



First Quarter 2024 Financial Report

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Compiled and Presented by the
Administrative Services Department
Finance Division

Brad Bennett, Finance Manager

June 14th, 2024

Whatcom County First Quarter 2024 Financial Report

For the Quarter Ended March 31, 2024



Executive Summary

The following information presents Whatcom County's first quarter 2024 financial report. At the end of the first quarter the General Fund collected 20.2% of its budgeted revenues. Whatcom County's General Fund spent 21.5% of its budgeted expenditures. Revenues increased \$3.2 million from first quarter 2023. Increase in revenues were largely due to carryforwards of revenue received in 2023 for specific purposes. Expenditures are within current year expectations and are slightly higher when compared to prior year's first quarter percent spent. Expenditures have increased \$3.7 million when compared to spending in the first quarter of 2023. First quarter 2024 had one extra payroll posted in the quarter which accounts for \$2.5 million of the increase; the balance is due to newly authorized positions.

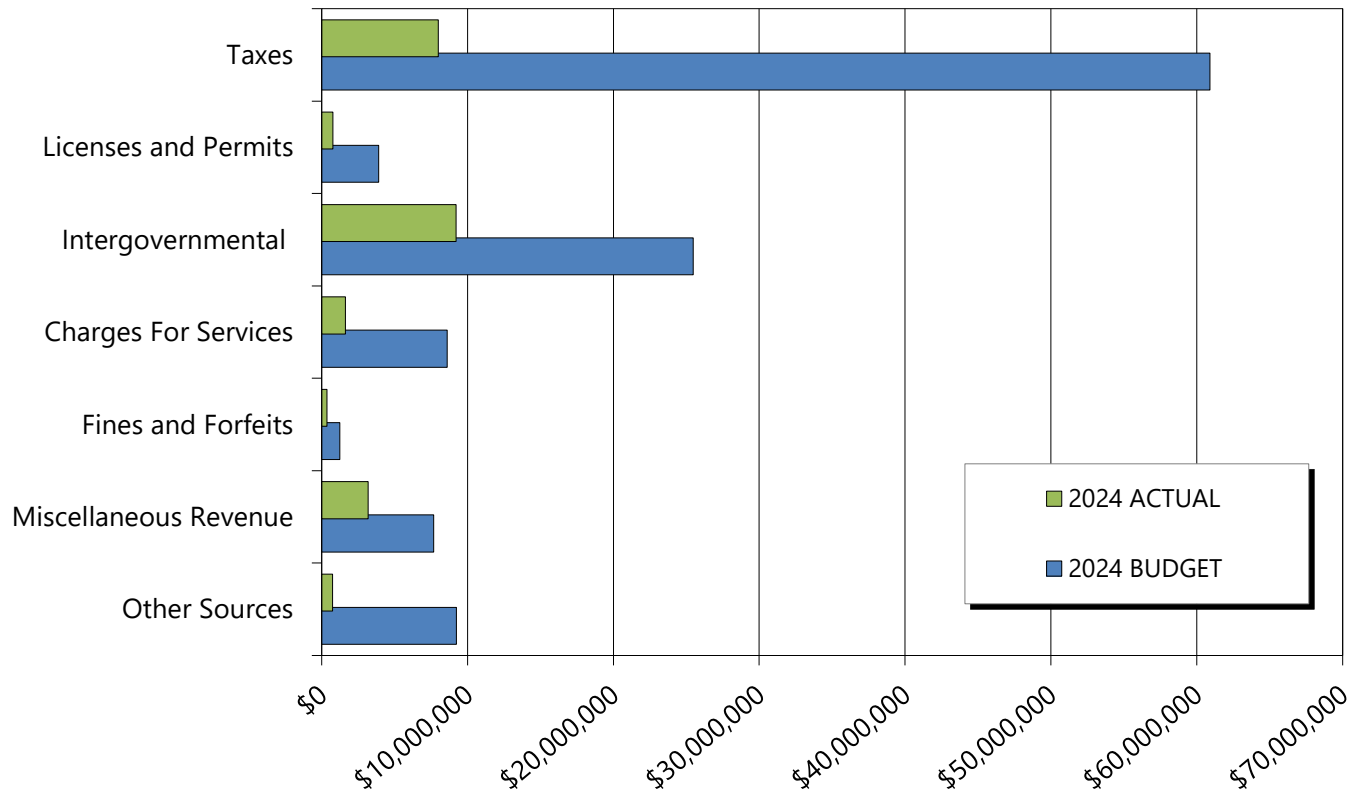
The current estimated 2024 General Fund ending fund balance is projected to be approximately \$26.5 million.

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General Fund Revenue - Budget vs. Actual



	2024 Budget Adopted	2024 Budget Supp'ls	2024 Budget Amended	Actual as of 3/31/2024	% Collected To Date
Taxes	58,553,967	2,358,545	60,912,512	7,992,574	13.12%
Licenses and Permits	3,912,880	-	3,912,880	777,455	19.87%
Intergovernmental	20,466,924	5,016,149	25,483,073	9,219,718	36.18%
Charges For Services	8,893,365	(292,289)	8,601,076	1,635,135	19.01%
Fines and Forfeits	1,250,000	(10,000)	1,240,000	354,819	28.61%
Miscellaneous Revenue	5,435,768	2,236,397	7,672,165	3,194,340	41.64%
Other Sources	8,073,898	1,158,386	9,232,284	739,620	8.01%
Total Revenue	106,586,802	10,467,188	117,053,990	23,913,661	20.43%

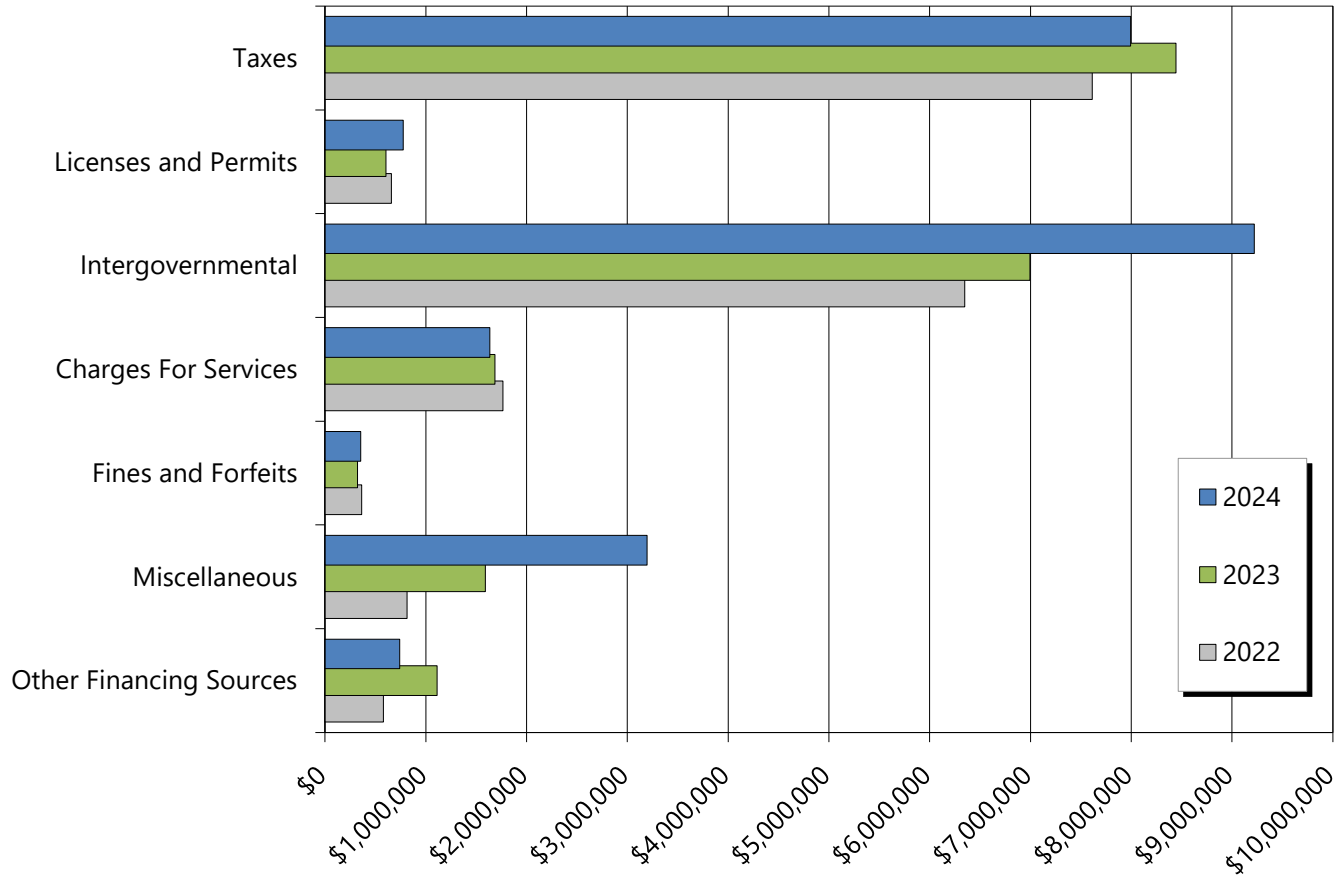
See pages 4 and 5 for General Fund Revenue Notes.

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General Fund Revenue to Date - Compared to Prior Years



	2022	2023	2024
Taxes	7,612,460	8,445,313	7,992,574
Licenses and Permits	659,285	606,188	777,455
Intergovernmental	6,346,434	6,995,908	9,219,718
Charges For Services	1,766,875	1,687,162	1,635,135
Fines and Forfeits	363,514	322,701	354,819
Miscellaneous	814,614	1,590,325	3,194,340
Other Financing Sources	580,407	1,111,399	739,620
Total Revenue	18,143,589	20,758,996	23,913,661

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 2024 which will generate approximately \$307,509 and \$678 million of new construction was added to the tax rolls which will generate \$346,000 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 down 10.1%, or \$673,382, as compared to last year's first quarter collections. We discovered that a sale tax remittance in the amount of \$420,000 was accidentally distributed to another jurisdiction by the State. We anticipate the full amount to be recovered by the County and once recovered sales tax revenue will be close to 2023. The County has seen a reduction in the strong growth it experienced in 2023. Interest rates remain at relatively high levels which has increased the cost of borrowing. As a result, construction and other big-ticket purchases have slowed down.

Licenses & Permits

Building permits account for 38.3% 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 4.1%.

License and Permit Fees are \$171,265, or 28.3%, more than amounts collected during first quarter 2023. This was largely due to an increase in building and structures permits which increased \$173,145 or 69.6% from the first quarter of 2023. Code changes resulted in an influx of permit submissions by builders in order to vest under the old building code.

Intergovernmental Revenue

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

Intergovernmental Revenues collected as of quarter end are \$2,223,810, or 31.8%, higher than the first quarter 2023. In 2023 we received \$2,732,712 from the federal Local Assistance and Tribal Consistency Fund which was deferred entirely into 2024. Other federal grant funding decreased and was led by a reduction in funding for Community Development Block Grant (CDBG) funding in passthroughs from the Washington State Department of Commerce. State grant sources also decreased slightly due to smaller reimbursements for legislative grants, buildable lands study, youth truancy grants, nurse family partnership and criminal justice treatment account grants. State entitlements saw increases in motor vehicle excise taxes and marijuana excise tax. Foundational Public Health Services (FPHS) entitlements saw a significant increase of \$932,165 or 54.2% when compared to the 1st quarter of 2023. Most of this increase was a result of current year recognition of 2023 unspent FPHS revenues which were deferred at year-end.

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General Fund Revenue Notes, continued

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 \$52,025, or 3.1%, from first quarter 2023. Significant fluctuations in this category of revenues include Treasurer's real estate excise tax processing fees decreasing due to rising interest rates, Municipal Court probation service fees with a decrease of \$55,347 and County adult probation service fees also saw a reduction of \$48,513. On the other hand, building related fees saw an uptick including zoning code administration, sub-division review, site plan review, building plan check fees, and environmental reviews due to builders wanting to vest before the building code change. Rifle Range fees remain historically low 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 increased 10%, or \$32,120, from first quarter 2023 amounts. Traffic infractions and property tax related penalties are modestly up over last year whereas other criminal traffic and criminal cost penalties continue to follow a downward trend.

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 101% or \$1,604,014 over first quarter 2023 amounts. This is largely due to an increase in investment earnings of \$748,678, or 103%, as a result of to higher interest rates. We have also received settlement dollars from two separate class action lawsuits over tobacco vape products and opioid distribution which constituted \$1,240,070 in revenues – these include revenue deferrals from 2023. Property tax interest is down \$152,559 (10%) and parks rentals are down about \$44,000 (16.6%).

Other Financing Sources

The "Other Financing Sources" revenue budget is composed of state timber revenues (1.8%) and transfers from other Whatcom County funds (98.2%).

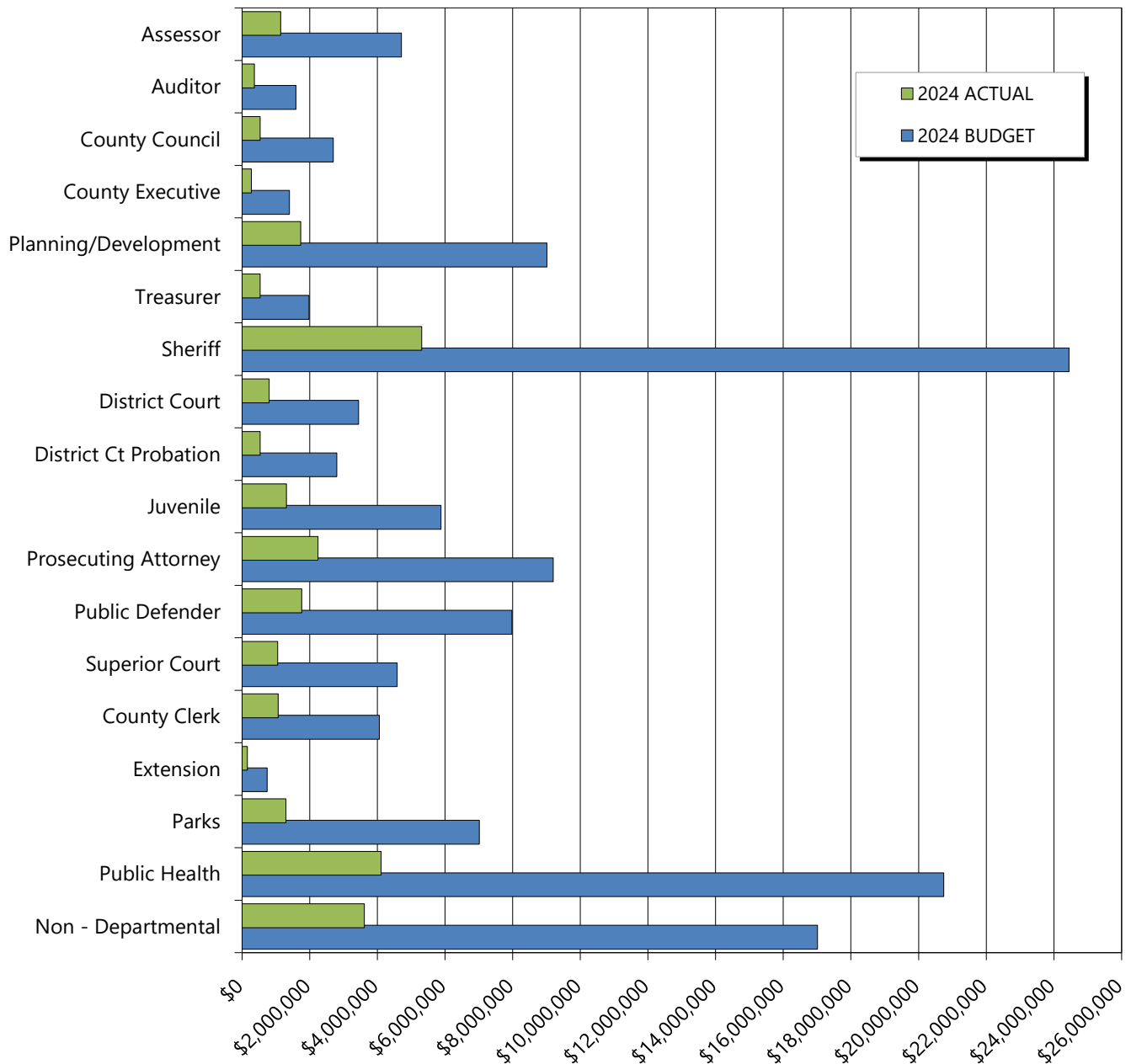
The Other Financing Sources category decreased by \$371,779, or 33.5%. This is all attributed to timing differences in transfers from the EMS fund to the General Fund for the criminal justice portion of the EMS tax.

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General Fund Expenditures - Budget vs. Actual



See page 7 for chart detail and page 10 for General Fund Expenditure Notes.

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General Fund Expenditures - Budget vs. Actual

	2024 Adopted Budget	2024 Budget Supp'ls	2024 Amended Budget	Actual as of 3/31/24	% Expended To Date
Assessor	4,129,800	583,922	4,713,722	1,141,535	24.22%
Auditor	1,510,777	78,233	1,589,010	365,149	22.98%
County Council	2,011,737	686,250	2,697,987	532,442	19.73%
County Executive	1,071,821	324,918	1,396,739	277,677	19.88%
Planning & Development	6,834,349	2,180,580	9,014,929	1,735,419	19.25%
Treasurer	1,759,325	218,088	1,977,413	530,747	26.84%
Sheriff	21,867,314	2,578,780	24,446,094	5,311,921	21.73%
District Court	3,173,979	267,310	3,441,289	796,284	23.14%
District Court Probation	2,389,828	408,013	2,797,841	535,774	19.15%
Juvenile	5,657,912	219,158	5,877,070	1,307,193	22.24%
Prosecuting Attorney	7,673,206	1,522,485	9,195,691	2,247,513	24.44%
Public Defender	6,575,900	1,403,963	7,979,863	1,760,230	22.06%
Superior Court	4,082,727	504,699	4,587,426	1,053,107	22.96%
County Clerk	3,257,826	797,969	4,055,795	1,066,649	26.30%
Extension	702,954	35,312	738,266	153,658	20.81%
Park	5,150,284	1,861,239	7,011,523	1,292,677	18.44%
Public Health	18,867,678	1,878,706	20,746,384	4,112,506	19.82%
Non - Departmental	20,226,373	(3,212,910)	17,013,463	3,613,484	21.24%
Total General Fund Exp	116,943,790	12,336,715	129,280,505	27,833,965	21.53%

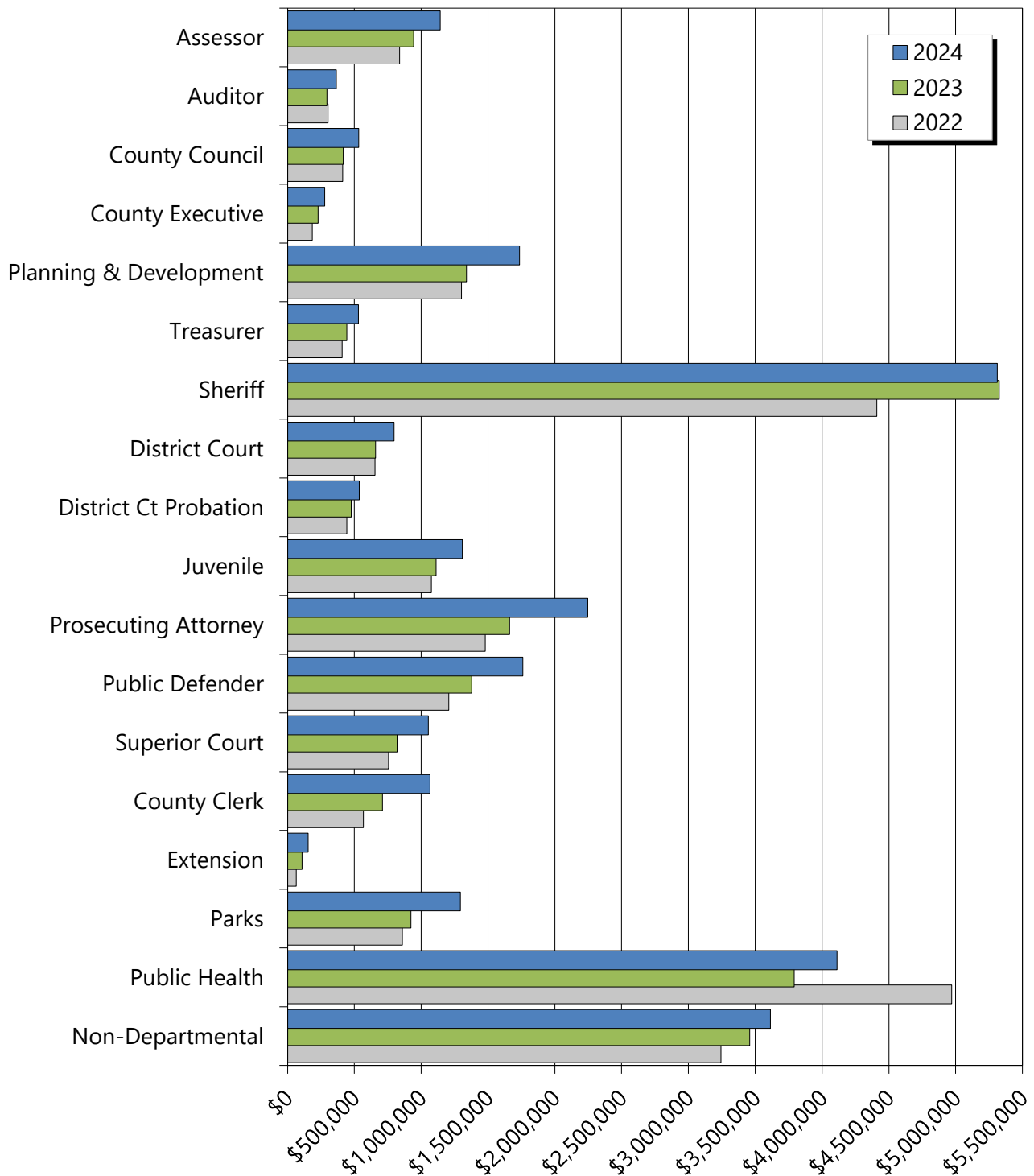
See page 10 for General Fund Expenditure Notes.

