

San Juan County Financial Review

2nd Quarter 2010
August 10, 2010

Budget Overview

- A 2% budget reduction (Current Expense only) was adopted on June 29, 2010, to
 - Achieve year-end budgeted reserves of 8%
 - Put some items in the budget that needed to be there
- A gloomy 6-year forecast has been presented
- Budget reductions of 5% and 10% have been requested of all departments and are being reviewed in the budget process
 - Why 5% and 10%? So the adopted budget considers all alternatives and does not go for an “across-the-board” reduction

Expenditures Summary

Fund(s)	Budget	2Q Exps	% Used
Current Expense	13,497,598	6,265,465	46.42%
All County Funds	49,492,511	17,794,082	35.95%

- How much should we have spent?
 - About ¼ of Jan expenses are prior year, and
 - 2.75 months/12 months = 47.92%
- Expenditure patterns vary by fund and by dept
- We watch closely funds spending close to or more than 25% of annual budget per quarter

Current Expense Expenditures by Dept

General Government Depts	Budget	2Q10 Exps	% Used
General	0	138	
County Administration	649,172	262,105	40.38%
Assessor	705,347	320,268	45.41%
Auditor	713,229	320,268	49.16%
Board of Equalization	17,103	9,233	54.01%
Facilities	531,717	219,517	41.28%
County Council	462,613	226,725	49.01%
Election Reserve	209,313	122,454	58.50%
General Administration	869,173	271,656	31.25%
Operating Transfers	340,384	151,346	44.46%
Treasurer	351,196	175,050	49.84%
Subtotal, Gen Gov Depts	4,849,211	2,109,106	43.49%

Current Expense Expenditures by Dept

Law & Justice Depts	Budget	2Q10 Exps	% Used
Clerk	337,126	162,883	48.32%
District Court/Probation	675,530	335,551	49.67%
Juvenile Court	368,686	173,183	46.97%
Superior Court	174,261	70,204	40.29%
Subtotal, Courts	1,555,603	741,821	47.69%
Law Library	27,020	15,411	57.04%
Prosecuting Attorney/Coroner	903,999	445,936	49.33%
Subtotal, Prosecutor	931,019	461,347	49.55%
Civil Service	15,641	5,020	32.10%
Dispatch	692,622	357,250	51.58%
Jail	349,806	162,667	46.50%
Sheriff	2,445,839	1,228,500	50.23%
Subtotal, Sheriff	3,503,908	1,753,437	50.04%
Subtotal, Law & Justice	5,990,530	2,956,605	49.35%

Current Expense Expenditures by Dept

Community Services	Budget	2Q10 Exps	% Used
Community Dev't & Planning	1,277,463	589,462	46.14%
County Agent	196,634	82,374	41.89%
Health & Community Srvcs	1,183,760	527,918	44.60%
Subtotal, Comm'ty Srvcs	2,657,857	1,199,754	45.14%
Current Expense Total	13,497,598	6,265,465	46.42%

County-Wide Expends by Fund

- All funds are below 47%, except:
 - Dog License (58.07%) – because greatest activity is early in the year
 - Grants Fund (52.63%) - primarily because of front loading of grants vs. current expense
 - Criminal Justice Receiving (51.50%) – because money is distributed early in the year
 - Other Grants & Septic Loans (47.22%) – because septic program ended June 30

Revenues

- Last year Revenues were the big story, as most types of revenue failed to meet budget; sales tax fell far short
- This year, Current Expense Revenues look to be meeting budget overall
- Some types of revenue are still falling short, notably Real Estate Excise Tax and Interest

Revenues Summary

Fund(s)	Budget	2Q Revs	% Rcvd
Current Expense	13,497,598	7,334,349	54.34%
All County Funds	49,492,511	18,846,486	38.08%

- How much should we have received?
 - Revenue is highly seasonal, with peaks in April & October
 - Property tax peaks early; sales tax peaks late
- We watch patterns of receipt by revenue type to project whether revenue will meet budget

