



**2014  
Fourth  
Quarter  
Financial  
Report**

Jack Louws, County Executive

Compiled and Presented by the  
Administrative Services Department  
Finance Division

Brad Bennett, Finance Manager

February 10, 2015

# Whatcom County Fourth Quarter 2014 Financial Report

For the Quarter Ended December 31, 2014



## Executive Summary

The following information presents Whatcom County's fourth quarter 2014 financial report. At year-end Whatcom County's General Fund collected 97.8% of its budgeted revenues. Whatcom County's General Fund spent 91.9% of its budgeted expenditures.

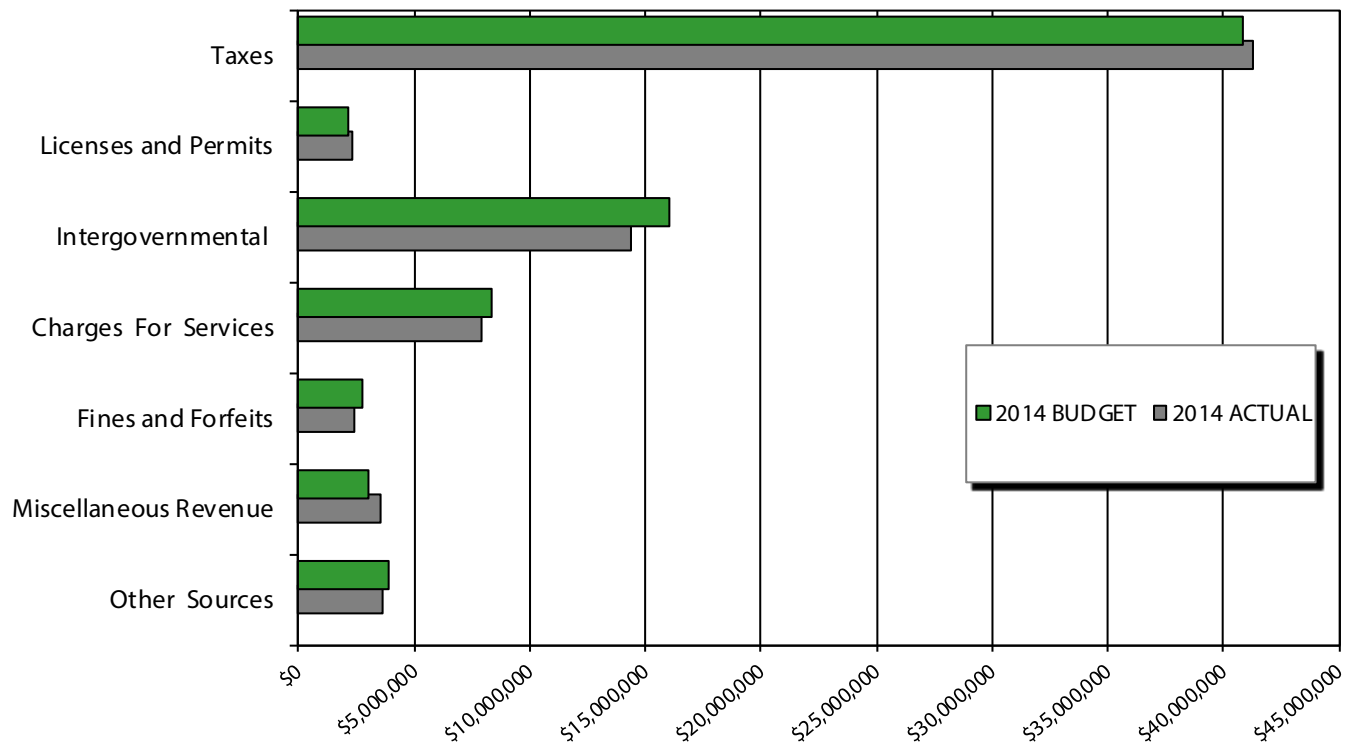
The estimated 2014 General Fund ending fund balance is projected to be approximately \$13.1 million. This is an increase of \$936,000 over the 2013 ending fund balance. The increase is primarily due to lapses of expenditure authority as a result of projects delayed until 2015.

