



**Second
Quarter
2022
Financial
Report**

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Compiled and Presented by the
Administrative Services Department
Finance Division

Brad Bennett, Finance Manager

August 24th, 2022

Whatcom County Second Quarter 2022 Financial Report

For the Quarter Ended June 30, 2022



Executive Summary

The following information presents Whatcom County's second quarter 2022 financial report. At the end of the second quarter the General Fund collected 46.91% of its budgeted revenues. Whatcom County's General Fund spent 45.66% of its budgeted expenditures. Revenues are down \$3,896,545 million from second quarter 2021. This is due to a decrease in the amount of a COVID-related emergency rental assistance grant being recognized in 2022 versus 2021. Expenditures, as a percentage of budget, are moderately higher from 2021 second quarter amounts. Actual expenditures are similar to prior years.

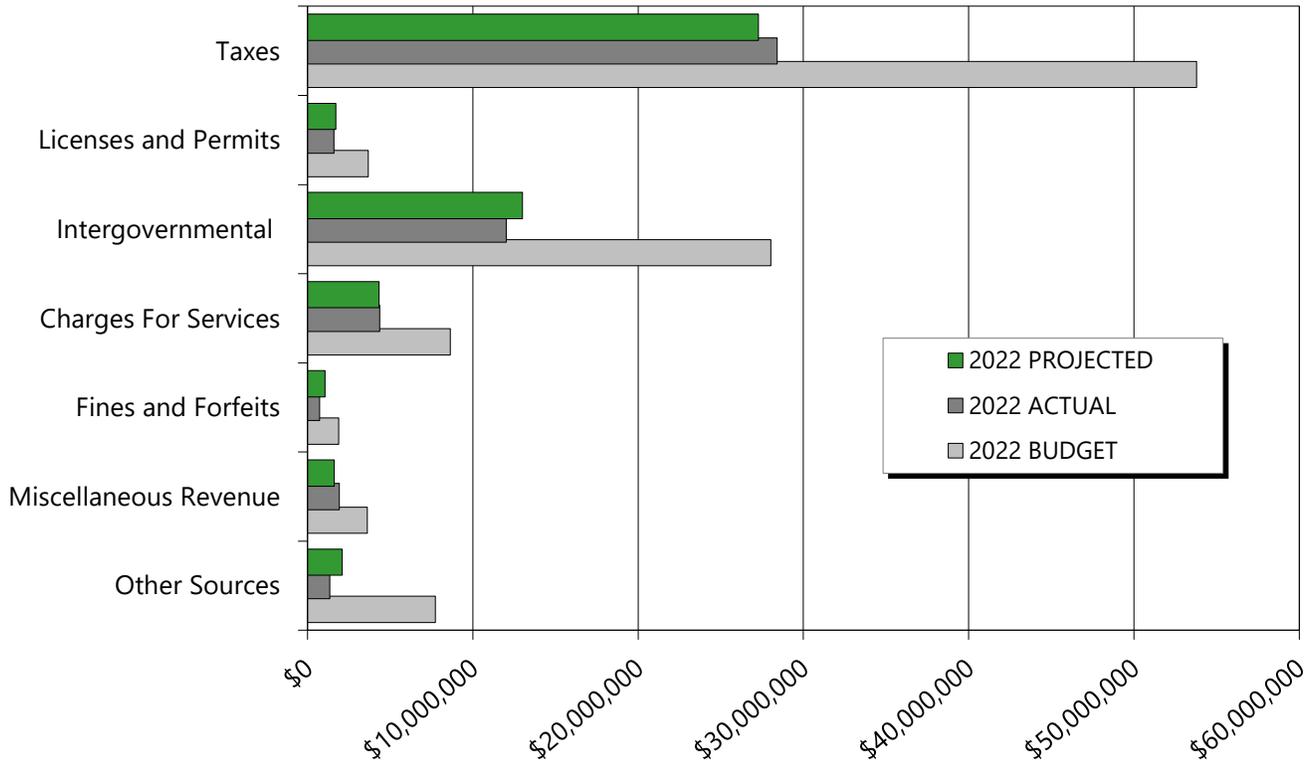
The current estimated 2022 General Fund ending fund balance is projected to be approximately \$22,465,909.

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For the Quarter Ended June 30, 2022



General Fund Revenue - Budget vs. Actual



	2022 Budget Adopted	2022 Budget Supp'ls	2022 Budget Amended	Actual as of 6/30/2022	% Collected To Date	Projected as of 6/30/2022
Taxes	48,350,532	5,450,000	53,800,532	28,407,407	52.80%	27,273,602
Licenses and Permits	3,675,617	-	3,675,617	1,588,185	43.21%	1,709,624
Intergovernmental	16,608,418	11,412,626	28,021,044	12,016,908	42.89%	13,008,588
Charges For Services	8,516,746	114,810	8,631,556	4,358,460	50.49%	4,325,324
Fines and Forfeits	1,888,300	-	1,888,300	724,961	38.39%	1,061,699
Miscellaneous Revenue	3,127,054	477,847	3,604,901	1,929,463	53.52%	1,622,829
Other Sources	5,663,272	2,076,328	7,739,600	1,341,068	17.33%	2,086,178
Total Revenue	87,829,939	19,531,611	107,361,550	50,366,452	46.91%	51,087,844

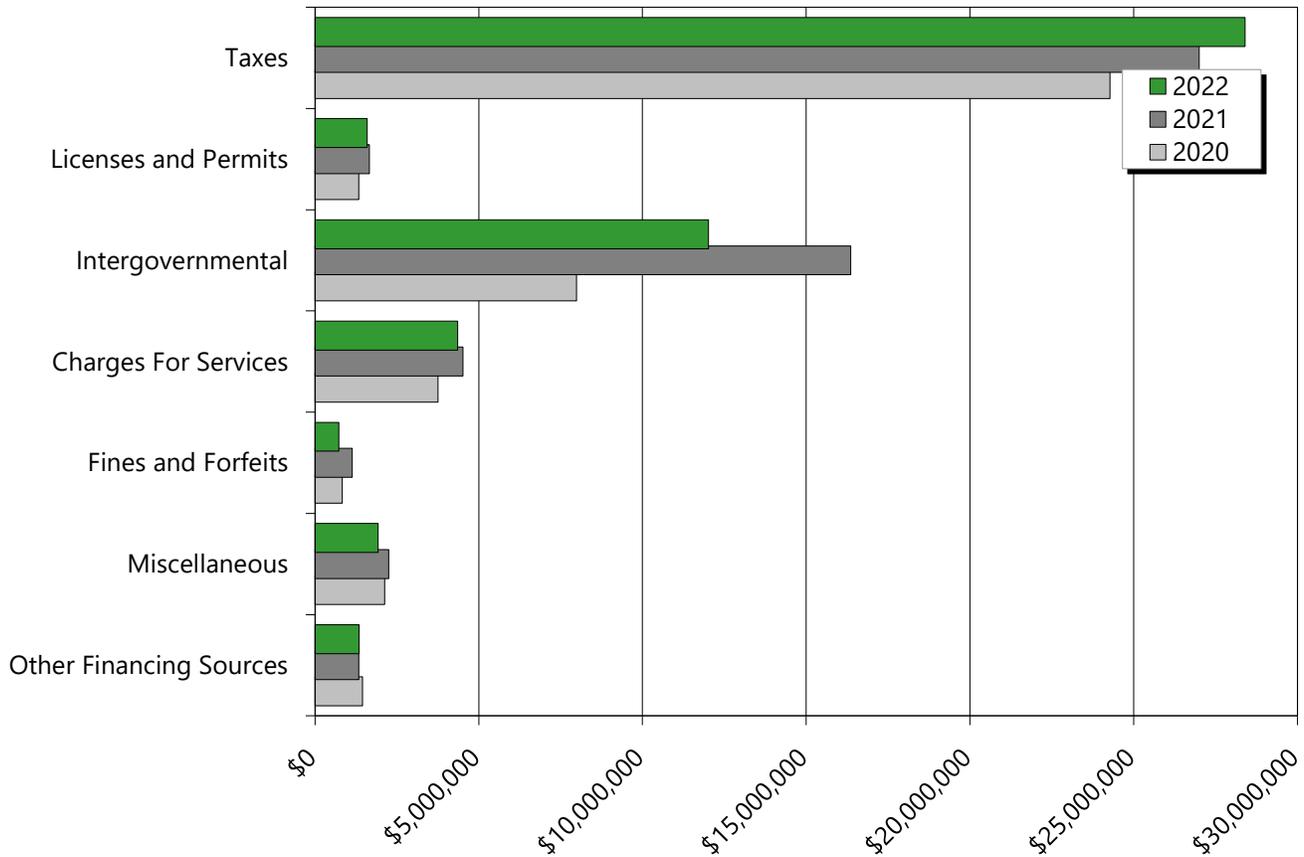
See pages 4 and 5 for General Fund Revenue Notes.

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General Fund Revenue to Date - Compared to Prior Years



	2020	2021	2022
Taxes	24,278,020	26,999,077	28,407,407
Licenses and Permits	1,335,865	1,657,750	1,588,185
Intergovernmental	7,986,913	16,362,023	12,016,908
Charges For Services	3,757,751	4,520,576	4,358,460
Fines and Forfeits	826,738	1,138,424	724,961
Miscellaneous	2,123,328	2,250,708	1,929,463
Other Financing Sources	1,448,808	1,337,437	1,341,068
Total Revenue	41,757,423	54,265,995	50,366,452

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.

Property tax revenues are \$251,726 more than second quarter 2021 amounts. Property tax collections vary from year to year based on new construction added to the tax rolls and timing of current and delinquent payments. There have been no property tax rate increases. Current year sales tax collections are up 10.96%, or \$1,099,078, as compared to last year's second quarter collections. The County is currently benefiting from a healthy economy and internet sales delivered directly to unincorporated residents.

Licenses & Permits

Building permits account for 39.2% of "Licenses & Permits" budget. Health Department restaurant, food-handling, on-site septic and other miscellaneous health-related licenses and permits make up 37.9% of the budget. Cable franchise fee revenues are 19.5% and marriage licenses, firearm permits, well permits, and fire control permits account for the remaining 3.4%.

License and Permit Fees are \$69,565, or 4.2%, less than amounts collected during first half 2021. Moderate decreases are noted in most accounts in this category including restaurant, food handler, building, on-site septic and firearms permits.

Intergovernmental Revenue

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

Revenues collected as of second quarter end are over \$4.3 million lower than 2021. The majority of that decrease is due to \$4 million less revenue from a COVID-related emergency rental assistance grant being recognized in 2022 than in 2021. The remaining significant variances are from discontinuance of a COVID-related CARES Act grant (\$1 million) and an increase from the state in Foundation of Public Health funding (\$600,000).

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 \$162,116, or 3.6%, under second quarter 2021. Auditor filing fee transactions have slowed significantly due to rising interest rates. Adult probation fee revenue has been dropping since 2020. Licensing fees, pre-trial services and federal forest patrol fees are currently down below prior year amounts. Real Estate Excise Tax processing fees remain healthy, as do Planning & Development's plan check fees. Rifle range fees are up over prior year numbers due to early receipt of other municipalities' contract payments.

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.

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General Fund Revenue Notes, continued

Fines and Forfeits revenues have decreased \$413,463, or 36.3%, from second quarter 2021 amounts. Traffic infraction revenues are down 61.5%, or \$286,077. Traffic infraction filings have dropped from 5,816 filed as of May 2021 versus 2,154 filed as of May 2022 (latest stats available). The drop is due to state legislative changes concerning use-of-force statutes and vacancies in the Sheriff's traffic unit. In addition, property tax penalties are down \$101,625 or 19.9%.

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 down \$321,247, or 14.3%, under second quarter 2021 amounts. Investment earnings are down \$82,593, due to low interest rates on current investments. Investment earnings will lag interest rate increases for a period of time due to investments cannot be rolled over until maturity. Property tax interest on delinquent taxes is down \$175,093.

Other Financing Sources

The "Other Financing Sources" revenue budget is composed of state timber revenues (4.8%) and transfers from other Whatcom County funds (95.2%).

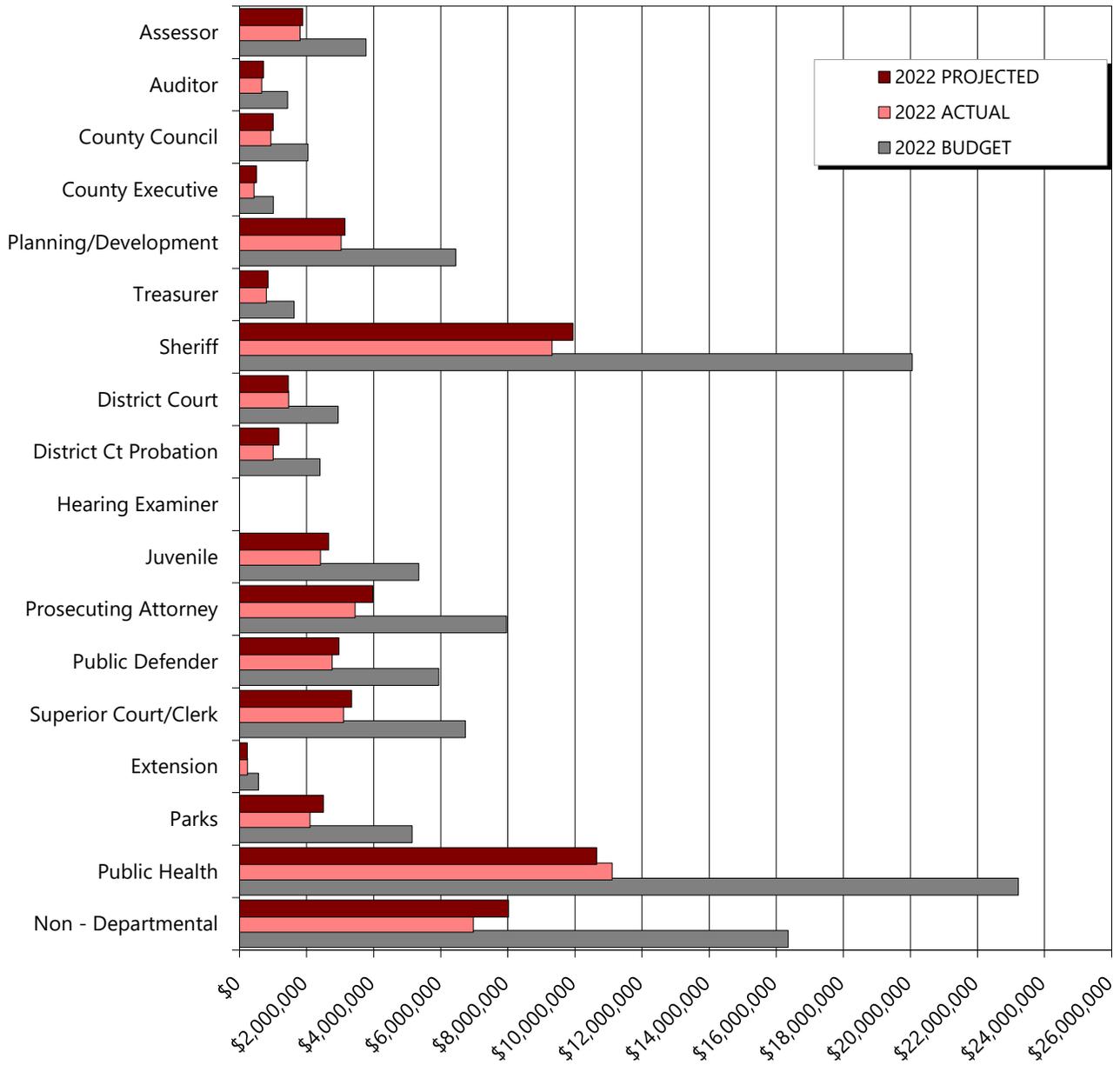
The Other Financing Sources category is within \$4,000 of second quarter 2021 amounts. Transfers from the American Rescue Plan Act Fund to the General Fund to cover court backlog staffing costs will be executed in the third quarter.

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General Fund Expenditures - Budget vs. Actual



See page 7 for chart detail and page 9 for General Fund Expenditure Notes.