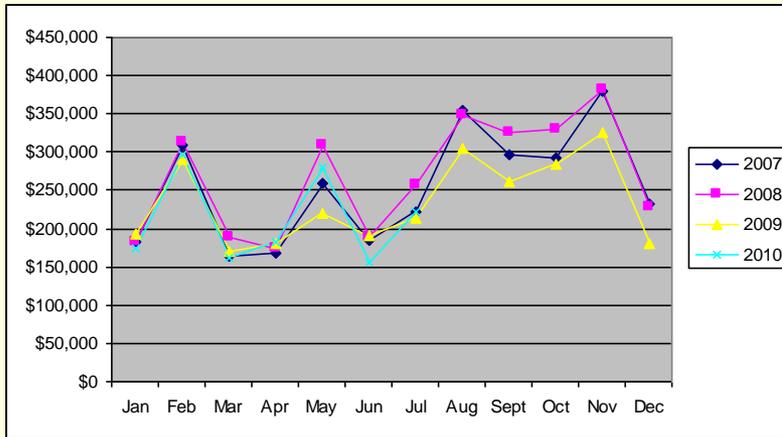
Current Expense Revenues by Basub

Revenue Type	Budget	2Q10 Revs	% Rcvd
Cash	-149,591	0	0.00%
Taxes	9,827,437	5,146,252	52.37%
Licenses and Permits	1,115,263	641,921	57.56%
Intergovernmental Revenue	1,173,818	825,644	70.34%
Charges for Goods and Services	905,532	395,477	43.67%
Fines and Forfeits	155,482	51,589	33.18%
Miscellaneous Revenues	146,288	66,676	45.58%
Nonrevenues	0	0	0.00%
Other Financing Sources	323,369	206,790	63.95%
Grand Total	13,497,598	7,334,349	54.34%

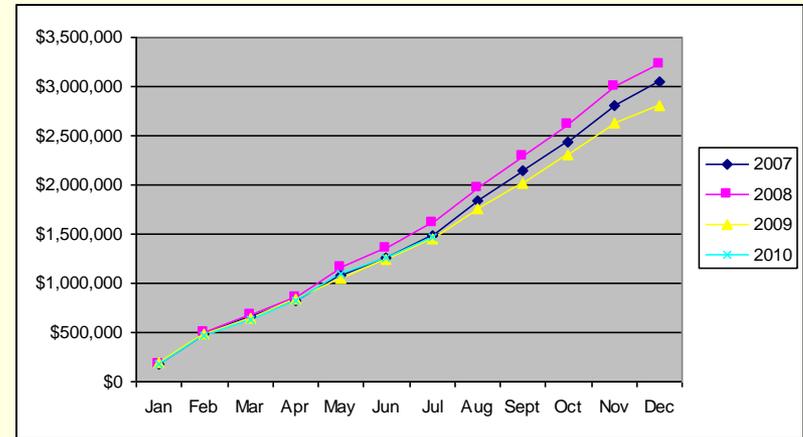
County-Wide Revenues by Basub

Revenue Type	Budget	2Q10 Revs	% Rcvd
Cash	6,020,516	0	0.00%
Taxes	16,955,357	8,472,183	49.97%
Licenses and Permits	1,164,263	667,162	57.30%
Intergovernmental Revenue	10,465,105	5,280,848	50.46%
Charges for Goods and Services	4,992,399	2,004,033	40.14%
Fines and Forfeits	160,782	53,697	33.40%
Miscellaneous Revenues	1,963,666	1,076,968	54.85%
Nonrevenues	150,000	0	0.00%
Other Financing Sources	7,620,423	1,291,594	16.95%
Grand Total	49,492,511	18,846,486	38.08%

