

Memo

To: Mayor and Councilmembers
From: Lindsay Chambers, Interim Finance Director
CC: Colleen Corcoran, Interim City Manager
Date: November 22, 2022
Re: 3rd QTR 2022 Financial Report

This report is based on the 3rd Quarter Financial reports as of September 30, 2022.

There are several charts attached. Please refer to each as they are discussed.

GENERAL FUND REVENUES

General Fund Revenues for the 3rd Quarter of 2022 are slightly above the amount anticipated in the 2022 Budget.

General Fund Revenue Pie Chart (Figure A): This chart shows the year to date (YTD) revenue collected in the General Fund by category. Total General Fund revenue is at 75.2% of budget. At the end of the 3rd Quarter, we should be at 75%.

Total General Fund Revenue Chart (Figure B-1): This chart shows how total General Fund revenue compares to previous years for the 3rd Quarter. The large increases in June 2021 and July of 2022 were for the receipt of American Rescue Plan Act (ARPA) grant funds. Increases in May of each year is for the 1st half property tax.

Total Taxes Chart (Figure B-2): This category consists of General and EMS Property taxes, Zoo tax, Retail Sales & Use tax, Local Criminal Justice, Gas, Garbage, Cable, Telephone, Water, Sewer, Storm Drain and Gambling tax. Revenue is at 66.5% of budget.

The largest lines in the taxes category include General Property Tax, Retail Sales Tax, and Gas Utility Tax.

The General Property Tax Chart (Figure B-3) shows how total General Property Tax revenue compares to previous years for the 3rd Quarter. Property tax is due to Pierce County on April 30th for the 1st half taxes

and October 31st for the 2nd half taxes. The City receives the revenue the following month. Due to the passage of I-747 property taxes can only increase by 1% per year plus new construction. Revenue is at 56% of budget. \$914,656

The Retail Sales Tax Chart (Figure B-4): shows how revenue compares to previous years for the 3rd Quarter. Retail Sales Tax for the 3rd Quarter is at 85% of estimated. \$569,903

The Gas Utility Tax Chart (Figure B-5) shows how these revenues have been received. Gas Utility Tax Revenue is at 102%. \$110,500

The Telephone Tax Chart (Figure B-6) shows how these revenues have been received. Revenue is at 66%. \$44,063

Total Licenses & Permits chart (Figure B-7): This category consists of Franchise Fees, Business Licenses, Building, Mechanical, Plumbing, Excavate, and Sign Permits and Investigation Fees. A lot of these payments are received on a quarterly basis. Revenue is at 79% of budget. \$419,895

Total Intergovernmental Revenue chart (Figure B-8): This consists of revenue received from other government agencies and includes City Assistance, Criminal Justice Programs, DUI, Liquor Excise Tax, Liquor Board Profits, and grants received from the State or Federal government. This category includes the ARPA funds. Revenue is at 92% of budget. \$724,955 ARPA funds of \$504,920 was received in July.

Total Other Services & Charges chart (Figure B-9): This category consists of Passport Fees, Planning Permits, Site Development, Plan Checking Fees, Ruston Court Contract Revenue, Swimming Pool Revenue and Recreation Fees. There is an increase in the summer months when the pool is open. Revenue is at 86% of budget. \$1,055,558

Total Fines & Forfeits chart (Figure B-10): This category consists of revenue received from the Fircrest Court, Investigative Fund Assessments and DUI Investment Fund Assessments. Revenue is at 61% of budget. \$134,851

Total Miscellaneous Revenue chart (Figure B-11): Total Miscellaneous Revenue consists of Interest, Space & Facilities Rentals, Donations, and other miscellaneous revenues. The large amounts in February 2019 and 2020 are donations for the pool project from the Edwards Family. Their donation for 2021 was recorded in the Park Capital Fund. Interest rates have increased resulting in additional revenue. Revenue is at 101% of budget. \$220,925

GENERAL FUND EXPENDITURES

If you look at the General Fund Expenditures Spreadsheet (Figure C-1), the General Fund Actual to Budget Chart (Figure C-2) and the Expenditures by Department Chart (Figure C-3) you can see the total expenditure for each department and how it compares to the budgeted amounts along with the percentage spent through September. The total spent as of 9/30/22 was \$4,483,140 or 64% of the total General Fund Budget. At the end of the 3rd Quarter, we should be at 75% or less.

OPERATING REVENUE TO EXPENDITURES COMPARISON

The Actual Revenue Over/(Under) Expenditures chart (Figure D) shows the effect on ending fund balance (EFB). When revenues exceed expenditures Ending Fund Balance is increased and vice versa.

General Fund: If we look at the 3rd Quarter 2022 General Fund operating revenue of \$5,084,932 compared to the 3rd Quarter operating expenditures of \$4,426,154, we see that operating revenue is \$658,778 more than expenditures. If the ARPA revenue of \$504,920 is removed, operating revenue to expense is \$153,858.

When including capital, transfers, non-revenues, and non-expenditures the EFB at the end of the 3rd Quarter increased by \$619,569 (\$114,649 w/o ARPA revenue).

Other Funds: Also included on the Actual Revenue Over/(Under) Expenditures chart (Figure D) is a comparison for the Street, Storm, Storm Capital, Water, Water Capital, Sewer, Sewer Capital, ERR, and REET Funds.

