



**2009  
First  
Quarter  
Financial  
Report**

Compiled and Presented by the  
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Finance Division  
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# Whatcom County First Quarter 2009 Financial Report

For the Quarter Ended March 31, 2009



## **Executive Summary**

The following information presents Whatcom County's first quarter 2009 financial report. At the end of the first quarter of 2009, General Fund revenues are \$862,000 below first quarter projections. If current trends continue, we will likely end the year \$3.7 million short of our budgeted revenue. The most significant reductions in revenue projections are in sales taxes and investment interest. Investment interest is down because interest rates have continued to fall, and because the General Fund no longer receives the benefit from the investment of Flood Control Zone District cash balances.

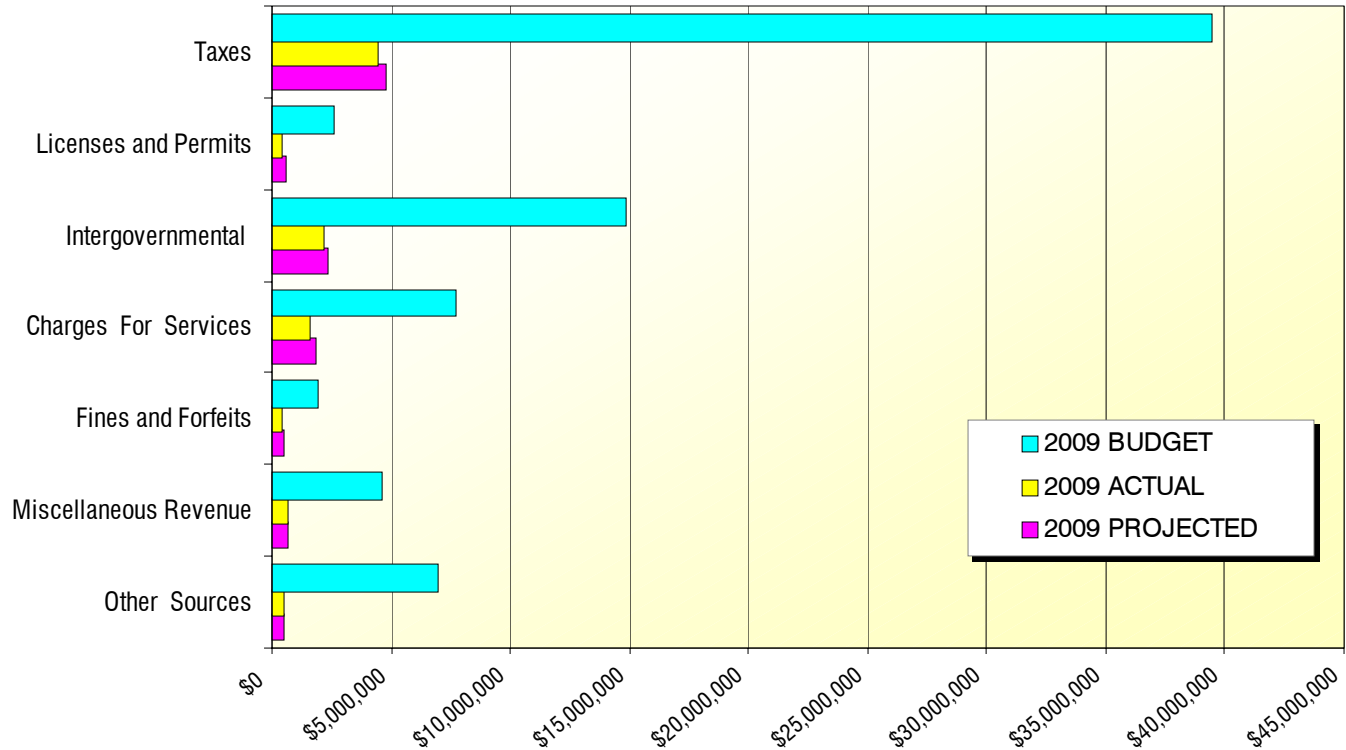
Expenditures are 21 percent of the annual budget, which is consistent with prior years. Whatcom County continues to have a selective hiring freeze in place and the administration will present options to the County Council on how Whatcom County could respond to the current economic situation.

