

Whatcom County Third Quarter 2005 Financial Report

For the Quarter Ended September 30, 2005



Executive Summary

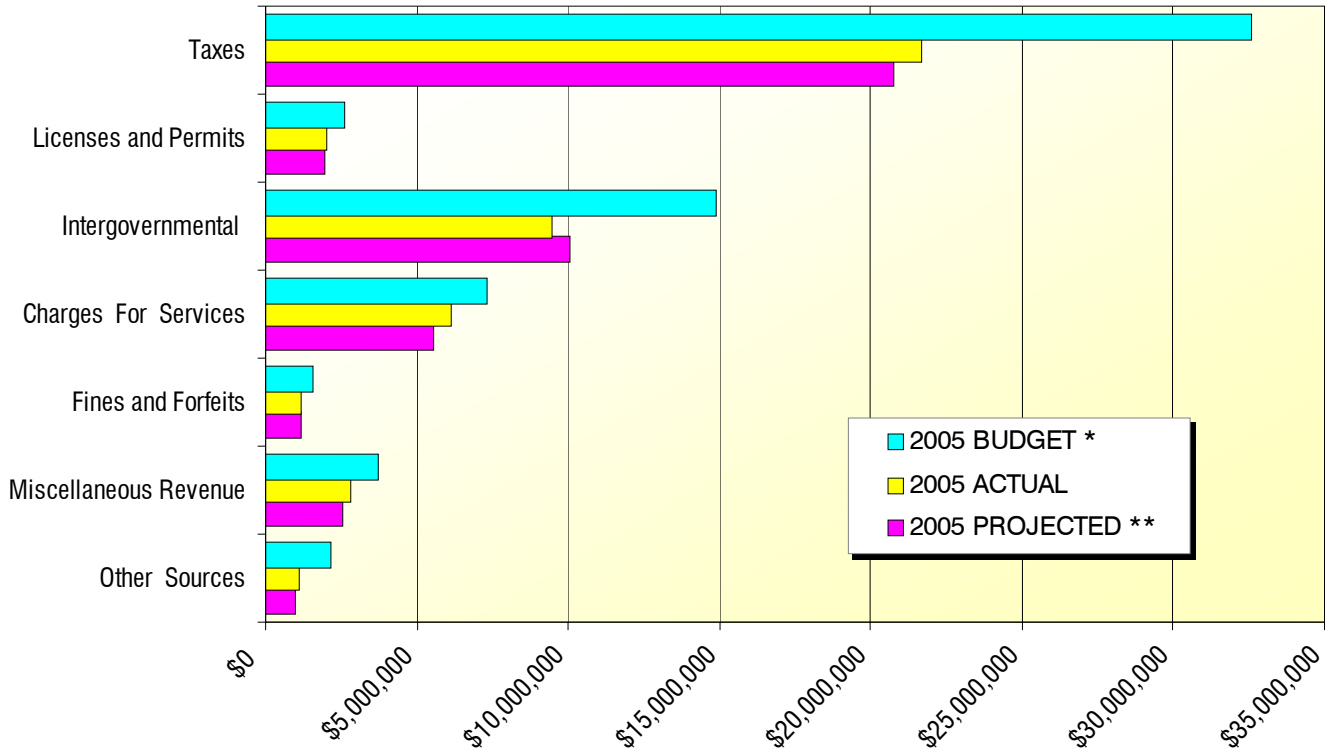
The following is Whatcom County's third quarter 2005 financial report. At the end of the third quarter, the General Fund collected 68.7% of its budgeted revenue and spent 65.2% of its budgeted expenditures. Revenue is \$2.76 million and expenditures are \$2.2 million higher than third quarter 2004. Construction activity is continuing to drive strong revenue trends. Currently, the projected 2005 General Fund ending fund balance is \$20.4 million.

