

# **City of Chehalis**



## **Quarterly Council Financial Report Third Quarter 2019**

**For the Period Ending  
September 30, 2019  
(January through September)**

**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:** October 28, 2019

**SUBJECT:** **2019 Third Quarter Financial Status Report**

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**DISCUSSION**

This document provides a summary review of the City's financial activities and status as of third quarter ending September 30, 2019.

The reports have been formatted to be consistent with the approved budget for ease of comparison and review of information. Comparisons and variances shown are based on straight line projections. The percentage year-to-date (YTD) target for September is 75% (9 of 12 months).

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

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

**CITY-WIDE OVERVIEW**

Overall, on a city-wide basis, the city has received \$20,908,578 or 67.5% of the 2019 revenue budget and has expensed \$17,047,111 or 50.6% of the 2019 appropriations through the third quarter. Total city-wide revenues exceeded total expenditures by \$3,861,467 during this period. The city-wide total fund balance as of September 30, 2019 is \$24,057,864.

Other than the General Fund, all other funds are restricted funds that are used to account for specific revenues or resources that are legally restricted or designated to finance particular activities of the city, such as Transportation Benefit District, utilities, and Airport funds.

<b>City-Wide, All Funds</b>	2019 Budget	2019 YTD 9/30/2019	YTD % of Budget	YTD Variance
				Positive (Negative)
Revs. & Transfers In	\$ 30,974,993	\$ 20,908,578	67.5%	\$ (2,322,667)
Exps. & Transfers Out	33,699,477	17,047,111	50.6%	8,227,497
Changes in Fund Balance	(2,724,484)	3,861,467	-141.7%	\$ 5,904,830
Beginning Fund Balance	20,196,397	20,196,397	100.0%	5,049,099
Ending Fund Balance	\$ 17,471,913	\$ 24,057,864	137.7%	\$ 10,953,929

Total YTD revenues is about 7.5% or \$2,322,667 below of the YTD target amount. Most of this variance is due to the grants for recreation park renovation and Airport Taxiway Realignment projects. A combined total of \$4,244,795 in grant revenue is budgeted between these two projects, and only \$659,375 or 15.5% of the 2019 budget has been received through the end of September. A second reimbursement request for the Airport Taxiway Realignment project in the amount of \$683,008 was submitted in mid-October, and we expect to receive the payment in late October or early November. Additional reimbursement requests will be submitted as the projects progress and as the city receives invoices from the contractors and pays them.

The YTD expenditure is below the target amount by \$8,227,497. A significant portion of this variance is from capital outlays activities. Total 2019 capital outlay budget is \$11,305,872 and only \$1,672,456 or 14.8% of the 2019 budget have been expensed. The 2019 capital budget and year-to-date spent by fund are summarized below:

- Transportation Benefit District Fund: Budget \$1,175,000; YTD spent \$129,450 (11.0%)
- Public Facilities Reserve Fund: Budget \$4,446,608 for Recreation Park renovation project and a pool liner replacement project; YTD spent \$548,821 (12.3% of the budget).
- Wastewater Fund: Budget \$890,294; YTD spent \$351,419 (39.5% of the budget).
- Water Fund: Budget \$1,464,300; YTD spent \$175,023 (12.0% of the budget).
- Storm Water Fund: Budget \$240,800; YTD spent \$12,568 (5.2% of the budget).
- Airport Fund: Budget \$2,973,678; YTD spent \$378,424 (12.7% of the budget).

Total YTD operating expenditures is \$12,984,913 or 69.5% of the 2019 budget. This is \$1,029,316 below the nine-month target.

For the most part, the city funds operated within the normal budget parameters and resulted in positive changes in fund balances, except for the Arterial Street Fund and the General Fund.

Arterial Street Fund has expensed 87.3% of the 2019 budget, which is about \$9,221 ahead of the 9-month target. This is due to purchasing most of the annual supplies during the summer months. The revenue and expenditure variances for the General Fund and the major enterprise funds are explained in detail in the fund overview section below.

**Bottom Line:** The City operated within normal budget parameters.

## GENERAL FUND OVERVIEW

The General Fund's YTD total revenue is \$7,400,822 or 73.1% of the 2019 budget. This is \$191,925 below of the YTD target. Total YTD expenditures is 72.9% of the 2019 budget. This is \$238,492 below the YTD target amount. At the end of third quarter, the General Fund total expenditures exceeded total revenues by \$713,806, which reduced the ending fund balance by the same amount. The fund balance of the General Fund as of September 30, 2019 is \$1,090,456, which is about 9.8% of the General Fund expenditure budget.

<b>General Fund</b>	2019 Budget	2019 YTD 9/30/2019	YTD % of Budget	YTD Variance
				Positive (Negative)
Revs. & Transfers In	\$ 10,123,662	\$ 7,400,822	73.1%	\$ (191,925)
Exps. & Transfers Out	11,137,493	8,114,628	72.9%	238,492
Changes in Fund Balance	(1,013,831)	(713,806)	70.4%	\$ 46,567
Beginning Fund Balance	1,804,262	1,804,262	100.0%	451,066
Ending Fund Balance	\$ 790,431	\$ 1,090,456	138.0%	\$ 497,633
Ending Fund Balance % of Revenue Budget	7.8%	10.8%		
Ending Fund Balance % of Expenditure Budget	7.1%	9.8%		

### General Fund Revenues:

About 84.6% of the General Funds' YTD revenue is from various tax revenues. Total YTD tax revenue is \$6,519,014 or 72.1% of the 2019 tax revenue budget. This is \$255,982 below the YTD target amount.

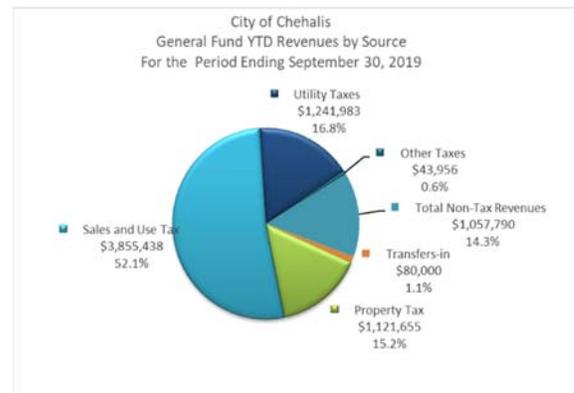
<b>GENERAL FUND (#001)</b>	2019 Amended Budget	YTD 9/30/2019 Actual	2019 YTD % of Budget	2019 YTD Target 9/30/2019	2019 YTD Variance^
<b>Revenues:</b>					
<b>Revenues:</b>					
Property Taxes General	\$ 1,434,393	\$ 835,026	58.2%	1,075,795	(240,769)
Property Taxes General - Fire Pension%	165,126	96,043	58.2%	123,845	(27,802)
Property Taxes EMS	327,230	190,586	58.2%	245,423	(54,837)
<b>Subtotal for Property Taxes</b>	<b>1,926,749</b>	<b>1,121,655</b>	<b>58.2%</b>	<b>1,445,062</b>	<b>(323,407)</b>
Local Sales & Use Taxes	4,970,180	3,670,249	73.8%	3,727,635	(57,386)
Brokered Natural Gas Sales Tax	27,200	71,965	264.6%	20,400	51,565
Criminal Justice Tax	144,730	113,224	78.2%	108,548	4,677
<b>Subtotal for Sales and Use Taxes</b>	<b>5,142,110</b>	<b>3,855,438</b>	<b>75.0%</b>	<b>3,856,583</b>	<b>(1,145)</b>
Electricity Utility B & O Tax	546,320	500,879	91.7%	409,740	91,139
Gas Utility Tax	154,480	111,225	72.0%	115,860	(4,635)
Garbage Utility Tax	73,480	61,664	83.9%	55,110	6,554
Cable Utility Tax	87,430	74,181	84.8%	65,573	8,609
Telephone Utility Tax	250,180	143,776	57.5%	187,635	(43,859)
Water/Sewer Utility B & O Tax	464,600	350,258	75.4%	348,450	1,808
<b>Subtotal for Utility Taxes</b>	<b>1,576,490</b>	<b>1,241,983</b>	<b>78.8%</b>	<b>1,182,368</b>	<b>59,616</b>
Leasehold Excise Tax	46,630	43,956	94.3%	34,973	8,984
Timber Excise Tax	40	-	0.0%	30	(30)
<b>Subtotal for Other Taxes</b>	<b>46,670</b>	<b>43,956</b>	<b>94.2%</b>	<b>35,003</b>	<b>8,954</b>
<b>Total Tax Revenues</b>	<b>\$ 8,692,019</b>	<b>\$ 6,263,032</b>	<b>72.1%</b>	<b>6,519,014</b>	<b>\$(255,982)</b>

Property Tax revenue received through September is \$1,121,655 or 58.2% of the 2019 budget and is \$323,407 below the YTD target amount. This is a normal trend for this time of year. The 2<sup>nd</sup> half of 2019 tax is due in October, and the City will receive a distribution from the County in November.

