

Whatcom County First Quarter 2005 Financial Report

For the Quarter Ended March 31, 2005



Executive Summary

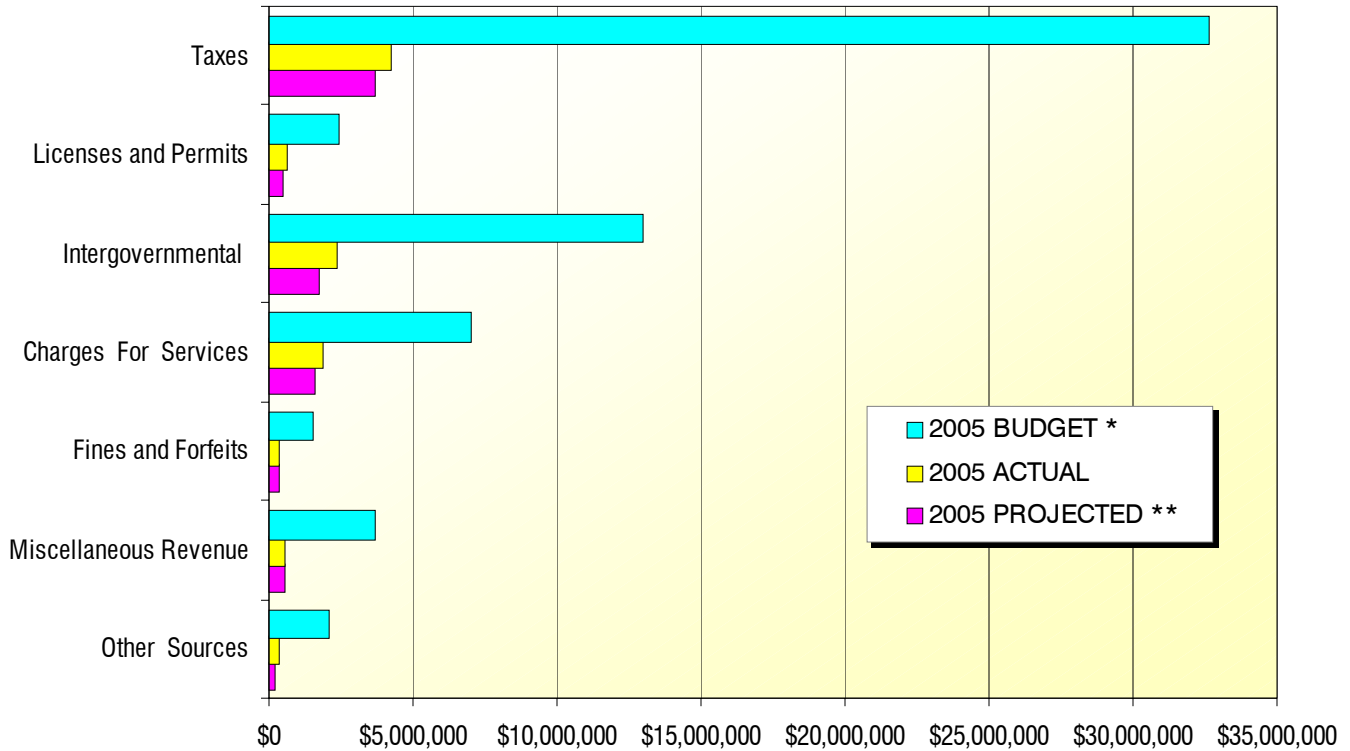
At the end of the first quarter of 2005, revenues are ahead of projections and the General Fund is expected to meet or exceed 2005 budget estimates. Expenditures are on track with the 2005 budget allocations.

Whatcom County First Quarter 2005 Financial Report

For the Quarter Ended March 31, 2005



General Revenue - Budget vs. Actual



* "2005 Budget" figures represent 2005 amended budget annual amounts.

