



# 1st Quarter Financial Report as of March 31, 2019



## **Introduction**

The 1st Quarter 2019 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, 2019 through March 31, 2019.



*This page is intentionally left blank.*

# 1<sup>st</sup> Quarter Financial Report

## Table of Contents

---

Table of Contents .....	3
Operating Revenues .....	4
Operating Expenditures .....	6
Property Tax Levy .....	8
Local Sales Tax .....	9
Real Estate Excise Tax .....	11
Development Services Fees .....	12
State Shared Revenues .....	13
Vehicle Excise Tax .....	14
Utility Tax .....	14
Parks and Recreation .....	15
Lake Wilderness Golf Course .....	16
Public Safety .....	19
Budget vs. Actual Revenues and Transfers-In .....	20
Budget vs. Actual Expenditures and Transfers-Out .....	21
Budget vs. Actual for Revenues and Expenditures .....	22
Fund Balance Summary .....	23
Cash and Investments .....	24
Debt Service .....	25

## Operating Revenues

Operating revenues for the first quarter are provided in the table below. A comparison of actual for three prior years, current year, and 2019 Budget to Actuals have been provided. Budget figures are for the full year whereas actuals are for January through March of each year. Additional details are provided below.

Operating Revenue	2016	2017	2018	2019		\$ Variance	% of Budget Received
	YTD	YTD	YTD	Budget	YTD		
Property Tax	\$ 64,795	\$ 72,864	\$ 78,727	\$ 3,953,670	\$ 111,447	\$ (3,842,223)	3%
Sales Tax	226,569	250,654	261,905	4,042,550	255,547	(3,787,003)	6%
Criminal Justice Sales Tax	166,903	169,219	182,158	761,440	195,849	(565,591)	26%
Utility Tax - Electric	156,752	165,808	159,611	862,930	147,144	(715,786)	17%
Utility Tax - Natural Gas	111,110	144,739	117,316	437,870	99,260	(338,610)	23%
Utility Tax - Telecom	57,453	53,092	43,954	356,780	30,232	(326,548)	8%
Utility Tax - Cable TV	-	-	-	266,850	88	(266,762)	0%
Gambling Tax	261	240	-	41,390	(1,455)	(42,845)	-4%
Leasehold Excise Tax	-	901	951	3,700	911	(2,789)	25%
Professional and Occupations Licen	-	-	240	910	480	(430)	53%
Franchise Fees - Cable TV	5,000	-	0	370,310	-	(370,310)	0%
General Business Licenses	1,887	2,191	2,357	10,000	2,892	(7,108)	29%
Transient Sales Licenses	524	300	798	1,770	574	(1,196)	32%
Marijuana Excise Tax	-	-	26,170	45,000	12,426	(32,574)	28%
City Assistance/State of WA	19,230	-	-	-	-	-	n/a
Liquor Excise Tax	26,172	27,830	28,970	123,540	31,253	(92,287)	25%
Liquor Profits	53,322	52,342	51,586	206,350	51,531	(154,819)	25%
Sale of Maps & Publications	55	24	63	140	30	(110)	22%
Passport Filing Fees	3,625	3,500	3,375	14,110	4,200	(9,910)	30%
Investment Interest	9,011	9,148	13,942	116,830	51,839	(64,991)	44%
Miscellaneous	1,588	2,224	1,641	6,070	2,994	(3,076)	49%
Economic Development	-	-	3,635	24,700	(13,745)	(38,445)	-56%
Risk Management	-	5,500	-	-	-	-	n/a
Community Development	178,852	290,623	248,885	1,374,420	219,378	(1,155,042)	16%
Public Safety	53,200	50,278	58,394	343,260	84,631	(258,629)	25%
Parks Maintenance	4,230	5,381	9,487	67,130	2,394	(64,737)	4%
Lake Wilderness Lodge	137,354	171,857	212,912	338,470	138,479	(199,991)	41%
Recreation	158,090	150,547	219,031	644,440	131,617	(512,824)	20%
Public Works Administration	50,768	53,695	54,946	215,260	23,845	(191,415)	11%
Public Works Maintenance	353	1,386	1,438	6,150	-	(6,150)	0%
Motor Vehicle Fuel Tax-City Streets	121,081	119,648	121,599	584,250	118,812	(465,438)	20%
Multimodal Transpo City	-	4,148	8,761	30,750	8,751	(21,999)	28%
MVA Transpo City	5,983	3,630	7,666	31,429	7,657	(23,771)	24%
Waste Reduction and Recycling	5,011	4,201	7,418	120,680	8,037	(112,643)	7%
Transfers	4,989	20,783	3,476	88,730	4,087	(84,643)	5%
<b>TOTAL</b>	<b>\$ 1,624,167</b>	<b>\$ 1,836,751</b>	<b>\$ 1,931,412</b>	<b>\$ 15,491,879</b>	<b>\$ 1,731,184</b>	<b>\$ (13,760,695)</b>	<b>11%</b>

**Property Tax** represent 25.5% of total operating revenue annually. April 30<sup>th</sup> and October 31<sup>st</sup> are the payment due dates for property owners, and the City receives the money one month after it is remitted. As of March 31, 2019, the city has collected 3% of the annual budget, which is a 42% increase over the same period in 2018.

**Sales Tax** is budgeted as 26.1% of total annual operating revenue in 2019. Payments are *received* by the City two months after it is paid by consumers. At the end of the first quarter, six percent of the annual budget has been received. The sales tax by month and by category are provided on Page 9.

**Lake Wilderness Lodge** revenue shows a significant decline; however, the new recreational software has modified revenue recognition based on the date earned and not when the payment was made to the City. Any comparison to prior year's activity will be impacted by this change.

**Waste Reduction & Recycling** revenue is seven percent (7%) above the quarterly revenue for 2018. There is a one month delay in the receipt of Solid Waste & Recycling Franchise Fees. Revenue from the Washington State Department of Ecology Recycling Grant was received in May.

**Cable TV Franchise Fees** are received by the City one month following the quarter in which they are earned. As of the date of this report, actual revenues *earned* through March 31, 2018 are \$111K or 41.6% of budget.

## Operating Expenditures

Total operating expenditures through March 2019 equal 13% of the annual budget, and 3.4% lower compared to the same period in 2018. The table below lists all on-going operating expenditures with a 2019 Budget to Actual Variance as well as the percent of budget expended. The budget for operating expenditures represents the entire year whereas actuals are for January through March of each year. Details of major variances are discussed following the table.

Operating Expenditures	2016	2017	2018	2019		\$ Variance	% of Budget Expended
	YTD	YTD	YTD	Budget	YTD		
City Council	\$ 57,573	\$ 53,568	\$ 50,284	\$ 146,190	\$ 55,452	\$ (90,738)	38%
City Manager's Office	106,066	122,967	98,244	470,870	103,753	(367,117)	22%
City Clerk	111,547	106,001	114,244	573,720	111,138	(462,582)	19%
City Attorney	13,187	27,448	14,149	200,000	14,636	(185,364)	7%
Economic Development	5,000	9,278	46,358	457,490	81,463	(376,027)	18%
Finance	124,825	120,346	147,864	639,830	150,486	(489,344)	24%
Human Resources	28,817	35,923	58,269	321,180	67,837	(253,343)	21%
Community Development	163,173	184,758	232,267	1,108,530	212,688	(895,842)	19%
Public Safety	178,392	105,692	120,519	5,498,220	122,843	(5,375,377)	2%
Emergency Operations	2,481	3,226	3,105	32,170	2,177	(29,993)	7%
Parks Administration	62,861	95,377	104,524	454,620	110,234	(344,386)	24%
Parks Maintenance	73,513	70,953	75,272	748,100	105,870	(642,230)	14%
Lake Wilderness Lodge	80,599	81,154	123,963	551,590	127,022	(424,568)	23%
Recreation Administration	65,732	58,680	67,409	434,830	91,094	(343,736)	21%
Recreation Programs	72,192	65,767	81,369	458,360	59,078	(399,282)	13%
Community Events	6,110	7,706	7,726	217,690	4,798	(212,892)	2%
Community Service Agencies	36,123	33,988	44,446	380,160	44,967	(335,193)	12%
Public Works Administration	122,120	139,761	119,107	769,990	109,996	(659,994)	14%
Public Works Maintenance	156,077	245,835	211,932	1,019,550	246,491	(773,059)	24%
Lake Management	4,989	3,345	3,476	88,730	4,087	(84,643)	5%
Waste Reduction & Recycling	22,731	23,334	26,663	91,680	26,968	(64,712)	29%
Information Technology	172,975	183,961	163,911	799,490	148,797	(650,693)	19%
<b>Subtotal</b>	<b>1,667,082</b>	<b>1,779,068</b>	<b>1,915,103</b>	<b>15,462,990</b>	<b>2,001,876</b>	<b>(13,461,114)</b>	<b>13%</b>
Transfers	96	129,305	181,686	503,170	23,437	(479,733)	5%
<b>TOTAL</b>	<b>\$ 1,667,178</b>	<b>\$ 1,908,373</b>	<b>\$ 2,096,789</b>	<b>\$15,966,160</b>	<b>\$ 2,025,313</b>	<b>\$ (13,940,847)</b>	<b>13%</b>

**City Council** expenditures include the annual dues to AWC of \$18,271 and to Sound Cities Association for \$16,564. These payments skew the budget spending percentage in the table above for the first quarter. Yet, the year-to-date amount is comparable to prior years.

