



WASHINGTON COUNTY, MARYLAND

FISCAL & ECONOMIC UPDATE

QUARTERLY REPORT

MARCH 2026



Washington County

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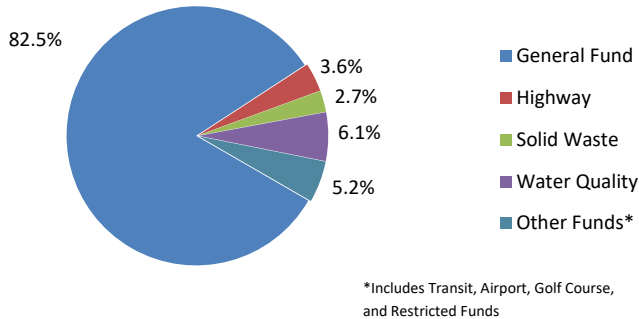
Washington County is located in northwestern Maryland, bordered by Pennsylvania to the north and West Virginia to the south. It is bordered on the east by Frederick County, Maryland and on the west by Allegany County, Maryland. Washington County is approximately 70 miles from Washington, D.C. and Baltimore,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

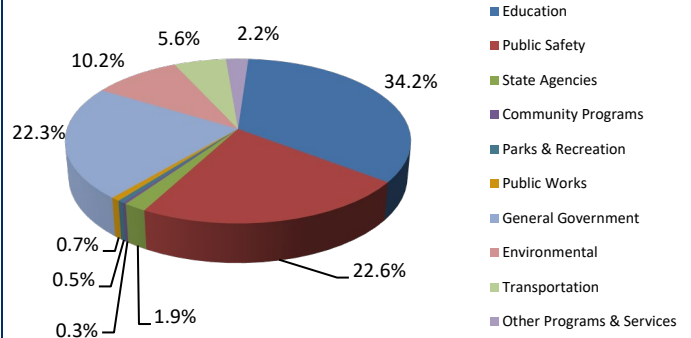
Population Rank	11th
Property Tax per capita	20th
Per pupil local funding	19th
Expenditure per capita	23rd
Revenue per capita	22nd

FINANCIAL STATS

Total Operating Funds, \$406.4M



Operating Expenditures by Category



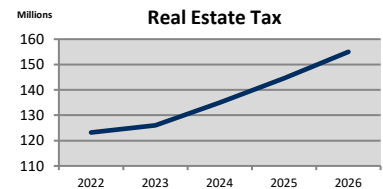
Washington County will spend approximately \$406.4 million annually on public services in FY2026. The General Fund budget represents the County's largest fund at \$335.2 million, or 82.5%. Major revenues that make up the General Fund budget are Property Tax, Local Income Tax, and Other Local Taxes including 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.

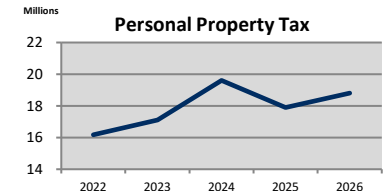
Real Estate Tax

Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
\$156,773,680	\$156,566,356	(\$207,324)	(0.1%)	8.2%



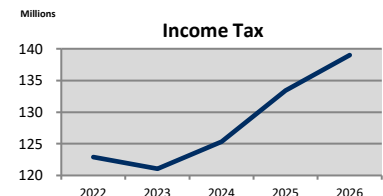
Personal Property Tax

Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
\$17,108,649	\$18,779,947	\$1,671,298	9.8%	6.3%



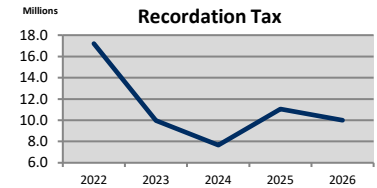
Income Tax

Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
\$76,920,430	\$83,166,726	\$6,246,296	8.1%	16.2%

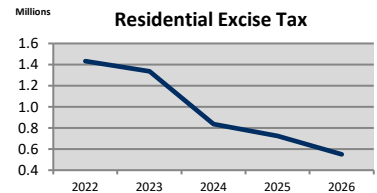


MAJOR REVENUE TRENDS (CONTINUED)

