



**2013  
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 2013 Financial Report

For the Quarter Ended September 31, 2013



## Executive Summary

The following information presents Whatcom County's third quarter 2013 financial report. At the end of the third quarter of 2013 General Fund revenues are almost \$900,000 above third quarter projections. This is largely the result of property tax receipts being above projected amounts. Increases are the result of new construction added to the tax rolls and timing differences as to when taxpayers are making their second half tax payments as compared to last year. License and permit fees are also up due to some recovery in building-related activity.

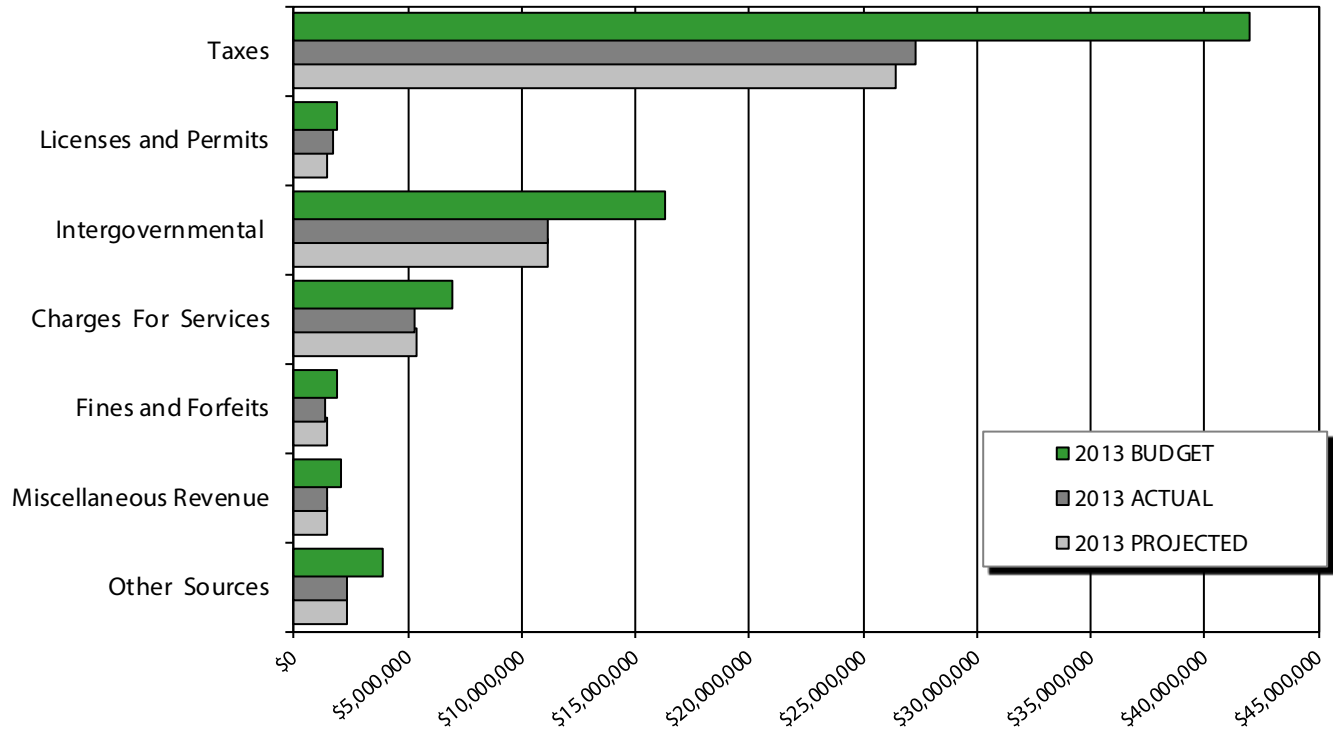
Expenditures are 71.2% of the annual budget, which is within projected expectations.

