



**2014  
Third  
Quarter  
Financial  
Report**

Jack Louws, County Executive

Compiled and Presented by the  
Administrative Services Department  
Finance Division

Brad Bennett, Finance Manager

November 6, 2014

# Whatcom County Third Quarter 2014 Financial Report

For the Quarter Ended September 30, 2014



## Executive Summary

The following information presents Whatcom County's third quarter 2014 financial report. At the end of the third quarter of 2014 General Fund revenues are on track with third quarter projections.

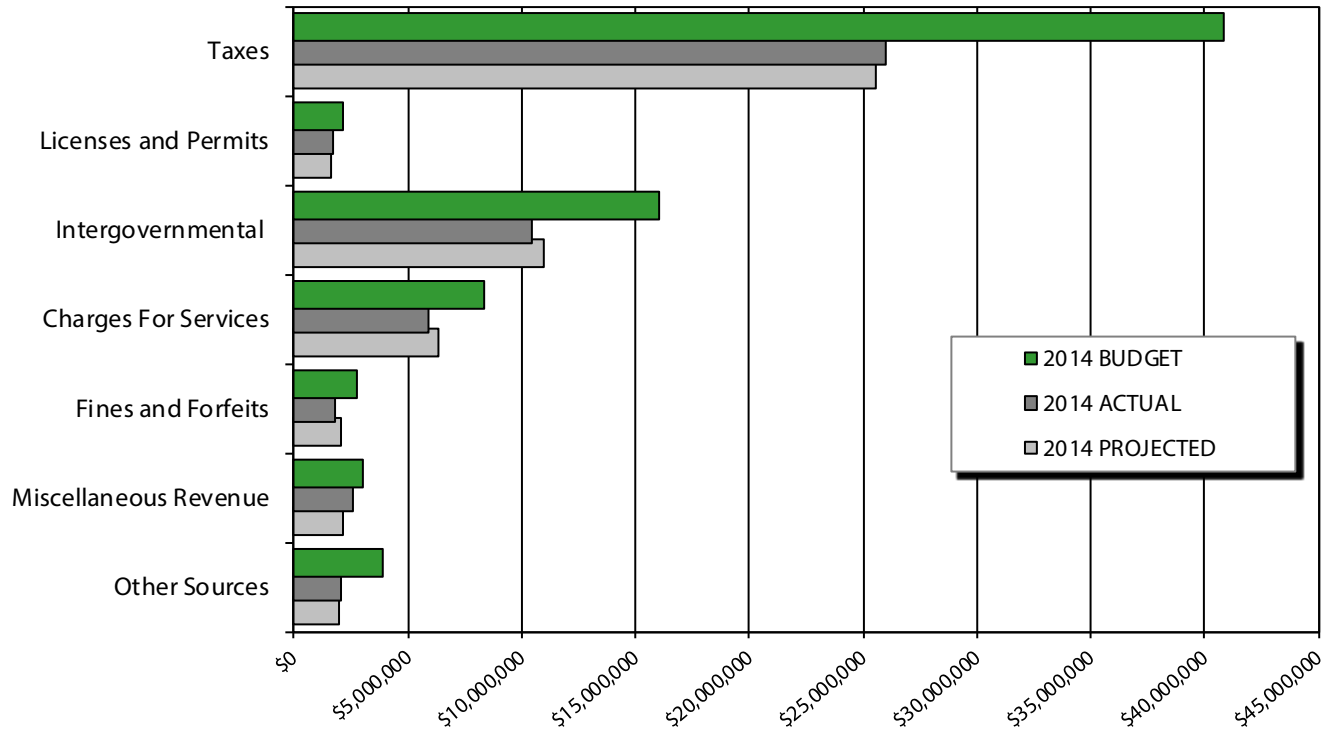
Expenditures are 69.3% of the annual budget, which is below projected amounts but consistent with prior years. Large expenditures for a Community Development Block Grant project, the Assessor – Treasurer software system and the Sheriff's records management software system are yet to be recorded.