** Based on past revenue history, the "2005 Projected" figures represent portions of 2005 amended budget amounts, as projected at the end of this quarter. Projections are adjusted throughout the year as new information becomes available.

| | 2005 Budget Adopted | 2005 Budget Supp'ls | 2005 Budget Amended | Actual as of 03/31/05 | % Collected To Date | Projected as of 03/31/05 |
|-----------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|--------------------------|
| Taxes | 32,612,911 | 0 | 32,612,911 | 4,260,312 | 13.06% | 3,709,690 |
| Licenses and Permits | 2,400,940 | 0 | 2,400,940 | 591,433 | 24.63% | 474,384 |
| Intergovernmental | 12,957,937 | 27,388 | 12,985,325 | 2,329,959 | 17.94% | 1,735,674 |
| Charges For Services | 6,995,804 | 0 | 6,995,804 | 1,879,769 | 26.87% | 1,602,787 |
| Fines and Forfeits | 1,547,983 | 0 | 1,547,983 | 358,303 | 23.15% | 372,899 |
| Miscellaneous Revenue | 3,695,451 | 0 | 3,695,451 | 555,111 | 15.02% | 534,109 |
| Other Sources | 2,099,433 | 0 | 2,099,433 | 355,242 | 16.92% | 218,003 |
| Total Revenue | 62,310,459 | 27,388 | 62,337,847 | 10,330,129 | 16.57% | 8,647,546 |

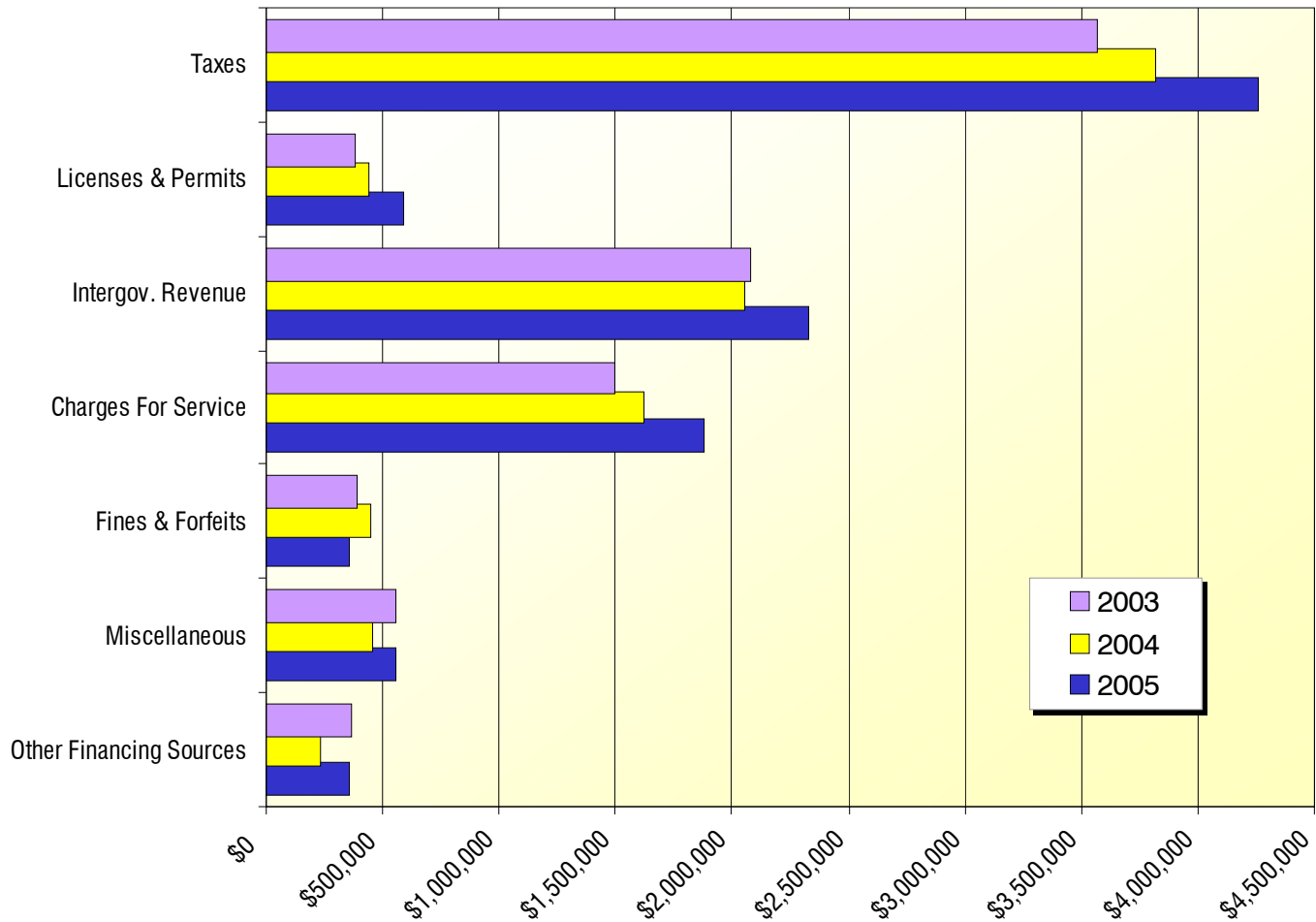
See pages 4 and 5 for General Fund Revenue Notes.