Sales Tax revenue received through September is \$3,855,438 or 75.0% of the 2019 budget. This is about \$1,145 below the YTD target amount. Sales tax is the City's largest revenue source and make up 52.1% of the total General Fund revenues received through September 2019.

Local sales and use tax received is 73.8% of the 2019 budget and is \$57,386 below the YTD target amount. About \$379,335 (or 10.3%) of the YTD 2019 local sales and use tax is from construction activities (construction of buildings, heavy and civil engineering, and specialty trade contractors, etc.). As predicted, the sales tax from aggregated construction activities declined by \$156,118 (or 41.2%); whereas, sales taxes from aggregated non-construction activities increased by \$152,659 (4.6%) when compared to this time last year. Local sales and use tax revenues trend will be closely monitored throughout the year.

Utility Tax revenue received is \$1,241,983 or 78.8% of the 2019 budget. This is \$59,616 ahead of the YTD target. Electricity utility tax revenue is \$91,139 ahead of the YTD target amount. However, telephone utility tax revenue is \$43,859 below the YTD target amount. Utility tax revenue is the second largest revenue source of the General Fund and make up 16.8% of the General Fund total revenues received through September 2019.



License and Permit fee revenue received is \$192,546 or 102.5% of the 2019 budget. This exceeds the YTD target amount by \$51,602. This category includes business licenses and permit fees and non-business licenses and permit fees (i.e., building permit fees, animal licenses, and gun permits). The \$27,987 permit fees paid for the multi-family units on Jackson Highway is one of the contributing factors for the YTD revenue exceeding the 9-month target. YTD business license fees received is \$25,130 or 103% of the 2019 budgeted amount. This exceeds the YTD target amount by \$6,880.

Intergovernmental revenue is \$269,398 or 74.5% of the 2019 budget and \$1,743 below the YTD target amount. This category includes intergovernmental grants, state shared revenues, and the Main Street B&O Tax Credit.

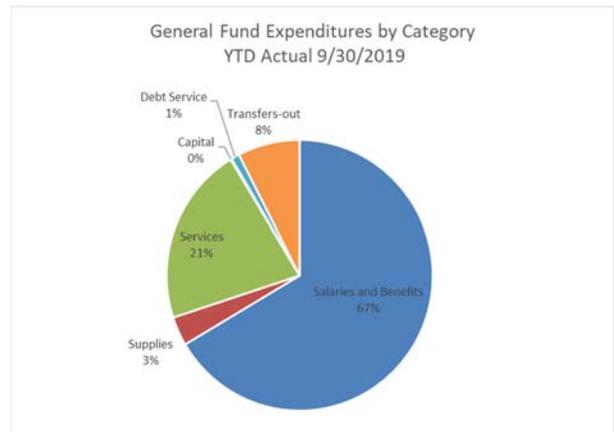
2019 YTD state Shared revenue received is \$222,525 or 95.2% of the 2019 budget and \$47,210 ahead of the YTD target amount. This category includes Multimodal Transportation, Streamlined Sales Tax (SST) Mitigation, Criminal Justice Special Program, Marijuana Enforcement, Marijuana Excise Tax, DUI cities, Liquor Excise Tax and Liquor Board Profits, and PUD Privilege Tax.

The City received \$37,500 in Main Street B&O Tax Credit and has used it to reduce the B&O Tax payment liability.

Charges for goods and services revenue received is \$281,656 or 64.8% of the 2019 budget and \$56,653 below the YTD target amount. This category includes charges for fire and police services, plan check review fees, and recreation program fees. Recreation program fees make up about 45% of the 2019 budget in this category. The YTD parks and recreation program revenue is \$165,143 or 85.2% of the 2019 budget. Total revenue from pool activities is \$117,984 and from other activities (i.e. classes and tournaments) is \$47,160.

**General Fund Expenditures and Transfers-out**

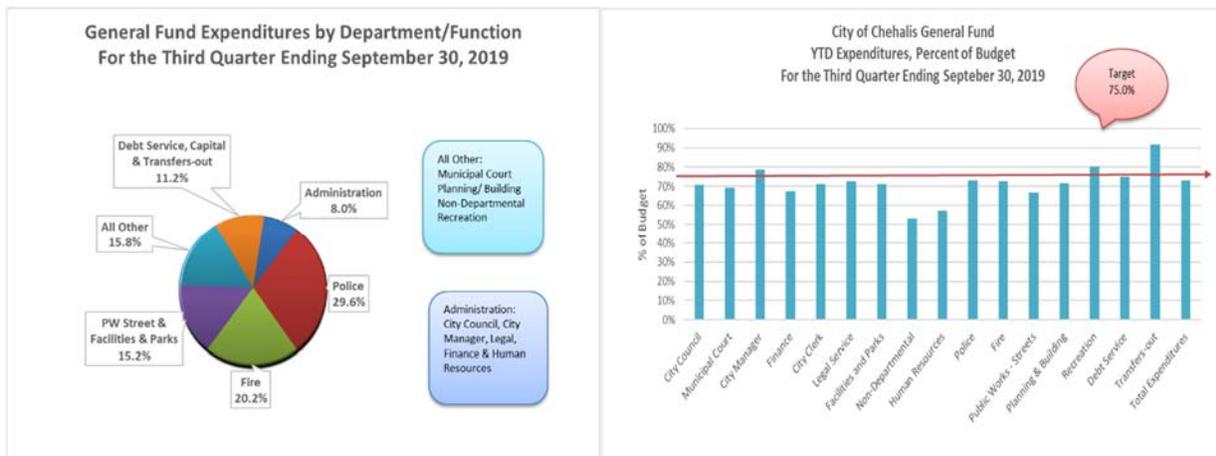
Total YTD expenditures and transfers-out through September is \$8,114,628 or 72.9% of the 2019 budget. This is \$238,492 below the YTD target amount.



Total YTD expenditures for salaries and benefits is \$5,621,106 or 73.2% of the 2019 budget. Total salaries and benefits make up about 67% of the total general fund expenditures.

Total YTD expenditures for supplies is \$272,724 or 67.9% of the 2019 budget. Total YTD expensed for services is \$1,640,779 or 66.5% of the 2019 budget. Services include but not limited to annual WCIA insurance, computer software & hardware maintenance, facilities maintenance, and other professional and intergovernmental services.

Police and Fire make up 49.8% of the total YTD General Fund expenditures.



Overall expenditures for most departments were within the expected target %, with the following exceptions:

- Non-departmental department has spent 53.2% of the 2019 budget. Appropriations for election cost, voter registration, and main street tax credit contribution are some of the annual payments that have not been paid. LEOFF 1 medical benefits for retired police and fire fighters are budgeted for \$156,000, and a \$77,260 or 49.5% of the 2019 budget has been spent.
- Human Resources department has expensed 57.2% of the 2019 budget. This is \$34,623 below the eight-month target. Most of the variance is for professional services relating to the labor negotiations which is currently still in progress.
- Recreation department has expensed 80.2% of the 2019 budget, which exceeds the nine-month target by \$25,344. This is mostly due to payroll expenditures for part-time staff for the pool operations. 2019 budget for part-time payroll is \$103,000 and \$111,535 has been expensed by the end of September. This exceeded the 2019 budget by \$8,535. Recreation department budget will be closely monitored for the next couple of months.

The 2019 budget as amended In July 2019 includes transfers-out in the amount of \$870,479, which includes setting aside funds for building abatement, compensated absences, debt service, public facilities, automotive and equipment, and 4% of local sales and use taxes for dedicated street fund. A total of \$798,481 or 91.7% of the 2019 budget has been transferred as of September. Remaining transfer-out budget is for the 4% sales tax to the Dedicated Street Fund, which will be based on future monthly sales tax revenues.

**Bottom Line:** Overall, the general fund operated within the budget parameters.

## **ENTERPRISE FUNDS**

### **Wastewater Fund**

Total YTD operating revenues received through the third quarter is \$4,186,752 or 76.5% of the 2019 budget. This is \$83,051 ahead of the YTD target amount. Hookup & connection fee revenue exceeded the 2019 budget by \$56,721, investment interest earnings exceeded the YTD target by \$65,322, whereas capacity charge revenue is \$69,345 below the YTD target. The 2<sup>nd</sup> half of the annual payment from Lewis County Sewer District No. 4 and Napavine for their share of the Wastewater treatment plant capacity is paid in November each year.

Total operating expenditures through the third quarter is \$2,128,641 or 68.1% of the 2019 budget; whereas, total expenditures incurred for debt service and capital expenditures are 51.1% and 39.5% of the 2019 budget, respectively.

Total revenues exceeded total expenditures by \$746,999.

### **Water Fund**

Total YTD operating revenues received through the third quarter is \$2,311,992 or 80.1% of the 2019 budget. This is \$147,176 ahead of the nine-month target amount. Charges for services

exceeded the YTD target by \$13,097, Hookup/connection fees exceeded the YTD target by \$60,280, and investment interest earnings exceeded the YTD target by \$73,690.

Total operating expenditures through the third quarter is \$1,615,660 or 65.0% of the 2019 budget. However, only 12.0% of the 2019 capital budget has been spent.

Total revenues exceeded the total expenditures by \$201,482.