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General Fund Expenditures - Compared to Prior Years



See page 9 for chart detail and page 10 for General Fund Expenditure Notes.

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General Fund Expenditures - Compared to Prior Years

	2022	2023	2024
Assessor	838,336	943,500	1,141,535
Auditor	302,132	293,967	365,149
County Council	412,713	416,588	532,442
County Executive	184,858	227,684	277,677
Planning & Development	1,301,339	1,338,411	1,735,419
Treasurer	408,747	444,144	530,747
Sheriff	4,409,738	5,325,593	5,311,921
District Court	653,949	658,299	796,284
District Ct Probation	443,350	476,528	535,774
Juvenile	1,077,056	1,111,322	1,307,193
Prosecuting Attorney	1,480,182	1,661,700	2,247,513
Public Defender	1,205,644	1,378,564	1,760,230
Superior Court	755,140	818,997	1,053,107
County Clerk	568,001	709,916	1,066,649
Extension	65,945	107,896	153,658
Parks	858,912	922,512	1,292,677
Public Health	4,970,676	3,791,439	4,112,506
Non-Departmental	3,243,155	3,457,686	3,613,484
TOTAL	23,179,873	24,084,746	27,833,965

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General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the first quarter were 21.5% of the approved budget, which is consistent with prior years. Departmental spending increased by 15% or \$3,749,219 when compared to the first quarter of 2023. There was increased spending in virtually all departments barring the Sheriff's Office which saw a modest decrease. First quarter 2024 had one extra payroll posted in the quarter which accounts for \$2.5 million of the increase; the balance is due to newly authorized positions.

The Treasurer saw 26.8% of their budget spent through the first quarter due to mailings for tax notices and the first half of software maintenance costs for the year. The Clerks Office has elapsed 26.3% of their budget through the first quarter of 2024 due to significant costs related to conflict counsel cases.

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General Fund Conclusion

	Actual
Beginning Fund Balance 1/1/24	<u>32,257,631</u>
Revenues	
Budgeted Revenues 2024	106,586,802
Continuing Appropriations from 2023	1,260,179
Supplemental Budgets 2024	9,207,009
Total Revenue	<u>117,053,990</u>
Expenditures	
Budgeted Expenditures 2024	116,943,790
Continuing Appropriations from 2023	1,631,220
Supplemental Budgets 2024	10,705,495
Total Expenditures	<u>129,280,505</u>
Expected Surplus (Deficit)	<u>(12,226,515)</u>
Other Considerations	-
Estimated Budget Lapse ¹	6,464,025
Projected Ending Fund Balance 12/31/24	<u><u>26,495,141</u></u>

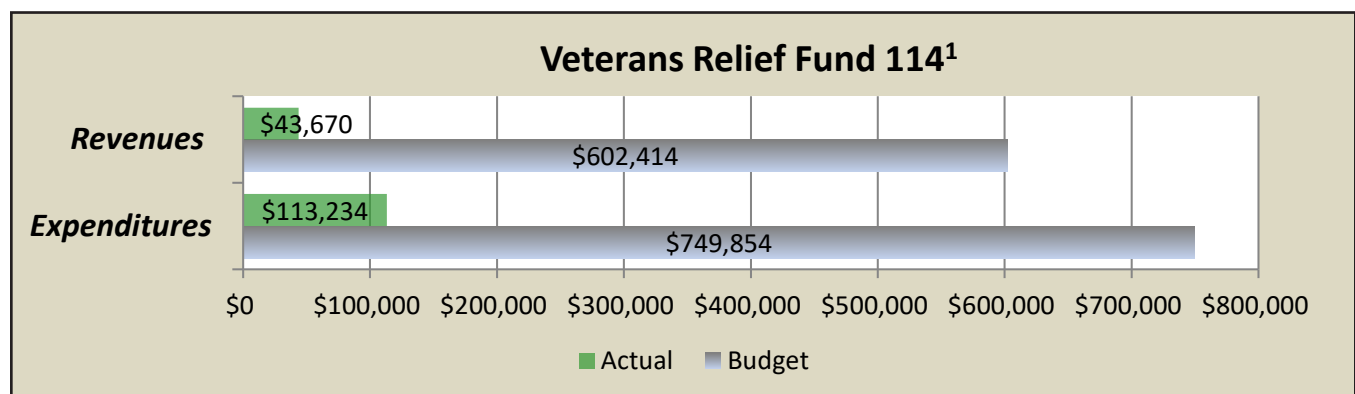
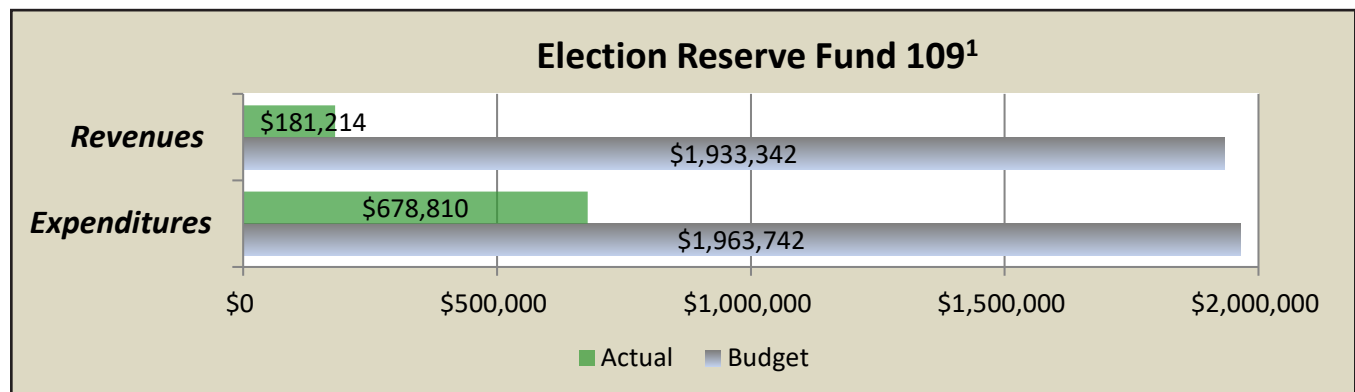
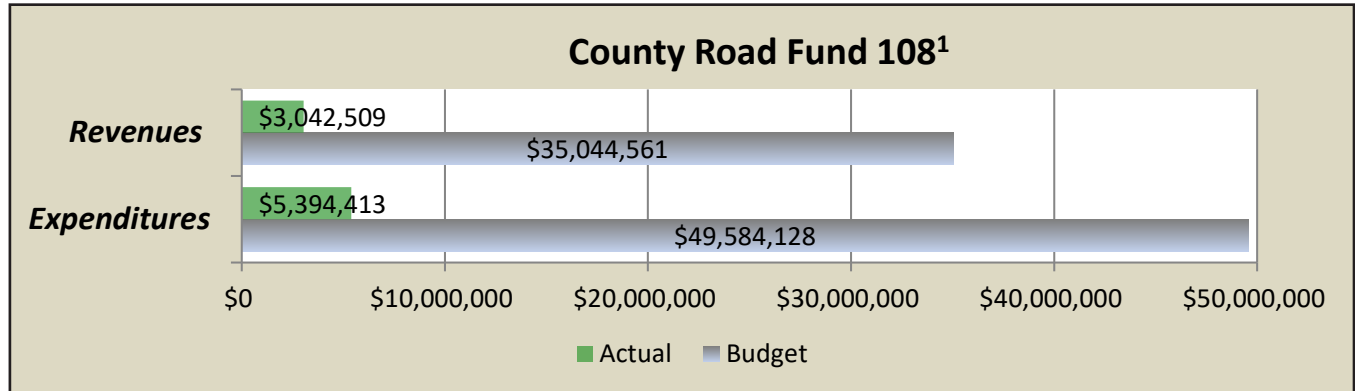
Note 1: The estimated budget lapse is 5% of the expenditure budget.

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Special Revenue Funds and Other Funds



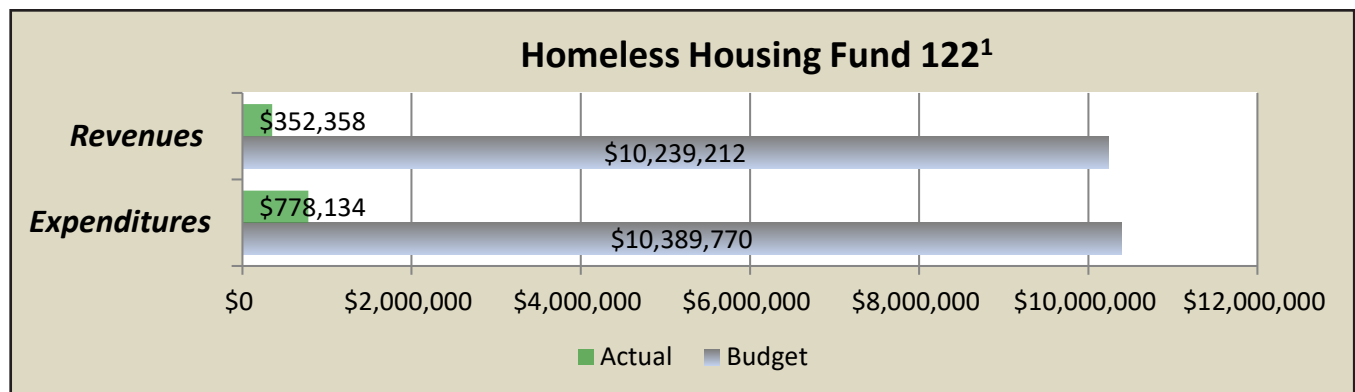
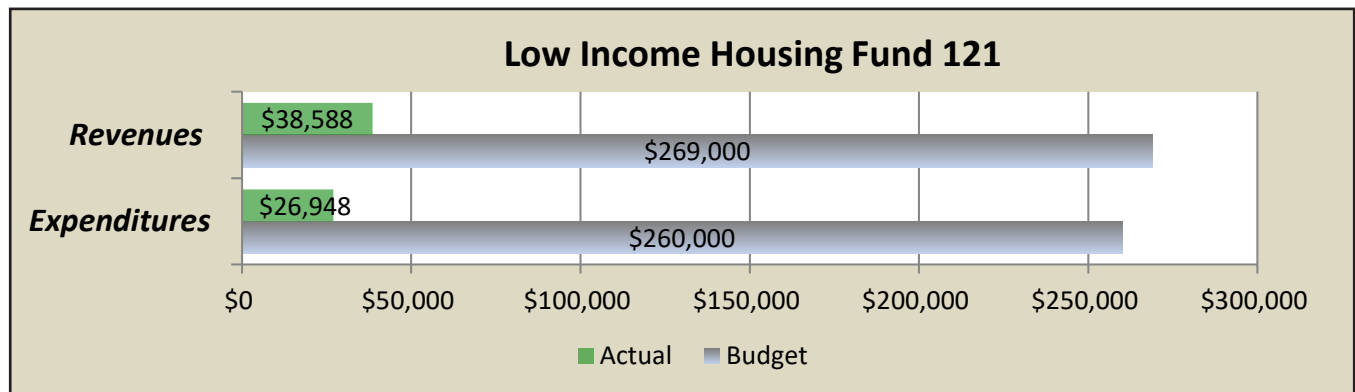
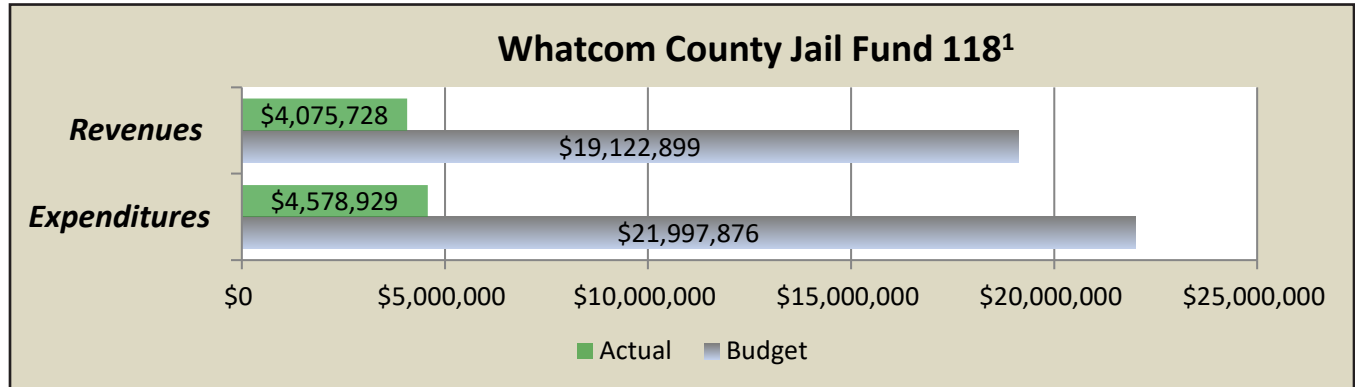
Note ¹: Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves. Funds with more actual year-to-date expenditures than actual year-to-date revenues are utilizing fund balance reserves.

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Special Revenue Funds and Other Funds, continued



