



**First
Quarter
2023
Financial
Report**

Satpal Singh Sidhu, County Executive

Compiled and Presented by the
Administrative Services Department
Finance Division

Brad Bennett, Finance Manager

June 16th, 2023

Whatcom County First Quarter 2023 Financial Report

For the Quarter Ended March 31, 2023



Executive Summary

The following information presents Whatcom County's first quarter 2023 financial report. At the end of the first quarter the General Fund collected 19.41% of its budgeted revenues. Whatcom County's General Fund spent 20.92% of its budgeted expenditures. Revenues increased \$2.6 million from first quarter 2022. This is due to an increase of sales and excise tax revenues and interest earnings. Expenditures are within current year expectations and are comparable to prior year's first quarter percent spent.

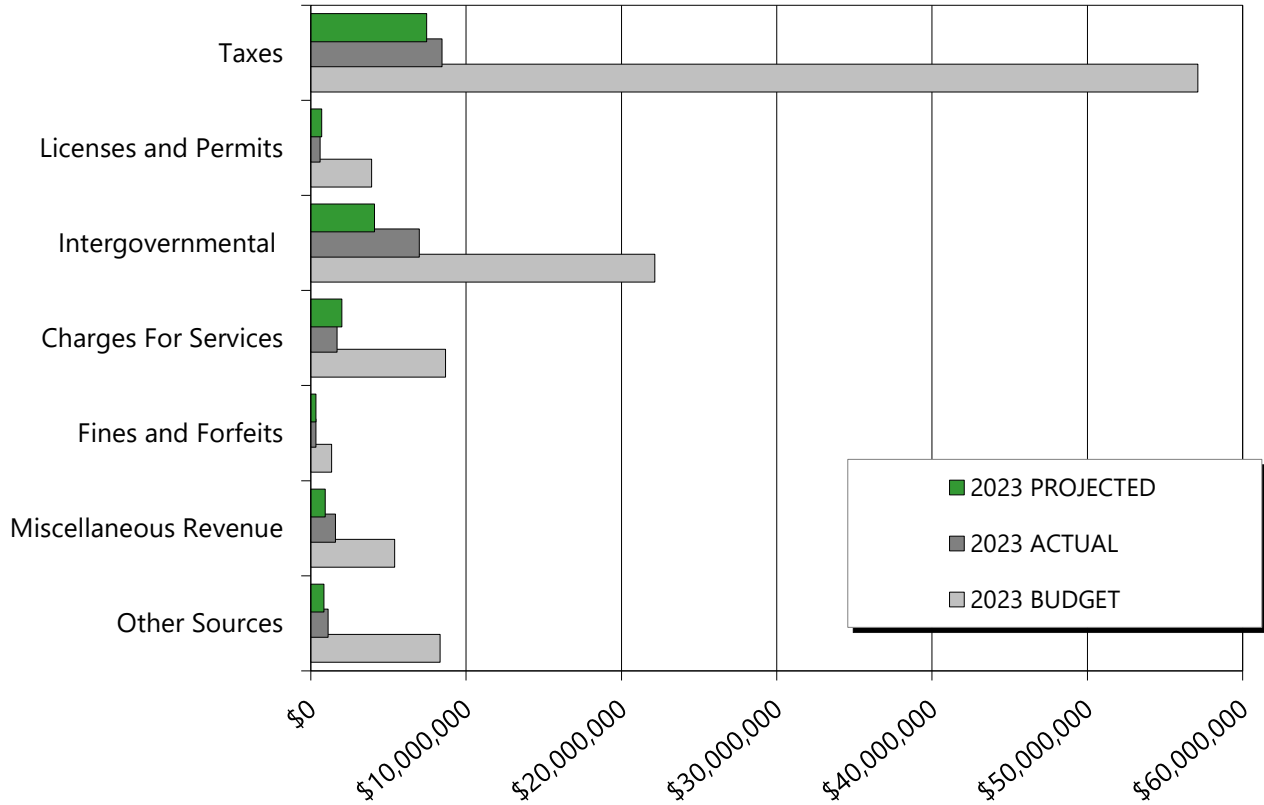
The current estimated 2023 General Fund ending fund balance is projected to be approximately \$23.9 million.

Whatcom County First Quarter 2023 Financial Report

For the Quarter Ended March 31, 2023



General Fund Revenue - Budget vs. Actual



	2023 Budget Adopted	2023 Budget Supp'ls	2023 Budget Amended	Actual as of 3/31/2023	% Collected to Date	Projected as of 3/31/2023
Taxes	57,123,010	-	57,123,010	8,445,312	14.78%	7,459,205
Licenses and Permits	3,912,880	-	3,912,880	606,190	15.49%	703,415
Intergovernmental	21,004,265	1,148,266	22,152,531	6,995,910	31.58%	4,103,098
Charges For Services	8,664,764	7,150	8,671,914	1,687,162	19.46%	1,992,207
Fines and Forfeits	1,349,000	-	1,349,000	322,701	23.92%	339,633
Miscellaneous Revenue	5,025,304	377,536	5,402,840	1,590,325	29.43%	921,770
Other Sources	8,178,353	148,832	8,327,185	1,111,399	13.35%	837,145
Total Revenue	105,257,576	1,681,784	106,939,360	20,758,999	19.41%	16,356,473

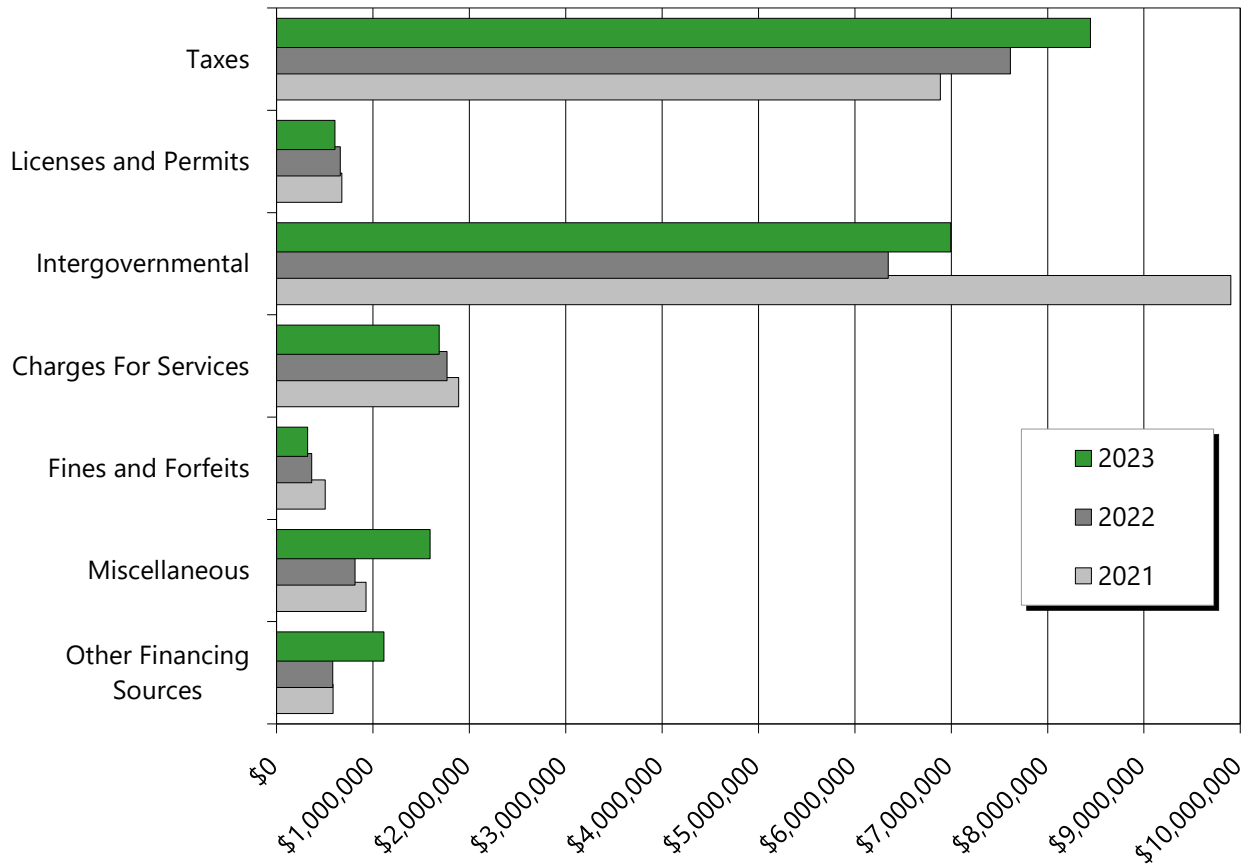
See pages 4 and 5 for General Fund Revenue Notes.

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General Fund Revenue to Date - Compared to Prior Years



	2021	2022	2023
Taxes	6,887,814	7,612,460	8,445,313
Licenses and Permits	676,830	659,285	606,188
Intergovernmental	9,902,771	6,346,434	6,995,910
Charges For Services	1,888,966	1,766,875	1,687,163
Fines and Forfeits	503,977	363,514	322,702
Miscellaneous	926,223	814,614	1,590,328
Other Financing Sources	584,797	580,407	1,111,399
Total Revenue	21,371,378	18,143,589	20,759,003

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.

The County Council approved a 1% increase in property taxes for 2023 which will generate approximately \$320,000 and \$580 million of new construction was added to the tax rolls which will generate \$340,000 in increased property tax. The payment of the first half of property taxes is due in the second quarter of this year. Current year sales tax collections are up 18.13%, or \$979,396, as compared to last year's first quarter collections. The County is benefiting from a healthy economy which includes increases in internet sales delivered directly to unincorporated residents, food service, and construction activities.

Licenses & Permits

Building permits account for 38.8% of "Licenses & Permits" budget. Health Department restaurant, food-handling, on-site septic and other miscellaneous health-related licenses and permits make up 38.7% of the budget. Cable franchise fee revenues are 18.9% and marriage licenses, firearm permits, well permits, and fire control permits account for the remaining 3.6%.

License and Permit Fees are \$53,095, or 1.5%, less than amounts collected during first quarter 2022. Restaurant and food handling permits are up \$60,367 or 37.2%. Buildings and permits are down 25%, or \$83,144, and on-site septic applications are down \$17,968, or 18%, as compared to the first quarter of 2022.

Intergovernmental Revenue

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

Revenues collected as of quarter end are \$649,476, or 10.24%, higher than the first quarter 2022. Some major changes from 2022 include the absence of \$2.9 million in federal Emergency Rental Assistance funds that will not be repeated in 2023; however, we have received \$1,353,434 from the federal Local Assistance and Tribal Consistency Fund. This funding will supplement the American Rescue Plan Act award to support general government activities. Other federal funding increased \$435,000 as a result of grant payments received in advance and increased public health billings. State grants increased \$563,549 due to timely developmental disability billings as compared to prior year when first quarter billings were delayed.

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 decreased \$79,324, or 4.5%, under first quarter 2022. Significant fluctuations in this category of revenues include Auditor filing fees and Treasurer's Real Estate Excise Tax processing fees decreasing due to rising interest rates. Timely receipts of municipal probation contract revenues have resulted in an \$103,000 increase over 2022. On the other hand, receipts from individuals in District Court probation are continuing a downward trend. Building related fees have fallen significantly by \$80,912 or 15.7% as compared to first quarter 2022. Rifle Range fees are down \$18,324 due to closures related to capital projects.

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General Fund Revenue Notes, continued

Fines and Forfeits

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

Fines and Forfeits revenues have decreased 8.48%, or \$30,814, from first quarter 2022 amounts. Traffic infraction revenues are up 94.9% or about \$83,000, after legislative changes allowing a return to more normal enforcement activity. In addition, state funding to partially reimburse District Court for interpreter costs has resulted in \$25,578 of new revenues. On the other hand, property tax related penalties are down 70.6% or \$144,592 as penalties are no longer being enforced due to changes in state law.

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 95.22% or \$775,713 over first quarter 2022 amounts. This is largely due to a surge in investment earnings of \$531,261, or 195%, due to higher interest rates. We also received a \$215,524 from an opioid settlement as a result of class action lawsuits.

Other Financing Sources

The "Other Financing Sources" revenue budget is composed of state timber revenues (3.5%) and transfers from other Whatcom County funds (96.5%).

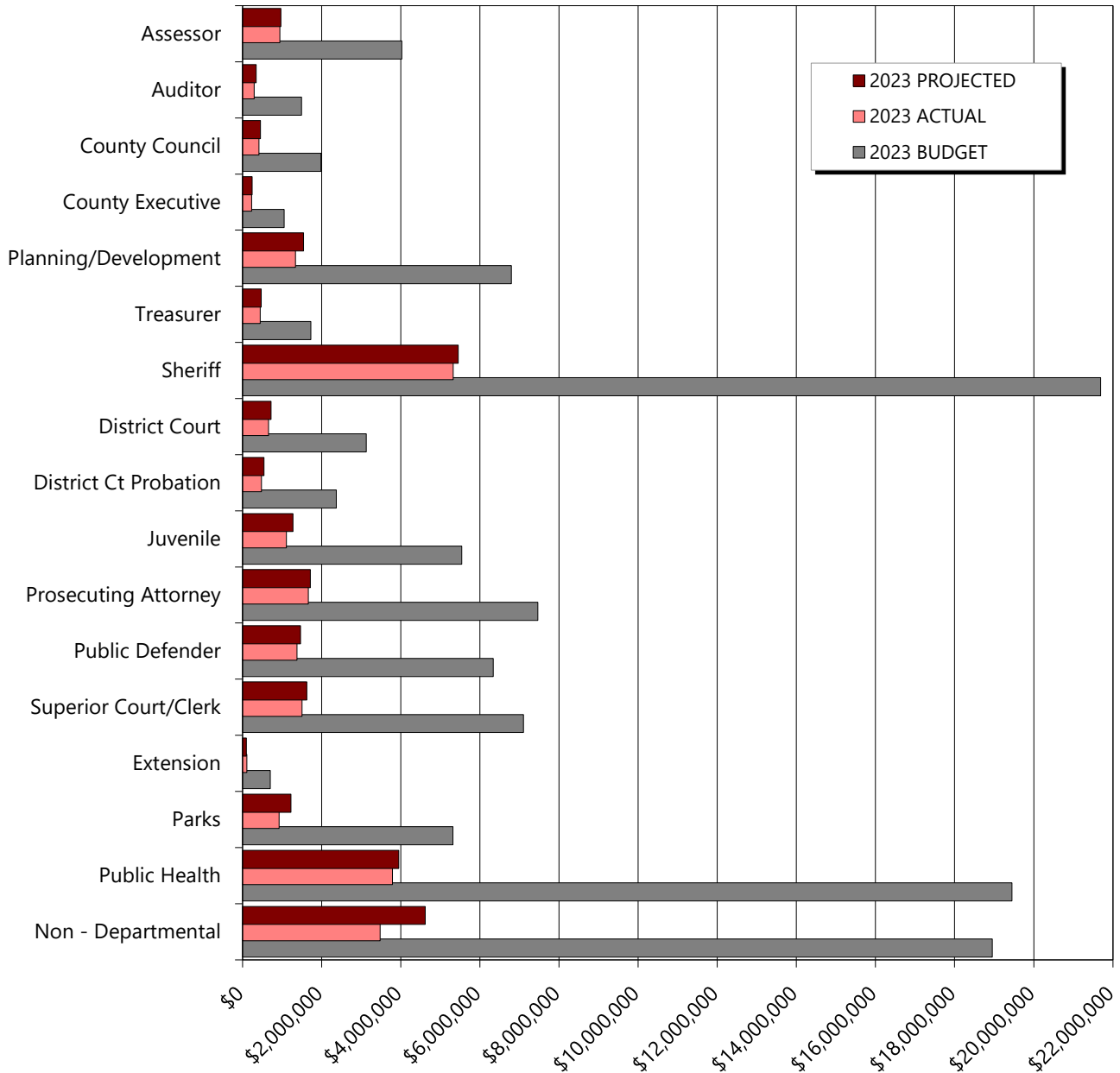
The Other Financing Sources category increased by \$530,932, or 91.48%, primarily due to an increase in the annual transfer of Public Safety Tax collected in the Emergency Medical fund for criminal justice purposes.