# Whatcom County First Quarter 2009 Financial Report

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## General Revenue - Budget vs. Actual



	2009 Budget Adopted	2009 Budget Supp'ls	2009 Budget Amended	Actual as of 3/31/09	% Collected To Date	Projected as of 3/31/09
Taxes	39,418,052	0	39,418,052	4,440,374	11.26%	4,797,989
Licenses and Permits	2,622,870	8,000	2,630,870	404,103	15.36%	547,519
Intergovernmental	14,722,239	130,629	14,852,868	2,198,959	14.80%	2,350,470
Charges For Services	7,704,430	(8,000)	7,696,430	1,631,044	21.19%	1,836,156
Fines and Forfeits	1,951,430	0	1,951,430	452,100	23.17%	476,987
Miscellaneous Revenue	4,592,587	41,351	4,633,938	692,235	14.94%	655,280
Other Sources	6,929,937	0	6,929,937	508,796	7.34%	525,093
<b>Total Revenue</b>	<b>77,941,545</b>	<b>171,980</b>	<b>78,113,525</b>	<b>10,327,611</b>	<b>13.22%</b>	<b>11,189,494</b>

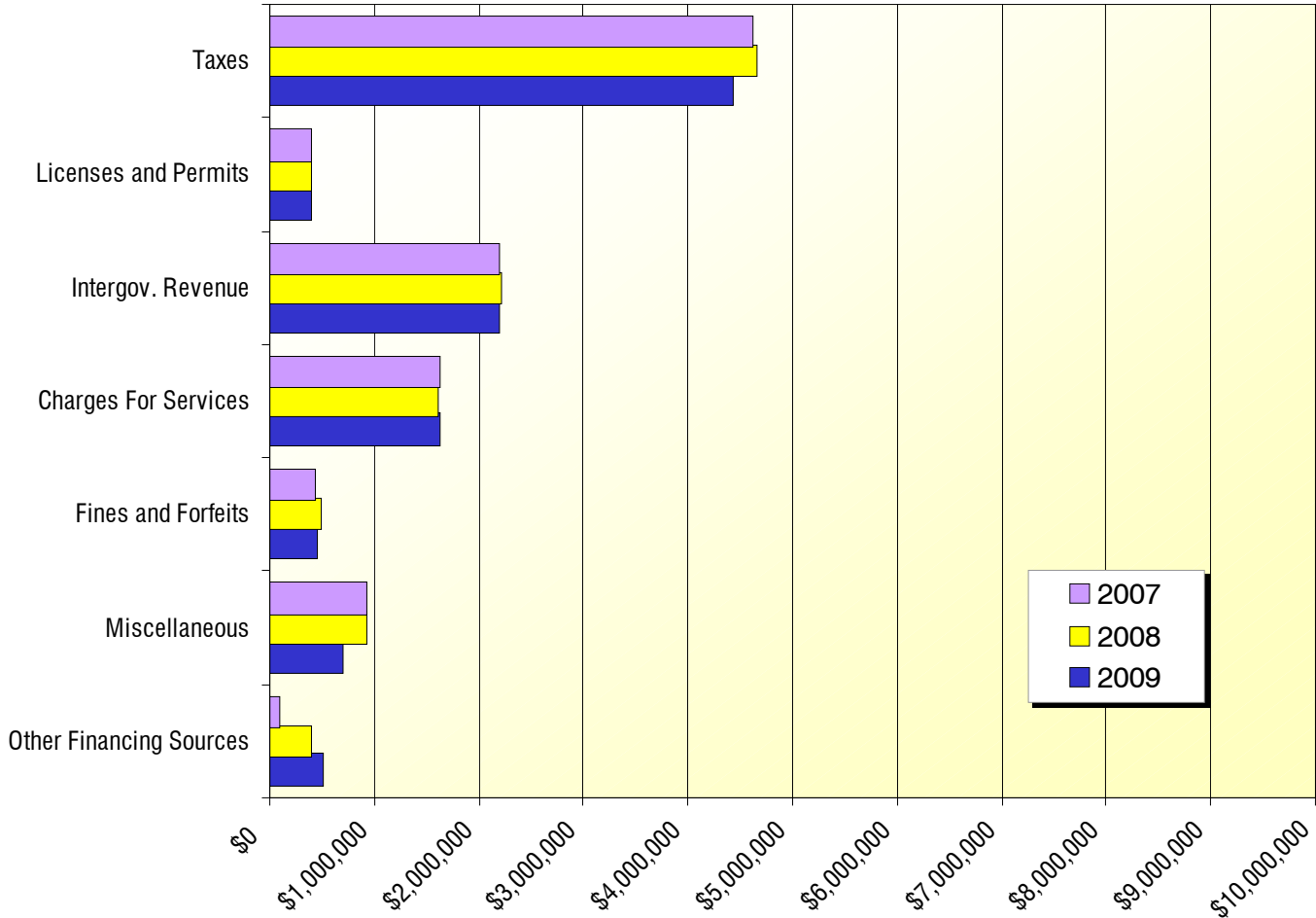
See pages 4 and 5 for General Fund Revenue Notes.

