



**2017  
Fourth  
Quarter  
Financial  
Report**

Jack Louws, County Executive

Compiled and Presented by the  
Administrative Services Department  
Finance Division

Brad Bennett, Finance Manager

February 21, 2018

# Whatcom County Fourth Quarter 2017 Financial Report

For the Quarter Ended December 31, 2017



## Executive Summary

The following information presents Whatcom County's fourth quarter 2017 financial report. The General Fund collected about 98% of its budgeted revenues and year-end adjustments are expected to result in revenues being about \$300,000 over budget. The General Fund expended 91.67% of its 2017 budget. Normally the General Fund expends approximately 95% of its budget. The difference this year is due to the \$2.5 million budgeted transfer to support emergency medical services that was not necessary due to the passage of the emergency medical services property tax levy.

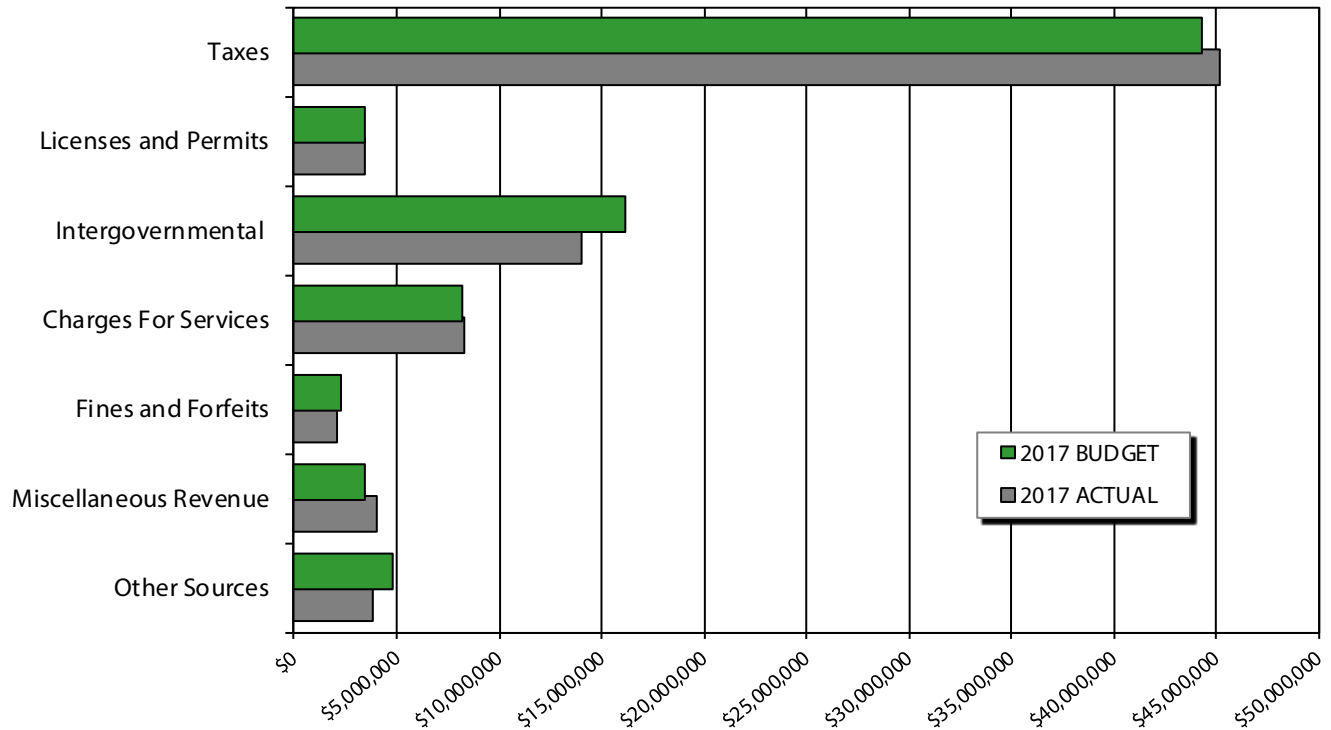
The estimated 2017 General Fund ending fund balance is projected to be approximately \$19.7 million.

# Whatcom County Fourth Quarter 2017 Financial Report

For the Quarter Ended December 31, 2017



## General Fund Revenue - Budget vs. Actual



	2017 Budget Adopted	2017 Budget Supp'ls	2017 Budget Amended	Actual as of 12/31/2017	% Collected To Date
Taxes	44,312,831		44,312,831	45,131,762	101.85%
Licenses and Permits	3,418,943	32,000	3,450,943	3,486,646	101.03%
Intergovernmental	14,260,289	1,924,827	16,185,116	14,029,959	86.68%
Charges For Services	8,154,373	52,198	8,206,571	8,280,086	100.90%
Fines and Forfeits	2,239,750		2,239,750	2,097,057	93.63%
Miscellaneous Revenue	3,323,770	77,257	3,401,027	4,027,870	118.43%
Other Sources	4,657,282	114,307	4,771,589	3,826,582	80.20%
<b>Total Revenue</b>	<b>80,367,238</b>	<b>2,200,589</b>	<b>82,567,827</b>	<b>80,879,962</b>	<b>97.96%</b>

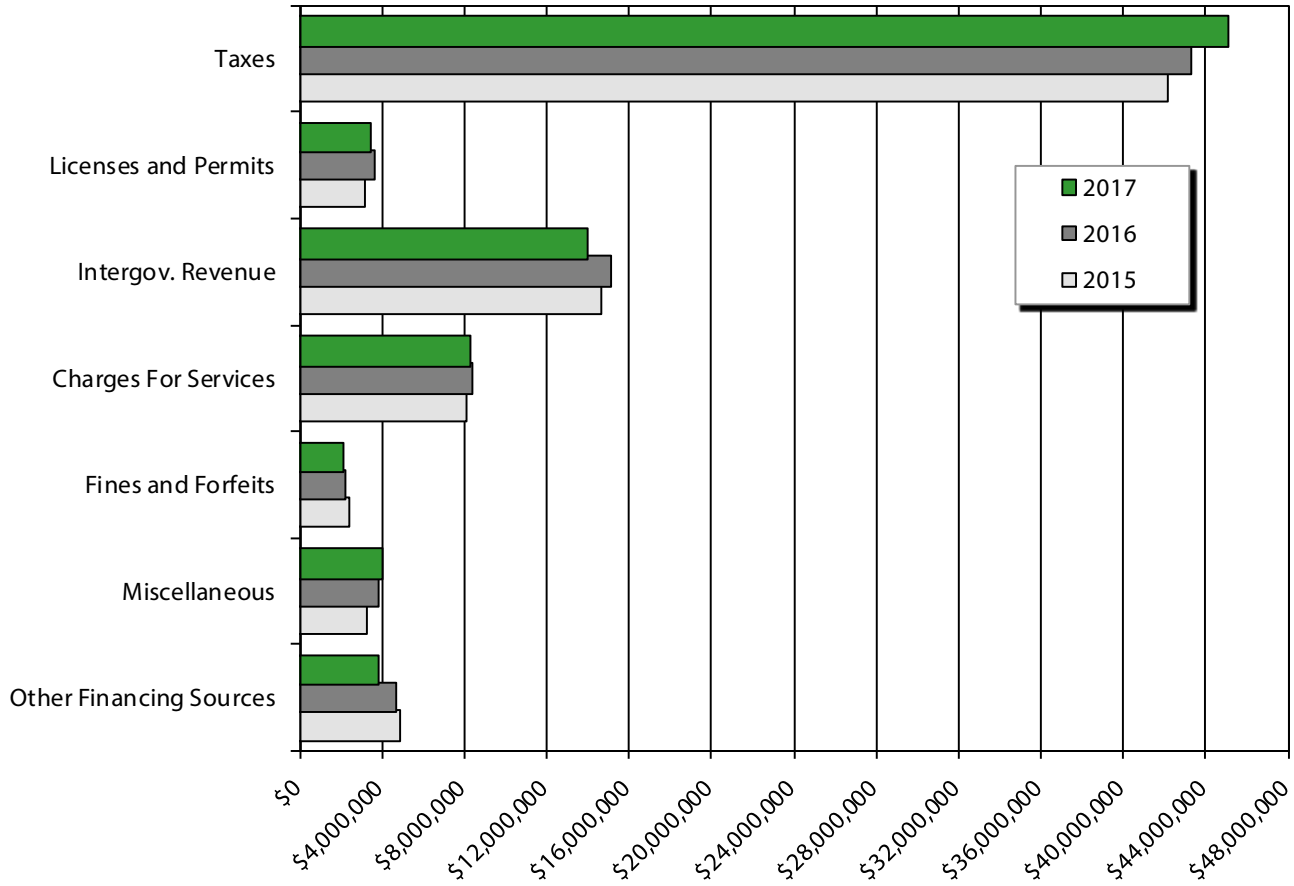
See pages 4 and 5 for General Fund Revenue Notes.

# Whatcom County Fourth Quarter 2017 Financial Report

For the Quarter Ended December 31, 2017



## General Fund Revenue to Date - Compared to Prior Years



	2015	2016	2017
Taxes	42,181,694	43,270,745	45,131,762
Licenses and Permits	3,195,057	3,623,562	3,486,646
Intergov. Revenue	14,625,697	15,140,500	14,029,959
Charges For Services	8,155,563	8,386,007	8,280,086
Fines and Forfeits	2,434,412	2,212,212	2,097,057
Miscellaneous	3,255,216	3,802,349	4,027,870
Other Financing Sources	4,925,947	4,708,276	3,826,582
<b>Total Revenue</b>	<b>78,773,586</b>	<b>81,143,651</b>	<b>80,879,962</b>

See pages 4 and 5 for General Fund Revenue Notes.

# Whatcom County Fourth Quarter 2017 Financial Report

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## General Fund Revenue Notes

### Taxes

*Property tax and retail sales tax make up 99% of Whatcom County's tax revenue budget.*

Tax revenues are \$1.86 million, or 4.3%, more than 2016 amounts. Current year sales tax collections are up 8.3%, or \$1,170,901, over last year's collections. Increases are due to an overall healthier economy and robust building industry. Property tax collections increased \$745,403 over 2016. Increased property tax revenues are the result of new construction values being added to the tax rolls.

### Licenses & Permits

*Building permits account for 40% of "Licenses & Permits" budget. Health Department restaurant, food-handling, on-site septic, and other miscellaneous health-related licenses and permits make up 34% of the budget. Cable franchise fee revenues are 23%, and marriage licenses, firearms permits, and fire control permits account for the remaining 3%.*

License and Permit Fees are currently \$136,915 less than amounts collected for 2016. Once fourth quarter cable franchise fee payments deposited in 2018 are accrued to 2017, the Licenses & Permits revenue will slightly exceed the 2017 budget.

### Intergovernmental Revenue

*"Intergovernmental Revenue" is mainly federal and state grants, entitlements, and shared revenues.*

Current revenues collected are \$1,110,541 less than 2016. Year-end grant adjustments should add approximately \$1,000,000 to Intergovernmental Revenue.

### Charges for Services

*"Charges for Services" include document recording fees (Auditor), motor vehicle license fees (Auditor), plan check fees (Planning & Development Services), adult probation fees (District Court Probation), immunizations (Health Department), fees charged to other governments for probation and law enforcement-related services, and several other miscellaneous service fees that help cover the costs of providing specific services used by individual customers.*

Currently, Charges for Services are \$105,921 less than 2016. Year-end adjustments will result in approximately \$215,000 of additional revenue being recorded for 2017. In general, real estate excise tax processing, sheriff deputy reimbursable overtime, contracts with municipalities for probation services, and auditor vehicle licensing fees are up. Fees from adult probationers and a Sheriff's Office Housing Authority contract are down.

# Whatcom County Fourth Quarter 2017 Financial Report

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## General Fund Revenue Notes, continued

### Fines and Forfeits

*"Fines and Forfeits" consist principally of property tax penalties, traffic infraction revenue, and criminal traffic misdemeanor penalties. It also includes bail/bond forfeitures, code enforcement fines, public defense recoupment, and other miscellaneous criminal costs and penalties.*

Fines and Forfeits revenues have decreased \$115,155, or 5.5%, from 2016. Most of this decrease is the result of a decrease in penalties for late payment of property taxes.

### Miscellaneous

*"Miscellaneous" revenues are made up of delinquent property tax interest earnings, investment interest earnings, rents, contributions, refunds, and various small, otherwise unclassified, amounts.*

Miscellaneous revenues are currently up \$225,516 over 2016. The increase is principally due to rising interest rates on invested cash balances.

### Other Financing Sources

*The "Other Financing Sources" revenue budget is composed of state timber revenues (8%) and transfers from other Whatcom County funds (92%).*

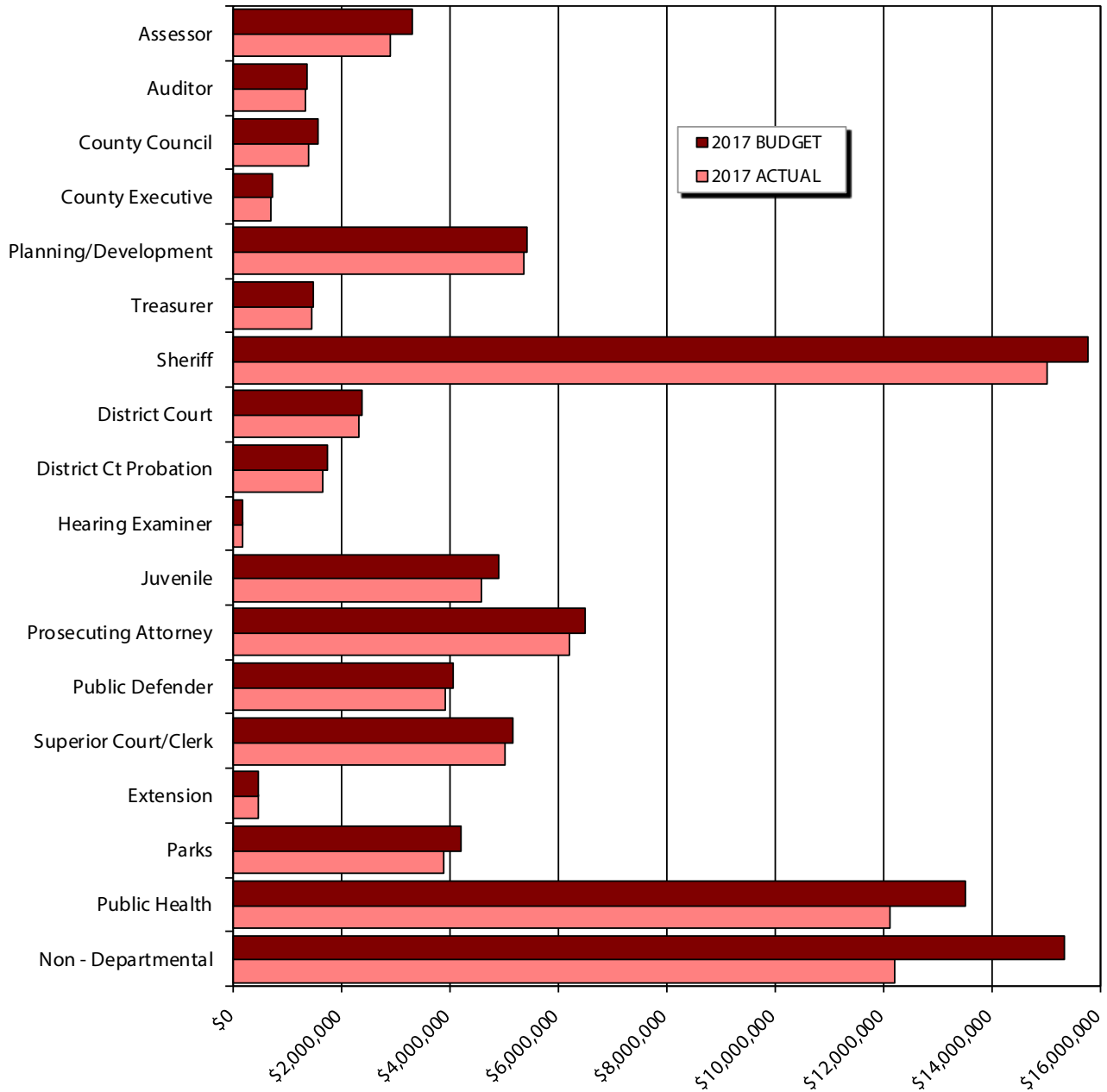
The Other Financing Sources category is currently \$881,695 less than 2016 amounts. Year-end adjustments will result in recording approximately \$640,000 more operating transfer revenues.