# Whatcom County Fourth Quarter 2014 Financial Report

For the Quarter Ended December 31, 2014



## General Fund Revenue - Budget vs. Actual



	2014 Budget Adopted	2014 Budget Supp'ls	2014 Budget Amended	Actual as of 12/31/2014	% Collected To Date
Taxes	40,516,215	325,000	40,841,215	41,229,687	100.95%
Licenses and Permits	1,976,150	184,750	2,160,900	2,276,621	105.36%
Intergovernmental	14,066,740	1,982,939	16,049,679	14,339,848	89.35%
Charges For Services	7,813,266	514,472	8,327,738	7,946,558	95.42%
Fines and Forfeits	2,841,400	(130,000)	2,711,400	2,387,751	88.06%
Miscellaneous Revenue	3,126,437	(144,000)	2,982,437	3,501,750	117.41%
Other Sources	3,657,982	230,105	3,888,087	3,613,926	92.95%
<b>Total Revenue</b>	<b>73,998,190</b>	<b>2,963,266</b>	<b>76,961,456</b>	<b>75,296,141</b>	<b>97.84%</b>

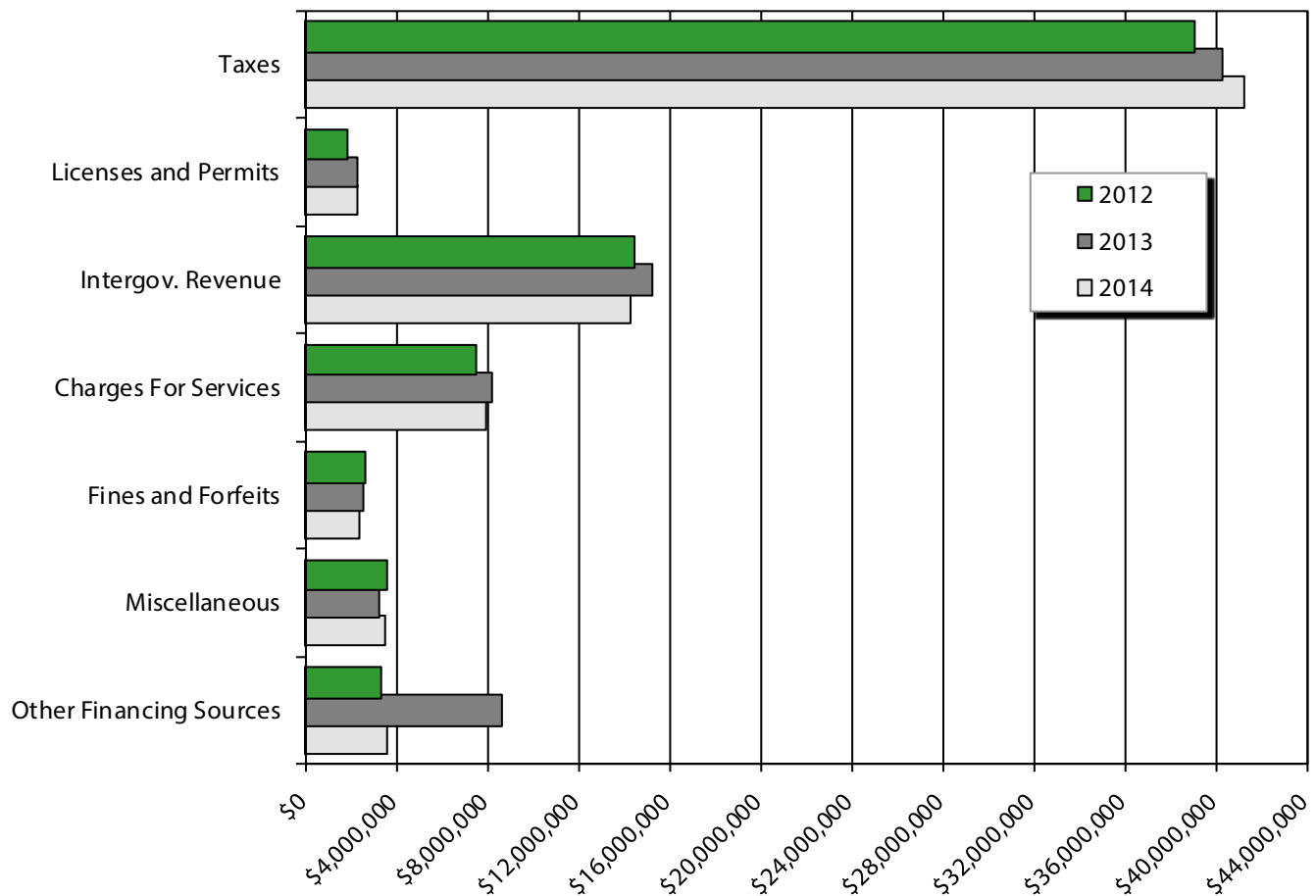
See pages 4 and 5 for General Fund Revenue Notes.

