



2019 THIRD 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 September 30, 2019 as compared to the 2019 Plan as amended through September 30, 2019.

GENERAL FUND REVENUES	COMPARED TO 2019 CURRENT PLAN	COMPARED TO 2018 ACTUAL	REFERENCE
PROPERTY TAX REVENUE	◀NEUTRAL▶	▲ POSITIVE ▲	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 ▲	◀NEUTRAL▶	PAGE 14
REAL ESTATE EXCISE TAX	▲ POSITIVE ▲	▼ NEGATIVE ▼	PAGE 17
SURFACE WATER FEES	◀NEUTRAL▶	▲ POSITIVE ▲	PAGE 18

Key to revenue trend indicators:

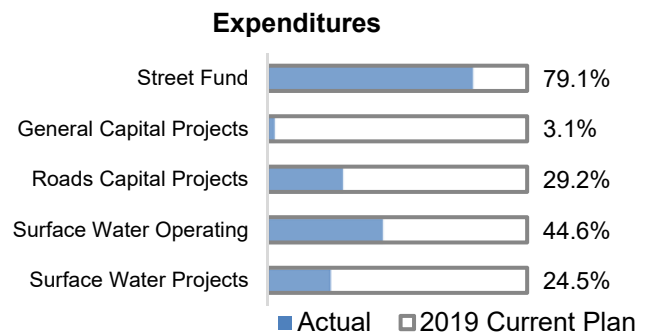
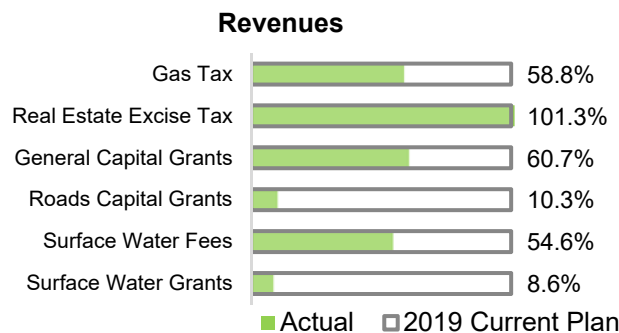
▲ POSITIVE ▲ = Variance/Change of > +2%

◀NEUTRAL▶ = Variance/Change of -1% to +2%

● WARNING ● = Variance/Change of -1% to -4%

▼ NEGATIVE ▼ = Variance/Change of >-4%

OTHER FUNDS COMPARED TO 2019 CURRENT PLAN:



Highlights:

- General Fund receipts reflect a year-over-year increase of 5.2%. The revised accrual procedure described last quarter to comply with state BARS guidance on revenue recognition periods resulted in 13 months of revenue being recognized in 2018 for Sales Tax, Local Criminal Justice Tax, and many Intergovernmental Revenues, which means there is one less month reported for 2019 as compared to that reported for the same period in 2018. Departmental expenditures reflect a 5.6% increase. See pages 6-13 for details.
- Property tax receipts are at 55.0% of the allowable levy. See page 6 for details.
- Sales tax receipts reflecting activity from March through September 2019 are more than the budget's year-to-date projection by 18.5% and 2018 collections by 14.5%. Much of the increase is driven by activity in the Construction sector, which is 56.5% more than 2018 collections. See page 7 for details.



2019 THIRD QUARTER FINANCIAL REPORT

PERFORMANCE AT A GLANCE

Highlights (Continued):

- Business & Occupation (B&O) Tax receipts from business operations presented in this report represent first and second quarter collections from businesses placed on quarterly filing status as well as those that voluntarily filed first and second quarter tax returns. See pages 9-10 for details.
- B&O Tax on Utilities in the amount of \$2,021,343, are less than the year-to-date budget projection and 2018 by 14.9% and 7.5%, respectively. Receipts are significantly lower than 2018 collections, possibly attributable to warmer weather and reduced consumer spending and competitive factors that provide consumers an increasing number of choices for some utilities. See pages 9-10 for details.
- Permit and Plan Check Fees receipts are more than 2018 and the budget projection by 20.6% and 33.0%, respectively. Total permits processed are 136, or 6.2%, more. See page 11 for details.
- Street Fund receipts, excluding transfers in, are 22.0% less than 2018 as a result of the revised accrual procedure. The data presented here reflects the distributions for the month of March through September 2019 (for January through July activity) totaling \$412,352, which is less than 2018 by 2.8% but less than the year-to-date budget projection by 0.1%. Operating expenditures, excluding transfers out, are 43.0% more than 2018. Expenditures, including transfers out, are 7.1% less 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 35.7% more than the year-to-date budget projection but 12.0% less than 2018. The number of transactions through the third quarter are down 1.3% as compared to 2018. Of these transactions, 61 had a value that is greater than \$1 million and accounted for 22.4% of the valuation/taxes. That is, 8.3% of transactions through the third quarter accounted for 22.4% 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. Receipts through the third quarter are less than the year-to-date budget projection by \$11,236, or 0.3%. A budget amendment presented during the mid-bi review will update the Surface Water Fee revenue projections for the biennium according to the financial analysis incorporated in the final Surface Water Master Plan. Surface Water Utility operations expended 44.6% of the current plan for the Operating Budget, which is 20.1% more than 2018. Capital projects expended 24.5% of the current plan for the Capital Budget. Capital expenditures are impacted by the timing of construction schedules. See page 18 for details.



2019 THIRD QUARTER FINANCIAL REPORT

ALL FUNDS BUDGET AND YEAR-OVER-YEAR COMPARISON OVERVIEW

The following table presents the 2019 Plan as amended through September 30 by Ordinance No. 861 ([link](#)).

REVENUES & OTHER SOURCES

FUND TYPE Fund Title	2019 Current Plan Revenues	2019 Third Quarter Actual	2019 % of Current Plan	2018 Current Plan Revenues	2018 Third Quarter Actual	2018 % of Current Plan	2019 v. 2018 \$ Change	2019 v. 2018 % Change
OPERATING FUNDS	\$46,432,847	\$28,553,805	61.5%	\$44,417,080	\$27,385,889	61.7%	\$1,167,915	4.3%
General Fund	\$45,073,423	\$27,775,198	61.6%	\$43,004,250	\$26,411,528	61.4%	\$1,363,670	5.2%
Street Fund	1,292,587	750,442	58.1%	1,296,037	962,240	74.2%	(211,798)	-22.0%
Code Abatement Fund	30,000	21,643	72.1%	80,550	5,211	6.5%	16,432	315.3%
State Drug Enforcement Fund	18,243	1,354	7.4%	18,243	2,911	16.0%	(1,557)	-53.5%
Public Arts Fund	5,594	4,802	85.8%	5,000	3,494	69.9%	1,309	37.5%
Federal Drug Enforcement Fund	13,000	365	2.8%	13,000	506	3.9%	(141)	-27.8%
DEBT SERVICE FUNDS	\$2,015,100	\$1,107,610	55.0%	\$2,000,742	\$1,100,177	55.0%	\$7,433	0.7%
CAPITAL FUNDS	\$12,812,971	\$6,534,610	51.0%	\$14,979,602	\$4,735,363	31.6%	\$1,799,247	38.0%
General Capital Fund	2,066,863	1,311,329	63.4%	1,594,755	1,469,945	92.2%	(158,616)	-10.8%
City Facility-Major Maint. Fund	0	529	0.0%	883	1,107	125.4%	(579)	-52.2%
Roads Capital Fund	10,621,108	3,745,448	35.3%	13,133,964	2,318,920	17.7%	1,426,527	61.5%
Transportation Impact Fee	0	920,390	0.0%	200,000	913,789	456.9%	6,601	0.7%
Park Impact Fee	125,000	556,915	445.5%	50,000	31,602	63.2%	525,312	1662.3%
ENTERPRISE FUNDS	\$9,888,929	\$5,384,146	54.4%	\$8,222,101	\$3,504,153	42.6%	\$1,879,993	53.7%
Surface Water Utility Fund*	7,596,171	3,787,852	49.9%	5,924,200	3,266,310	55.1%	521,541	16.0%
Wastewater Utility Fund	2,292,758	1,596,294	69.6%	2,297,901	237,842	10.4%	1,358,451	571.2%
INTERNAL SERVICE FUNDS	\$1,017,812	\$929,728	91.3%	\$1,009,413	\$884,487	87.6%	\$45,241	5.1%
TOTAL OPERATING REVENUE	\$72,167,659	\$42,509,898	58.9%	\$70,628,938	\$37,610,069	53.3%	\$4,899,830	13.0%
OTHER SOURCES								
Proceeds from Capital Assets	\$2,454,500	\$11,259	0.5%	\$2,105,700	\$29,455	1.4%	(\$18,196)	-61.8%
Transfers In	8,540,067	3,438,246	40.3%	7,503,327	4,460,353	59.4%	(1,022,107)	-22.9%
Other Financing Sources	25,615,047	23,433	0.1%	29,700,000	14,893	0.1%	8,539	57.3%
Budgeted Use of Fund Balance	12,193,733	0	0.0%	12,964,930	0	0.0%	0	0.0%
TOTAL RESOURCES	\$120,971,006	\$45,982,837	38.0%	\$122,902,895	\$42,114,771	34.3%	\$3,868,066	9.2%