# Whatcom County Third Quarter 2013 Financial Report

For the Quarter Ended September 31, 2013



## General Fund Revenue - Budget vs. Actual



	2013 Budget Adopted	2013 Budget Supp'ls	2013 Budget Amended	Actual as of 9/30/2013	% Collected To Date	Projected as of 9/30/2013
Taxes	41,967,192	0	41,967,192	27,277,493	65.00%	26,415,936
Licenses and Permits	1,911,900	0	1,911,900	1,732,481	90.62%	1,446,765
Intergovernmental Revenue	14,919,769	1,415,750	16,335,519	11,125,781	68.11%	11,114,206
Charges for Goods and Services	6,869,172	87,814	6,956,986	5,280,541	75.90%	5,347,668
Fines and Penalties	1,915,400	0	1,915,400	1,317,612	68.79%	1,472,212
Miscellaneous Revenue	2,019,437	53,000	2,072,437	1,414,341	68.25%	1,459,261
Other Financing Sources	3,617,671	297,744	3,915,415	2,295,980	58.64%	2,299,438
<b>Total Revenue</b>	<b>73,220,541</b>	<b>1,854,308</b>	<b>75,074,849</b>	<b>50,444,229</b>	<b>67.19%</b>	<b>49,555,486</b>

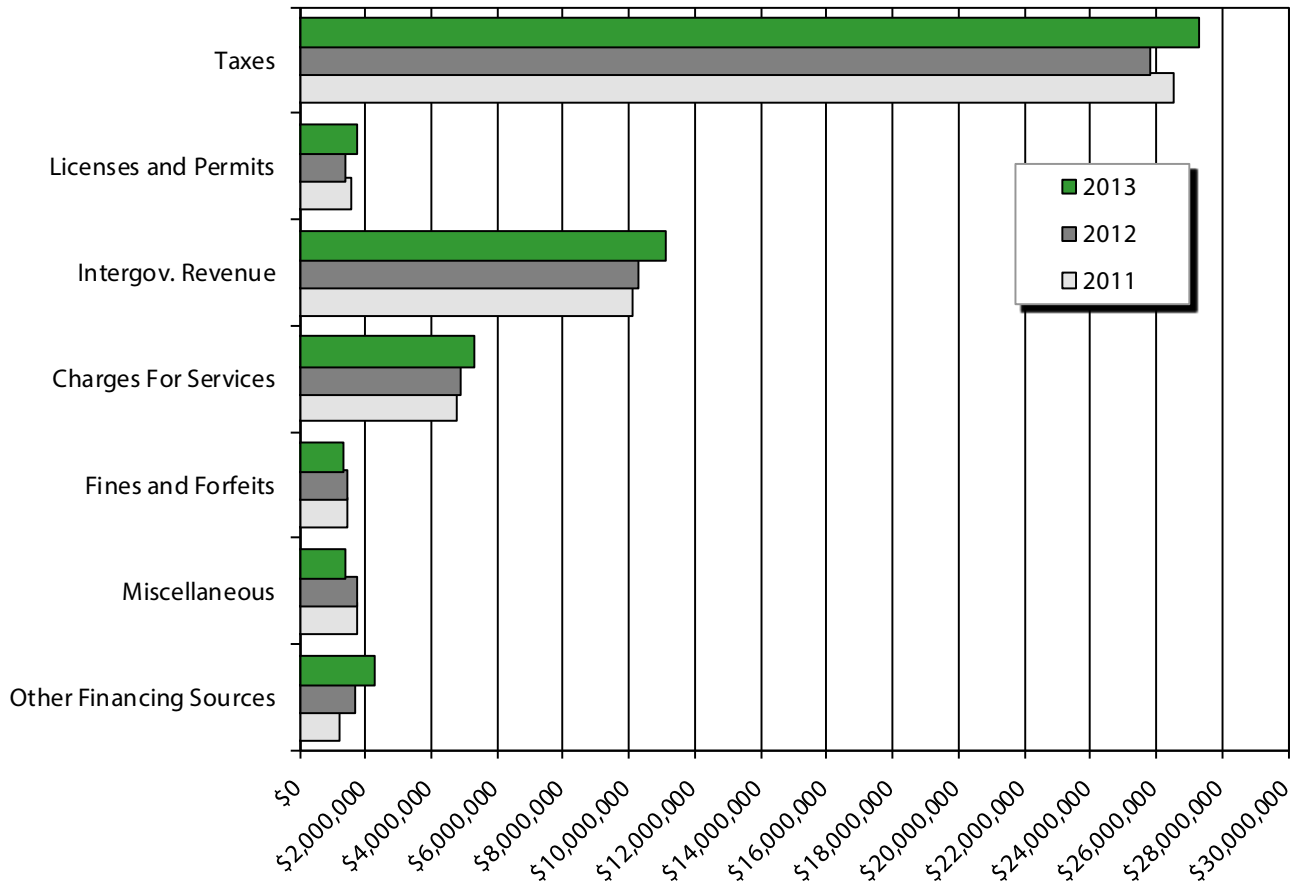
See pages 4 and 5 for General Fund Revenue Notes.