# Whatcom County First Quarter 2009 Financial Report

For the Quarter Ended March 31, 2009



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



	2007	2008	2009
Taxes	4,617,818	4,665,358	4,440,374
Licenses and Permits	399,207	406,237	404,103
Intergov. Revenue	2,197,031	2,220,867	2,198,959
Charges For Services	1,620,767	1,606,232	1,631,044
Fines and Forfeits	441,781	492,791	452,100
Miscellaneous	934,270	922,105	692,235
Other Financing Sources	95,753	390,829	508,796
<b>Total Revenue</b>	<b>10,306,627</b>	<b>10,704,419</b>	<b>10,327,611</b>

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 \$224,980 less than first quarter 2008 amounts. Current year property tax collections are up \$66,000 over last year, but collections of delinquent taxes, interest, and penalties have decreased 23%, or \$129,000 when compared to this time last year. REET processing fees have fallen 38%, or \$25,000. Sales tax collections also decreased \$129,650, or 4.5% overall. The Criminal Justice portion of sales tax is down over 11% and the General Fund sales tax is down 3.3%. The General Fund sales tax is benefiting from Washington States new streamlined sales tax. Streamlined sales tax distributes taxes based on the location where the goods are delivered. Previously, sales tax revenues were distributed based on the seller's business location. This system results in a more equitable distribution of sales tax revenue and makes Washington State's system comply with the national standard.

### 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 Fees were \$2,160 less than collected during first quarter 2008 and collections are 15.4% of budgeted amounts. Traditionally, license and permit fees are approximately 20% of their year-end revenues by the end of the first quarter. Development related revenues have remained relatively flat since 2006 after falling dramatically from 2004 and 2005 levels. Building permit revenues were down \$3,300 from the first quarter 2008. Restaurant permit revenues were also down by \$10,900. On-Site Sewage permit revenues increased \$12,230, or 20.5%, from first quarter 2008, due to substantial increases in permit rates.

### 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 15% of budget; this is consistent with 2008.



## General Fund Revenue Notes, continued

### 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 increased \$25,000 from the first quarter 2008. Planning and Development fees decreased \$21,000, or 4%. Adult Probation Fees increased \$19,380 due to a concentrated effort on the part of probation officers to hold offenders accountable. 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.

### 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 decreased 8.3%, or \$40,685, from first quarter 2008 revenue. A decrease in traffic infraction revenue accounts for almost all of the change. We believe this revenue is down as a result of the severe weather we experienced this winter.

### Miscellaneous

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

Miscellaneous revenues decreased \$229,870 or 25% from first quarter 2008. Investment interest decreased \$261,776, or 33%. A Sheriff's Office auction accounts for \$27,000 of one-time increase in other miscellaneous revenues.

