



2021 THIRD QUARTER FINANCIAL REPORT

PERFORMANCE AT A GLANCE

The City of Shoreline adopted its 2021-2022 Biennial Budget on November 16, 2020. While the budget is adopted for the biennium, each year has a plan for revenues and expenditures. This report reflects revenue collections and expenditures through September 30, 2021 as compared to the 2021 Plan as amended through September 30, 2021.

General Fund Revenues	Compared to 2021 Current Plan	Compared to 2020 Actuals as of September	Reference
Property Tax Revenue	▶ NEUTRAL ▶	▲ POSITIVE ▲	Page 6
Sales Tax Revenue	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 7
Utility Tax	▲ POSITIVE ▲	▲ POSITIVE ▲	Pages 9-10
Development Revenue	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 11
Parks and Recreation Revenue	▼ NEGATIVE ▼	● WARNING ●	Page 12
Interest Income	▲ POSITIVE ▲	▼ NEGATIVE ▼	Page 13, 20, 21
Non-General Fund Revenues			
Gas Tax	▼ NEGATIVE ▼	▲ POSITIVE ▲	Page 14
Transportation Benefit District Sales Tax	▶ NEUTRAL ▶	▲ POSITIVE ▲	Page 17
Real Estate Excise Tax	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 18
Surface Water Fees	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 19

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 2021 CURRENT PLAN (AS OF SEP. 30):





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PERFORMANCE AT A GLANCE

Highlights:

Although the City prepared for the potential impacts of a recession as a result of the pandemic, the actual results for 2021 are significantly better than anticipated. While certain revenue streams are directly impacted they are more than offset by the impacts of strong development and the stability of our retail sales tax. Following are the major highlights with details included later in the report.

- General Fund receipts reflect a year-over-year increase of 3.8% primarily due to one-time revenues associated with development. Departmental expenditures reflect a 4.1% decrease. See pages 4-13 for details.
- Property tax receipts came in on track at 55.5% of the plan. See page 6 for details.
- Sales tax receipts reflecting activity from January through July 2021 are greater than the plan by 43.1% and 2020 collections by 7.4%. The Construction sector, while 18.7% less than 2020 collections, continued to maintain a high level of activity. The Retail Trade sector and hotels/restaurants experienced a return to pre-pandemic levels of activity. See page 7 for details.
- Revenues from Permit and Plan Check Fees are more than 2020 by 29.6% but more than the 2021 plan by 67.2%. Approximately \$543,000 in revenue from 2019 and 2020 was deferred to 2021 for inspections that have been paid for but not yet performed. Total permit applications through the third quarter of 2021 are 255, or 16%, more than 2020. Total permits issued during this time are 308, or 19%, more than 2020. See page 11 for details.
- The closure of the City's facilities due to COVID-19 plus the cancellation of all regular programming and special events resulted in a loss of rental and registration revenue, which was offset by some directly related expenditure reductions. Modified winter, spring and summer programming were designed and offered in January through September. Staff continues to monitor the impacts on the City's resources while considering the needs of the community and safety of participants and staff. See page 12 for details.
- The Department of Revenue calculated a maximum cap of distributions during the state's fiscal year of the Affordable and Supportive Housing State Shared Tax of \$86,235. That cap was reached with May's distribution, therefore no further distribution was made in June. Distributions resumed in July.
- Street Fund receipts, excluding transfers in, are 14.4% more than 2020. Gas tax receipts reflecting activity from January through July 2021 are less than the 2021 plan by 7.0% and more than 2020 by 14.6%. See page 14 for details.
- The 2021 plan for the General Capital and Roads Capital funds includes one-time transfers from the General Fund, Surface Water Utility Fund and Park Impact Fee or Transportation Impact Fee funds in support of capital projects. Funds are transferred as expenditures are incurred by the projects. See pages 15-16 for details.
- More information on the scope and timing of capital projects, including updated estimates, can be found in the City's 2021-2022 Proposed Biennial Budget and 2021-2026 Capital Improvement Plan book.
- Surface Water Fee payments are due to King County in April and October of each year. The County then remits the City's portion resulting in most collections occurring in the second and fourth quarters of each calendar year. Receipts are more than the budget projection by \$114,891, or 2.6%. Surface Water Utility operations expended 41.4% of the 2021 plan for the Operating Budget, which is 0.0% less than 2020. Capital projects expended 28.8% of the 2021 plan for the Capital Budget. Capital expenditures are impacted by the timing of construction schedules. See page 19 for details.



2021 THIRD QUARTER FINANCIAL REPORT

ALL FUNDS BUDGET AND YEAR-OVER-YEAR COMPARISON

The following table presents the 2021 Current Plan as amended by Ordinance No. 923.

REVENUES & OTHER SOURCES

FUND TYPE Fund Title	2020 Current Plan	2020 Actual	% of 2020 Current Plan	2021 Current Plan	2021 Actual	% of 2021 Current Plan	2021 v. 2020 \$ Change	2021 v. 2020 % Change
OPERATING FUNDS	\$49,876,865	\$29,139,961	58.4%	\$45,144,887	\$30,501,040	67.6%	\$1,361,078	4.7%
General Fund	\$45,508,101	\$27,755,464	61.0%	\$42,762,144	\$28,802,216	67.4%	\$1,046,753	3.8%
Shoreline Secure Storage Fund	3,000,000	760,926	25.4%	1,129,750	981,119	86.8%	220,193	28.9%
Street Fund	1,302,021	607,348	46.6%	1,174,750	694,846	59.1%	87,498	14.4%
Code Abatement Fund	30,000	2,814	9.4%	30,000	1,241	4.1%	(1,573)	-55.9%
State Drug Forfeiture Fund	18,243	8,620	47.2%	18,243	9,256	50.7%	637	7.4%
Public Arts Fund	5,500	4,635	84.3%	17,000	12,320	72.5%	7,685	165.8%
Federal Drug Forfeiture Fund	13,000	155	1.2%	13,000	41	0.3%	(114)	-73.7%
DEBT SERVICE FUNDS	\$6,119,837	\$2,467,561	40.3%	\$3,294,257	\$2,262,339	68.7%	(\$205,222)	-8.3%
CAPITAL FUNDS	\$25,649,624	\$7,896,871	30.8%	\$32,018,300	\$14,137,659	44.2%	\$6,240,788	79.0%
General Capital Fund	3,376,655	1,416,491	41.9%	1,872,883	2,520,942	134.6%	1,104,451	78.0%
City Facility-Major Maintenance Fund	490,000	526	0.1%	490,170	184	0.0%	(342)	-65.0%
Roads Capital Fund	21,184,338	5,286,779	25.0%	26,985,269	7,253,046	26.9%	1,966,267	37.2%
Sidewalk Expansion Fund	400,000	77,015	19.3%	1,919,978	19,735	1.0%	(57,279)	-74.4%
Transportation Impact Fees Fund	0	727,480	0.0%	0	2,159,241	0.0%	1,431,761	196.8%
Park Impact Fees Fund	198,631	388,581	195.6%	750,000	2,184,511	291.3%	1,795,930	462.2%
ENTERPRISE FUNDS	\$11,602,908	\$6,548,789	56.4%	\$27,299,146	\$13,011,658	47.7%	\$6,462,869	98.7%
Surface Water Utility Fund	8,080,345	4,228,911	52.3%	9,113,971	4,699,970	51.6%	471,059	11.1%
Wastewater Utility Fund	3,522,563	2,319,878	65.9%	18,185,175	8,311,688	45.7%	5,991,810	258.3%
INTERNAL SERVICE FUNDS	\$1,050,628	\$914,110	87.0%	\$1,438,893	\$177,781	12.4%	(\$736,330)	-80.6%
TOTAL REVENUE	\$94,299,862	\$46,967,292	49.8%	\$109,195,483	\$60,090,476	55.0%	\$13,123,184	27.9%
OTHER SOURCES								
Proceeds from Capital Assets	\$2,459,250	\$0	0.0%	\$77,000	\$381,886	496.0%	\$381,886	0.0%
Transfers In	10,351,869	5,667,833	54.8%	11,440,521	3,592,194	31.4%	(2,075,640)	-36.6%
Other Financing Sources	3,898,417	7,431	0.2%	6,116,803	2,049,459	33.5%	2,042,028	27480.7%
Budgeted Use of Fund Balance	9,970,178	0	0.0%	17,270,934	0	0.0%	0	0.0%
TOTAL RESOURCES	\$120,979,576	\$52,642,557	43.5%	\$144,100,741	\$66,114,015	45.9%	\$13,471,458	25.6%

