

# Finance

## DEPARTMENT MISSION

The purpose of the Finance Department is to facilitate the effective and efficient use of County resources and to provide a record and accountability for those resources. The Finance Department maintains financial records according to established accounting principles; coordinates budget preparation and implementation; provides financial information and support to the County Board and County departments; provides County Purchasing support; and processes bi-weekly payroll. The goal of the department is to provide insight and contribute to the overall fiscal management of Eau Claire County.

## DEPARTMENT BUDGET HIGHLIGHTS

The 2023 budget for Finance reflects the continued evolution of the Finance department to provide additional financial support and oversight for the county. In 2023, the Finance department will be continuing design and implementation of an internal audit function within the department. This will include implementation of standardized documentation of controls, as well as quarterly attestation of control existence and control testing. This will increase the internal control environment of the county overall, as well as assist in the execution of the annual external audit. In addition, the department plans to shift more processes and procedures from being paper-based to electronic media.

## STRATEGIC DIRECTION AND PRIORITY ISSUES

- Support the required fiduciary responsibilities of the Finance function for the County.
- Assess the internal control environment of the county, implement necessary changes where it is needed and provide for means of internal auditing of controls.
- Continue to evolve and improve financial reporting to County departments, committees, and the Board to provide consistent and meaningful reporting. In 2023, we will continue expanding the financial reporting available to provide greater financial visibility, insight, and external transparency.
- Continue the transition of the department from less transactional support to more analysis and departmental business support.
- Continue to create and/or update financial policy documents for the County.
- Provide training opportunities for new staff, as well as existing staff

## TRENDS AND ISSUES ON THE HORIZON

- The movement in Finance is to eliminate paper transaction workflows and replace them with electronic workflows. We will continue to assess financial workflows that could be transitioned to more efficient electronic workflows.
- Finance systems for the future will need to evolve to handle more automation and the introduction of new technology.

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- Future financial reporting will be moving towards more real-time financial reporting and less emphasis on structured time reporting such as monthly/quarterly reporting.
- The skills required for financial support personnel will be more analytical and require the ability to transition from scorekeeper to business partner.

### POSITION CHANGES IN 2023

- There are no position changes being introduced with the 2023 budget.

### OPERATIONAL CHANGES – WITH FISCAL IMPACT

- An open Fiscal Associate IV position was abolished in July 2022 and replaced by an Internal Control Specialist position. The annual fiscal impact of that change is \$18,342.

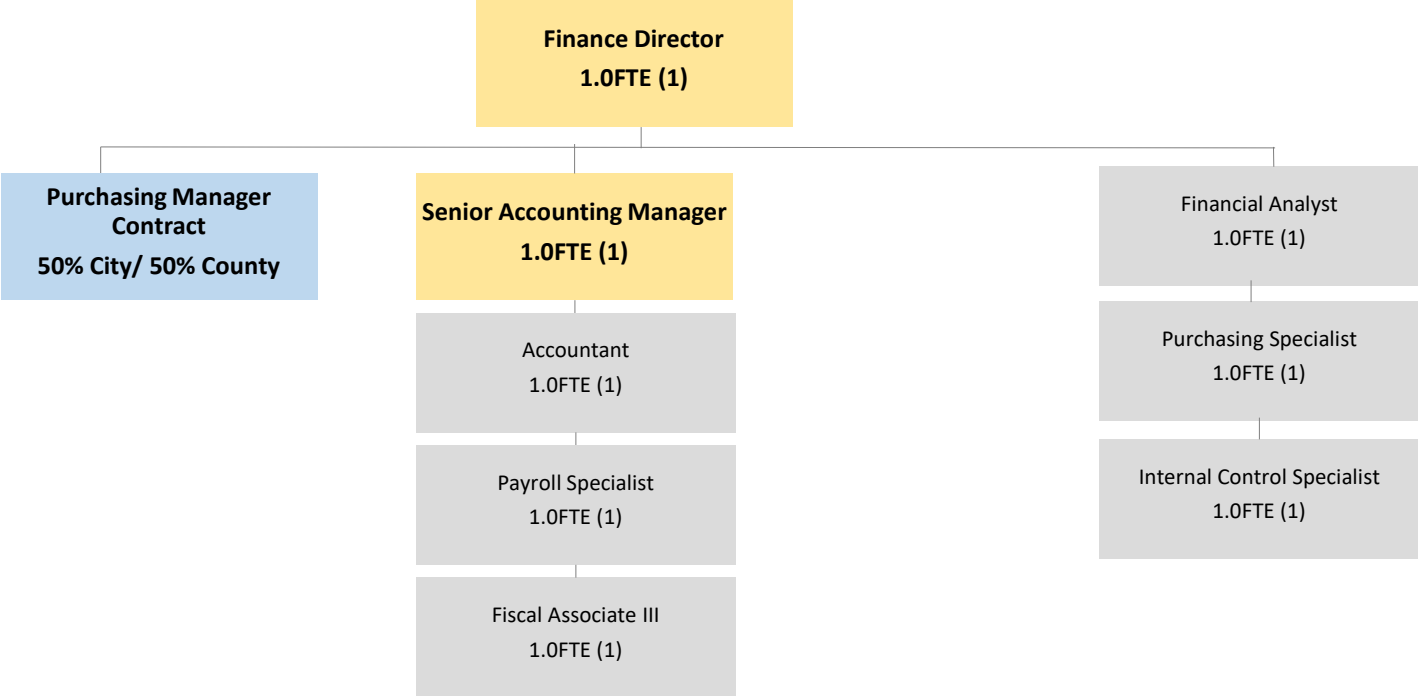
### OPERATIONAL CHANGES – WITHOUT FISCAL IMPACT

