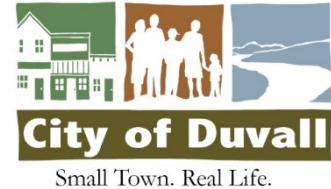


Date: March 21, 2023
To: Mayor Ockerlander
City Council
From: Finance



Q4 Preliminary Financial Report

This quarterly report provides information on the City’s financial position. Budgeted amounts in the tables below and on the following pages reflect the end of biennium budget amendments approved by Council in December 2022. This report is preliminary – small adjustments to overhead and internal service fund allocations will be made as part of the financial statement preparation process.

As of the end of December 2022, **100% of the 2021/2022 biennium** was complete. The City had received **97.5% of budgeted revenues** and had spent **86.6% of budgeted expenditures**. The tables below show biennium to date budgeted vs. actual revenues and expenditures by fund type.

Overall, the City ended the biennium as expected. Expenditures are lower than budgeted due to several capital projects, such as the \$1,360,331 budgeted for Walden Parks, not occurring in 2022 as anticipated. These expenditures will be carried over to the 2023/2024 biennium as part of the mid-biennium budget adjustments.

| Biennium to Date Revenue by Fund Type | | | |
|---------------------------------------|---------------------|-----------------------|--------------|
| Fund Type | 2021/2022 Budgeted | | % Received |
| | Revenue | 2021/2022 BTD Revenue | |
| General Fund | \$11,937,939 | \$11,932,499 | 100.0% |
| Contingency Fund | \$127,657 | \$133,410 | 104.5% |
| Strategic Fund | \$679,557 | \$695,292 | 102.3% |
| Special Revenue Funds | \$8,524,099 | \$7,942,421 | 93.2% |
| Debt Service | \$938,489 | \$938,488 | 100.0% |
| Capital Project Funds | \$3,801,196 | \$3,440,138 | 90.5% |
| Utility Funds | \$20,209,206 | \$19,976,966 | 98.9% |
| Internal Service Funds | \$2,129,789 | \$2,078,151 | 97.6% |
| Total | \$48,347,932 | \$47,137,364 | 97.5% |

| Biennium to Date Expenditures by Fund Type | | | |
|--|---------------------|----------------------------|--------------|
| Fund Type | 2021/2022 Budgeted | | % Spent |
| | Expenditures | 2021/2022 BTD Expenditures | |
| General Fund | \$11,768,406 | \$10,740,517 | 91.3% |
| Contingency Fund | \$0 | \$0 | 0.0% |
| Strategic Fund | \$0 | \$0 | 0.0% |
| Special Revenue Funds | \$5,731,712 | \$5,122,279 | 89.4% |
| Debt Service | \$938,489 | \$938,489 | 100.0% |
| Capital Project Funds | \$4,194,047 | \$2,052,562 | 48.9% |
| Utility Funds | \$16,329,503 | \$14,956,769 | 91.6% |
| Internal Service Funds | \$2,143,427 | \$1,767,586 | 82.5% |
| Total | \$41,105,583 | \$35,578,201 | 86.6% |

**Budget and actual expenditures in the General Fund and budget and actual revenues in the Building and Permitting and Strategic funds have been reduced in this report to reflect the decrease in the General Fund and the increase in the Building and Permitting and Strategic funds beginning fund balances.*

General Fund Revenues

The City receives 80% of its General Fund revenues from **taxes**. As of the end of December 2022, **100.2%** of tax revenue budgeted in the General Fund had been received:

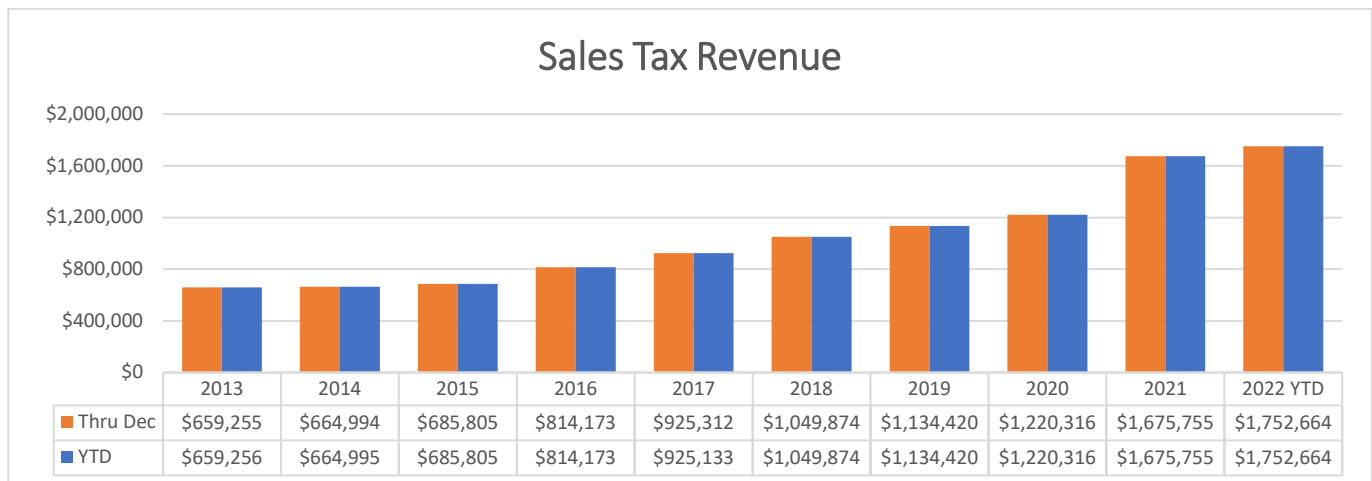
| | 2021/2022 | | | | Thru Dec 2021 | Thru Dec 2022 | % Δ |
|--------------------------------------|--------------------|--------------------|------------------|---------------|--------------------|--------------------|-----------|
| | Amended Budget | BTD Actual | Remaining | % Collected | | | |
| Real & Personal Property Taxes | \$2,670,068 | \$2,669,261 | \$807 | 100.0% | \$1,305,465 | \$1,363,796 | 4% |
| Property Taxes - Levy Lid Lift | \$810,435 | \$812,244 | -\$1,809 | 100.2% | \$397,268 | \$414,976 | 4% |
| Total GF Property Tax | \$3,480,503 | \$3,481,506 | -\$1,002 | 100.0% | \$1,702,733 | \$1,778,772 | 4% |
| Local Retail Sales & Use Taxes | \$2,341,000 | \$2,348,534 | -\$7,533 | 100.3% | \$1,132,464 | \$1,216,069 | 7% |
| Sales Tax from Construction* | \$394,042 | \$394,042 | \$0 | 100.0% | \$192,215 | \$201,827 | 5% |
| Affordable Housing Sales Tax | \$18,000 | \$20,122 | -\$2,122 | 111.8% | \$11,089 | \$9,032 | -19% |
| Sales Tax-Crim Justice-LOCAL | \$541,483 | \$549,568 | -\$8,085 | 101.5% | \$259,100 | \$290,468 | 12% |
| Business Tax - Electricity | \$638,000 | \$631,182 | \$6,818 | 98.9% | \$277,251 | \$353,931 | 28% |
| Interfund Utility Tax - Water | \$486,376 | \$492,301 | -\$5,925 | 101.2% | \$236,028 | \$256,273 | 9% |
| Business Tax - Natural Gas | \$276,162 | \$289,003 | -\$12,841 | 104.6% | \$123,278 | \$165,725 | 34% |
| Interfund Utility Tax - Sewer | \$564,298 | \$565,977 | -\$1,680 | 100.3% | \$273,181 | \$292,796 | 7% |
| Business Tax - Garbage | \$250,066 | \$249,023 | \$1,043 | 99.6% | \$122,576 | \$126,448 | 3% |
| Business Tax - TV Cable | \$102,754 | \$94,061 | \$8,693 | 91.5% | \$53,433 | \$40,628 | -24% |
| Business Tax - Telephone | \$135,866 | \$134,093 | \$1,773 | 98.7% | \$67,365 | \$66,729 | -1% |
| Interfund Utility Tax - Storm | \$177,620 | \$177,515 | \$105 | 99.9% | \$86,163 | \$91,352 | 6% |
| Gambling Tax | \$49,400 | \$43,831 | \$5,569 | 88.7% | \$25,085 | \$18,747 | -25% |
| Leasehold Excise Tax | \$4,337 | \$3,789 | \$548 | 87.4% | \$2,282 | \$1,507 | -34% |
| Total GF Tax w/o Property Tax | \$5,979,406 | \$5,993,043 | -\$13,637 | 100.2% | \$2,861,510 | \$3,131,533 | 9% |
| Total GF Tax Revenue | \$9,459,909 | \$9,474,548 | -\$14,639 | 100.2% | \$4,564,243 | \$4,910,305 | 8% |

Property tax is the General Fund’s largest and most reliable source of revenue. 20% of the City’s non-levy lid lift property tax is received directly into the Street Fund, for use on street operations and maintenance and is not shown in the table above.

Property taxes are due in two payments with April 30th and November 2nd deadlines. As of the end of December 2022, the City had received 100% of budgeted property tax.

Sales tax is the General Fund’s second highest source of revenue. The City receives sales tax revenue two months after it is collected by businesses, so December receipts were from sales incurred in October. By the end of December 2022, the City had received 100% of sales tax budgeted in the General Fund. In December of 2021, **sales tax from construction** received over the amount of \$192,215 was moved to the Strategic Fund to be used on one-time expenditures. In 2022, sales tax from construction received over the amount of \$201,827, the prior year amount plus an inflator, was received directly into the Strategic Fund. \$351,079 was moved to the Strategic Fund in 2021 and \$334,767 was received into the Strategic Fund in 2022.

Below is a table that shows a ten-year trend of sales tax, including sales tax that has been received into the Strategic Fund.



The City received 4.5%, or \$76,229, more in sales tax year to date through December of 2022 than through December of 2021. 2022 **Sales tax from construction** was \$5,774, or 1.1% less than in 2021 . Without sales tax from construction, the year-to-date increase in sales tax through December was 7.2%, or \$82,003.

