

# **City of Chehalis**



## **Council Financial Report**

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

**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:** June 25, 2018

**SUBJECT:** Financial Reports for the Period Ended May 31, 2018

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**DISCUSSION**

This item has been scheduled to provide financial reports for the five-months ended 5/31/2018 (January 2018 through May 2018).

**EXECUTIVE SUMMARY**

This document provides a summary review of City financial activity for the five months ended 5/31/2018 (January through May). The report has been formatted to be consistent with the adopted budget for ease of comparison and review of information. The report focuses on the General Fund and major enterprise funds. The revenues, expenditures, other increase (decrease) in fund resources, and increase (decrease) in cash and investments summaries are attached.

A 41.7% (5 of 12 months) is used as the target % for comparing the actual year-to-date outcome to the 2018 adopted budget.

**BOTTOM LINE:**

At the end of May, the City's General Fund and major enterprise funds operated within the budget parameters and overall revenues and expenditures are within normal budget projection.

**GENERAL FUND OVERVIEW**

Revenues and other receipts totaled \$4,014,143 (42.6% of the adopted budget of \$9,426,997). This is \$83,085 above the target amount.

Expenditures and other decreases in fund resources totaled \$3,968,687 (41.1% of the adopted budget of \$9,655,146).

Adopted appropriations and required transfers are budgeted at \$9,655,146, including \$9,092,425 for operating expenditures and \$562,721 for capital outlays, debt services, custodial activities, and transfers out.

At the end of May 2018, total expenditures and other decreases in fund resources are \$3,968,687 (41.1% of the adopted budget) which is about \$57,509 below the target amount.

Most departments operated within the budget parameters. Exceptions are:

*Police* department expenditures are 46.1% of the adopted budget, due to payroll expenditures increase relating to 2017 CBA. The June 2018 report will show a better comparison to the 2018 amended budget.

*Fire* department expenditures are 46.2% of the adopted budget. The following are the key factors for actual expenditures higher than the target percentage. It was determined that \$78,000 city contributions to employees' Health Savings Account (HSA) was omitted from the 2018 adopted budget inadvertently. This will be included in the next budget amendment. Also uniform and equipment purchase budgets were spent in early 2018 rather than spreading over 12 months.

*City Council, City Manager, City Clerk, Human Resources, and Finance* expenditures are below the 41.7 % target. One of the contributing factors is the contra expenses (costs allocation to other funds, thus reducing the department's expenditures). Total 2018 budget for contra expenses are \$347,543 and at the end of May, total contra expenses are 52.3% of the budgeted amount.

## **ENTERPRISE FUNDS**

### **Wastewater Fund**

Total revenues at the end of May are \$2,213,493 (40.1% of the adopted budget). Charges for goods and services are \$2,158,379 (39.6% of the adopted budget). This is \$113,350 less than the target amount. This variance is contributable to the charges and payments to and from the City of Napavine and Lewis County Sewer District #1 for their shared costs for the Chehalis Regional Wastewater Reclamation Facility project costs. An annual payment of \$277,378 is included in the 2018 budget, but the payments are due in June and November each year.

Operating expenditures are 42.8% of the adopted budget. The key factors for this variance are the Wastewater share of the annual WCIA insurance that was paid in February 2018 and the expenditures for repairs and maintenance budget was spent in early 2018.

Debt service and capital outlay expenditures totaled \$951,426 (46% of the adopted budget).

**SUGGESTED MOTION**

N/A

To: The Honorable Mayor and Council  
 Via: Tracie J Anderson, City Manager  
 From: Chun Saul, Finance Director  
 Prepared by: Betty Brooks, Payroll Accountant  
 Date: 6/25/2018

