



# 2019 FIRST QUARTER FINANCIAL REPORT

## PERFORMANCE AT A GLANCE

The City of Shoreline adopted its first 2019-2020 Biennial Budget on November 19, 2018. This report reflects revenue collections and expenditures through March 31, 2019 as compared to the 2019 Plan as amended through March 31, 2019.

GENERAL FUND REVENUES	COMPARED TO 2019 CURRENT PLAN	COMPARED TO 2018 ACTUAL	REFERENCE
PROPERTY TAX REVENUE	◀NEUTRAL▶	●WARNING●	PAGE 6
SALES TAX REVENUE	▲ POSITIVE ▲	▲ POSITIVE ▲	PAGE 7
B&O TAX ON UTILITIES	▼ NEGATIVE ▼	◀NEGATIVE ▼	PAGE 9
DEVELOPMENT REVENUE	▲ POSITIVE ▲	▲ POSITIVE ▲	PAGE 11
PARKS AND RECREATION REVENUE	▲ POSITIVE ▲	▲ POSITIVE ▲	PAGE 12
INTEREST INCOME	▲ POSITIVE ▲	▲ POSITIVE ▲	PAGE 13, 19, 20
NON-GENERAL FUND REVENUES			
GAS TAX	▲ POSITIVE ▲	▲ POSITIVE ▲	PAGE 14
REAL ESTATE EXCISE TAX	▲ POSITIVE ▲	▼ NEGATIVE ▼	PAGE 17
SURFACE WATER FEES	◀NEUTRAL▶	▲ POSITIVE ▲	PAGE 18

Key to revenue trend indicators:

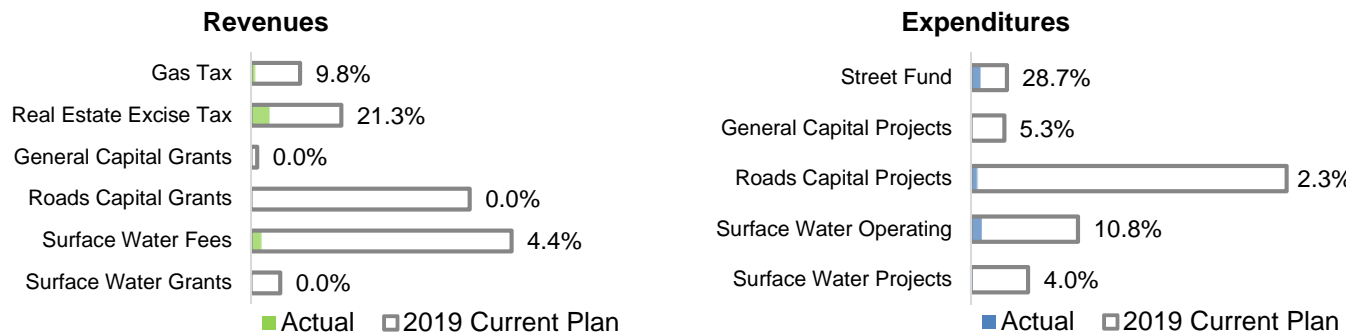
▲ POSITIVE ▲ = Positive variance of >+2% compared to prior year actual.

◀NEUTRAL▶ = Variance of -1% to +2% compared to prior year actual.

●WARNING● = Negative variance of -1% to -4% compared to prior year actual.

▼ NEGATIVE ▼ = Negative variance of >-4% compared to prior year actual.

## OTHER FUNDS COMPARED TO 2019 CURRENT PLAN:



### Highlights:

- General Fund receipts reflect a year-over-year decrease of 16.0%. As a result of the revised accrual procedure, revenues distributed by the state to the City through February were accrued to December 2018 to align with state BARS guidance on revenue recognition periods. This change is reflected in receipts for Sales Tax, Local Criminal Justice Tax, and many Intergovernmental Revenues. It is important to note that for 2019 and beyond there will be twelve months of revenue recorded but they will be for the distributions received in March through February of the next year, which reflects activity from January through December. The General Fund Revenues chart above adjusts for this accrual procedure to present the General Fund's performance at a glance. Departmental expenditures reflect a 13.2% increase. See pages 6-13 for details.



# 2019 FIRST QUARTER FINANCIAL REPORT

## PERFORMANCE AT A GLANCE

### Highlights (Continued):

- Intergovernmental Revenue receipts are 50.2% less than 2018 due to a smaller distribution of marijuana excise tax. See page 8 for details.
- This report does not discuss Business & Occupation Tax or Gambling Tax receipts since first quarter tax returns are not due to the City until April 30. Business & Occupation Tax on Utilities receipts are less than the year-to-date budget projection and 2018 by 21.4% and 11.8%, respectively. Receipts from Natural Gas, Cable TV and Telecommunications are significantly lower than 2018. See pages 9-10 for details.
- Local development activity in 2019 in terms of the number of building permits pulled for new construction and remodels is less but that valuation is more than that for 2018. Total permits processed are 56, or 8.6%, more. See page 11 for details.
- Street Fund receipts, excluding transfers in, are 59.0% less than 2018. As a result of the revised accrual procedure, revenues distributed by the state to the City through February were accrued to December 2018 to align with state BARS guidance on revenue recognition periods. It is important to note that for 2019 and beyond there will be twelve months of revenue recorded but they will be for the distributions received in March through February of the next year, which reflects activity from January through December. The distribution for the month of January 2019, totaling \$125,053, is more than 2018 and the year-to-date budget projection by 3.0% and 10.3%, respectively. Operating expenditures, excluding transfers out, are 123.6% more than 2018. Expenditures, including transfers out, are 123.6% more than 2018. See page 14 for details.
- More information on each budget by fund and the scope and timing of capital projects, including updated estimates, can be found in the City's 2019-2020 Adopted Biennial Budget and 2019-2024 Capital Improvement Plan book on pp. 251-276 and 302-415, respectively available at the following link: <http://www.shorelinewa.gov/home/showdocument?id=42538>. See pages 15-16 for a status of the General Capital and Roads Capital funds.
- Real Estate Excise Tax (REET) revenue receipts are 19.5% more than the year-to-date budget projection but 41.3% less than 2018. The number of transactions through the first quarter are down 22.7% as compared to 2018. Of these transactions, twelve had a value that is greater than \$1 million and accounted for 14.6% of the valuation/taxes. That is, 6.9% of transactions through the first quarter accounted for 14.6% of the valuation/taxes. See page 17 for details.
- Surface Water Fee payments are due to King County in April and October. The County then must remit the City's portion resulting in most collections occurring in the second and fourth quarters. Surface Water Utility operations expended 10.8% of the current plan for the Operating Budget, which is 59.8% more than 2018. Capital projects expended 4.0% of the current plan for the Capital Budget. Capital expenditures are impacted by the timing of construction schedules. See page 18 for details.



# 2019 FIRST QUARTER FINANCIAL REPORT

## ALL FUNDS BUDGET AND YEAR-OVER-YEAR COMPARISON OVERVIEW

The following table presents the 2019 Plan as amended through March 31 by Ordinance No. 852 ([link](#)).

### REVENUES & OTHER SOURCES

FUND TYPE Fund Title	2019 Current Plan Revenues	2019 First Quarter Actual	2019 % of Current Plan	2018 Current Plan Revenues	2018 First Quarter Actual	2018 % of Current Plan	2019 v. 2018 \$ Change	2019 v. 2018 % Change
<b>OPERATING FUNDS</b>	<b>\$45,581,264</b>	<b>\$4,614,930</b>	<b>10.1%</b>	<b>\$43,329,728</b>	<b>\$5,646,731</b>	<b>13.0%</b>	<b>(\$1,031,801)</b>	<b>-18.3%</b>
General Fund	\$44,221,934	\$4,482,593	10.1%	\$41,916,898	\$5,334,392	12.7%	(\$851,799)	-16.0%
Street Fund	1,292,587	127,085	9.8%	1,296,037	309,833	23.9%	(182,748)	-59.0%
Code Abatement Fund	30,000	3,601	12.0%	80,550	1,109	1.4%	2,492	224.7%
State Drug Enforcement Fund	18,243	297	1.6%	18,243	238	1.3%	59	25.0%
Public Arts Fund	5,500	1,252	22.8%	5,000	941	18.8%	311	33.0%
Federal Drug Enforcement Fund	13,000	102	0.8%	13,000	219	1.7%	(117)	-53.4%
<b>DEBT SERVICE FUNDS</b>	<b>\$2,015,100</b>	<b>\$80,293</b>	<b>4.0%</b>	<b>\$2,017,925</b>	<b>\$86,682</b>	<b>4.3%</b>	<b>(\$6,390)</b>	<b>-7.4%</b>
<b>CAPITAL FUNDS</b>	<b>\$11,069,148</b>	<b>\$881,503</b>	<b>8.0%</b>	<b>\$10,517,704</b>	<b>\$1,141,019</b>	<b>10.8%</b>	<b>(\$259,516)</b>	<b>-22.7%</b>
General Capital Fund	2,066,863	254,696	12.3%	1,594,755	428,100	26.8%	(173,404)	-40.5%
City Facility-Major Maint. Fund	0	28	0.0%	883	333	37.7%	(305)	-91.7%
Roads Capital Fund	8,877,285	408,116	4.6%	8,672,066	570,589	6.6%	(162,473)	-28.5%
Transportation Impact Fee	0	150,613	0.0%	200,000	141,997	71.0%	8,617	6.1%
Park Impact Fee	125,000	68,050	54.4%	50,000	0	0.0%	68,050	0.0%
<b>ENTERPRISE FUNDS</b>	<b>\$9,752,695</b>	<b>\$304,099</b>	<b>3.1%</b>	<b>\$7,786,827</b>	<b>\$223,892</b>	<b>2.9%</b>	<b>\$80,207</b>	<b>35.8%</b>
Surface Water Utility Fund*	7,459,937	303,095	4.1%	5,488,926	222,822	4.1%	80,273	36.0%
Wastewater Utility Fund	2,292,758	1,004	0.0%	2,297,901	1,069	0.0%	(65)	-6.1%
<b>INTERNAL SERVICE FUNDS</b>	<b>\$1,017,812</b>	<b>\$833,764</b>	<b>81.9%</b>	<b>\$1,007,083</b>	<b>\$8,293</b>	<b>0.8%</b>	<b>\$825,470</b>	<b>9953.3%</b>
<b>TOTAL OPERATING REVENUE</b>	<b>\$69,436,019</b>	<b>\$6,714,588</b>	<b>9.7%</b>	<b>\$64,659,267</b>	<b>\$7,106,617</b>	<b>11.0%</b>	<b>(\$392,029)</b>	<b>-5.5%</b>
<b>OTHER SOURCES</b>								
Proceeds from Capital Assets	\$4,500	\$0	0.0%	\$5,700	\$0	0.0%	\$0	0.0%
Transfers In	6,425,121	248,580	3.9%	7,087,145	0	0.0%	248,580	0.0%
Other Financing Sources	4,245,000	0	0.0%	4,700,000	0	0.0%	0	0.0%
Budgeted Use of Fund Balance	9,031,462	0	0.0%	9,135,280	0	0.0%	0	0.0%
<b>TOTAL RESOURCES</b>	<b>\$89,142,102</b>	<b>\$6,963,168</b>	<b>7.8%</b>	<b>\$85,587,392</b>	<b>\$7,106,617</b>	<b>8.3%</b>	<b>(\$143,450)</b>	<b>-2.0%</b>

