

MEMORANDUM

Date: April 13, 2020
From: Douglas Martin, Island County Budget Manager
To: Board of County Commissioners
Subject: Monthly Financial Report – March 2020

This is the first financial report for the fiscal year 2020. 25% of the fiscal year has passed. This report is not normally a key measure of how the year will proceed. However, the economic upheaval caused by COVID-19 requires a more proactive look at financial matters now, in anticipation of adverse financial results in the near future.

General observations for financial results ended March 31, 2020 are as follows. Please reference the chart on page 2.

- Property Taxes collected through March 31 are on par with prior year.
- Sales Tax revenue is higher than last year, but lower than anticipated in the 2020 budget. Sales Tax is sent by the State two months in arrears. This revenue total represents only one month (January sales) paid to the County in March. The impact of the pandemic is not yet reflected in these numbers.
- Licenses & Permits are lower than 2019 totals by \$21,000 and at 23.74% of the 2020 budget.
- Intergovernmental Revenues are those sources paid to Island County from State and federal agencies. These revenues are higher than last year due to higher levels of activity and reimbursement. The low percent of budget (8.69%) is normal for this time of year as compared to 2019.
- Charges for Services are higher than 2019 by \$161,000 but reflect a lower percent of the 2020 budget (17.12%). The Solid Waste Fund was the primary contributor to this increase.
- Fine & Penalties are lower than 2019 totals by \$18,676 and reflect a lower percent of the 2020 budget (18.60%).
- Miscellaneous and Interest revenue are those sources for fees & rents paid for internal services as well as insurance reserves. Interest income for the County is also tracked here. This category is lower than the 2019 3 month total but is at 28% of the 2020 budget.
- Transfers and Other Sources accounts for payments between funds as well as debt or capital financing. The 2020 balances are higher than 2019 due to a change in how cost and salary allocation were budget for 2020. The 61% of budget total is achieved by the processing of the full annual amounts in March.
- Salaries are slightly higher than 2019 totals and on par as a percent of total budget (19.60%).
- Benefits costs are slightly higher than 2019 balances but within budget for this time of year.
- Maintenance & Operations costs of \$3,850,110 through March 31 are in line with budget and 2019 actuals.
- Intergovernmental costs account for payments to outside government agencies. The 2020 total of \$723,618 is in line with the 2020 budget and similar to 2019 actuals.
- Capital costs of \$1.2 million are related to the construction of the Camano Admin building and the Crisis Stabilization center. Costs are in line with budget expectations.
- InterDept & Transfer costs track payments between funds. The 2020 balance is at 45% of 2020 budget due to the annual cost allocation entries made in March.

Countywide - All Departments & Funds						
	YTD @	2020 Adopted		YTD @	2019 Adopted	
	3/31/2020	Budget	% of Budget	3/31/2019	Budget	% of Budget
USE FUND BALANCE/RESERVE		10,115,522	0.00%		10,262,515	0.00%
PROPERTY TAXES	1,654,514	18,442,428	8.97%	1,657,839	18,303,666	9.06%
SALES TAXES	989,905	14,805,918	6.69%	940,497	14,282,000	6.59%
OTHER TAXES	995,795	5,763,200	17.28%	946,050	6,238,850	15.16%
LICENSES & PERMITS	575,001	2,422,450	23.74%	596,236	2,037,744	29.26%
INTERGOVERNMENT REVENUES	1,656,688	19,057,092	8.69%	1,376,193	17,215,821	7.99%
CHARGES FOR SERVICES	2,984,327	17,427,720	17.12%	2,823,301	15,495,329	18.22%
FINES & PENALTIES	76,822	412,970	18.60%	95,498	450,902	21.18%
MISCELLANEOUS & INTEREST	2,145,606	7,665,629	27.99%	2,539,579	7,819,979	32.48%
TRANSFERS & OTHER SOURCES	8,697,936	14,272,842	60.94%	5,577,555	16,284,028	34.25%
Total Revenues	19,776,594	110,385,771	17.92%	16,552,748	108,390,834	15.27%
SALARIES	5,830,594	29,748,688	19.60%	5,637,357	28,747,884	19.61%
BENEFITS	2,589,077	12,788,520	20.25%	2,452,447	12,494,296	19.63%
MAINTENANCE & OPERATIONS	3,850,110	32,378,224	11.89%	3,743,225	29,084,364	12.87%
INTERGOVERNMENT	723,618	3,010,224	24.04%	947,418	3,655,521	25.92%
CAPITAL	1,273,838	15,970,343	7.98%	55,052	16,955,942	0.32%
INTERDEPT & TRANSFERS	4,833,765	10,673,956	45.29%	7,255,402	13,303,765	54.54%
DEBT SERVICE	672	1,895,125	0.04%	573	931,700	0.06%
ACCUM FUND BALANCE/RESERVE		3,920,690	0.00%		3,217,362	0.00%
Total Expenditures	19,101,674	110,385,771	17.30%	20,091,474	108,390,834	18.54%

Results by Fund & Department

The attached Financial Report by Department breaks down revenues and expenses by category with a comparison to the 2019 results for the same period by department. While a lot of data to absorb, these reports provide insight into how individual departments have performed in the first three months of this year. I do not believe there are any extraordinary issues to detail at this time but am available to answer questions.