

City of Chehalis



Fourth Quarter Council Financial Report

**For the Period Ended
December 31, 2018
(January through December)**

The City of Chehalis, Washington

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director

MEETING OF: January 28, 2019

SUBJECT: **2018 Fourth Quarter Financial Status Report**

DISCUSSION

This document provides a summary review of the City's financial activities through the fourth quarter and fund balances as of December 31, 2018.

The reports have been formatted to be consistent with the budget (as amended) for ease of comparison and review of information. Comparisons and variances shown are based on straight line projections. The percentage year-to-date target for December is 100% (12 of 12 months).

First report provides a summary review of all City funds with their beginning cash balances, total revenues and transfers in, total expenditures and transfers out, changes in fund balances during the year, and ending cash balances.

Second sets of reports provide two-year comparative financial data of actual revenues and expenditures compared to the budget (as amended) for the General Fund and the major enterprise funds.

Treasurer's report provides a summary balance of the city's cash and investments as of December 31, 2018.

ALL FUNDS, CITY-WIDE OVERVIEW

At the end of December 2018, on a city-wide basis, the city has received 102.5% of the 2018 revenue budget (including transfers-in) and expensed 90.3% of the total 2018 approved appropriations (including transfers-out).

Expenditures in all of the City's funds were within the approved appropriations. Revenues for all of the City's funds met or exceeded the 2018 budget projections, except for the Wastewater Fund (which met 98.3% of the budget).

Total actual revenues exceeded the budget amount by \$626,809, and total expenditures were \$2,462,220 below the budget amount.

The ending fund balance was increased by \$2,418,995 or 13.6% from the beginning of the year.

Bottom Line: The City operated within the budget parameters and overall revenue receipts met or exceeded the 2018 budget projections.

GENERAL FUND OVERVIEW

The General Fund has received \$9,611,585 or 101.8% of its annual budgeted revenues (including other funding sources) and incurred expenditures (including transfers-out and other use of funding sources) of \$9,849,765 or 93.8% of the 2018 budget.

The 2018 budget (as amended) had projected a net decrease in ending fund balance of \$1,058,101; however, actual decrease in the fund balance at the end of the year was \$238,180, resulting in a positive variance of \$819,921.

The 2018 amended budget anticipated an ending fund balance of \$984,341 at the end of 2018. Actual ending fund balance as of December 31, 2018 was \$1,804,262, which is about 18.3% of the total 2018 general fund expenditures. The City Council policy is to maintain a minimum of a 10% reserve.

General Fund Revenues:

Total tax revenues make up 87.3% of total general fund revenues. Total tax revenues through the end of December 2018 were \$8,390,282 or 102.0% of the 2018 budget. This is \$165,592 above the 2018 budgeted amount and a \$294,691 or 3.6% increase from 2017.

Property Tax revenues were \$1,593,865 or 97.2% of the 2018 budget. This is \$45,355 below the 2018 budget projection. 2017 actual property tax revenues were 91.1% of the 2017 budget. Revenue projections for delinquent tax have been higher than actual. This will be reviewed during 2019 to see if a 2019 revenue budget amendment is needed.

Sales and Use Tax revenues were \$5,108,799 or 104.1% of the 2018 budget. This total includes \$193,769 for Criminal Justice and Brokered Natural Gas Sales Taxes and \$4,915,030 of regular local sales and use tax. 2018 year-to-date actual revenues exceeded the budgeted amount by \$199,671; and a \$376,782 or 8.0% increase from 2017.

About \$505,849 or 10.3% of the 2018 local sales and use tax revenues were from construction and construction related activities (construction of buildings, specialty trade contractors, and heavy and civil engineering constructions), which is considered one-time nature, as the sales tax revenues will decline as the projects are completed. Sales tax revenues trend will be closely monitored throughout the year.

Utility Tax revenues through December were \$1,632,282 or 100.4% of the 2018 budgeted amount. This is \$47,604 decrease from 2017. The combined water, sewer, gas, and cable utility taxes decreased by \$76,406, whereas the combined electricity and telephone utility taxes increased by \$32,552 from 2017.

License and Permit fee revenues were \$172,745 or 91.7% of the 2018 budget. This includes business licenses and permit fees and non-business licenses and permit fees, such as building permit fees, animal licenses, and gun permits. Business license and permit revenues totaled \$107,342 or 101% of the 2018 budget; however, non-business license and permit revenues were \$65,403 or 79.6% of the 2018 budget. Building permit fee revenues decreased by \$29,228 from 2017.

State Shared revenues were \$244,993 or 98.8% of the 2018 budget. This category includes Multimodal transportation, Streamlined Sales Tax (SST) Mitigation, Criminal Justice Special Program, Marijuana Enforcement, Marijuana Excise Tax, DUI cities, Liquor Excise Tax and Liquor Board Profits, and PUD privilege tax. Marijuana Excise Tax distributed in 2018 was \$44,584 or 123.6% of the budget. 2018 SST mitigation payment distribution was \$3,584 or 27.8% of the budgeted amount.

Charges for goods and services revenues were \$325,859 or 101.4% of the 2018 budget. This category includes charges for fire and police services, plan check review fees, and recreation program fees. Recreation program fee revenues were \$200,705 (101.4% of the 2018 budget) and makes up about 62% of the revenues in this category. Plan check fee revenues were \$30,716 or 102.4% of the 2018 budgeted amount.

General Fund Expenditures and Transfers-out

The 2018 expenditures and required transfers are budgeted at \$10,496,273, including \$9,675,601 for operating appropriations and \$820,672 for debt service, capital expenditures, and transfers-out.

At the end of December 2018, total expenditures and transfers were \$9,849,765 or 93.8% of the 2018 amended budget. This is \$646,507 lower than the budgeted amount.

Police and Fire make up 58.2% (\$5,251,969) of the general fund operating expenditures, or 53.3% of the total general fund expenditures and transfers.

Public Works Streets and Facilities & Parks make up 15.6% (\$1,535,078) of the total general fund expenditures.

City administration departments (City Council, City Manager, City Clerk, Human Resources, and Finance) make up 7.5% (\$734,241) of the total general fund expenditures. These departments provide administrative support services to other departments city-wide. A portion of the costs are allocated to the city's enterprise funds (utilities and airport funds) utilizing certain cost allocation factors. Certain expenditures (i.e. audit and IT expenditures, etc.) in the non-

departmental department are also allocated to the enterprise funds. This cost allocation is included in the budget in “contra expenses” lines, which is also commonly referred to as “indirect cost allocation”. Total general fund indirect costs allocated to the enterprise funds in 2018 was \$436,944 (105.5% of the 2018 budget), which is about 35.7% of the total expenditures for these departments before the allocation.

