

Whatcom County First Quarter 2006 Financial Report

For the Quarter Ended March 31, 2006



Executive Summary

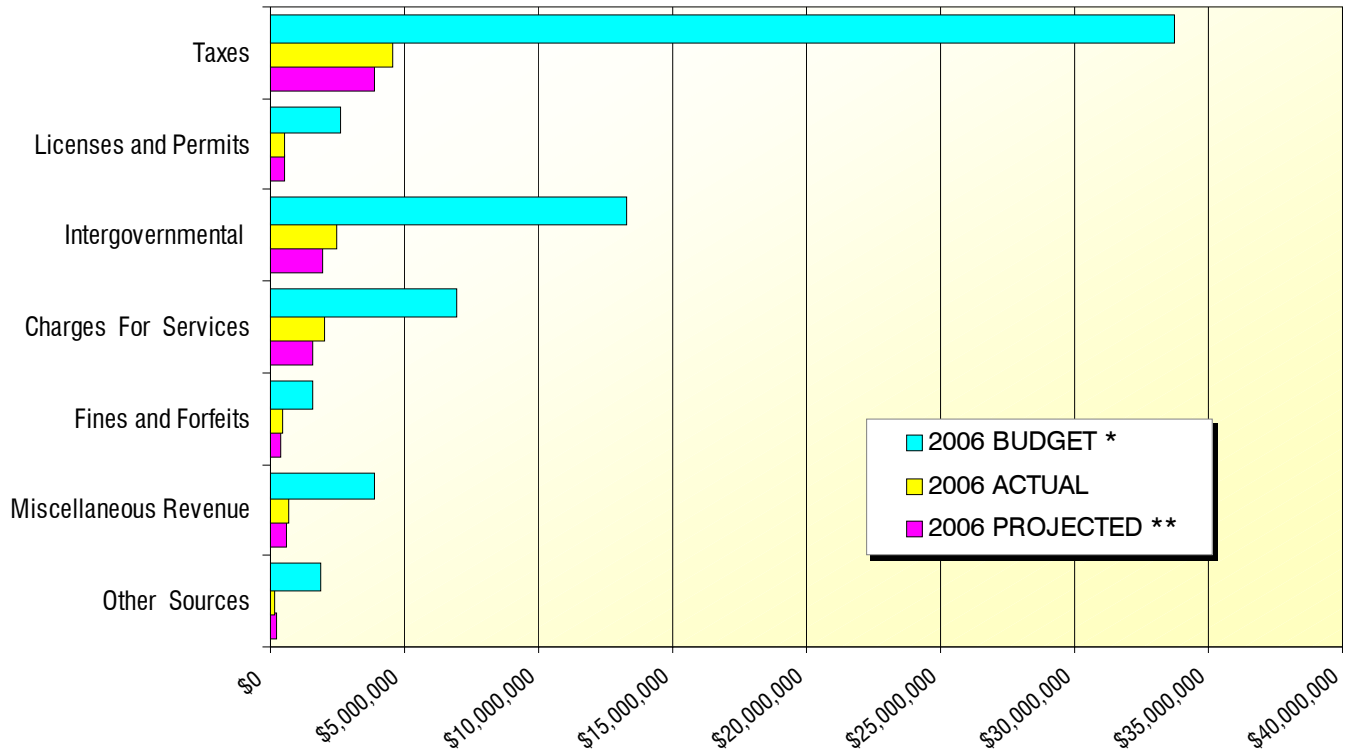
The following information presents Whatcom County's first quarter 2006 financial report. At the end of the first quarter of 2006 revenues are ahead of projections and we anticipate the General Fund will meet or exceed 2006 budget estimates. Expenditures are on track with the 2006 budget allocations.

