

Finance Department



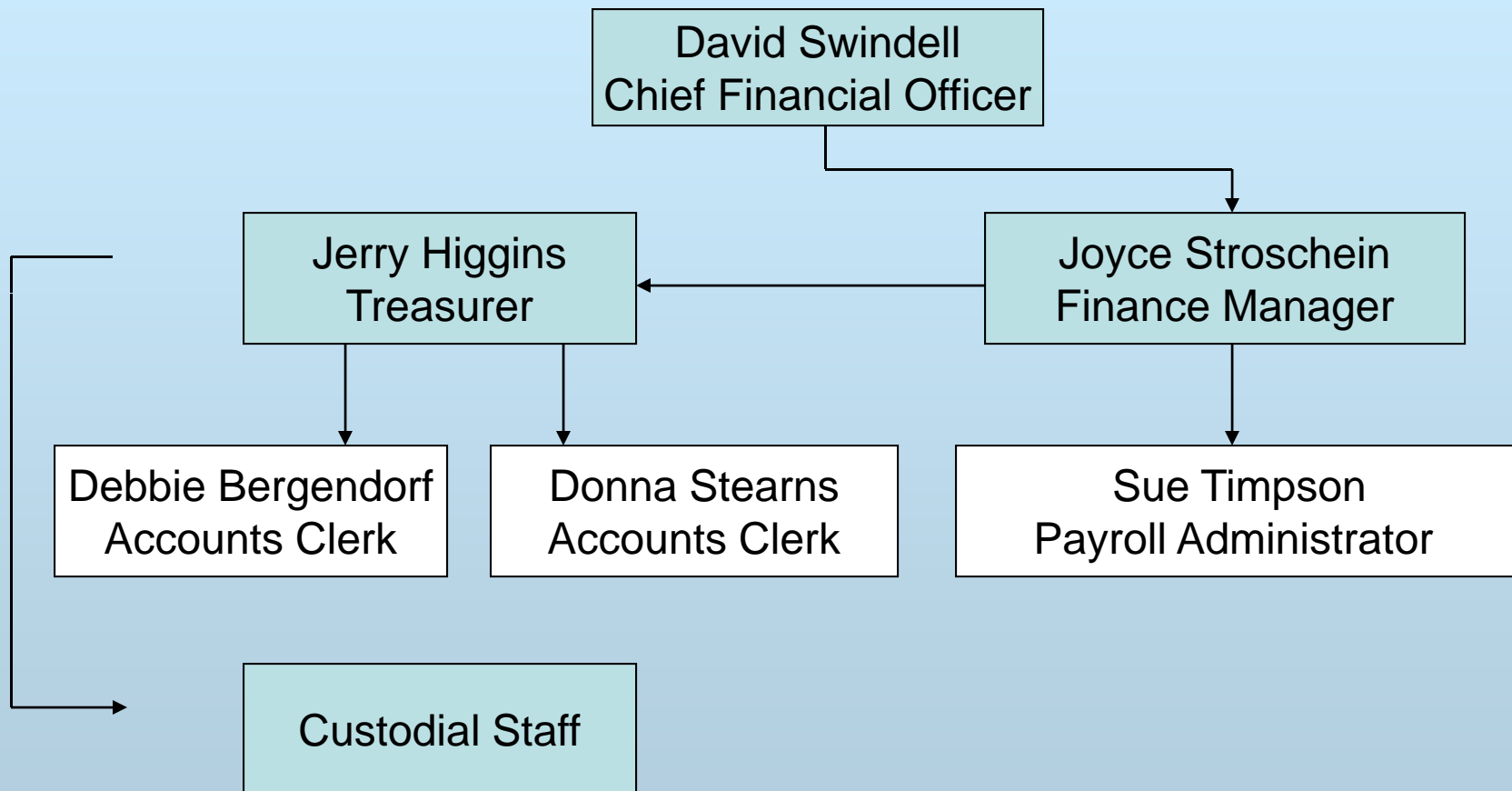
Service Level Report FY09 with
historical data

Finance Dept. Mission



- To accurately process and pay city bills and bi-weekly payroll
- To provide for the investment of the City's financial assets
- To facilitate identification and protection of city assets
- To produce accurate information for internal reporting:
 - Budget
 - Budget to actual
 - Cash on hand and revenue flows
 - Service level reports and performance measurement
 - Monthly payroll and claims
- To produce accurate information for external reporting:
 - Comprehensive Annual Financial Report (bondholders)
 - Citizen's Financial Report
 - IRS reporting, PERSI, Worker's Comp, Census, etc.
 - Grant Management and Reporting
 - Service Level Reporting