Whatcom County First Quarter 2005 Financial Report

For the Quarter Ended March 31, 2005



General Fund Revenue to Date - Compared to Prior Years



| | 2003 | 2004 | 2005 |
|-------------------------|------------------|------------------|-------------------|
| Taxes | 3,566,024 | 3,814,027 | 4,260,312 |
| Licenses & Permits | 386,683 | 438,210 | 591,433 |
| Intergov. Revenue | 2,077,764 | 2,054,487 | 2,329,959 |
| Charges For Service | 1,493,155 | 1,623,802 | 1,879,769 |
| Fines & Forfeits | 387,312 | 446,866 | 358,303 |
| Miscellaneous | 556,336 | 460,753 | 555,111 |
| Other Financing Sources | 365,598 | 234,592 | 355,242 |
| Total Revenue | 8,832,872 | 9,072,737 | 10,330,129 |

See pages 4 and 5 for General Fund Revenue Notes.

Whatcom County First Quarter 2005 Financial Report

For the Quarter Ended March 31, 2005



General Fund Revenue Notes

Taxes

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

Tax revenues are \$446,280 greater than first quarter 2004 amounts. Property tax collections are consistent with collections at this time last year; however, collection of interest and penalties on property taxes increased \$176,295. Sales tax revenue is \$248,000, or 12% greater than first quarter 2004. Other tax amounts were similar to prior years.

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%.

Building permit revenues were \$106,500, or 33%, greater than first quarter 2004, with total revenue of \$429,100.

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 18% of budget and comparable to first quarter 2004 amounts.

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 27% collected as of the end of the first quarter. This category was \$256,000, or 16% greater than collected in the first quarter 2004. Revenue from zoning and subdivision fees increased \$50,700 from first quarter 2004. Plan check fees increased \$155,200, or 90%. A moratorium was placed on building within the Lake Whatcom Watershed causing a rush of applicants to schedule and pay for plan checks.

Whatcom County First Quarter 2005 Financial Report

For the Quarter Ended March 31, 2005



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 23% percent collected as of the end of the first quarter. This category is \$88,500, or 20% less than first quarter 2004. Most of the decrease is due to a reduction in traffic infraction income of \$76,400, or 29% less than first quarter in 2004. We believe traffic infraction revenues are down as a result of a court ruling that prohibits the state from suspending drivers' licenses without a hearing. This removed an incentive to pay traffic infractions.

Miscellaneous

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

"Miscellaneous" revenues were \$94,400, or 21% greater than first quarter 2004 collections. Investment interest is \$30,000 greater than 2004. Private contributions of \$56,800 were collected during the first quarter. This is \$55,000 more than at this time last year. Whatcom County received a \$40,000 contribution from St. Joseph Hospital in the first quarter to fund a project to recruit and retain doctors in Whatcom County.