Subject: Monthly Financial Reports for Period Ended May 2018

City of Chehalis  
 Comparative Financial Reports  
 May 2018 and 2017

	A		B		C=B/A		D		E		F=E/D		G		H		H <sup>A</sup>		J=E-B			
	2017	2017	2017	2017	2017	% to Budget	2018	2018	2018	2018	2018	% to Budget	2018	2018	2018	YTD	2018	2018	2018	2017-2018		
	Budget	YTD Actual	YTD Actual	YTD Actual	YTD Actual	% to Budget	Budget	YTD Actual	YTD Actual	YTD Actual	% to Budget	Target	Target	Target	Target	Target	Target	Target	Target	YTD Incr	(decr)	
<b>GENERAL FUND (#001)</b>																						
<b>ADDITIONS</b>																						
<b>Tax Revenues:</b>																						
Property Taxes <sup>(1)</sup>	1,792,460	696,770	696,770	696,770	38.9%	1,864,685	740,064	740,064	39.7%	777,574	41.7%	777,574	777,574	777,574	777,574	777,574	777,574	777,574	777,574	43,294	43,294	
Sales and Use Taxes <sup>(2)</sup>	4,180,791	1,821,989	1,821,989	1,821,989	43.6%	4,752,128	2,064,258	2,064,258	43.4%	1,981,637	41.7%	1,981,637	1,981,637	1,981,637	1,981,637	1,981,637	1,981,637	1,981,637	1,981,637	242,269	242,269	
Utility Taxes	1,656,731	847,360	847,360	847,360	51.1%	1,640,420	801,857	801,857	48.9%	684,055	41.7%	684,055	684,055	684,055	684,055	684,055	684,055	684,055	684,055	(45,503)	(45,503)	
Other Taxes	43,095	13,741	13,741	13,741	31.9%	50,267	13,495	13,495	26.8%	20,961	41.7%	20,961	20,961	20,961	20,961	20,961	20,961	20,961	20,961	(246)	(246)	
<b>Total Tax Revenues</b>	<b>7,673,077</b>	<b>3,379,860</b>	<b>3,379,860</b>	<b>3,379,860</b>	<b>44.0%</b>	<b>8,307,500</b>	<b>3,619,674</b>	<b>3,619,674</b>	<b>43.6%</b>	<b>3,464,228</b>	<b>41.7%</b>	<b>3,464,228</b>	<b>3,464,228</b>	<b>3,464,228</b>	<b>3,464,228</b>	<b>3,464,228</b>	<b>3,464,228</b>	<b>3,464,228</b>	<b>3,464,228</b>	<b>239,814</b>	<b>239,814</b>	
<b>Non-Tax Revenues:</b>																						
Licenses and Permits	210,550	100,580	100,580	100,580	47.8%	180,835	70,389	70,389	38.9%	75,408	41.7%	75,408	75,408	75,408	75,408	75,408	75,408	75,408	75,408	(30,191)	(30,191)	