# Whatcom County Fourth Quarter 2014 Financial Report

For the Quarter Ended December 31, 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 Fourth Quarter 2014 Financial Report

For the Quarter Ended December 31, 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 \$968,165 more than 2013 amounts. Current year sales tax collections are up \$414,913 or 3.3%, as compared to collections from last year. Current year property tax collections increased \$469,466, or 1.8%, over 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 \$14,164 more than amounts collected during 2013. Building permit fees increased \$80,117, or 7.4%, over 2013 levels due to permitting of large commercial projects. On-site septic system fees decreased \$55,800 and firearms permit fees decreased \$16,358 from 2013 levels.

### Intergovernmental Revenue

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

Revenues collected as of year-end are \$1.7 million less than budget. Year-end adjustments will increase grant revenues significantly and about \$288,000 of unfinished grant projects will be carried over to 2015. There will also be about \$700,000 of grant revenue (and expense) budgets that will remain unspent due to state cancellation of a Health Department grant project and unspent substance abuse treatment dollars. As a result of healthcare reform, substance abuse treatment is now being covered by Medicaid at the state level and the Criminal Justice Treatment Act grant dollars are not being utilized.

### 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 about \$250,000 below 2013 amounts and \$380,000 below budgeted amounts. Most of that difference will be made up with year-end adjustments for interfund service billings.

# Whatcom County Fourth Quarter 2014 Financial Report

For the Quarter Ended December 31, 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 \$146,762, or 5.8%, under 2013 amounts. Civil and traffic-related fines and penalties are down \$188,000 and property tax penalties are up \$44,000.

### 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 \$282,463, or 8.8%, from 2013. Increases are due to higher interest income amounts received on delinquent property tax collections, court-related legal financial obligations 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.*