**City Attorney** expenditure includes only the payment for January 2019 services due to the timing difference between when services are provided and when invoices are received. However, as of the date of this report, expenditures incurred through March are trending at three percent (3%) under budget.

**Economic Development** shows an increase of 16.4% or \$35,105 in expenditures compared to the first quarter of 2018. The position of Communication Specialist was added in April 2018 and represents the majority, \$27,600 or seventy-nine percent (79%) of the increase. The remainder is from advertising and professional services.

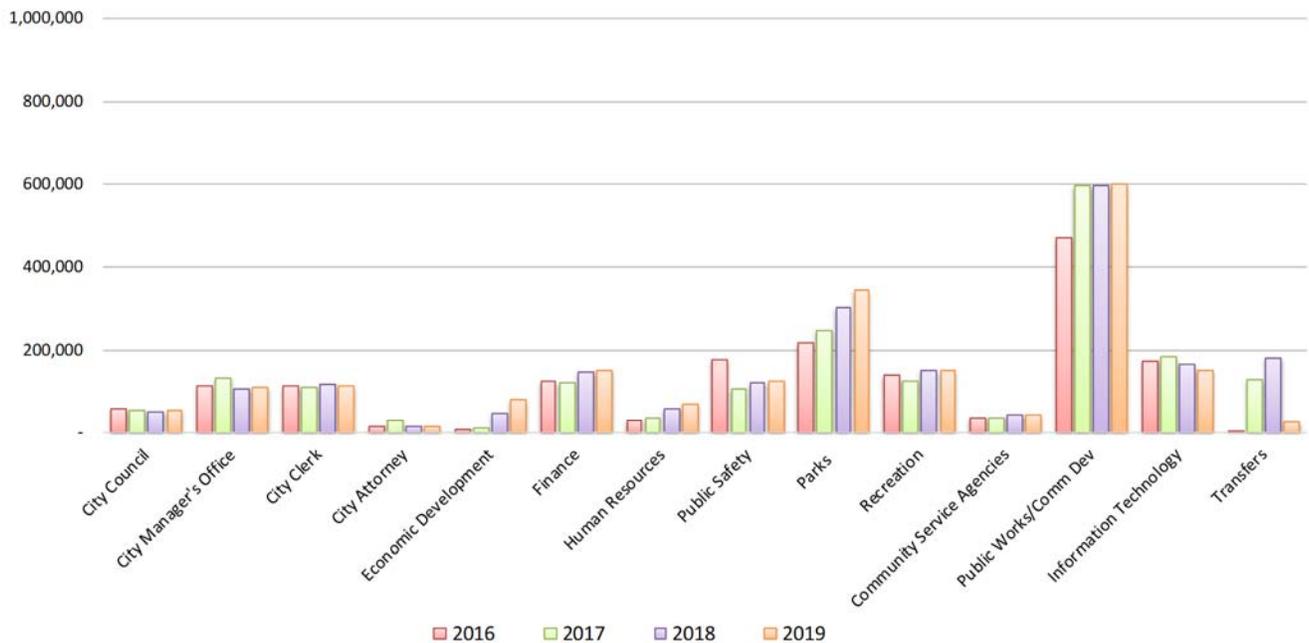
**Public Safety** expenditures appear to be under budget due to the time between when KC Sheriff Services are performed and when invoices are received and paid. Including the cost of all KC Sheriff Services provided through March 31, 2018, Public Safety expenditures are trending 2% below budget.

**Community Events** expenditures are scheduled during the summer month and agrees to the first quarter spending level at two percent (2%) of budget.

**Lake Management** expenditures are only at five percent (5%) of the annual budgeted amount for the first quarter of 2019. This is also due to the timing of spending that generally occurs during the spring and summer months.

**Waste Reduction & Recycling** expenditures are only one percent (1%) above the first quarter of 2018.

General Fund Operating Fund Expenditures  
1st Quarter 2019 Comparisons



# Property Tax Levy

The City's property tax levy per \$1,000 of assessed value decreased in 2019 from \$1.04 to \$0.96. This is the result of higher growth in the City's total assessed valuation than the City's allowable property tax increase. The City's portion makes up only 9% of total property tax assessed in Maple Valley.

## Property Tax Levy Per \$1000 AV

	2013	2014	2015	2016	2017	2018	2019
<b>Direct Regular and Special</b>							
<b>City of Maple Valley</b>	\$ 1.55	\$ 1.47	\$ 1.25	\$ 1.19	\$ 1.13	\$ 1.04	\$ 0.96
<b>Overlapping Regular and Special</b>							
State School Fund	\$ 2.57	\$ 2.47	\$ 2.29	\$ 2.17	\$ 2.03	\$ 2.92	\$ 2.63
King County General	1.54	1.52	1.35	1.48	1.38	1.32	1.22
Port of Seattle	0.23	0.22	0.19	0.17	0.15	0.14	0.12
Emergency Medical Services	0.30	0.34	0.30	0.28	0.26	0.24	0.22
Ferry District	-	-	-	-	-	-	-
King County Flood District Special Levy	0.13	0.15	0.14	0.13	0.12	0.11	0.10
Rural Libray	0.57	0.56	0.50	0.48	0.45	0.41	0.37
Tahoma School District Special Levy	3.95	3.73	3.26	3.12	3.00	2.84	1.98
Tahoma School District Bond & Bldg	2.30	3.48	2.91	3.05	2.83	2.57	1.49
Fire District #43	1.74	1.86	1.94	1.68	1.31	1.56	1.51
<b>Sub Total Overlapping</b>	\$ 13.33	\$ 14.33	\$ 12.88	\$ 12.56	\$ 11.54	\$ 12.10	\$ 9.64
<b>Total Property Tax Levy</b>	<b>\$ 14.88</b>	<b>\$ 15.80</b>	<b>\$ 14.13</b>	<b>\$ 13.75</b>	<b>\$ 12.67</b>	<b>\$ 13.14</b>	<b>\$ 10.60</b>

The City's levy portion equals \$0.09 of a dollar for property owners.



# Local Sales Tax Revenue

## Monthly Comparison

The City's Retail Sales & Use Tax revenue represents 14.76% of total operating revenue for the first quarter of 2019. In comparison to the prior year, the revenue is down slightly as January and March monthly amounts are less than the 2018 actuals for January through March. The table of local sales tax revenue by category indicates retail sales, construction, and accommodations/food service as the top three categories. In total, these equal 70% of the total tax earned.

### Local Sales Tax Revenue Monthly Comparison

Month	2016 Actual	2017 Actual	2018 Actual	2019 Actual
January	\$ 226,569	\$ 250,654	\$ 264,424	\$ 257,943
February	253,954	246,559	234,143	247,608
March	308,119	277,651	308,255	305,700
<b>Total</b>	<b>\$ 788,642</b>	<b>\$ 774,864</b>	<b>\$ 806,822</b>	<b>\$ 811,251</b>
Taxable Sales	\$ 93,718,542	\$ 92,081,283	\$ 95,879,026	\$ 96,405,348

*Sales Tax by Category is provided by Microflex TaxTools*

\*The discrepancy between Operating Revenues (Pg. 3) and the data presented on this page reflects the allocation of sales tax to the Lake Wilderness Golf Course Fund as well as the 2 month lag between sales tax being earned and remitted. The totals on this page are known remittances as of the date of this report and are inclusive of the General Fund and Lake Wilderness Golf Course Fund portions.

The table of local sales tax revenue by category shows retail sales, construction, and accommodations/food service as the top three categories. In total, these equal 70% of the sales tax earned in this quarter. Retail trade has increase each year. The growth between the 2019 first quarter compared to the same period of 2018 is nine percent (9%). Accommodations and food service has also increased each year with a three percent (3%) increase between January through March of 2019 and 2018. Conversely, sales tax revenue on construction has decrease annually. The change in quarterly data for 2018 and 2019 is lower by \$48,451 or twenty-five percent (25%).

Other categories to mention are waste management and remediation services with related administrative and support services; finance, insurance, and real estate; and professional, scientific, technical, educational and other services. These three categories are the areas with the largest growth. Waste management grew by forty-nine percent (49%); finance, insurance and real estate increased fourteen percent (14%), and services by thirteen percent (13%).

