



Small Town. Real Life.

**Date:** February 2, 2021  
**To:** Mayor Ockerlander  
**Cc:** Finance & Administration Committee  
**From:** Finance  
**Re:** Preliminary End of Biennium Financial Report

The amounts in this report are preliminary and reflect the end of the biennium budget amendments approved by City Council on December 15, 2020. Amounts do not include revenue from December interest or end of the year adjustments, such as triuing up overhead allocations from the General Fund to the Street, Big Rock Ball Park and utility funds and adjusting the property tax levy lid lift to actual.

As the biennium came to the end, the City saw an extraordinary increase in development revenues, which pushed revenues over the budgeted amount that had been amended at the end of the biennium. During the 2019/2020 biennium **105.9% of budgeted revenue** was received and **97% of budgeted expenditures** were spent, leaving the City with approximately **\$8.6 million more in fund balance** than at the start of the biennium.

**Table 1: Biennium to Date (BTD) Revenue by Fund Type**

| Fund Type              | 2019-2020 Budgeted Revenue | 2019-2020 BTD       |                |
|------------------------|----------------------------|---------------------|----------------|
|                        |                            | Revenue             | % Received     |
| General Fund           | \$13,981,659               | \$14,645,883        | 104.75%        |
| Contingency Fund       | \$320,476                  | \$321,927           | 100.45%        |
| Special Revenue Funds  | \$2,219,203                | \$2,237,740         | 100.84%        |
| Debt Service           | \$960,334                  | \$961,790           | 100.15%        |
| Capital Project Funds  | \$3,650,919                | \$4,001,952         | 109.61%        |
| Utility Funds          | \$15,443,334               | \$16,648,581        | 107.80%        |
| Bond Red. & Reserve    | \$7,613                    | \$7,613             | 100.00%        |
| Internal Service Funds | \$1,440,642                | \$1,440,664         | 100.00%        |
| <b>Total</b>           | <b>\$38,024,180</b>        | <b>\$40,266,151</b> | <b>105.90%</b> |

**Table 2: Biennium to Date (BTD) Expenditures by Fund Type**

| Fund Type                 | 2019-2020 Budgeted Expenditures | 2019-2020 BTD       |               |
|---------------------------|---------------------------------|---------------------|---------------|
|                           |                                 | Expenditures        | % Spent       |
| General Fund              | \$13,318,166                    | \$12,903,029        | 96.88%        |
| Contingency Fund          | \$0                             | \$0                 | 0.00%         |
| Special Revenue Funds     | \$2,003,630                     | \$1,942,569         | 96.95%        |
| Debt Service              | \$958,878                       | \$958,699           | 99.98%        |
| Capital Project Funds     | \$2,548,437                     | \$2,504,292         | 98.27%        |
| Utility Funds             | \$11,974,054                    | \$11,569,202        | 96.62%        |
| Bond Redemption & Reserve | \$295,427                       | \$295,426           | 100.00%       |
| Internal Service Funds    | \$1,526,724                     | \$1,467,277         | 96.11%        |
| <b>Total</b>              | <b>\$32,625,316</b>             | <b>\$31,640,493</b> | <b>96.98%</b> |

## General Fund Revenues

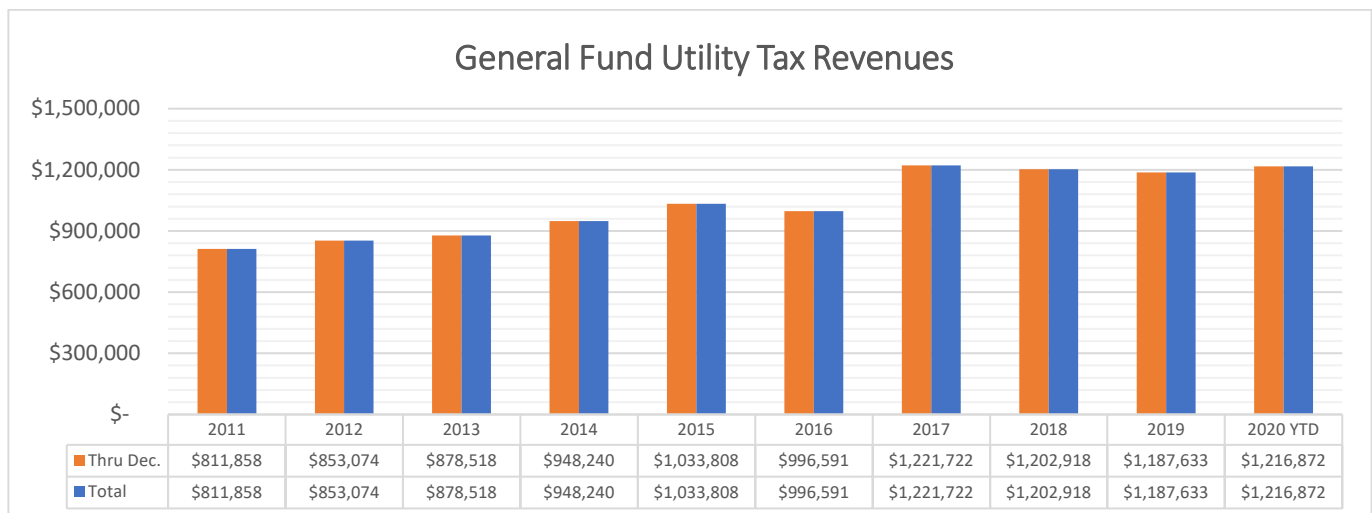
The City receives the majority of its General Fund revenues from **taxes**. 100.8% of tax revenue budgeted for 2019/2020 in the General Fund was received by the end of the biennium, with 2020 showing a 4%, or \$159,284, increase over 2019.

