



**2012  
Third  
Quarter  
Financial  
Report**

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Compiled and Presented by the  
Administrative Services Department  
Finance Division

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# Whatcom County Third Quarter 2012 Financial Report

For the Quarter Ended September 30, 2012



## Executive Summary

The following information presents Whatcom County's third quarter 2012 financial report. At the end of the third quarter of 2012 General Fund revenues are \$47,252,845, or 64.7%, of budget. Expenditures are \$53,345,510, or 68%, of the annual budget.

Revenues are \$1.1 million less than third quarter projected revenues and \$91,343 less than 2011 third quarter revenues. Revenues are below projection primarily due to intergovernmental grant projects that have been delayed or reduced. Intergovernmental revenues are \$869,000 below projections. Grant revenues reimburse grant expenditures therefore grant revenue shortfalls are offset by reduced grant expenditures. Current year property tax collections are \$221,000 behind 2011. We believe this is a normal fluctuation in collections and in October current year collection for 2012 will jump ahead of 2011 collections.

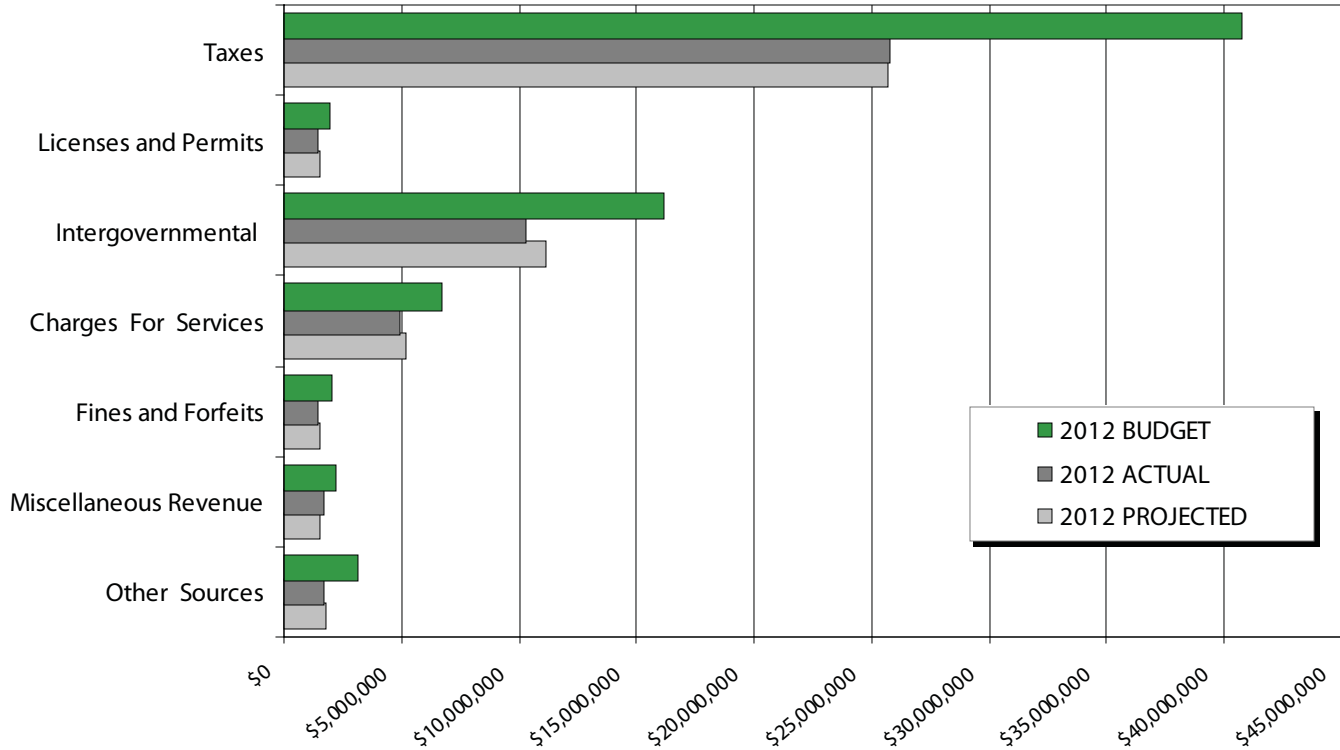
Our current projection is the General Fund will end the year with revenues of \$72,375,024 and expenditures of \$73,551,714. This would result in an adjusted ending fund balance of \$10,817,599.