# Whatcom County Third Quarter 2013 Financial Report

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



	2011	2012	2013
Taxes	26,507,550	25,791,928	27,277,493
Licenses and Permits	1,553,604	1,422,582	1,732,481
Intergovernmental Revenue	10,108,602	10,262,551	11,125,781
Charges for Goods and Services	4,755,734	4,893,873	5,280,541
Fines and Penalties	1,456,498	1,467,488	1,317,612
Miscellaneous Revenue	1,738,299	1,743,500	1,414,341
Other Financing Sources	1,223,901	1,671,448	2,295,980
<b>Total Revenue</b>	<b>47,344,188</b>	<b>47,253,370</b>	<b>50,444,229</b>

See pages 4 and 5 for General Fund Revenue Notes.

# Whatcom County Third Quarter 2013 Financial Report

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## General Fund Revenue Notes

### Taxes

*Property tax and retail sales tax make up 94% of Whatcom County's tax revenue budget.*

Tax revenues are \$1.5 million more than third quarter 2012 amounts. Current year sales tax collections are up \$575,870, or 6.6%, as compared to collections from last year. Property tax collections increased \$968,505, over third quarter 2012. Increases are the result of new construction added to the tax rolls and timing differences as to when taxpayers are making their second half tax payments as compared to last year. Delinquent tax collections, interest and penalties are lower than 2011 and 2012 amounts but real estate excise tax processing fees have increased as the real estate market regains momentum.

### Licenses & Permits

*Building permits account for 47.1% of "Licenses & Permits" budgets. Health Department restaurant, food-handling, on-site septic and other miscellaneous health-related licenses and permits make up 48.2% of the budgets. Marriage licenses, firearms permits and fire control permits account for the remaining 4.7%.*

License and Permit Fees are up 22%, or \$309,900, more than amounts collected during third quarter 2012. Building permit and on-site septic system fees have increased \$220,710 over third quarter 2012 levels. Firearms permits have increased \$43,440 over prior year amounts. Restaurant and food handling permits have also increased \$41,250 over 2012 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 68.1% of budget and amounts are \$863,230 more than third quarter 2012. We received a one-time payment from the state for costs incurred moving to an annual revaluation of \$356,100. Development Disability state grant funding increased \$395,921 over 2012. Also, the annual federal payment in lieu of taxes (PILT) receipt was \$98,806 higher than the 2012 payment.

### Charges for Goods and Services

*"Charges for Goods and Services" include document recording fees (Auditor), motor vehicle license fees (Auditor), plan check fees (Planning & Development Services), adult probation fees (District Court Probation), on-site septic system fees (Health Department), rifle range fees (Parks) and several other miscellaneous service fees that help cover the costs of providing specific services used by individual customers.*

Overall, Charges for Goods and Services increased \$386,670 or 7.9%, over third quarter 2012. Most of the increase is due to the new annual on-site septic system fee of \$19 per system. The new fee was adopted by the County Council to pay for the Health Department monitoring program of septic systems. These fees are presented on the homeowner's property tax statement and paid along with the semi-annual property tax payments.

# Whatcom County Third Quarter 2013 Financial Report

For the Quarter Ended September 31, 2013



## General Fund Revenue Notes, continued

### Fines and Penalties

*"Fines and Penalties" 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 Penalties revenues decreased by \$149,875, or 10.2%, under third quarter 2012 amounts. Moderate decreases have occurred in all revenue categories including traffic infractions, other criminal non-traffic misdemeanors, Superior Court penalties, and DWI penalties.