### General Fund Tax Revenue

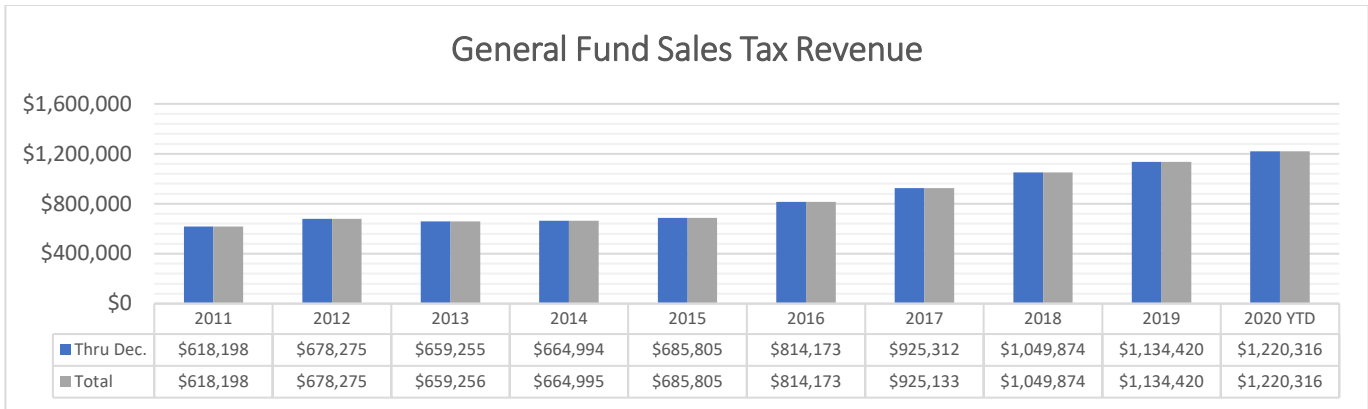
|                                      | Budget Amended<br>12/15/2020 | Actual             | Remaining        | %<br>Collected | Thru Dec. 2019     | Thru Dec. 2020     | % Δ       |
|--------------------------------------|------------------------------|--------------------|------------------|----------------|--------------------|--------------------|-----------|
| Property Taxes - Levy Lid Lift       | \$738,080                    | \$734,397          | \$3,683          | 99.5%          | \$367,947          | \$366,450          | 0%        |
| Real & Personal Property Taxes       | \$2,451,561                  | \$2,453,329        | -\$1,769         | 100.1%         | \$1,202,950        | \$1,250,379        | 4%        |
| <b>Total GF Property Tax</b>         | <b>\$3,189,641</b>           | <b>\$3,187,727</b> | <b>\$1,914</b>   | <b>99.9%</b>   | <b>\$1,570,897</b> | <b>\$1,616,830</b> | <b>3%</b> |
| Local Retail Sales & Use Taxes       | \$2,311,950                  | \$2,354,736        | -\$42,786        | 101.9%         | \$1,134,420        | \$1,220,316        | 8%        |
| Business Tax - Electricity           | \$555,000                    | \$542,203          | \$12,797         | 97.7%          | \$268,771          | \$273,432          | 2%        |
| Interfund Utility Tax - Sewer        | \$506,000                    | \$513,076          | -\$7,076         | 101.4%         | \$251,568          | \$261,508          | 4%        |
| Sales Tax-Crim Justice-LOCAL         | \$462,930                    | \$466,113          | -\$3,183         | 100.7%         | \$240,283          | \$225,830          | -6%       |
| Interfund Utility Tax - Water        | \$403,000                    | \$407,604          | -\$4,604         | 101.1%         | \$195,701          | \$211,903          | 8%        |
| Business Tax - Natural Gas           | \$231,000                    | \$242,149          | -\$11,149        | 104.8%         | \$114,919          | \$127,230          | 11%       |
| Business Tax - Garbage               | \$228,400                    | \$229,966          | -\$1,566         | 100.7%         | \$114,480          | \$115,486          | 1%        |
| Business Tax - Telephone             | \$196,000                    | \$193,052          | \$2,948          | 98.5%          | \$104,567          | \$88,485           | -15%      |
| Interfund Utility Tax - Storm        | \$158,500                    | \$158,985          | -\$485           | 100.3%         | \$77,718           | \$81,268           | 5%        |
| Business Tax - TV Cable              | \$113,000                    | \$117,471          | -\$4,471         | 104.0%         | \$59,910           | \$57,561           | -4%       |
| Gambling Tax                         | \$25,900                     | \$30,728           | -\$4,828         | 118.6%         | \$12,018           | \$18,709           | 56%       |
| Affordable Housing Sales Tax         | \$5,500                      | \$5,777            | -\$277           | 105.0%         | \$0                | \$5,777            |           |
| Leasehold Excise Tax                 | \$1,400                      | \$1,590            | -\$190           | 113.5%         | \$694              | \$896              | 29%       |
| <b>Total GF Tax w/o Property Tax</b> | <b>\$5,198,580</b>           | <b>\$5,263,449</b> | <b>-\$64,869</b> | <b>101.2%</b>  | <b>\$2,575,049</b> | <b>\$2,688,400</b> | <b>4%</b> |
| <b>Total GF Tax Revenue</b>          | <b>\$8,388,221</b>           | <b>\$8,451,175</b> | <b>-\$62,955</b> | <b>100.8%</b>  | <b>\$4,145,946</b> | <b>\$4,305,230</b> | <b>4%</b> |

**Property tax** is the General Fund's largest and most reliable source of revenue. Property taxes are due in two payments with April 30<sup>th</sup> and November 2<sup>nd</sup> deadlines. Due to the COVID-19 outbreak, King County extended the April 30<sup>th</sup> property tax deadline to June 1<sup>st</sup> for those who pay the County directly, rather than through their mortgage. The November 2<sup>nd</sup> deadline for the 2<sup>nd</sup> half of taxes was not extended, so the majority of the second half of property tax was received in October. The City received 99.9% of its budgeted property tax levy by the end of the biennium.

Revenue from **utility tax** is generally stable, but taxes on natural gas, electricity and water are affected by weather and fluctuate from year to year. By the end of the biennium, the City had collected 100.6% of the amount of budgeted utility tax. Although 2020 utility tax revenue increased in 2020 by 2%, or \$29,239, over 2019, at the end of the biennium, utility tax was surpassed by sales tax as the City's second sources of revenue.



As noted on the preceding page, **sales tax** was General Fund’s second largest source of tax revenue by the end of the 2019/2020 biennium. The City receives sales tax revenue two months after it is collected by businesses, so December receipts were from sales incurred in October. Sales tax received in December 2020 was 6.1%, or \$6,641, higher than same month in 2019. Year to year, the City collected 7.5%, or \$85,896, more in sales tax in 2020 than in 2019, exceeding the adjusted amount budgeted for the biennium by \$42,786.



The City’s largest source of sales tax revenue comes from **retail trade**, which increased by 29.3%, or \$113,008, in 2020 over 2019. **Construction**, the City’s second largest source of sales tax, slowly made a comeback during the last months of the year, but still showed a 12.9%, or \$40,790 decrease in 2020 over 2019. **Accommodation and food services**, which includes restaurants and bars, is the third largest source of sales tax revenue in the City and decreased by 7.5%, or \$8,989, from 2019 to 2020.

The amounts in the table below do not have the administrative fee charged by the Department of Revenue removed, whereas the amounts in the chart above are net of the fee.