Bottom Line: All departments operated within the budget parameters.

ENTERPRISE FUNDS

Wastewater Fund

Total revenues and other fund sources through the end of December were \$5,481,201 or 98.3% of the 2018 budget. Wastewater sales revenues were \$5,325,223 or 97.8% of the 2018 budget. This is \$122,569 below the projected amount. Investment interest earnings through December was \$73,385 (122.3% of the 2018 budget) and a \$46,309 increase from 2017.

Overall total expenditures including debt service and capital expenditures were 99.3% of the 2018 budget: Operating expenditures were 89.9% of the 2018 amended budget, and debt service and capital outlay expenditures were 99.3% of the 2018 budget.

Operating revenues exceeded current operating expenditures by \$2,468,036.

Fund balance was increased by \$279,362 during 2018 from the beginning of the year.

Water Fund

Total 2018 revenues and other fund sources through December were \$3,282,9041 or 111.0% of the 2018 budget. Water sales revenues were \$3,100,706 or 110.2% of the 2018 budget. Investment interest earnings totaled \$115,129 (122.0% of the 2018 budget) and \$76,519 increase from 2017.

Overall total expenditures including debt service and capital expenditures were \$90.9% of the 2018 amended budget: Operating expenditures were 97.5% of the 2018 budget, and debt service and capital outlay expenditures were 74.4% of the 2018 budget.

Operating revenues exceeded current operating expenditures by \$1,003,697.

Fund balance was increased by \$343,932 during 2018 from the beginning of the year.

Storm and Surface Water Fund

Total revenues and other fund sources through December were \$673,821 or 107.1% of the 2018 budget.

Overall total expenditures were 70.4% of the 2018 budget: Operating expenditure were 97.1% of the 2018 budget, and capital expenditures were 13.1% of the 2018 budget.

Operating revenues exceeded current operating expenditures by \$196,629.

Fund balance was increased by \$166,439 during 2018 from the beginning of the year.

Airport Fund

Total revenues and other fund sources through December were \$2,704,048 or 114.1% of the 2018 budget. Fuel sales revenues were \$524,221 or 107.9% of the 2018 budget, and rents and lease revenues were \$1,152,429 or 103.6% of the 2018 budget.

Overall total expenditures were \$2,024,255 or 91.3% of the 2018 budget: Operating expenditures were 99.8% of the 2018 budget, and debt service and capital expenditures were 91.3% of the 2018 budget.

Fund balance was increased by \$679,793 during 2018 from the beginning of the year. About \$400,937 of the increase is attributable to FAA and state grants received in 2018 for the Airport Apron Rehabilitation project expenditures incurred in 2017.

TREASURER'S REPORT – CASH AND INVESTMENT

The city's total cash, deposits, and investments as of December 31, 2018 was \$20,203,176.

About 86.3% (\$17,430,658) of the city's cash is invested and earns interests. The remaining 13.7% (\$2,772,518) is deposited in non-interest-bearing checking accounts to cover on-going operational needs. A summary of cash funds and investment types are as follows:

Cash on-hand \$5,050
Deposits in Checking Accounts \$2,767,468
Money Market Account \$87,257
Local Government Investment Pool (LGIP) \$14,968,048
U.S. Securities (held at U.S Bank Safekeeping) \$2,375,353

Total investment interest earnings through December 2018 totaled \$285,834. This is a \$187,135 or 290% increase from 2017. This is in result of shifting about \$8 million from the city's checking account to the LGIP account during 2018, coupled with an increase in LGIP interest rates. The average net LGIP interest rates for 2018 and 2017 were 1.9037% and 0.9502%, respectively.

FISCAL IMPACT

As shown.

RECOMMENDATION

It is recommended that the City Council review this information and let staff know if there are any questions.

SUGGESTED MOTION

N/A

City of Chehalis
Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
2018 Fourth Quarter Financial Statements - All Funds
As of December 31, 2018 (Preliminary)
Date Prepared: 1/18/2019

