



WASHINGTON COUNTY, MARYLAND

FISCAL & ECONOMIC UPDATE

QUARTERLY REPORT

DECEMBER 2025



Washington County

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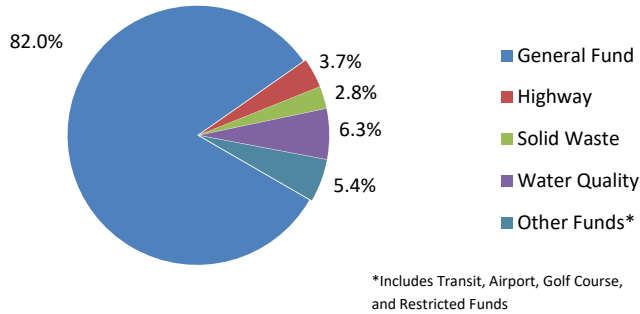
Washington County is located in northwestern Maryland, bordered by Pennsylvania to the north and West Virginia to the south. It is bordered on the east by Frederick County, Maryland and on the west by Allegany County, Maryland. Washington County is approximately 70 miles from Washington, D.C. and Baltimore, 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 157,228 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 FY2024, the most recent available year.

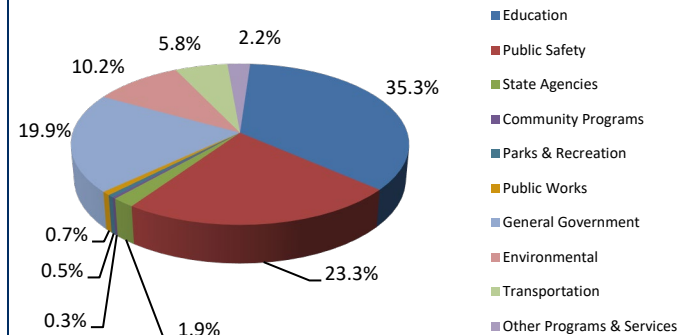
Population Rank	11th
Property Tax per capita	20th
Per pupil local funding	19th
Expenditure per capita	23rd
Revenue per capita	22nd

FINANCIAL STATS

Total Operating Funds, \$394.2M



Operating Expenditures by Category



Washington County will spend approximately \$394.2 million annually 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 support 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.

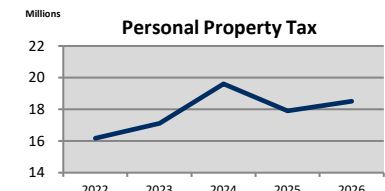
Real Estate Tax

Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
153,595,375	157,182,424	3,587,049	2.3%	8.0%



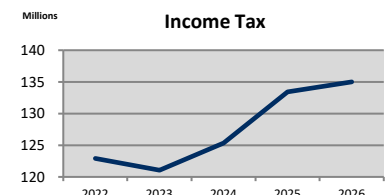
Personal Property Tax

Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
11,671,299	14,267,556	2,596,257	22.2%	(0.1%)



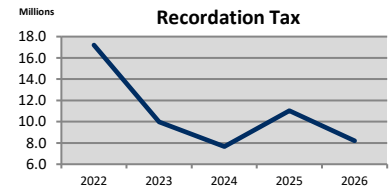
Income Tax

Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
35,669,031	43,777,983	8,108,952	22.7%	12.9%

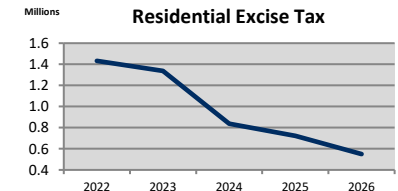


MAJOR REVENUE TRENDS (CONTINUED)

