



**2008
First
Quarter
Financial
Report**

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

April 30, 2008

Whatcom County First Quarter 2008 Financial Report

For the Quarter Ended April 30, 2008



Executive Summary

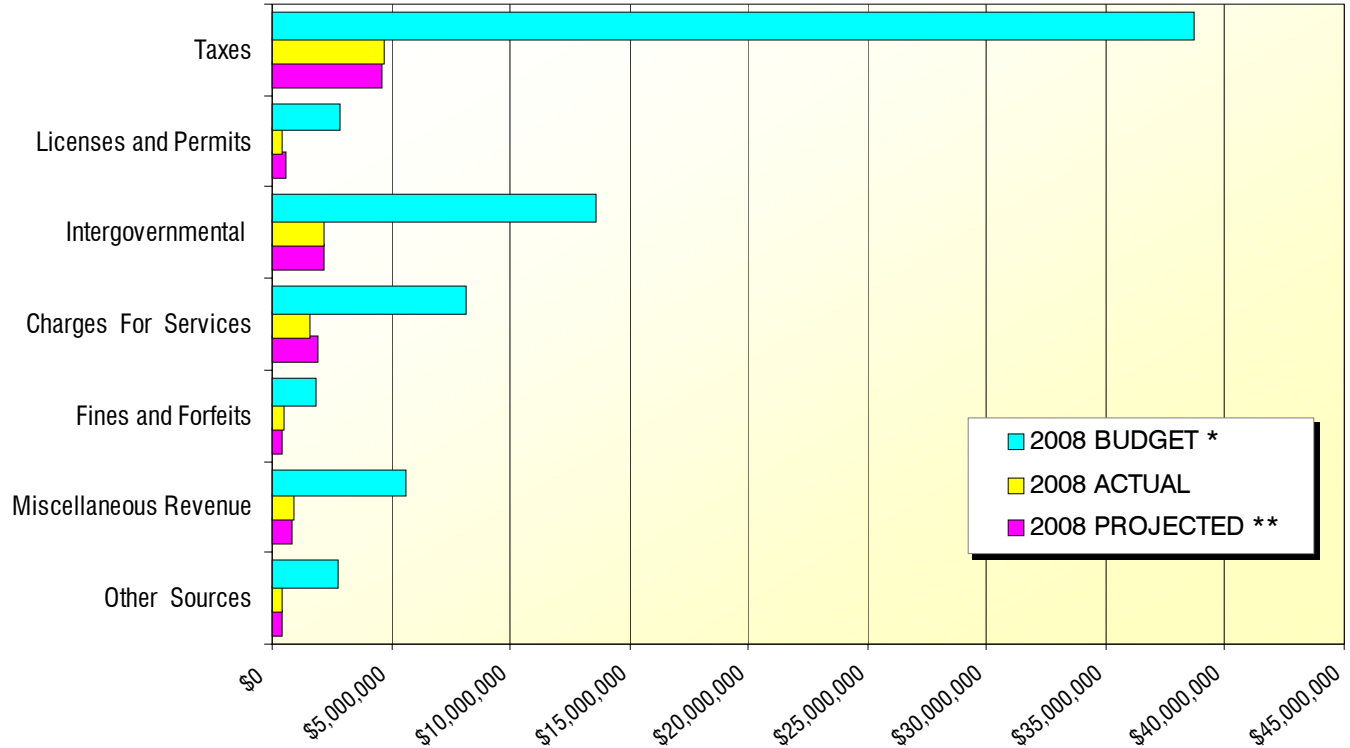
The following information presents Whatcom County's first quarter 2008 financial report. At the end of the first quarter of 2008 General Fund revenues are slightly behind projections. Expenditures are on track with 2008 expectations.