### **Storm and Surface Water Fund**

Total YTD operating revenues received through third quarter is \$553,943 or 69.2% of the 2019 budget. This is \$46,612 below the nine-month target amount. The 2019 revenue projection in the 2019 budget for charges for services seems to be higher than actual.

Total operating expenditures through the third quarter is \$383,161 or 70.2% of the 2019 budget. However, only 5.2% of the 2019 capital outlay budget has been spent through September.

Total revenues exceeded total expenditures by \$158,214.

### **Airport Fund**

Total operating revenues received through the third quarter is \$1,368,375 or 85.7% of the 2019 budget. This is \$171,424 ahead of the nine-month target amount. Fuel sales revenue and interest earnings are \$147,434 and \$17,903 ahead of the YTD target amount, respectively.

Intergovernmental revenues (grants) received is 659,375 or 24.9% of the 2019 budget. The grant revenue budget includes the FAA and WSDOT grants for the Taxiway Realignment project. The grant reimburses 95% of the eligible costs incurred. Taxiway realignment project is currently in progress. A grant reimbursement request in the amount of \$683,008 was submitted in mid-October and is expected to be received by the end of October.

YTD total operating expenditures is \$912,403 or 77.8% of the 2019 budget. This is \$32,595 exceeds the YTD target. This is mostly due to increase in fuel purchase. 2019 fuel purchase budget is \$400,000 and the expenditures through September is \$367,986, which exceeds the nine-month target by \$67,986. Airport budget will be closely monitored through next month if an additional budget request is needed through a budget amendment before the year-end.

About 12.7% of the 2019 capital budget has been spent through September 2019. The 2019 budget for the Taxiway Realignment project is \$2,803,678, and the construction is progressing as expected.

Total revenues exceeded total expenditures by \$703,638.

## **TREASURER'S REPORT – CASH AND INVESTMENTS**

The city's total cash, deposits, and investments as of September 30, 2019 is \$24,057,864. About 89.1% or \$21,428,755 of the city's cash is invested and earns interests. The remaining 10.9% or \$2,629,109 is held at the city or deposited in non-interest-bearing checking accounts to cover on-going operational cash flow needs. A summary of cash funds and investment types are as follows:

City of Chehalis Cash, Deposits & Investment - Total Combined All Funds		
Account Type	Balance 9/30/2019	% of Total
Revolving Cash Funds (on-hand)	\$ 4,650	0.02%
Checking	2,624,459	10.91%
Money Market & Savings	187,377	0.78%
Local Government Investment Pool (LGIP)	18,866,025	78.42%
US Govt Agency Securities	2,375,353	9.87%
Total	\$ 24,057,864	100.00%

**Other than the General Fund, all other funds are restricted funds which account for specific revenues or resources that are legally restricted or designated to finance particular activities of the city, such as Transportation Benefit District, utilities, and Airport funds.**

Only about 4.5% or \$1,090,456 of the total balance belongs to the General Fund. The table below provides summary totals for each fund.

Total Cash, Deposits & Investments by Fund Types	Balance 9/30/2019	% of Total
<b>General Fund</b>	<b>\$ 1,090,456</b>	<b>4.5%</b>
TBD Fund	1,904,570	7.9%
Combined Utilities Funds	14,931,063	62.1%
Airport Fund	1,755,056	7.3%
Capital Project Funds	2,151,031	8.9%
All other funds	2,225,688	9.3%
Total	\$ 24,057,864	100.0%

The City's total investment interest earnings through September 30, 2019 totaled \$323,008. The LGIP average net earnings rate from January through September 2019 was 2.448%

### **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  
2019 Third Quarter Financial Statements - All Funds  
As of September 30, 2019

Fund Type/Name	Beginning Fund Balance		Revenues & Transfers			Expenditures & Transfers			Changes in Fund Balance		Ending Fund Balance	
	2019 Amended Budget	Actual 1/1/2019	2019 Amended Budget	YTD 9/30/2019 Actual	YTD % of Budget	2019 Amended Budget	YTD 9/30/2019 Actual	YTD % of Budget	2019 Amended Budget	YTD 9/30/2019 Actual	2019 Amended Budget	Actual 9/30/2019
<b>General Funds:</b>												
General Fund	\$ 1,804,262	\$ 1,804,262	\$ 10,123,662	\$ 7,400,822	73.1%	\$ 11,137,493	\$ 8,114,628	72.9%	\$ (1,013,831)	\$ (713,806)	790,431	\$ 1,090,456
Dedicated Street Fund	163,772	163,772	199,518	161,006	80.7%	172,520	126,815	73.5%	26,998	34,191	190,770	197,963
Building Abatement Fund	101,209	101,209	80,330	81,398	101.3%	80,000	80,000	100.0%	330	1,398	101,539	102,607
Compensated Absences Fund	93,841	93,841	101,850	102,254	100.4%	-	-	0.0%	101,850	102,254	195,691	196,095
<b>Total General Funds</b>	<b>2,163,084</b>	<b>2,163,084</b>	<b>10,505,360</b>	<b>7,745,480</b>	<b>73.7%</b>	<b>11,390,013</b>	<b>8,321,443</b>	<b>73.1%</b>	<b>(884,653)</b>	<b>(575,963)</b>	<b>1,278,431</b>	<b>1,587,121</b>
<b>Special Revenue Funds:</b>												
Arterial Street Fund	125,142	125,142	165,504	118,130	71.4%	175,650	140,607	80.0%	(10,146)	(22,477)	114,996	102,665
Transportation Benefit Dist. Fund	1,110,158	1,110,158	992,518	923,863	93.1%	1,175,000	129,451	11.0%	(182,482)	794,412	927,676	1,904,570
Tourism Fund	363,943	363,943	225,985	194,256	86.0%	405,435	107,269	26.5%	(179,450)	86,987	184,493	450,930
Community Block Grant Fund	24,190	24,190	1,000	163	16.3%	1,000	-	0.0%	-	163	24,190	24,353
HUD Block Grant Fund	86,259	86,259	1,420	1,305	91.9%	1,000	-	0.0%	420	1,305	86,679	87,564
<b>Total Special Revenue Funds</b>	<b>1,709,692</b>	<b>1,709,692</b>	<b>1,386,427</b>	<b>1,237,717</b>	<b>89.3%</b>	<b>1,758,085</b>	<b>377,327</b>	<b>21.5%</b>	<b>(371,658)</b>	<b>860,390</b>	<b>1,338,034</b>	<b>2,570,082</b>
<b>Debt Service Funds:</b>												
2011 G.O. Bond Fund	1	1	99,563	99,563	100.0%	99,563	12,282	12.3%	-	87,281	1	87,282
<b>Total Debt Service Fund</b>	<b>1</b>	<b>1</b>	<b>99,563</b>	<b>99,563</b>	<b>100.0%</b>	<b>99,563</b>	<b>12,282</b>	<b>12.3%</b>	<b>-</b>	<b>87,281</b>	<b>1</b>	<b>87,282</b>
<b>Capital Project Funds:</b>												
Public Facilities Reserve Fund	339,638	339,638	4,448,276	1,912,626	43.0%	4,465,608	561,855	12.6%	(17,332)	1,350,771	322,306	1,690,409
Automotive/Equip. Reserve Fund	94,311	94,311	182,010	184,597	101.4%	81,780	36,522	44.7%	100,230	148,075	194,541	242,386
First Quarter REET Fund	62,712	62,712	106,280	79,110	74.4%	40,821	40,821	100.0%	65,459	38,289	128,171	101,001
Second Quarter REET Fund	71,769	71,769	106,470	79,317	74.5%	33,851	33,851	100.0%	72,619	45,466	144,388	117,235
<b>Total Capital Project Funds</b>	<b>568,430</b>	<b>568,430</b>	<b>4,843,036</b>	<b>2,255,650</b>	<b>46.6%</b>	<b>4,622,060</b>	<b>673,049</b>	<b>14.6%</b>	<b>220,976</b>	<b>1,582,601</b>	<b>789,406</b>	<b>2,151,031</b>
<b>Proprietary Funds:</b>												
Garbage Fund	7,706	7,706	6,745	6,028	89.4%	7,252	3,999	55.1%	(507)	2,029	7,199	9,735
Wastewater Fund	5,112,880	5,112,880	5,472,262	4,187,265	76.5%	5,894,863	3,440,266	58.4%	(422,601)	746,999	4,690,279	5,859,879
Water Fund	7,437,091	7,437,091	2,886,421	2,311,992	80.1%	4,272,555	2,110,510	49.4%	(1,386,134)	201,482	6,050,957	7,638,573
Storm & Surface Water Fund	1,264,662	1,264,662	800,770	553,990	69.2%	786,526	395,776	50.3%	14,244	158,214	1,278,906	1,422,876
Airport Fund	1,051,418	1,051,418	4,423,173	2,177,490	49.2%	4,430,060	1,473,852	33.3%	(6,887)	703,638	1,044,531	1,755,056
<b>Total Proprietary Funds</b>	<b>14,873,757</b>	<b>14,873,757</b>	<b>13,589,371</b>	<b>9,236,765</b>	<b>68.0%</b>	<b>15,391,256</b>	<b>7,424,403</b>	<b>48.2%</b>	<b>(1,801,885)</b>	<b>1,812,362</b>	<b>13,071,872</b>	<b>16,686,119</b>
<b>Fiduciary Funds:</b>												
Firemen's' Pension Fund	877,319	877,319	191,236	123,789	64.7%	78,500	39,069	49.8%	112,736	84,720	990,055	962,039
City Agency Fund	4,114	4,114	360,000	209,614	58.2%	360,000	199,538	55.4%	-	10,076	4,114	14,190
<b>Total Fiduciary Funds</b>	<b>881,433</b>	<b>881,433</b>	<b>551,236</b>	<b>333,403</b>	<b>60.5%</b>	<b>438,500</b>	<b>238,607</b>	<b>54.4%</b>	<b>112,736</b>	<b>94,796</b>	<b>994,169</b>	<b>976,229</b>
<b>TOTAL ALL CITY FUNDS</b>	<b>\$ 20,196,397</b>	<b>\$ 20,196,397</b>	<b>\$ 30,974,993</b>	<b>\$ 20,908,578</b>	<b>67.5%</b>	<b>\$ 33,699,477</b>	<b>\$ 17,047,111</b>	<b>50.6%</b>	<b>\$ (2,724,484)</b>	<b>\$ 3,861,467</b>	<b>\$ 17,471,913</b>	<b>\$ 24,057,864</b>

