



# 2022 SECOND 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 June 30, 2022 as compared to the 2022 Plan as amended through June 30, 2022.

General Fund Revenues	Compared to 2022 Current Plan	Compared to 2021 Actuals as of June	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 ▼	▲ POSITIVE ▲	Page 12
Interest Income	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 13, 20, 21
Non-General Fund Revenues			
Gas Tax	▶ NEUTRAL ▶	▲ POSITIVE ▲	Page 14
Transportation Benefit District Sales Tax	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 17
Real Estate Excise Tax	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 18
Surface Water Fees	▶ NEUTRAL ▶	▲ POSITIVE ▲	Page 19

Key to revenue trend indicators:

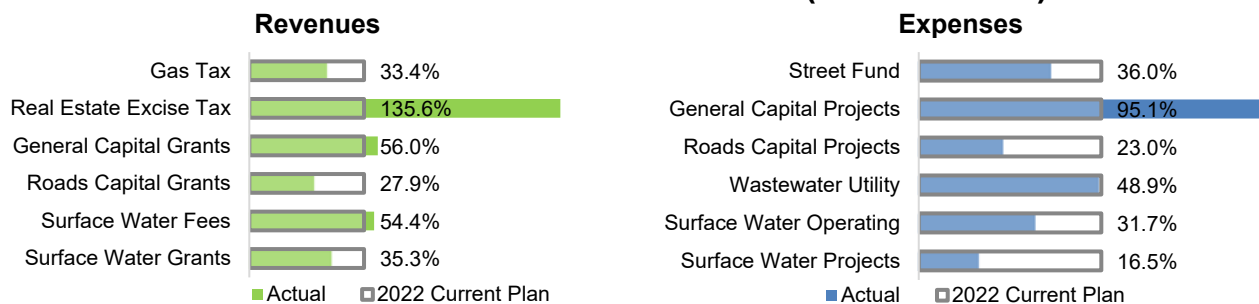
▲ POSITIVE ▲ = Variance/Change of > +2%

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

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

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

## OTHER FUNDS COMPARED TO 2022 CURRENT PLAN (AS OF JUN. 30):





# 2022 SECOND QUARTER FINANCIAL REPORT

## 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 2022 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 10.4% primarily due to one-time revenues associated with development. Departmental expenditures reflect a 2.7% increase. See pages 4-13 for details.
- Property tax receipts came in on track at 52.6% of the plan. See page 6 for details.
- Sales tax receipts reflecting activity from January through June 2022 are greater than the plan by 7.0% and 2021 collections by 5.7%. The Construction sector, while 11.4% less than 2021 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 2021 by 25.3% but more than the 2022 plan by 269.2%. Approximately \$401,246 in revenue from 2019, 2020, and 2021 was deferred to 2022 for inspections that have been paid for but not yet performed. Total permit applications through the 2nd quarter of 2022 are 187, or 1.6%, less than 2021. Total permits issued during this time are 206, or 7%, more than 2021. See page 11 for details.
- With reopening of Parks and Recreation activities we are seeing an increase in revenues over 2021, but we have not yet returned to pre-covid levels. Park Rentals have experienced significant increase in use and revenue. Recreation program offerings have not returned to pre-covid levels given challenges staffing. The resulting lower revenue is partially offset by reduced expenditures. 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 February's distribution; therefore, no further distribution was made in March or April. Distributions resumed in May.
- Street Fund receipts, excluding transfers in, are 4.9% more than 2021. Gas tax receipts reflecting activity from January through June 2022 are less than the 2022 plan by 4.6% and more than 2021 by 4.7%. See page 14 for details.
- The 2022 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 \$81,387, or 1.8%. Surface Water Utility operations expended 31.7% of the 2022 plan for the Operating Budget, which is 50.7% less than 2021. Capital projects expended 16.5% of the 2022 plan for the Capital Budget. Capital expenditures are impacted by the timing of construction schedules. See page 19 for details.
- Wastewater Revenues are currently at 50.2% of plan and expenditures are 66.9% of plan. Because this fund, like surface water, includes capital expenditures the timing of project expenditures can vary greatly.



# 2022 SECOND QUARTER FINANCIAL REPORT

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

The following table presents the 2022 Current Plan as amended by Ordinance No. 954.

### REVENUES & OTHER SOURCES

FUND TYPE Fund Title	2021 Current Plan	2021 Actual	% of 2021 Current Plan	2022 Current Plan	2022 Actual	% of 2022 Current Plan	2021 v. 2022 \$ Change	2021 v. 2022 % Change
<b>OPERATING FUNDS</b>	<b>\$56,455,345</b>	<b>\$21,226,943</b>	<b>37.6%</b>	<b>\$48,917,600</b>	<b>\$23,377,578</b>	<b>47.8%</b>	<b>\$2,150,634</b>	<b>10.1%</b>
General Fund	\$54,106,961	\$20,185,528	37.3%	\$46,525,455	\$22,289,359	47.9%	\$2,103,831	10.4%
Shoreline Secure Storage Fund	1,129,750	638,952	56.6%	1,129,750	646,707	57.2%	7,756	1.2%
Street Fund	1,140,391	380,343	33.4%	1,196,152	398,962	33.4%	18,619	4.9%
Code Abatement Fund	30,000	584	1.9%	30,000	41,597	138.7%	41,014	7025.3%
State Drug Forfeiture Fund	18,243	9,236	50.6%	18,243	335	1.8%	(8,901)	-96.4%
Public Arts Fund	17,000	12,269	72.2%	5,000	438	8.8%	(11,831)	-96.4%
Federal Drug Forfeiture Fund	13,000	32	0.2%	13,000	88	0.7%	56	173.6%
Federal Criminal Forfeiture Fund	0	0	0.0%	0	90	0.0%	90	0.0%
<b>DEBT SERVICE FUNDS</b>	<b>\$3,294,257</b>	<b>\$1,473,831</b>	<b>44.7%</b>	<b>\$2,235,089</b>	<b>\$949,927</b>	<b>42.5%</b>	<b>(\$523,904)</b>	<b>-35.5%</b>
<b>CAPITAL FUNDS</b>	<b>\$34,435,840</b>	<b>\$7,377,817</b>	<b>21.4%</b>	<b>\$27,483,288</b>	<b>\$10,902,154</b>	<b>39.7%</b>	<b>\$3,524,337</b>	<b>47.8%</b>
General Capital Fund	2,630,423	1,612,525	61.3%	1,664,555	1,683,655	101.1%	71,130	4.4%
General Capital Fund-Parks Bond	0	0	0.0%	0	23,686	0.0%	23,686	0.0%
City Facility-Major Maintenance Fund	490,170	139	0.0%	883	0	0.0%	(139)	-100.0%
Roads Capital Fund	28,645,269	2,552,820	8.9%	25,017,850	6,723,566	26.9%	4,170,746	163.4%
Sidewalk Expansion Fund	1,919,978	15,582	0.8%	800,000	38,615	4.8%	23,033	147.8%
Transportation Impact Fees Fund	0	1,582,188	0.0%	0	1,207,480	0.0%	(374,708)	-23.7%
Park Impact Fees Fund	750,000	1,614,563	215.3%	0	1,225,152	0.0%	(389,411)	-24.1%
<b>ENTERPRISE FUNDS</b>	<b>\$27,549,146</b>	<b>\$14,253,350</b>	<b>51.7%</b>	<b>\$27,580,044</b>	<b>\$14,142,399</b>	<b>51.3%</b>	<b>(\$110,951)</b>	<b>-0.8%</b>
Surface Water Utility Fund	9,363,971	4,471,641	47.8%	8,750,325	4,698,277	53.7%	226,637	5.1%
Wastewater Utility Fund	18,185,175	9,781,710	53.8%	18,829,719	9,444,122	50.2%	(337,588)	-3.5%
<b>INTERNAL SERVICE FUNDS</b>	<b>\$764,675</b>	<b>\$98,432</b>	<b>12.9%</b>	<b>\$768,758</b>	<b>\$56,741</b>	<b>7.4%</b>	<b>(\$41,692)</b>	<b>-42.4%</b>
<b>TOTAL REVENUE</b>	<b>\$122,499,263</b>	<b>\$44,430,374</b>	<b>36.3%</b>	<b>\$106,984,779</b>	<b>\$49,428,798</b>	<b>46.2%</b>	<b>\$4,998,424</b>	<b>11.3%</b>
<b>OTHER SOURCES</b>								
Proceeds from Capital Assets	\$2,000	\$632,575	31628.8%	\$0	\$2,287,770	0.0%	\$1,655,194	261.7%
Transfers In	19,682,186	3,306,250	16.8%	10,283,707	19,118,662	185.9%	15,812,412	478.3%
Other Financing Sources	5,696,008	3,235,261	56.8%	83,714,673	42,506,245	50.8%	39,270,984	1213.8%
Budgeted Use of Fund Balance	29,071,031	0	0.0%	19,195,612	0	0.0%	0	0.0%
<b>TOTAL RESOURCES</b>	<b>\$176,950,488</b>	<b>\$51,604,460</b>	<b>29.2%</b>	<b>\$220,178,771</b>	<b>\$113,341,474</b>	<b>51.5%</b>	<b>\$61,737,014</b>	<b>119.6%</b>