### Miscellaneous

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

After eliminating the effect of a \$213,000 one-time adjustment in 2012, miscellaneous revenue is down \$116,160 from the third quarter 2012. Interest income earnings are down \$148,540, or 28%, due to the continuing trend of low interest rates on long-term investments. There were moderate increases in Parks-related rentals and Health Department contributions in support of a health care access program.

### 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.*

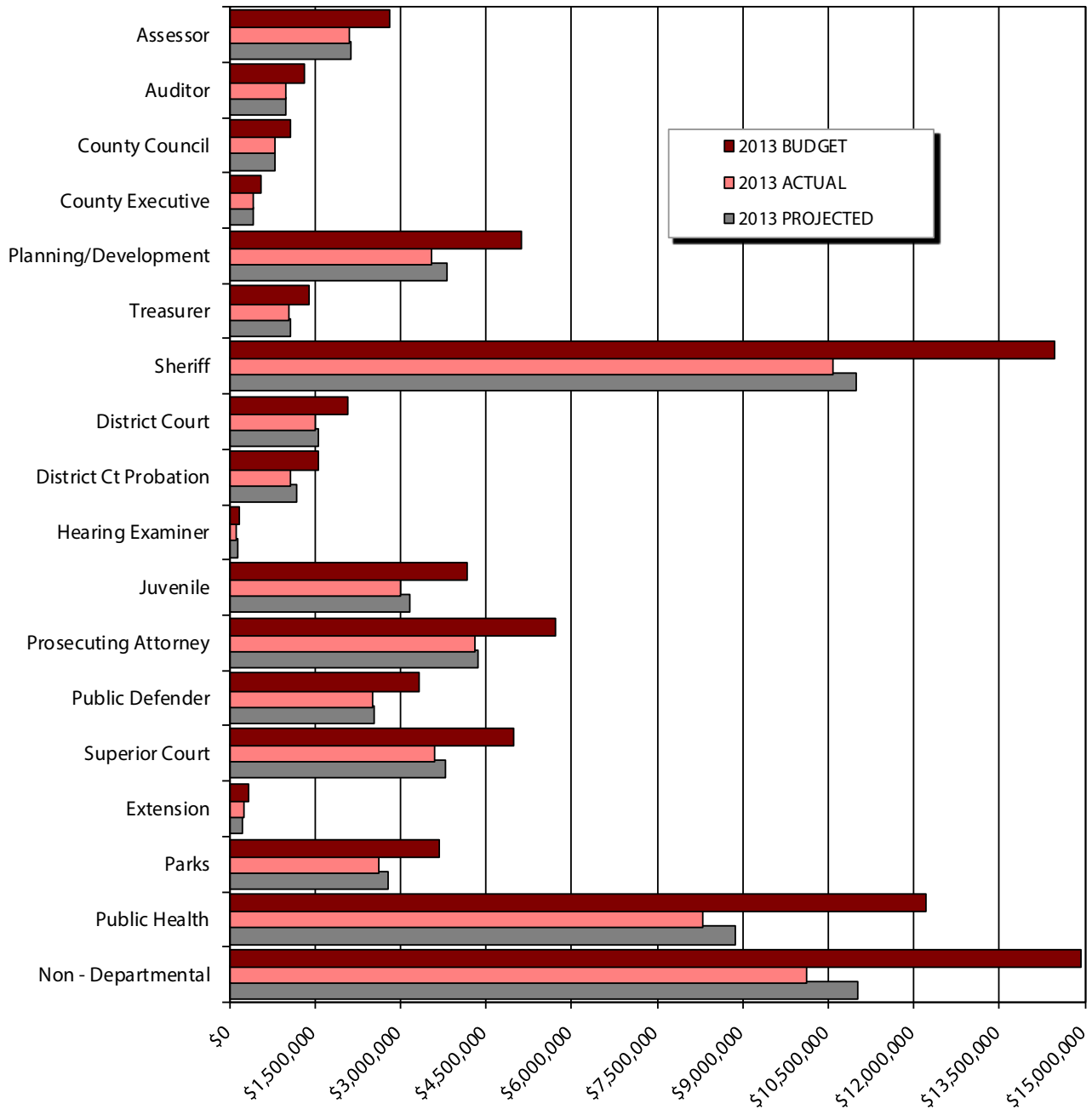
The Other Financing Sources category is \$624,530 more than third quarter 2012 amounts. Interfund transfers increased \$818,858 due to a \$1 million transfer from Real Estate Excise Tax Fund II (REET II) as a result of state legislation temporarily allowing use of REET II funds for operating expenses of parks. State timber sales revenue decreased \$185,320 under 2012 amounts. Timber revenues fluctuate based on harvest plans and market conditions.

