



# Third Quarter Financial Report September 30, 2019



## **Introduction**

The 3rd Quarter 2019 financial report is presented herein. The goal of the financial report is to provide an overview of financial activity for the period of January 1, 2019 through September 30, 2019. Comparative data has been provided to improve understanding.



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# Third Quarter 2019 Financial Report

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## Operating Revenues

The third quarter operating revenues are presented in the table below. The revenue of the three prior years and the current year are presented. The 2019 budget numbers are for the full year whereas actuals for each year reflect activity through September 30<sup>th</sup>. Overall, total revenue earned through the third quarter of 2019 is \$9.18 million or 59% of the annual budget. Additional details are provided below.

Operating Revenue	2016 YTD	2017 YTD	2018 YTD	2019			
				Budget	YTD	\$ Variance	% of Budget Received
Property Tax	\$ 1,914,758	\$ 1,932,447	\$ 1,975,528	\$ 3,953,670	\$ 2,118,113	\$ (1,835,557)	54%
Sales Tax	2,014,744	1,864,093	2,046,142	4,042,550	2,093,918	(1,948,632)	52%
Criminal Justice Sales Tax	500,545	505,338	550,349	761,440	585,585	(175,855)	77%
Utility Tax - Electric	524,853	554,878	542,815	862,930	521,328	(341,602)	60%
Utility Tax - Natural Gas	269,612	349,670	305,165	437,870	284,423	(153,447)	65%
Utility Tax - Telecom	243,755	215,605	208,947	356,780	169,545	(187,235)	48%
Utility Tax - Cable TV	172,354	132,694	170,160	266,850	221,826	(45,024)	83%
Gambling Tax	42,041	32,215	29,317	41,390	25,815	(15,575)	62%
Leasehold Excise Tax	125	2,769	2,877	3,700	911	(2,789)	n/a
Professional and Occupations License	-	-	546	910	480	(430)	53%
Franchise Fees - Cable TV	155,821	183,711	173,191	370,310	174,021	(196,289)	47%
General Business Licenses	5,972	6,542	6,968	10,000	9,205	(795)	92%
Transient Sales Licenses	1,304	2,535	1,394	1,770	2,026	256	114%
Marijuana Excise Tax	-	4,775	50,433	45,000	36,511	(8,489)	81%
Liquor Excise Tax	84,995	87,169	91,736	123,540	101,077	(22,463)	82%
Liquor Profits	159,627	157,021	154,747	206,350	154,561	(51,789)	75%
Sale of Maps & Publications	105	80	124	140	75	(65)	54%
Passport Filing Fees	9,850	8,800	10,725	14,110	12,705	(1,405)	90%
Non-Traffic Infraction Penalty	-	-	-	-	-	-	n/a
Investment Interest	36,488	44,430	99,198	116,830	146,459	29,629	125%
Miscellaneous	5,742	4,962	48,219	6,070	7,508	1,438	124%
Economic Development	-	24,700	3,635	24,700	-	(24,700)	n/a
Risk Management	1,125	5,500	-	-	-	-	n/a
Community Development	470,833	1,010,227	800,782	1,374,420	811,618	(562,802)	59%
Public Safety	155,830	173,125	250,263	343,260	274,581	(68,679)	80%
Parks Maintenance	27,157	29,829	31,057	67,130	36,562	(30,568)	54%
Lake Wilderness Lodge	301,981	339,375	377,591	338,470	256,642	(81,828)	76%
Recreation	427,709	442,222	565,772	644,440	534,638	(109,802)	83%
Summit Park	-	-	-	-	8,513	8,513	n/a
Public Works Administration	124,320	180,567	132,221	240,260	87,610	(152,651)	36%
Public Works Maintenance	2,644	4,192	3,935	6,150	-	(6,150)	0%
Motor Vehicle Fuel Tax-City Streets	377,645	378,902	380,912	584,250	367,775	(216,475)	63%
Multimodal Transpo City	21,062	17,184	26,280	30,750	26,248	(4,502)	85%
MVA Transpo City	13,355	15,037	22,995	31,429	22,968	(8,461)	73%
Developer Contribution-Quadrant Home:	-	-	-	-	12,000	12,000	n/a
Waste Reduction and Recycling	70,495	63,766	62,708	120,680	66,801	(53,879)	55%
Proceeds from Sales of Capital Assets	-	-	3,010,116	-	-	-	n/a
Transfers	24,661	20,783	18,284	88,730	20,804	(67,925.79)	23%
<b>TOTALS</b>	<b>\$ 8,227,502</b>	<b>\$ 8,799,402</b>	<b>\$ 12,166,286</b>	<b>\$15,516,879</b>	<b>\$ 9,192,851</b>	<b>\$ (6,324,028)</b>	<b>59%</b>

**Property Tax** collections are \$2.12 million through September 30, 2019, which represents 23% of total operating revenue year-to-date. This equals an increase of 7.2% over the same period in 2018. 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. The City's collection rate in 2018 was 99%.

**Sales Tax** is budgeted as 26% 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 third quarter, 52% of the annual budget has been received; this is an increase of \$47,775 over the third quarter of 2018. The sales tax by month and by category are provided on Page 9.

The State of Washington established a destination-based tax system in 2008. The Marketplace Fairness Act was adopted in January and reinforced by the Supreme Court decision, *South Dakota v. Wayfair*. The Court ruled that state and local governments can require businesses (specifically Internet retailers) without a physical location to collect and remit sales taxes on taxable sales shipped into a state. This decision was reached in June 2018, and contributes to the growth the City has experienced in the retail category.

**Criminal Justice Sales Tax** is a 0.1% sales tax imposed at the county level that is shared with cities based on a per capita basis. Year-to-date, this revenue is at 77% of budget expectations and 6.4% of total operating revenue.

**Utility Taxes** are imposed by the City are electric, natural gas, telecom and cable TV. Currently, the tax rates are at the maximum rate (6%) allowable without voter approval. Federal law prohibits the taxation of Internet services. The combined collected amount through the third quarter is \$1,197,122, which equals 62% of the annual budgeted amount. It also equals 7.7% of the total budgeted operating revenues for the same period.

**Liquor Excise Tax and Liquor Profits** are examples of State Shared Revenue. The distribution is based on a per capita basis with liquor profits computed on the associated licensing fees and the excise tax is calculated on actual liquor sales.

As of September 30, 2019, the Liquor Excise Tax grew \$9,341 or 10.2% over the same period of 2018. The budget amount received is 82%. Liquor Profits are virtually equal to the third quarter of prior year and at 75% of budget in 2019.

**Community Development** has earned \$811,618 through planning fees, building fee and the fire inspection fees, and computes to 8.8% of total operating revenue. Building fees are \$697,574, equal 86% of this total, while planning fees are 8.3% and fire inspection fees are 5.7%. At the end of the third quarter, the combined revenue received is 59% of the budget.

**Lake Wilderness Lodge** revenue has reached 76% of the expected amount at \$256,642. Comparisons to the prior year are not accurate as the basis of accounting was converted to General Accepted Accounting Principles with the recreational software implementation in February 2019. It modified revenue recognition to the date earned and not when the payment was made to the City.

**Parks Recreation** has total revenue of \$534,638 for the nine month period. This is 83% of the predicted level and 5.8% of total operating revenue. For the same reason as above, comparison to the prior year should not be considered accurate.

**Summit Park** has earned \$6,200 in field rentals and another \$2,313 in field lights since the grand opening through the end of the third quarter.