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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 09/30/05	% Collected To Date	Projected as of 09/30/05
Taxes	32,612,911	0	32,612,911	21,697,233	66.53%	20,746,215
Licenses and Permits	2,400,940	210,000	2,610,940	2,039,527	78.11%	1,976,528
Intergovernmental	12,957,937	1,922,888	14,880,825	9,486,850	63.75%	10,054,984
Charges For Services	6,995,804	318,522	7,314,326	6,158,701	84.20%	5,537,960
Fines and Forfeits	1,547,983	0	1,547,983	1,207,177	77.98%	1,176,880
Miscellaneous Revenue	3,695,451	25,998	3,721,449	2,822,469	75.84%	2,518,565
Other Sources	2,099,433	37,651	2,137,084	1,104,634	51.69%	1,007,785
Total Revenue	62,310,459	2,515,059	64,825,518	44,516,591	68.67%	43,018,917

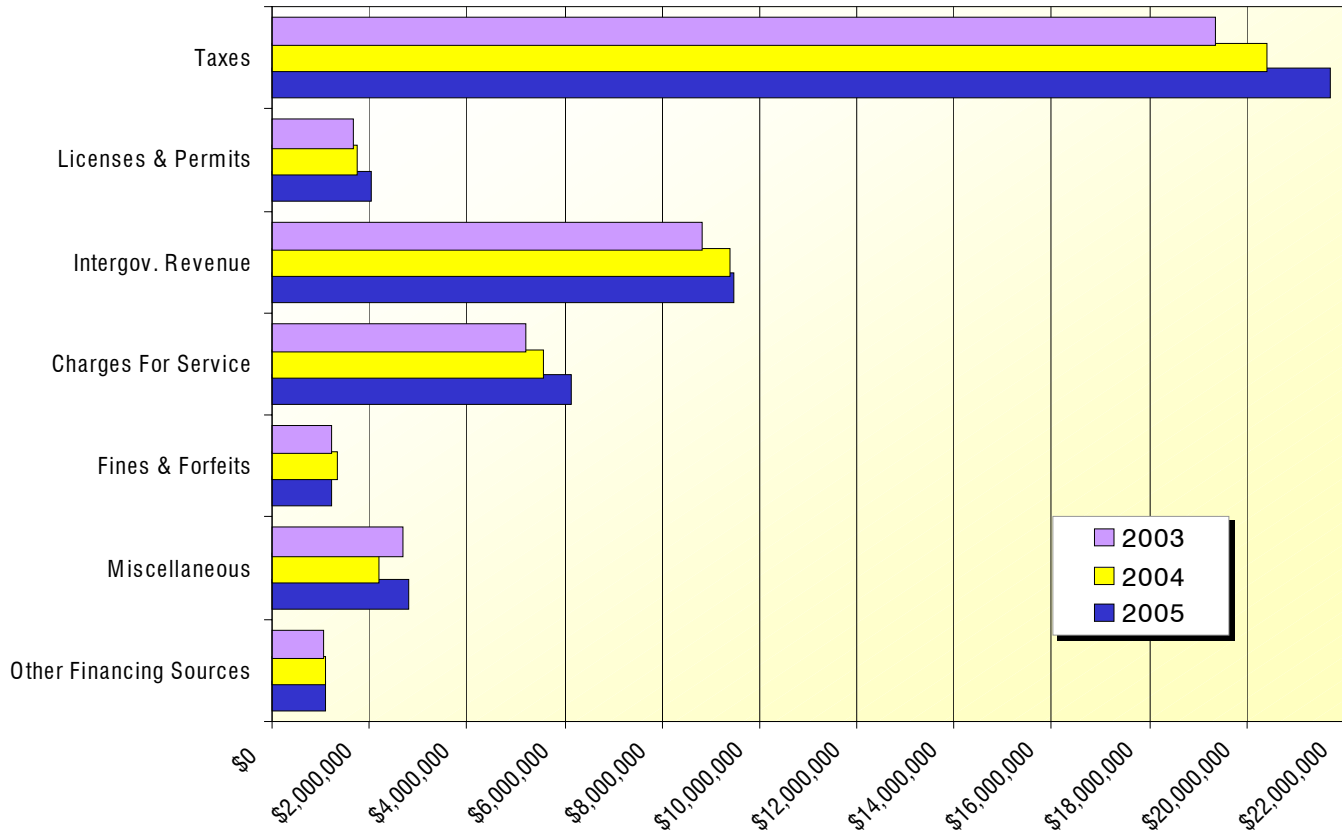
See pages 4 and 5 for General Fund Revenue Notes.

