



2004 Second Quarter Financial Report

Compiled and Presented by the
Administrative Services Department,
Finance Division
Brad Bennett,
Finance Manager

October 8, 2004

Whatcom County Second Quarter 2004 Financial Report

For the Quarter Ended June 30, 2004



Executive Summary

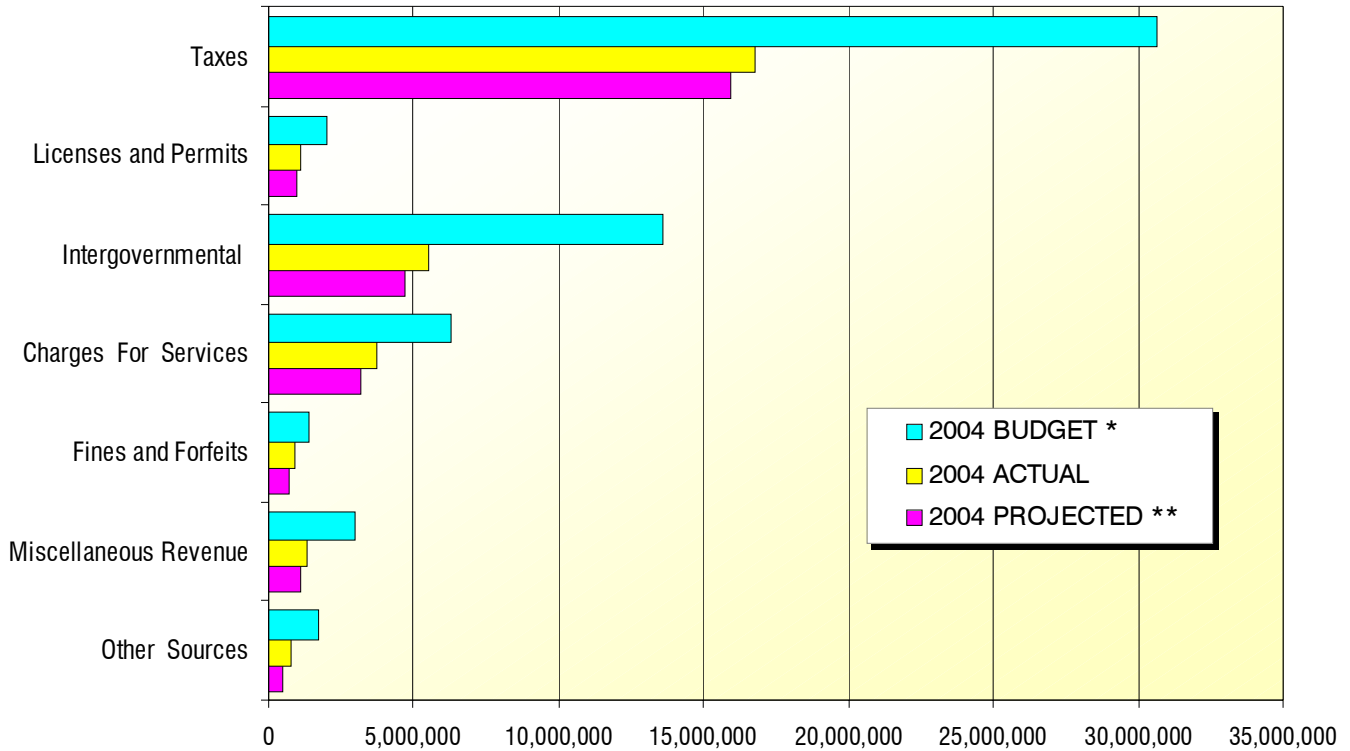
The following is Whatcom County's second quarter 2004 financial report. At the end of the second quarter, the General Fund collected 51% of its budgeted revenue and spent 46.6% of its budgeted expenditures. These percentages are similar to prior year figures. Currently, the projected 2004 General Fund ending fund balance is \$19.4 million.

Whatcom County Second Quarter 2004 Financial Report

For the Quarter Ended June 30, 2004



General Revenue - Budget vs. Actual



* "2004 Budget" figures represent 2004 amended budget annual amounts.

** Based on past revenue history, the "2004 Projected" figures represent portions of 2004 amended budget amounts, as projected at the end of this quarter. Projections are adjusted throughout the year as new information becomes available.