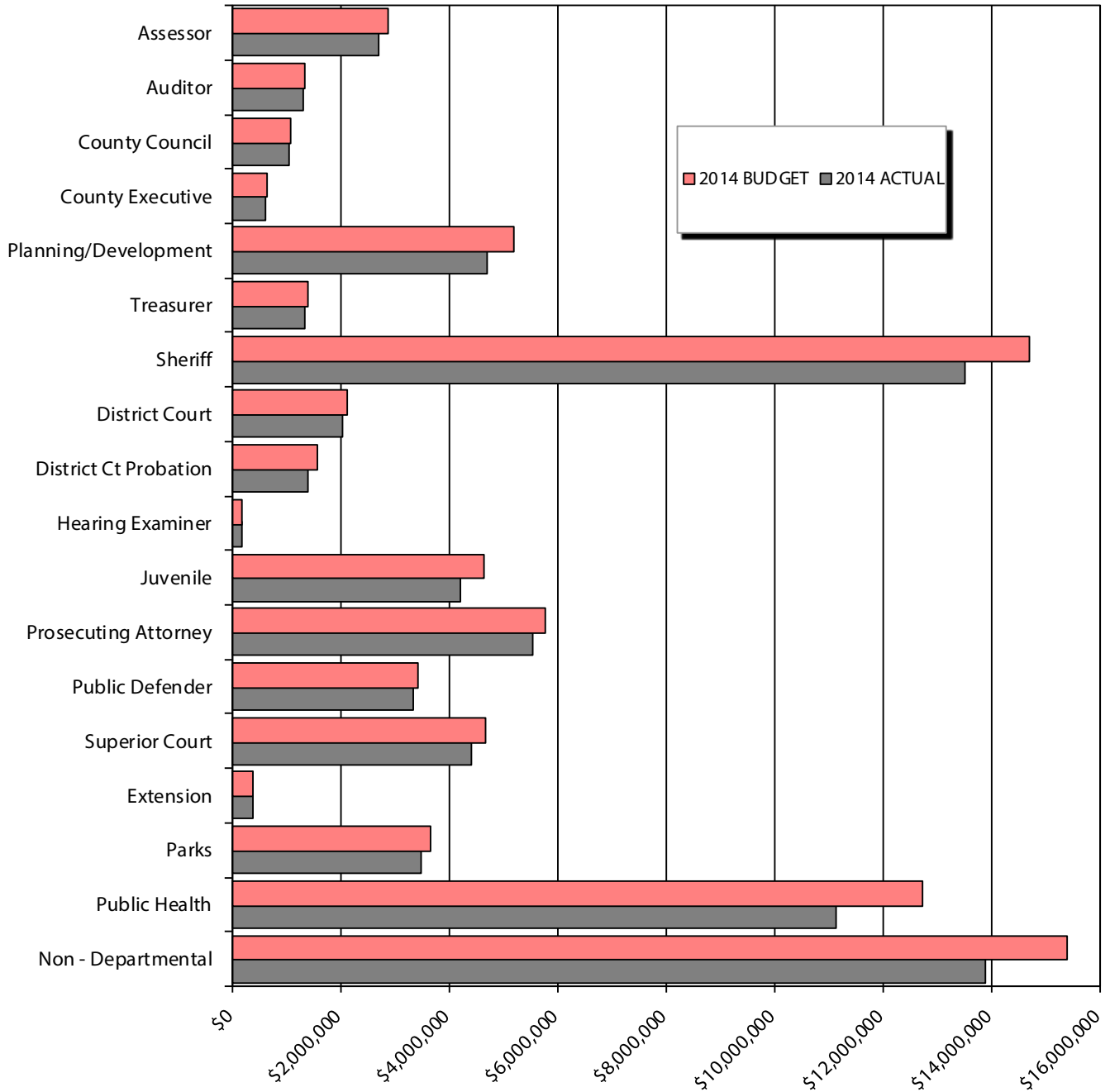
The Other Financing Sources category is over \$5 million less than 2013 amounts due to one-time proceeds from real estate transactions recorded last year. The category is currently \$274,160 less than budgeted amounts. State timber sales revenue decreased \$162,398 under 2013 amounts. Timber revenues fluctuate based on harvest plans and market conditions. Operating transfers are currently down \$120,000 but that difference should be made up as more year-end adjustments are recorded.

# Whatcom County Fourth Quarter 2014 Financial Report

For the Quarter Ended December 31, 2014



## General Fund Expenditures - Budget vs. Actual



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

# Whatcom County Fourth Quarter 2014 Financial Report

For the Quarter Ended December 31, 2014



## General Fund Expenditures - Budget vs. Actual

	Adopted 2014 Budget	Budget Supplementals	Amended Budget	Actual as of 12/31/14	% Expended To Date
Assessor	2,860,159	17,642	2,877,801	2,721,062	94.55%
Auditor	1,338,973	9,167	1,348,140	1,312,940	97.39%
County Council	979,935	110,104	1,090,039	1,049,462	96.28%
County Executive	553,515	101,359	654,874	630,565	96.29%
Planning & Development	5,004,052	197,088	5,201,140	4,711,880	90.59%
Treasurer	1,384,372	26,489	1,410,861	1,341,868	95.11%
Sheriff	13,564,869	1,153,862	14,718,731	13,524,892	91.89%
District Court	2,058,718	70,782	2,129,500	2,032,114	95.43%
District Court Probation	1,634,109	(53,005)	1,581,104	1,399,418	88.51%
Hearing Examiner	182,551	525	183,076	182,083	99.46%
Juvenile	4,270,420	367,514	4,637,934	4,204,327	90.65%
Prosecuting Attorney	5,760,502	30,593	5,791,095	5,536,250	95.60%
Public Defender	3,394,167	53,146	3,447,313	3,352,016	97.24%
Superior Court/Clerk	5,024,898	(353,364)	4,671,534	4,430,496	94.84%
Extension	347,324	43,050	390,374	390,209	99.96%
Non - Departmental	11,501,310	3,908,390	15,409,700	13,894,192	90.17%
Park	3,627,401	48,604	3,676,005	3,480,425	94.68%
Public Health	12,103,987	638,684	12,742,671	11,135,514	87.39%
<b>Total General Fund Exp</b>	<b>75,591,262</b>	<b>6,370,630</b>	<b>81,961,892</b>	<b>75,329,713</b>	<b>91.91%</b>

See page 9 for General Fund Expenditure Notes.