### EXPENDITURES & TRANSFERS OUT

<b>OPERATING FUNDS</b>	<b>\$47,489,366</b>	<b>\$18,293,994</b>	<b>38.5%</b>	<b>\$49,853,708</b>	<b>\$18,551,504</b>	<b>37.2%</b>	<b>\$257,510</b>	<b>1.4%</b>
General Fund	\$44,897,794	\$17,219,660	38.4%	\$47,236,278	\$17,678,811	37.4%	\$459,151	2.7%
Shoreline Secure Storage Fund	649,750	233,458	35.9%	649,750	210,791	32.4%	(22,668)	-9.7%
Revenue Stabilization Fund	0	288	0.0%	0	697	0.0%	409	142.1%
Street Fund	1,716,423	787,961	45.9%	1,769,088	637,007	36.0%	(150,953)	-19.2%
Code Abatement Fund	100,000	22	0.0%	100,000	5,337	5.3%	5,315	24212.7%
Public Arts Fund	94,156	51,157	54.3%	67,349	18,852	28.0%	(32,305)	-63.1%
State Drug Forfeiture Fund	18,243	1,448	7.9%	18,243	7	0.0%	(1,441)	-99.5%
Federal Drug Forfeiture Fund	13,000	1	0.0%	13,000	3	0.0%	2	134.7%
<b>DEBT SERVICE FUNDS</b>	<b>\$3,895,048</b>	<b>\$794,751</b>	<b>20.4%</b>	<b>\$28,270,977</b>	<b>\$9,174,751</b>	<b>32.5%</b>	<b>\$8,380,000</b>	<b>1054.4%</b>
<b>CAPITAL FUNDS</b>	<b>\$51,762,817</b>	<b>\$3,841,454</b>	<b>7.4%</b>	<b>\$39,628,240</b>	<b>\$9,276,181</b>	<b>23.4%</b>	<b>\$5,434,728</b>	<b>141.5%</b>
General Capital Fund	18,347,763	859,471	4.7%	1,418,303	1,349,015	95.1%	489,544	57.0%
General Capital Fund-Parks Bond	0	0	0.0%	600,000	354,895	59.1%	354,895	0.0%
City Facility-Major Maint. Fund	1,455,099	68,538	4.7%	100,826	278,030	275.8%	209,492	305.7%
Roads Capital Fund	28,866,960	2,586,363	9.0%	28,644,111	6,588,498	23.0%	4,002,135	154.7%
Sidewalk Expansion Fund	3,092,995	326,763	10.6%	8,865,000	704,541	7.9%	377,779	115.6%
Transportation Impact Fees Fund	0	262	0.0%	0	906	0.0%	644	246.3%
Park Impact Fees Fund	0	57	0.0%	0	296	0.0%	238	416.9%
<b>ENTERPRISE FUNDS</b>	<b>\$39,693,426</b>	<b>\$12,074,868</b>	<b>30.4%</b>	<b>\$29,146,885</b>	<b>\$11,382,908</b>	<b>39.1%</b>	<b>(\$691,960)</b>	<b>-5.7%</b>
Surface Water Utility Fund	13,649,757	2,604,650	19.1%	11,326,756	2,663,096	23.5%	58,446	2.2%
Wastewater Utility Fund	26,043,669	9,470,217	36.4%	17,820,129	8,719,811	48.9%	(750,406)	-7.9%
<b>INTERNAL SERVICE FUNDS</b>	<b>\$586,023</b>	<b>\$253,772</b>	<b>43.3%</b>	<b>\$482,488</b>	<b>\$161,058</b>	<b>33.4%</b>	<b>(\$92,714)</b>	<b>-36.5%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$143,426,680</b>	<b>\$35,258,839</b>	<b>24.6%</b>	<b>\$147,382,298</b>	<b>\$48,546,402</b>	<b>32.9%</b>	<b>\$13,287,563</b>	<b>37.7%</b>
<b>TRANSFERS OUT</b>	<b>\$19,682,186</b>	<b>\$2,689,891</b>	<b>13.7%</b>	<b>\$10,283,707</b>	<b>\$19,118,662</b>	<b>185.9%</b>	<b>\$16,428,770</b>	<b>610.8%</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS OUT</b>	<b>\$163,108,866</b>	<b>\$37,948,730</b>	<b>23.3%</b>	<b>\$157,666,005</b>	<b>\$67,665,064</b>	<b>42.9%</b>	<b>\$29,716,334</b>	<b>78.3%</b>



# 2022 SECOND QUARTER FINANCIAL REPORT

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

### RESOURCES

GENERAL FUND RESOURCES	2021 Current Plan	2021 YTD Actual	% of 2021 Current Plan	2022 Current Plan	2022 YTD Actual	% of 2022 Current Plan	2021 v. 2022 \$ Change	2021 v. 2022 % Change
Property Tax	\$14,243,017	\$7,468,253	52.4%	\$15,248,023	\$8,017,930	52.6%	\$549,677	7.4%
Sales Tax*	10,353,600	3,720,116	35.9%	10,409,690	3,932,053	37.8%	211,937	5.7%
Local Criminal Justice*	1,580,357	568,562	36.0%	1,639,472	644,298	39.3%	75,736	13.3%
B&O, Utility, and Gambling Taxes	6,656,789	2,176,440	32.7%	7,139,025	2,837,538	39.7%	661,098	30.4%
Franchise Fees & Contract Payments	4,122,800	1,823,902	44.2%	3,791,800	1,551,079	40.9%	(272,823)	-15.0%
Development Revenue	4,041,190	2,681,001	66.3%	2,877,003	3,283,858	114.1%	602,857	22.5%
Park and Recreation Revenue	1,260,741	368,931	29.3%	1,629,686	593,547	36.4%	224,616	60.9%
Intergovernmental Revenue*	1,962,522	793,870	40.5%	2,080,984	787,835	37.9%	(6,035)	-0.8%
Grant Revenue	8,528,178	129,460	1.5%	359,302	56,969	15.9%	(72,491)	-56.0%
Fines and Licenses	597,150	166,365	27.9%	596,500	79,072	13.3%	(87,293)	-52.5%
Miscellaneous Revenue	690,017	242,721	35.2%	683,370	368,267	53.9%	125,546	51.7%
Interest Income	70,600	45,907	65.0%	70,600	136,913	193.9%	91,006	198.2%
<b>TOTAL REVENUES</b>	<b>\$54,106,961</b>	<b>\$20,185,528</b>	<b>37.3%</b>	<b>\$46,525,455</b>	<b>\$22,289,359</b>	<b>47.9%</b>	<b>\$2,103,831</b>	<b>10.4%</b>
Proceeds from Capital Assets	0	9,880	0.0%	0	0	0.0%	(9,880)	-100.0%
Operating Transfers In	1,774,059	887,030	50.0%	2,028,244	1,014,122	50.0%	127,093	14.3%
Other Financing Sources	15,000	0	0.0%	15,000	0	0.0%	0	0.0%
Budgeted Use of Fund Balance	8,913,047	0	0.0%	4,188,751	0	0.0%	0	0.0%
<b>TOTAL RESOURCES</b>	<b>\$64,809,067</b>	<b>\$21,082,438</b>	<b>32.5%</b>	<b>\$52,757,450</b>	<b>\$23,303,481</b>	<b>44.2%</b>	<b>\$2,221,043</b>	<b>10.5%</b>

### EXPENDITURES & TRANSFERS OUT

DEPARTMENT	2021 Current Plan	2021 YTD Actual	% of 2021 Current Plan	2022 Current Plan	2022 YTD Actual	% of 2022 Current Plan	2021 v. 2022 \$ Change	2021 v. 2022 % Change
City Council	\$246,898	\$103,571	41.9%	\$246,898	\$132,917	53.8%	\$29,347	28.3%
City Manager's Office <sup>1</sup>	4,259,312	1,860,548	43.7%	4,302,224	1,795,081	41.7%	(\$65,468)	-3.5%
City Attorney	879,248	373,549	42.5%	893,209	243,665	27.3%	(\$129,884)	-34.8%
Administrative Services <sup>2</sup>	8,027,224	3,353,312	41.8%	7,863,685	3,473,581	44.2%	\$120,270	3.6%
Citywide	1,110,556	944,851	85.1%	2,578,113	1,110,451	43.1%	\$165,601	17.5%
Human Resources	523,600	231,447	44.2%	598,422	278,004	46.5%	\$46,558	20.1%
Police	13,844,609	4,714,282	34.1%	14,148,229	4,663,583	33.0%	(\$50,699)	-1.1%
Criminal Justice	2,007,742	256,746	12.8%	2,224,655	409,112	18.4%	\$152,366	59.3%
Recreation, Cultural & Community Services <sup>3</sup>	6,814,920	2,187,909	32.1%	7,008,874	2,394,315	34.2%	\$206,407	9.4%
Planning & Community Development	3,438,933	1,473,726	42.9%	3,685,078	1,616,096	43.9%	\$142,370	9.7%
Public Works	3,744,752	1,719,721	45.9%	3,686,891	1,562,005	42.4%	(\$157,716)	-9.2%
<b>DEPARTMENTAL EXPENDITURES</b>	<b>\$44,897,794</b>	<b>\$17,219,660</b>	<b>38.4%</b>	<b>\$47,236,278</b>	<b>\$17,678,811</b>	<b>37.4%</b>	<b>\$459,151</b>	<b>2.7%</b>
Operating Transfers Out	13,080,412	817,305	6.2%	2,422,107	1,815,212	74.9%	997,906	122.1%
<b>TOTAL EXPENDITURES AND TRANSFERS OUT</b>	<b>\$57,978,206</b>	<b>\$18,036,965</b>	<b>31.1%</b>	<b>\$49,658,385</b>	<b>\$19,494,023</b>	<b>39.3%</b>	<b>\$1,457,058</b>	<b>8.1%</b>

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

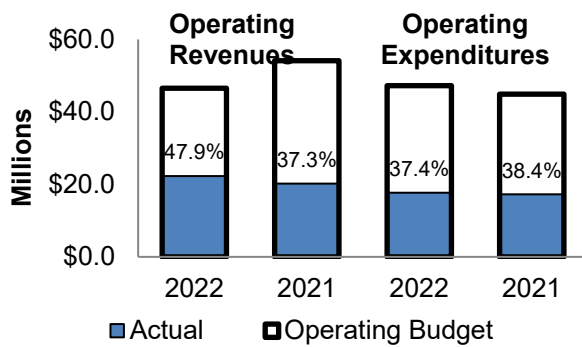
2. Administrative Services includes Finance, Budget, Purchasing, Information Technology, Parks, Fleet, Facilities, and Recreation Facility Rentals.

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



# 2022 SECOND QUARTER FINANCIAL REPORT

## GENERAL FUND FINANCIAL OVERVIEW



General Fund	Revenues	Dept. Exp.
<b>2022 Operating Plan</b>	<b>\$46,525,455</b>	<b>\$47,236,278</b>
2022 Actual	\$22,289,359	\$17,678,811
% of 2022 Operating Plan	47.9%	37.4%
<b>2021 Operating Plan</b>	<b>\$54,106,961</b>	<b>\$44,897,794</b>
2021 Actual	\$20,185,528	\$17,219,660
% of 2021 Operating Plan	37.3%	38.4%
Actual 2022 v. 2021 \$ Change	\$2,103,831	\$459,151
Actual 2022 v. 2021 % Change	10.4%	2.7%

The table on the previous page presents the 2022 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 2022 and 2021.

