



**Fourth
Quarter
2023
Financial
Report**

Satpal Singh Sidhu, County Executive

Compiled and Presented by the
Administrative Services Department
Finance Division

Brad Bennett, Finance Manager

April 8th, 2024

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Executive Summary

The following information presents Whatcom County's fourth quarter 2023 financial report. At the end of the third quarter the General Fund collected 105% of its budgeted revenues and expended 94% of its budgeted expenditures. Revenues increased \$20.6 million from 2022. Of this increase, \$11.7 million is the result of American Rescue funds flowing through the General Fund to the Community Priorities Fund and Capital Projects. The balance of the increase was composed of an increase of sales tax revenues \$1,260,000 over budget, interest earnings \$3,667,000 over budget, and a one-time appeals settlement of \$4 million for back taxes and interest in the case of a large taxpayer. Expenditures are within current year budgets.

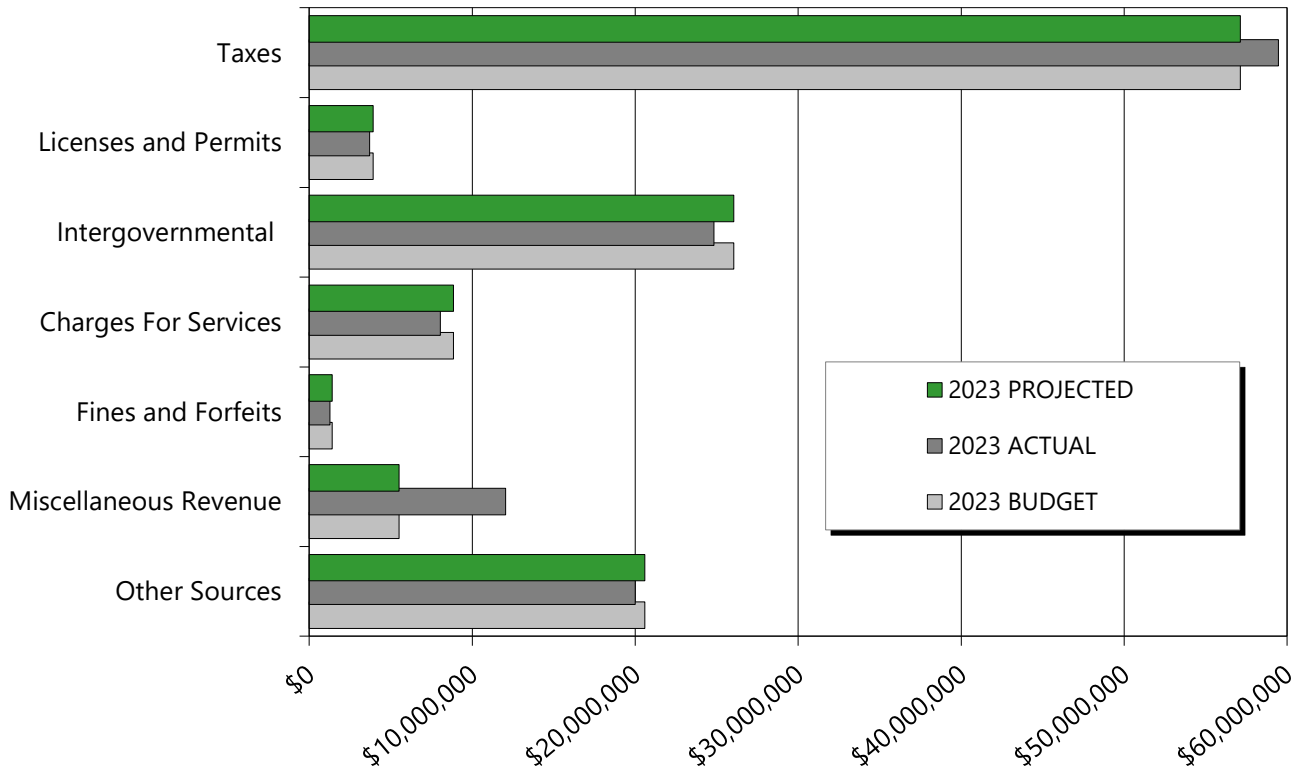
The current estimated 2023 General Fund ending fund balance is projected to be approximately \$32 million.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



General Fund Revenue - Budget vs. Actual



	2023 Budget Adopted	2023 Budget Supp'ls	2023 Budget Amended	Actual as of 12/31/2023	% Collected to Date
Taxes	57,123,010	-	57,123,010	59,470,941	104.11%
Licenses and Permits	3,912,880	-	3,912,880	3,712,062	94.87%
Intergovernmental	21,004,265	5,045,393	26,049,658	24,824,083	95.30%
Charges For Services	8,664,764	174,963	8,839,727	8,035,247	90.90%
Fines and Forfeits	1,349,000	66,373	1,415,373	1,265,442	89.41%
Miscellaneous Revenue	5,025,304	477,536	5,502,840	12,043,747	218.86%
Other Sources	8,178,353	12,405,426	20,583,779	20,002,759	97.18%
Total Revenue	105,257,576	18,169,691	123,427,267	129,354,281	104.80%

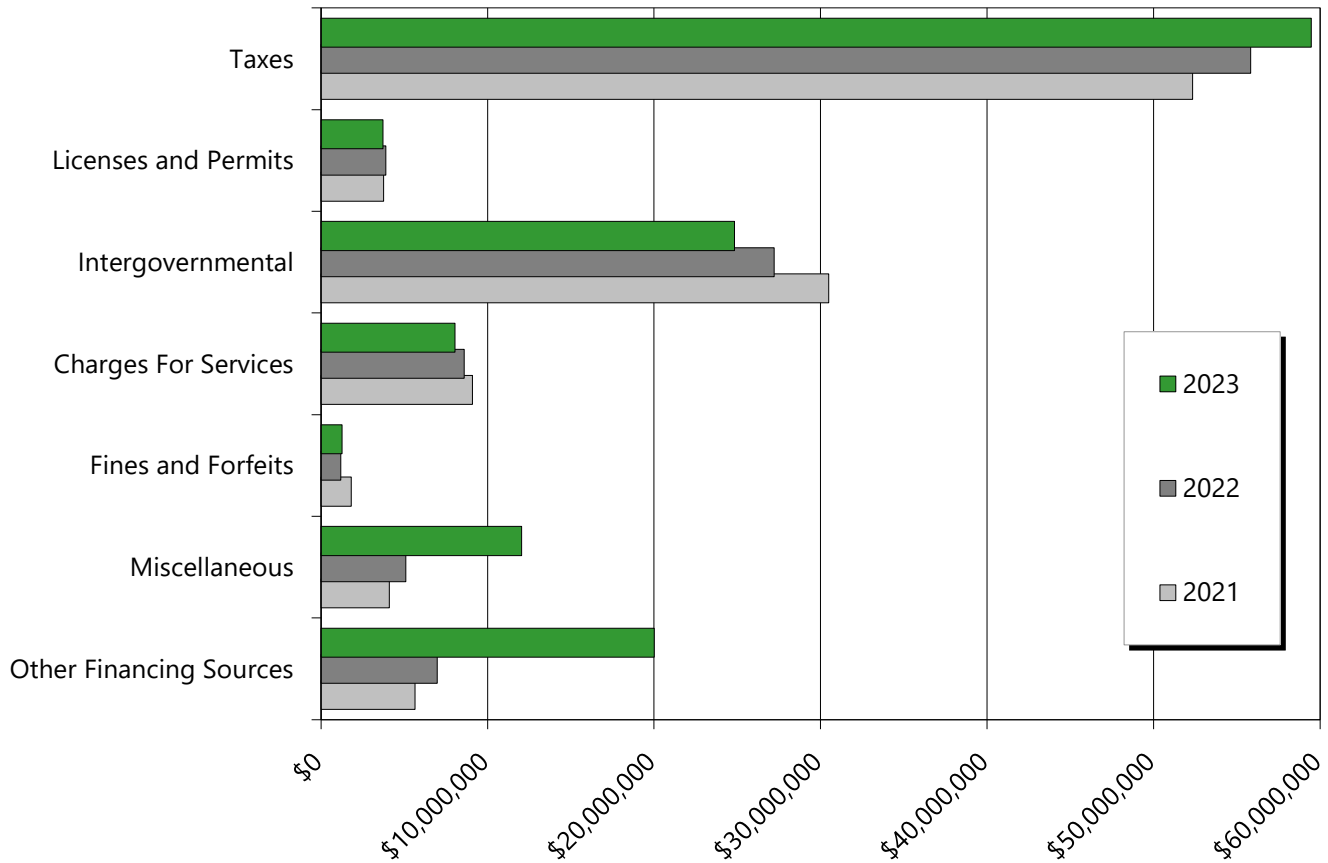
See pages 4 and 5 for General Fund Revenue Notes.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



General Fund Revenue to Date - Compared to Prior Years



	2021	2022	2023
Taxes	52,355,659	55,826,516	59,470,941
Licenses and Permits	3,755,048	3,887,974	3,712,062
Intergovernmental	30,490,721	27,206,645	24,824,083
Charges For Services	9,087,487	8,593,234	8,035,247
Fines and Forfeits	1,804,229	1,187,753	1,265,442
Miscellaneous	4,107,080	5,082,525	12,043,747
Other Financing Sources	5,647,852	6,983,114	20,002,759
Total Revenue	107,248,076	108,767,761	129,354,281

See pages 4 and 5 for General Fund Revenue Notes.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



General Fund Revenue Notes

Taxes

Property tax and retail sales tax make up 99.5% of Whatcom County's tax revenue budget.

Property taxes are currently \$2,174,000 more than fourth quarter 2022 tax collections. The County has prevailed in an appeal by Petrogras West LLC which has resulted in a back payment of taxes of approximately \$1.4 million. This payment was for unpaid state school levies, which because of their age, default to the general fund under state law. County road taxes diverted to the Sheriff's Office for traffic policing are up \$337,858 over 2022. The County Council increased the amount of the diversion by \$350,000 per year during the 2023-2024 biennial budget process. Current year sales tax collections are up 6.8%, or \$1.6 million, as compared to last year's collections. The County has been benefiting from a healthy economy which includes increases in internet sales delivered directly to unincorporated residents, food service, hospitality and construction activities. However, sales tax revenues have fallen off in the 4th quarter of 2023; fourth quarter sales tax revenues were down \$309,000 or 4.6% from fourth quarter 2022.

Licenses & Permits

Building permits account for 45.4% of "Licenses & Permits" budget. Health Department restaurant, food-handling, on-site septic and other miscellaneous health-related licenses and permits make up 31.4% of the budget. Cable franchise fee revenues are 19.7% and marriage licenses, firearm permits, well permits, and fire control permits account for the remaining 4.1%.

License and Permit Fees are about \$176,000 less than amounts collected during 2022, which is a 4.5% decrease. While restaurant licenses and food handling permits are up about \$103,000, building and permits are down about \$258,000, and cable franchise fees are down \$37,500.

Intergovernmental Revenue

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

Intergovernmental revenues are down \$2,383,000 or 8.7% from collections in 2022. Some major changes from 2022 include the absence of \$2.9 million in federal Emergency Rental Assistance funds that were not repeated in 2023. \$1.9 million in revenue from FEMA to fund the COVID Isolation and Quarantine Facility in 2022 were also not repeated in 2023. Washington State Health Care Authority revenues to fund the LEAD response division programs were moved out of the general fund and into the behavioral health fund partway through 2023. The change resulted in \$558,922 less revenue in 2023 when compared to 2022. 2022 revenues for the LEAD program were \$856,818.

Various State grant funding including social services block grants (\$900,000) and recreational shellfish grants (\$340,000) increased from the prior year. State entitlement funding of Foundational Public Health Services increased \$1.5 million.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



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 \$557,987, or 6.5%, when compared to 2022. Significant fluctuations in this category of revenues include general government fees decreasing \$172,764, or 4%. General government fees include real estate excise tax processing fees and Auditor's filing fees. These fees have declined \$274,300 as a result of rising interest rates. Criminal justice related fees decreased \$177,257, or 17.8%. In this category, adult probation fee payments have been declining since 2021 and fell another \$93,035, which is 15.8% since last year. Economic development fees from the Planning & Development department are down \$115,172, or 4.9% in the last twelve months. Rifle Range fees are down over \$97,201 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 are up \$77,691 or 6.5% when compared to 2022. Traffic infraction revenues are up 64.1%, or \$236,552, after legislative changes have allowed a return to more normal enforcement activity. In addition, state funding to partially reimburse District Court for interpreter costs has resulted in \$63,213 of new revenues. On the other hand, property tax related penalties are down 45.8%, or \$187,393, as penalties are no longer being imposed due to changes in state law. There has also been a general decline for several years in court-imposed criminal fines and penalties.

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 \$6,961,222, or 137% from 2022. This is mainly due to two factors. There has been a \$3.78 million increase in investment earnings due to higher interest rates. We also received a one-time \$2,580,000 property tax interest payment as a result of the settlement of a tax appeal.

Other Financing Sources

The "Other Financing Sources" revenue budget is composed of state timber revenues (<1%) and transfers from other Whatcom County funds.

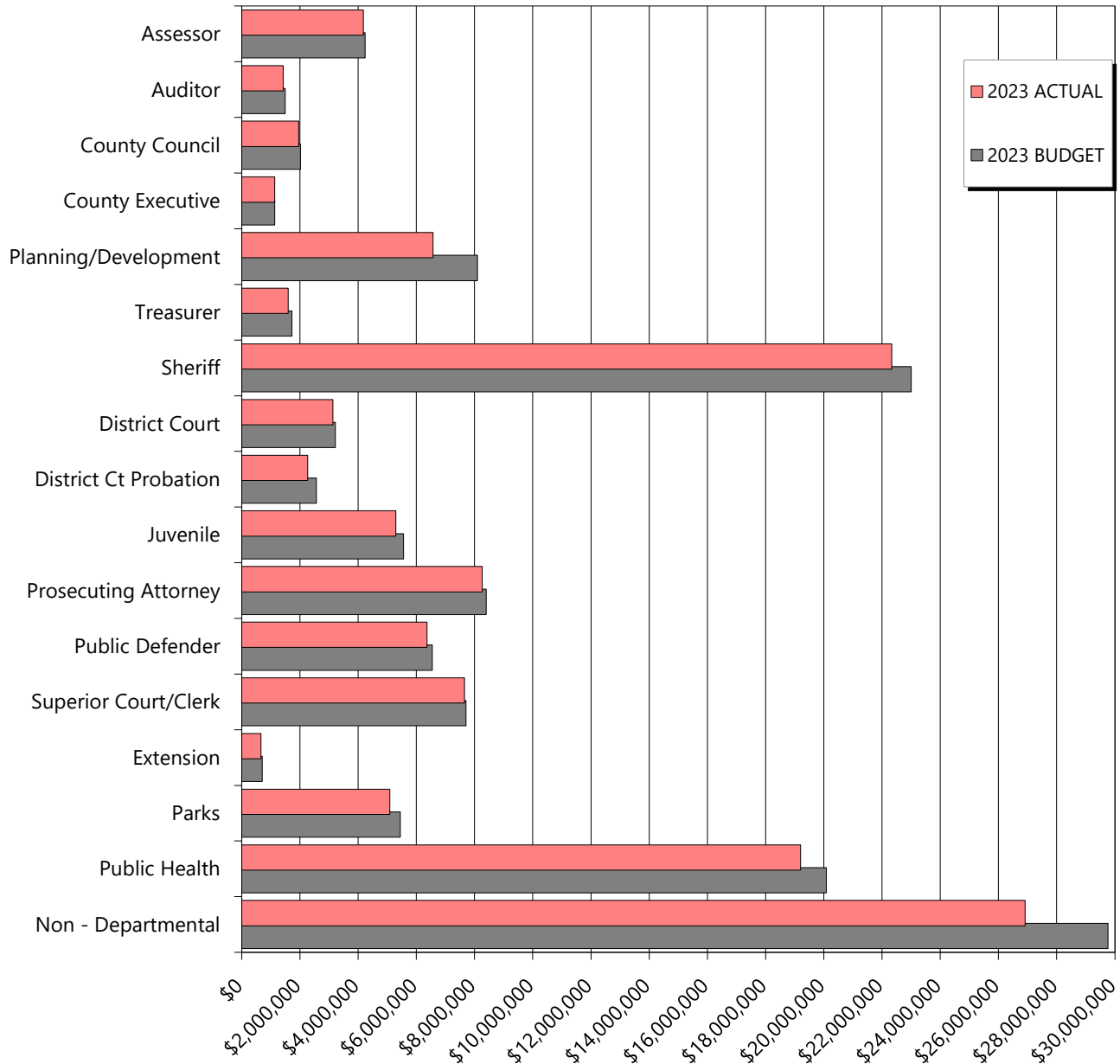
The Other Financing Sources category increased by \$12,260,717, or 175.6%. This was due to \$11.7 million in transfers from the American Rescue Plan Act fund that paid for general government services. Savings from these transfers are preserved for community priorities. Additionally, the County increased in the annual transfer of Public Safety Tax collected in the Emergency Medical Services fund for criminal justice purposes by \$600,000 per year.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



General Fund Expenditures - Budget vs. Actual



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

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



General Fund Expenditures - Budget vs. Actual

	2023 Adopted Budget	2023 Budget Supp'ls	2023 Amended Budget	Actual as of 12/31/23	% Expended to Date
Assessor	4,026,482	210,882.00	4,237,364	4,183,552	98.73%
Auditor	1,491,588	-	1,491,588	1,426,916	95.66%
Council/Hearing Exam.	1,968,027	48,909.00	2,016,936	1,960,329	97.19%
County Executive	1,052,506	80,758.00	1,133,264	1,132,483	99.93%
Planning & Development	6,709,817	1,391,220	8,101,037	6,573,292	81.14%
Treasurer	1,726,988	-	1,726,988	1,599,383	92.61%
Sheriff	21,571,510	1,435,141	23,006,651	22,331,153	97.06%
District Court	3,126,608	91,278	3,217,886	3,131,717	97.32%
District Court Probation	2,351,782	212,281	2,564,063	2,264,894	88.33%
Juvenile	5,537,680	20,581	5,558,261	5,293,838	95.24%
Prosecuting Attorney	7,461,615	938,233.00	8,399,848	8,265,238	98.40%
Public Defender	6,339,771	208,855	6,548,626	6,369,628	97.27%
Superior Court/Clerk	7,093,196	614,129	7,707,325	7,654,803	99.32%
Extension	697,880	10,372	708,252	662,347	93.52%
Park	5,307,454	140,313	5,447,767	5,088,982	93.41%
Public Health	18,866,974	1,219,047	20,086,021	19,203,661	95.61%
Non - Departmental	17,685,126	12,079,446	29,764,572	26,919,197	90.44%
Total General Fund Exp	113,015,004	18,701,445	131,716,449	124,061,413	94.19%

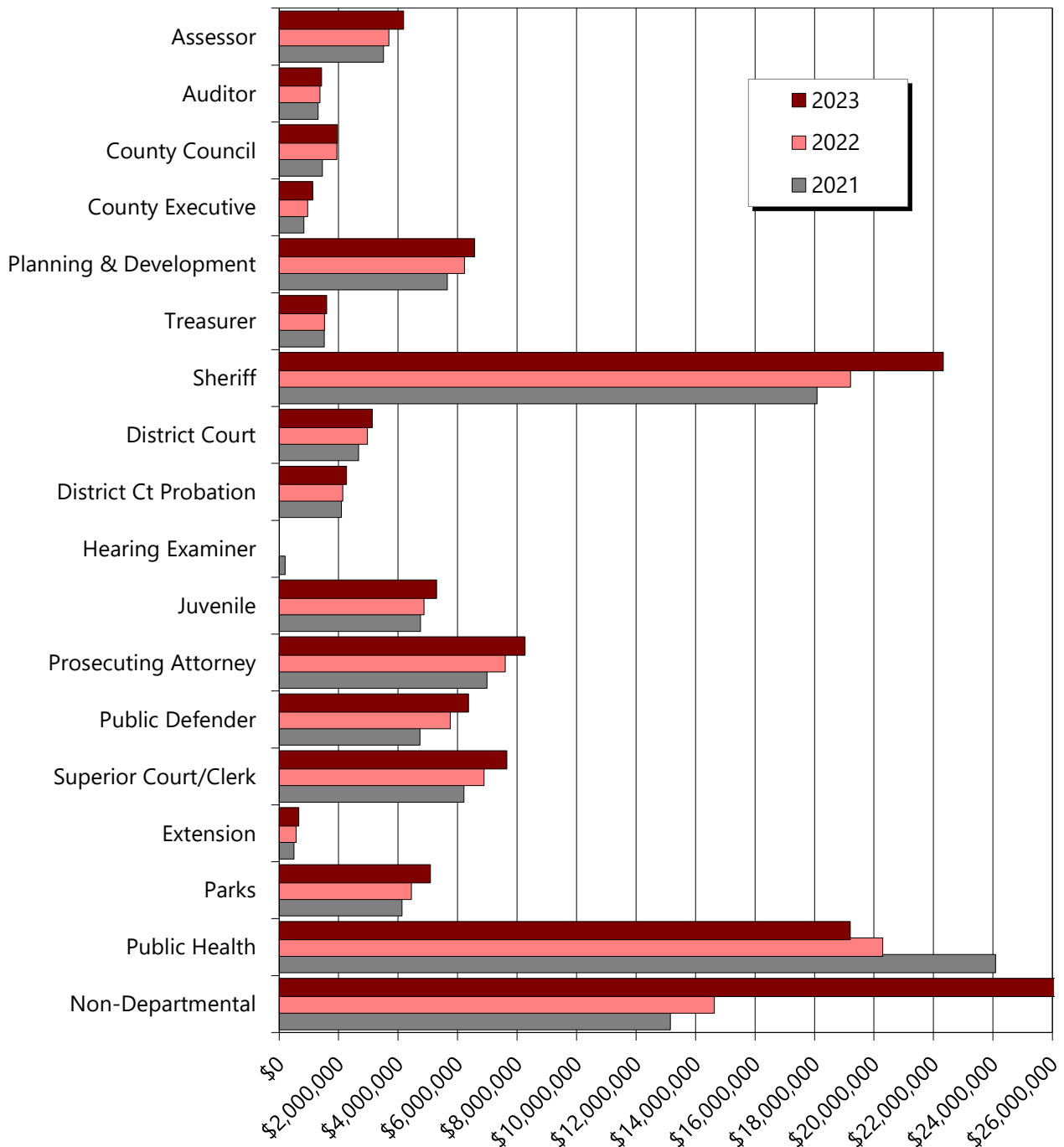
See page 10 for General Fund Expenditure Notes.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



General Fund Expenditures - Compared to Prior Years



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

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



General Fund Expenditures - Compared to Prior Years

	2021	2022	2023
Assessor	3,512,650	3,691,065	4,183,552
Auditor	1,311,461	1,370,723	1,426,916
County Council	1,459,077	1,942,536	1,960,329
County Executive	834,565	960,089	1,132,483
Planning & Development	5,656,444	6,235,497	6,573,292
Treasurer	1,520,634	1,530,626	1,599,383
Sheriff	18,085,182	19,211,310	22,331,153
District Court	2,667,686	2,971,256	3,131,717
District Ct Probation	2,090,954	2,138,411	2,264,894
Hearing Examiner	205,356	-	-
Juvenile	4,752,605	4,873,380	5,293,838
Prosecuting Attorney	6,989,197	7,600,892	8,265,238
Public Defender	4,737,102	5,758,589	6,369,628
Superior Court /Clerk	6,214,916	6,892,603	7,654,803
Extension	496,061	576,233	662,347
Park	4,131,188	4,447,079	5,088,982
Public Health	24,091,571	20,290,837	19,203,661
Non-Departmental	13,151,044	14,630,544	26,919,197
TOTAL	101,907,693	105,121,670	124,061,413

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the fourth quarter were 94% of the approved budget, which is four percentage points higher than recent years. Departmental spending was within approved budget. Overall departmental spending increased 18%, or \$19 million, when compared to 2022.