Whatcom County First Quarter 2006 Financial Report

For the Quarter Ended March 31, 2006



General Revenue - Budget vs. Actual



	2006 Budget Adopted	2006 Budget Supp'l's	2006 Budget Amended	Actual as of 03/31/06	% Collected To Date	Projected as of 03/31/06
Taxes	33,642,668	64,000	33,706,668	4,527,119	13.43%	3,887,329
Licenses and Permits	2,418,150	200,000	2,618,150	516,505	19.73%	537,775
Intergovernmental	12,554,533	713,784	13,268,317	2,443,702	18.42%	1,910,675
Charges For Services	7,020,462	(88,970)	6,931,492	1,988,496	28.69%	1,585,340
Fines and Forfeits	1,577,580	0	1,577,580	436,687	27.68%	378,166
Miscellaneous Revenue	4,027,799	(135,970)	3,891,829	701,926	18.04%	566,162
Other Sources	1,943,291	(59,974)	1,883,317	140,881	7.48%	237,892
Total Revenue	63,184,483	692,870	63,877,353	10,755,316	16.84%	9,103,339

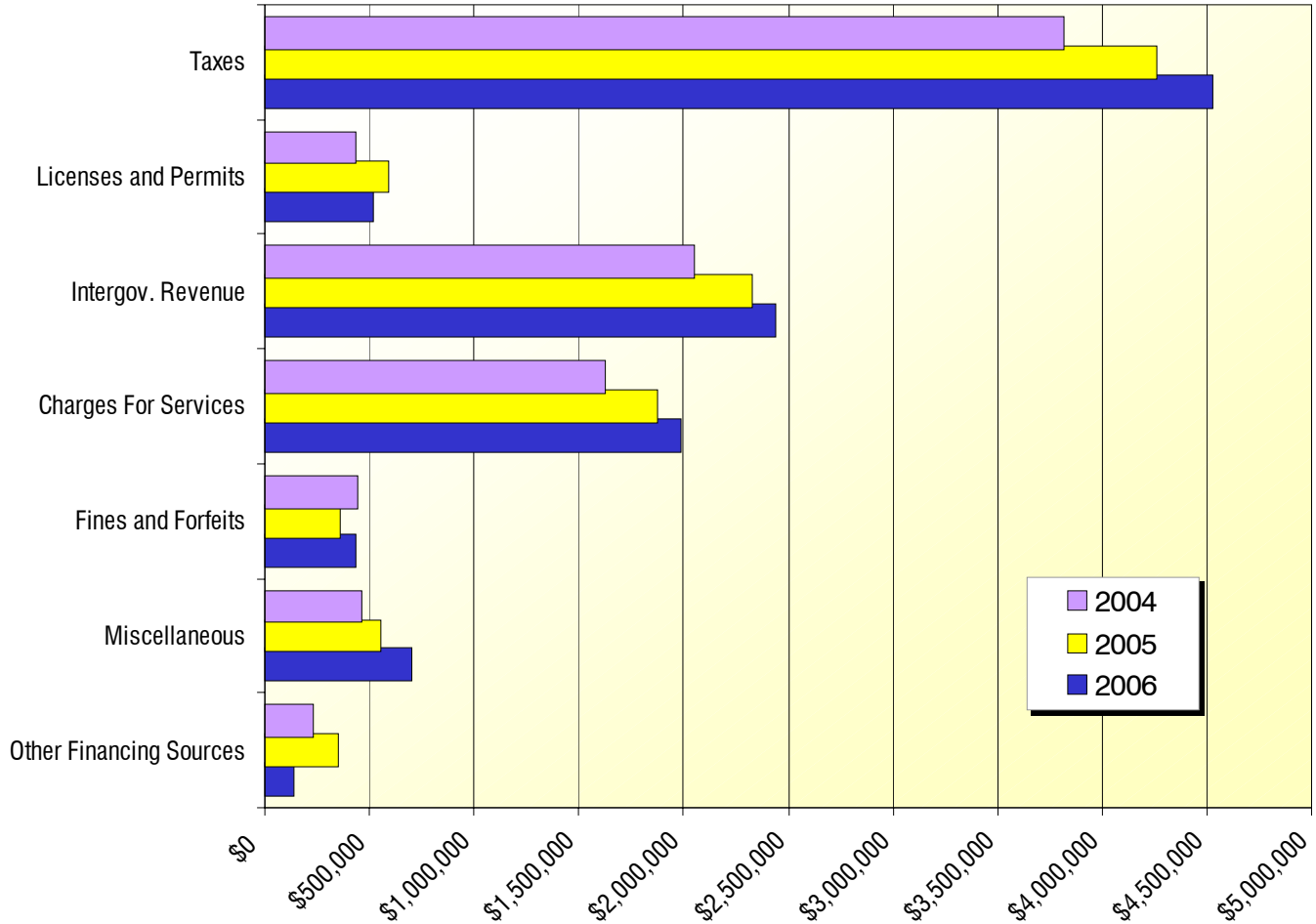
See pages 4 and 5 for General Fund Revenue Notes.

