

PEND OREILLE COUNTY 2019 BUDGET FAQs

What are funds and why does the county have them?

Pend Oreille County receives revenues from many different sources. Most of them have restrictions on how they can be used. For example, monies received through taxes and grants specifically for the Road Fund must be used to operate and maintain the County Roads. The County uses funds to budget, as well as to report to the state and citizens in the mandatory annual report. Fund accounting is used to demonstrate legal compliance and to aid in financial management by segregating transactions related to certain government functions or activities. Pend Oreille County budgeted funds are classified into 5 categories



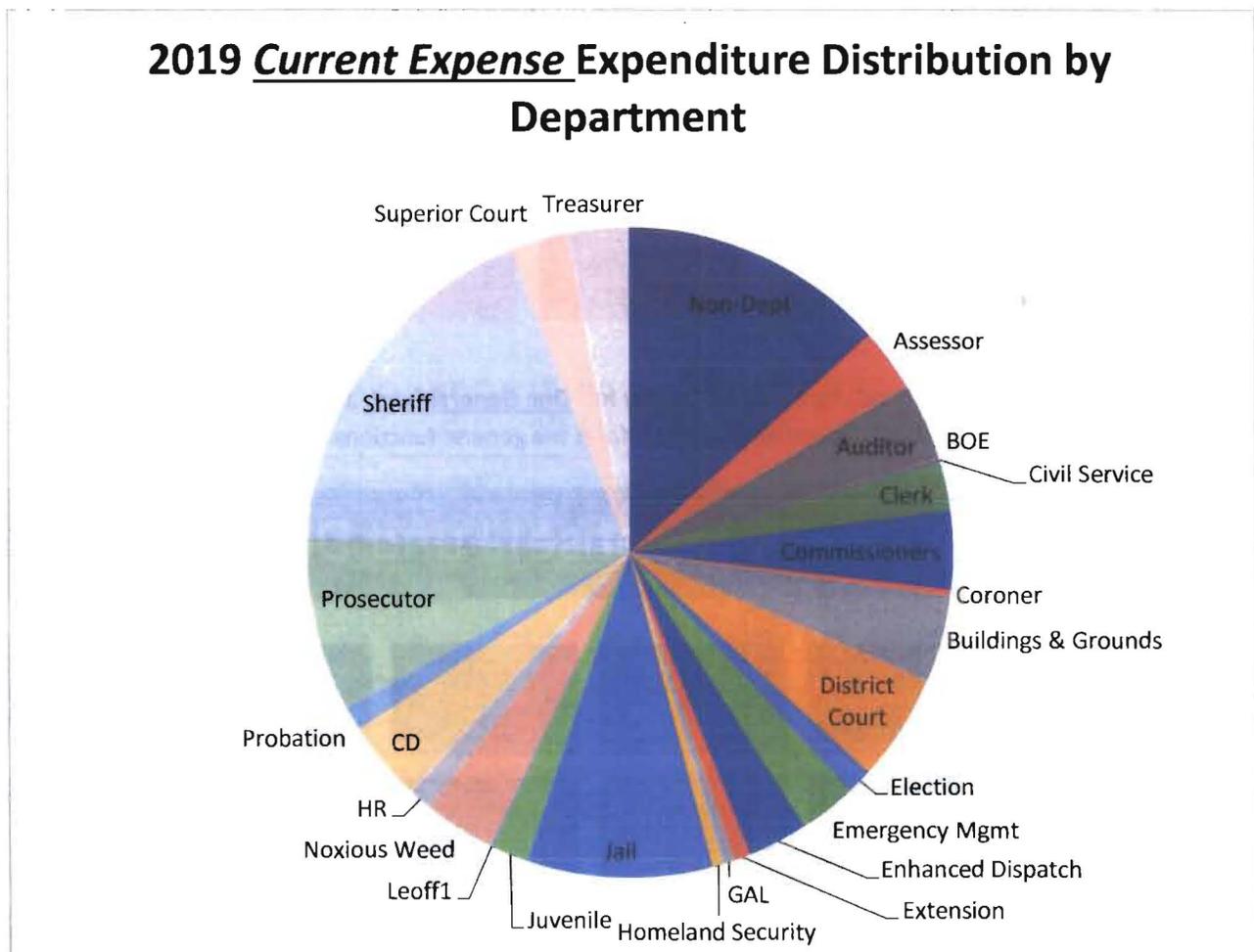
General (Current Expense) Fund: Pend Oreille County has **One General fund**, also known as the Current Expense Fund. It is made up of departments that perform the general functions of local government.