### Other Financing Sources

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

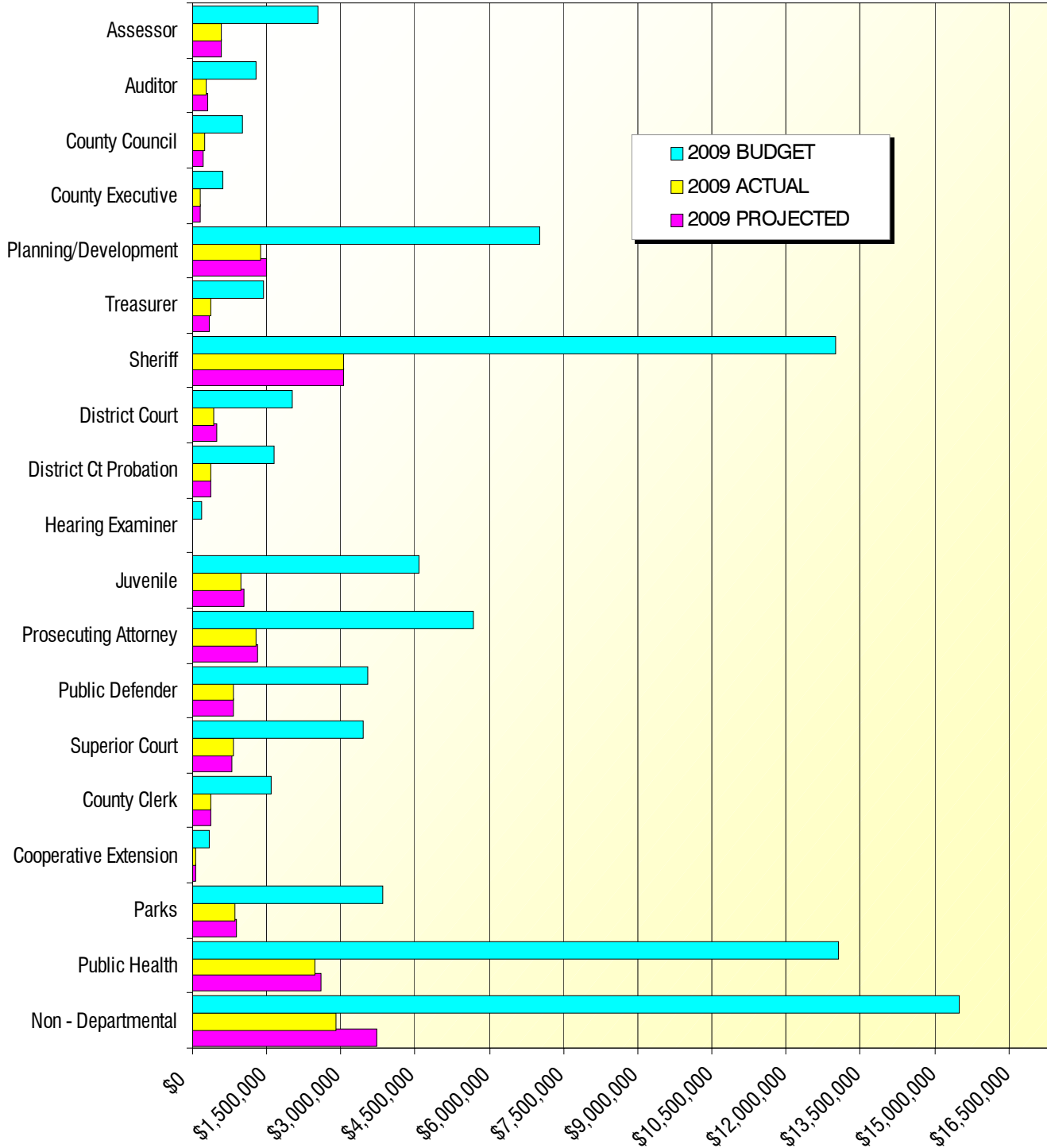
Other Financing Sources increased \$117,970 over first quarter 2008. State timber sales revenue decreased \$79,200, state timber revenues fluctuate based on harvest plans and market conditions. Transfers increased \$197,170. The increase in transfers is the result of a \$75,000 quarterly transfer from the Equipment Rental & Revolving Fund, which is a return of General Fund equity from ER&R and a quarterly \$130,136 transfer from the Administrative Service fund, which is a return of money that was held in reserve for Building Repair & Replacement.