Whatcom County First Quarter 2008 Financial Report

For the Quarter Ended April 30, 2008



General Revenue - Budget vs. Actual



	2008 Budget Adopted	2008 Budget Supp'ls	2008 Budget Amended	Actual as of 3/31/08	% Collected To Date	Projected as of 3/31/08
Taxes	38,711,210	0	38,711,210	4,665,358	12.05%	4,635,642
Licenses and Permits	2,853,205	0	2,853,205	406,237	14.24%	589,520
Intergovernmental	12,823,011	765,117	13,588,128	2,220,867	16.34%	2,174,949
Charges For Services	8,145,417	0	8,145,417	1,606,232	19.72%	1,961,573
Fines and Forfeits	1,825,971	0	1,825,971	492,790	26.99%	443,348
Miscellaneous Revenue	5,661,927	5,000	5,666,927	922,105	16.27%	808,573
Other Sources	2,556,721	207,872	2,764,593	390,829	14.14%	412,730
Total Revenue	72,577,462	977,989	73,555,451	10,704,418	14.55%	11,026,335

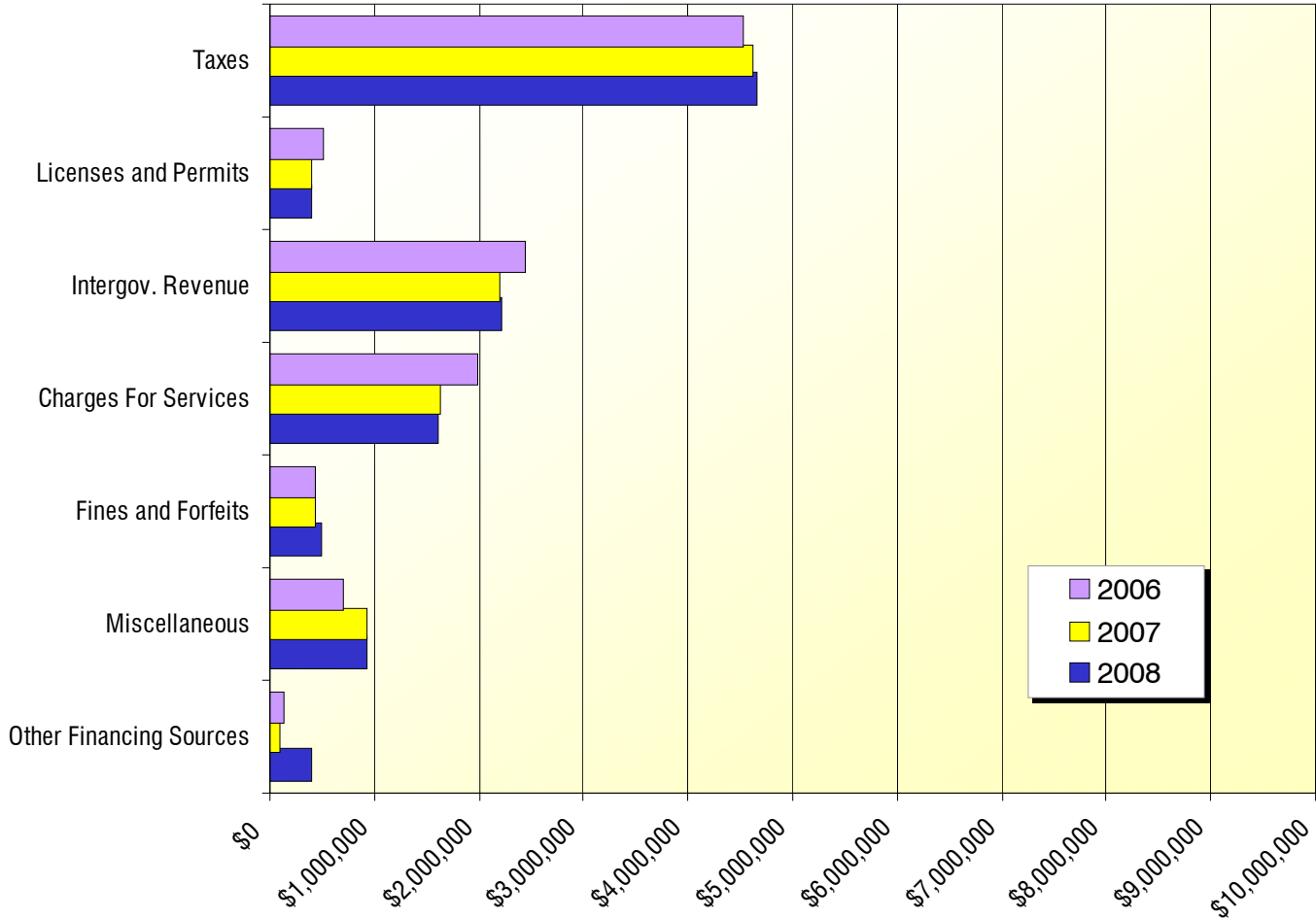
See pages 4 and 5 for General Fund Revenue Notes.