2020 Jan - Dec vs. 2019 Jan - Dec 2020 Sales Tax by NAICS Category

| NAICS_Code_Name                               | Thru December 2019  | Thru December 2020  | Δ                | Δ%          |
|---|---------------------|---------------------|------------------|-------------|
| Retail Trade                                  | \$ 385,255          | \$ 498,263          | \$ 113,008       | 29.3%       |
| Construction                                  | \$ 315,811          | \$ 275,021          | \$ (40,790)      | -12.9%      |
| Accommodation & Food Services                 | \$ 119,643          | \$ 110,654          | \$ (8,989)       | -7.5%       |
| Admin & Support of Waste Mgmt & Remedial Svcs | \$ 69,654           | \$ 89,844           | \$ 20,190        | 29.0%       |
| Wholesale Trade                               | \$ 57,578           | \$ 55,085           | \$ (2,493)       | -4.3%       |
| Information/Communication                     | \$ 44,831           | \$ 52,601           | \$ 7,770         | 17.3%       |
| Other Services (except Public Administration) | \$ 31,504           | \$ 28,937           | \$ (2,567)       | -8.1%       |
| Professional, Scientific, & Technical Svcs    | \$ 22,088           | \$ 26,611           | \$ 4,523         | 20.5%       |
| Manufacturing                                 | \$ 26,252           | \$ 24,862           | \$ (1,390)       | -5.3%       |
| Miscellaneous                                 | \$ 20,513           | \$ 22,147           | \$ 1,634         | 8.0%        |
| Finance                                       | \$ 15,189           | \$ 15,231           | \$ 42            | 0.3%        |
| Real Estate & Rental & Leasing                | \$ 14,671           | \$ 15,157           | \$ 486           | 3.3%        |
| Educational Services                          | \$ 4,458            | \$ 4,710            | \$ 252           | 5.7%        |
| Arts, Entertainment, & Recreation             | \$ 10,609           | \$ 4,669            | \$ (5,940)       | -56.0%      |
| Utilities                                     | \$ 4,128            | \$ 2,636            | \$ (1,492)       | -36.2%      |
| Agriculture, Forestry, Fishing & Hunting      | \$ 952              | \$ 2,062            | \$ 1,110         | 116.7%      |
| Transportation & Warehousing                  | \$ 419              | \$ 1,407            | \$ 988           | 235.7%      |
| Health Care & Social Assistance               | \$ 1,169            | \$ 853              | \$ (316)         | -27.0%      |
| Management of Companies & Enterprises         | \$ 17               | \$ 51               | \$ 34            | 201.1%      |
| Mining  | \$ 19               | \$ 32               | \$ 13            | 66.9%       |
| Public Administration                         | \$ 124              | \$ 23               | \$ (101)         | -81.5%      |
| <b>Total</b>                                  | <b>\$ 1,144,884</b> | <b>\$ 1,230,856</b> | <b>\$ 85,972</b> | <b>7.5%</b> |
| Total without Construction                    | \$ 829,073          | \$ 955,835          | \$ 126,762       | 15.3%       |

10% of budgeted General Fund revenue in 2019/2020 came from **licenses and permits**. By the end of the biennium, the City had received 119.5% of the revenue budgeted for license and permits, which was increased twice through budget amendments, primarily to the substantial increase in development revenues.

**General Fund Licensing and Permit Revenue**

|  | Budget Amended     |                    |                   |               | Thru Dec.        |                    |             |
|--|--------------------|--------------------|-------------------|---------------|------------------|--------------------|-------------|
|  | 12/15/2020         | Actual             | Remaining         | % Collected   | 2019             | 2020               | % Δ         |
| Building Permit Fees                   | \$838,480          | \$1,071,117        | -\$232,637        | 127.7%        | \$239,167        | \$831,950          | 248%        |
| Business Licenses & Permits            | \$72,000           | \$74,961           | -\$2,961          | 104.1%        | \$37,923         | \$37,038           | -2%         |
| Concealed Weapons Permit Fees          | \$3,500            | \$2,486            | \$1,014           | 71.0%         | \$1,746          | \$740              | -58%        |
| Fire Permits-Operational/Other         | \$0                | \$0                | \$0               |               | \$0              | \$0                |             |
| Fireworks Permits                      | \$400              | \$300              | \$100             | 75.0%         | \$200            | \$100              |             |
| Franchise Fees - Cable TV              | \$76,000           | \$79,518           | -\$3,518          | 104.6%        | \$43,417         | \$36,101           | -17%        |
| Franchise Fees - Garbage               | \$279,000          | \$285,709          | -\$6,709          | 102.4%        | \$145,334        | \$140,376          | -3%         |
| Permit Fee IT Surcharge                | \$91,700           | \$113,793          | -\$22,093         | 124.1%        | \$28,507         | \$85,286           | 199%        |
| Special Events Permits                 | \$2,000            | \$1,375            | \$625             | 68.8%         | \$1,250          | \$125              | -90%        |
| <b>Total GF Licenses &amp; Permits</b> | <b>\$1,363,080</b> | <b>\$1,629,259</b> | <b>-\$266,179</b> | <b>119.5%</b> | <b>\$497,544</b> | <b>\$1,131,716</b> | <b>127%</b> |

Revenue from **charges for services** was 21% of the amended General Fund budget. By the end of the biennium, the City had received 111.8% of its budgeted charges for services revenue.

**Planning deposits** were formerly reported in the City’s custodial fund. Changes to reporting requirements moved the revenue stream to the General Fund, which will be offset by an expenditure when the deposit is returned.

**School impact fees** were also formerly reported in the City’s custodial fund, but changes to reporting requirements moved the revenue and corresponding expenditure to the General Fund. The revenue collected in one month is remitted to the School District the next month, so revenues and expenditures will not equal each other each year. This revenue and expenditure stream will be reported in the City’s Building and Permit Fund in the 2021/2022 biennium.

**General Fund Charges for Services Revenue**

|                                      | Budget Amended     |                    |                   |               | Thru Dec.        |                    |               |
|--------------------------------------|--------------------|--------------------|-------------------|---------------|------------------|--------------------|---------------|
|                                      | 12/15/2020         | Actual             | Remaining         | % Collected   | 2019             | 2020               | % Δ           |
| Admin Fee - Alcohol Use App          | \$0                | \$100              | -\$100            |               | \$75             | \$25               | -67%          |
| Admin Fee - Cell Tower Leases        | \$15,650           | \$11,101           | \$4,549           | 71%           | \$7,846          | \$3,256            | -59%          |
| Admin Fee-School/Rd/Park Imp         | \$7,350            | \$14,365           | -\$7,015          | 195%          | \$2,340          | \$12,025           | 414%          |
| Animal Control & Shelter Servi       | \$28,683           | \$28,631           | \$52              | 100%          | \$1,683          | \$26,948           | 1501%         |
| Bldg Inspection Fees                 | \$3,000            | \$3,944            | -\$944            | 131%          | \$2,416          | \$1,528            | -37%          |
| Engineering Fees & Charges           | \$255,000          | \$274,919          | -\$19,919         | 108%          | \$128,149        | \$146,770          | 15%           |
| Fire Plan Review & Inspections       | \$13,300           | \$6,597            | \$6,703           | 50%           | \$4,702          | \$1,895            | -60%          |
| Law Enforcement Services             | \$6,340            | \$7,306            | -\$966            | 115%          | \$340            | \$6,966            | 1948%         |
| Plan Check - Consultant Review       | \$0                | \$19,511           | -\$19,511         |               | \$0              | \$19,511           | 0%            |
| Plan Check Fees                      | \$522,000          | \$612,579          | -\$90,579         | 117%          | \$127,171        | \$485,408          | 282%          |
| Planning Deposits                    | \$0                | \$13,693           | -\$13,693         |               | \$4,823          | \$8,870            | 84%           |
| RSD School Officer                   | \$80,000           | \$82,588           | -\$2,588          | 103%          | \$42,588         | \$40,000           | -6%           |
| Sale of Maps & Publications          | \$200              | \$198              | \$2               | 99%           | \$106            | \$92               | -13%          |
| School Impact Fees                   | \$1,642,128        | \$1,791,596        | -\$149,468        | 109%          | \$458,568        | \$1,333,028        | 191%          |
| Stage Sponsorship Fees               | \$5,000            | \$5,000            | \$0               | 100%          | \$5,000          | \$0                | -100%         |
| Summerstage Sponsor Fees             | \$11,500           | \$11,711           | -\$211            | 102%          | \$11,461         | \$250              | -98%          |
| Zoning, Subdivision, Dvlp Fees       | \$283,000          | \$327,702          | -\$44,702         | 116%          | \$167,107        | \$160,595          | -4%           |
| <b>Total GF Charges for Services</b> | <b>\$2,873,151</b> | <b>\$3,211,541</b> | <b>-\$338,390</b> | <b>111.8%</b> | <b>\$964,375</b> | <b>\$2,247,167</b> | <b>133.0%</b> |

