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Finance  
 COUNCIL MEETING  
 Finance COMMITTEE  
EXHIBIT: \_\_\_\_\_



**2019  
Second  
Quarter  
Financial  
Report**

Jack Louws, County Executive

Compiled and Presented by the  
Administrative Services Department  
Finance Division

Brad Bennett, Finance Manager

August 9, 2019

# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Executive Summary

The following information presents Whatcom County's second quarter 2019 financial report. At the end of the second quarter the General Fund collected 48.71% of its budgeted revenues. Whatcom County's General Fund spent 45.49% of its budgeted expenditures. Revenues are about \$800,000 over prior year second quarter amounts with increases in investment returns and sales taxes. Large advance Medicaid administration fee payments from North Sound Behavioral Health Organization in Health have also increased the Charges For Services category. Expenditures are \$1.6 million more than 2018 amounts and are in line with expectations.

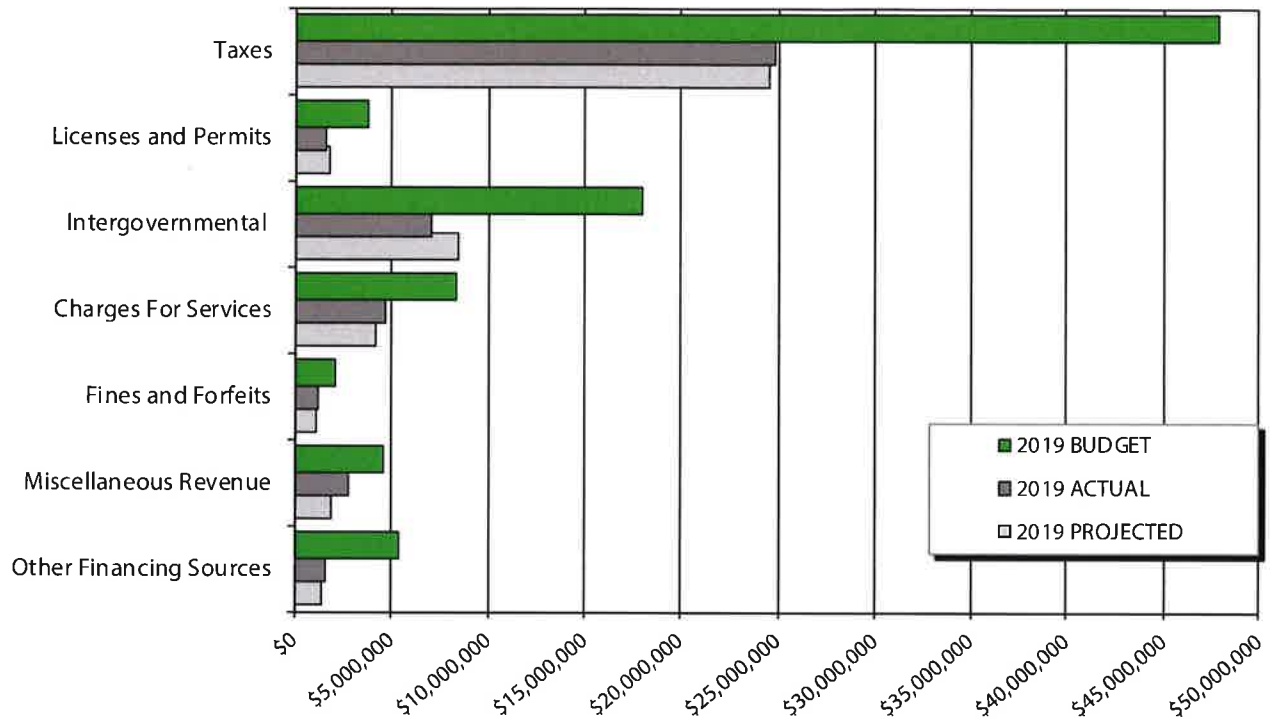
The estimated 2019 General Fund ending fund balance is projected to be approximately \$17 million.

# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## General Fund Revenue - Budget vs. Actual



	2019 Budget Adopted	2019 Budget Supp'ls	2019 Budget Amended	Actual as of 6/30/2019	% Collected To Date	Projected as of 6/30/2019
Taxes	47,864,051		47,864,051	24,873,976	51.97%	24,517,126
Licenses and Permits	3,802,909		3,802,909	1,573,934	41.39%	1,796,102
Intergovernmental	15,581,941	2,389,546	17,971,487	7,067,107	39.32%	8,435,142
Charges For Services	8,372,564	2,500	8,375,064	4,674,009	55.81%	4,203,331
Fines and Forfeits	2,059,100		2,059,100	1,174,175	57.02%	1,135,191
Miscellaneous Revenue	4,481,755	84,736	4,566,491	2,839,896	62.19%	1,894,384
Other Financing Sources	5,373,885		5,373,885	1,641,399	30.54%	1,420,873
<b>Total Revenue</b>	<b>87,536,205</b>	<b>2,476,782</b>	<b>90,012,987</b>	<b>43,844,496</b>	<b>48.71%</b>	<b>43,402,149</b>

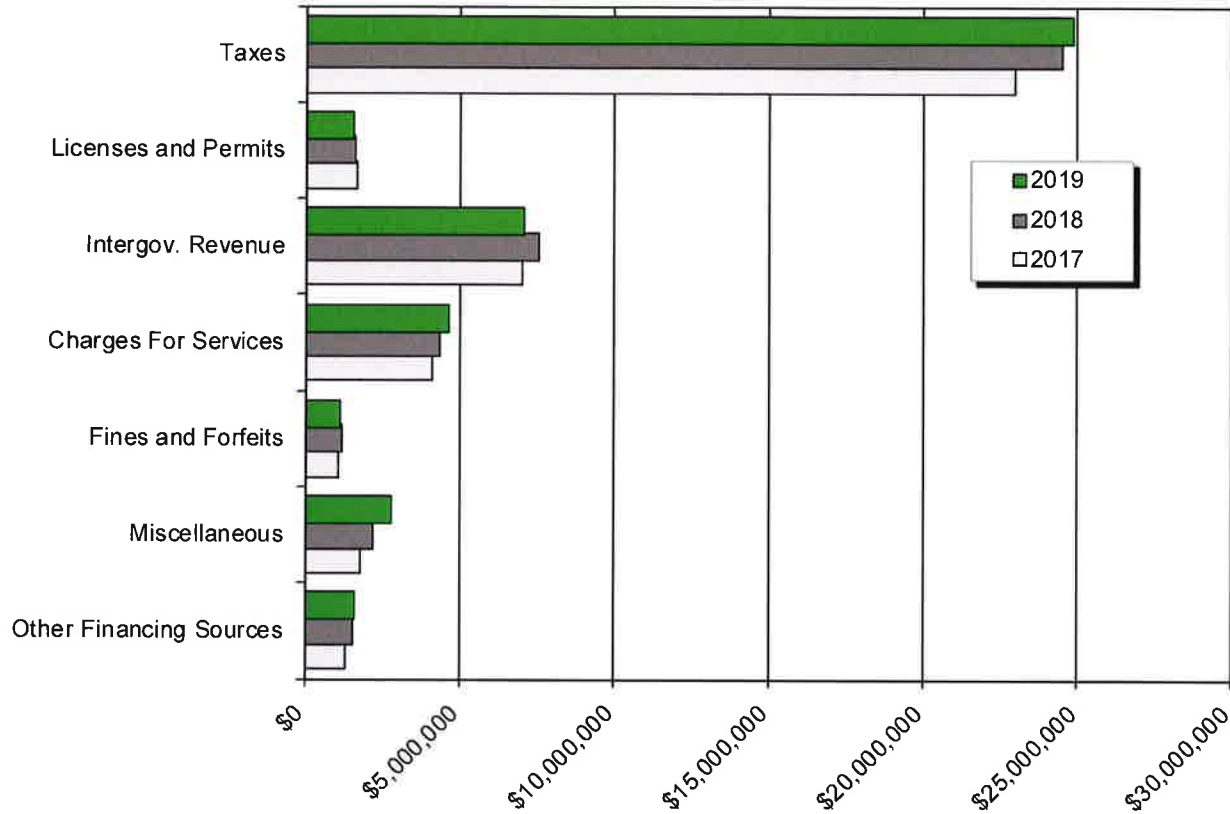
See pages 4 and 5 for General Fund Revenue Notes.

# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



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



	2017	2018	2019
Taxes	22,970,182	24,501,019	24,873,976
Licenses and Permits	1,670,517	1,631,251	1,573,934
Intergov. Revenue	7,043,566	7,561,519	7,067,107
Charges For Services	4,105,109	4,365,248	4,674,009
Fines and Forfeits	1,099,867	1,212,264	1,174,175
Miscellaneous	1,836,820	2,213,741	2,839,896
Other Financing Sources	1,357,788	1,572,763	1,641,399
<b>Total Revenue</b>	<b>40,083,849</b>	<b>43,057,805</b>	<b>43,844,496</b>

See pages 4 and 5 for General Fund Revenue Notes.

# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## General Fund Revenue Notes

### Taxes

*Property tax and retail sales tax make up 99% of Whatcom County's tax revenue budget.*

Tax revenues are up 1.5%, or 372,957, over 2018 second quarter amounts. Property tax revenues are \$119,410 less than 2018 amounts due to property tax revenues of \$440,160 for the Mental Health/Developmental Disabilities levies are now recorded in a separate fund. Normally property taxes increase year to year as a result of new construction valuations being added to the tax rolls. Current year sales tax collections are up 5.25%, or \$416,920, as compared to last year's second quarter collections.

### Licenses & Permits

*Building permits account for 39% of "Licenses & Permits" budget. Health Department restaurant, food-handling, on-site septic and other miscellaneous health-related licenses and permits make up 38% of the budget. Cable franchise fee revenues are 20% and marriage licenses, firearms permits and fire control permits account for the remaining 3%.*

License and Permit Fees are \$57,317, or 3.5%, less than amounts collected during second quarter 2018. Development related permits, building and onsite sewage, are up modestly at \$24,920, or 2.7%. Restaurant and food handling permits are down \$81,501 (19.1%). Vacancies in Health Department administrative positions have delayed prior month revenue postings into July.

### Intergovernmental Revenue

*"Intergovernmental Revenue" is mainly federal and state grants, entitlements and shared revenues.*

Revenues collected as of quarter end are \$494,418, or 6.5%, lower than second quarter 2018. Grant revenues fluctuate based on timing of program billings, variances in year to year funding levels, and additions/deletions of grant programs. There is a \$168,000 decrease in federal grant revenues as a result of the Women, Infants, & Children (WIC) program being transferred to community partners. Payments in Lieu of Taxes (PILT) for federal forest lands is also \$267,000 less than last year. In addition, turnover in Health Department administrative positions resulted in \$459,000 of prior month revenues being posted in July instead of June.

### 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), fees charged to other governments for probation and law enforcement-related services and several other miscellaneous service fees that help cover the costs of providing specific services used by individual customers.*

Overall, Charges for Services increased \$308,759, or 7.1%, over second quarter 2018. This is entirely due to advance payments from North Sound Behavioral Health Organization, for Medicaid administration activities in the Health Department, being recognized in January for use throughout all of 2019.

# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## General Fund Revenue Notes, continued

### Fines and Forfeits

*"Fines and Forfeits" consist principally of property tax penalties, traffic infraction revenue, and criminal traffic misdemeanor penalties. It also includes bail/bond forfeitures, code enforcement fines, public defense recoupment and other miscellaneous criminal costs and penalties.*

Fines and Forfeits revenues have decreased \$38,086, or 3.1%, from second quarter 2018 amounts. Whereas there was an increase in traffic infraction revenues collected, this was offset by decreases in the amounts of felony, criminal cost, civil and property tax penalties collected.

### Miscellaneous

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

Miscellaneous revenues are up \$626,154, or 28.3%, from second quarter 2018 amounts. Improving interest rates on investment income has resulted in \$570,871 more interest income than the same period last year. Interest income on delinquent property taxes increased about \$58,800, rental income from campsites at Silver Lake decreased by \$52,600 due to ongoing campground renovations, and donations increased by \$93,000 as a result of support received for Health Department programs from Boston Medical and Group Health.

### Other Financing Sources

*The "Other Financing Sources" revenue budget is composed of state timber revenues (7%) and transfers from other Whatcom County funds (93%).*

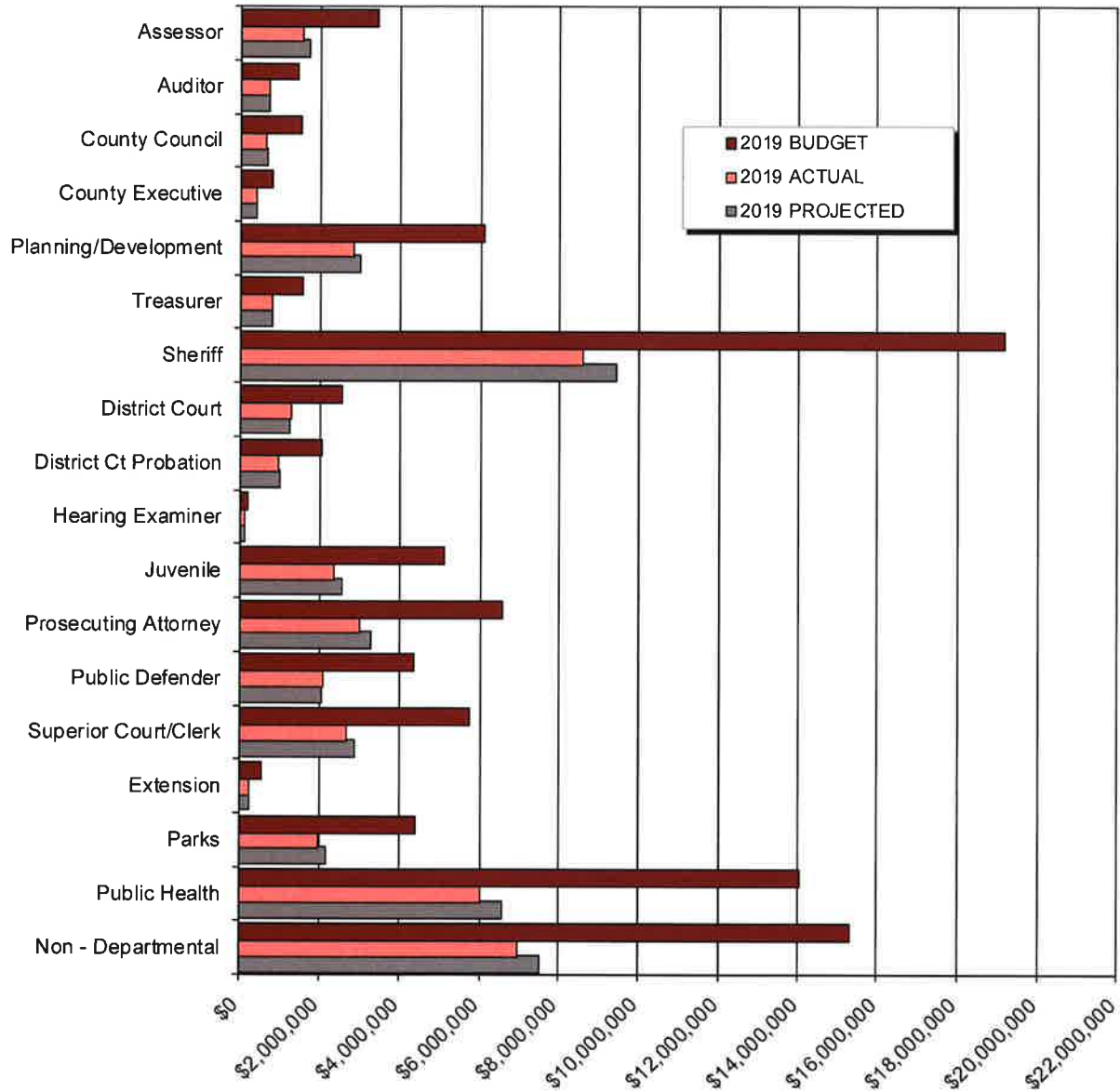
The Other Financing Sources category is \$68,635 (4.4%) more than second quarter 2018 amounts. Timber sales revenue decreased by \$220,404 and operating transfers increased \$289,039. Timber revenues fluctuate based on harvest plans and market conditions. The timing of operating transfers between departments also fluctuates from year to year.

# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## General Fund Expenditures - Budget vs. Actual



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

# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## General Fund Expenditures - Budget vs. Actual

	Adopted 2019 Budget	2019 Budget Suppl's	2019 Amended Budget	Actual as of 6/30/19	% Expended To Date	Projected as of 6/30/19
Assessor	3,394,993	27,075	3,422,068	1,542,060	45.06%	1,704,141
Auditor	1,424,557		1,424,557	698,141	49.01%	707,701
County Council	1,512,431	2,245	1,514,676	655,347	43.27%	697,354
County Executive	778,972		778,972	383,638	49.25%	388,592
Planning & Development	5,910,561	182,339	6,092,900	2,814,604	46.19%	2,985,875
Treasurer	1,563,968		1,563,968	786,100	50.26%	815,971
Sheriff	17,867,357	1,283,830	19,151,187	8,596,509	44.89%	9,457,919
District Court	2,546,145		2,546,145	1,276,259	50.13%	1,255,174
District Court Probation Hearing Examiner	2,029,333		2,029,333	968,957	47.75%	1,001,972
Juvenile	5,015,706	95,521	5,111,227	2,348,142	45.94%	2,541,786
Prosecuting Attorney	6,550,982	11,905	6,562,887	3,005,550	45.80%	3,276,050
Public Defender	4,318,112	14,000	4,332,112	2,079,798	48.01%	2,017,001
Superior Court/Clerk Extension	5,756,004		5,756,004	2,672,605	46.43%	2,874,416
Park	541,708		541,708	246,644	45.53%	230,940
Public Health	4,383,264	9,000	4,392,264	1,943,681	44.25%	2,158,041
Non - Departmental	13,642,352	387,206	14,029,558	6,024,057	42.94%	6,588,314
Total General Fund Exp	14,614,557	683,249	15,297,806	6,959,733	45.49%	7,529,087
	92,052,619	2,696,370	94,748,989	43,102,100	45.49%	46,330,918

See page 9 for General Fund Expenditure Notes.

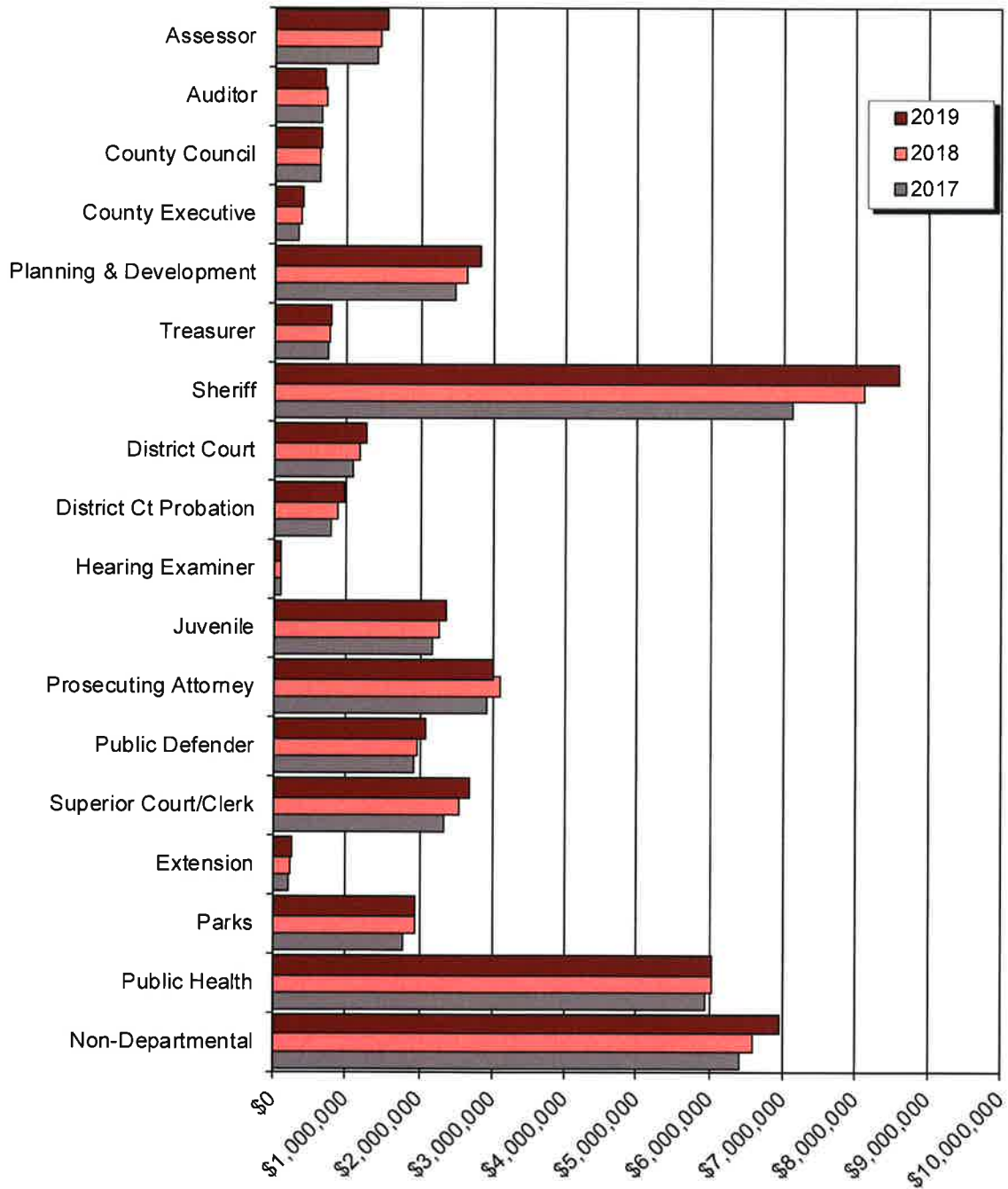


# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## General Fund Expenditures - Compared to Prior Years



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

# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## General Fund Expenditures - Compared to Prior Years

	2017	2018	2019
Assessor	1,406,649	1,464,665	1,542,060
Auditor	653,625	709,024	698,141
County Council	636,415	624,928	655,347
County Executive	327,570	370,035	383,638
Planning & Development	2,478,557	2,629,454	2,814,604
Treasurer	735,445	773,297	786,100
Sheriff	7,121,394	8,109,098	8,596,509
District Court	1,093,715	1,177,639	1,276,259
District Ct Probation	786,815	878,442	968,957
Hearing Examiner	94,667	100,441	100,275
Juvenile	2,171,497	2,254,079	2,348,142
Prosecuting Attorney	2,903,635	3,098,244	3,005,550
Public Defender	1,921,449	1,975,005	2,079,798
Superior Court /Clerk	2,341,541	2,542,689	2,672,605
Extension	214,587	239,917	246,644
Parks	1,777,507	1,943,784	1,943,681
Public Health	5,937,806	6,019,456	6,024,057
Non-Departmental	6,392,052	6,580,482	6,959,733
<b>TOTAL</b>	<b>38,994,926</b>	<b>41,490,679</b>	<b>43,102,100</b>

## General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the first quarter were 45.49% of the approved budget. All departmental spending was within budget expectations or in line with previous year spending patterns except District Court. District Court is just over 50% spent due to higher than expected spending on court interpreters and increasing costs of the West Law legal references subscription.

# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## General Fund Conclusion

	<b>Projected</b>
<b>Beginning Fund Balance 1/1/19</b>	<u>17,080,638</u>
<b>Revenues</b>	
Budgeted Revenues 2019	87,536,205
Continuing Appropriations from 2018	1,005,640
Supplemental Budgets 2019	<u>1,471,142</u>
<b>Total Revenue</b>	<u>90,012,987</u>
<b>Expenditures</b>	
Budgeted Expenditures 2019	92,052,619
Continuing Appropriations from 2018	1,164,337
Supplemental Budgets 2019	<u>1,532,033</u>
<b>Total Expenditures</b>	<u>94,748,989</u>
<b>Adjusted Surplus (Deficit)</b>	(4,736,002)
<b>Other Considerations</b>	
Estimated Budget Lapse <sup>1</sup>	<u>4,737,449</u>
<b>Projected Ending Fund Balance 12/31/19</b>	<u><u>17,082,085</u></u>

**Notes:**

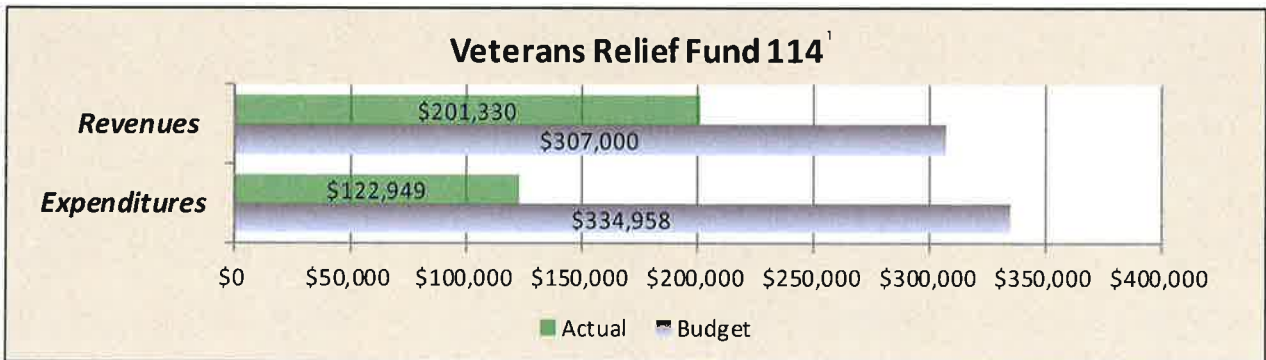
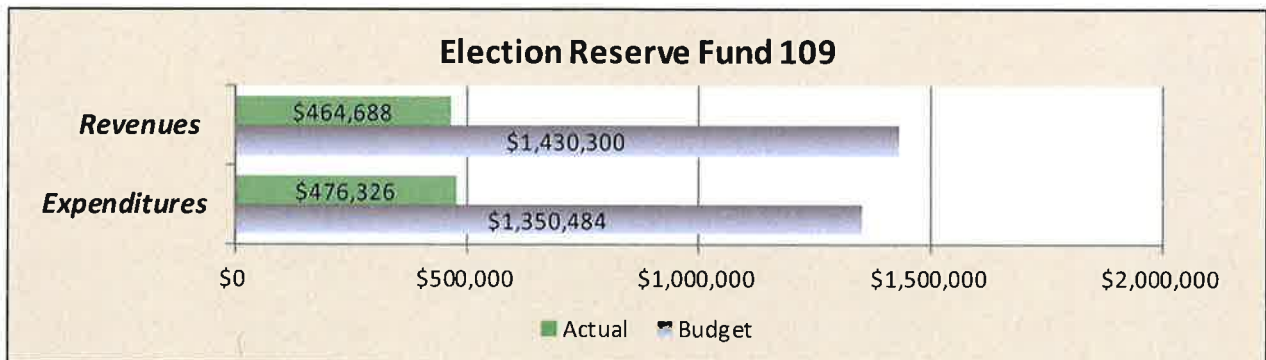
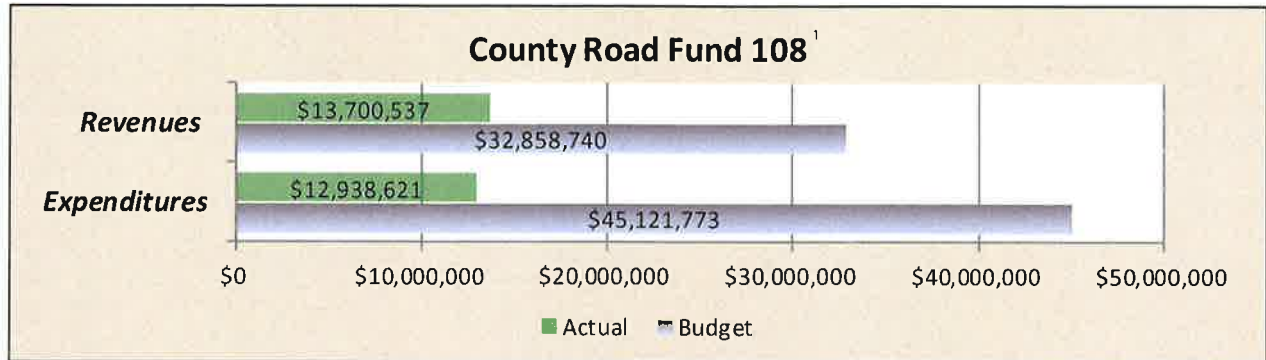
<sup>1</sup> The estimated budget lapse is 5.0% of expenditures.

# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Special Revenue Funds and Other Funds



Note:

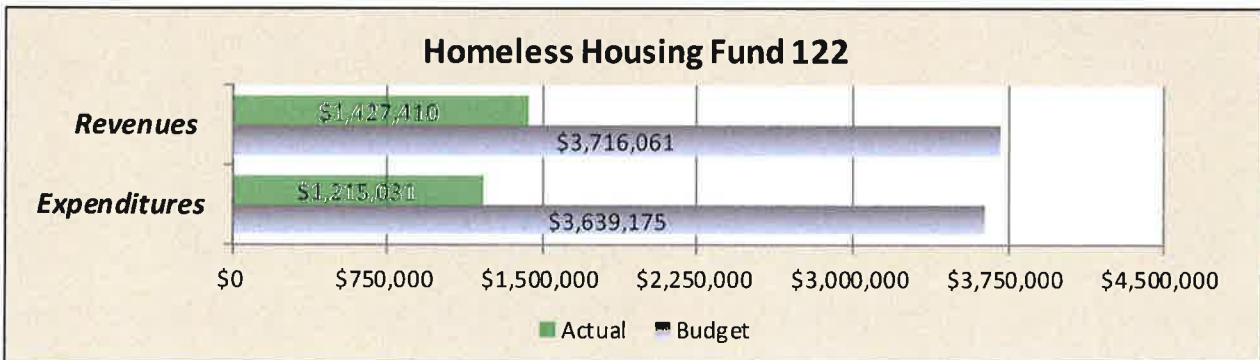
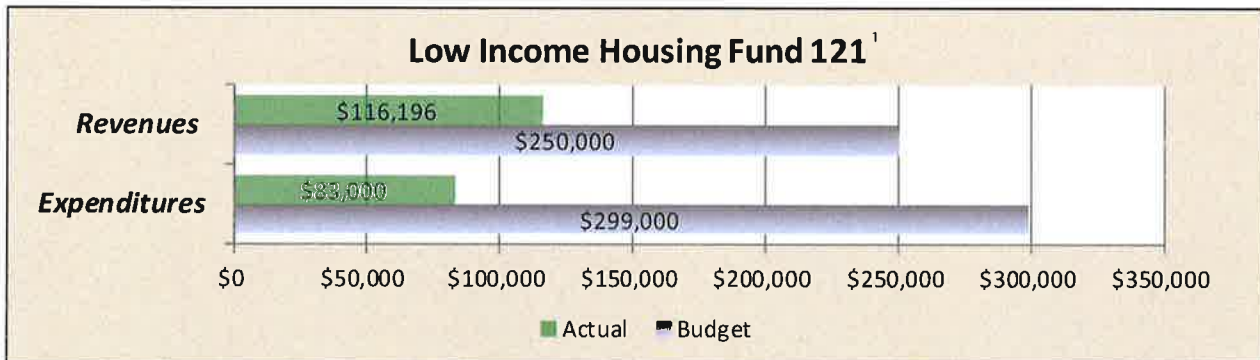
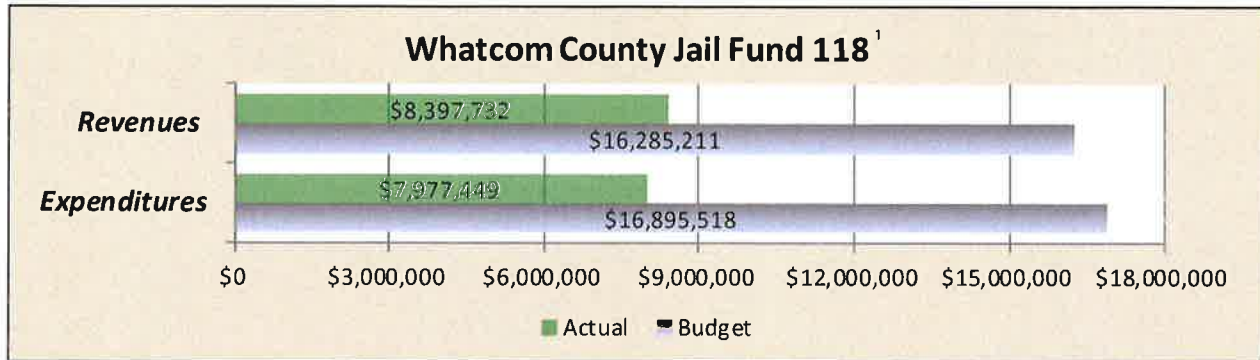
<sup>1</sup> Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Special Revenue Funds and Other Funds, continued



Note:

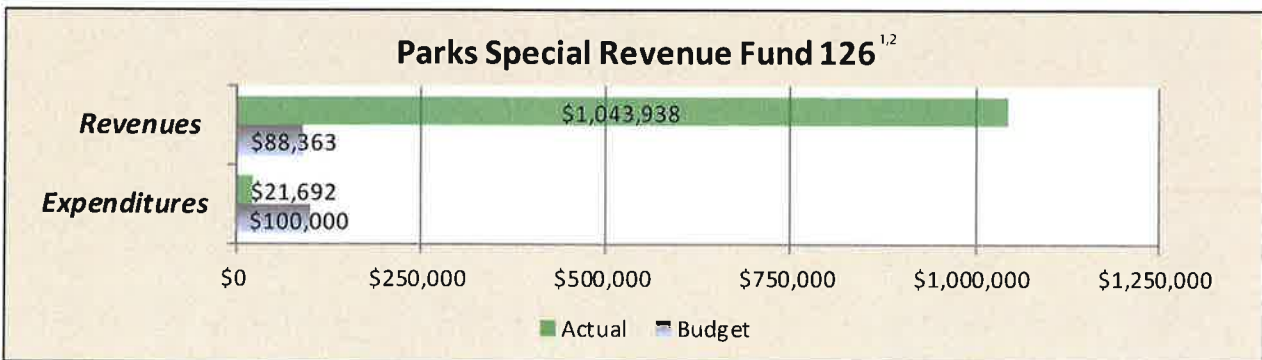
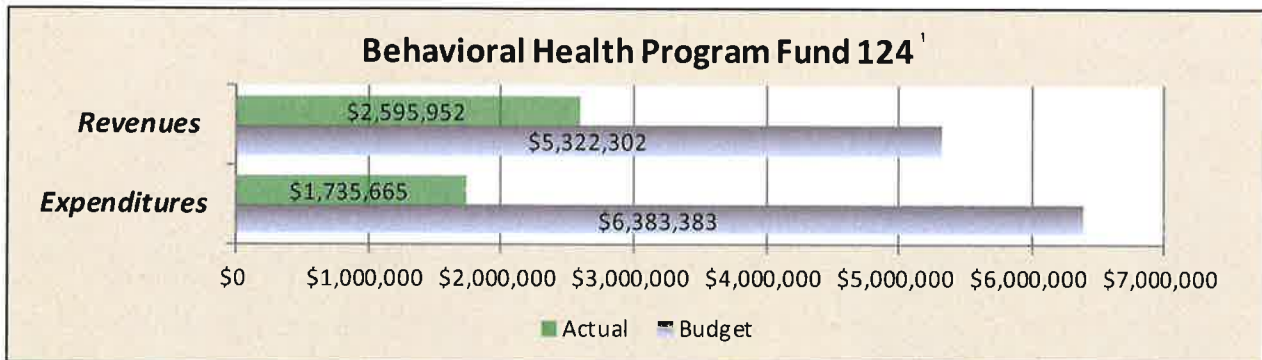
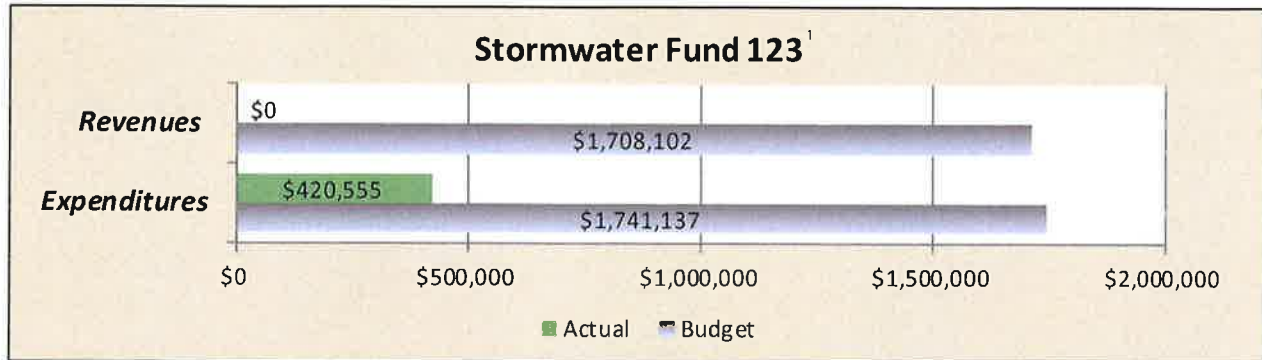
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# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Special Revenue Funds and Other Funds, continued



**Note:**

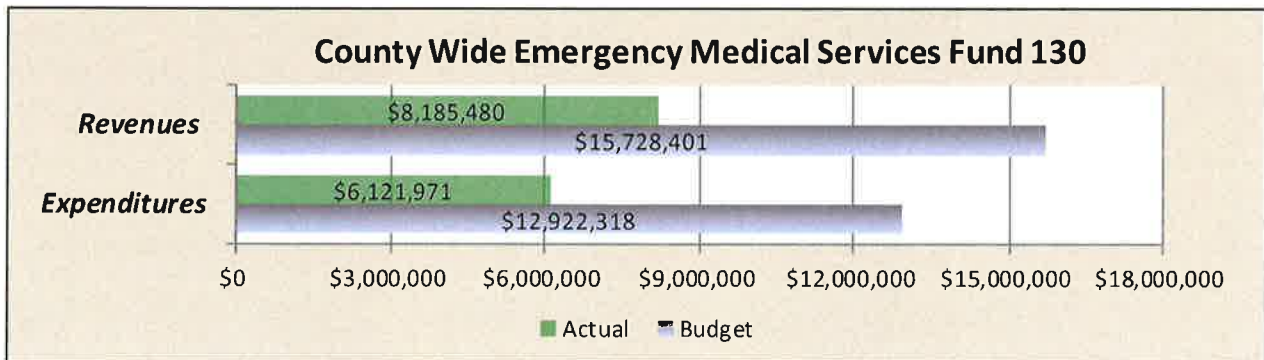
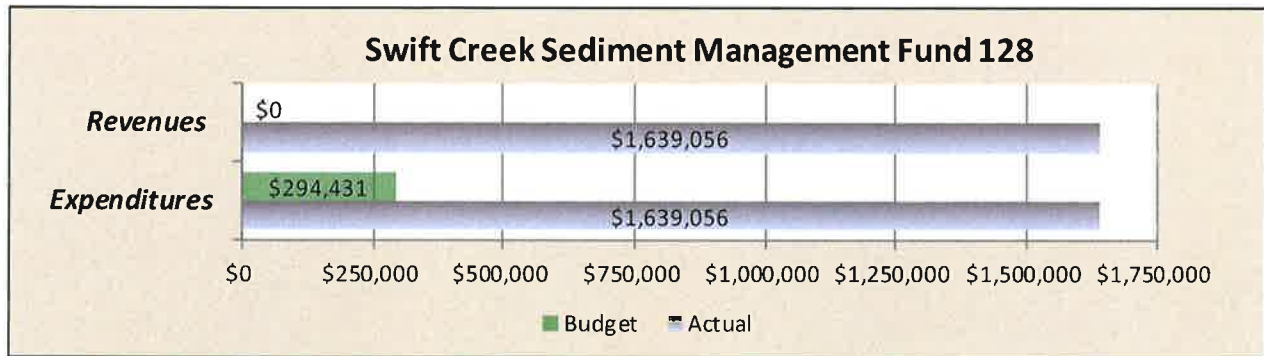
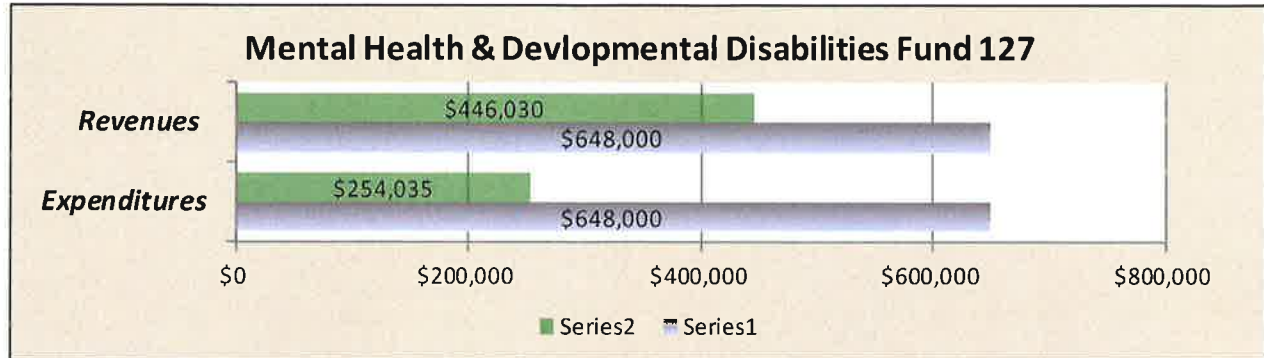
- <sup>1</sup> Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.
- <sup>2</sup> Actual revenues are greater than current budget due to receipt of a \$1 million unbudgeted state grant that reimbursed prior year expenditures for the purchase of the Birch Bay community park property.

# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Special Revenue Funds and Other Funds, continued

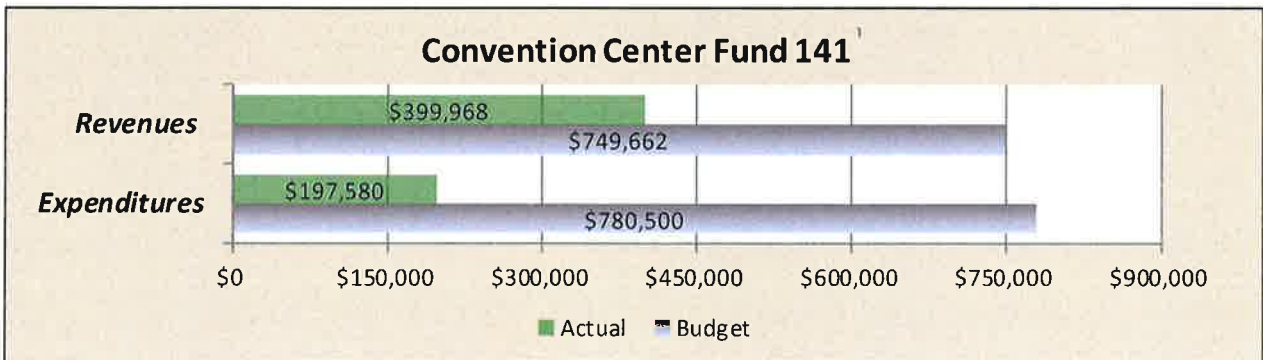
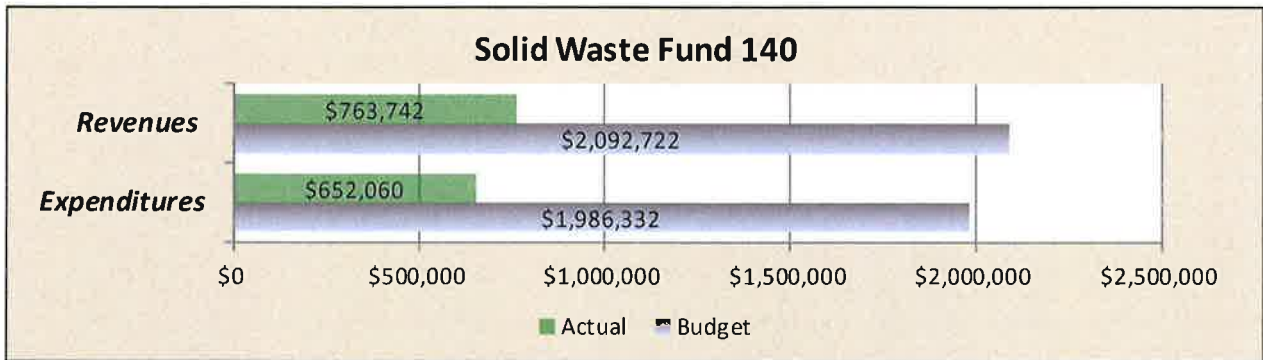
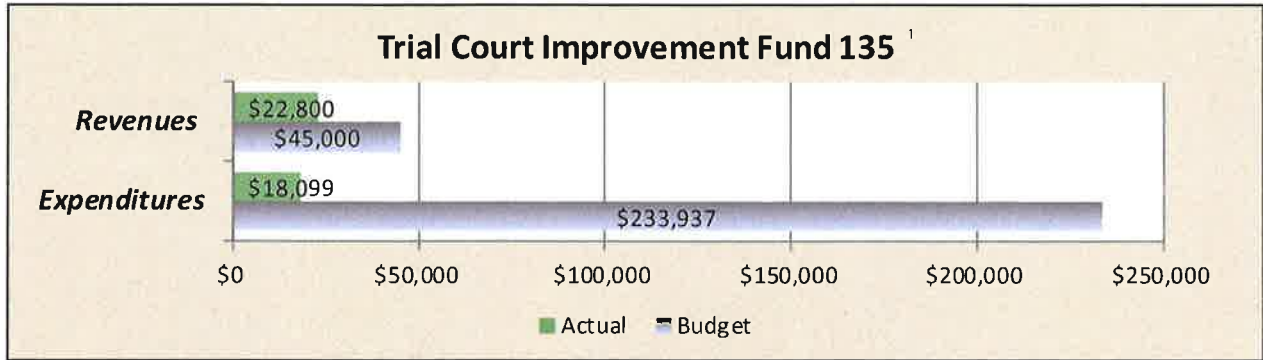


# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Special Revenue Funds and Other Funds, continued



**Notes:**

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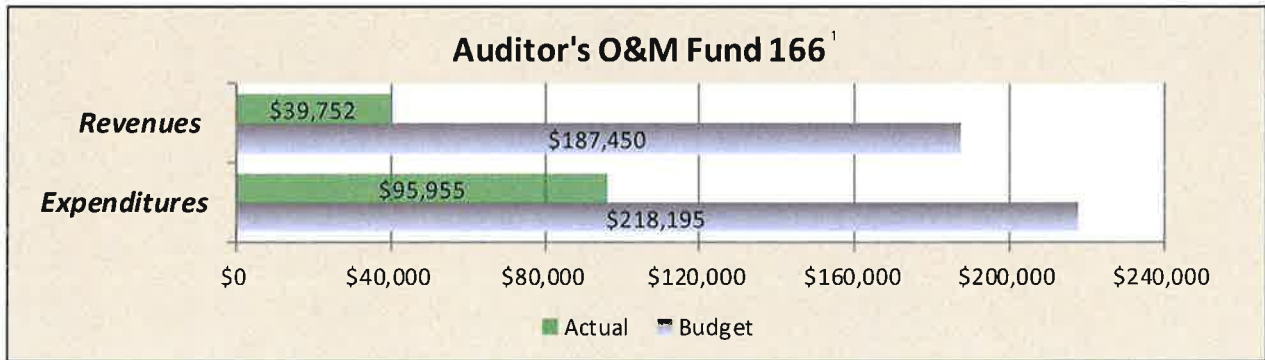
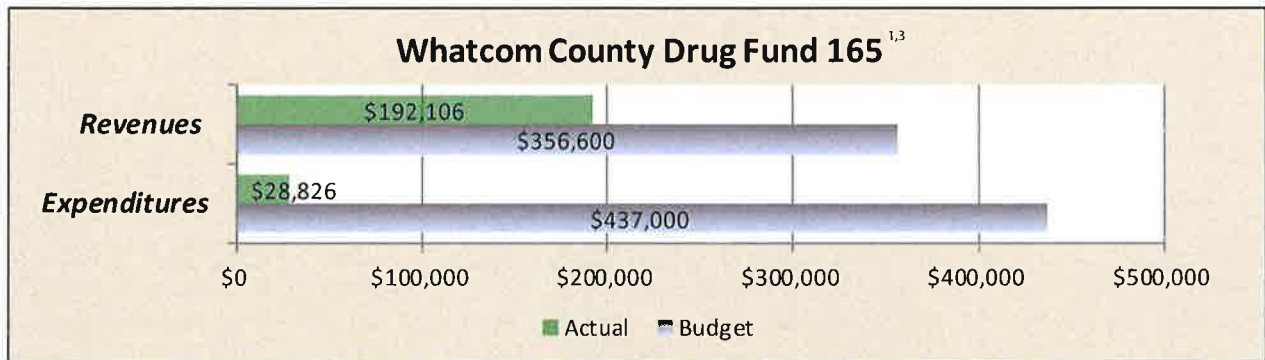
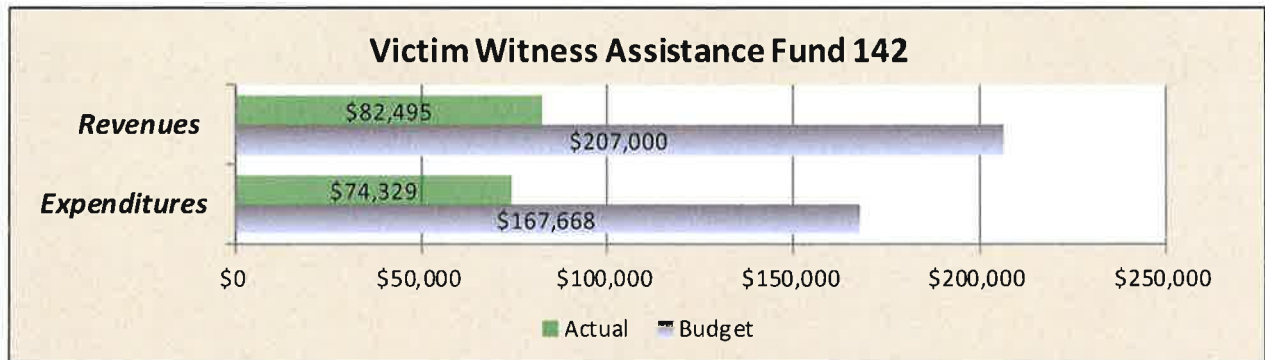


# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Special Revenue Funds and Other Funds, continued



Notes:

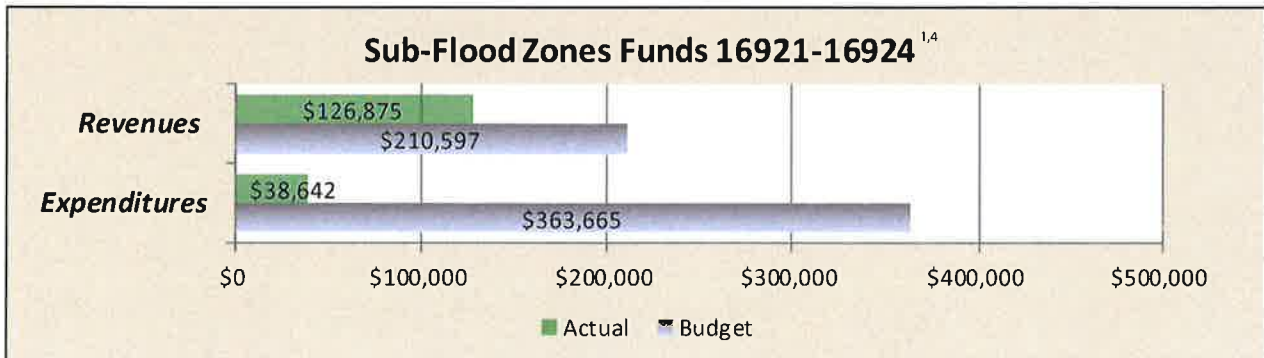
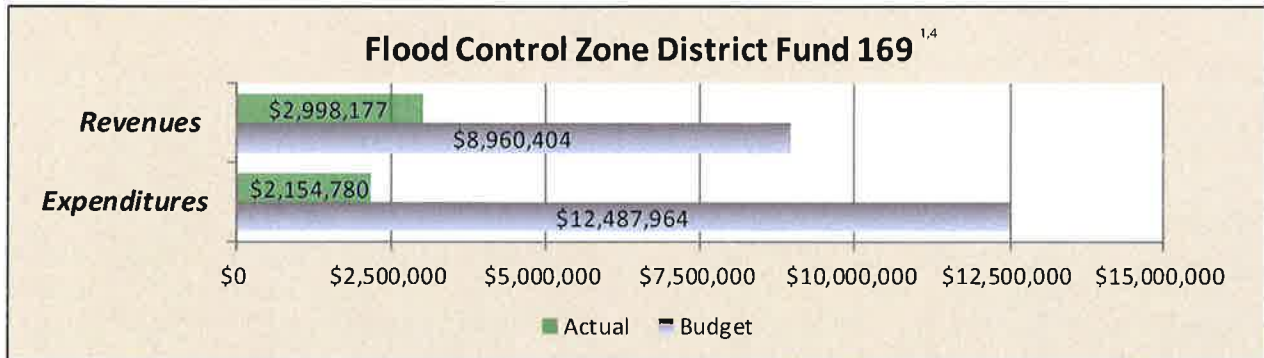
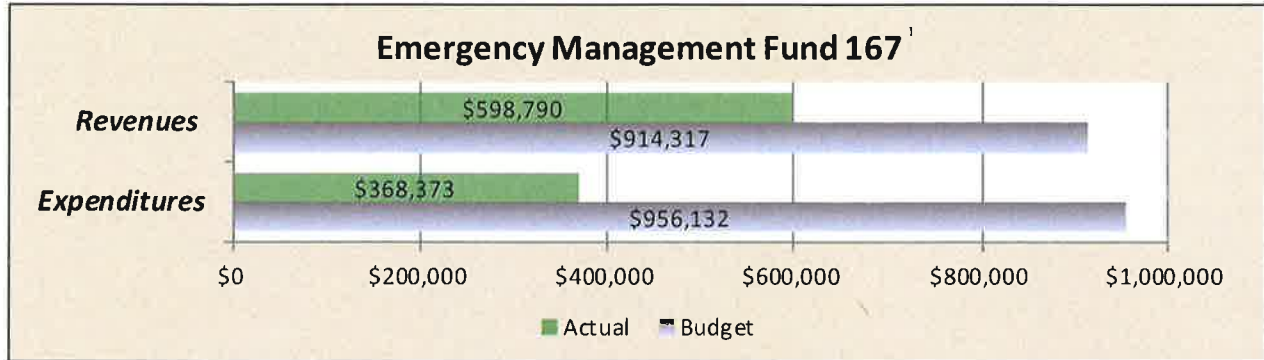
- <sup>1</sup> Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.
- <sup>3</sup> Drug Fund revenue is dependent on seizure activity and proceed sharing with other agencies. Therefore, revenue is unpredictable. The Fund's ability to incur expenditures is also dependent on receipt of seizure revenues.

# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Special Revenue Funds and Other Funds, continued



**Notes:**

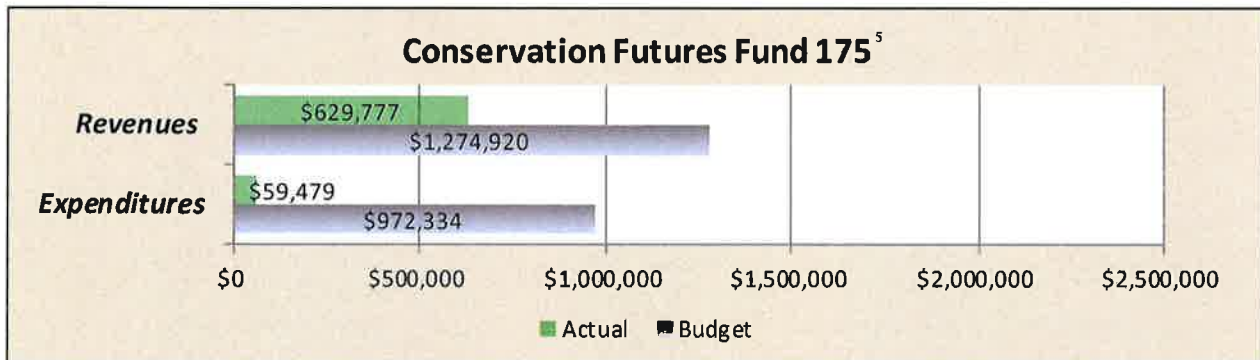
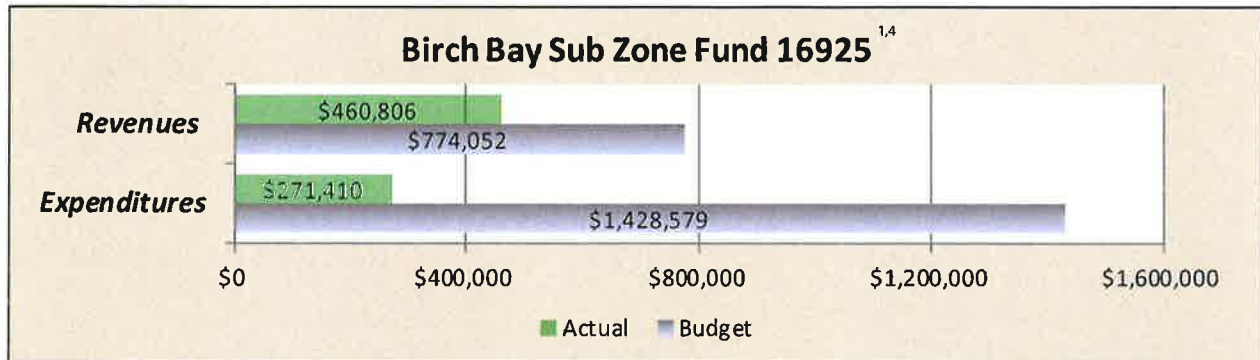
- <sup>1</sup> Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.
- <sup>4</sup> Flood and Sub Zones expenditures are project driven which are dependent on factors such as permitting, fish windows, and state funding.

# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Special Revenue Funds and Other Funds, continued



**Notes:**

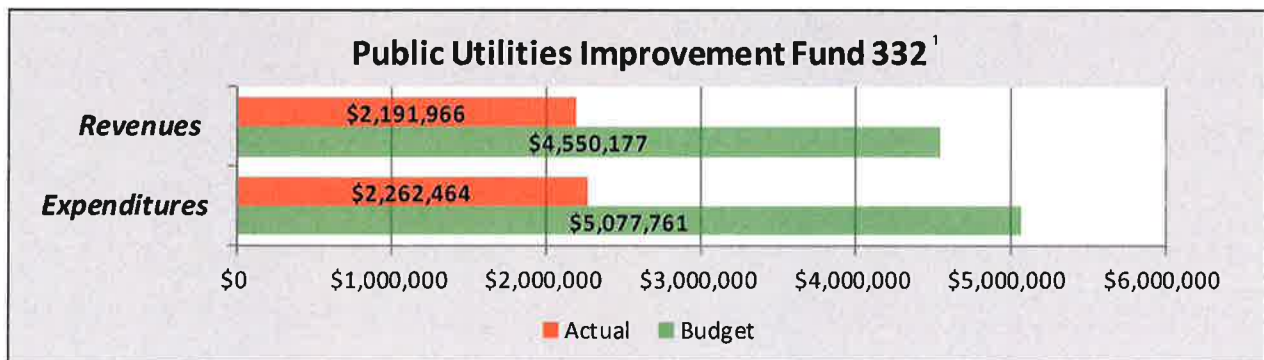
- <sup>1</sup> Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.
- <sup>4</sup> Flood and Sub Zones expenditures are project driven which are dependent on factors such as permitting, fish windows, and state funding.
- <sup>5</sup> Most Conservations Futures funding is used to purchase development rights and land. These purchases are budgeted on a transaction by transaction basis as they occur.

# Whatcom County Second Quarter 2019 Financial Report

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## Capital Project Funds



Note:

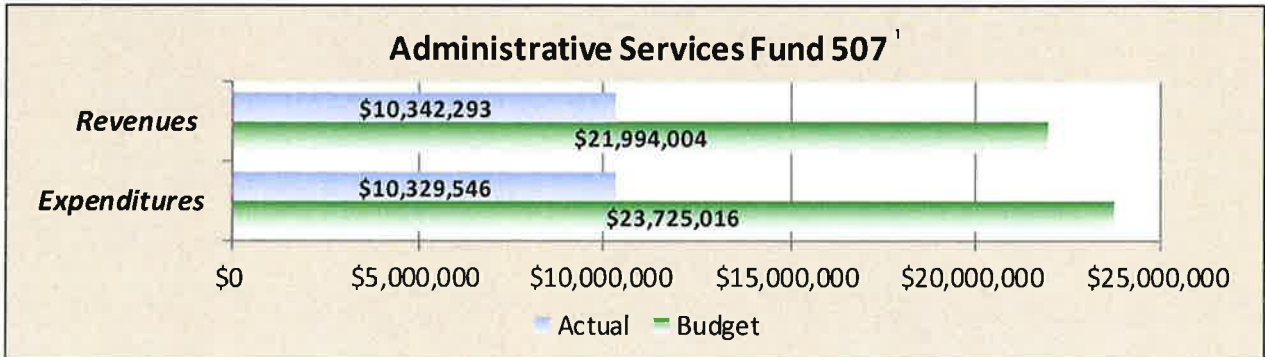
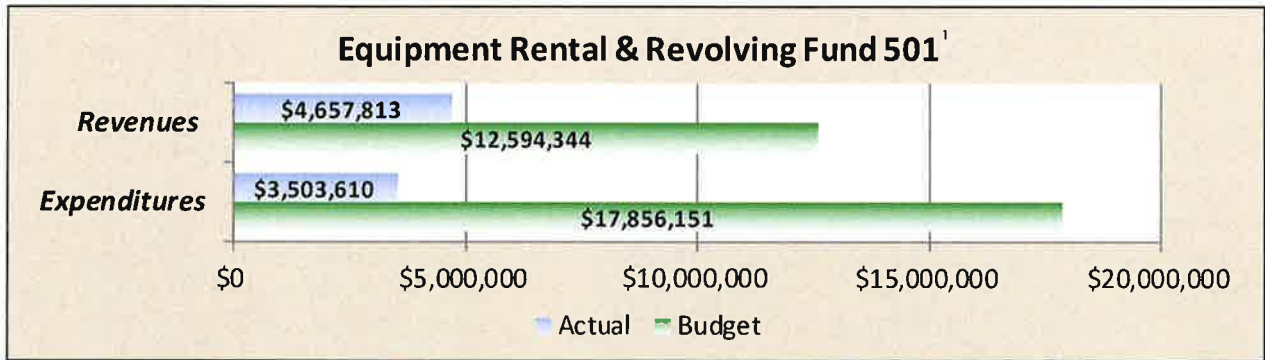
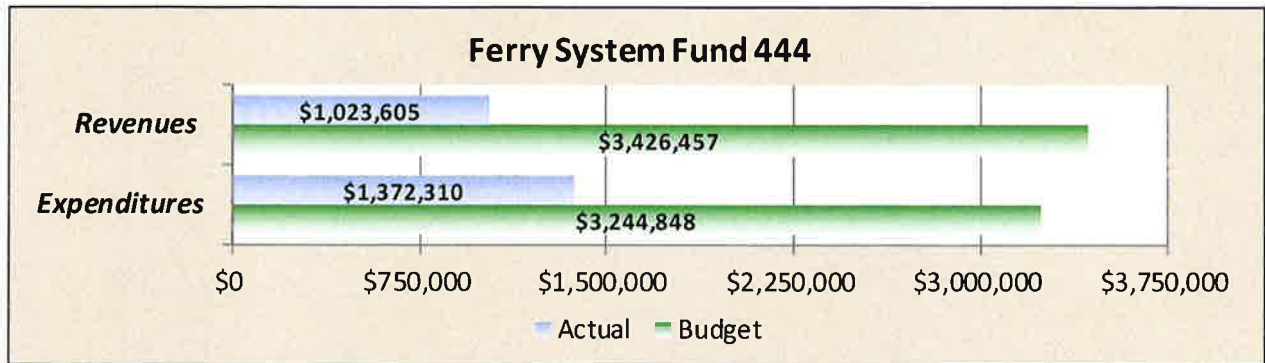
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# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Enterprise and Internal Service Funds



Note:

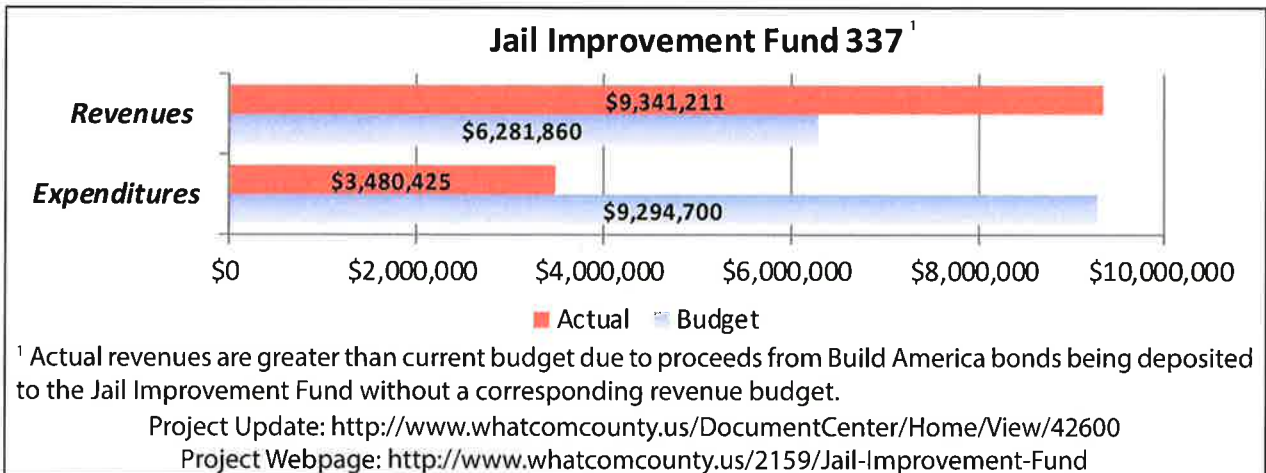
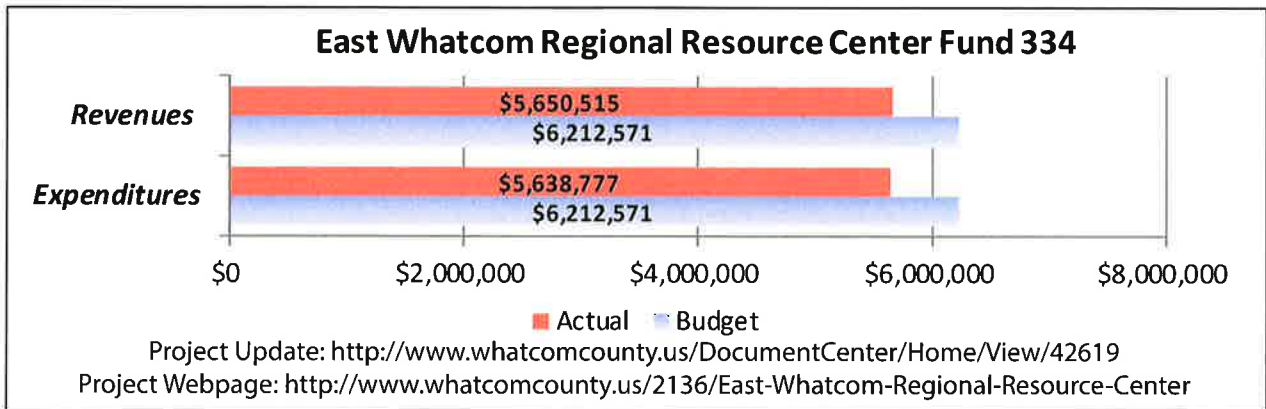
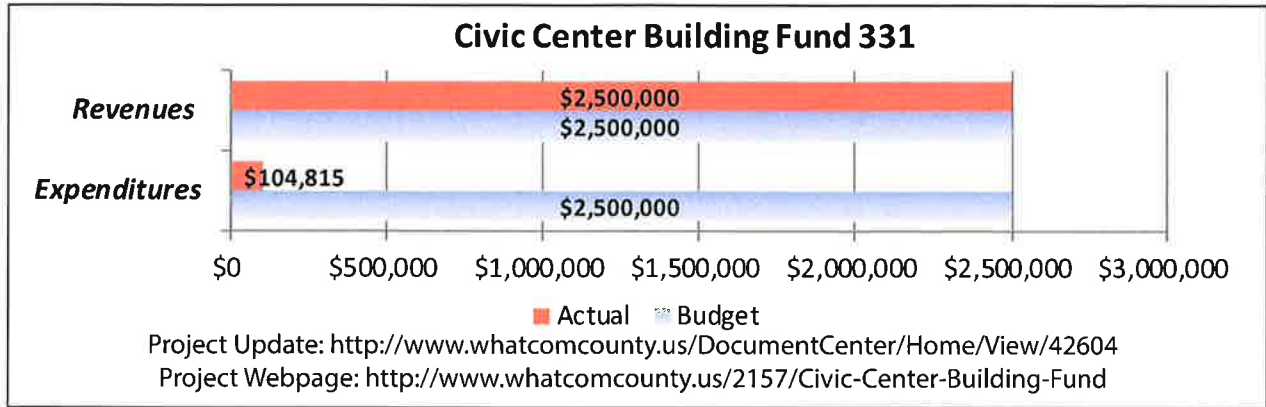
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# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Project Budget Funds

