



**2007  
Third  
Quarter  
Financial  
Report**

Compiled and Presented by the  
Administrative Services Department  
Dewey Desler, Director  
Brad Bennett, Finance Manager

September 30, 2007

# Whatcom County Third Quarter 2007 Financial Report

For the Quarter Ended September 30, 2007



## Executive Summary

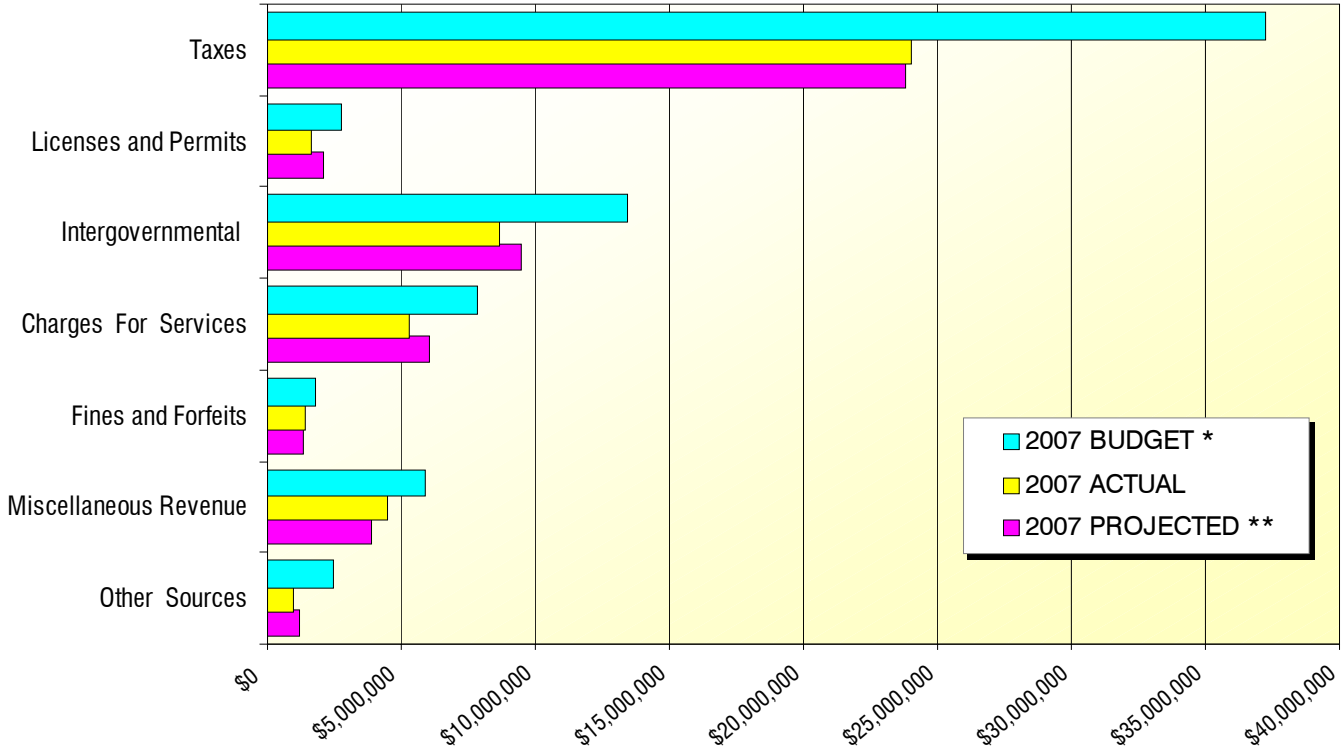
At the end of the third quarter of 2007, General Fund revenues are at 97% of projections. Development-related revenues and state timber sale revenues are significantly less than budget projections. Investment interest income and property tax revenues are exceeding projections. The General Fund is expected to end the year \$1,100,000 short of budgeted revenues. General Fund expenditure appropriations are expected to be 93% spent by year-end. We project carrying over approximately \$1,300,000 of continuing appropriations for unfinished contracts into 2008. We anticipate the 2007 budget will use \$8.8 million or 38.6% of the General Fund's fund balance. Projected ending General Fund balance is \$13,916,236. This is \$1,463,990 less than anticipated in the 2007 budget.