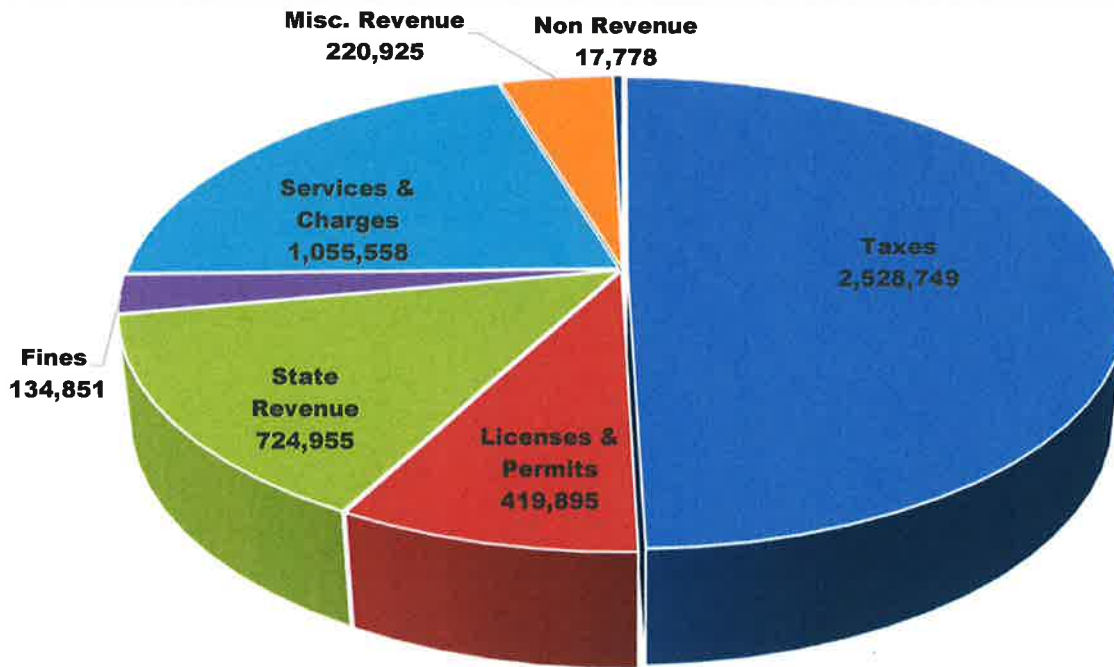
AVAILABLE CASH BALANCES

The Available Cash Balance per Fund (Figure E) spreadsheet shows the current available cash per fund after investments, reserves for cash flow and dedicated reserves are met. This amount is needed for cash flow, future capital costs, emergencies and unexpected expenditures not included in the adopted budget.

CONCLUSION

This report along with line-item details can be found at the City of Fircrest's website at cityoffircrest.net.

