



**2012
Fourth
Quarter
Financial
Report**

Jack Louws, County Executive

Compiled and Presented by the
Administrative Services Department
Finance Division

Brad Bennett, Finance Manager

February 15, 2013

Whatcom County Fourth Quarter 2012 Financial Report

For the Quarter Ended December 31, 2012



Executive Summary

The following information presents Whatcom County's fourth quarter 2012 financial report. At year-end Whatcom County's General Fund collected 98.4% of its budgeted revenues. Whatcom County's General Fund spent 90.8% of its budgeted expenditures.

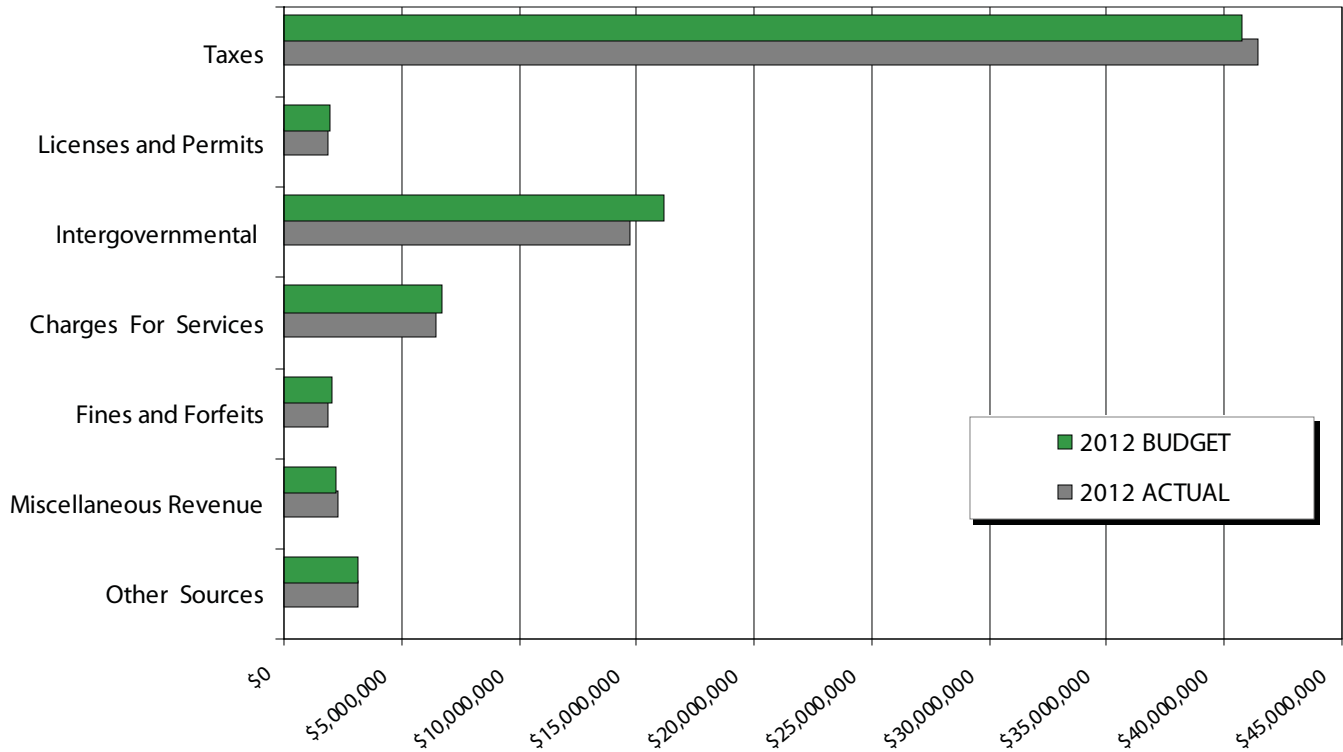
The estimated 2012 General Fund ending fund balance is projected to be approximately \$11.2 million. This is an increase of \$1.335 million over the 2011 ending fund balance. The increase is primarily due to large lapses of expenditure authority due to payroll and benefit adjustments, delays in hiring vacant positions, and uncompleted pass-through grant and capital projects that are being re-appropriated in 2013.