EXPENDITURES & TRANSFERS OUT

OPERATING FUNDS	\$50,599,308	\$30,454,620	60.2%	\$46,567,535	\$29,329,283	63.0%	(\$1,125,338)	-3.7%
General Fund	\$46,058,766	\$28,914,697	62.8%	\$43,975,963	\$27,729,747	63.1%	(\$1,184,950)	-4.1%
Shoreline Secure Storage Fund	2,617,334	289,978	11.1%	649,750	357,105	55.0%	67,127	23.1%
Revenue Stabilization Fund	0	0	0.0%	0	288	0.0%	288	0.0%
Street Fund	1,706,270	1,178,844	69.1%	1,716,423	1,177,658	68.6%	(1,186)	-0.1%
Code Abatement Fund	100,000	0	0.0%	100,000	22	0.0%	22	0.0%
Public Arts Fund	85,695	71,101	83.0%	94,156	63,014	66.9%	(8,088)	-11.4%
State Drug Forfeiture Fund	18,243	0	0.0%	18,243	1,448	7.9%	1,448	0.0%
Federal Drug Forfeiture Fund	13,000	0	0.0%	13,000	1	0.0%	1	0.0%
DEBT SERVICE FUNDS	\$4,879,657	\$749,451	15.4%	\$3,875,048	\$795,763	20.5%	\$46,312	6.2%
CAPITAL FUNDS	\$33,297,137	\$26,456,870	79.5%	\$48,074,023	\$11,614,206	24.2%	(\$14,842,664)	-56.1%
General Capital Fund	3,978,726	19,928,021	500.9%	14,940,003	2,532,804	17.0%	(17,395,217)	-87.3%
City Facility-Major Maint. Fund	537,032	2,000	0.4%	608,400	116,395	19.1%	114,395	5719.8%
Roads Capital Fund	28,381,379	6,439,397	22.7%	29,432,625	8,492,283	28.9%	2,052,886	31.9%
Sidewalk Expansion Fund	400,000	87,452	21.9%	3,092,995	472,406	15.3%	384,954	440.2%
Transportation Impact Fees Fund	0	0	0.0%	0	262	0.0%	262	0.0%
Park Impact Fees Fund	0	0	0.0%	0	57	0.0%	57	0.0%
ENTERPRISE FUNDS	\$12,358,084	\$5,858,135	47.4%	\$30,134,646	\$12,960,546	43.0%	\$7,102,411	121.2%
Surface Water Utility Fund	9,272,849	3,833,814	41.3%	12,282,097	4,243,067	34.5%	409,253	10.7%
Wastewater Utility Fund	3,085,235	2,024,321	65.6%	17,852,549	8,717,479	48.8%	6,693,158	330.6%
INTERNAL SERVICE FUNDS	\$1,563,161	\$619,362	39.6%	\$885,917	\$347,179	39.2%	(\$272,183)	-43.9%
TOTAL EXPENDITURES	\$102,697,347	\$64,138,437	62.5%	\$129,537,169	\$55,046,976	42.5%	(\$9,091,461)	-14.2%
TRANSFERS OUT	\$10,025,577	\$5,667,833	56.5%	\$11,440,521	\$3,592,194	31.4%	(\$2,075,640)	-36.6%
TOTAL EXPENDITURES & TRANSFERS OUT	\$112,722,924	\$69,806,271	61.9%	\$140,977,690	\$58,639,170	41.6%	(\$11,167,101)	-16.0%



2021 THIRD QUARTER FINANCIAL REPORT

GENERAL FUND BUDGET AND YEAR-OVER-YEAR COMPARISON OVERVIEW

RESOURCES

GENERAL FUND RESOURCES	2020 Current Plan	2020 YTD Actual	% of 2020 Current Plan	2021 Current Plan	2021 YTD Actual	% of 2021 Current Plan	2021 v. 2020 \$ Change	2021 v. 2020 % Change
Property Tax	\$13,666,865	\$7,660,619	56.1%	\$14,106,259	\$7,831,820	55.5%	\$171,201	2.2%
Sales Tax*	9,319,003	6,486,692	69.6%	8,623,063	6,969,757	80.8%	483,065	7.4%
Local Criminal Justice*	1,702,776	885,950	52.0%	1,580,357	1,060,954	67.1%	175,004	19.8%
B&O, Utility, and Gambling Taxes	6,530,374	3,197,122	49.0%	5,344,789	3,704,630	69.3%	507,508	15.9%
Franchise Fees & Contract Payments	5,369,100	3,011,234	56.1%	5,398,100	2,502,878	46.4%	(508,355)	-16.9%
Development Revenue	2,416,843	2,930,789	121.3%	2,502,054	3,642,756	145.6%	711,968	24.3%
Park and Recreation Revenue	1,902,312	959,684	50.4%	1,569,472	949,878	60.5%	(9,806)	-1.0%
Intergovernmental Revenue*	2,518,144	1,616,930	64.2%	1,845,987	1,380,291	74.8%	(236,640)	-14.6%
Grant Revenue	247,384	230,249	93.1%	410,151	132,281	32.3%	(97,968)	-42.5%
Fines and Licenses	603,125	118,603	19.7%	597,501	177,928	29.8%	59,326	50.0%
Miscellaneous Revenue	1,161,575	447,030	38.5%	713,811	388,492	54.4%	(58,538)	-13.1%
Interest Income	70,600	210,562	298.2%	70,600	60,549	85.8%	(150,013)	-71.2%
TOTAL REVENUES	\$45,508,101	\$27,755,464	61.0%	\$42,762,144	\$28,802,216	67.4%	\$1,046,753	3.8%
Proceeds from Capital Assets	2,450,000	0	0.0%	0	9,880	0.0%	9,880	0.0%
Operating Transfers In	1,473,551	1,105,163	75.0%	1,774,059	887,030	50.0%	(218,134)	-19.7%
Other Financing Sources	15,000	6,418	42.8%	15,000	0	0.0%	(6,418)	-100.0%
Budgeted Use of Fund Balance	3,690,186	0	0.0%	5,384,563	0	0.0%	0	0.0%
TOTAL RESOURCES	\$53,136,838	\$28,867,045	54.3%	\$49,935,766	\$29,699,126	59.5%	\$832,081	2.9%

EXPENDITURES & TRANSFERS OUT

DEPARTMENT	2020 Current Plan	2020 YTD Actual	% of 2020 Current Plan	2021 Current Plan	2021 YTD Actual	% of 2021 Current Plan	2021 v. 2020 \$ Change	2021 v. 2020 % Change
City Council	\$226,400	\$160,846	71.0%	\$246,898	\$152,047	61.6%	(\$8,800)	-5.5%
City Manager's Office ¹	4,496,000	3,861,233	85.9%	4,175,082	2,949,203	70.6%	(\$912,030)	-23.6%
City Attorney	895,954	403,585	45.0%	879,248	533,507	60.7%	\$129,923	32.2%
Administrative Services ²	7,265,040	5,254,816	72.3%	7,858,837	5,403,575	68.8%	\$148,759	2.8%
Citywide	3,076,787	825,776	26.8%	1,298,335	1,017,241	78.3%	\$191,465	23.2%
Human Resources	508,195	378,174	74.4%	523,600	340,025	64.9%	(\$38,148)	-10.1%
Police	12,919,337	8,040,533	62.2%	13,844,609	8,111,858	58.6%	\$71,325	0.9%
Criminal Justice	2,958,059	890,851	30.1%	2,403,675	643,618	26.8%	(\$247,233)	-27.8%
Recreation, Cultural & Community Services ³	6,571,989	4,187,514	63.7%	5,931,773	3,629,968	61.2%	(\$557,546)	-13.3%
Planning & Community Development	3,542,437	2,243,271	63.3%	3,316,154	2,370,810	71.5%	\$127,539	5.7%
Public Works	3,598,568	2,668,098	74.1%	3,497,752	2,577,894	73.7%	(\$90,204)	-3.4%
DEPARTMENTAL EXPENDITURES	\$46,058,766	\$28,914,697	62.8%	\$43,975,963	\$27,729,747	63.1%	(\$1,184,950)	-4.1%
Operating Transfers Out	5,929,824	3,562,983	60.1%	5,869,771	860,801	14.7%	(2,702,181)	-75.8%
TOTAL EXPENDITURES AND TRANSFERS OUT	\$51,988,590	\$32,477,680	62.5%	\$49,845,734	\$28,590,549	57.4%	(\$3,887,131)	-12.0%

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

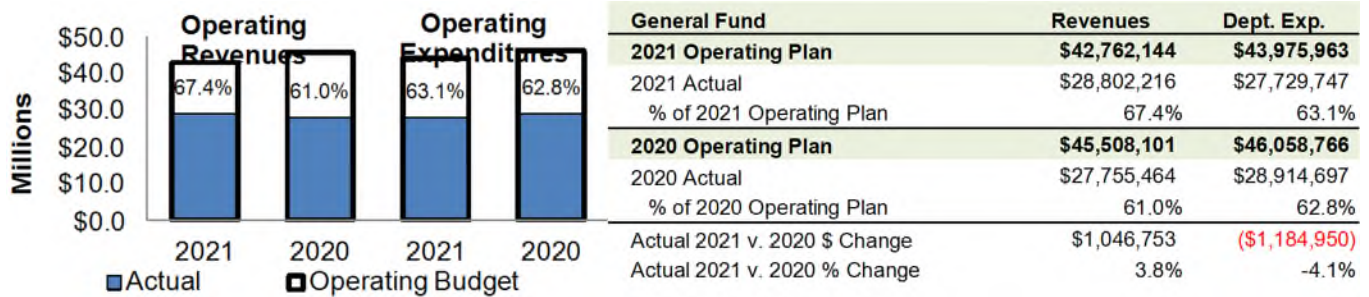
2. Recreation, Cultural and Community Services includes Neighborhoods, Emergency Management Planning, Human Services, Diversity Inclusion, Environmental Services, Recreation, Youth & Teen Development, and Cultural Services.

3. Administrative Services includes Finance, Budget, Purchasing, Information Systems, Parks, Fleet & Facilities, and Recreation Facility Rentals.



2021 THIRD QUARTER FINANCIAL REPORT

GENERAL FUND FINANCIAL OVERVIEW



The table on the previous page presents the 2021 planned revenues, expenditures, use of fund balance for one-time investments and transfers in from/out to other funds as approved in the 2021-2022 Biennial Budget. It also compares them to actual for 2021 and 2020.