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General Fund Expenditures - Budget vs. Actual

	2022 Adopted Budget	2022 Budget Suppl's	2022 Amended Budget	Actual as of 6/30/22	% Expended To Date	Projected as of 6/30/22
Assessor	3,516,691	251,015	3,767,706	1,802,733	47.85%	1,884,120
Auditor	1,348,960	83,895	1,432,855	662,384	46.23%	712,738
County Council	1,566,176	475,979	2,042,155	934,615	45.77%	1,002,055
County Executive	873,345	138,537	1,011,882	429,907	42.49%	504,772
Planning & Development	5,826,648	618,785	6,445,433	3,032,202	47.04%	3,140,715
Treasurer	1,641,611	(19,020)	1,622,591	800,791	49.35%	851,070
Sheriff	18,628,448	1,427,137	20,055,585	9,317,918	46.46%	9,940,515
District Court	2,801,186	137,299	2,938,485	1,462,057	49.76%	1,452,879
District Court Probation	2,382,341	13,700	2,396,041	1,000,525	41.76%	1,169,256
Hearing Examiner	217,981	(217,981)	-	-	0.00%	-
Juvenile	5,357,748	(11,795)	5,345,953	2,409,768	45.08%	2,656,133
Prosecuting Attorney	7,163,118	793,235	7,956,353	3,442,999	43.27%	3,972,698
Public Defender	4,763,945	1,175,614	5,939,559	2,764,196	46.54%	2,958,770
Superior Court/Clerk	6,233,761	498,288	6,732,049	3,104,441	46.11%	3,337,594
Extension	561,383	1,026	562,409	237,107	42.16%	229,835
Park	4,571,892	575,524	5,147,416	2,102,215	40.84%	2,503,974
Public Health	15,003,873	8,218,412	23,222,285	11,109,020	47.84%	10,644,553
Non-Departmental	13,520,480	2,836,364	16,356,844	6,967,930	42.60%	8,019,181
Total General Fund Exp	95,979,587	16,996,014	112,975,601	51,580,808	45.66%	54,980,858

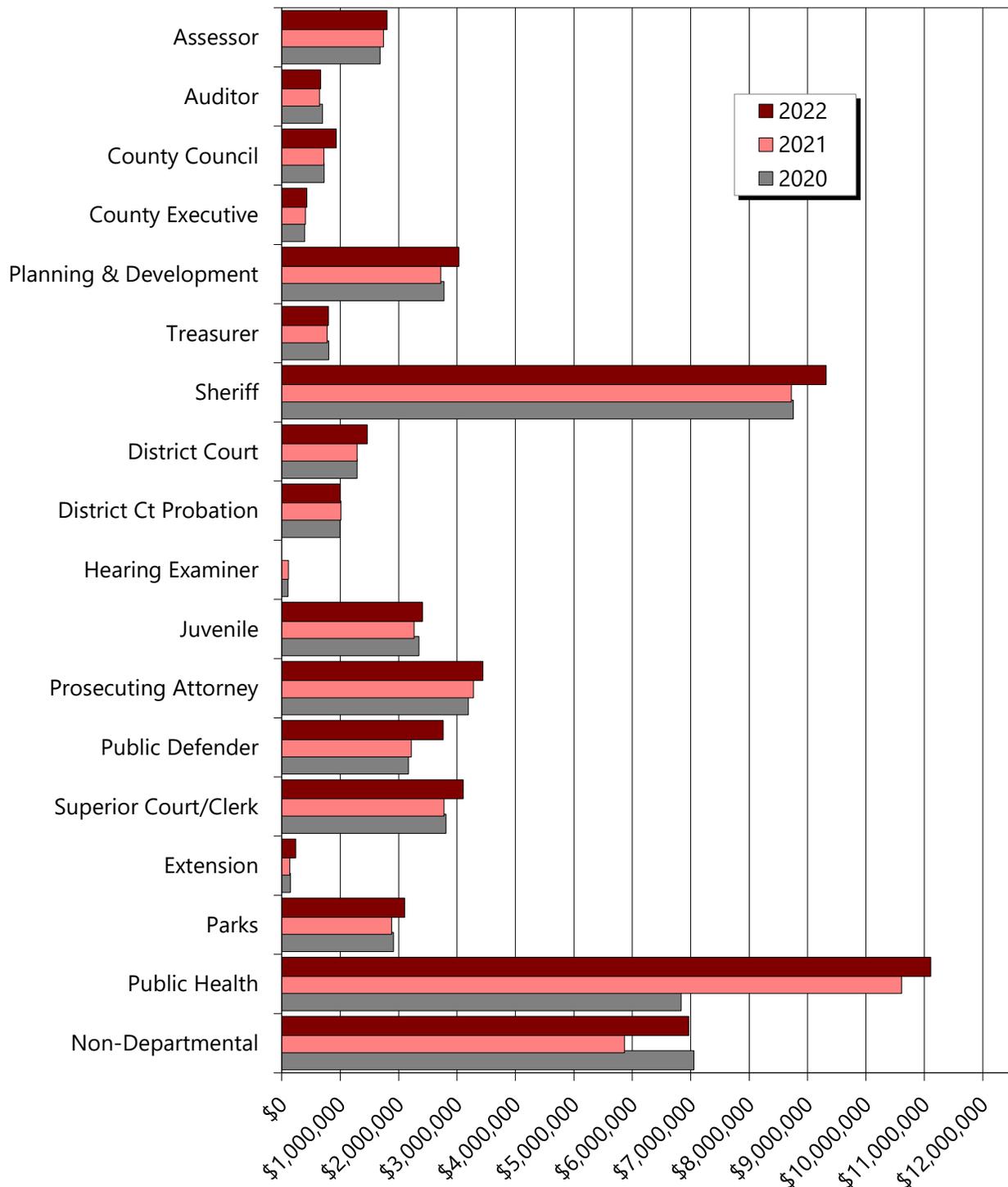
See page 9 for General Fund Expenditure Notes.

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General Fund Expenditures - Compared to Prior Years



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

Whatcom County Second Quarter 2022 Financial Report

For the Quarter Ended June 30, 2022



General Fund Expenditures - Compared to Prior Years

	2020	2021	2022
Assessor	1,679,776	1,741,404	1,802,733
Auditor	695,912	645,537	662,384
County Council	726,520	718,245	934,615
County Executive	393,259	403,627	429,907
Planning & Development	2,777,208	2,720,919	3,032,202
Treasurer	805,403	777,298	800,791
Sheriff	8,756,623	8,722,596	9,317,918
District Court	1,286,440	1,290,710	1,462,057
District Ct Probation	996,869	1,011,563	1,000,528
Hearing Examiner	106,254	115,668	-
Juvenile	2,345,236	2,263,004	2,409,768
Prosecuting Attorney	3,192,089	3,282,454	3,442,999
Public Defender	2,164,937	2,218,486	2,764,196
Superior Court /Clerk	2,811,376	2,775,694	3,104,441
Extension	144,644	136,045	237,107
Parks	1,911,861	1,880,366	2,102,215
Public Health	6,835,917	10,610,975	11,109,020
Non-Departmental	7,051,802	5,864,316	6,967,930
TOTAL	44,682,126	47,178,907	51,580,811

General Fund Expenditure Notes

Overall expenditures for the General Fund at the end of the second quarter were 45.66% of the approved budget, which is consistent with prior years. Departmental spending was within budget expectations. Health Department spending is up \$500,000 over last year due to spending down an emergency rental assistance grant which ends in September. The Hearing Examiner's budgeted expenditures of \$217,981 were transferred to the County Council budget.

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General Fund Conclusion

	Projected
Beginning Fund Balance 1/1/22	<u>24,141,180</u>
Revenues	
Budgeted Revenues 2022	87,829,939
Continuing Appropriations from 2021	1,213,465
Supplemental Budgets 2022	<u>18,318,146</u>
Total Revenue	<u>107,361,550</u>
Expenditures	
Budgeted Expenditures 2022	95,979,587
Continuing Appropriations from 2021	1,601,787
Supplemental Budgets 2022	15,394,227
Allowance for Wage Settlements	<u>1,800,000</u>
Total Expenditures	<u>114,775,601</u>
Expected Surplus (Deficit)	(7,414,051)
Other Considerations	
Estimated Budget Lapse ¹	<u>5,738,780</u>
Projected Ending Fund Balance 12/31/22	<u><u>22,465,909</u></u>

Notes:

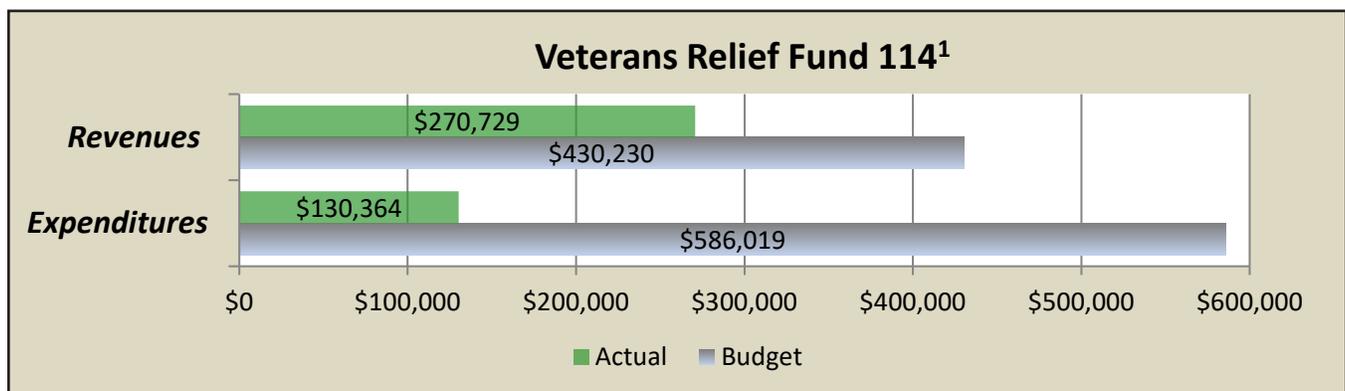
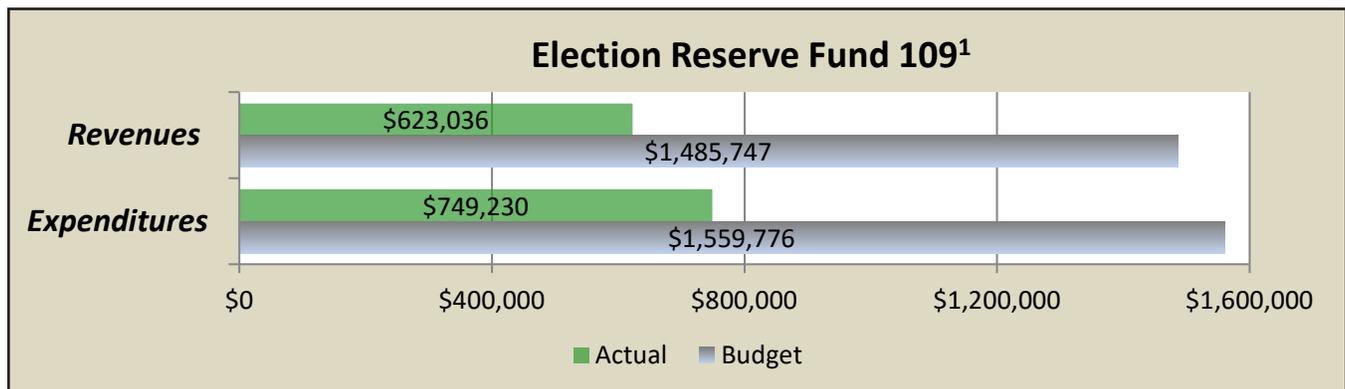
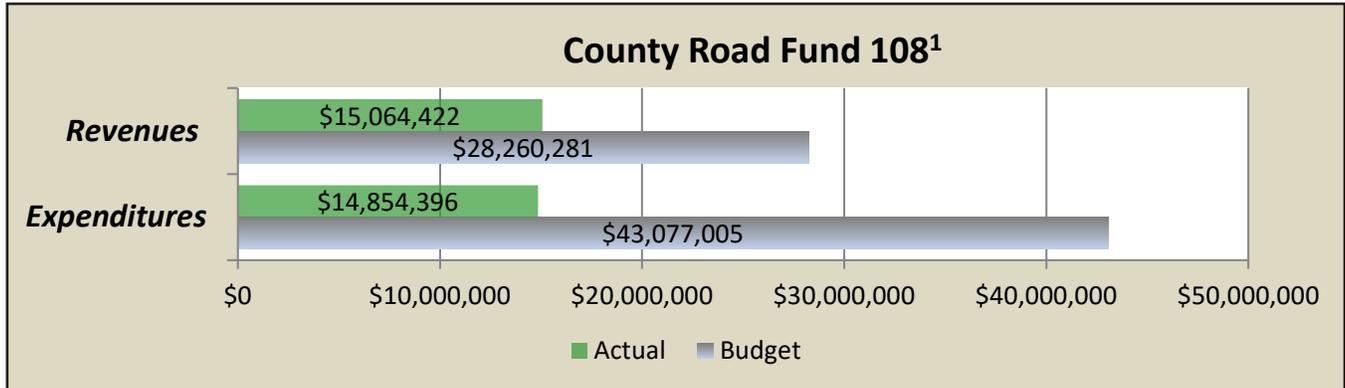
¹ The estimated budget lapse is 5% of the expenditure budget.

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Special Revenue Funds and Other Funds



Notes:

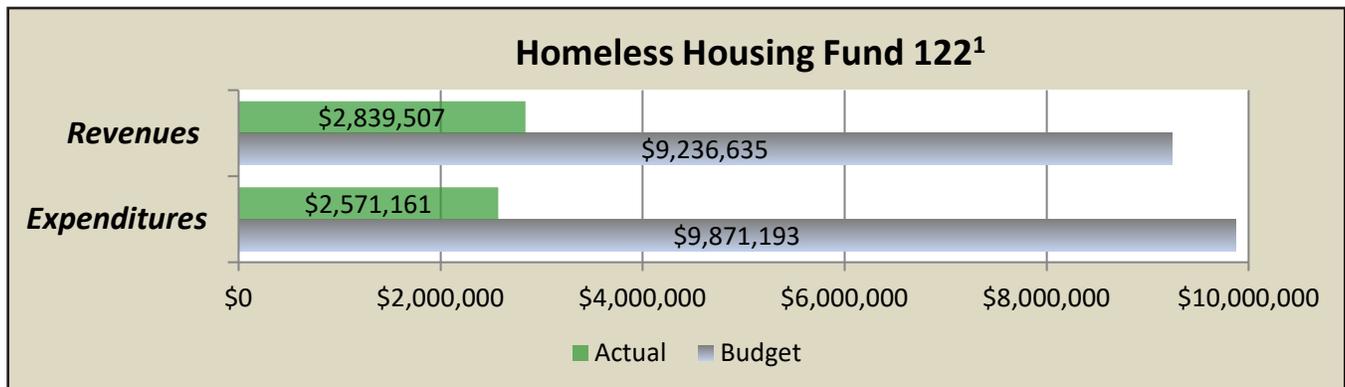
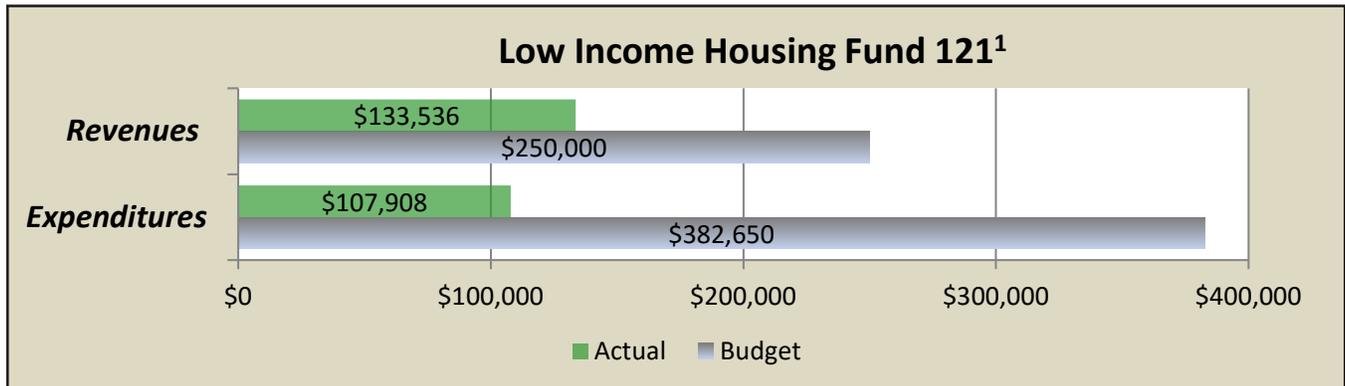
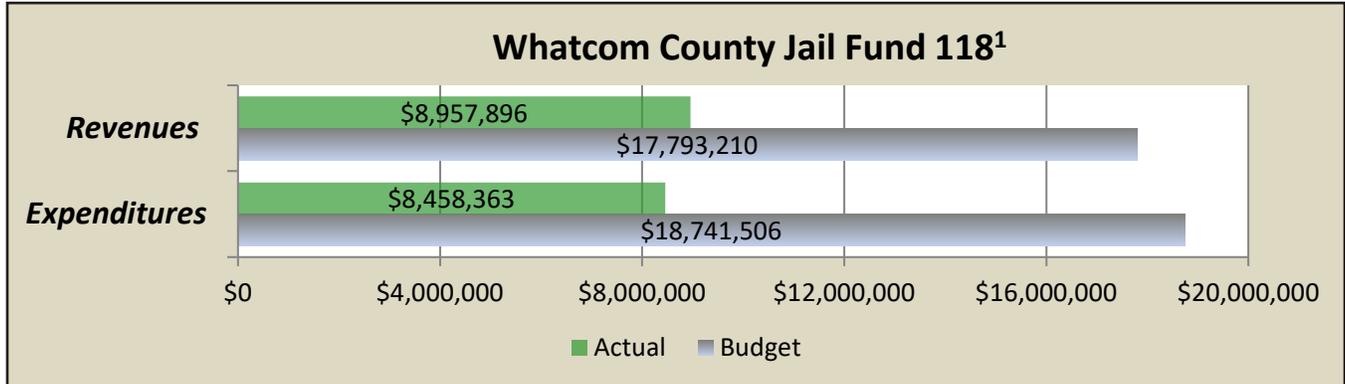
¹ Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.

