

4th Quarter Financial Report As of December 31, 2017



Lake Wilderness Arboretum

Introduction

The 4th Quarter 2017 financial report is presented herein. The intent of the financial report is to provide an overview of financial activity for the period of January 1, 2017 through December 31, 2017.

4th Quarter Financial Report

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ONGOING OPERATING REVENUES

Overall, general government revenues exceed budget estimates by \$758,924 or 5.8% at the end of 4th Quarter. The table below lists all on-going revenues with a 2017 Budget to Actual Variance as well as a percent of budget received. Details of major variances are discussed following the table.

Operating Revenue	2014	2015	2016	2017		% of Budget	
	Actual	Actual	Actual	Budget	Actual	\$ Variance	Received
Property Tax	\$ 3,425,423	\$ 3,528,637	\$ 3,621,674	\$ 3,688,730	\$ 3,693,270	\$ 4,540	100%
Sales Tax	2,468,629	2,716,911	3,550,844	3,200,730	3,315,333	114,603	104%
Criminal Justice Sales Tax	567,579	619,398	677,710	681,410	687,308	5,898	101%
Utility Tax - Electric	714,003	724,350	775,136	784,040	823,847	39,807	105%
Utility Tax - Natural Gas	430,628	403,305	369,834	450,660	469,031	18,371	104%
Utility Tax - Telecom	458,513	415,071	387,844	479,850	354,726	(125,124)	74%
Utility Tax - Cable TV	353,582	438,843	302,853	170,030	271,111	101,081	159%
Gambling Tax	51,873	68,085	73,102	40,580	59,603	19,023	147%
Leasehold Excise Tax			840	-	3,680	3,680	n/a
Professional and Occupations Licenses	860	25	-	960	300	(660)	31%
Franchise Fees - Cable TV	344,061	309,123	325,212	334,220	373,671	39,451	112%
General Business Licenses	6,457	7,528	7,564	7,960	8,337	377	105%
Transient Sales Licenses	465	2,132	1,564	1,740	2,535	795	146%
Animal License Sales Rebate		11,729		-	4,260	4,260	n/a
Marijuana Excise Tax				-	9,547	9,547	n/a
City Assistance/State of WA	96,616	108,161	65,993	78,530	-	(78,530)	0%
Liquor Excise Tax	44,928	65,967	115,242	20,720	119,491	98,771	577%
Liquor Profits	212,449	212,311	212,773	221,270	209,299	(11,971)	95%
Sale of Maps & Publications	263	168	110	140	93	(47)	66%
IT Training Fee				13,100	-	(13,100)	0%
Passport Filing Fees	3,650	10,300	11,800	13,410	11,600	(1,810)	87%
Non-Traffic Infraction Penalty		8,573		280	-	(280)	0%
Investment Interest	39,151	50,973	49,982	46,930	65,037	18,107	139%
Miscellaneous	(463)	22,819	(60,408)	8,310	17,547	9,237	211%
Economic Development				-	34,810	34,810	n/a
Risk Management	8,269		1,125	-	5,500	5,500	n/a
Community Development	765,218	711,499	562,845	823,210	1,249,964	426,754	152%
Public Safety	252,446	251,911	249,554	340,537	407,698	67,161	120%
Parks Maintenance	24,142	24,552	27,262	30,050	30,461	411	101%
Lake Wilderness Lodge	280,326	238,985	264,933	300,000	286,431	(13,569)	95%
Recreation	378,495	508,193	545,429	489,030	461,180	(27,850)	94%
Public Works Administration	141,945	166,980	171,705	168,708	217,267	48,559	129%
Public Works Maintenance	1,350	5,529	5,368	3,525	5,596	2,071	159%
Motor Vehicle Fuel Tax-City Streets	493,188	503,214	516,112	504,640	514,075	9,435	102%
Multimodal Transpo City	-	-	25,274	28,083	26,063	(2,020)	93%
MVA Transpo City	-	7,360	17,040	18,180	22,805	4,625	125%
Waste Reduction and Recycling	138,879	127,701	120,667	136,500	114,116	(22,384)	84%
Lake Management	7,158	-	-	-	-	-	n/a
Transfers	67,015	61,956	61,699	79,643	49,040	(30,603)	62%
TOTAL	\$ 11,777,097	\$ 12,332,289	\$ 13,058,683	\$ 13,165,706	\$ 13,924,630	\$ 758,924	106%

Sales Tax was \$114,603 or 3.6% higher than budgeted but \$235,511 or 6.6% lower than the 2016 amount of \$3,550,844. \$21,213 of this decrease is the result of an allocation of sales tax to the Lake Wilderness Golf Course Fund based on the amount of sales tax actually generated by the LWGC. The remaining decrease was expected and was due primarily to a \$397,164 decrease in construction sales tax offset by a \$115,318 increase in retail sales tax.

Utility Taxes consist of Electric, Natural Gas, Telecom, and Cable TV and are taxed at a rate of 6.0%. Total utility taxes came in at \$34,135 or 1.8% ahead of budget. This was an increase of \$83,048 or 4.5% higher than the 2016 amount of \$1,835,667.

Cable TV Franchise Fees taxed at a rate 6% of gross receipts of the franchise operation within City limits. 2017 franchise fees were \$39,451 or 12% higher than budgeted and were \$48,459 or 14.9% higher than the 2016 amount of \$325,212.

City Assistance was \$78,530 or 100% lower than budgeted in 2017 as nothing was remitted to the City in 2017.

Liquor Excise Tax was \$98,771 or 477% higher than budgeted in 2017. However, the increase was only \$4,249 or 3.7% higher than 2016 amount of \$115,242. Actual receipts have grown more than 250% since 2014.