# Whatcom County Third Quarter 2012 Financial Report

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## General Fund Revenue - Budget vs. Actual



	2012 Budget Adopted	2012 Budget Suppl's	2012 Budget Amended	Actual as of 9/30/2012	% Collected To Date	Projected as of 9/30/2012
Taxes	40,766,599	0	40,766,599	25,791,928	63.27%	25,706,478
Licenses and Permits	2,276,427	(288,877)	1,987,550	1,422,582	71.57%	1,499,164
Intergovernmental	15,063,424	1,105,248	16,168,672	10,262,026	63.47%	11,130,981
Charges For Services	6,559,391	157,768	6,717,159	4,893,873	72.86%	5,166,055
Fines and Forfeits	2,028,741	(28,247)	2,000,494	1,467,488	73.36%	1,534,291
Miscellaneous Revenue	3,030,666	(832,939)	2,197,727	1,743,500	79.33%	1,533,525
Other Sources	2,852,178	318,645	3,170,823	1,671,448	52.71%	1,799,021
<b>Total Revenue</b>	<b>72,577,426</b>	<b>431,598</b>	<b>73,009,024</b>	<b>47,252,845</b>	<b>64.72%</b>	<b>48,369,515</b>

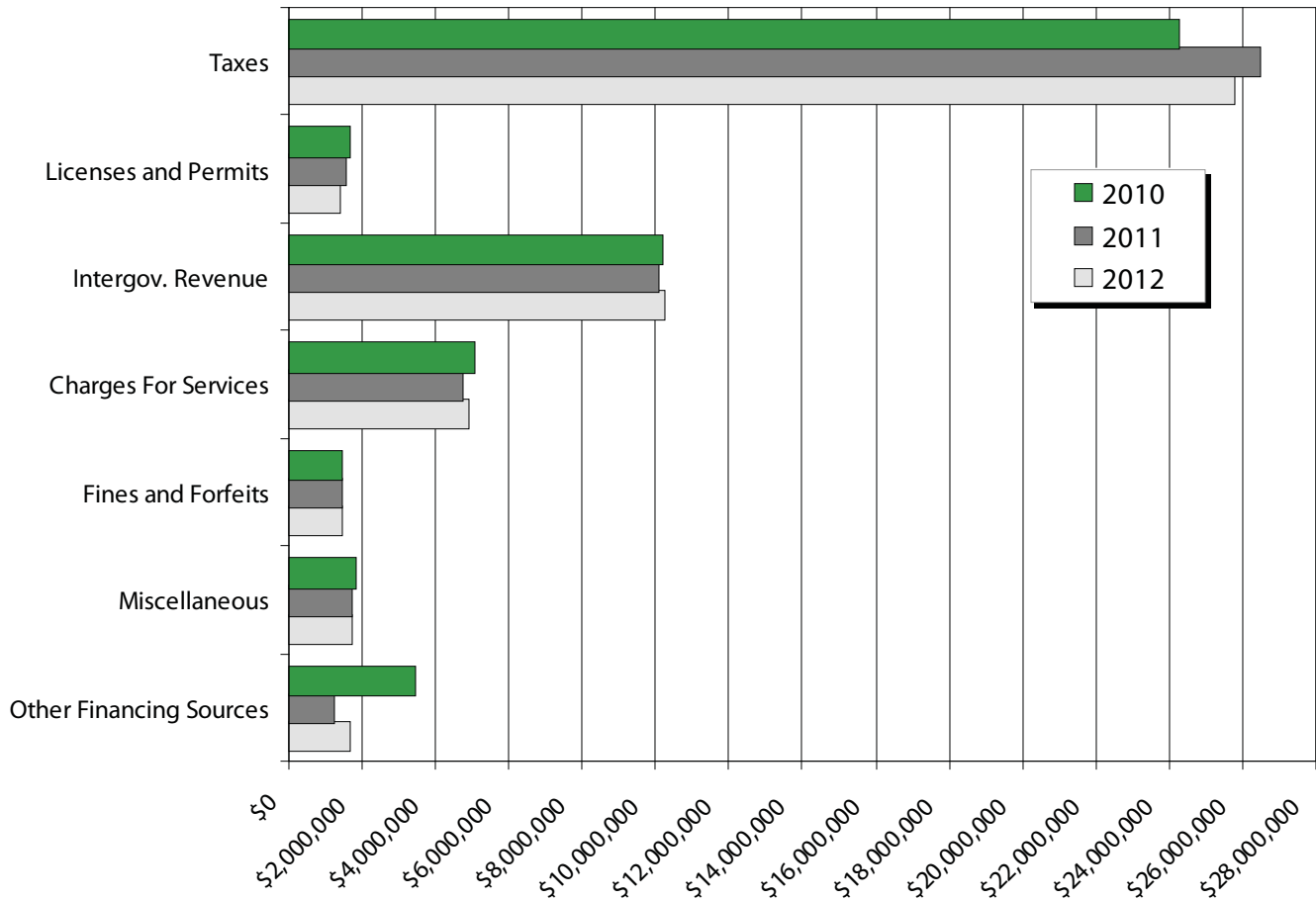
See pages 4 and 5 for General Fund Revenue Notes.

