



**2012
First
Quarter
Financial
Report**

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Compiled and Presented by the
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Finance Division

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Whatcom County First Quarter 2012 Financial Report

For the Quarter Ended March 31, 2012



Executive Summary

The following information presents Whatcom County's first quarter 2012 financial report. At the end of the first quarter of 2012 General Fund revenues are \$123,857 below first quarter projections. This is largely the result of intergovernmental revenues being lower than projected. Taxes and miscellaneous revenue are above first quarter expectations.

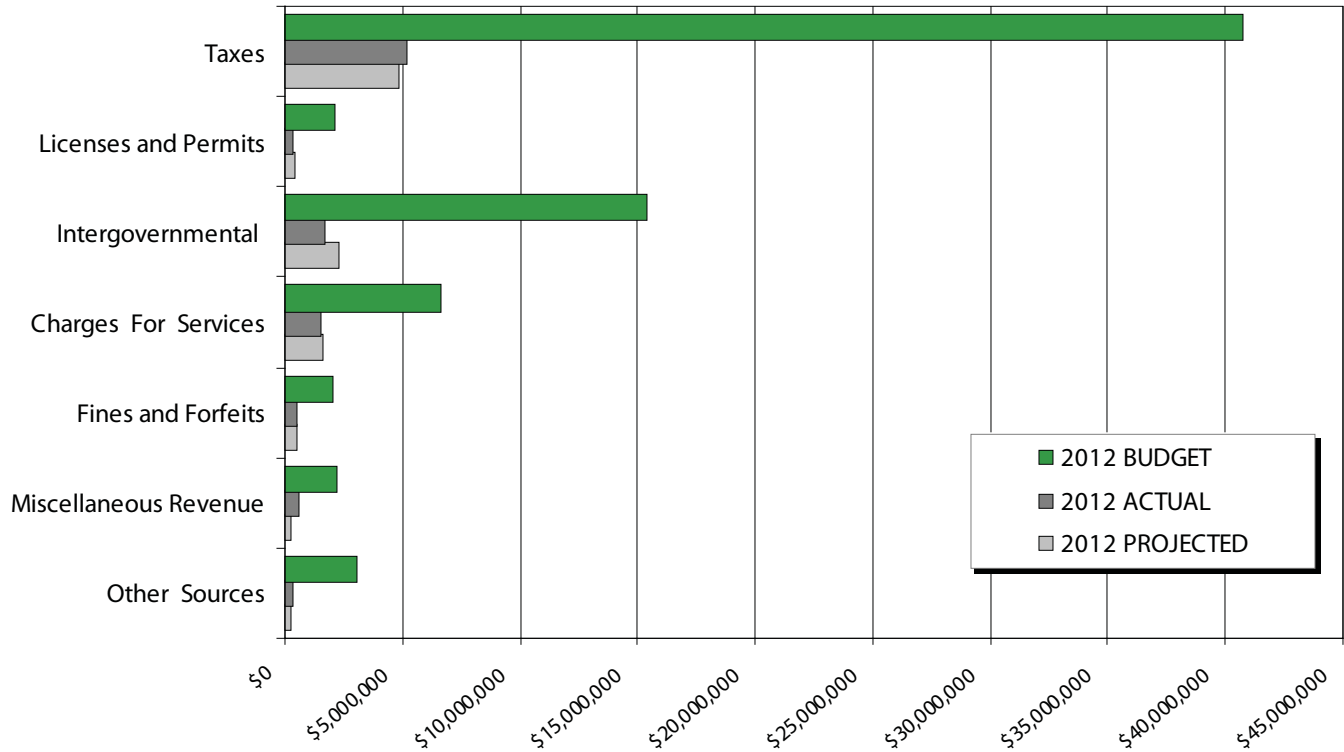
Expenditures are 23.04% of the annual budget, which is consistent with prior years. Whatcom County continues to have a selective hiring freeze and closure days in place in response to the current economic situation.