# Whatcom County Third Quarter 2007 Financial Report

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## General Revenue - Budget vs. Actual



	2007 Budget Adopted	2007 Budget Supp'ls	2007 Budget Amended	Actual as of 9/30/07	% Collected To Date	Projected as of 9/30/07
Taxes	37,239,961	0	37,239,961	24,035,897	64.54%	23,831,408
Licenses and Permits	2,769,629	0	2,769,629	1,647,853	59.50%	2,107,351
Intergovernmental	13,075,086	361,152	13,436,238	8,666,155	64.50%	9,500,098
Charges For Services	7,863,289	0	7,863,289	5,283,061	67.19%	6,067,665
Fines and Forfeits	1,765,722	0	1,765,722	1,395,252	79.02%	1,343,658
Miscellaneous Revenue	5,887,721	19,248	5,906,969	4,445,790	75.26%	3,912,331
Other Sources	2,200,403	283,921	2,484,324	988,147	39.78%	1,215,343
<b>Total Revenue</b>	<b>70,801,811</b>	<b>664,321</b>	<b>71,466,132</b>	<b>46,462,155</b>	<b>65.01%</b>	<b>47,977,854</b>

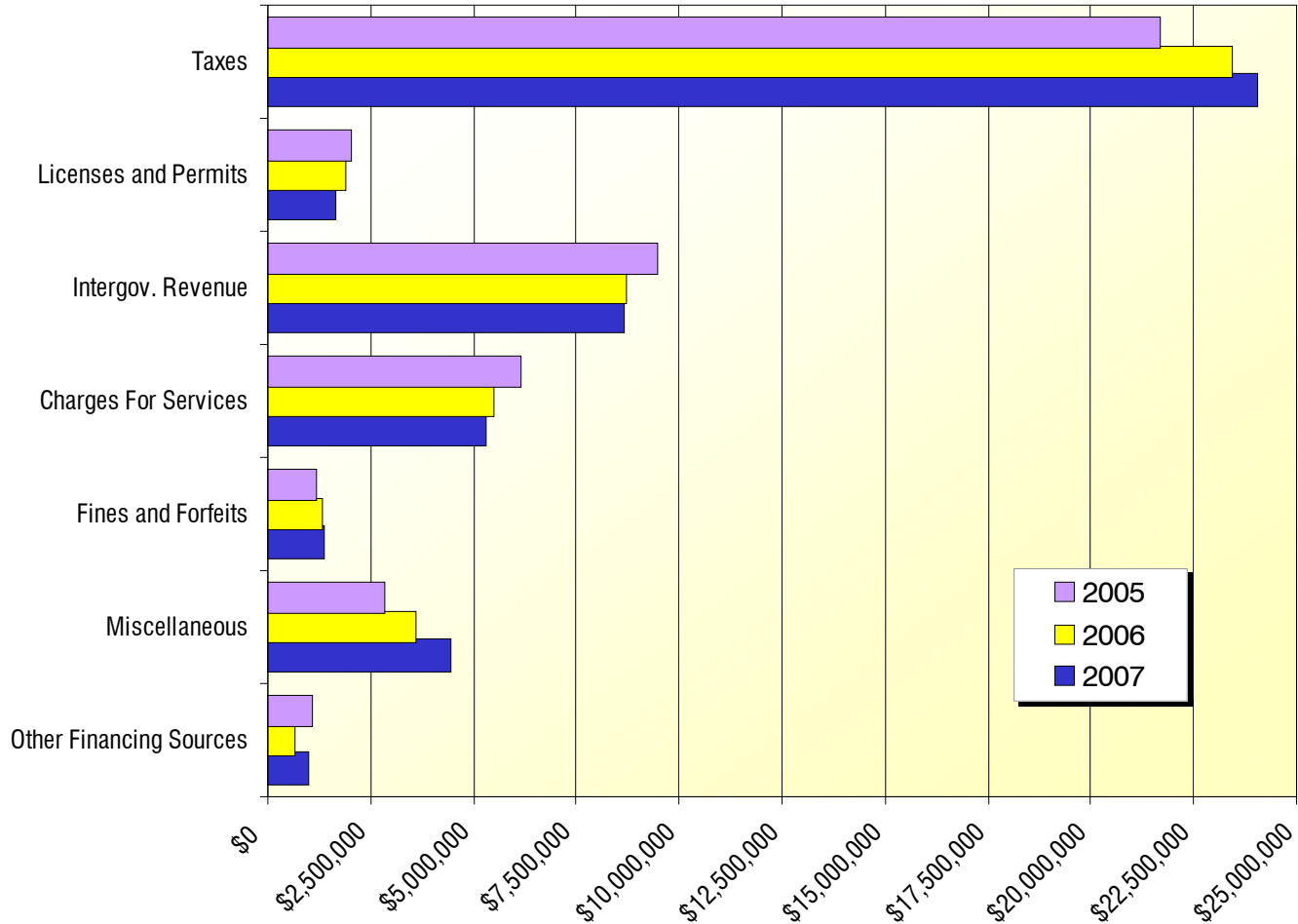
See pages 4 and 5 for General Fund Revenue Notes.

