



**2014
Second
Quarter
Financial
Report**

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Compiled and Presented by the
Administrative Services Department
Finance Division

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August 1, 2014

Whatcom County Second Quarter 2014 Financial Report

For the Quarter Ended June 30, 2014



Executive Summary

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

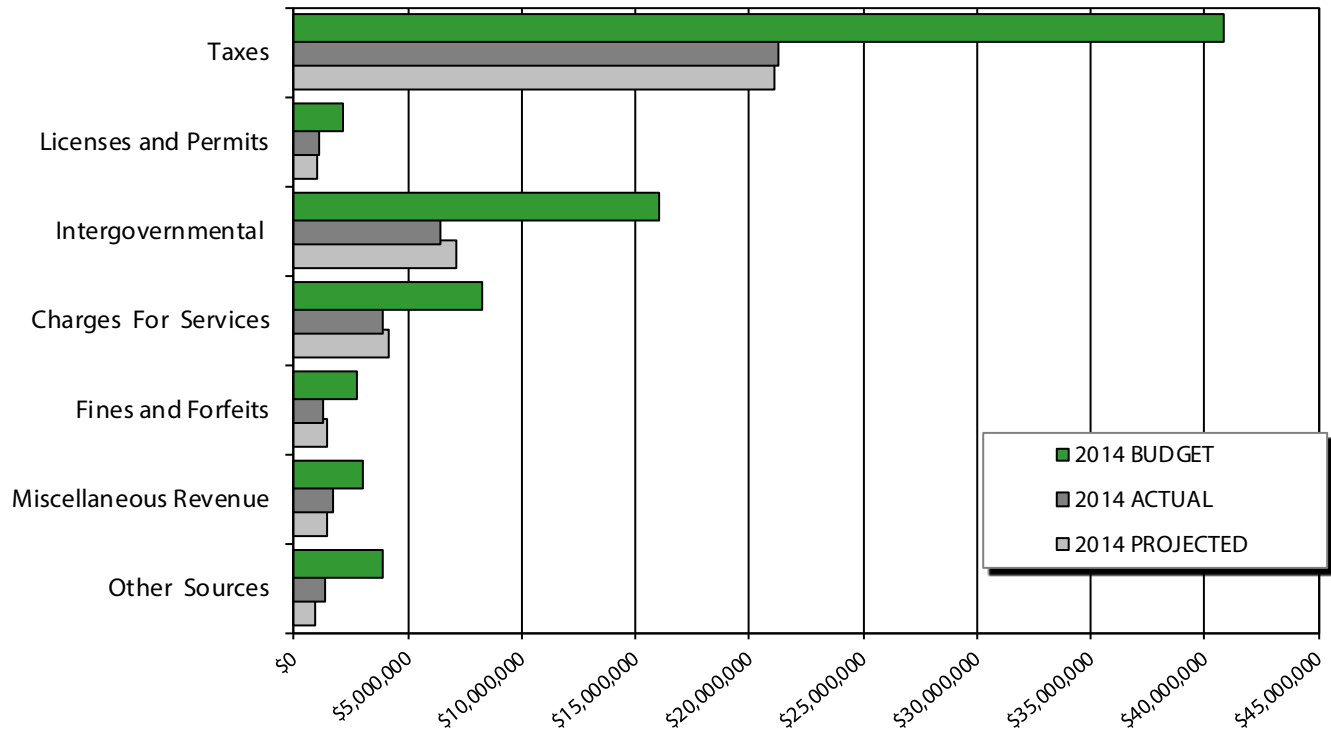
Expenditures are 44.6% of the annual budget, which is below projected amounts but consistent with prior years. Large expenditures for a Community Development Block Grant project, the Superior Court remodel project, the Assessor – Treasurer System and the Sheriff's Records Maintenance System are yet to be recorded.