# Whatcom County Third Quarter 2013 Financial Report

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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 2013 Financial Report

For the Quarter Ended September 31, 2013



## General Fund Expenditures - Budget vs. Actual

	Adopted 2013 Budget	Budget Supplementals	Amended Budget	Actual as of 9/30/13	% Expended To Date	Projected as of 9/30/13
Assessor	2,823,955	0	2,823,955	2,093,157	74.12%	2,146,696
Auditor	1,309,288	0	1,309,288	996,616	76.12%	994,810
County Council	971,848	106,828	1,078,676	809,596	75.05%	809,856
County Executive	547,723	0	547,723	416,229	75.99%	418,410
Planning & Development	5,067,990	48,113	5,116,103	3,537,180	69.14%	3,818,683
Treasurer	1,361,873	25,878	1,387,751	1,057,860	76.23%	1,063,514
Sheriff	13,468,226	996,642	14,464,868	10,580,490	73.15%	10,989,107
District Court	2,015,981	59,282	2,075,263	1,496,767	72.12%	1,568,919
District Court Probation	1,614,399	(59,282)	1,555,117	1,079,988	69.45%	1,183,693
Hearing Examiner	181,384	390	181,774	130,901	72.01%	136,590
Juvenile	4,197,336	(26,108)	4,171,228	3,011,608	72.20%	3,176,605
Prosecuting Attorney	5,694,137	34,000	5,728,137	4,320,489	75.43%	4,370,439
Public Defender	3,313,854	1,581	3,315,435	2,503,760	75.52%	2,527,996
Superior Court/Clerk	4,970,142	26,642	4,996,784	3,587,279	71.79%	3,797,334
Extension	343,691	4,604	348,295	245,890	70.60%	230,978
Park	3,598,857	79,482	3,678,339	2,609,374	70.94%	2,774,355
Public Health	12,154,240	60,000	12,214,240	8,307,968	68.02%	8,885,654
Non - Departmental	13,212,929	1,706,966	14,919,895	10,116,572	67.81%	11,012,429
<b>Total General Fund Exp</b>	<b>76,847,853</b>	<b>3,065,018</b>	<b>79,912,871</b>	<b>56,901,724</b>	<b>71.20%</b>	<b>59,906,068</b>

See page 9 for General Fund Expenditure Notes.