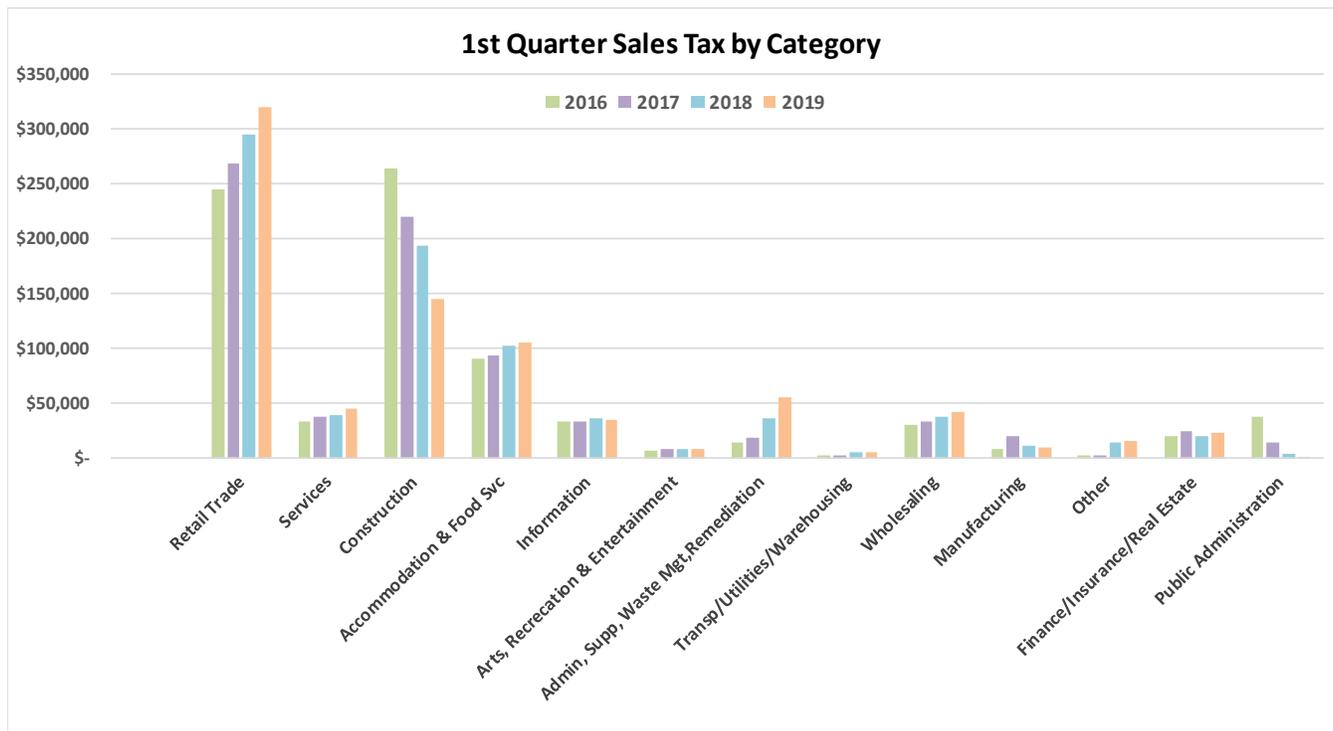
## Local Sales Tax Revenue By Category

Category	2016	2017	2018	2019
Retail Trade	\$ 245,299	\$ 268,078	\$ 294,769	\$ 320,004
Services	33,962	37,329	39,490	44,539
Construction	263,617	219,576	193,937	145,486
Accommodation & Food Svc	90,498	93,061	102,632	105,240
Information	33,718	32,981	36,149	34,227
Arts, Recreation & Entertainment	7,112	8,463	8,570	8,988
Admin, Supp, Waste Mgt, Remediatio	13,623	18,653	36,906	55,161
Transp/Utilities/Warehousing	2,465	3,129	5,273	4,777
Wholesaling	30,245	33,073	38,500	42,489
Manufacturing	7,738	19,442	11,639	9,679
Other	3,114	3,017	14,639	16,178
Finance/Insurance/Real Estate	19,714	23,892	20,526	23,446
Public Administration	37,537	14,170	3,792	1,037
<b>Total</b>	<b>\$ 788,642</b>	<b>\$ 774,864</b>	<b>\$ 806,822</b>	<b>\$ 811,251</b>

*Sales Tax by Category is provided by Microflex TaxTools*

\*The discrepancy between Operating Revenues (Pg. 3) and the data presented on this page reflects the allocation of sales tax to the Lake Wilderness Golf Course Fund as well as the 2 month lag between sales tax being earned and remitted. The totals on this page are known remittances as of the date of this report and are inclusive of the General Fund and Lake Wilderness Golf Course Fund portions.

The graph below provides a four year comparison of first quarter revenue by all sales tax categories presented in the table.



## Real Estate Excise Tax

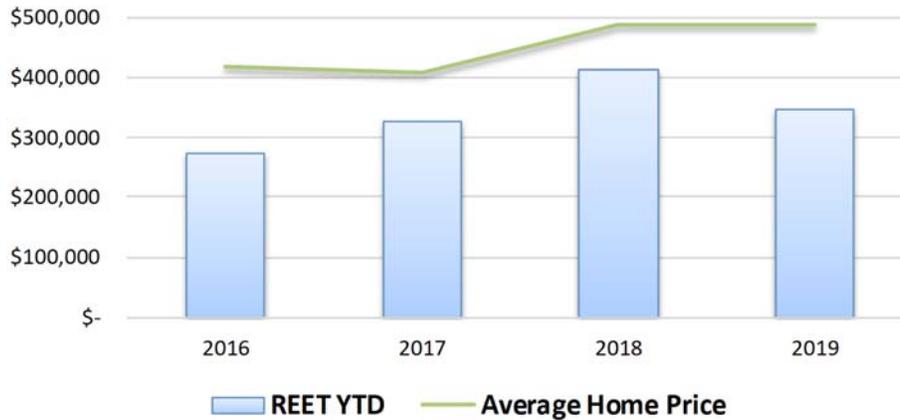
The City levies a 0.50% Real Estate Excise Tax on all real estate sale transactions. This 0.50% is broken up into the First 0.25% (REET 1) and the Second 0.25% (REET 2). These two revenue sources face different spending restrictions per RCW 82.46.010 and RCW 82.46.035.

The combined total (REET 1 and REET 2) revenue from January through March of each year are included in the table below.

Month	2015 YTD	2016 YTD	2017 YTD	2018 YTD	2019 YTD
January	\$ 88,085	\$ 87,761	\$ 78,094	\$ 84,372	\$ 104,002
February	80,374	71,659	107,110	162,723	127,649
March	107,857	115,913	143,388	166,475	116,894
Total	\$ 276,315	\$ 275,333	\$ 328,592	\$ 413,570	\$ 348,545
Taxable Sales	55,263,050	55,066,632	65,718,400	82,713,940	69,708,990

REET revenue is received by the City in the second month after it is paid by the consumer. The preceding table presents REET revenue in the month it was *earned*. Through March 2019, REET is 16% lower when compared to the same period in 2018. In 2019, there were twenty (20) fewer real estate sales transactions; yet, the average selling price of new and existing single family residential (SFR) has remained the same.

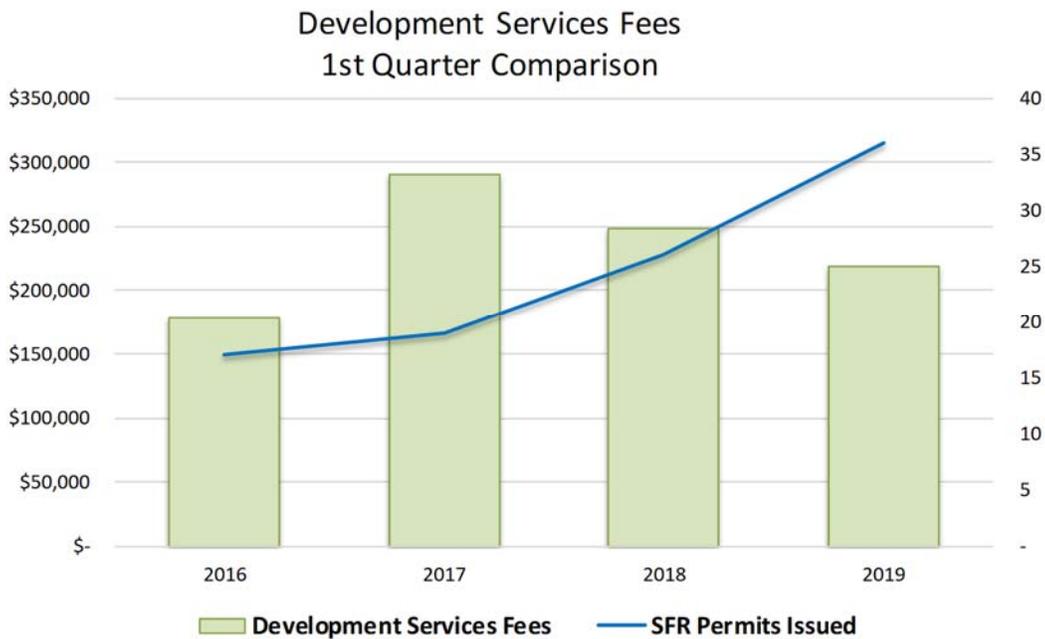
**Real Estate Excise Tax Collections  
1st Quarter Comparison**



## Development Services Fees

Community Development revenue is comprised of various Development Services Fees. Planning, Building, and Fire Marshal fees for the first quarter of 2019 are trending at 12% lower than the first quarter of 2018. Yet, the number of permits issued for Single Family Resident (SFR) has increased by ten (10) to a total of thirty-six (36) through March 2019 compared to twenty-six (26) in the prior year. The type of permit and valuation amount determines the total revenue generated on the permit. The table below provides the revenue by category for the three prior years, 2019 budget and actuals, the budget variance, and the percentage of budget received in 2019 for the first quarter. The chart provides a visual comparison of the revenue as well as the number of permits issued by year.

