	461670	485436	563404
Other	44657	35596	45082	52328	58660
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>EXPENDITURES</b>					
Personal Services	408687	436072	445790	483584	560167
Materials & Services	29015	39344	48431	54180	61897
Capital Outlay	0	0	0	0	0
Other	0	0	0	0	0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Full-Time Equivalent</b>	<b>5.96</b>	<b>5.9</b>	<b>5.85</b>	<b>7.1</b>	<b>7.13</b>



# Payment Center

**Program Purpose**

To maximize the collection of property taxes in a timely manner on behalf of the taxing districts and the citizens of Jackson County while utilizing the latest available technology. In addition, the Payment Center provides cost-effective collection of miscellaneous revenues for other departments in a manner that provides convenience to the public while protecting the County's financial assets. Since this program collects the taxes that help all taxing districts serve County citizens, this program helps the County to achieve goal: (2) Serve all citizens fairly and ensure access to County government.

**Program Information**

The Payment Center Program provides the following services:

- **Efficient Collection and Posting of Property Tax Receipts and Miscellaneous Revenues for Other County Departments**

Strategic objective: Process all collections in a timely manner by promoting lockbox and local bank drop-off sites for tax payments, and also by meeting the targeted number of days required for revenues of other departments to be deposited.

<i>Outcome(s)</i>	FY 2005-2006 Actual	FY 2006-2007 Budgeted	FY 2006-2007 Expected	FY 2007-2008 Projected
# business days after Nov. due date all pymts posted*	16	15	13	15

\* Our ability to meet these goals depends, in part, on the quality of extra-help that we are able to hire.

<i>Outcome(s)</i>	FY 2005-2006 Actual	FY 2006-2007 Budgeted	FY 2006-2007 Expected	FY 2007-2008 Projected
# business days after 2 <sup>nd</sup> & 3 <sup>rd</sup> trimesters all posted	4	6	6	5

- **Cash Controls**

Strategic objective: Maintain a system of cash controls that minimizes the possibility of fraud while enabling payment processing as quickly and efficiently as possible.



## *Payment Center*

- **Distribution of Taxes**

Strategic objective: Timely and accurate distribution of property taxes to the taxing districts.

### **Significant Issues in the Year Ahead**

Working with the other eight counties using Oregon Counties Assessment and Taxation System (ORCATS) software, Payment Center Program staff and Assessment staff will continue to be active in user group meetings to identify needed enhancements to be developed by the software vendor. The original consortium (first four counties) has sold this software to four other Oregon counties and additional counties have expressed an interest. The goal is to enhance efficiency and market this product to make it a significant multi-county State property tax system. The efficiency of a multi-county system is realized by all participating counties.

Ownership changes for manufactured structures transferred to counties in May, 2005. Finance staff has been active in this effort. This fiscal year we continue to work toward refining this new joint responsibility with the State, which is providing a needed service to owners of manufactured structures.

On-line payments were implemented in October, 2005. Only about 1 percent of payments are made on-line. We plan to further market this option and assist other counties coming on-line with this option.

### ***Financial Condition***

Payment Center expenses are covered 30.0 percent by the County Assessment and Tax Fund (CATF) grant from the State. An additional 22 percent is covered by other miscellaneous revenues.



## *Payment Center*

<b>Program: 060201</b>	<b>2003-2004 Actual</b>	<b>2004-2005 Actual</b>	<b>2005-2006 Actual</b>	<b>2006-2007 Revised</b>	<b>2007-2008 Adopted</b>
<b>REVENUES</b>					
State/Local Gov't	\$177,183	\$135,974	\$167,561	\$165,780	\$155,733
Federal Gov't	\$0	\$0	\$0	\$0	\$0
Fees & Charges	\$50,206	\$89,254	\$110,053	\$117,554	\$111,933
Other	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$227,389</b>	<b>\$225,228</b>	<b>\$277,614</b>	<b>\$283,334</b>	<b>\$267,666</b>
<b>EXPENDITURES</b>					
Personal Services	\$265,326	\$275,546	\$291,731	\$323,760	\$294,068
Materials & Services	\$180,975	\$166,575	\$208,867	\$223,411	\$213,884
Capital Outlay	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$446,301</b>	<b>\$442,121</b>	<b>\$500,598</b>	<b>\$547,171</b>	<b>\$507,952</b>
<b>Full-Time Equivalent</b>	<b>5.53</b>	<b>5.53</b>	<b>5.58</b>	<b>5.33</b>	<b>5.41</b>



# Property Management

**Program Purpose**

To manage the County’s real property assets including the granting of easements, negotiation of leases, and auctioning properties deemed to be surplus. The Property Management Program is involved in the foreclosure process from the generation of files and records at the beginning of the two-year “judgement” period to the point of possible sale after properties are deeded to the County. Field visits are performed on properties in the foreclosure process to facilitate identification of missing owners or other parties with a recorded interest. This program manages County-owned property that is retained for operations, including maintaining records as to origin, restrictions in use, archeological designation, etc. This program is helping to achieve County goal: (10) Make the best use of Jackson County’s human and material resources.

**Program Information**

The Property Management Program provides the following services:

- **Management of County Properties** (currently 835 accounts).

Strategic objective: Maximize payments on accounts in foreclosure with a goal of clearing as many accounts as possible. Obtain the highest return on properties the County does acquire, either through lease or disposal.

