



**proud past, promising future**

**CLARK COUNTY**  
WASHINGTON

# Quarterly Finance Report 2017 Third Quarter

November 1, 2017

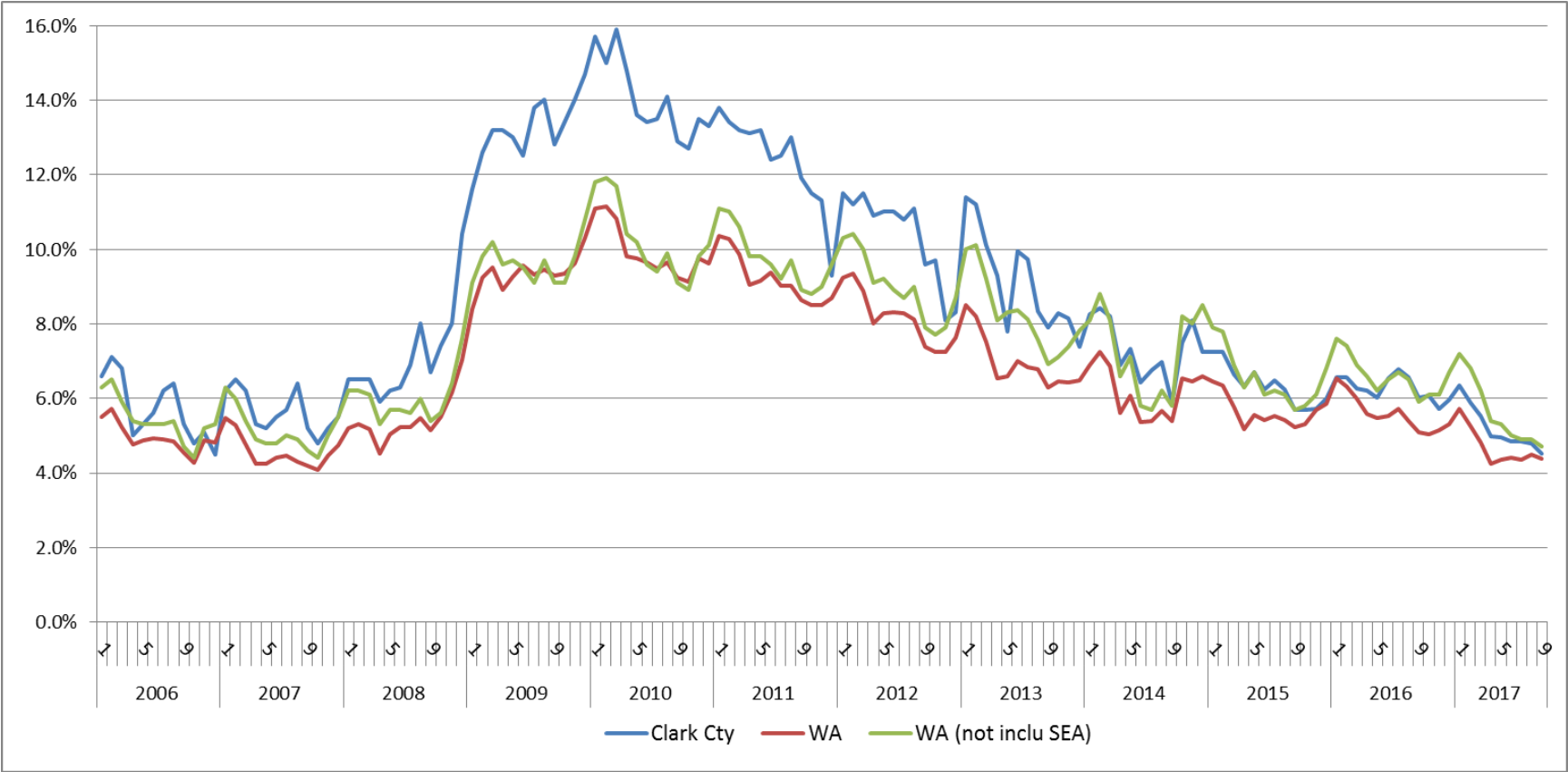
# Overview Quarterly Report Sections

- 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
- Appendix pgs. 43-45
  - Ten years history