- Implemented additional process steps to improve vendor management controls
- Continued improvements to financial reporting implemented
- Added additional reporting elements to the 2023 budget reporting and analysis sections

### KEY ASSUMPTIONS AND POTENTIAL RISKS

- Key Assumptions
  - Revenue from Purchasing Card transactions will continue to increase and return to pre-pandemic levels.
  - Support staffing remains stable and no staff turnover occurs during 2023.
  - Employees select the same level of health insurance in 2023 as in 2022
- Potential Risks
  - The revenue assumptions include an increase in Purchasing Card rebates that is based on the continued increase in use of the card during 2023. If that doesn't occur, revenue may be less than budgeted. Estimated risk is \$2,000-\$4,000
  - Changes necessary to implement an internal audit function in Finance may require outside assistance to complete and funds are not budgeted to support external assistance. The estimated risk is \$5,000.
  - Implementation of a scanning/archiving invoice entry process could require outside assistance to implement or require subscription for additional Alio modules. Estimated risk is \$2,500-\$5,000.

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Year	2022
FTE	8.0

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Provide financial information and insight, budgetary assistance/training and purchasing support to all county departments, employees, elected officials, outside agencies, and other customers. Produce the annual financial statements and support the annual external audit and single audit reports as well as file the appropriate state and federal documentation as required. Support the financial internal controls for the County as well as financial policies and County code requirements.

OUTPUTS	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>YTD* 2022</u>
<b>General Finance</b>				
Number of PBC (prepared by County staff/client) audit adjustments and value posted. (new measure)	25	N/A	N/A	N/A
Number of non-PBC audit adjustments and value posted. (new measure 2018)	0	N/A	N/A	N/A
Number of policies drafted/adopted	0	1	1	0
Percent of cash and accounts receivable accounts reconciled on an monthly/quarterly basis	100%	64%	70%	50%
Number of journal vouchers posted during the year	1,097	819	883	349
Number of new Alio accounts created during the year	193	305	326	165
Number of vendor payments processed during the year	13,376	11,148	10,689	5,081
Number of 1099's issued during the year	375	338	337	N/A
<b>Payroll</b>				
Number of paychecks processed	16,804	16,396	15,879	7,438
Number of payroll adjustments required	626	1,315	878	406
Number of employee changes processed - new hires, terminations, and changes	369	320	271	209
Number of reports prepared and provided to other county departments, outside agencies, and other customers	164	101	206	35
<b>Purchasing</b>				
Number & dollar amount of procurement bids processed during the year	16 / \$2.6M	17 / \$2M	27 / \$30.3M	20 / \$5.4M
Number & dollar amount of RFPs processed during the year	7 / \$2.0M	3 / \$7.3M	11 / \$10.2M	14 / \$613K
Number & Dollar amount of POs issued during the year	574 / \$20.4M	566 / \$19.9M	575 / \$21.2M	352 / \$20.3M
Number of transactions and dollar amount of procurement card spending	6099 / \$1.019M	4429 / \$.828M	5,056 / \$.975M	2,950 / \$.57M
Number of new vendors added (jurors) during the year	706	374	837	337
Number of new vendors added (non-jurors) during the year	730	496	463	354
Number of vendor change requests processed during the year	739	737	1,394	557

*\*YTD indicates Jan-Jun Results*

## Finance

### Overview of Revenues and Expenditures

Revenues	2021	2022	2022	2023	2023	2023	%
	Actual	Adjusted Budget	Estimate	Request	Recommended	Adopted	Change
01-Tax Levy/General Revenue Allocation	\$840,604	\$885,696	\$885,696	\$964,074	\$964,074	\$964,074	9%
09-Other Revenue	\$24,860	\$22,000	\$19,652	\$24,000	\$24,000	\$24,000	9%
<b>Total Revenues:</b>	<b>\$865,464</b>	<b>\$907,696</b>	<b>\$905,348</b>	<b>\$988,074</b>	<b>\$988,074</b>	<b>\$988,074</b>	<b>9%</b>