# Whatcom County Fourth Quarter 2017 Financial Report

For the Quarter Ended December 31, 2017



## General Fund Expenditures - Budget vs. Actual



See page 7 for chart detail and page 9 for General Fund Expenditure Notes.

# Whatcom County Fourth Quarter 2017 Financial Report

For the Quarter Ended December 31, 2017



## General Fund Expenditures - Budget vs. Actual

	Adopted 2017 Budget	Budget Supplementals	Amended Budget	Actual as of 12/31/17	% Expended To Date
Assessor	3,121,698	210,897	3,332,595	2,911,148	87.35%
Auditor	1,339,656	25,609	1,365,265	1,361,766	99.74%
County Council	1,400,209	193,339	1,593,548	1,391,304	87.31%
County Executive	724,212	15,124	739,336	706,964	95.62%
Planning & Development	5,300,873	131,784	5,432,657	5,373,064	98.90%
Treasurer	1,485,708	20,297	1,506,005	1,476,649	98.05%
Sheriff	14,858,845	915,496	15,774,341	15,025,058	95.25%
District Court	2,353,334	35,206	2,388,540	2,333,871	97.71%
District Court Probation	1,692,590	59,072	1,751,662	1,678,451	95.82%
Hearing Examiner	195,571	2,339	197,910	196,109	99.09%
Juvenile	4,818,926	96,231	4,915,157	4,607,726	93.75%
Prosecuting Attorney	6,439,290	72,175	6,511,465	6,231,502	95.70%
Public Defender	3,981,747	92,106	4,073,853	3,933,455	96.55%
Superior Court/Clerk	5,080,416	86,631	5,167,047	5,021,964	97.19%
Extension	480,603	6,179	486,782	473,014	97.17%
Park	4,103,848	119,292	4,223,140	3,903,392	92.43%
Public Health	12,583,373	950,985	13,534,358	12,143,802	89.73%
Non - Departmental	15,278,897	78,093	15,356,990	12,225,129	79.61%
<b>Total General Fund Exp</b>	<b>85,239,796</b>	<b>3,110,855</b>	<b>88,350,651</b>	<b>80,994,368</b>	<b>91.67%</b>

See page 9 for General Fund Expenditure Notes.

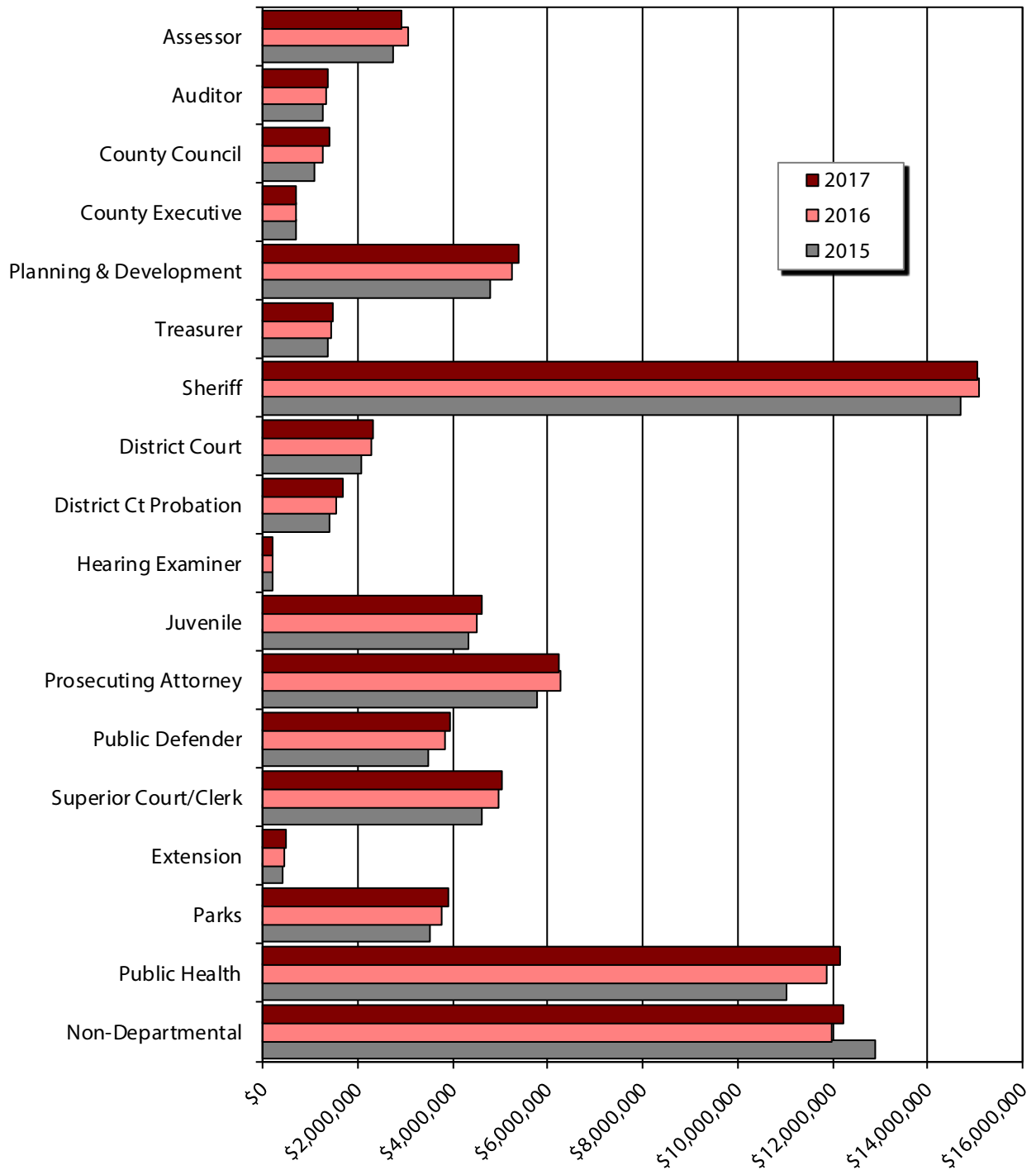


# Whatcom County Fourth Quarter 2017 Financial Report

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## General Fund Expenditures - Compared to Prior Years



See page 9 for chart detail and General Fund Expenditure Notes.

# Whatcom County Fourth Quarter 2017 Financial Report

For the Quarter Ended December 31, 2017



## General Fund Expenditures - Compared to Prior Years

	2015	2016	2017
Assessor	2,740,018	3,068,302	2,911,148
Auditor	1,270,851	1,332,333	1,361,766
County Council	1,067,280	1,253,972	1,391,304
County Executive	691,362	692,790	706,964
Planning & Development	4,792,125	5,238,543	5,373,064
Treasurer	1,361,150	1,448,280	1,476,649
Sheriff	14,674,393	15,089,778	15,025,058
District Court	2,086,001	2,282,810	2,333,871
District Ct Probation	1,415,187	1,549,847	1,678,451
Hearing Examiner	188,085	194,107	196,109
Juvenile	4,313,821	4,501,880	4,607,726
Prosecuting Attorney	5,759,108	6,259,193	6,231,502
Public Defender	3,490,453	3,823,759	3,933,455
Superior Court/Clerk	4,597,092	4,971,338	5,021,964
Extension	403,903	452,679	473,014
Parks	3,518,844	3,779,518	3,903,392
Public Health	11,021,357	11,873,775	12,143,802
Non-Departmental	12,898,633	11,962,393	12,225,129
<b>TOTAL</b>	<b>76,289,663</b>	<b>79,775,297</b>	<b>80,994,368</b>

## General Fund Expenditure Notes

Currently, expenditures for 2017 for the General Fund are at 91.67% of the approved budget. Year-end adjustments will alter the final percentage. A large portion of budget lapse is due to a \$2.5 million transfer to the Countywide Emergency Medical Services Fund not being made. The transfer was meant to backfill support for countywide Advanced Life Support services. Due to passage of the EMS levy, the transfer was no longer necessary. All other departmental spending is within budgetary expectations with no significant variations.

# Whatcom County Fourth Quarter 2017 Financial Report

For the Quarter Ended December 31, 2017



## General Fund Conclusion

	Adopted Budget	Projected
<b>Beginning Fund Balance 1/1/17</b>	15,143,490	16,701,745
<b>Revenues</b>		
Budgeted Revenues 2017	80,367,238	80,367,238
Increased Revenue Estimates		300,000
Continuing Appropriations from 2016		422,132
Supplemental Budgets 2017		1,778,457
<b>Total Revenue</b>	<u>80,367,238</u>	<u>82,867,827</u>
<b>Expenditures</b>		
Budgeted Expenditures 2017	85,239,796	85,239,796
Continuing Appropriations from 2016		630,160
Supplemental Budgets 2017		2,480,695
<b>Total Expenditures</b>	<u>85,239,796</u>	<u>88,350,651</u>
<b>Adjusted Surplus (Deficit)</b>	(4,872,558)	(5,482,824)
<b>Other Considerations</b>		
Estimated Budget Lapse	3,409,592	7,000,022
<b>Projected Ending Fund Balance 12/31/17</b>	<u>13,680,524</u>	<u>18,218,943</u>
<b>Interfund Loan Adjustment<sup>1</sup></b>	1,489,361	1,489,361
<b>Adjusted Fund Balance 12/31/17</b>	<u><u>15,169,885</u></u>	<u><u>19,708,304</u></u>

Notes:

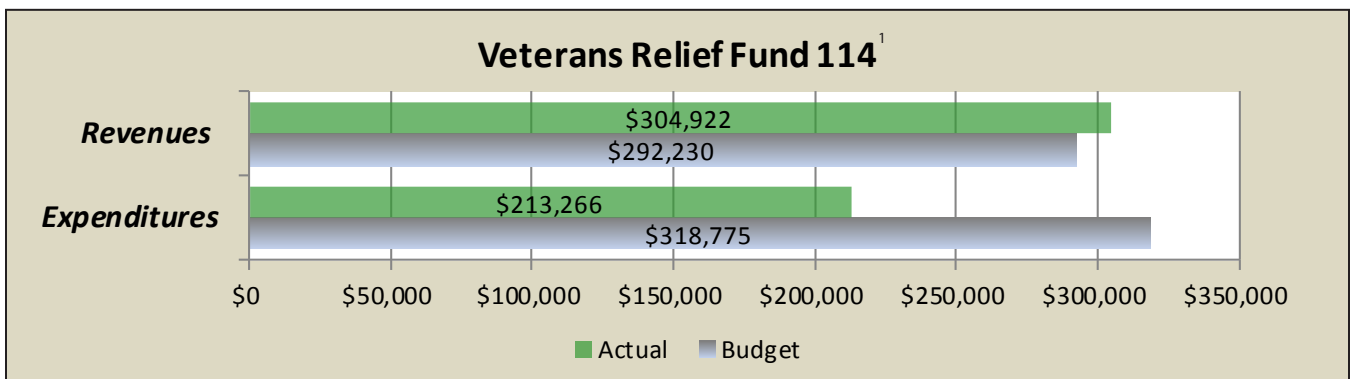
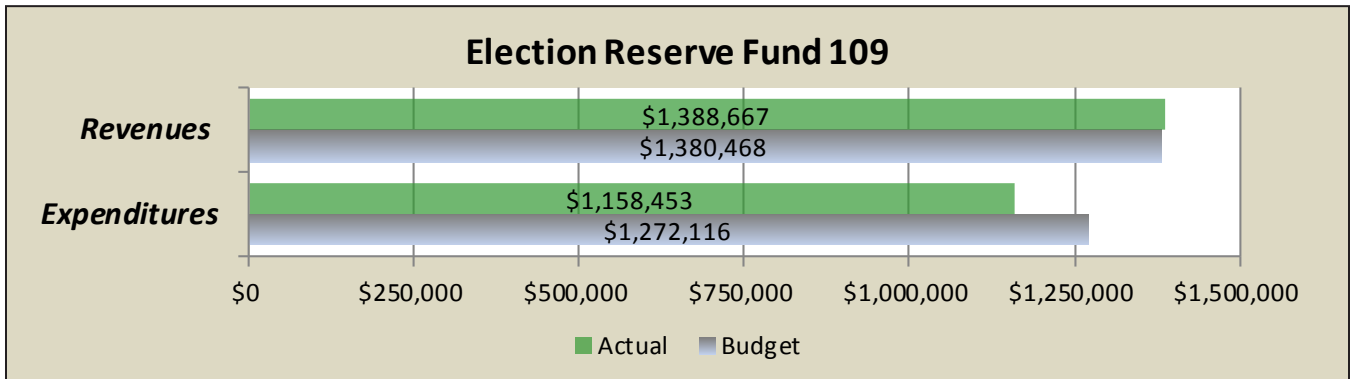
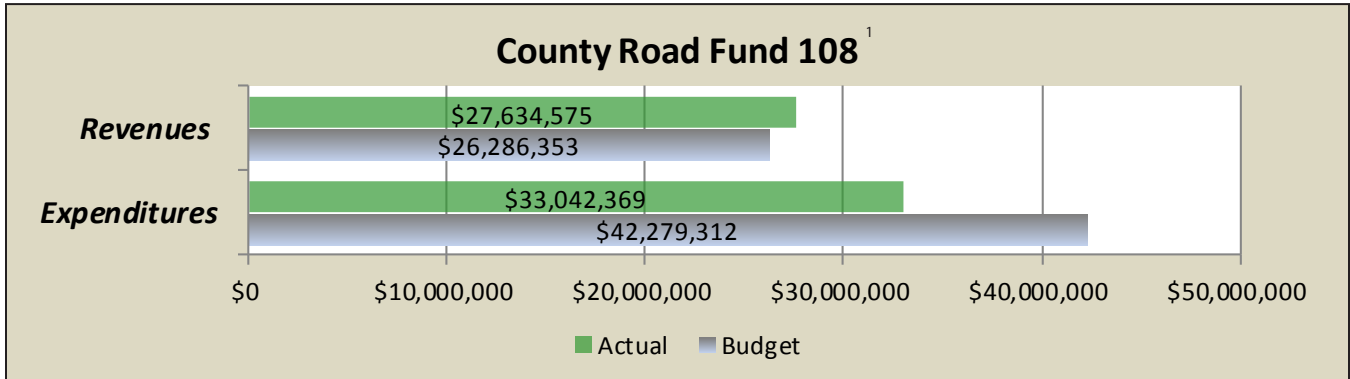
<sup>1</sup> Accounting for interfund loans used to finance the Central Plaza Building purchase, the Assessor-Treasurer System, and the general fund transfer to fund the Sheriff-Jail Records Management System in accordance with generally accepted accounting principles has the effect of artificially reducing the fund balance. This happens because the capital purchases and transfers are shown as expenditures but the loan proceeds are not presented as revenues in the income statement but only as a liability on the balance sheet.

