



FINANCE DEPARTMENT

To: Honorable Mayor and Members of the City Council
Bob Harrison, City Manager

From: Jennifer Ferrer-Santa Ines, Director of Finance & Budget
Kimberly Dominé, Financial Services Manager
Kathy Miles, Finance Department Analyst

Date: March 7, 2022

Subject: 2022 4th Quarter Financial Update

This financial update is a preliminary, unaudited, report for the 4th quarter ended December 31, 2022, all quarters, or 100% of the year, intended to inform and assist governance decisions for future planning. In total, city revenues are at 77.1% of budget and expenditures are at 73.9% of budget. The timing of certain revenue payments and Capital fund expenditures are normally the biggest reasons that revenues and expenditures are below 100% at this point in the year.

Cash position and revenue charts on the following pages provide insight into the monitoring of revenue and the management of expenses. The Quarterly Treasury report, a separate report also available on the City's website, provides further cash and investment analysis.

This report is not a final report, as the annual independent audit for 2022 will not be completed until later in 2023, which may affect final numbers.

COVID's Economic Effects on City Revenues

The American Rescue Plan Act (ARPA) funds positively impacted 2022, increasing budgeted revenues and expenses and affecting "normal" budgetary percentages in the accompanying reports uniquely. The economic effects of COVID and the CARES Act affected 2021 uniquely, complicating comparison to prior year.

As has been monitored and reported continuously, there was a substantial economic impact to many of the City's budgeted revenues as a result of the pandemic. While numbers for most of these revenues improved in the first part of 2022 and year-to-date numbers are still showing growth from last year (103.6%), the growth has slowed significantly from the beginning of the year (115.8%).

- Sales Tax is currently exceeding budget by 18.6% in the 4th quarter. Major categories that are leading this increase in Sales Tax are:
 - Real Estate, Rental and Leasing is up 7.1%, with the largest increases in office machinery and equipment rental.

- Accommodations and food services are up 12.5%, mainly due to the food services and drinking places category.
- Construction is also going strong with an increase of 12.8% over last year, mostly in the specialty trade category (masonry, plumbing, electrical, etc).
- Other services are up 17.7%, with linen supply services showing the largest increase.
- The Wholesale category is currently at 7.9%, with the largest increases in construction and medical supplies.
- Lodging Tax had a significant downturn in 2020 and 2021 due to the economic effects of the COVID pandemic but has improved significantly in 2022. Lodging Tax is now showing significant signs of improvement, up 10.6% from budgeted amounts in the 4th quarter.
- Building Permits and Fire Inspection Fees decreased during 2020 and into 2021, and while building permit revenue has improved (now above budget expectations), fire inspection fees are still well below budget, and continue to be monitored monthly.
- Investment Interest is currently running over double the amount of budget due to increases in Local Government Investment Pool (LGIP) rates.

General Fund's Performance to Budget

General Fund Revenues in total are at 96.7%; the largest components are:

- Licenses and Permits continues to show improvement from last year at 105.5% of 2021 numbers.
- Criminal Justice Tax is at 106.2%.
- Other Revenue, consisting mainly of investments interest and P-Card rebates, is at (24.3)% as the result of an approximately \$800,000 loss due to the requirement to report investments at fair value, which changed drastically in December.

General Fund Expenditures in total are at 98.1%. The largest component variances are:

- Economic Development is currently at 110.7% due to a change in accounting presentation for Section 108 debt.
- Fire is at 107.1%, mainly due to the settlement of the union contract and overtime.
- Firemen's Relief/Pension is at 106.3% due to increased claim activity.
- Indigent Defense is at 104.8%, due to increased caseload.
- City Clerk, Code Administration and Parking are all currently under 80% of expenditures, mostly due to the timing of invoices received.

General Fund Balance

The General Fund (001), which provides for public safety and general government services. has been negatively affected by two major factors.

- The settlement of both the Fire (1 year) and Police (3 year) union contract negotiations.
- The downturn in the fair value rate for investments interest at the end of the year.

After calculations and payout of Police and Fire labor contract agreements, fund balance has been further reduced to offset the variance between budgeted labor increases and actual contract settlements by \$2.4 million.

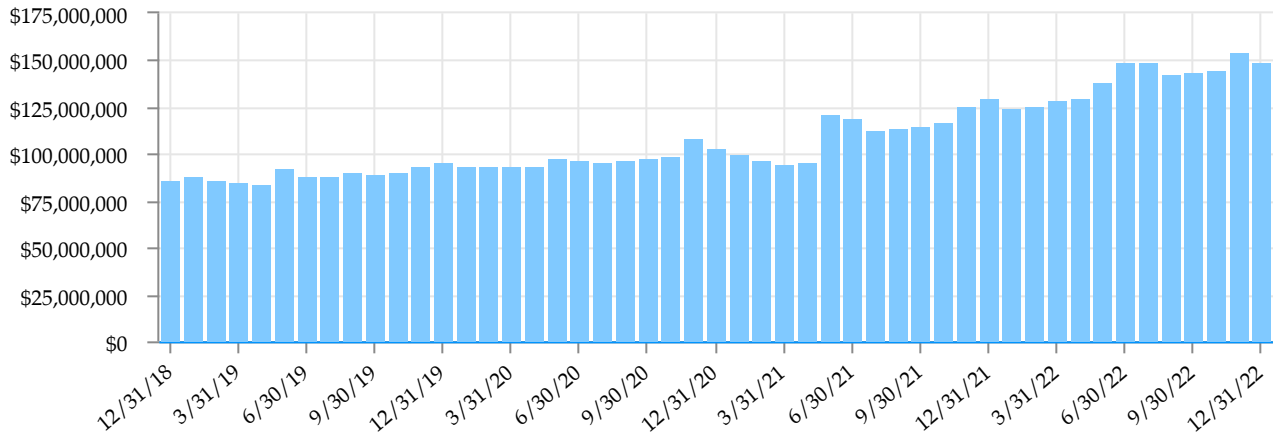
CASH POSITION AND REVENUE UPDATE

City staff monitors revenues and manages expenses continuously.