General (Current Expense) Fund Departments

Assessor	Auditor	Board of Equalization	Civil Service	Clerk	Commissioners
Coroner	Buildings & Grounds	District Court	Elections	Emergency Management	Enhanced Dispatch
Extension	Guadian Ad Litem	Homeland Security	Jail	Juvenile	Leoff 1
Noxious Weed	Human Resources	Community Development	Probation	Prosecuting Attorney	Sheriff
		Superior Court	Treasurer		

Why are some of the Departments within the Current Expense Fund expenditures more than their revenue?

The majority of revenues in the Current Expense Fund are received in the Treasurer or Commissioner departments but all the departments in Current Expense fund must share the total revenues amongst all the departments. Budgeting and prioritizing the spread of the total revenue between all the departments is the constitutional duty of the County Board of Commissioners.



RCW 36.40.100

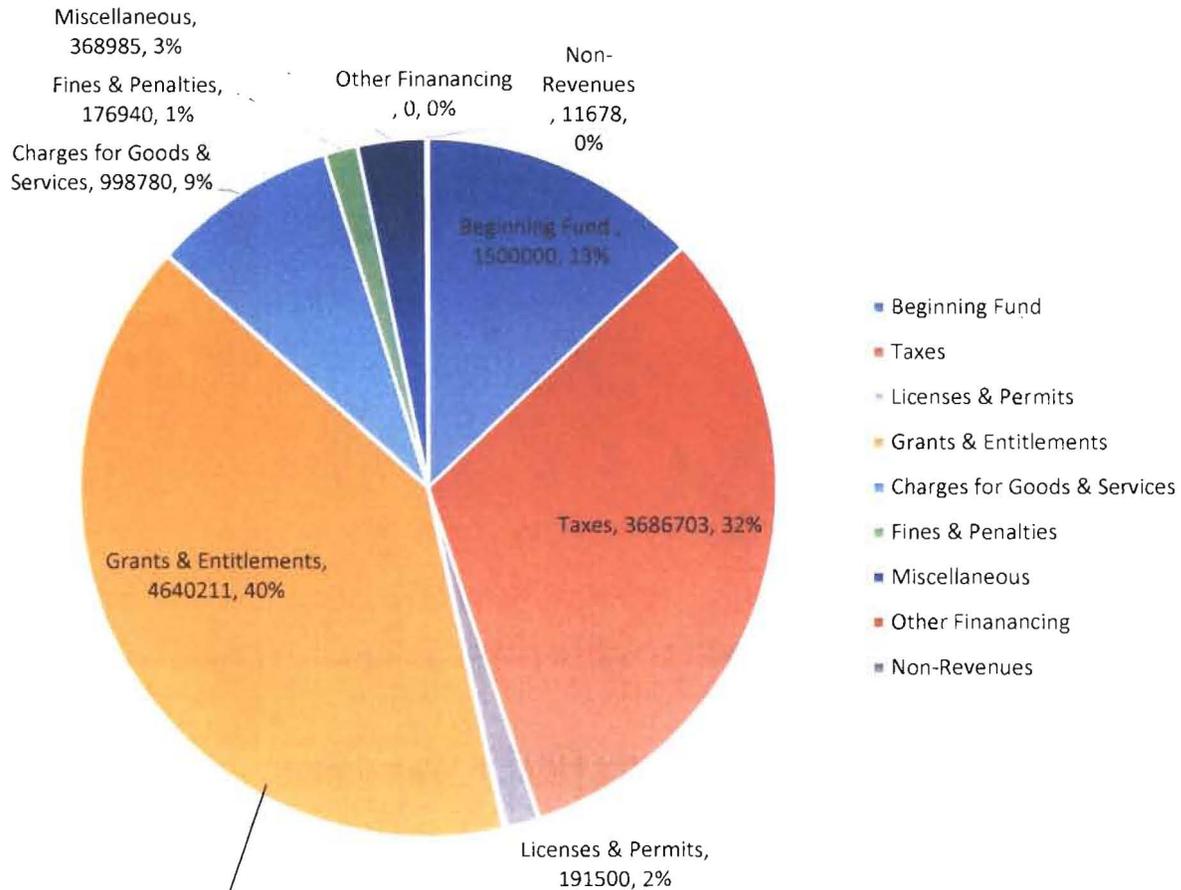
Budget constitutes appropriations—Transfers—Supplemental appropriations.

The estimates of expenditures itemized and classified as required in RCW 36.40.040 and as finally fixed and adopted in detail by the board of county commissioners shall constitute the appropriations for the county for the ensuing fiscal year; and every county official shall be limited in the making of expenditures or the incurring of liabilities to the amount of the detailed appropriation items or classes respectively: PROVIDED, That upon a resolution formally adopted by the board at a regular or special meeting and entered upon the minutes, transfers or revisions within departments, or supplemental appropriations to the budget from unanticipated federal or state funds may be made: PROVIDED FURTHER, That the board shall publish notice of the time and date of the meeting at which the supplemental appropriations resolution will be adopted, and the amount of the appropriation, once each week, for two consecutive weeks prior to the meeting in the official newspaper of the county.