**City of Fircrest
Figure A
General Fund Revenue as of September 30, 2022**

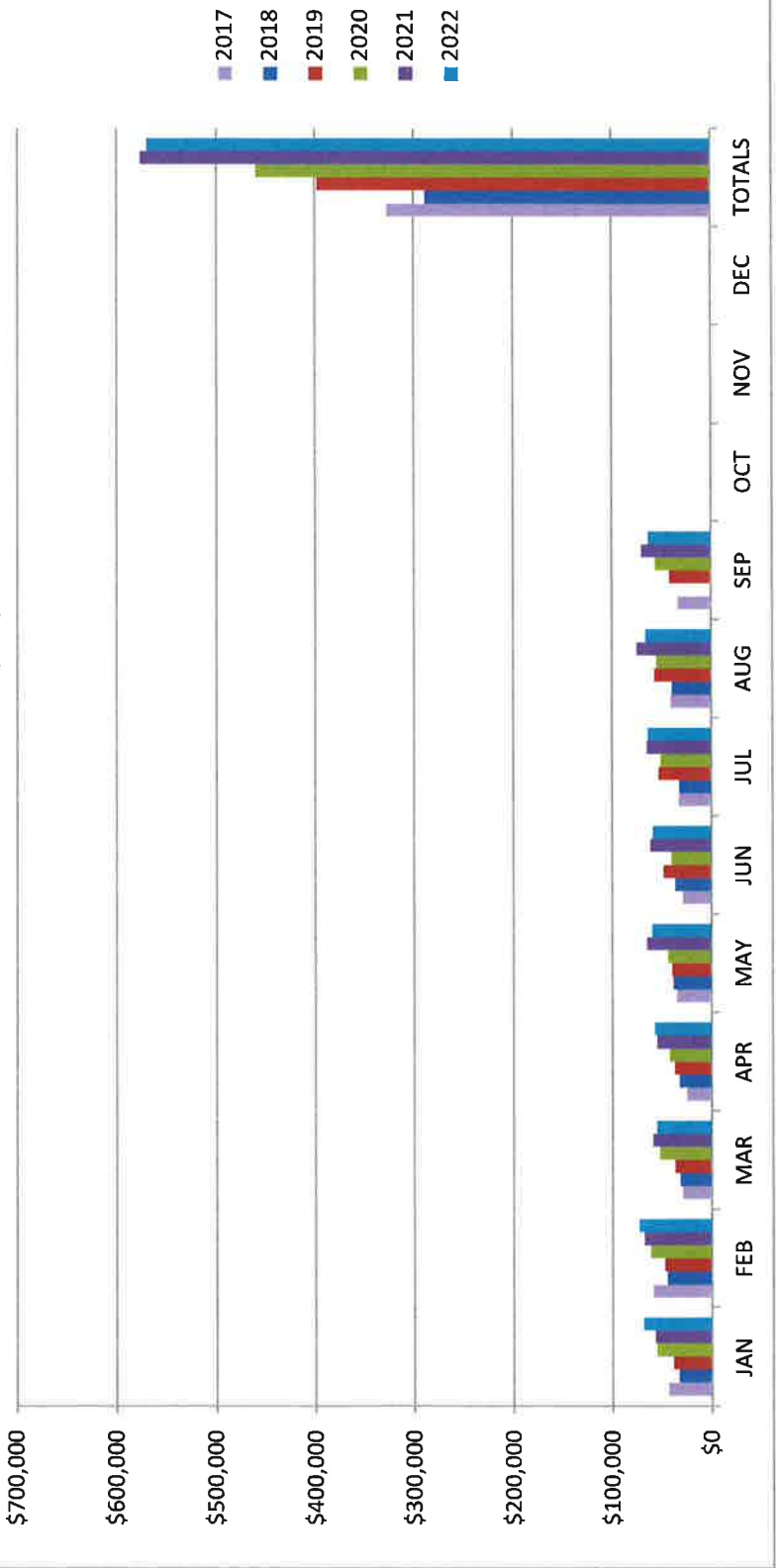


| | <u>YTD 9/30/2022</u> | <u>Budget</u> | <u>%</u> |
|---------------------------|----------------------|------------------|--------------|
| Taxes | 2,528,749 | 3,803,473 | 66.5% |
| Licenses & Permits | 419,895 | 534,300 | 78.6% |
| State Revenue* | 724,955 | 788,930 | 91.9% |
| Fines & Forfeits | 134,851 | 219,600 | 61.4% |
| Serv & Charges | 1,055,558 | 1,222,498 | 86.3% |
| Misc. Revenue | 220,925 | 218,070 | 101.3% |
| Non Revenue | <u>17,778</u> | <u>0</u> | <u>0.0%</u> |
| TOTAL GEN FUND REV | 5,102,710 | 6,786,871 | 75.2% |

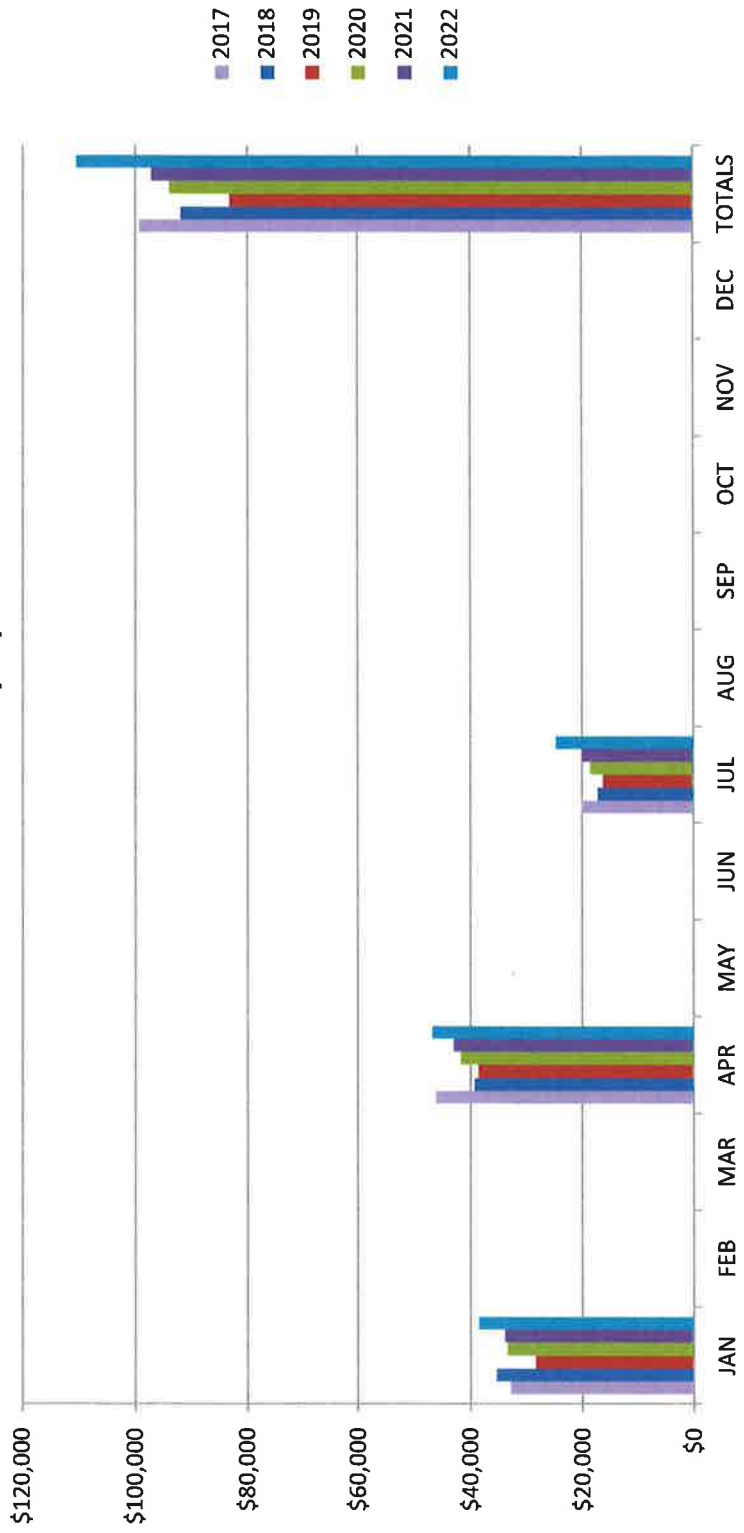
**Includes ARPA funds received of \$504,920*