### Revenues:

General Fund revenue received reflects a year-over-year increase of 10.4%. The following are highlights comparing actual collections to those projected for 2022 and to 2021 collections for the General Fund:

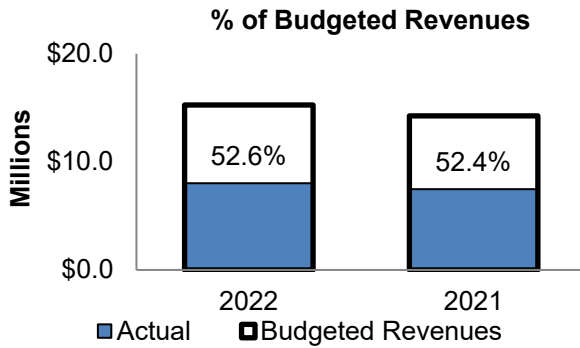
- Property tax receipts are at 52.6% of the 2022 plan.
- Sales tax receipts for 2022 are 7.0% greater than projected for the same period of the current plan. The Construction sector is 11.4% more than 2021 collections. The Retail Trade sector and hotels/restaurants experienced a return to pre-pandemic levels of activity.
- Receipts from the Local Criminal Justice Tax for the reporting period of January through April are \$75,736, or 13.3%, more than the same period for 2021.
- Intergovernmental Revenue receipts are 0.8% 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 in April. Distributions resumed in July.
- This report reflects Gambling Tax and B&O Tax receipts collected from first quarter tax returns, which were due April 30th, from businesses placed on quarterly filing status as well as those that voluntarily filed first quarter tax returns.
- Utility Tax receipts in the amount of \$2.1 million are more than the 2021 by 12% and less than the 2022 plan by 47.6%.
- Local development activity in 2022, in terms of the number of permit applications, is 187, or 1.6%, less than 2021. Total permits issued are 206, or 7%, less than 2021.

### Expenditures and Transfers Out:

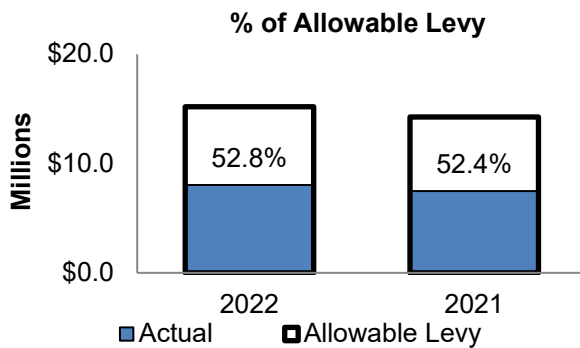
Departments spent \$17.679 million, or 37.4%, of the Operating Budget. This level of expenditures is 2.7% more than the year-ago level. Total expenditures, including transfers out, representing expenditure of 39.3% of the Current Plan, are 8.1% more than the year-ago level. General Fund contributions 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
<b>General Capital Projects</b>				
City Hall	\$1,037,313	\$370,998	\$1,037,313	\$312,722
Police Station at City Hall	\$48,000	\$14,398	\$61,170	\$2,210
City Maintenance Facility	\$5,454,272	\$456,887	\$3,871,455	\$142,519
Parks Repair & Replacement	\$650,000	\$78,768	\$200,000	\$50,000
Parks Facilities Recreation Amenities	\$187,000	\$0	\$113,000	\$0
Pool Repair/Replace/Demo	\$620,000	\$544,124	\$620,000	\$442,935
Parks Restrooms Renovation	\$442,000	\$21,103	\$38,240	\$18,292
Playground Replacement	\$656,173	\$0	\$0	\$0
Soccer Field Rental Contribution	N/A	\$1,175	\$260,000	\$0
Parks Improvements-Sound Transit	\$0	\$0	\$0	\$0
<b>Roads Capital Projects</b>				
Sidewalk Rehabilitation Program	\$2,300,400	\$141,039	\$152,518	\$76,259
Trail Along the Rail	\$756,744	\$28,921	\$398,056	\$9,239
147 <sup>th</sup> /148 <sup>th</sup> Non-Motorized Bridge	\$7,976,082	\$587,400	\$247,732	\$0
185 <sup>th</sup> Corridor Study	\$0	\$0	\$0	\$0
160 <sup>th</sup> and Greenwood/Innis Arden	\$100,000	\$6,431	\$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



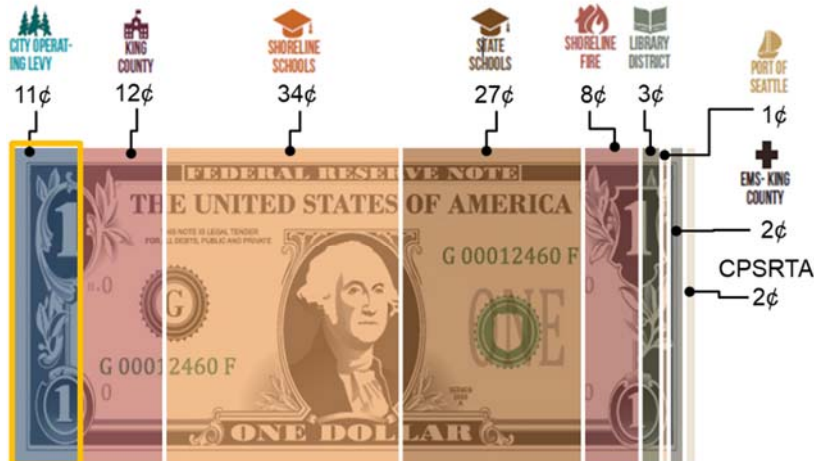
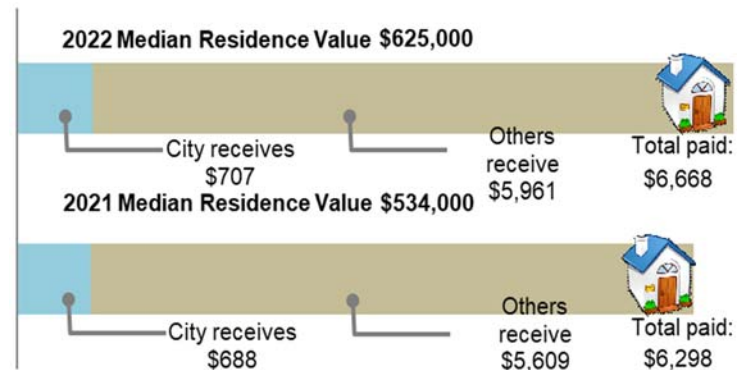
2022 Current Plan		\$15,248,023
2022 Second Quarter Actual Revenue		\$8,017,930
% of 2022 Current Plan		52.6%
2021 Current Plan		\$14,243,017
2021 Second Quarter Actual Revenue		\$7,468,253
% of 2021 Current Plan		52.4%
2022 v. 2021 \$ Change		\$549,677
2022 v. 2021 % Change		7.4%



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 2022 and 2021 as a percentage of the budgeted projection are at 52.6% and 52.4%, respectively. In terms of the allowable levy, which is different than the budgeted projection presented here, receipts for 2022 and 2021 are 52.8% and 52.4%, respectively.

### Impact on a median homeowner:

In 2022, the City of Shoreline property tax regular levy rate decreased from \$1.19 to \$1.13. The City's excess voted levy decreased from \$0.10 to \$0.00 due to the retirement of the 2006 Parks Bonds. The total levy rate decreased from \$11.79 to \$10.67. 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 \$370, or 5.9%, with the City's portion increasing \$19, or 2.8%, and all other taxing jurisdictions' portion increasing \$352, or 6.3%.



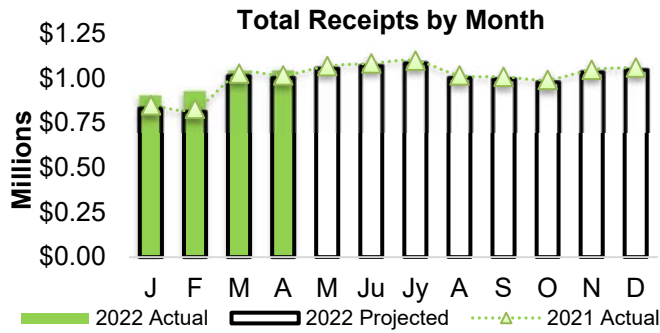
### How \$1 is allocated:

The chart to the left illustrates the allocation of each dollar paid at the 2022 levy rates for all taxing jurisdictions within Shoreline. The City receives 11¢ for the City's regular property tax levy.



# 2022 SECOND QUARTER FINANCIAL REPORT

## SALES TAX



2022 Current Plan		\$10,409,690
2022 Second Quarter Actual Revenue	\$3,932,053	
% of 2022 Current Plan		37.8%
2021 Current Plan		\$10,353,600
2021 Second Quarter Actual Revenue	\$3,720,116	
% of 2021 Current Plan		35.9%
2022 v. 2021 \$ Change		\$211,937
2022 v. 2021 % Change		5.7%

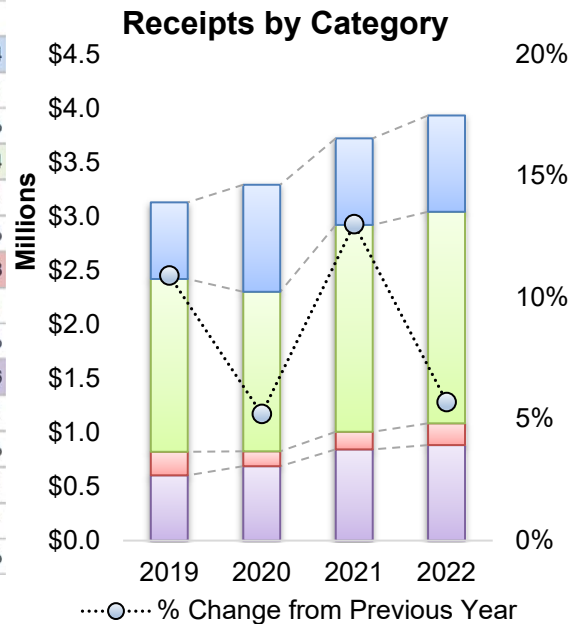
When analyzing monthly sales tax receipts, there are two items of special note: First, most businesses remit their sales tax collections to the Washington State Department of Revenue (DOR) on a monthly basis. Small businesses only have to remit their sales tax collections either quarterly or annually, 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 June, which is from activity for January through April.