Revenues:

General Fund revenue received reflects a year-over-year increase of 3.8%. The following are highlights comparing actual collections to those projected for 2021 and to 2020 collections for the General Fund:

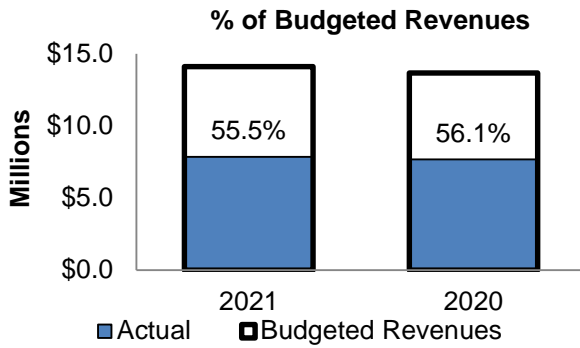
- Property tax receipts are at 55.5% of the 2021 plan.
- Sales tax receipts for 2021 are 43.1% greater than projected for the same period of the current plan. The Construction sector, while 18.7% less than 2020 collections, continued to maintain a high level of activity. The Retail Trade sector and hotels/restaurants experienced a return to pre-pandemic levels of activity.
- Receipts from the Local Criminal Justice Tax for the reporting period of January through July are \$175,004, or 19.8%, more than the same period for 2020.
- Intergovernmental Revenue receipts are 14.6% less than the year-ago level. The maximum cap of distributions of the Affordable and Supportive Housing State Shared Tax was reached during the state's fiscal year. Distributions resumed in July.
- This report reflects Gambling Tax and B&O Tax receipts collected from first and second quarter tax returns, which were due April and July respectively, from businesses placed on quarterly filing status as well as those that voluntarily filed first and second quarter tax returns.
- Utility Tax receipts in the amount of \$2.4 million are more than the 2021 plan and 2020 by 21.2% and 19.2%, respectively.
- Local development activity in 2021, in terms of the number of permit applications, is 255, or 16%, more than 2020. Total permits issued are 308, or 19%, more than 2020.

Expenditures and Transfers Out:

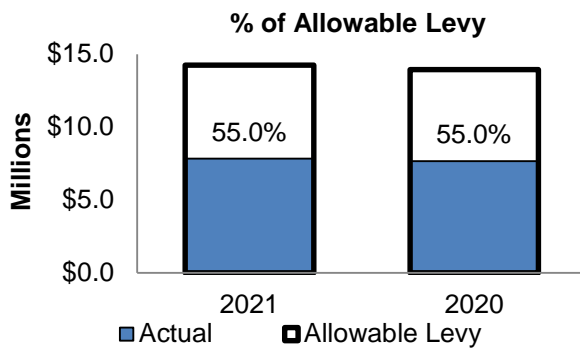
Departments spent \$27.730 million, or 63.1%, of the Operating Budget. This level of expenditures is 4.1% less than the year-ago level. Total expenditures, including transfers out, representing expenditure of 57.4% of the Current Plan, are 12.0% less than the year-ago level. General Fund contributions to select capital projects are reflected in the table to the right.

General Fund Contributions to Projects	2021-2022 Budget	2021-2022 Actual	Budgeted General Fund Support	Amount Transferred
General Capital Projects				
City Hall	\$157,832	\$43,308	\$157,832	\$0
Police Station at City Hall	\$48,000	\$11,895	\$61,170	\$9,641
City Maintenance Facility	\$4,522,021	\$193,175	\$2,978,559	\$20,651
Parks Repair & Replacement	\$650,000	\$74,120	\$200,000	\$25,000
Parks Facilities Recreation Amenities	\$487,000	\$0	\$113,000	\$0
Playground Replacement	\$656,173	\$0	\$0	\$0
Soccer Field Rental Contribution	N/A	\$373	\$260,000	\$0
Parks Improvements-Sound Transit	\$0	\$0	\$0	\$0
Roads Capital Projects				
Sidewalk Rehabilitation Program	\$797,162	\$30,404	\$152,518	\$38,130
Trail Along the Rail	\$327,618	\$351,424	\$201,664	\$28,088
147 th /148 th Non-Motorized Bridge	\$7,976,082	\$267,061	\$247,732	\$0
185 th Corridor Study	\$0	\$0	\$0	\$0
160 th and Greenwood/Innis Arden	\$100,000	\$103	\$0	\$0
Driveway Relocation Richmond Beach Rd	\$81,439	N/A	\$56,309	\$0
Gambling Tax and Grant Match Funding	N/A	N/A	\$195,302	\$0

PROPERTY TAX



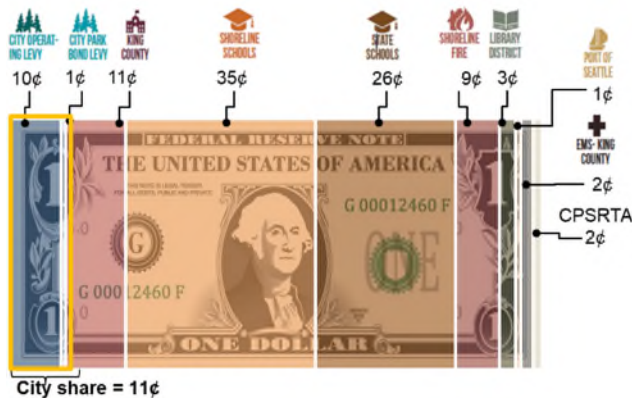
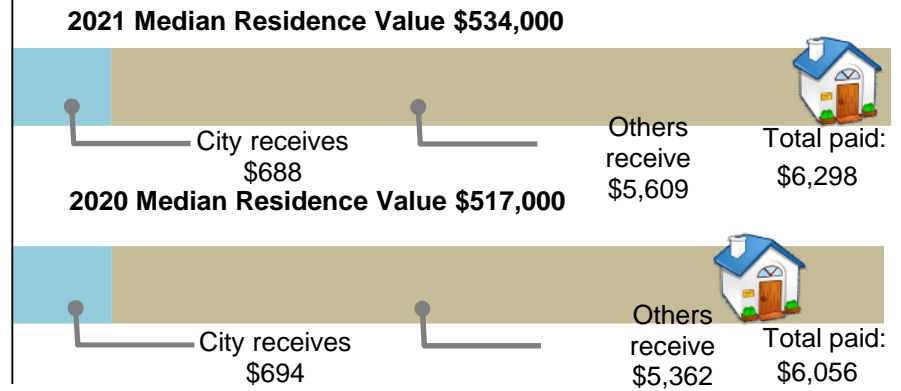
2021 Current Plan	\$14,106,259
2021 Third Quarter Actual Revenue	\$7,831,820
% of 2021 Current Plan	55.5%
2020 Current Plan	\$13,666,865
2020 Third Quarter Actual Revenue	\$7,660,619
% of 2020 Current Plan	56.1%
2021 v. 2020 \$ Change	\$171,201
2021 v. 2020 % Change	2.2%



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 2021 and 2020 as a percentage of the budgeted projection are at 55.5% and 56.1%, respectively. In terms of the allowable levy, which is different than the budgeted projection presented here, receipts for 2021 and 2020 are 55.0% and 55.0%, respectively.

Impact on a median homeowner:

In 2021, the City of Shoreline property tax regular levy and excess voted levy rates decreased from \$1.20 to \$1.19 and \$0.15 to \$0.10, respectively. The total levy rate increased from \$11.72 to \$11.79. The chart to the right compares the amount paid by a homeowner of a residence with a median value (as determined by the King County Department of Assessments). The total tax bill is estimated to increase \$242, or 4.0%, with the City's portion decreasing \$6, or 0.9%, and all other taxing jurisdictions' portion increasing \$247, or 4.6%.



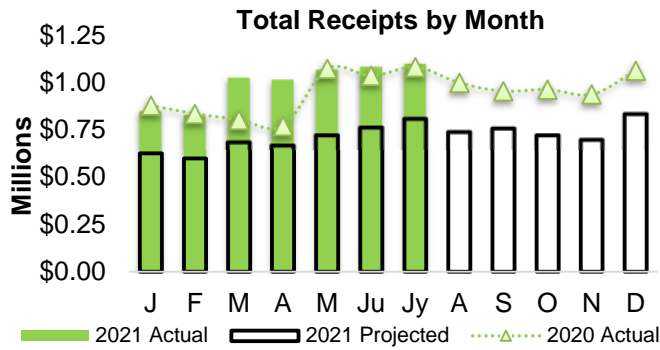
How \$1 is allocated:

The chart to the left illustrates the allocation of each dollar paid at the 2021 levy rates for all taxing jurisdictions within Shoreline. The City receives 10¢ for the City's regular levy and 1¢ for the excess voted levy.



2021 THIRD QUARTER FINANCIAL REPORT

SALES TAX



2021 Current Plan	\$8,623,063
2021 Third Quarter Actual Revenue	\$6,969,757
% of 2021 Current Plan	80.8%
2020 Current Plan	\$9,319,003
2020 Third Quarter Actual Revenue	\$6,486,692
% of 2020 Current Plan	69.6%
2021 v. 2020 \$ Change	\$483,065
2021 v. 2020 % Change	7.4%

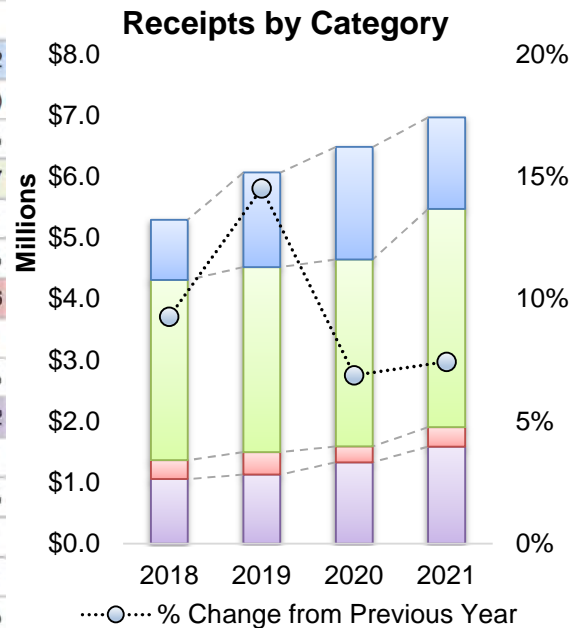
When analyzing monthly sales tax receipts, there are two items of special note: First, most businesses remit their sales tax collections to the Washington State Department of Revenue (DOR) on a monthly basis. Small businesses only have to remit their sales tax collections either quarterly or annually, 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. Therefore, the data presented here reflects the distributions received in March through September, which is from activity for January through July.