Cash & Investments

As a current over-all indicator, the 4-year historic core city-wide cash and investments balance trend shows December at \$149.9 million. Each month is best compared to the same month in previous years to account for seasonality and other annual events.

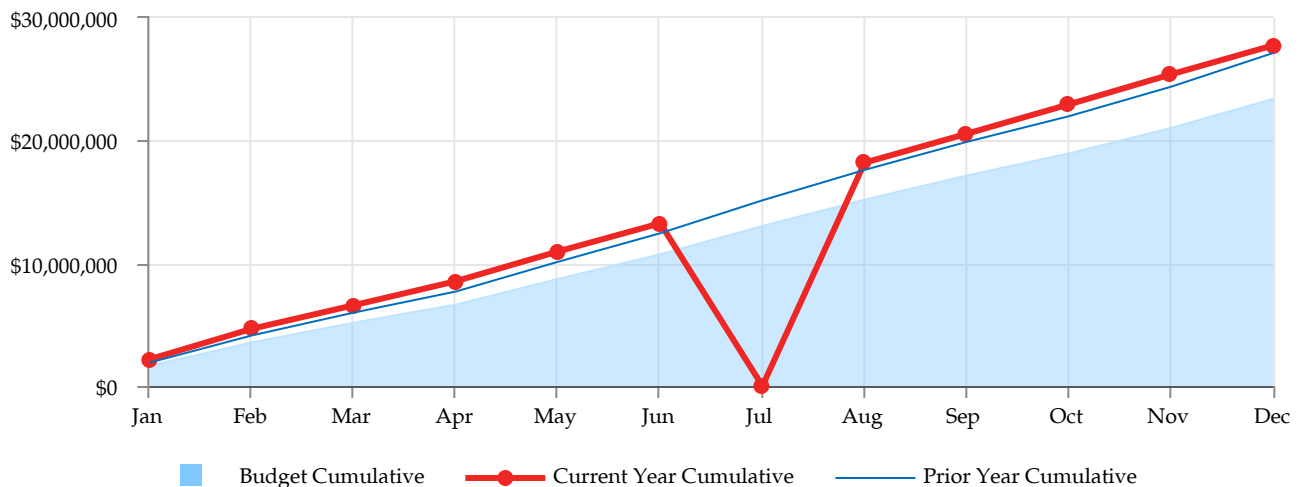
CASH AND INVESTMENTS HISTORY



Sales Tax

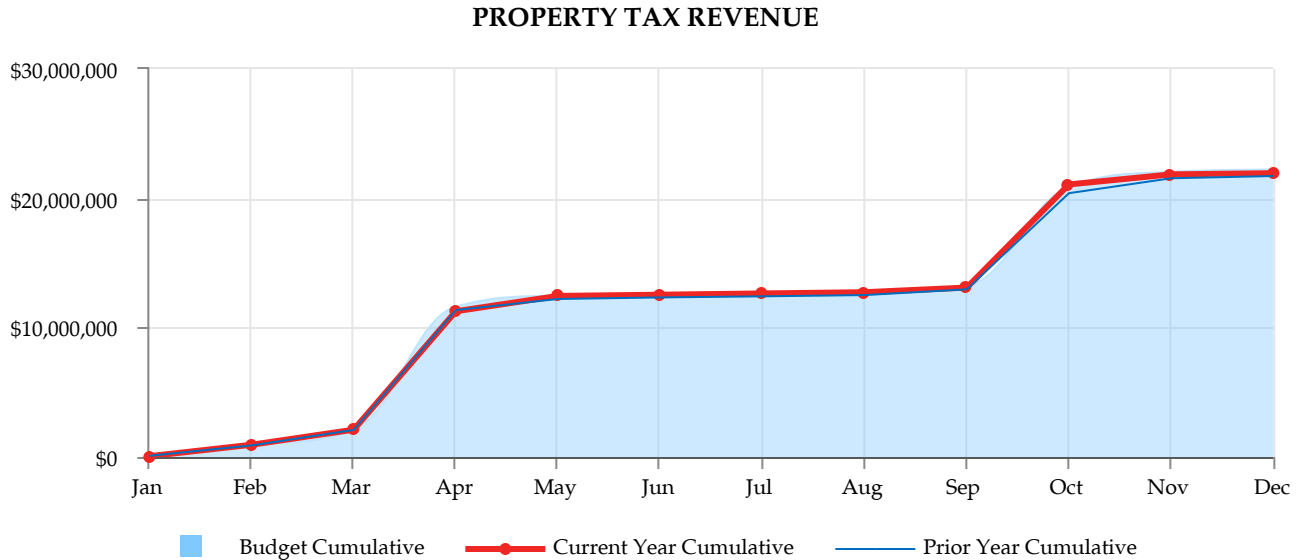
This is the largest single funding source for the city. The 4th quarter city-wide cumulative revenue of \$27.8 million exceeds the cumulative budget by \$4.4 million or 18.6% and is greater than prior year by \$624,153. The city receives sales tax from the State on a 2-month lag from the actual point-of-sale transactions so these figures are for actual transactions through October. Rising inflation, unchanged spending and consumption by end users have all influenced the increase of revenues from sales tax receipts. Due to staff shortages, the revenue for July was not posted until August, creating the anomaly in the chart below. The graph below shows General Fund Sales Tax revenues (General Sales Tax (001) and Criminal Justice Sales Tax (003) - as seen on page 10).