# Whatcom County First Quarter 2009 Financial Report

For the Quarter Ended March 31, 2009



## General Fund Expenditures - Budget vs. Actual



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

# Whatcom County First Quarter 2009 Financial Report

For the Quarter Ended March 31, 2009



## General Fund Expenditures - Budget vs. Actual

	Adopted 2009 Budget	Budget Supplementals	Amended Budget	Actual as of 3/31/09	% Expended To Date
Assessor	2,518,082	0	2,518,082	584,624	23.22%
Auditor	1,288,975	0	1,288,975	289,329	22.45%
County Council	985,103	34,361	1,019,464	237,665	23.31%
County Executive	602,027	0	602,027	141,377	23.48%
Planning & Development	6,789,629	221,403	7,011,032	1,359,124	19.39%
Treasurer	1,376,831	44,878	1,421,709	376,278	26.47%
Sheriff	12,788,061	205,498	12,993,559	3,050,813	23.48%
District Court	2,020,399	0	2,020,399	431,215	21.34%
District Court Probation	1,655,640	0	1,655,640	363,790	21.97%
Hearing Examiner	173,486	0	173,486	40,997	23.63%
Juvenile	4,518,305	48,856	4,567,161	989,701	21.67%
Prosecuting Attorney	5,671,736	0	5,671,736	1,292,465	22.79%
Public Defender	3,719,096	(166,871)	3,552,225	830,075	23.37%
Superior Court Admin	3,265,807	183,333	3,449,140	831,990	24.12%
County Clerk	1,576,034	0	1,576,034	357,856	22.71%
Cooperative Extension	320,379	0	320,379	53,753	16.78%
Park	3,810,913	48,127	3,859,040	868,734	22.51%
Public Health	13,012,001	55,658	13,067,659	2,464,691	18.86%
Non - Departmental	15,467,893	25,623	15,493,516	2,887,573	18.64%
<b>Total General Fund Exp</b>	<b>81,560,397</b>	<b>700,866</b>	<b>82,261,263</b>	<b>17,452,050</b>	<b>21.22%</b>

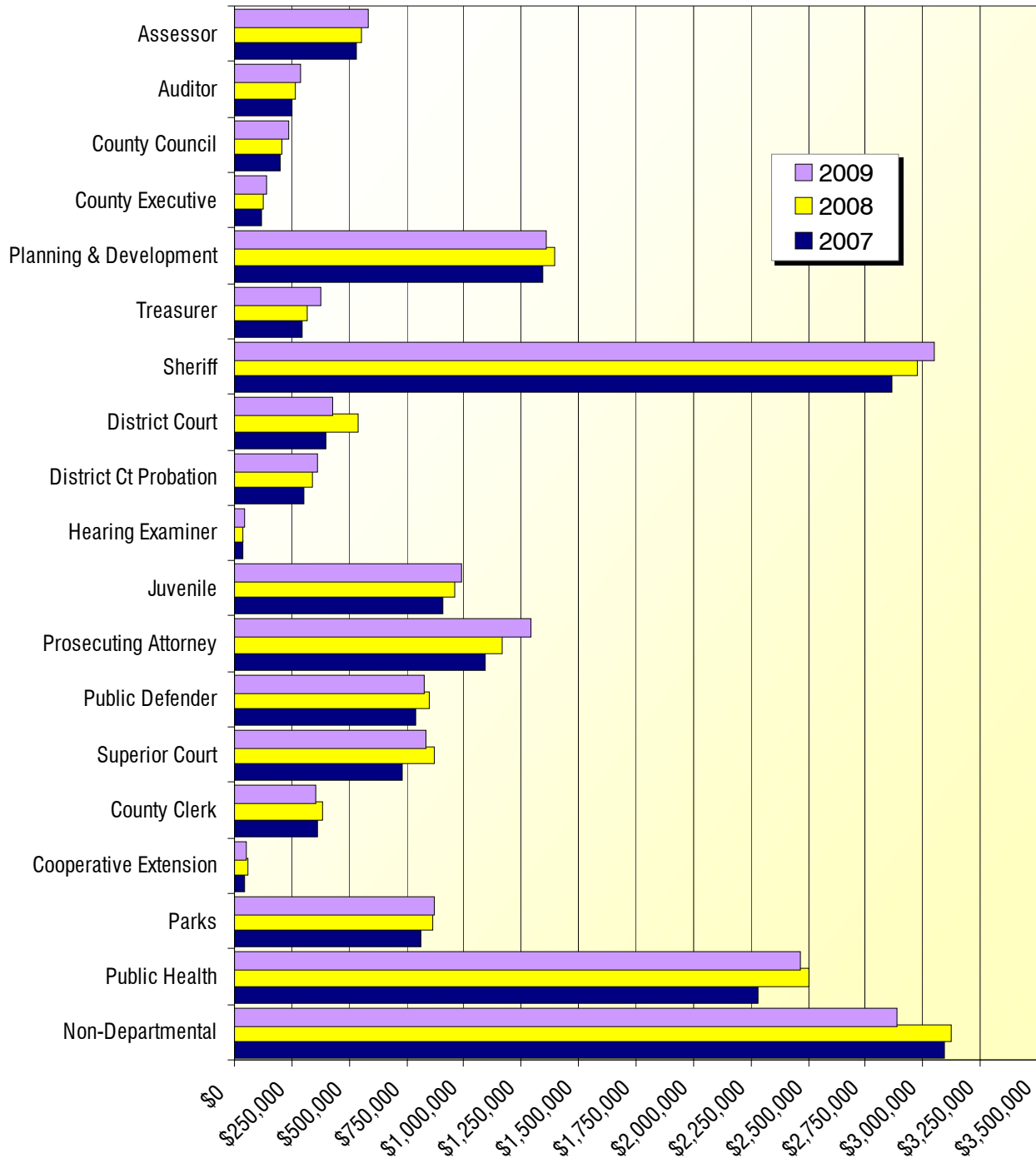
See page 9 for General Fund Expenditure Notes.