Receipts are more than the 2021 Plan and 2020 collections by 43.1% and 7.4%, respectively. The Construction sector, while 18.7% less than 2020 collections, continued to maintain a high level of activity. The Retail Trade sector and hotels/restaurants experienced a return to pre-pandemic levels of activity.

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

SALES TAX BY PRIMARY SECTOR FOR DISTRIBUTION PERIOD: SEPTEMBER

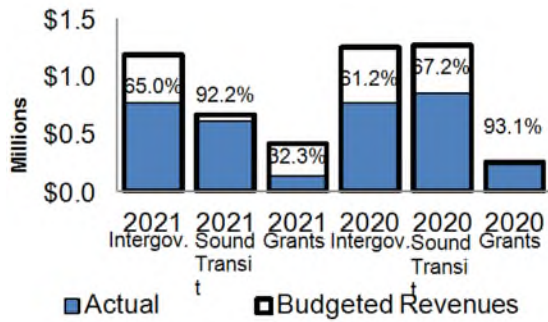
Sector	2017	2018	2019	2020	2021
Construction	\$743,633	\$986,791	\$1,544,725	\$1,839,816	\$1,495,392
\$ Change		\$243,159	\$557,934	\$295,091	(\$344,424)
% Change		32.7%	56.5%	19.1%	-18.7%
Retail Trade	\$2,874,337	\$2,945,457	\$3,025,123	\$3,055,951	\$3,567,517
\$ Change		\$71,120	\$79,666	\$30,828	\$511,566
% Change		2.5%	2.7%	1.0%	16.7%
Hotels/Restaurant	\$310,929	\$309,321	\$368,515	\$260,062	\$318,036
\$ Change		(\$1,609)	\$59,194	(\$108,453)	\$57,974
% Change		-0.5%	19.1%	-29.4%	22.3%
All Others	\$919,775	\$1,057,222	\$1,130,210	\$1,330,863	\$1,588,812
\$ Change		\$137,447	\$72,988	\$200,653	\$257,949
% Change		14.9%	6.9%	17.8%	19.4%
Total Revenue	\$4,848,674	\$5,298,791	\$6,068,573	\$6,486,692	\$6,969,757
\$ Change		\$450,116	\$769,782	\$418,119	\$483,065
% Change		9.3%	14.5%	6.9%	7.4%





2021 THIRD QUARTER FINANCIAL REPORT

INTERGOVERNMENTAL, GRANTS, AND STATE SHARED SALES TAXES



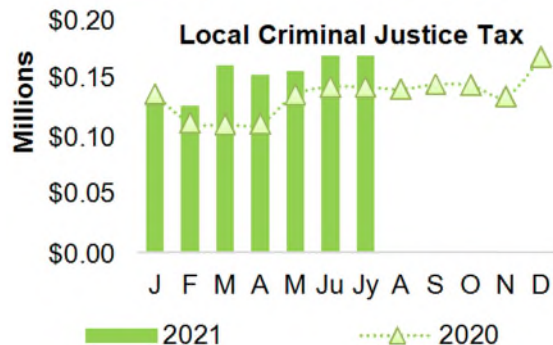
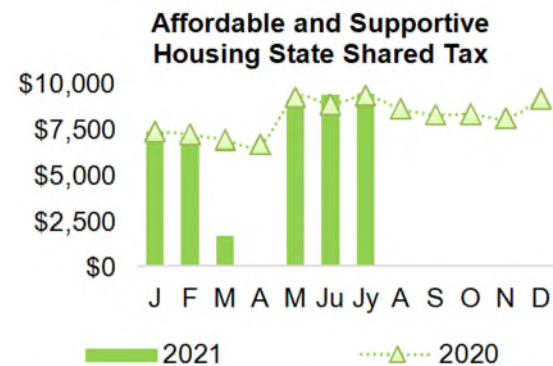
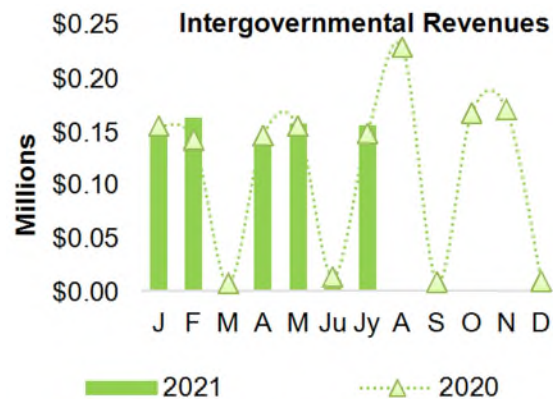
Intergovernmental revenue sources are comprised primarily of funding for criminal justice programs, contract payments, liquor excise tax, liquor board profits, marijuana excise tax, grants, and reimbursement from Sound Transit per the Expedited Permitting and Reimbursement Agreement. Contract payments 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 14.6% less than the year-ago level. Receipts by month from sources other than Sound Transit reimbursements are reflected in the Intergovernmental Revenues chart, which compares disbursements for March through September. Receipts for these revenues in 2021 total \$770,443 and are 0.7% more than 2020.

Grant receipts are 42.5% less than 2020 and is mostly attributable to the King County Best Starts for Youth grant.

On October 28, 2019, the City Council adopted Resolution No. 448 and Ordinance No. 869 to impose the Affordable and Supportive Housing State Shared Tax authorized by Substitute House Bill (SHB) 1406 and Revised Code of Washington (RCW) 82.14.540. The Department of Revenue calculated a maximum cap of distributions during the state's fiscal year of \$86,235. That cap was reached with May's distribution; therefore, no further distribution was made in June. Distributions resumed in July. The distributions presented in this report are for March through September 2021, which is from activity for January through July.

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 23.3%. Sales tax collected throughout King County was actually 14.4% more than 2020.





2021 THIRD QUARTER FINANCIAL REPORT

BUSINESS & OCCUPATION TAXES AND FRANCHISE FEE & CONTRACT PAYMENTS

Business & Occupation Taxes

2021 Current Plan	\$5,344,789
Business & Occupation Tax	\$703,969
Utility Tax	\$2,423,675
Gambling Tax	\$576,987
2021 Third Quarter Actual Revenue	\$3,704,630
% of 2021 Current Plan	69.3%
2020 Current Plan	\$6,530,374
Business & Occupation Tax	\$852,706
Utility Tax	\$2,032,580
Gambling Tax	\$311,836
2020 Third Quarter Actual Revenue	\$3,197,122
% of 2020 Current Plan	49.0%
2021 v. 2020 \$ Change	\$507,508
2021 v. 2020 % Change	15.9%

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.

This report reflects Gambling Tax and B&O Tax receipts collected from first and second quarter tax returns, which were due April and July respectively, from businesses placed on quarterly filing status as well as those that voluntarily filed first and second quarter tax returns. B&O Tax on Utilities may be paid monthly at the discretion of the taxpayer.

Utility Tax receipts in the amount of \$2.4 million are less than the 2021 Plan by 21.2% but more than 2020 by 19.2%. We continue to experience a significant decline in telecommunications tax as reflected on the next page.

Franchise Fee & Contract Payments

2021 Current Plan	\$5,398,100
Franchise Fee	\$1,105,110
Contract Payment	\$1,397,768
2021 Third Quarter Actual Revenue	\$2,502,878
% of 2021 Current Plan	46.4%
2020 Current Plan	\$5,369,100
Franchise Fee	\$1,694,086
Contract Payment	\$1,317,148
2020 Third Quarter Actual Revenue	\$3,011,234
% of 2020 Current Plan	56.1%
2021 v. 2020 \$ Change	(\$508,355)
2021 v. 2020 % Change	-16.9%

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.