Other Financing Sources

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

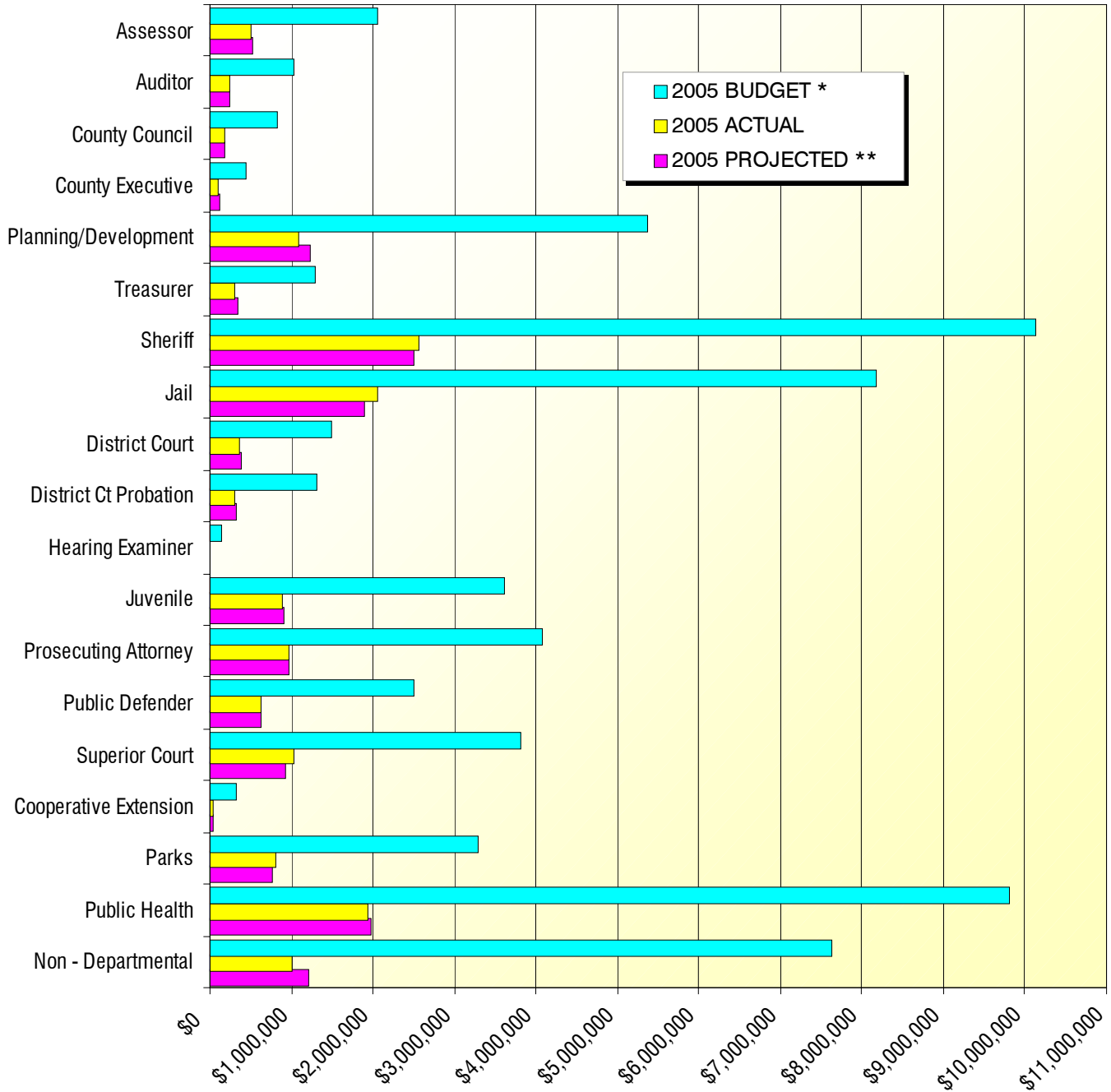
These two revenue sources were \$120,600, or 52% greater than first quarter 2004 revenue amounts. State timber sale revenue is \$99,300 greater than first quarter 2004. State timber revenues fluctuate based on harvest plans and market conditions.