Note: May contain rounding differences of +/-1

**City of Chehalis**  
**Comparative Revenues and Expenditures - Budget to Actual**  
**September 2018 and 2019**  
**General Fund**

<u>GENERAL FUND (#001)</u>	<u>2018</u> <u>Amended</u> <u>Budget</u>	<u>YTD</u> <u>9/30/2018</u> <u>Actual</u>	<u>2018</u> <u>YTD % of</u> <u>Budget</u>	<u>YTD Target % of Budget*</u>		<u>2019</u> <u>YTD % of</u> <u>Budget</u>	<u>2019</u> <u>YTD</u> <u>Variance<sup>^</sup></u>	<u>2019-2018</u> <u>YTD</u> <u>Variance</u>
				<u>2019</u> <u>Amended</u> <u>Budget</u>	<u>YTD</u> <u>9/30/2019</u> <u>Actual</u>			
<b>Revenues:</b>								
<b>Taxes:</b>								
Property Taxes	\$ 1,639,220	\$ 924,608	56.4%	\$ 1,926,749	\$ 1,121,655	58.2%	\$ (323,407)	\$ 197,047
Sales and Use Taxes	4,909,128	3,792,182	77.2%	5,142,110	3,855,438	75.0%	(1,145)	63,256
Utility Taxes	1,588,620	1,158,332	72.9%	1,576,490	1,241,983	78.8%	59,616	83,651
Other Taxes	50,222	41,087	81.8%	46,670	43,956	94.2%	8,954	2,869
<b>Total Taxes</b>	<b>8,187,190</b>	<b>5,916,209</b>	<b>72.3%</b>	<b>8,692,019</b>	<b>6,263,032</b>	<b>72.1%</b>	<b>(255,982)</b>	<b>346,823</b>
<b>Non-Tax Revenues:</b>								
Licenses and Permits	188,435	126,204	67.0%	187,925	192,546	102.5%	51,602	66,342
Intergovernmental Revenues <sup>(1)</sup>	316,519	274,380	86.7%	361,521	269,398	74.5%	(1,743)	(4,982)
Charges for Goods & Services	321,205	275,721	85.8%	434,687	281,656	64.8%	(44,359)	5,935
Fines and Forfeitures	114,085	87,358	76.6%	120,110	90,323	75.2%	241	2,965
Miscellaneous Other	310,738	245,983	79.2%	247,400	223,867	90.5%	38,317	(22,116)
<b>Total Non-Tax Revenues</b>	<b>1,250,982</b>	<b>1,009,646</b>	<b>80.7%</b>	<b>1,351,643</b>	<b>1,057,790</b>	<b>78.3%</b>	<b>44,058</b>	<b>48,144</b>
<b>Other Fund Sources:</b>								
Transfers-in	-	-	0.0%	80,000	80,000	100.0%	20,000	80,000
<b>Total Other Fund Sources</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>80,000</b>	<b>80,000</b>	<b>100.0%</b>	<b>20,000</b>	<b>80,000</b>
<b>Total Revenues &amp; Fund Sources</b>	<b>\$ 9,438,172</b>	<b>\$ 6,925,855</b>	<b>73.4%</b>	<b>\$ 10,123,662</b>	<b>\$ 7,400,822</b>	<b>73.1%</b>	<b>\$ (191,925)</b>	<b>\$ 474,967</b>
<b>Expenditures</b>								
<b>Operating Expenditures by Department:</b>								
City Council	\$ 77,498	\$ 55,325	71.4%	\$ 97,825	\$ 69,120	70.7%	\$ 4,249	\$ 13,795
Municipal Court	489,082	327,928	67.0%	497,978	345,338	69.3%	28,146	17,410
City Manager	262,340	186,291	71.0%	190,628	149,541	78.4%	(6,570)	(36,750)
Finance	273,990	178,611	65.2%	296,333	200,059	67.5%	22,191	21,448
City Clerk	81,252	50,534	62.2%	86,347	61,254	70.9%	3,506	10,720
Legal Service	-	-	0.0%	74,633	54,156	72.6%	1,819	54,156
Facilities and Parks	1,073,729	788,981	73.5%	1,173,217	836,152	71.3%	43,761	47,171
Non-Departmental	421,189	186,708	44.3%	509,243	270,760	53.2%	111,172	84,052
Human Resources	122,749	65,443	53.3%	194,278	111,086	57.2%	34,623	45,643
Police	3,200,771	2,395,950	74.9%	3,287,409	2,404,853	73.2%	60,704	8,903
Fire	2,296,930	1,541,526	67.1%	2,250,607	1,636,421	72.7%	51,534	94,895
Public Works - Streets	568,451	379,560	66.8%	601,350	400,381	66.6%	50,632	20,821
Planning & Building	325,880	220,318	67.6%	391,443	279,801	71.5%	13,781	59,483
Recreation	481,740	381,592	79.2%	482,879	387,503	80.2%	(25,344)	5,911
<b>Total Operating Expenditures</b>	<b>9,675,601</b>	<b>6,758,767</b>	<b>69.9%</b>	<b>10,134,170</b>	<b>7,206,425</b>	<b>71.1%</b>	<b>394,203</b>	<b>447,658</b>
<b>Other Expenditures:</b>								
Debt Service	114,385	85,824	75.0%	114,432	85,824	75.0%	-	-
Capital Expenditures	143,760	141,723	98.6%	18,412	23,898	129.8%	(10,089)	(117,825)
Transfers-out	562,527	487,869	86.7%	870,479	798,481	91.7%	(145,622)	310,612
<b>Total Other Expenditures</b>	<b>820,672</b>	<b>715,416</b>	<b>87.2%</b>	<b>1,003,323</b>	<b>908,203</b>	<b>90.5%</b>	<b>(155,711)</b>	<b>192,787</b>
<b>Total Expenditures</b>	<b>\$ 10,496,273</b>	<b>\$ 7,474,183</b>	<b>71.2%</b>	<b>\$ 11,137,493</b>	<b>\$ 8,114,628</b>	<b>72.9%</b>	<b>238,492</b>	<b>\$ 640,445</b>
<b>Changes in Fund Balance</b>	<b>\$ (1,058,101)</b>	<b>\$ (548,328)</b>	<b>51.8%</b>	<b>\$ (1,013,831)</b>	<b>\$ (713,806)</b>	<b>70.4%</b>	<b>46,567</b>	<b>\$ (165,478)</b>

Foot Note:

\* The target percentage of budget is calculated as the month of reporting (9 for September) divided by the number of months (12) in the year.

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

(1) Main Street Tax Credit is moved from Utility B&O Tax line to Intergovernmental Revenue line.