	2004 Budget Adopted	2004 Budget Supp'ls	2004 Budget Amended	Actual as of 06/30/04	% Collected To Date	Projected as of 06/30/04
Taxes	30,657,131	0	30,657,131	16,743,819	54.62%	15,933,185
Licenses and Permits	1,925,835	109,778	2,035,613	1,117,374	54.89%	972,558
Intergovernmental	12,922,834	661,094	13,583,928	5,513,533	40.59%	4,695,992
Charges For Services	6,054,426	245,718	6,300,144	3,697,981	58.70%	3,155,377
Fines and Forfeits	1,396,100	0	1,396,100	905,001	64.82%	702,774
Miscellaneous Revenue	2,957,532	8,400	2,965,932	1,291,757	43.55%	1,125,837
Other Sources	1,712,234	25,000	1,737,234	734,791	42.30%	460,294
Total Revenue	57,626,092	1,049,990	58,676,082	30,004,256	51.14%	27,046,017

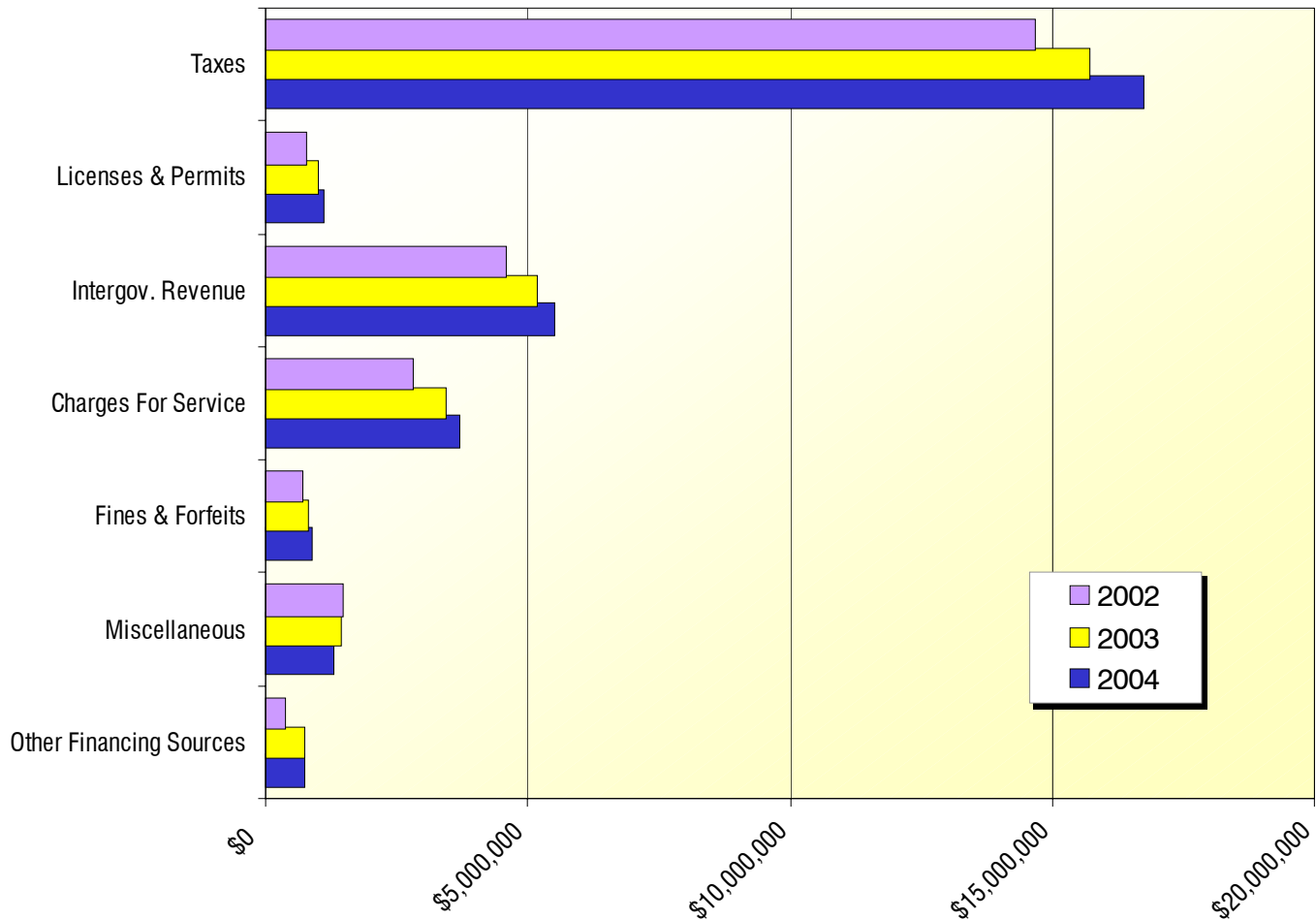
See pages 4 and 5 for General Fund Revenue Notes.