Revenue Category	2016	2017	2018	2019		\$ Variance	% of Budget Received
	YTD	YTD	YTD	Budget	YTD		
Planning Fees	\$ 16,406	\$ 29,149	\$ 12,676	\$ 99,270	\$ 10,200	\$ (89,070)	10%
Building Fees	151,876	248,852	220,319	1,192,440	198,033	\$ (994,407)	17%
Fire Marshall	10,570	12,623	15,890	82,710	11,145	\$ (71,565)	13%
<b>TOTAL</b>	<b>\$ 178,852</b>	<b>\$ 290,623</b>	<b>\$ 248,885</b>	<b>\$ 1,374,420</b>	<b>\$ 219,378</b>	<b>\$ (1,155,042)</b>	<b>16%</b>

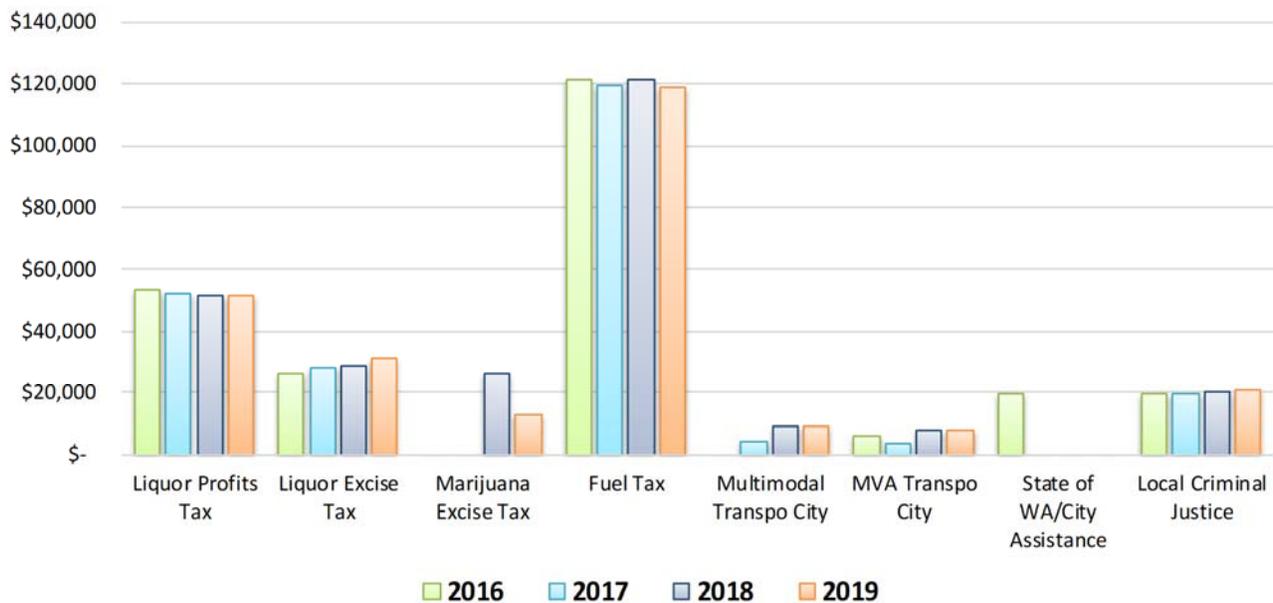


## State Shared Revenues

State Shared Revenues are slightly lower compared to the same three month period in 2018. The table below reflects that twenty-three percent (23%) of the 2019 budgeted revenue has been received. Most categories are showing similar amounts to the prior year while Marijuana excise tax is 52% lower compared to 2018 receipts. The table and graph provide side by side comparison of each revenue categories by year.

Revenue Category	2015	2016	2017	2018	2019		% of Budget Received
	YTD	YTD	YTD	YTD	Budget	YTD	
Liquor Profits Tax	\$ 53,092	\$ 53,322	\$ 52,342	\$ 51,586	\$ 206,350	\$ 51,531	25%
Liquor Excise Tax	12,053	26,172	27,830	28,970	123,540	31,253	25%
Marijuana Excise Tax	-	-	-	26,170	45,000	12,426	28%
Motor Vehicle Fuel Tax	117,734	121,081	119,648	121,599	584,250	118,812	20%
Multimodal Transpo City	-	-	4,148	8,761	30,750	8,751	28%
MVA Transpo City	-	5,983	3,630	7,666	31,429	7,657	24%
State of WA/City Assistance	23,234	19,230	-	-	-	-	n/a
Local Criminal Justice	18,510	19,174	19,502	19,987	70,500	20,808	30%
<b>Total</b>	<b>\$ 224,624</b>	<b>\$ 244,961</b>	<b>\$ 227,101</b>	<b>\$ 264,738</b>	<b>\$ 1,091,819</b>	<b>\$ 251,238</b>	<b>23%</b>

### State Shared Revenues 1st Quarter Comparison



## 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 following table details Vehicle Excise Taxes *earned* from January through March 2019 regardless of when the revenue was remitted to the City. In 2019, the Vehicle Excise Tax collected represents twenty-two (22%) of the annual budget.

### Vehicle Excise Taxes

Month	2016 YTD	2017 YTD	2018 YTD	2019 YTD
January	\$ 27,720	30,571	33,482	34,115
February	32,333	25,166	28,314	24,021
March	36,452	38,056	41,255	36,865
<b>TOTAL</b>	<b>\$ 96,505</b>	<b>\$ 93,792</b>	<b>\$ 103,051</b>	<b>\$ 95,001</b>

## Utility Tax

Utility Taxes are received by the City one month after they are earned. Utility Taxes *earned* as of March 31, 2019 are the following: Electric, \$227K or 26% of budget; Natural Gas, \$164K or 38% of budget; Telecom, \$58K or 16% of budget; Cable TV, \$111K or 42% of budget. The following table shows utility taxes *received* by the City as of March 31, 2018. The Cable TV utility tax is currently at six percent (6%), and Comcast has fully recouped their overpayment from 2015 utility taxes.

Category	2016	2017	2018	2019		\$ Variance	% of Budget Received
	YTD	YTD	YTD	Budget	YTD		
Electric	156,752	165,808	159,611	862,930	147,144	(715,786)	17%
Gas	111,110	144,739	117,316	437,870	99,260	(338,610)	23%
Telecom	57,453	53,092	43,954	356,780	30,232	(326,548)	8%
Cable TV	-	-	-	266,850	88	(266,762)	0%
<b>TOTAL</b>	<b>325,315</b>	<b>363,638</b>	<b>320,881</b>	<b>\$ 1,924,430</b>	<b>\$ 276,724</b>	<b>\$(1,647,706)</b>	<b>14%</b>

## Parks and Recreation

Parks and recreation total revenue is recorded at twenty-six percent (26%) of the 2019 annual budget, while program expenditures are at seventeen percent (17%). The new recreational software, PerfectMind, has modified the revenue to accrual accounting. In the past, revenue was recorded at the time it was received, regardless of the event or class date (cash basis accounting). This conversion will more accurately reflect the revenue, match revenues to expenditures, and follows Generally Accepted Accounting Principles (GAAP).

The revenue earned from January through March of this year has Lake Wilderness Lodge at fifty-one percent (51%) of the total and recreation fees at forty-six percent (46%). Rental revenue and miscellaneous revenue make up the remaining three percent (3%). The table below provides four years of data for January – March along with a comparison of 2019 actuals to the annual budget.