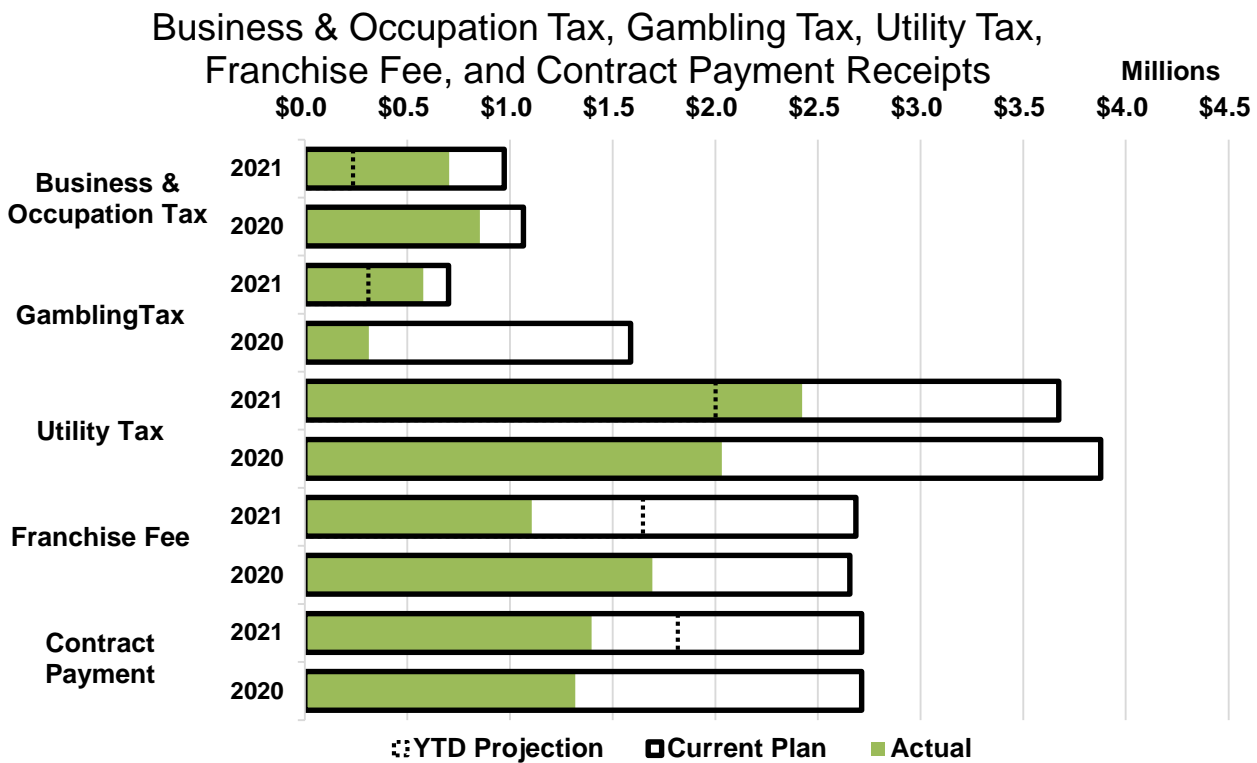
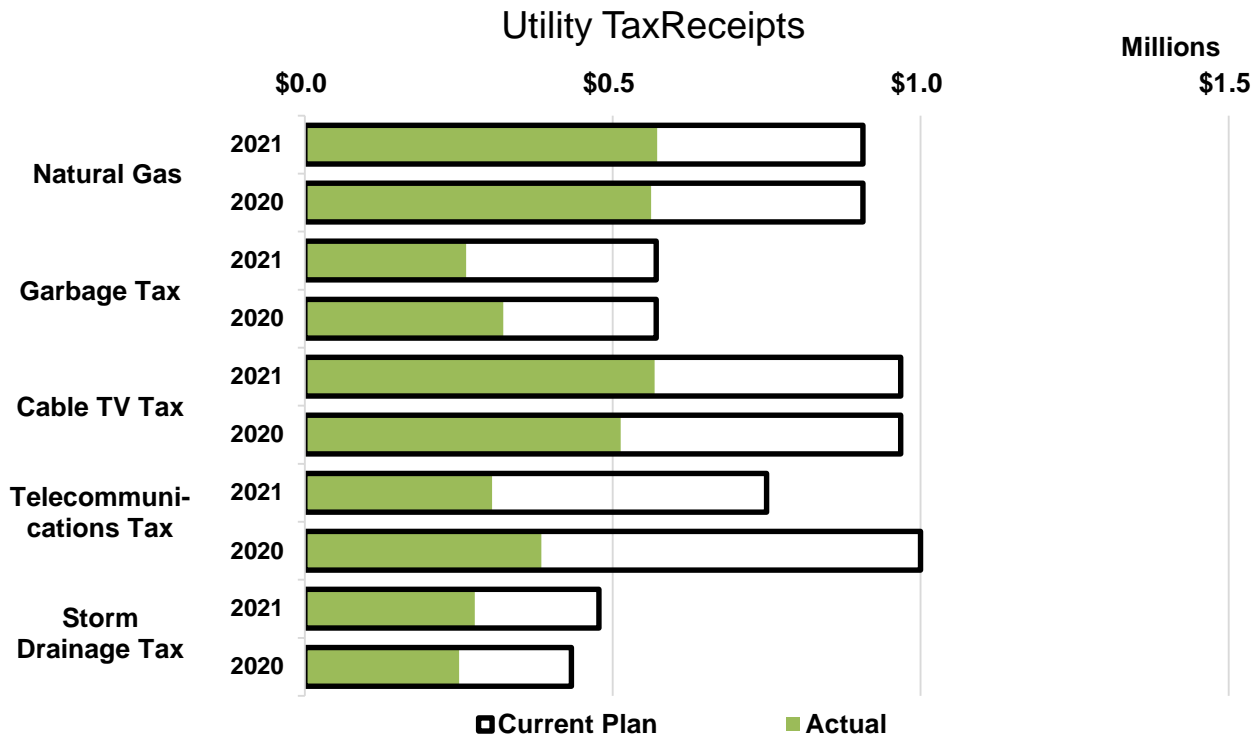
More information is available at <http://www.shorelinewa.gov/government/departments/city-clerk-s-office/agreements-and-contracts/utility-franchise-agreements-document-library/-folder-386>.



2021 THIRD QUARTER FINANCIAL REPORT

BUSINESS & OCCUPATION TAXES AND FRANCHISE FEE & CONTRACT PAYMENTS

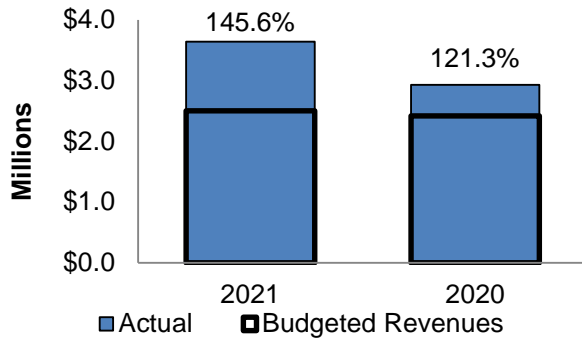
The chart below compares actual receipts to the annual budget for each year and budget projection for 2021.





2021 THIRD QUARTER FINANCIAL REPORT

DEVELOPMENT REVENUE



2021 Current Plan	\$2,502,054
2021 Third Quarter Actual Revenue	\$3,642,756
% of 2021 Current Plan	145.6%
2020 Current Plan	\$2,416,843
2020 Third Quarter Actual Revenue	\$2,930,789
% of 2020 Current Plan	121.3%
2021 v. 2020 \$ Change	\$711,968
2021 v. 2020 % Change	24.3%

Development revenue receipts, including right-of-way permits, exhibit a year-over-year increase of 24.3%.

Revenues from Permit and Plan Check Fees are more than 2020 by 29.6%. Total permit applications through 2021 are 255, or 16%, more than 2020. Total permits issued are 308, or 19%, more than 2020.

Approximately \$543,000 in revenue from 2019 and 2020 was deferred to 2021 for inspections that have been paid for but not yet performed.

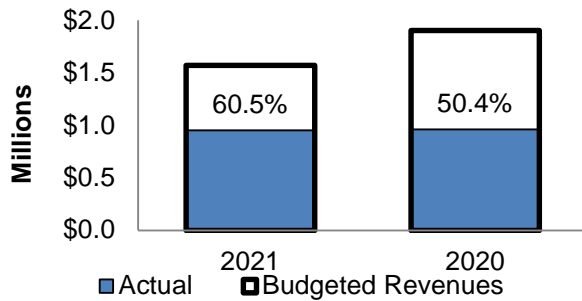
In 2021, the valuation for all residential, commercial, townhouse, and multi-family permit applications totaled \$158.3 million, of which \$128.4 million, or 81.1%, was from new construction permits.

- Single-family: There were 57 more new construction and remodel permit applications in 2021 compared to 2020, with a valuation that is \$15.9 million more.
- Townhouses: Total permit applications in 2021 had a valuation of \$6.8 million. There were six applications in 2021, of which four permits are for the construction of eight buildings with a total of 36 units with an additional 48-unit low-rise building.
- Multi-family construction and remodels: There were twelve new permit applications with a valuation of \$61.9 million, including new construction permits for one 7-story 161-unit apartment building valued at \$35.1 million and one 4-story 100-unit apartment building valued at \$20.0 million, compared to the same period in 2020 in which thirteen permit applications had a valuation of \$149.8 million.
- Mixed use: There was one new construction permit application currently under review with a valuation of \$50.0 million for an apartment and retail mixed use building.
- Commercial: There were nine more permits applied for in 2021 with a valuation that is \$9.6 million more than 2020.



2021 THIRD QUARTER FINANCIAL REPORT

PARKS AND RECREATION REVENUE

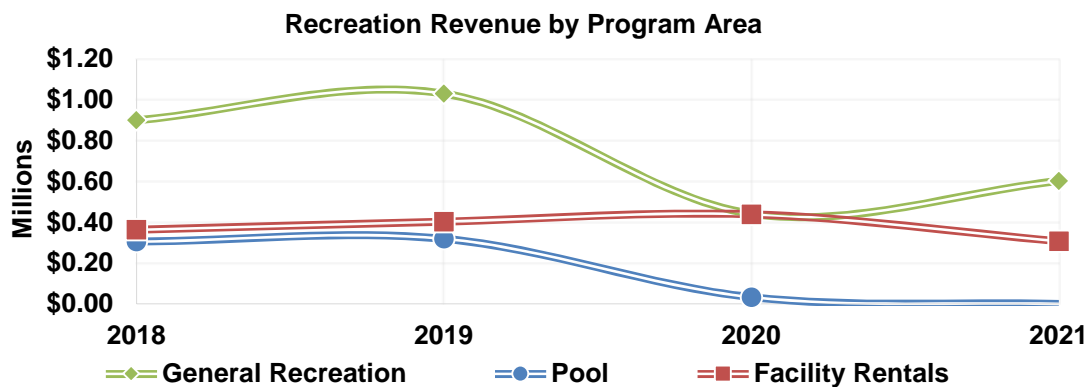


2021 Current Plan	\$1,569,472
2021 Third Quarter Actual Revenue	\$949,878
% of 2021 Current Plan	60.5%
2020 Current Plan	\$1,902,312
2020 Third Quarter Actual Revenue	\$959,684
% of 2020 Current Plan	50.4%
2021 v. 2020 \$ Change	(\$9,806)
2021 v. 2020 % Change	-1.0%

The closure of the City’s facilities due to COVID-19 plus the cancellation of all regular programming and special events resulted in a loss of rental and registration revenue, which was offset by some directly related expenditure reductions. Modified winter, spring and summer programming were designed and offered in January through September. Staff continues to monitor the impacts on the City’s resources while considering the needs of the community and safety of participants and staff.