Whatcom County Second Quarter 2004 Financial Report

For the Quarter Ended June 30, 2004



General Fund Revenue to Date - Compared to Prior Years



	2002	2003	2004
Taxes	14,665,427	15,727,185	16,743,819
Licenses & Permits	784,549	1,013,758	1,117,374
Intergov. Revenue	4,585,941	5,187,941	5,513,533
Charges For Service	2,813,649	3,450,764	3,697,981
Fines & Forfeits	696,275	807,558	905,001
Miscellaneous	1,480,295	1,447,762	1,291,757
Other Financing Sources	379,714	745,097	734,791
Total Revenue	25,405,850	28,380,065	30,004,256

See pages 4 and 5 for General Fund Revenue Notes.

Whatcom County Second Quarter 2004 Financial Report

For the Quarter Ended June 30, 2004



General Fund Revenue Notes

Taxes

Property tax and retail sales tax make up 93% of Whatcom County's tax revenue budget.

Tax revenues are \$1,016,600 greater than second quarter 2003. This is primarily the result of property tax revenue, which is \$875,240 greater than second quarter 2003. Approximately twenty five percent of the property tax increase is attributable to new construction added to the tax rolls and approximately seventy five percent of the property tax increase is attributable to a change that began on January 1, from collection of a flood fee to property tax.

Licenses & Permits

Building permits account for 67.5% of "Licenses & Permits" budgets. Health Department, marriage and fire control licenses and permits account for the remaining 32.5%.

License and permit revenues were 55% collected at the end of June. This is \$104,0000, or 10% higher than second quarter 2003. Building permits accounted for half of this increase. The balance were increases in food handling permits and on-site sewage permits.

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 quarter-end were 40.6% of budget and \$325,590 greater than second quarter 2003. This increase was primarily attributable to a increase in payments in lieu of taxes from the Federal government.

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.

"Charges for Services" revenues are 58.7% collected as of the end of the second quarter. This category was \$247,200, or 7% greater than collected in the second quarter 2003. Probation and jail alternative program fees were 29%, or \$155,400 greater than the second quarter 2003. Plan check and review fees were 5%, or \$54,000 greater than second quarter 2003. Interfund service charges to other departments were \$78,000 more than second quarter 2003.



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.

"Fines and Forfeits" revenues are 65% percent collected as of the end of the second quarter. This category is \$97,440, or 12% greater than second quarter 2003. This increase is due to traffic infraction income which is up \$102,600, or 23% over second quarter in 2003.

Miscellaneous

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

"Miscellaneous" revenues were \$156,000, or 10% less than second quarter 2003 collections. The majority of the difference between 2003 and 2004 Miscellaneous revenue collections is due to a drop in interest earnings resulting from low interest rates.

Other Financing Sources

The "Other Financing Sources" revenue budget is 32% state timber revenues and 68% operating transfers from other Whatcom County funds.