### Parks and Recreation

	2016	2017	2018	2019		\$ Variance	% of Budget Rcvd./Expd.
	YTD	YTD	YTD	Budget	YTD		
<b>Program Revenues</b>							
Recreation Fees	\$ 137,915	\$ 132,381	\$ 201,934	\$ 543,720	\$ 124,641	\$ (419,080)	23%
LW Lodge	137,354	171,857	212,522	338,070	138,479	(199,591)	41%
Rental Revenue	4,030	4,681	9,036	101,530	2,394	(99,137)	2%
Donations/Grants/Misc	20,175	18,166	55,310	65,870	6,976	(58,894)	11%
Parks Maintenance	200	700	841	850	-	(850)	0%
<b>Total Program Revenues</b>	<b>\$ 299,673</b>	<b>\$ 327,785</b>	<b>\$ 479,642</b>	<b>\$ 1,050,040</b>	<b>\$ 272,489</b>	<b>\$ (777,551)</b>	<b>26%</b>
<b>Program Expenditures</b>							
Parks Administration	\$ 62,861	\$ 95,377	\$ 104,524	\$ 454,620	\$ 110,234	\$ (344,386)	24%
Parks Maintenance	73,513	70,953	75,272	748,100	105,870	(642,230)	14%
Lake Wilderness Lodge	80,599	81,154	123,963	551,590	127,022	(424,568)	23%
Recreation Administration	65,732	58,680	67,409	434,830	91,094	(343,736)	21%
Beach Services	6,091	1,083	5,717	111,680	4,539	(107,141)	4%
Adult Sports	7,892	13,350	13,208	43,190	4,564	(38,626)	11%
Adult Classes	5,793	6,563	7,281	40,950	2,278	(38,672)	6%
Youth Sports	38,140	38,945	46,592	77,510	38,386	(39,124)	50%
Youth Classes	10,626	2,598	4,990	105,220	6,307	(98,913)	6%
Day Camp	3,613	3,229	3,581	79,810	3,003	(76,807)	4%
Parent's Night Out	37	-	-	-	-	-	n/a
Special Events	6,110	7,706	7,726	217,690	4,798	(212,892)	2%
Community Grants/Programs	36,123	33,988	44,446	380,160	44,967	(335,193)	12%
<b>Total Program Expenditures</b>	<b>\$ 397,130</b>	<b>\$ 413,625</b>	<b>\$ 504,710</b>	<b>\$ 3,245,350</b>	<b>\$ 543,062</b>	<b>\$ (2,702,288)</b>	<b>17%</b>

## Lake Wilderness Golf Course

Effective January 1, 2019, the City selected a new management company, CourseCo, for the Lake Wilderness Golf Course. The revenues by category are provided historically and for the current year with a comparison to the 2019 budget. Of total revenue generated in the first quarter, course operations represent 76%, restaurant operations are 22%, and administration and sales tax equal 2%. The golf course was only open for eight days in February due to the multiple snow events, the result is revenue 11.5% lower than the prior years.

<b>REVENUES</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>		<b>\$ Variance</b>	<b>% of Budget Received</b>
	<b>YTD</b>	<b>YTD</b>	<b>YTD</b>	<b>Budget</b>	<b>YTD</b>		
<b>Administration</b>							
Investment Interest	\$ (54)	\$ (61)	\$ (42)	\$ 20	\$ 105	\$ 85	525%
Cash Adjustments	3	(54)	(41)	50	98	48	196%
Miscellaneous	-	-	84	-	51	51	n/a
<b>Total Administration</b>	<b>(52)</b>	<b>(115)</b>	<b>2</b>	<b>70</b>	<b>254</b>	<b>184</b>	<b>363%</b>
<b>Course Operations</b>							
Golf Green Fees	100,769	78,454	86,583	565,460	61,975	(503,485)	11%
Golf Pro-Shop Merch. Sales	11,362	6,346	6,960	77,090	6,626	(70,464)	9%
Golf Lessons	-	-	-	600	-	(600)	n/a
Golf Clubs & Cart Rentals	17,388	11,544	16,755	202,530	19,633	(182,897)	10%
<b>Total Course Operations</b>	<b>129,519</b>	<b>96,345</b>	<b>110,298</b>	<b>845,680</b>	<b>88,234</b>	<b>(757,446)</b>	<b>10%</b>
<b>Restaurant Operations</b>							
Food Sales	14,819	8,161	7,167	108,500	9,623	(98,877)	9%
Beverage Sales	20,706	17,835	10,425	194,640	14,060	(180,580)	7%
Restaurant Rental	842	1,381	928	5,090	1,650	(3,440)	32%
<b>Total Restaurant Operations</b>	<b>36,367</b>	<b>27,377</b>	<b>18,520</b>	<b>308,230</b>	<b>25,333</b>	<b>(282,897)</b>	<b>8%</b>
<b>City Revenues</b>							
Sales Tax	-	-	2,548	28,440	2,396	(26,044)	n/a
<b>Transfers-In from General Fund</b>							
Transfers - In from General Fund	-	-	-	50,000	-	(50,000)	n/a
<b>Total City Revenues</b>	<b>-</b>	<b>-</b>	<b>2,548</b>	<b>78,440</b>	<b>2,396</b>	<b>(76,044)</b>	<b>0%</b>
<b>Total Revenues</b>	<b>165,834</b>	<b>123,606</b>	<b>131,368</b>	<b>1,232,420</b>	<b>116,217</b>	<b>(1,116,203)</b>	<b>9%</b>

The total expenditures for the Lake Wilderness Gold Course as of March 31, 2019 are nearly forty-two percent (42%) lower than the same period in 2018, and only eight percent (8%) of the annual budget. On the table below, City expenditures were slightly higher than the prior year while all other categories were significantly lower. Administration was down 47%, course operations was 71% lower, and the restaurant was 32% below the prior year amounts for the same period.

A profit of \$28,465 was generated during the first quarter of 2019, which equals 16.4% of the total budgeted surplus of \$173,750.

<b>EXPENDITURES</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>		<b>\$ Variance</b>	<b>% of Budget Expended</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>YTD</b>		
<b>City Paid Expenditures</b>							
Salaries & Wages	802	561	473	2,780	417	(2,363)	15%
Benefits	298	201	104	970	171	(799)	18%
Office & Operating Supp.	-	-	-	190	-	(190)	0%
Other Professional Services	-	-	-	-	-	-	n/a
Management Services	23,877	23,877	23,877	95,510	28,600	(66,910)	30%
Banking Services	2,186	2,136	2,163	34,820	2,192	(32,628)	6%
Cost Alloc. - Finance	-	-	-	-	-	-	n/a
Cost Alloc. - Parks Admin	-	-	-	-	-	-	n/a
Taxes & Assessments	307	156	184	9,340	191	(9,149)	2%
Equipment Replacement	4,163	716	716	17,940	-	(17,940)	0%
Property Insurance	5,868	-	5,948	6,280	5,878	(402)	94%
Fire & Life Safety Services	-	-	-	-	-	-	n/a
<b>Total City Paid Exp.</b>	<b>37,501</b>	<b>27,647</b>	<b>33,465</b>	<b>167,830</b>	<b>37,449</b>	<b>(130,381)</b>	<b>22%</b>

**Administration**

Office & Operating Supp.	2,171	2,169	514	6,020	34	(5,986)	1%
Small Tools & Minor Equip.	-	-	51	1,260	-	(1,260)	0%
Books & Minor Software	-	-	121	500	-	(500)	0%
Advertising	545	514	1,712	7,390	-	(7,390)	0%
Other Professional Services	3,064	-	701	-	-	-	n/a
Management Services	-	-	-	-	-	-	n/a
Contracted Staff	4,479	4,463	3,234	18,810	4,434	(14,376)	24%
Payroll & Personnel Services	-	-	871	2,000	-	(2,000)	0%
Cleaning Services	-	-	60	1,110	120	(990)	11%
Security Services	1,682	763	855	4,030	476	(3,554)	12%
Banking Services	129	134	131	410	540	130	132%
Software Maint. & Support	-	-	2,137	4,450	1,704	(2,746)	38%
Telephone	1,430	2,113	590	5,630	271	(5,359)	5%
Internet	-	1,786	714	2,800	307	(2,493)	11%
Postage	-	-	-	40	-	(40)	0%
Travel	272	189	76	660	18	(642)	3%
Rentals and Leases	-	-	588	1,820	-	(1,820)	0%
Liability Insurance	-	-	-	-	2,777	2,777	n/a
Property Insurance	1,966	2,528	2,541	11,100	-	(11,100)	0%
Utility Services	14,510	5,471	14,320	26,270	7,049	(19,221)	27%
Cable TV	424	435	549	2,100	182	(1,918)	9%
Repairs & Maintenance	260	1,083	-	1,620	-	(1,620)	0%
Dues, Subscriptions & Member:	57	500	500	1,060	-	(1,060)	0%
Licenses & Permits	2,912	2,961	1,995	2,830	-	(2,830)	0%
Background Checks	-	-	-	230	-	(230)	0%
Registration & Training	675	55	300	140	-	(140)	0%
Other Miscellaneous	(110)	115	249	4,080	-	(4,080)	0%
Other Intergov'tl Licenses	-	-	947	-	-	-	n/a
<b>Total Administration</b>	<b>34,465</b>	<b>25,279</b>	<b>33,756</b>	<b>106,360</b>	<b>17,912</b>	<b>(88,448)</b>	<b>17%</b>