SALES TAX REVENUE



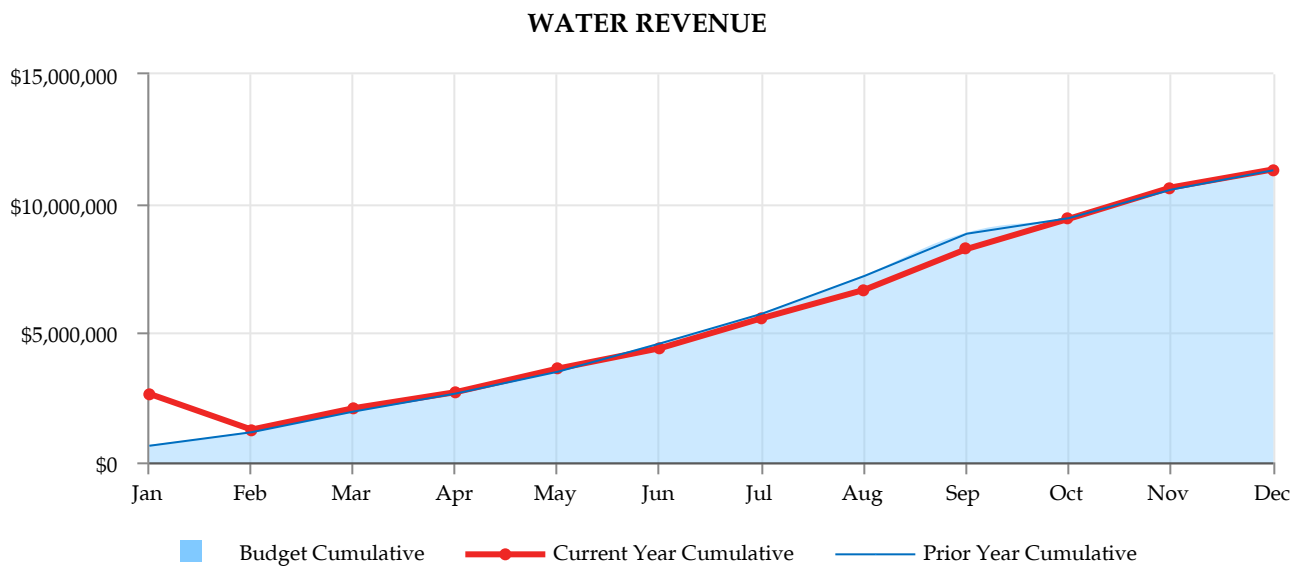
Property Tax

The 4th quarter cumulative Property Tax revenue is tracking right on budget. The 2022 budget increased by \$313,175 due to assessed valuations (a combination of the existing cap at 1% and new growth). The following chart includes city-wide property tax revenue.



Water

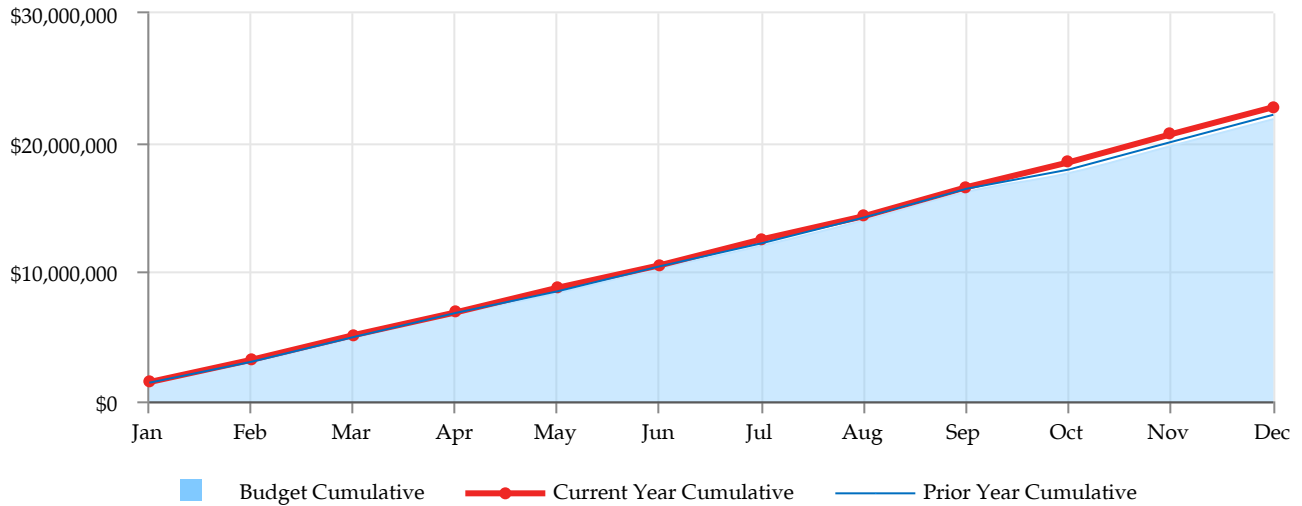
The 4th quarter cumulative water operating revenue of \$11.3 million through December is down \$25,685 from last year, most likely due to cooler spring weather, the timing of billings, and changes to the billing cycle. A rate increase of 5% went into effect in January of 2022. January 2022 was overstated, as there was a billing error in January that was corrected in February.



Wastewater

The 4th quarter cumulative wastewater operating revenue of \$22.7 million is up \$924,884 over budget and \$585,390 over prior year. An average 3.2% rate increase was approved by Council for 2022. A cost of service and rate study for the division was planned and budgeted for 2022, but will not be completed until 2023.