<i>Outcome(s)</i>	FY 2005-2006 Actual	FY 2006-2007 Budgeted	FY 2006-2007 Expected	FY 2007-2008 Projected
Percent of properties cleared	96%	90%	89%	90%

**Significant Issues in the Year Ahead**

Continued effort to reduce the number of small parcels that are in the County’s inventory. The 2005 auction grossed \$173,500; 2006 year-to-date figures total \$78,610. Parcels that do not sell at an auction are available for private sale at market value after the auction. There have been three private sales subsequent to the auction and we anticipate more before the close of the current fiscal year.

The E1 financial system is being used to build a comprehensive, accessible, record of County-owned property for all departments. The goal is to eliminate partial lists that have been maintained in two separate systems and that were not accessible to other County staff.

**Financial Condition**

This program is funded through property sales, easements, and lease payments. Property sale revenues may only be retained to the extent that they cover actual costs. Additional receipts are distributed to all County taxing districts.



## *Property Management*

<b>Program: 060202</b>	<b>2003-2004 Actual</b>	<b>2004-2005 Actual</b>	<b>2005-2006 Actual</b>	<b>2006-2007 Revised</b>	<b>2007-2008 Adopted</b>
<b>REVENUES</b>					
State/Local Gov't	\$28,161	\$0	\$0	\$47,701	\$46,865
Federal Gov't	\$0	\$0	\$0	\$329,000	\$0
Fees & Charges	\$33,011	\$206,652	\$70,559	\$44,370	\$43,239
Other	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$61,172</b>	<b>\$206,652</b>	<b>\$70,559</b>	<b>\$421,071</b>	<b>\$90,104</b>
<b>EXPENDITURES</b>					
Personal Services	\$27,613	\$29,065	\$31,230	\$31,051	\$31,542
Materials & Services	\$23,064	\$10,513	\$7,978	\$17,714	\$15,729
Capital Outlay	\$0	\$0	\$0	\$329,000	\$0
Other	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$50,677</b>	<b>\$39,578</b>	<b>\$39,208</b>	<b>\$377,765</b>	<b>\$47,271</b>
<b>Full-Time Equivalent</b>	<b>0.45</b>	<b>0.45</b>	<b>0.45</b>	<b>0.43</b>	<b>0.43</b>



# Treasury

## *Program Purpose*

To manage the County's funds for maximum return while meeting liquidity requirements, protecting investment principal, and adhering to statutory and policy restrictions and requirements. The Treasury Program receives County funds, disburses tax revenue to all taxing entities, provides debt service administration for the County and Urban Renewal Agency, and maintains an investment pool for all funds as well as the Urban Renewal Agency, law enforcement district, and lighting district. This program assists all departments in the implementation of systems to enhance the processing and security of receipts, including wire and credit card payments. The program is helping to achieve County goal: (10) Make the best use of Jackson County's human and material resources.

## *Program Information*

The Treasury Program is providing the following services:

- **Maximization of Investment Income**

Strategic objective: Realize a return on pooled investments within 20 basis points (0.20%) of the current LGIP rate. Pooled interest to be allocated based on daily balances by fund; bond investments are to comply with Internal Revenue Code restrictions.

Outcome: The benchmark on the department summary page reflects actual results. It is expected that the benchmark will be met in 2007-2008.

- **Enforcement of Cash Controls**

Strategic objective: Retain a system of cash controls that minimizes the possibility of fraud or misuse of cash entrusted to the Treasurer's office. Note cash control problems in other departments and, together with internal audit, work toward their resolution.

- **Distribution of Taxes**

Strategic objective: Timely, accurate, and efficient distribution of property taxes utilizing Oregon Counties Assessment and Taxation System (ORCATS) software.



# Treasury

## Significant Issues in the Year Ahead

Emphasis for the new year includes further exploring the increased functionality and options that are available in the Sympro treasury software that was installed as part of the financial system conversion. Also, host or participate in a western U.S. Sympro user's group workshop. Treasury staff will also work to help expand the use of the PayPoint cash receipting module. This cash receipting module improves audit trails and cash controls in the various departments in which it is installed, as well as the interface with the new financial software. Additionally, go out to bid for the County's banking services.

## Financial Condition

This program is funded primarily through chargebacks to other departments, based on actual workload statistics. Chargebacks account for 98.1 percent of the Treasurer's budget, and 1.9 percent is revenue received through the State County Assessment and Tax Fund (CATF) grant. Approximately 36.6 percent of chargebacks are attributed to the general fund.

Program: 060102	2003-2004 Actual	2004-2005 Actual	2005-2006 Actual	2006-2007 Revised	2007-2008 Adopted
<b>REVENUES</b>					
State/Local Gov't	\$9,992	\$5,810	\$3,348	\$4,165	\$3,543
Federal Gov't	\$0	\$0	\$0	\$0	\$0
Fees & Charges	\$147,511	\$155,113	\$174,369	\$187,573	\$177,042
Other	\$10,774	\$4,604	\$9,641	\$8,595	\$3,777
<b>Total</b>	<b>\$168,277</b>	<b>\$165,527</b>	<b>\$187,358</b>	<b>\$200,333</b>	<b>\$184,362</b>
<b>EXPENDITURES</b>					
Personal Services	\$144,996	\$150,506	\$157,112	\$171,178	\$155,533
Materials & Services	\$19,393	\$21,170	\$17,695	\$29,155	\$28,829
Capital Outlay	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$164,389</b>	<b>\$171,676</b>	<b>\$174,807</b>	<b>\$200,333</b>	<b>\$184,362</b>
<b>Full-Time Equivalent</b>	<b>1.96</b>	<b>1.96</b>	<b>1.96</b>	<b>1.98</b>	<b>1.87</b>



This Page Intentionally Left Blank