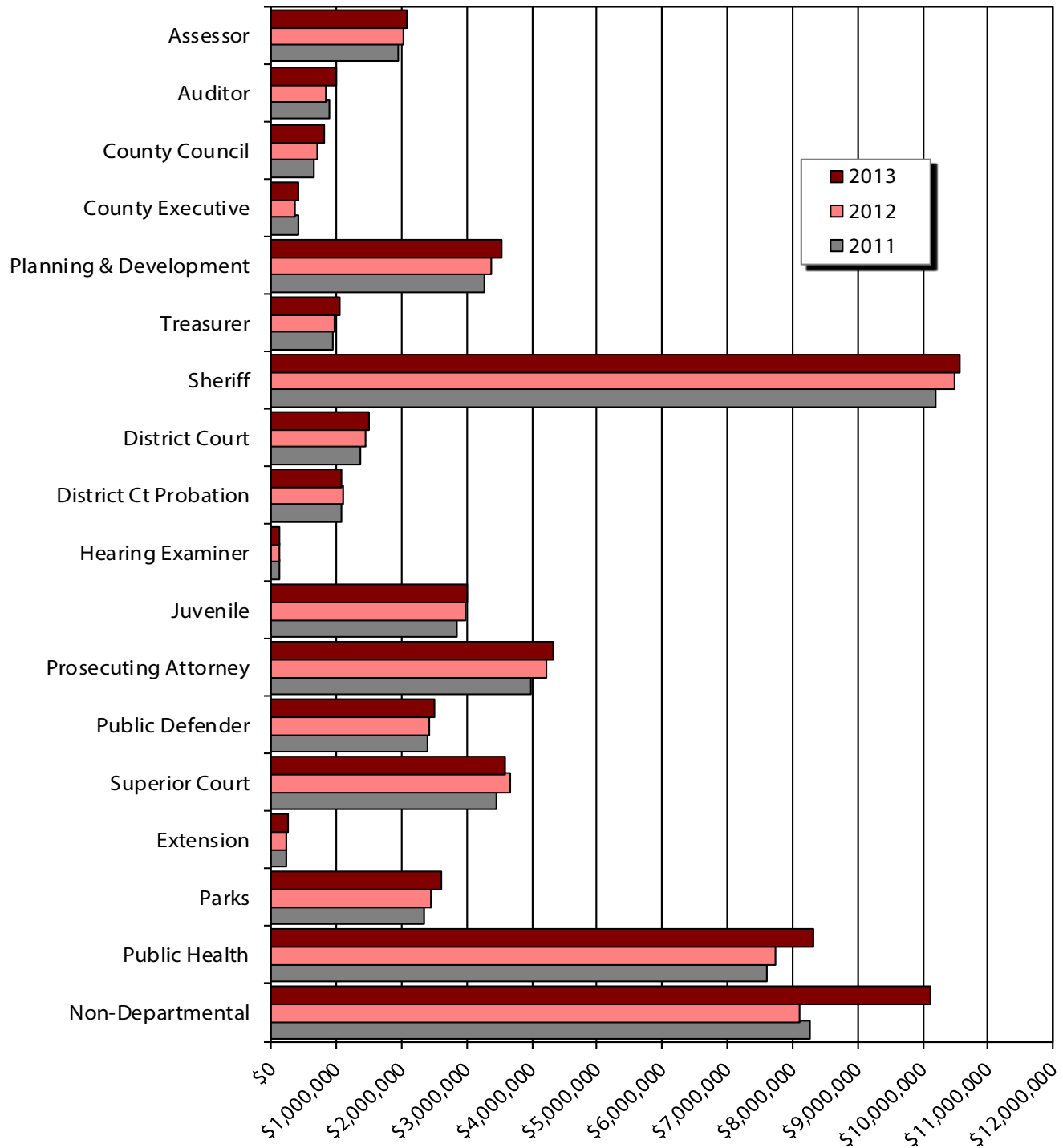


# Whatcom County Third Quarter 2013 Financial Report

For the Quarter Ended September 31, 2013



## General Fund Expenditures - Compared to Prior Years



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

# Whatcom County Third Quarter 2013 Financial Report

For the Quarter Ended September 31, 2013



## General Fund Expenditures - Compared to Prior Years

	2011	2012	2013
Assessor	1,937,112	2,026,562	2,093,157
Auditor	888,959	849,012	996,616
County Council	660,198	708,278	809,596
County Executive	424,096	358,726	416,229
Planning & Development	3,269,419	3,380,567	3,537,180
Treasurer	933,268	975,235	1,057,860
Sheriff	10,187,512	10,486,199	10,580,490
District Court	1,367,224	1,456,513	1,496,767
District Ct Probation	1,073,461	1,111,505	1,079,988
Hearing Examiner	128,909	133,205	130,901
Juvenile	2,861,514	2,994,283	3,011,608
Prosecuting Attorney	3,995,467	4,218,906	4,320,489
Public Defender	2,387,282	2,427,312	2,503,760
Superior Court Administration	3,456,261	3,676,933	3,587,279
Extension	220,521	234,658	245,890
Parks	2,336,242	2,447,283	2,609,374
Public Health	7,607,579	7,744,365	8,307,968
Non-Departmental	8,272,665	8,115,968	10,116,572
<b>TOTAL</b>	<b>52,007,689</b>	<b>53,345,510</b>	<b>56,901,724</b>

## General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the third quarter were at 71.2% of the approved budget. The Auditor's Office, County Executive, Treasurer, and Public Defender were at 76% of their approved budgets. Normally we would not expect departments to be over 75% spent by the end of September; however, the County pays payroll every two weeks rather than monthly or bimonthly. As of the end of September, 20 of 26 payrolls had been incurred which amounts to 77% of the annual wages and related benefits budgets. In addition, the Treasurer's Office was 76.2% spent as a result of postage and contracted services for annual tax statement mailings being incurred during the first half of the year rather than distributed throughout the year.