<b>EXPENDITURES</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>		<b>% of Budget</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>YTD</b>	<b>\$ Variance</b>	<b>Expended</b>
<b>Course Operations</b>							
Office & Operating Supp.	8,922	3,500	2,759	70,330	2,759	(67,571)	4%
Fuel Consumed	2,532	1,620	2,523	23,320	488	(22,832)	2%
Inventory Supplies-Merch.	9,460	2,250	5,018	54,160	740	(53,420)	1%
Small Tools & Minor Equip.	1,616	508	5,182	20,120	28	(20,092)	0%
Advertising	-	-	-	-	-	-	n/a
Other Professional Services	-	-	109	3,570	480	(3,090)	13%
Contracted Staff-Pro Shop	23,220	18,321	18,428	152,880	5,331	(147,549)	3%
Contracted Staff-Course	31,534	23,044	26,437	202,520	7,595	(194,925)	4%
Travel	-	-	-	-	-	-	n/a
Rentals & Leases	317	382	824	34,790	389	(34,401)	1%
Liability Insurance	-	-	-	-	-	-	n/a
Utility Services	-	1,999	-	6,970	-	(6,970)	0%
Repairs & Maintenance	3,991	(440)	270	4,670	15	(4,655)	0%
Dues & Subscriptions	-	-	-	-	-	-	n/a
Other Miscellaneous	5,736	283	-	320	-	(320)	0%
<b>Total Course Operations</b>	<b>87,329</b>	<b>51,468</b>	<b>61,549</b>	<b>573,650</b>	<b>17,825</b>	<b>(555,825)</b>	<b>3%</b>
<b>Restaurant</b>							
Office & Operating Supp.	2,317	978	1,727	8,250	221	(8,029)	3%
Inventory Supplies-Food	6,381	3,950	3,254	43,740	1,735	(42,005)	4%
Inventory Supp. - Beverages	7,472	3,647	2,082	46,120	4,309	(41,811)	9%
Small Tools & Minor Equip.	226	283	174	720	-	(720)	0%
Books & Minor Software	-	-	-	140	-	(140)	0%
Contracted Staff	19,463	12,355	11,359	96,280	3,700	(92,580)	4%
Cleaning Services	-	-	-	800	-	-	0%
Rentals & Leases	1,232	1,214	1,837	7,490	4,346	(3,144)	58%
Utility Services	-	1,093	-	3,370	-	(3,370)	0%
Repairs & Maintenance	1,929	771	1,030	3,920	249	(3,671)	6%
Other Miscellaneous	-	-	-	-	5	5	n/a
<b>Total Restaurant</b>	<b>39,020</b>	<b>24,292</b>	<b>21,463</b>	<b>210,830</b>	<b>14,566</b>	<b>(195,464)</b>	<b>7%</b>
<b>Restaurants Improvements</b>							
WIP-Construction	-	-	-	-	-	-	n/a
<b>Course Improvements</b>							
WIP-Construction	-	-	-	-	-	-	n/a
<b>Total Expenditures</b>	<b>198,315</b>	<b>128,687</b>	<b>150,233</b>	<b>1,058,670</b>	<b>87,752</b>	<b>(970,118)</b>	<b>8%</b>
<b>Revenue Over Expenditures</b>	<b>(32,481)</b>	<b>(5,081)</b>	<b>(18,865)</b>	<b>173,750</b>	<b>28,465</b>	<b>(145,285)</b>	<b>n/a</b>

## Public Safety

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

Public Safety revenues are trending at 25% of the annual budget and includes the contracted School Resource Officer for Tahoma School District. First quarter revenues do not include any of the anticipated grant revenue.

As of March 31, 2019 the City has not yet been billed for the first three months of Police Services through King County; therefore, the expenditures are totaling just two percent (2%) of budget. In comparison with the prior year, which also did not include the first quarter police services, expenditures are just four percent (4%) higher than the prior year.

	2016	2017	2018	2019		\$ Variance	% of Budget Rec./Expd.
	YTD	YTD	YTD	Budget	YTD		
<b>Revenues</b>							
Grants and Contributions	\$ 1,675	\$ -	\$ -	\$ 22,030	\$ 381	\$ (21,649)	2%
Criminal Justice Contract Svcs.	10,463	10,606	10,909	47,420	11,394	(36,026)	24%
Criminal Justice - Special Prog.	6,077	6,237	6,392	27,790	6,651	(21,139)	24%
Criminal Justice Low Populatio	1,662	1,714	1,765	7,520	1,844	(5,676)	25%
Criminal Justice - DUI	972	945	920	3,920	919	(3,001)	23%
Impound Fees	3,400	3,200	3,100	10,490	1,600	(8,890)	15%
False Alarm Fees	450	125	250	820	1,050	230	128%
Municipal Court	28,501	27,450	35,057	121,940	28,929	(93,011)	24%
TSD School Resource Officer	-	-	-	100,300	31,862	(68,438)	32%
Donations/Miscellaneous	-	-	-	1,030	-	(1,030)	0%
<b>Total Revenues</b>	<b>\$ 53,200</b>	<b>\$ 50,278</b>	<b>\$ 58,394</b>	<b>\$ 343,260</b>	<b>\$ 84,631</b>	<b>\$ (258,629)</b>	<b>25%</b>
<b>Expenditures</b>							
Police Operations	\$ 105,460	\$ 27,794	\$ 30,117	\$ 4,924,240	\$ 26,232	\$ (4,898,008)	1%
Police Training	-	-	-	5,000	-	(5,000)	0%
Police Facility	17,478	17,765	13,112	53,110	13,211	(39,899)	25%
Police Special Programs	145	93	2,015	75,410	5,488	(69,922)	7%
Jail	24,286	13,620	25,859	120,080	30,888	(89,192)	26%
Municipal Court	32,729	50,942	50,936	340,480	50,028	(290,452)	15%
Emergency Preparedness	5,816	5,857	5,109	43,260	6,012	(37,248)	14%
<b>Total Expenditures</b>	<b>\$ 185,914</b>	<b>\$ 116,070</b>	<b>\$ 127,147</b>	<b>\$ 5,561,580</b>	<b>\$ 131,858</b>	<b>\$ (5,429,722)</b>	<b>2%</b>
<b>Revenues Under Expenditures</b>	<b>\$ (132,714)</b>	<b>\$ (65,793)</b>	<b>\$ (68,753)</b>	<b>\$ (5,218,320)</b>	<b>\$ (47,228)</b>	<b>\$ 5,171,092</b>	<b>1%</b>

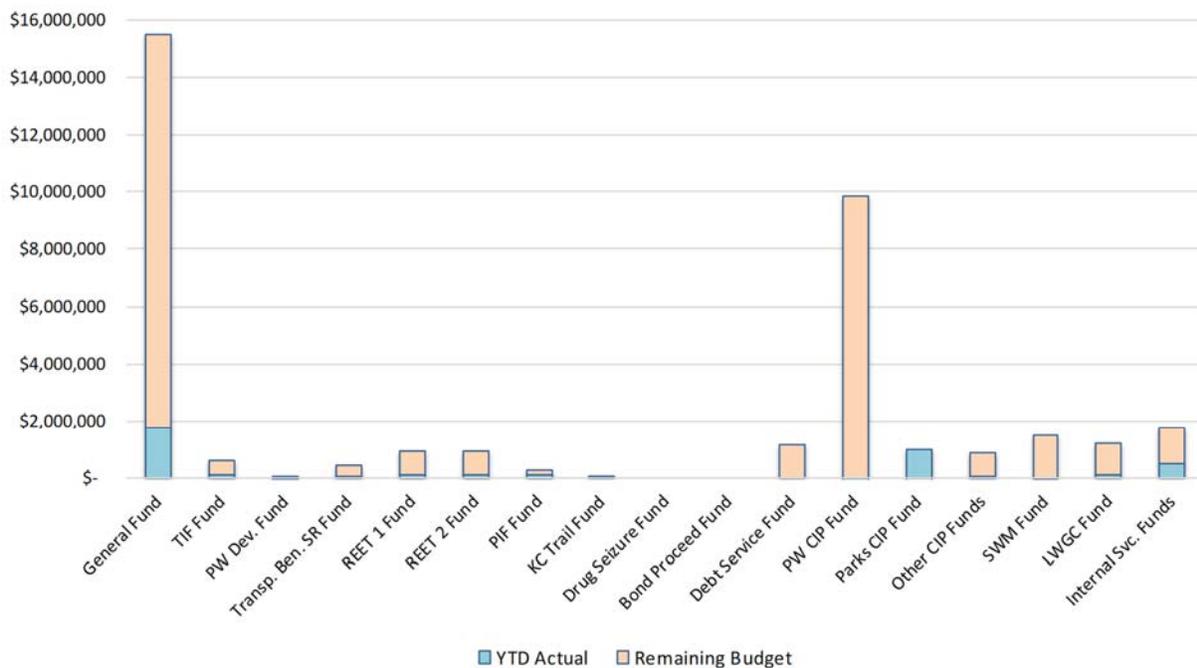
# Budget vs. Actual

## Budget vs Actual Revenue & Transfers-In by Fund

As of March 31, 2019

Fund	Budget	YTD Actual	Remaining Budget
General Fund	\$ 15,491,879	\$ 1,743,184	\$ 13,748,695
Transportation Impact Fee Fund	597,420	81,110	516,310
PW Development Fund	-	1,869	(1,869)
Transportation Benefit SR Fund	424,920	28,468	396,452
REET 1 Fund (Transportation)	965,030	130,613	834,417
REET 2 Fund (Parks)	949,775	135,306	814,469
Parks Impact Fee fund	258,560	93,023	165,537
King County Trail & Open Space Fund	53,580	2,475	51,105
Drug Seizures Fund	-	-	-
Bond Proceed Fund	-	-	-
Debt Service Fund	1,179,520	-	1,179,520
Public Works CIP Fund	9,723,379	(105,933)	9,829,312
Parks CIP Fund	765,000	1,015,129	(250,129)
Other CIP Funds	907,330	44,540	862,790
Surface Water Management	1,468,250	(28,077)	1,496,327
Lake Wilderness Golf Course Fund	1,232,420	116,217	1,116,203
Internal Service Funds	1,768,800	473,989	1,294,811
<b>Total</b>	<b>\$ 35,785,863</b>	<b>\$ 3,731,914</b>	<b>\$ 32,053,948</b>

