

# Fourth Quarter 2024 Financial Report

Satpal Singh Sidhu, County Executive

Compiled and Presented by the Administrative Services Department Finance Division

Randy Rydel, Finance Director

March 28<sup>th</sup>, 2025



# **General Fund Summary**

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Whatcom County Fourth Quarter 2024 Financial Report

For the Quarter Ended December 31, 2024



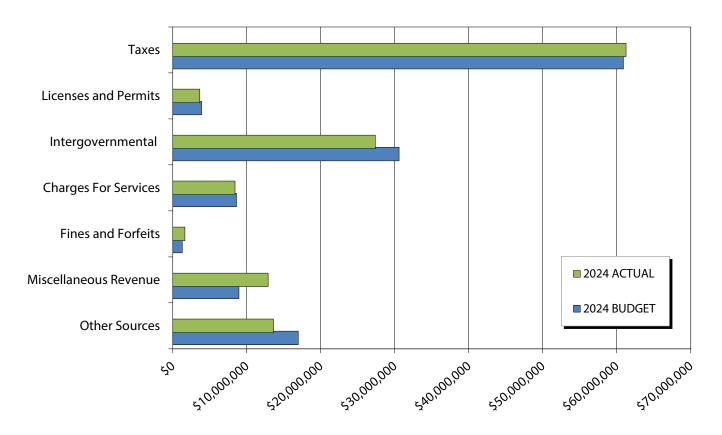
#### **Executive Summary**

The following information presents Whatcom County's fourth quarter 2024 financial report. At the end of the fourth quarter, the General Fund has recognized approximately 98.2% of its budgeted revenues, totaling \$128,899,517, and spent approximately 89.1% of its budgeted expenditures, totaling \$131,591,059. Total revenues fell short of budget projections by \$2,351,936 or 1.8%. Notable increases in revenue came from significant investment earnings that exceeded budget by \$3,444,396 or 66.9% and delinquent property taxes from 4+ years, exceeding budget by \$501,747 or 1,003.5%. These gains helped offset retail sales and use tax shortfalls, which underperformed budget by \$1,811,869 or 7.4%, and intergovernmental revenue missing budget by \$3,199,011 or 10.5%. Our unbudgeted Enhanced 911 Tax of \$2,239,215 slightly obscures our sales and use tax decline. This was added to our statements in 2024 at the advice of the State Auditor with a completely offsetting expenditure budget.

Expenditures were consistently below budget across all major categories, with operating expenditures coming in under budget by \$12,339,855 or 9.8%. Significant savings were realized in personnel costs (under budget by \$5,709,335 or 6.9%), contract services (under budget by \$4,887,338 or 22.6%), and non-operational capital outlay (under budget by \$637,227 or 42%). These savings reflect increased attention to spending and budget management throughout the year.

The General Fund ended with an annual deficit of (\$2,691,542), significantly better than the originally budgeted deficit of (\$16,505,377). The difference is a favorable variance of \$13,814,136, primarily due to lower-than-expected expenditures. Based on the fund balance worksheet, the projected ending fund balance as of December 31, 2024, is \$29,500,000, which reflects a decrease from the beginning balance of \$32,257,631. This decrease is partly mitigated by an estimated budget lapse of approximately 10.9% of the expenditure budget (\$16,087,045).

The estimated General Fund balance of \$29,500,000 is consistent with the balance anticipated in the 2025-2026 budget projections presented to Council in November of \$29,366,000.

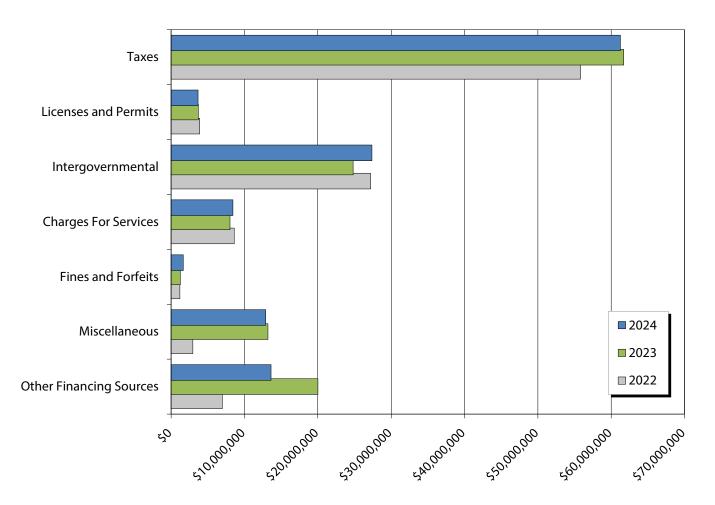


#### **General Fund Revenue - Budget vs. Actual**

	2024 Budget Adopted	2024 Budget Supp'ls	2024 Budget Amended	Actual as of 12/31/2024	% Collected To Date
Taxes	58,553,967	2,358,545	60,912,512	61,262,533	100.57%
Licenses and Permits	3,912,880	-	3,912,880	3,667,924	93.74%
Intergovernmental	20,466,924	10,119,858	30,586,782	27,387,771	89.54%
Charges For Services	8,893,365	(270,089)	8,623,276	8,415,608	97.59%
Fines and Forfeits	1,250,000	35,163	1,285,163	1,651,119	128.48%
Miscellaneous Revenue	5,435,768	3,527,398	8,963,166	12,891,737	143.83%
Other Sources	8,073,898	8,893,776	16,967,674	13,622,825	80.29%
Total Revenue	106,586,802	24,664,651	131,251,453	128,899,517	98.21%

See pages 4 and 5 for General Fund Revenue Notes.





#### **General Fund Revenue to Date - Compared to Prior Years**

	2022	2023	2024
Taxes	55,826,516	61,715,106	61,262,533
Licenses and Permits	3,887,974	3,712,063	3,667,924
Intergovernmental	27,206,645	24,821,865	27,387,771
Charges For Services	8,593,240	8,035,251	8,415,608
Fines and Forfeits	1,187,753	1,265,444	1,651,119
Miscellaneous	2,952,031	13,203,280	12,891,737
Other Financing Sources	6,983,116	20,002,758	13,622,825
Total Revenue	106,637,275	132,755,767	128,899,517

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 99.5% of Whatcom County's tax revenue budget.

Tax collections in total are down \$452,572, or .7%, under fourth quarter 2023. Current year property taxes are down slightly, \$271,781 or .8%. A large taxpayer's settlement of a property tax appeal in 2023 continued to ripple through 2024, with higher-than-typical delinquent tax collection at \$551,747. While high, this is still \$966,970 less than the 2023 delinquent tax collection. Sales tax collections are down .5%, or \$135,907, compared to last year's fourth quarter collections. This is significantly less than the 4.5% growth projected when the budget was developed in September 2022 for the 2023-2024 biennium. As for sales tax, the County has seen a reduction in the strong growth it experienced in 2023. Relatively high interest rates have increased the cost of borrowing and therefore, Construction and other big-ticket consumer spending requiring financing have slowed down considerably. We rounded out the year 2024 with no growth in tax revenue from 2023.