Whatcom County First Quarter 2012 Financial Report

For the Quarter Ended March 31, 2012



General Fund Revenue - Budget vs. Actual



	2012 Budget Adopted	2012 Budget Supp'ls	2012 Budget Amended	Actual as of 3/31/2012	% Collected To Date	Projected as of 3/31/2012
Taxes	40,766,599	0	40,766,599	5,209,539	12.78%	4,814,301
Licenses and Permits	2,276,427	(145,750)	2,130,677	329,498	15.46%	430,176
Intergovernmental	15,063,424	359,991	15,423,415	1,694,428	10.99%	2,330,520
Charges For Services	6,559,391	73,518	6,632,909	1,493,566	22.52%	1,604,416
Fines and Forfeits	2,028,741	20,000	2,048,741	479,814	23.42%	506,734
Miscellaneous Revenue	3,030,666	(832,939)	2,197,727	568,737	25.88%	276,888
Other Sources	2,852,178	200,707	3,052,885	310,735	10.18%	247,139
Total Revenue	72,577,426	(324,473)	72,252,953	10,086,317	13.96%	10,210,174

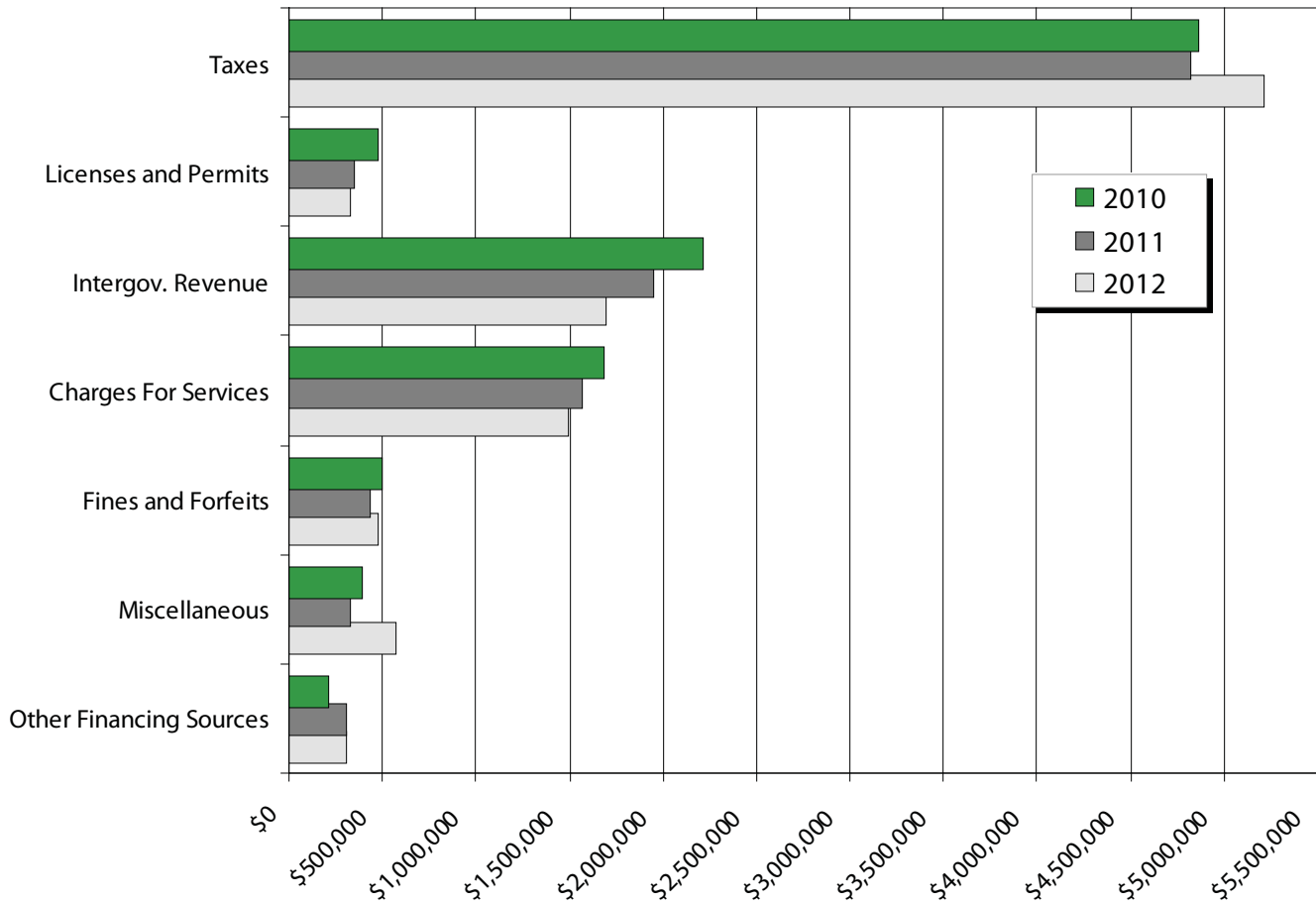
See pages 4 and 5 for General Fund Revenue Notes.