As a result, Parks and Recreation revenue receipts are 1.0% less than the year-ago level with receipts for general recreation programs less than the year-ago level by 36.3% but facility rentals 30.0% more than the year-ago level.

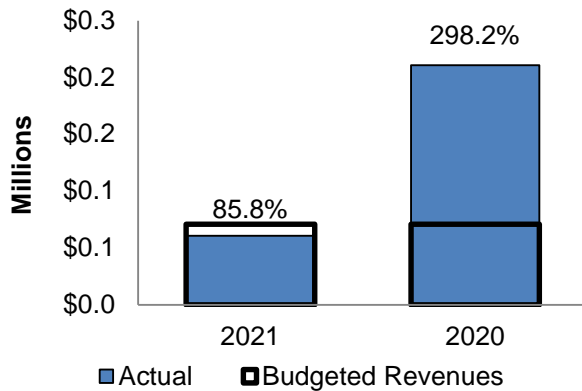
Revenue by Program Area:								
Year	General Recreation	Gen Rec % of Total	Pool	Pool % of Total	Facility Rentals	Fac Rent % of Total	Total Program Revenue	Non-Program Revenue
2018	\$900,308	57.4%	\$305,081	19.5%	\$362,985	23.1%	\$1,568,374	\$32,281
2019	\$1,031,156	58.8%	\$319,182	18.2%	\$403,221	23.0%	\$1,753,559	\$29,981
2020	\$441,831	48.4%	\$32,786	3.6%	\$439,130	48.1%	\$913,746	\$45,938
2021	\$602,136	66.2%	-\$311	0.0%	\$307,177	33.8%	\$909,001	\$40,877





2021 THIRD QUARTER FINANCIAL REPORT

INTEREST INCOME



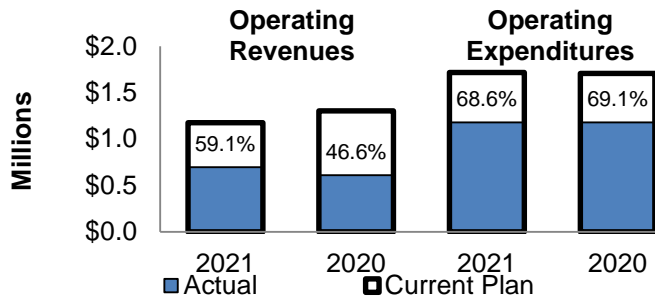
2021 Current Plan	\$70,600
2021 Third Quarter Actual Revenue	\$60,549
% of 2021 Current Plan	85.8%
2020 Current Plan	\$70,600
2020 Third Quarter Actual Revenue	\$210,562
% of 2020 Current Plan	298.2%
2021 v. 2020 \$ Change	(\$150,013)
2021 v. 2020 % Change	-71.2%

Interest income is less than that for 2020 by 71.2%. 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.



2021 THIRD QUARTER FINANCIAL REPORT

STREET FUND

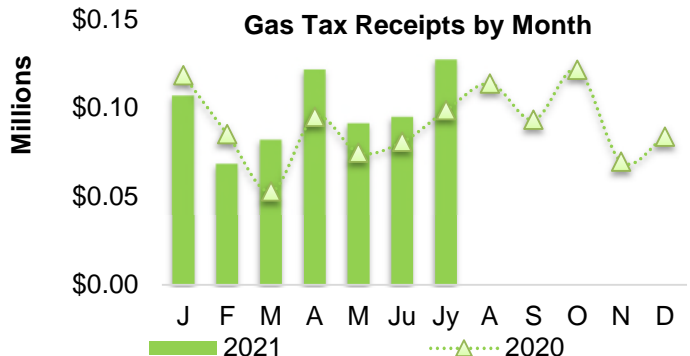
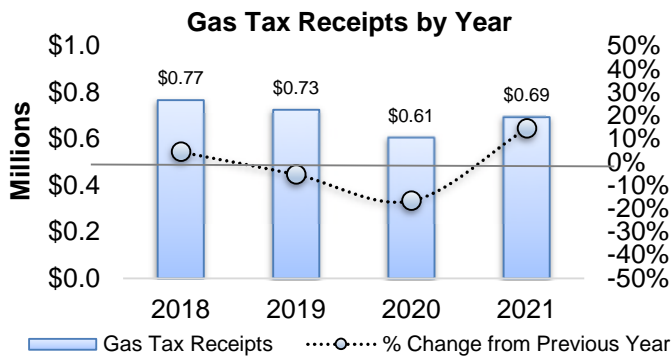


Street Fund	Resources	Expenditure
2021 Operating Plan	\$1,174,750	\$1,716,400
2021 Actual	\$694,846	\$1,177,600
% of 2021 Operating Plan	59.1%	68.1%
2020 Operating Plan	\$1,302,021	\$1,706,200
2020 Actual	\$607,348	\$1,178,800
% of 2020 Operating Plan	46.6%	69.1%
Actual 2021 v. 2020 \$ Change	\$87,498	(\$1,100,000)
Actual 2021 v. 2020 % Change	14.4%	-0.1%

The table shows Street Fund receipts, excluding transfers in, are 14.4% more than 2020. Operating expenditures, excluding transfers out, are 0.1% less than 2020. Expenditures, including transfers out, are 6.7% less than 2020.

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, it is important to note there is a two-month lag from the time that Gas Tax is collected to the time it is distributed to the City. Therefore, the distribution received in March through September 2021 reflects activity from January through July. The reduction in the Gas Tax for January thru July is most likely the result of pandemic-related impacts across the State that limited travel.

Distributions for this period total \$0.695 million, which is 14.6% more than 2020.





2021 THIRD QUARTER FINANCIAL REPORT

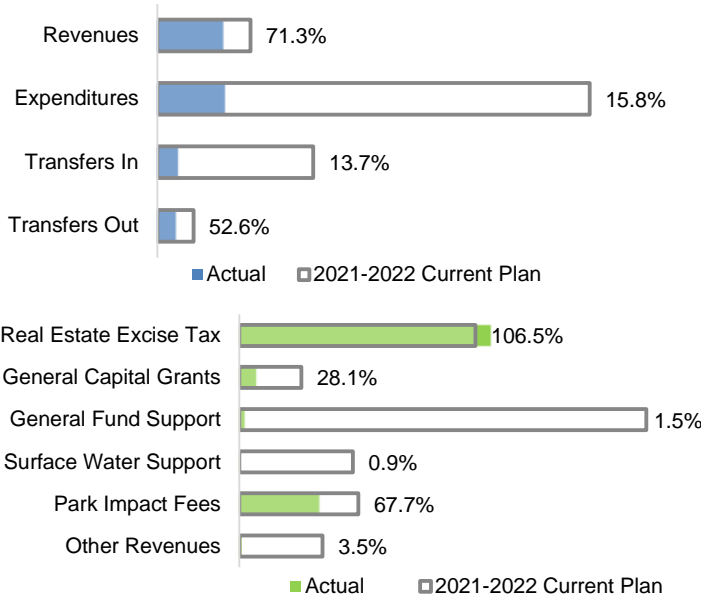
GENERAL CAPITAL FUND

General Capital Fund	Resources	Expenditures
2021 Current Plan Total	\$15,651,691	\$15,638,521
Less:		
2021 Use of Fund Balance	8,175,224	N/A
2021 Other Sources & Transfers	5,603,584	698,518
2021 Capital Plan Revenues/Expenditures	\$1,872,883	\$14,940,003
2021 Actual	\$2,520,942	\$2,589,307
% of 2021 Capital Plan Rev./Exp.	134.6%	17.3%
2022 Current Plan Total	\$2,147,353	\$2,147,353
Less:		
2022 Use of Fund Balance	159,798	N/A
2022 Other Sources & Transfers	323,000	679,050
2022 Capital Plan Revenues/Expenditures	\$1,664,555	\$1,468,303
2022 YTD Actual	\$0	\$0
% of 2022 Capital Plan Rev./Exp.	0.0%	0.0%
2021-2022 Capital Plan Revenues/Expenditures	\$3,537,438	\$16,408,306
2021-2022 Actual	\$2,520,942	\$2,589,307
% of 2021-2022 Capital Plan Rev./Exp.	71.3%	15.8%

Third Quarter Actual receipts are largely comprised of Real Estate Excise Tax, which is discussed separately in this report. The 2021 plan includes one-time transfers from the General Fund, Park Impact Fee Fund, and Surface Water Utility Fund as well as bond proceeds in support of the following capital projects listed in the Summary of Contributions to/other Funding for General Capital Projects 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.

The table shows capital projects expended 17.0% of the 2021 current plan.

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. 307-332 of the City's 2021-2022 Proposed Biennial Budget and 2021-2026 Capital Improvement Plan book.