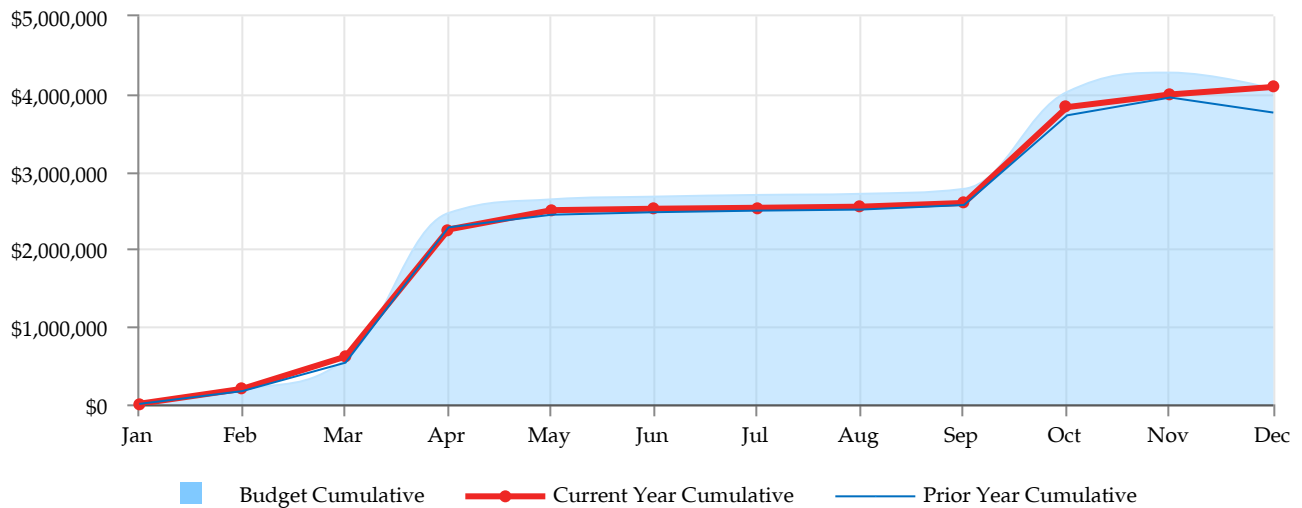
WASTEWATER REVENUE



Stormwater

The 4th quarter cumulative operating assessments of \$4.1 million are down \$25,443 under budget and \$330,064 over prior year. For the provision of stormwater compliance and stormwater collection services a tax is levied against the total assessments collected from annual stormwater assessment charges at the current rate of fifteen percent. A journal entry at year end is required to account for the timing of payments and the intergovernmental nature of this revenue.

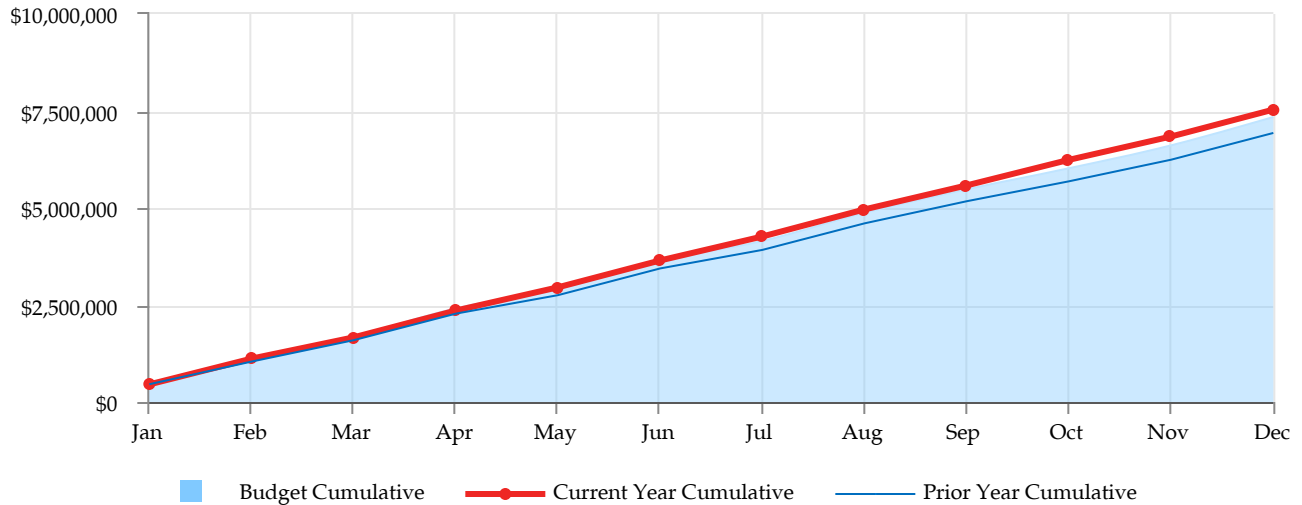
STORMWATER REVENUE



Refuse

The 4th quarter cumulative automated residential revenue of \$7.5 million is up \$190,219 over budget and \$601,607 over prior year. An average 3.5% rate increase in Refuse rates was approved by Council for each year 2021 through 2025 as reflected in the 2022 budget.

