



**Third
Quarter
2022
Financial
Report**

Satpal Singh Sidhu, County Executive

Compiled and Presented by the
Administrative Services Department
Finance Division

Brad Bennett, Finance Manager

November 15th, 2022

Whatcom County Third Quarter 2022 Financial Report

For the Quarter Ended September 30, 2022



Executive Summary

The following information presents Whatcom County's third quarter 2022 financial report. At the end of the third quarter the General Fund collected 65.79% of its budgeted revenues. Whatcom County's General Fund spent 64.77% of its budgeted expenditures. Revenues are down \$2,771,540 million from third quarter 2021. This is mainly due to the expiration of COVID-related grants. Actual expenditures are \$4,085,300 dollars higher than 2021.

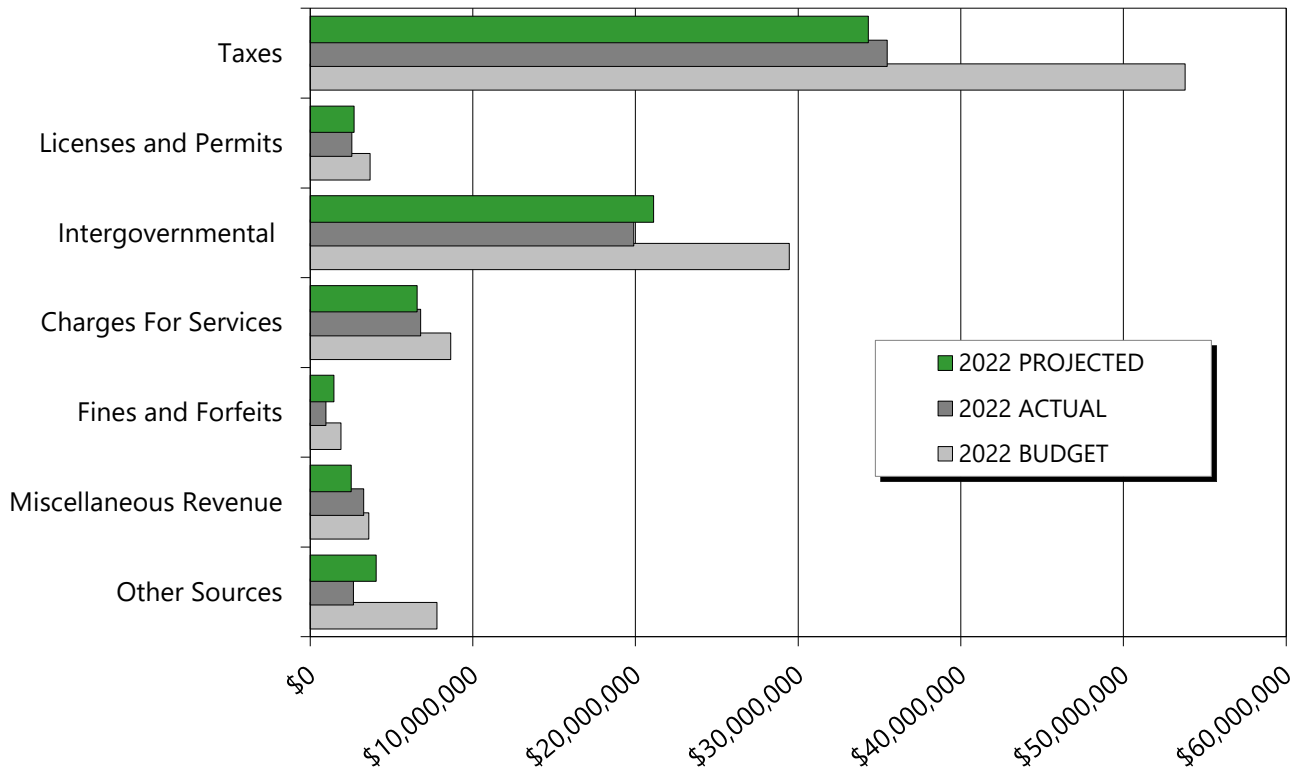
The current estimated 2022 General Fund ending fund balance is projected to be approximately \$23,900,000.

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General Fund Revenue - Budget vs. Actual



	2022 Budget Adopted	2022 Budget Supp'ls	2022 Budget Amended	Actual as of 9/30/2022	% Collected To Date	Projected as of 9/30/2022
Taxes	48,350,532	5,450,000	53,800,532	35,477,084	65.94%	34,323,175
Licenses and Permits	3,675,617	-	3,675,617	2,553,515	69.47%	2,691,227
Intergovernmental	16,608,418	12,845,864	29,454,282	19,892,294	67.54%	21,107,643
Charges For Services	8,516,746	114,810	8,631,556	6,792,699	78.70%	6,577,312
Fines and Forfeits	1,888,300	-	1,888,300	961,732	50.93%	1,457,835
Miscellaneous Revenue	3,127,054	477,847	3,604,901	3,286,543	91.17%	2,521,093
Other Sources	5,663,272	2,134,835	7,798,107	2,649,660	33.98%	4,047,094
Total Revenue	87,829,939	21,023,356	108,853,295	71,613,527	65.79%	72,725,379

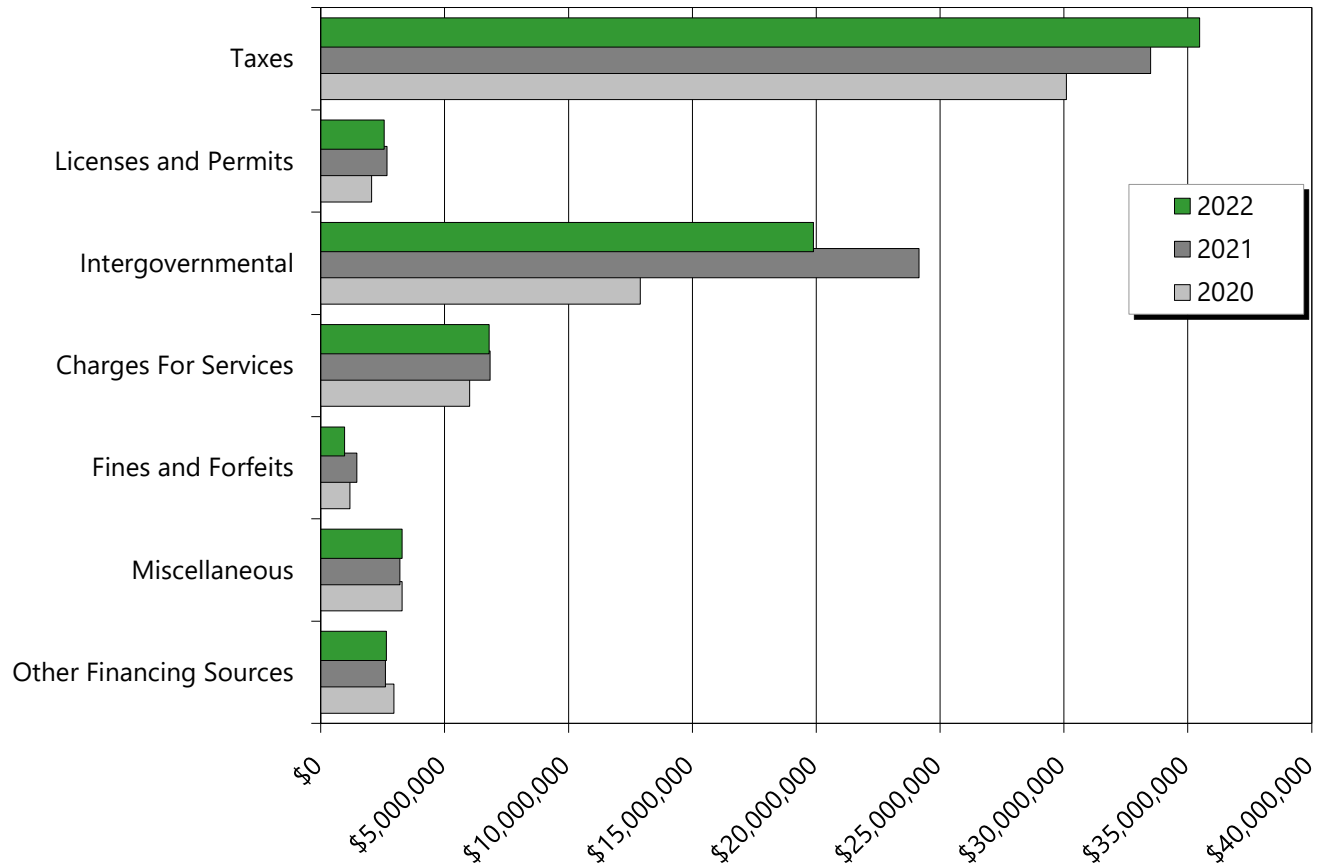
See pages 4 and 5 for General Fund Revenue Notes.

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General Fund Revenue to Date - Compared to Prior Years



	2020	2021	2022
Taxes	30,091,840	33,492,434	35,477,084
Licenses and Permits	2,048,518	2,668,803	2,553,515
Intergovernmental	12,896,839	24,142,981	19,892,294
Charges For Services	6,006,734	6,836,052	6,792,699
Fines and Forfeits	1,173,353	1,453,845	961,732
Miscellaneous	3,275,705	3,186,702	3,286,543
Other Financing Sources	2,952,887	2,604,250	2,649,660
Total Revenue	58,445,876	74,385,067	71,613,527

See pages 4 and 5 for General Fund Revenue Notes.

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General Fund Revenue Notes

Taxes

Property tax and retail sales tax make up 99.4% of Whatcom County's tax revenue budget.

Property tax revenues are \$164,795 more than third quarter 2021 amounts. Property tax collections vary from year to year based on new construction added to the tax rolls and timing of current and delinquent payments. There have been no property tax rate increases. Current year sales tax collections are up 11.16%, or \$1,747,545, as compared to last year's third quarter collections. The County is currently benefiting from building and trade activities, consumer spending and internet sales delivered directly to unincorporated residents.

Licenses & Permits

Building permits account for 39.2% of "Licenses & Permits" budget. Health Department restaurant, food-handling, on-site septic and other miscellaneous health-related licenses and permits make up 37.9% of the budget. Cable franchise fee revenues are 19.5% and marriage licenses, firearm permits, well permits, and fire control permits account for the remaining 3.4%.

License and Permit Fees are \$115,288 or 4.3%, less than amounts collected during the third quarter of 2021. Modest decreases are noted in restaurant, building, on-site septic and firearms permits. Modest increases are occurring in living environment permits and cable franchise fee royalties.

Intergovernmental Revenue

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

Revenues collected as of third quarter end are \$4.25 million lower than 2021. The majority of that decrease is due to \$4 million less revenue from a COVID-related emergency rental assistance grant being recognized in 2022 than in 2021. Other significant variances include discontinuance of other COVID-related grants (\$2.1 million), a 2021 law enforcement legislative subsidy was not repeated in 2022 (\$883,000), increases in Law Enforcement Assisted Diversion (LEAD) Program federal funding (\$437,000), and an increase from the state in Foundation of Public Health funding (\$1.8 million).

Charges for Services

"Charges for Services" include document recording fees (Auditor), motor vehicle license fees (Auditor), plan check fees (Planning & Development Services), adult probation fees (District Court Probation), immunizations (Health Department), fees charged to other governments for probation and law enforcement-related services and several other miscellaneous service fees that help cover the costs of providing specific services used by individual customers.

Overall, Charges for Services had a modest decrease of \$43,350 under third quarter 2021. Auditor filing fee transactions have slowed significantly due to rising interest rates. Adult probation fee revenue has been dropping since 2020. Real Estate Excise Tax processing fees remain healthy, as do Planning & Development's plan check and review fees.

Fines and Forfeits

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

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General Fund Revenue Notes, continued

Fines and Forfeits revenues have decreased \$492,113, or 33.8%, from third quarter 2021 amounts. Traffic infraction revenues are down 56%, or \$333,122. Traffic infraction filings have dropped from 7,936 filed as of August 2021 versus 3,636 filed as of August 2022 (latest stats available). The drop is due to state legislative changes concerning use-of-force statutes and vacancies in the Sheriff's Office. In addition, property tax penalties are down \$148,386 or 24.2%.

Miscellaneous

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

Miscellaneous revenues are up \$99,841, or 3.1%, over third quarter 2021 amounts. Investment earnings are up \$282,137, due to increasing interest rates on current investments. Property tax interest on delinquent taxes is down \$161,235.

Other Financing Sources

The "Other Financing Sources" revenue budget is composed of state timber revenues (4.8%) and transfers from other Whatcom County funds (95.2%).

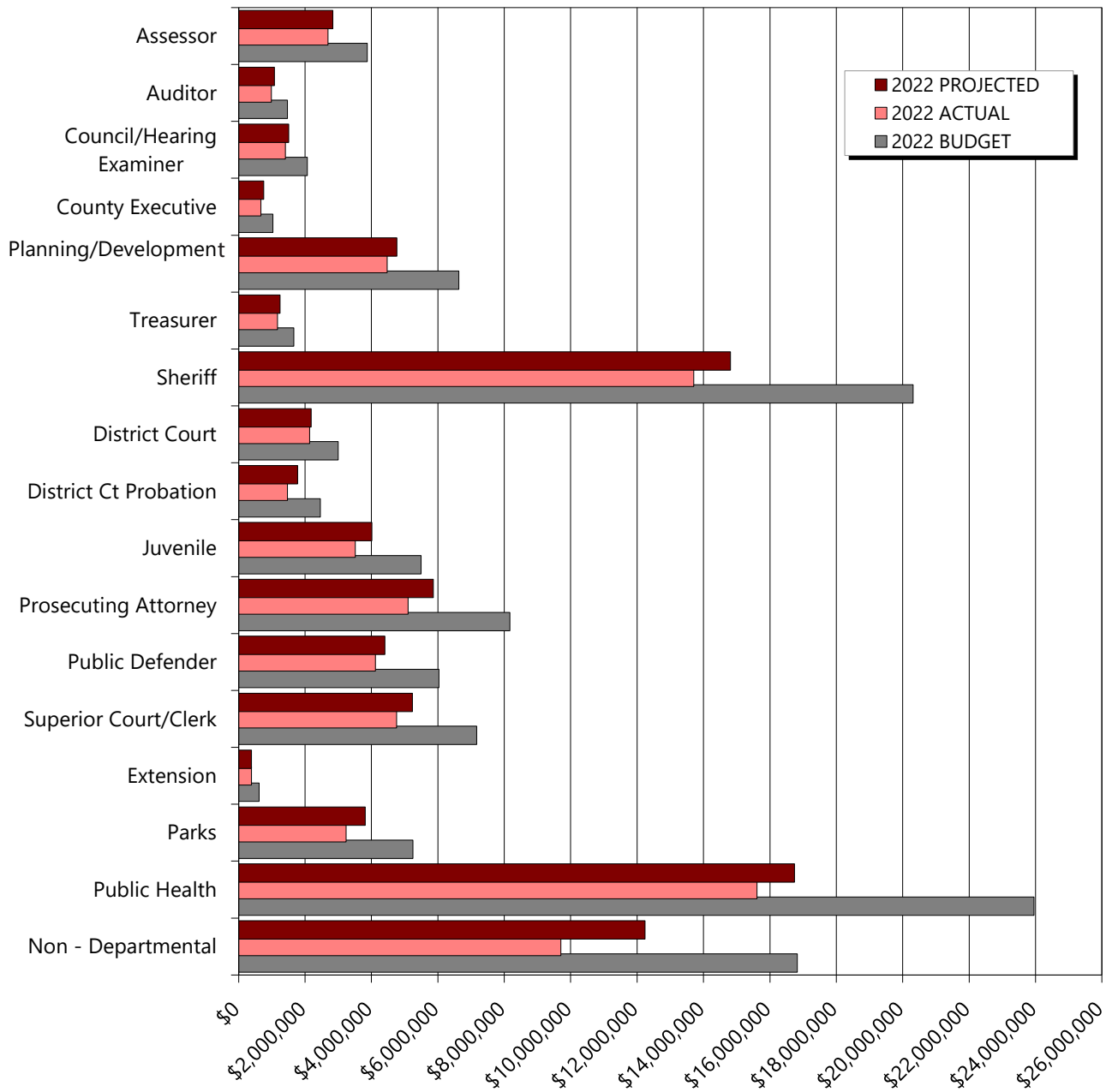
The Other Financing Sources category is modestly up \$45,409, or 1.7%, over third quarter 2021. The increase is mainly due to a \$38,845 state timber sale revenue increase.

