



**2011
First
Quarter
Financial
Report**

Compiled and Presented by the
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April 29, 2011

Whatcom County First Quarter 2011 Financial Report

For the Quarter Ended March 31, 2011



Executive Summary

The following information presents Whatcom County's first quarter 2011 financial report. At the end of the first quarter General Fund revenues are \$437,068 below first quarter projections. This is largely the result of delays in grant billings and a \$60,000 decrease in state funding to the Health Department. Taxes, fees for service, miscellaneous revenues and revenues from other sources (interfund transfers and timber sales) are above first quarter projections. Traffic-related fines and building-related permits are below expectations.

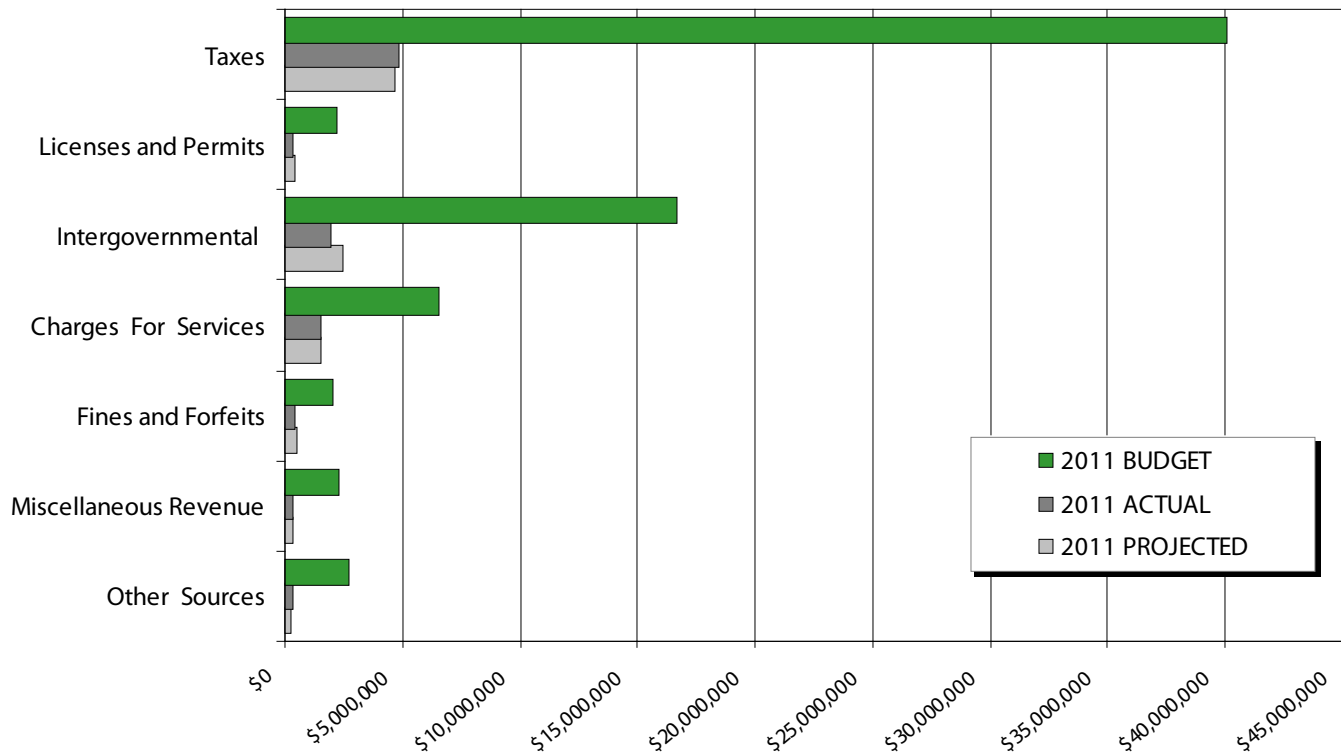
Expenditures are 21.6 percent of the annual budget, which is consistent with prior years. Whatcom County has instituted 90 day waiting periods before rehiring vacant positions and has negotiated with employee bargaining units for 10 closure days in 2011 in response to the continued economic slow-down.