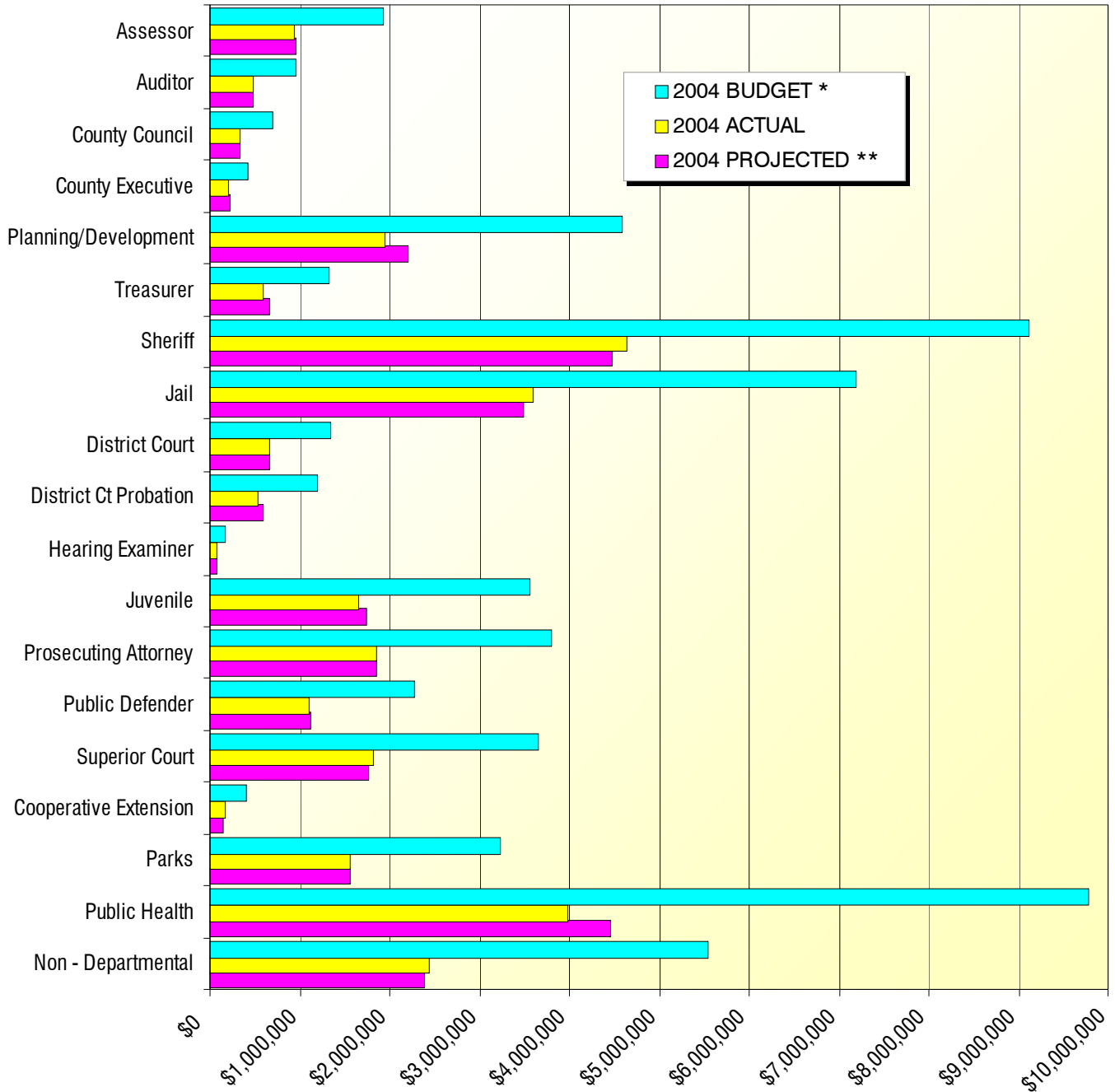
These two revenue sources were \$26,200, or 6% less than second quarter 2003 revenue amounts. State timber sale revenue was \$20,570 less than second quarter 2003. There is a cyclical nature to this revenue stream and these decreases were anticipated.

Whatcom County Second Quarter 2004 Financial Report

For the Quarter Ended June 30, 2004



General Fund Expenditures - Budget vs. Actual



* "2004 Budget" figures represent 2004 amended budget annual amounts.

** Based on past expenditure history, the "2004 Projected" figures represent portions of 2004 amended budget amounts, as projected at the end of this quarter. Projections are adjusted throughout the year as new information becomes available.