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General Fund Expenditures - Budget vs. Actual



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

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General Fund Expenditures - Budget vs. Actual

	2022 Adopted Budget	2022 Budget Suppl's	2022 Amended Budget	Actual as of 9/30/22	% Expended To Date	Projected as of 9/30/22
Assessor	3,516,691	355,173	3,871,864	2,689,506	69.46%	2,835,204
Auditor	1,348,960	118,035	1,466,995	982,523	66.98%	1,075,403
Council/Hearing Exam.	1,784,157	287,187	2,071,344	1,406,490	67.90%	1,505,126
County Executive	873,345	159,859	1,033,204	673,572	65.19%	754,974
Planning & Development	5,826,648	806,935	6,633,583	4,472,792	67.43%	4,762,739
Treasurer	1,641,611	17,127	1,658,738	1,168,938	70.47%	1,250,545
Sheriff	18,628,448	1,687,194	20,315,642	13,708,034	67.48%	14,811,831
District Court	2,801,166	196,199	2,997,365	2,140,121	71.40%	2,182,687
District Court Probation	2,382,341	75,994	2,458,335	1,472,012	59.88%	1,779,525
Juvenile	5,357,748	133,664	5,491,412	3,510,071	63.92%	4,015,881
Prosecuting Attorney	7,163,118	1,005,270	8,168,388	5,101,238	62.45%	5,862,603
Public Defender	4,763,945	1,266,261	6,030,206	4,122,417	68.36%	4,401,519
Superior Court/Clerk	6,233,761	933,711	7,167,472	4,759,649	66.41%	5,231,830
Extension	561,383	57,423	618,806	385,023	62.22%	389,418
Park	4,571,892	673,328	5,245,220	3,232,744	61.63%	3,812,243
Public Health	15,003,873	8,950,436	23,954,309	15,608,603	65.16%	16,739,561
Non - Departmental	13,520,480	3,304,071	16,824,551	9,706,965	57.70%	12,241,869
Total General Fund Exp	95,979,567	20,027,867	116,007,434	75,140,698	64.77%	83,652,958

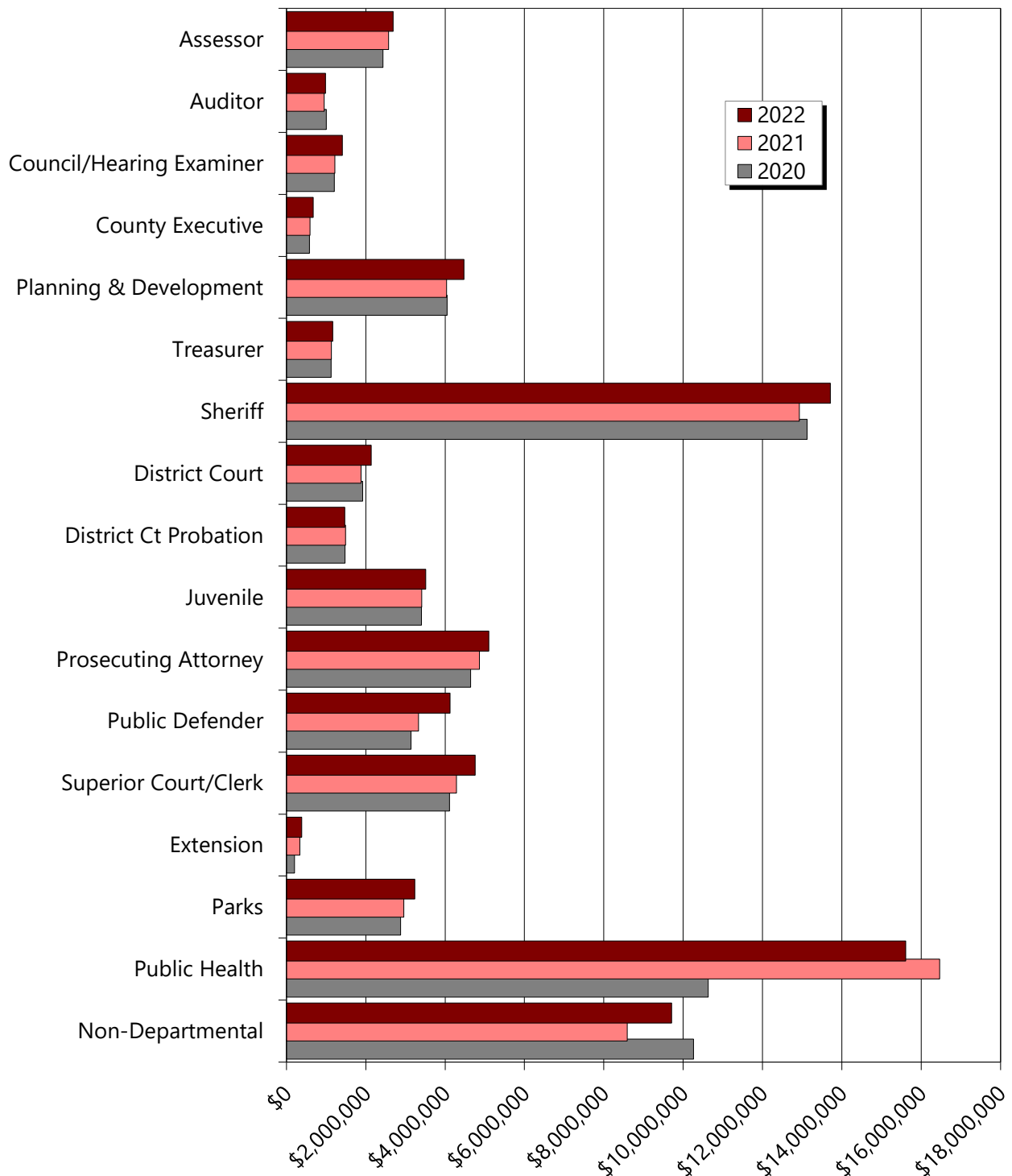
See page 9 for General Fund Expenditure Notes.

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General Fund Expenditures - Compared to Prior Years



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

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General Fund Expenditures - Compared to Prior Years

	2020	2021	2022
Assessor	2,431,960	2,574,006	2,689,506
Auditor	1,004,474	952,439	982,523
Council/Hearing Examiner	1,208,277	1,219,586	1,406,490
County Executive	577,906	596,201	673,572
Planning & Development	4,051,773	4,038,846	4,472,792
Treasurer	1,126,272	1,133,080	1,168,938
Sheriff	13,126,596	12,928,011	13,708,034
District Court	1,923,712	1,882,543	2,140,121
District Ct Probation	1,476,964	1,493,138	1,472,012
Juvenile	3,402,394	3,407,206	3,510,071
Prosecuting Attorney	4,640,455	4,866,824	5,101,238
Public Defender	3,143,946	3,326,640	4,122,417
Superior Court /Clerk	4,112,760	4,287,971	4,759,649
Extension	205,336	335,371	385,023
Parks	2,876,092	2,958,223	3,232,744
Public Health	10,633,038	16,463,725	15,608,603
Non-Departmental	10,260,023	8,591,587	9,706,965
TOTAL	66,201,978	71,055,397	75,140,698

General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the third quarter were 64.77% of the approved budget, which is consistent with prior years. Departmental spending was within budget expectations. Health Department spending is down \$855,000 from last year due to less COVID-related expenditures. All other departmental spending is generally up. The Hearing Examiner is now combined in the Council's budget.

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General Fund Conclusion

	Projected
Beginning Fund Balance 1/1/22	<u>24,141,180</u>
Revenues	
Budgeted Revenues 2022	87,829,939
Continuing Appropriations from 2021	1,213,465
Supplemental Budgets 2022	19,809,891
Preliminary Expected Revenue Lapse	(2,950,000)
Total Revenue	<u>105,903,295</u>
Expenditures	
Budgeted Expenditures 2022	95,979,567
Continuing Appropriations from 2021	1,601,878
Supplemental Budgets 2022	18,425,989
Total Expenditures	<u>116,007,434</u>
Expected Surplus (Deficit)	(10,104,139)
Other Considerations	
Estimated Budget Lapse ¹	<u>9,860,632</u>
Projected Ending Fund Balance 12/31/22	<u><u>23,897,673</u></u>

Notes:

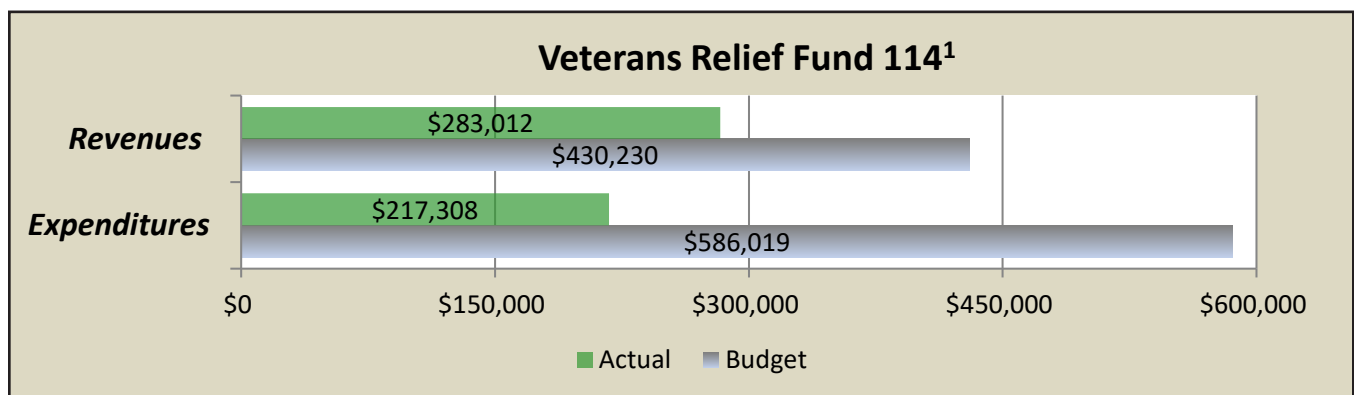
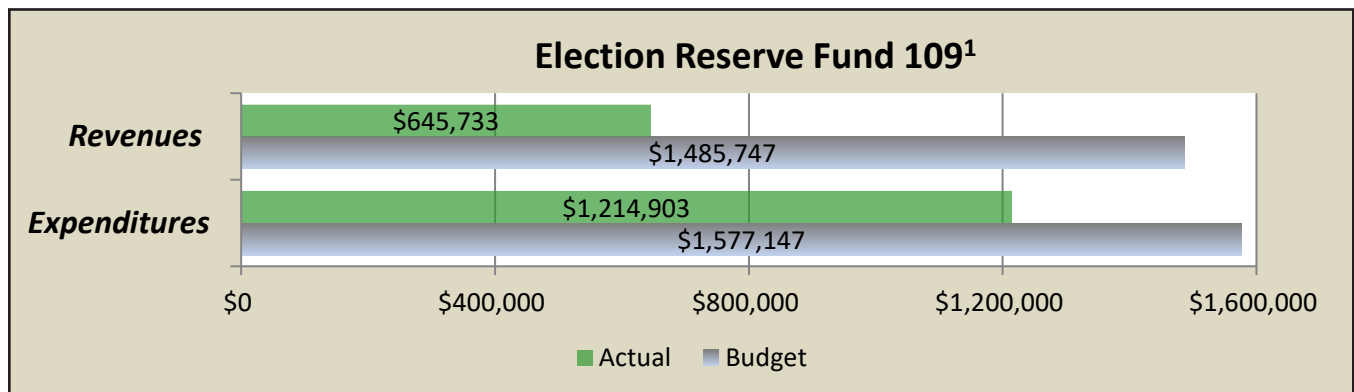
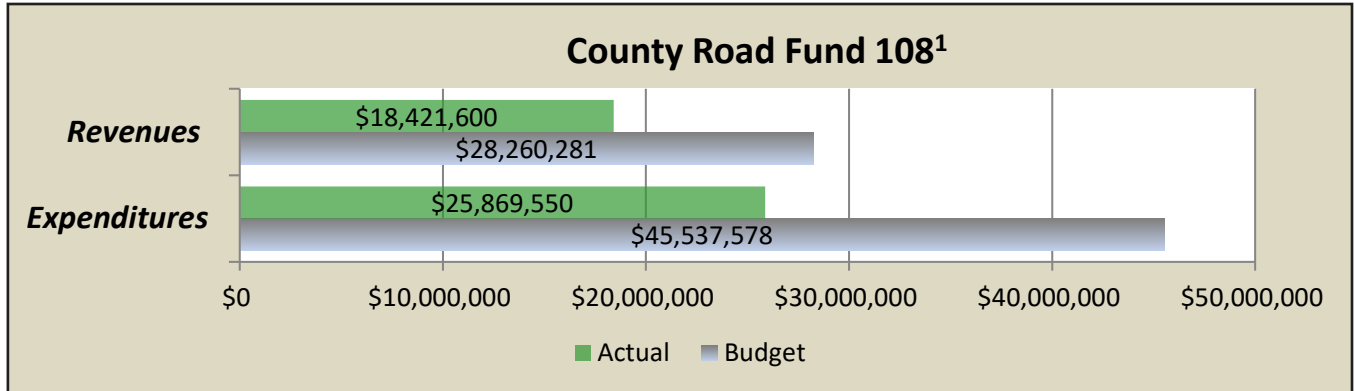
¹ The estimated budget lapse is 8.5% of the expenditure budget.

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Special Revenue Funds and Other Funds



Notes:

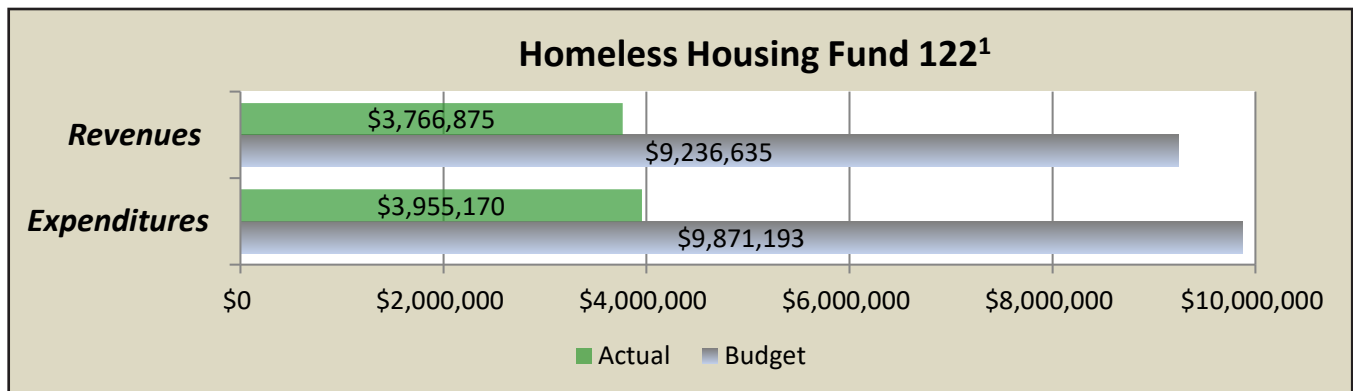
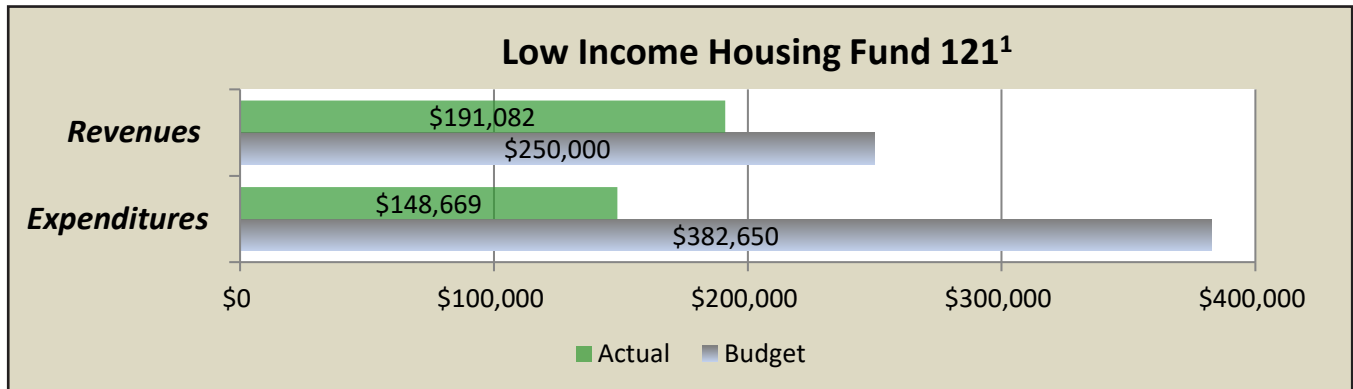
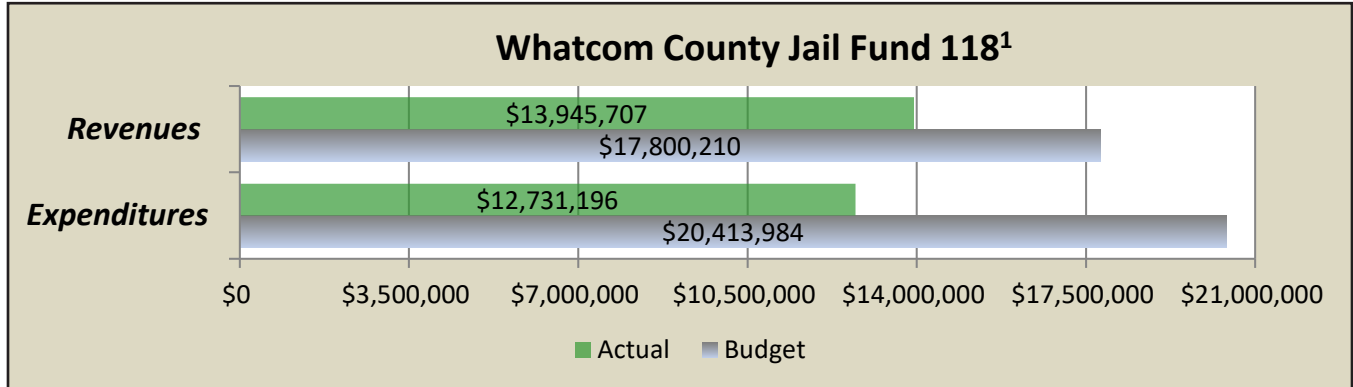
¹ Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

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Special Revenue Funds and Other Funds, continued



