



**Second
Quarter
2023
Financial
Report**

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Compiled and Presented by the
Administrative Services Department
Finance Division

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September 12th, 2023

Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Executive Summary

The following information presents Whatcom County's second quarter 2023 financial report. At the end of the second quarter the General Fund collected 51.44% of its budgeted revenues. Whatcom County's General Fund spent 45.02% of its budgeted expenditures. Revenues increased \$5.2 million from second quarter 2022. This is primarily 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 second quarter percent spent.

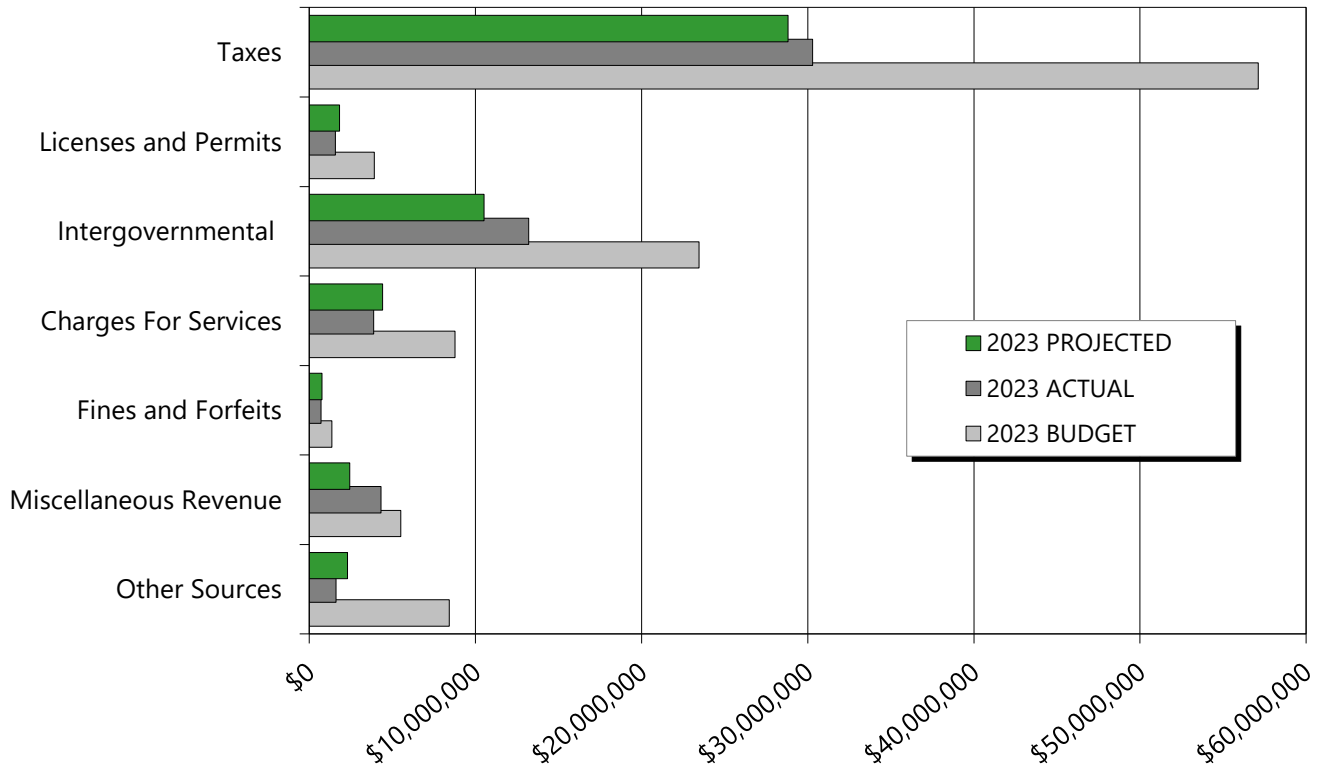
The current estimated 2023 General Fund ending fund balance is projected to be approximately \$24 million.

Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



General Fund Revenue - Budget vs. Actual



	2023 Budget Adopted	2023 Budget Supp'ls	2023 Budget Amended	Actual as of 6/30/2023	% Collected to Date	Projected as of 6/30/2023
Taxes	57,123,010	-	57,123,010	30,289,219	53.02%	28,805,413
Licenses and Permits	3,912,880	-	3,912,880	1,574,003	40.23%	1,807,218
Intergovernmental	21,004,265	1,917,202	22,921,467	13,196,943	57.57%	10,514,727
Charges For Services	8,664,764	106,281	8,771,045	3,876,182	44.19%	4,411,357
Fines and Forfeits	1,349,000	-	1,349,000	696,399	51.62%	765,783
Miscellaneous Revenue	5,025,304	477,536	5,502,840	4,312,273	78.36%	2,438,966
Other Sources	8,178,353	224,835	8,403,188	1,597,271	19.01%	2,305,672
Total Revenue	105,257,576	2,725,854	107,983,430	55,542,290	51.44%	51,049,136

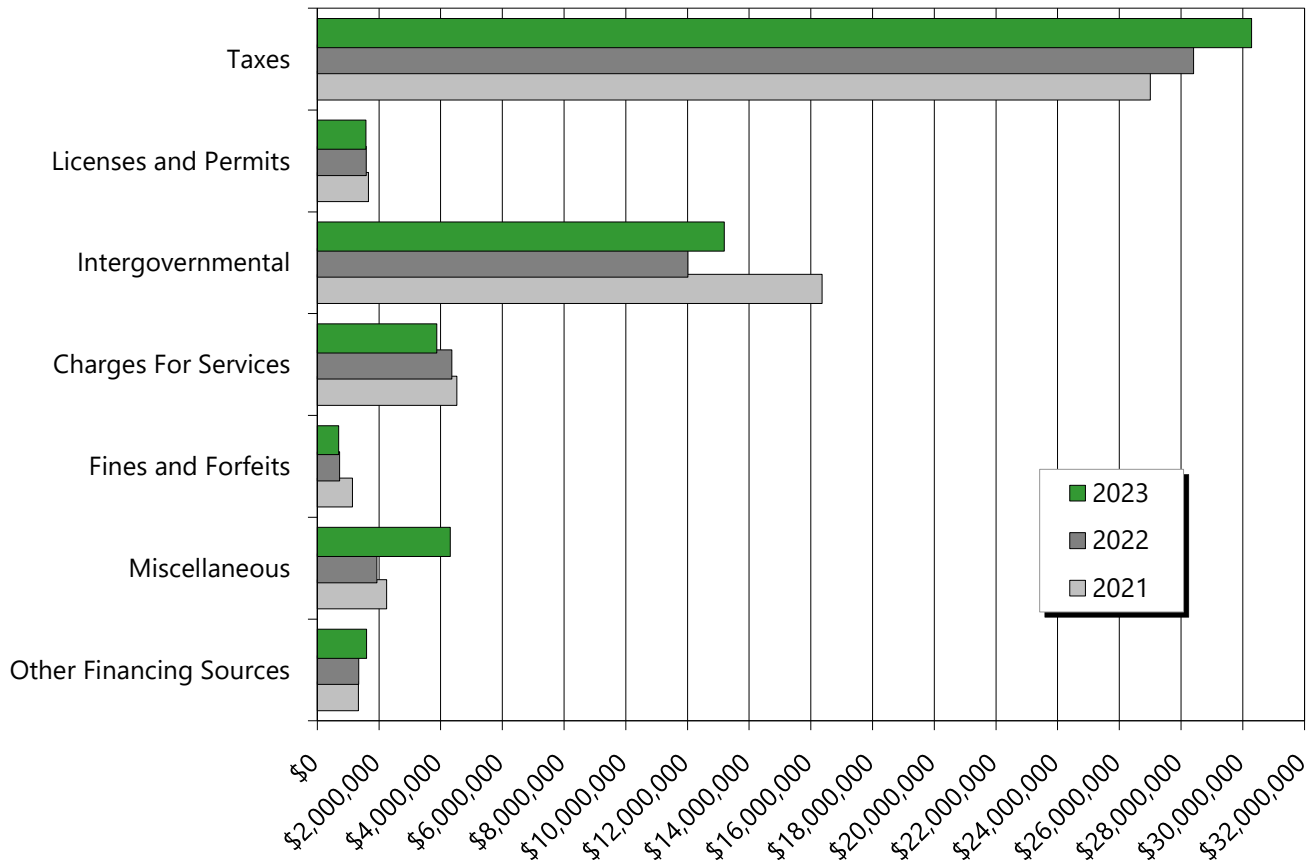
See pages 4 and 5 for General Fund Revenue Notes.

Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



General Fund Revenue to Date - Compared to Prior Years



	2021	2022	2023
Taxes	26,999,077	28,407,407	30,289,219
Licenses and Permits	1,657,750	1,588,185	1,574,003
Intergovernmental	16,362,023	12,016,908	13,196,943
Charges For Services	4,520,576	4,358,460	3,876,182
Fines and Forfeits	1,138,426	724,961	696,399
Miscellaneous	2,250,708	1,929,463	4,312,273
Other Financing Sources	1,337,437	1,341,068	1,597,271
Total Revenue	54,265,997	50,366,452	55,542,290

See pages 4 and 5 for General Fund Revenue Notes.

Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



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 was due in the second quarter and showed an increase of 2.5% or \$429,905. Current year sales tax collections are up 13.7%, or \$1,528,905, as compared to last year's second quarter collections. The County is benefiting from a healthy economy which includes increases in internet sales delivered directly to unincorporated residents, food service, hospitality 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 \$14,179 less than amounts collected during the first half of 2022 constituting a less than 1% change. Business license and permit fees are up \$74,925 or 11.7% with restaurant and tavern revenues and food handler permits leading the increase. Non-business licenses are down \$89,104 or 9.4% with buildings, structures permits showing a decrease of 10.8%, or \$73,193.

Intergovernmental Revenue

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

Revenues collected as of quarter end are \$13,196,945, or 9.8%, higher than the first half of 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; a second tranche of funding is expected later this year. This funding will supplement the American Rescue Plan Act award to support general government activities. Other federal funding increased \$733,950 or 85.9% as a result of grant payments received in advance and increased public health and social services billings. State grants increased \$573,464 or 24.6% due to larger state awards in the social services block grants and shellfish biotoxin awards.

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 \$482,278, or 11%, when compared to the first half of 2022. Significant fluctuations in this category of revenues include real estate excise tax processing fees, 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 \$63,260 increase over 2022. On the other hand,

Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



General Fund Revenue Notes, continued

receipts from individuals in District Court probation are continuing a downward trend with a decrease of \$53,953. Building related fees have fallen significantly by \$227,554 or 42.8% as compared to the first half of 2022. Rifle Range fees are down \$82,341 due to closures related to capital projects.

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 3.9%, or \$28,560, from the first half of 2022 amounts. Traffic infraction revenues are up 50.3% or \$53,351, 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 \$41,756 of new revenues. On the other hand, property tax related penalties are down 58.9% or \$182,185 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 123.5% or \$2,382,811 over the first two quarters of 2022. This is largely due to a surge in investment earnings of \$1,769,237, or 232.3%, 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%).

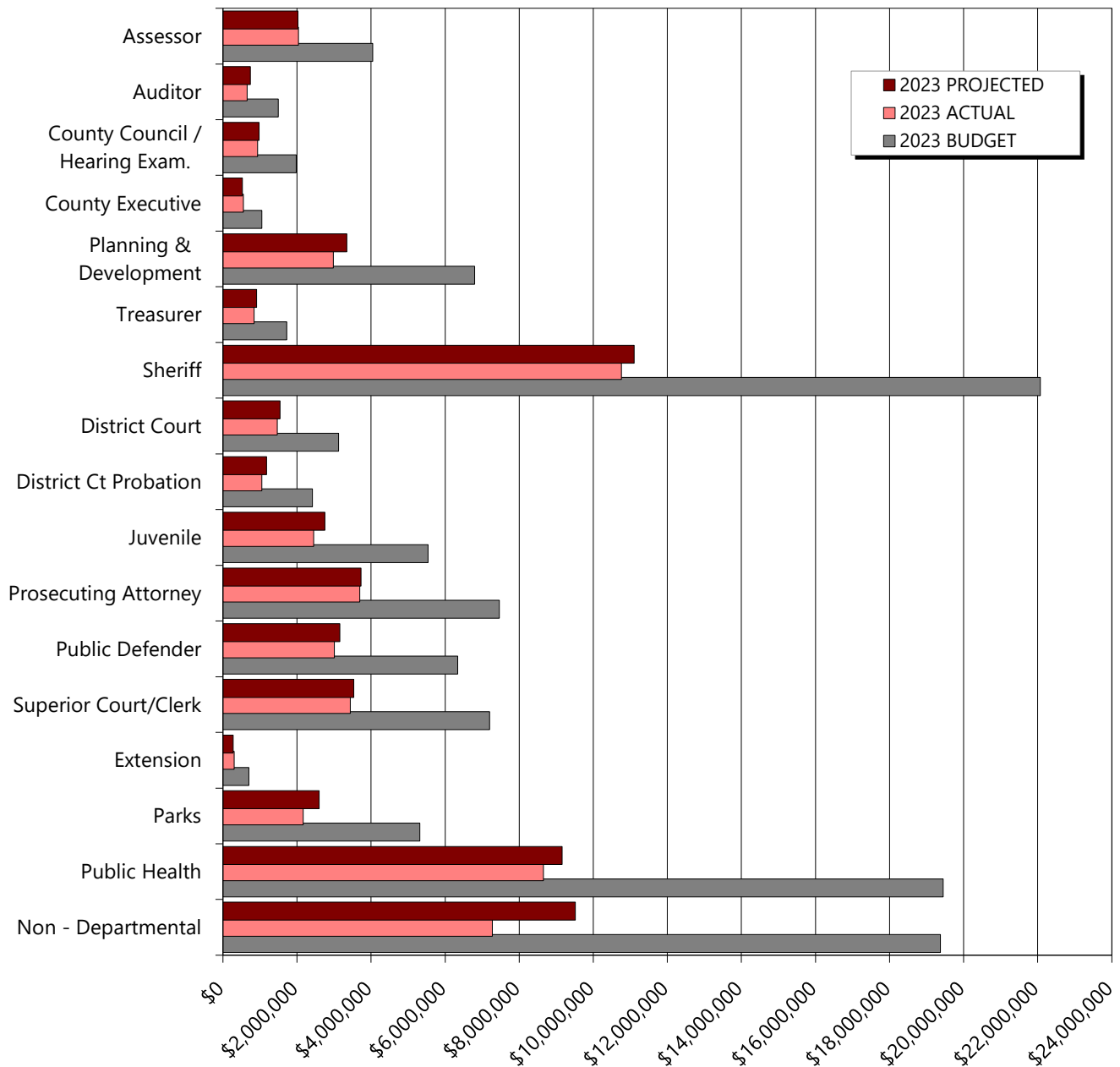
The Other Financing Sources category increased by \$256,203, or 19.1%, primarily due to an increase in the annual transfer of Public Safety Tax collected in the Emergency Medical fund for criminal justice purposes.

Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



General Fund Expenditures - Budget vs. Actual



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

Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



General Fund Expenditures - Budget vs. Actual

	2023 Adopted Budget	2023 Budget Supp'ls	2023 Amended Budget	Actual as of 6/30/23	% Expended to Date	Projected as of 6/30/23
Assessor	4,026,482	20,000	4,046,482	2,037,627	50.36%	2,025,871
Auditor	1,491,588	-	1,491,588	653,202	43.79%	741,473
Council/Hearing Exam.	1,968,027	12,950	1,980,977	936,890	47.29%	975,892
County Executive	1,052,506	-	1,052,506	552,654	52.51%	525,275
Planning & Development	6,709,817	87,040	6,796,857	2,978,886	43.83%	3,344,909
Treasurer	1,726,988	-	1,726,988	840,439	48.67%	907,679
Sheriff	21,571,510	499,153	22,070,663	10,758,265	48.74%	11,105,759
District Court	3,126,608	-	3,126,608	1,464,745	46.85%	1,541,198
District Court Probation	2,351,782	64,650	2,416,432	1,052,431	43.55%	1,176,489
Juvenile	5,537,680	-	5,537,680	2,450,281	44.25%	2,753,125
Prosecuting Attorney	7,461,615	-	7,461,615	3,693,961	49.51%	3,728,151
Public Defender	6,339,771	-	6,339,771	3,008,077	47.45%	3,158,855
Superior Court/Clerk	7,093,196	109,440	7,202,636	3,439,435	47.75%	3,532,358
Extension	697,880	-	697,880	302,407	43.33%	280,098
Park	5,307,454	9,204	5,316,658	2,166,042	40.74%	2,600,536
Public Health	18,866,974	581,585	19,448,559	8,655,895	44.51%	9,155,992
Non - Departmental	17,685,126	1,691,776	19,376,902	7,275,150	37.55%	9,513,615
Total General Fund Exp	113,015,004	3,075,798	116,090,802	52,266,387	45.02%	57,067,275

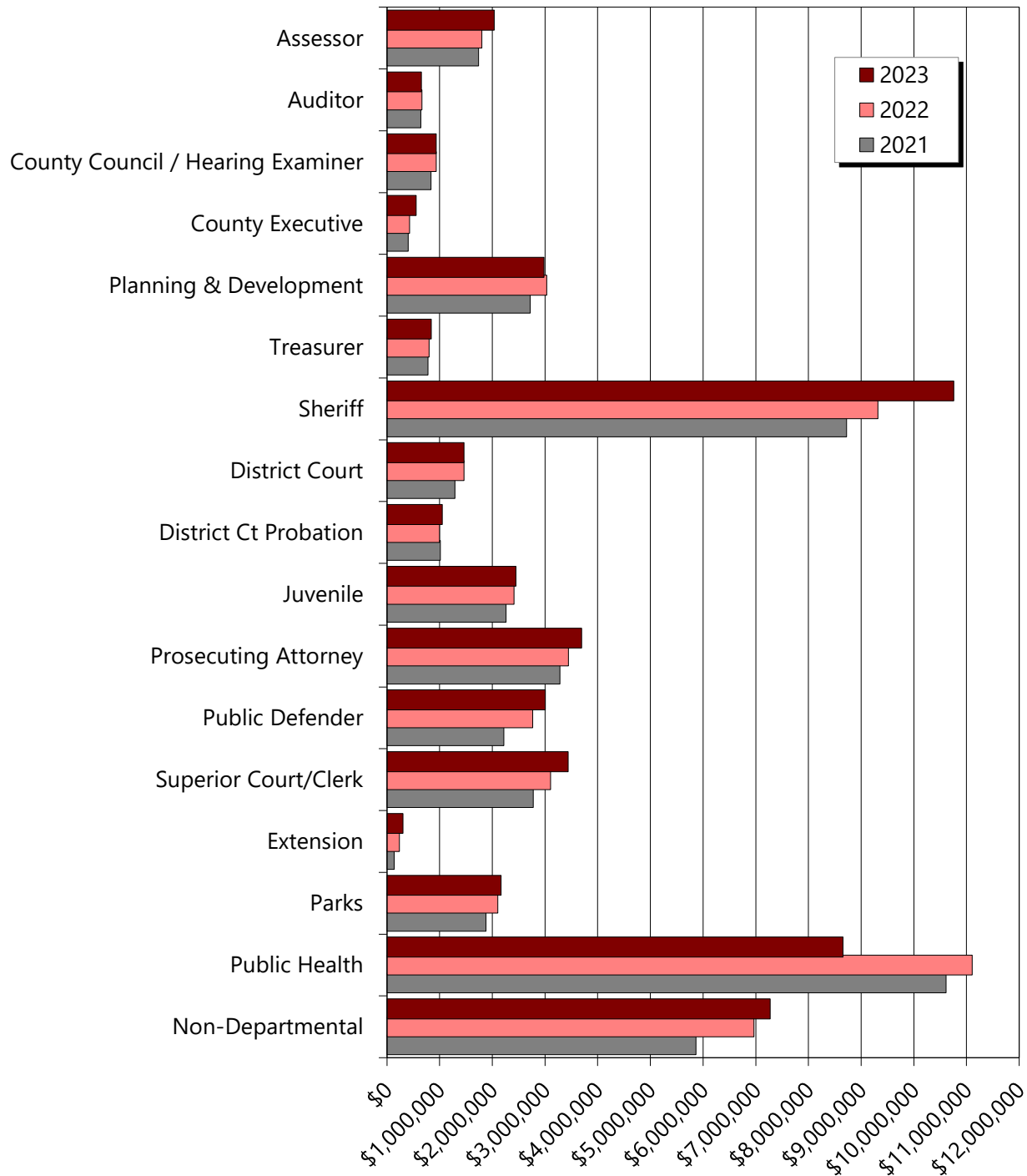
See page 9 for General Fund Expenditure Notes.

Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



General Fund Expenditures - Compared to Prior Years



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

Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



General Fund Expenditures - Compared to Prior Years

	2021	2022	2023
Assessor	1,741,404	1,802,733	2,037,627
Auditor	645,537	662,384	653,202
Council/Hearing Examiner	833,913	934,615	936,890
County Executive	403,627	429,907	552,654
Planning & Development	2,720,919	3,032,202	2,978,886
Treasurer	777,298	800,791	840,439
Sheriff	8,722,596	9,317,918	10,758,265
District Court	1,290,710	1,462,057	1,464,745
District Ct Probation	1,011,563	1,000,528	1,052,431
Juvenile	2,263,004	2,409,768	2,450,281
Prosecuting Attorney	3,282,454	3,442,999	3,693,961
Public Defender	2,218,486	2,764,196	3,008,077
Superior Court /Clerk	2,775,694	3,104,441	3,439,435
Extension	136,045	237,107	302,407
Parks	1,880,366	2,102,215	2,166,042
Public Health	10,610,975	11,109,020	8,655,895
Non-Departmental	5,864,316	6,967,930	7,275,150
TOTAL	47,178,907	51,580,811	52,266,387

General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the first quarter were 45.02% of the approved budget, which is consistent with prior years. Departmental spending was largely within budget expectations and increased by 1.3% or \$685,576 when compared to the second 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.

Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



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>2,105,688</u>
Total Revenue	<u>107,983,430</u>
Expenditures	
Budgeted Expenditures 2023	113,015,004
Continuing Appropriations from 2022	899,183
Supplemental Budgets 2023	<u>2,176,615</u>
Total Expenditures	<u>116,090,802</u>
Expected Surplus (Deficit)	(8,107,372)
Other Considerations	
Estimated Budget Lapse ¹	<u>5,804,540</u>
Projected Ending Fund Balance 12/31/23	<u><u>24,043,740</u></u>

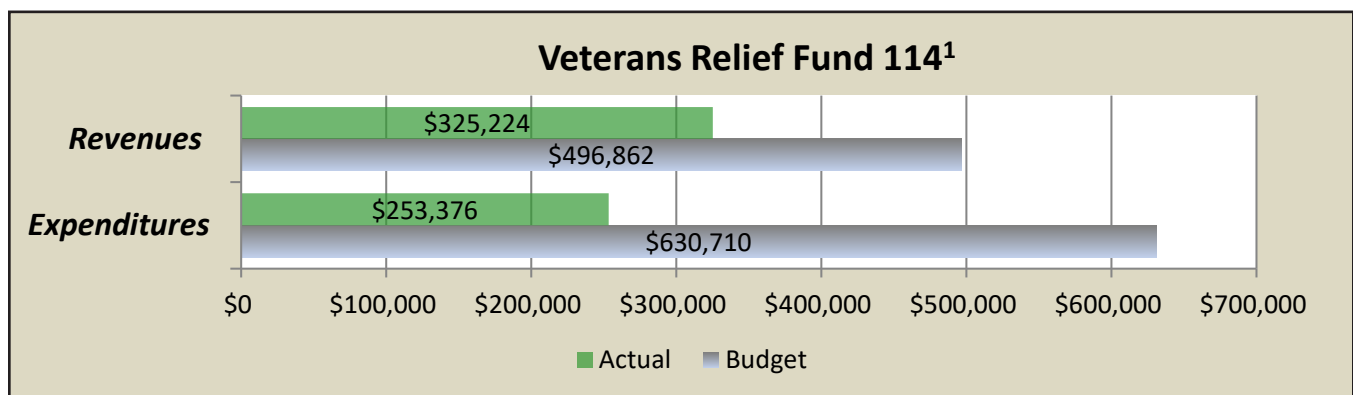
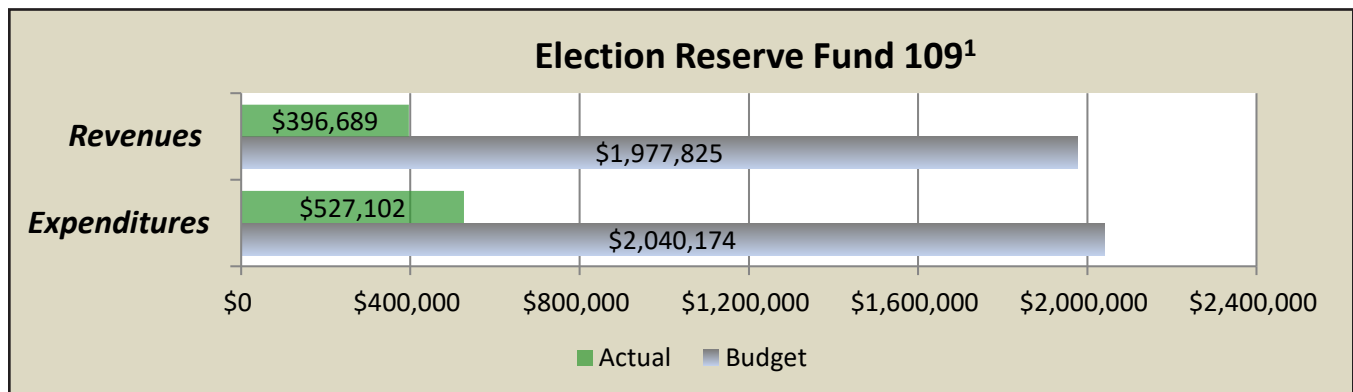
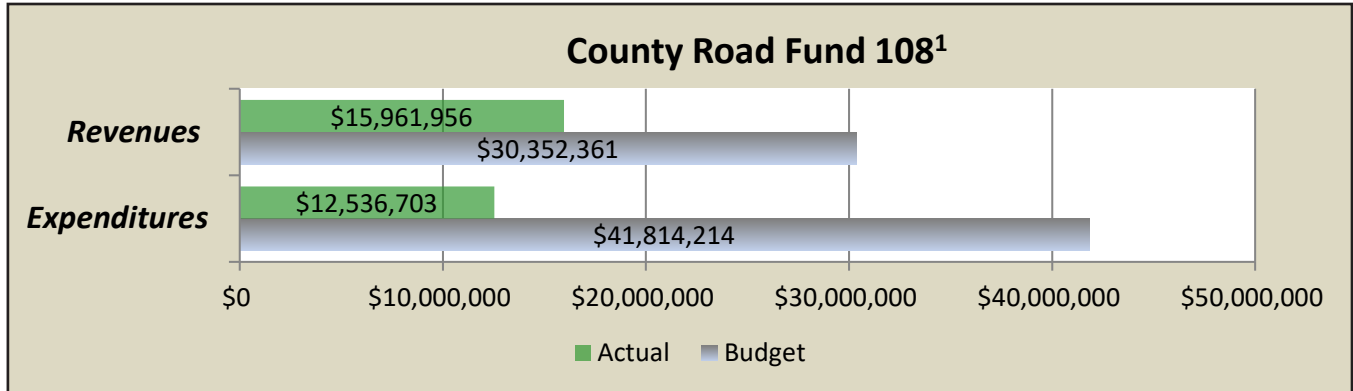
Note 1: *The estimated budget lapse is 5% of the expenditure budget.*

Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Special Revenue Funds and Other Funds



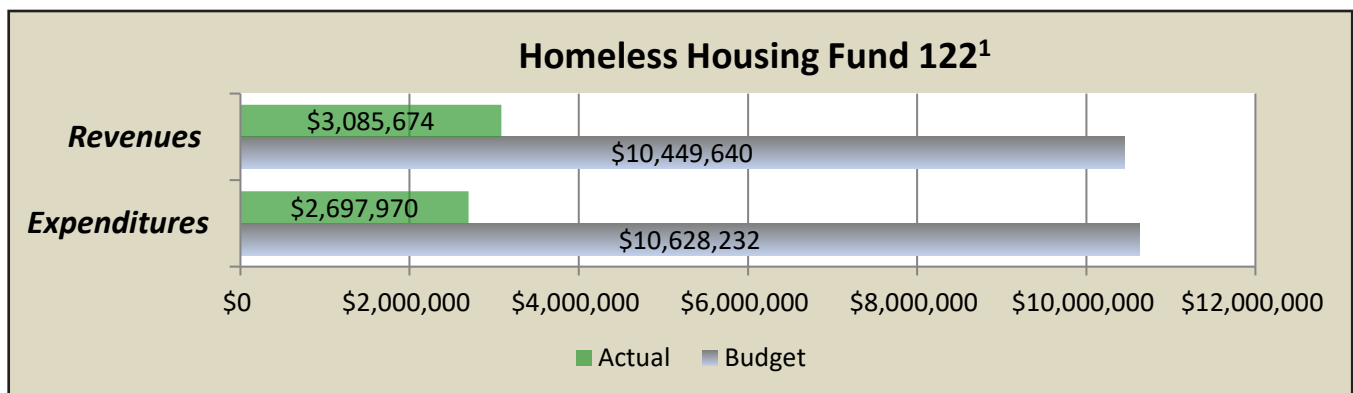
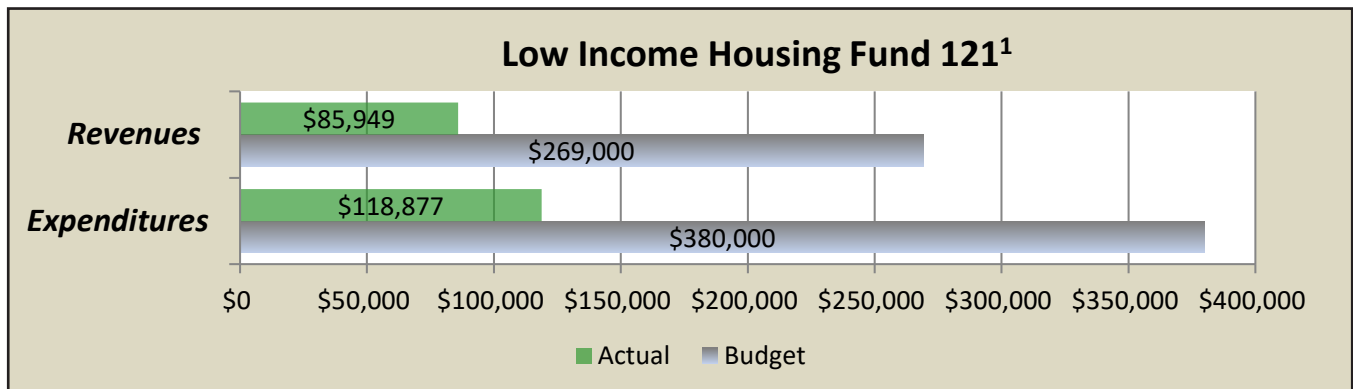
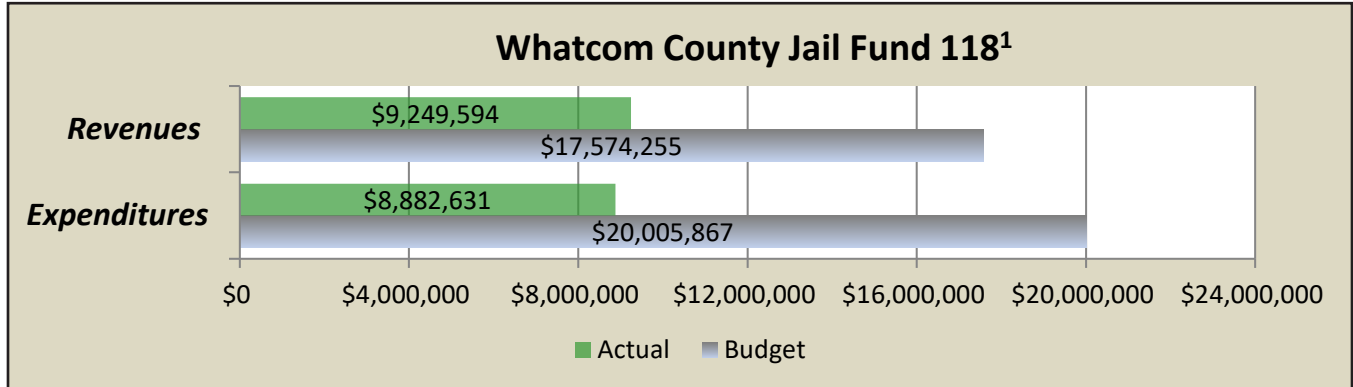
Note ¹: Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Special Revenue Funds and Other Funds, continued



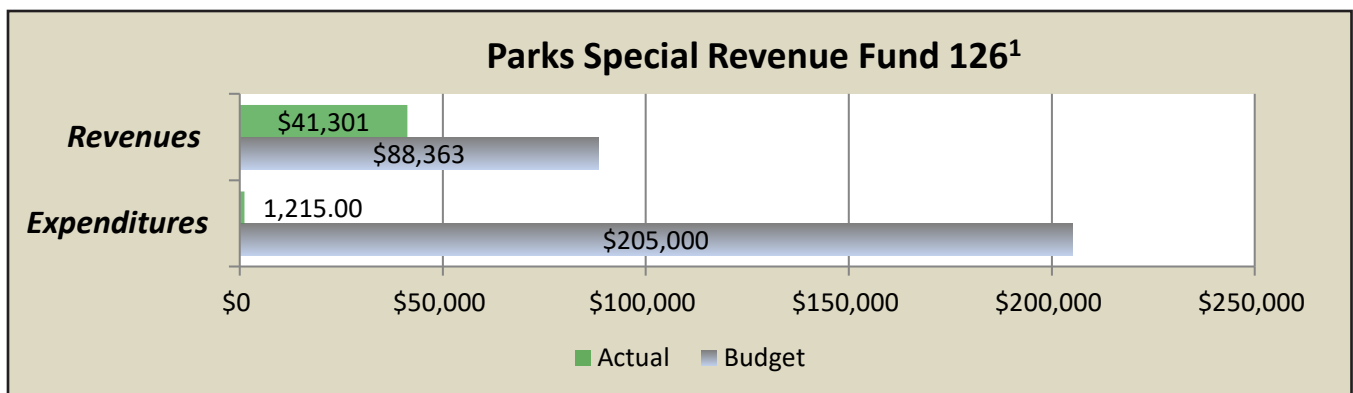
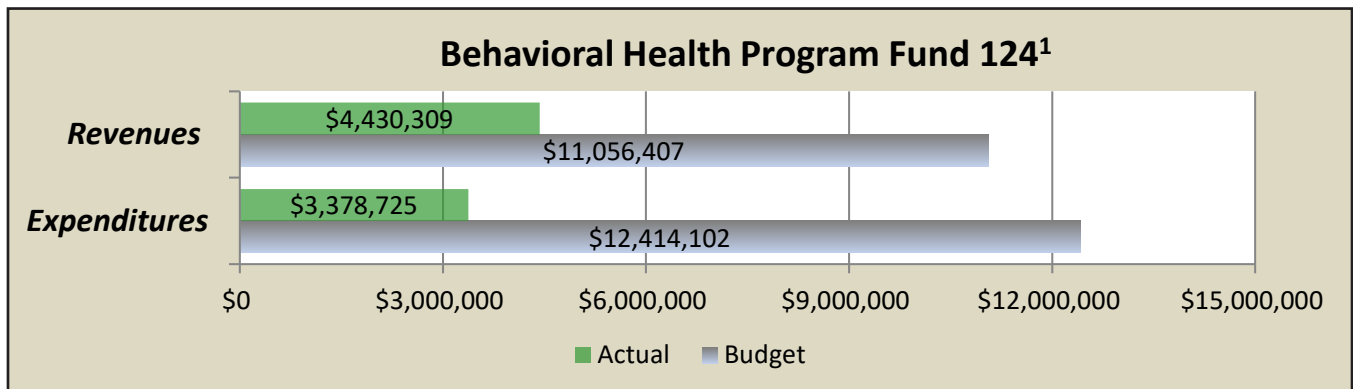
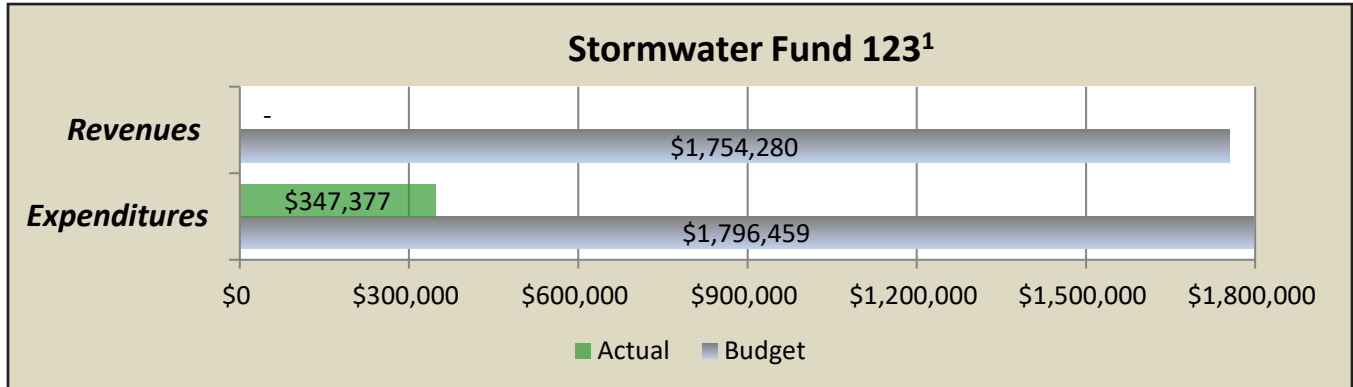
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Whatcom County Second Quarter 2023 Financial Report

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Special Revenue Funds and Other Funds, continued