Organization Chart 2009



Measures of Inputs

People

	FY05	FY06	FY07	FY08	FY09	FY10	FY05-FY09 Change
Finance							
Full Time	5	5	5	6	6	6	1
Half Time							0

Money

	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 BUDGET
FINANCE						
Labor	349,254	366,905	393,453	446,983	492,404	498,310
Operating	48,220	80,073	126,029	131,665	141,981	142,987
Capital	10,731					
Total	408,205	446,978	519,482	578,648	634,385	641,297
CPI	199.2	201.8	208.9	216.6	216.2	
Real FY05 \$	408,205	441,219	495,275	532,230	584,565	
% Change in Real FY05 \$, FY05-FY09					43.20%	

Inherited Capital

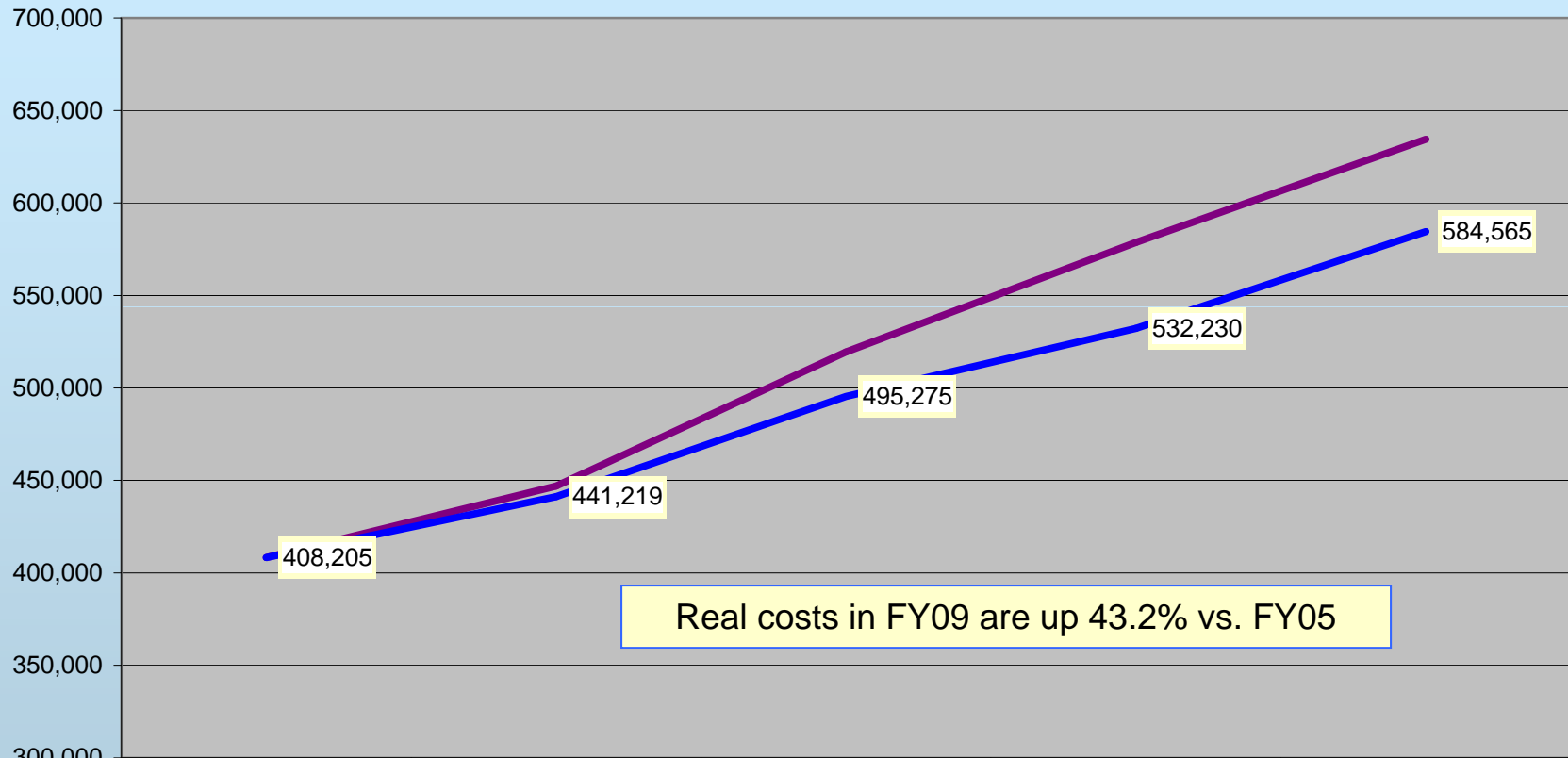
Office space (1,125 sq ft), computer software