#### **Licenses & Permits**

Building permits account for 38.3% of the "Licenses & Permits" budget. Health Department restaurant, foodhandling, 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 down \$44,138, or 1.2%, less than the amounts collected during the fourth quarter of 2023. Although we saw increases in restaurant license fees, up \$13,468 or 1.7%, and building permits up \$16,240 or 1.2%, we saw decreases in franchise fees down \$46,801 or 6.8% and solid waste permitting down \$41,158 or 77.3% that ultimately led to a modest reduction in revenue.

#### **Intergovernmental Revenue**

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

Revenues collected as of the 2024 year-end are \$2,504,107, or 10.1%, higher than the fourth quarter of 2023. Despite a decrease in Federal grants and entitlements, an overall increase from 2023 can be traced to increases in State and Local entitlements and grants. Federal revenues decreased by \$756,142 or 11.2%. Payment in Lieu of Taxes (PILT) for federal forest lands increased by \$207,575 or 9.2% over last year, whereas federal grants are down by \$963,717. Reduction in Federal grant revenue was primarily due to the expiration of a Department of Justice Grant for the LEAD program, which provided \$167,250 in revenues during 2023, and reductions in a Housing Rehab grant (\$376,470 less) and an Epidemiology/Lab Capacity grant (\$200,836 less). Despite these reductions, the County received significantly more FEMA emergency revenues than in the prior year. Federal grant and entitlement revenues continue to face threats into 2025 as the Federal administration evaluates its agenda of program spending.

State grants and entitlements are up \$2,813,820 or 16.8% from 2023. Increases in State funding can be traced to BECCA (at risk youth) revenues (\$247,522), Department of Health and Human Services Developmental Disabilities grant program (\$683,682), Foundational Public Health grants (\$906,226), Planning & Development's comprehensive plan update grant (\$389,472), and Superior Court's water adjudication grant (\$508,737). State grant and entitlement revenue remain tenuous as the State faces budget challenges.

Local grants are up \$446,428 due to renegotiating the Seattle City Light contract for its Newhalem/Diablo facilities and local governments' contributions to the comprehensive plan update.



#### **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 increased \$402,251, or 5%, over the fourth quarter of 2023. General government fees increased \$268,160 due to increases in Auditor filing fees (\$36,398), recording surcharges (\$11,956), motor vehicle license fees (\$75,217), and court services (\$128,505). Law enforcement fees decreased by \$35,333 due to a declining trend in adult probation fee collections. Planning & Development Services' fees increased \$150,263 over last year due to collections in pollution control and remediation fees (\$52,669), commercial site plan reviews (\$70,382), building plan check fees (\$33,415), and natural resource reviews (\$34,049). Some of these increases were offset by reductions in residential site plan reviews, fire plan checks, and subdivision reviews. 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 forfeit revenues have increased 30.5%, or \$385,676, from fourth quarter 2023 amounts. Traffic infraction revenues are continuing upwards (up \$198,074) after legislative changes have allowed a return to more normal enforcement activity. Property tax-related penalties are also up \$160,413.

#### Miscellaneous

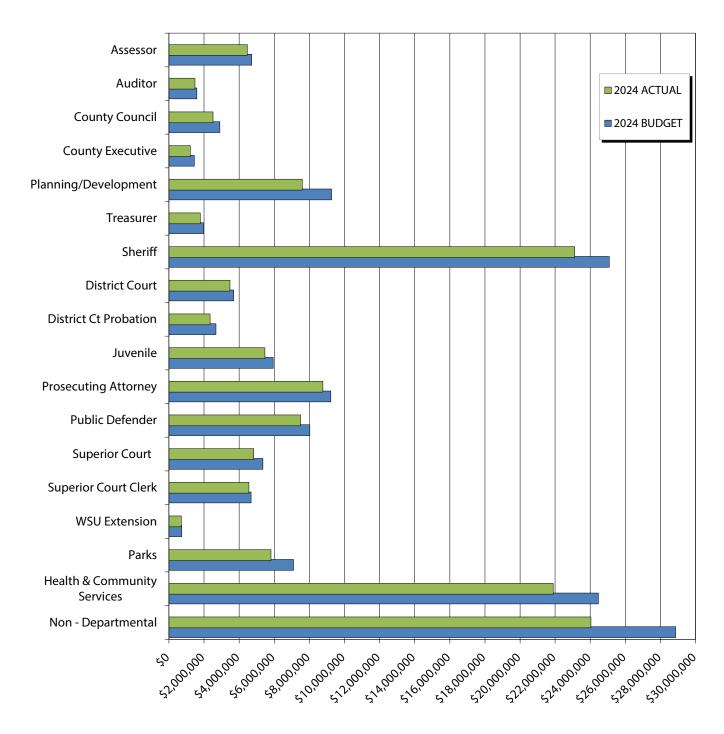
"Miscellaneous" revenues are made up of delinquent property tax interest earnings, investment interest earnings, rents, contributions, refunds, judgements and settlements, and various small, otherwise unclassified, amounts.

Miscellaneous revenues are down 1.3% or \$152,062 over fourth quarter 2023 amounts. Investment earnings are down 4.9%, or \$516,078. Higher interest rates have generally increased our investment income; however, property tax interest is down about \$2.5 million due to a large one-time payment made last year in a settled appeals case. Also, rents and leases are down slightly (\$22,304). The county received unclaimed tax sale proceeds of \$526,545 from 2021 foreclosures to round out miscellaneous revenues to a modest decrease from 2023.

#### **Other Financing Sources**

#### The "Other Financing Sources" revenue budget is composed of transfers from other Whatcom County funds.

The Other Financing Sources category decreased by \$6,379,934, or 31.9%, from the previous year's amounts. The difference from last year was due to transfers from the American Rescue Plan Act fund to pay for eligible general government expenses in the general fund. Transfers for these purposes in 2023 amounted to \$11.7m. Although there were similar transfers in 2024, they only amounted to about \$4.7m.



#### **General Fund Expenditures - Budget vs. Actual**

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





## **General Fund Expenditures - Budget vs. Actual**

	2024 Adopted Budget	2024 Budget Supp'ls	2024 Amended Budget	Actual as of 12/31/24	% Expended To Date
Assessor	4,129,800	583,922	4,713,722	4,473,334	94.90%
Auditor	1,510,777	78,233	1,589,010	1,490,885	93.82%
County Council	2,011,737	893,450	2,905,187	2,517,452	86.65%
County Executive	1,071,821	375,918	1,447,739	1,217,763	84.11%
Planning & Development	6,834,349	2,430,580	9,264,929	7,594,713	81.97%
Treasurer	1,759,325	218,088	1,977,413	1,786,445	90.34%
Sheriff	21,867,314	3,214,312	25,081,626	23,109,463	92.14%
District Court	3,173,979	519,584	3,693,563	3,482,410	94.28%
District Court Probation	2,389,828	288,013	2,677,841	2,343,780	87.52%
Juvenile	5,657,912	284,758	5,942,670	5,467,303	92.00%
Prosecuting Attorney	7,673,206	1,547,802	9,221,008	8,771,317	95.12%
Public Defender	6,575,900	1,452,013	8,027,913	7,495,163	93.36%
Superior Court	4,082,727	1,274,116	5,356,843	4,831,942	90.20%
Superior Court Clerk	3,257,826	1,428,643	4,686,469	4,562,041	97.34%
WSU Extension	702,954	35,312	738,266	706,062	95.64%
Park	5,150,284	1,945,478	7,095,762	5,812,565	81.92%
Health & Community Services	18,867,678	5,601,087	24,468,765	21,891,974	89.47%
Non - Departmental	20,226,373	8,642,031	28,868,404	24,036,447	83.26%
Total General Fund Expenditures	116,943,790	30,813,340	147,757,130	131,591,059	89.06%

See page 10 for General Fund Expenditure Notes.