Community Development Plan Review Fees are \$426,754 or 51.8% higher than budgeted and \$687,119 or 122% higher than the 2016 amount of \$562,845. 120 SFR permits were issued in 2017.

Public Safety revenue is \$67,161 or 36.4% higher than budgeted. Municipal Court revenue was \$15,490 or 15% higher than budgeted; Fire Marshal plan review revenue was \$38,430 or 92.3% higher than budgeted; and Police operations revenue, which includes public safety grants, criminal justice shared revenue, and other public safety-related fees, was \$14,571 or 8.1% higher than budgeted.

Public Works Administration revenue was \$48,559 or 28.8% higher than budgeted due to an increase in plan review fees which were \$52,849 or 54.3% higher than the 2016 amount of \$97,293. This was due to the large volume of SFR permits issued.

GENERAL FUND OPERATING EXPENDITURES

General Fund Operating Expenditures are were under budget by \$720,254 or 5.1% in 2017. Details of major variances are discussed following the table.

Operating Expenditures	2014	2015	2016	2017		% of Budget	
	Actual	Actual	Actual	Budget	Actual	\$ Variance	Expended
City Council	\$ 109,158	\$ 107,367	\$ 133,088	\$ 134,950	\$ 125,440	\$ (9,511)	93%
City Manager's Office	411,694	409,122	676,744	442,212	436,032	(6,180)	99%
City Clerk	444,353	471,259	560,183	578,100	609,611	31,511	105%
City Attorney	164,318	160,801	177,115	187,200	168,088	(19,112)	90%
Economic Development	47,136	12,735	6,193	142,468	133,461	(9,007)	94%
Finance	523,681	568,354	608,842	672,070	545,361	(126,709)	81%
Human Resources	109,946	116,102	128,840	236,500	230,436	(6,064)	97%
Community Development	900,823	826,312	753,689	1,015,790	957,968	(57,822)	94%
Public Safety	4,290,439	4,354,309	4,705,638	4,890,651	4,848,662	(41,989)	99%
Emergency Operations	6,270	6,476	17,930	21,270	20,829	(441)	98%
Parks Administration	247,821	266,943	380,823	332,322	429,141	96,819	129%
Parks Maintenance	344,094	325,606	360,016	414,630	429,864	15,234	104%
Lake Wilderness Lodge	443,159	393,526	418,035	572,140	505,223	(66,917)	88%
Recreation Administration	156,077	220,014	287,613	312,520	288,420	(24,100)	92%
Recreation Programs	367,540	385,772	573,384	445,330	477,654	32,324	107%
Community	460,761	460,188	349,887	593,820	537,461	(56,359)	91%
Public Works	456,801	531,415	609,419	486,331	597,397	111,066	123%
Public Works Maintenance	661,346	734,856	816,924	1,118,744	945,662	(173,082)	85%
Lake Management	67,015	61,956	61,699	78,480	47,877	(30,603)	61%
Waste Reduction & Recycling	153,591	103,682	98,335	101,823	86,301	(15,522)	85%
Information Technology	527,912	535,334	562,186	848,958	659,773	(189,185)	78%
	10,893,938	11,052,128	12,286,581	13,626,309	13,080,660	(545,649)	96%
Transfers	393,341	302,488	349,904	526,618	352,013	(174,605)	67%
TOTAL	\$ 11,287,279	\$ 11,354,616	\$ 12,636,485	\$ 14,152,927	\$ 13,432,673	\$ (720,254)	95%

Finance expenditures were \$126,709 or \$18.9% under budget in 2017 due to salary savings from a vacant position, a data conversion project which the City opted to cancel, and reduced spending on travel and training as a result of the position vacancy which increased workload elsewhere in the department.

Parks Administration expenditures were over budget by \$96,819 or 29.1% due mainly to fewer hours being charged out to other divisions than anticipated. This is offset by savings in other divisions, particularly in Recreation.

Community Development expenditures were under budget by \$57,822 or 5.7% due to \$81,093 in salary savings from a position which was held vacant for part of the year and \$35,600 from permitting projects which were in progress but not completed in 2017, offset by higher than normal building official services through the City of Covington which were \$74,682 higher than budgeted.

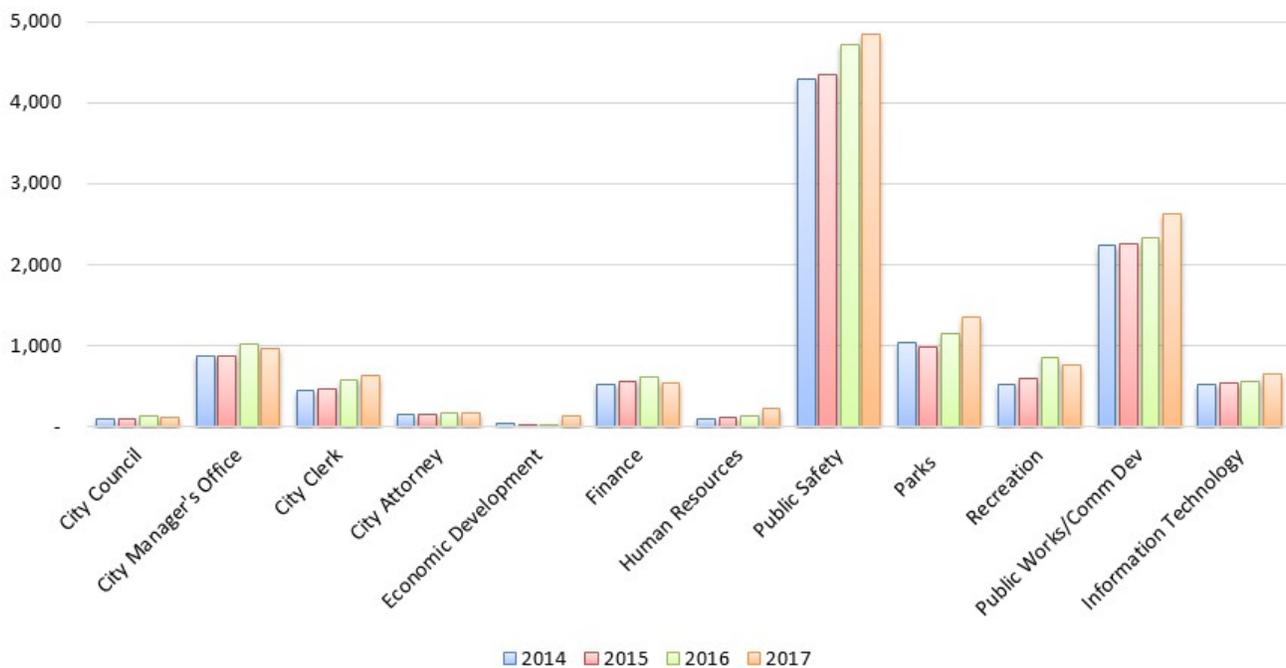
Public Works Administration & Transportation Planning expenditures were \$111,066 or 23% higher than budgeted. \$53,800 of this variance is due to fewer hours than anticipated being charged to other Public Works divisions. \$58,319 of the variance was for plan review services which were higher than normal due to the increased volume of SFR permits issued in 2017; plan review fees are recouped from the developers.