Whatcom County Second Quarter 2014 Financial Report

For the Quarter Ended June 30, 2014



General Fund Revenue - Budget vs. Actual



	2014 Budget Adopted	2014 Budget Supp'ls	2014 Budget Amended	Actual as of 6/30/2014	% Collected To Date	Projected as of 6/30/2014
Taxes	40,516,215	325,000	40,841,215	21,245,349	52.02%	21,090,891
Licenses and Permits	1,976,150	184,750	2,160,900	1,094,792	50.66%	1,046,724
Intergovernmental	14,066,740	1,920,238	15,986,978	6,450,968	40.35%	7,164,290
Charges For Services	7,813,266	472,485	8,285,751	3,885,594	46.89%	4,111,142
Fines and Forfeits	2,841,400	(130,000)	2,711,400	1,283,960	47.35%	1,478,566
Miscellaneous Revenue	3,126,437	(149,000)	2,977,437	1,722,467	57.85%	1,419,030
Other Sources	3,657,982	230,105	3,888,087	1,350,551	34.74%	929,253
Total Revenue	73,998,190	2,853,578	76,851,768	37,033,681	48.19%	37,239,896

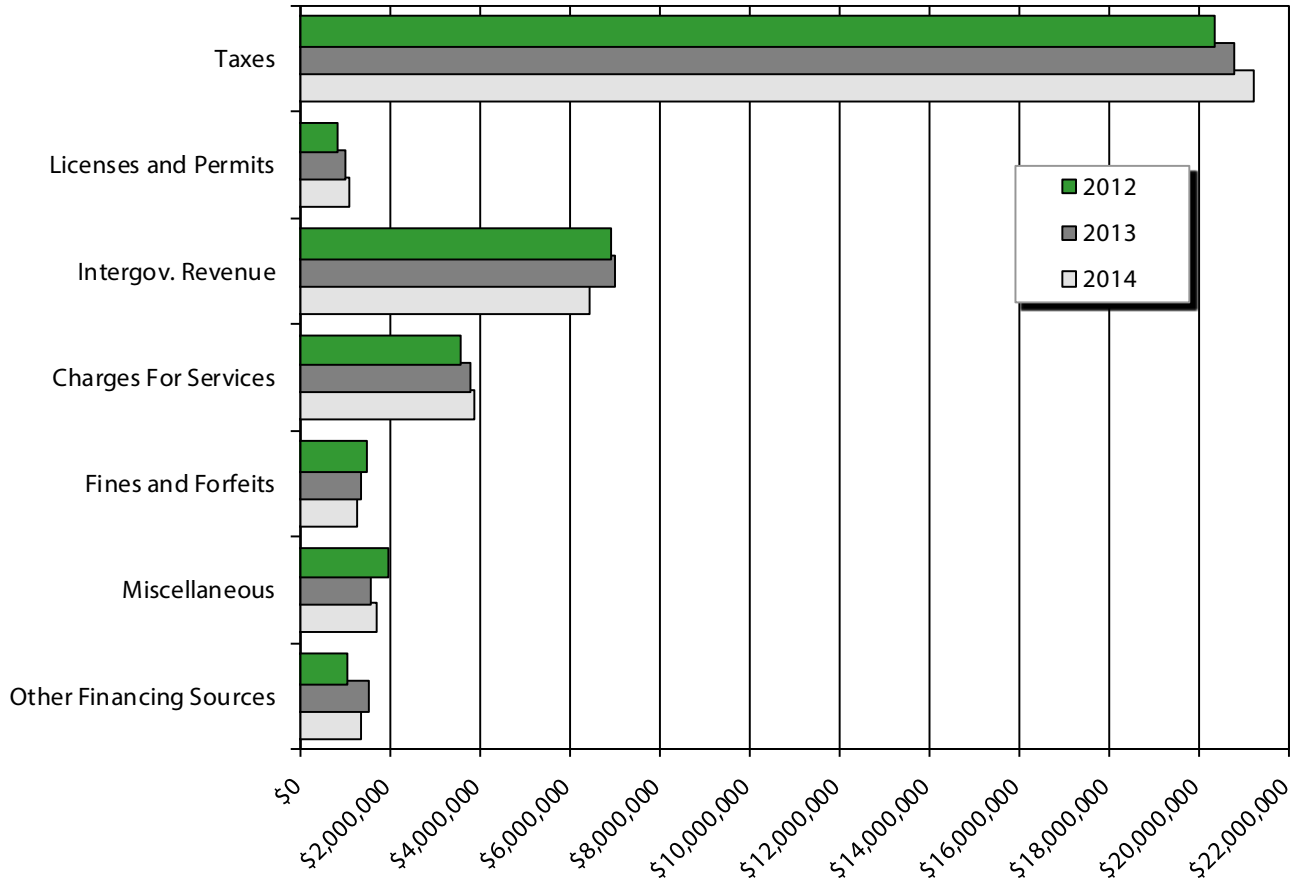
See pages 4 and 5 for General Fund Revenue Notes.

