Quarterly Finance Report
2012 Third Quarter

October 31, 2012
BOCC Work Session
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Leading Indicators

Building Permits

Retail Sales

Home Sales

Construction % Retail Sales

Median Home Sale Prices

Unemployment

Developmental Services Permits
Third Quarter Major County Retail Sales Growth

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

12 Months Ending September

Benton  King  Pierce  Snohomish  Spokane  Thurston  Whatcom  Clark
Clark County 12 Months Ending Retail Sales Growth/Decline

Clark County 12 Months Ending Retail Sales Growth/Decline

Quarter

- YE-9/06
- YE-12/06
- YE-3/07
- YE-6/07
- YE-9/07
- YE-12/07
- YE-3/08
- YE-6/08
- YE-9/08
- YE-12/08
- YE-3/09
- YE-6/09
- YE-9/09
- YE-12/09
- YE-3/10
- YE-6/10
- YE-9/10
- YE-12/10
- YE-3/11
- YE-6/11
- YE-9/11
- YE-12/11
- YE-3/12
- YE-6/12
- YE-9/12

Incorporated
Unincorporated

-15.00%
-10.00%
-5.00%
0.00%
5.00%
10.00%
15.00%

Growth/Decline

General Fund Expenses

Current trends suggest that General Fund expenses will be approximately $4M-$5M under budget for 2012.
Fund 001 General Fund and Permanent Reserve
Undesignated Fund Balance 2005-2012

GENERAL FUND UNASSIGNED FUND BALANCE AS A PERCENT OF REVENUE

<table>
<thead>
<tr>
<th>Year</th>
<th>Dollars (in Millions)</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$18.8</td>
<td>15.8%</td>
</tr>
<tr>
<td>2006</td>
<td>$21.6</td>
<td>17.5%</td>
</tr>
<tr>
<td>2007</td>
<td>$20.4</td>
<td>16.4%</td>
</tr>
<tr>
<td>2008</td>
<td>$12.7</td>
<td>9.1%</td>
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<tr>
<td>2009</td>
<td>$14.0</td>
<td>10.3%</td>
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<tr>
<td>2010</td>
<td>$17.5</td>
<td>12.7%</td>
</tr>
<tr>
<td>2011</td>
<td>$21.1</td>
<td>15.0%</td>
</tr>
<tr>
<td>2012 (Forecast)</td>
<td>$29.9</td>
<td>20.7%</td>
</tr>
</tbody>
</table>
Other Major Funds

- **Department of Community Development**
  - Fund balance is currently positive for Building.
  - Building permits and activity are increasing.
  - Land Use Planning requires General Fund contribution for the Fee Holiday, fee subsidy, and non-fee activities.
  - Planning permits have dropped to an all-time low, however program changes and expense reduction should keep General Fund contribution to a reasonable level.

- **Road Fund**
  - Third Quarter Fund Balance is up $8.4M from 2011.
  - Based on the six year TIP, the fund balance is committed to a variety of projects and a significant increase in road preservation and maintenance costs.

- **Health Department**
  - Expenses are extremely tight, especially salaries and benefits
  - The Fund Balance is holding
General Fund

Funds with a direct relationship to GF through policy, agreements, grants

Health Department
Community Services
Community Development
CRESA Capital

Insurance Funds

Community Development

Elections

PW Engineer

Facilities

REET

GIS

Tri-Mountain

Deferred One-Time-Only

Fair

CJC
Funds That May Impact General Fund

- Department of Community Development
  - Development Service-Permits have dropped to an all-time low. This area could impact the General Fund in the way of additional subsidies.
  - General Fund will be required to fund the 2012 Fee Holiday.

- Events Center Fund
  - Fair Fund operations through the 2012 third quarter improved $113K over September 2011. The 2011 loss was $100K.
  - The Fund has carried a negative fund balance since 2009 year end. The current deficit is $553K.

- Exhibit Hall Reserve Fund
  - Hotel/Motel Tax Receipts coming in under budget
  - Debt payments currently exceed revenue sources
  - Fund balance projected to be low by the end of 2012
  - The Fund will require approximately $1M in support in the 2013-2014 biennium.

- REET Funds
  - With the changes in REET funding priorities, REET fund revenues and expenses have stabilized and fund balances should remain positive through 2016.

- Department of Community Services
  - The General Fund will be required to reimburse DCS for approximately $1.0M in central service costs and department overhead due to the spin off of Southwest Washington Behavioral Health. (RSN)
Summary

- General Fund-fund balance has recovered and has some small capacity to take care of one-time financial needs in other funds.

- Need to keep an eye on other funds that impact the General Fund when in financial difficulty.
  - DCD Land Use Review
  - Events Center deficit fund balance
  - Exhibit Hall Reserve Fund
  - DCS impact of RSN separating from County
A copy of the complete third quarter financial report may be obtained at:

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