Receipts are more than the 2022 Plan and 2021 collections by 7.0% and 5.7%, respectively. The Construction sector, while 11.4% more than 2021 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: JUNE

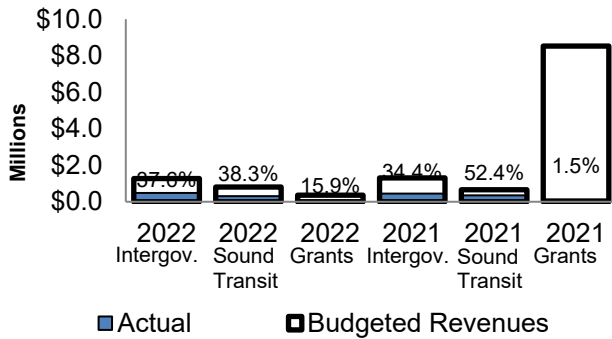
Sector	2018	2019	2020	2021	2022
Construction	\$496,392	\$709,568	\$991,417	\$799,858	\$891,074
\$ Change		\$213,175	\$281,849	(\$191,559)	\$91,216
% Change		42.9%	39.7%	-19.3%	11.4%
Retail Trade	\$1,563,230	\$1,597,460	\$1,474,537	\$1,913,846	\$1,955,794
\$ Change		\$34,230	(\$122,923)	\$439,308	\$41,948
% Change		2.2%	-7.7%	29.8%	2.2%
Hotels/Restaurant	\$175,903	\$218,282	\$138,389	\$163,404	\$202,118
\$ Change		\$42,379	(\$79,893)	\$25,015	\$38,714
% Change		24.1%	-36.6%	18.1%	23.7%
All Others	\$585,927	\$603,581	\$687,466	\$843,009	\$883,066
\$ Change		\$17,654	\$83,885	\$155,542	\$40,058
% Change		3.0%	13.9%	22.6%	4.8%
<b>Total Revenue</b>	<b>\$2,821,452</b>	<b>\$3,128,891</b>	<b>\$3,291,809</b>	<b>\$3,720,116</b>	<b>\$3,932,053</b>
\$ Change		\$307,438	\$162,918	\$428,307	\$211,937
% Change		10.9%	5.2%	13.0%	5.7%



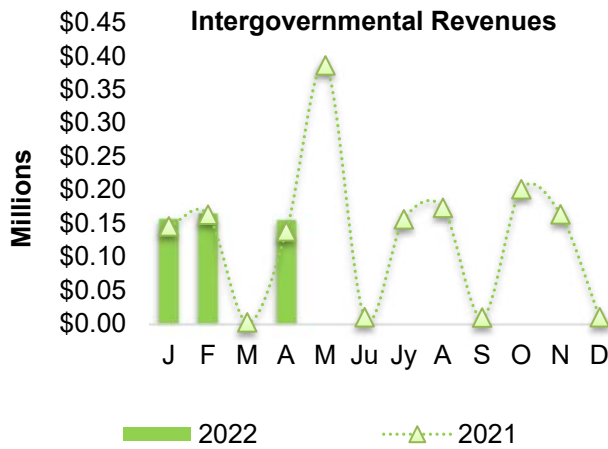


# 2022 SECOND QUARTER FINANCIAL REPORT

## INTERGOVERNMENTAL, GRANTS, AND STATE SHARED SALES TAXES

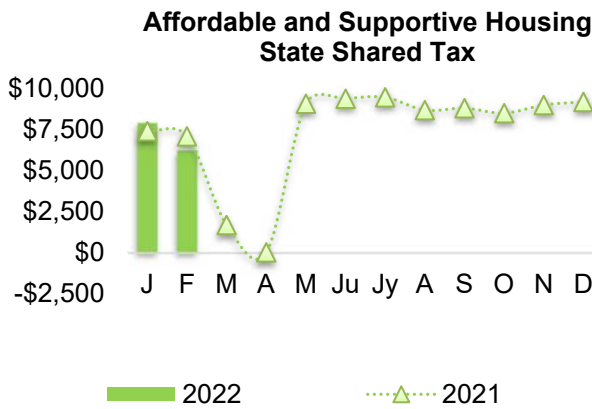


Intergovernmental revenue sources are comprised primarily of funding for criminal justice programs, contract payments, liquor excise tax, liquor board profits, marijuana excise tax, grants, and reimbursement from Sound Transit per the Expedited Permitting and Reimbursement Agreement. Contract payments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

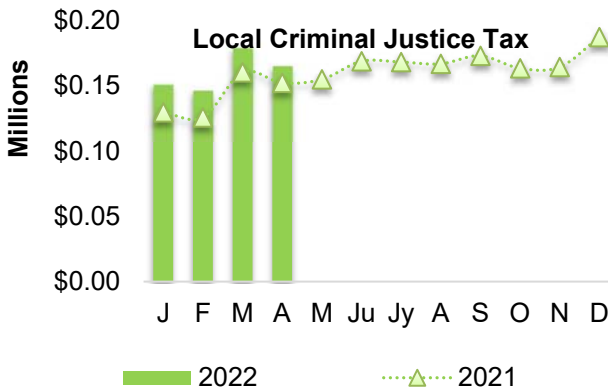


Total Intergovernmental receipts are 0.8% less than the year-ago level. Receipts by month from sources other than Sound Transit reimbursements are reflected in the Intergovernmental Revenues chart, which compares disbursements for March through June. Receipts for these revenues in 2022 total \$478,046 and are 6.8% more than 2021.

Grant receipts are 56.0% less than 2021 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 April's distribution; therefore, no further distribution was made in May or June. Distributions resumed in July. The distributions presented in this report are for March through June 2022, which is from activity for January through April.



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 4.7%. Sales tax collected throughout King County was actually 11.4% more than 2021.





# 2022 SECOND QUARTER FINANCIAL REPORT

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

### Business & Occupation Taxes

<b>2022 Current Plan</b>	<b>\$7,139,025</b>
Business & Occupation Tax	\$366,228
Utility Tax	\$2,092,339
Gambling Tax	\$378,971
2022 Second Quarter Actual Revenue	\$2,837,538
% of 2022 Current Plan	39.7%
<b>2021 Current Plan</b>	<b>\$6,656,789</b>
Business & Occupation Tax	\$357,039
Utility Tax	\$1,530,183
Gambling Tax	\$289,219
2021 Second Quarter Actual Revenue	\$2,176,440
% of 2021 Current Plan	32.7%
2022 v. 2021 \$ Change	\$661,098
2022 v. 2021 % Change	30.4%

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. With the assumption of Ronald Wastewater in 2021, the utility now pays a 6% Utility Tax instead of the 6% Interlocal Operating Agreement Fee paid by Ronald Wastewater.

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>.

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 quarterly tax returns. The closure of gaming establishments for much of the second quarter in 2020 impacted Gambling Tax collections for that year. B&O Tax receipts in the amount of \$.37M are more than 2021 by 2.6%.

Utility Tax receipts in the amount of \$2.1 million are less than the 2022 Plan by 47.6% but more than 2021 by 12%. We continue to experience a significant decline in telecommunications tax as reflected on the next page.

### Franchise Fee & Contract Payments

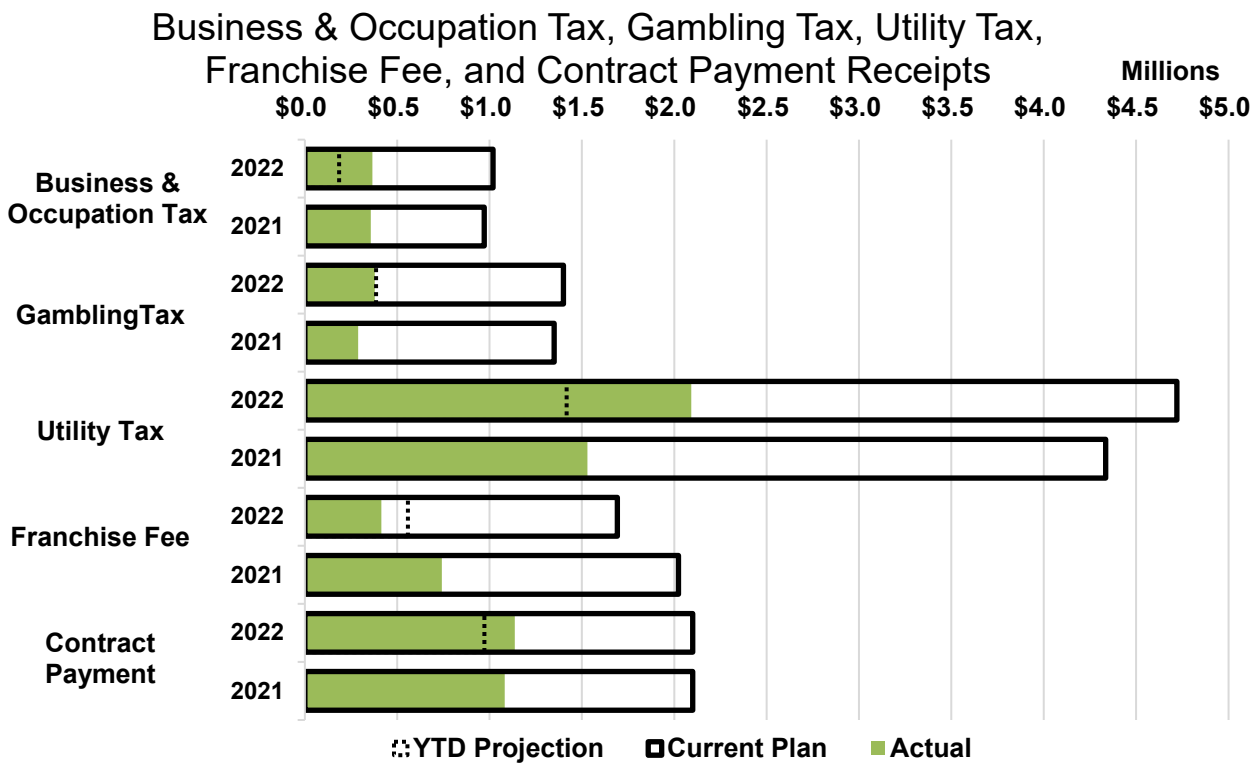
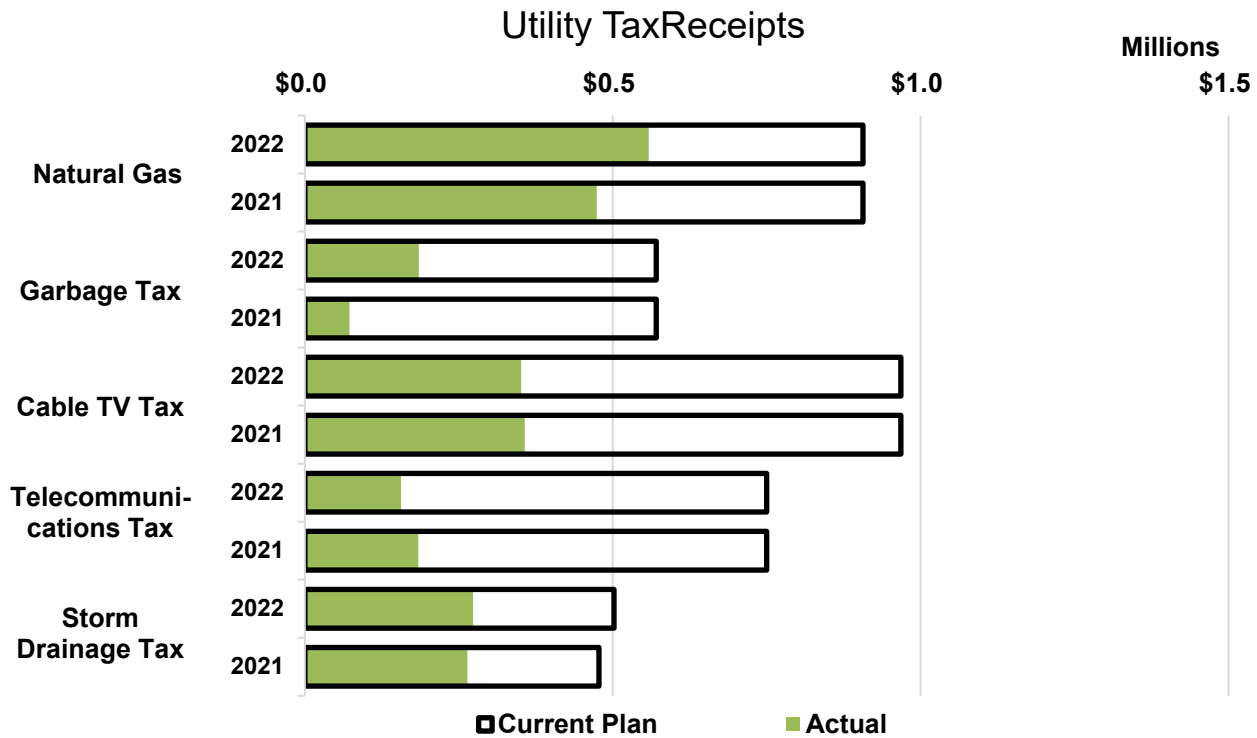
<b>2022 Current Plan</b>	<b>\$3,791,800</b>
Franchise Fee	\$414,588
Contract Payment	\$1,136,491
2022 Second Quarter Actual Revenue	\$1,551,079
% of 2022 Current Plan	40.9%
<b>2021 Current Plan</b>	<b>\$4,122,800</b>
Franchise Fee	\$741,480
Contract Payment	\$1,082,422
2021 Second Quarter Actual Revenue	\$1,823,902
% of 2021 Current Plan	44.2%
2022 v. 2021 \$ Change	(\$272,823)
2022 v. 2021 % Change	-15.0%