Whatcom County Fourth Quarter 2012 Financial Report

For the Quarter Ended December 31, 2012



General Fund Revenue - Budget vs. Actual



	2012 Budget Adopted	2012 Budget Supp'ls	2012 Budget Amended	Actual as of 12/31/2012	% Collected To Date
Taxes	40,766,599	0	40,766,599	41,457,415	101.69%
Licenses and Permits	2,276,427	(288,877)	1,987,550	1,899,999	95.60%
Intergovernmental	15,063,424	1,112,997	16,176,421	14,728,185	91.05%
Charges For Services	6,559,391	157,768	6,717,159	6,439,505	95.87%
Fines and Forfeits	2,028,741	(28,247)	2,000,494	1,880,816	94.02%
Miscellaneous Revenue	3,030,666	(832,939)	2,197,727	2,271,262	103.35%
Other Sources	2,852,178	318,645	3,170,823	3,156,896	99.56%
Total Revenue	72,577,426	439,347	73,016,773	71,834,078	98.38%

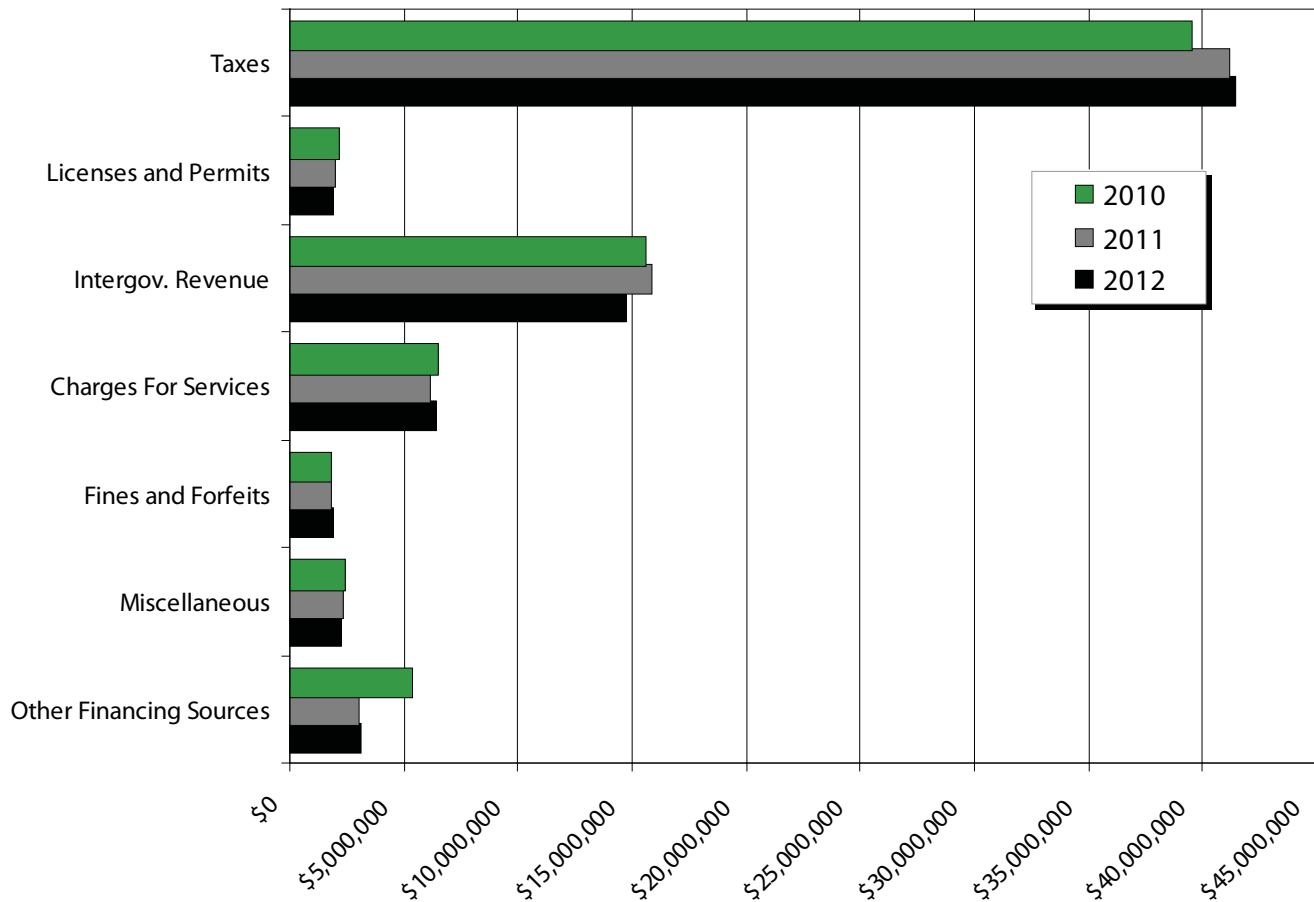
See pages 4 and 5 for General Fund Revenue Notes.