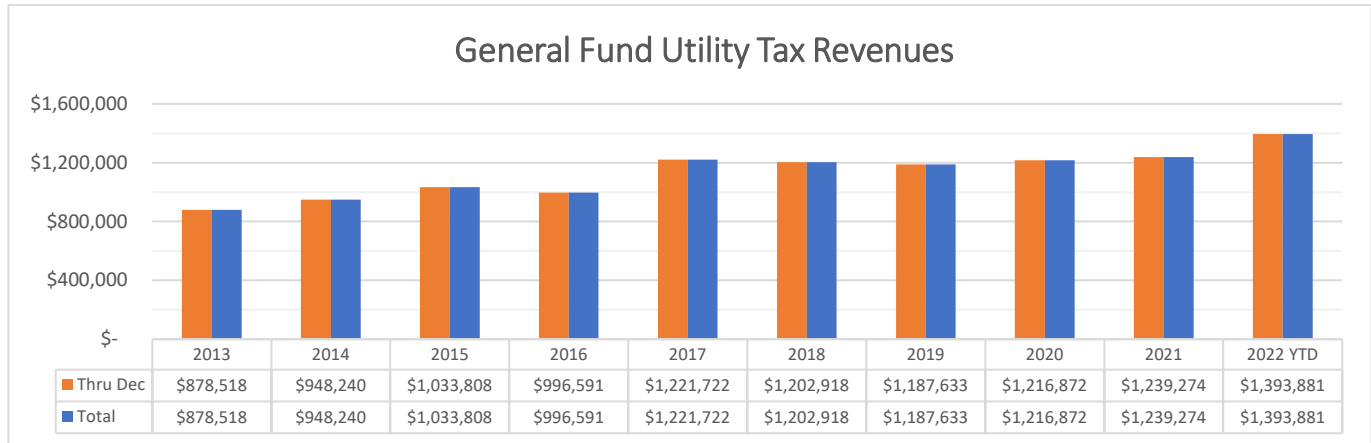
Compared to December 2021, year to date sales tax from **Accommodation and Food Services** increased by 9%, or \$11,511, **Retail Trade** increased by 4.3%, or \$25,142, and the category of **Admin and Support of Waste Management and Remedial Services** increased by 29%, or \$34,214, in part from landscaping services, which is included in this category.

Jan - Dec 2022 vs. Jan - Dec 2021 Sales Tax by NAICS Category

| NAICS_Code_Name | Thru Dec 2020 | Thru Dec 2021 | Thru Dec 2022 | Δ 2021 to 2022 | Δ% |
|---|--------------------|--------------------|--------------------|-----------------|-------------|
| Retail Trade | \$ 498,263 | \$ 587,506 | \$ 612,648 | \$25,142 | 4.3% |
| Construction | \$ 275,021 | \$ 548,782 | \$ 543,007 | -\$5,774 | -1.1% |
| Admin & Support of Waste Mgmt & Remedial Svcs | \$ 89,844 | \$ 117,987 | \$ 152,202 | \$34,214 | 29.0% |
| Accommodation & Food Services | \$ 110,654 | \$ 128,324 | \$ 139,835 | \$11,511 | 9.0% |
| Information/Communication | \$ 52,601 | \$ 54,424 | \$ 61,533 | \$7,109 | 13.1% |
| Wholesale Trade | \$ 55,085 | \$ 65,234 | \$ 55,153 | -\$10,081 | -15.5% |
| Manufacturing | \$ 24,862 | \$ 39,234 | \$ 37,733 | -\$1,501 | -3.8% |
| Professional, Scientific, & Technical Svcs | \$ 26,611 | \$ 35,466 | \$ 36,853 | \$1,386 | 3.9% |
| Miscellaneous | \$ 22,147 | \$ 32,869 | \$ 34,660 | \$1,791 | 5.5% |
| Other Services (except Public Administration) | \$ 28,937 | \$ 26,156 | \$ 31,524 | \$5,368 | 20.5% |
| Real Estate & Rental & Leasing | \$ 15,157 | \$ 16,359 | \$ 21,752 | \$5,394 | 33.0% |
| Finance | \$ 15,231 | \$ 16,364 | \$ 15,701 | -\$663 | -4.1% |
| Arts, Entertainment, & Recreation | \$ 4,669 | \$ 4,077 | \$ 6,026 | \$1,949 | 47.8% |
| Transportation & Warehousing | \$ 1,407 | \$ 3,160 | \$ 5,523 | \$2,363 | 74.8% |
| Utilities | \$ 2,636 | \$ 7,366 | \$ 5,427 | -\$1,939 | -26.3% |
| Educational Services | \$ 4,710 | \$ 4,266 | \$ 3,278 | -\$987 | -23.1% |
| Agriculture, Forestry, Fishing & Hunting | \$ 2,062 | \$ 1,509 | \$ 2,623 | \$1,114 | 73.8% |
| Health Care & Social Assistance | \$ 853 | \$ 1,565 | \$ 1,875 | \$310 | 19.8% |
| Management of Companies & Enterprises | \$ 51 | \$ 63 | \$ 67 | \$4 | 6.2% |
| Public Administration | \$ 23 | \$ 467 | \$ 36 | -\$431 | -92.3% |
| Mining | \$ 32 | \$ 72 | \$ 23 | -\$49 | -67.9% |
| Total | \$1,230,856 | \$1,691,249 | \$1,767,478 | \$76,229 | 4.5% |

The amounts in the table above show **year to date** sales tax revenue compared to the same period in the prior year and do not have the administrative fee charged by the Department of Revenue removed, whereas the amounts in the table on the prior page are net of the fee. Year to date through December 2020 has been added for comparison purposes.

The General Fund’s third largest source of budgeted revenue is **utility tax**. 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 December 2022, the City had collected **100%, or \$2,633,156**, of budgeted utility tax. **Utility tax** through December 2022 was 12%, or \$154,608, higher than the same period in the prior year partially due to November electric and natural gas payments made in January 2022, rather than December 2021.



Approximately 5% of budgeted General Fund revenue comes from **licenses and permits**. As of the end of December 2022, the City had received **100.8%** of its budgeted General Fund license and permit revenue. Year to date, revenue through December increased by 18%, or \$47,827, over the same period in the prior year, primarily due to garbage franchise fees and IT surcharges collected as part of permitting and development related fees.

| | 2021/2022 | | | | % | Thru Dec 2021 | Thru Dec 2022 | % Δ |
|--|------------------|------------------|-----------------|---------------|------------------|------------------|---------------|-----|
| | Amend. Budget | BTD Actual | Remaining | Collected | | | | |
| Fireworks Permits | \$400 | \$200 | \$200 | 50.0% | \$100 | \$100 | 0% | |
| Special Events Permits | \$1,500 | \$650 | \$850 | 43.3% | \$775 | -\$125 | -116% | |
| Franchise Fees - Cable TV | \$64,000 | \$66,733 | -\$2,733 | 104.3% | \$34,337 | \$32,397 | -6% | |
| Franchise Fees - Garbage | \$314,000 | \$312,267 | \$1,733 | 99.4% | \$144,853 | \$167,414 | 16% | |
| Business Licenses & Permits | \$85,000 | \$85,160 | -\$160 | 100.2% | \$41,323 | \$43,837 | 6% | |
| Permit Fee IT Surcharge | \$101,900 | \$107,416 | -\$5,517 | 105.4% | \$40,952 | \$66,464 | 62% | |
| Concealed Weapons Permits | \$3,540 | \$2,677 | \$863 | 75.6% | \$1,298 | \$1,379 | 6% | |
| Total GF Licenses & Permits | \$570,340 | \$575,104 | -\$4,765 | 100.8% | \$263,639 | \$311,466 | 18% | |

Revenue from **charges for services** accounts for approximately 6% of the General Fund budget. As of the end of 2022, the City had received **98.6%** of budgeted General Fund charges for services revenue. Year to date, revenue through December increased by 21.7%, or \$86,336, over the same period in the prior year, primarily due to tree mitigation fees, which were first collected in December of 2021.

| | 2021/2022 | | | | % | Thru Dec 2021 | Thru Dec 2022 | % Δ |
|--------------------------------------|------------------|------------------|-----------------|--------------|------------------|------------------|---------------|-----|
| | Amended Budget | BTD Actual | Remaining | Collected | | | | |
| Admin Fees - Cell Tower | \$5,921 | \$6,193 | -\$272 | 105% | \$3,189 | \$3,004 | -6% | |
| Accounting Services | \$0 | \$25 | -\$25 | | \$25 | \$0 | -100% | |
| Sales of Maps & Publications | \$200 | \$358 | -\$158 | 179% | \$39 | \$319 | 719% | |
| Engineering Fees & Charges | \$278,000 | \$294,272 | -\$16,272 | 106% | \$143,057 | \$151,215 | 6% | |
| Purchasing Services | \$28,000 | \$28,000 | \$0 | 100% | \$28,000 | \$0 | -100% | |
| Law Enforcement Services | \$0 | \$2,840 | -\$2,840 | | \$415 | \$2,426 | 485% | |
| RSD School Officer | \$80,000 | \$84,992 | -\$4,992 | 106% | \$42,300 | \$42,692 | 1% | |
| Animal Control & She | \$52,000 | \$50,034 | \$1,966 | 96% | \$25,578 | \$24,456 | -4% | |
| Pass-thru Developer Billing | \$0 | \$31,465 | -\$31,465 | | -\$8,693 | \$40,158 | -562% | |
| Land Use Fees & Charges | \$310,000 | \$240,254 | \$69,746 | 78% | \$154,074 | \$86,180 | -44% | |
| Tree Mitigation | \$110,000 | \$114,227 | -\$4,227 | 104% | \$1,575 | \$112,652 | 7053% | |
| Plan Check Services | \$10,500 | \$10,532 | -\$32 | 100% | \$0 | \$10,532 | | |
| Sponsorship Fees | \$18,100 | \$19,939 | -\$1,839 | 110% | \$8,839 | \$11,100 | 26% | |
| Stage Sponsorship | \$2,500 | \$0 | \$2,500 | 0% | \$0 | \$0 | | |
| Total GF Charges for Services | \$895,221 | \$883,131 | \$12,090 | 98.6% | \$398,398 | \$484,733 | 21.7% | |

General Fund Revenue Summary and Expenditure Overview

General Fund Revenue Summary

As of the end of December 2022, the City had received approximately **100%** of its budgeted General Fund **revenue**. Year to date revenue through December increased by 5.2%, or \$300,114, over the same period in the prior year, primarily from an increase in tax revenue. **Intergovernmental** revenues were lower in 2022 in part due to COVID related grant funding received in 2021. The **Miscellaneous** category includes investment interest, which increased significantly in 2022 with rising interest rates. The **Other** category below shows transfers into the General Fund for overhead based on budgeted amounts that will be trued up as part of the financial statement process.