Public Works Maintenance expenditures were \$173,082 or 15.5% under budget. \$153,438 of the variance was for salary and benefit coming in lower than budgeted due to a position vacancy and rehiring at a lower level as well as a significant amount of time being charged to other divisions including Surface Water Management which is an independent proprietary fund.

Information Technology expenditures were \$189,185 or 22.3% under budget in 2017. This savings is primarily due to the vacant IT Manager position, as well as savings in both internet service and software maintenance.

Transfers-Out were \$174,605 or 33.2% under budget in 2017. \$50,000 of the positive variance was due to the fact that no General Fund subsidy of the Lake Wilderness Golf Course was required in 2017. The remaining \$120K was for projects which were budgeted but not completed in 2017 including the Legacy Site and Community Facilities projects.

General Fund Operating Fund Expenditures
4th Quarter 2017 Comparison - \$1,000s

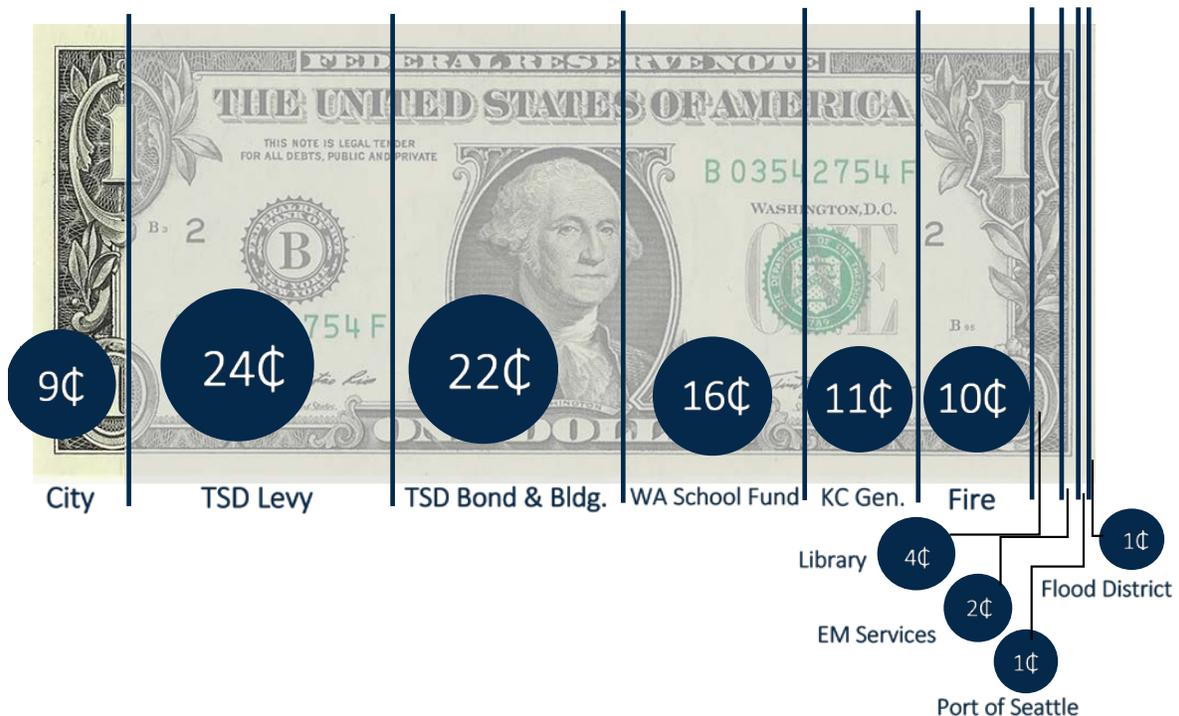


Property Tax Levy

The City's property tax levy per \$1,000 of assessed value decreased in 2017 from \$1.19 to \$1.13. This is because the City's total assessed valuation is increasing at a higher rate than the City's allowable property tax increase. The City's portion makes up only 8.9% of total property tax assessed in Maple Valley.