## Budget vs Actual Revenue & Transfers-In by Fund

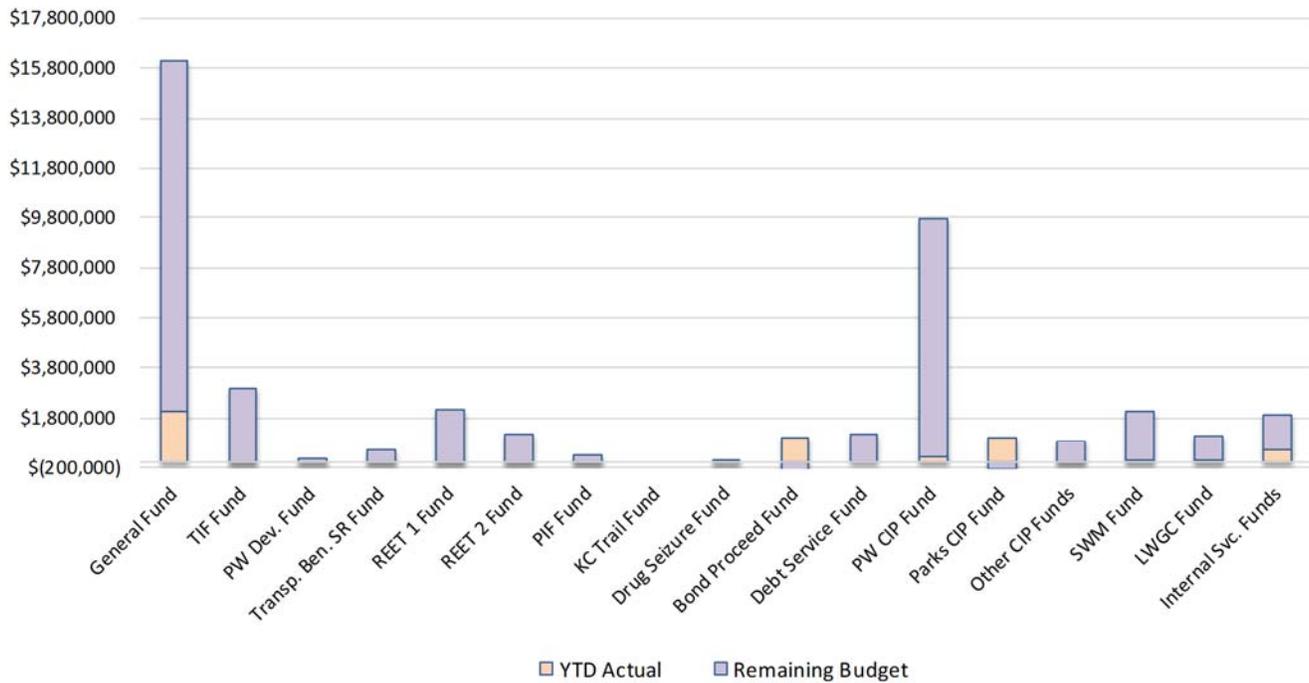


### Budget vs Actual Expenditures & Transfers-Out by Fund

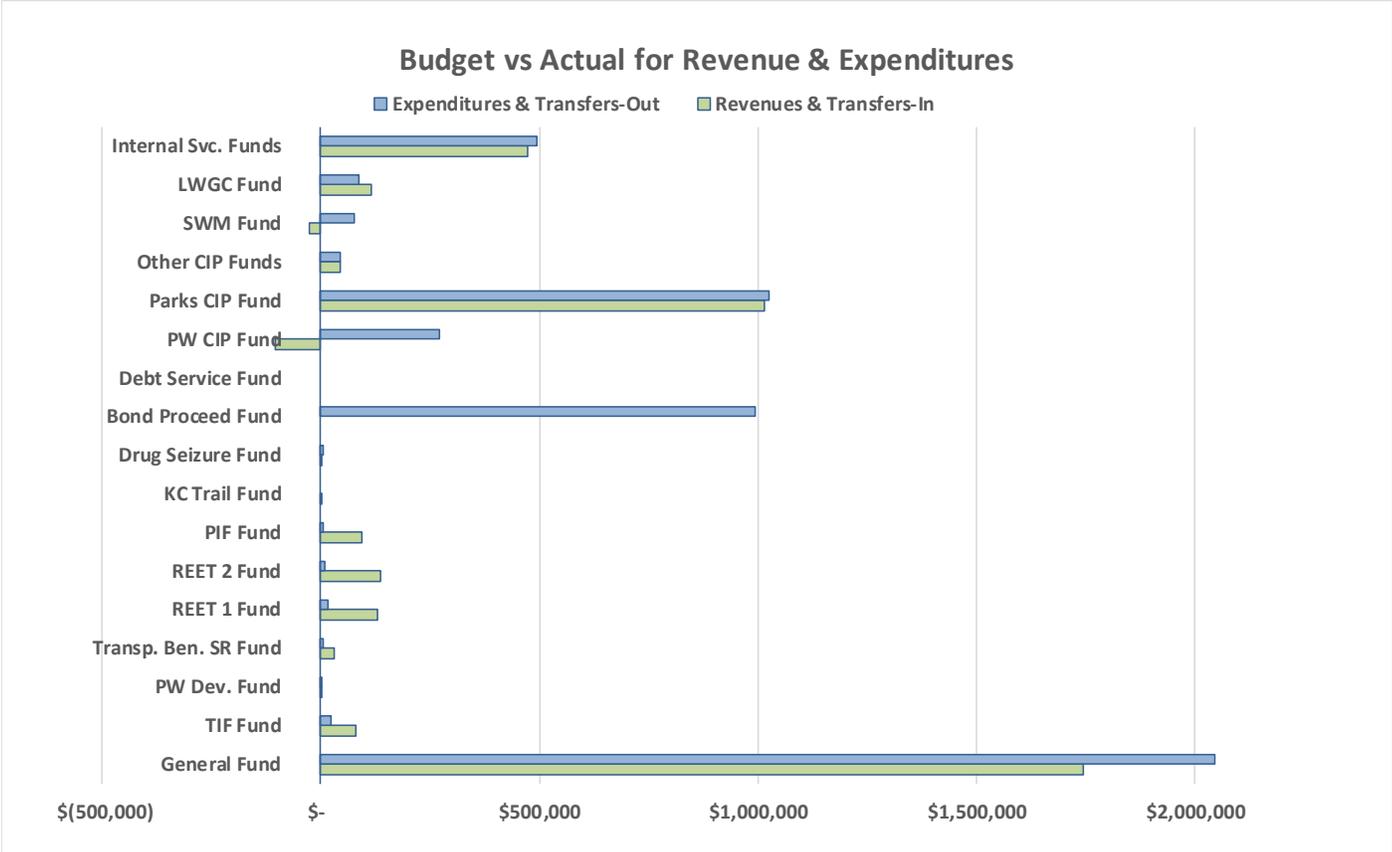
As of March 31, 2019

Fund	Budget	YTD Actual	Remaining Budget
General Fund	\$ 16,126,020	\$ 2,043,420	\$ 14,082,600
Transportation Impact Fee Fund	2,963,050	21,926	2,941,124
PW Development Fund	179,700	2,103	177,597
Transportation Benefit SR Fund	505,000	4,316	500,684
REET 1 Fund (Transportation)	2,155,530	16,975	2,138,555
REET 2 Fund (Parks)	1,189,790	8,560	1,181,230
Parks Impact Fee fund	292,900	3,752	289,148
King County Trail & Open Space Func	-	-	-
Drug Seizures Fund	53,730	4,198	49,532
Bond Proceed Fund	-	993,731	(993,731)
Debt Service Fund	1,179,520	-	1,179,520
Public Works CIP Fund	9,748,200	270,379	9,477,821
Parks CIP Fund	765,000	1,024,146	(259,146)
Other CIP Funds	907,330	44,540	862,790
Surface Water Management	2,103,549	77,053	2,026,496
Lake Wilderness Golf Course Fund	1,058,790	87,752	971,038
Internal Service Funds	1,932,780	492,938	1,439,842
<b>Total</b>	<b>\$ 41,160,889</b>	<b>\$ 5,095,789</b>	<b>\$ 36,065,100</b>