Intergovernmental Revenues	183,661	549,940	549,940	549,940	299.4%	207,561	67,024	67,024	32.3%	86,553	41.7%	86,553	86,553	86,553	86,553	86,553	86,553	86,553	86,553	(482,916)	(482,916)	
Charges for Goods and Services	326,265	90,775	90,775	90,775	27.8%	349,705	64,035	64,035	18.3%	145,827	41.7%	145,827	145,827	145,827	145,827	145,827	145,827	145,827	145,827	(26,740)	(26,740)	
Fines and Forfeitures	144,770	48,682	48,682	48,682	33.6%	140,685	49,256	49,256	35.0%	58,666	41.7%	58,666	58,666	58,666	58,666	58,666	58,666	58,666	58,666	574	574	
Other Revenues	127,475	67,385	67,385	67,385	52.9%	128,435	90,177	90,177	70.2%	53,557	41.7%	53,557	53,557	53,557	53,557	53,557	53,557	53,557	53,557	22,792	22,792	
<b>Total Non-Tax Revenues</b>	<b>992,721</b>	<b>857,362</b>	<b>857,362</b>	<b>857,362</b>	<b>86.4%</b>	<b>1,007,221</b>	<b>340,881</b>	<b>340,881</b>	<b>33.8%</b>	<b>420,011</b>	<b>41.7%</b>	<b>420,011</b>	<b>420,011</b>	<b>420,011</b>	<b>420,011</b>	<b>420,011</b>	<b>420,011</b>	<b>420,011</b>	<b>420,011</b>	<b>(516,481)</b>	<b>(516,481)</b>	
<b>Other Increase in Fund Resources:</b>																						
Custodial Receipts	148,351	39,379	39,379	39,379	26.5%	112,276	38,622	38,622	34.4%	46,819	41.7%	46,819	46,819	46,819	46,819	46,819	46,819	46,819	46,819	(757)	(757)	
Other Resources	-	-	-	-	0.0%	-	14,966	14,966	0.0%	-	41.7%	-	-	-	-	-	-	-	-	-	14,966	14,966
<b>Total Other Increase in Fund Resources</b>	<b>148,351</b>	<b>39,379</b>	<b>39,379</b>	<b>39,379</b>	<b>26.5%</b>	<b>112,276</b>	<b>53,588</b>	<b>53,588</b>	<b>47.7%</b>	<b>46,819</b>	<b>41.7%</b>	<b>46,819</b>	<b>46,819</b>	<b>46,819</b>	<b>46,819</b>	<b>46,819</b>	<b>46,819</b>	<b>46,819</b>	<b>46,819</b>	<b>6,769</b>	<b>6,769</b>	
<b>Total Revenues &amp; Other Fund Resources</b>	<b>\$ 8,814,149</b>	<b>\$ 4,276,601</b>	<b>\$ 4,276,601</b>	<b>\$ 4,276,601</b>	<b>48.5%</b>	<b>\$ 9,426,997</b>	<b>\$ 4,014,143</b>	<b>\$ 4,014,143</b>	<b>42.6%</b>	<b>\$ 3,931,058</b>	<b>41.7%</b>	<b>\$ 3,931,058</b>	<b>\$ 3,931,058</b>	<b>\$ 3,931,058</b>	<b>\$ 3,931,058</b>	<b>\$ 3,931,058</b>	<b>\$ 3,931,058</b>	<b>\$ 3,931,058</b>	<b>\$ 3,931,058</b>	<b>\$ 83,085</b>	<b>\$ 83,085</b>	