Fund Type/Name	Beg Cash	Revenues & Transfers				Expenditures & Transfers				Changes in Fund Balance		End Cash	
	Actual 1/1/2018	Amended Budget	YTD 12/31/2018 Actual	Variance Positive (Negative)	YTD % of Budget	Amended Budget	YTD 12/31/2018 Actual	Variance Positive (Negative)	YTD % of Budget	Amended Budget	YTD 12/31/2018 Actual	Amended Budget	Actual 12/31/2018
General Funds:													
General Fund	\$ 2,042,442	\$ 9,438,172	\$ 9,611,585	\$ 173,413	101.8%	\$ 10,496,273	\$ 9,849,765	\$ 646,508	93.8%	\$ (1,058,101)	\$ (238,180)	984,341	\$ 1,804,262
Dedicated Street Fund	117,842	191,125	221,086	29,961	115.7%	180,940	175,155	5,785	96.8%	10,185	45,931	128,027	163,773
Building Abatement Fund	90,313	9,796	10,896	1,100	111.2%	-	-	-	0.0%	9,796	10,896	100,109	101,209
Compensated Absences Fund	-	92,868	93,841	973	101.0%	-	-	-	0.0%	92,868	93,841	92,868	93,841
Automotive/Equip. Reserve Fund	463	92,868	93,848	980	101.1%	-	-	-	0.0%	92,868	93,848	93,331	94,311
Total General Funds	2,251,060	9,824,829	10,031,256	206,427	102.1%	10,677,213	10,024,920	652,293	93.9%	(852,384)	6,336	1,398,676	2,257,396
Special Revenue Funds:													
Arterial Street Fund	114,125	148,500	165,925	17,425	111.7%	160,060	154,908	5,152	96.8%	(11,560)	11,017	102,565	125,142
Transportation Benefit Dist. Fund	360,055	1,110,600	1,168,582	57,982	105.2%	500,000	418,479	81,521	83.7%	610,600	750,103	970,655	1,110,158
Tourism Fund	313,086	233,800	253,743	19,943	108.5%	317,435	302,886	14,549	95.4%	(83,635)	(49,143)	229,451	263,943
Community Block Grant Fund	111	900	24,079	23,179	2675.4%	990	-	990	0.0%	(90)	24,079	21	24,190
HUD Block Grant Fund	70,943	100	15,316	15,216	15316.0%	-	-	-	0.0%	100	15,316	71,043	86,259
Total Special Revenue Funds	858,320	1,493,900	1,627,645	133,745	18316.9%	978,485	876,273	102,212	89.6%	515,415	751,372	1,373,735	1,609,692
Debt Service Funds:													
2011 G.O. Bond Fund	-	102,510	102,507	(3)	100.0%	102,510	102,506	4	100.0%	-	1	-	1
Total Debt Service Funds	-	102,510	102,507	(3)	100.0%	102,510	102,506	4	100.0%	-	1	-	1
Capital Project Funds:													
Public Facilities Reserve Fund	90,185	928,748	930,481	1,733	100.2%	829,660	581,028	248,632	70.0%	99,088	349,453	189,273	439,638
First Quarter REET Fund	176,107	114,700	129,469	14,769	112.9%	242,865	242,864	1	100.0%	(128,165)	(113,395)	47,942	62,712
Second Quarter REET Fund	264,738	114,650	130,220	15,570	113.6%	323,190	323,189	1	100.0%	(208,540)	(192,969)	56,198	71,769
Total Capital Project Funds	531,030	1,158,098	1,190,170	32,072	102.8%	1,395,715	1,147,081	248,634	82.2%	(237,617)	43,089	293,413	574,119
Proprietary Funds:													
Garbage Fund	7,024	6,445	6,773	328	105.1%	7,505	6,091	1,414	81.2%	(1,060)	682	5,964	7,706
Wastewater Fund	4,833,519	5,574,897	5,481,201	(93,696)	98.3%	5,554,192	5,201,839	352,353	93.7%	20,705	279,362	4,854,224	5,112,881
Water Fund	7,093,160	2,958,084	3,282,904	324,820	111.0%	3,231,767	2,938,972	292,795	90.9%	(273,683)	343,932	6,819,477	7,437,092
Storm & Surface Water Fund	1,098,223	629,380	673,821	44,441	107.1%	721,225	507,382	213,843	70.4%	(91,845)	166,439	1,006,378	1,264,662
Airport Fund	371,625	2,369,689	2,704,048	334,359	114.1%	2,218,232	2,024,255	193,977	91.3%	151,457	679,793	523,082	1,051,418
Total Proprietary Funds	13,403,551	11,538,495	12,148,747	610,252	105.3%	11,732,921	10,678,539	1,054,382	91.0%	(194,426)	1,470,208	13,209,125	14,873,759
Fiduciary Funds:													
Firemens' Pension Fund	729,330	177,478	181,794	4,316	102.4%	78,500	33,805	44,695	43.1%	98,978	147,989	828,308	877,319
City Agency Fund	10,890	360,000	-	(360,000)	0.0%	360,000	-	360,000	0.0%	-	-	10,890	10,890
Total Fiduciary Funds	740,220	537,478	181,794	(355,684)	33.8%	438,500	33,805	404,695	7.7%	98,978	147,989	839,198	888,209
TOTAL ALL CITY FUNDS	\$ 17,784,181	\$ 24,655,310	\$ 25,282,119	\$ 626,809	102.5%	\$ 25,325,344	\$ 22,863,124	\$ 2,462,220	90.3%	\$ (670,034)	\$ 2,418,995	\$ 17,114,147	\$ 20,203,176

Note: May contain rounding differences of +/-1

City of Chehalis
 Comparative Revenues and Expenditures - Budget to Actual
 December 2018 and 2017
 General Fund

GENERAL FUND (#001)	2017 Amended Budget	YTD 12/31/2017 Actual	2017 YTD % of Budget	YTD Target % of Budget*		100.0%		2018 YTD Variance^	2018-2017 YTD Variance
				2018 Amended Budget	YTD 12/31/2018 Actual	2018 YTD % of Budget			
Revenues:									
Taxes:									
Property Taxes	\$ 1,792,460	\$ 1,632,475	91.1%	\$ 1,639,220	\$ 1,593,865	97.2%	\$ (45,355)	\$ (38,610)	
Sales and Use Taxes	4,566,791	4,732,017	103.6%	4,909,128	5,108,799	104.1%	199,671	376,782	
Utility Taxes	1,747,081	1,679,886	96.2%	1,626,120	1,632,282	100.4%	6,162	(47,604)	
Other Taxes	57,050	51,213	89.8%	50,222	55,336	110.2%	5,114	4,123	
Total Taxes	8,163,382	8,095,591	99.2%	8,224,690	8,390,282	102.0%	165,592	294,691	
Non-Tax Revenues:									
Licenses and Permits	190,550	201,153	105.6%	188,435	172,745	91.7%	(15,690)	(28,408)	
Grants	841,566	851,220	101.1%	31,067	36,190	116.5%	5,123	(815,030)	
State Shared Revenues	188,391	222,390	118.0%	247,952	244,993	98.8%	(2,959)	22,603	
Charges for Goods & Services	365,025	369,369	101.2%	321,205	325,859	101.4%	4,654	(43,510)	
Fines and Forfeitures	130,821	108,247	82.7%	114,085	116,090	101.8%	2,005	7,843	
Miscellaneous Other	302,490	301,656	99.7%	310,738	325,426	104.7%	14,688	23,770	
Total Non-Tax Revenues	2,018,843	2,054,035	101.7%	1,213,482	1,221,303	100.6%	7,821	(832,732)	
Other Fund Sources:									
Capital Grants	-	-	0.0%	-	-	0.0%	-	-	
Debt Proceeds	-	-	0.0%	-	-	0.0%	-	-	
Transfers-in	-	-	0.0%	-	-	0.0%	-	-	
Total Other Fund Sources	-	-	0.0%	-	-	0.0%	-	-	
Total Revenues & Fund Sources	\$ 10,182,225	\$ 10,149,626	99.7%	\$ 9,438,172	\$ 9,611,585	101.8%	\$ 173,413	\$ (538,041)	
Expenditures									
Current Expenditures by Department:									
City Council	\$ 92,351	\$ 61,833	67.0%	\$ 77,498	\$ 76,333	98.5%	\$ 1,165	\$ 14,500	
Municipal Court	480,523	442,757	92.1%	489,082	457,249	93.5%	31,833	14,492	
City Manager	358,831	233,599	65.1%	262,340	251,458	95.9%	10,882	17,859	
Finance	227,780	182,165	80.0%	273,990	224,966	82.1%	49,024	42,801	
City Clerk	79,915	54,824	68.6%	81,252	73,304	90.2%	7,948	18,480	
Facilities and Parks	968,410	917,002	94.7%	1,073,729	1,014,852	94.5%	58,877	97,850	
Non-Departmental	726,411	345,530	47.6%	421,189	289,256	68.7%	131,933	(56,274)	
Human Resources	81,284	82,784	101.8%	122,749	108,180	88.1%	14,569	25,396	
Police	2,860,305	2,916,233	102.0%	3,200,771	3,147,364	98.3%	53,407	231,131	
Fire	2,012,994	1,994,751	99.1%	2,296,930	2,104,605	91.6%	192,325	109,854	
Public Works - Streets	570,846	497,717	87.2%	568,451	520,226	91.5%	48,225	22,509	
Planning & Building	382,332	338,127	88.4%	325,880	288,104	88.4%	37,776	(50,023)	
Recreation	497,420	476,241	95.7%	481,740	468,398	97.2%	13,342	(7,843)	
Total Current Expenditures	9,339,402	8,543,563	91.5%	9,675,601	9,024,295	93.3%	651,306	480,732	
Other Expenditures:									
Debt Service	119,390	102,549	85.9%	114,385	114,432	100.0%	(47)	11,883	
Capital Expenditures	281,934	291,247	103.3%	143,760	142,536	99.1%	1,224	(148,711)	
Transfers-out	286,505	307,741	107.4%	562,527	568,502	101.1%	(5,975)	260,761	
Total Other Expenditures	687,829	701,537	102.0%	820,672	825,470	100.6%	(4,798)	123,933	
Total Expenditures	\$ 10,027,231	\$ 9,245,100	92.2%	\$ 10,496,273	\$ 9,849,765	93.8%	646,508	\$ 604,665	
Changes in Fund Balance	\$ 154,994	\$ 904,526	583.6%	\$ (1,058,101)	\$ (238,180)	22.5%	819,921	\$(1,142,706)	