# Whatcom County Third Quarter 2013 Financial Report

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## General Fund Conclusion

<b>Beginning Fund Balance 1/1/13</b>	11,014,583
<b>Revenues</b>	
Budgeted Revenues 2013	73,220,541
Increased Revenue Estimates	270,000
Continuing Appropriations from 2012	253,342
Supplemental Budgets 2013	1,600,966
<b>Total Revenue</b>	<b>75,344,849</b>
<b>Expenditures</b>	
Budgeted Expenditures 2013	76,847,853
Projects Delayed to 2014**	(1,210,000)
Continuing Appropriations from 2012	394,550
Supplemental Budgets 2013	2,670,468
<b>Total Expenditures</b>	<b>78,702,871</b>
<b>Adjusted Surplus (Deficit)</b>	<b>(3,358,022)</b>
<b>Other Considerations</b>	
Estimated Budget Lapse (3%)	2,361,086
<b>Projected Ending Fund Balance 12/31/13</b>	<b>10,017,647</b>
<b>Interfund Loan Adjustment*</b>	<b>1,907,271</b>
<b>Adjusted Fund Balance 12/31/13</b>	<b>11,924,918</b>

*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.

\*\* Assessor Treasurer System completion and the Alternatives to Hunger capital construction project grant to the Bellingham Food Bank will be delayed until 2014.

# Whatcom County Third Quarter 2013 Financial Report

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## Special Revenue Funds and Other Funds - Revenues

	2012 Actual as of 9/30/2012	2013 Actual as of 9/30/2013	2013 Budget	% Collected of 2013 Budget
County Road Fund	14,895,109	15,366,606	26,549,801	57.88%
Election Reserve Fund	578,216	516,388	1,342,700	38.46%
Veterans Relief	156,165	160,928	279,639	57.55%
Jail Fund	8,915,638	9,546,915	12,084,550	79.00%
Low Income Housing Projects	155,986	172,345	225,775	76.33%
Homeless Housing	1,256,378	1,889,914	2,940,579	64.27%
Stormwater Fund	222,396	193,472	1,880,126	10.29%
Chemical Dependency/Mental Hlth	2,561,798	2,687,756	3,647,866	73.68%
County Wide Emergency Medical	1,944,343	2,065,611	2,846,193	72.57%
Trial Court Improvement Fund	47,648	35,991	48,107	74.81%
Solid Waste Fund	512,384	499,645	906,226	55.13%
WC Convention Center Fund	387,268	411,844	513,000	80.28%
Victim/Witness Assistance Fund	90,537	89,567	126,950	70.55%
Whatcom Co Drug Fund	782,958	135,474	657,500	20.60%
Auditor's O&M Fund	156,518	187,056	166,500	112.35%
Emergency Management	671,669	776,202	1,922,269	40.38%
Flood Control Zone Dist Fund	2,079,258	2,486,462	5,596,165	44.43%
Pt Roberts Fuel Tax Fund	74,754	70,669	60,000	117.78%
Conservation Futures Fund	580,631	609,581	1,088,352	56.01%
Sub-Flood Zones	116,896	116,324	194,705	59.74%
Birch Bay Sub-Zone	507,280	517,654	888,823	58.24%
Real Estate Excise Tax Fund II	733,957	1,138,269	1,360,148	83.69%
Real Estate Excise Tax Fund I	733,957	1,101,316	1,163,000	94.70%
Civic Center Bldg Improvement	6,313	44,100	44,100	100.00%
Public Utilities Imprv Fund	2,303,052	2,461,173	3,207,930	76.72%
Birch Bay Drive	-	759,731	1,072,324	70.85%
Birch Bay Lynden Sign	-	415,173	4,300,000	9.66%
Potter Rd/ S. Fork Bridge	-	1,900,000	9,600,000	19.79%
Rural Road Safety Program	-	115,804	1,769,389	6.54%
Sheriff Records	-	1,440,162	1,440,162	100.00%
New Jail Project Fund	-	1,000,000	1,000,000	100.00%
Sup Ct Fourth Judge Courtroom	-	200,000	200,000	100.00%
Nesset Farm Restoration	-	-	250,000	0.00%
Ferry System Fund	1,854,711	1,778,917	2,758,000	64.50%
Equipment Rental & Revolving	7,773,801	7,821,422	9,883,390	79.14%
Administrative Services Fund	13,546,311	13,080,853	18,837,253	69.44%

