



## San Juan County Auditor

1<sup>st</sup> Quarter Report 2019

# San Juan County 1<sup>st</sup> Quarter 2019 Financial Review

F. Milene Henley, County Auditor  
June 4, 2019



## San Juan County Auditor

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# REVENUE



## San Juan County Auditor

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### Current Expense Revenues

Revenue Type	Adj Budget	Revenues	% Rcvd	Avg % '15-'18
Cash	1,242,373	0	0.00%	
General Property Taxes	6,476,483.00	896,881.98	13.85%	15.44%
Retail Sales and Use Taxes	7,288,283.00	1,557,635.83	21.37%	20.31%
Excise Taxes	19,000.00	4,709.03	24.78%	19.52%
Taxes	13,783,766	2,459,227	17.84%	17.85%
Licenses and Permits	1,199,290	303,666	25.32%	26.58%
Intergovernmental Revenue	834,265	265,315	31.80%	27.38%
Charges for Goods/Services	1,626,511	490,399	30.15%	21.43%
Fines and Forfeits	279,560	89,906	32.16%	25.34%
Miscellaneous Revenues	809,560	170,093	21.01%	17.23%
Nonrevenues	400,000	0	0.00%	
Other Financing Sources	197,288	0	0.00%	
<b>Grand Total</b>	<b>20,050,843</b>	<b>18,807,023</b>	<b>93.80%</b>	
<b>Grand Total excluding Cash</b>	<b>18,461,808</b>	<b>18,807,023</b>	<b>101.87%</b>	



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### CE Revenue by Department

Department	Adj Budget	Revenues	Prct Rcvd
General	13,600,066	2,415,678	17.76%
County Administration	7,000	2,011	28.73%
Assessor	18,580	0	0.00%
Auditor	293,800	81,065	27.59%
Facilities	125,900	27,042	21.48%
Clerk	89,414	25,368	28.37%
County Council	0	0	-



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### CE Revenue by Department

Department	Adj Budget	Revenues	Prct Rcvd
Dispatch / E911	780,619	264,604	33.90%
Community Development & Planning	1,185,065	249,702	21.07%
County Agent	6,000	0	0.00%
District Court/Probation	189,130	55,566	29.38%
Election Reserve	77,025	13,206	17.15%
General Administration	538,262	42,513	7.90%
Health & Community Services	328,023	162,480	49.53%
Jail	10,000	2,867	28.67%



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### CE Revenue by Department

Department	Adj Budget	Revenues	Prct Rcvd
Juvenile Court	30,200	0	0.00%
Law Library	0	0	-
Operating Transfers	0	0	-
Prosecuting Attorney/Coroner	121,163	27,578	22.76%
Sheriff	533,550	116,119	21.76%
Superior Court	49,293	1,486	3.01%
Treasurer	1,147,150	291,318	25.39%
<b>County Current - General</b>	<b>19,130,240</b>	<b>3,778,606</b>	<b>19.75%</b>



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### County Revenues

Revenue Type	Adj Budget	Revenues	% Rcvd	Avg % '15-'18
Cash	30,365,631	0	0.00%	
General Property Taxes	11,075,188	1,682,617	15.19	15.49%
Retail Sales and Use Taxes	9,995,889	2,014,720	20.16	19.03%
Excise Taxes	30,210	5,815.55	19.25	15.44%
Other Taxes	6,729,000	988,741.81	14.69	18.51%
Taxes	27,830,287	4,691,894	16.86%	17.85%
Licenses and Permits	1,268,555	327,973	25.85%	27.29%
Intergovernmental Revenue	10,058,088	2,156,217	21.44%	22.60%
Charges for Goods/Services	4,714,794	1,265,799	26.85%	20.87%
Fines and Forfeits	282,120	90,767	32.17%	25.27%
Miscellaneous Revenues	4,265,630	569,666	13.35%	15.45%
Nonrevenues	455,669	11,128	2.44%	
Other Financing Sources	8,626,973	1,239,972	14.37%	
<b>Grand Total</b>	<b>87,867,747</b>	<b>10,353,417</b>	<b>11.78%</b>	
<b>Grand Total excluding Cash</b>	<b>57,502,116</b>	<b>10,353,417</b>	<b>18.01%</b>	