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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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For the Quarter Ended March 31, 2023



General Fund Expenditures - Budget vs. Actual

	2023 Adopted Budget	2023 Budget Supp'ls	2023 Amended Budget	Actual as of 3/31/23	% Expended to Date	Projected as of 3/31/23
Assessor	4,026,482	-	4,026,482	943,500	23.43%	970,821
Auditor	1,491,588	-	1,491,588	293,967	19.71%	344,763
Council/Hearing Exam.	1,968,027	12,950	1,980,977	416,588	21.03%	452,663
County Executive	1,052,506	-	1,052,506	227,684	21.63%	242,296
Planning & Development	6,709,817	87,040	6,796,857	1,338,411	19.69%	1,540,556
Treasurer	1,726,988	-	1,726,988	444,144	25.72%	471,279
Sheriff	21,571,510	115,959	21,687,469	5,325,593	24.56%	5,452,899
District Court	3,126,608	-	3,126,608	658,299	21.05%	717,139
District Court Probation	2,351,782	14,650	2,366,432	476,528	20.14%	542,375
Juvenile	5,537,680	-	5,537,680	1,111,322	20.07%	1,276,169
Prosecuting Attorney	7,461,615	-	7,461,615	1,661,700	22.27%	1,715,645
Public Defender	6,339,771	-	6,339,771	1,378,564	21.74%	1,467,303
Superior Court/Clerk	7,093,196	9,440	7,102,636	1,505,929	21.20%	1,626,640
Extension	697,880	-	697,880	107,896	15.46%	98,472
Park	5,307,454	9,204	5,316,658	922,512	17.35%	1,220,699
Public Health	18,866,974	581,585	19,448,559	3,791,439	19.49%	3,945,884
Non - Departmental	17,685,126	1,266,992	18,952,118	3,480,672	18.37%	4,620,442
Total General Fund Exp	113,015,004	2,097,820	115,112,824	24,084,748	20.92%	26,706,045

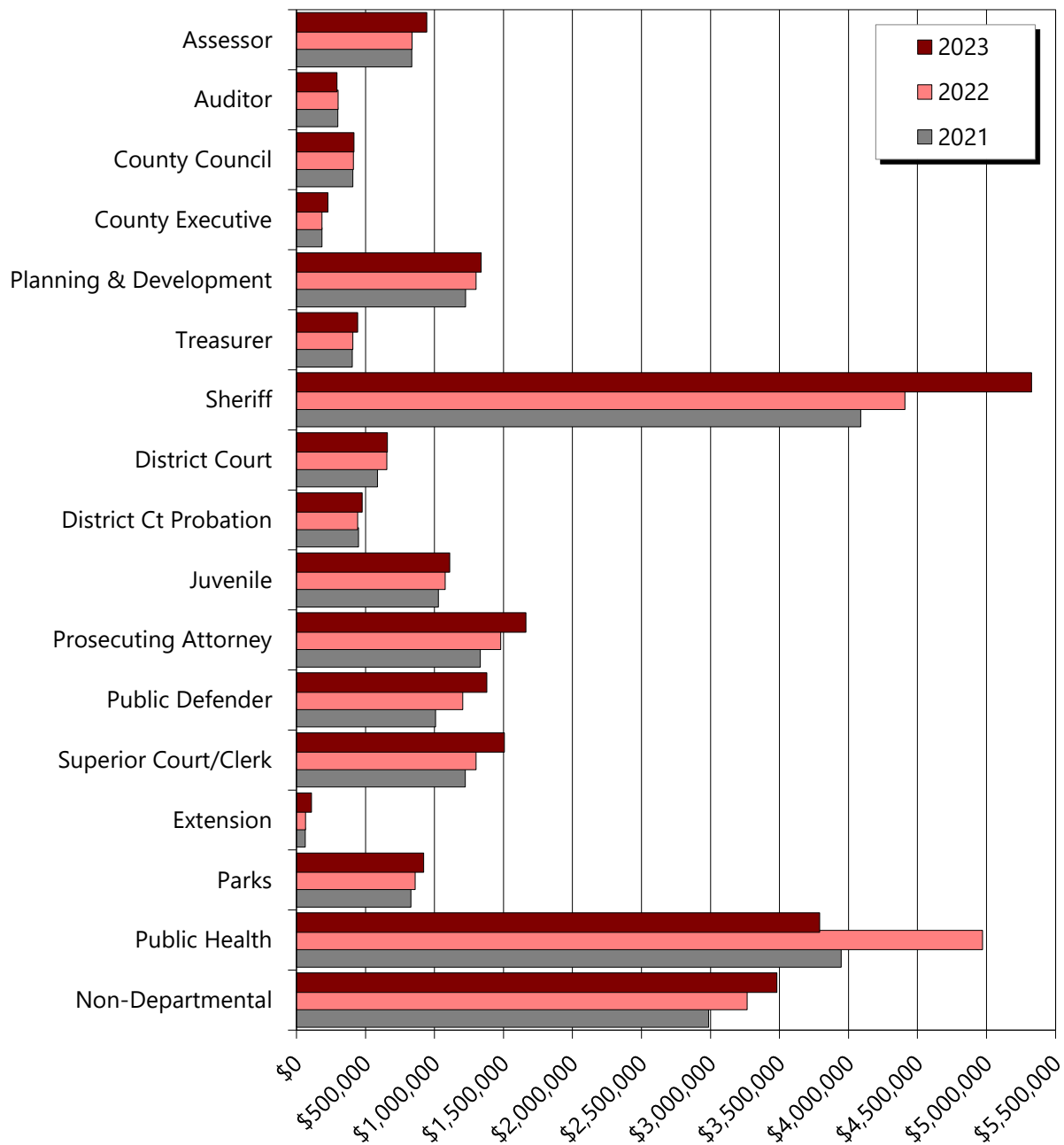
See page 9 for General Fund Expenditure Notes.

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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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For the Quarter Ended March 31, 2023



General Fund Expenditures - Compared to Prior Years

	2021	2022	2023
Assessor	835,552	838,336	943,500
Auditor	299,521	302,132	293,967
Council/Hearing Examiner	407,574	412,713	416,588
County Executive	183,593	184,858	227,684
Planning & Development	1,225,756	1,301,339	1,338,411
Treasurer	405,217	408,747	444,144
Sheriff	4,087,696	4,409,738	5,325,593
District Court	586,490	653,949	658,299
District Ct Probation	450,264	443,350	476,528
Juvenile	1,028,289	1,077,056	1,111,322
Prosecuting Attorney	1,332,860	1,480,182	1,661,700
Public Defender	1,007,804	1,205,644	1,378,564
Superior Court /Clerk	1,222,321	1,301,542	1,505,929
Extension	63,215	65,945	107,896
Parks	829,464	858,912	922,512
Public Health	3,947,624	4,970,676	3,791,439
Non-Departmental	2,986,725	3,264,754	3,480,672
TOTAL	20,899,965	23,179,873	24,084,748

General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the first quarter were 20.92% of the approved budget, which is consistent with prior years. Departmental spending was within budget expectations and increased by 4% or \$904,875 when compared to the first quarter of 2022.

There was increased spending in the Sheriff due to more grant spending and training expenses.

County Clerk's Office experienced an increase in spending as a result of expanded use of professional services for conflict contracts.

The Executive's Office saw an increase in spending due to the addition of staff.

Although the Health Department saw an increase in spending for administrative items, overall spending decreased due to less activity in grant funded activities related to COVID.

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General Fund Conclusion

	Actual
Beginning Fund Balance 1/1/23	<u>26,346,572</u>
Revenues	
Budgeted Revenues 2023	105,257,576
Continuing Appropriations from 2022	620,166
Supplemental Budgets 2023	<u>1,061,618</u>
Total Revenue	<u>106,939,360</u>
Expenditures	
Budgeted Expenditures 2023	113,015,004
Continuing Appropriations from 2022	899,183
Supplemental Budgets 2023	<u>1,198,637</u>
Total Expenditures	<u>115,112,824</u>
Expected Surplus (Deficit)	(8,173,464)
Other Considerations	
Estimated Budget Lapse ¹	<u>5,755,641</u>
Projected Ending Fund Balance 12/31/23	<u><u>23,928,749</u></u>

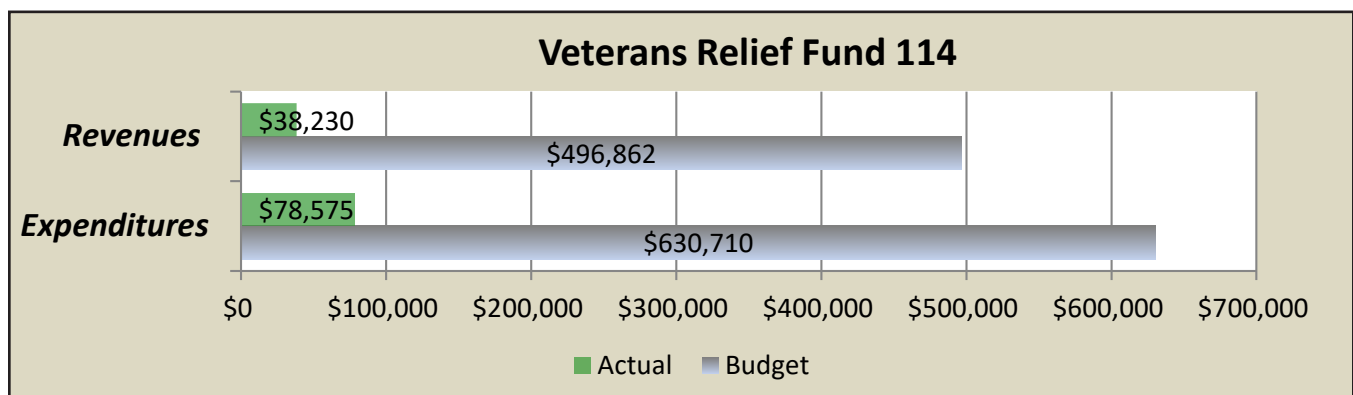
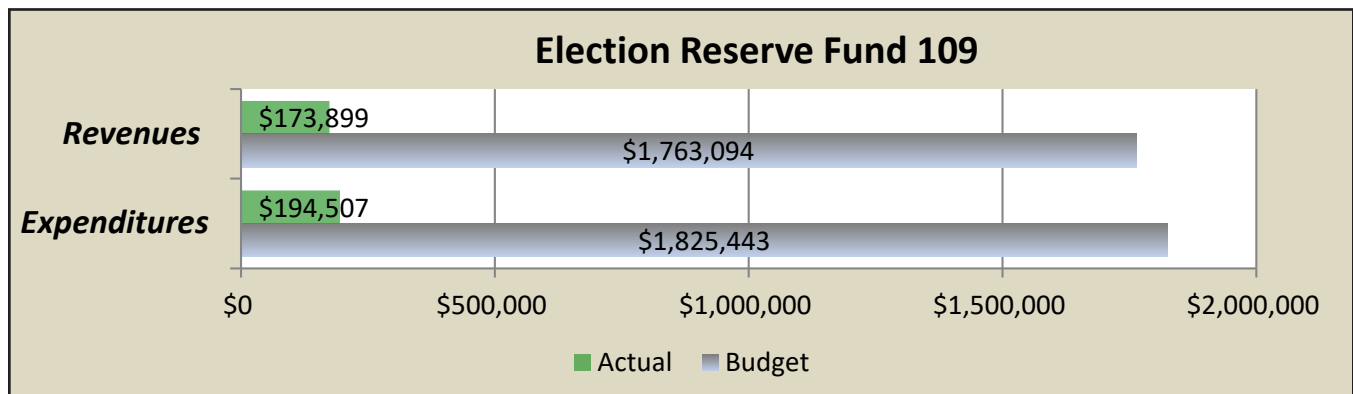
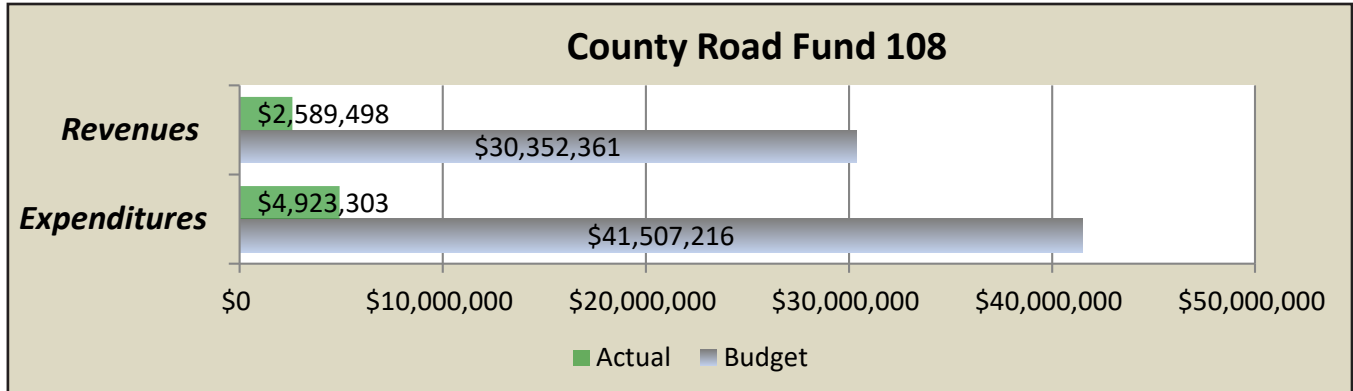
Note 1: *The estimated budget lapse is 5% of the expenditure budget.*

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Special Revenue Funds and Other Funds



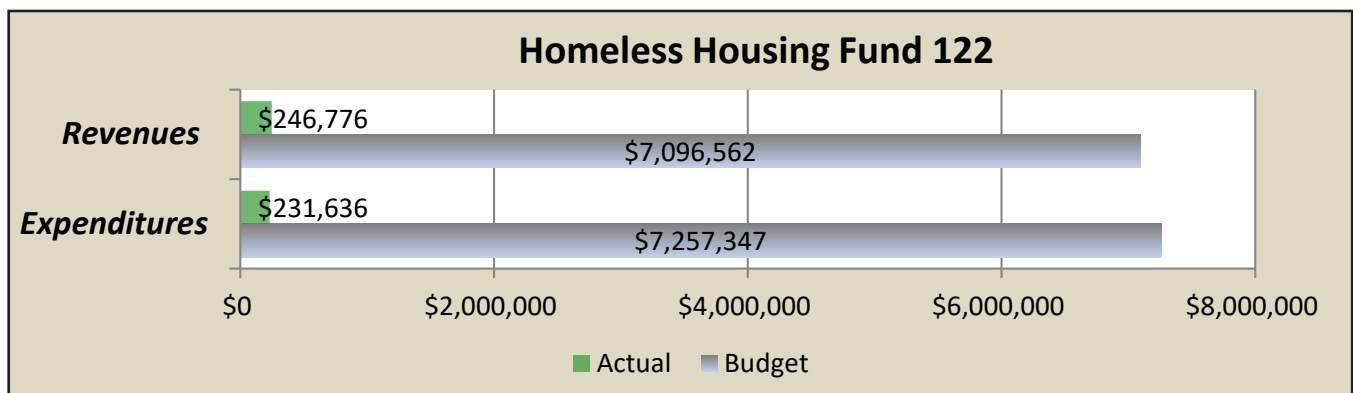
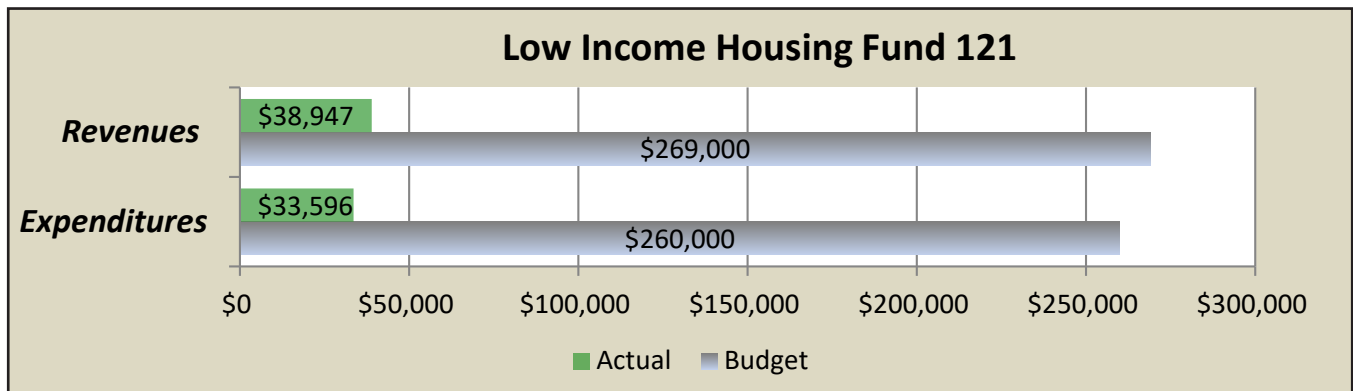
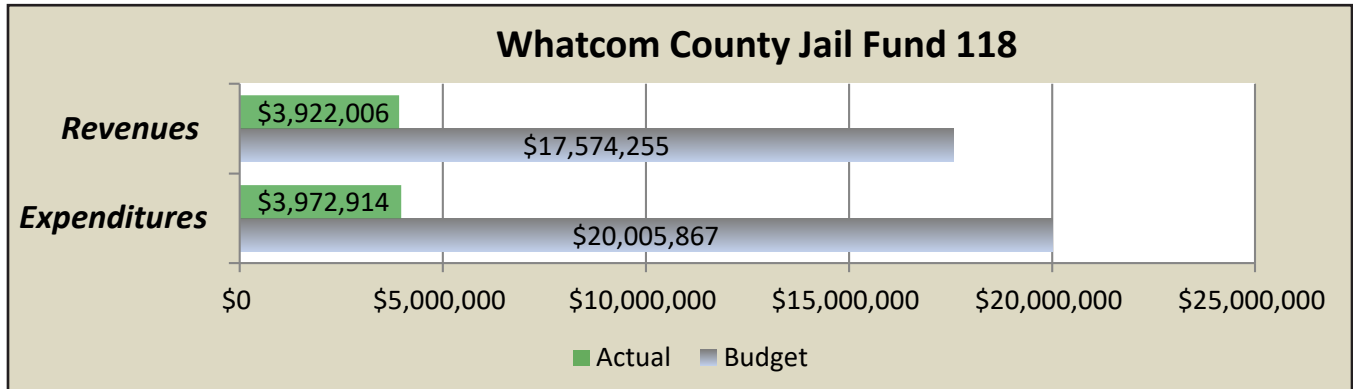
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Special Revenue Funds and Other Funds, continued