Sales Tax



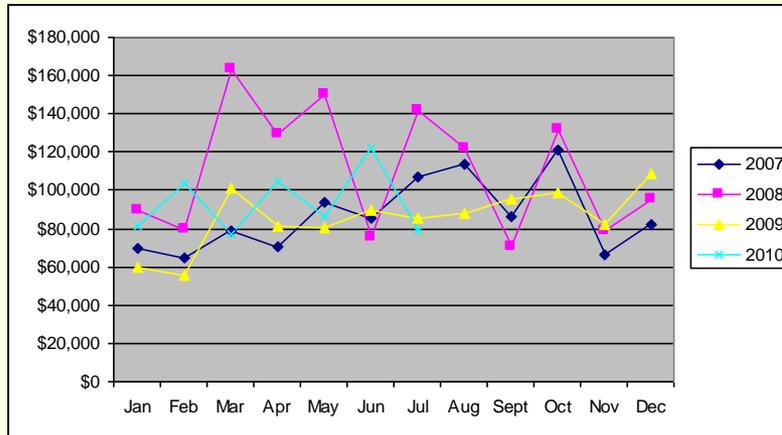
By Month



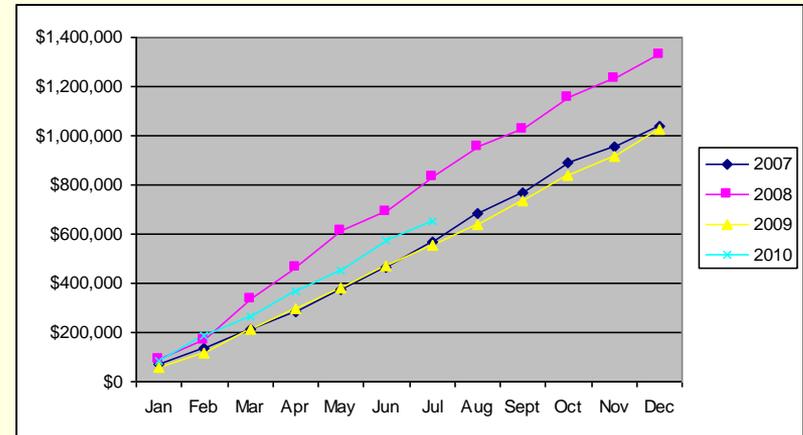
Cumulative

- 2010 budget was 3.5% more than 2009 actuals
- YTD through July is 1.2% more than 2009
- Projected year-end will meet budget
- Sales Tax was lagging by this time last year
- The next 3 months' receipts are critical

Planning & Permitting



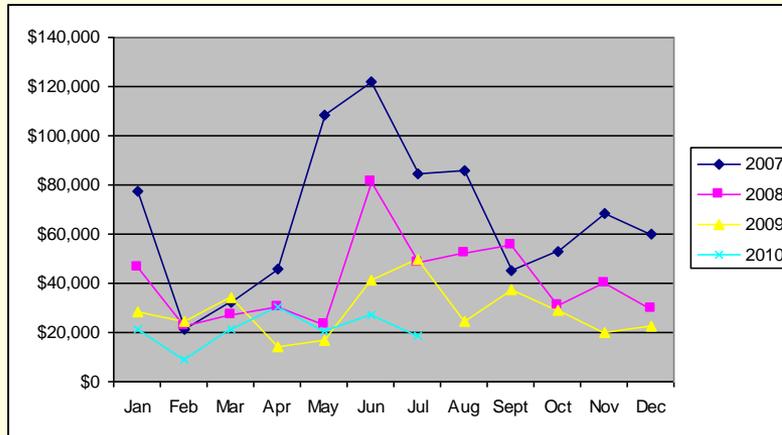
By Month



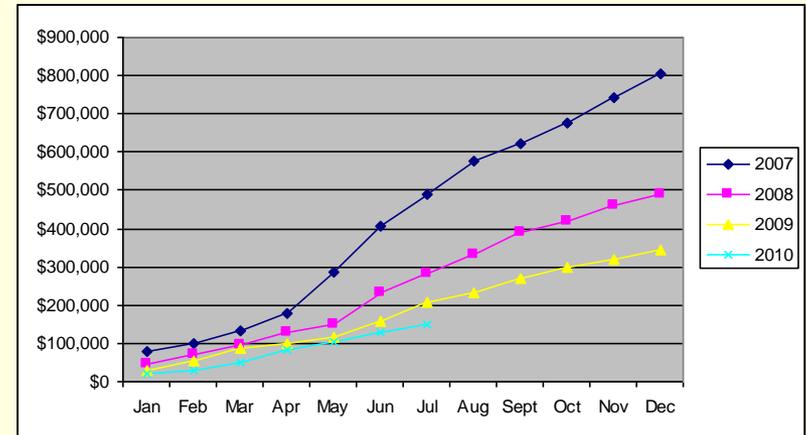
Cumulative

- Planning & Permitting revenues are peaky by nature
- YTD through June running well above 2009; July down a bit, but still within budget
- Much of increase is due to fee increases
- Increase was anticipated; 2010 budget 28% higher than 2009
- Current projection has YE not quite meeting budget