EXPENDITURES & TRANSFERS OUT

FUND TYPE Fund Title	2019 Current Plan Expenditures	2019 Third Quarter Actual	2019 % of Current Plan	2018 Current Plan Expenditures	2018 Third Quarter Actual	2018 % of Current Plan	2019 v. 2018 \$ Change	2019 v. 2018 % Change
OPERATING FUNDS	\$48,444,224	\$29,957,480	61.8%	\$47,059,689	\$28,063,747	59.6%	\$1,893,733	6.7%
General Fund	\$46,507,374	\$28,589,919	61.5%	\$45,210,942	\$27,078,822	59.9%	\$1,511,097	5.6%
Street Fund	1,612,353	1,274,961	79.1%	1,447,258	891,757	61.6%	383,205	43.0%
Code Abatement Fund	100,000	0	0.0%	130,000	0	0.0%	0	0.0%
Public Arts Fund	183,022	73,630	40.2%	195,246	44,383	22.7%	29,247	65.9%
State Drug Enforcement Fund	28,475	18,970	66.6%	18,243	2,312	12.7%	16,658	720.5%
Federal Drug Enforcement Fund	13,000	0	0.0%	58,000	46,473	80.1%	(46,473)	-100.0%
DEBT SERVICE FUNDS	\$4,561,915	\$627,337	13.8%	\$3,819,977	\$653,244	17.1%	(\$25,907)	-4.0%
CAPITAL FUNDS	\$42,496,416	\$5,202,370	12.2%	\$49,278,947	\$7,050,129	14.3%	(\$1,847,758)	-26.2%
General Capital Fund*	27,660,494	853,896	3.1%	31,143,370	4,665,661	15.0%	(3,811,765)	-81.7%
City Facility-Major Maint. Fund*	166,904	62,392	37.4%	181,742	115,264	63.4%	(52,872)	-45.9%
Roads Capital Fund*	14,669,018	4,286,082	29.2%	17,953,835	2,269,204	12.6%	2,016,878	88.9%
ENTERPRISE FUNDS	\$11,174,278	\$4,852,556	43.4%	\$9,185,326	\$4,492,483	48.9%	\$360,073	8.0%
Surface Water Utility Fund*	9,039,693	3,315,475	36.7%	6,887,425	3,020,644	43.9%	294,832	9.8%
Wastewater Utility Fund	2,134,585	1,537,080	72.0%	2,297,901	1,471,839	64.1%	65,241	4.4%
INTERNAL SERVICE FUNDS	\$1,202,601	\$893,722	74.3%	\$878,130	\$560,323	63.8%	\$333,399	59.5%
TOTAL EXPENDITURES	\$107,879,434	\$41,533,465	38.5%	\$110,222,069	\$40,819,925	37.0%	\$713,540	1.7%
TRANSFERS OUT	\$8,540,067	\$3,438,246	40.3%	\$7,505,657	\$4,460,353	59.4%	(\$1,022,107)	-22.9%
TOTAL EXPENDITURES & TRANSFERS	\$116,419,501	\$44,971,711	38.6%	\$117,727,726	\$45,280,278	38.5%	(\$308,567)	-0.7%



2019 THIRD QUARTER FINANCIAL REPORT

GENERAL FUND BUDGET AND YEAR-OVER-YEAR COMPARISON OVERVIEW RESOURCES (UNADJUSTED FOR REVISED ACCRUAL PROCEDURE)

General Fund Resource	2019 Current Plan	2019 Third Quarter Actual Revenue	% of 2019 Current Budget	2018 Current Plan	2018 Third Quarter Actual Revenue	% of 2018 Current Budget	Operating 2019 v. 2018 \$ Change	Operating 2019 v. 2018 % Change
Property Tax	\$13,301,684	\$7,396,231	55.6%	\$12,759,858	\$6,973,812	54.7%	\$422,419	6.1%
Sales Tax*	9,027,566	6,068,573	67.2%	8,428,191	6,163,670	73.1%	(95,097)	-1.5%
Local Criminal Justice*	1,641,392	987,609	60.2%	1,570,543	1,216,956	77.5%	(229,347)	-18.8%
B&O, Utility, and Gambling Taxes	6,448,798	3,178,637	49.3%	5,652,319	2,925,036	51.7%	253,601	8.7%
Franchise Fees & Contract Payments	5,179,900	2,971,052	57.4%	4,886,800	2,890,500	59.1%	80,553	2.8%
Development Revenue	2,765,865	3,033,231	109.7%	3,009,528	2,477,425	82.3%	555,805	22.4%
Park and Recreation Revenue	1,923,665	1,783,541	92.7%	1,770,687	1,600,655	90.4%	182,886	11.4%
Intergovernmental Revenue*	2,530,848	1,318,049	52.1%	2,459,756	1,127,516	45.8%	190,533	16.9%
Grant Revenue	907,416	144,520	15.9%	1,166,308	119,707	10.3%	24,813	20.7%
Fines and Licenses	603,125	47,693	7.9%	601,275	154,820	25.7%	(107,127)	-69.2%
Miscellaneous Revenue	672,564	435,760	64.8%	628,385	499,367	79.5%	(63,607)	-12.7%
Interest Income	70,600	410,303	581.2%	70,600	262,065	371.2%	148,238	56.6%
Total Revenues	\$45,073,423	\$27,775,198	61.6%	\$43,004,250	\$26,411,528	61.4%	\$1,363,670	5.2%
Proceeds from Capital Assets	0	1,359	0.0%	0	0	0.0%	1,359	0.0%
Operating Transfers In	1,795,873	799,967	44.5%	1,833,395	1,563,897	85.3%	(763,931)	-48.8%
Other Financing Sources	0	0	0.0%	0	14,893	0.0%	(14,893)	-100.0%
Budgeted Use of Fund Balance	6,139,135	0	0.0%	6,173,934	0	0.0%	0	0.0%
Total Resources	\$53,008,431	\$28,576,523	53.9%	\$51,011,579	\$27,990,318	54.9%	\$586,205	2.1%

* Resources are unadjusted for the previously discussed revised accrual procedure, thus there is one fewer month reported for 2019 as compared those for 2018.

EXPENDITURES & TRANSFERS

Department	2019 Current Plan	2019 Third Quarter Actual Expenditures	% of 2019 Current Budget	2018 Current Plan	2018 Third Quarter Actual Expenditures	% of 2018 Current Budget	Operating 2019 v. 2018 \$ Change	Operating 2019 v. 2018 % Change
City Council	\$247,100	\$177,986	72.0%	\$248,652	\$172,934	69.5%	\$5,051	2.9%
City Manager's Office ¹	4,500,888	3,028,866	67.3%	4,050,035	2,228,910	55.0%	799,955	35.9%
City Attorney	807,994	595,492	73.7%	861,437	531,305	61.7%	64,187	12.1%
Community Services ²	1,272,513	876,940	68.9%	1,763,734	1,175,098	66.6%	(298,158)	-25.4%
Administrative Services ³	5,912,960	3,803,245	64.3%	6,275,393	3,835,670	61.1%	(32,424)	-0.8%
Citywide	2,359,814	679,712	28.8%	2,041,864	896,598	43.9%	(216,887)	-24.2%
Human Resources	485,905	343,973	70.8%	499,237	346,523	69.4%	(2,551)	-0.7%
Police	12,771,501	7,880,351	61.7%	12,346,618	7,553,571	61.2%	326,780	4.3%
Criminal Justice	3,133,059	1,143,934	36.5%	3,133,059	1,206,531	38.5%	(62,598)	-5.2%
Parks	8,006,793	5,172,141	64.6%	7,085,250	4,524,115	63.9%	648,026	14.3%
Planning & Community Development	3,461,213	2,405,099	69.5%	3,614,283	2,344,254	64.9%	60,844	2.6%
Public Works	3,547,634	2,482,182	70.0%	3,291,380	2,263,312	68.8%	218,870	9.7%
Departmental Expenditures	\$46,507,374	\$28,589,919	61.5%	\$45,210,942	\$27,078,822	59.9%	\$1,511,097	5.6%
Operating Transfers Out	4,598,829	1,658,055	36.1%	4,202,736	1,709,536	40.7%	(51,480)	-3.0%
Total Expenditures	\$51,106,203	\$30,247,974	59.2%	\$49,413,678	\$28,788,358	58.3%	\$1,459,616	5.1%

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.

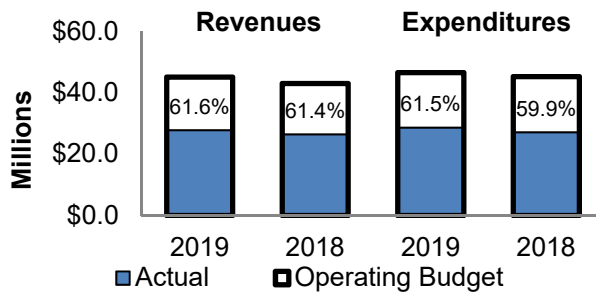
2. Community Services includes Neighborhoods, Emergency Management Planning, Diversity & Inclusion and Human Services.

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



2019 THIRD QUARTER FINANCIAL REPORT

GENERAL FUND FINANCIAL OVERVIEW



General Fund	Resources	Expenditures
2019 Operating Plan	\$45,073,423	\$46,507,374
Actual Operating Receipts/Expenditures	\$27,775,198	\$28,589,919
% of 2019 Receipts/Expenditures	61.6%	61.5%
2018 Operating Plan	\$43,004,250	\$45,210,942
Actual Operating Receipts/Expenditures	\$26,411,528	\$27,078,822
% of 2018 Receipts/Expenditures	61.4%	59.9%
Operating 2019 v. 2018 \$ Change	\$1,363,670	\$1,511,097
Operating 2019 v. 2018 % Change	5.2%	5.6%

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 reflect revenues or expenditures to provide services accounted for within that fund.

Revenues:

General Fund revenue received reflects a year-over-year increase of 5.2%. 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:

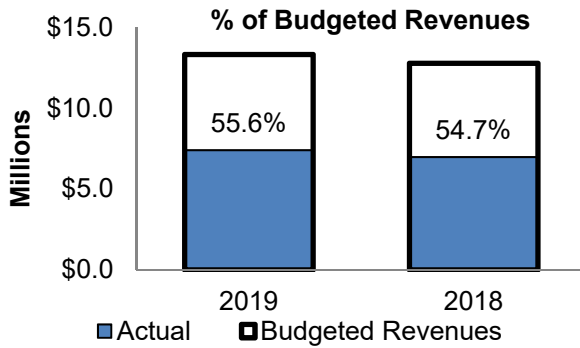
- Property tax receipts are at 55.0% of the allowable levy.
- Sales tax receipts reflecting activity from March through September 2019 are more than the budget's year-to-date projection by 18.5% and 2018 collections by 14.5%. Much of the increase is driven by activity in the Construction sector, which is 56.5% more than 2018 collections.
- Intergovernmental Revenue receipts are 16.9% more than 2018 primarily as a result of the aforementioned revised accrual procedure. Comparing disbursements for March through September, receipts in 2019 total \$817,497 and are 14.3% more than 2018.
- Business & Occupation (B&O) Tax receipts from business operations presented here represent collections from businesses placed on quarterly filing status as well as those that voluntarily filed first and second quarter tax returns. Receipts in the amount of \$2,021,343, are less than the year-to-date budget projection and 2018 by 14.9% and 7.5%, respectively. Receipts are significantly lower than 2018 collections, possibly attributable to warmer weather and reduced consumer spending and competitive factors that provide consumers an increasing number of choices for some utilities.
- Franchise Fees, in the amount of \$1,500,659, are more than the year-to-date budget projection and year-ago level by 3.4% and 0.5%, respectively.
- Permit and Plan Check Fees receipts are more than 2018 and the budget projection by 20.6% and 33.0%, respectively. Total permits processed are 136, or 6.2%, more.

