



proud past, promising future

CLARK COUNTY
WASHINGTON

Quarterly Finance Report 2016 First Quarter

April 20, 2016

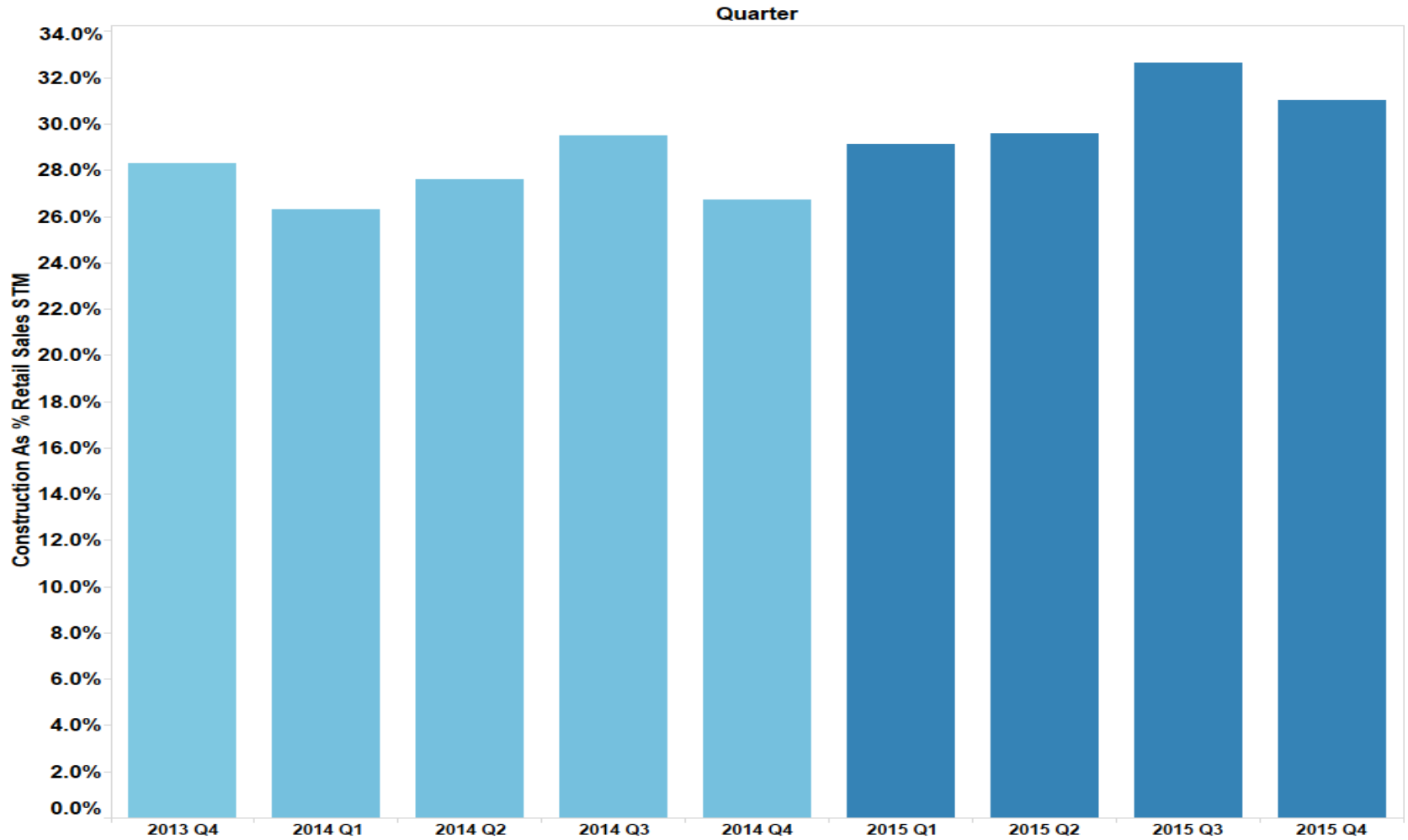
Overview Quarterly Report Sections

- Leading Indicators pgs. 1-4
 - Retail Sales, Building Permits, Home Sales, Inflation, Unemployment, Jail Bed Days.
- Revenue and Expense Overview pgs. 5-7
- Major Fund Analysis pgs. 8-16
 - General Fund, Community Development, Road Fund, Health Department, Event Center, Central Support (Facilities)
- Employment pgs. 17-19
- Major Revenue Detail pg. 20
- Department Expense Detail pgs. 21-26
- Trend Data by Quarter pgs 27-42
 - Major Revenue, Transaction Activities, Permit Activities, Court Activity