Whatcom County First Quarter 2005 Financial Report

For the Quarter Ended March 31, 2005



General Fund Expenditures - Budget vs. Actual



* "2005 Budget" figures represent 2005 amended budget annual amounts.

** Based on past expenditure history, the "2005 Projected" figures represent portions of 2005 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 First Quarter 2005 Financial Report

For the Quarter Ended March 31, 2005



General Fund Expenditures - Budget vs. Actual

| | Adopted 2005 Budget | Budget Supplementals | Amended Budget | Actual as of 03/31/05 | % Expended To Date | Projected as of 03/31/05 |
|-------------------------------|------------------------|-------------------------|-------------------|--------------------------|-----------------------|-----------------------------|
| Assessor | 2,054,428 | 9,706 | 2,064,134 | 505,135 | 24.47% | 517,758 |
| Auditor | 1,030,042 | 5,987 | 1,036,029 | 239,192 | 23.09% | 251,746 |
| County Council | 814,012 | 10,561 | 824,573 | 191,590 | 23.24% | 191,143 |
| County Executive | 436,446 | 5,542 | 441,988 | 109,948 | 24.88% | 114,007 |
| Planning & Development | 4,891,532 | 482,783 | 5,374,315 | 1,091,679 | 20.31% | 1,230,938 |
| Treasurer | 1,178,235 | 106,038 | 1,284,273 | 299,476 | 23.32% | 339,929 |
| Sheriff | 9,645,221 | 481,902 | 10,127,123 | 2,563,541 | 25.31% | 2,512,774 |
| Jail | 7,838,239 | 335,251 | 8,173,490 | 2,054,278 | 25.13% | 1,896,244 |
| District Court | 1,481,532 | 2,151 | 1,483,683 | 355,555 | 23.96% | 377,823 |
| District Court Probation | 1,299,482 | 3,327 | 1,302,809 | 292,802 | 22.47% | 319,021 |
| Hearing Examiner | 149,071 | 0 | 149,071 | 29,295 | 19.65% | 29,296 |
| Juvenile | 3,599,239 | 21,593 | 3,620,832 | 878,629 | 24.27% | 901,168 |
| Prosecuting Attorney | 4,025,594 | 50,776 | 4,076,370 | 970,785 | 23.81% | 977,360 |
| Public Defender | 2,488,327 | 21,115 | 2,509,442 | 631,981 | 25.18% | 621,848 |
| Superior Court | 3,709,678 | 110,850 | 3,820,528 | 1,023,536 | 26.79% | 927,654 |
| Cooperative Extension | 317,278 | 0 | 317,278 | 44,861 | 14.14% | 44,863 |
| Park | 3,239,811 | 49,386 | 3,289,197 | 797,429 | 24.24% | 765,657 |
| Public Health | 9,773,286 | 32,392 | 9,805,678 | 1,928,400 | 19.67% | 1,985,849 |
| Non - Departmental | 8,545,673 | (910,792) | 7,634,881 | 1,018,289 | 13.34% | 1,213,532 |
| Total General Fund Exp | 66,517,126 | 818,568 | 67,335,694 | 15,026,401 | 22.32% | 15,218,610 |

