



Small Town. Real Life.

Date: February 26, 2020
To: Mayor Ockerlander and City Council
From: Finance & Administration
Re: Fourth Quarter 2019 Financial Report

At the end of 2019, total City revenues were 51% of the biennial budget and expenditures were 45% of the biennial budget. Schedules of budget versus actual results for revenues and expenditures by fund are shown in *Exhibit 8 and 9*.

Biennial to Date Revenue Summary

Fund Types	2019-2020	2019-2020	2019-2020	2019-2020	%
	Total Budget	Begin. Fund Balance	Total Budget Less Begin. Fund Bal.	BTD Revenue	
General Fund	13,440,999	2,132,480	11,308,519	5,674,083	50.18%
Contingency Fund	494,814	231,954	262,860	134,398	51.13%
Special Revenue Funds	2,310,307	252,403	2,057,904	1,030,046	50.05%
Debt Service	960,829	19,866	940,963	471,937	50.15%
Capital Project Funds	7,269,387	4,270,572	2,998,814	1,820,722	60.71%
Utility Funds	22,167,506	8,483,603	13,683,903	6,799,009	49.69%
Bond Redemption & Reserve	296,628	287,813	8,815	6,119	69.42%
Internal Service Funds	2,018,664	803,533	1,215,131	805,600	66.30%
Totals	\$ 48,959,133	\$ 16,482,223	\$ 32,476,909	\$ 16,741,916	51.55%

Biennial to Date Expenditure Summary

Fund Types	2019-2020	2019-2020	2019-2020	2019-2020	%
	Total Budget	Budget Ending Fund Balance	Total Budget less End. Fund Bal.	BTD Expenditures	
General Fund	13,440,999	1,952,023	11,488,976	5,336,270	46.45%
Contingency Fund	494,814	494,814	-	-	0.00%
Special Revenue Funds	2,310,307	277,297	2,033,010	1,002,541	49.31%
Debt Service	960,829	19,866	940,963	475,520	50.54%
Capital Project Funds	7,269,387	6,312,890	956,497	477,524	49.92%
Utility Funds	22,167,506	8,193,882	13,973,625	5,957,346	42.63%
Bond Redemption & Reserve	296,628	294,328	2,300	400	17.39%
Internal Service Funds	2,018,664	705,270	1,313,394	786,301	59.87%
Totals	\$ 48,959,133	\$ 18,250,368	\$ 30,708,764	\$ 14,035,901	45.71%

Year-End Highlights

GENERAL FUND

- 2019 total General Fund revenues were 50% of budget and expenditures were 46% of budget. *Exhibit 6* provides details by category and department.
- Approximately 28% of General Fund revenues are from property taxes, which are primarily received in April/May and Oct/Nov of each year. At year end the City received 49.2%, or \$1,570,897, of the \$3,189,641 property tax revenue budgeted.
- Year-end building permit revenue was at 27% of budget, for a total of \$239,167. This is a decrease compared to total 2018 permitting revenues which were \$330,907.
- Planning charges for services revenue (zoning & subdivision, building inspection, plan check fees) was \$301,394 through the end of 2019, or 67% of the \$448,000 budgeted. This is an increase compared to 2018 planning charges for services, which totaled \$232,948.
- Total sales tax revenue for 2019 was \$1,134,420, or 55.3%, of the \$2,049,950 budgeted for the biennium. This is \$84,546, or 8.1%, more than the \$1,049,874 collected in 2018.
- As of year-end 2019, the City received \$1,187,633 of the \$2,518,500 budgeted in Utility Taxes for the biennium. This was \$15,284 less than the \$1,202,918 collected in 2018. Utility tax from telephones, electricity, natural gas, and cable decreased, while taxes for water, sewer, storm drain, and garbage increased from two to four percent. (*Exhibit 3*).