Property Tax Levy Per \$1000 AV

	2013	2014	2015	2016	2017
Direct Regular and Special					
City of Maple Valley	1.55	1.47	1.25	1.19	1.13
Overlapping Regular and Special					
State School Fund	\$ 2.57	\$ 2.47	\$ 2.29	\$ 2.17	\$ 2.03
King County General	\$ 1.54	\$ 1.52	\$ 1.35	\$ 1.48	\$ 1.38
Port of Seattle	\$ 0.23	\$ 0.22	\$ 0.19	\$ 0.17	\$ 0.15
Emergency Medical Services	\$ 0.30	\$ 0.34	\$ 0.30	\$ 0.28	\$ 0.26
Ferry District	\$ -	\$ -	\$ -	\$ -	\$ -
King County Flood District Special Levy	\$ 0.13	\$ 0.15	\$ 0.14	\$ 0.13	\$ 0.12
Rural Library	\$ 0.57	\$ 0.56	\$ 0.50	\$ 0.48	\$ 0.45
Tahoma School District Special Levy	\$ 3.95	\$ 3.73	\$ 3.26	\$ 3.12	\$ 3.00
Tahoma School District Bond & Bldg	\$ 2.30	\$ 3.48	\$ 2.91	\$ 3.05	\$ 2.83
Fire District #43	\$ 1.74	\$ 1.86	\$ 1.94	\$ 1.68	\$ 1.31
Sub Total Overlapping	\$ 13.33	\$ 14.33	\$ 12.88	\$ 12.56	\$ 11.54
Total Property Tax Levy	\$ 15.80	\$ 14.13	\$ 13.75	\$ 12.67	\$ 12.67



Local Sales Tax Revenue

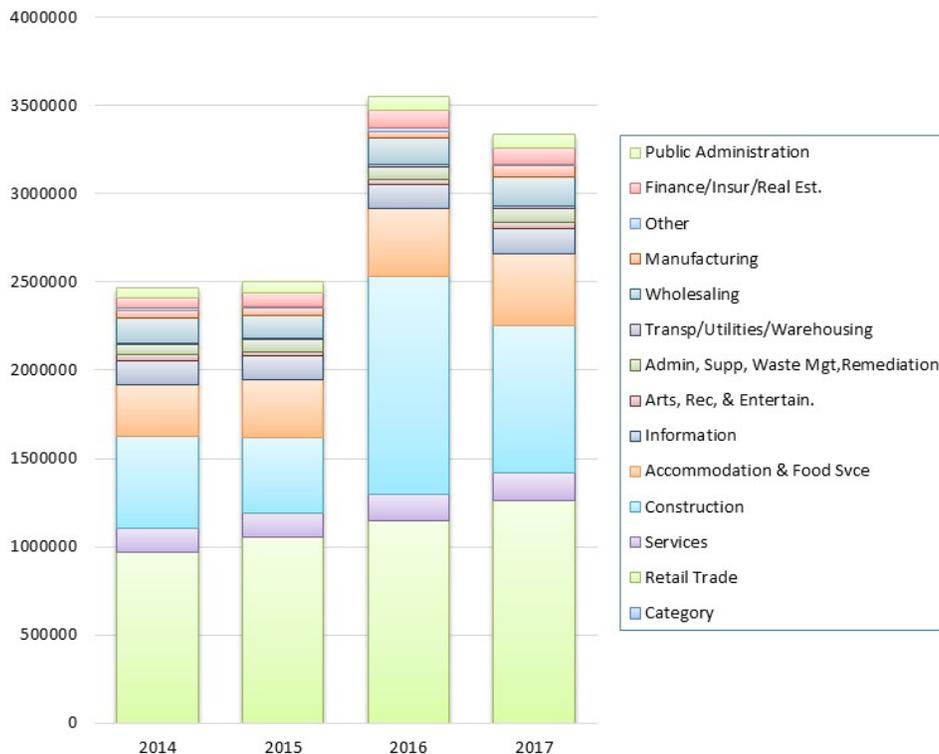
Monthly Comparison

The City's Retail Sales & Use Tax revenue was \$214,272 lower in 2017 than in 2016 due to a 32% decrease in construction sales tax offset by a 10% increase in retail trade sales tax. The decrease in construction activity resulted from the completion of the new Tahoma High School and new Lake Wilderness Elementary.

Month	2014 Actual	2015 Actual	2016 Actual	2017 Actual
January	\$ 171,956	\$ 183,519	\$ 226,569	\$ 250,654
February	175,515	184,632	253,954	246,559
March	184,967	203,507	308,119	277,651
April	188,935	192,427	305,133	259,032
May	211,234	209,001	260,618	278,606
June	222,245	233,130	351,172	294,215
July	222,751	241,303	309,179	275,743
August	221,558	224,920	317,263	282,349
September	216,374	240,661	331,912	293,079
October	200,364	227,176	277,646	272,788
November	187,900	193,768	265,275	247,919
December	264,789	171,031	344,004	357,978
Total	\$ 2,468,588	\$ 2,505,075	\$ 3,550,845	\$ 3,336,573 *
Taxable Sales	\$ 293,355,674	\$ 297,691,563	\$ 421,966,125	\$ 396,503,030

*The discrepancy between Ongoing Operating Revenues (Pg. 3) and the data presented on this page reflects the allocation of sales tax to the Lake Wilderness Golf Course Fund. The totals on this page are inclusive of the General Fund and Lake Wilderness Golf Course Fund portions.