| General Fund Revenues | 2021/2022 | 12/31/2022 | BTD | Thru Dec | Thru Dec | % Δ |
|---------------------------|---------------------|---------------------|-------------|--------------------|--------------------|-------------|
| | Amended Budget | BTD Actual | % | 2021 | 2022 | |
| Beginning Fund Balance | \$2,507,872 | \$2,507,872 | 100% | | | |
| Taxes | \$9,459,909 | \$9,474,548 | 100% | \$4,564,243 | \$4,910,305 | 8% |
| Licenses & Permits | \$570,340 | \$575,104 | 101% | \$263,639 | \$311,466 | 18% |
| Intergov. Revenues | \$527,454 | \$495,219 | 94% | \$321,993 | \$173,226 | -46% |
| Charges for Goods & Serv. | \$895,221 | \$883,130 | 99% | \$398,398 | \$484,733 | 22% |
| Fines & Penalties | \$21,000 | \$17,781 | 85% | \$10,738 | \$7,043 | -34% |
| Miscellaneous Revenues | \$121,302 | \$157,038 | 129% | \$65,445 | \$91,593 | 40% |
| Other | \$342,713 | \$329,677 | 96% | \$191,737 | \$137,940 | -28% |
| Total Revenues | \$11,937,939 | \$11,932,499 | 100% | \$5,816,192 | \$6,116,307 | 5.2% |

General Fund Expenditure Summary

See below for the breakout of General Fund expenditures by department and category and the following page for more detail on some of the major variances compared to the same period in the prior year.

| General Fund Expenditures by Dept.* | 2021/2022 | 12/31/2022 | BTD | Thru Dec | Thru Dec | % Δ |
|-------------------------------------|---------------------|---------------------|------------|--------------------|--------------------|-----------|
| | Amended Budget | BTD Actual | % | 2021 | 2022 | |
| Legislative | \$301,947 | \$266,585 | 88% | \$117,224 | \$149,361 | 27% |
| Executive | \$373,790 | \$344,720 | 92% | \$169,743 | \$174,977 | 3% |
| Community Events | \$231,744 | \$218,050 | 94% | \$107,882 | \$110,168 | 2% |
| Finance Dept. | \$1,077,664 | \$983,133 | 91% | \$434,857 | \$548,276 | 26% |
| Planning Dept. | \$1,050,261 | \$914,221 | 87% | \$446,320 | \$467,900 | 5% |
| Police Dept. | \$5,683,476 | \$5,107,632 | 90% | \$2,567,055 | \$2,540,578 | -1% |
| Economic Development | \$39,600 | \$20,778 | 52% | \$11,118 | \$9,660 | 0% |
| Recycling Dept. | \$59,348 | \$52,254 | 88% | \$24,790 | \$27,464 | 11% |
| Civil Service | \$64,500 | \$59,536 | 92% | \$28,765 | \$30,772 | 7% |
| Parks Dept. | \$838,692 | \$780,520 | 93% | \$361,187 | \$419,333 | 16% |
| Cultural Commission | \$22,687 | \$11,756 | 52% | \$10,248 | \$1,508 | -85% |
| City Mitigation Projects | \$4,300 | \$4,293 | 100% | \$4,293 | \$0 | |
| Engineering Dept. | \$582,125 | \$506,223 | 87% | \$243,247 | \$262,976 | 8% |
| Emergency Response | \$37,200 | \$51,285 | 138% | \$29,593 | \$21,692 | -27% |
| Legal | \$365,320 | \$360,784 | 99% | \$208,546 | \$152,238 | -27% |
| Non-Departmental | \$1,035,752 | \$1,058,747 | 102% | \$437,725 | \$621,022 | 42% |
| Total Expenditures | \$11,768,406 | \$10,740,517 | 91% | \$5,202,592 | \$5,537,925 | 6% |

| General Fund Expenditures by Cat.* | 2021/2022 | 12/31/2022 | BTD | Thru Dec | Thru Dec | % Δ |
|------------------------------------|---------------------|---------------------|-------------|--------------------|--------------------|-----------|
| | Amended Budget | BTD Actual | % | 2021 | 2022 | |
| Salaries and Wages | \$4,896,800 | \$4,494,755 | 92% | \$2,255,935 | \$2,238,820 | -1% |
| Personnel Benefits | \$1,746,600 | \$1,524,543 | 87% | \$753,271 | \$771,272 | 2% |
| Supplies | \$237,904 | \$209,900 | 88% | \$87,900 | \$122,001 | 39% |
| Services | \$3,785,325 | \$3,390,608 | 90% | \$1,642,882 | \$1,747,726 | 6% |
| Transfers Out/Deposits | \$1,035,752 | \$1,059,897 | 102% | \$437,950 | \$621,947 | 42% |
| Capital Outlays | \$66,025 | \$60,814 | 92% | \$24,655 | \$36,160 | 47% |
| Total Expenditures | \$11,768,406 | \$10,740,517 | 91% | \$5,202,592 | \$5,537,925 | 6% |
| Revenue minus Expenditures | \$169,533 | \$1,191,981 | | \$613,600 | \$578,381 | |
| Ending Fund Balance | \$2,677,405 | \$3,699,853 | 138% | | | |

*Transfers out have been reduced by the amounts shown as beginning fund balance for the Building and Permitting and Strategic funds.

General Fund Expenditures by Department

Year to date expenditures increased over the same period in the prior year as follows: **Legislative Department** expenditures increased by 27%, or \$32,137, due to costs for election services, travel and meals and IT internal charges for services. **Finance Department** expenditures increased by 26%, or \$113,419, from salaries and wages for the Finance portion of the City Administrator and from limited term accounting help. Finance professional services also increased, namely from the salary study and temporary accounting help. **Parks Department** expenditures increased by 16%, or \$58,147, mainly from the increased cost of salaries and wages. **Legal Services** decreased by 27%, or \$56,308, due in part to negotiation with both the City's collective bargaining units in 2021. **Non-Departmental** expenditures increased by 42%, or \$183,297, in part due to a \$125,000 end of the biennium transfer to the Contingency Fund, an increased transfer to the Big Rock Ball Field Fund to maintain reserve balances, and an operating transfer to the Street Fund in 2022 that was unnecessary in 2021.

General Fund Expenditures by Category

Overall, General Fund expenditures through December 2022 are 6%, or \$335,333, higher than year to date through December 2021, for the reasons listed above.

Building and Permitting Fund Revenue Summary and Expenditure Overview

| Revenues | 2021/2022 | 12/31/2022 | BTD | Thru Dec | Thru Dec | % Δ |
|-----------------------------------|--------------------|--------------------|------------|--------------------|--------------------|--------------|
| | Amended Budget | BTD Actual | % | 2021 | 2022 | |
| Beginning Fund Balance* | \$1,171,216 | \$1,171,216 | 100% | | | |
| Building Permit Fees | \$1,002,979 | \$974,103 | 97% | \$308,919 | \$665,184 | 115% |
| Admin Fee-School/Rd/Park Imp | \$10,060 | \$8,060 | 80% | \$3,315 | \$4,745 | 43% |
| Bldg. Inspection Fees | \$8,500 | \$737 | 9% | \$737 | \$0 | -100% |
| Plan Check Fees | \$587,018 | \$534,153 | 91% | \$173,109 | \$361,044 | 109% |
| Fire Plan Review & Inspections | \$69,500 | \$58,136 | 84% | \$38,618 | \$19,518 | -49% |
| School Impact Fees | \$1,991,164 | \$1,557,402 | 78% | \$536,113 | \$1,021,289 | 90% |
| Miscellaneous Revenue | \$13,400 | \$20,804 | | \$3,391 | \$17,413 | 413% |
| Total Revenues | \$3,682,620 | \$3,153,395 | 86% | \$1,064,202 | \$2,089,193 | 96.3% |
| Expenditures by Category | 2021/2022 | 12/31/2022 | BTD | Thru Dec | Thru Dec | % Δ |
| | Amended Budget | BTD Actual | % | 2021 | 2022 | |
| Salaries and Wages | \$595,000 | \$556,963 | 94% | \$274,611 | \$282,352 | 3% |
| Personnel Benefits | \$230,000 | \$220,026 | 96% | \$108,001 | \$112,024 | 4% |
| Supplies | \$10,589 | \$14,288 | 135% | \$5,384 | \$8,904 | 65% |
| Services | \$245,217 | \$193,987 | 79% | \$106,204 | \$87,783 | -17% |
| School Impact Fee Distribution | \$1,991,164 | \$1,693,760 | 85% | \$644,609 | \$1,049,151 | 63% |
| Transfers Out/Deposits | \$43,802 | \$42,557 | 97% | \$25,950 | \$16,608 | -36% |
| Capital Outlays | \$28,700 | \$28,700 | 100% | \$0 | \$28,700 | |
| Total Expenditures | \$3,144,472 | \$2,750,281 | 87% | \$1,164,759 | \$1,585,522 | 36% |
| Revenue minus Expenditures | \$538,148 | \$403,114 | | -\$100,556 | \$503,671 | |
| Ending Fund Balance | \$1,709,364 | \$1,574,330 | 92% | | | |

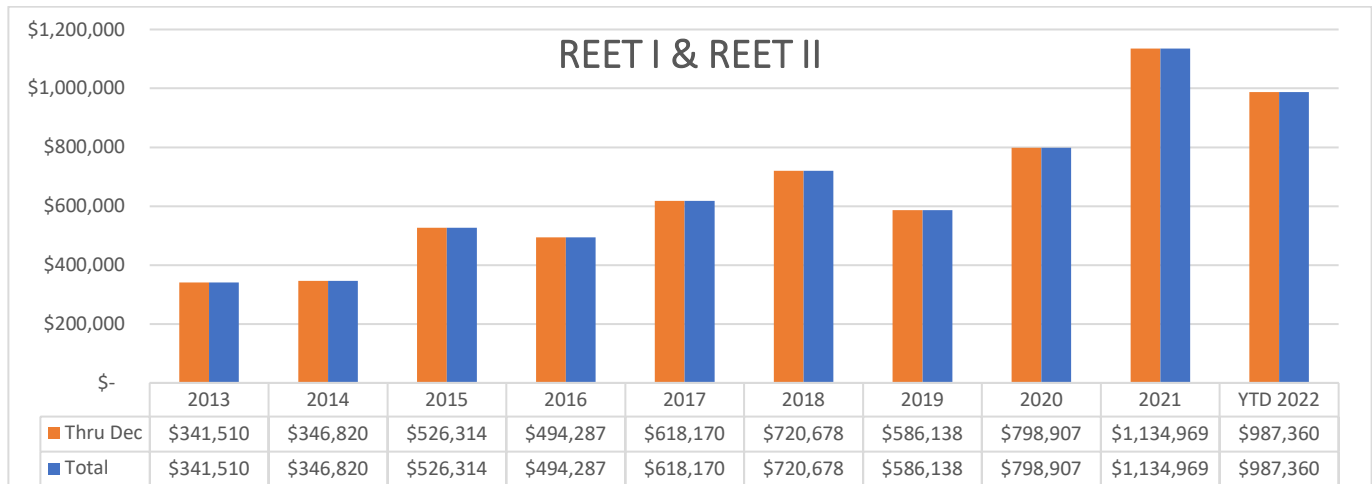
*The beginning fund balance reflects a transfer in from the General Fund

Building and Permitting revenue was 96.3%, or \$1,024,991, higher through Q4 of 2022 compared to Q4 of 2021, due to a combined increase in building permit, plan check and school impact fee revenues, which more than doubled in 2022. Except for the plan review fee, **Building Permit revenue** is received when permits are issued and will vary from year to year depending on development. The City issued **81 new housing permits** from January to December 2022, compared to 52 during the same time in 2021. In addition, the Building and Permitting Department issued **581 other permits** from January to December 2022 and conducted **2418 inspections**.