CAPITAL FUNDS

- The City collected \$586,138 in Real Estate Excise Tax (REET) revenue in 2019, which is 53% of the \$1,111,500 budgeted. Total REET revenues in 2018 were \$720,678 (*Exhibit 1*).
- 32 park (\$251,596) and 33 street (\$290,533) impact fees were received in 2019. This is less than the 44 park and 34 street impact fees collected in 2018. These fees are receipted at the time building permits are issued (*Exhibit 2*).

UTILITY FUNDS

- The Water fund operating revenue at the end of fourth quarter was \$2,153,849 which is 46.2% of the \$4,661,304 budget.
- The Sewer fund operating revenue was \$2,566,304 which is 51.2% of the \$5,010,894 budget.
- The Storm fund operating revenue was \$797,273 which was 50% of the \$1,557,860 budget.

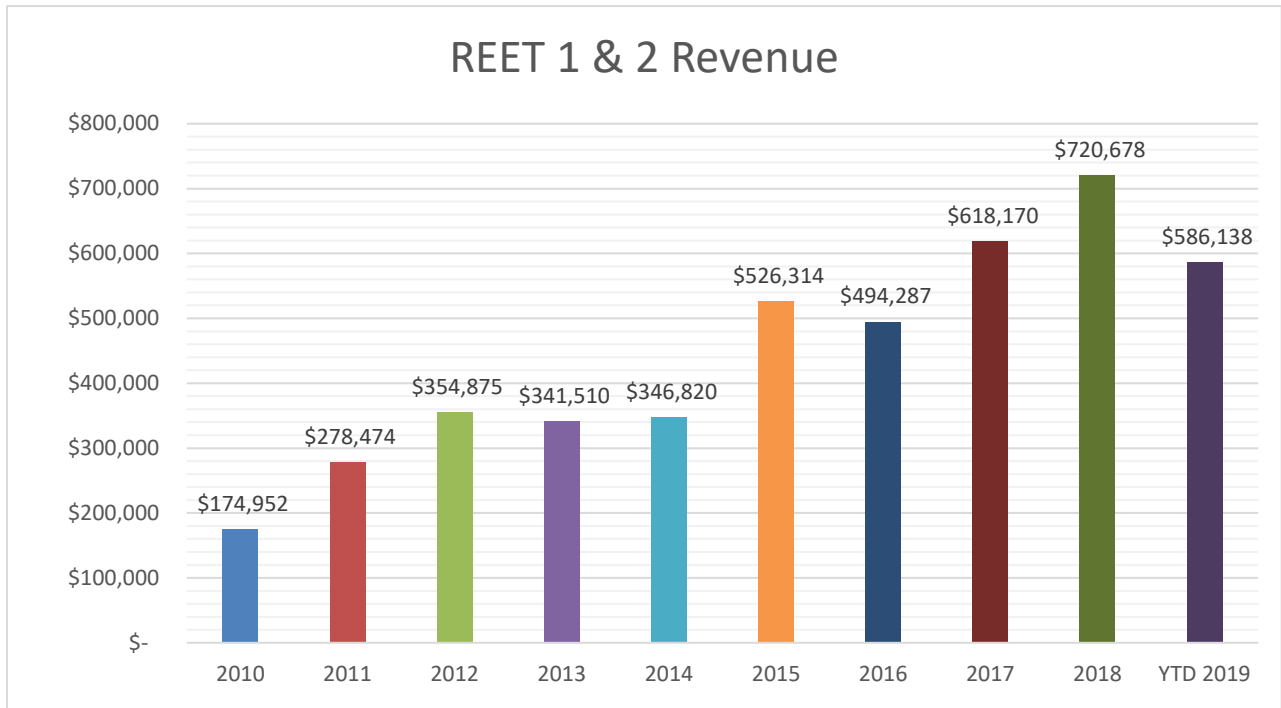
INTERNAL SERVICE FUNDS

- In October of 2019, the City received a \$165,000 Local Programs loan from the State of Washington to purchase a dump truck. \$95,639 of the loan proceeds were paid towards the dump truck in 2019. The remaining amount will be paid in 2020. The proceeds of the loan and the expenditure were approved by Council and the budget will be adjusted to reflect the amounts.
- By the end of 2019, the City received \$24,399 in revenue for the sale of surplus of assets, \$1,000 in insurance proceeds, and \$500 in miscellaneous revenue in the 501 Equipment Fund. None of the revenue was budgeted. All other revenue was from budgeted charges for service to other funds.