# Leading Indicators

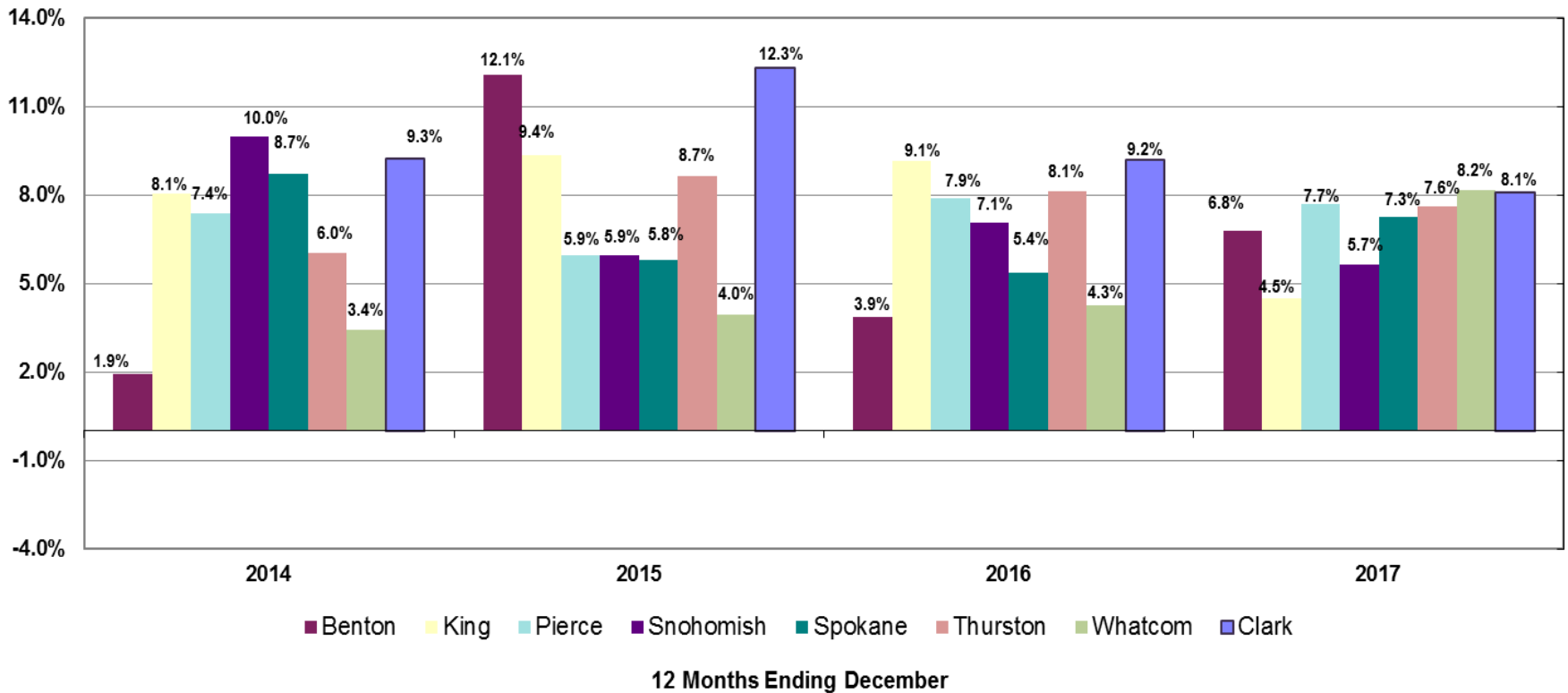
1. Building Permits (Higher)
2. Land Use Review Permits (Steady)
3. Median Home Sales Price (Steady)
4. Home Sales (Steady)
5. Employment (Steady)
6. Retail Sales (Slowing Growth)
7. Construction as a % of Retail Sales (Higher)

