



WASHINGTON COUNTY, MARYLAND

FISCAL & ECONOMIC UPDATE

QUARTERLY REPORT

SEPTEMBER 2025



Washington County

M A R Y L A N D

FINANCIAL STATISTICS

3

REVENUE TRENDS

3

SUMMARY OF MAJOR EXPENDITURE ACTIVITY

4

EMPLOYMENT DATA

5

SPENDING DATA

5

HOUSING DATA

6

PROJECTED DEBT OUTSTANDING JUNE 30, 2026

7

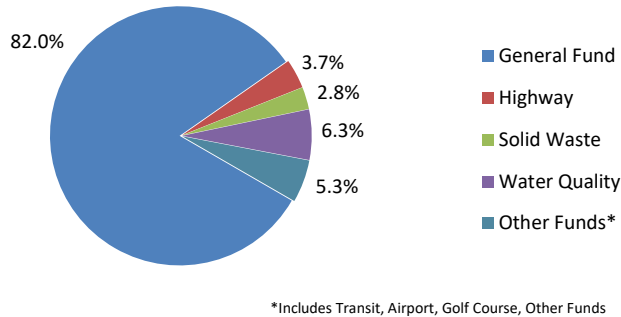
Washington County is located in northwestern Maryland, bordered by Pennsylvania to the north and West Virginia to the south. It is bordered on the east by Frederick County, Maryland and on the west by Allegany County, Maryland. Washington County is approximately 70 miles from Washington, D.C. and Baltimore, Maryland. Two major highways, Interstate 81 – running north and south, and Interstate 70 – running east and west, cross within Washington County's borders. The County is a body corporate and politic and is a mid-size, multi-service local government serving the needs of approximately 155,813 residents with nine incorporated municipalities. Under public local law both the executive and legislative functions of the County are vested in the elected, five-member Board of County Commissioners of Washington County. The County Commissioners are elected on a county-wide basis and serve four-year terms. Other elected County funded positions include County Sheriff, Treasurer, and State's Attorney.

Information provided below indicates where Washington County ranks within Maryland Counties for the services and statistics provided among 23 counties and Baltimore City for FY2023, the most recent available year.

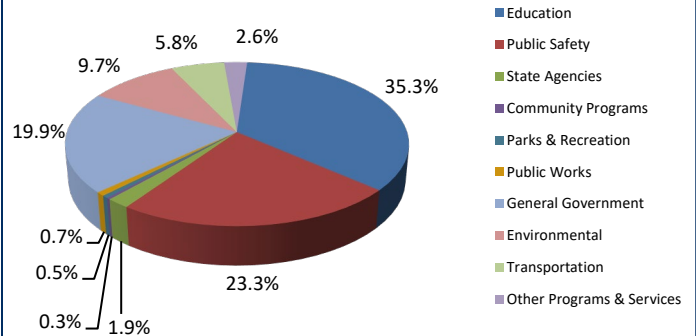
Population Rank	11th
Property Tax per capita	20th
Per pupil local funding	20th
Expenditure per capita	24th
Revenue per capita	24th

FINANCIAL STATS

Total Operating Funds, \$394.2M



Operating Expenditures by Category



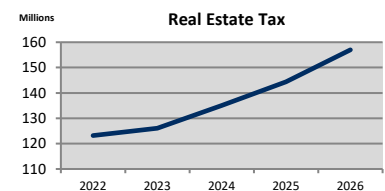
Washington County will spend approximately \$394.2 million on public services in FY2026. The General Fund budget represents the County's largest fund at \$323.1 million, or 82%. Major revenues that make up the General Fund budget are Property Tax, Local Income Tax, and Other Local Taxes including Recordation Tax, Service Fees, and Intergovernmental Grants. General Fund dollars are spent on Education, Public Safety, Debt Service, General Government, Courts, State Agencies, Community Programs, Public Works, Parks & Recreation, and sometimes supports other funds through an intergovernmental transfer.

MAJOR REVENUE TRENDS

The following information summarizes key revenue sources that affect the County's overall financial condition. External economic factors such as the unemployment rate, inflation and interest rates, and real property sales impact County revenues. Amounts reported reflect distributions received as of the reported date. The revenue graphs to the right reflect total actual revenues collected for each of the prior fiscal years and the projected total annual revenue based on existing trends for the current year.