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### County Revenue by Fund

Fund & Department Name	Adj Budget	Revenues	Prct Used
County Current - General	19,130,240	3,778,606	19.75%
Current Expense Grants Clearing	3,598,225	902,807	25.09%
Budget Stabilization Fund	186,265	5,294	2.84%
Insurance Cumulative Reserve	101,000	370	0.37%
Emergency Management	139,941	0	0.00%
SJC Conservation Area Fund	4,724,110	794,133	16.81%
Land Bank Stewardship & Management	1,755,704	327,845	18.67%
SJC Noxious Weed Control	170,641	27,987	16.40%
Veterans' Assistance Fund	80,858	13,045	16.13%
San Juan County Parks	1,989,048	762,646	38.34%



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### County Revenue by Fund

Fund & Department Name	Adj Budget	Revenues	Prct Used
Treasurer's Operation & Maintenance	39,400	6,330	16.07%
Dog License	24,765	12,107	48.89%
County Roads	11,045,347	1,896,024	17.17%
Lodging Tax Fund	1,716,039	212,086	12.36%
Eastsound Parking Fund	10,000	0	0.00%
Auditor Document Preservation	63,500	3,282	5.17%
Crime Victims	7,110	2,014	28.33%
Mental Health Tax Fund	550,000	133,096	24.20%
Orcas Senior Services Building	78,145	23,117	29.58%
Septic & Housing Loans	113,200	3,527	3.12%
Public Facilities Improvement Receiving	572,000	122,194	21.36%



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### County Revenue by Fund

Fund & Department Name	Adj Budget	Revenues	Prct Used
Affordable Housing Fund	1,586,400	260,226	16.40%
Criminal Justice Receiving Fund	213,400	59,556	27.91%
Bond Redemption Fund	1,007,558	2	0.00%
Capital Improvement Fund	2,014,300	240,739	11.95%
Solid Waste Fund	361,580	92,566	25.60%
Solid Waste Projects Fund	331,000	41,556	12.55%
Clean Water Utility Fund	500,000	77,737	15.55%
Clean Water Utility Capital Projects	1,212,481	48,355	3.99%
Equipment Rental & Revolving	2,365,235	57,881	2.45%
Information Technology	1,814,624	448,288	24.70%
<b>Grand Total</b>	<b>57,502,116</b>	<b>10,353,417</b>	<b>18.01%</b>



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# EXPENDITURES



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# CE Expenditures by Object Code

Type of Expenditure	Adj Budget	Expenditures	Prct Used
Cash and Transfers	1,266,999	362,210	28.59%
Salaries and Wages	10,508,370	2,529,213	24.07%
Personnel Benefits	3,982,799	931,153	23.38%
Supplies	300,062	63,654	21.21%
Charges for Services	4,250,788	688,882	16.21%
Capital Outlays	28,595	10,584	37.01%
Debt Service: Interest and Related Costs	35,000	0	0.00%
Grand Total	20,372,613	4,585,695	22.51%



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### CE Expenditures by Dept

Fund & Department Name	Adj Budget	Expends	Prct Used
County Administration	900,501	205,798	22.85%
Assessor	1,202,222	291,538	24.25%
Auditor	1,082,194	247,432	22.86%
Board of Equalization	6,864	0	0.00%
Facilities	861,071	202,803	23.55%
Civil Service	21,431	3,945	18.41%
Clerk	433,205	105,117	24.26%
County Council	625,559	153,521	24.54%