Whatcom County Fourth Quarter 2012 Financial Report

For the Quarter Ended December 31, 2012



General Fund Revenue to Date - Compared to Prior Years



	2010	2011	2012
Taxes	39,539,733	41,159,565	41,457,415
Licenses and Permits	2,196,297	1,990,716	1,899,999
Intergov. Revenue	15,587,895	15,909,700	14,728,185
Charges For Services	6,510,452	6,114,603	6,439,505
Fines and Forfeits	1,810,630	1,860,161	1,880,816
Miscellaneous	2,418,623	2,373,274	2,271,262
Other Financing Sources	5,393,504	3,021,298	3,156,896
Total Revenue	73,457,134	72,429,317	71,834,078

See pages 4 and 5 for General Fund Revenue Notes.

Whatcom County Fourth Quarter 2012 Financial Report

For the Quarter Ended December 31, 2012



General Fund Revenue Notes

Taxes

Property tax and retail sales tax make up 95% of Whatcom County's tax revenue budget.

Tax revenues are \$297,842 over 2011, and collections totaled 102% of the 2012 budget. Current year sales tax collections are up \$503,790, or 4.4%, over last year. Current year property tax collections are up \$324,316, or 1.3%, above 2011 due to taxes on new construction. Private timber harvest taxes are up \$81,382 over 2011, and \$140,000 over 2012 budget. Delinquent tax, interest, and penalty collections are \$700,000, or 17%, under last year's collections, however last year's collections were unusually high. Delinquent tax, interest, and penalty collections exceed 2012 budgeted amounts.

Licenses & Permits

Building permits account for 51.4% of "Licenses & Permits" budgets. Health Department, marriage and fire control licenses and permits account for the remaining 48.6%.

License and Permit revenues were 96% of the 2012 budget. These revenues are down \$90,716 from 2011 due to building-related permit fees which continue to decline. Other licenses and permits are up modestly.

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 \$1,448,237 less than budget. Year-end adjustments will increase grant revenues and the adjusted revenues will be significantly closer to budget targets. Payment In Lieu of Taxes revenues are \$112,150 more than last year. State liquor board profits are up \$140,302 from the sale of state liquor stores.

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 increased \$324,903, or 5.3%, over 2011 amounts. Health Department interfund service charges increased \$184,479. General government fees increased by \$196,310 due to increases in Auditor's recording fees from refinancing activity and new fees collected in District Court and the Prosecuting Attorney's Office. Building-related review fees continued their decline by \$91,409.

Whatcom County Fourth Quarter 2012 Financial Report

For the Quarter Ended December 31, 2012



General Fund Revenue Notes, continued

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 are virtually unchanged compared to 2011 amounts with a \$20,655, or 1.1%, increase. Increased revenues collected due to a monthly District Court contested hearing calendar more than offset decreases in traffic and non-traffic related misdemeanors and criminal costs.