# 2022 SECOND QUARTER FINANCIAL REPORT

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

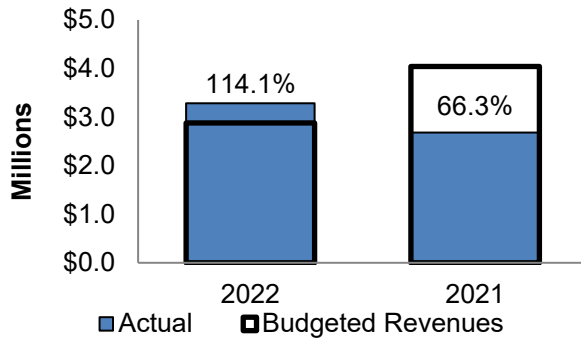
The chart below compares actual receipts to the annual budget for each year and budget projection for 2022.





# 2022 SECOND QUARTER FINANCIAL REPORT

## DEVELOPMENT REVENUE



<b>2022 Current Plan</b>	<b>\$2,877,003</b>
2022 Second Quarter Actual Revenue	\$3,283,858
% of 2022 Current Plan	114.1%
<b>2021 Current Plan</b>	<b>\$4,041,190</b>
2021 Second Quarter Actual Revenue	\$2,681,001
% of 2021 Current Plan	66.3%
2022 v. 2021 \$ Change	\$602,857
2022 v. 2021 % Change	22.5%

Development revenue receipts, including right-of-way permits, exhibit a year-over-year increase of 22.5%.

Revenues from Permit and Plan Check Fees are more than 2021 by 25.3% Total permit applications through 2022 are 187, or 1.6%, less than 2021. Total permits issued are 206, or 7%, less than 2021.

Approximately \$401,246 in revenue from 2019, 2020, and 2021 was deferred to 2022 for inspections that have been paid for but not yet performed.

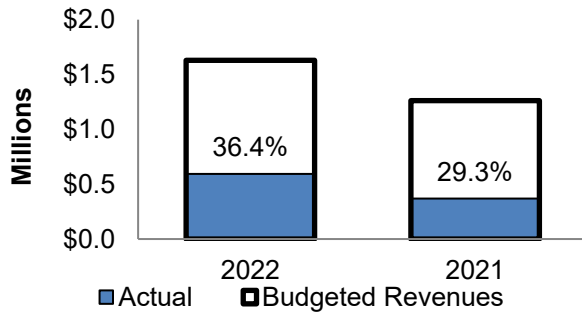
In 2022, the valuation for all residential, commercial, townhouse, and multi-family permit applications totaled \$495.6 million, of which \$469.9 million, or 94.8%, was from new construction permits.

- Single-family: There were 20 less new construction and remodel permit applications in 2022 compared to 2021, with a valuation that is \$1.9 million less.
- Townhouses: Total permit applications in 2022 had a valuation of \$9.9 million. There were twelve applications in 2022, of which five permits are for the construction four units per building and 5 buildings with 3 units.
- Multi-family construction and remodels: There were ten new permit applications with a valuation of \$ 343.8 million, including new construction permits for one 7-story 172 -unit apartment building valued at \$ 30.9 million and a 550 unit building valued at \$110.6 million., compared to the same period in 2021 in which eight permit applications had a valuation of \$61.6 million.
- Mixed use: There are two new construction permit application currently under review with a valuation of \$ 112.4 million for an apartment and retail mixed use building.
- Commercial: There were twelve more permits applied for in 2022 with a valuation that is \$ 12.7 million more than 2021.



# 2022 SECOND QUARTER FINANCIAL REPORT

## PARKS AND RECREATION REVENUE



2022 Current Plan		\$1,629,686
2022 Second Quarter Actual Revenue		\$593,547
% of 2022 Current Plan		36.4%
2021 Current Plan		\$1,260,741
2021 Second Quarter Actual Revenue		\$368,931
% of 2021 Current Plan		29.3%
2022 v. 2021 \$ Change		\$224,616
2022 v. 2021 % Change		60.9%

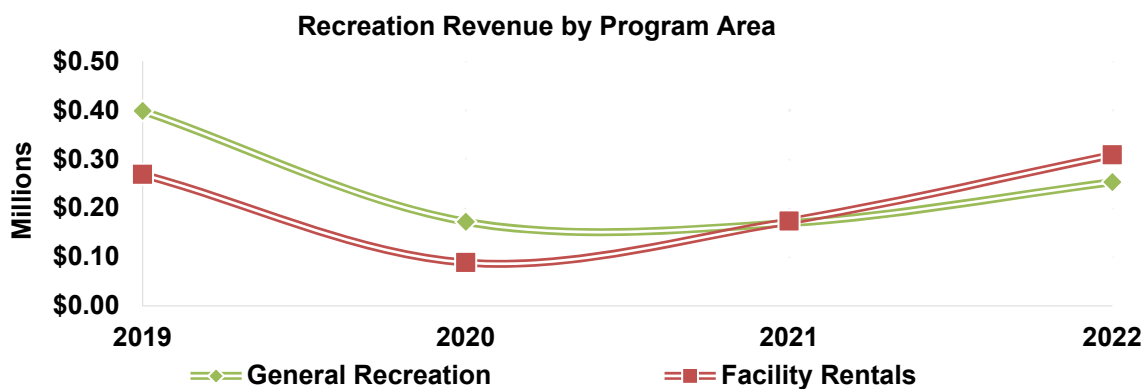
There has been a significant increase in the rentals and drop-in use of the City park facilities, fields and open spaces in 2022. This increased use of parks has resulted in a dramatic increase in park rental revenue in 2022. In addition, improved rental policies and online rental processes have streamlined the park rental process for customers and made park rentals more accessible. In particular:

- Adult field rental revenue has increased in 2022 due to adult sports leagues holding complete winter and spring seasons for the first time since 2019.
- Picnic shelter rental revenue has exceeded revenue numbers prior to COVID-19 due to improved rental procedures/policy and high demand for special event locations.
- Tennis court rental revenue has exceeded revenue numbers prior to COVID-19 due to the increased demand for tennis court rentals for tennis and pickleball.

Recreation programs and classes have been offered in 2022 but are not yet up to normal levels as the City continues to rehire instructors and rebuild programs after closures and cancellations in 2020 and 2021, resulting in lower than normal revenue. Indoor rentals at Richmond Highlands Recreation Center have been limited due to construction project delays and staffing limitations. There have been reduced indoor rentals at Spartan Recreation Center due to staffing limitations. Revenues are expected to return to normal levels by 2023.

As a result, Parks and Recreation revenue receipts are 60.9% more than the year-ago level with receipts for general recreation programs less than the year-ago level by 49.5% but facility rentals 78.2% more than the year-ago level.