City of Chehalis  
 Comparative Revenues and Expenditures - Budget to Actual  
 September 2018 and 2019  
 Wastewater Fund

	2018 Amended Budget	YTD 9/30/2018 Actual	2018 YTD % of Budget	YTD Target % of Budget*		2019 YTD % of Budget	2019 YTD Variance <sup>^</sup>	2019-2018 YTD Variance
				2019 Amended Budget	YTD 9/30/2019 Actual			
<b>Wastewater Fund (#404)</b>								
<b>Revenues:</b>								
<b>Operating Revenues:</b>								
Charges for Services	\$ 5,070,414	\$ 3,773,505	74.4%	\$ 5,068,094	\$ 3,824,745	75.5%	\$ 23,675	\$ 51,240
Hookup/Connection Fee	100,000	27,270	27.3%	48,400	93,021	192.2%	\$ 56,721	\$ 65,751
Capacity Charge	277,378	138,689	50.0%	277,378	138,689	50.0%	\$ (69,345)	\$ (0)
Intergovernmental Revenues	10,905	25,918	237.7%	-	-	0.0%	-	(25,918)
Late Payment Fees	51,000	36,496	71.6%	42,910	38,878	90.6%	6,696	2,382
Interest Earnings	60,000	46,162	76.9%	29,130	87,169	299.2%	65,322	41,007
Rental Income	3,545	3,545	100.0%	4,140	3,545	85.6%	440	-
Miscellaneous Other	1,100	1,356	123.3%	1,550	705	45.5%	(458)	(651)
<b>Total Operating Revenues</b>	<b>5,574,342</b>	<b>4,052,941</b>	<b>72.7%</b>	<b>5,471,602</b>	<b>4,186,752</b>	<b>76.5%</b>	<b>83,051</b>	<b>133,811</b>
<b>Other Fund Sources:</b>								
Capital Grants	-	-	0.0%	-	-	0.0%	-	-
Custodial Activities	555	566	102.0%	660	513	77.7%	18	(53)
Debt Proceeds	-	-	0.0%	-	-	0.0%	-	-
<b>Total Other Fund Source</b>	<b>555</b>	<b>566</b>	<b>102.0%</b>	<b>660</b>	<b>513</b>	<b>77.7%</b>	<b>18</b>	<b>(53)</b>
<b>Total Revenues &amp; Fund Sources</b>	<b>\$ 5,574,897</b>	<b>\$ 4,053,507</b>	<b>72.7%</b>	<b>\$ 5,472,262</b>	<b>\$ 4,187,265</b>	<b>76.5%</b>	<b>\$ 83,069</b>	<b>\$ 133,758</b>
<b>Expenditures:</b>								
<b>Operating Expenditures:</b>								
Operating Expenditures	\$ 3,349,574	\$ 2,212,986	66.1%	\$ 3,124,064	\$ 2,128,641	68.1%	\$ 214,407	\$ (84,345)
<b>Total Operating Expenditures:</b>	<b>3,349,574</b>	<b>2,212,986</b>	<b>66.1%</b>	<b>3,124,064</b>	<b>2,128,641</b>	<b>68.1%</b>	<b>214,407</b>	<b>(84,345)</b>
<b>Other Expenditures:</b>								
Custodial Activities	600	566	94.3%	600	481	80.2%	(31)	(85)
Debt Service	1,909,145	975,449	51.1%	1,879,905	959,725	51.1%	450,204	(15,724)
Capital Expenditures	294,873	141,035	47.8%	890,294	351,419	39.5%	316,302	210,384
Transfers-out	-	-	0.0%	-	-	0.0%	-	-
<b>Total Other Expenditures</b>	<b>2,204,618</b>	<b>1,117,050</b>	<b>50.7%</b>	<b>2,770,799</b>	<b>1,311,625</b>	<b>47.3%</b>	<b>766,475</b>	<b>194,575</b>
<b>Total Expenditures</b>	<b>\$ 5,554,192</b>	<b>\$ 3,330,036</b>	<b>60.0%</b>	<b>\$ 5,894,863</b>	<b>\$ 3,440,266</b>	<b>58.4%</b>	<b>\$ 980,882</b>	<b>\$ 110,230</b>
<b>Changes in Fund Balance</b>	<b>\$ 20,705</b>	<b>\$ 723,471</b>	<b>3494.2%</b>	<b>\$ (422,601)</b>	<b>\$ 746,999</b>	<b>-176.8%</b>	<b>\$ 1,063,950</b>	<b>\$ 23,528</b>
<i>Operating Income (deficit)</i>	\$ 2,224,768	\$ 1,839,955	82.7%	\$ 2,347,538	\$ 2,058,111	87.7%	\$ 297,458	\$ 218,156

Foot Note:

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^ 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**  
**September 2018 and 2019**  
**Water Fund**

	2018 Amended Budget	YTD 9/30/2018 Actual	2018 YTD % of Budget	YTD Target % of Budget* 75.0%		2019 YTD % of Budget	2019 YTD Variance <sup>^</sup>	2019-2018 YTD Variance
				2019 Amended Budget	YTD 9/30/2019 Actual			
<b>WATER FUND (#405)</b>								
<b>Revenues:</b>								
<b>Operating Revenues:</b>								
Charges for Services	\$ 2,654,784	\$ 2,143,301	80.7%	\$ 2,648,500	\$ 1,999,472	75.5%	\$ 13,097	\$ (143,829)
Hookup/Connectin Fee	160,000	62,963	39.4%	94,440	131,110	138.8%	\$ 60,280	\$ 68,147
Intergovernmental Revenues	-	-	0.0%	-	-	0.0%	-	-
Late Payment Fees	31,000	23,041	74.3%	27,720	21,484	77.5%	694	(1,557)
Interest Earnings	94,400	62,872	66.6%	46,176	108,322	234.6%	73,690	45,450
Other Misc. Revenues	1,000	7,423	742.3%	1,220	407	33.4%	(508)	(7,016)
<b>Total Operating Revenues</b>	<b>2,941,184</b>	<b>2,299,600</b>	<b>78.2%</b>	<b>2,818,056</b>	<b>2,260,795</b>	<b>80.2%</b>	<b>147,253</b>	<b>(38,805)</b>
<b>Other Funding Source</b>								
Inerfund Loan Repayment	16,800	-	0.0%	68,095	51,164	75.1%	93	51,164
Capital Grants	-	-	0.0%	-	-	0.0%	-	-
Custodial Activities	100	658	658.0%	270	33	12.2%	(170)	(625)
Debt Proceeds	-	-	0.0%	-	-	0.0%	-	-
Other Resources	-	2,733	0.0%	-	-	0.0%	-	(2,733)
<b>Total Other Fund Source</b>	<b>16,900</b>	<b>3,391</b>	<b>20.1%</b>	<b>68,365</b>	<b>51,197</b>	<b>74.9%</b>	<b>(77)</b>	<b>47,806</b>
<b>Total Revenues &amp; Fund Sources</b>	<b>\$ 2,958,084</b>	<b>\$ 2,302,991</b>	<b>77.9%</b>	<b>\$ 2,886,421</b>	<b>\$ 2,311,992</b>	<b>80.1%</b>	<b>\$ 147,176</b>	<b>\$ 9,001</b>
<b>Expenditures</b>								
<b>Operating Expenditures</b>								
Operating Expenditures	2,318,091	1,533,954	66.2%	2,486,493	1,615,660	65.0%	249,210	81,706
<b>Total Operating Expenditures</b>	<b>2,318,091</b>	<b>1,533,954</b>	<b>66.2%</b>	<b>2,486,493</b>	<b>1,615,660</b>	<b>65.0%</b>	<b>249,210</b>	<b>81,706</b>
<b>Other Expenditures</b>								
Custodial Activities	100	378	378.0%	100	33	33.0%	42	(345)
Debt Service	343,576	25,383	7.4%	321,662	319,794	99.4%	(78,548)	294,411
Capital Expenditures	290,570	57,843	19.9%	1,464,300	175,023	12.0%	923,202	117,180
Interfund Loan Disbursements	279,430	-	0.0%	-	-	0.0%	-	-
<b>Total Other Expenditures</b>	<b>913,676</b>	<b>83,604</b>	<b>9.2%</b>	<b>1,786,062</b>	<b>494,850</b>	<b>27.7%</b>	<b>844,697</b>	<b>411,246</b>
<b>Total Expenditures</b>	<b>\$ 3,231,767</b>	<b>\$ 1,617,558</b>	<b>50.1%</b>	<b>\$ 4,272,555</b>	<b>\$ 2,110,510</b>	<b>49.4%</b>	<b>\$ 1,093,906</b>	<b>\$ 492,952</b>
<b>Change in Fund Balance</b>	<b>\$ (273,683)</b>	<b>\$ 685,433</b>	<b>-250.4%</b>	<b>\$ (1,386,134)</b>	<b>\$ 201,482</b>	<b>-14.5%</b>	<b>\$ 1,241,083</b>	<b>\$ (483,951)</b>
<i>Operating Income (deficit)</i>	\$ 623,093	\$ 765,646	122.9%	\$ 331,563	\$ 645,135	194.6%	\$ (101,957)	\$ (120,511)

Foot Note:

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<sup>^</sup> 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  
 September 2018 and 2019  
 Storm and Surface Water Fund