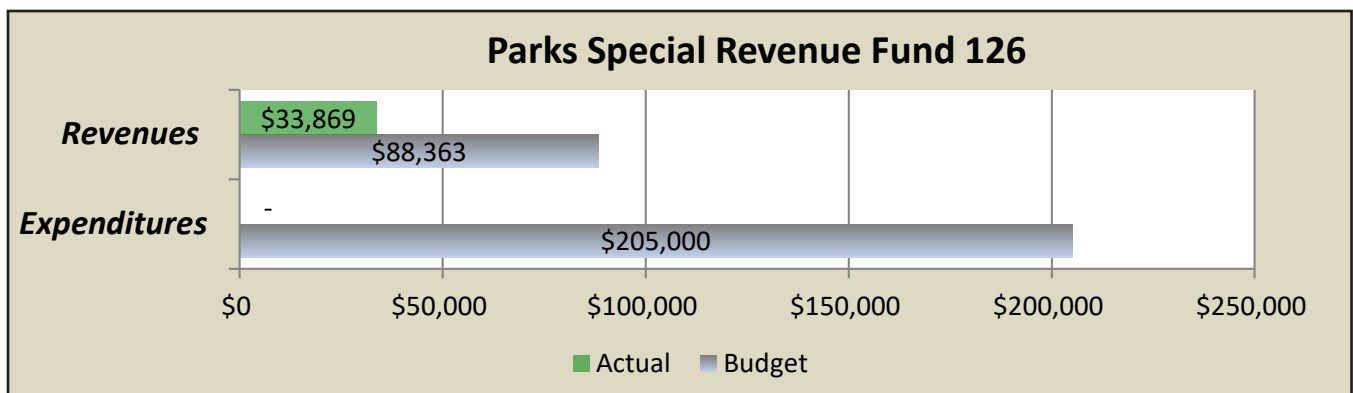
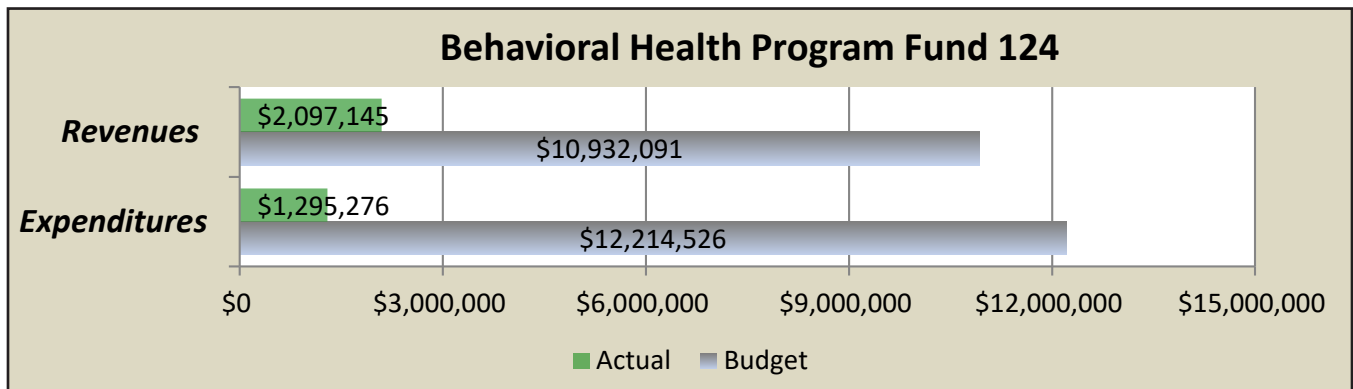
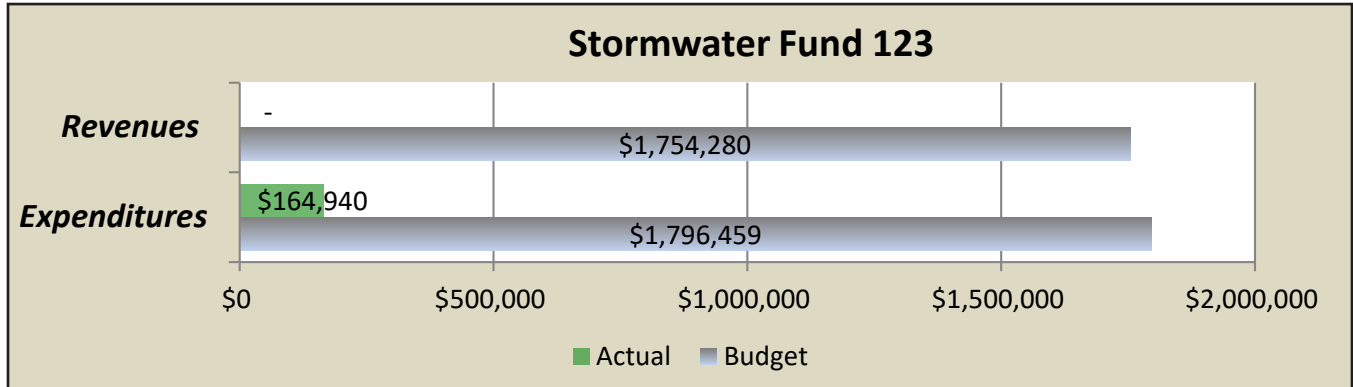
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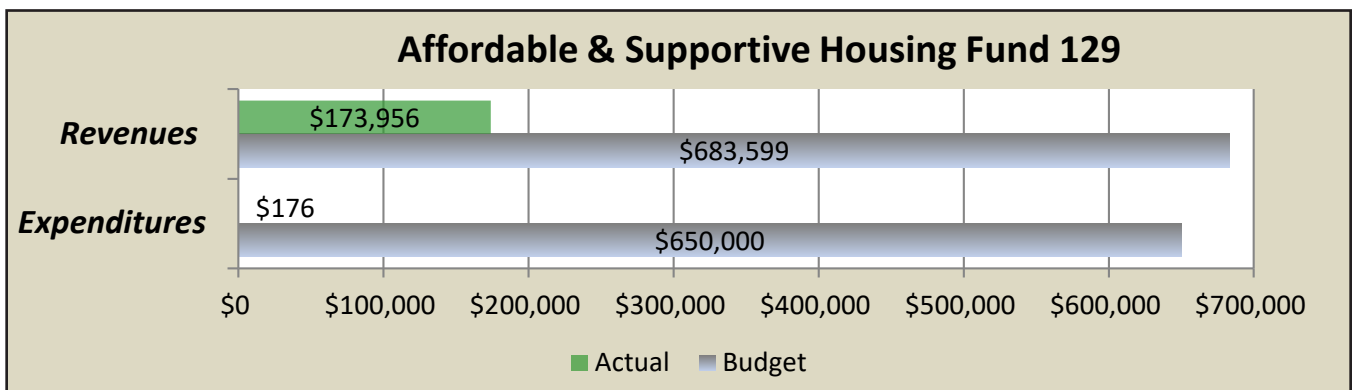
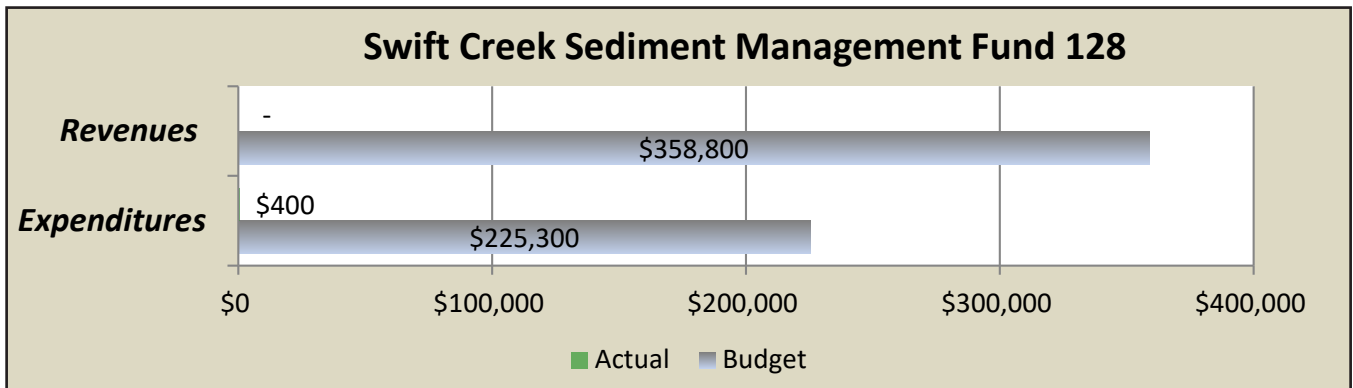
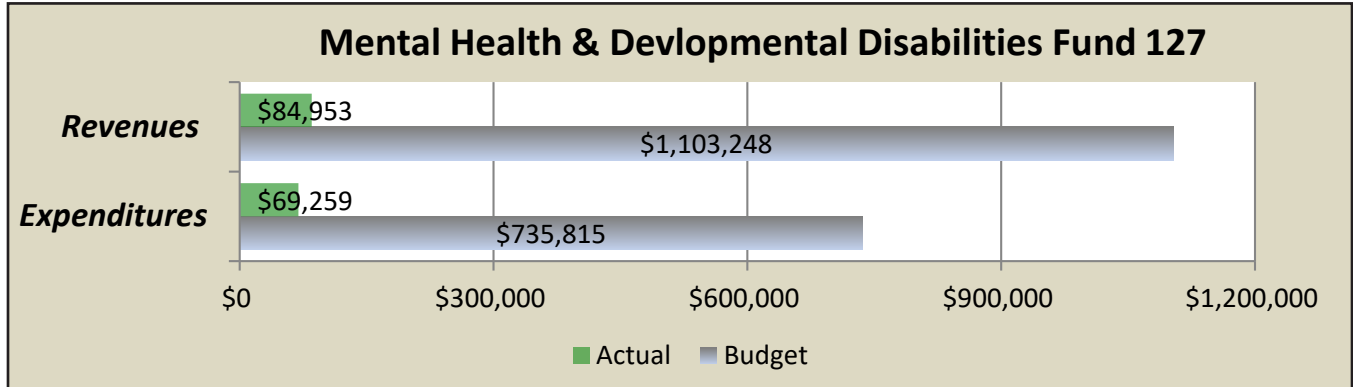
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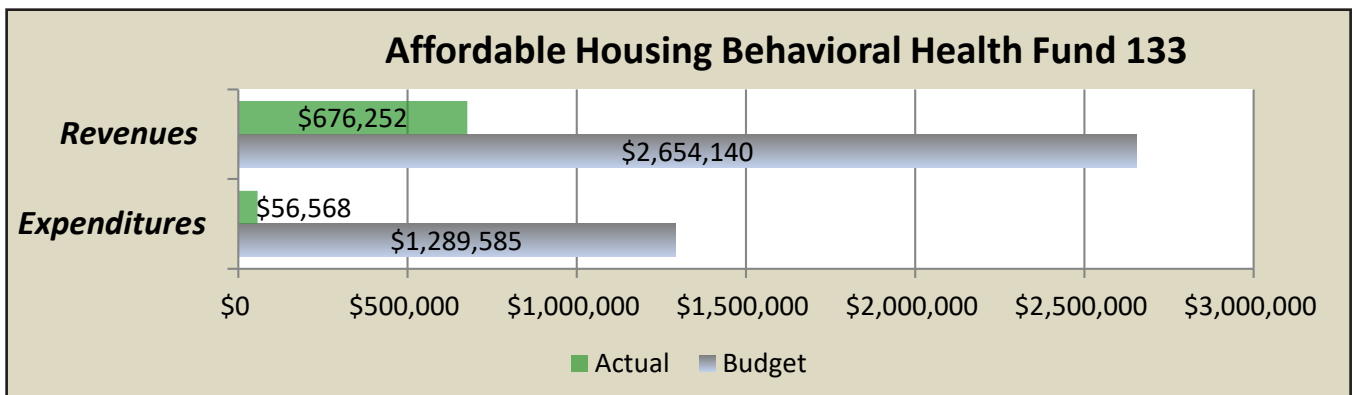
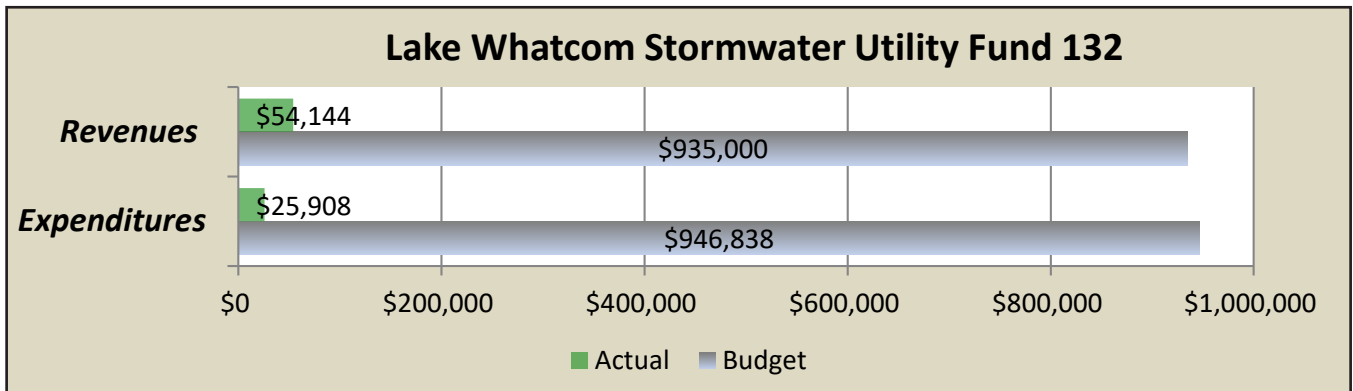
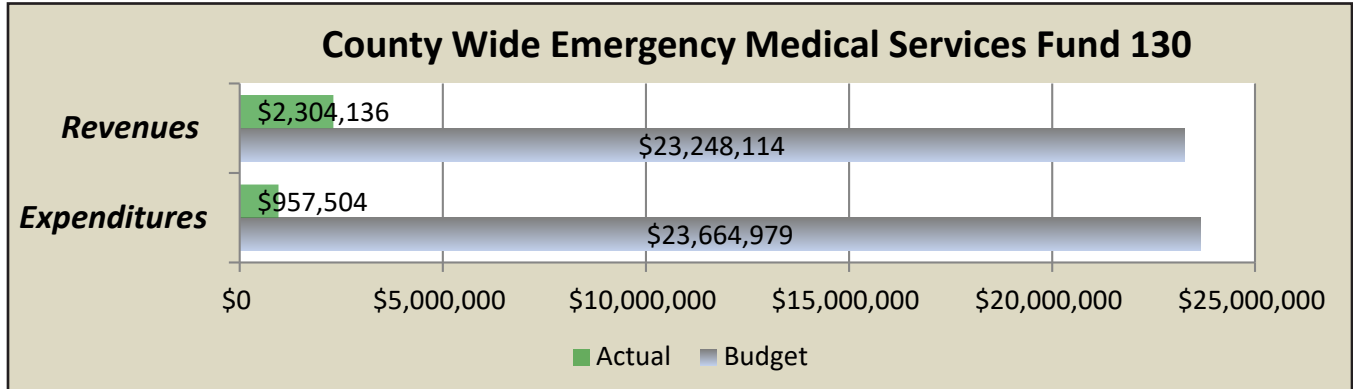
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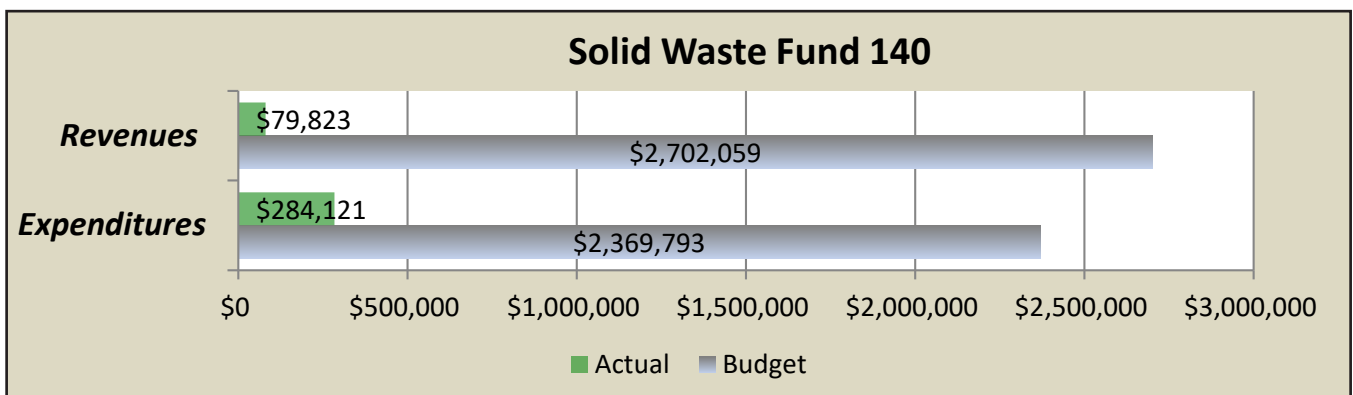
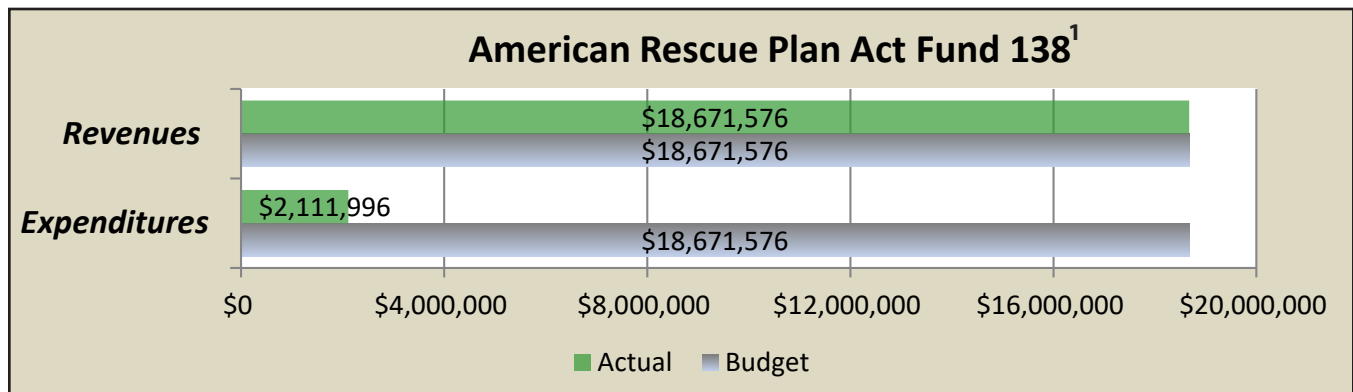
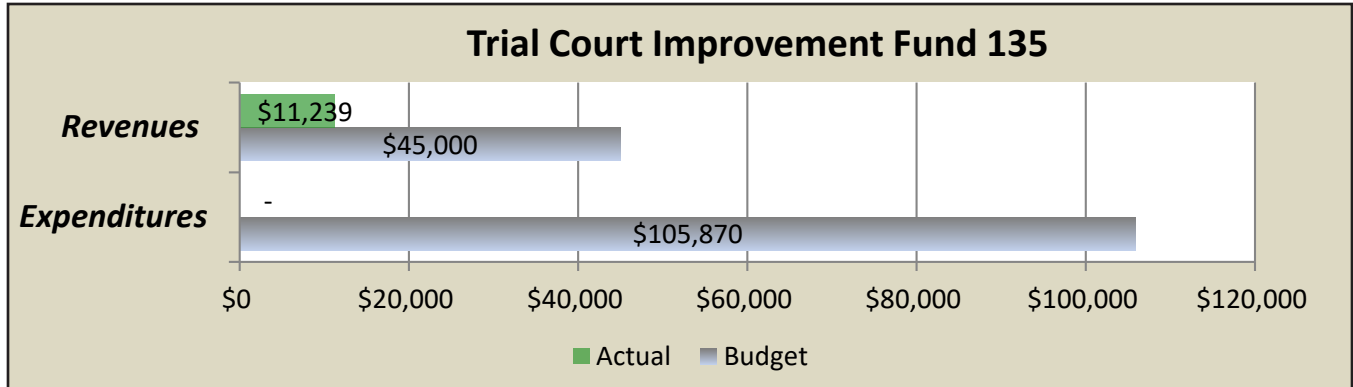
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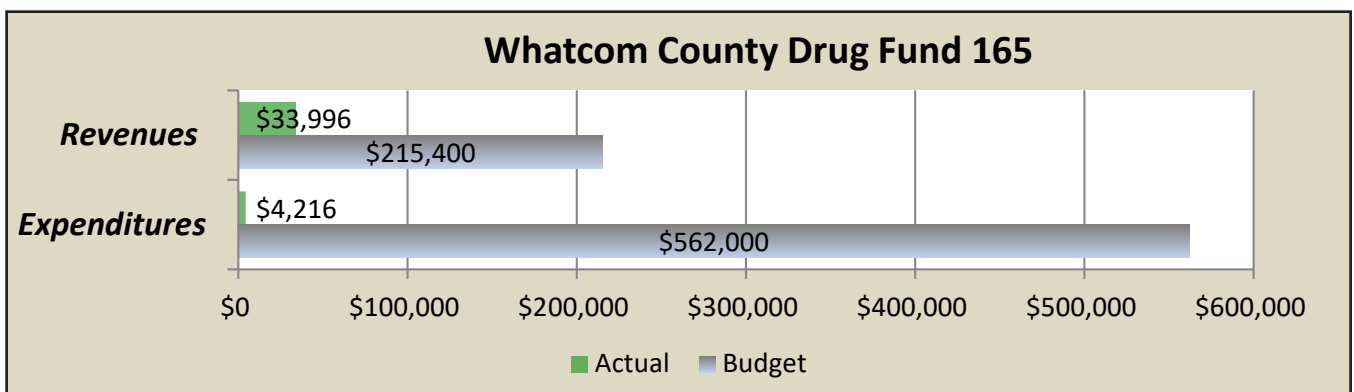
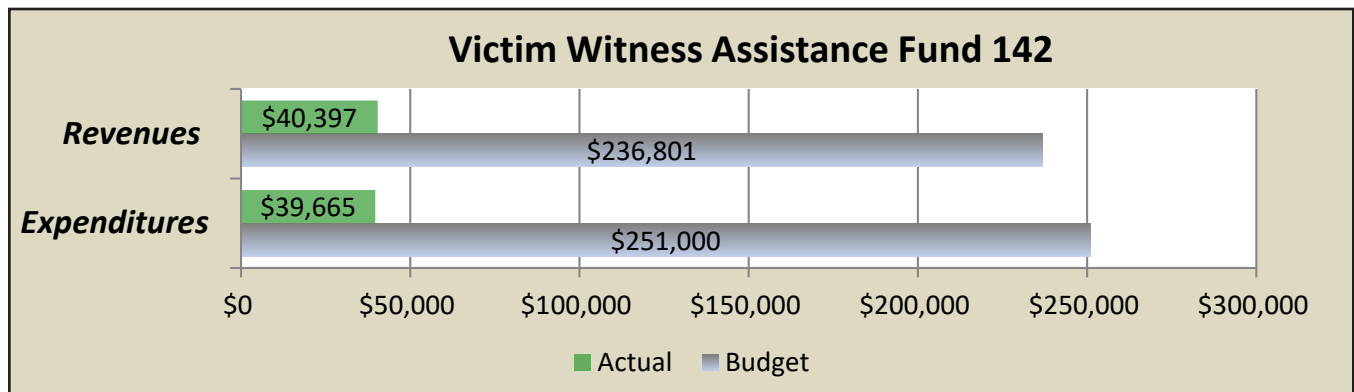
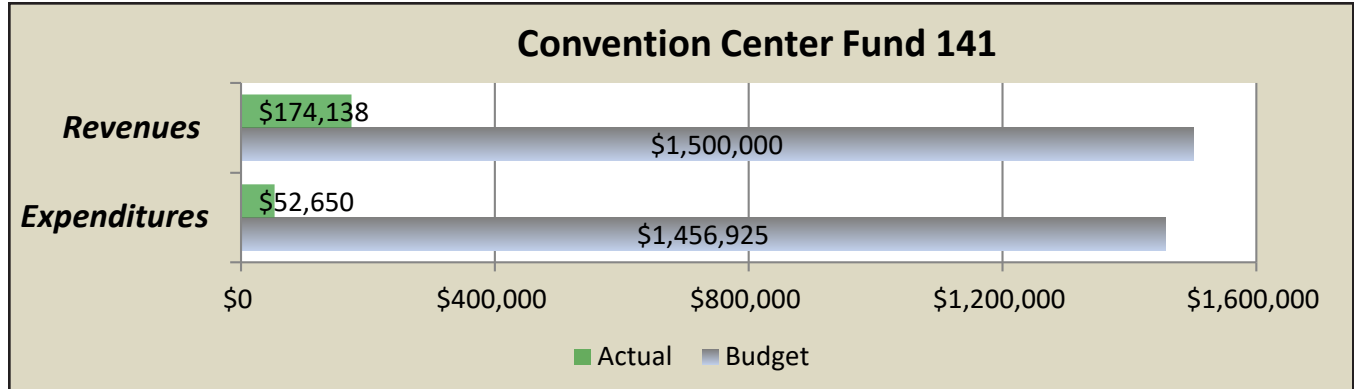
Note 1: American Rescue Plan Act (ARPA) dollars were all received in advance with approximately \$35M remaining at the end of 2022. Only 2023 budgeted amounts will be recognized this year, the remainder will be carried over to FY2024.