# Whatcom County Third Quarter 2014 Financial Report

For the Quarter Ended September 30, 2014



## General Fund Revenue - Budget vs. Actual



	2014 Budget Adopted	2014 Budget Supp'ls	2014 Budget Amended	Actual as of 9/30/2014	% Collected To Date	Projected as of 9/30/2014
Taxes	40,516,215	325,000	40,841,215	26,023,020	63.72%	25,533,932
Licenses and Permits	1,976,150	184,750	2,160,900	1,717,696	79.49%	1,646,576
Intergovernmental	14,066,740	1,982,939	16,049,679	10,480,124	65.30%	10,998,856
Charges For Services	7,813,266	498,485	8,311,751	5,901,521	71.00%	6,330,156
Fines and Forfeits	2,841,400	(130,000)	2,711,400	1,817,971	67.05%	2,083,946
Miscellaneous Revenue	3,126,437	(144,000)	2,982,437	2,567,612	86.09%	2,185,832
Other Sources	3,657,982	230,105	3,888,087	2,033,171	52.29%	1,985,497
<b>Total Revenue</b>	<b>73,998,190</b>	<b>2,947,279</b>	<b>76,945,469</b>	<b>50,541,115</b>	<b>65.68%</b>	<b>50,764,795</b>

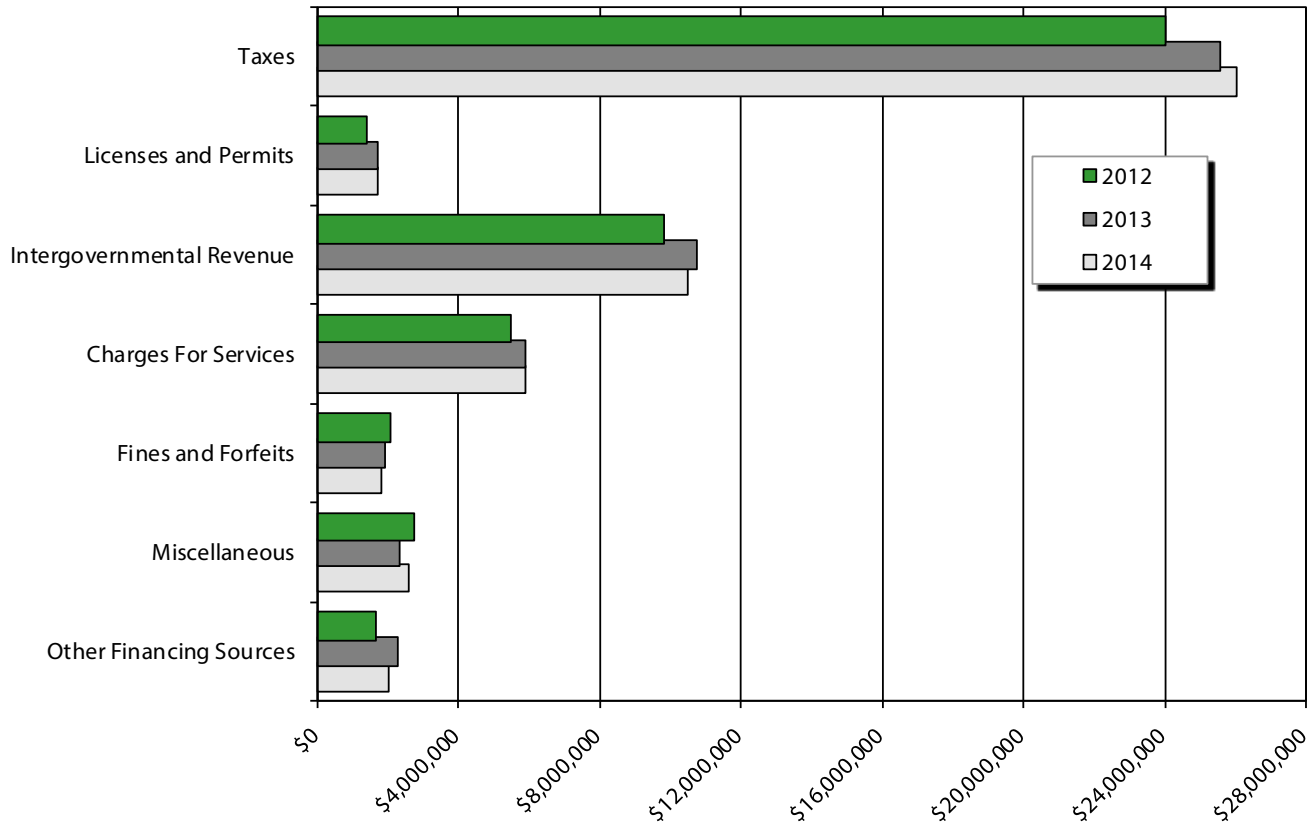
See pages 4 and 5 for General Fund Revenue Notes.