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General Fund Revenue to Date - Compared to Prior Years



	2010	2011	2012
Taxes	4,868,583	4,826,651	5,209,539
Licenses and Permits	476,984	347,134	329,498
Intergov. Revenue	2,217,591	1,950,961	1,694,428
Charges For Services	1,686,591	1,570,169	1,493,566
Fines and Forfeits	496,164	439,450	479,814
Miscellaneous	392,169	331,605	568,737
Other Financing Sources	209,401	302,493	310,735
Total Revenue	10,347,483	9,768,463	10,086,317

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 95% of Whatcom County's tax revenue budget.

Tax revenues are \$382,888 more than first quarter 2011 amounts. Current year sales tax collections are up \$167,276, or 6.1%, as compared to collections from last year. Property tax collections increased \$245,184, or 17.3%, over first quarter 2011.

Licenses & Permits

Building permits account for 52.5% of "Licenses & Permits" budgets. Health Department, marriage and fire control licenses and permits account for the remaining 47.5%.

License and Permit Fees were \$17,636 less than amounts collected during first quarter 2011. Building-related permit fees are continuing to moderately decrease under first quarter 2011 levels.

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 11% of budget and amounts are \$256,532 less than first quarter 2011. Most of the decrease is due to the State delaying payments of Health Department grants and entitlements until after the State Legislature passed its Fiscal Year 2012 supplemental budget.

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) and several other miscellaneous service fees that help cover the costs of providing specific services used by individual customers.

Overall, Charges for Services decreased \$76,600, or about 5%, below first quarter 2011. Moderate declines are being experienced in building-related fees, rifle range revenues and adult probation service fees. These declines are somewhat offset by increases in court-related fees.

Fines and Forfeits

"Fines and Forfeits" consist principally of traffic infraction revenue and criminal traffic misdemeanor penalties, which include driving while intoxicated penalties. It also includes bail/bond forfeitures, code enforcement fines, public defense recoupment and other miscellaneous criminal costs and penalties.

Fines and Forfeits revenues increased 9.2%, or \$40,364, from first quarter 2011 revenues. The increases are due to traffic infraction related revenues. A significant part is from the Prosecuting Attorney's institution of a contested hearing calendar in District Court to deal with traffic cases that would have been dropped for lack of evidence in past years.

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General Fund Revenue Notes, continued

Miscellaneous

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

Miscellaneous revenues increased \$237,134, or 71.5%, from first quarter 2011. Of this, \$212,861 was a local bank's return of a loan loss reserve fund connected with an Energy Efficiency Community Block Grant. The funding will be used for additional Community Energy Challenge projects in 2012.

Other Financing Sources

The "Other Financing Sources" revenue budget is composed of state timber revenues (14%) and 86% from transfers from other Whatcom County funds.

