



**2015
Fourth
Quarter
Financial
Report**

Jack Louws, County Executive

Compiled and Presented by the
Administrative Services Department
Finance Division

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February 11, 2016

Whatcom County Fourth Quarter 2015 Financial Report

For the Quarter Ended December 31, 2015



Executive Summary

The following information presents Whatcom County's fourth quarter 2015 financial report. At year-end Whatcom County's General Fund collected 98.83% of its budgeted revenues. Whatcom County's General Fund spent 91.47% of its budgeted expenditures.

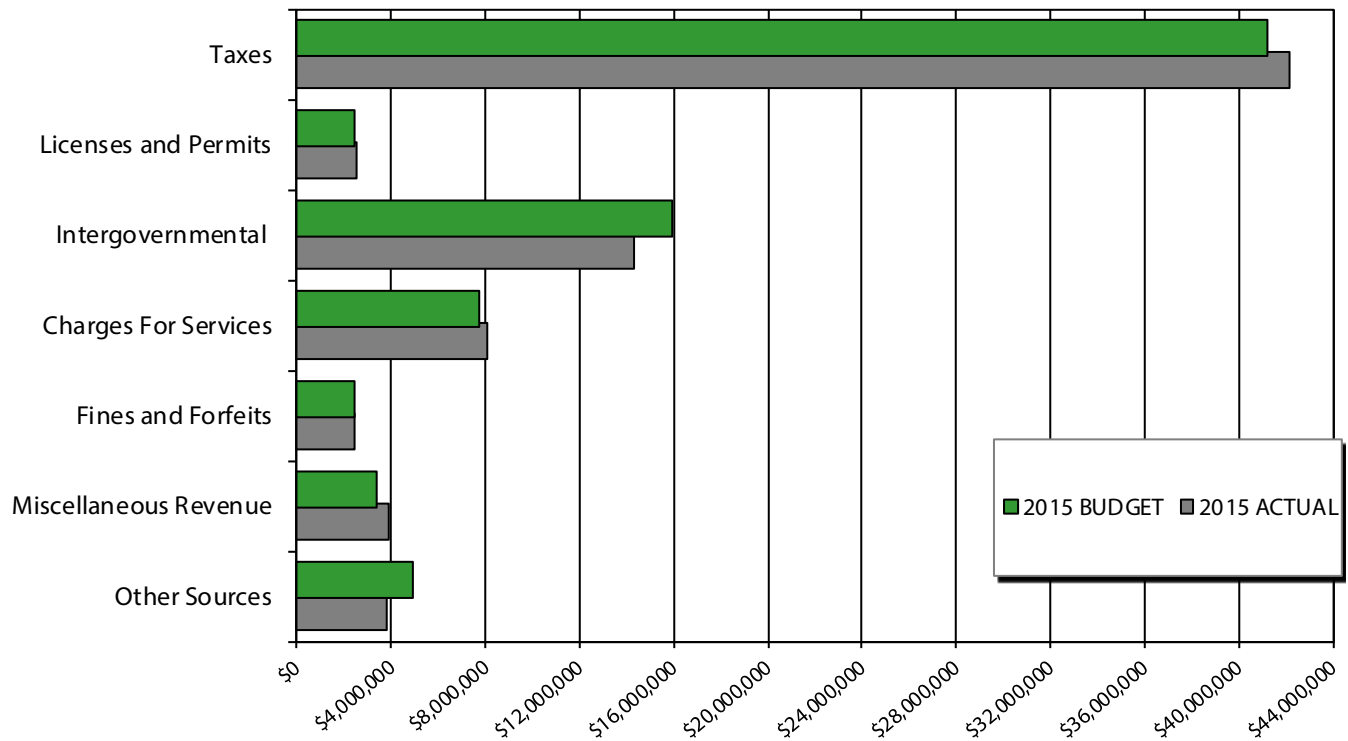
The estimated 2015 General Fund ending fund balance is projected to be approximately \$15.4 million. This is an increase of \$2,554,000 over the 2014 ending fund balance. The increase is due to year end revenue projections exceeding the amended budget by approximately \$650,000 and projected expenditures and continuing appropriations being \$5.5 million less than the amended expenditure budget.

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General Fund Revenue - Budget vs. Actual



	2015 Budget Adopted	2015 Budget Supp'ls	2015 Budget Amended	Actual as of 12/31/2015	% Collected To Date
Taxes	41,248,074	0	41,248,074	42,168,319	102.23%
Licenses and Permits	2,418,997	0	2,418,997	2,489,045	102.90%
Intergovernmental	14,315,565	1,648,585	15,964,150	14,271,838	89.40%
Charges For Services	9,296,822	(1,579,998)	7,716,824	8,114,234	105.15%
Fines and Forfeits	2,420,700	0	2,420,700	2,451,790	101.28%
Miscellaneous Revenue	3,302,612	44,885	3,347,497	3,901,328	116.54%
Other Sources	3,300,717	1,654,878	4,955,595	3,762,530	75.92%
Total Revenue	76,303,487	1,768,350	78,071,837	77,159,084	98.83%

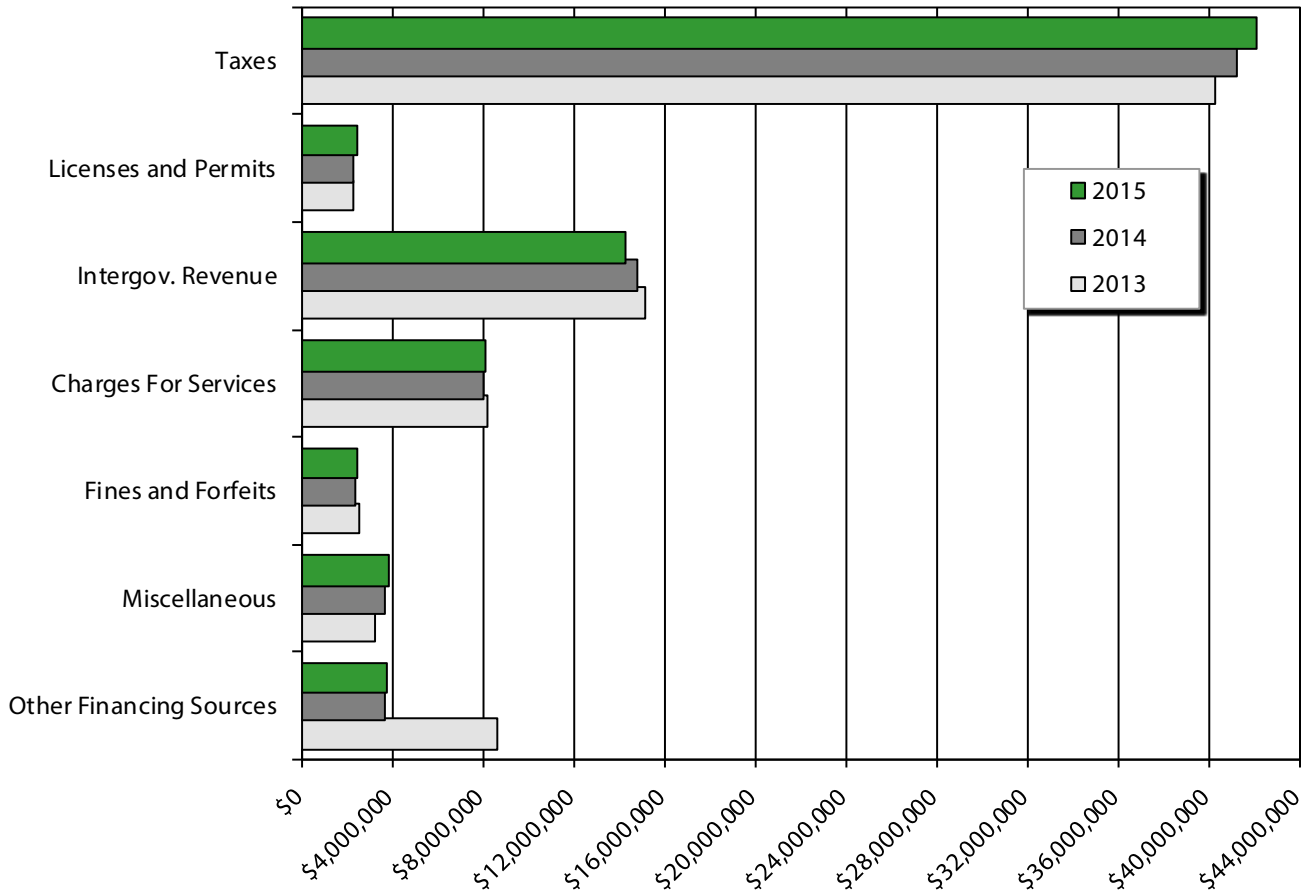
See pages 4 and 5 for General Fund Revenue Notes.

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General Fund Revenue to Date - Compared to Prior Years



	2013	2014	2015
Taxes	40,261,525	41,246,226	42,168,319
Licenses and Permits	2,262,457	2,276,621	2,489,045
Intergovernmental Revenue	15,216,294	14,834,972	14,271,838
Charges For Services	8,219,898	8,027,254	8,114,234
Fines and Forfeits	2,534,516	2,379,101	2,451,790
Miscellaneous	3,219,284	3,706,801	3,901,328
Other Financing Sources	8,687,530	3,658,754	3,762,530
Total Revenue	80,401,504	76,129,729	77,159,084

See pages 4 and 5 for General Fund Revenue Notes.

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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 \$922,093 more than 2014 amounts. Current year sales tax collections are up \$380,189 or 2.9%, as compared to collections from last year. Current year property tax collections increased \$515,940, or 1.95%, over 2014. Increases are the result of new construction and public utilities valuations added to the tax rolls.

Licenses & Permits

Building permits account for 50% of "Licenses & Permits" budgets. Health Department restaurant, food-handling, on-site septic and other miscellaneous health-related licenses and permits make up 45.2% of the budgets. Marriage licenses, firearms permits and fire control permits account for the remaining 4.8%.

License and Permit Fees are \$212,424 more than amounts collected during 2014. Building permit fees increased \$155,433, or 13.3%, over 2014 levels due to increased building activity in the County. Food service related permits increased \$83,299, or 14.1%, over prior year amounts. On-site septic system permit fees decreased \$27,055.

Intergovernmental Revenue

Intergovernmental Revenues are mainly federal and state grants, entitlements and shared revenues.

Revenues collected as of year-end are \$1.7 million less than budget. Year-end adjustments will increase grant revenues significantly and about \$800,000 of unfinished grant projects will be carried over to 2016. There will also be about \$550,000 of grant revenue (and expense) budgets that will remain unspent due to changes in substance abuse treatment funding. 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.

Charges for Services revenue exceeded budget by almost \$400,000 due to increases in auditor recording and real estate excise tax processing fees related to increased real estate activities countywide. Vehicle licensing activity and Medicaid reimbursements also increased. Charges for Services revenue only exceeded 2014 revenue by \$86,983 or 1%. The State Auditor's office changed accounting codes and revenues previously recorded in Charges for Services are now recorded in Other Financing Sources.

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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 increased \$72,690, or 3%, over 2014 amounts. Traffic-related fines and penalties are up \$116,975 and property tax penalties are down \$50,567.

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 \$194,526, or 5.2%, from 2014. Increases are due to higher interest income amounts received on investment of county funds and unclaimed proceeds from the sale of foreclosed property.

Other Financing Sources

The "Other Financing Sources" revenue budget is composed of state timber revenues (7.5%) and transfers from other Whatcom County funds (92.5%).

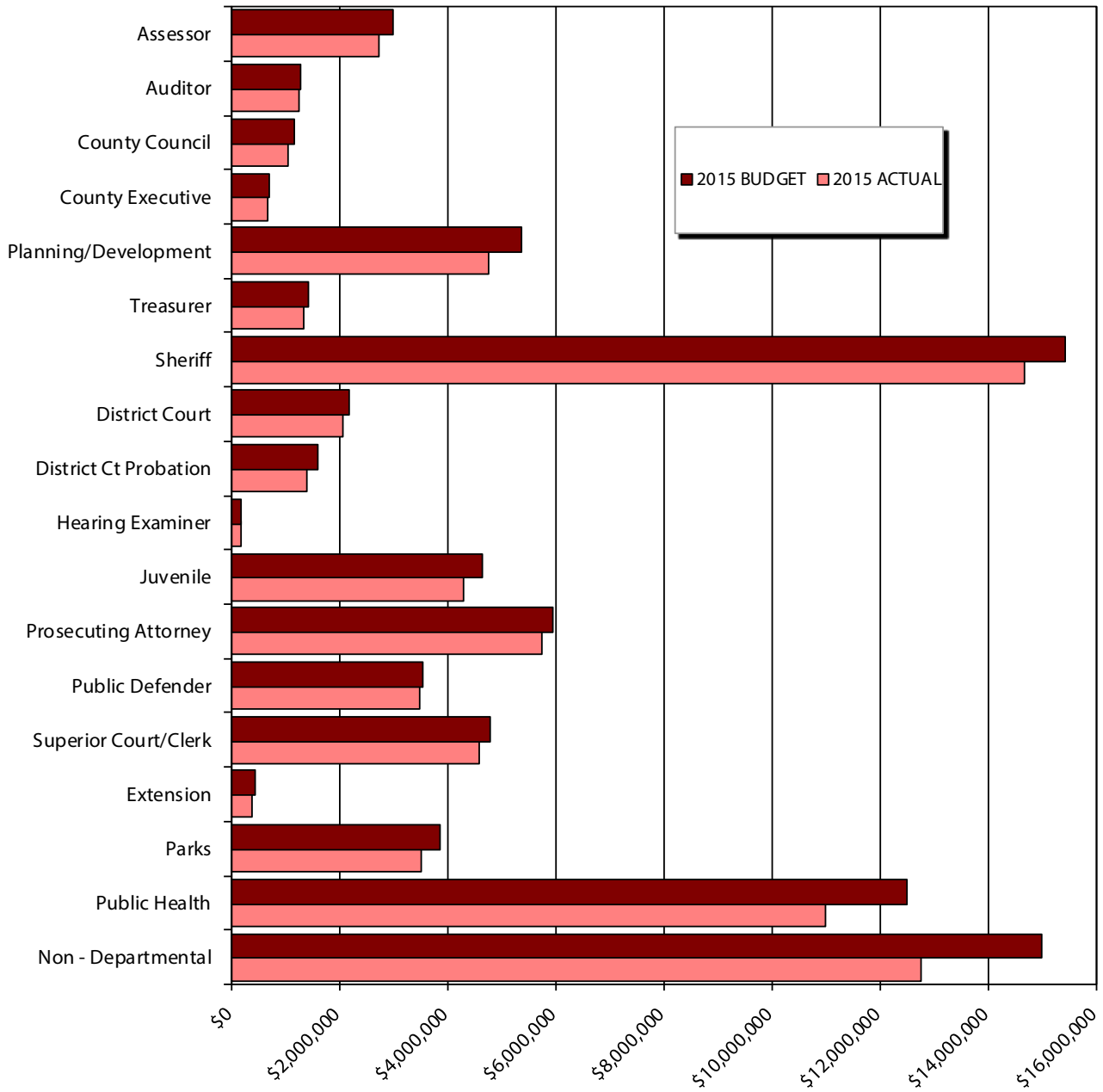
The Other Financing Sources category is currently \$103,774 more than 2014 amounts. The category is currently \$1,193,000 less than budgeted amounts. Most of that difference will be made up as year-end adjustments continue to be recorded. The amount of operating transfers budgeted varies from year to year depending on operational needs and activities. In addition, more interfund transactions previously recorded as interfund charges for service are now being recorded in operating transfer line items in accordance with State Auditor requirements.