Expenditures and Transfers Out:

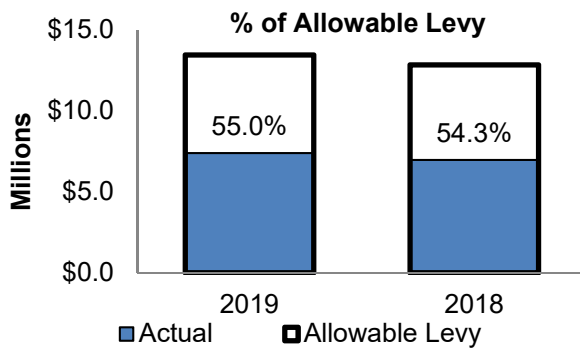
Departments spent \$28.590 million, or 61.5%, of the Operating Budget. This level of expenditures is 5.6% more than the year-ago level. Total expenditures, including transfers out, representing expenditure of 59.2% of the Current Budget, are 5.1% more than the year-ago level. General Fund contributions covering expenditures through second quarter of certain capital projects are reflected in the table to the right. General Fund contributions covering expenditures through third quarter are discussed later in this report but will be reflected in the annual financial report.

General Fund Contributions to Projects	Project Budget	Amount Spent YTD	Budgeted General Fund Support	Amount Transferred
General Capital Projects				
City Maintenance Facility	\$998,114	\$259,797	\$635,605	\$0
Parks Repair & Replacement	\$250,528	\$67,818	\$50,000	\$37,500
Echo Lake Park Improvements	\$195,793	\$40,452	\$162,329	\$0
Playground Replacement	\$500,000	\$176,918	\$100,000	\$0
Soccer Field Rental Contribution	N/A	N/A	\$130,000	\$0
Roads Capital Projects				
Sidewalk Rehabilitation Program	\$775,017	\$1,247	\$152,517	\$114,388
Trail Along the Rail	\$329,117	\$1,473	\$203,144	\$1,473
147 th /148 th Non-Motorized Bridge	\$495,983	\$29,347	\$345,983	\$15,869
185 th Corridor Study	\$375,691	\$217,164	\$375,691	\$161,086
160 th and Greenwood/Innis Arden	\$101,548	\$79,792	\$101,548	\$34,118
Transfer of Gambling Tax	N/A	N/A	\$97,651	\$48,826

PROPERTY TAX



2019 Current Plan	\$13,301,684
2019 Third Quarter Actual Revenue	\$7,396,231
% of 2019 Plan Received	55.6%
2018 Current Plan	\$12,759,858
2018 Third Quarter Actual Revenue	\$6,973,812
% of 2018 Plan Received	54.7%
2019 v. 2018 \$ Change	\$422,419
2019 v. 2018 % Change	6.1%

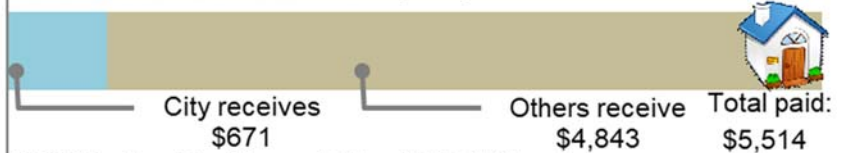


Property tax payments are due to King County in April and October. The County then must remit the City's portion resulting in most collections occurring in the second and fourth quarters. Receipts for 2019 and 2018 as a percentage of the budgeted projection are at 55.6% and 54.7%, respectively. In terms of the allowable levy, which in many cases is different than the budgeted projection, receipts for 2019 and 2018 are 55.0% and 54.3%, respectively.

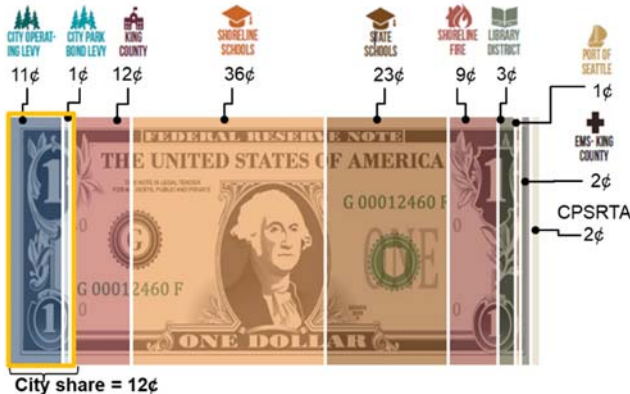
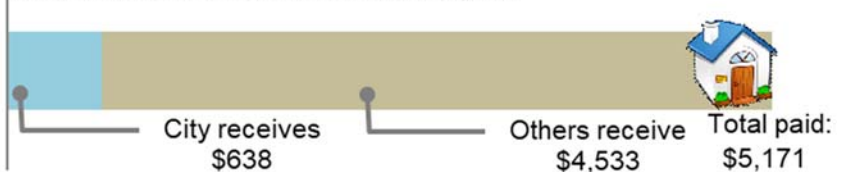
Impact on a median homeowner:

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.

2019 Median Residence Value \$480,000



2018 Median Residence Value \$444,000



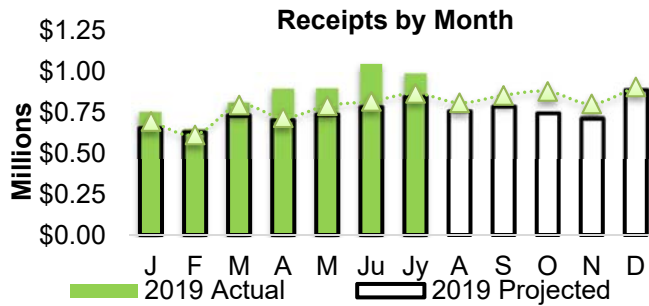
How \$1 is allocated:

The chart to the left illustrates the allocation of each dollar paid at the 2019 levy rates for all taxing jurisdictions within Shoreline. The City receives 11¢ for the City's regular levy and 1¢ for the excess voted levy. Following the example above, the year-over-year increase totals \$33, or 5.2%, for the City's portion and \$343, or 6.8%, for all other taxing jurisdictions.



2019 THIRD QUARTER FINANCIAL REPORT

SALES TAX



2019 Current Plan	\$9,027,566
2019 Third Quarter Actual Revenue	\$6,068,573
% of 2019 Plan Received	67.2%
2018 Current Plan	\$8,428,191
2018 Third Quarter Actual Revenue	\$5,298,791
% of 2018 Plan Received	62.9%
2019 v. 2018 \$ Change	\$769,782
2019 v. 2018 % Change	14.5%

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 regular Sales Tax rate 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 an additional 0.2% Sales Tax rate for the Shoreline Transportation Benefit District, revenue from which is reported in the Roads Capital Fund.

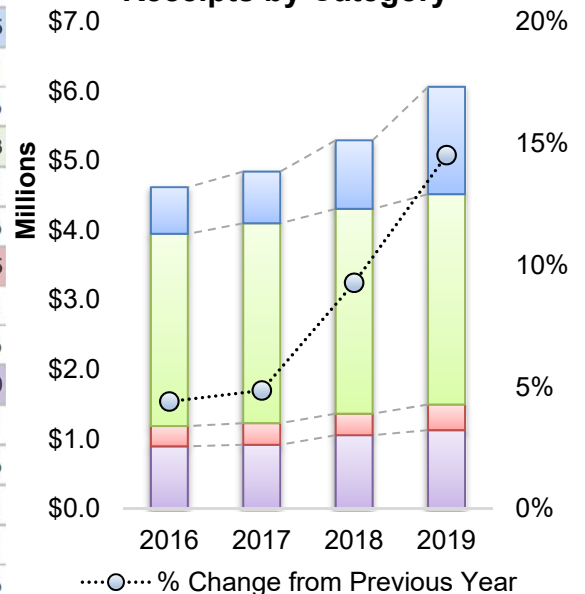
The data presented here reflect the distributions for March through September 2019, which are from activity for January through July. Receipts are more than the budget's year-to-date projection and 2018 collections by 18.5% and 14.5%, respectively. Much of the increase is driven by activity in the Construction sector, which is 56.5% more than 2018 collections.

