

Second Quarter 2025 Financial Report

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COUNCIL FINANCE AND ADMINISTRATIVE SERVICES COMMITTEE

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Our Financial Story Continues to Evolve

- Q2 revenue collection at 48% of budget – consistent with historical patterns
- Expenditures at 45% - while departmental spending increased, we are still within historic % of budget spent
- The story continues with:





Budget Supplementals – Historical View

General Fund Expenditures - Actual Amount vs Budgeted Amount

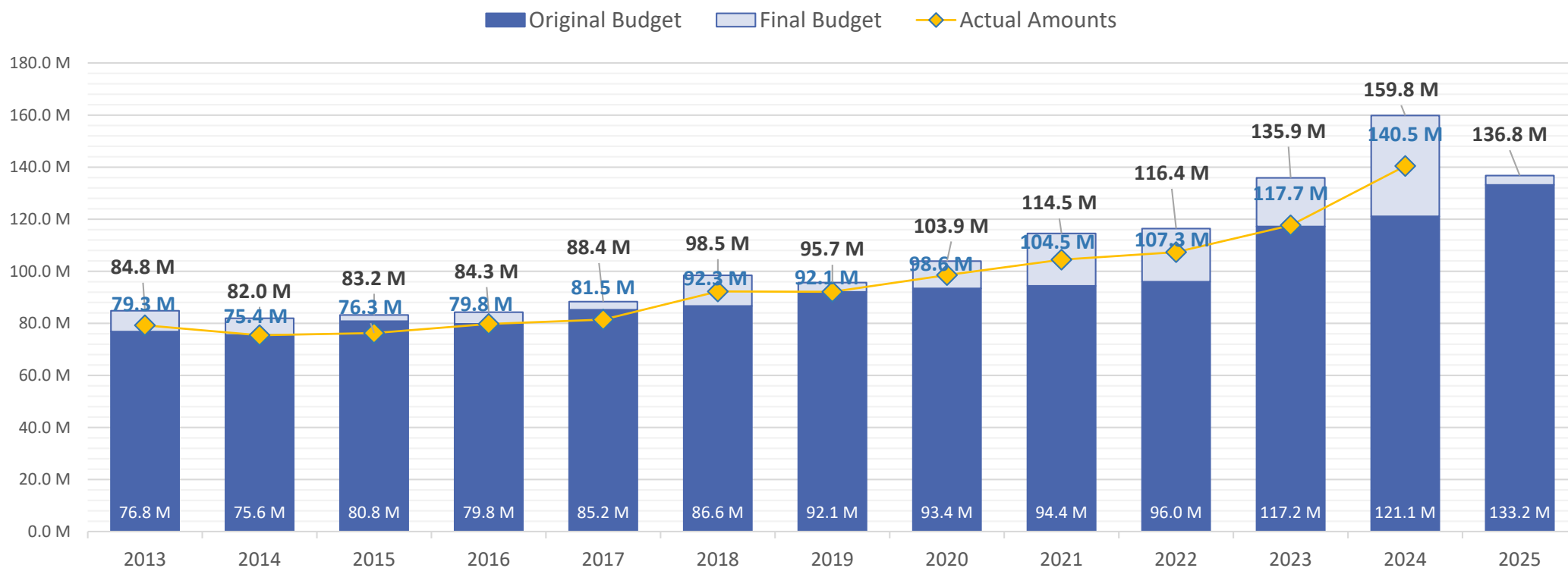
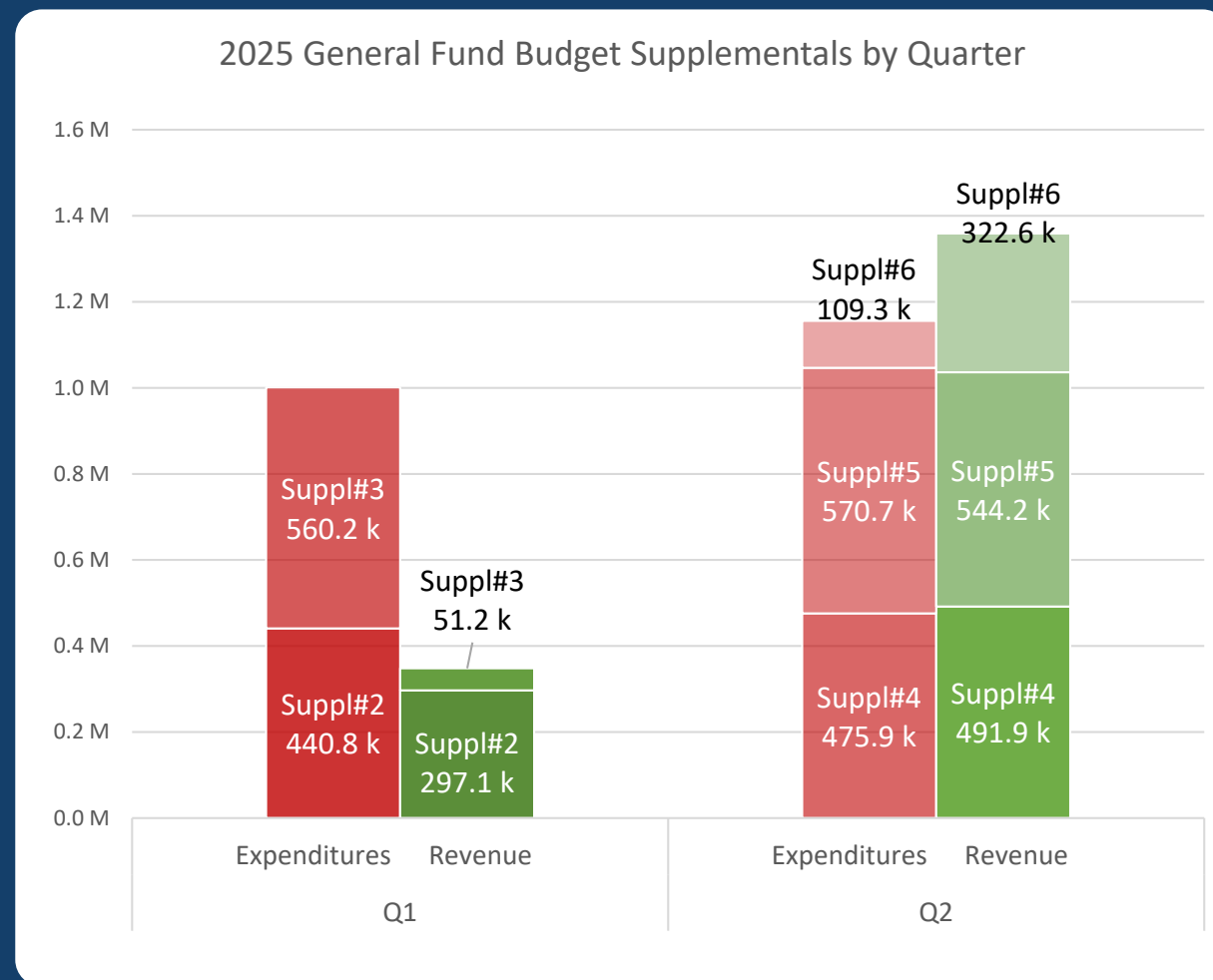