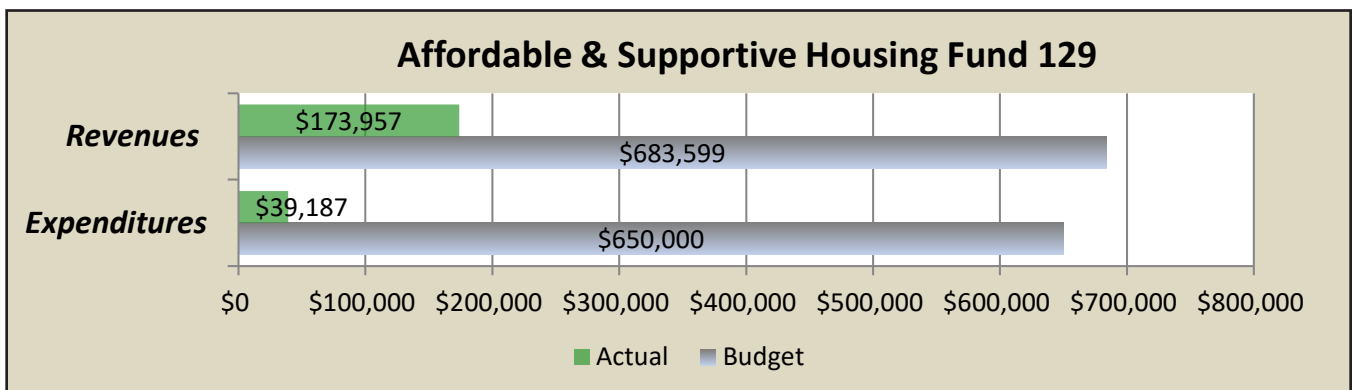
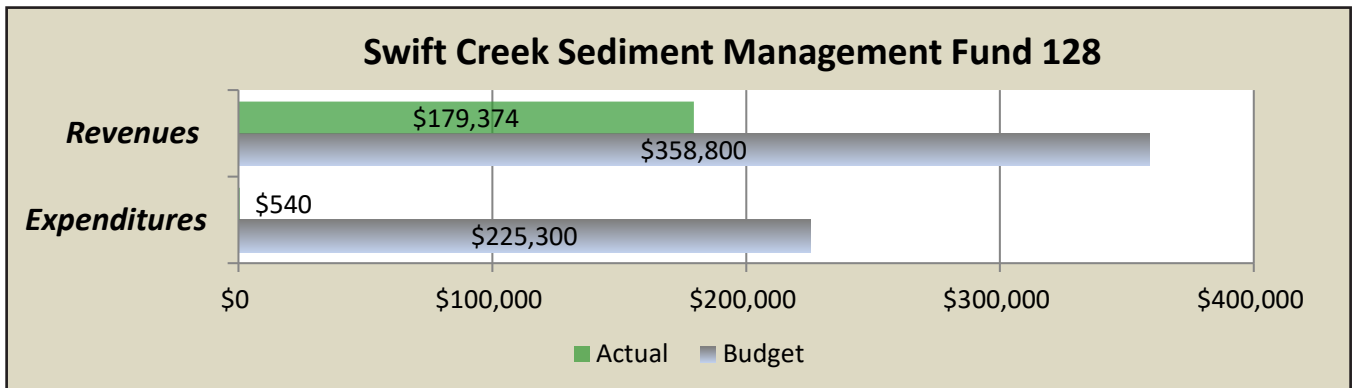
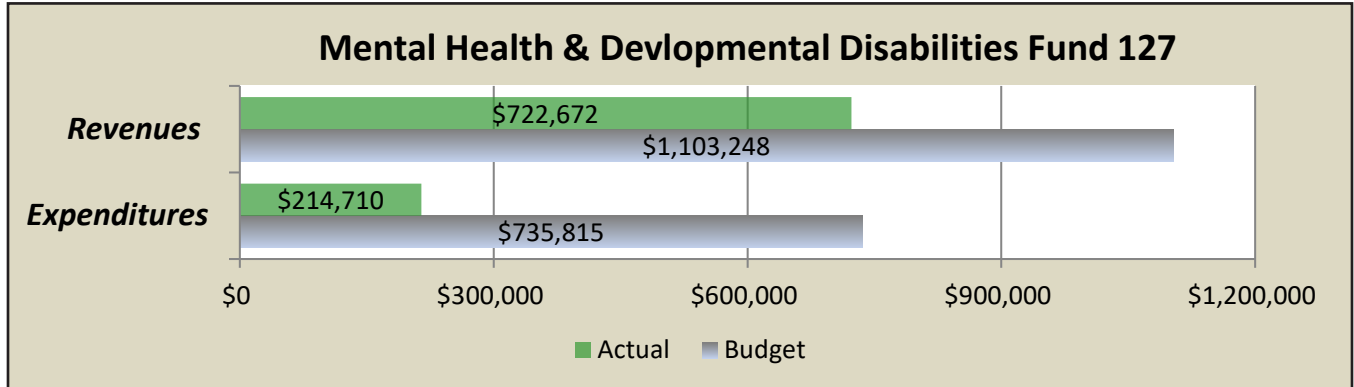
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Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Special Revenue Funds and Other Funds, continued

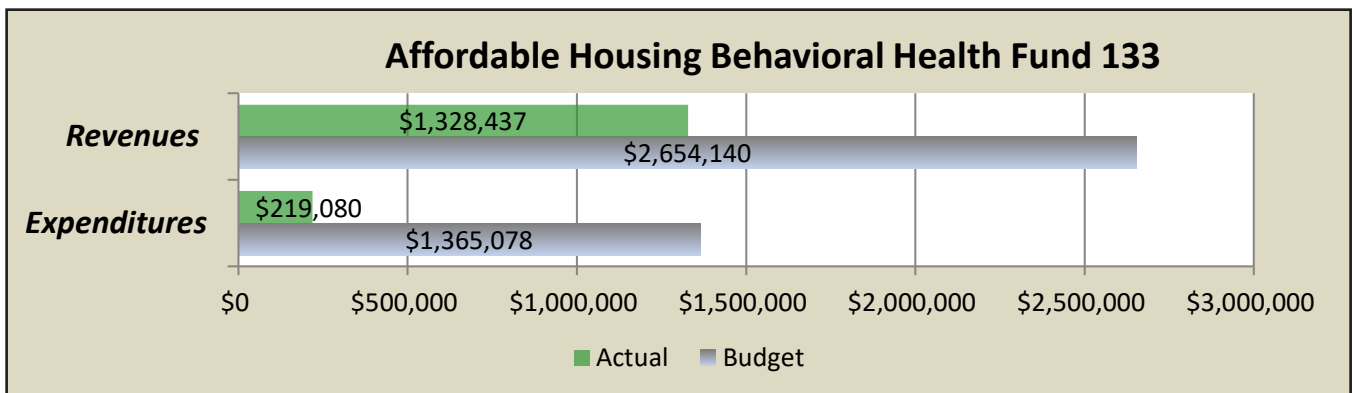
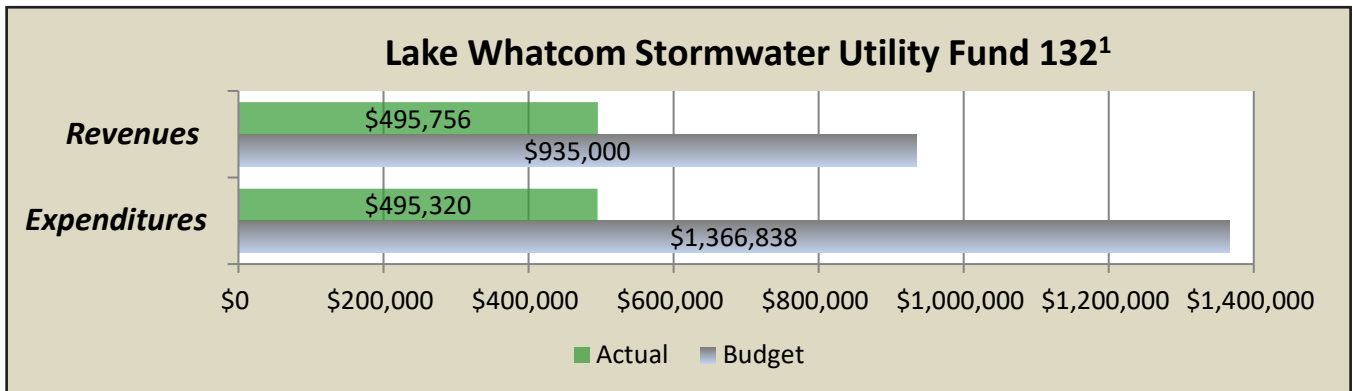
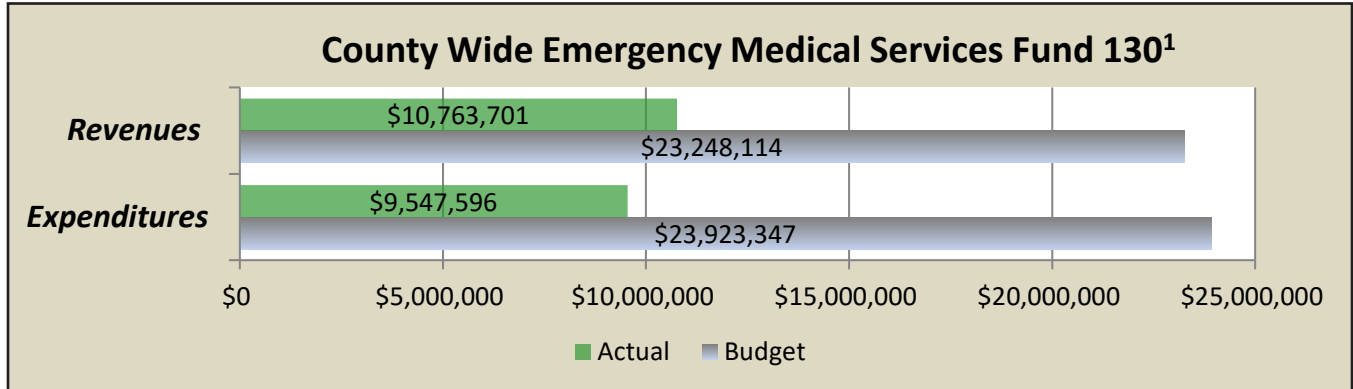


Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Special Revenue Funds and Other Funds, continued



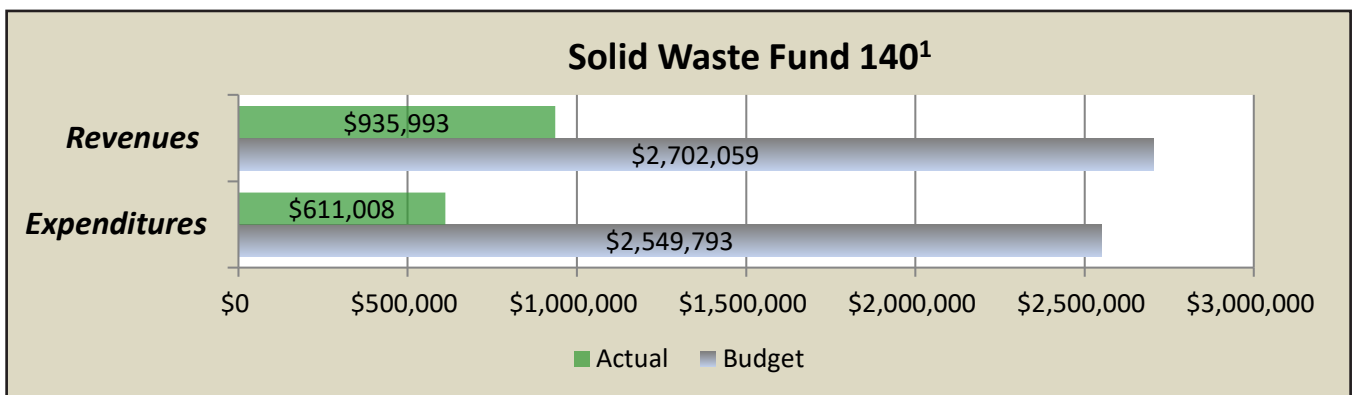
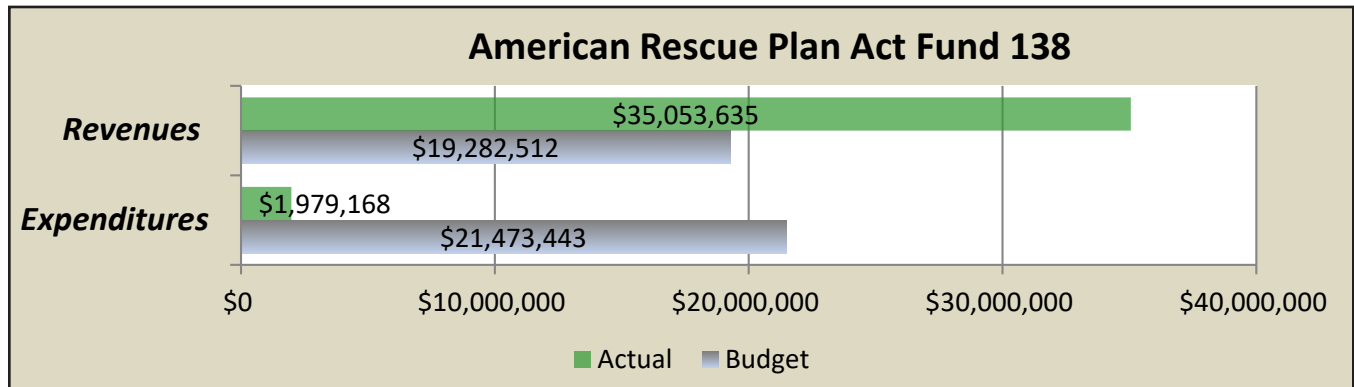
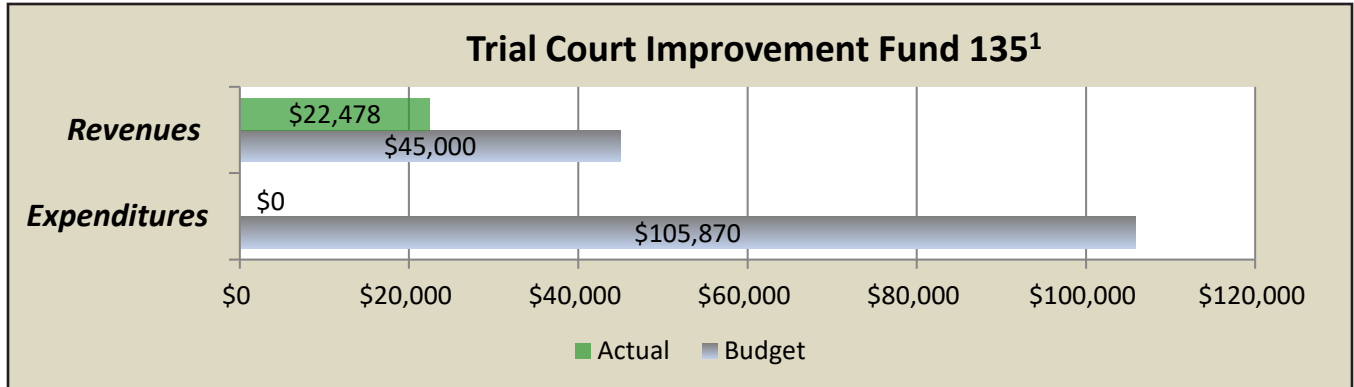
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Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Special Revenue Funds and Other Funds, continued



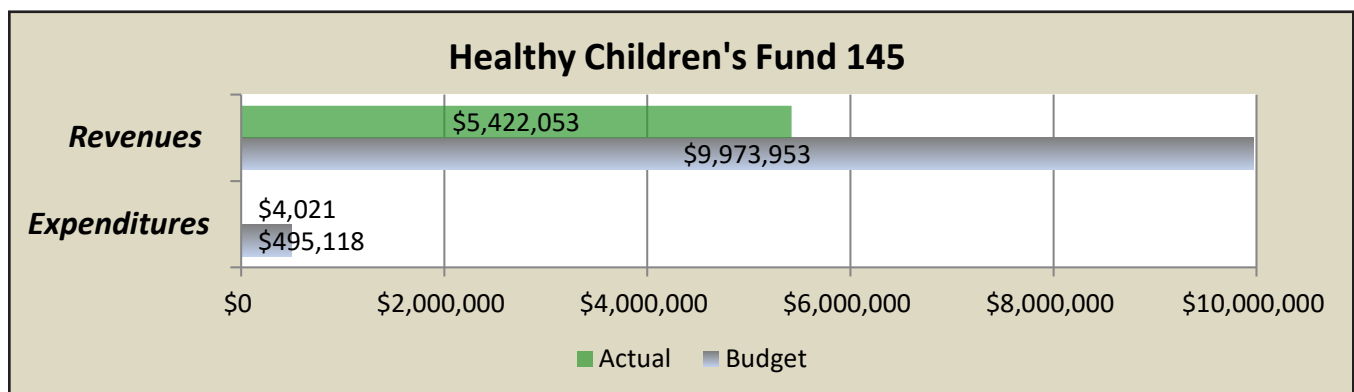
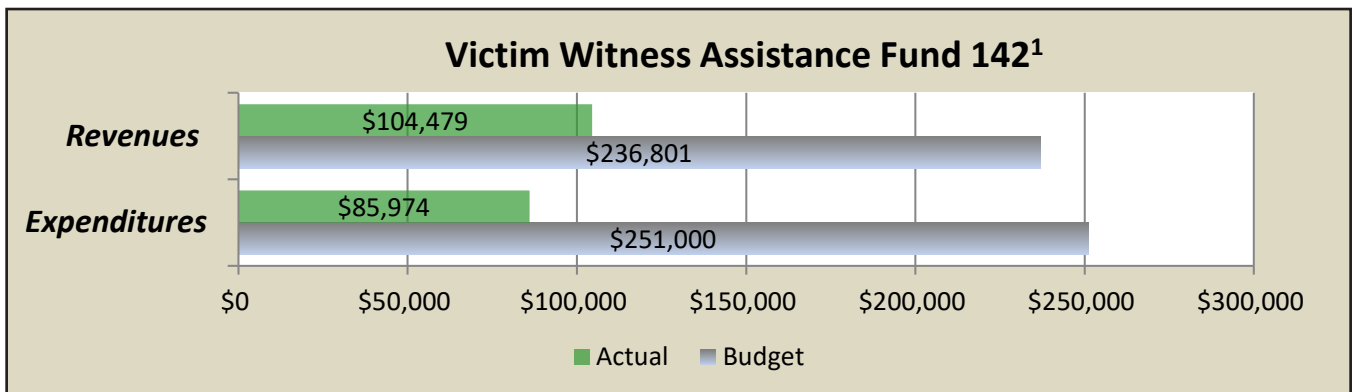
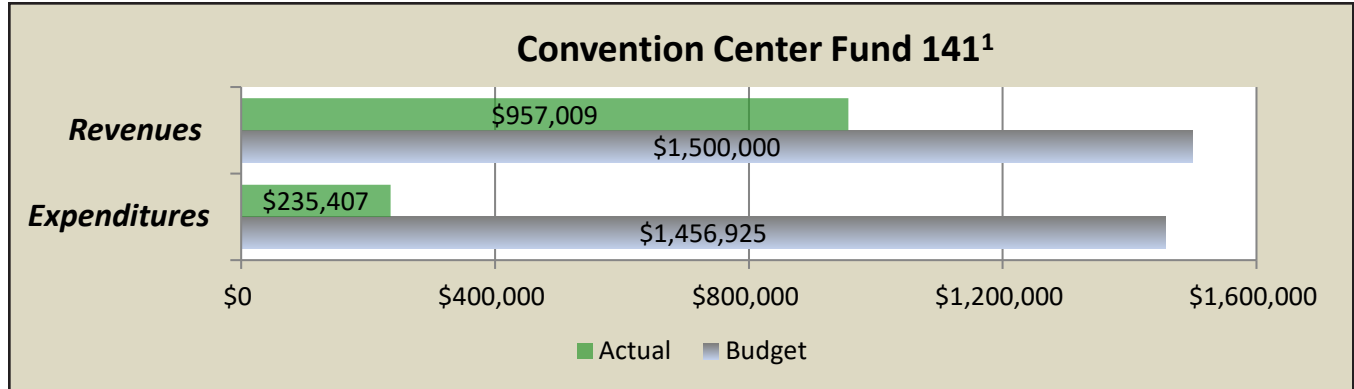
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Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Special Revenue Funds and Other Funds, continued