Miscellaneous

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

After year end adjustments are made, Miscellaneous Revenues should end up essentially unchanged from 2011 amounts at approximately \$2,370,000. These revenues include a one-time payment of \$212,861 related to an Energy Efficiency Community Block Grant. After adjustment, interest earnings will be approximately \$620,000 which is \$350,000, or 36%, less than 2011 amounts as interest rates continue to fall. Other sources of miscellaneous revenues, such as franchise fees, donations, and surplus foreclosures have increased modestly.

Other Financing Sources

The "Other Financing Sources" revenue budget is composed of state timber revenues (12%) and 88% from transfers from other Whatcom County funds.

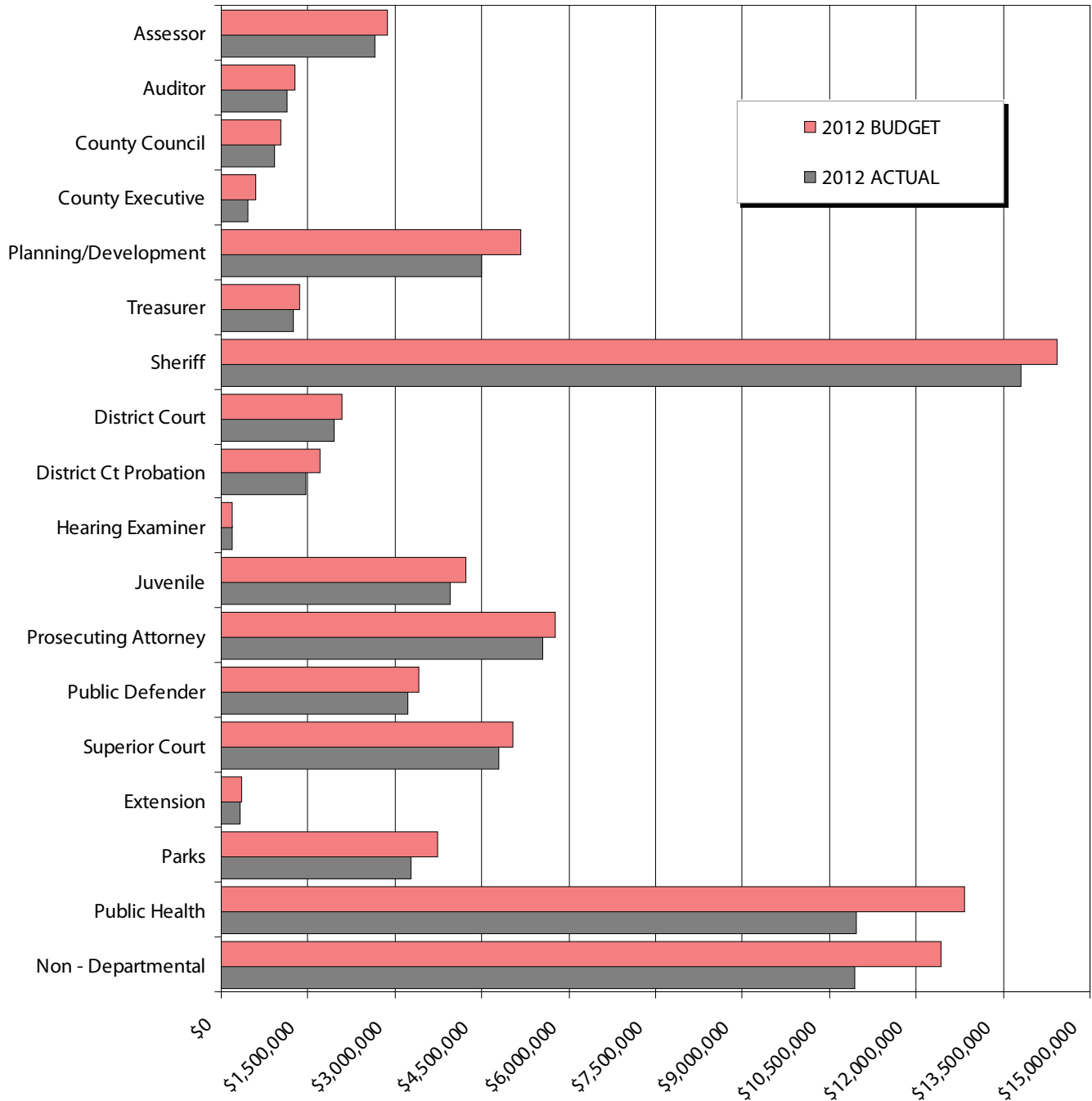
After year end adjustments are made, the Other Financing Sources category will have increased approximately \$318,000, or 10.6%, over 2011. State timber sales revenue increased \$177,437 to \$599,300. Timber revenues fluctuate based on harvest plans and market conditions. Non-recurring, unbudgeted fixed asset sales and proceeds from copier capital leases amount to \$226,448. Interfund transfers will be about \$86,000 less than 2011 amounts.