Foot Note:

* The target percentage of budget is calculated as the month of reporting (12 for December) divided by the number of months (12) in the year.

^ Variance from YTD target amount to YTD actual amount. Positive variance, if YTD revenue>target amount and YTD expenditure<target amount.

City of Chehalis
 Comparative Revenues and Expenditures - Budget to Actual
 December 2018 and 2017
 Wastewater Fund

Wastewater Fund (#404)	2017		2017		YTD Target % of Budget* 100.0%		2018		2018	
	Amended Budget	YTD 12/31/2017 Actual	YTD % of Budget	Amended Budget	YTD 12/31/2018 Actual	YTD % of Budget	YTD Variance^	2018 YTD	2018-2017 YTD Variance	
Operating Revenues:										
Charges for Goods & Services	\$ 5,349,972	\$ 5,450,050	101.9%	\$ 5,447,792	\$ 5,325,223	97.8%	\$ (122,569)	\$ (124,827)		
Intergovernmental Revenues	13,500	590,043	4370.7%	10,905	25,918	237.7%	15,013	(564,125)		
Late Payment Fees	50,000	49,150	98.3%	51,000	50,528	99.1%	(472)	1,378		
Interest Earnings	3,000	27,076	902.5%	60,000	73,385	122.3%	13,385	46,309		
Rental Income	3,545	3,545	100.0%	3,545	3,545	100.0%	-	-		
Miscellaneous Other	3,000	1,334	44.5%	1,100	1,984	180.4%	884	650		
Total Operating Revenues	5,423,017	6,121,198	112.9%	5,574,342	5,480,583	98.3%	(93,759)	(640,615)		
Other Fund Sources:										
Capital Grants	-	-	0.0%	-	-	0.0%	-	-		
Custodial Activities	555	563	101.4%	555	618	111.4%	63	55		
Debt Proceeds	925,100	287,924	31.1%	-	-	0.0%	-	(287,924)		
Total Other Fund Source	925,655	288,487	31.2%	555	618	111.4%	63	(287,869)		
Total Revenues & Fund Sources	\$ 6,348,672	\$ 6,409,685	101.0%	\$ 5,574,897	\$ 5,481,201	98.3%	\$ (93,696)	\$ (928,484)		
Expenditures:										
Operating Expenditures:										
Operating Expenditures	\$ 3,554,370	\$ 3,043,760	85.6%	\$ 3,349,574	\$ 3,012,547	89.9%	\$ 337,027	\$ (31,213)		
Total Operating Expenditures:	3,554,370	3,043,760	85.6%	3,349,574	3,012,547	89.9%	337,027	(31,213)		
Other Expenditures:										
Custodial Activities	555	563	101.4%	600	618	103.0%	(18)	55		
Debt Service	1,868,127	1,868,285	100.0%	1,909,145	1,895,658	99.3%	13,487	27,373		
Capital Expenditures	1,113,100	976,385	87.7%	294,873	293,016	99.4%	1,857	(683,369)		
Transfers-out	-	-	0.0%	-	-	0.0%	-	-		
Total Other Expenditures	2,981,782	2,845,233	95.4%	2,204,618	2,189,292	99.3%	15,326	(655,941)		
Total Expenditures	\$ 6,536,152	\$ 5,888,993	90.1%	\$ 5,554,192	\$ 5,201,839	93.7%	\$ 352,353	\$ (687,154)		
Changes in Fund Balance	\$ (187,480)	\$ 520,692	-277.7%	\$ 20,705	\$ 279,362	1349.2%	\$ 258,657	\$ (241,330)		
<i>Operating Income (deficit)</i>	<i>\$ 1,868,647</i>	<i>\$ 3,077,438</i>	<i>164.7%</i>	<i>\$ 2,224,768</i>	<i>\$ 2,468,036</i>	<i>110.9%</i>	<i>\$ 243,268</i>	<i>\$ (609,402)</i>		

Foot Note:

* The target percentage of budget is calculated as the month of reporting (12 for December) divided by the number of months (12) in the year.

^ Variance from YTD target amount to YTD actual amount. Positive variance, if YTD revenue>target amount and YTD expenditure<target amount.