Figure A

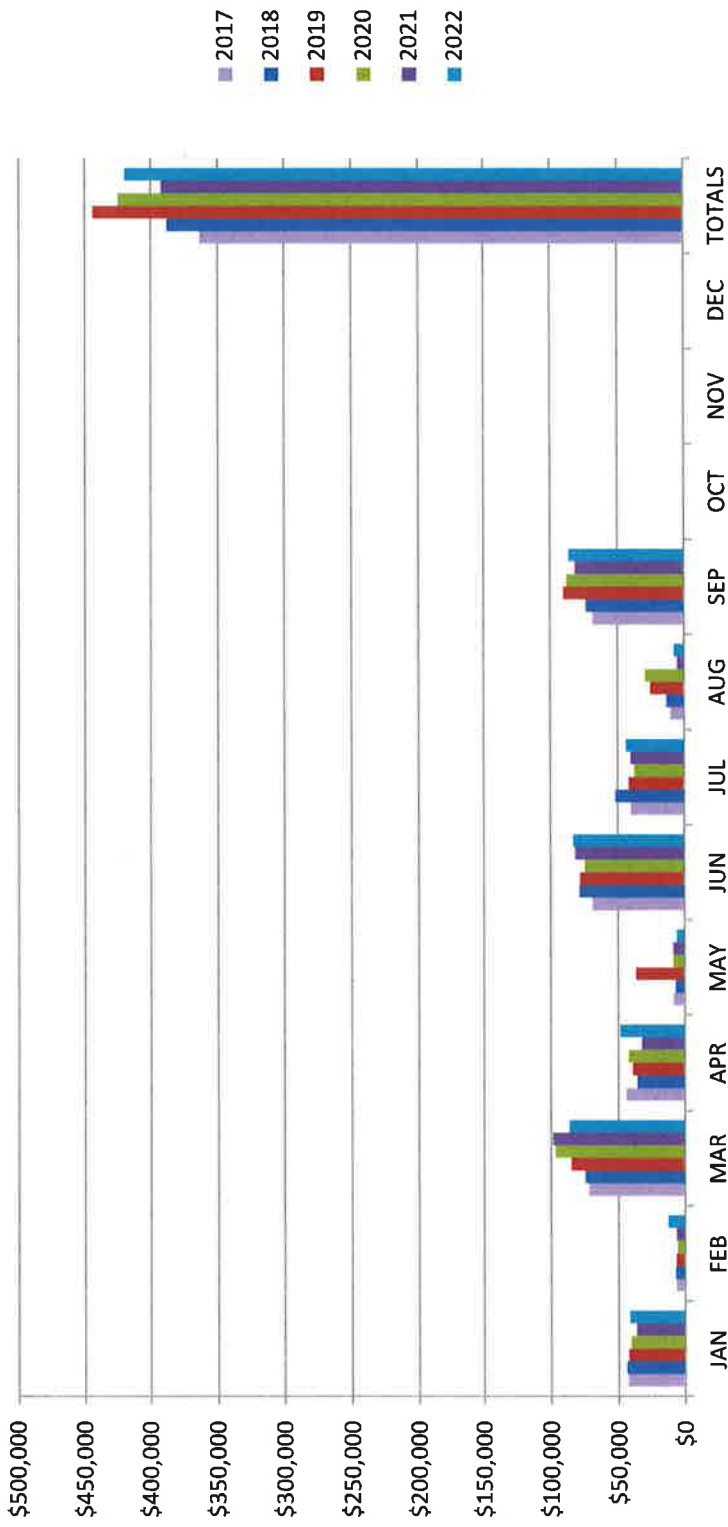
**City of Fircrest Figure B-4
RETAIL SALES TAX AS OF 9/30/2022**



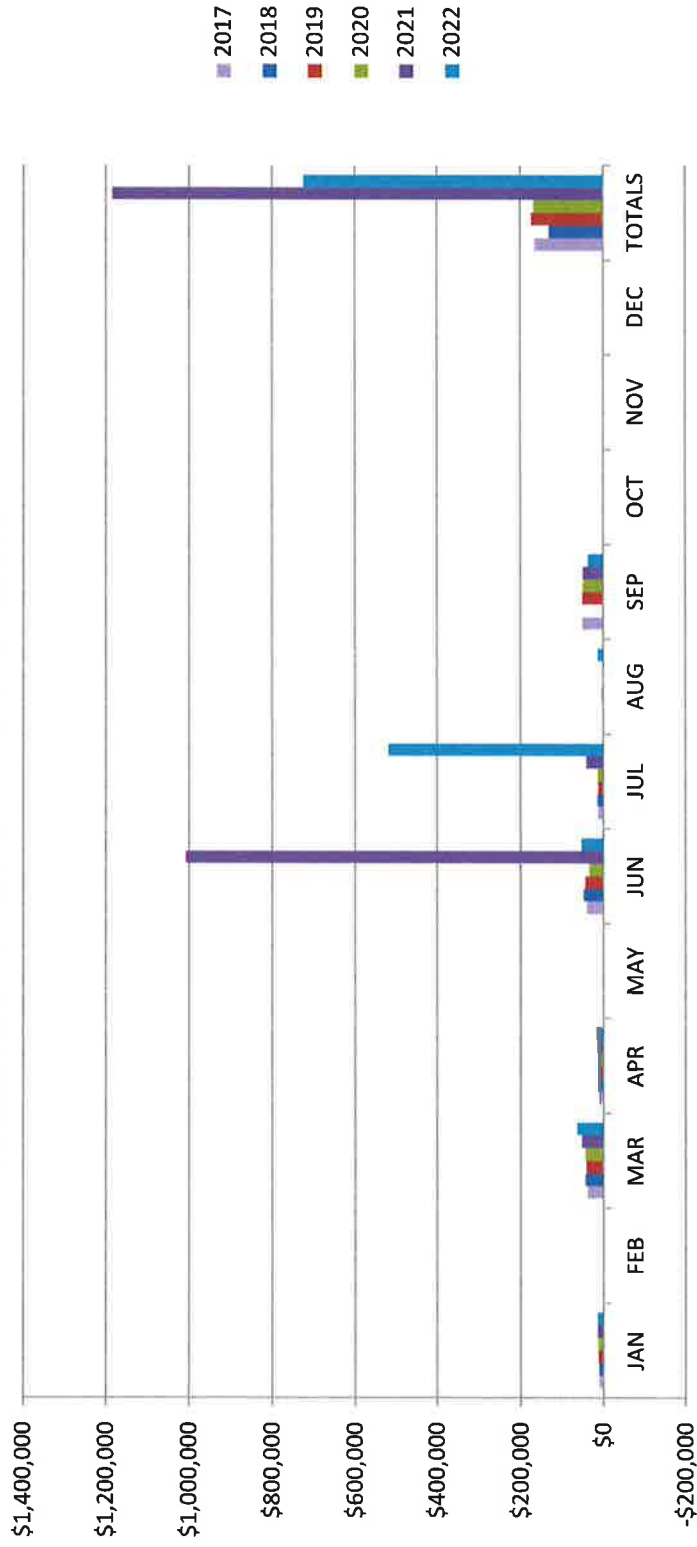
**City of Fircrest Figure B-5
GAS UTILITY TAX AS OF 9/30/2022**