Sales Tax by Category



Real Estate Excise Tax

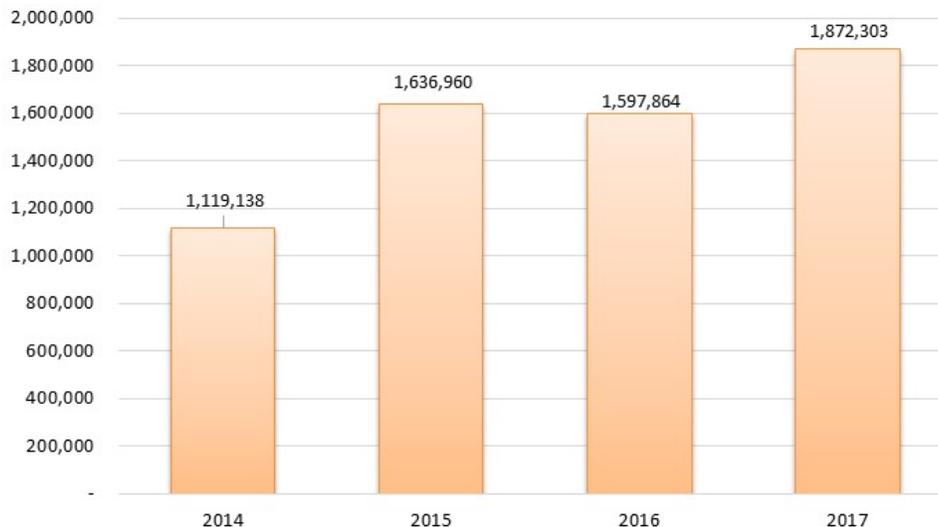
The City levies a 0.50% Real Estate Excise Tax on all sales of real estate. This 0.50% is broken up into the First 0.25% (REET 1) and the Second 0.25% (REET 2). These two revenue sources face different spending restrictions per RCW 82.46.010 and RCW 82.46.035.

Total REET 1 and REET 2 revenue from January through December of each year are included in the table below.

Month	2014 Actual	2015 Actual	2016 Actual	2017 Actual
January	\$ 27,357	\$ 88,085	\$ 87,761	\$ 78,094
February	65,980	80,374	71,659	107,110
March	64,617	107,857	115,913	143,388
April	75,404	127,759	118,851	108,678
May	79,579	133,675	140,196	234,204
June	112,497	152,975	198,839	239,267
July	140,552	151,023	266,247	227,366
August	127,446	139,441	135,356	163,925
September	101,103	125,881	111,773	149,755
October	124,596	113,705	108,377	126,118
November	96,414	90,900	96,966	126,887
December	103,592	325,286	145,926	167,510
Total	\$ 1,119,138	\$ 1,636,960	\$ 1,597,864	\$ 1,872,303
Taxable Sales	223,827,558	327,391,920	319,572,856	374,460,514

Total REET was \$274,439 or 17.2% higher in 2017 than in 2016. There were 24 more homes sold as well as a \$33,625 or 8.1% increase in the average selling price of all single family residential homes. The average selling price of new homes increased 5.1% and the average selling price of existing homes increased 9.3%.

Real Estate Excise Tax Collections
4th Quarter Comparison



Development Services Fees

Community Development revenue is made up of various Development Services Fees. Planning, Building, and Fire Marshal fees are ahead of budget and higher in 2017 and in 2016 due to the significant increase in the number of SFR homes being built within City limits in 2017.

	2014	2015	2016	2017		\$ Variance	% of Budget Received
	Actual	Actual	Actual	Budget	Actual		
Planning Fees	\$ 60,289	\$ 55,199	\$ 81,015	\$ 69,770	\$ 87,398	\$ 17,628	125%
Building Fees	659,165	656,300	481,830	753,440	1,162,567	\$ 409,127	154%
Fire Marshall	45,765	38,947	39,603	41,630	80,060	\$ 38,430	192%
TOTAL	\$ 765,218	\$ 750,446	\$ 602,448	\$864,840	\$1,330,025	\$ 465,185	154%

While the City experienced significant increases in development services revenue in 2017, this level cannot be maintained in future years due to the limited space for additional residential development.

Development Services Fees 4th Quarter Comparison



State Shared Revenues

State Shared Revenues exceeded budget in 2017 by \$40,212 or 4.3%. While the City did not receive anticipated City Assistance from the State of Washington in the amount of \$78,530, the shortfall was offset by a \$98,771 increase in Liquor Excise Tax. The City also began receiving quarterly Marijuana Excise Tax remittances totaling \$9,547 for two quarters.

Category	2014	2015	2016	2017		% of Budget Received	
	Actual	Actual	Actual	Budget	Actual		\$ Variance
Liquor Profits Tax	\$ 212,449	\$212,311	\$ 212,773	\$221,270	\$209,299	\$ (11,971)	95%
Liquor Excise Tax	44,928	65,967	115,242	20,720	119,491	98,771	577%
Marijuana Excise Tax	-	-	-	-	9,547	9,547	n/a
Motor Vehicle Fuel Tax	493,188	503,214	516,112	504,640	514,075	9,435	102%
Multimodal Transpo City	-	-	25,274	28,083	26,063	(2,020)	93%
MVA Transpo City	-	7,360	17,040	18,180	22,805	4,625	125%
State of WA/City Assistance	96,616	108,161	65,993	78,530	-	(78,530)	0%
Local Criminal Justice	72,518	74,912	77,585	69,120	79,475	10,355	115%
Total	\$919,699	\$971,925	\$1,030,019	\$940,543	\$980,755	\$ 40,212	104%

State Shared Revenues
4th Quarter Comparison (In \$1,000s)



Vehicle Excise Tax

The City's Vehicle Excise Tax was levied by the Transportation Benefit District (TBD) which was legally absorbed into the City in December 2015. The tax is a \$20 vehicle registration fee restricted in use for the funding of local transportation projects. Total vehicle excise tax revenue increased in 2017 by \$12,969 or 3.5%.

