



**proud past, promising future**

**CLARK COUNTY**  
WASHINGTON

# Quarterly Finance Report 2016 Second Quarter

August 3, 2016

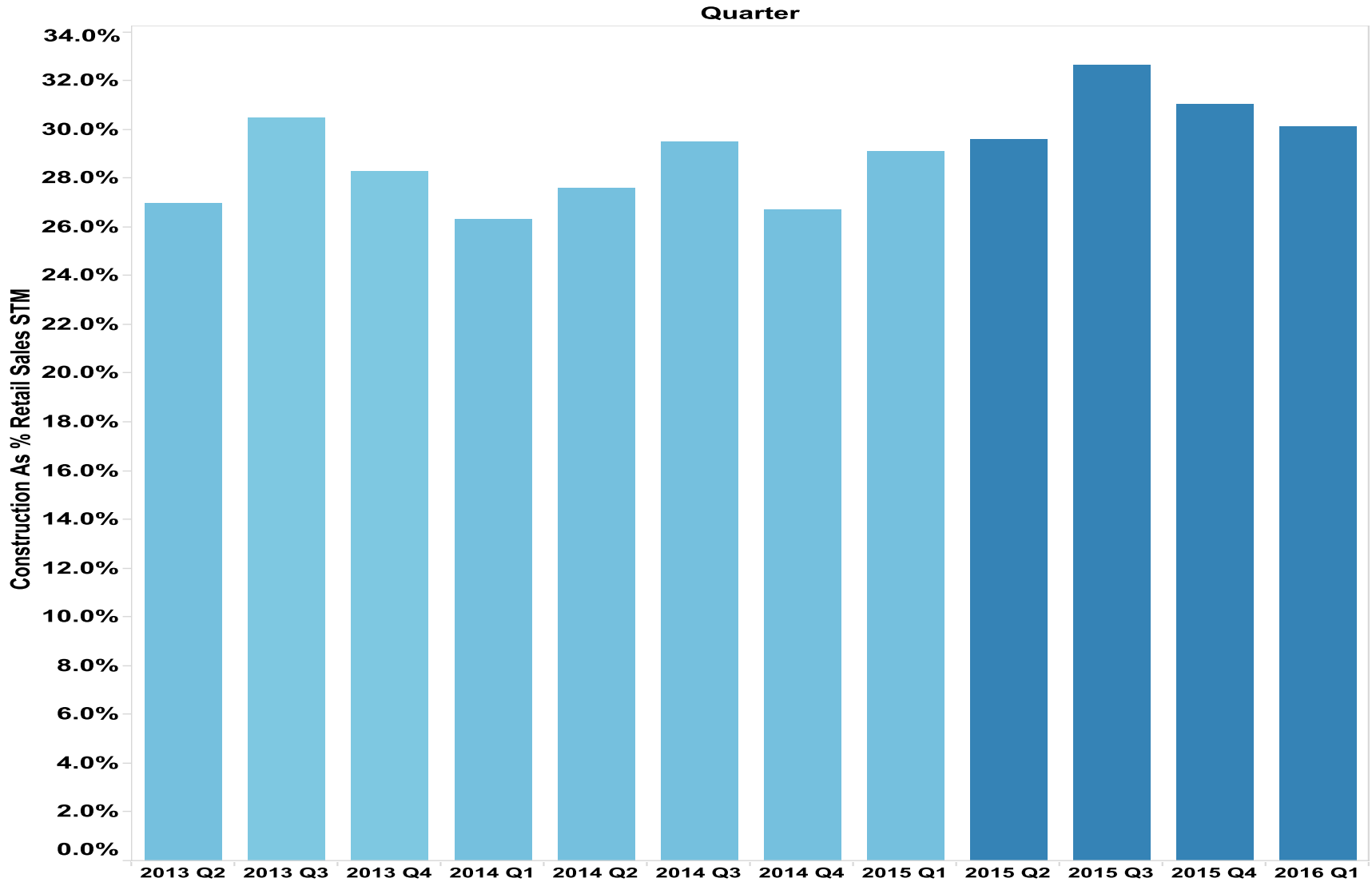
# Overview Quarterly Report Sections

- Leading Indicators pgs. 3-6
  - Retail Sales, Building Permits, Home Sales, Inflation, Unemployment, Jail Bed Days.
- Revenue and Expense Overview pgs. 7-9
- Major Fund Analysis pgs. 10-18
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- Employment pgs. 19-21
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  - Major Revenue, Transaction Activities, Permit Activities, Court Activity
- Appendix pgs 45-49
  - Ten years history

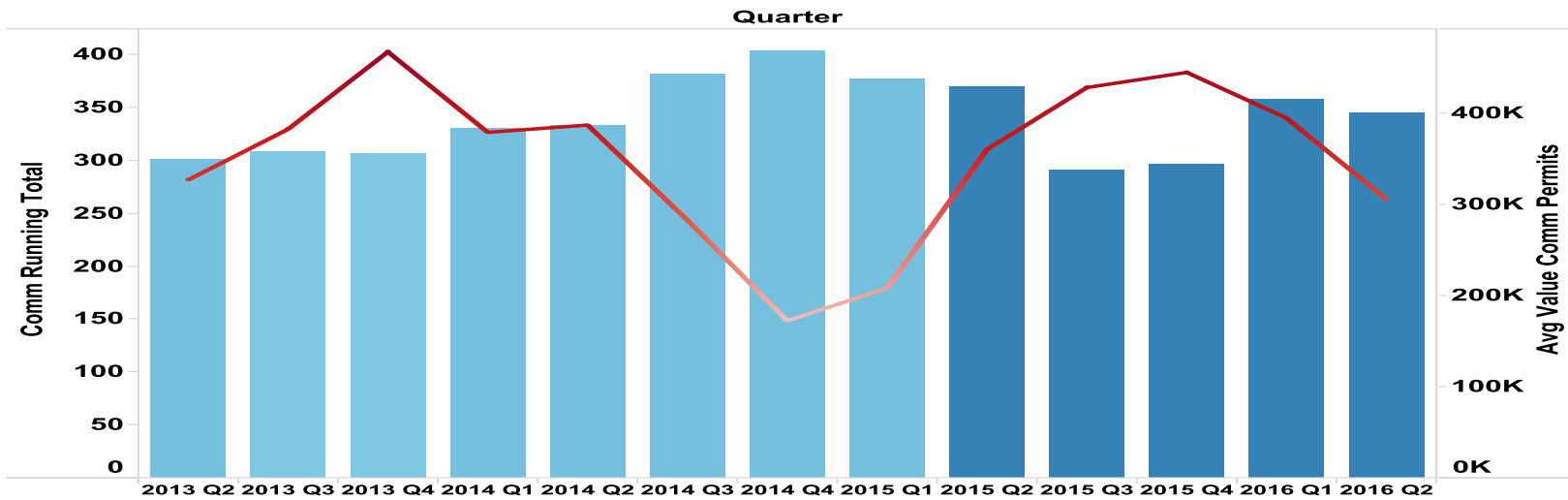
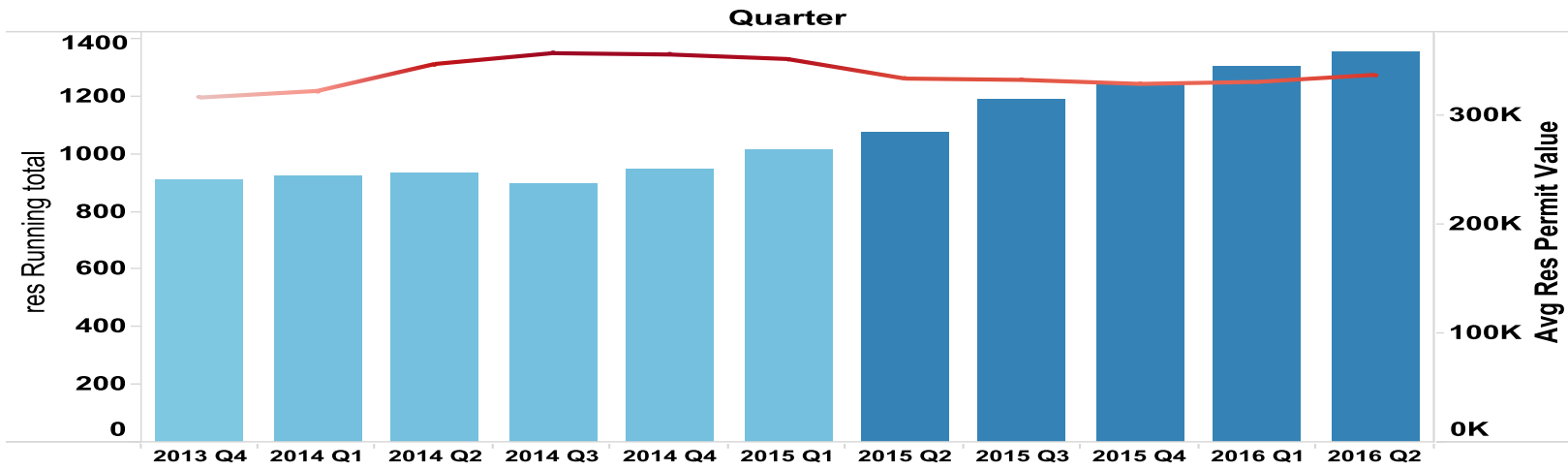
# Leading Indicators

1. Retail Sales (Higher)
2. Construction as a % of Retail Sales (Steady)
3. Building Permits (Higher)
4. Land Use Review Permits (Higher)
5. Median Home Sales Price (Higher)
6. Home Sales (Higher)
7. Employment (Steady)