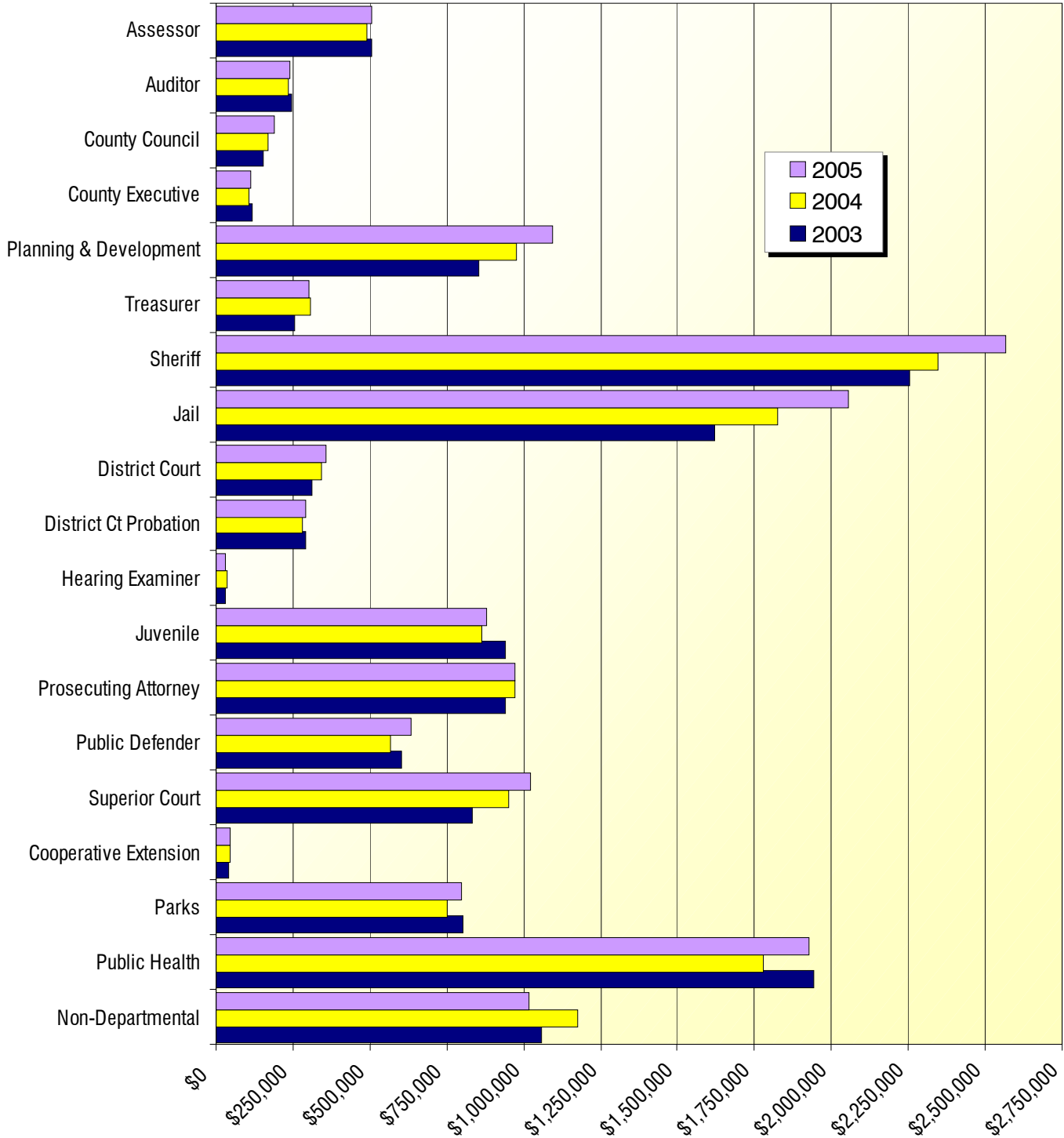
See page 9 for General Fund Expenditure Notes.