	2014	2015	2016	2017
Month	Actual	Actual	Actual	Actual
January	\$ 23,087	27,562	\$ 27,720	30,571
February	27,760	27,067	32,333	25,166
March	23,760	33,898	36,452	38,056
April	35,363	31,918	31,581	32,710
May	32,987	32,254	30,967	36,868
June	37,321	42,134	42,154	39,184
July	23,805	28,948	26,037	30,155
August	29,799	31,442	36,095	37,877
September	29,027	28,809	29,462	28,750
October	30,551	29,561	26,512	33,026
November	20,988	22,711	24,730	27,918
December	25,823	27,938	31,640	28,373
TOTAL	\$ 340,269	\$ 364,240	\$ 375,685	\$ 388,654

Utility Tax

Total utility taxes increased \$83,047 or 4.5% in 2017. While Telecom Utility Tax came in 26.1% below budget, Electric, Gas, and Cable TV utility taxes were 5.1%, 4.1%, and 59.4% higher than budgeted respectively.

	2014	2015	2016	2017
Category	Actual	Actual	Actual	Actual
Electric	714,003	724,350	775,136	823,847
Gas	430,628	403,305	369,834	469,031
Telecom	458,513	415,071	387,844	354,726
Cable TV	353,582	438,843	302,853	271,111
TOTAL	1,956,726	1,981,568	1,835,667	\$ 1,918,715

Parks and Recreation

Parks and Recreation revenue fell short of budgeted expectations in 2017 by \$41,008 or 5.0%. However, this shortfall was due to a change in accounting wherein recreation revenue collected in 2017 for sports, classes, and activities not occurring until 2018 were reported as revenue in 2018. This one-time adjustment amounted to \$93,300. If not for this change, Parks and Recreation revenue would have been reported at \$52,292 or 6.4% higher than budgeted.

The Recreation division has seen noticeable increases in program expenditures (offset by increases in program revenue) in 2017 due to a great deal of program growth in the last year. Parks and Recreation expenditures were at 100% of budget in 2017.

	2014	2015	2016	2017		% of Budget
	Actual	Actual	Actual	Budget	Actual	Rcvd./Expd.
<u>Program Revenues</u>						
Recreation Fees	\$ 331,709	\$ 445,667	\$ 466,748	422,300	\$ 378,700	\$ (43,600) 90%
LW Lodge	280,326	238,985	264,933	300,000	286,431	(13,569) 95%
Rental Revenue	37,702	42,164	50,832	53,670	62,907	9,237 117%
Donations/Grants/Misc	33,126	44,730	54,736	42,730	49,234	6,504 115%
Parks Maintenance	100	185	375	380	800	420 211%
Total Program Revenues	\$ 682,963	\$ 771,730	\$ 837,623	\$ 819,080	\$ 778,072	\$ (41,008) 95%
<u>Program Expenditures</u>						
Parks Administration	\$ 296,017	\$ 318,750	\$ 419,613	\$ 396,000	\$ 467,523	\$ 71,523 118%
Parks Maintenance	361,865	335,904	381,206	440,874	462,297	21,423 105%
Lake Wilderness Lodge	467,062	425,374	455,234	617,896	542,945	(74,951) 88%
Recreation Administration	262,377	295,235	347,694	408,118	327,191	(80,927) 80%
Beach Services	78,373	85,743	94,494	107,950	104,804	(3,146) 97%
Adult Sports	56,269	57,389	60,666	53,950	55,470	1,520 103%
Adult Classes	23,658	32,290	35,847	33,300	42,457	9,157 127%
Youth Sports	40,113	53,831	95,399	87,370	97,410	10,040 111%
Youth Classes	67,860	99,144	121,783	99,680	110,109	10,429 110%
Day Camp	56,613	57,063	57,376	64,860	76,376	11,516 118%
Special Events	162,523	152,027	164,577	163,590	185,804	22,214 114%
Community Grants/Programs	57,637	66,779	58,841	74,070	73,040	(1,030) 99%
Total Program Expenditures	\$ 1,930,366	\$ 1,979,530	\$ 2,292,731	\$ 2,547,658	\$ 2,545,425	\$ (2,233) 100%

Lake Wilderness Golf Course

The Lake Wilderness Golf Course generated a modest surplus of \$26,068 in 2017. Total revenues were \$17,848 or 1.7% lower than in 2016, but management countered the revenue shortfall by keeping expenditures \$75,347 or 6.8% under budget.

REVENUES	2014	2015	2016	2017		% of Budget	
	Actual	Actual	Actual	Budget	Actual	\$ Variance	Received
Administration							
Investment Interest	(48)	516	17	20	172	152	860%
Cash Adjustments	83	(207)	(43)	50	(15)	(65)	-30%
Miscellaneous	24	(6)	128	-	231	231	n/a
Total Administration	59	303	102	70	388	318	555%
Course Operations							
Golf Green Fees	448,718	552,962	522,215	559,860	546,624	(13,236)	98%
Golf Pro-Shop Merch. Sales	58,537	67,693	75,332	75,580	68,195	(7,385)	90%
Golf Lessons	131,125	24,211	630	-	560	560	n/a
Golf Clubs & Cart Rentals	-	155,447	169,468	178,850	170,089	(8,761)	95%
Total Course Operations	638,380	800,313	767,645	814,290	785,468	(28,822)	96%
Restaurant Operations							
Food Sales	95,928	122,187	108,123	108,870	93,176	(15,694)	86%
Beverage Sales	152,841	170,955	146,909	195,300	145,199	(50,101)	74%
Restaurant Rental	4,120	6,454	9,699	4,430	9,186	4,756	207%
Total Restaurant Operations	252,889	299,596	264,731	308,600	247,562	(61,038)	80%
City Revenues							
Sales Tax	-	-	-	22,000	21,213	(787)	96%
Transfers-In from General Fund							
Transfers - In from General Fund	97,771	-	40,000	50,000	-	-	-
Total City Revenues	97,771	-	40,000	72,000	21,213	(787)	96%
Total Revenues	989,099	1,100,211	1,072,479	1,194,960	1,054,631	(140,329)	88%

While Golf Greens Fees increased \$24,409 or 4.7% in 2017, merchandise sales and the restaurant revenue has decreased \$7,137 and 17,170 respectively since 2016. These decreases were partially offset by the allocation of \$21,213 of sales tax to the Golf Course based on actual sales tax that the Golf Course generates.