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### CE Expenditures by Dept

Fund & Department Name	Adj Budget	Expends	Prct Used
Dispatch / E911	1,133,280	267,318	23.59%
Community Development & Planning	2,325,550	501,975	21.59%
County Agent	256,198	19,106	7.46%
District Court/Probation	774,283	200,257	25.86%
Election Reserve	310,545	49,014	15.78%
General Administration	1,460,196	99,932	6.84%
Health & Community Services	1,842,142	388,470	21.09%
Jail	552,242	99,055	17.94%



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### CE Expenditures by Dept

Fund & Department Name	Adj Budget	Expend	Prct Used
Juvenile Court	524,645	121,930	23.24%
Law Library	29,409	6,510	22.14%
Operating Transfers	632,900	352,117	55.64%
Prosecuting Attorney/Coroner	1,284,323	307,902	23.97%
Sheriff	3,330,796	769,427	23.10%
Superior Court	309,907	69,408	22.40%
Treasurer	473,150	123,122	26.02%
<b>County Current - General</b>	<b>20,372,613</b>	<b>4,585,695</b>	<b>22.51%</b>



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### County Expend by Object Code

Type of Expenditure	Adj Budget	Expend	Prct Used
Cash and Transfers	7,653,692	945,535	12.35%
Salaries and Wages	18,178,229	4,231,670	23.28%
Personnel Benefits	7,092,571	1,678,470	23.67%
Supplies	2,662,437	326,451	12.26%
Charges for Services	14,325,930	2,210,816	15.43%
Capital Outlays	10,734,420	1,251,103	11.66%
Debt Service: Principal	793,262	0	0.00%
Debt Service: Interest and Related Costs	297,452	750	0.25%
<b>Grand Total</b>	<b>61,737,993</b>	<b>10,644,795</b>	<b>17.24%</b>





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### County Expenditures by Fund

Fund & Department Name	Adj Budget	Expends	Prct Used
Current Expense Grants Clearing	3,743,575	658,745	17.60%
Insurance Cumulative Reserve	294,764	22,757	7.72%
Emergency Management	139,941	42,790	30.58%
SJC Conservation Area Fund	5,630,912	764,434	13.58%
Land Bank Stewardship & Management	1,193,697	242,705	20.33%
SJC Noxious Weed Control	183,205	30,681	16.75%
Veterans' Assistance Fund	139,273	12,279	8.82%
San Juan County Parks	1,973,690	267,580	13.56%
Treasurer's Operation & Maintenance	50,186	4,546	9.06%
Current Expense Grants Clearing	3,743,575	658,745	17.60%



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### County Expenditures by Fund

Fund & Department Name	Adj Budget	Expends	Prct Used
Dog License	24,765	2,830	11.43%
County Roads	12,215,344	1,589,971	13.02%
Lodging Tax Fund	1,871,718	459,716	24.56%
Auditor Document Preservation	75,749	7,183	9.48%
Crime Victims	10,000	0	0.00%
Mental Health Tax Fund	803,103	64,299	8.01%
Orcas Senior Services Building	78,145	17,104	21.89%
Septic & Housing Loans	254,843	750	0.29%
Public Facilities Improvement Receiving	615,555	149,104	24.22%
Affordable Housing Fund	1,012,440	22,189	2.19%



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### County Expenditures by Fund

Fund & Department Name	Adj Budget	Expends	Prct Used
Criminal Justice Receiving Fund	185,000	0	0.00%
Bond Redemption Fund	1,007,558	0	0.00%
Capital Improvement Fund	3,590,240	270,091	7.52%
Solid Waste Fund	376,151	59,681	15.87%
Solid Waste Projects Fund	282,298	89,641	31.75%
Clean Water Utility Fund	554,443	68,258	12.31%
Clean Water Utility Capital Projects	856,487	5,120	0.60%
Equipment Rental & Revolving	2,387,674	540,439	22.63%
Information Technology	1,814,624	666,209	36.71%
<b>Grand Total</b>	<b>61,737,993</b>	<b>10,644,795</b>	<b>17.24%</b>



