



**2014
First
Quarter
Financial
Report**

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Compiled and Presented by the
Administrative Services Department
Finance Division

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Whatcom County First Quarter 2014 Financial Report

For the Quarter Ended March 31, 2014



Executive Summary

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

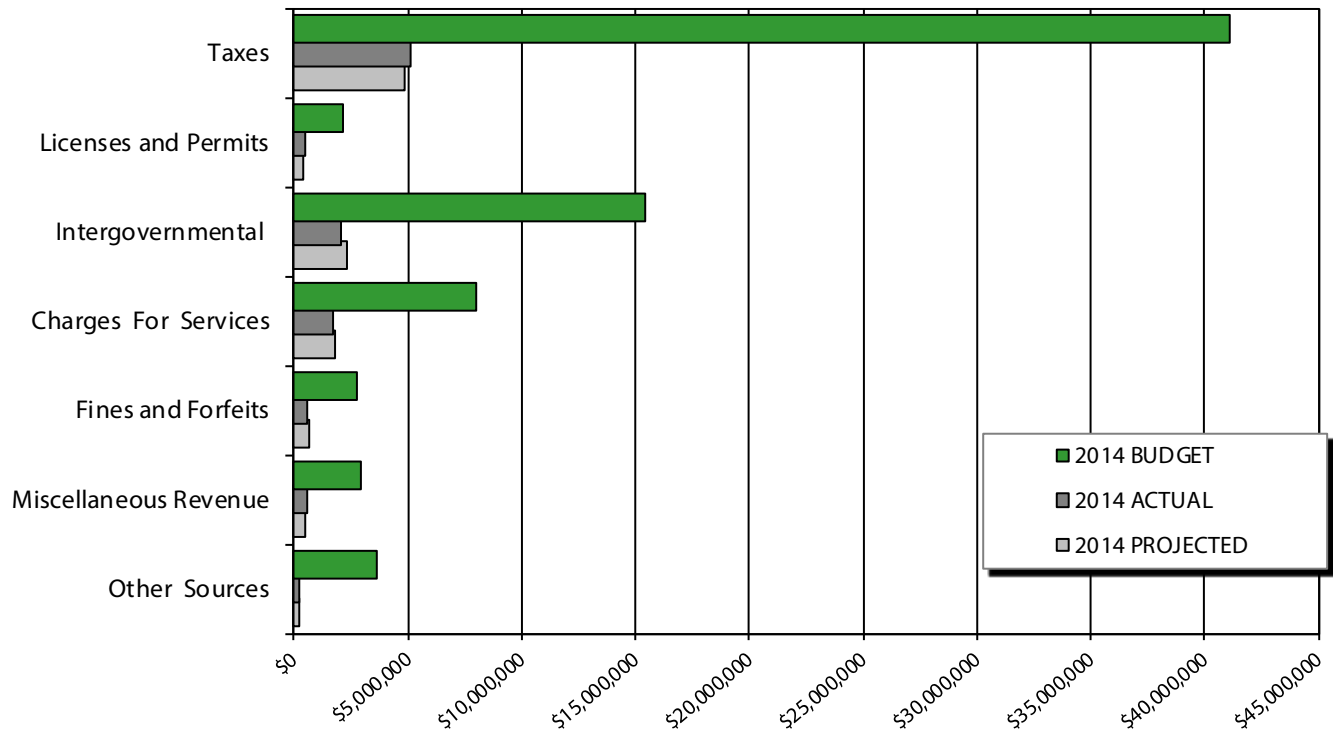
Expenditures are 22.34% of the annual budget, which is below projected amounts but consistent with prior years. Large expenditures for a Community Development Block Grant project, the Assessor – Treasurer System, Sheriff's Records Maintenance System, and transfer to the new jail project fund are yet to be recorded.