EXPENDITURES	2014	2015	2016	2017		% of Budget	
	Actual	Actual	Actual	Budget	Actual	\$ Variance	Expended
City Paid Expenditures							
Salaries & Wages	-	4,598	3,328	3,750	2,617	(1,133)	70%
Benefits	-	1,534	2,117	1,310	990	(320)	76%
Office & Operating Supp.	120	219	232	320	178	(142)	56%
Management Services	95,508	95,508	95,508	97,510	95,508	(2,002)	98%
Banking Services	20,462	31,748	28,787	27,930	33,304	5,374	119%
Cost Alloc. - Finance	4,240	1,307	-	-	-	-	n/a
Cost Alloc. - Parks Admin	1,538	157	-	-	-	-	n/a
Taxes & Assessments	5,963	7,073	6,878	6,640	8,930	2,290	134%
Equipment Replacement	13,758	13,429	4,169	2,870	2,866	(4)	100%
Property Insurance	6,547	8,128	5,868	6,000	5,878	(122)	98%
Fire & Life Safety Services	-	-	125	170	100	(70)	59%
Total City Paid Exp.	148,136	163,699	147,013	146,500	150,372	3,872	103%
Administration							
Office & Operating Supp.	7,215	6,300	8,792	6,500	7,271	771	112%
Small Tools & Minor Equip.	4,721	6,189	-	5,000	1,529	(3,471)	31%
Books & Minor Software	-	-	-	-	606	606	n/a
Advertising	7,848	10,031	8,357	8,000	8,931	931	112%
Other Professional Services	13,083	11,369	6,576	8,950	4,145	(4,805)	46%
Management Services	-	92	-	120	-	(120)	0%
Contracted Staff	25,279	24,339	22,836	20,400	22,734	2,334	111%
Payroll & Personnel Services	2,407	2,042	1,005	860	2,417	1,557	281%
Cleaning Services	-	-	-	-	1,340	1,340	n/a
Security Services	5,797	8,401	5,593	6,060	4,876	(1,184)	80%
Banking Services	495	515	553	560	500	(61)	89%
Software Maint. & Support	-	-	-	-	5,373	5,373	n/a
Telephone	7,122	9,645	7,891	7,500	6,811	(689)	91%
Internet	-	-	-	-	3,379	3,379	n/a
Postage	37	9	-	10	53	43	528%
Travel	724	808	1,338	1,000	803	(197)	80%
Rentals and Leases	28	-	-	-	2,206	2,206	n/a
Liability Insurance	9,051	8,979	-	7,440	-	(7,440)	0%
Property Insurance	2,100	2,933	12,916	3,000	13,411	10,411	447%
Utility Services	40,860	12,849	46,807	30,000	31,752	1,752	106%
Cable TV	2,645	2,805	1,708	1,450	2,540	1,090	175%
Repairs & Maintenance	2,695	2,422	3,795	2,400	1,955	(445)	81%
Dues, Subscriptions & Member:	676	1,479	706	1,970	1,284	(686)	65%
Licenses & Permits	3,363	3,471	2,912	3,960	3,426	(534)	87%
Background Checks	-	-	-	-	278	278	n/a
Registration & Training	-	-	675	700	173	(527)	25%
Other Miscellaneous	222	3,541	12,985	3,500	791	(2,709)	23%
Other Intergov'tl Licenses	-	-	-	-	22	22	n/a
Total Administration	136,366	118,219	145,444	119,380	128,606	9,226	108%

	2014	2015	2016	2017		% of Budget	
	Actual	Actual	Actual	Budget	Actual	\$ Variance	Expended
Course Operations							
Office & Operating Supp.	63,238	65,534	50,329	68,120	61,981	(6,139)	91%
Fuel Consumed	17,076	19,374	18,637	20,150	20,551	401	102%
Inventory Supplies-Merch.	41,948	51,379	50,929	51,420	47,597	(3,823)	93%
Small Tools & Minor Equip.	18,728	26,254	5,511	6,490	17,730	11,240	273%
Advertising	-	501	-	120	-	(120)	0%
Other Professional Services	-	-	-	-	3,145	3,145	n/a
Contracted Staff-Pro Shop	117,652	125,617	122,462	133,210	134,743	1,533	101%
Contracted Staff-Course	136,545	172,305	184,720	181,570	178,487	(3,083)	98%
Cost Alloc.-LWGC Admin.	-	-	-	-	-	-	n/a
Travel	129	97	-	-	-	-	
Rentals & Leases	44,385	40,997	42,148	46,940	30,665	(16,275)	65%
Liability Insurance	1,050	-	-	-	-	-	
Utility Services	14,254	31,261	-	17,570	6,147	(11,423)	35%
Repairs & Maintenance	15,280	4,800	32,394	4,490	4,112	(378)	92%
Dues & Subscriptions	165	254	-	-	-	-	
Other Miscellaneous	57	-	9,860	11,050	283	(10,767)	3%
Total Course Operations	470,508	538,372	516,989	541,130	505,441	(35,689)	93%
Restaurant							
Office & Operating Supp.	10,547	25,659	8,823	29,150	9,743	(19,407)	33%
Inventory Supplies-Food	53,929	56,736	50,746	47,510	49,775	2,265	105%
Inventory Supp. - Beverages	55,651	60,640	57,198	58,060	52,482	(5,578)	90%
Small Tools & Minor Equip.	326	5,662	9,258	9,530	853	(8,677)	9%
Books & Minor Software	-	-	-	-	169	169	n/a
Contracted Staff	102,992	103,452	119,391	106,630	113,669	7,039	107%
Rentals & Leases	7,644	12,527	6,937	7,870	8,845	975	112%
Utility Services	680	2,956	-	2,540	3,984	1,444	157%
Repairs & Maintenance	2,142	7,833	11,959	10,390	4,625	(5,765)	45%
Other Miscellaneous	177	-	163	220	-	(220)	0%
Total Restaurant	234,089.34	275,465	264,474	271,900	244,145	(27,755)	90%
Restaurants Improvements							
WIP-Construction	-	-	-	10,000	-	(10,000)	0%
Course Improvements							
WIP-Construction	-	-	-	15,000	-	(15,000)	0%
Total Expenditures	989,099	1,095,755	1,073,920	1,103,910	1,028,563	(75,347)	93%
Revenue Over Expenditures	(0.07)	4,456	(1,441)	91,050	26,068	(64,982)	n/a

