



# Whatcom County Executive's 2015-2016 Budget

Jack Louws, County Executive

## Volume 1

General Information,  
Summaries, Appendix

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General Information,  
Summaries, Appendix

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# Table of Contents - Volume 1

## General Information 1

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About the Area/ Map .....	1
Whatcom County History .....	2
About the Area (Topography, Climate, Demographics) .....	3
Whatcom County Government .....	5
Strategic Planning .....	6
Whatcom County Government Organizational Chart .....	7
Whatcom County Government Departments .....	8
Creating the County Budget .....	11
Financial Management Policies .....	14
Basis of Accounting and Budgeting .....	18
Whatcom County Fund Structure .....	19

## Budget Summary 25

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The Whatcom County 2015-2016 Budget in Summary (Introduction) .....	25
Summary of Budgeted Revenues and Expenditures by Fund .....	25
Whatcom County Work Force History - 2011 to 2016 .....	26
General Fund Summary .....	27
Note 1 - Changes in Ongoing Revenue .....	28
Note 2 - Changes in Ongoing Expenditures .....	29
Note 3 - One-Time Expenditures .....	30
General Fund Revenues .....	32
General Fund Expenditures .....	38
Undedicated General Fund Resources .....	44
General Fund Revenues Not Assigned to Any Department .....	47
Road Fund Revenues .....	48
Road Fund Expenditures .....	52
Other Funds Revenues .....	56
Other Funds Expenditures .....	60
Other Funds Revenues and Expenditures Notes .....	63
2015 Beginning and Ending Fund Balances .....	66
2016 Beginning and Ending Fund Balances .....	67

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<b>Project Budgets</b>	<b>69</b>
Project Budgets - Administrative Services.....	69
Project Budgets - Parks Department.....	75
Project Budgets - Public Works Department .....	78
<b>Appendix</b>	<b>87</b>
Budget Development Guidelines.....	87
<b>Glossary</b>	<b>89</b>
Glossary of Acronyms and Terms .....	89

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For Departmental Budgets, see Volume 2

# About Whatcom County

**T**his section provides a variety of information about our area and gives an overview of Whatcom County government structure, services and policies.



*Whatcom County, Washington*



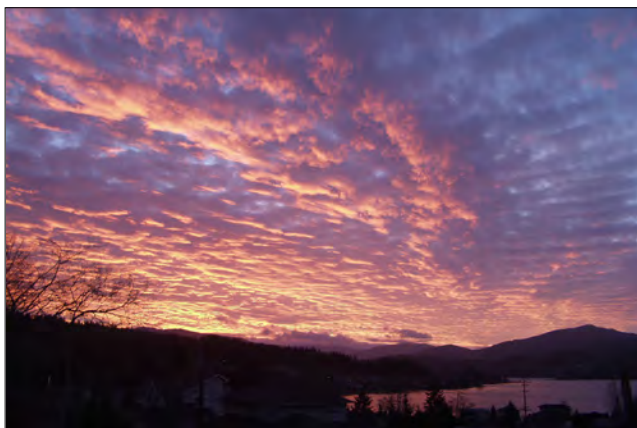
## Whatcom County History

Long before it was discovered by Europeans, Whatcom County was home to Northwest Coast Indians: the Lummi, Nooksack, Samish and Semiahmoo. The area was claimed by the Spanish in 1775 and later by Russia, England, and the United States. Bellingham was named by Captain George Vancouver of the British Navy during his expedition into the waters of Puget Sound in 1792.

Fur trappers and traders were the first non-Indian residents to settle the area. Hudson's Bay Company set up shop in 1825. In the early 1850's, after the San Francisco fire, building materials were in heavy demand and lumber in California was scarce. Dense stands of Douglas fir brought California miners Henry Roeder and Russell Peabody to Bellingham Bay. An impressive, strategically located waterfall referred to by the Lummi Indians as "What-Coom," meaning "noisy, rumbling water," provided Roeder and Peabody an ideal lumber mill site and a name for the area's first permanent town, Whatcom. In 1854, rapid settlement prompted the territorial legislature to create the County of Whatcom, which at that time also encompassed all of present-day San Juan, Skagit and Island Counties.

Whatcom County experienced several dramatic economic ups and downs in its early years. When coal was discovered in 1853, another bay town, Sehome, sprang up by the mine shafts and Bellingham Bay Coal Company became the area's largest employer. Gold fever made a brief, though dramatic imprint on the county. In the summer of 1858, the Fraser River gold rush brought over 75,000 people through Whatcom County.

In 1873 Roeder and Peabody's lumber mill burned down. Five years later, after a number of cave-ins, fires and floods, the mine closed



*A sunrise over Lake Whatcom.*

too. Speculators vying to host the Northern Pacific Railroad's west coast terminal brought the communities on Bellingham Bay renewed prosperity. Educational opportunities grew as well. Northwest Normal School, the predecessor to present day Western Washington University was established in Lynden in 1886. The northwest's first high school was built in Whatcom County in 1890. The county's boom ended in 1893. Unyielding mountains resulted in the loss of the transcontinental railroad terminal to Tacoma, Washington, and a national depression further pushed the local economy into hard times. Non-native population on Bellingham Bay dropped to under 50.

Resilient as ever, by the turn of the twentieth century, Whatcom County was once again growing. New lumber and shingle mills, salmon canneries, shipyards, and agriculture brought new stability to the area. By 1903, all of the county's bay side towns, Whatcom, Sehome, New Whatcom and Fairhaven had consolidated into the present day county seat of Bellingham.

## About the Area

### Topography

Whatcom County is the northernmost county in the state of Washington. Whatcom County contains 2,119 square miles that border on British Columbia, Canada to the north, Okanogan County to the east, Skagit County to the south and the Strait of Georgia to the west. Much of the county is mountainous and part of National Forest and National Parks.

Fifty miles east of Bellingham lies the highest peak in the North Cascade mountain range, Mount Baker (10,778 feet), an ice-clad volcano. Providing the state's longest ski season, the volume of snow



and ice on Mount Baker is greater than that of all the other Cascade Mountain volcanoes combined, except Mount Rainier.

A deep-water port, Bellingham's Squalicum Harbor is the second largest harbor in Puget Sound.

Bellingham is located 90 miles north of Seattle and 23 miles south of the Canadian border. A trip to Point Roberts, the county's most northerly community, requires a crossing through Canada.



*Above: Peach Arch State Park, Blaine, Washington. Inscribed "Children of a Common Mother," the Peace Arch is a 67 foot jointly maintained structure on the US/ Canadian Border. It was built in 1920 to commemorate the signing of two historic treaties between Great Britain and the United States that provided for the establishment of the world's longest undefended border.*

*Left: A view of Mount Shuksan (9,720 feet) from the Mount Baker Ski Area.*

*Below: Marina at Squalicum Harbor.*



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About the Area continued

**Climate**

Temperature Range	
Winter	32 to 51 degrees
Spring	40 to 67 degrees
Summer	48 to 71 degrees
Fall	33 to 58 degrees
Annual Precipitation	36.17 inches
Annual Snowfall	8.60 inches

**Population (2013 estimated)**

Whatcom County	205,800
Bellingham	82,310
Blaine	4,785
Everson	2,550
Ferndale	12,290
Lynden	12,730
Nooksack	1,410
Sumas	1,449
Population Density	97.68 per sq mile
Median age	37.22 years old
Median household income (2011)	\$49,775
Average housing cost	\$272,180
Avg. mo. apartment rent (Studio/1 bdrm)	\$600-800

**Cost of Living Index (Standard)**

Housing	147%
Transportation	117%
Utilities	83%
Service/Misc.	109%
Health Care	118%
Grocery Items	117.4%
Total Index vs. U.S. average	123%

**Health Care**

Hospitals	1
Physicians	Approx. 350
Citizen to Physician Ratio	Approx. 588/1

**Economy/ Employment**

Unemployment Rate (July 2014)	5.3%
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**Reported Index Crimes (2013)**

Arson	11
Robbery	55
Forcible Sex	117
Murder	2
Assaults	1,227
Thefts	5,384
Burglary	862
Property Crime	8,478

**Top Ten Employers (2013)**

St. Joseph Hospital	2,753
Western Washington University	1,575
Bellingham School District	1,200
BP (Cherry Point Refinery)	1,100
Heath Techna	850
Whatcom County	811
City of Bellingham	807
Haggen, Inc	787
Lummi Tribal Office	700
Fred Meyer	660

**Taxation**

There is no state income tax in Washington State.

State Sales Tax	6.5%
Local Sales Tax	1.4 to 2.2%
Total Sales Tax	7.9 to 8.7%

**Higher Education**

**Whatcom Community College** - Part of the state's community college system, serving an average of 6,435 students per quarter.

**Bellingham Technical College** - One of five technical colleges in Washington State, serving approximately 2,763 students per quarter.

**Western Washington University** - One of six state-funded, four-year institutions in Washington State, serving over 14,950 students.

# Whatcom County Government



Photograph by Tore Oftness

*The Whatcom County Courthouse, 311 Grand Avenue, Bellingham, Washington.*

## Home Rule Governs Whatcom County

**T**here are thirty-nine counties in Washington. By virtue of its "Home Rule Charter" adopted in 1978, Whatcom County is one of only six counties in the state that have a "county constitution." This constitution or "charter" gives control of county affairs to the people of the county rather than the state legislature.

As a charter county, there are two primary factors that distinguish us from non-charter counties. First, there is a separation between legislative and administrative functions. This is accomplished through an elected nonpartisan seven-member, part-time county council (legislative) and a full-time elected county executive (administrative). The second factor is the right of initiative and referendum provided to county citizens by the charter. The county charter defines duties and responsibilities of the branches, elected officials and departments.

A copy of the Whatcom County Home Rule Charter is available to the public on the Whatcom County website at <http://www.codepublishing.com/WA/WhatcomCountyCH/>.

# Strategic Planning

The Whatcom County Charter, Section 1.51 requires that the executive and legislative branches “engage in long-term strategic planning to establish organizational structure, priorities and performance measurement.” In Whatcom County, “strategic planning” is an ongoing process. Strategic planning goals include the following policies:

- Conduct the public’s business in a customer-focused, user-friendly, helpful and effective manner.
- Be accountable and efficient in the services provided to citizens.
- Improve public awareness and understanding of the roles and services of county government.
- Identify and fund essential and other appropriate county government services.
- Support a work environment that values productive employees and encourages progressive personnel practices and employee skill development.
- Work in partnership with cities, tribes, special districts, other governmental entities, agencies, citizens, businesses and other stake holders to jointly facilitate the most effective and efficient governance and means of delivering services.

Previous strategic planning sessions have produced the following vision and mission statements.

## Whatcom County’s Vision Statement

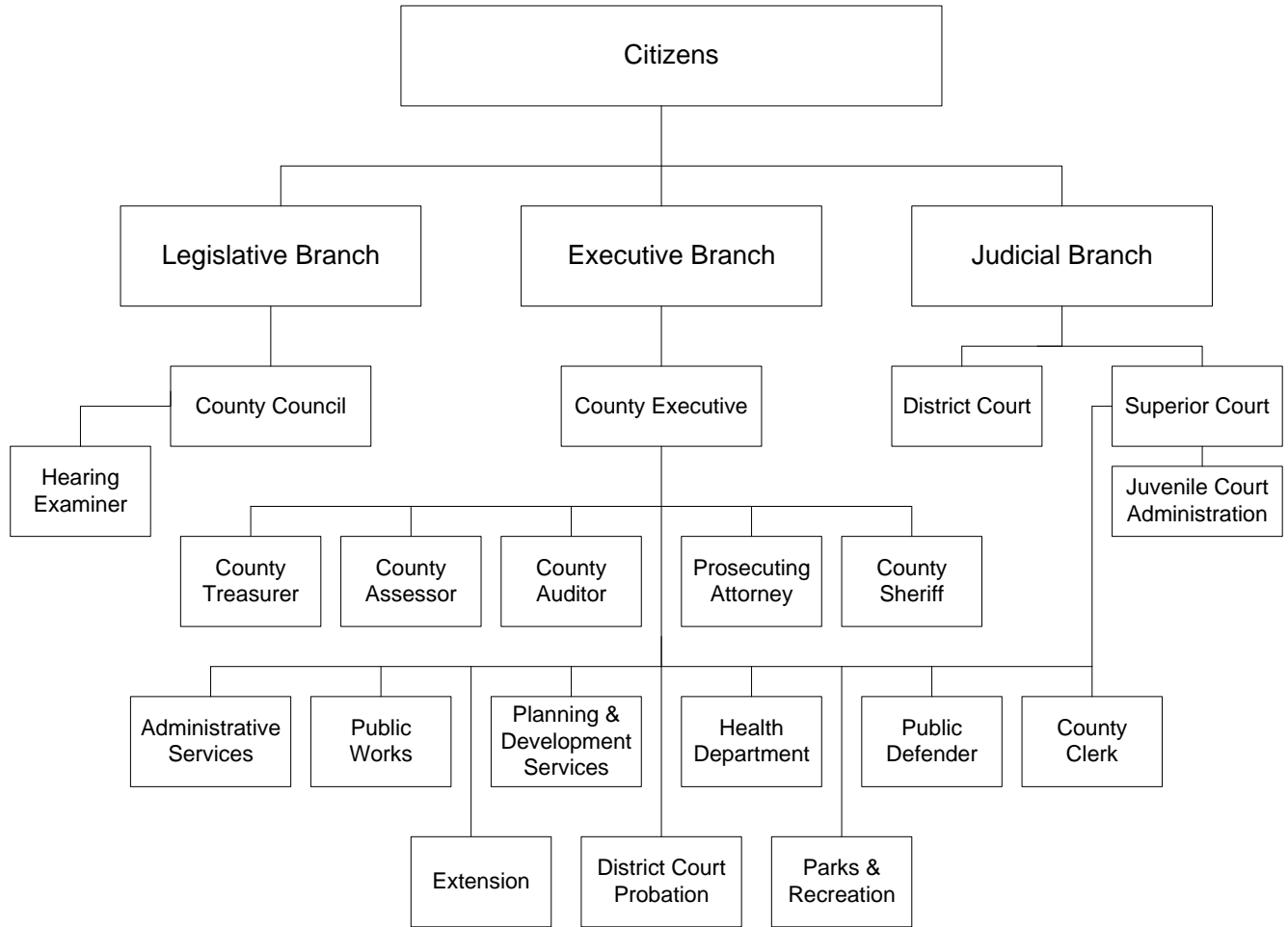
*Whatcom County is envisioned as a place where people are able to enjoy an abundant, safe and healthy life. It is a place rich in natural beauty and renewable resources that provide plentiful recreation, life style and economic opportunities. A vibrant economy and diverse community resources provide family wage jobs, affordable housing and exceptional social and educational opportunities. Public services are responsive, transportation is convenient, regulations are user-friendly and justice is prompt and fair. It is a community where citizens and their government work together to preserve the rights of the individual while protecting the essential natural environment in which they live.*

## Whatcom County’s Mission Statement

*Whatcom County government will promote, enrich and enhance the freedoms, opportunities, health and safety of its citizens. We will provide essential and desirable public services in a cost effective and accountable manner. We will conduct the public’s business and treat all members of our diverse community in a courteous and professional manner. We will provide vision, leadership and responsiveness while addressing community issues and conducting the business of the people. We will encourage community involvement in public issues while protecting the rights of the individual and encouraging respect for diversity. We will serve as an active catalyst for individuals and other entities to participate in achieving a positive future for Whatcom County.*

# Whatcom County Government

## Organizational Structure



# Whatcom County Government Departments

County government provides an enormous variety of services to its citizens. There are nineteen county departments that provide or support the delivery of these services. Lists of department services are located in Volume 2, at the end of each department's section. The following is a brief description of county departments.

## **Administrative Services**

Administrative Services is an internal service department that provides a variety of support services, such as maintenance and custodial service, accounting, payroll, employee benefits, and information systems support to county departments and agencies. Divisions of Administrative Services are Administration, Facilities Management, Finance, Human Resources, and Information Technology.

## **Assessor**

An elected official, the County Assessor determines property values (real and personal), calculates levy rates and certifies tax rolls to the Treasurer. The Assessor's Office maintains inventory, description, ownership, sales and mapping for all real property parcels in Whatcom County. This office also administers and provides information regarding tax exemptions, such as senior citizen/ disabled persons, open space, forest land, et cetera.

## **Auditor**

An elected official, the County Auditor provides voter registration, conducts elections, records documents, issues marriage licenses, motor vehicle and vessel licenses.

## **County Clerk**

The County Clerk serves as the clerk for Superior Court administering the office, systems, and accounts for funds, legal financial obligations, records, custody, delivery of records, and exhibits for

this court of record for the State of Washington. The County Clerk also supervises the assigned counsel function which manages indigence screening, conflict counsel and some guardian ad litem contracts.

## **County Council**

The legislative branch of Whatcom County government, the County Council comprises seven elected part-time council members. The council meets regularly on every other Tuesday evening and enacts ordinances and resolutions, sets the county budgets, creates policies and hears appeals. Check the library, newspaper, county website ([www.co.whatcom.wa.us](http://www.co.whatcom.wa.us)) or the council office for schedules and agendas.

## **District Court**

With two elected judges and one appointed commissioner, District Court processes Sheriff, State Patrol, Department of Fisheries, State Park and WWU traffic citations. It also handles small claims, civil claims, name changes and protection orders.

## **District Court Probation**

This department provides adult probation services for offenders charged with misdemeanors in the District Court and some municipal courts that contract with the county. This office does not supervise offenders convicted of felonies in the Superior Court (these are handled by the state probation office).

## **Executive**

An elected official, the County Executive manages the day-to-day functions of administrative departments. The Executive is responsible for quarterly and annual revenue estimation and tracking, recommends the county's budget to the County Council, and monitors all departments'

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## Whatcom County Government Departments continued

expenditures to ensure budget compliance. The Executive appoints members to boards and commissions, responds to citizen concerns, complaints and requests, and represents the county at local, regional, state and federal levels. The Executive is also responsible for managing all “non-departmental” services that the county provides.

### **Extension**

In cooperation with Whatcom County, this department is an extension of Washington State University. It provides information and education in the following areas (as well as others): agriculture and natural resources, food safety, community resources, pesticides, farm building and facilities plans, parenting, budgeting and money management, bee safety, 4-H, nutrition and home horticulture.

### **Health Department**

The Health Department provides a variety of services to the public: restaurant permits and inspections, food worker health permits, investigation of food-borne illness, solid waste and on site sewage system oversight, water quality reviews, animal to human disease investigations, communicable disease screening, treatment, investigation, vital records (birth and death certificates, etc.), services to the developmentally disabled and their families, mental health treatment coordination, chemical dependency treatment coordination, and substance abuse prevention.

### **Juvenile Court Administration**

Through the Juvenile Court, Detention Center and a number of special programs, this department provides services to assist young offenders with personal and/or environmental problems which get them into trouble with law. The Juvenile Detention

Facility is located on the 6th floor of the courthouse. (Visiting hours are limited. Call for schedule.) In addition, this department also provides a CASA (Court Appointed Special Advocates) program, dependency guardian ad litem contracts, and staff guardians ad litem for children in dependency cases.

### **Parks & Recreation**

Whatcom County Parks & Recreation funds or operates eight senior activity centers, a community center, thirty-five parks, natural resource areas and beach/ water access sites, an outdoor program, sixty miles of trails and a visitor information center.

### **Planning & Development Services**

Composed of three divisions and Administration, including Building Services (processes and issues building and development permits, plan reviews, performs life/ safety inspections; includes Fire Marshal’s Office), Natural Resources (reviews permits for compliance with county code and development standards, staff are tasked with protection of shorelines, critical areas, and watersheds), Planning (includes Current Planning which processes immediate project development proposals, Long Range Planning addresses comprehensive plans, growth management, rezones and code amendments), and Administration (includes Code Enforcement and GIS functions).

### **Prosecuting Attorney**

An elected official, the Prosecuting Attorney prosecutes criminal acts within the county, provides legal advice and legal services to county officials and staff, and represents and defends the county. The Prosecuting Attorney’s Office also provides assistance to victims of crime, sexual abuse and domestic violence and provides oversight of the

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## Whatcom County Government Departments continued

Whatcom County Law Library.

### **Public Defender**

The Public Defender's Office provides constitutionally mandated indigent legal defense for felony, misdemeanor and probation violation charges against adults and juveniles in Whatcom County Superior and District Courts. In addition, the Office also provides representation in involuntary mental and alcohol commitment cases.

### **Public Works Department**

The largest of Whatcom County departments, Public Works' primary objective is to maintain the integrity of the Whatcom County road system in an efficient, cost effective manner that provides safe travel for the public. In addition, Public Works provides year-round ferry service to Lummi Island, fleet management, flood control, noxious weed control, natural resource and stormwater management for the county.

### **Sheriff**

An elected official, the County Sheriff is responsible for law enforcement in the unincorporated areas of Whatcom County. The sheriff also has several countywide responsibilities (serving both the cities and unincorporated areas), including operating the county jail and coordinating professional and volunteer search and rescue efforts.

The Sheriff's Emergency Management Division provides community education in disaster mitigation and preparedness, and plans for and coordinates disaster response and recovery efforts.

### **Superior Court**

Whatcom County's three Superior Court judges and three full time and three part time court commissioners hear all cases involving: adult felonies, all juvenile offenses, divorce, child custody, support matters, probate, guardianships, adoptions, property claims in excess of \$50,000, paternity actions, mental incompetency, and abused or neglected children. The Superior Court Administrator oversees judicial operations, Drug Court, Family Treatment Court and other specialty court programs. In the 2015-2016 biennium, Whatcom County has been approved by the state to add a fourth Superior Court judge.