# Whatcom County Fourth Quarter 2017 Financial Report

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## Special Revenue Funds and Other Funds



Note:

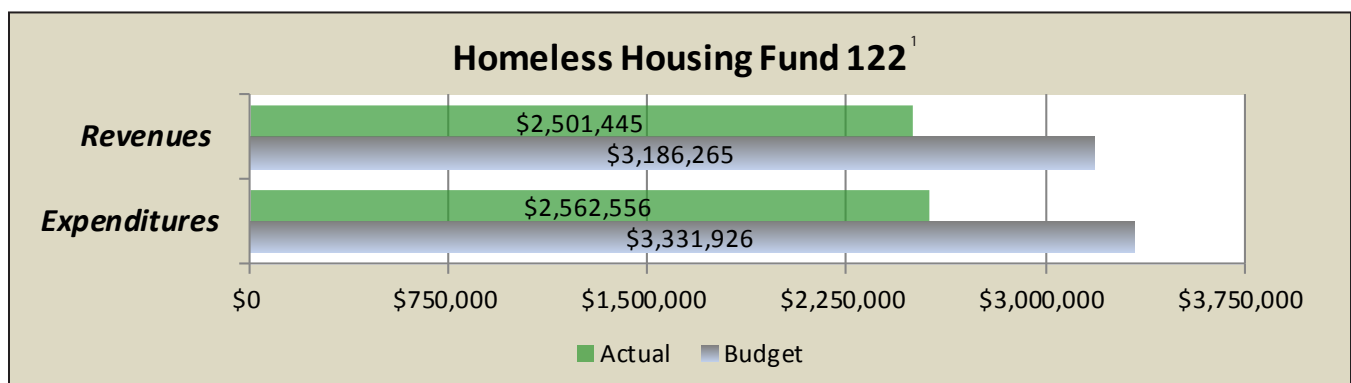
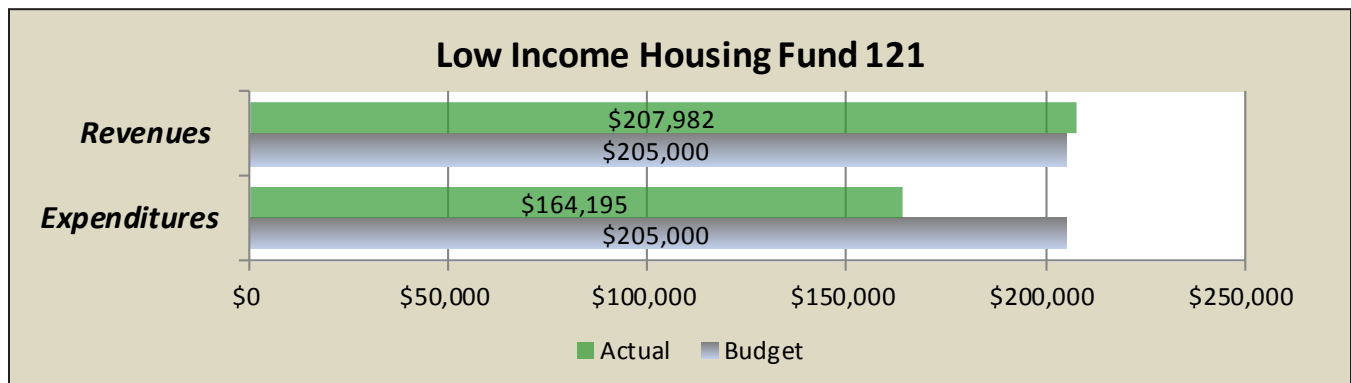
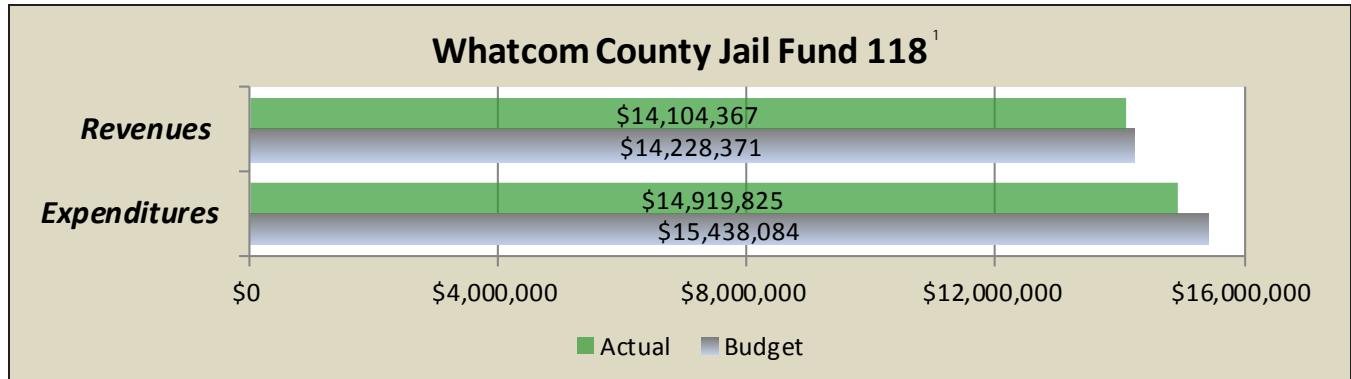
<sup>1</sup> Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

# Whatcom County Fourth Quarter 2017 Financial Report

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## Special Revenue Funds and Other Funds, continued



Note:

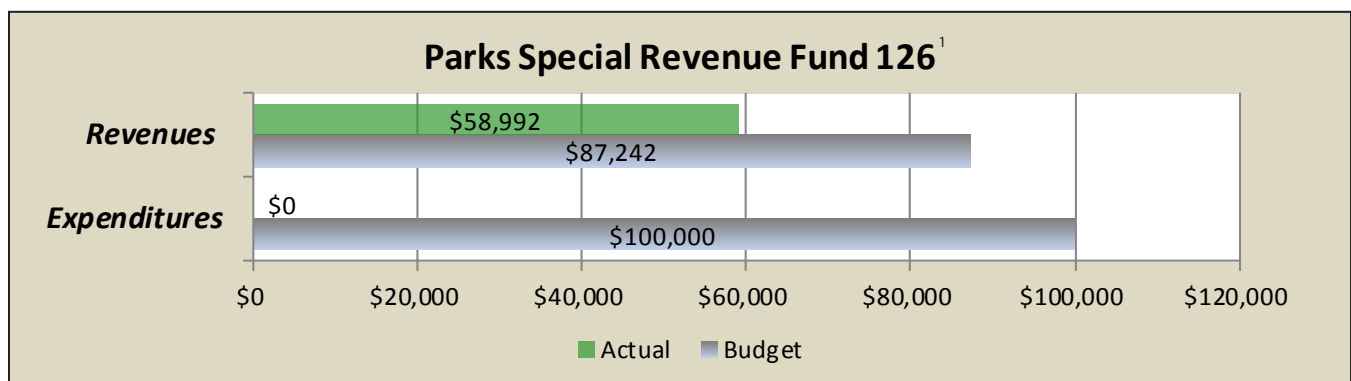
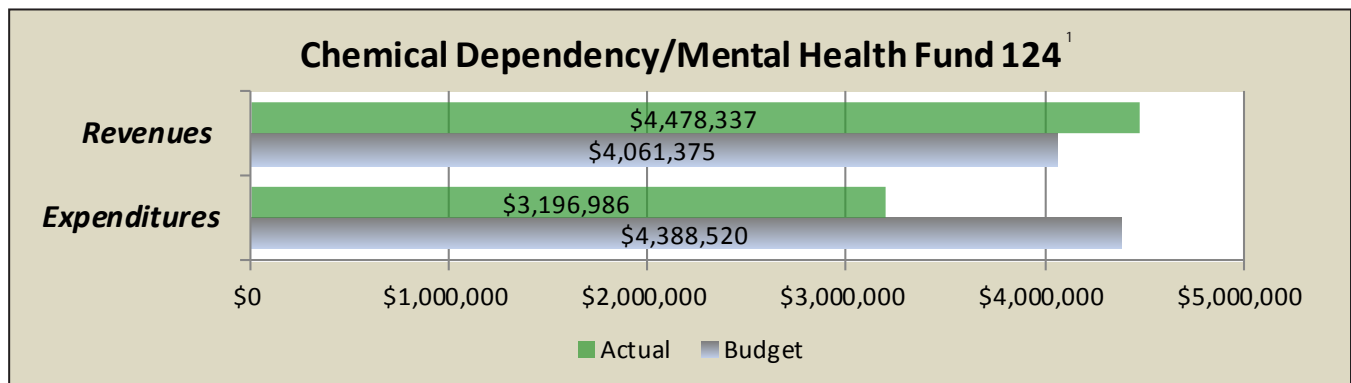
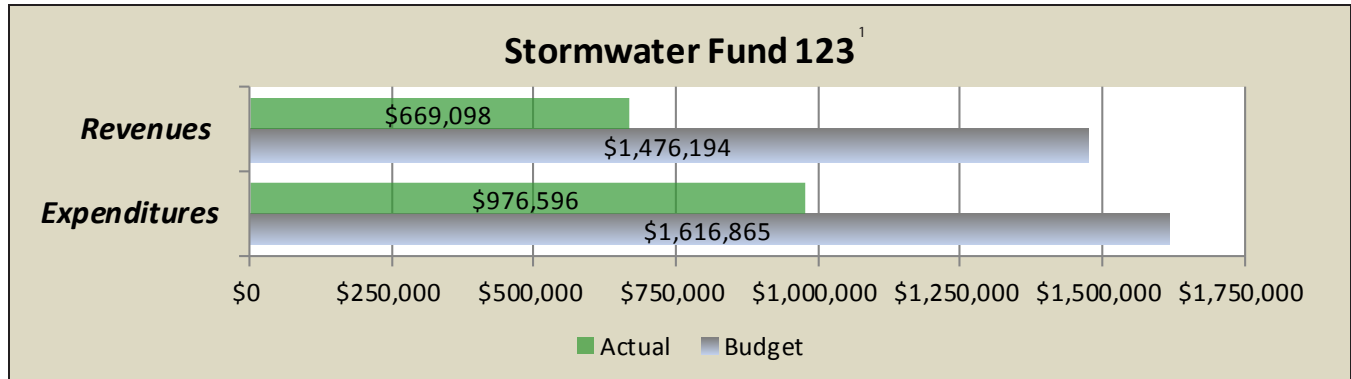
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# Whatcom County Fourth Quarter 2017 Financial Report

For the Quarter Ended December 31, 2017



## Special Revenue Funds and Other Funds, continued



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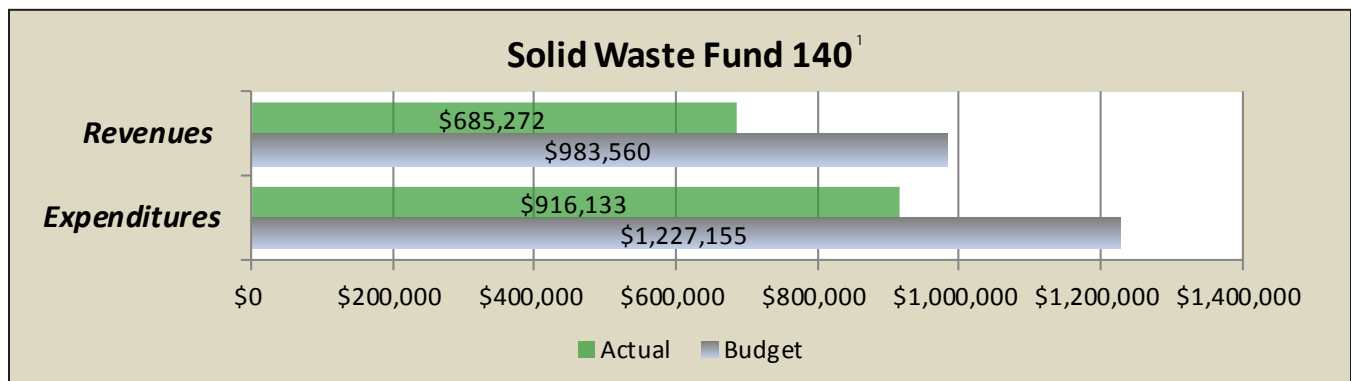
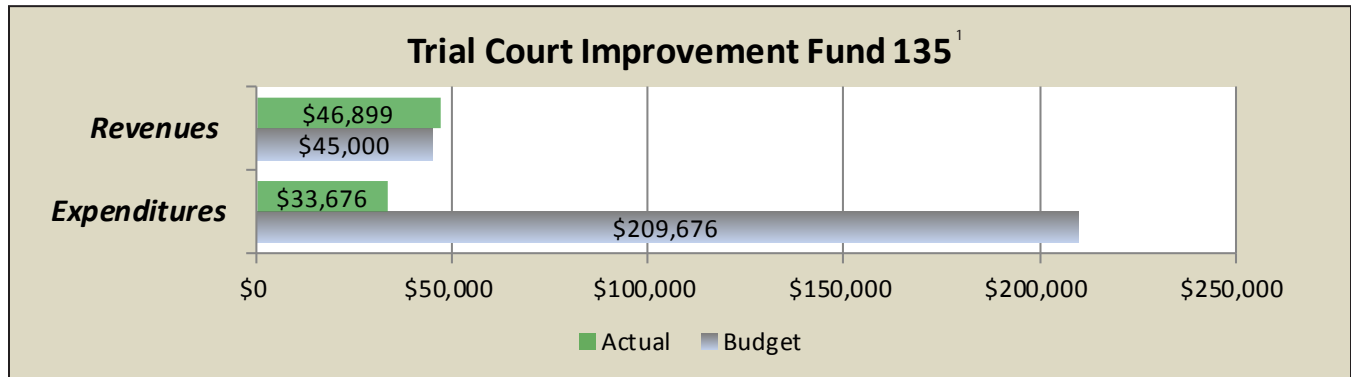
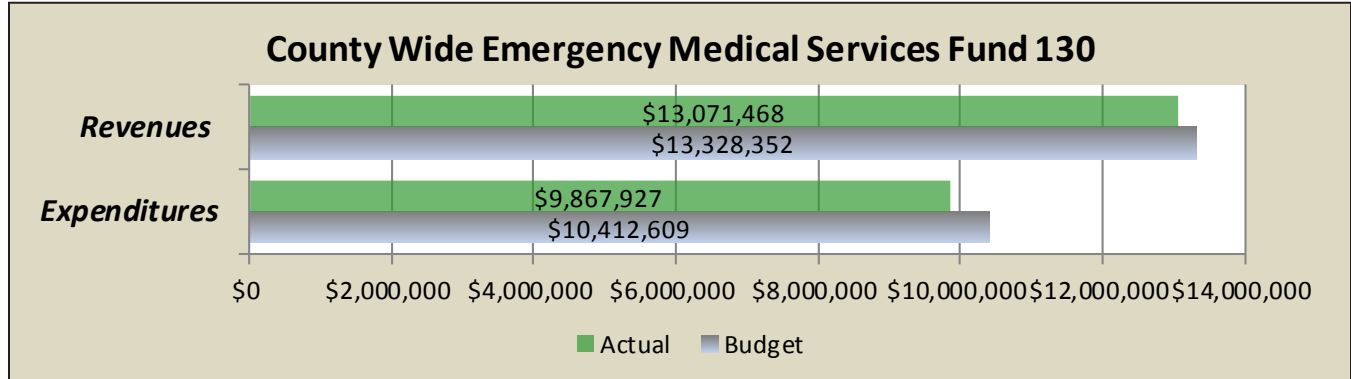
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# Whatcom County Fourth Quarter 2017 Financial Report