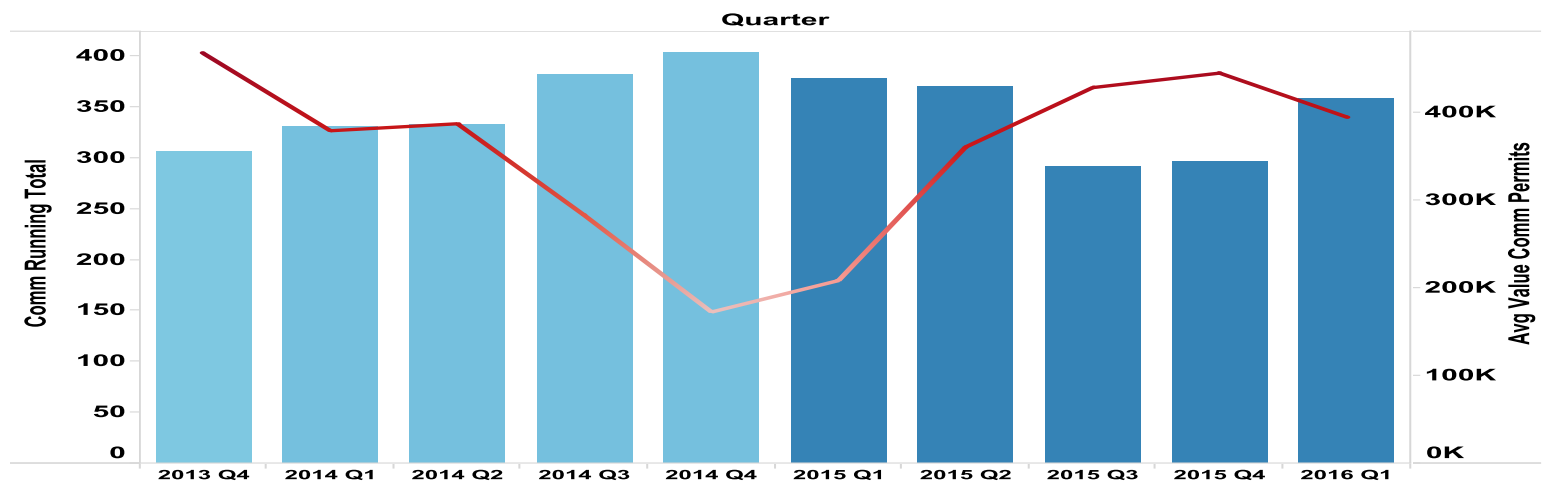
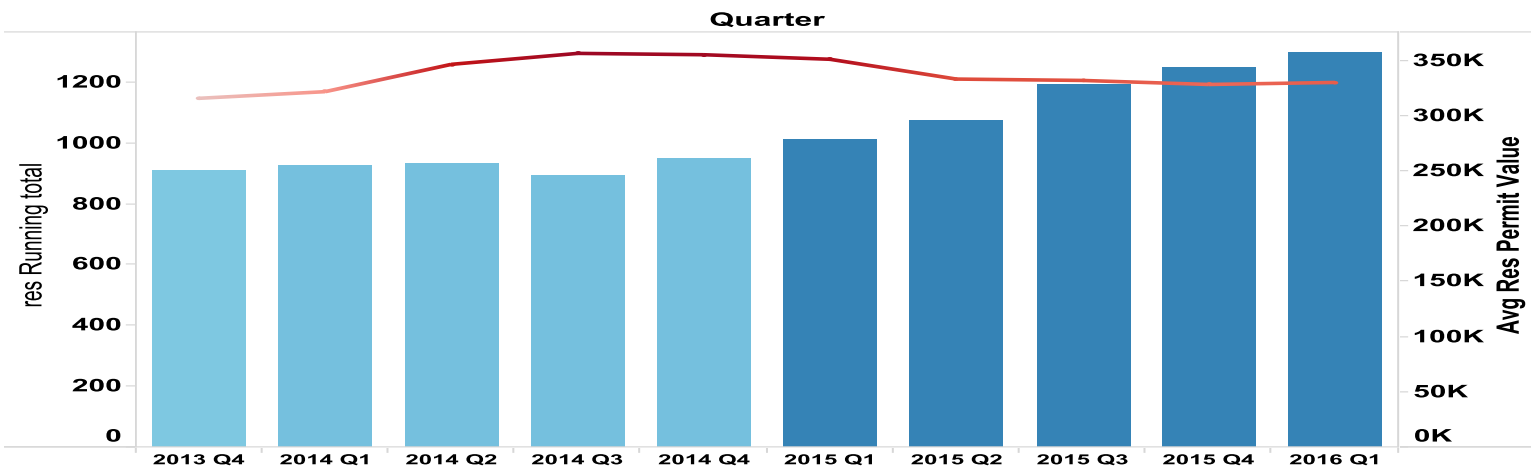
Leading Indicators