### **Treasurer**

An elected official, the County Treasurer collects taxes, reports, invests and manages all monies and debt for Whatcom County and all other junior and special purpose districts. This office provides banking services to the organization; forecloses on property for delinquent taxes; maintains an inventory of county-owned real property; conducts property sales and processes passport applications.

## Creating the County Budget

The Home Rule Charter sets out the requirements for the presentation, adoption and the control of Whatcom County's budget (Article 6 - Financial Administration). Pursuant to Article 6.05 - Budget Cycle, Whatcom County elected to prepare a biennial budget. Whatcom County has elected to adopt its biennial budget as two one-year appropriations. According to section 6.10 - Presentation and Adoption of Budgets, "At least seventy-five (75) days prior to the end of each budget cycle, the County Executive shall present to the County Council a complete budget and budget message, proposed current expense and capital budget appropriation ordinances, and proposed tax and revenue ordinances necessary to raise sufficient revenues to balance the budget; and at least thirty (30) days prior to the end of the budget cycle, the Council shall adopt appropriation, tax and revenue ordinances for the next budget cycle."

Charter section 6.30 - Contents of Budget states, "The expenditures included in the budget for the ensuing budget cycle shall not exceed the estimated revenues (including unrestricted fund balance)." The county charter also outlines requirements for control, consideration and adoption of the budget. Specific requirements are located in sections 6.20 through 6.73.

In addition, under state law, the Flood Control Zone District, and its subzones, are considered a separate government from the rest of Whatcom County. The Whatcom County Council is also the Flood Control Zone District's Board of Supervisors. Its budgeting process is governed by RCW 86.15.140 rather than by the Whatcom County Charter. The RCW only provides for an annual budget. Therefore, the 2016 budget for the District and its subzones will be adopted during the mid-biennium review for the rest of county government in the fall of odd-numbered years.

In May or June of even years, the County Council convenes a "budget retreat" where members review and provide feedback on guidelines proposed by the County Executive in building the biennial budget.

These guidelines are an essential part of the administration's "budget instructions," released to all departments at the end of June.

In August and early September, the Executive's Office and administrative financial staff meet with department directors. Each department's budget request, as well as requests for additional resources or funding, are reviewed and prioritized.

The Executive's Office and financial staff then develop a proposed budget. As required by the county charter, the administration delivers copies of an "Executive's Recommended Budget" to all members of the County Council and the County Auditor in mid-October. The County Council's finance committee holds hearings and work sessions to discuss the Executive's proposed budget with the administration and department directors.

In November, the committee evaluates the budget and makes recommendations and revisions, then forwards these to the full council for a public hearing. The council adopts a final budget through passage of an ordinance. This ordinance establishes both appropriation limits and permanent staffing levels for the upcoming biennium. The administration publishes the completed budget document during the first quarter of odd numbered years.

### Facilities Capital Planning

In conjunction with the budget, the council also reviews and adopts a six-year facilities capital plan. This plan is developed annually by the administration and is reviewed and adopted by the council.

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## Creating the County Budget continued

### Biennial Budget Time Line

Whatcom County’s biennial budget is prepared in even years, according to the following schedule:

May/ June .....	Budget Planning (retreat)
End of June .....	Release of Budget Instructions
Beginning of August .....	Dept budget requests due
Mid-August thru Mid-September .....	
.....	Dept Heads meet with Executive’s Office
Mid-October .....	Executive’s Budget delivered to Council
Mid-October thru Mid-November .....	
.....	Council Finance Committee Hearings
Mid to Late November .....	Council adopts budget
First Quarter of First Budget Year .....	
.....	Final Budget Document Publication
Fourth Quarter of First Budget Year .....	
.....	Mid-Biennium Review and adoption of 2016 annual Flood Control Zone District and subzones budgets.

### Budget Document Serves Several Purposes

The budget document provides a summary of the financial plan for county operations for the biennium beginning January 1, 2015 and ending December 31, 2016. This document shows revenue sources and how they will be spent. It also contains goals, objectives, and performance or activity measures of departments and programs. Additionally, the budget document serves as a reference guide for the county’s financial policies, fund structure, organizational structure and contains a directory of county services.

### Amending the Budget During the Biennium

Appropriation and staffing levels can be amended during the course of the biennium through the “supplemental budget” process. This is a mechanism that provides careful review by the Executive’s Office and County Council, allowing changing funding or staffing needs to be addressed as new or unanticipated circumstances arise.

The Executive’s Office and Administrative Services Finance Division review the department

supplemental budget requests and, where possible, work with department heads to find alternate solutions that do not require increased appropriation. On a monthly basis or as necessary, the administration prepares a supplemental budget ordinance and forwards it to the County Council for consideration.

Because staffing levels are specifically authorized in the annual budget ordinance, proposed changes to the county’s “authorized positions” require supplemental budget ordinance amendment. If adopted by the council, budget appropriation (and/or staffing) are amended accordingly.

Half way through the biennium, the administration will review the previous year’s expenses and revenues, and develop supplemental budget recommendations to the County Council for the second year of the biennium. The 2016 Flood Control Zone District and subzones budgets will also be reviewed and adopted by the Council acting as the district’s Board of Supervisors.

### Project Budgets

Project budgets are limited to large capital appropriations. Project budgets may be adopted by project phase or for the entire project. Once adopted, project budgets continue until the project is complete, abandoned, or until no expenditures have been made for three years.

### Continuing Appropriations into Next Year

Because Whatcom County adopts its biennial budget as two one-year appropriations, budget authority lapses at the end of each year. Some circumstances may make it necessary to carry over appropriations into the new year (such as contracts in progress and project budgets). Continued appropriation is accomplished through

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departmental request and administrative approval. Departments have until mid-January to request continuation of the prior year's appropriation on certain expenditures. The Executive reviews and makes a determination on qualifying requests.

### **Reporting Quarterly Financial Information**

An important management tool, quarterly financial reports are provided to the County Council by the

Administration by February 15, May 15, August 15 and November 15. These reports provide comparative data, amended projections and other vital financial information for general fund and other fund activity.

Quarterly financial reports are available to the public and on the Whatcom County website at [www.co.whatcom.wa.us/as/finance/index.jsp](http://www.co.whatcom.wa.us/as/finance/index.jsp).

# Financial Management Policies

The overall goal of the county's financial management policies is to establish and maintain effective management of its financial resources. Formal policy statements and major objectives provide the foundation for achieving this goal. Accordingly, this section outlines the policies used in guiding the preparation and management of the county's overall budget and the major objectives to be accomplished. In addition, the rationale which led to the establishment of the fiscal policy statements is also identified.

## Biennial Budget Preparation

A complete biennial budget will be prepared for all funds and capital budget expended by the county.

*Home Rule Charter Section 6.30 provides that "the budget shall include all funds, revenues and reserves; shall be divided into categories, projects, and objects of expense." Inclusion of all funds in the budget enables the council, the administration, and the public to consider all financial aspects of the county government when preparing, modifying, and monitoring the budget, rather than deal with the county's finances on a "piece meal" basis.*

## Budget Document

The budget will be prepared in such a manner as to facilitate its understanding by citizens and elected officials.

*One of the stated purposes of the budget is to present a picture of the county government operations and intentions for the biennium to the citizens of Whatcom County. Presenting a budget document that is understandable to the citizens furthers the goal of effectively communicating local government finance issues to both elected officials and to the public.*

## Budget Copies

Copies of the proposed budget will be made

available to citizens and elected officials from the time the budget message is delivered.

*Home Rule Charter Section 6.50 provides that "Copies of the budget and budget message shall be delivered to the County Auditor and each council member. The budget message and supporting tables shall be furnished to any interested person upon request for a reasonable fee as established by ordinance and shall be available for public inspection from the time the budget message is delivered." Providing the public with copies of the proposed budget enables citizens to become better informed on the issues facing the council and the administration during the budget hearings.*

## Service Levels

Budgetary emphasis will focus on providing those basic county services which provide the maximum level of services, to the most citizens, in the most cost effective manner, with due consideration being given to all costs - economic, fiscal and social.

*Adherence to this basic philosophy provides the citizens of Whatcom County assurance that its government and elected officials are responsive to the basic needs of the citizens and that its government is operated in an economical and efficient manner.*

## Capital, Plant and Equipment Maintenance or Replacement

The budget will provide for adequate maintenance of capital, plant, and equipment and for their orderly replacement.

*All governments experience prosperous times as well as periods of economic decline. In periods of economic decline, proper maintenance and replacement of capital, plant, and equipment is generally postponed or eliminated as a first means of balancing the budget. Recognition of the need for adequate maintenance and replacement of capital, plant, and equipment, regardless of the*

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## Financial Management Policies continued

*economic conditions, will assist in maintaining the government's equipment and infrastructure in good operating condition.*

### **Budgetary Practices**

The county will avoid budgetary practices that balance current expenditures at the expense of meeting future years' expenses.

*Budgetary practices such as postponing capital expenditures, accruing future years' revenue, or rolling over short-term debt are budgetary practices which can solve short-term financial problems, however, they can create much larger financial problems for future administrations and councils. Avoidance of these budgetary practices will assure citizens that current problems are not simply being delayed to a future year.*

### **One-Time Revenues**

The county will give highest priority in the use of one-time revenues to the funding of capital assets or other onetime expenditures.

*Utilizing one-time revenues to fund ongoing expenditures results in incurring annual expenditure obligations which may be unfunded in future years. Using one-time revenues to fund capital assets or other nonrecurring expenditures better enables future administrations and councils to cope with the financial problems when these revenue sources are discontinued, since these types of expenditures can more easily be eliminated.*

### **Budgetary Control System**

The county will maintain a budgetary control system to help adhere to the established budget.

*The budget passed by the council establishes the legal spending limits for the county. A budgetary control system is essential in order to ensure legal compliance with the county's budget.*

### **Appropriation Authority**

The county will exercise budgetary control

(maximum spending authority) through county council approval of appropriation authority for each appropriated budget unit. See budget ordinance and its attached list of authorized positions.

*Exercising budgetary control for each budget unit satisfies the Home Rule Charter Section 6.41 - Budget Control. It also assists the council in monitoring current year operations and acts as an early warning mechanism when departments deviate in any substantive way from the original budget.*

### **Quarterly Financial Reports**

Reports comparing actual revenues and expenditures to budgeted amounts will be prepared within six weeks following the end of each quarterly period during the fiscal year.

*The county's budget is ineffective without a system to regularly monitor actual spending and revenue collections with those anticipated at the beginning of the year. Quarterly reports comparing actual revenues and expenditures to budget amounts provide the mechanism for the council and the administration to regularly monitor compliance with the adopted budget. This also satisfies the Home Rule Charter Section 6.41 - Budget Control.*

### **Position Control**

Authorized personnel positions cannot be increased during the year except by approval of the county council. Temporary positions may be assigned additional hours subject to the availability of funds and the consent of the county executive, but shall not be considered a permanent change in authorized levels. The monies allocated to salaries and wages, personnel benefits and capital outlay can be transferred only with prior approval of the county executive.

*Pursuant to the Home Rule Charter Section 6.60 - Consideration and Adoption of the Budget.*

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## Financial Management Policies continued

### Position Vacancies

Appropriation authority for any budgeted personnel position that becomes vacant during the year shall continue unless the council by motion identifies the position as one in need of review. No appropriated funds may be expended for regular staffing except for those positions specifically identified in the budget ordinance.

*Pursuant to Home Rule Charter Sections 6.41 - Budget Control and 6.60 - Consideration and Adoption of the Budget.*

### Transfers Between Funds

Except as provided in the adopted budget, monies shall not be transferred between funds without County Council approval.

*Pursuant to the Home Rule Charter Sections 6.41 - Budget Control and 6.60 - Consideration and Adoption of the Budget.*

### Rainy Day Reserve Fund

\$1,000,000 of the adopted Undesignated Ending Fund Balance shall be maintained in a Rainy Day Reserve Account, and such monies shall only be appropriated upon a two-thirds affirmative vote of the entire County Council. In administering this Rainy Day Reserve Fund:

The County Treasurer shall be empowered to use the Rainy Day Reserve Fund to manage the cash flow needs of all county funds by making short-term loans (less than six months) without interest, and without the need to get council/ executive permissions.

Longer term loans (more than six months) can be made to other funds, but only with council approval.

Any investment income earned as a result of the Rainy Day Reserve Fund shall be credited to general fund general revenues.

*Pursuant to the Home Rule Charter Sections 6.41 - Budget Control and 6.60 - Consideration and Adoption of the Budget.*

### Restricted Funds

It shall be the policy of Whatcom County that all restricted and dedicated money shall be expended first in support of the operations of the fund. Any money remaining unspent shall be considered unused general fund subsidies previously provided to the fund and available for transfer back to undesignated general fund equity accounts. If it can be conclusively established that any portion of the remaining money resulted from unexpended dedicated amounts, then such amounts shall be placed in a reserved equity account and only expended for activities allowed under the law for the activity so involved.

*Pursuant to the Home Rule Charter Sections 6.41 - Budget Control and 6.60 - Consideration and Adoption of the Budget.*

### State Surcharges on Fines

It shall be the policy of Whatcom County to levy the state's surcharge on all fines, in addition to all the fines set by District Court, rather than deducting the surcharge from the county's share of such fines.

*Pursuant to the RCW 46.63.110(3).*

### Revenue Shortfalls

Expenditure authority is granted based on revenue projections contained in each department's budget. If it is evident that a department's revenues will fall short of the budgeted amount in any calendar year, the department head will submit a plan to the County Executive to reduce departmental expenditures sufficient to offset the revenue shortfall within the same calendar year.

*Pursuant to the Home Rule Charter Sections 6.41 - Budget Control and 6.60 - Consideration and*

*continued on next page*

## Financial Management Policies continued

*Adoption of the Budget.*

### **Bids on Construction Work**

Except as the County Council may specifically authorize by exception, all construction work funded for which the estimated cost is over \$25,000 shall be bid out to private contractors.

*Pursuant to the Whatcom County Code Chapter 3.08 - Purchasing System, and applicable state laws.*

### **Continuing Appropriations**

Whatcom County shall close its books and allow no further county fund transactions on the previous year, 20 days after the end of the fiscal year. Following that deadline, outstanding obligations of \$500 or more may be paid through continuing

appropriation in the following fiscal year, if approved by the County Executive. All unexpended continuing appropriation authority carried over from the previous fiscal year shall lapse by the following December 31.

*Pursuant to the Whatcom County Code, Chapter 3.02.050 Budgeting - Continuing Appropriations.*

### **Ferry Funding**

User fees for the Lummi Island ferry shall be annually evaluated and set to recover 55% of projected annual costs of ferry operation.

*Pursuant to the Whatcom County Code, Chapter 10.34.030 Ferry Rates - Use of ferry user fee revenues.*

## Basis of Accounting and Budgeting

**B**asis of accounting and budgeting refers to revenues and expenditures, related assets and liabilities that are recognized in the accounts and reported in the financial statements.

Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All county funds, except proprietary funds (internal and enterprise funds), are budgeted and accounted for during the year on the modified accrual basis of accounting in accordance with Washington State statute and generally accepted accounting principles.

Proprietary funds are accounted for on a normal accrual basis, in accordance with Washington State statute for mandated budget and accounting reporting systems. Proprietary funds use a modified accrual system for budget tracking purposes. The governmental funds are presented in the financial statements on this same basis.

The modified accrual basis is a mixture of the cash and accrual basis. To be recognized as a revenue or expenditure, the actual receipt or pay-out of cash must occur soon enough after a transaction or event has occurred to have an impact

on the amount of money currently available to spend. Revenues are recognized in the accounting period in which they become measurable and available. Revenues are available when collected either during the current period or soon enough after year-end to be able to pay year-end liabilities. Major revenues that usually can be accrued at year-end are grants and interest income. Major revenues that are usually not accrued because they are either not available soon enough to pay year-end liabilities or are not able to be objectively measured include taxes, licenses, permits and fines and forfeitures.

Expenditures are recognized in the accounting period in which a measurable liability is incurred. The exception to this is unmatured principal and interest on long-term debt, which are recognized when due. Encumbrances are recognized during the year, but outstanding encumbrances at the end of the year do not qualify as expenditures and are either charged against the following year's budget or cancelled. Encumbrances set aside budget authority to cover commitments made for contracts for goods or services which haven't been received or performed yet.

# Whatcom County Fund Structure

**A**s a means of tracking and accounting for money, the operations of the county are divided into funds. The easiest way for most people to think about funds is to compare them to bank accounts. Money comes into a fund from a variety of sources and is then used to provide services to the public. Within funds are departments (e.g., Administrative Services, Public Works Department) and within departments are cost centers.

Each of these accounting units facilitates the tracking of costs and effectiveness of services provided to the public. Within cost centers are accounts or line-items. These are the basic units of measurement in the budget and make it possible to determine costs of specific programs. The budget document does not provide a line-item level of financial detail. Instead, it groups like items in an easy-to-read summary form. Line item detail is available in the county's computerized financial software system (JD Edwards).

As with a personal bank account, funds have to take in at least as much money as they spend and by law, the budget for funds must be balanced. What this means is that a governmental unit cannot plan to spend more than it will take in or has available in reserves. Whatcom County's largest fund is the "General Fund." Most county services are accounted for in this fund and it is where most revenues are received.

Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The following are the county's fund types and definitions.

## General Fund

Also known as "Current Expense," the General

Fund is used to account for resources of Whatcom County which are not required to be accounted for in other funds. Both revenues and expenditures are budgeted in compliance with procedures established in Article 6 of the Whatcom County Home Rule Charter and the Whatcom County Code. The modified accrual basis of accounting is applied.

## Special Revenue Funds

Special Revenue Funds are established in Whatcom County pursuant to state statutes or local ordinances in order to segregate resources which are designated to be used for specified purposes. Both revenues and expenditures are budgeted in compliance with procedures established in Article 6 of the Whatcom County Home Rule Charter. The modified accrual basis of accounting is applied. Following is a list of all special revenue funds included in this budget:

### County Road

A fund to finance the design, construction, and maintenance of county roads.

### Election Reserve

A fund to finance elections and election equipment.

### Veterans' Relief

A fund to provide financial assistance and services to indigent veterans and their families/ survivors.

### Whatcom County Jail

A fund created to collect one-tenth of one percent sales and use tax for the purpose of funding detention facility operations, maintenance, and capital projects.

### Low Income Housing Projects

A fund created to collect an additional recording fee

*continued on next page*

## Whatcom County Fund Structure continued

(per document) that provides funding for local low income housing projects.

### **Homeless Housing**

A fund created to collect additional recording fees (per document) that provide funding for the county's homeless housing plan. Also accounts for homeless housing projects funded by state grants.

### **Stormwater Fund**

A fund established to account for projects and programs which protect water resources, improve water quality, and reduce impacts from stormwater runoff in the unincorporated areas of the county. The fund is currently being funded by transfers from the Flood Control Zone District and REET II.

### **Chemical Dependency/ Mental Health Fund**

A fund created to account for one-tenth of one percent sales tax for the purpose of providing new or expanded chemical dependency or mental health treatment services and for the operation of new or expanded therapeutic court programs.

### **Parks Special Revenue Fund**

A fund created to account for restricted and committed revenues which will be used to fund maintenance, operations and parks improvements in accordance with external funding sources and County Council requirements.

### **Countywide Emergency Medical Services**

A fund created to collect one-tenth of one percent public safety and health sales and use tax for the purpose of funding emergency medical services and criminal justice.

### **Whatcom County Trial Court Improvement**

A fund established to collect funding from the state to fund improvements to superior and district court

staffing, programs, facilities, or services.

### **Solid Waste Management**

A fund to account for the provision of solid waste services to the residents of Whatcom County.

### **Whatcom County Convention Center**

A fund used to promote tourism and overnight visits to Whatcom County.

### **Victim Witness Assistance**

A fund established to administer victim witness programs. The fund is financed by court ordered fines on domestic assault cases.

### **County Road Improvement District #1**

A fund financed by special assessments to account for maintenance and operation of the Birch Bay Lighting District.

### **County Road Improvement District #2**

A fund financed by special assessments to account for operation and maintenance of the Cliffside Drive Lighting District.

### **County Road Improvement District #7**

A fund financed by special assessments to account for operation and maintenance of the Emerald Lake Lighting District.

### **Whatcom County Drug Fund**

Money from asset seizures in drug cases is placed into this fund by court order and is used to fight the battle against drugs in Whatcom County.

### **Auditor's Operation and Maintenance**

A fund created with a state-mandated surcharge on all instruments recorded by the County Auditor. Expenditures from this fund shall be used for installation and maintenance of an improved system

*continued on next page*

## Whatcom County Fund Structure continued

for copying, reserving, and indexing documents recorded in the county.

### **Emergency Management**

A fund created to carry out federal and state mandated programs to prepare the community (emergency services' systems and the public) to respond to incidents and disasters beyond the capacity of regular emergency services.

### **Flood Control Zone District**

A fund created to account for taxes collected and grants received for the water resources program of Whatcom County. The program oversees and coordinates surface-water related activities. It includes the river improvement and flood hazard management programs, stormwater operations, and natural resources protection.

### **Lynden/ Everson Subzone**

A fund created as a division of the countywide flood control fund to address flood management in the Lynden/ Everson area.

### **Sumas/ Nooksack/ Everson Subzone**

A fund created as a division of the countywide flood control fund to address flood management in the Sumas/ Nooksack/ Everson area.