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

SALES TAX BY PRIMARY SECTOR FOR DISTRIBUTION PERIOD: MARCH TO SEPTEMBER

Sector	2015	2016	2017	2018	2019
Construction	\$583,724	\$671,159	\$743,633	\$986,791	\$1,544,725
\$ Change		\$87,435	\$72,473	\$243,159	\$557,934
% Change		15.0%	10.8%	32.7%	56.5%
Retail Trade	\$2,783,404	\$2,764,795	\$2,874,337	\$2,945,457	\$3,025,123
\$ Change		(\$18,609)	\$109,542	\$71,120	\$79,666
% Change		-0.7%	4.0%	2.5%	2.7%
Hotels/Restaurant	\$274,002	\$290,252	\$310,929	\$309,321	\$368,515
\$ Change		\$16,250	\$20,677	(\$1,609)	\$59,194
% Change		5.9%	7.1%	-0.5%	19.1%
All Others	\$787,964	\$897,919	\$919,775	\$1,057,222	\$1,130,210
\$ Change		\$109,955	\$21,855	\$137,447	\$72,988
% Change		14.0%	2.4%	14.9%	6.9%
Total Revenue	\$4,429,095	\$4,624,126	\$4,848,674	\$5,298,791	\$6,068,573
\$ Change		\$195,030	\$224,547	\$450,117	\$769,782
% Change		4.4%	4.9%	9.3%	14.5%

Receipts by Category





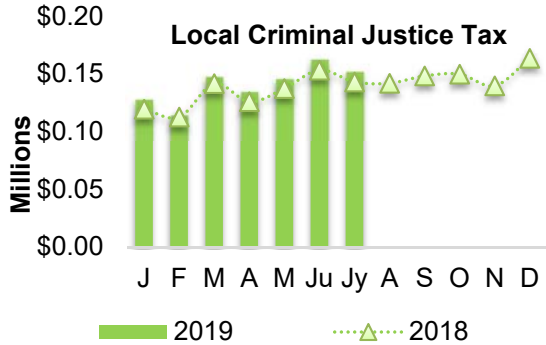
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LOCAL CRIMINAL JUSTICE TAX

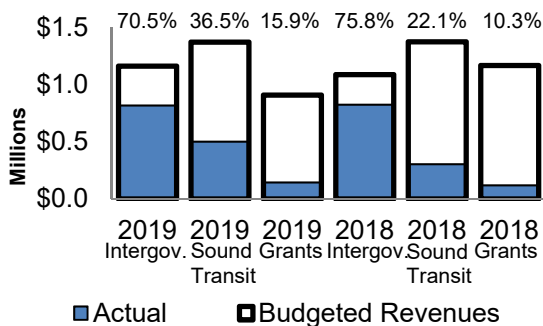
2019 Current Plan	\$1,641,392
2019 Third Quarter Actual Revenue	\$987,609
% of 2019 Plan Received	60.2%
2018 Current Plan	\$1,570,543
2018 Third Quarter Actual Revenue	\$933,624
% of 2018 Plan Received	59.4%
2019 v. 2018 \$ Change	\$53,985
2019 v. 2018 % Change	5.8%

As a result of the revised accrual procedure, the distribution received in February was accrued to 2018. The table and chart on the left reflects the distributions for March through September 2019, which are from activity for January through July. 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 2019 through February 2020, which reflects activity from January through December.

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 3.9%. Sales tax collected throughout King County was actually 6.8% more than 2018.



INTERGOVERNMENTAL AND GRANT REVENUE

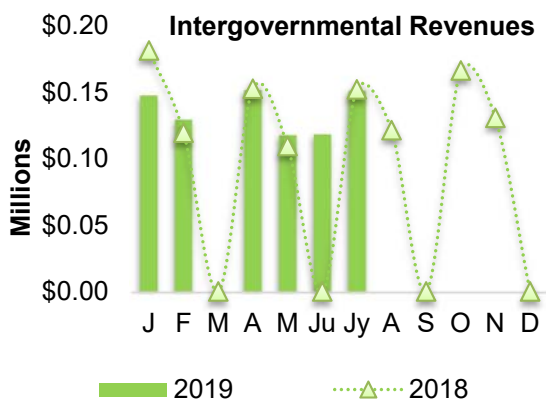


Intergovernmental revenue sources are comprised primarily of funding for criminal justice programs, contract payments, liquor excise tax, liquor board profits, marijuana excise tax, grants, and reimbursement from Sound Transit per the Expedited Permitting and Reimbursement Agreement. Contract payments are discussed separately in this report. Many grants are applied for and received for specific purposes. The amount of grants received in any year can vary.

Total Intergovernmental receipts are 16.9% more than the year-ago level primarily as a result of the aforementioned revised accrual procedure. Receipts by month from sources other than Sound Transit reimbursements are reflected in the Intergovernmental Revenues chart. The Intergovernmental Revenues chart compares disbursements for March through September. Receipts in 2019 total \$817,497 and are 14.3% more than 2018. It is important to note that receipts in June 2019 were for right of entry agreement or temporary construction easements executed with Sound Transit.

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.

Grant receipts are 20.7% more than 2018.





2019 THIRD QUARTER FINANCIAL REPORT

BUSINESS & OCCUPATION TAXES AND FRANCHISE FEE & CONTRACT PAYMENTS

Business & Occupation Taxes

2019 Current Plan	\$6,448,798
Business & Occupation Tax	\$408,573
Utility Tax	\$2,021,343
Gambling Tax	\$748,721
2019 Third Quarter Actual Revenue	\$3,178,637
% of 2019 Plan Received	49.3%
2018 Current Plan	\$5,652,319
Business & Occupation Tax	\$0
Utility Tax	\$2,184,487
Gambling Tax	\$740,549
2018 Third Quarter Actual Revenue	\$2,925,036
% of 2018 Plan Received	51.7%
2019 v. 2018 \$ Change	\$253,601
2019 v. 2018 % Change	8.7%

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 forms for business license applications and renewals.

B&O Tax receipts from business operations presented here reflect only those taxes from businesses placed on quarterly filing status as well as those that voluntarily filed tax returns calculated through second quarter since third quarter tax returns are not due until October 30. We anticipate that quarterly filers, which represent approximately 1% of registered businesses, will provide 85% of the tax revenue collected. When compared with our estimates for these businesses, the filings are comparing favorably.

B&O Tax receipts from gambling operations are 1.1% more than 2018 collections.

B&O Tax receipts from utilities in the amount of \$2,021,343, are less than the year-to-date budget projection and 2018 by 14.9% and 7.5%, respectively. Receipts are significantly lower than 2018 collections from, possibly attributable to warmer weather and reduced consumer spending and competitive factors that provide consumers an increasing number of choices for some utilities.

Franchise Fee & Contract Payments

2019 Current Plan	\$5,179,900
Franchise Fee	\$1,500,659
Contract Payment	\$1,470,393
2019 Third Quarter Actual Revenue	\$2,971,052
% of 2019 Plan Received	57.4%
2018 Current Plan	\$4,886,800
Franchise Fee	\$1,493,803
Contract Payment	\$1,396,697
2018 Third Quarter Actual Revenue	\$2,890,500
% of 2018 Plan Received	59.1%
2019 v. 2018 \$ Change	\$80,553
2019 v. 2018 % Change	2.8%

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>.

Franchise Fees, in the amount of \$1,500,659, are more than the year-to-date budget projection and year-ago level by 3.4% and 0.5%, respectively.

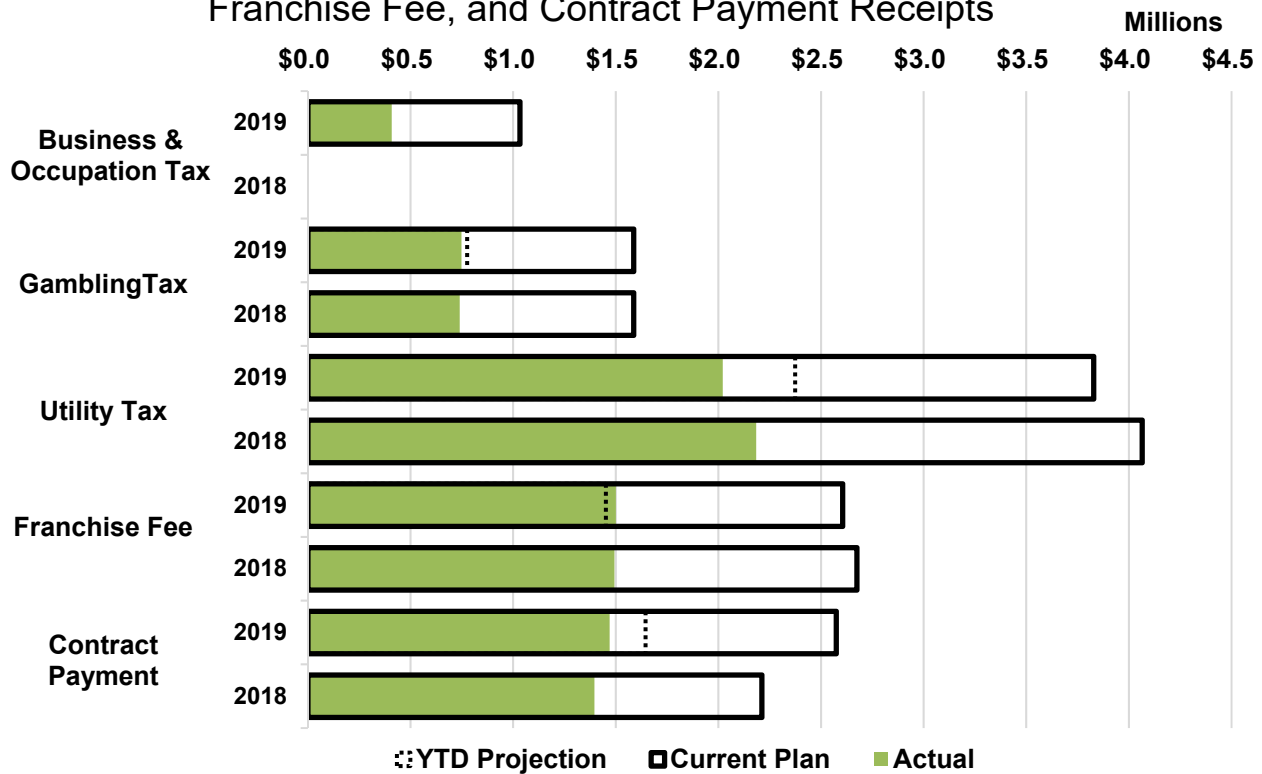


2019 THIRD QUARTER FINANCIAL REPORT

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.