Whatcom County First Quarter 2014 Financial Report

For the Quarter Ended March 31, 2014



General Fund Revenue - Budget vs. Actual



	2014 Budget Adopted	2014 Budget Supp'ls	2014 Budget Amended	Actual as of 3/31/2014	% Collected To Date	Projected as of 3/31/2014
Taxes	40,731,215	390,000	41,121,215	5,151,987	12.53%	4,830,981
Licenses and Permits	1,976,150	184,750	2,160,900	479,554	22.19%	418,157
Intergovernmental	14,091,740	1,331,549	15,423,289	2,071,979	13.43%	2,289,217
Charges For Services	7,573,266	379,208	7,952,474	1,715,775	21.58%	1,823,904
Fines and Forfeits	2,841,400	(130,000)	2,711,400	584,325	21.55%	666,722
Miscellaneous Revenue	3,126,437	(165,000)	2,961,437	566,247	19.12%	496,168
Other Sources	3,657,982	0	3,657,982	221,051	6.04%	261,051
Total Revenue	73,998,190	1,990,507	75,988,697	10,790,918	14.20%	10,786,200

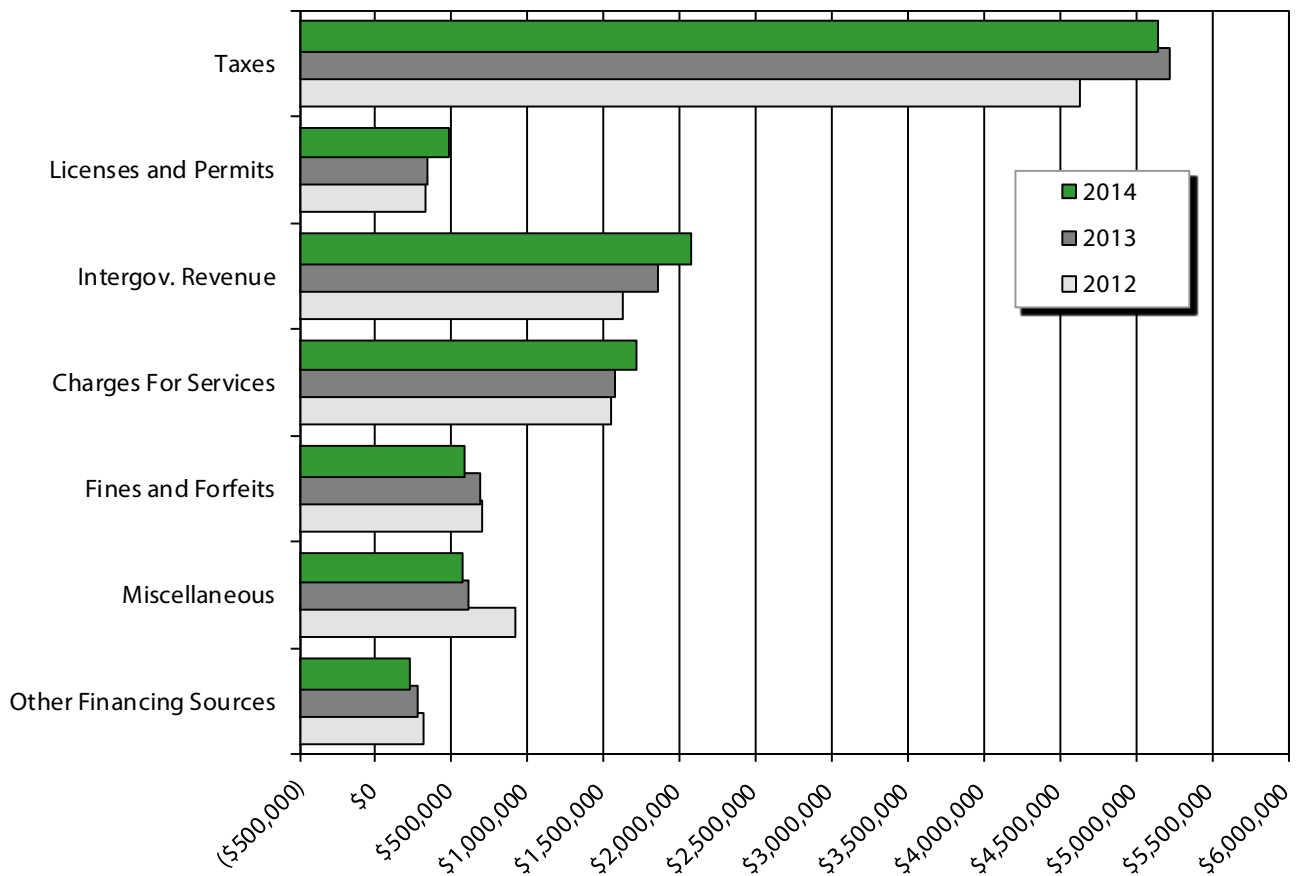
See pages 4 and 5 for General Fund Revenue Notes.