### **Acme/ Van Zandt Subzone**

A fund created as a division of the countywide flood control fund to address flood management in the Acme/ Van Zandt area.

### **Samish Watershed Subzone**

A fund created as a division of the countywide flood control fund to maintain and regulate the Lake Samish outlet control structure.

### **Birch Bay Watershed and Aquatic Resources Management District**

A fund created in association with the countywide flood control fund for the purpose of advancing water resources management in the Birch Bay Watershed.

### **Point Roberts Transportation Benefit District**

A fund created to address the transportation needs of the Point Roberts area.

### **Conservation Futures**

A fund created to collect a real property tax levy applied to all taxable real property within Whatcom County. This fund may be used to acquire rights and interests in open space land, farm and agriculture land, and timber land with the goal of conserving property for public use or enjoyment.

## **Debt Service Funds**

Debt Service Funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal, assessment debt, interest and related costs. The county appropriates current year expenditures and anticipated revenue. The modified accrual basis of accounting is applied.

### **2010 Limited Tax G.O. and Refunding Bond**

A fund to account for the redemption of bonds that were issued to refinance outstanding bonds from the 1997 and 1998 issues. Those issues paid off interfund loans for the courthouse remodel, the purchase of the civic center building and the refinancing of a 1991 bond issue. In addition, this issue contains Recovery Zone Development Bonds to finance the jail and juvenile detention fire alarm and electronic exiting control systems replacement project.

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## Whatcom County Fund Structure continued

### Capital Projects Funds

Capital Projects Funds are established in Whatcom County to account for financial resources to be used for the acquisition or construction of major capital facilities. Both revenues and expenditures are budgeted in compliance with procedures established in RCW 36.40. The modified accrual basis of accounting is applied.

#### **Real Estate Excise Tax I (REET I)**

A fund to account for the .25 percent excise tax on the sale of real property in the unincorporated portion of Whatcom County. Proceeds of the tax may only be used to fund capital projects pursuant to the county's approved capital improvement plan.

#### **Real Estate Excise Tax II (REET II)**

A fund to account for an additional .25 percent excise tax on the sale of real property in the unincorporated portion of Whatcom County. Proceeds of this fund have traditionally been restricted to public works projects including planning, acquisition, construction, repair, replacement, or improvement of roads, sidewalks, traffic signals, bridges, water systems, storm water systems, and parks. In 2011, House Bill 1953 amended RCW 84.46.035 to allow the limited use of REET II funds for operations of capital facilities through December 31, 2016.

#### **County Parks Improvement Fund**

A fund established to account for monies set aside for capital projects which repair, replace, improve, and maintain county parks.

#### **Civic Center Building Improvement Fund**

A fund created to account for the acquisition of and building improvement projects of the Civic Center Building.

### Public Utilities Improvement Fund

A fund to account for a .09 percent sales or use tax to be used to finance public facilities serving economic development purposes. This is not an additional tax; it is deducted from the amount of tax otherwise required to be collected by the state department of revenue.

#### **Lummi Nation Lease Fund**

A fund created to set aside capital project funds for future traffic safety improvement projects on the Lummi Reservation in accordance with the terms of the Gooseberry Point Ferry Dock lease agreement.

#### **Other Capital Project Funds**

In addition to the funds listed above, specific project funds are set up to account for large capital appropriations as they occur. Capital project budgets may be adopted by project phase or for the entire project. Once adopted, project budgets continue until the project is complete, abandoned, or until no expenditures have been made for three years. For a complete listing of these funds, see the Project Budget section of this document.

### Enterprise Funds

#### **Ferry System**

A fund established to account for the Lummi Island Ferry Operations.

### Internal Service Funds

Internal Service Funds are established to account for the financing of goods or services provided by one department to other departments of Whatcom County, or to other governments on a cost reimbursement basis. The accrual basis of accounting is used in the following funds.

*continued on next page*

## Whatcom County Fund Structure continued

### **Equipment Rental & Revolving**

A fund to finance the maintenance and operation of vehicles and equipment used by the Public Works Department and other departments. This fund also maintains an inventory of road construction materials for the county.

### **Administrative Services Fund**

A fund to provide county departments and activities with internal administrative services, such as accounting, human resources, building maintenance, courthouse security, information technology, and self insurance.



# The 2015-2016 Budget in Summary

This section provides a summary of the 2015-2016 budget by program and by fund. Included is information about revenue and expenditure budgets, together with comparative historical statistics and narrative explanations. This section shows the relationship between program expenditures and revenues available to fund programs. Because of its size and diverse nature, the General Fund is the primary focus of this summary.

## Funds

### General Fund

The General Fund is the largest of Whatcom County funds. It finances most general governmental services including the legislative, executive and judicial branches of county government. It also finances law enforcement, public defense, prosecution, county civil representation, health, parks, land use planning, building inspection,

property assessment, tax collection, recording and vehicle licensing.

### Road Fund

The Whatcom County Road Fund is the second largest county fund. It finances designing, constructing, altering, repairing, improving and maintaining county road and bridge infrastructure. Projects expected to be completed within one calendar year are budgeted for that year. Projects expected to span more than one calendar year are budgeted for on a project-by-project basis in separate funds and require separate budget ordinances.

### Other Funds

Other Whatcom County funds have a much narrower focus and are therefore presented in a more condensed manner. Flood Control Zone District and its subzones adopt an annual budget in accordance with state law.

## Summary of Budgeted Revenues and Expenditures by Fund

	Budgeted Revenue			Budgeted Expenditures		
	Budget 2014	Budget 2015	Budget 2016	Budget 2014	Budget 2015	Budget 2016
001 General Fund	76,945,469	76,299,370	76,470,767	81,945,905	80,684,245	79,641,906
108 County Road	24,012,711	25,291,200	25,333,426	24,589,236	29,694,478	24,245,634
118 Jail Fund	12,641,121	13,860,462	13,904,878	13,562,248	13,892,324	14,125,236
169 Flood Control Zone District	5,505,978	5,867,629	-	7,834,238	10,505,203	-
501 Equipment Rental & Revolving	10,695,374	12,930,657	12,206,795	15,088,165	16,348,986	14,900,940
507 Administrative Services	18,595,344	19,518,182	19,480,139	21,938,251	20,561,860	20,711,356
All Other Funds	34,012,648	31,092,790	30,384,867	44,650,939	33,068,011	27,254,420
<b>TOTAL</b>	<b>182,408,645</b>	<b>184,860,290</b>	<b>177,780,872</b>	<b>209,608,982</b>	<b>204,755,107</b>	<b>180,879,492</b>

## Whatcom County Work Force History - 2011 to 2016

The table below shows the number of Whatcom County “full-time equivalent” positions (FTEs) for the period of 2011-2016. Grants and offsetting revenues fund several of these positions. The policy of Whatcom County prohibits grant funded positions from being extended beyond the end of the grant. Council approval is needed to continue such positions.

The number of Whatcom County FTEs is expected to return to slightly above 2011 levels

as the economy improves and the County fulfills significant needs. Superior Court will be adding 2 FTEs with the addition of a fourth Superior Court judge. Administrative Services will add Information Technology positions to address GIS and specific law and justice system needs. Public Works will be adding staff to meet National Pollution Discharge Elimination System (NPDES) and Pollution Identification & Correction (PIC) requirements.

### “Full Time Equivalent” Positions

Department	Actual 2011	Actual 2012	Actual 2013	Amended Budget 2014	Budget 2015	Budget 2016	Change from 2011 to 2016
Administrative Services	61.85	61.15	60.55	60.55	63.80	63.80	1.95
Assessor	29.00	28.00	28.00	28.00	28.00	28.00	(1.00)
Auditor	19.00	19.00	19.00	18.00	17.00	17.00	(2.00)
Cooperative Extension	2.52	2.52	2.52	2.00	2.00	2.00	(0.52)
County Council	9.50	9.50	9.50	9.50	10.50	10.50	1.00
County Executive	4.00	4.00	3.70	4.70	4.70	4.70	0.70
District Court Probation	15.70	15.70	14.00	14.00	14.00	14.00	(1.70)
District Court	18.50	18.50	18.50	18.50	18.50	18.50	-
Health Department	75.15	73.15	71.35	71.35	74.35	74.35	(0.80)
Hearing Examiner	1.00	1.00	1.00	1.00	1.00	1.00	-
Jail	86.50	86.50	86.50	86.50	86.50	86.50	-
Juvenile Court Administration	38.40	37.40	37.60	37.60	37.70	37.70	(0.70)
Parks & Recreation	22.75	23.00	23.00	23.00	23.00	23.00	0.25
Planning & Development Services	47.00	45.00	43.00	44.00	44.00	45.00	(2.00)
Prosecuting Attorney	50.90	49.90	49.90	49.90	49.90	49.90	(1.00)
Public Defender	30.00	29.80	28.80	28.80	30.00	30.00	-
Public Works	153.70	155.70	154.70	154.70	161.00	161.00	7.30
Sheriff	108.50	108.50	107.50	107.50	106.50	106.50	(2.00)
Superior Court Admin/County Clerk	40.20	40.20	39.20	39.20	42.20	42.20	2.00
Treasurer	13.00	13.00	13.00	13.00	13.00	13.00	-
<b>Total Whatcom County FTE's</b>	<b>827.17</b>	<b>821.52</b>	<b>811.32</b>	<b>811.80</b>	<b>827.65</b>	<b>828.65</b>	<b>1.48</b>
Percent Change from Previous Year	-11.58%	-0.68%	-1.24%	0.06%	1.95%	0.12%	

Note: One “Full-time Equivalent” position = 40 hours per week.

# General Fund Summary

	Projected 2014	Budget 2015	Budget 2016
<b>Ongoing Revenues</b>			
Budgeted Revenues (Note 1)	* 73,898,718	76,089,312	76,340,531
Decreased Revenue Projections	-	-	-
Continuing Appropriations	825,626	-	-
Supplemental Budgets	2,045,153	-	-
<b>Total Revenue</b>	<b>\$76,769,497</b>	<b>\$76,089,312</b>	<b>\$76,340,531</b>
<b>Ongoing Expenditures</b>			
Budgeted Expenditures (Note 2)	75,306,690	78,410,302	79,454,320
Estimated Payroll & Benefit Savings	-	-	-
Continuing Appropriations	1,674,364	-	-
Supplemental Budgets	4,603,781	-	-
<b>Total Ongoing Expenditures</b>	<b>\$81,584,835</b>	<b>\$78,410,302</b>	<b>\$79,454,320</b>
<b>Operating Surplus (Deficit)</b>	<b>(4,815,338)</b>	<b>(2,320,990)</b>	<b>(3,113,789)</b>
<b>One-time Expenditures - Net</b> (Note 3)	* \$185,100	\$2,063,885	\$57,350
<b>Beginning Fund Balance</b>	\$12,164,481	\$11,257,513	\$10,301,506
Operating Surplus (Deficit)	(4,815,338)	(2,320,990)	(3,113,789)
Less Net One-time Add'l Srvc Req (Note 3)	* (185,100)	(2,063,885)	(57,350)
Budget Lapse	** 4,093,470	3,428,868	3,384,569
<b>Projected Ending Fund Balance</b>	<b>\$11,257,513</b>	<b>\$10,301,506</b>	<b>\$10,514,936</b>
<b>Interfund Loan Adjustment</b>	<b>1,673,344</b>	<b>1,437,077</b>	<b>1,198,448</b>
<b>Adjusted Projected Ending Fund Balance</b>	<b>\$12,930,857</b>	<b>\$11,738,583</b>	<b>\$11,713,384</b>

\* Ongoing revenues above do not include one-time revenues of \$210,058 and \$130,236 for 2015 and 2016, respectively. These one-time revenues are deducted from one-time expenditures to arrive at "Net One-Time Additional Service Requests" shown on page 30.

\*\* Budget lapse projection used in the 2014 budget is 5%. The projected budget lapse for 2015-2016 is 4.25%.

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## General Fund Summary Notes

### Note 1 - Changes in Ongoing Revenue

<b>2014 Budgeted Revenues</b>	\$ 73,898,718
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#### 2015 Revenue Changes:

• Property Tax	\$ 686,170
• Diverted County Road Taxes	\$ 100,000
• Sales Tax	\$ (167,411)
• Other Taxes	\$ 113,100
• Penalties on Property Tax	\$ (135,000)
• Building Permits	\$ 260,000
• Food Program Fees	\$ 85,137
• Other Licenses and Permits	\$ 123,710
• Behavioral Health Court Funding	\$ 270,000
• Plan Check Fees	\$ 127,865
• Other PDS Fees	\$ 350,602
• Traffic Infractions	\$ (241,000)
• Cost Allocation General Fund	\$ 608,727
• Operating Transfer in Drug Fund	\$ (255,983)
• Operating Transfer in Auditor O&M	\$ (124,765)
• Operating Transfer in Victim Witness	\$ (34,934)
• Federal In Lieu of Taxes	\$ 300,000
• Liquor Excise Tax	\$ (45,943)
• Operating Transfer Parks Improv Fund	\$ 100,000
• Health Federal Grants	\$ (317,188)
• Medicaid Admin Mental Health	\$ 275,964
• Interest Income	\$ 153,352
• Other Net Changes	\$ (41,809)
<b>2015 Budgeted Revenues</b>	\$ 76,089,312

<b>2015 Budgeted Revenues</b>	\$ 76,089,312
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#### 2016 Revenue Changes:

• Property Tax	\$ 302,486
• Sales Tax	\$ 322,976
• Interest Income	\$ 133,029
• NPDES Related Fees	\$ 79,480
• Licenses and Permits	\$ 61,847
• REET Processing Fee	\$ 20,000
• Intergovernmental Services	\$ 54,541
• Substance Abuse Treatment Grants	\$ (744,605)
• Other Net Changes	\$ 21,465
<b>2016 Budgeted Revenues</b>	\$ 76,340,531

*continued on next page*

General Fund Summary Notes continued

**Note 2 - Changes in Ongoing Expenditures**

<b>2014 Budgeted Expenditures</b>	\$ 75,306,690
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**2015 Expenditure Changes:**

• Increase Wages and Benefits	\$ 2,306,512
• Custodial Maintenance Fees	\$ 114,774
• Extension-Faculty/Expenses/Compost	\$ 25,400
• Strengthening Families Program	\$ 70,000
• Council Travel	\$ 14,500
• Council Program Policy Analyst	\$ 85,000
• Health-On Site Sewage Inspector	\$ 83,359
• Health-Food Inspector	\$ 85,137
• Parks Extra Help Increase	\$ 51,701
• Parks-Lk Whatcom Property Mgmt	\$ 48,761
• East What. Resource Ctr Contract	\$ 47,400
• Pollution ID Control Enforcement	\$ 44,324
• Public Defender Clerk	\$ 49,900
• Sheriff Telecommunications	\$ 30,000
• Sheriff Crisis Support	\$ 15,000
• Drug Task Force Vehicle Lease	\$ 23,950
• Sheriff Overtime Baker Lake	\$ 25,000
• Sheriff Overtime Enhanced Area Patrols	\$ 30,000
• Dependency Contracts	\$ (263,928)
• 4th Superior Court Judge & Support	\$ 263,928
• Closure Day Adjustment 2014 Budget	\$ (85,257)
• Reduction in Guardian Ad Litem	\$ (122,929)

**Non-Departmental Changes:**

• Medical Examiner	\$ 54,858
• Emergency Operations Center	\$ 100,000
• Meals on Wheels	\$ 30,000
• Emergency Communications	\$ 124,779
• Ambulance Services	\$ (47,287)
• Transfer to Info Tech Land Records	\$ 75,543
• Transfer to Jail	\$ (36,184)
• Debt Service Civic Center	\$ 229,688
• Transfers Election Reserve	\$ (212,000)
• Transfers Emergency Management	\$ 37,411
• Other Net Changes	\$ (195,728)

<b>2015 Budgeted Expenditures</b>	\$ 78,410,302
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<b>2015 Budgeted Expenditures</b>	\$ 78,410,302
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**2016 Expenditure Changes:**

• Increase Wages and Benefits	\$ 1,666,174
• PDS Watershed Planner II	\$ 79,480
• Extension-Faculty/Expenses/Compost	\$ 3,752
• Medical Examiner	\$ 13,595
• Health Substance Abuse Program	\$ (734,649)
• Other Net Changes	\$ 15,666

<b>2016 Budgeted Expenditures</b>	\$ 79,454,320
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General Fund Summary Notes continued

**Note 3 - Net One-Time Additional Service Requests**

2015

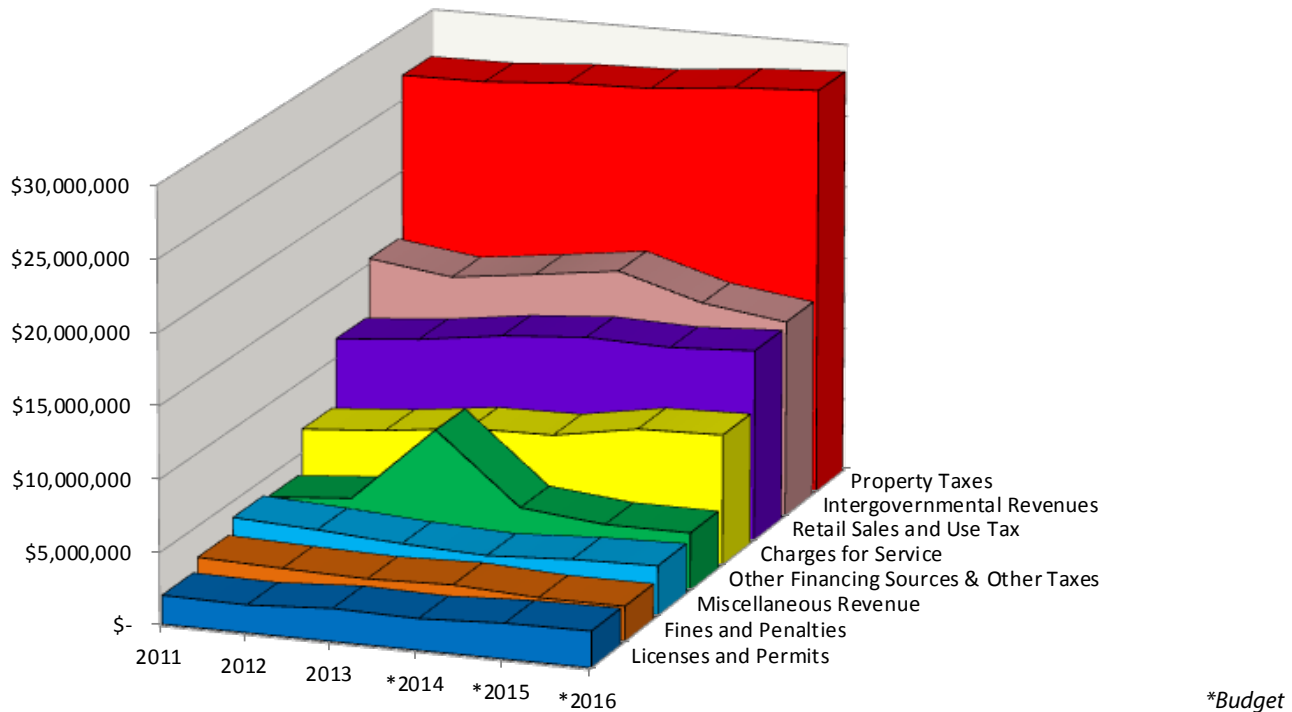
2016

Description	Expenditures
• Tfr-Fund Electronic Land Records Proj	\$ 611,000
• Tfr-Fund Crim Justice Case Mgt Sftwr Proj	\$ 600,000
• Reapprop Assr Treas System Phase II	\$ 581,127
• High Value Appeal Defense-Refineries	\$ 101,000
• 2016 Critical Areas Ordinance Update	\$ 54,631
• LEAN Mgmt Process Improvement Project	\$ 40,000
• Pictometry Cost Share	\$ 20,000
• Charter Review Commission Funding	\$ 15,000
• Salary Commission Funding	\$ 10,000
• Forestry Education/ Outreach	\$ 10,000
• Automated External Defibrillator	\$ 8,333
• Asphalt Repairs Parking Lots	\$ 8,000
• Training - Polygraph School	\$ 7,504
• Training - Computer Forensics	\$ 6,340
• Desk Purchase - Council	\$ 500
• Firearms Permits	\$ (9,550)
<b>Total</b>	<b>\$ 2,063,885</b>

Description	Expenditures
• LEAN Mgmt Process Improvement Proj	\$ 40,000
• Asphalt Repairs Parking Lots	\$ 10,000
• Forestry Education/ Outreach	\$ 10,000
• Training - Computer Forensics	\$ 6,900
• Firearms Permits	\$ (9,550)
<b>Total</b>	<b>\$ 57,350</b>



# General Fund Revenues



## General Fund Revenue Notes

### Property Tax

In 2015, property tax revenues are budgeted at \$571,000 over 2014 budget amounts. Of this increase, \$306,000 is the result of an expected \$275 million in new construction additions. The remaining amount of \$265,000 is due to adjusting budgets for better collections of delinquent taxes in recent years and the result of fluctuation between 2014 projected revenues versus 2014 budgeted revenues. Property tax revenues are estimated to increase by another \$302,500 in 2016 as a result of projecting another \$275 million in new construction additions.