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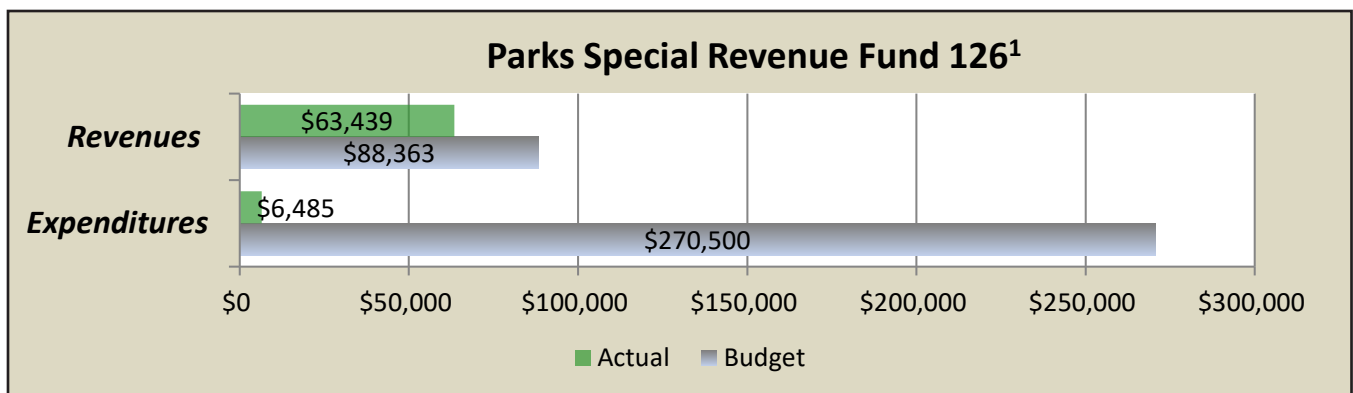
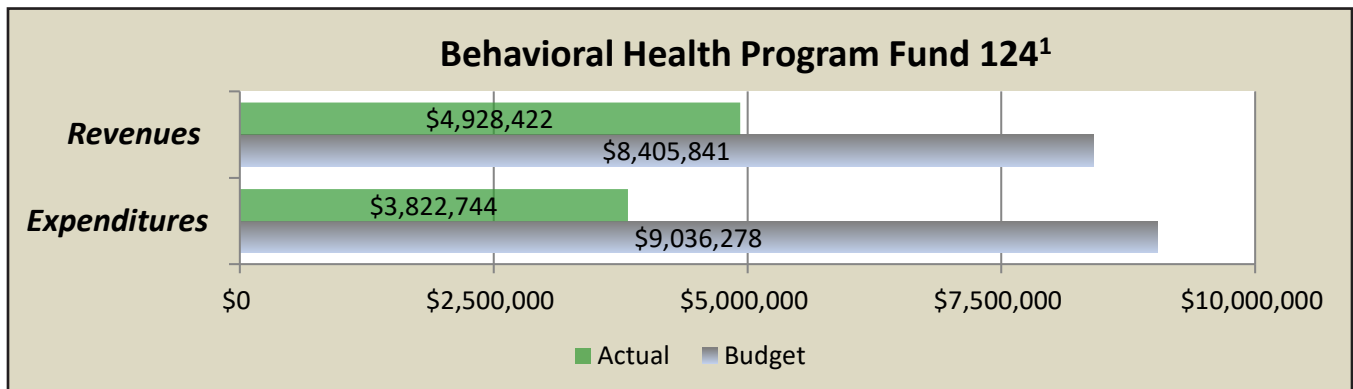
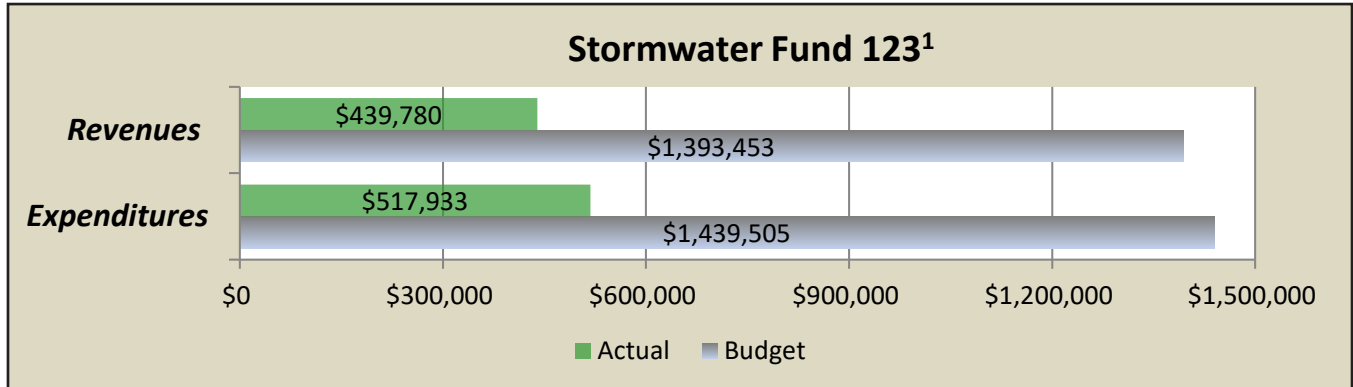
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Special Revenue Funds and Other Funds, continued



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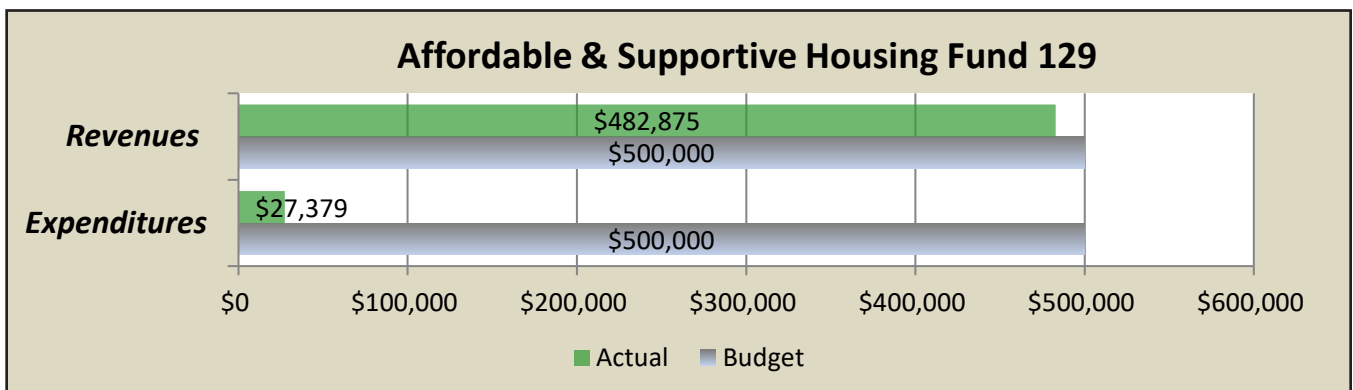
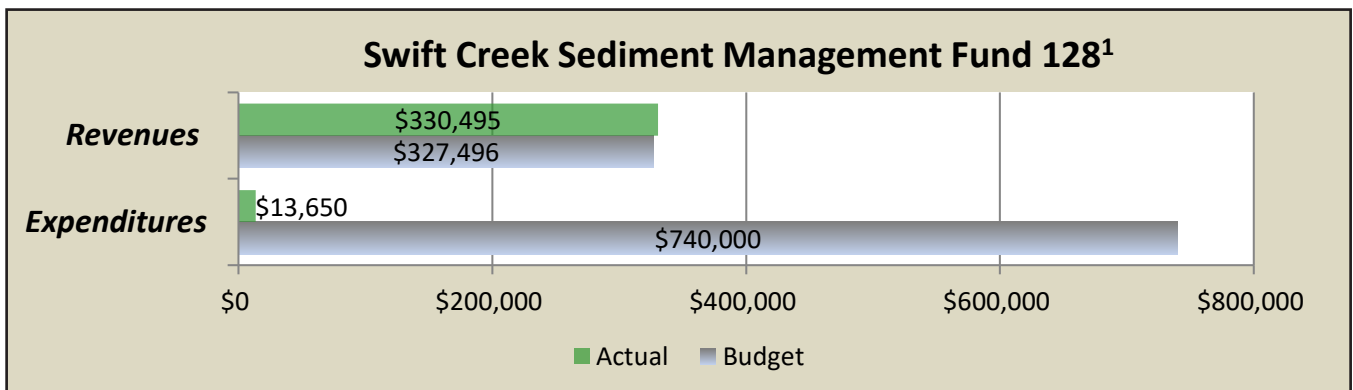
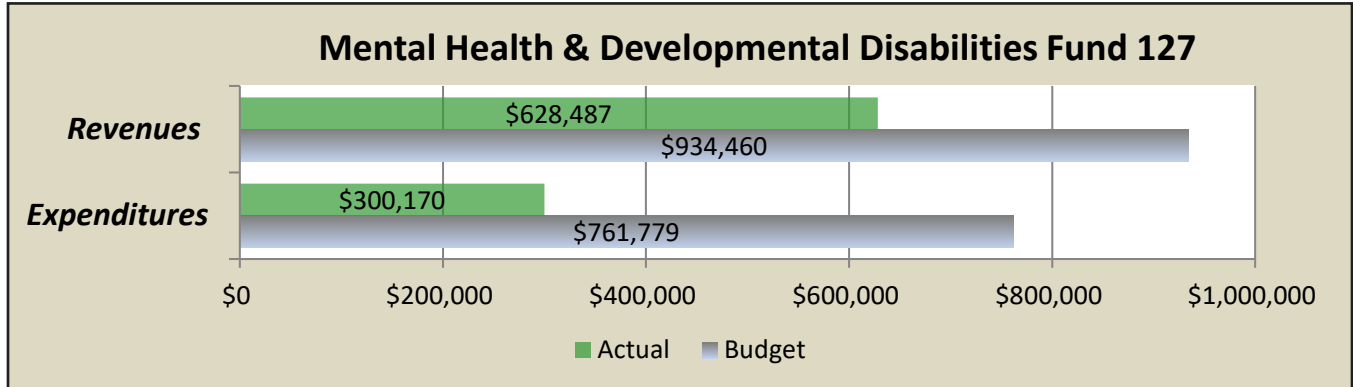
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Special Revenue Funds and Other Funds, continued



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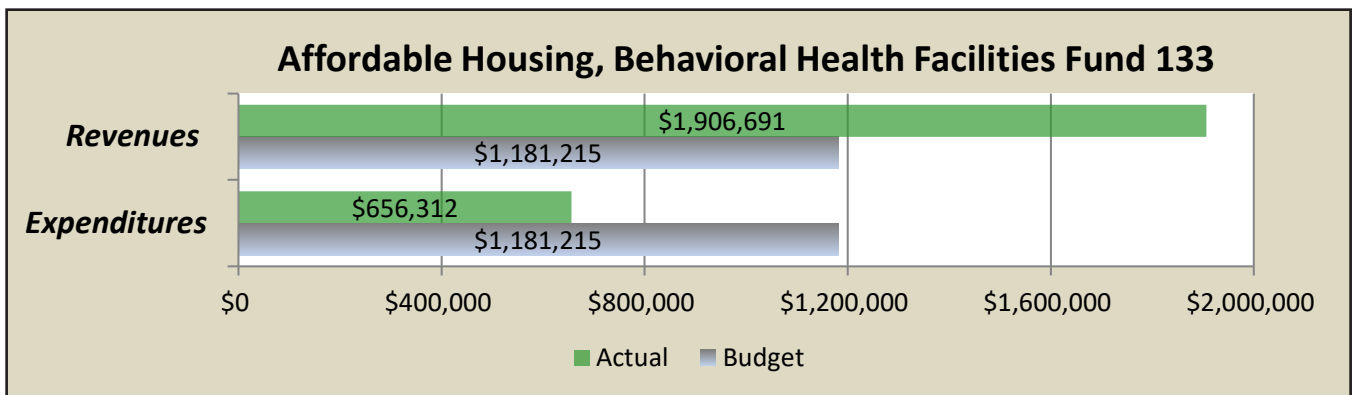
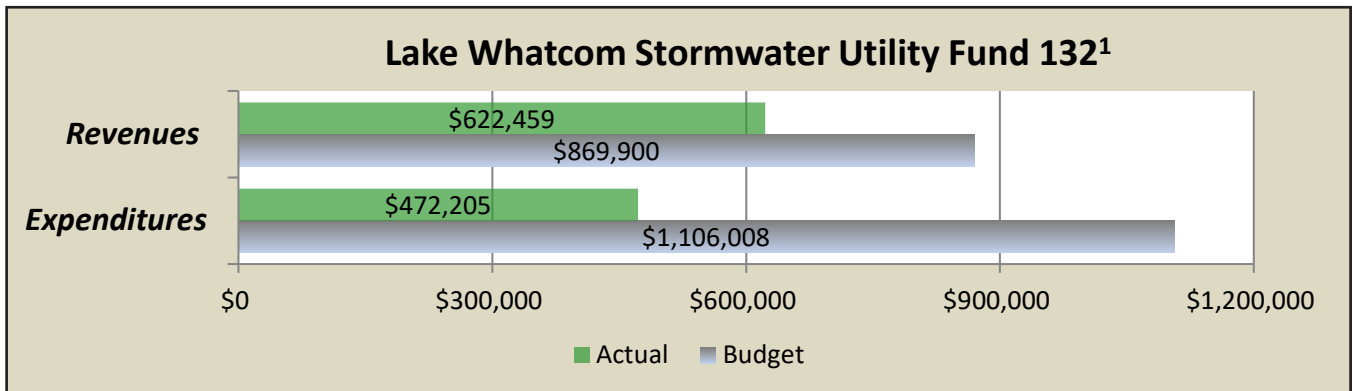
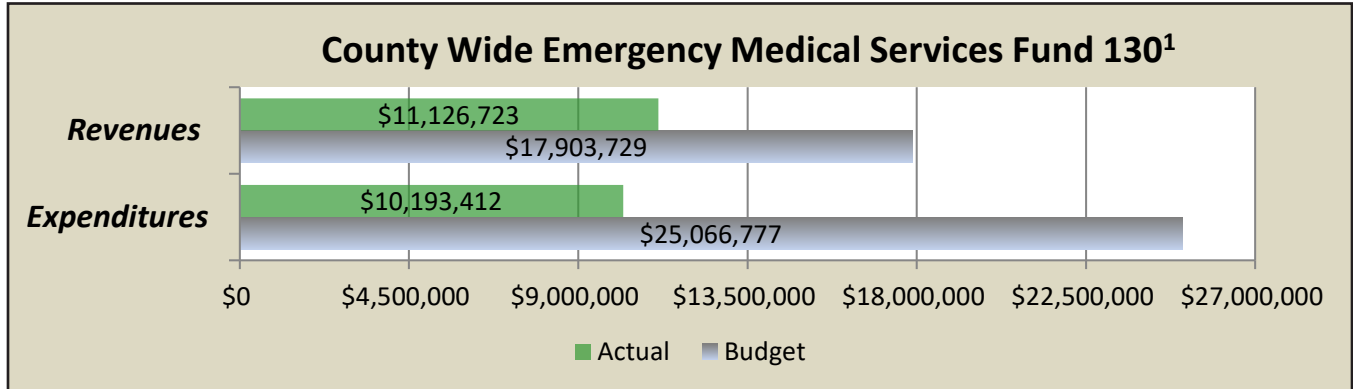
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Special Revenue Funds and Other Funds, continued



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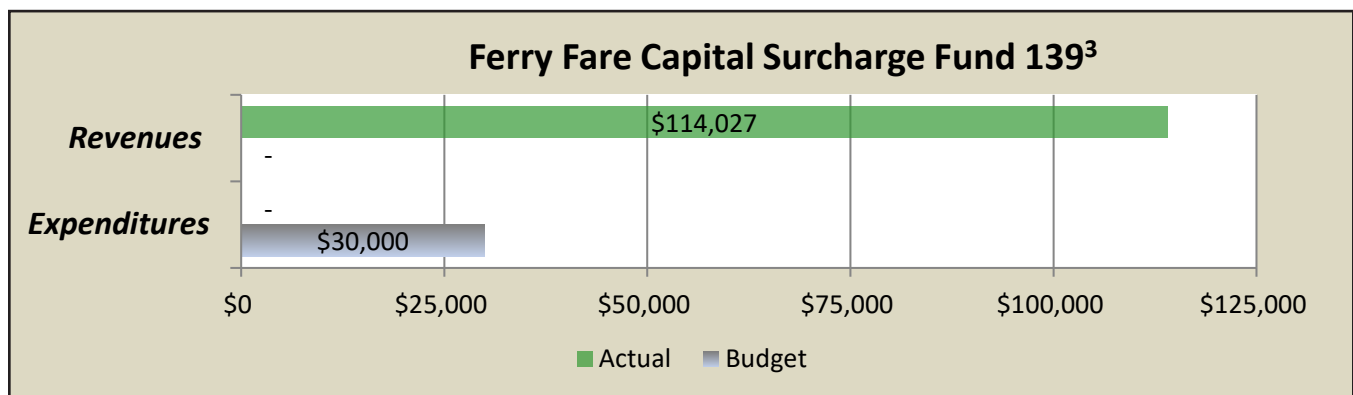
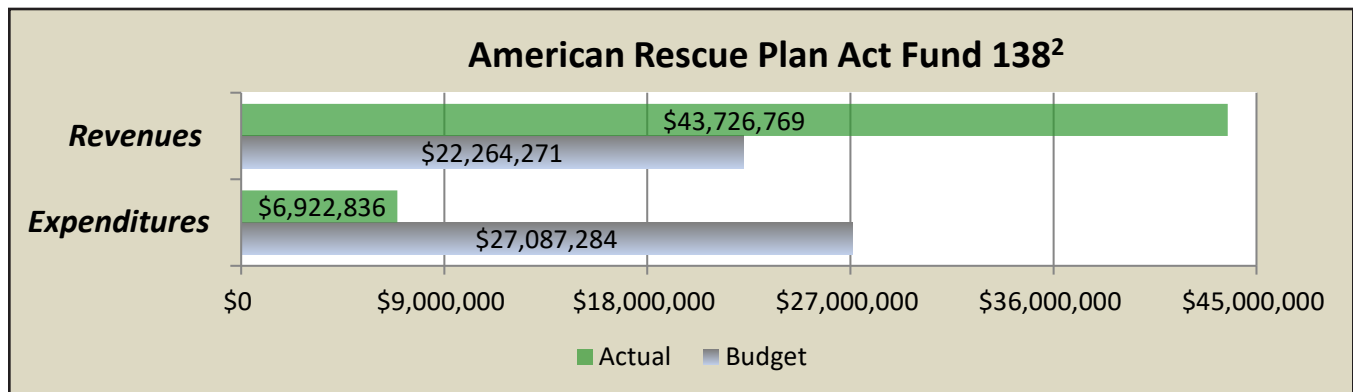
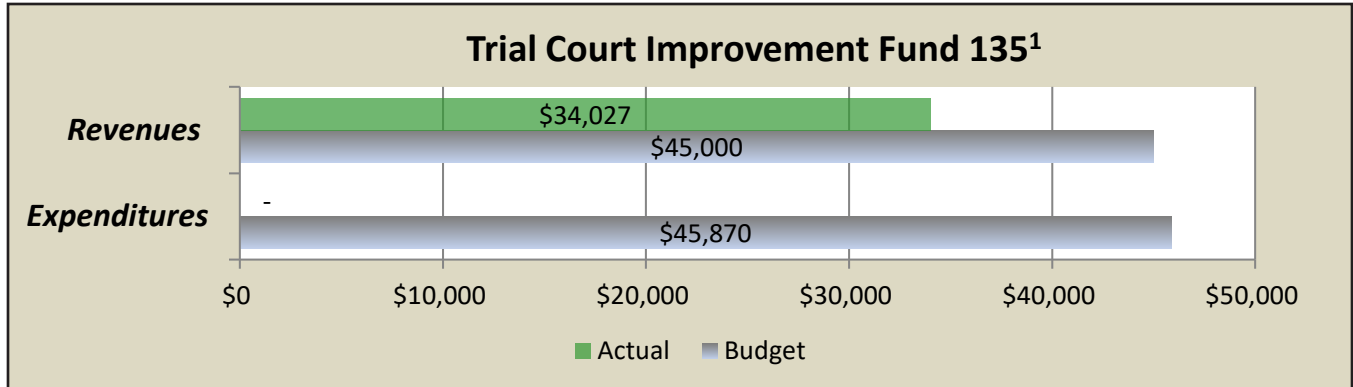
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Special Revenue Funds and Other Funds, continued