Whatcom County First Quarter 2006 Financial Report

For the Quarter Ended March 31, 2006



General Fund Revenue to Date - Compared to Prior Years



	2004	2005	2006
Taxes	3,814,027	4,260,312	4,527,119
Licenses and Permits	438,210	591,433	516,505
Intergov. Revenue	2,054,487	2,329,959	2,443,702
Charges For Services	1,623,802	1,879,769	1,988,496
Fines and Forfeits	446,866	358,303	436,687
Miscellaneous	460,753	555,111	701,926
Other Financing Sources	234,592	355,242	140,881
Total Revenue	9,072,737	10,330,129	10,755,316

See pages 4 and 5 for General Fund Revenue Notes.



General Fund Revenue Notes

Taxes

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

Tax revenues are \$266,800 greater than first quarter 2005 amounts. Property tax collections are consistent with collections at this time last year. Interest and penalties assessed on late payment of property taxes are down \$179,176 from last year. Sales tax revenue increased \$416,000 or 17%. Building construction and related industries have significant increases over the first quarter of 2005. Retail sales in almost all other industries have modest increases.

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 down \$114,000 or 36%, from first quarter 2005. Total revenue decreased from \$429,111 to \$315,047. Single-family residential permits decreased by 86 applications from the same time last year. Planning and Development Services has an additional 60 permit applications, which will be processed once the seasonal restrictions end in the Lake Whatcom and Lake Samish watersheds. This is the first year of seasonal restrictions in the watersheds.

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; this is comparable to first quarter 2005 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 increased \$108,700, or 5% from the first quarter 2005. Generally, revenues in the first quarter of 2006 were close to those in first quarter 2005. Charges for Services had a few anomalies that partially offset one another. First, 2006 County Jail revenues were moved to the new Jail Fund. In 2005 first quarter revenues from the Jail were \$148,087. In 2006 there is no Jail related revenue reported in the General Fund. Second, fees for subdivision reviews increased \$258,800 or 300% from first quarter 2005. This increase was due in part to public reaction to a



General Fund Revenue Notes, continued

potential moratorium on new subdivision applications. Third, plan check fees are down \$100,000 from 2005. This is misleading, because plan check fees in the first quarter of 2005 increased \$155,000 from 2004. This was due to a rush of applicants who scheduled and paid for plan checks before a moratorium was placed on building within the Lake Whatcom Watershed.

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 increased \$78,384 over first quarter 2005, primarily due to revenue from traffic infractions. Traffic infractions were down in 2005 due to a Washington State Supreme Court ruling prohibiting the state from suspending driver's licenses without a hearing. This ability has been restored, and traffic infraction revenues in 2006 have returned to pre-2005 levels.

Miscellaneous

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

Miscellaneous revenues totaled \$146,800 or 26% more than first quarter 2005. Investment interest is up \$215,400 over 2005. Private contributions decreased \$46,700.