Whatcom County Fourth Quarter 2012 Financial Report

For the Quarter Ended December 31, 2012



General Fund Expenditures - Budget vs. Actual



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

Whatcom County Fourth Quarter 2012 Financial Report

For the Quarter Ended December 31, 2012



General Fund Expenditures - Budget vs. Actual

	Adopted 2012 Budget	Budget Supplementals	Amended Budget	Actual as of 12/31/12	% Expended To Date
Assessor	2,811,792	70,000	2,881,792	2,653,604	92.08%
Auditor	1,280,960	0	1,280,960	1,135,334	88.63%
County Council	969,228	72,172	1,041,400	930,089	89.31%
County Executive	603,465	0	603,465	469,809	77.85%
Planning & Development	5,195,898	(31,382)	5,164,516	4,496,417	87.06%
Treasurer	1,358,505	0	1,358,505	1,254,290	92.33%
Sheriff	13,600,754	834,644	14,435,398	13,817,304	95.72%
District Court	1,999,966	73,428	2,073,394	1,945,892	93.85%
District Court Probation	1,709,803	0	1,709,803	1,450,751	84.85%
Hearing Examiner	180,641	0	180,641	176,965	97.97%
Juvenile	4,364,502	(147,916)	4,216,586	3,942,520	93.50%
Prosecuting Attorney	5,816,665	(53,457)	5,763,208	5,552,510	96.34%
Public Defender	3,409,407	7,749	3,417,156	3,219,746	94.22%
Superior Court/Clerk	5,043,289	0	5,043,289	4,782,450	94.83%
Extension	327,018	15,000	342,018	326,750	95.54%
Park	3,672,521	64,388	3,736,909	3,265,894	87.40%
Public Health	12,842,544	(9,282)	12,833,262	10,956,802	85.38%
Non - Departmental	10,927,611	1,496,345	12,423,956	10,938,628	88.04%
Total General Fund Exp	76,114,569	2,391,689	78,506,258	71,315,755	90.84%