FY09 Program Revenue: \$815

FY09 Net Cost: \$633,570 (\$11.54 per capita)

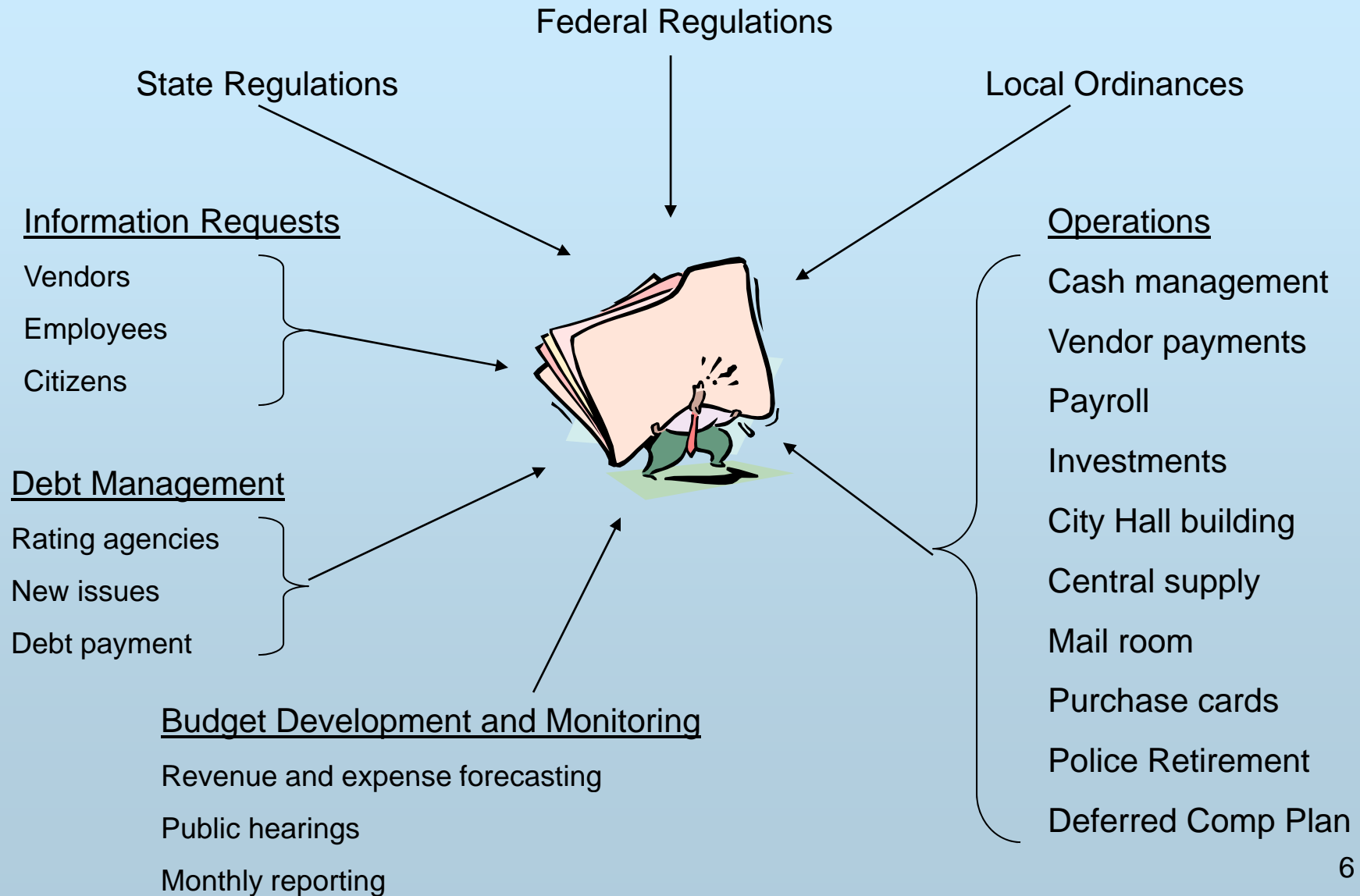
Analysis of Inputs

Finance Department Nominal & Real FY05-FY09



	ACTUAL FY 2005	ACTUAL FY 2006	ACTUAL FY 2007	ACTUAL FY 2008	ACTUAL FY 2009
— Total	408,205	446,978	519,482	578,648	634,385
— CPI	199.2	201.8	208.9	216.6	216.2
— Real FY05 \$	408,205	441,219	495,275	532,230	584,565

OPERATING ENVIRONMENT



Measures of Outputs



Finance

- 1) 26 payrolls, 5,739 checks written, 12,554 electronic files sent.
- 2) 9,331 batches processed for receipts and journal entries,
- 3) 14,833 receipt transactions made, average value \$2,494.75
(down 3,179 from last year)
- 4) 12 vendor cycles, 6,946 checks written (up 1,448 from last year),
206 electronic payments made
- 5) 3,548 billings sent totaling \$6,861,006.55 (up 1384 from last
year)
- 6) 214,017 transactions posted to the general ledger
- 7) 24 Council reports, 4 published quarterly reports, 2 annual
financial reports, 12 budget to actual reports, 4 US Census
Bureau reports

Measures of Efficiency - Finance



1) **Cost per financial transaction: \$2.37**

2) **Corporation Employees per Finance Employee: 122.17**

3) **% of purchases on purchase card: 11.16%**

Benchmark: 6.44% average for peers (ICMA survey, cities 25,000 to 100,000)

Measures of Efficiency - Finance

Survey of Corporate America

- Including names like Boeing, Whirlpool, Monsanto, Johnson & Johnson
- Revenues from \$23 Million to \$25 Billion (Pocatello = \$62 million)
- Employee count from 229 to 126,000 (Pocatello = 733)

Finance Cost as a % of Revenue:

<u>High</u>	<u>Median</u>	<u>Low</u>
5.23%	2.04%	0.70%

Pocatello

1.02%

Finance headcount as a % of Total Headcount:

<u>High</u>	<u>Median</u>	<u>Low</u>
25.7%	4.8%	1.9%

Pocatello

.82%



Measures of Efficiency

Idaho Falls Finance, Accounting & Treasury

Controller
Secretary
Asst. Controller
Sr. Accountant
Accountant
Payroll
Accounts Payable
Accounts Payable
Treasurer
Deputy Treasurer