Other Financing Sources

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

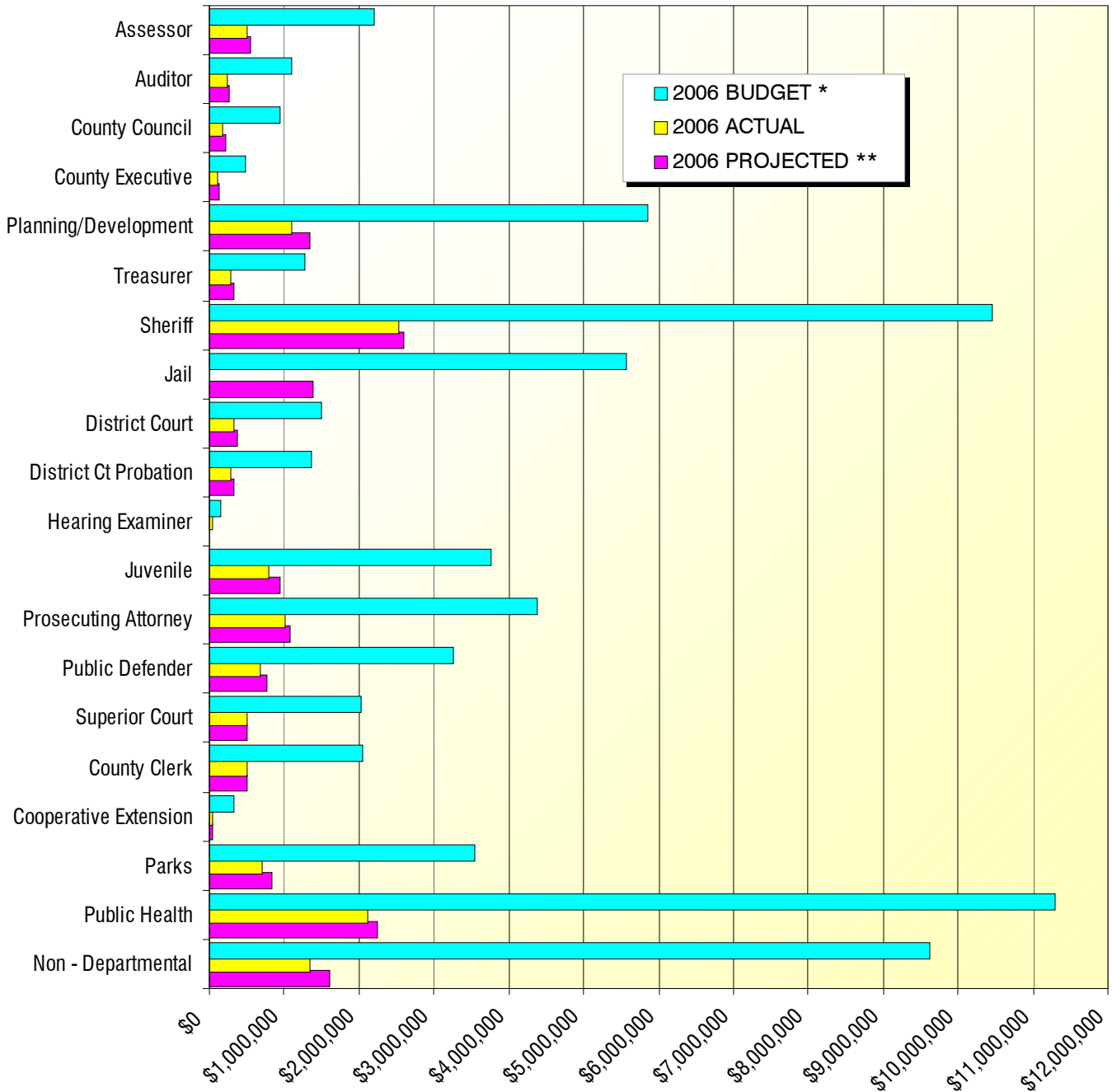
These two revenue sources were \$214,400 less than first quarter 2005. State timber sales revenue decreased \$43,400 from first quarter 2005, and Operating Transfers were down \$170,950. State Timber revenues fluctuate based on harvest plans and market conditions. Transfer revenue will catch up during the second quarter.