# Construction as a Percent of Retail Sales (p.3)

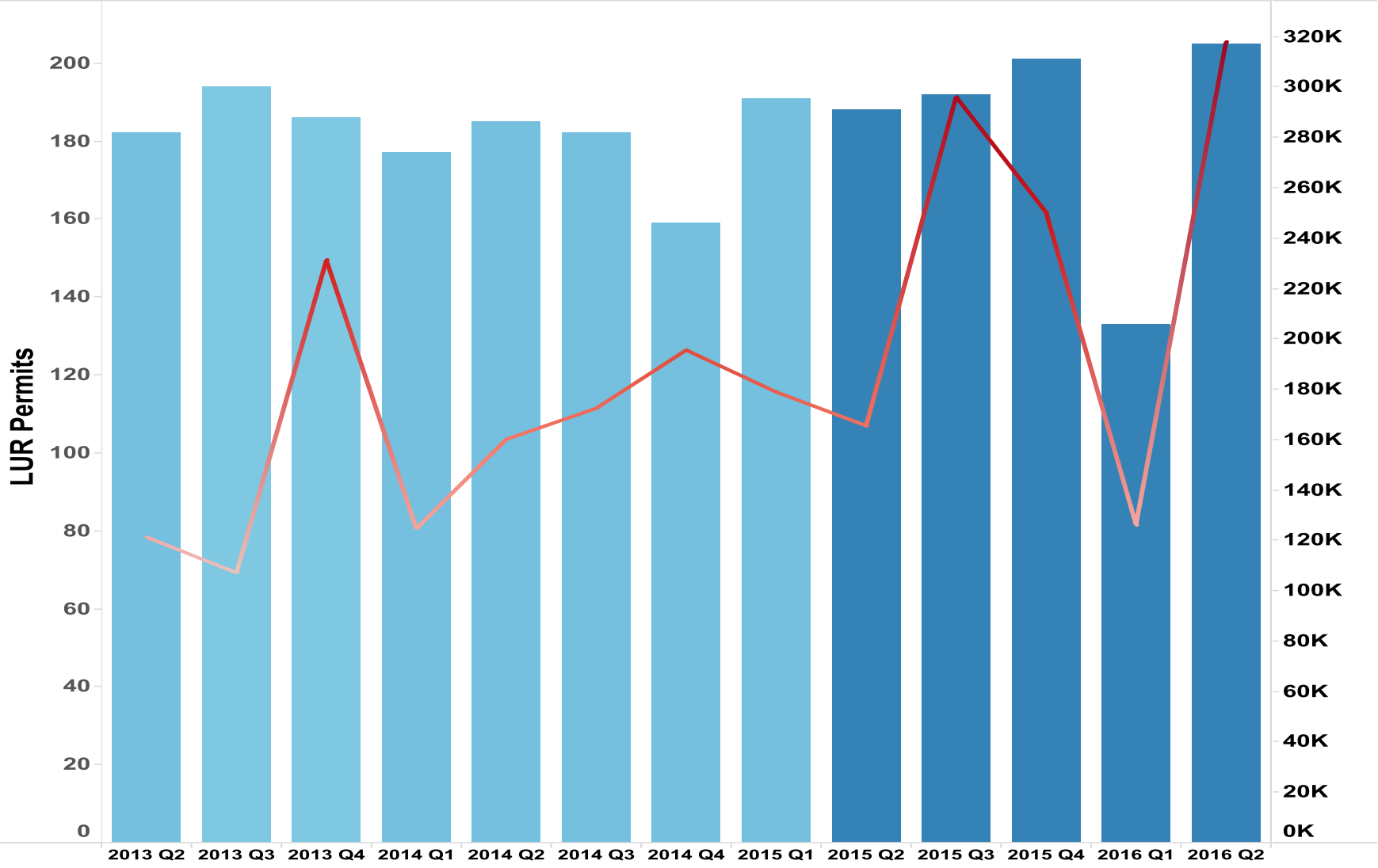


# Residential and Commercial Building Permits and Average Value (p. 4)



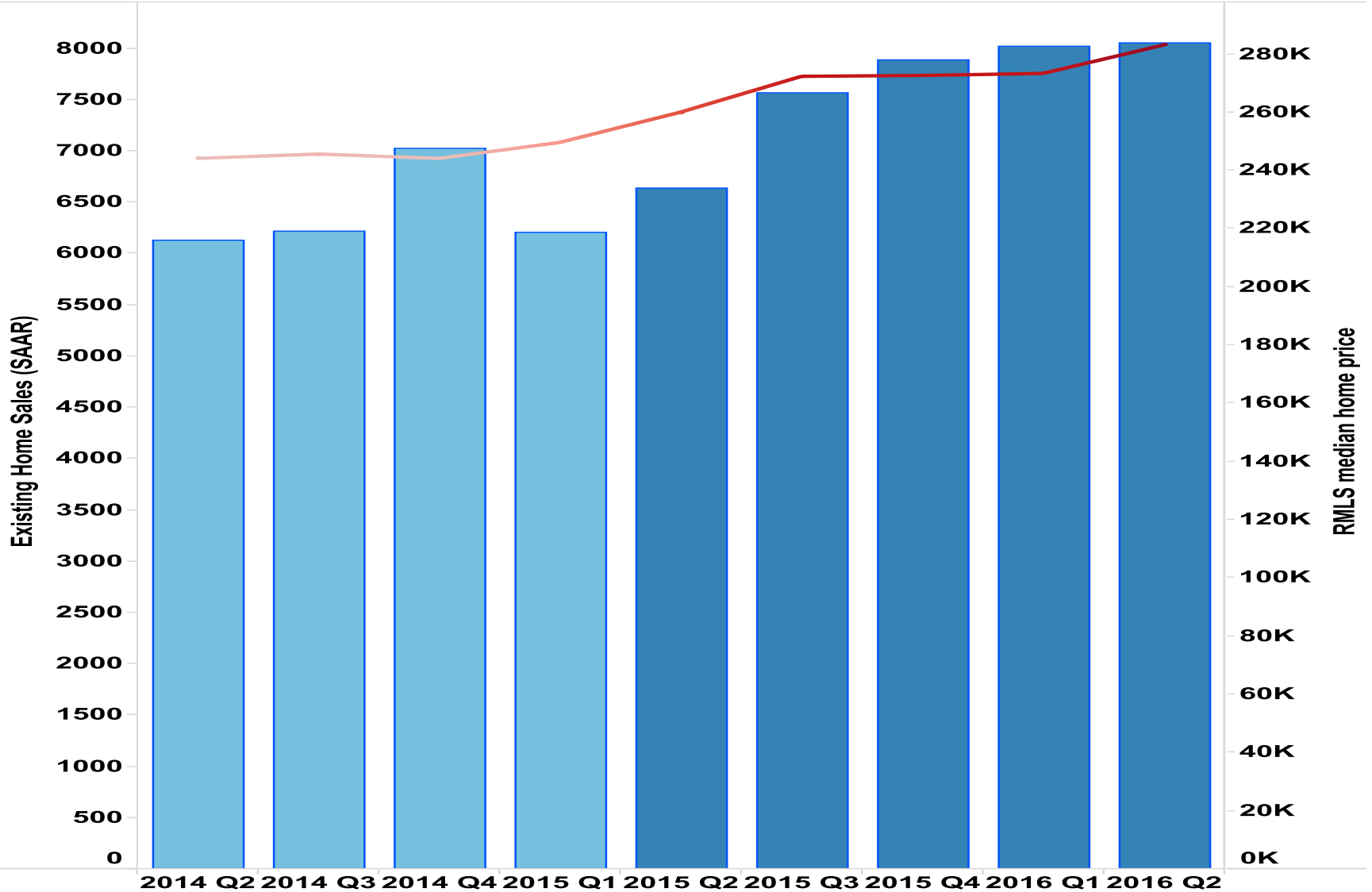
# Land Use Review Permits and Revenue (p. 40)