	2018 Amended Budget	YTD 9/30/2018 Actual	2018 YTD % of Budget	YTD Target % of Budget*		2019 YTD % of Budget	2019 YTD Variance <sup>^</sup>	2019-2018 YTD Variance
				2019 Amended Budget	YTD 9/30/2019 Actual			
<b>Storm Water Fund (#406)</b>								
<b>Revenues:</b>								
<b>Operating Revenues:</b>								
Charges for Goods & Services	\$ 609,000	\$ 488,838	80.3%	\$ 784,070	\$ 521,498	66.5%	\$ (66,555)	\$ 32,660
Hookup/Connection Fee	2,100	489	23.3%	2,100	7,042	335.3%	\$ 5,467	\$ 6,553
Intergovernmental Revenue	-	-	0.0%	-	-	0.0%	-	-
Fines and Forfeitures	5,000	6,269	125.4%	5,000	4,379	87.6%	629	(1,890)
Interest Earnings	13,250	11,297	85.3%	9,570	20,455	213.7%	13,278	9,158
Other Misc. Revenues	-	197	0.0%	-	569	0.0%	569	372
<b>Total Operating Revenues</b>	<b>629,350</b>	<b>507,090</b>	<b>80.6%</b>	<b>800,740</b>	<b>553,943</b>	<b>69.2%</b>	<b>(46,612)</b>	<b>46,853</b>
<b>Other Fund Sources:</b>								
Capital Grants	-	-	0.0%	-	-	0.0%	-	-
Custodial Activities	30	37	123.3%	30	47	156.7%	25	10
Debt Proceeds	-	-	0.0%	-	-	0.0%	-	-
<b>Total Other Fund Sources</b>	<b>30</b>	<b>37</b>	<b>123.3%</b>	<b>30</b>	<b>47</b>	<b>156.7%</b>	<b>25</b>	<b>10</b>
<b>Total Revenues &amp; Fund Sources</b>	<b>\$ 629,380</b>	<b>\$ 507,127</b>	<b>80.6%</b>	<b>\$ 800,770</b>	<b>\$ 553,990</b>	<b>69.2%</b>	<b>\$ (46,588)</b>	<b>\$ 46,863</b>
<b>Expenditures:</b>								
<b>Operating Expenditures:</b>								
Operating Expenditures	491,175	329,509	67.1%	545,676	383,161	70.2%	26,096	53,652
<b>Total Operating Expenditures</b>	<b>491,175</b>	<b>329,509</b>	<b>67.1%</b>	<b>545,676</b>	<b>383,161</b>	<b>70.2%</b>	<b>26,096</b>	<b>53,652</b>
<b>Other Expenditures:</b>								
Custodial Activities	50	37	74.0%	50	47	94.0%	(10)	10
Capital Expenditures	230,000	30,190	13.1%	240,800	12,568	5.2%	168,032	(17,622)
Transfers-out	-	-	0.0%	-	-	0.0%	-	-
<b>Total Other Expenditures</b>	<b>230,050</b>	<b>30,227</b>	<b>13.1%</b>	<b>240,850</b>	<b>12,615</b>	<b>5.2%</b>	<b>168,023</b>	<b>(17,612)</b>
<b>Total Expenditures</b>	<b>721,225</b>	<b>359,736</b>	<b>49.9%</b>	<b>786,526</b>	<b>395,776</b>	<b>50.3%</b>	<b>194,119</b>	<b>36,040</b>
<b>Changes in Fund Balance</b>	<b>\$ (91,845)</b>	<b>\$ 147,391</b>	<b>-160.5%</b>	<b>\$ 14,244</b>	<b>\$ 158,214</b>	<b>1110.7%</b>	<b>\$ 147,531</b>	<b>\$ 10,823</b>
<i>Operating Income (deficit)</i>	<i>\$ 138,175</i>	<i>\$ 177,581</i>	<i>128.5%</i>	<i>\$ 255,064</i>	<i>\$ 170,782</i>	<i>67.0%</i>	<i>\$ (20,516)</i>	<i>\$ (6,799)</i>

Foot Note:

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<sup>^</sup> 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**  
**September 2018 and 2019**  
**Airport Fund**

	2018 Amended Budget	YTD 9/30/2018 Actual	2018 YTD % of Budget	YTD Target % of Budget* 75.0%			2019 YTD Variance^	2019-2018 YTD Variance
				2019 Amended Budget	YTD 9/30/2019 Actual	2019 YTD % of Budget		
<b>Airport Fund (#407)</b>								
<b>Revenues:</b>								
<b>Operating Revenues:</b>								
Fuel sales	\$ 486,000	\$ 396,747	81.6%	\$ 470,073	\$ 499,989	106.4%	\$ 147,434	\$ 103,242
Other Misc. Revenues	1,700	42,678	2510.5%	1,375	2,345	170.5%	1,314	(40,333)
Late Payment Fees	-	60	0.0%	-	103	0.0%	103	43
Interest Earnings	-	7,044	0.0%	3,140	20,258	645.2%	17,903	13,214
Rents & Leases	1,112,500	831,318	74.7%	1,121,347	845,680	75.4%	4,670	14,362
<b>Total Operating Revenues</b>	<b>1,600,200</b>	<b>1,277,847</b>	<b>79.9%</b>	<b>1,595,935</b>	<b>1,368,375</b>	<b>85.7%</b>	<b>171,424</b>	<b>90,528</b>
<b>Other Fund Sources:</b>								
Intergovernmental - Capital Grants	308,000	173,484	56.3%	2,644,795	659,375	24.9%	(1,324,221)	485,891
Custodial Activities	182,059	138,857	76.3%	182,443	148,795	81.6%	11,963	9,938
Interfund Loan Receipts	279,430	-	0.0%	-	-	0.0%	-	-
Proceeds from Sale of Capital Asset	-	1,620	0.0%	-	945	0.0%	945	(675)
Debt Proceeds (Bonds/Loans)	-	-	0.0%	-	-	0.0%	-	-
Operating Transfers In	-	-	0.0%	-	-	0.0%	-	-
<b>Total Other Fund Sources</b>	<b>769,489</b>	<b>313,961</b>	<b>40.8%</b>	<b>2,827,238</b>	<b>809,115</b>	<b>28.6%</b>	<b>(1,311,314)</b>	<b>495,154</b>
<b>Total Revenues &amp; Fund Sources</b>	<b>\$ 2,369,689</b>	<b>\$ 1,591,808</b>	<b>67.2%</b>	<b>\$ 4,423,173</b>	<b>\$ 2,177,490</b>	<b>49.2%</b>	<b>\$(1,139,890)</b>	<b>\$ 585,682</b>
<b>Expenditures:</b>								
Operating Expenditures	1,070,331	795,172	74.3%	1,173,077	912,403	77.8%	(32,595)	117,231
<b>Total Operating Expenditures</b>	<b>1,070,331</b>	<b>795,172</b>	<b>74.3%</b>	<b>1,173,077</b>	<b>912,403</b>	<b>77.8%</b>	<b>(32,595)</b>	<b>117,231</b>
<b>Other Expenditures:</b>								
Custodial Activities	182,014	99,309	54.6%	183,059	107,379	58.7%	29,915	8,070
Debt Service	336,014	328,072	97.6%	32,151	24,482	76.1%	(369)	(303,590)
Capital Expenditures	613,073	89,662	14.6%	2,973,678	378,424	12.7%	1,851,835	288,762
Interfund Loan Payment	16,800	-	0.0%	68,095	51,164	75.1%	(93)	51,164
<b>Total Other Expenditures</b>	<b>1,147,901</b>	<b>517,043</b>	<b>45.0%</b>	<b>3,256,983</b>	<b>561,449</b>	<b>17.2%</b>	<b>1,881,288</b>	<b>44,406</b>
<b>Total Expenditures</b>	<b>\$ 2,218,232</b>	<b>\$ 1,312,215</b>	<b>59.2%</b>	<b>\$ 4,430,060</b>	<b>\$ 1,473,852</b>	<b>33.3%</b>	<b>\$ 1,848,693</b>	<b>\$ 161,637</b>
<b>Changes in Fund Balance</b>	<b>\$ 151,457</b>	<b>\$ 279,593</b>	<b>184.6%</b>	<b>\$ (6,887)</b>	<b>\$ 703,638</b>	<b>-10216.9%</b>	<b>\$ 708,803</b>	<b>\$ 424,045</b>
<i>Operating Income (deficit)</i>	<i>\$ 529,869</i>	<i>\$ 482,675</i>	<i>91.1%</i>	<i>\$ 422,858</i>	<i>\$ 455,972</i>	<i>107.8%</i>	<i>\$ 138,829</i>	<i>\$ (26,703)</i>

Foot Note:

\* The target percentage of budget is calculated as the month of reporting (9 for September) 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.



# 2019 Third Quarter Financial Report

Period Ending September 30, 2019

Presenter: Chun Saul  
10/28/2019

# Discussion

- 2019 Third Quarter (January through September) Operating Results
- Budget to Actual Comparison – Target 75% (9/12 months)
- City-wide Total for All Funds Combined Overview
- General Fund Overview
  - Revenues, Expenditures & Fund Balance Summary
  - Revenues by Source – Budget to Actual
  - Expenditures by Department – Budget to Actual
- Enterprise Funds Overview
  - Combined Utilities Funds (Wastewater, Water, Storm Water)
  - Airport Fund
- Treasurer's Report
  - Cash & Investments as of 9/30/2019

# Overview – All City Funds Combined

		2019 YTD	YTD % of	YTD Variance
<b>City-Wide, All Funds</b>	2019 Budget	9/30/2019	Budget	Positive (Negative)
Revs. & Transfers In	\$ 30,974,993	\$ 20,908,578	67.5%	\$ (2,322,667)
Exps. & Transfers Out	33,699,477	17,047,111	50.6%	8,227,497
Increase (Decrease) in Fund Balance	(2,724,484)	3,861,467	-141.7%	\$ 5,904,830
Plus Beginning Fund Balance	20,196,397	20,196,397	100.0%	5,049,099
Ending Fund Balance	\$ 17,471,913	\$ 24,057,864	137.7%	\$ 10,953,929

## Key factors for YTD variance:

**Revenues:** Grants budget for Taxiway & Rec Park projects \$4.2 million. YTD receipt \$659,375. \$2.5 million below YTD target. Additional \$659,375 received in October.