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General Fund Revenue - Budget vs. Actual



	2011 Budget Adopted	2011 Budget Supp'ls	2011 Budget Amended	Actual as of 3/31/2011	% Collected To Date	Projected as of 3/31/2011
Taxes	40,083,325	0	40,083,325	4,826,651	12.04%	4,681,872
Licenses and Permits	2,221,177	0	2,221,177	347,134	15.63%	429,456
Intergovernmental	15,636,981	1,074,010	16,710,991	1,950,961	11.67%	2,500,037
Charges For Services	6,537,754	0	6,537,754	1,570,169	24.02%	1,562,831
Fines and Forfeits	2,028,741	0	2,028,741	439,450	21.66%	499,325
Miscellaneous Revenue	2,314,880	8,465	2,323,345	331,605	14.27%	298,653
Other Sources	2,700,346	16,066	2,716,412	302,493	11.14%	233,357
Total Revenue	71,523,204	1,098,541	72,621,745	9,768,463	13.45%	10,205,531

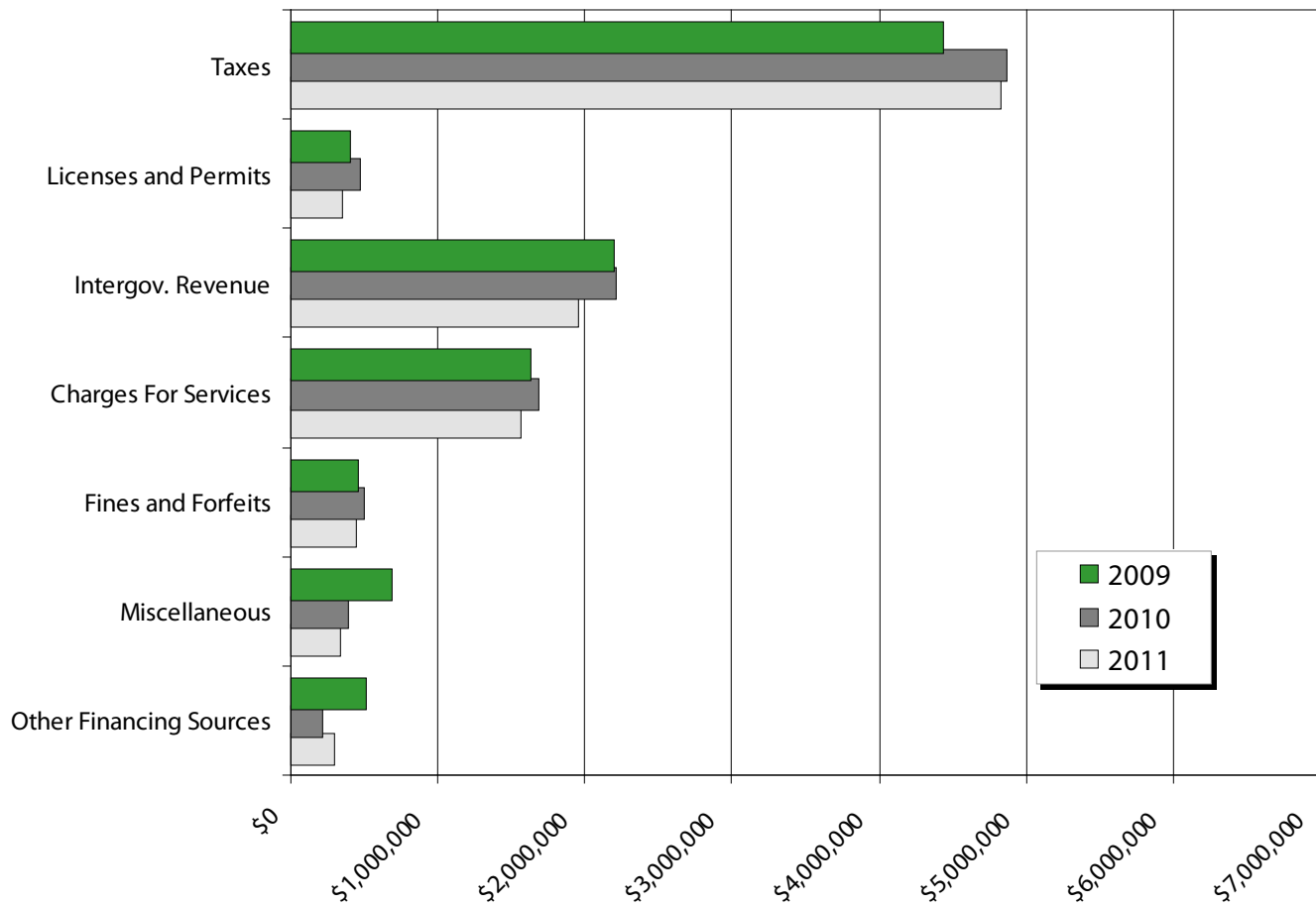
See pages 4 and 5 for General Fund Revenue Notes.