### Intergovernmental Revenues

Intergovernmental revenues are mostly grants

received from federal and state governments to support various programs. Ongoing General Fund grants include the Consolidated Juvenile Grant received by Juvenile Administration; Support Enforcement Grant received by the Prosecuting Attorney’s Office, Superior Court, and County Clerk; Washington State Department of Health Consolidated Contract and Department of Social and Health Services Developmental Disabilities and Behavioral Health Contracts received by the Health Department. This category also includes federal payment in lieu of taxes for U. S. forest lands and an impact payment contract with Seattle City Light related to dams located in Whatcom County. In addition, Whatcom County receives state entitlement distributions such as criminal justice

*continued on next page*

## General Fund Revenue Notes

assistance, public health assistance, and liquor board profits.

Grant revenues are budgeted to decrease \$2.2 million between 2014 and 2015 and another \$876,000 between 2015 and 2016. Grant revenues generally present a decrease in the biennial budget document as many grants expire over the new biennium and new contracts are not in place during the budget process. In reality, some contracts will be continued from 2014 into 2015 through the continuing appropriation process and new contracts are generally added throughout the biennium by utilizing the budget supplemental process. Major grants not budgeted in the 2015-2016 biennium include a Community Development Block Grant (CDBG) with the Bellingham Food Bank in support of a building project which will be completed (\$739,750), Department of Homeland Security grants with the Sheriff's Office (\$447,000), and a Community Transformation Grant – Healthy Communities with the Health Department (\$382,000). After the first quarter of 2016, the state-funded substance abuse program will transfer from the Health Department to a regional governmental entity resulting in a \$744,605 decrease in funding.

### Retail Sales Tax

Whatcom County receives one percentage point of the retail sales tax collected in the unincorporated areas and .15 percentage points of retail sales tax collected in the incorporated areas. In addition, the county levies a .1% criminal justice sales tax. Ten percent of the funds collected are received by the county with the other ninety percent being distributed based on population of the cities and unincorporated areas. The 2015 budget is \$167,411 less than the 2014 budget as current year collections have not exhibited the growth experienced in 2013. The 2016 budget is expected

to increase at 2.5% over the 2015 budget.

### Charges for Service

Charges for services include fees for services performed for other governments, other funds and for the public. These fees for service are expected to increase approximately \$1 million between 2014 budget and 2015 budget and another \$145,000 between 2015 and 2016. Most of the 2015 increase, approximately \$600,000, will occur as a result of allocating the entire cost of the County Council and the Executive Office out to all benefitting funds and departments for the first time. This change is allowable in accordance with allocation methods generally accepted statewide. Other increases result from a new Health Department service contract with North Sound Regional Support Network and projected adjustments in Planning & Development Services plan check and land use fees.

### Other Financing Sources and Other Taxes

This category includes transfers from other funds, state timber sales, timber harvest taxes and excise taxes. Transfers are down about \$570,000 below 2014 amounts due to discontinuance of transfers funding two clerk positions in the Auditor's Office from the Auditor's O&M Fund (\$125,000) and decreases in funding from the Whatcom County Drug Fund to pay for Drug Task Force activities (\$256,000) in the Sheriff's Office and Prosecuting Attorney's Office. Other decreases were the result of one time project funding no longer being needed. The most significant operating transfer in the 2015-2016 budget is \$1 million per year from REET II to support Parks operations. This is allowable based on the provisions of House Bill 1953 which amended RCW 84.46.035 to allow the use of REET capital project funds for operations also. The General Fund also receives a significant criminal justice related

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## General Fund Revenue Notes continued

transfer of \$675,000 annually from the Countywide Emergency Medical Services (EMS) Fund. A portion of the .1% EMS sales tax must be used to support the criminal justice system.

### Miscellaneous Revenue

This category includes interest on delinquent taxes, rents from Parks activities, royalties from cable company franchise fees, investment earnings and small miscellaneous amounts from various activities. The interest on taxes budget increases \$250,000 over the 2014 budget to approximate actual levels of interest collection in recent years. Investment earnings are expected to present modest increases in 2015 (\$53,000) and again in 2016 (\$133,000) as interest rates recover to historic levels. Investment earnings are the result of investing excess cash from the General Fund and other county and non-county funds.

### Fines and Penalties

Fines and penalties are collected within the court systems as a result of traffic infractions, misdemeanors, and criminal costs. The other major source of penalty revenues is collected in the Treasurer's Office as a result of delinquent taxes. This category is budgeted \$290,000 per year lower than the 2014 budget. Traffic infractions are projected to be \$126,000 lower than the current budget and penalties on taxes have been adjusted downward \$135,000 to align with recent year results.

### Licenses and Permits

Licenses and permits are expected to increase \$284,000 in 2015 and another \$62,000 in 2016 as permit fees for restaurant and food service inspections are adjusted to reflect actual costs and risks. Building permit fees are also being adjusted for actual cost and increases in building activity. This category also contains marriage licenses, firearms permits, on-site sewage permits, and other miscellaneous license and permit activity.

# General Fund Revenue Summary

	Actual 2011	Actual 2012	Actual 2013	Budget 2014	Budget 2015	Budget 2016
<b>Property Taxes</b>						
Property Taxes	26,760,868	26,805,648	27,212,742	27,350,654	27,921,824	28,224,310
<b>Retail Sales and Use Tax</b>						
Retail Sales and Use Tax	11,336,231	11,840,023	12,641,298	13,086,461	12,919,050	13,242,026
<b>Other Taxes</b>						
Timber Harvest Taxes	147,796	229,178	157,651	169,200	170,400	170,400
Excise Taxes	420,319	520,646	533,845	514,900	511,800	531,800
Total Other Taxes	568,115	749,824	691,496	684,100	682,200	702,200
<b>Licenses and Permits</b>						
Business Licenses & Permits	675,577	668,538	712,931	688,700	805,897	855,494
Non-Business Licenses & Permits	1,315,139	1,241,733	1,549,526	1,472,200	1,639,100	1,651,350
Total Licenses and Permits	1,990,716	1,910,271	2,262,457	2,160,900	2,444,997	2,506,844
<b>Intergovernmental Revenue</b>						
Federal Grants-Direct	536,103	200,751	176,434	175,073	175,073	175,073
Federal Entitlements	1,341,246	1,453,396	1,552,202	1,552,000	1,750,000	1,800,000
Federal Grants-Indirect	3,994,151	3,179,653	3,153,754	4,059,004	2,231,375	2,100,253
State Grants	5,376,621	5,387,003	6,296,724	6,077,200	5,719,065	4,974,459
State Shared Revenues	63,441	118,369	110,084	107,723	118,430	123,430
State Entitlements	2,728,718	2,954,439	2,945,459	2,831,796	3,293,965	3,293,436
Interlocal Grants-Entitlements	937,679	959,407	981,638	1,004,384	1,027,657	1,051,470
Intergovernmental Svc	268,668	226,846	110,555	294,832	88,113	88,113
Federal Grants - ARRA	125,203	115,033	-	-	-	-
Total Intergovernmental Rev	15,371,829	14,594,896	15,326,849	16,102,011	14,403,678	13,606,234
<b>Charges for Goods and Services</b>						
Intergovernmental Services	531,871	582,259	569,475	535,710	437,385	437,385
General Government	2,400,392	2,596,702	2,656,825	2,673,172	2,403,863	2,409,065
Security-Persons & Property	1,070,332	1,068,989	988,702	1,113,458	1,353,749	1,354,885
Economic Environment	1,535,661	1,436,643	1,555,464	1,536,700	1,907,167	1,972,690
Mental & Physical Health	445,465	485,306	762,273	779,650	1,121,904	1,140,524
Culture and Recreation	361,225	365,545	350,294	281,400	364,950	364,950
Other Interfund Svc Charges	301,529	580,307	942,298	987,829	1,314,574	1,369,115
Total Charges for Goods & Svcs	6,646,474	7,115,751	7,825,331	7,907,919	8,903,592	9,048,614

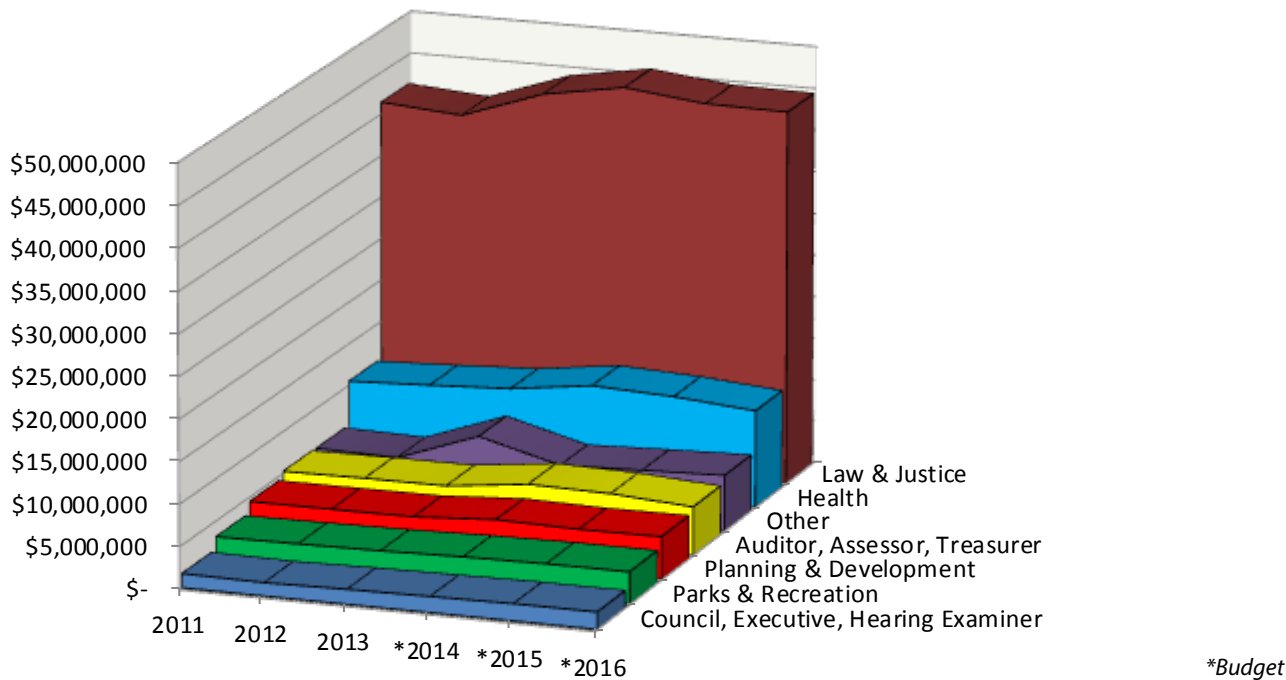
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## General Fund Revenue Summary continued

	Actual 2011	Actual 2012	Actual 2013	Budget 2014	Budget 2015	Budget 2016
<b>Fines and Penalties</b>						
Penalties on Taxes	994,220	799,945	786,261	926,000	791,000	791,000
Felony Penalties	110,292	111,098	94,417	97,000	96,500	96,500
Civil Penalties	3,248	7,456	39,713	20,700	36,000	36,000
Nonparking Infractions	1,186,504	1,183,961	1,125,183	1,169,000	1,043,000	1,043,000
Parking Infractions	44,458	100,828	74,369	50,000	20,500	20,500
Criminal Traffic Misdemeanors	305,342	283,471	266,842	272,500	257,500	257,500
Nontraffic Misdemeanors	86,102	65,635	46,242	55,200	55,200	55,200
Criminal Costs	124,214	113,767	101,488	121,000	121,000	121,000
<b>Total Fines and Penalties</b>	<b>2,854,381</b>	<b>2,666,161</b>	<b>2,534,516</b>	<b>2,711,400</b>	<b>2,420,700</b>	<b>2,420,700</b>
<b>Miscellaneous Revenue</b>						
Interest on Taxes	1,500,131	1,273,783	1,269,438	1,001,000	1,251,000	1,251,000
Intergovernmental Services - Shared Costs	6,000	6,500	6,000	6,000	8,000	8,000
Interest Earnings	1,024,211	658,638	401,297	498,305	551,657	684,686
Rents & Royalties	1,233,034	1,271,404	1,296,832	1,333,214	1,347,937	1,359,261
Other Interfund Misc Revenue	37,418	37,418	37,418	37,418	37,418	37,418
Contributions-Private	11,809	33,315	96,178	8,000	20,200	20,200
Other Misc Revenues	66,802	314,160	112,121	93,500	86,400	86,400
<b>Total Miscellaneous Revenue</b>	<b>3,879,405</b>	<b>3,595,218</b>	<b>3,219,284</b>	<b>2,977,437</b>	<b>3,302,612</b>	<b>3,446,965</b>
<b>Other Financing Sources</b>						
State Timber Sales	421,863	599,300	367,344	379,000	370,000	370,000
Other Fixed Assets	200	12,087	4,253,000	6,258	-	-
Proceeds Capital Lease	-	214,447	167,683	-	-	-
Operating & Residual Equity Transfer In	2,475,298	2,374,803	3,775,503	3,378,829	2,806,717	2,778,874
Interfund Transfer In - Debt Service	123,937	123,937	124,000	124,000	124,000	124,000
Prior Period Adjustments	-	-	21,097	-	-	-
<b>Total Other Financing Sources</b>	<b>3,021,298</b>	<b>3,324,575</b>	<b>8,708,627</b>	<b>3,888,087</b>	<b>3,300,717</b>	<b>3,272,874</b>
<b>TOTAL GENERAL FUND</b>	<b>72,429,317</b>	<b>72,602,366</b>	<b>80,422,601</b>	<b>76,868,969</b>	<b>76,299,370</b>	<b>76,470,767</b>
Percent Change from Previous Year	-3.4%	0.2%	10.8%	-4.4%	-0.7%	0.2%



# General Fund Expenditures



Note: General Fund Expenditures are shown in operational categories. Non-Departmental transfers are distributed to the appropriate categories in this chart.

## General Fund Expenditures Notes

### General Fund Expenditure History

Total expenditures for the General Fund for 2015 and 2016 are \$80.7 million and \$79.6 million respectively. The 2015 and 2016 budgets are \$1.2 million and \$2.2 million less respectively than the current 2014 budget.

### Law and Justice

The largest category of expenditures is for Law and Justice. This category includes District, Superior, and Juvenile Courts, County Clerk, Public Defender, Prosecuting Attorney, Sheriff, and a transfer that funds a portion of the cost of operating the jail. Law and Justice expenditures decreased at 0.44% per

annum from 2008 through 2013, excluding transfers for capital projects. This category accounts for 55.7% of the General Fund’s 2015-2016 budget. The 2015-2016 budget includes \$2 million in transfers to support construction of a new jail and \$600,000 to support new criminal justice case management system software.

### Health Department

With 14.9% of the General Fund budgeted expenditures in 2015-2016, the Health Department is the second largest expenditure category. This department’s expenditures have decreased at an average rate of 0.35% per year from 2008 through 2013. In keeping with its strategic plan, the Health

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## General Fund Expenditures Notes

Department is moving away from providing direct services and instead is ensuring those services are available in the community. The Health Department receives state and federal grant revenues and charges user fees for some of its programs. General county revenues of approximately \$1.9 million per year will be used to support the Health Department's operating costs in 2015 and 2016.

### Other

"Other" is made up of miscellaneous expenditures that are not attributable to specific departments. Expenditures in this category include payments for ambulance service, animal control, fire district related 911 emergency dispatch, medical examiner and morgue, leave payouts on behalf of terminating employees, wage and benefit contract reserves, support for other organizations that provide public services, general fund transfers to the administrative services fund, interfund debt service and other smaller miscellaneous items. Transfers to administrative services primarily fund the administrative cost allocation for Non-Departmental activities and junior taxing districts. They also include support for the county's geographical information system and funding for the computer replacement revolving account. Past years included transfers to fund capital asset purchases. "Other" also includes the budget for WSU Extension Office and a \$611,000 transfer to fund an integrated land records and permit systems software project budget. The Other General Fund category has been increased by \$360,000 in 2015 and by another \$327,000 in 2016 from current 2014 levels. These increases are mainly due to the project budget transfer mentioned above and wage and benefit reserves for contract settlements. A large pass-through grant to the Bellingham Food Bank is expected to be paid out before 2014 year-end and

has not been included in the 2015-2016 budget.

### Assessor, Treasurer and Auditor

The Assessor, Treasurer, and Auditor make up 7.6% of the total 2015-2016 General Fund budget. Expenditures have increased at an annual rate of 2.4% from 2008 through 2013, excluding transfers to the election reserve fund. Transfers to the election reserve fund fluctuate based on the number of elections held per year and which entities conduct special elections. Increases are primarily due to large software maintenance payments as a result of adding a new Assessor Treasurer system.

### Planning & Development Services

Planning & Development Services make up 6.3% of the total 2015-2016 General Fund budget. Planning & Development Services expenditures decreased an average of 5.7% per year from 2008 through 2013. Building activity levels fell dramatically during the recession and are just beginning to recover in the last year. In 2015-2016, \$1.9 million per year of the department's annual operating costs will be paid from discretionary General Fund revenues.

### Parks & Recreation

Parks & Recreation accounts for 4.8% of the General Fund budget. Parks expenditures decreased an average of 2.5% per annum from 2008 through 2013. Parks was one of the departments hardest hit by budget cuts during the economic downturn. Several positions were eliminated and senior services are now contracted out instead of provided in-house. In the 2015-2016 biennium, Parks will be funded significantly by transfers from other funds including REET II, Conservation Futures and the Parks Special Revenue Fund. General county revenues of approximately \$1.6 million per year will also be used to support Parks & Recreation's

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## General Fund Expenditures Notes continued

operating costs in 2015 and 2016.

### **Council, Executive and Hearing Examiner**

County Council, Executive and Hearing Examiner make up 2.5% of the total General Fund budget. Expenditures have increased at an annual rate of 0.27% from 2008 through 2013.

# General Fund Expenditures Summary

	Actual 2011	Actual 2012	Actual 2013	Budget 2014	Budget 2015	Budget 2016
<b>Law and Justice</b>						
District Court	1,899,955	1,946,501	1,958,082	2,129,500	2,160,200	2,179,738
District Court Probation	1,457,880	1,451,199	1,396,879	1,581,104	1,620,229	1,609,756
Juvenile Administration	3,935,606	3,943,706	3,899,561	4,637,934	4,633,596	4,691,221
Prosecuting Attorney	5,485,420	5,554,048	5,543,403	5,791,095	5,895,805	6,025,441
Public Defender	3,236,662	3,222,947	3,242,697	3,447,313	3,535,872	3,654,165
Sheriff	14,770,708	13,828,146	13,559,863	14,697,744	14,150,275	14,242,438
Superior Court	2,324,572	2,286,891	2,218,723	2,377,562	2,645,895	2,673,335
County Clerk	2,439,713	2,499,291	2,474,164	2,293,972	2,064,786	2,092,908
Non-Dept'l - Jail Operating Transfers	5,023,229	5,117,229	5,117,229	5,117,229	5,081,045	5,075,170
Non-Dept'l - Transfers for New Jail	-	-	2,093,491	1,000,000	1,000,000	1,000,000
Non-Dept'l - LEOFF 1 & Civil Service	25,092	27,055	150,993	377,256	380,277	382,634
Non-Dept'l - Sheriff's 911 Dispatch	627,042	634,353	621,241	632,068	628,806	628,806
Non-Dept'l - Trf for Superior Ct Remodel	-	-	-	1,422,464	-	-
Non-Dept'l - Trf for Crim Justice Software	-	-	1,640,162	-	600,000	-
Non-Dept'l - Emergency Management	220,174	223,833	202,229	281,152	318,563	329,481
<b>Total Law and Justice</b>	<b>41,446,053</b>	<b>40,735,199</b>	<b>44,118,717</b>	<b>45,786,393</b>	<b>44,715,349</b>	<b>44,585,093</b>
<b>Auditor, Assessor, Treasurer</b>						
Assessor	2,663,618	2,654,469	2,700,035	2,877,801	2,983,708	2,920,622
Auditor	1,206,900	1,135,687	1,292,423	1,348,140	1,289,804	1,312,399
Operating Transfer - Elections	126,000	309,000	78,000	312,000	100,000	100,000
Treasurer	1,235,718	1,254,675	1,333,171	1,410,861	1,425,369	1,439,383
Assessor/Treasurer System	24,351	23,861	9,931	613,792	587,768	5,418
<b>Total Auditor, Assessor, Treasurer</b>	<b>5,256,587</b>	<b>5,377,692</b>	<b>5,413,560</b>	<b>6,562,594</b>	<b>6,386,649</b>	<b>5,777,822</b>
<b>Planning &amp; Development Services</b>						
Planning & Development Services	4,498,800	4,524,193	4,581,437	5,201,140	5,023,961	5,116,818
<b>Parks &amp; Recreation</b>						
Parks & Recreation	3,155,777	3,266,789	3,421,782	3,676,005	3,817,099	3,845,152
<b>Health</b>						
Public Health	10,504,536	10,944,419	11,455,885	12,742,671	12,351,540	11,597,624
<b>Council, Executive, Hearing Examiner</b>						
County Council	930,228	930,506	1,054,757	1,064,039	1,143,447	1,138,265
County Executive	575,992	469,937	530,791	654,874	699,351	706,898
Hearing Examiner	174,457	176,998	180,862	183,076	188,344	188,958
<b>Total Council, Executive, Hearing Examiner</b>	<b>1,680,677</b>	<b>1,577,441</b>	<b>1,766,410</b>	<b>1,901,989</b>	<b>2,031,142</b>	<b>2,034,121</b>
<b>OTHER</b>						
<b>Extension</b>						
Extension	310,427	326,814	346,158	390,374	435,381	440,203