ALL FUNDS

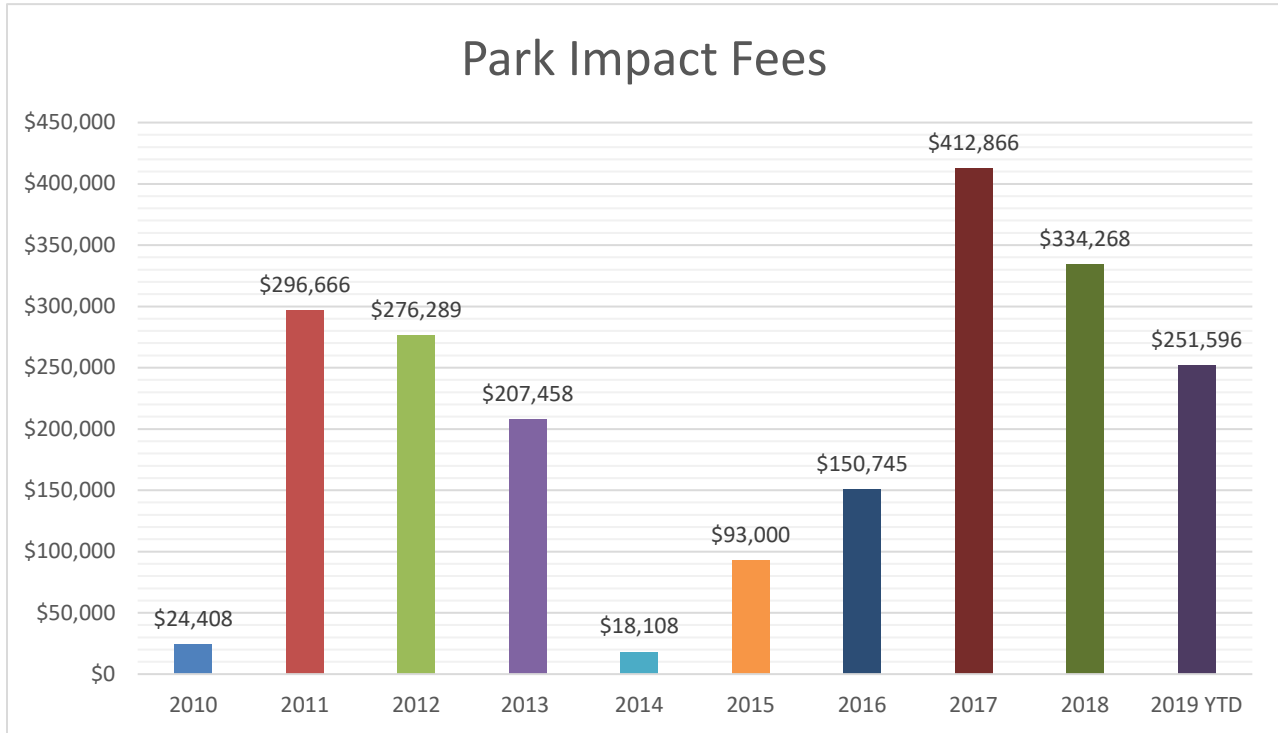
- The City received \$348,756 in investment Interest revenue in 2019, which was 89.4% of the amount budgeted for the biennium.
- Reserve fund balances, as per Resolution 04-04, have been met.