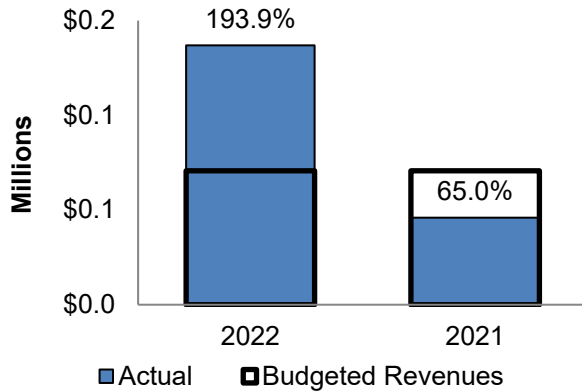
Revenue by Program Area:						
Year	General Recreation	Gen Rec % of Total	Facility Rentals	Fac Rent % of Total	Total Program Revenue	Non-Program Revenue
2019	\$398,471	59.7%	\$268,706	40.3%	\$667,177	\$3,740
2020	\$172,021	66.0%	\$88,498	34.0%	\$260,519	\$33,487
2021	\$169,147	49.4%	\$173,127	50.6%	\$342,273	\$26,658
2022	\$252,813	45.0%	\$308,464	55.0%	\$561,276	\$32,270





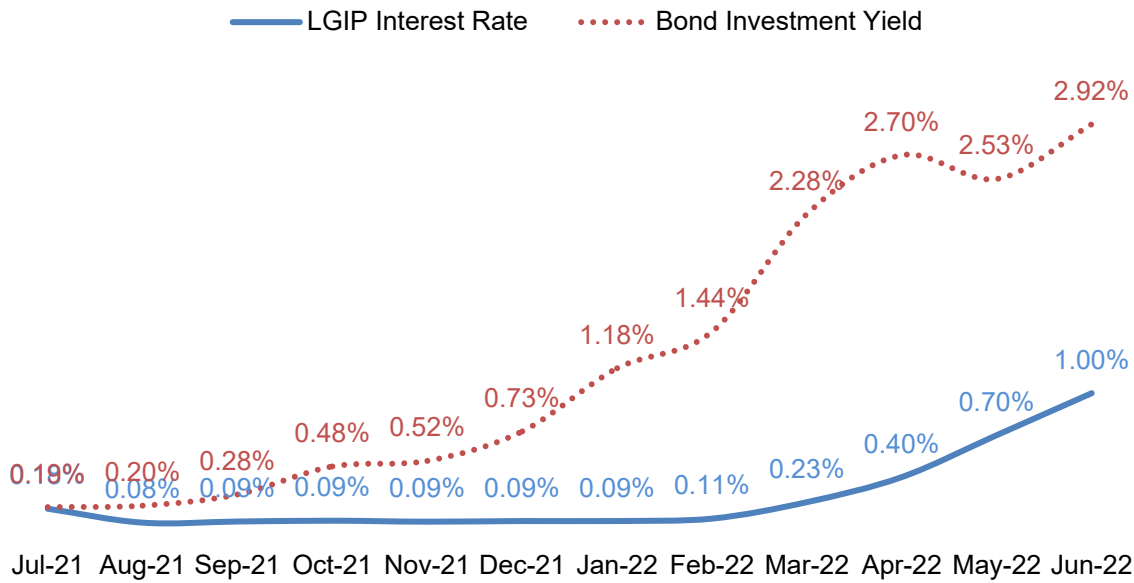
# 2022 SECOND QUARTER FINANCIAL REPORT

## INTEREST INCOME



2022 Current Plan		\$70,600
2022 Second Quarter Actual Revenue	\$136,913	
% of 2022 Current Plan		193.9%
2021 Current Plan		\$70,600
2021 Second Quarter Actual Revenue	\$45,907	
% of 2021 Current Plan		65.0%
2022 v. 2021 \$ Change	\$91,006	
2022 v. 2021 % Change		198.2%

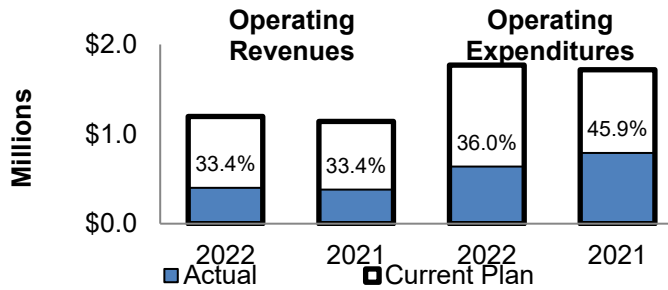
Interest income is more than that for 2021 by 198.2%. The City's investment policy adheres to strict standards as prescribed by federal law, state statutes, and local ordinances, and allows the City to develop an investment model to maximize its investment returns with the primary objectives of safety and liquidity.





# 2022 SECOND QUARTER FINANCIAL REPORT

## STREET FUND

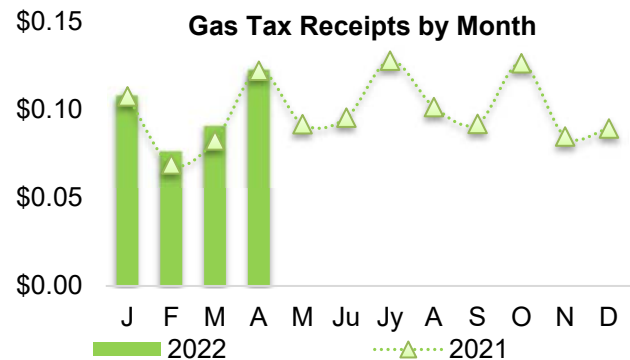
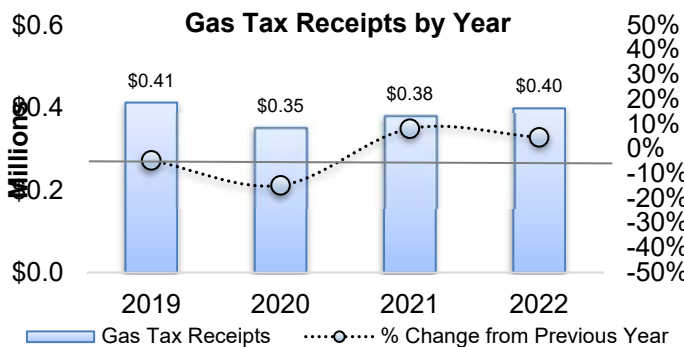


Street Fund	Resources	Expenditures
<b>2022 Operating Plan</b>	<b>\$1,196,152</b>	<b>\$1,769,088</b>
2022 Actual	\$398,962	\$637,007
% of 2022 Operating Plan	33.4%	36.0%
<b>2021 Operating Plan</b>	<b>\$1,140,391</b>	<b>\$1,716,423</b>
2021 Actual	\$380,343	\$787,961
% of 2021 Operating Plan	33.4%	45.9%
Actual 2022 v. 2021 \$ Change	\$18,619	(\$150,953)
Actual 2022 v. 2021 % Change	4.9%	-19.2%

The table shows Street Fund receipts, excluding transfers in, are 4.9% more than 2021. Operating expenditures, excluding transfers out, are 19.2% less than 2021. Expenditures, including transfers out, are 12.9% less than 2021.

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 June 2022 reflects activity from January through April.

Distributions for this period total \$0.398 million, which is 4.7% more than 2021.





# 2022 SECOND QUARTER FINANCIAL REPORT

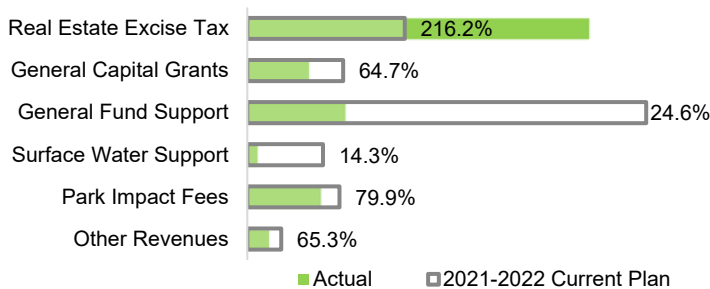
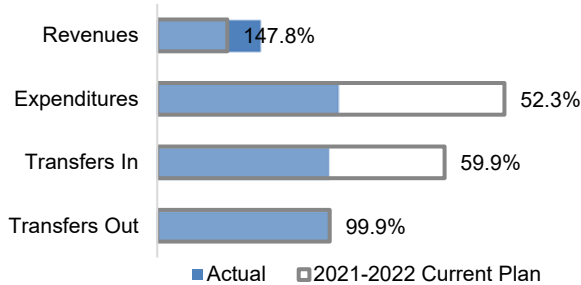
## GENERAL CAPITAL FUND

General Capital Fund	Resources	Expenditures
<b>2022 Current Plan Total</b>	<b>\$4,157,088</b>	<b>\$2,137,088</b>
Less:		
2022 Use of Fund Balance	2,469,533	N/A
2022 Other Sources & Transfers	323,000	718,785
<b>2022 Capital Plan Revenues/Expenditures</b>	<b>\$1,364,555</b>	<b>\$1,418,303</b>
<b>2022 Actual</b>	<b>\$1,941,915</b>	<b>\$1,685,706</b>
% of 2022 Capital Plan Rev./Exp.	142.3%	118.9%
<b>2021 Current Plan Total</b>	<b>\$19,059,451</b>	<b>\$19,046,281</b>
Less:		
2021 Use of Fund Balance	8,214,579	N/A
2021 Other Sources & Transfers	8,214,449	698,518
<b>2021 Capital Plan Revenues/Expenditures</b>	<b>\$2,630,423</b>	<b>\$18,347,763</b>
<b>2021 YTD Actual</b>	<b>\$3,963,243</b>	<b>\$8,656,527</b>
% of 2021 Capital Plan Rev./Exp.	150.7%	47.2%
<b>2021-2022 Capital Plan Revenues/Expenditures</b>	<b>\$3,994,978</b>	<b>\$19,766,066</b>
<b>2021-2022 Actual</b>	<b>\$5,905,158</b>	<b>\$10,342,233</b>
% of 2020-2021 Capital Plan Rev./Exp.	147.8%	52.3%

Second Quarter Actual receipts are largely comprised of Real Estate Excise Tax, which is discussed separately in this report. The 2022 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 95.1% of the 2022 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.