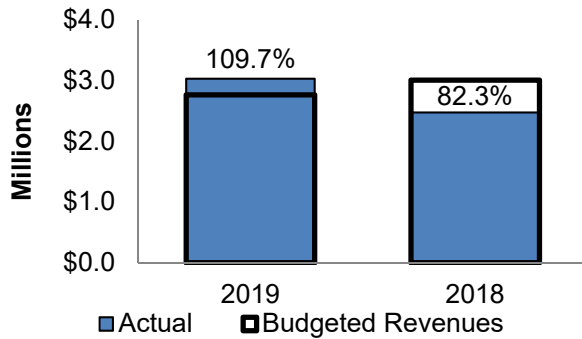
Business & Occupation Tax, Gambling Tax, Utility Tax,
Franchise Fee, and Contract Payment Receipts





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DEVELOPMENT REVENUE

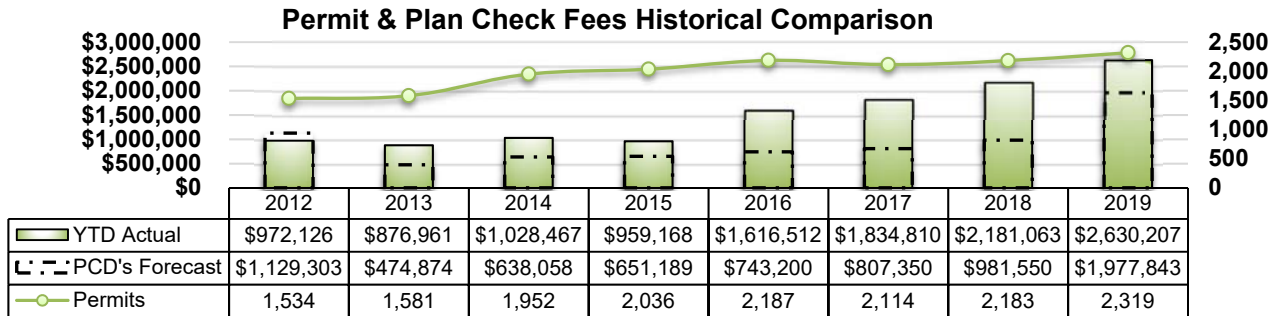


2019 Current Plan	\$2,765,865
2019 Third Quarter Actual Revenue	\$3,033,231
% of 2019 Plan Received	109.7%
2018 Current Plan	\$3,009,528
2018 Third Quarter Actual Revenue	\$2,477,425
% of 2018 Plan Received	82.3%
2019 v. 2018 \$ Change	\$555,805
2019 v. 2018 % Change	22.4%

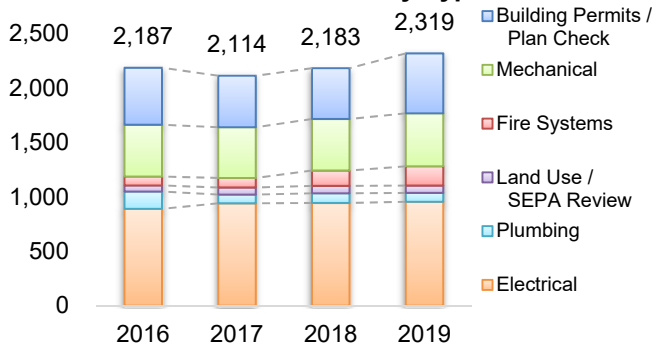
Development revenue receipts, including right-of-way permits, exhibit a year-over-year increase of 22.4%.

Permit & Plan Check Fees Historical Comparison

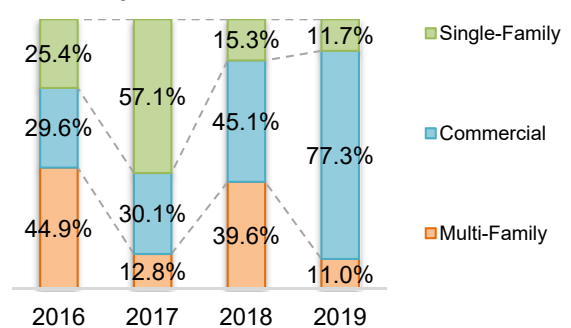
Permit and Plan Check Fees receipts are more than 2018 and the Planning and Community Development's projection by 20.6% and 33.0%, respectively. Total permits processed are 136, or 6.2%, more.



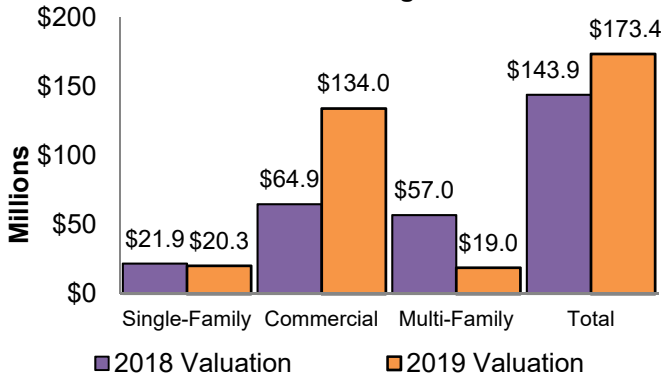
No. of Permits by Type



Composition of Permit Valuation



Valuation of Building Permits

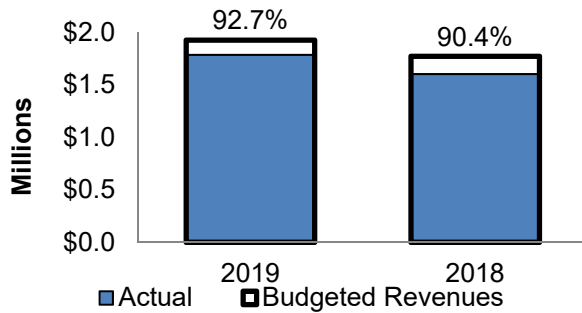


In 2019, the valuation of permits for new construction and remodels is comprised of 11.7% residential and 88.3% commercial / multi-family construction. In 2018 it was 15.3% residential and 84.7% commercial / multi-family construction. Compared to 2018, one fewer permit has been issued for new single-family residences, with a value that is \$1.6 million less and ten fewer permits for commercial / multi-family construction (new and remodels), with a value that is \$31.1 million more.



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PARKS AND RECREATION REVENUE

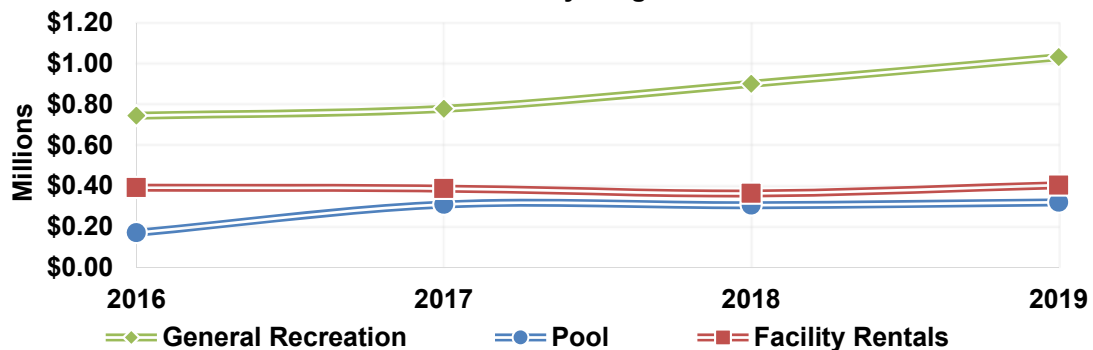


2019 Current Plan	\$1,923,665
2019 Third Quarter Actual Revenue	\$1,783,541
% of 2019 Plan Received	92.7%
2018 Current Plan	\$1,770,687
2018 Third Quarter Actual Revenue	\$1,600,655
% of 2018 Plan Received	90.4%
2019 v. 2018 \$ Change	\$182,886
2019 v. 2018 % Change	11.4%

Parks and Recreation revenue receipts are 11.4% more than the year-ago level with receipts for general recreation programs more than the year-ago level by 14.5%. The 14.5% growth in receipts for general recreation programs is largely attributable to the increase in program offerings to lower the amount of youth on the waitlist. Staff is evaluating the sustainability of increasing the number of program offerings and plans to make appropriate adjustments to offer programs within current resources in 2020. Receipts for facility rentals are less than the projection due to all the Facilities Rentals cancellations as a result of the extraordinary snow storm experienced in February 2019.

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
2016	\$744,173	57.0%	\$169,890	13.0%	\$391,189	30.0%	\$1,305,252	\$50,471
2017	\$777,834	52.8%	\$308,658	20.9%	\$386,874	26.3%	\$1,473,366	\$42,453
2018	\$900,308	57.4%	\$305,081	19.5%	\$362,985	23.1%	\$1,568,374	\$32,281
2019	\$1,031,156	58.8%	\$319,182	18.2%	\$403,221	23.0%	\$1,753,559	\$29,981

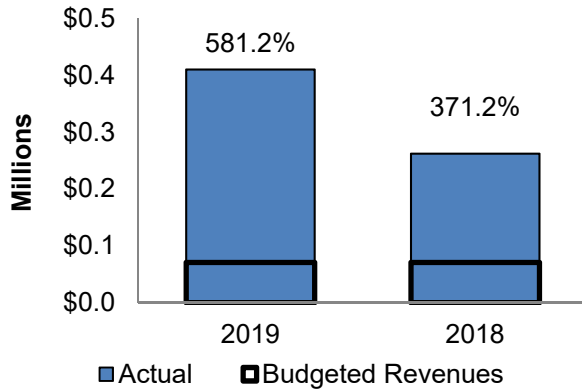
Recreation Revenue by Program Area





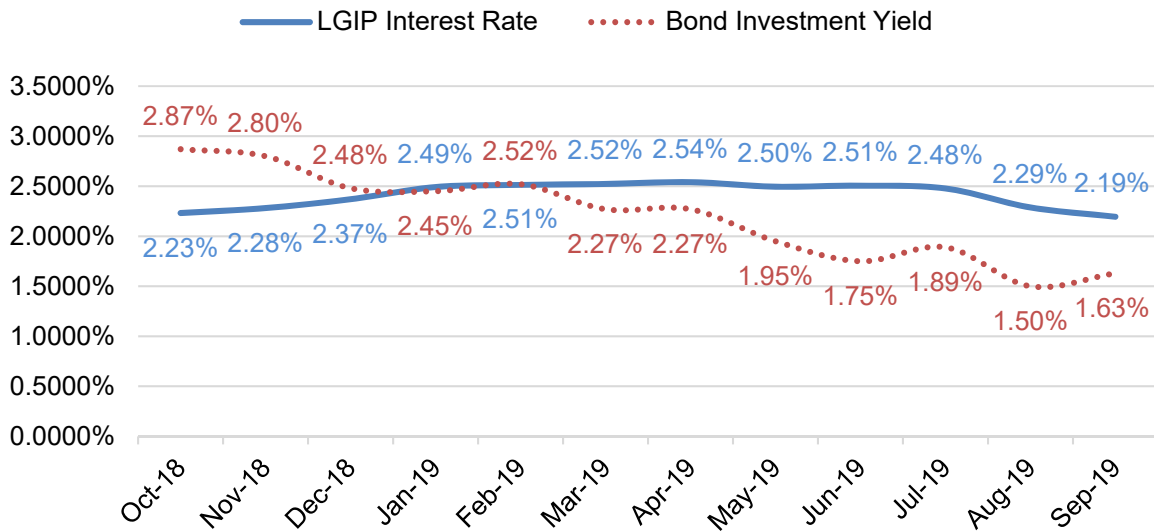
2019 THIRD QUARTER FINANCIAL REPORT

INTEREST INCOME



2019 Current Plan		\$70,600
2019 Third Quarter Actual Revenue		\$410,303
% of 2019 Plan Received		581.2%
2018 Current Plan		\$70,600
2018 Third Quarter Actual Revenue		\$262,065
% of 2018 Plan Received		371.2%
2019 v. 2018 \$ Change		\$148,238
2019 v. 2018 % Change		56.6%