# County Unemployment Compared to State (p.4 )

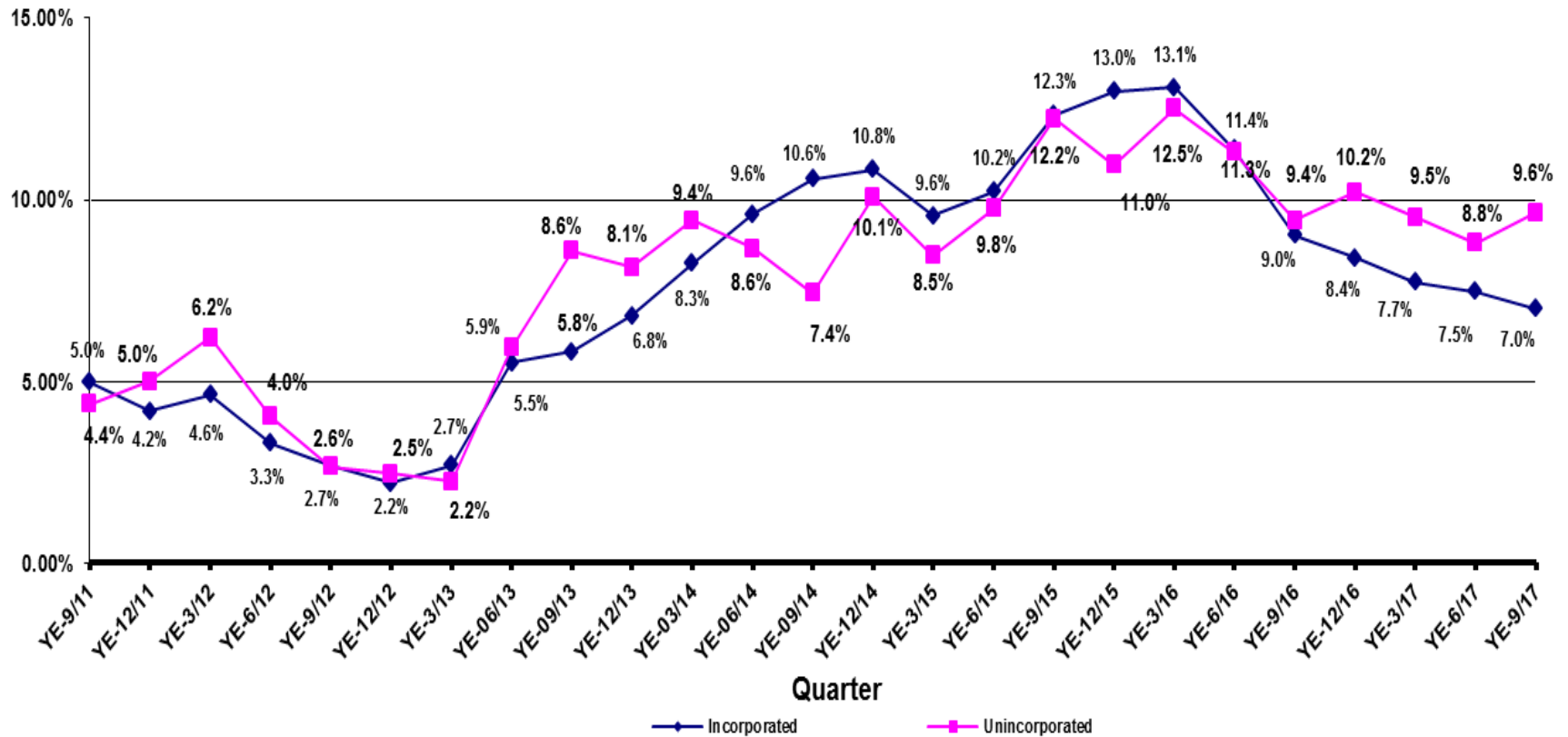


Source: Employment Security Department/LMEA; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