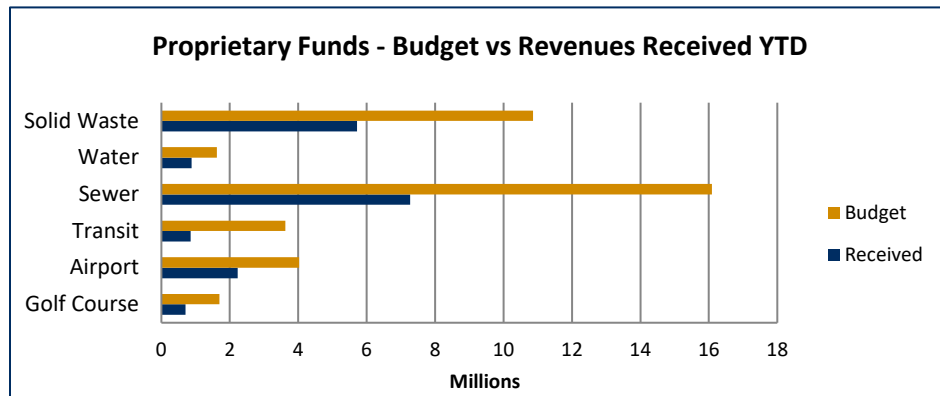
Recordation Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
4,038,098	4,086,321	48,223	1.2%	(27.1%)



Residential Excise Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
239,227	189,978	(49,249)	(20.6%)	(35.1%)



Transfer Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
1,810,983	1,726,065	(84,918)	(4.7%)	(27.1%)



SUMMARY OF MAJOR EXPENDITURE ACTIVITY

Expenditure Activity by Major Fund (in millions)					
Fund	Budget	Spent	Encumbered	Unexpended	% Expended
General	323.2	168.0	4.1	151.1	52%
Highway	14.6	6.9	1.3	6.3	47%
Solid Waste	10.9	3.9	2.6	4.4	36%
Water	1.6	0.7	0.0	0.9	44%
Sewer	16.1	7.5	0.4	7.3	47%
Transit	3.6	1.7	0.1	1.8	47%
Airport	4.0	2.1	0.1	1.7	53%
Golf Course	1.7	0.8	0.0	0.9	47%
Total	375.8	191.4	8.6	174.4	51%

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 50% if not subject to seasonal fluctuation.

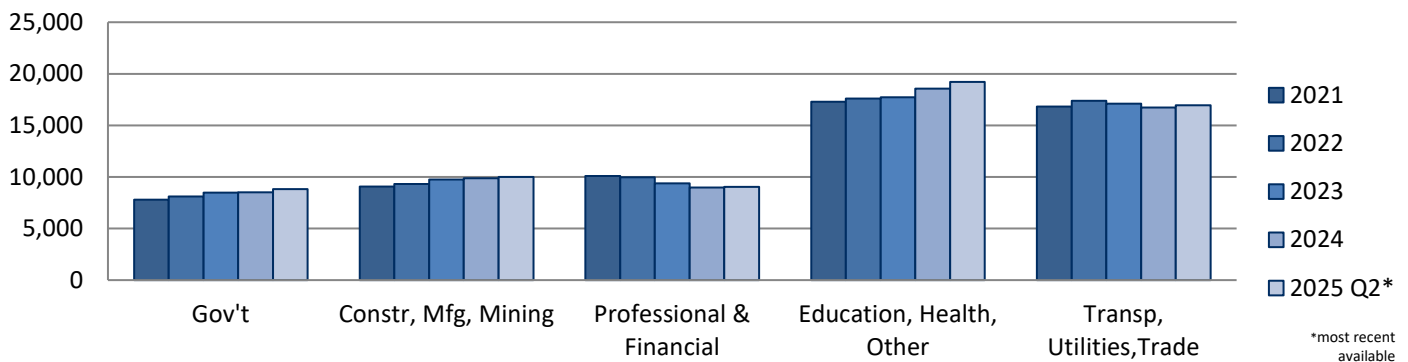
The first quarterly distribution of FY26 income tax withholdings was received in November (reflecting July through September collections) and totaled \$29 million. This represents an increase of \$3.7 million, or 14.7%, compared to the corresponding FY25 distribution. The fourth and final reconciling distribution for tax year 2024 was also received in November in the amount of \$8.7 million, an increase of \$1.4 million from the prior year. Year-to-date personal property tax collections are 0.1% lower than FY25 levels, while real estate taxes are 8% higher.

The county unemployment rate stood at 4% at the end of December, up from 2.9% a year earlier. State and federal unemployment rates also rose steadily over the same period, with all three peaking in November. Since the beginning of the fiscal year, the county's rate has exceeded both federal and state levels in all but one month.