Whatcom County Second Quarter 2014 Financial Report

For the Quarter Ended June 30, 2014



General Fund Revenue to Date - Compared to Prior Years



	2012	2013	2014
Taxes	20,379,929	20,783,610	21,245,349
Licenses and Permits	851,648	1,039,591	1,094,792
Intergovernmental Revenue	6,916,178	7,019,532	6,450,968
Charges For Services	3,567,094	3,793,529	3,885,594
Fines and Forfeits	1,494,216	1,365,036	1,283,960
Miscellaneous	1,956,997	1,592,054	1,722,467
Other Financing Sources	1,066,114	1,541,752	1,350,551
Total Revenue	36,232,176	37,135,104	37,033,681

See pages 4 and 5 for General Fund Revenue Notes.

Whatcom County Second Quarter 2014 Financial Report

For the Quarter Ended June 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 \$461,737 more than second quarter 2013 amounts. Current year sales tax collections are up \$63,430, or 1%, as compared to collections from last year. Property tax collections increased \$378,803, or 2.5%, over second quarter 2013. Increases are the result of new construction added to the tax rolls and delinquent tax collections.

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 \$55,200 more than amounts collected during second quarter 2013. Building permit fees increased \$78,368, or 16.3%, over second quarter 2013 levels due to permitting of large commercial projects.

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 40.35% of budget and amounts are \$568,564 less than second quarter 2013. Most of the decrease is due to the timing of federal and state grant revenue.

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 increased \$92,065, or 2.4%, over second quarter 2013. Planning and Development fees are up about \$170,000 due to plan check fees for large commercial projects. Auditor recording fees are down over \$100,000 due to a lull in the refinance market. Other revenues are up modestly due to some intergovernmental payments being recognized earlier than prior years.

Whatcom County Second Quarter 2014 Financial Report

For the Quarter Ended June 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 \$81,076 or 5.9%, under second quarter 2013 amounts. Traffic-related fines and penalties are down \$97,836 and property tax penalties are up \$19,365.

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 \$130,413, or 8.1%, from the second quarter 2013. Most of the increase is due to higher interest income received from investments and interest for collection of property tax.

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.