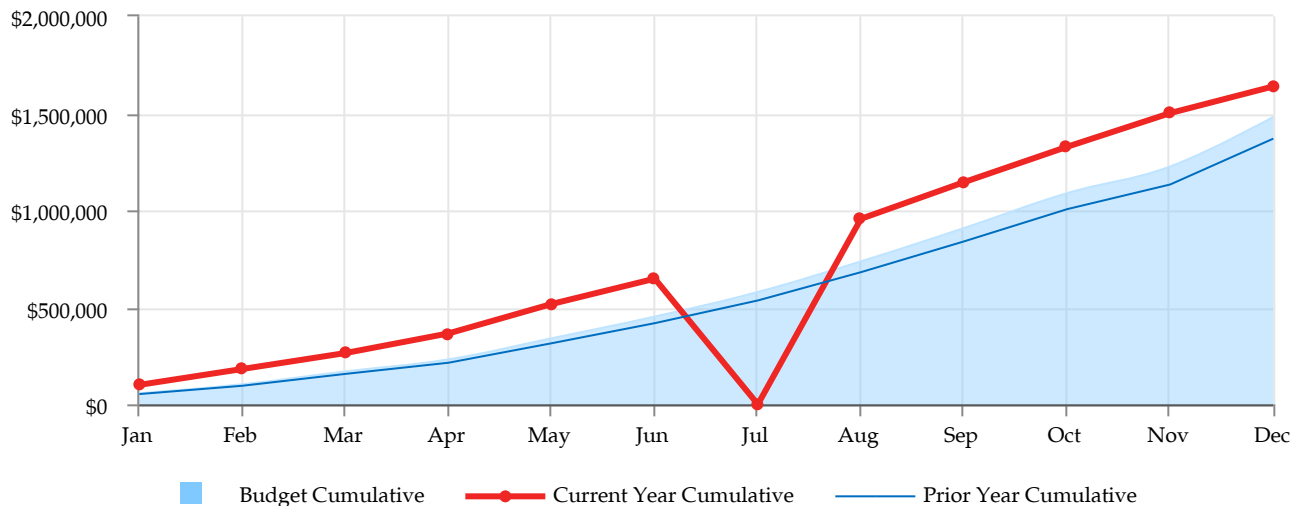
REFUSE REVENUE



Lodging Tax

The 4th quarter cumulative revenue of \$1.6 million is up \$156,860 over budget and up \$269,260 compared to prior year. The comparison of each month's revenue to the same month in prior year improved through the last six months of 2021, and into the 4th quarter of 2022, showing steady improvement for the first time in almost two years. The City is hopeful that this positive trend steadily continues moving forward. Due to staff shortages, the revenue for July was not posted until August, creating the anomaly in the chart below.

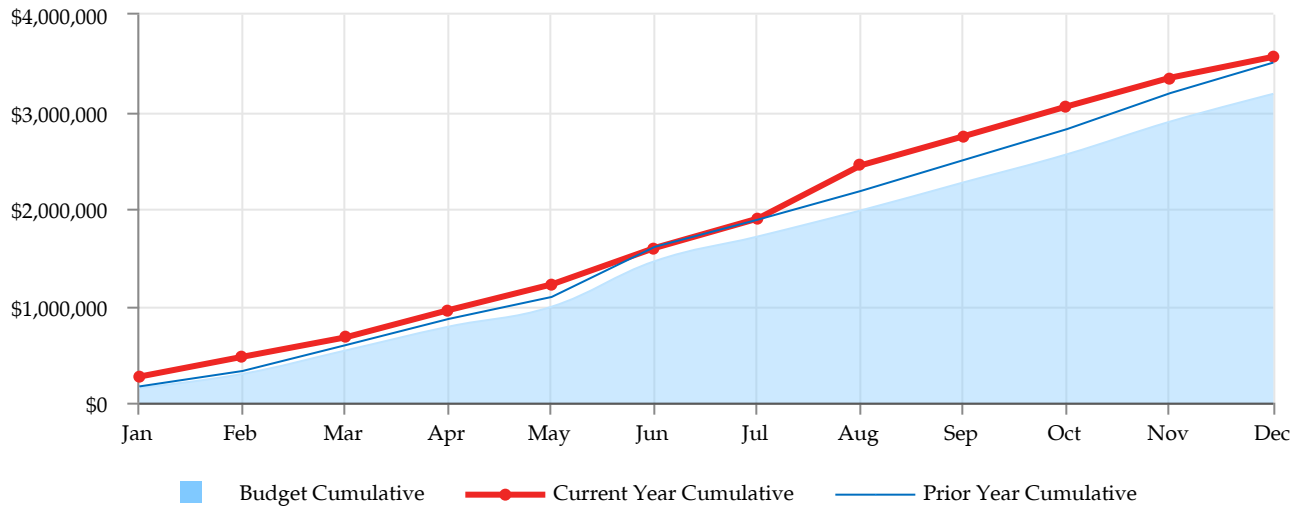
LODGING TAX REVENUE



Real Estate Excise Tax (REET I & II, combined)

The 4th quarter cumulative revenue for REET of \$3.6 million is up \$381,698 over budget and up \$59,444 over prior year, most likely due to fluctuating interest rates.

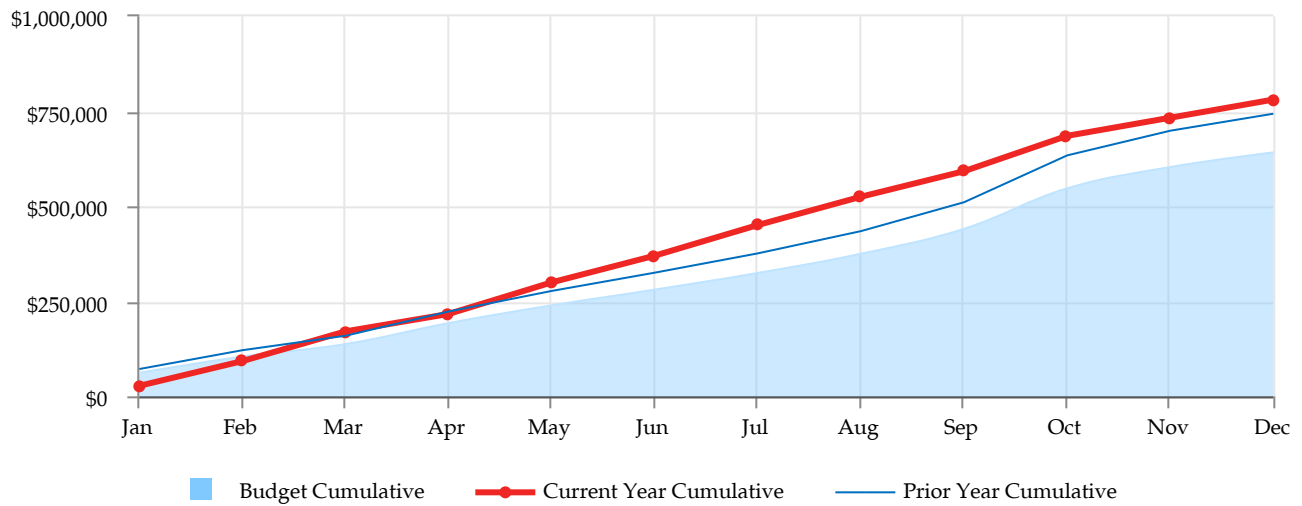
REET 1 / REET 2



Building Permits

After a slow start in 2022, the 4th quarter cumulative revenues of \$780,922 are up \$138,922 over budget and \$37,210 above prior year, showing improvement from the slow start in the first two months of 2022. Permit activity shows that there were 1131 permits for 540 dwelling units at the end of the year for 2022, compared with 987 permits for 464 dwelling units in 2021, with the difference in permit type mainly within the residential and commercial alteration categories.