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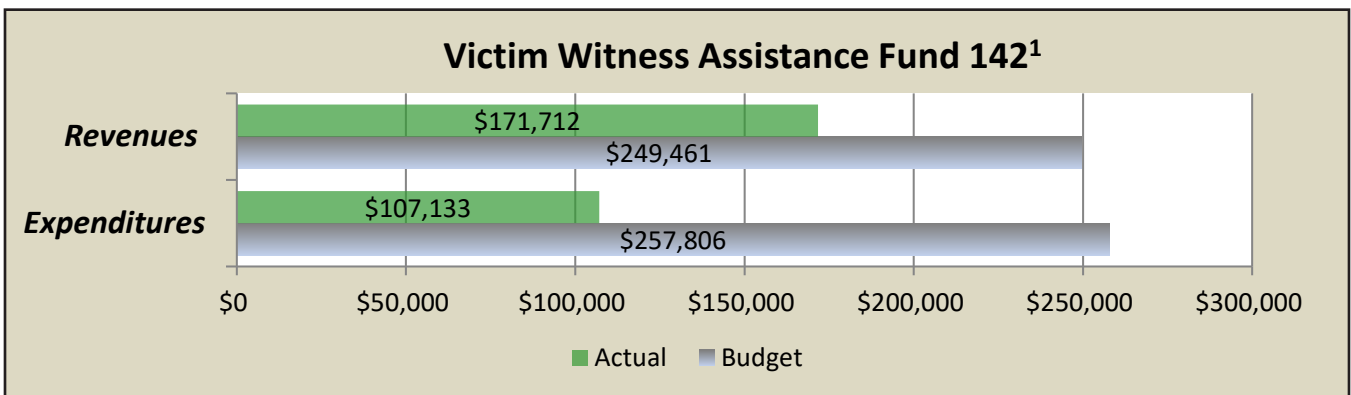
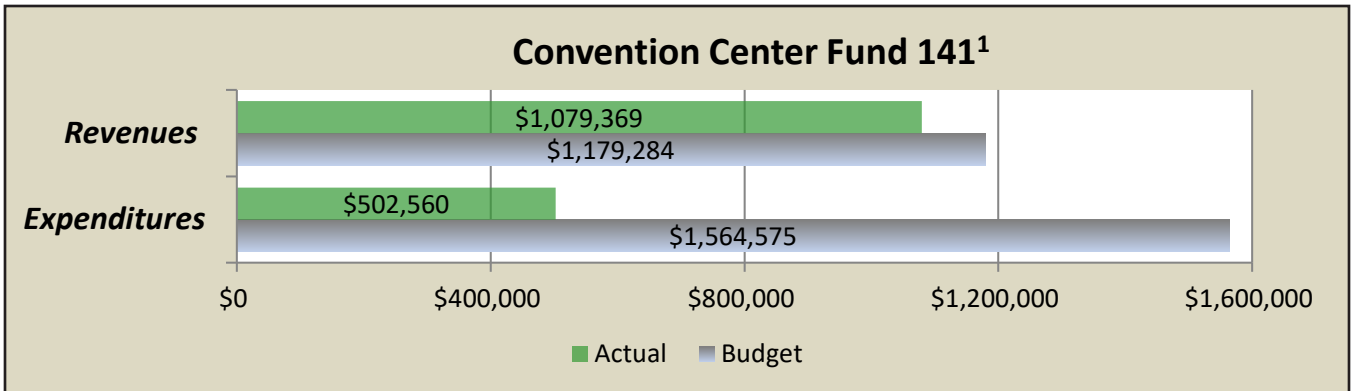
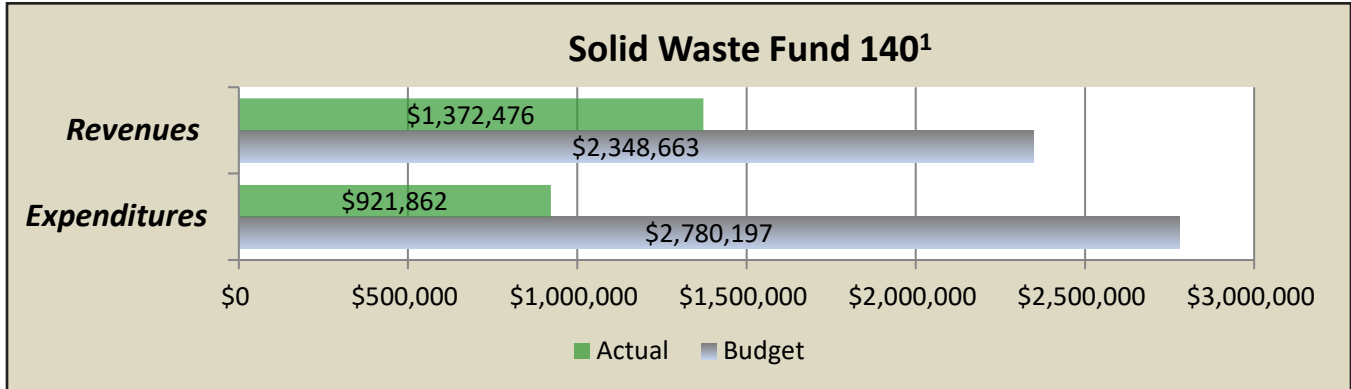
- ¹ Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.
- ² The County's second installment of federal American Rescue Plan Act funding has been received in advance and will be deferred at year-end for spending in 2023 and 2024.
- ³ The Ferry Fare Capital Surcharge Fund is newly established to account for collection of surcharges for the purpose of replacing the Whatcom Chief ferry with a new boat. In 2022, it was opened with a budget for a small amount of expenditures only.

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Special Revenue Funds and Other Funds, continued



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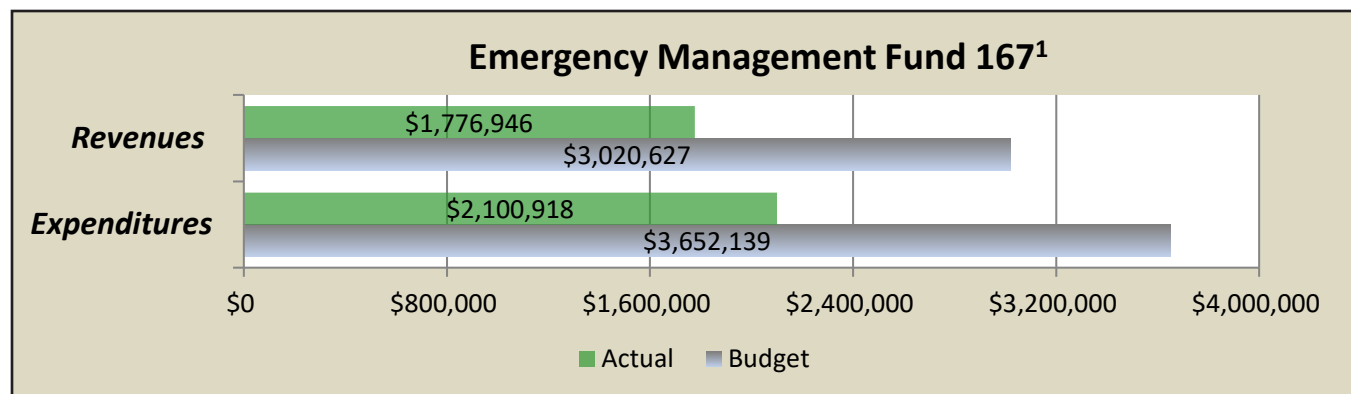
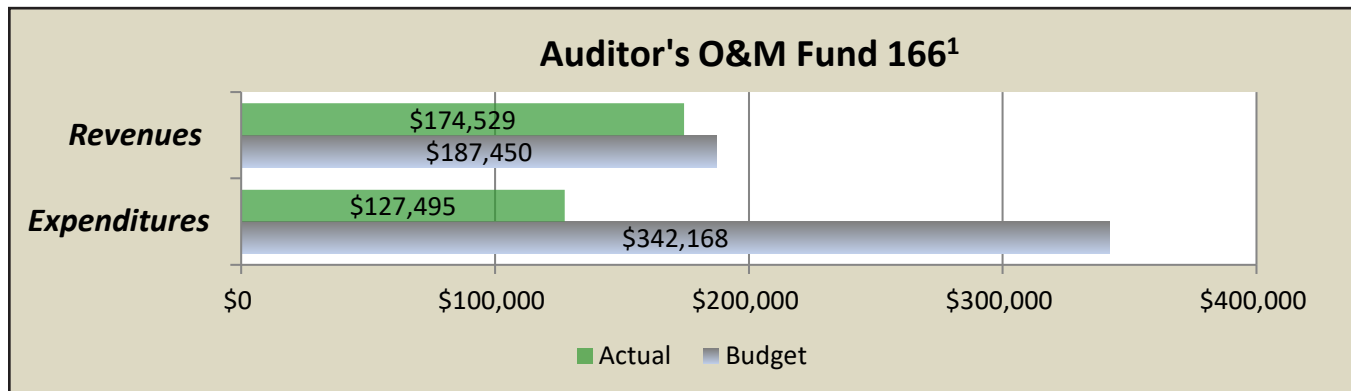
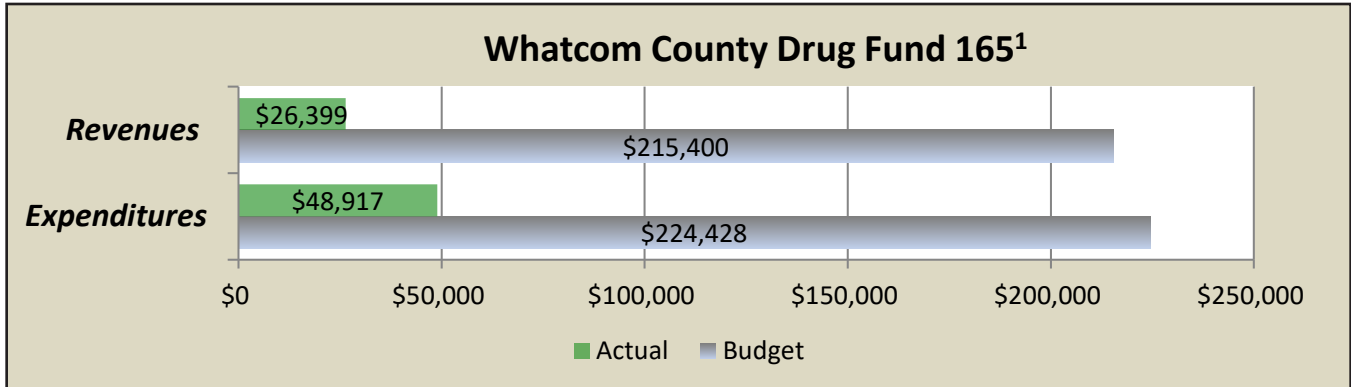
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Special Revenue Funds and Other Funds, continued



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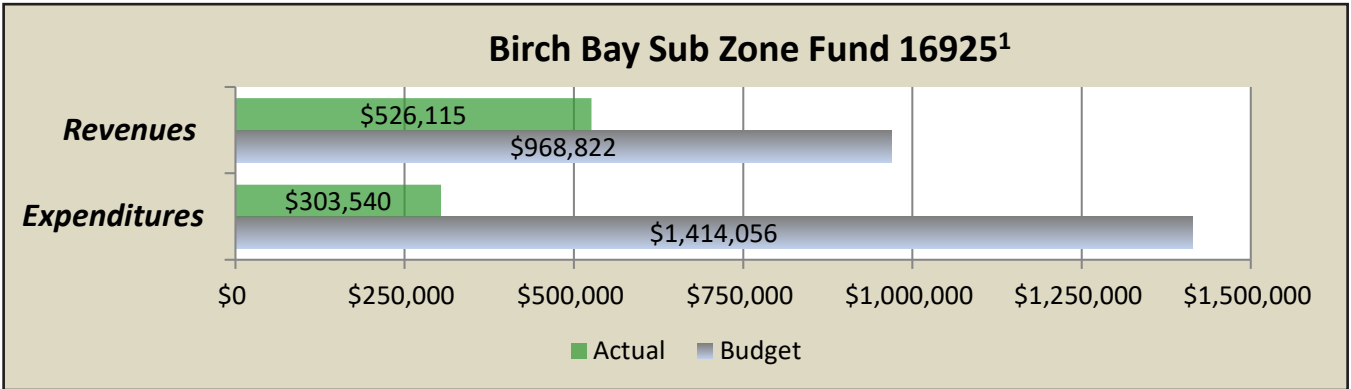
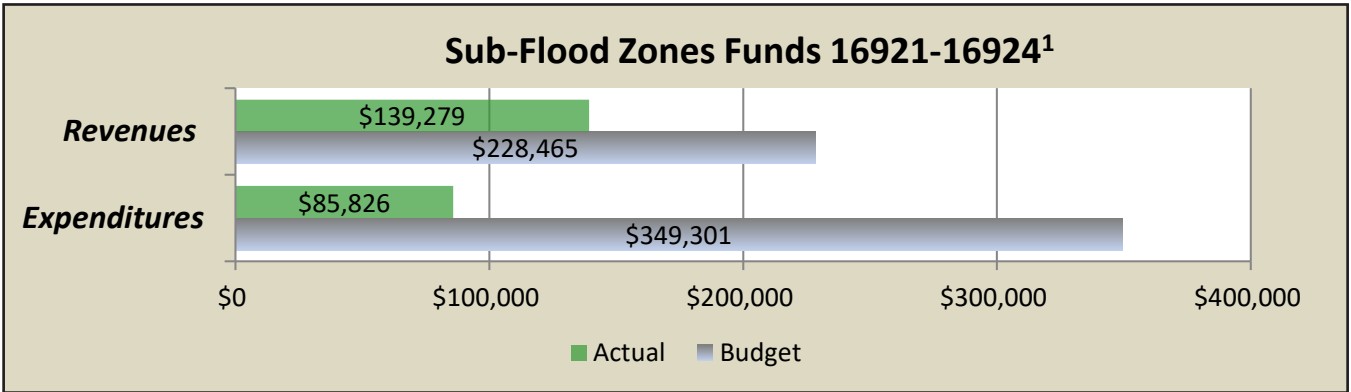
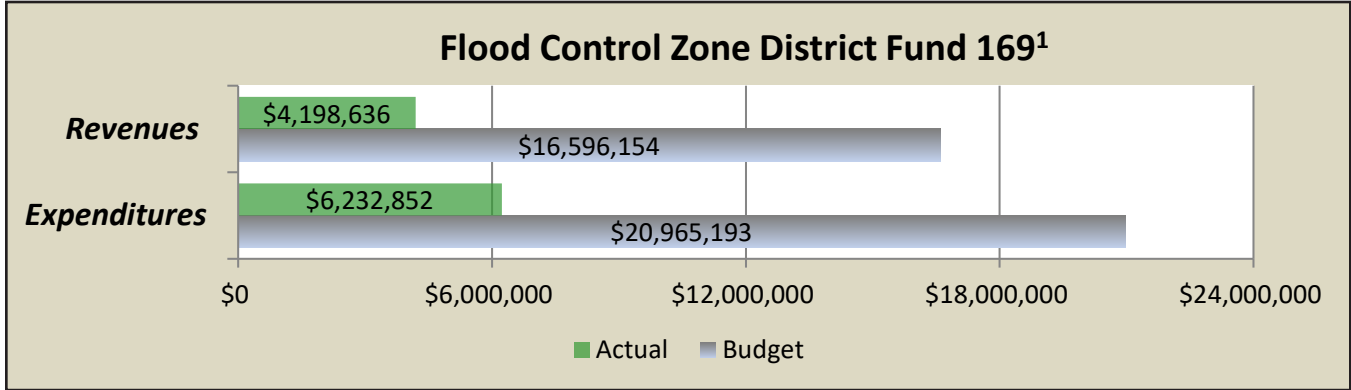
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Special Revenue Funds and Other Funds, continued



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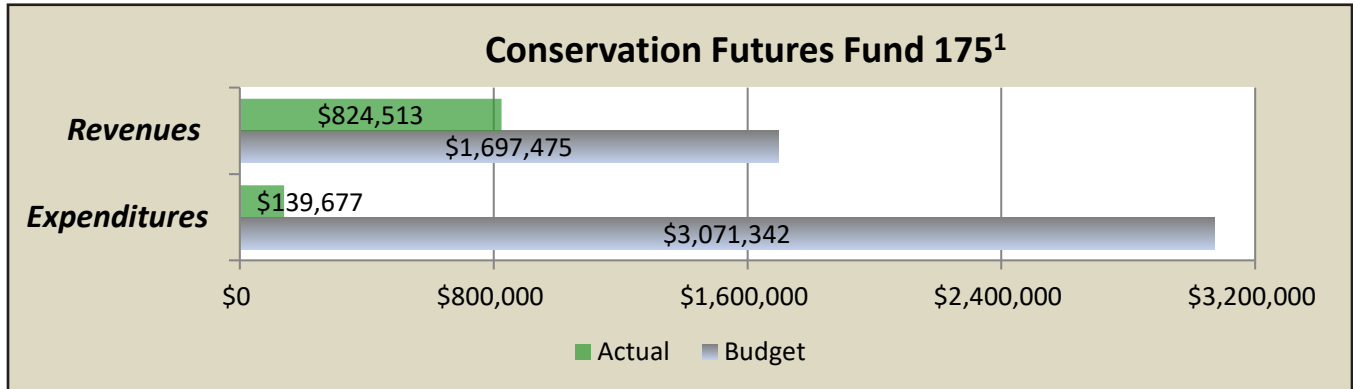
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Special Revenue Funds and Other Funds, continued