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General Fund Revenue to Date - Compared to Prior Years



	2009	2010	2011
Taxes	4,440,374	4,868,583	4,826,651
Licenses and Permits	404,103	476,984	347,134
Intergovernmental Revenue	2,198,959	2,217,591	1,950,961
Charges For Services	1,631,044	1,686,591	1,570,169
Fines and Forfeits	452,100	496,164	439,450
Miscellaneous	692,235	392,169	331,605
Other Financing Sources	508,796	209,401	302,493
Total Revenue	10,327,611	10,347,483	9,768,463

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 95% of Whatcom County's tax revenue budget.

Tax revenues are \$41,900 less than first quarter 2010 amounts. Current year sales tax collections are down \$280,447, or 9.2%, as compared to collections from last year. Prior year first quarter sales tax collections were abnormally high due to one-time major projects. Interest and penalty collections on delinquent taxes are up \$197,280, or 46.5%, over 2010 amounts due to large payments received from mortgage companies and commercial property owners.

Licenses & Permits

Building permits account for 52.5% of "Licenses & Permits" budgets. Health Department, marriage and fire control licenses and permits account for the remaining 47.5%.

License and Permit Fees were \$129,850 less than amounts collected during first quarter 2010. The greatest decreases were in building permits and on site sewage permits. Building permit revenues decreased \$78,720, or 35.2%, less than 2010. On site sewage permits are \$69,110, or 54.9%, less than 2010. Restaurant permits are 11%, or \$10,035 greater than 2010.

Intergovernmental Revenue

"Intergovernmental Revenue" comes from a variety of sources including grant revenue, state entitlements and payment for intergovernmental services rendered.

The revenues collected as of quarter end were 11.7% of budget and amounts are \$266,631 less than first quarter 2010. Part of the decrease is due to a \$60,000 cut back in state funding to the Health Department. The majority of other decreases are because of delays in first quarter departmental grant billings due to grantor agency changes in billing procedures and pending resolution of contract complexities.

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 \$116,421 from first quarter 2010. Building-related fees have decreased \$56,350, or 12.9% below prior year first quarter. Health Department H1N1 vaccination fees dropped from \$66,831 in 2010 to \$656 in 2011 due to community providers now distributing the vaccine rather than the County. Rifle range fees increased \$21,252 which is 19% greater than 2010 amounts.

Fines and Forfeits

"Fines and Forfeits" consist principally of traffic infraction revenue and criminal traffic misdemeanor penalties, which include driving while intoxicated penalties. It also includes bail/bond forfeitures, code

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General Fund Revenue Notes, continued

enforcement fines, public defense recoupment and other miscellaneous criminal costs and penalties.

Fines and Forfeits revenues decreased 11.4%, or \$56,700, below first quarter 2010 revenues. Decreases in traffic infraction and criminal traffic misdemeanor revenues account for \$45,000 of the difference. Decreases in code enforcement fines account for another \$12,400.

Miscellaneous

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

Miscellaneous revenues decreased \$60,565, or 15.4%, below first quarter 2010. Investment interest has been steadily decreasing from a high of \$800,000 for first quarter 2008 to the current low of \$183,600 in 2011. Interest earnings fell \$100,000 between first quarter 2010 and 2011. Rents are up \$20,800 due to moving monthly parking income from the Administrative Services fund to the General Fund beginning in 2011.

Other Financing Sources

The "Other Financing Sources" revenue budget is composed of state timber revenues (14%) and 86% from transfers from other Whatcom County funds.