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General Fund Revenue to Date - Compared to Prior Years



	2003	2004	2005
Taxes	19,351,811	20,428,371	21,697,233
Licenses & Permits	1,671,765	1,738,951	2,039,527
Intergov. Revenue	8,824,208	9,413,820	9,486,850
Charges For Service	5,198,635	5,560,434	6,158,701
Fines & Forfeits	1,211,972	1,343,148	1,207,177
Miscellaneous	2,667,963	2,193,290	2,822,469
Other Financing Sources	1,062,522	1,080,027	1,104,634
Total Revenue	39,988,876	41,758,041	44,516,591

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 93% of Whatcom County's tax revenue budget.

Tax revenues are \$1,268,862 greater than third quarter 2004 amounts. Property tax collections are \$624,000 greater than collections at this time last year and are at 59% of budget. Additions to the tax rolls due to new construction have increased property tax collections. Collection of interest and penalties on property taxes increased \$75,470. Sales tax revenue increased \$550,000, or 8%, over third quarter 2004. Sales tax revenues are up due to increased construction and increased car sales.

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 \$229,000 or 17.6%, higher than third quarter 2004, with total revenue of \$1,532,080.

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 63.75% of budget and are comparable to third quarter 2004. Two large grant awards totalling \$1,710,000 were received during the second quarter. A federal grant for border-related crime prosecution was awarded \$860,000 dollars and a Birch Bay area sewer project was awarded \$850,000. These are reimbursable grants. Revenues will be received as costs are incurred.

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 84.2% collected as of the end of the third quarter. This category was \$600,000, or 10.8% greater than collected in the third quarter 2004. Revenue from zoning, subdivision fees, and site reviews increased \$251,700 over third quarter 2004. Plan check fees increased \$177,500, or 24.6%. A moratorium was placed on building within the Lake Whatcom Watershed causing a rush of applicants to schedule and pay for plan checks during the first quarter of the year.

Fines and Forfeits

"Fines and Forfeits" consist principally of traffic infraction revenue and criminal traffic misdemeanor penalties, which include driving while intoxicated penalties.

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General Fund Revenue Notes, continued

"Fines and Forfeits" revenues are 78% percent collected as of the end of the third quarter. This category decreased \$139,000, and is 10% less than third quarter 2004. Traffic infraction revenue decreased \$131,600 from third quarter 2004. We believe this is the result of a Washington State Supreme Court ruling prohibiting 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 \$629,000 or 28.7% greater than third quarter 2004 collections. Investment interest is up \$418,000 over 2004 due to higher interest rates. Royalties and franchise fees are up \$94,000, or 58%, due to collection of delinquent payments from a cable franchise provider.