### **Expenditures:**

Capital budget \$11.3 million, YTD spent \$1.7 million (14.8% of the Budget). \$6.5 million below YTD target. About \$3.3 million – expect to carryover to 2020  
Operating budget \$18.7 million, YTD spent \$12.98 million (69.5% of the budget).

**Bottom Line: Overall, YTD revenues and expenditures are as projected and within budget parameters for the 3<sup>rd</sup> quarter.**

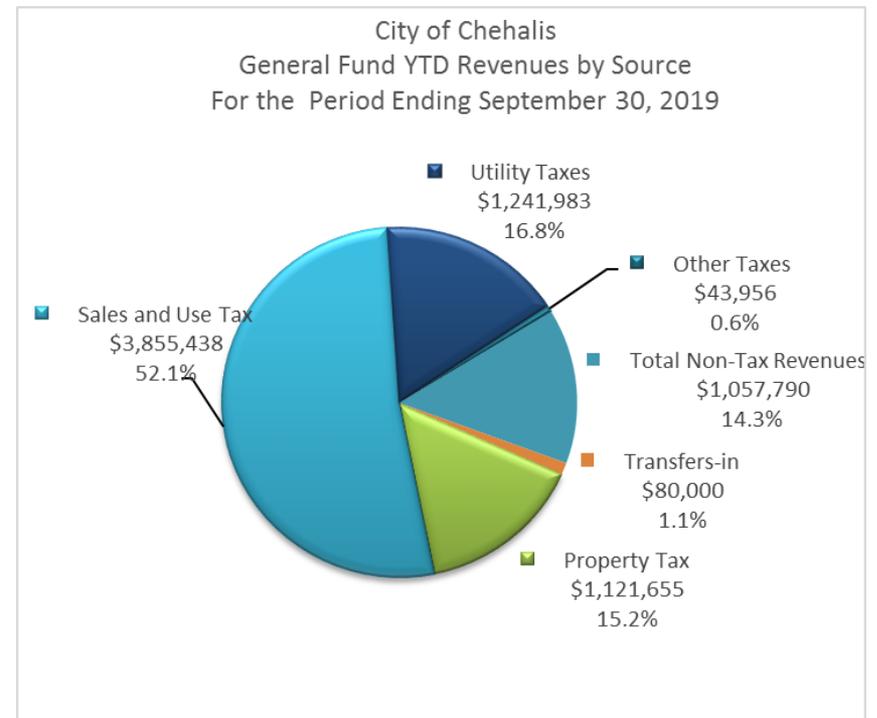
# General Fund Overview

<b>General Fund</b>	2019 Budget	2019 YTD 9/30/2019	YTD % of Budget	YTD Variance Positive (Negative)
Revs. & Transfers In	\$ 10,123,662	\$ 7,400,822	73.1%	\$ (191,925)
Exps. & Transfers Out	11,137,493	8,114,628	72.9%	238,492
Increase (Decrease) in Fund Balance	(1,013,831)	(713,806)	70.4%	\$ 46,567
Plus Beginning Fund Balance	1,804,262	1,804,262	100.0%	451,066
<b>Ending Fund Balance</b>	<b>\$ 790,431</b>	<b>\$ 1,090,456</b>	<b>138.0%</b>	<b>\$ 497,633</b>
Ending Fund Balance % of Revenue Budget	7.8%	10.8%		
Ending Fund Balance % of Expenditure Budget	7.1%	9.8%		

**Bottom line:** For the most part, the General Fund operated within the budget parameters.

# General Fund Revenues by Source

- Total YTD tax revenues make up 84.7% of total general fund revenues received.
- Sales tax is the largest revenue source and makes up 52.1% of total revenues received.
  - Local regular sales & use tax
  - Brokered Natural Gas sales tax
  - Criminal Justice sales tax
- Utility taxes make up 16.8% of total received and includes: electric, gas, telephone, cable, solid waste, water & sewer business.
- Property taxes make up 15.2% of total revenues received.
- Non-tax revenues include: licenses & Permits, charges for goods & services, intergovernmental revenues (state shared and grants), fines, and other misc.



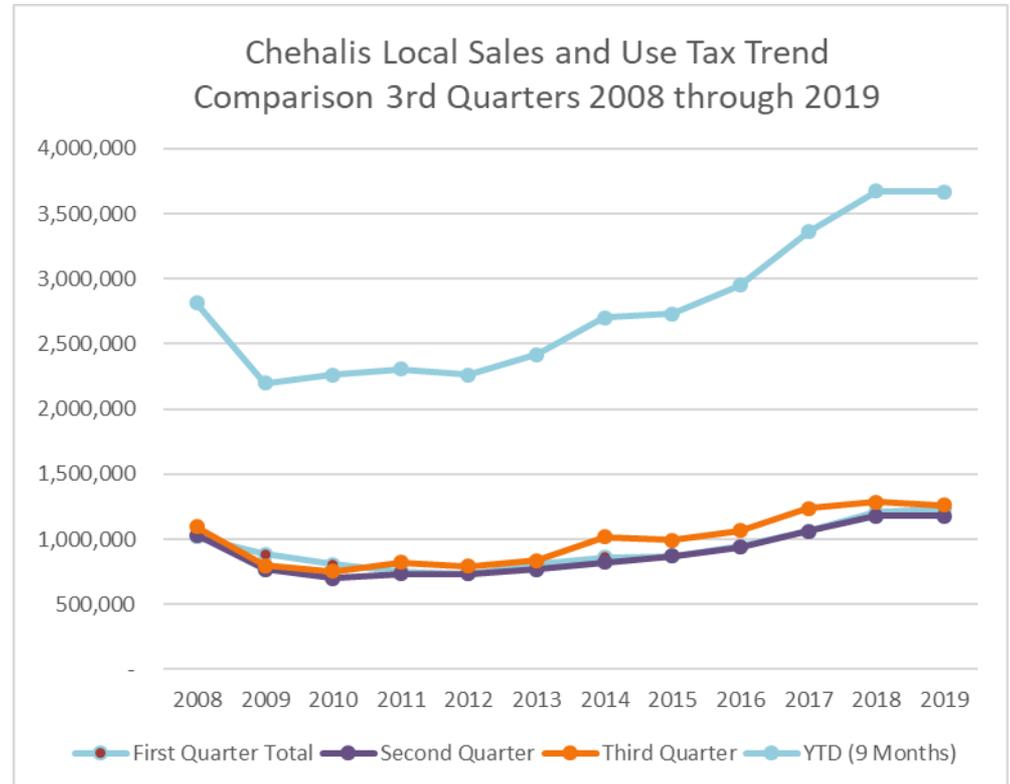
# General Fund Revenues -Budget to Actual

General Fund Revenues	2019 Budget	YTD Actual 9/30/2019	YTD % of Budget	2019 YTD Variance Positive (Negative)
<b>Tax Revenues:</b>				
Property Tax	\$ 1,926,749	\$ 1,121,655	58.2%	\$ (323,407)
Sales and Use Tax	5,142,110	\$ 3,855,438	75.0%	(1,145)
Utility Taxes	1,576,490	\$ 1,241,983	78.8%	59,616
Other Taxes	46,670	\$ 43,956	94.2%	8,954
<b>Total Tax Revenues</b>	<b>8,692,019</b>	<b>\$ 6,263,032</b>	<b>72.1%</b>	<b>(255,982)</b>
<b>Non-Tax Revenues:</b>				
Licenses and Permits	187,925	\$ 192,546	102.5%	51,602
Intergovernmental	361,521	\$ 269,398	74.5%	(1,743)
Charges for Goods & Services	434,687	\$ 281,656	64.8%	(44,359)
Fines and Forfeitures	120,110	\$ 90,323	75.2%	241
Miscellaneous Other	247,400	\$ 223,867	90.5%	38,317
<b>Total Non-Tax Revenues</b>	<b>1,351,643</b>	<b>\$ 1,057,790</b>	<b>78.3%</b>	<b>44,058</b>
<b>Transfers-in</b>	<b>80,000</b>	<b>\$ 80,000</b>	<b>100.0%</b>	<b>20,000</b>
<b>Total Revenues</b>	<b>\$ 10,123,662</b>	<b>\$ 7,400,822</b>	<b>73.1%</b>	<b>\$ (191,925)</b>