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General Fund Expenditures - Budget vs. Actual



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

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General Fund Expenditures - Budget vs. Actual

	Adopted 2015 Budget	Budget Supplementals	Amended Budget	Actual as of 12/31/15	% Expended To Date
Assessor	2,983,708	24,267	3,007,975	2,739,866	91.09%
Auditor	1,289,804	9,592	1,299,396	1,270,851	97.80%
County Council	1,144,447	36,736	1,181,183	1,067,280	90.36%
County Executive	699,351	15,614	714,965	691,362	96.70%
Planning & Development	5,109,078	280,006	5,389,084	4,772,544	88.56%
Treasurer	1,425,369	9,539	1,434,908	1,361,150	94.86%
Sheriff	14,150,275	1,293,923	15,444,198	14,673,652	95.01%
District Court	2,160,200	24,372	2,184,572	2,083,751	95.38%
District Court Probation	1,620,229	0	1,620,229	1,415,187	87.34%
Hearing Examiner	188,344	762	189,106	188,085	99.46%
Juvenile	4,633,596	19,404	4,653,000	4,313,072	92.69%
Prosecuting Attorney	5,895,805	71,363	5,967,168	5,759,121	96.51%
Public Defender	3,535,872	27,742	3,563,614	3,490,453	97.95%
Superior Court/Clerk	4,710,681	73,421	4,784,102	4,597,092	96.09%
Extension	435,381	1,489	436,870	403,903	92.45%
Park	3,817,099	46,372	3,863,471	3,530,886	91.39%
Public Health	12,323,980	173,935	12,497,915	10,995,808	87.98%
Non - Departmental	14,707,583	281,064	14,988,647	12,764,250	85.16%
Total General Fund Exp	80,830,802	2,389,601	83,220,403	76,118,313	91.47%

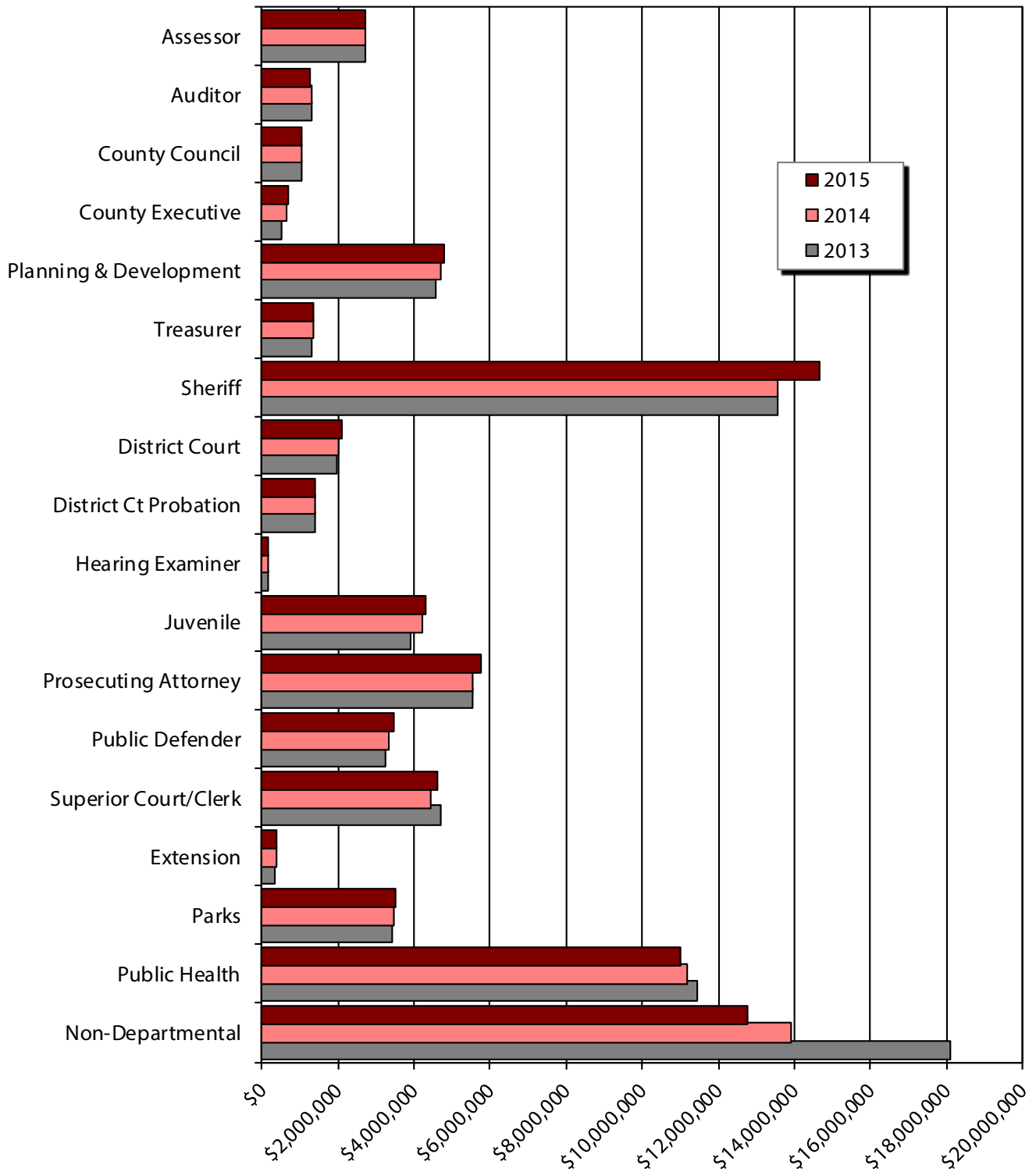
See page 9 for General Fund Expenditure Notes.

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General Fund Expenditures - Compared to Prior Years



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

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General Fund Expenditures - Compared to Prior Years

	2013	2014	2015
Assessor	2,700,035	2,721,062	2,739,866
Auditor	1,292,423	1,312,940	1,270,851
County Council	1,054,757	1,049,644	1,067,280
County Executive	530,791	630,565	691,362
Planning & Development	4,581,437	4,713,829	4,772,544
Treasurer	1,333,171	1,341,868	1,361,150
Sheriff	13,559,863	13,576,263	14,673,652
District Court	1,958,082	2,033,125	2,083,751
District Ct Probation	1,396,879	1,399,418	1,415,187
Hearing Examiner	180,862	182,083	188,085
Juvenile	3,899,561	4,204,327	4,313,072
Prosecuting Attorney	5,543,403	5,536,250	5,759,121
Public Defender	3,242,697	3,352,016	3,490,453
Superior Court /Clerk	4,692,887	4,425,605	4,597,092
Extension	346,158	390,209	403,903
Parks	3,421,782	3,483,093	3,530,886
Public Health	11,455,885	11,196,943	10,995,808
Non-Departmental	18,082,028	13,895,501	12,764,250
TOTAL	79,272,701	75,444,741	76,118,313

General Fund Expenditure Notes

Overall General Fund expenditures at the end of the year were 91.47% of the amended budget. All departmental expenditures were within budget. Approximately \$1,140,000 of 2015 budget authority for contracts will be continued into 2016. In addition, re-appropriation of \$417,000 of 2015 budget authority will be requested to complete the Assessor – Treasurer software system.

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General Fund Conclusion

	Adopted Budget	Projected
Beginning Fund Balance 1/1/15	<u>11,257,513</u>	<u>12,849,470</u>
Revenues		
Budgeted Revenues 2015	76,303,487	76,303,487
Increased Revenue Estimates	-	650,000
Continuing Appropriations from 2014	-	288,255
Supplemental Budgets 2015	<u>-</u>	<u>1,480,095</u>
Total Revenue	<u>76,303,487</u>	<u>78,721,837</u>
Expenditures		
Budgeted Expenditures 2015	80,830,802	80,830,802
Appropriations carried forward to 2016	-	(1,557,000)
Continuing Appropriations from 2014	-	391,417
Supplemental Budgets 2015	<u>-</u>	<u>1,998,184</u>
Total Expenditures	<u>80,830,802</u>	<u>81,663,403</u>
Adjusted Surplus (Deficit)	(4,527,315)	(2,941,566)
Other Considerations		
Estimated Budget Lapse ¹	<u>3,428,868</u>	<u>5,495,947</u>
Projected Ending Fund Balance 12/31/15	10,159,066	15,403,851
Interfund Loan Adjustment²	<u>1,437,077</u>	<u>1,437,077</u>
Adjusted Fund Balance 12/31/15	<u>11,596,143</u>	<u>16,840,928</u>

Notes:

¹ The adopted budget lapse was projected to be 4.25%. The current projected lapse is 6.73%.

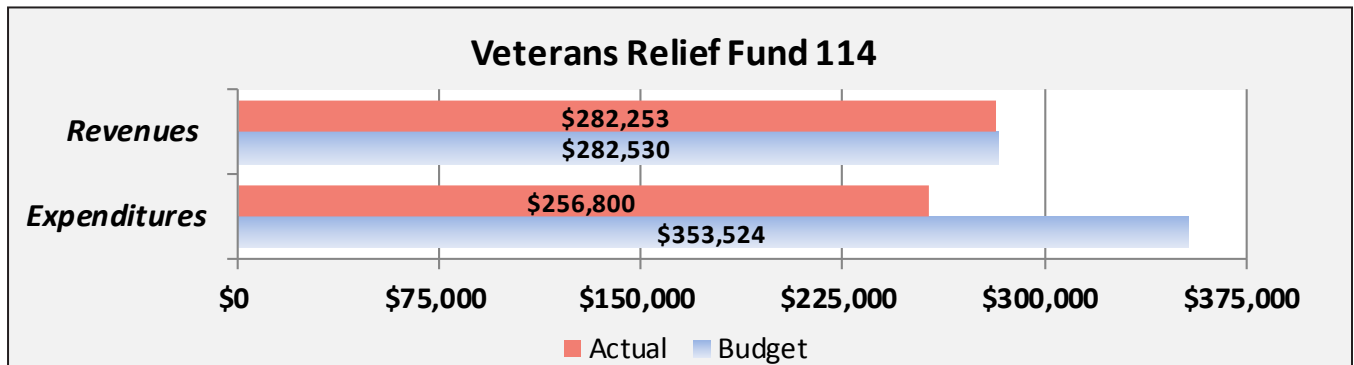
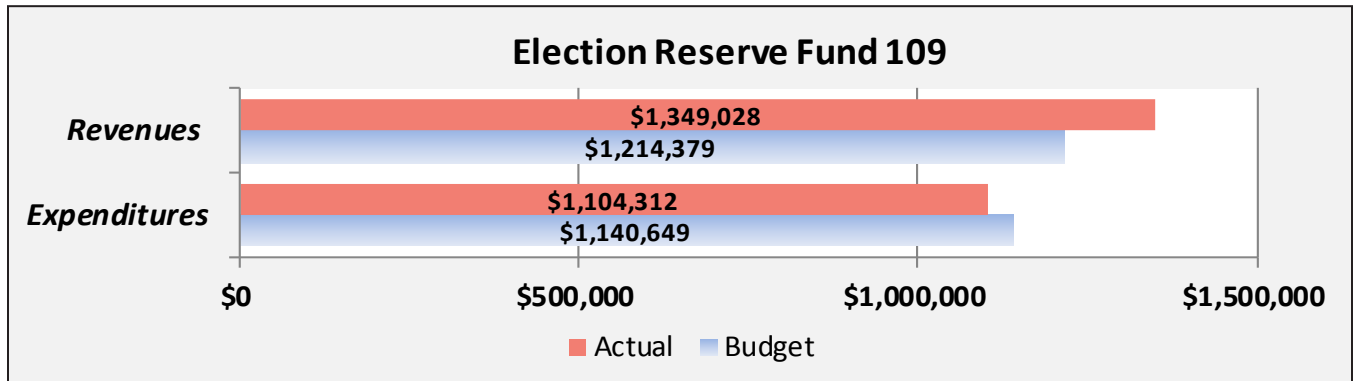
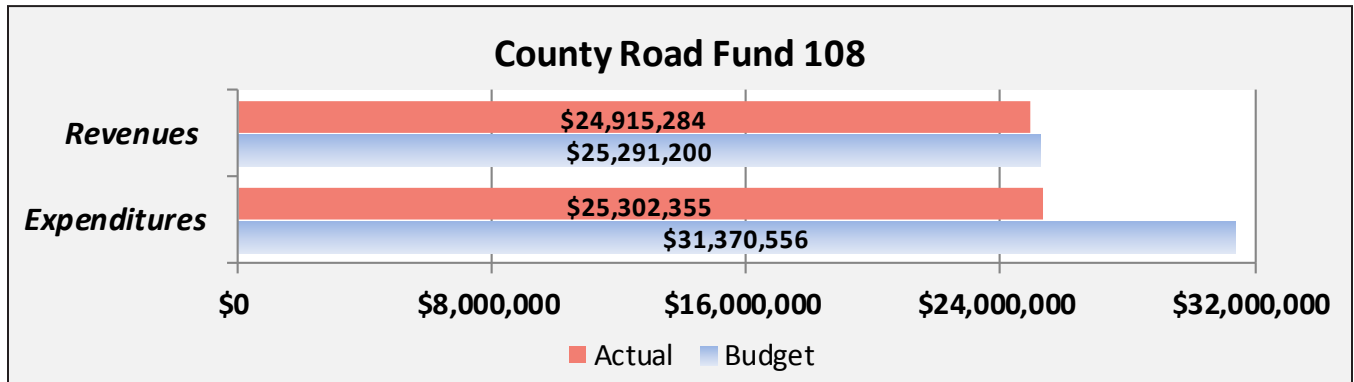
² Accounting for interfund loans used to finance the Central Plaza Building purchase and the Assessor-Treasurer System in accordance with generally accepted accounting principles has the effect of artificially reducing the fund balance. This happens because the capital purchases are shown as expenditures but the loan proceeds are not presented as revenues in the income statement but only as a liability on the balance sheet.

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Special Revenue Funds and Other Funds



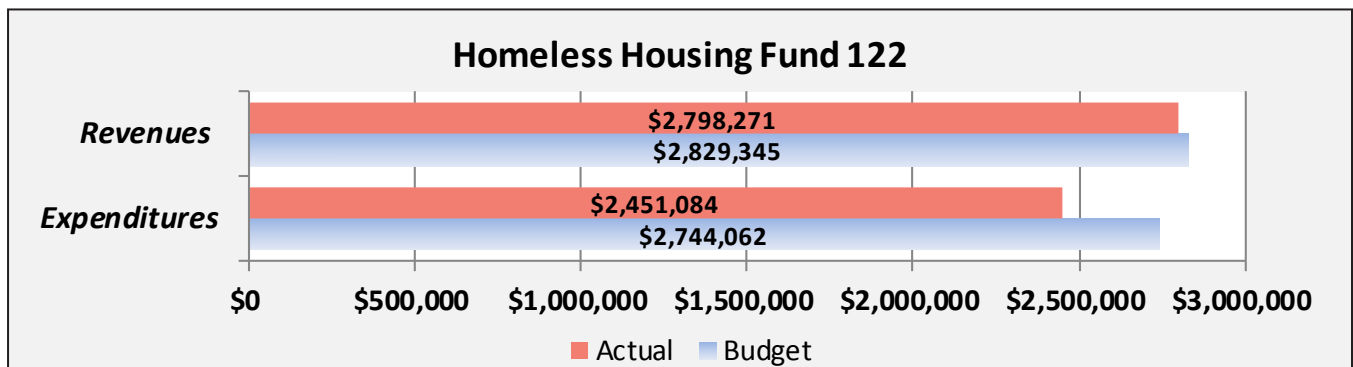
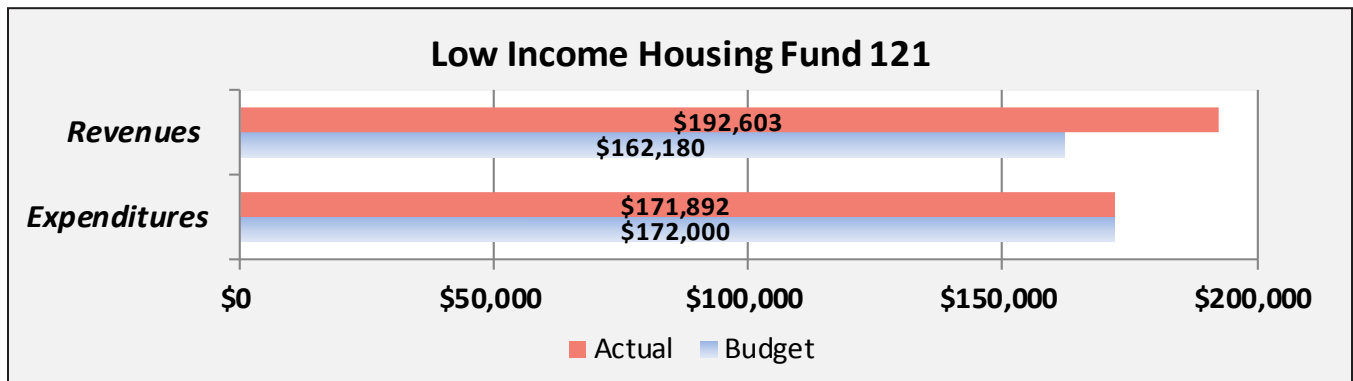
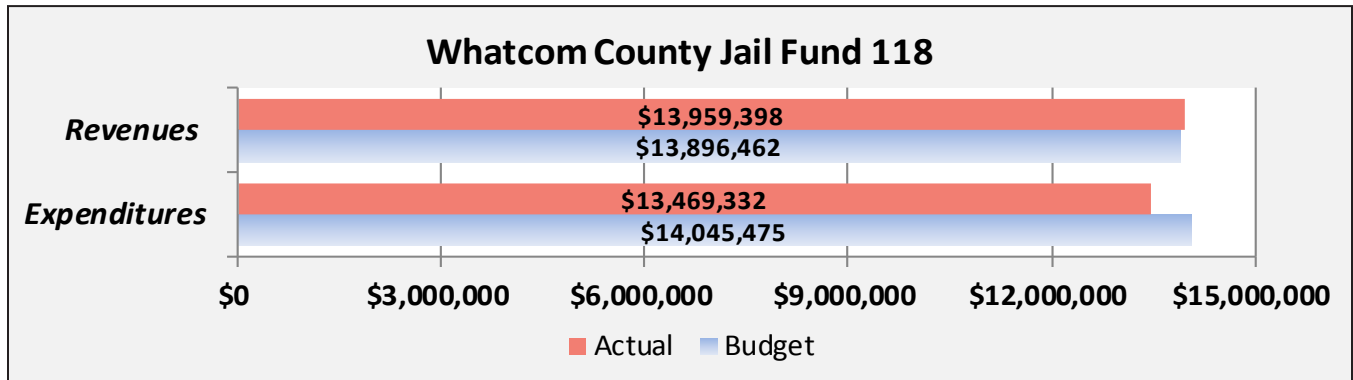
Veterans Relief Fund: Year-end adjustments will increase the amount of expenditures recorded in this fund before the accounts are closed for audit.