Other Financing Sources

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

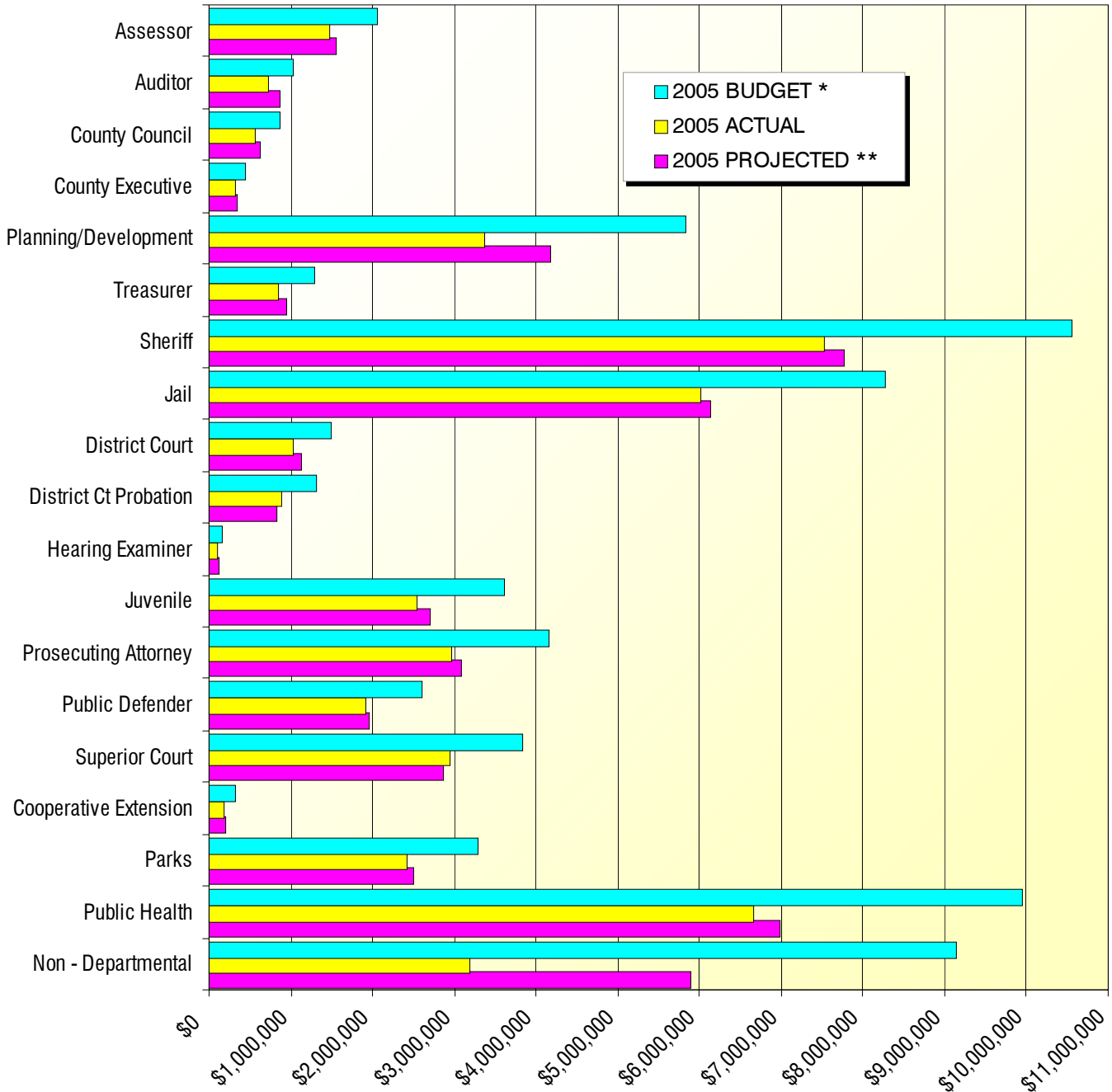
These two revenue sources are slightly ahead of projections but are comparable with third quarter 2004 amounts.

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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.

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General Fund Expenditures - Budget vs. Actual