City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
December 2018 and 2017
Water Fund

WATER FUND (#405)	2017		2017		YTD Target % of Budget* 100.0%		2018		2018	
	Amended Budget	YTD 12/31/2017 Actual	YTD % of Budget	Amended Budget	YTD 12/31/2018 Actual	YTD % of Budget	YTD Variance^	2018 YTD	2018-2017 YTD Variance	
Revenues:										
Charges for Goods & Services	\$ 2,688,600	\$ 3,059,349	113.8%	\$ 2,814,784	\$ 3,100,706	110.2%	\$ 285,922	\$ 41,357		
Intergovernmental Revenues	-	-	0.0%	-	-	0.0%	-	-		
Late Payment Fees	28,000	31,479	112.4%	31,000	38,690	124.8%	7,690	7,211		
Interest Earnings	10,000	38,610	386.1%	94,400	115,129	122.0%	20,729	76,519		
Other Misc. Revenues	2,121	1,213	57.2%	1,000	8,486	848.6%	7,486	7,273		
Total Revenues	2,728,721	3,130,651	114.7%	2,941,184	3,263,011	110.9%	321,827	132,360		
Other Funding Source										
Capital Grants	-	-	0.0%	-	-	0.0%	-	-		
Custodial Activities	150	449	299.3%	100	570	570.0%	470	121		
Debt Proceeds	1,000,000	2,050,000	205.0%	-	-	0.0%	-	(2,050,000)		
Other Resources	-	1,440	0.0%	16,800	19,323	115.0%	2,523	17,883		
Total Other Fund Source	1,000,150	2,051,889	205.2%	16,900	19,893	117.7%	2,993	(2,031,996)		
Total Revenues & Fund Sources	\$ 3,728,871	\$ 5,182,540	139.0%	\$ 2,958,084	\$ 3,282,904	111.0%	\$ 324,820	\$(1,899,636)		
Expenditures										
Operating Expenditures										
Operating Expenditures	2,306,888	2,041,504	88.5%	2,318,091	2,259,314	97.5%	58,777	217,810		
Total Operating Expenditures	2,306,888	2,041,504	88.5%	2,318,091	2,259,314	97.5%	58,777	217,810		
Other Expenditures										
Custodial Activities	105	66	63.2%	100	953	953.0%	(853)	887		
Debt Service	147,807	146,769	99.3%	343,576	332,448	96.8%	11,128	185,679		
Capital Expenditures	1,603,000	745,821	46.5%	290,570	66,830	23.0%	223,740	(678,991)		
Interfund Loan Disbursements	-	-	0.0%	279,430	279,427	100.0%	3	279,427		
Total Other Expenditures	1,750,912	892,656	51.0%	913,676	679,658	74.4%	234,018	(212,998)		
Total Expenditures	\$ 4,057,800	\$ 2,934,160	72.3%	\$ 3,231,767	\$ 2,938,972	90.9%	\$ 292,795	\$ 4,812		
Change in Fund Balance	\$ (328,929)	\$ 2,248,380	-683.5%	\$ (273,683)	\$ 343,932	-125.7%	\$ 617,615	\$(1,904,448)		
<i>Operating Income (deficit)</i>	<i>\$ 421,833</i>	<i>\$ 1,089,147</i>	<i>258.2%</i>	<i>\$ 623,093</i>	<i>\$ 1,003,697</i>	<i>161.1%</i>	<i>\$ 263,050</i>	<i>\$ (85,450)</i>		

Foot Note:

* The target percentage of budget is calculated as the month of reporting (12 for December) divided by the number of months (12) in the year.

^ Variance from YTD target amount to YTD actual amount. Positive variance, if YTD revenue>target amount and YTD expenditure<target amount.

City of Chehalis
 Comparative Revenues and Expenditures - Budget to Actual
 December 2018 and 2017
 Storm and Surface Water Fund

Storm Water Fund (#406)	2017		2018		YTD Target % of Budget* 100.0%		2018		2018-2017	
	Amended Budget	YTD 12/31/2017 Actual	YTD % of Budget	Amended Budget	YTD 12/31/2018 Actual	YTD % of Budget	YTD Variance^	YTD Variance		
Revenues:										
Charges for Goods & Services	\$ 550,910	\$ 681,603	123.7%	\$ 611,100	\$ 647,207	105.9%	\$ 36,107	\$ (34,396)		
Intergovernmental Revenue	-	-	0.0%	-	-	0.0%	-	-		
Fines and Forfeitures	5,000	5,794	115.9%	5,000	8,900	178.0%	3,900	3,106		
Interest Earnings	1,000	5,128	512.8%	13,250	17,371	131.1%	4,121	12,243		
Other Misc. Revenues	-	697	0.0%	-	297	0.0%	297	(400)		
Total Revenues	556,910	693,222	124.5%	629,350	673,775	107.1%	44,425	(19,447)		
Other Fund Sources:										
Capital Grants	-	-	0.0%	-	-	0.0%	-	-		
Custodial Activities	-	25	0.0%	30	46	153.3%	16	21		
Debt Proceeds	-	-	0.0%	-	-	0.0%	-	-		
Total Other Fund Sources	-	25	0.0%	30	46	153.3%	16	21		
Total Revenues & Fund Sources	\$ 556,910	\$ 693,247	124.5%	\$ 629,380	\$ 673,821	107.1%	\$ 44,441	\$ (19,426)		
Expenditures:										
Operating Expenditures:										
Operating Expenditures	524,798	429,821	81.9%	491,175	477,146	97.1%	14,029	47,325		
Total Operating Expenditures	524,798	429,821	81.9%	491,175	477,146	97.1%	14,029	47,325		
Other Expenditures:										
Custodial Activities	100	25	25.0%	50	46	92.0%	4	21		
Capital Expenditures	-	-	0.0%	230,000	30,190	13.1%	199,810	30,190		
Transfers-out	-	-	0.0%	-	-	0.0%	-	-		
Total Other Expenditures	100	25	25.0%	230,050	30,236	13.1%	199,814	30,211		
Total Expenditures	524,898	429,846	81.9%	721,225	507,382	70.4%	213,843	77,536		
Changes in Fund Balance	\$ 32,012	\$ 263,401	822.8%	\$ (91,845)	\$ 166,439	-181.2%	\$ 258,284	\$ (96,962)		
<i>Operating Income (deficit)</i>	\$ 32,112	\$ 263,401	820.3%	\$ 138,175	\$ 196,629	142.3%	\$ 58,454	\$ (66,772)		

Foot Note:

* The target percentage of budget is calculated as the month of reporting (12 for December) divided by the number of months (12) in the year.

^ Variance from YTD target amount to YTD actual amount. Positive variance, if YTD revenue>target amount and YTD expenditure<target amount.