### EXPENDITURES & TRANSFERS OUT

FUND TYPE Fund Title	2019 Current Plan Expenditures	2019 First Quarter Actual	2019 % of Current Plan	2018 Current Plan Expenditures	2018 First Quarter Actual	2018 % of Current Plan	2019 v. 2018 \$ Change	2019 v. 2018 % Change
<b>OPERATING FUNDS</b>	<b>\$46,964,342</b>	<b>\$7,179,982</b>	<b>15.3%</b>	<b>\$44,565,488</b>	<b>\$6,099,287</b>	<b>13.7%</b>	<b>\$1,080,695</b>	<b>17.7%</b>
General Fund	\$44,923,367	\$6,621,937	14.7%	\$42,759,411	\$5,851,011	13.7%	\$770,926	13.2%
Street Fund	1,861,014	534,077	28.7%	1,449,588	238,838	16.5%	295,239	123.6%
Code Abatement Fund	100,000	0	0.0%	130,000	0	0.0%	0	0.0%
Public Arts Fund	48,718	13,645	28.0%	195,246	8,825	4.5%	4,820	54.6%
State Drug Enforcement Fund	18,243	10,322	56.6%	18,243	612	3.4%	9,711	1587.1%
Federal Drug Enforcement Fund	13,000	0	0.0%	13,000	0	0.0%	0	0.0%
<b>DEBT SERVICE FUNDS</b>	<b>\$4,361,915</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$3,619,977</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>
<b>CAPITAL FUNDS</b>	<b>\$18,110,071</b>	<b>\$459,392</b>	<b>2.5%</b>	<b>\$15,727,806</b>	<b>\$1,467,282</b>	<b>9.3%</b>	<b>(\$1,007,889)</b>	<b>-68.7%</b>
General Capital Fund*	1,728,687	91,887	5.3%	4,501,621	1,056,969	23.5%	(965,082)	-91.3%
City Facility-Major Maint. Fund*	166,904	0	0.0%	153,213	17,226	11.2%	(17,226)	-100.0%
Roads Capital Fund*	16,214,480	367,505	2.3%	11,072,972	393,086	3.5%	(25,581)	-6.5%
<b>ENTERPRISE FUNDS</b>	<b>\$10,580,826</b>	<b>\$1,287,134</b>	<b>12.2%</b>	<b>\$8,513,156</b>	<b>\$1,023,230</b>	<b>12.0%</b>	<b>\$263,903</b>	<b>25.8%</b>
Surface Water Utility Fund*	8,453,048	713,005	8.4%	6,215,255	533,893	8.6%	179,112	33.5%
Wastewater Utility Fund	2,127,778	574,129	27.0%	2,297,901	489,337	21.3%	84,791	17.3%
<b>INTERNAL SERVICE FUNDS</b>	<b>\$663,761</b>	<b>\$154,646</b>	<b>23.3%</b>	<b>\$870,122</b>	<b>\$211,561</b>	<b>24.3%</b>	<b>(\$56,915)</b>	<b>-26.9%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$80,680,915</b>	<b>\$9,081,153</b>	<b>11.3%</b>	<b>\$73,296,549</b>	<b>\$8,801,359</b>	<b>12.0%</b>	<b>\$279,794</b>	<b>3.2%</b>
<b>TRANSFERS OUT</b>	<b>\$6,425,121</b>	<b>\$248,580</b>	<b>3.9%</b>	<b>\$7,087,145</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$248,580</b>	<b>0.0%</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$87,106,036</b>	<b>\$9,329,733</b>	<b>10.7%</b>	<b>\$80,383,694</b>	<b>\$8,801,359</b>	<b>10.9%</b>	<b>\$528,374</b>	<b>6.0%</b>



# 2019 FIRST QUARTER FINANCIAL REPORT

## GENERAL FUND BUDGET AND YEAR-OVER-YEAR COMPARISON OVERVIEW

### RESOURCES

General Fund Resource	2019 Current Plan	2019 First Quarter Actual Revenue	% of 2019 Current Budget	2018 Current Plan	2018 First Quarter Actual Revenue	% of 2018 Current Budget	Operating 2019 v. 2018 \$ Change	Operating 2019 v. 2018 % Change
Property Tax	\$13,301,684	\$646,678	4.9%	\$12,759,858	\$668,493	5.2%	(\$21,816)	-3.3%
Sales Tax	9,027,566	756,521	8.4%	8,428,191	1,559,247	18.5%	(802,726)	-51.5%
Local Criminal Justice	1,641,392	128,432	7.8%	1,570,543	402,797	25.6%	(274,365)	-68.1%
Business & Occupation Taxes	6,448,798	430,804	6.7%	5,652,319	511,368	9.0%	(80,564)	-15.8%
Franchise Fees & Contract Payments	5,179,900	654,671	12.6%	4,886,800	642,716	13.2%	11,955	1.9%
Development Revenue	2,713,138	1,134,606	41.8%	3,009,528	648,333	21.5%	486,273	75.0%
Park and Recreation Revenue	1,880,147	360,245	19.2%	1,742,787	349,557	20.1%	10,688	3.1%
Intergovernmental Revenue	2,530,848	147,924	5.8%	2,383,932	319,552	13.4%	(171,628)	-53.7%
Grant Revenue	99,445	0	0.0%	182,680	7,673	4.2%	(7,673)	-100.0%
Fines and Licenses	603,125	17,032	2.8%	601,275	57,847	9.6%	(40,815)	-70.6%
Miscellaneous Revenue	725,291	101,072	13.9%	628,385	104,296	16.6%	(3,223)	-3.1%
Interest Income	70,600	104,609	148.2%	70,600	62,513	88.5%	42,095	67.3%
<b>Total Revenues</b>	<b>\$44,221,934</b>	<b>\$4,482,593</b>	<b>10.1%</b>	<b>\$41,916,898</b>	<b>\$5,334,392</b>	<b>12.7%</b>	<b>(\$851,799)</b>	<b>-16.0%</b>
Proceeds from Capital Assets	0	0	0.0%	0	0	0.0%	0	0.0%
Operating Transfers In	1,231,602	0	0.0%	1,833,395	0	0.0%	0	0.0%
Other Financing Sources	0	0	0.0%	0	0	0.0%	0	0.0%
Budgeted Use of Fund Balance	4,243,867	0	0.0%	4,793,470	0	0.0%	0	0.0%
<b>Total Resources</b>	<b>\$49,697,403</b>	<b>\$4,482,593</b>	<b>9.0%</b>	<b>\$48,543,763</b>	<b>\$5,334,392</b>	<b>11.0%</b>	<b>(\$851,799)</b>	<b>-16.0%</b>

### EXPENDITURES & TRANSFERS

Department	2019 Current Plan	2019 First Quarter Actual Expenditures	% of 2019 Current Budget	2018 Current Plan	2018 First Quarter Actual Expenditures	% of 2018 Current Budget	Operating 2019 v. 2018 \$ Change	Operating 2019 v. 2018 % Change
City Council	\$247,100	\$53,756	21.8%	\$248,652	\$52,789	21.2%	\$967	1.8%
City Manager's Office <sup>1</sup>	4,567,500	928,259	20.3%	3,972,745	639,805	16.1%	288,454	45.1%
City Attorney	807,994	181,235	22.4%	861,437	175,206	20.3%	6,028	3.4%
Community Services <sup>2</sup>	1,253,308	181,230	14.5%	1,724,829	299,455	17.4%	(118,225)	-39.5%
Administrative Services <sup>3</sup>	5,174,046	1,356,912	26.2%	5,198,121	1,205,219	23.2%	151,693	12.6%
Citywide	2,408,465	513,253	21.3%	2,105,895	527,634	25.1%	(14,382)	-2.7%
Human Resources	501,505	112,532	22.4%	499,237	118,192	23.7%	(5,659)	-4.8%
Police	12,424,648	18,987	0.2%	11,944,794	11,086	0.1%	7,901	71.3%
Criminal Justice	3,133,059	219,502	7.0%	3,133,059	303,134	9.7%	(83,631)	-27.6%
Parks	7,803,969	1,478,151	18.9%	6,369,040	1,124,311	17.7%	353,840	31.5%
Planning & Community Development	3,254,731	830,676	25.5%	3,545,999	716,639	20.2%	114,037	15.9%
Public Works	3,347,042	747,443	22.3%	3,155,603	677,541	21.5%	69,902	10.3%
<b>Departmental Expenditures</b>	<b>\$44,923,367</b>	<b>\$6,621,937</b>	<b>14.7%</b>	<b>\$42,759,411</b>	<b>\$5,851,011</b>	<b>13.7%</b>	<b>\$770,926</b>	<b>13.2%</b>
Operating Transfers Out	3,498,773	0	0.0%	4,186,451	0	0.0%	0	0.0%
<b>Total Expenditures</b>	<b>\$48,422,140</b>	<b>\$6,621,937</b>	<b>13.7%</b>	<b>\$46,945,862</b>	<b>\$5,851,011</b>	<b>12.5%</b>	<b>\$770,926</b>	<b>13.2%</b>

1. City Manager's Office includes City Clerk, Communications, Intergovernmental Relations, Economic Development, Property Management, and Light Rail Stations.

Beginning in 2019 it also includes Customer Response Team, and Code Enforcement.

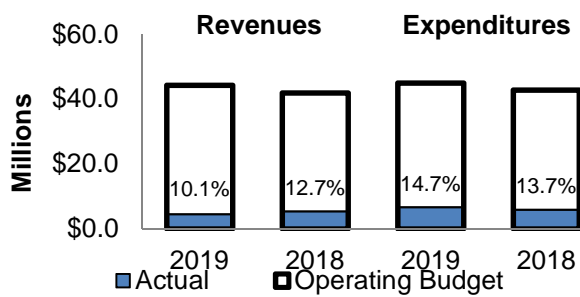
2. Community Services includes Neighborhoods, Emergency Management Planning, Diversity & Inclusion and Human Services.

3. Administrative Services includes Finance, Budget & Tax, Information Technology, and Fleet & Facilities.



# 2019 FIRST QUARTER FINANCIAL REPORT

## GENERAL FUND FINANCIAL OVERVIEW



General Fund	Resources	Expenditures
<b>2019 Operating Plan</b>	<b>\$44,221,934</b>	<b>\$44,923,367</b>
Actual Operating Receipts/Expenditures	\$4,482,593	\$6,621,937
% of 2019 Receipts/Expenditures	10.1%	14.7%
<b>2018 Operating Plan</b>	<b>\$41,916,898</b>	<b>\$42,759,411</b>
Actual Operating Receipts/Expenditures	\$5,334,392	\$5,851,011
% of 2018 Receipts/Expenditures	12.7%	13.7%
Operating 2019 v. 2018 \$ Change	(\$851,799)	\$770,926
Operating 2019 v. 2018 % Change	-16.0%	13.2%

The 2019 Current Plan reflects the planned use of fund balance for one-time investments and transfers in from other funds as provided in the City's financial policies. Operating Receipts/Expenditures reflects revenues or expenditures to provide services accounted for within that fund.