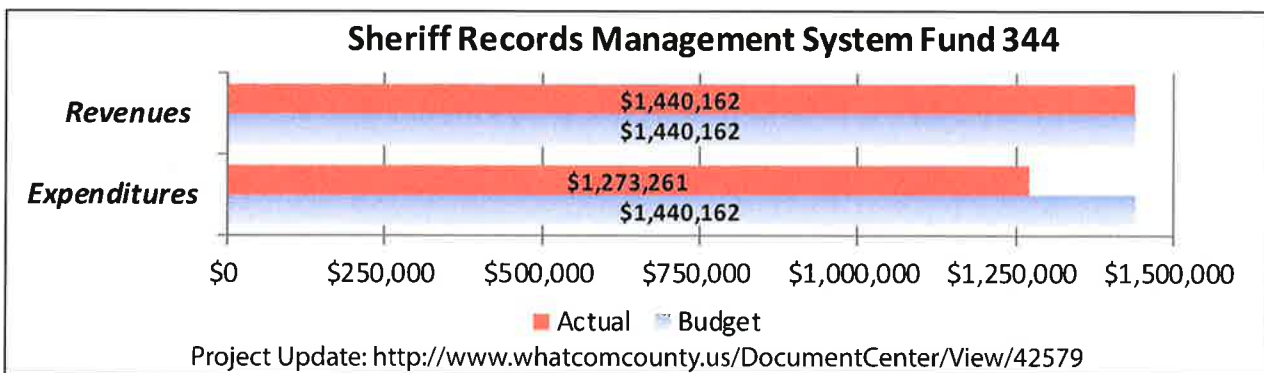
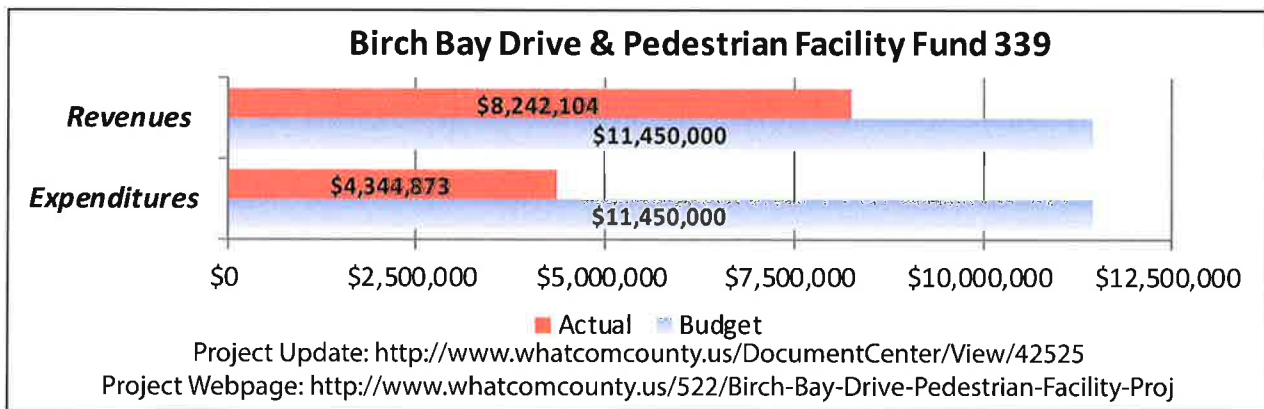
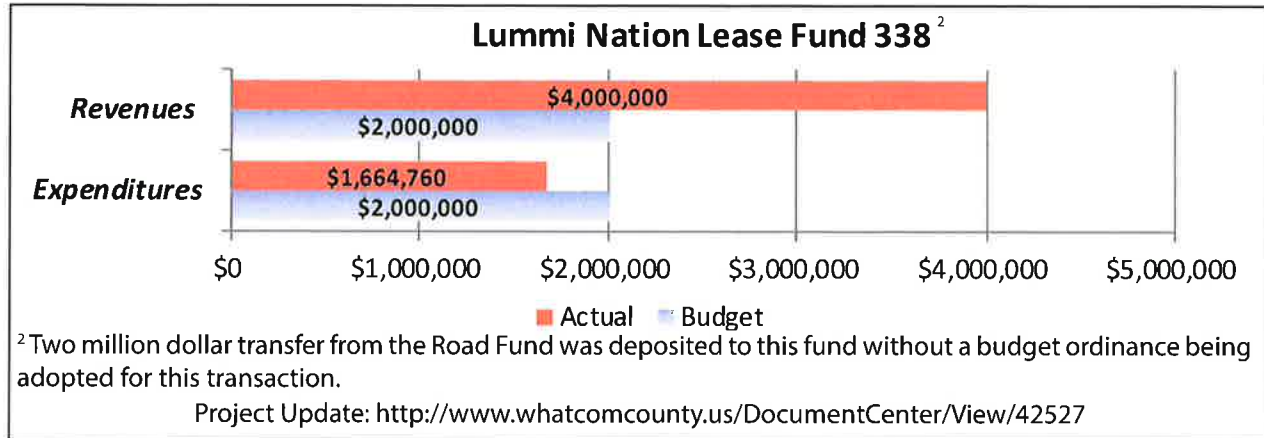


# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Project Budget Funds, continued

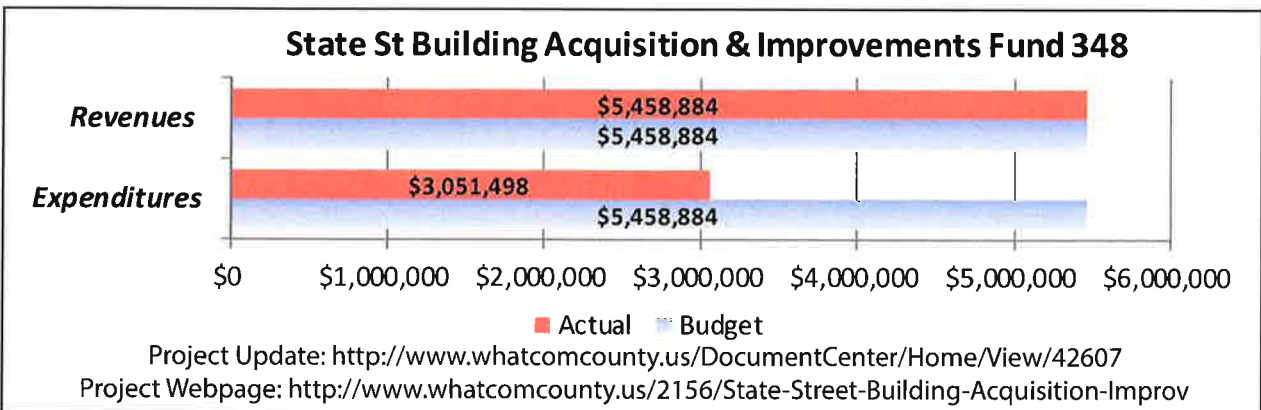
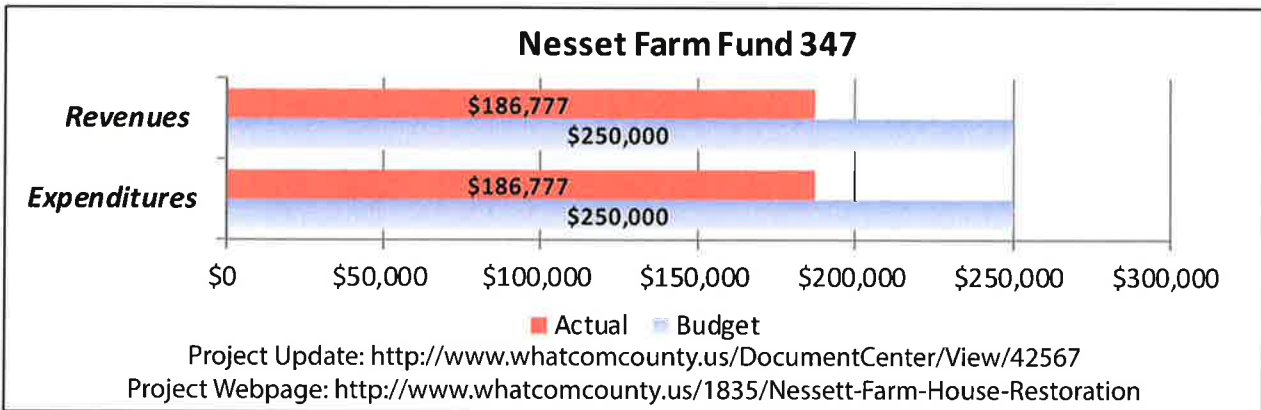
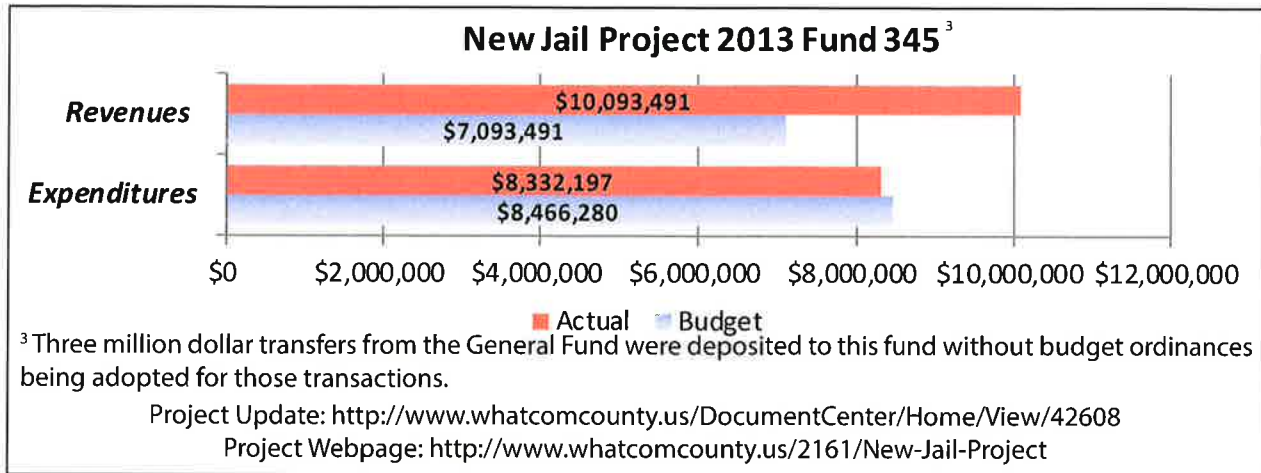


# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Project Budget Funds, continued



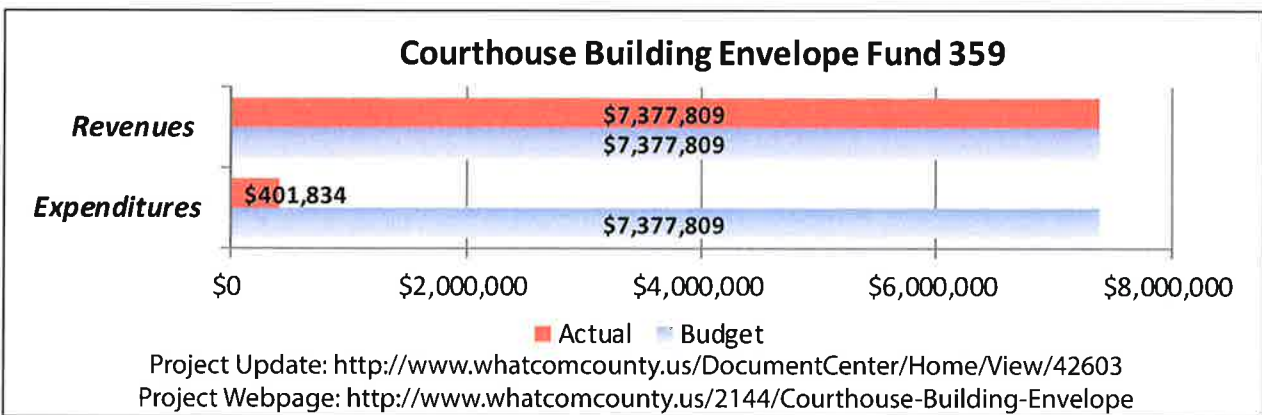
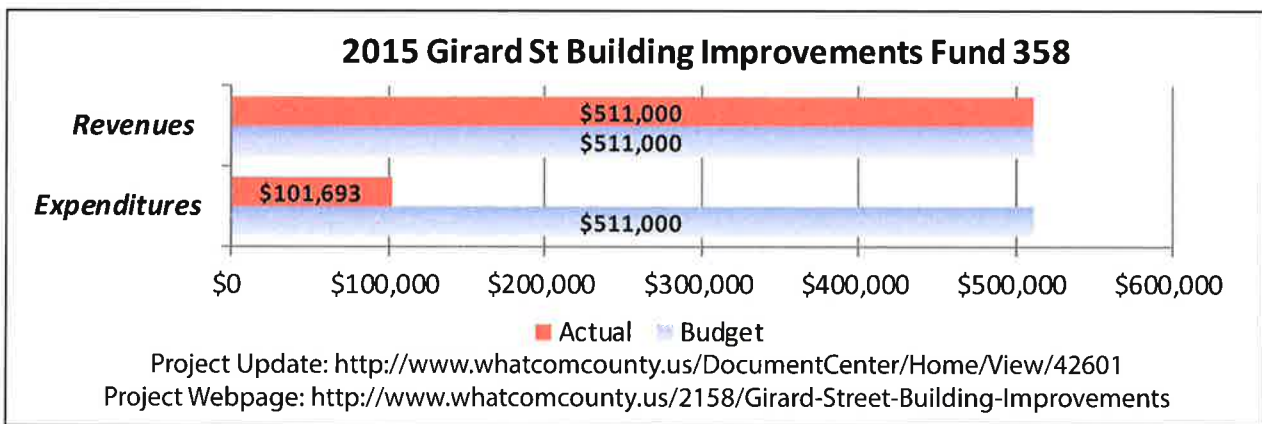
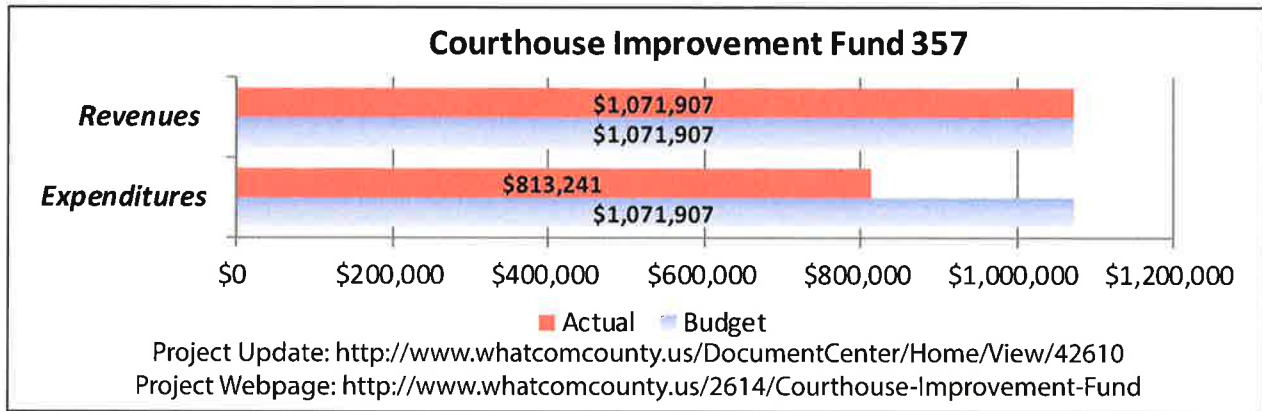


# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Project Budget Funds, continued