# Whatcom County Third Quarter 2014 Financial Report

For the Quarter Ended September 30, 2014



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



	2012	2013	2014
Taxes	24,017,815	25,556,850	26,023,020
Licenses and Permits	1,422,582	1,732,481	1,717,696
Intergovernmental Revenue	9,829,603	10,723,560	10,480,124
Charges For Services	5,504,576	5,898,056	5,901,521
Fines and Forfeits	2,076,086	1,891,557	1,817,971
Miscellaneous	2,731,260	2,345,743	2,567,612
Other Financing Sources	1,671,448	2,295,980	2,033,171
<b>Total Revenue</b>	<b>47,253,370</b>	<b>50,444,227</b>	<b>50,541,115</b>

See pages 4 and 5 for General Fund Revenue Notes.

# Whatcom County Third Quarter 2014 Financial Report

For the Quarter Ended September 30, 2014



## General Fund Revenue Notes

### Taxes

*Property tax and retail sales tax make up 98% of Whatcom County's tax revenue budget.*

Tax revenues are \$466,170 more than third quarter 2013 amounts. Current year sales tax collections are up \$286,463 or 3%, as compared to collections from last year. Property tax collections increased \$161,575, or 1%, over third quarter 2013. Increases are the result of new construction added to the tax rolls.

### Licenses & Permits

*Building permits account for 48.6% of "Licenses & Permits" budgets. Health Department restaurant, food-handling, on-site septic and other miscellaneous health-related licenses and permits make up 47.2% of the budgets. Marriage licenses, firearms permits and fire control permits account for the remaining 4.2%.*

License and Permit Fees are \$14,785 less than amounts collected during third quarter 2013. Building permit fees increased \$40,650, or 4.6%, over third quarter 2013 levels due to permitting of large commercial projects. On-site septic system fees decreased \$42,500 and firearms permit fees decreased \$19,920 from third quarter 2013.

### Intergovernmental Revenue

*"Intergovernmental Revenue" comes from a variety of sources including grant revenue, state entitlements and payment for intergovernmental services rendered.*

The revenues collected as of quarter end were 65.3% of budget and amounts are \$243,440 less than third quarter 2013. Most of the decrease is due to a 2013 one-time payment from the state of \$380,394 for costs incurred moving to an annual real property revaluation program. Annual federal payment in lieu of taxes (PILT) receipt was \$176,120 higher than the 2013 payment.

### 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.*

Overall, Charges for Services are consistent with collections in third quarter 2013. Planning and Development fees are up about \$159,000 due to an increase in plan check fees for large commercial projects. Auditor recording fees are down over \$130,000 due to a lull in the refinance market.

# Whatcom County Third Quarter 2014 Financial Report

For the Quarter Ended September 30, 2014



## 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 \$73,586 or 3.8%, under third quarter 2013 amounts. Traffic-related fines and penalties are down \$127,000 and property tax penalties are up \$50,000.

### Miscellaneous

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

Miscellaneous revenue is up \$221,870, or 9.4%, from the third quarter 2013. Most of the increase is due to higher interest income amounts received on delinquent property taxes and investment of county funds.