Real Estate Excise Tax



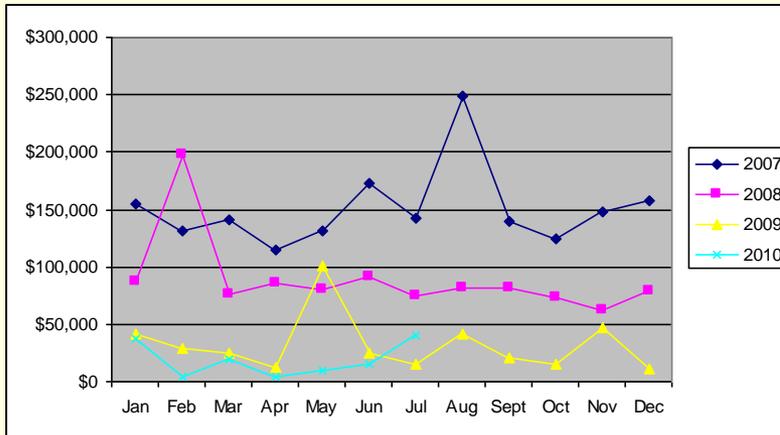
By Month



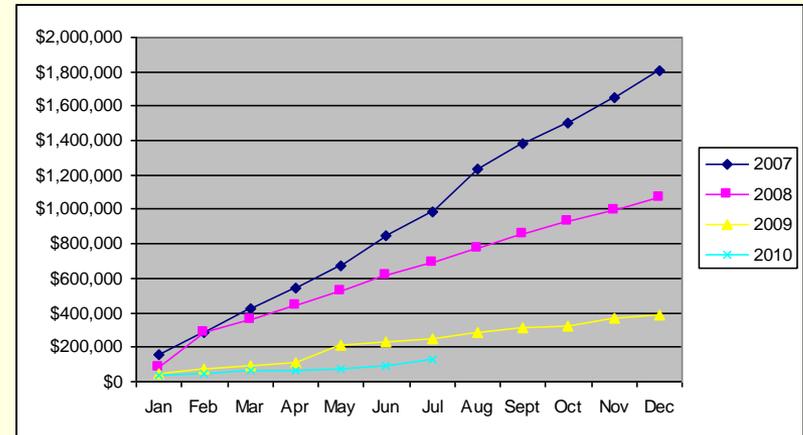
Cumulative

- Home sales continue to disappoint
- This income source serves Capital Improvement needs and the Land Bank
- 2010 budget 91% of 2009 actuals, 70% of 2009 budget
- Current projection shows 2010 YE at 70% of budget