EXHIBIT 1: REET

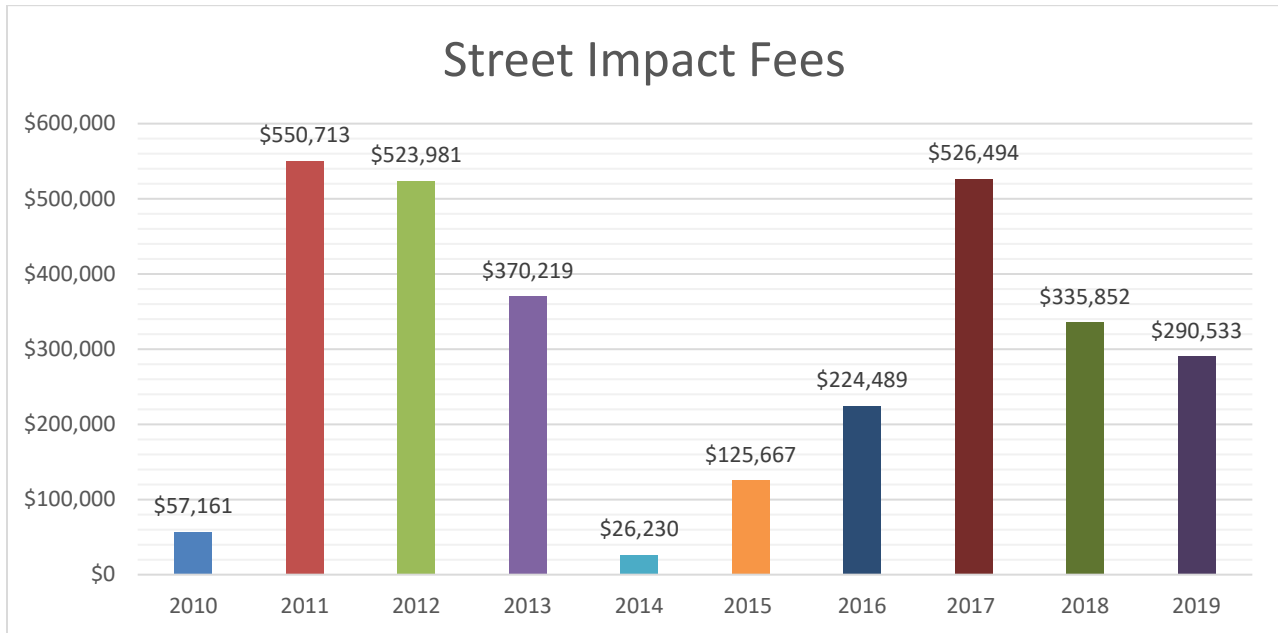


Real Estate Excise Tax Revenues (REET) were 53% of the 2019-20 budget (\$1,111,500) through December 31, 2019. These funds are primarily for capital improvements.

