

Financial Status Report

First Quarter 2024



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 quarter from prior years is also shown. The last page shows Citywide FTE vacancy information and information on capital budgets.

	2024 Budget	2024 Year-to-date
Revenues	\$ 56,498,624	\$ 7,628,778
Expenditures	57,492,388	10,536,821
Capital Transfers	1,650,000	412,500
Net Revenues Less Expenditures	\$ (2,643,764)	\$ (3,320,543)
Beginning Fund Balance	\$ 44,585,171	\$ 54,005,456
Ending Fund Balance (EFB)	\$ 41,941,407	\$ 50,684,914
Strategic Operating Reserves*	\$ 13,960,597	

General Fund includes the Street Fund

**The Strategic Operating Reserve is equal to 25% of the GF expenditures, excl. transfers.*

Overall highlights

The City’s revenues and expenditures are budgeted annually, not monthly and are not the same each month due to various factors. Therefore, conclusions after the first quarter, should not be done without further analysis.

Property taxes, which provide approximately 61% of total operating revenues are received primarily in the second and fourth quarters (April and October respectively).

The City has not received any invoices on the police contract. The first invoice is typically received in the second 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 25% of the annual budget one quarter of the way through the year.

Position vacancies resulting in the personnel budget being underspent through the first quarter of 2024.

The budget reflects a \$2.6 million use of fund balance primarily as a result of a budgeted transfer to the General Government Capital Fund of \$1.7 million.

The actual Year-to-date beginning fund balance has been updated to reflect the actual 2024 beginning fund balance.

*Current City Council policy sets the strategic operating reserve at 25% of the General Fund expenditure budget, excluding transfers to the General Government Capital Fund.

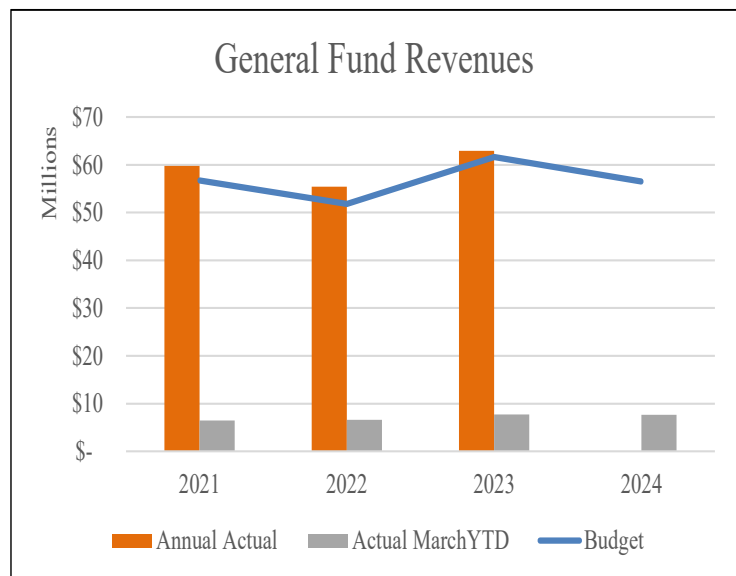
Revenues

Historical YTD 1st Quarter Actual Revenues					Budget
	2021	2022	2023	2024	2024
Property Tax	\$ 2,199,114	\$ 1,963,646	\$ 2,174,530	\$ 1,985,799	\$ 34,500,000
Sales Tax	2,322,199	2,471,880	2,556,546	2,507,471	9,507,000
Other Tax	970	2,663	1,406	1,591	2,000
<i>Other Revenues</i>					
Licenses and Permits	480,059	513,973	597,776	586,714	2,426,000
Intergovernmental	594,273	662,027	632,574	655,782	3,328,665
Charges for Service	509,919	671,548	725,000	941,002	3,547,759
Fines & Forfeits	287	-	32,123	-	415,000
Miscellaneous	329,963	341,144	996,980	950,419	2,772,200
Transfers In	25,000	-	-	-	-
Total Revenues	\$ 6,461,784	\$ 6,626,881	\$ 7,716,936	\$ 7,628,778	\$ 56,498,624

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 6% of the annual budgeted revenues and this is comparable to prior years at this time
- **Sales tax revenues** are currently at 26% of the annual budget and slightly lower than the same period last year. The city benefits from online purchases where a portion of the sales tax is remitted based on where the product is delivered.
- **Licenses & Permits and Charges for Services** categories had some re-classifications in 2022, so comparisons to prior years should be done as one group. YTD 2024 these categories of revenue are 26% of the annual budget and 15% higher than 2023 levels through March.
- **Intergovernmental** revenues includes multiple grants in the budget. Once the money is spent, the city applies to receive the promised grant money. Revenues for this category are similar to the first quarter in previous years.