For the Quarter Ended December 31, 2017



## Special Revenue Funds and Other Funds, continued



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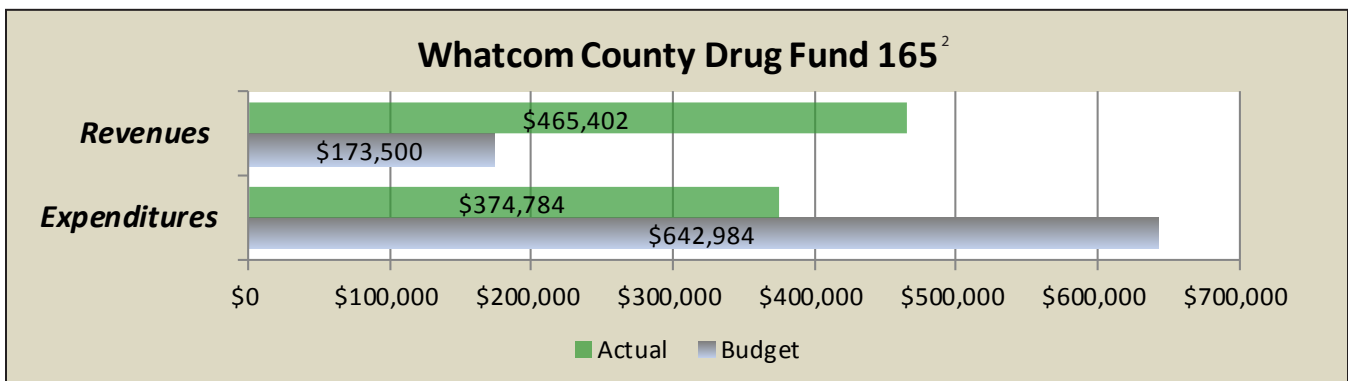
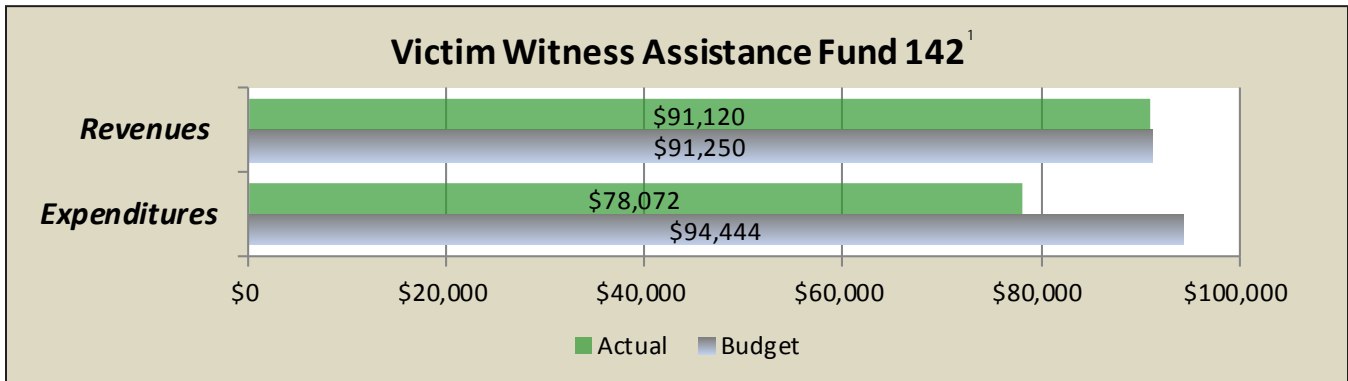
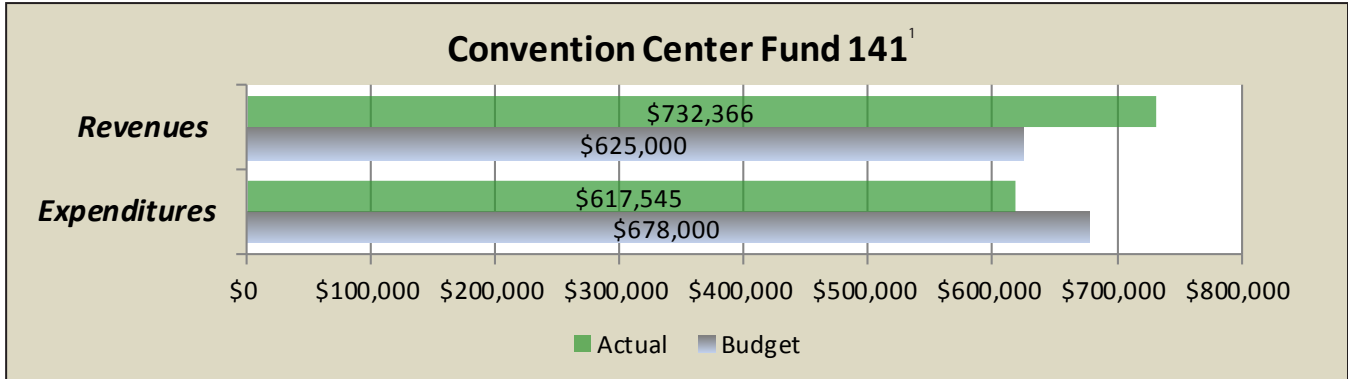
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# Whatcom County Fourth Quarter 2017 Financial Report

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## Special Revenue Funds and Other Funds, continued



Notes:

- <sup>1</sup> Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.
- <sup>2</sup> Drug Fund revenue is dependent on seizure activity and proceed sharing with other agencies. Therefore, revenue is unpredictable. The Fund's ability to incur expenditures is also dependent on receipt of seizure revenues.

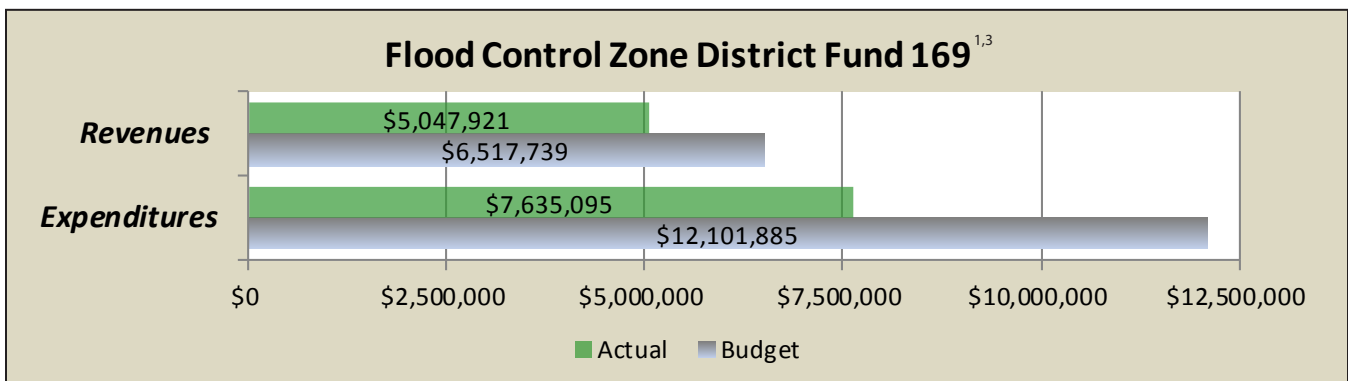
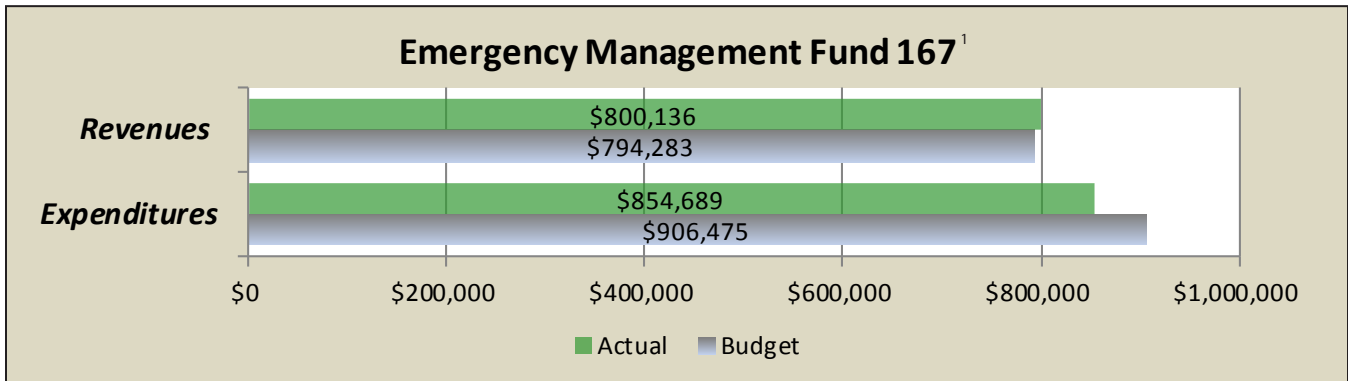
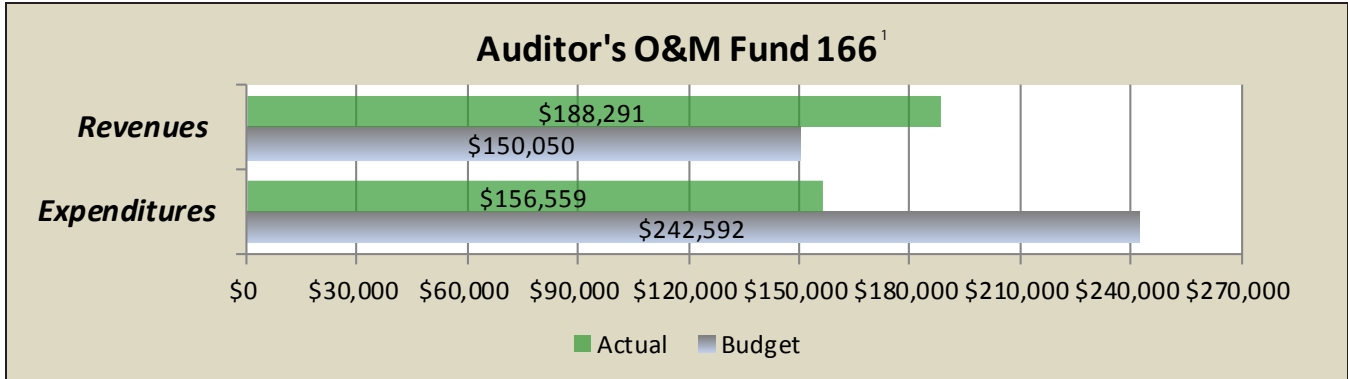


# Whatcom County Fourth Quarter 2017 Financial Report

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## Special Revenue Funds and Other Funds, continued