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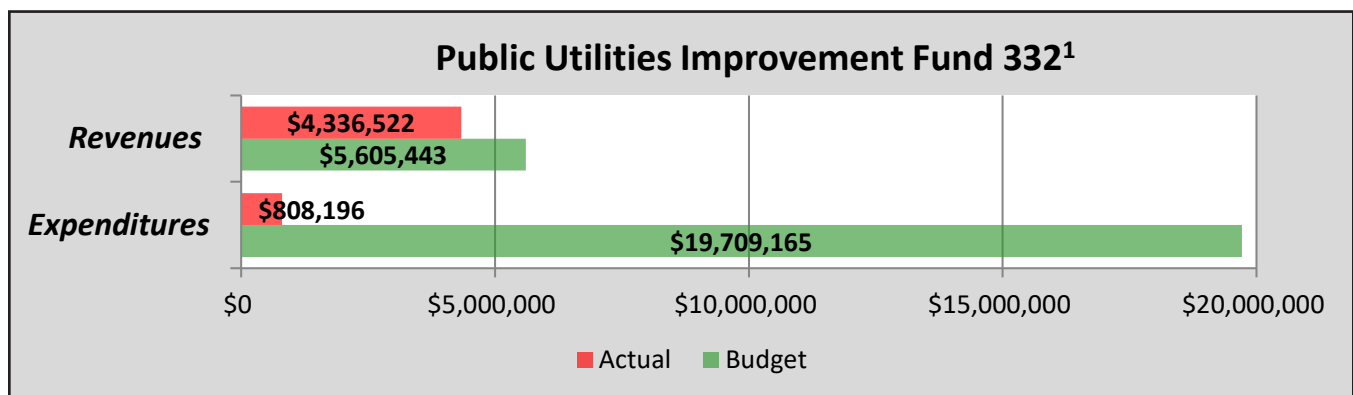
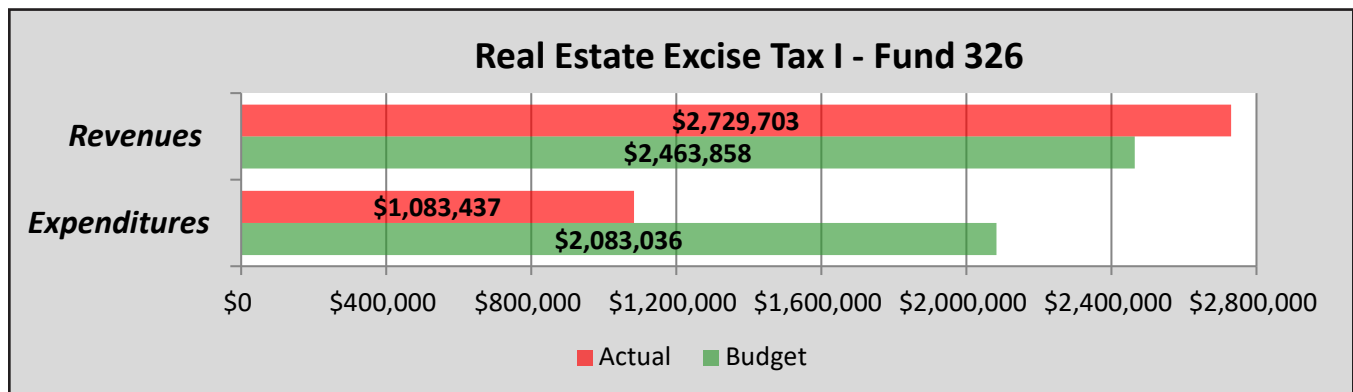
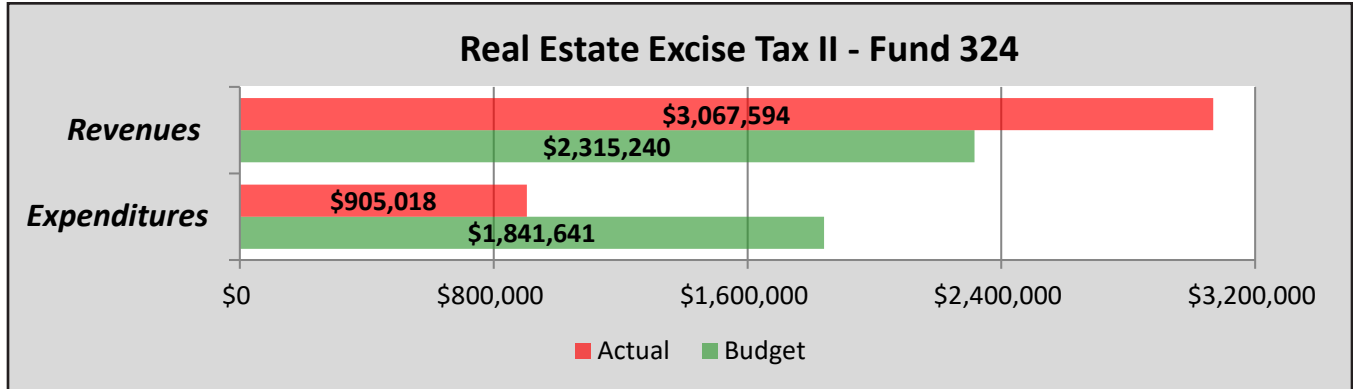
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Capital Project Funds



Notes:

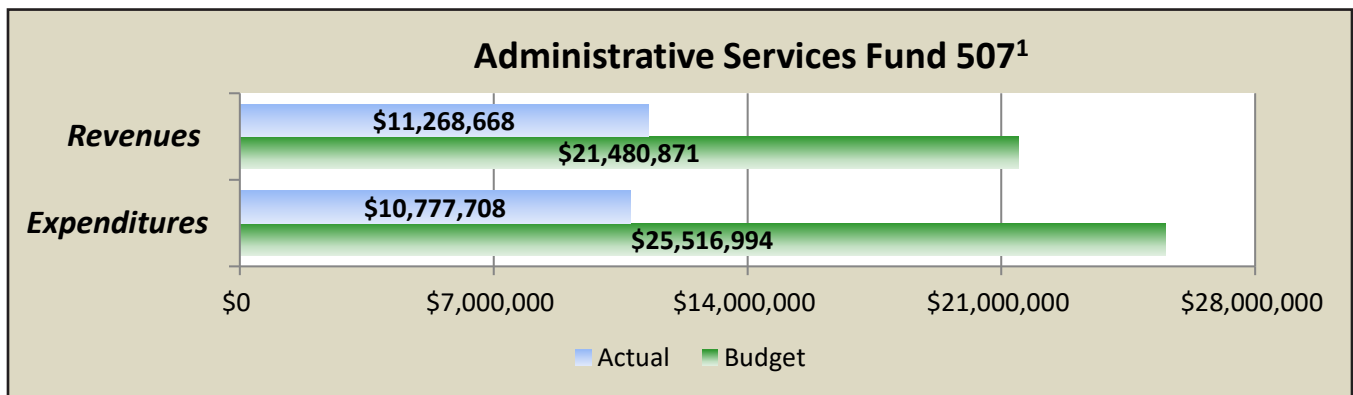
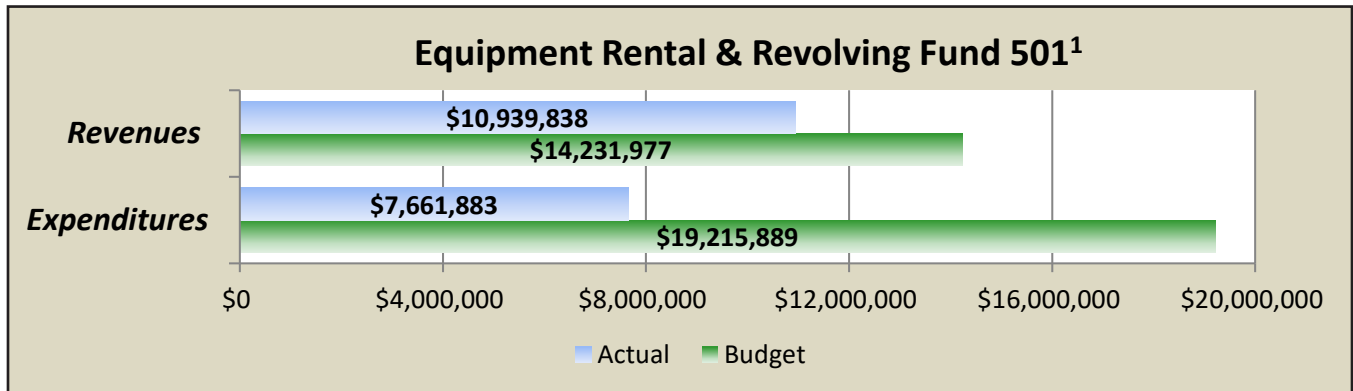
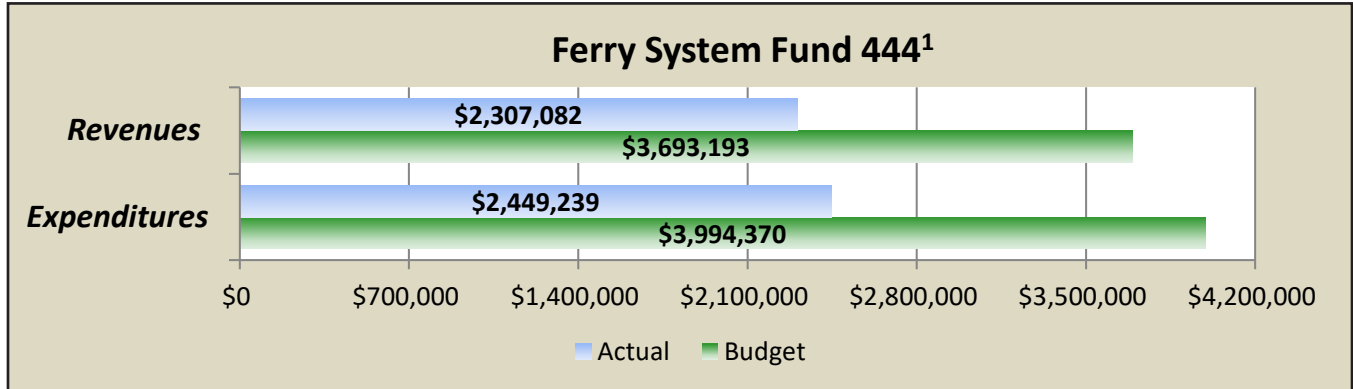
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Enterprise and Internal Service Funds



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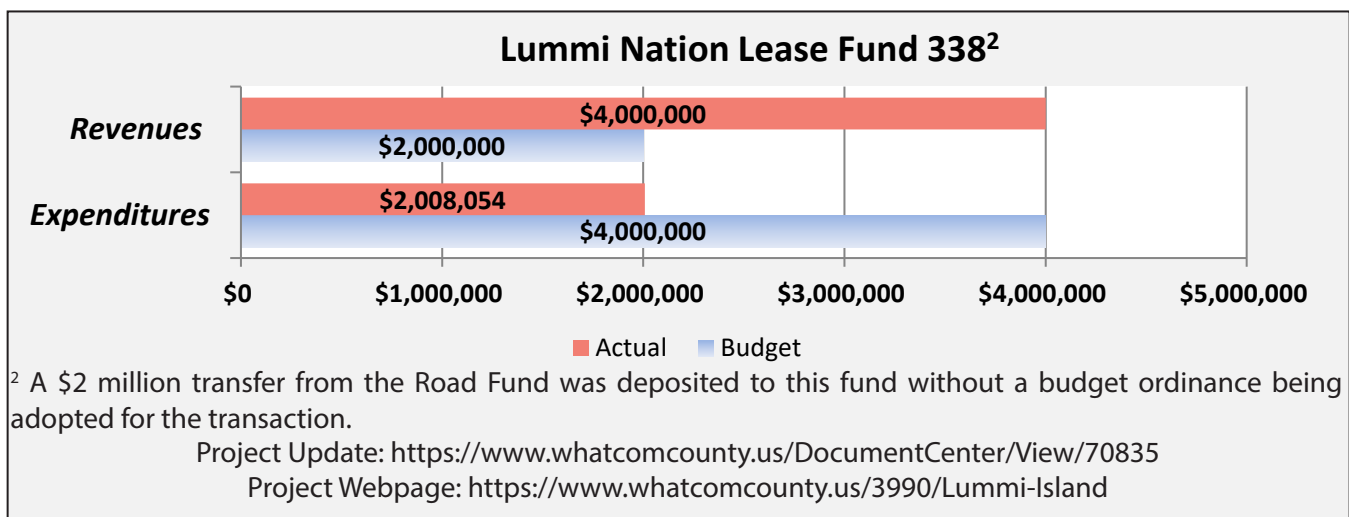
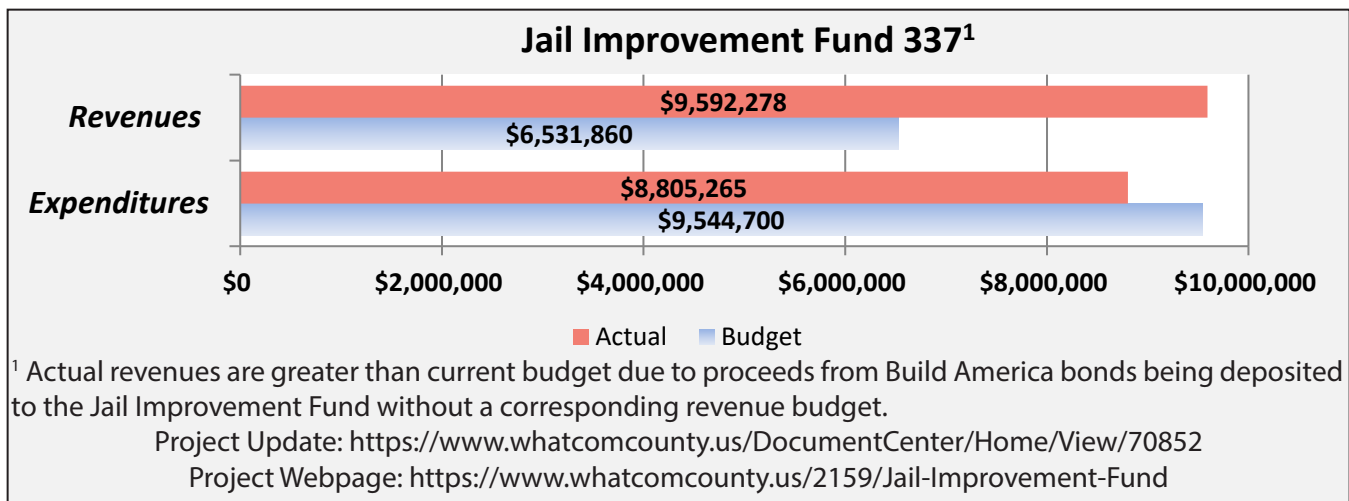
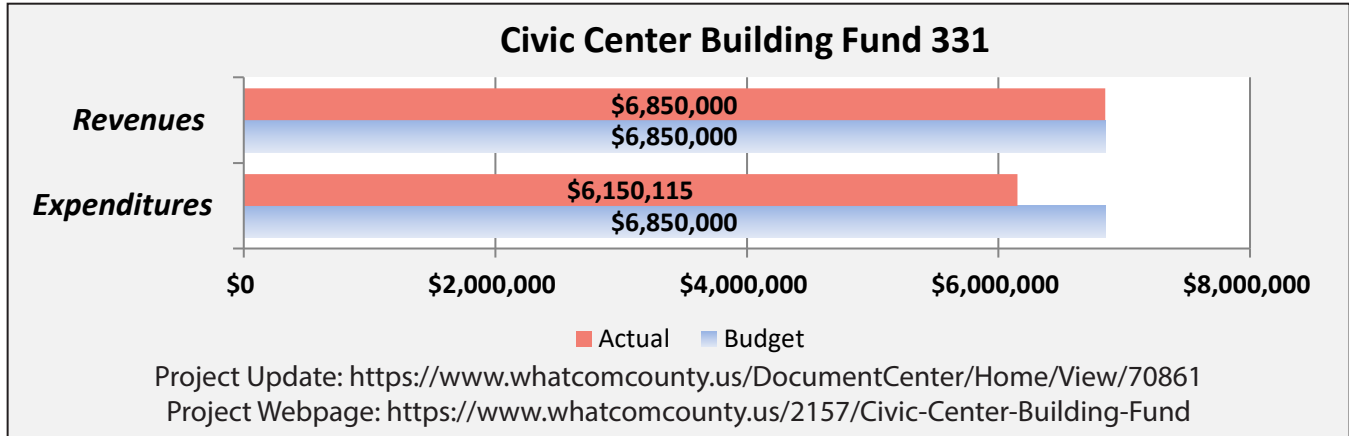
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Project Budget Funds

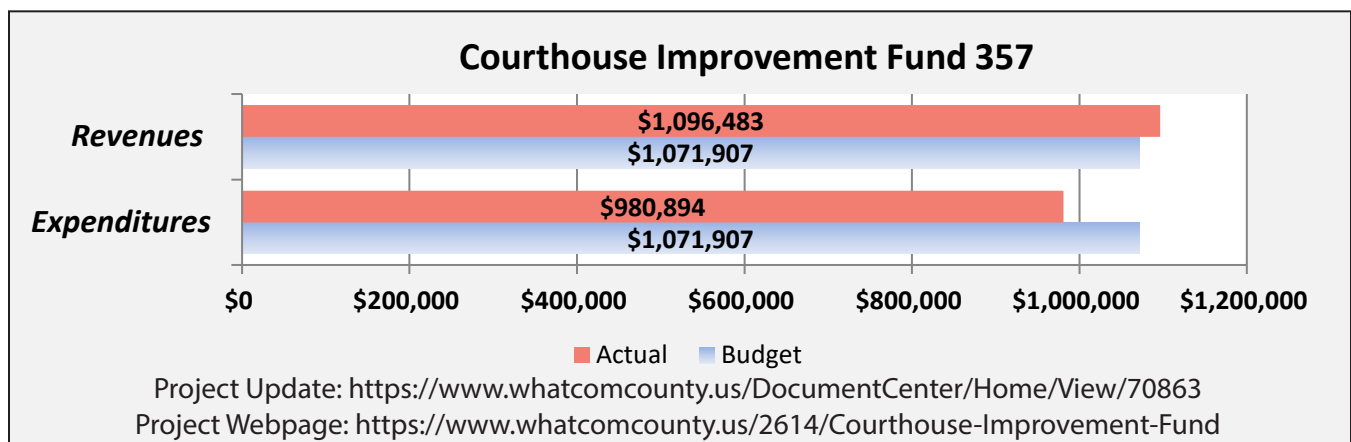
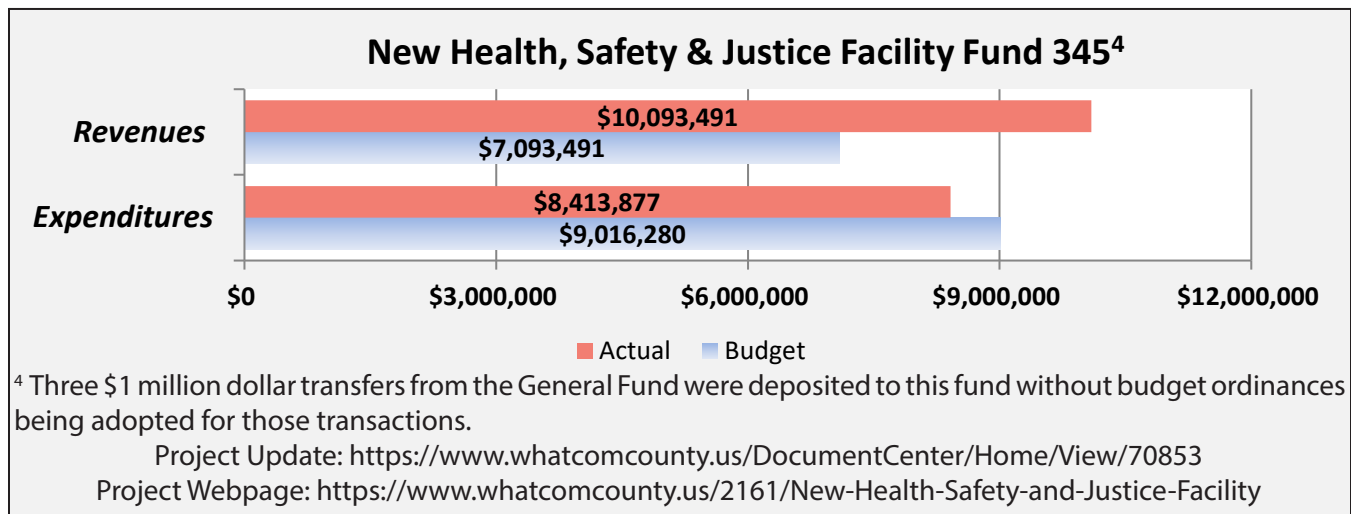
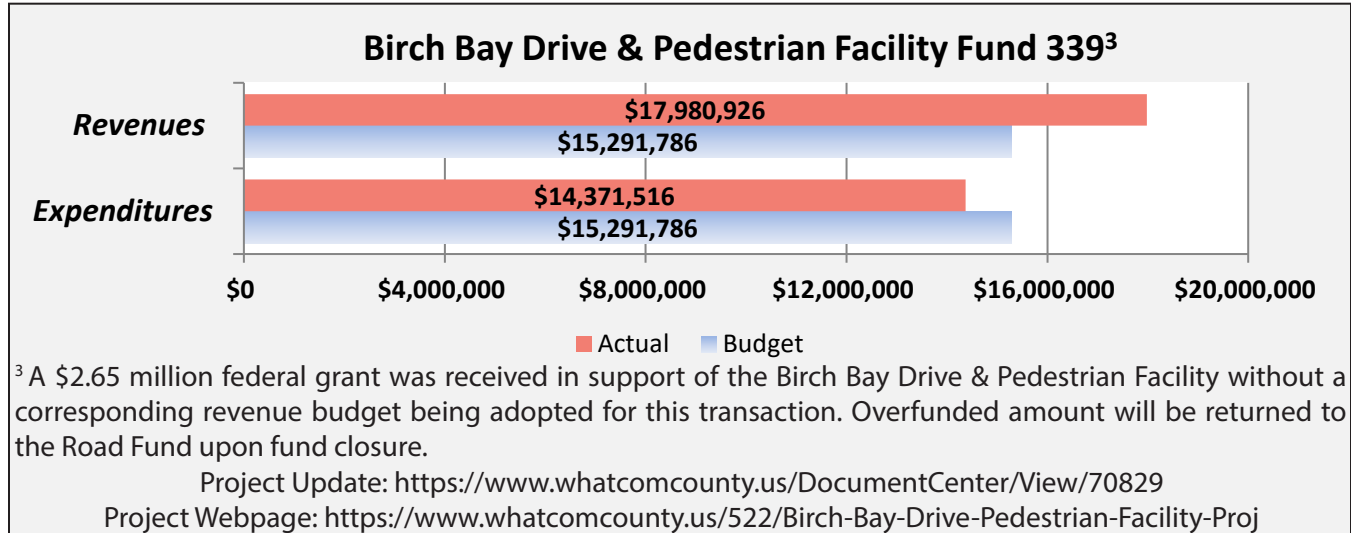