10 Full-time employees

Pocatello Finance, Accounting & Treasury

Finance Manager
Treasurer
Deputy Treasurer/payroll
Accounts Clerk
Accounts Clerk

5 Full-time employees

Measures of Effectiveness & Results

Finance

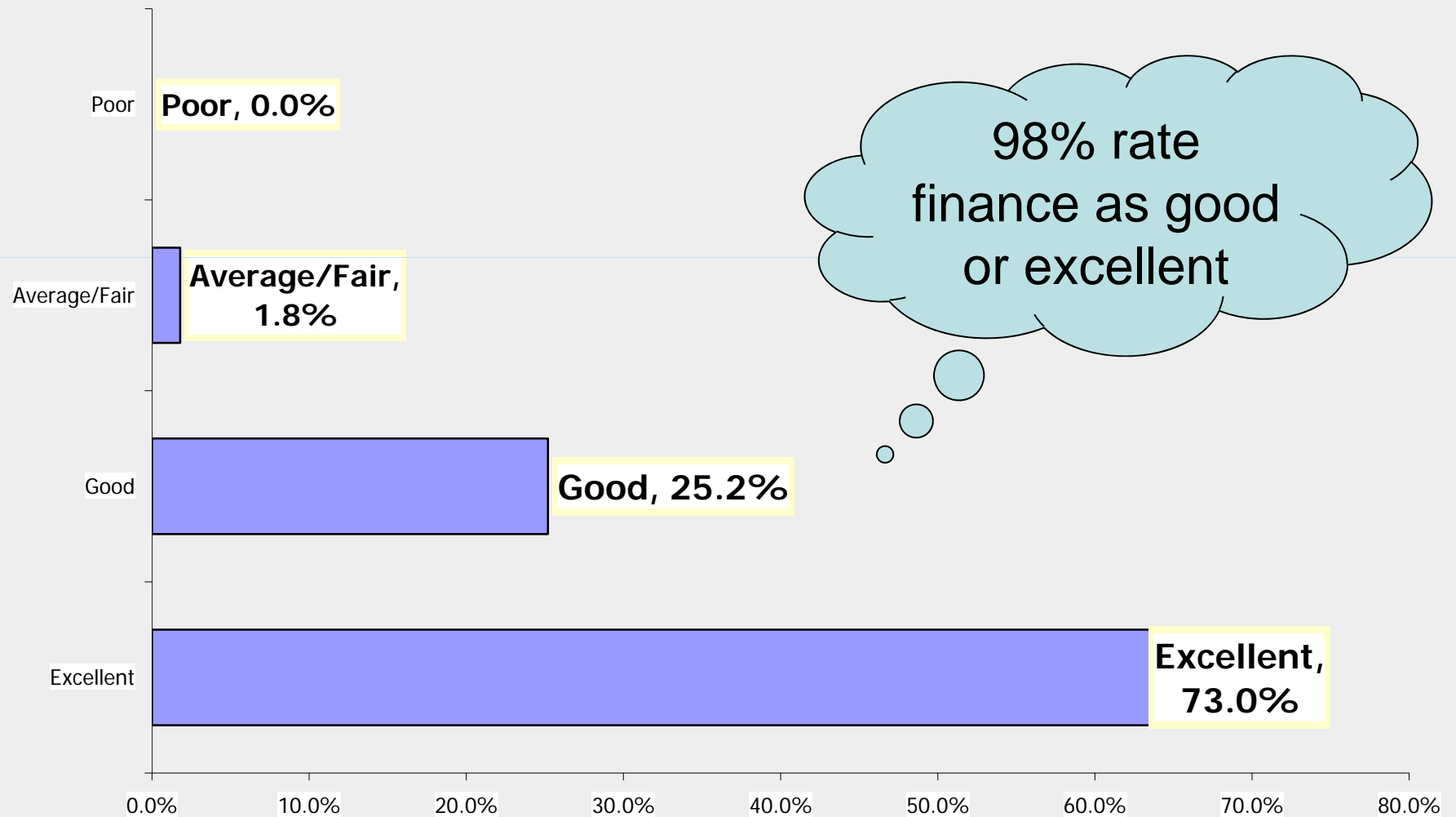
- 1) **Legal and Generally Accepted Accounting Procedures (GAAP) met**
- 2) **Investment earnings exceeded all benchmarks:**

Portfolio	Earnings	Benchmark
City Current	1.608%	0.370%
City Long-term	7.142%	2.380%
Police Retirement	7.819%	-3.020%

- 3) **Our Comprehensive Annual Financial Report for FY 2008 received the [Certificate of Achievement for Excellence in Financial Reporting](#) from the Government Finance Officer Association.**
- 4) **Our Citizens Financial Report for FY 2008 received the [Award for Outstanding Achievement in Popular Annual Financial Reporting](#) from the Government Finance Officer Association.**

Overall, how would you rate your Finance Department?

(111 responses from department heads, payroll clerks & p-card holders)



Optional Comments

Finance

Future Direction:

- **Continue to expand the use of e-services to contain labor costs and create a paperless environment.**
- **Work to increase employees on direct deposit.**
- **Improve grant management and internal control.**

Optional Comments

Finance

Additional Services Rendered

Supervision of custodial staff

**Operation of mail room – 90,972
pieces mailed annually, 52,000 pieces
received and sorted annually**

Maintenance of central supply room

Explanatory Factors

Finance Department

- We perform building maintenance and administrative services (unusual).
- Substantial clerical entry into the accounting system is de-centralized, using administrative assistants in each department (vs. some other cities, with those clerks located in the finance department).
- Allows efficient dual-use of labor.
- Exposes city to various issues in internal control and data fidelity. Increases finance burden for training and oversight.

Issues & Concerns

Finance Department

- Increased governmental regulatory oversight of accounting principals and internal control regulation
- Results in higher audit costs and more work
- More grants, more regulations, more work
- Fiscal stress = more work
- More reorganizing = more work

Work load becoming unmanagable