### Revenues

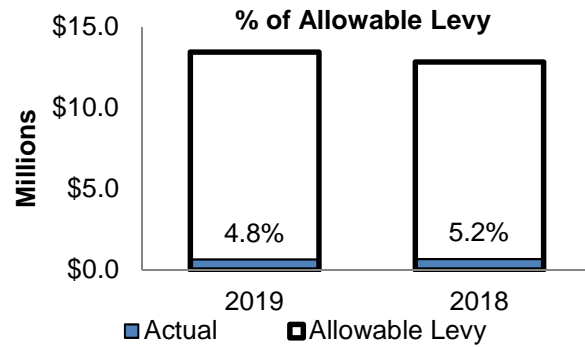
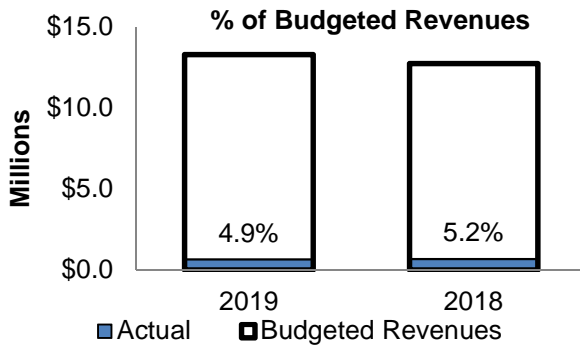
General Fund revenue received reflects a year-over-year decrease of 16.0%. The following pages present a detailed analysis of various General Fund revenue sources. The following are highlights comparing 2019 to 2018 for the General Fund:

- Property tax receipts are 3.3% less than those for 2018.
- Sales tax receipts reflecting activity from March 2019 are more than the budget's year-to-date projection by 14.3% and 2018 collections by 9.0%.
- Intergovernmental Revenue receipts are 53.7% less than the year-ago level. Receipts total \$147,924 and represent 11.7% of the current plan and are 50.2% less than 2018 due to a smaller distribution of marijuana excise tax.
- This report does not discuss Business & Occupation Tax or Gambling Tax receipts since first quarter tax returns are not due to the City until April 30 and will be discussed in the second quarter report. Business & Occupation Tax on Utilities received in the first quarter, in the amount of \$430,804, are less than the year-to-date budget projection and year-ago level by 21.4% and 11.8%, respectively. Receipts from Natural Gas, Cable TV and Telecommunications are significantly lower than 2018.
- Activity through the first quarter presented in this report does not reflect first quarter payments for the water and cable franchise fees since they are typically received in late April. Franchise Fees, in the amount of \$237,000, are more than the year-to-date budget projection and year-ago level by 1.5% and 4.3%, respectively.
- Local development activity in 2019, in terms of the number of building permits pulled for new construction and remodels, is less than the year-ago level; however, the value is \$60.7 million more. Additionally, some permit revenue from the Shoreline School District projects has been deferred but will be posted in 2019.

### Expenditures

Departments spent \$6.622 million, or 14.2%, of the Operating Budget. This level of expenditures is 13.2% more than the year-ago level. Total expenditures, including transfers out, representing expenditure of 13.1% of the Current Budget, are 13.2% more than the year-ago level.

## PROPERTY TAX

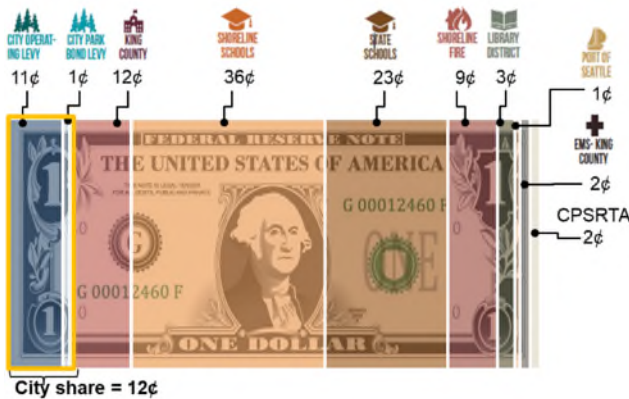
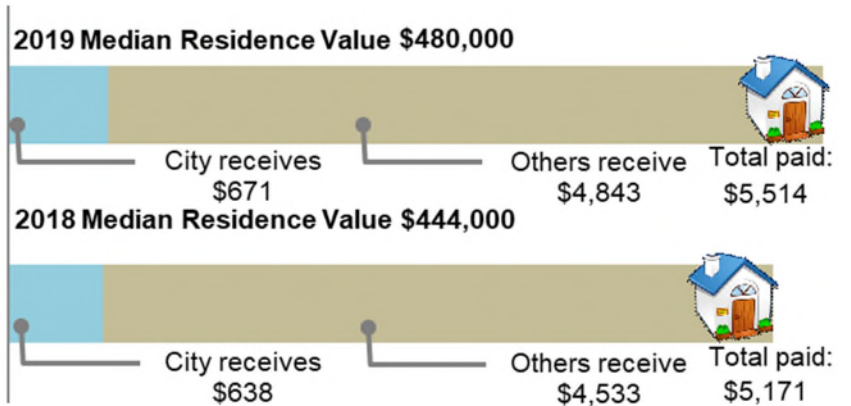


<b>2019 Current Plan</b>	<b>\$13,301,684</b>
2019 First Quarter Actual Revenue	\$646,678
% of 2019 Plan Received	4.9%
<b>2018 Current Plan</b>	<b>\$12,759,858</b>
2018 First Quarter Actual Revenue	\$668,493
% of 2018 Plan Received	5.2%
2019 v. 2018 \$ Change	(\$21,816)
2019 v. 2018 % Change	-3.3%

Property tax payments are due to King County in April and October. The County then must remit the City's portion resulting in most collections occurring in the second and fourth quarters. Receipts for 2019 and 2018 as a percentage of the budgeted projection are at 4.9% and 5.2%, respectively. In terms of the allowable levy, which in many cases is different than the budgeted projection, receipts for 2019 and 2018 are 4.8% and 5.2%, respectively. These results indicate that some taxpayers are paying delinquent taxes.

### Impact on a median homeowner:

In 2019, the City of Shoreline property tax regular levy and excess voted levy rates decreased from \$1.27 to \$1.24 and \$0.17 to \$0.16, respectively. When all the taxing jurisdictions' levy rates are combined the total levy rate decreased from \$11.65 to \$11.49. The chart to the right exhibits the amount a homeowner of a residence with a median value (as determined by the King County Department of Assessments) paid to the City and all other taxing jurisdictions. In 2019, a total of \$5,514 in property taxes is paid to all taxing jurisdictions, which is \$343 more than that paid in 2018.



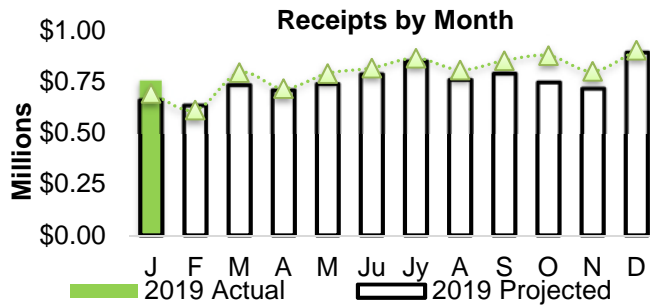
### How \$1 is allocated:

The chart to the left illustrates the allocation of the total 2019 levy rate for all taxing jurisdictions within Shoreline. The City receives 12¢ of each dollar of property tax paid, which, for a median-priced home would equate to 11¢ (\$595 total) for the regular levy and 1¢ (\$76 total) for the excess voted levy for a total of \$33 more than that paid in 2018.



# 2019 FIRST QUARTER FINANCIAL REPORT

## SALES TAX



**2019 Current Plan** **\$9,027,566**

Distribution Period: March

Receipts by Month	2018	2019
January	\$694,368	\$756,521
Year to date	\$694,368	\$756,521
\$ Change		\$62,153
% Change		9.0%

When analyzing monthly sales tax receipts, there are three items of special note: First, most businesses remit their sales tax collections to the Washington State Department of Revenue (DOR) on a monthly basis. Small businesses only have to remit their sales tax collections either quarterly or annually, which can create anomalies when comparing the same month between two years. Second, for those businesses which remit sales tax monthly, there is a two month lag from the time that sales tax is collected to the time it is distributed to the City. Third, as a result of the revised accrual procedure, the distribution received in February was accrued to 2018. It is important to note that for 2019 and beyond there will be twelve months of revenue recorded but they will be for the distributions received in March through February of the next year, which reflects activity from January through December.

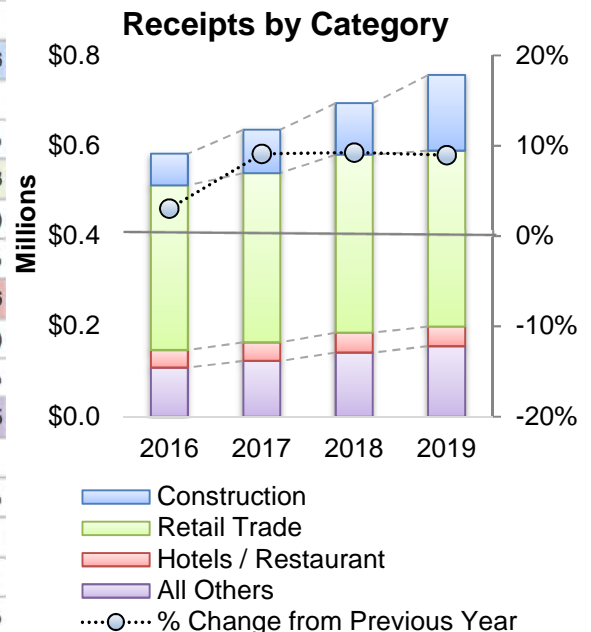
The Sales Tax rate for 2018 and the first quarter of 2019 is 10.0% with the City's portion accounting for 0.85% of the rate. At the November 6, 2018 General Election, Shoreline voters approved a 0.2% increase in the Sales Tax Rate for the Shoreline Transportation Benefit District. That increase does not impact the financial results for the General Fund and will be reported in the Roads Capital Fund in the second quarter report.

Sales Tax receipts are 51.5% less than 2018 as a result of the aforementioned revised accrual procedure. The data presented here reflect the distribution for the month of March 2019 (for January activity), which is more than the budget's year-to-date projection by \$94,397, or 14.3%, and 2018 collections by \$62,153, or 9.0%.

The following table and chart illustrate the performance of the primary categories.