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

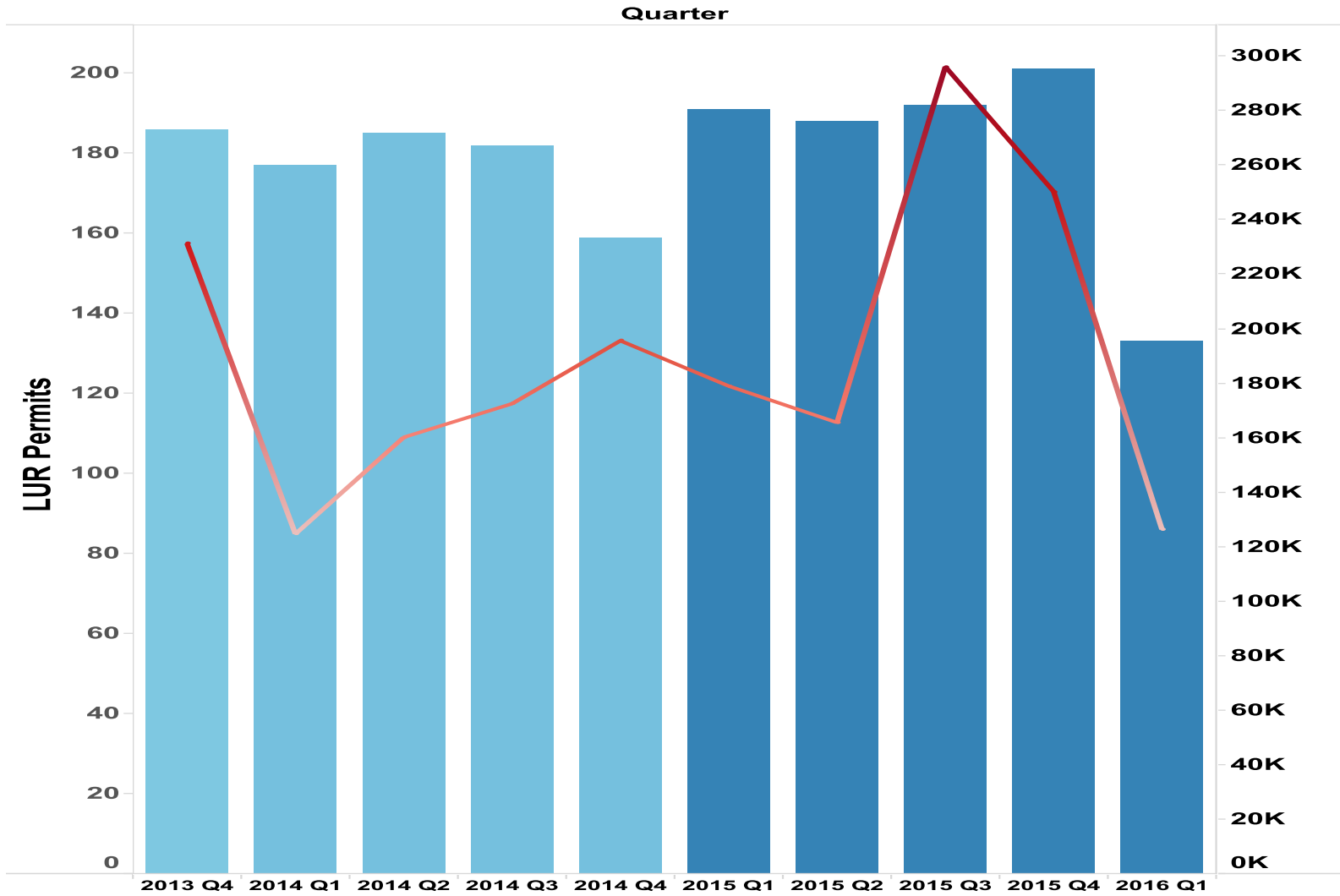
Construction as a Percent of Retail Sales (p.1)