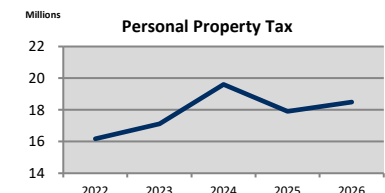
Real Estate Tax

Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
153,595,375	157,716,458	4,121,083	2.7%	8.3%



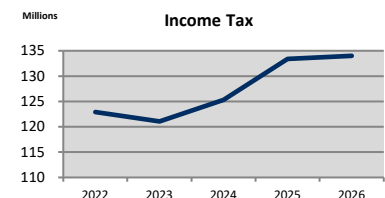
Personal Property Tax

Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
4,120,307	8,088,169	3,967,862	96.3%	62.0%



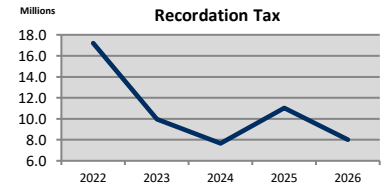
Income Tax

Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
626,813	2,455,907	1,829,094	291.8%	314.9%

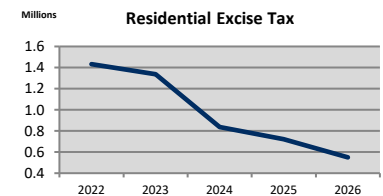


MAJOR REVENUE TRENDS (CONTINUED)

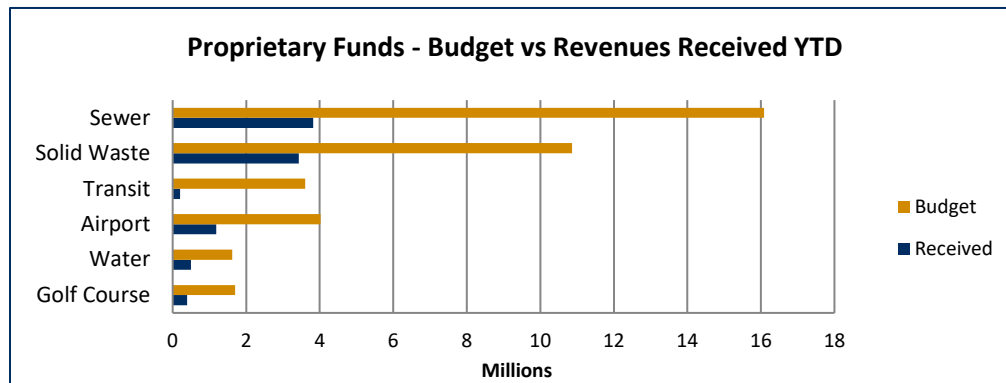
Recordation Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
2,080,269	1,875,554	(204,715)	(9.8%)	(25.5%)



Residential Excise Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
165,980	145,208	(20,772)	(12.5%)	(11.2%)



Transfer Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
952,178	736,283	(215,895)	(22.7%)	(35.6%)



SUMMARY OF MAJOR EXPENDITURE ACTIVITY

Fund	Budget	Spent	Encumbered	Unexpended	% Expended
General	323.1	89.3	6.0	227.8	28%
Highway	14.6	3.5	0.9	10.1	24%
Solid Waste	10.9	2.0	2.4	6.4	18%
Water	1.6	0.3	0.0	1.3	22%
Sewer	16.1	3.8	0.3	12.0	24%
Transit	3.6	0.9	0.2	2.6	24%
Airport	4.0	1.1	0.2	2.7	29%
Golf Course	1.7	0.5	0.0	1.2	27%
Total	375.6	101.5	10.0	264.1	27%