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Special Revenue Funds and Other Funds, continued



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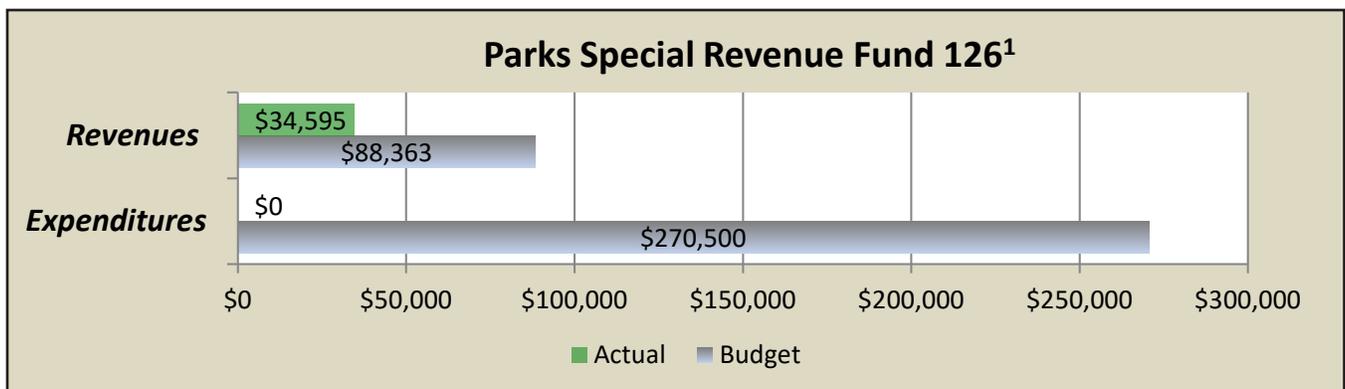
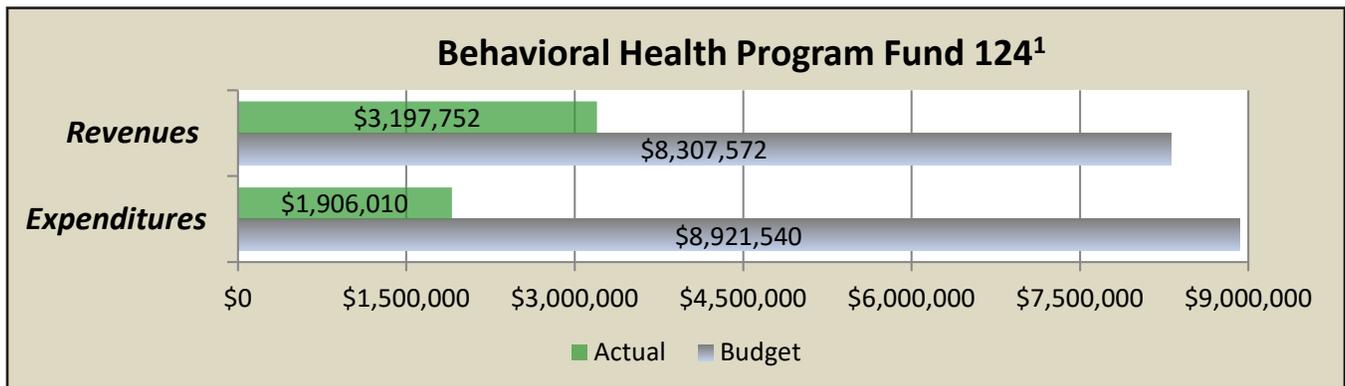
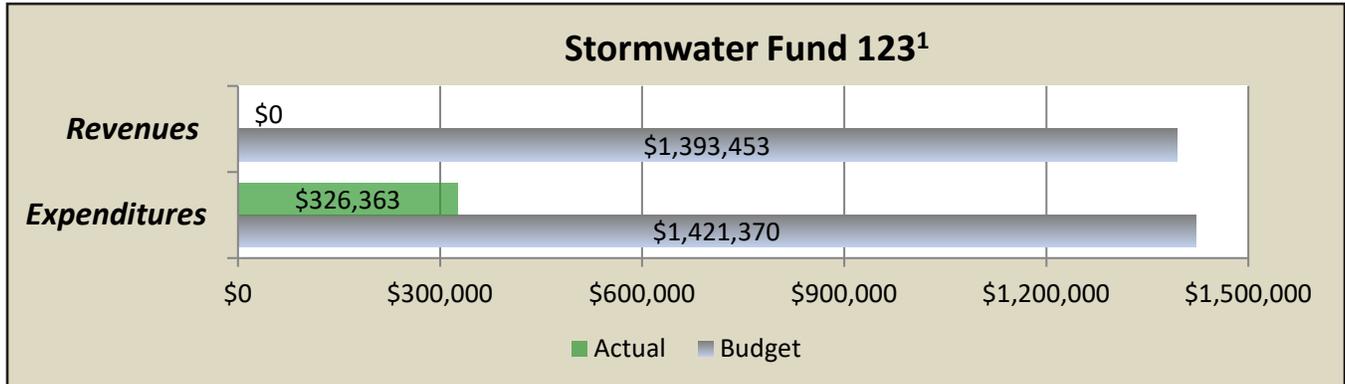
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Special Revenue Funds and Other Funds, continued



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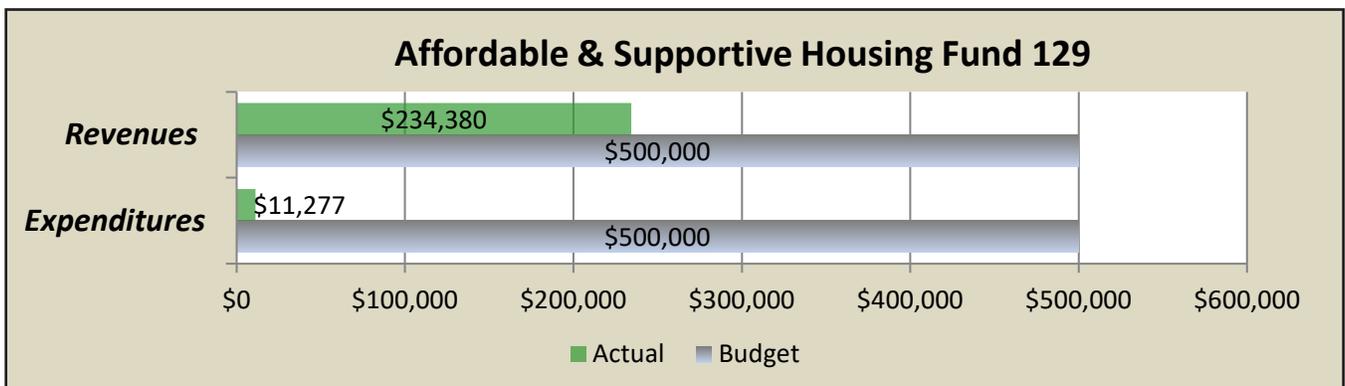
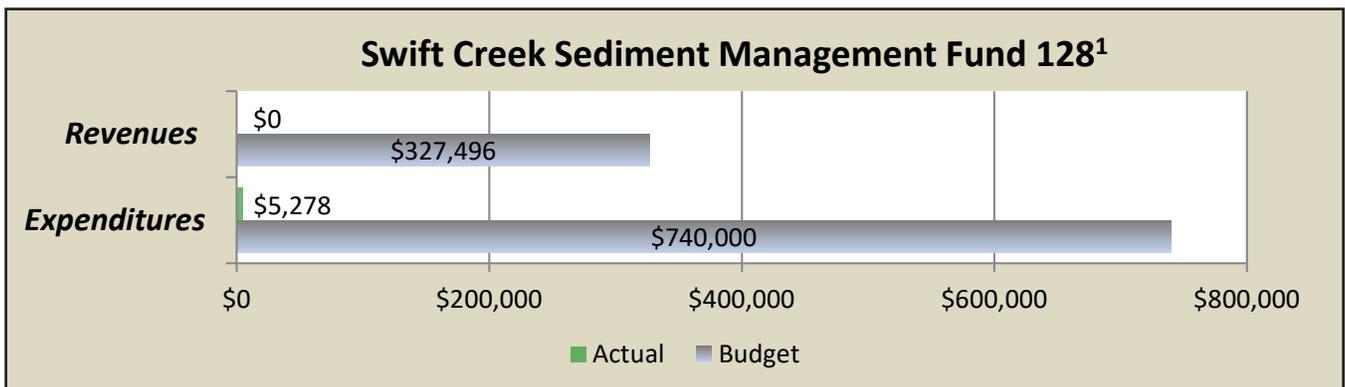
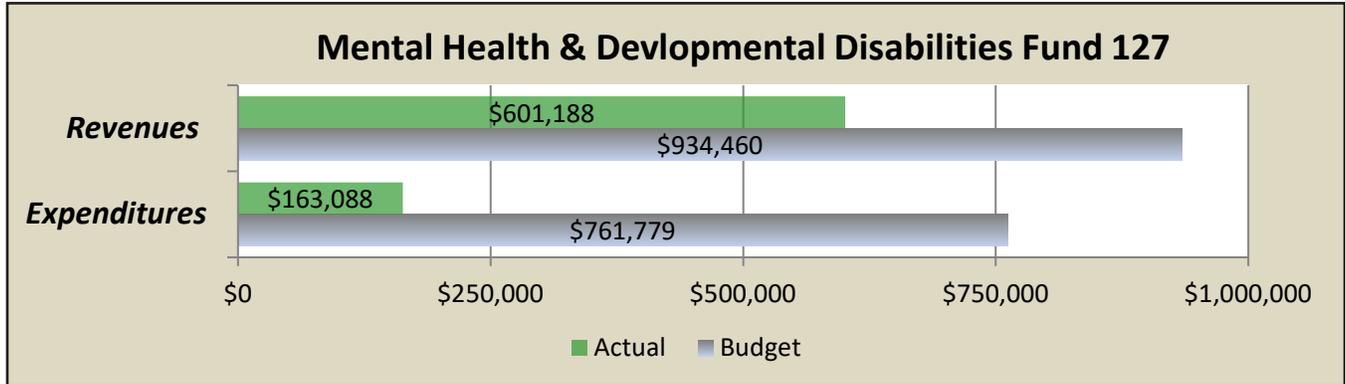
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Special Revenue Funds and Other Funds, continued



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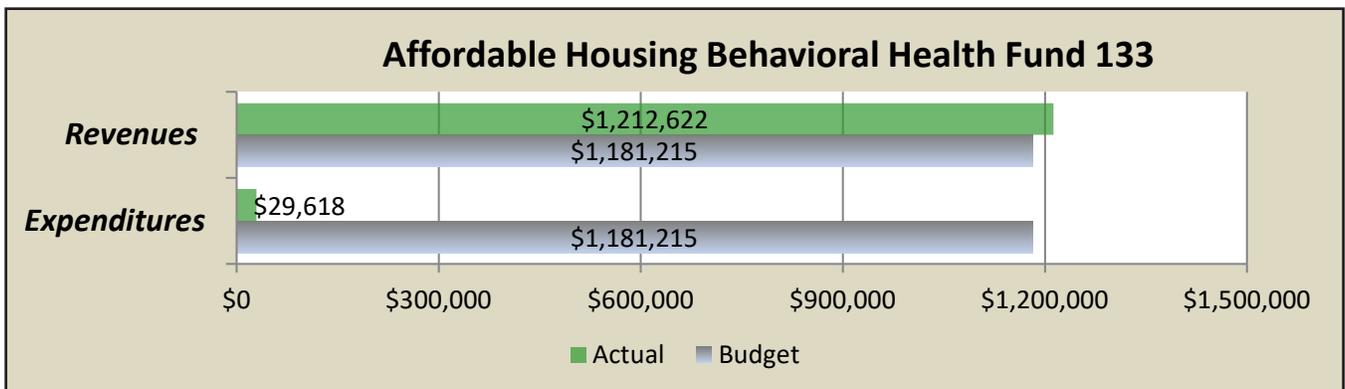
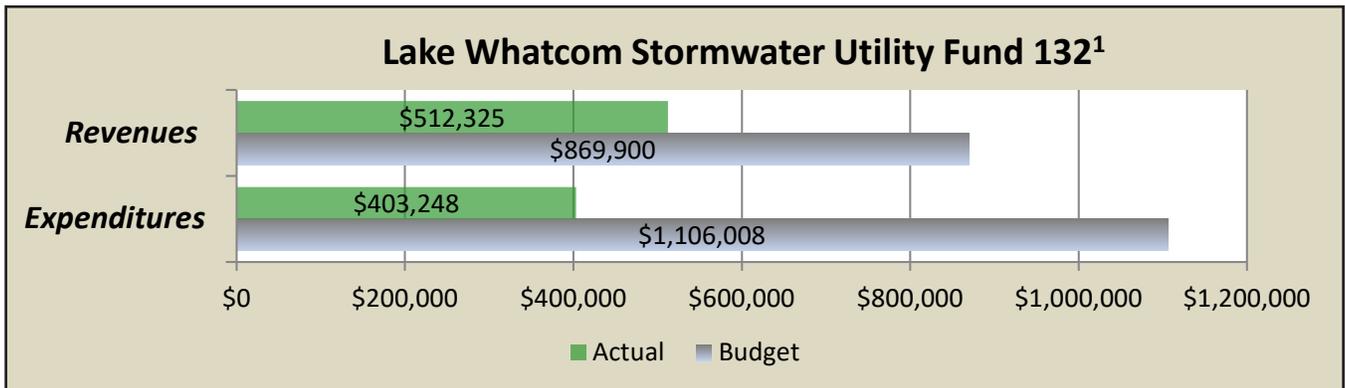
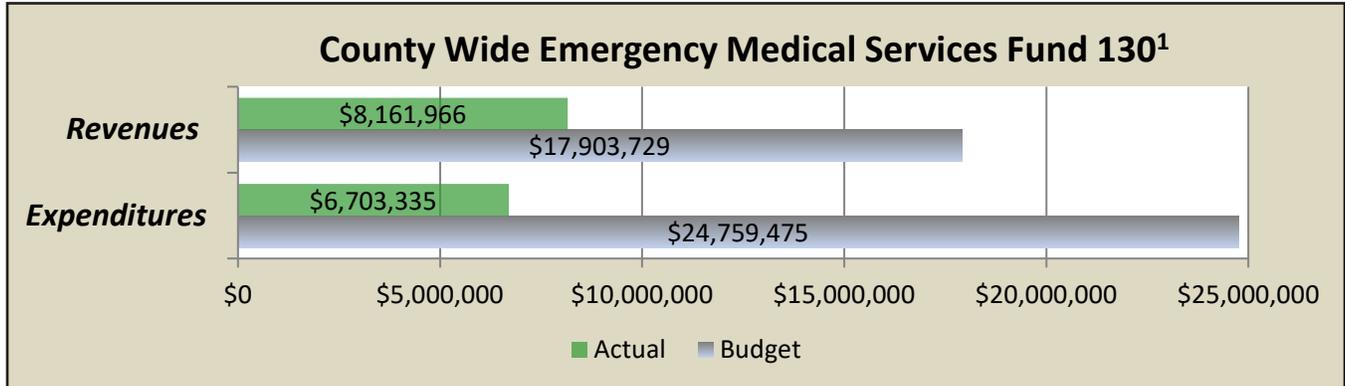
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Special Revenue Funds and Other Funds, continued



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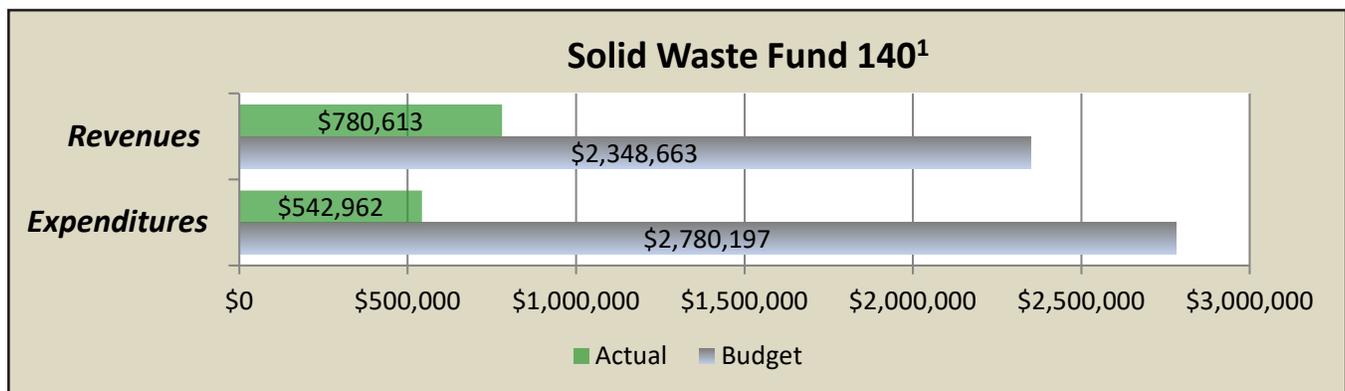
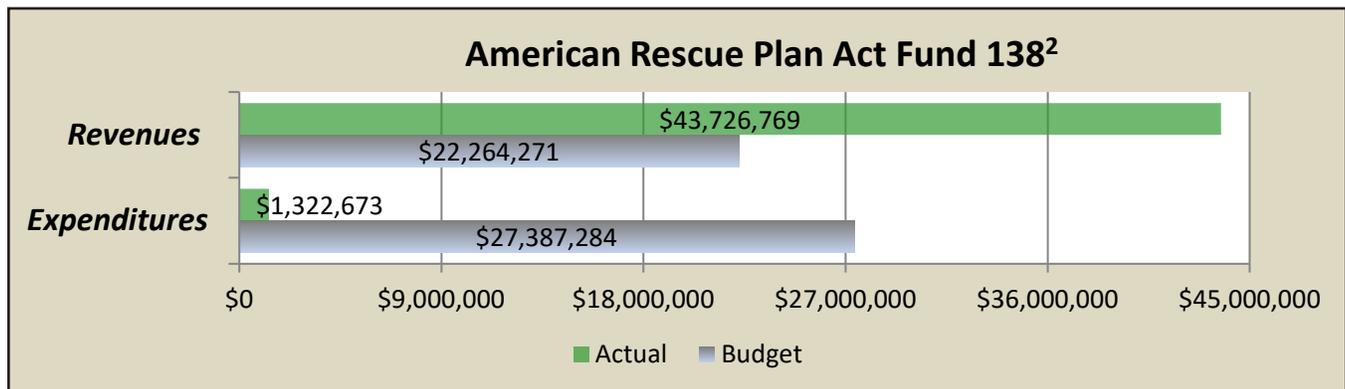
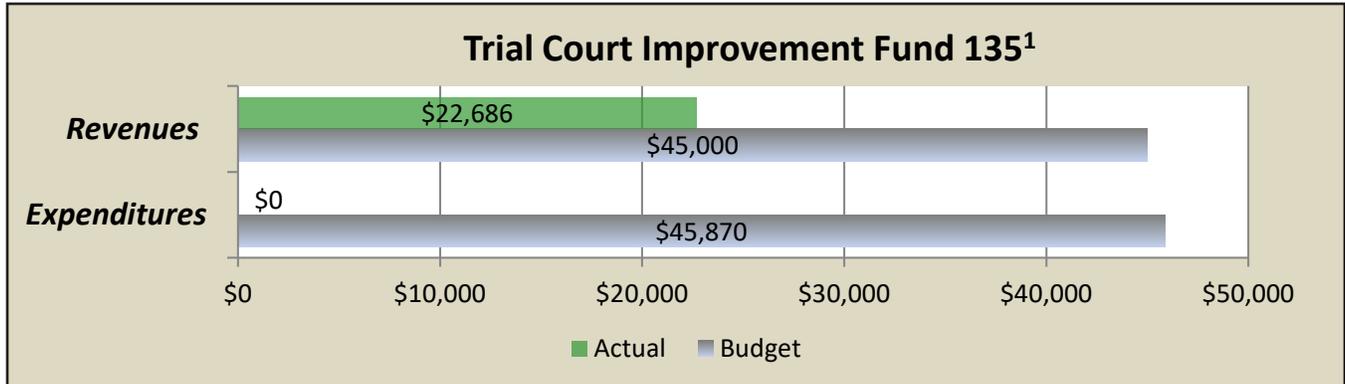
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Special Revenue Funds and Other Funds, continued