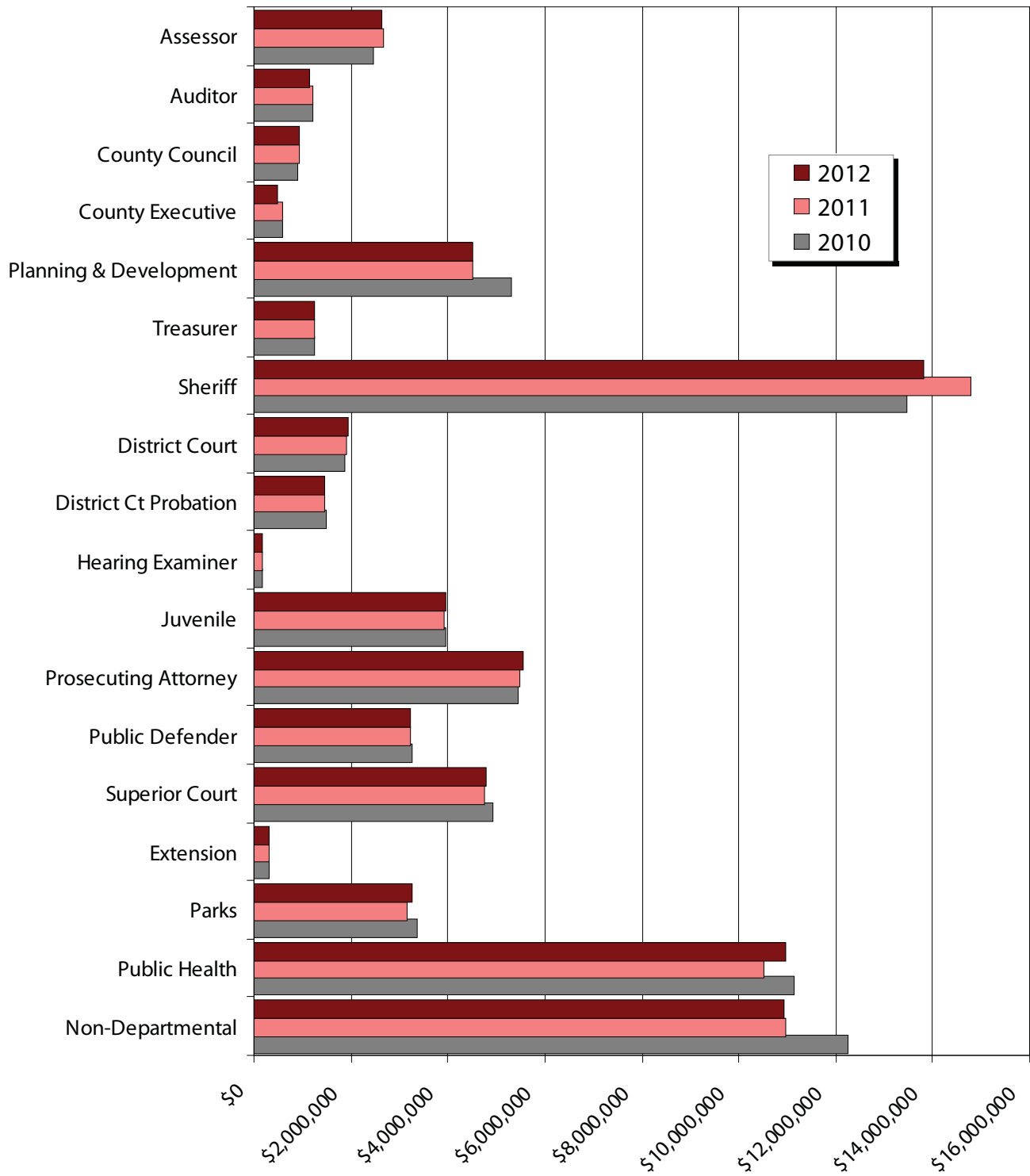
See page 9 for General Fund Expenditure Notes.