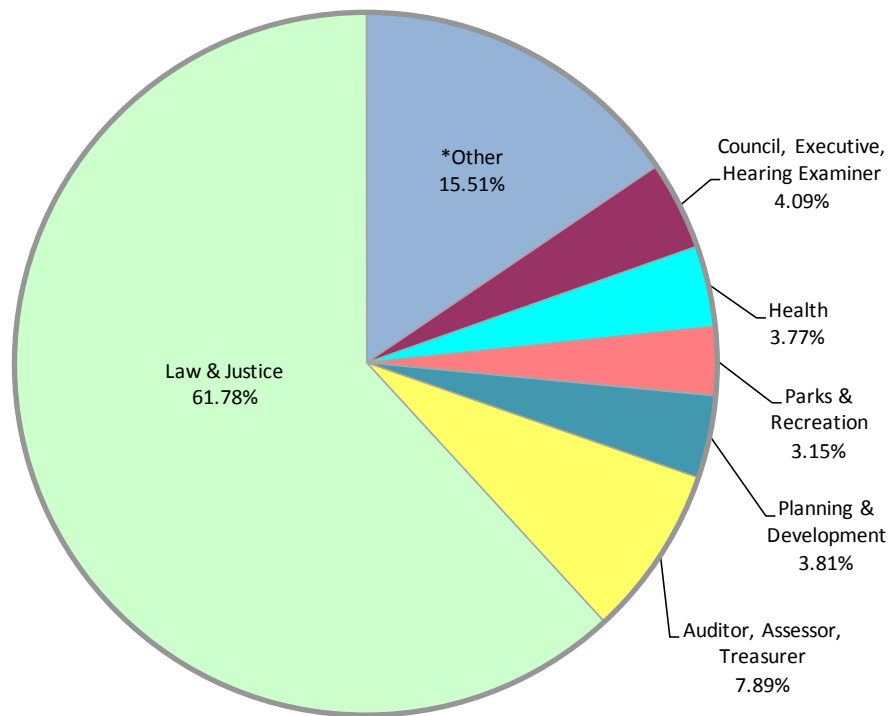
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## General Fund Expenditures Summary continued

	Actual 2011	Actual 2012	Actual 2013	Budget 2014	Budget 2015	Budget 2016
Other Non-Departmental						
Medical Examiner & Morgue	432,539	443,793	454,826	495,043	503,959	517,554
911 Dispatch - Fire Related	200,999	140,803	184,354	93,659	210,042	210,042
Emergency Medical Services	1,404,360	1,418,404	1,432,588	1,482,586	1,385,299	1,380,737
Animal Control	449,639	450,526	403,504	397,667	397,718	397,718
General Obligation Bonds	437,358	439,388	-	226,338	229,688	226,983
Capital Acquisitions	61,598	216,020	184,863	59,330	-	-
Leave Pay Out & Reserve Account	297,445	88,746	229,593	361,709	1,328,255	2,279,963
Conservation Grant Activities	103,795	292,247	309	-	-	-
Pass-through Grants to Other Organizations	325,757	161,896	328,284	951,798	-	-
Support to Other Organizations	445,248	402,797	402,321	455,124	442,167	445,167
Support for PW - Noxious Weed	70,000	70,000	-	50,000	50,000	50,000
Tfr to State St Bldg Acquisition & Impr Fund	-	-	3,808,884	-	-	-
Tfr for Major Software & IT project budgets	-	-	-	323,809	611,000	-
Administrative Services Projects & Transfers	606,333	515,300	520,026	528,209	606,677	596,821
Misc Non-Departmental	74,579	50,725	219,199	182,968	158,319	140,088
<b>Total Other Non-Departmental</b>	<b>4,909,650</b>	<b>4,690,645</b>	<b>8,168,751</b>	<b>5,608,240</b>	<b>5,923,124</b>	<b>6,245,073</b>
<b>TOTAL GENERAL FUND</b>	<b>71,762,507</b>	<b>71,443,192</b>	<b>79,272,700</b>	<b>81,869,406</b>	<b>80,684,245</b>	<b>79,641,906</b>
Percent Change from Previous Year	-2.3%	-0.4%	11.0%	3.3%	-1.4%	-1.3%



# Undedicated General Fund Resources



## General Fund Budgeted Revenues

The General Fund’s 2015-2016 budgeted revenues total \$152,770,137. Of this, \$61,182,642 is dedicated in some manner to program areas such as charges for services and grants. The remaining \$91,587,495 is not dedicated to any program area. The General Fund’s undedicated resources total \$99,143,509. This amount includes the \$91,587,495 of undedicated revenue, together with \$7,556,014 of fund balance that would be used in 2015-2016 if the budget was fully expended. This graph shows where these undedicated resources are budgeted.

Based on past experience it is unlikely that budgets will be fully expended. We anticipate that approximately \$6.8 million of budget authority will not be used and will lapse at the end of the biennium. The anticipated actual use of fund

balance in 2015-2016 is about \$740,000.

## Capital Expenditures

All capital expenditures are reported in “Other” for purposes of the 2015-2016 Undedicated General Fund Resources graph. Capital expenditures were removed from the department expenditures because they vary from year to year and tend to distort ongoing department expenditures.

### \*Other

Includes WSU Extension, leave pay out and wage/benefit reserves, medical examiner and morgue, 911 fire dispatch, ambulance services, animal control, capital acquisitions, debt service on bonds, support to other organizations, miscellaneous non-departmental, transfers to Administrative Services Fund and transfers to Road Fund.

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# Undedicated General Fund Resources Summary

	Budget 2015-2016 Expense	Budget 2015-2016 Revenue	Budget 2015-2016 Capital	Budget 2015-2016 Undedicated
<b>Law and Justice</b>				
District Court	4,339,938	(576,570)	(9,000)	3,754,368
District Court Probation	3,229,985	(2,876,003)		353,982
Juvenile Administration	9,324,817	(1,384,396)		7,940,421
Prosecuting Attorney	11,921,246	(3,328,476)		8,592,770
Public Defender	7,190,037	(392,718)		6,797,319
Sheriff	28,392,713	(3,467,996)		24,924,717
Superior Court	5,319,230	(297,500)		5,021,730
County Clerk	4,157,694	(1,707,112)		2,450,582
Non-Departmental - Criminal Justice Revenues		(11,393,125)		(11,393,125)
Non-Departmental - Jail Operating Transfers	10,156,215			10,156,215
Non-Departmental - Transfers for New Jail	2,000,000		(2,000,000)	-
Non-Departmental - LEOFF 1 & Civil Service	762,911			762,911
Non-Departmental - Sheriff's 911 Dispatch	1,257,612			1,257,612
Non-Departmental - Trf for Crim Justice Software	600,000		(600,000)	-
Non-Departmental - Emergency Management	648,044			648,044
<b>Total Law and Justice</b>	<b>89,300,442</b>	<b>(25,423,896)</b>	<b>(2,609,000)</b>	<b>61,267,546</b>
<b>Auditor, Assessor, Treasurer</b>				
Assessor	5,904,330	(18,000)		5,886,330
Auditor	2,602,203	(2,803,522)		(201,319)
Operating Transfer - Elections	200,000			(730,000)
Treasurer	2,864,752	(930,000)		2,864,752
Assessor/Treasurer System	593,186		(593,186)	-
<b>Total Auditor, Assessor, Treasurer</b>	<b>12,164,471</b>	<b>(3,751,522)</b>	<b>(593,186)</b>	<b>7,819,763</b>
<b>Planning &amp; Development Services</b>				
Planning & Development Services	10,140,779	(6,367,847)		3,772,932
<b>Parks &amp; Recreation</b>				
Parks & Recreation	7,662,251	(4,458,279)	(81,076)	3,122,896
<b>Health</b>				
Public Health	23,949,164	(20,215,898)		3,733,266
<b>Council, Executive, Hearing Examiner</b>				
County Council	2,281,712	(12,680)		2,269,032
County Executive	1,406,249			1,406,249
Hearing Examiner	377,302			377,302
<b>Total Council, Executive, Hearing Examiner</b>	<b>4,065,263</b>	<b>(12,680)</b>	<b>-</b>	<b>4,052,583</b>
<b>OTHER</b>				
<b>Extension</b>				
Extension	875,584	(235,000)		640,584

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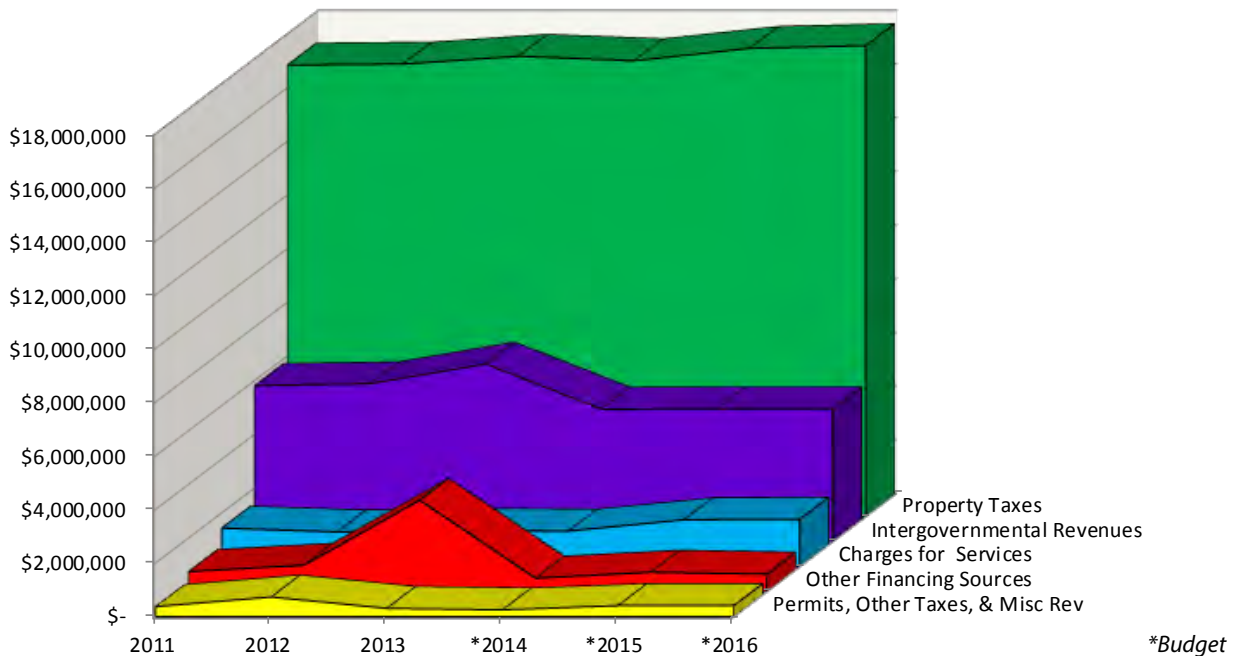
## Undedicated General Fund Resources Summary continued

	Budget 2015-2016 Expense	Budget 2015-2016 Revenue	Budget 2015-2016 Capital	Budget 2015-2016 Undedicated
Other Non-Departmental				
Medical Examiner & Morgue	1,021,513	(128,000)		893,513
911 Dispatch - Fire Related	420,084			420,084
Emergency Medical Services	2,766,036			2,766,036
Animal Control	795,436			795,436
General Obligation Bonds	456,671	(248,000)		208,671
Leave Pay Out & Reserve Account	3,608,218			3,608,218
Support to Other Organizations	887,334	(87,000)		800,334
Support for PW - Noxious Weed	100,000			100,000
Transfer for Major Software & IT project budgets	611,000		(611,000)	-
Administrative Services Projects & Transfers	1,203,498			1,203,498
Misc Non-Departmental	298,407	(254,520)		43,887
<b>Total Other Non-Departmental</b>	<b>12,168,197</b>	<b>(717,520)</b>	<b>(611,000)</b>	<b>10,839,677</b>
<b>Total Capital Acquisitions (Add to Other)</b>			<b>3,894,262</b>	<b>3,894,262</b>
<b>TOTAL GENERAL FUND</b>	<b>160,326,151</b>	<b>(61,182,642)</b>	<b>-</b>	<b>99,143,509</b>

# General Fund Revenues Not Assigned to Any Department

	Actual 2011	Actual 2012	Actual 2013	Budget 2014	Budget 2015	Budget 2016
<b>LAW &amp; JUSTICE RELATED</b>						
Criminal Justice Sales Tax	1,567,101	1,647,062	1,751,827	1,761,595	1,777,928	1,822,376
Gambling Excise Taxes	31,036	27,290	31,439	30,500	30,500	30,500
State Entitlements	1,487,047	1,595,902	1,469,491	1,573,531	1,572,775	1,572,246
Nooksack Gambling Compact	43,815	42,011	37,050	40,000	25,000	25,000
District Court Fines and Penalties	1,684,636	1,684,292	1,561,812	1,551,400	1,426,900	1,426,900
County Clerk Fines and Penalties	173,983	174,466	151,094	166,500	166,500	166,500
Public & Health Safety Sales Tax - CJ Share	570,000	575,000	675,000	700,000	675,000	675,000
<b>Total Law &amp; Justice Related</b>	<b>5,557,618</b>	<b>5,746,024</b>	<b>5,677,715</b>	<b>5,823,526</b>	<b>5,674,603</b>	<b>5,718,522</b>
Percent Change from Previous Year	1.1%	3.4%	-1.2%	2.6%	-2.6%	0.8%
<b>UNDEDICATED GENERAL FUND REVENUES</b>						
Property Taxes	25,444,289	25,509,994	25,922,518	25,942,924	26,505,294	26,803,780
Timber Harvest Tax	136,875	212,477	146,112	160,000	160,000	160,000
Retail Sales & Use Tax	9,769,128	10,192,957	10,889,459	11,324,866	11,141,122	11,419,650
Leasehold Excise Taxes	179,689	206,113	212,023	200,000	200,000	200,000
Interest & Penalties on Taxes	2,494,433	2,073,789	2,055,720	1,927,000	2,042,000	2,042,000
Federal In Lieu of Taxes	1,341,246	1,453,396	1,552,202	1,552,000	1,750,000	1,800,000
State Shared Revenues	63,344	117,383	109,809	107,293	118,000	123,000
State In Lieu of Taxes	7,500	7,617	7,965	7,000	8,000	8,000
Seattle City Light Interlocal	937,679	959,407	981,638	1,004,384	1,027,657	1,051,470
Current Expense Allocation	301,529	301,529	266,411	274,403	883,130	909,623
Interest Earnings	970,523	606,885	486,040	450,000	499,082	632,111
Royalties & Franchise Fees	591,877	615,547	630,550	635,659	650,000	660,000
Miscellaneous Revenues	63,864	50,047	(98,693)	47,127	46,788	46,788
State Timber Sales	390,632	554,742	340,881	350,000	350,000	350,000
<b>Total Undedicated General Fund Revenues</b>	<b>42,692,608</b>	<b>42,861,881</b>	<b>43,502,636</b>	<b>43,982,656</b>	<b>45,381,073</b>	<b>46,206,422</b>
Percent Change from Previous Year	3.6%	0.4%	1.5%	1.1%	3.2%	1.8%
<b>TOTAL GENERAL FUND UNASSIGNED</b>	<b>48,250,226</b>	<b>48,607,906</b>	<b>49,180,350</b>	<b>49,806,182</b>	<b>51,055,676</b>	<b>51,924,944</b>
Percent Change from Previous Year	3.3%	0.7%	1.2%	1.3%	2.5%	1.7%

# Road Fund Revenues



## Road Fund Revenue Notes

### Property Tax

The Road Fund property tax revenue budget has been increased by \$462,000 in 2015 and another \$100,000 in 2016 over 2014 amounts to align with projected current year revenue results and expected new construction additions.

### Intergovernmental Revenues

Intergovernmental revenues are 79% state entitlements from motor vehicle fuel tax distributions for road operations and construction. Road is also budgeted to receive \$465,000 in federal entitlements from federal forest monies and \$574,000 in state CAPA (County Arterial Preservation Account) grant funding. Grants for specific large road projects are now being budgeted in separate project budget funds.

### Charges for Services

This category includes charges to other Public Works Department funds for inter-departmental accounting, administrative and overhead allocations. In addition, it includes reimbursements from other funds and governmental entities for work performed by road crews and engineers. This category has increased about \$420,000 over 2014 amounts. Most of the increase is due to Road Fund work that will be reimbursed by the Flood Control Zone District having to do with services performed as a result of NPDES requirements.

### Other Financing Sources

Includes state timber sales and transfers from other funds. Transfers fluctuate from year to year based on specific activities conducted between the Road

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## Road Fund Revenue Notes continued

Fund and other funds.

### **Permits, Other Taxes and Miscellaneous**

Small amounts of revenue from timber harvest taxes, excise taxes, encroachment permits, space rental to other public works departments, etc.

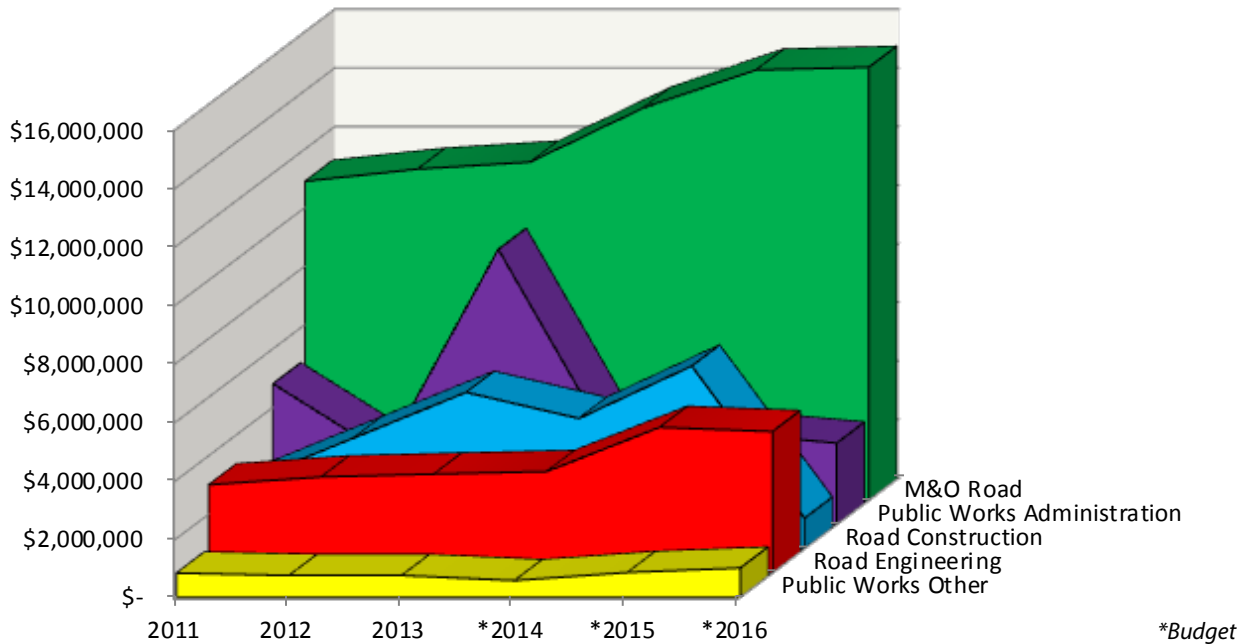
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## Road Fund Revenue Summary

	Actual 2011	Actual 2012	Actual 2013	Budget 2014	Budget 2015	Budget 2016
<b>Property Taxes</b>						
Property Taxes	16,841,205	16,875,943	17,166,956	17,000,000	17,462,391	17,562,154
<b>Other Taxes</b>						
Timber Harvest Taxes	181,095	281,723	196,038	100,000	200,000	200,000
Excise Taxes	36,089	35,653	38,264	35,000	38,000	38,000
Total Other Taxes	217,184	317,376	234,302	135,000	238,000	238,000
<b>Licenses and Permits</b>						
Licenses and Permits	100,497	95,273	133,389	100,000	134,000	134,200
<b>Intergovernmental Revenue</b>						
Federal Entitlements	514,600	454,357	107	500,000	465,000	465,000
Federal Grants-Indirect	955,219	1,021,742	723,506	32,310	-	-
State Grants	574,656	609,056	2,007,411	520,000	579,000	579,000
State Shared Revenues	1,604	16,612	4,743	1,000	4,200	2,000
State Entitlements	3,771,941	3,784,352	3,887,757	3,885,342	3,903,461	3,903,361
Total Intergovernmental Revenue	5,818,021	5,886,119	6,623,522	4,938,652	4,951,661	4,949,361
<b>Charges for Goods and Services</b>						
Intergovernmental Svc	256,540	217,297	122,350	72,000	110,000	110,000
General Government	1,653	1,210	36,386	5,000	1,343,518	1,357,304
Security-Persons & Property	700	50	1,600	3,000	1,500	1,500
Physical Environment	4,500	5,913	17,610	6,000	5,000	5,000
Transportation	19,070	13,095	36,767	6,400	22,000	22,000
Economic Environment	70,045	26,320	58,880	75,000	265,070	266,394
Other Interfund Svc Charges	1,082,922	1,028,358	1,080,356	1,156,577	-	-
Total Charges for Goods & Svcs	1,435,430	1,292,241	1,353,948	1,323,977	1,747,088	1,762,198
<b>Miscellaneous Revenue</b>						
Interest & Penalty on Taxes	(1,046)	(590)	(236)	-	200	-
Interest Earnings	2,482	1,212	(116,309)	4,000	510	510
Rents & Royalties	6,829	8,268	11,810	5,000	30,910	30,910
Contributions-Private	38,622	26,091	21,829	-	-	-
Other Misc Revenues	7,546	282,658	22,379	5,000	5,000	5,000
Total Miscellaneous Revenue	54,433	317,639	(60,527)	14,000	36,620	36,420
<b>Other Financing Sources</b>						
Insurance Recoveries	-	-	216,662	-	-	-
State Timber Sales	517,423	739,431	457,871	450,000	450,000	450,000
Proceeds Capital Lease	-	19,215	22,521	-	-	-
Operating Transfer In	71,081	207,859	2,124,829	51,082	271,440	201,093
Res Equity Transfer In	159,091	15,728	585,198	-	-	-
Total Other Financing Sources	747,595	982,233	3,407,082	501,082	721,440	651,093
<b>TOTAL ROAD FUND</b>	<b>25,214,366</b>	<b>25,766,823</b>	<b>28,858,672</b>	<b>24,012,711</b>	<b>25,291,200</b>	<b>25,333,426</b>
Percent Change from Previous Year	-6.8%	2.2%	12.0%	-16.8%	5.3%	0.2%



# Road Fund Expenditures



## Road Fund Expenditure Notes

### Road Maintenance & Operations

The cost of preserving and maintaining the right-of-way and each type of roadway, roadway structure and facility. New in 2015-2016 are the additions of two staff, ongoing equipment rental, and one-time equipment purchases in support of NPDES Phase II requirements.