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Special Revenue Funds and Other Funds, continued



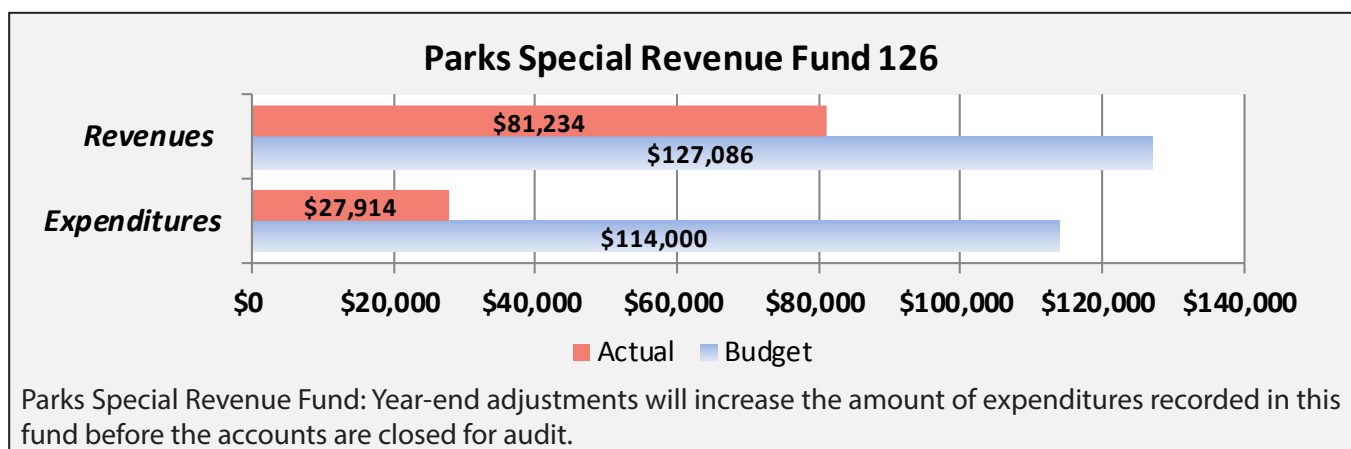
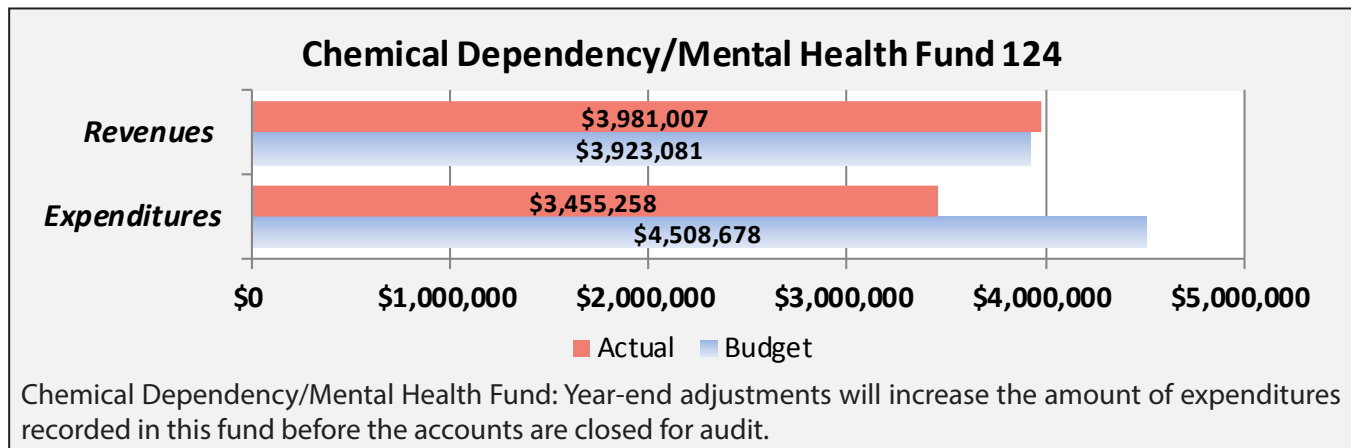
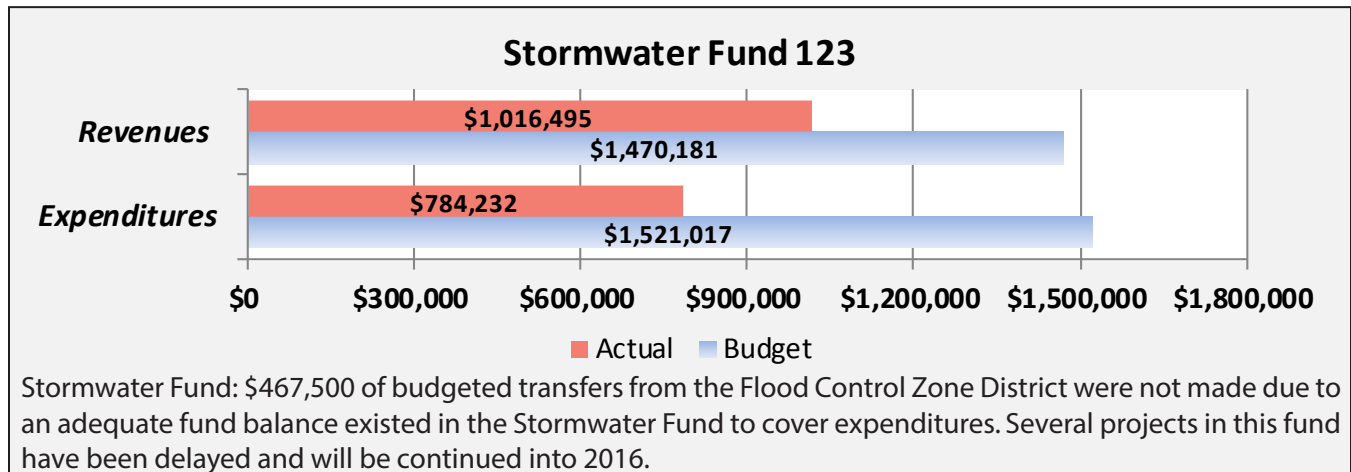
Homeless Housing Fund: Year-end adjustments will increase the amount of expenditures recorded in this fund before the accounts are closed for audit.

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Special Revenue Funds and Other Funds, continued

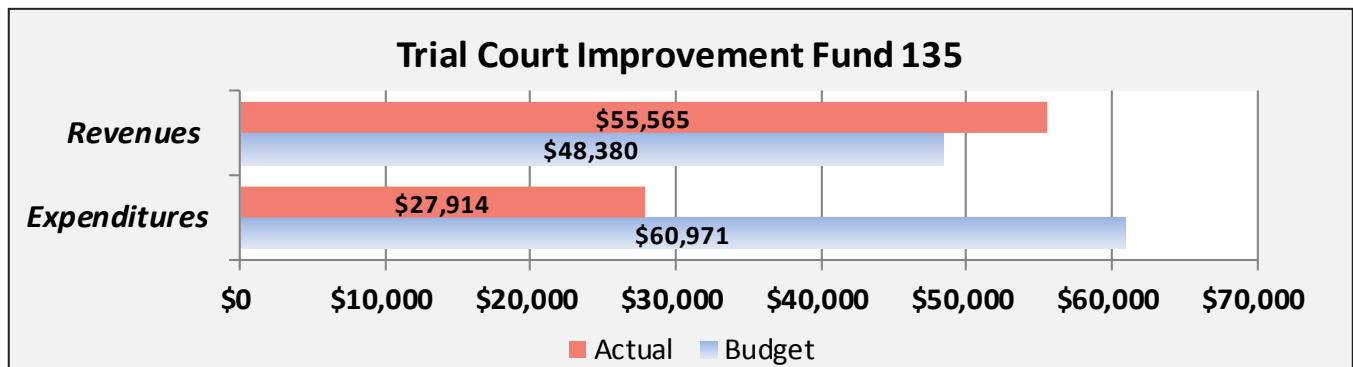
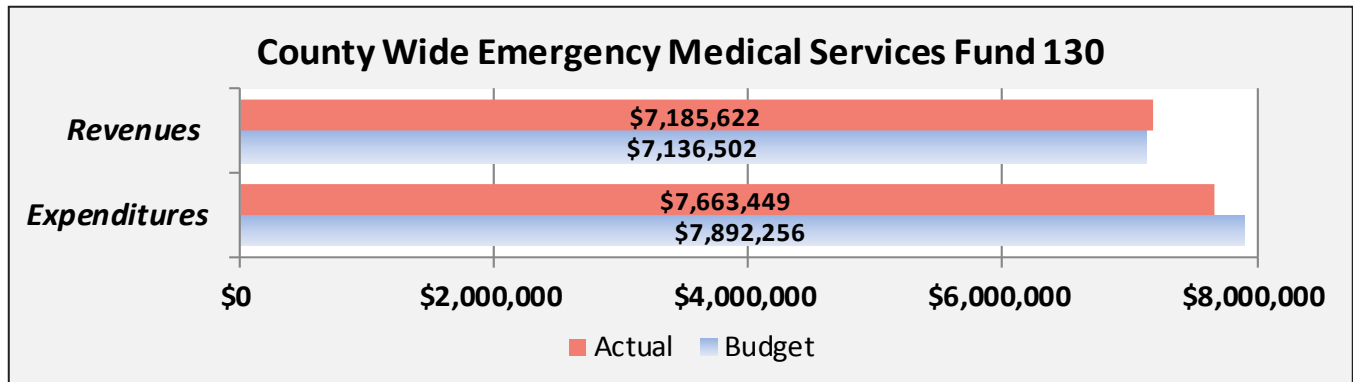


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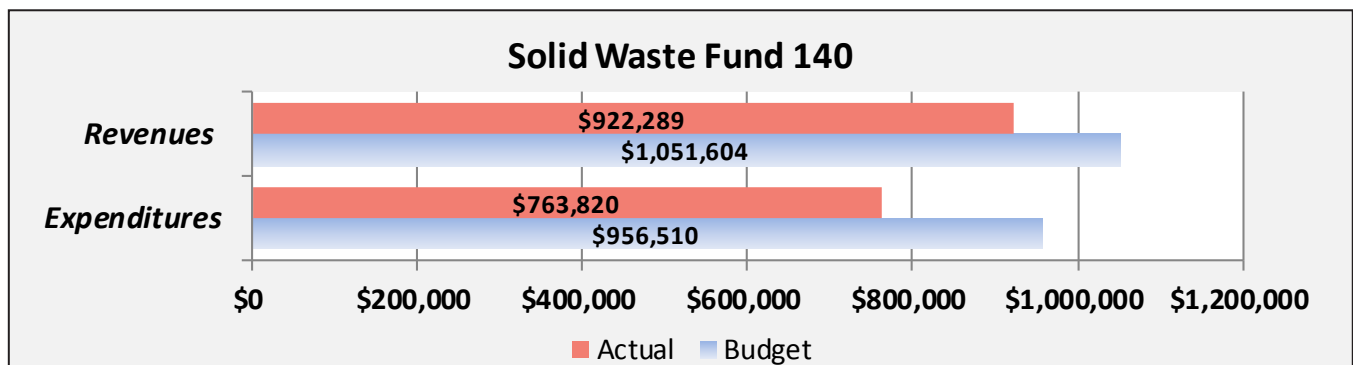
For the Quarter Ended December 31, 2015



Special Revenue Funds and Other Funds, continued



Trial Court Improvement Fund: \$10,591 for a new District Court Probation case management system will be re-budgeted in 2016. The entire project also cost less than planned.



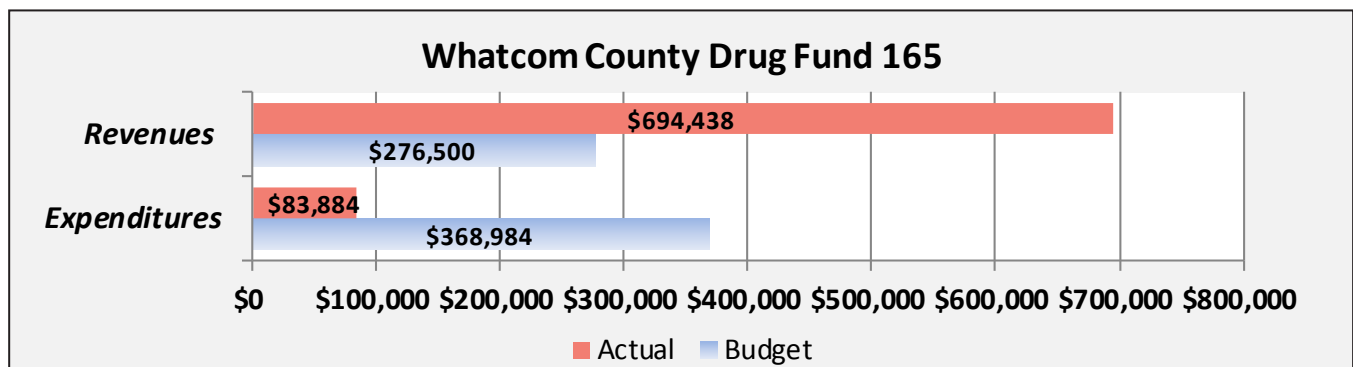
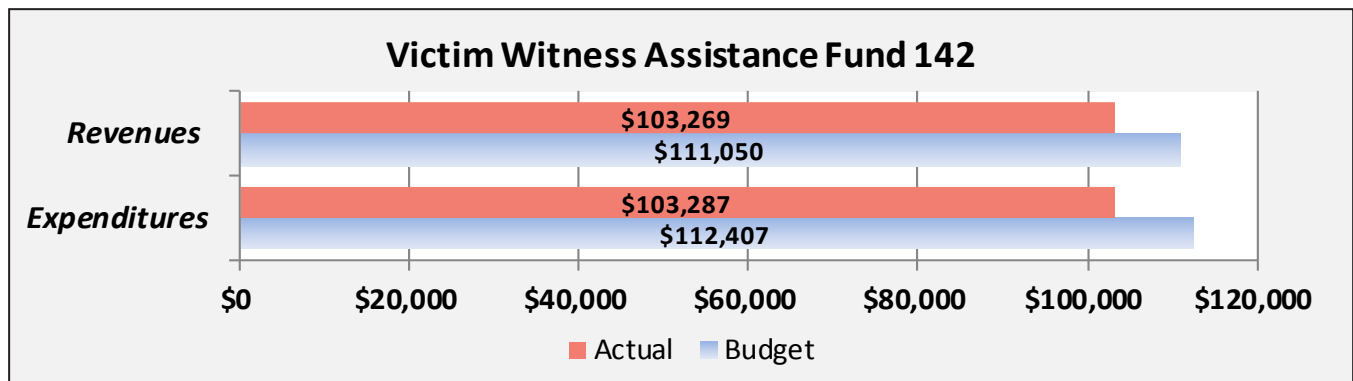
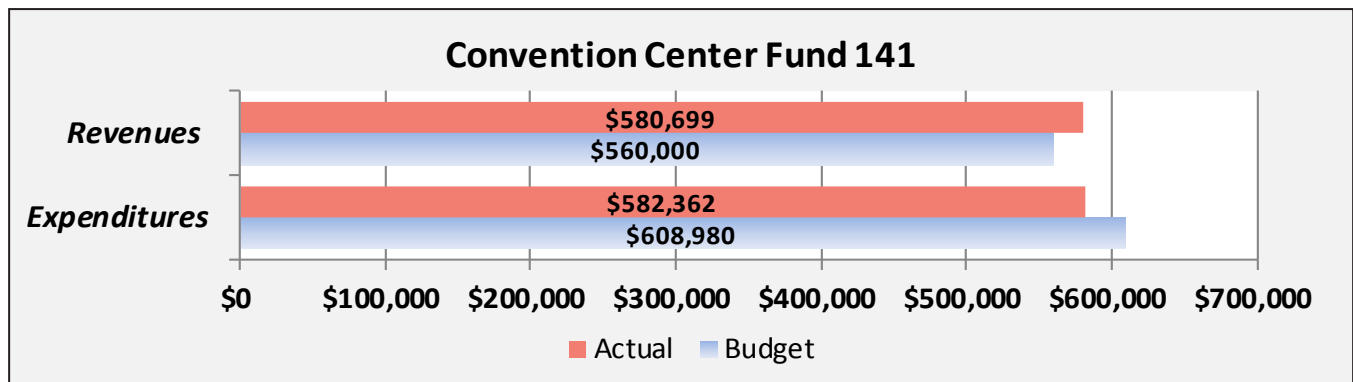
Solid Waste Fund: Year-end adjustments will increase the amount of revenue and expenditures recorded in this fund before the accounts are closed for audit.