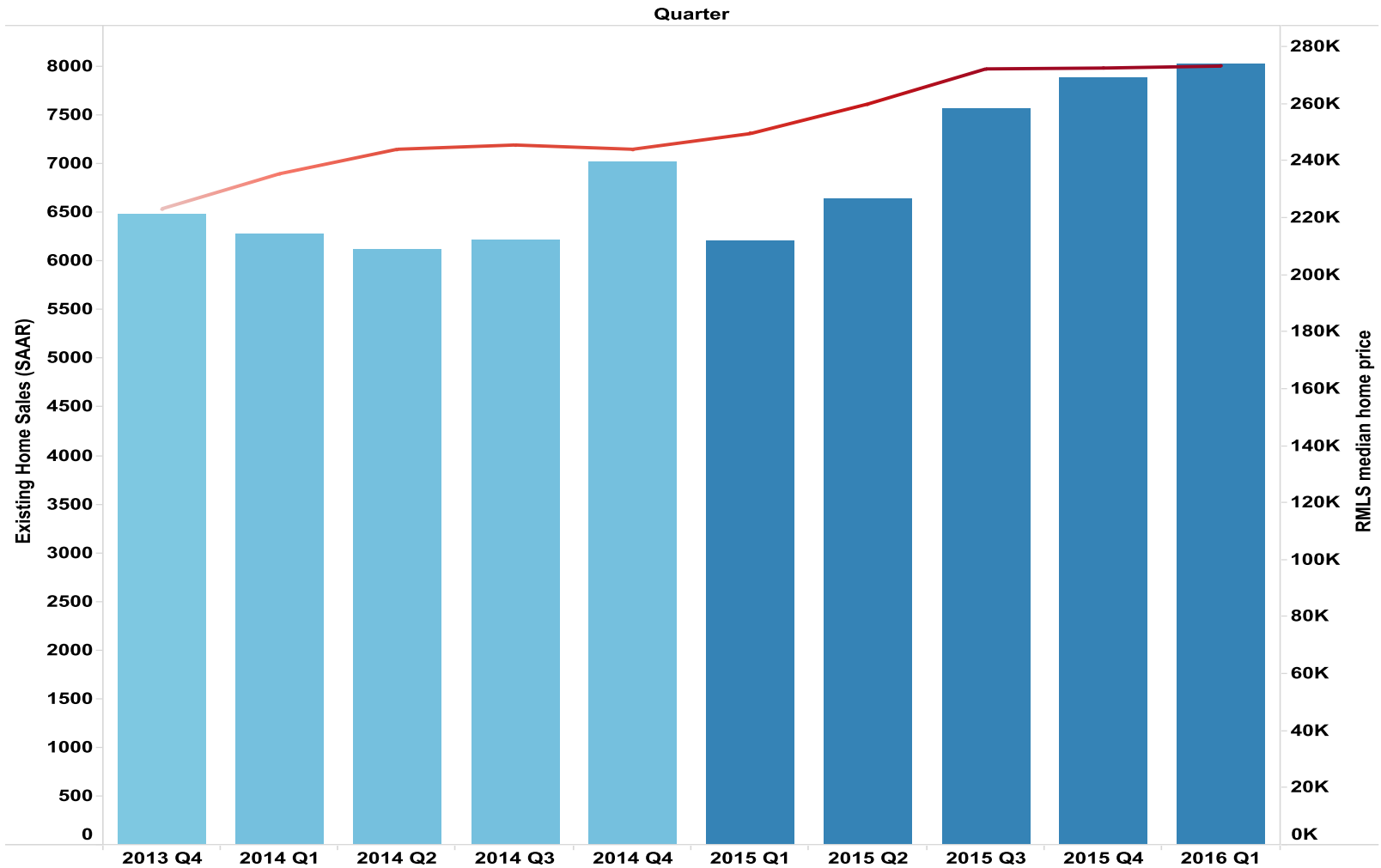
Residential and Commercial Building Permits and Average Value (p. 2)