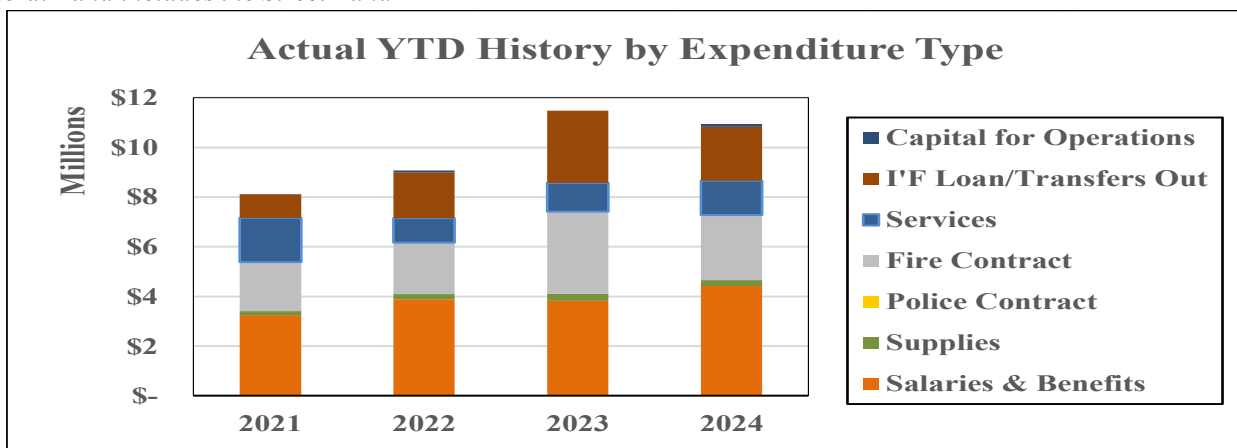


Note: In the graph, 2021 revenues include the \$9.7 million transfer of the street fund ending balance.

Expenditures

Historical YTD Through 1st Quarter Actual Expenditures by Type					Budget
	2021	2022	2023	2024	2024
Salaries & Benefits	\$ 3,243,824	\$ 3,887,831	\$ 3,817,869	\$ 4,422,387	\$ 19,040,150
Supplies	162,226	213,519	290,011	240,242	1,334,500
Police Contract	-	-	-	-	10,081,000
Fire Contract	1,977,088	2,069,411	3,306,657	2,612,241	9,403,484
Services	1,783,852	980,924	1,165,448	1,392,098	12,499,052
I'F Loan/Transfers Out	939,945	1,851,057	2,905,596	2,167,100	6,379,102
Capital for Operations	10,783	69,001	-	115,252	405,100
Total Expenditures	\$ 8,117,718	\$ 9,071,743	\$11,485,581	\$10,949,321	\$ 59,142,388