Whatcom County First Quarter 2005 Financial Report

For the Quarter Ended March 31, 2005



General Fund Expenditures to Date - Compared to Prior Years



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

Whatcom County First Quarter 2005 Financial Report

For the Quarter Ended March 31, 2005



General Fund Expenditures to Date - Compared to Prior Years

| | 2003 | 2004 | 2005 |
|------------------------|-------------------|-------------------|-------------------|
| Assessor | 506,814 | 492,091 | 505,135 |
| Auditor | 242,882 | 237,041 | 239,192 |
| County Council | 154,504 | 169,614 | 191,590 |
| County Executive | 119,144 | 107,557 | 109,948 |
| Planning & Development | 852,171 | 976,076 | 1,091,679 |
| Treasurer | 256,656 | 305,678 | 299,476 |
| Sheriff | 2,254,575 | 2,345,244 | 2,563,541 |
| Jail | 1,619,660 | 1,824,945 | 2,054,278 |
| District Court | 313,547 | 343,008 | 355,555 |
| District Ct Probation | 293,651 | 281,777 | 292,802 |
| Hearing Examiner | 29,083 | 36,320 | 29,295 |
| Juvenile | 941,761 | 862,087 | 878,629 |
| Prosecuting Attorney | 938,047 | 973,099 | 970,785 |
| Public Defender | 602,312 | 568,643 | 631,981 |
| Superior Court | 833,081 | 951,953 | 1,023,536 |
| Cooperative Extension | 42,353 | 46,120 | 44,861 |
| Parks | 804,146 | 749,772 | 797,429 |
| Public Health | 1,941,329 | 1,779,197 | 1,928,400 |
| Non-Departmental | 1,056,026 | 1,175,822 | 1,018,289 |
| TOTAL | 13,801,742 | 14,226,044 | 15,026,401 |

General Fund Expenditure Notes

Overall expenditures for the General Fund were at 22.3% of the approved budget. This is the slightly less than spent as of first quarter 2004. All departmental spending, with the exception of Superior Court, were within expectations. Superior Court spent 26.8% percent of its approved budget due to payments made for grant programs.

Whatcom County First Quarter 2005 Financial Report

For the Quarter Ended March 31, 2005



General Fund Conclusion

| | Approved Budget | Projected |
|-----------------------------------|-------------------|-------------------|
| Beginning Fund Balance | 18,454,667 | 22,276,285 |
| Revenues | | |
| Budgeted Revenues 2005 | 62,310,459 | 62,310,459 |
| Supplemental Budgets 2005 | - | 27,388 |
| Total Revenue | <u>62,310,459</u> | <u>62,337,847</u> |
| Expenditures | | |
| Budgeted Expenditures 2005 | 66,517,126 | 66,517,126 |
| Continuing Appropriations 2005 | - | 642,017 |
| Supplemental Budgets 2005 | - | 176,550 |
| Total Expenditures | <u>66,517,126</u> | <u>67,335,693</u> |
| Adjusted Surplus (Deficit) | (4,206,667) | (4,997,846) |
| Other Considerations | | |
| Estimated Budget Lapse - 4% | 2,420,416 | 2,420,416 |
| Ending Fund Balance | <u>16,668,416</u> | <u>19,698,855</u> |

General Fund Conclusion Notes

For the first quarter of 2005, Whatcom County's revenues were \$1.7 million greater than projected, and expenditures were \$203,790 less than projected.