Quarter

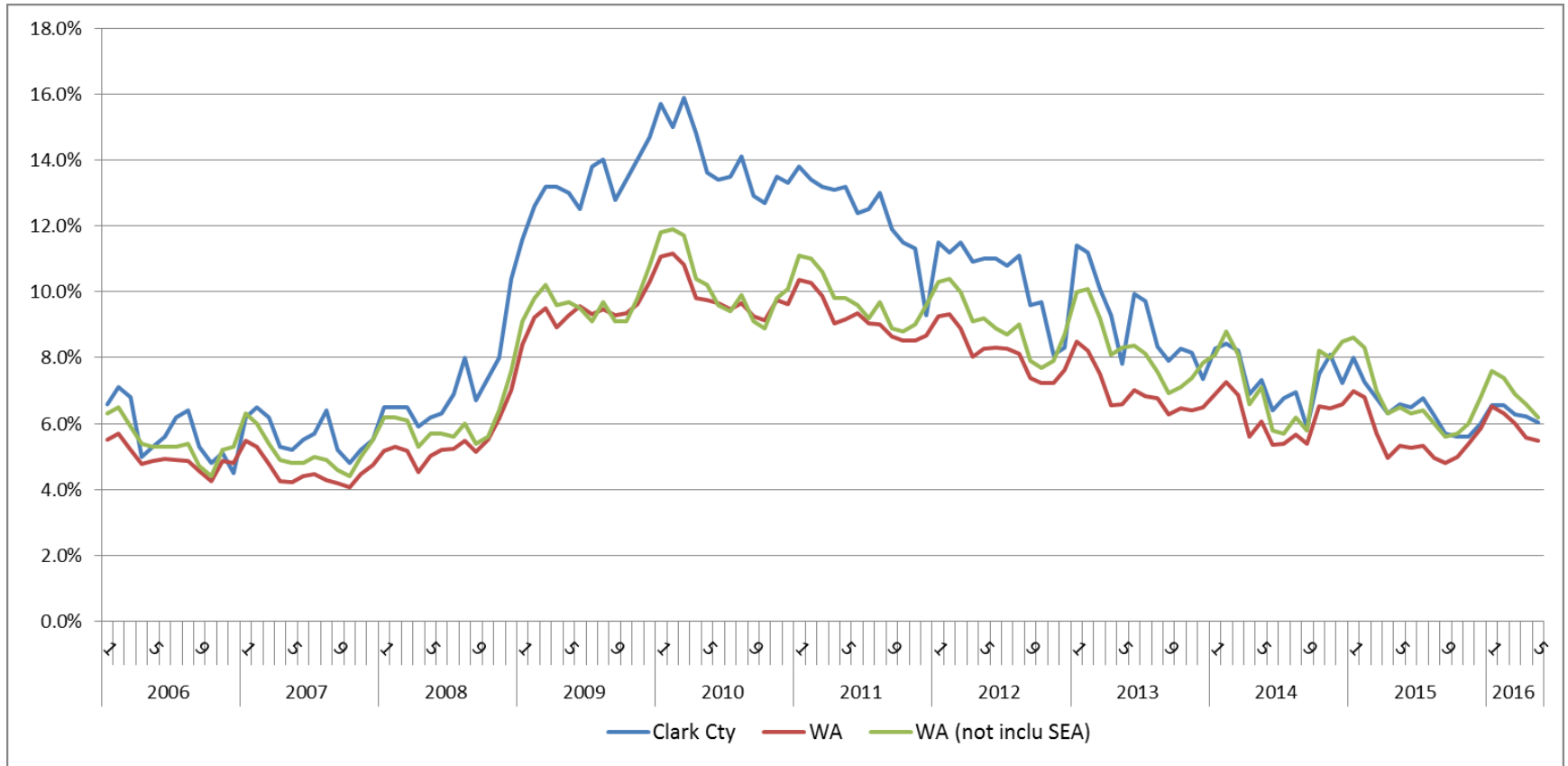


# Home Sales and Medium Home Price (p. 5)

Quarter



# County Unemployment Compared to State (p.6 )

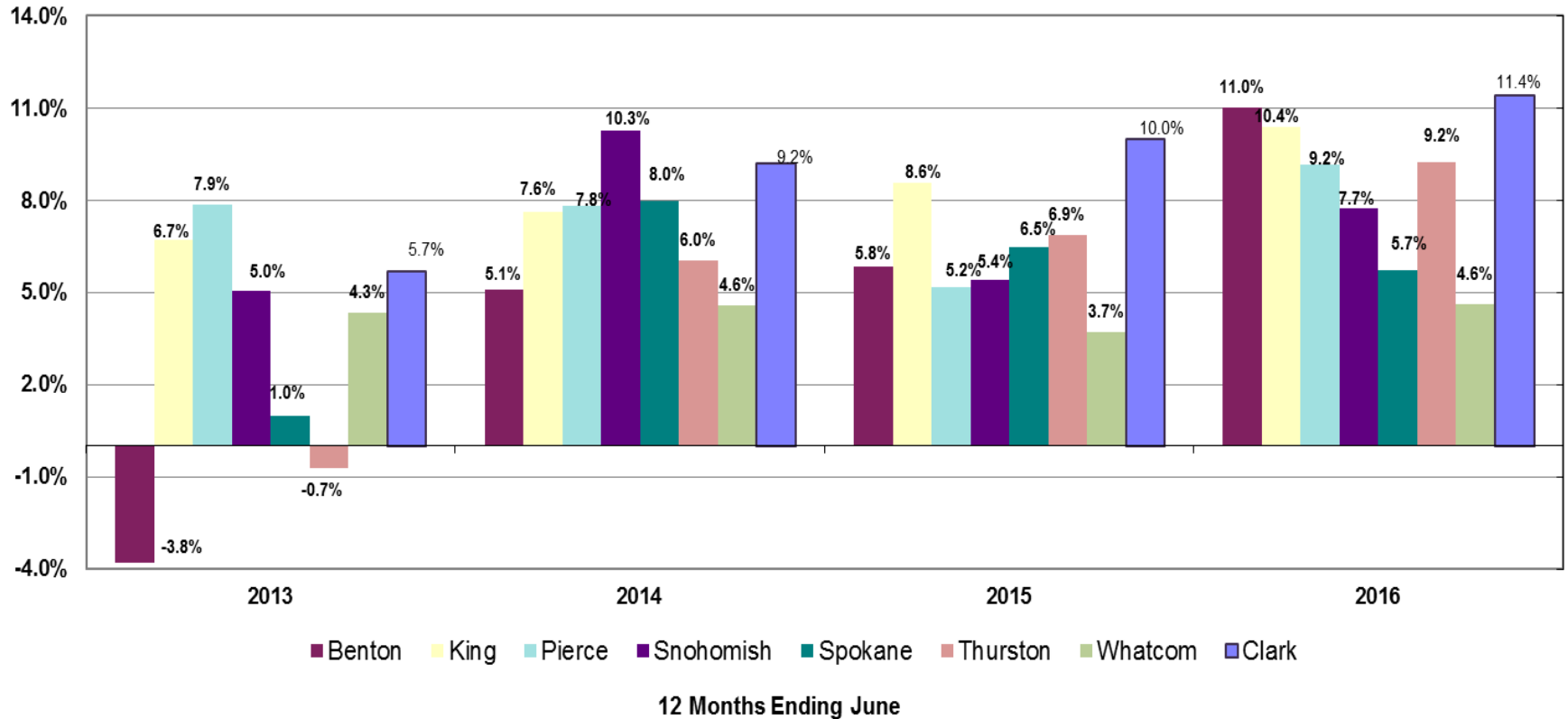


Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics



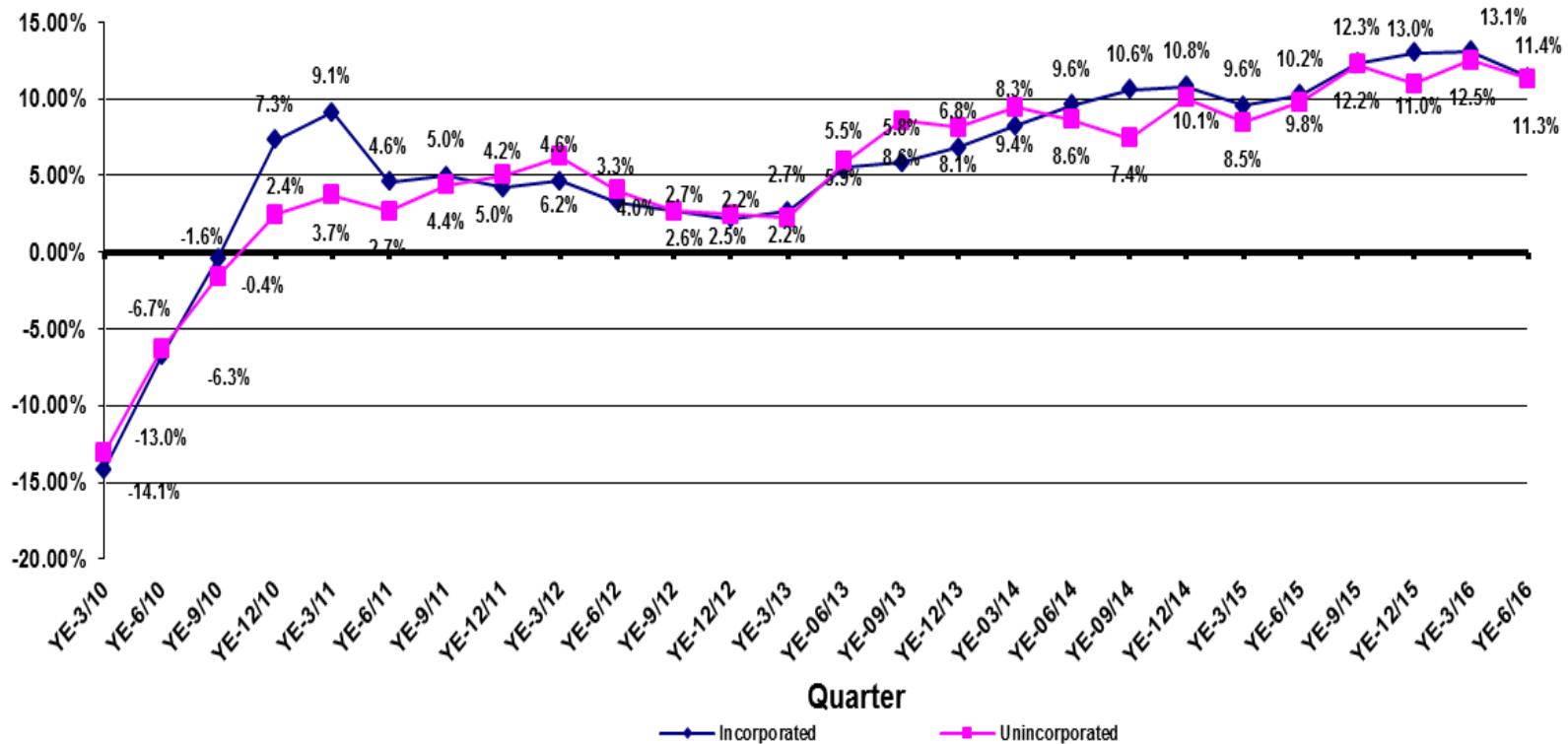
# Major County Retail Sales Growth (p.8)

## Washington Counties Retail Sales Growth/Decline Rate (Year over Year)



# Clark County 12 Months Ending Retail Sales Growth/Decline (p.8 & 46)

## Clark County 12 Months Ending Retail Sales Growth/Decline



# General Fund

- General Fund unassigned fund balance is \$19.5M, approximately the same level as it was at the end of the second quarter 2015.
- General Fund revenues increased \$3.9M in the first half year of 2016 compared to the first half year of 2015. Revenues for the biennium are at 75.6 percent and are on pace to meet budgeted projections.
- General Fund biennium to date expenses, excluding \$2.8M of one-time transfer, increased \$5.4M and were approximately 72.7 percent of budget, just below the biennium benchmark of 75.0 percent (18/24 months). However, 77.0 percent of the budget for salary and benefits has been spent despite the general fund averaging 56 open positions in 2016.
- Sheriff department salaries and benefits account for 26.0 percent of the general fund budget. They spent 75.6 percent of their budget and is averaging 25 vacancies in 2016.