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Special Revenue Funds and Other Funds, continued



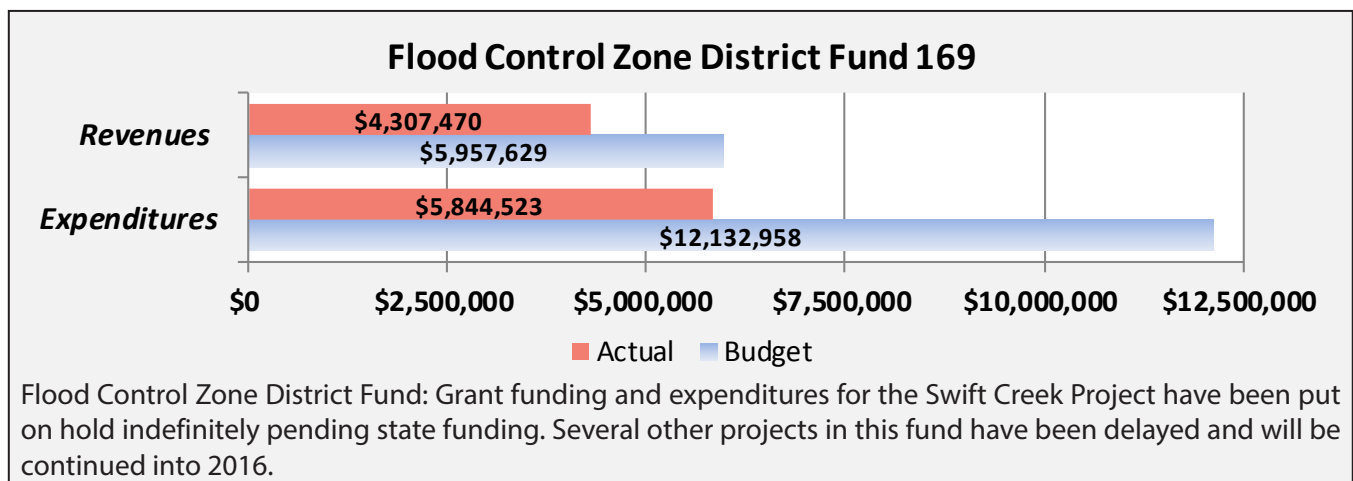
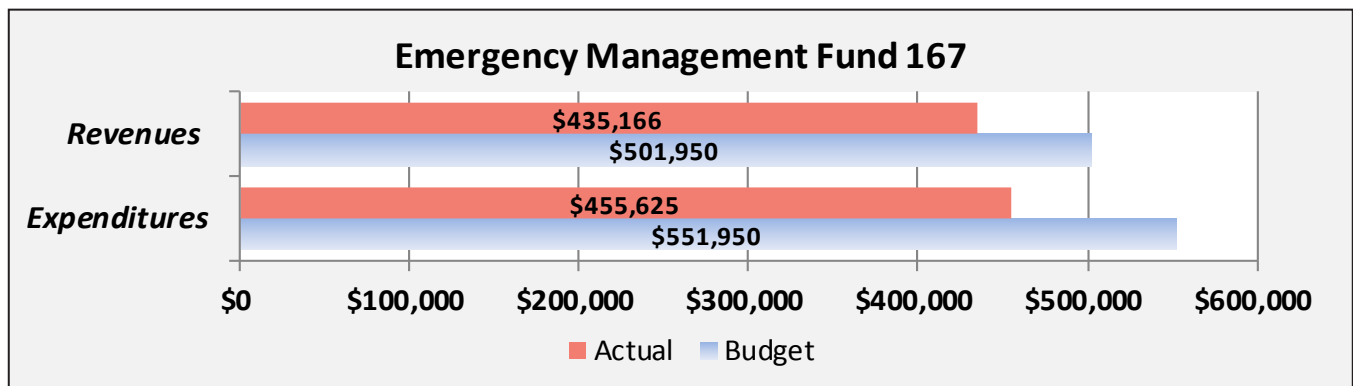
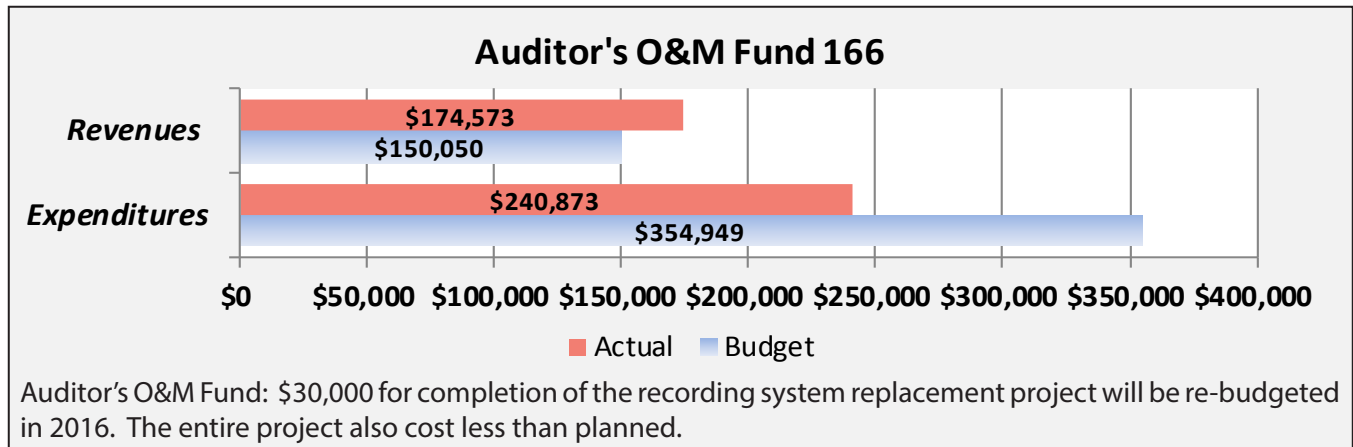
Whatcom County Drug Fund: Drug Fund revenues are unpredictable; they are dependent upon timing of seized property sales and federal distributions. Year-end adjustments will increase the amount of expenditures recorded in this fund before the accounts are closed for audit.

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Special Revenue Funds and Other Funds, continued

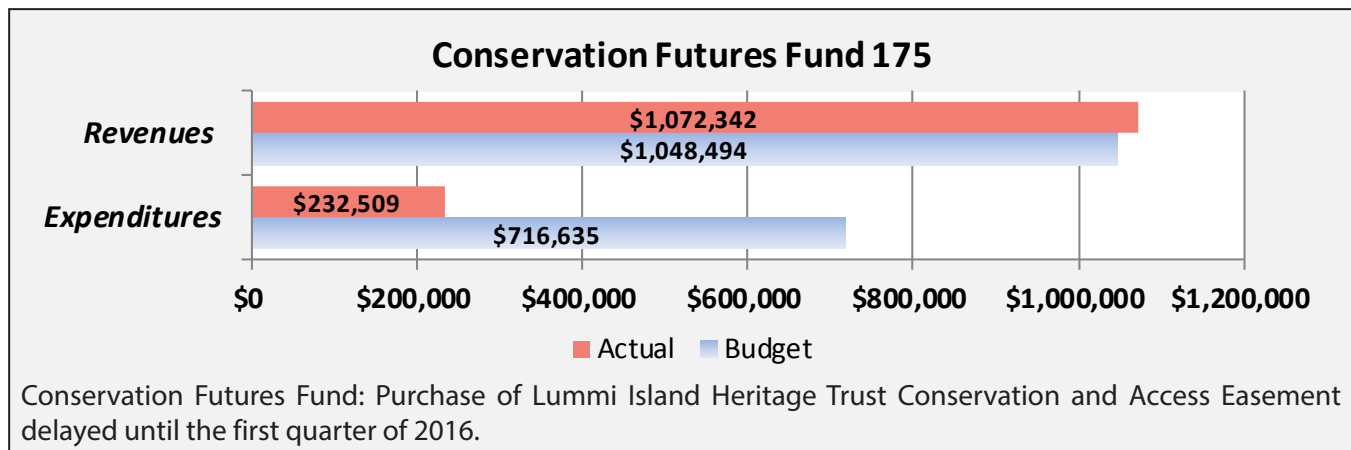
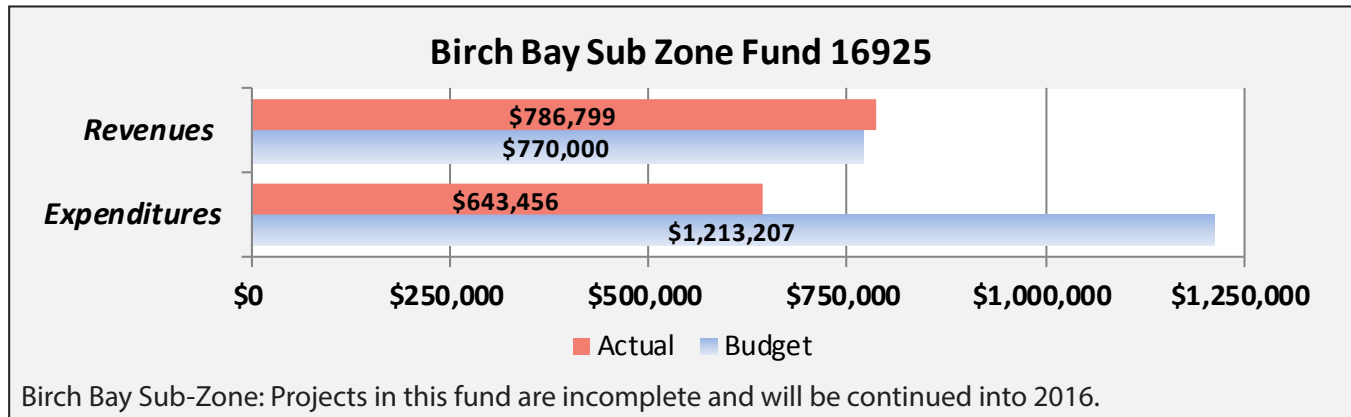
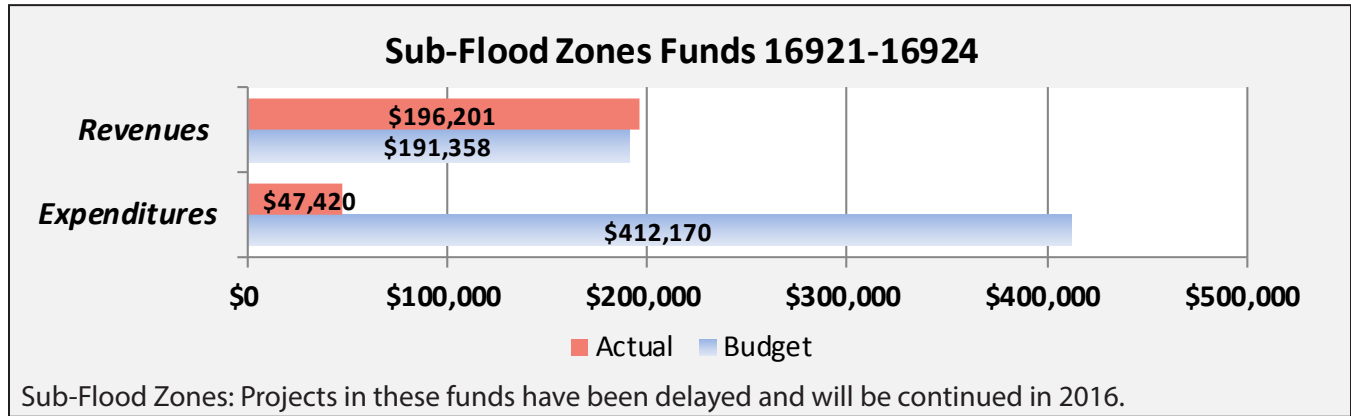


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Special Revenue Funds and Other Funds, continued

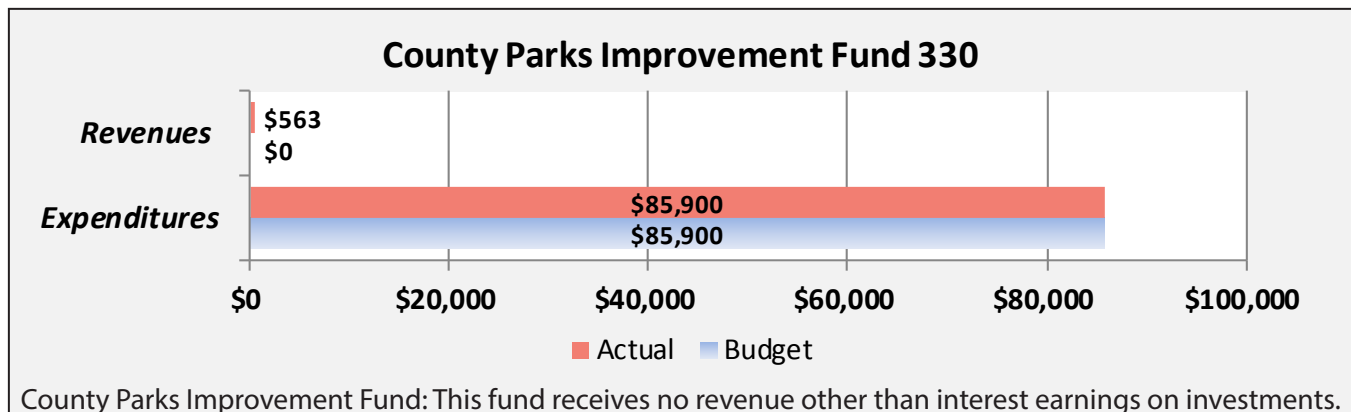
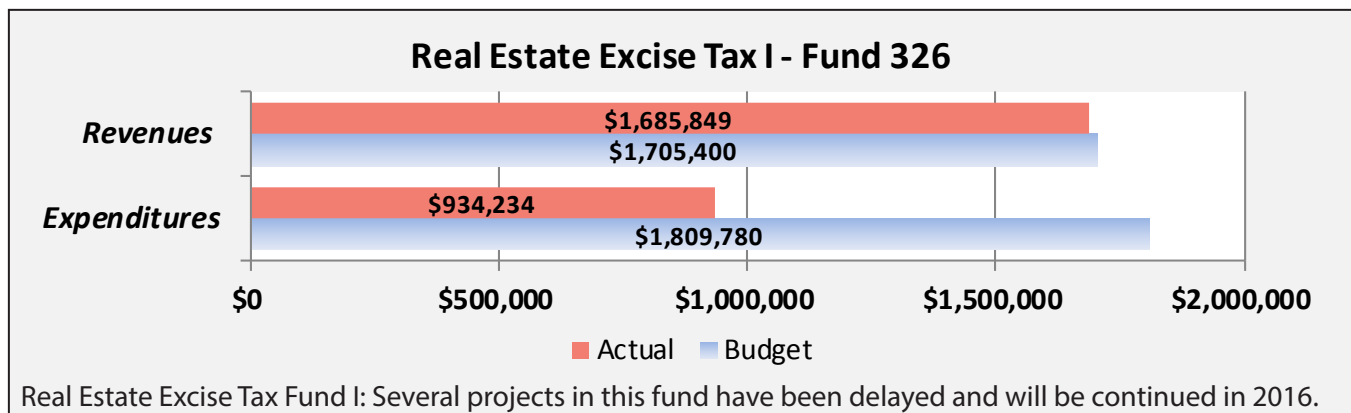
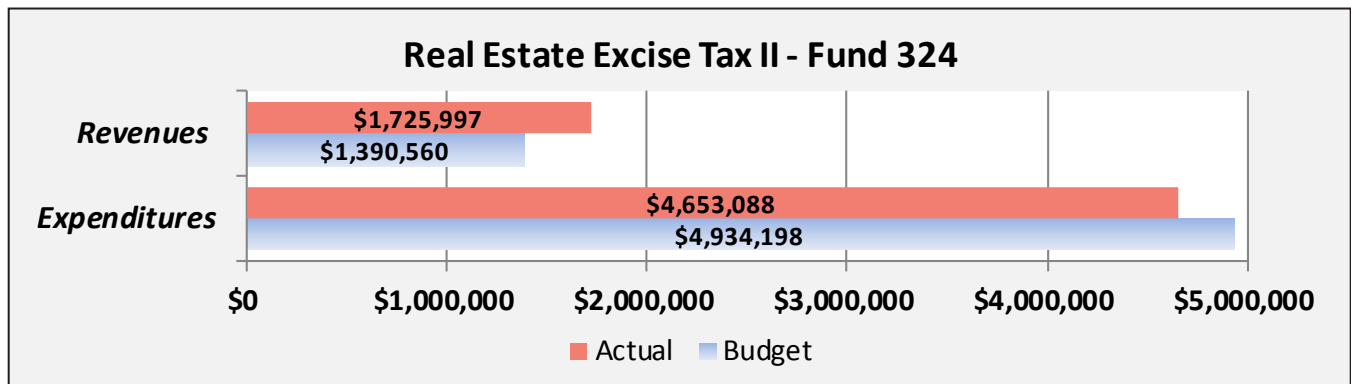