EXHIBIT 2: Impact Fees

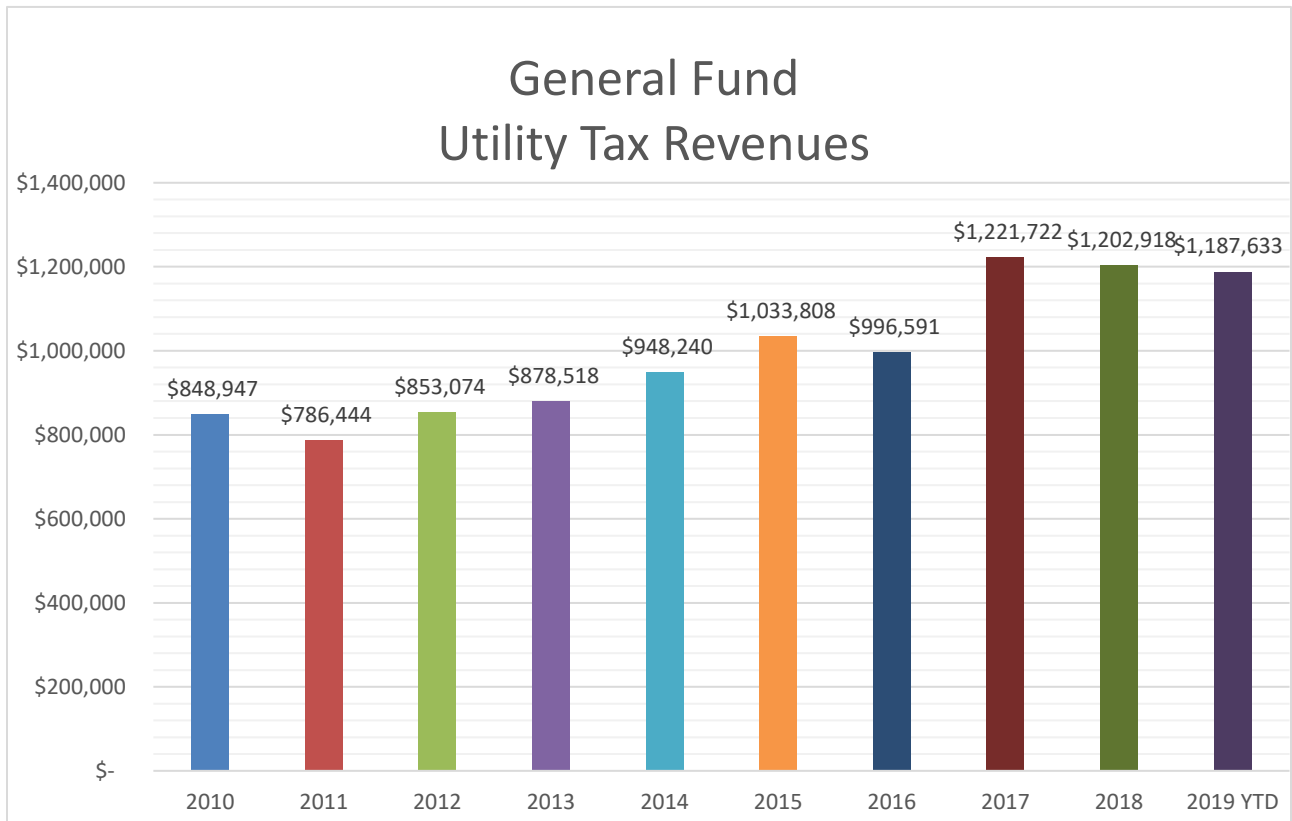


The City collected \$251,596 in revenue for 32 park impact fees in 2019, which is 90% of the budget. Park impact fees are restricted for park capital improvements.



The City collected \$290,533 in revenue for 33 street impact fees in 2019, which is 22% of the budget. Street impact fees are restricted for transportation capital improvements.

EXHIBIT 3: Utility Taxes



The City collected \$1,187,633 in utility tax revenue in 2019, which is 47.2 % of the biennial budget. Utility tax revenues are from electric, gas, telephone, garbage, cable, and the city’s water, sewer, and storm drain utilities.

EXHIBIT 4: Debt

The City’s long-term debt outstanding balances are detailed below:

2017 General Obligation Bonds	Principal
Big Rock Ball Field - 12/1/2025	1,250,000
Main Street Project - 12/1/2031	2,500,000
	\$ 3,750,000

State of Washington Local Program	Principal
0391-3-1 Dump Truck Lease Purchase <i>Final Payment 6/1/2029</i>	139,824
	\$ 139,824

Utility Revenue Debt	Principal
SRF WWTP Construction Loan <i>Final Payment 6/30/2025</i>	1,812,721
	\$ 1,812,721

Limited-Term General Obligation (LTGO) bonds in the amount of \$4,865,000 were issued on February 22, 2017. Interest payments are due twice annually, on the 1st of June and December. The City paid \$370,000 in principal and \$102,588 in interest in 2019. The principal amount above is the ending balance for 2019.

In November of 2019, the City took out a State of Washington Local Program loan in 2019 to purchase a dump truck. Interest payments are due twice annually on June 1 and December 1, and a principal payment is due annually on June 1. The City made its first interest payment, \$1,476, in December of 2019.