Whatcom County First Quarter 2005 Financial Report

For the Quarter Ended March 31, 2005



Special Revenue Funds and Other Funds - Revenues

| | 2004 Actual As of 3/31/2004 | 2005 Actual As of 3/31/2005 | 2005 Budget | % Collected of 2005 Budget |
|--------------------------------|--------------------------------|--------------------------------|----------------|-------------------------------|
| County Road Fund | 2,483,046 | 2,650,558 | 26,060,799 | 10.17% |
| Election Reserve Fund | 25,304 | 31,044 | 654,749 | 4.74% |
| Veterans Relief | 9,931 | 11,047 | 157,674 | 7.01% |
| Low-Income Housing Projects | 77,070 | 77,959 | 335,000 | 23.27% |
| Solid Waste Fund | - | 100,508 | 1,046,000 | 9.61% |
| WC Convention Center Fund | 25,141 | 34,137 | 150,000 | 22.76% |
| Victim/Witness Assistance Fund | 23,314 | 26,995 | 112,717 | 23.95% |
| CERB fund | - | - | 189,360 | 0.00% |
| Whatcom Co Drug Fund | 124,953 | 69,943 | 330,000 | 21.19% |
| Auditor's O&M Fund | 16,805 | 16,983 | 125,400 | 13.54% |
| Emergency Management | 256,522 | 245,975 | 1,620,443 | 15.18% |
| Flood Control Zone Dist Fund | 265,987 | 186,528 | 3,781,065 | 4.93% |
| PT Roberts Fuel Tax | 5,610 | 7,527 | 30,000 | 25.09% |
| Conservation Futures Fund | 53,280 | 56,618 | 977,465 | 5.79% |
| Sub-Flood Zones | 10,447 | 11,579 | 106,188 | 10.90% |
| Real Estate Excise Tax Fund II | - | 437,144 | 1,505,172 | 29.04% |
| Real Estate Excise Tax Fund I | 327,015 | 445,801 | 1,505,172 | 29.62% |
| Rural Sales Tax Fund | 526,416 | 569,919 | 2,293,425 | 24.85% |
| Whatcom Co Investment Pool | 50,495 | 53,890 | 183,940 | 29.30% |
| Equipment Rental & Revolving | 1,628,779 | 1,802,172 | 8,654,130 | 20.82% |
| Administrative Services Fund | 2,929,474 | 3,037,167 | 15,757,925 | 19.27% |

Notes:

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

Election Reserve, Road Fund, Veterans Relief: property tax payments for the first half of year to be posted during the second quarter.

Solid Waste Fund: excise tax is received quarterly. The first quarter excise taxes for 2005 will be received in the second quarter. First quarter 2005 revenues are derived from grants.

Real Estate Excise Tax Fund II began receiving revenue in third quarter 2004.

Whatcom County First Quarter 2005 Financial Report

For the Quarter Ended March 31, 2005



Special Revenue Funds and Other Funds - Expenditures

| | 2004 Actual As of 3/31/2004 | 2005 Actual As of 3/31/2005 | 2005 Budget | % Expended of 2005 Budget |
|--------------------------------|--------------------------------|--------------------------------|----------------|------------------------------|
| County Road Fund | 4,864,765 | 3,835,957 | 33,489,437 | 11.45% |
| Election Reserve Fund | 251,553 | 128,596 | 773,785 | 16.62% |
| Veterans Relief | 53,336 | 36,238 | 157,674 | 22.98% |
| Solid Waste Fund | 310,166 | 186,158 | 1,376,845 | 13.52% |
| WC Convention Center Fund | 49,196 | 22,882 | 161,584 | 14.16% |
| Victim/Witness Assistance Fund | 18,029 | 15,371 | 124,096 | 12.39% |
| CERB fund | - | - | 189,360 | 0.00% |
| Whatcom Co Drug Fund | 134,398 | 30,491 | 737,472 | 4.13% |
| Auditor's O&M Fund | 78,636 | 25,749 | 156,828 | 16.42% |
| Emergency Management | 121,078 | 180,868 | 1,626,082 | 11.12% |
| Flood Control Zone Dist Fund | 656,711 | 620,115 | 6,730,446 | 9.21% |
| Conservation Futures Fund | 18,207 | 233,050 | 329,408 | 70.75% |
| Sub-Flood Zones | - | 127 | 200,250 | 0.06% |
| Real Estate Excise Tax Fund II | - | 26,999 | 184,989 | 14.60% |
| Real Estate Excise Tax Fund I | - | - | 1,278,015 | 0.00% |
| Rural Sales Tax Fund | 126,459 | 241,659 | 1,915,855 | 12.61% |
| Whatcom Co Investment Pool | 50,994 | 35,809 | 183,940 | 19.47% |
| Equipment Rental & Revolving | 1,491,954 | 1,549,771 | 10,868,023 | 14.26% |
| Administrative Services Fund | 4,243,859 | 3,284,851 | 17,141,941 | 19.16% |

Note:

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



**2005
First
Quarter
Financial
Report**

Compiled and Presented by the
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May 15, 2005