



2020 Fourth Quarter Financial Report

Period Ending December 31, 2020

Presenter: Chun Saul
01/25/2021

Discussion

- **Budget to Actual Comparison As of 12/31/2020 – YTD Target 100% (12/12 months)**

- **General Fund Overview**
 - **Revenues, Expenditures, and Fund Balance Overview**
 - **Revenues by Major Sources**
 - **Expenditures Status**

- **Enterprise Funds Overview**
 - **Utilities Funds (Wastewater, Water, Storm Water)**
 - **Airport Fund**

- **City-wide Overview - Total for All Funds Combined**

- **Treasurer's Report**
 - **Cash, Deposits & Investments as of 12/31/2020**

General Fund Overview Budget to Actual As of 12/31/2020

| Chehalis General Fund | 2020 Amended Budget | YTD Actual 12/31/2020 | YTD Actual % of Budget | Variance YTD |
|------------------------------------|------------------------|--------------------------|------------------------------|--|
| | | | | YTD Actual vs. Target Positive (Negative) |
| Revenues & Transfers-In | \$ 10,026,736 | \$ 10,292,891 | 102.7% | \$ 266,155 |
| Expenditures & Transfers-Out | 10,322,796 | 9,498,252 | 92.0% | 824,544 |
| Revenues Over (Under) Expenditures | (296,060) | 794,639 | -268.4% | 1,090,699 |
| Beginning Fund Balance | 1,462,124 | 1,462,124 | | |
| Ending Fund Balance | \$ 1,166,064 | \$ 2,256,763 | | |
| Ending Fund Balance % of Revenue | 11.6% | 21.9% | | |

- **Revenues came in stronger than anticipated by \$266,155 or 2.7%**
- **Expenditures spent less than budgeted by \$824,544 or 8.0%**
- **Ending Fund Balance higher than projected by \$1.09million (about 93%)**
- ❖ ***A Council Budget Committee meeting is scheduled on 2/2/2021 to discuss prioritizing and assigning the fund balance in excess of the budget projection.***

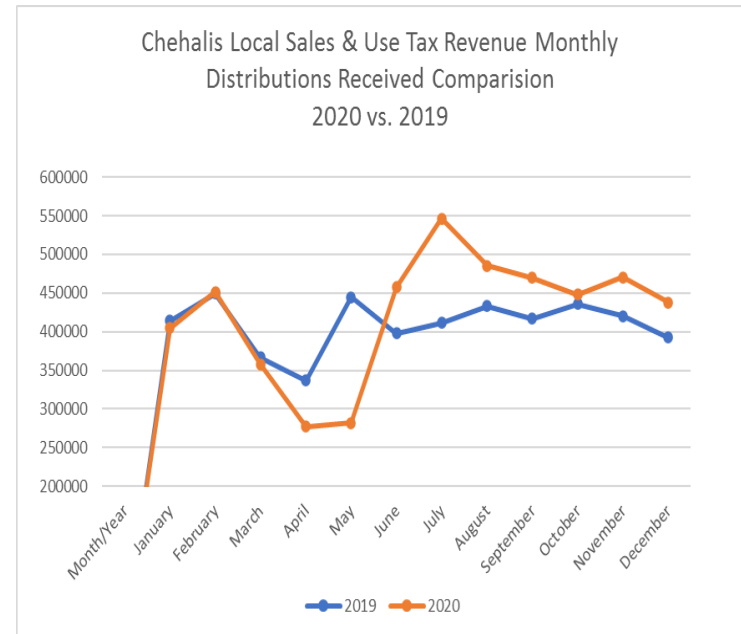
General Fund Revenues by Source Budget to Actual As of 12/31/2020

- **2020 actual revenues is \$10,292,891 (2.7% or \$266,155 over the budget)**
 - Sales tax revenue: +\$389,536 (8%) over the budget projection
 - Intergovernmental grant (RCO): -\$227,835 under the budget
 - All other revenues: +\$104,454 over the budget
- **Overall actual revenue increased \$15,759 from year 2019**