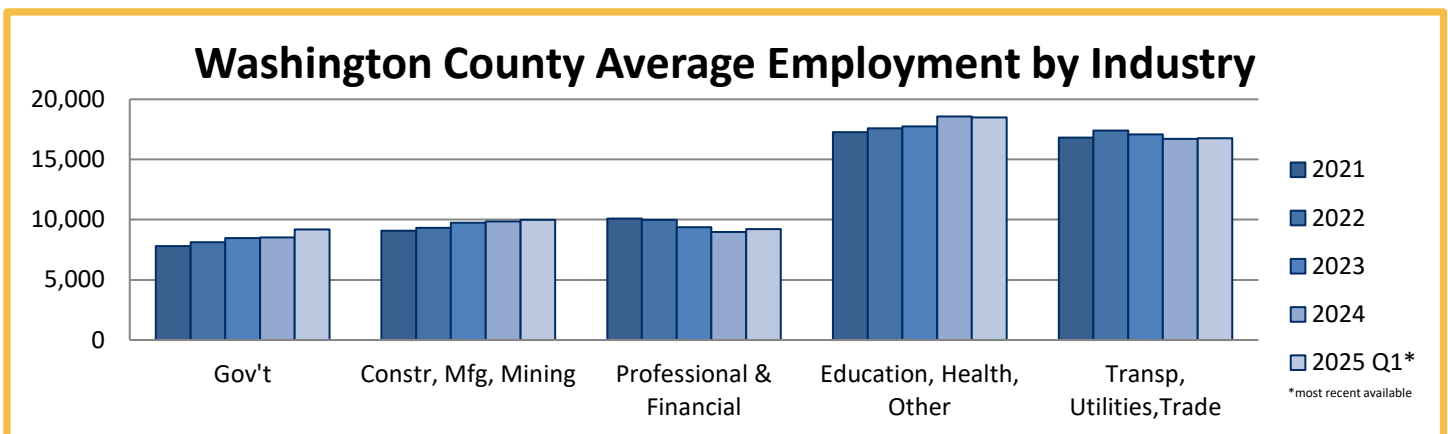
The table to the left compares major year-to-date expenditure activity to budgeted funding. It incorporates the variance by dollar and percentage, along with total expenditure activity. Funds expended and encumbered should average around 25% if not subject to seasonal fluctuation.

The first distribution of quarterly income tax withholdings for FY26 is not expected until late November. However, a reconciling distribution for tax year 2024 totaling \$1.8 million was received in September—an occurrence not seen since FY22. In addition, the first quarter FY26 disparity grant was received in the amount of \$626,813, representing a 5.9% increase over last year's distribution. Year-to-date personal property tax receipts and real estate tax receipts are up 62% and 8.2%, respectively, compared to the prior fiscal year.

Unemployment data for September is unavailable due to the federal government shutdown; therefore, the most recent data reflects August 2025. The national unemployment rate has remained relatively stable, increasing only 0.1% year over year. In contrast, the county unemployment rate rose 1.2% over the same period. Since April 2025, both county and state unemployment rates have continued to climb, currently reaching 4.7% and 3.6%, respectively, with county levels consistently exceeding state levels. These trends indicate a softening labor market at both county and state levels.

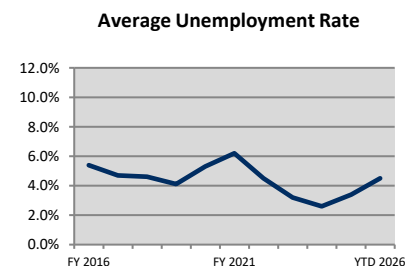
Indicators within the housing sector also point to early signs of cooling. New residential building permits for the first quarter of the fiscal year declined 23% compared to the same period last year. Year-to-date home sales fell 13%, from 450 to 392, accompanied by a 1.3% decrease in the average sale price. Further illustrating the market shift, active inventory has increased 48.5% year over year, while median days on market have risen from 12 days to 17 days. These factors suggest an emerging transition toward a buyers' market, particularly as interest rates are expected to remain stable or decline modestly over the next year.

EMPLOYMENT DATA



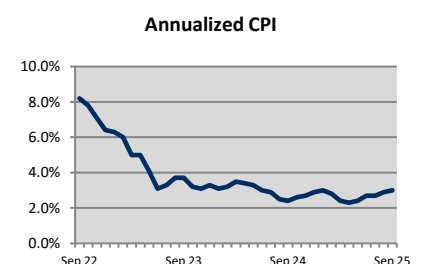
Employment Statistics - August*					
County				State	National
Fiscal Year	Number of Employed	Number of Unemployed	Unemployment	Unemployment	Unemployment
2025	70,024	2,540	3.5%	2.9%	4.2%
2026	66,044	3,268	4.7%	3.6%	4.3%

* September data unavailable due to federal government shutdown.