# Whatcom County Third Quarter 2007 Financial Report

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## General Fund Revenue to Date - Compared to Prior Years



	2005	2006	2007
Taxes	21,697,233	23,432,088	24,035,897
Licenses and Permits	2,039,527	1,883,639	1,647,853
Intergov. Revenue	9,486,850	8,707,538	8,666,155
Charges For Services	6,158,701	5,483,344	5,283,061
Fines and Forfeits	1,207,177	1,310,335	1,395,252
Miscellaneous	2,822,469	3,607,429	4,445,790
Other Financing Sources	1,104,634	683,430	988,147
<b>Total Revenue</b>	<b>44,516,591</b>	<b>45,107,803</b>	<b>46,462,155</b>

See pages 4 and 5 for General Fund Revenue Notes.

# Whatcom County Third Quarter 2007 Financial Report

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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 \$603,800 greater than third quarter 2006. Property tax collections increased \$560,000, or 4%, from collections at this time last year. Property tax collections will exceed budget by approximately \$300,000 due to greater than anticipated 2006 new construction. Sales tax revenue decreased slightly by \$11,800. Other tax amounts were similar to prior years.

### Licenses & Permits

*Building permits account for 67% of "Licenses & Permits" budgets. Health Department, marriage and fire control licenses and permits account for the remaining 33%.*

License and Permit revenue collections are at 59.5% of budget as of the end of the third quarter. Collections are down 14.3% or \$235,800, from third quarter 2006. Building permit revenues were down \$180,050 or 16.9%, from third quarter 2006. A general slow down in building permit applications began in 2006. Health Department permits are also down \$53,000, or 9%, below last year. Most of the decrease is due to a slow down in 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 64.5% of budget; this is in line with expectations based on prior year experience. During the year, most grant billings are not recorded until revenues are received.

### 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 revenue collections are at 67.2% of budget. Collections decreased \$200,300 or 3.8% from third quarter 2006. In particular, fees for subdivision reviews decreased \$286,175 or 63%. This decline is, in part, the result of subdivision fees returning to more normal levels. Subdivision fees were abnormally high in 2006 as a result of public reaction to a potential moratorium on subdivisions. Increases in passport fee revenue and court filing fees helped offset some of the decline.



## **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 were \$1,395,252 dollars, or 79% of budget. These amounts are consistent with prior year amounts and slightly ahead of current year projections.

### **Miscellaneous**

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

Miscellaneous revenues increased \$838,360 or 23% more than third quarter 2006. Investment interest is up \$834,870 over 2006 due to increases in investment rates of return. Other miscellaneous revenue was consistent with 2006.