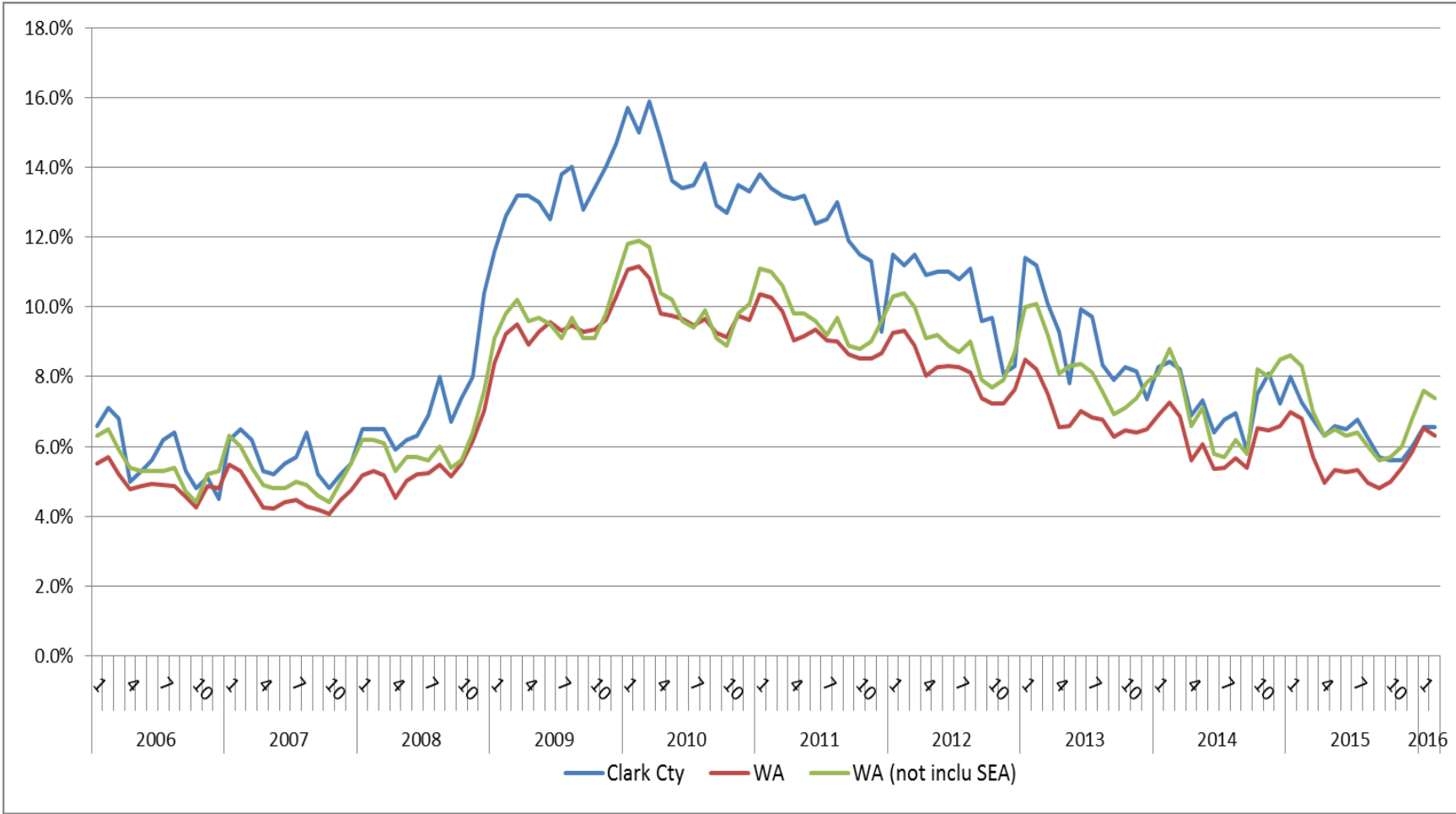
Land Use Review Permits and Revenue (p. 38)



Home Sales and Medium Home Price (p. 3)



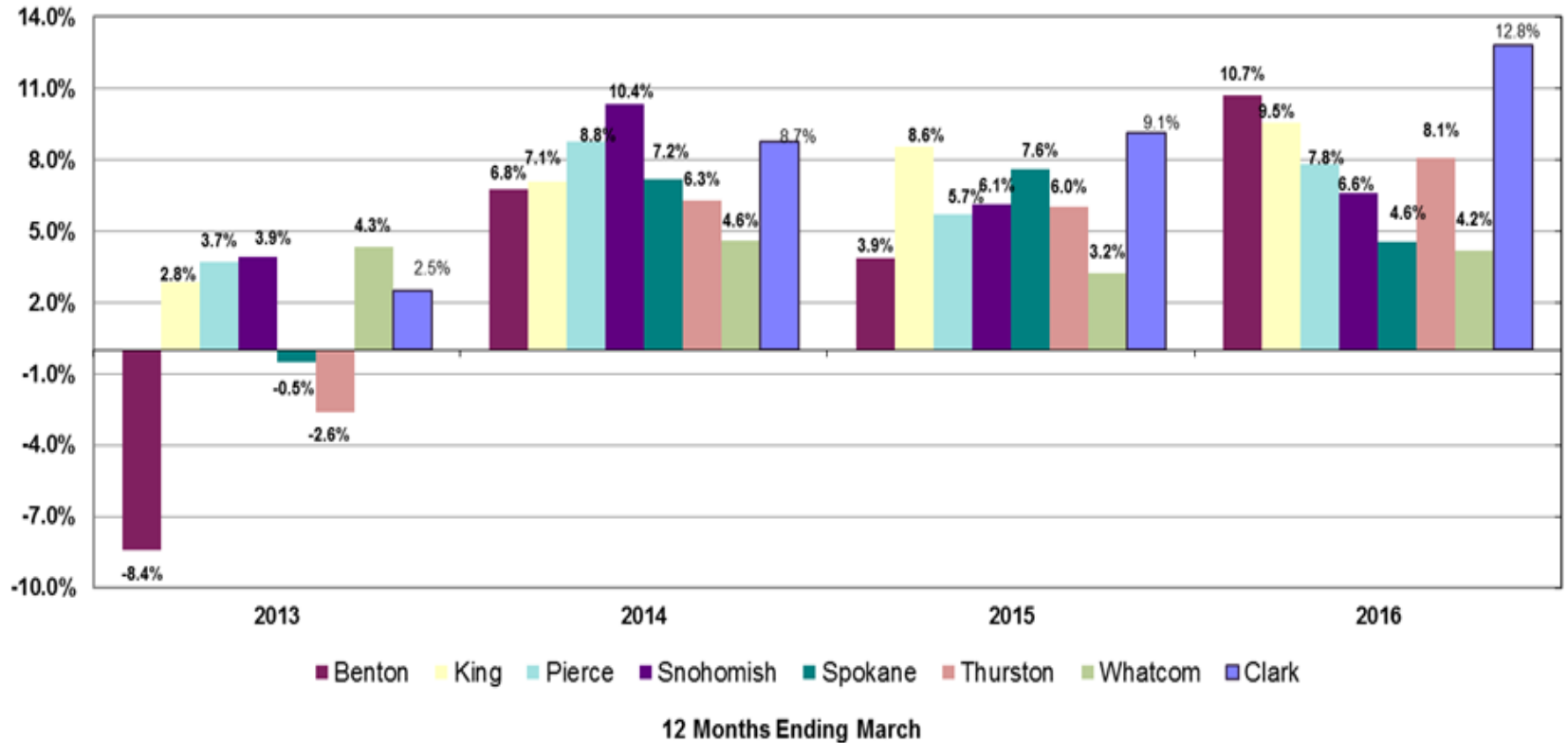
County Unemployment Compared to State (p. 4)