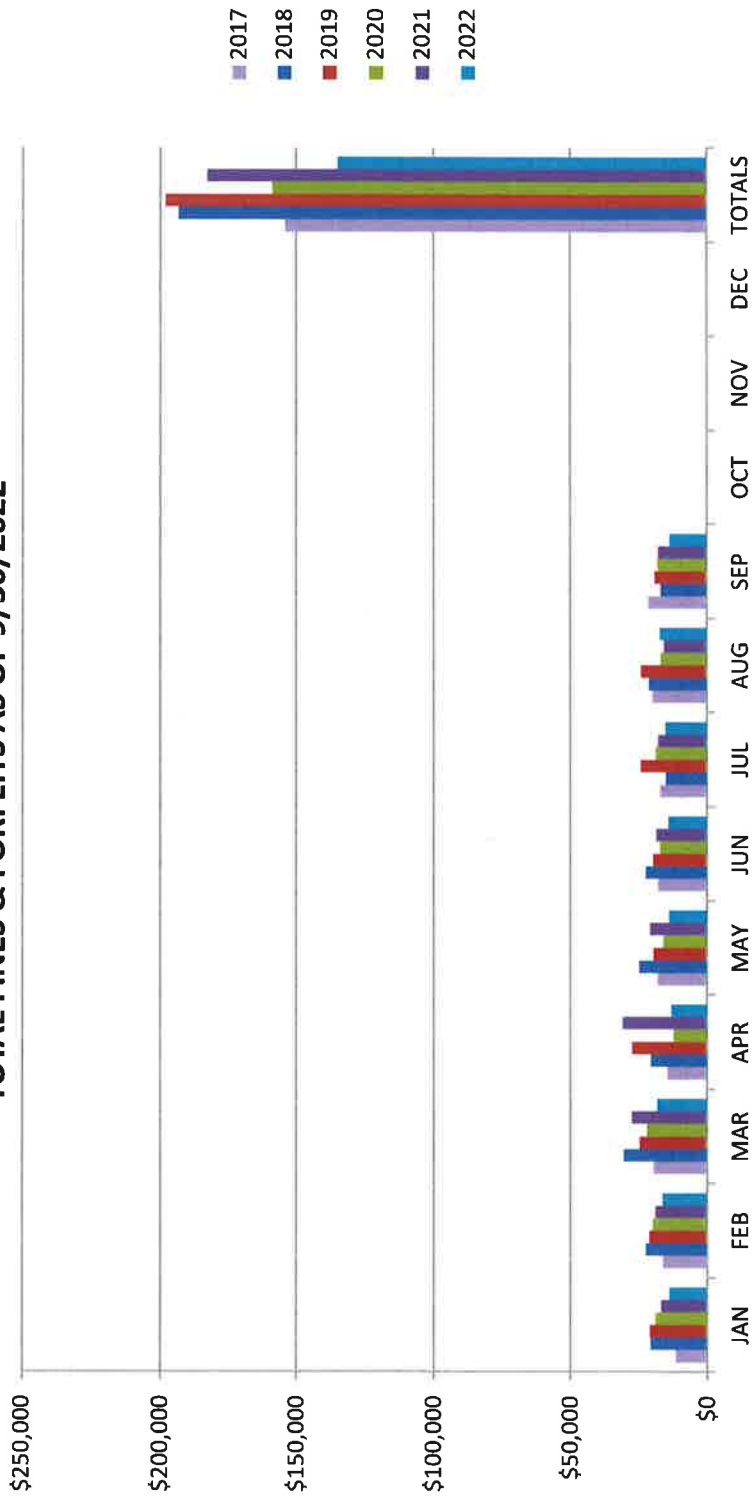
**City of Fircrest Figure B-7
TOTAL LICENSES & PERMITS AS OF 9/30/2022**