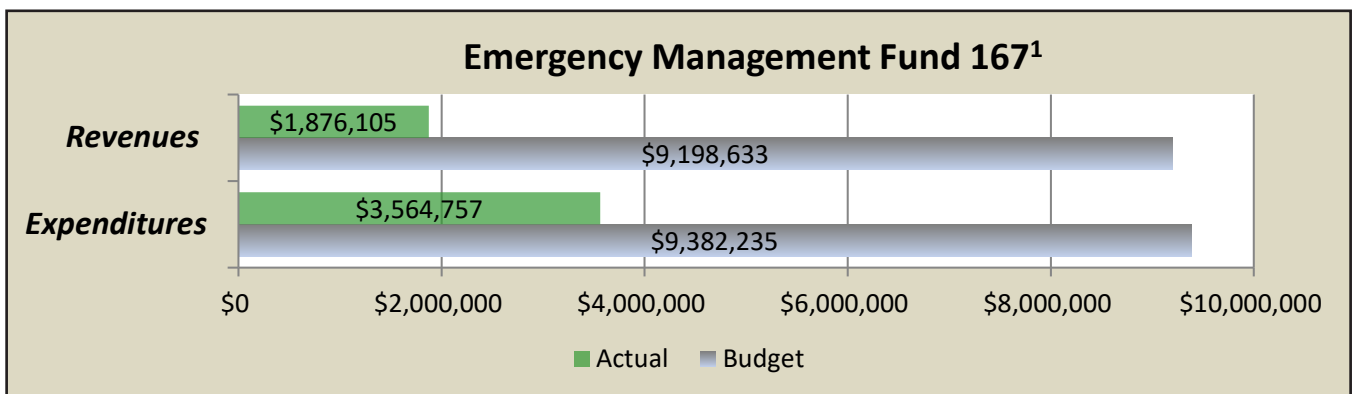
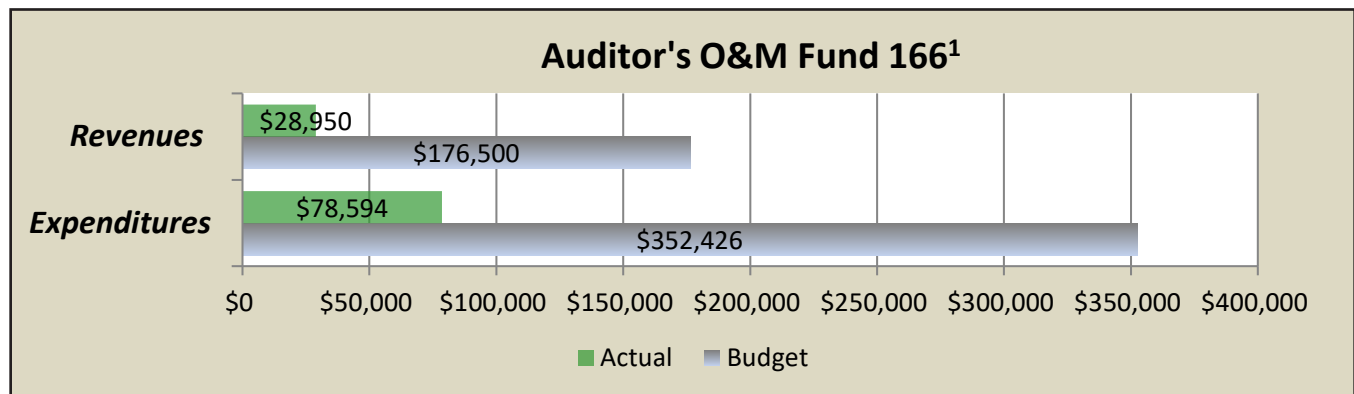
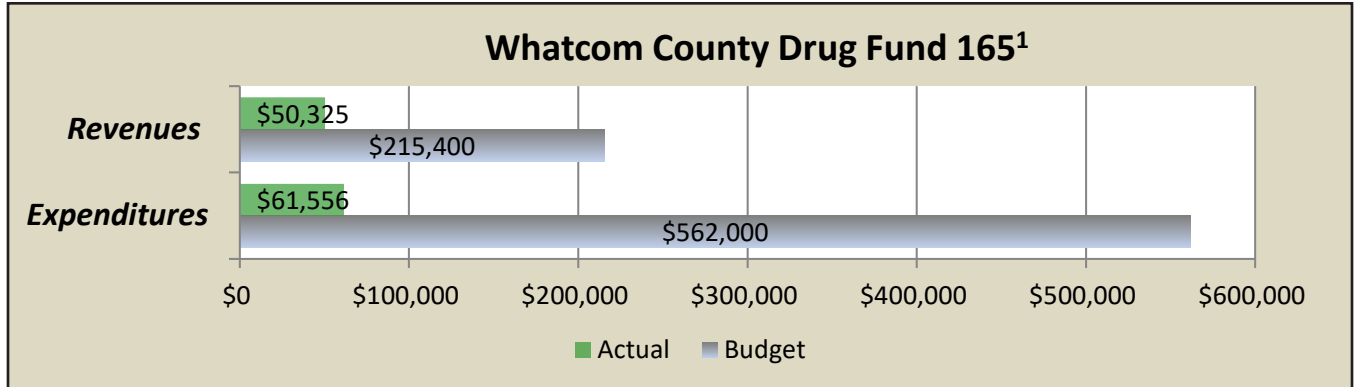
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Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Special Revenue Funds and Other Funds, continued



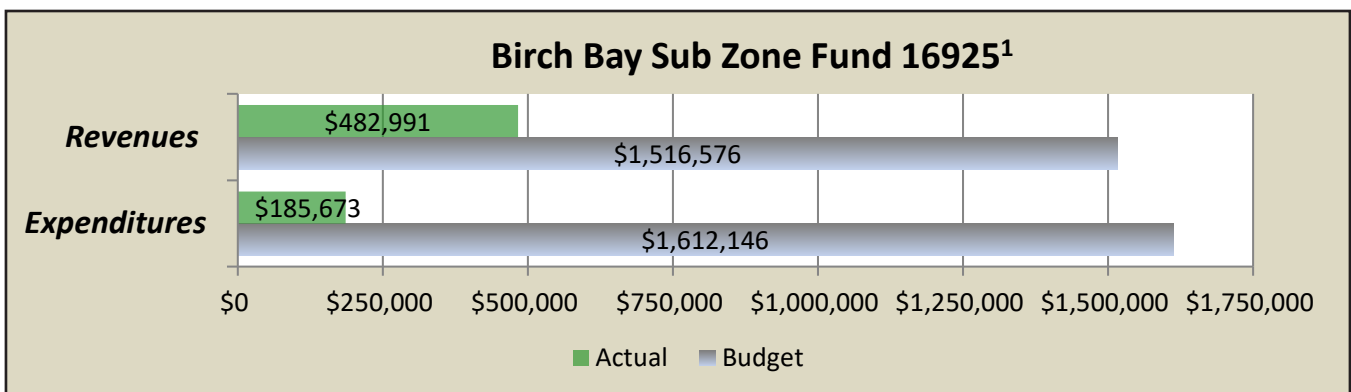
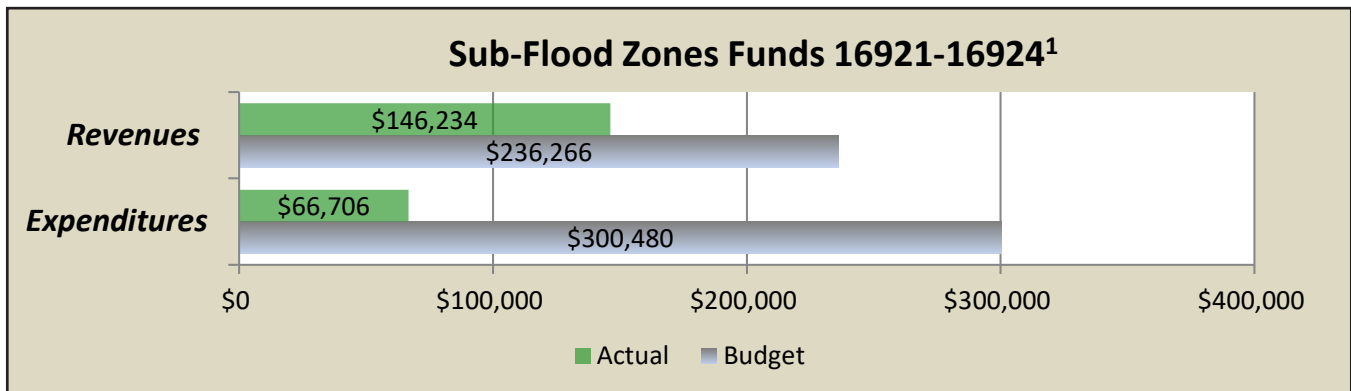
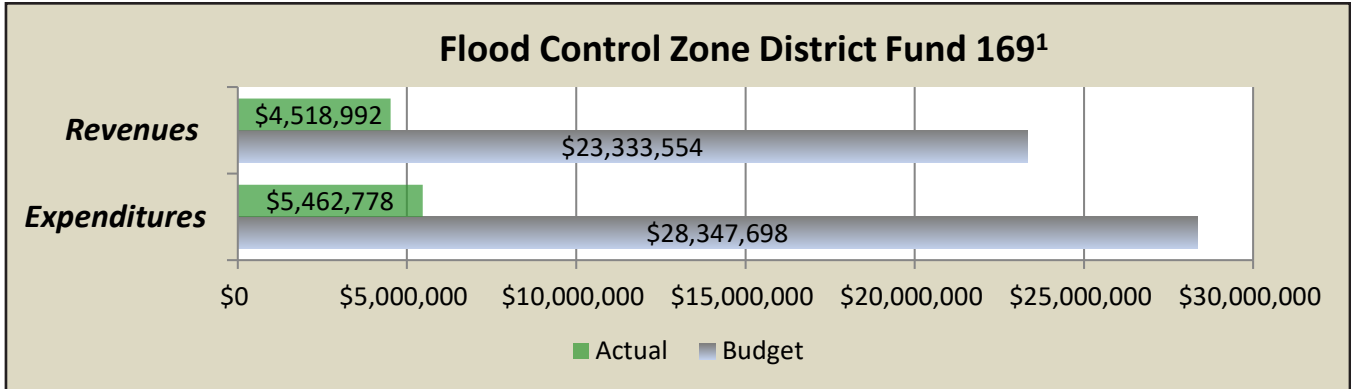
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Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



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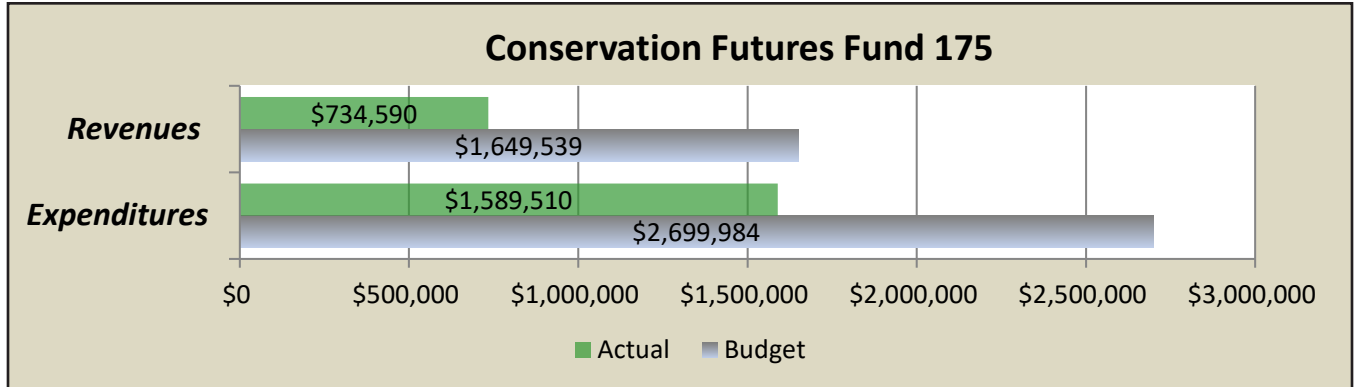
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Whatcom County Second Quarter 2023 Financial Report

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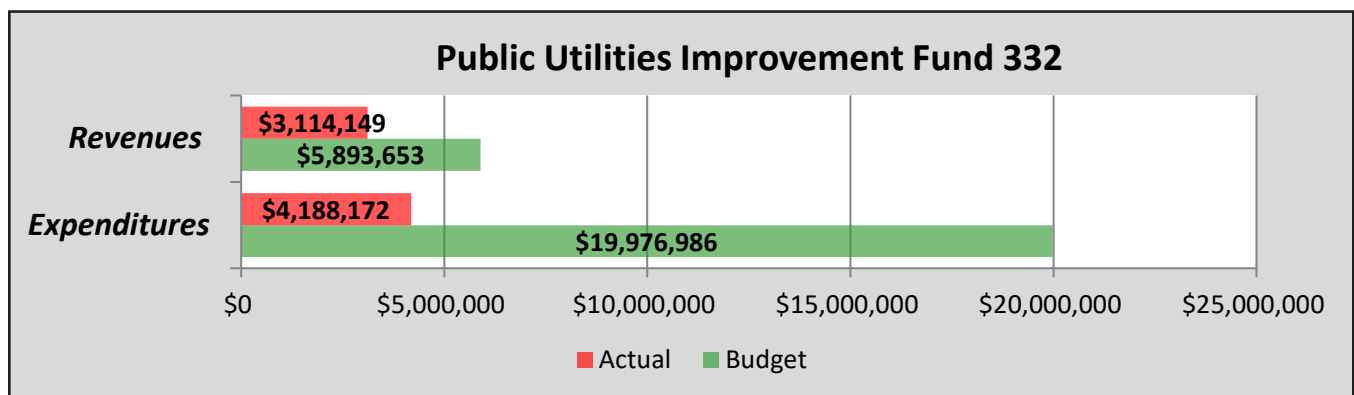
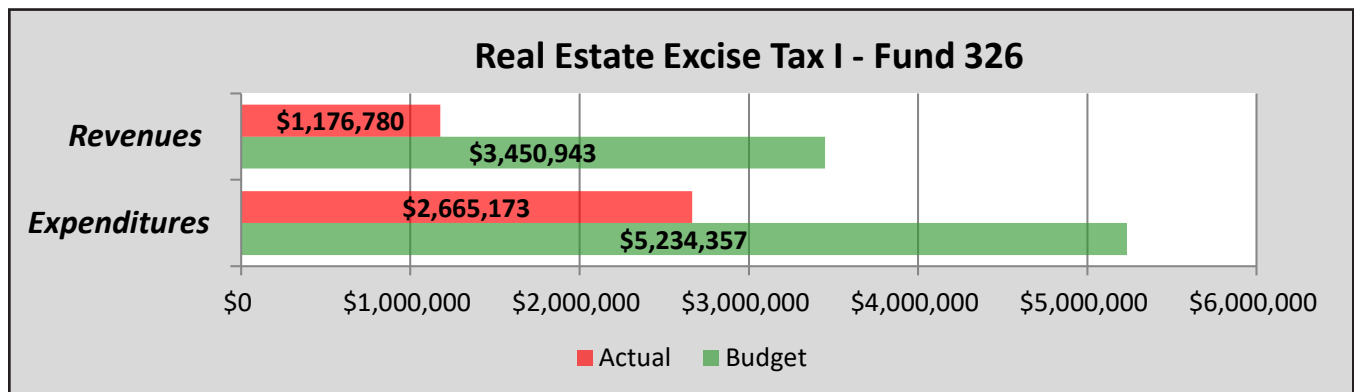
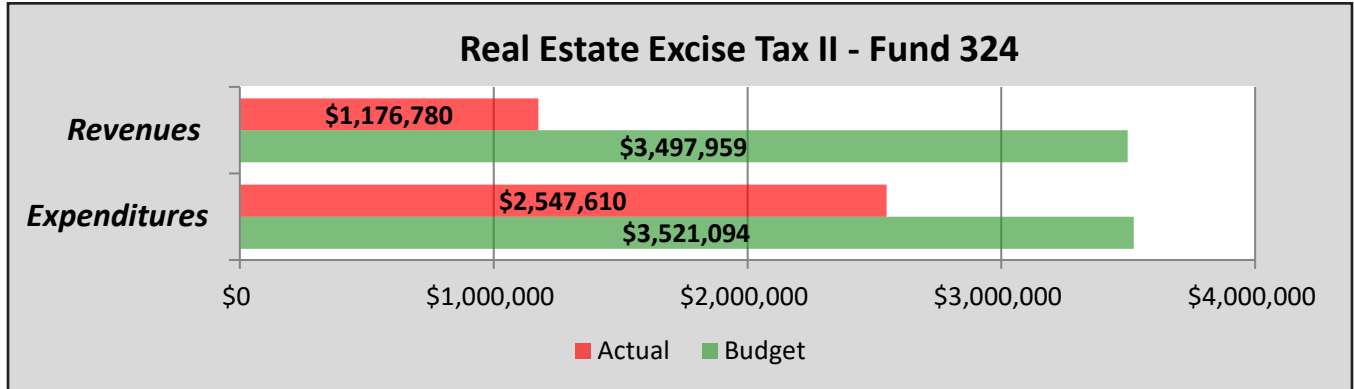


Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Capital Project Funds

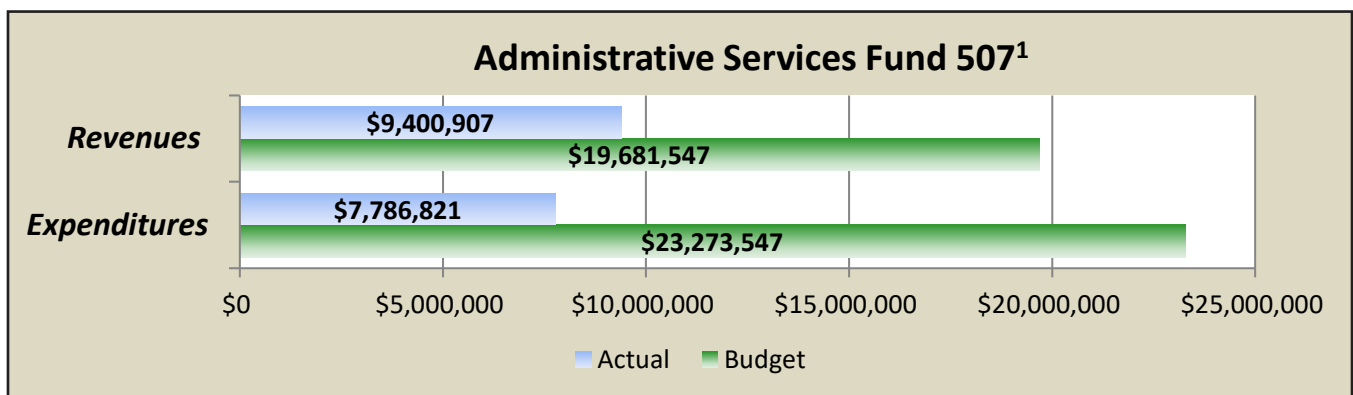
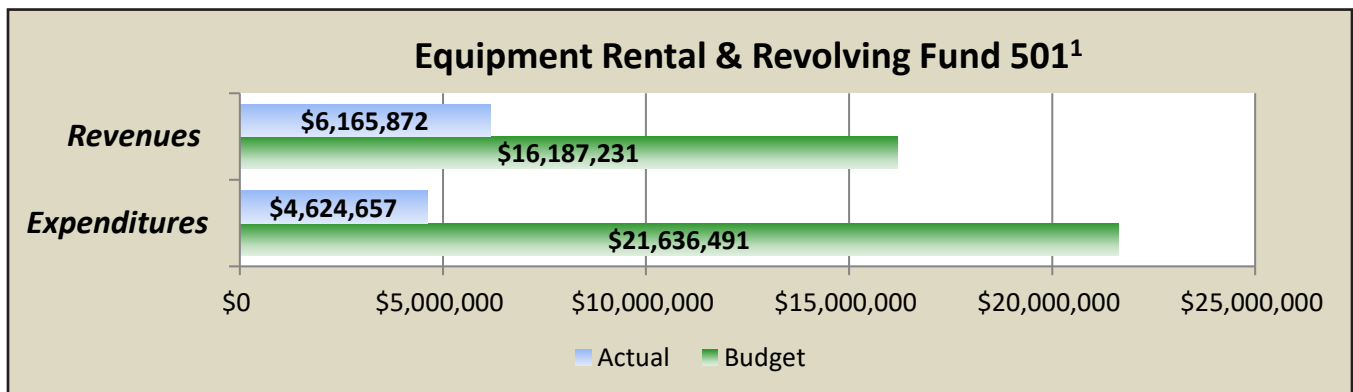
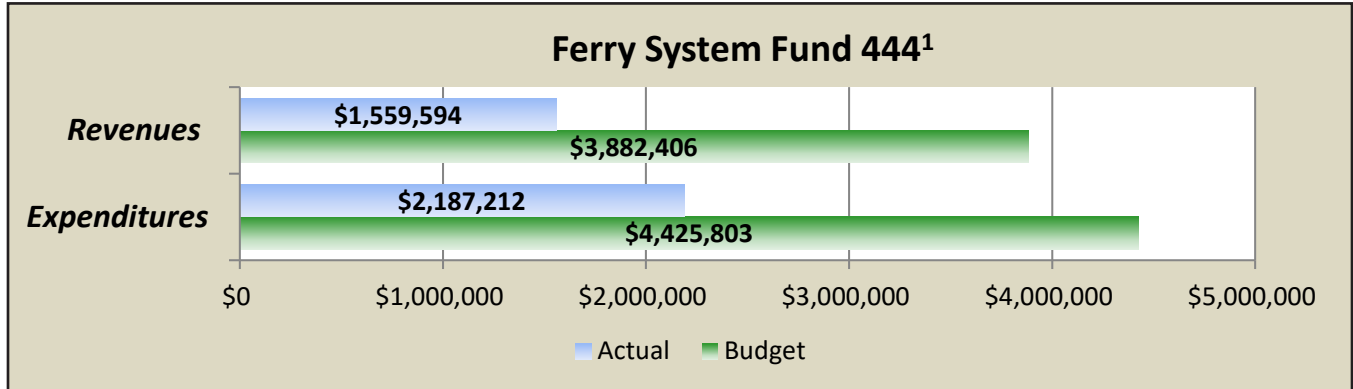


Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Enterprise and Internal Service Funds



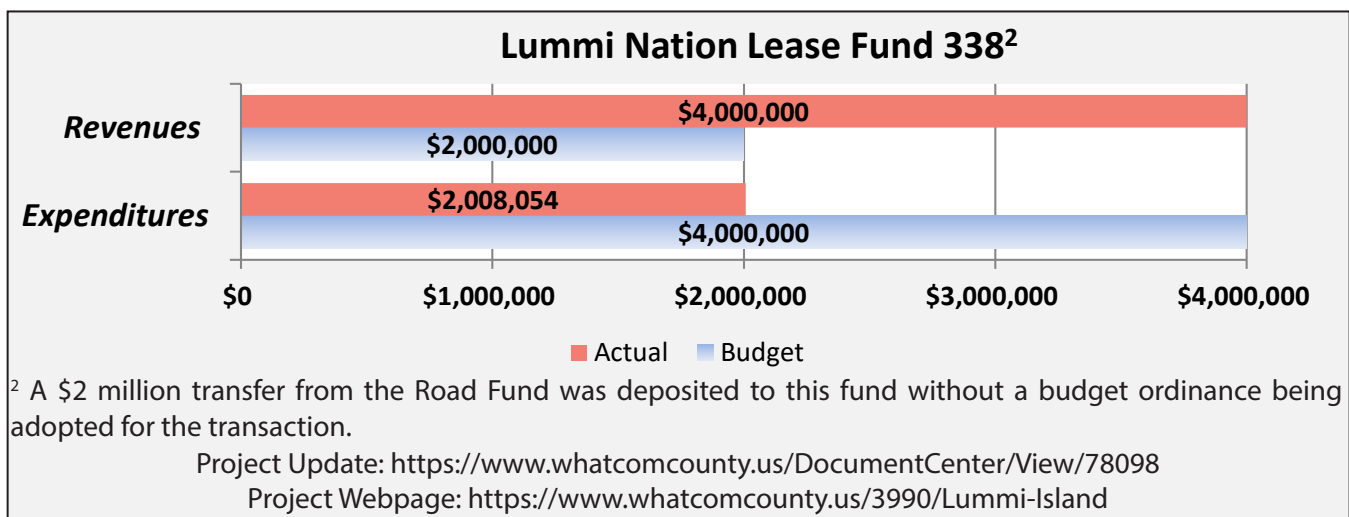
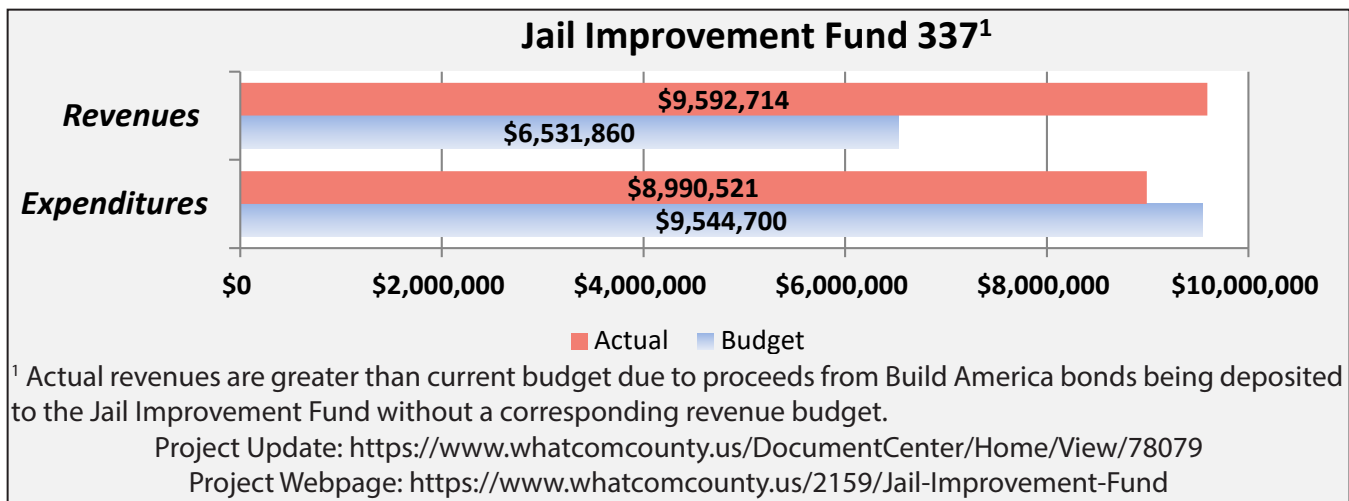
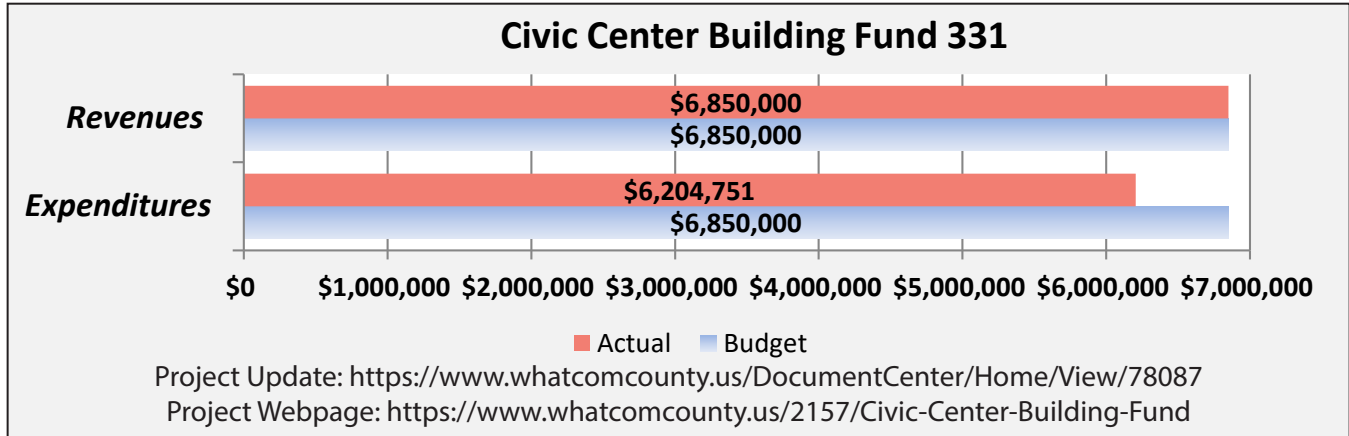
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Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Project Budget Funds

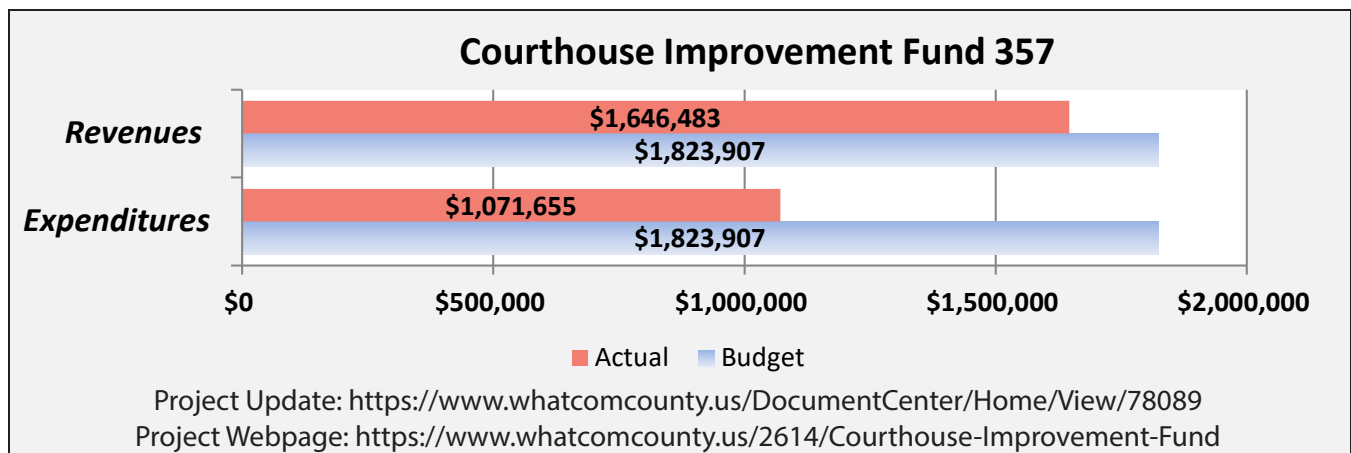
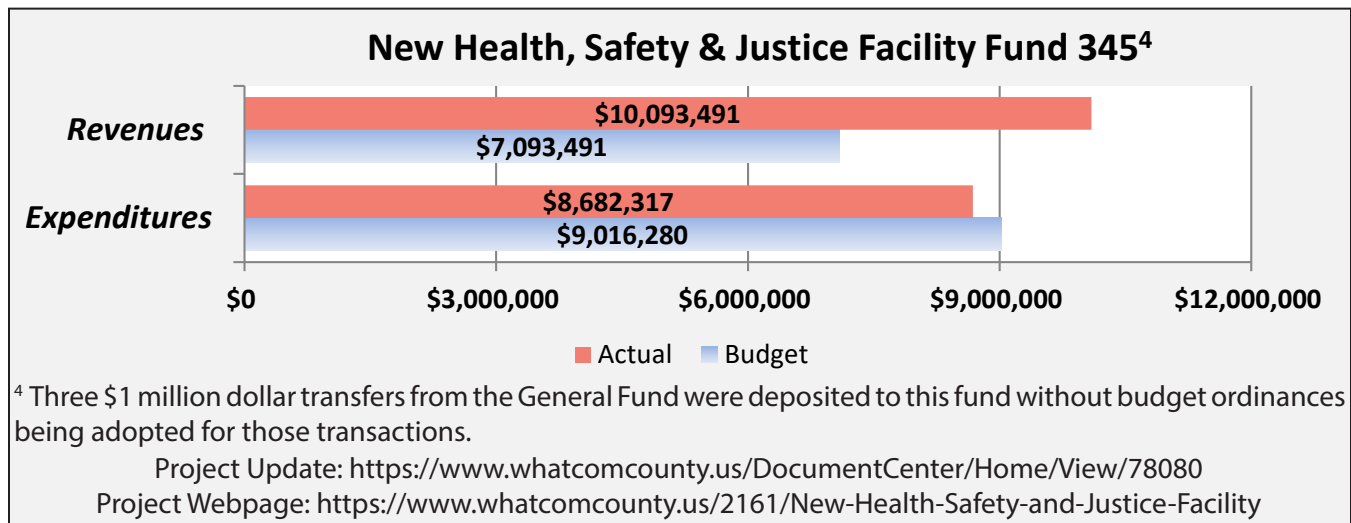
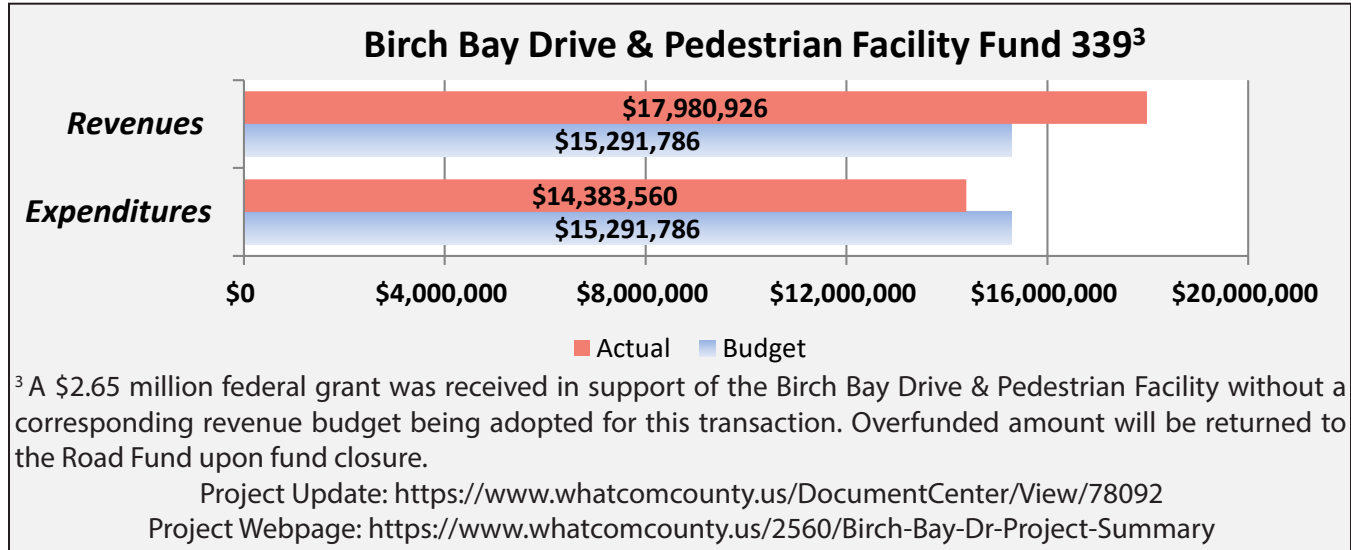


Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Project Budget Funds, continued