# Whatcom County Third Quarter 2012 Financial Report

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## General Fund Revenue to Date - Compared to Prior Years



	2010	2011	2012
Taxes	24,263,095	26,507,550	25,791,928
Licenses and Permits	1,651,899	1,553,604	1,422,582
Intergovernmental. Revenue	10,179,634	10,108,602	10,262,026
Charges For Services	5,068,890	4,755,734	4,893,873
Fines and Forfeits	1,472,785	1,456,498	1,467,488
Miscellaneous	1,837,040	1,738,299	1,743,500
Other Financing Sources	3,478,415	1,223,901	1,671,448
<b>Total Revenue</b>	<b>47,951,758</b>	<b>47,344,188</b>	<b>47,252,845</b>

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 \$715,622 under third quarter 2011 amounts. Delinquent tax, interest, and penalty collections are almost \$770,000, or 27%, under last years collections. Last year's collections were unusually high and current collections exceed budgeted amounts. Current year sales tax collections are up \$243,350 or 2.9%, as compared to collections from last year. Current year property tax collections are down \$221,752, or 1.5%, below third quarter 2011. The timing of property tax collections fluctuates from year to year. We expect property tax revenues to exceed 2011 revenues at the end of October.

### 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 are \$131,000 less than amounts collected by the end of the third quarter 2011. This is the result of 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.*

Intergovernmental revenues are 63.5% of budget and are \$153,424 more than third quarter 2011. Federal Payment In Lieu of Taxes revenues are \$112,150 more than last year. State liquor board profits are up \$126,903 from the sale of state liquor stores as the state privatizes liquor sales. Other state and federal grants and entitlements are down slightly.

### 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 \$138,139 over third quarter 2011. Building-related review fees have declined \$145,592; this was offset by other charges for services increases.

### 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 third quarter 2011.

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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 are \$5,201 greater than third quarter 2011. These revenues include a one-time payment of a \$212,861 related to an Energy Efficiency Community Block Grant. If we eliminate the impact of this one time payment, Miscellaneous Revenues are down \$207,660 due to lower interest earnings. Interest earnings are \$290,605, or 37.3%, below 2011. Other sources of miscellaneous revenues, such as franchise fees and donations have increased modestly.