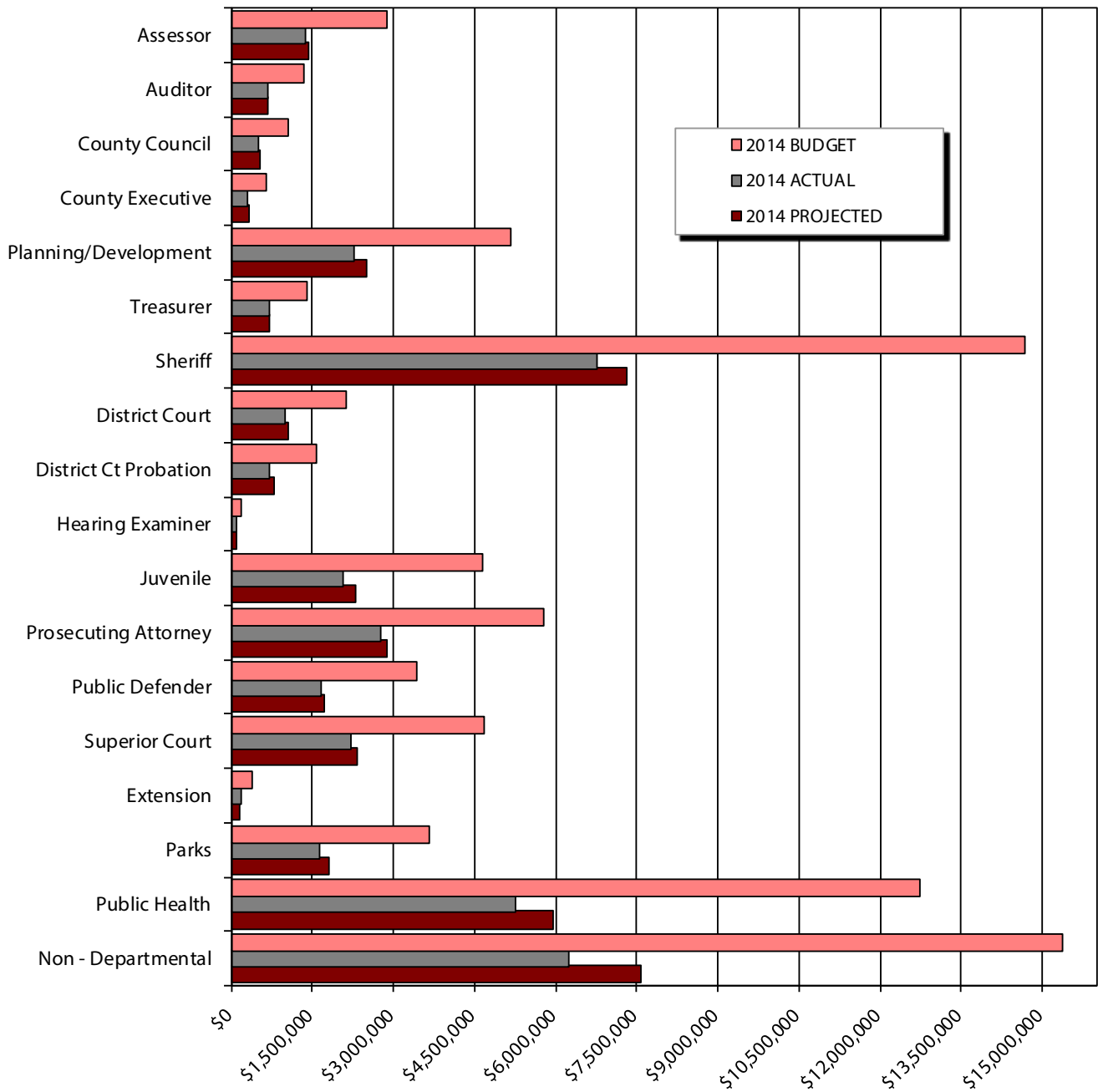
The Other Financing Sources category is \$191,201, or 12.4%, less than second quarter 2013 amounts. State timber sales revenue decreased \$140,988 under 2013 amounts. Timber revenues fluctuate based on harvest plans and market conditions.

Whatcom County Second Quarter 2014 Financial Report

For the Quarter Ended June 30, 2014



General Fund Expenditures - Budget vs. Actual



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

Whatcom County Second Quarter 2014 Financial Report

For the Quarter Ended June 30, 2014



General Fund Expenditures - Budget vs. Actual

	Adopted 2014 Budget	Budget Suppl's	Amended Budget	Actual as of 6/30/14	% Expended To Date	Projected as of 6/30/14
Assessor	2,860,159	17,642	2,877,801	1,376,665	47.84%	1,437,189
Auditor	1,338,973	9,167	1,348,140	669,718	49.68%	668,517
County Council	979,935	84,104	1,064,039	521,410	49.00%	521,874
County Executive	553,515	101,359	654,874	295,405	45.11%	327,268
Planning & Development	5,004,052	168,275	5,172,327	2,275,582	44.00%	2,509,254
Treasurer	1,384,372	26,489	1,410,861	721,209	51.12%	722,796
Sheriff	13,564,869	1,115,674	14,680,543	6,764,971	46.08%	7,306,715
District Court	2,058,718	70,782	2,129,500	1,006,412	47.26%	1,049,970
District Court Probation	1,634,109	(53,005)	1,581,104	707,145	44.72%	783,057
Hearing Examiner	182,551	525	183,076	91,031	49.72%	91,243
Juvenile	4,270,420	367,514	4,637,934	2,077,634	44.80%	2,299,424
Prosecuting Attorney	5,760,502	30,593	5,791,095	2,766,664	47.77%	2,884,094
Public Defender	3,394,167	53,146	3,447,313	1,657,547	48.08%	1,716,454
Superior Court/Clerk	5,024,898	(353,364)	4,671,534	2,230,721	47.75%	2,331,229
Extension	347,324	43,050	390,374	174,083	44.59%	168,969
Park	3,627,401	48,604	3,676,005	1,631,590	44.38%	1,800,668
Public Health	12,103,987	638,684	12,742,671	5,258,260	41.26%	5,951,749
Non - Departmental	11,501,310	3,862,890	15,364,200	6,256,358	40.72%	7,584,332
Total General Fund Exp	75,591,262	6,232,129	81,823,391	36,482,405	44.59%	40,154,802