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

Whatcom County Second Quarter 2004 Financial Report

For the Quarter Ended June 30, 2004



General Fund Expenditures - Budget vs. Actual

	Adopted 2004 Budget	Budget Supplementals	Amended Budget	Actual as of 06/30/04	% Expended To Date	Projected as of 06/30/04
Assessor	1,919,078		1,919,078	931,371	48.53%	946,778
Auditor	957,238		957,238	474,493	49.57%	469,000
County Council	702,416		702,416	334,634	47.64%	336,440
County Executive	422,453		422,453	199,357	47.19%	216,804
Planning & Development	3,710,698	877,864	4,588,562	1,950,414	42.51%	2,192,996
Treasurer	1,247,283	65,625	1,312,908	586,077	44.64%	653,144
Sheriff	9,022,298	93,746	9,116,044	4,637,594	50.87%	4,475,276
Jail	7,045,986	138,434	7,184,420	3,594,659	50.03%	3,479,014
District Court	1,331,884		1,331,884	652,783	49.01%	655,589
District Court Probation	1,197,443		1,197,443	537,810	44.91%	594,157
Hearing Examiner	156,518		156,518	69,920	44.67%	76,631
Juvenile	3,565,668		3,565,668	1,653,324	46.37%	1,750,814
Prosecuting Attorney	3,790,016	8,316	3,798,332	1,844,464	48.56%	1,845,822
Public Defender	2,218,950	63,658	2,282,608	1,099,833	48.18%	1,118,458
Superior Court	3,646,709		3,646,709	1,812,345	49.70%	1,761,403
Cooperative Extension	409,140		409,140	156,609	38.28%	154,097
Park	3,132,026	100,455	3,232,481	1,552,520	48.03%	1,554,668
Public Health	9,740,340	39,919	9,780,259	3,988,047	40.78%	4,459,063
Non - Departmental	5,193,275	342,521	5,535,796	2,436,644	44.02%	2,382,401
Total General Fund Exp	59,409,419	1,730,538	61,139,957	28,512,898	46.64%	29,122,555

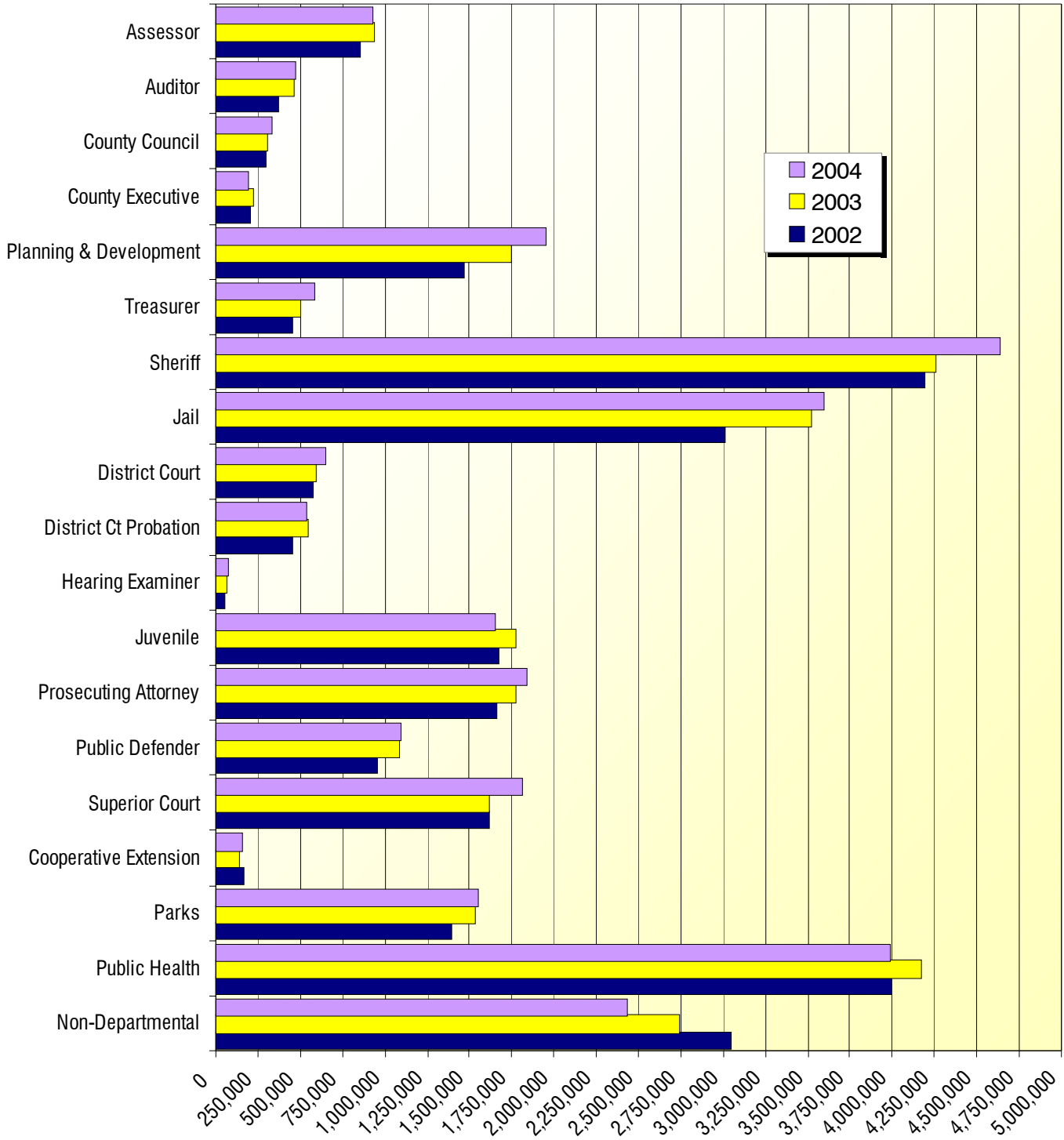
See page 9 for General Fund Expenditure Notes.