### Road Construction

The cost to design, construct and improve county roads and bridges. Projects expected to be completed within one calendar year are budgeted in the 2015 budget. Large projects expected to span more than one calendar year are budgeted on a project by project basis in separate funds. Road Fund transfers to fund the large project budgets are recorded at \$3,590,000 in 2015. The 2016 budget only includes undistributed engineering wages and benefits

and division administrative costs. The actual 2016 construction budget will be adopted after the 2016 annual road program has been approved by Council.

### Public Works Administration

The cost of providing overall management direction, accounting and support services to all of the Public Works Department. Also includes special projects, safety and training, and real estate activities. In addition, includes transfers for Road's 45% share of Ferry operations funding and Road's share of the county's land and infrastructure management project (2015 only).

### Road Engineering

The cost of providing accurate information related to roads, such as surveys, traffic, development, bridge inspections and drainage. Includes the cost

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## Road Fund Expenditure Notes continued

of improving the safety of roads through accident investigation and operation studies; as well as the cost of maintaining the pavement management system. Beginning in 2015, also includes the costs of an increase in service related to meeting NPDES Phase II requirements.

### **Public Works Other**

Includes noxious weed identification and removal activities, paths and trails activities, and the costs of reimbursable road services performed for other funds or governmental entities.

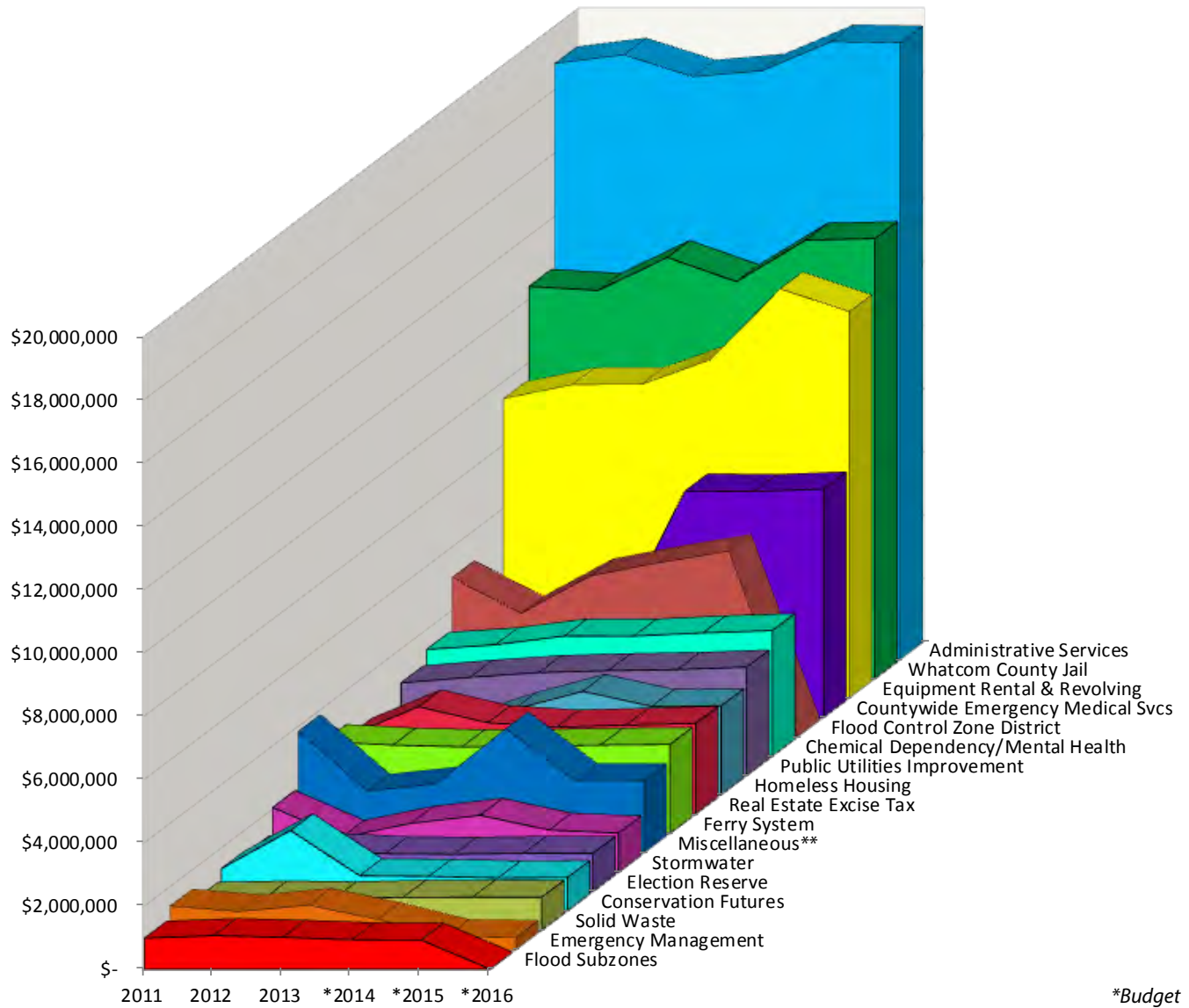
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## Road Fund Expenditures Summary

	Actual 2011	Actual 2012	Actual 2013	Budget 2014	Budget 2015	Budget 2016
Public Works Administration	4,814,087	2,399,105	9,402,190	2,699,833	3,135,557	2,780,326
Road Engineering	3,012,328	3,281,278	3,379,318	3,466,283	4,771,159	4,624,961
M&O Road	10,899,895	11,315,902	11,556,635	13,405,917	14,701,760	14,797,746
Road Construction	2,218,699	3,778,375	5,343,419	4,449,945	6,242,220	1,044,658
Public Works Other	825,935	741,742	744,444	567,258	843,782	997,943
<b>TOTAL ROAD FUND</b>	<b>21,770,944</b>	<b>21,516,402</b>	<b>30,426,006</b>	<b>24,589,236</b>	<b>29,694,478</b>	<b>24,245,634</b>
Percent Change from Previous Year	-5.5%	-1.2%	41.4%	-19.2%	20.8%	-18.3%



# Other Funds Revenues



\*\* Miscellaneous Small Funds - see page 58 for list.

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# Other Funds Revenue Summary

	Actual 2011	Actual 2012	Actual 2013	Budget 2014	Budget 2015	Budget 2016
<b>Administrative Services Fund</b>						
Administrative Services Fund	18,823,854	19,099,373	18,406,756	18,595,344	19,518,182	19,480,139
<b>Whatcom County Jail Fund</b>						
Whatcom County Jail Fund	12,397,184	12,267,495	13,310,265	12,545,821	13,860,462	13,904,878
<b>Equipment Rental &amp; Revolving Fund</b>						
Equipment Rental & Revolving Fund	9,462,205	9,904,602	9,913,106	10,695,374	12,930,657	12,206,795
<b>Countywide Emergency Medical Services</b>						
Countywide EMS Fund	2,646,049	2,759,572	2,901,970	7,156,327	7,136,502	7,219,243
<b>Flood Control Zone District Fund</b>						
Flood Control Zone District Fund	5,037,357	3,905,096	5,084,002	5,505,978	5,867,629	-
<b>Flood Subzone Funds</b>						
Lynden/Everson	39,251	37,767	35,191	37,881	36,674	-
Sumas/Nooksack	119,928	116,260	108,436	114,643	112,904	-
Acme/Van Zandt	25,757	23,619	22,790	23,891	23,467	-
Samish Watershed	18,302	18,309	17,977	18,290	18,313	-
Birch Bay Watershed	778,231	864,257	824,614	735,000	730,000	-
Total Flood Subzone Funds	981,469	1,060,212	1,009,008	929,705	921,358	-
<b>Chemical Dependency/Mental Health Fund</b>						
Chemical Dependency/Mental Health	3,373,051	3,523,029	3,801,137	3,795,004	3,898,081	3,969,768
<b>Public Utilities Improvement Fund</b>						
Public Utilities Improvement Fund	2,928,904	3,106,102	3,255,624	3,314,377	3,351,008	3,428,421
<b>Homeless Housing Fund</b>						
Homeless Housing Fund	1,265,395	1,962,442	2,697,447	3,272,806	2,798,271	2,815,752
<b>Ferry System Fund</b>						
Ferry System Fund	2,913,087	2,797,145	2,743,906	2,758,000	2,799,889	2,818,033
<b>Real Estate Excise Tax Funds I &amp; II</b>						
Total Real Estate Excise Tax Funds	2,498,674	3,399,788	2,892,014	2,756,533	2,817,000	2,872,000
<b>Stormwater Fund</b>						
Stormwater Fund	2,055,325	1,104,499	1,550,798	1,803,237	1,338,960	1,242,390
<b>Election Reserve Fund</b>						
Election Reserve Fund	1,238,372	1,308,800	1,202,412	1,185,700	1,214,379	1,214,372
<b>Conservation Futures Fund</b>						
Conservation Futures Fund	1,344,877	2,546,865	1,117,664	1,098,591	1,048,494	1,060,058
<b>Solid Waste Fund</b>						
Solid Waste Fund	989,516	1,026,648	1,002,777	1,049,804	1,051,604	1,051,604
<b>Emergency Management Fund</b>						
Emergency Management Fund	1,386,763	1,208,550	1,411,090	963,866	424,538	395,056

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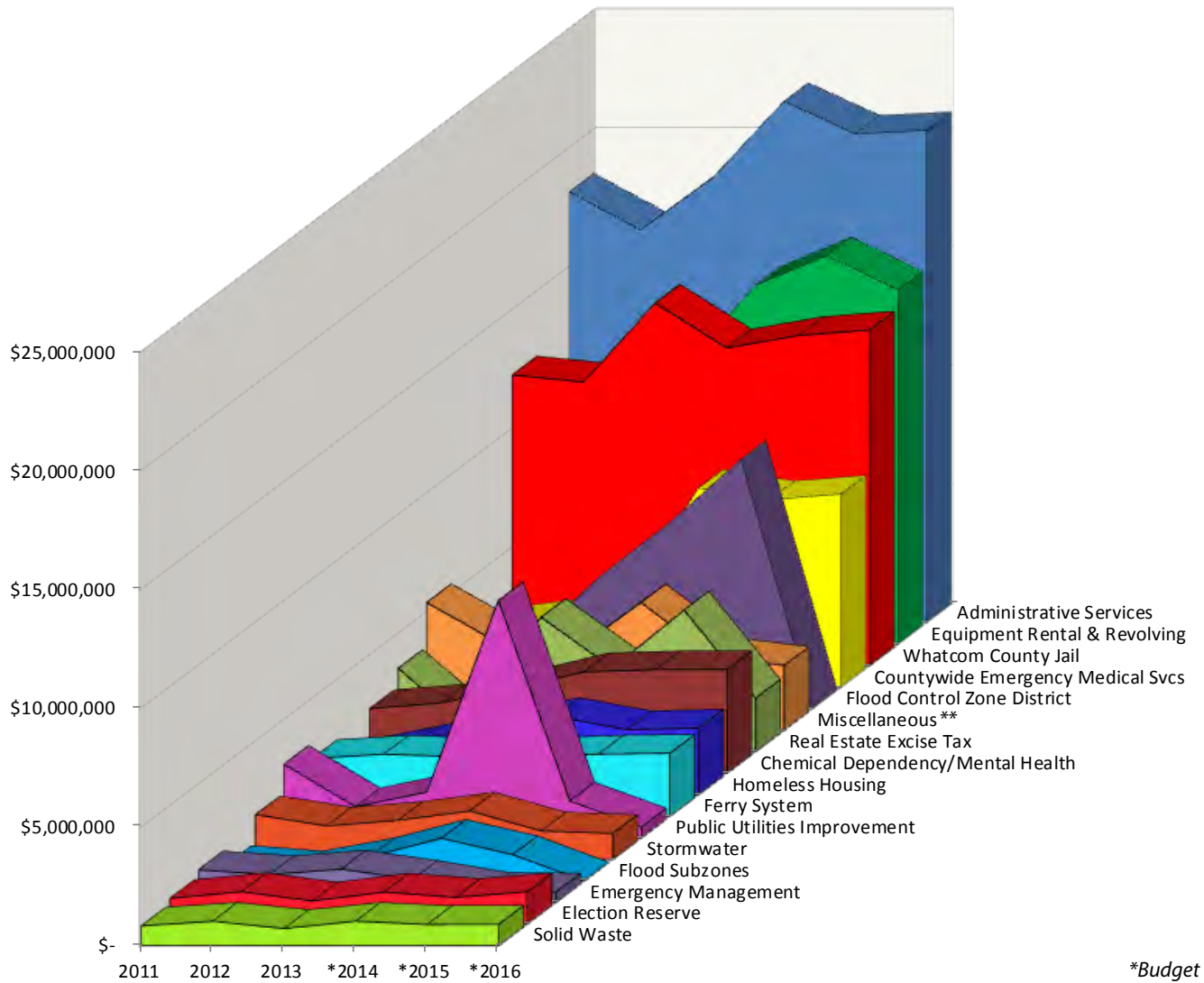
## Other Funds Revenue Summary continued

	Actual 2011	Actual 2012	Actual 2013	Budget 2014	Budget 2015	Budget 2016
Miscellaneous Funds						
Veteran's Relief Fund	285,297	279,486	271,358	282,007	282,530	284,530
Low Income Housing Projects	192,785	217,056	212,535	239,200	162,180	165,424
Parks Special Revenue Fund	-	-	-	1,600,755	127,086	132,886
WC Trial Court Improvement	48,179	48,345	47,855	48,671	48,380	48,554
LEOFF I Healthcare	-	-	(799)	-	-	-
WC Convention Center	498,660	555,496	575,340	516,000	560,000	560,000
Victim-Witness Fund	127,242	124,100	111,380	126,950	111,050	108,350
Community Development	-	2,867	-	5,000	-	-
Road Improvement District #1	22,892	22,191	22,122	22,467	22,623	22,468
Road Improvement District #2	2,082	3,220	3,082	3,168	3,183	3,168
Road Improvement District #7	2,515	2,560	2,633	2,522	2,511	2,522
Whatcom County Drug Fund	276,073	845,374	173,898	376,000	276,500	281,000
Auditor's O&M	177,942	184,879	204,244	166,500	150,050	150,050
Pt Roberts Fuel Tax	79,298	98,937	93,886	60,000	75,000	75,000
2003 Ltd Tax GO Bond	437,358	439,388	-	-	-	-
2010 Ltd Tax GO Bond	1,663,259	646,967	471,605	467,464	471,613	464,218
County Parks Improvement	21,141	(1,512,569)	953	11,994	-	-
Closed Funds	15,478	163	(1)	-	-	-
<b>Total Miscellaneous Funds</b>	<b>3,850,201</b>	<b>1,958,460</b>	<b>2,190,091</b>	<b>3,928,698</b>	<b>2,292,706</b>	<b>2,298,170</b>
<b>TOTAL OTHER FUNDS</b>	<b>73,192,283</b>	<b>72,938,678</b>	<b>74,490,067</b>	<b>81,355,165</b>	<b>83,269,720</b>	<b>75,976,679</b>
Percent Change from Previous Year	-7.8%	-0.3%	2.1%	9.2%	2.4%	-8.8%

NOTE: Flood Control Zone District and Subzones adopt an annual budget in accordance with state law. The 2016 budgets will be adopted in November 2015.



# Other Funds Expenditures



\*\* Miscellaneous Small Funds - see page 62 for list.

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## Other Funds Expenditures Summary

	Actual 2011	Actual 2012	Actual 2013	Budget 2014	Budget 2015	Budget 2016
<b>Administrative Services Fund</b>						
Administrative Services Fund	18,133,336	16,513,576	18,706,237	21,938,251	20,561,860	20,711,356
<b>Equipment Rental &amp; Revolving Fund</b>						
Equipment Rental & Revolving Fund	7,850,836	9,302,537	11,722,259	15,088,165	16,348,986	14,900,940
<b>Whatcom County Jail Fund</b>						
Whatcom County Jail Fund	12,236,726	11,937,267	15,261,143	13,369,948	13,892,324	14,125,236
<b>Countywide Emergency Medical Services</b>						
Countywide EMS Fund	2,560,555	2,927,322	3,705,539	8,366,712	7,892,256	8,129,339
<b>Flood Control Zone District Fund</b>						
Flood Control Zone District Fund	3,445,154	2,652,377	5,514,335	7,834,238	10,505,203	-
<b>Flood Subzone Funds</b>						
Lynden/Everson	14,244	21,041	21,175	121,078	146,000	-
Sumas/Nooksack	4,865	16,567	5,641	122,500	210,000	-
Acme/Van Zandt	328	4,116	2,290	32,580	33,770	-
Samish Watershed	11,206	7,079	12,648	18,836	18,150	-
Birch Bay Watershed	675,729	422,909	983,692	1,506,056	704,033	-
Total Flood Subzone Funds	706,372	471,712	1,025,446	1,801,050	1,111,953	-
<b>Chemical Dependency/Mental Health Fund</b>						
Chemical Dependency/Mental Health	2,727,700	2,964,548	3,564,912	4,270,870	4,363,678	4,371,995
<b>Homeless Housing Fund</b>						
Homeless Housing Fund	1,508,510	2,087,204	2,770,549	3,301,406	2,744,062	2,815,752
<b>Real Estate Excise Tax Funds I &amp; II</b>						
Total Real Estate Excise Tax Funds	3,520,552	958,079	5,667,360	3,515,224	5,969,626	2,266,127
<b>Ferry System Fund</b>						
Ferry System Fund	2,441,501	2,620,582	2,520,681	2,529,534	2,624,663	2,662,747
<b>Stormwater Fund</b>						
Stormwater Fund	1,892,702	1,416,906	1,651,882	2,045,019	1,202,266	1,103,575
<b>Public Utilities Improvement Fund</b>						
Public Utilities Improvement Fund	3,110,894	1,310,706	1,932,865	9,998,091	1,555,173	468,067
<b>Election Reserve Fund</b>						
Election Reserve Fund	1,082,792	1,365,555	978,586	1,349,281	1,129,060	1,364,112
<b>Emergency Management Fund</b>						
Emergency Management Fund	1,381,088	1,181,020	1,408,251	980,531	474,538	445,056
<b>Solid Waste Fund</b>						
Solid Waste Fund	836,171	1,029,274	722,853	1,030,805	893,309	898,070

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## Other Funds Expenditures Summary continued

	Actual 2011	Actual 2012	Actual 2013	Budget 2014	Budget 2015	Budget 2016
Miscellaneous Funds						
Veteran's Relief Fund	341,246	382,583	369,115	416,965	353,524	348,363
Low Income Housing Projects	413,470	208,211	242,871	274,000	172,000	172,000
Parks Special Revenue	-	-	-	183,326	110,000	110,000
WC Trial Court Improvement	22,495	40,274	5,500	23,735	60,971	23,518
LEOFF I Healthcare	337,285	281,724	204,066	-	-	-
WC Convention Center	395,678	585,542	492,194	558,980	558,980	558,980
Victim-Witness Fund	137,684	145,482	121,030	142,478	112,407	114,061
Community Development	5,000	5,000	4,104	5,000	-	-
Road Improvement District #1	26,606	26,836	26,781	26,812	27,823	26,823
Road Improvement District #2	1,908	1,926	1,896	1,888	1,988	1,888
Road Improvement District #7	2,616	2,637	2,529	2,682	2,729	2,682
Whatcom County Drug Fund	410,513	587,619	349,677	593,967	368,984	343,984
Auditor's O&M	198,589	222,939	269,832	230,964	354,949	134,949
Pt Roberts Fuel Tax	-	-	20,623	-	150,000	150,000
Conservation Futures	800,153	98,778	602,604	2,352,825	274,955	278,114
2003 Ltd Tax GO Bond	437,659	439,539	361	-	-	-
2010 Ltd Tax GO Bond	1,660,767	646,968	472,214	468,068	472,218	464,218
County Parks Improvement	-	-	-	96,826	85,900	-
Closed Funds	188,053	15,728	-	-	-	-
<b>Total Miscellaneous Funds</b>	<b>5,379,722</b>	<b>3,691,786</b>	<b>3,185,397</b>	<b>5,378,516</b>	<b>3,107,428</b>	<b>2,729,580</b>
<b>TOTAL OTHER FUNDS</b>	<b>68,814,611</b>	<b>62,430,451</b>	<b>80,338,295</b>	<b>102,797,641</b>	<b>94,376,385</b>	<b>76,991,952</b>
Percent Change from Previous Year	-8.4%	-9.3%	28.7%	28.0%	-8.2%	-18.4%

NOTE: Flood Control Zone District and Subzones adopt an annual budget in accordance with state law. The 2016 budgets will be adopted in November 2015.