General Fund includes the Street Fund

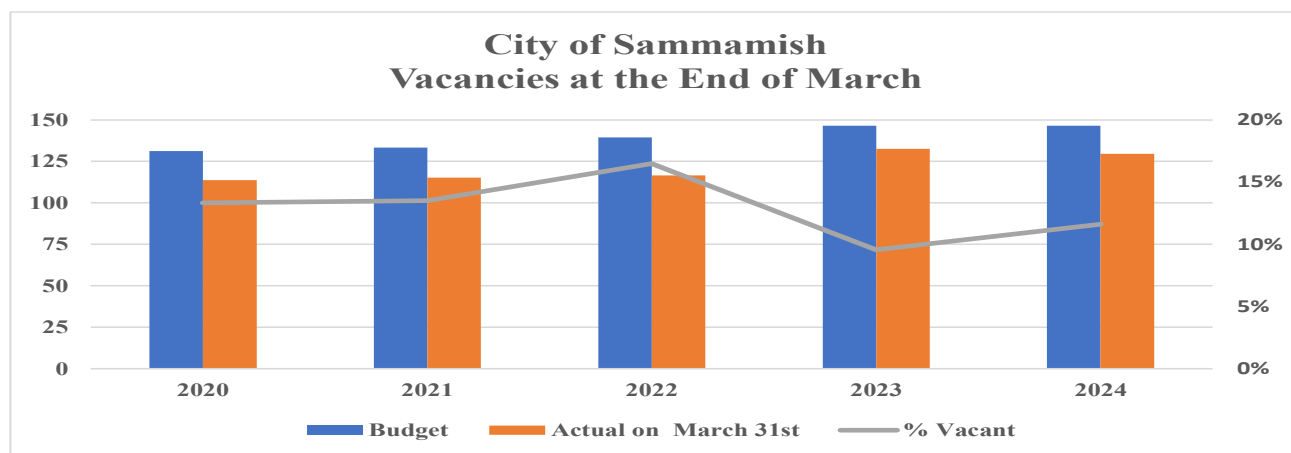


Highlights for Operating Expenditures:

- **Salaries & benefits** are 23% of the annual budget. The vacancy rate rose to 12% at the end of the month, but was just 9% before mid-March. Actuals are close to the quarterly budget even with the current vacancy rate as those that left the City received payouts for unused vacation and sick days.
- **Police Contract** expenditures have not yet been paid as invoices on the police contract are typically not received until the second quarter of the year.
- **Fire Contract** expenditures are at 28% of the annual budget. The first quarter expenditures include three months of the contract and the annual amount paid for equipment replacement.
- **Services expenditures** are only at 11% of the annual budget, which is similar to past years at this time. Many of these expenditures are from outside consultants whose services are not used uniformly throughout the year. At this time no significant projects in the budget have changed, so the full budget is still expected to be spent.
- **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 include transfers to the General Government Capital Fund as budgeted. These transfers have increased over time as the cost of providing these services has increased. Transfers are typically paid out evenly each month, however, the full annual transfer to the Risk Management Fund was paid in the first quarter to cover the insurance premium.

Personnel Vacancy Information

The 2024 budget includes 146.5 Full Time Equivalents (FTEs) and on March 31st, 2024 there were 129.5 FTEs employed at the City, representing a vacancy rate of 12%. Additional headcount data is available in the monthly Financial Management Report (FMR).



FTE's	2020	2021	2022	2023	2024
Budget	131.25	133.25	139.50	146.50	146.50
Actual on March 31st	113.75	115.25	116.50	132.50	129.50
# Vacant	17.50	18.00	23.00	14.00	17.00
% Vacant	13%	14%	16%	10%	12%

Capital Projects

Citywide the budget for capital is \$28.4 with the majority of it in the funds listed below and less than \$1.0 million budgeted within the other funds. At the end of the first quarter of 2024, \$2.3 million has been spent. For all of 2023, only \$6.6 million of the \$41.2 million budget was spent, so much of this budget may be spent in 2024.

Here's some additional information on the capital budgets:

General Government Capital Fund - YTD in 2024, this fund has spent \$0.6 million of it's annual \$1.7 million budget. In 2023, this fund spent \$3.7 million of it's \$11.4 million budget. The largest project in the budget is for Fire Station # 82 and the full \$8 million biennial project budget is expected to be spent by the end of 2024.

Parks Capital Fund - has a \$6.6 million budget for 2024 and has spent just \$1.1 through the first quarter, primarily on land acquisition. This fund has a budget in 2023-24 of \$28.4 million in total and \$13.8 million is for work being done on the Inglewood Middle School project which is expected to be completed by the end of 2024.

Transportation Capital Fund - this fund has a budget of \$5.3 million for 2024 for many smaller projects and less than \$0.1 has been spent so far in 2024. For the 2023-2024 total budget of \$9.0 million, very little has been spent and 2023 included a credit as the City received a reimbursement from utilities for their share of spending on Issaquah-Fall City Road .

Surface Water Capital Fund - this fund has a budget of \$14.1 in 2024 and has barely spent money YTD. The biennial budget is \$18.4 million with the largest single budget item being \$9.5 million for the George Davis fish passage.

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