### **Other Financing Sources**

*The "Other Financing Sources" revenue budget is 34% state timber revenues and 66% operating transfers from other Whatcom County funds.*

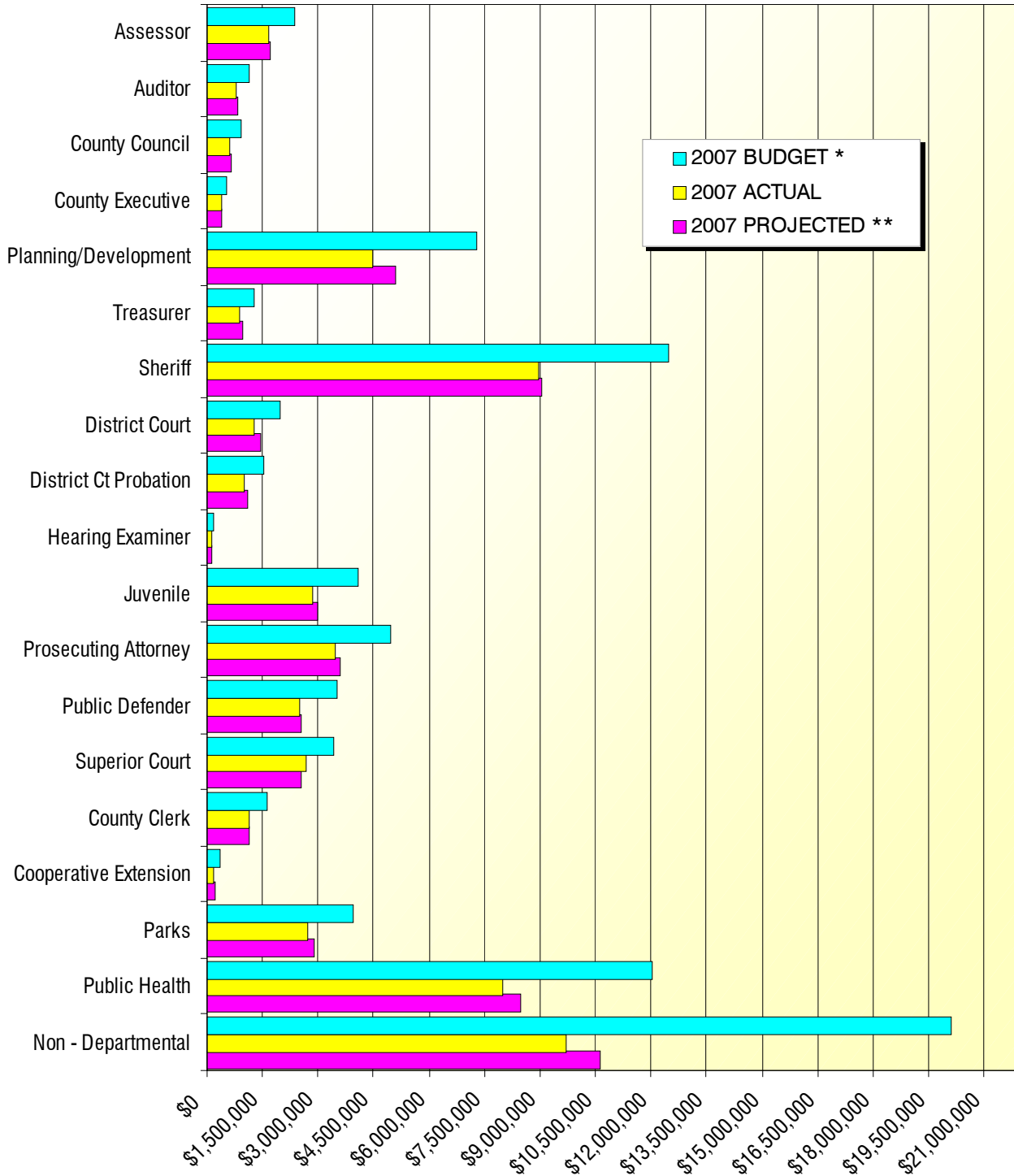
These revenue sources were \$304,700 greater than third quarter 2006 but are only 40% of budget. State Timber revenues fluctuate based on harvest plans and market conditions and are currently down \$259,900, or 72%, from 2006 levels. Operating transfers increased \$564,600 over prior year amounts due to better processing of interfund transfers.