# Other Major Funds (p. 12-15)

- Department of Community Development
  - Community Development fund balance increased by \$1.0M from 2015 and remains solid at \$4.5M
  - Land Use Review permits increased by 50.1% in the second quarter of 2016 and by 9.0% compare to the second quarter of 2015.
  - Land Use Review revenue increased from \$126.0K to \$318.0K in the second quarter .
  - Residential permits increased by 26.0% for the 12 months ending June 30,2016.
  - Commercial permits are down slightly.
- Road Fund
  - Road Fund operating revenues were 71.1% of budget while expenses was at 64.8%.
  - Road Fund fund balance decreased by \$7.4M compared to the end of 2015.
  - Based on the six year Transportation Improvement Plan (TIP), Road Fund fund balance is committed to a variety of projects and an increase in road preservation and maintenance.
  - The current TIP relies on impact fees. There have been approximately \$4.0M in impact fee waivers granted.
- Health Department
  - Health Department YTD revenues are ahead of the budget in 2016 (77.1% of budget).
  - Expenditures are on track at 72.3% of the current budget.
  - Health Department Fund Balance remains steady at \$2.1M.

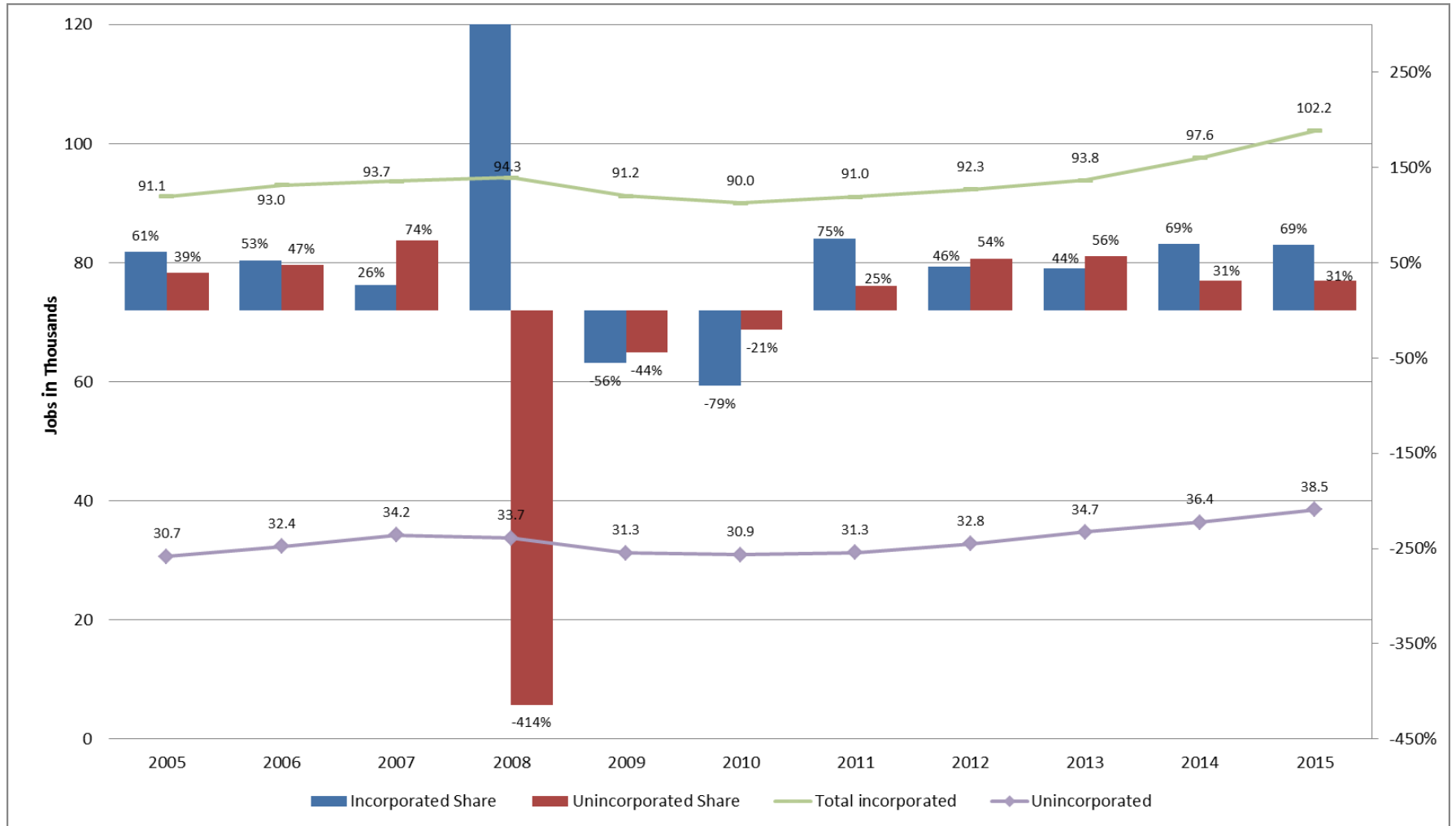
# Funds That May Impact General Fund

- Department of Community Development
  - Land Use Review Permits and revenue was up in the second quarter of 2016.
  - The general fund obligation for the second quarter was \$1.05M.
  - Building permit revenue for single family housing is still adequate to support commercial permit operations.
- Events Center Fund
  - The 10 day fair continues to operate at a profit (\$504K in 2015).
  - Fund Balance at the end of the second quarter was \$313, including \$250K general fund transfer in 2016.
- Exhibit Hall Reserve Fund
  - The Reserve Fund is now included in the Capital Facilities Plan.
  - In 2015, there was no shortfall requiring REET funds for debt service.
  - With the economic recovery , a fund balance policy is needed to insure adequate funding for the debt service.
- REET Funds
  - REET receipts YTD are over 113.5% of budget.
  - With the changes in REET funding priorities, REET fund revenues and expenses have stabilized and fund balances should remain positive.
  - The Financial Team is drafting a fund balance policy to present to the Board for consideration.
- Clean Water Fund
  - The Board of County Councilors addressed the clean water fee shortfall.
  - YTD in 2016, the fund has generated a surplus of \$2.3M.
- Health Department
  - General Fund support is budgeted at \$2.8M for 2015-2016 biennium. To date, \$2.1M has been transferred.
- Central Support Services (Facilities)
  - YTD results of operations generated a deficit of \$98K
  - In 2015 the Fund continues to run a deficit fund balance \$860K, excluding prior period adjustment per GASB 68 pension expense of \$1.9M, this amount will be fully funded in the 2016 third quarter.