### 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.*

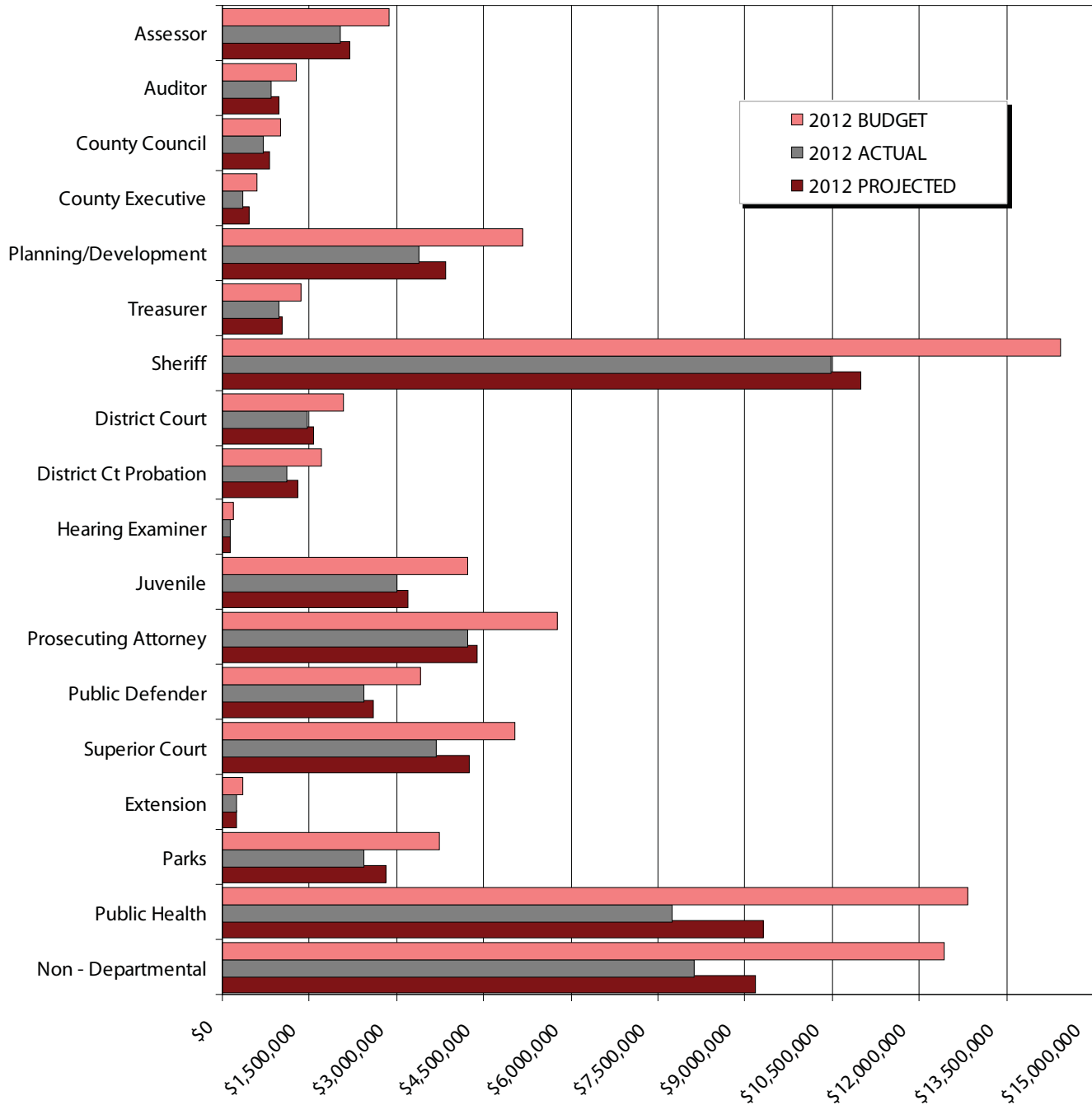
The Other Financing Sources category has increased \$447,548, or 36.6%, over third quarter 2011. State timber sales revenue increased \$130,701 to \$519,620. Timber revenues fluctuate based on harvest plans and market conditions. Interfund transfers increased \$305,046 to \$1,139,828, mostly as the result of increased Drug Fund transfers to the General Fund to offset shortfalls in Drug Fund transfers in 2011.

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## General Fund Expenditures - Budget vs. Actual