## Operating Expenditures

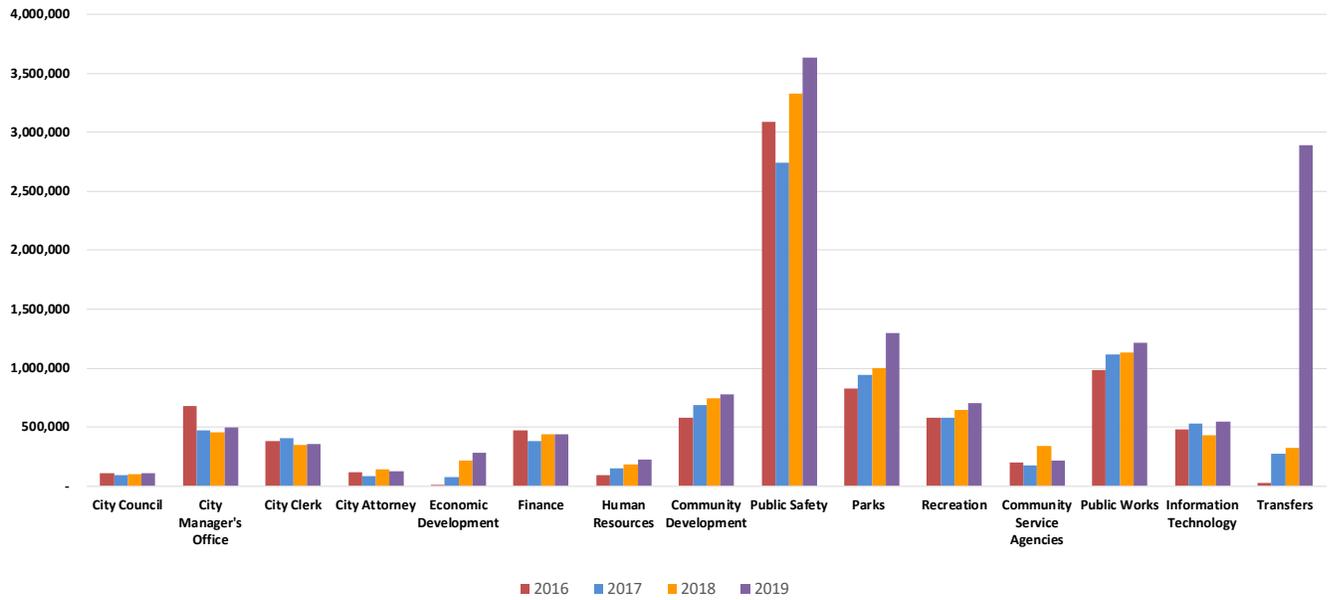
Total operating expenditures before transfers and cost of sales shown on the subtotal line shows spending at 66% of the annual budget, which calculates to an increase of 9.6% compared to the third quarter of 2018. When the transfers are included, the total expenditures total \$13.3M. The table below lists all on-going operating expenditures by department with a 2019 Budget, dollar variance, and the percent of budget expended. The budget for operating expenditures represents the entire year whereas actuals are for January through September of each year.

Operating Expenditures	2016 YTD	2017 YTD	2018 YTD	2019			
				Budget	YTD	\$ Variance	% of Budget Expended
City Council	\$ 108,583	\$ 93,955	\$ 104,742	\$ 183,650	\$ 109,838	\$ (73,812)	60%
City Manager's Office	547,928	323,702	314,059	470,870	330,633	(140,237)	70%
City Clerk	375,410	393,243	333,172	573,720	350,223	(223,497)	61%
City Attorney	119,642	83,194	145,559	200,000	124,652	(75,348)	62%
Economic Development	5,000	74,489	218,987	457,490	278,566	(178,924)	61%
Finance	469,575	384,011	443,376	639,830	442,664	(197,166)	69%
Human Resources	91,135	154,422	182,090	321,180	228,229	(92,951)	71%
Community Development	577,349	683,272	744,674	1,138,530	781,855	(356,675)	69%
Public Safety	3,088,718	2,745,112	3,329,702	5,510,870	3,634,862	(1,876,008)	66%
Emergency Operations	8,348	10,335	12,650	32,170	9,886	(22,284)	31%
Parks Administration	257,617	296,848	328,649	493,170	336,707	(156,463)	68%
Parks Maintenance	282,234	293,593	317,473	815,970	512,104	(303,866)	63%
Lake Wilderness Lodge	289,061	355,896	352,151	551,590	432,320	(119,270)	78%
Recreation Administration	205,160	199,592	220,694	434,830	301,146	(133,684)	69%
Recreation Programs	373,394	378,220	428,422	481,760	400,048	(81,712)	83%
Summit Park	-	-	-	-	19,150	19,150	n/a
Community Events	127,482	145,758	144,549	217,690	168,852	(48,838)	78%
Community Service Agencies	202,995	176,064	342,315	380,160	217,847	(162,313)	57%
Public Works Administration	369,525	390,575	377,321	794,990	362,907	(432,083)	46%
Public Works Maintenance	521,713	650,626	670,387	1,029,550	774,234	(255,316)	75%
Lake Management	24,661	14,389	18,284	88,730	20,804	(67,926)	23%
Waste Reduction & Recycling	66,653	61,254	63,224	91,680	60,416	(31,264)	66%
Information Technology	481,606	529,039	434,907	799,490	545,105	(254,385)	68%
<b>Subtotals</b>	<b>8,593,790</b>	<b>8,437,589</b>	<b>9,527,387</b>	<b>15,707,920</b>	<b>10,443,048</b>	<b>(5,264,872)</b>	<b>66%</b>
Cost of Sale of Capital Assets	-	-	188,603	-	-	-	
Transfers	29,883	277,914	320,858	3,296,936	2,892,455	(404,481)	88%
<b>TOTALS</b>	<b>\$ 8,623,673</b>	<b>\$8,715,503</b>	<b>\$ 10,036,848</b>	<b>\$ 19,004,856</b>	<b>\$ 13,335,504</b>	<b>\$ (5,669,352)</b>	<b>70%</b>

Interfund transfers at the third quarter equal \$2.9 million. The General Fund support of Summit Park construction is the majority of this total at \$2,793,766. Other transfers support debt service, capital projects, and Surface Water Management.

The graph below presents a four year comparison of operating expenditures by department for the third quarter of each year.

### General Fund Operating Expenditures 3rd Quarter Comparison by Year



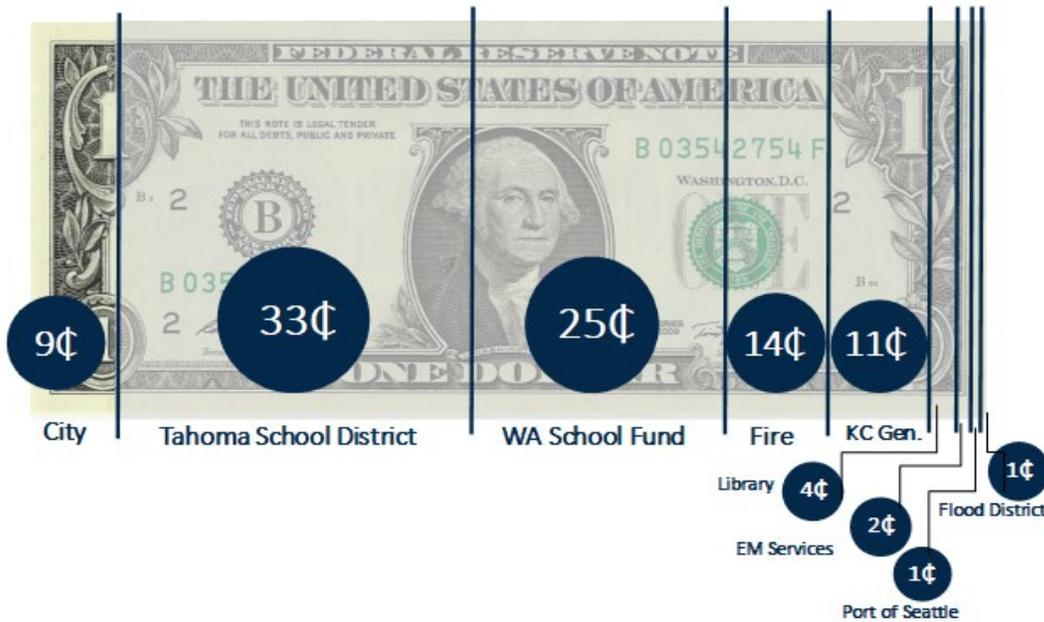
# Property Tax Levy

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

The City's Retail Sales & Use Tax revenue totals \$2,093,918 and represents 22.8% of total operating revenue at the end of the third quarter 2019. The year-to-date revenue has grown 2.3% from \$2,046,142 in 2018. The table below provides a comparison by month for the current year and three prior years.

### 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
April	305,133	259,032	279,085	297,266
May	260,618	278,606	320,029	311,404
June	351,172	294,215	322,026	359,779
July	309,179	275,743	337,734	332,742
August	317,263	282,349	322,457	320,775
September	331,912	293,079	336,952	340,322
<b>Total</b>	<b>\$ 2,663,919</b>	<b>\$ 2,457,888</b>	<b>\$ 2,725,105</b>	<b>\$ 2,773,539</b>
Taxable Sales	\$ 316,567,932	\$ 292,084,135	\$ 323,838,978	\$ 329,594,697

\*The discrepancy between Operating Revenues (Pg. 4) 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 next table provides more detail as to the categories of our sales tax revenue. Retail sales, construction, and accommodation & food service are the top three revenue categories. In total, these equal 71% of the sales tax earned in this year. Retail trade has increased each year; and, the growth between the third quarter of 2018 and 2019 is 8%. As mentioned above, the Supreme Court decision to require Internet retailers to collect and remit sales tax is a likely cause for apportion of growth in this category.

Conversely, construction has declined year after year since the peak in 2016. Yet, it represents 19.7% of total sales tax revenue year-to date. The change in quarterly data for 2018 and 2019 is lower by \$158,467 or 22%.

Accommodations and food service is the third highest category of total sales tax revenue. It has also increased each year with a nine percent (9%) increase or \$28,235 between January through September of 2019 and 2018.

Other categories to mention are waste management and remediation services with related administrative and support services, other, and services categories. These three areas have experienced the largest growth. Waste management grew by fifty-four percent (54%). Other increased thirty percent (30%), and includes agriculture, forestry, fishing, hunting, mining, quarrying, oil and gas extraction, utilities, and non-assigned. The service category consists of professional, scientific, technical, education, and other services. Growth in this category is twenty-four (24%).