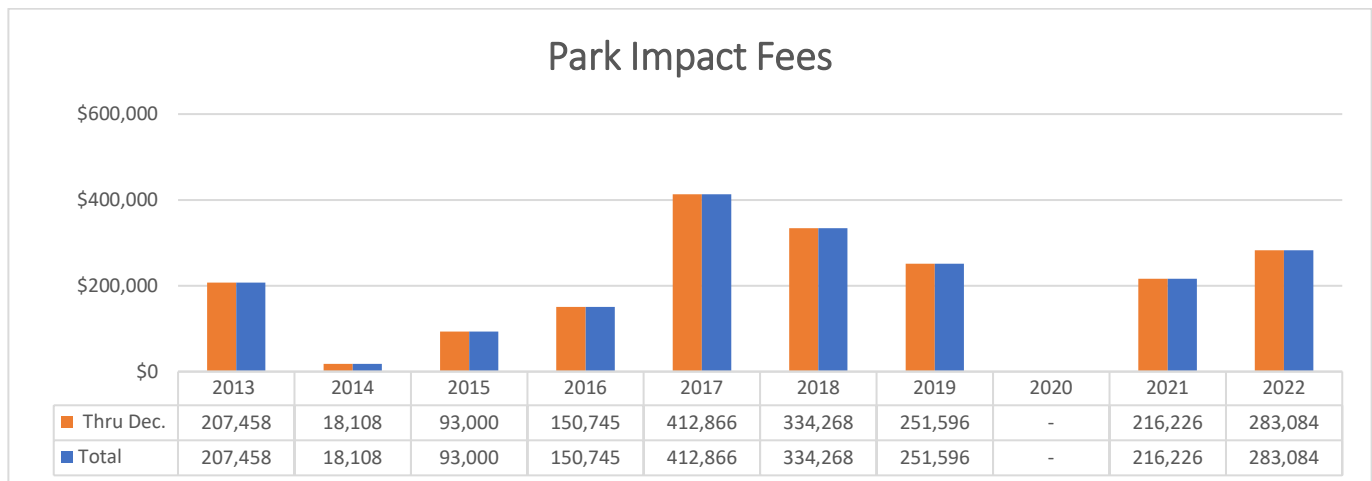
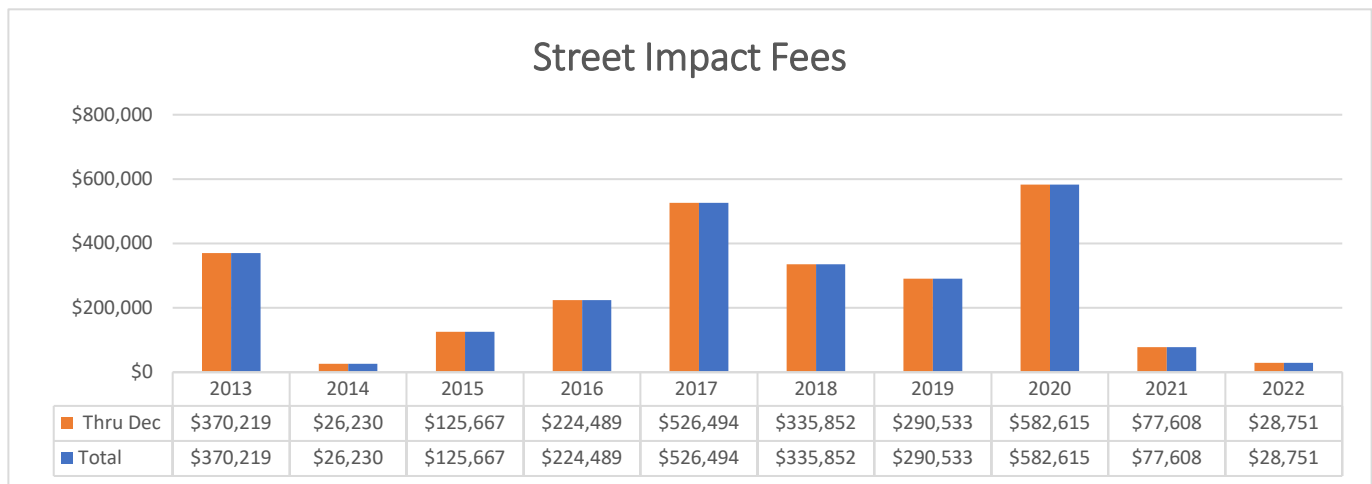
Building and Permitting expenditures increased by 36%, or \$420,764, from the same period in 2021, primarily due to the Q4 increase in **school impact fees** collected by the City and remitted to the School District.

Capital Funds

The City received a total of \$987,360 in **Real Estate Excise Tax (REET)** from the sale of 228 units in 2022 compared to \$1,134,969 from 296 units that were sold during the same period in the prior year. The **average sales price** of a unit sold in 2022 was \$840,238 compared to the average price of \$764,318 for the same period in 2021.

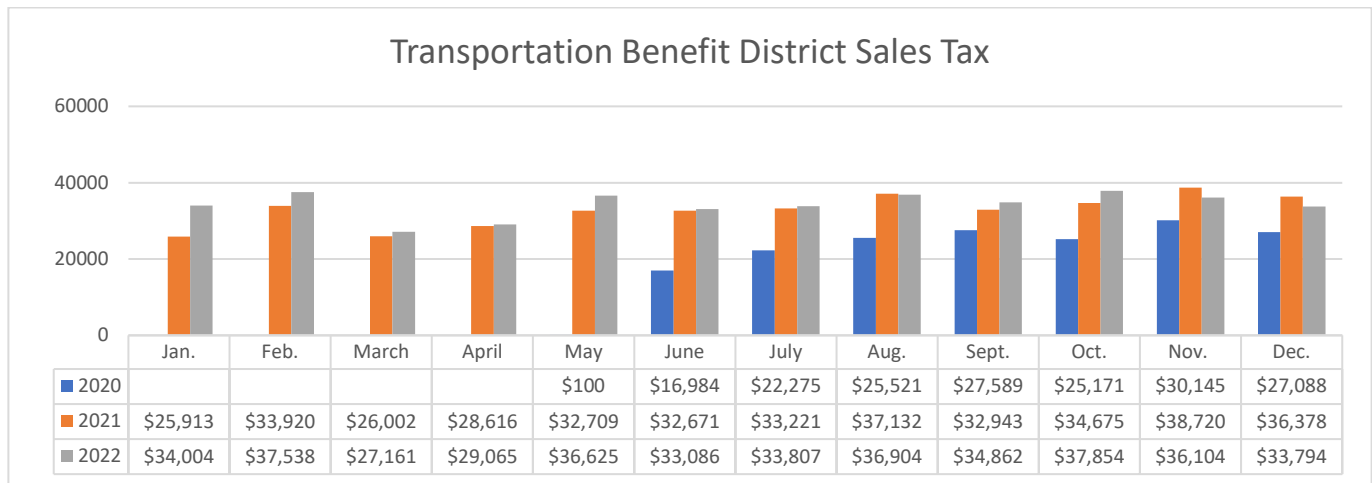


In 2022 the City collected \$28,751 in **Street Impact** fees and \$283,084 in **Park Impact** fees from the issuance of three new housing permits (and a \$257,837 deposit to the park impact fee escrow account), compared to \$77,608 and \$216,226 in the same period in the prior year.



Transportation Benefit District

The City imposed a voter approved 0.2% sales tax to fund transportation operations and maintenance related projects that first went into effect in April of 2020. The City started receiving the tax in May of 2020. The graph below will show the tax trend by month until enough data is available to trend by year. As of the end of Q4 2022, the City had received \$410,805 in Transportation Benefit District sales tax compared to \$392,899 received during the same period in 2021.



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.

Water Fund

As of Q4 2022, the City had received **103%** of its budgeted **Water Fund revenue** and expended **90.3%** of budgeted **expenditures**. Water Fund revenues are higher through Q4 2022 in part due to the return of charging late fees after the Governor’s moratorium was lifted in late 2021, but also due to a dry, hot summer. Water Fund expenditures are lower in 2022 primarily due to a budgeted transfer to the Water Capital Projects Fund (transfers out/deposits) in 2021.

| | 2021/2022 | | | | % | Thru Dec | Thru Dec | % Δ |
|---------------------------------|--------------------|--------------------|-------------------|-----------------|--------------------|--------------------|---------------|-----|
| | Amended Budget | BTD Actual | Remaining | Collected/Spent | | | | |
| Water Fund Revenue | | | | | | | | |
| Water Charges | \$4,863,762 | \$4,989,186 | -\$125,424 | 102.6% | \$2,356,556 | \$2,632,631 | 12% | |
| Water Hook-Up Fees | \$81,500 | \$91,440 | -\$9,940 | 112.2% | \$33,393 | \$58,048 | 74% | |
| Water Billing Late Fees | \$72,000 | \$74,164 | -\$2,164 | 103.0% | \$26,256 | \$47,908 | 82% | |
| Other - Interest & Misc. | \$54,392 | \$68,412 | -\$14,020 | 125.8% | \$18,684 | \$49,728 | 166% | |
| Total Water Revenue | \$5,071,653 | \$5,223,202 | -\$151,548 | 103.0% | \$2,434,888 | \$2,788,315 | 14.5% | |
| Expenditures | | | | | | | | |
| Salaries and Wages | \$1,134,000 | \$1,105,536 | \$28,464 | 97.5% | \$542,366 | \$563,170 | 4% | |
| Personnel Benefits | \$472,000 | \$437,623 | \$34,377 | 92.7% | \$222,836 | \$214,787 | -4% | |
| Supplies | \$1,602,036 | \$1,366,253 | \$235,783 | 85.3% | \$637,255 | \$728,999 | 14% | |
| Services | \$1,425,371 | \$1,200,947 | \$224,425 | 84.3% | \$600,336 | \$600,611 | 0% | |
| Transfers Out/Deposits | \$491,703 | \$485,098 | \$6,605 | 98.7% | \$448,793 | \$36,305 | -92% | |
| Capital Outlays | \$0 | \$31,593 | -\$31,593 | | \$8,582 | \$23,011 | 168% | |
| Total Water Expenditures | \$5,125,110 | \$4,627,049 | \$498,062 | 90.3% | \$2,460,167 | \$2,166,882 | -11.9% | |