## General Fund Revenue Summary and Expenditure Overview

At the end to the biennium, the City had spent approximately 97% of its amended budgeted biennial **General Fund expenditures**. Please note that December 2018 benefits were reported in January of 2019, so 2019 benefits are reported as \$33,776 higher than actual in the General Fund, and \$61,148 higher than actual in all funds combined.

See below for the breakout of expenditures by department and category. **Supplies, services and small tools and equipment** related to the COVID-19 have been broken out in the Expenditures by Dept. section under “**Emergency Response**”. **Salary and benefit** costs related to the outbreak remain embedded in individual departments. **Community events** costs are higher in 2020 than in 2019 due to funding for additional Human Services grants approved by City Council to help mitigate the impacts of COVID-19. **Economic development** costs are higher in 2020 than in 2019 due to City Council approved Small Business Assistance grants.

### General Fund Budget vs Actual

| Revenues                  | 2019-2020                |                          |             | Thru Dec.           |                     |              |
|---------------------------|--------------------------|--------------------------|-------------|---------------------|---------------------|--------------|
|                           | Budget w/ EOB Amendments | 12/31/2020<br>BTD Actual | BTD %       | 2019                | Thru Dec. 2020      | % Δ          |
| Beginning Fund Balance    | \$ 2,132,480             | \$ 2,132,480             | 100%        |                     |                     |              |
| Taxes                     | 8,388,221                | 8,451,175                | 101%        | 4,145,946           | 4,305,230           | 4%           |
| Licenses & Permits        | 1,363,080                | 1,629,259                | 120%        | 497,544             | 1,131,716           | 127%         |
| Intergov. Revenues        | 778,085                  | 729,958                  | 94%         | 177,791             | 552,167             | 211%         |
| Charges for Goods & Serv. | 2,873,151                | 3,211,541                | 112%        | 964,375             | 2,247,167           | 133%         |
| Fines & Penalties         | 55,900                   | 55,064                   | 99%         | 37,239              | 17,824              | -52%         |
| Miscellaneous Revenues    | 159,652                  | 203,038                  | 127%        | 102,690             | 100,348             | -2%          |
| Other                     | 363,570                  | 365,847                  | 101%        | 176,441             | 189,405             | 7%           |
| <b>Total Revenues</b>     | <b>\$ 13,981,659</b>     | <b>\$ 14,645,883</b>     | <b>105%</b> | <b>\$ 6,102,026</b> | <b>\$ 8,543,857</b> | <b>40.0%</b> |

| Expenditures by Dept.     | 2019-2020                |                          |            | Thru Dec.           |                     |            |
|---------------------------|--------------------------|--------------------------|------------|---------------------|---------------------|------------|
|                           | Budget w/ EOB Amendments | 12/31/2020<br>BTD Actual | BTD %      | 2019                | Thru Dec. 2020      | % Δ        |
| Legislative               | \$ 178,941               | \$ 161,388               | 90%        | \$ 83,638           | \$ 77,750           | -7%        |
| Executive                 | 188,575                  | 167,844                  | 89%        | 111,581             | 56,263              | -50%       |
| Community Events          | 102,150                  | 93,330                   | 91%        | 9,290               | 84,040              | 805%       |
| Finance Dept.             | 671,320                  | 631,714                  | 94%        | 336,702             | 295,011             | -12%       |
| Planning Dept.            | 934,848                  | 890,240                  | 95%        | 453,843             | 436,396             | -4%        |
| Building Dept.            | 2,403,473                | 2,349,096                | 98%        | 739,442             | 1,609,654           | 118%       |
| Police Dept.              | 5,187,903                | 5,126,452                | 99%        | 2,516,316           | 2,610,136           | 4%         |
| Economic Development      | 250,700                  | 246,292                  | 98%        | 11,483              | 234,810             | 1945%      |
| Recycling Dept.           | 45,202                   | 43,241                   | 96%        | 22,538              | 20,703              | -8%        |
| Civil Service             | 15,600                   | 15,384                   | 99%        | 7,561               | 7,824               | 3%         |
| Parks Dept.               | 629,547                  | 582,534                  | 93%        | 326,920             | 255,615             | -22%       |
| Cultural Commission       | 56,900                   | 46,493                   | 82%        | 38,331              | 8,163               | -79%       |
| City Mitigation Projects  | 12,000                   | 7,593                    | 63%        | 3,296               | 4,297               | 30%        |
| Engineering Dept.         | 446,261                  | 417,725                  | 94%        | 206,939             | 210,787             | 2%         |
| Fire                      | 45,250                   | 12,752                   | 28%        | 12,752              | -                   |            |
| Emergency Response        | 68,700                   | 66,500                   | 97%        |                     | 66,500              |            |
| Non-Departmental          | 2,080,796                | 2,044,450                | 98%        | 936,958             | 1,107,493           | 18%        |
| <b>Total Expenditures</b> | <b>\$ 13,318,166</b>     | <b>\$ 12,903,028</b>     | <b>97%</b> | <b>\$ 5,817,588</b> | <b>\$ 7,085,441</b> | <b>22%</b> |