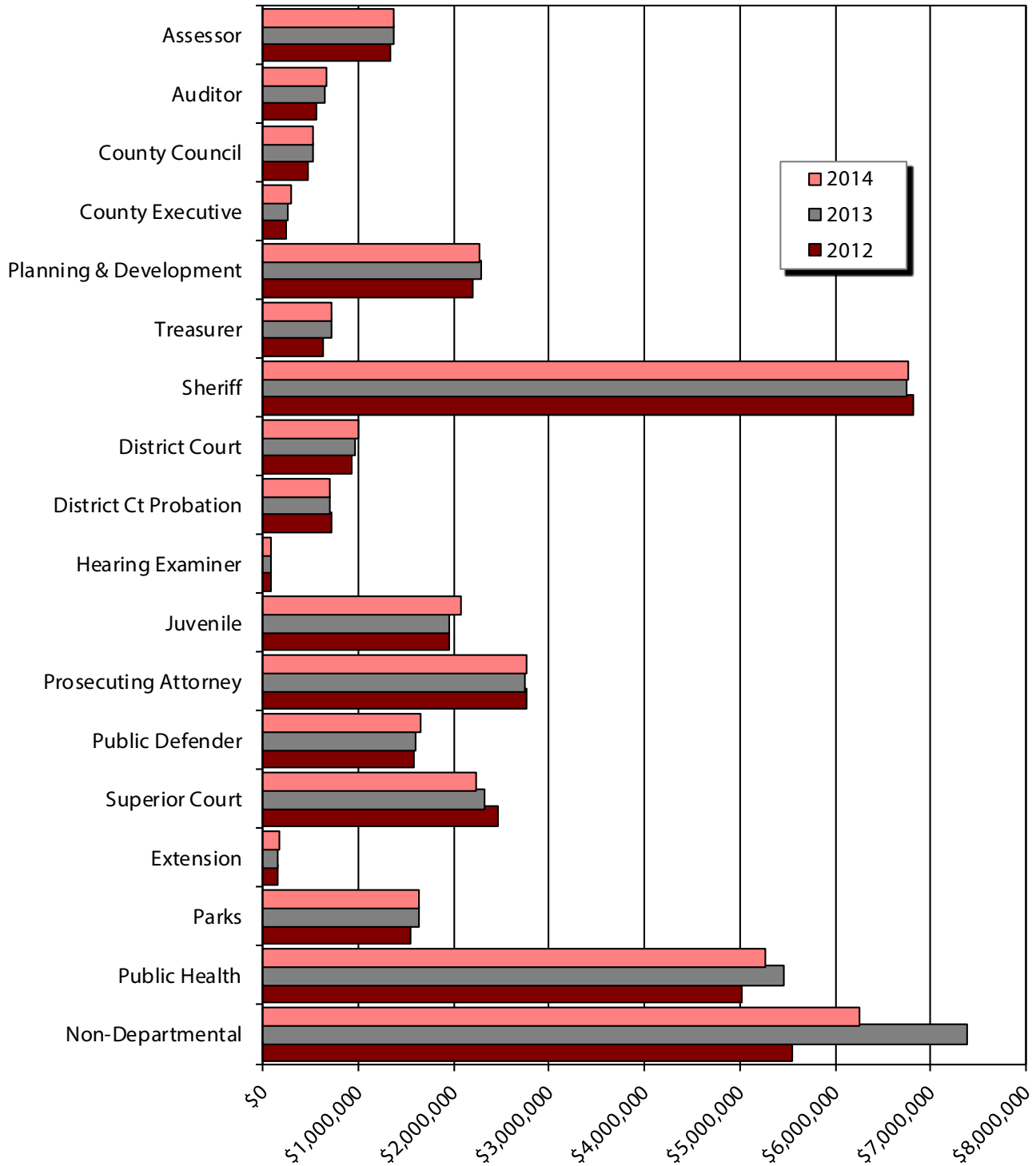
See page 9 for General Fund Expenditure Notes.