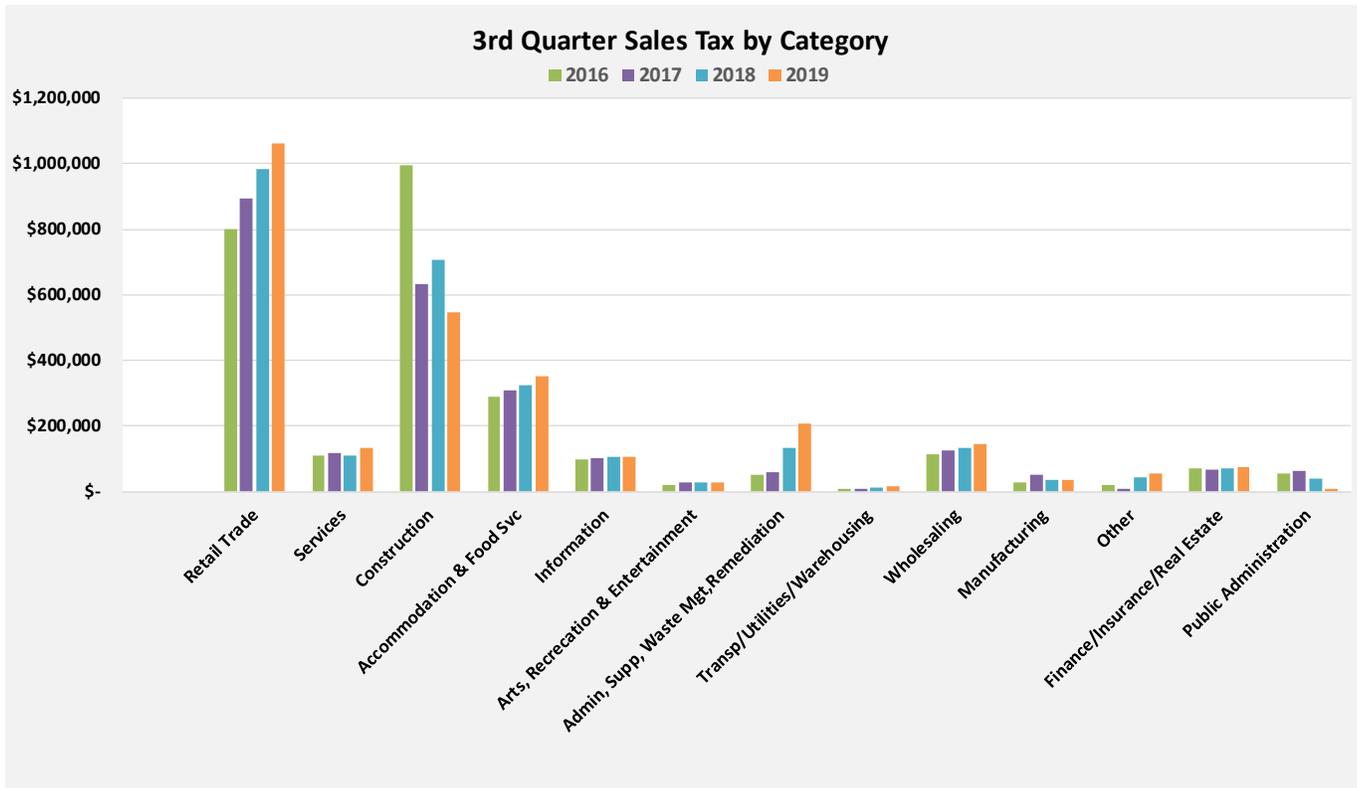
### Local Sales Tax Revenue By Category

Category	2016	2017	2018	2019	% change	% of total
Retail Trade	\$ 800,538	\$ 894,770	\$ 983,866	\$ 1,060,361	8%	38.23%
Services	109,010	118,130	108,765	134,545	24%	4.85%
Construction	995,597	632,942	706,047	547,580	-22%	19.74%
Accommodation & Food Svc	289,348	307,271	325,250	353,485	9%	12.74%
Information	98,473	102,173	107,609	105,893	-2%	3.82%
Arts, Recreation & Entertainment	20,440	26,477	26,639	28,221	6%	1.02%
Admin, Supp, Waste Mgt, Remediation	51,572	59,604	134,418	207,297	54%	7.47%
Transp/Utilities/Warehousing	9,081	7,701	13,385	16,471	23%	0.59%
Wholesaling	113,809	124,297	134,199	144,664	8%	5.22%
Manufacturing	27,176	49,439	34,045	36,293	7%	1.31%
Other	20,753	6,728	43,209	56,386	30%	2.03%
Finance/Insurance/Real Estate	72,014	67,006	69,784	73,691	6%	2.66%
Public Administration	56,108	61,350	37,889	8,654	-77%	0.31%
<b>Total</b>	<b>\$ 2,663,919</b>	<b>\$ 2,457,888</b>	<b>\$ 2,725,105</b>	<b>\$ 2,773,539</b>	<b>2%</b>	<b>100.00%</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 visual four year comparison of third 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.

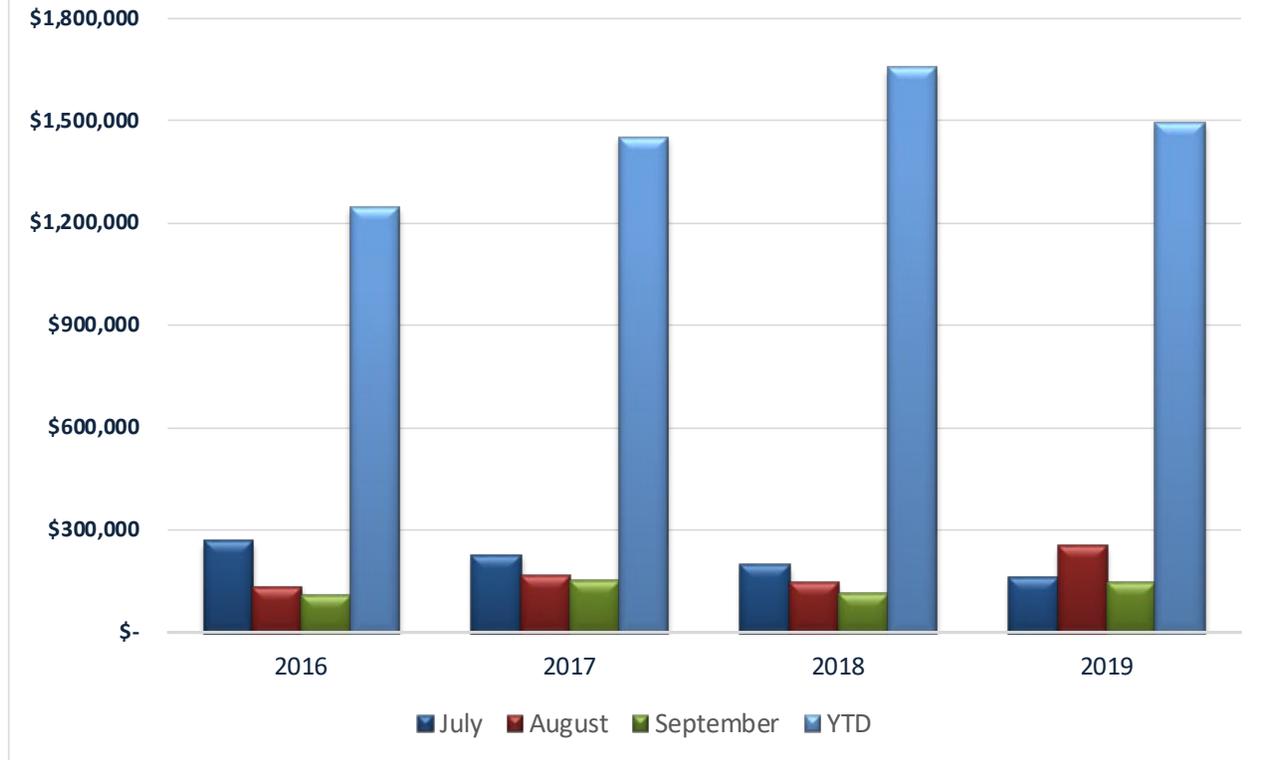
The combined total (REET 1 and REET 2) revenue from January through September of each year are included in the table below.