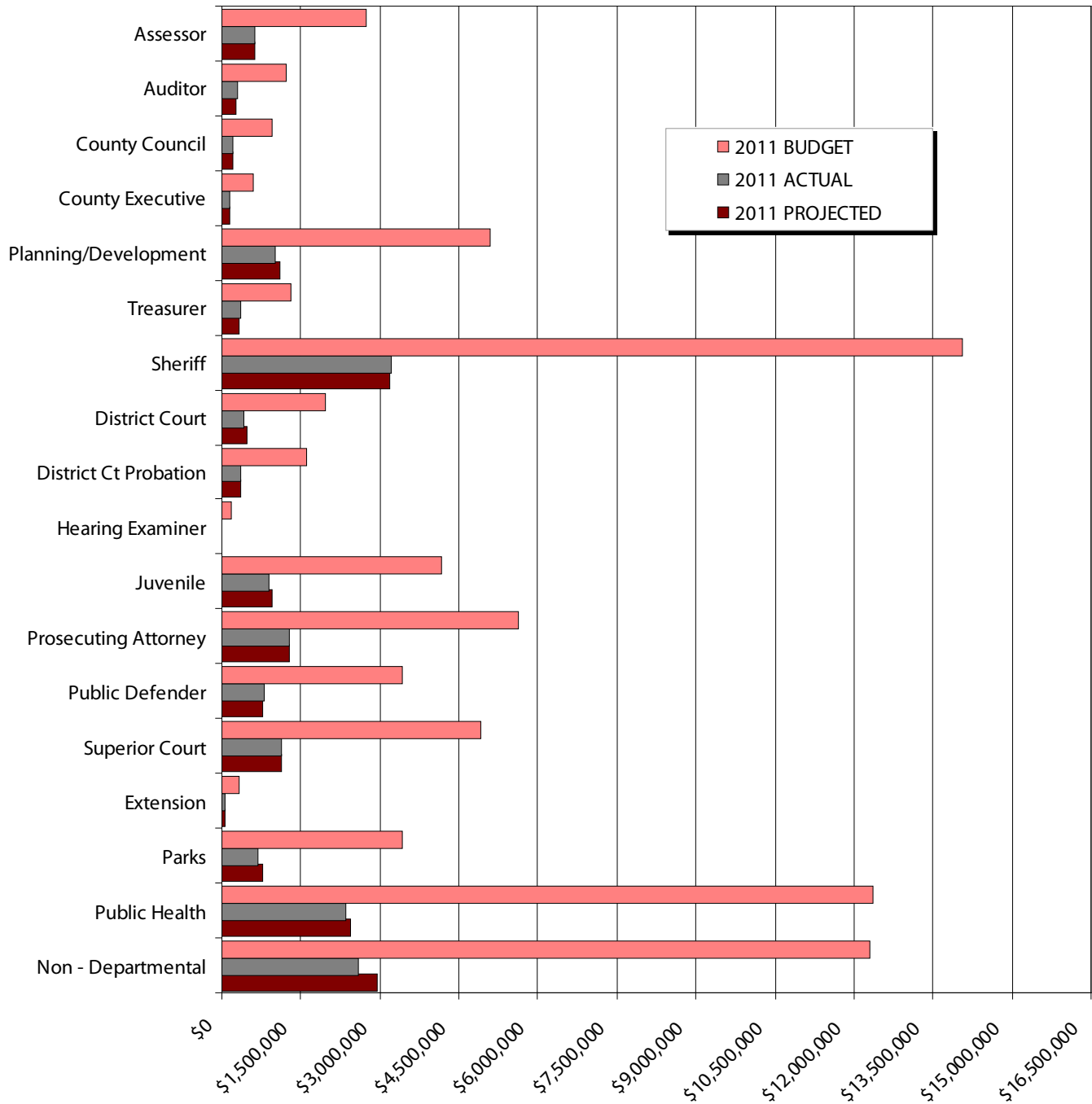
The Other Financing Sources category is \$168,000 greater than first quarter 2010. State timber sales revenue increased \$46,000 to \$76,786. Timber revenues fluctuate based on harvest plans and market conditions. Transfers increased \$122,000.