# Whatcom County Third Quarter 2007 Financial Report

For the Quarter Ended September 30, 2007



## General Fund Expenditures - Budget vs. Actual



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

# Whatcom County Third Quarter 2007 Financial Report

For the Quarter Ended September 30, 2007



## General Fund Expenditures - Budget vs. Actual

	Adopted 2007 Budget	Budget Supplementals	Amended Budget	Actual as of 9/30/07	% Expended To Date
Assessor	2,388,917	0	2,388,917	1,657,979	69.40%
Auditor	1,154,747	7,353	1,162,100	808,780	69.60%
County Council	923,313	20,000	943,313	633,431	67.15%
County Executive	530,773	0	530,773	381,772	71.93%
Planning & Development	6,693,472	579,640	7,273,112	4,497,249	61.83%
Treasurer	1,291,718	0	1,291,718	875,239	67.76%
Sheriff	12,109,150	351,559	12,460,709	8,956,023	71.87%
District Court	1,905,681	50,120	1,955,801	1,293,564	66.14%
District Court Probation	1,499,975	19,471	1,519,446	1,031,359	67.88%
Hearing Examiner	159,833	10,640	170,473	121,223	71.11%
Juvenile	4,086,155	18,000	4,104,155	2,847,568	69.38%
Prosecuting Attorney	4,899,720	57,602	4,957,322	3,480,587	70.21%
Public Defender	3,500,032	0	3,500,032	2,488,170	71.09%
Superior Court Admin	3,132,883	307,424	3,440,307	2,672,289	77.68%
County Clerk	1,729,263	(84,687)	1,644,576	1,132,889	68.89%
Cooperative Extension	350,308	0	350,308	195,932	55.93%
Park	3,904,414	52,959	3,957,373	2,740,213	69.24%
Public Health	11,938,049	72,400	12,010,449	7,978,135	66.43%
Non - Departmental	18,547,830	1,570,437	20,118,267	9,704,441	48.24%
<b>Total General Fund Exp</b>	<b>80,746,233</b>	<b>3,032,918</b>	<b>83,779,151</b>	<b>53,496,843</b>	<b>63.85%</b>