Planning and Development services was 19% under budget or approximately \$1.5 million due to budgeted expenses of \$1.3 million for the 2025 comp plan update that were not committed in 2023.

Most departments saw increases due to negotiation of collective bargaining agreements.

The Sheriff's Office increased expenditures \$3 million from 2022 which was mostly due to \$2.6 million in patrol costs. Patrol costs included increases in wages from the hiring of new deputies and contributions to ER&R for the replacement of vehicles in the amount of \$1.1 million. There also were increased in insurance premiums charged to the Sheriff's office.

Non-Departmental spending increased \$11.2 million mainly due to \$11.7 million in transfers that were executed in 2023 to facilitate transfers to prioritize American Rescue Plan Act funding to the Community Priorities fund, the Northwest Annex project fund, and the Waystation project fund.

The Health Department spending was down \$1.5 million compared to the prior year as some COVID-related grant funded projects were completed in 2022 including \$2.9 million in emergency rental assistance. The Health Department did see a \$1.5 million increase in Foundational Public Health entitlements in 2023.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



General Fund Conclusion

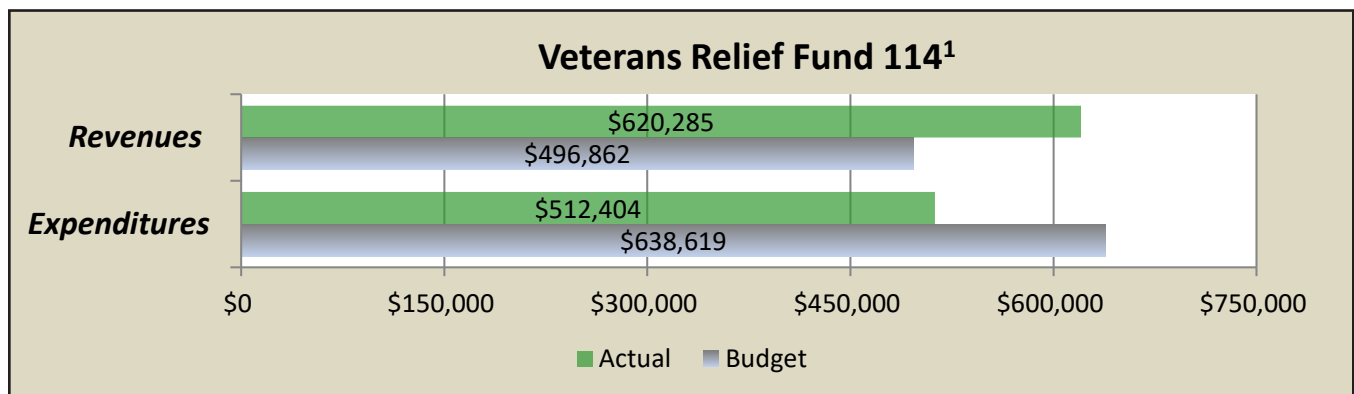
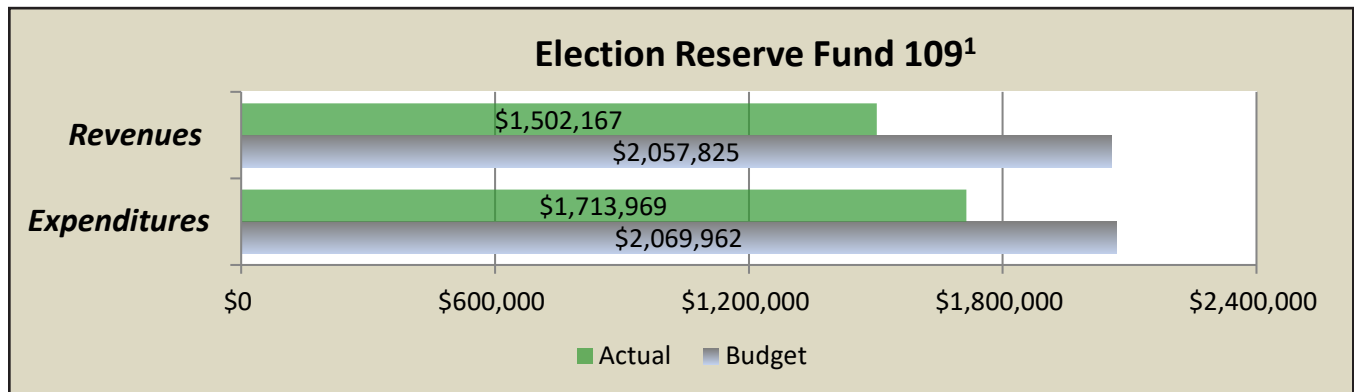
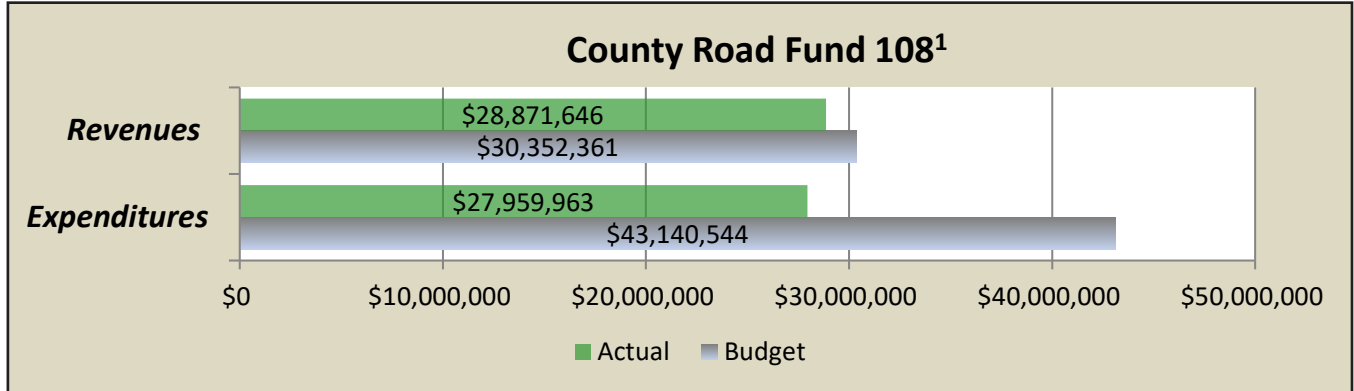
	Projected
Beginning Fund Balance 1/1/23	26,346,572
Revenues	
Budgeted Revenues 2023	105,257,576
Continuing Appropriations from 2022	620,166
Supplemental Budgets 2023	17,549,525
One Time High Value Tax Appeal payment defaulted to GF from State Schools	1,429,620
One Time High Value Tax Appeal Interest	2,583,810
Investment interest in excess of Budget	3,666,877
Sales Tax in Excess of Budget	1,259,800
Intergovernmental Revenues under budget	(1,225,574)
Charges for Services Revenues under budget	(804,480)
Other Revenue Deviations from Budgets	(983,039)
Total Revenue	129,354,281
Expenditures	
Budgeted Expenditures 2023	113,015,004
Continuing Appropriations from 2022	899,183
Supplemental Budgets 2023	17,802,262
Preliminary Expected Expenditure Lapse	(7,655,036)
Total Expenditures	124,061,413
Expected Surplus (Deficit)	5,292,868
Projected Ending Fund Balance 12/31/23	31,639,440

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Special Revenue Funds and Other Funds



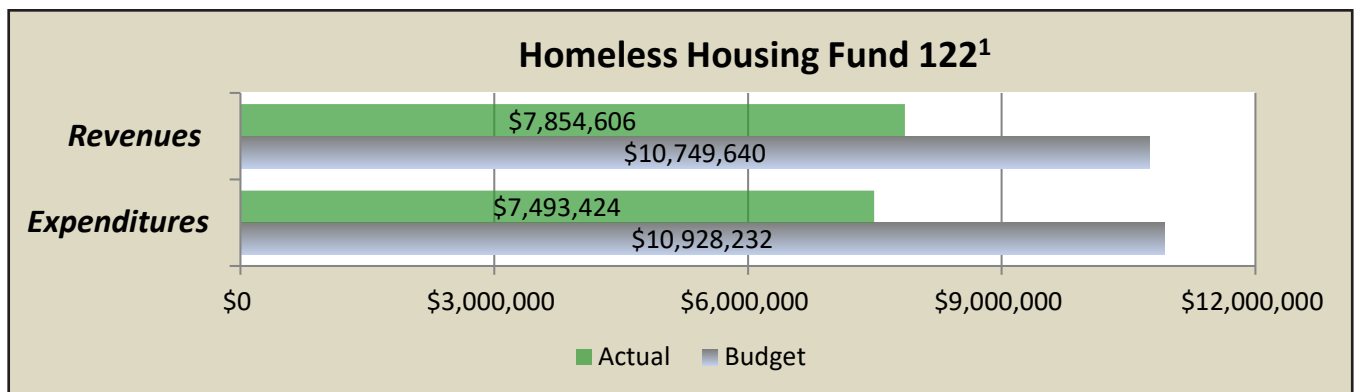
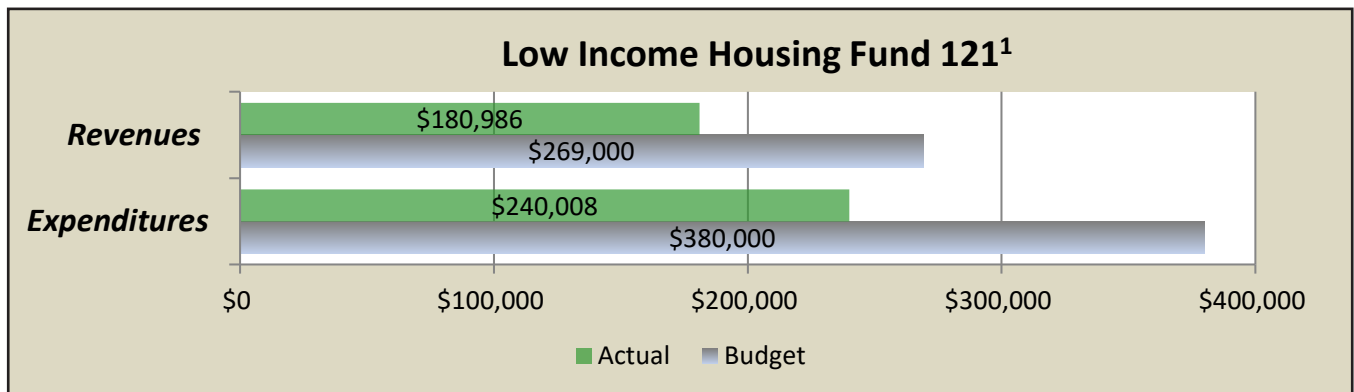
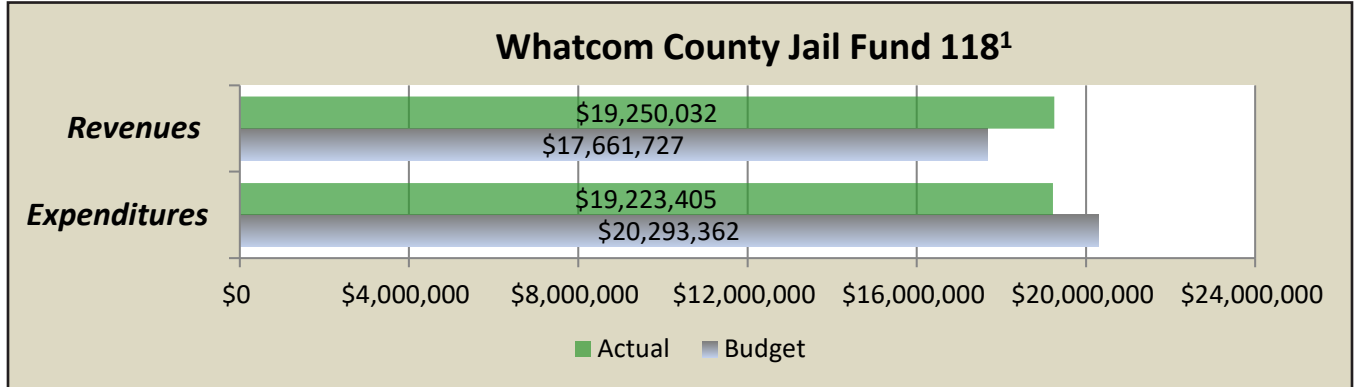
Note ¹: Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Special Revenue Funds and Other Funds, continued



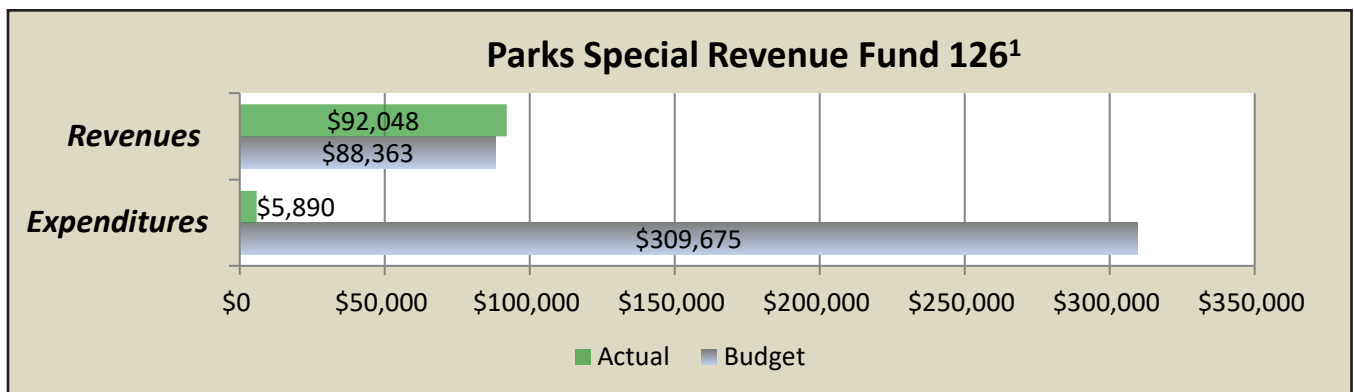
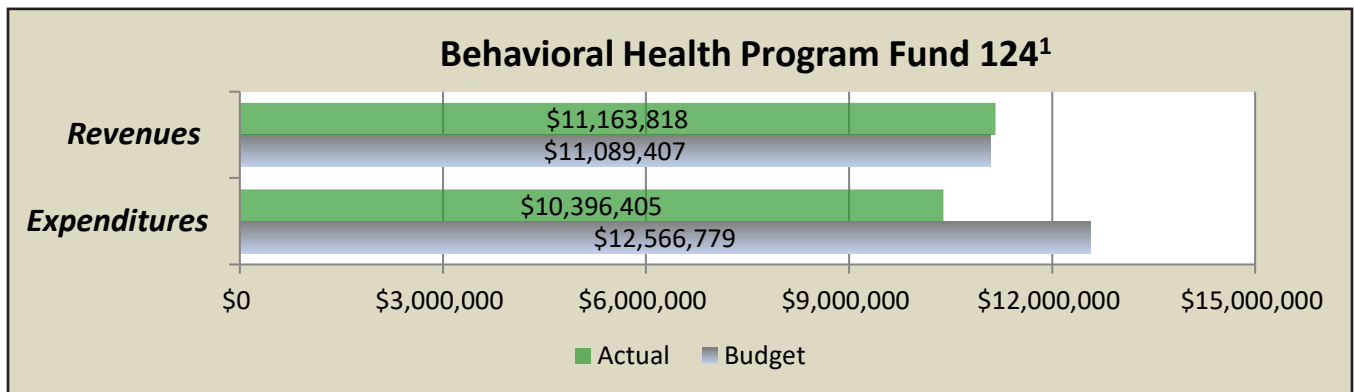
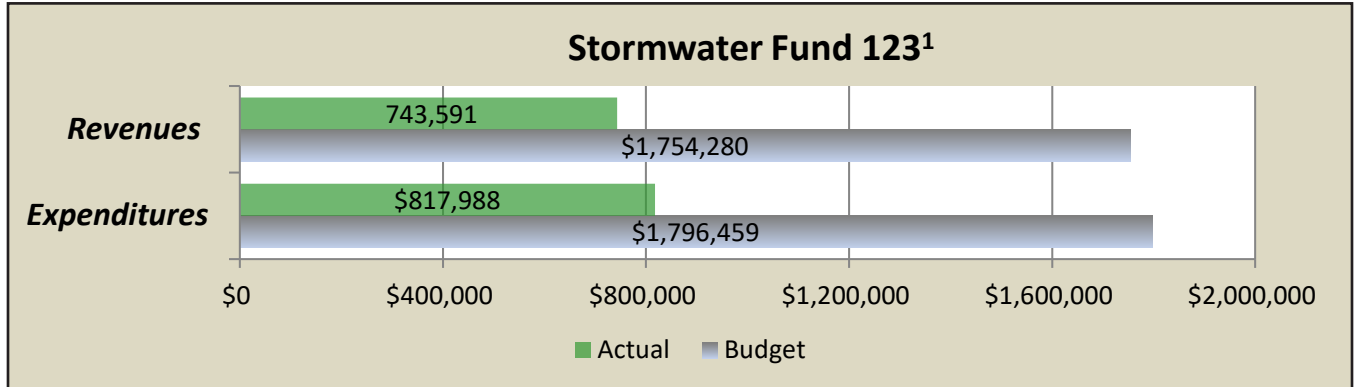
Note ¹: Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Special Revenue Funds and Other Funds, continued