Whatcom County Third Quarter 2022 Financial Report

For the Quarter Ended September 30, 2022



Project Budget Funds, continued

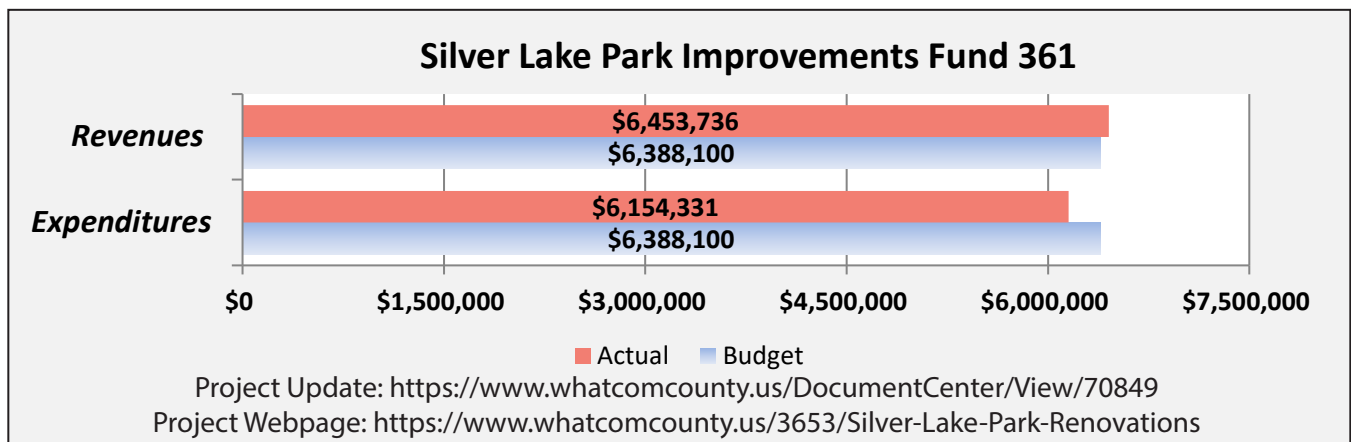
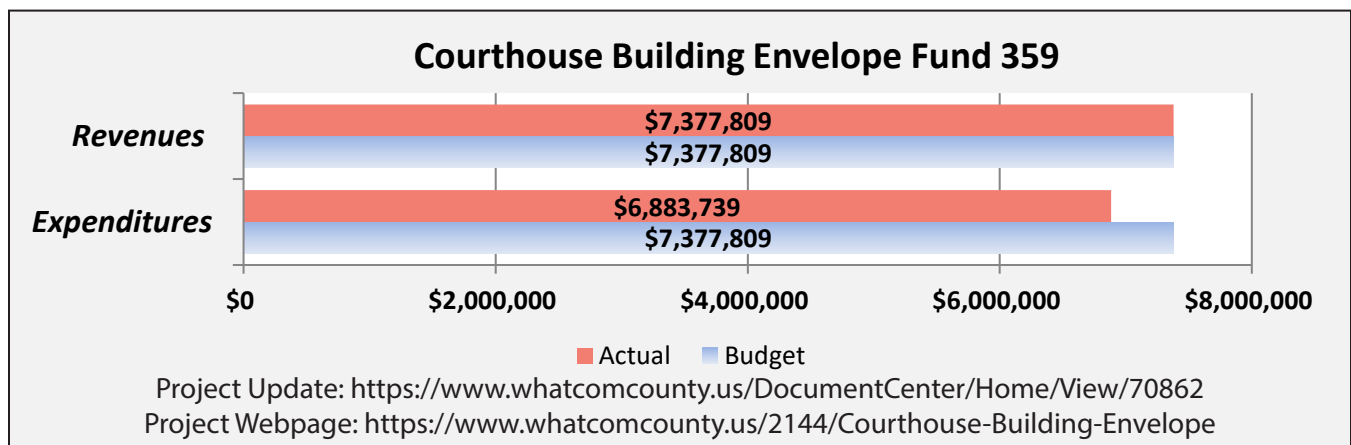
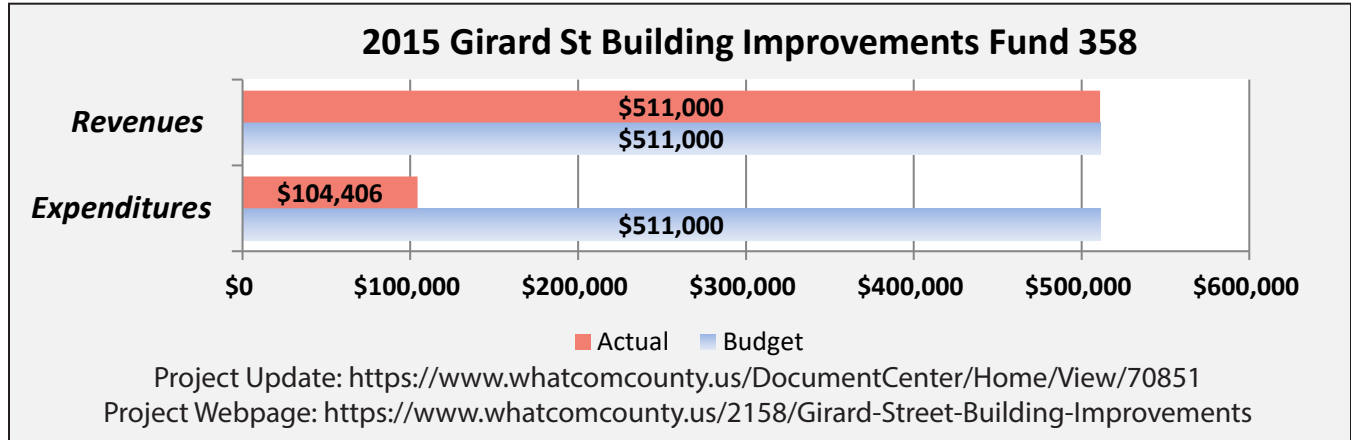


Whatcom County Third Quarter 2022 Financial Report

For the Quarter Ended September 30, 2022



Project Budget Funds, continued

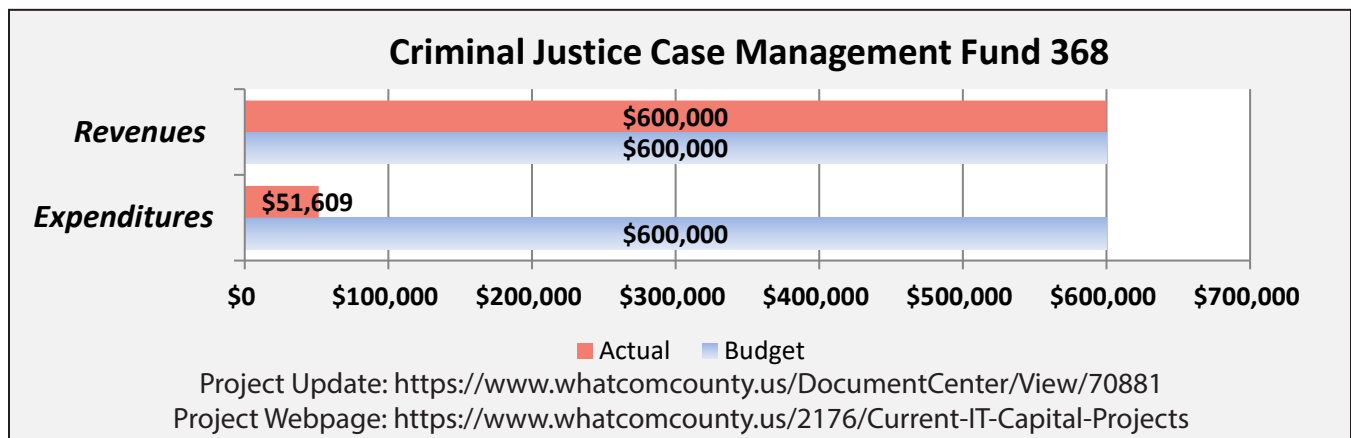
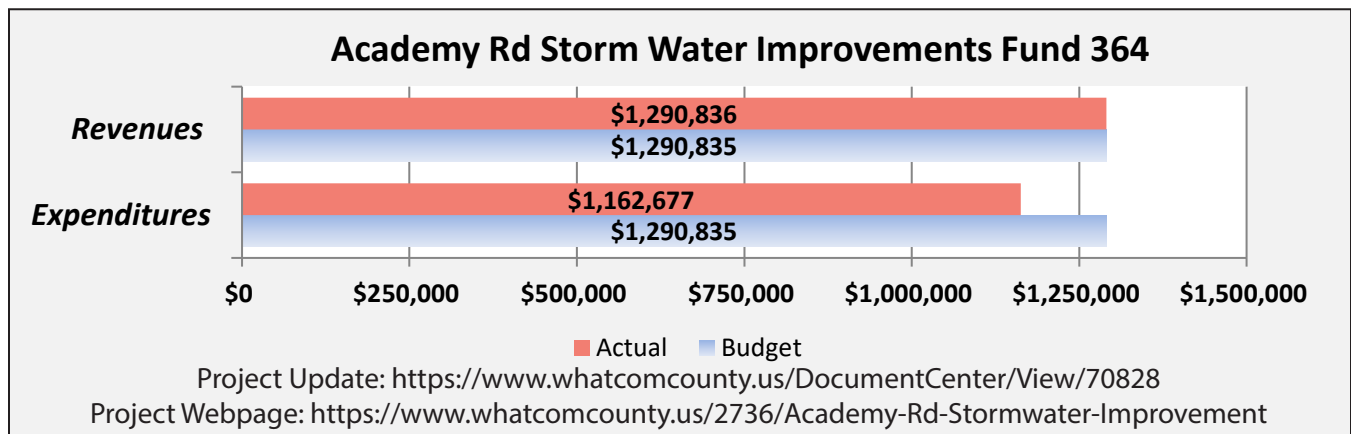
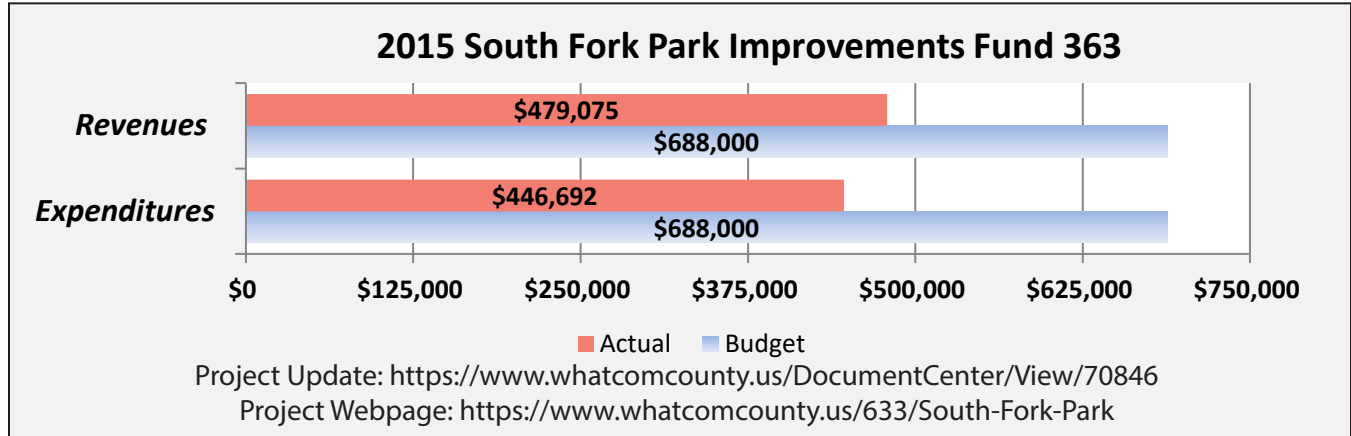


Whatcom County Third Quarter 2022 Financial Report

For the Quarter Ended September 30, 2022



Project Budget Funds, continued

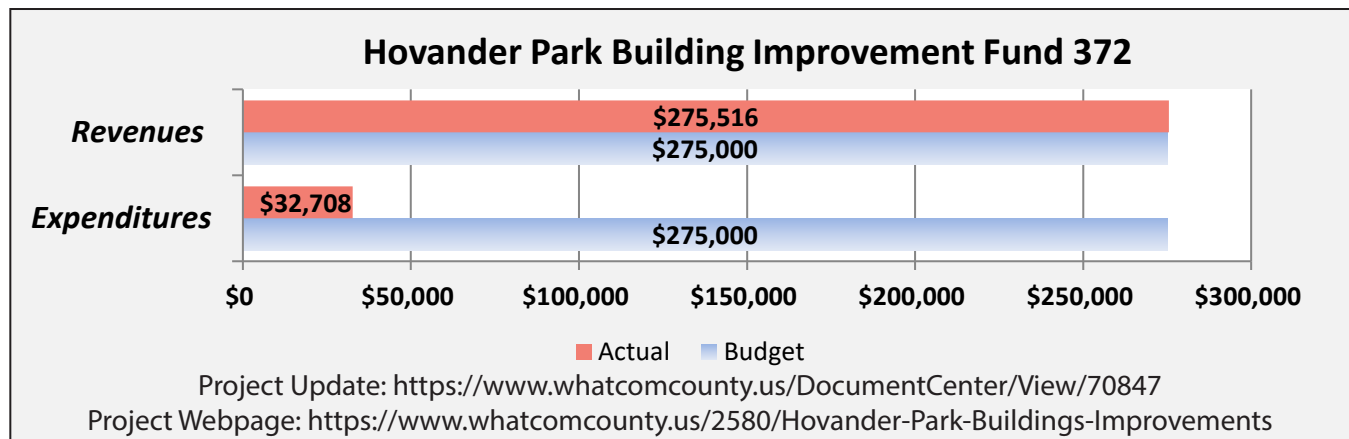
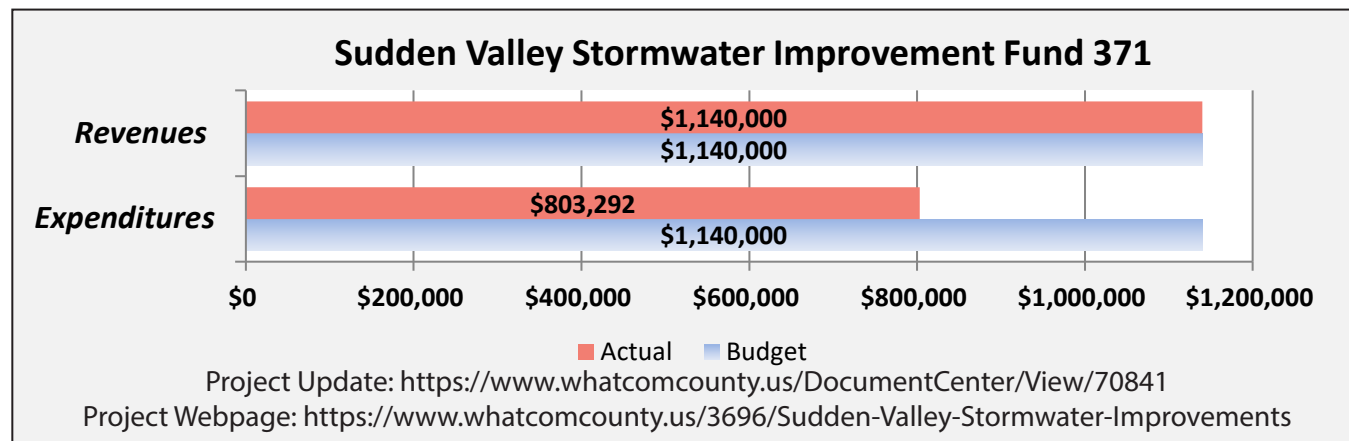
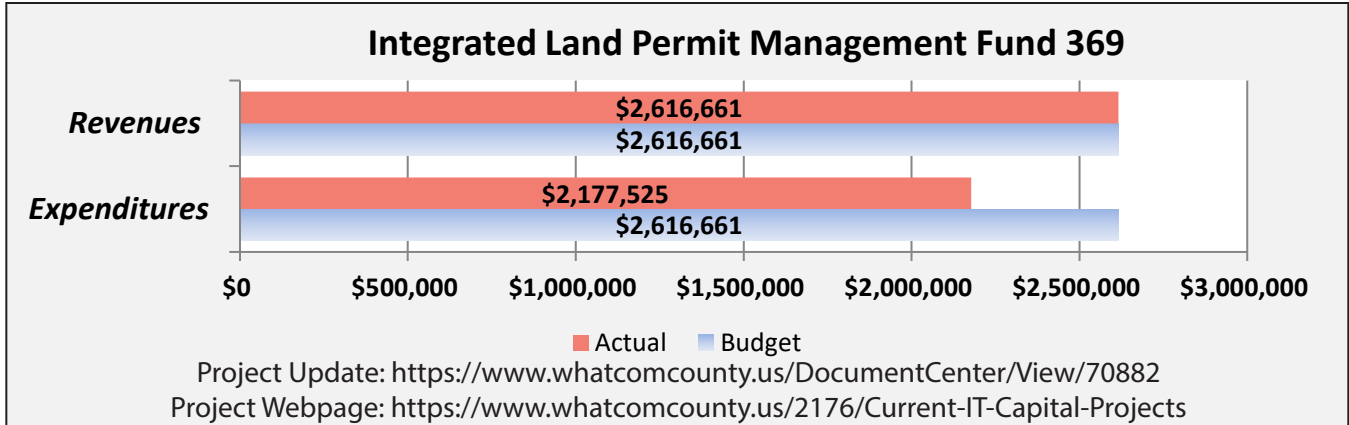