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General Fund Revenue to Date - Compared to Prior Years



	2006	2007	2008
Taxes	4,527,119	4,617,818	4,665,358
Licenses and Permits	516,505	399,207	406,237
Intergov. Revenue	2,443,702	2,197,031	2,220,867
Charges For Services	1,988,803	1,620,768	1,606,232
Fines and Forfeits	436,687	441,780	492,790
Miscellaneous	701,926	934,270	922,105
Other Financing Sources	140,881	95,752	390,829
Total Revenue	10,755,623	10,306,626	10,704,418

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 \$47,540 greater than first quarter 2007 amounts, and are \$30,000 ahead of budget projections. Property tax collections increased \$54,000 over first quarter 2007. Sales tax collections posted an increase of \$51,200 or 1.8%. Interest and penalties assessed on late payment of property taxes are down \$37,000 from last year along with a decrease in REET Processing fees of \$23,000.

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 revenue collections are 14.24% of annual budget at the end of the first quarter. This is \$183,000 below projections. Overall license and permit revenues are up slightly from 2007; however, they are falling short of budget targets. Building permit revenues account for most of license and permit revenues. Building permit revenues at the end of the first quarter were 12% of the annual budget; they are usually 20% to 25% of budget at the end of the first quarter. On-site sewage permit revenues are 19% of budget at the end of the first quarter; they are down \$30,000 from 2007.

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 16% of budget; this is comparable to first quarter 2007 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.

Overall, Charges for Services decreased slightly from the first quarter 2007. Adult Probation Fees decreased \$54,425 from first quarter 2007. Planning and development fees increased \$24,000 or 6%. Rifle Range revenues increased 19,050 or 22%. This increase is due to a combination of range attendance being up 10% over last year and the Parks Department increasing the fees charged.



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 increased 11.5% over first quarter 2007 revenue at \$492,790 dollars. Traffic infractions increased \$49,790, which accounted for almost all of the increase.

Miscellaneous

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

Miscellaneous revenues decreased \$12,160 or 1.3% from first quarter 2007. Investment interest of \$785,700, or 17% of budget was collected. This amount is comparable to 2007 amounts. Other miscellaneous revenue was generally consistent with 2007.