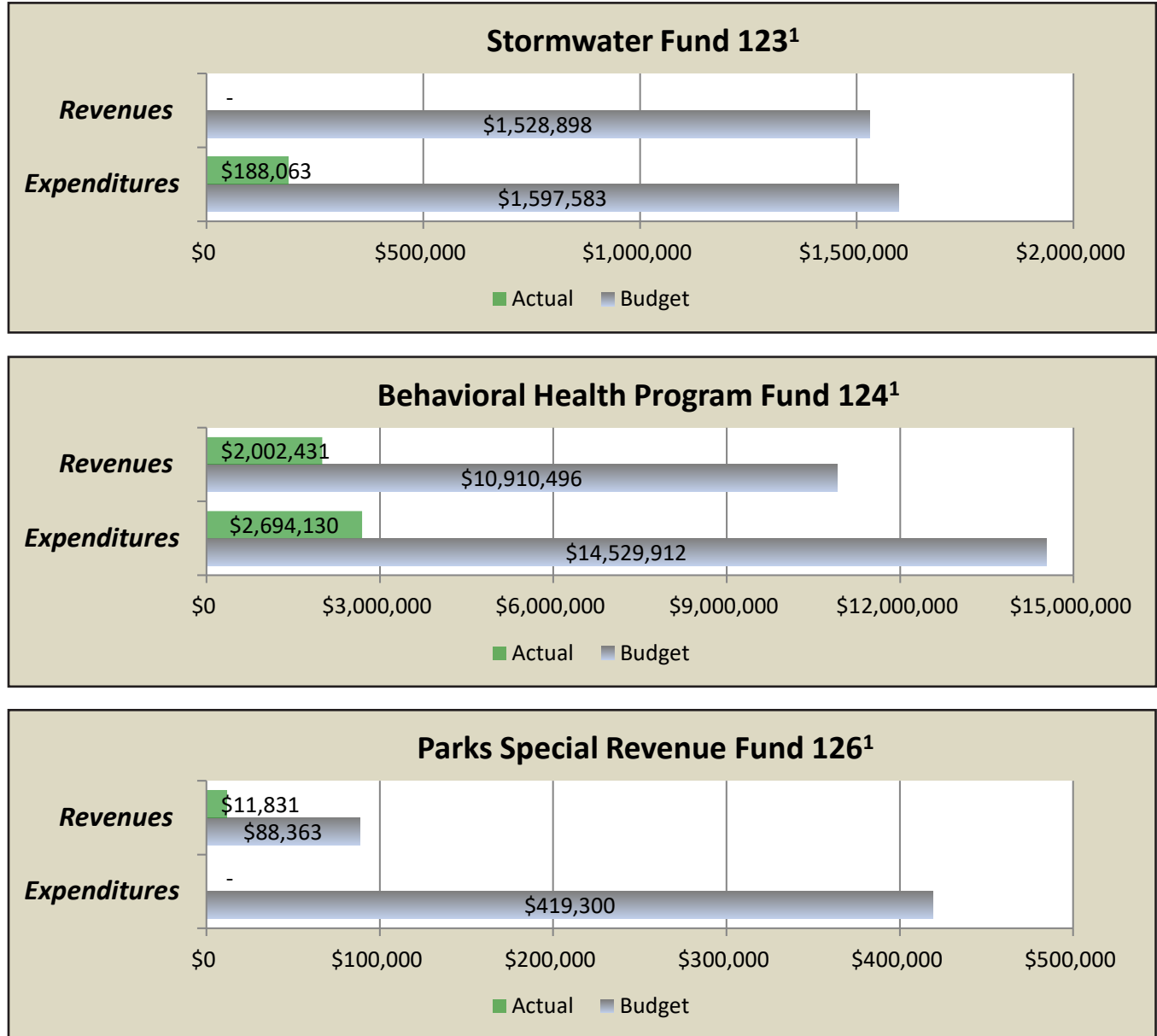
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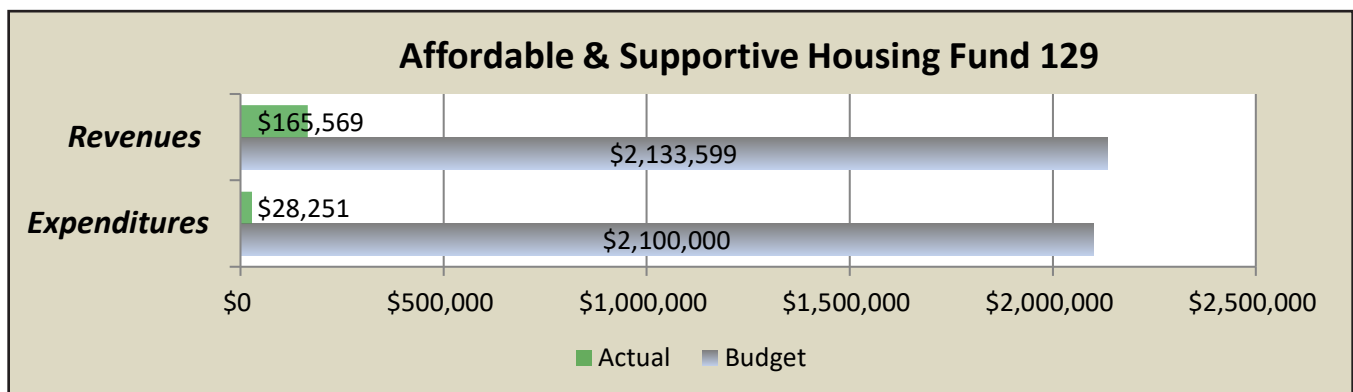
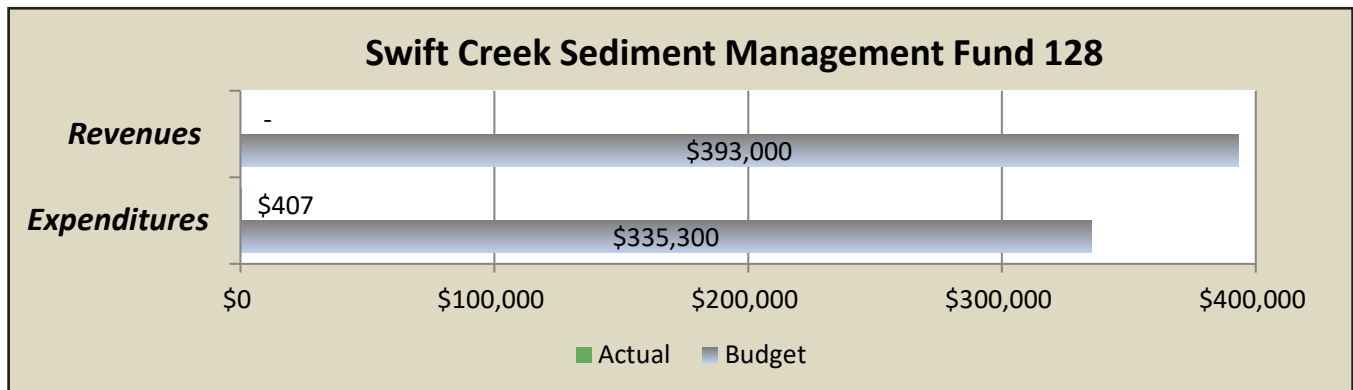
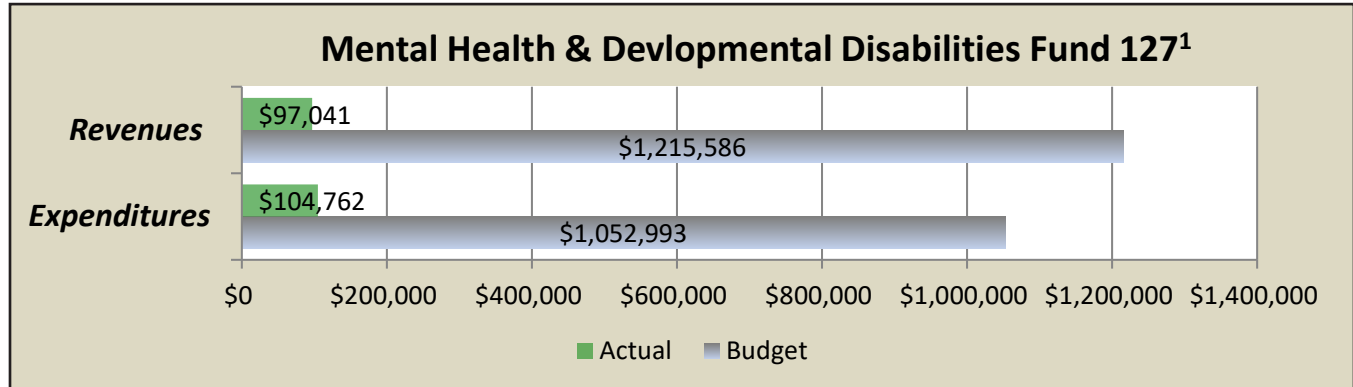
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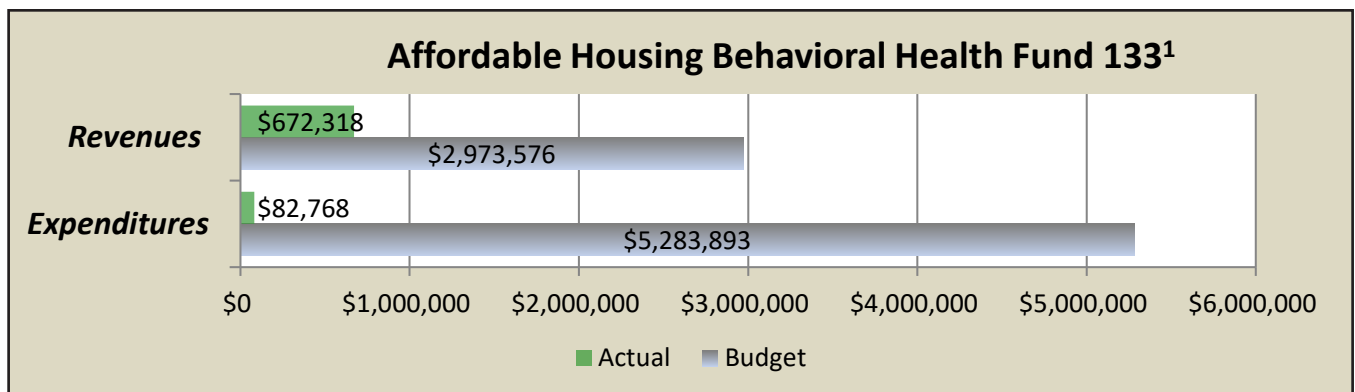
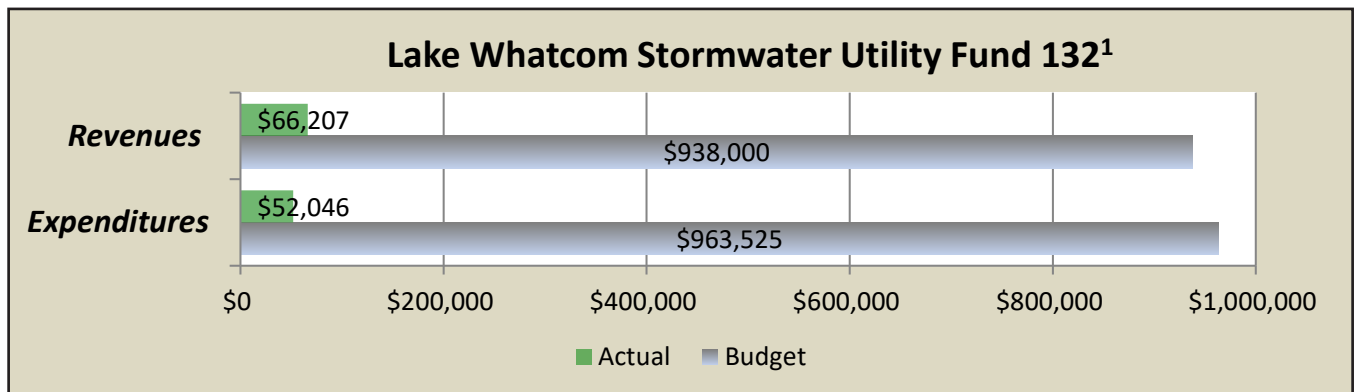
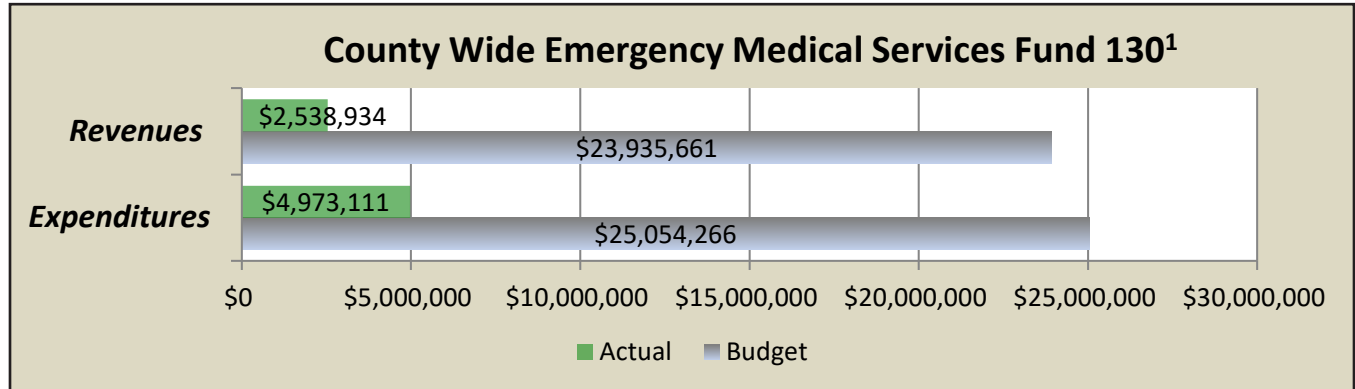
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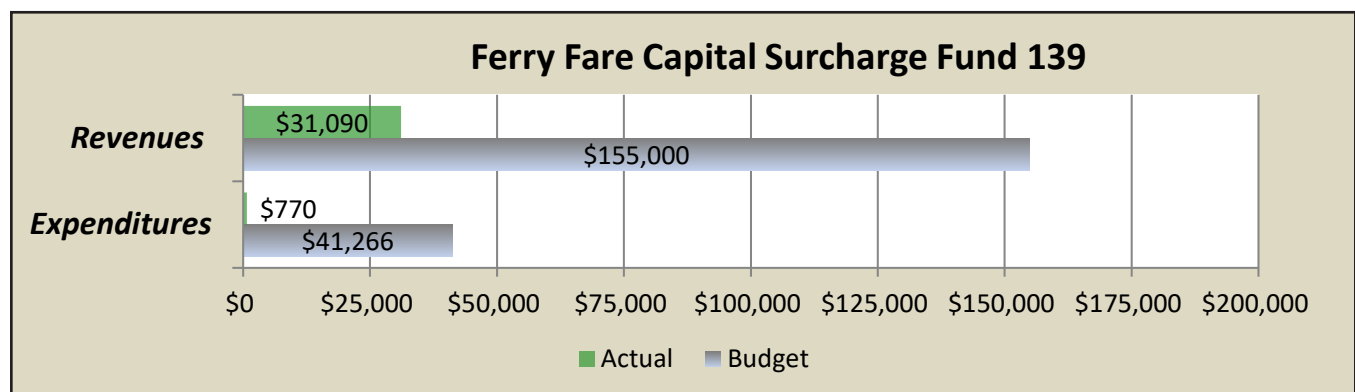
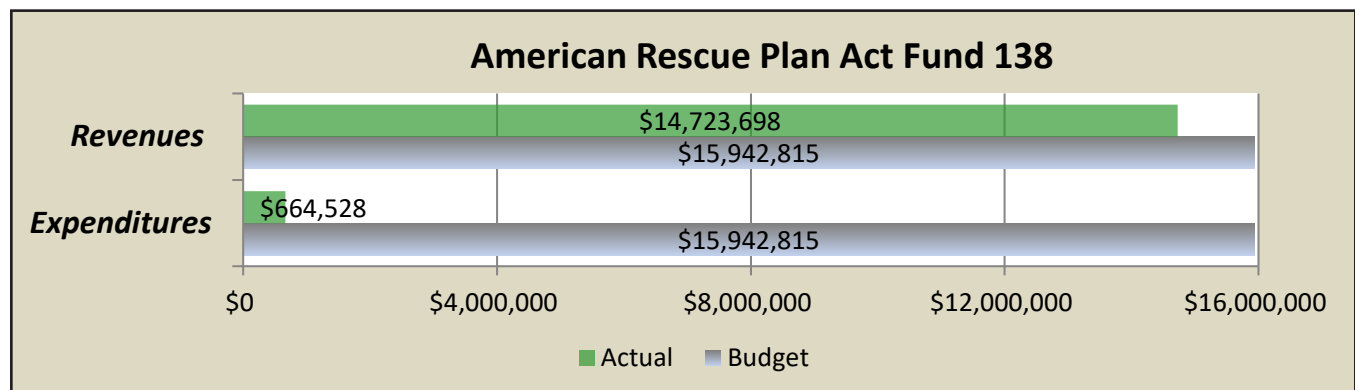
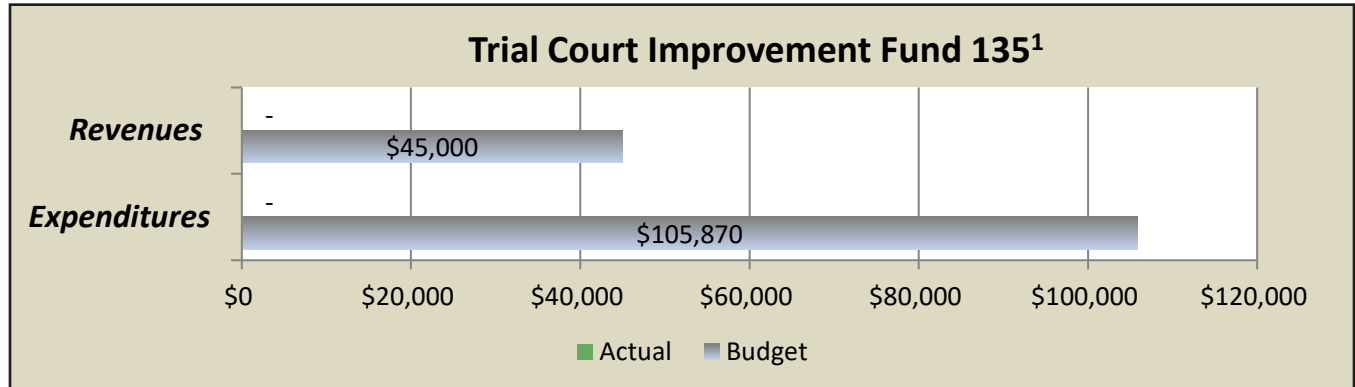
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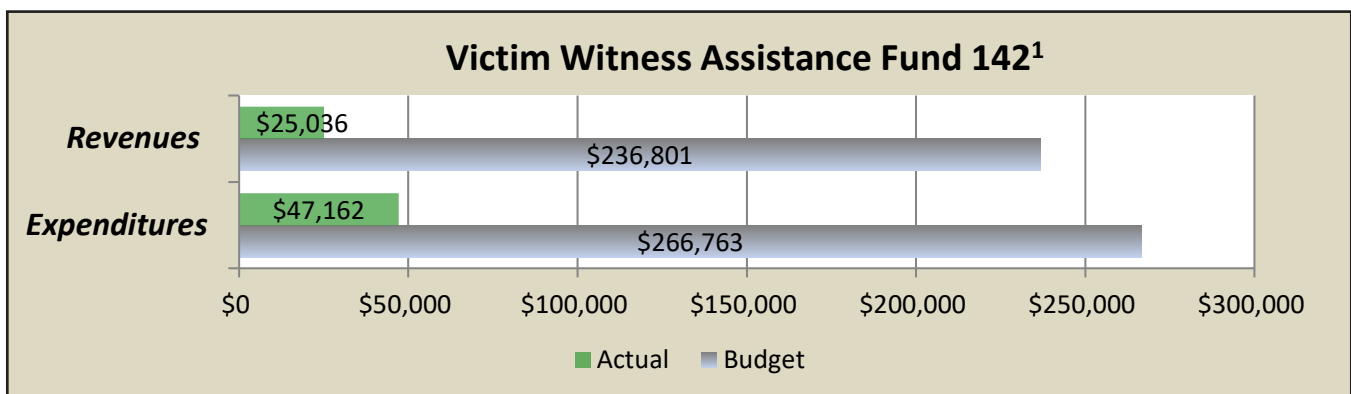
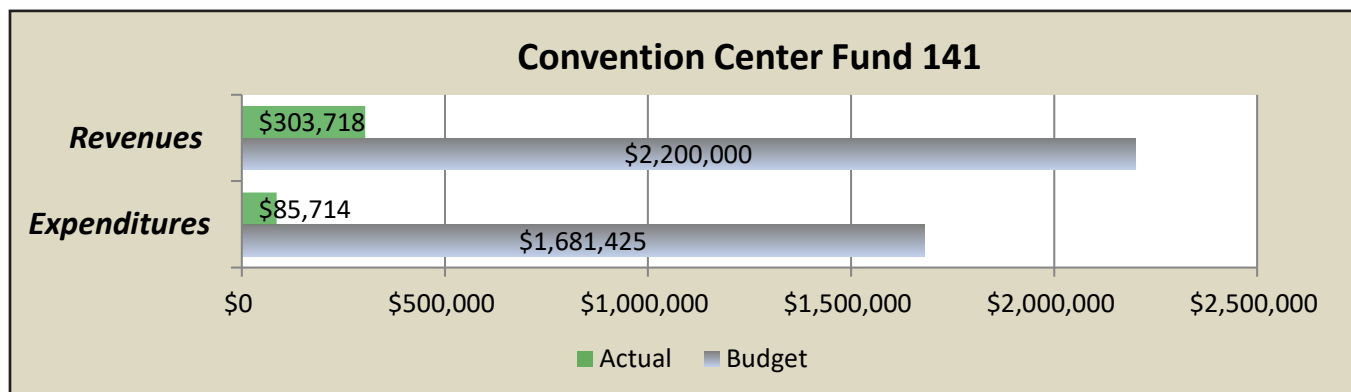
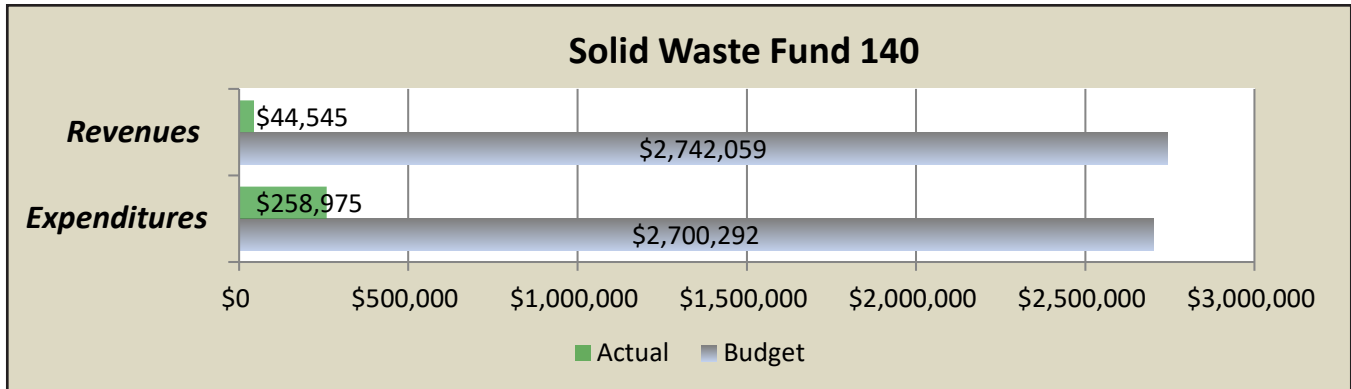
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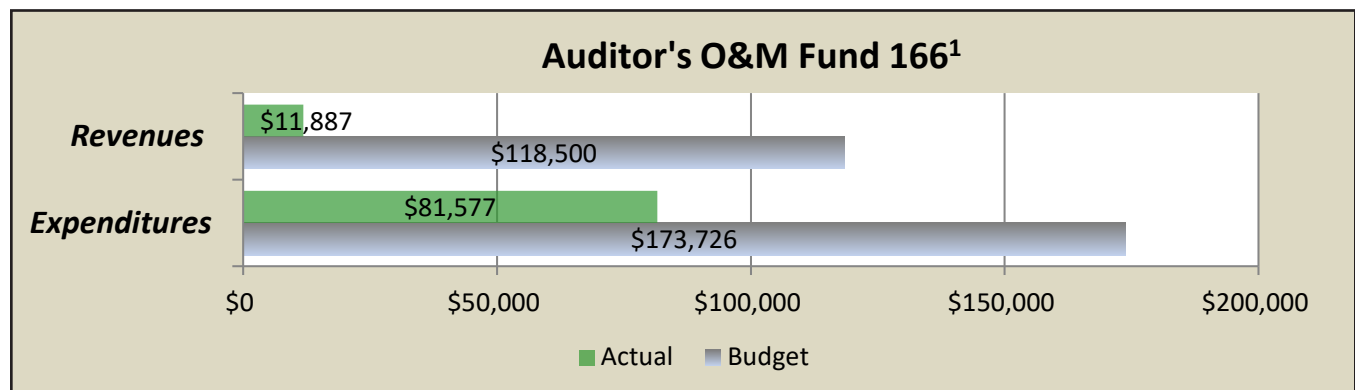
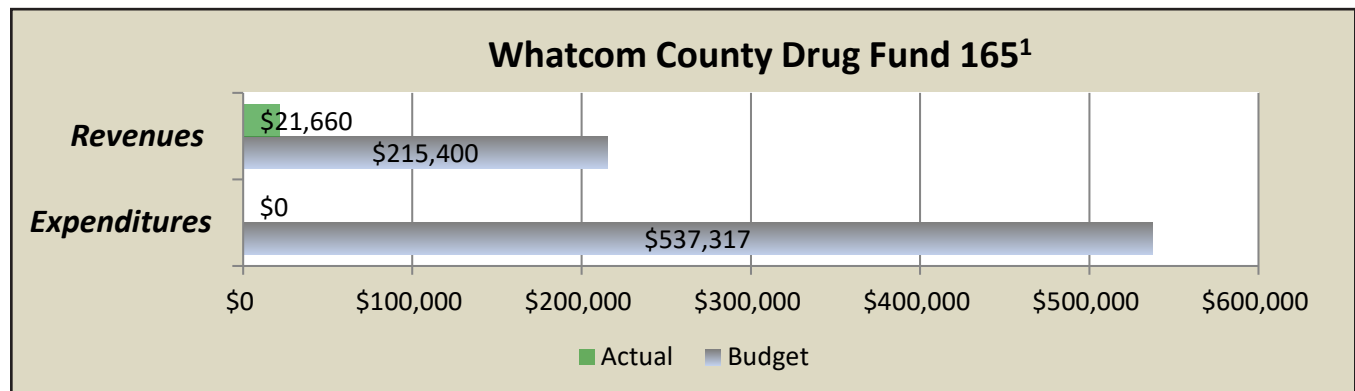
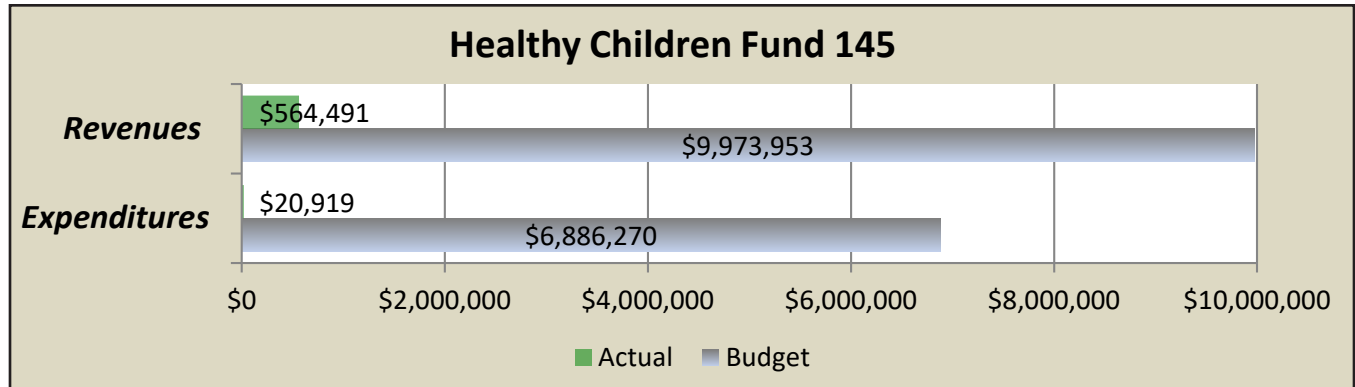
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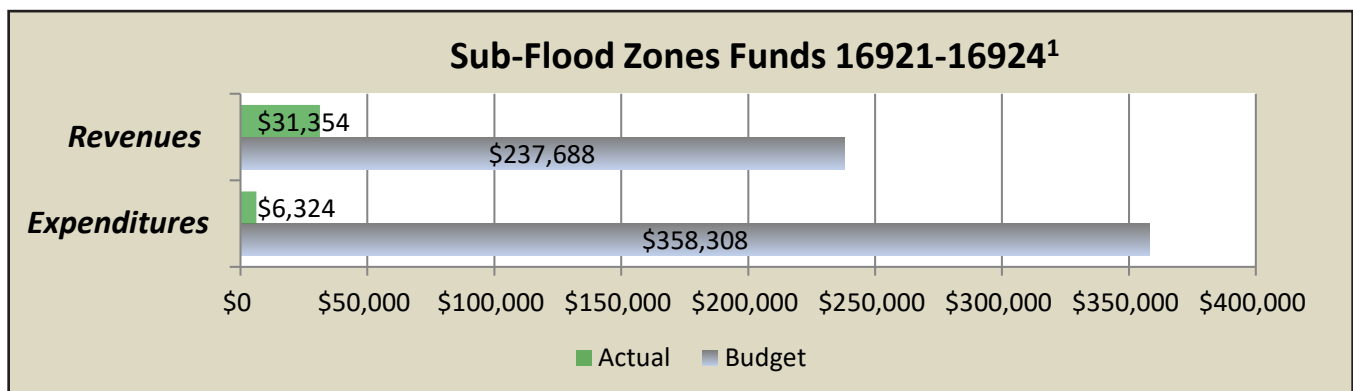
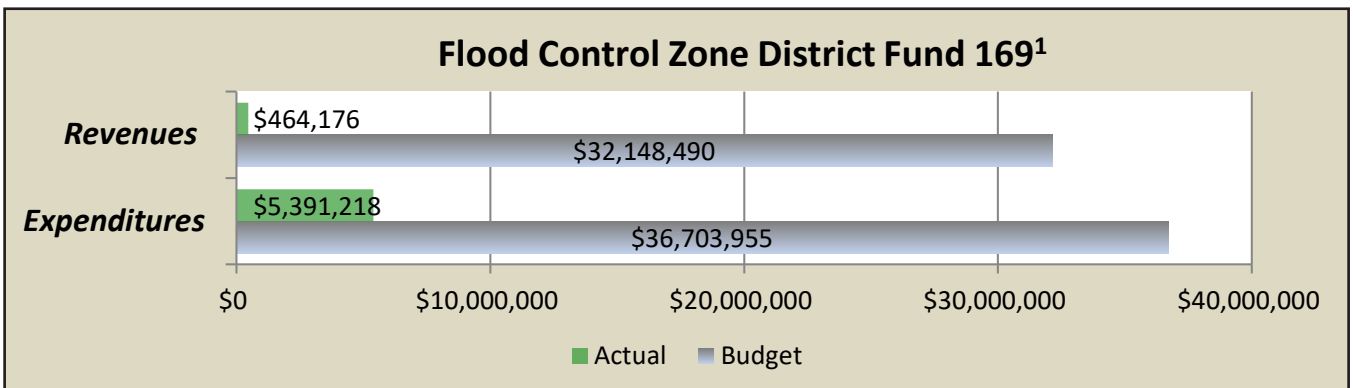
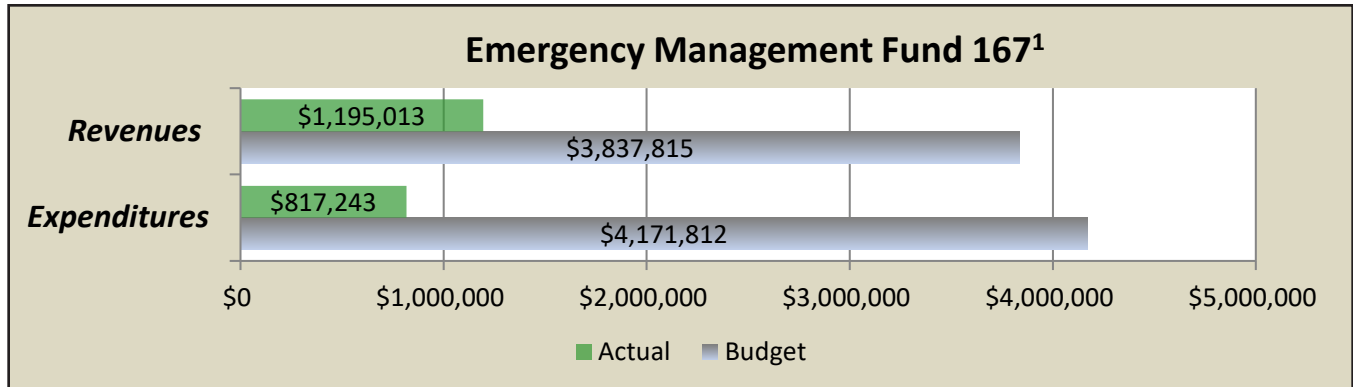
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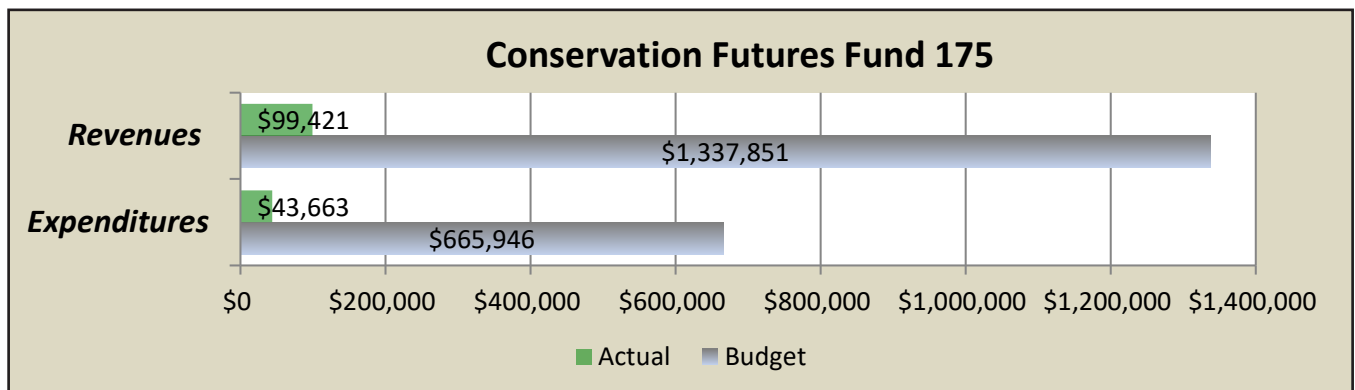
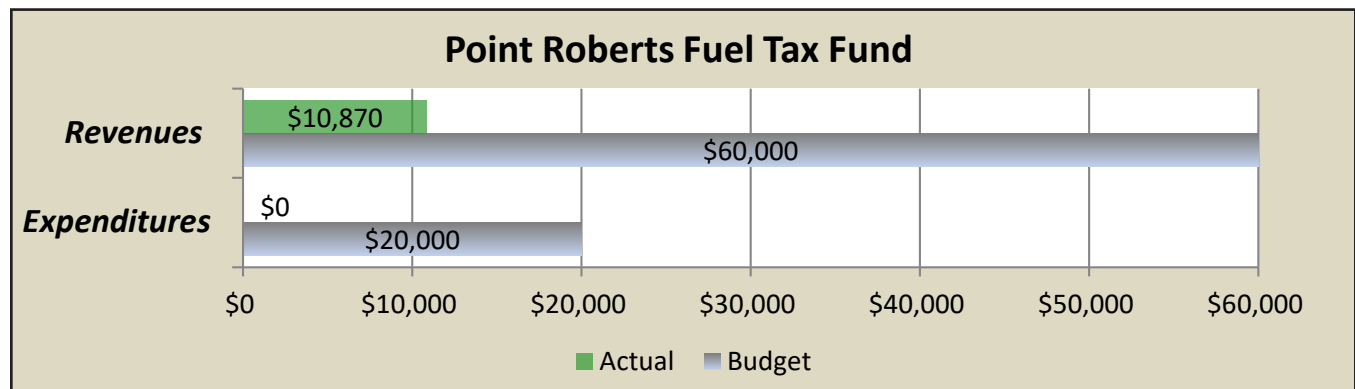
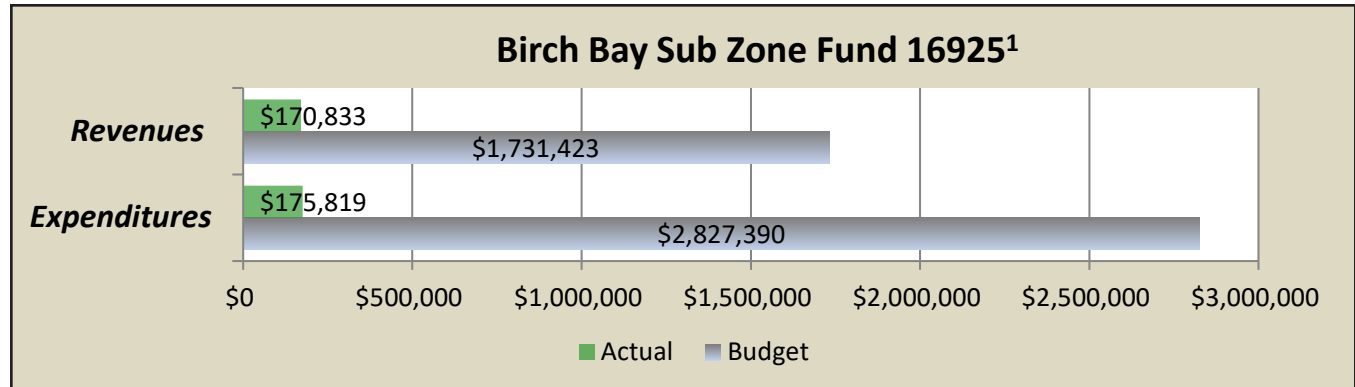
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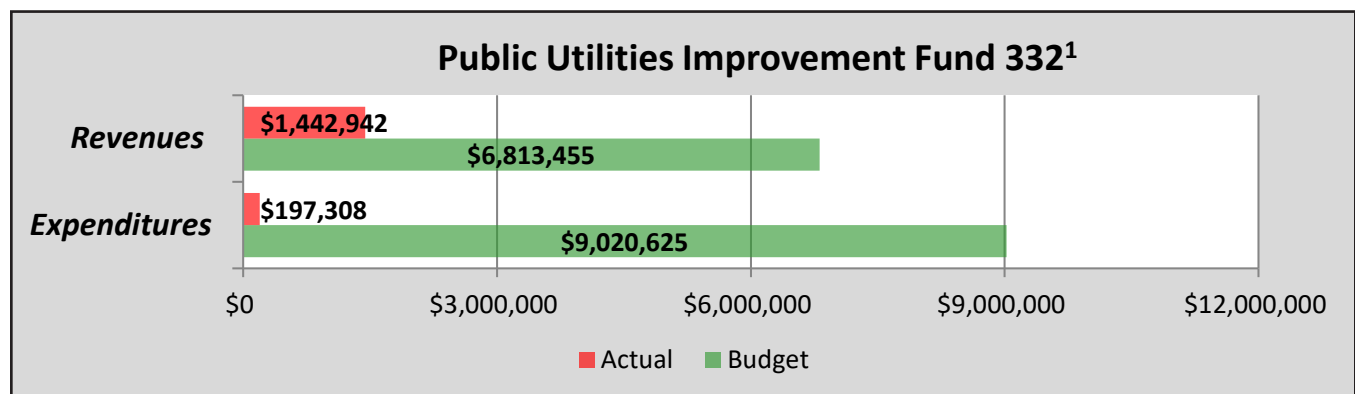
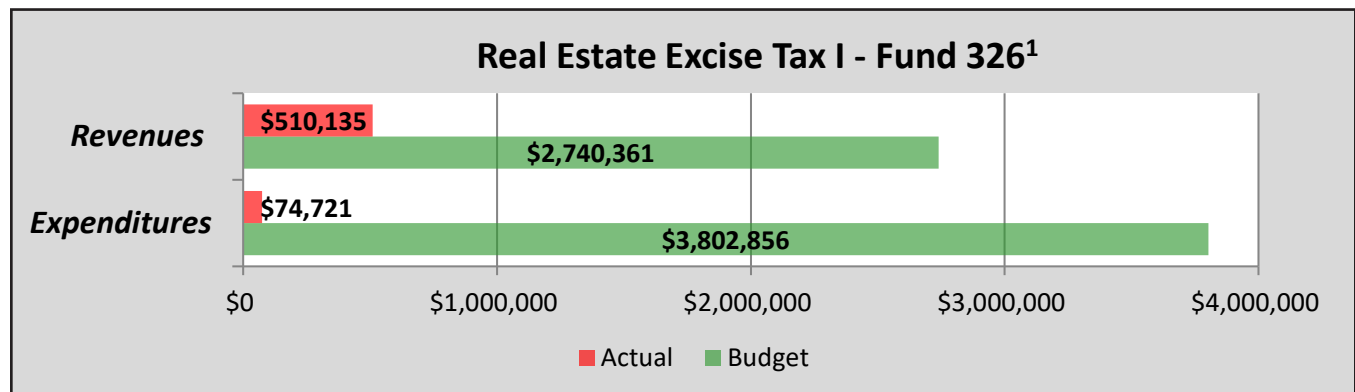
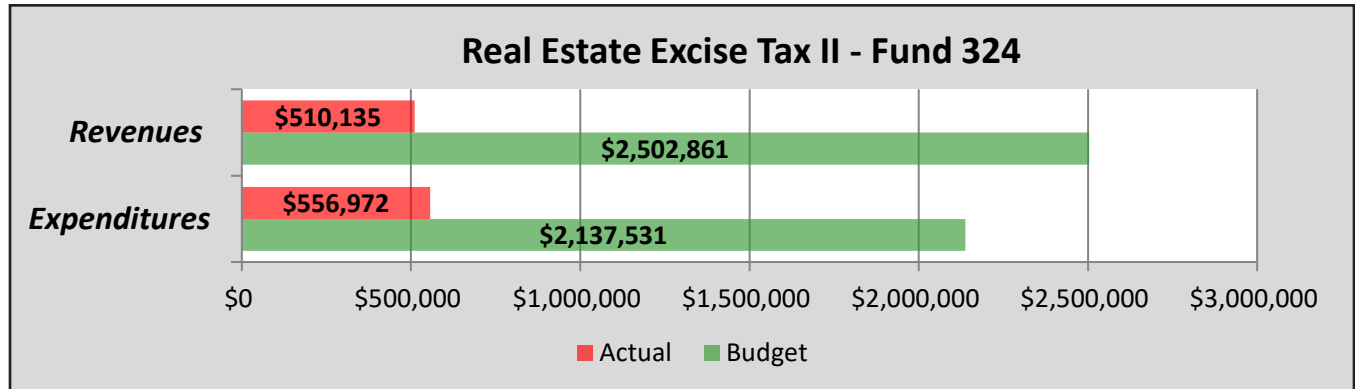
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Capital Project Funds