Foot Note:

<sup>(1)</sup> Excludes percentage of property tax allocated to the Firemen's Pension Fund.

<sup>(2)</sup> Excludes Transportation Benefit District (TBD) sales tax.

Key:

\* The expected percentage is calculated as follows: since the report is for the 4 months of the year, 4 is divided by 12 - the number of months in the year.

H=(D\*G) (annual budgeted amount x expected % amount)

H<sup>A</sup> Actual expensed less the target (expected) amount

City of Chehalis  
Comparative Financial Reports  
May 2018 and 2017

WASTEWATER FUND (#404)	A		B		C=B/A		D	E	F=E/D		G	H <sup>A</sup>		I=F-G		J=E-B
	2017 Budget	2017 YTD Actual	2017 YTD Actual	2017 YTD % to Budget	2018 Budget	2018 YTD Actual	2018 YTD % to Budget	2018 YTD Target	2018 YTD Budget	2018 YTD Target % *	2018 YTD Amount	2018 YTD Variance from Target	2018 YTD Variance from Target	2018 YTD Variance from Target	2017-2018 YTD Incr (decr)	
<b>Revenues:</b>																
Charges for Goods & Services	\$ 5,289,972	\$ 2,263,958	\$ 2,158,379	42.8%	\$ 5,447,792	\$ 2,158,379	39.6%	2,271,729	41.7%	2,271,729	\$ (113,350)	\$ (113,350)	\$ (113,350)	\$ (105,579)		
Intergovernmental Revenues	-	13,412	10,903	0.0%	-	10,903	0.0%	-	41.7%	-	10,903	10,903	10,903	(2,509)		
Late Payment Fees	50,000	20,196	20,771	40.4%	51,000	20,771	40.7%	21,267	41.7%	21,267	(496)	(496)	(496)	575		
Rental Income	3,545	3,545	3,545	100.0%	3,545	3,545	100.0%	1,478	41.7%	1,478	2,067	2,067	2,067	-		
Interest Earnings	3,000	10,067	18,889	335.6%	15,000	18,889	125.9%	6,255	41.7%	6,255	12,634	12,634	12,634	8,822		
Other Misc. Revenues	3,000	776	1,006	25.9%	1,100	1,006	91.5%	459	41.7%	459	547	547	547	230		
<b>Total Revenues</b>	<b>5,349,517</b>	<b>2,311,954</b>	<b>2,213,493</b>	<b>43.2%</b>	<b>5,518,437</b>	<b>2,213,493</b>	<b>40.1%</b>	<b>2,301,188</b>	<b>41.7%</b>	<b>2,301,188</b>	<b>(87,695)</b>	<b>(87,695)</b>	<b>(87,695)</b>	<b>(98,461)</b>		
<b>Expenditures:</b>																
Operating Expenditures	2,804,370	1,054,670	1,233,367	37.6%	2,878,410	1,233,367	42.8%	1,200,297	41.7%	1,200,297	33,070	33,070	33,070	178,697		
Total Expenditures:	2,804,370	1,054,670	1,233,367	37.6%	2,878,410	1,233,367	42.8%	1,200,297	41.7%	1,200,297	33,070	33,070	33,070	178,697		
Excess (Deficiency) Revenues over Expenditures	2,545,147	1,257,284	980,126	49.4%	2,640,027	980,126	37.1%	1,100,891	41.7%	1,100,891	(120,765)	(120,765)	(120,765)	(277,156)		
<b>Other Increase in Fund Resources:</b>																
Custodial Receipts	555	517	538	93.2%	555	538	96.9%	231	41.7%	231	307	307	307	21		
Capital Contribution - Utility Hookup/Connection	60,000	-	-	0.0%	-	-	0.0%	-	41.7%	-	-	-	-	-		
Debt Proceeds (Bonds/Loans)	275,000	578,543	-	210.4%	-	-	0.0%	-	41.7%	-	-	-	-	-		
Total Other Increases in Fund Resources	335,555	579,060	538	172.6%	555	538	96.9%	231	41.7%	231	307	307	307	(578,543)		
<b>Other Use of Fund Resources:</b>																
Custodial Disbursements	555	498	538	89.7%	600	538	89.7%	250	41.7%	250	288	288	288	40		
Debt Service Principal	1,846,181	918,350	927,069	49.7%	1,871,717	927,069	49.5%	780,506	41.7%	780,506	146,563	146,563	146,563	8,719		
Debt Service - Interest	43,937	9,887	12,916	22.5%	21,668	12,916	59.6%	9,036	41.7%	9,036	3,880	3,880	3,880	3,029		
Capital Outlay	473,000	590,899	10,903	124.9%	175,000	10,903	6.2%	72,975	41.7%	72,975	(62,072)	(62,072)	(62,072)	(579,996)		
Total Other Use of Fund Resources	2,368,673	1,519,634	951,426	64.3%	2,068,985	951,426	46.0%	862,767	41.7%	862,767	88,659	88,659	88,659	(568,208)		
<b>Increase (Decrease) in Cash &amp; Investments</b>	<b>\$ 517,029</b>	<b>\$ 316,710</b>	<b>\$ 29,238</b>	<b>61.3%</b>	<b>\$ 571,597</b>	<b>\$ 29,238</b>	<b>5.1%</b>	<b>\$ 238,356</b>	<b>41.7%</b>	<b>\$ 238,356</b>	<b>\$ (209,118)</b>	<b>\$ (209,118)</b>	<b>\$ (209,118)</b>	<b>\$ (287,472)</b>		