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Special Revenue Funds and Other Funds, continued



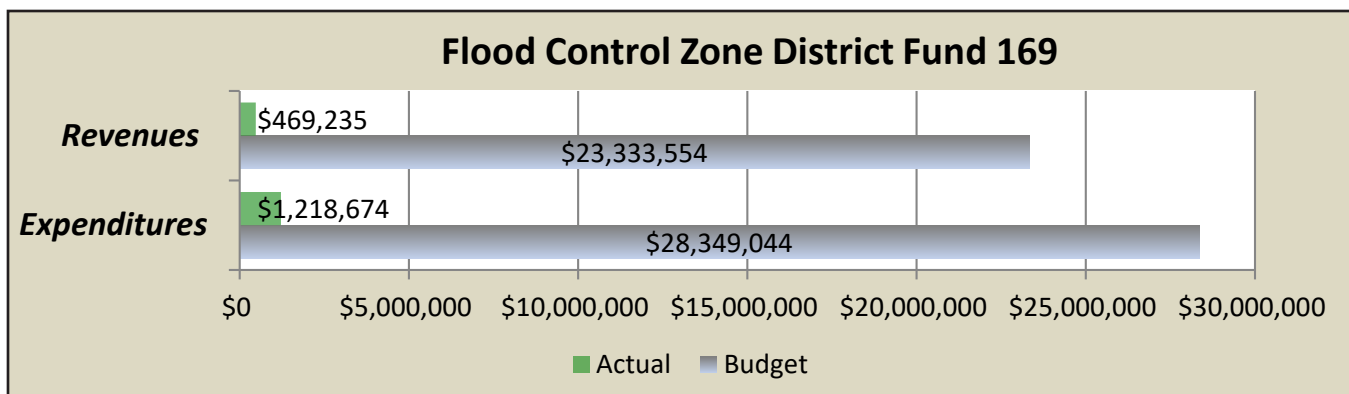
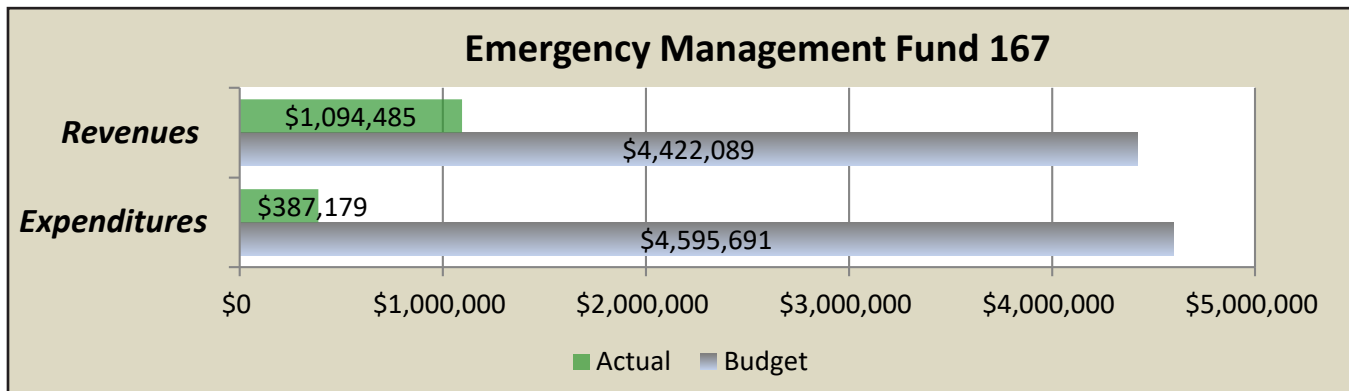
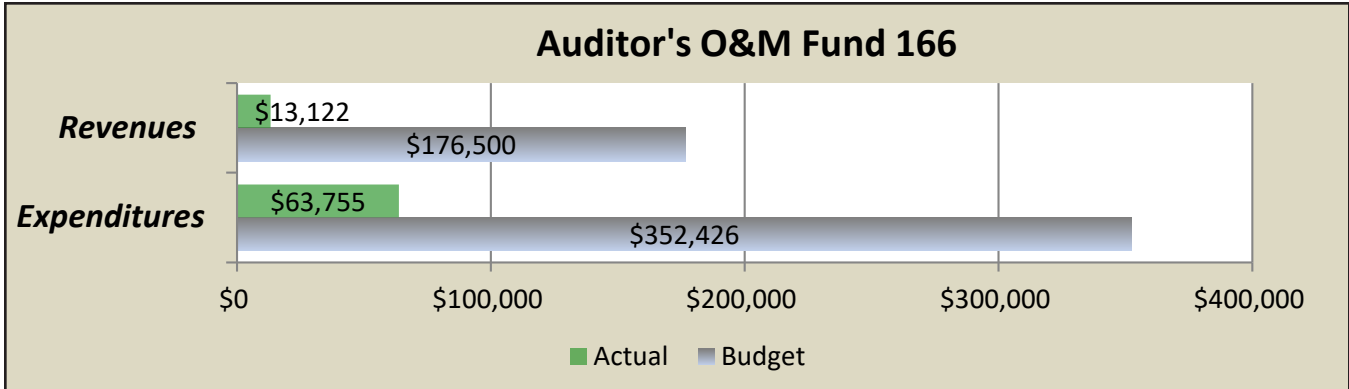
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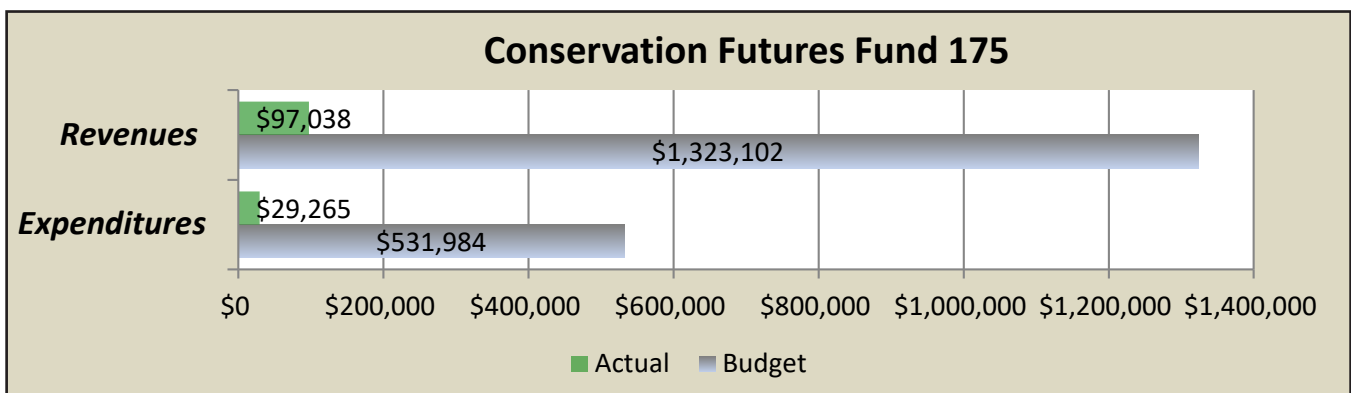
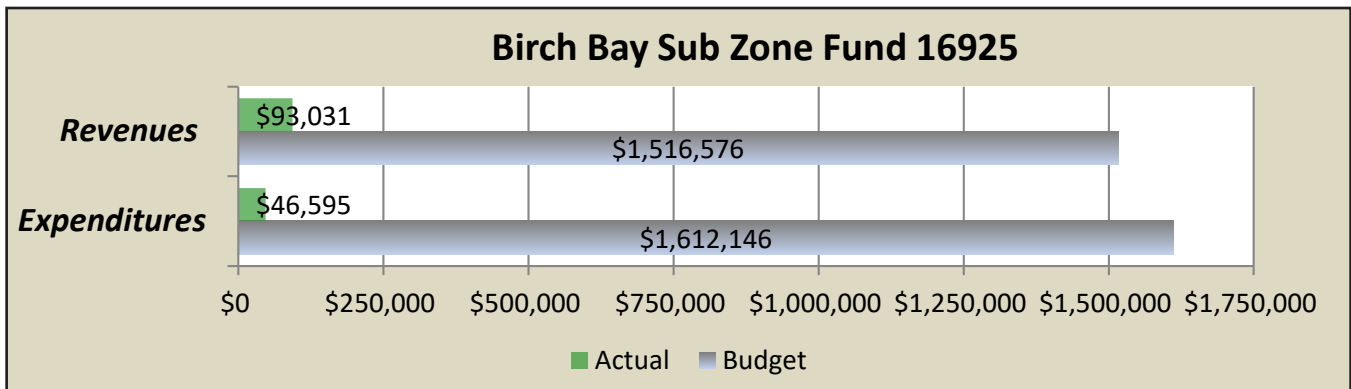
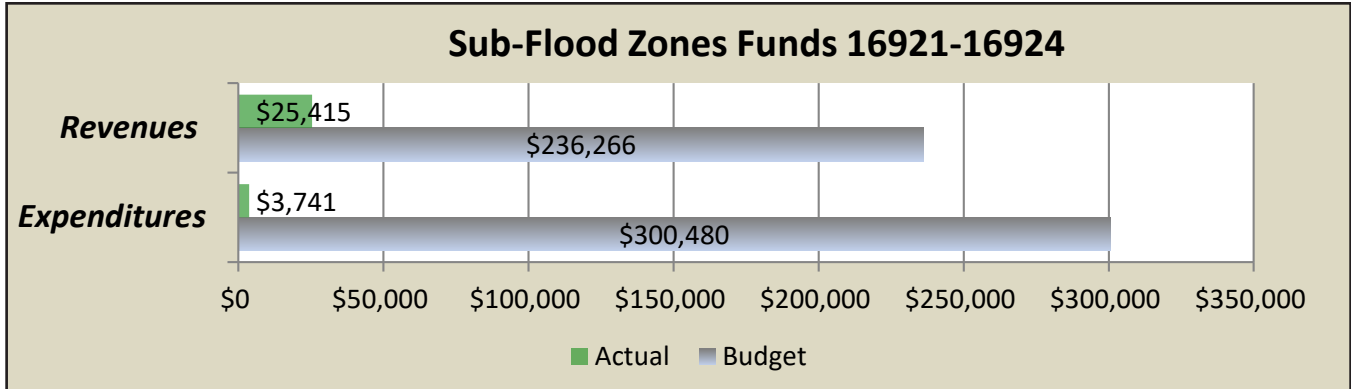
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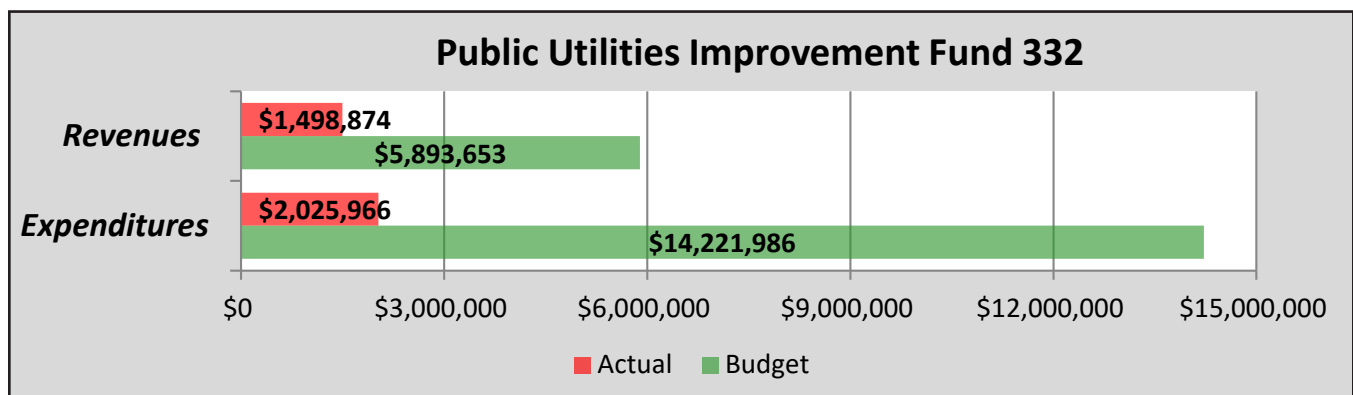
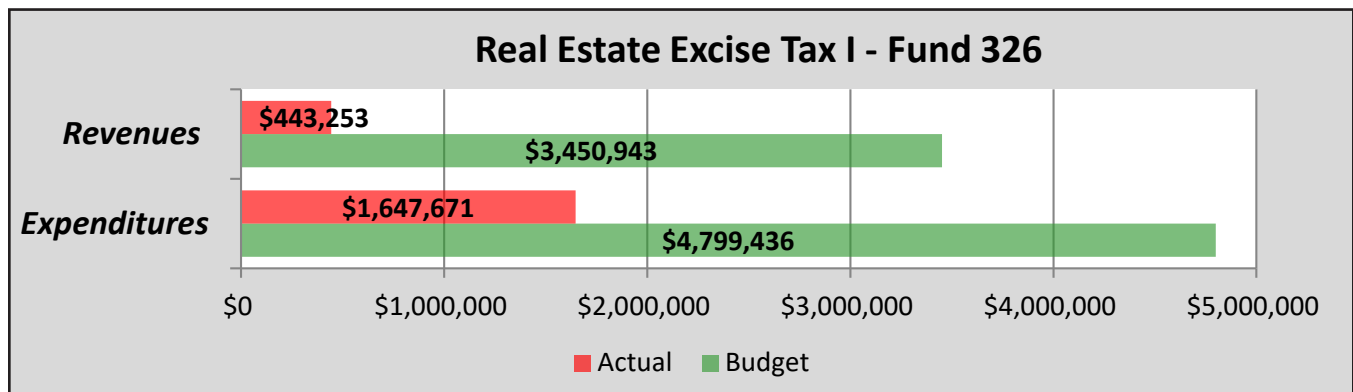
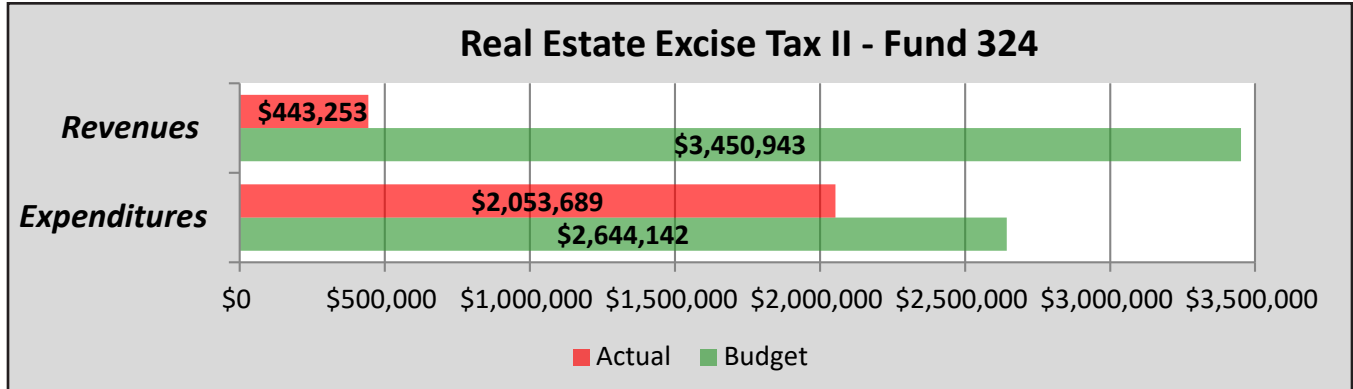
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Capital Project Funds