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Special Revenue Funds and Other Funds, continued

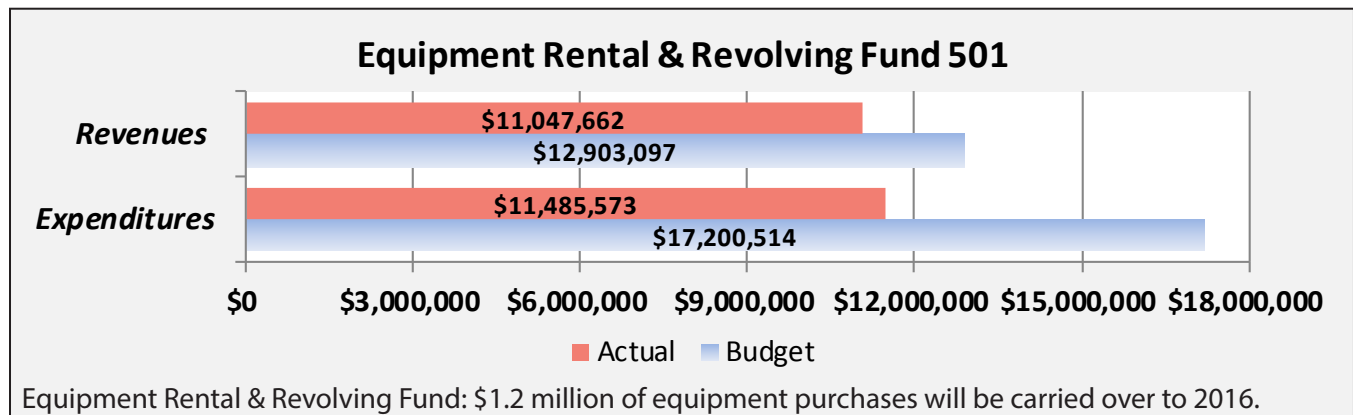
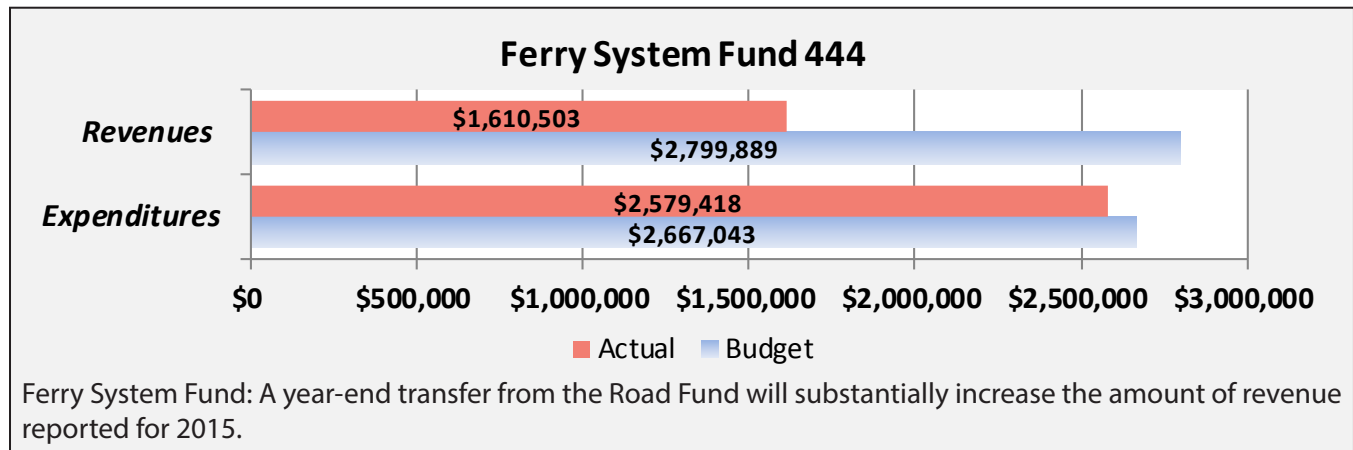
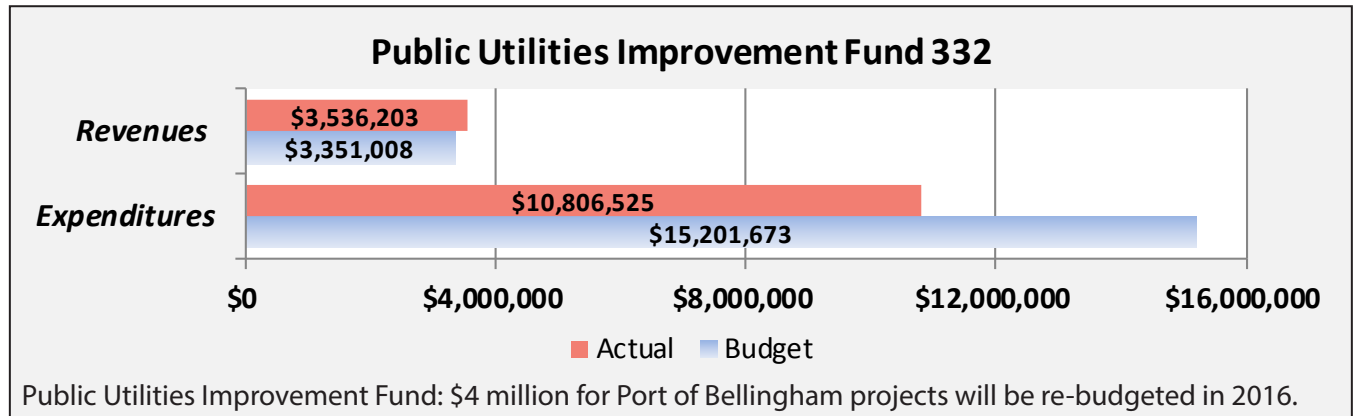


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Special Revenue Funds and Other Funds, continued

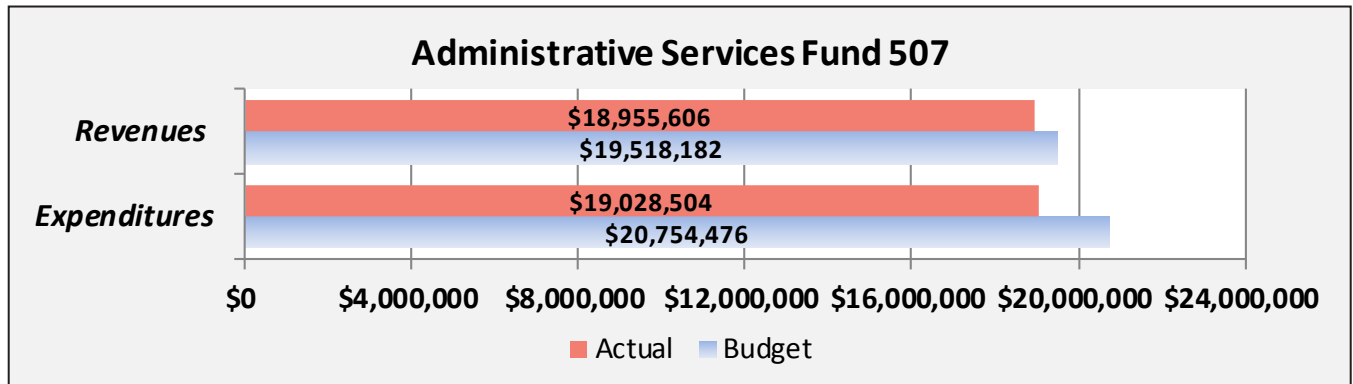


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Special Revenue Funds and Other Funds, continued

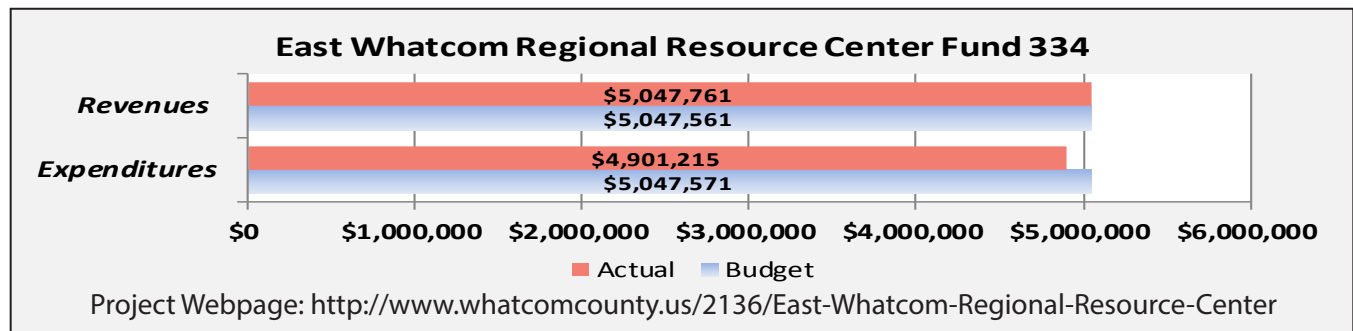
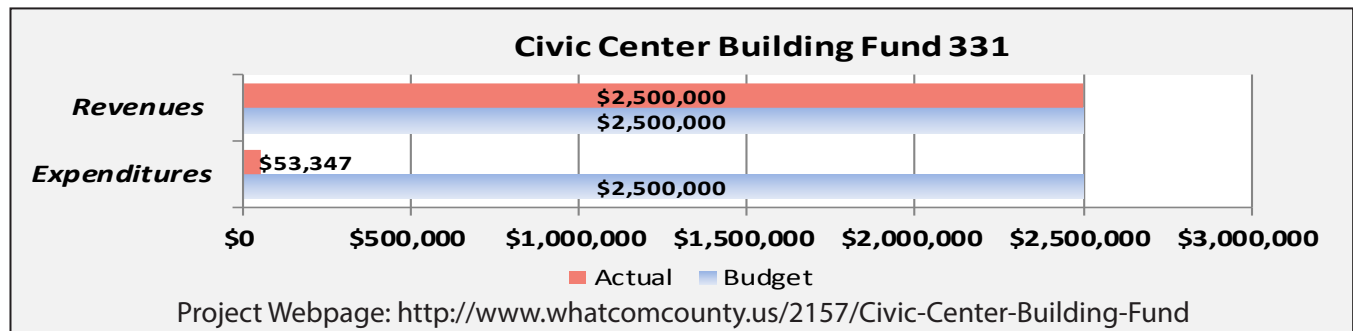
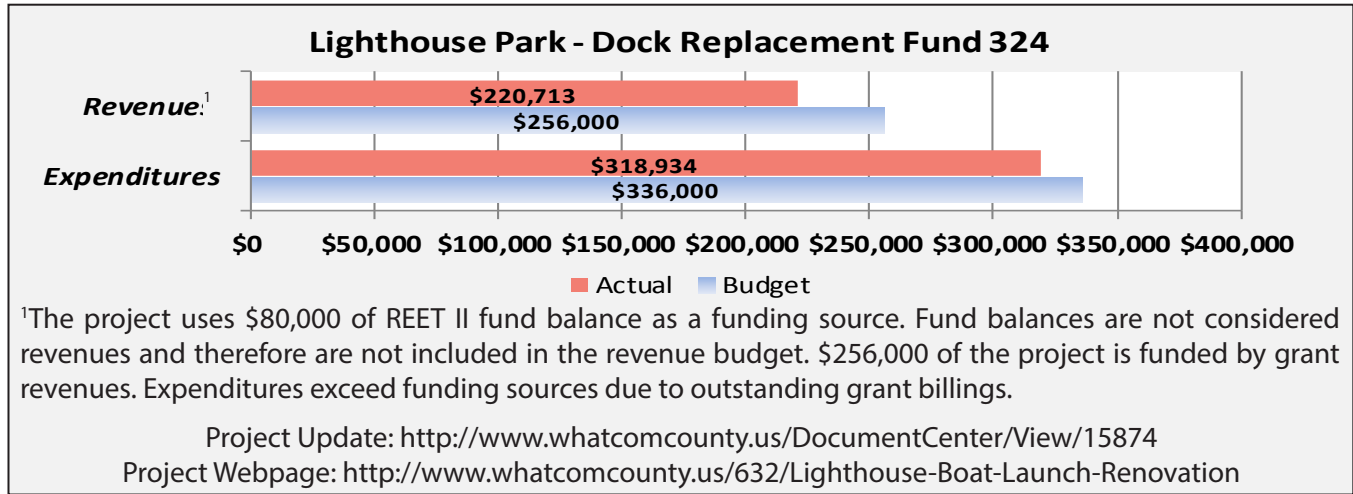