Whatcom County Second Quarter 2004 Financial Report

For the Quarter Ended June 30, 2004



General Fund Expenditures to Date - Compared to Prior Years



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

Whatcom County Second Quarter 2004 Financial Report

For the Quarter Ended June 30, 2004



General Fund Expenditures to Date - Compared to Prior Years

	2002	2003	2004
Assessor	856,253	936,024	931,371
Auditor	367,236	469,072	474,493
County Council	299,609	305,771	334,634
County Executive	204,829	224,070	199,357
Planning & Development	1,468,250	1,746,707	1,950,414
Treasurer	458,661	498,987	586,077
Sheriff	4,195,015	4,256,811	4,637,594
Jail	3,008,041	3,524,927	3,594,659
District Court	573,640	596,966	652,783
District Ct Probation	459,465	550,595	537,810
Hearing Examiner	53,804	65,991	69,920
Juvenile	1,675,183	1,770,886	1,653,324
Prosecuting Attorney	1,665,130	1,770,888	1,844,464
Public Defender	956,631	1,089,649	1,099,833
Superior Court	1,612,997	1,612,902	1,812,345
Cooperative Extension	163,892	139,992	156,609
Parks	1,390,566	1,535,947	1,552,520
Public Health	3,993,926	4,170,255	3,988,047
Non-Departmental	3,045,505	2,742,481	2,436,644
TOTAL	26,448,633	28,008,921	28,512,898

General Fund Expenditure Notes

Overall expenditures for the General Fund were at 46.6% of the approved budget. This is the slightly lower than 47.5% spent as of second quarter 2003. All departments, with the exception of the Sheriff's Office, had expenditures at 50% or less of their budget.

The Sheriff's Office has spent 51% of their budget and exceeded projections by \$162,320. This is due to security work performed under a contract with the Port of Bellingham. The Sheriff's Office will be requesting additional budget authority through the supplemental budget process to continue providing security at the airport.

Whatcom County Second Quarter 2004 Financial Report

For the Quarter Ended June 30, 2004



General Fund Conclusion

	Approved Budget	Projected
Beginning Fund Balance	15,023,627	19,493,154
Revenues		
Budgeted Revenues 2004	57,626,092	57,626,092
Supplemental Budgets 2004	-	1,049,990
Total Revenue	57,626,092	58,676,082
Expenditures		
Budgeted Expenditures 2004	59,409,419	59,409,419
Continuing Appropriations 2004	-	229,891
Supplemental Budgets 2004	-	1,500,647
Total Expenditures	59,409,419	61,139,957
Adjusted Surplus (Deficit)	(1,783,327)	(2,463,875)
Other Considerations		
Estimated Budget Lapse - 4%		2,376,336
Ending Fund Balance	13,240,300	19,405,615
Recap of Ending Fund Balance		
Dedicated Reserve		323,300
Emergency Reserve		1,000,000
Unreserved Fund Balance		18,082,315
Total Fund Balance		19,405,615

General Fund Conclusion Notes

At the end of the second quarter of 2004 revenues are ahead of projections and appear that they will meet or exceed the 2004 budget estimates. Expenditures are consistent with the 2004 budget.