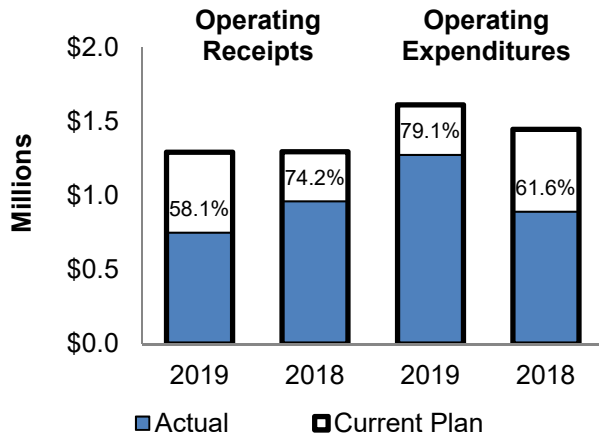
Interest income is more than that for 2018 by 56.6% as a result of rising interest rates. The City's investment policy adheres to strict standards as prescribed by federal law, state statutes, and local ordinances, and allows the City to develop an investment model to maximize its investment returns with the primary objectives of safety and liquidity.





2019 THIRD QUARTER FINANCIAL REPORT

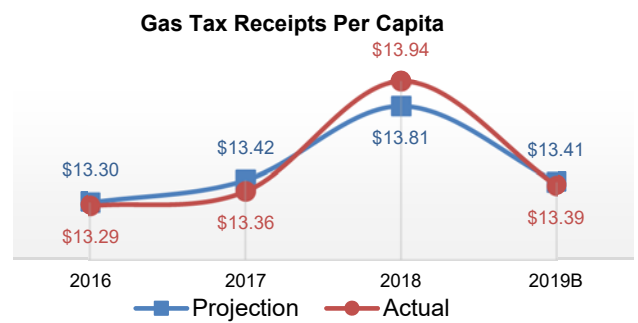
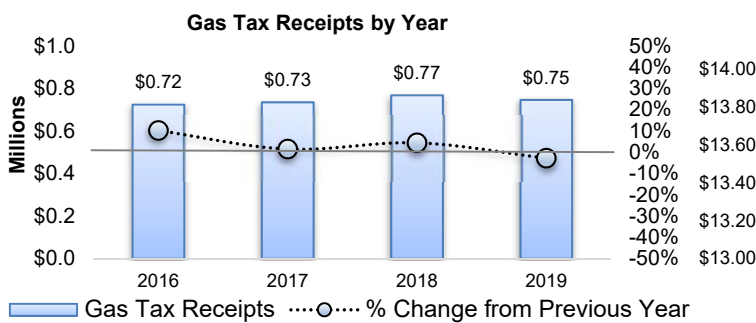
STREET FUND



Street Fund	Resources	Expenditures
2019 Current Plan	\$2,048,648	\$2,048,648
Less Budgeted Use of Fund Balance	148,975	N/A
Less Other Sources & Transfers	607,086	436,295
2019 Operating Plan	\$1,292,587	\$1,612,353
Actual Operating Receipts/Expenditures	\$750,442	\$1,274,961
% of 2019 Receipts/Expenditures	58.1%	79.1%
2018 Current Plan	\$2,376,815	\$2,376,815
Less Budgeted Use of Fund Balance	588,738	N/A
Less Other Sources & Transfers	492,040	929,557
2018 Operating Plan	\$1,296,037	\$1,447,258
Actual Operating Receipts/Expenditures	\$962,240	\$891,757
% of 2018 Receipts/Expenditures	74.2%	61.6%
Operating 2019 v. 2018 \$ Change	(\$211,798)	\$383,205
Operating 2019 v. 2018 % Change	-22.0%	43.0%

The table shows Street Fund receipts, excluding transfers in, are 22.0% less than 2018. The Motor Vehicle Fuel Excise Tax, commonly referred to as Gas Tax, is assessed by the State as cents per gallon so revenue depends on the number of gallons sold, not the dollar value of the sales. It is then 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 distributions for March through September 2019 (for January through July activity) totaling \$746,219, which is less than 2018. In June, the Transportation Revenue Forecast Council released its June forecast with the key conclusion that overall transportation revenues for the State's current biennium (2017-2019) are down by 0.6% compared to the March forecast, primarily due to lower fuel tax collections, including a significant impact from the February snowstorms that affected the most populous portions of the state. Last year, actual gas taxes collected statewide were 1.7% more than initially projected, while this year actual gas tax collections are running approximately 10% less than projected. Distributions to Shoreline were 1.0% more than projected in 2018, while this year collections are coming in at the budget projection.



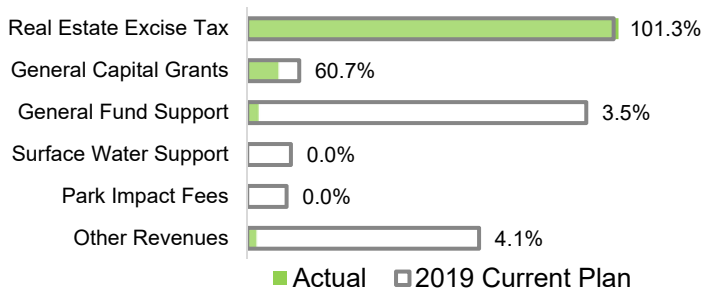
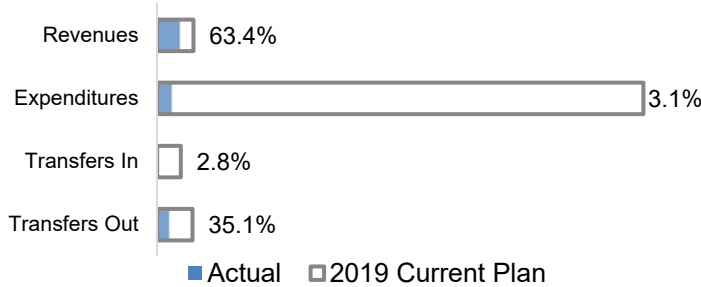
Operating expenditures, excluding transfers out, are 43.0% more than 2018. Most of the Unified Landscape Maintenance Service for the right-of-way is currently operational. Expenditures, including transfers out, are 7.1% less than 2018. This is largely attributable to a one-time transfer of \$630,645, which was planned for in the 2018 Final Budget, to transfer fund balance in excess of the Street Fund's minimum required balance back to the General Fund. The City Manager is setting these monies aside in reserve for future improvements to a maintenance facility. Factoring out the one-time transfer, expenditures would have been 45.8% more year-over-year. This increase is attributable to the purchase of a new backhoe shared by Street Operations and Surface Water Management as well as acquisition of vehicles and trailers for the Unified Landscape Maintenance Service.



2019 THIRD QUARTER FINANCIAL REPORT

GENERAL CAPITAL FUND

General Capital Fund	Resources	Expenditures
2019 Current Plan	\$31,555,582	\$29,671,165
Less Budgeted Use of Fund Balance	863,702	N/A
Less Other Sources & Transfers	28,625,017	2,010,671
2019 Capital Plan	\$2,066,863	\$27,660,494
Actual Capital Receipts/Expenditures	\$1,311,329	\$853,896
% of 2019 Receipts/Expenditures	63.4%	3.1%



Third 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, Park Impact Fee Fund, and Surface Water Utility Fund as well as the sale of the Police Station and bond proceeds in support of the following capital projects listed in the table below. Funds are transferred from the General Fund, Park Impact Fee Fund, and Surface Water Utility Fund as expenditures are incurred by the projects.

Capital projects expended 3.1% 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.

Transfers from the General Fund and Surface Water Utility Fund to cover expenditures through third quarter for the City Maintenance Facility will be reflected in the annual financial report and total \$228,037 and \$31,760, respectively. The General Fund will also be transferring its \$100,000 budgeted contribution for the Playground Replacement project.