| General Fund Revenues | 2020 Amended Budget | YTD Actual 12/31/2020 | YTD % of Budget Rec'd | Variance YTD Target vs. Actual | 2020-2019 YTD Comparison |
|---------------------------|----------------------|-----------------------|-----------------------|--------------------------------|--------------------------|
| Property Taxes | \$ 1,937,842 | \$ 1,951,513 | 100.7% | \$ 13,671 | \$ 46,348 |
| Sales and Use Taxes | 4,893,500 | 5,283,036 | 108.0% | 389,536 | 127,447 |
| Utility Taxes | 1,592,635 | 1,589,090 | 99.8% | (3,545) | (2,208) |
| Other Taxes | 50,168 | 56,164 | 112.0% | 5,996 | (2,312) |
| Subtotal for Tax Revenues | 8,474,145 | 8,879,803 | 104.8% | 405,658 | 169,275 |
| Licenses and Permits | 195,780 | 224,053 | 114.4% | 28,273 | (11,109) |
| Intergovernmental | 882,282 | 681,917 | 77.3% | (200,365) | 257,544 |
| Other revenues | 423,529 | 456,118 | 107.7% | 32,589 | (370,951) |
| Transfers-in | 51,000 | 51,000 | 100.0% | - | (29,000) |
| Total Non-tax revenue | 1,552,591 | \$ 1,413,088 | 91.0% | (139,503) | (153,516) |
| Total Revenues | \$ 10,026,736 | \$ 10,292,891 | 102.7% | \$ 266,155 | \$ 15,759 |

Chehalis Local Sales and Use Tax Received through 12/31/2020

- **Chehalis local sales and use tax (1% of the 8.2% total sales tax)**
- **2020 revenue collected is \$5,087,886 (108.1% of the amended budget):**
 - \$381,826 above the revised 2020 budget
- **2020 revenue increased 3.4% (or \$169,091) from 2019**
- **Comparisons 2020 vs 2019**
 - Motor vehicle and parts dealer sector: -1.1% from 2019
 - General merchandise stores: +7.1% from 2019
 - Building materials & garden supplies sector : +23.8% from 2019
 - Miscellaneous retail stores: +12.8% from 2019
 - Food and beverage stores : +10.3% from 2019
 - Nonstore retail sector : +9.0% from 2019
 - Construction sector: -17.4% from 2019
 - Food and beverage services sector: -6.2% from 2019
 - Accommodation sector: -18.8%



- ❖ 2- month lag time between month of sales activity and revenue distribution to the City.
- ❖ **2020 sales tax revenue represent primarily tax payments from October 2019 – October 2020 sales activities**

General Fund Expenditures

Budget to Actual As of 2/31/2020

- **Total 2020 expenditures \$9,498,252**
- **Spent 92.0% of the 2020 final budget**
- **Unspent budget balance is \$824,544**

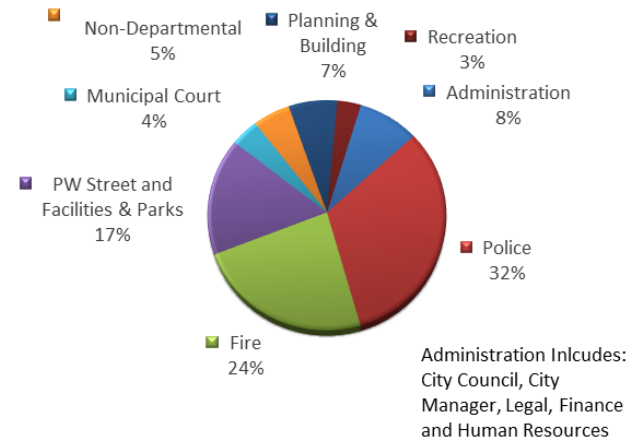
- Payroll: -\$307K (4.7%) under the budget
From temporary vacancies (delayed recruitments) of budgeted positions and reduction of seasonal employees

- Supplies: -\$65K (15.8%) under the budget

- Services: -\$447K (17.0%) under the budget, about \$233K is for prof. services for RCO grant project

- **Police and Fire makes up about 57% of total general fund expenditures**

General Fund Expenditures by Department/Function
For the Period Ending December 31, 2020