Payments for the WWTP construction loan are also due twice annually, on June 30 and December 30. The City paid \$324,264.34 in principal and \$10,290.82 in interest in 2019. The principal amount above is the ending balance for 2019.

EXHIBIT 5: Budgeted Fund Balance Reserves

Fund #	Fund Description	Budgeted	Required	Notes
001	General Fund	\$ 832,615	\$ 823,464	17% per Resolution 04-04 Internally
001	Disaster Relief	25,000	25,000	Established by City Council
001	Internal Restricted- Other	22,408	22,412	Drug Enforcement & Art
001	Future City Facility	400,000	400,000	
002	Contingency	494,814	496,839	Maximum allowed is 37.5% of Assessed Value - will transfer remaining budgeted amount in 2020
106	Big Rock Ball Park Fund	126,000	50,891	Resolution 18-16 - 50% of ballfield revenue held for turf replacement
401	Water Utility	749,132	682,918	Resolution 04-04. Increased by CPI-U
402	Sewer Utility	998,844	965,067	Resolution 04-04. Increased by CPI-U
402	Sewer Utility, DOE Loan	335,000	335,000	Annual Loan Amount
404	Storm Drain	312,139	298,875	Resolution 04-04. Increased by CPI-U
501	Equipment Fund	200,000	200,000	Resolution 04-04 - flat amount in reserve
503	Building Maint. Fund	75,000	75,000	
Total Restricted Funds		\$ 4,570,952	\$ 4,375,465	

Amounts budgeted are for the two-year biennium, amounts required are for 2019. All 2019 required reserve balances are being met.

In accordance with the requirements of Governmental Accounting Standards Board Statement No.54, *Fund Balance Reporting and Governmental Fund Type Definitions*, some internally designated reserves (including the 17% reserve established by Resolution 04-04) will be reported as unreserved in the annual financial statements.

EXHIBIT 6:

General Fund Budget vs Actual

	12/31/2019		BTD %	
Revenues:	2019-20 Budget	BTD Actual	Collected	2018 Actual
Begin Fund Balance	\$ 2,132,480	\$ 2,132,480		\$ 1,783,257
Taxes	8,172,421	4,145,946	51%	3,994,972
Licenses & Permits	992,630	497,544	50%	589,960
Intergovernmental Revenues	383,557	184,608	48%	191,906
Charges for Goods and Services	771,500	505,807	66%	368,399
Fines & Penalties	106,900	37,239	35%	48,098
Miscellaneous Revenues	117,941	102,690	87%	160,815
Other	763,570	200,250	26%	150,559
TOTAL REVENUES:	\$ 11,308,519	\$ 5,674,083	50%	\$ 5,504,710
TOTAL	\$ 13,440,999	\$ 7,806,563		\$ 7,287,966
	12/31/2019		BTD %	
Expenditures by Department:	2019-20 Budget	BTD Actual	Spent	2018 Actual
Legislative	\$ 214,050	\$ 83,638	39%	\$ 92,273
Executive	209,450	111,581	53%	205,131
Community Events	61,650	9,290	15%	30,823
Finance Dept.	691,870	327,807	47%	291,316
Planning Dept.	807,348	453,288	56%	383,734
Building Dept.	619,345	274,592	44%	232,254
Police Dept.	5,564,213	2,516,316	45%	2,536,197
Economic Development	26,000	11,483	44%	49,382
Recycling Dept.	45,202	22,538	50%	18,405
Civil Service	13,100	7,561	58%	13,232
Parks Dept.	743,597	319,902	43%	274,814
Cultural Commission	80,400	38,331	48%	36,774
City Mitigation Projects	12,000	3,296	27%	-
Engineering Dept.	431,261	206,939	48%	227,954
Fire	65,250	12,752	20%	7,876
Non-Departmental	1,904,240	936,958	49%	755,321
TOTAL EXPENDITURES	\$ 11,488,976	\$ 5,336,270	46%	\$ 5,155,486
Ending Fund Balance	\$ 1,952,023	\$ 2,470,293		\$ 2,132,480
TOTAL BUDGET	\$ 13,440,999	\$ 7,806,563		\$ 7,287,966
	12/31/2019		BTD %	
Expenditures by Category:	2019-20 Budget	BTD Actual	Spent	2018 Actual
Salaries and Wages	\$ 4,986,099	\$ 2,250,964	45%	\$ 2,287,636
Personnel Benefits	2,072,507	878,400	42%	857,668
Supplies	251,830	82,284	33%	102,735
Services	3,224,157	1,633,681	51%	1,569,185
Transfers Out	939,883	469,942	50%	338,262
Capital Outlays	14,500	21,000	145%	-
TOTAL	\$ 11,488,976	\$ 5,336,270	46%	\$ 5,155,486
Ending Fund Balance	\$ 1,952,023	\$ 2,470,293		\$ 2,132,480
TOTAL	\$ 13,440,999	\$ 7,806,563		\$ 7,287,966
Revenue less Expenditures	\$ (180,457)	\$ 337,813		\$ 349,223