Year-to-date, permits issued for new residential construction have declined by 19% countywide. The total number of homes sold through December 2025 decreased by 4.4% compared to the prior year-to-date period, while average inventory levels increased by 37.8%. The median number of days a home remained on the market rose from 14 to 21 days. Despite these trends, the year-to-date average sale price increased by approximately \$1,900, or 0.6%, compared to the previous year. Collectively, these indicators suggest moderating economic conditions and a cooling housing market, while home values remain comparatively stable.

EMPLOYMENT DATA

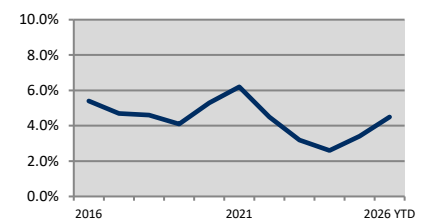
Washington County Average Employment by Industry



Employment Statistics - December

County				State	National
Fiscal Year	Number of Employed	Number of Unemployed	Unemployment	Unemployment	Unemployment
2025	67,684	2,055	2.9%	3.1%	4.1%
2026	66,538	2,760	4.0%	3.7%	4.4%

Average Unemployment Rate

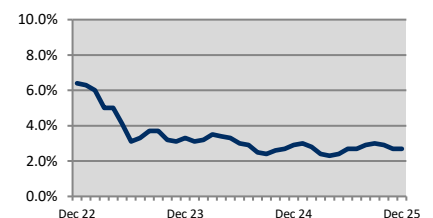


SPENDING DATA

Consumer Price Index (CPI)

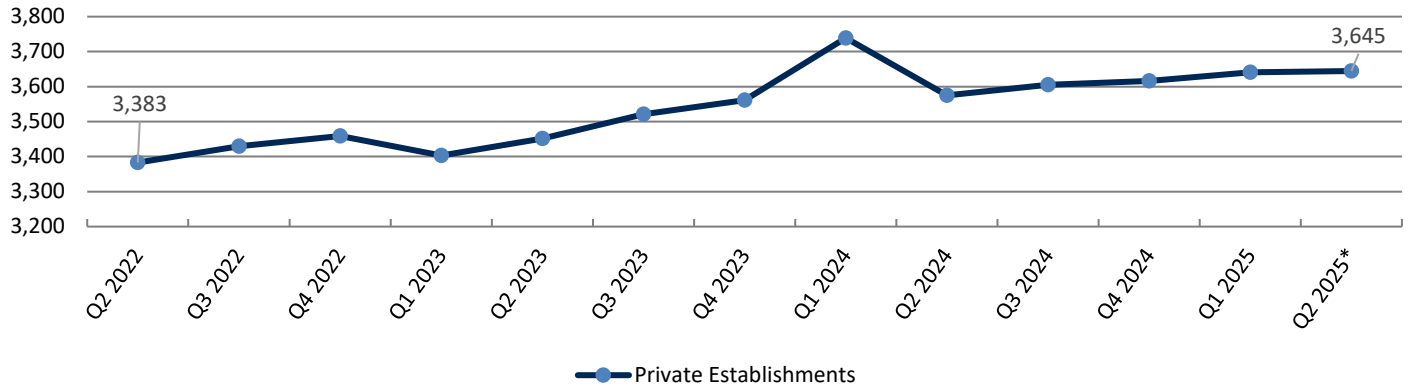
Current Period		Prior Period	
Index	Annual Change	Index	Annual Change
324.1	-0.2%	315.6	-0.4%

Annualized CPI



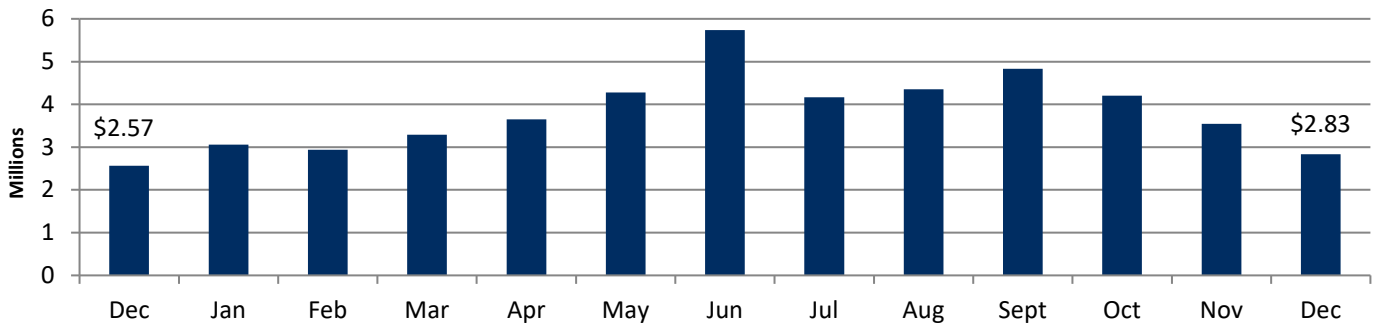
Number of Private Establishments - Washington County, MD