Sewer Fund

As of Q4 2022, the City had received **100.3%** of budgeted **Sewer Fund revenue** and spent **97.7%** of budgeted **expenditures**. 2022 revenues were as expected- higher than 2021 due to an increase in accounts and the annual rate increase. Expenditures are higher in 2022 primarily due to a \$3 million transfer to the Sewer CIP fund.

| | 2021/2022 | | | | % | Thru Dec | Thru Dec | % Δ |
|---------------------------------|--------------------|--------------------|------------------|-----------------|--------------------|--------------------|---------------|-----|
| | Amended Budget | BTD Actual | Remaining | Collected/Spent | | | | |
| Sewer Fund Revenue | | | | | | | | |
| Sewer Charges | \$5,642,978 | \$5,649,325 | -\$6,347 | 100.1% | \$2,746,510 | \$2,902,815 | 6% | |
| Side Sewer Connection Fees | \$4,000 | \$9,400 | -\$5,400 | 235.0% | \$2,600 | \$6,800 | 162% | |
| Other - Interest & Misc. | \$54,526 | \$58,860 | -\$4,334 | 107.9% | \$20,212 | \$38,647 | 91% | |
| Total Sewer Revenue | \$5,701,504 | \$5,717,584 | -\$16,080 | 100.3% | \$2,769,322 | \$2,948,262 | 6.5% | |
| Expenditures | | | | | | | | |
| Salaries and Wages | \$1,287,000 | \$1,257,700 | \$29,300 | 97.7% | \$619,500 | \$638,200 | 3% | |
| Personnel Benefits | \$499,000 | \$464,724 | \$34,276 | 93.1% | \$232,784 | \$231,940 | 0% | |
| Supplies | \$142,028 | \$125,874 | \$16,154 | 88.6% | \$53,299 | \$72,575 | 36% | |
| Services | \$1,991,953 | \$1,903,122 | \$88,831 | 95.5% | \$922,546 | \$980,576 | 6% | |
| Transfers Out/Deposits | \$3,095,641 | \$3,088,185 | \$7,456 | 99.8% | \$52,415 | \$3,035,770 | 5692% | |
| Capital Outlays | \$151,000 | \$164,952 | -\$13,952 | 109.2% | \$116,433 | \$48,519 | -58% | |
| Total Sewer Expenditures | \$7,166,622 | \$7,004,557 | \$162,065 | 97.7% | \$1,996,977 | \$5,007,580 | 150.8% | |

Storm Drainage Fund

As of Q4 2022, the City had received **99%** of budgeted **Storm Drainage Fund revenues** and spent **83%** of budgeted **expenditures**. Storm Drainage Fund revenues are as expected. Expenditures are slightly lower in 2022 due to a reallocation of salaries and benefits.

| | 2021/2022 | | | | % | Thru Dec | Thru Dec | % Δ |
|------------------------------------|--------------------|--------------------|------------------|-----------------|------------------|------------------|--------------|-----|
| | Budget | BTD Actual | Remaining | Collected/Spent | | | | |
| Storm Drainage Fund Revenue | | | | | | | | |
| Storm Drainage Fees | \$1,776,200 | \$1,761,945 | \$14,255 | 99.2% | \$864,841 | \$897,104 | 4% | |
| Storm Drainage Inspection | \$8,000 | \$8,000 | \$0 | | \$8,000 | \$0 | | |
| WS DOE NPDES Permit Grant | \$50,000 | \$39,461 | \$10,539 | 78.9% | \$30,390 | \$9,071 | -70% | |
| Other - Interest & Misc. | \$13,241 | \$19,982 | -\$6,742 | 150.9% | \$2,955 | \$17,027 | 476% | |
| Total Storm Revenue | \$1,847,441 | \$1,829,388 | \$18,052 | 99.0% | \$906,186 | \$923,202 | 1.9% | |
| Expenditures | | | | | | | | |
| Salaries and Wages | \$656,000 | \$619,584 | \$36,416 | 94.4% | \$336,352 | \$283,232 | -16% | |
| Personnel Benefits | \$261,000 | \$232,600 | \$28,400 | 89.1% | \$128,594 | \$104,006 | -19% | |
| Supplies | \$22,138 | \$28,852 | -\$6,714 | 130.3% | \$17,362 | \$11,490 | -34% | |
| Services | \$748,804 | \$580,382 | \$168,422 | 77.5% | \$273,078 | \$307,304 | 13% | |
| Transfers Out/Deposits | \$62,138 | \$57,872 | \$4,266 | 93.1% | \$32,624 | \$25,248 | -23% | |
| Capital Outlays | \$80,000 | \$0 | \$80,000 | 0.0% | \$0 | \$0 | | |
| Total Storm Expenditures | \$1,830,080 | \$1,519,290 | \$310,790 | 83.0% | \$788,010 | \$731,280 | -7.2% | |

Utility Past Due

Below is a table that shows the number of accounts and amounts that were more than 60 days past due as of the end of March 2022. The amounts and accounts in 2019 through 2021 are shown for comparison purposes

| | 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 |
| 2019 | \$2,382 | 43 | \$605 | 14 | \$5,129 | 14 |
| 2020 | \$21,935 | 135 | \$10,911 | 77 | \$18,940 | 52 |
| 2021 | \$8,905 | 85 | \$3,011 | 26 | \$20,928 | 18 |
| 2022 | \$2,638 | 19 | \$2,279 | 7 | \$38,083 | 61 |

Fund Balance

At the end of the fourth quarter the City had an ending fund balance of \$37,610,183, an increase of \$11,559,163 over the fund balance at the beginning of the biennium.

2021-2022 Revenue and Expenditure Summary by Fund Biennium to Date as of December 31, 2022

| Fund | Description | Beginning Fund Balance | Revenues | Expenditures* | Fund Balance | Net Change | | |
|--------------|---------------------------------|------------------------|----------------------|----------------------|----------------------|----------------------|-----------|------------------------|
| 001 | General Fund | \$ 2,507,872 | \$ 11,932,499 | \$ 10,740,517 | \$ 3,699,854 | \$ 1,191,981 | | |
| 002 | Contingency Fund | 553,937 | 133,410 | - | 687,347 | 133,410 | 2,020,683 | General Fund |
| 103 | Strategic Fund | 216,264 | 695,292 | - | 911,556 | 695,292 | | |
| 101 | Street Fund | 194,239 | 1,096,519 | 1,177,039 | 113,718 | (80,521) | | |
| 102 | Transportation Benefit District | 174,891 | 1,032,461 | 723,259 | 484,094 | 309,202 | 2,820,142 | Special Revenue Funds |
| 104 | Building and Permitting Fund | 1,171,216 | 3,153,396 | 2,750,281 | 1,574,330 | 403,114 | | |
| 105 | American Rescue Plan Act | - | 2,265,373 | 174,106 | 2,091,267 | 2,091,267 | | |
| 106 | Big Rock Ball Park Maintenance | 125,566 | 394,076 | 297,593 | 222,049 | 96,483 | | |
| 107 | Sensitive Areas Mitigation Fund | 40,593 | 596 | - | 41,189 | 596 | | |
| 206 | 2016 LTGO - Main St Debt Svc | 21,501 | 938,488 | 938,489 | 21,500 | (1) | (1) | Debt Svc Fund |
| 303 | Facilities CIP Fund | - | 225,814 | 225,732 | 82 | 82 | 1,387,576 | Capital Project Funds |
| 304 | Real Estate Excise Tax Fund 1 | 1,523,820 | 1,094,223 | 149,600 | 2,468,444 | 944,624 | | |
| 305 | Real Estate Excise Tax Fund 2 | 1,356,702 | 1,090,385 | 222,664 | 2,224,423 | 867,721 | | |
| 306 | Main Street Improvement | 545,051 | 3,952 | 454,214 | 94,789 | (450,262) | | |
| 307 | Street CIP Fund | 1,444,492 | 252,429 | 726,752 | 970,169 | (474,322) | | |
| 308 | Parks CIP Fund * | 1,812,825 | 773,333 | 273,600 | 2,312,559 | 499,733 | | |
| 401 | Water Fund | 3,542,199 | 5,223,202 | 4,627,049 | 4,138,353 | 596,154 | 5,020,198 | Proprietary Funds |
| 402 | Sewer Fund | 3,498,513 | 5,717,584 | 7,004,557 | 2,211,541 | (1,286,972) | | |
| 404 | Storm Drainage Fund | 958,719 | 1,829,388 | 1,519,290 | 1,268,817 | 310,098 | | |
| 407 | Water CIP Fund | 2,547,828 | 1,800,922 | 544,165 | 3,804,585 | 1,256,757 | | |
| 408 | Sewer CIP Fund | 2,464,299 | 4,926,172 | 1,252,217 | 6,138,254 | 3,673,955 | | |
| 409 | Storm Drainage CIP Fund | 570,895 | 479,697 | 9,491 | 1,041,102 | 470,206 | | |
| 501 | Equipment Fund | 400,287 | 744,387 | 524,929 | 619,746 | 219,459 | 310,565 | Internal Service Funds |
| 502 | IT Fund | 227,917 | 856,142 | 932,671 | 151,387 | (76,530) | | |
| 503 | Building Maintenance Fund | 151,394 | 477,622 | 309,986 | 319,030 | 167,636 | | |
| TOTAL | | \$ 26,051,020 | \$ 47,137,364 | \$ 35,578,201 | \$ 37,610,183 | \$ 11,559,163 | | |

*The budgeted beginning fund balance of the General Fund has been decreased and the beginning fund balances of the Building and Permitting and Strategic funds have been increased to reflect a transfer of fund balance that is budgeted as an expenditure (transfer out) and revenue (transfer in).