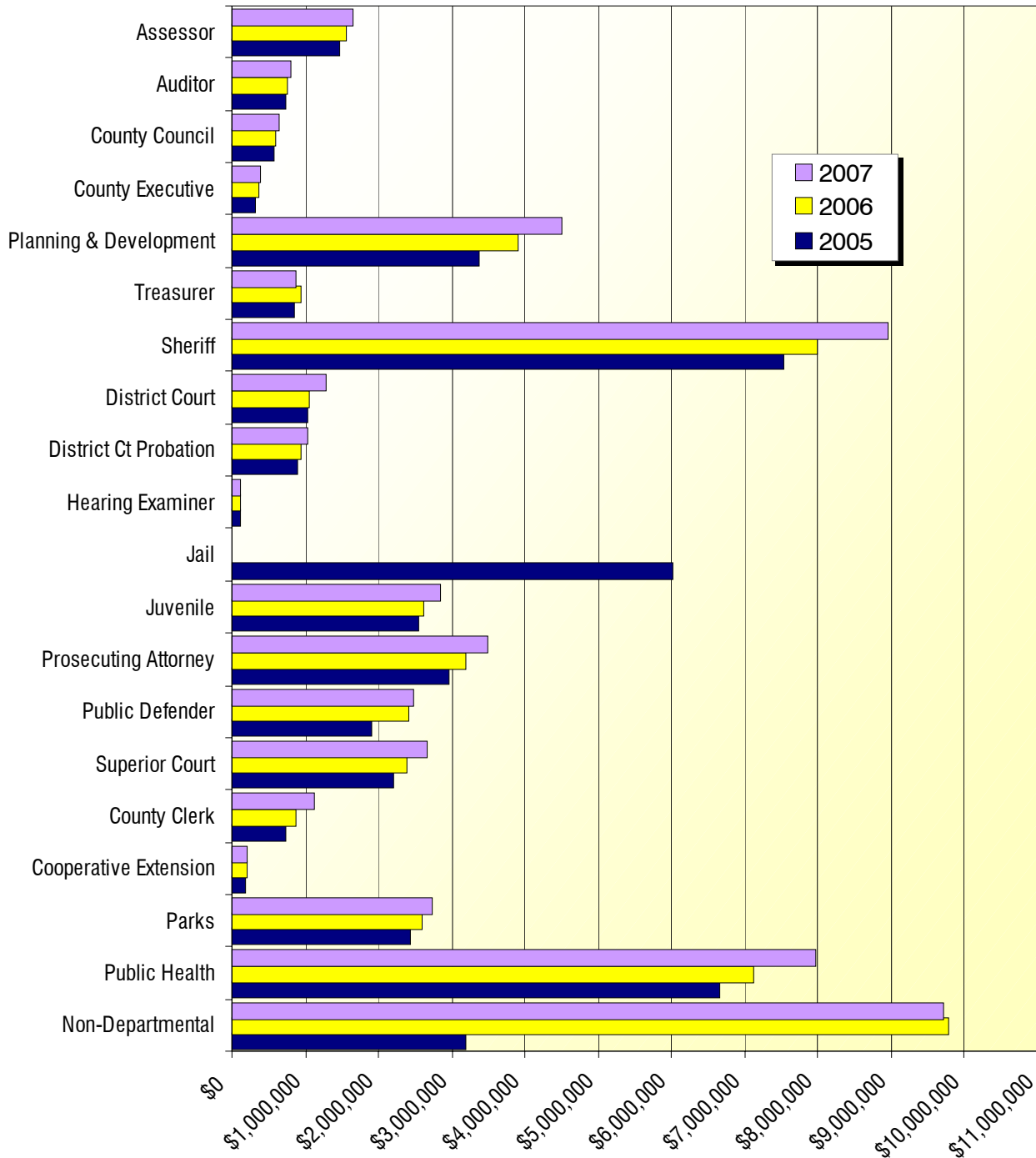
See page 9 for General Fund Expenditure Notes.

# Whatcom County Third Quarter 2007 Financial Report

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## General Fund Expenditures to Date - Compared to Prior Years



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

# Whatcom County Third Quarter 2007 Financial Report

For the Quarter Ended September 30, 2007



## General Fund Expenditures to Date - Compared to Prior Years

	2005	2006	2007
Assessor	1,476,045	1,551,406	1,657,979
Auditor	724,435	766,218	808,780
County Council	568,702	597,702	633,431
County Executive	328,656	356,599	381,772
Planning & Development	3,366,140	3,903,557	4,497,249
Treasurer	852,213	931,979	875,239
Sheriff	7,536,973	7,999,640	8,956,023
District Court	1,038,542	1,064,310	1,293,564
District Ct Probation	889,270	944,360	1,031,359
Hearing Examiner	103,846	106,862	121,223
Jail*	6,019,386	0	0
Juvenile	2,552,991	2,615,060	2,847,568
Prosecuting Attorney	2,968,228	3,185,018	3,480,587
Public Defender	1,916,601	2,407,259	2,488,170
Superior Court Administration	2,210,674	2,389,486	2,672,289
County Clerk	745,487	876,363	1,132,889
Cooperative Extension	175,344	202,808	195,932
Parks	2,426,358	2,601,136	2,740,213
Public Health	6,653,539	7,115,729	7,978,135
Non-Departmental	3,185,365	9,774,373	9,704,441
<b>TOTAL</b>	<b>45,738,795</b>	<b>49,389,865</b>	<b>53,496,843</b>

\* With the voter-approved passage of the Detention Facilities Sales Tax, the Jail has been moved to its own fund and the net amount of General Fund subsidy is reported as a transfer out of Non-Departmental beginning in 2006.