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

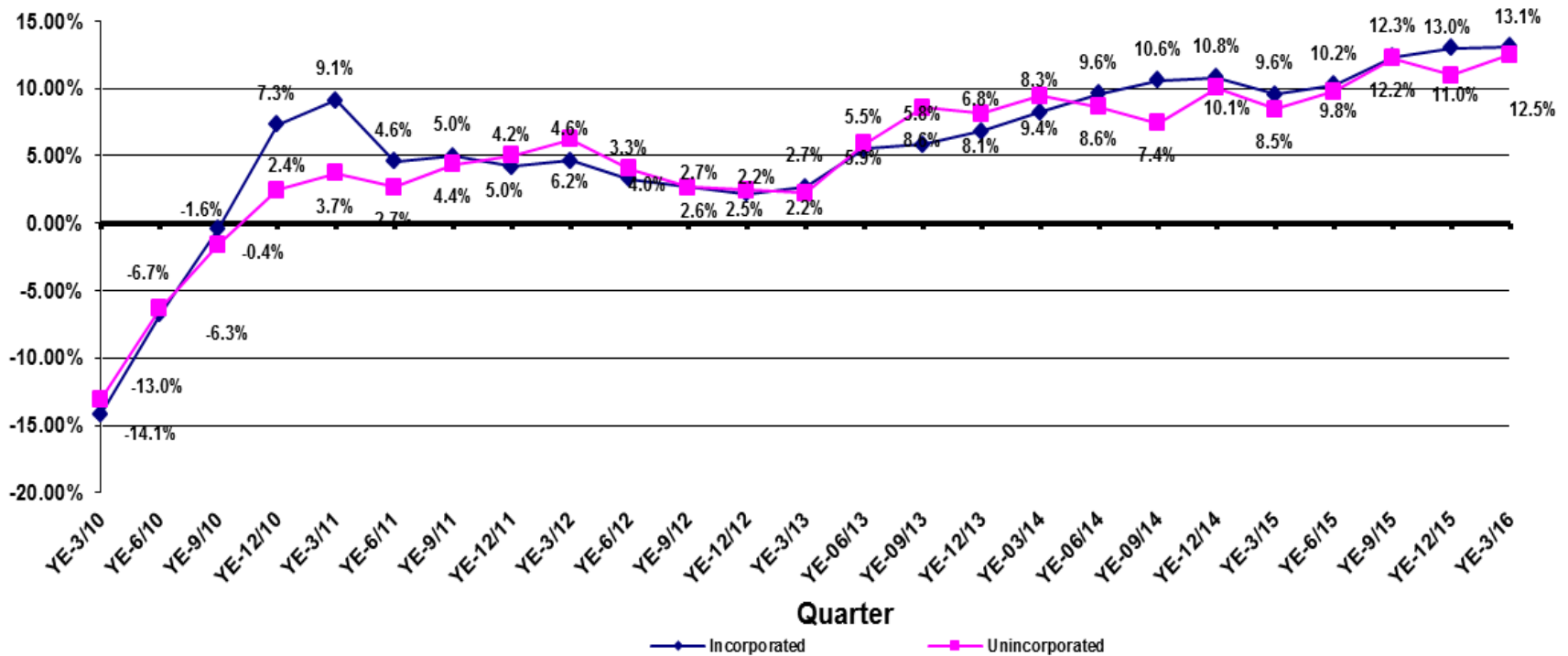
Major County Retail Sales Growth (p.6)

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



Clark County 12 Months Ending Retail Sales Growth/Decline (p.6)