Revenues

As of the end of December 2022, approximately **97%** of budgeted 2021/2022 biennial revenues had been collected. The cause for significant changes in revenues from the end of December 2022 to the same period in the prior year for most funds can be found on the preceding pages; significant changes for other funds compared to 2021 are as follows: **Transportation Benefit District Fund** revenues are lower in 2022 than in 2021 due to grant revenues for the Roney Road Overlay project received in 2021. **Street CIP Fund** revenues are higher in 2022 due to grant revenues for the 142nd Street Sidewalk Extension project. **Water CIP** fund revenues are lower in 2022 than in 2021 due to a \$300,000 transfer from the Water Operating Fund in 2021 for construction projects. **Sewer CIP** revenues are significantly higher in 2022 due to a \$3 million transfer from the Sewer Operating Fund. **IT Fund** revenues are higher due to IT surcharges collected in 2021 that were transferred in 2022.

City of Duvall
2021-2022 Budget vs. Actual Revenues by Fund
 Biennium to Date as of December 31, 2022

| Fund | Description | 2021/2022 | | BTD % | | Thru Dec 2021 | Thru Dec 2022 | % Δ | \$ Δ |
|--------------|---------------------------------|----------------------|----------------------|---------------------|------------|----------------------|----------------------|------------|---------------------|
| | | Amended Budget | BTD Actual | BTD Difference | Collected | | | | |
| 001 | General Fund | \$ 11,937,939 | \$ 11,932,499 | \$ 5,440 | 100% | \$ 5,816,192 | \$ 6,116,307 | 5% | \$ 300,114 |
| 002 | Contingency Fund | 127,657 | 133,410 | (5,753) | 105% | 1,251 | 132,159 | 10468% | 130,909 |
| 101 | Street Fund | 1,126,937 | 1,096,519 | 30,418 | 97% | 512,473 | 584,046 | 14% | 71,573 |
| 102 | Transportation Benefit District | 1,026,377 | 1,032,461 | (6,084) | 101% | 597,526 | 434,935 | -27% | (162,591) |
| 103 | Strategic Fund* | 679,557 | 695,292 | (15,734) | 102% | 351,287 | 344,005 | | (7,282) |
| 104 | Building and Permitting Fund* | 3,682,621 | 3,153,396 | 529,225 | 86% | 1,064,203 | 2,089,193 | 96% | 1,024,991 |
| 105 | American Rescue Plan Act | 2,265,264 | 2,265,373 | (109) | 100% | 1,132,631 | 1,132,742 | 0% | 111 |
| 106 | Big Rock Ball Park Maintenance | 422,608 | 394,076 | 28,533 | 93% | 202,214 | 191,862 | -5% | (10,353) |
| 107 | Sensitive Areas Mitigation Fund | 292 | 596 | (305) | 205% | 94 | 503 | 436% | 409 |
| 206 | 2016 LTGO - Main St Debt Svc | 938,489 | 938,488 | 1 | 100% | 469,038 | 469,450 | 0% | 412 |
| 303 | Facilities CIP Fund | 414,860 | 225,814 | 189,046 | 54% | 113,271 | 112,543 | -1% | (729) |
| 304 | Real Estate Excise Tax Fund 1 | 1,069,223 | 1,094,223 | (25,000) | 102% | 571,614 | 522,609 | -9% | (49,005) |
| 305 | Real Estate Excise Tax Fund 2 | 1,065,935 | 1,090,385 | (24,450) | 102% | 571,091 | 519,294 | -9% | (51,797) |
| 306 | Main Street Improvement | 8,395 | 3,952 | 4,442 | 47% | 1,080 | 2,872 | 166% | 1,792 |
| 307 | Street CIP Fund | 480,368 | 252,429 | 227,939 | 53% | 80,900 | 171,530 | 112% | 90,630 |
| 308 | Parks CIP Fund | 762,416 | 773,333 | (10,918) | 101% | 398,304 | 375,030 | -6% | (23,274) |
| 401 | Water Fund | 5,071,653 | 5,223,202 | (151,549) | 103% | 2,434,888 | 2,788,315 | 15% | 353,427 |
| 402 | Sewer Fund | 5,701,504 | 5,717,584 | (16,080) | 100% | 2,769,322 | 2,948,262 | 6% | 178,940 |
| 404 | Storm Drainage Fund | 1,847,441 | 1,829,388 | 18,052 | 99% | 906,186 | 923,202 | 2% | 17,016 |
| 407 | Water CIP Fund | 2,024,846 | 1,800,922 | 223,924 | 89% | 1,021,679 | 779,243 | -24% | (242,436) |
| 408 | Sewer CIP Fund | 5,043,110 | 4,926,172 | 116,938 | 98% | 726,895 | 4,199,276 | 478% | 3,472,381 |
| 409 | Storm Drainage CIP Fund | 520,653 | 479,697 | 40,955 | 92% | 231,376 | 248,322 | 7% | 16,946 |
| 501 | Equipment Fund | 760,035 | 744,387 | 15,648 | 98% | 376,267 | 368,120 | -2% | (8,148) |
| 502 | IT Fund | 894,658 | 856,142 | 38,517 | 96% | 380,110 | 476,032 | 25% | 95,922 |
| 503 | Building Maintenance Fund | 475,096 | 477,622 | (2,527) | 101% | 239,108 | 238,514 | 0% | (594) |
| TOTAL | | \$ 48,347,932 | \$ 47,137,364 | \$ 1,210,567 | 97% | \$ 20,969,000 | \$ 26,168,364 | 25% | \$ 5,199,364 |

*Budget and actual revenues for the Strategic and Building and Permitting funds have been reduced by the amount transferred from the General Fund for beginning balance

Expenditures

As of the end of December 2022, the City had expended **87%** of its budgeted biennial expenditures. The cause for significant changes in expenditures to most funds can be found on the preceding pages.

City of Duvall 2021-2022 Budget vs. Actual Expenditures by Fund Biennium to Date as of December 31, 2022

| Fund | Description | 2021/2022 | | BTD % | | Thru Dec 2021 | Thru Dec 2022 | % Δ | \$ Δ |
|--------------|---------------------------------|----------------------|----------------------|---------------------|------------|----------------------|----------------------|--------------|---------------------|
| | | Amended Budget | BTD Actual | BTD Difference | Spent | | | | |
| 001 | General Fund * | \$ 11,768,406 | \$ 10,740,517 | \$ 1,027,889 | 91% | \$ 5,202,592 | \$ 5,537,925 | 6% | \$ 335,333 |
| 002 | Contingency Fund | - | - | - | | - | - | | \$ - |
| 101 | Street Fund | 1,193,188 | 1,177,039 | 16,148 | 99% | 522,212 | 654,827 | 25% | \$ 132,615 |
| 102 | Transportation Benefit District | 819,432 | 723,259 | 96,173 | 88% | 273,876 | 449,383 | 64% | \$ 175,507 |
| 103 | Strategic Fund | - | - | - | | - | - | | \$ - |
| 104 | Building and Permitting Fund | 3,144,472 | 2,750,281 | 394,191 | 87% | 1,164,759 | 1,585,522 | 36% | \$ 420,764 |
| 105 | American Rescue Plan Act | 239,573 | 174,106 | 65,467 | 73% | 17,466 | 156,640 | 797% | \$ 139,174 |
| 106 | Big Rock Ball Park Maintenance | 335,047 | 297,593 | 37,454 | 89% | 124,131 | 173,462 | 40% | \$ 49,331 |
| 107 | Sensitive Areas Mitigation Fund | - | - | - | | - | - | | \$ - |
| 206 | 2016 LTGO - Main St Debt Svc | 938,489 | 938,489 | - | 100% | 469,038 | 469,451 | 0% | \$ 414 |
| 303 | Facilities CIP Fund | 392,436 | 225,732 | 166,704 | 58% | 110,346 | 115,386 | 5% | \$ 5,039 |
| 304 | Real Estate Excise Tax Fund 1 | 152,882 | 149,600 | 3,283 | 98% | 60,692 | 88,908 | 46% | \$ 28,216 |
| 305 | Real Estate Excise Tax Fund 2 | 228,982 | 222,664 | 6,318 | 97% | 160,272 | 62,392 | -61% | \$ (97,879) |
| 306 | Main Street Improvement | 553,445 | 454,214 | 99,231 | 82% | 237,517 | 216,697 | -9% | \$ (20,821) |
| 307 | Street CIP Fund | 1,166,862 | 726,752 | 440,111 | 62% | 254,803 | 471,949 | 85% | \$ 217,147 |
| 308 | Parks CIP Fund | 1,699,438 | 273,600 | 1,425,838 | 16% | 180,098 | 93,502 | -48% | \$ (86,595) |
| 401 | Water Fund | 5,125,110 | 4,627,049 | 498,062 | 90% | 2,460,167 | 2,166,882 | -12% | \$ (293,285) |
| 402 | Sewer Fund | 7,166,622 | 7,004,557 | 162,066 | 98% | 1,996,977 | 5,007,580 | 151% | \$ 3,010,603 |
| 404 | Storm Drainage Fund | 1,830,079 | 1,519,290 | 310,789 | 83% | 788,010 | 731,280 | -7% | \$ (56,731) |
| 407 | Water CIP Fund | 625,993 | 544,165 | 81,828 | 87% | 320,177 | 223,988 | -30% | \$ (96,190) |
| 408 | Sewer CIP Fund | 1,360,142 | 1,252,217 | 107,925 | 92% | 359,162 | 893,054 | 149% | \$ 533,892 |
| 409 | Storm Drainage CIP Fund | 221,558 | 9,491 | 212,066 | 4% | 3,178 | 6,314 | 99% | \$ 3,136 |
| 501 | Equipment Fund | 622,545 | 524,929 | 97,616 | 84% | 216,432 | 308,496 | 43% | \$ 92,064 |
| 502 | IT Fund | 1,046,863 | 932,671 | 114,192 | 89% | 439,075 | 493,596 | 12% | \$ 54,521 |
| 503 | Building Maintenance Fund | 474,018 | 309,986 | 164,032 | 65% | 182,584 | 127,402 | -30% | \$ (55,183) |
| TOTAL | | \$ 41,105,583 | \$ 35,578,201 | \$ 5,527,382 | 87% | \$ 15,543,565 | \$ 20,034,636 | 28.9% | \$ 4,491,072 |

*Budget and actual BTD General Fund expenditures have been reduced by the transfer to the Strategic and Building and Permitting fund for beginning balances

Debt Service

2017 General Obligation Bonds

The City's long-term debt outstanding balances are shown in the table below. Limited-Term General Obligation (LTGO) Bonds interest payments are due twice annually, on the 1st of June and December, and the principal amount is due once a year on December 1st.

State of WA Local Program

In November of 2019, the City took out a State of Washington Local Program loan to purchase a dump truck. Interest payments are due twice annually on June 1st and December 1st, and a principal payment is due annually on June 1st.

Utility Revenue Debt

Both principal and interest payments for the Wastewater Treatment Plant (WWTP) construction loan are due twice annually, on June 30th and December 30th.