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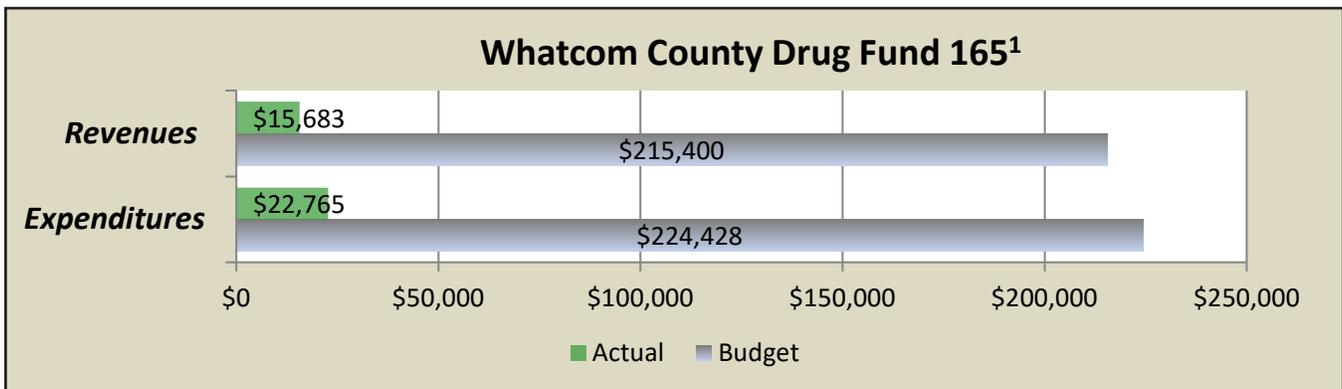
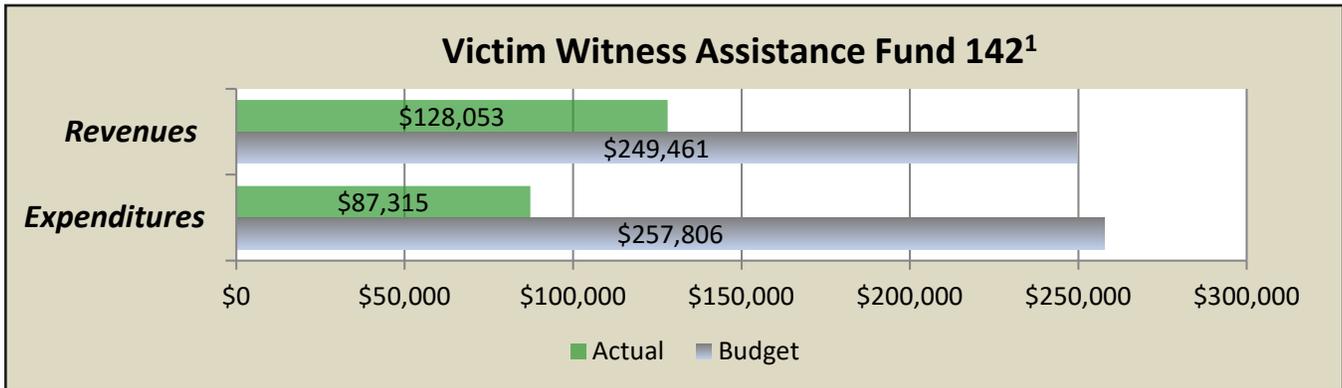
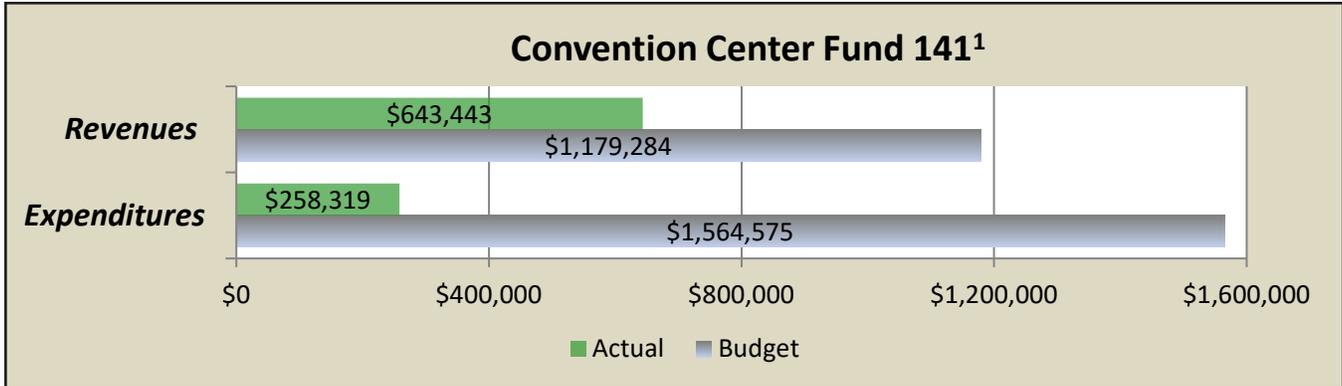
- ¹ Funds with larger expenditure budgets than revenue budgets anticipate adequate budget lapse or use of fund equity reserves.
- ² The County's second installment of federal American Rescue Plan Act funding has been received in advance and will be deferred at year-end for spending in 2023 and 2024.

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Special Revenue Funds and Other Funds, continued



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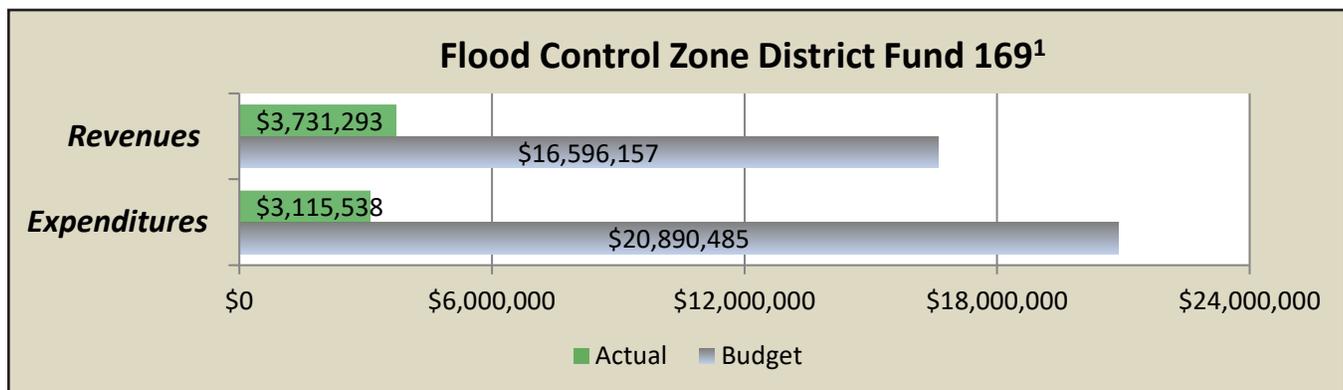
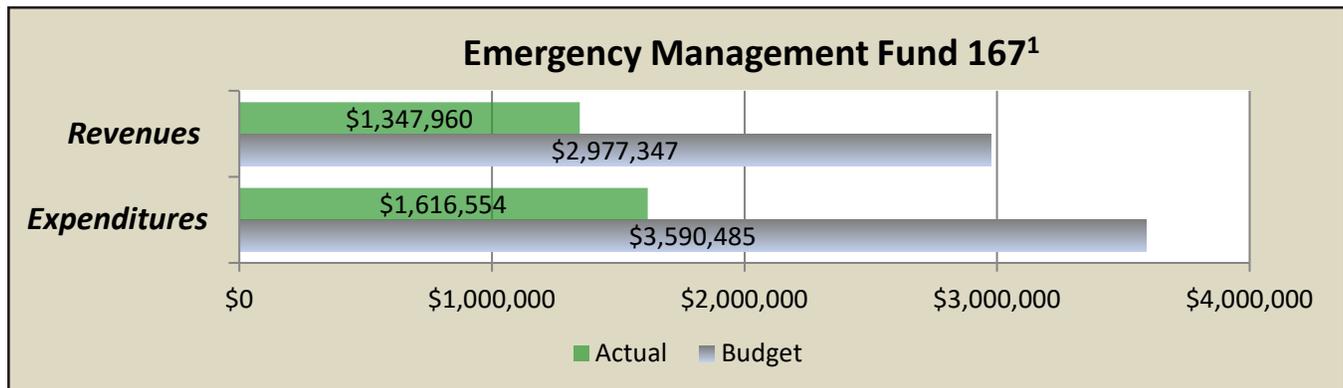
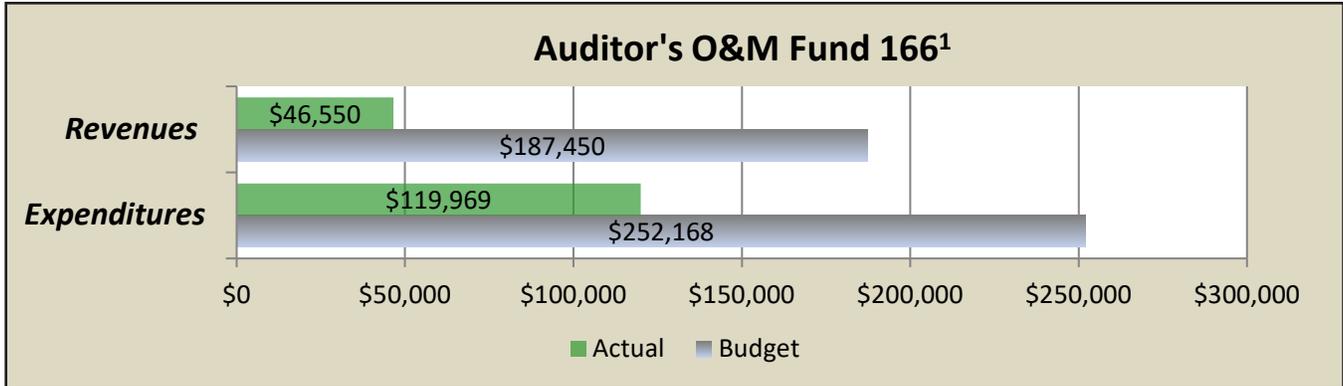
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Special Revenue Funds and Other Funds, continued



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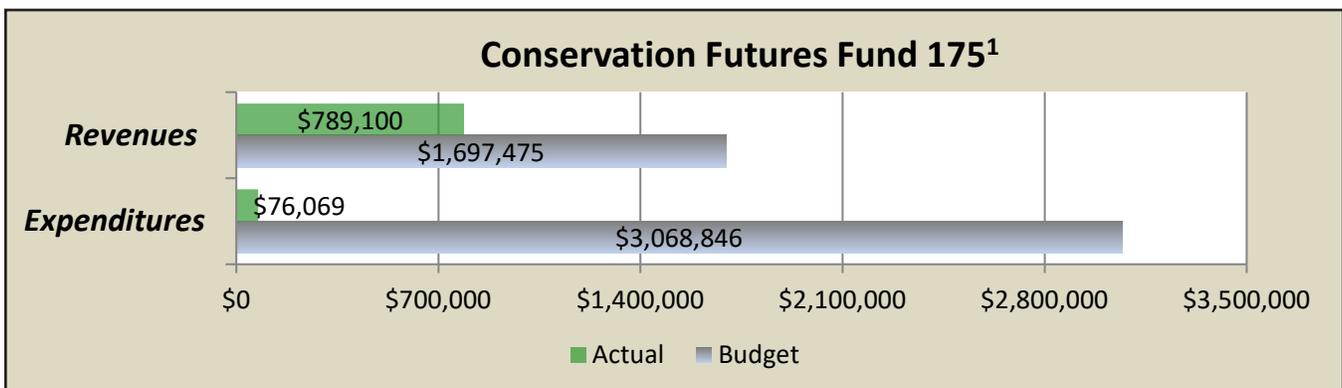
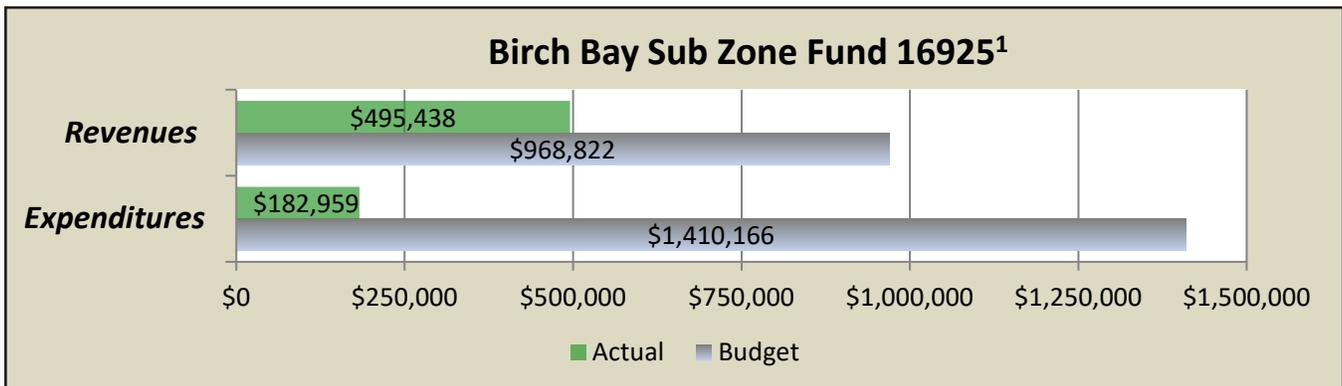
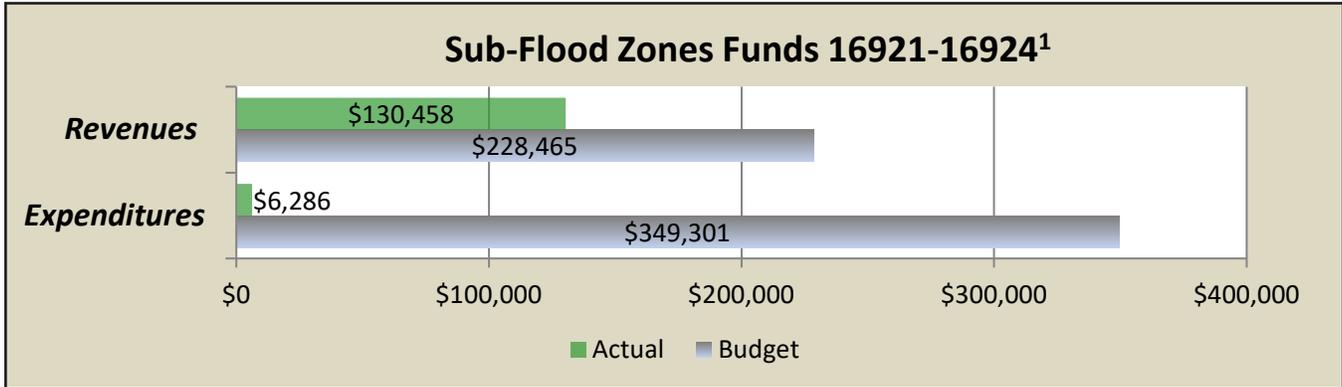
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Special Revenue Funds and Other Funds, continued