Interest



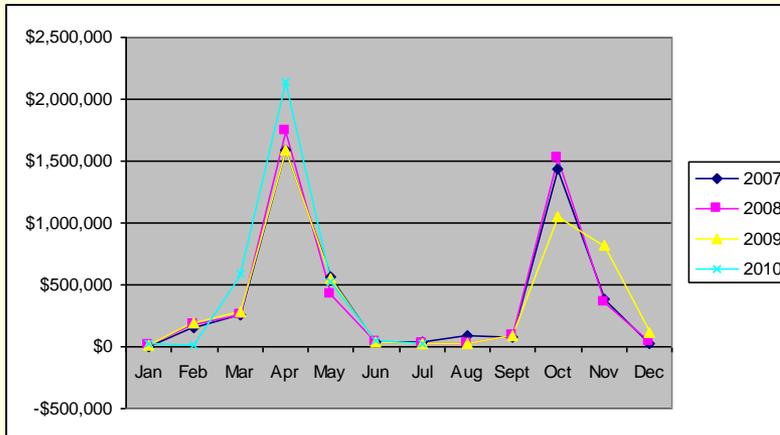
By Month



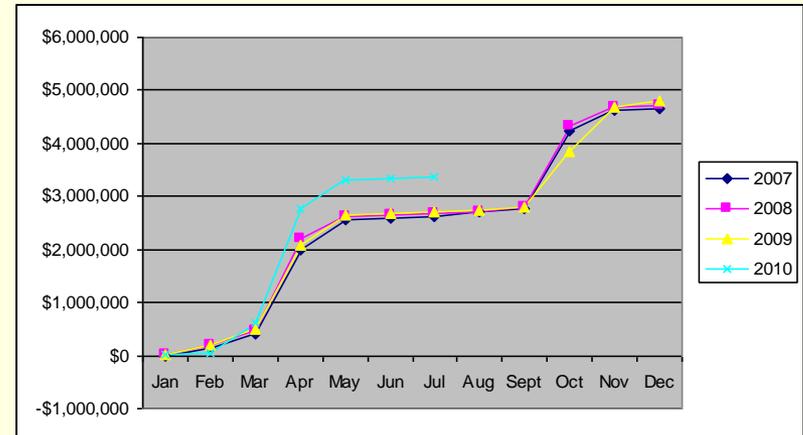
Cumulative

- 2010 budget was 63% of 2009 actuals
- Current projection is to finish at less than 90% of budget