(Calendar Year)



*Q2 2025 data most recently available

Gross Lodging Revenues

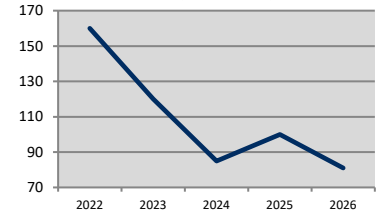


HOUSING DATA

New Residential Housing Permits Issued

Area	Prior YTD	Current YTD	Variance	
			# of Permits	% Change
Washington County	75	74	(1)	(1.3%)
City of Hagerstown	25	7	(18)	(72.0%)
Total	100	81	(19)	(19.0%)

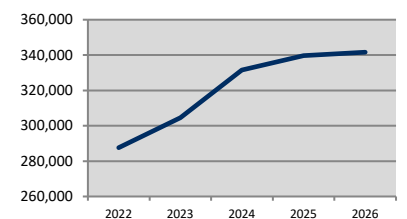
New Housing Permits, City & County



Washington County Housing Statistics

Housing Activity:	Prior YTD	Current YTD	% Change
Average Price Sold	339,733	341,614	0.6%
Total Units Sold	825	789	(4.4%)
Average Inventory	283	390	37.8%

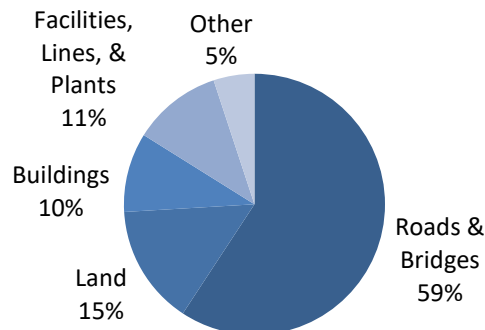
Average Price Sold



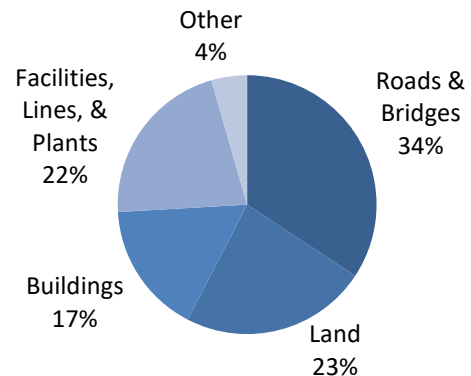
TOTAL FIXED ASSET BASE AS OF JUNE 30, 2025

	Total Cost	Net Capital Asset
Land & Improvements	308,765,296	157,705,380
Buildings & Improvements	204,782,884	111,565,357
Facilities, Lines, & Mains	129,438,739	84,015,428
Treatment Plants	100,573,987	61,135,756
Roads & Bridges	1,234,273,436	231,844,002
Machinery & Equipment	27,280,454	8,612,424
Vehicles	38,834,784	14,689,766
Right to use - Land	274,065	194,514
Right to use - Vehicles & Equipment	5,113,573	3,328,359
Right to use - Software	4,727,115	2,179,030
Office Furniture	876,822	22,198
Computer Equipment	38,583,171	6,804,765
Total	2,093,524,326	682,096,979

Gross Assets



Net Capital Assets



WASHINGTON COUNTY, MARYLAND



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



Derek Harvey
County Commissioner
Resigned effective 02/24/2026

Randal Leatherman
County Commissioner
raleatherman@washco-md.net



Randall E. Wagner
County Commissioner
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Michelle A. Gordon
County Administrator
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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.