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

# Whatcom County Third Quarter 2012 Financial Report

For the Quarter Ended September 30, 2012



## General Fund Expenditures - Budget vs. Actual

	Adopted 2012 Budget	Budget Supplementals	Amended Budget	Actual as of 9/30/12	% Expended To Date	Projected as of 9/30/12
Assessor	2,811,792	70,000	2,881,792	2,026,562	70.32%	2,185,779
Auditor	1,280,960	0	1,280,960	849,012	66.28%	971,938
County Council	969,228	22,172	991,400	708,278	71.44%	821,078
County Executive	603,465	0	603,465	358,726	59.44%	462,067
Planning & Development	5,195,898	(31,382)	5,164,516	3,380,567	65.46%	3,855,406
Treasurer	1,358,505	0	1,358,505	975,235	71.79%	1,040,896
Sheriff	13,600,754	834,644	14,435,398	10,486,199	72.64%	10,996,641
District Court	1,999,966	73,428	2,073,394	1,456,513	70.25%	1,573,691
District Court Probation	1,709,803	0	1,709,803	1,111,505	65.01%	1,300,624
Hearing Examiner	180,641	0	180,641	133,205	73.74%	134,714
Juvenile	4,364,502	(147,916)	4,216,586	2,994,283	71.01%	3,206,816
Prosecuting Attorney	5,816,665	(53,457)	5,763,208	4,218,906	73.20%	4,394,015
Public Defender	3,409,407	0	3,409,407	2,427,312	71.19%	2,599,382
Superior Court/Clerk	5,043,289	0	5,043,289	3,676,933	72.91%	4,250,236
Extension	327,018	15,000	342,018	234,658	68.61%	236,514
Park	3,672,521	64,388	3,736,909	2,447,283	65.49%	2,817,229
Public Health	12,842,544	(9,282)	12,833,262	7,744,365	60.35%	9,300,680
Non - Departmental	10,927,611	1,496,345	12,423,956	8,115,968	65.33%	9,166,663
<b>Total General Fund Exp</b>	<b>76,114,569</b>	<b>2,333,940</b>	<b>78,448,509</b>	<b>53,345,510</b>	<b>68.00%</b>	<b>59,314,369</b>

See page 9 for General Fund Expenditure Notes.