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**CASH**



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### Beginning Cash 2019 – Budget vs Actual

Fund	Budget	Actual	\$ Diff	% Diff
County Current	3,300,000	3,105,692	-194,308	-5.89%
Current Expense Grants	1,247,945	1,696,054	448,109	35.91%
Budget Stabilization Fund	1,886,284	1,888,502	2,218	0.12%
Insurance Cumulative Reserve	193,764	251,443	57,679	29.77%
Emergency Management	0	0	0	
SJC Conservation Area Fund	4,891,803	3,267,251	-1,624,552	-33.21%
Land Bank Stewardship & Mgt	4,519,423	4,555,133	35,710	0.79%
SJC Noxious Weed Control	266,330	270,661	4,331	1.63%



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### Beginning Cash 2019 – Budget vs Actual

Fund	Budget	Actual	\$ Diff	% Diff
Veterans' Assistance Fund	58,415	74,024	15,609	26.72%
San Juan County Parks	19,372	21,143	1,771	9.14%
Treasurer's Operation & Maintenance	101,736	95,955	-5,781	-5.68%
Dog License	5,800	7,308	1,508	25.99%
County Roads	2,827,188	4,302,226	1,475,038	52.17%
Lodging Tax Fund	1,869,285	1,982,800	113,515	6.07%
Eastsound Parking Fund	0	0	0	
Auditor Document Preservation	143,832	144,641	809	0.56%



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### Beginning Cash 2019 – Budget vs Actual

Fund	Budget	Actual	\$ Diff	% Diff
Crime Victims	16,201	16,589	388	2.39%
Mental Health Tax Fund	1,081,907	1,071,977	-9,930	-0.92%
Orcas Senior Services Building	9,068	90	-8,978	-99.00%
Septic & Housing Loans	264,562	324,948	60,386	22.82%
Public Facilities Improvement	961,013	1,047,621	86,608	9.01%
Affordable Housing Fund	246,583	275,836	29,253	11.86%
Criminal Justice Receiving Fund	132,222	140,377	8,155	6.17%
Bond Redemption Fund	1,502	1,509	7	0.47%



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### Beginning Cash 2019 – Budget vs Actual

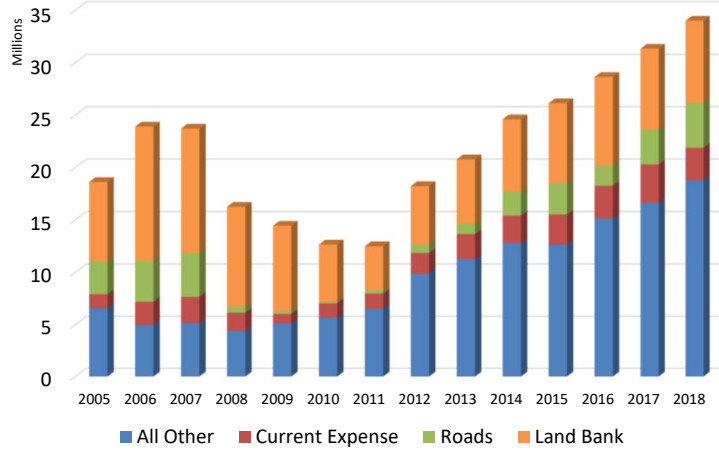
Fund	Budget	Actual	\$ Diff	% Diff
Capital Improvement Fund	4,886,288	4,965,414	79,126	1.62%
Solid Waste Fund	456,611	444,205	-12,406	-2.72%
Solid Waste Projects Fund	451,753	571,123	119,370	26.42%
Clean Water Utility Fund	272,570	929,475	656,905	241.00%
Clean Water Utility Capital Projects	281,589	315,949	34,360	12.20%
Equipment Rental & Revolving	1,929,813	2,074,301	144,488	7.49%
Information Technology	100,399	148,486	48,087	47.90%
<b>Grand Total</b>	<b>32,423,258</b>	<b>33,990,732</b>	<b>1,567,474</b>	<b>4.83%</b>



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### Ending Cash All Funds 2005-2018



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## IS THE ECONOMY SLOWING?