City of Duvall

Debt Service as of 12/31/2022

2017 General Obligation Bonds

| Description | Date of Final Payment | Principal | Interest | Total | Remaining 2021/2022 Payment | Remaining 2021/2022 Funding Source(s) | | | | |
|---------------------|-----------------------|-------------|-----------|-------------|-----------------------------|---------------------------------------|--------|---------|-------------------|--------------------|
| | | | | | | Property Tax Levy | REET I | REET II | Park Impact Fees* | Street Impact Fees |
| Big Rock Ball Field | 12/1/2025 | \$650,000 | \$32,744 | \$682,744 | \$0 | \$0 | | | | |
| Main Street Project | 12/1/2031 | \$1,945,000 | \$250,494 | \$2,195,494 | \$0 | | \$0 | \$0 | \$0 | \$0 |

State of WA Local Program

| Description | Date of Final Payment | Principal | Interest | Total | Remaining 2021/2022 Payment | Remaining 2021/2022 Funding Source(s) |
|---------------------|-----------------------|-----------|----------|-----------|-----------------------------|---------------------------------------|
| | | | | | | Internal Service Charges to Fund 501 |
| Dump Truck Purchase | 6/1/2029 | \$107,156 | \$19,796 | \$126,951 | \$0 | \$0 |

Utility Revenue Debt

| Utility Revenue Debt | Date of Final Payment | Principal | Interest | Total | Remaining 2021/2022 Payment | Remaining 2021/2022 Funding Source(s) |
|----------------------------|-----------------------|-----------|----------|-----------|-----------------------------|---------------------------------------|
| | | | | | | Sewer General Facility Charges |
| SRF WWTP Construction Loan | 6/30/2025 | \$830,145 | \$6,243 | \$836,388 | \$0 | \$ - |

*Park impact fees are used to pay back the portion of Main Street Bond Proceeds used for the Big Rock Ballfield property purchase

Reserve Balance Requirements

Reserve balance requirements are shown in the table below. Amounts budgeted are for the two-year biennium and amounts required are based on the comments in the Notes column.

| Fund # | Fund Description | Budgeted Ending Fund Balance | Required as of 12/31/2022 | Ending Fund Balance 12/31/2022 | Notes |
|--------|----------------------------|------------------------------|---------------------------|--------------------------------|--|
| 001 | General Fund | \$2,677,405 | \$1,118,250 | \$3,699,854 | 17% per Resolution 04-04 Internally Restricted |
| 001 | Disaster Relief | | 25,000 | | Established by City Council |
| 001 | Internal Restricted- Other | | 22,412 | | Drug Enforcement & Mitigation |
| | Total General Fund | \$2,677,405 | \$1,165,662 | \$3,699,854 | |
| 101 | Street Fund | 127,988 | 99,432 | 113,718 | Per budget process, two months of operating expenditures. Maximum allowed is \$0.375 per every \$1,000 of Assessed Value (AV) \$125k was transferred from the General Fund as part of end of |
| 002 | Contingency* | 681,594 | 689,919 | 687,347 | biennium budget adjustments. Resolution 18-16 - 50% of ballfield revenue held for turf replacement, plus two months of operating expenditures, per budget process. |
| 106 | Big Rock Ball Park Fund | 213,128 | 221,999 | 222,049 | Resolution 04-04. Increased by average of two-year CPI-U every Jan. 1 |
| 401 | Water Utility | 3,193,330 | 785,990 | 4,138,353 | Resolution 04-04. Increased by average of two-year CPI-U every Jan. 1 |
| 402 | Sewer Utility | 1,820,698 | 1,110,724 | 2,211,541 | Resolution 04-04. Increased by average of two-year CPI-U every Jan. 1 |
| 407 | Sewer CIP, DOE Loan | 3,720,676 | 335,000 | 6,138,254 | Annual loan payment in reserve. |
| 404 | Storm Drain | 909,966 | 343,984 | 1,268,817 | Resolution 04-04. Increased by average of two-year CPI-U every Jan. 1 |
| 501 | Equipment Fund | 517,000 | 200,000 | 619,746 | Resolution 04-04 - flat amount in reserve |
| | Total | \$13,861,785 | \$4,952,710 | \$19,099,678 | |

*The required amount is the maximum allowed for this fund

City of Duvall Cash and Investments

Investments

At the end of December 31, 2022, the City held the following investments:

| Description | Amount | Dec. Interest Rates | % of Total |
|--|---------------------|---------------------|-------------|
| Washington Federal Public Funds Account | \$1,308,464 | 2.28% | 4% |
| State Local Government Investment Pool (LGIP) | \$21,274,793 | 4.11% | 58% |
| Government Securities | \$13,846,340 | 1.99% | 38% |
| Total | \$36,429,596 | | 100% |

In the fourth quarter of 2022 interest rates in the City's Public Funds account increased from 1.98% to 2.28%, while the interest rate of the LGIP increased from 2.57% to 4.11%.

City of Duvall Government Securities

The City invested in two US Government Agency Securities in November of 2022 and one in December of 2022 (highlighted in green below). All three bonds were purchased at a discount. The purchases increased the City's bond portfolio from \$10,973,165 to \$13,846,340. The City is building its non-LGIP investment portfolio to \$15 million to mitigate the loss of interest revenue during future economic downturns.

| Investment | Purchase Date | Cost | Coupon Rate | Yield to Maturity | Maturity Date |
|----------------------------------|---------------|-------------|-------------|-------------------|---------------|
| U.S. Treasury Notes | Jan. 2022 | \$995,520 | 0.125% | 0.57% | Jan. 2023 |
| Federal National Mortgage Assoc. | Aug. 2022 | \$978,487 | 0.250% | 3.30% | May 2023 |
| Federal National Mortgage Assoc. | Sept. 2021 | \$998,518 | 0.125% | 0.20% | Sept. 2023 |
| U.S. Treasury Notes | Oct. 2021 | \$994,423 | 0.125% | 0.39% | Dec. 2023 |
| US Treasury Notes | April 2022 | \$998,182 | 2.250% | 2.34% | April 2024 |
| U.S. Treasury Notes | Jan. 2022 | \$998,410 | 0.875% | 0.96% | Jan. 2024 |
| U.S. Treasury Notes | Sept. 2021 | \$1,000,149 | 0.375% | 0.37% | Sept. 2024 |
| U.S. Treasury Notes | Oct. 2021 | \$1,035,275 | 1.750% | 0.63% | Dec. 2024 |
| US Treasury Notes | April 2022 | \$978,827 | 1.750% | 2.51% | Mar. 2025 |
| Federal Home Loan Bank | Aug. 2022 | \$1,008,773 | 3.375% | 3.05% | June 2025 |
| U.S. Treasury Notes | Sept. 2021 | \$986,601 | 0.250% | 0.59% | Sept. 2025 |
| Federal Home Loan Bank | Dec. 2022 | \$996,487 | 2.875% | 4.19% | Mar. 2025 |
| US Treasury Notes | Nov 2022 | \$945,286 | 2.625% | 4.51% | Dec. 2025 |
| US Treasury Notes | Nov 2022 | \$931,402 | 2.250% | 4.45% | Mar. 2026 |

Cash and Investments Summary

The City earned \$218,188 in investment interest in Q4, \$54,883 more than the \$163,305 earned in Q3 of 2022.

As of December 31, 2022, the City's total cash and investment balance was as follows:

| Description | Amount |
|--|---------------------|
| Investments | \$36,429,596 |
| Checking Account* | (\$163,432) |
| First American Trust Escrow Account | \$1,358,891 |
| Drug Seizure Account & Petty Cash | \$11,866 |
| Total | \$37,636,921 |

*General ledger balance, which includes deposits in transit and outstanding checks. It is negative due to year end invoice payments in recorded as of December 31, 2022. The actual checking balance was \$1,166,264.

The City's Q4 cash and investment balance was \$1,017,364 more than Q3 of 2022.

Accrued Payroll Liabilities as of 12/20/2022.

Below are the hours and dollar value of outstanding accrued leave as of December 20, 2022, the last payroll of 2022. The dollar value below is simply the value of accrued hours without benefits and does not consider the maximum payouts per category allowed by DMC or bargaining unit.

Outstanding Comp Time Earned

| Department | Hours | Dollar Value |
|----------------------------|---------------|-----------------|
| Finance and Admin | - | \$0 |
| Community Development | 94.50 | \$3,295 |
| Engineering | 0.17 | \$8 |
| Police | 272.51 | \$13,064 |
| Public Works Maintenance | 159.51 | \$6,053 |
| Wastewater Treatment Plant | | |
| Totals | 526.69 | \$22,420 |

Outstanding Vacation

| Department | Hours | Dollar Value |
|----------------------------|-----------------|------------------|
| Finance and Admin | 367.60 | \$12,346 |
| Directors | 863.43 | \$63,709 |
| Community Development | 853.88 | \$36,742 |
| Engineering | 606.80 | \$32,068 |
| Police | 1,980.98 | \$93,005 |
| Public Works Maintenance | 1,269.53 | \$53,556 |
| Wastewater Treatment Plant | 571.16 | \$27,005 |
| Totals | 6,513.38 | \$318,431 |

Outstanding Sick Time

| Department | Hours | Dollar Value* |
|----------------------------|------------------|------------------|
| Finance and Admin | 744.92 | \$6,095 |
| Directors | 1,417.75 | \$25,609 |
| Community Development | 1,675.99 | \$18,110 |
| Engineering | 1,523.08 | \$20,521 |
| Police | 2,321.25 | \$29,162 |
| Public Works Maintenance | 1,898.62 | \$20,737 |
| Wastewater Treatment Plant | 1,148.33 | \$14,414 |
| Totals | 10,729.94 | \$134,648 |

Outstanding Banked Holiday

| Department | Hours | Dollar Value |
|----------------------------|-------------|--------------|
| Finance and Admin | 27.5 | \$887 |
| Community Development | 0 | \$0 |
| Engineering | 0 | \$0 |
| Police | 0 | \$0 |
| Public Works Maintenance | 0 | \$0 |
| Wastewater Treatment Plant | 0 | \$0 |
| Totals | 27.5 | \$887 |

*Sick leave is paid out at 25%

Capital Improvement Projects

Below is a table that shows the 2021 budget for Capital Improvement Projects (CIP), project carry-over from the prior biennium, any adjustments to CIP approved by Council during the biennium, 2021/2022 expenditures to date, CIP expenditures from the prior biennium, and the remaining budget.