### Other Financing Sources

*The "Other Financing Sources" revenue budget is composed of state timber revenues (10%) and 90% from transfers from other Whatcom County funds.*

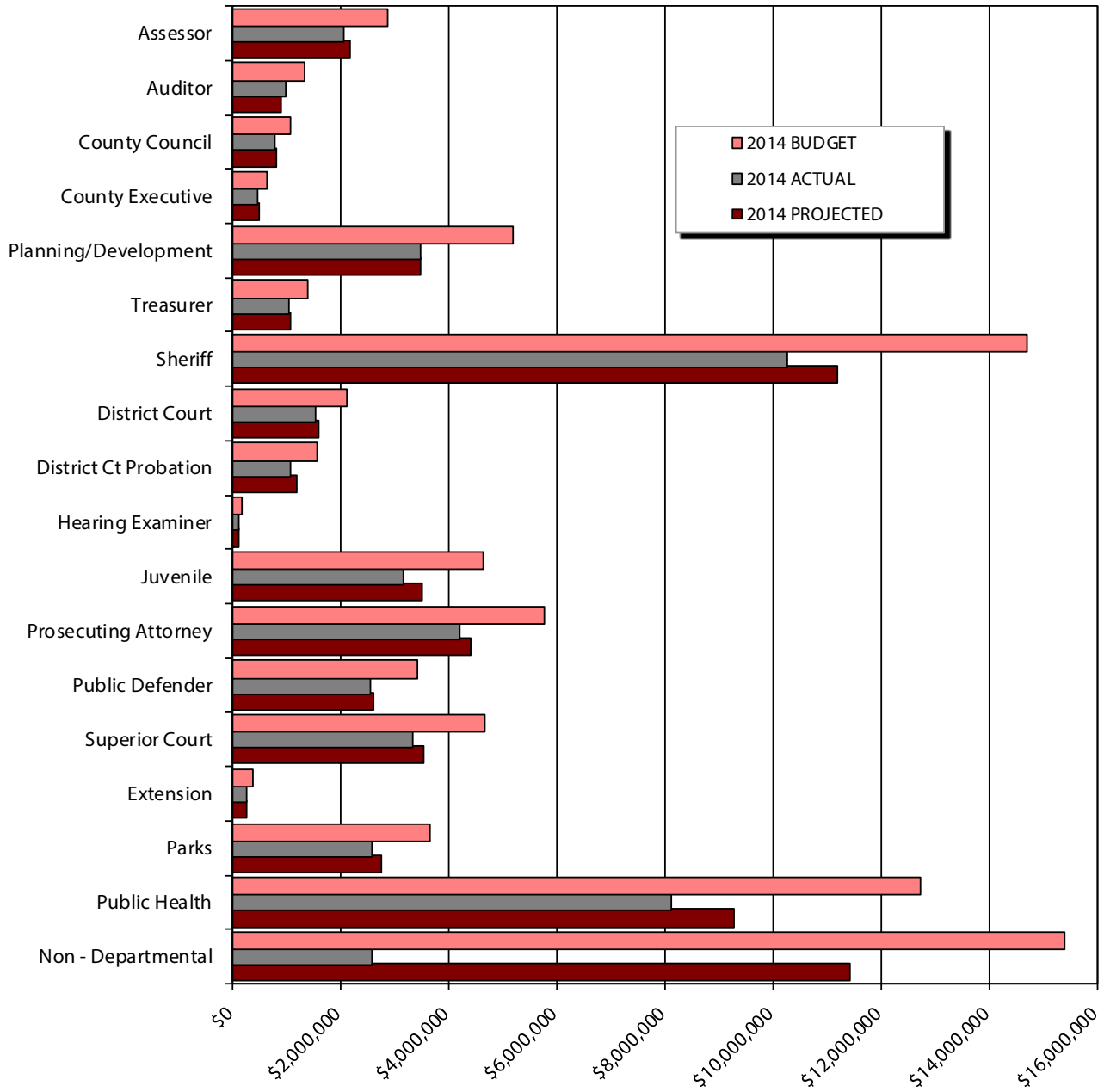
The Other Financing Sources category is \$262,800, or 11.4%, less than third quarter 2013 amounts. State timber sales revenue decreased \$131,880 under 2013 amounts. Timber revenues fluctuate based on harvest plans and market conditions. Operating transfers are down over \$130,000 due to the discontinuance of transfers from Emergency Management to the Sheriff's Office for Homeland Security funded projects.

