

Quarterly Financial Report

2017

Fourth Quarter

Financial Performance

- **Recurring Goals:**
 - Clean audit.
 - Budget on time.
 - Timely processing of Core Processes.
- **Recurring Targets:**
 - Expenses within budget, by fund.
 - Expenses within budget, by category/department.
 - Revenue equal or greater than budget.
 - If Revenue is low, Expenses reduced to match.

2017 – Performance (Goals)

- 2016 Audit was clean. (Good opinion and no findings).
- 2018 Budget was prepared on time.
- AP, Payroll, P-Cards and Solid Waste Bookkeeping were performed consistently on time, with attention to detail and accuracy. The two positions that execute these tasks turned over during 2017 (one transfer, one retirement).
Therefore, this is a significant accomplishment.

2017 – Performance (Targets)

Fund	Total Bgt Categ.	Categ. Under Bgt	Categ. Over Bgt	Rev %	Rev \$ <Under> Over	Exp %	Exp \$ <Over> Under
General	35	29	6	103%	\$319,370	93%	\$860,983
Road & Bridge	8	8	0	104%	\$258,780	66%	\$2,617,565
Dept. Human Services	12	11	1	95%	(\$213,379)	86%	\$652,072
Dispatch	4	4	0	101%	\$11,549	96%	\$40,067
Governmental	59	52	7	102%	\$376,320	84%	\$4,170,687
Solid Waste	6	6	0	106%	\$68,400	68%	\$414,367
Airport	3	1	2	101%	\$1,296	95%	\$32,518
Fleet	3	3	0	99%	(\$22,115)	87%	\$212,753
Proprietary	12	10	2	102%	\$47,581	82%	\$659,638
<u>Totals</u>	<u>71</u>	<u>62</u>	<u>9</u>	<u>102%</u>	<u>\$423,901</u>	<u>83%</u>	<u>\$4,830,325</u>

Revenue Performance

- The Proprietary funds received 102% of budgeted revenue. (A net \$47,581 more than expected)
- Except for DHS, the Governmental funds received more revenue than was budgeted. (By a net \$376,320).
- DHS revenue was 5% short of budget. However,
 - Unique to DHS, we budget for the full “state allocation”, not the amounts *actually* expected.
 - Most of the revenue is reimbursement of expenses.
 - Revenue was at 95%, but Expenses were at 86%.

Expense Control – By Category

- Out of 71 categories, 62 were under budget, but 9 were over.
- In dollar terms: about \$88,500 was expended in excess of budget within those 9 categories, out of \$29,014,000 in total expense budget. Thus, the overspending was about 3/10's of 1%, of the total expense budget, as follows:
 - General Fund = 6 departments over budget \$77,348.
(Total budget = \$12,129,652)
 - DHS = 1 category over budget by \$6,365.
(Total budget = \$4,710,127)
 - Airport = 2 categories over budget by \$4,857.
(Total budget = \$630,419)

Expense Control – By Fund

- Even though 9 categories were over budget, 62 were under budget, and some of them by significant amounts.
- As a result, total expenses were under budget in every fund.
 - Governmental funds were *under* budget 16% or \$4,170,687 (out of a total budget of \$25,451,603).
 - Proprietary funds were *under* budget 18% or \$659,638 (out of a total budget of \$3,562,810)

Variance from Budget Plan

- General Fund:
 - Revenue up \$300,000: one time transfers in for Weed & Pest.
 - Expense low \$532,000: unused contingency budgets (\$412,000), un-accrued Dist. Attorney expense (\$120,000).
- Road & Bridge Fund:
 - Expense low \$2,062,000: lower consumption of fuel (\$130,000) and postponement of two large capital improvement projects (shifted to 2018).

Variance from Budget Plan – Cont'd

- Solid Waste Fund:
 - Revenue up \$68,000; fee revenue associated with demolition projects.
 - Expense low \$350,000; annual depreciation (not yet booked) and an unused contingency for an adjustment to the landfill closure cost accrual.
- Fleet Fund:
 - Expense low \$113,000; lower fuel costs.
- Adjusted “Performance-Targets”:
 - If we factor out the major variances (last two slides), 2017 performance looks like the next page...

2017 – Performance (Targets)

Adjusted

Fund	Total Bgt Categ.	Categ. Under Bgt	Categ. Over Bgt	Rev %	Rev \$ <Under> Over	Exp %	Exp \$ <Over> Under
General	35	29	6	100%	\$19,370	97%	\$328,983
Road & Bridge	8	8	0	104%	\$258,780	92%	\$554,931
Dept. Human Services	12	11	1	95%	(\$213,379)	86%	\$652,072
Dispatch	4	4	0	101%	\$11,549	96%	\$40,067
Governmental	59	52	7	100%	\$76,320	94%	\$1,576,053
Solid Waste	6	6	0	100%	\$0	95%	\$64,367
Airport	3	1	2	101%	\$1,296	95%	\$32,518
Fleet	3	3	0	99%	(\$22,115)	94%	\$100,220
Proprietary	12	10	2	99%	(\$20,819)	95%	\$197,105
<u>Totals</u>	<u>71</u>	<u>62</u>	<u>9</u>	<u>100%</u>	<u>\$55,501</u>	<u>94%</u>	<u>\$1,773,158</u>

Re-Cap

- Processing went well.
- Revenue was higher than budgeted, and was generally higher than in the preceding year.
- Expenses were kept under control, and low enough to return some surplus to fund balances.
- The last few years have gone well... therefore, we are concerned about the future... *what?*

Revenue Trends

- Sales Tax: Our largest steady source of revenue has grown dramatically in recent years, but that growth has been slowing and it may become flat sometime during 2018/2019.
- Property Tax: Continues to remain flat.
- Solid Waste Fees: While high in 2017 (due to an exception event), were lower than budgeted in the second half of the year... and may only grow modestly in 2018... if at all.
- Lodging Tax: Grew in 2017, but at about ½ the expected rate.

Revenue Trends – Continued

- Growth in revenues in recent years have allowed the County to build reserves and address deferred capital replacements, especially with regard to equipment.
- However, that growth was not sufficient to fund major building replacements.
- The growth we have experienced in recent years is slowing, and may vanish by 2019.
- See the “Revenue Supplement” at the end of the 4th Quarter 2017 financial report.