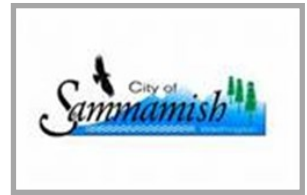


Financial Status Report

YTD Through Second Quarter 2023



The Financial Status Report provides a summary budget-to-actual comparison of revenues and expenditures for the City's general operating funds (General Fund and Street Fund). Information for the same YTD period from prior years is also shown.

The last page shows Citywide FTE vacancy information and information on capital budgets.

| | 2023 Budget | 2023 Year-to-date |
|--------------------------------------|---------------------|-------------------|
| Revenues | \$ 60,137,084 | \$ 34,810,094 |
| Expenditures | 60,442,569 | 21,429,281 |
| Capital Transfers | 6,105,000 | 3,052,500 |
| Net Revenues Less Expenditures | \$ (6,410,485) | \$ 10,328,313 |
| Beginning Fund Balance | \$ 44,775,689 | \$ 49,495,656 |
| Ending Fund Balance (EFB) | \$ 38,365,204 | \$ 59,823,969 |
| Strategic Operating Reserves* | \$ 5,562,118 | |

General Fund includes the Street Fund

** The Strategic Operating Reserve is equal to 10% of the revenues before the transfer in from ARPA.*

Overall highlights

After the second quarter, the City's revenues have exceeded half the annual budget and the City's expenditures are significantly under half the annual budget.

Revenues are budgeted conservatively and miscellaneous revenues, primarily investment interest, and to a lesser extent, property taxes have exceeded half the annual budget.

The City has not received any invoices on the police contract yet and the first invoice is typically received in the second quarter or early in the third quarter. These expenditures are expected to be on budget for the year.

Additionally, many expenditures are seasonal and therefore it is typical that expenditures are less than 50% of the annual budget half way through the year. It is doubtful these expenditures will reach the annual budgeted amount.

There are also position vacancies resulting in the personnel budget being underspent through the first half of 2023. The City's vacancy rate has been between 13% and 17% over the last few years, yet at the end of June it was just 6%.

The beginning fund balance was substantially above budget as revenues in 2022 were higher than budget and 2022 expenditures were below budget.

*Current City Council policy sets the strategic operating reserve at 10% of the City's annual General Fund revenue budget.

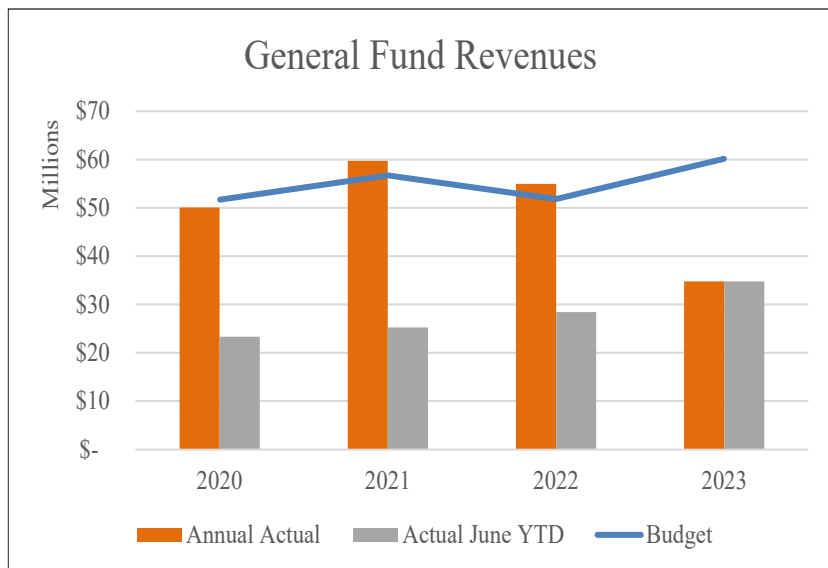
Revenues

| Historical YTD Through 2nd Quarter Actual Revenues | | | | | Budget |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2020 | 2021 | 2022 | 2023 | 2023 |
| Property Tax | \$ 15,559,661 | \$ 16,950,255 | \$ 17,928,538 | \$ 18,365,047 | \$ 33,800,000 |
| Sales Tax | 3,593,981 | 4,476,915 | 4,798,558 | 4,821,319 | 9,357,000 |
| Other Tax | 1,939 | 1,937 | 4,055 | 2,886 | 2,000 |
| <i>Other Revenues</i> | | | | | |
| Licenses and Permits | 879,140 | 950,633 | 1,471,460 | 1,153,483 | 2,653,500 |
| Intergovernmental | 1,191,457 | 1,305,494 | 1,492,456 | 2,723,711 | 4,818,535 |
| Charges for Service | 1,278,969 | 1,086,216 | 1,677,512 | 1,588,683 | 3,668,083 |
| Fines & Forfeits | 42,089 | 1,487 | 50,650 | 33,623 | 410,000 |
| Miscellaneous | 815,925 | 441,637 | 989,109 | 6,121,342 | 5,427,966 |
| Transfers In | - | 25,000 | - | - | - |
| Total Revenues | \$ 23,363,161 | \$ 25,239,574 | \$ 28,412,338 | \$ 34,810,094 | \$ 60,137,084 |