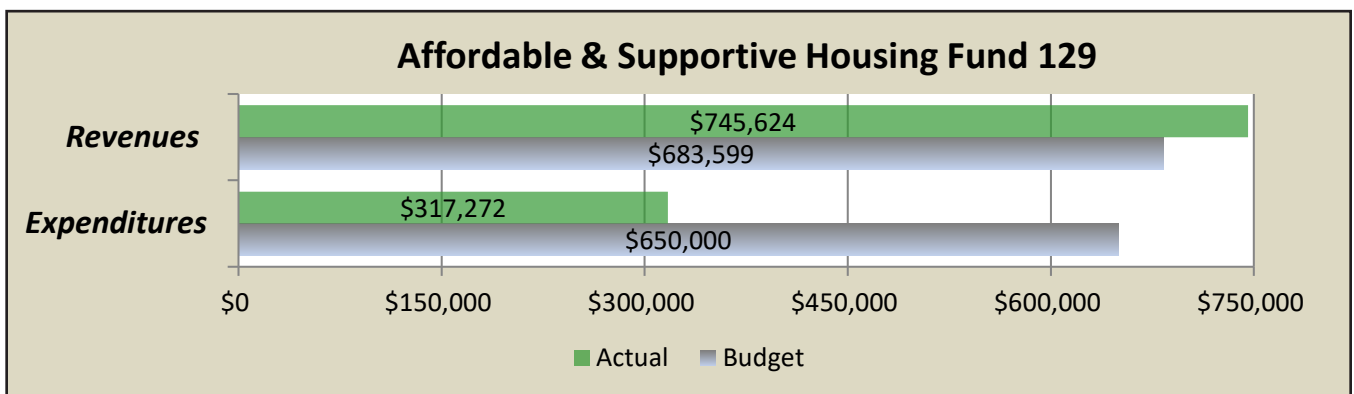
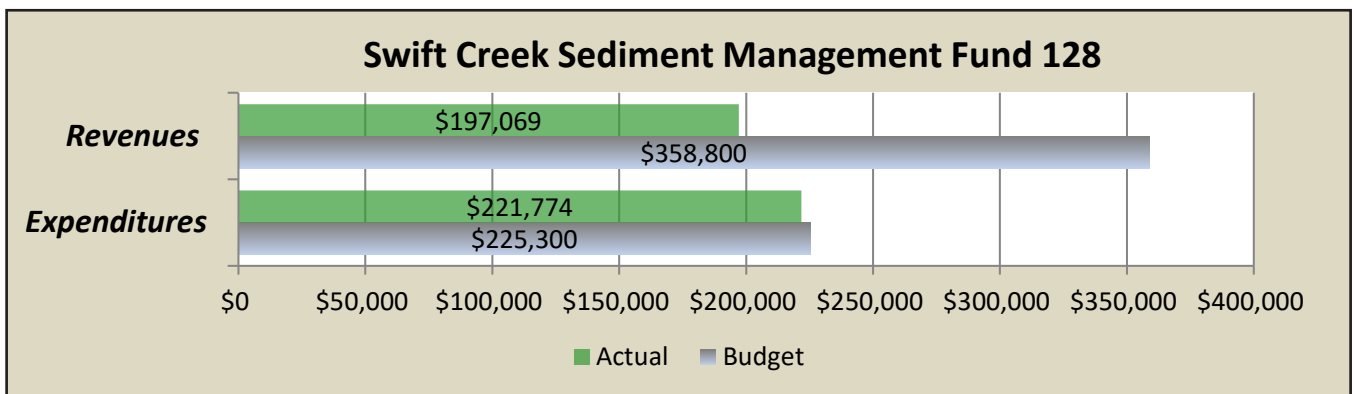
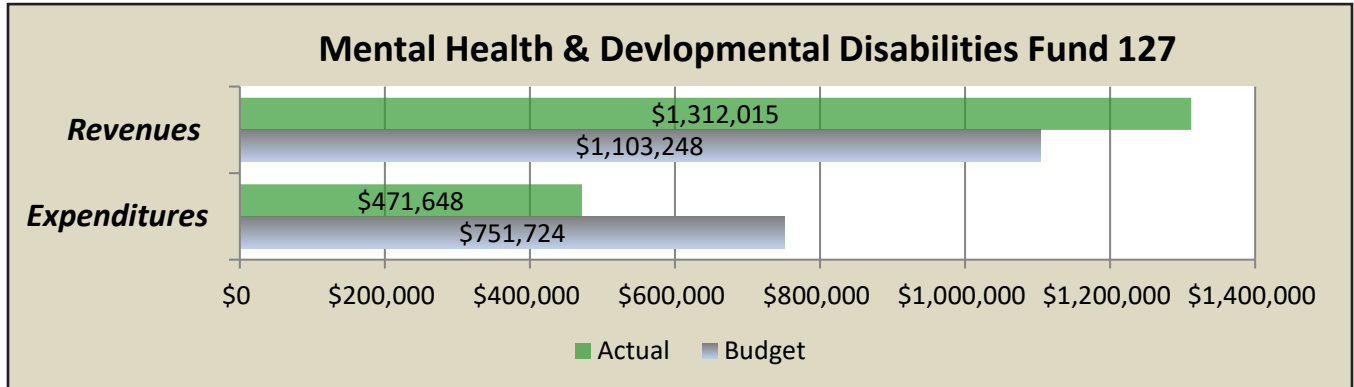
Note ¹: Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Special Revenue Funds and Other Funds, continued

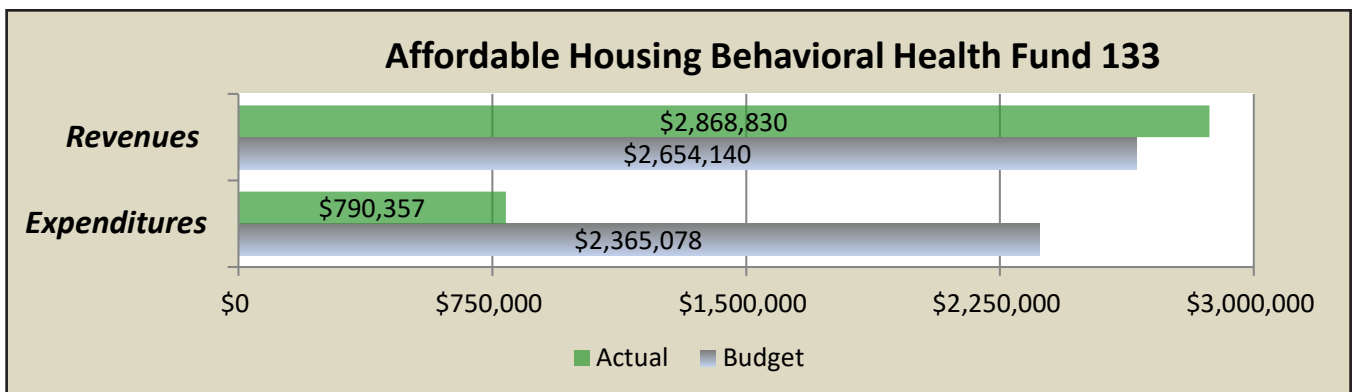
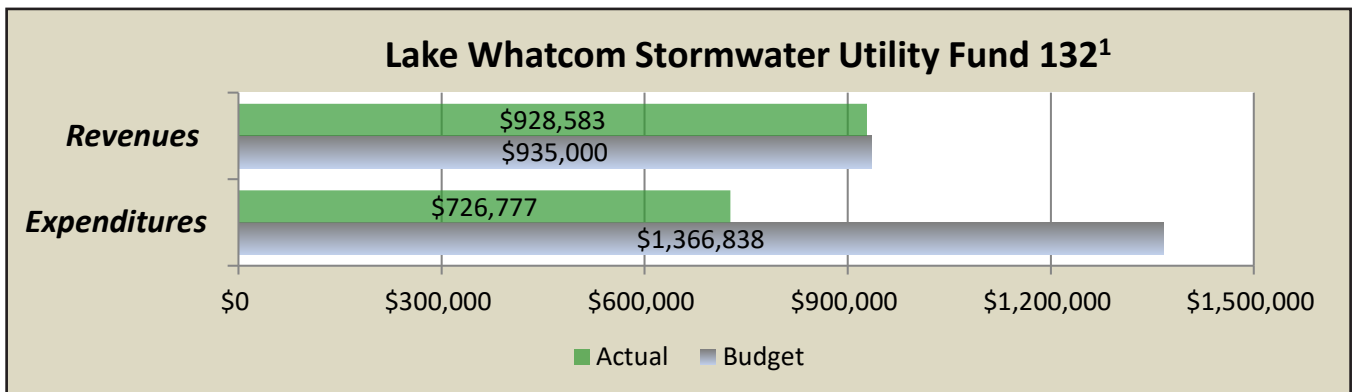
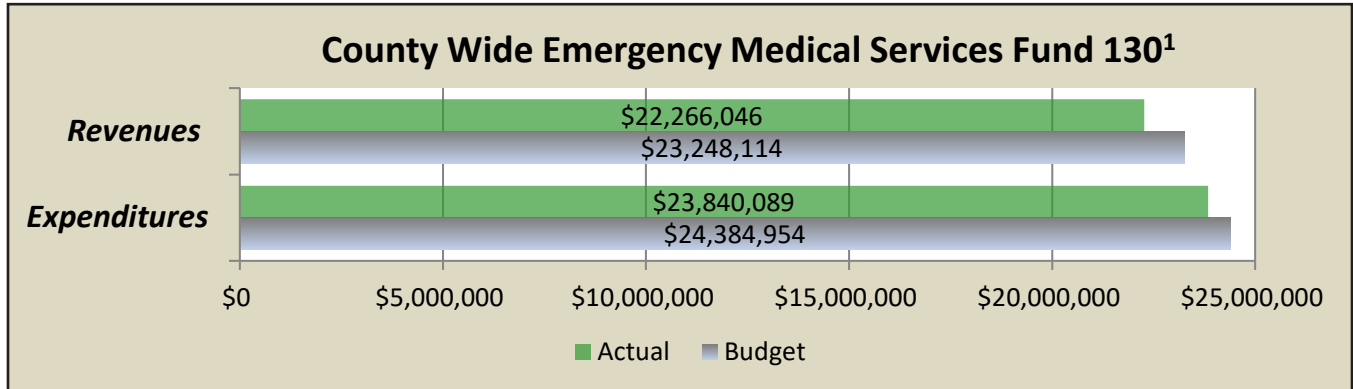


Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Special Revenue Funds and Other Funds, continued



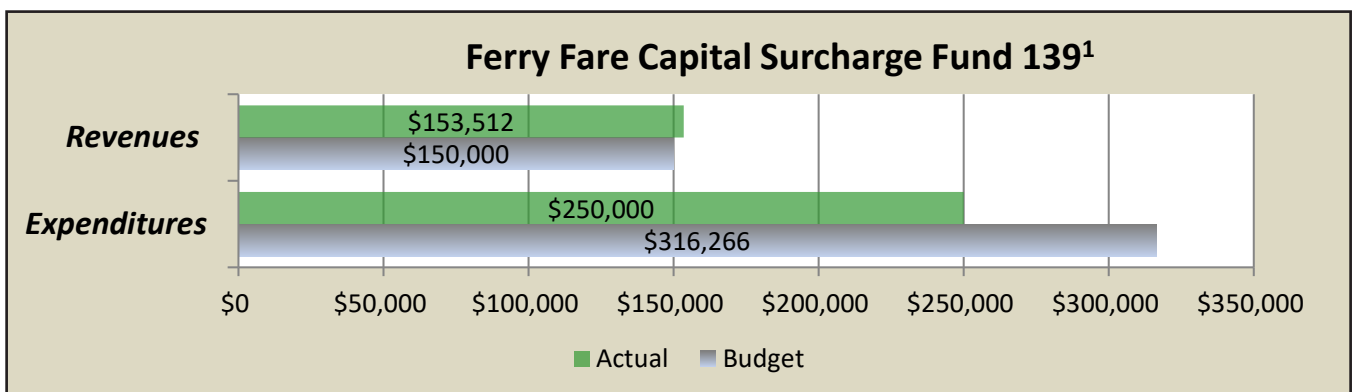
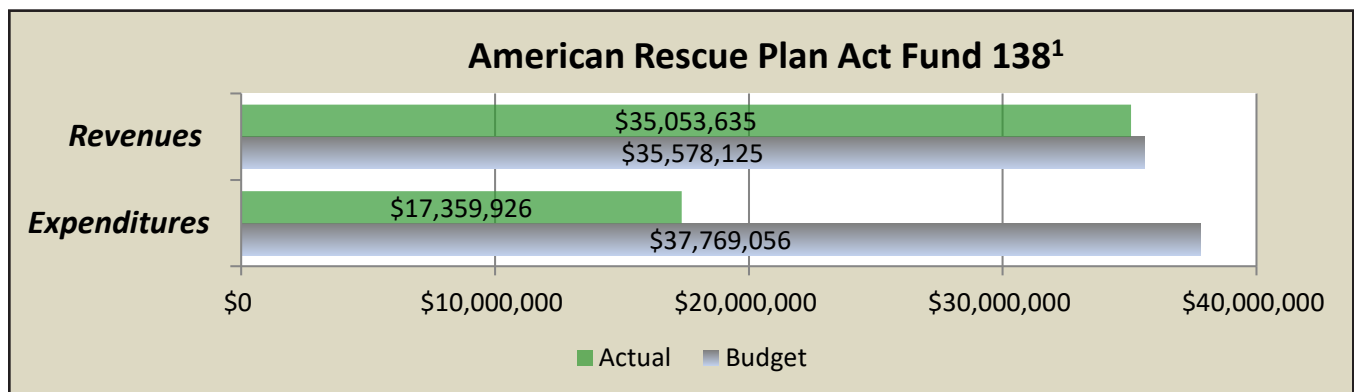
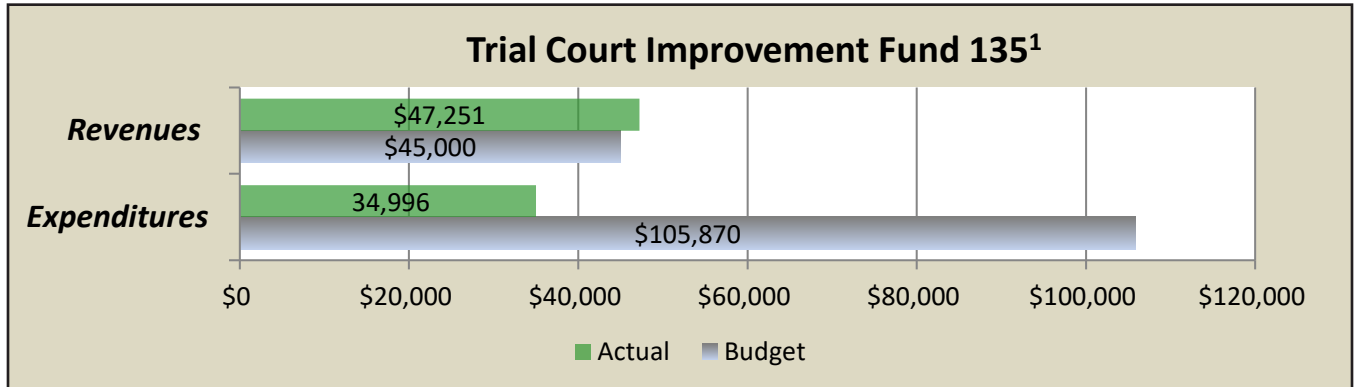
Note ¹: Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Special Revenue Funds and Other Funds, continued



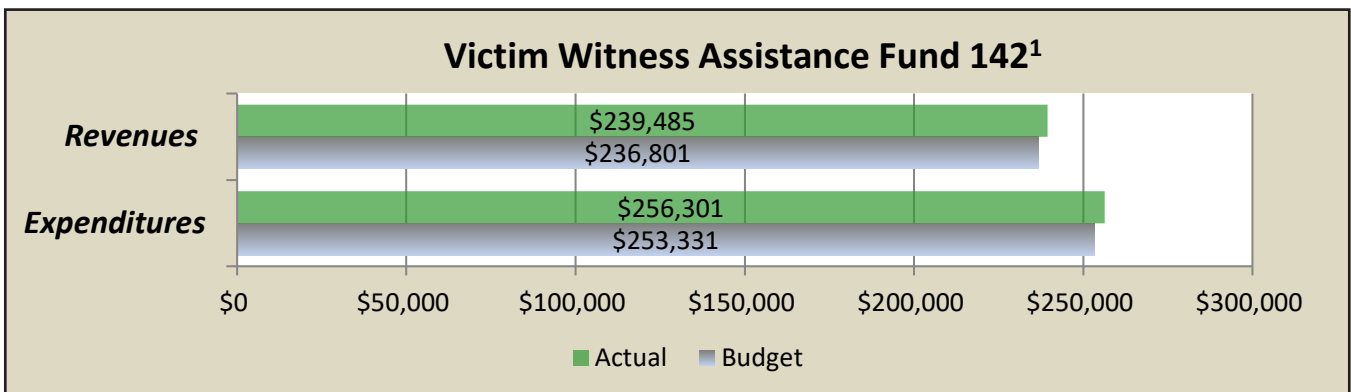
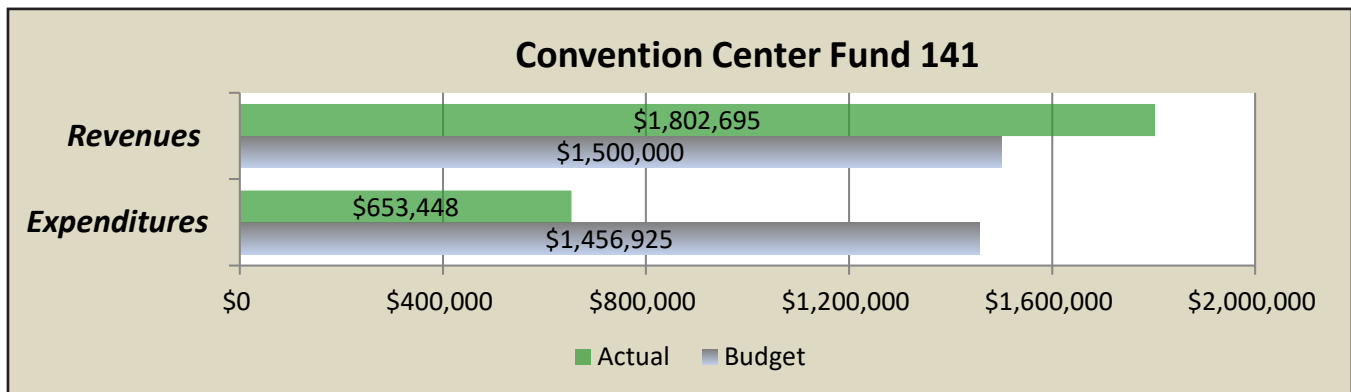
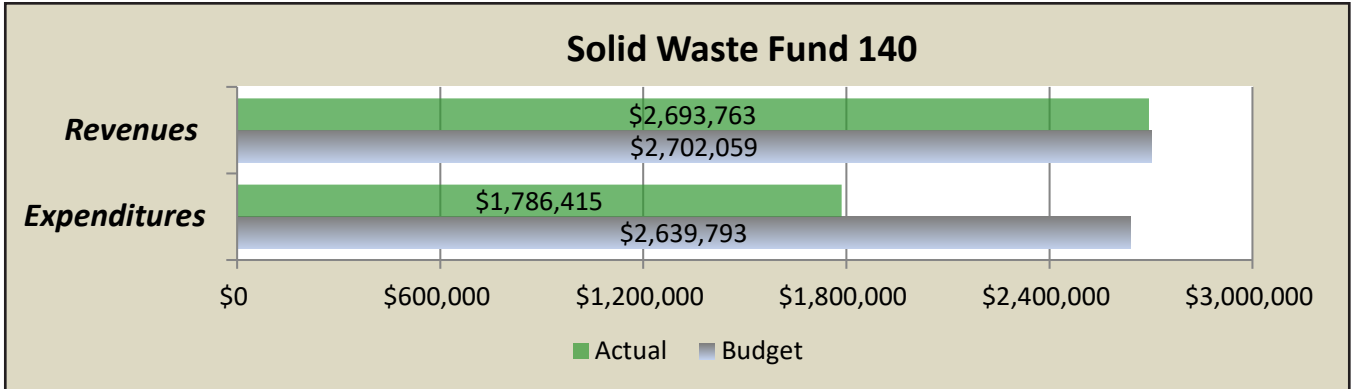
Note ¹: Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Special Revenue Funds and Other Funds, continued