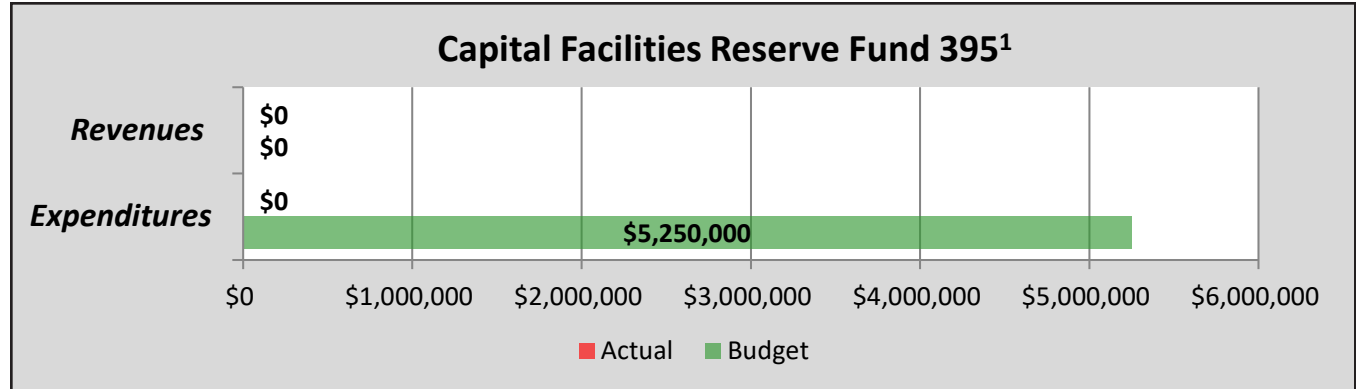
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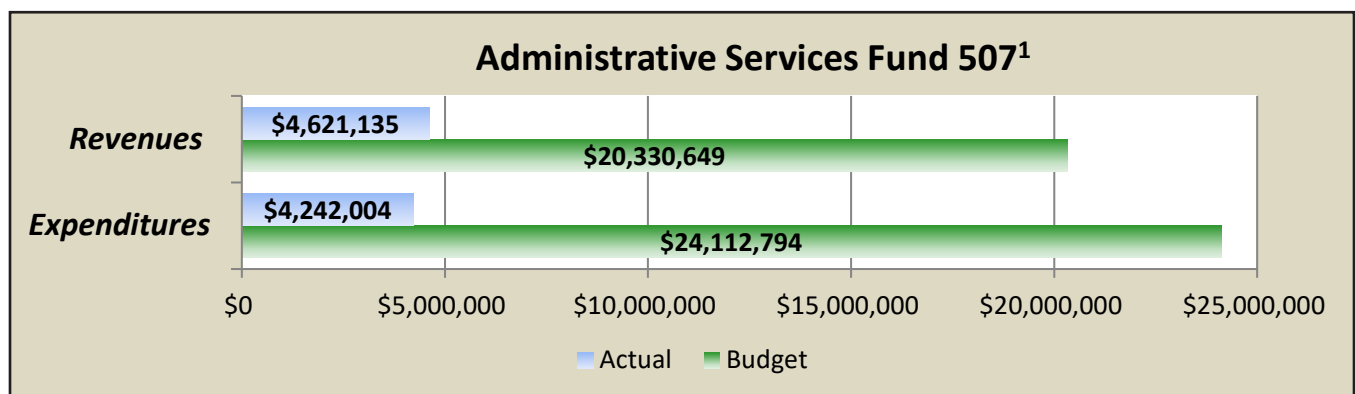
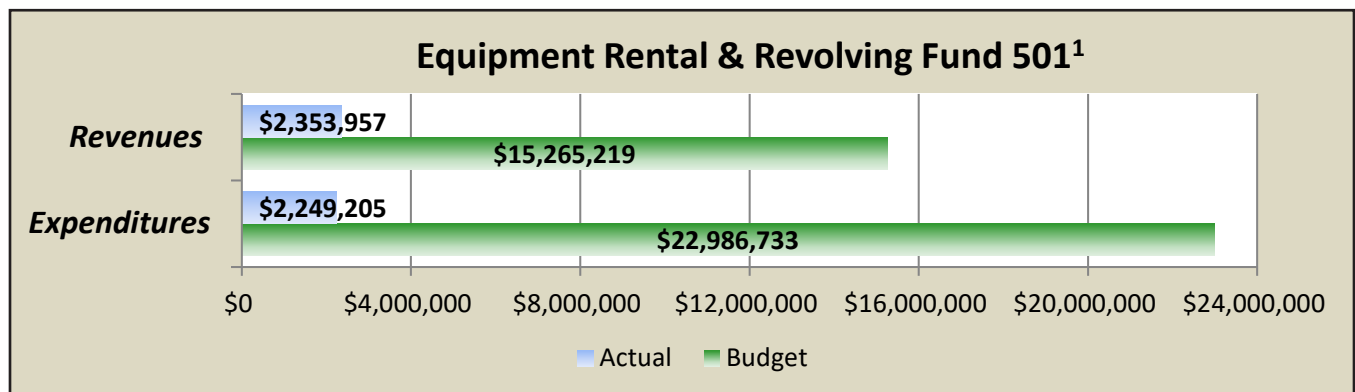
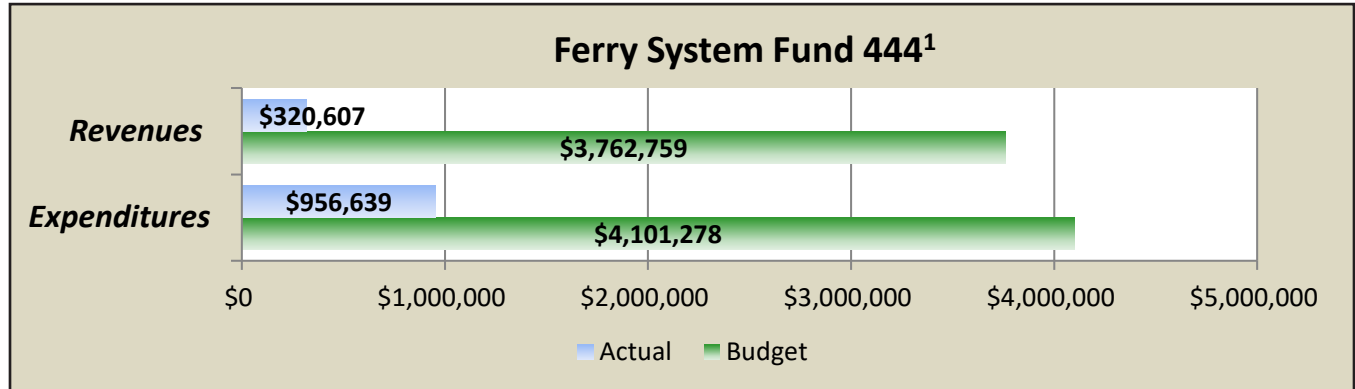
Note ¹: Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves. Funds with more actual year-to-date expenditures than actual year-to-date revenues are utilizing fund balance reserves.