Property Tax



By Month



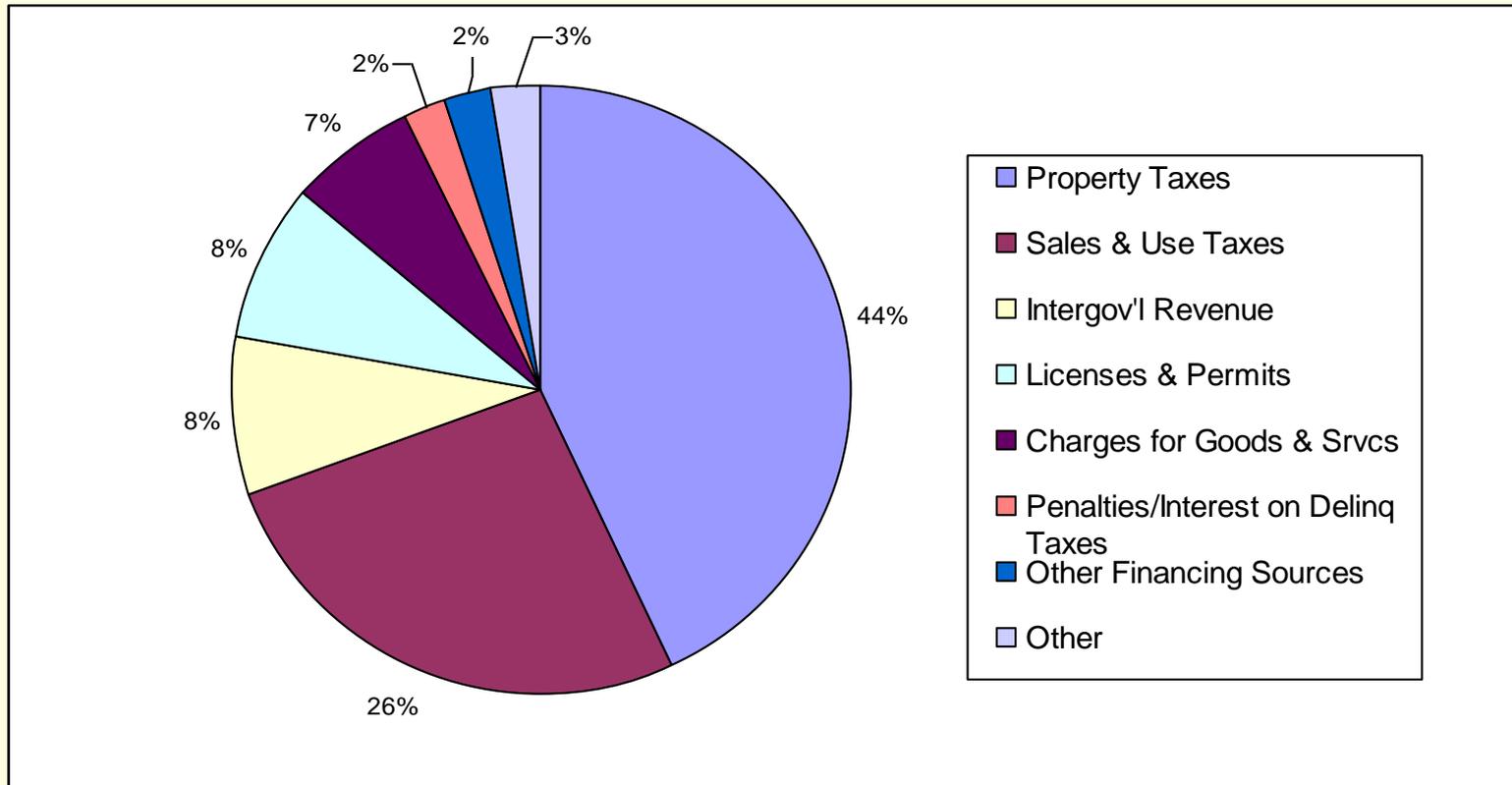
Cumulative

- Property tax, as always, is on target to end the year at or very near budget.
- Higher April peak & cumulative total reflect additional levy lift dollars adopted in 2009