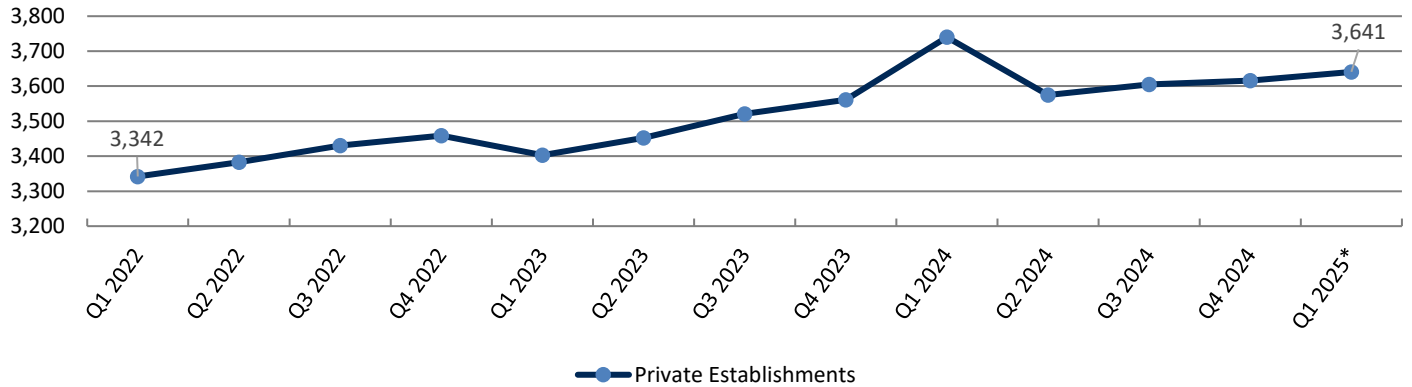
SPENDING DATA

Consumer Price Index (CPI) - September			
Current Period		Prior Period	
Index	Annual Change	Index	Annual Change
324.8	0.6%	315.3	-1.3%



Number of Private Establishments - Washington County, MD

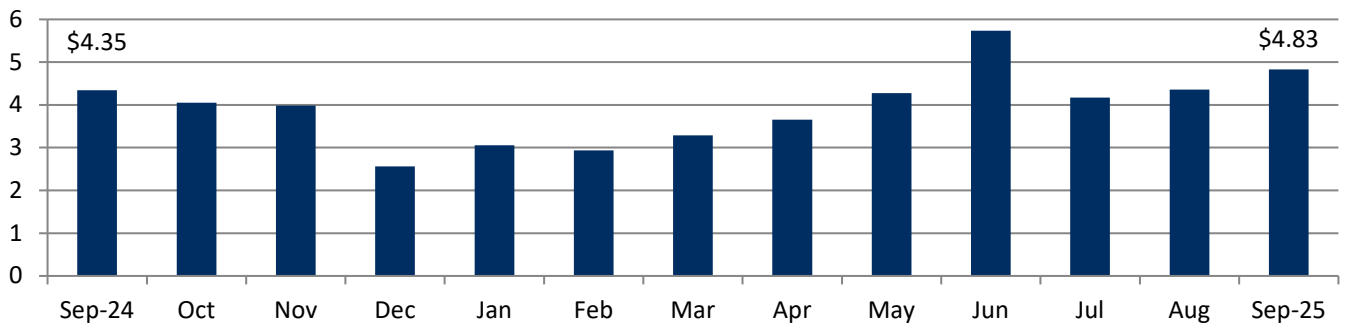
(Calendar Year)



* Q1 2025 data most recently available

Gross Lodging Revenues

Millions

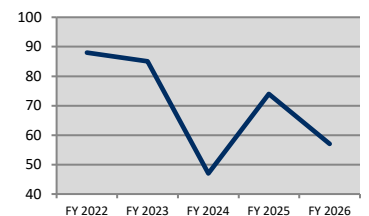


HOUSING DATA

New Residential Housing Permits Issued

Area	Prior YTD	Current YTD	Variance	
			# of Permits	% Change
Washington County	51	51	0	0.0%
City of Hagerstown	23	6	(17)	(73.9%)
Total	74	57	(17)	(23.0%)