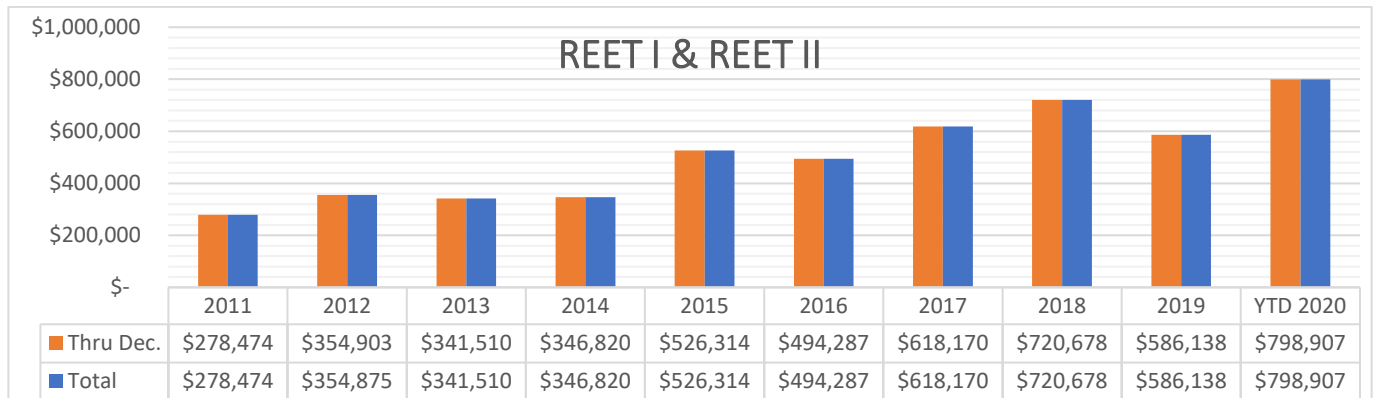
| Expenditures by Category  | 2019-2020            |                          |            | Thru Dec.           |                     |            |
|---------------------------|----------------------|--------------------------|------------|---------------------|---------------------|------------|
|                           | Budget               | 12/31/2020<br>BTD Actual | BTD %      | 2019                | Thru Dec. 2020      | % Δ        |
| Salaries and Wages        | \$ 4,730,064         | \$ 4,698,894             | 99%        | \$ 2,262,236        | \$ 2,436,659        | 8%         |
| Personnel Benefits        | 1,851,932            | 1,779,003                | 96%        | 883,596             | 895,407             | 1%         |
| Supplies                  | 275,530              | 244,062                  | 89%        | 82,284              | 161,778             | 97%        |
| Services                  | 5,419,641            | 5,135,061                | 95%        | 2,098,531           | 3,036,530           | 45%        |
| Transfers Out/Deposits    | 1,019,999            | 1,025,009                | 100%       | 469,942             | 555,068             | 18%        |
| Capital Outlays           | 21,000               | 21,000                   | 100%       | 21,000              | 0                   | -100%      |
| <b>Total Expenditures</b> | <b>\$ 13,318,166</b> | <b>\$ 12,903,029</b>     | <b>97%</b> | <b>\$ 5,817,588</b> | <b>\$ 7,085,441</b> | <b>22%</b> |

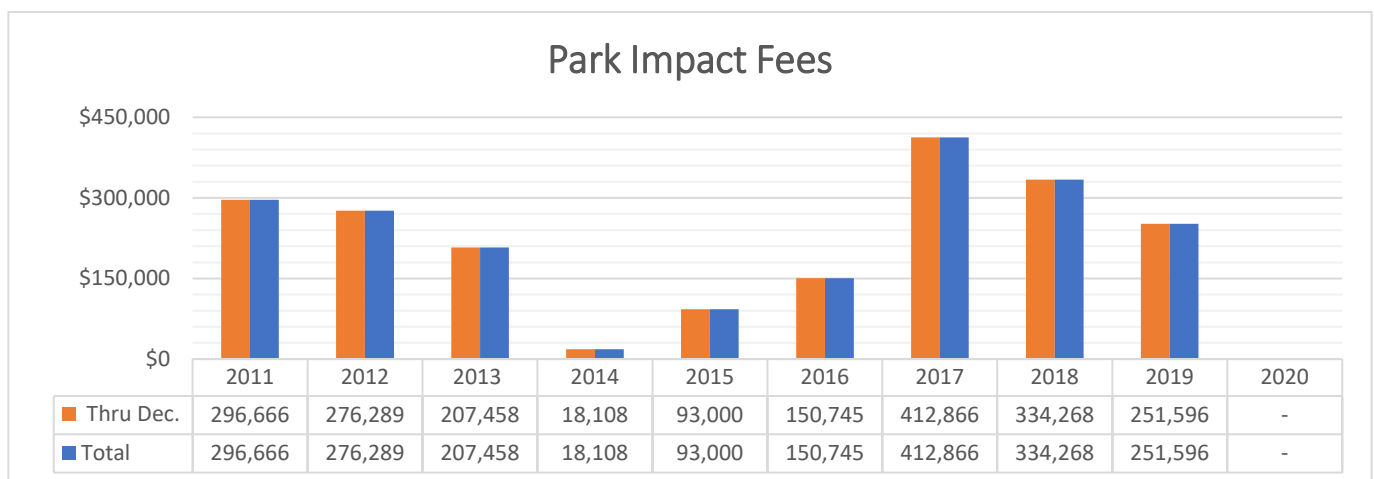
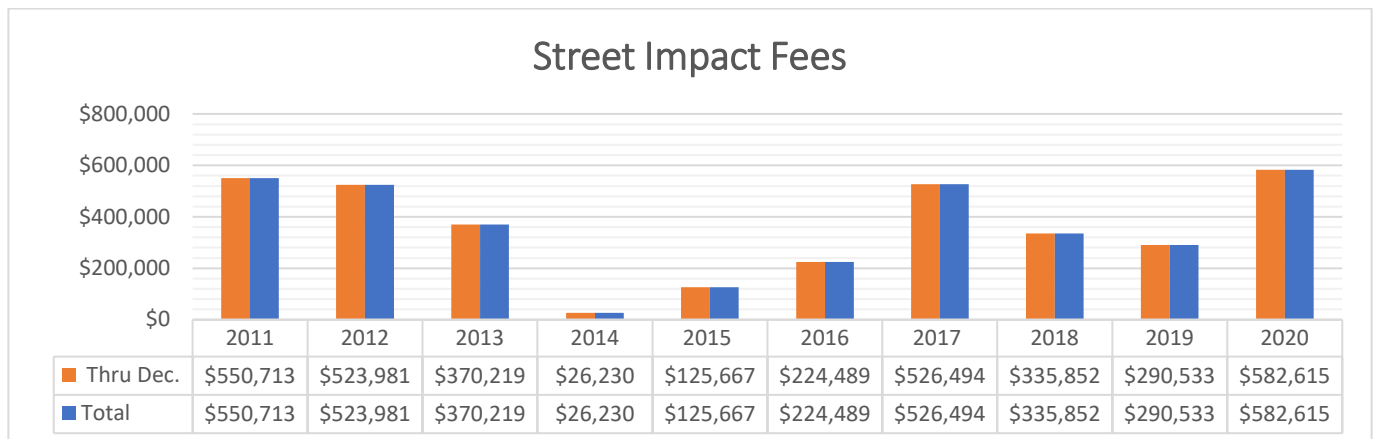
|                                   |                     |                     |             |                   |                     |  |
|-----------------------------------|---------------------|---------------------|-------------|-------------------|---------------------|--|
| <b>Revenue minus Expenditures</b> | <b>\$ 663,493</b>   | <b>\$ 1,742,854</b> |             | <b>\$ 284,438</b> | <b>\$ 1,458,415</b> |  |
| <b>Ending Fund Balance</b>        | <b>\$ 2,795,973</b> | <b>\$ 3,875,334</b> | <b>139%</b> |                   |                     |  |

### Capital Funds

In December of 2020, the City received \$61,501 in **Real Estate Excise Tax (REET)** from the sale of 18 properties. Biennium to date, the City has collected \$1,385,045 in which is 99% of the \$1,395,500 budgeted for the biennium.