City of Chehalis
Comparative Revenues and Expenditures - Budet to Actual
December 2018 and 2017
Airport Fund

Airport Fund (#407)	2017		2018		YTD Target % of Budget*		2018		2018-2017	
	Amended Budget	YTD 12/31/2017 Actual	YTD % of Budget	Amended Budget	YTD 12/31/2018 Actual	YTD % of Budget	YTD Variance^	YTD Variance		
Revenues:										
Intergovernmental Revenues	\$ 1,305,191	\$ 962,586	73.8%	\$ 308,000	\$ 400,937	130.2%	\$ 92,937	\$ (561,649)		
Fuel sales	533,622	480,895	90.1%	486,000	524,221	107.9%	38,221	43,326		
Other Misc. Revenues	3,095	3,020	97.6%	1,700	43,760	2574.1%	42,060	40,740		
Late Payment Fees	-	-	0.0%	-	60	0.0%	60	60		
Interest Earnings	5,325	11,852	222.6%	-	10,971	0.0%	10,971	(881)		
Rents & Royalties	981,437	1,062,374	108.2%	1,112,500	1,152,429	103.6%	39,929	90,055		
Total Revenues	2,828,670	2,520,727	89.1%	1,908,200	2,132,378	111.7%	224,178	(388,349)		
Other Fund Sources:										
Capital Grants	-	-	0.0%	-	-	0.0%	-	-		
Custodial Activities	168,424	175,936	104.5%	182,059	290,623	159.6%	108,564	114,687		
Interfund Loan Receipts	-	-	0.0%	279,430	279,427	100.0%	(3)	279,427		
Proceeds from Sale of Capital Asset	1,440	7,290	506.3%	-	1,620	0.0%	1,620	(5,670)		
Debt Proceeds (Bonds/Loans)	300,000	300,000	100.0%	-	-	0.0%	-	(300,000)		
Operating Transfers In	-	-	0.0%	-	-	0.0%	-	-		
Total Other Fund Sources	469,864	483,226	102.8%	461,489	571,670	123.9%	110,181	88,444		
Total Revenues & Fund Sources	\$ 3,298,534	\$ 3,003,953	91.1%	\$ 2,369,689	\$ 2,704,048	114.1%	\$ 334,359	\$ (299,905)		
Expenditures:										
Operating Expenditures	1,207,247	1,075,307	89.1%	1,070,331	1,067,955	99.8%	2,376	(7,352)		
Total Operating Expenditures	1,207,247	1,075,307	89.1%	1,070,331	1,067,955	99.8%	2,376	(7,352)		
Other Expenditures:										
Custodial Activities	168,424	174,130	103.4%	182,014	190,628	104.7%	(8,614)	16,498		
Debt Service	1,648,602	1,598,830	97.0%	336,014	336,349	100.1%	(335)	(1,262,481)		
Capital Expenditures	1,854,005	1,601,780	86.4%	613,073	412,733	67.3%	200,340	(1,189,047)		
Interfund Loan Payment	-	-	0.0%	16,800	16,590	98.8%	210	16,590		
Total Other Expenditures	3,671,031	3,374,740	91.9%	1,147,901	956,300	83.3%	191,601	(2,418,440)		
Total Expenditures	\$ 4,878,278	\$ 4,450,047	91.2%	\$ 2,218,232	\$ 2,024,255	91.3%	\$ 193,977	\$ (2,425,792)		
Changes in Fund Balance	\$(1,579,744)	\$(1,446,094)	91.5%	\$ 151,457	\$ 679,793	448.8%	\$ 528,336	\$ 2,125,887		
<i>Operating Income (deficit)</i>	<i>\$ 1,621,423</i>	<i>\$ 1,445,420</i>	<i>89.1%</i>	<i>\$ 837,869</i>	<i>\$ 1,064,423</i>	<i>127.0%</i>	<i>\$ 226,554</i>	<i>\$ (380,997)</i>		

Foot Note:

* The target percentage of budget is calculated as the month of reporting (12 for December) divided by the number of months (12) in the year.

^ Variance from YTD target amount to YTD actual amount. Positive variance, if YTD revenue>target amount and YTD expenditure<target amount



Council Financial Status Report

2018 Fourth Quarter

Twelve Months Ended December 31, 2018

Presenter: Chun Saul

Discussion

- ❖ 2018 YTD Operating Results for 12 months (January through December)
- ❖ Budget to Actual comparison – YTD Target 100% (12/12 months)
 - City-wide overview (All Funds)
 - General Fund overview
 - Wastewater, Water, Storm Water & Airport overview
- ❖ Treasurer's Report – Cash, Deposits & Investments As of 12/31/2018

City-wide All Fund

**All City Funds- Budget to Actual
For the Fourth Quarter Ended December 31, 2018**

	All Funds Totals			YTD Variance Positive (Negative)
	2018 Budget	2018 Actual	YTD % of Budget	
Beginning Fund Balance	\$ 17,784,181	\$ 17,784,181		
Revs. & Transfers In	\$ 24,655,310	\$ 25,282,119	102.5%	\$ 626,809
Exps. & Transfers Out	\$ 25,325,344	\$ 22,863,124	90.3%	\$ 2,462,220
Ending Fund Balance	\$ 17,114,147	\$ 20,203,176	118.0%	\$ 3,089,029
Changes in Fund Balance	\$ (670,034)	\$ 2,418,995		

- YTD total revenues is 102.5% of the 2018 amended budget (\$626,809 above the 100% expected amount).
 - YTD total expenditures is 90.3% of the 2018 budget (\$2,462,220 below the 100% expected amount)
 - Capital expenditures: Used 64% of the 2018 budget (Balance \$862,760)
 - All other expenditures: Used 93% the 2018 budget (Balance \$1,599,460)
- ✓ **Bottom line – The city operated within the budget parameters. Both revenues and expenditures resulted in positive outcome.**

General Fund Overview

City of Chehalis
General Fund - Budget to Actual
For the Fourth Quarter Ended December 31, 2018

	General Fund		YTD % of Budget	YTD Variance Positive (Negative)
	2018 Budget	2018 Actual		
Beginning Fund Balance	\$ 2,042,442	\$ 2,042,442		
Revs. & Transfers In	\$ 9,438,172	\$ 9,611,585	101.8%	\$ 173,413
Exps. & Transfers Out	\$ 10,496,273	\$ 9,849,765	93.8%	\$ 646,508
Ending Fund Balance	\$ 984,341	\$ 1,804,262	183.3%	\$ 819,921
Changes in Fund Balance	\$ (1,058,101)	\$ (238,180)		
<i>Ending Fun Balance % of Annual Expenditures</i>			<i>18.3%</i>	

- YTD Revenues is 101.8% of the 2018 budget (\$173,413 above the 100% target amount).
- YTD Expenditures is 93.8% of the 2018 budget (\$646,508 below the 100% target amount)
- Ending fund balance decreased by \$238,180 (\$819,921 less than expected)

Bottom line – General Fund operated within the budget parameters. Both revenues and expenditures resulted in positive outcome.

General Fund Revenues - Budget to Actual

Net Total Revenues:

2018 actual \$173K above the 2018 amended budget.