Whatcom County First Quarter 2024 Financial Report

For the Quarter Ended March 31, 2024



Enterprise and Internal Service Funds



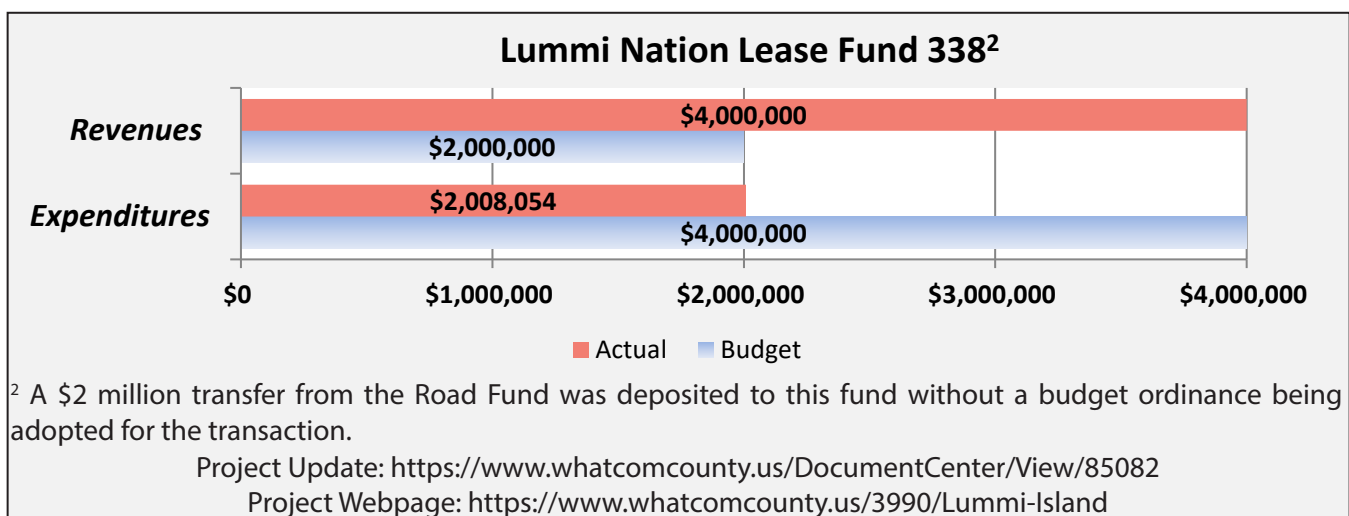
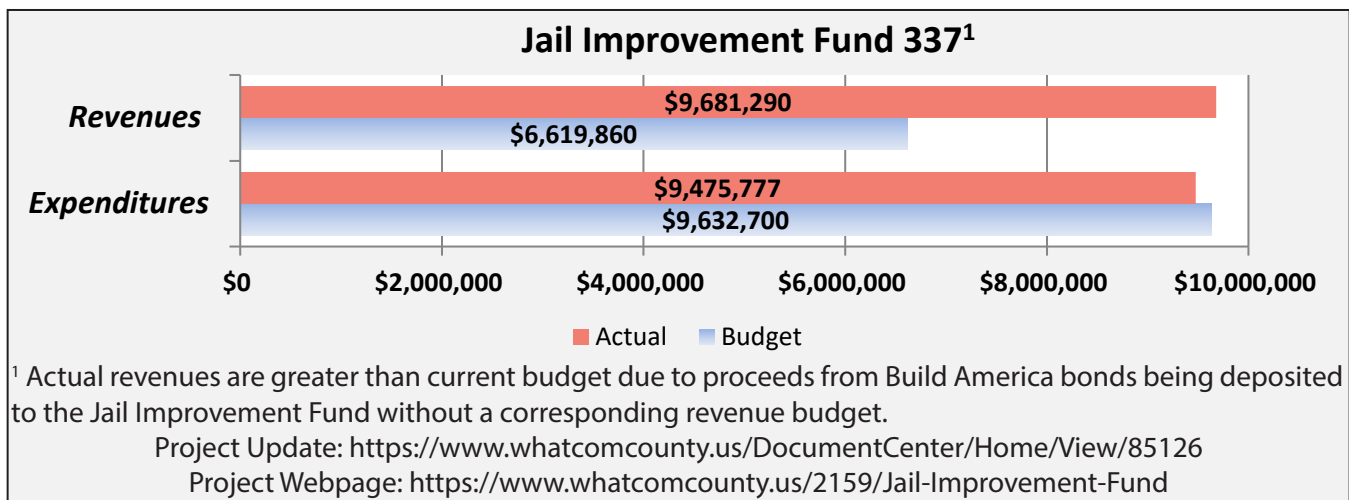
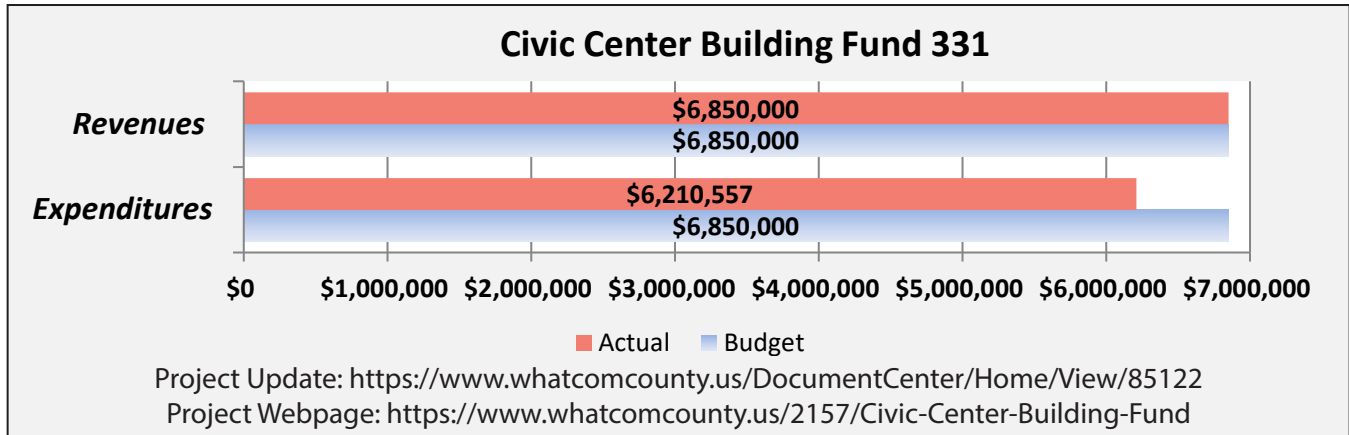
Note ¹: Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves. Funds with more actual year-to-date expenditures than actual year-to-date revenues are utilizing fund balance reserves.

Whatcom County First Quarter 2024 Financial Report

For the Quarter Ended March 31, 2024



Project Budget Funds

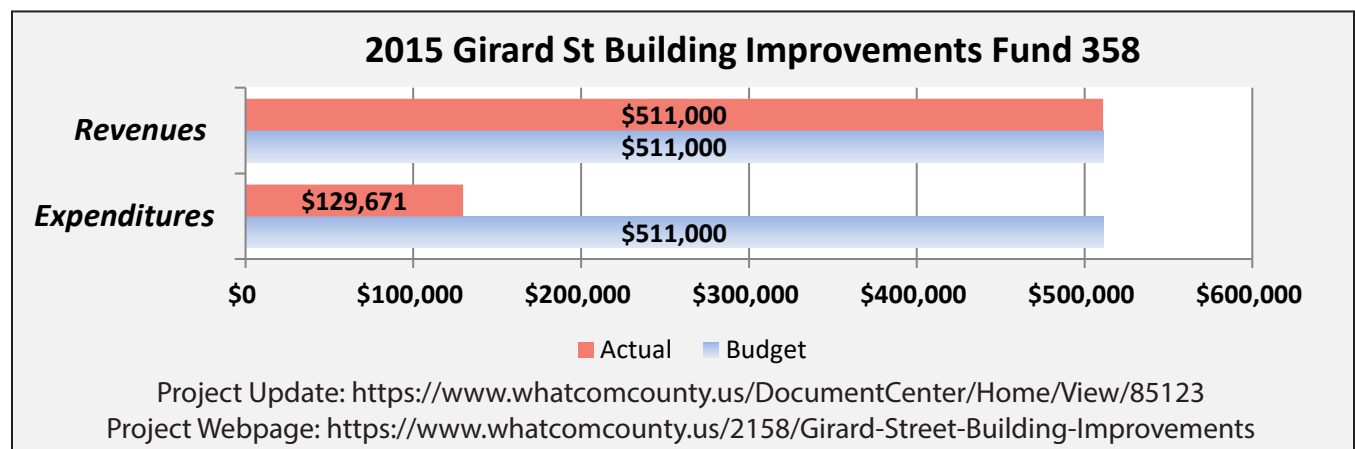
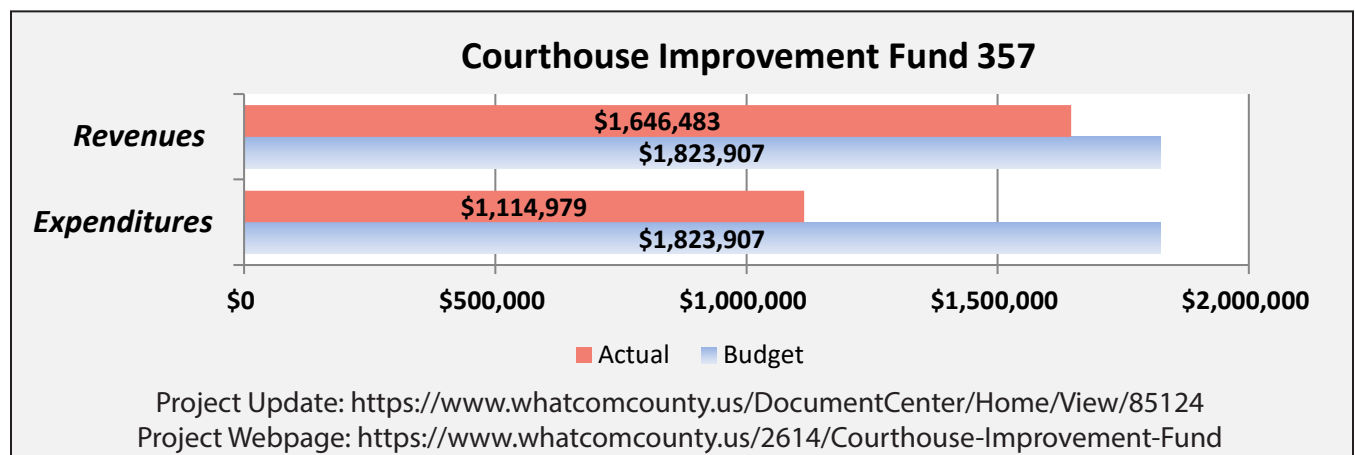
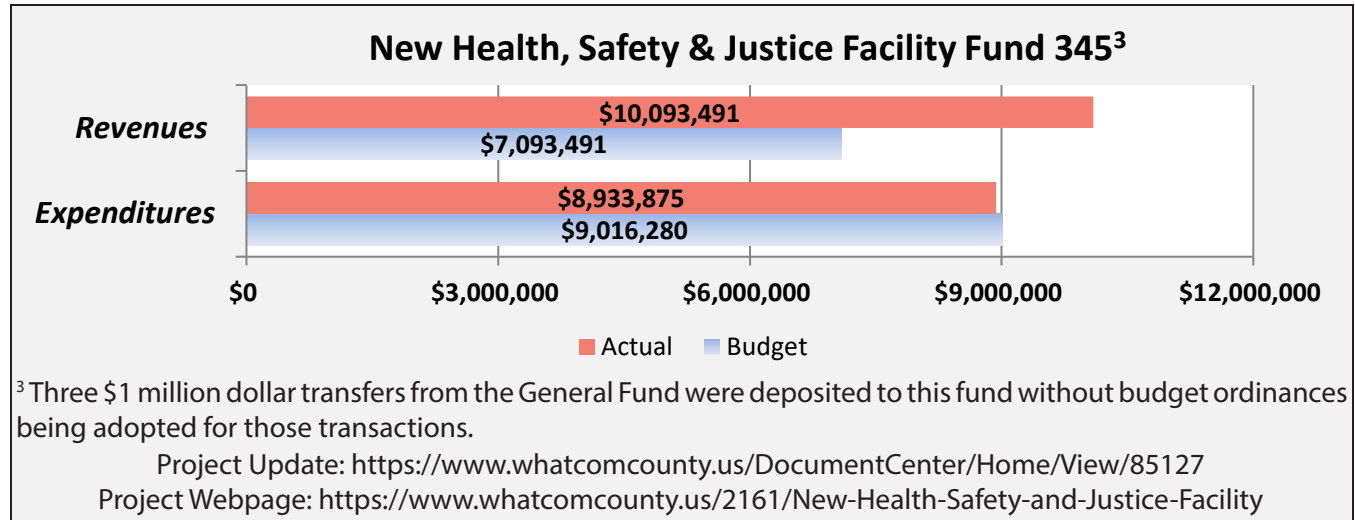