Whatcom County First Quarter 2006 Financial Report

For the Quarter Ended March 31, 2006



General Fund Expenditures - Budget vs. Actual



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

Whatcom County First Quarter 2006 Financial Report

For the Quarter Ended March 31, 2006



General Fund Expenditures - Budget vs. Actual

	Adopted 2006 Budget	Budget Supplementals	Amended Budget	Actual as of 03/31/06	% Expended To Date	Projected as of 03/31/06
Assessor	2,108,599	92,169	2,200,768	497,883	22.62%	548,325
Auditor	1,073,219	24,221	1,097,440	237,759	21.66%	265,781
County Council	822,224	134,124	956,348	186,489	19.50%	217,336
County Executive	449,970	38,148	488,118	110,994	22.74%	124,506
Planning & Development	4,290,128	1,571,184	5,861,312	1,110,223	18.94%	1,352,706
Treasurer	1,215,310	56,230	1,271,540	286,150	22.50%	332,356
Sheriff	9,538,742	919,602	10,458,344	2,527,399	24.17%	2,596,138
District Court	1,479,894	14,057	1,493,951	332,016	22.22%	381,891
District Court Probation	1,342,164	32,763	1,374,927	284,059	20.66%	337,514
Hearing Examiner	150,859	2,166	153,025	34,664	22.65%	29,296
Jail	7,966,641	(2,399,412)	5,567,229	0	0.00%	1,391,808
Juvenile	3,719,719	41,978	3,761,697	799,160	21.24%	936,568
Prosecuting Attorney	4,184,554	192,580	4,377,134	1,023,108	23.37%	1,080,382
Public Defender	2,647,661	607,184	3,254,845	680,059	20.89%	781,295
Superior Court	1,716,270	318,617	2,034,887	501,315	24.64%	497,122
County Clerk	1,719,913	337,329	2,057,242	504,573	24.53%	502,293
Cooperative Extension	325,864	2,703	328,567	41,704	12.69%	51,948
Park	3,246,496	299,582	3,546,078	714,461	20.15%	832,742
Public Health	9,898,093	1,388,038	11,286,131	2,107,145	18.67%	2,256,338
Non - Departmental	8,391,329	1,233,443	9,624,772	1,340,297	13.93%	1,613,784
Total General Fund Exp	66,287,649	4,906,706	71,194,355	13,319,458	18.71%	16,130,129

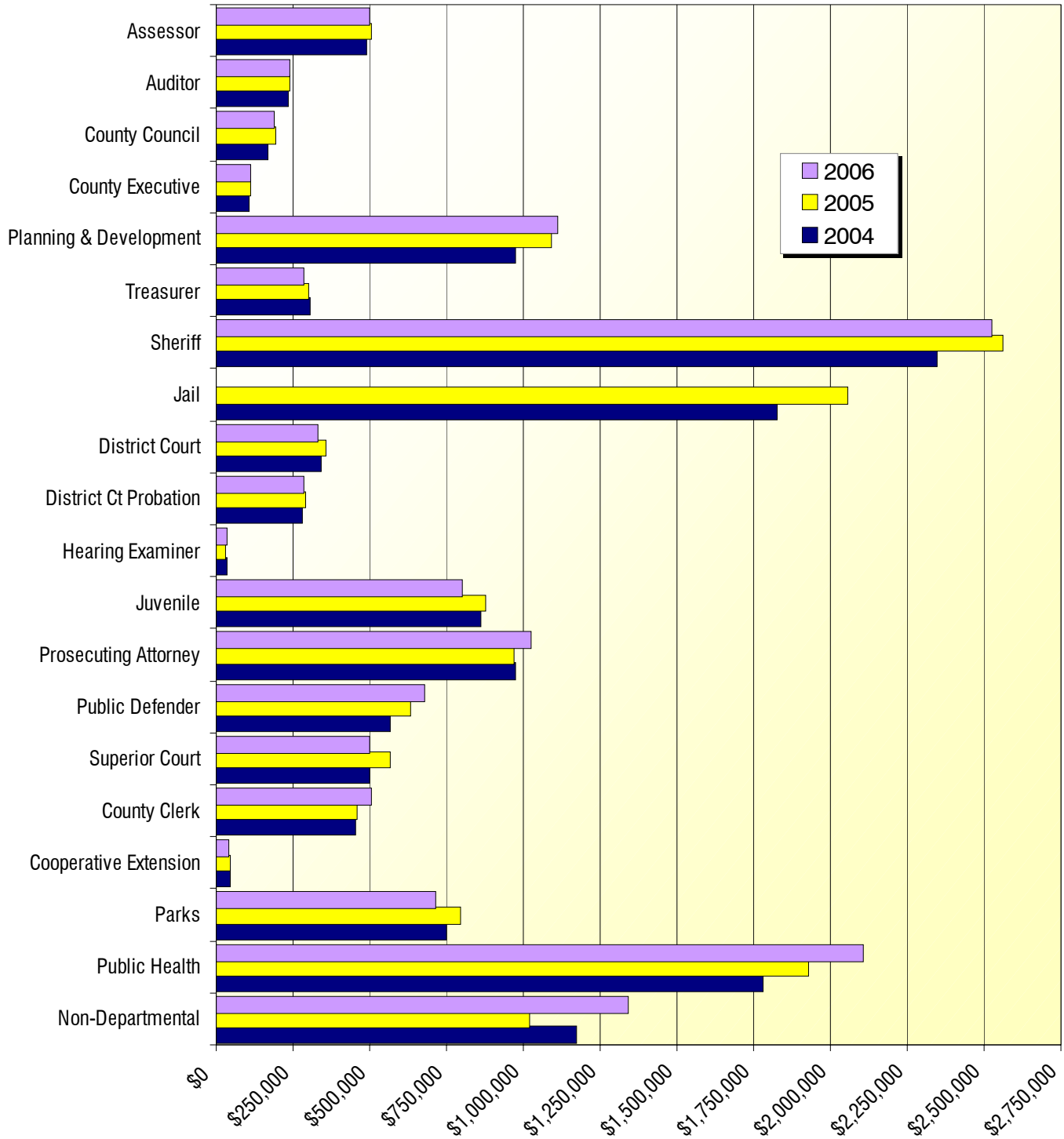
See page 9 for General Fund Expenditure Notes.