Whatcom County Fourth Quarter 2012 Financial Report

For the Quarter Ended December 31, 2012



General Fund Expenditures - Compared to Prior Years



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

Whatcom County Fourth Quarter 2012 Financial Report

For the Quarter Ended December 31, 2012



General Fund Expenditures - Compared to Prior Years

	2010	2011	2012
Assessor	2,453,606	2,663,618	2,653,604
Auditor	1,222,041	1,206,900	1,135,334
County Council	901,330	930,228	930,089
County Executive	606,412	575,992	469,809
Planning & Development	5,321,579	4,498,800	4,496,417
Treasurer	1,260,005	1,235,718	1,254,290
Sheriff	13,464,898	14,770,708	13,817,304
District Court	1,859,278	1,899,955	1,945,892
District Ct Probation	1,489,734	1,457,880	1,450,751
Hearing Examiner	172,740	174,457	176,965
Juvenile	3,971,479	3,935,606	3,942,520
Prosecuting Attorney	5,462,738	5,485,420	5,552,510
Public Defender	3,252,643	3,236,662	3,219,746
Superior Court Administration	4,941,228	4,764,285	4,782,450
Extension	308,482	310,427	326,750
Parks	3,365,823	3,155,777	3,265,894
Public Health	11,144,574	10,504,536	10,956,802
Non-Departmental	12,252,159	10,955,539	10,938,628
TOTAL	73,450,749	71,762,508	71,315,755

General Fund Expenditure Notes

Overall expenditures for the General Fund were at 90.8% of the approved budget at year end. Approximately \$400,000 of spending authority will be continued or reappropriated in 2013 in order to complete projects and contract obligations that span fiscal reporting periods. All departments had expenditures within their budgeted authority. Planning & Development Services had significant budget lapse due to not refilling vacant positions as a result of decreased permit activity. The Health Department also had significant lapse due to delays in the implementation of the on-site sewage loan program. Non-Departmental lapsed \$675,000 on the Assessor – Treasurer System project which has been reallocated in 2013. In addition, two Community Development Block Grant projects lapsed \$310,000, part of that amount is being carried over to next year.

Whatcom County Fourth Quarter 2012 Financial Report

For the Quarter Ended December 31, 2012



General Fund Conclusion

	Projected
Beginning Fund Balance 1/1/12	<u>9,855,407</u>
Revenues	
Budgeted Revenues 2012	72,577,426
Decreased Revenue Estimates	(350,000)
Continuing Appropriations from 2011	165,536
Supplemental Budgets 2012	<u>273,811</u>
Total Revenue	<u>72,666,773</u>
Expenditures	
Budgeted Expenditures 2012	76,114,569
Estimated Payroll & Benefit Adjustments	(2,622,000)
Continuing Appropriations from 2011	342,590
Supplemental Budgets 2012	<u>2,049,099</u>
Total Expenditures	<u>75,884,258</u>
Adjusted Surplus (Deficit)	(3,217,485)
Other Considerations	
Estimated Budget Lapse (6%)	<u>4,553,055</u>
Projected Ending Fund Balance 12/31/12	11,190,977
Interfund Loan Adjustment*	<u>2,138,882</u>
Adjusted Fund Balance 12/31/12	<u>13,329,859</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 Fourth Quarter 2012 Financial Report

For the Quarter Ended December 31, 2012



Special Revenue Funds and Other Funds - Revenues

	2011 Actual As of 12/31/2011	2012 Actual As of 12/31/2012	2012 Budget	% Collected of 2012 Budget
County Road Fund	25,214,366	25,352,818	25,847,818	98.08%
Election Reserve Fund	1,238,372	1,308,800	1,342,403	97.50%
Veterans Relief	285,297	275,280	320,828	85.80%
Jail Fund	12,397,184	12,244,766	12,152,036	100.76%
Low Income Housing Projects	192,785	217,056	191,000	113.64%
Homeless Housing	1,265,395	1,962,442	2,302,443	85.23%
Stormwater Fund	2,055,325	476,237	2,061,154	23.11%
Chemical Dependency/Mental Hlth	3,373,051	3,487,121	3,530,340	98.78%
County Wide Emergency Medical	2,646,049	2,666,339	2,665,659	100.03%
Trial Court Improvement Fund	48,179	47,646	47,500	100.31%
Solid Waste Fund	989,516	834,898	776,700	107.49%
WC Convention Center Fund	498,660	555,496	500,000	111.10%
Victim/Witness Assistance Fund	127,242	121,390	135,550	89.55%
Whatcom Co Drug Fund	276,073	842,965	337,000	250.14%
Auditor's O&M Fund	177,942	184,879	166,500	111.04%
Emergency Management	1,386,763	975,486	1,526,677	63.90%
Flood Control Zone Dist Fund	5,037,357	3,630,761	6,211,888	58.45%
Pt Roberts Fuel Tax Fund	79,298	98,937	50,000	197.87%
Conservation Futures Fund	1,344,877	1,025,640	992,362	103.35%
Sub-Flood Zones	203,238	195,955	202,575	96.73%
Sub-Flood Birch Bay	778,231	864,257	821,420	105.21%
Real Estate Excise Tax Fund II	1,455,890	2,051,679	1,398,196	146.74%
Real Estate Excise Tax Fund I	1,042,783	1,270,923	1,068,523	118.94%
Civic Center Improvement	1,404,036	205,037	204,662	100.18%
Public Utilities Improvement	2,928,904	3,106,102	3,000,338	103.53%
East Cnty Regional Resource Ctr	3,203,014	80,000	80,000	100.00%
Yew St Road Construction	37,533	8,405	140,000	6.00%
Ferry System Fund	2,913,087	2,789,104	2,527,223	110.36%
Equipment Rental & Revolving	9,462,205	9,904,349	9,296,847	106.53%
Administrative Services Fund	18,823,854	18,863,315	20,602,693	91.56%