Whatcom County First Quarter 2014 Financial Report

For the Quarter Ended March 31, 2014



General Fund Revenue to Date - Compared to Prior Years



	2012	2013	2014
Taxes	4,633,241	5,227,019	5,151,987
Licenses and Permits	329,498	346,975	479,554
Intergov. Revenue	1,631,461	1,855,219	2,071,979
Charges For Services	1,555,033	1,580,558	1,715,775
Fines and Forfeits	706,406	691,619	584,325
Miscellaneous	919,943	605,773	566,247
Other Financing Sources	310,735	279,459	221,051
Total Revenue	10,086,317	10,586,622	10,790,918

See pages 4 and 5 for General Fund Revenue Notes.

Whatcom County First Quarter 2014 Financial Report

For the Quarter Ended March 31, 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 \$75,031 less than first quarter 2013 amounts. Current year sales tax collections are up \$68,888, or 2%, as compared to collections from last year. Property tax collections decreased \$144,777, or 7.3%, under first quarter 2013. Decreases are the result of timing differences in when taxpayers make their first half payments as compared to last year.

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 \$132,579 more than amounts collected during first quarter 2013. Building permit fees increased \$118,223, or 89%, over first 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 13.4% of budget and amounts are \$216,757 more than first quarter 2013. Most of the increase is due to timing of state entitlement payments that are ordinarily received in other months.

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 \$135,215, or 8.6%, over first quarter 2013. Planning and Development fees are up about \$150,000 due to plan check fees for large commercial projects. Auditor recording fees are down over \$50,000 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 First Quarter 2014 Financial Report

For the Quarter Ended March 31, 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 \$107,291, or 15.5%, under first quarter 2013 amounts. Traffic-related fines and penalties are down \$63,559 and property tax penalties are down \$37,876.

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 down \$39,526, or 6.5%, from the first quarter 2013. Most of the decrease is due to lower interest income received from delinquent property tax collections than prior years.

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.

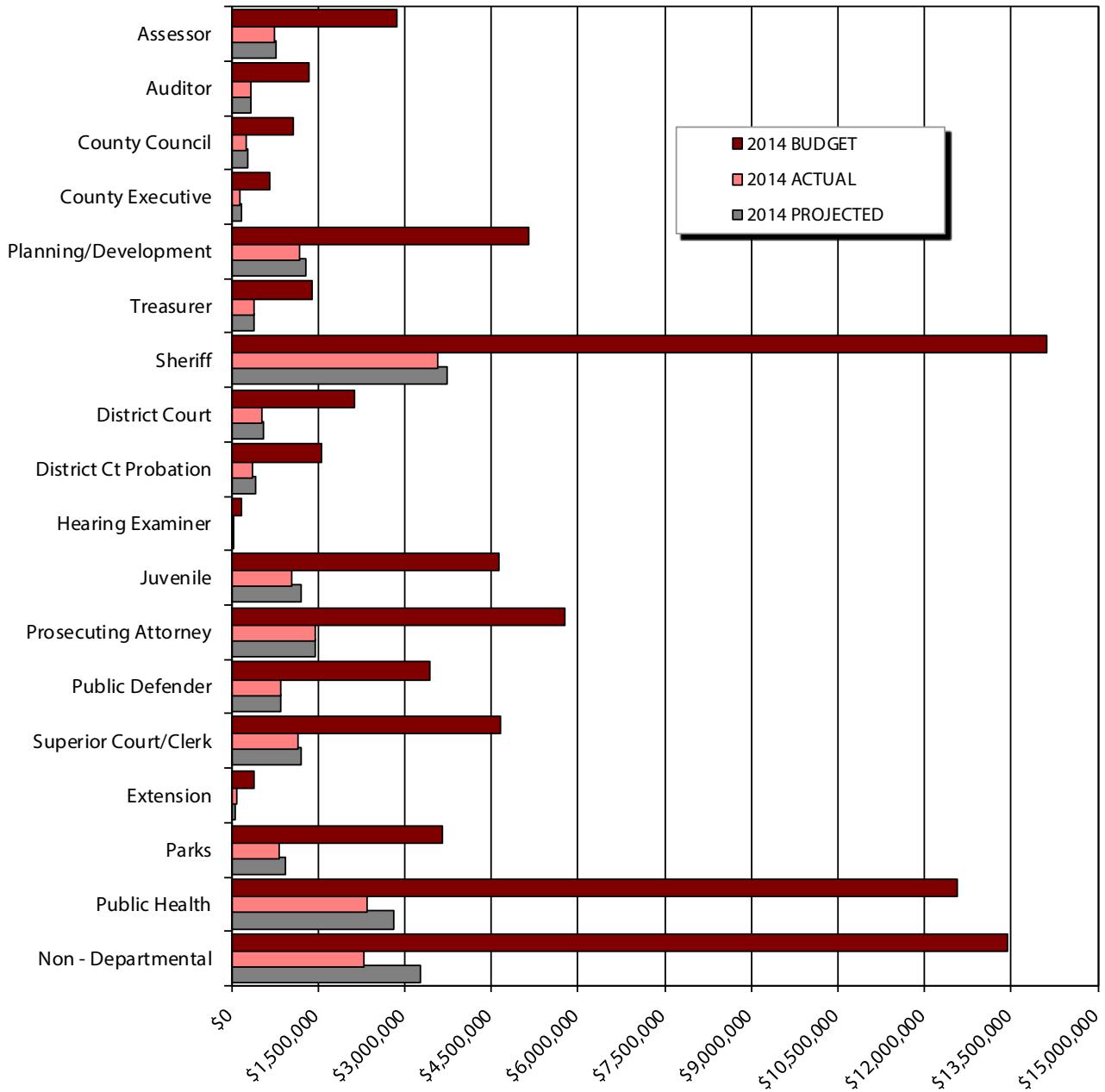
The Other Financing Sources category is \$58,408, or 20.9%, less than first quarter 2013 amounts. State timber sales revenue decreased \$63,798 under 2013 amounts. Timber revenues fluctuate based on harvest plans and market conditions.