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

# Whatcom County Third Quarter 2013 Financial Report

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## Special Revenue Funds and Other Funds - Expenditures

	2012 Actual as of 9/30/2012	2013 Actual as of 9/30/2013	2013 Budget	% Expended of 2013 Budget
County Road Fund	16,194,436	18,002,342	27,183,536	66.23%
Election Reserve Fund	975,913	629,862	1,216,470	51.78%
Veterans Relief	290,137	258,839	467,893	55.32%
Jail Fund	8,911,376	9,250,349	12,792,243	72.31%
Low Income Housing	124,527	170,716	250,670	68.10%
Homeless Housing	1,315,852	1,825,608	2,864,615	63.73%
Stormwater Fund	761,151	870,744	2,109,392	41.28%
Chemical Depend/ Mental Health	1,719,525	1,893,243	4,010,210	47.21%
County Wide Emergency Medical	2,183,053	2,756,860	3,725,242	74.00%
Trial Court Improvement Fund	-	-	13,735	0.00%
LEOFF I Healthcare Fund	205,285	204,066	204,066	100.00%
Solid Waste Fund	740,927	435,501	894,543	48.68%
WC Convention Center Fund	375,829	218,565	564,985	38.69%
Victim/ Witness Assistance Fund	60,664	63,803	146,562	43.53%
Whatcom Co Drug Fund	229,491	74,764	593,967	12.59%
Auditor's O&M Fund	127,220	231,176	290,852	79.48%
Emergency Management	581,691	860,273	1,937,209	44.41%
Flood Control Zone Dist Fund	1,553,531	2,964,931	8,689,063	34.12%
Conservation Futures Fund	48,245	73,719	752,600	9.80%
Sub-Flood Zones	27,581	25,484	241,836	10.54%
Birch Bay Sub Zone	233,860	351,088	1,358,757	25.84%
Real Estate Excise Tax Fund II	273,323	2,389,385	3,778,563	63.24%
Real Estate Excise Tax Fund I	352,419	20,696	503,511	4.11%
Civic Center Imprv Fund	80,545	1,561,154	1,562,574	99.91%
Public Utilities Improvement	732,706	591,863	1,819,944	32.52%
East Cnty Regional Resource Ctr	16,406	-	76,580	0.00%
Yew St Road Construction	57,302	14,987	14,987	100.00%
Lincoln Rd Construction	162,015	23,264	592,432	3.93%
Jail Improvement Fund	1,352,417	296,187	1,363,047	21.73%
Birch Bay Drive	-	90,799	1,072,324	8.47%
Birch Bay Portal Way Sign	-	164,796	3,620,000	4.55%
Potter/ S. Fork Bridge	-	208,902	8,450,000	2.47%
Rural Road Safety	-	391,931	1,769,389	22.15%
Sheriff Records	-	721,709	1,440,162	50.11%
New Jail Project Fund	-	425,979	544,902	78.18%
Superior Ct Fourth Judge Courtroom	-	-	200,000	0.00%
Nesset Farm Restoration	-	-	250,000	0.00%
Ferry System Fund	1,928,084	1,799,466	2,524,850	71.27%
Equipment Rental & Revolving	6,938,069	7,184,056	13,073,831	54.95%
Administrative Services Fund	12,975,847	13,495,233	20,111,531	67.10%

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.