Whatcom County First Quarter 2024 Financial Report

For the Quarter Ended March 31, 2024



Project Budget Funds, continued

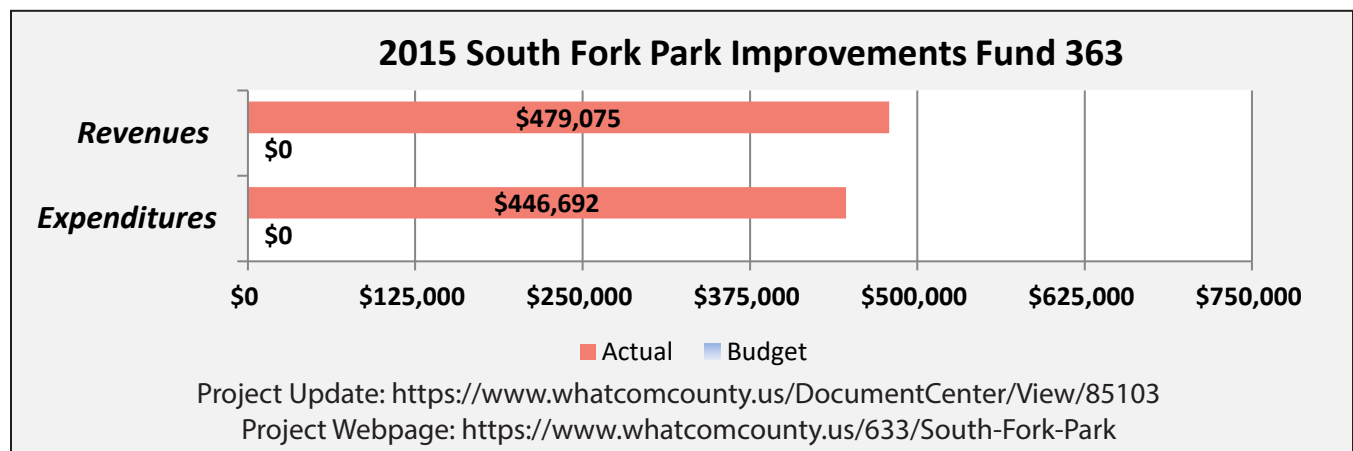
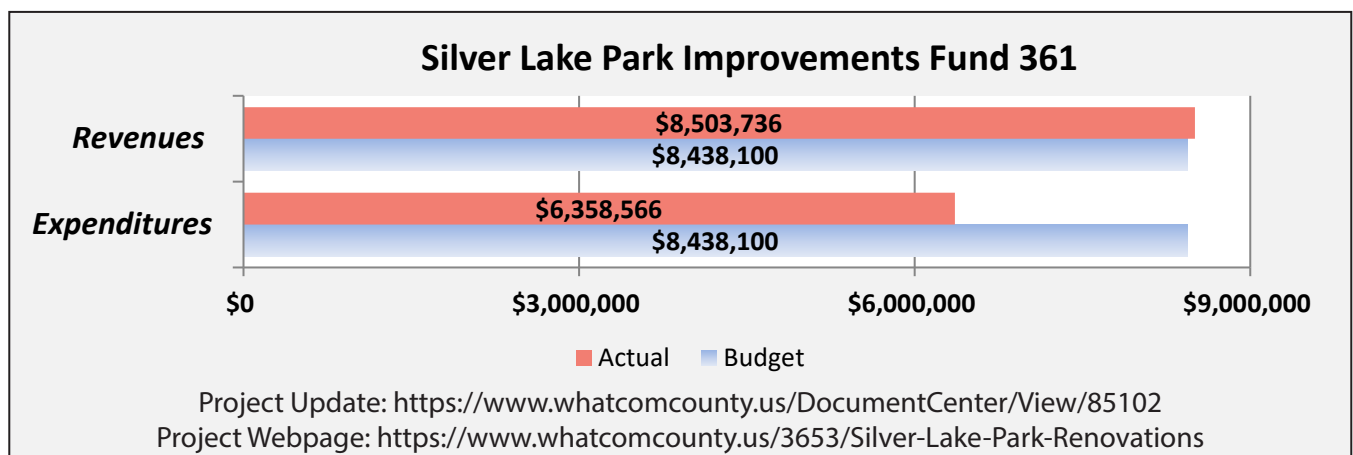
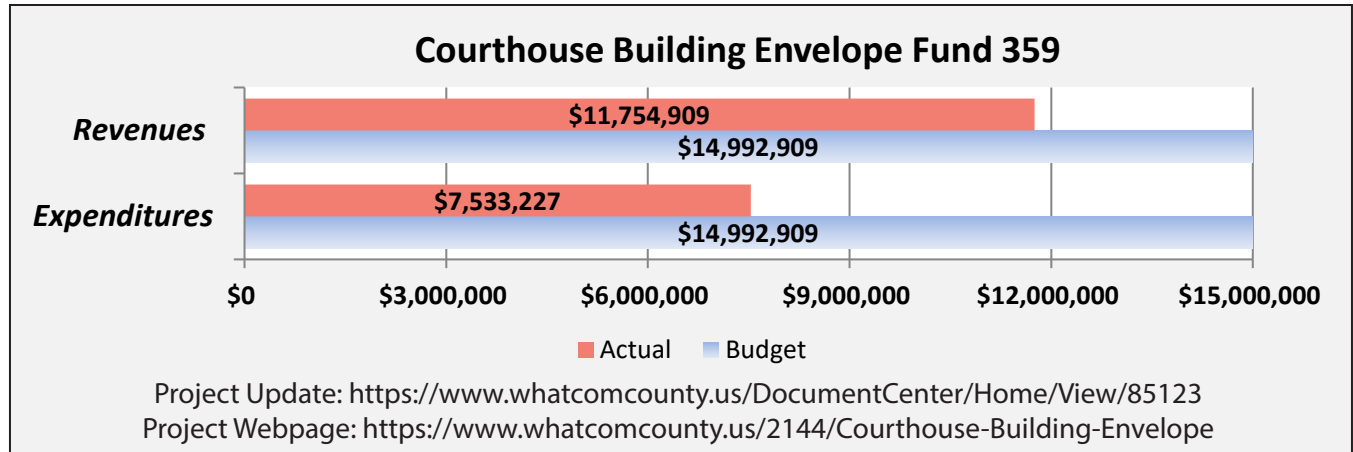


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For the Quarter Ended March 31, 2024



Project Budget Funds, continued

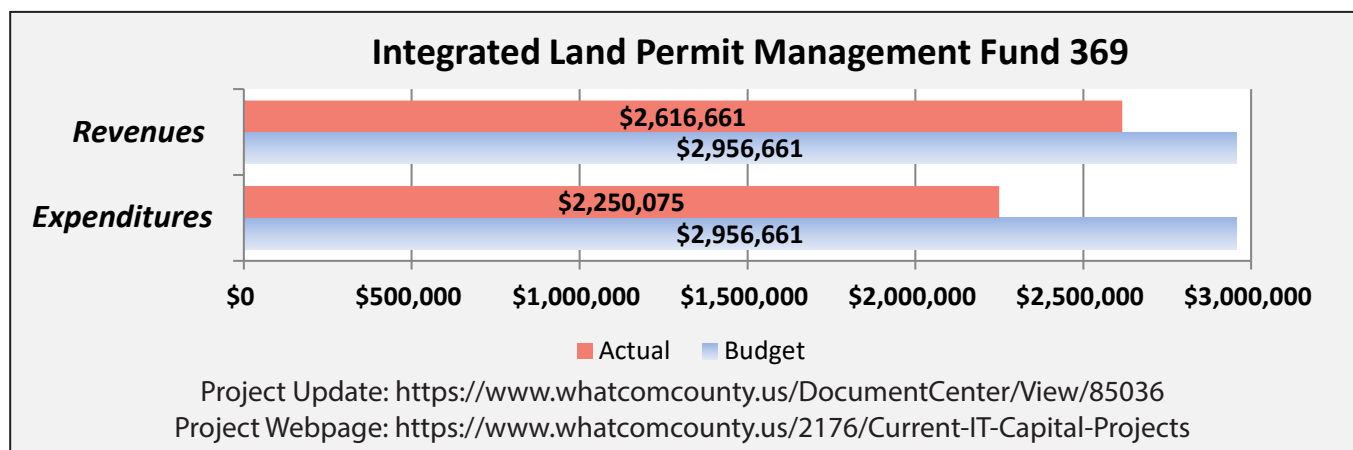
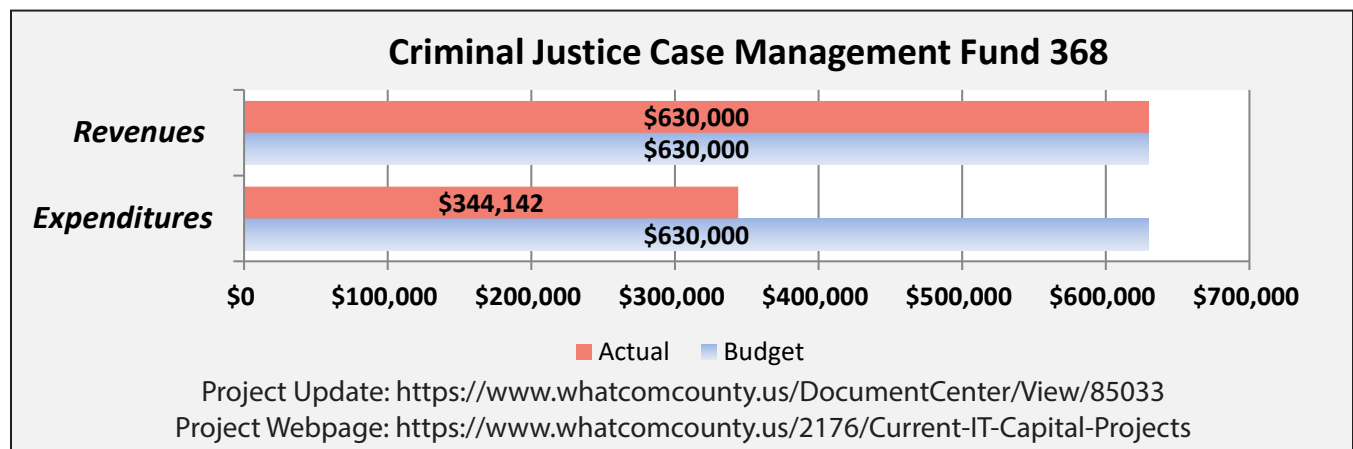
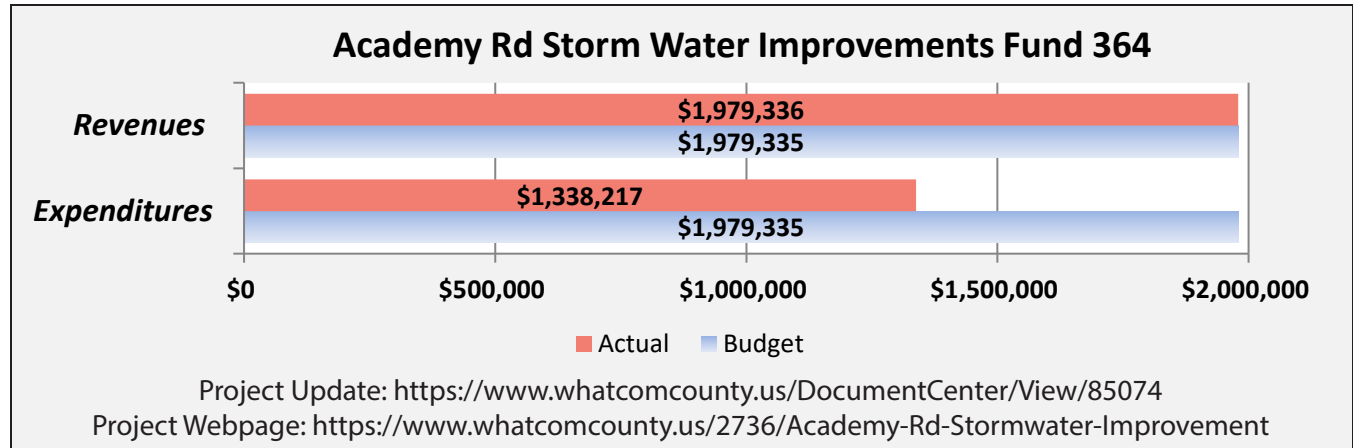


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For the Quarter Ended March 31, 2024



Project Budget Funds, continued

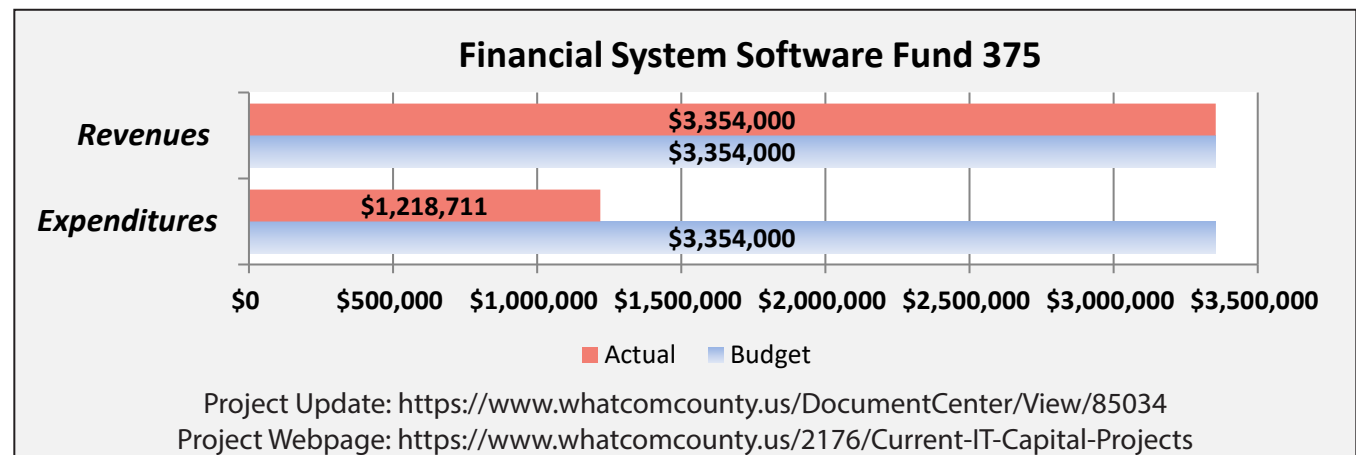
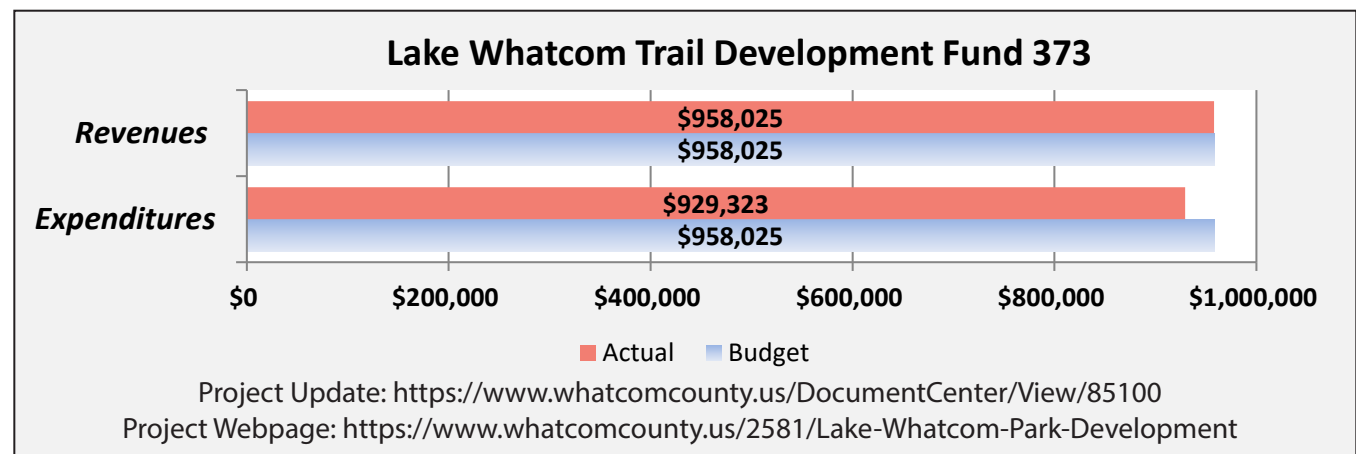
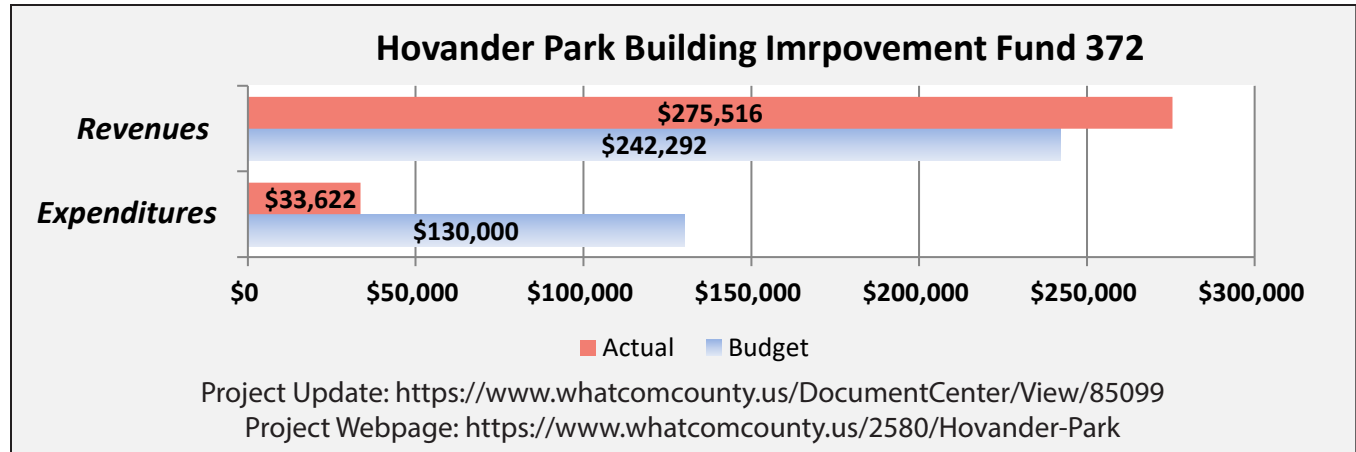