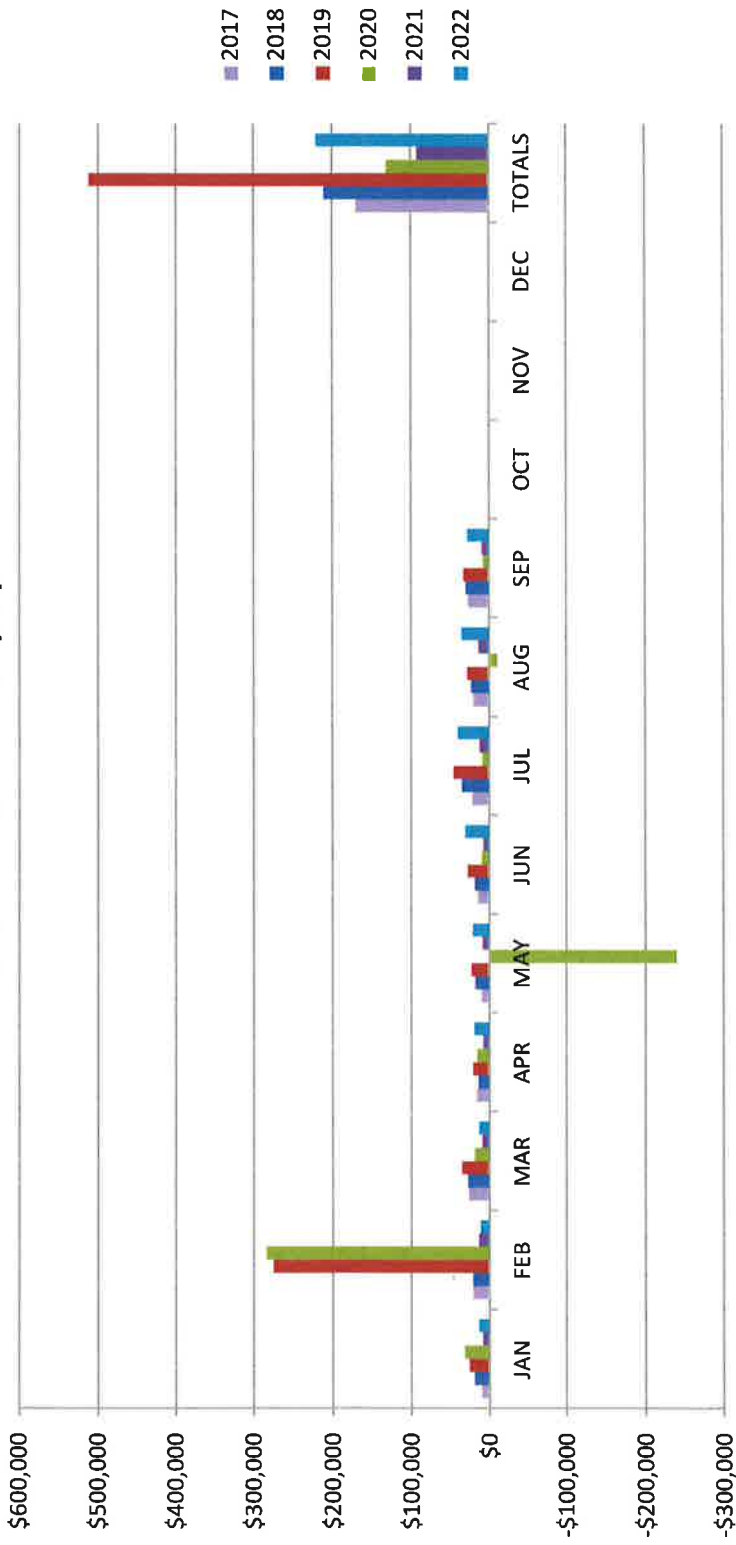
City of Fircrest Figure B-8
TOTAL INTERGOV'T REVENUE AS OF 9/30/2022



**City of Fircrest Figure B-10
TOTAL FINES & FORFEITS AS OF 9/30/2022**



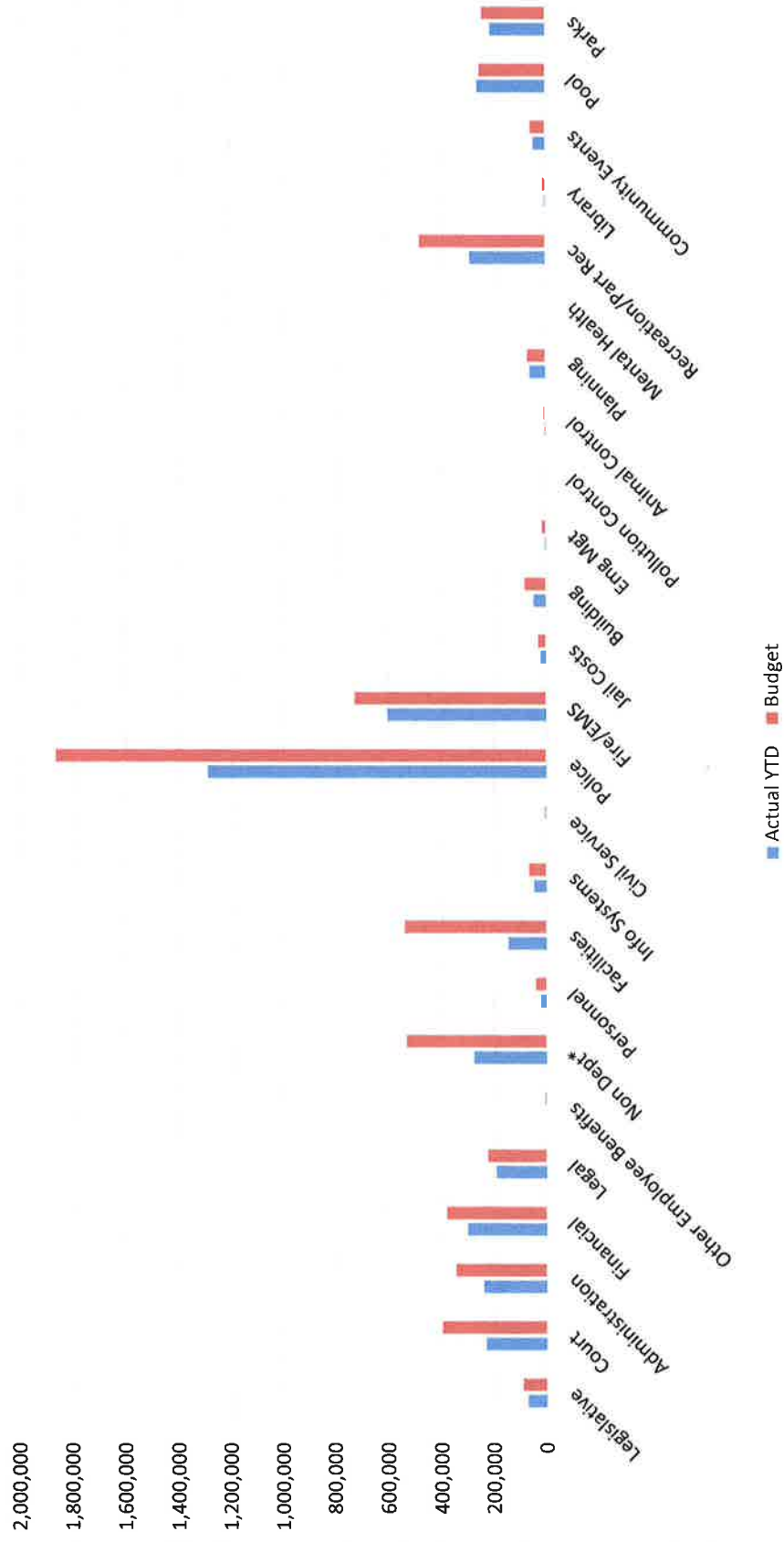
City of Fircrest Figure B-11
TOTAL MISC REVENUE AS OF 9/30/2022