The City collected \$453,145 in **Street Impact Fees** in December from 77 permits. **No Park Impact Fees** were collected in 2020, due to credits to developers for park improvements. Biennium to date, 96.9% of the \$259,589 of budgeted Park Impact Fees and 177.86% of the \$490,912 in budgeted Street Impact Fees were collected. Both Park and Street impact fees were adjusted downwards as part of the end of the biennium budget adjustments approved by City Council in December.



## Utility Funds

Revenue from utility billing is reported on an accrual basis until the year end, when an adjusting entry is made to remove revenue that has been billed in December but will be received in January.

By the end of the biennium, the City had collected 100.4% of its amended budgeted biennial **Water Fund** revenues, 99.8% of **Sewer Fund** revenues, and 99.8% of its **Storm Drainage** revenues.

### Expenditures

- **Sewer Fund expenditures** are higher in 2019 compared to expenditures in 2020 due primarily to the Batten Road Sewer Installation project.

### Utility Fund Budget to Actual Revenues and Expenditures

|                            | Budget Amended<br>12/15/2020 |                | Actual    | Remaining | % | Collected   |             |      | % Δ |
|----------------------------|------------------------------|----------------|-----------|-----------|---|-------------|-------------|------|-----|
|                            | Thru Dec. 2019               | Thru Dec. 2020 |           |           |   |             |             |      |     |
| <b>Water Fund</b>          |                              |                |           |           |   |             |             |      |     |
| Revenue                    | \$4,149,000                  | \$4,165,928    | -\$16,928 | 100.4%    |   | \$1,977,909 | \$2,188,019 | 11%  |     |
| Expenditures               | \$4,225,657                  | \$4,141,578    | \$84,079  | 98.0%     |   | \$2,133,102 | \$2,008,477 | -6%  |     |
| <b>Sewer Fund</b>          |                              |                |           |           |   |             |             |      |     |
| Revenue                    | \$5,123,967                  | \$5,112,030    | \$11,937  | 99.8%     |   | \$2,516,137 | \$2,595,893 | 3%   |     |
| Expenditures               | \$4,534,932                  | \$4,367,657    | \$167,276 | 96.3%     |   | \$2,468,499 | \$1,899,158 | -23% |     |
| <b>Storm Drainage Fund</b> |                              |                |           |           |   |             |             |      |     |
| Revenue                    | \$1,586,474                  | \$1,582,792    | \$3,682   | 99.8%     |   | \$775,001   | \$807,792   | 4%   |     |
| Expenditures               | \$1,546,279                  | \$1,463,382    | \$82,898  | 94.6%     |   | \$750,319   | \$713,062   | -5%  |     |

### Utility Past Due

On March 18, 2020, Governor Inslee called on all public utilities to suspend water shut offs and to waive late fees on utilities until the end of COVID-19 State of Emergency or 11:59 PM on July 28, 2020, whichever occurs first. The Governor’s Office is working on guidance for utilities to develop COVID-19 customer support programs once the suspension is lifted.

The City Council passed Resolution 20-24 on October 6, 2020, approving the distribution of CARES Act grant revenue to assist utility customers with payments missed due to the impacts of COVID-19. Distributions were made in November 2020.

Below is a table that shows effects of the suspension on past due utility accounts as of December 31, 2020 compared to December 31, 2019.

|             | 60 to 90 Days Past Due |               | 90 to 120 Days Past Due |               | Over 120 Days Past Due |               |
|-------------|------------------------|---------------|-------------------------|---------------|------------------------|---------------|
|             | Total Amount           | # of Accounts | Total Amount            | # of Accounts | Total Amount           | # of Accounts |
| <b>2019</b> | \$2,382                | 43            | \$605                   | 14            | \$5,129                | 14            |
| <b>2020</b> | \$21,935               | 135           | \$10,911                | 77            | \$18,940               | 52            |

### Preliminary Ending Fund Balance

By the end of the biennium, the City had an ending fund balance of \$25,107,881 for all funds, which is \$8,625,657 more than the beginning biennial fund balance and \$3,226,794 higher than the budgeted ending fund balance as amended December 15, 2020. Budget to actual expenditures and revenues for each fund can be found on the following two pages.