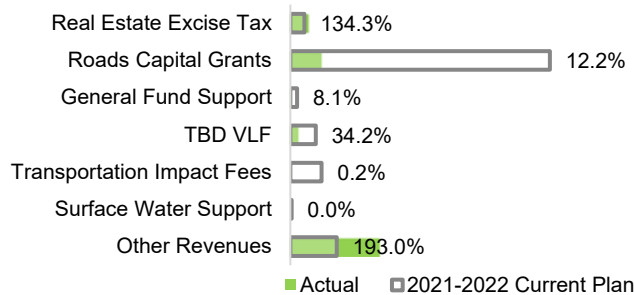
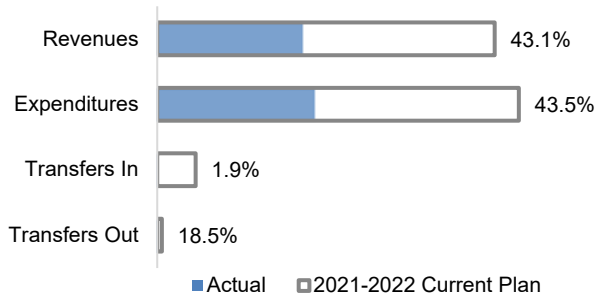
# 2022 SECOND QUARTER FINANCIAL REPORT

## ROADS CAPITAL FUND

Roads Capital Fund	Resources	Expenditures
<b>2022 Capital Plan Total</b>	<b>\$35,025,202</b>	<b>\$28,736,565</b>
Less:		
2022 Use of Fund Balance	1,752,718	N/A
2022 Other Sources & Transfers	8,254,634	92,454
<b>2022 Capital Plan Revenues/Expenditures</b>	<b>\$25,017,850</b>	<b>\$28,644,111</b>
<b>2022 Actual</b>	<b>\$8,650,514</b>	<b>\$12,061,185</b>
% of 2022 Capital Plan Rev./Exp.	34.6%	42.1%
<b>2021 Capital Plan Total</b>	<b>\$31,373,231</b>	<b>\$29,527,530</b>
Less:		
2021 Use of Fund Balance	595,332	N/A
2021 Other Sources & Transfers	2,132,630	660,570
<b>2021 Capital Plan Revenues/Expenditures</b>	<b>\$28,645,269</b>	<b>\$28,866,960</b>
<b>2021 YTD Actual</b>	<b>\$14,474,349</b>	<b>\$12,942,670</b>
% of 2021 Capital Plan Rev./Exp.	50.5%	44.8%
<b>2021-2022 Capital Plan Revenues/Expenditures</b>	<b>\$53,663,119</b>	<b>\$57,511,071</b>
<b>2021-2022 Actual</b>	<b>\$23,124,863</b>	<b>\$25,003,856</b>
% of 2021-2022 Capital Plan Rev./Exp.	43.1%	43.5%

Receipts are largely comprised of Real Estate Excise Tax. The 2022 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 43.5% 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.







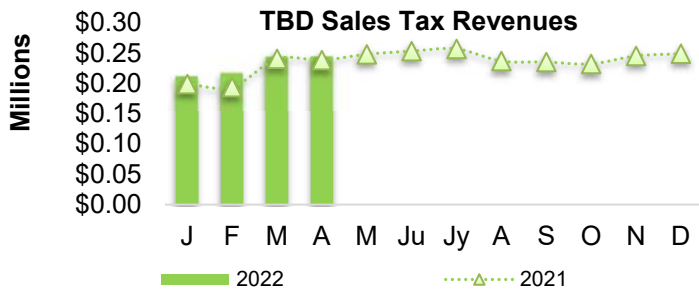
# 2022 SECOND QUARTER FINANCIAL REPORT

## SIDEWALK EXPANSION

2020 LTGO Bond Fund	Resources	Expenditures
<b>2022 Current Plan Total</b>	<b>\$2,235,089</b>	<b>\$899,550</b>
Less:		
2022 Use of Fund Balance	0	N/A
2022 Other Sources & Transfers	0	0
<b>2022 Current Plan Revenues/Expenditures</b>	<b>\$2,235,089</b>	<b>\$899,550</b>
<b>2022 Actual</b>	<b>\$943,353</b>	<b>\$187,989</b>
% of 2022 Current Plan Rev./Exp.	42.2%	20.9%
<b>2021 Capital Plan Total</b>	<b>\$2,159,113</b>	<b>\$899,550</b>
Less:		
2021 Use of Fund Balance	0	N/A
2021 Other Sources & Transfers	0	0
<b>2021 Current Plan Revenues/Expenditures</b>	<b>\$2,159,113</b>	<b>\$899,550</b>
<b>2021 YTD Actual</b>	<b>\$2,827,756</b>	<b>\$900,530</b>
% of 2021 Current Plan Rev./Exp.	131.0%	100.1%
<b>2021-2022 Current Plan Revenues/Expenditures</b>	<b>\$4,394,202</b>	<b>\$1,799,100</b>
<b>2021-2022 Actual</b>	<b>\$3,771,108</b>	<b>\$1,088,519</b>
% of 2021-2022 Current Plan Rev./Exp.	85.8%	60.5%

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 2022, in the amount of \$0.921 million, are 5.6% more than 2021. 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
<b>2022 Capital Plan Total</b>	<b>\$8,865,000</b>	<b>\$8,865,000</b>
Less:		
2022 Use of Fund Balance	4,700,000	N/A
2022 Other Sources & Transfers	3,365,000	0
<b>2022 Capital Plan Revenues/Expenditures</b>	<b>\$800,000</b>	<b>\$8,865,000</b>
<b>2022 Actual</b>	<b>\$38,615</b>	<b>\$1,002,980</b>
% of 2022 Capital Plan Rev./Exp.	4.8%	11.3%
<b>2021 Capital Plan Total</b>	<b>\$3,174,552</b>	<b>\$3,092,995</b>
Less:		
2021 Use of Fund Balance	272,771	N/A
2021 Other Sources & Transfers	981,803	0
<b>2021 Capital Plan Revenues/Expenditures</b>	<b>\$1,919,978</b>	<b>\$3,092,995</b>
<b>2021 YTD Actual</b>	<b>\$198,050</b>	<b>\$1,347,740</b>
% of 2021 Capital Plan Rev./Exp.	10.3%	43.6%
<b>2021-2022 Capital Plan Revenues/Expenditures</b>	<b>\$2,719,978</b>	<b>\$11,957,995</b>
<b>2021-2022 Actual</b>	<b>\$236,665</b>	<b>\$2,350,720</b>
% of 2021-2022 Capital Plan Rev./Exp.	8.7%	19.7%



# 2022 SECOND QUARTER FINANCIAL REPORT

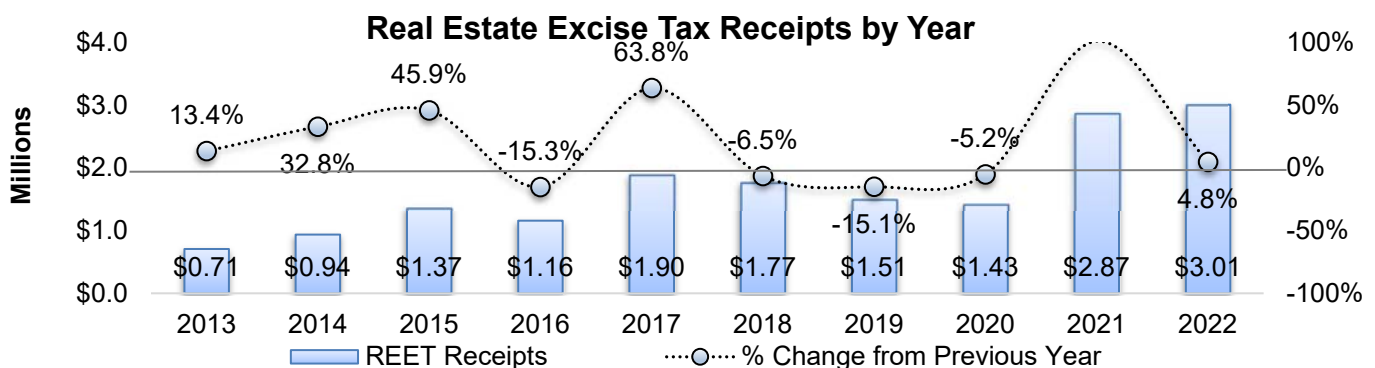
## SUMMARY OF CONTRIBUTIONS TO/OTHER FUNDING FOR GENERAL CAPITAL PROJECTS

General Fund Contributions to Projects	2021-2022 Budget	2021-2022 Actual	Budgeted General Fund Support	Amount Transferred
City Hall	\$1,037,313	\$803,122	\$1,037,313	\$803,122
Police Station at City Hall	\$48,000	\$22,692	\$61,170	\$19,731
City Maintenance Facility	\$5,454,272	\$485,903	\$3,871,455	\$335,274
Parks Repair & Replacement	\$650,000	\$181,418	\$200,000	\$75,000
Pool Repair/Replace/Demo	\$620,000	\$640,573	\$620,000	\$0
Parks Restrooms Renovation	\$442,000	\$441,952	\$38,240	\$0
Parks Facilities Recreation Amenities	\$187,000	\$0	\$113,000	\$0
Soccer Field Rental Contribution	N/A	\$1,175	\$260,000	\$130,000
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	\$8,842,019	\$7,274,294	\$1,032,809	\$1,025,324
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	\$150,630

## 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	\$2,300,400	\$141,039	\$152,518	\$76,259
Trail Along the Rail	\$756,744	\$28,921	\$398,056	\$9,239
147 <sup>th</sup> /148 <sup>th</sup> Non-Motorized Bridge	\$7,976,082	\$587,400	\$247,732	\$0
185 <sup>th</sup> Corridor Study	\$0	\$0	\$0	\$0
160 <sup>th</sup> and Greenwood/Innis Arden	\$100,000	\$6,431	\$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	\$7,174,602	\$1,891,534	\$4,861,071	\$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	\$0

## REAL ESTATE EXCISE TAX



Real Estate Excise Tax (REET) revenue receipts, in the amount of \$3,007,997, are 4.8% more than 2021.