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General Fund Expenditures - Budget vs. Actual



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 2011 Budget	Budget Supplementals	Amended Budget	Actual as of 3/31/11	% Expended To Date	Projected as of 3/31/11
Assessor	2,748,664	0	2,748,664	633,436	23.05%	633,866
Auditor	1,226,126	0	1,226,126	286,084	23.33%	277,622
County Council	933,765	23,420	957,185	209,373	21.87%	214,244
County Executive	589,255	0	589,255	135,477	22.99%	134,942
Planning & Development	5,087,269	0	5,087,269	1,016,395	19.98%	1,106,418
Treasurer	1,299,323	0	1,299,323	346,191	26.64%	315,930
Sheriff	13,450,232	613,115	14,063,347	3,224,480	22.93%	3,192,086
District Court	1,960,280	1,100	1,961,380	426,477	21.74%	461,726
District Court Probation	1,623,160	0	1,623,160	350,716	21.61%	367,253
Hearing Examiner	176,351	515	176,866	42,311	23.92%	39,904
Juvenile	4,157,043	0	4,157,043	908,000	21.84%	947,659
Prosecuting Attorney	5,618,377	0	5,618,377	1,286,417	22.90%	1,292,395
Public Defender	3,409,730	11,917	3,421,647	790,219	23.09%	779,671
Superior Court/Clerk	4,918,361	0	4,918,361	1,122,256	22.82%	1,128,496
Extension	325,644	0	325,644	57,253	17.58%	48,672
Park	3,400,349	15,225	3,415,574	693,131	20.29%	777,200
Public Health	12,349,647	0	12,349,647	2,349,564	19.03%	2,456,603
Non - Departmental	11,663,978	642,031	12,306,009	2,583,100	20.99%	2,945,233
Total General Fund Exp	74,937,554	1,307,323	76,244,877	16,460,880	21.59%	17,119,920

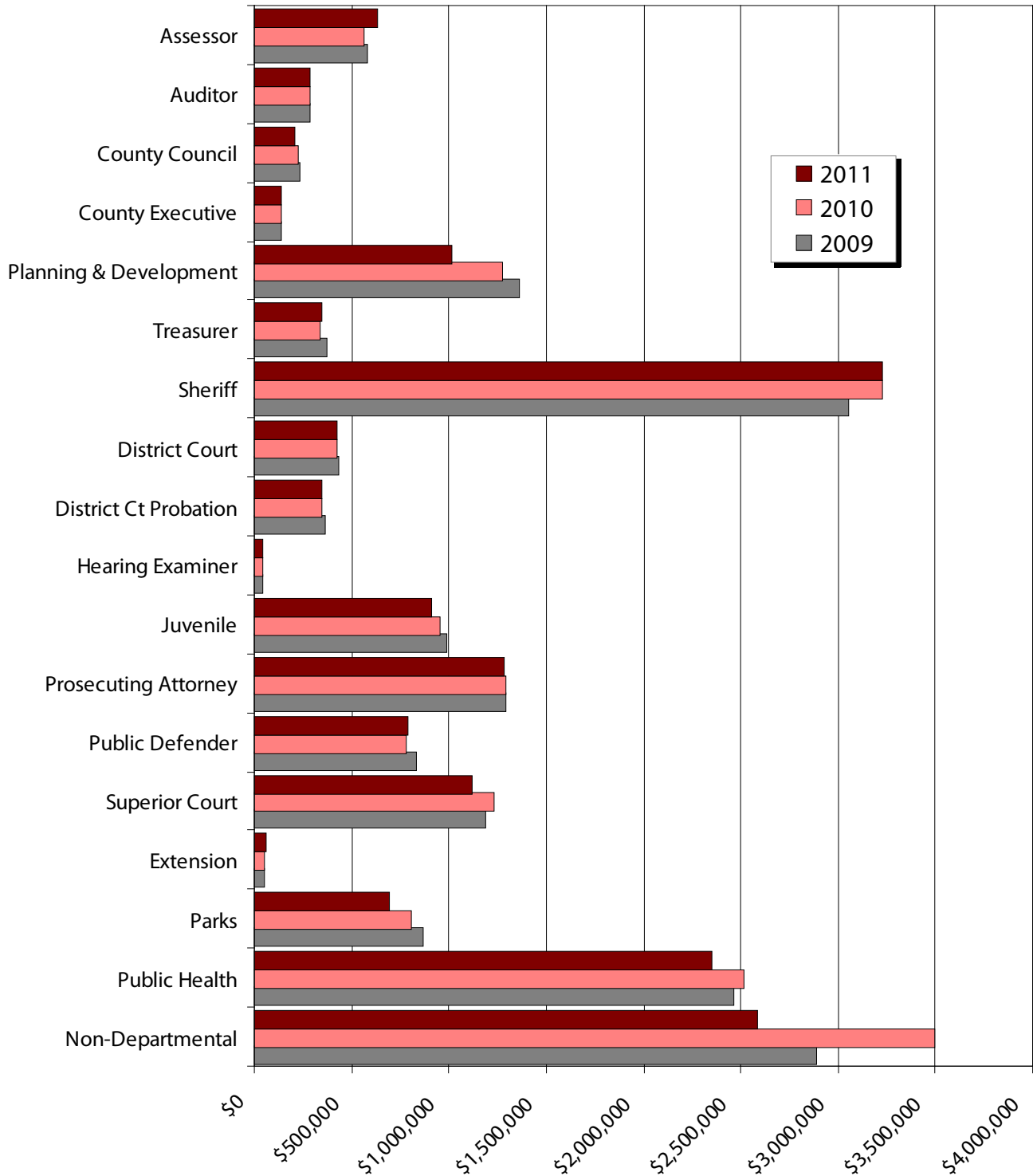
See page 9 for General Fund Expenditure Notes.