# Assessor 2024 2023 Auditor 2022 **County Council County Executive** Planning & Development Treasurer Sheriff **District Court District Ct Probation** Juvenile **Prosecuting Attorney Public Defender Superior Court** Superior Court Clerk WSU Extension Parks Health & Community Services Non-Departmental

#### **General Fund Expenditures to Date - Compared to Prior Years**

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



## General Fund Expenditures to Date - Compared to Prior Years

	2022	2023	2024
Assessor	3,691,065	4,183,552	4,473,334
Auditor	1,370,723	1,426,916	1,490,885
County Council	1,942,536	1,960,329	2,517,452
County Executive	960,089	1,132,483	1,217,763
Planning & Development	6,235,497	6,573,292	7,594,713
Treasurer	1,530,626	1,599,383	1,786,445
Sheriff	19,211,310	22,331,153	23,109,463
District Court	2,971,256	3,131,717	3,482,410
District Ct Probation	2,138,411	2,264,894	2,343,780
Juvenile	4,873,380	5,293,838	5,467,303
Prosecuting Attorney	7,600,892	8,223,314	8,771,317
Public Defender	5,758,589	6,369,628	7,495,163
Superior Court	3,747,002	4,086,353	4,831,942
Superior Court Clerk	3,145,601	3,565,450	4,562,041
WSU Extension	576,233	662,347	706,062
Parks	4,447,079	5,088,982	5,812,565
Health & Community Services	20,290,837	19,203,661	21,891,974
Non-Departmental	14,630,544	29,163,360	24,036,447
TOTAL	105,121,670	126,260,652	131,591,059

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#### **General Fund Expenditure Notes**

Overall expenditures for the General Fund at the end of the fourth quarter were 89.06% of the approved budget, which is within normal expectations based on prior year experience. All departmental spending was within approved budget limits. Overall departmental spending increased 4.2%, or \$5.3 million, when compared to 2023.

Several departments had significant variances from prior year or were over 10% underspent as compared to budget:

Council's spending increased 28.4%, \$557,000, over 2023 amounts but actually spent only 86.7% of its budget. A new staff position was added in 2024, councilmembers were awarded significant salary increases by the salary commission, and \$550,000 of professional services appropriation authority for Council-approved projects was added in 2024. Of the professional service appropriations, \$156,158 was spent in 2024 and \$302,375 is continued or re-appropriated in 2025.

Executive's budget was approximately 16%, or \$230,000, underspent due to lapse caused by staff turnover and vacancies and government representation contracted services being less than budgeted.

Planning and Development was 18%, or \$1,670,216, underbudget. Most of the lapse was due to professional service appropriations for the 2025 comp plan update, a Birch Bay incorporation feasibility study, permit, SEPA and regulatory review consultants. Approximately \$1.2 million is being continued or re-appropriated in 2025.

District Court's spending increased 11.2%, or \$350,693, over 2023 amounts. In addition to normal cost of living increases, the Court added two staff positions in 2024. On the other hand, District Court Probation lapsed \$334,000 or 12.5% of its budget. Most of this was due to staff vacancies and turnover as well as a lapse in domestic violence perpetrator counseling appropriations.

Public Defender expenditures increased 17.7%, or \$1,125,535, over 2023 amounts due to the addition of seven staff and related costs.

Superior Court Administration expenditures increased 18.25%, or \$745,589, mainly due to the addition of five new staff, the water adjudication case, Uniform Guardianship Act program, Family and Juvenile Court Improvement Program and increased interpreter expenses.

Superior Court Clerk increased approximately 28%, or \$996,591, over 2023 amounts due to the addition of 4.5 staff, the water adjudication case, minor guardianship program and significant increases in conflict counsel representation costs.

Parks experienced a 14.2% or \$723,583, increase in expenditures over 2023 amounts due to the addition of four FTEs and related vehicles and equipment costs, as well as one-time costs for the renovation of the Van Zandt Community Hall and Canyon Lake Road improvements and access. Both of those projects will be continuing in 2025.

Health & Community Services also increased 14%; however, that represents a \$2,688,313 amount over and above 2023 costs. The increased costs are covered by increased revenues. The department received and spent significant increases for the Developmental Disabilities program and Foundational Public Health Services programs. One million dollars of opioid settlement funding was also transferred in support of the current 23-Hour Crisis Relief Center building project.



#### **General Fund Expenditure Notes, continued**

Non-Departmental had a \$5 million decrease in funding under 2023 amounts and only spent 83.26% of its budget. Non-Departmental records transfers from the General Fund to other funds. Significant transfers for various capital construction projects and higher amounts for the Community Priorities Fund transfer were made in 2023 which were not repeated in 2024. On the budget side there was also substantial lapse from contracts, transfers and wage/benefit reserves that were unspent at year end. Some appropriations some will be continued into or re-appropriated in 2025. A Communities Priorities Fund transfer was budgeted at \$7.5 million; however, the actual amount available for transfer at year end was \$4,658,651.

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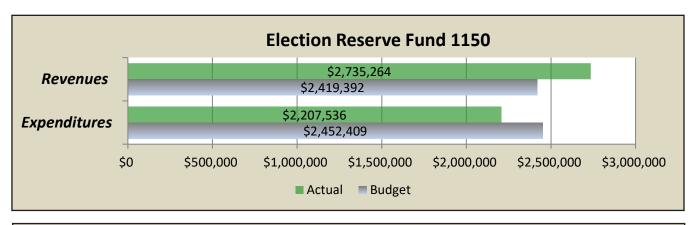
#### **General Fund Conclusion**