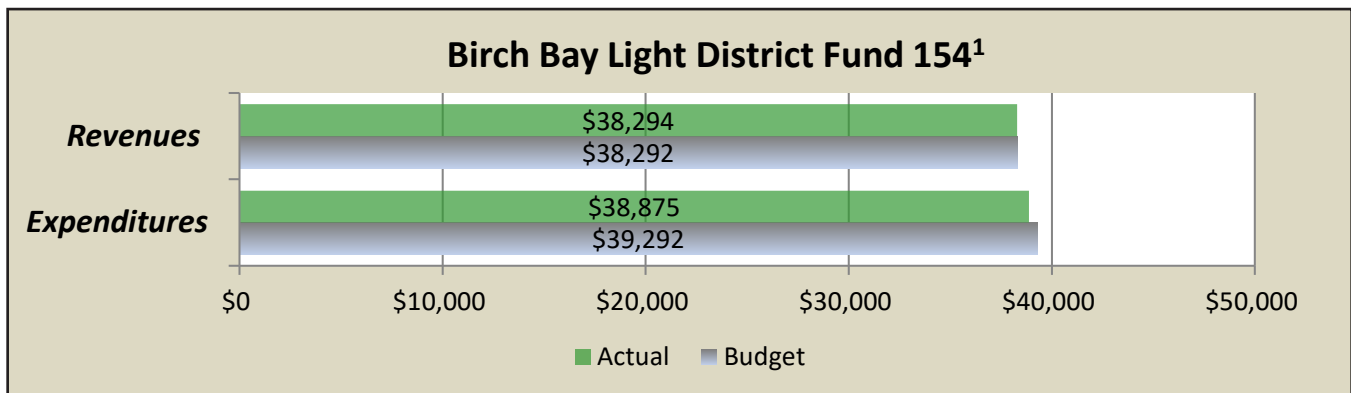
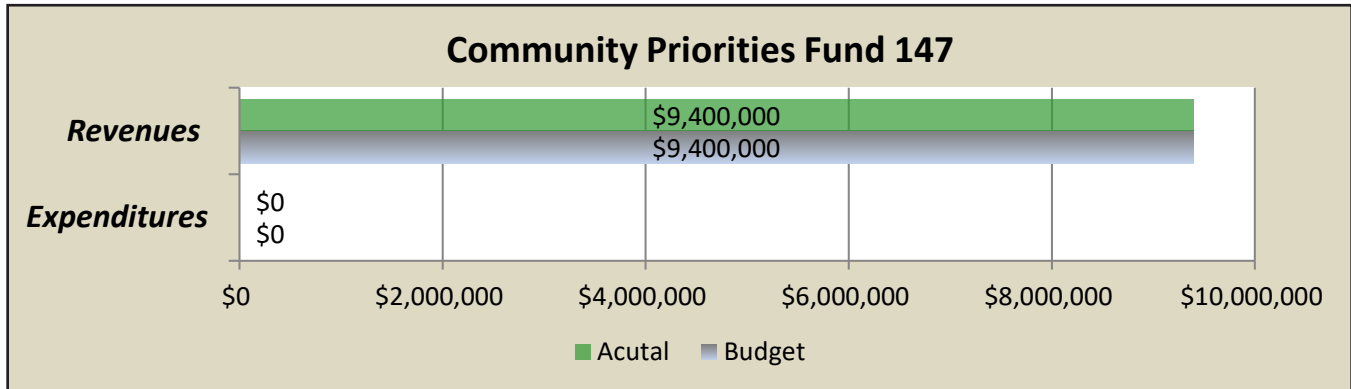
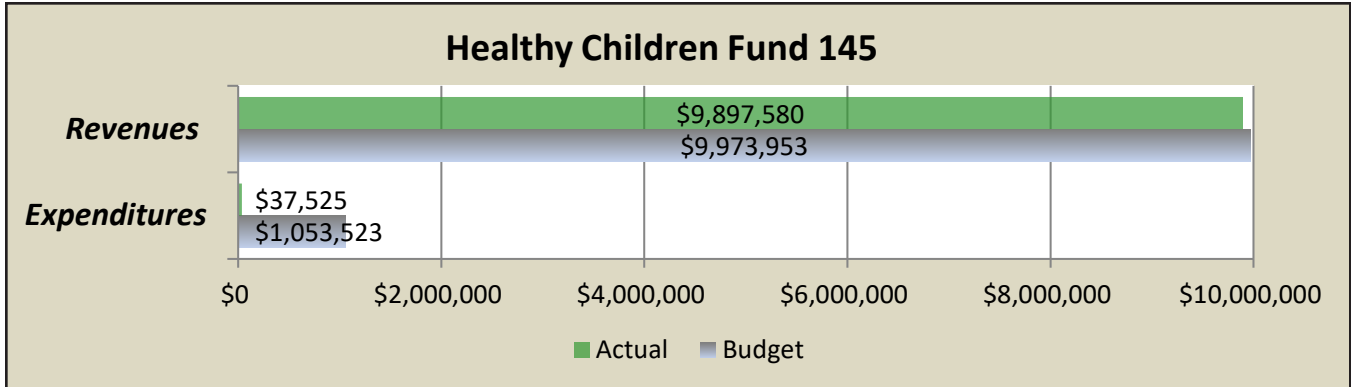
Note ¹: Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Special Revenue Funds and Other Funds, continued



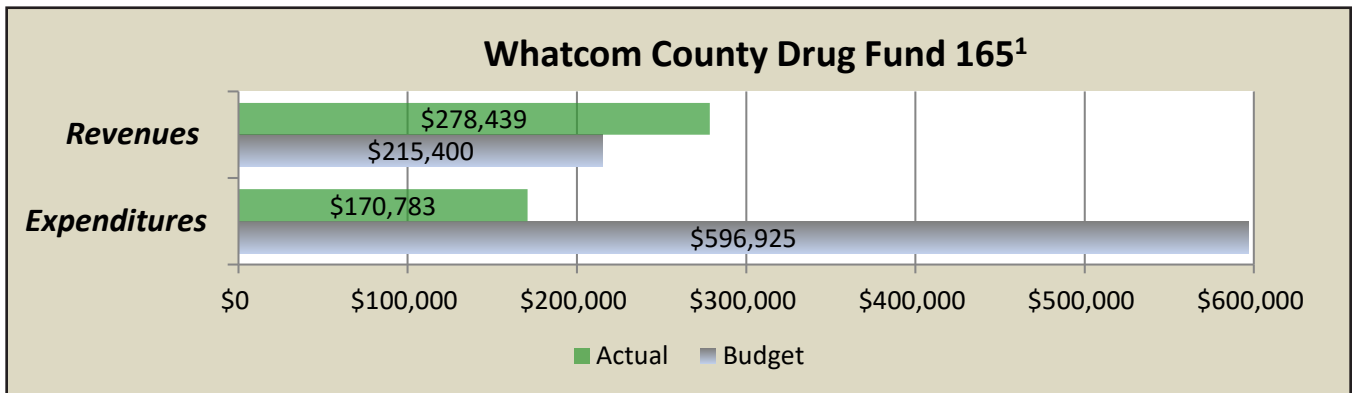
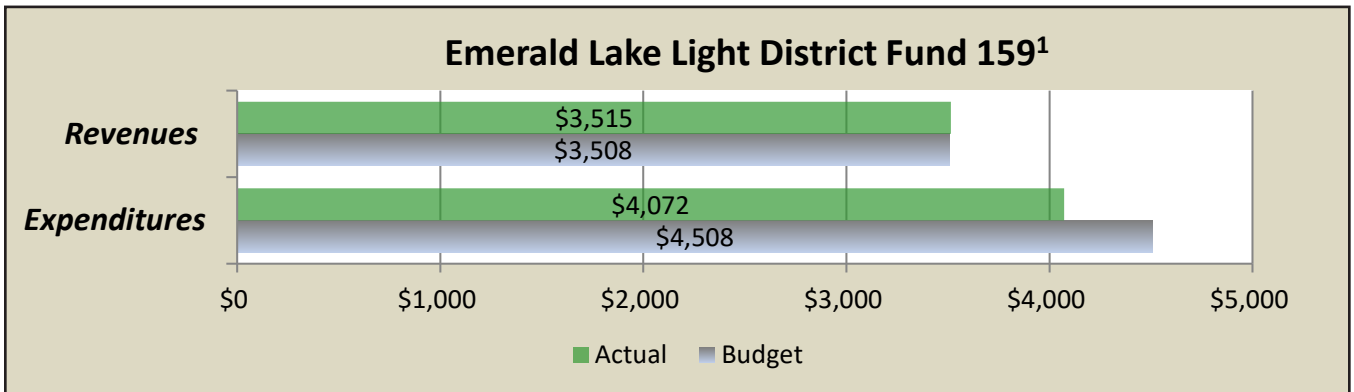
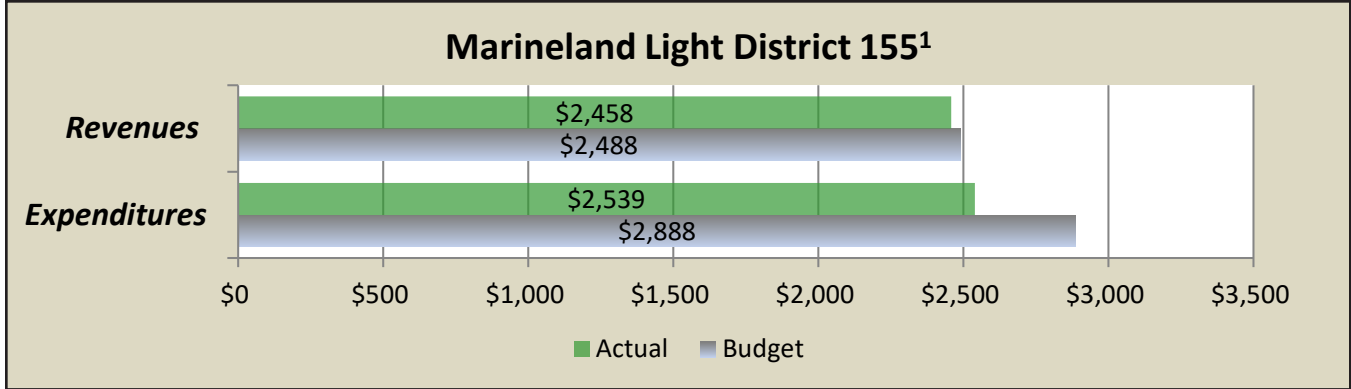
Note ¹: Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Special Revenue Funds and Other Funds, continued



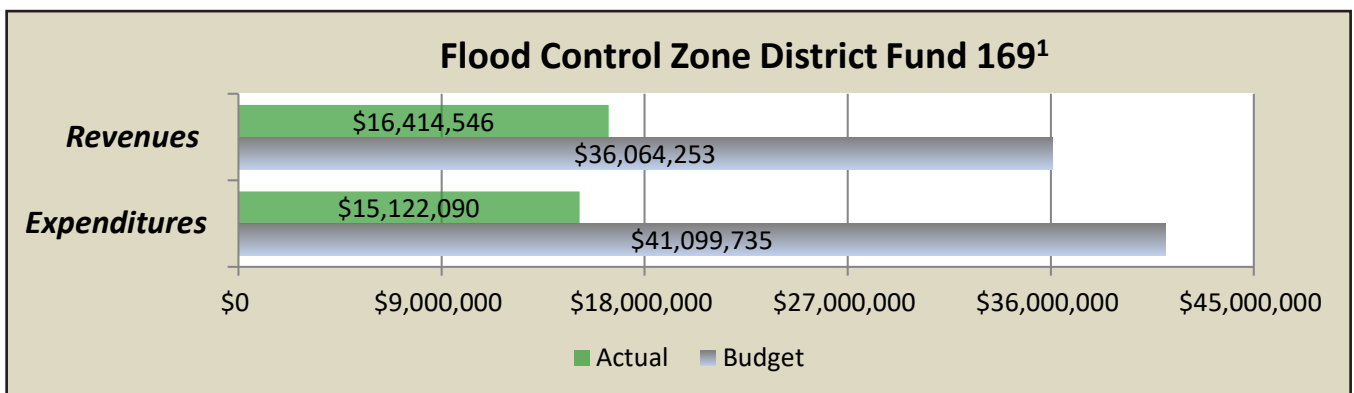
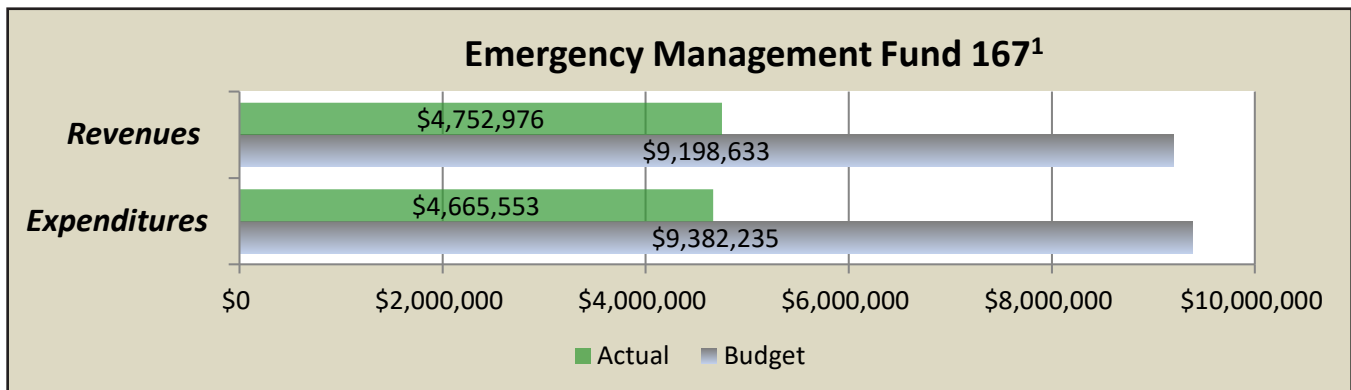
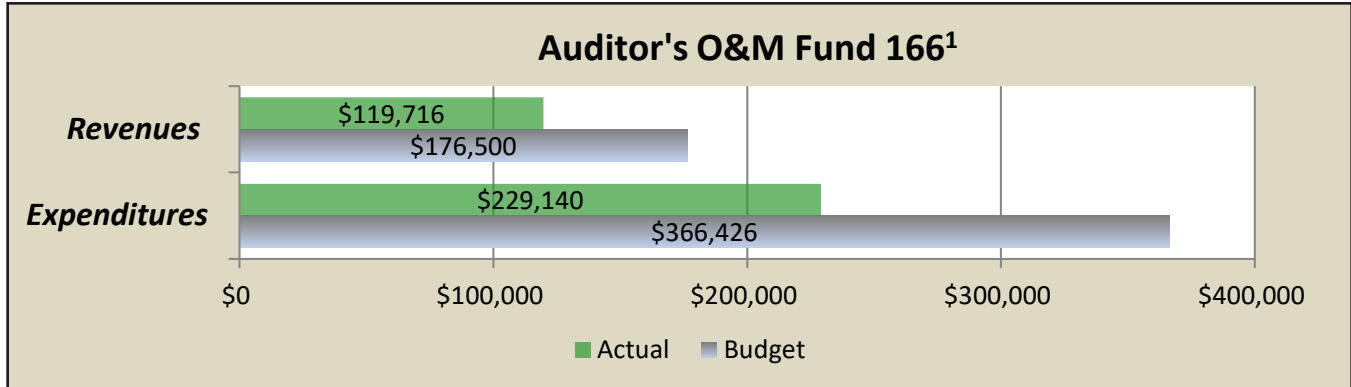
Note ¹: Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Special Revenue Funds and Other Funds, continued



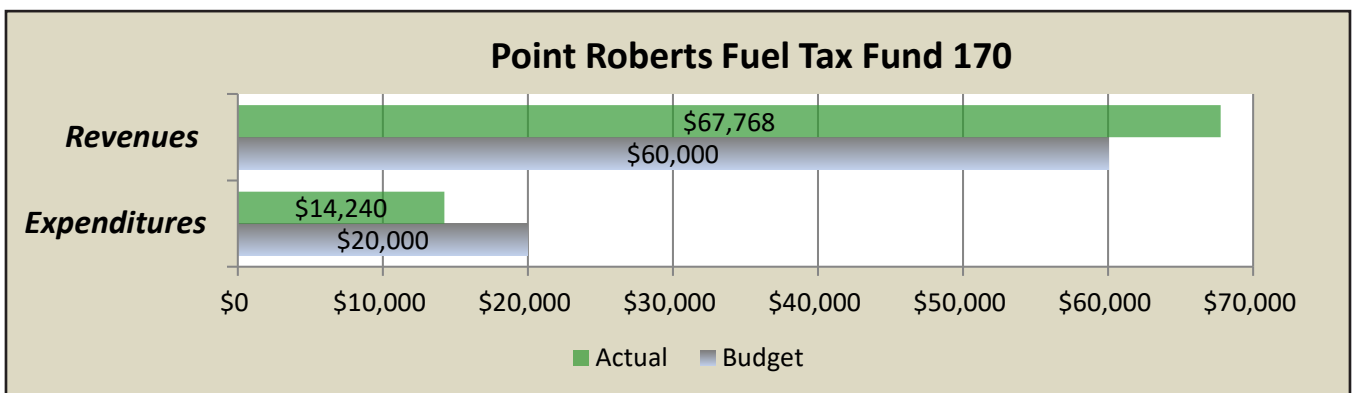
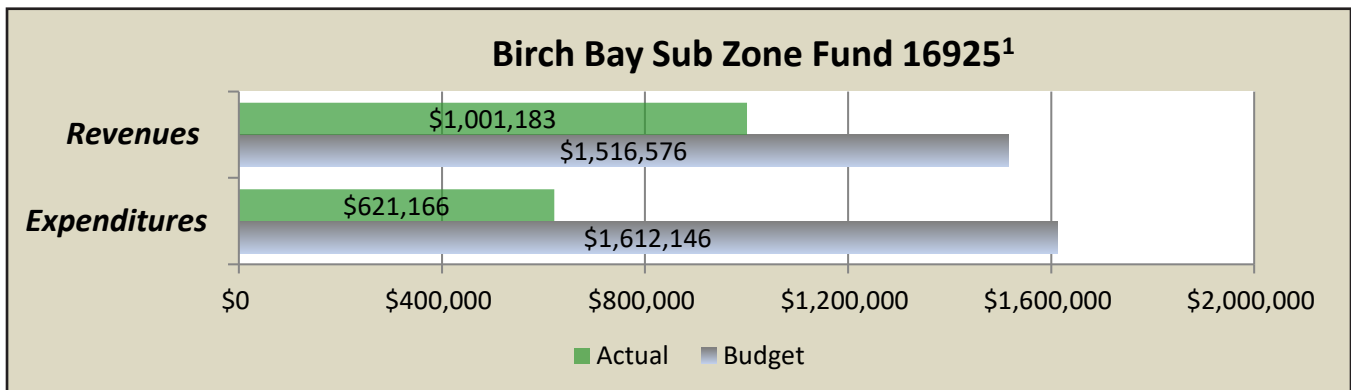
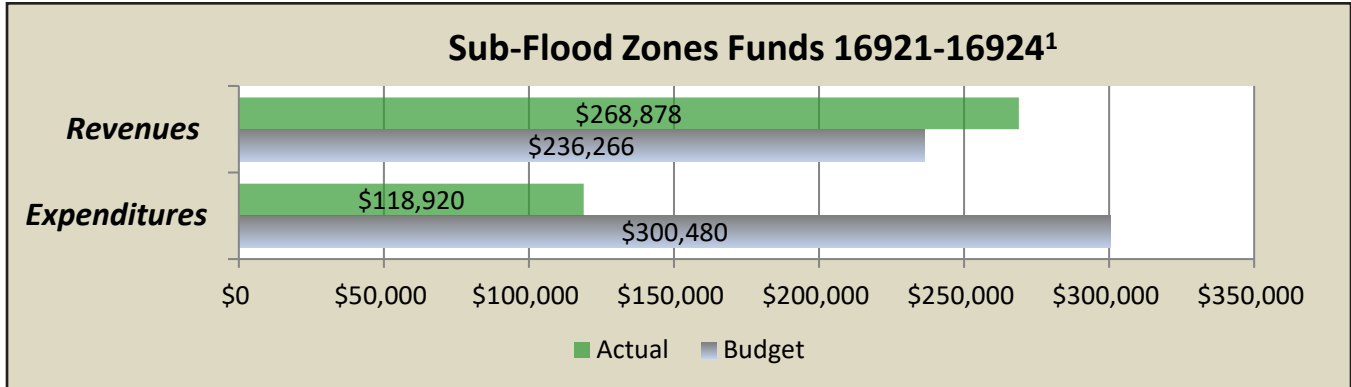
Note ¹: Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Special Revenue Funds and Other Funds, continued



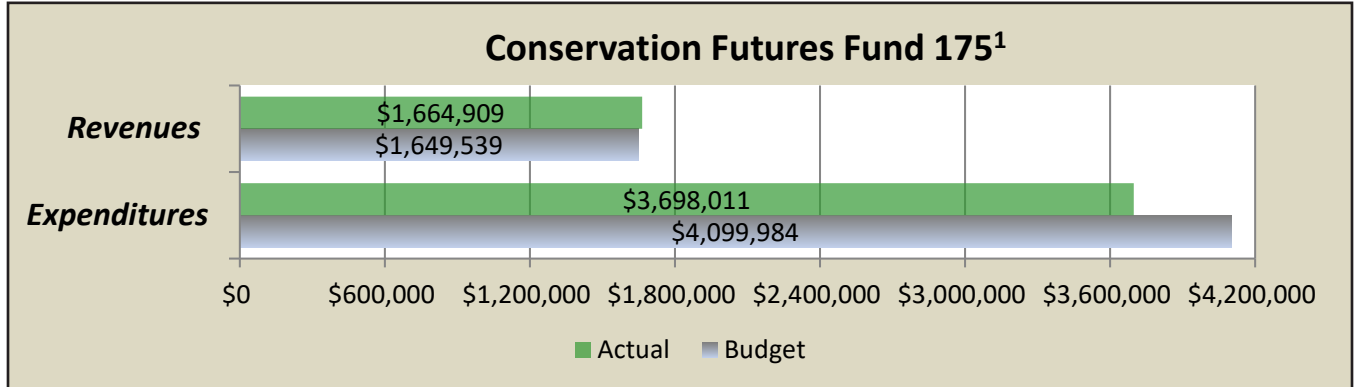
Note ¹: Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Special Revenue Funds and Other Funds, continued