## General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the third quarter were at 63.85% of the approved budget.

By the end of the third quarter, all departments had spent no more than 75% of their budget with the exception of Superior Court Administration which had used 77.68% of their budget. Superior Court Administration is experiencing greater than expected costs related to contract guardian ad litem, drug treatment contracted services, commissioners pay and jury expenses. The department will be requesting supplemental budget authority before year-end to cover these increases.

Non-Departmental expenditures, which are costs that are not attributable to specific program areas or departments, are 48.24% spent at the end of September. Several large transfers were not made by the end of the third quarter. These transfers include funding for the future cost of health care for retired sheriff deputies (LEOFF I) and funding for facilities projects and information technology projects which are not yet underway.

# Whatcom County Third Quarter 2007 Financial Report

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## General Fund Conclusion

	Approved Budget	Projected
<b>Beginning Fund Balance</b>	<u>22,095,442</u>	<u>22,764,715</u>
<b>Revenues</b>		
Budgeted Revenues 2007	70,801,811	70,801,811
Continuing Appropriations 2007		169,209
Supplemental Budgets 2007	-	495,112
<b>Total Revenue</b>	<u>70,801,811</u>	<u>71,466,132</u>
<b>Expenditures</b>		
Budgeted Expenditures 2007	80,746,233	80,746,233
Continuing Appropriations 2007		1,663,262
Supplemental Budgets 2007	-	1,369,657
<b>Total Expenditures</b>	<u>80,746,233</u>	<u>83,779,152</u>
<b>Adjusted Surplus (Deficit)</b>	(9,944,422)	(12,313,020)
<b>Other Considerations</b>		
Projected Revenue Short-fall	-	(1,100,000)
Projected Unspent Appropriation at Year-end	3,229,209	5,864,541
<b>Projected Ending Fund Balance</b>	<u>15,380,229</u>	<u>15,216,236</u>
Projected Continuing Appropriation for 2007	-	(1,300,000)
<b>Available Ending Fund Balance</b>	<u>15,380,229</u>	<u>13,916,236</u>

# Whatcom County Third Quarter 2007 Financial Report

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## Special Revenue Funds and Other Funds - Revenues

	2006 Actual As of 9/30/2006	2007 Actual As of 9/30/2007	2007 Budget	% Collected of 2007 Budget
County Road Fund	14,432,443	14,444,799	22,179,499	65.13%
Election Reserve Fund	565,302	506,163	1,428,731	35.43%
Veterans Relief	113,991	135,138	191,441	70.59%
Water Resources	-	375,000	619,000	60.58% <sup>1</sup>
Jail Fund	8,895,974	9,454,039	13,033,094	72.54%
Low-Income Housing Projects	236,145	220,482	320,000	68.90%
Homeless Housing	243,491	298,025	330,000	90.31%
County Wide Emergency Medical	719,650	1,895,649	2,283,711	83.01% <sup>2</sup>
Solid Waste Fund	630,556	596,171	1,086,881	54.85%
WC Convention Center Fund	118,601	138,305	170,000	81.36%
Victim/Witness Assistance Fund	94,229	101,261	117,000	86.55%
Whatcom Co Drug Fund	581,692	272,500	380,000	71.71% <sup>3</sup>
Auditor's O&M Fund	212,463	223,234	230,900	96.68%
Emergency Management	717,535	514,495	784,632	65.57%
Flood Control Zone Dist Fund	1,943,874	2,101,866	4,145,981	50.70%
Conservation Futures Fund	1,056,764	622,563	1,336,904	46.57% <sup>3</sup>
Sub-Flood Zones	76,757	54,604	123,132	44.35%
Real Estate Excise Tax Fund II	1,797,143	1,681,804	2,300,000	73.12%
Real Estate Excise Tax Fund I	1,803,794	1,723,118	2,309,700	74.60%
Public Utilities Improvement	1,946,752	1,997,098	2,500,000	79.88%
Jail Construction Project	3,907,209	50,571	50,571	100.00% <sup>4</sup>
Ferry System Fund	2,865,741	1,214,947	1,824,000	66.61% <sup>5</sup>
Equipment Rental & Revolving	6,860,902	7,805,575	11,249,351	69.39%
Administrative Services Fund	10,500,608	12,530,645	19,711,386	63.57%