Whatcom County First Quarter 2006 Financial Report

For the Quarter Ended March 31, 2006



General Fund Expenditures to Date - Compared to Prior Years



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

Whatcom County First Quarter 2006 Financial Report

For the Quarter Ended March 31, 2006



General Fund Expenditures to Date - Compared to Prior Years

	2004	2005	2006
Assessor	492,091	505,135	497,883
Auditor	237,041	239,192	237,759
County Council	169,614	191,590	186,489
County Executive	107,557	109,948	110,994
Planning & Development	976,076	1,091,679	1,110,223
Treasurer	305,678	299,476	286,150
Sheriff	2,345,244	2,563,541	2,527,399
District Court	343,008	355,555	332,016
District Ct Probation	281,777	292,802	284,059
Hearing Examiner	36,320	29,295	34,664
Jail	1,824,945	2,054,278	0
Juvenile	862,087	878,629	799,160
Prosecuting Attorney	973,099	970,785	1,023,108
Public Defender	568,643	631,981	680,059
Superior Court	499,051	564,519	501,315
County Clerk	452,902	459,018	504,573
Cooperative Extension	46,120	44,861	41,704
Parks	749,772	797,429	714,461
Public Health	1,779,197	1,928,400	2,107,145
Non-Departmental	1,175,822	1,018,289	1,340,297
TOTAL	14,226,044	15,026,402	13,319,458

General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the first quarter were at 18.7% of the approved budget. This is a little understated because a \$1.4 million first quarter transfer to support the operation of the jail was not made until April. General fund expenditures adjusted for the jail transfer are 20.7% of the approved budget, down slightly from 22.3% of the approved budget for the first quarter 2005.

All departmental spending is consistent with prior experience.

Whatcom County First Quarter 2006 Financial Report

For the Quarter Ended March 31, 2006



General Fund Conclusion

	Approved Budget	Projected
Beginning Fund Balance	<u>18,454,667</u>	<u>22,276,285</u>
Revenues		
Budgeted Revenues 2006	63,184,483	63,184,483
Supplemental Budgets 2006	-	692,870
Total Revenue	<u>63,184,483</u>	<u>63,877,353</u>
Expenditures		
Budgeted Expenditures 2006	66,287,649	66,287,649
Continuing Appropriations 2006	-	1,301,155
Supplemental Budgets 2006	-	3,605,551
Total Expenditures	<u>66,287,649</u>	<u>71,194,355</u>
Adjusted Surplus (Deficit)	(3,103,166)	(7,317,002)
Other Considerations		
Estimated Budget Lapse - 4%	<u>2,651,506</u>	<u>2,847,773</u>
Ending Fund Balance	<u><u>18,003,007</u></u>	<u><u>17,807,056</u></u>