General Fund includes the Street Fund

Highlights for Operating Revenues

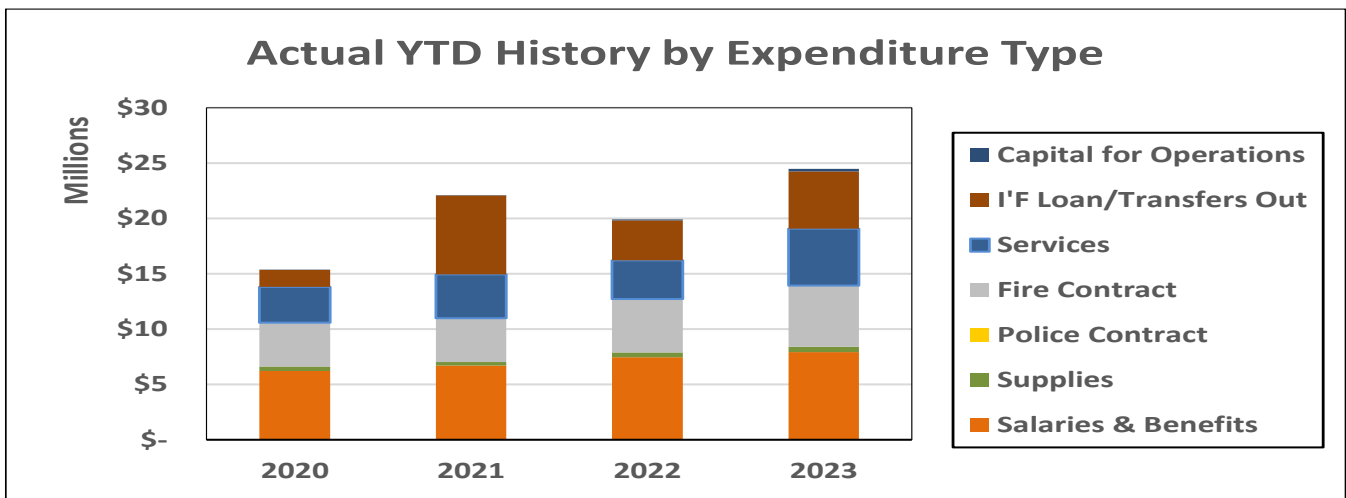
- **Property tax revenues** are primarily received in the April/May and October/November timeframes. YTD the City has received 54% of the annual budget and is on pace to slightly exceed budget.
- **Sales tax revenues** are at 52% of the annual budget and approximately the same as the first six months of 2022. Over the last few years, the City of Sammamish has benefitted from additional online sales while the Covid pandemic was in full force.
- **Licenses & Permits and Charges for Services** categories had some re-classifications in 2022, so comparisons to the budget and prior years, should be done as one group. For YTD 2023 these categories of revenue are 43% of the annual budget and 13% lower than 2022 levels
- **Intergovernmental budget** includes a \$1.53 million US DOT grant for the 228th Ave. overlay project in the budget. The grant revenues will be received as the project progresses..
- **Miscellaneous revenues** include \$4.6 million transfer in from ARPA in 2023 in both the budget and actual YTD revenues. Additionally, this revenue category exceeds budget due to the receipt of \$0.8 million higher investment interest year to date than budgeted.



Expenditures

| Historical YTD Through 2nd Quarter Actual Expenditures by Type | | | | | Budget |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|
| | 2020 | 2021 | 2022 | 2023 | 2023 |
| Salaries & Benefits | \$ 6,212,548 | \$ 6,700,043 | \$ 7,468,900 | \$ 7,914,071 | \$ 18,362,850 |
| Supplies | 400,700 | 322,668 | 412,488 | 496,028 | 1,353,060 |
| Police Contract | - | - | - | - | 10,283,000 |
| Fire Contract | 3,956,536 | 3,954,156 | 4,828,626 | 5,527,118 | 9,251,676 |
| Services | 3,264,375 | 3,961,265 | 3,498,773 | 5,161,309 | 16,598,500 |
| I/F Loan/Transfers Out | 1,508,982 | 7,163,578 | 3,621,397 | 5,172,192 | 9,705,383 |
| Capital for Operations | 39,026 | 27,688 | 93,107 | 211,063 | 993,100 |
| Total Expenditures | \$15,382,167 | \$22,129,398 | \$19,923,291 | \$24,481,781 | \$ 66,547,569 |