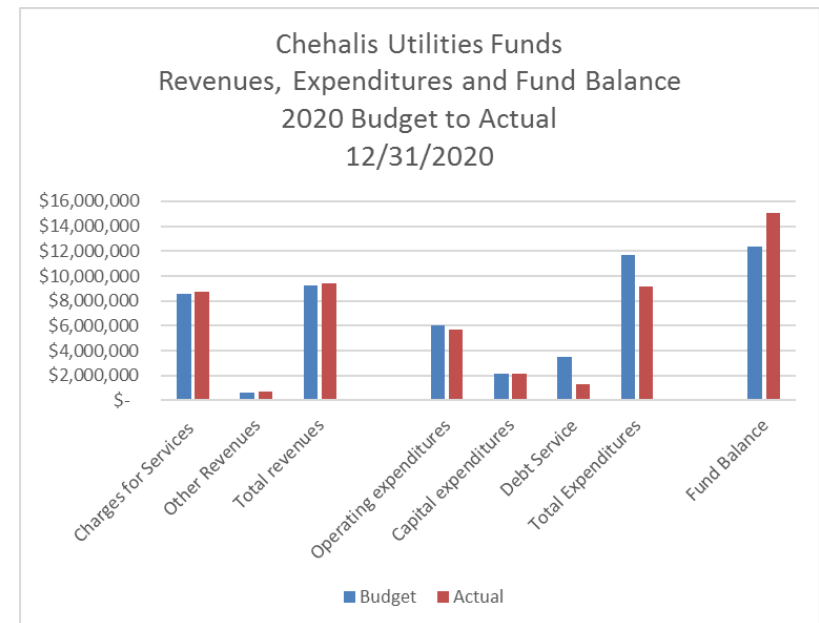
Bottomline: the General Fund operated within the budget parameters.

Utility Funds Status Budget to Actual

Total Wastewater, Water & Stormwater Funds

12/31/2020

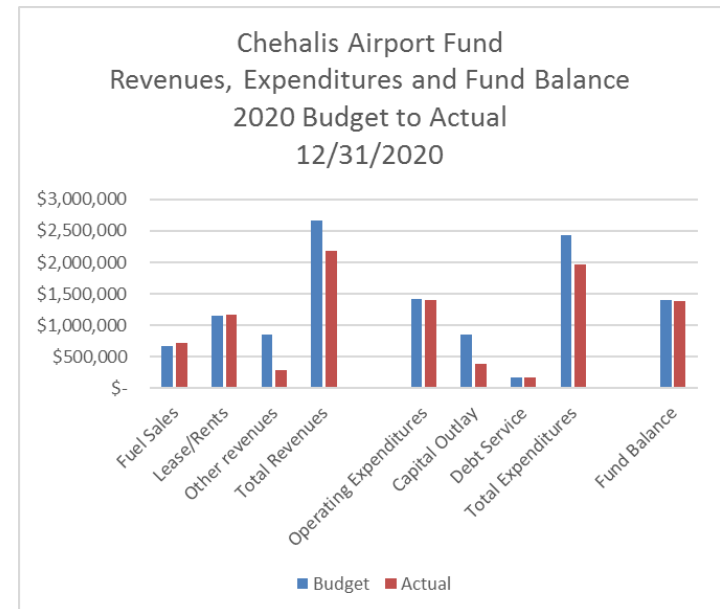
- **Revenues received: \$9,424,533 (101.9% of the 2020 budget)**
 - **Charges for services (rate billing): \$8,732,732**
 - 1.6% or \$134,042 over the budget
 - \$17,600 increase from 2019
 - 2020 overall revenues decreased by \$260,011 from 2019
 - Hookup/Connection Fees: -\$133,804
 - Late Payment Fees**: -\$56,550
 - Investment Interest Earnings: -\$151,508
- **Expenditures actual: \$9,169,888 (78.3% of the 2020 budget)**
 - Operating: \$5,687,328 (spent 94.3 % of the 2020 Budget)
 - Capital outlay: \$1,314,808 (spent 37.5% of the 2020 budget), \$2.2 million below the budget
 - Debt Service: \$2,167,752 (spent 100% of the 2020 budget)
- **Revenues exceeds expenditures by \$254,645**
- **Cash and Investments balance as of 12/31/2020 is \$15,057,606**



****COVID-19 measures; Governor's proclamation for Rate Payer Assistance, extended through April 30, 2021. Not allowed to charge penalties and interest due to nonpayment. Past due utility bills as of 12/27/2020, increased about \$97K compared to 2019.**