# Whatcom County Third Quarter 2014 Financial Report

For the Quarter Ended September 30, 2014



## General Fund Expenditures - Budget vs. Actual



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

# Whatcom County Third Quarter 2014 Financial Report

For the Quarter Ended September 30, 2014



## General Fund Expenditures - Budget vs. Actual

	Adopted 2014 Budget	Budget Supplementals	Amended Budget	Actual as of 9/30/14	% Expended To Date	Projected as of 9/30/14
Assessor	2,860,159	17,642	2,877,801	2,060,585	71.60%	2,190,902
Auditor	1,338,973	9,167	1,348,140	1,006,221	74.64%	912,884
County Council	979,935	110,104	1,090,039	788,411	72.33%	821,019
County Executive	553,515	101,359	654,874	472,133	72.10%	500,725
Planning & Development	5,004,052	197,088	5,201,140	3,501,264	67.32%	3,499,883
Treasurer	1,384,372	26,489	1,410,861	1,050,598	74.47%	1,087,524
Sheriff	13,564,869	1,137,875	14,702,744	10,274,428	69.88%	11,195,227
District Court	2,058,718	70,782	2,129,500	1,538,462	72.25%	1,611,203
District Court Probation	1,634,109	(53,005)	1,581,104	1,072,493	67.83%	1,203,615
Hearing Examiner	182,551	525	183,076	137,753	75.24%	136,962
Juvenile	4,270,420	367,514	4,637,934	3,175,072	68.46%	3,527,764
Prosecuting Attorney	5,760,502	30,593	5,791,095	4,208,182	72.67%	4,419,597
Public Defender	3,394,167	53,146	3,447,313	2,551,482	74.01%	2,629,729
Superior Court/Clerk	5,024,898	(353,364)	4,671,534	3,348,554	71.68%	3,554,674
Extension	347,324	43,050	390,374	262,669	67.29%	263,181
Non - Departmental	11,501,310	3,908,390	15,409,700	10,615,287	68.89%	11,442,359
Park	3,627,401	48,604	3,676,005	2,594,059	70.57%	2,771,962
Public Health	12,103,987	638,684	12,742,671	8,130,415	63.80%	9,277,153
<b>Total General Fund Exp</b>	<b>75,591,262</b>	<b>6,354,643</b>	<b>81,945,905</b>	<b>56,788,068</b>	<b>69.30%</b>	<b>61,046,363</b>

See page 9 for General Fund Expenditure Notes.