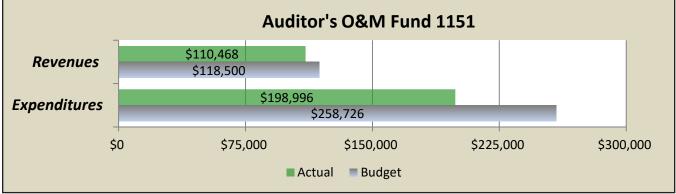
	Actual
Beginning Fund Balance 1/1/24	32,257,631
Revenues	
Budgeted Revenues 2024	106,586,802
Continuing Appropriations from 2023	1,260,179
Supplemental Budgets 2024	23,404,472
Federal and State Intergovernmental Revenue Budget Variance	(3,390,694)
Disputed Property Tax Settlement	481,253
Unclaimed Tax Foreclosure Proceeds	526,545
Projected Actual Year-end Revenue Variances	43,897
Total Revenue	128,912,454
Expenditures	
Budgeted Expenditures 2024	116,943,790
Continuing Appropriations from 2023	1,631,220
Supplemental Budgets 2024	29,182,120
Total Expenditures	147,757,130
Expected Surplus (Deficit)	(18,844,676)
Other Considerations	
Estimated Budget Lapse <sup>1</sup>	16,087,045
Projected Ending Fund Balance 12/31/24	29,500,000

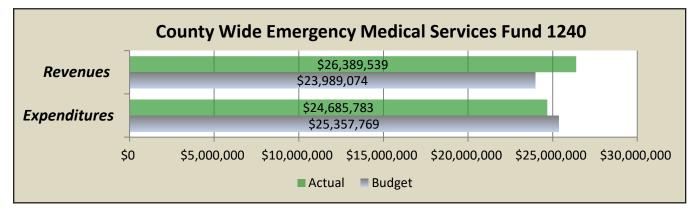
Note 1: The estimated budget lapse is 10.9% of the expenditure budget.

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## **Special Revenue Funds and Other Funds**

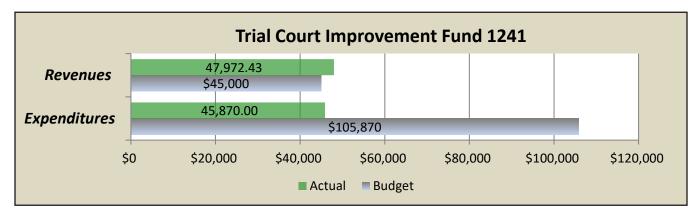


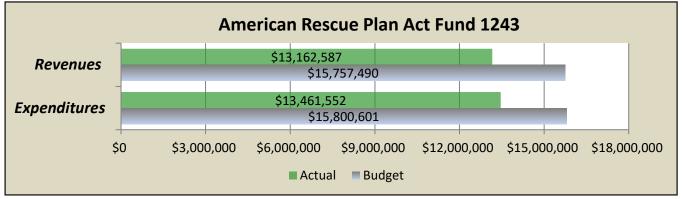


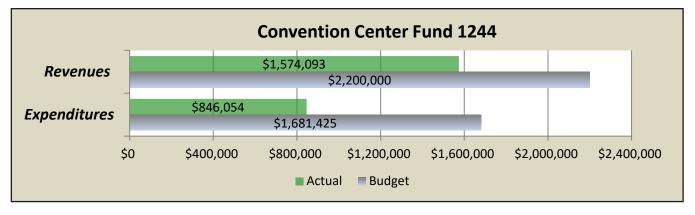




#### Special Revenue Funds and Other Funds, continued

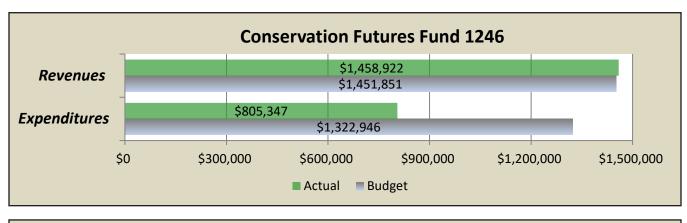


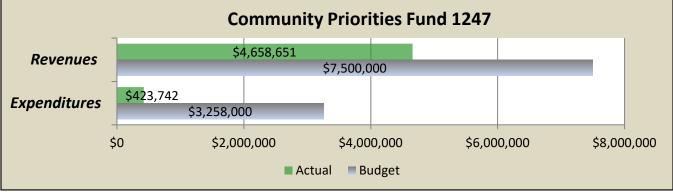


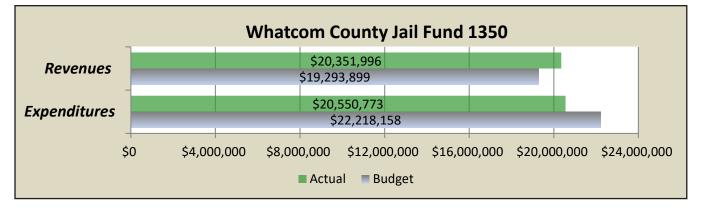




#### Special Revenue Funds and Other Funds, continued

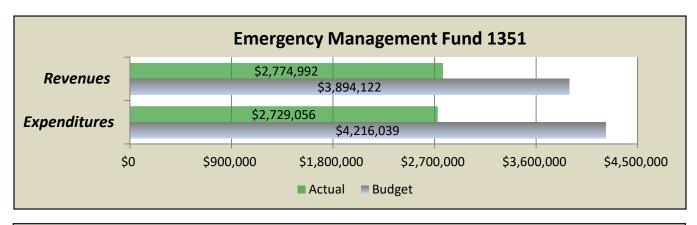


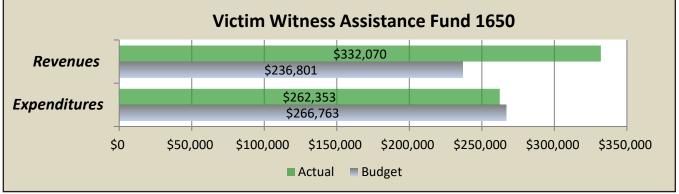


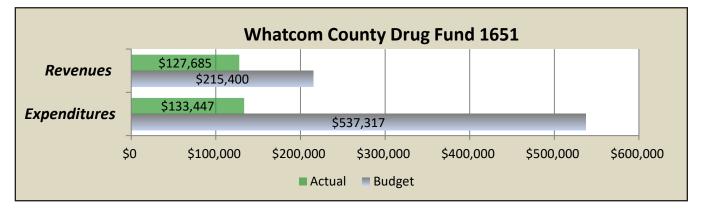


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#### Special Revenue Funds and Other Funds, continued