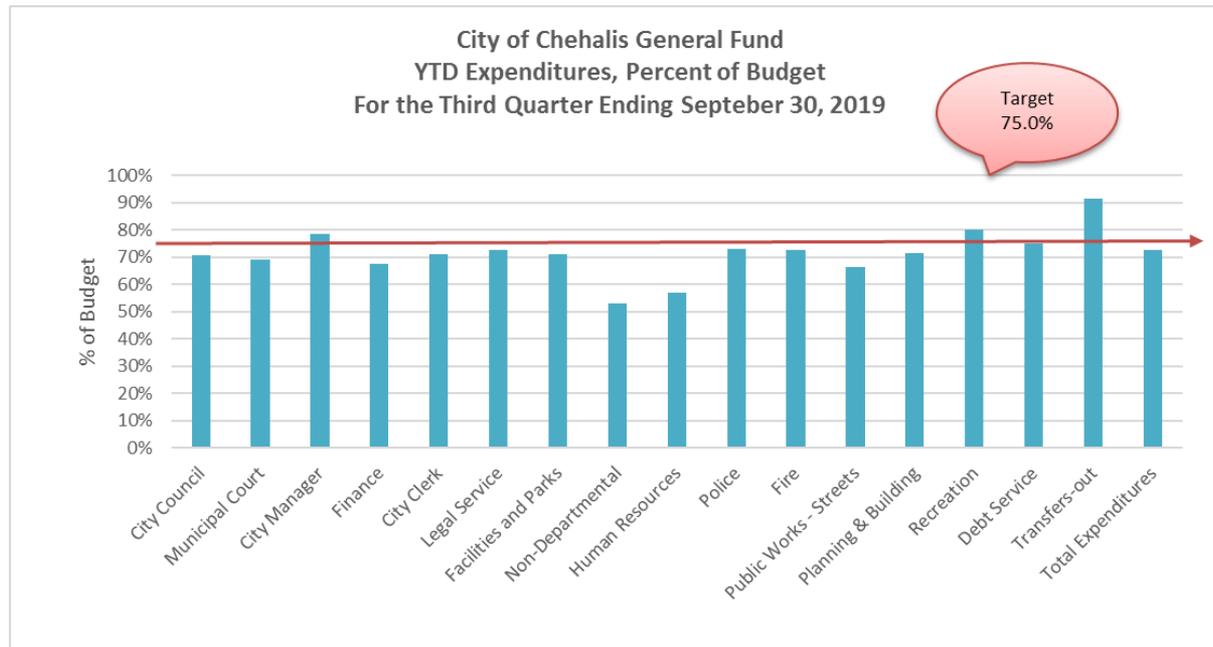
- Property Tax: 2<sup>nd</sup> half of 2019 tax distribution is in November
- Sales and Use Tax includes: Local sales and use tax \$57,386 below YTD target, Brokered Natural Gas and Criminal Justice sales tax \$56,242 ahead of YTD target amount.
- Utility tax includes: Electric utility tax is \$91,139 ahead of YTD target; Telephone utility is \$43,859 below YTD target.
- Licenses & Permits: Licenses \$25K ahead of YTD target, Building Permits \$28K ahead of YTD target (Jackson HWY MF units)
- Charges for Goods & Services: Includes plan check review fees, police & fire services, and recreation program fees. Plan check fees \$14K below YTD target. Fire service to Green Hills \$25K rec'd in October.

# General Fund Revenues – Local Sales Tax Trend

- Local sales tax rate = 1% (total tax rate 8.2%)
- 2- month lag time between month of sales and revenue distribution.
- 2019 YTD is \$3,670,249 or 73.87% of the 2019 budget:
  - \$379,335 (10.3%) from construction
  - \$3,290,914 (89.7%) from non-construction
  - \$57,386 below YTD target.
- YTD 3Q 2019 Comparison to 3Q 2018:
  - Overall decrease \$3,459 (or -0.1%)
  - Sales tax from non-construction sources increased 4.6% or \$152,659
  - Sales tax from construction activities decreased by \$156,118 (41.2%)



# General Fund Expenditures by Department and Activity – Budget to Actual



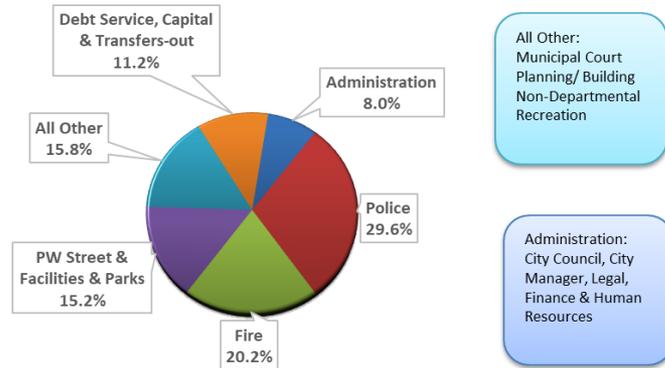
**Overall, for the most departments operated within normal budget parameters.**

**Exceptions:**

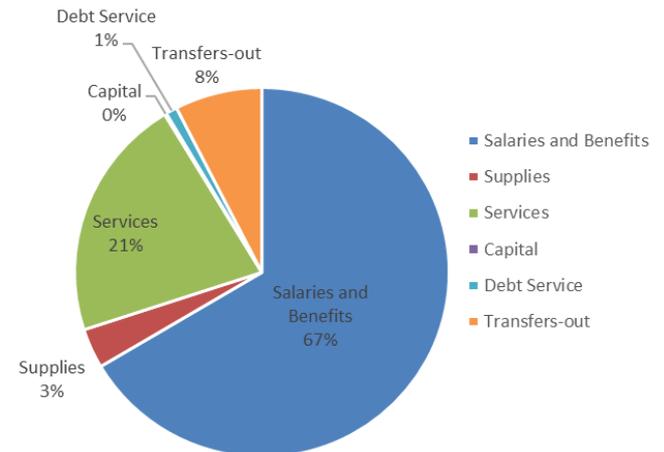
- Non-Departmental: Election cost, voter registration, & main street tax contribution not yet paid. Spent \$77K of \$156K LEOFF1 medical budget.
- HR: Professional services for labor negotiations still in progress.
- Recreation: Significant portion of operating expenditures incur during the summer months. Part-time payroll cost exceeded 2019 budget by \$8,535.
- Transfers-out to reserve funds 100% complete, except 4% of sales tax (based on future monthly sales tax amounts)

# General Fund Expenditures Proportion – By Department & By Category

General Fund Expenditures by Department/Function  
For the Third Quarter Ending September 30, 2019



General Fund Expenditures by Category  
YTD Actual 9/30/2019



Police and Fire make up 50.0% of the General Fund YTD total expenditures. It is 56.0% of the General Fund operating expenditures (excluding capital, debt service & transfers).

YTD Salaries and Benefits \$5.6 million (73.2% of the 2019 budget). It is 67% of the General Fund total YTD expenditures, or 74.6% of the total operating expenditures (excluding capital, debt service, and transfers)

# Enterprise Funds - Utilities

- Combined Utilities Funds Summary (Wastewater, Water & Stormwater)
  - YTD Operating Revenues received is 77.0% of the 2019 Budget & is \$183,692 ahead of YTD target amount.
    - Charges for services: \$29,783 below the YTD target.
    - Hookup/Connection Fees: Exceeded the 2019 budget by \$86,233
    - YTD Interest income: Exceeded the 2019 budget by \$131,070
  - YTD Operating expenditures is 67.0% of the 2019 Budget
  - YTD Capital expenditures is 20.8% of the 2019 budget. \$1.4 million below the YTD target amount. About \$1.0 million of 2019 budget is being carried over to 2020.
  - Debt service YTD is 58.1% of the 2019 budget
  - Overall, total revenues exceeded total expenditures by \$1,106,695.

# Enterprise Fund - Airport

## ➤ Airport Fund Summary

- YTD Operating revenues received is 87.5% of the 2019 budget
  - Fuel sales 106.4% of 2019 Budget and is \$147,434 ahead of YTD target amount.
  - Rents & Leases 75.4% of 2019 Budget.
- YTD Operating expenditures is 77.8% of the 2019 budget
  - Fuel purchase is 92% of the 2019 budget, exceeding TYD target by \$67,986.
- YTD Capital expenditures is 12.7% of the 2019 budget
  - Taxiway Realignment project (\$2.8Mil) – some delays due to the weather, but is progressing well as projected.
- Overall, YTD total revenues exceeded total expenditures by \$703,638

# Treasurer's Report

- The City's total cash and Investments as of September 30, 2019 is \$24,057,864.
  - Only about 4.5% or \$1,090,456 of the total balance belongs to the General Fund.
  - Other than the General Fund, all other funds are restricted funds which accounts for specific revenues or resources that are legally restricted or designated to finance particular activities the city (i.e., utilities, airport, TBD, etc.)
- About 89.1% or \$21,428,755 of the total balance is invested and earned interests. The following table shows summary totals by investment types:

City of Chehalis Cash, Deposits & Investment - Total Combined All Funds		
Account Type	Balance 9/30/2019	% of Total
Revolving Cash Funds (on-hand)	\$ 4,650	0.02%
Checking	2,624,459	10.91%
Money Market & Savings	187,377	0.78%
Local Government Investment Pool (LGIP)	18,866,025	78.42%
US Govt Agency Securities	2,375,353	9.87%
Total	\$ 24,057,864	100.00%

- YTD Investment interest through September 2019 is \$323,008. Interests are allocated to each City fund based on their proportionate share of the total investments.
- The YTD average net earnings rate for Local Government Investment Pool (LGIP) was 2.448%.

# Closing

➤ Questions?

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360-345-3231

➤ Thank you!