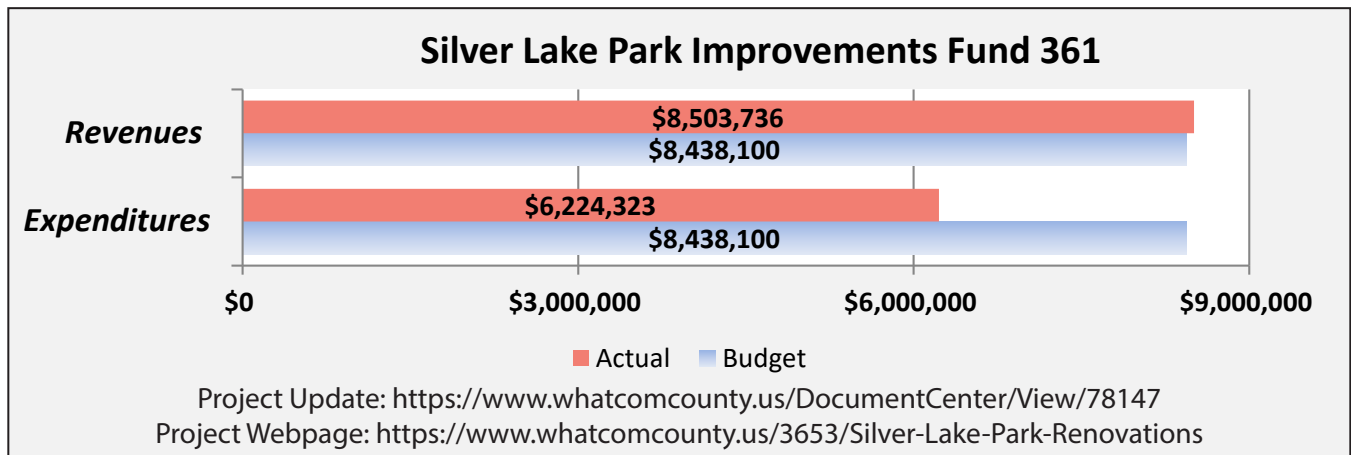
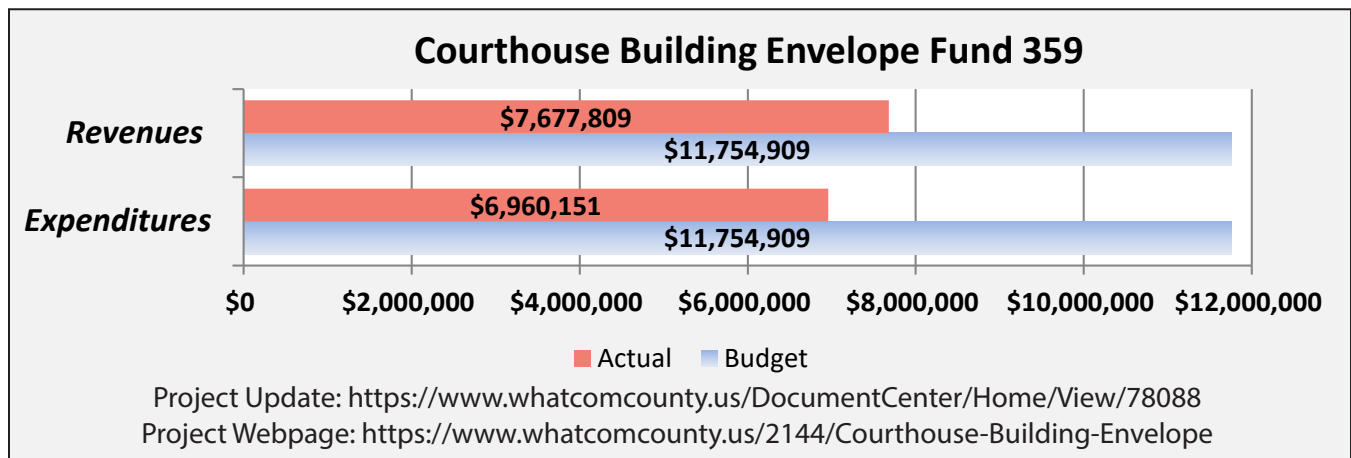
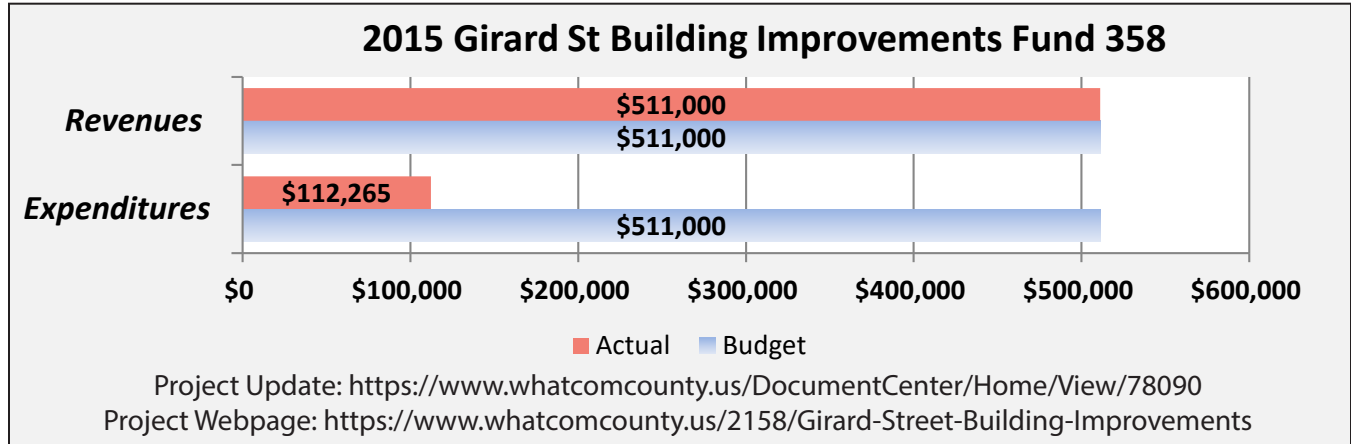


Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Project Budget Funds, continued

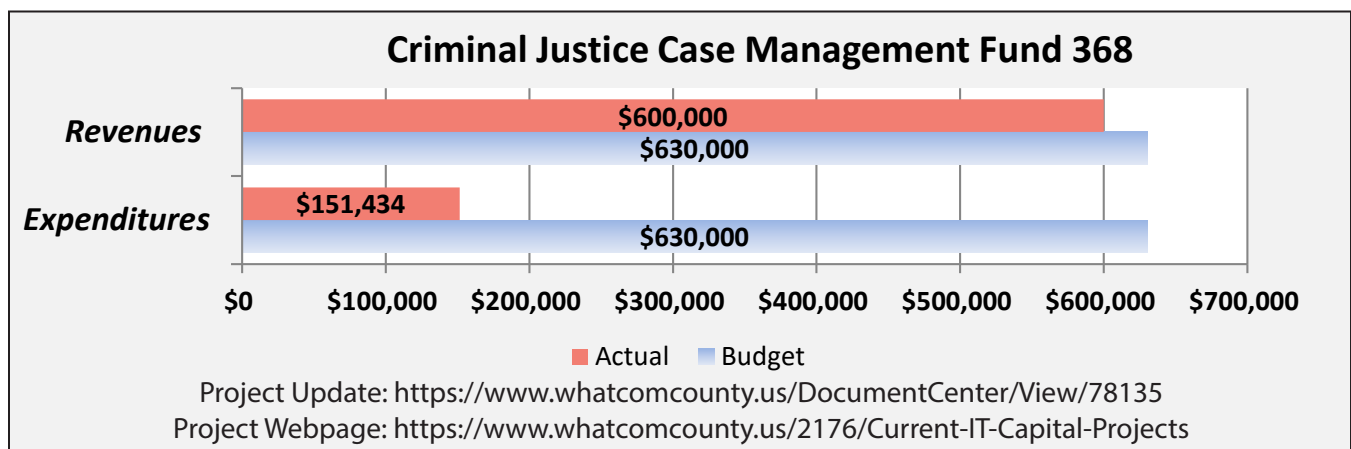
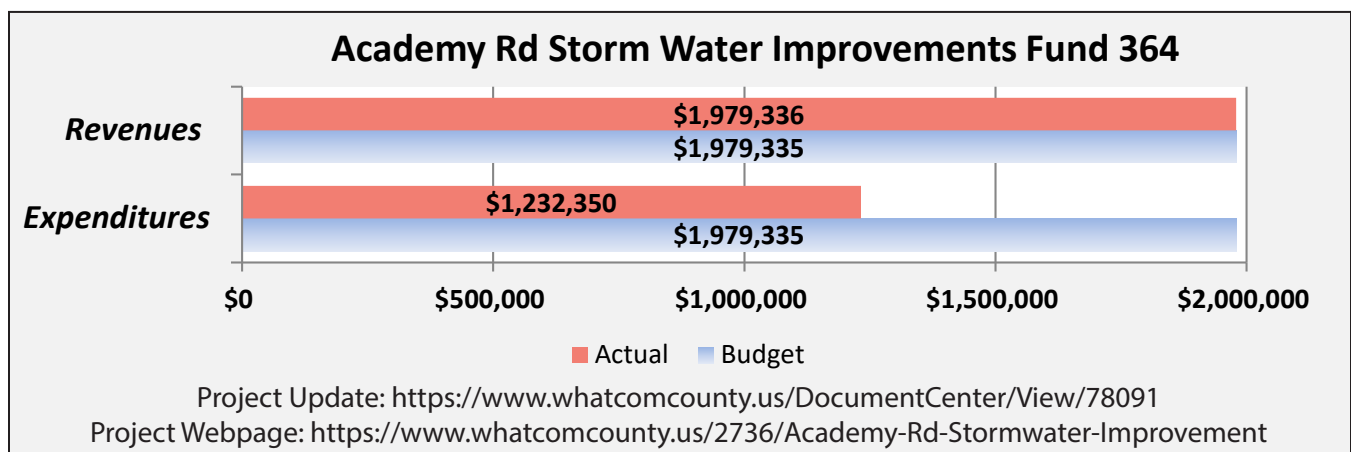
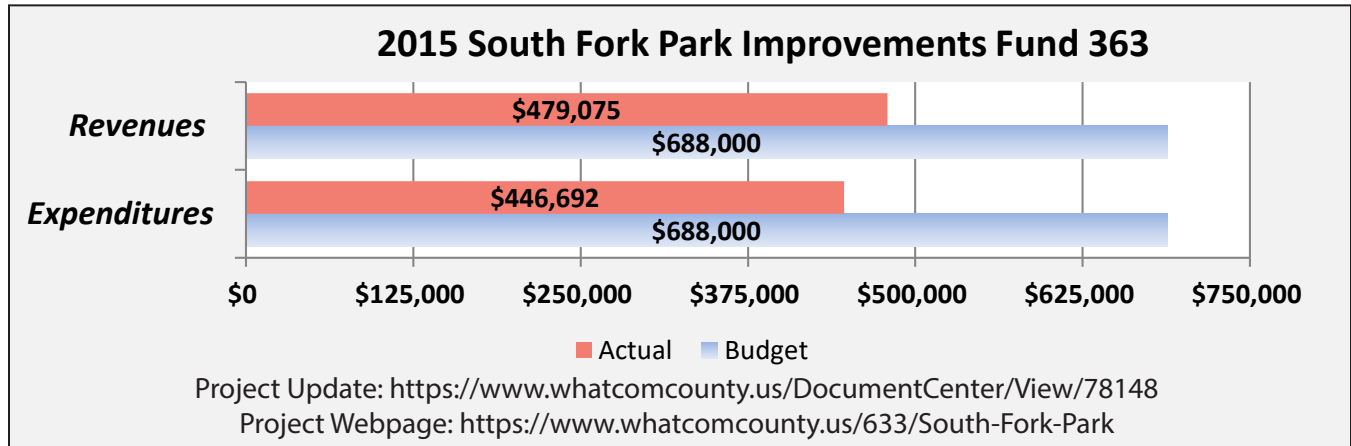


Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Project Budget Funds, continued

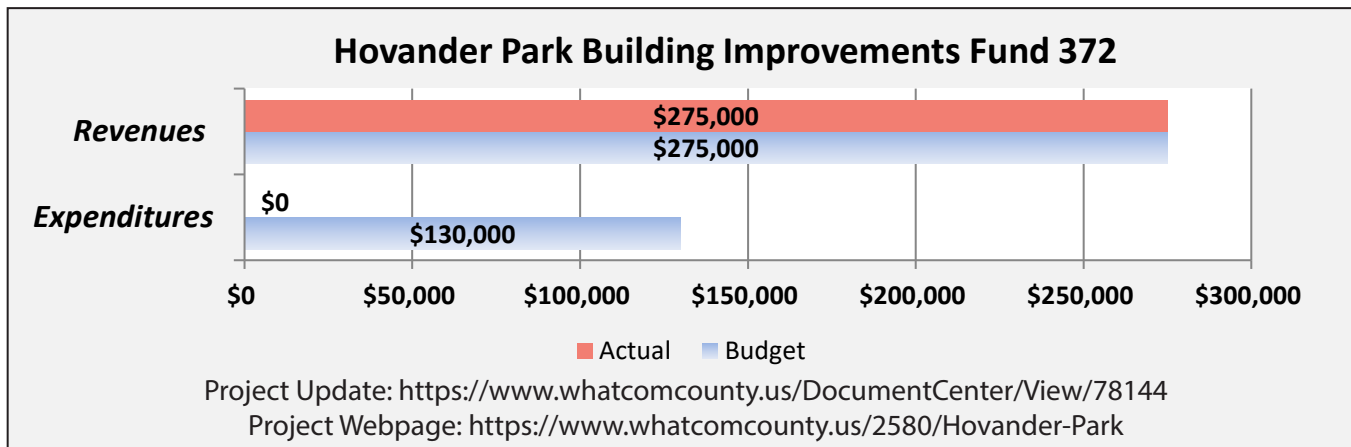
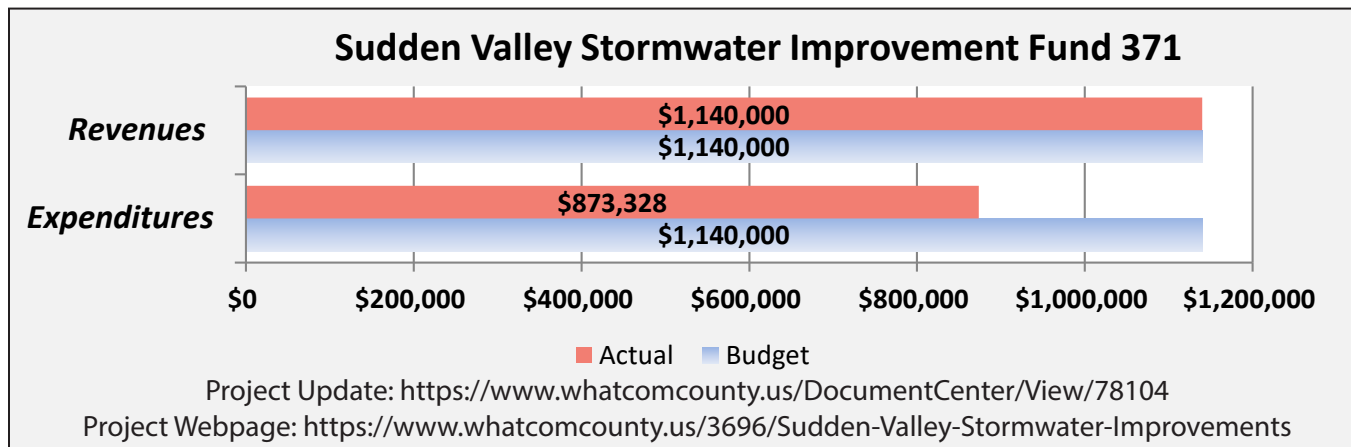
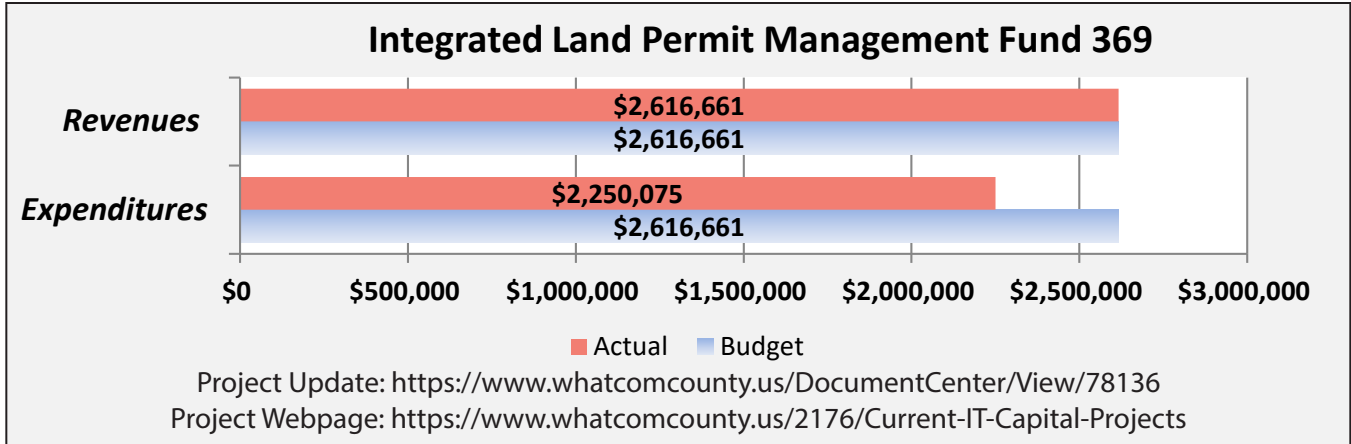


Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Project Budget Funds, continued

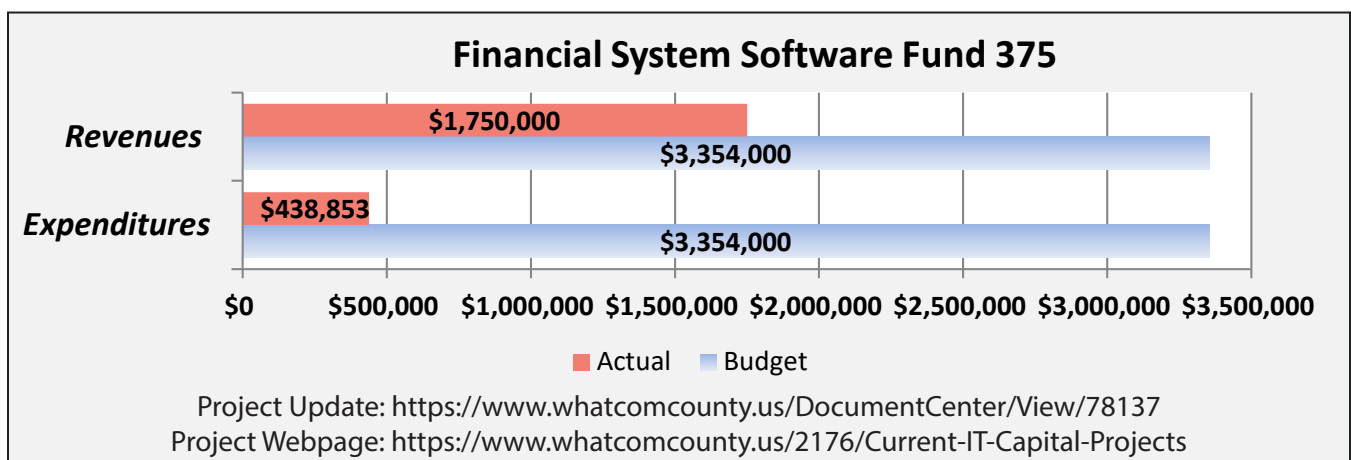
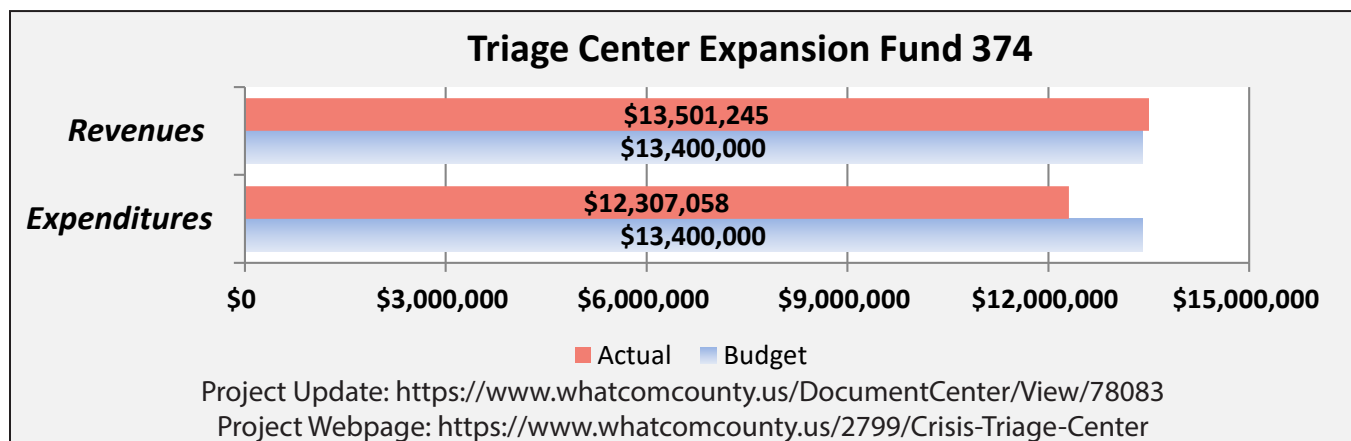
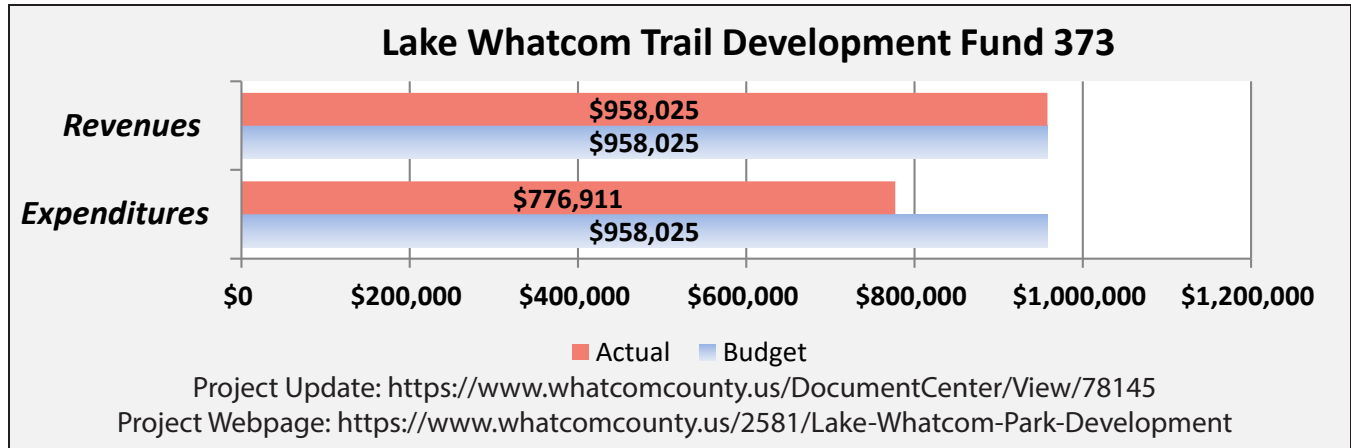


Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Project Budget Funds, continued

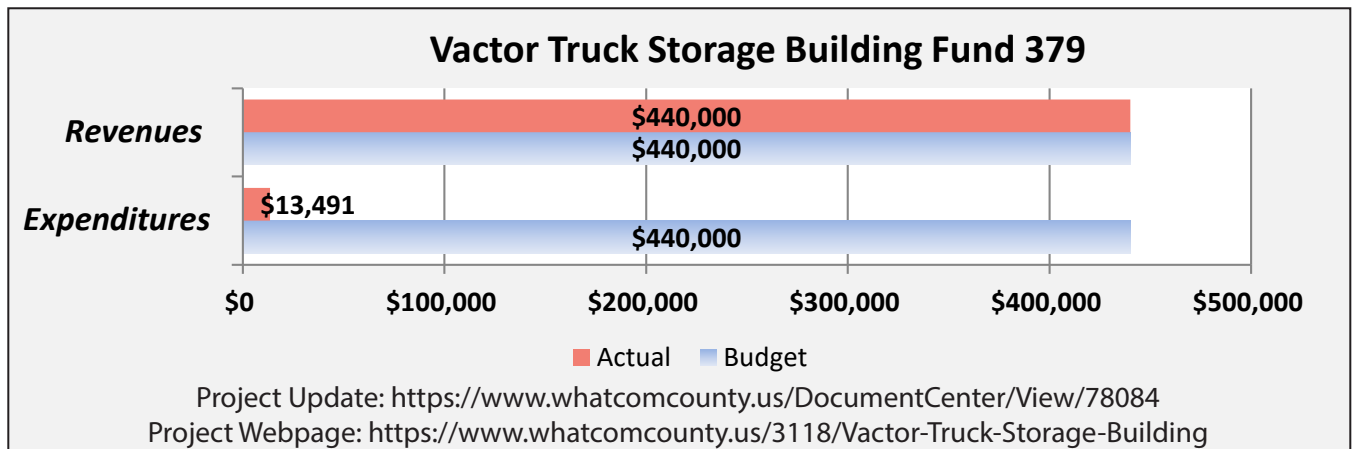
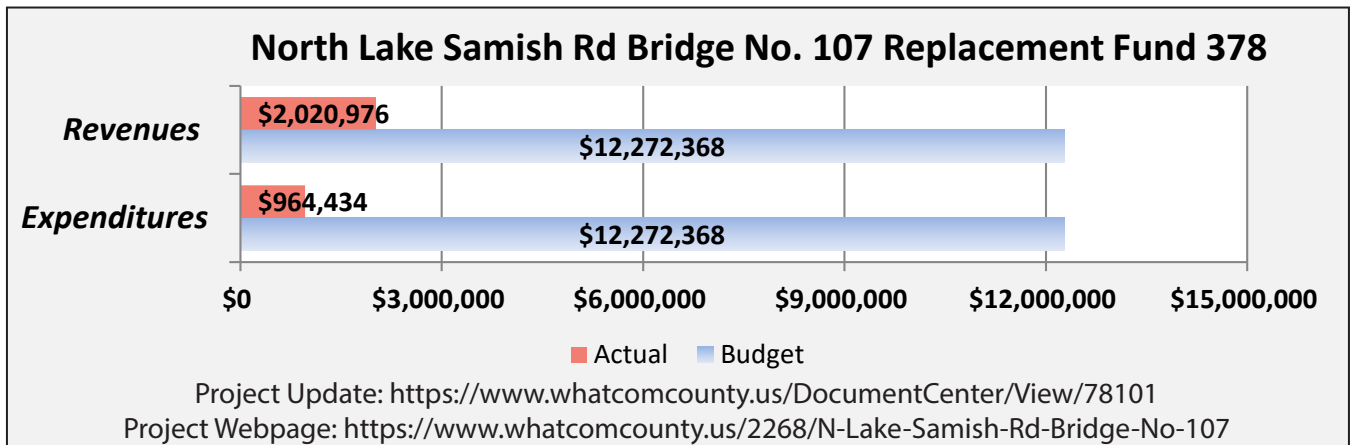
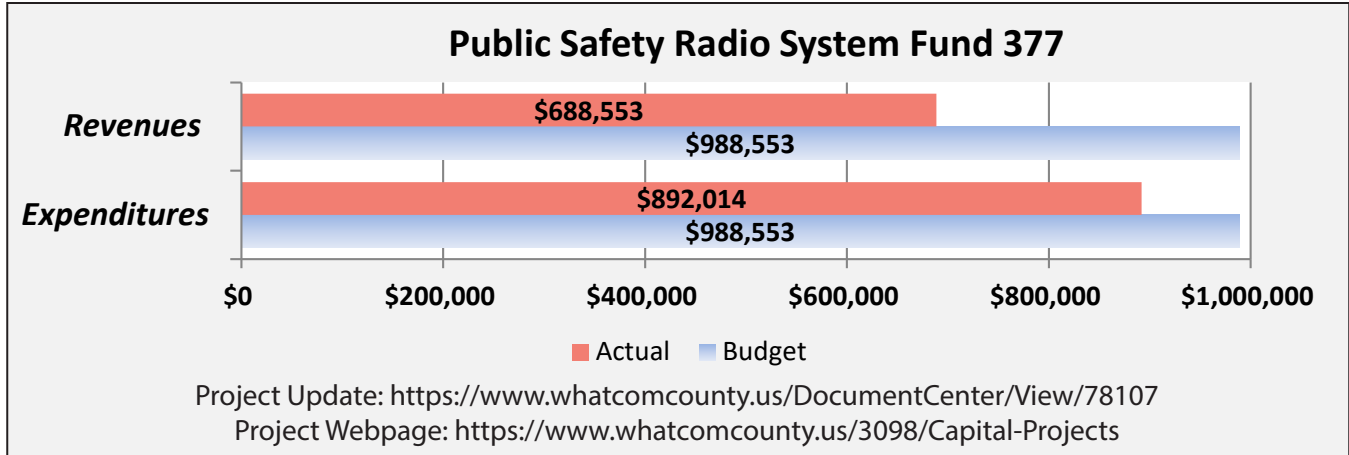


Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Project Budget Funds, continued

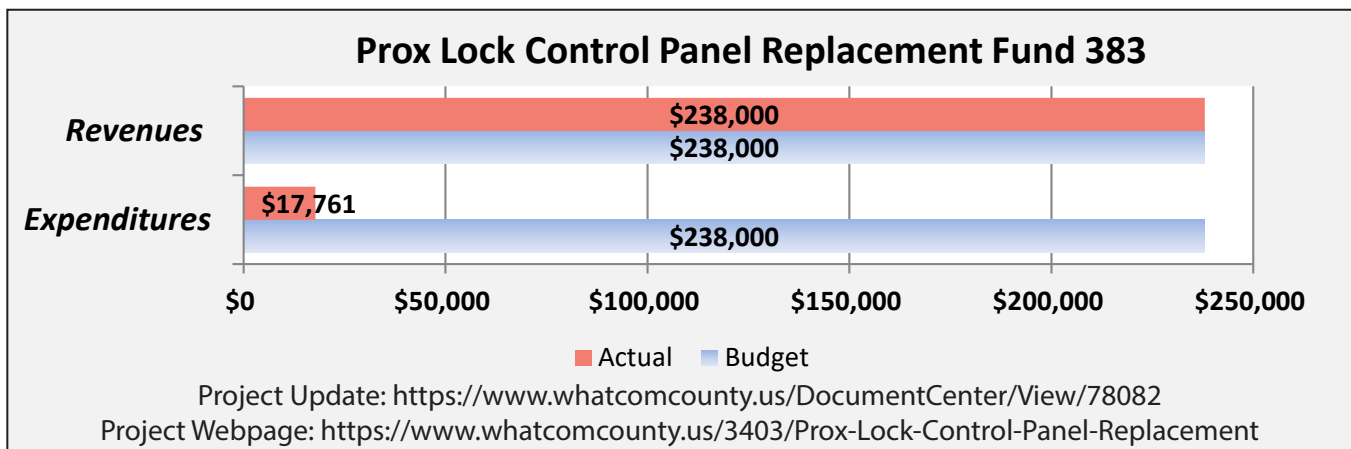
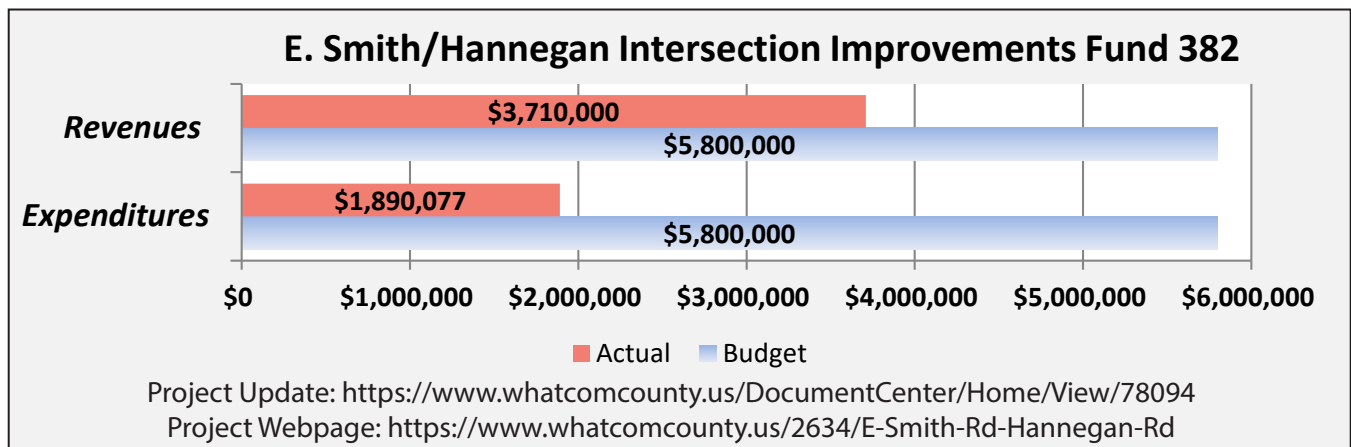
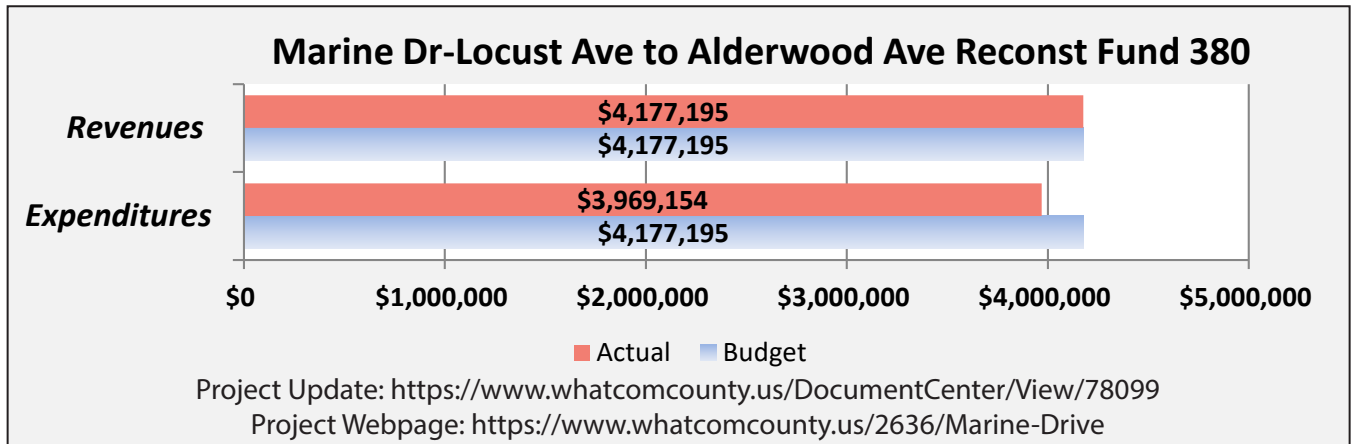


Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Project Budget Funds, continued

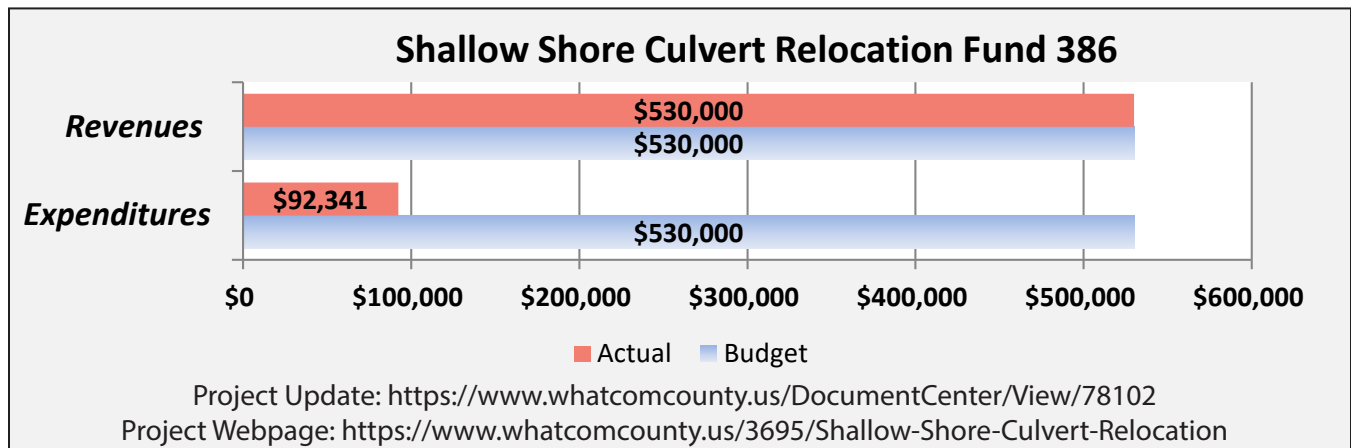
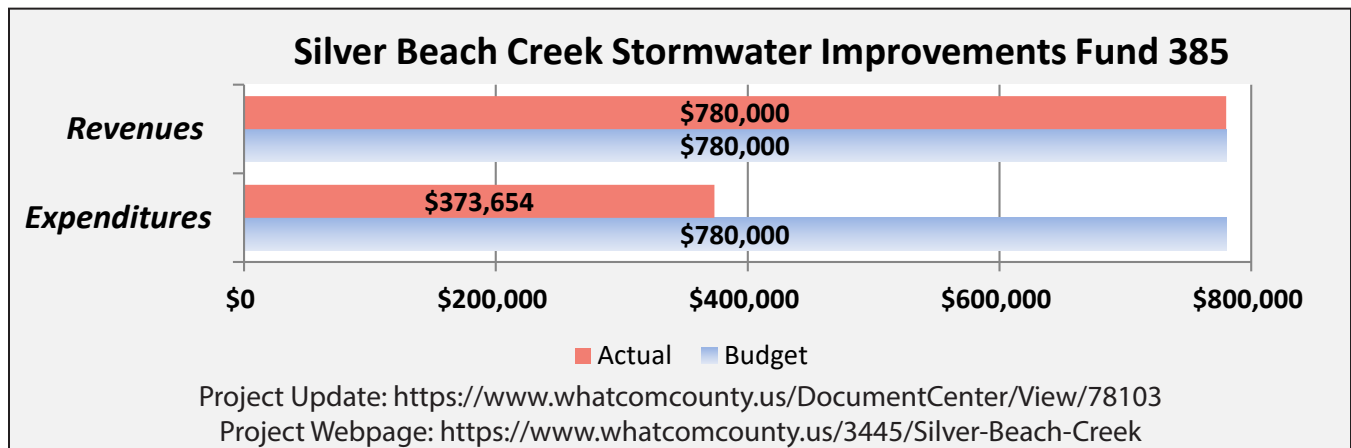
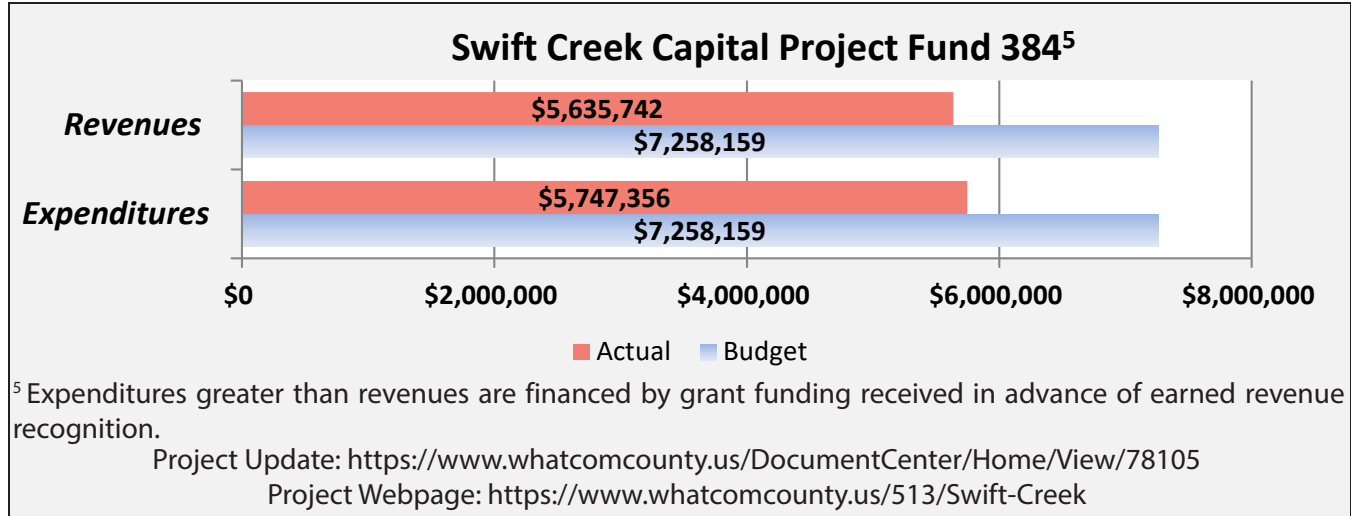


Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Project Budget Funds, continued

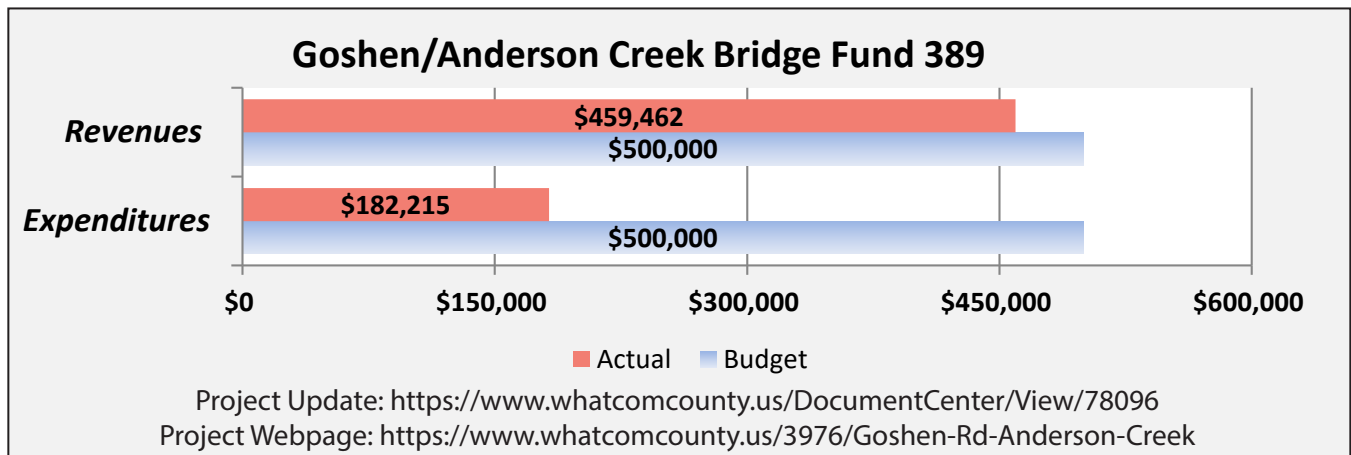
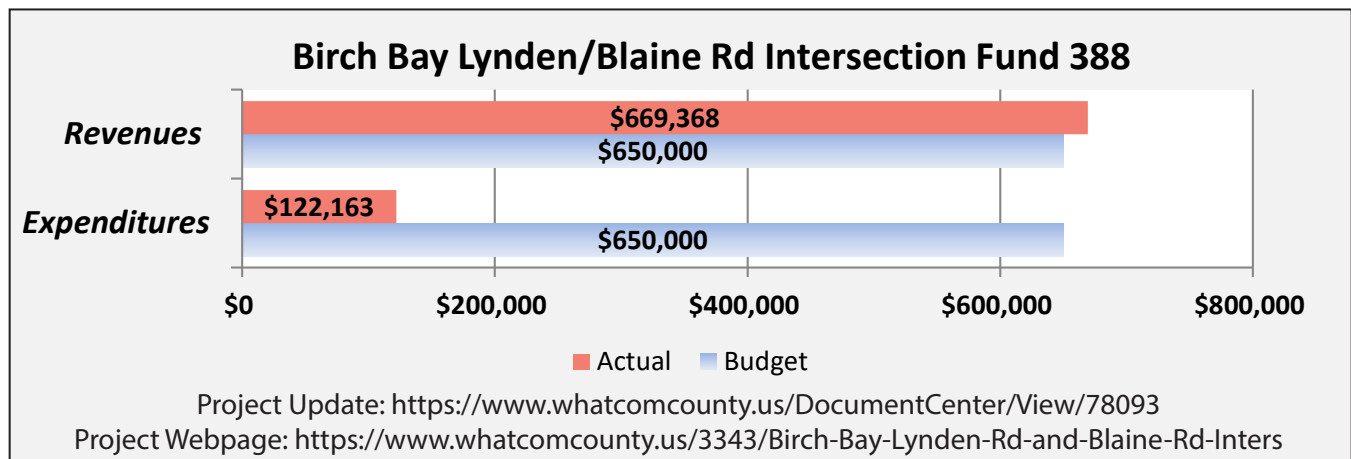
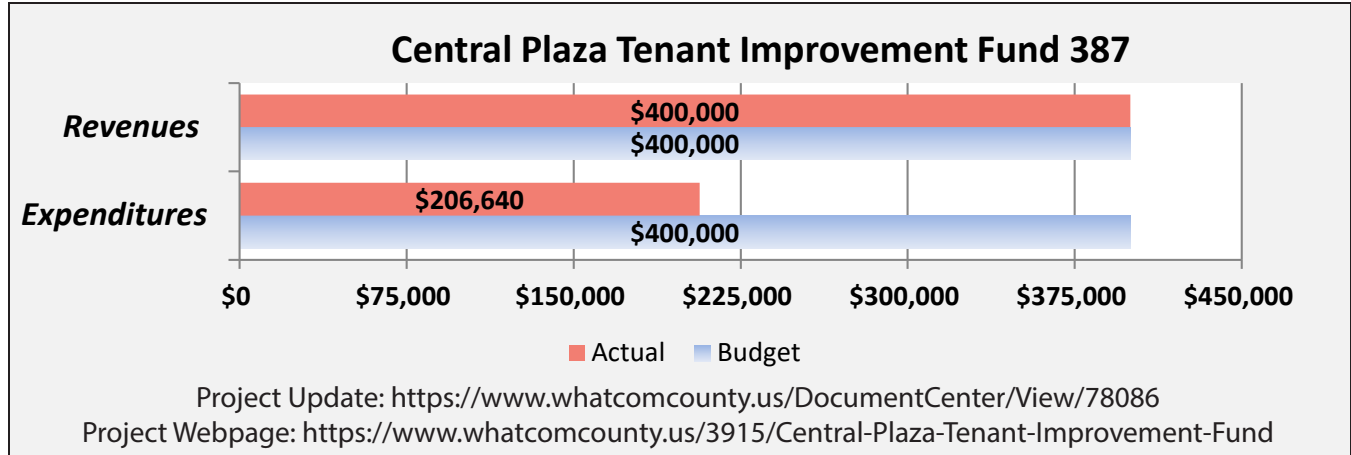


Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Project Budget Funds, continued

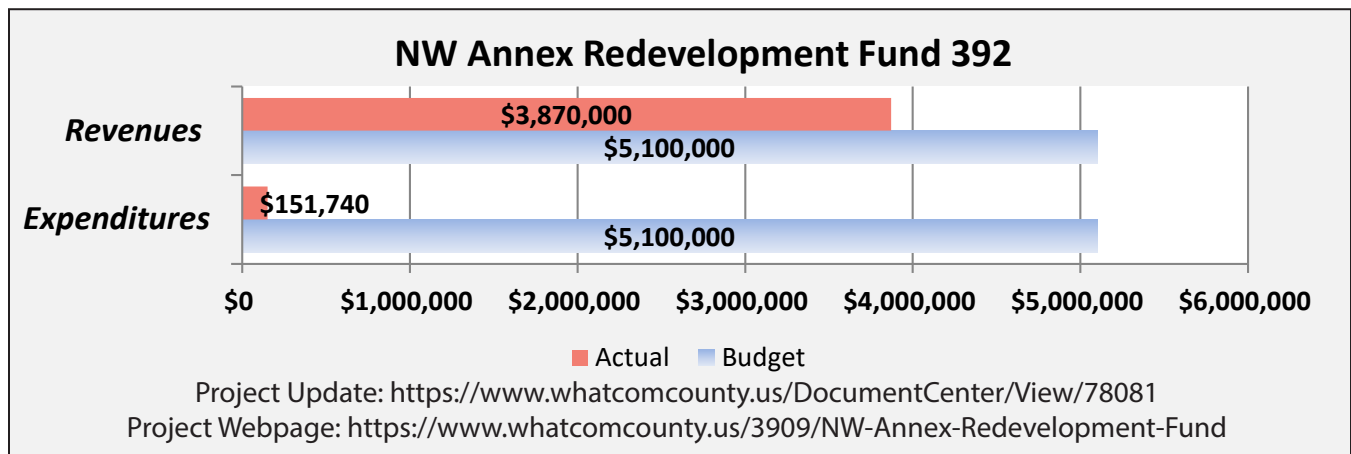
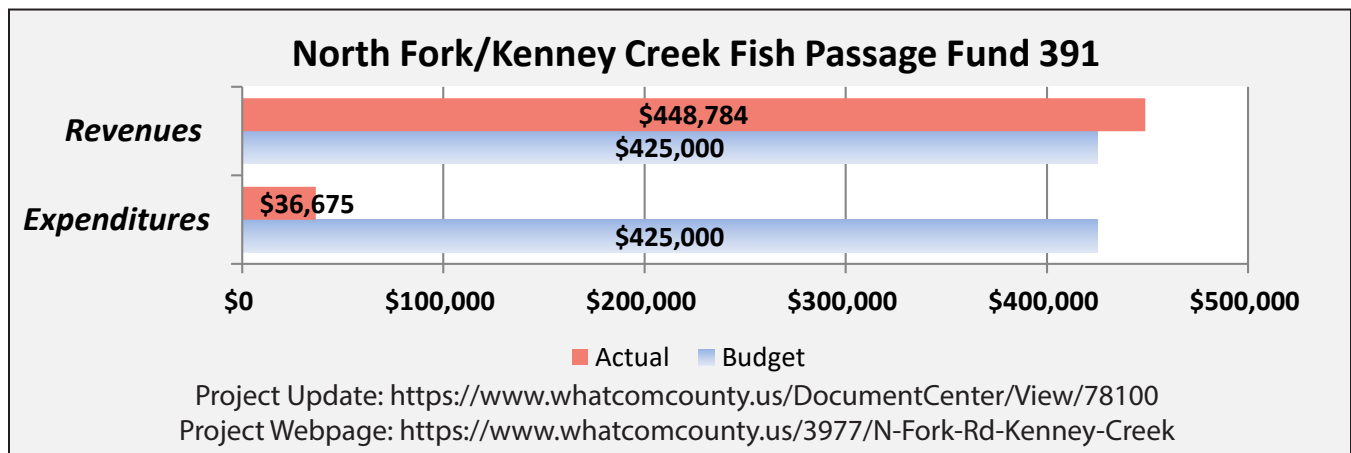
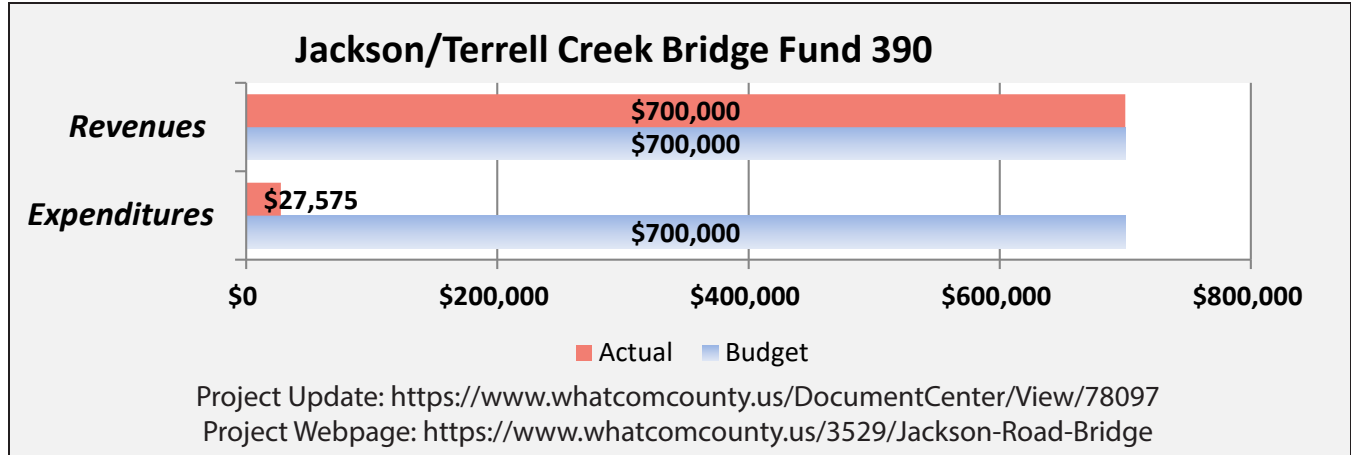


Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Project Budget Funds, continued

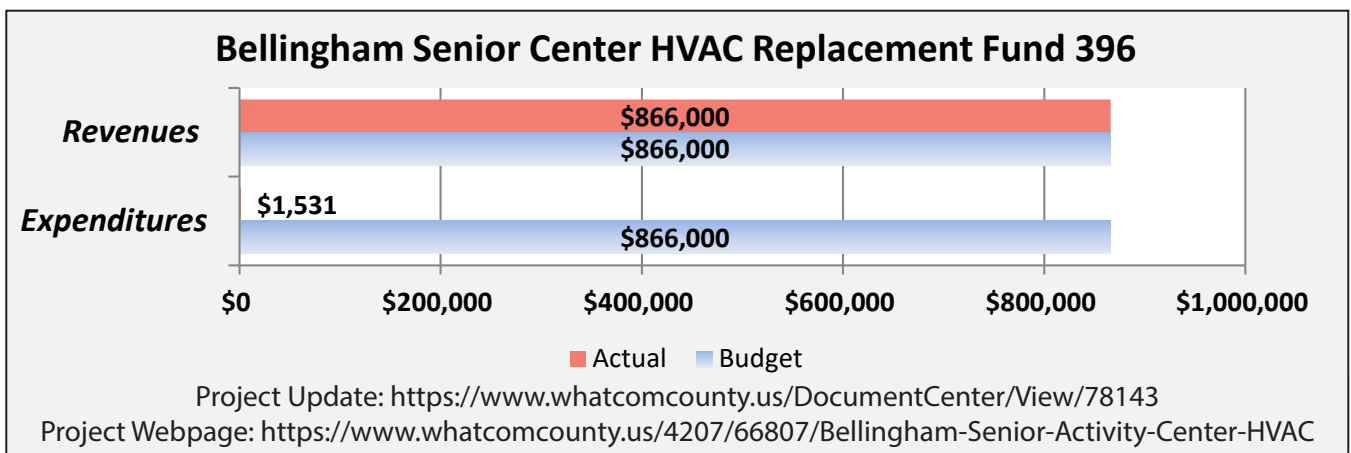
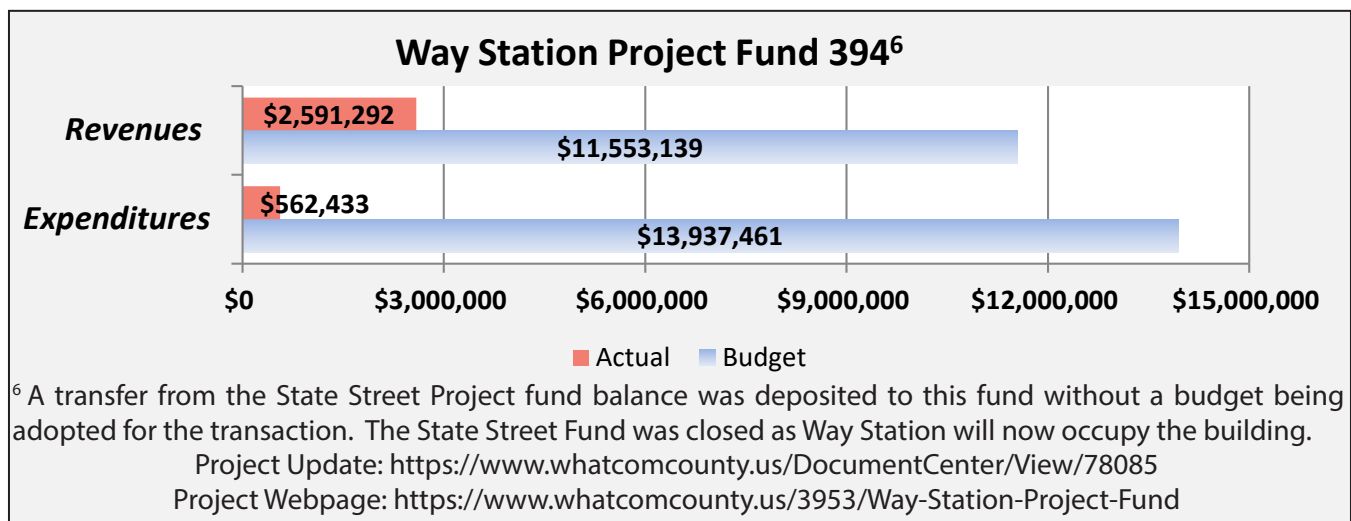
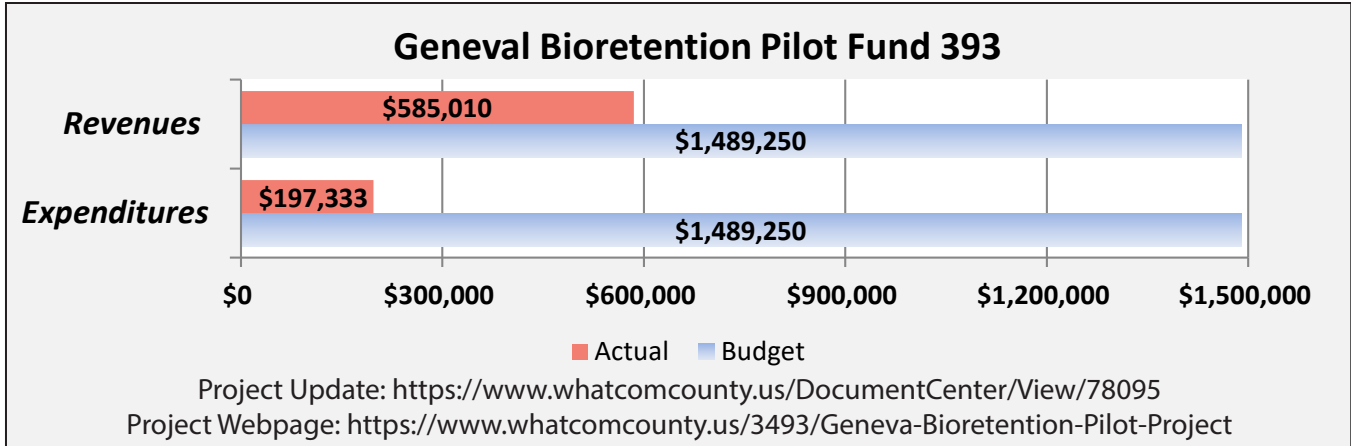


Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Project Budget Funds, continued



Whatcom County Second Quarter 2023 Financial Report

For the Quarter Ended June 30, 2023



Project Budget Funds, continued