### SALES TAX BY PRIMARY SECTOR FOR DISTRIBUTION PERIOD: MARCH

Sector	2015	2016	2017	2018	2019
Construction	\$70,191	\$70,056	\$96,051	\$114,005	\$167,316
\$ Change		(\$135)	\$25,995	\$17,954	\$53,311
% Change		-0.2%	37.1%	18.7%	46.8%
Retail Trade	\$353,799	\$364,520	\$374,674	\$394,152	\$389,253
\$ Change		\$10,721	\$10,154	\$19,478	(\$4,899)
% Change		3.0%	2.8%	5.2%	-1.2%
Hotels/Restaurant	\$36,321	\$38,949	\$41,001	\$44,096	\$43,596
\$ Change		\$2,627	\$2,052	\$3,096	(\$500)
% Change		7.2%	5.3%	7.6%	-1.1%
All Others	\$104,849	\$108,884	\$123,817	\$142,114	\$156,355
\$ Change		\$4,035	\$14,933	\$18,297	\$14,241
% Change		3.8%	13.7%	14.8%	10.0%
<b>Total Revenue</b>	<b>\$565,161</b>	<b>\$582,409</b>	<b>\$635,543</b>	<b>\$694,368</b>	<b>\$756,521</b>
\$ Change		\$17,247	\$53,134	\$58,825	\$62,153
% Change		3.1%	9.1%	9.3%	9.0%



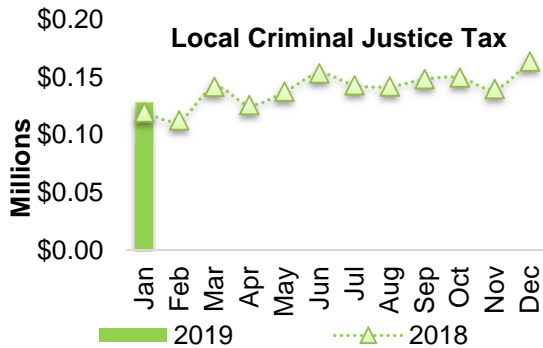


# 2019 FIRST QUARTER FINANCIAL REPORT

## LOCAL CRIMINAL JUSTICE TAX

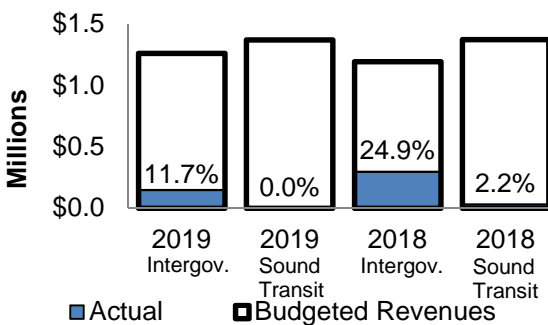
<b>2019 Current Plan</b>	<b>\$1,641,392</b>	
Distribution Period: March		
<b>Sales Activity</b>	<b>2018</b>	<b>2019</b>
January	\$119,465	\$128,432
Year to date	\$119,465	\$128,432
\$ Change		\$8,967
% Change		7.5%

Local Criminal Justice Sales Tax receipts are 68.1% less than 2018 primarily as a result of the aforementioned revised accrual procedure. It is important to note that for 2019 and beyond there will be twelve months of revenue recorded but they will be for the distributions received in March through February of the next year, which reflects activity from January through December. The chart on the left reflects the distribution for the month of January 2019, totaling \$128,432, which is 7.5% more than 2018.

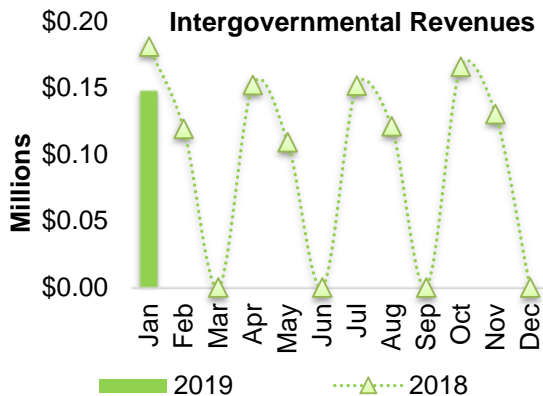


The result for Local Criminal Justice Sales Tax receipts is not commensurate with the result for Sales Tax receipts because the distribution of Local Criminal Justice Sales Tax is based on the city's population and the amount of sales tax collected throughout all of King County. The Puget Sound Economic Forecaster estimated that retail sales throughout King County would increase year-over-year by 5.2%. Sales tax collected throughout King County was actually 8.4% more than 2018.

## INTERGOVERNMENTAL REVENUE



Intergovernmental revenue sources are comprised primarily of funding for criminal justice programs, contract payments, liquor excise tax, liquor board profits, marijuana excise tax, grants and reimbursement from Sound Transit per the Expedited Permitting and Reimbursement Agreement. Contract payments are discussed separately in this report.



Total receipts are 53.7% less than the year-ago level primarily as a result of the aforementioned revised accrual procedure. It is important to note that for 2019 and beyond there will be twelve months of revenue recorded but they will be for the distributions received in March through February of the next year. Receipts by month from sources other than Sound Transit reimbursements are reflected in the Intergovernmental Revenues chart. These receipts total \$147,924 and are 18.4% less than 2018 due to a smaller distribution of marijuana excise tax.

The first bill to Sound Transit was paid in the fourth quarter of 2016, 71.0% of the 2018 year-end estimate was reimbursed, and the balance of the reimbursement is anticipated to be received in 2019 as work on the project continues.





# 2019 FIRST QUARTER FINANCIAL REPORT

## BUSINESS & OCCUPATION TAXES AND FRANCHISE FEE & CONTRACT PAYMENTS

### Business & Occupation Taxes

<b>2019 Current Plan</b>	<b>\$6,448,798</b>
Business & Occupation Tax	\$0
Utility Tax	\$430,804
Gambling Tax	\$0
2019 First Quarter Actual Revenue	\$430,804
% of 2019 Plan Received	6.7%
<b>2018 Current Plan</b>	<b>\$5,652,319</b>
Business & Occupation Tax	\$0
Utility Tax	\$488,217
Gambling Tax	\$23,151
2018 First Quarter Actual Revenue	\$511,368
% of 2018 Plan Received	9.0%
2019 v. 2018 \$ Change	(\$80,564)
2019 v. 2018 % Change	-15.8%

The City has levied tax on gross operating revenues for gambling activities since 1995 and utility operations since 2005. The Business & Occupation (B&O) Tax and in-house processing of business licensing for Shoreline became effective in January 2019. The City is now using a combined tax form for B&O Tax, Utility Tax and Gambling Tax and new business license applications.

To support the implementation of these changes, the City partnered with FileLocal as its taxpayer portal which allows users to transact business with multiple cities in one virtual location. Businesses are able to link existing business licenses on FileLocal. Doing so will allow the City to send to the business electronic communications regarding license renewal and tax filings. More information is available at [shorelinewa.gov/businessoccupationtax](http://shorelinewa.gov/businessoccupationtax). Prior to filing taxes, businesses should consult the Shoreline Municipal Code Chapters 3.22 and 3.23, or call (206) 801-2230 and ask to speak to the City's B&O Tax Analyst.

Gambling Tax receipts since first quarter tax returns are not due to the City until April 30 and will be discussed in the second quarter report. Business & Occupation Tax on Utilities may be paid monthly at the discretion of the taxpayer. Receipts in the amount of \$430,804, are less than the year-to-date budget projection and 2018 by 21.4% and 11.8%, respectively. Receipts from Natural Gas, Cable TV and Telecommunications are significantly lower than 2018.

This report does not discuss Business & Occupation Tax or

### Franchise Fee & Contract Payments

<b>2019 Current Plan</b>	<b>\$5,179,900</b>
Franchise Fee	\$237,000
Contract Payment	\$417,671
2019 First Quarter Actual Revenue	\$654,671
% of 2019 Plan Received	12.6%
<b>2018 Current Plan</b>	<b>\$4,886,800</b>
Franchise Fee	\$227,250
Contract Payment	\$415,466
2018 First Quarter Actual Revenue	\$642,716
% of 2018 Plan Received	13.2%
2019 v. 2018 \$ Change	\$11,955
2019 v. 2018 % Change	1.9%

The City has franchises with water and cable services with fees imposed at 6% and 5%, respectively. The City also has agreements with Seattle City Light, which imposes a 6% contract fee on total electrical revenues, and Ronald Wastewater District, which imposes an Interlocal Operating Agreement Fee. More information is available at <http://www.shorelinewa.gov/government/departments/city-clerk-s-office/agreements-and-contracts/utility-franchise-agreements-document-library/-folder-386>.

Activity through the first quarter presented in this report does not reflect first quarter payments for the water and cable franchise fees since they are typically received in late April. Franchise Fees, in the amount of \$237,000, are more than the year-to-date budget projection and year-ago level by 1.5% and 4.3%, respectively.



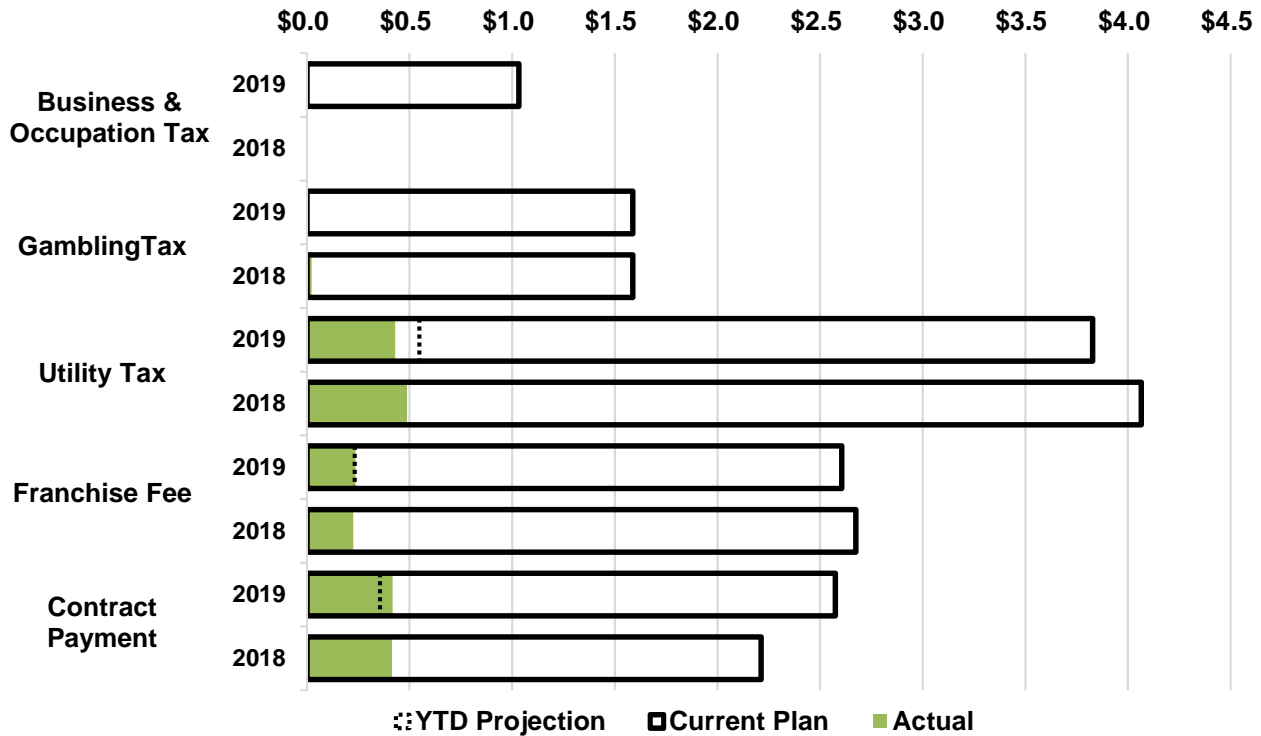
# 2019 FIRST QUARTER FINANCIAL REPORT

## BUSINESS & OCCUPATION TAXES AND FRANCHISE FEE & CONTRACT PAYMENTS

The chart below compares actual receipts to the annual budget for each year and year-to-date budget projection for 2019.