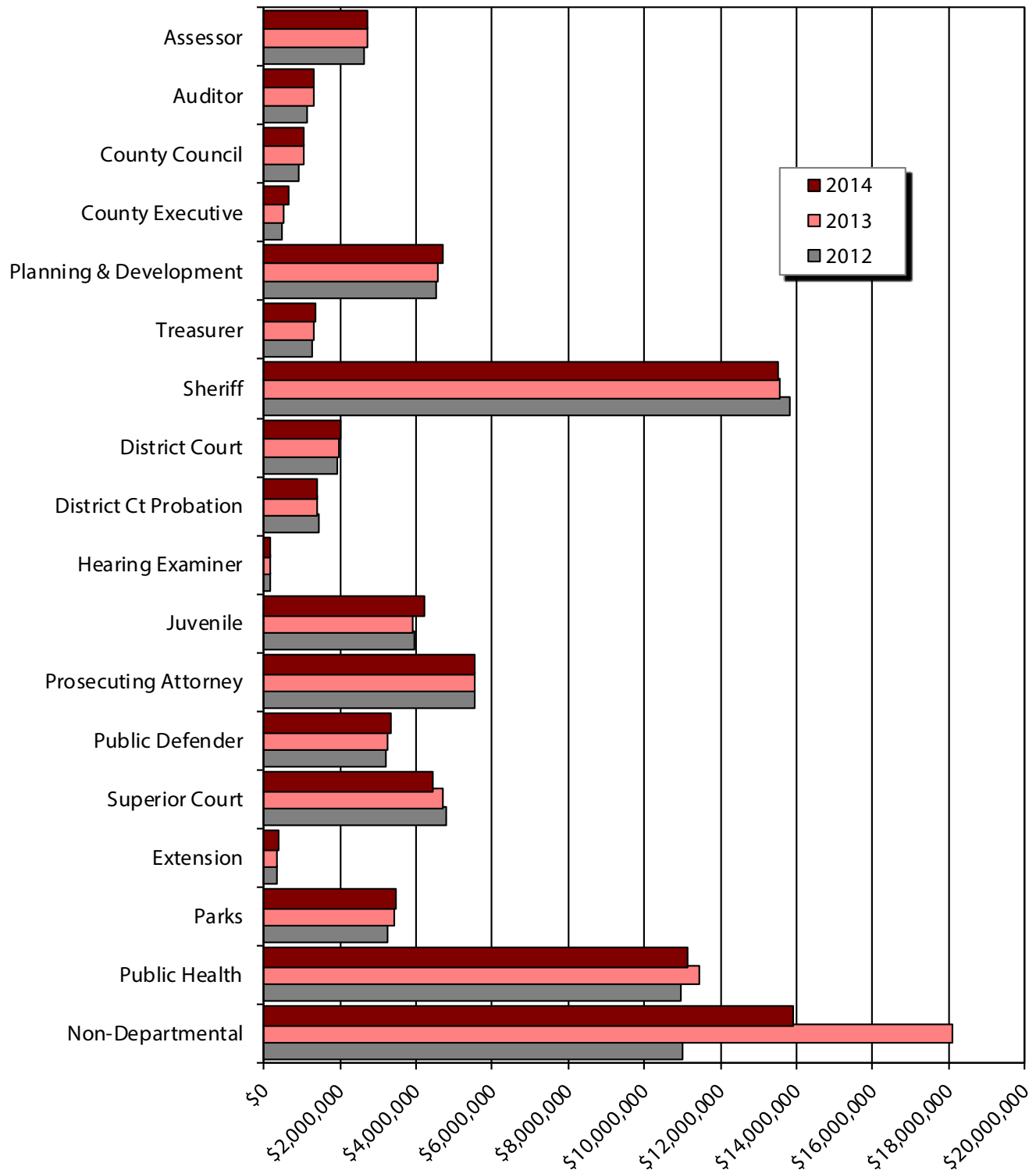


# Whatcom County Fourth Quarter 2014 Financial Report

For the Quarter Ended December 31, 2014



## General Fund Expenditures - Compared to Prior Years



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

# Whatcom County Fourth Quarter 2014 Financial Report

For the Quarter Ended December 31, 2014



## General Fund Expenditures - Compared to Prior Years

	2012	2013	2014
Assessor	2,654,469	2,700,035	2,721,062
Auditor	1,135,687	1,292,423	1,312,940
County Council	930,506	1,054,757	1,049,462
County Executive	469,937	530,791	630,565
Planning & Development	4,524,193	4,581,437	4,711,880
Treasurer	1,254,675	1,333,171	1,341,868
Sheriff	13,828,146	13,559,863	13,524,892
District Court	1,946,501	1,958,082	2,032,114
District Ct Probation	1,451,199	1,396,879	1,399,418
Hearing Examiner	176,998	180,862	182,083
Juvenile	3,943,706	3,899,561	4,204,327
Prosecuting Attorney	5,554,048	5,543,403	5,536,250
Public Defender	3,222,947	3,242,697	3,352,016
Superior Court Administration	4,786,182	4,692,887	4,430,496
Extension	326,814	346,158	390,209
Non-Departmental	11,025,976	18,082,028	13,894,192
Parks	3,266,789	3,421,782	3,480,425
Public Health	10,944,419	11,455,885	11,135,514
<b>TOTAL</b>	<b>71,443,192</b>	<b>79,272,701</b>	<b>75,329,713</b>

## General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the year were at 91.91% of the approved budget. All departmental spending was within budget expectations. Approximately \$391,000 of 2014 budget authority for contracts obligated before year-end will be carried forward to 2015. In addition, two large projects will