Clark County 12 Months Ending Retail Sales Growth/Decline

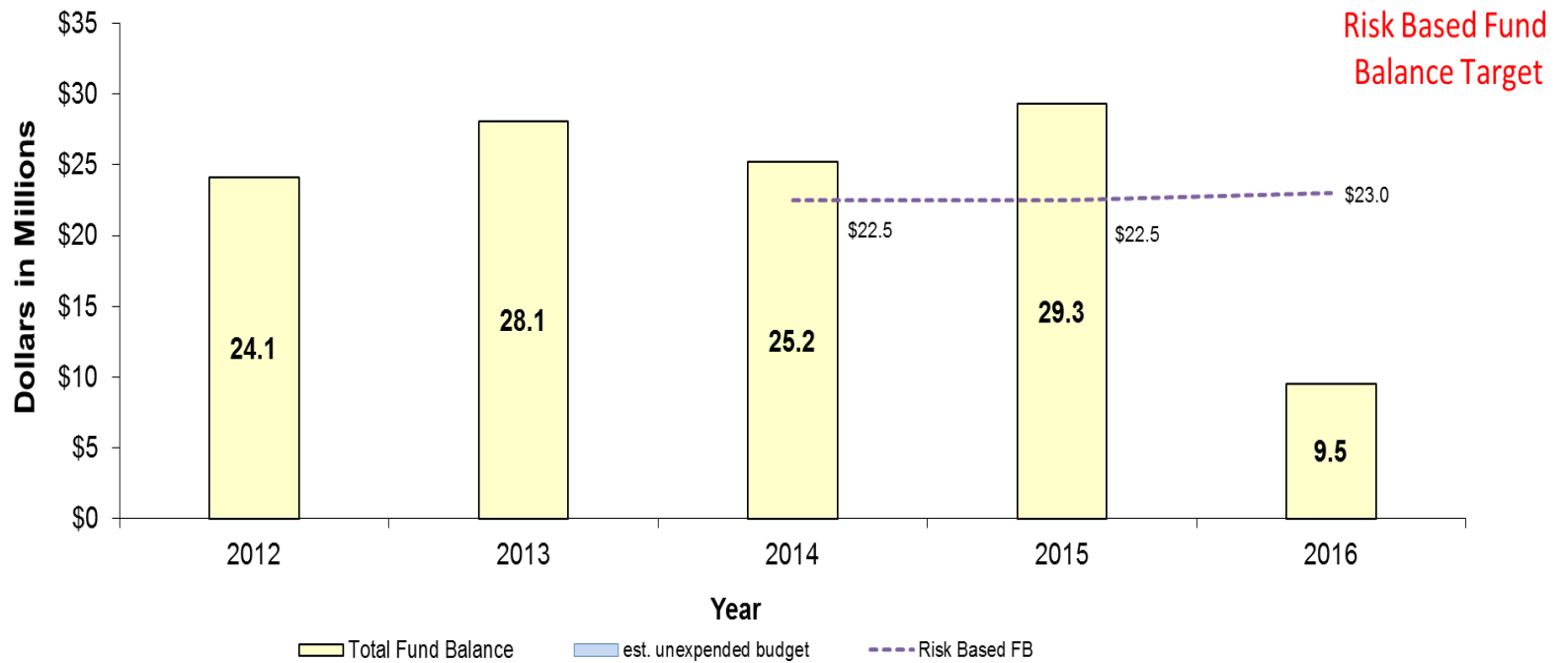


General Fund

- General Fund unassigned fund balance is \$2.9M, lower than 2015 balance of \$7.7M. This is due to intentional use of fund balance as approved by the Board to fund \$2.8M in technology projects, transfer of \$0.7M to permanent reserve, and \$0.8M to Land Use Review per Board policy and fully fund Central Support Services.
- General Fund revenues increased \$0.2M (\$22.6M v. \$22.4M) in the first quarter. Revenues for the biennium are at 58 percent of budget with first half property taxes due in April.
- General Fund biennium to date expenses were approximately 61.1 percent of budget, just below the biennial benchmark of 62.5 percent (15/24 months)

General Fund (p.8-9)