# 2022 SECOND QUARTER FINANCIAL REPORT

## SURFACE WATER UTILITY FUND

Surface Water Utility Fund	Resources	Expenditures
<b>2022 Current Plan Total</b>	<b>\$20,967,093</b>	<b>\$12,150,050</b>
Less:		
2022 Use of Fund Balance	316,768	N/A
2022 Other Sources & Transfers	11,900,000	823,294
<b>2022 Operating &amp; Capital Plan Revenues/Expenditures</b>	<b>\$8,750,325</b>	<b>\$11,326,756</b>
<b>2022 Actual</b>	<b>\$5,152,643</b>	<b>\$5,409,146</b>
% of 2022 Current Plan Rev./Exp.	58.9%	47.8%
<b>2021 Current Plan Total</b>	<b>\$18,421,019</b>	<b>\$15,691,142</b>
Less:		
2021 Use of Fund Balance	1,936,845	N/A
2021 Other Sources & Transfers	7,120,203	2,041,385
<b>2021 Operating &amp; Capital Plan Revenues/Expenditures</b>	<b>\$9,363,971</b>	<b>\$13,649,757</b>
<b>2021 YTD Actual</b>	<b>\$8,607,450</b>	<b>\$5,856,029</b>
0	91.9%	42.9%
<b>2022-2021 Operating &amp; Capital Plan Revenues/Expenditures</b>	<b>\$18,114,296</b>	<b>\$24,976,513</b>
<b>2021-2022 Actual</b>	<b>\$13,760,093</b>	<b>\$11,265,175</b>
% of 2021-2022 Plan Rev./Exp.	76.0%	45.1%

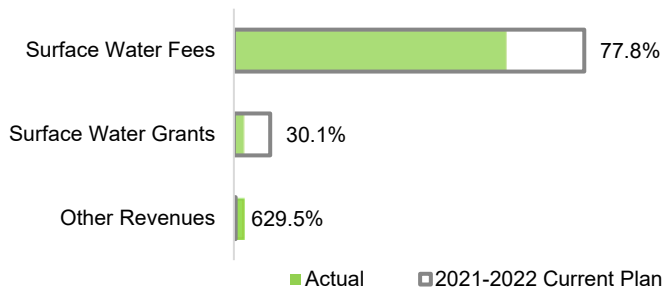
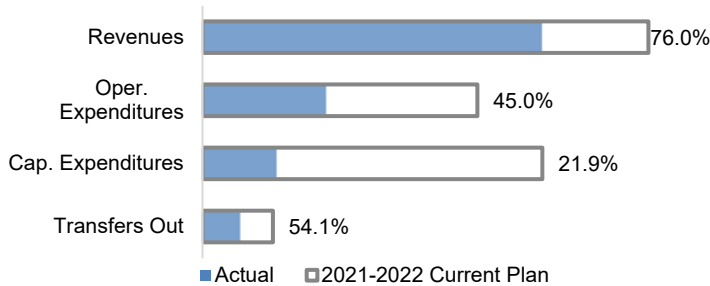
The Surface Water Utility Fund (SWM) includes both on-going operational programs and capital projects with both being reflected in the total expenditures and revenues for the fund.

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 31.7% of the current plan for the Operating Budget, which is 50.7% less than 2021. Capital projects expended 16.5% 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.





# 2022 SECOND QUARTER FINANCIAL REPORT

## WASTEWATER UTILITY FUND

Wastewater Utility Fund	Resources	Expenditures
<b>2022 Current Plan Total</b>	<b>\$19,851,107</b>	<b>\$18,542,889</b>
Less:		
2022 Use of Fund Balance	1,021,388	N/A
2022 Other Sources & Transfers	0	722,760
<b>2022 Current Plan Revenues/Expenditures</b>	<b>\$18,829,719</b>	<b>\$17,820,129</b>
<b>2022 Actual</b>	<b>\$9,444,122</b>	<b>\$11,822,674</b>
% of 2022 Current Plan Rev./Exp.	50.2%	66.3%
<b>2021 Current Plan Total</b>	<b>\$26,385,554</b>	<b>\$26,559,741</b>
Less:		
2021 Use of Fund Balance	7,400,379	N/A
2021 Other Sources & Transfers	800,000	516,072
<b>2021 Current Plan Revenues/Expenditures</b>	<b>\$18,185,175</b>	<b>\$26,043,669</b>
<b>2021 YTD Actual</b>	<b>\$17,892,967</b>	<b>\$17,190,852</b>
% of 2021 Current Plan Rev./Exp.	98.4%	66.0%
<b>2022-2021 Current Plan Revenues/Expenditures</b>	<b>\$37,014,894</b>	<b>\$43,863,798</b>
<b>2022-2021 Actual</b>	<b>\$27,337,089</b>	<b>\$29,013,527</b>
% of 2022-2021 Current Plan Rev./Exp.	73.9%	66.1%

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.

Like the Surface Water, this fund includes both operational and capital expenditures and revenues. Revenues are at 50.2% of the plan and expenditures, which are impacted by the timing of projects, are currently at 66.3% of plan.



# 2022 SECOND QUARTER FINANCIAL REPORT

## INVESTMENT REPORT: JUNE 30, 2022

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 June 30, 2022, the City's investment portfolio, excluding the State Investment Pool had a current weighted average rate of return of 1.7605%. This is higher than the 1.0026% rate of return of the State Investment Pool.

Total investment interest earnings through June 30, 2022 were \$392,178. This amount reflects the reversing entry from our year end requirement to record an unrealized gain or loss for our investments at the end of the year. In 2021, given the volatile investment market, our investments had a decreased market value. The amount of unrealized loss for 2021 was \$177,087. This is a "book" entry that reflects the value of the investment if we were to sell it today. The entry is reversed at the beginning of the following year, which is impacting our current year to date results. Therefore, the amount of interest earnings appears to be significantly higher than annual budget of \$203,090 and the prior year's returns. The adjusted earnings, when removing the reversing entry, are \$215,091, just slightly ahead of our annual budgeted revenue.

Unfortunately, given the continuing volatility of the market, the market value of our portfolio has an even greater unrealized loss at this time. While that is true, because we expect to hold these investments to their maturity, we do not expect to realize the loss. Additionally, the market value will continue to change through year end at which time we will determine whether we need to record a loss or a gain for the 2022 reversing entry.

Generally, the City has maintained a laddered investment portfolio. During the pandemic, because of the market conditions, we relied on the State Investment pool as higher interest rate investments matured for a large portion of 2020 and 2021 while the LGIP rates were higher than market. In 2022, with rising rates, we have returned to a laddered portfolio which has contributed to the higher weighted average rate of return and the ability to exceed budget projections mid-way through the year.



# 2022 SECOND QUARTER FINANCIAL REPORT

## LGIP Cash and Investment Balances

Investment Instruments	CUSIP #	BROKER	Settlement Date	Maturity Date	Par Value	Investment Cost	Yield To Maturity	Unrecognized Gain/(Loss)	Market Value 06/30/22
US Treasury 2.750	912828Y61	Piper Sandler	07/02/21	07/31/23	2,500,000	2,629,350	0.2540%	(135,600)	2,493,750
US Treasury 2.000	912828S92	Piper Sandler	05/20/22	07/31/23	2,000,000	1,977,740	2.1950%	(14,772)	1,962,968
US Treasury 2.750	9128284X5	Piper Sandler	07/02/21	08/31/23	2,500,000	2,633,450	0.2730%	(140,970)	2,492,480
US Treasury 1.375	912828T26	Piper Sandler	07/02/21	09/30/23	2,500,000	2,560,525	0.2930%	(110,818)	2,449,708
US Treasury 0.250	91282CAW1	Piper Sandler	10/15/21	11/15/23	2,500,000	2,491,700	0.4110%	(83,888)	2,407,813
US Treasury 0.125	91282CBA8	Piper Sandler	10/15/21	12/15/23	2,500,000	2,483,500	0.4330%	(86,528)	2,396,973
US Treasury 0.125	91282CBE0	MBS	10/15/21	01/15/24	2,500,000	2,481,055	0.4650%	(90,332)	2,390,723
US Treasury 0.125	91282CBM2	Piper Sandler	10/15/21	02/15/24	2,500,000	2,480,375	0.4650%	(95,220)	2,385,155
US Treasury 2.000	912828XT2	FNC	04/26/22	05/31/24	3,000,000	2,963,940	2.5924%	(22,884)	2,941,056
US Treasury 2.000	912828XX3	TVI	04/26/22	06/30/24	3,000,000	2,960,484	2.6250%	(14,976)	2,945,508
US Treasury 2.125	9128282N9	Piper Sandler	05/06/22	07/31/24	3,000,000	2,956,770	2.7930%	(14,310)	2,942,460
US Treasury 1.750	912828Y87	FNC	06/23/22	07/31/24	3,000,000	2,919,870	3.0690%	(378)	2,919,492
US Treasury 2.375	912828D56	FNC	06/23/22	08/15/24	3,000,000	2,956,530	3.0770%	(1,413)	2,955,117
US Treasury 1.875	9128282U3	Piper Sandler	05/06/22	08/31/24	3,000,000	2,935,680	2.8370%	(12,087)	2,923,593
US Treasury 2.125	9128282Y5	Piper Sandler	05/06/22	09/30/24	3,000,000	2,950,230	2.8440%	(12,339)	2,937,891
US Treasury 1.500	912828YH7	FNC	06/23/22	09/30/24	3,000,000	2,896,530	3.0840%	(357)	2,896,173
FHLB 2.125	3130AS4X4	Piper Sandler	05/20/22	05/16/23	2,000,000	1,999,160	2.1680%	(13,794)	1,985,366
FFCB 2.500	3133EMM66	Piper Sandler	07/02/21	06/28/23	2,500,000	2,499,900	0.2520%	(66,430)	2,433,470
FMAC 2.850	3132X03B5	TVI	05/20/22	06/30/23	2,000,000	2,014,692	2.1760%	(17,040)	1,997,652
Sub Total - Investments					\$ 50,000,000	\$ 49,791,481		\$ (934,135)	\$ 48,857,346
State Investment Pool						84,293,997	1.0026%		84,293,997
Sub Total - State Investment Pool						84,293,997			84,293,997
<b>Total LGIP + Investments</b>						<b>\$ 134,085,477</b>		<b>\$ (934,135)</b>	<b>\$ 133,151,343</b>

### Portfolio Diversification

Instrument Type	Percentage	Amount at Cost	Amount at Market Value
FFCB	1.8%	\$ 2,499,900	\$ 2,433,470
FHLB	1.5%	1,999,160	1,985,366
FMAC	1.5%	2,014,692	1,997,652
US Treasury	31.9%	43,277,729	42,440,858
State Investment Pool	63.3%	84,293,997	84,293,997
<b>Total LGIP + Investments</b>	<b>100%</b>	<b>\$ 134,085,477</b>	<b>\$ 133,151,343</b>

Broker	Percentage	Amount at Cost	Amount at Market Value
PiperSandler	22.4%	30,598,380	29,811,626
MBS	1.8%	2,481,055	2,390,723
TVI	3.7%	4,975,176	4,943,160
FNC	8.8%	11,736,870	11,711,838
State Investment Pool	63.3%	84,293,997	84,293,997
<b>Total LGIP + Investments</b>	<b>100%</b>	<b>\$ 134,085,477</b>	<b>\$ 133,151,343</b>