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Project Budget Report

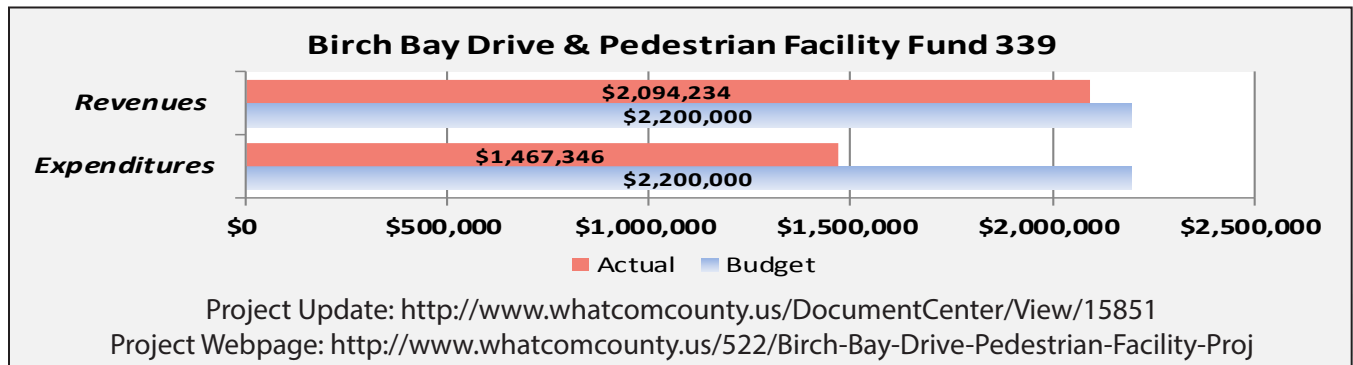
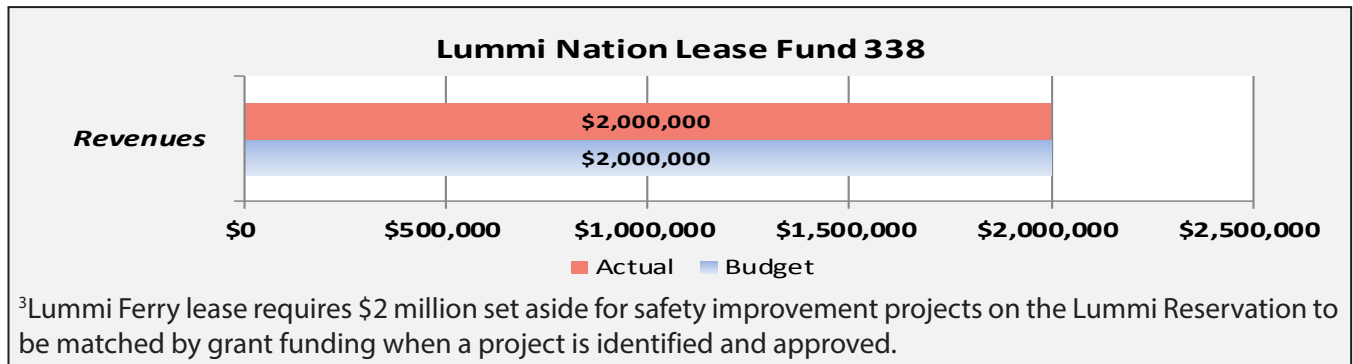
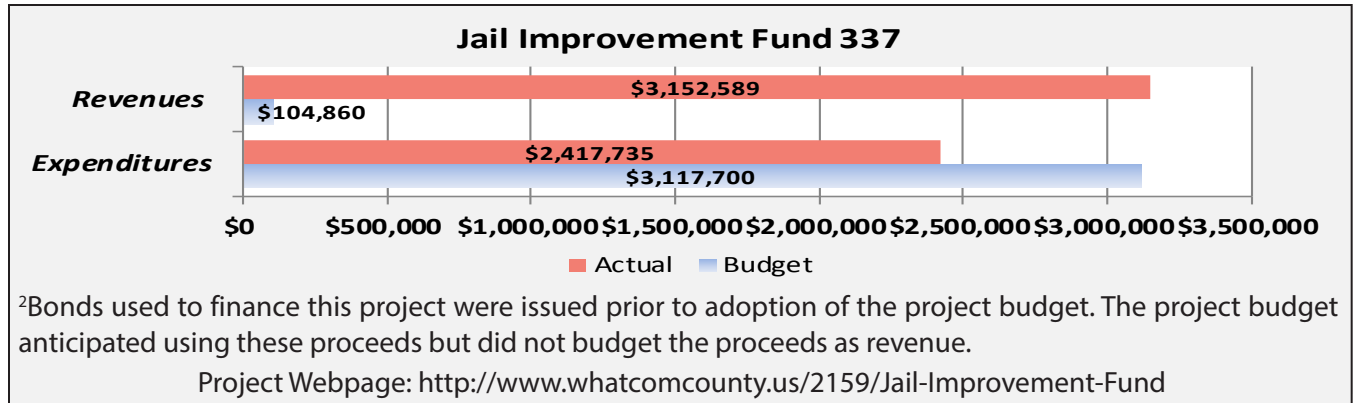


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Project Budget Report, continued

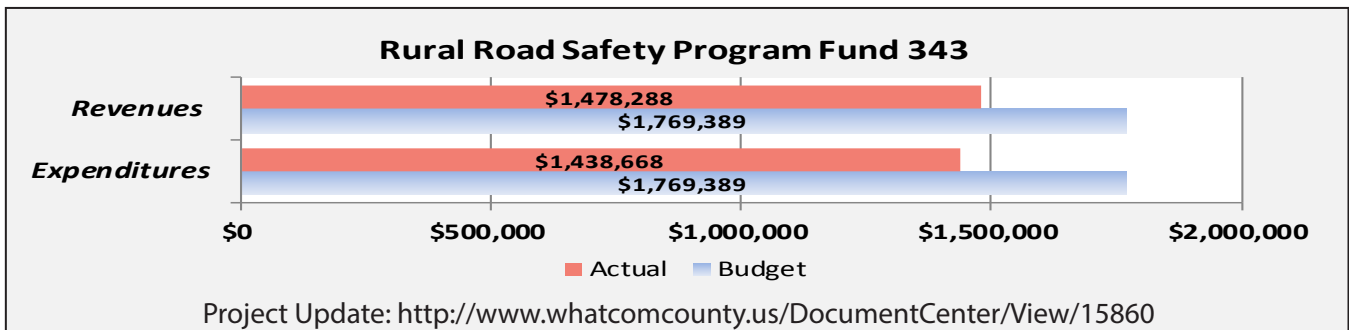
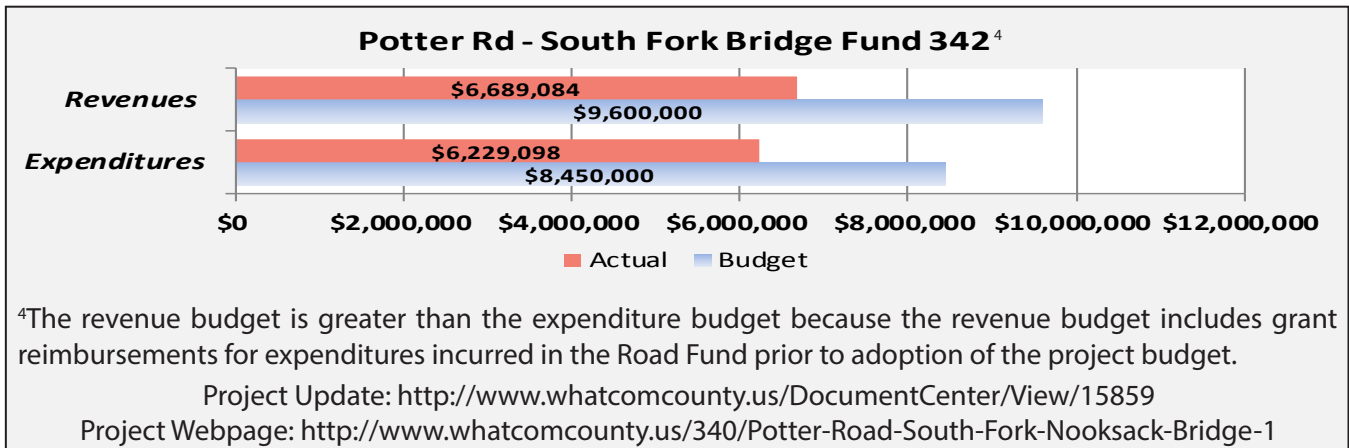
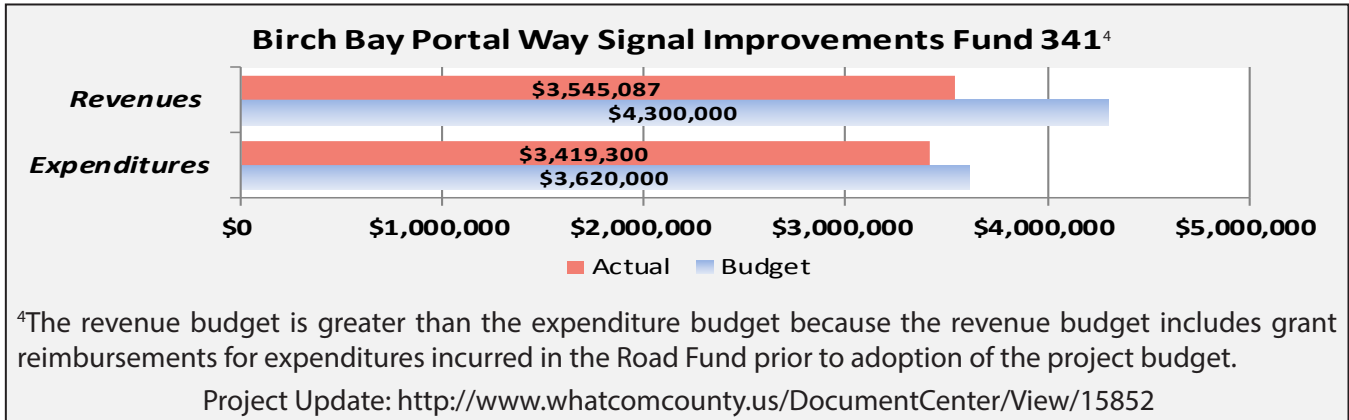


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Project Budget Report, continued

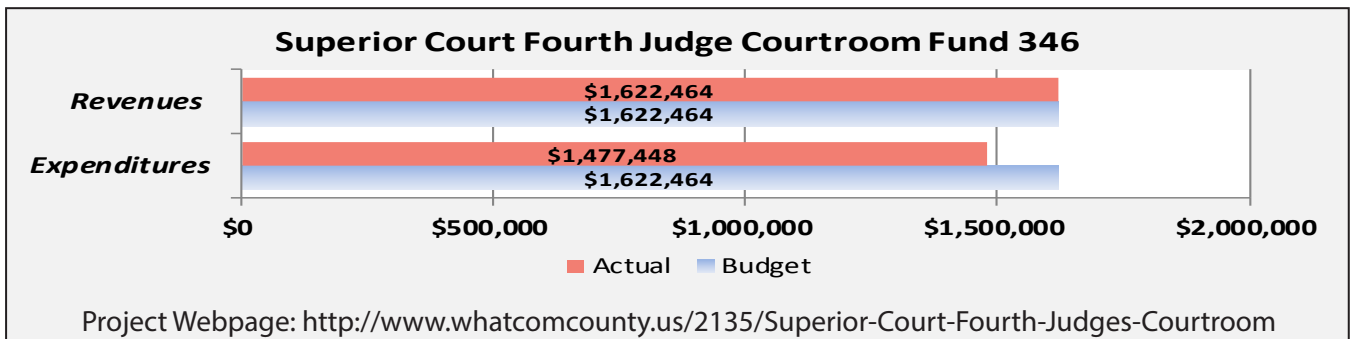
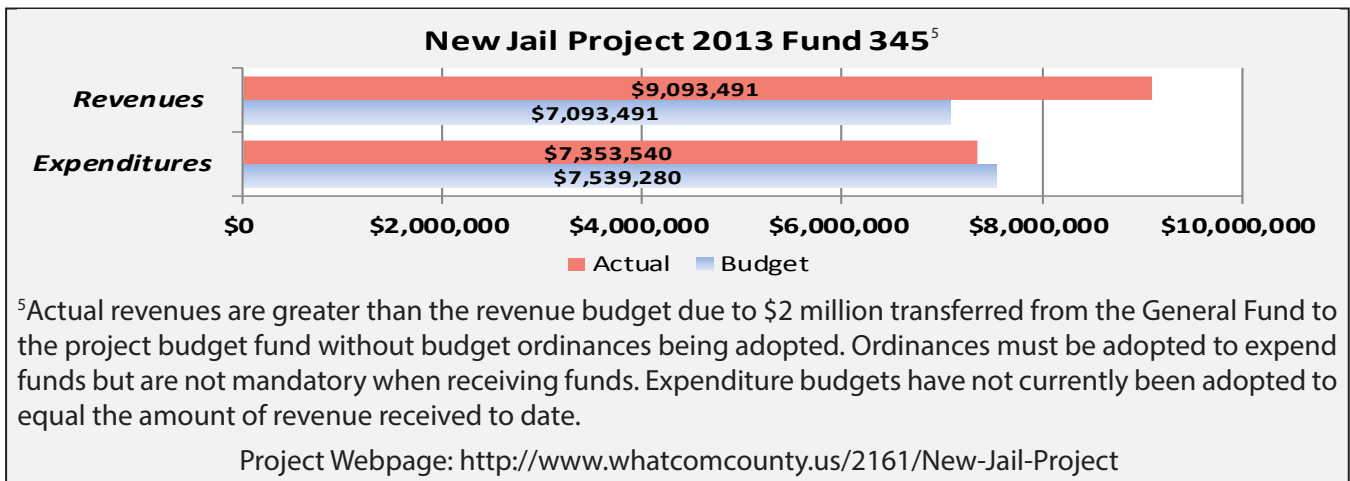
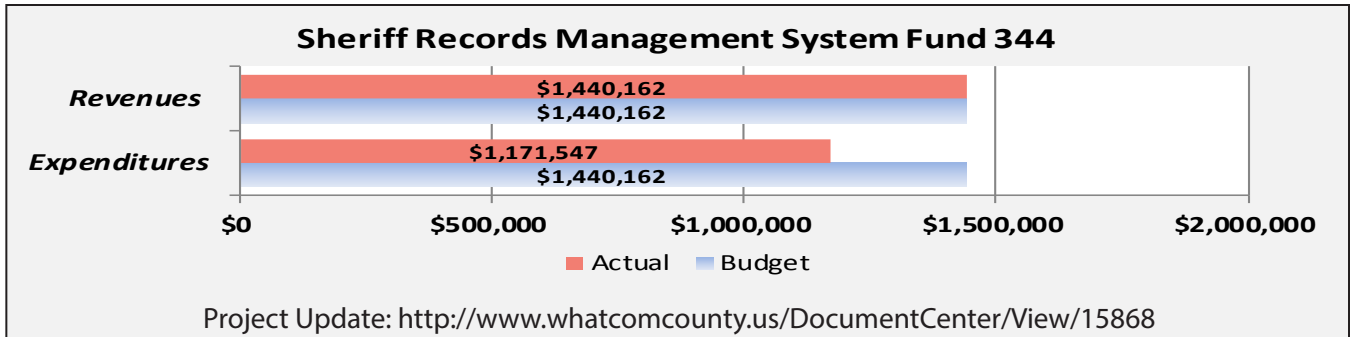


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Project Budget Report, continued