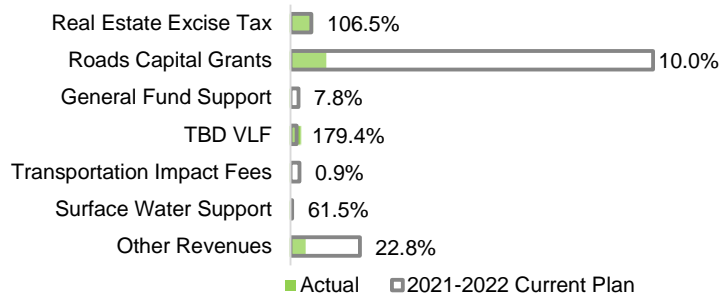
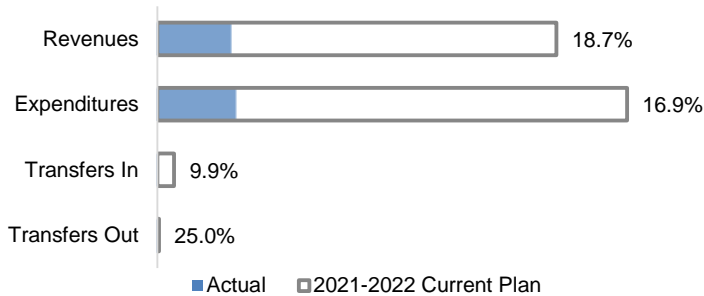
2021 THIRD QUARTER FINANCIAL REPORT

ROADS CAPITAL FUND

Roads Capital Fund	Resources	Expenditures
2021 Capital Plan Total	\$29,704,900	\$29,540,622
Less:		
2021 Use of Fund Balance	362,598	N/A
2021 Other Sources & Transfers	2,357,033	107,997
2021 Capital Plan Revenues/Expenditures	\$26,985,269	\$29,432,625
2021 Actual	\$8,883,887	\$9,457,978
% of 2021 Capital Plan Rev./Exp.	32.9%	32.1%
2022 Capital Plan Total	\$26,720,331	\$26,720,331
Less:		
2022 Use of Fund Balance	1,752,718	N/A
2022 Other Sources & Transfers	4,342,486	107,997
2022 Capital Plan Revenues/Expenditures	\$20,625,127	\$26,612,334
2022 YTD Actual	\$0	\$0
% of 2022 Capital Plan Rev./Exp.	0.0%	0.0%
2021-2022 Capital Plan Revenues/Expenditures	\$47,610,396	\$56,044,959
2021-2022 Actual	\$8,883,887	\$9,457,978
% of 2021-2022 Capital Plan Rev./Exp.	18.7%	16.9%

Receipts are largely comprised of Real Estate Excise Tax. The 2021 plan includes one-time transfers from the General Fund and Transportation Impact Fee Fund in support of the following capital projects listed in the Summary of Contributions to/other Funding for Roads Capital Projects table later in this report. Funds are transferred from the General Fund and Transportation Impact Fee Fund as expenditures are incurred by the projects.

Capital projects expended 16.9% 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. 351-386 of the City's 2021-2022 Proposed Biennial Budget and 2021-2026 Capital Improvement Plan book.





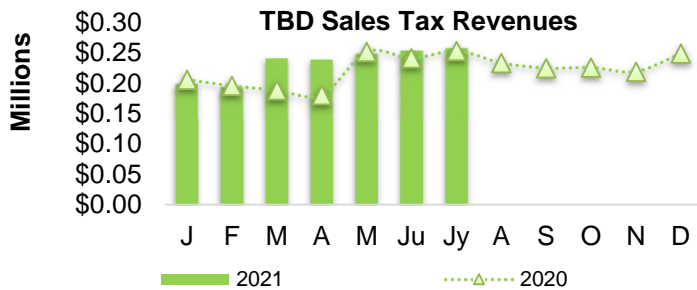
2021 THIRD QUARTER FINANCIAL REPORT

SIDEWALK EXPANSION

2020 LTGO Bond Fund	Resources	Expenditures
2021 Current Plan Total	\$2,159,113	\$899,550
Less:		
2021 Use of Fund Balance	0	N/A
2021 Other Sources & Transfers	0	0
2021 Current Plan Revenues/Expenditures	\$2,159,113	\$899,550
2021 Actual	\$1,637,796	\$200,755
% of 2021 Current Plan Rev./Exp.	75.9%	22.3%
2022 Capital Plan Total	\$2,235,089	\$899,550
Less:		
2022 Use of Fund Balance	0	N/A
2022 Other Sources & Transfers	0	0
2022 Current Plan Revenues/Expenditures	\$2,235,089	\$899,550
2022 YTD Actual	\$0	\$0
% of 2022 Current Plan Rev./Exp.	0.0%	0.0%
2021-2022 Current Plan Revenues/Expenditures	\$4,394,202	\$1,799,100
2021-2022 Actual	\$1,637,796	\$200,755
% of 2021-2022 Current Plan Rev./Exp.	37.3%	11.2%

The regular Sales Tax rate is 10.2% with the City's general operation'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 Sidewalk LTGO Bond Fund and used to pay the debt service for the bonds issued to fund the New Sidewalks Program. Collections started in April 2019. Receipts for 2021, in the amount of \$1.630 million, are 7.2% more than 2020. In 2020, the City received \$11.539 million in bond proceeds for the New Sidewalks Program.

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. 351-386 of the City's 2021-2022 Proposed Biennial Budget and 2021-2026 Capital Improvement Plan book.



Sidewalk Expansion Fund	Resources	Expenditures
2021 Capital Plan Total	\$3,174,552	\$3,092,995
Less:		
2021 Use of Fund Balance	272,771	N/A
2021 Other Sources & Transfers	981,803	0
2021 Capital Plan Revenues/Expenditures	\$1,919,978	\$3,092,995
2021 Actual	\$19,735	\$865,366
% of 2021 Capital Plan Rev./Exp.	1.0%	28.0%
2022 Capital Plan Total	\$2,830,000	\$2,830,000
Less:		
2022 Use of Fund Balance	0	N/A
2022 Other Sources & Transfers	2,030,000	0
2022 Capital Plan Revenues/Expenditures	\$800,000	\$2,830,000
2022 YTD Actual	\$0	\$0
% of 2022 Capital Plan Rev./Exp.	0.0%	0.0%
2021-2022 Capital Plan Revenues/Expenditures	\$2,719,978	\$5,922,995
2021-2022 Actual	\$19,735	\$865,366
% of 2021-2022 Capital Plan Rev./Exp.	0.7%	14.6%



2021 THIRD QUARTER FINANCIAL REPORT

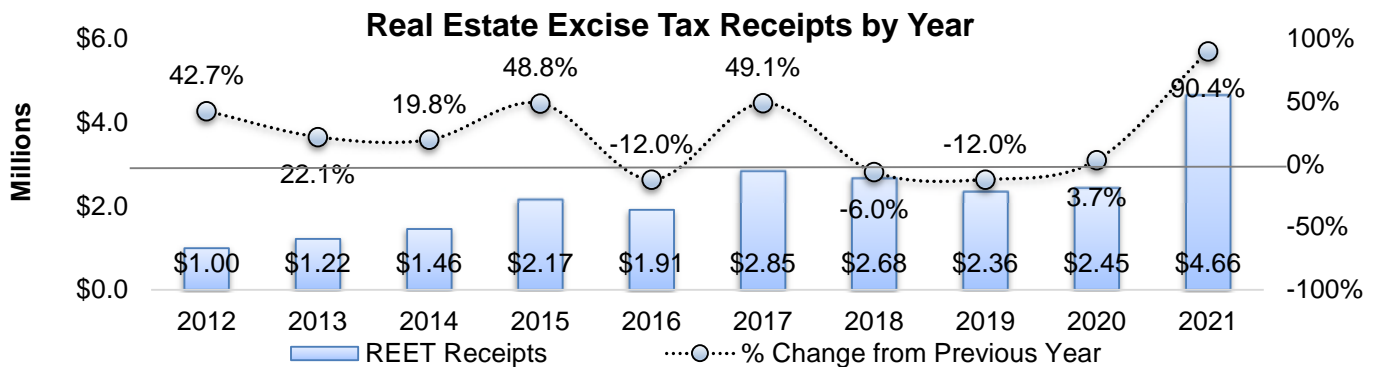
SUMMARY OF CONTRIBUTIONS TO/OTHER FUNDING FOR GENERAL CAPITAL PROJECTS

General Fund Contributions to Projects	2021-2022 Budget	2021-2022 Actual	Budgeted General Fund Support	Amount Transferred
City Hall	\$157,832	\$43,308	\$157,832	\$0
Police Station at City Hall	\$48,000	\$16,545	\$61,170	\$9,641
City Maintenance Facility	\$4,522,021	\$195,289	\$2,978,559	\$20,651
Parks Repair & Replacement	\$650,000	\$81,931	\$200,000	\$25,000
Parks Facilities Recreation Amenities	\$487,000	\$0	\$113,000	\$0
Soccer Field Rental Contribution	N/A	\$373	\$260,000	\$0
Parks Improvements-Sound Transit	\$0	\$0	\$0	\$0
Park Impact Fee (PIF) Contributions to Projects	2021-2022 Budget	2021-2022 Actual	Budgeted PIF Support	Amount Transferred
Playground Replacement	\$656,173	\$0	\$250,000	\$0
PROS Plan Acquisitions	\$8,661,771	\$1,987,227	\$852,561	\$746,345
Surface Water Utility (SWM) Fund Contributions to Projects	2021-2022 Budget	2021-2022 Actual	Budgeted SWM Support	Amount Transferred
City Maintenance Facility	See above	See above	\$1,053,462	\$9,278

SUMMARY OF CONTRIBUTIONS TO/OTHER FUNDING FOR ROADS/SIDEWALK CAPITAL PROJECTS

General Fund Contributions to Projects	2021-2022 Budget	2021-2022 Actual	Budgeted General Fund Support	Amount Transferred
Sidewalk Rehabilitation Program	\$797,162	\$30,404	\$152,518	\$38,130
Trail Along the Rail	\$327,618	\$351,424	\$201,664	\$28,088
147 th /148 th Non-Motorized Bridge	\$7,976,082	\$267,061	\$247,732	\$0
185 th Corridor Study	\$0	\$0	\$0	\$0
160 th and Greenwood/Innis Arden	\$100,000	\$103	\$0	\$0
Driveway Relocation Richmond Beach Rd	\$81,439	\$0	\$56,309	\$0
Gambling Tax and Grant Match Funding	N/A	N/A	\$195,302	\$0
Transportation Impact Fee (TIF) Contributions to Projects	2021-2022 Budget	2021-2022 Actual	Budgeted TIF Support	Amount Transferred
N 175th St - Stone Ave N to I5	\$3,527,613	\$572,980	\$946,805	\$8,651
Surface Water Utility (SWM) Fund Contributions to Projects	2021-2022 Budget	Amount Spent YTD	Budgeted SWM Support	Amount Transferred
Westminster Way N and N 155th Street Intersection Improvements	See above	See above	\$199,189	\$122,412

REAL ESTATE EXCISE TAX



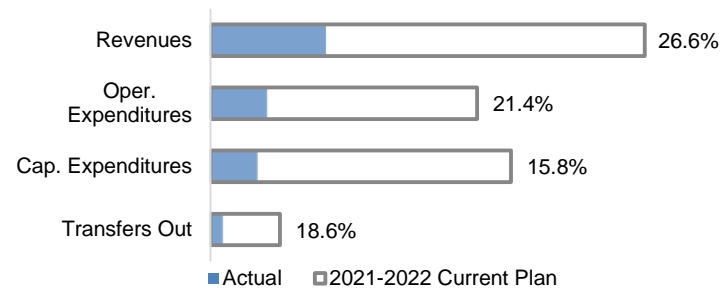
Real Estate Excise Tax (REET) revenue receipts, in the amount of \$4,663,988, are 90.4% more than 2020.