Whatcom County First Quarter 2024 Financial Report

For the Quarter Ended March 31, 2024



Project Budget Funds, continued

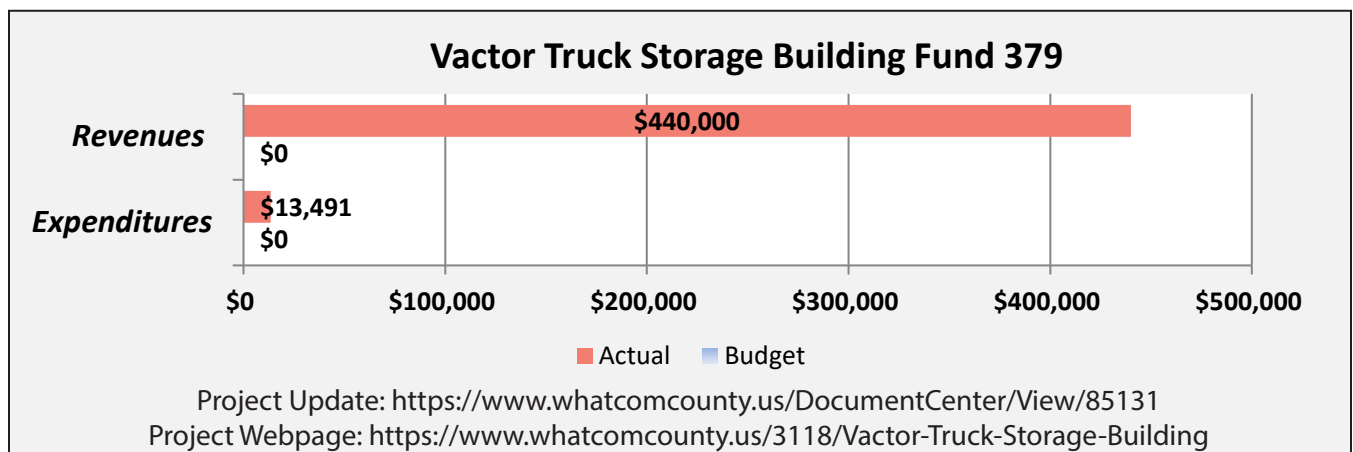
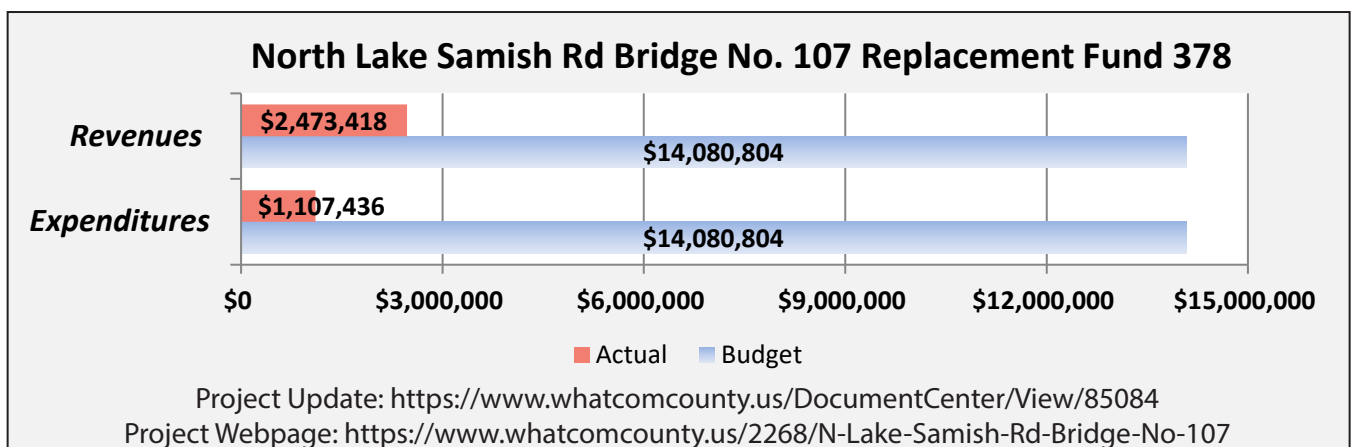
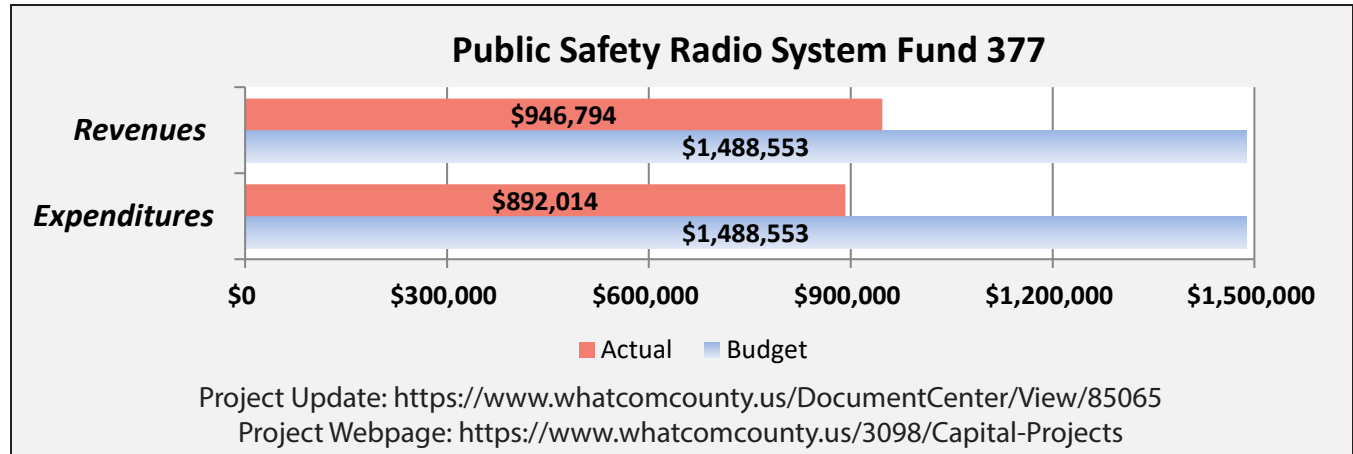


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For the Quarter Ended March 31, 2024



Project Budget Funds, continued

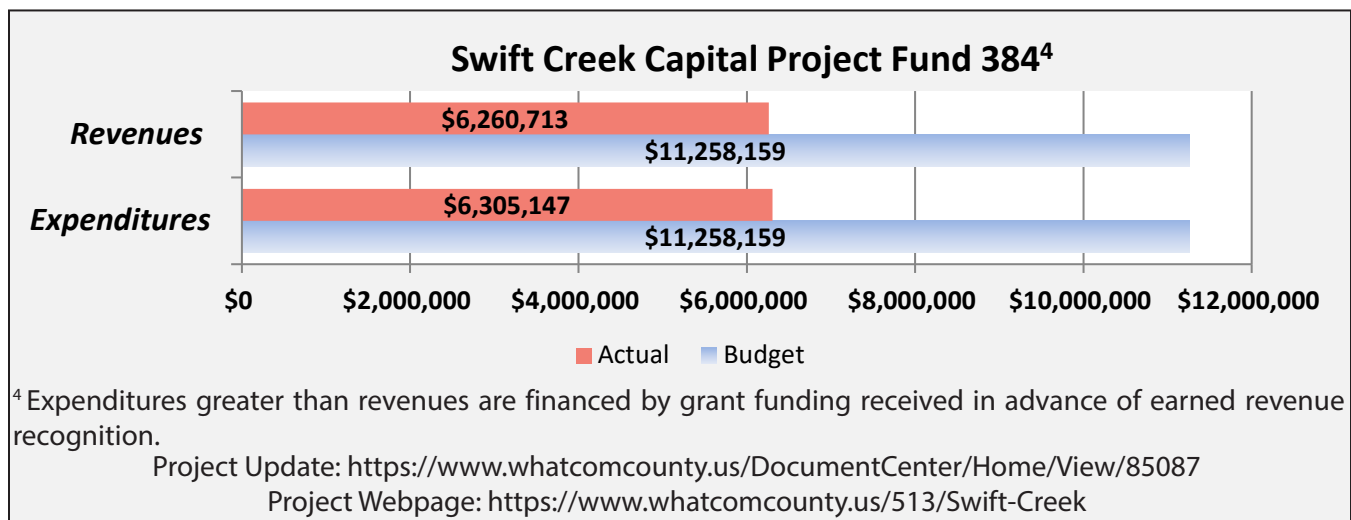
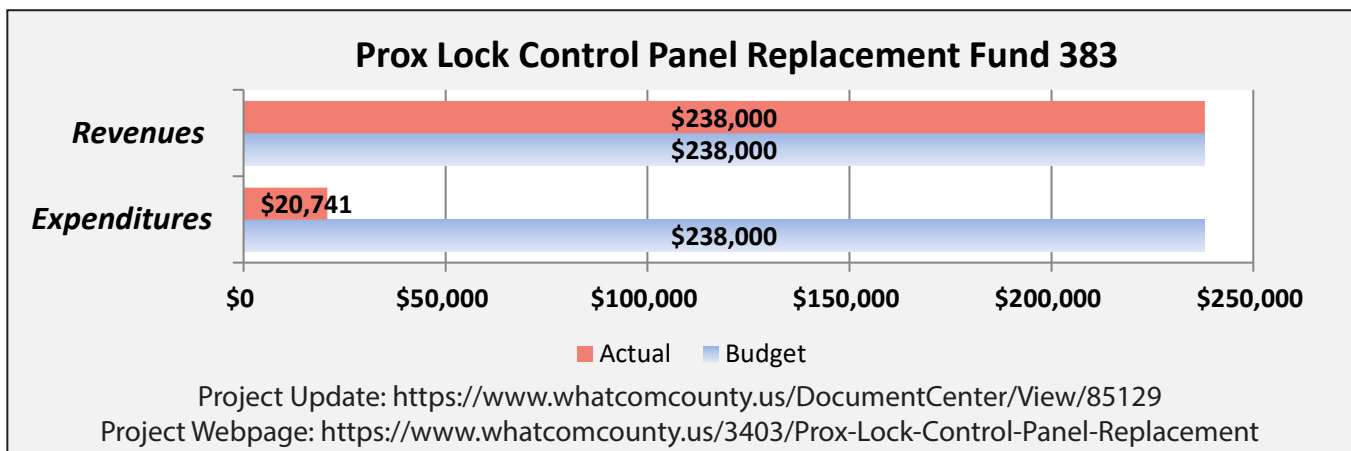
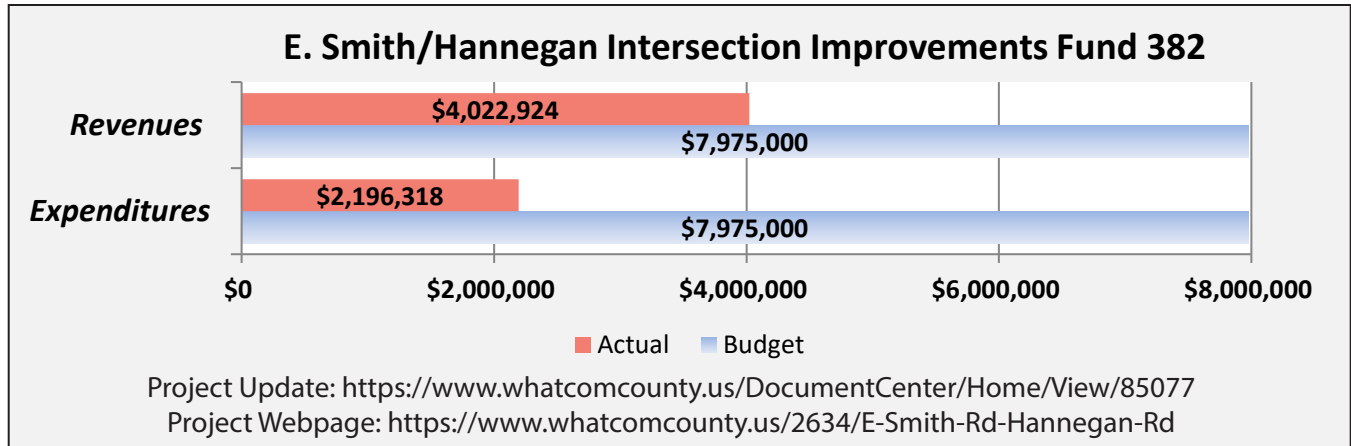


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For the Quarter Ended March 31, 2024



Project Budget Funds, continued

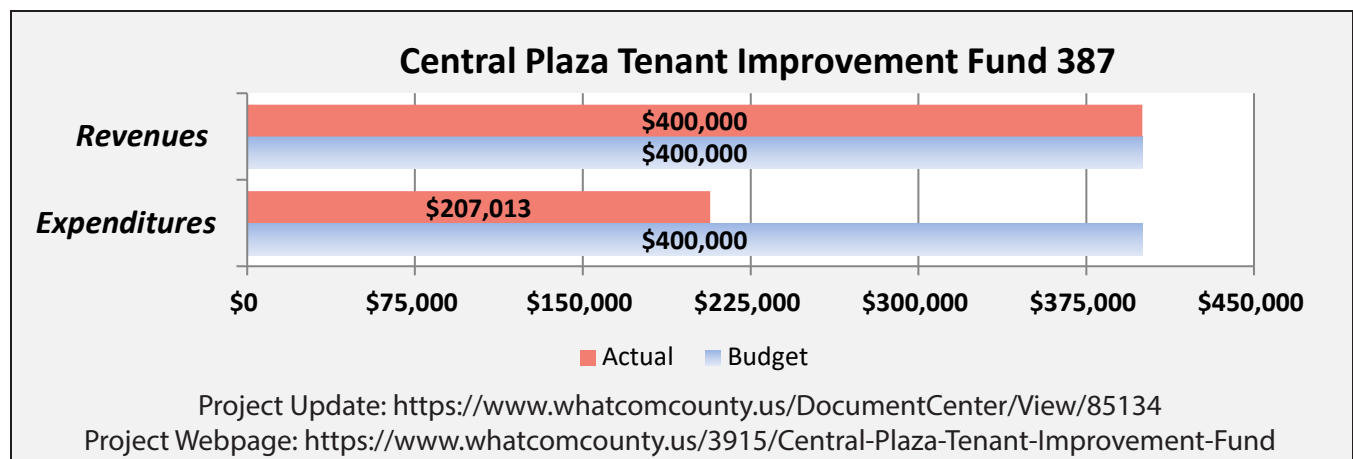
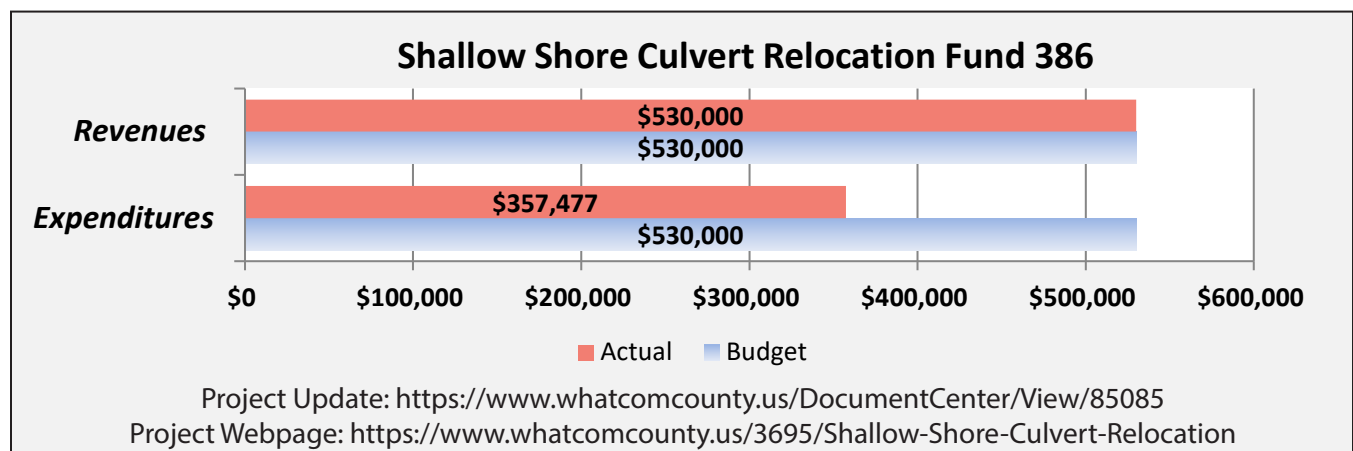
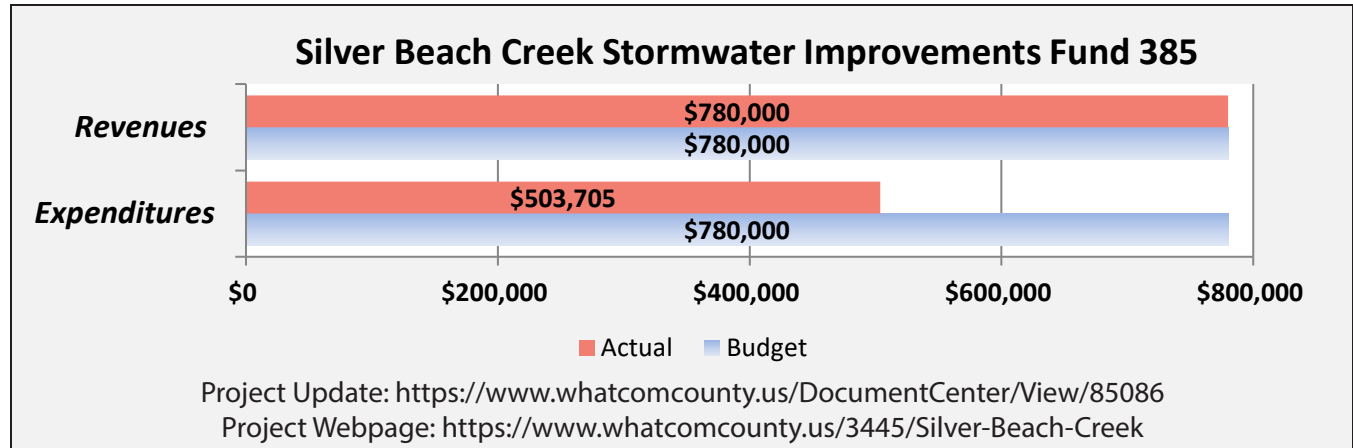


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Project Budget Funds, continued

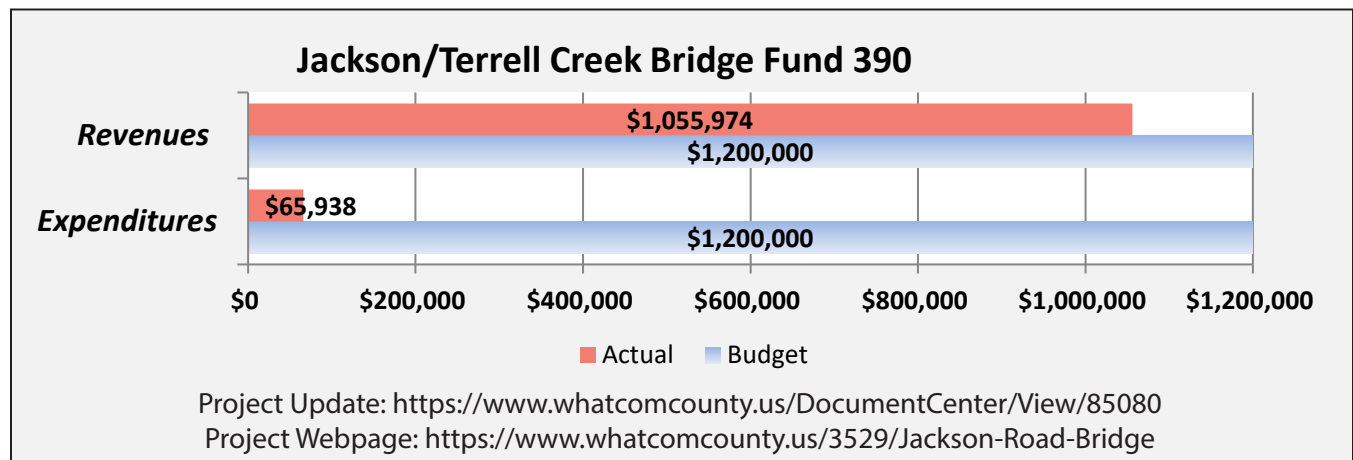
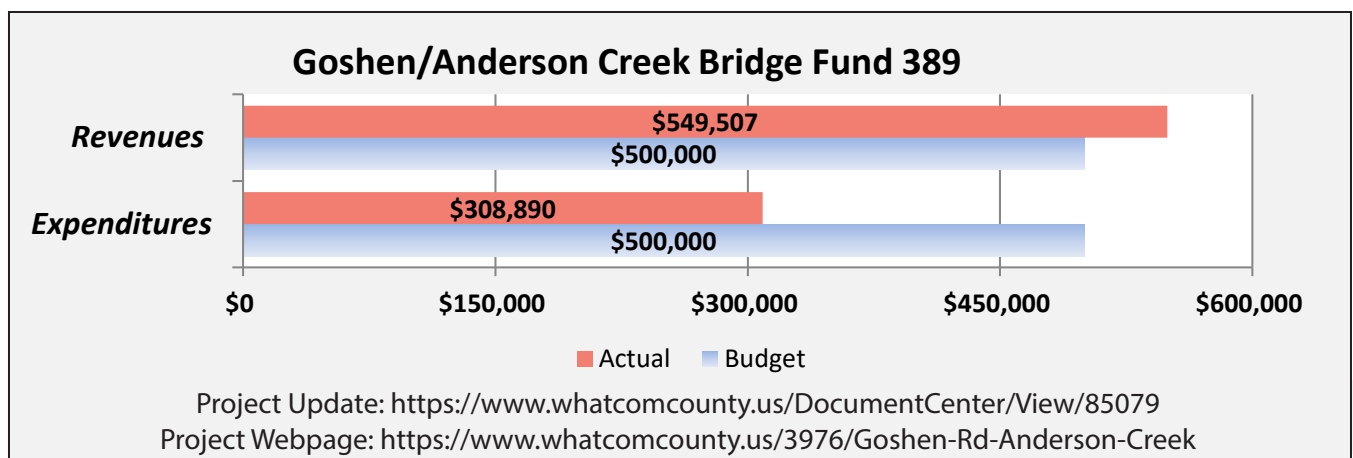
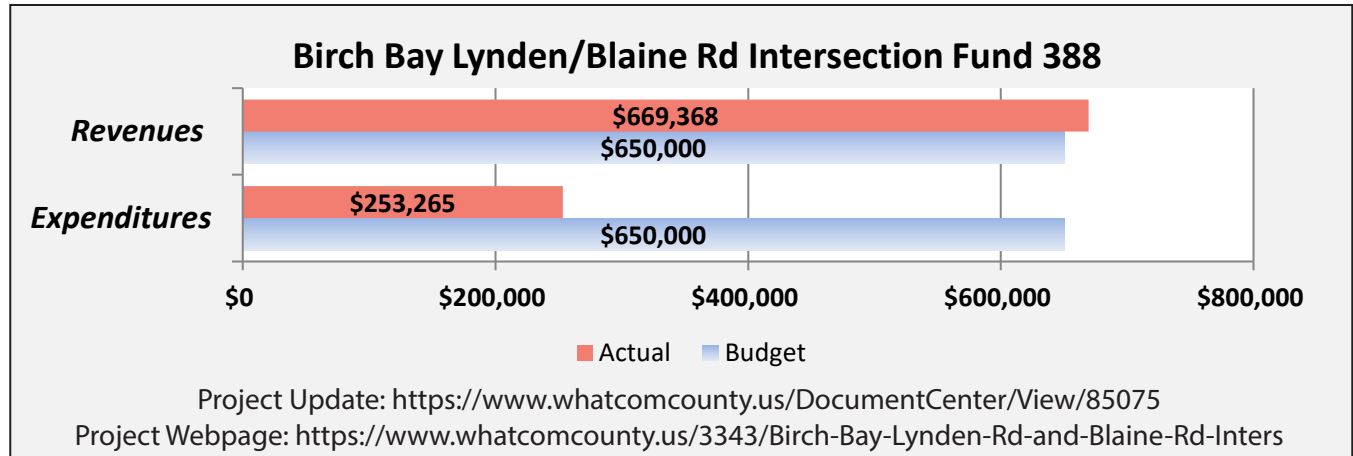