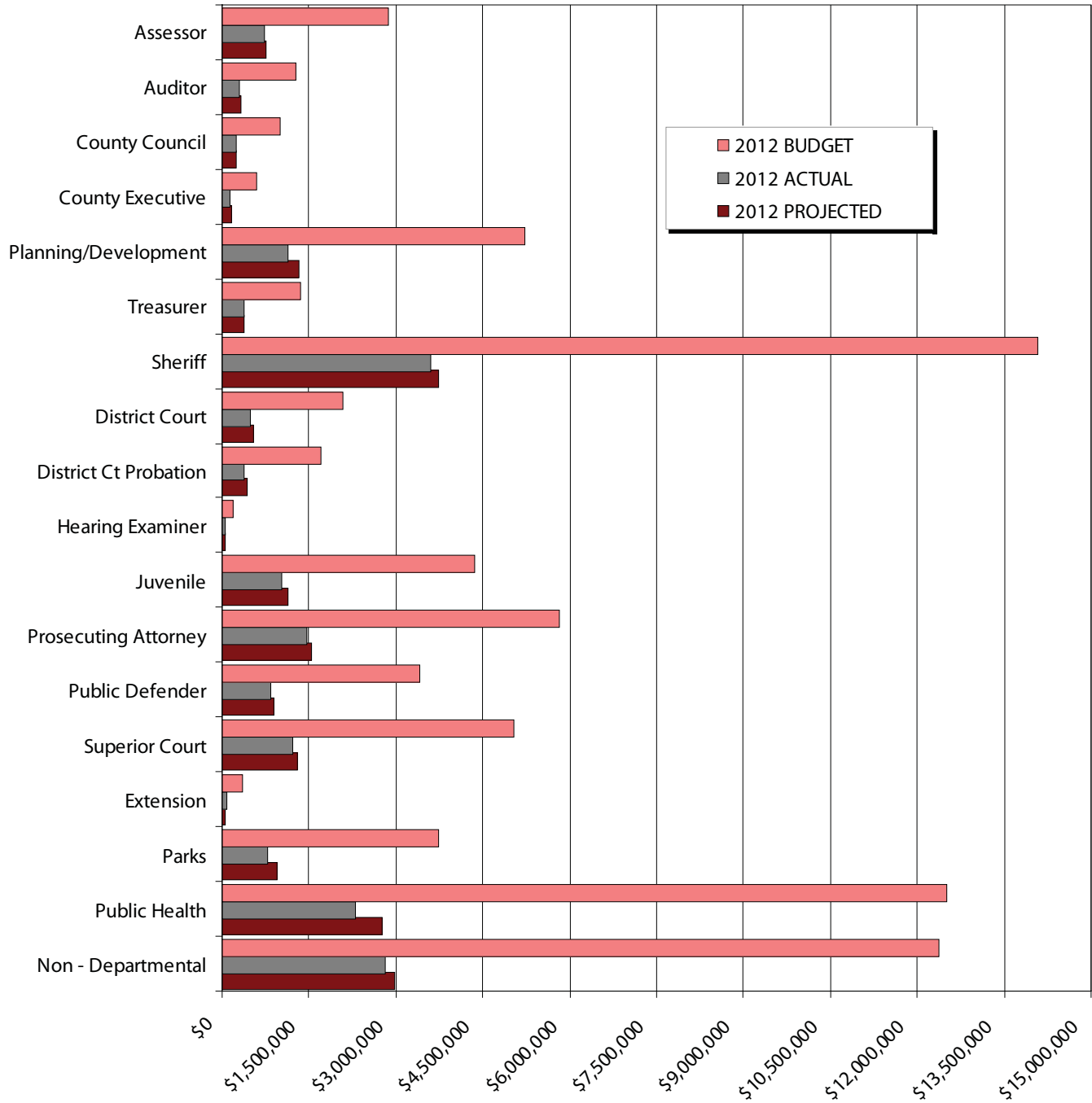
The Other Financing Sources category is consistent with first quarter 2011. State timber sales revenue increased \$84,250 to \$161,036. Timber revenues fluctuate based on harvest plans and market conditions. Interfund transfers decreased \$75,808.

