



# Fourth Quarter 2024 Financial Report

April 29, 2025, Council Finance and Administrative Services Committee  
Presenters: Randy Rydel, Finance Director

# Whatcom County 2024 General Fund Review

## Key Messages

- 1. Financial Stability** - Ended with projected \$29.5M fund balance, aligning with 2025-2026 budget forecasts
- 2. Effective Expenditure Management** - Collaborative approach with department heads resulted in 10.9% favorable budget variance
- 3. Revenue Diversity and Future Challenges** - Diverse revenue sources balanced our 2024 budget, but one-time revenues won't recur in 2025

# 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.

# Key Revenue Variances

Budget vs. Actual (in millions)

Revenue Source	Budget	Actual	% of Budget
Property Taxes	\$32.60	\$32.94	101.1%
Sales & Use Tax	\$24.52	\$22.71	92.6%
Intergovernmental	\$30.59	\$27.39	89.5%
Investment Earnings	\$5.15	\$8.59	166.9%
Other Financing Sources/Transfers	\$16.97	\$13.62	80.3%

**Takeaway:** Revenue diversity helped offset shortfalls

# Revenue Challenges & Opportunities

## Challenges

- **Tax Collections:** Down 0.7% (\$452,572) from Q4 2023
- **Sales Tax:** Down 0.5% (\$135,907) from Q4 2023 vs. 4.5% projected growth
- **Federal Funding:** Decreased 11.2% (\$756,142) from Q4 2023

## Opportunities

- **Investment Earnings:** Exceeded budget by 66.9% (\$3.44M)
- **State Grants:** Increased 16.8% (\$2.81M)
- **One-Time Resources:**
  - Unclaimed tax sale proceeds (\$526,545)
  - Petrogas settlement

## Caution for 2025

- *One-time revenues will not recur*

# Expenditure Review - Highlights

- **Expenditure Management Results**
- Personnel costs: \$77.48M (93.1% of budget)
- Contract services: \$16.73M (77.4% of budget)
- Total expenditures: \$131.59M (87.7% of budget)
- Favorable variance: \$16.08M (10.9% of expenditure budget)

# Looking Ahead

## Expenditure Management (Success to Build On)

- Spending 87.7% of budgeted expenditures
- All departments operated within budget limits
- Collaborative approach with department heads working effectively
- Budget prioritization project continuing to improve resource allocation

## Revenue Challenges (Areas of Vigilance)

- One-time revenues not recurring in 2025
- Sales tax growth remains below historical trends
- Federal and state funding uncertainty
- Funds requiring monitoring:
  - Road Fund
  - Most of the Special Revenue funds receiving sales tax revenue and recording fees

## Bottom Line

- *Stable position today, vigilance needed for tomorrow*

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# Questions?