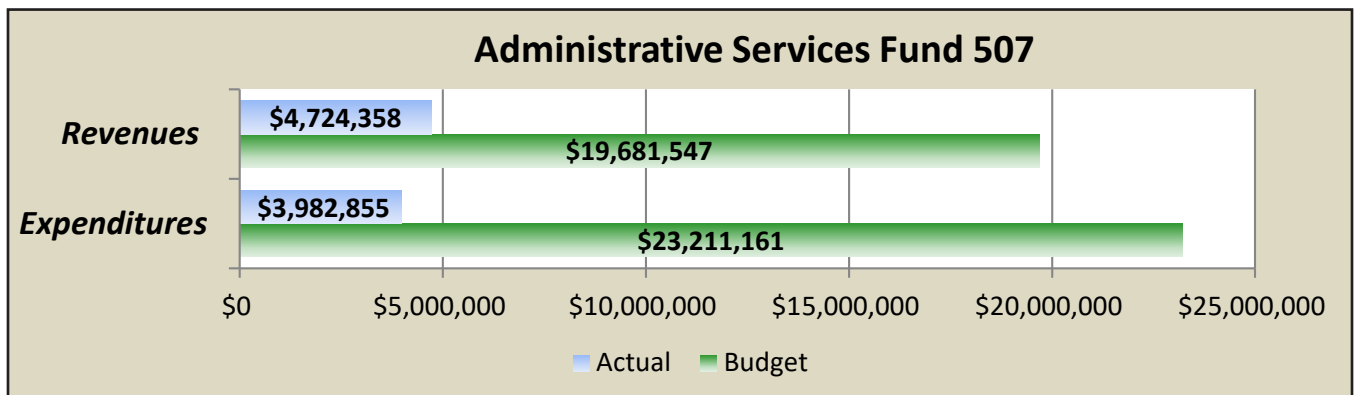
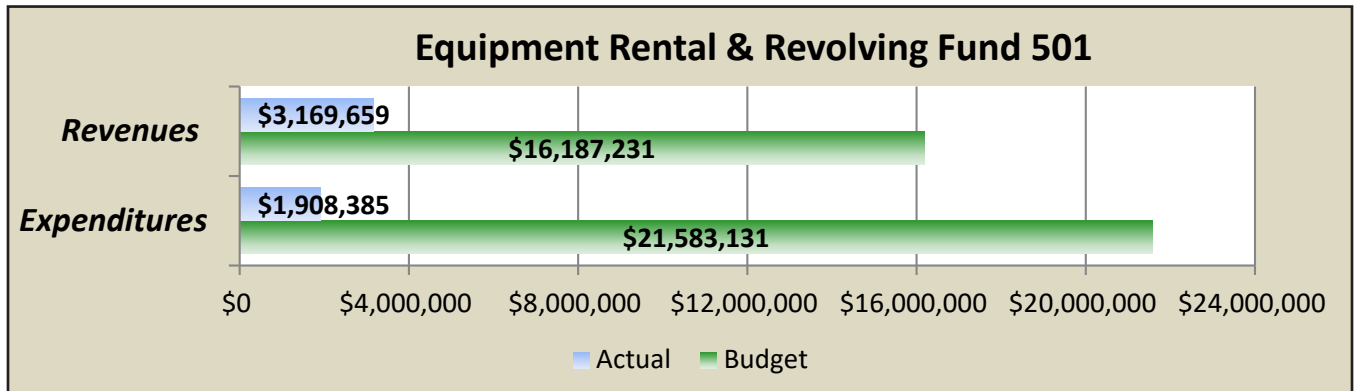
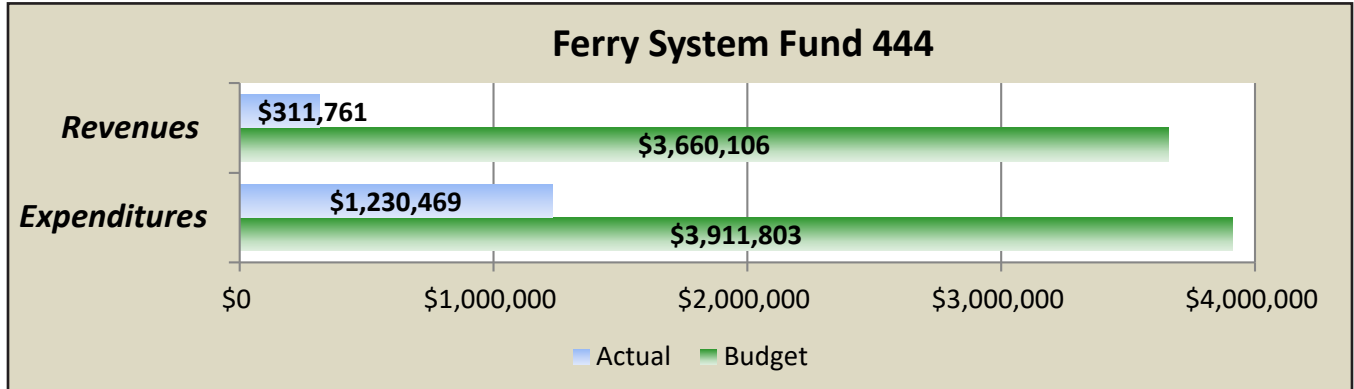
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Enterprise and Internal Service Funds



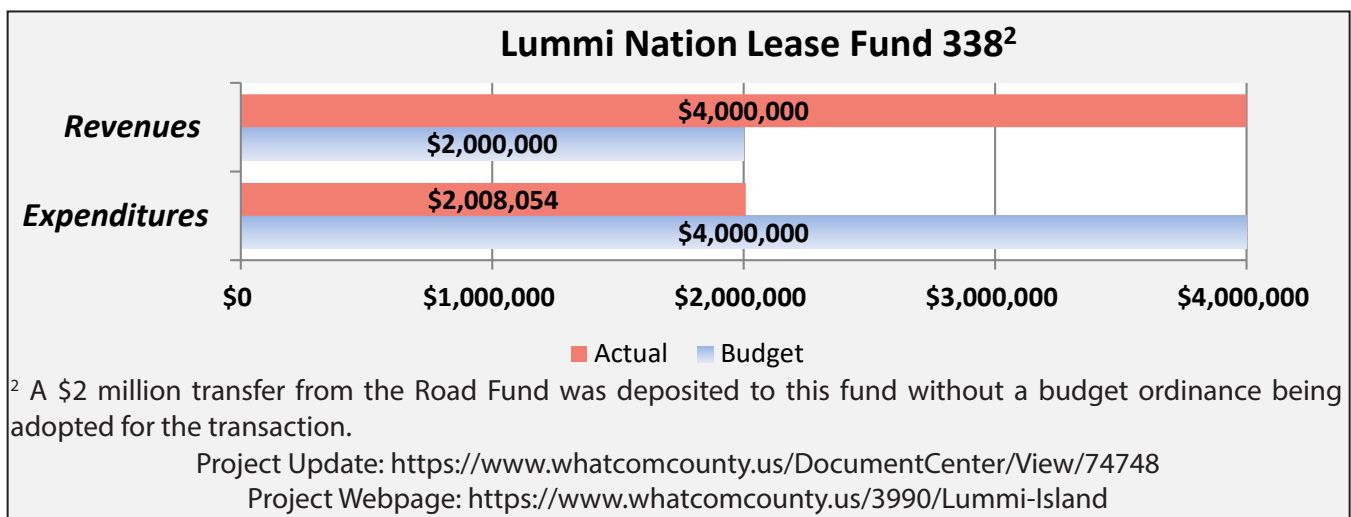
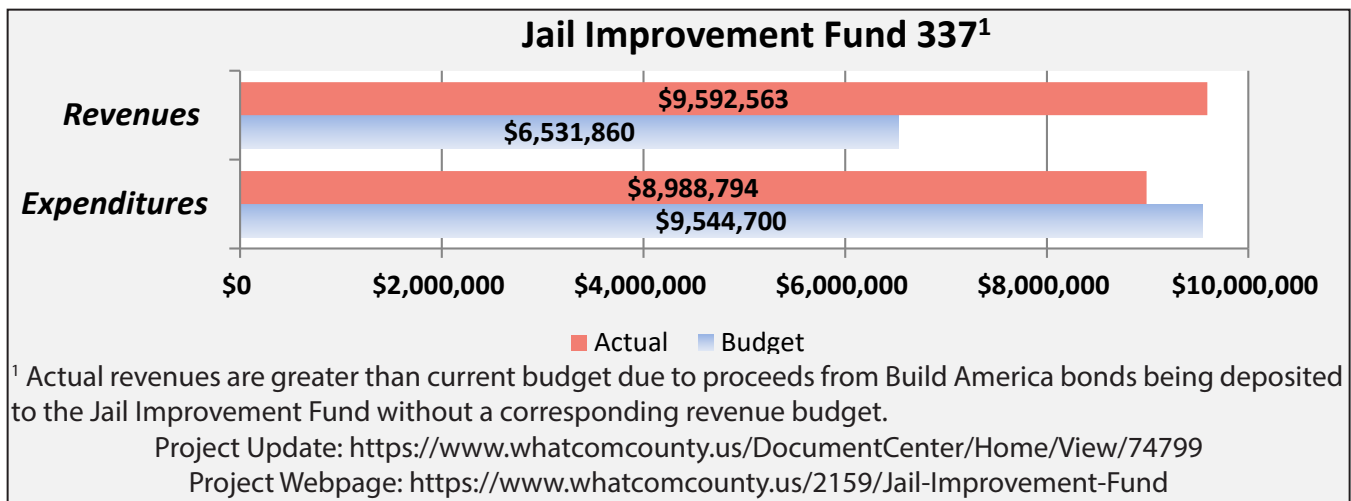
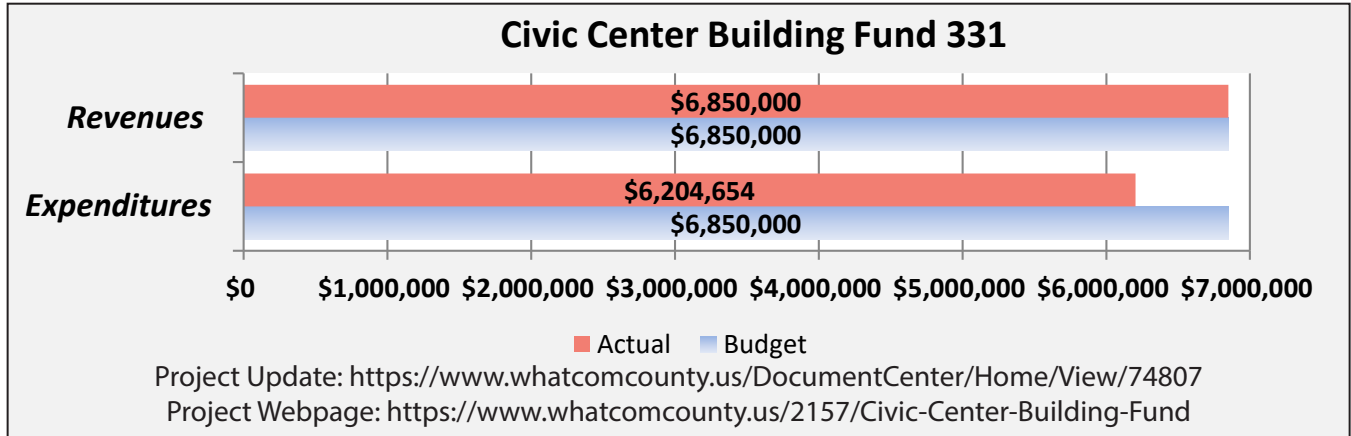
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For the Quarter Ended March 31, 2023



Project Budget Funds

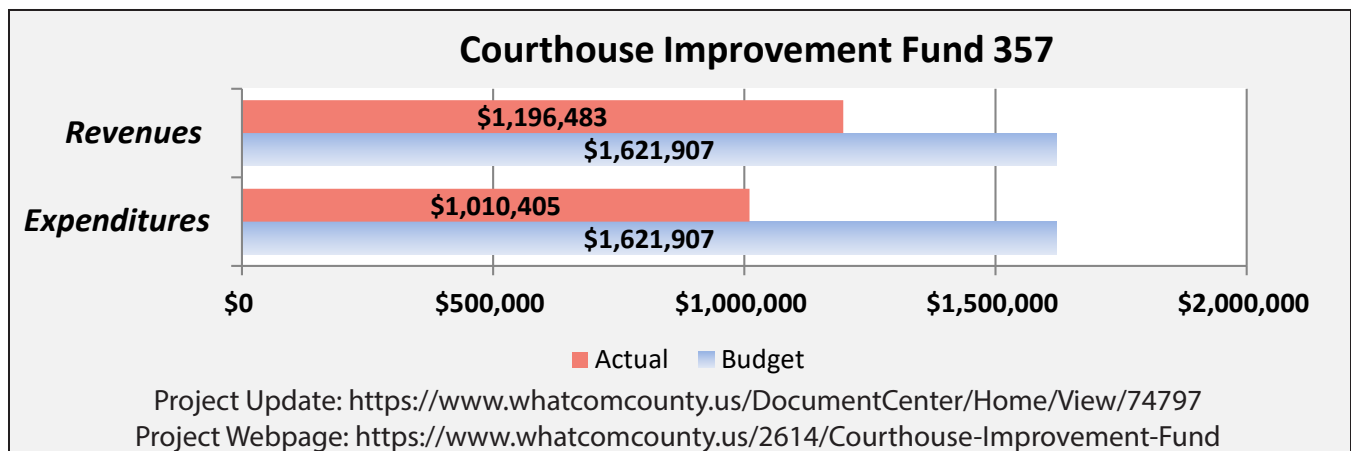
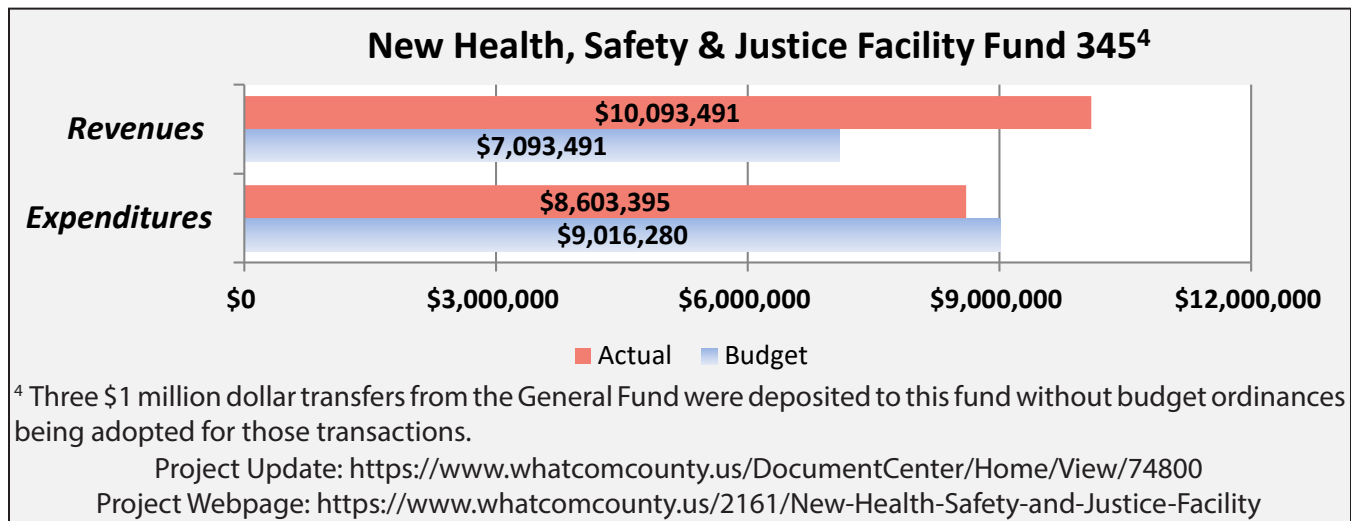
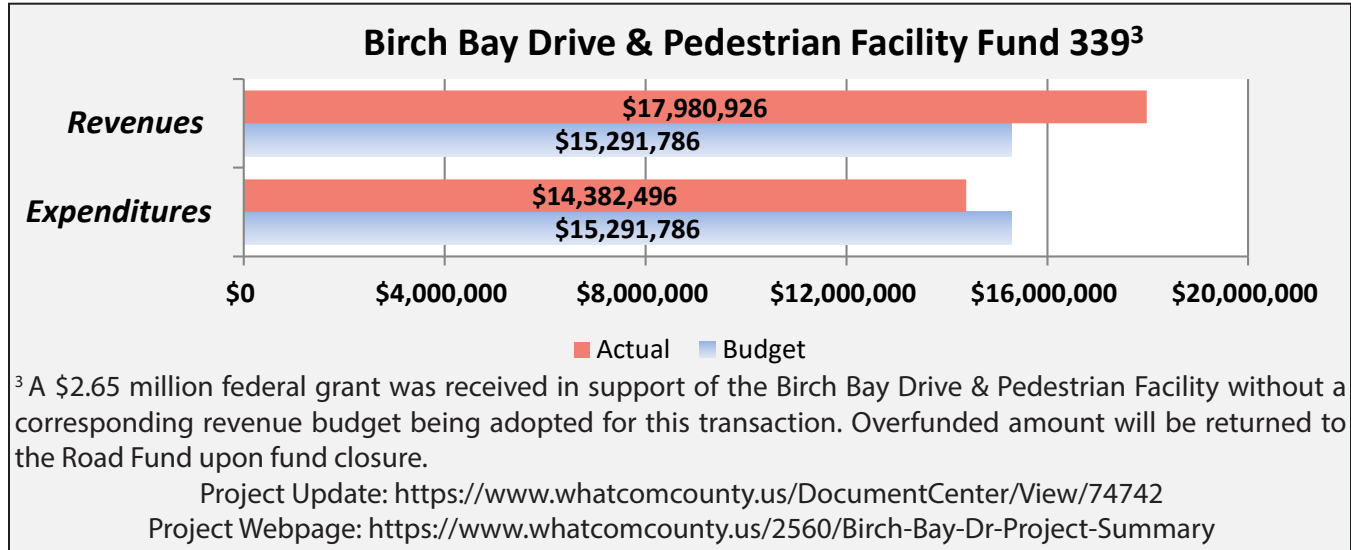