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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 2012 Budget	Budget Supplementals	Amended Budget	Actual as of 3/31/12	% Expended To Date	Projected as of 3/31/12
Assessor	2,811,792	70,000	2,881,792	736,760	25.57%	760,551
Auditor	1,280,960	0	1,280,960	290,401	22.67%	328,485
County Council	969,228	22,172	991,400	240,156	24.22%	253,206
County Executive	603,465	0	603,465	127,201	21.08%	158,807
Planning & Development	5,195,898	33,245	5,229,143	1,148,998	21.97%	1,316,107
Treasurer	1,358,505	0	1,358,505	368,731	27.14%	379,118
Sheriff	13,600,754	486,952	14,087,706	3,612,817	25.65%	3,724,217
District Court	1,999,966	73,428	2,073,394	487,368	23.51%	549,547
District Court Probation	1,709,803	0	1,709,803	379,933	22.22%	444,838
Hearing Examiner	180,641	0	180,641	44,989	24.91%	44,536
Juvenile	4,364,502	0	4,364,502	1,032,167	23.65%	1,135,835
Prosecuting Attorney	5,816,665	14,790	5,831,455	1,469,788	25.20%	1,542,212
Public Defender	3,409,407	0	3,409,407	838,928	24.61%	893,099
Superior Court/Clerk	5,043,289	0	5,043,289	1,231,580	24.42%	1,297,250
Extension	327,018	15,000	342,018	77,828	22.76%	59,356
Park	3,672,521	64,388	3,736,909	777,299	20.80%	949,191
Public Health	12,842,544	(321,282)	12,521,262	2,312,369	18.47%	2,762,130
Non - Departmental	10,927,611	1,458,358	12,385,969	2,802,574	22.63%	2,974,355
Total General Fund Exp	76,114,569	1,917,051	78,031,620	17,979,887	23.04%	19,572,840

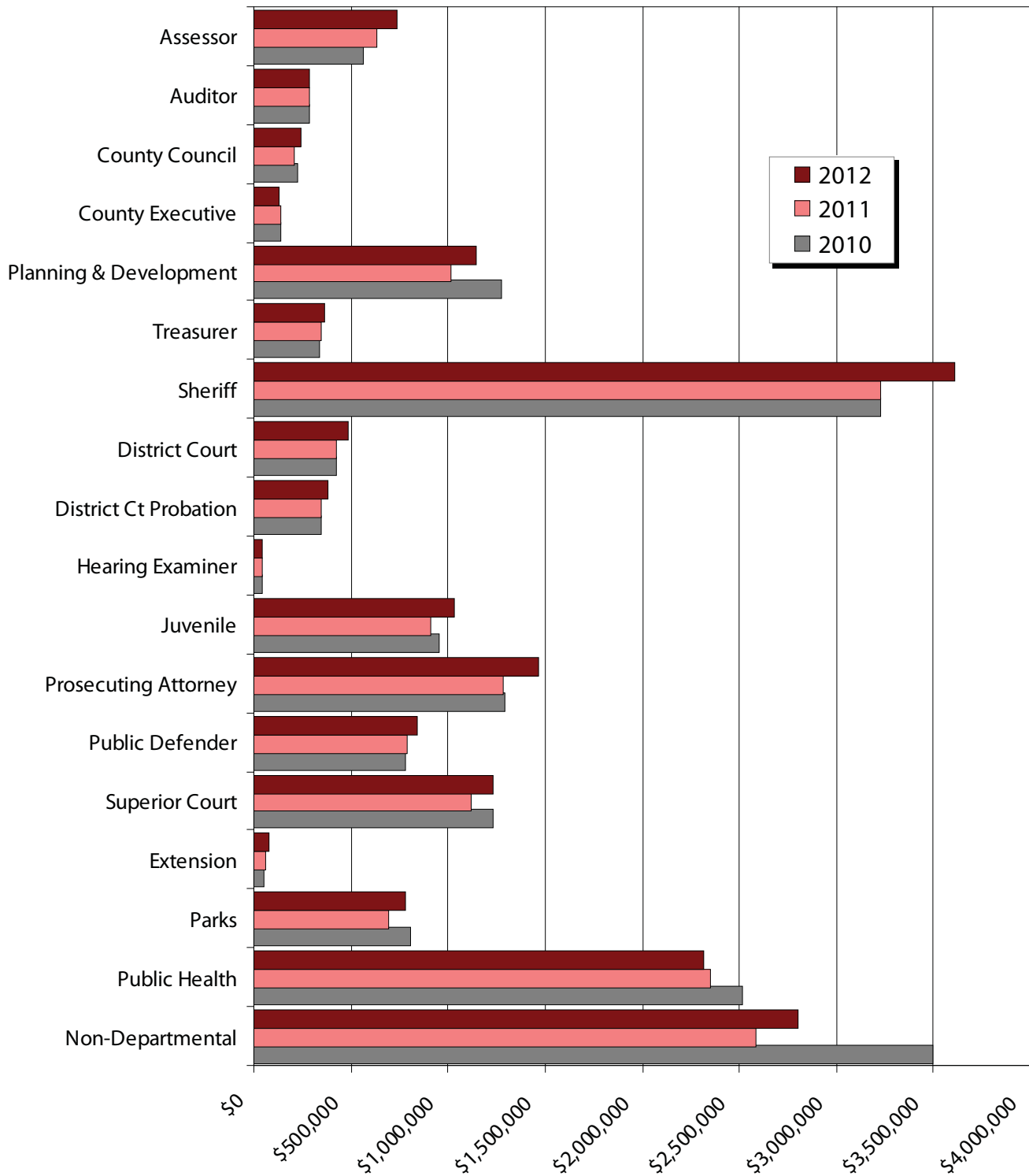
See page 9 for General Fund Expenditure Notes.