**City of Fircrest Figure C-1
General Fund Expenditures by Department as of 9/30/2022**

| <u>DEPARTMENT</u> | <u>YTD</u> | <u>BUDGET</u> | <u>REMAINING</u> | <u>% Expensed</u> |
|--------------------------------|------------------|------------------|------------------|-------------------|
| Legislative | 74,809 | 92,845 | 18,036 | 80.6% |
| Court | 233,837 | 397,925 | 164,088 | 58.8% |
| Administration | 242,304 | 346,460 | 104,156 | 69.9% |
| Financial | 303,033 | 381,750 | 78,717 | 79.4% |
| Legal | 194,733 | 224,850 | 30,117 | 86.6% |
| Other Employee Benefits | 1,977 | 6,500 | 4,523 | 30.4% |
| Non Dept* | 278,857 | 534,018 | 255,161 | 52.2% |
| Personnel | 25,657 | 41,950 | 16,293 | 61.2% |
| Facilities | 148,406 | 539,875 | 391,469 | 27.5% |
| Info Systems | 50,885 | 67,500 | 16,615 | 75.4% |
| Civil Service | 2,656 | 6,100 | 3,444 | 43.5% |
| Police | 1,291,300 | 1,868,276 | 576,976 | 69.1% |
| Fire/EMS | 604,938 | 725,925 | 120,987 | 83.3% |
| Jail Costs | 23,176 | 30,500 | 7,324 | 76.0% |
| Building | 50,258 | 81,350 | 31,092 | 61.8% |
| Emg Mgt | 6,554 | 15,300 | 8,746 | 42.8% |
| Pollution Control | 4,742 | 4,742 | 0 | 100.0% |
| Animal Control | 6,634 | 10,000 | 3,366 | 66.3% |
| Planning | 62,795 | 69,200 | 6,405 | 90.7% |
| Mental Health | 1,571 | 2,140 | 569 | 73.4% |
| Recreation/Part Rec | 289,660 | 480,030 | 190,370 | 60.3% |
| Library | 6,885 | 12,000 | 5,115 | 57.4% |
| Community Events | 48,572 | 58,650 | 10,078 | 82.8% |
| Pool | 260,741 | 251,055 | -9,686 | 103.9% |
| Parks | 211,176 | 241,330 | 30,154 | 87.5% |
| Total Gen Fund Oper Exp | 4,426,154 | 6,490,271 | 2,064,117 | 68.2% |
| Non Expenditures | 9,075 | 0 | -9,075 | 0.0% |
| Capital | 47,912 | 525,000 | 477,088 | 9.1% |
| Total General Fund | 4,483,141 | 7,015,271 | 2,532,130 | 63.9% |