Business & Occupation Tax, Gambling Tax, Utility Tax,  
Franchise Fee, and Contract Payment Receipts

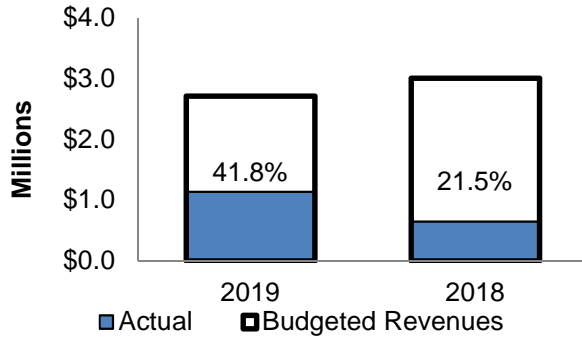
Millions





# 2019 FIRST QUARTER FINANCIAL REPORT

## DEVELOPMENT REVENUE

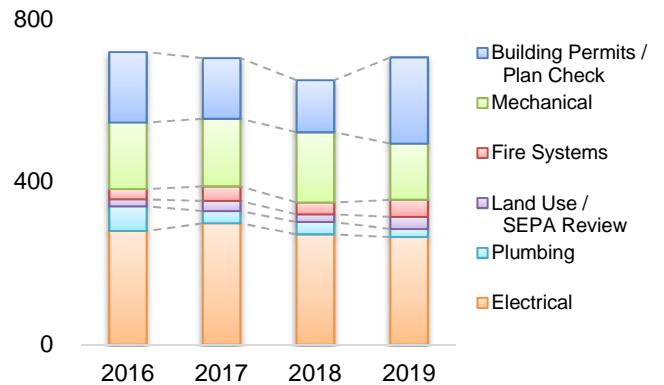


<b>2019 Current Plan</b>	<b>\$2,713,138</b>
2019 First Quarter Actual Revenue	\$1,134,606
% of 2019 Plan Received	41.8%
<b>2018 Current Plan</b>	<b>\$3,009,528</b>
2018 First Quarter Actual Revenue	\$648,333
% of 2018 Plan Received	21.5%
2019 v. 2018 \$ Change	\$486,273
2019 v. 2018 % Change	75.0%

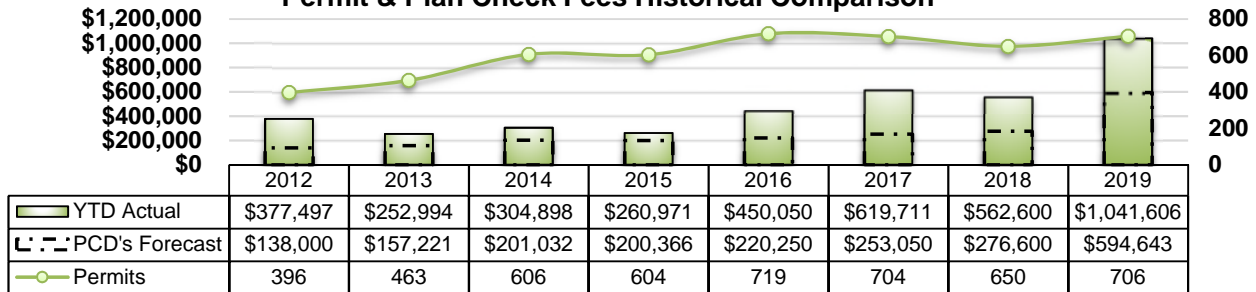
Development revenue receipts, including right-of-way permits, exhibit a year-over-year increase of 75.0%.

## Permit & Plan Check Fees Historical Comparison

PERMIT TYPE	2016	2017	2018	2019	# Change	% Change
Building Permits / Plan Check	173	149	128	212	84	65.6%
Mechanical	164	166	173	138	(35)	-20.2%
Fire Systems	25	36	29	42	13	44.8%
Land Use / SEPA Review	17	25	19	30	11	57.9%
Plumbing	61	30	30	20	(10)	-33.3%
Electrical	279	298	271	264	(7)	-2.6%
<b>Total</b>	<b>719</b>	<b>704</b>	<b>650</b>	<b>706</b>	<b>56</b>	<b>8.6%</b>

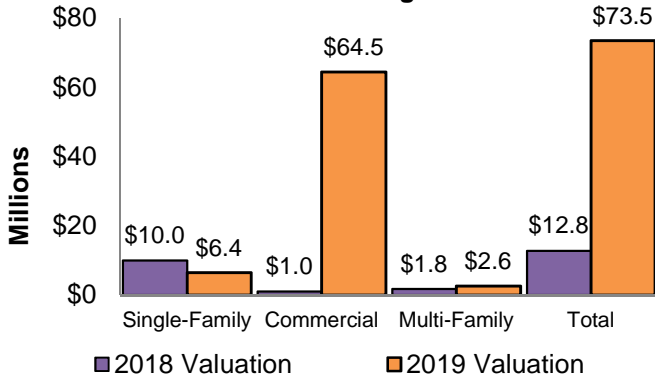


## Permit & Plan Check Fees Historical Comparison



Permit and Plan Check Fees receipts are more than 2018 and the budget projection by 85.1% and 75.2%, respectively. Total permits processed are 56, or 8.6%, more.

## Valuation of Building Permits

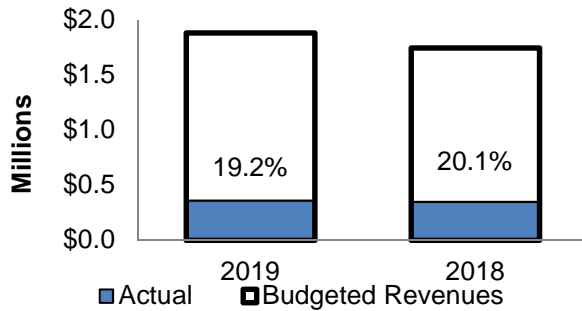


In 2019, the valuation of 79 building permits for new construction and remodels is comprised of 8.8% residential and 91.2% commercial / multi-family valuation. In 2018 valuation of 85 permits was comprised of 78.1% residential and 28.0% commercial / multi-family construction. In 2019, eight fewer permits have been issued for new single-family residences, with a value that is \$3.5 million less, as compared to 2018. Two more permits have been issued for commercial / multi-family construction (new and remodels), with a value that is \$64.3 million more than the year-ago level. In January, the Alexan five-story mixed-use project with 330 units on Westminster Way N was issued with a valuation of \$60 million. In March, the Einstein Middle School project was issued with a \$62.5 million valuation.



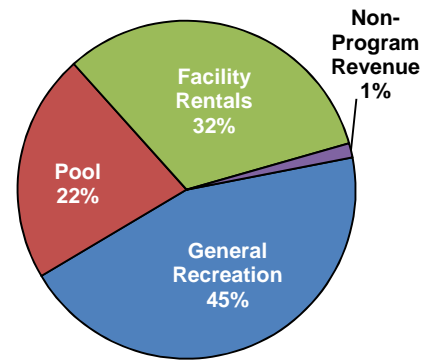
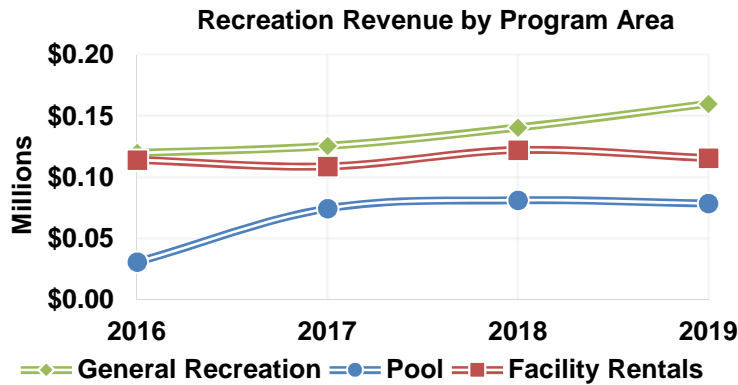
# 2019 FIRST QUARTER FINANCIAL REPORT

## PARKS AND RECREATION REVENUE



<b>2019 Current Plan</b>	<b>\$1,880,147</b>
2019 First Quarter Actual Revenue	\$360,245
% of 2019 Plan Received	19.2%
<b>2018 Current Plan</b>	<b>\$1,742,787</b>
2018 First Quarter Actual Revenue	\$349,557
% of 2018 Plan Received	20.1%
2019 v. 2018 \$ Change	\$10,688
2019 v. 2018 % Change	3.1%

Parks and Recreation revenue receipts are 3.1% more than the year-ago level with receipts for general recreation programs more than the year-ago level by 13.8%. Receipts for facility rentals and the Shoreline Pool are less than the year-ago level by 5.4% and 3.3%, respectively. The decrease for facility rentals is largely attributable to less revenue from adult grass/dirt field rentals.