**Notes:**

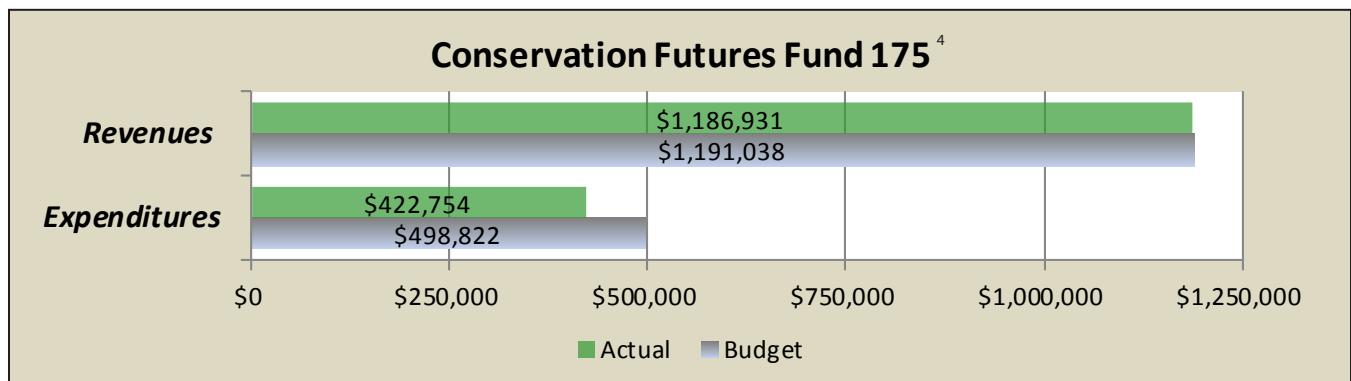
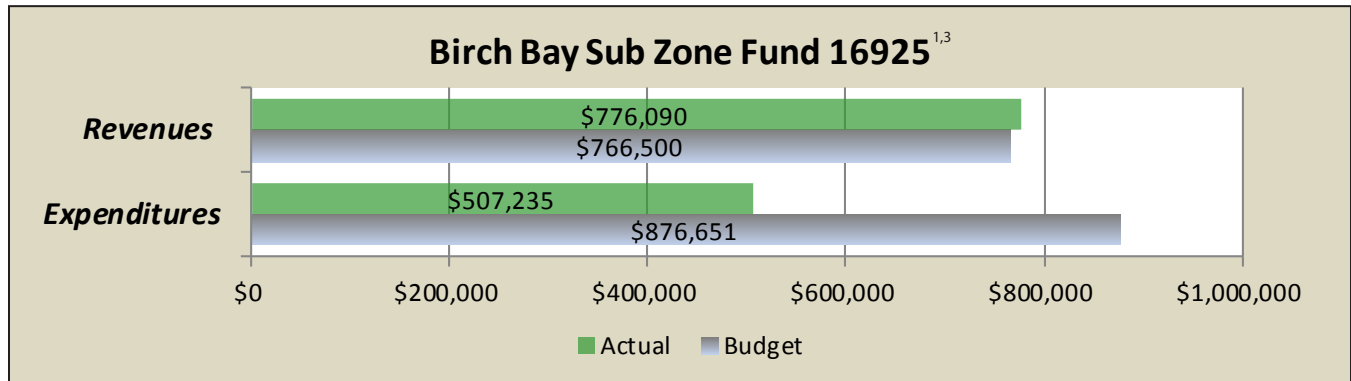
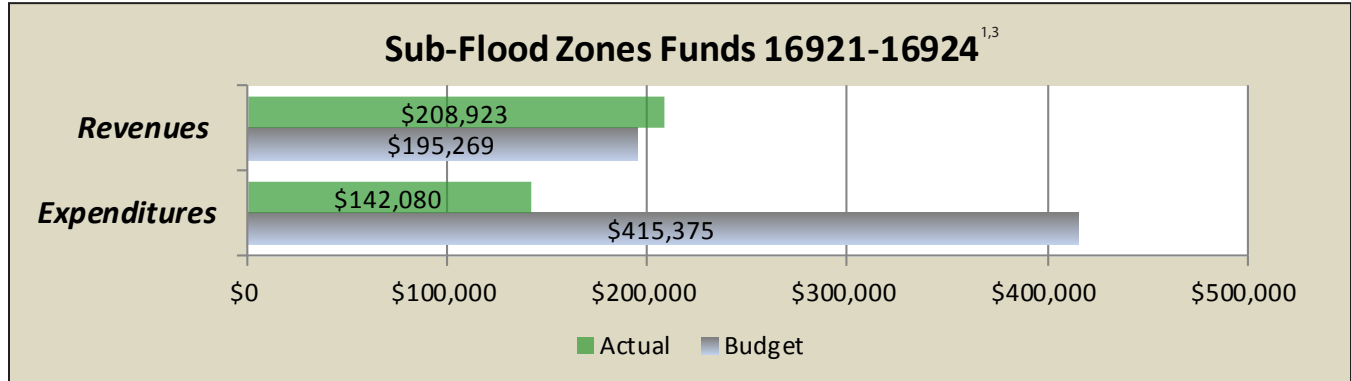
- <sup>1</sup> Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.
- <sup>3</sup> Flood and Sub Zones expenditures are project driven which are dependent on factors such as permitting, fish windows, and state funding.

# Whatcom County Fourth Quarter 2017 Financial Report

For the Quarter Ended December 31, 2017



## Special Revenue Funds and Other Funds, continued



Notes:

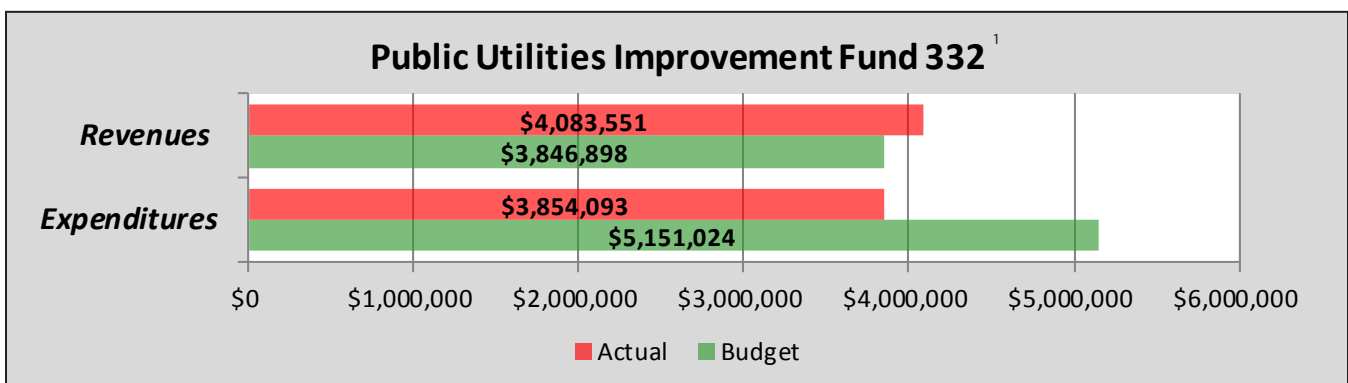
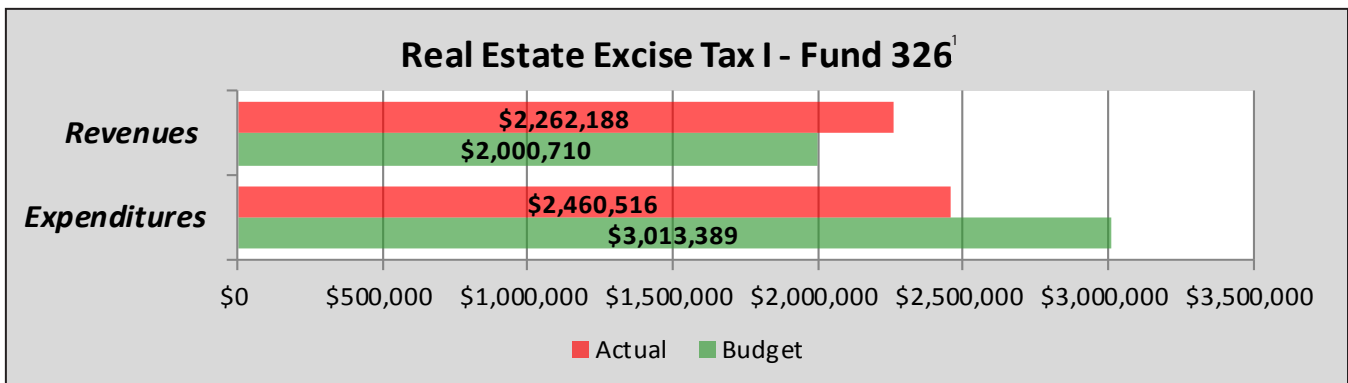
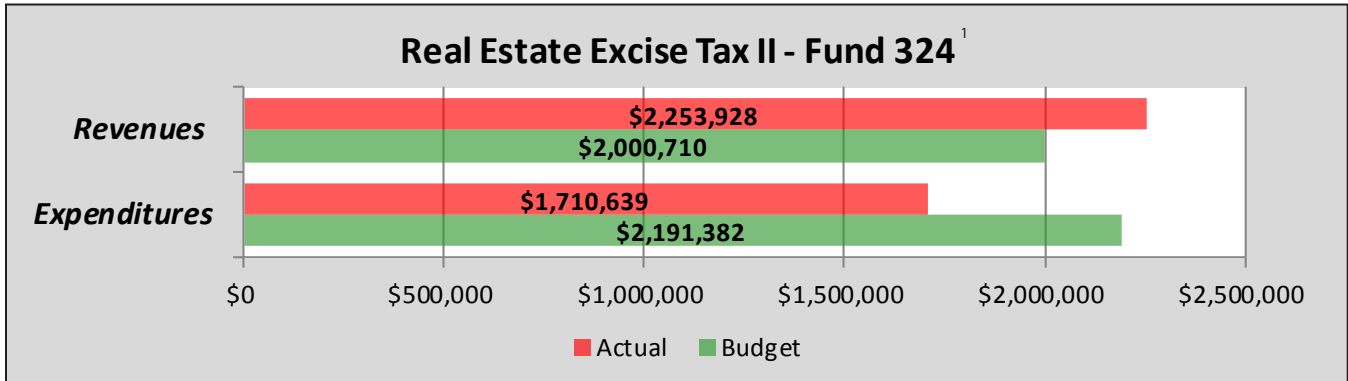
- <sup>1</sup> Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.
- <sup>3</sup> Flood and Sub Zones expenditures are project driven which are dependent on factors such as permitting, fish windows, and state funding.
- <sup>4</sup> Most Conservations Futures funding is used to purchase development rights or land. These purchases are budgeted on a transaction by transaction basis as they occur.

# Whatcom County Fourth Quarter 2017 Financial Report

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## Capital Project Funds



Notes:

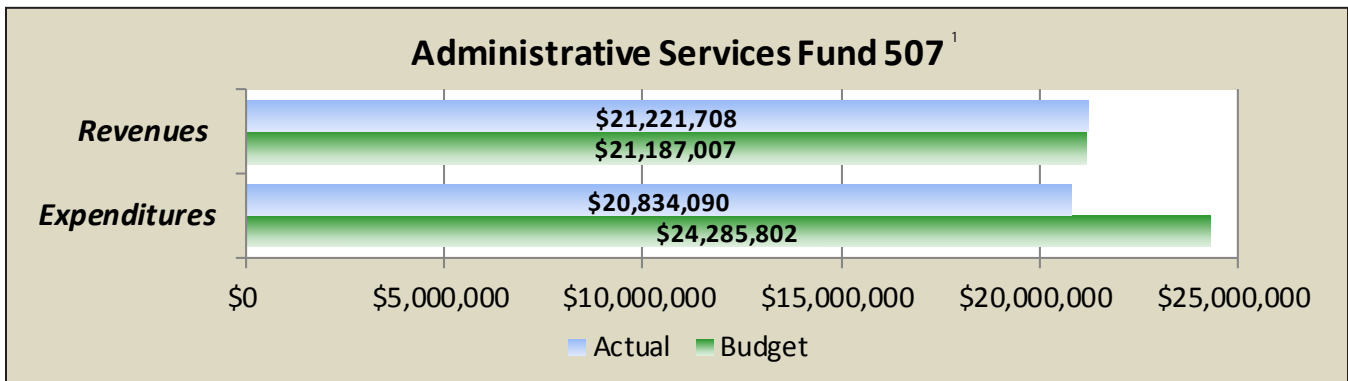
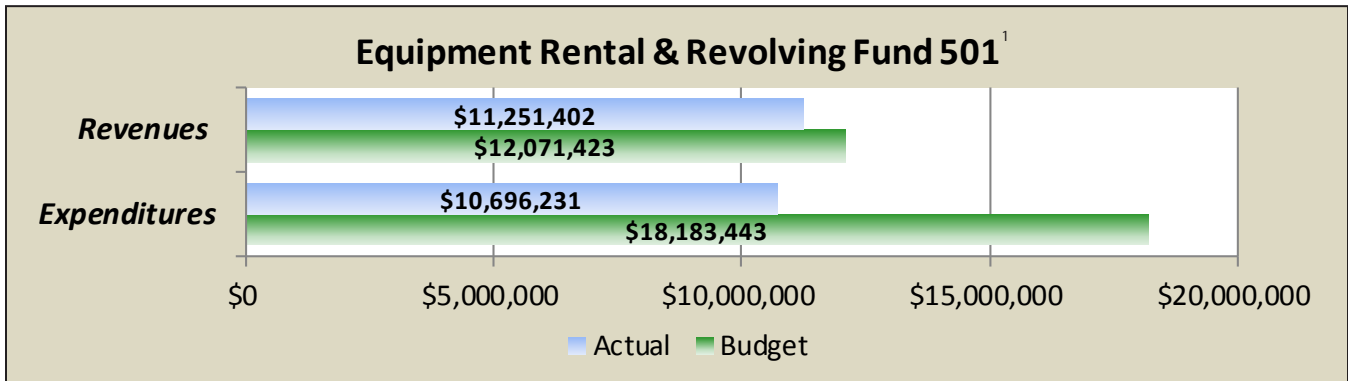
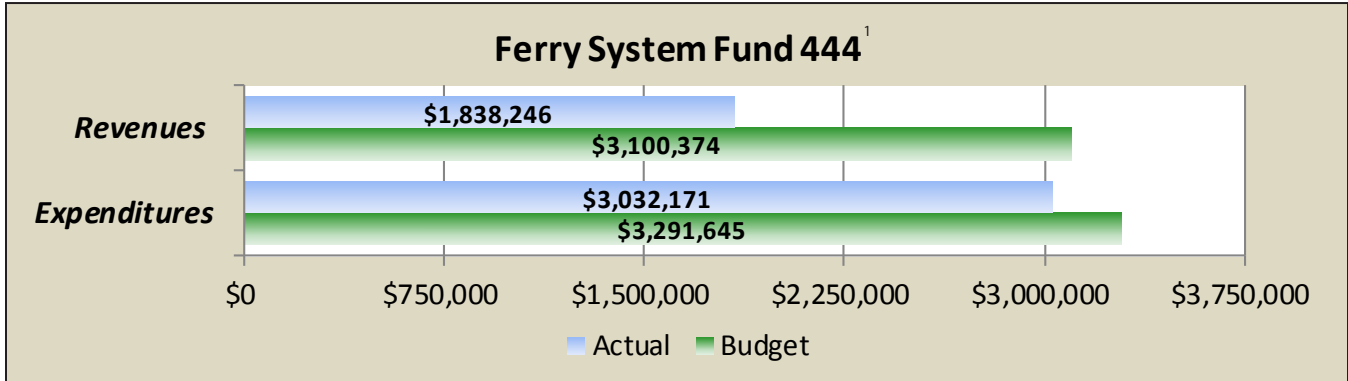
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# Whatcom County Fourth Quarter 2017 Financial Report

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## Enterprise and Internal Service Funds



Note:

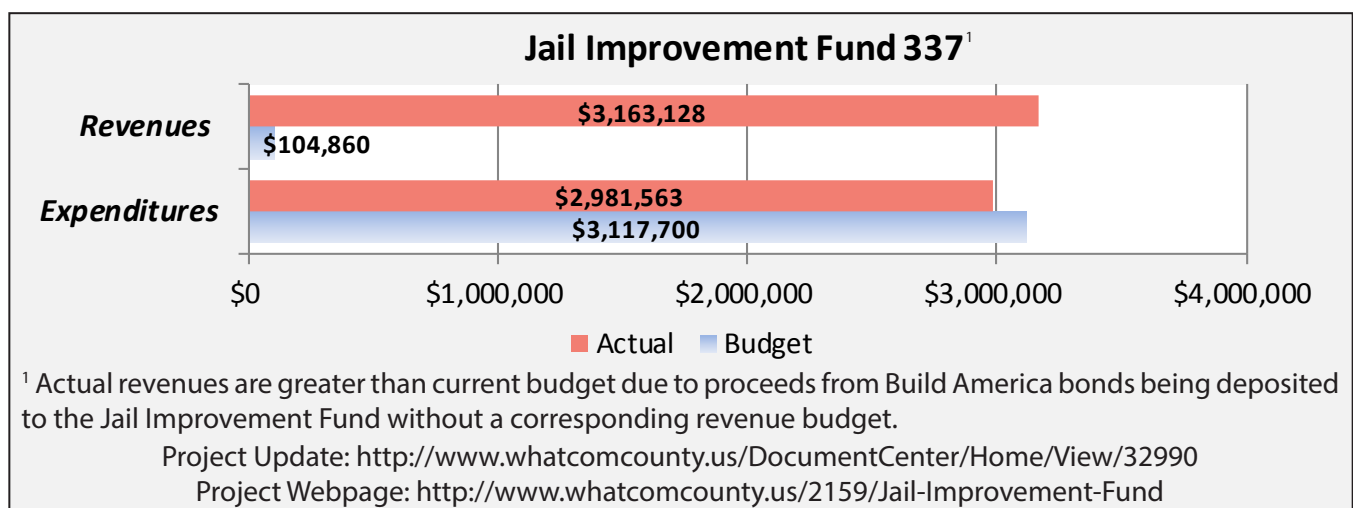
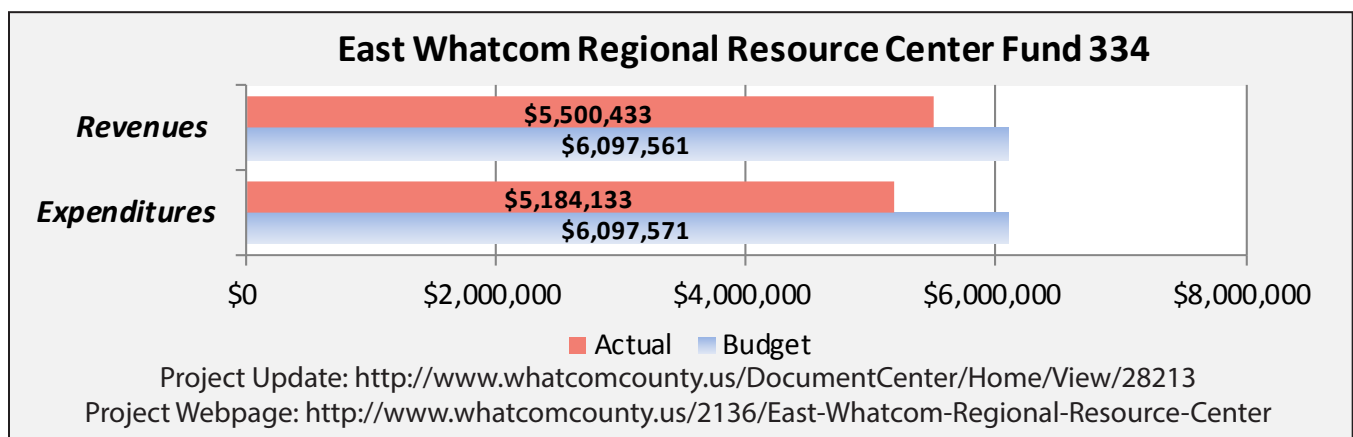
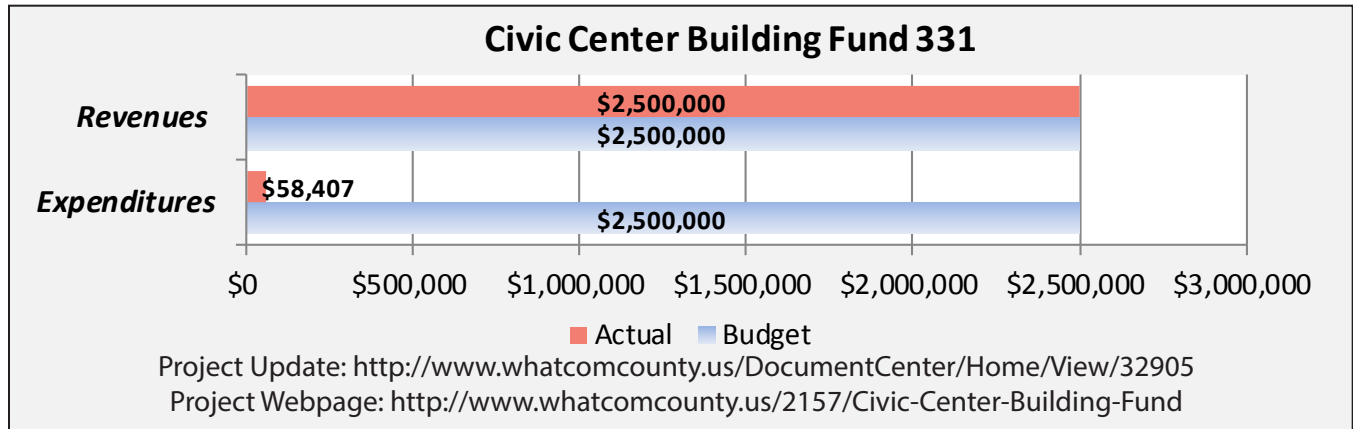
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# Whatcom County Fourth Quarter 2017 Financial Report

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## Project Budget Funds

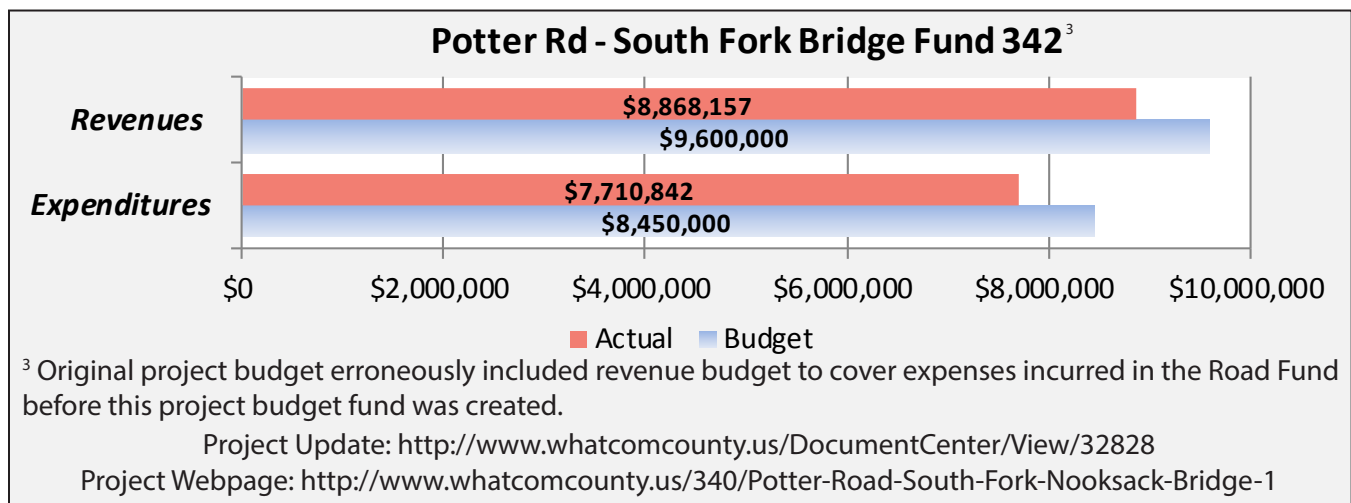
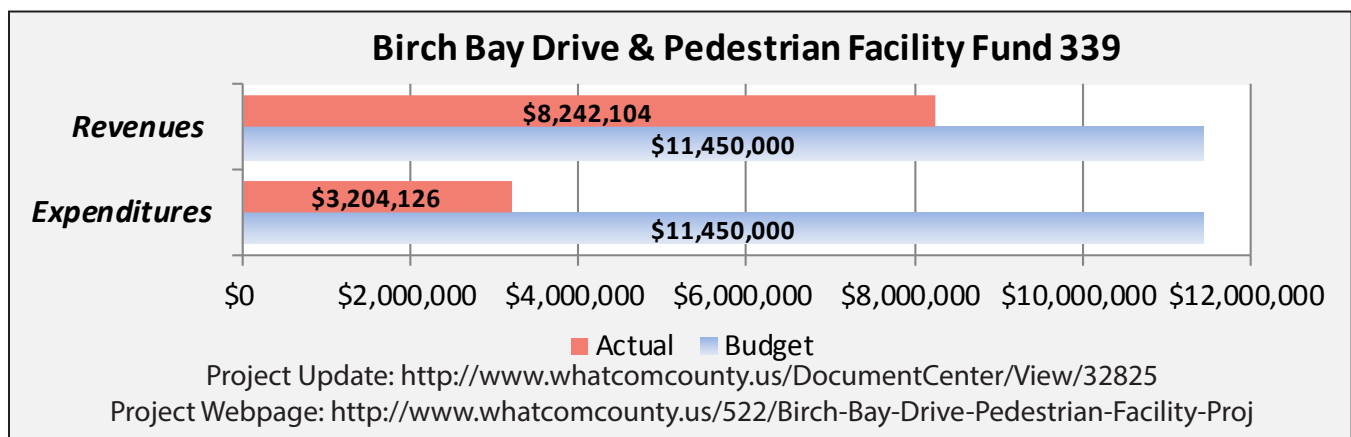
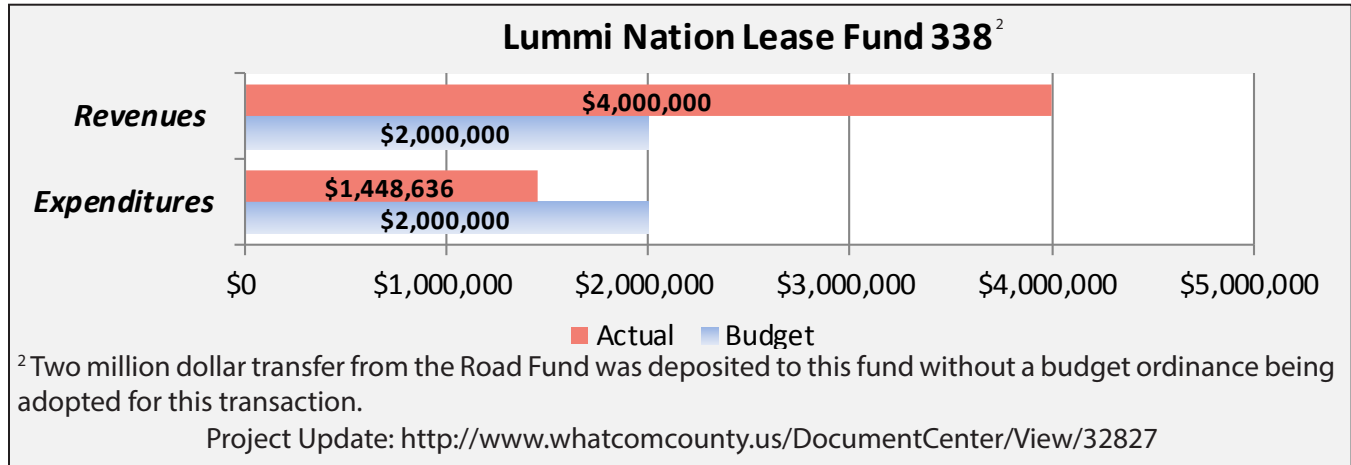


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For the Quarter Ended December 31, 2017



## Project Budget Funds, continued

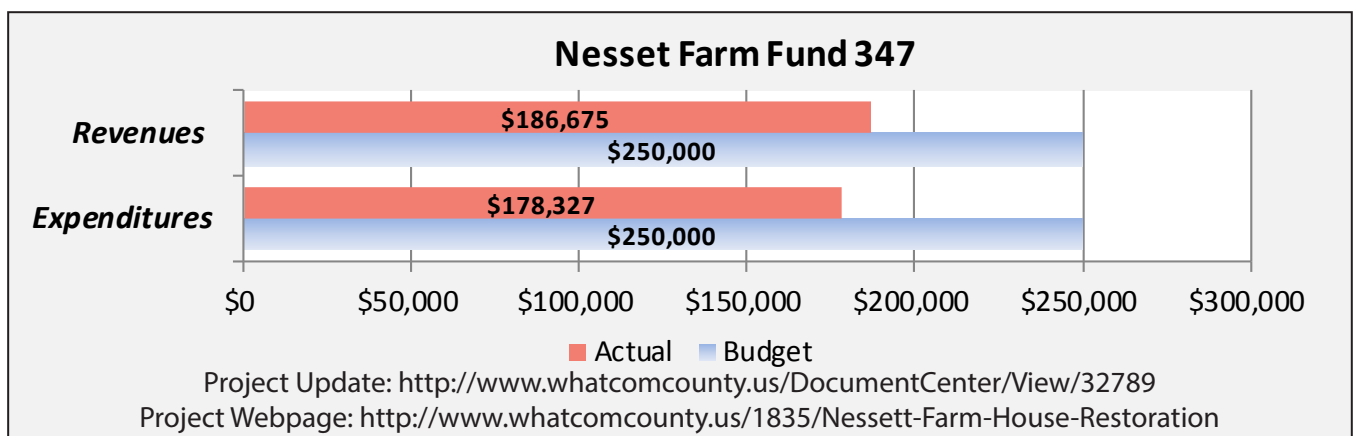
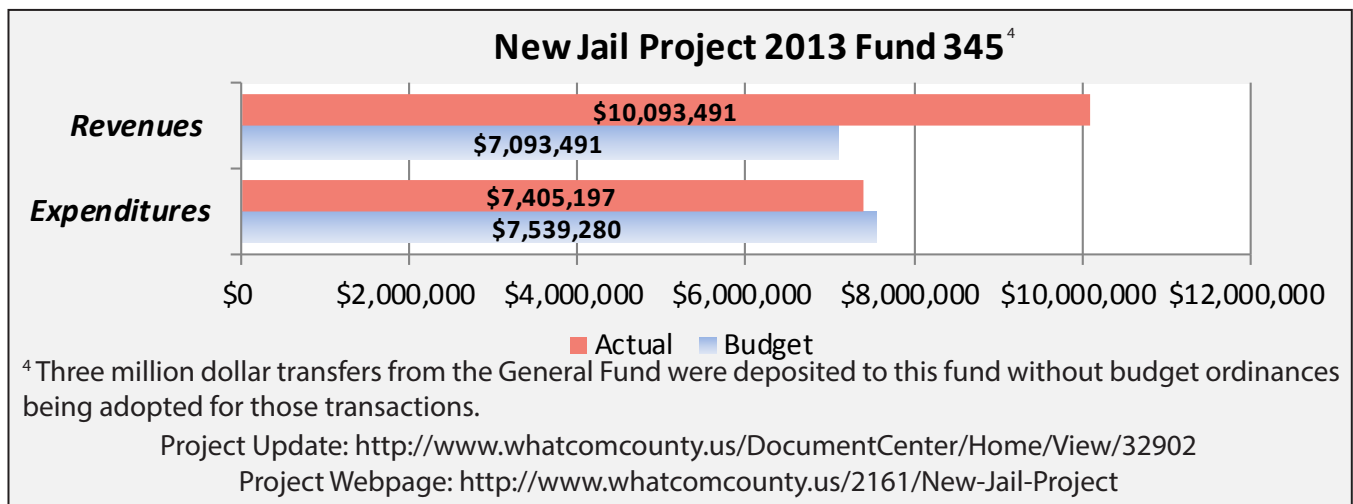
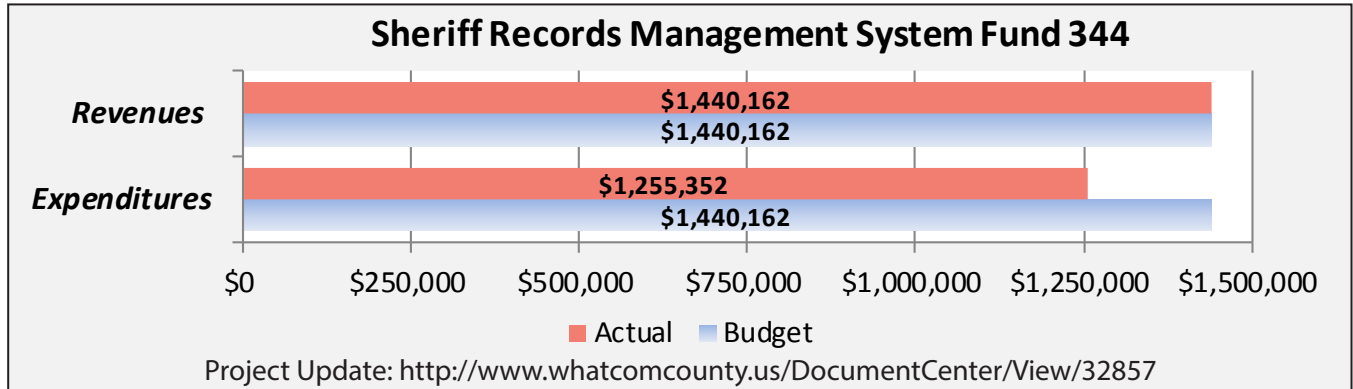