Key:  
\* The expected percentage is calculated as follows: since the report is for the 4 months of the year, 4 is divided by 12 - the number of months in the year.  
H=(D\*G) (annual budgeted amount x expected % amount)  
H<sup>A</sup> Actual expensed less the target (expected) amount



City of Chehalis  
Comparative Financial Reports  
May 2018 and 2017

STORM FUND (#406)	A		B		C=B/A		D		E		F=E/D		G		H		H <sup>^</sup>		I=F-G		J=E-B		
	2017	2017	2017	2017	2017	2017	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	
REVENUES	Budget	YTD Actual	% to Budget	Budget	YTD Actual	% to Budget	Budget	YTD Actual	% to Budget	Target	Target % *	Amount	Variance from Target	2018 YTD	2018 YTD	Variance from Target	2018 YTD	2018 YTD	Variance from Target	2017-2018	YTD Incr	YTD Incr	
<b>Revenues:</b>																							
Charges for Goods & Services	\$ 545,910	\$ 267,292	49.0%	\$ 571,100	\$ 272,966	47.8%	\$ 571,100	\$ 272,966	47.8%	\$238,149	41.7%	\$ 238,149	\$ 34,817	\$ 238,149	\$ 238,149	\$ 34,817	\$ 238,149	\$ 238,149	\$ 34,817	\$ 238,149	\$ 238,149	\$ 5,674	\$ 5,674
Intergovernmental Revenue	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	41.7%	-	-	-	-	-	-	-	-	-	-	-	-
Fines and Forfeitures	-	1,984	0.0%	5,000	3,315	66.3%	5,000	3,315	66.3%	2,085	41.7%	2,085	1,230	2,085	2,085	1,230	2,085	2,085	1,230	2,085	1,331	1,331	
Interest Earnings	1,000	1,723	172.3%	2,000	4,456	222.8%	2,000	4,456	222.8%	834	41.7%	834	3,622	834	834	3,622	834	834	3,622	834	2,733	2,733	
Other Misc. Revenues	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	41.7%	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>546,910</b>	<b>270,999</b>	<b>49.6%</b>	<b>578,100</b>	<b>280,737</b>	<b>48.6%</b>	<b>578,100</b>	<b>280,737</b>	<b>48.6%</b>	<b>241,068</b>	<b>41.7%</b>	<b>241,068</b>	<b>39,669</b>	<b>241,068</b>	<b>241,068</b>	<b>39,669</b>	<b>241,068</b>	<b>241,068</b>	<b>39,669</b>	<b>241,068</b>	<b>9,738</b>	<b>9,738</b>	
<b>Expenditures:</b>																							
Operating Expenditures	524,798	143,754	27.4%	466,301	193,642	41.5%	466,301	193,642	41.5%	194,448	41.7%	194,448	(806)	194,448	194,448	(806)	194,448	194,448	(806)	194,448	194,448	49,888	49,888
Total Expenditures	524,798	143,754	27.4%	466,301	193,642	41.5%	466,301	193,642	41.5%	194,448	41.7%	194,448	(806)	194,448	194,448	(806)	194,448	194,448	(806)	194,448	194,448	49,888	49,888
Excess (Deficiency) Revenues and Expenditures	22,112	127,245	575.5%	111,799	87,095	77.9%	111,799	87,095	77.9%	46,620	41.7%	46,620	40,475	46,620	46,620	40,475	46,620	46,620	40,475	46,620	46,620	(40,150)	(40,150)
<b>Other Increase in Fund Resources:</b>																							
Capital Contributions - Utility Hookup/Connection	2,000	-	0.0%	-	-	0.0%	-	-	0.0%	-	41.7%	-	-	-	-	-	-	-	-	-	-	-	-
Custodial Receipts	-	25	0.0%	30	21	70.0%	30	21	70.0%	13	41.7%	13	8	13	13	8	13	13	8	13	13	(4)	(4)
Total Other Increase of Fund Resources	2,000	25	1.3%	30	21	70.0%	30	21	70.0%	13	41.7%	13	8	13	13	8	13	13	8	13	13	(4)	(4)
<b>Other Use of Fund Resources:</b>																							
Custodial Disbursements	100	25	25.0%	50	21	42.0%	50	21	42.0%	21	41.7%	21	0	21	21	0	21	21	0	21	21	(4)	(4)
Capital Outlay	-	-	0.0%	230,000	13,682	5.9%	230,000	13,682	5.9%	95,910	41.7%	95,910	(82,228)	95,910	95,910	(82,228)	95,910	95,910	(82,228)	95,910	95,910	13,682	13,682
Total Other Use of Fund Resources	100	25	25.0%	230,050	13,703	6.0%	230,050	13,703	6.0%	95,931	41.7%	95,931	(82,228)	95,931	95,931	(82,228)	95,931	95,931	(82,228)	95,931	95,931	13,678	13,678
<b>Increase (Decrease) in Cash and Investments</b>	<b>\$ 24,012</b>	<b>\$ 127,245</b>	<b>529.9%</b>	<b>\$ (118,221)</b>	<b>\$ 73,413</b>	<b>-62.1%</b>	<b>\$ (118,221)</b>	<b>\$ 73,413</b>	<b>-62.1%</b>	<b>\$ (49,298)</b>	<b>41.7%</b>	<b>\$ (49,298)</b>	<b>\$ 122,711</b>	<b>\$ (49,298)</b>	<b>\$ (49,298)</b>	<b>\$ 122,711</b>	<b>\$ (49,298)</b>	<b>\$ (49,298)</b>	<b>\$ 122,711</b>	<b>\$ (49,298)</b>	<b>\$ (49,298)</b>	<b>\$ (53,832)</b>	<b>\$ (53,832)</b>

Key:

\* The expected percentage is calculated as follows: since the report is for the 5th month of the year, 5 is divided by 12 - the number of months in the year.