Property Taxes:

Received 97.2% of the 2018 budget. \$38K less than 2017.

Sales Taxes:

2018 actual \$200K above the 2018 budget (104.1%)
 \$505,849 or 10% is from construction activities in 2018
 (\$77,712 increase from 2017).
 A \$376,782 (or 8.0%) increase from 2017.

Utility Taxes:

2018 actual \$6K above the 2018 amended budget (0.4%)
 \$47K decrease from 2017.
 Water/Sewer, Gas & Cable decreased \$76K from 2017
 Electricity & Telephone increased \$33K from 2017

State Shared Revenues:

Received 98.8% of the 2018 amended budget.
 \$23K increase from 2017:
 Marijuana Excise & Enforcement Tax: \$23K increase from 2017
 SST mitigation: 11K decrease from 2017

Grants:

\$815K decrease (One-time TIB & RCO grants in 2017)

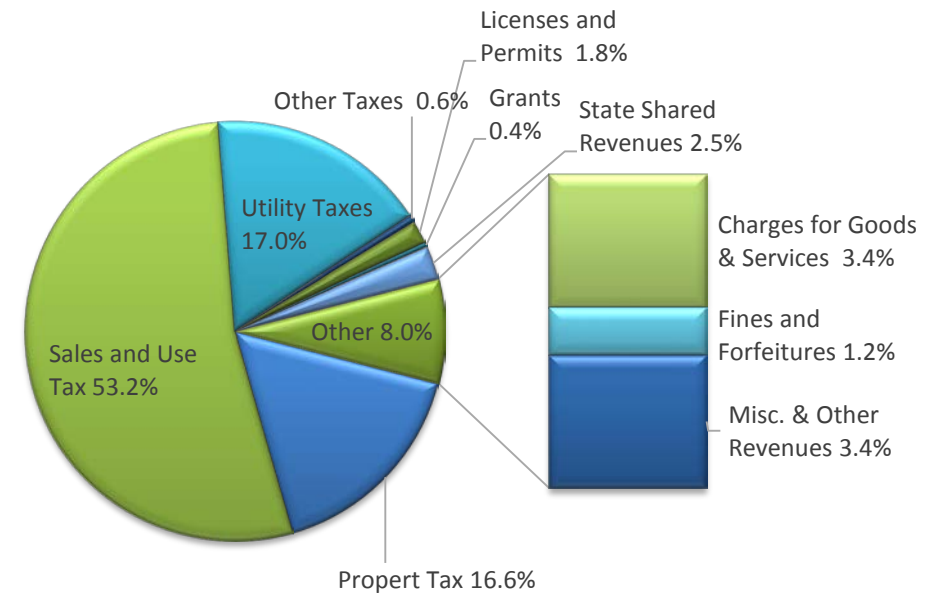
General Fund Revenue Sources	2018 Amended Budget	YTD Actual 12/31/2018	YTD % of Budget	2018 YTD Variance Positive (Negative)	YTD Actual 12/31/2017	2018-2017 YTD Variance
Propert Tax	\$ 1,639,220	\$ 1,593,865	97.2%	\$ (45,355)	\$ 1,632,475	\$ (38,610)
Sales and Use Tax	4,909,128	5,108,799	104.1%	199,671	4,732,017	376,782
Utility Taxes	1,626,120	1,632,282	100.4%	6,162	1,679,886	(47,604)
Other Taxes	50,222	55,336	110.2%	5,114	51,213	4,123
Licenses and Permits	188,435	172,745	91.7%	(15,690)	201,153	(28,408)
Grants	31,067	36,190	116.5%	5,123	851,220	(815,030)
State Shared Revenues	247,952	244,993	98.8%	(2,959)	222,390	22,603
Charges for Goods & Services	321,205	325,859	101.4%	4,654	369,369	(43,510)
Fines and Forfeitures	114,085	116,090	101.8%	2,005	108,247	7,843
Misc. & Other Revenues	310,738	325,426	104.7%	14,688	301,656	23,770
Total Revenues	\$ 9,438,172	\$ 9,611,585	101.8%	\$ 173,413	\$ 10,149,626	\$ (538,041)

General Fund Revenues by Major Source

- Taxes make up 87.4% of total general fund revenues

General Fund Major Revenue Source	% of Total	2018 YTD Actual
Sales and Use Taxes	53.2%	\$5,108,799
Utility Taxes	17.0%	\$1,632,282
Property Tax	16.6%	\$1,593,865
Other Taxes	0.6%	\$55,336
Total Taxes	87.4%	\$8,390,282
All Other	12.6%	\$1,221,303
Total Revenues	100.0%	\$9,611,585

City of Chehalis
General Fund YTD Revenues by Source
For the Period Ended December 31, 2018