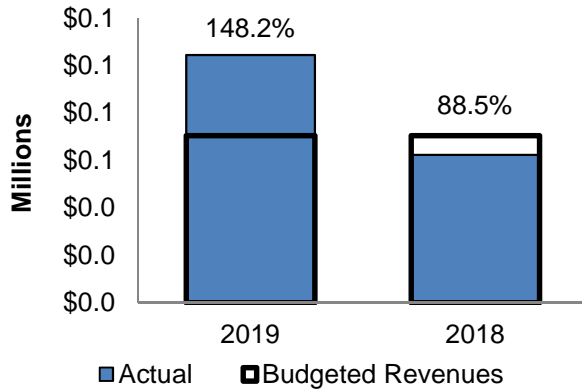
Revenue by Program Area:

Year	General Recreation	Gen Rec % of Total	Pool	Pool % of Total	Facility Rentals	Fac Rent % of Total	Total Program Revenue	Non-Program Revenue	Total Revenue
2016	\$120,171	45.2%	\$30,989	11.7%	\$114,508	43.1%	\$265,669	\$5,681	\$271,349
2017	\$125,932	40.6%	\$74,801	24.1%	\$109,215	35.2%	\$309,949	\$9,879	\$319,828
2018	\$141,008	40.9%	\$81,568	23.6%	\$122,594	35.5%	\$345,171	\$4,386	\$349,557
2019	\$160,417	45.1%	\$78,886	22.2%	\$116,023	32.7%	\$355,326	\$4,919	\$360,245



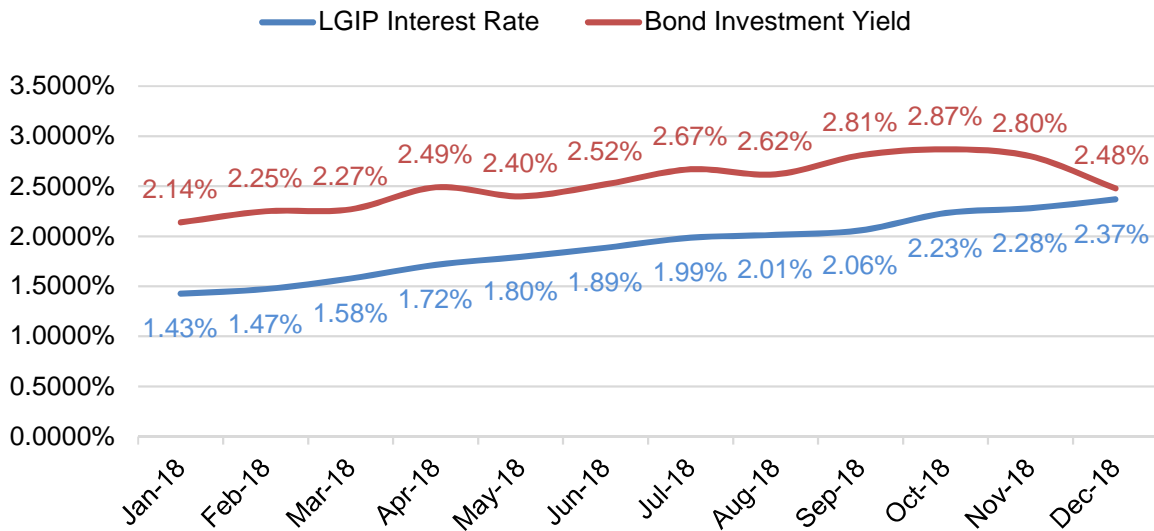
# 2019 FIRST QUARTER FINANCIAL REPORT

## INTEREST INCOME



<b>2019 Current Plan</b>	<b>\$70,600</b>
2019 First Quarter Actual Revenue	\$104,609
% of 2019 Plan Received	148.2%
<b>2018 Current Plan</b>	<b>\$70,600</b>
2018 First Quarter Actual Revenue	\$62,513
% of 2018 Plan Received	88.5%
2019 v. 2018 \$ Change	\$42,095
2019 v. 2018 % Change	67.3%

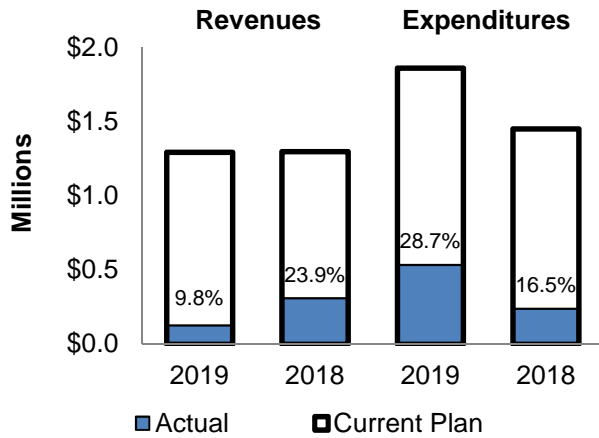
Interest income is more than the year-ago level by 67.3% as a result of rising interest rates. The City's investment policy adheres to strict standards as prescribed by federal law, state statutes, and local ordinances, and allows the City to develop an investment model to maximize its investment returns with the primary objectives of safety and liquidity.





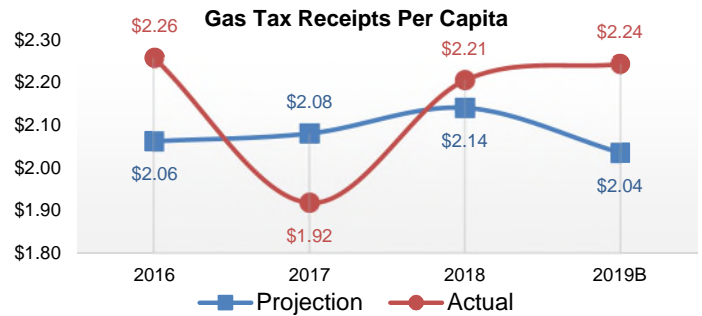
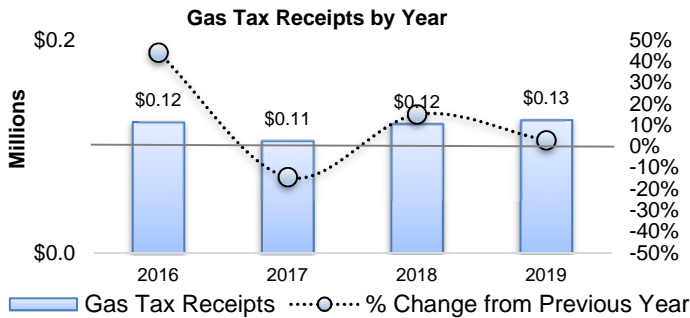
# 2019 FIRST QUARTER FINANCIAL REPORT

## STREET FUND



Street Fund	Resources	Expenditures
<b>2019 Current Plan</b>	<b>\$2,047,309</b>	<b>\$2,047,309</b>
Less Budgeted Use of Fund Balance	147,636	N/A
Less Other Sources & Transfers	607,086	186,295
2019 Operating Plan	\$1,292,587	\$1,861,014
Actual Operating Receipts/Expenditures	\$127,085	\$534,077
% of 2019 Receipts/Expenditures	9.8%	28.7%
<b>2018 Current Plan</b>	<b>\$2,376,815</b>	<b>\$2,376,815</b>
Less Budgeted Use of Fund Balance	588,738	N/A
Less Other Sources & Transfers	492,040	927,227
2018 Operating Plan	\$1,296,037	\$1,449,588
Actual Operating Receipts/Expenditures	\$309,833	\$238,838
% of 2018 Receipts/Expenditures	23.9%	16.5%
Operating 2019 v. 2018 \$ Change	(\$182,748)	\$295,239
Operating 2019 v. 2018 % Change	-59.0%	123.6%

The table shows Street Fund receipts, excluding transfers in, are 59.0% less than 2018. The Motor Vehicle Fuel Excise Tax, commonly referred to as Gas Tax, is levied by the State on a per gallon basis, distributed monthly on a per capita basis to the City of Shoreline, and placed in the Street Fund. When analyzing monthly Gas Tax receipts, there are two items of special note. First, there is a two month lag from the time that Gas Tax is collected to the time it is distributed to the City. Second, as a result of the aforementioned revised accrual procedure, the distribution received in February was accrued to 2018. It is important to note that for 2019 and beyond there will be twelve months of revenue recorded but they will be for the distributions received in March through February of the next year, which reflects activity from January through December. The data presented here reflects the distribution for the month of March 2019 (for January activity) totaling \$125,053, which is more than 2018 and the year-to-date budget projection by 3.0% and 10.3%, respectively.



Operating expenditures, excluding transfers out, are 123.6% more than 2018. Expenditures, including transfers out, are 123.6% more than 2018.



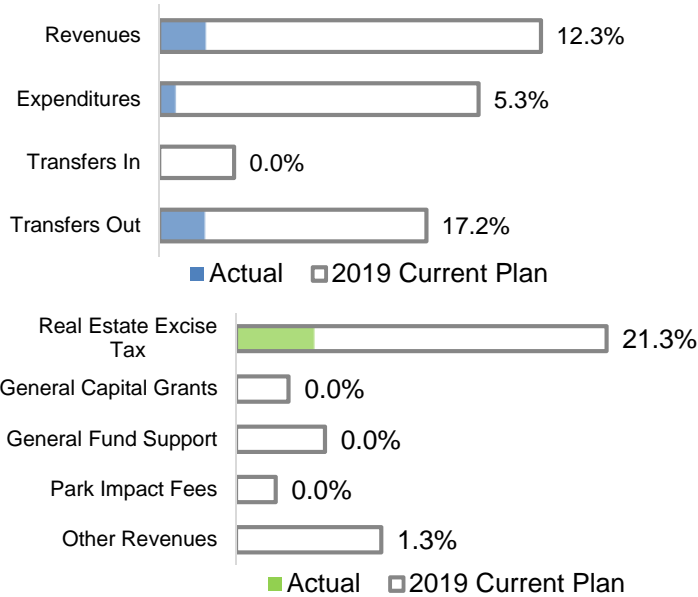
# 2019 FIRST QUARTER FINANCIAL REPORT

## GENERAL CAPITAL FUND

General Capital Fund	Resources	Expenditures
<b>2019 Current Plan</b>	<b>\$3,175,087</b>	<b>\$3,175,087</b>
Less Budgeted Use of Fund Balance	703,224	N/A
Less Other Sources & Transfers	405,000	1,446,400
2019 Capital Plan	\$2,066,863	\$1,728,687
Actual Capital Receipts/Expenditures	\$254,696	\$91,887
% of 2019 Receipts/Expenditures	12.3%	5.3%

First Quarter Actual receipts are largely comprised of Real Estate Excise Tax, which is discussed separately in this report. The 2019 plan includes one-time transfers from the General Fund and Park Impact Fee Fund in support of the following capital projects listed in the table below. Funds are transferred from the General Fund as expenditures are incurred by the projects.

Capital projects expended 5.3% of the current plan for the Capital Budget. Capital expenditures are impacted by the timing of construction schedules. Transfers Out are comprised of transfers to the General Fund for overhead and the Limited Tax General Obligation Bond Fund for City Hall debt service payments. More information on the scope and timing of capital projects, including updated estimates, can be found on pp. 302-324 of the City's 2019-2020 Adopted Biennial Budget and 2019-2024 Capital Improvement Plan book.