be re-budgeted in 2015. Those projects are the Sheriff's record management system three year software maintenance agreement for \$421,000 and the completion of the Assessor – Treasurer software system replacement for \$588,000. A substantial amount of Health Department expenditures were not incurred due to substance abuse treatment funding now occurring at the state level rather than being passed through as grant-funded programs at the local level.

# Whatcom County Fourth Quarter 2014 Financial Report

For the Quarter Ended December 31, 2014



## General Fund Conclusion

	<b>Projected</b>
<b>Beginning Fund Balance 1/1/14 (Estimated)</b>	12,164,481
<b>Revenues</b>	
Budgeted Revenues 2014	73,998,190
Decreased Revenue Estimates (Grant Projects)	(700,000)
Continuing Appropriations from 2013	875,626
Supplemental Budgets 2014	2,087,640
<b>Total Revenue</b>	<b>76,261,456</b>
<b>Expenditures</b>	
Budgeted Expenditures 2014	75,591,262
Projects Delayed to 2015**	(1,400,000)
Continuing Appropriations from 2013	1,674,364
Supplemental Budgets 2014	4,696,266
<b>Total Expenditures</b>	<b>80,561,892</b>
<b>Adjusted Surplus (Deficit)</b>	<b>(4,300,436)</b>
<b>Other Considerations</b>	
Estimated Budget Lapse (6.5%)	5,236,523
<b>Projected Ending Fund Balance 12/31/14</b>	<b>13,100,568</b>
<b>Interfund Loan Adjustment*</b>	<b>1,673,344</b>
<b>Adjusted Fund Balance 12/31/14</b>	<b>14,773,912</b>

### 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

\*\* Assessor Treasurer System completion, Sheriff's records management system maintenance agreement, and other minor projects will be continued into 2015.