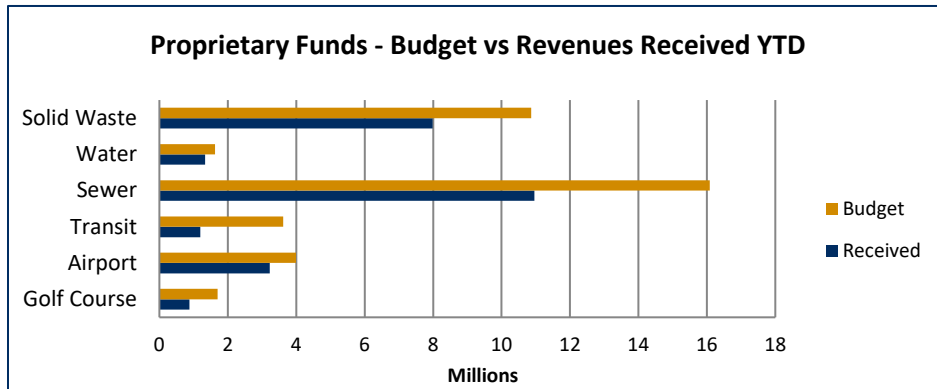
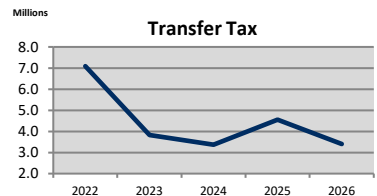
Recordation Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
\$5,560,548	\$7,517,186	\$1,956,638	35.2%	(5.1%)



Residential Excise Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
\$379,446	\$361,219	(\$18,227)	(4.8%)	(25.6%)



Transfer Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
\$2,517,594	\$2,575,797	\$58,203	2.3%	(22.3%)



SUMMARY OF MAJOR EXPENDITURE ACTIVITY

Expenditure Activity by Major Fund (in Millions)					
Fund	Budget	Spent	Encumbered	Unexpended	% Expended
General	335.2	258.6	2.9	73.7	77%
Highway	14.6	11.0	0.7	2.9	75%
Solid Waste	10.9	6.8	2.4	1.7	62%
Water	1.6	1.1	0.0	0.5	69%
Sewer	16.1	11.6	0.3	4.2	72%
Transit	3.6	2.6	0.1	0.9	72%
Airport	4.0	3.2	0.1	0.7	80%
Golf Course	1.7	1.2	0.0	0.5	71%
Total	387.7	296.1	6.5	85.1	76%

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 75% if not subject to seasonal fluctuation.

FISCAL & ECONOMIC UPDATE

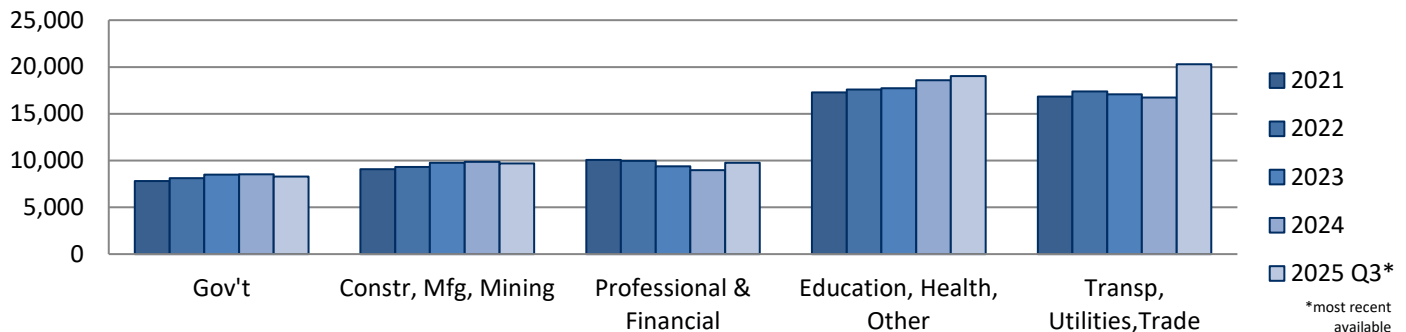
The second quarterly distribution of FY26 income tax withholdings was received in February (reflecting October through December collections) and totaled \$34.4 million. This represents an increase of \$4.6 million, or 15.5%, compared to the corresponding FY25 distribution. Overall, year-to-date income tax receipts are approximately \$11.6 million, or 16.2%, higher than collections received at this time last fiscal year. Personal property tax collections are 6.3% higher than FY25 levels, while real estate taxes are 8.2% higher as well for the same period.

The county unemployment rate increased to 4.8% in March, up from 3.5% one year earlier, representing a 37.1% year-over-year increase. State unemployment also rose substantially during the same period, from 3.0% to 4.4% (46.7% increase), while national unemployment has remained stable, approximately 4.3% over the last twelve months. Although unemployment increased at both the state and national levels, the county experienced a more pronounced rise, resulting in an unemployment rate that exceeded both state and national averages at the end of the quarter. This trend suggests that growth in the labor force and the number of job seekers outpaced the rate of local job creation.