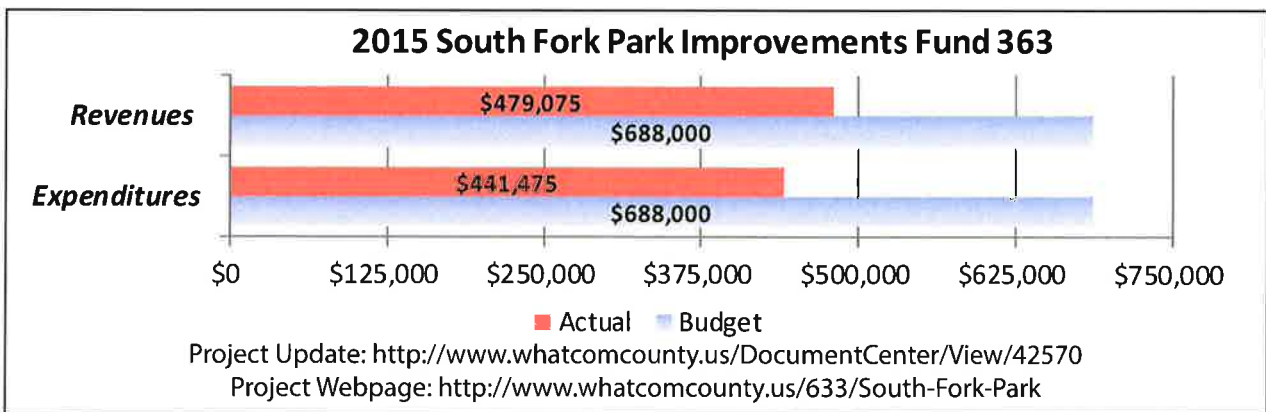
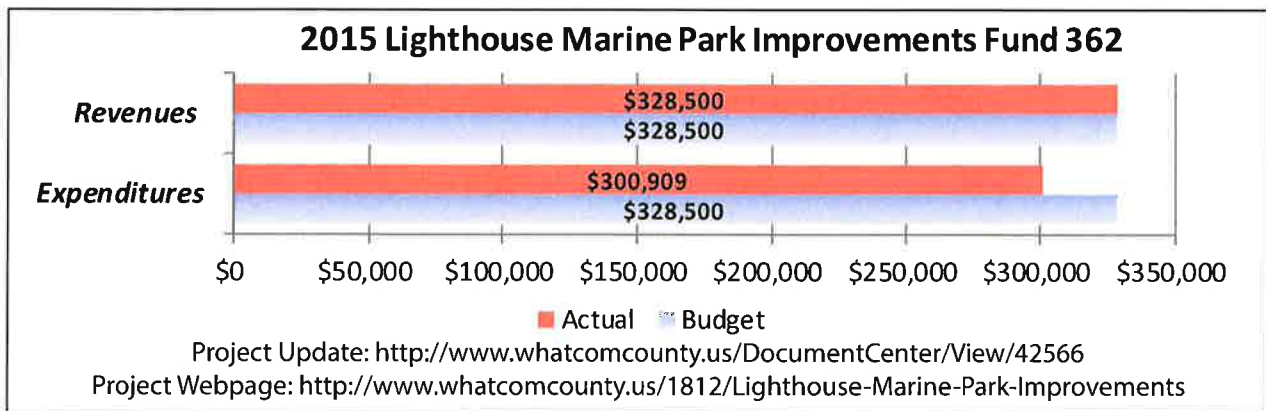
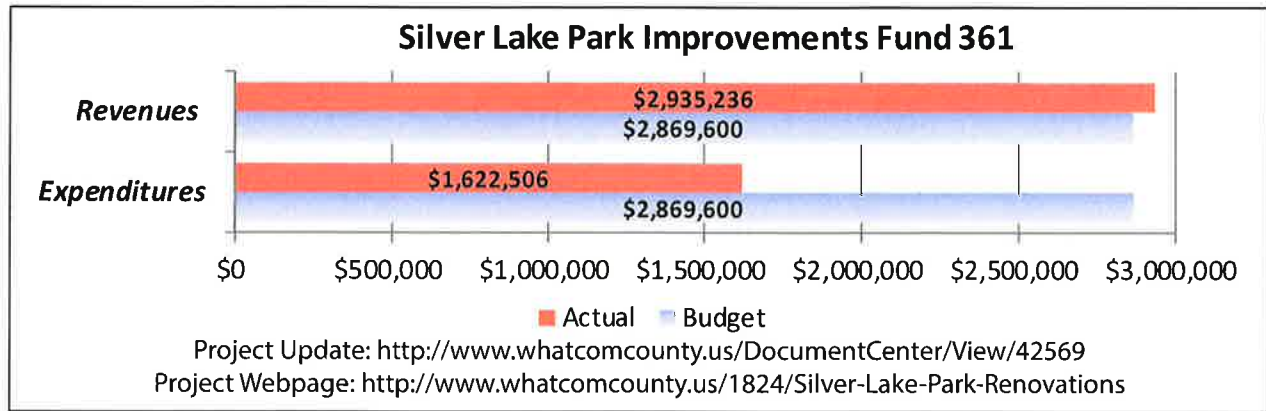


# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Project Budget Funds, continued

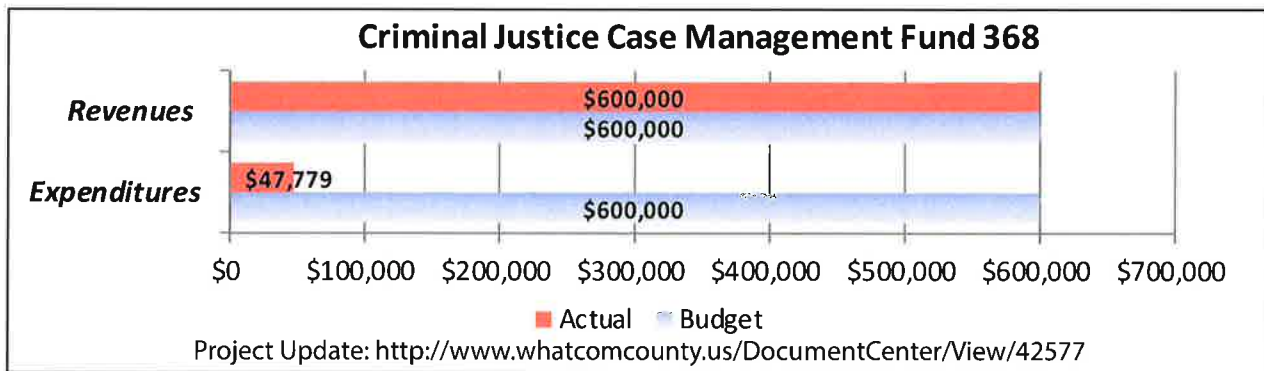
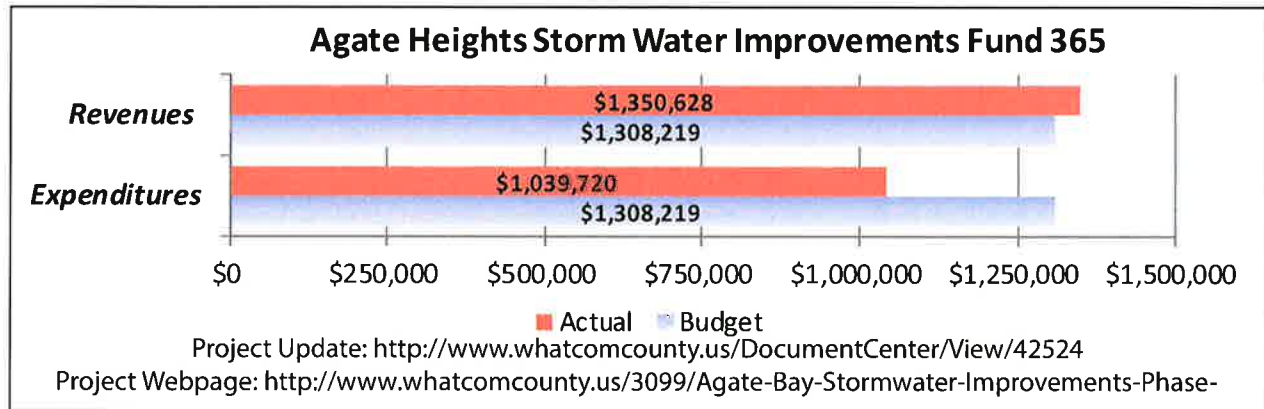
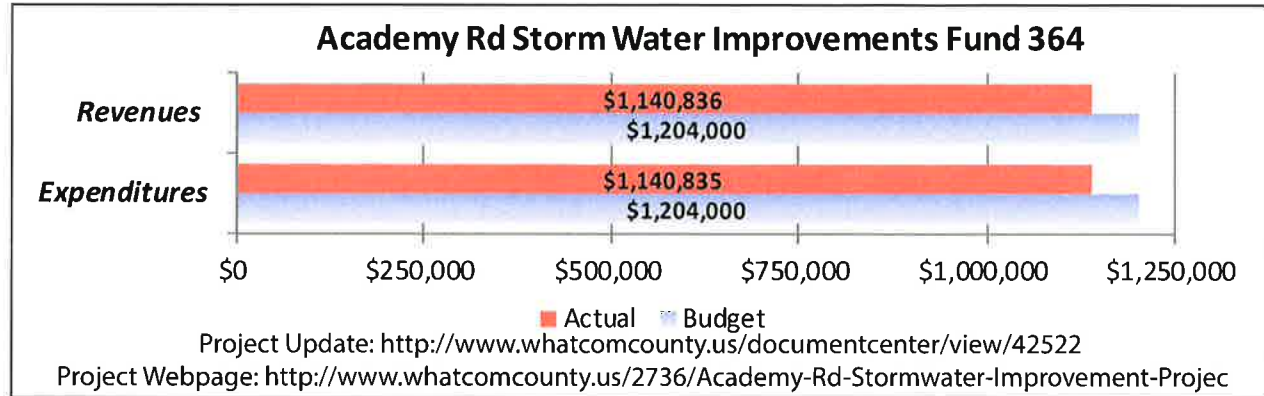


# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Project Budget Funds, continued

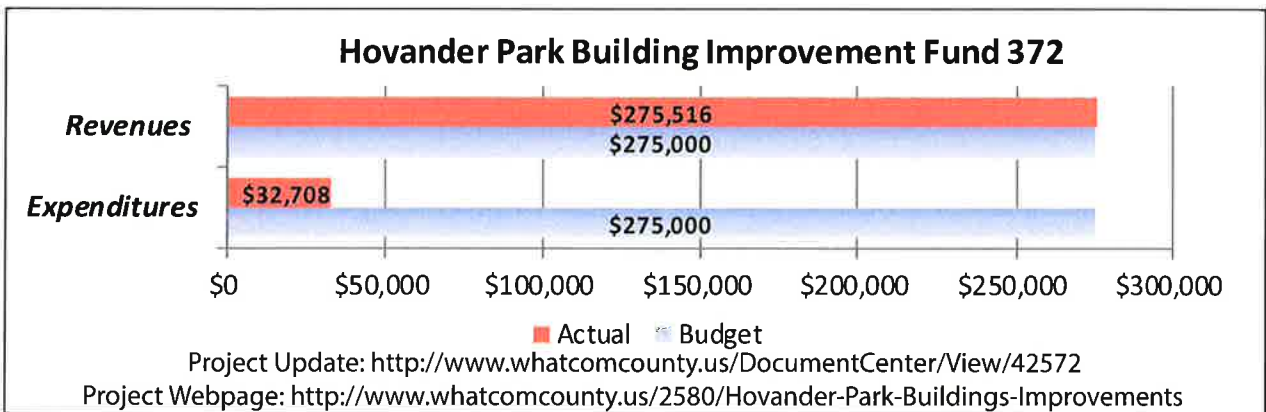
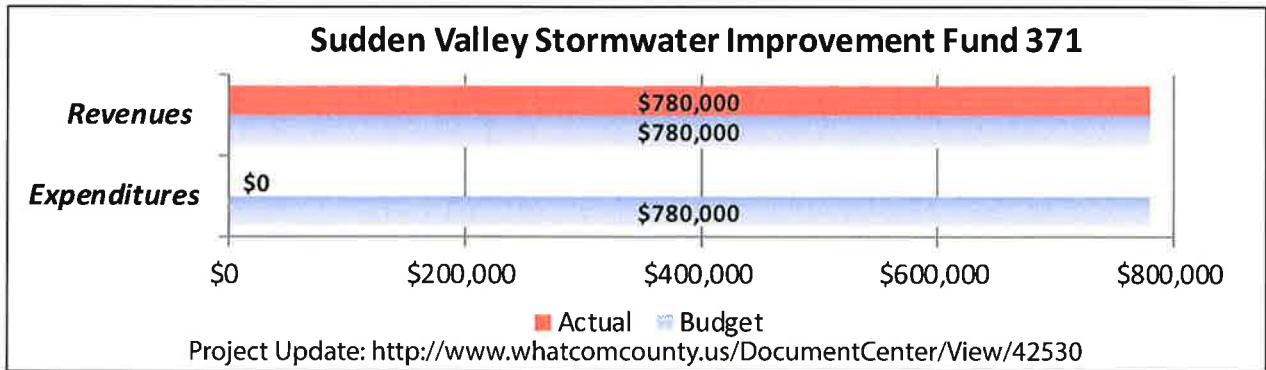
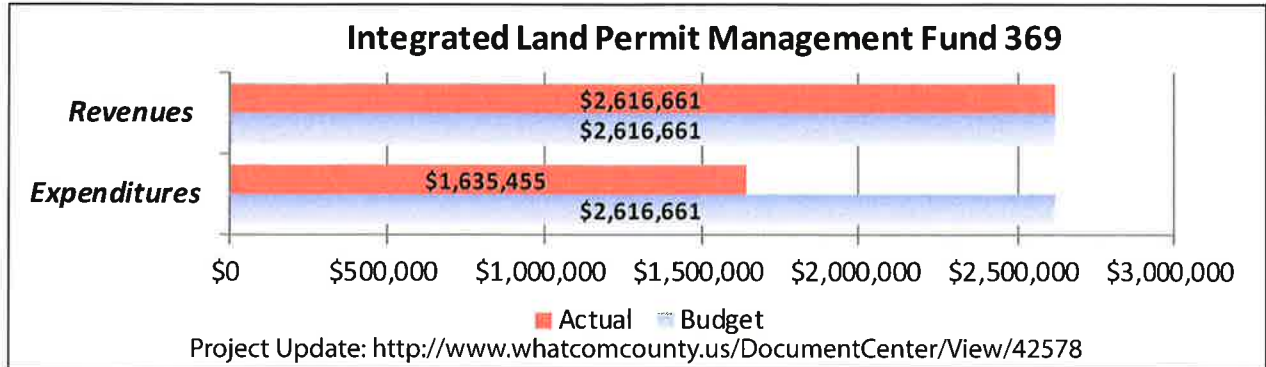


# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Project Budget Funds, continued