Other Financing Sources

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

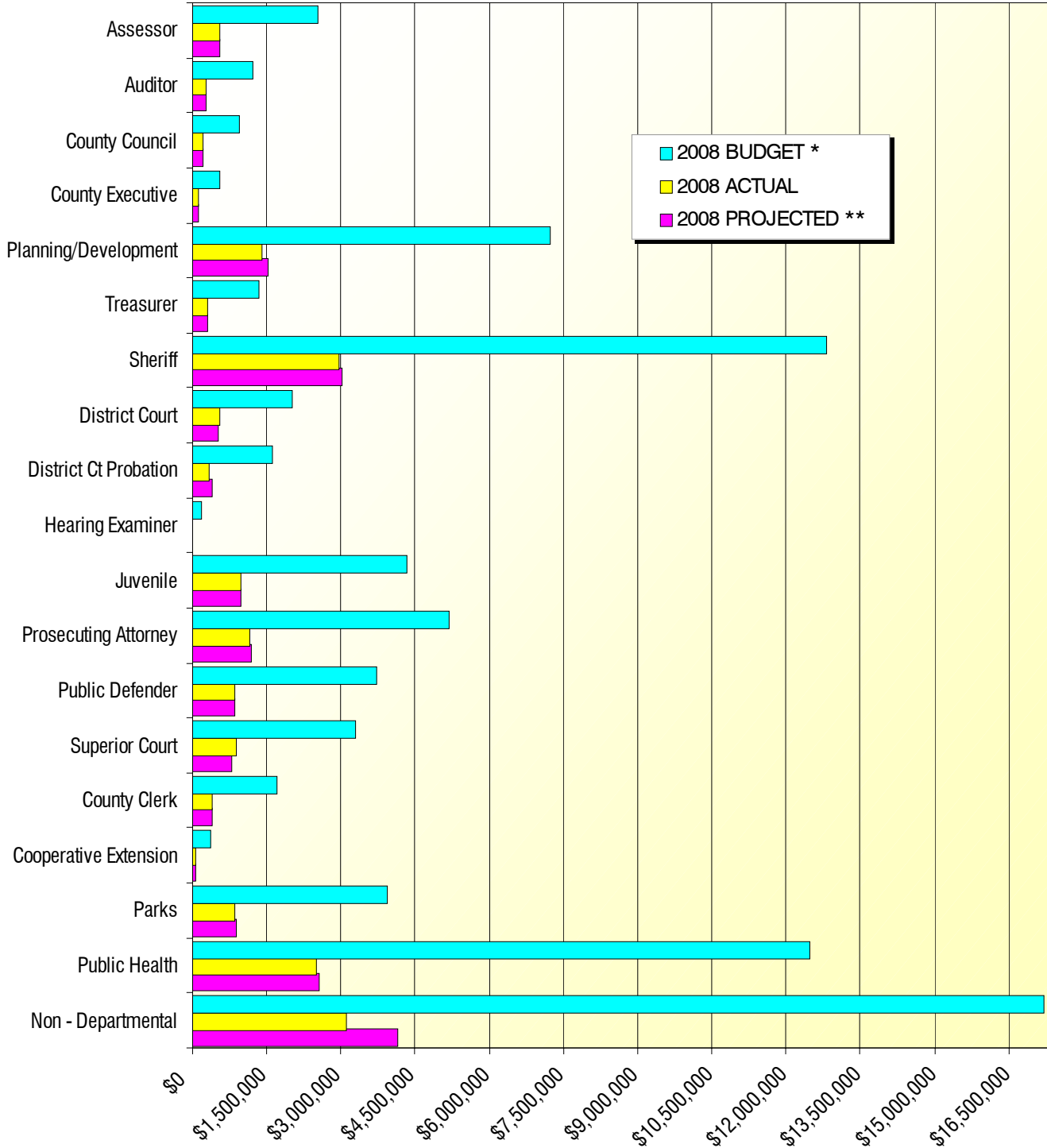
These two revenue sources were \$295,100 more than first quarter 2007. State timber sales revenue increased \$146,900 from first quarter 2007, and Operating Transfers increased \$148,200. State Timber revenues fluctuate based on harvest plans and market conditions.

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General Fund Expenditures - Budget vs. Actual



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

Whatcom County First Quarter 2008 Financial Report

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General Fund Expenditures - Budget vs. Actual

	Adopted 2008 Budget	Budget Supplementals	Amended Budget	Actual as of 3/31/08	% Expended To Date
Assessor	2,469,848	49,585	2,519,433	554,658	22.02%
Auditor	1,201,307	12,823	1,214,130	267,810	22.06%
County Council	952,888	0	952,888	208,367	21.87%
County Executive	544,882	0	544,882	122,600	22.50%
Planning & Development	6,742,604	487,896	7,230,500	1,395,441	19.30%
Treasurer	1,310,421	23,875	1,334,296	317,413	23.79%
Sheriff	12,494,636	308,571	12,803,207	2,973,324	23.22%
District Court	1,856,772	166,008	2,022,780	538,296	26.61%
District Court Probation	1,560,634	50,769	1,611,403	343,048	21.29%
Hearing Examiner	161,904	16,584	178,488	39,844	22.32%
Juvenile	4,253,075	82,287	4,335,362	961,587	22.18%
Prosecuting Attorney	5,107,226	79,869	5,187,095	1,165,105	22.46%
Public Defender	3,641,559	76,666	3,718,225	851,111	22.89%
Superior Court Admin	3,214,557	91,534	3,306,091	872,802	26.40%
County Clerk	1,796,391	(91,534)	1,704,857	383,514	22.50%
Cooperative Extension	363,539	16,616	380,155	56,124	14.76%
Park	3,897,466	25,144	3,922,610	865,750	22.07%
Public Health	12,066,664	412,940	12,479,604	2,501,854	20.05%
Non - Departmental	15,917,909	1,294,294	17,212,203	3,122,593	18.14%
Total General Fund Exp	79,554,282	3,103,927	82,658,209	17,541,241	21.22%