Year-to-date, permits issued for new residential construction have declined 18% countywide. The total number of homes sold through March 2026 decreased by 5.1% compared to the prior year-to-date fiscal year, while average inventory levels increased by 35.9%. While active housing inventory is beginning to increase it remains well below the pre-pandemic number of homes available for sale. As the housing supply remains below demand home prices will remain elevated in general. However, we are beginning to see a more sustainable slower increase in the average sale price. The median number of days a home remained on the market rose from 24 to 32 days when comparing March of 2025 to March of 2026. Collectively, these indicators suggest moderating economic conditions and a cooling housing market, while home values remain comparatively stable.

EMPLOYMENT DATA

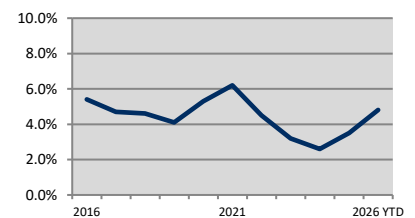
Washington County Average Employment by Industry



Employment Statistics - March

County				State	National
Fiscal Year	Number of Employed	Number of Unemployed	Unemployment	Unemployment	Unemployment
2025	67,503	2,477	3.5%	3.0%	4.2%
2026	67,643	3,406	4.8%	4.4%	4.3%

Average Unemployment Rate

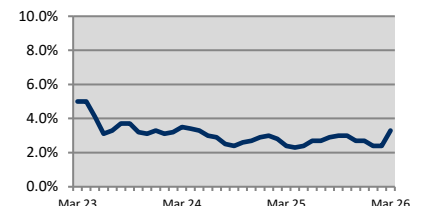


SPENDING DATA

Consumer Price Index (CPI)

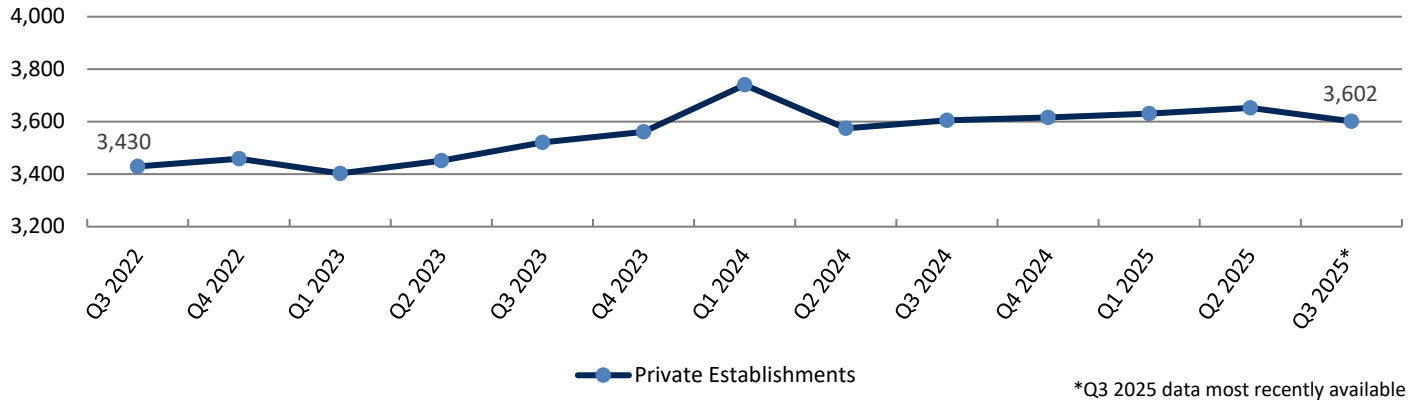
Current Period		Prior Period	
Index	Annual Change	Index	Annual Change
330.2	0.9%	319.8	-1.1%

Annualized CPI



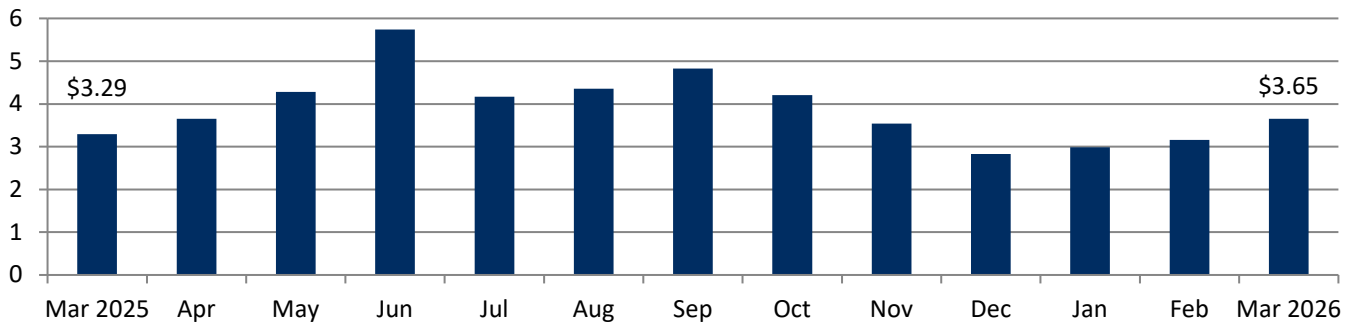
Number of Private Establishments - Washington County, MD