What is the largest source of revenue in the Current Expense Fund?

For Pend Oreille County the largest source of revenue comes from Federal and State grants and entitlements. The second largest source of funding is from taxes.

2019 Current Expense Fund Revenue Sources

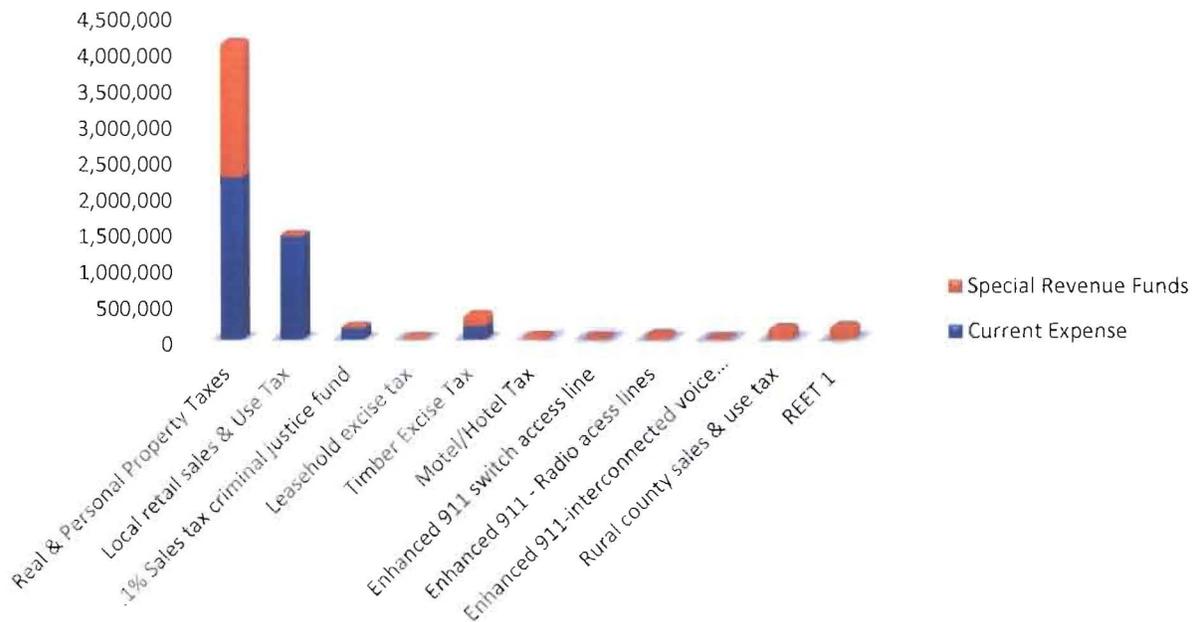


2019 Pend Oreille County Grants & Entitlement Breakdown

331	Direct Federal Grant	7,670
332	Federal Impact payments (PILT)	1,360,741
333	Indirect Fed Grants	435,413
334	State Grants	362,164
335	State Shared Revenues (PUD)	391,348
336	State Impact payments	794,259
337	Interlocal Impact payments (SCL)	1,641,456

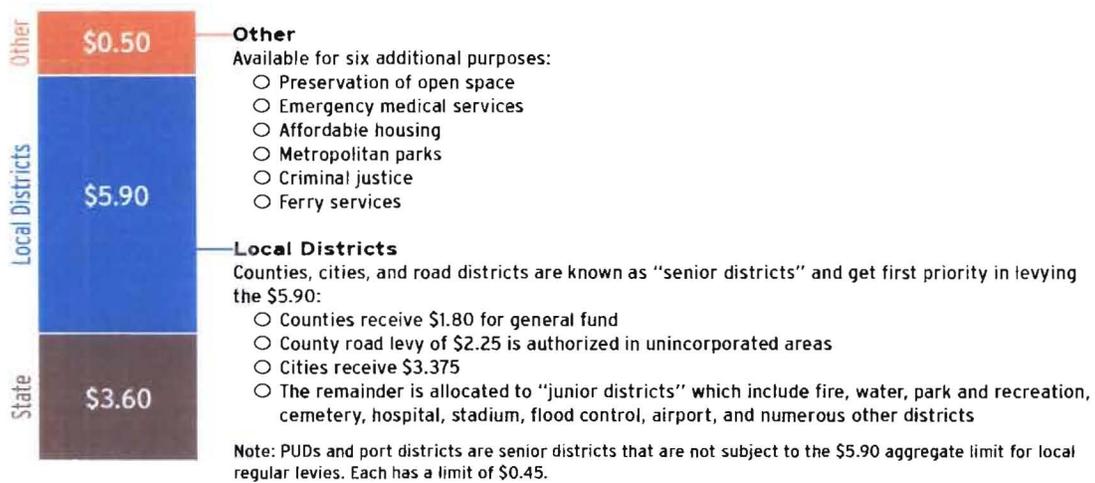
Where do the taxes come from for Pend Oreille County?