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General Fund Expenditures - Compared to Prior Years



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

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General Fund Expenditures - Compared to Prior Years

	2009	2010	2011
Assessor	584,624	565,453	633,436
Auditor	289,329	288,694	286,084
County Council	237,665	224,301	209,373
County Executive	141,377	142,461	135,477
Planning & Development	1,359,124	1,275,325	1,016,395
Treasurer	376,278	338,552	346,191
Sheriff	3,050,813	3,228,965	3,224,480
District Court	431,215	424,162	426,477
District Ct Probation	363,790	347,161	350,716
Hearing Examiner	40,997	41,309	42,311
Juvenile	989,701	955,468	908,000
Prosecuting Attorney	1,292,465	1,289,519	1,286,417
Public Defender	830,075	778,094	790,219
Superior Court Administration	1,189,846	1,232,321	1,122,256
Extension	53,753	52,551	57,253
Parks	868,734	807,998	693,131
Public Health	2,464,691	2,512,813	2,349,564
Non-Departmental	2,887,573	3,492,557	2,583,100
TOTAL	17,452,050	17,997,704	16,460,880

General Fund Expenditure Notes - Compared to Prior Years

Overall expenditures for the General Fund at the end of the first quarter were at 21.6% of the approved budget. This is consistent with previous years. All departmental spending was within budget expectations except for the Treasurer's Office. The Treasurer's Office was 26.6% spent due to postage and contracted services for annual tax statement mailings being incurred during the first quarter of the year rather than distributed throughout the year. In addition, the first six months of 2011 software maintenance fees were prepaid during the first quarter.

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General Fund Conclusion

	Approved Budget	Projected
Beginning Fund Balance 1/1/11	7,865,729	9,188,595
Revenues		
Budgeted Revenues 2011	71,523,204	71,523,204
Decreased Revenue Estimates	-	-
Continuing Appropriations from 2010	-	577,521
Supplemental Budgets 2011	-	521,020
Total Revenue	71,523,204	72,621,745
Expenditures		
Budgeted Expenditures 2011	74,937,554	74,937,554
Continuing Appropriations from 2010	-	786,304
Supplemental Budgets 2011	-	521,020
Total Expenditures	74,937,554	76,244,878
Adjusted Surplus (Deficit)	(3,414,350)	(3,623,133)
Other Considerations		
Estimated Budget Lapse - 3%		2,287,346
Ending Fund Balance 12/31/11	4,451,379	7,852,808

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Special Revenue Funds and Other Funds - Revenues