CITY OF DUVALL
2019 REVENUE AND EXPENDITURE SUMMARY

Year to date as of 12/31/2019

Fund	Description	Beginning		Revenues		Expenditures		Ending		Net Change
		Fund Balance				Fund Balance				
001	General Fund	\$ 2,132,480	\$ 5,674,083	\$ 5,336,270	\$ 2,470,293	\$ 337,813	General Fund	472,212		
002	Contingency Fund	231,954	134,398	-	366,352	134,398				
101	Street Fund	177,846	858,766	886,517	150,095	(27,751)	Special Revenue Funds	27,506		
106	Big Rock Ball Park Maintenance	35,150	170,498	116,024	89,623	54,474				
107	Sensitive Areas Mitigation Fund	39,407	783	-	40,190	783				
206	2016 LTGO - Main St Debt Svc	19,866	471,937	475,520	16,283	(3,582)	Debt Svc Fd	(3,582)		
304	Real Estate Excise Tax Fund 1	990,664	314,969	83,203	1,222,431	231,767				
305	Real Estate Excise Tax Fund 2	810,389	311,284	90,613	1,031,060	220,671	Capital Project Funds	1,343,198		
306	Main Street Improvement	1,188,870	23,342	54,188	1,158,023	(30,846)				
307	Street CIP Fund	589,810	690,835	91,846	1,188,799	598,989				
308	Parks CIP Fund	690,840	480,291	157,674	1,013,457	322,617				
401	Water Fund	3,314,348	2,153,849	2,194,041	3,274,156	(40,192)				
402	Sewer Fund	2,462,035	2,566,304	2,508,638	2,519,702	57,666				
404	Storm Drainage Fund	775,113	813,551	765,575	823,088	47,975				
407	Water CIP Fund	1,315,436	476,637	144,005	1,648,069	332,633	Proprietary Funds	847,382		
408	Sewer CIP Fund	502,693	588,251	342,978	747,966	245,273				
409	Storm Drainage CIP Fund	113,978	200,416	2,109	312,285	198,308				
410	Bond Redemption Fund	19,940	801	-	20,741	801				
411	Bond Reserve Fund	267,873	5,318	400	272,791	4,918				
501	Equipment Fund	464,099	382,797	405,668	441,228	(22,872)	Internal Service Funds	19,299		
502	IT Fund	190,939	286,678	251,585	226,031	35,093				
503	Building Maintenance Fund	148,495	136,125	129,047	155,573	7,078				
TOTAL		\$ 16,482,223	\$ 16,741,916	\$ 14,035,901	\$ 19,188,238	\$ 2,706,014				

\$ 33,224,139 = \$ 33,224,139

EXHIBIT 8:

CITY OF DUVALL
2019-2020 BUDGET vs ACTUAL - REVENUES
 Biennium to date as of 12/31/2019