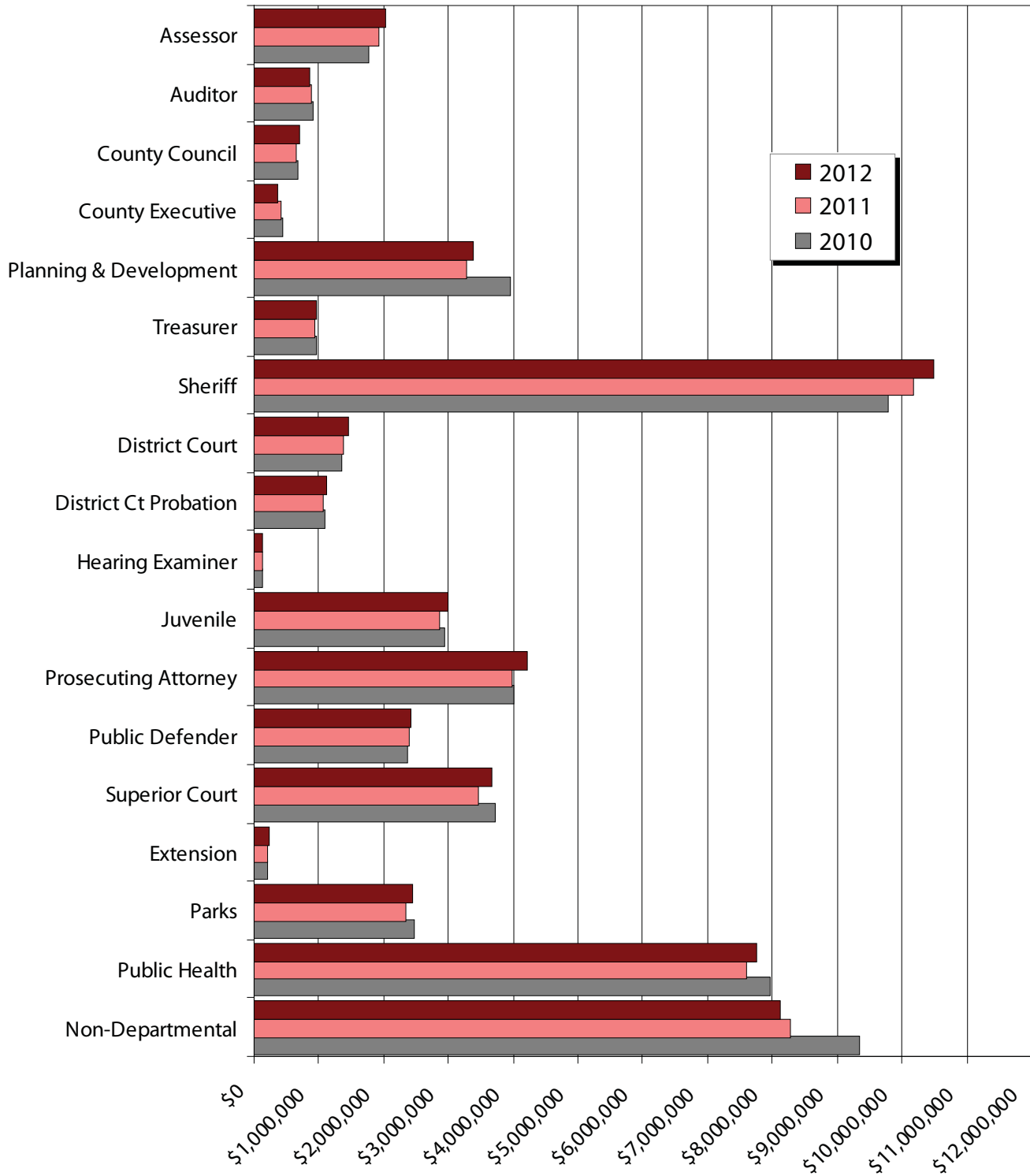


# Whatcom County Third Quarter 2012 Financial Report

For the Quarter Ended September 30, 2012



## General Fund Expenditures - Compared to Prior Years



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

# Whatcom County Third Quarter 2012 Financial Report

For the Quarter Ended September 30, 2012



## General Fund Expenditures - Compared to Prior Years

	2010	2011	2012
Assessor	1,764,731	1,937,112	2,026,562
Auditor	908,687	888,959	849,012
County Council	673,959	660,198	708,278
County Executive	450,680	424,096	358,726
Planning & Development	3,959,908	3,269,419	3,380,567
Treasurer	954,889	933,268	975,235
Sheriff	9,792,335	10,187,512	10,486,199
District Court	1,349,726	1,367,224	1,456,513
District Ct Probation	1,093,705	1,073,461	1,111,505
Hearing Examiner	127,959	128,909	133,205
Juvenile	2,949,109	2,861,514	2,994,283
Prosecuting Attorney	4,013,314	3,995,467	4,218,906
Public Defender	2,381,372	2,387,282	2,427,312
Superior Court Administration	3,731,215	3,456,261	3,676,933
Extension	213,589	220,521	234,658
Parks	2,475,200	2,336,242	2,447,283
Public Health	7,969,787	7,607,579	7,744,365
Non-Departmental	9,352,293	8,272,665	8,115,968
<b>TOTAL</b>	<b>54,162,458</b>	<b>52,007,689</b>	<b>53,345,510</b>

## General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the third quarter were 68% of the approved budget.

# Whatcom County Third Quarter 2012 Financial Report

For the Quarter Ended September 30, 2012



## General Fund Conclusion

	<b>Projected</b>
<b>Beginning Fund Balance 1/1/12</b>	9,855,407
<b>Revenues</b>	
Budgeted Revenues 2012	72,577,426
Decreased Revenue Estimates	(634,000)
Continuing Appropriations from 2011	165,536
Supplemental Budgets 2012	266,062
<b>Total Revenue</b>	72,375,024
<b>Expenditures</b>	
Budgeted Expenditures 2012	76,114,569
Estimated Payroll & Benefit Adjustments	(2,622,000)
Continuing Appropriations from 2011	342,590
Supplemental Budgets 2012	1,991,350
<b>Total Expenditures</b>	75,826,509
<b>Adjusted Surplus (Deficit)</b>	(3,451,485)
<b>Other Considerations</b>	
Estimated Budget Lapse (3%)	2,274,795
<b>Projected Ending Fund Balance 12/31/12</b>	8,678,717
<b>Interfund Loan Adjustment*</b>	2,138,882
<b>Adjusted Fund Balance 12/31/12</b>	10,817,599

*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 Third Quarter 2012 Financial Report

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## Special Revenue Funds and Other Funds - Revenues