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### Real Estate Sales\*

	2017 1 <sup>st</sup> Qtr \$ Volume	2018 1 <sup>st</sup> Qtr \$ Volume	2019 1 <sup>st</sup> Qtr \$ Volume
SJ Island	\$27,615,549	\$19,911,458	\$17,411,600
SJ County	\$47,825,819	\$49,413,039	\$37,107,888

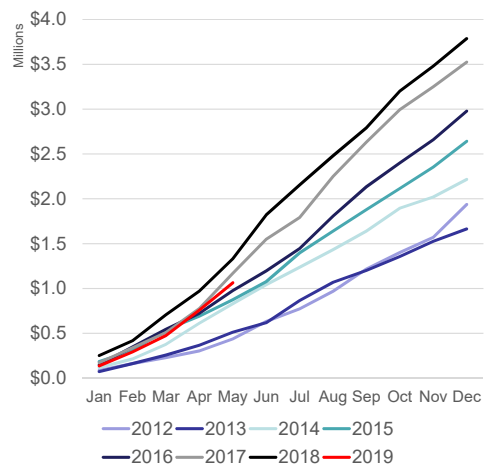
\* Data courtesy Merri Ann Simonson, Coldwell Banker



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### Land Bank REET 1<sup>st</sup> Quarter — 2012-2019





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### Sales Tax Growth 2009-2019

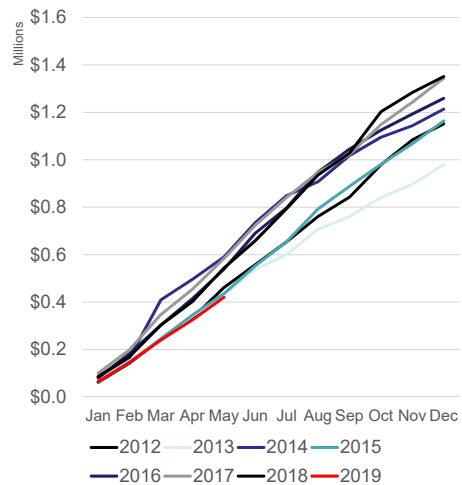
Year	Total Sales Tax (Co)	Growth
2009	\$4,896,775	
2010	\$5,220,503	6.61%
2011	\$5,146,479	-1.42%
2012	\$5,394,850	4.83%
2013	\$6,289,442	16.58%
2014	\$6,962,732	10.71%
2015	\$7,605,128	9.23%
2016	\$8,481,281	11.52%
2017	\$9,194,289	8.41%
2018	\$9,553,770	3.91%



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### Permitting & Planning Revenue 1<sup>st</sup> Quarter — 2012-2019

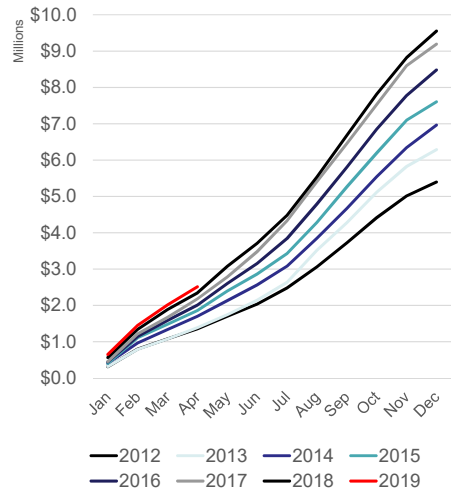




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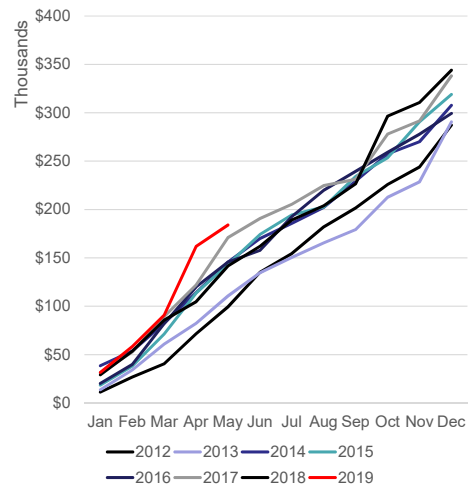
## County-wide Sales Tax 1st Quarter — 2012-2019