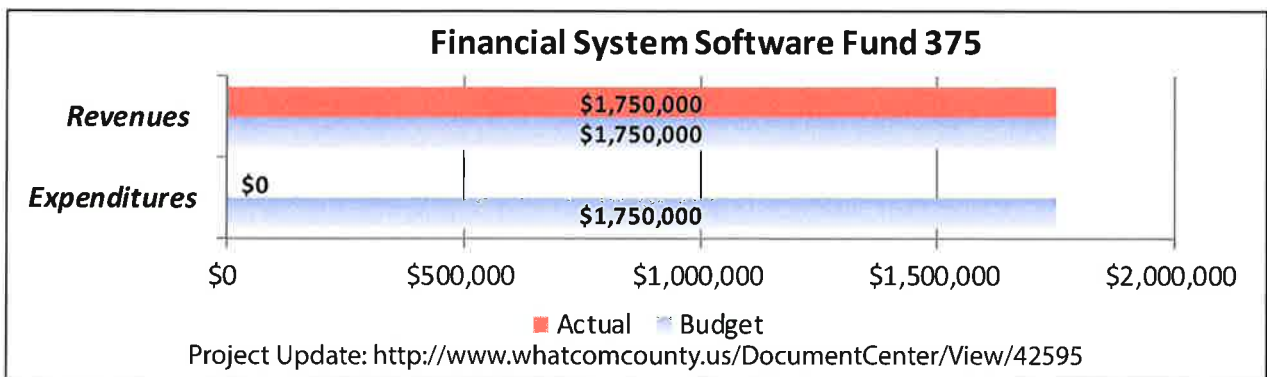
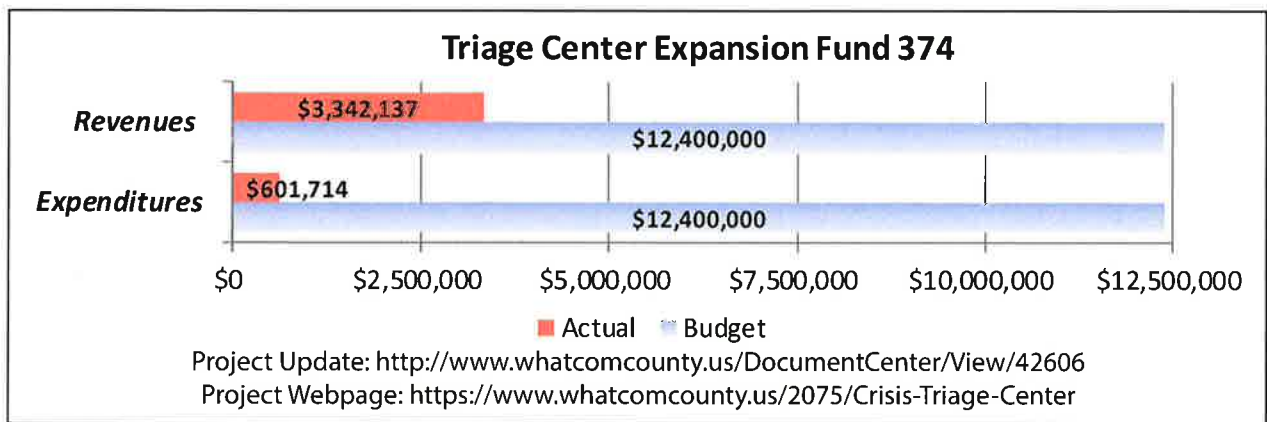
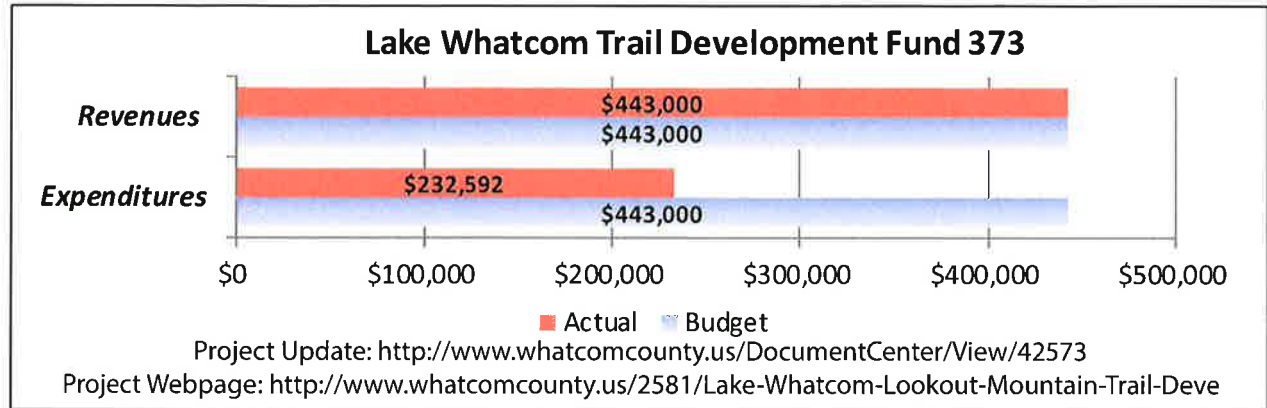


# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Project Budget Funds, continued

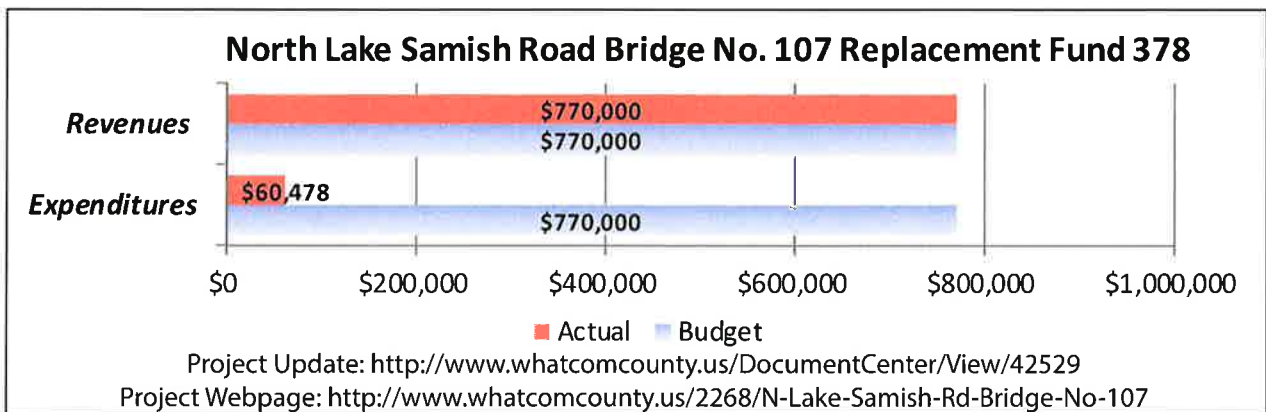
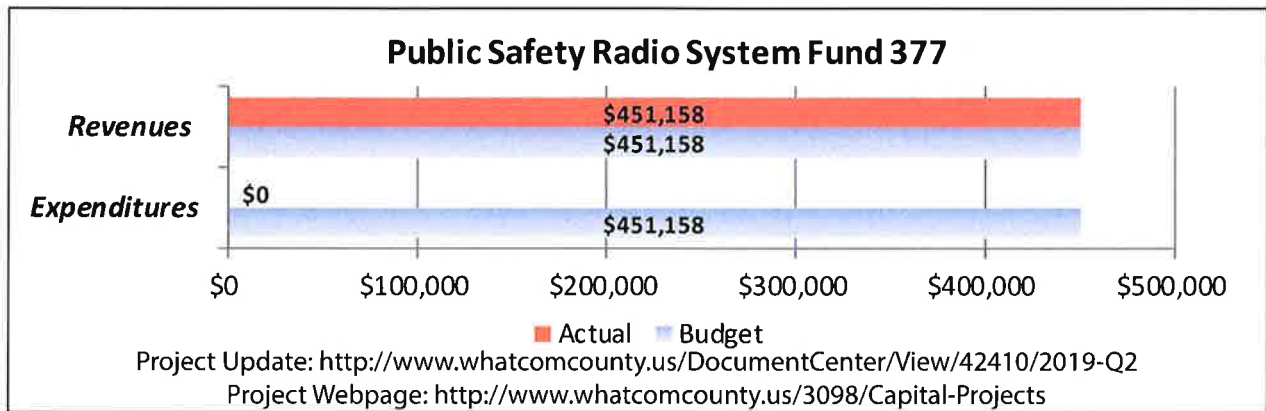
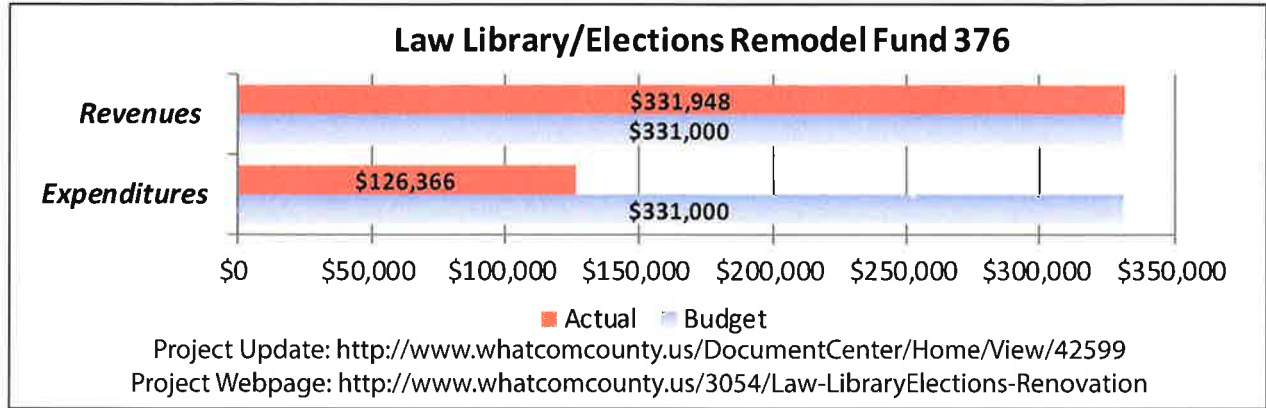


# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Project Budget Funds, continued

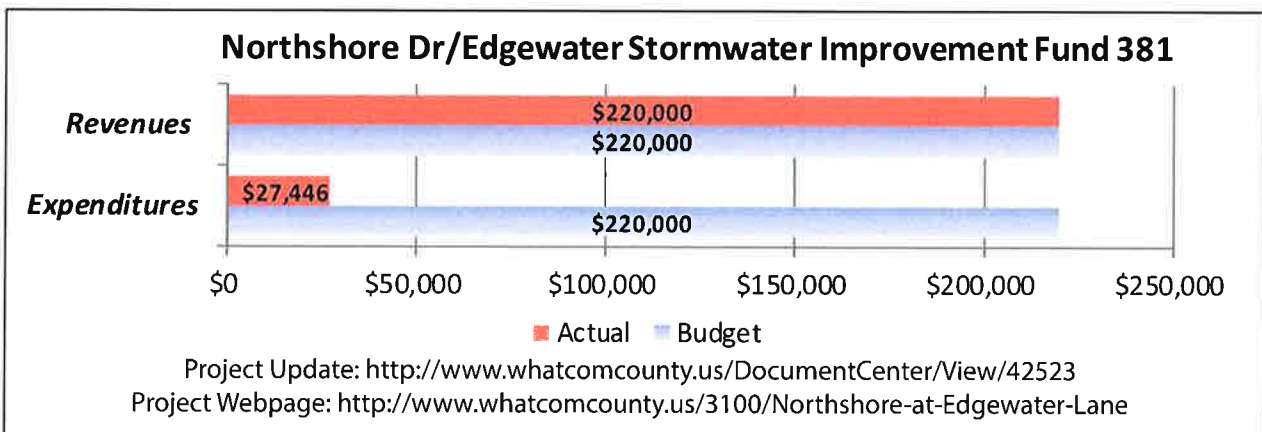
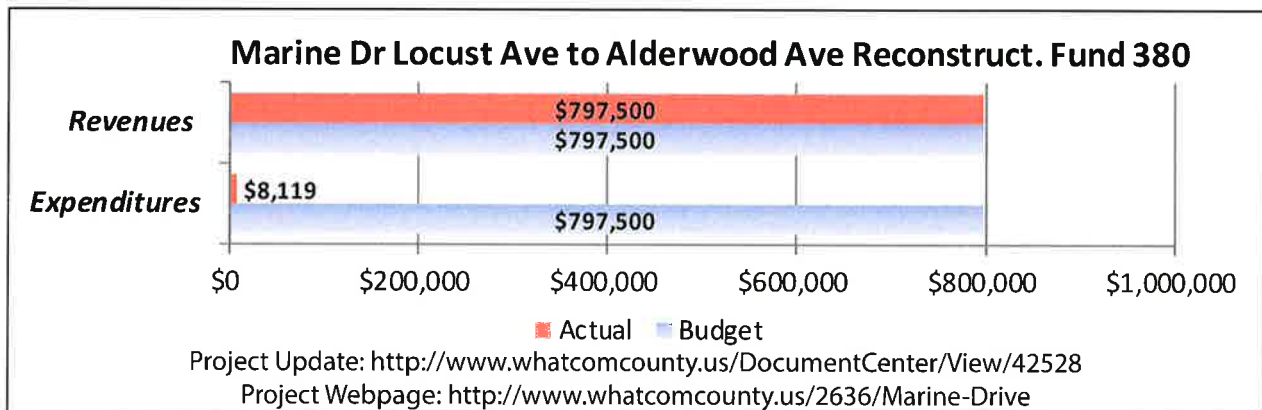
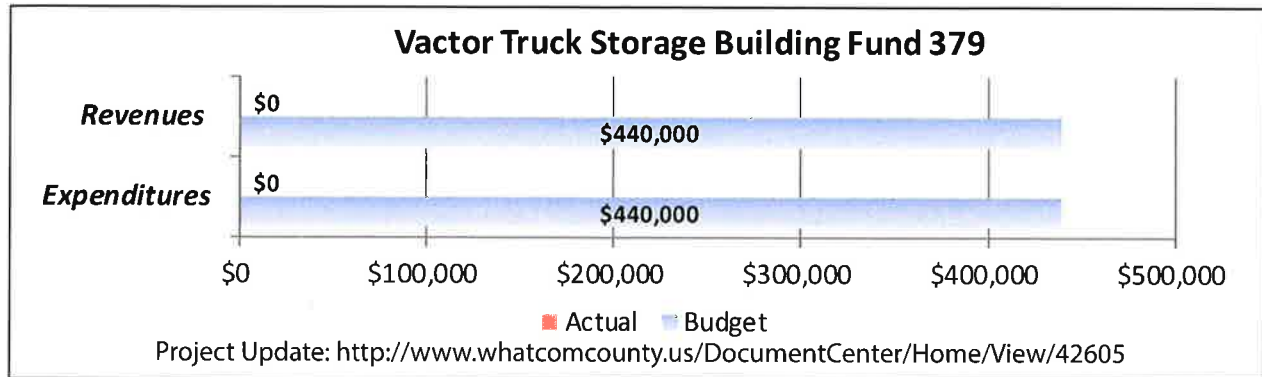


# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Project Budget Funds, continued



# Whatcom County Second Quarter 2019 Financial Report

For the Quarter Ended June 30, 2019



## Project Budget Funds, continued