General Fund Contributions to Projects	Project Budget	Amount Spent YTD	Budgeted General Fund Support	GF Support Transferred
Parks Repair & Replacement	\$250,528	\$14,301	\$50,000	\$0
Playground Replacement	\$500,000	\$0	\$100,000	\$0
Soccer Field Rental Contribution	N/A	N/A	\$130,000	\$0
Park Impact Fee (PIF) Contributions to Projects	Project Budget	Amount Spent YTD	Budgeted PIF Support	PIF Support Transferred
Parks Facilities Recreation Amenities Plan	\$185,000	\$0	\$125,000	\$0

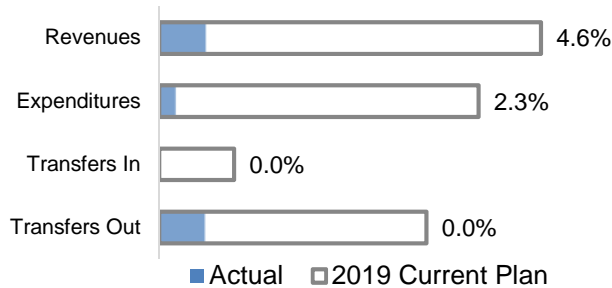


# 2019 FIRST QUARTER FINANCIAL REPORT

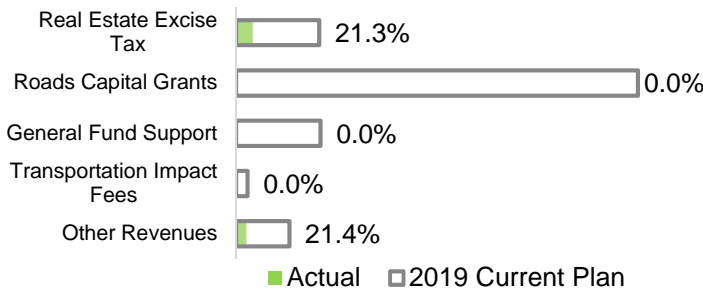
## ROADS CAPITAL FUND

Roads Capital Fund	Resources	Expenditures
<b>2019 Current Plan</b>	<b>\$16,406,810</b>	<b>\$16,406,810</b>
Less Budgeted Use of Fund Balance	1,938,691	N/A
Less Other Sources & Transfers	5,590,834	192,330
2019 Capital Plan	\$8,877,285	\$16,214,480
Actual Capital Receipts/Expenditures	\$408,116	\$367,505
% of 2019 Receipts/Expenditures	4.6%	2.3%

First Quarter Actual receipts are largely comprised of Real Estate Excise Tax, which is discussed separately in this report. The 2019 plan includes one-time transfers from the General Fund and Park Impact Fee Fund in support of the following capital projects listed in the table below. Funds are transferred from the General Fund as expenditures are incurred by the projects.



Capital projects expended 2.3% of the current plan for the Capital Budget. Capital expenditures are impacted by the timing of construction schedules. Transfers Out are comprised of transfers to the General Fund for overhead. More information on the scope and timing of capital projects, including updated estimates, can be found on pp. 344-375 of the City's 2019-2020 Adopted Biennial Budget and 2019-2024 Capital Improvement Plan book.



General Fund Contributions to Projects	Project Budget	Amount Spent YTD	Budgeted General Fund Support	GF Support Transferred
Sidewalk Rehabilitation Program	\$775,017	\$0	\$152,517	\$0
Trail Along the Rail	\$329,117	\$1,473	\$178,030	\$0
147 <sup>th</sup> /148 <sup>th</sup> Non-Motorized Bridge	\$495,983	\$6,826	\$299,945	\$0
185 <sup>th</sup> Corridor Study	\$375,691	\$27,840	\$375,691	\$0
160 <sup>th</sup> and Greenwood/Innis Arden	\$101,548	\$4,384	\$80,000	\$0
Transfer of Gambling Tax	N/A	N/A	\$97,651	\$0
Transportation Impact Fee (TIF) Contributions to Projects	Project Budget	Amount Spent YTD	Budgeted TIF Support	TIF Support Transferred
N 175th St - Stone Ave N to I5	\$1,239,193	\$7,391	\$162,000	\$0

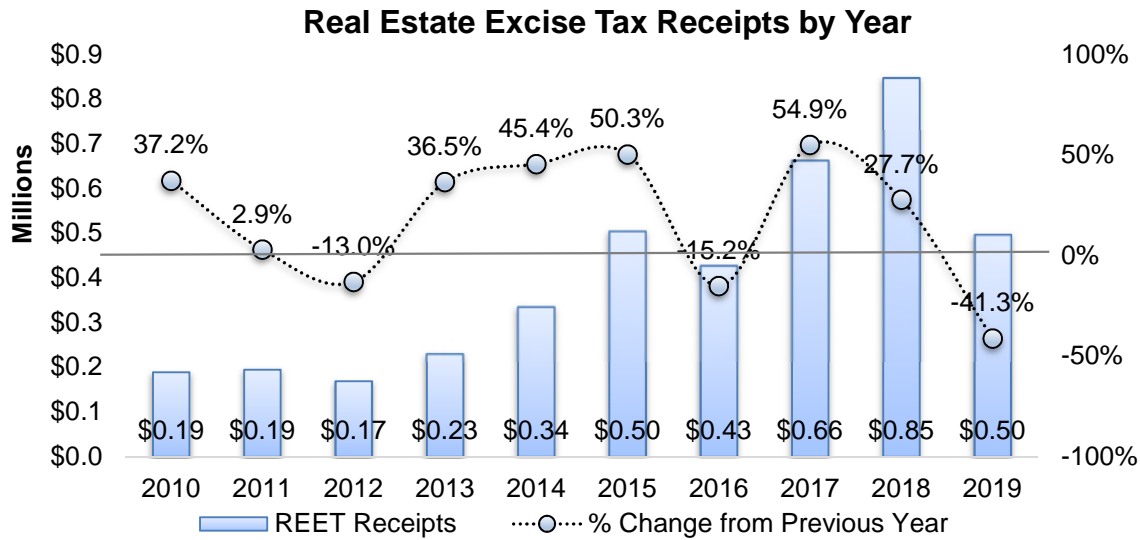




# 2019 FIRST QUARTER FINANCIAL REPORT

## REAL ESTATE REPORT

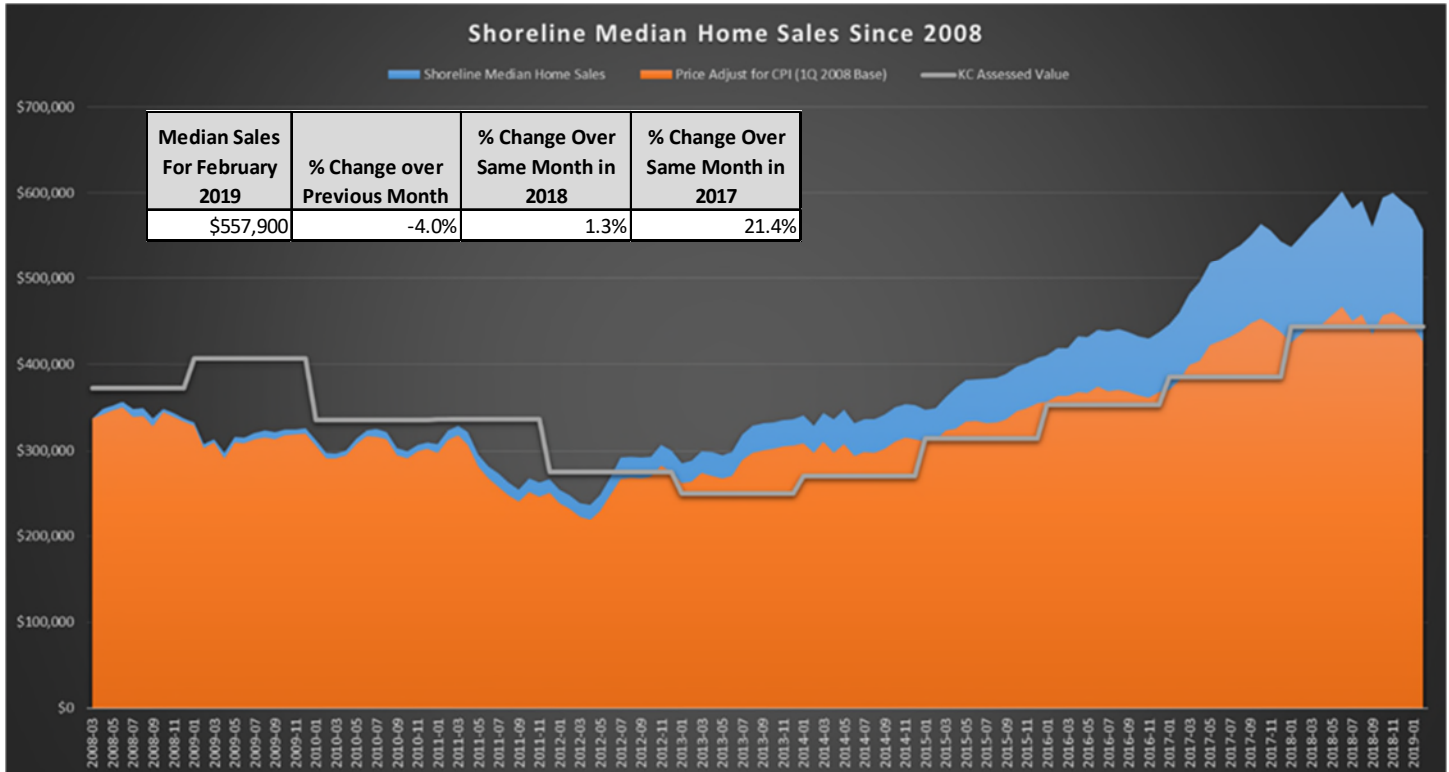
### Real Estate Excise Tax



Real Estate Excise Tax (REET) revenue receipts, in the amount of \$497,159, are 19.5% more than the year-to-date budget projection but 41.3% less than 2018. The number of transactions through the first quarter are down 22.7% as compared to 2018. Of these transactions, twelve had a value that is greater than \$1 million and accounted for 14.6% of the valuation/taxes. That is, 6.9% of transactions through the first quarter accounted for 14.6% of the valuation/taxes.

### Median Home Price and Housing Inventory County

The following tables and charts present data for home sales and housing inventory counts from Zillow Research. Its important to note this data's availability from Zillow lags behind REET information provided by King County.





# 2019 FIRST QUARTER FINANCIAL REPORT

## SURFACE WATER UTILITY FUND

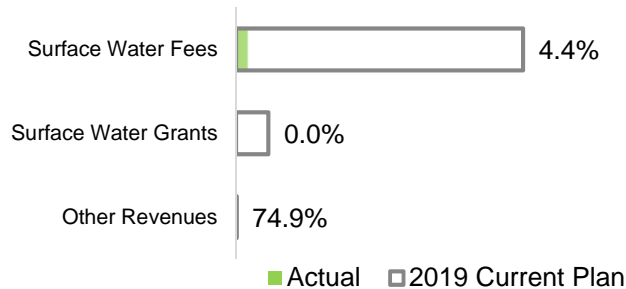
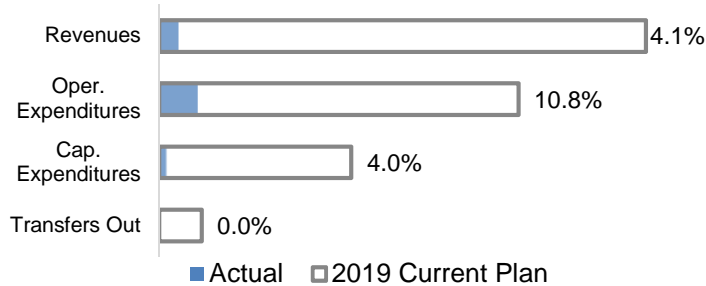
Surface Water Utility Fund	Resources	Expenditures
<b>2019 Current Plan</b>	<b>\$9,102,391</b>	<b>\$9,102,391</b>
Less Budgeted Use of Fund Balance	1,642,454	N/A
Less Other Sources & Transfers	0	649,343
Operating & Capital Budget	\$7,459,937	\$8,453,048
Actual Oper. +Cap. Receipts/Expenditures	\$303,095	\$713,005
% of 2019 Receipts/Expenditures	4.1%	8.4%

The Surface Water Utility Fund (SWM) includes both on-going operational programs and capital projects with both being reflected in the total expenditures and revenues for the fund.