General Fund Contributions to Projects	Project Budget	Amount Spent YTD	Budgeted General Fund Support	Amount Transferred
City Maintenance Facility	\$998,114	\$259,797	\$635,605	\$0
Parks Repair & Replacement	\$250,528	\$67,818	\$50,000	\$37,500
Echo Lake Park Improvements	\$195,793	\$40,452	\$162,329	\$0
Playground Replacement	\$500,000	\$176,918	\$100,000	\$0
Soccer Field Rental Contribution	N/A	N/A	\$130,000	\$0
Bond Proceeds for Projects	Project Budget	Amount Spent YTD	Budgeted Bond Proceeds	Amount Issued
Community-Aquatics Center	\$24,816,800	\$121,231	\$24,800,000	\$0
Park Impact Fee (PIF) Contributions to Projects	Project Budget	Amount Spent YTD	Budgeted PIF Support	Amount Transferred
Parks Facilities Recreation Amenities Plan	\$185,000	\$3,020	\$125,000	\$0
Surface Water Utility (SWM) Fund Contributions to Projects	Project Budget	Amount Spent YTD	Budgeted SWM Support	Amount Transferred
City Maintenance Facility	See above	See above	\$138,619	\$0

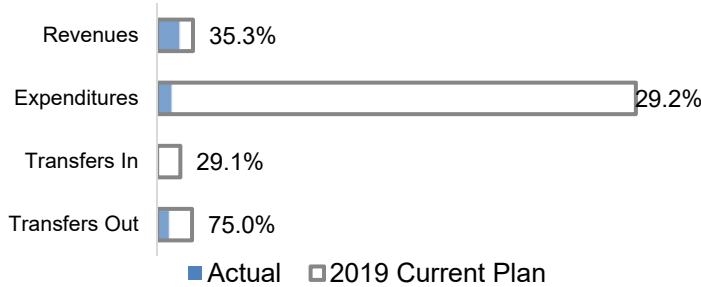


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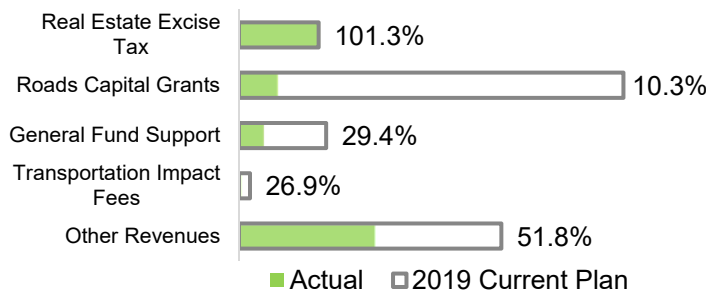
ROADS CAPITAL FUND

Roads Capital Fund	Resources	Expenditures
2019 Current Plan	\$14,865,405	\$14,861,348
Less Budgeted Use of Fund Balance	2,224,180	N/A
Less Other Sources & Transfers	2,020,117	192,330
2019 Capital Plan	\$10,621,108	\$14,669,018
Actual Capital Receipts/Expenditures	\$3,745,448	\$4,286,082
% of 2019 Receipts/Expenditures	35.3%	29.2%

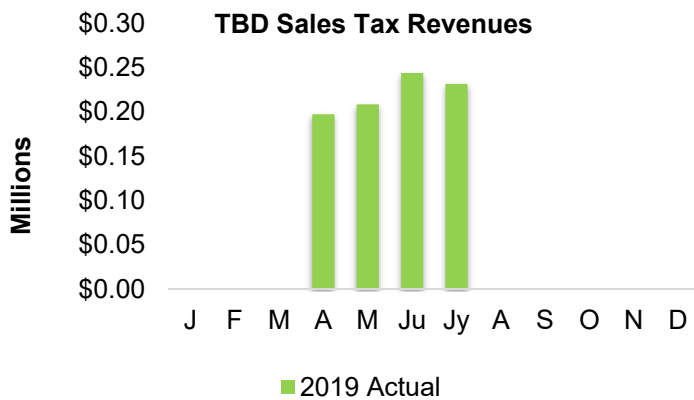
Third Quarter Actual receipts are largely comprised of Real Estate Excise Tax, which is discussed separately in this report. The 2019 plan includes one-time transfers from the General Fund and Transportation Impact Fee Fund as well as bond proceeds in support of the following capital projects listed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



The regular Sales Tax rate 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 an additional 0.2% Sales Tax rate for the Shoreline Transportation Benefit District, revenue from which is reported in the Roads Capital Fund and used to pay the debt service for the bonds issued to fund the New Sidewalks Program. There is a two month lag from the time that sales tax is collected to the time it is distributed to the City. Receipts for the months of April through September reflect activity for the months of April through July.



Capital projects expended 29.2% 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.



Transfers from the General Fund to cover expenditures through third quarter for the 185th Corridor Study, 147th/148th Non-Motorized Bridge, and 160th and Greenwood/Innis Arden projects will be reflected in the annual financial report and total \$56,079, \$11,619, and \$45,674, respectively.

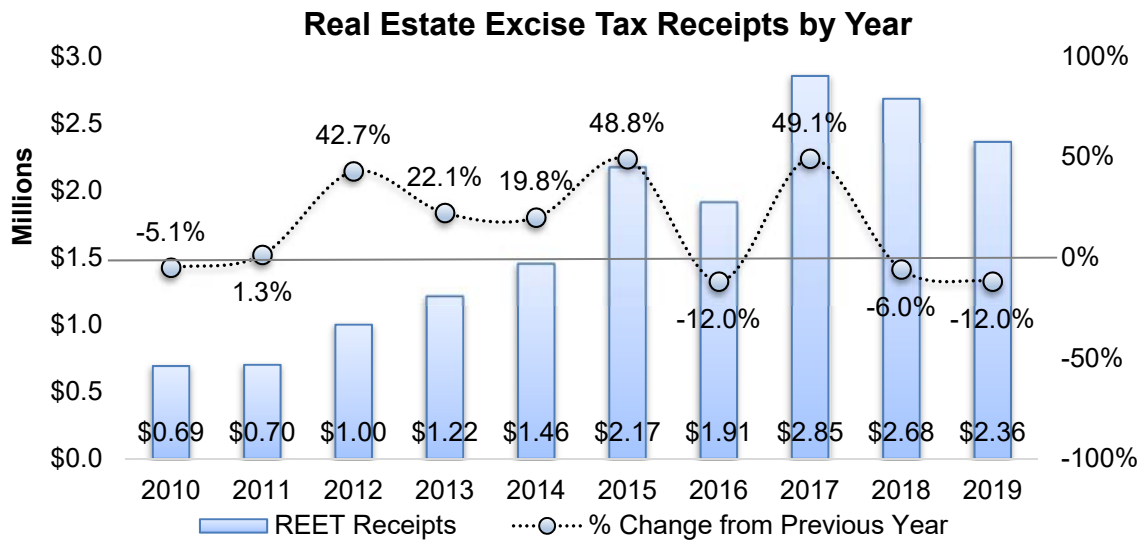
General Fund Contributions to Projects	Project Budget	Amount Spent YTD	Budgeted General Fund Support	GF Support Transferred
Sidewalk Rehabilitation Program	\$775,017	\$1,247	\$152,517	\$114,388
Trail Along the Rail	\$329,117	\$1,473	\$203,144	\$1,473
147 th /148 th Non-Motorized Bridge	\$495,983	\$29,347	\$345,983	\$15,869
185 th Corridor Study	\$375,691	\$217,164	\$375,691	\$161,086
160 th and Greenwood/Innis Arden	\$101,548	\$79,792	\$101,548	\$34,118
Transfer of Gambling Tax	N/A	N/A	\$97,651	\$48,826
Bond Proceeds for Projects	Project Budget	Amount Spent YTD	Budgeted Bond Proceeds	Amount Issued
New Sidewalks Program	\$581,583	\$2,188	\$581,583	\$0
Transportation Impact Fee (TIF) Contributions to Projects	Project Budget	Amount Spent YTD	Budgeted TIF Support	TIF Support Transferred
N 175 th St - Stone Ave N to I5	\$1,239,193	\$389,316	\$162,000	\$43,569



2019 THIRD QUARTER FINANCIAL REPORT

REAL ESTATE REPORT

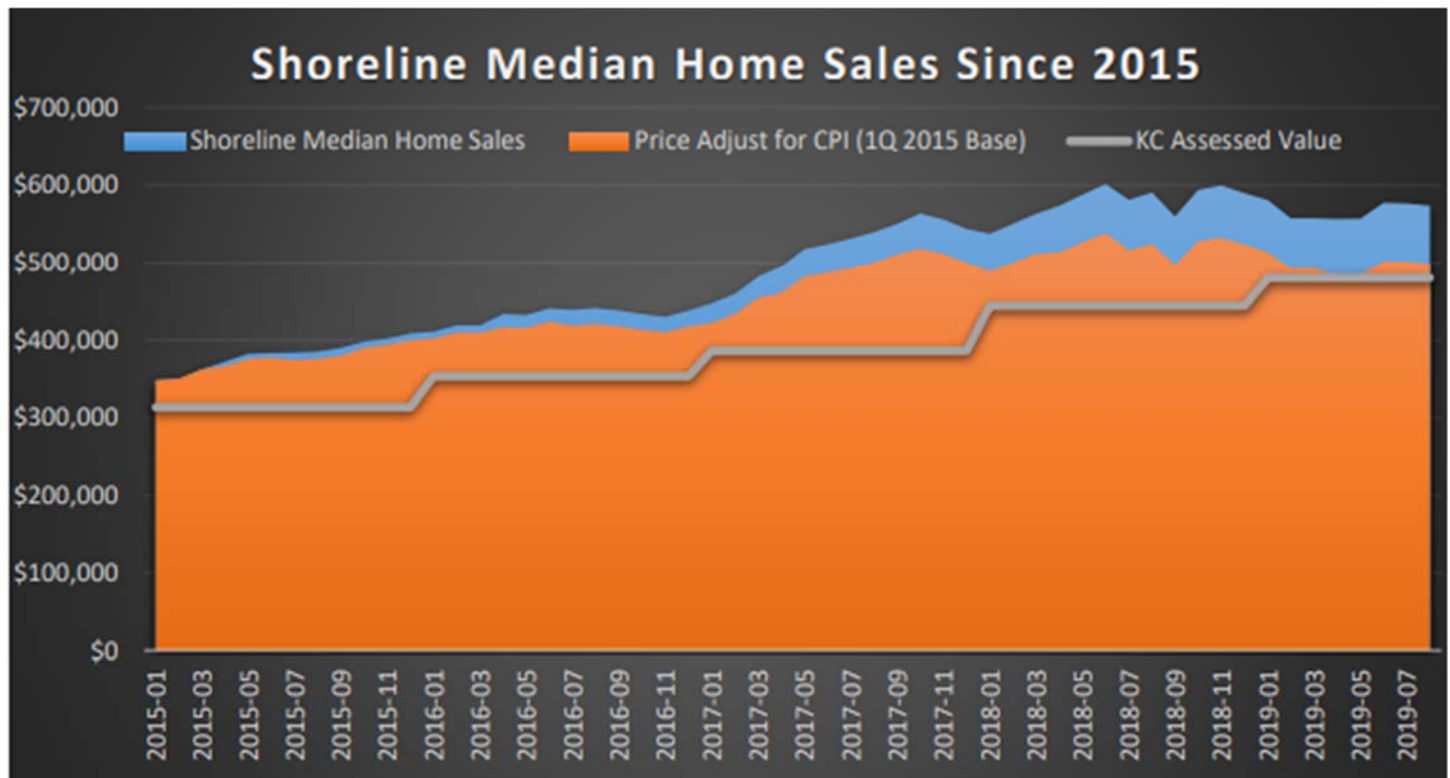
Real Estate Excise Tax



Real Estate Excise Tax (REET) revenue receipts, in the amount of \$2,361,284, are 35.7% more than the year-to-date budget projection but 12.0% less than 2018. The number of transactions through the third quarter are down 1.3% as compared to 2018. Of these transactions, 61 had a value that is greater than \$1 million and accounted for 22.4% of the valuation/taxes. That is, 8.3% of transactions through the third quarter accounted for 22.4% of the valuation/taxes.