Pend Oreille County Tax Revenue Sources ALL FUNDS



Property Tax Revenues are the county's largest source of tax revenue. Both Current Expense and Road Fund have a property tax levy.

\$10 Property Tax Limit In Washington



What does it mean if the County has a Road Levy Shift?

Washington law allows county governments to collect two separate property tax levies through the county general levy and road levy. The county general levy is limited to collecting no more than \$1.80 per \$1,000 of assessed value for the general operating budget of county government. The road levy is limited to collecting no more than \$2.25 per \$1,000 of assessed value to be used for "proper county road purposes." (See RCW 36.82.020.) At the option of the county legislative authority, some of the levy capacity of the road levy may be shifted to increase the county general levy.

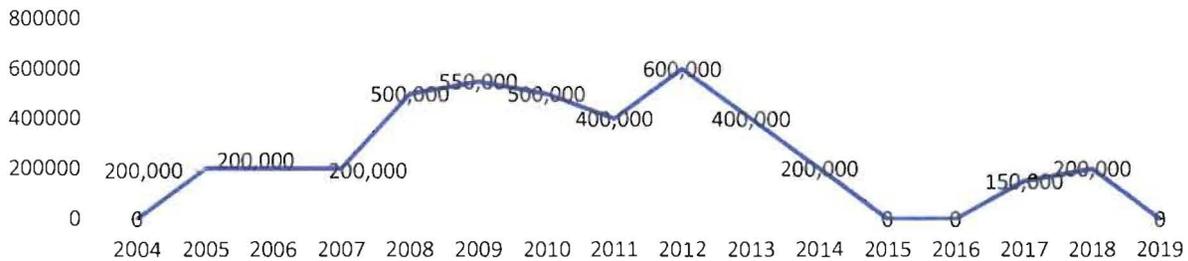
What is the 2019 levy rates for Pend Oreille County?



Did Pend Oreille County have a Road Levy Shift in 2019?

No, Pend Oreille County did not utilize a road levy shift in 2019.

Historical Road Levy shift amount



How does the 1% annual property tax limit affect the County budget?

The 1% limit applies to the increase of total levy tax limit from one year to the next. Most citizens are surprised to learn that the 1% limit in 2019 amounted to \$20,815.95 increase to the Current Expense Property tax revenue and \$20,300.88 increase to the Road fund property tax revenue. The remaining increase in property tax revenue comes from new construction and in 2019 amounted to \$34,393.45 to Current Expense Fund and \$30,265.72 to the Road Fund. If you are interested in learning more about Washington State Property tax :

https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/Prop_Tax/LevyManual.pdf

How much of my Sales Tax dollars go to Pend Oreille County?

Pend Oreille County only receives sales tax from purchases within the County. The sales tax from your purchases in any of the cities in Pend Oreille County would go to the respective city. Likewise, your sales tax paid in Spokane County stays in Spokane. Laws addressing internet orders from out of state have not yet resulted in a significant amount to Pend Oreille County. The amount budgeted for 2019 Sales & Use Tax for Pend Oreille County is \$1,200,000. The Washington Department of Revenue offers a tax lookup tool that may be helpful in answering where your sales tax will go. The link is <https://webgis.dor.wa.gov/taxratelookup/SalesTax.aspx>

Pend Oreille County Historical Local Retail Sales & Use Tax

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
1,249,203	999,400	1,122,759	1,173,289	1,051,769	1,158,907	1,424,660

Is Pend Oreille County audited by an outside source?

All local governments are required by [RCW 43.09.230](#) to submit an annual financial report to the Washington State Auditor's office within 150 days of the end of their fiscal year.

Washington State is unique in the fact that the Washington State Auditor's Office (SAO) designed and manages the chart of accounts for all local governments within Washington State, so that data can be collected uniformly from all public entities for comparison purposes for citizens and the legislature. The system is called the Budgeting, Accounting and Reporting System (BARS). The State Auditor's office audits Pend Oreille County annually.

The Audited County annual reports can be viewed on the State Auditor website <https://www.sao.wa.gov/>

What if I have more budget questions?

If you have more questions we encourage you to contact the Auditor's office at 509-447-6470.