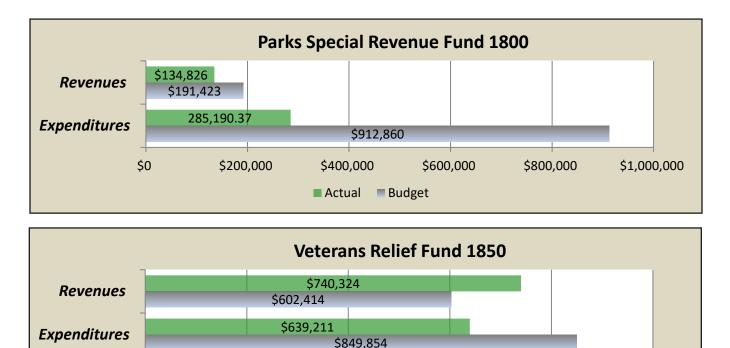


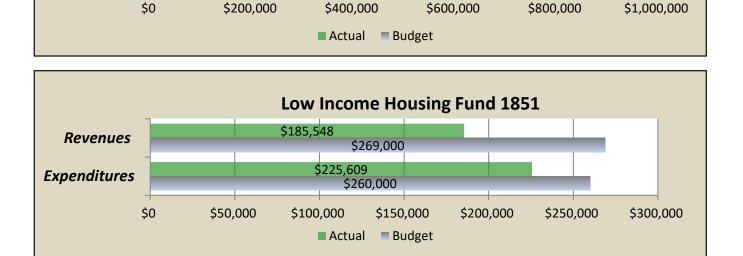






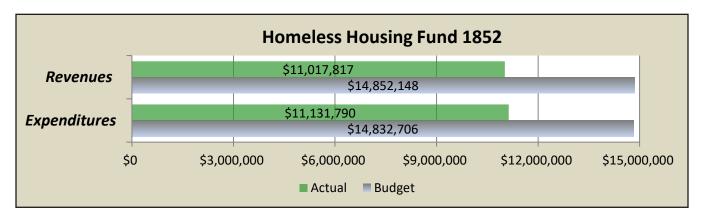
#### Special Revenue Funds and Other Funds, continued