Whatcom County First Quarter 2023 Financial Report

For the Quarter Ended March 31, 2023



Project Budget Funds, continued

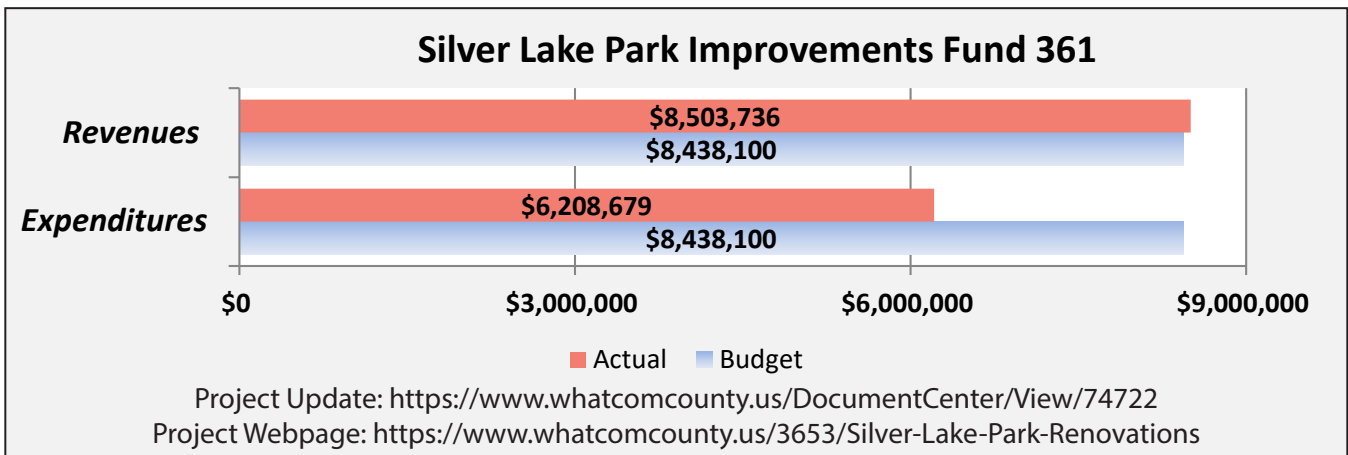
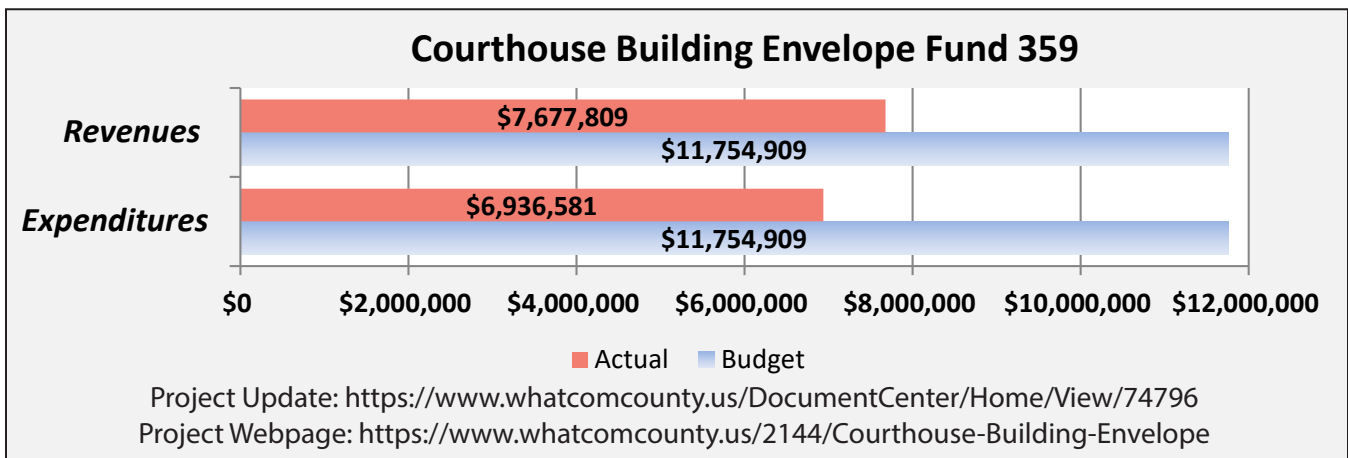
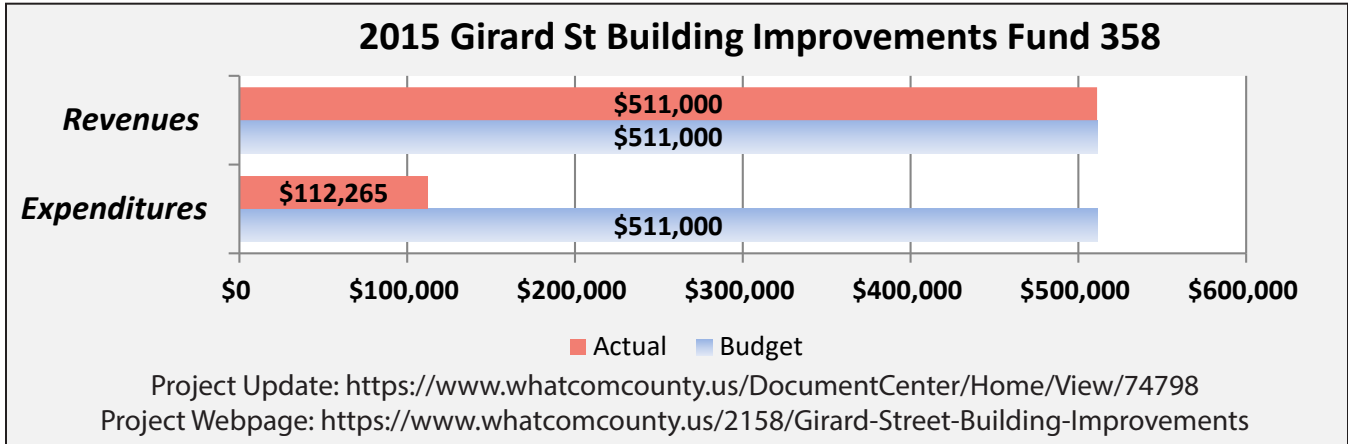


Whatcom County First Quarter 2023 Financial Report

For the Quarter Ended March 31, 2023



Project Budget Funds, continued

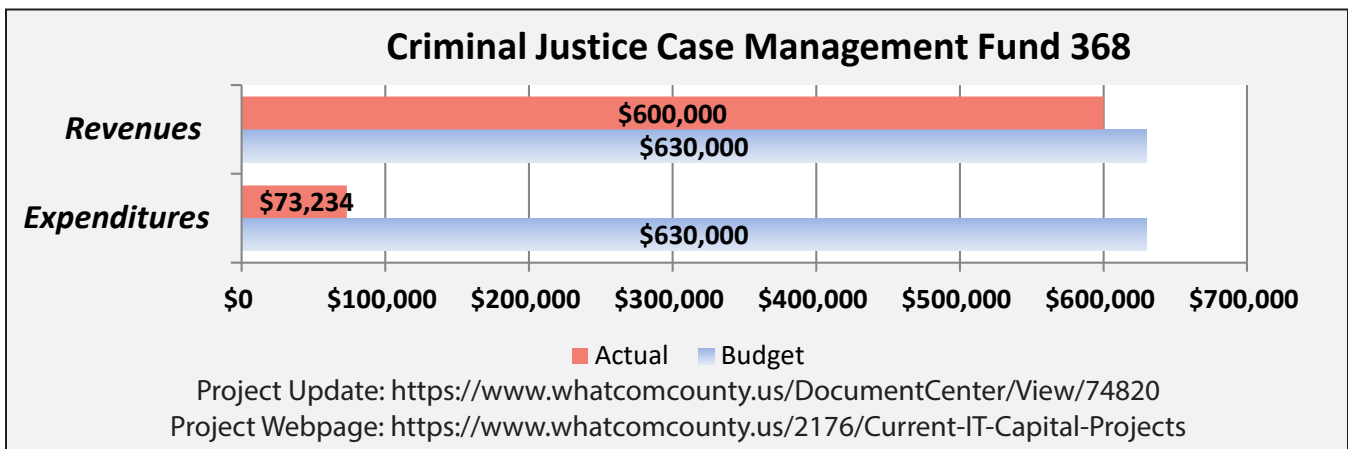
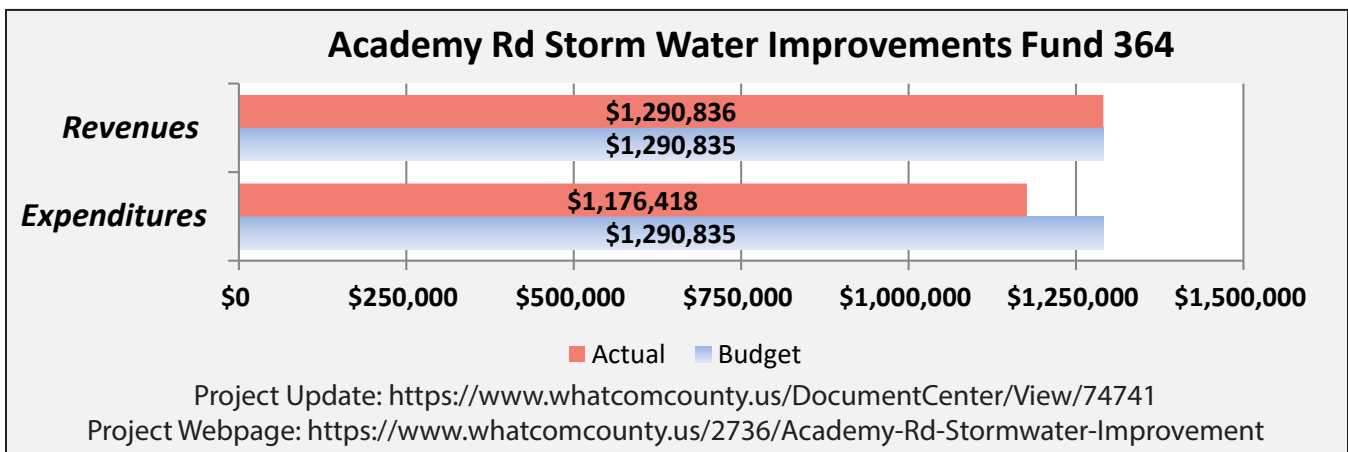
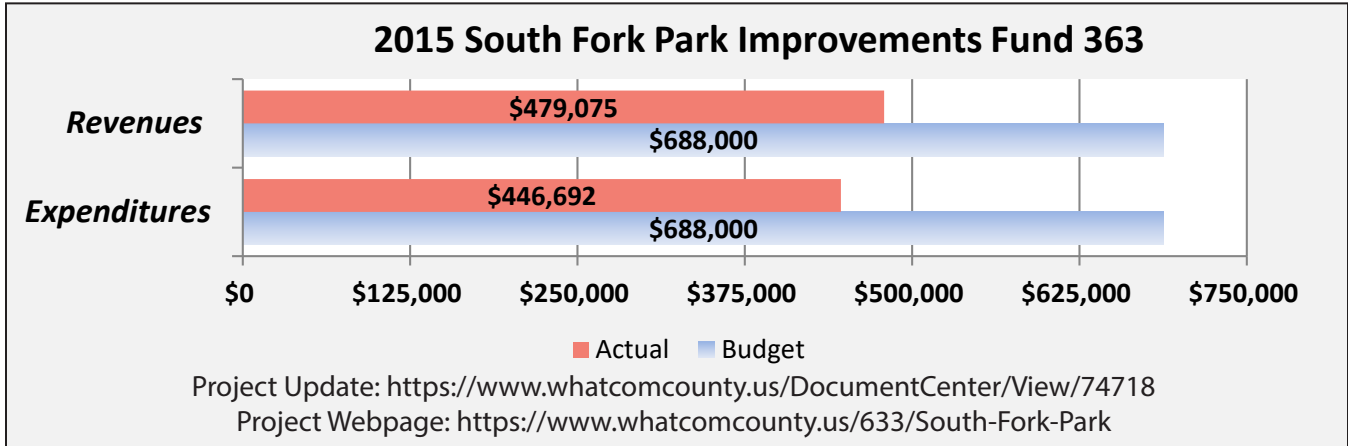


Whatcom County First Quarter 2023 Financial Report

For the Quarter Ended March 31, 2023



Project Budget Funds, continued

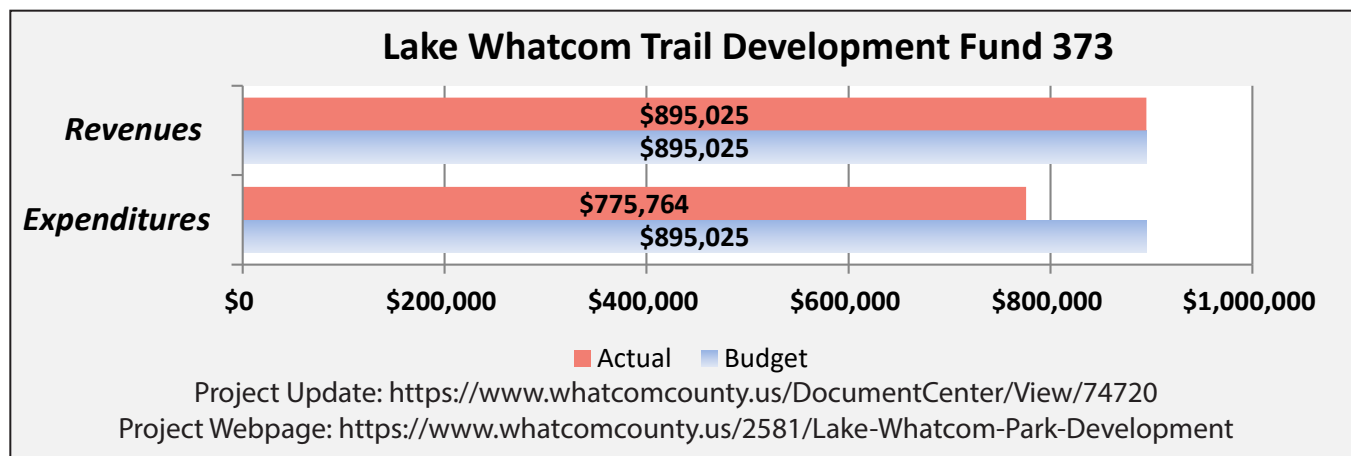
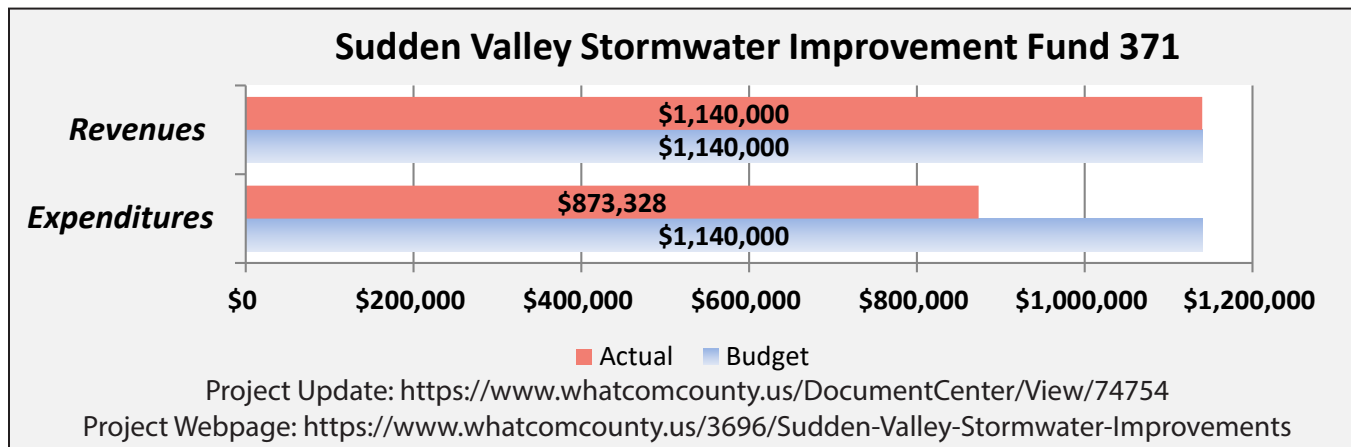
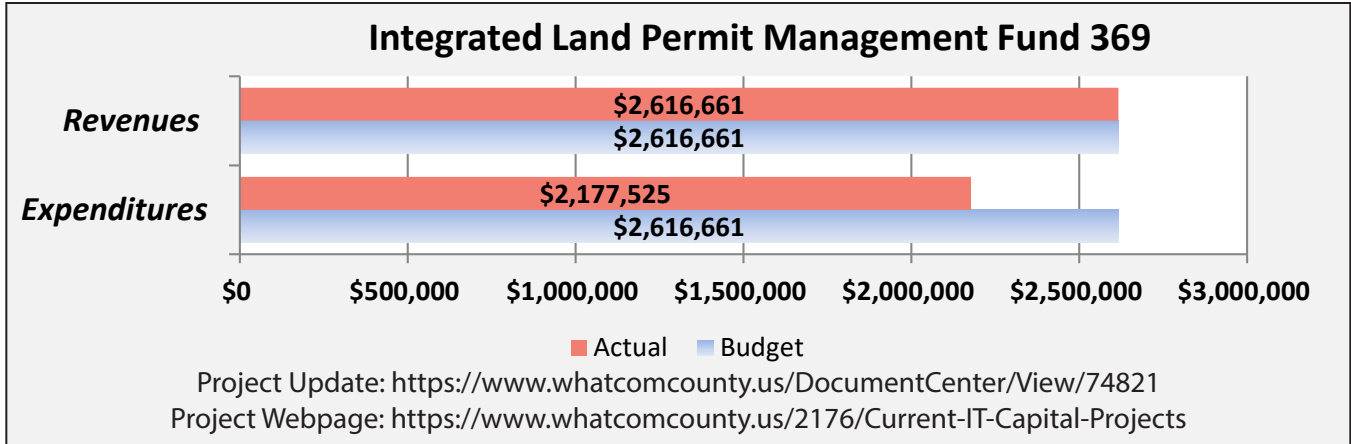