<b>Month</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Month</b>	<b>YTD</b>	<b>YTD</b>	<b>YTD</b>	<b>YTD</b>
January	\$ 87,761	\$ 78,094	\$ 84,372	\$ 104,002
February	71,659	107,110	162,723	127,649
March	115,913	143,388	166,475	116,389
April	118,851	108,678	289,374	156,019
May	140,196	234,204	195,674	243,520
June	198,839	239,267	297,260	181,260
July	266,247	227,366	196,099	163,233
August	135,356	163,925	147,444	253,499
September	111,773	149,755	113,762	147,094
<b>Total</b>	<b>\$ 1,246,595</b>	<b>\$ 1,451,788</b>	<b>\$ 1,653,183</b>	<b>\$ 1,492,666</b>
Taxable Sales	\$ 251,837,370	\$ 293,290,422	\$ 333,976,408	\$ 301,548,614

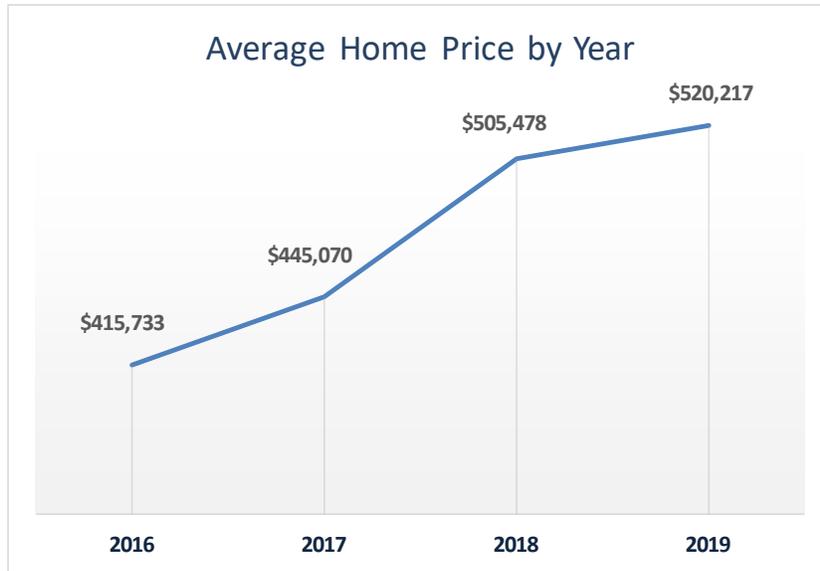
REET revenue is received by the City in the second month after it is paid by the consumer. The preceding table presents REET revenue in the month it was *earned*. Through September 2019, REET is 9.7% lower when compared to the same period in 2018. As of September 30, 2019, there have been 456 SFR taxable transactions, 89 for new homes, 367 for existing homes. This is sixty-one (61) fewer taxable SFR real estate sales transactions than for the same period in 2018. The average selling price of new homes has dropped from \$647,496 as of September 30, 2018 to \$559,116 for the same period in 2019. Whereas, the average selling price of existing homes has increased \$34,876 between the third quarter of 2018 and 2019. The current average selling price of an existing single family residential (SFR) is \$511,917. The overall average of all home sales has increased 3%.

The following page has two charts related to REET. First, a comparison for each month of the third quarter and the year-to-date total for years 2016 through 2019. The next one shows the growth of the average home prices for the same four years.

## Real Estate Excise Tax Collections 3rd Quarter Comparison



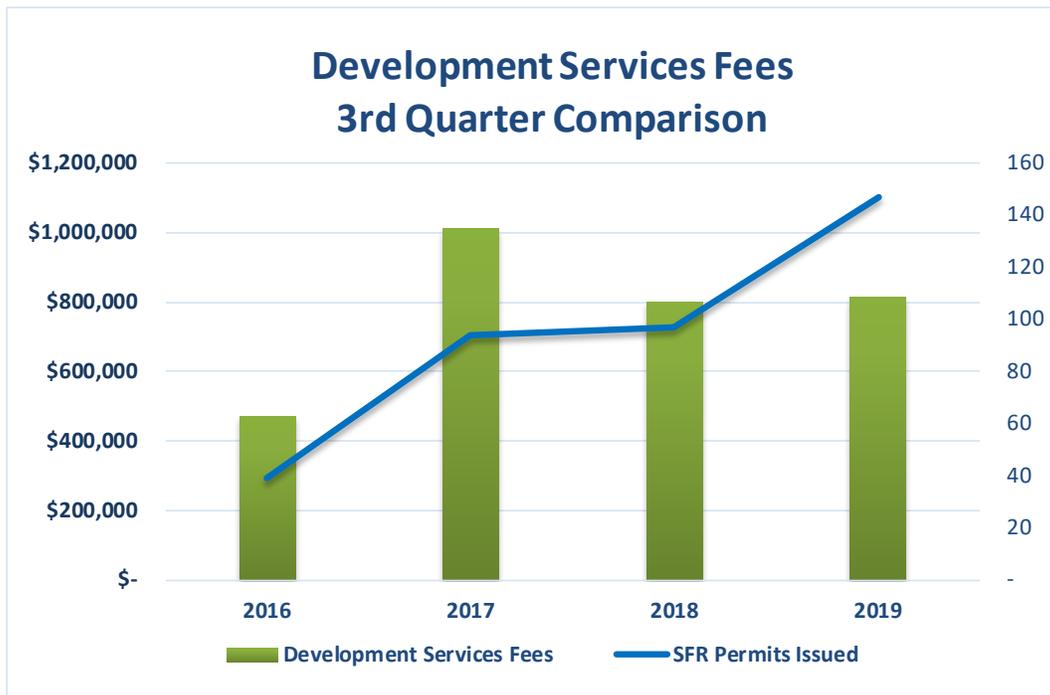
## Average Home Price by Year



## Development Services Fees

Community Development revenue is comprised of planning, building, and Fire Marshal fees. Year-to-date total revenue through September 30, equals \$811,618. This calculates to 59% of budgeted revenue for 2019. Building fees account for 86% of the total revenue amount. The number of permits issued on Single Family Resident (SFR) in 2019 totals 147. This has increased by fifty (50) compared to ninety-seven (97) for the same time period of 2018. The type of permit and valuation amount determines the total revenue generated on SFR permits. 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 third quarter. The chart provides a visual comparison of the revenue as well as the number of permits issued by year.

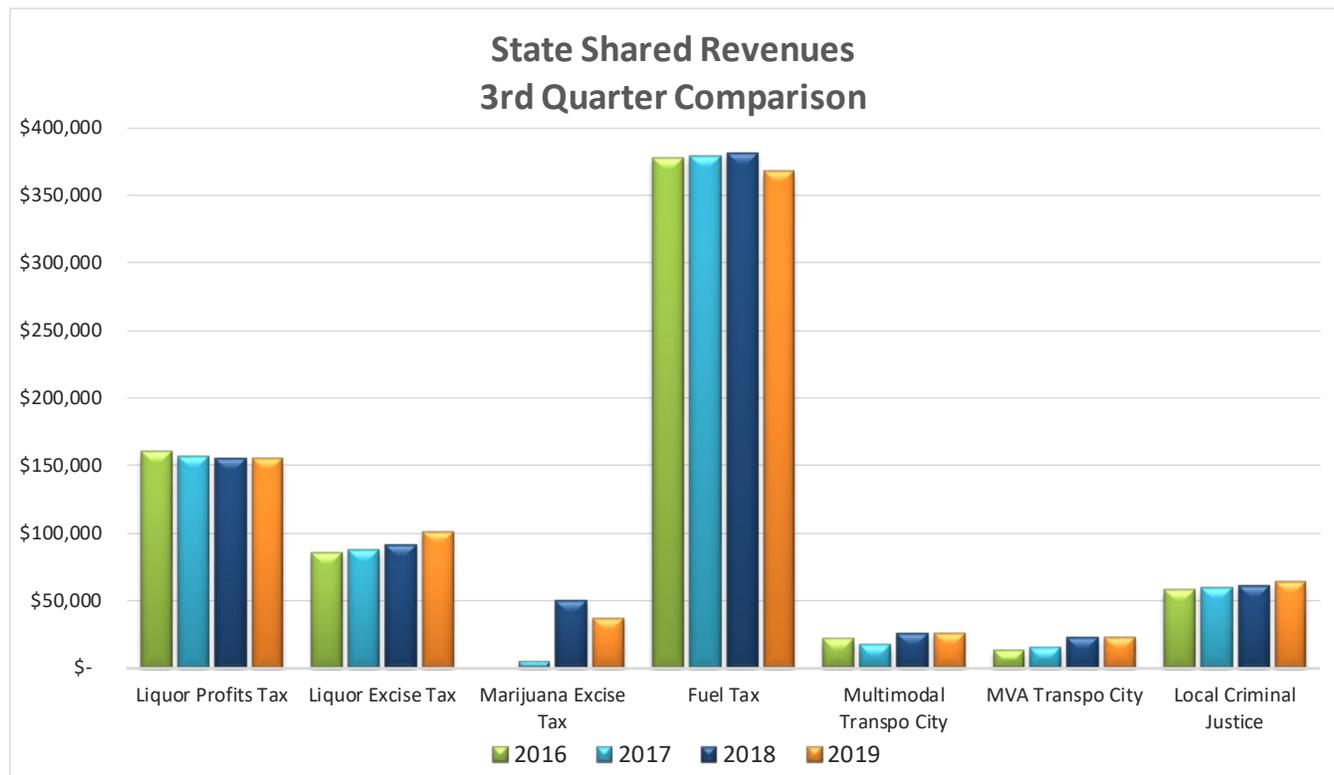
Revenue	2016	2017	2018	2019		\$ Variance	% of Budget Received
	YTD	YTD	YTD	Budget	YTD		
Planning Fees	\$ 38,767	\$ 83,632	\$ 37,789	\$ 99,270	\$ 67,618	\$ (31,652)	68%
Building Fees	402,838	881,169	724,023	1,192,440	697,574	\$ (494,866)	58%
Fire Marshall	29,228	45,425	38,970	82,710	46,425	\$ (36,285)	56%
<b>TOTAL</b>	<b>\$ 470,833</b>	<b>\$1,010,227</b>	<b>\$ 800,782</b>	<b>\$ 1,374,420</b>	<b>\$ 811,618</b>	<b>\$ (562,802)</b>	<b>59%</b>