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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

	2010	2011	2012
Assessor	565,453	633,436	736,760
Auditor	288,694	286,084	290,401
County Council	224,301	209,373	240,156
County Executive	142,461	135,477	127,201
Planning & Development	1,275,325	1,016,395	1,148,998
Treasurer	338,552	346,191	368,731
Sheriff	3,228,965	3,224,480	3,612,817
District Court	424,162	426,477	487,368
District Ct Probation	347,161	350,716	379,933
Hearing Examiner	41,309	42,311	44,989
Juvenile	955,468	908,000	1,032,167
Prosecuting Attorney	1,289,519	1,286,417	1,469,788
Public Defender	778,094	790,219	838,928
Superior Court Administration	1,232,320	1,122,256	1,231,580
Extension	52,551	57,253	77,828
Parks	807,998	693,131	777,299
Public Health	2,512,813	2,349,564	2,312,369
Non-Departmental	3,492,557	2,583,100	2,802,574
TOTAL	17,997,703	16,460,880	17,979,887

General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the first quarter were at 23.04% of the approved budget. This is consistent with previous years. All departmental spending was within budget expectations except for the Treasurer's Office. The Treasurer's Office was 27.14% spent due to postage and contracted services for annual tax statement mailings being incurred during the first quarter of the year rather than distributed throughout the year. In addition, the first six months of 2012 software maintenance fees were prepaid during the first quarter.

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General Fund Conclusion

	Projected
Beginning Fund Balance 1/1/12 (Estimated)	<u>9,752,458</u>
Revenues	
Budgeted Revenues 2012	72,577,426
Decreased Revenue Estimates	(277,386)
Continuing Appropriations from 2011	165,536
Supplemental Budgets 2012	(490,009)
Total Revenue	<u>71,975,567</u>
Expenditures	
Budgeted Expenditures 2012	76,114,569
Estimated Payroll & Benefit Adjustments	(1,138,156)
Continuing Appropriations from 2011	342,590
Supplemental Budgets 2012	1,574,461
Total Expenditures	<u>76,893,464</u>
Adjusted Surplus (Deficit)	(4,917,897)
Other Considerations	
Estimated Budget Lapse (4%)	3,075,739
Projected Ending Fund Balance 12/31/12	<u>7,910,300</u>
Interfund Loan Adjustment ¹	<u>2,138,882</u>
Adjusted Fund Balance 12/31/12	<u>10,049,182</u>