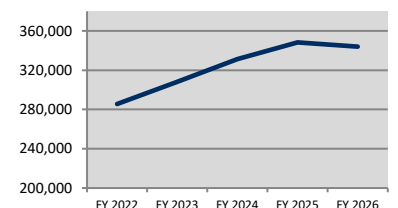
New Housing Permit Activity



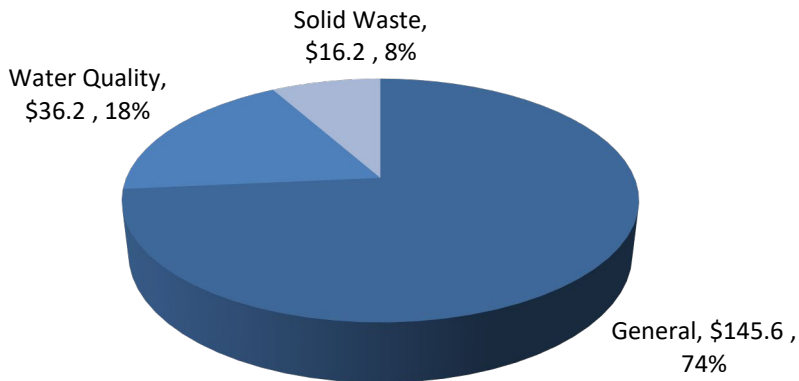
Washington County Housing Statistics

Housing Activity:	Prior YTD	Current YTD	% Change
Average Price Sold	348,290	343,868	(1.3%)
Total Units Sold	450	392	(12.9%)
Average Inventory	268	398	48.5%

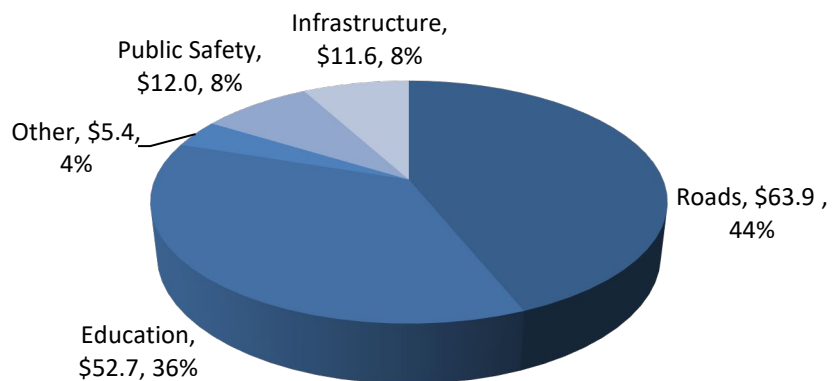
Average Price Sold



PROJECTED OUTSTANDING DEBT JUNE 30, 2026

Projected Outstanding Debt FY 2026 - All Funds - \$198.0M


The charts to the left represent current outstanding debt and anticipated borrowing for the current fiscal year ended 2026. Final determination of new bond issue amounts is typically made in the 4th quarter of the fiscal year barring any change in issuance patterns.

Projected Outstanding Debt FY 2026 - General Fund - \$145.6 M

Bond Ratings

Rating Agency	Fiscal Year 2025 Rating
Standard & Poor's	AA+
Moody's	Aa1
Fitch	AA+

WASHINGTON COUNTY, MARYLAND



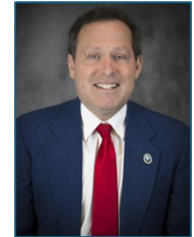
John F. Barr
County Commissioner, President
jbarr@washco-md.net

Jeffrey A. Cline
County Commissioner, Vice President
jccline@washco-md.net



Derek Harvey
County Commissioner
dharvey@washco-md.net

Randal Leatherman
County Commissioner
raleatherman@washco-md.net



Randall E. Wagner
County Commissioner
rwagner@washco-md.net

Michelle A. Gordon
County Administrator
mgordon@washco-md.net



100 West Washington Street



Hagerstown, Maryland 21740

STATEMENT OF PURPOSE

This report is designed to communicate the County's major financial trends for the indicated period since the issuance of the prior audited financial statements. The report is interim in nature and abbreviated in that it does not include details for all the various funds maintained by the County. Additionally, this report omits many of the required note disclosures typically found in a fiscal year-end financial statement report. The information contained here is intended to allow management to make limited assessments of near-term trends

that may have an impact on operations and financial results. Management views this interim period as an integral part of the annual period. This report includes information regarding some of the more notable recent developments that may impact County finances, along with summarized information relating to various operations within the County. This report is general in nature. The reader is cautioned that it does not provide the level of detail, nor the comprehensive scope found in a fiscal year-end financial statement. Those desiring or needing such

information should contact the Office of Budget and Finance. We hope that you find this report informative and meaningful. If you have any questions regarding this report, please contact the Office of Budget and Finance at 240-313-2300.

This report is provided for general information use only. The information contained in the document speaks only as of its report date.