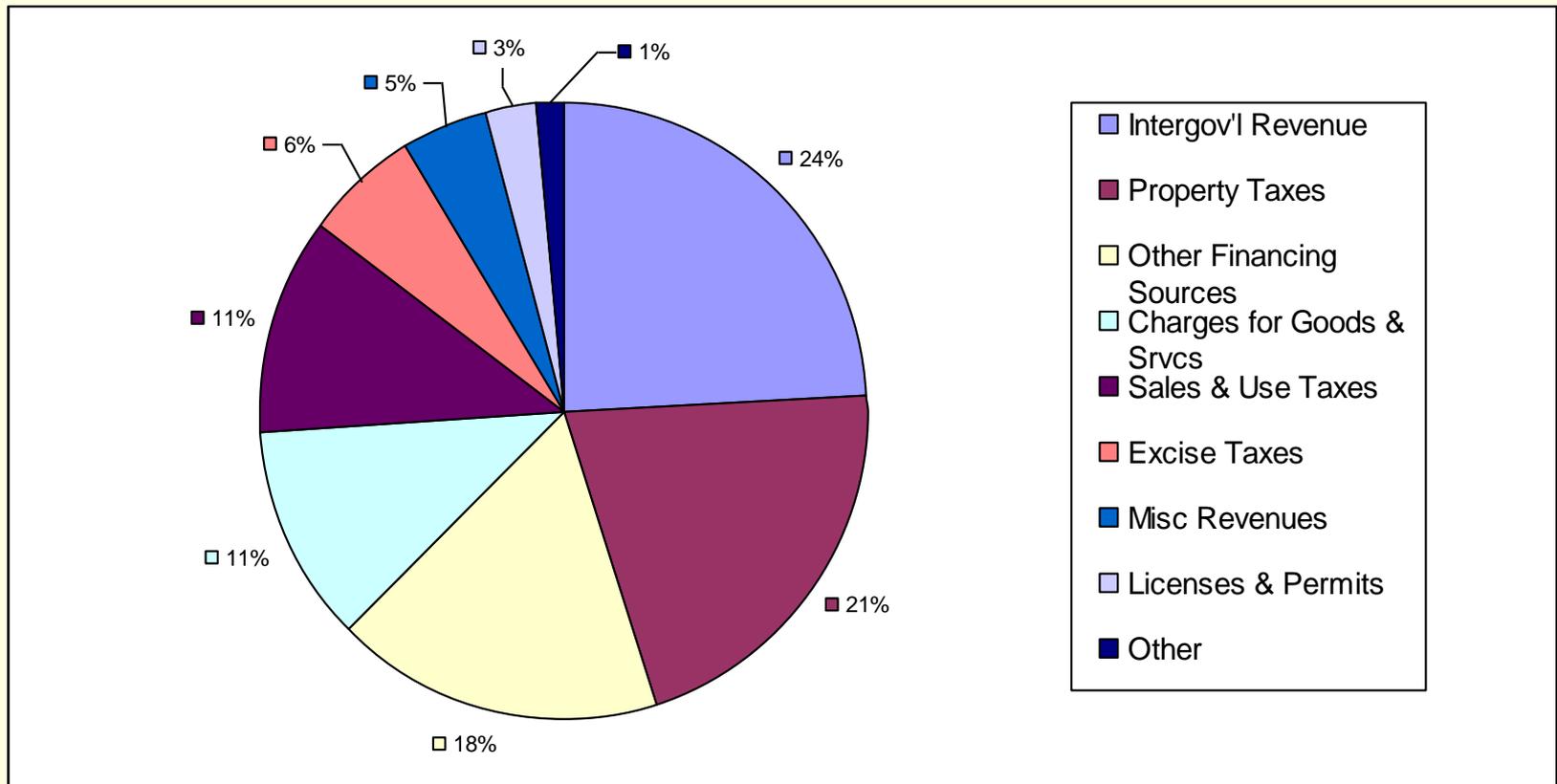
“The Other Third” Status by Type

- These are the revenue sources that collapsed last year.
 - Licenses and Permits – 5% above budget
 - Intergovernmental – 44% above budget, because of:
 - COBRA reimbursement (\$35K, unbudgeted)
 - HAVA funds (\$21K, unbudgeted)
 - REET award for Assessor/Treasurer software (\$100K, incorrectly budgeted)
 - DOL cost reimbursement (\$40K over budget)
 - Charges for Goods & Services – 5% below budget
 - Fines and Penalties – 20% below budget, but a small revenue source
 - Misc Revenues (Interest) – below budget
- Together, these sources are exceeding budget

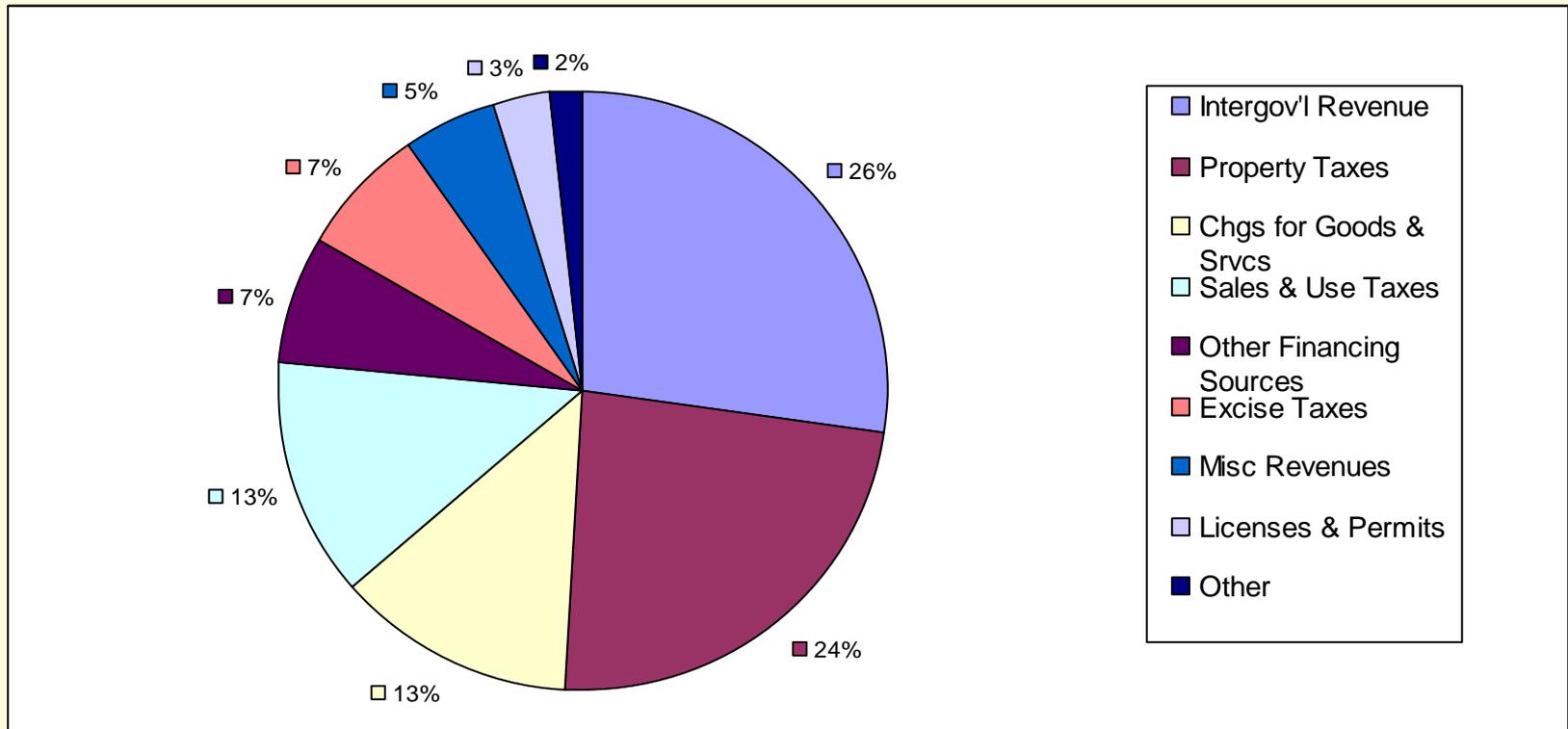
Putting it in Perspective: 2010 Current Expense Revenue Budget by Type