	Adopted 2005 Budget	Budget Supplementals	Amended Budget	Actual as of 09/30/05	% Expended To Date	Projected as of 09/30/05
Assessor	2,054,428	9,706	2,064,134	1,476,045	71.51%	1,550,208
Auditor	1,030,042	5,987	1,036,029	724,435	69.92%	873,600
County Council	814,012	53,061	867,073	568,702	65.59%	632,645
County Executive	436,446	5,542	441,988	328,656	74.36%	334,657
Planning & Development	4,891,532	939,235	5,830,767	3,366,140	57.73%	4,185,192
Treasurer	1,178,235	106,038	1,284,273	852,213	66.36%	958,275
Sheriff	9,645,221	904,526	10,549,747	7,536,973	71.44%	7,770,160
Jail	7,838,239	430,658	8,268,897	6,019,386	72.80%	6,132,663
District Court	1,481,532	2,151	1,483,683	1,038,542	70.00%	1,135,422
District Court Probation	1,299,482	3,327	1,302,809	889,270	68.26%	836,707
Hearing Examiner	149,071	4,402	153,473	103,846	67.66%	111,149
Juvenile	3,599,239	21,593	3,620,832	2,552,991	70.51%	2,710,314
Prosecuting Attorney	4,025,594	123,295	4,148,889	2,968,228	71.54%	3,083,246
Public Defender	2,488,327	115,177	2,603,504	1,916,601	73.62%	1,955,023
Superior Court	3,709,678	130,850	3,840,528	2,956,161	76.97%	2,868,120
Cooperative Extension	317,278	0	317,278	175,344	55.27%	203,301
Park	3,239,811	49,386	3,289,197	2,426,358	73.77%	2,493,553
Public Health	9,773,286	186,316	9,959,602	6,653,539	66.81%	6,982,418
Non - Departmental	8,545,673	600,710	9,146,383	3,185,365	34.83%	5,886,668
Total General Fund Exp	66,517,126	3,691,960	70,209,086	45,738,795	65.15%	50,703,321

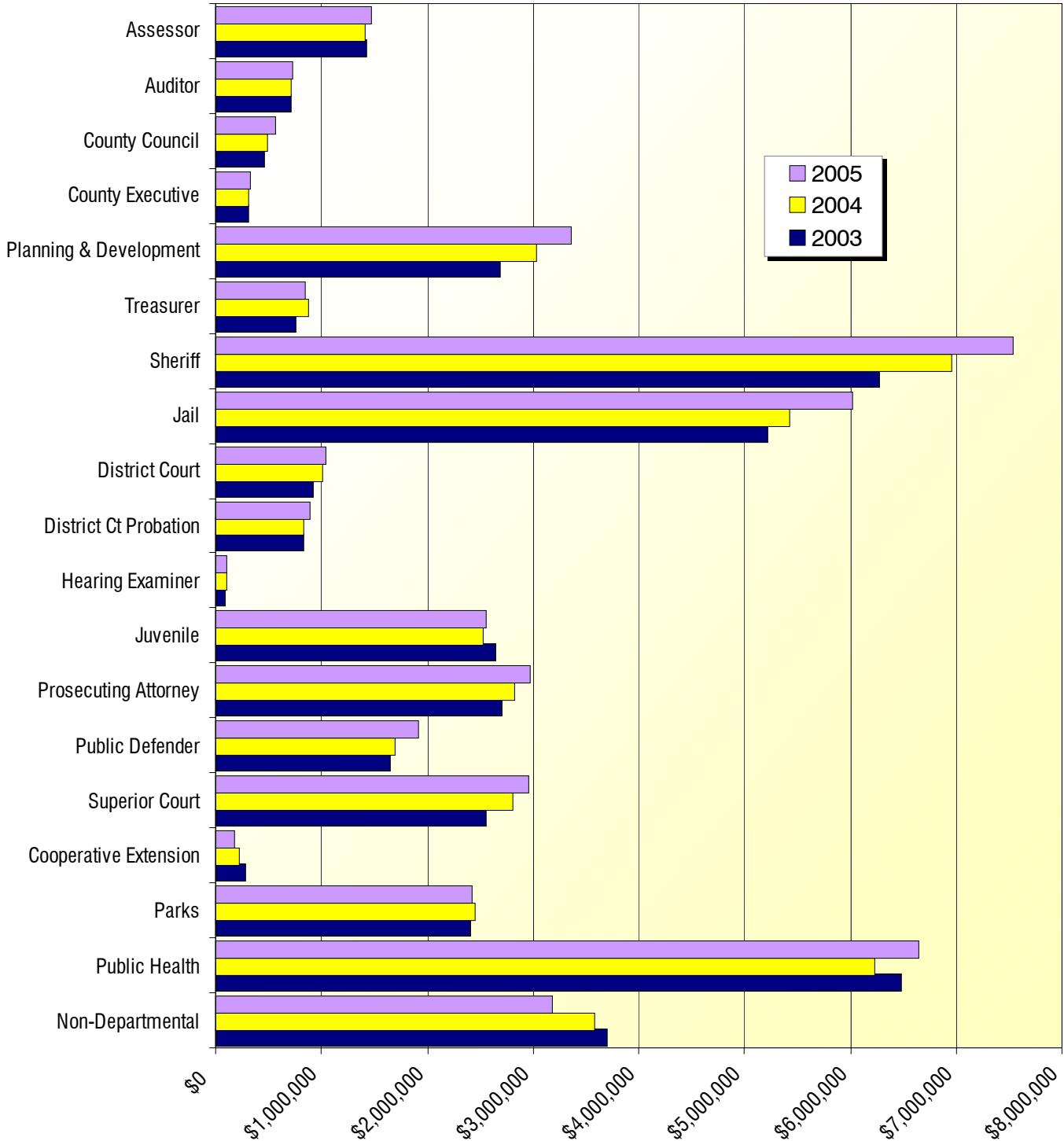
See page 9 for General Fund Expenditure Notes.