BUILDING PERMIT REVENUE



CITY-WIDE FUND BALANCE SUMMARY

CHANGE IN FUND BALANCE

	2022	As of December 31			Percent of Exp	Change in Fund Balance
	Beginning	2022	2022	Ending		
	Balance	Actual Rev.	Actual Exp.	Balance		
General Fund (001)	12,006,180	63,988,430	67,043,343	8,951,267	13.4 %	(25.4)%
Criminal Justice (003)	1,618,308	3,161,451	3,326,834	1,452,925	43.7 %	(10.2)%
Firemen's Relied & Pension (612)	1,649,463	1,049,342	1,111,102	1,587,703	142.9 %	(3.7)%
General Fund Subtotal	\$ 15,273,951	\$ 68,199,223	\$ 71,481,279	\$ 11,991,895	16.8 %	(21.5)%
Parks and Recreation ¹	1,097,390	5,599,865	6,138,926	558,329	9.1 %	(49.1)%
Street & Traffic Operations	1,250,587	5,862,263	5,702,102	1,410,748	24.7 %	12.8 %
General Government Subtotal	17,621,928	79,661,351	83,322,307	13,960,972	16.8 %	(20.8)%
Other Governmental Operating Funds	7,180,598	17,488,367	16,899,114	7,769,851	46.0 %	8.2 %
Government Capital Funds	15,677,324	12,393,356	10,570,643	17,500,037	165.6 %	11.6 %
Enterprise Operating Funds	39,315,874	67,064,161	67,509,610	38,870,425	57.6 %	(1.1)%
Enterprise Capital Funds	35,562,232	25,062,103	28,908,394	31,715,941	109.7 %	(10.8)%
Internal Service Funds	4,086,213	11,812,892	10,253,545	5,645,560	55.1 %	38.2 %
Employee Benefit Reserve	5,240,036	16,450,482	16,755,291	4,935,227	29.5 %	(5.8)%
Risk Management Reserves	4,852,012	6,235,080	4,566,087	6,521,005	142.8 %	34.4 %
Debt Service & Agency Funds	3,608,982	11,518,210	11,077,388	4,049,804	36.6 %	12.2 %
Total	\$ 133,145,199	\$ 247,686,002	\$ 249,862,379	\$ 130,968,822	52.4 %	(1.6)%

This is a progress report to provide transparency and accountability. This table shows fund balances by fund at this point in time. This is intended to provide transparency and accountability but is a snapshot, not a reliable measure of predicted year-end.

The ending fund balance in the General Fund (001) has been reduced to 13.4%, which falls below Council policy of maintaining 16.7% of reserves.

¹ Parks and Recreation was budgeted in 2022 to use some of the fund balance, and is consequently showing a change of (49.1)%.

CITY WIDE REVENUES & EXPENDITURES BY FUND GROUPING

REVENUE COMPARISON

(Budget vs. Actual)

	2021			2022		
	Annual			Annual		
	Amended	Actual	%	Amended	Actual	%
	Budget	as of 12/31	Rec'd	Budget	as of 12/31	Rec'd
General Fund	\$ 69,979,616	\$ 65,788,833	94.0 %	\$ 70,544,525	\$ 68,199,222	96.7 %
Parks and Recreation	5,745,833	5,344,701	93.0 %	5,710,260	5,599,865	98.1 %
Street & Traffic Operations	6,353,125	5,238,558	82.5 %	6,478,808	5,862,263	90.5 %
General Government Subtotal	82,078,574	76,372,092	93.0 %	82,733,593	79,661,350	96.3 %
Other Government Operating Funds	34,206,215	20,179,800	59.0 %	46,513,849	17,488,367	37.6 %
Government Capital Funds	23,266,690	21,939,879	94.3 %	41,148,287	12,393,356	30.1 %
Enterprise Operating Funds	68,198,108	64,897,366	95.2 %	69,830,538	67,064,161	96.0 %
Enterprise Capital Funds	31,865,671	17,149,641	53.8 %	38,366,070	25,062,103	65.3 %
Internal Service Funds	7,715,777	8,439,175	109.4 %	12,049,036	11,812,892	98.0 %
Employee Benefit Reserves	16,293,943	15,761,251	96.7 %	17,700,231	16,450,482	92.9 %
Risk Management Reserve	5,126,916	5,468,324	106.7 %	5,873,577	6,235,080	106.2 %
Debt Service & Agency Funds	7,495,303	12,845,562	171.4 %	7,100,227	11,518,210	162.2 %
Total	\$ 276,247,197	\$ 243,053,090	88.0 %	\$ 321,315,408	\$ 247,686,001	77.1 %

EXPENDITURE COMPARISON

(Budget vs. Actual)

	2021			2022		
	Annual			Annual		
	Amended	Actual	%	Amended	Actual	%
	Budget	as of 12/31	Exp'd	Budget	as of 12/31	Exp'd
General Fund	\$ 70,950,328	\$ 63,810,480	89.9 %	\$ 72,847,260	\$ 71,481,281	98.1 %
Parks and Recreation	5,861,436	5,307,755	90.6 %	6,386,672	6,138,926	96.1 %
Street & Traffic Operations	6,352,464	4,903,394	77.2 %	6,567,056	5,702,102	86.8 %
General Government Subtotal	83,164,228	74,021,629	89.0 %	85,800,988	83,322,309	97.1 %
Other Government Operating Funds	29,723,343	18,464,135	62.1 %	38,743,539	16,899,114	43.6 %
Government Capital Funds	35,397,699	25,993,810	73.4 %	37,008,593	10,570,643	28.6 %
Enterprise Operating Funds	67,535,670	57,766,606	85.5 %	75,163,417	67,509,610	89.8 %
Enterprise Capital Funds	37,588,968	15,212,379	40.5 %	58,471,085	28,908,394	49.4 %
Internal Service Funds	9,910,780	8,344,651	84.2 %	13,124,430	10,253,545	78.1 %
Employee Benefit Reserves	16,933,061	16,265,817	96.1 %	17,265,080	16,755,291	97.0 %
Risk Management Reserve	5,688,793	5,453,619	95.9 %	5,555,497	4,566,087	82.2 %
Debt Service & Agency Funds	7,554,302	11,784,578	156.0 %	7,100,520	11,077,388	156.0 %
Total	\$ 293,496,844	\$ 233,307,224	79.5 %	\$ 338,233,149	\$ 249,862,381	73.9 %