Expenditures	2021	2022	2022	2023	2023	2023	%
	Actual	Adjusted Budget	Estimate	Request	Recommended	Adopted	Change
01-Regular Wages	\$483,672	\$546,125	\$507,814	\$587,538	\$587,538	\$587,538	8%
02-OT Wages	\$594	\$2,500	\$770	\$750	\$750	\$750	-70%
03-Payroll Benefits	\$163,756	\$199,041	\$195,717	\$235,838	\$235,838	\$235,838	18%
04-Contractual Services	\$131,309	\$138,280	\$133,580	\$146,248	\$146,248	\$146,248	6%
05-Supplies & Expenses	\$4,341	\$16,750	\$5,865	\$12,700	\$12,700	\$12,700	-24%
09-Equipment	\$6,197	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	0%
<b>Total Expenditures:</b>	<b>\$789,870</b>	<b>\$907,696</b>	<b>\$848,746</b>	<b>\$988,074</b>	<b>\$988,074</b>	<b>\$988,074</b>	<b>9%</b>

Net Surplus/(Deficit)- Finance	\$75,594	\$0	\$56,602	\$0	\$0	\$0	
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## Finance

### Budget Analysis

	2022 Adjusted Budget	2022 Operational Changes not Budgeted	Cost to Continue Operations in 2023	2023 Requested Budget
01-Tax Levy/General Revenue Allocation	\$885,696	\$18,342	\$60,036	\$964,074
09-Other Revenue	\$22,000	-	\$2,000	\$24,000
<b>Total Revenues</b>	<b>\$907,696</b>	<b>\$18,342</b>	<b>\$62,036</b>	<b>\$988,074</b>

01-Regular Wages	\$546,125	\$16,033	\$25,380	\$587,538
02-OT Wages	\$2,500	-	(\$1,750)	\$750
03-Payroll Benefits	\$199,041	\$2,309	\$34,488	\$235,838
04-Contractual Services	\$138,280	-	\$7,968	\$146,248
05-Supplies & Expenses	\$16,750	-	(\$4,050)	\$12,700
09-Equipment	\$5,000	-	-	\$5,000
<b>Total Expenditures</b>	<b>\$907,696</b>	<b>\$18,342</b>	<b>\$62,036</b>	<b>\$988,074</b>

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## Revenue Assumptions

	2021	2022	2022	2023	2023	2023		
Revenue Source	Actual	Budget	Estimate	Request	Recom- mended	Adopted	Assumptions	Confidence Level %
County Tax Levy	840,604	885,696	885,696	964,074	964,074	964,074	Levy request	100%
Retained Sales Tax	267	-	52	-	-	-	one-time revenue	100%
Misc Revenue	2,383	2,000	1,600	2,000	2,000	2,000	Expect to remain flat	85%
Pro Card Rebates	22,210	20,000	18,000	22,000	22,000	22,000	Expect small increase	85%
<b>TOTAL</b>	<b>\$865,464</b>	<b>\$907,696</b>	<b>\$905,348</b>	<b>\$988,074</b>	<b>\$988,074</b>	<b>\$988,074</b>		

# Finance

## Contracted Services Summary

	2021	2022	2022	2023	2023	2023
Expenditure Type	Actual	Budget	Estimate	Request	Recom- mended	Adopted
Professional Services	128,909	136,280	133,080	145,748	145,748	145,748
Utility Services	2,400	2,000	500	500	500	500
Repairs And Maintenance	-	-	-	-	-	-
Other Contracted Services	-	-	-	-	-	-
<b>Total</b>	<b>\$131,309</b>	<b>\$138,280</b>	<b>\$133,580</b>	<b>\$146,248</b>	<b>\$146,248</b>	<b>\$146,248</b>



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## Contracted Services Detail

	2021	2022	2022	2023	2023	2023		
<b>Expenditure</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Request</b>	<b>Recom- mended</b>	<b>Adopted</b>	<b>Description</b>	<b>Expenditure Type</b>
Finance/ Contracted Services	99,825	89,870	88,670	94,338	94,338	94,338	Purch. manager, Laserfiche services, CESA-10	Professional Services
Finance/ Telephone	2,400	2,000	500	500	500	500	Telephones	Utility Services
Independent Audit/ Accounting & Audit	29,084	40,000	38,000	45,000	45,000	45,000	External audit fees	Professional Services
Independent Audit/ Other Prof Svcs	-	6,410	6,410	6,410	6,410	6,410	Indirect cost study fee	Professional Services
<b>TOTAL</b>	<b>\$131,309</b>	<b>\$138,280</b>	<b>\$133,580</b>	<b>\$146,248</b>	<b>\$146,248</b>	<b>\$146,248</b>		