SWM ongoing revenues include storm drainage fees and investment interest earnings. Surface Water Fee payments are due to King County in April and October. The County then must remit the City's portion resulting in most collections occurring in the second and fourth quarters.

Surface Water Utility operations expended 10.8% of the current plan for the Operating Budget, which is 59.8% more than 2018. Capital projects expended 4.0% of the current plan for the Capital Budget. Capital expenditures are impacted by the timing of construction schedules.

More information on the scope and timing of capital projects, including updated estimates, can be found on pp. 380-415 of the City's 2019-2020 Adopted Biennial Budget and 2019-2024 Capital Improvement Plan book.





# 2019 FIRST QUARTER FINANCIAL REPORT

## INVESTMENT REPORT: MARCH 31, 2019

The City's investment policy adheres to strict standards prescribed by federal law, state statutes, local ordinances, and allows the City to develop an investment model to maximize its investment returns within the primary objectives of safety and liquidity.

Our yield objectives are very important and, pursuant to policy, the basis used by the City to determine whether the market yields are being achieved is through the use of a comparable benchmark. Our benchmark has been identified as the current yield to maturity of the Washington State Local Government Investment Pool (LGIP), which had been the City's primary mode of investment prior to adopting our Investment Policy. As of March 31, 2019, the City's investment portfolio, excluding the State Investment Pool had a current weighted average rate of return of 2.0298%. This is slightly less than 2.5229% the rate of return of the State Investment Pool. Returns lower than LGIP are to be expected in a rising rate market, since the LGIP typically carries shorter term investments, allowing them to reinvest more quickly. However, as the City's fixed term investments mature, reinvestment rates for potential new fixed term investments are analyzed to determine if they will produce higher returns than the current LGIP rate. In a declining rate market, the City generally will outperform the benchmark.

Total annual investment interest earnings through March 31, 2019 were \$168,077 which is 119% of \$140,775 (2019's total budgeted investment earnings). The better than expected investment earning is a reflection that the economy is doing well, and it helped to push interest rates up steadily.

As of March 31, 2019, the City's investment portfolio had a fair value of nearly \$36.2 million. Approximately 58% of the investment portfolio was held in U.S. government instrumentality securities, and 42% was held in the Washington State Investment Pool. The City's investment portfolio valued at cost as of March 31, 2019 was slightly over \$36.2 million. The difference between the cost and the market value of the portfolio represents either the loss or the gain of the portfolio if the City were to liquidate investments as of the day that the market value is stated. This would only be done if the City needed to generate cash. The City holds all of its investments until the scheduled maturity date, and therefore when the investments mature the principal market value should equal the cost of the investment. The City also holds sufficient investments within the State Pool to allow for immediate cash liquidation if needed.



# 2019 FIRST QUARTER FINANCIAL REPORT

## LGIP Cash and Investment Balances

Investment Instruments	CUSIP #	BROKER	Settlement		Par Value	Investment Cost	Yield To Maturity	Unrecognized Gain/(Loss)	Market Value 3/31/19
			Date	Maturity Date					
TREASURY 0.875	912828TH3	PiperJaffray	06/22/18	07/31/19	\$ 1,000,000	\$ 983,580	2.3854%	\$ 11,068	\$ 994,648
FHLB 2.25	3130AEG5	PiperJaffray	05/04/18	05/03/19	1,000,000	1,000,000	2.2500%	(162)	999,838
FHLB 4.375	3133XTYY6	PiperJaffray	05/02/18	06/14/19	1,000,000	1,022,530	2.3174%	(18,628)	1,003,902
FFCB 1.18	3133EGPD1	PiperJaffray	11/08/17	08/01/19	2,000,000	1,983,300	1.6712%	8,796	1,992,096
FHLB 1.55	3130ACJ88	1st Empire	11/02/17	09/27/19	2,000,000	1,996,626	1.6400%	(5,428)	1,991,198
FNMA 1.250	3136G4AP8	PiperJaffray	12/31/16	09/30/19	2,000,000	2,000,000	1.2500%	(12,028)	1,987,972
FNMA 1.0	3135G0R39	PiperJaffray	04/25/18	10/24/19	1,000,000	979,490	2.4054%	12,317	991,807
FNMA 1.0	3135G0R39	PiperJaffray	04/25/18	10/24/19	1,000,000	979,490	2.4054%	12,317	991,807
FHLB 1.375	3130AA3R7	PiperJaffray	06/27/18	11/15/19	1,000,000	985,140	2.4054%	8,574	993,714
FNMA 1.20	3136G3TF2	PiperJaffray	07/16/18	12/30/19	1,000,000	980,780	2.5533%	9,906	990,686
FFCB 1.55	3133EG3J2	PiperJaffray	08/13/18	01/10/20	1,020,000	1,005,924	2.5533%	7,592	1,013,516
FHLMC 1.0	3134GBEB4	1st Empire	03/31/17	03/27/20	1,000,000	999,700	1.7000%	(6,697)	993,003
FNMA 1.37	3136G0T43	PiperJaffray	11/08/18	04/17/20	1,000,000	978,750	2.8851%	10,419	989,169
FHLMC 1.75	3134GBYR7	Multi-Bank Security Time Value	07/27/17	07/27/20	1,000,000	1,000,350	1.7145%	(9,609)	990,741
FNMA 1.875	3136G4QF3	Investment Time Value	10/30/17	10/30/20	2,000,000	1,999,680	1.8805%	(18,504)	1,981,176
FHLB 2	3030ACU36	Investment Financial	12/11/17	12/11/20	1,000,000	997,684	2.0800%	(6,065)	991,619
FHLB 2.125	3130ACZD9	Northwestern	12/29/17	12/29/20	1,000,000	1,000,000	2.1250%	(5,523)	994,477
Sub Total - Investments					\$ 21,020,000	\$ 20,893,024		\$ (1,655)	\$ 20,891,369
State Investment Pool						15,356,608	2.5229%		15,356,608
Sub Total - State Investment Pool and Opus Bank Interest Checking						15,356,608			15,356,608
<b>Total LGIP + Investments</b>						<b>\$ 36,249,632</b>		<b>\$ (1,655)</b>	<b>\$ 36,247,977</b>

### Portfolio Diversification

Instrument Type	Percentage	Amount at Cost	Amount at Market Value
FFCB	8.3%	\$ 2,989,224	\$ 3,005,612
FHLB	19.2%	7,001,980	6,974,748
FHLMC	5.5%	2,000,050	1,983,744
FNMA	21.9%	7,918,190	7,932,617
FICO STRIP PRIN SER D-P	2.7%	983,580	994,648
State Investment Pool	42.4%	15,356,608	15,356,608
<b>Total LGIP + Investments</b>	<b>100%</b>	<b>\$ 36,249,632</b>	<b>\$ 36,247,977</b>

Broker	Percentage	Amount at Cost	Amount at Market Value
Financial Northwestern	2.8%	\$ 1,000,000	\$ 994,477
1st Empire	8.3%	2,996,326	2,984,201
Time Value Investment	8.3%	2,997,364	2,972,795
PiperJaffray	35.6%	12,898,984	12,949,155
Multi-Bank Security	2.8%	1,000,350	990,741
State Investment Pool	42.4%	15,356,608	15,356,608
<b>Total LGIP + Investments</b>	<b>100%</b>	<b>\$ 36,249,632</b>	<b>\$ 36,247,977</b>

### Investments by Fund

Fund	Investments at Cost as of 3/31/2019	LGIP State Investment Pool as of 3/31/2019	Total LGIP + Investments at Cost by Fund as of 3/31/2019	Unrecognized Gain/(Loss) as of 3/31/2019	Total Market Value of Investments by Fund as of 3/31/2019	2019		Over/(Under) Budget
						Budgeted Investment Earnings	2019 Actual Investment Earnings	
001 General	\$ 8,711,328	\$ 6,402,924	\$ 15,114,252	\$ (690)	\$ 15,113,562	\$ 69,000	\$ 92,270	\$ 23,270
101 Street	88,750	65,233	153,983	(7)	153,976	2,500	1,997	(503)
107 Code Abatement	221,793	163,020	384,813	(18)	384,796	550	1,751	1,201
108 Asset Seizure	11,239.17	8,260.92	19,500.09	(0.89)	19,499	-	297	297
109 Public Arts	47,249	34,729	81,978	(4)	81,974	-	1,252	1,252
112 Fed Drug Enforcement	12,792	9,402	22,195	(1)	22,194	200	102	(98)
117 Transportation Impact Mitigation	1,786,938	1,313,420	3,100,357	(142)	3,100,216	-	14,151	14,151
118 Parks Impact Fees	12,137	8,921	21,057	(1)	21,056	-	129	129
190 Revenue Stabilization	2,962,469	2,177,448	5,139,918	(235)	5,139,683	-	-	-
301 General Capital	765,671	562,777	1,328,448	(61)	1,328,388	6,710	6,117	(593)
312 City Fac-Mjr Maint	2,038	1,498	3,537	(0)	3,537	-	28	28
330 Roads Capital	3,066,689	2,254,051	5,320,740	(243)	5,320,497	39,364	24,205	(15,159)
331 Trans Bene Dist	809,737	595,166	1,404,903	(64)	1,404,839	-	5,971	5,971
401 Surface Water Utility Fund	1,304,074	958,509	2,262,584	(103)	2,262,481	14,451	10,328	(4,123)
405 Wastewater Fund	106,197	78,056	184,253	(8)	184,245	-	1,004	1,004
501 Vehicle Oper/Maint	11,301	8,306	19,608	(1)	19,607	-	361	361
503 Equip Dep Replace	939,741	690,721	1,630,462	(74)	1,630,388	8,000	7,845	(155)
505 Unemployment	32,878	24,166	57,044	(3)	57,041	-	270	270
<b>Total Investments</b>	<b>\$ 20,893,024</b>	<b>\$ 15,356,608</b>	<b>\$ 36,249,632</b>	<b>\$ (1,655)</b>	<b>\$ 36,247,977</b>	<b>\$ 140,775</b>	<b>\$ 168,077</b>	<b>\$ 27,302</b>