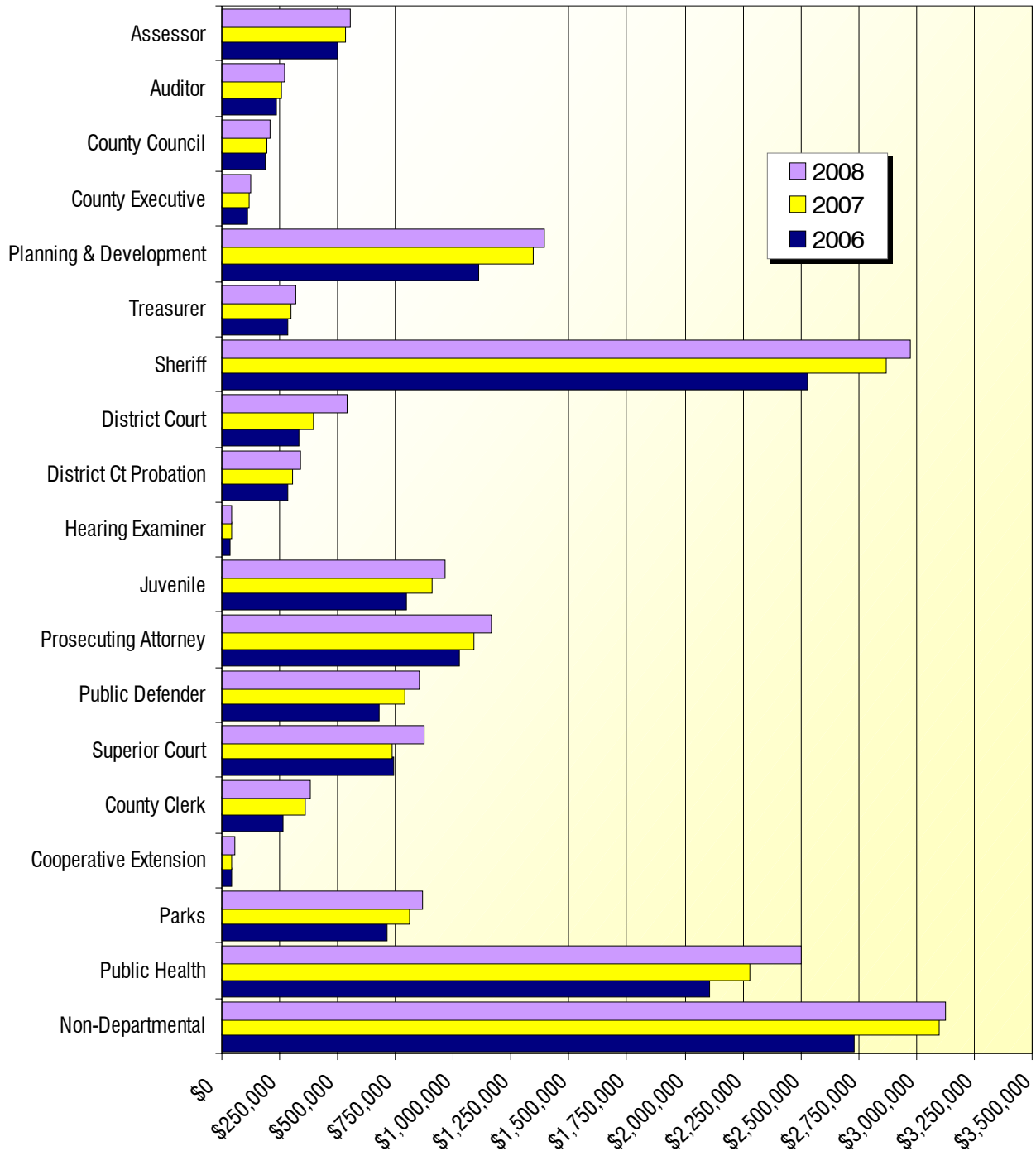
See page 9 for General Fund Expenditure Notes.