Whatcom County Second Quarter 2014 Financial Report

For the Quarter Ended June 30, 2014



General Fund Expenditures - Compared to Prior Years



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

Whatcom County Second Quarter 2014 Financial Report

For the Quarter Ended June 30, 2014



General Fund Expenditures - Compared to Prior Years

	2012	2013	2014
Assessor	1,329,978	1,365,046	1,376,665
Auditor	557,113	641,881	669,718
County Council	464,381	518,408	521,410
County Executive	235,903	267,298	295,405
Planning & Development	2,207,406	2,286,797	2,275,582
Treasurer	634,996	712,555	721,209
Sheriff	6,824,982	6,750,043	6,764,971
District Court	934,283	962,464	1,006,412
District Ct Probation	720,019	696,061	707,145
Hearing Examiner	87,695	90,309	91,031
Juvenile	1,958,249	1,945,670	2,077,634
Prosecuting Attorney	2,760,822	2,742,678	2,766,664
Public Defender	1,584,274	1,602,945	1,657,547
Superior Court Administration	2,455,598	2,328,572	2,230,721
Extension	154,121	152,208	174,083
Parks	1,553,504	1,626,809	1,631,590
Public Health	5,011,353	5,467,682	5,258,260
Non-Departmental	5,544,263	7,380,839	6,256,358
TOTAL	35,018,940	37,538,265	36,482,405

General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the second quarter were at 44.59% of the approved budget. This is consistent with previous years. All departmental spending was within budget expectations.

Whatcom County Second Quarter 2014 Financial Report

For the Quarter Ended June 30, 2014



General Fund Conclusion

	Projected
Beginning Fund Balance 1/1/14	12,164,481
Revenues	
Budgeted Revenues 2014	73,998,190
Decreased Revenue Estimates	-
Continuing Appropriations from 2013	875,626
Supplemental Budgets 2014	1,977,952
Total Revenue	76,851,768
Expenditures	
Budgeted Expenditures 2014	75,591,262
Estimated Payroll & Benefit Adjustments	-
Continuing Appropriations from 2013	1,674,364
Supplemental Budgets 2014	4,557,765
Total Expenditures	81,823,391
Adjusted Surplus (Deficit)	(4,971,623)
Other Considerations	
Estimated Budget Lapse (4%)	3,272,936
Projected Ending Fund Balance 12/31/14	10,465,794
Interfund Loan Adjustment*	-
Adjusted Fund Balance 12/31/14	10,465,794

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 Second Quarter 2014 Financial Report

For the Quarter Ended June 30, 2014



Special Revenue Funds and Other Funds - Revenues

	2013 Actual As of 6/30/2013	2014 Actual As of 6/30/2014	2014 Budget	% Collected of 2014 Budget
County Road Fund	12,126,070	12,669,007	24,012,711	52.76%
Election Reserve Fund	300,574	307,977	1,185,700	25.97%
Veterans Relief	145,224	145,760	282,007	51.69%
Jail Fund	6,228,462	6,097,578	12,545,821	48.60%
Low Income Housing Projects	118,623	77,132	239,200	32.25%
Homeless Housing	1,310,811	1,045,953	3,272,806	31.96%
Stormwater Fund	21,767	31,824	1,803,237	1.76%
Chemical Dependency/Mental Hlth	1,743,322	1,871,535	3,795,004	49.32%
County Wide Emergency Medical	1,319,461	2,514,894	7,156,327	35.14%
Trial Court Improvement Fund	23,994	23,880	48,671	49.06%
Solid Waste Fund	223,399	245,563	1,049,804	23.39%
WC Convention Center Fund	263,499	240,355	516,000	46.58%
Victim/Witness Assistance Fund	59,420	51,565	126,950	40.62%
Whatcom Co Drug Fund	100,262	58,905	376,000	15.67%
Auditor's O&M Fund	55,474	35,025	166,500	21.04%
Emergency Management	472,764	745,598	963,866	77.35%
Flood Control Zone Dist Fund	1,882,516	1,928,930	5,505,978	35.03%
Pt Roberts Fuel Tax Fund	44,704	45,985	60,000	76.64%
Conservation Futures Fund	549,911	557,624	1,098,591	50.76%
Sub-Flood Zones	108,101	108,919	194,705	55.94%
Birch Bay Sub-Zone	431,272	439,874	735,000	59.85%
Real Estate Excise Tax Fund II	710,861	1,138,967	1,338,926	85.07%
Real Estate Excise Tax Fund I	525,369	1,138,967	1,417,607	80.34%
Public Utilities Imprv Fund	1,603,607	1,608,830	3,314,377	48.54%
Birch Bay Drive	745,000	-	1,435,342	0.00%
Birch Bay Lynden Sign	385,237	162,531	3,837,590	4.24%
Potter Rd/ S. Fork Bridge	1,900,000	-	7,700,000	0.00%
Rural Road Safety Program	16,100	39,304	950,846	4.13%
SC Fourth Judge Courtroom	-	-	1,422,464	0.00%
Nesset Farm Restoration	-	-	250,000	0.00%
Slater Road Intersection	-	1,621,580	2,740,000	59.18%
Dakota Creek Bridge	-	28,541	2,718,268	1.05%
Telecommunications Sys Replcmnt	-	2,223,809	2,223,809	100.00%
Ferry System Fund	962,076	986,169	2,758,000	35.76%
Equipment Rental & Revolving	3,769,922	4,096,932	10,695,374	38.31%
Administrative Services Fund	8,544,049	8,568,172	18,529,844	46.24%