## CITY OF DUVALL 2019-2020 REVENUE AND EXPENDITURE SUMMARY Biennium to Date as of December 31, 2020

| Fund         | Description                     | Beginning Fund Balance | Revenues             | Expenditures         | Ending Fund Balance  | Net Change          |           |                        |
|--------------|---------------------------------|------------------------|----------------------|----------------------|----------------------|---------------------|-----------|------------------------|
| 001          | General Fund                    | \$ 2,132,480           | \$ 14,645,883        | \$ 12,903,029        | \$ 3,875,334         | \$ 1,742,854        | 2,064,781 | General Fund           |
| 002          | Contingency Fund                | 231,954                | 321,927              | -                    | 553,881              | 321,927             |           |                        |
| 101          | Street Fund                     | 177,846                | 1,747,042            | 1,721,353            | 203,534              | 25,689              | 295,171   | Special Revenue Funds  |
| 102          | Transportation Benefit District | -                      | 174,874              | -                    | 174,874              | 174,874             |           |                        |
| 106          | Big Rock Ball Park Maintenance  | 35,150                 | 314,643              | 221,215              | 128,578              | 93,428              |           |                        |
| 107          | Sensitive Areas Mitigation Fund | 39,407                 | 1,181                | -                    | 40,589               | 1,181               |           |                        |
| 206          | 2016 LTGO - Main St Debt Svc    | 19,866                 | 961,790              | 958,699              | 22,956               | 3,091               | 3,091     | Debt Svc Fd            |
| 304          | Real Estate Excise Tax Fund 1   | 990,664                | 727,201              | 194,200              | 1,523,666            | 533,001             | 1,497,660 | Capital Project Funds  |
| 305          | Real Estate Excise Tax Fund 2   | 810,389                | 721,621              | 175,445              | 1,356,564            | 546,176             |           |                        |
| 306          | Main Street Improvement         | 1,188,870              | 34,764               | 678,638              | 544,995              | (643,875)           |           |                        |
| 307          | Street CIP Fund                 | 589,810                | 1,351,136            | 510,660              | 1,430,286            | 840,477             |           |                        |
| 308          | Parks CIP Fund                  | 690,840                | 1,167,230            | 945,349              | 912,721              | 221,881             |           |                        |
| 401          | Water Fund                      | 3,314,348              | 4,356,775            | 4,141,578            | 3,529,545            | 215,197             | 4,791,567 | Proprietary Funds      |
| 402          | Sewer Fund                      | 2,462,035              | 5,408,075            | 4,367,657            | 3,502,454            | 1,040,419           |           |                        |
| 404          | Storm Drainage Fund             | 775,113                | 1,647,302            | 1,463,382            | 959,033              | 183,920             |           |                        |
| 407          | Water CIP Fund                  | 1,315,436              | 2,118,420            | 883,793              | 2,550,063            | 1,234,627           |           |                        |
| 408          | Sewer CIP Fund                  | 502,693                | 2,657,408            | 708,051              | 2,452,050            | 1,949,357           |           |                        |
| 409          | Storm Drainage CIP Fund         | 113,978                | 460,601              | 4,741                | 569,838              | 455,860             |           |                        |
| 410          | Bond Redemption Fund            | 19,940                 | 907                  | 20,847               | -                    | (19,940)            |           |                        |
| 411          | Bond Reserve Fund               | 267,873                | 6,706                | 274,580              | -                    | (267,873)           |           |                        |
| 501          | Equipment Fund                  | 464,099                | 571,097              | 636,405              | 398,791              | (65,309)            | (26,612)  | Internal Service Funds |
| 502          | IT Fund                         | 190,939                | 571,303              | 534,348              | 227,893              | 36,955              |           |                        |
| 503          | Building Maintenance Fund       | 148,495                | 298,265              | 296,524              | 150,236              | 1,741               |           |                        |
| <b>TOTAL</b> |                                 | <b>\$ 16,482,223</b>   | <b>\$ 40,266,151</b> | <b>\$ 31,640,493</b> | <b>\$ 25,107,881</b> | <b>\$ 8,625,657</b> |           |                        |

$\$ 56,748,374 = \$ 56,748,374$



## Revenues

Revenues through December 2020 vary significantly to revenues through December 2019 as follows: The **Contingency Fund** received an additional transfer from the General Fund at the end of 2020 to bring reserves to the maximum allowed. The **Transportation Benefit District** received sales tax revenue for street maintenance, voted upon by residents, for the first time mid-2020. The **Parks CIP Fund** received transfers from the **Main Street Improvement** and **Street CIP** funds to help pay for a property purchase. The **Water** and **Sewer CIP** funds received more General Facilities Charge revenue in 2020 due to the influx of development, as well as transfers of the balance of the **Bond Redemption** and **Bond Reserve funds** which are no longer needed and have been closed. The **Equipment Fund** received more revenue in 2019 from loan proceeds to buy a dump truck. See proceeding pages for information on changes in **General Fund** revenues.

### CITY OF DUVALL 2019-2020 BUDGET vs ACTUAL - REVENUES

Biennium to date as of December 31, 2020

| Fund         | Description                     | Budget               | BTD Actual           | BTD                   | BTD %       | Thru Dec.            | Thru Dec.            | % Δ        | \$ Δ                |
|--------------|---------------------------------|----------------------|----------------------|-----------------------|-------------|----------------------|----------------------|------------|---------------------|
|              |                                 | Amended              |                      | Difference            | Collected   | 2019                 | 2020                 |            |                     |
| 001          | General Fund                    | \$ 13,981,659        | \$ 14,645,883        | \$ (664,224)          | 105%        | \$ 6,102,026         | \$ 8,543,857         | 40%        | \$ 2,441,831        |
| 002          | Contingency Fund                | 320,476              | 321,927              | \$ (1,451)            | 100%        | 134,398              | 187,529              | 40%        | \$ 53,130           |
| 101          | Street Fund                     | 1,740,058            | 1,747,042            | \$ (6,984)            | 100%        | 858,766              | 888,276              | 3%         | \$ 29,510           |
| 102          | Transportation Benefit District | 165,000              | 174,874              | \$ (9,874)            | 106%        | -                    | 174,874              |            | \$ 174,874          |
| 106          | Big Rock Ball Park Maintenance  | 312,974              | 314,643              | \$ (1,669)            | 101%        | 170,498              | 144,146              | -15%       | \$ (26,352)         |
| 107          | Sensitive Areas Mitigation Fund | 1,171                | 1,181                | \$ (10)               | 101%        | 783                  | 398                  | -49%       | \$ (385)            |
| 206          | 2016 LTGO - Main St Debt Svc    | 960,334              | 961,790              | \$ (1,456)            | 100%        | 471,937              | 489,853              | 4%         | \$ 17,915           |
| 304          | Real Estate Excise Tax Fund 1   | 730,910              | 727,201              | \$ 3,709              | 99%         | 314,969              | 412,232              | 31%        | \$ 97,263           |
| 305          | Real Estate Excise Tax Fund 2   | 725,370              | 721,621              | \$ 3,749              | 99%         | 311,284              | 410,337              | 32%        | \$ 99,052           |
| 306          | Main Street Improvement         | 35,227               | 34,764               | \$ 463                | 99%         | 23,342               | 11,422               | -51%       | \$ (11,920)         |
| 307          | Street CIP Fund                 | 966,917              | 1,351,136            | \$ (384,219)          | 140%        | 690,163              | 660,973              | -4%        | \$ (29,191)         |
| 308          | Parks CIP Fund                  | 1,192,495            | 1,167,230            | \$ 25,265             | 98%         | 480,291              | 686,939              | 43%        | \$ 206,648          |
| 401          | Water Fund                      | 4,335,086            | 4,356,775            | \$ (21,689)           | 101%        | 2,107,656            | 2,249,119            | 7%         | \$ 141,463          |
| 402          | Sewer Fund                      | 5,418,290            | 5,408,075            | \$ 10,214             | 100%        | 2,566,304            | 2,841,771            | 11%        | \$ 275,466          |
| 404          | Storm Drainage Fund             | 1,650,938            | 1,647,302            | \$ 3,636              | 100%        | 813,551              | 833,751              | 2%         | \$ 20,200           |
| 407          | Water CIP Fund                  | 1,652,392            | 2,118,420            | \$ (466,027)          | 128%        | 476,637              | 1,641,782            | 244%       | \$ 1,165,145        |
| 408          | Sewer CIP Fund                  | 2,011,789            | 2,657,408            | \$ (645,619)          | 132%        | 588,251              | 2,069,156            | 252%       | \$ 1,480,905        |
| 409          | Storm Drainage CIP Fund         | 374,838              | 460,601              | \$ (85,763)           | 123%        | 200,416              | 260,185              | 30%        | \$ 59,769           |
| 410          | Bond Redemption Fund            | 907                  | 907                  | \$ -                  | 100%        | 801                  | 106                  | -87%       | \$ (696)            |
| 411          | Bond Reserve Fund               | 6,706                | 6,706                | \$ -                  | 100%        | 5,318                | 1,388                | -74%       | \$ (3,930)          |
| 501          | Equipment Fund                  | 571,111              | 571,097              | \$ 14                 | 100%        | 382,797              | 188,300              | -51%       | \$ (194,497)        |
| 502          | IT Fund                         | 571,285              | 571,303              | \$ (18)               | 100%        | 286,678              | 284,624              | -1%        | \$ (2,054)          |
| 503          | Building Maintenance Fund       | 298,246              | 298,265              | \$ (19)               | 100%        | 136,125              | 162,140              | 19%        | \$ 26,015           |
| <b>TOTAL</b> |                                 | <b>\$ 38,024,180</b> | <b>\$ 40,266,151</b> | <b>\$ (2,241,971)</b> | <b>106%</b> | <b>\$ 17,122,994</b> | <b>\$ 23,143,157</b> | <b>35%</b> | <b>\$ 6,020,163</b> |