^ To calculate the dollar variance between expected and actual expenditures, the following formula is used:

H=(D\*G) (annual budgeted amount x expected % amount)

H<sup>^</sup> Actual expensed less the target (expected) amount



# Council Financial Report

Five Months Ended May 31, 2018  
June 22, 2018

Presenter: Chun Saul



# General Fund Revenues - Budget to Actual

## Property tax:

- 41.5% when compared to the amended budget (6/11),

## License & Permits:

- Business license - on target
- Building permits - 17% (\$43,479 less than 5/2017)

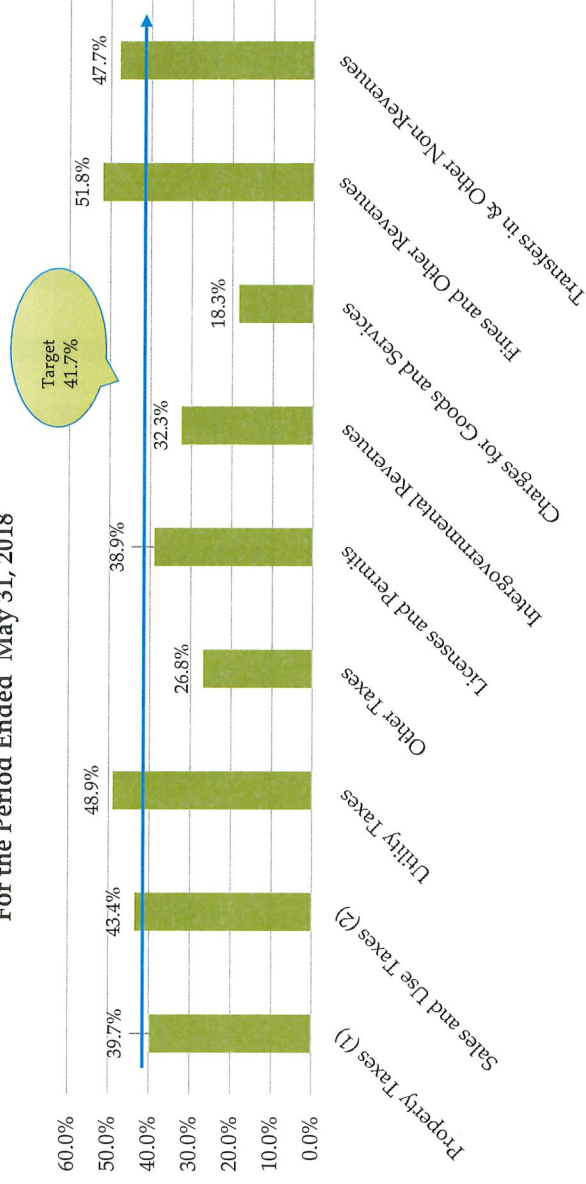
## Intergovernmental Revenues

- \$70K PUD privilege tax receipt in July

## Charges for Goods & Services

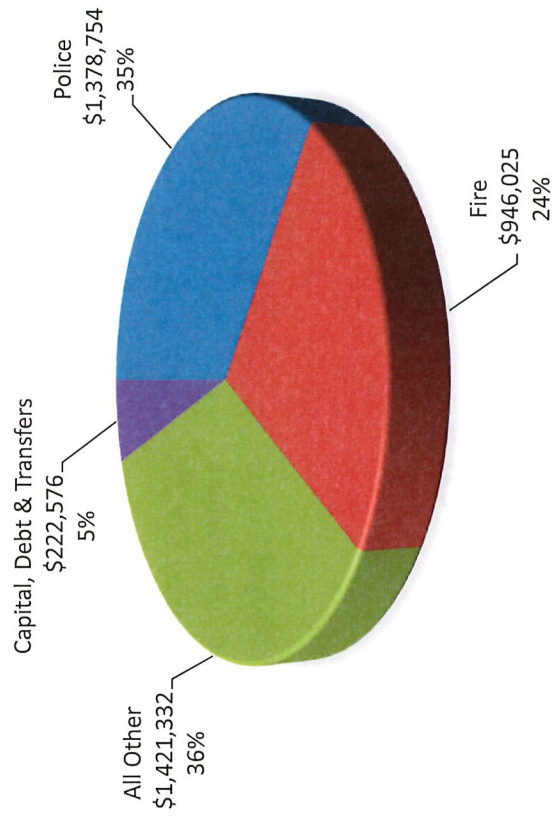
- Fire & Police service 25.2%
- Plan checks 19.3%
- Recreation 13%

City of Chehalis General Fund Revenues by Source  
2018 YTD, Percentage of Adopted Budget  
For the Period Ended May 31, 2018



# General Fund Expenditures by Functions Proportion

CITY OF CHEHALIS  
GENERAL FUND EXPENDITURES BY FUNCTIONS / ACTIVITIES  
FOR THE PERIOD ENDED MAY 31, 2018





## Closing

- 2018 2<sup>nd</sup> Quarter Financial Reports – July 23, 2018 Council Meeting
- Questions and Comments?
- Thank you!