General Fund includes the Street Fund

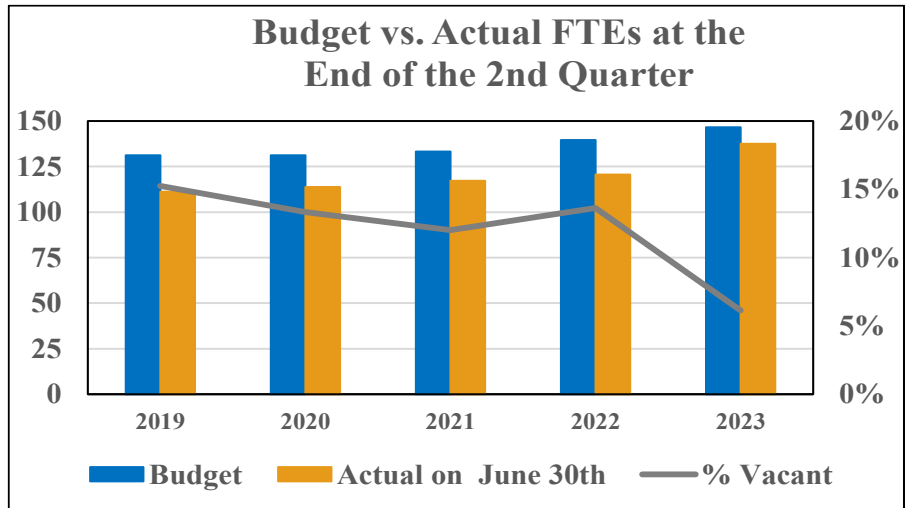


Highlights for Operating Expenditures:

- **Salaries & benefits** are at 43% of the annual budget, halfway through the year, due to vacancies. Compared to last year, personnel expenditures are higher due to fewer vacancies and cost of living increases.
- **Police Contract** expenditures have not yet been invoiced, as invoices on the police contract are typically not received until early in the second half of the year.
- **Fire Contract** expenditures are at 60% of the annual budget YTD, as seven months of the contract have been paid.
- **Services expenditures** are only at 31% of the annual budget, which is similar to past years at this time. There are a variety of reasons for this underspend, including seasonality of expenditures. Individual accounts may be viewed in the complete June Financial Management Report (FMR).
- **Interfund Transfers** are to the internal service funds paying for items like information technology services, fleet maintenance and replacement to the equipment rental fund, citywide insurance through the risk management fund and transfers to capital funds as budgeted. These transfers have increased over time as the cost of providing these services has increased. Year to date expenditures are in line with the budget.

Personnel Vacancy Information

The 2023 budget includes 146.5 Full Time Equivalents (FTEs) and on June 30th, 2023 there were 137.5 FTEs employed at the City, representing a vacancy rate of 6%. Additional headcount data is available in the monthly Financial Management Report (FMR).



| FTE's | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------|--------|--------|--------|--------|--------|
| Budget | 131.25 | 131.25 | 133.25 | 139.50 | 146.50 |
| Actual on June 30th | 111.25 | 113.75 | 117.25 | 120.50 | 137.50 |
| # Vacant | 20.00 | 17.50 | 16.00 | 19.00 | 9.00 |
| % Vacant | 15% | 13% | 12% | 14% | 6% |

Capital Projects

The annual capital budget for all funds is \$33.7 million, with the largest amounts budgeted in the general government and parks capital funds.. At the end of the second quarter only \$1.4 million has been spent.

Here's some information on the larger capital projects in the budget:

General Government Capital Fund -an \$8 million project is budgeted to make improvements at Fire Station 82 and there is \$2 million budgeted for property acquisition for the Sween House storage yard.

Parks Capital Fund - there is \$10 million in the budget for Inglewood Middle School artificial turf installation and other field/track improvements. There is also over \$4 million in this fund for land acquisition.

Transportation Capital Fund - this fund has less than \$4 million in the current year budget, split between 15 different projects.

Surface Water Capital Fund - this fund has a budget of \$4.3 million with the budget of \$1.5 million on the George Davis fish passage being the largest single item.

More line item budget details on specific projects can be found in the monthly Financial Management Report (FMR) or in the 2023-2024 Budget.