Whatcom County First Quarter 2014 Financial Report

For the Quarter Ended March 31, 2014



General Fund Expenditures - Budget vs. Actual



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

Whatcom County First Quarter 2014 Financial Report

For the Quarter Ended March 31, 2014



General Fund Expenditures - Budget vs. Actual

	Adopted 2014 Budget	Budget Supplementals	Amended Budget	Actual as of 3/31/14	% Expended To Date	Projected as of 3/31/14
Assessor	2,860,159	5,042	2,865,201	738,421	25.77%	767,338
Auditor	1,338,973	4,442	1,343,415	337,630	25.13%	344,258
County Council	979,935	84,104	1,064,039	257,730	24.22%	272,011
County Executive	553,515	101,359	654,874	142,161	21.71%	172,460
Planning & Development	5,004,052	149,375	5,153,427	1,191,991	23.13%	1,299,340
Treasurer	1,384,372	21,501	1,405,873	384,937	27.38%	398,899
Sheriff	13,564,869	562,143	14,127,012	3,564,947	25.23%	3,724,822
District Court	2,058,718	63,431	2,122,149	520,111	24.51%	548,963
District Court Probation	1,634,109	(59,831)	1,574,278	371,639	23.61%	410,461
Hearing Examiner	182,551	0	182,551	46,532	25.49%	46,272
Juvenile	4,270,420	350,714	4,621,134	1,054,800	22.83%	1,200,308
Prosecuting Attorney	5,760,502	20,093	5,780,595	1,462,443	25.30%	1,462,444
Public Defender	3,394,167	47,896	3,442,063	850,859	24.72%	850,857
Superior Court/Clerk	5,024,898	(364,914)	4,659,984	1,156,653	24.82%	1,208,740
Extension	347,324	42,000	389,324	84,897	21.81%	71,437
Park	3,627,401	38,629	3,666,030	833,228	22.73%	938,728
Public Health	12,103,987	474,121	12,578,108	2,360,306	18.77%	2,808,885
Non - Departmental	11,501,310	1,941,308	13,442,618	2,306,788	17.16%	3,272,995
Total General Fund Exp	75,591,262	3,481,413	79,072,675	17,666,073	22.34%	19,799,218