Median Home Price and Housing Inventory County

The following chart presents data for home sales from Zillow Research. Its important to note this data's availability from Zillow lags behind REET information provided by King County.

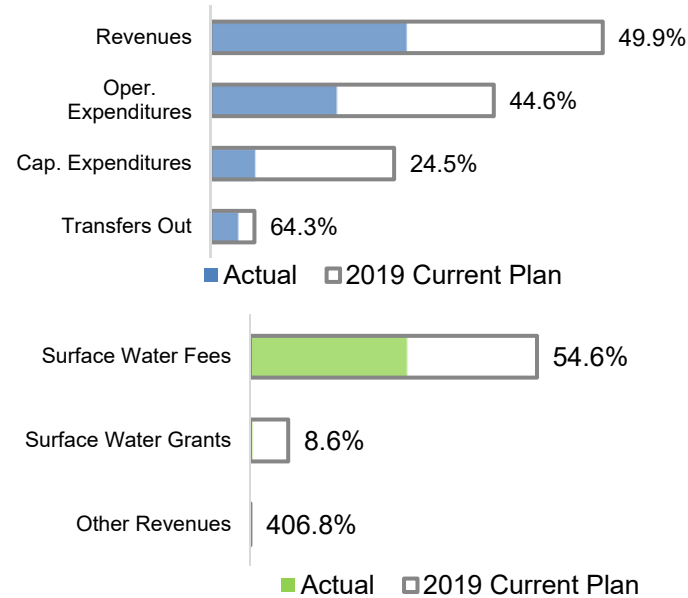




2019 THIRD QUARTER FINANCIAL REPORT

SURFACE WATER UTILITY FUND

Surface Water Utility Fund	Resources	Expenditures
2019 Current Plan	\$9,889,655	\$9,889,655
Less Budgeted Use of Fund Balance	2,293,484	N/A
Less Other Sources & Transfers	0	849,962
Operating & Capital Budget	\$7,596,171	\$9,039,693
Actual Oper.+Cap. Receipts/Expenditures	\$3,787,852	\$3,315,475
% of 2019 Receipts/Expenditures	49.9%	36.7%



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. Receipts through the third quarter are less than the year-to-date budget projection by \$11,236, or 0.3%. A budget amendment presented during the mid-bi review will update the Surface Water Fee revenue projections for the biennium according to the financial analysis incorporated in the final Surface Water Master Plan.

Surface Water Utility operations expended 44.6% of the current plan for the Operating Budget, which is 20.1% more than 2018. Capital projects expended 24.5% of the current plan for the Capital Budget. Capital expenditures are impacted by the timing of construction schedules.

A transfer from the Surface Water Utility Fund to cover expenditures through third quarter for the City Maintenance Facility in the General Capital Fund will be reflected in the annual financial report and totals \$31,760.

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 THIRD QUARTER FINANCIAL REPORT

INVESTMENT REPORT: SEPTEMBER 30, 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 September 30, 2019, the City's investment portfolio, excluding the State Investment Pool had a current weighted average rate of return of 2.2303%. This is slightly higher than the 2.1949% 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 September 30, 2019 were \$675,539 which is 480% of \$140,775 (2019's total budgeted investment earnings). The better than expected investment earnings were a reflection that the economy was doing well, and it helped to push interest rates up steadily in the past 12 months.

As of September 30, 2019, the City's investment portfolio had a fair value of nearly \$39.3 million. Approximately 27% of the investment portfolio was held in U.S. government instrumentality securities, and 73% was held in the Washington State Investment Pool. The City's investment portfolio valued at cost as of September 30, 2019 was approximately \$39.2 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 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 THIRD 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 9/30/19
			Date	Maturity Date					
FNMA 1.0	3135G0R39	PiperJaffray	04/25/18	10/24/19	1,000,000	979,490	2.4054%	19,838	999,328
FNMA 1.0	3135G0R39	PiperJaffray	04/25/18	10/24/19	1,000,000	979,490	2.4054%	19,838	999,328
FHLB 1.375	3130AA3R7	PiperJaffray	06/27/18	11/15/19	1,000,000	985,140	2.4054%	14,204	999,344
FNMA 1.20	3136G3TF2	PiperJaffray	07/16/18	12/30/19	1,000,000	980,780	2.5533%	17,394	998,174
FFCB 1.55	3133EG3J2	PiperJaffray	08/13/18	01/10/20	1,020,000	1,005,924	2.5533%	12,945	1,018,869
FHLMC 1.0	3134GBEB4	1st Empire	03/31/17	03/27/20	1,000,000	999,700	1.7000%	(230)	999,470
FNMA 1.37	3136G0T43	PiperJaffray	11/08/18	04/17/20	1,000,000	978,750	2.8851%	18,068	996,818
FHLMC 1.75	3134GBYR7	Multi-Bank Security Time Value	07/27/17	07/27/20	1,000,000	1,000,350	1.7145%	(1,097)	999,253
FNMA 1.875	3136G4QF3	Investment Financial	10/30/17	10/30/20	2,000,000	1,999,680	1.8805%	(926)	1,998,754
FHLB 2.125	3130ACZD9	Northwestern	12/29/17	12/29/20	500,000	500,000	2.1250%	114	500,114
Sub Total - Investments					\$ 10,520,000	\$ 10,409,304		\$ 100,148	\$ 10,509,452
State Investment Pool						28,737,957	2.1949%		28,737,957
Sub Total - State Investment Pool and Opus Bank Interest Checking						28,737,957			28,737,957
Total LGIP + Investments					\$ 39,147,261			\$ 100,148	\$ 39,247,408

Portfolio Diversification

Instrument Type	Percentage	Amount at	
		Cost	Market Value
FFCB	2.6%	\$ 1,005,924	\$ 1,018,869
FHLB	3.8%	1,485,140	1,499,458
FHLMC	5.1%	2,000,050	1,998,723
FNMA	15.3%	5,918,190	5,992,402
FICO STRIP PRIN SER D-P	0.0%	0	0
State Investment Pool	73.2%	28,737,957	28,737,957
Total LGIP + Investments	100%	\$ 39,147,261	\$ 39,247,408

Broker	Percentage	Amount at	
		Cost	Market Value
Financial Northwestern	1.3%	\$ 500,000	\$ 500,114
1st Empire	2.6%	999,700	999,470
Time Value Investment	5.1%	1,999,680	1,998,754
PiperJaffray	15.1%	5,909,574	6,011,861
Multi-Bank Security	2.6%	1,000,350	999,253
State Investment Pool	73.4%	28,737,957	28,737,957
Total LGIP + Investments	100%	\$ 39,147,261	\$ 39,247,408

Investments by Fund

Fund	Investments at Cost as of 9/30/2019	LGIP State Investment Pool as of 9/30/2019	Total LGIP + Investments at Cost by Fund as of 9/30/2019	Unrecognized Gain/(Loss) as of 9/30/2019	Total Market Value of Investments by Fund as of 9/30/2019	2019		
						Budgeted Investment Earnings	2019 Actual Investment Earnings	Over/(Under) Budget
001 General	\$ 3,661,970	\$ 10,109,950	\$ 13,771,921	\$ 35,232	\$ 13,807,153	\$ 69,000	\$ 360,356	\$ 291,356
101 Street	72,617	200,482	273,099	699	273,798	2,500	4,170	1,670
107 Code Abatement	108,731	300,185	408,916	1,046	409,962	550	6,443	5,893
108 Asset Seizure	14,215.69	39,246.62	53,462.31	136.77	53,599	-	830	830
109 Public Arts	56,941	157,202	214,142	548	214,690	-	3,542	3,542
112 Fed Drug Enforcement	5,984	16,520	22,504	58	22,562	200	365	165
117 Transportation Impact Mitigation	1,050,275	2,899,593	3,949,868	10,105	3,959,972	-	56,595	56,595
118 Parks Impact Fees	146,630	404,814	551,444	1,411	552,855	-	4,178	4,178
190 Revenue Stabilization	1,369,545	3,781,033	5,150,578	13,176	5,163,755	-	-	-
301 General Capital	304,766	841,397	1,146,164	2,932	1,149,096	6,710	20,012	13,302
312 City Fac-Mjr Maint	12,672	34,985	47,657	122	47,779	-	529	529
330 Roads Capital	1,335,878	3,688,085	5,023,962	12,852	5,036,815	39,364	85,918	46,554
331 Trans Bene Dist	495,627	1,368,326	1,863,953	4,768	1,868,722	-	28,842	28,842
401 Surface Water Utility Fund	885,476	2,444,619	3,330,095	8,519	3,338,615	14,451	58,294	43,843
405 Wastewater Fund	34,248	94,553	128,801	330	129,131	-	3,960	3,960
501 Vehicle Oper/Maint	50,152	138,459	188,611	483	189,094	-	2,436	2,436
503 Equip Dep Replace	793,731	2,191,329	2,985,060	7,636	2,992,697	8,000	38,300	30,300
505 Unemployment	9,844	27,177	37,022	95	37,116	-	768	768
Total Investments	\$ 10,409,304	\$ 28,737,957	\$ 39,147,261	\$ 100,148	\$ 39,247,408	\$ 140,775	\$ 675,539	\$ 534,764