# Whatcom County First Quarter 2009 Financial Report

For the Quarter Ended March 31, 2009



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



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

# Whatcom County First Quarter 2009 Financial Report

For the Quarter Ended March 31, 2009



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

	2007	2008	2009
Assessor	533,671	554,658	584,624
Auditor	253,231	267,810	289,329
County Council	196,442	208,367	237,665
County Executive	118,031	122,600	141,377
Planning & Development	1,346,171	1,395,441	1,359,124
Treasurer	298,352	317,413	376,278
Sheriff	2,866,479	2,973,324	3,050,813
District Court	396,946	538,296	431,215
District Ct Probation	302,914	343,048	363,790
Hearing Examiner	38,683	39,844	40,997
Juvenile	907,837	961,587	989,701
Prosecuting Attorney	1,089,818	1,165,105	1,292,465
Public Defender	787,356	851,111	830,075
Superior Court Administration	733,950	872,802	831,990
County Clerk	363,149	383,514	357,856
Cooperative Extension	42,955	56,124	53,753
Parks	812,356	865,750	868,734
Public Health	2,282,099	2,501,854	2,464,691
Non-Departmental	3,096,240	3,122,593	2,887,573
<b>TOTAL</b>	<b>16,466,680</b>	<b>17,541,241</b>	<b>17,452,050</b>

## General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the first quarter were at 21% of the approved budget. This is consistent with previous years. All departmental spending was within budget expectations, with the exception of the Treasurer's Office.

The Treasurer spent 26.5% of their budget due to the completion of an office remodel project during the first quarter. Also, 87% of the Treasurer's postage budget was spent during the first quarter to send out annual property tax statements.

# Whatcom County First Quarter 2009 Financial Report

For the Quarter Ended March 31, 2009



## General Fund Conclusion

	Approved Budget	Projected
<b>Beginning Fund Balance 1/1/09</b>	<u>12,000,000</u>	<u>10,945,283</u>
<b>Revenues</b>		
Budgeted Revenues 2009	77,941,545	77,941,545
Decreased Revenue Estimates	-	(3,700,000)
Supplemental Budgets 2009	-	171,980
<b>Total Revenue</b>	<u>77,941,545</u>	<u>74,413,525</u>
<b>Expenditures</b>		
Budgeted Expenditures 2009	81,560,397	81,560,397
Expenditure Reductions		(1,200,000)
Continuing Appropriations 2009	-	473,236
Supplemental Budgets 2009	-	227,630
MTB Settlement		183,000
<b>Total Expenditures</b>	<u>81,560,397</u>	<u>81,244,263</u>
<b>Adjusted Surplus (Deficit)</b>	<u>(3,618,852)</u>	<u>(6,830,738)</u>
<b>Other Considerations</b>		
Estimated Budget Lapse	2,311,499	1,624,885
<b>Ending Fund Balance 12/31/09</b>	<u>10,692,647</u>	<u>5,739,430</u>