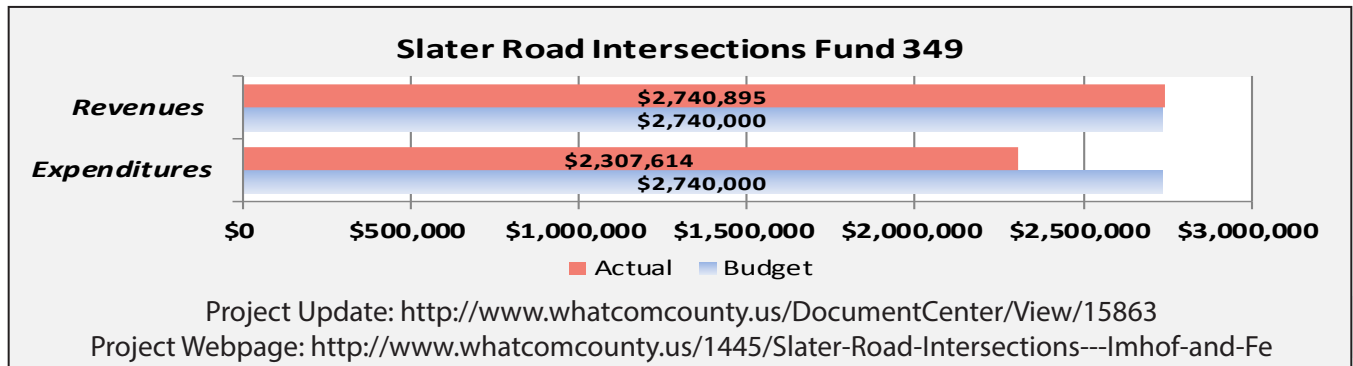
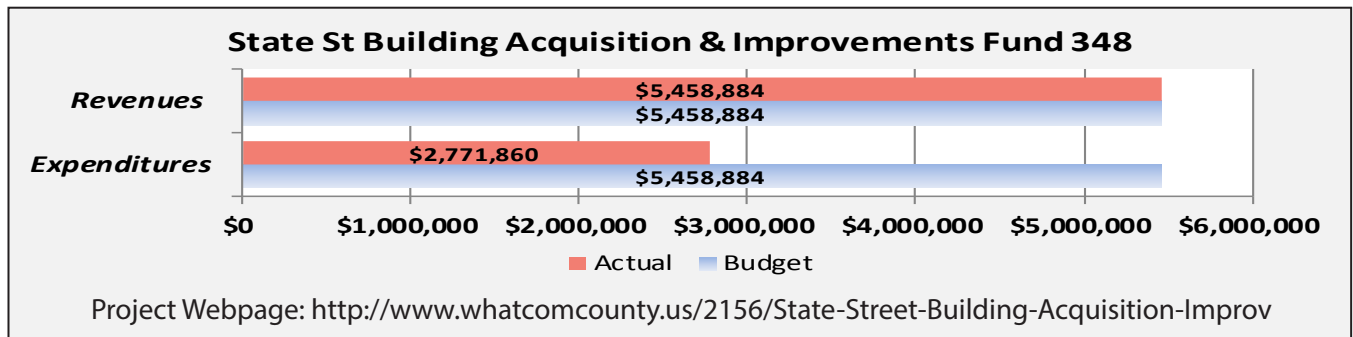
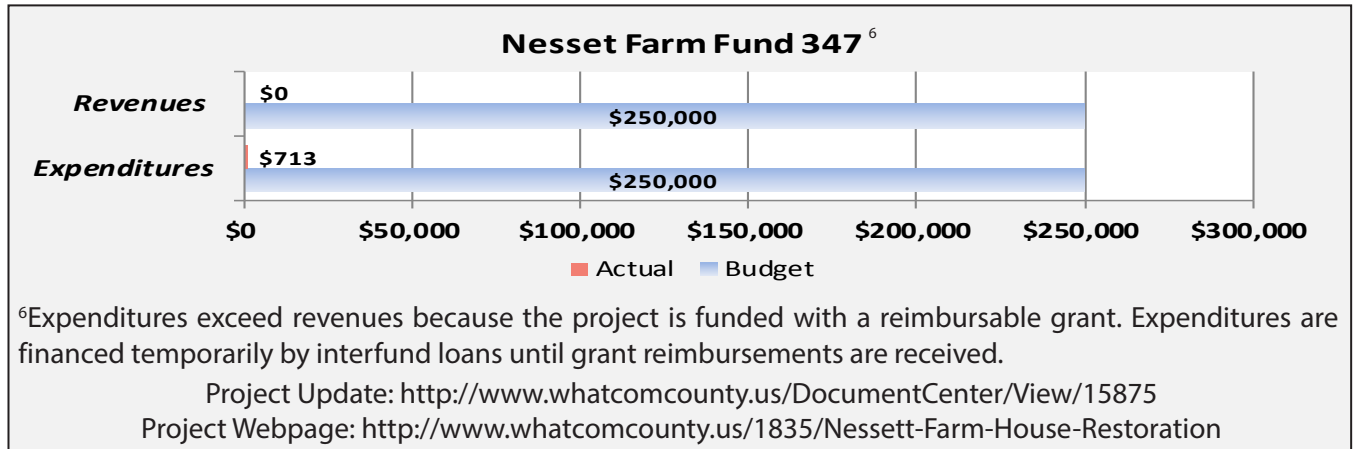


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Project Budget Report, continued

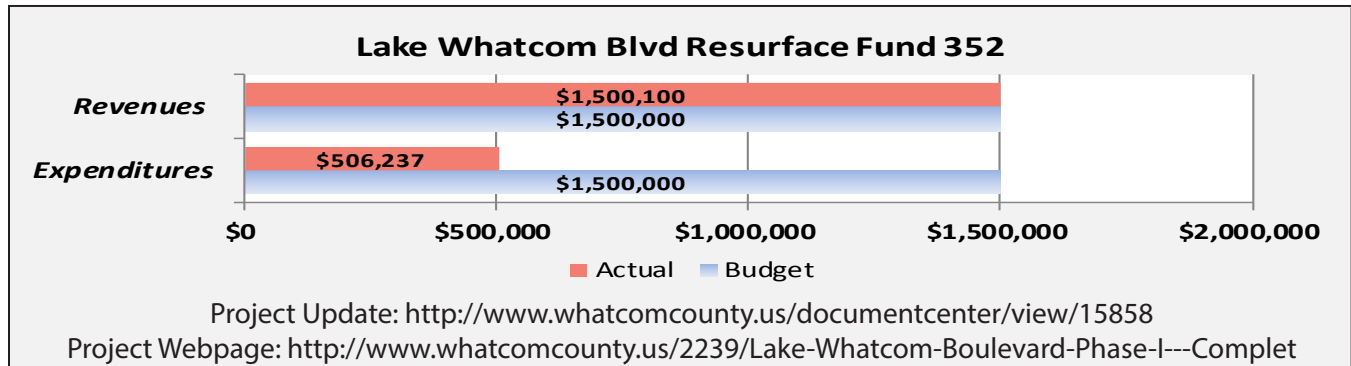
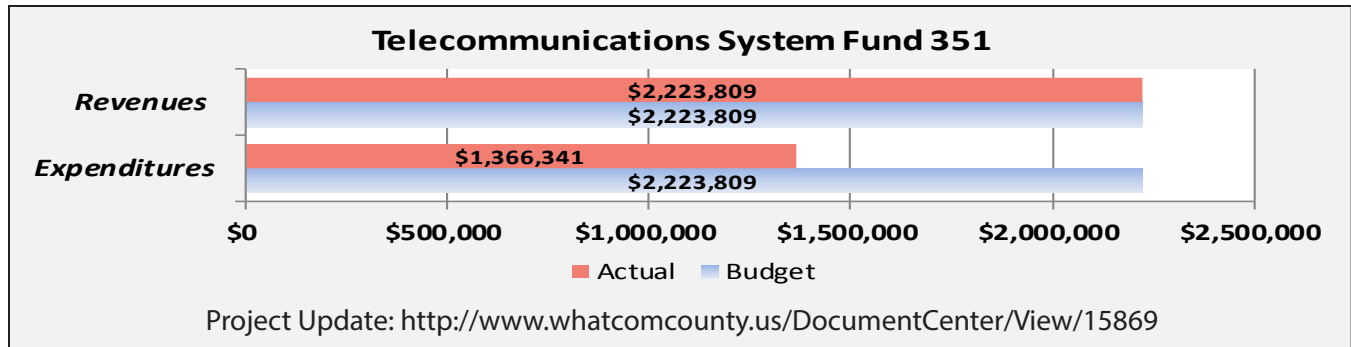
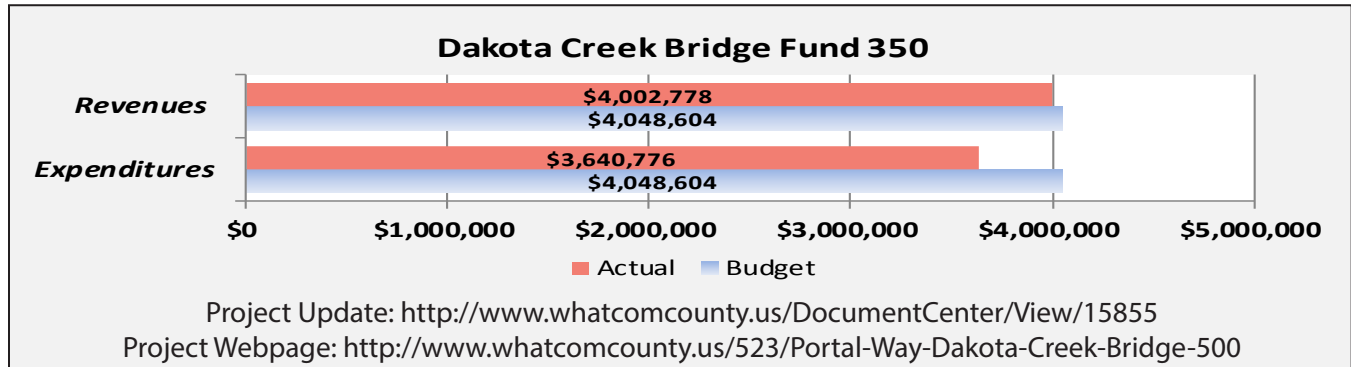


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For the Quarter Ended December 31, 2015



Project Budget Report, continued

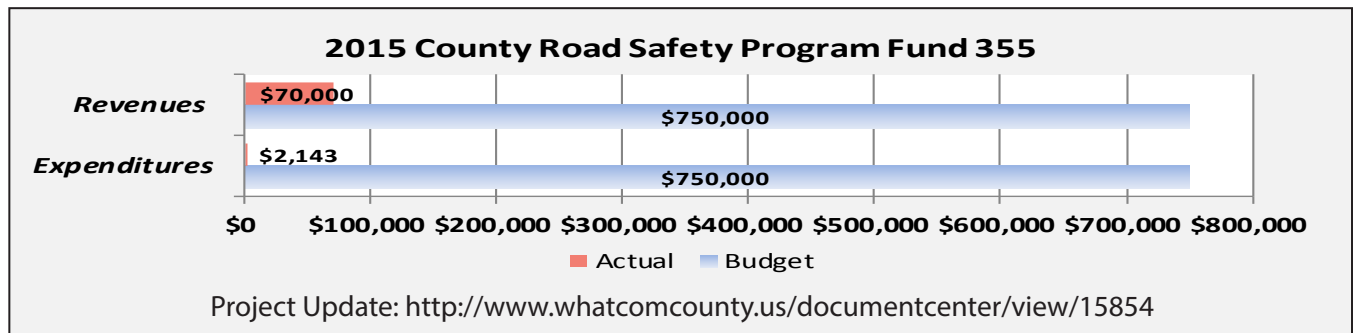
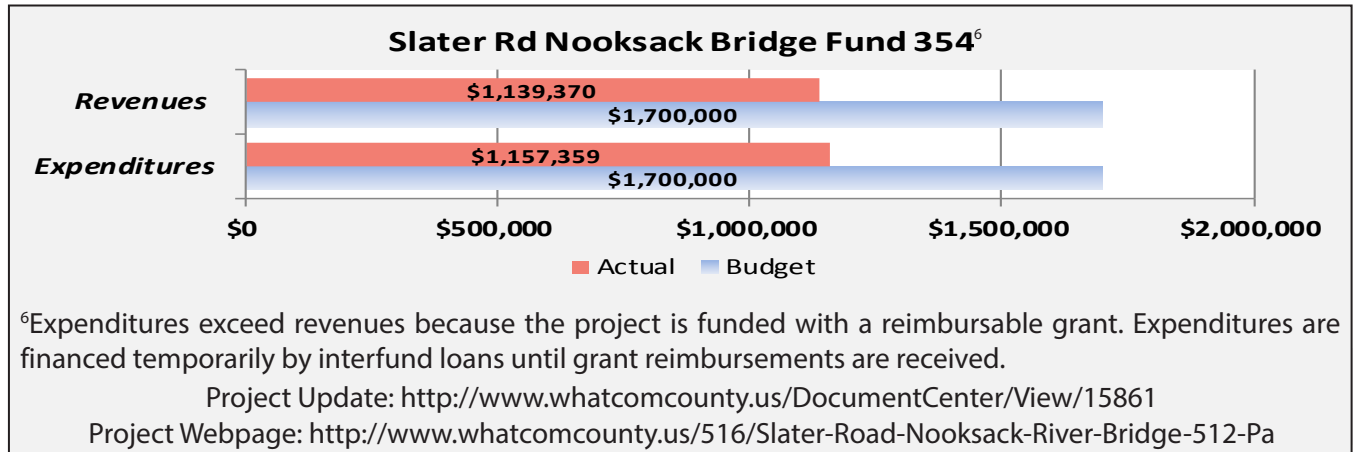
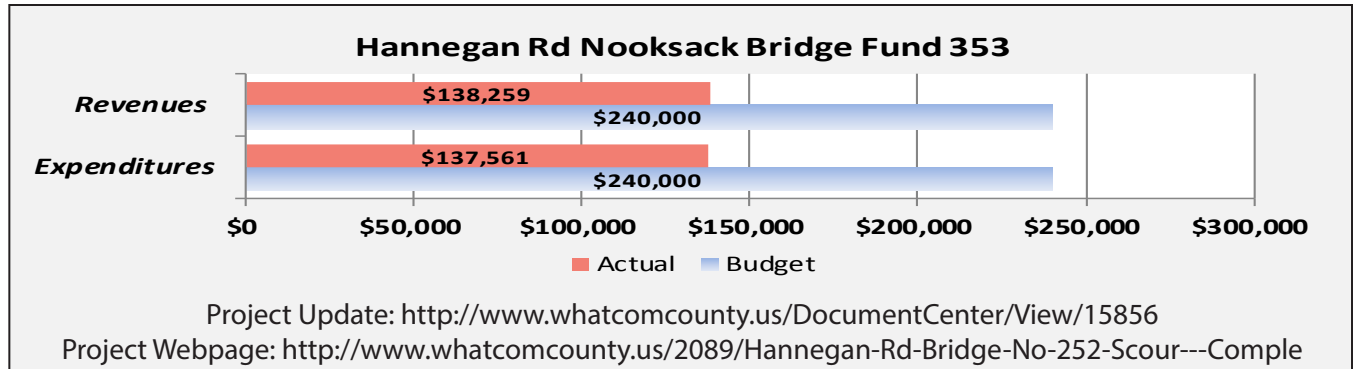