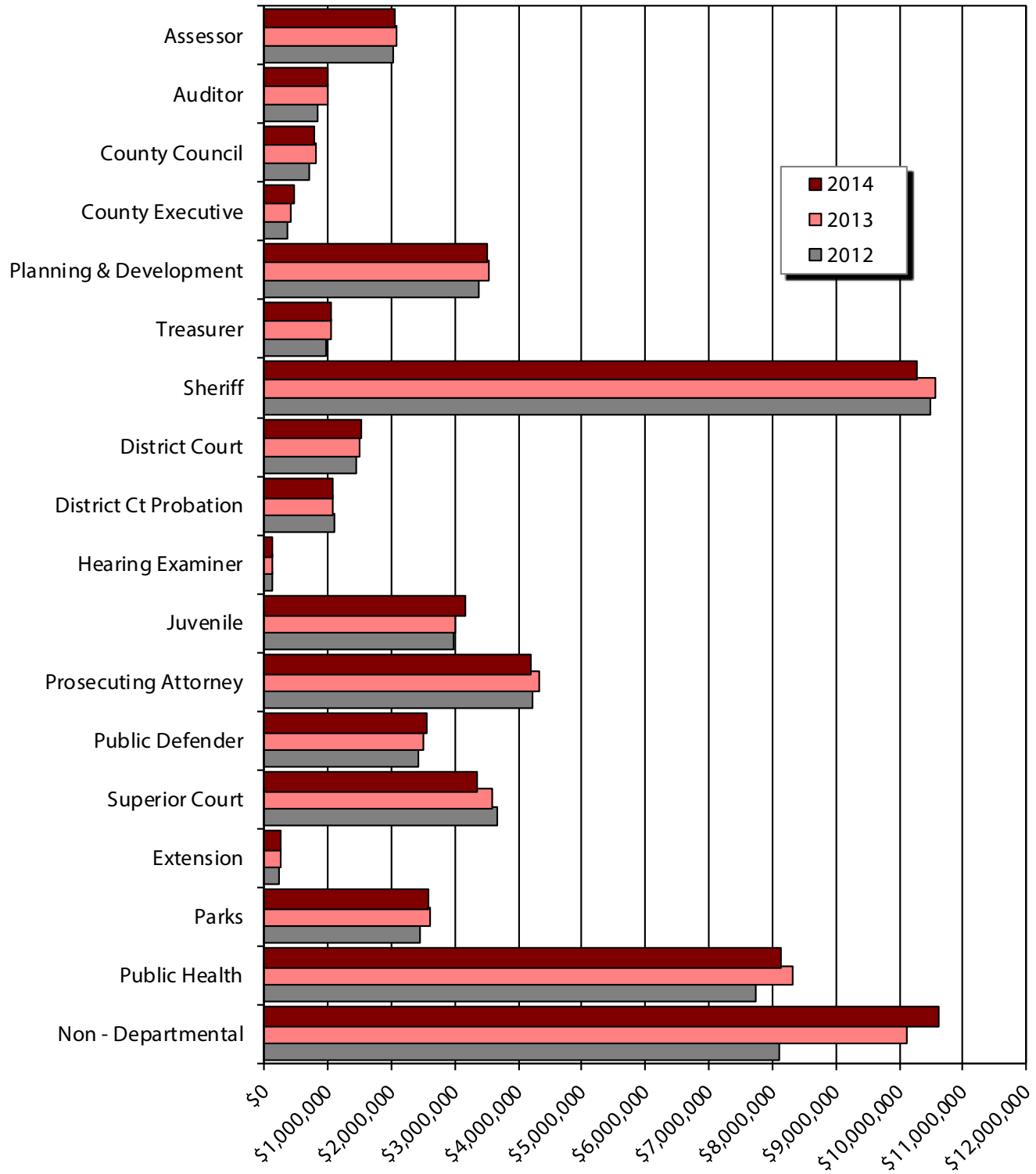


# Whatcom County Third Quarter 2014 Financial Report

For the Quarter Ended September 30, 2014



## General Fund Expenditures - Compared to Prior Years



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

# Whatcom County Third Quarter 2014 Financial Report

For the Quarter Ended September 30, 2014



## General Fund Expenditures - Compared to Prior Years

	2012	2013	2014
Assessor	2,026,562	2,093,157	2,060,585
Auditor	849,012	996,616	1,006,221
County Council	708,278	809,596	788,411
County Executive	358,726	416,229	472,133
Planning & Development	3,380,567	3,537,180	3,501,264
Treasurer	975,235	1,057,860	1,050,598
Sheriff	10,486,199	10,580,490	10,274,428
District Court	1,456,513	1,496,767	1,538,462
District Ct Probation	1,111,505	1,079,988	1,072,493
Hearing Examiner	133,205	130,901	137,753
Juvenile	2,994,283	3,011,608	3,175,072
Prosecuting Attorney	4,218,906	4,320,489	4,208,182
Public Defender	2,427,312	2,503,760	2,551,482
Superior Court Administration	3,676,933	3,587,279	3,348,554
Extension	234,658	245,890	262,669
Non-Departmental	8,115,968	10,116,572	10,615,287
Parks	2,447,283	2,609,374	2,594,059
Public Health	7,744,365	8,307,968	8,130,415
<b>TOTAL</b>	<b>53,345,510</b>	<b>56,901,724</b>	<b>56,788,068</b>

## General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the third quarter were at 69.30% of the approved budget. This is consistent with previous years. All departmental spending was within budget expectations.