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General Fund Expenditures to Date - Compared to Prior Years



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

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General Fund Expenditures to Date - Compared to Prior Years

	2003	2004	2005
Assessor	1,426,702	1,419,064	1,476,045
Auditor	711,856	717,149	724,435
County Council	465,697	498,027	568,702
County Executive	316,548	310,070	328,656
Planning & Development	2,696,898	3,030,198	3,366,140
Treasurer	752,876	873,490	852,213
Sheriff	6,282,023	6,960,714	7,536,973
Jail	5,225,463	5,432,470	6,019,386
District Court	918,221	1,010,923	1,038,542
District Ct Probation	833,643	834,520	889,270
Hearing Examiner	93,223	99,205	103,846
Juvenile	2,646,261	2,521,107	2,552,991
Prosecuting Attorney	2,706,276	2,831,470	2,968,228
Public Defender	1,652,303	1,690,485	1,916,601
Superior Court	2,550,329	2,814,334	2,956,161
Cooperative Extension	276,191	221,335	175,344
Parks	2,405,400	2,457,192	2,426,358
Public Health	6,489,881	6,226,462	6,653,539
Non-Departmental	3,708,851	3,589,261	3,185,365
TOTAL	42,158,642	43,537,476	45,738,795

General Fund Expenditure Notes

Overall expenditures for the General Fund were at 65.15% of the approved budget. This is an increase of 5% over expenditures for third quarter 2004. All departmental spending, with the exception of Superior Court, were within expectations. Superior Court spent 76.97% percent of their approved budget due to higher than expected usage of guardian ad litem and extra help services. The Non-Departmental budget includes significant amounts set aside for transfers to other funds to fund various projects. These transfers will be recorded before year-end.

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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	-	2,515,059
Total Revenue	62,310,459	64,825,518
Expenditures		
Budgeted Expenditures 2005	66,517,126	66,517,126
Continuing Appropriations 2005	-	642,017
Supplemental Budgets 2005	-	3,049,943
Total Expenditures	66,517,126	70,209,086
Adjusted Surplus (Deficit)	(4,206,667)	(5,383,568)
Other Considerations		
Estimated Budget Lapse	2,420,416	2,660,685
Increased Revenue Projections		
Sales Tax	-	500,000
Property Tax	-	360,008
Ending Fund Balance	16,668,416	20,413,410

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Special Revenue Funds and Other Funds - Revenues