## Other Funds Revenues and Expenditures Notes

### Administrative Services

The Administrative Services (AS) Department is an internal service fund, organized to centralize finance and accounting, information technology services, facilities maintenance, courthouse security, human resources, and self-insurance. The Administrative Services Fund revenues are derived from charges to user departments. Building maintenance fee charges recover the cost of operating facilities. Self-insurance charges (tort, health, unemployment, workers compensation) are based on risk analysis associated with departmental activities. The costs of AS administration, finance and accounting, information technology (IT) services, courthouse security and human resources management are distributed based on an administrative cost allocation.

In 2015 Administrative Service's charges for its services and self-insurance rates increased \$922,838, or 5%, over 2014 budgeted amounts. Self-insurance rates increased \$485,100 due to increases in health insurance premiums and workers compensation premiums based on claims history and actuarial calculations. Unemployment insurance premiums remain suspended for the 2015-2016 biennium due to favorable claims histories and adequate fund balances. The 2015 AS allocation decreased about \$30,000 below the 2014 allocation and then increased by 3% in 2016. The 2015-2016 building maintenance fee allocation increased \$239,000 over 2014 due to the addition of a clerk/receptionist in Facilities and the purchase of the State Street building which is occupied by part of the Health Department and the Medical Examiner. Other increases include funding for new GIS staff and pictometry project and an Account Clerk II in Finance to be funded by junior taxing district fees for payroll services. The 2014 budget included a \$1.9

million transfer out to fund the new county phone system.

### Whatcom County Jail Fund

Used to account for the additional .1% sales tax passed by the voters of Whatcom County to be used for costs associated with detention facilities (RCW 82.14.350). The General Fund transfers approximately \$5.1 million per year to the Jail Fund to support jail operating costs. Jail costs are projected to rise \$522,376 between 2014 and 2015 due to wage contract settlements and increased jail medical costs. An expiring jail credit to the per diem costs of local municipalities should help fund these increases.

### Equipment Rental & Revolving Fund (ER&R)

The purpose of this fund is to provide timely maintenance and replacement of the county's vehicles and equipment, and to operate a central stores for materials used in the road maintenance and flood control programs. The fund charges rental rates to recover the costs of operating, maintaining and replacing county vehicles and equipment. Materials distributed from central stores are marked up to recover the cost of stores operations. The new biennial budget also includes \$3.711 million in 2015 and \$3.423 million in 2016 for fleet replacements which will be paid out of fund equity. \$661,500 is budgeted in 2015 for fleet additions; primarily as a result of the expanded NPDES and PIC programs in Public Works.

### Countywide Emergency Medical Services Fund

Used to account for the additional .1% City/ County Sales Tax passed by voters in 2006 (RCW 82.14.450). Two-thirds of the tax is used to pay for countywide emergency medical services. One-third of the tax is split 60% to the county and 40% to the cities of

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## Other Funds Revenues and Expenditures Notes continued

Whatcom County to be used for criminal justice purposes. The County will transfer \$675,000 per year in 2015-2016 from the criminal justice portion of the fund to the General Fund to support positions in the Sheriff's Office and Prosecuting Attorney's Office. Countywide emergency medical services were restructured in 2014 resulting in all system revenues being deposited with the Countywide EMS Fund. Contracts purchasing services were executed with the City of Bellingham and Fire District 7 for Advanced Life Support (ALS) medic units. The EMS Fund pays all medical dispatch costs with some reimbursement from fire districts providing Basic Life Support (BLS) services.

### **Flood Control Zone District**

This fund's purposes are to implement and oversee the river improvement program and flood hazard management program and to protect and preserve water resources. The Flood District property tax revenue in 2015 is anticipated to be about \$3.3 million each year. In 2015, the District expects to receive \$2.13 million from various grants and spend about \$4.4 million for flood hazard reduction projects on Swift Creek, Deming, Jones Creek and High Creek. In addition, Flood will be partially funding NPDES Phase II activities in the Road Fund (\$437,000) and will be adding staff in support of the Pollution Identification & Correction (PIC) program. Flood will also transfer funding of \$1,445,000 to fund Stormwater operating and capital costs in 2015. According to state law (RCW 86.15.140), the Flood Fund and its subzones adopt annual budgets; therefore, a 2016 budget for these funds is not included.

### **Chemical Dependency/ Mental Health Fund**

Used to account for the .1% behavioral health sales tax adopted by the County Council. This fund

includes Adult Drug Court, Family Treatment Court, Behavioral Health Unit in District Court Probation, a new Mental Health Court, community mental health and substance abuse treatment services, and psychiatric services in the Whatcom County Jail.

### **Homeless Housing Fund**

Receives funding from state grants and from surcharges added to document recording fees in the Auditor's Office. Surcharges of \$40 are collected by the auditor, 40% is allocated to the state and 60% to the county for housing and assistance for homeless people. In addition there is another surcharge of \$8 which is allocated 10% to the state and 90% to the county, also for homeless housing. The County contracts with various not-for-profits to provide a Homeless Housing Service Center, jail re-entry program and various case management services to place homeless individuals and families.

### **Real Estate Excise Tax I and Real Estate Excise Tax II (REET) Funds**

The REET Funds are used to account for excise taxes of 0.5% imposed on each sale of real property in unincorporated areas of the county. The proceeds in REET I are generally used for debt service payments on local infrastructure improvements, as well as other capital project expenditures. The proceeds in REET II are used to fund parks, road and stormwater projects. One million dollars a year in the new biennium is scheduled to fund parks operations in accordance with revisions made to RCW 82.46.035 by HB 1953. In addition, \$3,942,100 in 2015 and \$565,000 in 2016 has been budgeted to provide funding for Facilities, Stormwater and Parks capital projects.

### **Ferry System Fund**

This fund accounts for Lummi Island ferry

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## Other Funds Revenues and Expenditures Notes continued

operations. Funding is 55% fare revenue and 45% Road Fund transfers.

### **Stormwater Fund**

The Stormwater Fund does not have a dedicated ongoing funding mechanism in place at this time. It is funded by transfers from the Flood Fund, mainly for operations, and capital projects are funded by REET II. Its major focus at this time is implementing stormwater projects in and around the Lake Whatcom Watershed and supporting the Birch Bay Watershed and Aquatic Resources Management District. Major stormwater projects will be adopted in separate capital project fund budgets.

### **Public Utilities Improvement Fund**

This is a fund to account for the 0.09 percent sales tax set aside for public facilities. Expenditures are usually budgeted on a project by project basis as they occur. Funds are generally used to renovate county facilities and provide partial financing of infrastructure projects in other municipalities of Whatcom County. Transfers in 2015 will support \$1 million of county facility capital projects at Girard Street and State Street.

### **Election Reserves**

This fund receives \$360,000 of property tax revenue each year to finance elections. Revenue from reimbursement of election costs varies from year to year. Election costs are partially paid by jurisdictions that have issues on the ballot (schools, fire districts, etc.). The state also pays a portion of election costs, but only for elections held in odd numbered years. General Fund transfers of \$100,000 per year are budgeted to subsidize election activities.

### **Emergency Management Fund**

This fund was created to carry out federal and state mandated programs to prepare the community

to respond to incidents and disasters beyond the capacity of regular emergency services. Funding is contributed by Whatcom County small cities, the county and the Port of Bellingham. The county shares the cost of facilities with the City of Bellingham, which provides its own staffing. Federal grants have been decreasing and some have been transferred to the Sheriff's Office in recent years.

### **Solid Waste Fund**

Funded by state grants and excise privilege taxes levied on tonnage of solid waste collected and billed by haulers. Accounts for the provision of solid waste services to county residents. This fund will be transferred from Public Works to the Health Department in the new biennium.

### **Miscellaneous Small Funds**

Funds with annual revenue and/or expenditures that are generally less than \$1,000,000. The new addition to this group for the 2015-2016 biennium is the Parks Special Revenue Fund which will account for lower lease agreements on Lake Whatcom reconveyance properties, donations and other restricted Parks funds.

## 2015 Beginning and Ending Fund Balances

Fund	Description	Estimated Beginning 2015 Balance	Expenditures 2015	Revenues 2015	*Estimated Ending 2015 Balance
001	General Fund	11,257,514	(80,684,245)	76,299,370	6,872,639
108	County Road	25,093,690	(29,694,478)	25,291,200	20,690,412
109	Election Reserves	323,179	(1,129,060)	1,214,379	408,498
114	Veterans Relief	546,601	(353,524)	282,530	475,607
118	Whatcom County Jail	2,947,337	(13,892,324)	13,860,462	2,915,475
121	Low-Income Housing Projects	49,951	(172,000)	162,180	40,131
122	Homeless Housing	306,911	(2,744,062)	2,798,271	361,120
123	Stormwater	739,409	(1,202,266)	1,338,960	876,103
124	Chemical Dependency/ Mental Health	5,143,908	(4,363,678)	3,898,081	4,678,311
126	Parks Special Revenue	1,413,429	(110,000)	127,086	1,430,515
130	Countywide Emergency Medical Services	2,040,571	(7,892,256)	7,136,502	1,284,817
135	WC Trial Court Improvement	176,067	(60,971)	48,380	163,476
140	Solid Waste	1,988,592	(893,309)	1,051,604	2,146,887
141	WC Convention Center	1,166,691	(558,980)	560,000	1,167,711
142	Victim Witness	17,420	(112,407)	111,050	16,063
154	Road Improve #1	25,682	(27,823)	22,623	20,482
155	Road Improve #2	4,340	(1,988)	3,183	5,535
159	Road Improve #7	2,149	(2,729)	2,511	1,931
165	WC Drug Fund	257,083	(368,984)	276,500	164,599
166	Auditor's O&M	387,422	(354,949)	150,050	182,523
167	Emergency Management	142,038	(474,538)	424,538	92,038
169	Flood Control Zone	11,526,309	(10,505,203)	5,867,629	6,888,735
170	Pt. Roberts' Transportation	726,095	(150,000)	75,000	651,095
175	Conservation Futures	1,563,623	(274,955)	1,048,494	2,337,162
245	2010 Ltd Tax GO & Refund Bond	1,554	(472,218)	471,613	949
324	REET II	4,921,133	(4,669,113)	1,336,000	1,588,020
326	REET I	2,082,830	(1,300,513)	1,481,000	2,263,317
330	Parks Improvement	85,900	(85,900)	-	-
332	Public Utilities Improvement	17,593,672	(1,555,173)	3,351,008	19,389,507
444	Ferry System	1,745,249	(2,624,663)	2,799,889	1,920,475
501	ER&R	17,634,169	(16,348,986)	12,930,657	14,215,840
507	Administrative Services	11,776,119	(20,561,860)	19,518,182	10,732,441
16921	Lynden/Everson Subzone	229,468	(146,000)	36,674	120,142
16922	Sumas/Nooksack/Everson Subzone	946,440	(210,000)	112,904	849,344
16923	Acme/Van Zandt Subzone	228,992	(33,770)	23,467	218,689
16924	Samish Watershed Subzone	87,329	(18,150)	18,313	87,492
16925	Birch Bay Subzone	838,361	(704,033)	730,000	864,328
	Total	126,017,227	(204,755,108)	184,860,290	106,122,409

\* Ending Fund Balances are generally expected to be larger. Fund balances presented do not include a provision for budget lapse.

# 2016 Beginning and Ending Fund Balances

Fund	Description	Estimated Beginning 2016 Balance	Expenditures 2016	Revenues 2016	*Estimated Ending 2016 Balance
001	General Fund	6,872,639	(79,641,906)	76,470,767	3,701,500
108	County Road	20,690,412	(24,245,634)	25,333,426	21,778,204
109	Election Reserves	408,498	(1,364,112)	1,214,372	258,758
114	Veterans Relief	475,607	(348,363)	284,530	411,774
118	Whatcom County Jail	2,915,475	(14,125,236)	13,904,878	2,695,117
121	Low-Income Housing Projects	40,131	(172,000)	165,424	33,555
122	Homeless Housing	361,120	(2,815,752)	2,815,752	361,120
123	Stormwater	876,103	(1,103,575)	1,242,390	1,014,918
124	Chemical Dependency/ Mental Health	4,678,311	(4,371,995)	3,969,768	4,276,084
126	Parks Special Revenue	1,430,515	(110,000)	132,886	1,453,401
130	Countywide Emergency Medical Services	1,284,817	(8,129,339)	7,219,243	374,721
135	WC Trial Court Improvement	163,476	(23,518)	48,554	188,512
140	Solid Waste	2,146,887	(898,070)	1,051,604	2,300,421
141	WC Convention Center	1,167,711	(558,980)	560,000	1,168,731
142	Victim Witness	16,063	(114,061)	108,350	10,352
154	Road Improve #1	20,482	(26,823)	22,468	16,127
155	Road Improve #2	5,535	(1,888)	3,168	6,815
159	Road Improve #7	1,931	(2,682)	2,522	1,771
165	WC Drug Fund	164,599	(343,984)	281,000	101,615
166	Auditor's O&M	182,523	(134,949)	150,050	197,624
167	Emergency Management	92,038	(445,056)	395,056	42,038
169	Flood Control Zone**	6,888,735	-	-	6,888,735
170	Pt. Roberts' Transportation	651,095	(150,000)	75,000	576,095
175	Conservation Futures	2,337,162	(278,114)	1,060,058	3,119,106
245	2010 Ltd Tax GO & Refund Bond	949	(464,218)	464,218	949
324	REET II	1,588,020	(1,835,560)	1,436,000	1,188,460
326	REET I	2,263,317	(430,567)	1,436,000	3,268,750
332	Public Utilities Improvement Fund	19,389,507	(468,067)	3,428,421	22,349,861
444	Ferry System	1,920,475	(2,662,747)	2,818,033	2,075,761
501	ER&R	14,215,840	(14,900,940)	12,206,795	11,521,695
507	Administrative Services	10,732,441	(20,711,356)	19,480,139	9,501,224
16921	Lynden/Everson Subzone**	120,142	-	-	120,142
16922	Sumas/Nooksack/Everson Subzone**	849,344	-	-	849,344
16923	Acme/Van Zandt Subzone**	218,689	-	-	218,689
16924	Samish Watershed Subzone**	87,492	-	-	87,492
16925	Birch Bay Subzone**	864,328	-	-	864,328
	Total	106,122,409	(180,879,492)	177,780,872	103,023,789

\* Ending Fund Balances are generally expected to be larger. Fund balances presented do not include a provision for budget lapse.

\*\* According to state law, the Flood Control Zone Districts and Subzones can only adopt one-year budgets.



# Project Budgets

Project budgets are used for significant capital projects that will likely span budget periods. Project budgets are adopted by ordinance, and continue for the life of the project. Project budgets lapse when a project is completed, abandoned or when no project expenditure or encumbrance has been made for three years (Whatcom County Code Section 6.80).

## Administrative Services – Information Technology

### Criminal Justice Integrated Case Management System

Joint integrated effort for law and justice system departments and Information Technology to replace current out dated Case Management Systems (CMS) in Prosecutor’s Office, Juvenile Court, and District Court Probation. Departments will work cooperatively to insure that implementation of new software in one department is well coordinated with the information needs and workflows in the overall law and justice system and its external business partners.

Project Budget	Estimated Project Cost	Expenditures to Date	Requested Project Budget
Computer Capital	600,000	-	600,000
<b>Total</b>	<b>600,000</b>	<b>-</b>	<b>600,000</b>

Project Funding	Estimated Project Revenues	Revenue to Date	Requested Project Budget
General Fund Transfer	600,000	-	600,000
<b>Total</b>	<b>600,000</b>	<b>-</b>	<b>600,000</b>

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## Administrative Services - Information Technology (continued)

**Integrated Land Records and Permit Management System**

Joint integrated effort for land management and infrastructure departments and Information Technology to improve the land records geographic information system (GIS), implement software for stormwater asset maintenance, consulting to plan the replacement of the permit system, and Web GIS. Department will work cooperatively to insure that implementing new software in one department is well coordinated with the information needs and workflows across all of the land and infrastructure management departments and external business partners.

<b>Project Budget</b>	<b>Estimated Project Cost</b>	<b>Expenditures to Date</b>	<b>Requested Project Budget</b>
Professional Services	958,453	-	958,453
Computer Capital	210,000	-	210,000
<b>Total</b>	<b>1,168,453</b>	<b>-</b>	<b>1,168,453</b>

<b>Project Funding</b>	<b>Estimated Project Revenues</b>	<b>Revenue to Date</b>	<b>Requested Project Budget</b>
General Fund Transfer	611,000	-	611,000
Flood Control District Transfer	227,751	-	227,751
Road Fund Transfer	329,583	-	329,583
<b>Total</b>	<b>1,168,453</b>	<b>-</b>	<b>1,168,453</b>

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## Administrative Services – Facilities Management

### Girard Street Refurbishment

This project includes replacing HVAC systems and single pane windows, a partial roof replacement, repairs to the sidewalk and parking lot, and a minor remodel to provide clinical space in the building.

Project Budget	Estimated Project Cost	Expenditures to Date	Requested Project Budget
Repairs and Maintenance	376,000	-	376,000
Buildings and Structures	135,000	-	135,000
<b>Total</b>	<b>511,000</b>	<b>-</b>	<b>511,000</b>

Project Funding	Estimated Project Revenues	Revenue to Date	Requested Project Budget
Public Utilities Improvement Fund Transfer	511,000	-	511,000
<b>Total</b>	<b>511,000</b>	<b>-</b>	<b>511,000</b>

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Administrative Services - Facilities Management (continued)

**Courthouse Exterior**

This project will address water penetration issues on the exterior of the courthouse. This first phase is for the design of the repair.

<b>Project Budget</b>	<b>Estimated Project Cost</b>	<b>Expenditures to Date</b>	<b>Requested Project Budget</b>
Professional Services	250,000	-	250,000
<b>Total</b>	<b>250,000</b>	<b>-</b>	<b>250,000</b>

<b>Project Funding</b>	<b>Estimated Project Revenues</b>	<b>Revenue to Date</b>	<b>Requested Project Budget</b>
Real Estate Excise Tax I Fund Transfer	250,000	-	250,000
<b>Total</b>	<b>250,000</b>	<b>-</b>	<b>250,000</b>

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Administrative Services - Facilities Management (continued)

**Courthouse Roof and Fire Alarm Replacement**

This project will replace the 22-year old roof over the juvenile detention center, which has a history of leaks, and replace the courthouse fire alarm system. Parts are no longer available to repair the existing fire alarm system.

<b>Project Budget</b>	<b>Estimated Project Cost</b>	<b>Expenditures to Date</b>	<b>Requested Project Budget</b>
Repairs and Maintenance	260,000	-	260,000
<b>Total</b>	<b>260,000</b>	<b>-</b>	<b>260,000</b>

<b>Project Funding</b>	<b>Estimated Project Revenues</b>	<b>Revenue to Date</b>	<b>Requested Project Budget</b>
Real Estate Excise Tax I Fund Transfer	169,000	-	169,000
Public Utilities Improvement Fund Transfer	91,000	-	91,000
<b>Total</b>	<b>260,000</b>	<b>-</b>	<b>260,000</b>

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Administrative Services - Facilities Management (continued)

**Central Plaza Roof Replacement, and Sidewalk and Asphalt Repair**

This project will replace the roof on the Central Plaza Building. The roof is leaking. The project also includes removing trees that are damaging the sidewalk and parking lot at the Central Plaza, and repairing the sidewalk and asphalt.

Project Budget	Estimated Project Cost	Expenditures to Date	Requested Project Budget
Repairs and Maintenance	160,000	-	160,000
<b>Total</b>	160,000	-	160,000

Project Funding	Estimated Project Revenues	Revenue to Date	Requested Project Budget
Real Estate Excise Tax I Fund Transfer	160,000	-	160,000
<b>Total</b>	160,000	-	160,000

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## Parks Department

### Silver Lake Park Utility, Road and Day Use Improvements

This project will resurface and reconstruct walkways and roads, renovate campsites including leveling and electrical upgrades.

<b>Project Budget</b>	<b>Estimated Project Cost</b>	<b>Expenditures to Date</b>	<b>Requested Project Budget</b>
Repairs and Maintenance	880,000	-	880,000
<b>Total</b>	<b>880,000</b>	<b>-</b>	<b>880,000</b>

<b>Project Funding</b>	<b>Estimated Project Revenues</b>	<b>Revenue to Date</b>	<b>Requested Project Budget</b>
Real Estate Excise Tax II Fund Transfer	880,000	-	880,000
<b>Total</b>	<b>880,000</b>	<b>-</b>	<b>880,000</b>

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Parks Department (continued)

**Lighthouse Marine Park Deck and Playground Improvements**

This project will replace wooden deck and playground at Lighthouse Marine Park that are at the end of their life. The project will reduce the size of the deck by 44% due to limited use and to reduce costs. The playground equipment will be relocated to the deck area for better visibility and security.