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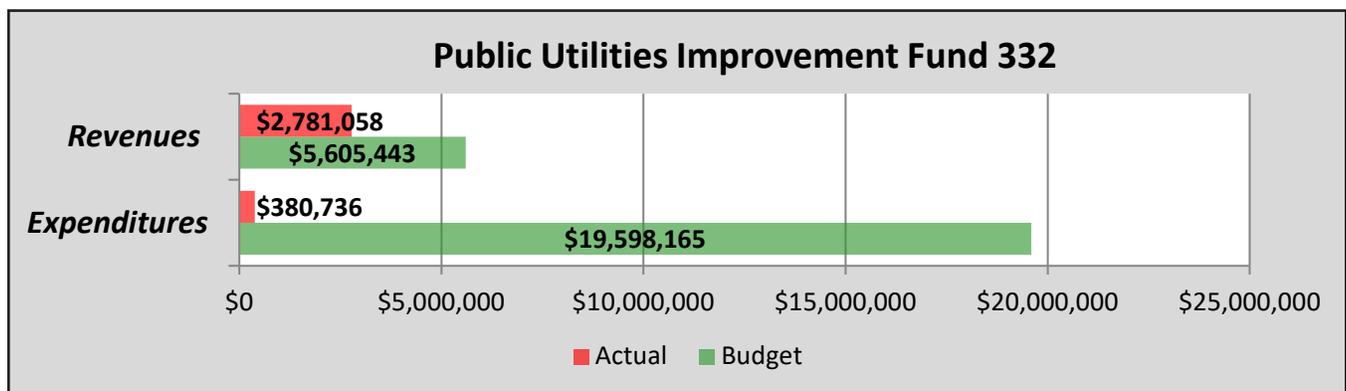
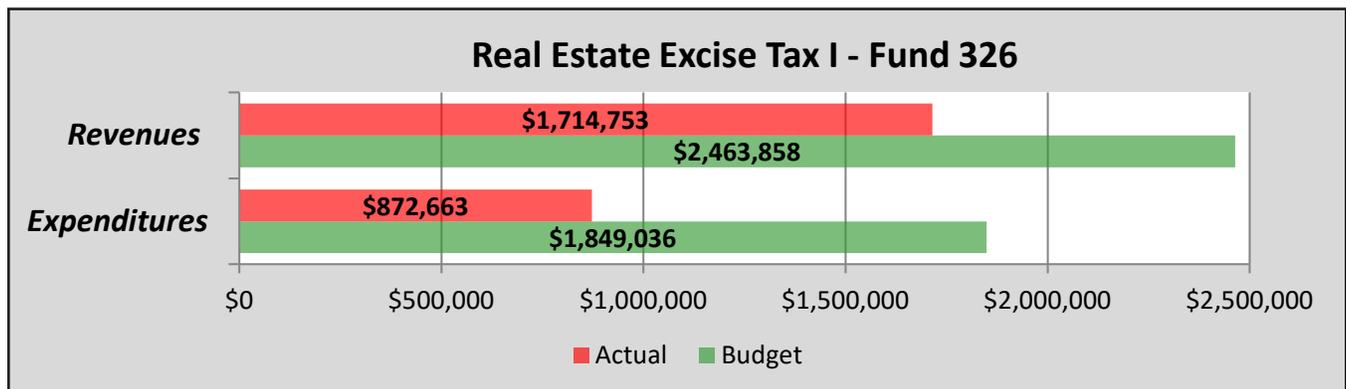
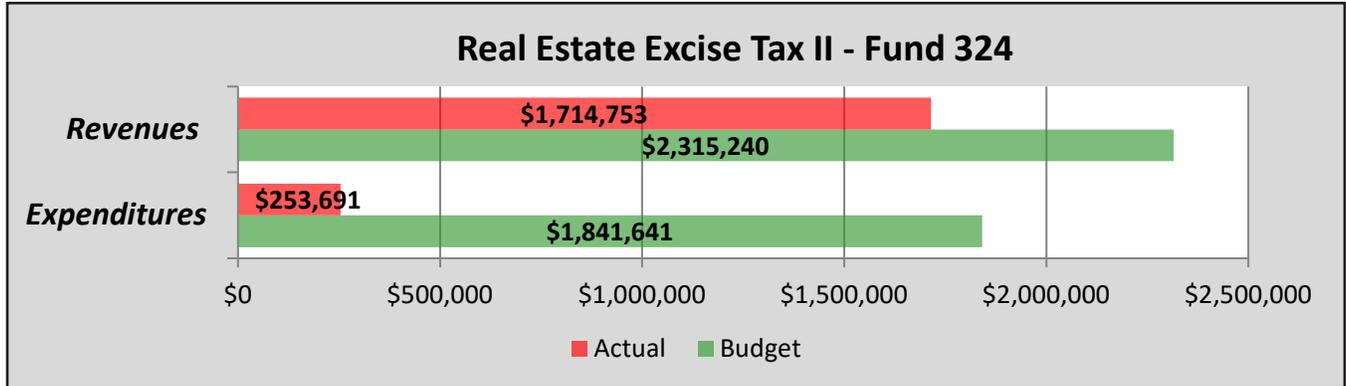
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Capital Project Funds

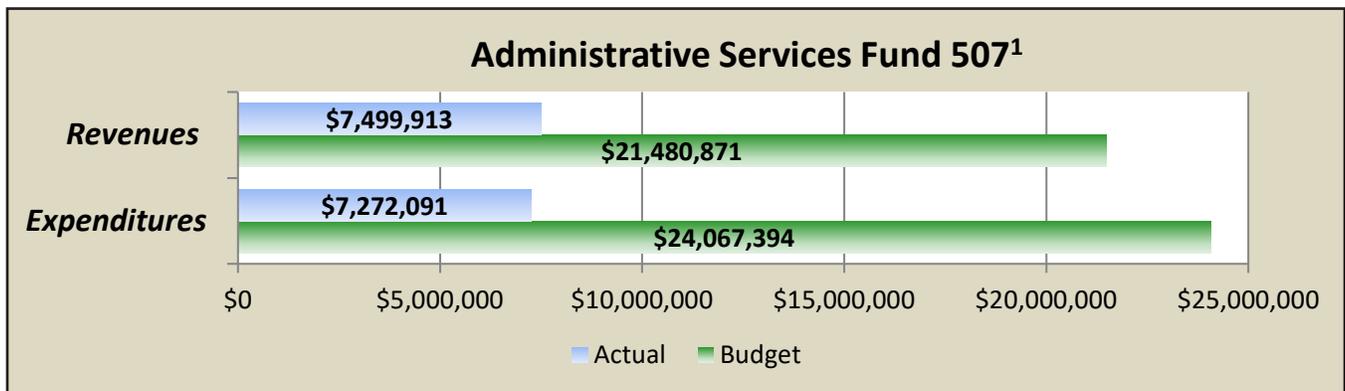
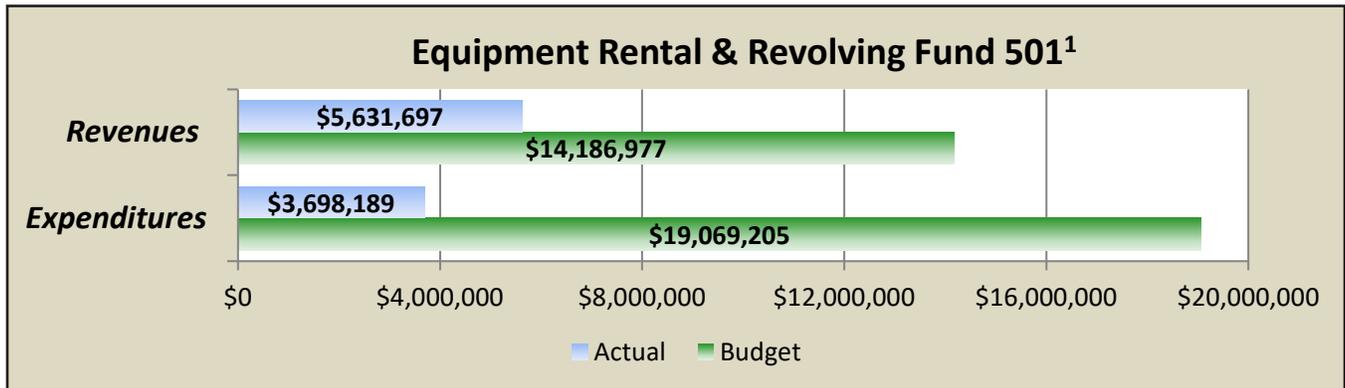
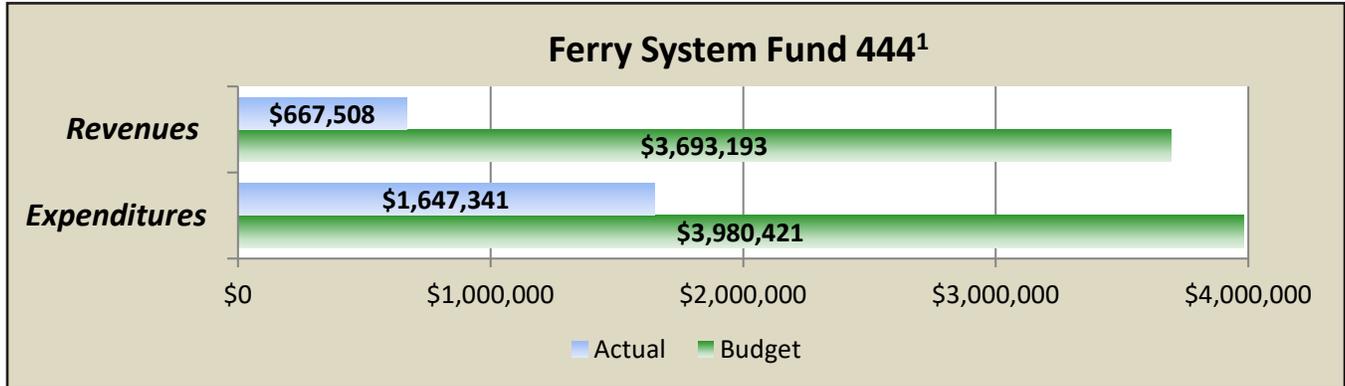


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Enterprise and Internal Service Funds



Notes:

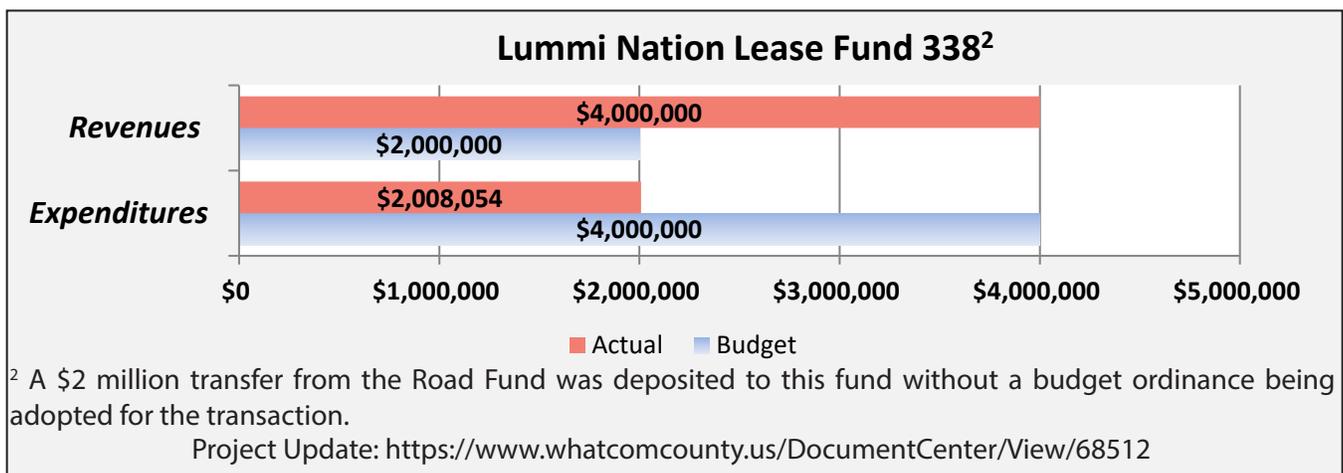
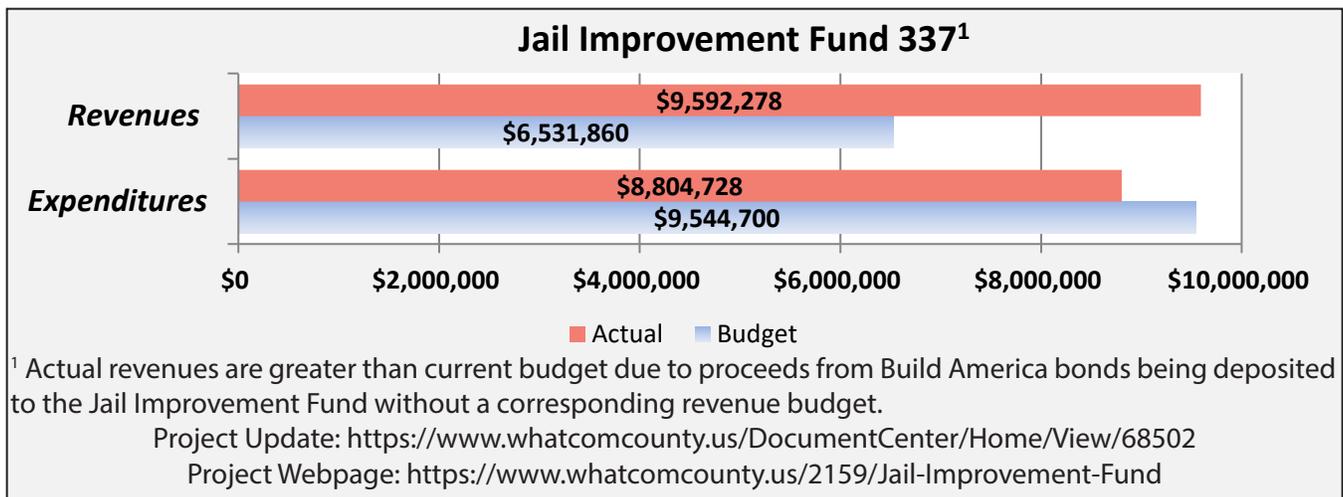
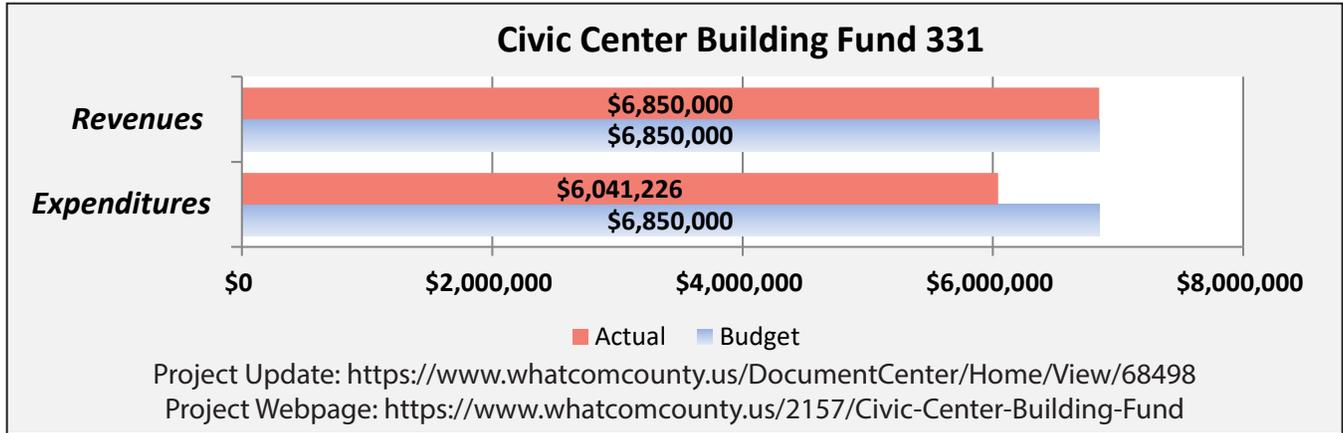
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Project Budget Funds

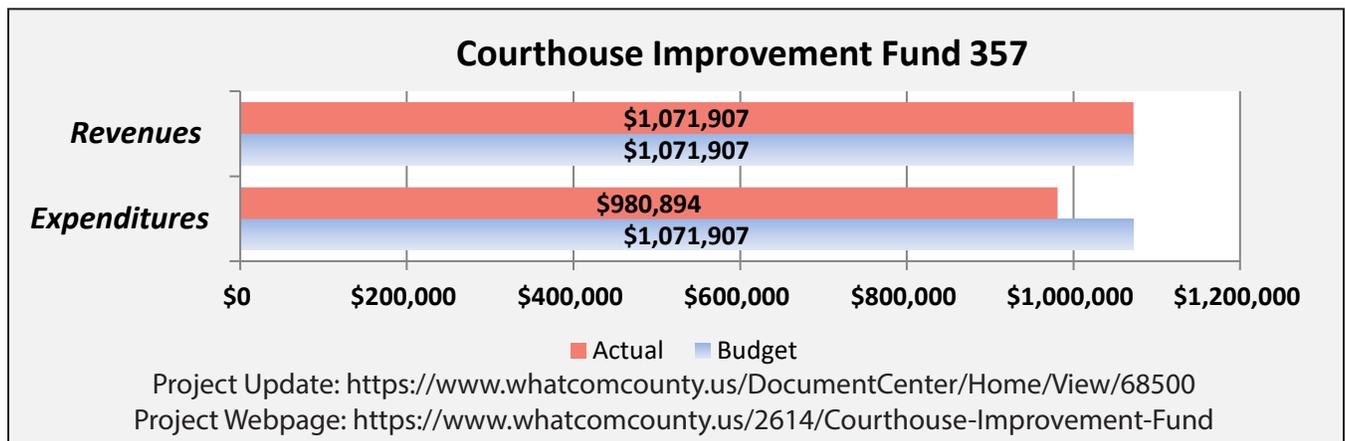
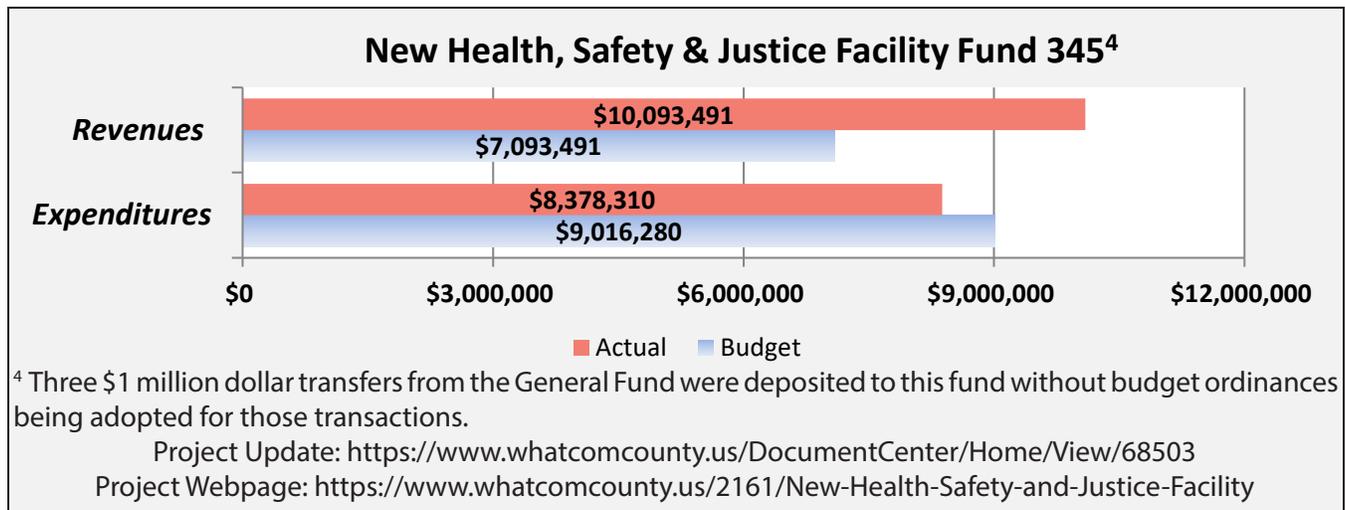
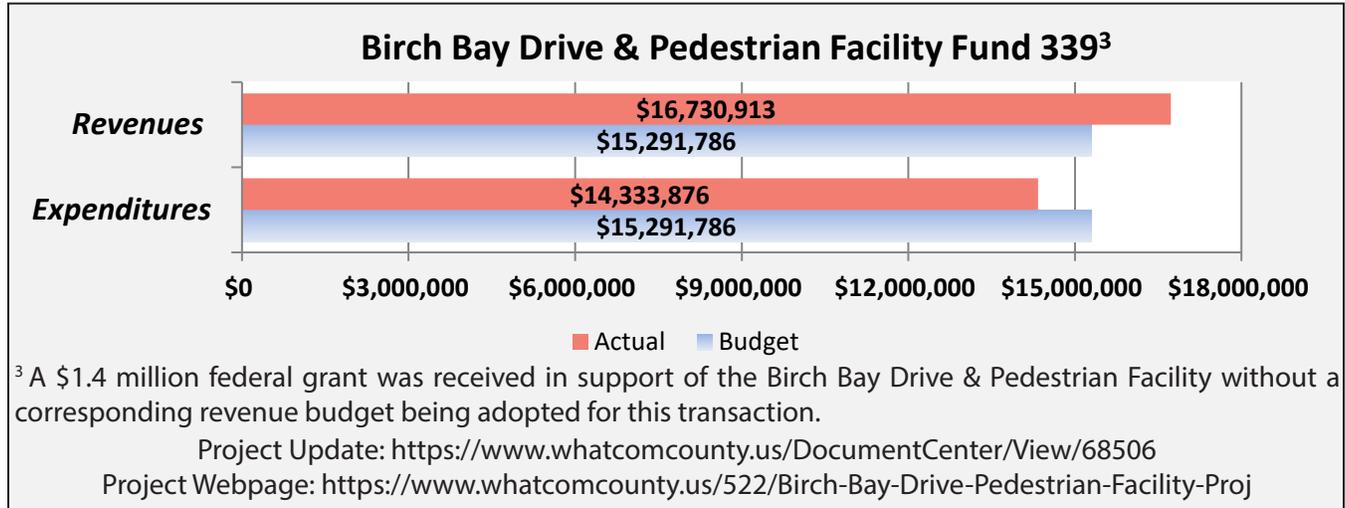