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

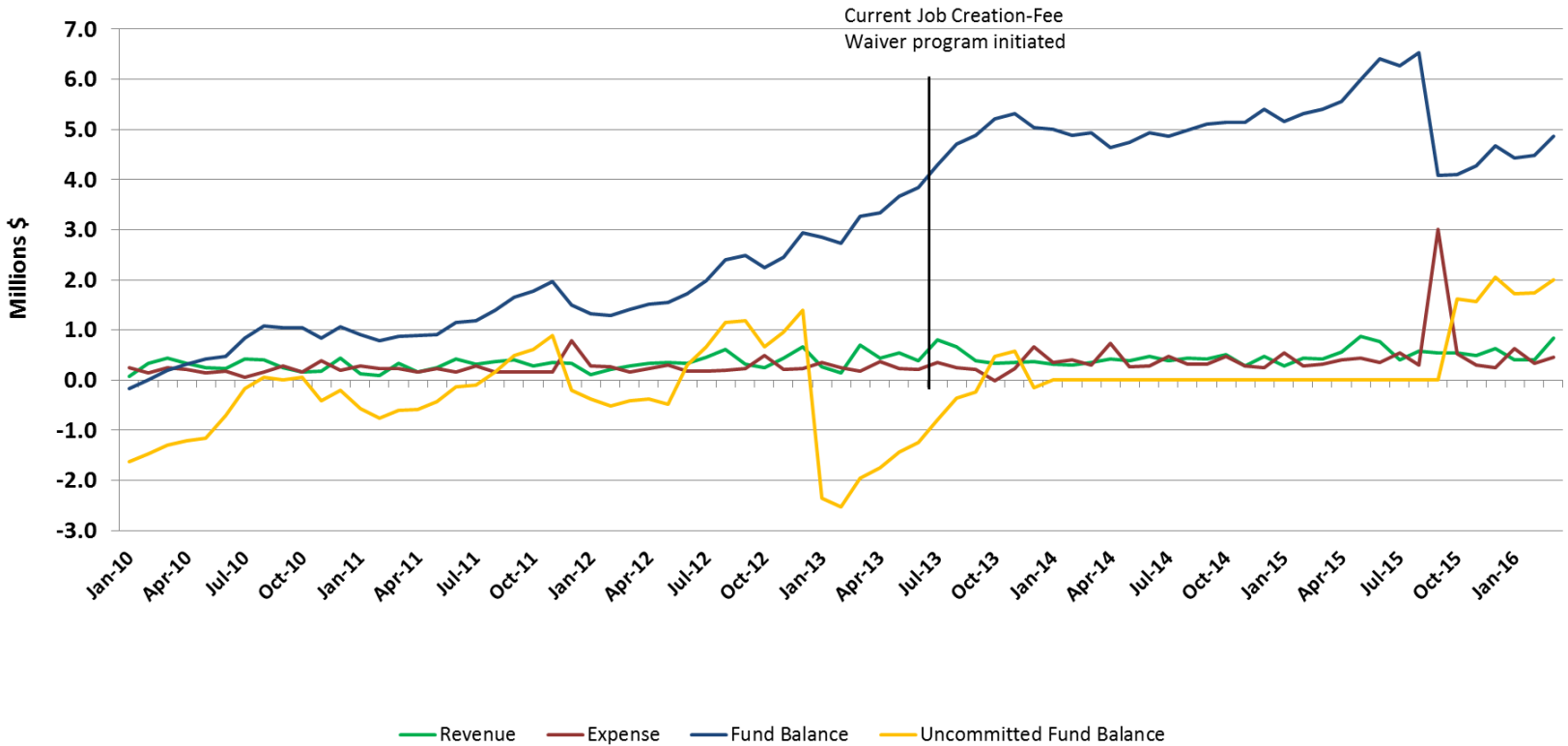


Other Major Funds (p. 10-13)

- Department of Community Development
 - Community Development transferred \$3.3M to the Technology Reserve fund for the Tidemark replacement project. Fund balance remains solid at \$3.6M
 - Land Use Review permits decreased by 30.4% in the first quarter.
 - Land Use Review revenue decreased 29.4% in the first quarter .
 - Residential permits increased by 28.5% for the 12 months ending March 31,2016.
 - Commercial permits are down slightly.
- Road Fund
 - Road Fund operating revenues were 53.8% of budget while expenses was at 57.6%.
 - Road Fund fund balance decreased by \$12.1M compared to the 2015 first quarter.
 - 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 \$4M in impact fee waivers granted.
- Health Department
 - Health Department YTD revenues are ahead of the budget in 2016 (67.2% of budget).
 - Expenditures are on track at 59.2% of the current budget.
 - Health Department Fund Balance remains steady at \$2.9M.

Community Development (p. 11)

Building Activity 2010-2016



Funds That May Impact General Fund

- Department of Community Development
 - Land Use Review Permits and revenue was down in 2016.
 - The general fund obligation for the first quarter was \$168K.
 - 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 first quarter was \$315, 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 , by fund balance policy is needed to insure adequate funding for the debt service.
- REET Funds
 - REET receipts YTD are over 90.0% 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 2015, the fund has generated a surplus of \$3.2M.
- Health Department
 - General Fund support is budgeted at \$2.6M for 2015-2016 biennium. To date, \$1.3M has been transferred.
- Central Support Services (Facilities)
 - YTD results of operations generated a surplus of \$28K
 - In 2015 the Fund continues to run a deficit fund balance \$860K. This amount will be fully funded in the 2016 second 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 is projected to be at its recommended fund balance level at year end.

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

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



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