# Major County Retail Sales Growth (p.6)



# Clark County 12 Months Ending Retail Sales Growth/Decline (p.6 & 43)

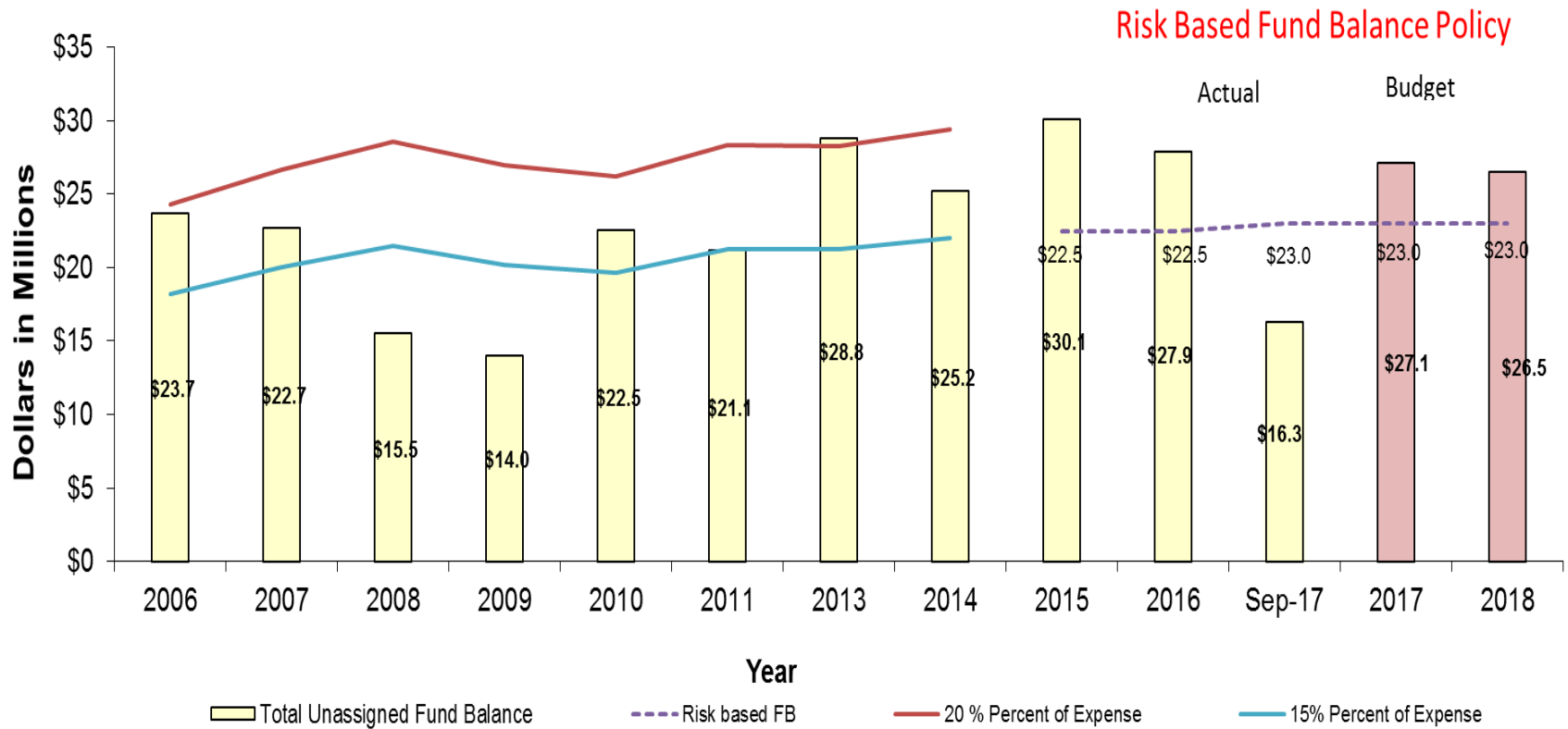


# General Fund

- For the three quarters of 2017, total ongoing General Fund revenues were \$1.8M more than the same period of 2016. Sales tax revenue increased by 9.0% and property tax increased by 2.0%. Increasing revenues offset decreases in court revenues, criminal justice revenue, and other revenues.
- Revenues received were 32.2% of the most recent forecast compared to the benchmark of 37.5%. Notable revenues below forecast include court revenue, criminal justice revenue, and timber sale revenue.
- GF biennium-to-date expenses were approximately 35.9% of budget, generating a possible \$5.1M in expense savings for the biennium.

# General Fund (p.8-9 & 44)

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





# Other Major Funds (p. 10-16)

- Department of Community Development
  - Community Development fund balance increased by \$1.0M from 2016 to \$5.5M.
  - YTD DCD revenue, not including transfer, was \$8.0M, slightly higher than in the same period of 2016:
    - \$5.9M of revenue was from Building activities and
    - \$943.5K in revenue was attributed to Land Use Revenue
  - The GF obligation to DCD is \$488.3K , (\$320.2K Land Use, \$168.0K Permit Center)
  - As of November 2017, Phase I and II of the Tidemark replacement system will be completed. These phases include the base structure of the system, building permits, and fire permits. An additional request of \$1.8M to complete Phase III (all other permits) is included in the 2017 readopt budget.

# Other Major Funds (p. 10-16)

- Road Fund
  - Road Fund fund balance decreased by \$16.3M during 2015-2016 biennium and \$12.1M was spent during three quarters of 2017. The fund is budgeted to spend \$17.6M during 2017-2018 that will bring fund balance to negative \$1.5M.
  - The Fund Balance at the end of the third quarter is \$4.0M. This is the lowest balance at any point in the past six years.
- Event Center
  - Despite the weather challenges for this year's ten day fair, the fund balance is slightly higher than it was at the end of the 2016 third quarter.
- Equipment Repair and Replacement
  - The balance in the fund is approximately \$5.5M.
  - The balance is not homogenous. Only \$1.0M is General fund, \$3.1 is Road Fund, and \$1.4M belongs to other funds.

# Summary

- Economic indicators are steady or continue to show incremental improvement. The retail sale taxes growth rate is beginning to decline. There has been minimal overall growth in General Fund revenues.
- General Fund revenues are behind 2017 forecast. Lower revenue maybe offset by projected expense savings. The net impact should allow the General Fund to maintain a sufficient fund balance.
- Balances related to other major funds, particularly Community Development and Road Fund need to be analyzed for appropriateness.

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

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