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

Whatcom County Fourth Quarter 2012 Financial Report

For the Quarter Ended December 31, 2012



Special Revenue Funds and Other Funds - Expenditures

	2011 Actual As of 12/31/2011	2012 Actual As of 12/31/2012	2012 Budget	% Expended of 2012 Budget
County Road Fund	21,770,945	21,455,204	29,825,103	71.94%
Election Reserve Fund	1,082,792	1,365,363	1,432,388	95.32%
Veterans Relief	341,246	382,551	476,667	80.26%
Jail Fund	12,236,726	11,922,963	13,093,415	91.06%
Low Income Housing	413,470	208,211	218,500	95.29%
Homeless Housing	1,508,510	2,087,204	2,551,147	81.81%
Stormwater Fund	1,892,702	1,413,523	2,149,025	65.78%
Chemical Depend/Mental Hlth	2,727,700	2,633,636	3,551,581	74.15%
County Wide Emergency Medical	2,560,555	2,927,322	2,947,443	99.32%
Trial Court Improvement Fund	22,495	-	45,735	0.00%
LEOFF I Healthcare Fund	337,285	281,724	450,000	62.61%
Solid Waste Fund	836,171	1,029,242	1,154,162	89.18%
WC Convention Center Fund	395,678	585,542	632,090	92.64%
Victim/Witness Assistance Fund	137,684	145,450	147,309	98.74%
Whatcom Co Drug Fund	410,513	587,619	571,967	102.74%
Auditor's O&M Fund	198,589	213,914	292,246	73.20%
Emergency Management	1,381,088	1,180,892	1,891,329	62.44%
Flood Control Zone Dist Fund	3,445,154	2,541,861	6,785,365	37.46%
Conservation Futures Fund	800,153	85,341	221,809	38.47%
Sub-Flood Zones	30,643	34,622	258,901	13.37%
Sub-Flood Birch Bay	675,729	422,909	1,052,312	40.19%
Real Estate Excise Tax Fund II	2,093,672	415,570	2,235,384	18.59%
Real Estate Excise Tax Fund I	1,426,880	363,091	465,659	77.97%
Civic Center Improvement	-	90,224	1,608,698	5.61%
Public Utilities Improvement	3,110,894	2,022,495	3,613,210	55.98%
East Cnty Regional Resource Ctr	4,167,390	47,727	129,899	36.74%
Yew St Road Construction	72,794	904,400	1,050,982	86.05%
Lincoln Rd Construction	2,698,265	166,490	758,922	21.94%
Jail Improvement Fund	23,818	1,629,728	3,093,882	52.68%
Ferry System Fund	2,445,720	2,577,896	2,716,104	94.91%
Equipment Rental & Revolving	9,279,192	9,992,008	10,755,841	92.90%
Administrative Services Fund	18,261,653	17,148,852	21,046,430	81.48%

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