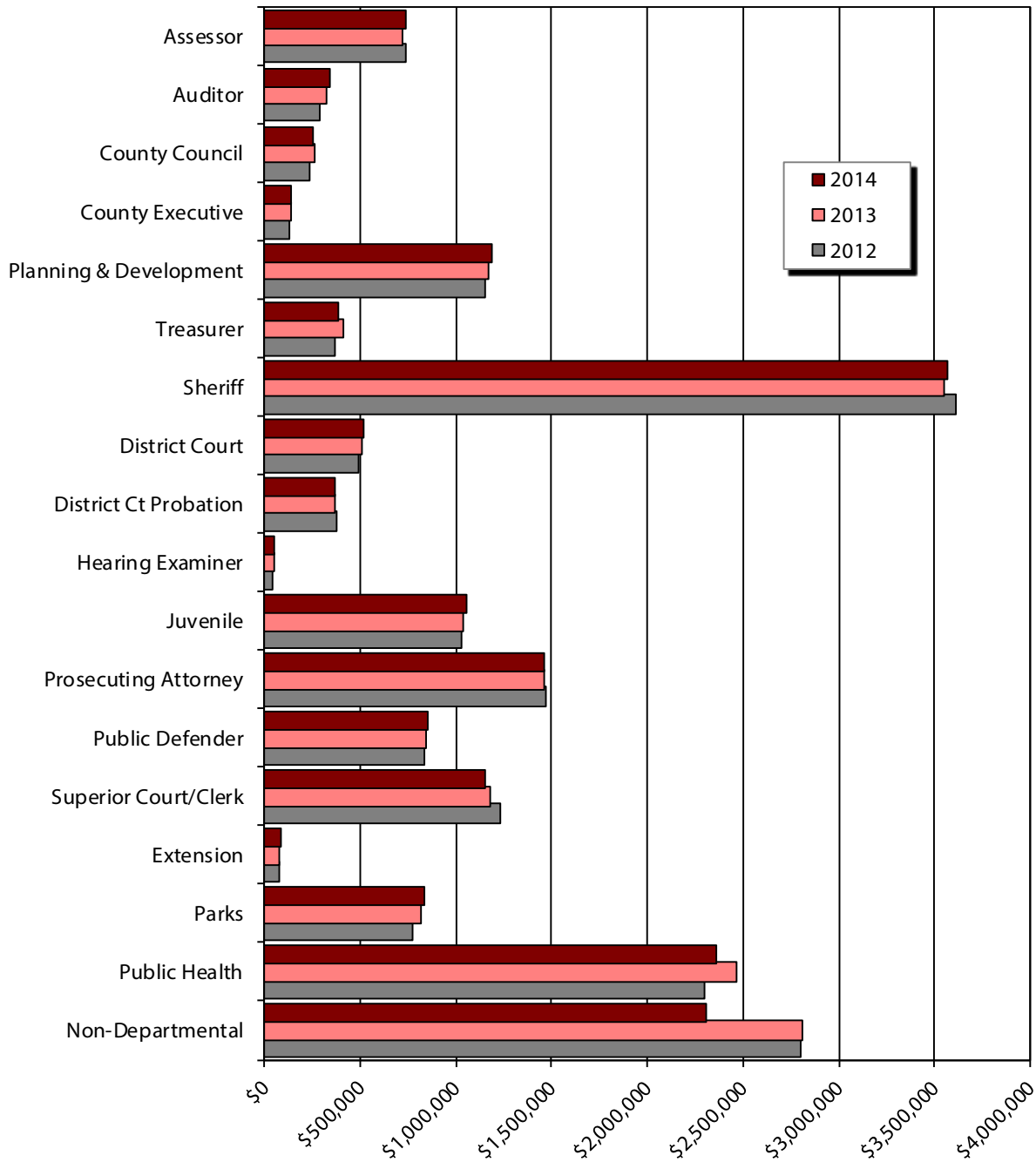
See page 9 for General Fund Expenditure Notes.