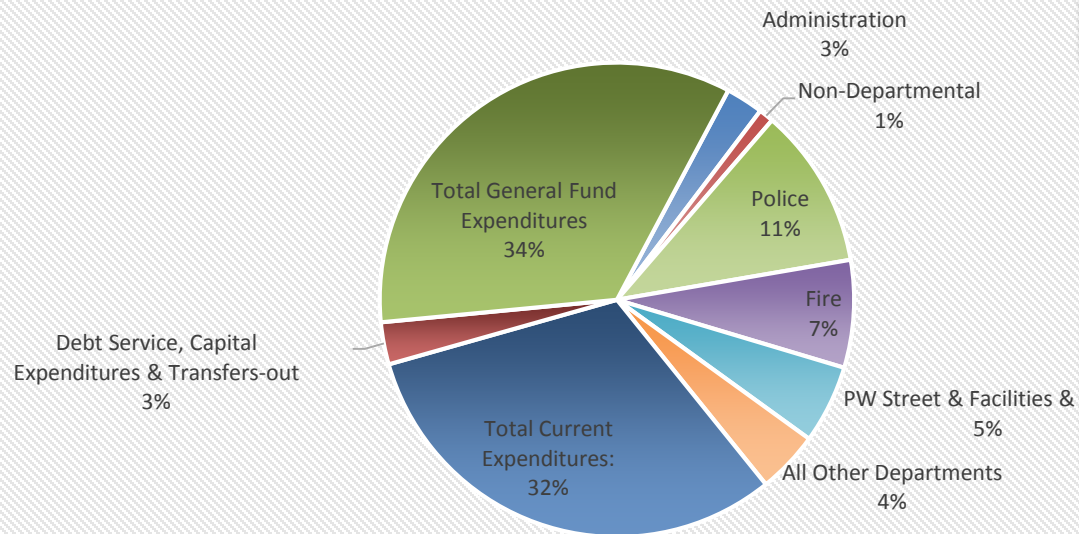
General Fund Expenditures

General Fund Expenditures by Department/Function	2018 Amended Budget	YTD 12/31/2018 Actual	YTD % of Budget	2018 YTD Variance Positive (Negative)	% of Total
Current Expenditures:					
Administration	\$ 817,829	\$ 734,241	89.8%	\$ 83,588	7%
Non-Departmental	421,189	289,256	68.7%	131,933	3%
Police	3,200,771	3,147,364	98.3%	53,407	32%
Fire	2,296,930	2,104,605	91.6%	192,325	21%
PW Street & Facilities & Parks	1,642,180	1,535,078	93.5%	107,102	16%
All Other Departments	1,296,702	1,213,751	93.6%	82,951	12%
Total Current Expenditures:	9,675,601	9,024,295	93.3%	651,306	92%
Debt Service, Capital Expenditures & Transfers-out	820,672	825,470	100.6%	(4,798)	8%
Total General Fund Expenditures	\$10,496,273	\$9,849,765	93.8%	\$ 646,508	100%

- **Bottom line: All departments operated within budget parameters.**
- Exception: Actual transfer-out to Dedicated Street Fund \$6K more than the amended budget due to actual sales tax revenue higher than the projected.

General Fund Expenditures by Function

City of Chehalis General Fund
2018 Year-to-Date Expenditures by Function
December 31, 2018



Administration:
City Council
City Manager
City Clerk
Finance
Human Resources

All Other Departments:
Municipal Court
Planning & Building
Recreation

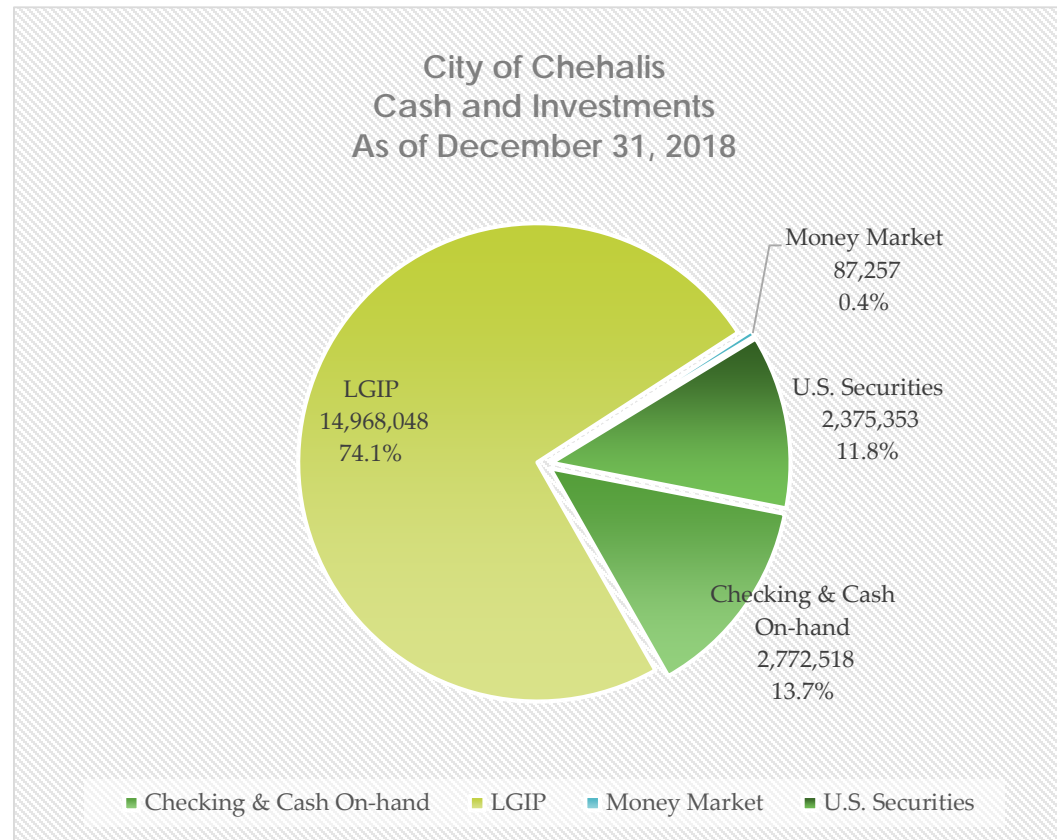
Enterprise Funds Summary

- **Wastewater**
 - Total YTD revenues are 98.3 % of the 2018 budget.
 - Total YTD expenditures are 93.7 of the 2018 budget.
 - Fund balance increased by \$279,362.
- **Water**
 - Total YTD revenues are 111.0% of the 2018 budget.
 - Total YTD expenditures are 90.9% of the 2018 budget.
 - Fund balance increased by \$343,932. (*Capital expenditures: Budget \$291K; YTD \$67K; Balance \$224K*)
- **Storm & Surface Water**
 - Total YTD revenues are 107.1% of the 2018 budget.
 - Total YTD expenditures are 70.4% of 2018 budget.
 - Fund balance increased by \$166,439. (*Capital expenditures: Budget \$230K; YTD \$30K; Balance \$200K*)
- **Airport**
 - Total YTD revenues are 114.1% of the 2018 budget.(Lease deposit \$100K or 4.2% not budgeted)
 - Total YTD expenditures are 91.3% of the 2018 budget.
 - Fund balance increased by \$680K. (*Capital expenditures: Budget \$613K; YTD \$413; Balance \$200K & Lease Deposit \$100K*)

Bottom line: All Funds operated within normal budget parameters.

Cash & Investments

Cash, Deposits & Investments by Funds	Balance 12/31/2018	% of Total
General Fund	\$ 1,804,262	8.9%
TBD Fund	1,110,158	5.5%
Wastewater Fund	5,112,881	25.3%
Water Fund	7,437,092	36.8%
Storm Water Fund	1,264,662	6.3%
Airport Fund	1,051,418	5.2%
Firemen's Pension Fund	877,319	4.3%
All Other Funds	1,545,385	7.6%
Total	\$ 20,203,176	100.0%
2018 YTD Interest Earnings		
	\$ 285,834	
<i>LGIP Net Earnings Rate, Average 2018 was 1.9037%</i>		
<i>LGIP Net Earnings Rate, Average 2017 was 0.9502%</i>		
Note: Other than the General Fund, all other funds are restricted or designated to finance particular activities of the City.		



Closing

- Questions and Comments?
- Thank you!