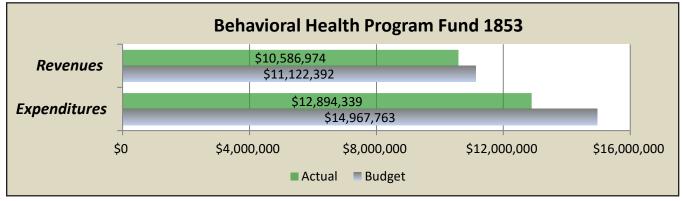


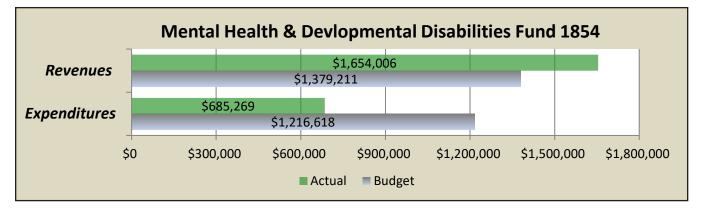




#### Special Revenue Funds and Other Funds, continued

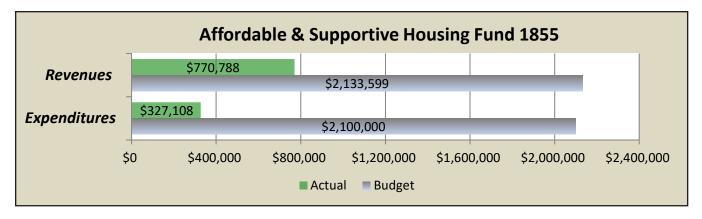


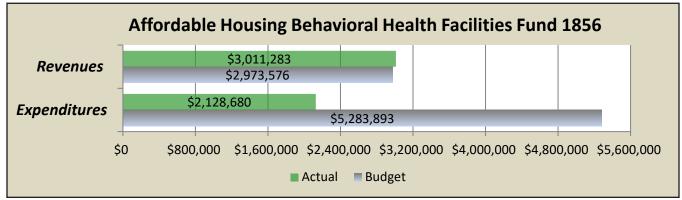


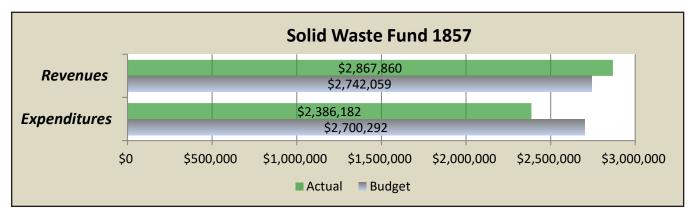




#### Special Revenue Funds and Other Funds, continued

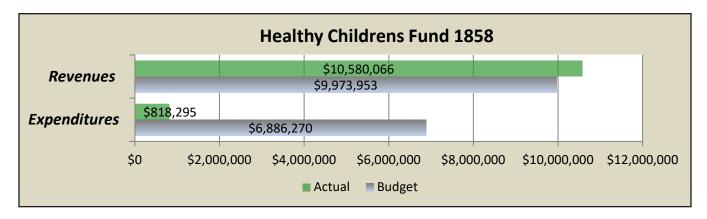


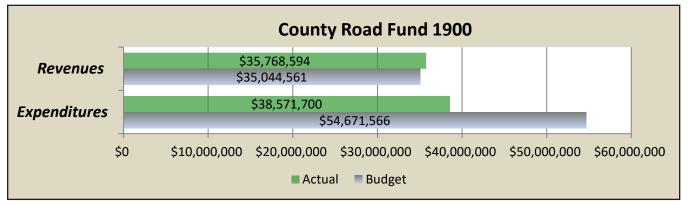


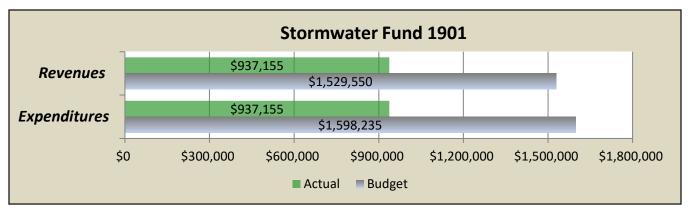




#### Special Revenue Funds and Other Funds, continued

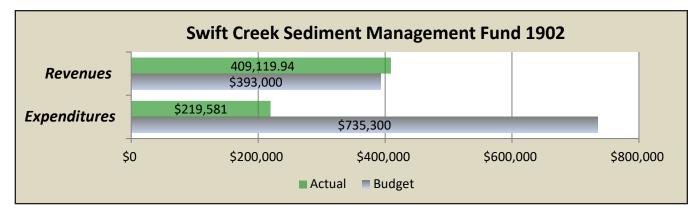


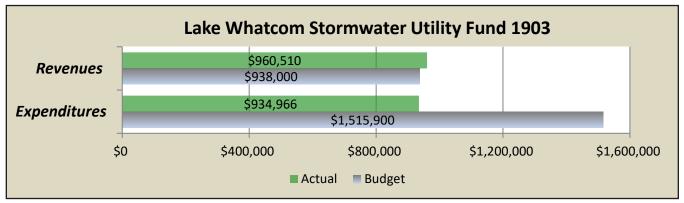


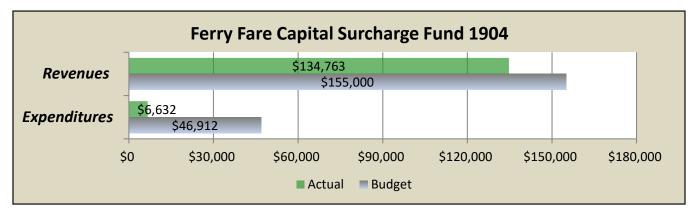




#### Special Revenue Funds and Other Funds, continued

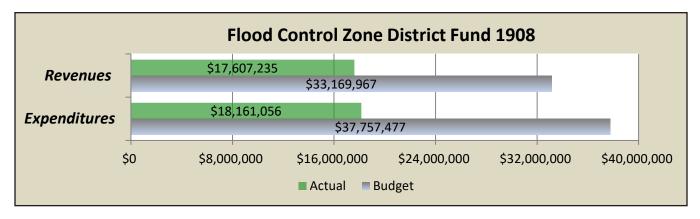


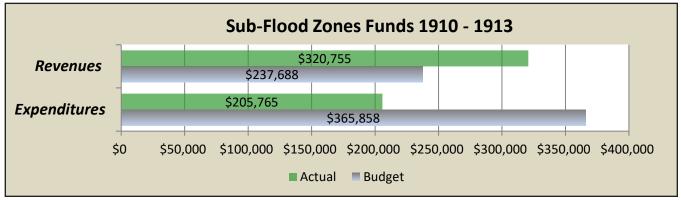


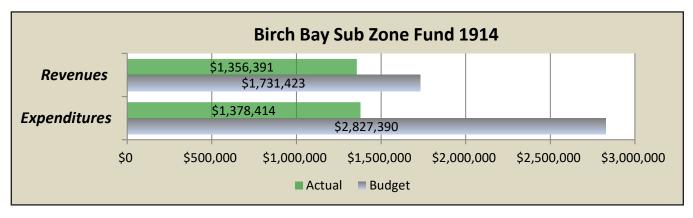




#### Special Revenue Funds and Other Funds, continued





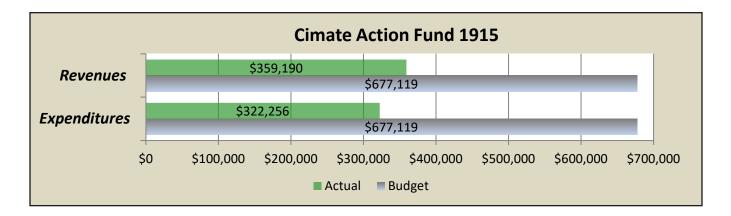


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#### Special Revenue Funds and Other Funds, continued

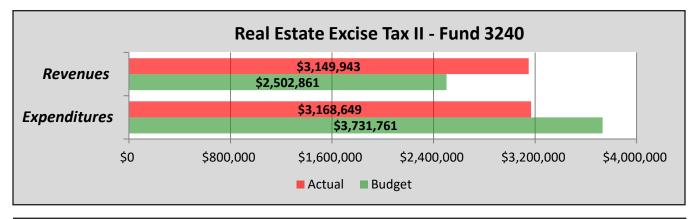


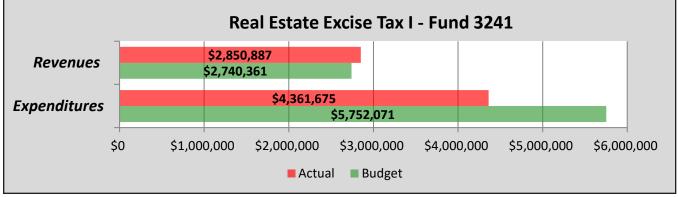
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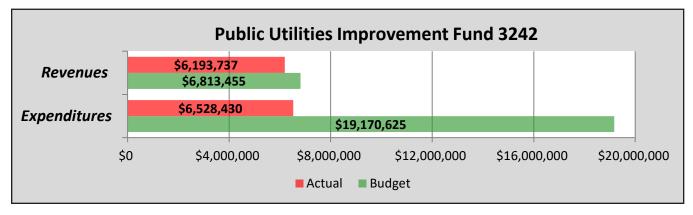
For the Quarter Ended December 31, 2024

