

1. Budget Update

Since joining the County last month, I have been tasked with reconstructing the budget from a line-item perspective, using the department level numbers previously adopted by this Board.

The finance team has been working diligently to rebuild the adopted budget so that it accurately reflects Board actions to date. In addition, we continue to analyze prior year actual expenditures and are compiling a list of amendments based on current fiscal realities.

In our analysis, we have reviewed each budget to remove expired grants, contracts, and one-time expenses, while accounting for staffing changes, salary adjustments, fringe rate increases, and contractual obligations. The analysis is based on verified FY25 expenditures and represents minimum needs.

Library - The two contractual amounts are included in this budget. Additional required departmental line items will be included as part of any amendments proposed.

Before you tonight is a copy of the adopted budget, by line item, as directed:

Action:

- Having met the Board's directive to reconstruct the adopted budget by line item, we now ask the Board to appropriate expenditures as adopted and presented.
- There remains work to be done, such as reconciling transfers, debt service payments, and aligning transfers to/from other funds. As we continue to work through this process, it may be necessary to advertise a public hearing to adopt any proposed amendments. We ask that the Board give staff permission to move forward with this, if necessary.

The second item I have for you tonight is a request for pre-audit support:

2. Pre Audit Support

Audit preparation is separate from the external audit itself. While CLA is contracted to perform the audit, services such as prior-year trial balance reconciliations, current-year reconciliations, and drafting financial statements is not the responsibility of the auditor. The auditor audits the County's work.

In order to prepare for the upcoming audit, the finance department needs additional support, such as:

1. Complete required incomplete accounting functions
2. Reconcile the prior-year trial balance to audited financials
3. Complete current-year reconciliations
4. Draft the Annual Comprehensive Financial Report, Student Activity Fund Statements, and Comparative Cost Reports

The possible risks we may experience without additional support may be:

- Delayed audit completion
- Increased findings or compliance concerns
- Higher audit costs due to incomplete schedules

The benefits of having additional support are:

- Supplements current staffing capacity
- Ensures timely and accurate reconciliations
- Provides a smoother audit process
- Identify area(s) of defined audit/accounting procedures

CLA is available to provide these services; however, management will evaluate multiple options to identify the most cost-effective solution.

Action:

- The Board has already authorized funding for external accounting services. I recommend the Board direct staff to proceed with procuring outside support immediately to ensure:
 - Timely preparation for the FY25 audit
 - Accurate financial reporting
 - Compliance with state code and professional standards