Whatcom County Second Quarter 2004 Financial Report

For the Quarter Ended June 30, 2004



Special Revenue Funds and Other Funds - Revenues

	2004 Actual As of 6/30/2003	2004 Actual As of 6/30/2004	2004 Budget	% Collected of 2004 Budget
County Road Fund	10,277,370	10,121,025	21,792,588	46.44%
Election Reserve Fund	210,504	323,352	1,458,500	22.17%
Veterans Relief	82,131	83,218	149,659	55.61%
Water Resources Fund	1,192,934	1,016	100,000	1.02%
Low-Income Housing Projects	192,928	173,206	300,000	57.74%
Solid Waste Fund	275,364	278,695	1,031,200	27.03%
WC Convention Center Fund	64,033	55,719	150,000	37.15%
Victim/Witness Assistance Fund	60,152	51,267	116,850	43.87%
CERB fund	-	-	109,135	0.00%
Whatcom Co Drug Fund	169,601	207,726	351,425	59.11%
Auditor's O&M Fund	60,182	37,548	105,200	35.69%
Emergency Management	238,395	265,542	407,259	65.20%
Flood Control Zone Dist Fund	2,341,080	1,590,633	3,225,463	49.31%
PT Roberts Fuel Tax	12,061	14,327	20,000	71.64%
Conservation Futures Fund	442,452	445,743	808,529	55.13%
Sub-Flood Zones	69,643	64,771	117,437	55.15%
Real Estate Excise Tax Fund	623,457	1,316,521	1,000,000	131.65%
Rural Sales Tax Fund	975,052	1,028,853	2,025,000	50.81%
Whatcom Co Investment Pool	86,162	106,826	177,031	60.34%
Equipment Rental & Revolving	3,315,611	3,294,530	8,570,603	38.44%
Administrative Services Fund	5,777,275	5,932,019	13,253,418	44.76%

Notes:

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

Water Resources Fund: with completion of Water Resources Inventory Area planning this fund has been significantly reduced to receiving transfers from the General Fund for contracted educational services.

Election Reserve: Grant revenue will be posted during the second half of the year.

Emergency Management: annual general fund transfer of \$103,301 recorded in the first half of year, annual billings to area municipalities also recorded in the first half of year.

Flood: revenue is down due to shifting revenue generation from a flood fee to a property tax based system. Change results in \$1.5 million less district revenue.

Real Estate Excise Tax Fund: Effective April 1, 2004, the County Council adopted a second .25% real estate excise tax to fund parks and capital projects.

Whatcom County Second Quarter 2004 Financial Report

For the Quarter Ended June 30, 2004



Special Revenue Funds and Other Funds - Expenditures

	2004 Actual As of 6/30/2003	2004 Actual As of 6/30/2004	2004 Budget	% Expended of 2004 Budget
County Road Fund	8,135,105	8,145,521	31,092,922	26.20%
Election Reserve Fund	206,648	345,389	1,517,218	22.76%
Veterans Relief	48,742	71,051	169,659	41.88%
Water Resources Fund	1,418,872	45,012	277,120	16.24%
Solid Waste Fund	416,651	505,279	1,319,702	38.29%
WC Convention Center Fund	71,499	77,611	145,500	53.34%
Victim/Witness Assistance Fund	26,202	29,307	117,164	25.01%
CERB fund	-	-	109,135	0.00%
Whatcom Co Drug Fund	170,353	139,644	709,400	19.68%
Auditor's O&M Fund	7,517	154,030	385,823	39.92%
Emergency Management	201,369	195,337	440,533	44.34%
Flood Control Zone Dist Fund	1,900,190	1,815,405	6,072,331	29.90%
Conservation Futures Fund	24,617	18,207	75,000	24.28%
Sub-Flood Zones	-	2,307	200,250	1.15%
Real Estate Excise Tax Fund	564,966	1,195,565	1,785,565	66.96%
Public Utilities Improvement	210,442	138,257	1,596,485	8.66%
Whatcom Co Investment Pool	92,991	79,462	179,239	44.33%
Equipment Rental & Revolving	3,091,980	3,021,275	9,424,379	32.06%
Administrative Services Fund	6,253,784	6,472,127	15,040,301	43.03%

Note:

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

Election Reserves: costs up compared to last year due to elections held in the first quarter.

Veterans Relief: costs up due to reorganization of how claims are handled. More claims are processed due to staffing in a new office is now in place.

Water Resources Fund: with completion of Water Resources Inventory Area planning this fund has been significantly reduced to paying for contracted educational services.

Auditor's O&M: costs up compared to last year due to purchases of professional services and equipment for document imaging upgrades.

Real Estate Excise Tax Fund: annual bond payments are one lump sum this year due to bond refunding.