# ATEOM COLUMN

### **Capital Project Funds**

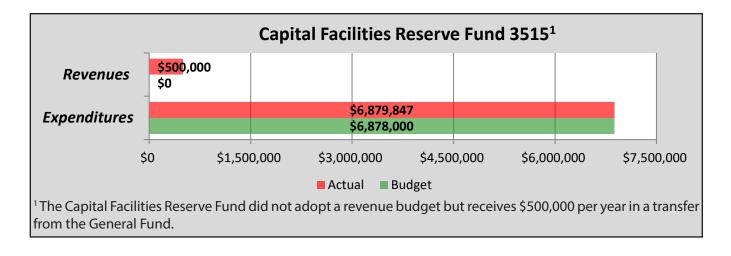






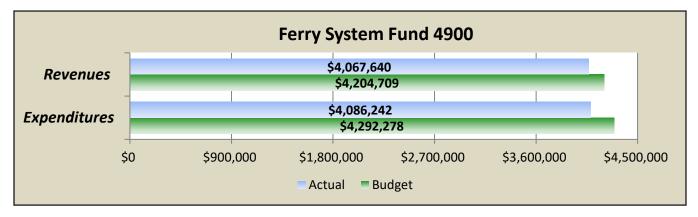


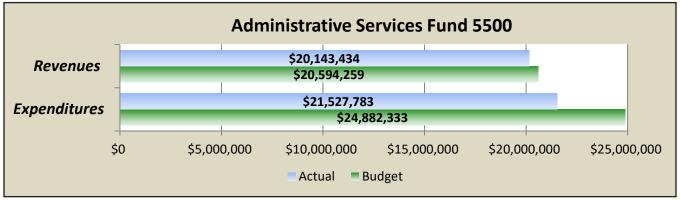
#### Capital Project Funds, continued

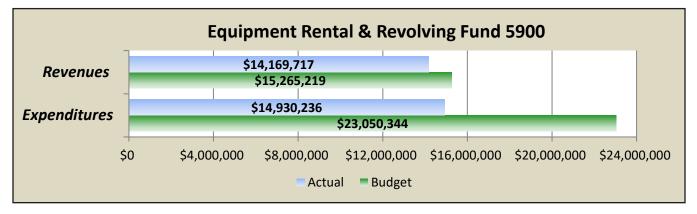




### **Enterprise and Internal Service Funds**

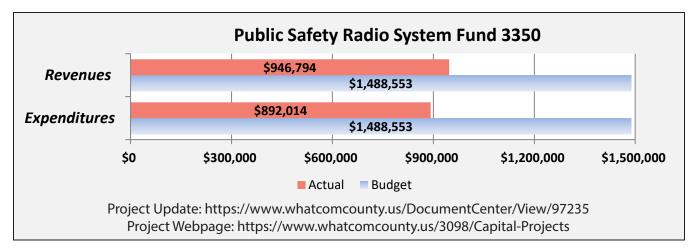


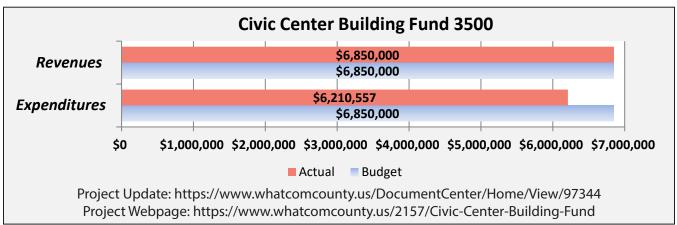


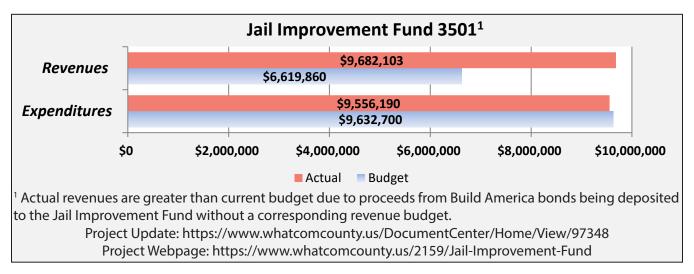




#### **Project Budget Funds**

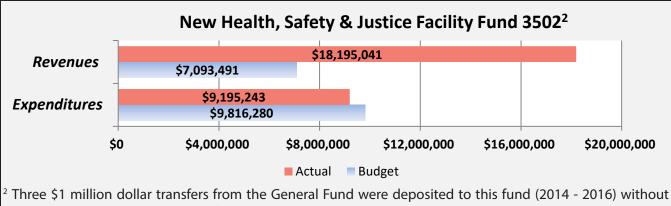






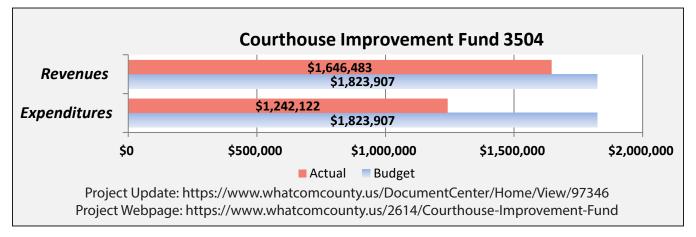


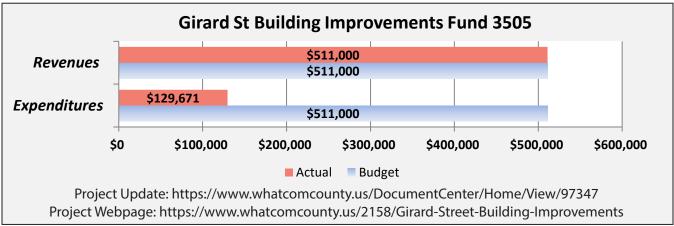
#### Project Budget Funds, continued



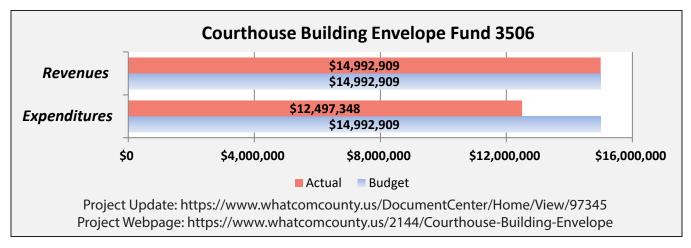
<sup>2</sup> Three \$1 million dollar transfers from the General Fund were deposited to this fund (2014 - 2016) without budget ordinances being adopted for those transactions. In addition, beginning in June 2024 a voter approved 2/10ths sales tax is now being collected for construction of the new facility. These funds also do not have a corresponding revenue budget.

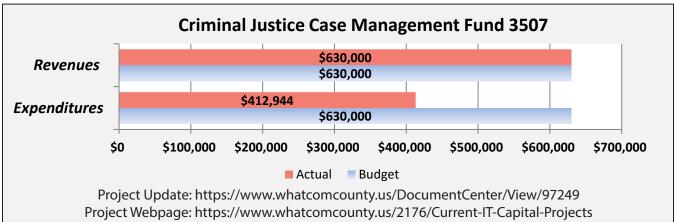
Project Update: https://www.whatcomcounty.us/DocumentCenter/Home/View/97356 Project Webpage: https://www.whatcomcounty.us/2161/New-Health-Safety-and-Justice-Facility