	2011 Actual As of 9/30/2011	2012 Actual As of 9/30/2012	2012 Budget	% Collected of 2012 Budget
County Road Fund	15,432,133	14,895,109	25,847,818	57.63%
Election Reserve Fund	607,717	578,216	1,342,403	43.07%
Veterans Relief	163,341	156,165	320,828	48.68%
Jail Fund	9,027,337	8,915,638	12,152,036	73.37%
Low Income Housing Projects	143,315	155,986	191,000	81.67%
Homeless Housing	907,344	1,256,378	2,302,443	54.57%
Stormwater Fund	568,457	222,396	2,061,154	10.79%
Chemical Dependency/Mental Hlth	2,412,028	2,561,798	3,530,340	72.57%
County Wide Emergency Medical	1,880,012	1,944,343	2,665,659	72.94%
Trial Court Improvement Fund	35,475	47,648	47,500	100.31%
Solid Waste Fund	496,526	512,384	776,700	65.97%
WC Convention Center Fund	364,643	387,268	500,000	77.45%
Victim/Witness Assistance Fund	94,215	90,537	135,550	66.79%
Whatcom Co Drug Fund	191,240	782,958	337,000	232.33%
Auditor's O&M Fund	155,779	156,518	166,500	94.00%
Emergency Management	656,730	671,669	1,526,677	44.00%
Flood Control Zone Dist Fund	2,083,574	2,079,258	6,211,888	33.47%
Pt Roberts Fuel Tax Fund	56,278	74,754	50,000	149.51%
Conservation Futures Fund	980,873	580,631	992,362	58.51%
Sub-Flood Zones	123,082	116,896	202,575	57.71%
Sub-Flood Birch Bay	490,813	507,280	821,420	61.76%
Real Estate Excise Tax Fund II	777,057	733,957	1,398,196	52.49%
Real Estate Excise Tax Fund I	777,057	733,957	1,068,523	68.69%
Public Utilities Improvement	2,178,685	2,303,052	3,000,338	76.76%
Yew St Road Construction	34,482	586	140,000	0.42%
Ferry System Fund	2,038,601	1,854,711	2,527,223	73.39%
Equipment Rental & Revolving	7,145,779	7,773,801	9,296,847	83.62%
Administrative Services Fund	13,519,256	13,546,311	20,602,693	65.75%

**Notes:**

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

# Whatcom County Third Quarter 2012 Financial Report

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## Special Revenue Funds and Other Funds - Expenditures

	2011 Actual As of 9/30/2011	2012 Actual As of 9/30/2012	2012 Budget	% Expended of 2012 Budget
County Road Fund	15,047,516	16,194,436	29,825,103	54.30%
Election Reserve Fund	719,570	675,913	1,432,388	47.19%
Veterans Relief	236,125	290,137	476,667	60.87%
Jail Fund	8,754,693	8,911,376	13,093,415	68.06%
Low Income Housing	364,876	124,527	218,500	56.99%
Homeless Housing	982,558	1,315,852	2,551,147	51.58%
Stormwater Fund	1,096,174	761,151	2,149,025	35.42%
Chemical Depend/Mental Hlth	1,439,436	1,719,525	3,551,581	48.42%
County Wide Emergency Medical	1,911,457	2,183,053	2,947,443	74.07%
Trial Court Improvement Fund	-	-	45,735	0.00%
LEOFF I Healthcare Fund	226,893	205,285	450,000	45.62%
Solid Waste Fund	556,752	740,927	1,154,162	64.20%
WC Convention Center Fund	199,056	375,829	632,090	59.46%
Victim/Witness Assistance Fund	55,617	60,664	147,309	41.18%
Whatcom Co Drug Fund	63,567	229,491	571,967	40.12%
Auditor's O&M Fund	120,277	127,220	292,246	43.53%
Emergency Management	632,304	581,691	1,891,329	30.76%
Flood Control Zone Dist Fund	2,062,979	1,553,531	6,785,365	22.90%
Conservation Futures Fund	803,675	48,245	221,809	21.75%
Sub-Flood Zones	19,396	27,582	258,901	10.65%
Sub-Flood - Birch Bay	262,149	233,860	1,052,312	22.22%
Real Estate Excise Tax Fund II	757,221	273,323	2,235,384	12.23%
Real Estate Excise Tax Fund I	1,321,942	352,419	465,659	75.68%
Public Utilities Improvement	2,815,382	732,706	2,728,548	26.85%
East Cnty Regional Resource Ctr	3,642,222	16,406	49,899	32.88%
Yew St Road Construction	48,979	57,302	1,050,982	5.45%
Lincoln Rd Construction	1,547,555	162,015	758,922	21.35%
Jail Improvement Fund	12,335	1,352,417	3,093,882	43.71%
Ferry System Fund	1,674,201	1,928,084	2,716,104	70.99%
Equipment Rental & Revolving	6,380,992	6,938,069	10,755,841	64.51%
Administrative Services Fund	13,085,251	12,975,847	21,046,430	61.65%

**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.*