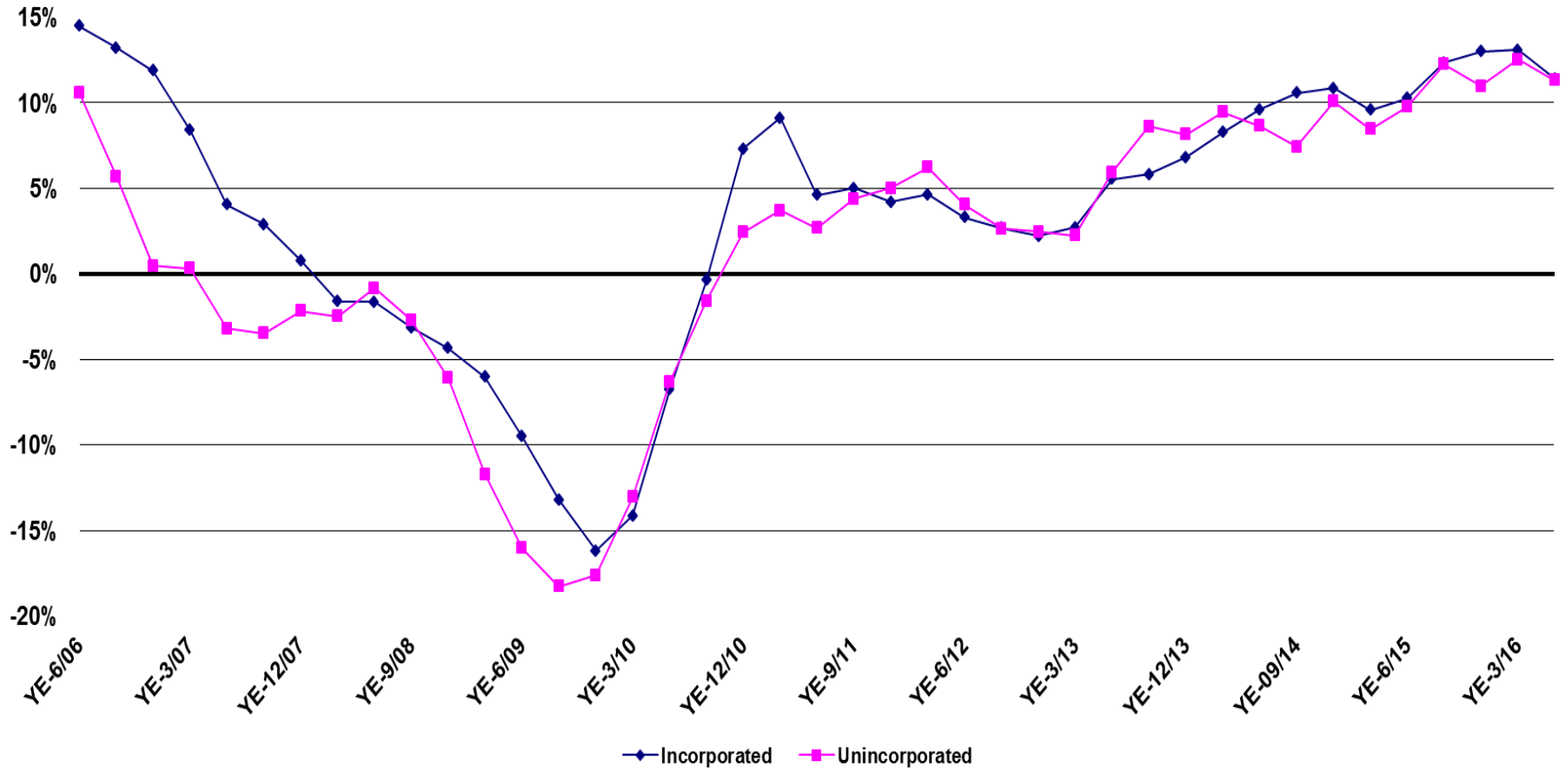
## Summary

- Economic indicators are steady or continue to show improvement. We are currently seeing increases in retail sale taxes. Increased sales tax revenue is currently offsetting lagging revenues in other areas.
- Sales tax policy to smooth volatile receipts and use excess revenue for service stabilization is in effect.
- General Fund revenues are on budget. Expense spending is tight with minimal savings anticipated. Fund balance is projected to be at its recommended level at year end.

# Clark County Job History/Share of Job Growth /Decline



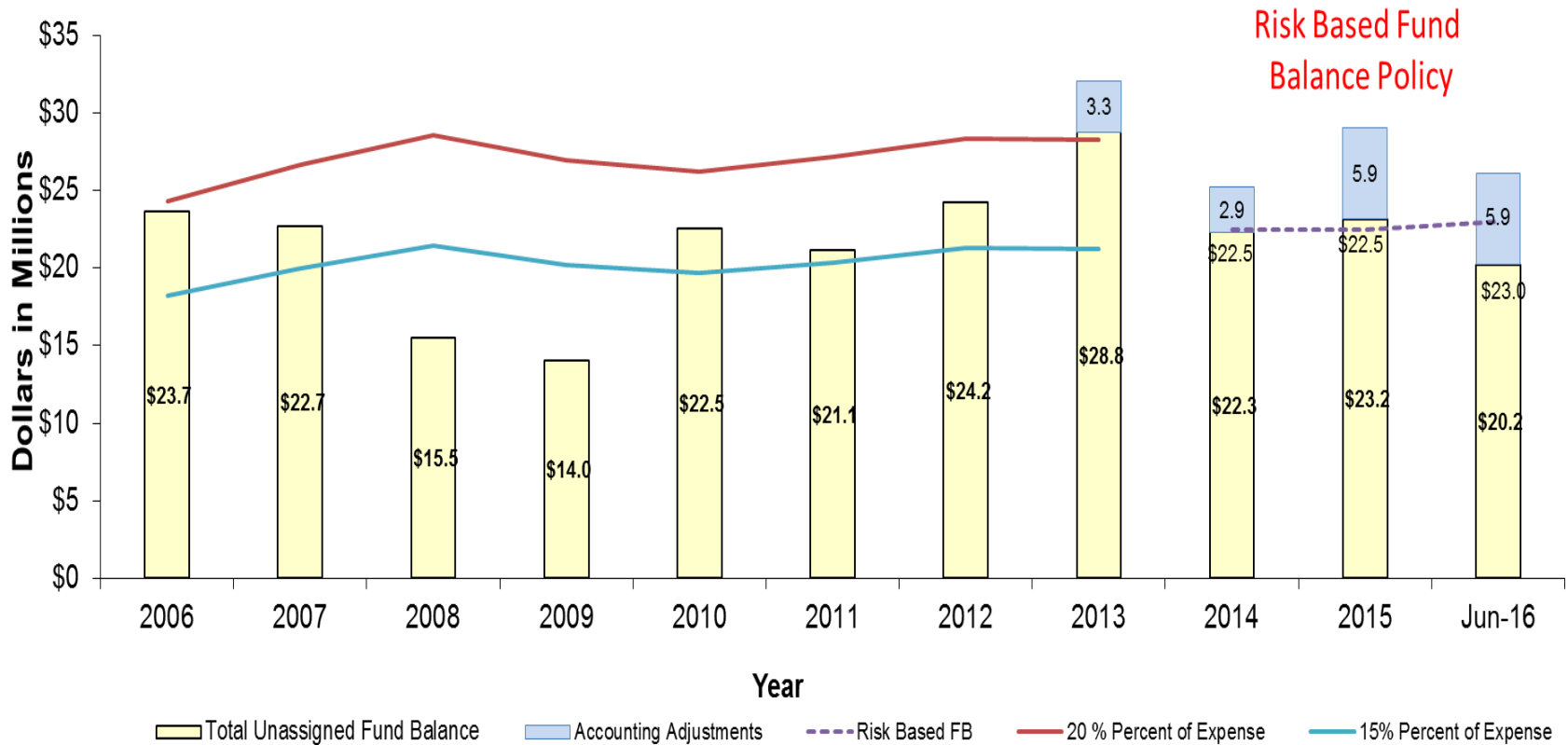
# Clark County 12 Months Ending Retail Sales Growth/Decline





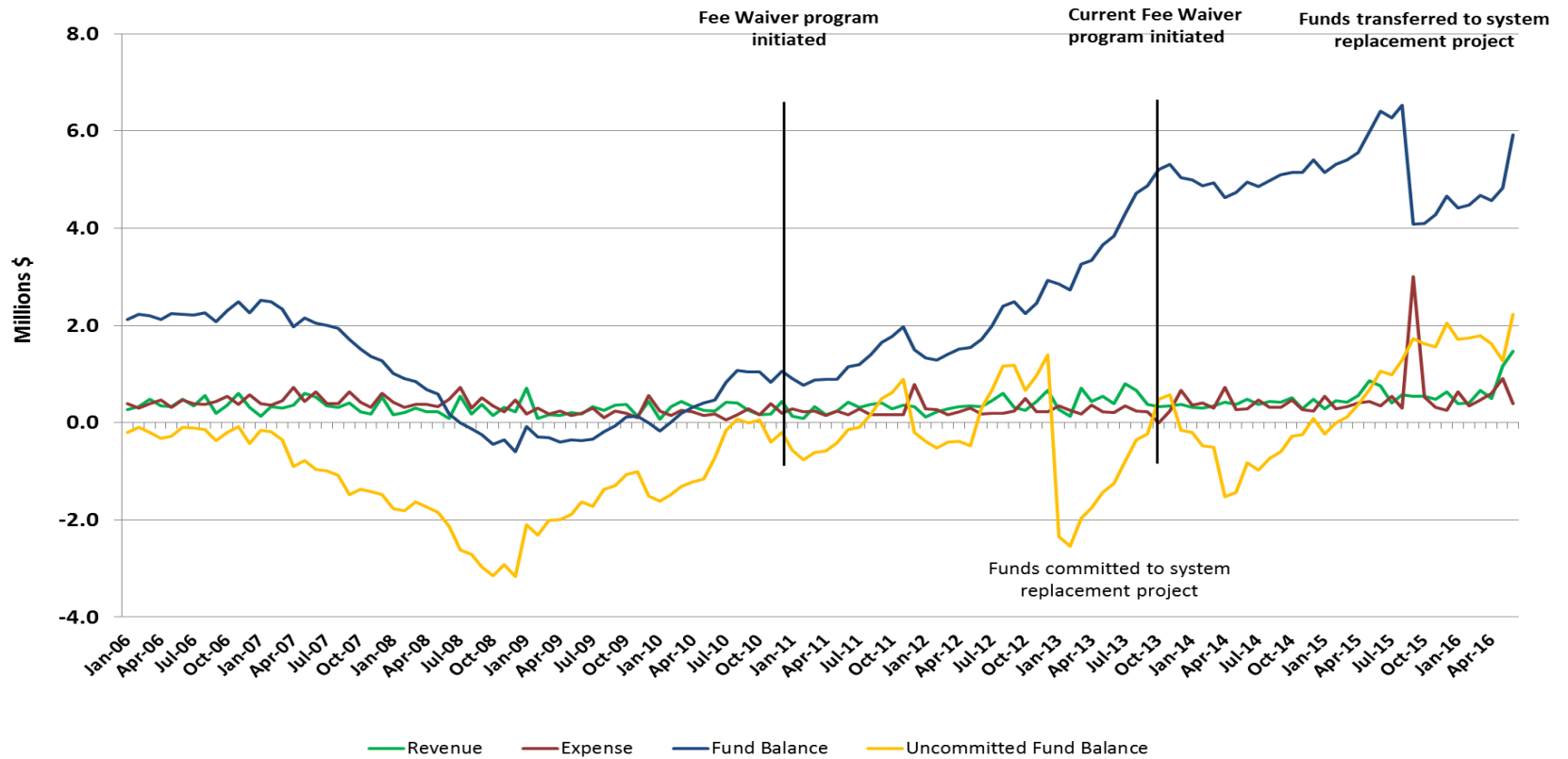
# General Fund (p.10-11 & 47)