Whatcom County First Quarter 2023 Financial Report

For the Quarter Ended March 31, 2023



Project Budget Funds, continued

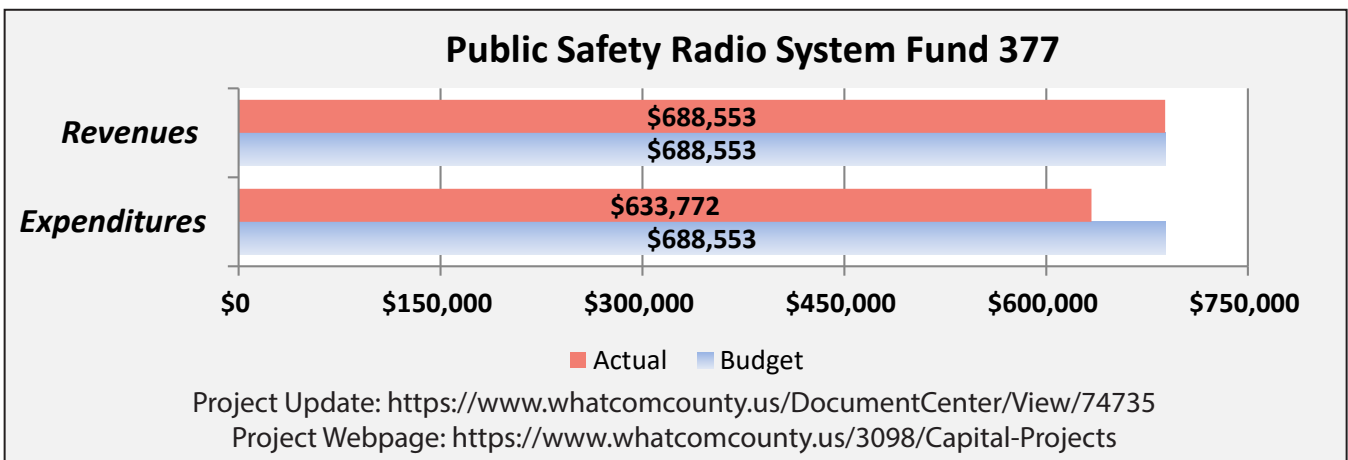
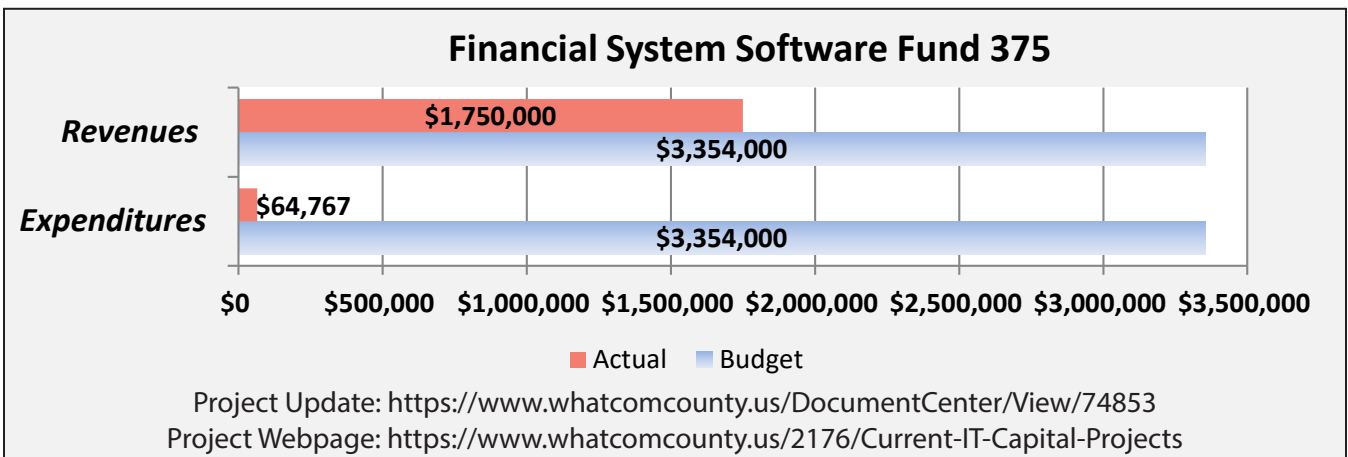
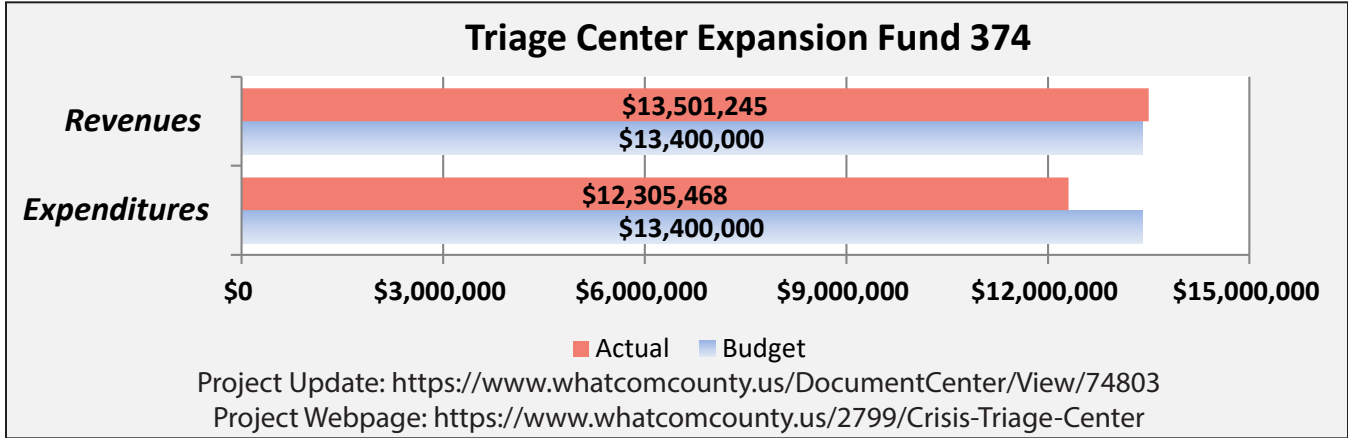


Whatcom County First Quarter 2023 Financial Report

For the Quarter Ended March 31, 2023



Project Budget Funds, continued

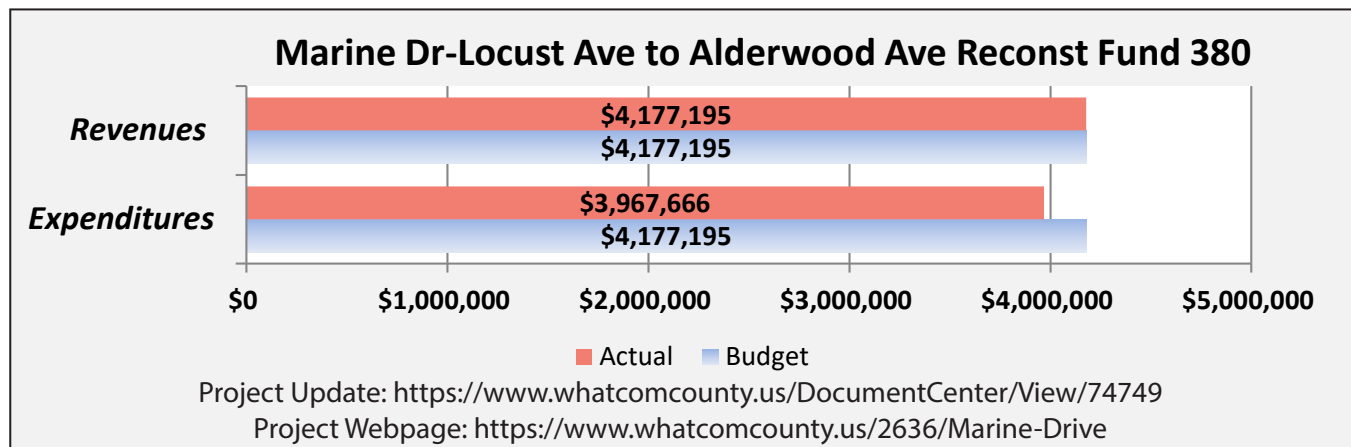
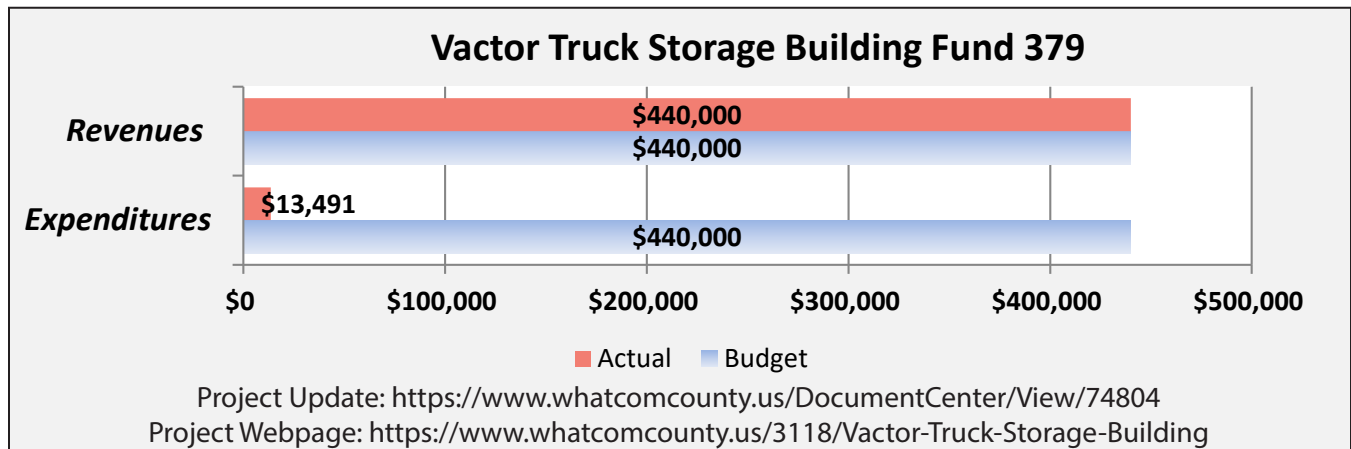
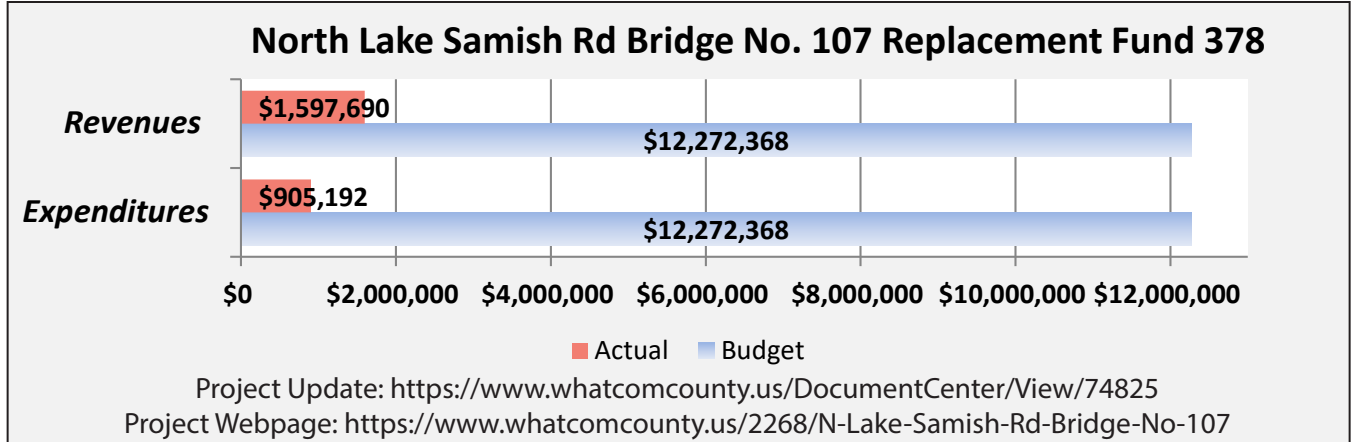


Whatcom County First Quarter 2023 Financial Report

For the Quarter Ended March 31, 2023



Project Budget Funds, continued

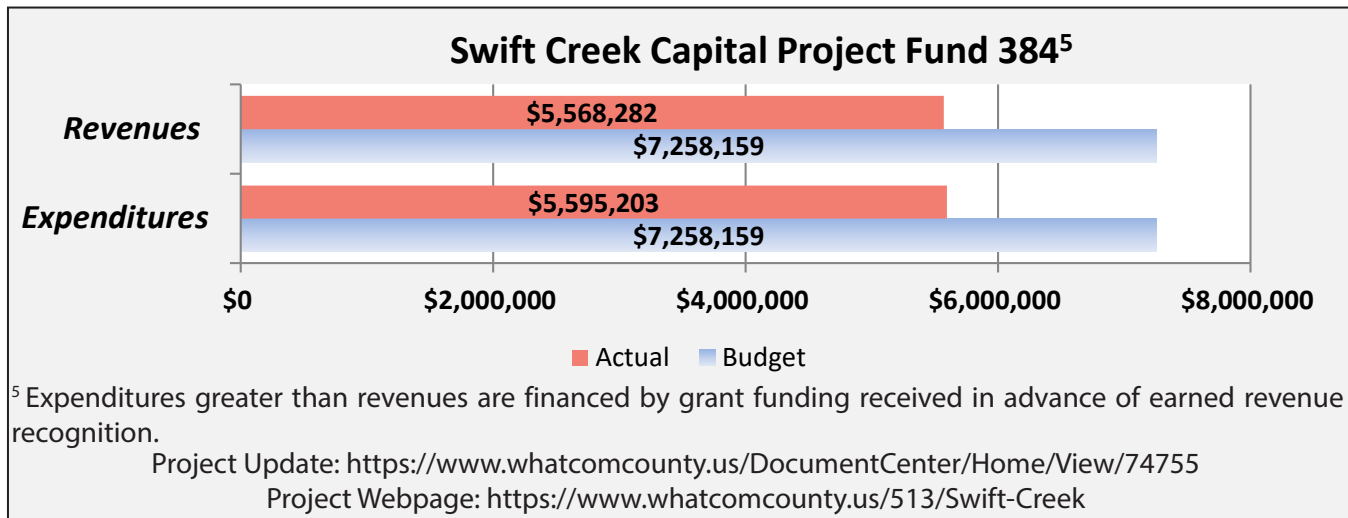
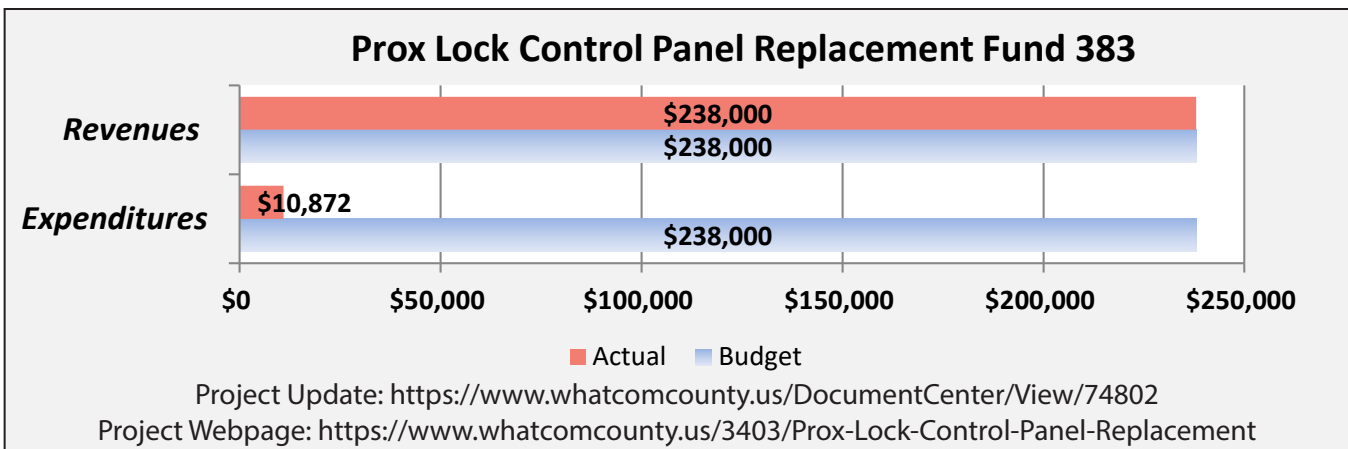
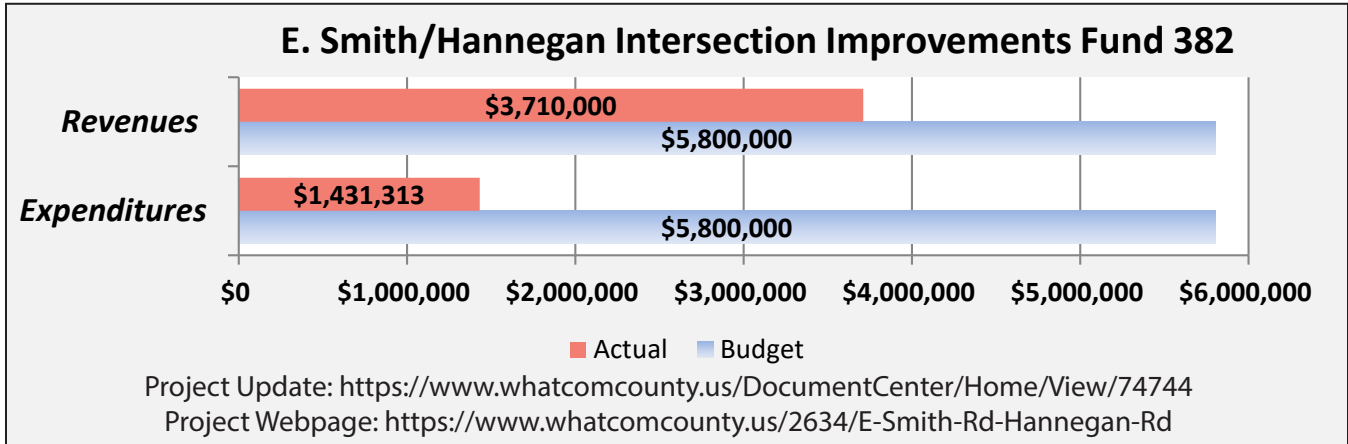