Chart includes budget supplemental data from January 1, 2013 to August 31, 2025



General Fund Budget Supplementals, Q1 & Q2

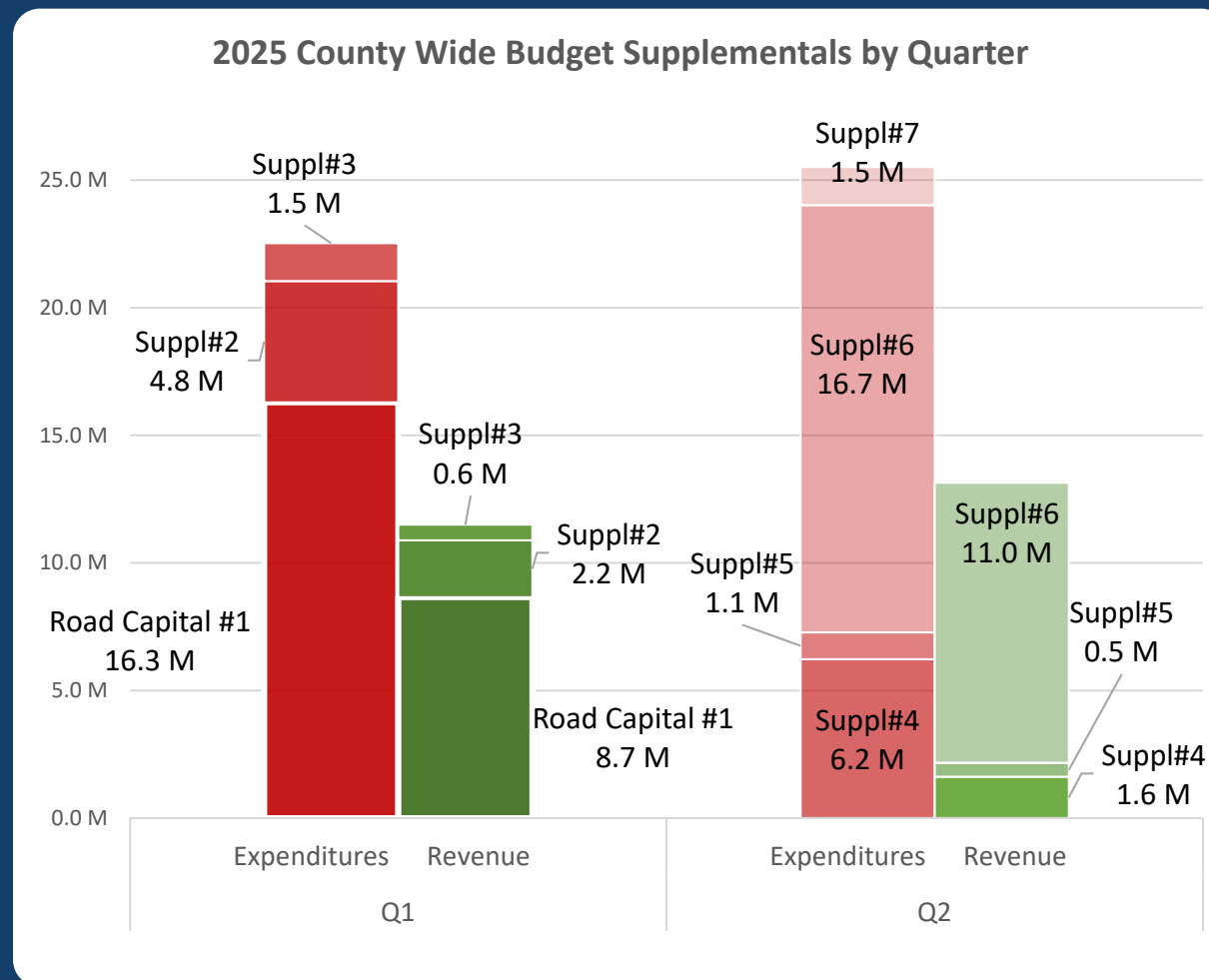
- Council adopted 5 general fund supplemental budget requests through Q2
- Q1 requests accounted for:
 - \$1.0M in Expenditures
 - \$0.3M in Revenue
- Q2 requests accounted for:
 - \$1.2M in Expenditures
 - \$1.4M in Revenue
- Requests through Q2 draw down the General Fund \$0.5M