¹ 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 - Revenues

	2011 Actual As of 3/31/2011	2012 Actual As of 3/31/2012	2012 Budget	% Collected of 2012 Budget
County Road Fund	2,318,874	2,337,324	25,847,818	9.04%
Election Reserve Fund	73,706	372,881	1,342,403	27.78%
Veterans Relief	15,242	18,059	320,828	5.63%
Jail Fund	2,838,817	2,869,607	12,152,036	23.61%
Low Income Housing Projects	52,964	48,940	179,000	27.34%
Homeless Housing	303,948	304,943	2,302,443	13.24%
Stormwater Fund	-	-	2,061,154	0.00%
Chemical Dependency/Mental Hlth	797,985	849,923	3,530,340	24.07%
County Wide Emergency Medical	588,703	622,756	2,665,659	23.36%
Trial Court Improvement Fund	23,650	11,912	47,500	25.08%
Solid Waste Fund	2,244	2,458	776,700	0.32%
WC Convention Center Fund	113,432	113,541	500,000	22.71%
Victim/Witness Assistance Fund	29,205	28,975	135,550	21.38%
Whatcom Co Drug Fund	41,275	400,673	337,000	118.89%
Auditor's O&M Fund	24,468	22,181	166,500	13.32%
Emergency Management	293,449	364,329	676,810	53.83%
Flood Control Zone Dist Fund	224,416	241,050	6,211,888	3.88%
Pt Roberts Fuel Tax Fund	13,199	21,491	50,000	42.98%
Conservation Futures Fund	50,452	66,088	992,362	6.66%
Sub-Flood Zones	38,792	74,630	1,023,995	7.29%
Real Estate Excise Tax Fund II	157,184	193,084	1,398,196	13.81%
Real Estate Excise Tax Fund I	157,184	193,084	1,068,523	18.07%
Public Utilities Improvement	739,378	886,101	3,000,338	29.53%
Yew St Road Construction	-	-	140,000	0.00%
Ferry System Fund	336,436	285,683	2,527,223	11.30%
Equipment Rental & Revolving	1,808,802	1,955,176	9,296,847	21.03%
Administrative Services Fund	4,283,880	4,082,280	20,602,693	19.81%

Notes: Road Improvement Districts, Capital Project Funds and Debt Service Funds are not shown on this list.

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Special Revenue Funds and Other Funds - Expenditures

	2011 Actual As of 3/31/2011	2012 Actual As of 3/31/2012	2012 Budget	% Expended of 2012 Budget
County Road Fund	3,364,869	3,930,111	29,825,103	13.18%
Election Reserve Fund	246,418	461,727	1,432,388	32.23%
Veterans Relief	55,570	111,787	476,667	23.45%
Jail Fund	2,639,514	2,867,818	13,093,415	21.90%
Low Income Housing	29,264	26,268	166,500	15.78%
Homeless Housing	258,293	296,559	2,551,147	11.62%
Stormwater Fund	205,996	186,697	2,149,025	8.69%
Chemical Depend/Mental Hlth	299,057	319,074	3,551,581	8.98%
County Wide Emergency Medical	623,798	698,109	2,947,743	23.68%
Trial Court Improvement Fund	-	-	45,735	0.00%
LEOFF I Healthcare Fund	149,138	105,590	450,000	23.46%
Solid Waste Fund	121,314	121,626	1,154,162	10.54%
WC Convention Center Fund	71,645	109,503	632,090	17.32%
Victim/Witness Assistance Fund	17,643	21,003	147,309	14.26%
Whatcom Co Drug Fund	65	16,968	571,967	2.97%
Auditor's O&M Fund	46,362	59,836	292,246	20.47%
Emergency Management	110,338	166,805	1,041,562	16.01%
Flood Control Zone Dist Fund	452,523	426,568	6,785,365	6.29%
Conservation Futures Fund	735,857	-	139,474	0.00%
Sub-Flood Zones	52,195	41,147	1,311,213	3.14%
Real Estate Excise Tax Fund II	68,877	33,735	2,195,384	1.54%
Real Estate Excise Tax Fund I	(10,694)	6,141	465,659	1.32%
Public Utilities Improvement	1,197,456	379,808	2,011,698	18.88%
East Cnty Regional Resource Ctr	272,883	1,925	49,899	3.86%
Yew St Road Construction	22,493	12,856	1,050,982	1.22%
Lincoln Rd Construction	116,284	49,292	758,922	6.50%
Jail Improvement Fund	-	-	3,093,882	0.00%
Ferry System Fund	533,225	561,017	2,716,104	20.66%
Equipment Rental & Revolving	1,494,282	1,653,958	10,755,841	15.38%
Administrative Services Fund	3,605,606	4,154,860	21,024,365	19.76%

Notes: 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.