	2010 Actual As of 3/31/2010	2011 Actual As of 3/31/2011	2011 Budget	% Collected of 2011 Budget
County Road Fund	2,527,748	2,318,874	24,686,342	9.39%
Election Reserve Fund	23,045	73,706	1,265,573	5.82%
Veterans Relief	15,351	15,242	309,396	4.93%
Jail Fund	2,922,636	2,838,817	11,987,596	23.68%
Low Income Housing Projects	45,594	52,964	170,000	31.16%
Homeless Housing	259,070	303,948	1,207,099	25.18%
Stormwater Fund	-	-	2,235,511	0.00%
Chemical Dependency/Mental Hlth	806,275	797,985	3,360,755	23.74%
County Wide Emergency Medical	583,035	588,703	2,583,211	22.79%
Trial Court Improvement Fund	23,914	23,650	48,000	49.27%
Solid Waste Fund	300	2,244	990,750	0.23%
WC Convention Center Fund	105,868	113,432	460,000	24.66%
Victim/Witness Assistance Fund	33,388	29,205	135,550	21.55%
Whatcom Co Drug Fund	22,288	41,275	610,000	6.77%
Auditor's O&M Fund	20,478	24,468	166,900	14.66%
Emergency Management	383,647	293,449	1,189,651	24.67%
Flood Control Zone Dist Fund	273,589	224,416	5,214,279	4.30%
Pt Roberts Fuel Tax Fund	9,003	13,199	50,000	26.40%
Conservation Futures Fund	27,543	50,452	988,758	5.10%
Sub-Flood Zones	25,479	38,792	1,054,961	3.68%
Real Estate Excise Tax Fund II	223,722	157,184	1,688,365	9.31%
Real Estate Excise Tax Fund I	223,722	157,184	1,037,401	15.15%
Public Utilities Improvement	739,053	739,378	2,917,871	25.34%
East County Regional Resource Ctr	-	1,056,834	3,202,814	33.00%
Yew St Road Construction	-	-	665,573	0.00%
Lincoln Road Construction	-	-	1,961,916	0.00%
Ferry System Fund	226,471	336,436	2,506,616	13.42%
Equipment Rental & Revolving	1,718,840	1,808,802	9,297,219	19.46%
Administrative Services Fund	4,203,462	4,283,880	19,803,355	21.63%

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

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Special Revenue Funds and Other Funds - Expenditures

	2010 Actual As of 3/31/2010	2011 Actual As of 3/31/2011	2011 Budget	% Expended of 2011 Budget
County Road Fund	4,148,398	3,364,869	26,346,026	12.77%
Election Reserve Fund	303,514	246,418	1,311,910	18.78%
Veterans Relief	49,321	55,570	401,588	13.84%
Jail Fund	2,722,333	2,639,514	12,722,361	20.75%
Low Income Housing	31,946	29,264	165,000	17.74%
Homeless Housing	237,323	258,293	1,473,456	17.53%
Stormwater Fund	202,420	205,996	2,528,039	8.15%
Chemical Depend/Mental Hlth	295,406	299,057	3,380,569	8.85%
County Wide Emergency Medical	719,323	623,798	2,563,966	24.33%
Trial Court Improvement Fund	-	-	43,235	0.00%
LEOFF I Healthcare Fund	128,804	149,138	550,000	27.12%
Solid Waste Fund	132,445	121,314	1,159,494	10.46%
WC Convention Center Fund	56,396	71,645	425,280	16.85%
Victim/Witness Assistance Fund	18,363	17,643	142,874	12.35%
Whatcom Co Drug Fund	15,326	65	608,967	0.01%
Auditor's O&M Fund	2,276	46,362	223,412	20.75%
Emergency Management	71,369	110,338	1,189,651	9.27%
Flood Control Zone Dist Fund	722,848	452,523	5,589,577	8.10%
Conservation Futures Fund	4,446	-	335,517	0.00%
Sub-Flood Zones	18,415	52,195	987,730	5.28%
Real Estate Excise Tax Fund II	28,458	68,877	3,469,621	1.99%
Real Estate Excise Tax Fund I*	1,314,518	(10,694)	1,396,578	-0.77%
Public Utilities Improvement	33,237	1,197,456	2,004,941	59.73%
East County Regional Resource Ctr	6,874	272,883	4,211,697	6.48%
Yew St Road Construction	89,906	22,493	1,604,815	1.40%
Lincoln Rd Construction	-	116,284	3,457,188	3.36%
Ferry System Fund	536,372	533,225	2,674,125	19.94%
Equipment Rental & Revolving	1,290,145	1,494,282	9,894,455	15.10%
Administrative Services Fund	4,168,024	3,605,606	20,227,165	17.83%

*The Real Estate Excise Tax Fund I normally has a large bond payment due during the first quarter of the year. The bond has been refinanced and the payment will be made in June. The negative amount is a reversal of a 2010 year-end interest accrual.

Notes: 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.