Airport Fund Status Budget to Actual 12/31/2020

- **Revenues Received: \$2,183,672 (81.9% of the 2020 budget)**
- **Operating revenues: \$1,900,539 (103.9% of the 2020 budget)**
 - Fuel sales: 107.6% of the 2020 budget
 - \$51,501 over of the budget
 - Lease/rent: 101.9% of the 2020 budget \$22,230 over the budget2020
- **Other revenues: \$283,133 (33.8% of the 2020 budget)**
 - Total 2020 operating revenue increased \$47,554 from 2019
- **Expenditures spent: \$1,961,740**
 - Operating & other: \$1,401,949 (spent 98.8% of the 2020 Budget)
 - Capital outlay:\$391,321 (spent 46.0% of the 2020 budget.
 - Above ground fuel storage project has not yet started (\$500K budget)
 - Debt service: \$168,470
- **Total revenues exceeds total expenditures by \$221,932**
- **Cash and Investments balance as of 12/31/2020 \$1,391,562**



City-Wide All Funds Combined Budget to Actual As of 12/31/2020

| Chehalis City-Wide, All Funds | 2020 | | YTD % of Budget | Budget to Actual |
|-------------------------------------|----------------|---------------------|-----------------|------------------------------|
| | Amended Budget | 2020 YTD 12/31/2020 | | Variance Positive (Negative) |
| Revs. & Transfers In | \$ 28,086,500 | \$ 27,587,390 | 98.2% | \$ (499,110) |
| Exps. & Transfers Out | 32,265,920 | 25,843,738 | 80.1% | 6,422,182 |
| Increase (Decrease) in Fund Balance | (4,179,420) | 1,743,652 | -41.7% | \$ 5,923,072 |
| Beginning Fund Balance | 23,401,490 | 23,401,490 | 100.0% | - |
| Ending Fund Balance | \$ 19,222,070 | \$ 25,145,142 | 130.8% | \$ 5,923,072 |

- **YTD revenue variance is contributable to the following:**
 - General Fund and TBD sales tax revenues exceeded the budget by \$486K
 - Contributions received for Recreation Park Improvement project \$287K which was not budgeted.
 - Revenues from utilities funds exceeded the budget by \$174K
 - State TIB and RCO grants received is \$1,075K below the amount budgeted
 - Airport Fund CARB loan proceeds budgeted \$500K not drawn in 2020
 - Other various activities \$129K over the budget

- **YTD expenditure variance is consisted of the following:**
 - About \$5.0 million (or 78%) of the variance is from capital project activities in progress.
 - About \$1.42 million is unspent operating expenditures budget.

- **Bottom Line: Overall, all city funds and departments operated within the budget parameters.**

Treasurer's Report As of 12/31/2020

- The City's total cash, deposits & Investments as of 12/31/2020 is as follows.

| Total Cash, Deposits & Investments by Fund Types | Balance 12/31/2020 | % of Total |
|--|----------------------|---------------|
| General Fund | \$ 2,256,763 | 9.0% |
| Transportation Benefit District Fund | 3,105,161 | 12.3% |
| Wastewater Fund | 5,368,364 | 21.3% |
| Water Fund | 7,990,124 | 31.8% |
| Stormwater Fund | 1,699,120 | 6.8% |
| Airport Fund | 1,391,562 | 5.5% |
| Firemen's Pension Fund | 956,056 | 3.8% |
| All other funds | 2,377,994 | 9.5% |
| Total | \$ 25,145,142 | 100.0% |

- ❖ *Other than the General Fund, all other funds are restricted funds which accounts for specific revenues or resources that are legally restricted or committed to finance particular activities and services (i.e., utilities, airport, TBD, etc.)*

- **Summary totals by investment type:**

| City of Chehalis Cash, Deposits & Investments - Total Combined All Funds | | |
|--|----------------------|---------------|
| Account Type | Balance 12/31/2020 | % of Total |
| Checking & Revolving Cash Fund | 3,352,889 | 13.3% |
| Local Government Investment Pool (LGIP) | 19,216,956 | 76.4% |
| US Govt Agency Securities (Bonds) | 2,575,297 | 10.2% |
| Total | \$ 25,145,142 | 100.0% |

- **Investment Interest earnings**

- About 86.6% of the City's cash is invested and earns interest
- 2020 total investment interest earnings is \$171,964. This is a \$249,181 decrease from 2019 total which was \$421,145.
- Average LGIP net earnings rates were 0.6376% and 2.3072% in 2020 and 2019, respectively.

Closing

- Questions?
- Thank you!