Whatcom County First Quarter 2006 Financial Report

For the Quarter Ended March 31, 2006



Special Revenue Funds and Other Funds - Revenues

	2005 Actual As of 3/31/2005	2006 Actual As of 3/31/2006	2006 Budget	% Collected of 2006 Budget	
County Road Fund	2,650,598	4,462,203	25,036,867	17.82%	1,2
Election Reserve Fund	31,044	82,517	683,152	12.08%	1,3
Veterans Relief	11,047	11,802	162,381	7.27%	1
Jail Fund	-	2,869,886	11,778,393	24.37%	4
Low-Income Housing Projects	77,959	76,500	341,700	22.39%	
Solid Waste Fund	100,508	7,884	1,046,000	0.75%	5
WC Convention Center Fund	34,137	37,680	150,000	25.12%	
Victim/Witness Assistance Fund	26,995	29,332	113,800	25.78%	
CERB fund	-	-	189,360	0.00%	
Whatcom Co Drug Fund	69,943	100,258	350,000	28.65%	
Auditor's O&M Fund	16,983	35,578	125,400	28.37%	
Emergency Management	245,975	391,585	1,043,692	37.52%	
Flood Control Zone Dist Fund	186,528	155,936	3,355,718	4.65%	
PT Roberts Fuel Tax	7,527	9,077	30,000	30.26%	
Conservation Futures Fund	56,618	55,453	1,421,572	3.90%	
Sub-Flood Zones	11,579	13,319	106,188	12.54%	
Real Estate Excise Tax Fund II	437,144	634,598	1,636,600	38.78%	6
Real Estate Excise Tax Fund I	445,801	638,217	1,636,600	39.00%	6
Rural Sales Tax Fund	569,919	651,087	2,408,096	27.04%	
Jail Construction Project	-	-	3,675,449	0.00%	
Whatcom Co Investment Pool	53,890	51,747	189,513	27.31%	
Equipment Rental & Revolving	1,802,172	1,583,787	9,069,026	17.46%	
Administrative Services Fund	3,037,167	3,183,295	16,537,180	19.25%	

Notes:

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

¹ *Election Reserve, Road Fund, Veterans Relief*: property tax payments for the first half of year to be posted during the second quarter.

² *Road Fund*: received 1.8 million in federal grant bridge replacement revenue.

³ *Election Reserve Fund*: received a payment of \$52,000 in federal grant revenue - Help America Vote Act.

⁴ *Jail Fund*: criminal justice sales tax for the construction of a new jail.

⁵ *Solid Waste Fund*: excise tax is received quarterly. The first quarter excise taxes for 2006 will be received in the second quarter.

⁶ *Real Estate Excise Tax Fund I & II*: increased real estate sales.

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For the Quarter Ended March 31, 2006



Special Revenue Funds and Other Funds - Expenditures

	2005 Actual As of 3/31/2005	2006 Actual As of 3/31/2006	2006 Budget	% Expended of 2006 Budget
County Road Fund	3,835,957	5,759,428	35,247,630	16.34%
Election Reserve Fund	128,596	187,013	760,958	24.58%
Veterans Relief	36,238	34,137	162,381	21.02%
Jail Fund	-	1,975,504	12,080,155	16.35%
Low Income Housing	9,705	22,358	614,580	3.64%
Solid Waste Fund	186,158	188,753	1,313,450	14.37%
WC Convention Center Fund	22,882	33,345	171,584	19.43%
Victim/Witness Assistance Fund	15,371	14,991	126,047	11.89%
CERB fund	-	-	189,360	0.00%
Whatcom Co Drug Fund	30,491	35,761	766,907	4.66%
Auditor's O&M Fund	25,749	15,465	328,380	4.71%
Emergency Management	180,868	39,524	522,908	7.56%
Flood Control Zone Dist Fund	620,115	455,990	5,014,616	9.09%
Conservation Futures Fund	233,050	31,846	1,185,700	2.69%
Sub-Flood Zones	127	-45,646	200,250	-22.79%
Real Estate Excise Tax Fund II	26,999	7,500	15,621	48.01%
Real Estate Excise Tax Fund I	-	0	2,514,723	0.00%
Rural Sales Tax Fund	241,659	466,947	1,041,460	44.84%
Jail Construction Fund	-	1,046,500	5,690,236	18.39%
Whatcom Co Investment Pool	35,809	35,952	189,513	18.97%
Equipment Rental & Revolving	1,549,771	1,555,742	9,187,128	16.93%
Administrative Services Fund	3,284,851	3,152,209	17,998,629	17.51%

Note:

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



**2006
First
Quarter
Financial
Report**

Compiled and Presented by the
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May 11, 2006