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## Fines & Forfeits 1st Quarter — 2012-2019



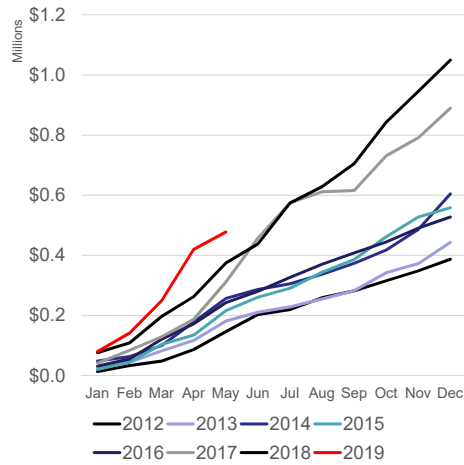




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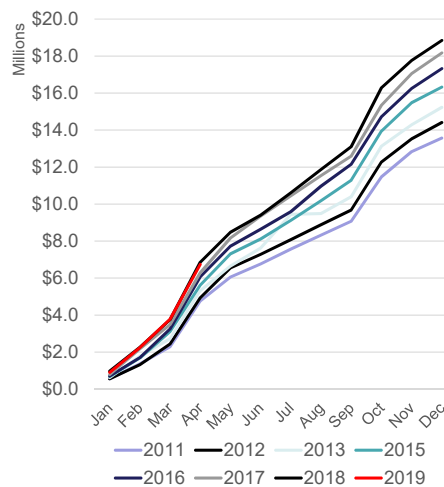
## Interest Earnings 1st Quarter — 2012-2019



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## Total Current Expense Revenue 1st Quarter — 2011-2019





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# Annual Review of Internal Control

The role of Information Technology in Internal Control



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### IT is a tool

- It does not automatically make data more secure, nor transactions more proper
- It can improve data handling and security
- It can facilitate or impede internal theft
- It can be used for external theft or fraud



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### Benefits of using IT, from an internal control viewpoint

- Ensures accurate calculations
- Consistently applies business rules (e.g., the requirement to apply expenses to BARS codes)
- Enhances availability and analysis of data
- Enhances segregation of duties by applying enabling security controls (“permissions”)



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### Risks of using IT, from an internal control viewpoint

- Reliance on automatic systems without separately ensuring accuracy
- Unauthorized access to data, or to system controls
- Loss of data
- Inappropriate intervention



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### Two types of controls

- General Controls
- Application Controls



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### General Controls

- Apply to all information systems
- Include:
  - Purchase processes
  - Physical security
  - Restrictions on access to data and to equipment

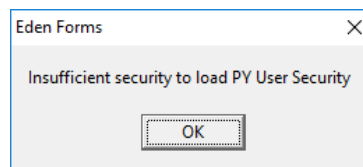


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### Application Controls

- Specific to individual applications
- Both digital and physical controls
- Include:
  - **Input controls** verify that data received is both authorized and accurate
    - Approvals processes
    - Limitations on access
    - Internal verifications (e.g. spending limits)





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# Application Controls

- Include:
  - **Process controls** verify that data processing is working as intended
    - Audit trails
    - System logs
  - **Output controls** verify that results are accurate
    - Batch totals
    - Comparing input totals to output totals



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# Role of IT Staff

- Understanding the County's business
- Understanding the interaction between County systems
- Assisting with transitions
- Identifying risks
- Maintaining controls