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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

	2006	2007	2008
Assessor	497,883	533,671	554,658
Auditor	237,759	253,231	267,810
County Council	186,489	196,442	208,367
County Executive	110,994	118,031	122,600
Planning & Development	1,110,223	1,346,171	1,395,441
Treasurer	286,150	298,352	317,413
Sheriff	2,527,399	2,866,479	2,973,324
District Court	332,016	396,946	538,296
District Ct Probation	284,059	302,914	343,048
Hearing Examiner	34,664	38,683	39,844
Juvenile	799,160	907,837	961,587
Prosecuting Attorney	1,023,108	1,089,818	1,165,105
Public Defender	680,059	787,356	851,111
Superior Court Administration	744,617	733,950	872,802
County Clerk	261,271	363,149	383,514
Cooperative Extension	41,704	42,955	56,124
Parks	714,461	812,356	865,750
Public Health	2,107,145	2,282,099	2,501,854
Non-Departmental	2,732,105	3,096,240	3,122,593
TOTAL	14,711,266	16,466,680	17,541,241

General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the first quarter were at 21% of the approved budget. All departmental spending were within budget expectations with the exception of District Court and Superior Court Administration.

District Court spent 26.6% of their budget due to substantially completing an office-remodeling project.

Superior Court Administration used 26.4% of their budget. Superior Court Administration is experiencing greater than expected costs related to guardian ad litem and other contracted services, jury expenses, and use of commissioners pro tem.

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General Fund Conclusion

	Approved Budget	Projected
Beginning Fund Balance 1/1/08	15,380,229	15,525,133
Revenues		
Budgeted Revenues 2008	72,577,462	72,577,462
Increased Revenue Estimates		-
Continuing Appropriations 2008		-
Supplemental Budgets 2008	-	977,989
Total Revenue	72,577,462	73,555,451
Expenditures		
Budgeted Expenditures 2008	79,554,282	79,554,282
Continuing Appropriations 2008		1,342,082
Supplemental Budgets 2008	-	1,761,845
Total Expenditures	79,554,282	82,658,209
Adjusted Surplus (Deficit)	(6,976,820)	(9,102,758)
Other Considerations		
Estimated Budget Lapse	3,181,786	4,959,493
Ending Fund Balance 12/31/08	11,585,195	11,381,868

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Special Revenue Funds and Other Funds - Revenues