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 Second Quarter 2014 Financial Report

For the Quarter Ended June 30, 2014



Special Revenue Funds and Other Funds - Expenditures

	2013 Actual As of 6/30/2013	2014 Actual As of 6/30/2014	2014 Budget	% Expended of 2014 Budget
County Road Fund	10,314,183	9,449,139	24,589,236	38.43%
Election Reserve Fund	396,835	422,330	1,349,281	31.30%
Veterans Relief	160,865	144,694	416,965	34.70%
Jail Fund	5,995,876	6,465,529	13,369,948	48.36%
Low Income Housing	144,518	69,154	274,000	25.24%
Homeless Housing	1,061,404	1,157,066	3,301,406	35.05%
Stormwater Fund	421,804	396,901	2,045,019	19.41%
Chemical Depend/Mental Hlth	945,325	1,359,574	3,647,865	37.27%
County Wide Emergency Medical	1,664,013	3,860,832	8,366,712	46.15%
Trial Court Improvement Fund	-	-	13,735	0.00%
Solid Waste Fund	280,698	269,175	1,030,805	26.11%
WC Convention Center Fund	179,271	184,471	558,980	33.00%
Victim/Witness Assistance Fund	40,802	41,775	142,478	29.32%
Whatcom Co Drug Fund	66,572	13,037	593,967	2.19%
Auditor's O&M Fund	145,749	107,650	230,964	46.61%
Emergency Management	452,368	659,748	980,531	67.28%
Flood Control Zone Dist Fund	1,030,842	1,157,152	7,834,238	14.77%
Conservation Futures Fund	41,802	1,604,136	2,352,825	68.18%
Sub-Flood Zones	146,779	6,827	294,994	2.31%
Birch Bay Sub Zone	1,030,842	185,079	1,506,056	12.29%
Real Estate Excise Tax Fund II	2,082,851	1,097,154	2,551,840	42.99%
Real Estate Excise Tax Fund I	16,146	71,099	963,384	7.38%
Civic Center Bldg Fund	1,498,272	-	2,500,000	0.00%
Public Utilities Improvement	488,654	38,828	9,998,091	0.39%
East Cnty Regional Resource Ctr	-	9,970	123,058	8.10%
Jail Improvement Fund	279,844	25,031	992,774	2.52%
Birch Bay Drive	79,797	15,621	2,100,675	0.74%
Birch Bay Portal Way Sign	133,072	806,871	3,308,620	24.39%
Potter/ S. Fork Bridge	175,673	218,813	8,695,589	2.52%
Rural Road Safety	174,537	620,983	1,759,841	35.29%
Sheriff Records	68,772	4,733	299,882	1.58%
New Jail Project 2013	210,839	-	135,194	0.00%
SC Fourth Judge Courtroom	-	73,446	1,562,811	4.70%
Nesset Farm	-	-	250,000	0.00%
State St Bldg Acquire & Imprv	-	2,655,148	5,042,682	52.65%
Slater Road Intersection	-	33,650	2,740,000	1.23%
Dakota Creek Bridge	-	37,055	2,718,268	1.36%
Telecommunication System	-	38,668	2,223,809	1.74%
Ferry System Fund	1,132,804	1,121,750	2,533,134	44.28%
Equipment Rental & Revolving	3,900,500	3,714,287	15,088,165	24.62%
Administrative Services Fund	8,771,920	10,378,061	21,798,251	47.61%

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.