## Expenditures

Expenditures through December 2020 vary significantly to expenditures through December 2019 as follows: In 2020 the **Main Street Improvement Fund** transferred excess bond proceeds to the **Park CIP Fund** to help fund a property purchase. Expenditures in the **Street CIP Fund** are higher in 2020 due to the 275<sup>th</sup> Ave Sidewalk Completion project. As noted above, the **Park CIP Fund** purchased property in 2020. Expenditures in the **Water CIP Fund** are higher in 2020 due to the Kennedy Watermain Replacement Project. Expenditures in the **Sewer Fund** were higher in 2019 due to the Batten Road Sewer Installation project. In 2020, the City transferred the remaining balance of the **Bond Redemption** and **Bond Reserve** funds to the **Water CIP** and the **Sewer Fund**, the original source of the revenue that made up the balance of those funds. The **Equipment Fund** purchased a dump truck for approximately \$194,000 in 2019. See proceeding pages for information on changes in **General Fund** expenditures.

### CITY OF DUVALL 2019-2020 BUDGET vs ACTUAL - EXPENDITURES

Biennium to date as of December 31, 2020

| Fund         | Description                     | Budget                |                      | BTD %<br>Spent    | Thru Dec.<br>2019 | Thru Dec.<br>2020    | % Δ                  | \$ Δ         |                     |
|--------------|---------------------------------|-----------------------|----------------------|-------------------|-------------------|----------------------|----------------------|--------------|---------------------|
|              |                                 | Amended<br>12/15/2020 | BTD Actual           |                   |                   |                      |                      |              |                     |
| 001          | General Fund                    | \$ 13,318,166         | \$ 12,903,029        | \$ 415,137        | 97%               | 5,817,588            | 7,085,441            | 22%          | \$ 1,267,853        |
| 002          | Contingency Fund                | -                     | -                    | -                 | -                 | -                    | -                    |              | \$ -                |
| 101          | Street Fund                     | 1,752,895             | 1,721,353            | 31,542            | 98%               | 884,298              | 837,055              | -5%          | \$ (47,243)         |
| 102          | Transportation Benefit District | -                     | -                    | -                 | -                 | -                    | -                    |              | \$ -                |
| 106          | Big Rock Ball Park Maintenance  | 250,735               | 221,215              | 29,520            | 88%               | 117,571              | 103,644              | -12%         | \$ (13,928)         |
| 107          | Sensitive Areas Mitigation Fund | -                     | -                    | -                 | -                 | -                    | -                    |              | \$ -                |
| 206          | 2016 LTGO - Main St Debt Svc    | 958,878               | 958,699              | 179               | 100%              | 475,520              | 483,179              | 2%           | \$ 7,660            |
| 304          | Real Estate Excise Tax Fund 1   | 194,200               | 194,200              | -                 | 100%              | 83,203               | 110,997              | 33%          | \$ 27,794           |
| 305          | Real Estate Excise Tax Fund 2   | 179,857               | 175,445              | 4,411             | 98%               | 90,613               | 84,832               | -6%          | \$ (5,781)          |
| 306          | Main Street Improvement         | 687,000               | 678,638              | 8,362             | 99%               | 54,188               | 624,450              | 1052%        | \$ 570,262          |
| 307          | Street CIP Fund                 | 526,190               | 510,660              | 15,530            | 97%               | 91,846               | 418,814              | 356%         | \$ 326,968          |
| 308          | Parks CIP Fund                  | 961,191               | 945,349              | 15,841            | 98%               | 157,674              | 787,675              | 400%         | \$ 630,001          |
| 401          | Water Fund                      | 4,225,657             | 4,141,578            | 84,079            | 98%               | 2,133,102            | 2,008,477            | -6%          | \$ (124,625)        |
| 402          | Sewer Fund                      | 4,534,932             | 4,367,657            | 167,276           | 96%               | 2,468,499            | 1,899,158            | -23%         | \$ (569,341)        |
| 404          | Storm Drainage Fund             | 1,546,279             | 1,463,382            | 82,898            | 95%               | 750,319              | 713,062              | -5%          | \$ (37,257)         |
| 407          | Water CIP Fund                  | 966,833               | 883,793              | 83,040            | 91%               | 144,005              | 739,788              | 414%         | \$ 595,784          |
| 408          | Sewer CIP Fund                  | 696,352               | 708,051              | (11,698)          | 102%              | 342,978              | 365,073              | 6%           | \$ 22,095           |
| 409          | Storm Drainage CIP Fund         | 4,000                 | 4,741                | (741)             | 119%              | 2,109                | 2,633                | 25%          | \$ 524              |
| 410          | Bond Redemption Fund            | 20,847                | 20,847               | 0                 | 100%              | -                    | 20,847               |              | \$ 20,847           |
| 411          | Bond Reserve Fund               | 274,580               | 274,580              | 0                 | 100%              | 400                  | 274,180              | 68445%       | \$ 273,780          |
| 501          | Equipment Fund                  | 675,093               | 636,405              | 38,687            | 94%               | 405,668              | 230,737              | -43%         | \$ (174,931)        |
| 502          | IT Fund                         | 546,638               | 534,348              | 12,290            | 98%               | 251,585              | 282,762              | 12%          | \$ 31,177           |
| 503          | Building Maintenance Fund       | 304,993               | 296,524              | 8,469             | 97%               | 128,172              | 168,351              | 31%          | \$ 40,179           |
| <b>TOTAL</b> |                                 | <b>\$ 32,625,316</b>  | <b>\$ 31,640,493</b> | <b>\$ 984,823</b> | <b>97%</b>        | <b>\$ 14,399,338</b> | <b>\$ 17,241,155</b> | <b>19.7%</b> | <b>\$ 2,841,817</b> |