# Whatcom County Fourth Quarter 2014 Financial Report

For the Quarter Ended December 31, 2014



## Special Revenue Funds and Other Funds - Revenues

	2013 Actual As of 12/31/2013	2014 Actual As of 12/31/2014	2014 Budget	% Collected of 2014 Budget
County Road Fund	28,841,809	24,376,019	24,012,711	101.51%
Election Reserve Fund	1,202,273	1,074,258	1,185,700	90.60%
Veterans Relief	270,853	272,188	282,007	96.52%
Jail Fund	13,307,553	13,211,614	12,671,121	104.27%
Low Income Housing Projects	212,426	164,012	239,200	68.57%
Homeless Housing	2,696,932	2,606,967	3,272,806	79.66%
Stormwater Fund	1,550,620	838,667	1,803,237	46.51%
Chemical Dependency/Mental Hlth	3,797,426	3,831,808	3,795,004	100.97%
Parks Special Revenue Fund	-	1,600,955	1,600,755	100.01%
County Wide Emergency Medical	2,899,427	6,485,395	7,156,327	90.62%
Trial Court Improvement Fund	47,756	47,845	48,671	98.30%
Solid Waste Fund	1,001,867	787,980	1,049,804	75.06%
WC Convention Center Fund	574,627	612,648	516,000	118.73%
Victim/Witness Assistance Fund	111,360	102,683	126,950	80.88%
Whatcom Co Drug Fund	173,730	169,087	376,000	44.97%
Auditor's O&M Fund	203,937	159,700	166,500	95.92%
Emergency Management	1,411,070	924,947	963,866	95.96%
Flood Control Zone Dist Fund	5,076,441	5,858,800	5,505,978	106.41%
Pt Roberts Fuel Tax Fund	93,520	98,208	60,000	163.68%
Conservation Futures Fund	1,115,487	1,110,281	1,098,591	101.06%
Sub-Flood Zones	183,454	193,556	194,705	99.41%
Birch Bay Sub-Zone	823,466	772,444	735,000	105.09%
Real Estate Excise Tax Fund II	1,468,774	1,947,139	1,354,926	143.71%
Real Estate Excise Tax Fund I	1,417,263	1,953,403	1,417,607	137.80%
Public Utilities Imprv Fund	3,248,241	3,394,688	3,314,377	102.42%
Ferry System Fund	2,743,005	2,200,489	2,758,000	79.79%
Equipment Rental & Revolving	9,906,584	10,232,905	10,695,374	95.68%
Administrative Services Fund	18,396,197	18,748,820	18,595,344	100.83%

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 Fourth Quarter 2014 Financial Report

For the Quarter Ended December 31, 2014



## Special Revenue Funds and Other Funds - Expenditures

	2013 Actual As of 12/31/2013	2014 Actual As of 12/31/2014	2014 Budget	% Expended of 2014 Budget
County Road Fund	30,426,005	20,452,039	25,254,512	80.98%
Election Reserve Fund	978,586	1,091,376	1,349,281	80.89%
Veterans Relief	369,115	318,994	416,965	76.50%
Jail Fund	15,261,143	13,107,097	13,640,160	96.09%
Low Income Housing	242,871	174,128	274,000	63.55%
Homeless Housing	2,770,549	2,772,377	3,301,406	83.98%
Stormwater Fund	1,651,882	1,386,392	2,045,019	67.79%
Chemical Depend/Mental Hlth	3,564,912	3,274,613	4,351,170	75.26%
Parks Special Revenue Fund	-	34,243	187,326	18.28%
County Wide Emergency Medical	3,705,539	8,309,143	8,366,712	99.31%
Trial Court Improvement Fund	5,500	8,260	148,971	5.54%
Solid Waste Fund	722,853	749,349	1,030,805	72.70%
WC Convention Center Fund	492,194	516,765	558,980	92.45%
Victim/Witness Assistance Fund	121,030	106,920	142,478	75.04%
Whatcom Co Drug Fund	349,677	167,510	593,967	28.20%
Auditor's O&M Fund	269,832	180,287	230,964	78.06%
Emergency Management	1,408,251	940,158	980,531	95.88%
Flood Control Zone Dist Fund	5,514,335	5,001,718	7,834,238	63.84%
Conservation Futures Fund	602,604	4,910,921	5,087,825	96.52%
Sub-Flood Zones	41,754	37,968	364,994	10.40%
Birch Bay Sub Zone	983,692	1,007,582	1,506,056	66.90%
Real Estate Excise Tax Fund II	3,102,595	1,659,011	2,567,840	64.61%
Real Estate Excise Tax Fund I	2,564,765	561,585	963,384	58.29%
County Parks Improvement Fund	-	79,630	96,826	82.24%
Public Utilities Improvement	1,932,865	252,013	9,998,091	2.52%
Ferry System Fund	2,521,621	2,418,274	2,533,134	95.47%
Equipment Rental & Revolving	12,812,485	10,001,232	15,088,165	66.29%
Administrative Services Fund	18,621,780	19,760,000	21,938,251	90.07%