Whatcom County Fourth Quarter 2015 Financial Report

For the Quarter Ended December 31, 2015



Project Budget Report, continued

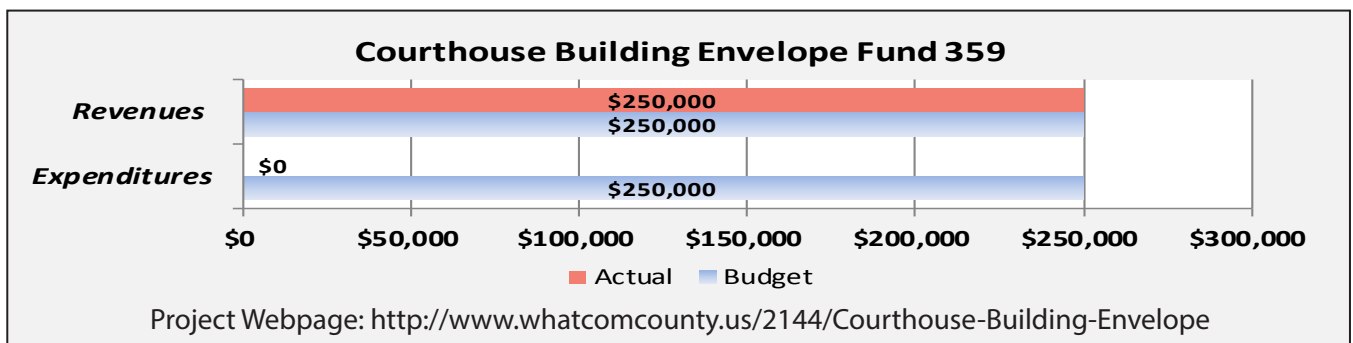
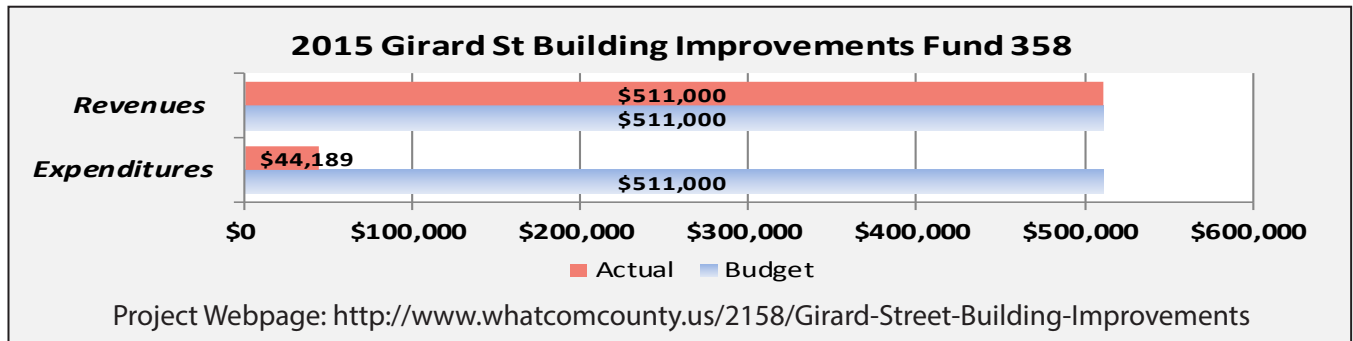
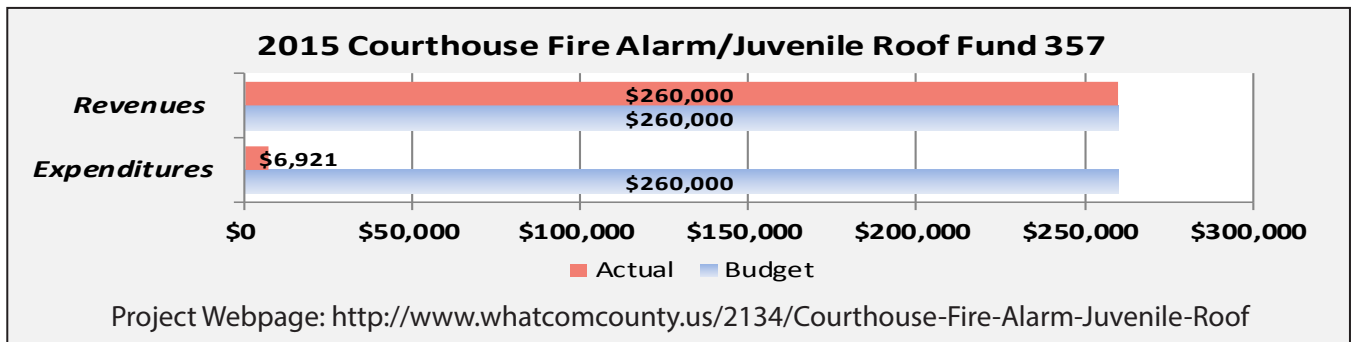
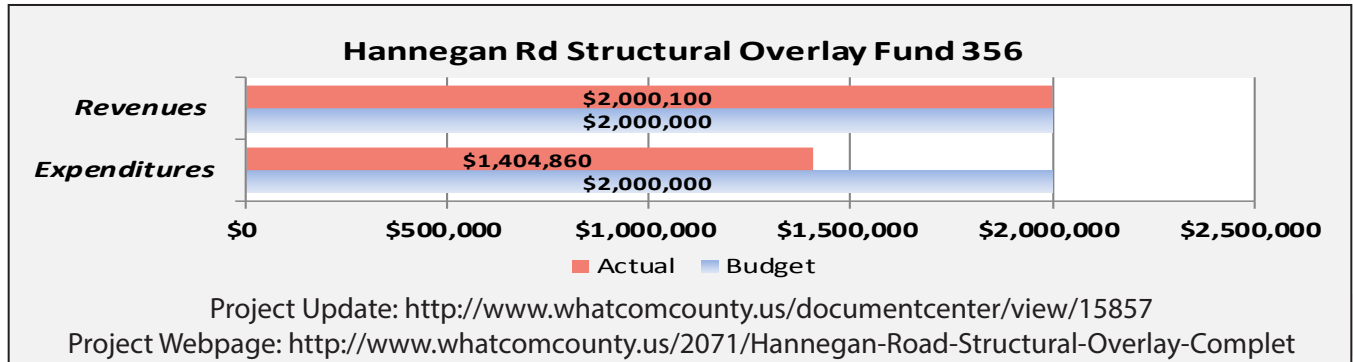


Whatcom County Fourth Quarter 2015 Financial Report

For the Quarter Ended December 31, 2015



Project Budget Report, continued

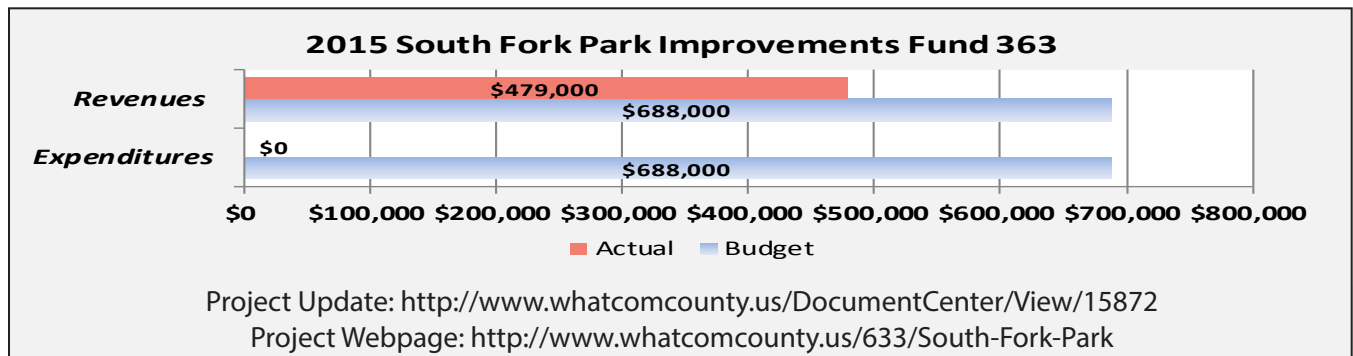
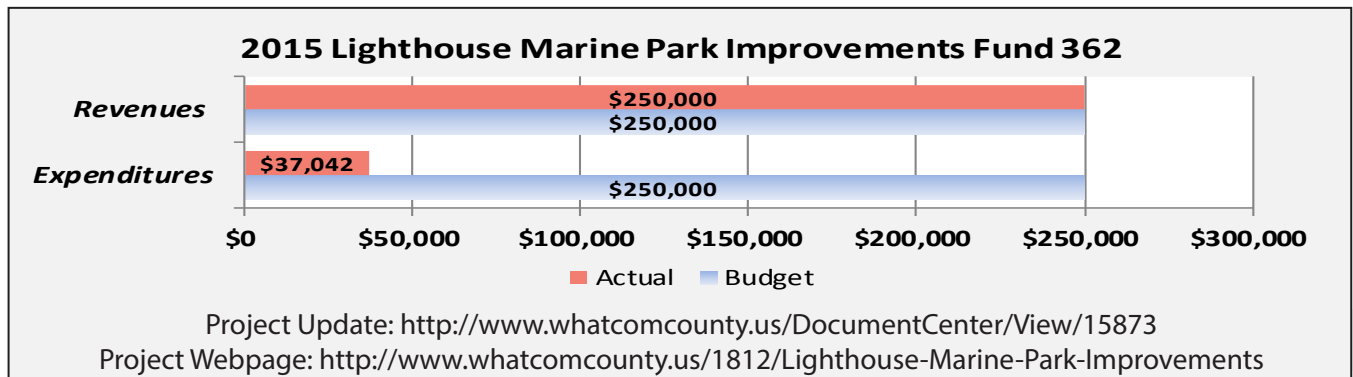
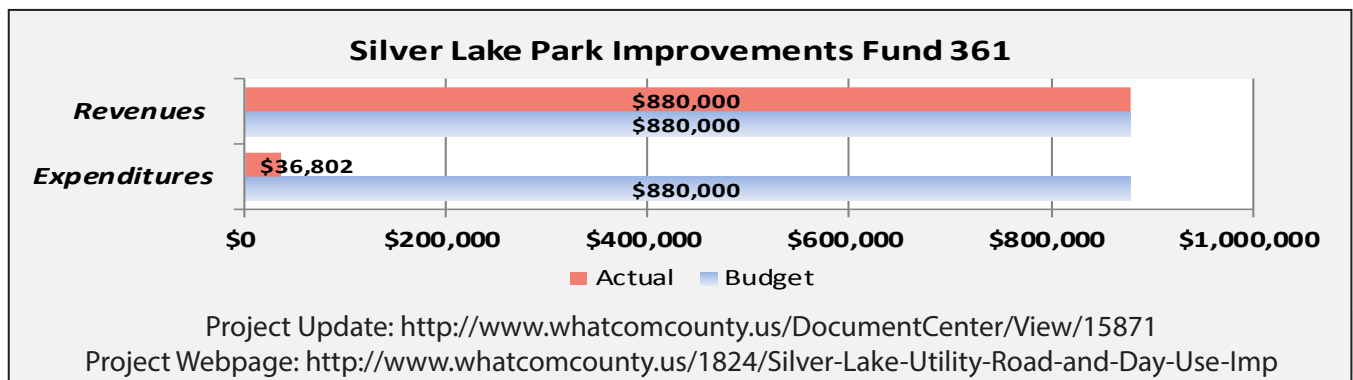
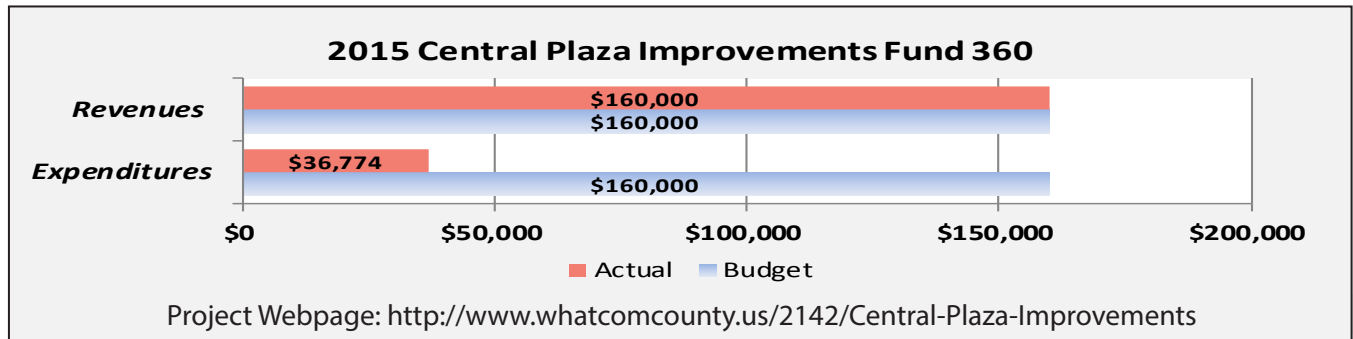


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For the Quarter Ended December 31, 2015



Project Budget Report, continued

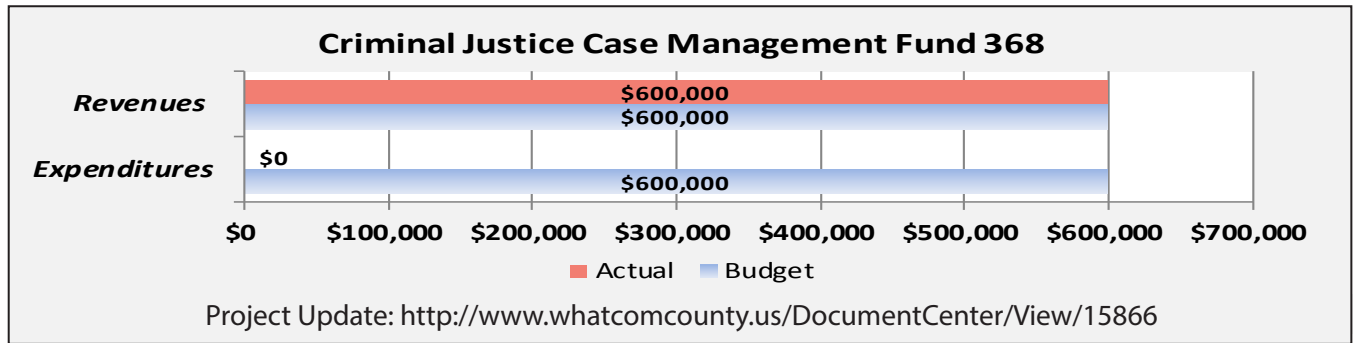
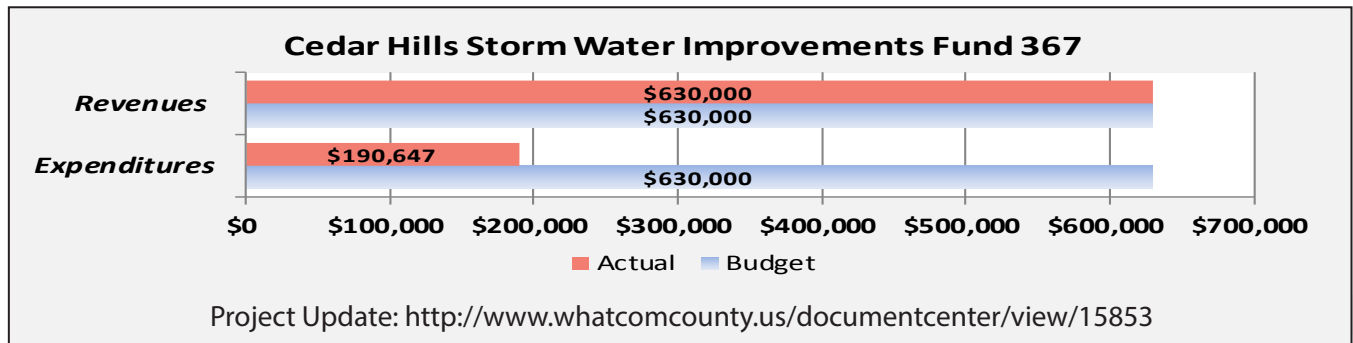
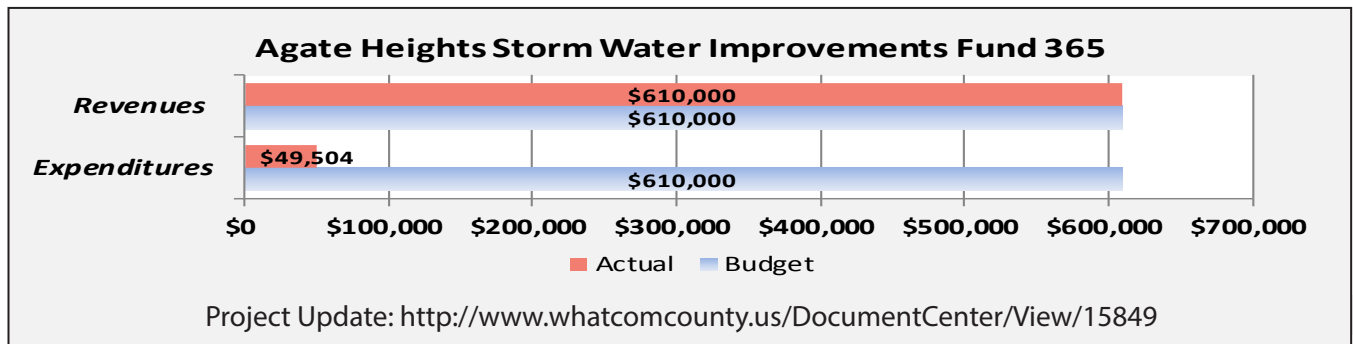
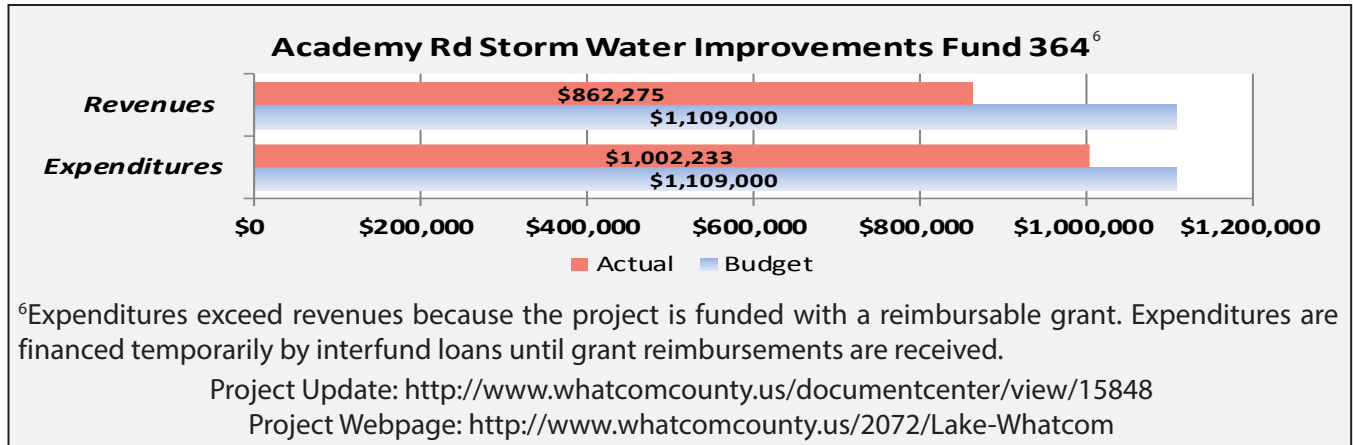


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Project Budget Report, continued



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Project Budget Report, continued