2021 THIRD QUARTER FINANCIAL REPORT

SURFACE WATER UTILITY FUND

Surface Water Utility Fund	Resources	Expenditures
2021 Current Plan Total	\$14,820,863	\$14,323,482
Less:		
2021 Use of Fund Balance	1,806,892	N/A
2021 Other Sources & Transfers	3,900,000	2,041,385
2021 Operating & Capital Plan Revenues/Expenditures	\$9,113,971	\$12,282,097
2021 Actual	\$4,699,970	\$4,243,067
% of 2021 Current Plan Rev./Exp.	51.6%	34.5%
2022 Current Plan Total	\$20,380,325	\$11,552,200
Less:		
2022 Use of Fund Balance	0	N/A
2022 Other Sources & Transfers	11,850,000	788,734
2022 Operating & Capital Plan Revenues/Expenditures	\$8,530,325	\$10,763,466
2022 YTD Actual	\$0	\$0
0	0.0%	0.0%
2021-2022 Operating & Capital Plan Revenues/Expenditures	\$17,644,296	\$23,045,563
2021-2022 Actual	\$4,699,970	\$4,243,067
% of 2021-2022 Plan Rev./Exp.	26.6%	18.4%



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 41.4% of the current plan for the Operating Budget, which is 0.0% less than 2020. Capital projects expended 28.8% of the current plan for the Capital Budget. Capital expenditures are impacted by the timing of construction schedules.

Transfers from the Surface Water Utility Fund to cover expenditures for the City Maintenance Facility in the General Capital Fund are reflected in this report.

More information on the scope and timing of capital projects, including updated estimates, can be found on pp. 389-414 of the City's 2021-2022 Proposed Biennial Budget and 2021-2026 Capital Improvement Plan book.

WASTEWATER UTILITY FUND

The City of Shoreline completed the assumption of Ronald Wastewater District on April 30, 2021. The Wastewater Utility Fund (WW) will begin to include both on-going operational programs and capital projects with both being reflected in the total expenditures and revenues for the fund.



2021 THIRD QUARTER FINANCIAL REPORT

INVESTMENT REPORT: SEPTEMBER 30, 2021

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, 2021, the City's investment portfolio, excluding the State Investment Pool had a current weighted average rate of return of 0.7937%. This is higher than the 0.0870% rate of return of the State Investment Pool.

Total annual investment interest earnings through September 30, 2021 were \$150,899. While this amount is significantly lower than prior years returns as a result of the low interest rate environment, it exceeds our annual budget projection which was reduced to \$107,765 for 2021 in anticipation of lower rates. With a slight improvement in interest rates, and as LGIP rates moved lower than the market, we have been monitoring the market and are slowly beginning to make longer term investments to return to a laddered portfolio. Recognizing that we will be holding these low rate of return investments for their full term, we have sought short-term investments where possible.

As of September 30, 2021, the City's investment portfolio had a fair value of \$96 million. Approximately 19.1% of the investment portfolio was held in U.S. government instrumentality securities, and 80.9% was held in the Washington State Investment Pool. The City's investment portfolio valued at cost as of September 30, 2021 was approximately \$96.18 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.



2021 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 09/30/21
			Date	Maturity Date					
US Treasury 2.750	912828Y61	PiperJaffray	07/31/21	07/31/23	2,500,000	2,629,350	0.2540%	(15,580)	2,613,770
US Treasury 2.750	9128284X5	PiperJaffray	07/31/21	08/31/23	2,500,000	2,633,450	0.2730%	(15,873)	2,617,578
US Treasury 1.375	912828T26	PiperJaffray	07/31/21	09/30/23	2,500,000	2,560,525	0.2930%	(6,228)	2,554,298
FFCB 2.50	3133EMM66	PiperJaffray	07/20/21	06/28/23	2,500,000	2,499,900	0.2520%	(993)	2,498,908
FHLB 3.00	3130AF5B9	PiperJaffray	02/20/20	10/12/21	2,000,000	2,050,320	1.4455%	(48,360)	2,001,960
FFCB 3.05	3133EJT74	PiperJaffray	02/20/20	11/15/21	2,000,000	2,054,460	1.4551%	(46,956)	2,007,504
FFCB 1.76	3133EGL60	PiperJaffray	02/20/20	11/29/21	2,000,000	2,010,280	1.4651%	(4,666)	2,005,614
FHLB 2.625	313376C94	PiperJaffray	02/20/20	12/10/21	2,000,000	2,040,980	1.4702%	(30,854)	2,010,126
Sub Total - Investments					\$ 18,000,000	\$ 18,479,265		\$ (169,509)	\$ 18,309,757
State Investment Pool						77,703,185	0.0870%		77,703,185
Sub Total - State Investment Pool						77,703,185			77,703,185
Total LGIP + Investments						\$ 96,182,450		\$ (169,509)	\$ 96,012,942

Portfolio Diversification

Instrument Type	Percentage	Amount at Cost	Amount at Market Value
FFCB	6.8%	\$ 6,564,640	\$ 6,512,026
FHLB	4.2%	4,091,300	4,012,086
US Treasury	8.1%	7,823,325	7,785,645
State Investment Pool	80.9%	77,703,185	77,703,185
Total LGIP + Investments	100%	\$ 96,182,450	\$ 96,012,942

Broker	Percentage	Amount at Cost	Amount at Market Value
PiperSandler	19.1%	18,479,265	18,309,757
State Investment Pool	80.9%	77,703,185	77,703,185
Total LGIP + Investments	100%	\$ 96,182,450	\$ 96,012,942

Investments by Fund

Fund	Investments at Cost as of 09/30/2021	LGIP State Investment Pool as of 09/30/2021	Total LGIP + Investments at Cost by Fund as of 09/30/2021	Unrecognized Gain/(Loss) as of 09/30/2021	Total Market Value of Investments by Fund as of 09/30/2021	2021		Over/(Under) Budget
						Budgeted Investment Earnings	2021 Actual Investment Earnings	
001 General	\$ 5,932,422	\$ 24,945,155	\$ 30,877,577	\$ (54,418)	\$ 30,823,159	\$ 69,000	\$ 55,002	\$ (13,998)
101 Street	37,369	157,132	194,501	(343)	194,158	2,500	27	(2,473)
107 Code Abatement	80,213	337,287	417,500	(736)	416,764	550	741	191
108 Asset Seizure	10,487.19	44,097.43	54,584.62	(96.20)	54,488	-	97	97
109 Public Arts	23,936	100,648	124,583	(220)	124,364	-	320	320
112 Fed Drug Enforcement	4,414	18,562	22,976	(40)	22,936	200	41	(159)
117 Transportation Impact Mitigation	1,311,648	5,515,328	6,826,976	(12,032)	6,814,944	-	12,814	12,814
118 Parks Impact Fees	401,687	1,689,047	2,090,734	(3,685)	2,087,050	-	4,796	4,796
190 Revenue Stabilization	1,080,939	4,545,225	5,626,164	(9,915)	5,616,249	-	-	-
230 Sidewalk LTGO Bond Admin	1,012,607	4,257,897	5,270,504	(9,289)	5,261,216	-	7,950	7,950
301 General Capital	1,723,794	7,248,357	8,972,152	(15,812)	8,956,340	2,670	13,574	10,904
312 City Fac-Mjr Maint	22,924	96,393	119,317	(210)	119,106	170	184	14
330 Roads Capital	318,050	1,337,364	1,655,414	(2,917)	1,652,497	8,467	6,752	(1,715)
331 Trans Bene Dist	620,277	2,608,193	3,228,470	(5,690)	3,222,780	-	4,836	4,836
332 Sidewalk Expansion Fund Admin	2,086,587	8,773,858	10,860,444	(19,140)	10,841,304	-	19,735	19,735
334 VLF LTGO Bonds Projects	380,604	1,600,395	1,980,999	(3,491)	1,977,507	-	-	-
401 Surface Water Utility Fund	1,571,180	6,606,632	8,177,813	(14,412)	8,163,400	16,208	6,666	(9,542)
405 Wastewater Fund	1,221,299	5,135,422	6,356,721	(11,203)	6,345,518	-	11,435	11,435
501 Vehicle Oper/Maint	0	0	0	-	-	-	-	-
503 Equip Dep Replace	638,827	2,686,194	3,325,021	(5,860)	3,319,161	8,000	5,933	(2,067)
505 Unemployment	0	0	0	-	-	-	(5)	(5)
650 Agency Fund Admin	-	-	-	-	-	-	-	-
Total Investments	\$ 18,479,265	\$ 77,703,185	\$ 96,182,450	\$ (169,509)	\$ 96,012,942	\$ 107,765	\$ 150,899	\$ 43,134