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For the Quarter Ended March 31, 2024



Project Budget Funds, continued

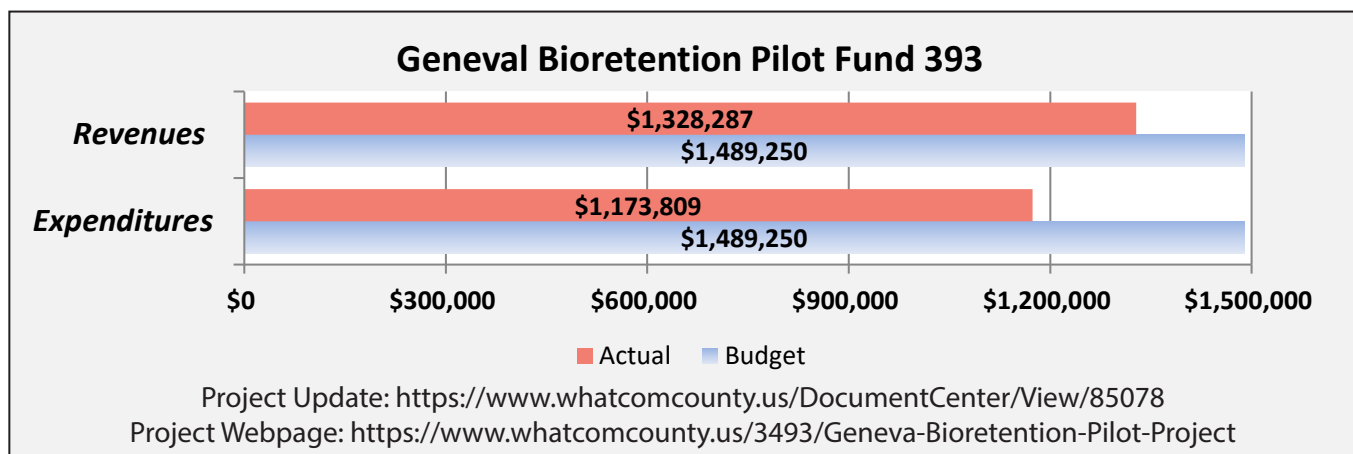
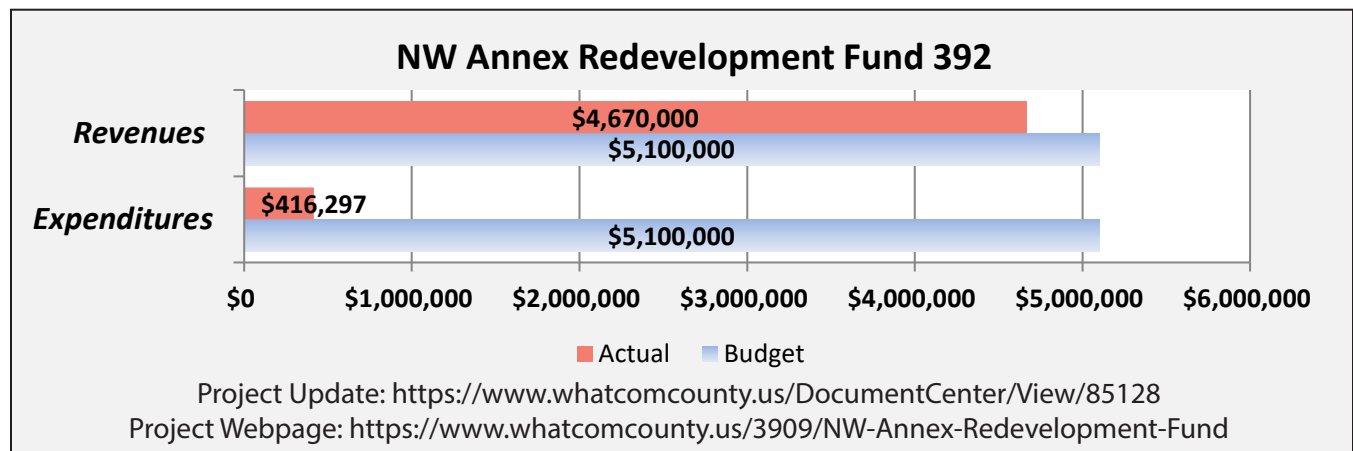
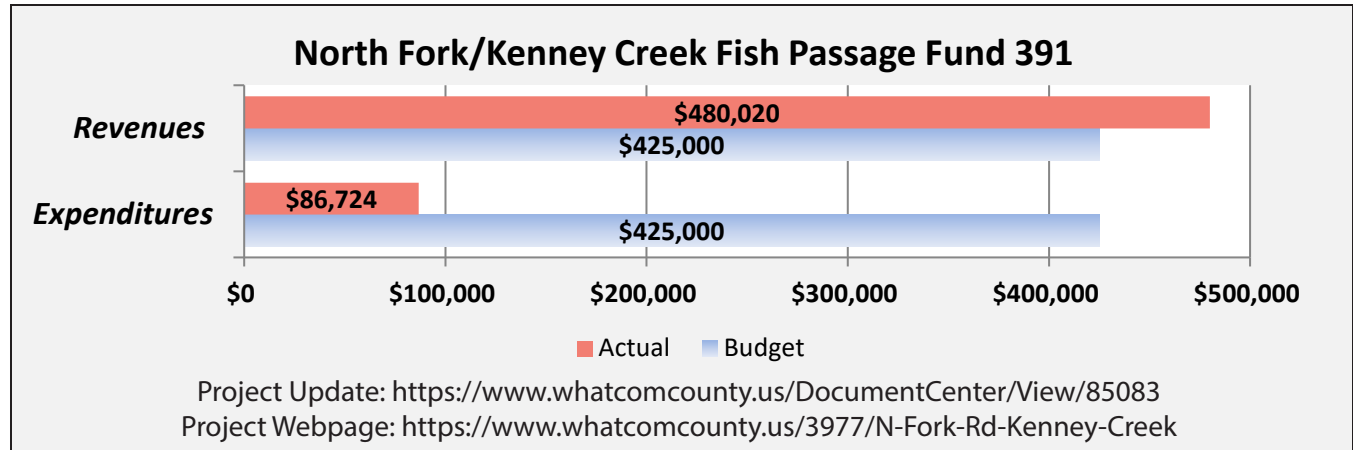


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For the Quarter Ended March 31, 2024



Project Budget Funds, continued

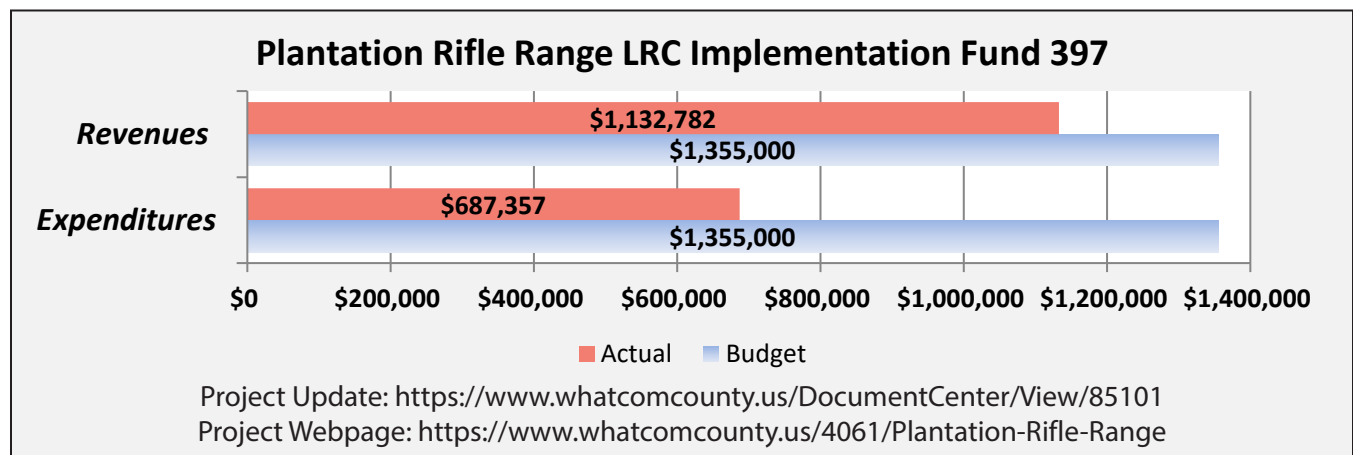
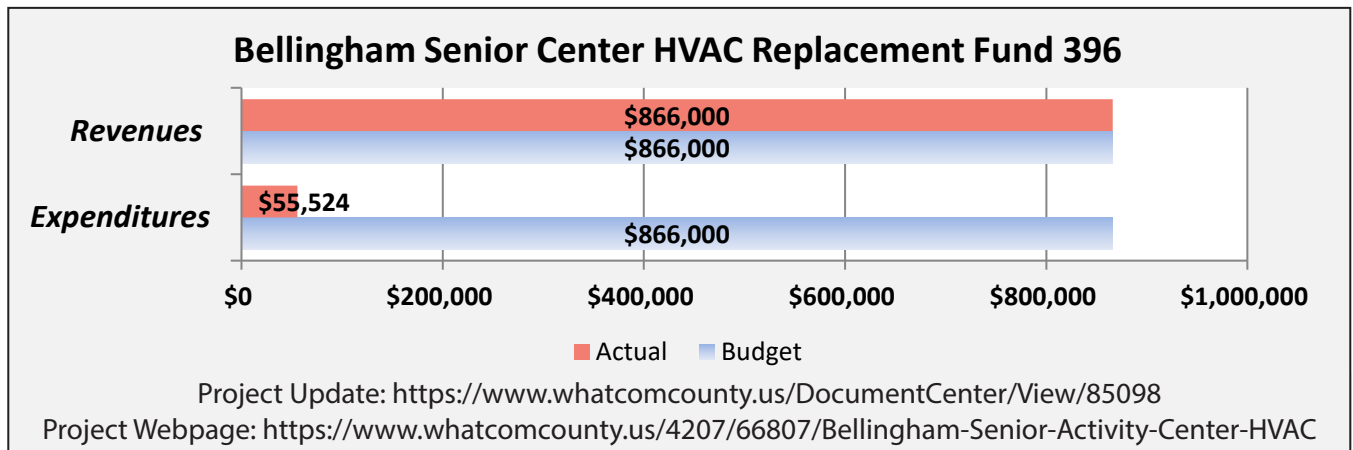
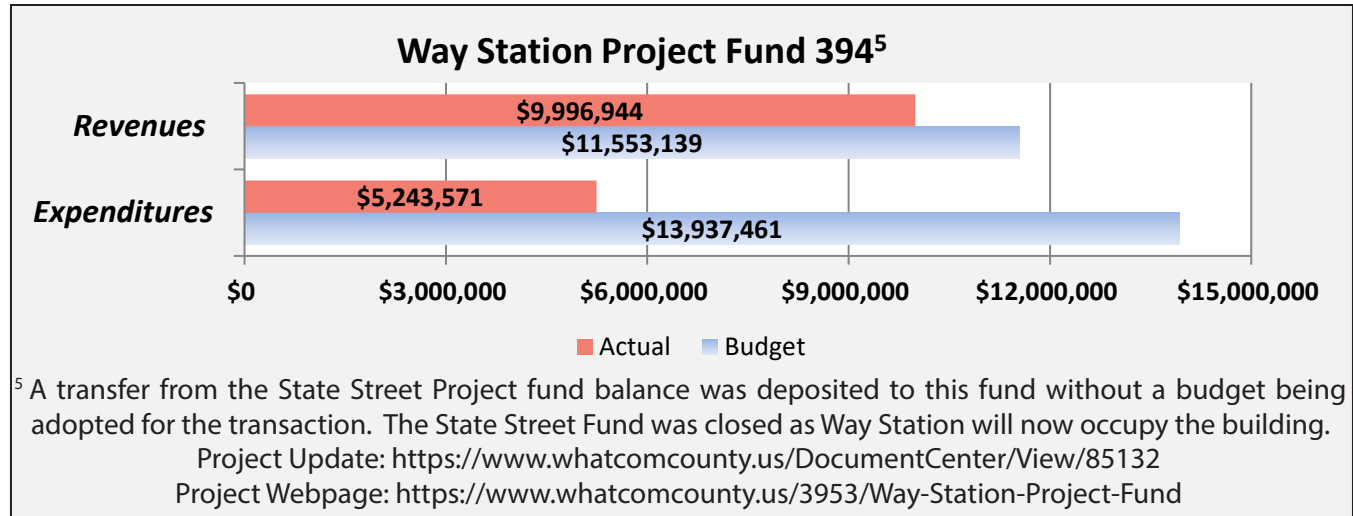


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Project Budget Funds, continued



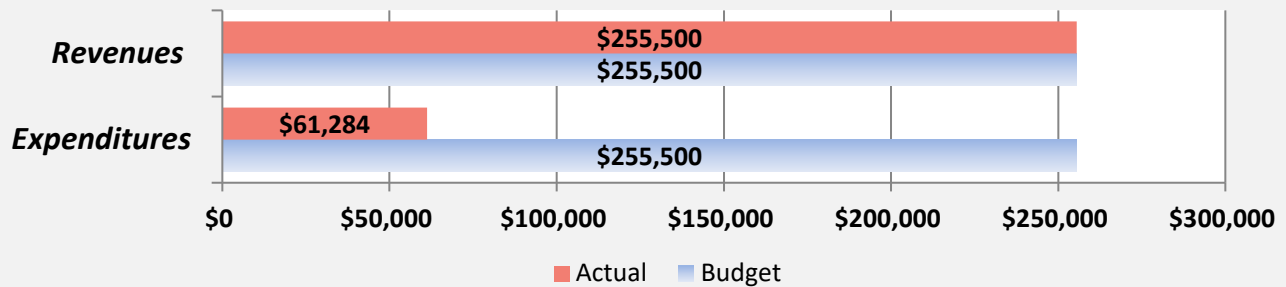
Whatcom County First Quarter 2024 Financial Report

For the Quarter Ended March 31, 2024



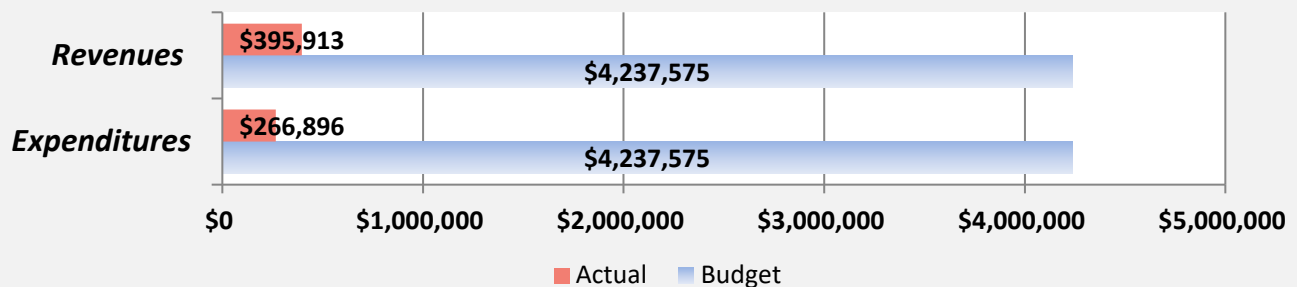
Project Budget Funds, continued

Central Shop NPDES Stormwater Improvements Fund 398



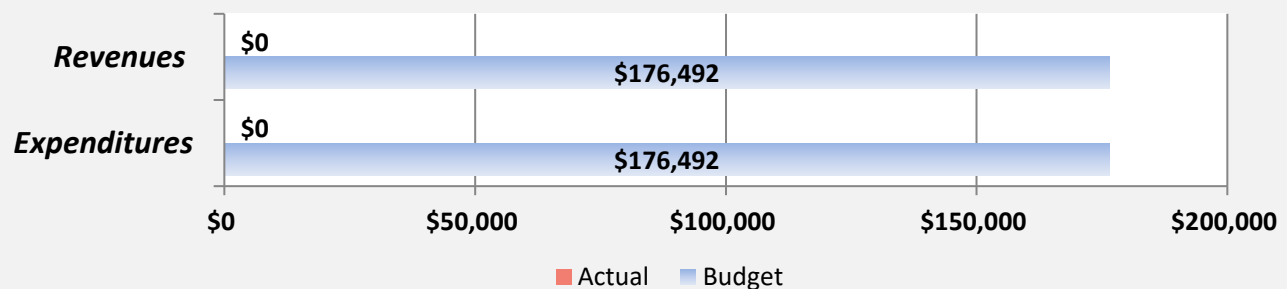
Project Update: <https://whatcomcounty.us/DocumentCenter/View/85076>
Project Webpage: <https://www.whatcomcounty.us/4238/Central-Shop-NPDES>

Lummi Island Ferry Replacement and Modernization Fund 399



Project Update: <https://whatcomcounty.us/DocumentCenter/View/85081>

Cedar Hills Culvert Replacement Fund 301



Project Update: <https://whatcomcounty.us/DocumentCenter/View/85088>

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Project Budget Funds, continued