## Clark County General Fund Total Unassigned Fund Balance Compare to Best Practices

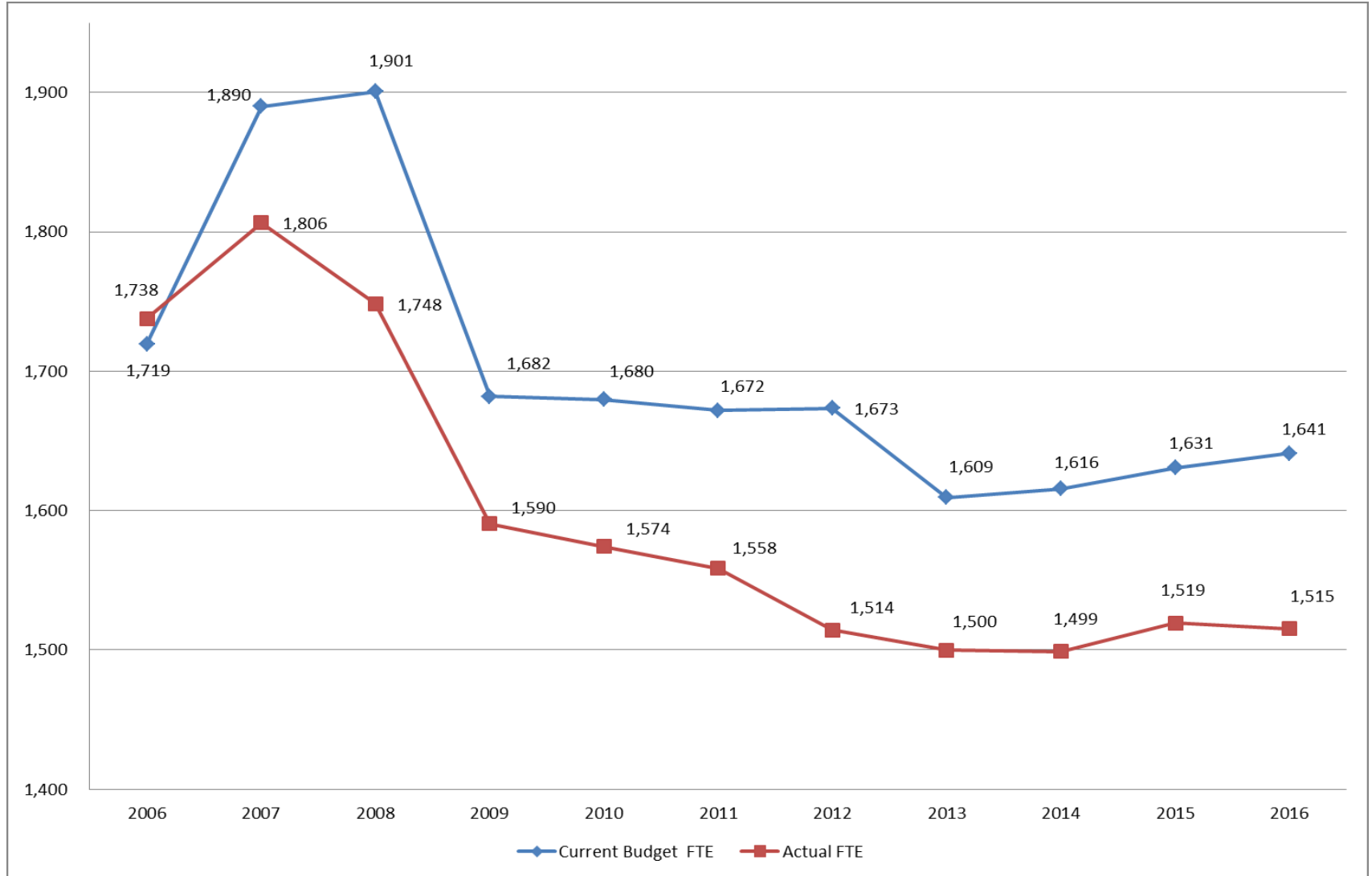


# Community Development (p. 48)

## Building Activity Fund Balance 2006-2016



# Ten Years History of Clark County Employment



A copy of the complete second quarter financial report may be obtained at:

<http://www.clark.wa.gov/auditor/financial/finreports.html>

# Financial Trends Monitoring Report

2015



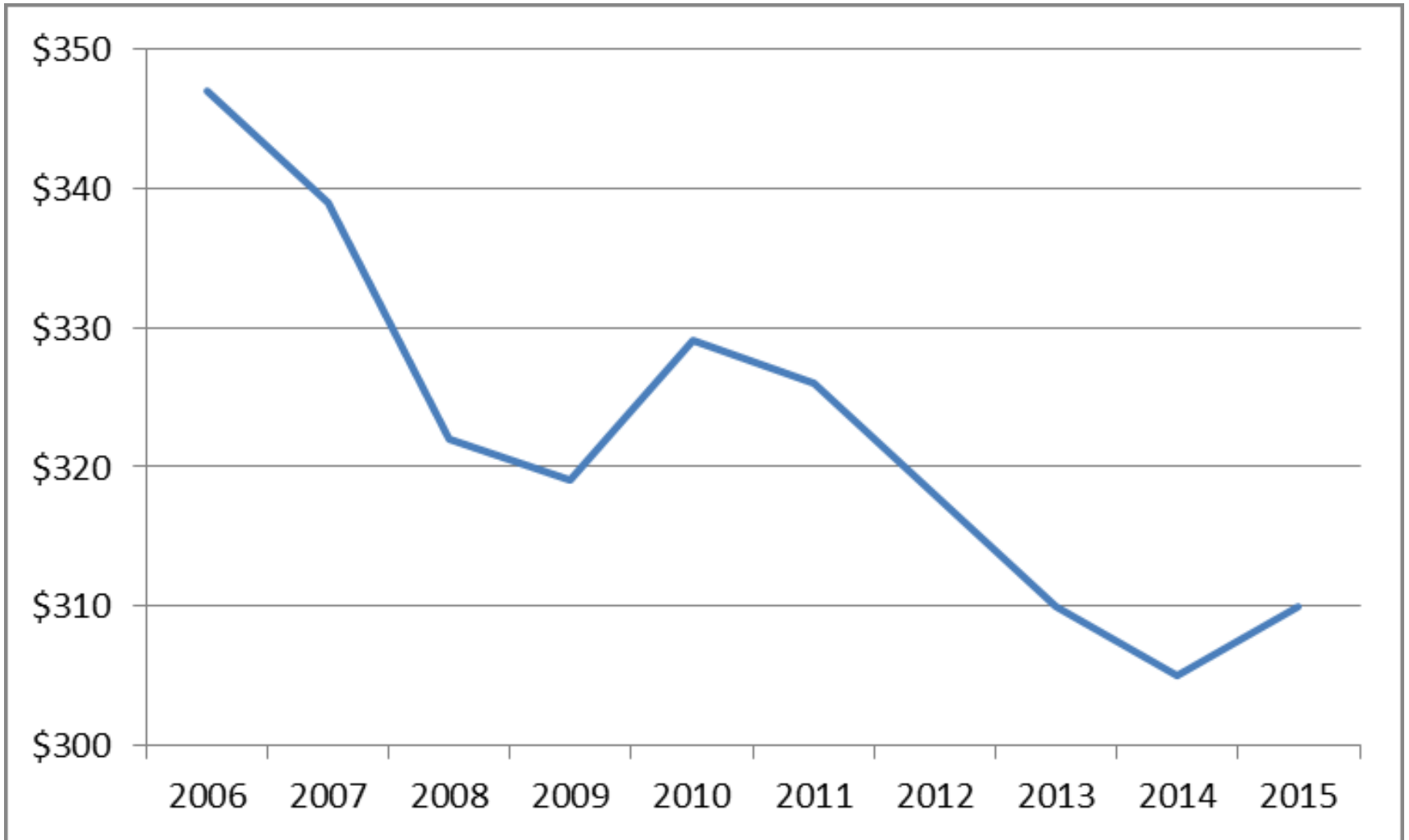
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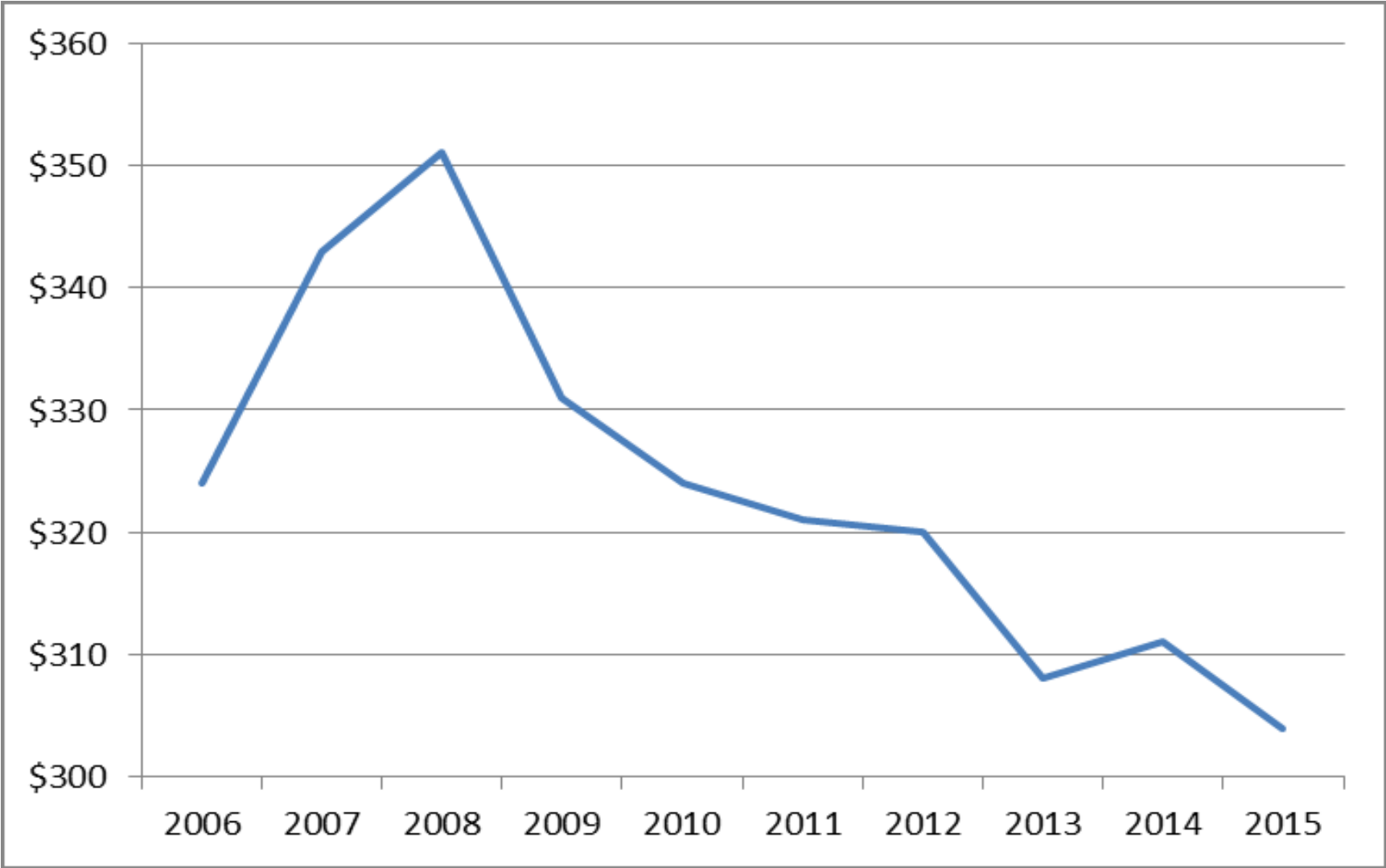
# Overview Trends Report