### Budget vs Actual Expenditures & Transfers-Out by Fund



# Budget vs Actual for Revenues and Expenditures by Fund



## Fund Balance Summary

### Ending Fund Balance As of March 31, 2019

Fund	Beginning Fund Balance	Revenues & Transfers-In	Expenditures & Transfers-Out	Ending Fund Balance
General Fund	\$ 8,646,601	\$ 1,743,184	\$ 2,043,420	\$ 8,346,365
Transportation Impact Fee Fund	3,861,757	81,110	21,926	3,920,941
PW Development Fund	68,082	1,869	2,103	67,848
Transportation Benefit SR Fund	866,191	28,468	4,316	890,343
REET 1 Fund (Transportation)	2,774,634	130,613	16,975	2,888,273
REET 2 Fund (Parks)	3,654,151	135,306	8,560	3,780,896
Parks Impact Fee Fund	383,121	93,023	3,752	472,393
King County Trail & Open Space Fund	464,267	2,475	-	466,742
Drug Seizures Fund	91,600	1,736	4,198	89,138
Bond Proceed Fund	1,278,655	-	993,731	284,924
Debt Service Fund	-	-	-	-
Public Works CIP Fund	336,986	(105,933)	270,379	(39,325)
Parks CIP Fund	-	1,015,129	1,024,146	(9,017)
Other CIP Funds	41,861	44,540	44,540	41,861
Surface Water Management	17,220,413	(28,077)	77,053	17,115,283
Lake Wilderness Golf Course Fund	3,654,328	116,217	87,752	3,682,793
Internal Service Funds*	1,099,629	473,989	492,938	1,080,680
<b>Total</b>	<b>\$ 44,442,276</b>	<b>\$ 3,733,650</b>	<b>\$ 5,095,789</b>	<b>\$ 43,080,137</b>

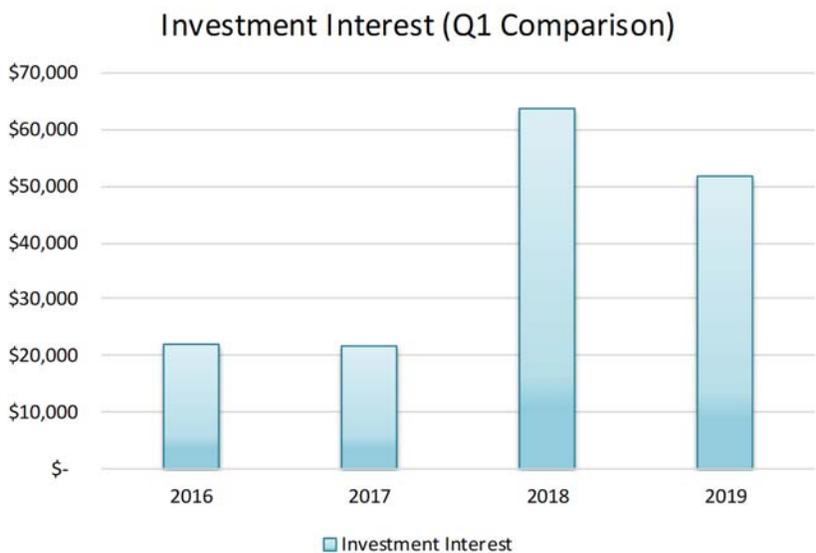
\*Ending Fund Balance primarily consists of equipment replacement reserves.

## Cash and Investments

Total cash and investments as of March 31, 2019 were \$27,826,273. This balance consists of two categories: (1) Cash and Cash Equivalent, and (2) Investments. Cash and Cash Equivalents include imprest funds (petty cash, change funds, and cash held with vendors) as well as the City’s general checking account. Investments at the Local Government Investment Pool (LGIP) are considered to be cash equivalents due to the high liquidity of the funds. The City’s investment portfolio consists of two investments in securities with maturity dates of 2019 and 2021.

Currently, the City is maintaining a high Cash and Cash Equivalents balance as parks and public works capital projects are underway.

	Interest Rate	Beginning Balance 1/1/2019	Receipts and Investments Purchased	Disbursements and Investments Sold/Matured	Change in Fair Value	Ending Balance 3/31/2019
<b>Cash &amp; Cash Equivalents</b>						
Petty Cash/Imprest Funds		\$ 20,500	\$ 450	\$ (7,000)	\$ -	\$ 13,950
Checking Account		2,329,929	5,008,499	(4,966,627)	-	2,371,801
LGIP	2.50%	23,621,211	1,582,964	(2,000,000)	-	23,204,175
<b>Subtotal: Cash &amp; Cash Equivalents</b>		<b>25,971,640</b>	<b>6,591,913</b>	<b>(6,973,627)</b>	<b>-</b>	<b>25,589,926</b>
<b>Investments at Market Value</b>						
<b>Maturity</b>	<b>Description</b>					
10/15/2019	Resolution Funding Corp	1.45%	1,018,637	-	2,287	1,020,924
11/26/2021	Federal Home Loan Bank	1.65%	1,212,962	-	2,461	1,215,423
	<b>Subtotal: Investments</b>		<b>2,231,599</b>	<b>-</b>	<b>4,748</b>	<b>2,236,347</b>
	<b>Total Cash &amp; Investments</b>		<b>\$ 28,203,239</b>	<b>\$ 6,591,913</b>	<b>\$ (6,973,627)</b>	<b>\$ 4,748</b>
						<b>\$ 27,826,273</b>



## Debt Service

As of March 31, 2019, the City's long-term debt balance consists of two State infrastructure loans, one refunding general obligation bond, and two Councilmanic general obligation bonds. The infrastructure loans funded two capital projects, T06 (SR 169 – SR 516 to SE 264<sup>th</sup> St) and T16 (SR 516 & 2285<sup>th</sup> Ave Intersection). The maturity for these loans is 2024. The 2015 refunding general obligation bond was used to purchase the Legacy site and will be paid off next year. The two Councilmanic general obligation bonds have funded Parks capital projects. The bonds issued in 2014 supported the construction of Ravensdale Park, and the 2018 bonds financed Summit Park construction. The debt service payments are funded through a combination of General Fund, Real Estate Excise Tax, and Transportation Impact Fee Funds. The payment schedule for each long-term debt is provided below along with a combined schedule.

Year	State Infrastructure Loan 0.5%			State Infrastructure Loan 0.5%		
	2005 Loan - SR 516 - Witte to 228th			2005 Loan - SR 169 - SR 516 to 264th		
	Principal	Interest	Balance	Principal	Interest	Balance
2019	\$ 75,356	\$ 2,261	\$ 376,779	\$ 109,265	\$ 3,278	\$ 546,326
2020	75,356	1,884	301,423	109,265	2,732	437,061
2021	75,356	1,507	226,067	109,265	2,185	327,796
2022	75,356	1,130	150,712	109,265	1,639	218,530
2023-24	150,712	1,130	(0)	218,530	1,639	(0)
0						
	<b>\$ 452,135</b>	<b>\$ 7,912</b>	<b>\$ 460,047</b>	<b>\$ 655,591</b>	<b>\$ 11,473</b>	<b>\$ 667,064</b>

Year	2014 Councilmanic GO Bonds			2015 Refunding GO Bonds			2018 Councilmanic GO Bonds		
	Principal	Interest	Balance	Principal	Interest	Balance	Principal	Interest	Balance
2019	\$ 160,000	\$ 19,205	\$ 675,000	\$ 485,000	\$ 34,550	\$ 500,000	\$ 115,000	\$ 175,572	\$ 3,660,000
2020	165,000	15,525	510,000	500,000	20,000	-	150,000	140,200	3,510,000
2021	165,000	11,730	345,000	-	-	-	155,000	135,700	3,355,000
2022	170,000	7,935	175,000	-	-	-	155,000	131,050	3,200,000
2023-37	175,000	4,025	-	-	-	-	3,200,000	1,114,400	-
	<b>\$ 835,000</b>	<b>\$ 58,420</b>	<b>\$ 893,420</b>	<b>\$ 985,000</b>	<b>\$ 54,550</b>	<b>\$ 1,039,550</b>	<b>\$ 3,775,000</b>	<b>\$ 1,696,922</b>	<b>\$ 5,471,922</b>

### TOTAL DEBT SERVICE REQUIREMENTS

Year	Principal	Interest	Total
2019	944,621	234,866	1,179,487
2020	999,621	180,341	1,179,961
2021	504,621	151,122	655,743
2022	509,621	141,754	651,375
2023-37	3,744,242	1,121,194	4,865,436
<b>Total</b>	<b>\$ 6,702,726</b>	<b>\$ 1,829,277</b>	<b>\$ 8,532,003</b>