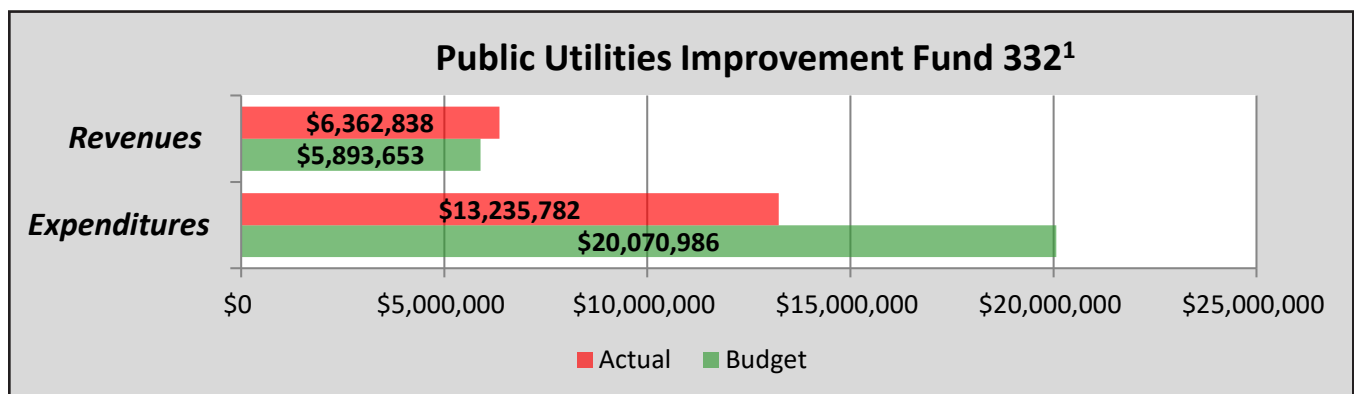
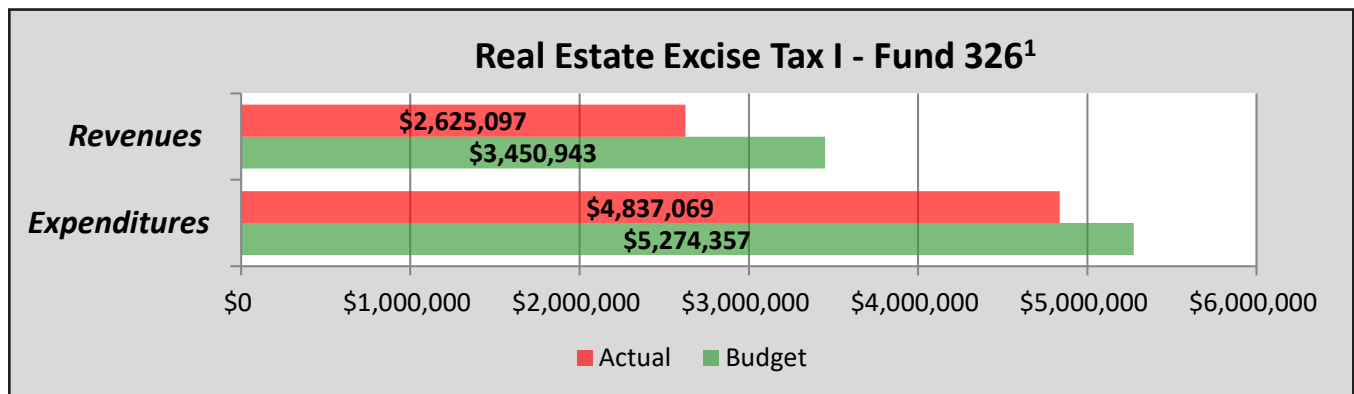
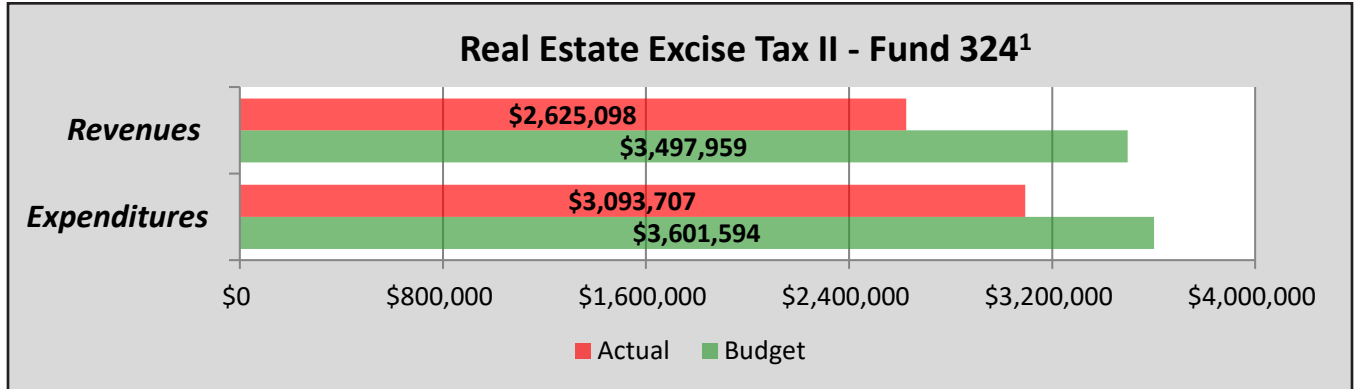
Note ¹: Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Capital Project Funds



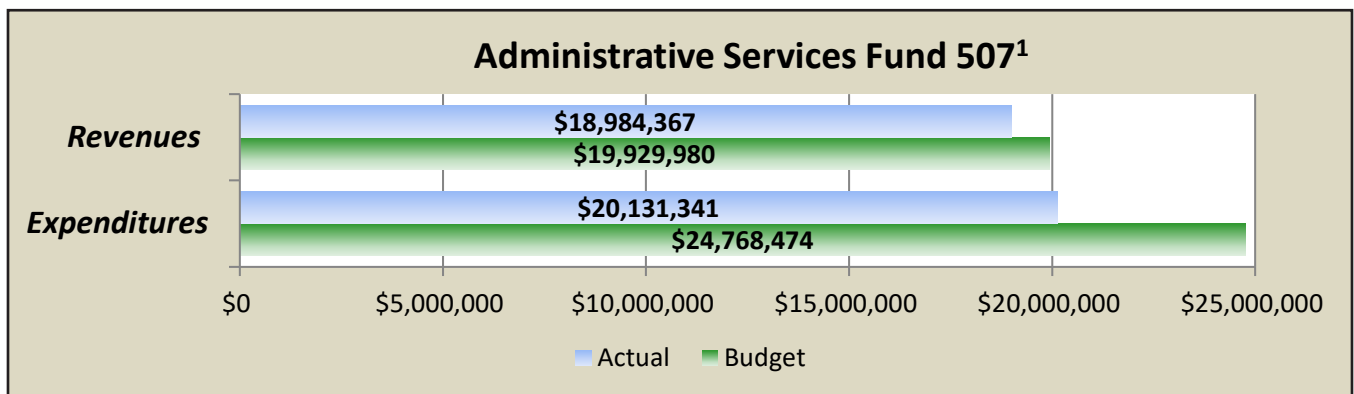
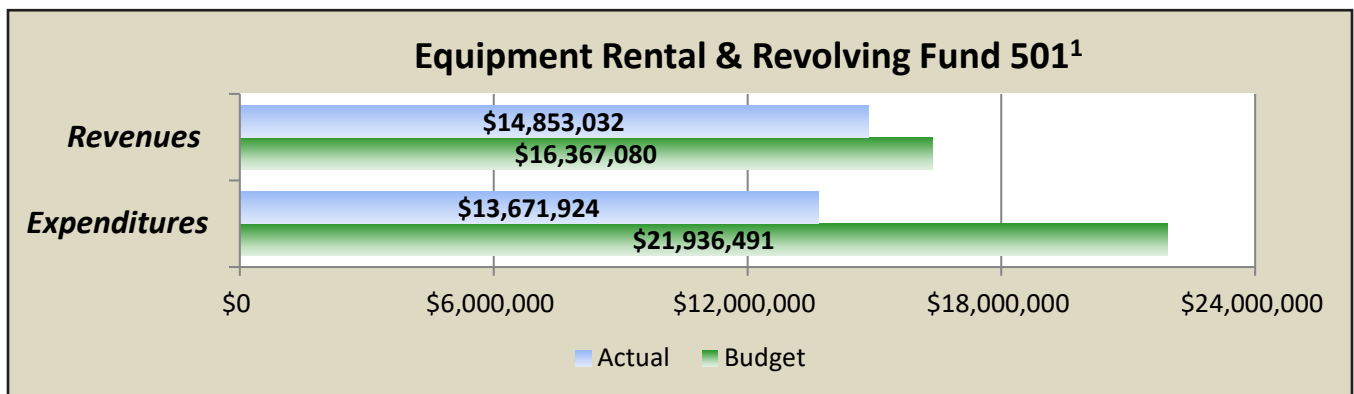
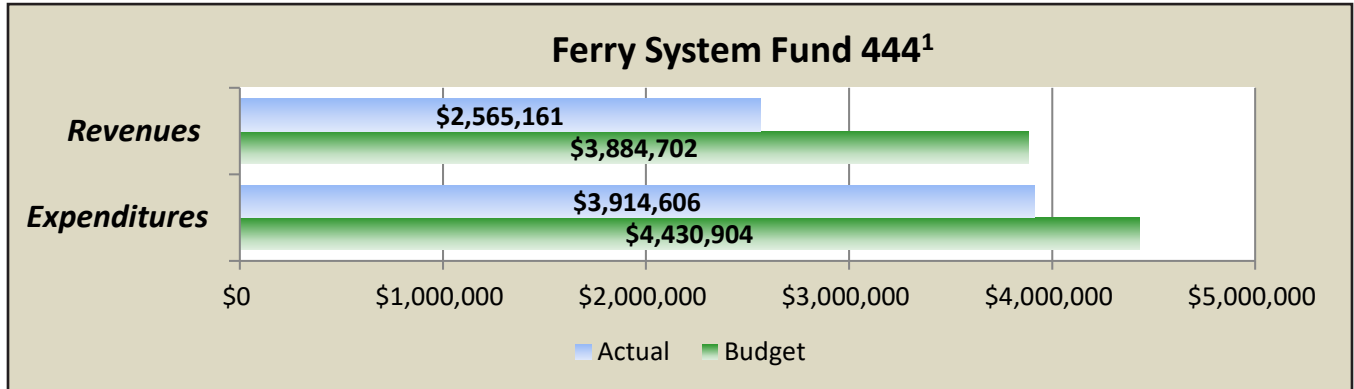
Note ¹: Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Enterprise and Internal Service Funds



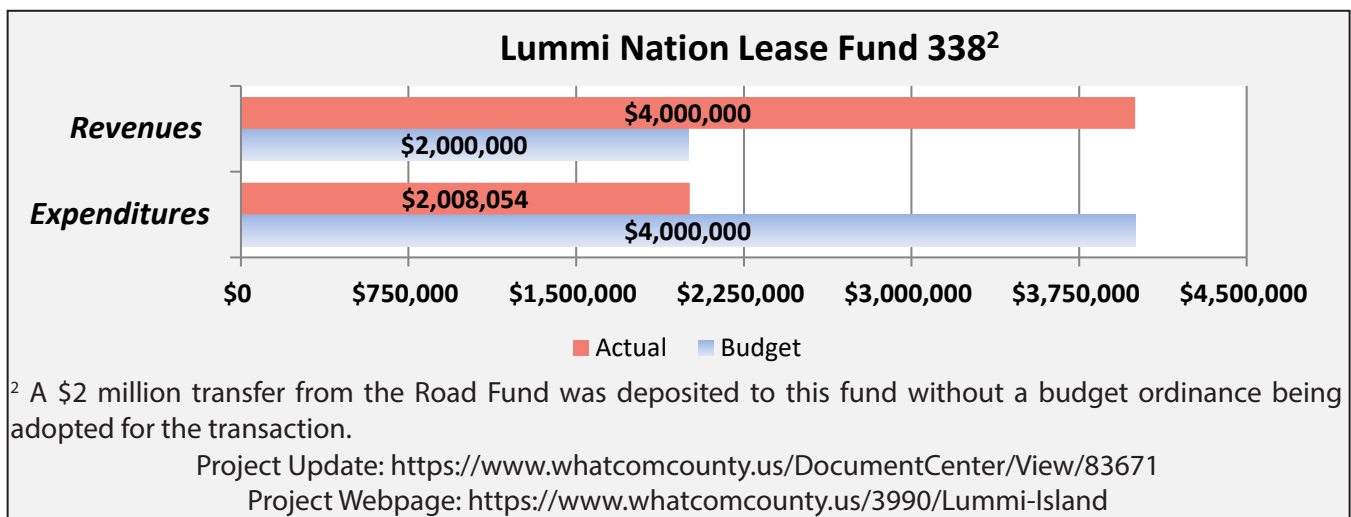
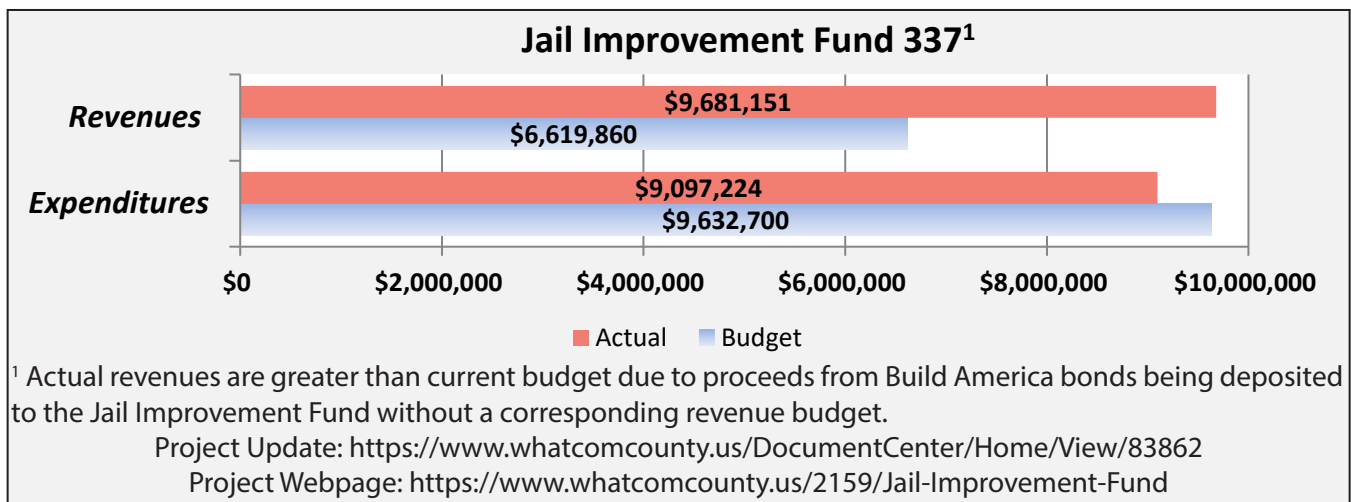
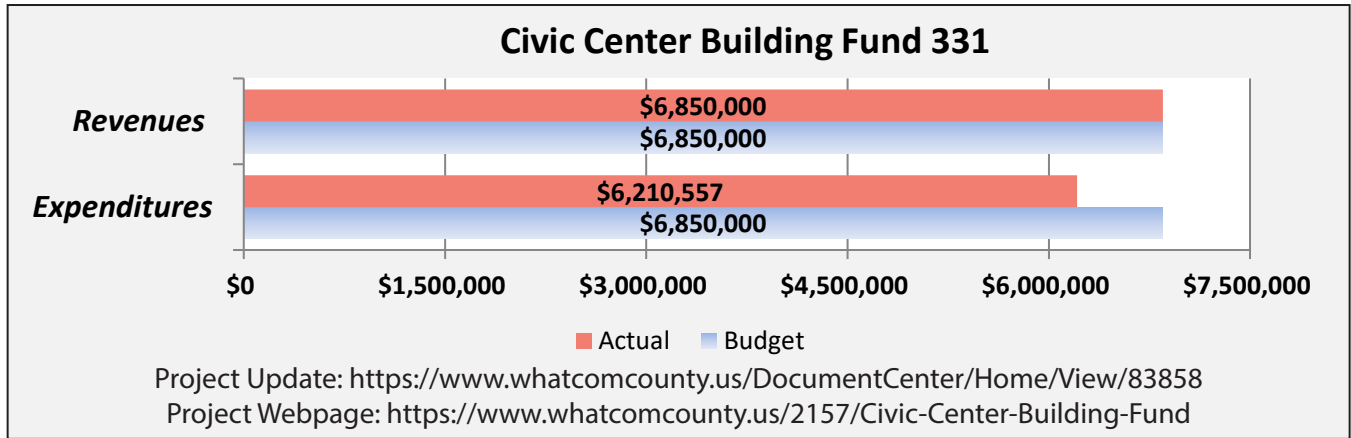
Note ¹: Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Project Budget Funds

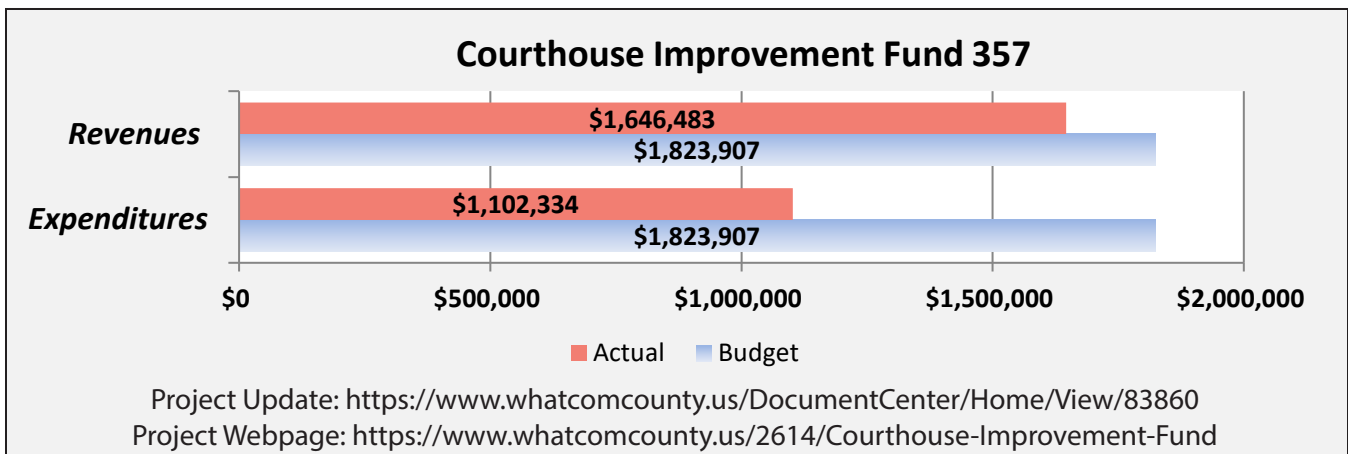
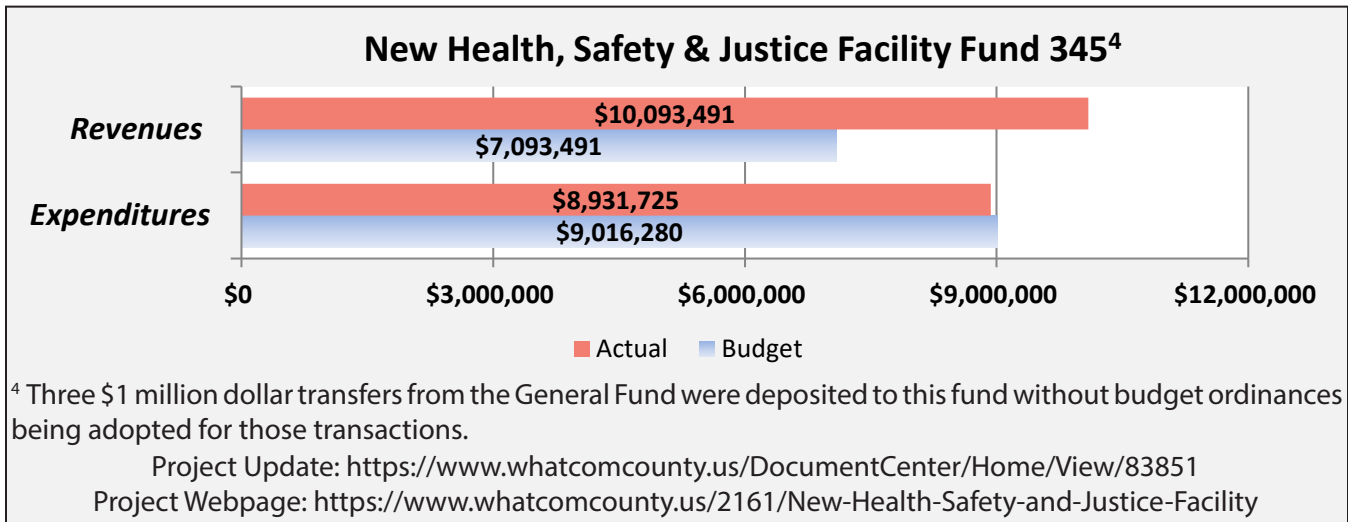
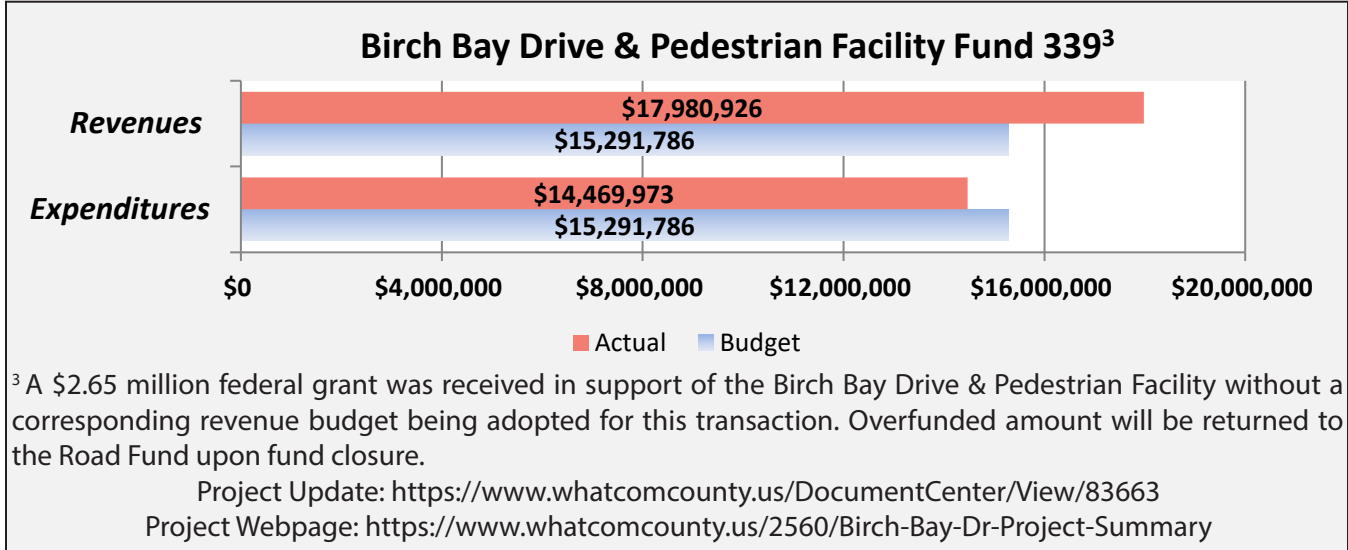


Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Project Budget Funds, continued

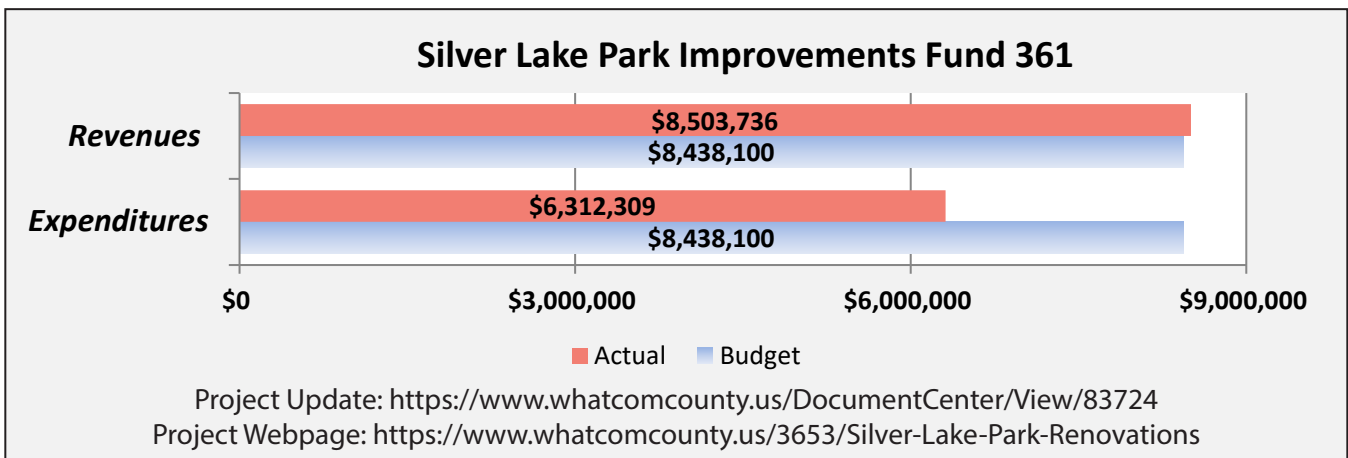
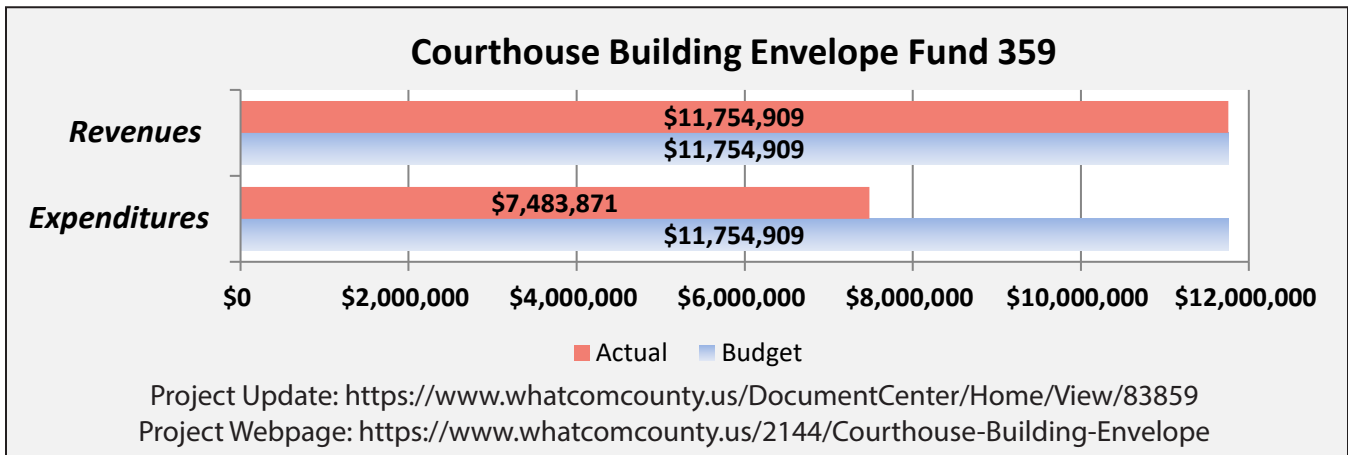
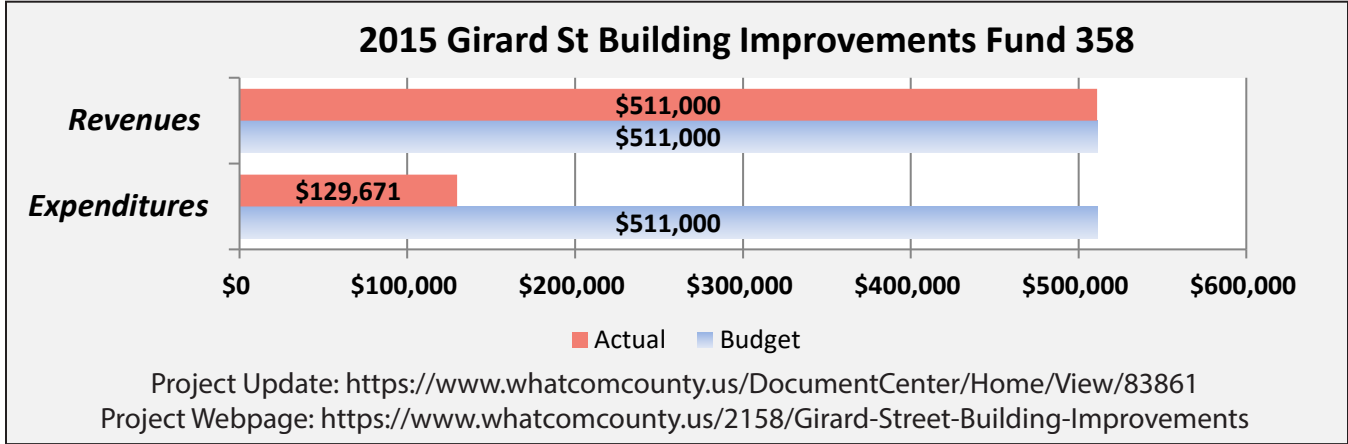


Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Project Budget Funds, continued

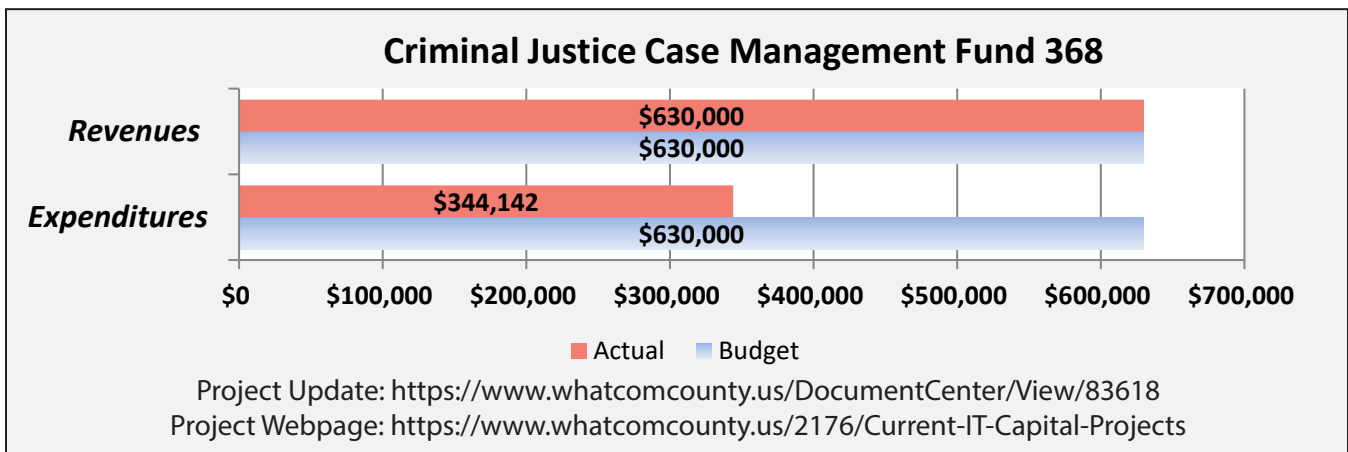
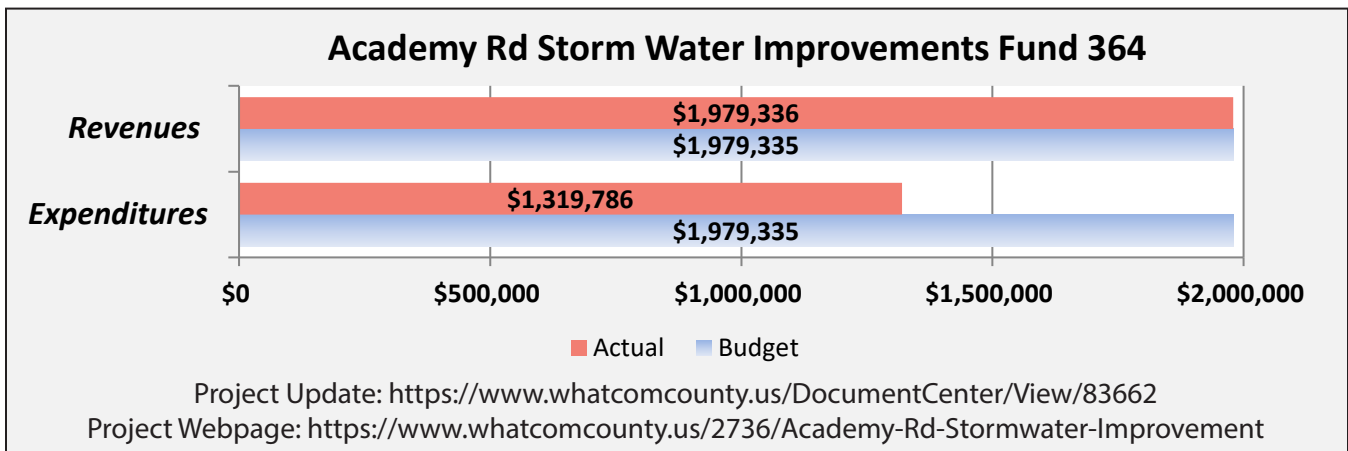
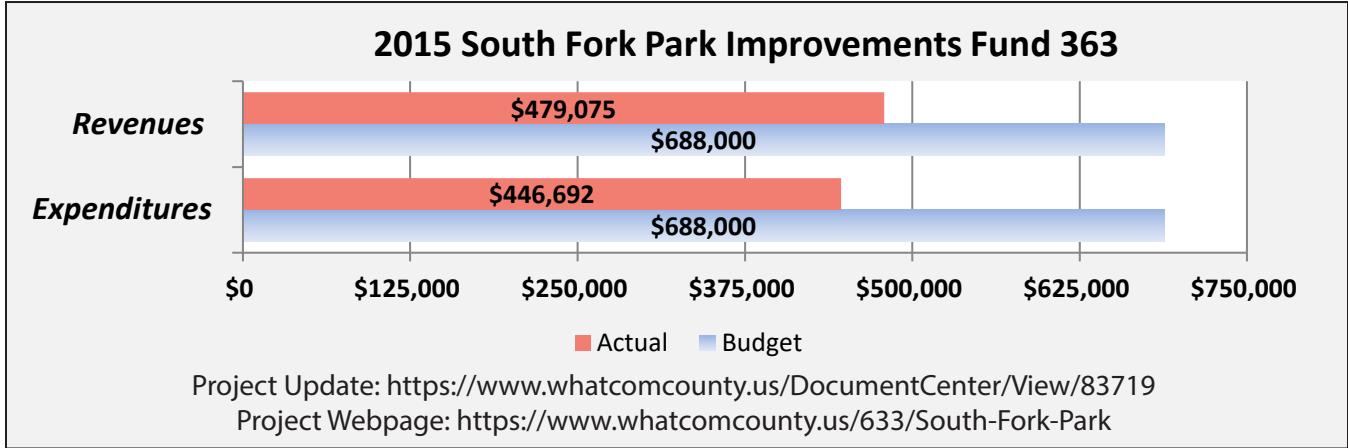


Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Project Budget Funds, continued

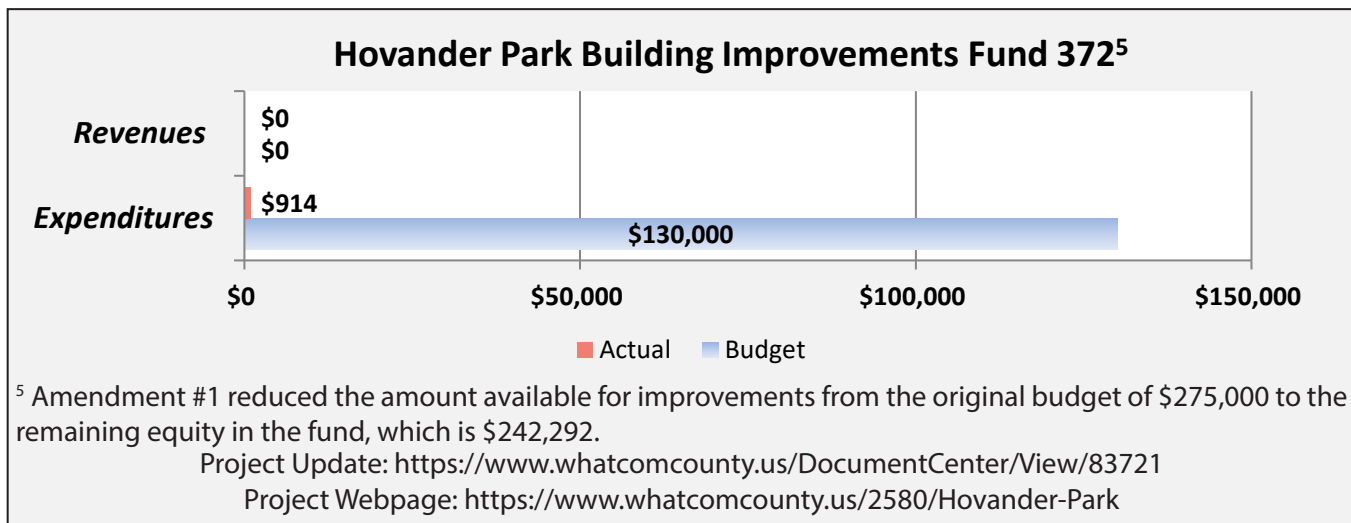
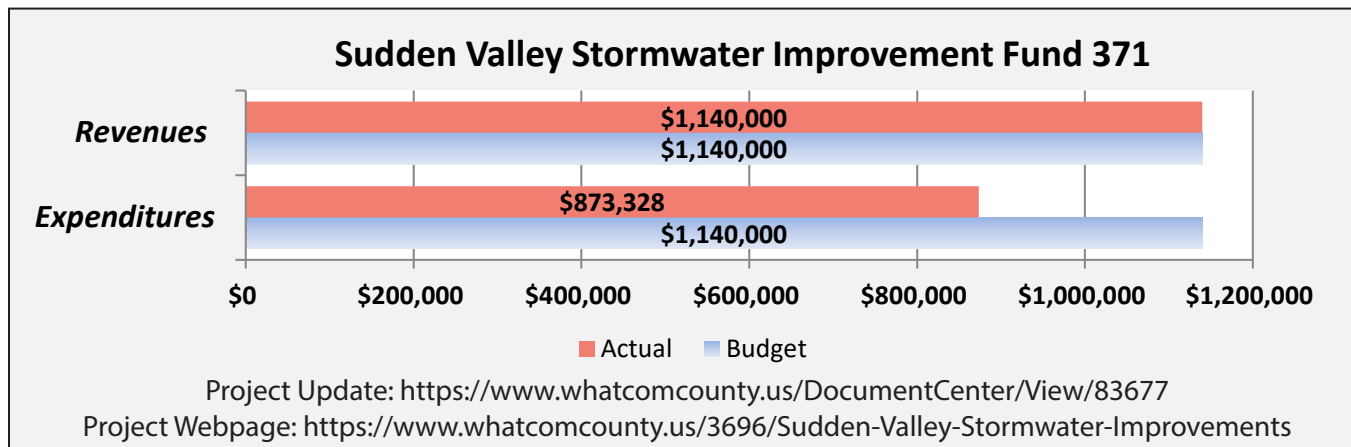
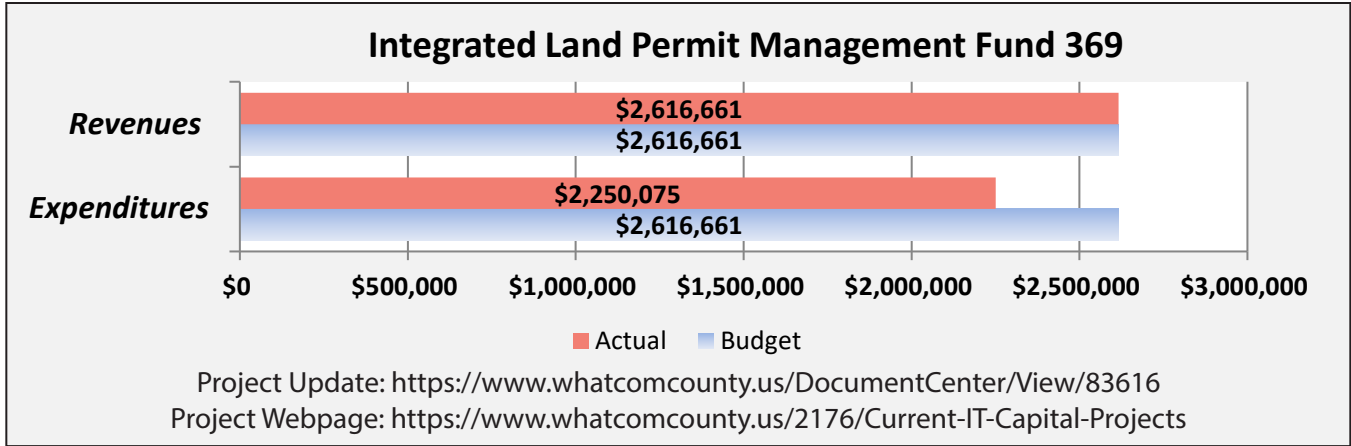


Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Project Budget Funds, continued