By Comparison: 2010 County Revenue Budget by Type



By Comparison: 2010 County Revenue Budget by Type, excluding Transfers



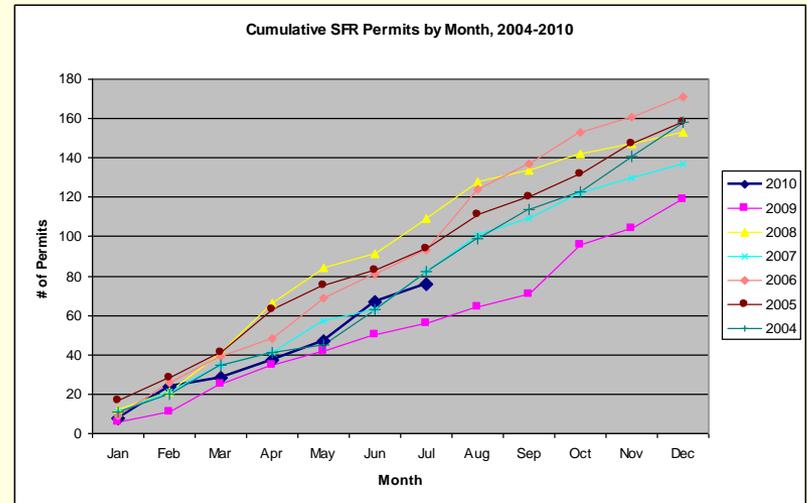
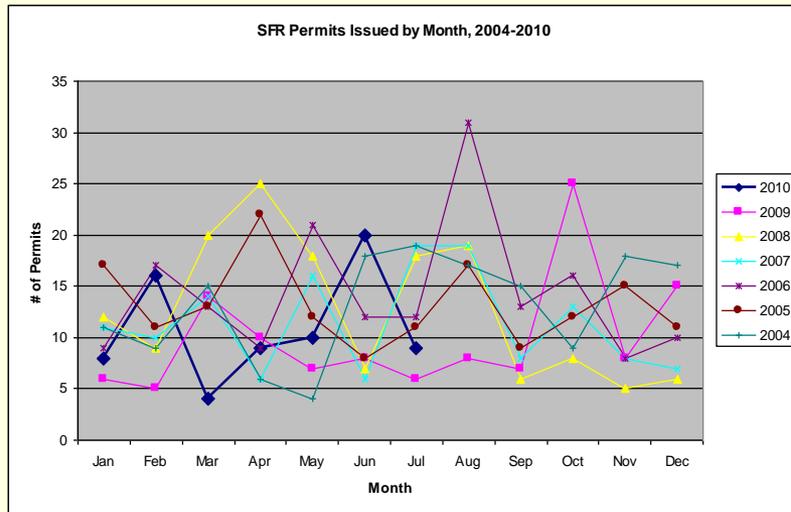
Summary

- Expenditures overall are on-track to finish within budget, but with not much margin for error.
 - Close scrutiny to individual depts is recommended.
- Revenue also appears on track to finish on budget.
 - Sales tax is once again the vulnerable spot.
- 2011 budget is underway, seeking meaningful reductions to achieve goal of long-term sustainability

Questions?



Single-Family Residence Permits



- Strong peak in June returned to normal in July
- Revenue is still on track to come close to meeting budget