<b>Project Budget</b>	<b>Estimated Project Cost</b>	<b>Expenditures to Date</b>	<b>Requested Project Budget</b>
Repairs and Maintenance	250,000	-	250,000
<b>Total</b>	<b>250,000</b>	<b>-</b>	<b>250,000</b>

<b>Project Funding</b>	<b>Estimated Project Revenues</b>	<b>Revenue to Date</b>	<b>Requested Project Budget</b>
Real Estate Excise Tax II Fund Transfer	250,000	-	250,000
<b>Total</b>	<b>250,000</b>	<b>-</b>	<b>250,000</b>

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Parks Department (continued)

**South Fork Park Development**

This project will develop two parking areas, an access road, trails, rest rooms, picnic shelter and bridges according to the approved master plan.

<b>Project Budget</b>	<b>Estimated Project Cost</b>	<b>Expenditures to Date</b>	<b>Requested Project Budget</b>
Other Improvements	688,000	-	688,000
<b>Total</b>	<b>688,000</b>	<b>-</b>	<b>688,000</b>

<b>Project Funding</b>	<b>Estimated Project Revenues</b>	<b>Revenue to Date</b>	<b>Requested Project Budget</b>
Real Estate Excise Tax II Fund Transfer	393,100	-	393,100
State Grant	209,000	-	209,000
Park Improvement Fund Transfer	85,900	-	85,900
<b>Total</b>	<b>688,000</b>	<b>-</b>	<b>688,000</b>

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## Public Works Department

### Academy Road Storm Water Improvements

This project will treat runoff from approximately 80 acres. Project elements will include a pretreatment unit, media filtration system, high flow bypass, and a vegetated buffer along the lake front.

Project Budget	Estimated Project Cost	Expenditures to Date	Requested Project Budget
Other Improvements	1,109,000	-	1,109,000
<b>Total</b>	<b>1,109,000</b>	<b>-</b>	<b>1,109,000</b>

Project Funding	Estimated Project Revenues	Revenue to Date	Requested Project Budget
Real Estate Excise Tax II Fund Transfer	620,000	-	620,000
State Grant	50,000	-	50,000
Flood Control Zone District Transfer	180,000	-	180,000
City of Bellingham	259,000	-	259,000
<b>Total</b>	<b>1,109,000</b>	<b>-</b>	<b>1,109,000</b>

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Public Works Department (continued)

**Agate Heights Estate/ Bay Lane Storm Water Improvements**

This project will treat runoff from approximately 90 acres. Project elements will include system upgrades to improve water quality through construction of bioinfiltration swales and channel stabilization to reduce ditch erosion.

<b>Project Budget</b>	<b>Estimated Project Cost</b>	<b>Expenditures to Date</b>	<b>Requested Project Budget</b>
Other Improvements	610,000	-	610,000
<b>Total</b>	<b>610,000</b>	<b>-</b>	<b>610,000</b>

<b>Project Funding</b>	<b>Estimated Project Revenues</b>	<b>Revenue to Date</b>	<b>Requested Project Budget</b>
Real Estate Excise Tax II Fund Transfer	600,000	-	600,000
Flood Control Zone District Transfer	10,000	-	10,000
<b>Total</b>	<b>610,000</b>	<b>-</b>	<b>610,000</b>

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Public Works Department (continued)

**Beaver Creek Storm Water Improvements**

This 2016 project will restore and repair eroded sections of Beaver Creek to reduce sediment from entering Lake Whatcom.

<b>Project Budget</b>	<b>Estimated Project Cost</b>	<b>Expenditures to Date</b>	<b>Requested Project Budget</b>
Other Improvements	565,000	-	565,000
<b>Total</b>	<b>565,000</b>	<b>-</b>	<b>565,000</b>

<b>Project Funding</b>	<b>Estimated Project Revenues</b>	<b>Revenue to Date</b>	<b>Requested Project Budget</b>
Real Estate Excise Tax II Fund Transfer	565,000	-	565,000
<b>Total</b>	<b>565,000</b>	<b>-</b>	<b>565,000</b>

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Public Works Department (continued)

**Cedar Hills/ Euclid Storm Water Improvements**

This project will treat runoff from approximately 60 acres. Project elements will include rain gardens, filter vaults, and treatment swales.

<b>Project Budget</b>	<b>Estimated Project Cost</b>	<b>Expenditures to Date</b>	<b>Requested Project Budget</b>
Other Improvements	630,000	-	630,000
<b>Total</b>	<b>630,000</b>	<b>-</b>	<b>630,000</b>

<b>Project Funding</b>	<b>Estimated Project Revenues</b>	<b>Revenue to Date</b>	<b>Requested Project Budget</b>
Real Estate Excise Tax II Fund Transfer	620,000	-	620,000
Flood Control Zone District Transfer	10,000	-	10,000
<b>Total</b>	<b>630,000</b>	<b>-</b>	<b>630,000</b>

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Public Works Department (continued)

**Re-surfacing Lake Whatcom Boulevard CRP# 913002**

This project includes re-surfacing 1.6 miles of Lake Whatcom Boulevard between Cable Street and Strawberry Point.

<b>Project Budget</b>	<b>Estimated Project Cost</b>	<b>Expenditures to Date</b>	<b>Requested Project Budget</b>
Construction	1,500,000	-	1,500,000
<b>Total</b>	<b>1,500,000</b>	<b>-</b>	<b>1,500,000</b>

<b>Project Funding</b>	<b>Estimated Project Revenues</b>	<b>Revenue to Date</b>	<b>Requested Project Budget</b>
Road Fund Transfer	1,500,000	-	1,500,000
<b>Total</b>	<b>1,500,000</b>	<b>-</b>	<b>1,500,000</b>

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Public Works Department (continued)

**Hannegan Road Structural Overlay CRP #915010**

This project includes a structural overlay Hannegan Road from Bellingham City Limits to Hemmi Road, rumble strips, and new pavement markings.

<b>Project Budget</b>	<b>Estimated Project Cost</b>	<b>Expenditures to Date</b>	<b>Requested Project Budget</b>
Construction	2,000,000	-	2,000,000
<b>Total</b>	<b>2,000,000</b>	<b>-</b>	<b>2,000,000</b>

<b>Project Funding</b>	<b>Estimated Project Revenues</b>	<b>Revenue to Date</b>	<b>Requested Project Budget</b>
Road Fund Transfer	2,000,000	-	2,000,000
<b>Total</b>	<b>2,000,000</b>	<b>-</b>	<b>2,000,000</b>

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Public Works Department (continued)

**County Roadway Safety Improvements CRP #915015**

This project was the result of a Federal Safety Initiative to reduce fatalities and serious injury collisions on county roadways throughout the state. Whatcom County’s grant addresses safety concerns through signage, rumble strips, and high friction surface treatments.

<b>Project Budget</b>	<b>Estimated Project Cost</b>	<b>Expenditures to Date</b>	<b>Requested Project Budget</b>
Construction	750,000	-	750,000
<b>Total</b>	<b>750,000</b>	<b>-</b>	<b>750,000</b>

<b>Project Funding</b>	<b>Estimated Project Revenues</b>	<b>Revenue to Date</b>	<b>Requested Project Budget</b>
Road Fund Transfer	70,000	-	70,000
Federal Grants	680,000	-	680,000
<b>Total</b>	<b>750,000</b>	<b>-</b>	<b>750,000</b>

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Public Works Department (continued)

**Hannegan Road/ Nooksack River Bridge No. 252 Scour Mitigation CRP #911002**

This is a rehabilitation project to mitigate scour on the existing bridge.

<b>Project Budget</b>	<b>Estimated Project Cost</b>	<b>Expenditures to Date</b>	<b>Requested Project Budget</b>
Construction	240,000	-	240,000
<b>Total</b>	<b>240,000</b>	<b>-</b>	<b>240,000</b>

<b>Project Funding</b>	<b>Estimated Project Revenues</b>	<b>Revenue to Date</b>	<b>Requested Project Budget</b>
Road Fund Transfer	20,000	-	20,000
Federal Bridge Replacement Advisory Committee	220,000		220,000
<b>Total</b>	<b>240,000</b>	<b>-</b>	<b>240,000</b>

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Public Works Department (continued)

**Slater Road/ Nooksack River Bridge No. 512 CRP #913005**

This project is to sandblast and repaint the 1957 steel truss bridge.

Project Budget	Estimated Project Cost	Expenditures to Date	Requested Project Budget
Construction	1,700,000	-	1,700,000
<b>Total</b>	<b>1,700,000</b>	<b>-</b>	<b>1,700,000</b>

Project Funding	Estimated Project Revenues	Revenue to Date	Requested Project Budget
Federal Bridge Replacement Advisory Committee	1,700,000		1,700,000
<b>Total</b>	<b>1,700,000</b>	<b>-</b>	<b>1,700,000</b>

# Budget Development Guidelines

The Council’s review and feedback is requested on the following guidelines proposed for use by the Executive in building the 2015-2016 Biennial Budget.

## 1. Ending Fund Balance and Reserves

The County’s largest revenue source, property taxes, is received primarily in April and October. As a result, the General Fund’s operating costs exceed revenue most months of the year. Approximately \$8,000,000 is needed to maintain a positive cash balance throughout the year to avoid incurring costs associated with borrowing or payment delays. This includes the \$1,000,000 “rainy day reserve” in the General Fund as required through County Code. Since the County is considering seeking bonds to assist in financing a new jail, it is important to maintain an adequate General Fund balance to attract lower bond interest rates.

General Fund revenues are estimated to be approximately \$76 million annually. Fund balances should allow sufficient reserves to:

- Fund operations without borrowing
- Cover emergencies
- Preserve a favorable bond rating
- Finance priority long-term capital projects

## 2. Revenues

Revenue supporting the General Fund has the least restrictions applied to its use. Other county revenues with more restricted uses include the Road Fund, REET I, REET II, Rural Sales Tax, Flood/ Water Resources, Conservation Futures, etc. Grant revenues also come with restrictions on their use. A major financial challenge for Whatcom County is balancing the unrestricted revenues to fund general government functions including the Courts, the Offices of the Sheriff, Prosecuting Attorney, Assessor, Auditor, Treasurer, the Council, etc. To meet that challenge and maximize the use of limited resources it is essential that General Fund revenues be focused on core County functions which provide general

government services while:

- All eligible costs are charged to grants and other restricted funding sources prior to spending undedicated General Fund resources.
- Fees for services are structured and negotiated, if possible to recover the total costs of service including administrative overhead.
- Undedicated General Fund and Road Fund support is reviewed and set at appropriate levels if fees and other income do not cover the full service costs.
- Interest income use is maximized to pay for the cost of general government services to the full extent allowed by law.

## 3. Efficiencies

Over time, the needs of our community change and the technology available to aid in providing County services improves. It is essential that we constantly review our operations and eliminate unnecessary costs. As examples, the County should continually question whether it needs all its current vehicles, equipment, and software and should review potential costs savings from renting equipment rather than owning as well as sharing equipment between departments. Prior to investing in new technology, the County should seek to use its current systems to their full capacity. All County managers and staff will be requested to review existing functions and activities to remove bottlenecks, become even more efficient, and reduce operating costs, with the following guidelines:

- Maximize the useful life of capital equipment.

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## Budget Development Guidelines continued

- Maximize productive capacity of investments in technology.
- Cross train staff to provide more effective use to meet operational needs.
- Streamline and consolidate County functions and use of office space.
- Utilize cost effective energy conservation strategies.
- New technology projects must identify labor efficiencies and other savings prior to any capital investment.

### 4. Service Levels

County services and functions need to effectively respond to community needs and legislative requirements as well as Executive and Council priorities. It is necessary for the County to continuously evaluate and prioritize the services delivered and:

- Re-evaluate services mandated by law for appropriate and sustainable levels.
- Remove barriers to effective, efficient processes created by County mandates.
- Review non-mandated services, determine if the support is justified and if justified, identify revenues to cover some or all costs.
- Limit new or expanded services without corresponding reductions or identifying new sources of realized revenue.

### 5. Staffing

The Executive intends to develop the 2015-16 budget at staffing levels the General Fund can sustain within projected revenues over a 36-month

period. The Executive will start down this intended path even as the budget is being built because staffing comprises 70% of the General Fund budget and some payroll obligations increase over time. To achieve the goals of stable staffing levels while maintaining an adequate General Fund balance, the Executive intends to:

- Sustain staffing levels close to current FTEs.
- Engage labor representatives to achieve agreements within revenue capacity.
- Require staffing costs which exceed budget to be covered within existing departmental budget authority.
- Encourage operational efficiencies, prioritization, training\cross-training, technological enhancements, reorganizations, and work distribution to achieve adequate staffing to serve public needs.
- Apply hiring delays if needed to create savings.
- Maximize the value of health and welfare expenditures.
- Encourage County partners and stakeholders to explore further opportunities to reduce costs.

### 6. Other Cost Savings

The Executive may recommend other cost-saving measures, including across-the-board and/or targeted reductions to achieve a sustainable budget for 2015-2016.

## Acronyms

ALS	Advanced Life Support
ARRA	American Recovery and Reinvestment Act
ART	Aggression Replacement Training
AS	Administrative Services
ASR	Additional Service Request
BARS	Budgeting, Accounting & Reporting System
BLS	Basic Life Support
CAPA	County Arterial Preservation Accounts
CASA	Court Appointed Special Advocate
CDBG	Community Development Block Grant
CDDA	Chemical Dependency Disposition Alternative
CD/MH	Chemical Dependency/Mental Health Fund (see also MH/CD)
CDL	Commercial Drivers License
CEA	County Executives of America
CERT	Community Emergency Response Team
CHINS	Children in Need of Services
CJAA	Community Justice Accountability Act
CJS	Consolidated Juvenile Services
CMS	Case Management Systems
COG	Council of Governments
COOP	Continuity of Operations Plan
CRAB	County Road Administration Board
CRP	County Road Project
DOE	Department of Ecology
DSHS	Department of Social and Health Services
DUI	Driving Under the Influence
EDI	Economic Development Investments
EHD	Electronic Home Detention/ Monitoring
ER&R	Equipment Rental & Revolving
FFT	Family Functional Therapy
FTE	Full-time Equivalent
GAAP	Generally Accepted Accounting Principles
GAL	Guardian Ad Litem
GIS	Geographical Information Systems
GO Bond	General Obligation Bond
HB	House Bill
HIDTA	High Intensity Drug Trafficking Areas
HVAC	Heating, Ventilation, and Air Conditioning
IT	Information Technology (a division of Administrative Services)

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## Acronyms continued

JIS	Judicial Information System
LAMIRD	Limited Area of More Intense Rural Development
LEOFF	Law Enforcement Officers and Fire Fighters
MH/CD	See CD/MH
NACO	National Association of County Officials
NPDES	National Pollution Discharge Elimination System
NWCAA	Northwest Clean Air Agency
NWRC	Northwest Regional Council
O&M	Operations & Maintenance
OSS	On Site Sewage
PA	Prosecuting Attorney
PDS	Planning & Development Services
PIC	Pollution Identification & Correction
PW	Public Works
RCW	Revised Code of Washington
REET I	Real Estate Excise Tax I
REET II	Real Estate Excise Tax II
RFP	Request for Proposal
RID	Road Improvement District
SEPA	State Environmental Policy Act
SFR	Single Family Residence
SO	Sheriff's Office
STP	Surface Transportation Program
TB	Tuberculosis
TMDL	Total Maximum Daily Load
TR&R	Technology Repair & Replacement
US	United States
WAC	Washington Administrative Code
WACO	Washington Association of County Officials
WC	Whatcom County
WCHD	Whatcom County Health Department
WIC	Women, Infant and Children Program
WSAC	Washington State Association of Counties
WSU	Washington State University
WWU	Western Washington University

## Terms

**Accounting Period** - A period at the end of which and for which financial statements are prepared.

**Accrual Basis** - The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements.

**Appropriation** - A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be used.

**Assessed Valuation** - A valuation set upon real assets or other property by a government as a basis for levying taxes.

**Assessment** - The process of making the official valuation of property for purposes of taxation.

**Assets** - Resources owned or held by a government which have monetary value.

**Biennial Budget** - A budget applicable to two fiscal years.

**Budget** - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan finally approved by that body. It is usually necessary to specify whether the budget under consideration is preliminary and tentative or whether it has been approved by the appropriating body.

**Budget Document** - The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body. The budget document

usually consists of two parts. The first part contains a message from the budget-making authority, together with a summary of the proposed expenditures and the means of financing them. The second consists of schedules supporting the summary. These schedules show in detail the information as to the past years actual revenues, expenditures and other data used in making the estimates. In addition to the budget document, an appropriation ordinance or resolution and revenue and borrowing measures will be necessary to put the budget into effect.

**Budget Lapse** - The difference between the total amount of expenditures authorized versus the amount actually spent. If you have a budget of \$100 and spend only \$95, the budget lapse is \$5 or 5%.

**Budget Message** - A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body. The budget message should contain an explanation of the principal budget items, an outline of the government experience during the past period and its financial status at the time of the message, and recommendations regarding the financial policy for the coming period.

**Budgetary Accounts** - Accounts used to enter the formally adopted annual operating budget into the general ledger as part of the management control technique of formal budgetary integration.

**Budgetary Control** - The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

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## Terms continued

**Capital Budget** - A plan of proposed capital outlays and the means of financing them.

**Capital Program** - A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program or otherwise. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

**Capital Projects Fund** - A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities.

**Capital Outlay** - expenditures over \$5,000 that will be capitalized in a general fixed asset account group or accounted for as an infrastructure improvement. Examples include equipment, software, facilities, and roads.

**Cash Basis** - A basis of accounting under which transactions are recognized only when cash is received or disbursed.

**Continuing Appropriations** - An appropriation which, once established, is automatically renewed without further legislative action, period after period, until altered, revoked or expended.

**Debt Limit** - The maximum amount of gross or net debt which is legally permitted.

**Debt Service Fund** - A fund established to account for the accumulation of resources for, and the payment of, general long-term principal and interest.

**Deficit** - The excess of expenditures over revenues during an accounting period.

**Double Entry** - A system of bookkeeping which requires an entry to the debit side of an account

or accounts for the corresponding amount or amounts of the entry to the credit side of another account or accounts.

**Encumbrance** - Commitments for unperformed contracts for goods or services.

**Enterprise Fund** - A fund established to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Expenditures** - Decreases in net current assets. Expenditures include debt service, capital outlays, and those current-operating costs which require the use of current assets. The difference between expenditure and an expense is a difference in what is being measured. Expenditures measure current outlays, while expenses measure total costs.

**Expenses** - Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

**Fiscal Year** - A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and results of its operations. Whatcom County's fiscal year begins on January 1 and ends on December 31.

**Fixed Assets** - Assets which are intended to be held or used for a long term, such as land, buildings, improvements, machinery and equipment. In common usage, the term refers only to operating facilities and equipment, not to long-term investments and other non-current assets.

**Fund** - A fiscal and accounting entity with a self-

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Terms continued

balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

**Fund Balance** - The difference between the assets and the liabilities of governmental funds and trust funds.

**General Fund** - The fund used to account for all financial resources except those required to be accounted for in another fund such as a special revenue, debt service or proprietary-type fund. This fund is also known as the "Current Expense Fund".

**Generally Accepted Accounting Principles** - Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board.

**Governmental Accounting Standards Board** - The authoritative accounting and financial reporting standard-setting body for government entities.

**Governmental Fund Types** - Funds used to account for the acquisition, use and balances of expendable financial resources and the related

current liabilities – except those accounted for in proprietary funds and fiduciary funds. The measurement focus in these fund types is on the determination of financial position rather than on net income determination. Under current GAAP, there are four governmental fund types: general, special revenue, debt service and capital projects.

**Grants** - External contributions or gifts of cash or other assets to be used or expended for a specified purpose, activity, or facility.

**Interfund Transfers** - Interfund transfers are a type of interfund transaction. There are two types of interfund transfers. Both types involve the permanent movement of resources between funds. For any one transaction, the transfer-in and the transfer-out must be classified in the same way, so that the total operating transfers-in for the entire county equal the total operating transfers-out and the total residual equity transfers-in equal the total residual equity transfers-out.

**Residual Equity Transfers** - These transfers are the nonrecurring or non-routine transfers of equity between funds.

**Operating Transfers** - All other interfund transfers are operating transfers. These transactions are often the interfund equivalent of operating subsidies. As such, their purpose is to support the normal level of operations in the recipient fund.

**Intergovernmental Revenues** - Revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

**Internal Service Fund** - A fund used to account for the financing of goods or services provided by one department or agency to other

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## Terms continued

departments or agencies of a government, or to other governments, on a cost reimbursement basis.

**Liabilities** - Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date. This term does not include encumbrances.

**Long-Term Debt** - Debt with a maturity of more than one year after the date of issuance.

**Modified Accrual Basis** - The accrual basis of accounting adapted to the governmental fund type spending measurement focus. Under it, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized when the related fund liability is incurred except for: (1) prepaid insurance and similar items which need not be reported; (2) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period, but for which larger-than-normal accumulations must be disclosed in the notes to the financial statements; and (3) principal and interest on long-term debt which are generally recognized when due. All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting.

**Proprietary Fund Types** - Sometimes referred to as income determination or commercial-type funds, the classification is used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector.

**Revenues** - (1) Increases in governmental fund type net current assets other than expenditure refunds and residual equity transfers. (2) Increases in proprietary fund type net total assets from other than expense refunds, capital contributions, and residual equity transfers.

**Special Revenue Fund** - A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

**Taxes** - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those who pay, for example, sewer service charges.

**Unencumbered Appropriation** - That portion of an appropriation not yet expended or encumbered.