- 17 Clark County Fiscal Policies
- 29 Financial measures and demographic indicators in five categories:
  - Revenues
  - Expenditures
  - Operation
  - Debt Structure
  - Economic Base

# General Fund Revenue Per Capita Adjusted

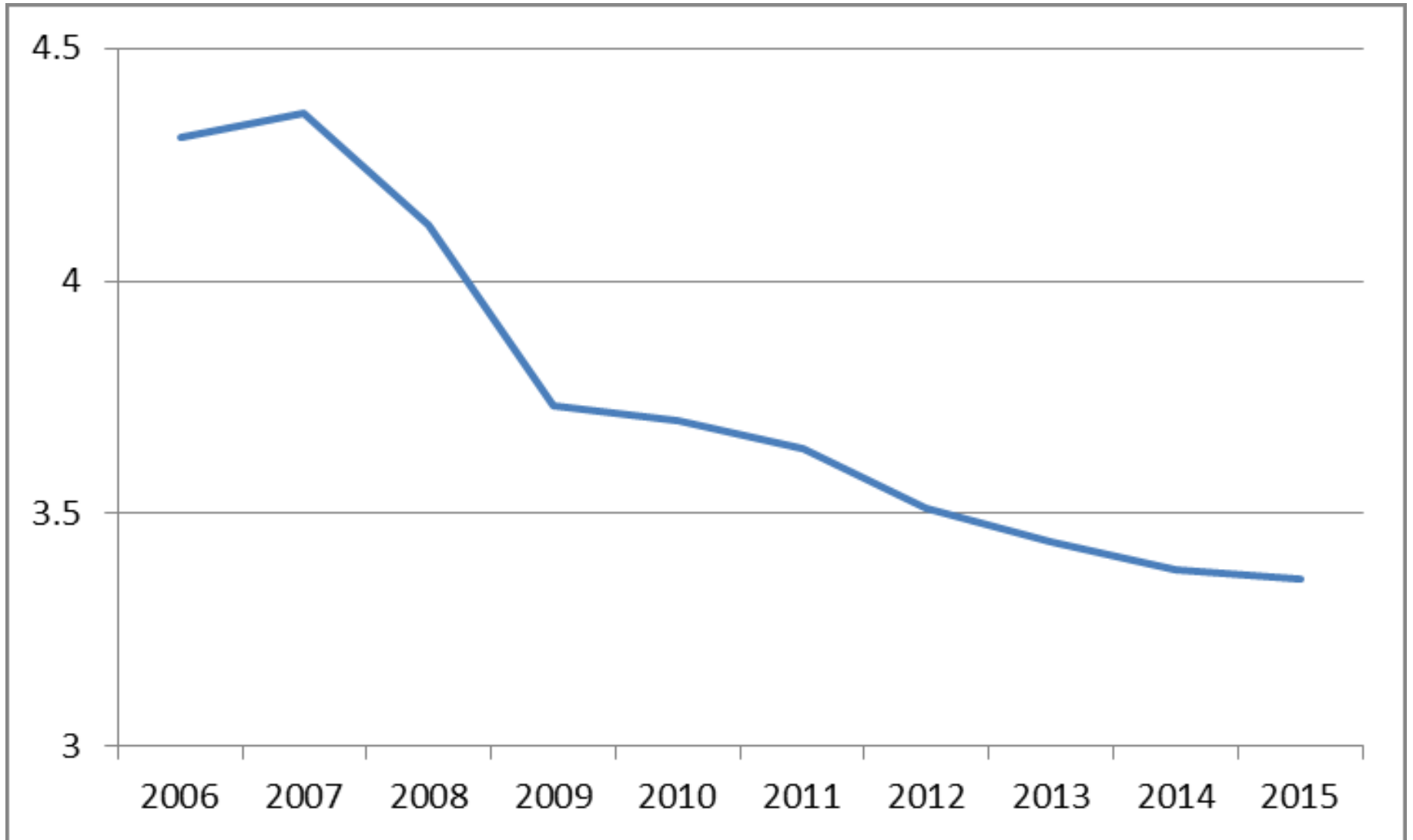


# General Fund Expenditures Per Capita Adjusted for CPI



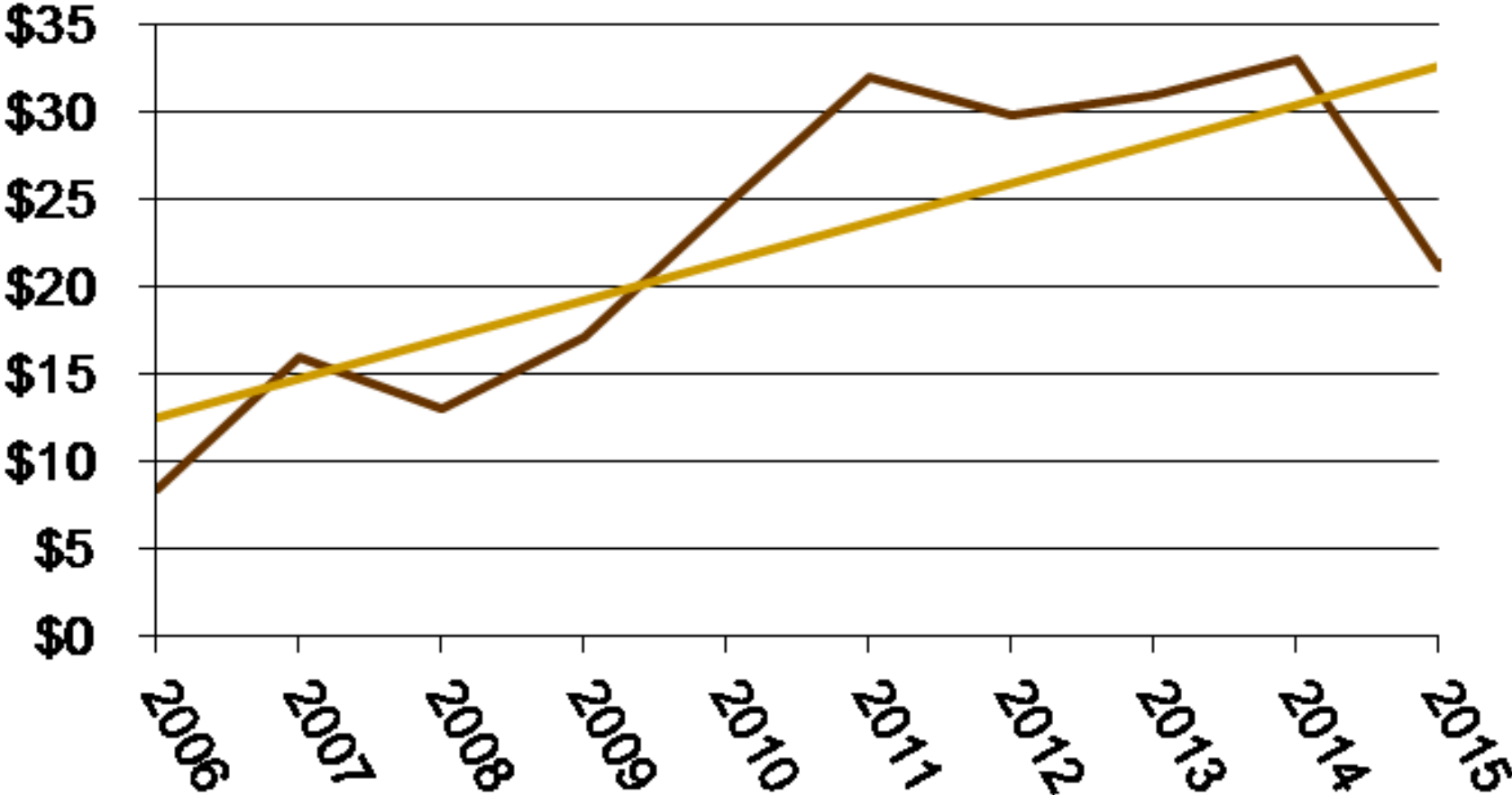