## State Shared Revenues

State Shared Revenues in total are \$15,387 lower compared to the same nine month period in 2018. The table below reflects that seventy-one percent (71%) of the 2019 budgeted revenue has been received. Several categories are showing similar amounts to the prior year although Liquor Excise Tax is ten percent (10%) higher while Marijuana and Motor Vehicle Fuel excise tax are lower by 28% and 3.4% compared to 2018 receipts; respectively. One of the Marijuana Excise Tax distributions received in 2018 contained retroactive amounts; therefore, the percentage change does not accurately reflect when the revenue was earned. The table and graph provide side by side comparison of each revenue categories by year.

Category	2016	2017	2018	2019		% of Budget	
	YTD	YTD	YTD	Budget	YTD	\$ Variance	Received
Liquor Profits Tax	\$ 159,627	\$ 157,021	\$ 154,747	\$ 206,350	\$ 154,561	\$ (51,789)	75%
Liquor Excise Tax	84,995	87,169	91,736	123,540	101,077	(22,463)	82%
Marijuana Excise Tax	-	4,775	50,433	45,000	36,511	(8,489)	81%
Motor Vehicle Fuel Tax	377,645	378,902	380,912	584,250	367,775	(216,475)	63%
Multimodal Transpo City	21,062	17,184	26,280	30,750	26,248	(4,502)	85%
MVA Transpo City	13,355	15,037	22,995	31,429	22,968	(8,461)	73%
State of WA/City Assistance	65,993	-	-	-	-	-	n/a
Local Criminal Justice	57,841	59,248	60,756	70,500	63,332	(7,168)	90%
<b>Totals</b>	<b>\$ 780,519</b>	<b>\$ 719,335</b>	<b>\$ 787,859</b>	<b>\$1,091,819</b>	<b>\$ 772,472</b>	<b>\$ (319,346)</b>	<b>71%</b>



## 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 September 2019 regardless of when the revenue was remitted to the City. The data shows that year-to-date revenues between 2018 and 2019 increased by 1%. In 2019, the Vehicle Excise Tax collected is at seventy-five percent (75%) of the annual budget amount, \$424,820.

Month	2016	2017	2018	2019
	YTD	YTD	YTD	YTD
January	\$ 27,720	30,571	33,482	24,021
February	32,333	25,166	28,314	36,865
March	36,452	38,056	41,255	41,144
April	31,581	32,710	33,779	39,877
May	30,967	36,868	37,243	34,016
June	42,154	39,184	36,175	34,393
July	26,037	30,155	39,382	43,441
August	36,095	37,877	38,570	32,769
September	29,462	28,750	30,591	30,897
<b>TOTAL</b>	<b>\$ 292,802</b>	<b>\$ 299,336</b>	<b>\$ 318,791</b>	<b>\$ 317,423</b>

## Utility Tax

Utility Taxes are received by the City one month after they are earned. Utility Taxes receipts as of September 30, 2019 are shown in the table below. Alone, electric utility tax equal 5.7% of total operating revenue and has met 60% of the budgeted amount. In total, utility taxes equal 13% of the total operating revenue through the third quarter and the percentage of budget received is at sixty-two percent (62%).

Category	2016	2017	2018	2019		\$ Variance	% of Budget Received
	YTD	YTD	YTD	Budget	YTD		
Electric	\$ 524,853	\$ 554,878	\$ 542,815	\$ 862,930	\$ 521,328	(341,602)	60%
Gas	269,612	349,670	305,165	437,870	284,423	(153,447)	65%
Telecom	243,755	215,605	208,947	356,780	169,545	(187,235)	48%
Cable TV	172,354	132,694	170,160	266,850	221,826	(45,024)	83%
<b>Total</b>	<b>\$ 1,210,574</b>	<b>\$1,252,847</b>	<b>\$ 1,227,087</b>	<b>\$ 1,924,430</b>	<b>\$ 1,197,122</b>	<b>\$ (727,308)</b>	<b>62%</b>

## Parks and Recreation

Parks and recreation total revenue through the third quarter equals eighty percent (80%) of the 2019 annual budget, while program expenditures are at seventy-one percent (71%). 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 conforms to Generally Accepted Accounting Principles (GAAP).

From the table below, total revenue earned through the third quarter equals \$836,355. Recreation fees comprise 55% of the total, Lake Wilderness Lodge calculates to 31%, and rental revenue including Summit Park equals 7.5%. The table below provides four years of data for revenues and expenditures as of September 30, along with the 2019 annual budget, dollar variance, and the percentage of budget received for revenue (top section) and spent for expenditures (bottom section).

	2016	2017	2018	2019		% of Budget	
	YTD	YTD	YTD	Budget	YTD	\$ Variance	Rcvd./Expd.
<b>Program Revenues</b>							
Recreation Fees	\$ 336,477	\$ 339,627	\$ 484,410	\$ 530,840	\$ 460,677	\$ (70,163)	87%
LW Lodge	301,981	337,760	377,201	338,070	256,642	(81,428)	76%
Rental Revenue	26,782	29,029	58,951	101,130	54,578	(46,552)	54%
Event Concessions	22,781	26,024	20,089	24,970	20,658	(4,312)	83%
Summit Park	-	-	-	-	8,513	8,513	n/a
Donations/Grants/Misc	44,507	44,493	32,753	54,630	34,190	(20,440)	63%
Parks Maintenance	24,320	34,493	1,016	400	1,098	698	275%
<b>Total Program Revenues</b>	<b>\$ 756,847</b>	<b>\$ 811,426</b>	<b>\$ 974,420</b>	<b>\$ 1,050,040</b>	<b>\$ 836,355</b>	<b>\$ (213,685)</b>	<b>80%</b>
<b>Program Expenditures</b>							
Parks Administration	\$ 257,617	\$ 296,848	\$ 328,649	\$ 493,170	\$ 336,707	\$ (156,463)	68%
Parks Maintenance	282,234	293,593	317,473	815,970	512,104	(303,866)	63%
Lake Wilderness Lodge	289,061	355,896	352,151	551,590	432,320	(119,270)	78%
Recreation Administration	205,160	199,592	220,694	434,830	301,146	(133,684)	69%
Recreation Programs	373,394	378,220	428,422	481,760	400,048	(81,712)	83%
Summitt Park	-	-	-	-	19,150	19,150	n/a
Community Events	127,482	145,758	144,549	217,690	168,852	(48,838)	78%
Community Grants/Programs	202,995	176,064	342,315	380,160	217,847	(162,313)	57%
<b>Total Program Expenditures</b>	<b>\$ 1,737,944</b>	<b>\$ 1,845,971</b>	<b>\$ 2,134,253</b>	<b>\$ 3,375,170</b>	<b>\$ 2,388,174</b>	<b>\$ (986,996)</b>	<b>71%</b>
<i>Cost Recovery</i>	44%	44%	46%	31%	35%		

## 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 third quarter, course operations represents 81%, restaurant operations are 17%, and administration and sales tax equals the remaining two percent (2%).

The course operations revenue grew three percent (3%) above the 2018 amount, and has reached 92% of the budget expectation.

Restaurant operations are nearly six percent (6%) lower than the same period in 2018. The budget level attained is fifty-four percent (54%).