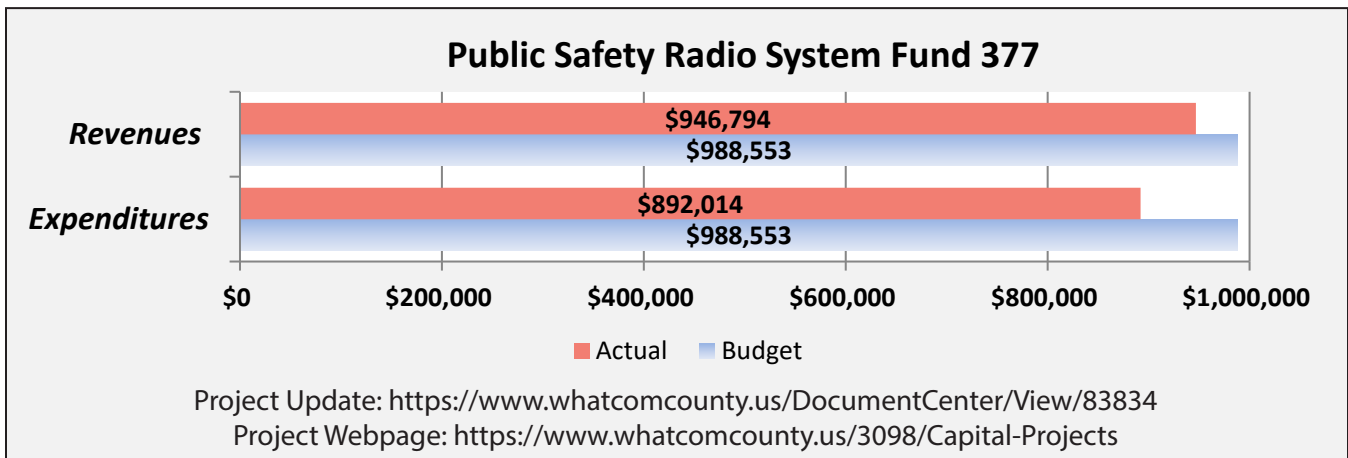
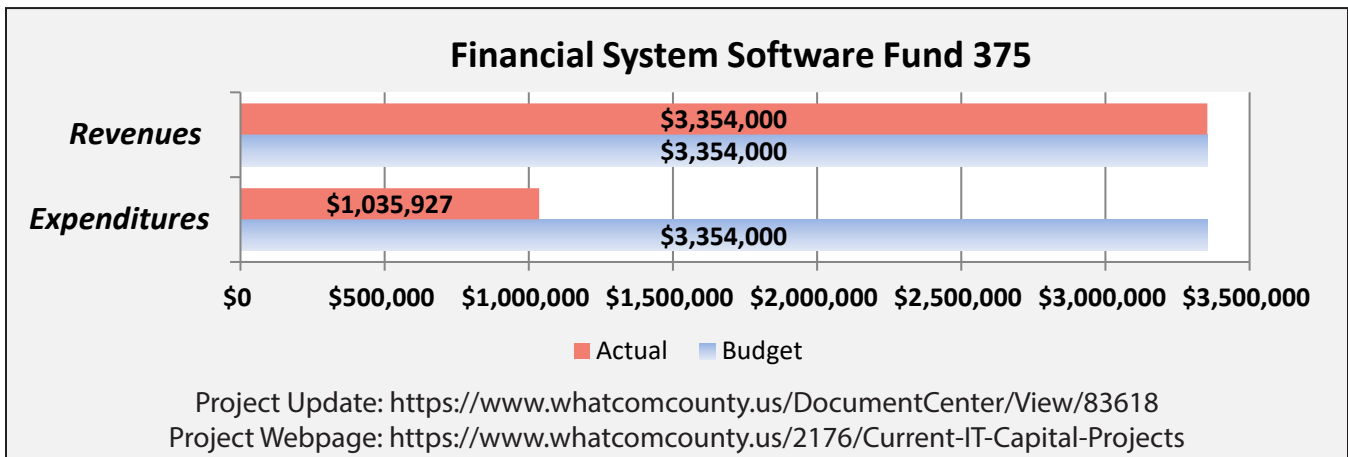
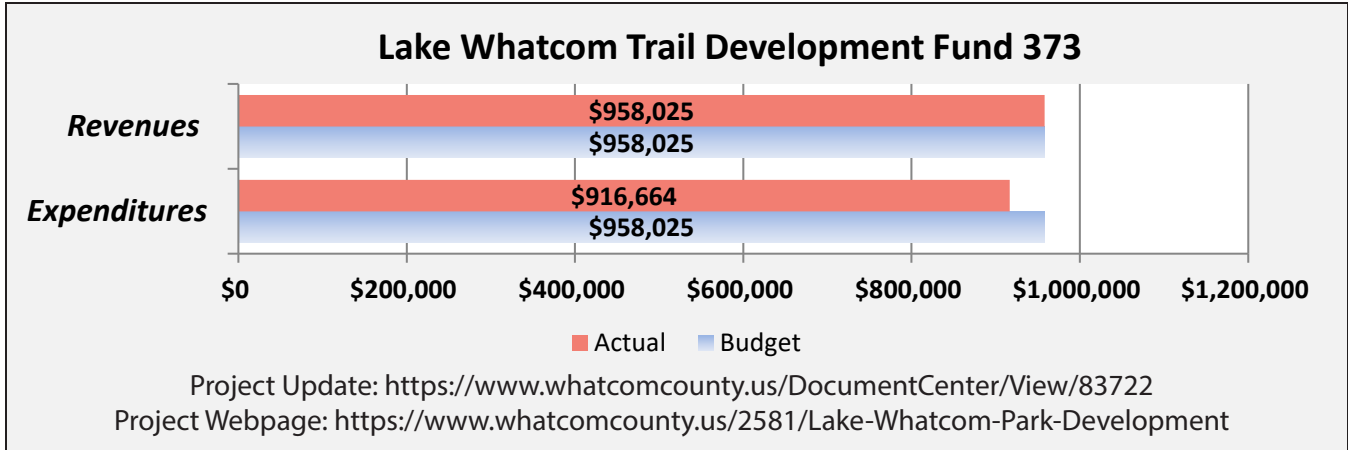


Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Project Budget Funds, continued

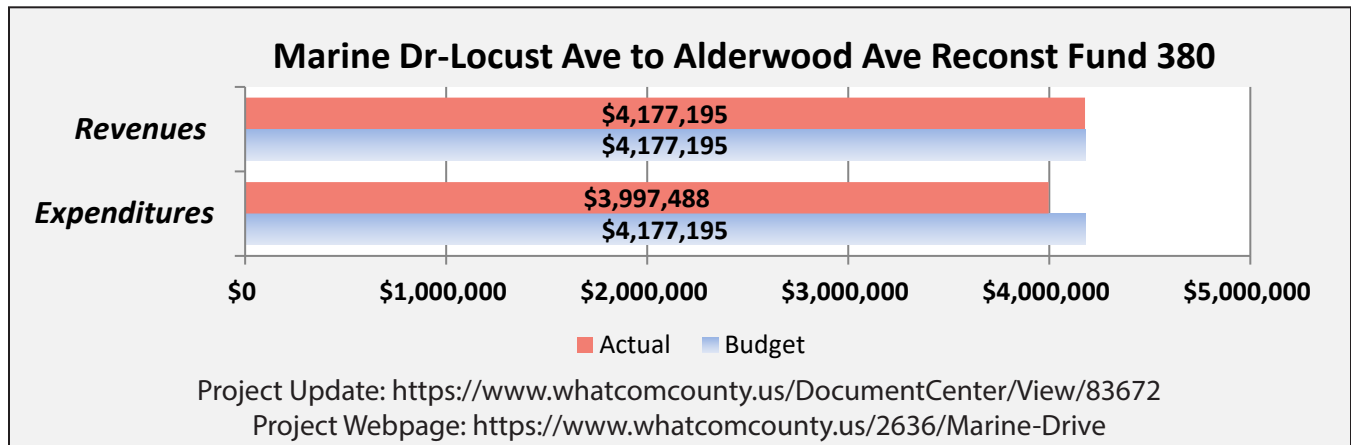
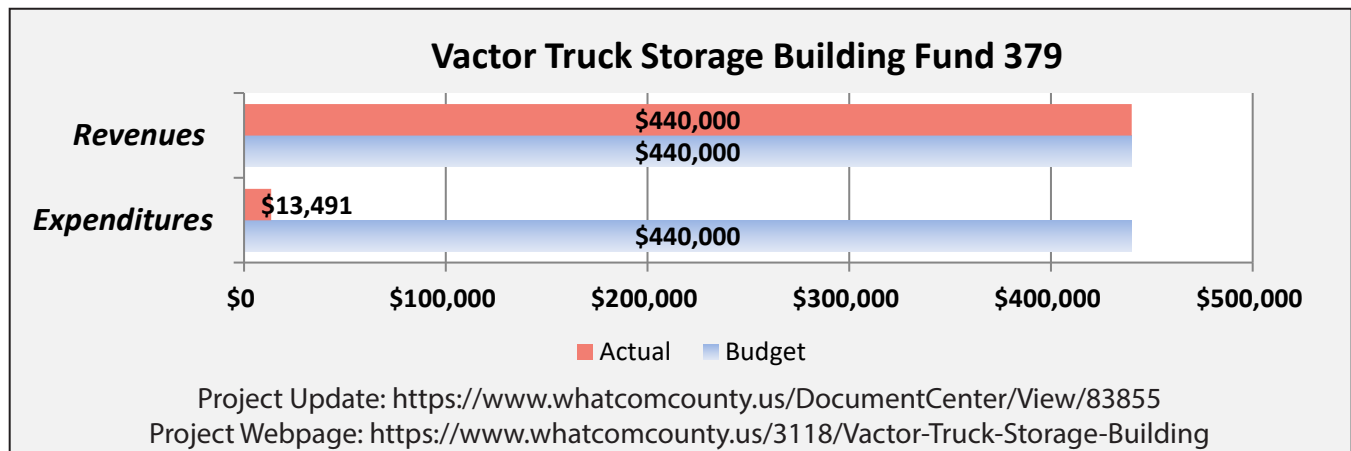
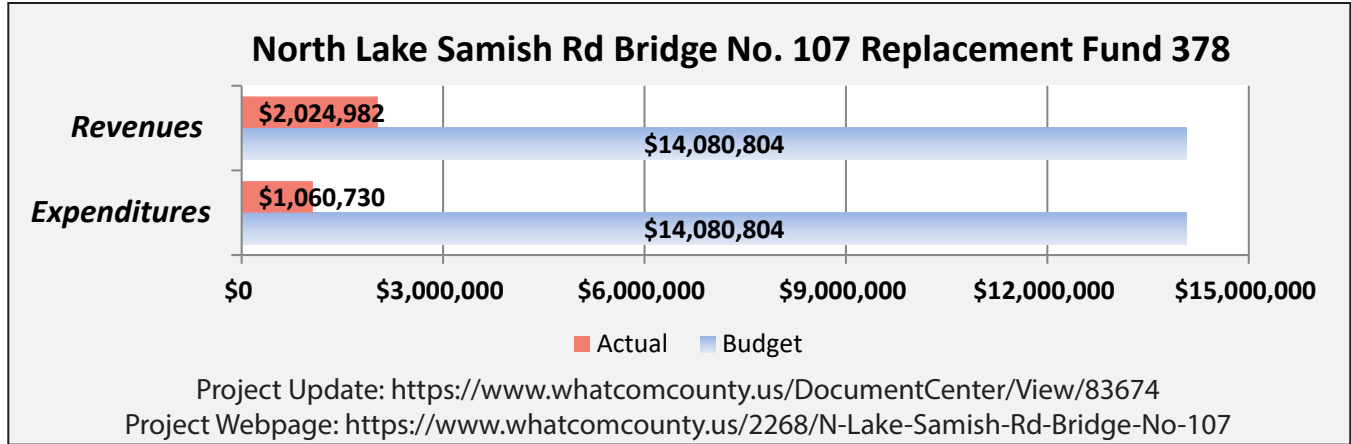


Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Project Budget Funds, continued

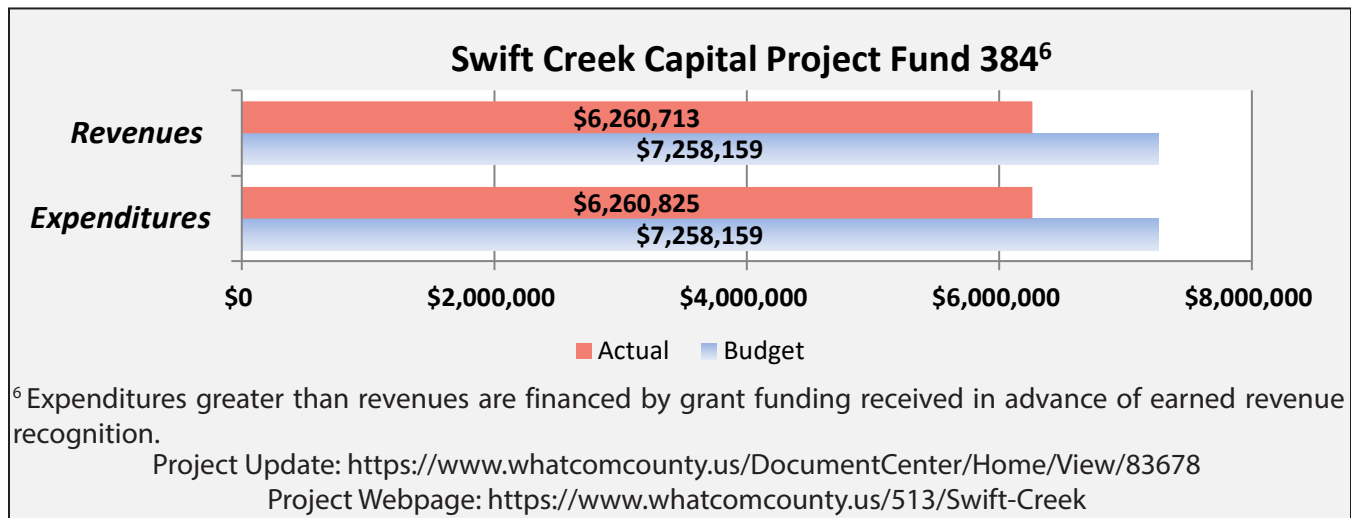
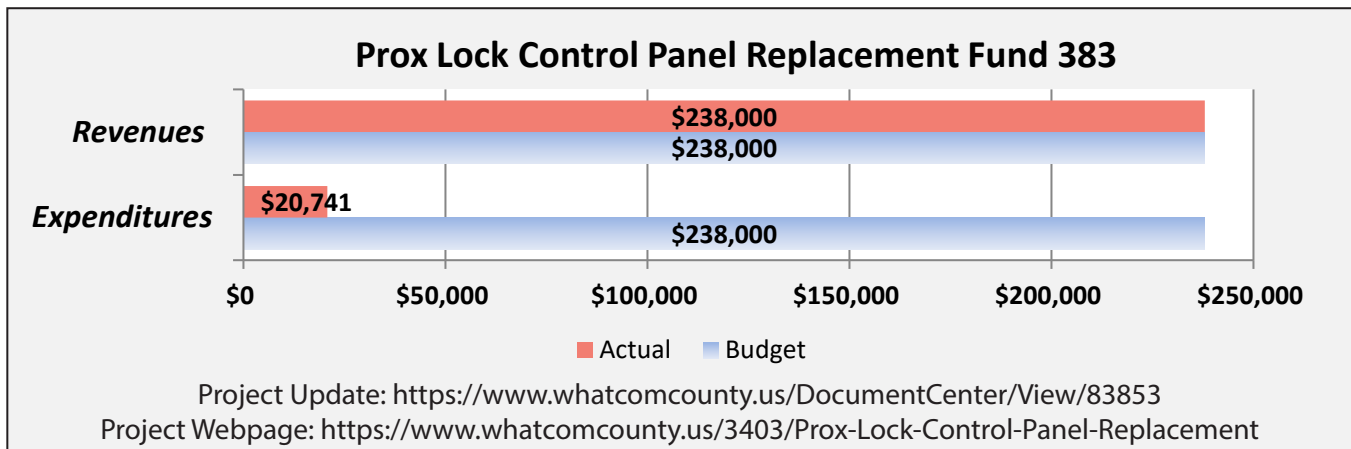
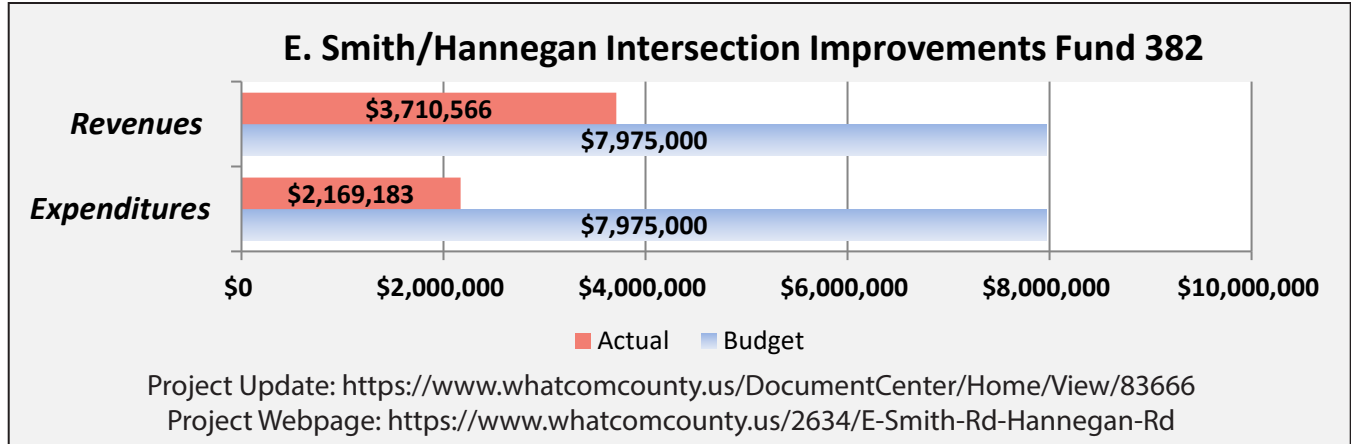


Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Project Budget Funds, continued

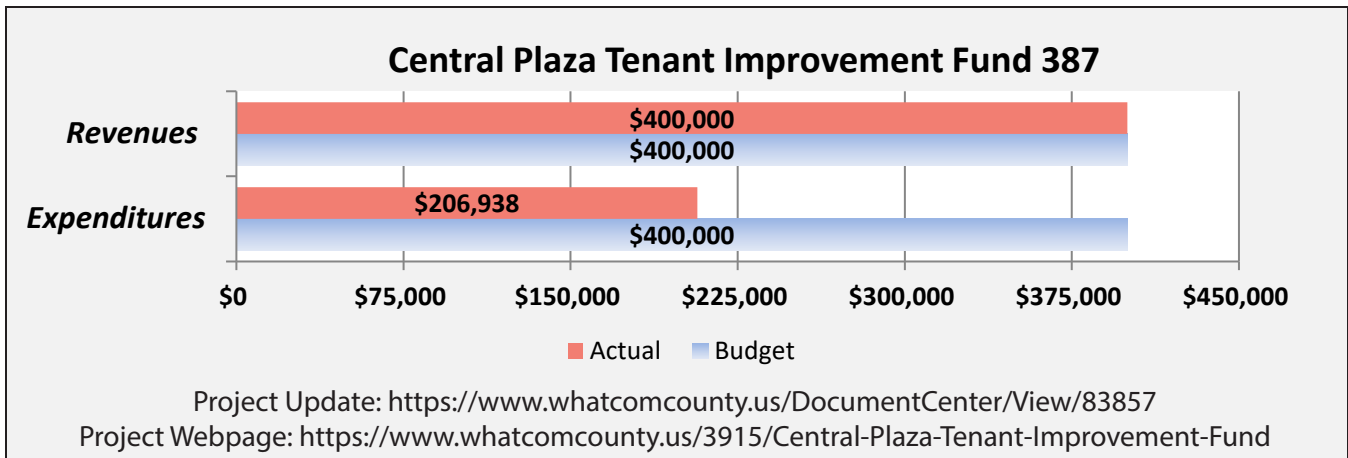
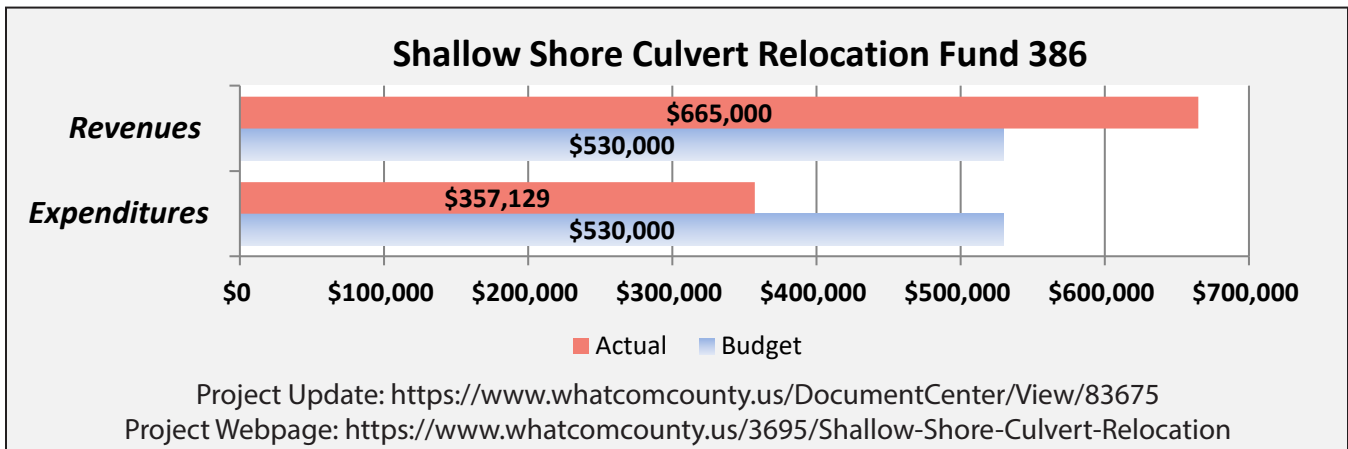
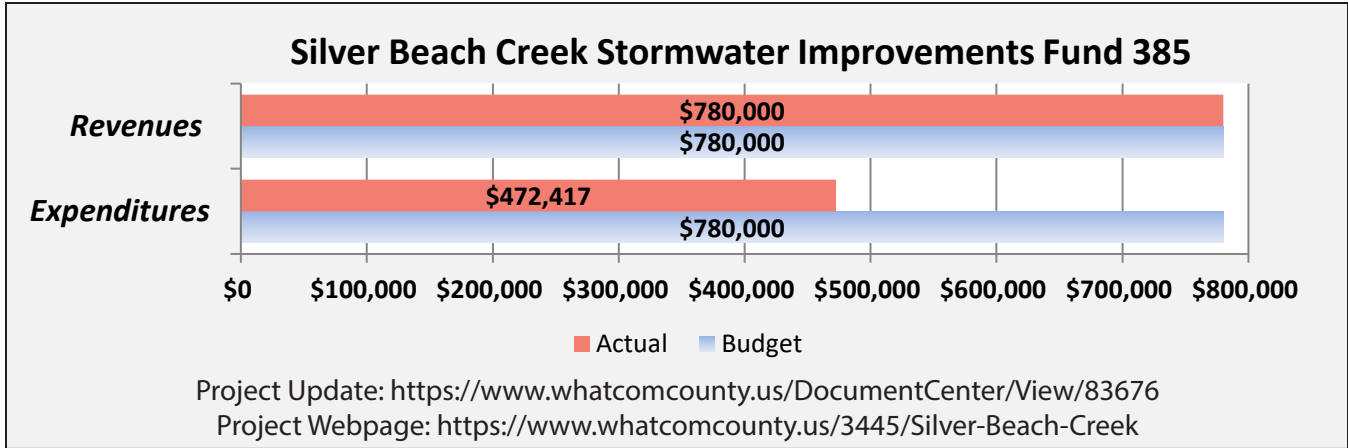


Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Project Budget Funds, continued

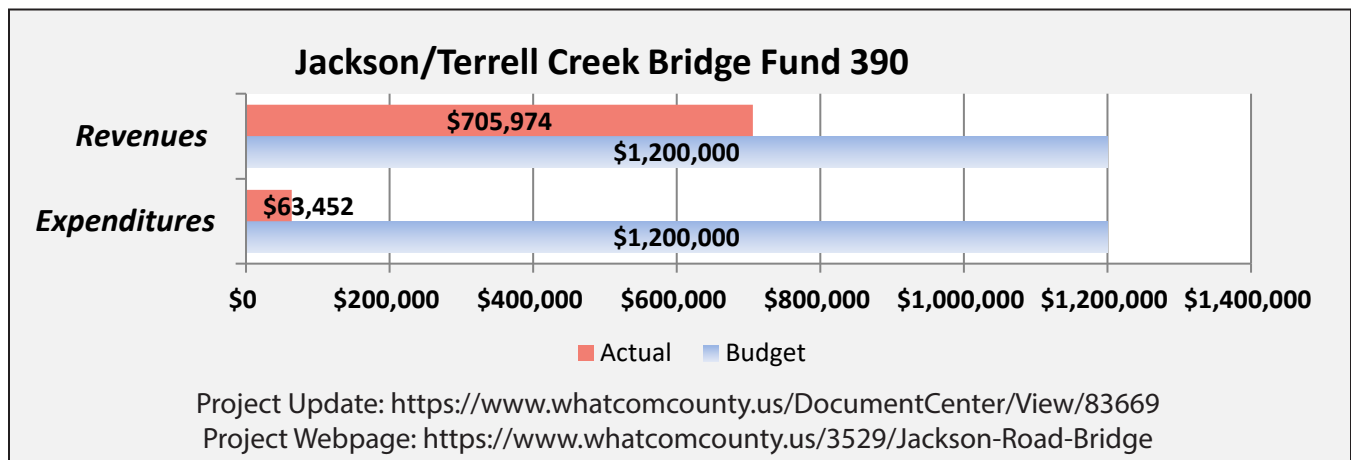
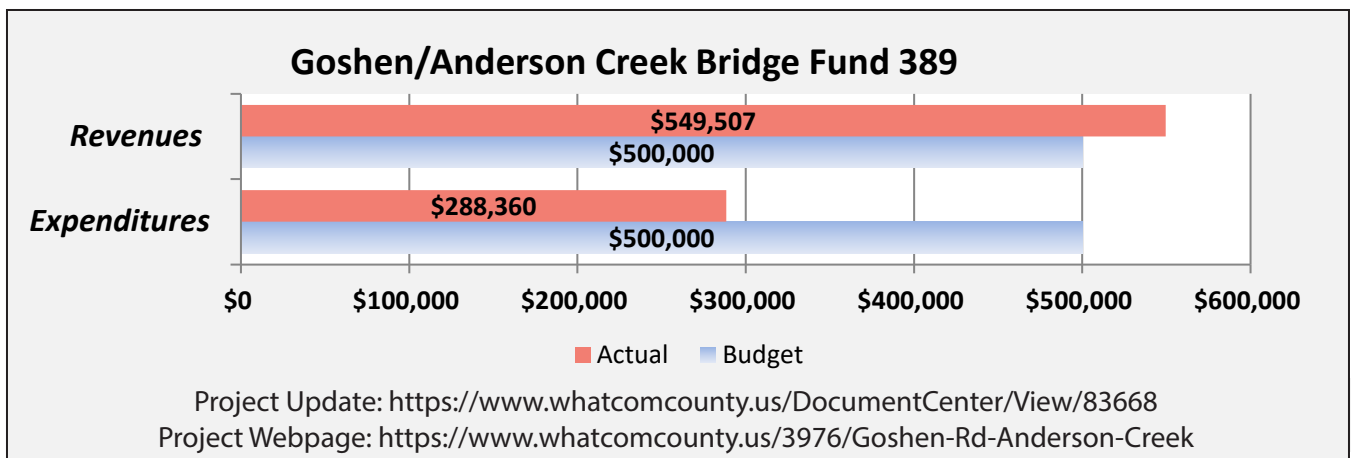
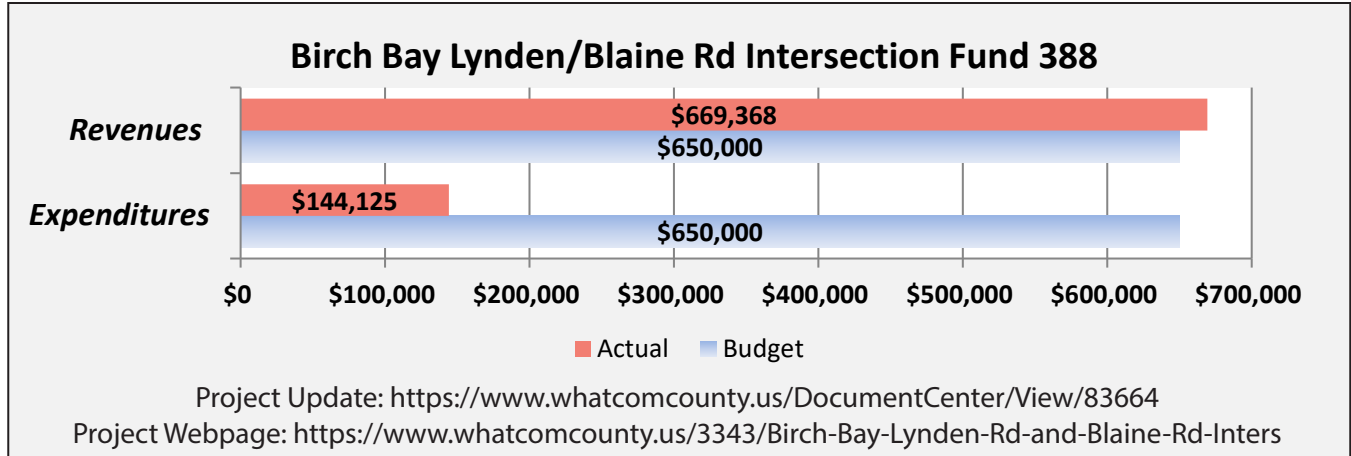


Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Project Budget Funds, continued

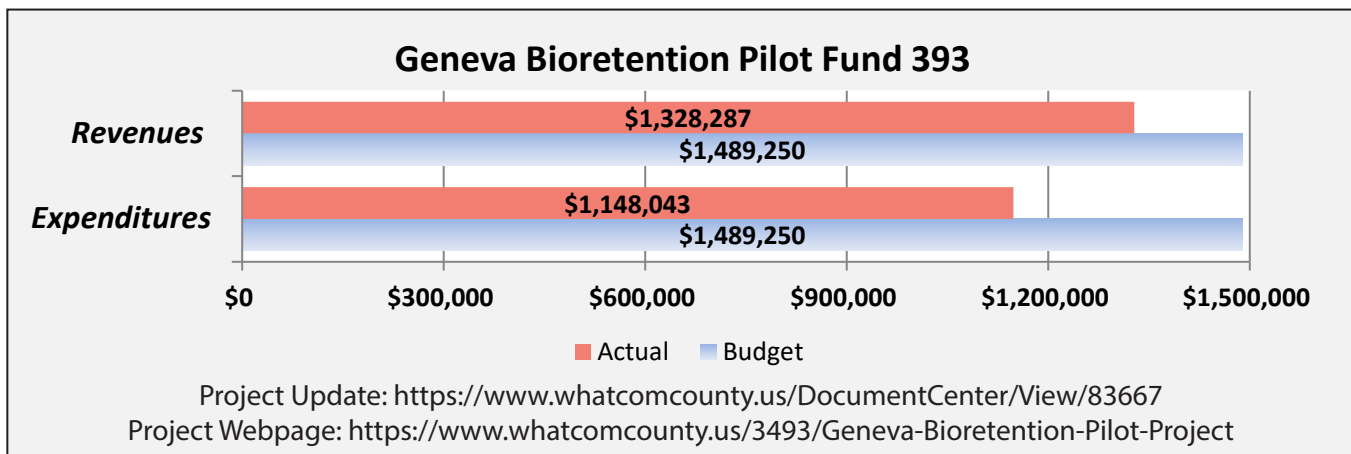
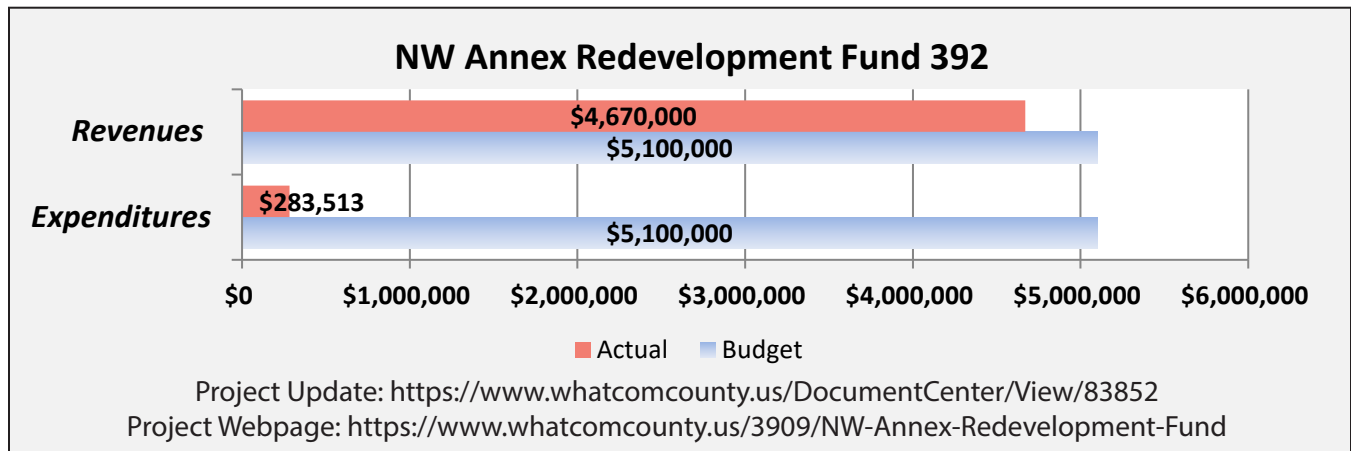
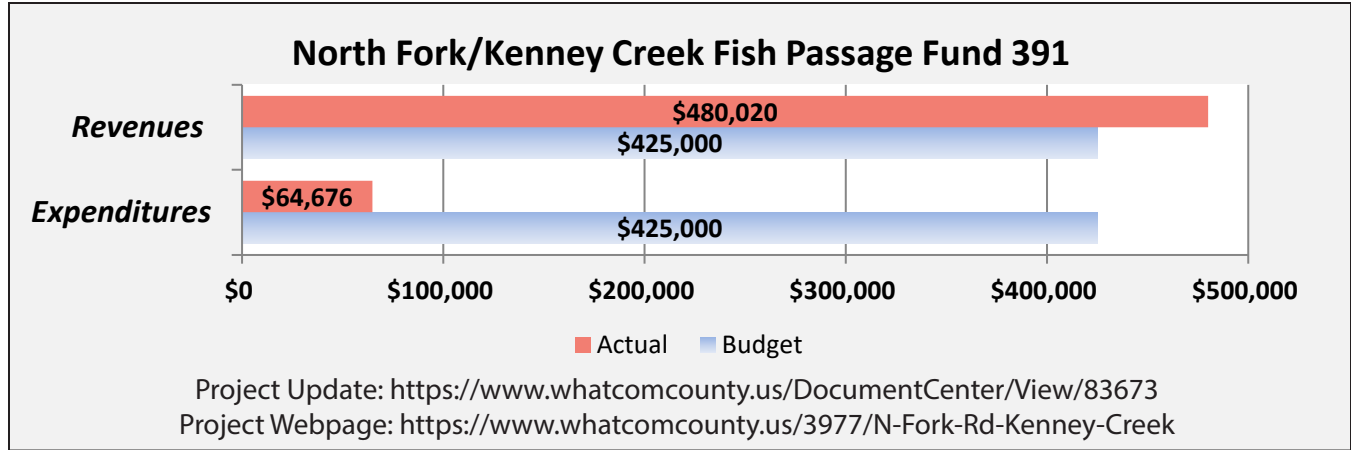


Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Project Budget Funds, continued

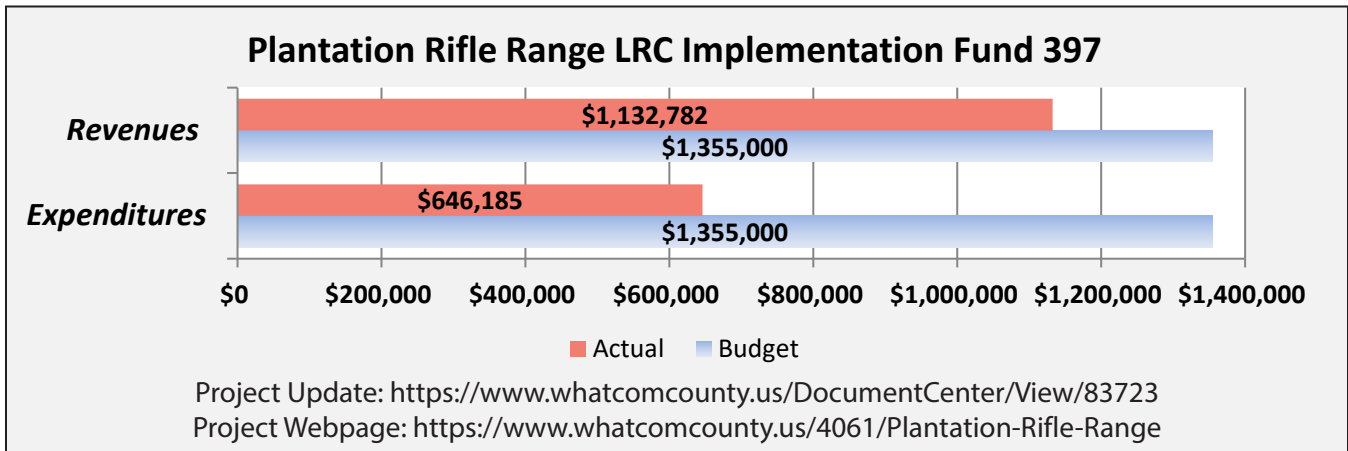
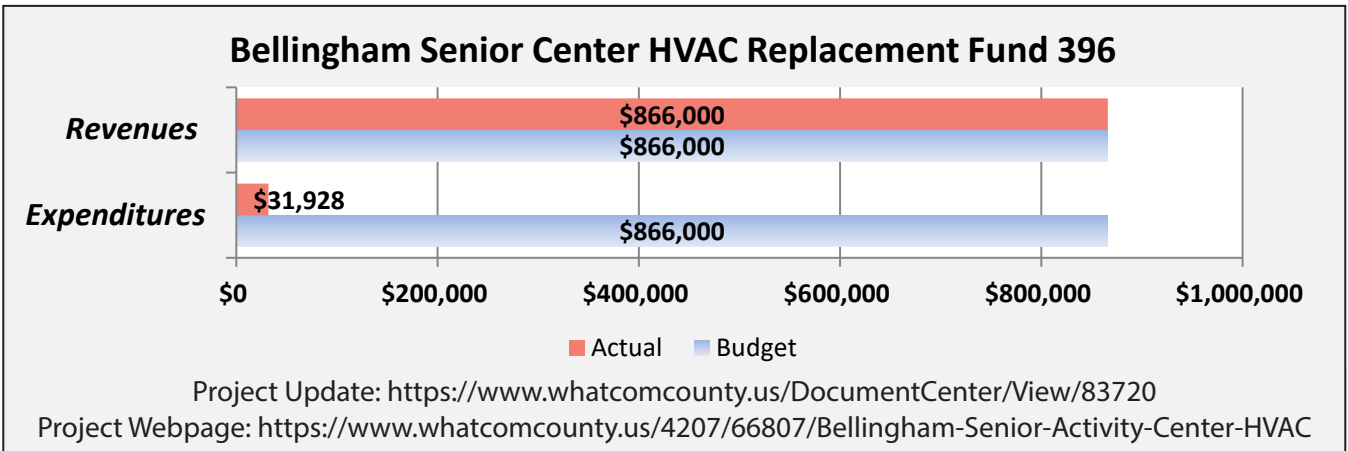
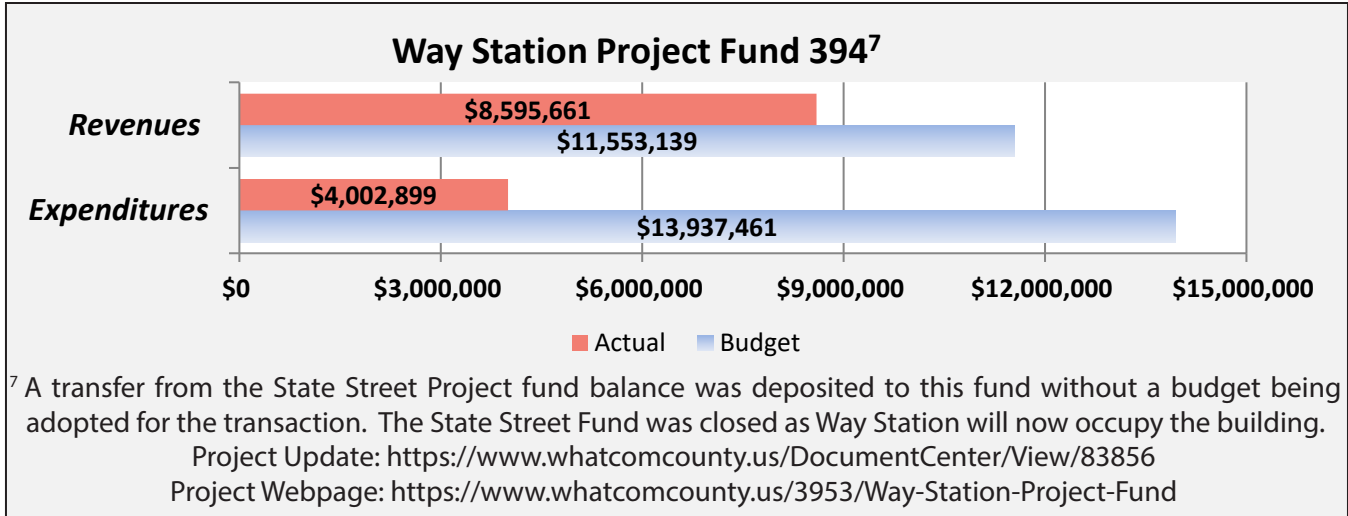


Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Project Budget Funds, continued



Whatcom County Fourth Quarter 2023 Financial Report

For the Quarter Ended December 31, 2023



Project Budget Funds, continued