Biennium to Date CIP Expenditures

(updated thru 12/31/2022)

| 0 | Fund | Original | | | Adjusted Budget | 2021/2022 Exp. to Date | Remaining 2021/2022 Exp. | Prior Biennium Exp. | Approved Budget | Remaining Budget | |
|---------------------------|--|---------------------------|---------------------|--------------------------|---------------------|------------------------|--------------------------|---------------------|--------------------|--------------------|------------------|
| | | 2021/2022 Biennial Budget | 2021/2022 Carryover | Council Approved Adjust. | | | | | | | |
| Facilities CIP | | | | | | | | | | | |
| | WWTP Office & Garage Remodel | 303 | \$660,000 | | -\$494,485 | \$165,515 | \$111,302 | \$54,213 | | \$165,515 | \$54,213 |
| | City Hall Roof Replacements | 303 | \$25,000 | | -\$2,900 | \$22,100 | \$22,088 | \$12 | | \$22,100 | \$12 |
| | City Hall Windows Replacement Project | 303 | \$36,000 | | -\$36,000 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| | City Hall Exterior Paint Project | 303 | \$15,000 | | \$2,000 | \$17,000 | \$16,979 | \$21 | | \$17,000 | \$21 |
| | City Hall HVAC | 303 | \$30,000 | | -\$30,000 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| | Multi-Facility Renovations | 105 | \$0 | | \$92,000 | \$92,000 | \$133,840 | -\$41,840 | | \$92,000 | |
| | Police Department Int./Ext. Paint | 303 | \$30,000 | | -\$2,000 | \$28,000 | \$28,004 | -\$4 | | \$28,000 | -\$4 |
| | Police Changing Room | 105 | \$0 | | \$22,740 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| | Police Station Roof Replacement | 303 | \$0 | | \$37,250 | \$37,250 | \$37,225 | \$25 | | \$37,250 | \$25 |
| | Police Building Ren. - Consolidated | 303 | \$0 | | \$122,571 | \$122,571 | \$10,135 | \$112,436 | | \$122,571 | \$112,436 |
| | Police Flooring Replacement Project | 303 | \$44,000 | | -\$44,000 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| | Total Facilities CIP | | \$840,000 | \$0 | -\$332,824 | \$484,436 | \$359,573 | \$124,863 | \$0 | \$484,436 | \$124,863 |
| Street CIP | | | | | | | | | | | |
| | 3rd Ave NE Roadway and Sidewalk Imp. | 307 | \$946,000 | | -\$393,679 | \$552,321 | \$462,178 | \$90,143 | | \$552,321 | \$90,143 |
| | 142nd Sidewalk Extension | 307 | \$653,296 | | -\$203,296 | \$450,000 | \$156,379 | \$293,621 | | \$450,000 | \$293,621 |
| | Main St. Final Const. & Beautification | 306 | \$284,000 | | -\$134,000 | \$150,000 | \$148,532 | \$1,468 | | \$150,000 | \$1,468 |
| | Roney Road Overlay | 102 | \$273,000 | | \$20,736 | \$293,736 | \$273,876 | \$19,860 | | \$293,736 | \$19,860 |
| | Property Purchase | 101 | \$0 | | \$1,600 | \$1,600 | \$1,602 | -\$2 | | \$1,600 | -\$2 |
| | Broadway & Park Overlay | 102 | \$0 | | \$72,000 | \$72,000 | \$0 | \$72,000 | | \$72,000 | \$0 |
| | 275th Ave Sidewalk - Carryover (Retainage) | 307 | \$0 | \$14,059 | | \$14,059 | \$14,059 | \$0 | \$324,360 | \$338,419 | \$0 |
| | Bruett Road Overlay | 102 | \$273,000 | | \$165,696 | \$438,696 | \$445,753 | -\$7,057 | | \$438,696 | -\$7,057 |
| | Total Street CIP | | \$2,429,296 | \$14,059 | -\$470,943 | \$1,972,412 | \$1,502,379 | \$470,033 | \$324,360 | \$2,296,772 | \$398,033 |
| Parks CIP | | | | | | | | | | | |
| | Projects | 308 | \$20,000 | | | \$20,000 | \$0 | \$20,000 | | \$20,000 | \$20,000 |
| | Taylor Park Wall Extension | 308 | \$15,000 | | -\$15,000 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| | Big Rock Play Area Sun Shade & Safety | 308 | \$30,000 | | -\$30,000 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| | Taylor Landing Electrical | 105 | \$10,000 | | \$35,000 | \$45,000 | \$690 | \$44,310 | | \$45,000 | \$44,310 |
| | Judd Park Sun Shade | 308 | \$35,000 | | -\$35,000 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| | Big Rock Park - Security Camera | 308 | \$25,000 | | | \$25,000 | \$0 | \$25,000 | | \$25,000 | \$25,000 |
| | Big Rock Park - Field 2 3rd Base Turf Rep. | 308 | \$10,000 | | \$4,150 | \$14,150 | \$14,152 | -\$2 | | \$14,150 | -\$2 |
| | Walden Parks | 308 | \$0 | | \$1,360,331 | \$1,360,331 | | | \$1,360,331 | | |
| | Concession Improvements | 308 | \$5,000 | | -\$5,000 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| | Depot Deck Repl. - Budgeted Carryover | 308 | \$107,500 | | | \$107,500 | \$99,055 | \$8,445 | \$66,549 | \$157,000 | -\$8,604 |
| | Big Rock Field 1 & 2 Improvements | 308 | \$0 | | \$25,000 | \$25,000 | \$21,609 | \$3,391 | | | |
| | Park Property Purchase - Carryover | 308 | \$0 | \$12,975 | | \$12,975 | \$13,920 | -\$945 | \$732,025 | \$745,000 | -\$945 |
| | Total Parks CIP | | \$257,500 | \$12,975 | \$1,339,481 | \$1,609,956 | \$149,425 | \$1,460,531 | \$798,574 | \$2,366,481 | \$79,759 |
| Sewer CIP | | | | | | | | | | | |
| | Inflow & Infiltration Repair | 408 | \$615,000 | | -\$615,000 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| | Sewer Train Upgrades & UV Replacement | 408 | \$300,000 | | \$300,000 | \$600,000 | \$541,502 | \$58,498 | | \$600,000 | \$58,498 |
| | Blower Repair/Replace | 402 | \$30,000 | | | \$30,000 | \$30,081 | -\$81 | | \$30,000 | -\$81 |
| | Mobile Pump Unit | 402 | \$150,000 | | -\$150,000 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| | Reuse Water Pump Skid - Carryover* | 402 | \$0 | \$121,000 | | \$121,000 | \$120,406 | \$120,406 | \$4,197 | \$125,197 | \$594 |
| | Total Sewer CIP | | \$1,095,000 | \$121,000 | -\$465,000 | \$751,000 | \$691,989 | \$59,011 | \$4,197 | \$755,197 | \$59,011 |
| Water CIP | | | | | | | | | | | |
| | Sensus FlexNet System | 401 | \$220,000 | | -\$220,000 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| | Tolt 2 supply line (R4) | 407 | \$1,854,000 | | -\$1,754,000 | \$100,000 | \$75,299 | \$24,701 | | \$100,000 | \$24,701 |
| | F8 Water System Telemetry | 407 | \$388,000 | | -\$24,200 | \$363,800 | \$337,465 | \$26,335 | | \$363,800 | \$26,335 |
| | Kennedy Watermain - Carryover | 407 | \$0 | \$22,237 | | \$22,237 | \$24,906 | -\$2,669 | \$478,257 | \$500,000 | -\$3,163 |
| | F3, F4 Reservoir Recoating & Inlet/Outlet | 407 | \$280,000 | | -\$280,000 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| | Total Water CIP | | \$2,742,000 | \$22,237 | -\$2,278,200 | \$486,037 | \$437,670 | \$48,367 | \$478,257 | \$963,800 | \$47,873 |
| Storm Drainage CIP | | | | | | | | | | | |
| | Storm Facility Retrofits | 404 | \$40,000 | | | \$40,000 | \$0 | \$40,000 | | \$40,000 | \$40,000 |
| | Small Neighborhood Projects | 404 | \$40,000 | | | \$40,000 | \$0 | \$40,000 | | \$40,000 | \$40,000 |
| | Miller Street Conveyance Imprv. | 409 | \$155,000 | | -\$155,000 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| | Total Storm Drainage CIP | | \$235,000 | \$0 | -\$155,000 | \$80,000 | \$0 | \$80,000 | \$0 | \$80,000 | \$80,000 |
| | Total 2021/2022 CIP | | \$7,598,796 | \$170,271 | -\$2,362,486 | \$5,383,841 | \$3,141,036 | \$2,242,805 | \$1,605,388 | \$6,946,686 | \$789,540 |

*Construction contract and expenditures only

American Rescue Plan Act

In 2021, the United States Treasury launched the State and Local Fiscal Recovery Fund (SLFRF) portion of the American Rescue Plan Act (ARPA), which provided monetary resources for state and local governments to respond to the COVID-19 public health emergency. Per the Treasury, SLFRF was designed not only to help families, small businesses and communities weather the pandemic, but also to support transformative investments that build a stronger and more equitable economy for the future.

The City of Duvall was awarded \$2,265,264 in American Rescue Plan Act funds. Below is a summary that includes the deadline for obligating and spending the award, and a list of approved ARPA expenditures and the amount spent to date.

American Rescue Plan Act Summary

| | |
|---|-------------|
| Total Award | \$2,265,264 |
| Total Approved Expenditures (as of 12/31/2022) | \$334,542 |
| Remaining Award | \$1,930,722 |
| Deadline for Obligation | 12/31/2024 |
| Deadline for Spending Funds | 12/31/2026 |

Approved Expenditures

| Project | Approved Amount | Spent as of 12/31/2022 |
|---|------------------|------------------------|
| Utility Assistance Program | \$47,000 | \$16,031 |
| Purchase of PPE and other supplies | \$25,000 | \$12,270 |
| Power at Taylor Landing | \$45,000 | \$690 |
| Bleachers for Little League and Duvall Days | \$3,405 | \$4,902 |
| Port-a-Potty support for community events | \$8,000 | \$2,652 |
| Curtains for mobile stage | \$1,500 | |
| Stage modules for use as risers or standalone stage | \$20,000 | |
| Portable lighting towers (three) | \$10,000 | \$8,918 |
| Stage risers to expand the mobile stage | \$21,587 | |
| Portable fencing for community events | \$4,050 | |
| Commercial grade holiday lighting | \$2,500 | \$360 |
| Temporary banners and A-boards for businesses | \$1,500 | |
| Building Renovations - WRECK, Depot, and Visitor Center | \$145,000 | \$128,283 |
| Total | \$334,542 | \$174,106 |