<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 Actuals</b>		
<b>Administration</b>							
Investment Interest	(50)	(38)	(84)	20	1,728	1,708	8639%
Cash Adjustments	(86)	58	8,771	50	475	425	950%
Miscellaneous	-	231	406	-	51	51	n/a
<b>Total Administration</b>	<b>(136)</b>	<b>251</b>	<b>9,093</b>	<b>70</b>	<b>2,254</b>	<b>2,184</b>	<b>3220%</b>
<b>Course Operations</b>							
Golf Green Fees	490,302	498,142	521,063	565,460	548,941	(16,519)	97%
Golf Pro-Shop Merch. Sales	63,172	52,441	67,265	77,090	49,973	(27,117)	65%
Golf Lessons	630	560	1,265	600	1,805	1,205	301%
Golf Clubs & Cart Rentals	154,094	151,004	167,098	202,530	178,297	(24,233)	88%
<b>Total Course Operations</b>	<b>708,197</b>	<b>702,148</b>	<b>756,690</b>	<b>845,680</b>	<b>779,015</b>	<b>(66,665)</b>	<b>92%</b>
<b>Restaurant Operations</b>							
Food Sales	92,547	78,718	67,422	108,500	60,238	(48,262)	56%
Beverage Sales	128,174	124,062	103,714	194,640	99,747	(94,893)	51%
Restaurant Rental	7,346	6,460	5,591	5,090	6,615	1,525	130%
<b>Total Restaurant Operations</b>	<b>228,067</b>	<b>209,241</b>	<b>176,727</b>	<b>308,230</b>	<b>166,600</b>	<b>(141,630)</b>	<b>54%</b>
<b>City Revenues</b>							
Sales Tax	-	18,364	19,579	28,440	19,125	(9,315)	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>18,364</b>	<b>19,579</b>	<b>78,440</b>	<b>19,125</b>	<b>(59,315)</b>	<b>0%</b>
<b>Total Revenues</b>	<b>936,128</b>	<b>930,003</b>	<b>962,090</b>	<b>1,232,420</b>	<b>966,995</b>	<b>(265,425)</b>	<b>78%</b>

The expenditure categories for the Lake Wilderness Gold Course include City paid expenditures, administration, course operations, and restaurant operations.

Management services falls under City paid expenditures and the previous management company contract provided for a monthly management fee of \$7,959. The new management contract with CourseCo calls for a monthly management fee of \$9,533.33. Due to the invoice due date, the October payment has been included in the year-to-date activity. The actual management service amount through September is \$ \$85,800. This reduces the total City paid expenditures to \$147,238.

<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 Actual</b>	<b>\$ Variance</b>	<b>Expended</b>
<b>City Paid Expenditures</b>							
Salaries & Wages	2,756	2,617	2,071	2,780	1,652	(1,128)	59%
Benefits	964	917	450	970	608	(362)	63%
Office & Operating Supp.	232	83	87	190	-	(190)	0%
Other Professional Services	-	-	15,000	-	-		#DIV/0!
Management Services	71,631	71,631	71,631	95,510	95,333	(177)	100%
Banking Services	21,504	25,347	22,296	34,820	24,039	(10,781)	69%
Taxes & Assessments	4,878	6,776	4,963	9,340	6,019	(3,321)	64%
Equipment Replacement	3,453	2,149	2,149	17,940	23,241	5,301	130%
Property Insurance	5,868	-	5,948	6,280	5,878	(402)	94%
Fire & Life Safety Services	125	-	-	100	-	(100)	0%
<b>Total City Paid Exp.</b>	<b>111,411</b>	<b>109,520</b>	<b>124,595</b>	<b>167,930</b>	<b>156,771</b>	<b>(11,159)</b>	<b>93%</b>
<b>Administration</b>							
Office & Operating Supp.	6,626	5,896	1,507	6,020	1,683	(4,337)	28%
Small Tools & Minor Equip.	-	601	245	1,260	2,131	871	169%
Books & Minor Software	-	606	241	500	-	(500)	0%
Advertising	7,133	6,075	5,425	7,390	1,794	(5,596)	24%
Other Professional Services	6,576	3,397	3,984	-	2,770	2,770	n/a
Contracted Staff	14,984	16,121	12,615	18,810	43,349	24,539	230%
Payroll & Personnel Services	632	1,732	2,286	2,000	-	(2,000)	0%
Cleaning Services	-	700	960	1,110	820	(290)	74%
Security Services	4,449	3,201	4,009	4,030	3,307	(723)	82%
Banking Services	413	314	352	410	5,662	5,252	1381%
Software Maint. & Support	-	2,478	6,302	4,450	4,707	257	106%
Telephone	5,749	4,823	2,346	5,630	1,727	(3,903)	31%
Internet	-	2,788	2,917	2,800	1,790	(1,010)	64%
Postage	-	53	105	40	46	6	114%
Travel	878	562	436	660	622	(38)	94%
Lodging & Meals	-	-	-	-	1,204	1,204	n/a
Rentals and Leases	-	1,712	1,935	1,820	354	(1,466)	19%
Liability Insurance	-	-	-	-	18,153	18,153	n/a
Property Insurance	9,629	10,083	7,859	11,100	-	(11,100)	0%
Utility Services	37,038	19,085	33,273	26,270	32,249	5,979	123%
Cable TV	1,066	1,949	1,648	2,100	1,232	(868)	59%
Repairs & Maintenance	2,242	1,955	382	1,620	844	(776)	52%
Dues, Subscriptions & Memberships	706	1,284	1,757	1,060	3,991	2,931	377%
Licenses & Permits	2,912	3,426	1,995	2,830	-	(2,830)	0%
Background Checks	-	278	586	230	-	(230)	0%
Registration & Training	675	173	305	140	64	(76)	46%
Intergovernmental License & Permit	-	-	-	20	24	4	121%
Other Miscellaneous	9,248	686	954	4,080	1,796	(2,284)	44%
Other Intergov'tl Licenses	-	22	947	-	-	-	n/a
<b>Total Administration</b>	<b>110,955</b>	<b>89,998</b>	<b>95,370</b>	<b>106,380</b>	<b>130,320</b>	<b>23,940</b>	<b>123%</b>

Year-to-date, the total administration expenses for the golf course are \$130,320. The expenses have grown significantly over the 2018 actuals for the same period. Contracted staff expenses are \$43,349, and have increased over 2.4 times from the prior year and are higher than expected. The allocation of personnel costs have changed with the new management company. Previously, the salary and benefit costs of the manager was allocated into multiple categories (administration, course and restaurant operations), but this year, it is being charged exclusively to administration. Banking services also show an elevated change. In researching this

variance, expenses were misclassified. The actual amount is \$77. The correction will be recorded in October and reflected on the fourth quarter report.

Course operations and restaurant operations are presented in detail below. These two categories are running significantly lower than 2018 actuals at September 30. Course operation expenses for the current year total \$242,460, and forty-two percent (42%) of the budget have been spent. In comparison, the prior year amount for the same period were \$145,162 higher.

For 2019, restaurant operational costs are almost twenty-four percent (24%) lower than 2018 actuals at the end of nine months. In addition, the total expenses for this year are at fifty-four percent (54%) of budget.

Overall total expenditures for the golf course are at sixty-one percent (61%) of budget, and fifteen percent (15%) lower than 2018 actuals for the same period. The fluctuations within the expenditures categories when compared to 2018 are the result of modified expense allocation from the change in management.

At the bottom line, the Lake Wilderness Golf Course has earned \$324,449 in net profit through the third quarter. The growth over last year is fifty-seven percent (57%) and the budget has been met with an additional \$150,819.

	2016	2017	2018	2019		% of Budget	
	Actual	Actual	Actual	Budget	Actual	\$ Variance	Expended
<b>Course Operations</b>							
Office & Operating Supp.	36,189	45,108	53,463	70,330	26,764	(43,566)	38%
Fuel Consumed	15,168	13,663	16,051	23,320	11,574	(11,746)	50%
Inventory Supplies-Merch.	49,398	39,218	40,310	54,160	20,670	(33,490)	38%
Small Tools & Minor Equip.	4,764	9,616	9,742	20,120	1,626	(18,494)	8%
Other Professional Services	-	678	2,467	3,570	697	(2,873)	20%
Contracted Staff-Pro Shop	84,033	92,580	100,656	152,880	58,732	(94,148)	38%
Contracted Staff-Course	130,792	120,843	129,011	202,520	97,865	(104,655)	48%
Rentals & Leases	30,553	19,359	34,118	34,790	21,878	(12,912)	63%
Utility Services	-	6,147	-	6,970	265	(6,705)	4%
Repairs & Maintenance	25,662	962	1,802	4,670	254	(4,416)	5%
Other Miscellaneous	8,115	283	-	320	2,133	1,813	667%
<b>Total Course Operations</b>	<b>384,674</b>	<b>348,457</b>	<b>387,621</b>	<b>573,650</b>	<b>242,460</b>	<b>(331,190)</b>	<b>42%</b>
<b>Restaurant</b>							
Office & Operating Supp.	7,206	6,853	9,231	8,250	2,220	(6,030)	27%
Inventory Supplies-Food	43,958	35,271	29,695	43,740	23,162	(20,578)	53%
Inventory Supp. - Beverages	50,383	38,685	30,593	46,120	29,749	(16,371)	65%
Small Tools & Minor Equip.	7,544	663	3,170	720	95	(625)	13%
Books & Minor Software	-	54	-	140	-	(140)	0%
Contracted Staff	82,419	74,977	61,835	96,280	47,299	(48,981)	49%
Cleaning Services	-	-	407	800	274		34%
Rentals & Leases	4,663	6,109	6,557	7,490	7,397	(93)	99%
Utility Services	-	3,984	-	3,370	-	(3,370)	0%
Repairs & Maintenance	7,033	2,802	6,681	3,920	1,816	(2,104)	46%
Other Miscellaneous	163	-	3	-	983	983	n/a
<b>Total Restaurant</b>	<b>203,368</b>	<b>169,397</b>	<b>148,172</b>	<b>210,830</b>	<b>112,995</b>	<b>(97,309)</b>	<b>54%</b>
<b>Total Expenditures</b>	<b>810,408</b>	<b>717,372</b>	<b>755,759</b>	<b>1,058,790</b>	<b>642,546</b>	<b>(415,718)</b>	<b>61%</b>
<b>Revenue Over Expenditures</b>	<b>125,720</b>	<b>212,631</b>	<b>206,331</b>	<b>173,630</b>	<b>324,449</b>	<b>150,819</b>	<b>187%</b>