Whatcom County First Quarter 2014 Financial Report

For the Quarter Ended March 31, 2014



General Fund Expenditures - Compared to Prior Years



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

Whatcom County First Quarter 2014 Financial Report

For the Quarter Ended March 31, 2014



General Fund Expenditures - Compared to Prior Years

	2012	2013	2014
Assessor	736,760	718,139	738,421
Auditor	290,401	321,759	337,630
County Council	240,156	264,495	257,730
County Executive	127,201	136,522	142,161
Planning & Development	1,148,998	1,167,497	1,191,991
Treasurer	368,731	410,887	384,937
Sheriff	3,612,817	3,546,585	3,564,947
District Court	487,368	508,711	520,111
District Ct Probation	379,933	368,688	371,639
Hearing Examiner	44,989	46,555	46,532
Juvenile	1,032,167	1,036,999	1,054,800
Prosecuting Attorney	1,469,788	1,460,304	1,462,443
Public Defender	838,928	844,517	850,859
Superior Court /Clerk	1,231,580	1,178,015	1,156,653
Extension	77,828	75,091	84,897
Parks	777,299	817,826	833,228
Public Health	2,294,260	2,466,949	2,360,306
Non-Departmental	2,802,574	2,810,463	2,306,788
TOTAL	17,961,778	18,180,002	17,666,073

General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the first quarter were at 22.34% of the approved budget. This is consistent with previous years. All departmental spending was within budget expectations.

Whatcom County First Quarter 2014 Financial Report

For the Quarter Ended March 31, 2014



General Fund Conclusion

	Projected
Beginning Fund Balance 1/1/14 (Unaudited)	<u>12,164,481</u>
Revenues	
Budgeted Revenues 2014	73,998,190
Decreased Revenue Estimates	-
Continuing Appropriations from 2013	875,626
Supplemental Budgets 2014	<u>1,114,881</u>
Total Revenue	<u><u>75,988,697</u></u>
Expenditures	
Budgeted Expenditures 2014	75,591,262
Estimated Payroll & Benefit Adjustments	-
Continuing Appropriations from 2013	1,674,364
Supplemental Budgets 2014	<u>1,807,049</u>
Total Expenditures	<u><u>79,072,675</u></u>
Adjusted Surplus (Deficit)	(3,083,978)
Other Considerations	
Estimated Budget Lapse (5%)	<u>3,953,634</u>
Projected Ending Fund Balance 12/31/14	13,034,137
Interfund Loan Adjustment*	<u>1,673,344</u>
Adjusted Fund Balance 12/31/14	<u><u>14,707,481</u></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 First Quarter 2014 Financial Report

For the Quarter Ended March 31, 2014



Special Revenue Funds and Other Funds - Revenues

	2013 Actual As of 3/31/2013	2014 Actual As of 3/31/2014	2014 Budget	% Collected of 2014 Budget
County Road Fund	2,531,498	2,380,576	24,012,711	9.91%
Election Reserve Fund	27,839	127,962	1,185,700	10.79%
Veterans Relief	20,379	18,213	282,007	6.46%
Jail Fund	3,121,978	2,554,661	12,541,821	20.37%
Low Income Housing Projects	57,165	36,229	239,200	15.15%
Homeless Housing	511,165	473,101	3,272,806	14.46%
Stormwater Fund	-	-	1,803,237	0.00%
Chemical Dependency/Mental Hlth	912,612	916,593	3,795,004	24.15%
County Wide Emergency Medical	670,717	986,989	7,156,327	13.79%
Trial Court Improvement Fund	11,997	11,894	48,671	24.44%
Solid Waste Fund	2,550	3,600	1,049,804	0.34%
WC Convention Center Fund	142,242	149,647	516,000	29.00%
Victim/Witness Assistance Fund	24,961	28,097	126,950	22.13%
Whatcom Co Drug Fund	37,183	37,910	376,000	10.08%
Auditor's O&M Fund	26,357	16,577	166,500	9.96%
Emergency Management	284,441	294,656	963,866	30.57%
Flood Control Zone Dist Fund	256,787	233,855	5,505,978	4.25%
Sub-Flood Zones	20,237	16,368	194,705	8.41%
Birch Bay Sub-Zone	53,739	66,738	735,000	9.08%
Pt Roberts Fuel Tax Fund	21,236	23,691	60,000	39.49%
Conservation Futures Fund	76,469	69,489	1,098,591	6.33%
Real Estate Excise Tax Fund II	205,424	216,590	1,338,926	16.18%
Real Estate Excise Tax Fund I	205,424	216,590	1,337,000	16.20%
Public Utilities Imprv Fund	850,229	857,781	3,314,377	25.88%
Birch Bay Drive & Pedestrian Fac.	745,000	-	307,666	0.00%
Birch Bay Portal Way Signal	300,000	-	3,837,590	0.00%
Potter Rd/ S. Fork Bridge	1,900,000	-	7,700,000	0.00%
Rural Road Safety Program	16,100	-	950,846	0.00%
Nesset Farm Restoration	-	-	250,000	0.00%
Slater Road Intersection	-	1,621,580	2,740,000	59.18%
Dakota Creek Bridge	-	-	2,718,268	0.00%
Telecommunications System	-	-	100,000	0.00%
Ferry System Fund	310,176	275,699	2,758,000	10.00%
Equipment Rental & Revolving	1,835,357	1,935,031	10,640,874	18.18%
Administrative Services Fund	4,001,216	3,886,070	18,529,844	20.97%