GENERAL GOVERNMENT REVENUE DETAIL

GENERAL GOVERNMENT REVENUES

General Fund	Revenues as of December 31			2022	2022
	2020	2021	2022	Amended Budget	Percent Rec'd
Property Tax	\$ 10,289,701	\$ 8,967,221	\$ 9,039,840	\$ 9,335,615	96.8 %
General Sales Tax	19,076,166	22,116,944	22,695,379	22,306,000	101.7 %
Criminal Justice Sales Tax	3,839,176	5,032,902	5,078,620	4,781,000	106.2 %
Utility & Franchise Taxes	18,482,716	19,070,610	20,088,210	20,325,209	98.8 %
Other Taxes	760,317	1,273,990	1,328,879	1,082,000	122.8 %
Licenses and Permits	1,607,364	1,711,245	1,798,976	1,704,700	105.5 %
Intergovernmental Revenues	7,379,313	3,697,113	4,371,221	4,916,161	88.9 %
Charges for Services	2,872,647	3,470,078	2,883,411	3,449,776	83.6 %
Fines and Forfeitures	1,022,921	1,381,103	1,212,744	1,418,000	85.5 %
Other Revenue ¹	2,149,131	(932,373)	(298,058)	1,226,064	(24.3)%
Total General Fund	67,479,452	65,788,833	68,199,222	70,544,525	96.7 %
Parks & Recreation					
Property Tax	2,826,147	2,702,528	2,673,716	2,673,716	100.0 %
Intergovernmental Revenues	70,116	67,142	178,739	199,955	89.4 %
Charges for Services	206,647	647,360	838,350	945,115	88.7 %
Other Revenue	1,740,965	1,927,671	1,909,060	1,891,474	100.9 %
Total Parks & Recreation	4,843,875	5,344,701	5,599,865	5,710,260	98.1 %
Streets					
Property Tax	4,016,314	3,742,125	4,399,808	4,399,808	100.0 %
Intergovernmental Revenues	1,543,665	1,426,144	1,413,679	1,574,000	89.8 %
Charges for Services	544,958	5,020	4,333	505,000	0.9 %
Other Revenue	1,968,922	65,269	44,443	—	n/a
Total Streets	8,073,859	5,238,558	5,862,263	6,478,808	90.5 %
Total General Government	\$ 80,397,186	\$ 76,372,092	\$ 79,661,350	\$ 82,733,593	96.3 %

Note: Year to date revenues above are consistent with historical trends.

¹ Other Revenue is at (24.3)% as the result of an approximately \$800,000 loss due to the requirement to report investments at fair value, which changed drastically in December.

GENERAL GOVERNMENT EXPENDITURE DETAIL

GENERAL FUND EXPENDITURE DETAIL

General Fund	Expenditures as of December 31			2022	Percent Exp'd
	2020	2021	2022	Amended Budget	
Police	\$ 28,521,699	\$ 29,366,419	\$ 33,609,451	\$ 33,548,975	100.2 %
Fire	15,650,247	15,855,053	18,470,079	17,241,271	107.1 %
Information Technology	2,739,420	3,837,328	3,680,084	4,518,741	81.4 %
Finance	1,278,140	2,350,457	2,563,207	2,775,553	92.3 %
Legal	1,720,293	1,831,365	2,067,411	2,201,864	93.9 %
Code Administration	1,813,871	1,834,935	2,395,719	3,021,868	79.3 %
Municipal Court	1,642,758	1,674,931	1,732,080	1,824,844	94.9 %
Indigent Defense	1,078,094	1,098,102	1,152,637	1,100,000	104.8 %
Firemen's Relief/Pension	1,180,451	1,072,915	1,111,102	1,045,252	106.3 %
Engineering	735,620	799,635	845,434	987,677	85.6 %
Human Resources	493,023	718,882	775,821	955,521	81.2 %
Planning	815,926	724,355	707,814	826,804	85.6 %
City Management	2,479,555	813,362	741,537	819,157	90.5 %
Police Pension	730,654	681,824	602,448	717,932	83.9 %
City Clerk/Records	366,023	731,905	528,010	685,847	77.0 %
Economic Development	152,223	405,092	737,014	665,761	110.7 %
City Hall Facility	359,230	388,918	459,142	518,211	88.6 %
Purchasing	237,338	422,535	417,910	452,601	92.3 %
City Council	127,494	235,659	235,827	284,804	82.8 %
Interfund Distributions ¹	2,117,457	(1,328,441)	(1,574,008)	(1,583,670)	99.4 %
Parking	222,036	124,562	80,273	101,986	78.7 %
Intergovernmental	236,474	170,685	142,289	136,261	104.4 %
Clean City Fund ²	243,350	—	—	—	n/a
Total General Fund	64,941,376	63,810,478	71,481,281	72,847,260	98.1 %

¹ As of 2021 City Service charges are required to be shown as a reimbursement of expense instead of a revenue per the State Auditor. This change was implemented by the City at the end of the 2021 fiscal year.

² The Clean City Fund, originally set up as part of the General Fund, was authorized as a special revenue fund by ordinance on 9/7/21.