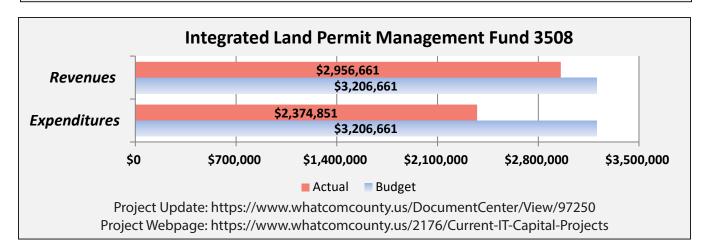




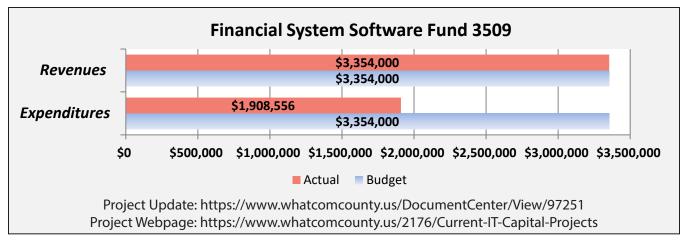


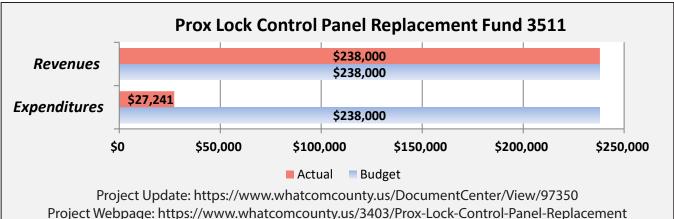


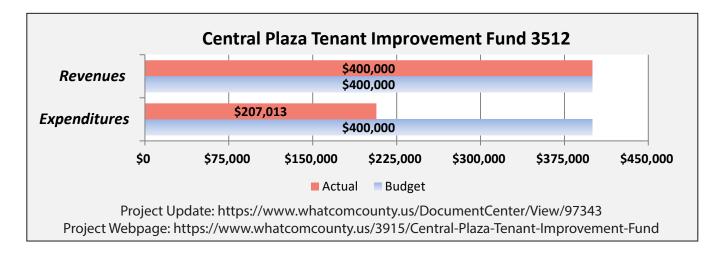






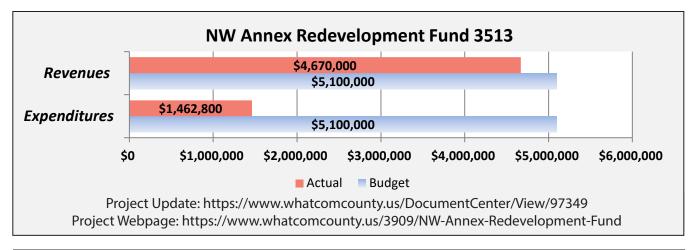


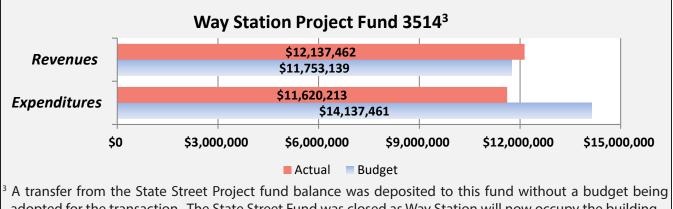




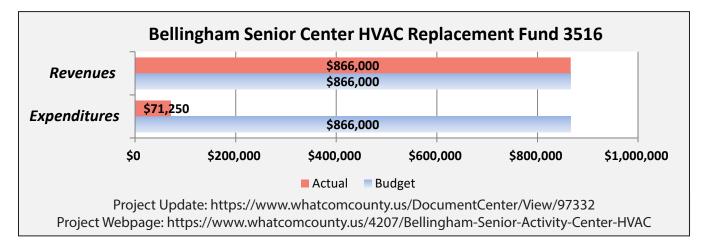


#### Project Budget Funds, continued



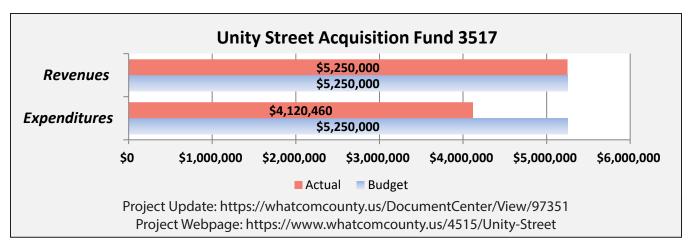


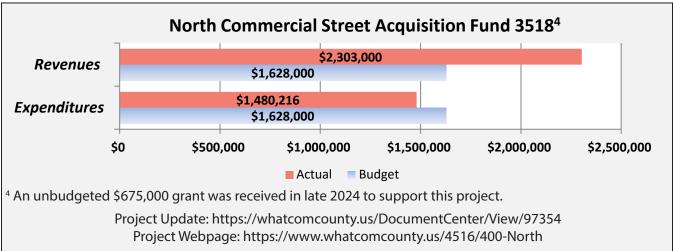
A transfer from the State Street Project fund balance was deposited to this fund without a budget being adopted for the transaction. The State Street Fund was closed as Way Station will now occupy the building. Project Update: https://www.whatcomcounty.us/DocumentCenter/View/97352 Project Webpage: https://www.whatcomcounty.us/3953/Way-Station-Project-Fund

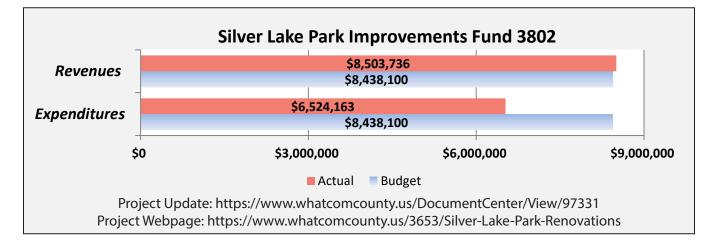


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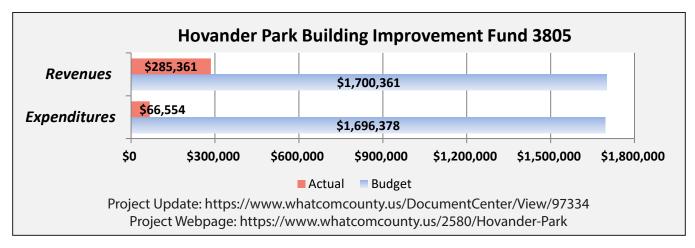
For the Quarter Ended December 31, 2024

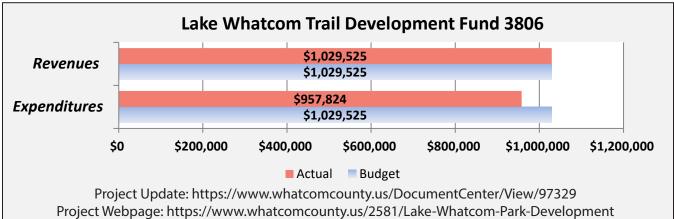


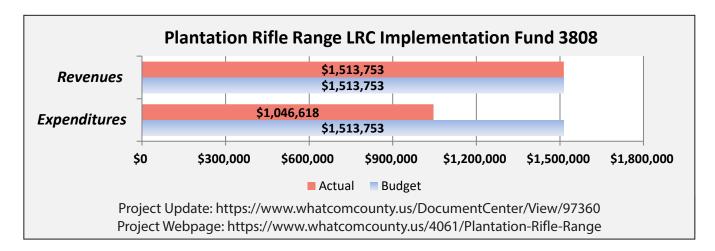


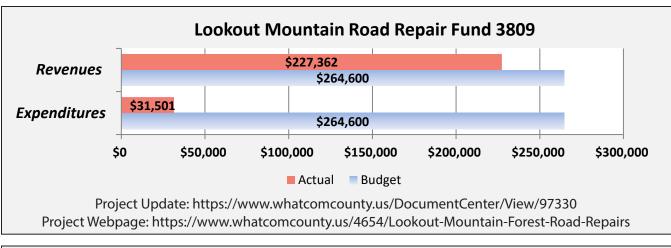


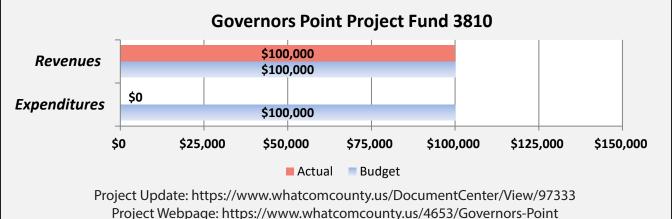


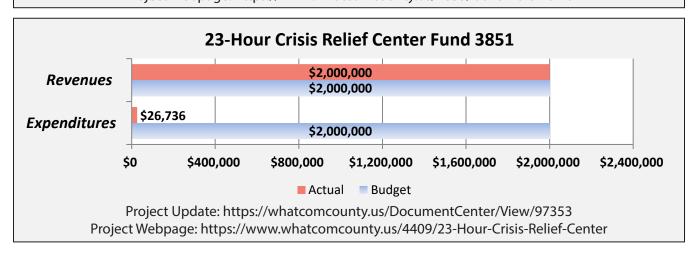






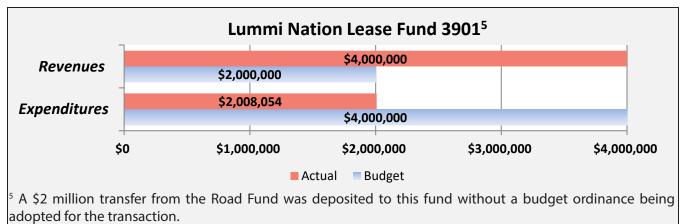








#### Project Budget Funds, continued



Project Update: https://www.whatcomcounty.us/DocumentCenter/View/97390 Project Webpage: https://www.whatcomcounty.us/3990/Lummi-Island