	2004 Actual As of 9/30/2004	2005 Actual As of 9/30/2005	2005 Budget	% Collected of 2005 Budget
County Road Fund	12,508,315	13,094,802	26,060,799	50.25%
Election Reserve Fund	459,694	303,957	1,407,720	21.59%
Veterans Relief	90,032	98,941	157,674	62.75%
Water Resources Fund	69,851	-	-	0.00%
Whatcom County Jail Fund	-	976,604	164,166	594.89%
Low-Income Housing Projects	261,157	271,058	335,000	80.91%
Solid Waste Fund	615,732	545,135	1,046,000	52.12%
WC Convention Center Fund	95,591	107,595	150,000	71.73%
Victim/Witness Assistance Fund	86,309	84,696	112,717	75.14%
CERB Fund	-	-	189,360	0.00%
Whatcom Co Drug Fund	312,941	476,016	330,000	144.25%
Auditor's O&M Fund	145,627	141,401	125,400	112.76%
Emergency Management	297,973	434,063	1,620,443	26.79%
Flood Control Zone Dist Fund	1,847,134	1,871,291	3,781,065	49.49%
PT Roberts Fuel Tax	26,098	31,565	30,000	105.22%
Conservation Futures Fund	722,251	617,290	977,465	63.15%
Sub-Flood Zones	67,469	77,671	106,188	73.14%
Real Estate Excise Tax Fund II	1,091,327	1,820,355	1,505,172	120.94%
Real Estate Excise Tax Fund I	1,419,968	1,829,387	1,505,172	121.54%
Public Utilities Improvement	1,656,524	1,745,126	2,293,425	76.09%
Equipment Rental & Revolving	6,509,204	6,761,229	8,865,130	76.27%
Administrative Services Fund	8,992,137	9,608,709	16,021,068	59.98%

Notes:

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

Water Resources Fund: with the completion of the Water Resources Inventory Area planning this fund has no planned revenue for 2005.

Whatcom County Jail Fund is a new fund established to account for detention facilities sales tax collections effective June 1. Revenue amounts budgeted equal expenditure amounts budgeted.

Whatcom County Drug Fund: felony penalty collections and confiscated property revenues have been higher than anticipated this year.

REET Fund I & II: real estate transactions have continued to be higher than expected.

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Special Revenue Funds and Other Funds - Expenditures

	2004 Actual As of 9/30/2004	2005 Actual As of 9/30/2005	2005 Budget	% Expended of 2005 Budget
County Road Fund	15,814,529	14,867,851	33,489,437	44.40%
Election Reserve Fund	844,053	551,594	1,386,756	39.78%
Veterans Relief	87,360	85,420	157,674	54.18%
Water Resources Fund	62,126	6,378	155,000	4.11%
Whatcom County Jail Fund	-	19,324	164,166	11.77%
Low-Income Housing Projects	-	101,150	370,578	27.30%
Solid Waste Fund	758,290	764,884	1,376,845	55.55%
WC Convention Center Fund	110,253	110,198	161,584	68.20%
Victim/Witness Assistance Fund	42,595	45,455	124,096	36.63%
CERB fund	-	-	189,360	0.00%
Whatcom Co Drug Fund	190,790	274,370	737,472	37.20%
Auditor's O&M Fund	215,778	65,735	156,828	41.92%
Emergency Management	296,091	491,822	1,626,082	30.25%
Flood Control Zone Dist Fund	2,645,221	2,576,186	6,730,446	38.28%
Conservation Futures Fund	503,729	973,029	811,908	119.84%
Sub-Flood Zones	2,307	30,281	200,250	15.12%
Real Estate Excise Tax Fund II	-	118,375	184,989	63.99%
Real Estate Excise Tax Fund I	2,068,382	1,176,615	1,278,015	92.07%
Public Utilities Improvement	176,348	3,287,163	4,217,032	77.95%
Equipment Rental & Revolving	5,422,503	6,082,918	11,079,023	54.90%
Administrative Services Fund	10,043,689	10,758,982	17,437,084	61.70%

Note:

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

Whatcom County Jail Fund is a new fund added this year as a result of the passage of the detention facility sales tax.

Low-Income Housing Projects is a relatively new fund that has just begun expending funds for various low-income housing needs in the community.

Expenditures in the funds listed above are usually project-oriented and do not occur on any regular schedule.



**2005
Third
Quarter
Financial
Report**

Compiled and Presented by the
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November 15, 2005