**Notes:**

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

<sup>1</sup> *Water Resources: This fund was reactivated this year and funded by transfers from the General Fund and Flood Fund.*

<sup>2</sup> *Countywide Emergency Medical Services fund was formed in 2006 to account for a new sales tax for emergency medical and criminal justice purposes.*

<sup>3</sup> *The revenue levels in these funds fluctuate based on current year activities (e.g. asset seizures, land acquisitions).*

<sup>4</sup> *Jail Construction Project activity in 2007 is now substantially complete.*

<sup>5</sup> *Ferry System Fund: 2006 included a one-time \$1,587,000 equity transfer from the Road Fund to establish this fund.*

# Whatcom County Third Quarter 2007 Financial Report

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## Special Revenue Funds and Other Funds - Expenditures

	2006 Actual As of 9/30/2006	2007 Actual As of 9/30/2007	2007 Budget	% Expended of 2007 Budget
County Road Fund	18,731,498	18,781,457	35,939,492	52.26%
Election Reserve Fund	830,716	629,735	1,428,431	44.09%
Veterans Relief	84,760	102,203	191,441	53.39%
Water Resources	34	97,721	905,569	10.79%
Jail Fund	8,939,340	7,982,232	11,792,470	67.69% <sup>1</sup>
Low Income Housing	185,311	178,699	914,214	19.55%
Homeless Housing	10,659	24,766	320,000	7.74%
County Wide Emergency Medical	-	1,034,174	1,378,899	75.00% <sup>2</sup>
Solid Waste Fund	732,280	707,919	1,264,067	56.00%
WC Convention Center Fund	124,506	124,774	227,660	54.81%
Victim/Witness Assistance Fund	46,994	76,800	119,138	64.46%
Whatcom Co Drug Fund	101,236	293,750	798,228	36.80%
Auditor's O&M Fund	171,756	49,505	279,102	17.74%
Emergency Management	521,247	475,837	915,247	51.99%
Flood Control Zone Dist Fund	4,297,264	2,613,076	6,180,864	42.28%
Conservation Futures Fund	1,155,560	830,756	1,941,850	42.78%
Sub-Flood Zones	391	11,957	181,878	6.57%
Real Estate Excise Tax Fund II	130,867	125,433	589,552	21.28%
Real Estate Excise Tax Fund I	2,240,018	1,370,817	2,396,432	57.20%
Public Utilities Improvement	1,658,906	1,119,985	5,346,761	20.95%
Jail Construction Fund	7,156,343	112,184	302,530	37.08% <sup>3</sup>
Ferry System Fund	1,267,023	1,188,365	1,886,438	63.00%
Equipment Rental & Revolving	6,547,878	6,606,066	11,544,780	57.22%
Administrative Services Fund	11,013,801	12,397,560	20,538,905	60.36%

### Notes:

Road Improvement Districts, Inactive Capital Project Funds and Debt Service Funds are not shown on this list. Expenditures in most of the funds presented are project-driven and do not follow regular spending patterns.

<sup>1</sup> Jail Fund: Prior year amounts included a one-time transfer to help fund the new minimum security jail facility.

<sup>2</sup> County Wide Emergency Medical fund created in 2006 for emergency medical and criminal justice purposes. Regular transfers fund county wide Medic One services, Sheriff's Office new deputies and a Prosecuting Attorney position.

<sup>3</sup> Jail Construction Fund: new minimum security facility construction is now substantially complete.