**City of Fircrest Figure C-2
GENERAL FUND ACTUAL TO BUDGET AS OF 9/30/2022**



**City of Fircrest Figure C-3
Expenditures by Department as of 9/30/22**

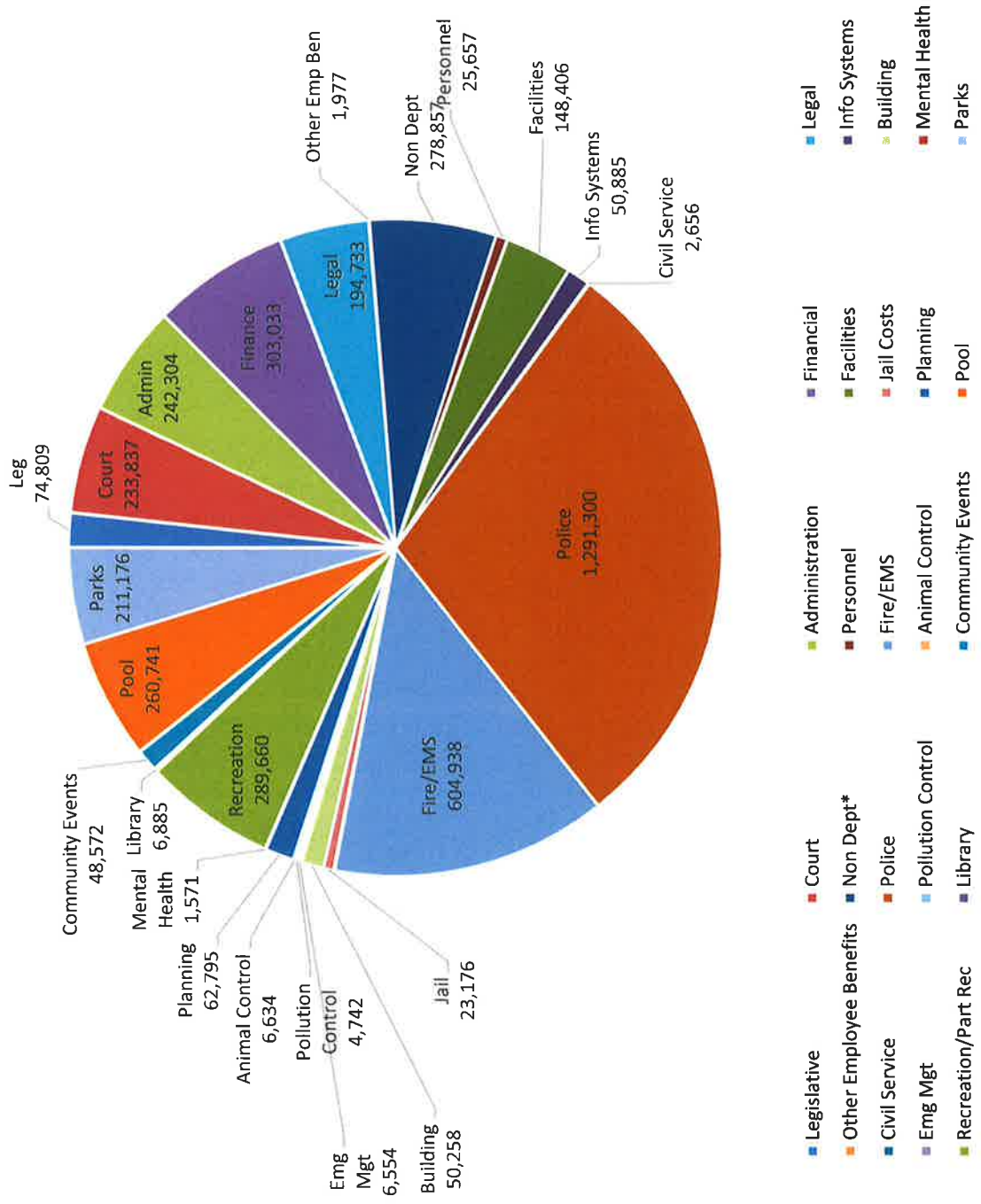


Figure D

ACTUAL REVENUE OVER/(UNDER) EXPENDITURES AS OF 9/30/2022

| | General | Street | Storm | Storm Cap | Water | Water Cap | Sewer | Sewer Cap | ERR | REET |
|--|----------------|-----------------|-----------------|-----------------|-----------------|----------------|------------------|------------------|----------------|----------------|
| Operating Revenue | 5,084,932 | 306,459 | 379,264 | 0 | 830,648 | 0 | 2,003,127 | 0 | 72,499 | 0 |
| Operating Expenditures | (4,426,154) | (312,240) | (307,309) | 0 | (820,728) | 0 | (2,138,946) | 0 | (75,984) | 0 |
| Net Operating Revenue over/ (under) Expenditures | 658,778 | (5,781) | 71,955 | 0 | 9,920 | 0 | (135,819) | 0 | (3,485) | 0 |
| Capital Contributions | | | | | 608,083 | | 0 | 10,000 | 186,881 | 302,455 |
| Capital Expenditures | (47,912) | (52,930) | 0 | (14,620) | 0 | (196,333) | 0 | (127,870) | (6,263) | 0 |
| Total Net Revenue over/(under) Expenditures with Capital | 610,867 | (58,711) | 71,955 | (14,620) | 9,920 | 411,750 | (135,819) | (117,870) | 177,133 | 302,455 |
| Non Revenue | 17,778 | | | | | | 0 | 0 | 0 | 0 |
| Capital Transfer In | 0 | | | 61,425 | 81,120 | | 0 | 172,500 | 0 | 0 |
| Non Expenditures | (9,075) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Transfer Out | 0 | 0 | (61,425) | 0 | (81,120) | 0 | (172,500) | 0 | 0 | 0 |
| Total Non-Operating Net Revenue over/(under) Expenditures | 8,703 | 0 | (61,425) | 61,425 | (81,120) | 81,120 | (172,500) | 172,500 | 0 | 0 |
| Total Change in Fund Balance | 619,569 | (58,711) | 10,530 | 46,805 | (71,200) | 492,870 | (308,319) | 54,630 | 177,133 | 302,455 |

Figure D-1

ACTUAL BEGINNING/ENDING FUND BALANCES FOR 2022

| | | | | | | | | | | |
|--|------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|
| Beginning Fund Balance (cash) | 4,760,526 | 277,164 | 343,914 | 613,795 | 274,278 | 265,207 | 1,183,264 | 1,286,460 | 1,658,403 | 2,169,058 |
| Total Change in Fund Balance | 619,569 | (58,711) | 10,530 | 46,805 | (71,200) | 492,870 | (308,319) | 54,630 | 177,133 | 302,455 |
| Ending Fund Balance as of 9/30/2022 (total cash balance) | 5,380,096 | 218,453 | 354,444 | 660,600 | 203,078 | 758,077 | 874,945 | 1,341,090 | 1,835,536 | 2,471,513 |

Figure E

AVAILABLE CASH AS OF 9/30/2022

| | General | Street | Storm | Storm Cap | Water | Water Cap | Sewer | Sewer Cap | ERR | REET |
|---|------------------|----------------|----------------|----------------|-----------------|----------------|----------------|------------------|------------------|------------------|
| Undesignated Fund Balances | | | | | | | | | | |
| Total Cash Balance | 5,380,096 | 218,453 | 354,444 | 660,600 | 203,078 | 758,077 | 874,945 | 1,341,090 | 1,835,536 | 2,471,513 |
| Less Assigned Light Fund | (528,647) | | | | | | | | | |
| Less Assigned 44th/Alameda | (618,529) | | | | | | | | | |
| Less Restricted ARPA | (473,948) | | | | | | | | | |
| Reserved for cash flow (3 months of operating expenses) | (1,475,000) | (115,000) | (123,250) | 0 | (251,250) | 0 | (658,250) | 0 | (41,750) | |
| Undesignated Fund Balance Available | 2,283,971 | 103,453 | 231,194 | 660,600 | (48,172) | 758,077 | 216,695 | 1,341,090 | 1,793,786 | 2,471,513 |

CUMULATIVE RESERVE

| | | | | | | | | | | |
|---|-----------|---------|---|---|--------|---|---------|---|---|---|
| Cumulative Reserve Fund Balance Available | 1,212,846 | 150,000 | 0 | 0 | 11,513 | 0 | 369,250 | 0 | 0 | 0 |
|---|-----------|---------|---|---|--------|---|---------|---|---|---|

Total invested at LGIP \$17,217,725.13
Park Capital Bond Fund \$1,786,855.72

REET 1 \$759,983.60
REET 2 \$1,711,529.49