



2010 General Fund Financial Status Report

June 22, 2010

Overview

The Thurston County Economic Development Council reports that consumer confidence is increasing, as is the leading economic indicator index. These indicators, as well as the county sales tax revenue and permits issued, mirror the state's experience as reported by the Washington State Economic and Revenue Forecast Council.

In Thurston County, general fund major revenue sources – property and sales taxes – are coming in close to the original budget estimates. At this time there are no known reductions in state or federal funding. Document recording fees are below the amount anticipated in the 2010 budget, but higher-than-anticipated revenues in other fees and fines make up for the loss.

County general fund expenditures are on track to be at or below budgeted amounts at the end of the fiscal year for every county office and department.

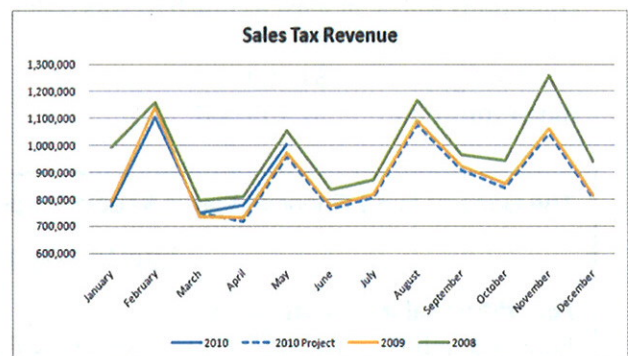
Overall, the Thurston County general fund is projected to have an ending fund balance about \$1 million higher than the original budget estimate. This is mainly due to under-expenditures in 2009. The 2010 projected ending fund balance is currently anticipated to be \$8.1 million, approximately 11% of the general fund annual revenue.

Major Revenue Sources

Property Tax: Property tax payments are following normal collection patterns. As of May, 51% of the assessed property tax value has been collected. Historically the county collects approximately 98% of the amount budgeted for property taxes. The 2010 projection assumes the county will continue this historic trend.

2010 Budget: \$34,404,000
 June Projection: \$33,776,000

Sales Tax: Sales tax revenue for the period January – May 2010 is approximately one percent higher than the same period in 2009. In March 2010 sales tax revenue was higher than in March 2009, the first year-over-year positive change since November 2008. April and May 2010 were also higher than the same months in 2009; this is the first time since August 2007 that there were three consecutive months of positive year-over-year change. The projection assumes that in 2010 revenue will equal the amount collected in 2009.



Effective June 1, the sales tax is extended to candy and bottled water. This will increase sales tax revenue, however at this time we don't know how much. This projection does not include an estimate for the new tax.

2010 Budget: \$10,700,000
 June Projection: \$10,700,000

Other Revenue Sources

Franchise Fees: The county collects franchise fees from cable service providers for use of county rights-of-way. The fees are based on the number of cable customers, which is increasing. Fees for 2010 are higher than anticipated in the original budget.

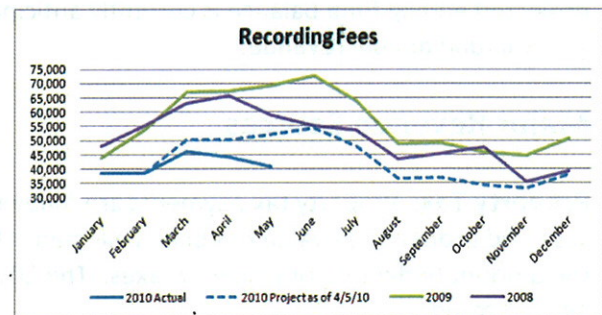
2010 Budget: \$1,579,000
 June Projection: \$1,688,000

Liquor Taxes: Liquor tax revenue is received by the county in quarterly payments. In past years, the quarterly receipts are roughly equal – the amounts received in the second, third and fourth quarters are about the same as in the first quarter. The first quarterly payment, received in May, was 20% higher than expected in the original budget. Liquor tax receipts are expected to continue at this higher rate.

2010 Budget: \$651,000
 June Projection: \$796,000

Auditor Recording Fees: The number of documents being filed with the County Auditor, and the associated fees, are significantly lower than estimated in the 2010 budget. The Auditor expects this to continue throughout the year. The projection assumes 30% less than originally budgeted.

2010 Budget: \$750,000
 June Projection: \$550,000



Traffic Infraction Penalties: In the past two years, penalties paid for traffic infractions grew by 7%. Revenue in January – May 2010 continue to show a similar growth pattern. However, traffic infraction payments are unpredictable. At this time, the projection assumes that 2010 traffic infraction penalty collections will be at least as much as was collected in 2008.

2010 Budget: \$1,000,000
 June Projection: \$1,135,000

The General Fund Financial Status Report is updated monthly and is available on the county website:
<http://www.co.thurston.wa.us/budget/>

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General Fund Financial Plan

As of June 3, 2010

	Year →	2010	2010
		Revised Budget	Forecast
Beginning Fund Balance		5,408,780	7,038,910
Property Tax Revenue (includes diversion)		34,404,136	33,776,053
Excise Tax		200,000	200,000
Sales Tax (Local & Criminal Justice)		13,000,000	13,000,000
Fees		326,369	318,305
Penalties & Interest		2,197,000	2,257,000
Licenses & Permits		1,652,406	1,752,038
Intergovernmental		8,252,615	8,332,058
Other Revenue		16,169,106	16,056,559
Total Revenue		76,201,632	75,692,013
Baseline Expenditures		74,189,119	74,189,119
1st Budget Amendment - 4/20		482,692	482,692
2nd Budget Amendment - 7/20		0	0
3rd Budget Amendment - 9/28		0	0
4th Budget Amendment - 12/14		0	0
Total Expenditures		74,671,811	74,671,811
Ending Fund Balance		6,938,601	8,059,112
EFB as % of Expenditures		9.3%	10.8%
Adopted Fund Balance Policy:		6,222,651	6,222,651
Financial Policy Recommendation:		8,960,617	8,960,617