Fund	Description	Budget	BTD Actual	BTD Difference	BTD % Collected
001	General Fund	\$ 11,308,519	\$ 5,674,083	\$ 5,634,436	50%
002	Contingency Fund	262,860	\$ 134,398	128,462	51%
101	Street Fund	1,688,459	\$ 858,766	829,693	51%
106	Big Rock Ball Park Maintenance	368,474	\$ 170,498	197,976	46%
107	Sensitive Areas Mitigation Fund	971	\$ 783	188	81%
206	2016 LTGO - Main St Debt Svc	940,963	\$ 471,937	469,026	50%
304	Real Estate Excise Tax Fund 1	577,910	\$ 314,969	262,941	55%
305	Real Estate Excise Tax Fund 2	573,370	\$ 311,284	262,086	54%
306	Main Street Improvement	29,227	\$ 23,342	5,885	80%
307	Street CIP Fund	1,352,867	\$ 690,835	662,032	51%
308	Parks CIP Fund	465,441	\$ 480,291	(14,850)	103%
401	Water Fund	4,661,304	\$ 2,153,849	2,507,455	46%
402	Sewer Fund	5,010,894	\$ 2,566,304	2,444,590	51%
404	Storm Drainage Fund	1,557,860	\$ 813,551	744,309	52%
407	Water CIP Fund	985,981	\$ 476,637	509,344	48%
408	Sewer CIP Fund	1,206,629	\$ 588,251	618,378	49%
409	Storm Drainage CIP Fund	261,235	\$ 200,416	60,819	77%
410	Bond Redemption Fund	2,216	\$ 801	1,415	36%
411	Bond Reserve Fund	6,599	\$ 5,318	1,281	81%
501	Equipment Fund	377,465	\$ 382,797	(5,332)	101%
502	IT Fund	568,785	\$ 286,678	282,107	50%
503	Building Maintenance Fund	268,881	\$ 136,125	132,756	51%
TOTAL		\$ 32,476,910	\$ 16,741,916	\$ 15,734,994	52%

EXHIBIT 9:

CITY OF DUVALL
2019-2020 BUDGET vs ACTUAL - EXPENDITURES

Year to date as of 12/31/2019

Fund	Description	Budget	BTD Actual	BTD Difference	BTD % Spent
001	General Fund	\$ 11,488,976	\$ 5,336,270	\$ 6,152,706	46%
002	Contingency Fund	-	-	-	-
101	Street Fund	1,740,811	\$ 886,517	854,294	51%
106	Big Rock Ball Park Maintenance	260,999	\$ 116,024	144,975	44%
107	Sensitive Areas Mitigation Fund	31,200	\$ -	31,200	0%
206	2016 LTGO - Main St Debt Svc	940,963	475,520	465,443	51%
304	Real Estate Excise Tax Fund 1	162,994	83,203	79,791	51%
305	Real Estate Excise Tax Fund 2	172,994	90,613	82,381	52%
306	Main Street Improvement	207,000	54,188	152,812	26%
307	Street CIP Fund	242,994	91,846	151,148	38%
308	Parks CIP Fund	170,516	157,674	12,841	92%
401	Water Fund	4,400,657	2,194,041	2,206,616	50%
402	Sewer Fund	5,140,196	2,508,638	2,631,558	49%
404	Storm Drainage Fund	1,527,970	765,575	762,394	50%
407	Water CIP Fund	1,558,450	144,005	1,414,445	9%
408	Sewer CIP Fund	1,346,352	342,978	1,003,374	25%
409	Storm Drainage CIP Fund	-	2,109	(2,109)	-
410	Bond Redemption Fund	1,500	-	1,500	0%
411	Bond Reserve Fund	800	400	400	50%
501	Equipment Fund	537,722	405,668	132,054	75%
502	IT Fund	534,544	251,585	282,959	47%
503	Building Maintenance Fund	241,128	129,047	112,081	54%
TOTAL		\$ 30,708,766	\$ 14,035,901	\$ 16,672,864	46%