# Whatcom County Third Quarter 2014 Financial Report

For the Quarter Ended September 30, 2014



## General Fund Conclusion

	<b>Projected</b>
<b>Beginning Fund Balance 1/1/14</b>	12,164,481
<b>Revenues</b>	
Budgeted Revenues 2014	73,998,190
Continuing Appropriations from 2013	875,626
Supplemental Budgets 2014	2,071,653
<b>Total Revenue</b>	<u>76,945,469</u>
<b>Expenditures</b>	
Budgeted Expenditures 2014	75,591,262
Continuing Appropriations from 2013	1,674,364
Supplemental Budgets 2014	4,680,279
<b>Total Expenditures</b>	<u>81,945,905</u>
<b>Adjusted Surplus (Deficit)</b>	(5,000,436)
<b>Other Considerations</b>	
Estimated Budget Lapse	4,093,469
<b>Projected Ending Fund Balance 12/31/14</b>	<u>11,257,514</u>
<b>Interfund Loan Adjustment*</b>	1,673,344
<b>Adjusted Fund Balance 12/31/14</b>	<u><u>12,930,858</u></u>

**Notes:**

\* Accounting for interfund loans used to finance the Central Plaza Building purchase and the Assessor-Treasurer System in accordance with generally accepted accounting principles has the effect of artificially reducing the fund balance. This happens because the capital purchases 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 Third Quarter 2014 Financial Report

For the Quarter Ended September 30, 2014



## Special Revenue Funds and Other Funds - Revenues

	2013 Actual As of 9/30/2013	2014 Actual As of 9/30/2014	2014 Budget	% Collected of 2014 Budget
County Road Fund	15,366,606	15,818,651	24,012,711	65.88%
Election Reserve Fund	516,388	366,673	1,185,700	30.92%
Veterans Relief	160,928	159,302	282,007	56.49%
Jail Fund	9,546,915	9,773,712	12,641,121	77.32%
Low Income Housing Projects	172,345	120,914	239,200	50.55%
Homeless Housing	1,889,914	1,699,023	3,272,806	51.91%
Stormwater Fund	193,472	637,000	1,803,237	35.33%
Chemical Dependency/Mental Hlth	2,687,756	2,912,993	3,795,004	76.76%
Parks Special Revenue Fund	-	1,600,955	1,600,755	100.01%
County Wide Emergency Medical	2,065,611	4,527,532	7,156,327	63.27%
Trial Court Improvement Fund	35,991	35,843	48,671	73.64%
Solid Waste Fund	499,645	510,884	1,049,804	48.66%
WC Convention Center Fund	411,844	389,173	516,000	75.42%
Victim/Witness Assistance Fund	89,567	76,841	126,950	60.53%
Whatcom Co Drug Fund	135,474	128,151	376,000	34.08%
Auditor's O&M Fund	187,056	140,172	166,500	84.19%
Emergency Management	776,202	863,165	963,866	89.55%
Flood Control Zone Dist Fund	2,486,462	3,313,199	5,505,978	60.17%
Pt Roberts Fuel Tax Fund	70,669	73,201	60,000	122.00%
Conservation Futures Fund	609,581	719,460	1,098,591	65.49%
Sub-Flood Zones	116,324	115,184	194,705	59.16%
Birch Bay Sub-Zone	517,654	530,076	735,000	72.12%
Real Estate Excise Tax Fund II	1,138,269	1,535,255	1,338,926	114.66%
Real Estate Excise Tax Fund I	1,101,316	1,615,862	1,417,607	113.99%
Public Utilities Imprv Fund	2,461,173	2,500,838	3,314,377	75.45%
East Cnty Regional Resource Ctr	-	46,468	46,478	99.98%
Birch Bay Drive	759,731	-	1,435,342	0.00%
Birch Bay Portal Way Signal Impr.	415,173	441,591	3,837,590	11.51%
Potter Rd/ S. Fork Bridge	1,900,000	845,121	7,700,000	10.98%
Rural Road Safety Program	115,804	630,250	950,846	66.28%
New Jail Project Fund	1,000,000	1,000,000	-	0.00%
SC Fourth Judge Courtroom	200,000	1,422,464	1,422,464	100.00%
Slater Road Intersection	-	1,625,202	2,740,000	59.31%
Dakota Creek Bridge	-	29,950	2,718,268	1.10%
Telecommunications Sys Rplcmnt	-	2,223,809	2,223,809	100.00%
Ferry System Fund	1,778,917	1,834,858	2,758,000	66.53%
Equipment Rental & Revolving	7,821,422	8,142,050	10,695,374	76.13%
Administrative Services Fund	13,080,853	13,336,721	18,595,344	71.72%

Notes: Several of the funds listed above are for specific capital asset projects. Road Improvement Districts and Debt Service Funds are not shown on this list.