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## Project Budget Funds, continued

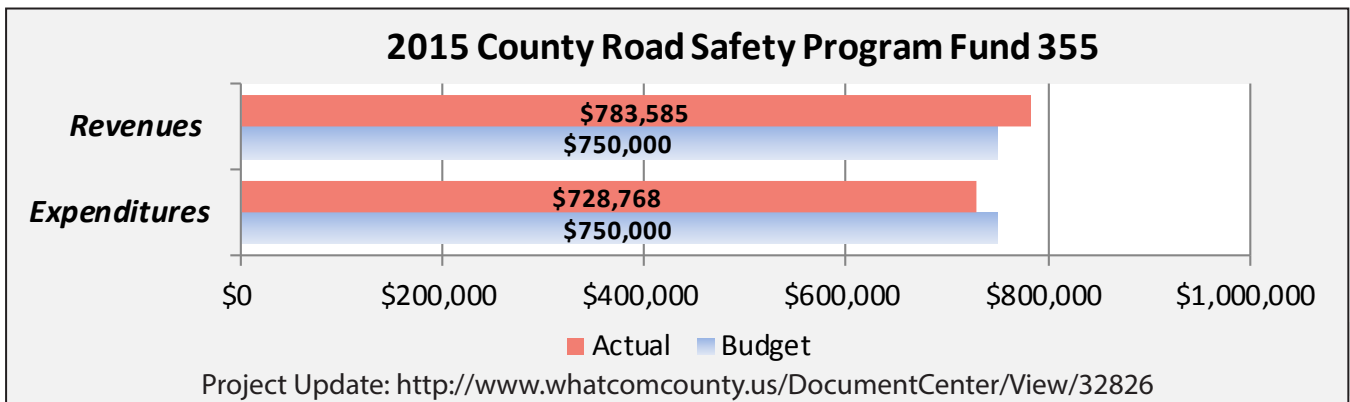
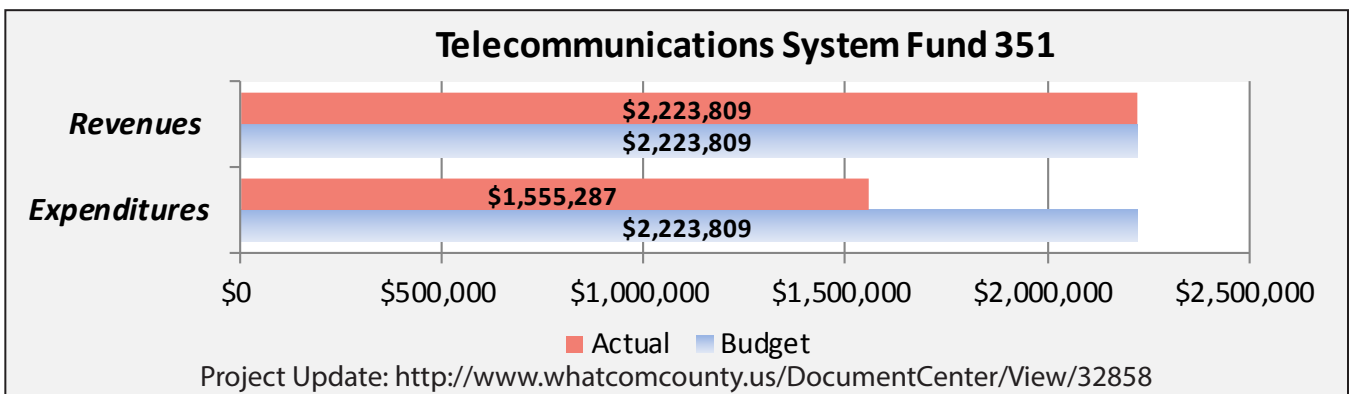
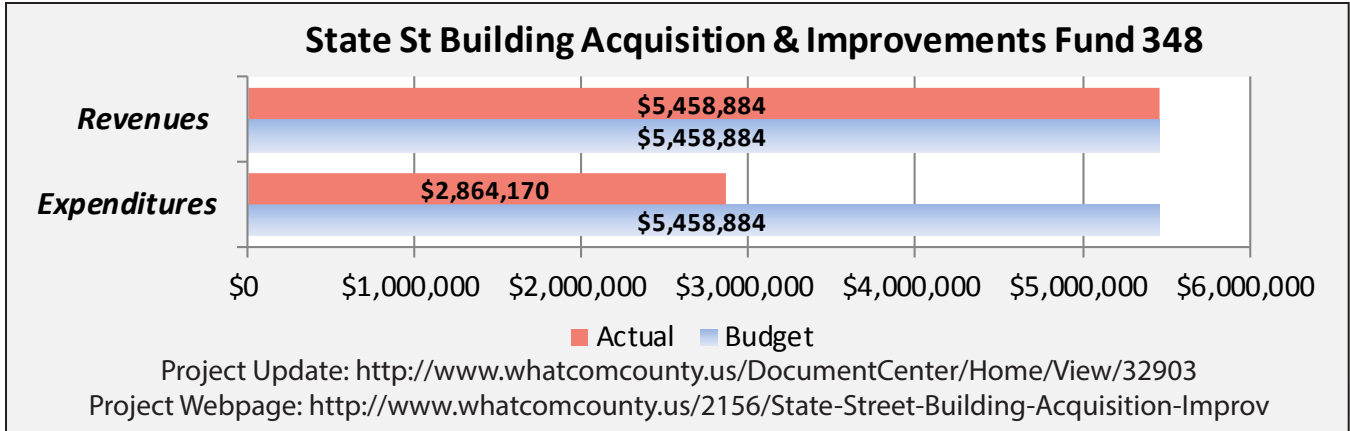


# Whatcom County Fourth Quarter 2017 Financial Report

For the Quarter Ended December 31, 2017



## Project Budget Funds, continued



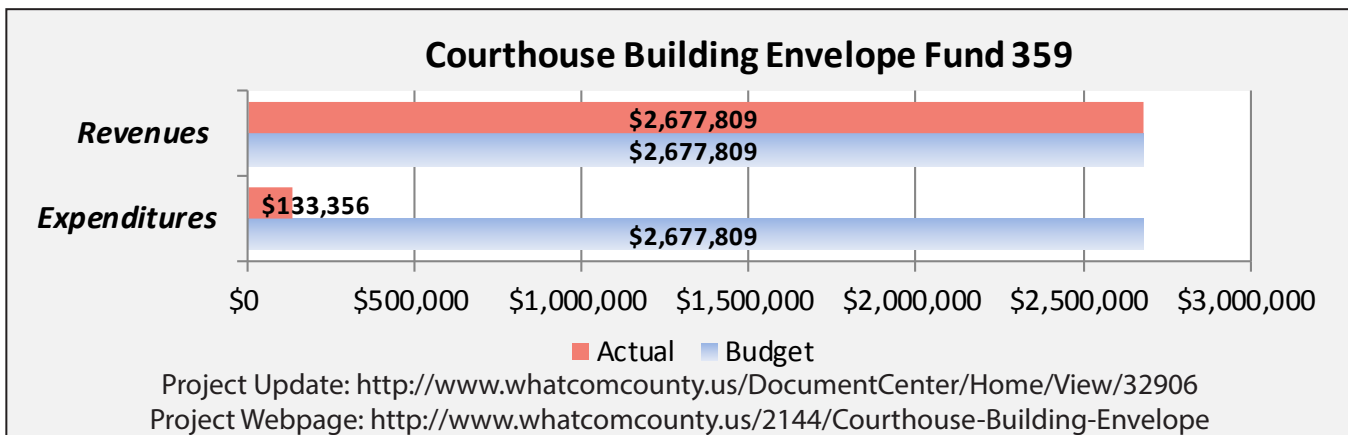
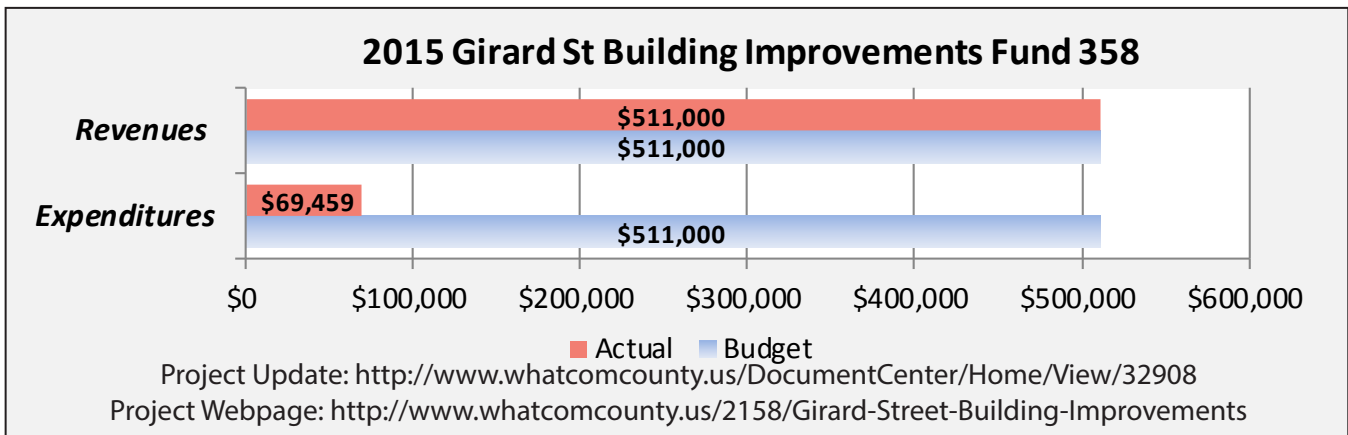
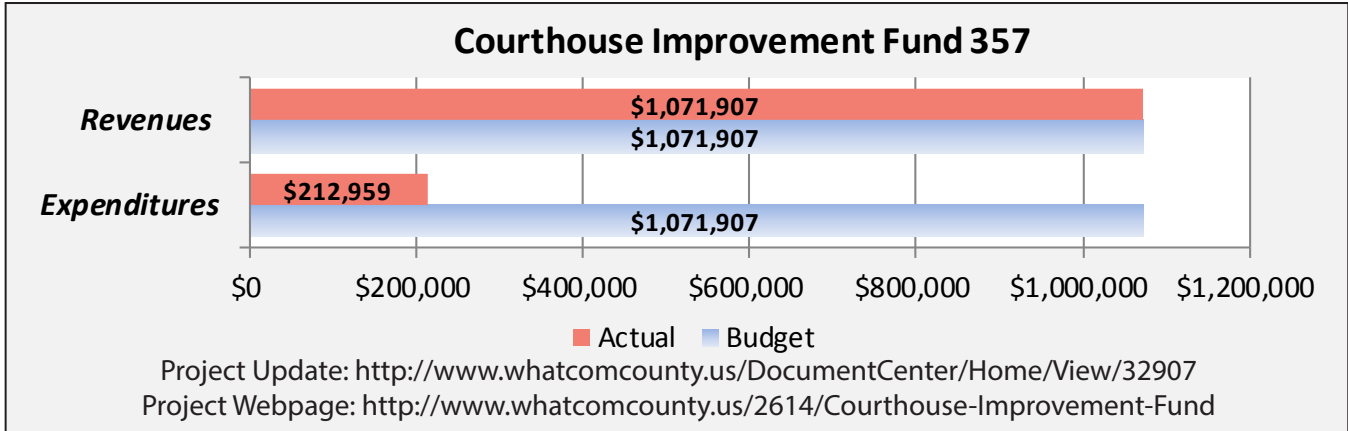