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 First Quarter 2014 Financial Report

For the Quarter Ended March 31, 2014



Special Revenue Funds and Other Funds - Expenditures

	2013 Actual As of 3/31/2013	2014 Actual As of 3/31/2014	2014 Budget	% Expended of 2014 Budget
County Road Fund	5,889,293	5,358,236	23,688,572	22.62%
Election Reserve Fund	256,818	279,862	1,346,131	20.79%
Veterans Relief	69,238	62,232	416,335	14.95%
Jail Fund	3,169,636	3,345,630	13,359,648	25.04%
Low Income Housing	71,092	54,472	274,000	19.88%
Homeless Housing	361,222	444,506	3,300,613	13.47%
Stormwater Fund	148,649	148,375	2,042,919	7.26%
Chemical Depend/Mental Hlth	362,842	459,081	3,644,920	12.60%
County Wide Emergency Medical	1,146,416	1,746,616	8,366,712	20.88%
Trial Court Improvement Fund	-	-	13,735	0.00%
Solid Waste Fund	97,826	103,475	1,030,280	10.04%
WC Convention Center Fund	64,260	26,623	558,980	4.76%
Victim/Witness Assistance Fund	21,623	21,951	141,953	15.46%
Whatcom Co Drug Fund	63,019	2,046	593,967	0.34%
Auditor's O&M Fund	66,085	25,162	230,964	10.89%
Emergency Management	137,564	155,934	980,006	15.91%
Flood Control Zone Dist Fund	481,440	415,560	7,182,538	5.79%
Sub-Flood Zones	-	1,935	294,994	0.66%
Birch Bay Sub Zone	51,456	81,179	1,505,531	5.39%
Conservation Futures Fund	5,050	8,879	831,600	1.07%
Real Estate Excise Tax Fund II	754,493	26,050	2,551,840	1.02%
Real Estate Excise Tax Fund I	9,567	33,785	712,213	4.74%
Civic Center Bldg Fund	507,530	-	2,500,000	0.00%
Public Utilities Improvement	31,325	9,713	9,871,016	0.10%
East Cnty Regional Resource Ctr	58	9,970	76,580	13.02%
Jail Improvement Fund	198,045	25,031	992,774	2.52%
Birch Bay Drive & Pedestrian Fac.	54,074	8,030	972,999	0.83%
Birch Bay Portal Way Signal	101,434	36,937	3,308,620	1.12%
Potter/ S. Fork Bridge	34,918	51,602	8,695,589	0.59%
Rural Road Safety	50,526	39,909	1,759,841	2.27%
Sheriff Records	-	433	299,882	0.14%
New Jail Project 2013	-	-	135,194	0.00%
SC Fourth Judge Courtroom	-	56,366	140,347	40.16%
Nesset Farm	-	-	250,000	0.00%
State St Bldg Acquisition & Imprv	-	2,346	5,042,682	0.05%
Slater Road Intersection	-	17,431	2,740,000	0.64%
Dakota Creek Bridge	-	27,434	2,718,268	1.01%
Telecommunications System	-	7,148	100,000	7.15%
Ferry System Fund	554,533	551,620	2,532,609	21.78%
Equipment Rental & Revolving	1,595,530	1,706,042	15,026,577	11.35%
Administrative Services Fund	4,820,402	4,232,804	19,979,351	21.19%

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.