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Project Budget Funds, continued

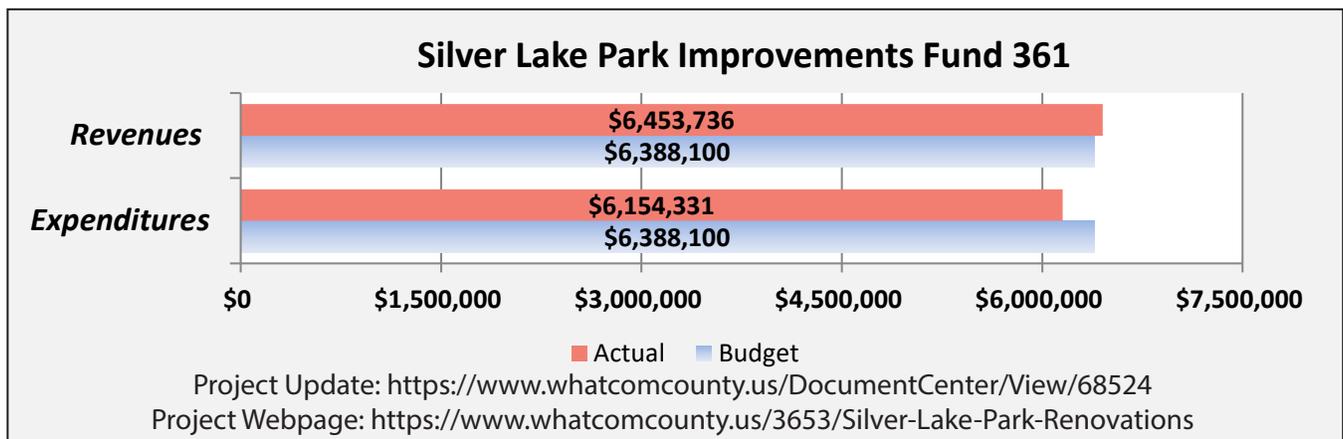
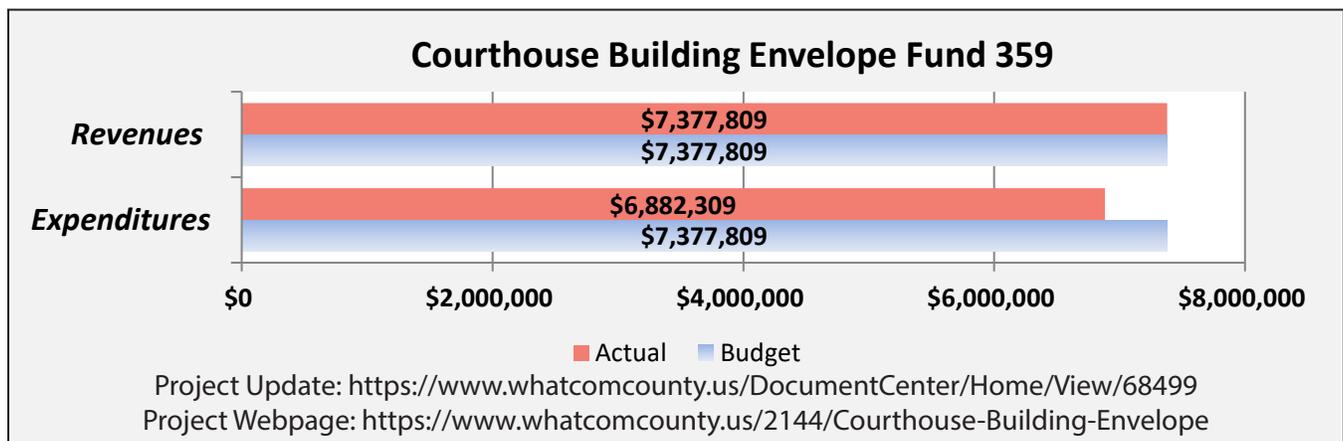
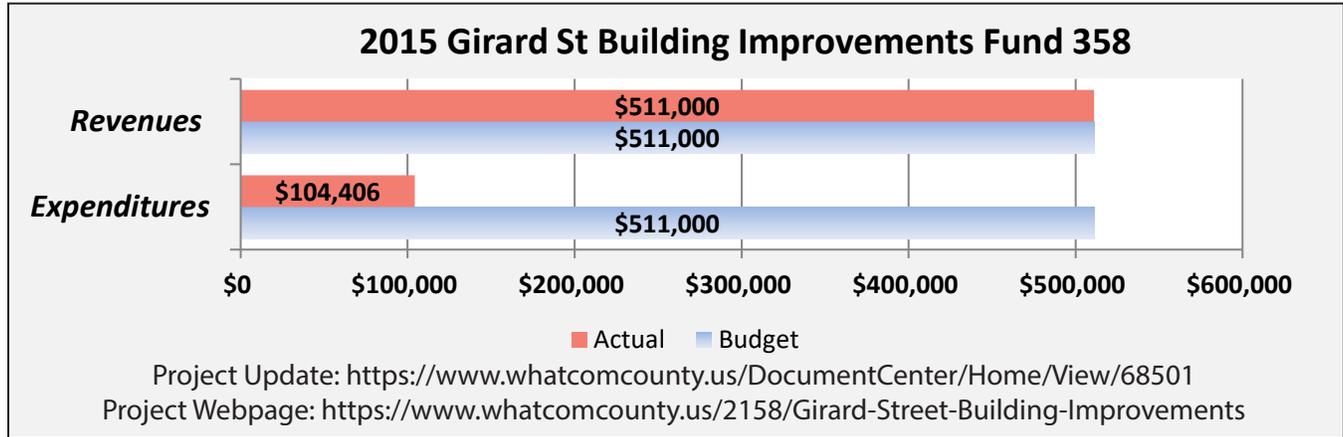


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For the Quarter Ended June 30, 2022



Project Budget Funds, continued

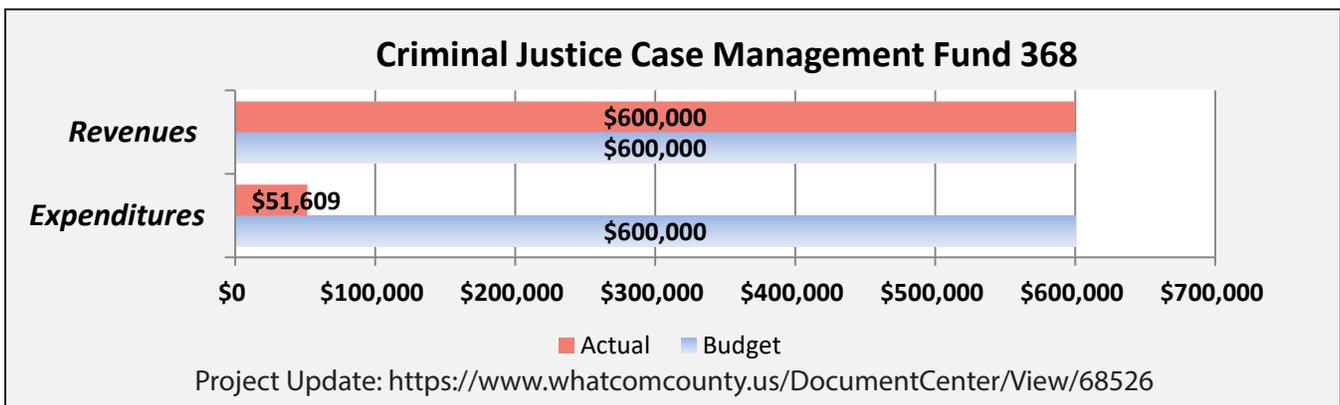
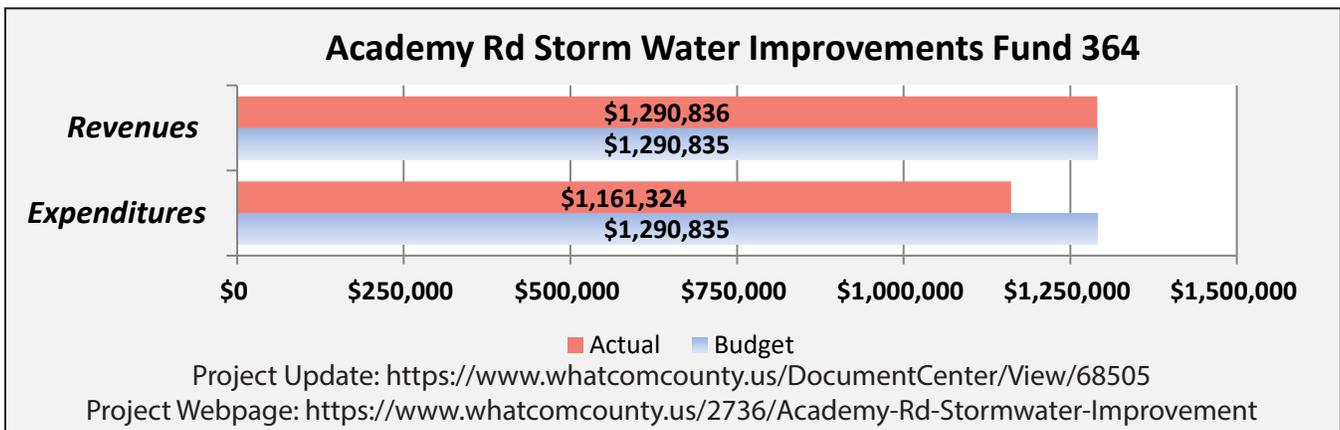
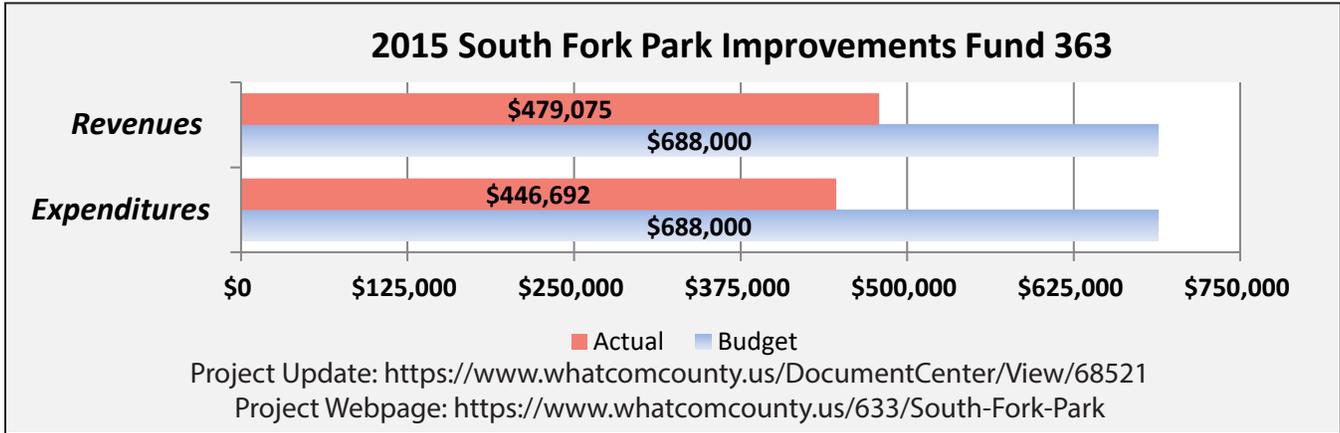


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Project Budget Funds, continued

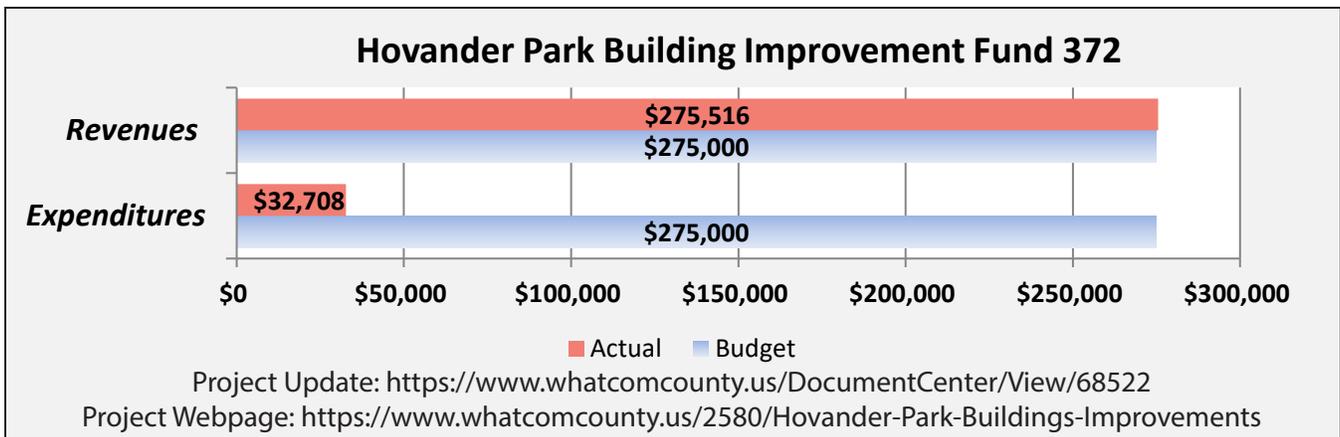
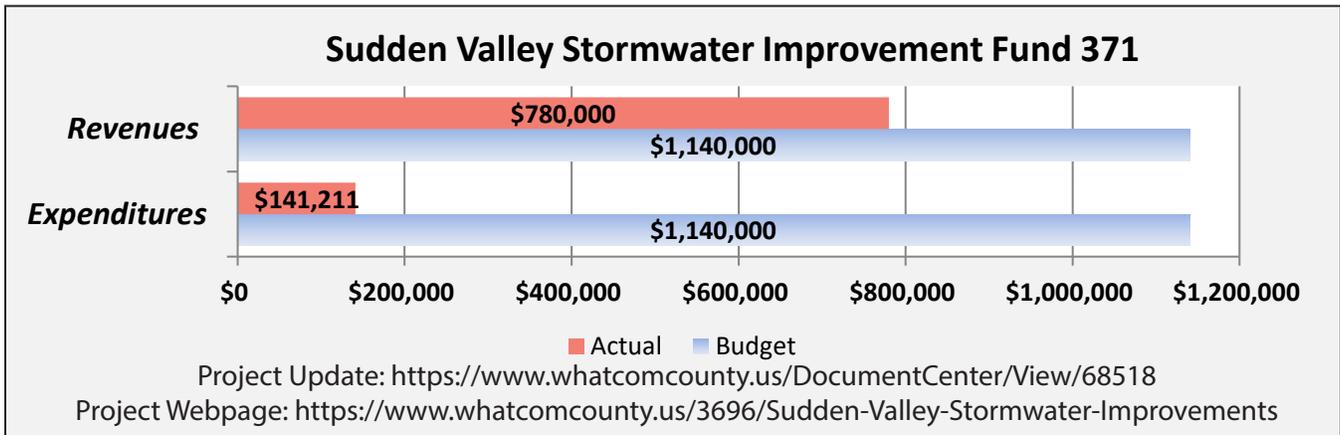
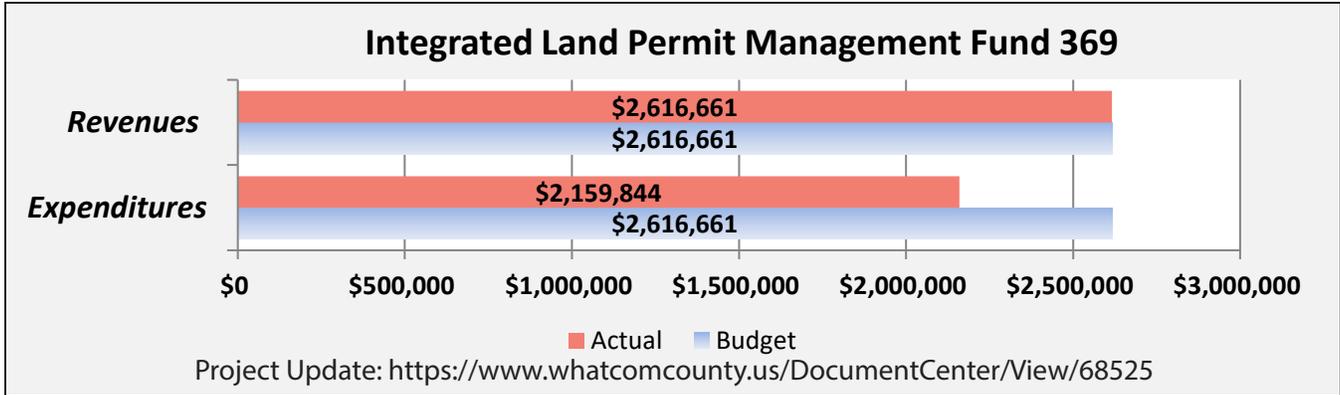