(Calendar Year)



Gross Lodging Revenues

Millions

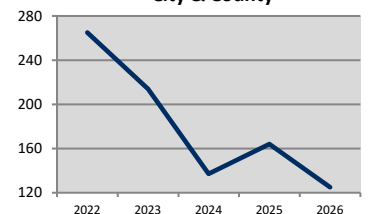


HOUSING DATA

New Residential Housing Permits Issued

Area	Prior YTD	Current YTD	Variance	
			# of Permits	% Change
Washington County	126	104	(22)	(17.5%)
City of Hagerstown	38	21	(17)	(44.7%)
Total	164	125	(39)	(23.8%)

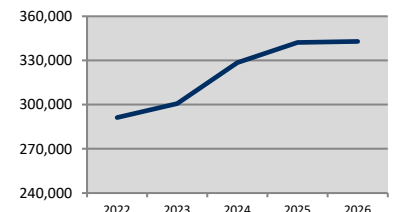
New Housing Permits, City & County



Washington County Housing Statistics

Housing Activity:	Prior YTD	Current YTD	% Change
Average Price Sold	\$342,211	\$342,920	0.2%
Total Units Sold	1,148	1,089	(5.1%)
Average Inventory	276	375	35.9%

Average Price Sold



Investment Portfolio as of March 31, 2026

Investment Type	Settlement Date	Maturity Date	Yield	Cost
Treasury Note	3/6/2025	6/15/2026	3.997%	\$15,000,000
Treasury Note	3/19/2025	4/30/2026	4.080%	9,640,234
Treasury Bill	6/5/2025	5/14/2026	4.014%	9,634,250
Treasury Bill	6/27/2025	5/14/2026	3.922%	9,663,886
Treasury Bill	7/31/2025	6/11/2026	4.038%	9,660,500
Treasury Note	7/31/2025	9/15/2026	4.019%	10,000,000
Treasury Note	7/31/2025	12/31/2026	3.958%	14,548,242
Treasury Note	8/8/2025	10/31/2026	3.811%	9,680,469
Treasury Note	8/8/2025	10/15/2026	3.818%	10,000,000
Treasury Note	8/8/2025	12/15/2026	3.768%	10,000,000
Treasury Note	9/3/2025	1/15/2027	3.680%	10,000,000
Treasury Note	10/1/2025	1/15/2027	3.557%	20,000,000
Treasury Bill	12/5/2025	5/28/2026	3.611%	9,830,785
Treasury Note	12/5/2025	2/15/2027	3.526%	10,000,000
Treasury Note	12/5/2025	3/15/2027	3.533%	10,000,000
Treasury Note	12/18/2025	2/28/2027	3.470%	9,814,063
Treasury Note	12/18/2025	7/15/2026	3.501%	10,000,000
Treasury Note	12/18/2025	1/31/2027	3.500%	19,564,322
Treasury Bill	1/8/2026	6/25/2026	3.503%	19,682,667
Treasury Note	1/8/2026	12/15/2026	3.434%	10,000,000
Treasury Note	1/8/2026	6/15/2027	3.399%	10,000,000
Treasury Note	2/4/2026	2/28/2027	3.493%	9,832,422
Treasury Note	2/4/2026	1/31/2027	3.483%	9,809,375
Treasury Bill	3/5/2026	4/14/2026	3.573%	9,961,000
Treasury Bill	3/5/2026	7/23/2026	3.533%	9,866,312
Treasury Bill	3/5/2026	5/12/2026	3.543%	9,934,427
Treasury Note	3/30/2026	4/15/2027	3.665%	10,000,000
Total Portfolio				\$306,122,954
Weighted Average Portfolio Yield			3.675%	
Benchmark: 3-month Weighted Treasury Yield			3.913%	

Investment Allocation by Type

Investment Type	Policy Max (%)	Actual (%)	Value (\$)
U.S. Treasury Obligations	100%	100%	\$306,122,954
U.S. Government Agencies	100%	0%	0
Repurchase Agreements	100%	0%	0
Certificates of Deposit	40%	0%	0
Bankers' Acceptances	40%	0%	0
Money Market Mutual Funds	60%	0%	0

WASHINGTON COUNTY, MARYLAND



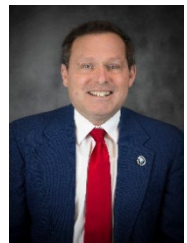
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County Commissioner, President
jbarr@washco-md.net

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



Neil Parrott
County Commissioner
nparrott@washco-md.net
Appointed 04/21/2026

Randal Leatherman
County Commissioner
rleatherman@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.