	2007 Actual As of 3/31/2007	2008 Actual As of 3/31/2008	2008 Budget	% Collected of 2008 Budget	
County Road Fund	2,153,910	2,326,334	29,080,546	8.00%	¹
Election Reserve Fund	294,449	154,849	1,653,849	9.36%	¹
Veterans Relief	12,437	15,373	196,441	7.83%	¹
Water Resources	375,000	-	590,000	0.00%	²
Jail Fund	3,083,258	3,206,161	13,131,757	24.42%	
Low-Income Housing Projects	68,030	64,877	320,000	20.27%	
Homeless Housing	70,143	148,841	840,444	17.71%	
County Wide Emergency Medical	602,083	724,573	2,387,805	30.34%	³
Solid Waste Fund	717	4,788	1,086,881	0.44%	⁴
WC Convention Center Fund	33,023	49,020	202,000	24.27%	
Victim/Witness Assistance Fund	31,566	30,192	117,000	25.81%	
Whatcom Co Drug Fund	52,359	70,069	370,000	18.94%	
Auditor's O&M Fund	30,190	27,867	231,000	12.06%	
Emergency Management	176,173	224,614	613,702	36.60%	⁵
Flood Control Zone Dist Fund	(19,176)	185,918	3,510,750	5.30%	
Conservation Futures Fund	50,430	185,173	954,904	19.39%	
Sub-Flood Zones	8,144	13,023	123,132	10.58%	
Real Estate Excise Tax Fund II	422,554	335,682	2,300,000	14.59%	⁶
Real Estate Excise Tax Fund I	454,728	345,353	2,300,000	15.02%	⁶
Public Utilities Improvement	657,813	788,369	2,500,000	31.53%	⁷
Whatcom Co Investment Pool	49,202	56,370	199,356	28.28%	
Ferry System Fund	368,232	202,013	1,904,000	10.61%	²
Equipment Rental & Revolving	1,728,315	1,990,618	11,197,338	17.78%	
Administrative Services Fund	3,672,400	3,791,579	20,944,018	18.10%	

Notes:

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

- ¹ *Road Fund, Election Reserve, Veterans Relief and Flood Control Zone District:* property tax payments for the first half of year to be posted during the second quarter.
- ² *Water Resources and Ferry Fund:* Operating transfers will be done in the second quarter.
- ³ *County Wide Emergency Medical:* \$73,000 of 2007 revenue was erroneously recorded in 2008.
- ⁴ *Solid Waste Fund:* First quarter excise tax collections will be deposited in the second quarter.
- ⁵ *Emergency Management:* annual county and municipality contributions are collected during the first quarter.
- ⁶ *Real Estate Excise Tax Funds I & II:* real estate sales are down countywide as compared to 2007.
- ⁷ *Public Utilities Improvement:* tax rate increased from .008 to .009 as a result of legislative action. The tax is a credit against the state's portion of sales tax collections.

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Special Revenue Funds and Other Funds - Expenditures

	2007 Actual As of 3/31/2007	2008 Actual As of 3/31/2008	2008 Budget	% Expended of 2008 Budget
County Road Fund	3,763,416	4,253,894	26,007,378	16.36%
Election Reserve Fund	175,605	393,300	1,653,849	23.78%
Veterans Relief	41,370	34,248	196,441	17.43%
Water Resources	18,624	41,943	828,803	5.06%
Jail Fund	2,399,356	2,502,889	12,547,177	19.95%
Low Income Housing	7,523	64,957	410,000	15.84%
Homeless Housing	10,116	28,036	743,000	3.77%
County Wide Emergency Medical	260,553	453,136	2,389,917	18.96%
Solid Waste Fund	161,064	167,343	1,311,532	12.76%
WC Convention Center Fund	52,161	27,841	220,660	12.62%
Victim/Witness Assistance Fund	16,396	16,607	122,657	13.54%
Whatcom Co Drug Fund	3,092	-	819,467	0.00%
Auditor's O&M Fund	981	4,652	225,606	2.06%
Emergency Management	90,694	104,227	649,093	16.06%
Flood Control Zone Dist Fund	731,492	563,470	4,748,448	11.87%
Conservation Futures Fund	0	600,000	1,050,000	57.14%
Sub-Flood Zones	(213,003)	-	161,500	0.00% ¹
Real Estate Excise Tax Fund II	20,681	9,048	1,108,269	0.82%
Real Estate Excise Tax Fund I	183,413	46,861	2,545,768	1.84%
Public Utilities Improvement	261,871	30,070	161,350	18.64%
Whatcom Co Investment Pool	34,335	34,923	199,356	17.52%
Ferry System Fund	386,095	447,158	1,983,466	22.54%
Equipment Rental & Revolving	1,491,418	1,690,046	12,583,969	13.43%
Administrative Services Fund	3,298,667	3,555,419	21,845,944	16.27%

Note:

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

¹ *Sub-Flood Control Zones:* 2006 accrued expenditures were reversed in 2007 causing a negative balance. The actual transactions were posted in the second quarter of 2007 which cleared the negative balance.