Whatcom County Second Quarter 2022 Financial Report

For the Quarter Ended June 30, 2022



Project Budget Funds, continued

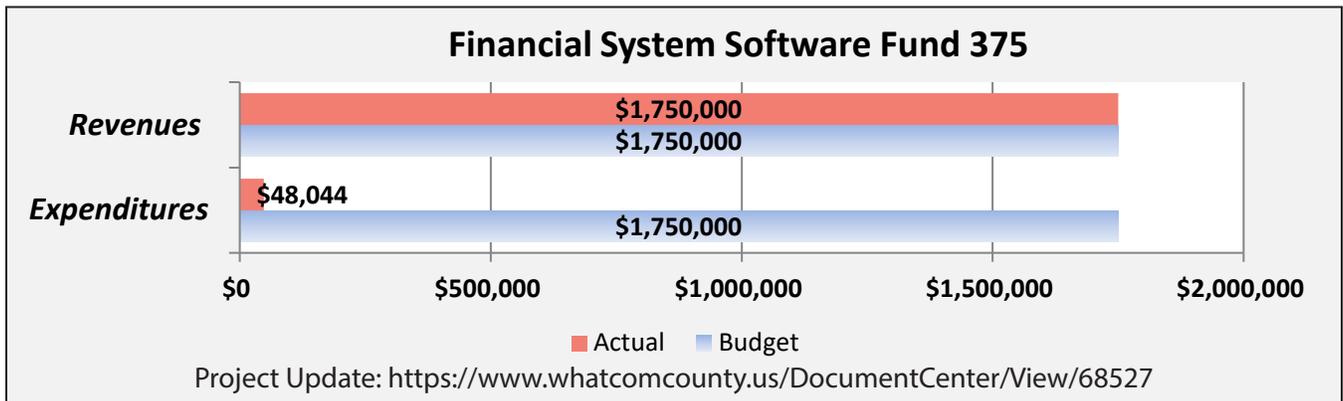
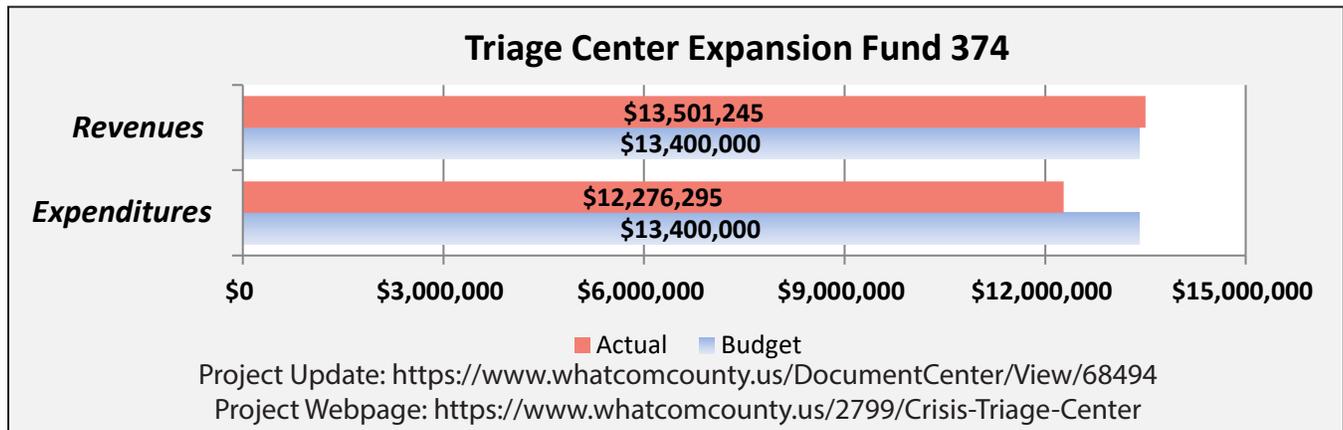
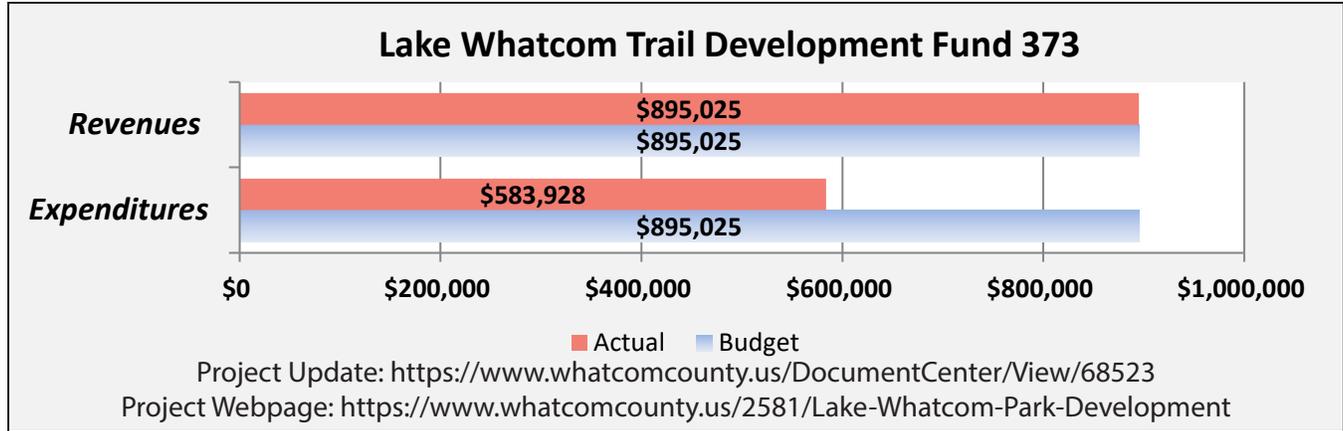


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For the Quarter Ended June 30, 2022



Project Budget Funds, continued

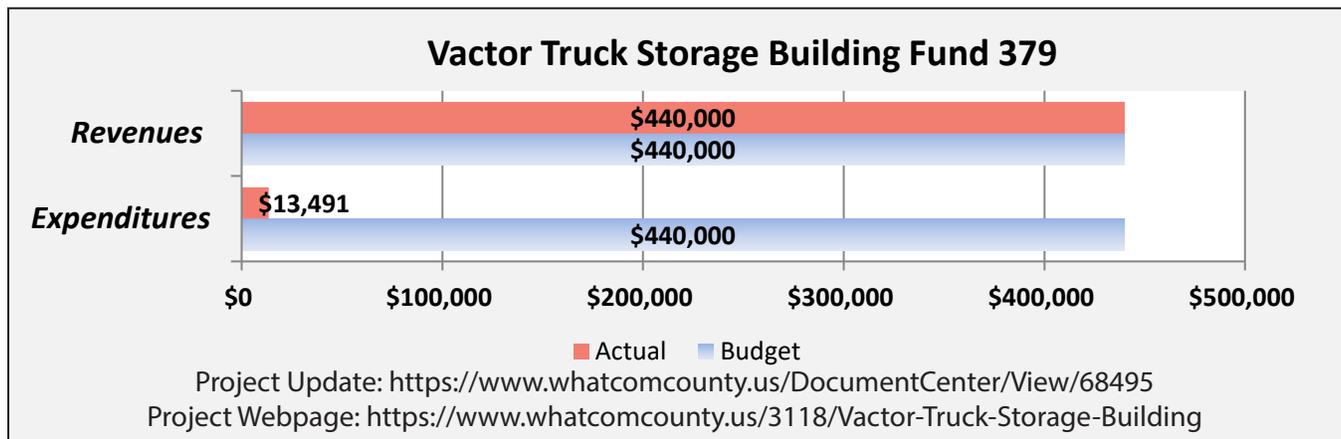
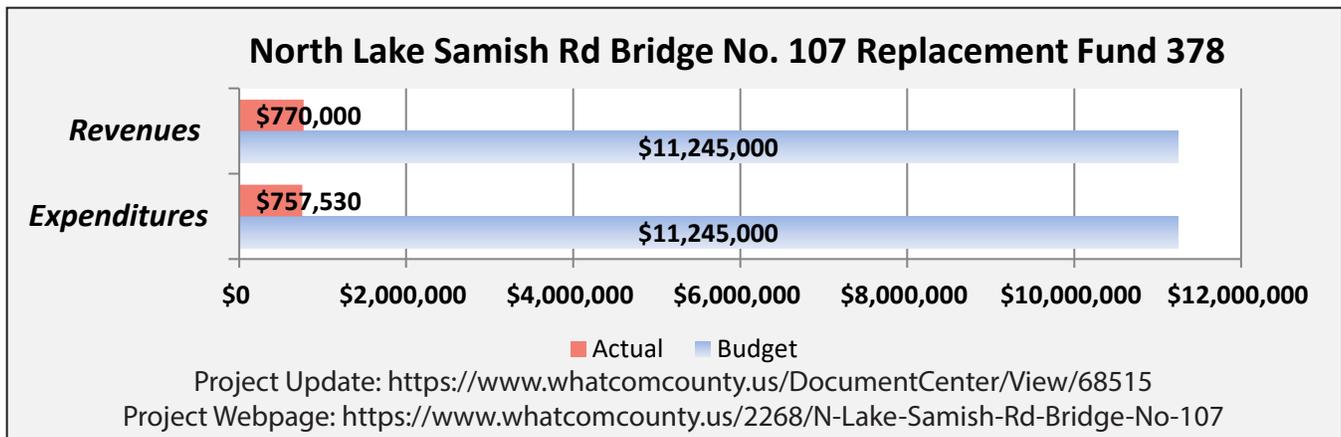
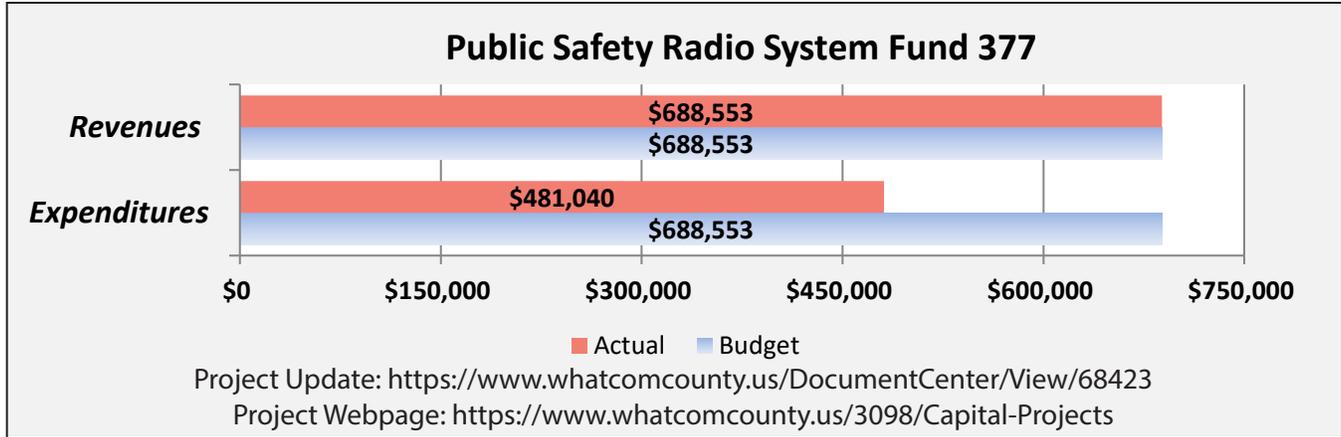


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For the Quarter Ended June 30, 2022



Project Budget Funds, continued

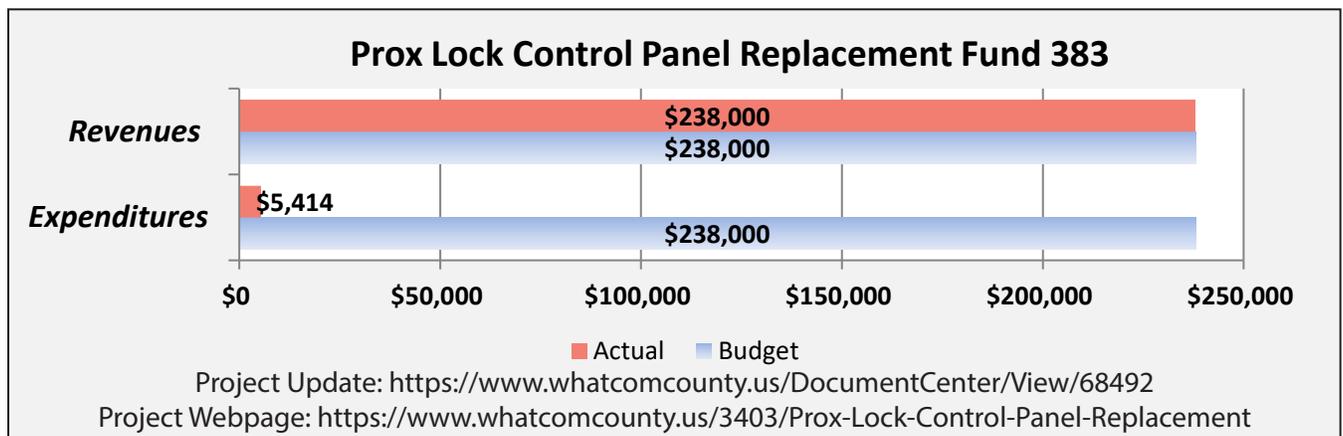
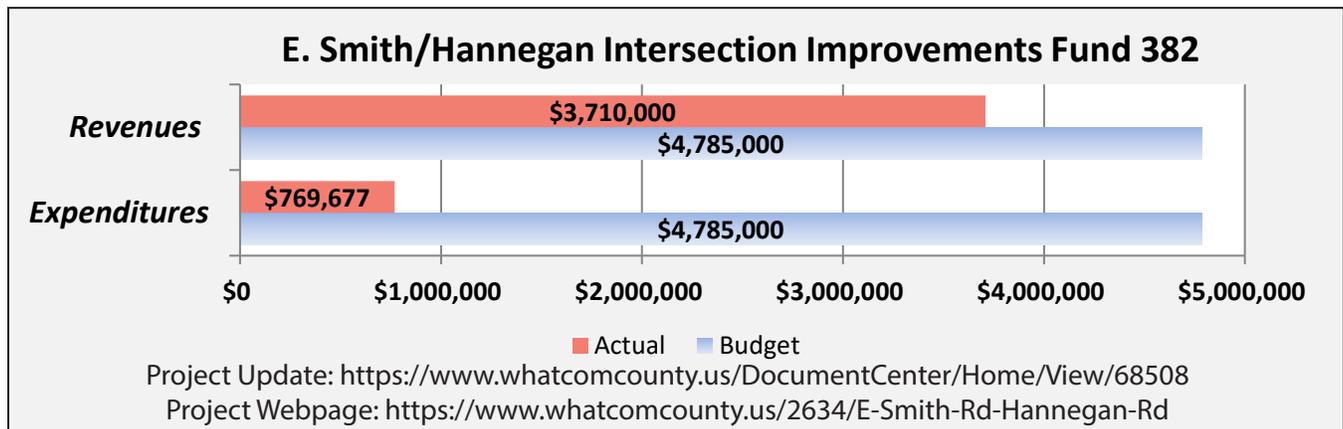
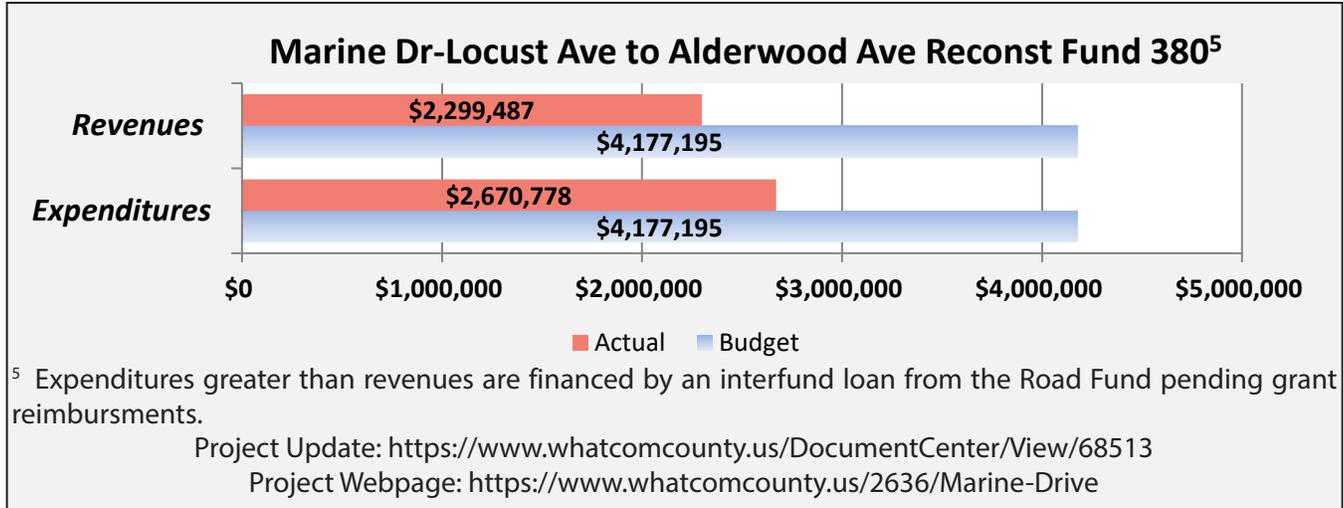