Whatcom County Third Quarter 2022 Financial Report

For the Quarter Ended September 30, 2022



Project Budget Funds, continued

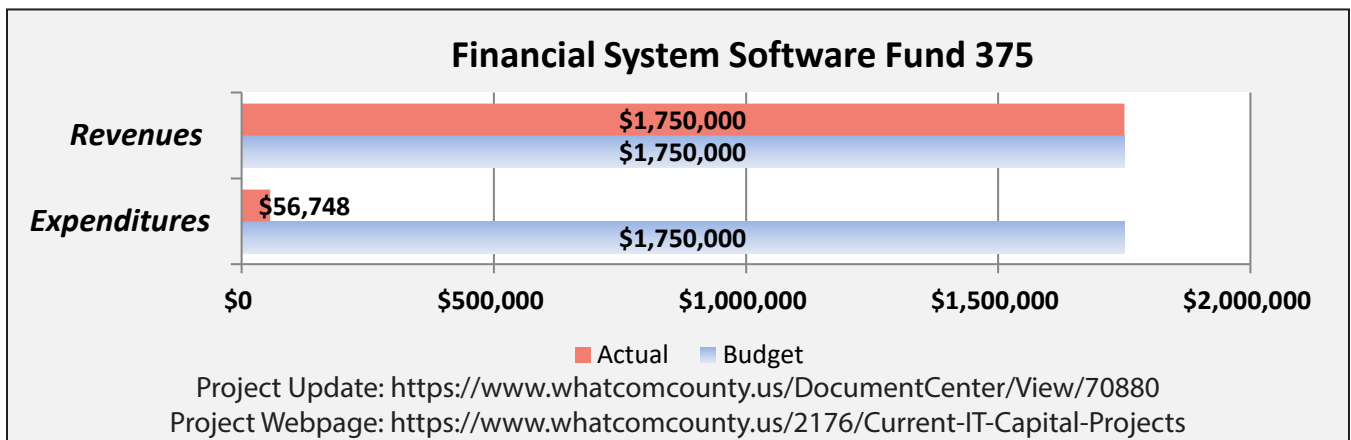
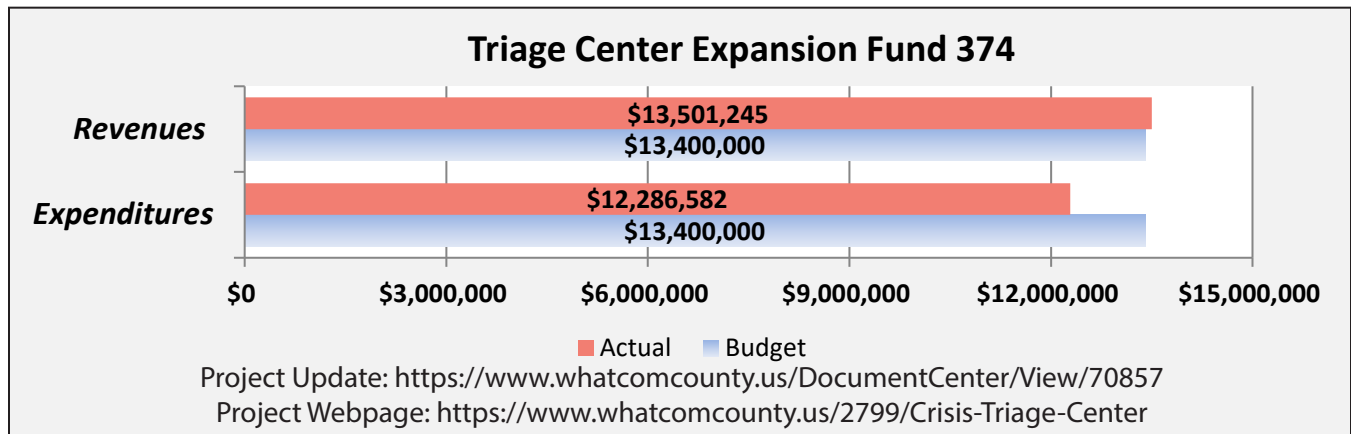
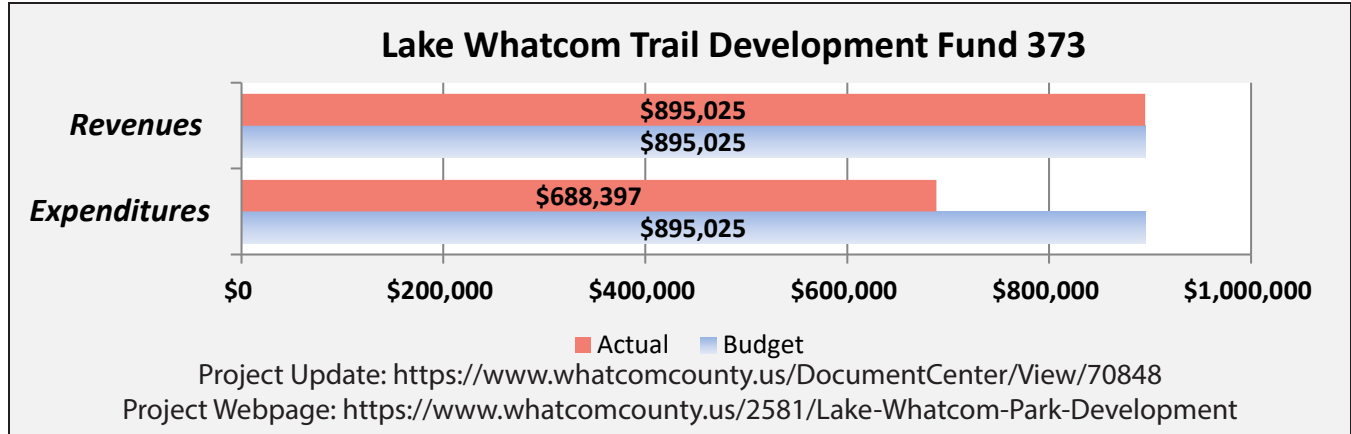


Whatcom County Third Quarter 2022 Financial Report

For the Quarter Ended September 30, 2022



Project Budget Funds, continued

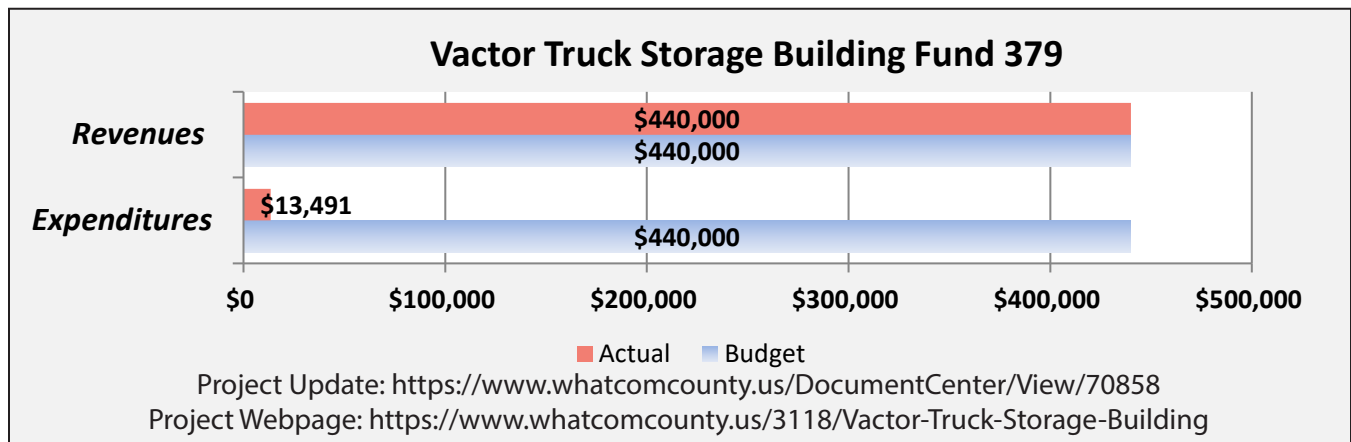
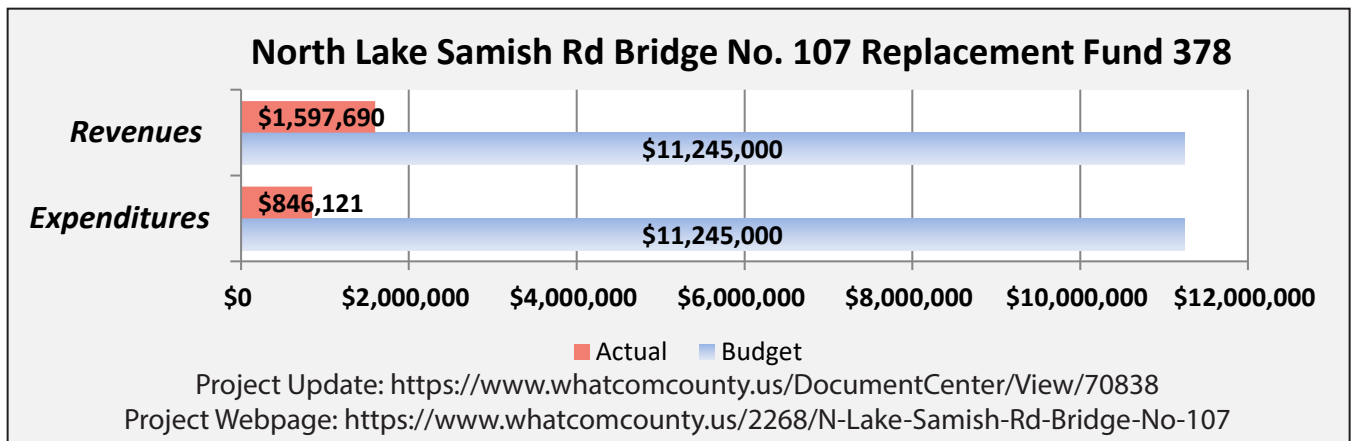
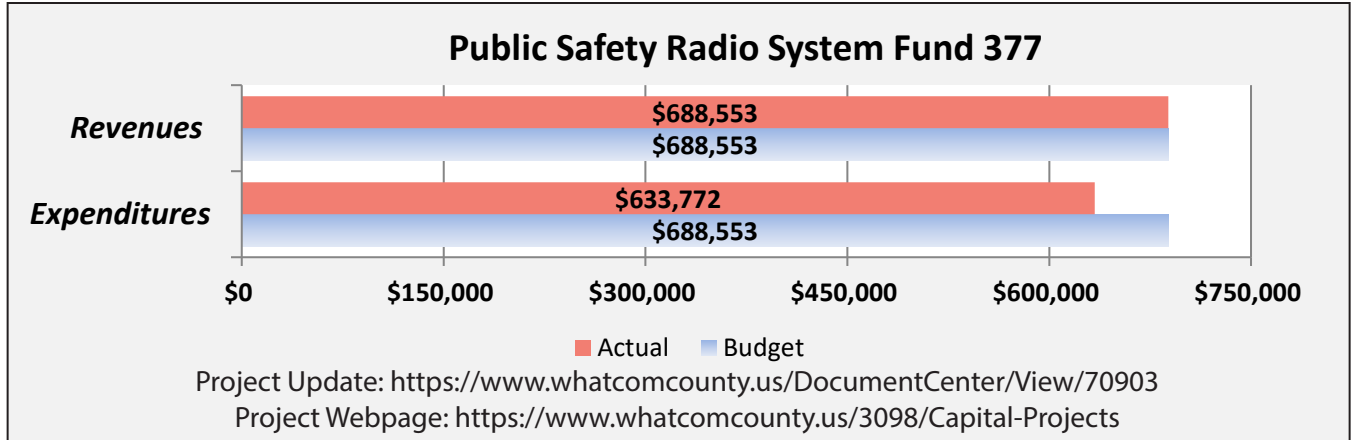


Whatcom County Third Quarter 2022 Financial Report

For the Quarter Ended September 30, 2022



Project Budget Funds, continued

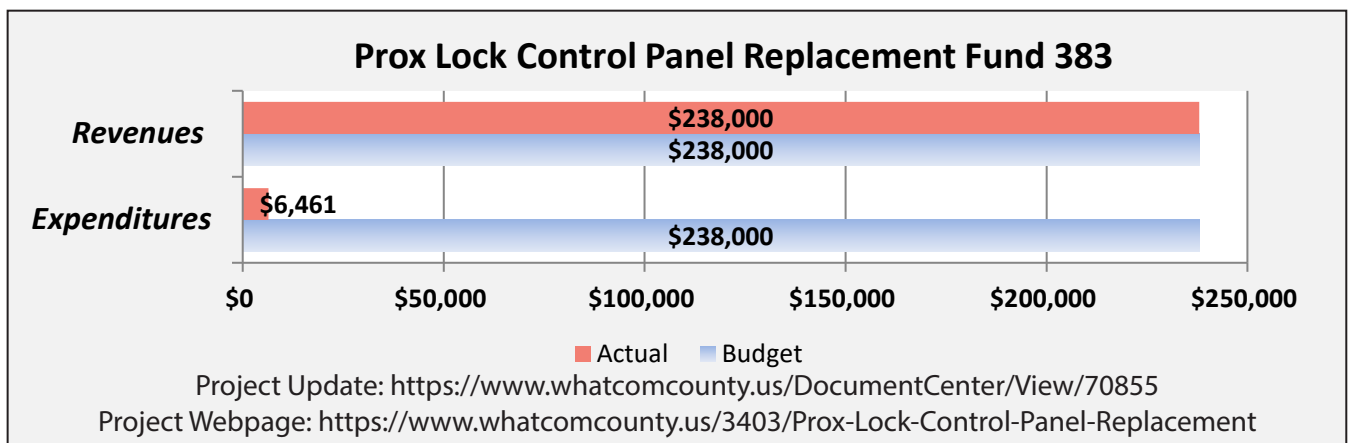
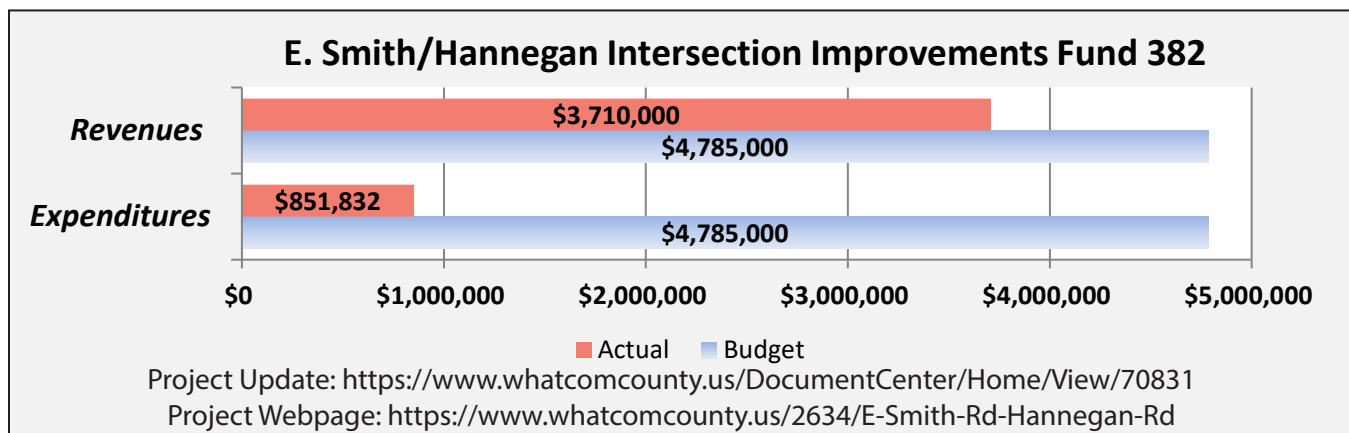
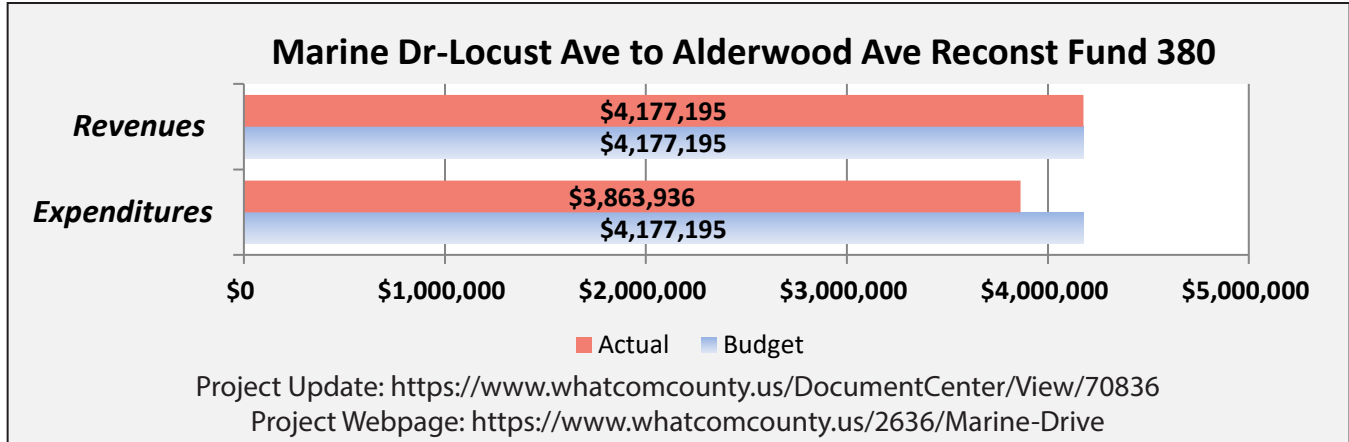