In order to counter the effect of lower revenues in 2017, the LWGC's management company worked hard to reduce related expenditures. While administrative costs were \$9,226 or 7.7% over budget, course operations and restaurant operations were \$35,689 and 27,755 under budget respectively. No capital restaurant or course improvements were completed in 2017.

Public Safety

Public Safety includes the Police Department, Emergency Operations Center/Emergency Preparedness Department, Municipal Court, and Jail.

Public Safety revenue was \$28,731 or 9.6% higher than budgeted in 2017 due primarily to municipal court revenue which was \$15,490 higher than budgeted and 18.4% higher than in 2016.

Public Safety expenditures ended the year \$30,676 or 0.6% under budget. Police operations, which increased \$96,406 in 2017 due to the inclusion of a School Resource Officer in the King County Sheriff contract, was still under budget by \$67,590 or 1.6%.

	2014		2015		2016		2017		% of Budget		
	Actual		Actual		Actual	Budget	Actual	\$ Variance	Rec./Expd.		
Revenues											
Grants and Contributions	\$ 68,345	\$	20,795	\$	20,189	\$	21,162	\$	29,011	\$ 7,849	137%
Criminal Justice Contract Svcs.	39,264		41,045		42,126		37,420		43,271	\$ 5,851	116%
Criminal Justice - Special Prog.	22,780		23,722		24,805		20,850		25,439	\$ 4,589	122%
Criminal Justice Low Population	6,168		6,474		6,803		6,140		7,009	\$ 869	114%
Criminal Justice - DUI	4,305		3,670		3,851		4,710		3,757	\$ (953)	80%
Impound Fees	6,923		6,800		9,000		9,200		9,500	\$ 300	103%
False Alarm Fees	650		1,650		2,775		750		1,900	\$ 1,150	253%
Municipal Court	104,011		108,556		100,402		103,345		118,835	\$ 15,490	115%
TSD School Resource Officer	-		-		-		95,000		88,916	\$ (6,084)	94%
Donations/Miscellaneous	-		250		-		330		-	\$ (330)	0%
Total Revenues	\$ 252,446	\$	212,963	\$	209,951	\$	298,907	\$	327,638	\$ 28,731	110%
Expenditures											
Police Operations	\$ 3,689,341	\$	3,779,896	\$	4,122,654	\$	4,286,650	\$	4,219,060	\$ (67,590)	98%
Police Training	2,911		1,204		228		2,500		900	\$ (1,600)	36%
Police Facility	51,529		52,971		52,716		52,780		57,976	\$ 5,196	110%
Police Special Programs	35,988		25,157		26,117		37,191		35,783	\$ (1,408)	96%
Jail	178,776		171,560		176,189		132,720		172,642	\$ 39,922	130%
Municipal Court	296,907		289,951		293,983		328,810		296,219	\$ (32,591)	90%
Emergency Preparedness	14,241		23,838		40,132		21,270		48,665	\$ 27,395	229%
Total Expenditures	\$ 4,269,693	\$	4,344,576	\$	4,712,019	\$	4,861,921	\$	4,831,245	\$ (30,676)	99%
Revenues Under Expenditures	\$ (4,017,247)	\$	(4,131,613)	\$	(4,502,068)	\$	(4,563,014)	\$	(4,503,607)	\$ 59,407	99%

Fund Balance Summary

The City's financial policies state that the fund balance of the operating funds will be budgeted at at least 16.7% of anticipated operating expenditures. At the end of 2017, General Fund Fund Balance was 41% of General Fund Expenditures.

As of December 31, 2017

Fund	Beginning		Ending	
	Fund Balance	Revenues	Expenditures	Fund Balance
General Fund	\$ 4,999,213	\$ 13,924,630	\$ 13,432,674	\$ 5,491,168
Transportation Impact Fees	3,327,703	1,310,499	480,700	4,157,502
Transportation Benefit SR	427,849	393,228	83,433	737,644
Real Estate Excise Tax	4,706,094	1,911,116	921,211	5,695,999
Parks Impact Fees	1,971,591	1,304,337	551,473	2,724,454
Drug Seizures Fund	32,930	92,714	32,354	93,290
Capital Improvement Projects	1,058,854	2,480,579	3,119,460	419,973
Surface Water Management	2,738,732	1,683,094	735,560	3,686,267
LWGC	66,409	1,054,631	1,092,835	28,205
Total	\$ 19,329,374	\$ 24,154,829	\$ 20,449,700	\$ 23,034,503

Ending Fund Balance by Fund