*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.*

# Whatcom County Fourth Quarter 2014 Financial Report

For the Quarter Ended December 31, 2014



## Project Budget - Revenues

	Original Budget	Amendments	Current Budget	Revenues to Date	% Received	Remaining Balance
Lighthouse Park - Dock Replace	-	240,000	240,000	180,566	75.24%	59,434
Civic Center Bldg Fund	2,500,000	-	2,500,000	2,500,000	100.00%	-
East Cnty Regional Resource Ctr	150,000	4,834,571	4,984,571	4,984,561	100.00%	10
Jail Improvement Fund*	104,860	-	104,860	3,142,727	2997.07%	-
Lummi Nation Lease Fund	2,000,000	-	2,000,000	2,000,000	100.00%	-
Birch Bay Drive & Pedestrian Fac	1,072,324	1,127,676	2,200,000	991,774	45.08%	1,208,226
Birch Bay Portal Way Signal Impr.	4,300,000	-	4,300,000	1,615,889	37.58%	2,684,111
Potter/ S. Fork Bridge	9,600,000	-	9,600,000	4,358,555	45.40%	5,241,445
Rural Road Safety Program	1,299,000	455,389	1,754,389	1,461,613	83.31%	292,776
Sheriff Records Management Sys.	1,200,000	240,162	1,440,162	1,440,162	100.00%	-
New Jail Project 2013**	1,000,000	6,093,491	7,093,491	8,093,491	114.10%	-
SC Fourth Judge Courtroom	200,000	1,422,464	1,622,464	1,622,464	100.00%	-
Nesset Farm	250,000	-	250,000	-	0.00%	250,000
State St Bldg Acquire & Imprv	5,058,884	-	5,058,884	5,058,884	100.00%	-
Slater Road Intersection	2,740,000	-	2,740,000	1,681,823	61.38%	1,058,177
Dakota Creek Bridge	2,718,268	880,336	3,598,604	703,604	19.55%	2,895,000
Telecommunication System	100,000	2,123,809	2,223,809	2,223,809	100.00%	-

**Notes:**

\* Actual revenues are greater than current budget due to proceeds from Build America bonds deposited to the Jail Improvement Fund.

\*\* A \$1 million dollar transfer from the General Fund was deposited to the New Jail Project 2013 Fund. This transfer was not budgeted in the New Jail Project 2013 Fund.

# Whatcom County Fourth Quarter 2014 Financial Report

For the Quarter Ended December 31, 2014



## Project Budget - Expenditures

	Original Budget	Amendments	Current Budget	Expenditures to Date	% Spent	Remaining Balance
Lighthouse Park - Dock Replace	80,000	240,000	320,000	257,484	80.46%	62,516
Hovander Playground/Day Use	150,000	-	150,000	149,996	100.00%	4
Civic Center Bldg Fund	2,500,000	-	2,500,000	3,974	0.16%	2,496,026
East Cnty Regional Resource Ctr	150,000	4,834,571	4,984,571	4,871,870	97.74%	112,701
Jail Improvement Fund	3,117,700	-	3,117,700	2,292,433	73.53%	825,267
Birch Bay Drive & Pedestrian Fac	1,072,324	1,127,676	2,200,000	480,132	21.82%	1,719,868
Birch Bay Portal Way Signal Impr.	3,620,000	-	3,620,000	3,337,534	92.20%	282,466
Potter/ S. Fork Bridge	8,450,000	-	8,450,000	3,825,032	45.27%	4,624,968
Rural Road Safety Program	1,030,000	739,389	1,769,389	1,438,668	81.31%	330,721
Sheriff Records Management Sys.	1,200,000	240,162	1,440,162	1,160,491	80.58%	279,671
New Jail Project 2013	444,902	7,094,378	7,539,280	6,853,205	90.90%	686,075
SC Fourth Judge Courtroom	200,000	1,422,464	1,622,464	1,139,720	70.25%	482,744
Nesset Farm	250,000	-	250,000	50	0.02%	249,950
State St Bldg Acquire & Imprv	5,058,884	-	5,058,884	2,689,377	53.16%	2,369,507
Slater Road Intersection	2,740,000	-	2,740,000	218,622	7.98%	2,521,378
Dakota Creek Bridge	2,718,268	880,336	3,598,604	85,031	2.36%	3,513,573
Telecommunication System	100,000	2,223,809	2,323,809	568,482	24.46%	1,755,327