# Whatcom County Fourth Quarter 2017 Financial Report

For the Quarter Ended December 31, 2017



## Project Budget Funds, continued

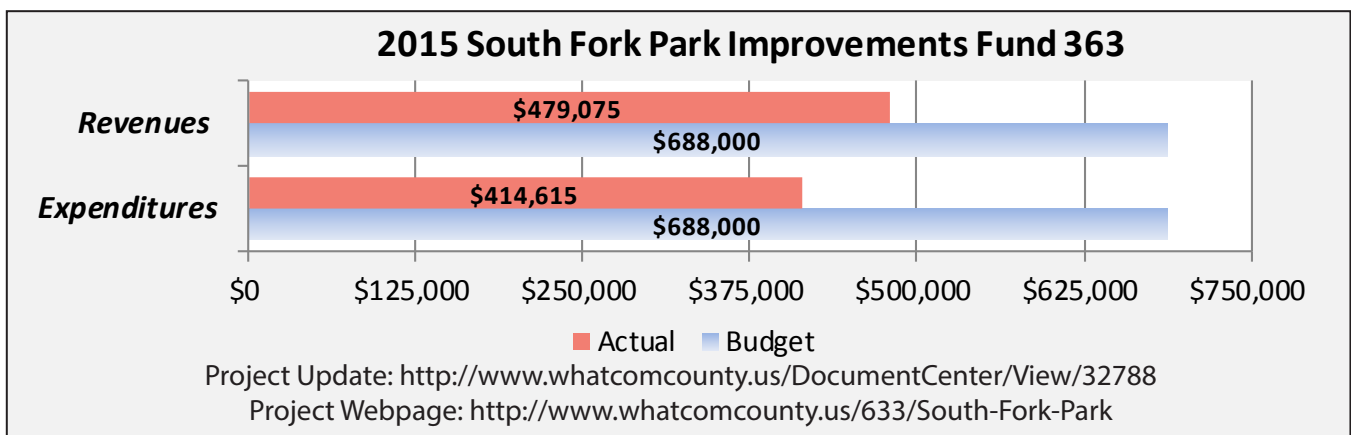
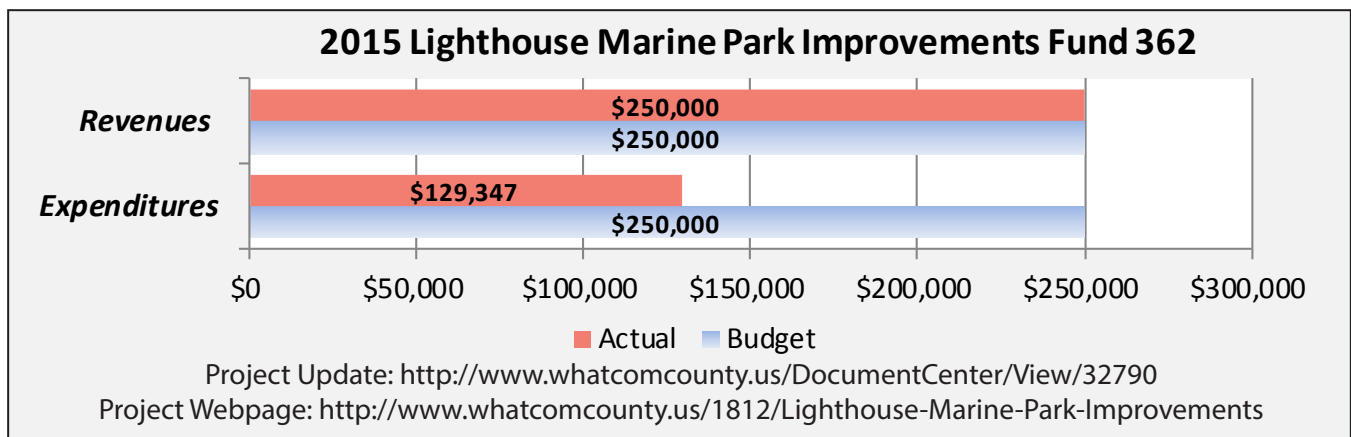
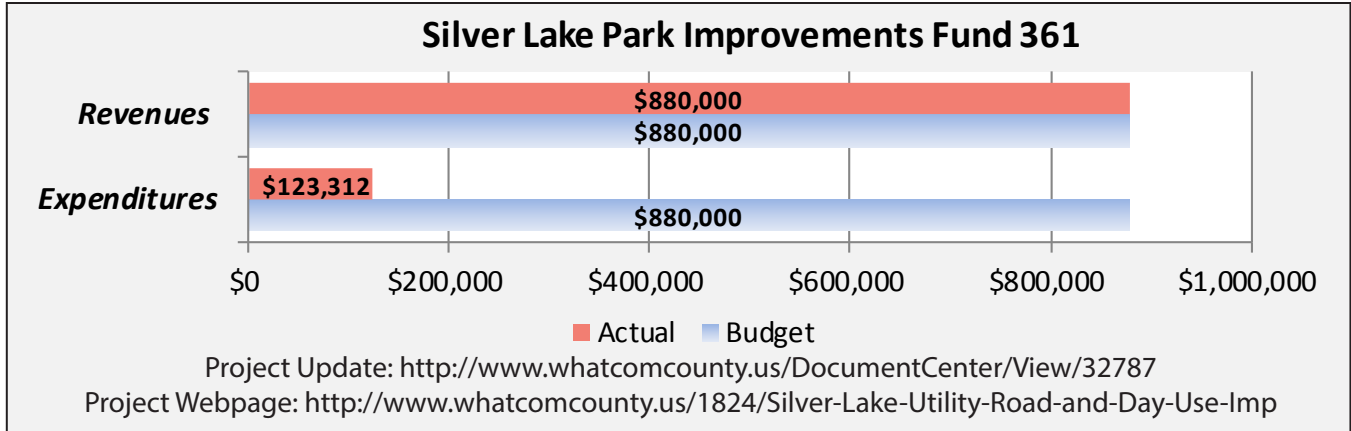


# Whatcom County Fourth Quarter 2017 Financial Report

For the Quarter Ended December 31, 2017



## Project Budget Funds, continued

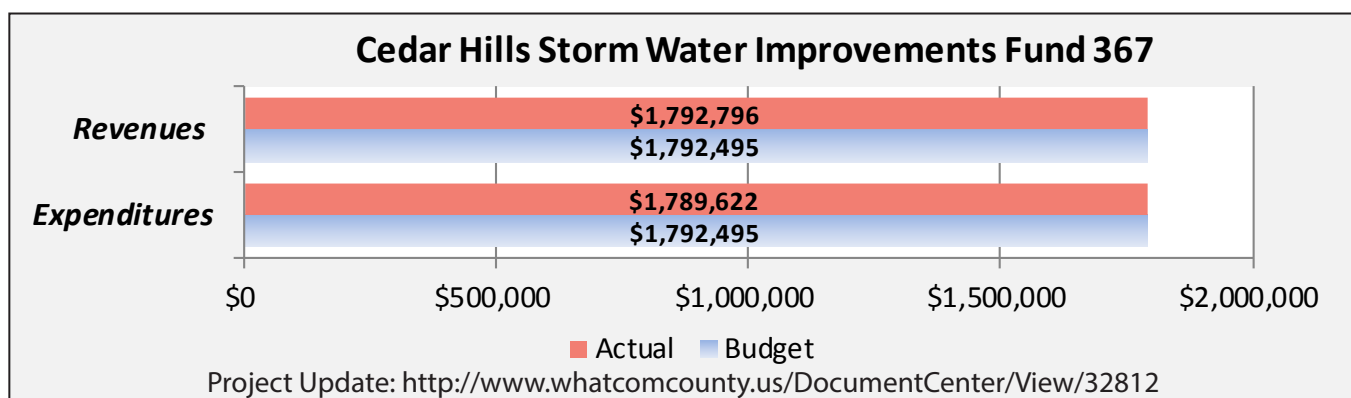
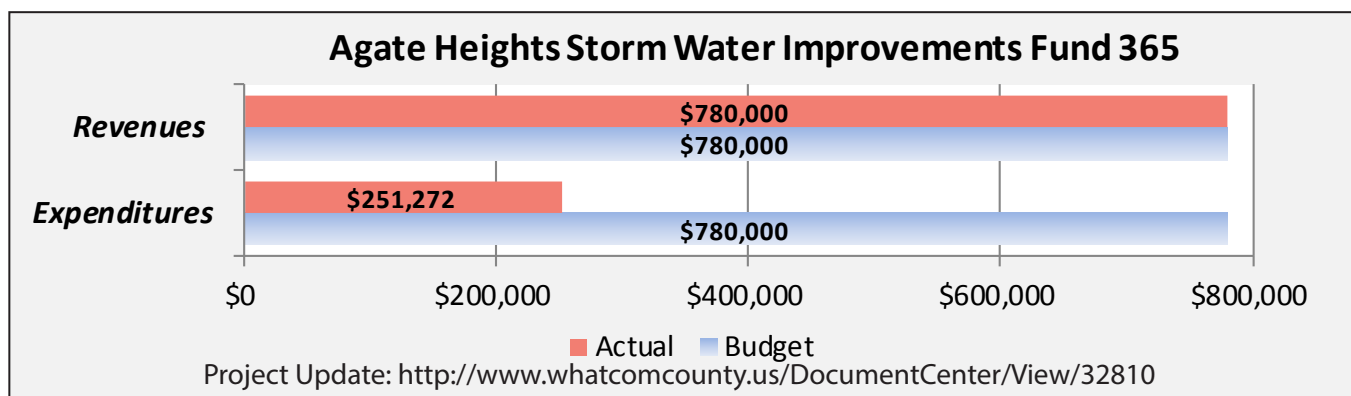
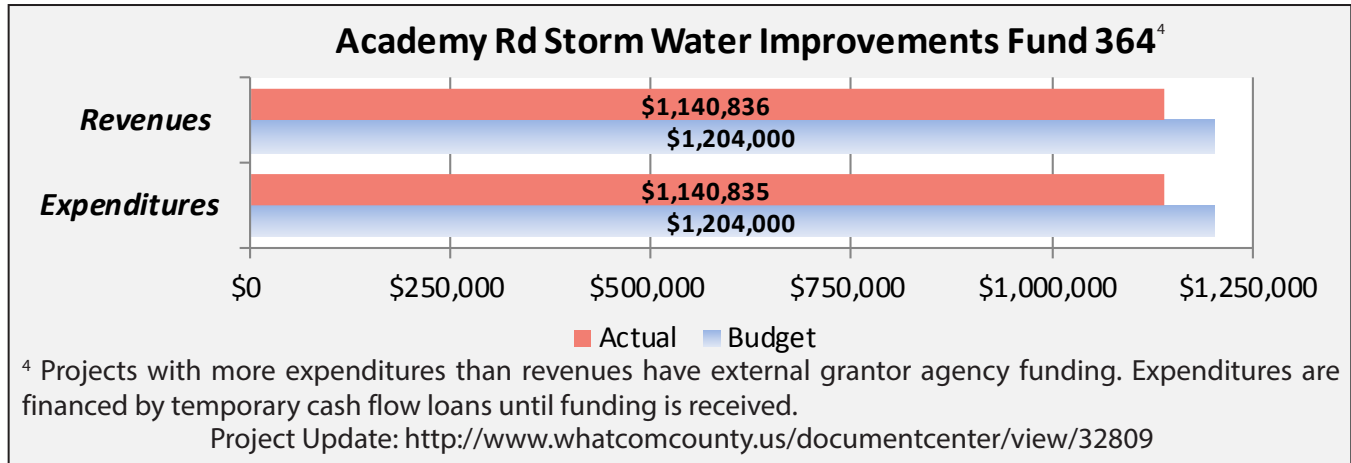


# Whatcom County Fourth Quarter 2017 Financial Report

For the Quarter Ended December 31, 2017



## Project Budget Funds, continued

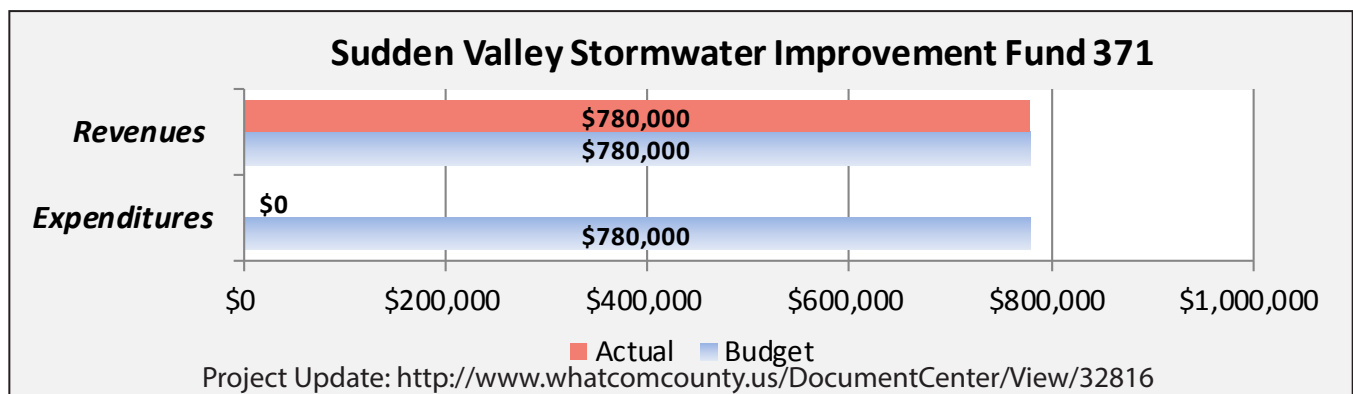
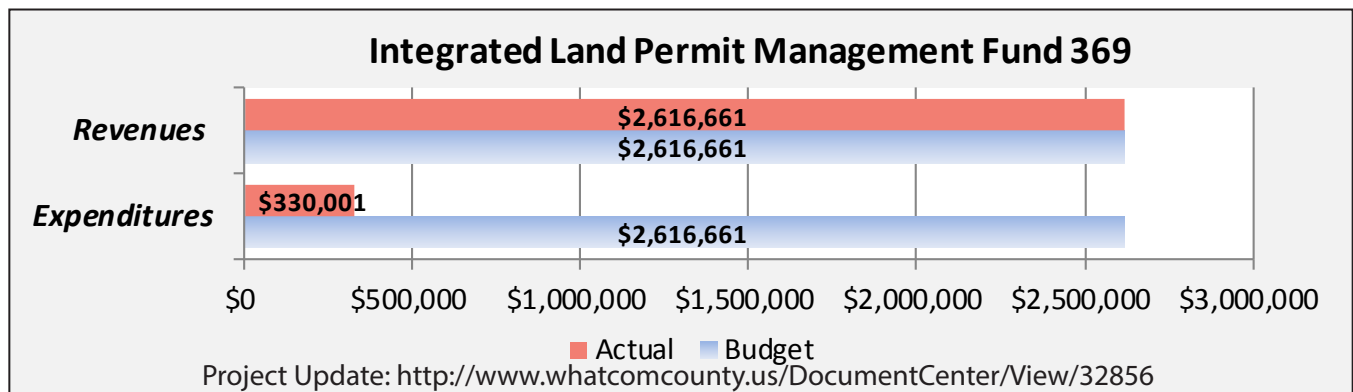
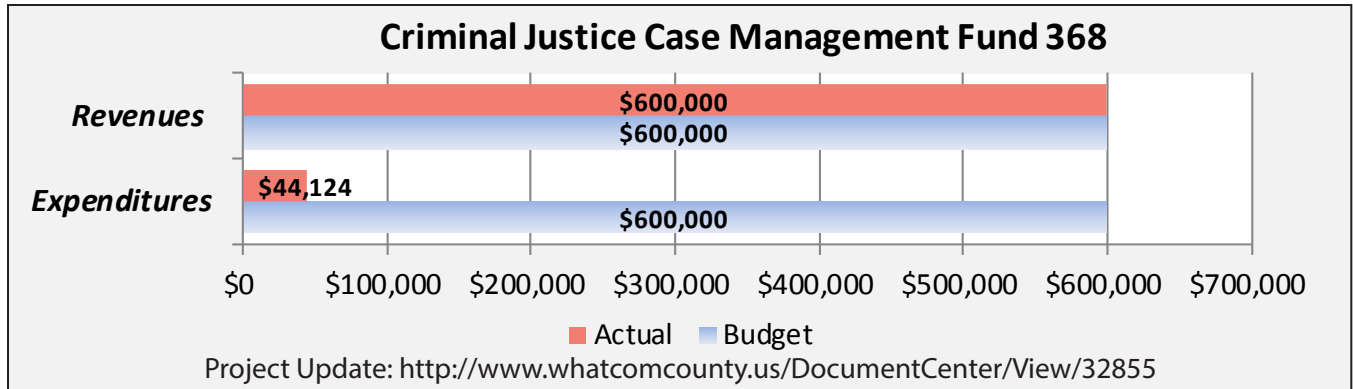


# Whatcom County Fourth Quarter 2017 Financial Report

For the Quarter Ended December 31, 2017



## Project Budget Funds, continued



# Whatcom County Fourth Quarter 2017 Financial Report

For the Quarter Ended December 31, 2017



## Project Budget Funds, continued