# Whatcom County Third Quarter 2014 Financial Report

For the Quarter Ended September 30, 2014



## Special Revenue Funds and Other Funds - Expenditures

	2013 Actual As of 9/30/2013	2014 Actual As of 9/30/2014	2014 Budget	% Expended of 2014 Budget
County Road Fund	18,002,342	16,671,356	24,589,236	67.80%
Election Reserve Fund	629,862	671,563	1,349,281	49.77%
Veterans Relief	258,839	219,144	416,965	52.56%
Jail Fund	9,250,349	9,609,133	13,562,248	70.85%
Low Income Housing	170,716	110,372	274,000	40.28%
Homeless Housing	1,825,608	1,810,321	3,301,406	54.83%
Stormwater Fund	870,744	846,230	2,045,019	41.38%
Chemical Depend/Mental Hlth	1,893,243	2,093,851	4,351,170	48.12%
Parks Special Revenue Fund	-	-	183,326	0.00%
County Wide Emergency Medical	2,756,860	6,098,141	8,366,712	72.89%
Trial Court Improvement Fund	-	-	23,735	0.00%
Solid Waste Fund	435,501	464,501	1,030,805	45.06%
WC Convention Center Fund	218,565	360,362	558,980	64.47%
Victim/Witness Assistance Fund	63,803	63,871	142,478	44.83%
Whatcom Co Drug Fund	74,764	26,271	593,967	4.42%
Auditor's O&M Fund	231,176	140,058	230,964	60.64%
Emergency Management	860,273	834,233	980,531	85.08%
Flood Control Zone Dist Fund	2,964,931	3,443,774	7,834,238	43.96%
Conservation Futures Fund	73,719	1,770,714	2,352,825	75.26%
Sub-Flood Zones	25,484	21,455	294,994	7.27%
Birch Bay Sub Zone	351,088	404,171	1,506,056	26.84%
Real Estate Excise Tax Fund II	2,389,385	1,229,851	2,551,840	48.19%
Real Estate Excise Tax Fund I	20,696	97,023	963,384	10.07%
County Parks Improvement Fund	-	79,630	96,826	82.24%
Public Utilities Improvement	591,863	250,141	9,998,091	2.50%
East Cnty Regional Resource Ctr	-	9,970	123,058	8.10%
Jail Improvement Fund	296,187	167,506	992,774	16.87%
Birch Bay Drive	90,799	56,798	2,100,675	2.70%
Birch Bay Portal Way Signal Impr.	164,796	2,397,960	3,308,620	72.48%
Potter/ S. Fork Bridge	208,902	1,169,505	8,695,589	13.45%
Rural Road Safety Program	391,931	634,542	1,759,841	36.06%
Sheriff Records Management Sys.	721,709	17,336	299,882	5.78%
New Jail Project 2013	425,979	7,972	135,194	5.90%
SC Fourth Judge Courtroom	-	241,676	1,562,811	15.46%
State St Bldg Acquire & Imprv	-	2,655,148	5,042,682	52.65%
Slater Road Intersection	-	100,983	2,740,000	3.69%
Dakota Creek Bridge	-	56,108	2,718,268	2.06%
Telecommunication System	-	223,514	2,223,809	10.05%
Ferry System Fund	1,799,466	1,855,244	2,533,134	73.24%
Equipment Rental & Revolving	7,184,056	7,979,466	15,088,165	52.89%
Administrative Services Fund	13,495,233	15,055,773	21,938,251	68.63%

*Note: Expenditures in most of the funds presented are project-driven and do not follow regular spending patterns. Road Improvement Districts and Debt Service Funds are not shown on this list.*