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For the Quarter Ended June 30, 2022



Project Budget Funds, continued

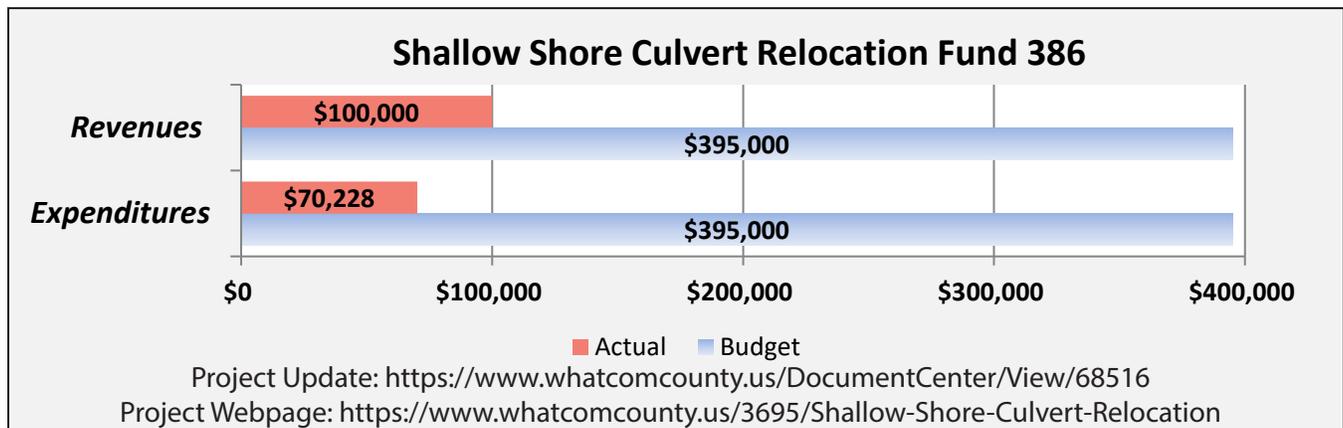
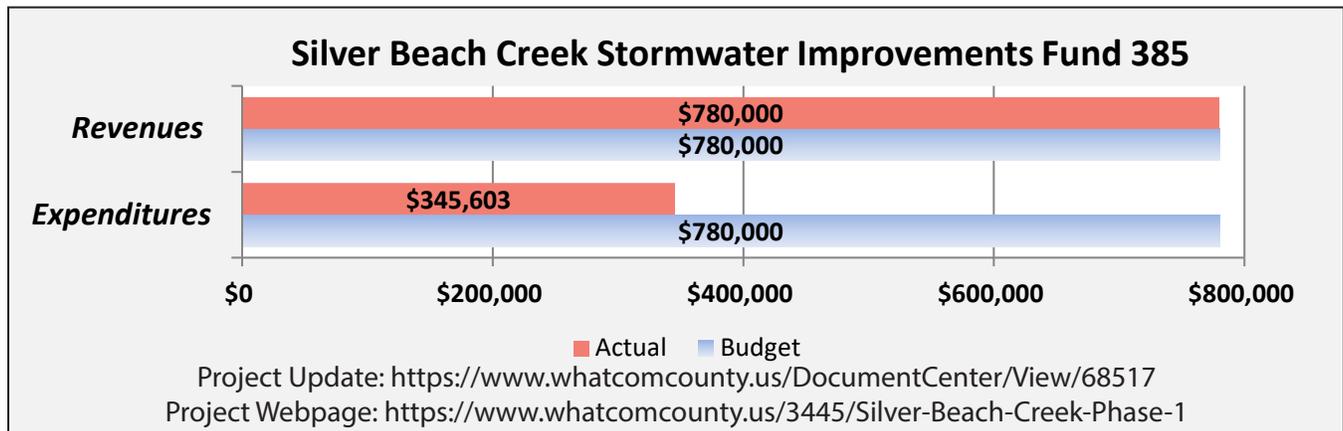
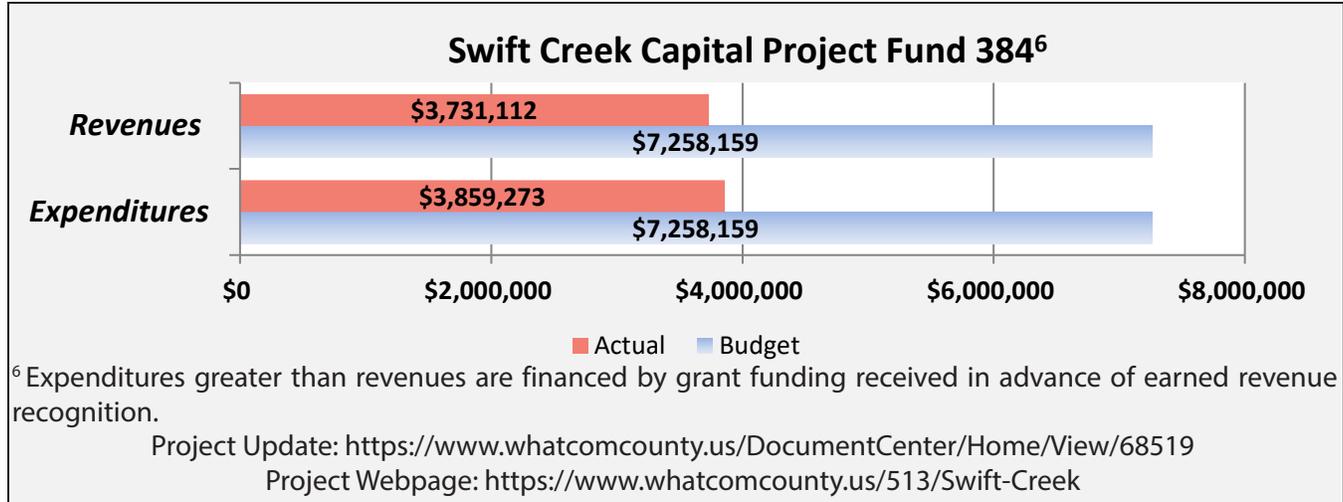


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For the Quarter Ended June 30, 2022



Project Budget Funds, continued

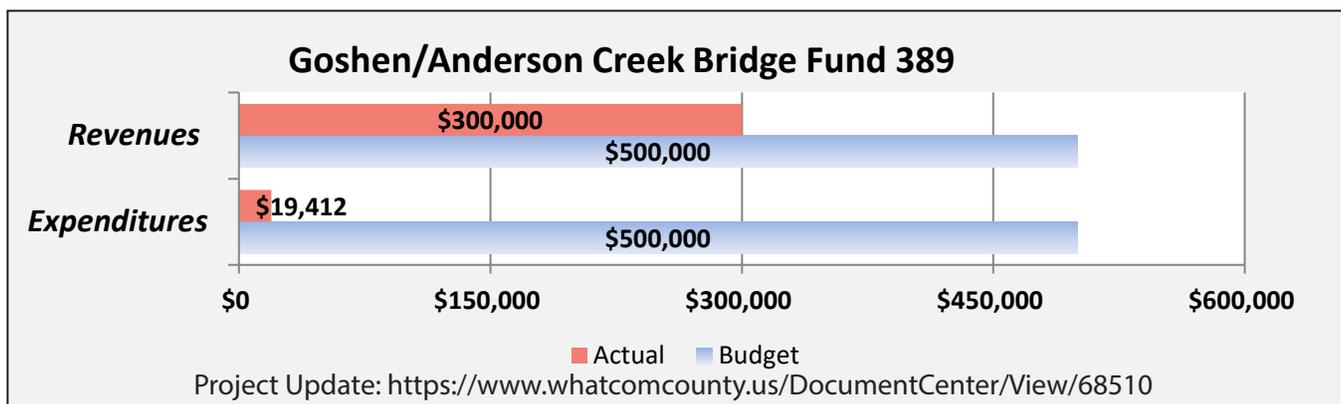
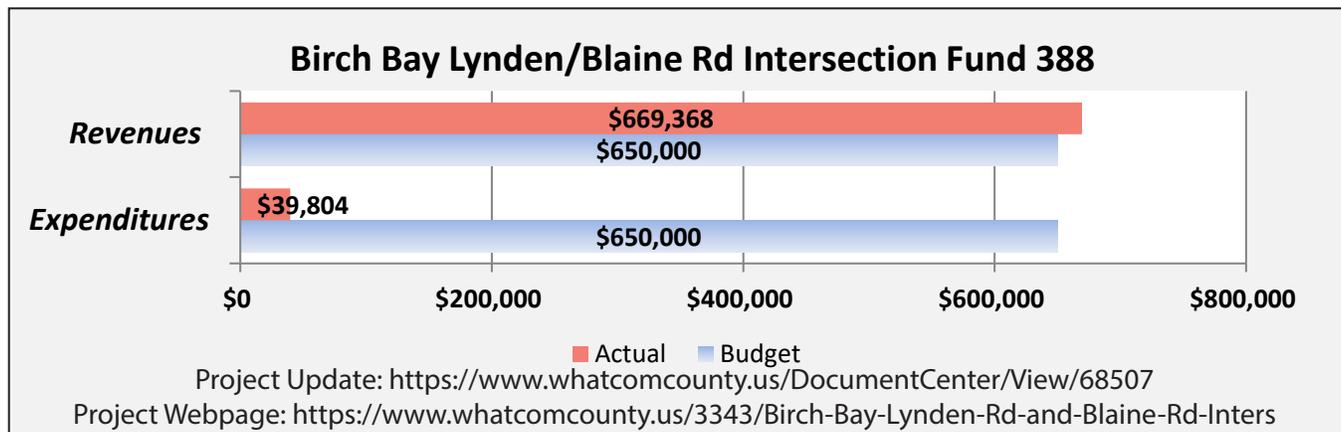
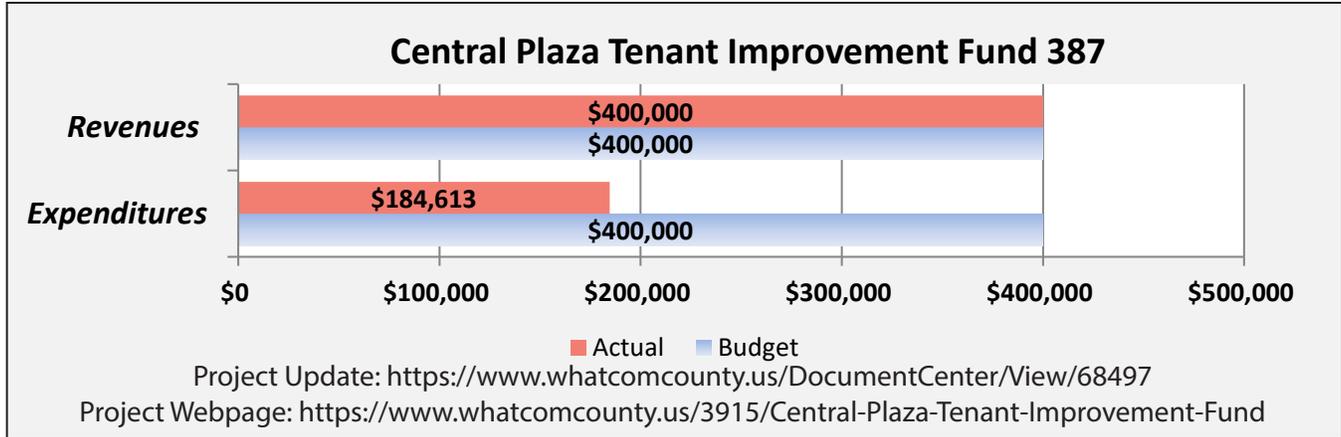


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For the Quarter Ended June 30, 2022



Project Budget Funds, continued

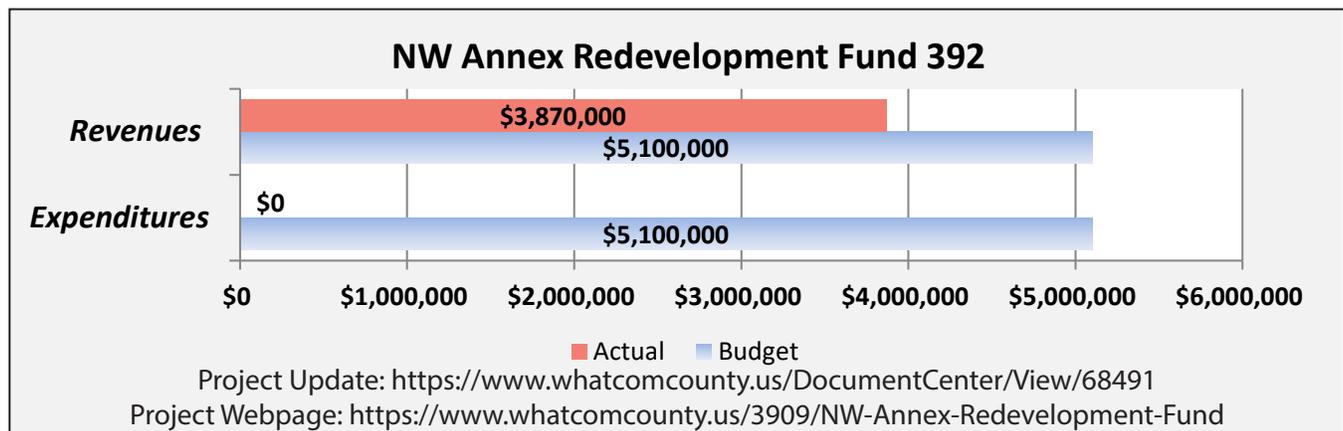
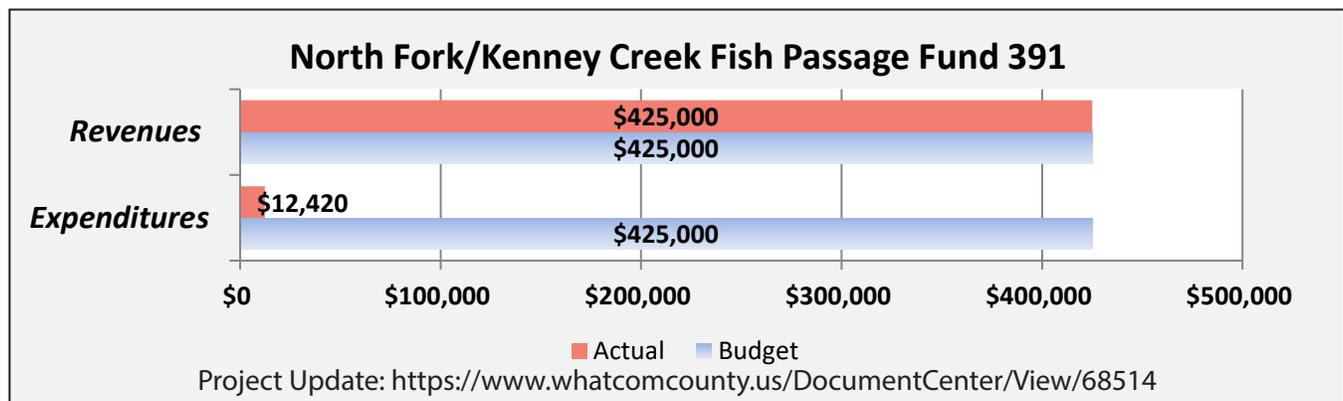
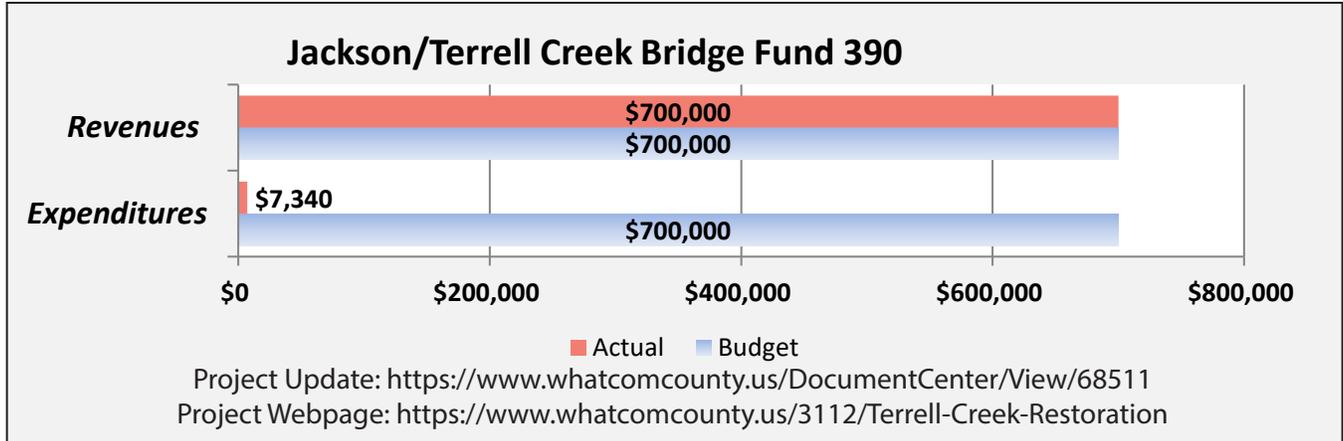


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Project Budget Funds, continued



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Project Budget Funds, continued