County Wide Budget Supplementals, Q1 & Q2

- Council adopted 7 supplemental budget requests through Q2
- Q1 requests accounted for:
 - \$22.5M in Expenditures
 - \$11.5 in Revenue
- Q2 requests accounted for:
 - \$25.5M in Expenditures
 - \$13.1M in Revenue
- Requests through Q2 draw down County Funds \$23.4M with no lapse assumptions applied



Quarter 2 Supplemental Budget Request Details



- Highlights from the Q2 supplemental budget requests include:
 - \$10.5M in **revenue** & matching expenditure for the Consolidated Homeless Grant
 - \$4.2M in expenditure to increase childcare slots in the county (Community Priorities Fund)
 - \$2.8M in expenditure for contracts supporting the Healthy Children's Fund
 - \$2.9M in expenditure for the WA Agricultural Research Station (EDI Funding)
 - \$1.5M in expenditure for school-based programs and staffing for behavioral health
 - \$440k in **revenue** & matching expenditure from the DOJ for the Sheriff's Office to purchase a Rapid DNA machine
 - \$350k in expenditure for the Sheriff's office to acquire a Ballistic Protective Armored Vehicle
 - \$328k in expenditure for a Stryker reimbursement of underpayment in 2023-2024
 - \$214k in grant **revenue** from FEMA for the Operation Stonegarden Grant Program



General Fund Cash

- End of August General Fund Cash position at \$30.9M slightly exceeds 2024 August value.
- At this point, we have not seen delays in state or federal reimbursements

| General Fund Cash Balance | 3/31 | 6/30 | 8/31 | 12/31 |
|---------------------------|---------|---------|---------|-------|
| 2025 | \$26.5M | \$35.0M | \$30.9M | \$ |
| 2024 | 21.3M | 28.1M | 29.8M | 35.2M |
| 2023 | 19.7M | 27.8M | 25.9M | 32.1M |

- The balance fluctuations show how crucial the property tax is to our overall picture.



Property Tax: Reliable Revenue

- Q1 tax collections (Sales and Property) represented 15% of budget
- Q2 tax collections included the April 30th Property Tax due date, resulting in quarterly tax collections at 37% of the budget
- Total tax collections through Q2 are 52% - right on target



Sales Tax: Cautious Optimism

- Collections received through August for taxes earned through June.

| Rolling 12 months: Sept – August | Change | Amount |
|----------------------------------|----------|-----------|
| 2023 | Baseline | \$22,880k |
| 2024 vs 2023 | -1.9% | -\$424k |
| 2025 vs 2024 | +2.2% | +\$507k |
| 2025 vs 2023 | +0.5% | +\$83k |



Conclusion

- Budget Supplementals allow Whatcom County to take advantage of funding opportunities as they become available and are generally necessary to avoid overspending the authorized budget
- The General Fund cash balance is currently healthy and in line with expectations
- Tax collections are on budget, with growth over last year
- Expenditures are trending with historical budget percentages