# Whatcom County First Quarter 2009 Financial Report

For the Quarter Ended March 31, 2009



## Special Revenue Funds and Other Funds - Revenues

	2008 Actual As of 3/31/2008	2009 Actual As of 3/31/2009	2009 Budget	% Collected of 2009 Budget
County Road Fund	2,326,334	2,271,422	35,143,228	6.46%
Election Reserve Fund	154,849	81,202	1,268,873	6.40%
Veterans Relief	15,373	15,432	265,234	5.82%
Jail Fund	3,206,161	2,909,127	13,027,365	22.33%
Low-Income Housing Projects	64,877	60,825	240,000	25.34%
Homeless Housing	148,841	235,214	1,506,897	15.61%
Stormwater Fund	-	278,866	1,539,636	18.11% <sup>1</sup>
Chemical Dependency/Mental Hlth	-	405,310	3,167,118	12.80% <sup>1</sup>
County Wide Emergency Medical	724,573	585,141	2,976,271	19.66%
Solid Waste Fund	4,788	164	1,101,850	0.01%
WC Convention Center Fund	49,020	87,432	421,320	20.75%
Victim/Witness Assistance Fund	30,192	30,690	137,478	22.32%
Whatcom Co Drug Fund	70,069	50,001	301,200	16.60%
Auditor's O&M Fund	27,867	26,925	237,350	11.34%
Emergency Management	224,614	228,215	693,133	32.93%
Flood Control Zone Dist Fund	185,918	225,555	6,810,039	3.31%
Conservation Futures Fund	185,173	54,552	1,023,776	5.33%
Sub-Flood Zones	13,023	47,362	163,452	28.98%
Real Estate Excise Tax Fund II	335,682	180,923	1,548,800	11.68%
Real Estate Excise Tax Fund I	345,353	225,266	1,400,000	16.09%
Public Utilities Improvement	788,369	728,220	3,266,622	22.29%
Ferry System Fund	202,013	242,386	2,606,077	9.30%
Equipment Rental & Revolving	1,990,618	2,003,763	11,615,066	17.25%
Administrative Services Fund	3,791,579	4,021,493	18,686,999	21.52%

**Notes:**

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

- <sup>1</sup> *Stormwater and Chemical Dependency/Mental Health* are newly established funds. Stormwater is currently funded by the Flood Control Zone District and Chemical Dependency/Mental Health is funded by a new sales tax.

# Whatcom County First Quarter 2009 Financial Report

For the Quarter Ended March 31, 2009



## Special Revenue Funds and Other Funds - Expenditures

	2008 Actual As of 3/31/2008	2009 Actual As of 3/31/2009	2009 Budget	% Expended of 2009 Budget
County Road Fund	4,253,894	4,631,143	35,549,383	13.03%
Election Reserve Fund	393,300	241,941	1,229,600	19.68%
Veterans Relief	34,248	50,937	282,033	18.06%
Water Resources	41,943	-	118,535	0.00%
Jail Fund	2,502,889	2,696,202	12,336,776	21.85%
Low Income Housing	64,957	34,469	265,000	13.01%
Homeless Housing	28,036	235,347	1,655,590	14.22%
Stormwater Fund	-	198,978	1,536,874	12.95% <sup>1</sup>
Chemical Dependency/Mental Hlth	-	95,235	630,532	15.10% <sup>1</sup>
County Wide Emergency Medical	453,137	661,807	2,892,526	22.88%
Solid Waste Fund	167,343	185,307	1,427,251	12.98%
WC Convention Center Fund	27,841	92,248	328,980	28.04%
Victim/Witness Assistance Fund	16,607	18,308	153,159	11.95%
Whatcom Co Drug Fund	-	32,000	660,967	4.84%
Auditor's O&M Fund	4,652	17,239	256,206	6.73%
Emergency Management	104,227	97,823	695,290	14.07%
Flood Control Zone Dist Fund	563,470	701,392	7,100,410	9.88%
Conservation Futures Fund	600,000	-	1,023,776	0.00%
Sub-Flood Zones	-	1,723	308,312	0.56%
Real Estate Excise Tax Fund II	9,048	50,640	4,748,923	1.07%
Real Estate Excise Tax Fund I	48,861	44,207	2,658,826	1.66%
Public Utilities Improvement	30,071	24,763	625,943	3.96%
Ferry System Fund	447,158	638,239	2,510,352	25.42%
Equipment Rental & Revolving	1,690,046	1,746,883	15,506,893	11.27%
Administrative Services Fund	3,555,419	4,470,208	20,661,825	21.64%

**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.

<sup>1</sup> Stormwater and Chemical Dependency/Mental Health are newly established funds.