Whatcom County Third Quarter 2022 Financial Report

For the Quarter Ended September 30, 2022



Project Budget Funds, continued

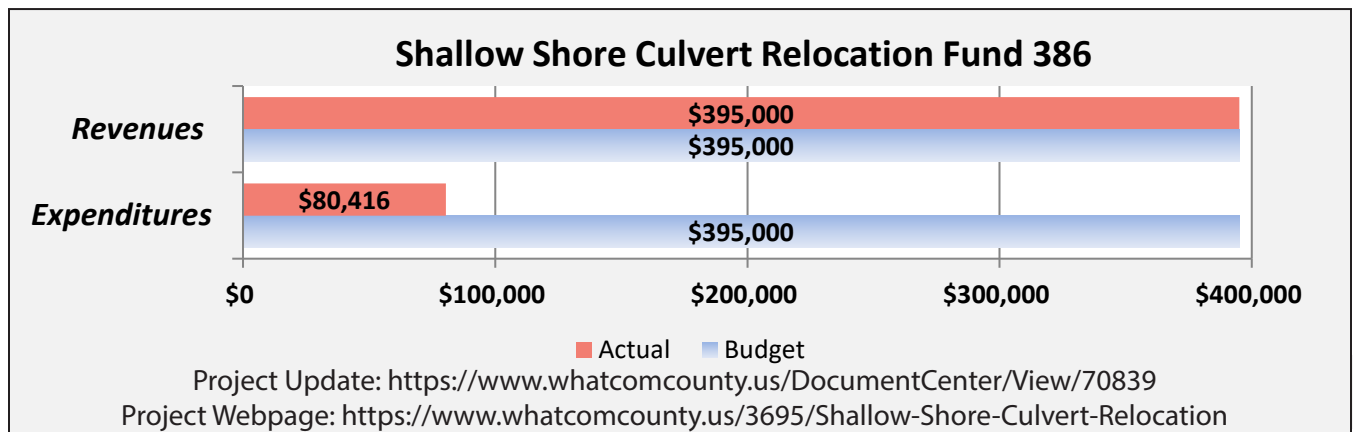
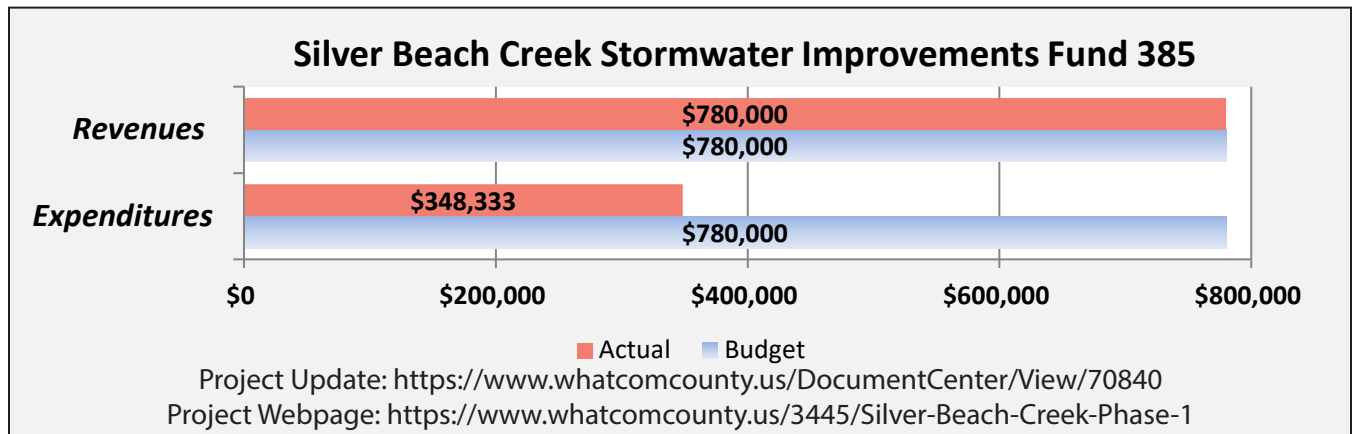
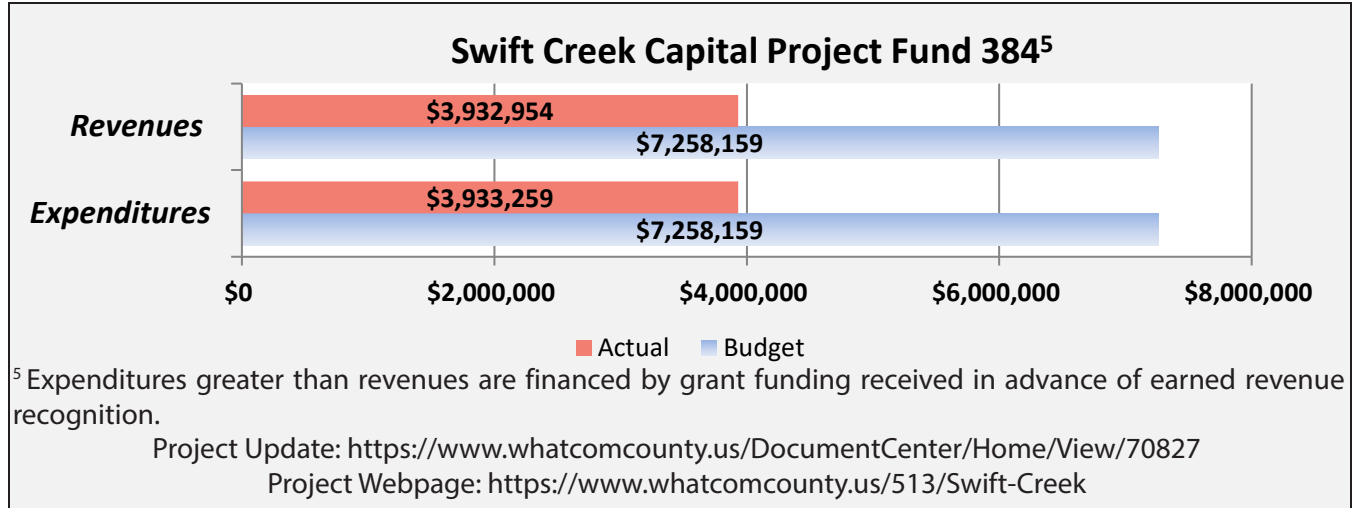


Whatcom County Third Quarter 2022 Financial Report

For the Quarter Ended September 30, 2022



Project Budget Funds, continued

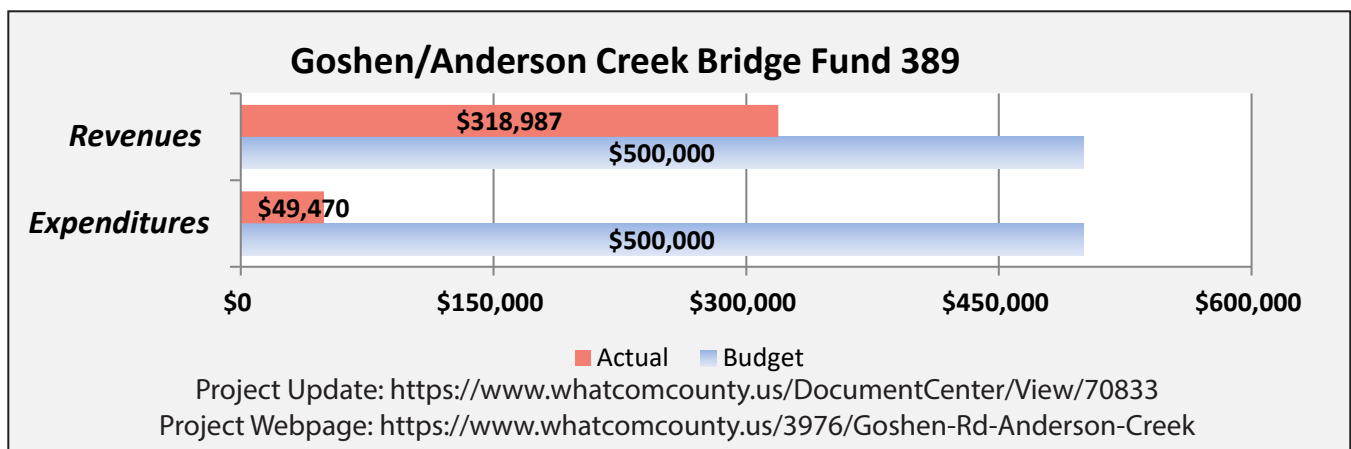
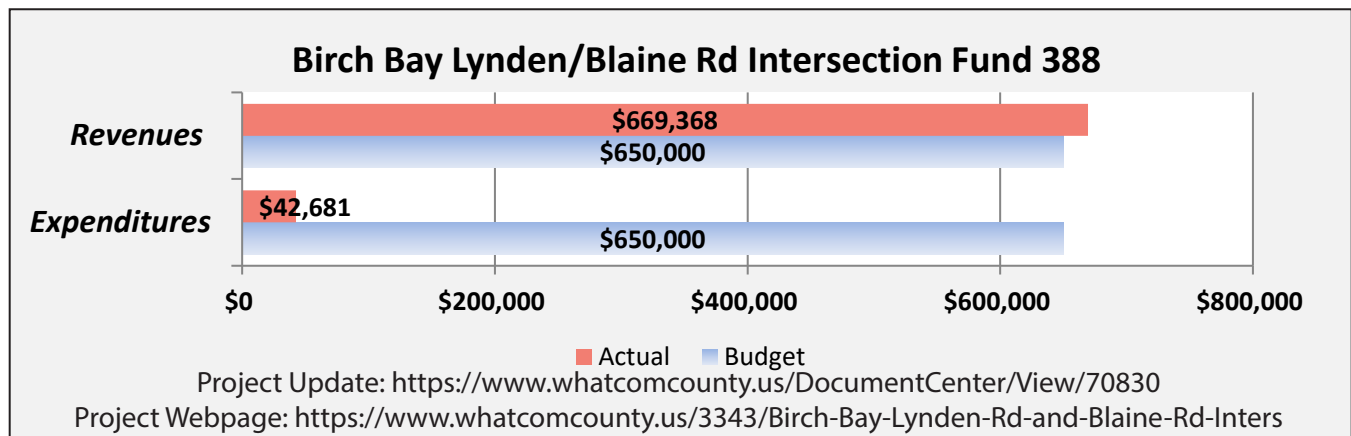
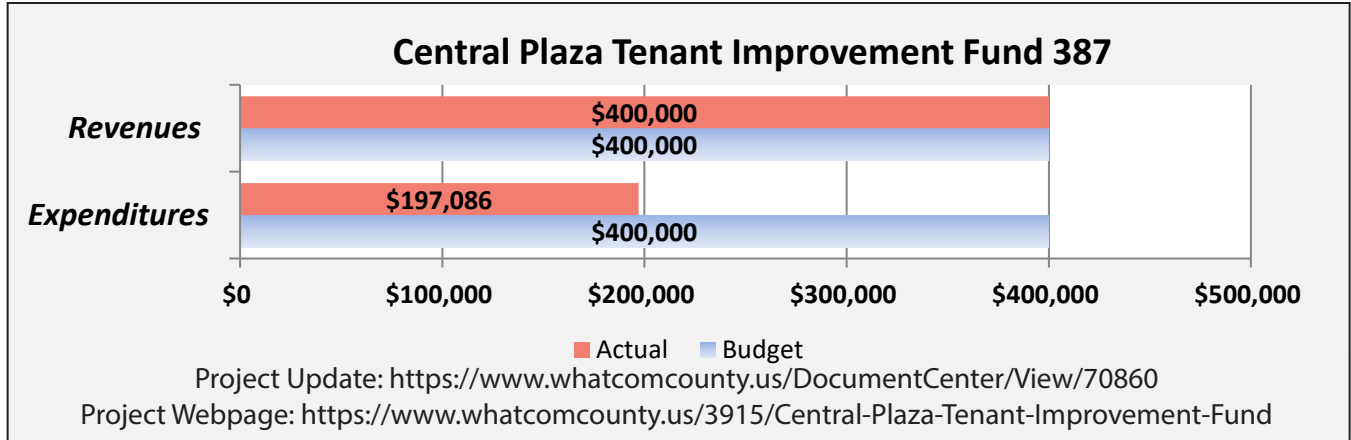


Whatcom County Third Quarter 2022 Financial Report

For the Quarter Ended September 30, 2022



Project Budget Funds, continued

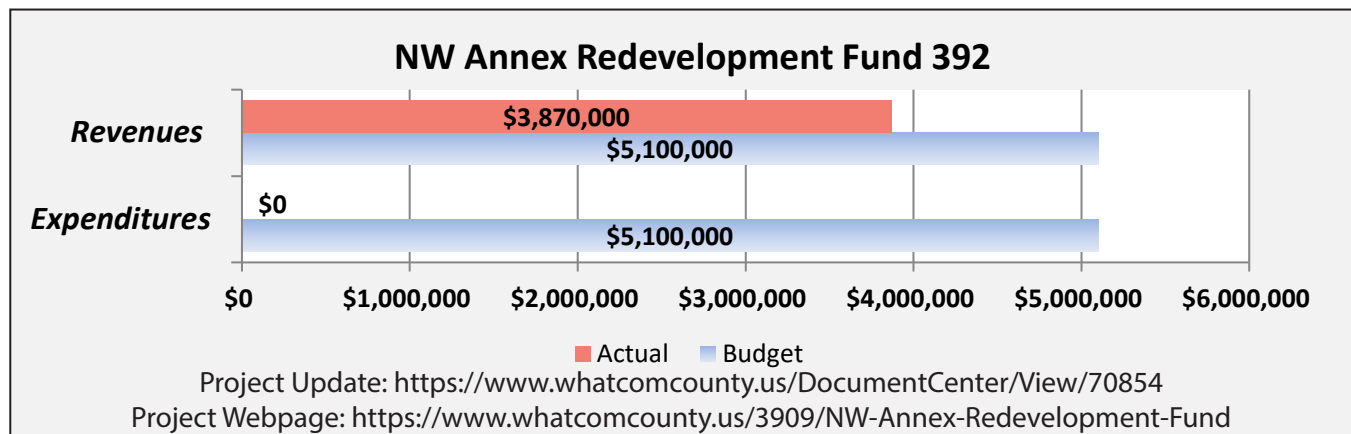
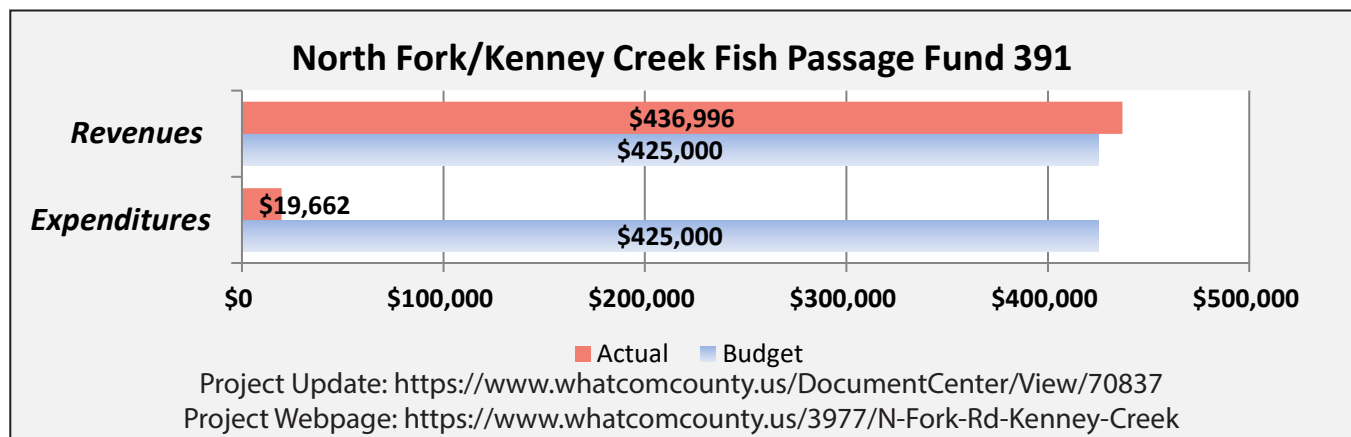
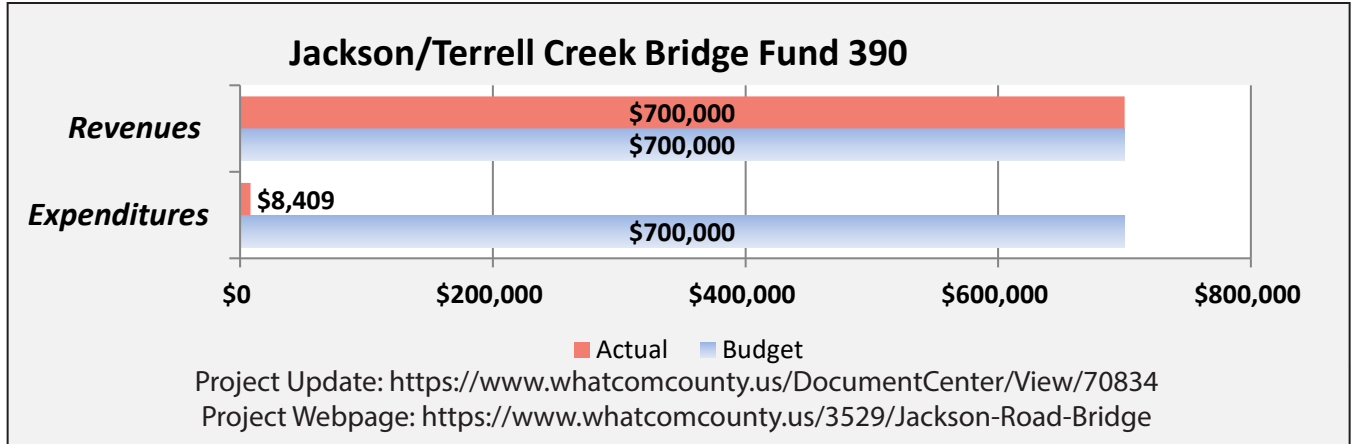


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For the Quarter Ended September 30, 2022



Project Budget Funds, continued



Whatcom County Third Quarter 2022 Financial Report

For the Quarter Ended September 30, 2022



Project Budget Funds, continued