## Public Safety

Public Safety includes the Police Department, Emergency Operations Center/Emergency Preparedness, Municipal Court, and Jail. Their revenues are trending higher than previous years with 9.7% growth between the third quarters of 2018 and 2019. Year-to-date actual revenues equal eighty percent (80%) of the annual budget. As of September 30, 2019 the City has paid for January-August Police Services contracted through King County; the billing and payment of September services (\$402,710) occurred in October. As a result, the first expenditure line, Police Operations, is understated by \$402,170, which adjusts the line item to \$3,554,555 and 72% of budget expended.

Jail expenditures year-to-date are up fifty-four percent (54%) over the same period in 2018. King County and the cities of Kent, Enumclaw, and Yakima have been utilized as needed for inmate services.

	2016	2017	2018	2019		\$ Variance	% of Budget Rec./Expd.
	YTD	YTD	YTD	Budget	YTD		
<b>Revenues</b>							
Grants and Contributions	\$ 13,852	\$ 18,541	\$ 16,836	\$ 22,030	\$ 6,009	\$ (16,021)	27%
Criminal Justice Contract Svcs.	31,417	32,242	33,180	47,420	34,741	(12,679)	73%
Criminal Justice - Special Prog.	18,471	18,961	19,440	27,790	20,278	(7,512)	73%
Criminal Justice Low Population	5,061	5,220	5,375	7,520	5,631	(1,889)	75%
Criminal Justice - DUI	2,891	2,824	2,761	3,920	2,680	(1,240)	68%
Impound Fees	6,900	6,900	6,400	10,490	4,400	(6,090)	42%
False Alarm Fees	1,575	1,550	1,900	820	2,175	1,355	265%
Municipal Court	75,662	86,887	100,887	121,940	101,815	(20,125)	83%
TSD School Resource Officer	-	-	63,484	100,300	96,851	(3,449)	97%
Donations/Miscellaneous	-	-	-	1,030	-	(1,030)	0%
<b>Total Revenues</b>	<b>\$ 155,830</b>	<b>\$ 173,125</b>	<b>\$ 250,263</b>	<b>\$ 343,260</b>	<b>\$ 274,581</b>	<b>\$ (68,679)</b>	<b>80%</b>
<b>Expenditures</b>							
Police Operations	\$ 2,740,346	\$ 2,359,630	\$ 2,941,391	\$ 4,936,890	\$ 3,151,845	\$ (1,785,045)	64%
Police Training	228	-	-	5,000	5,365	365	107%
Police Facility	43,676	44,473	38,342	53,110	44,404	(8,706)	84%
Police Special Programs	22,400	31,164	39,850	75,410	41,933	(33,477)	56%
Jail	95,772	127,501	94,958	120,080	145,933	25,853	122%
Municipal Court	192,664	197,510	221,666	340,480	258,967	(81,513)	76%
Emergency Preparedness	33,725	34,728	20,184	43,260	18,902	(24,358)	44%
<b>Total Expenditures</b>	<b>\$ 3,128,813</b>	<b>\$ 2,795,006</b>	<b>\$ 3,356,391</b>	<b>\$ 5,574,230</b>	<b>\$ 3,667,348</b>	<b>\$ (1,906,882)</b>	<b>66%</b>
<b>Revenues Under Expenditures</b>	<b>\$ (2,972,983)</b>	<b>\$ (2,621,881)</b>	<b>\$ (3,106,128)</b>	<b>\$ (5,230,970)</b>	<b>\$ (3,392,767)</b>	<b>\$ 1,838,203</b>	<b>65%</b>