Whatcom County First Quarter 2023 Financial Report

For the Quarter Ended March 31, 2023



Project Budget Funds, continued

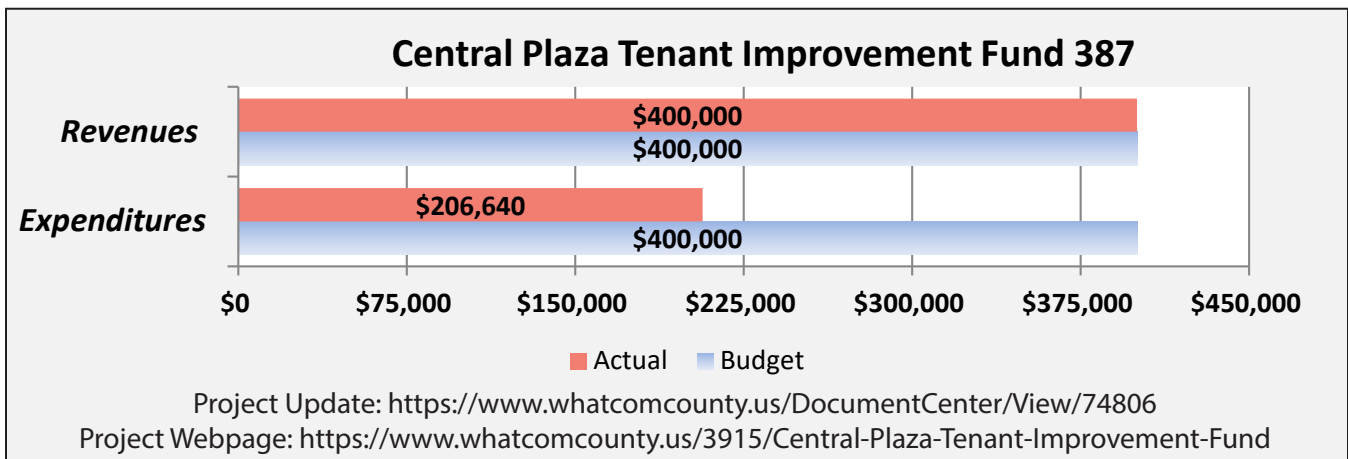
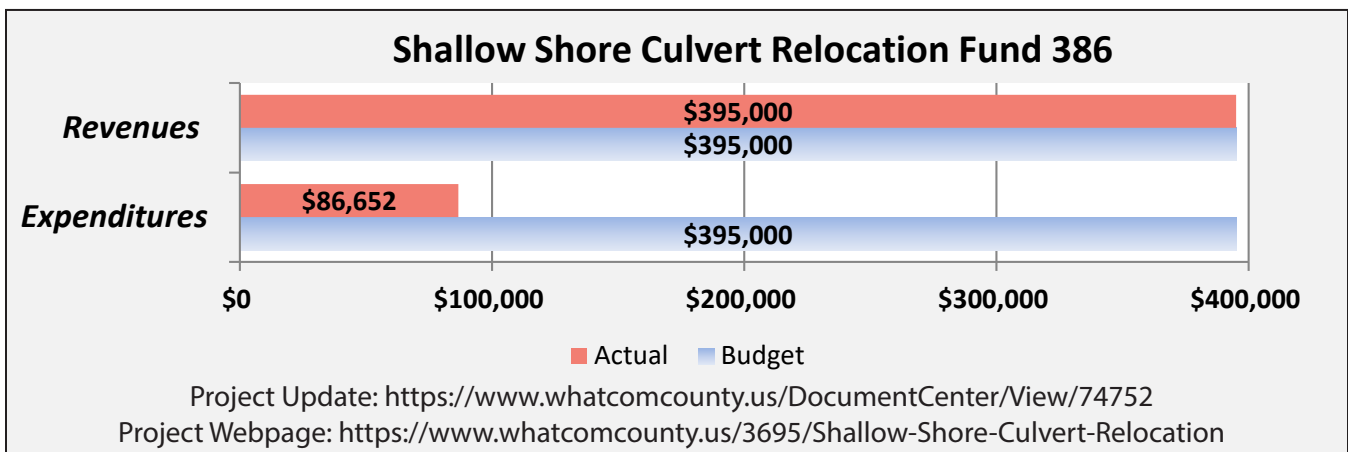
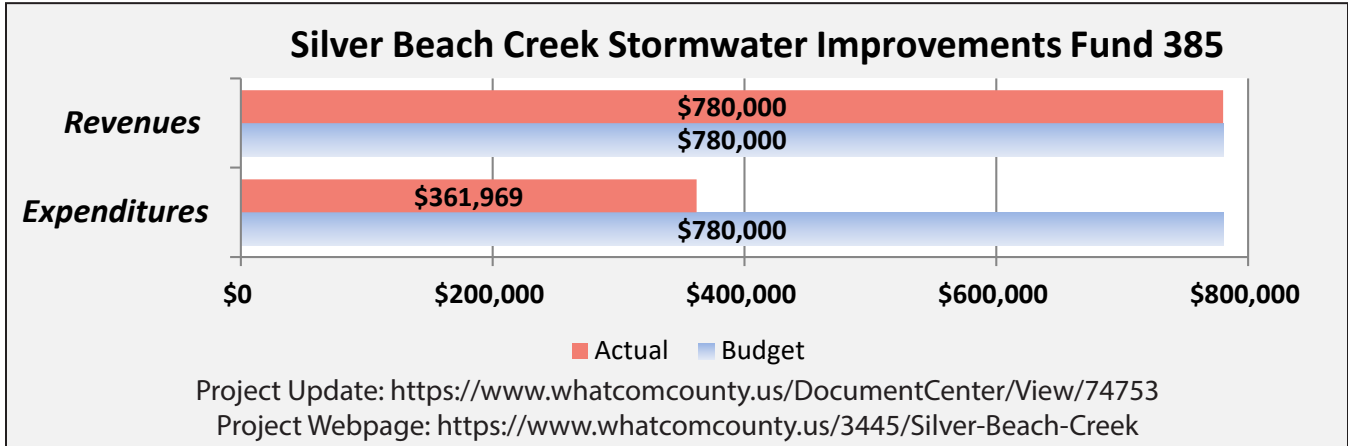


Whatcom County First Quarter 2023 Financial Report

For the Quarter Ended March 31, 2023



Project Budget Funds, continued

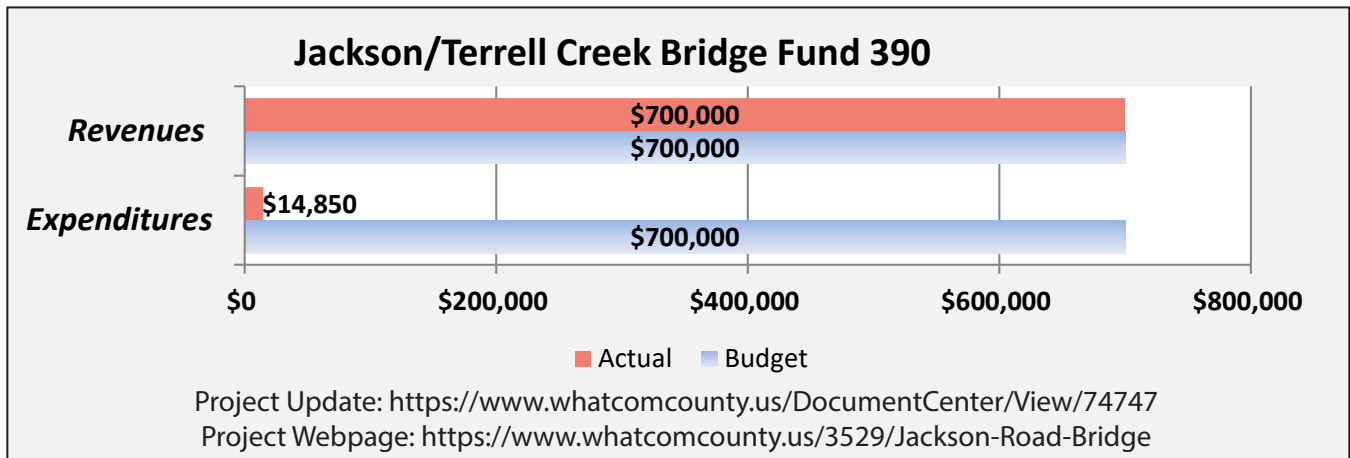
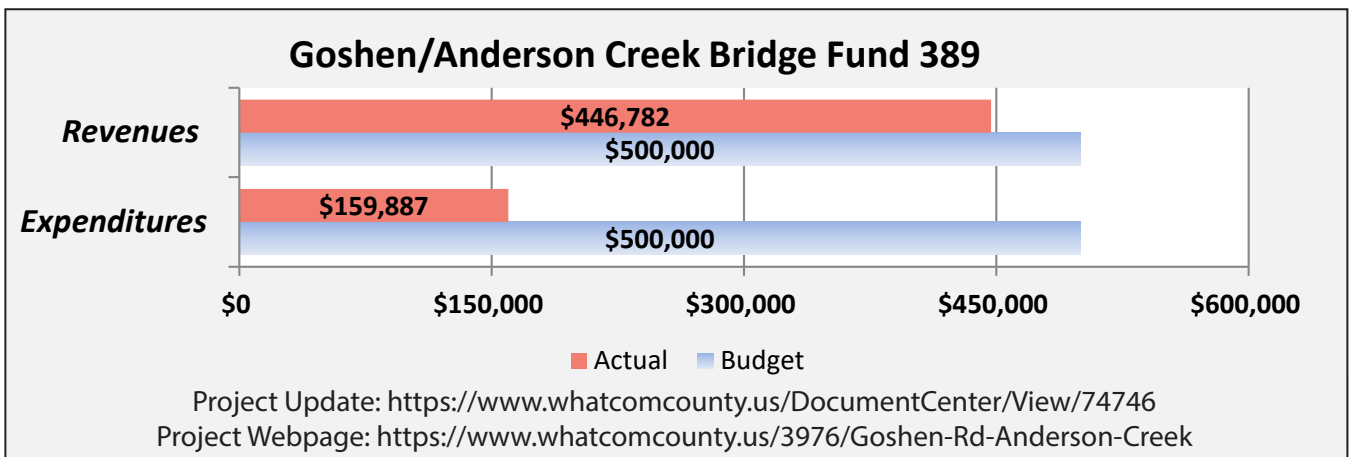
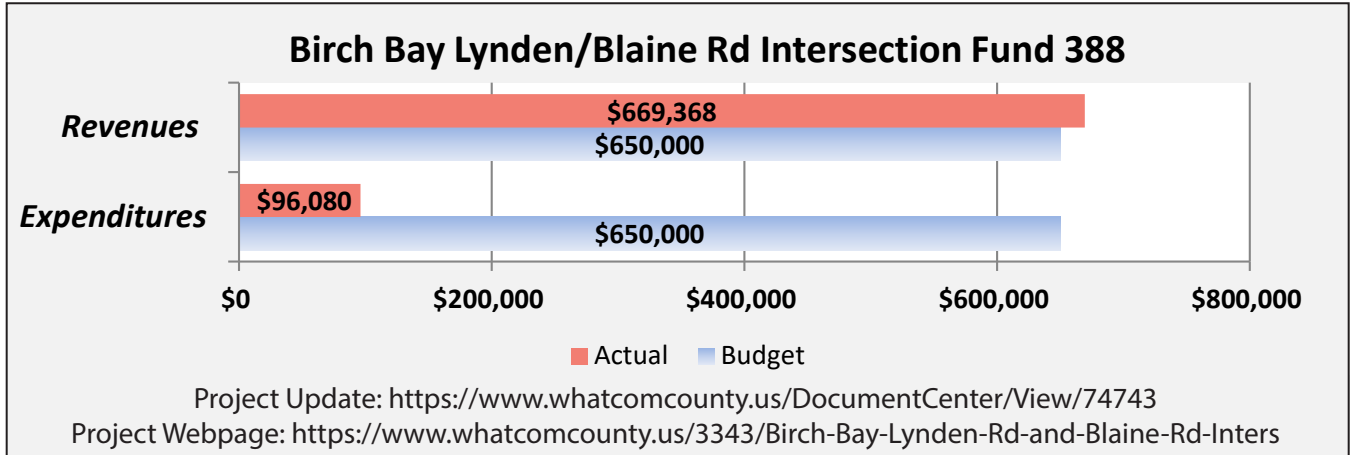


Whatcom County First Quarter 2023 Financial Report

For the Quarter Ended March 31, 2023



Project Budget Funds, continued

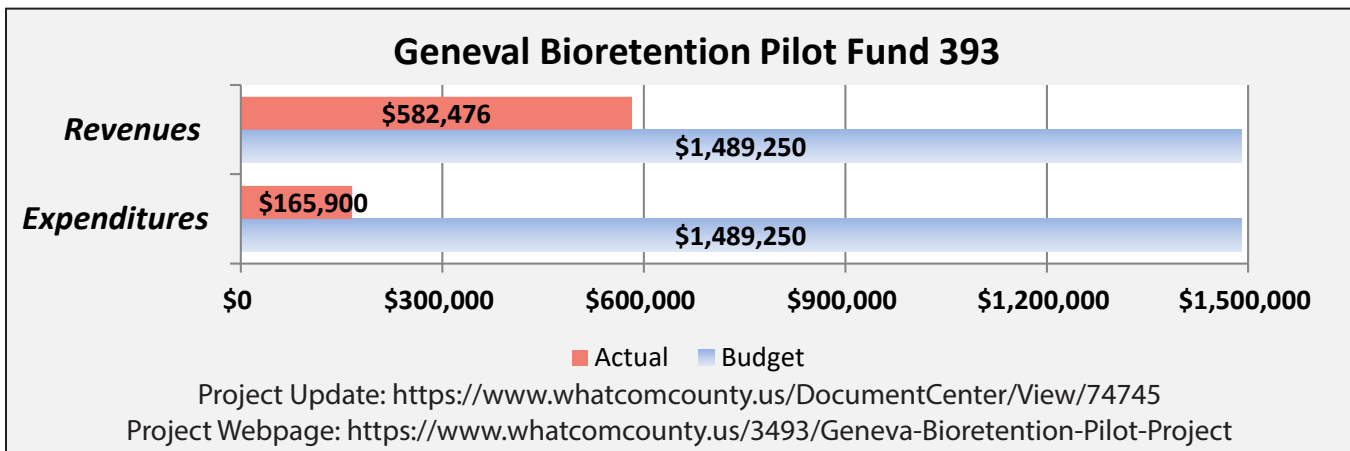
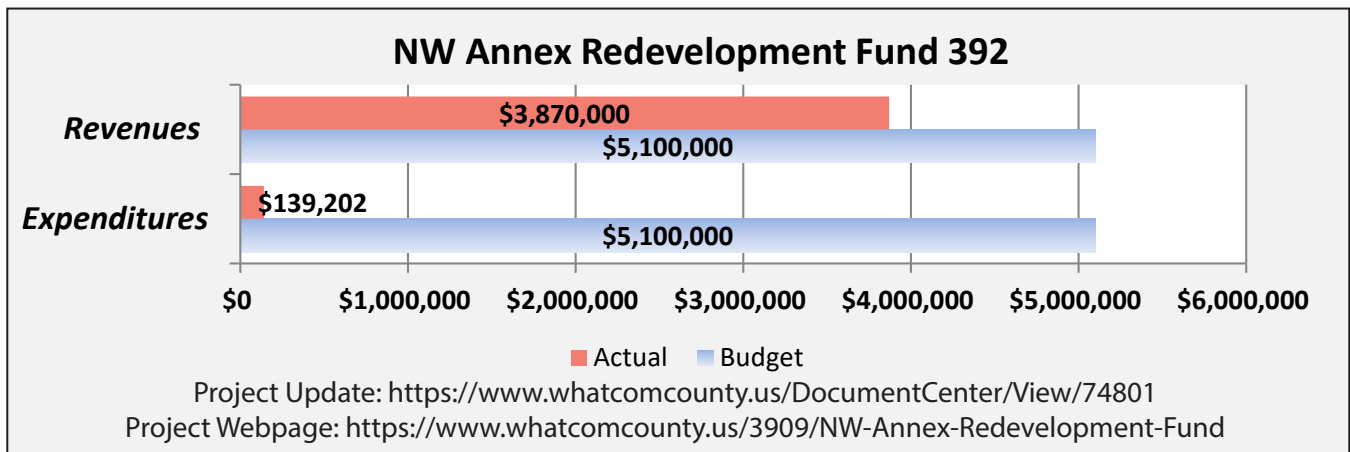
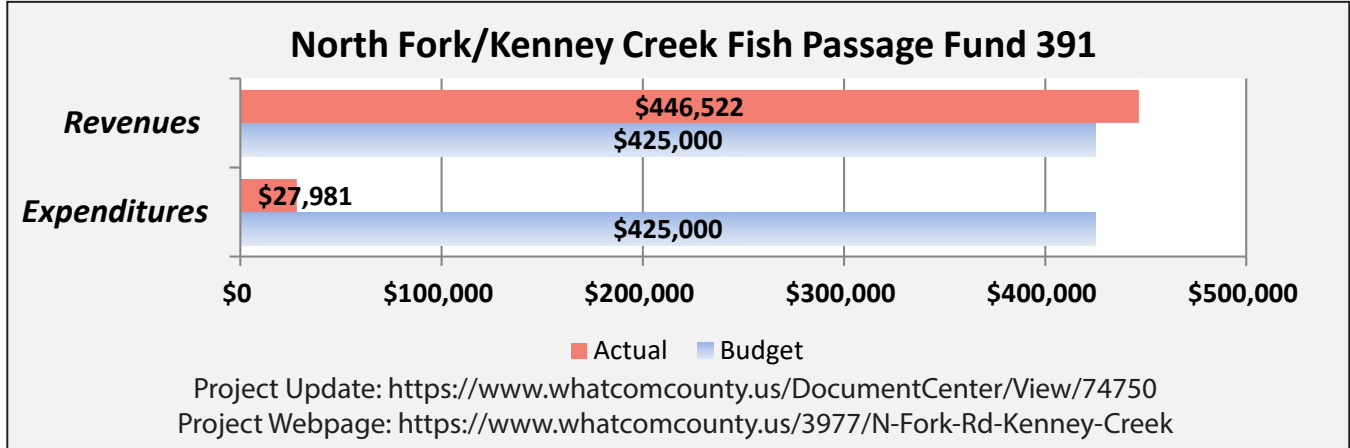


Whatcom County First Quarter 2023 Financial Report

For the Quarter Ended March 31, 2023



Project Budget Funds, continued



Whatcom County First Quarter 2023 Financial Report

For the Quarter Ended March 31, 2023



Project Budget Funds, continued