# Employees Per 1,000 Capita



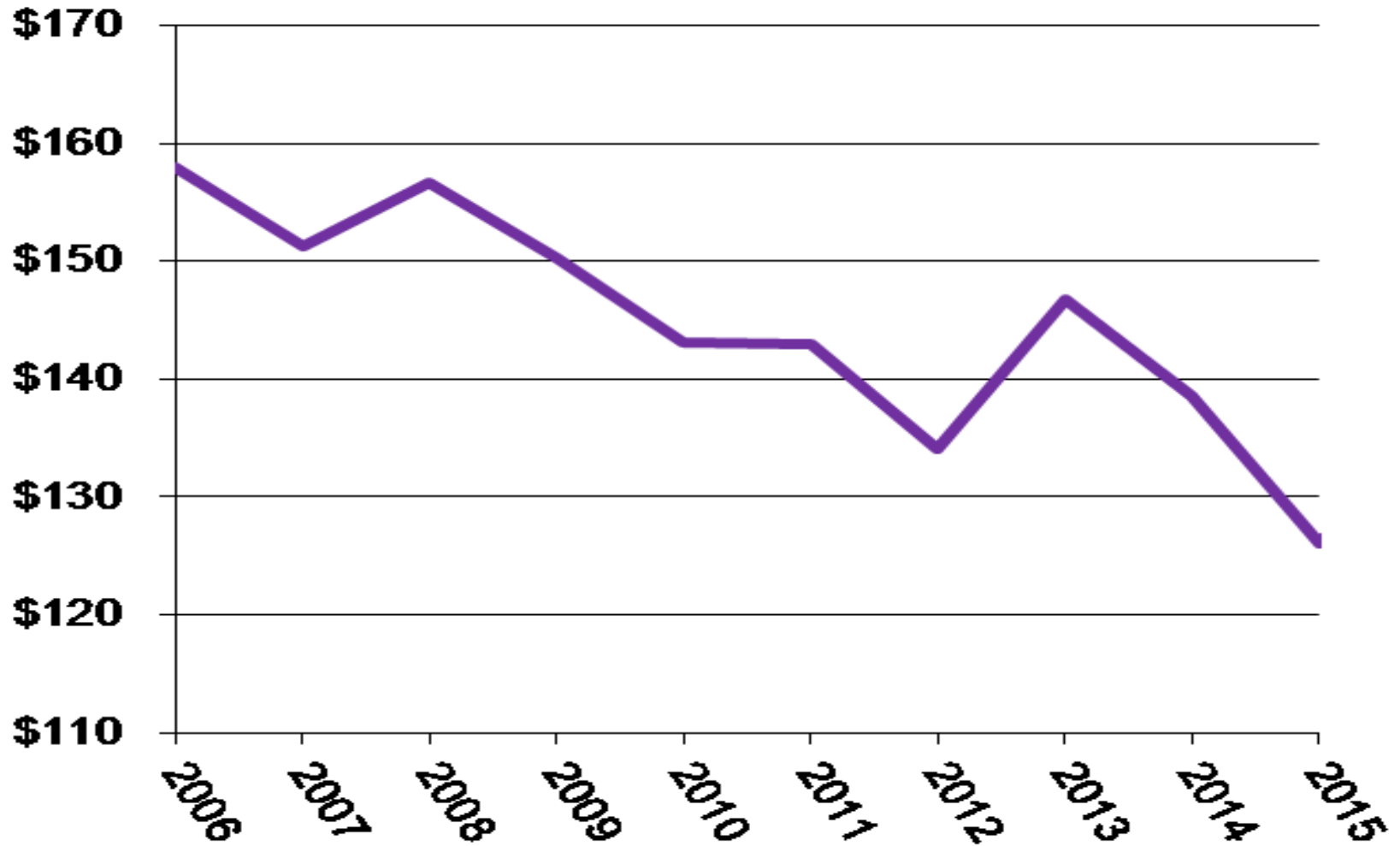
# Fund Balance – Road Fund

(In Millions)



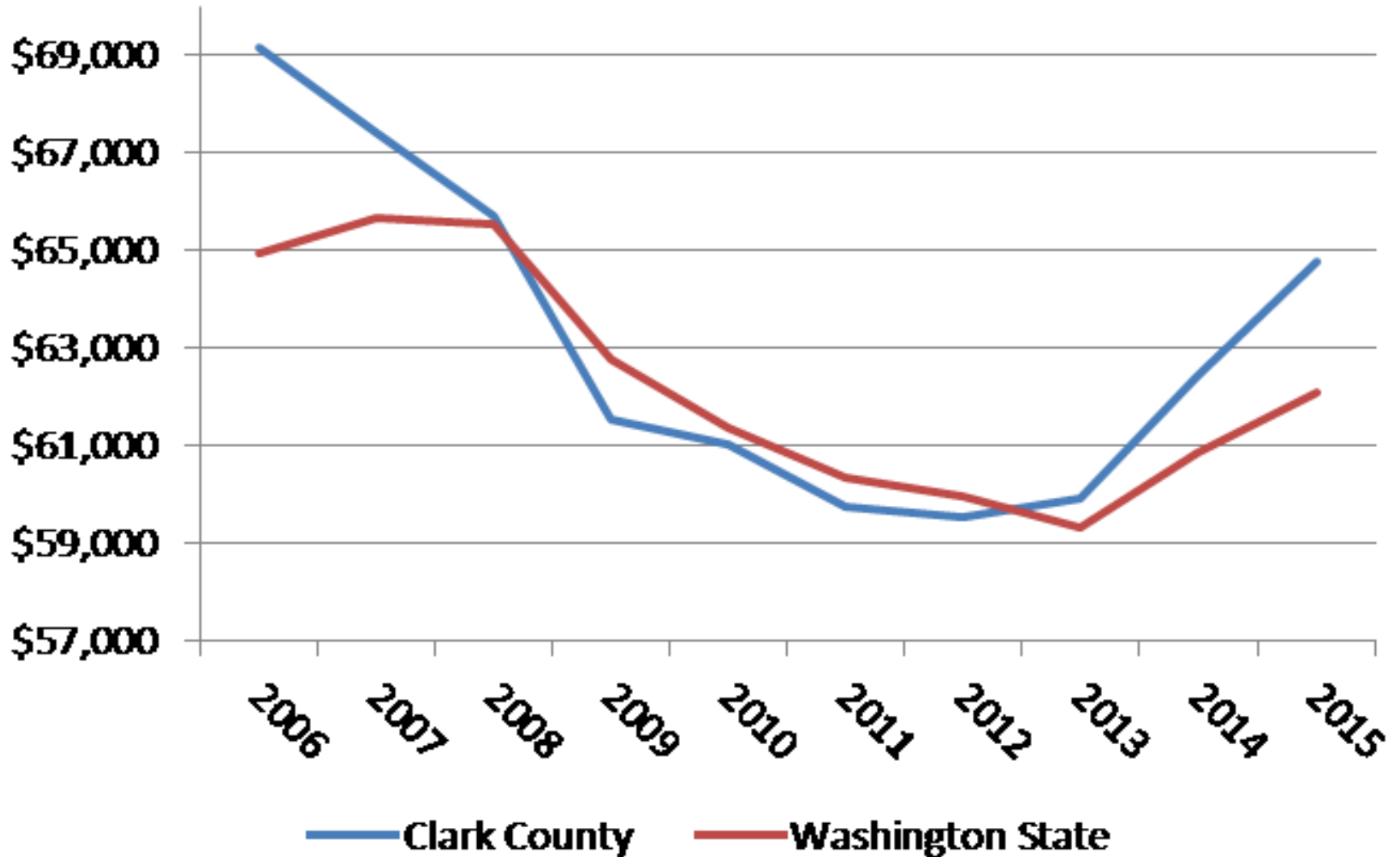
# Long – Term Debt

(In Millions)



# Median Household Income

(Median household income adjusted for inflation)



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