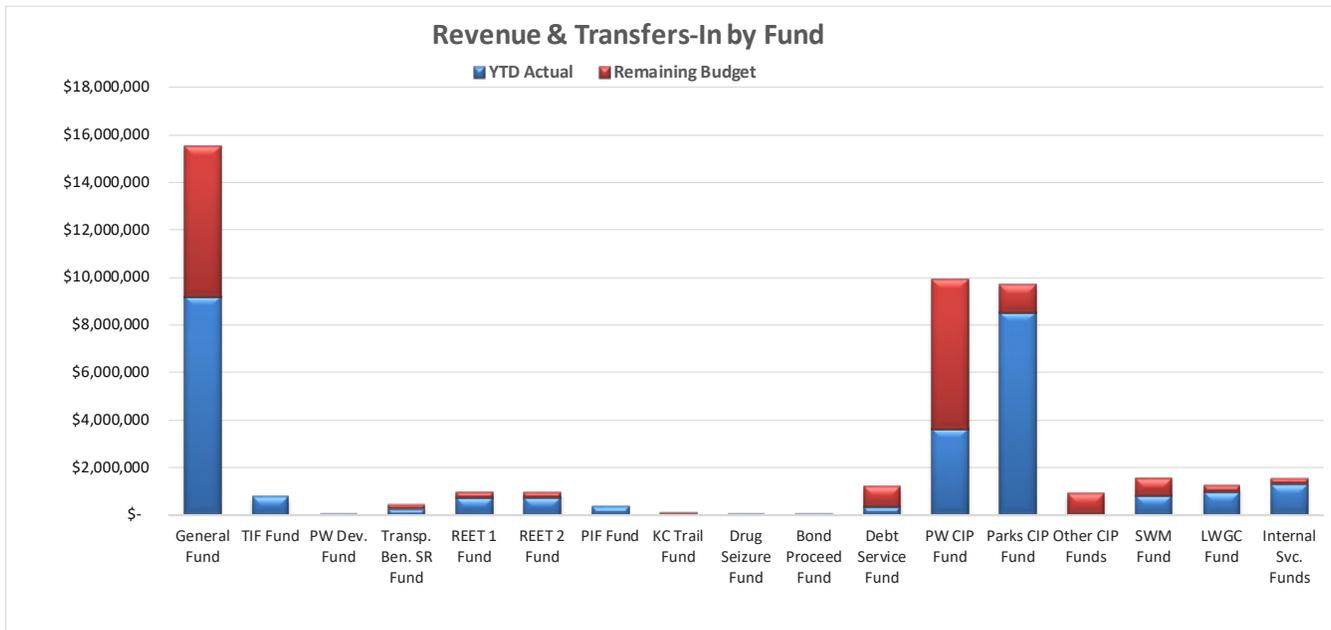


# Budget vs. Actual

## Revenue & Transfers-In by Fund

Budget vs Actuals as of September 30, 2019

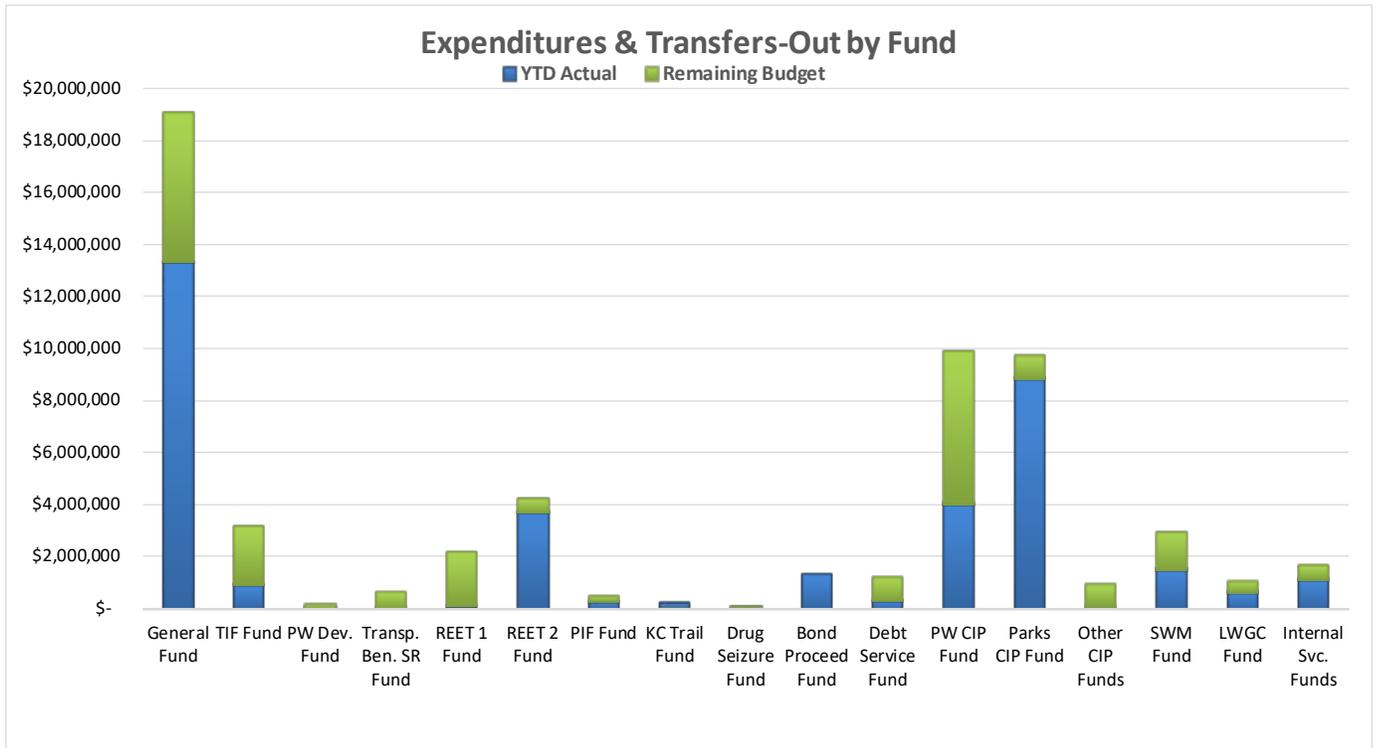
Fund	Budget	YTD Actual	Remaining Budget
General Fund	\$ 15,516,879	\$ 9,192,851	\$ 6,324,028
Transportation Impact Fee Fund	597,420	762,111	(164,691)
PW Development Fund	-	5,164	(5,164)
Transportation Benefit SR Fund	424,920	267,386	157,534
REET 1 Fund (Transportation)	965,030	716,271	248,759
REET 2 Fund (Parks)	949,775	725,521	224,254
Parks Impact Fee fund	258,560	357,436	(98,876)
King County Trail & Open Space Fund	53,580	38,053	15,527
Drug Seizures Fund	5,860	7,265	(1,405)
Bond Proceed Fund	-	746	(746)
Debt Service Fund	1,179,520	320,784	858,736
Public Works CIP Fund	9,868,379	3,597,184	6,271,195
Parks CIP Fund	9,714,856	8,533,056	1,181,800
Other CIP Funds	907,330	56,380	850,950
Surface Water Management	1,533,250	806,423	726,827
Lake Wilderness Golf Course Fund	1,232,420	966,995	265,425
Internal Service Funds	1,504,529	1,288,494	216,035
<b>Total</b>	<b>\$ 44,712,308</b>	<b>\$ 27,642,120</b>	<b>\$ 17,070,187</b>



## Expenditures & Transfers-Out by Fund

Budget vs Actuals as of September 30, 2019

Fund	Budget	YTD Actual	Remaining Budget
General Fund	\$ 19,004,856	\$ 13,335,504	\$ 5,669,352
Transportation Impact Fee Fund	3,117,710	927,647	2,190,063
PW Development Fund	179,700	12,868	166,832
Transportation Benefit SR Fund	620,000	25,669	594,331
REET 1 Fund (Transportation)	2,155,530	126,661	2,028,869
REET 2 Fund (Parks)	4,223,970	3,708,724	515,247
Parks Impact Fee fund	467,985	261,167	206,818
King County Trail & Open Space Func	196,900	212,448	(15,548)
Drug Seizures Fund	53,730	22,605	31,125
Bond Proceed Fund	1,278,655	1,278,655	0
Debt Service Fund	1,179,520	320,784	858,736
Public Works CIP Fund	9,863,200	4,033,413	5,829,787
Parks CIP Fund	9,714,856	8,861,954	852,902
Other CIP Funds	907,330	90,487	816,843
Surface Water Management	2,949,069	1,532,219	1,416,850
Lake Wilderness Golf Course Fund	1,058,790	642,546	416,244
Internal Service Funds	1,641,229	1,129,571	511,658
<b>Total</b>	<b>\$ 58,613,030</b>	<b>\$ 36,522,922</b>	<b>\$ 22,090,108</b>



## Fund Balance Summary

### Ending Fund Balance

As of September 30, 2019

Fund	Beginning Fund Balance	Revenues & Transfers-In	Expenditures & Transfers-Out	Ending Fund Balance
General Fund	\$ 8,646,601	\$ 9,192,851	\$ 13,335,504	\$ 4,503,948
Transportation Impact Fee Fund	3,861,757	762,111	927,647	3,696,222
PW Development Fund	68,082	5,164	12,868	60,378
Transportation Benefit SR Fund	866,191	267,386	25,669	1,107,908
REET 1 Fund (Transportation)	2,774,634	716,271	126,661	3,364,244
REET 2 Fund (Parks)	3,654,151	725,521	3,708,724	670,948
Parks Impact Fee Fund	383,121	357,436	261,167	479,390
King County Trail & Open Space Fund	464,267	38,053	212,448	289,872
Drug Seizures Fund	91,600	7,265	22,605	76,259
Bond Proceed Fund	1,278,655	746	1,278,655	746
Debt Service Fund	-	320,784	320,784	-
Public Works CIP Fund	336,986	3,597,184	4,033,413	(99,243)
Parks CIP Fund	-	8,533,056	8,861,954	(328,898)
Other CIP Funds	41,861	56,380	90,487	7,754
Surface Water Management	17,220,413	806,423	1,532,219	16,494,617
Lake Wilderness Golf Course Fund	3,654,328	966,995	642,546	3,978,777
Internal Service Funds*	1,099,629	1,288,494	1,129,571	1,258,551
<b>Total</b>	<b>\$ 44,442,276</b>	<b>\$ 27,642,120</b>	<b>\$ 36,522,922</b>	<b>\$ 35,561,475</b>

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

## Cash and Investments

Total cash and investments as of September 30, 2019 total \$19,790,736. 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.

	Interest Rate	Beginning Balance	Receipts and Investments	Disbursements and Investments	Change in	Ending Balance
	Sep-19	1/1/2019	Purchased	Sold/Matured	Fair Value	9/30/2019
<b>Cash &amp; Cash Equivalents</b>						
Petty Cash/Imprest Funds		\$ 20,500	\$ -	\$ (7,000)	\$ -	\$ 13,500
Checking Account		2,329,929	27,562,724	(28,352,620)	-	1,540,033
LGIP	2.196%	23,621,211	4,833,228	(12,500,000)	-	15,954,439
<b>Subtotal: Cash &amp; Cash Equivalents</b>		<b>25,971,640</b>	<b>32,395,952</b>	<b>(40,859,620)</b>	<b>-</b>	<b>17,507,972</b>
<b>Investments at Market Value</b>						
Maturity	Description					
10/15/2019	Resolution Funding Corp	1.45%	1,018,637	-	20,538	1,039,175
11/26/2021	Federal Home Loan Bank	1.65%	1,212,962	5,189	25,438	1,243,589
<b>Subtotal: Investments</b>			<b>2,231,599</b>	<b>5,189</b>	<b>45,976</b>	<b>2,282,764</b>
<b>Total Cash and Investments</b>		<b>\$ 28,203,239</b>	<b>\$ 32,401,141</b>	<b>\$ (40,859,620)</b>	<b>\$ 45,976</b>	<b>\$ 19,790,736</b>

Cash and cash equivalents has decreased by \$8,463,668 from the beginning of the year. Within the General Fund, cash has decreased by a little over \$2.5 million. The 2018 net proceeds of \$2.7 million from property sale on 216<sup>th</sup> Avenue was transferred to Parks Construction Fund for Summit Park funding.

The REET 2<sup>nd</sup> Quarter Fund had a \$2.92 million decrease in cash with revenue inflows of \$725,500 offset by transfers in support of the following:

Debt service	\$ 107,486
T-39-SR 169 Widening	459,977
Summit Park	3,034,180
Other Park capital projects	<u>97,732</u>
Total	<u>\$ 3,699,375</u>

The Bond Proceeds Fund started the year with \$1.278 million, and currently has a cash balance under \$1,000. Transfers were made when needed to fund Summit Park construction.

Surface Water Management has utilized almost \$642,000 for capital projects and transfers out to transportation capital.

While the above represent major usages of cash, these projects and transfer occurred within the budget parameters and were expected to support major capital projects and goals.

Current year interest earnings (\$555,127) are 68% above the third quarter year-to-date total in 2018 of \$329,799. The average interest rate is currently 2.12%.

## Debt Service

As of September 30, 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. In 2019, the total debt service requirement is \$1,179,487. Interest payments will total \$234,866, and principal reduction will be \$944,621. The payment schedule for each long-term debt is provided below along with a combined schedule.

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			
Year	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	75,356	218,530	1,639	109,265	
	<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>