OTHER FUNDS DETAIL

OTHER GOVERNMENT OPERATING FUNDS

Fund	2022	As of December 31			% Change in Fund Balance
	Beginning Balance	2022 Actual Rev.	2022 Actual Exp.	Ending Balance	
Economic Development	606,936	\$ —	\$ —	\$ 606,936	—%
Neighborhood Development	427,756	1,526,320	1,651,979	302,097	(29.4)%
Community Relations	870,766	607,747	699,257	779,256	(10.5)%
Clean City Program	18,813	818,919	570,294	267,438	n/a
Cemetery	172,379	404,754	384,656	192,477	11.7%
Emergency Services	145,497	1,632,173	1,576,949	200,721	38.0%
Public Safety Communication	1,351,097	4,391,665	4,118,598	1,624,164	20.2%
Police Grants	936,847	629,082	739,195	826,734	(11.8)%
PBIA (Park/Bus Improvement Area)	80,691	164,430	166,352	78,769	(2.4)%
Trolley	41,242	13,734	8,708	46,268	12.2%
Front Street Bus Improvement Area	7,238	2,340	1,565	8,013	10.7%
Convention & Event Center	607,144	2,012,843	1,901,540	718,447	18.3%
Capitol Theatre	83,416	455,918	437,038	102,296	22.6%
PFD - Convention Center	1,248,458	1,196,722	1,236,807	1,208,373	(3.2)%
Tourism Promotion Area	91,785	1,164,401	1,164,401	91,785	—%
PFD - Capitol Theatre	422,833	906,621	681,077	648,377	53.3%
American Rescue Plan Act (ARPA) ¹	67,700	1,560,698	1,560,698	67,700	—%
Total Other Gov't Operating Funds	\$ 7,180,598	\$ 17,488,367	\$ 16,899,114	\$ 7,769,851	8.2%

GOVERNMENTAL CAPITAL FUNDS

Fund	2022	As of December 31			% Change in Fund Balance
	Beginning Balance	2022 Actual Rev.	2022 Actual Exp.	Ending Balance	
Central Bus District Capital	55,012	12	—	55,024	—%
Capitol Theatre Construction ²	273,635	60,000	246,658	86,977	(68.2)%
Yakima Redevelopment Area	20,664	1,000,000	647,097	373,567	n/a
Parks & Recreation Capital	313,601	450,573	592,390	171,784	(45.2)%
Fire Capital	455,050	138,573	83,386	510,237	12.1%
Law and Justice Capital	1,371,642	391,613	335,411	1,427,844	4.1%
Public Works Trust Construction	4,360,786	1,894,758	1,932,228	4,323,316	(0.9)%
REET 2 Capital	1,530,662	1,782,849	1,638,553	1,674,958	9.4%
Street Capital	3,066,264	1,674,208	541,409	4,199,063	36.9%
Street Overlay & Reconstruction	2,206,592	4,692,597	4,275,366	2,623,823	18.9%
Conv & Event Center Cap Impr	1,659,537	301,429	235,944	1,725,022	3.9%
Reserve for Capital Improvement	363,879	6,744	42,201	328,422	(9.7)%
Total Gov't Capital Funds	\$ 15,677,324	\$ 12,393,356	\$ 10,570,643	\$ 17,500,037	11.6%

¹ The American Rescue Plan Act (ARPA) Special Revenue Fund (180) was created to account for funds received from the Office of Financial Management (OFM) to aid in the recovery from the budgetary, economic, and financial impacts of the COVID pandemic.

² The Capitol Theatre had emergency repairs on the building in 2022, including an HVAC unit, that reduced the fund balance.

ENTERPRISE OPERATING FUNDS

Fund	2022	As of December 31			% Change in Fund Balance
	Beginning	2022	2022	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
Airport Operating	\$ 884,655	\$ 2,051,715	\$ 1,773,040	\$ 1,163,330	31.5%
Stormwater Operating	1,478,187	4,089,853	4,455,307	1,112,733	(24.7)%
Transit Operating	9,187,659	11,555,894	10,007,815	10,735,738	16.8%
Refuse	3,540,581	9,524,946	8,460,024	4,605,503	30.1%
Wastewater Operating	14,123,584	25,669,498	27,671,723	12,121,359	(14.2)%
Water Operating	8,547,905	12,108,543	12,896,657	7,759,791	(9.2)%
Irrigation	1,553,303	2,063,712	2,245,044	1,371,971	(11.7)%
Total Enterprise Operating Funds	\$ 39,315,874	\$ 67,064,161	\$ 67,509,610	\$ 38,870,425	(1.1)%

ENTERPRISE CAPITAL FUNDS

Fund	2022	As of December 31			% Change in Fund Balance
	Beginning	2022	2022	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
Airport Capital	\$ 565,345	\$ 2,019,264	\$ 2,012,449	\$ 572,160	1.2%
Stormwater Capital	4,151,107	1,605,994	323,508	5,433,593	30.9%
Transit Capital ³	8,118,765	1,319,762	5,946,145	3,492,382	(57.0)%
Wastewater Facilities Capital	4,785,352	1,000,000	188,357	5,596,995	17.0%
Wastewater Construction Capital ⁴	3,856,085	7,506,005	924,073	10,438,017	170.7%
Wastewater Capital	2,364,943	3,006,005	3,483,338	1,887,610	(20.2)%
Water Capital	6,398,743	1,000,000	1,621,452	5,777,291	(9.7)%
Irrigation Capital ⁵	5,321,892	7,605,073	14,409,072	(1,482,107)	(127.8)%
Total Enterprise Capital Funds	\$ 35,562,232	\$ 25,062,103	\$ 28,908,394	\$ 31,715,941	(10.8)%

INTERNAL SERVICE FUNDS

Fund	2022	As of December 31			% Change in Fund Balance
	Beginning	2022	2022	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
Equipment Rental	\$ 2,886,013	\$ 7,177,318	\$ 5,463,421	\$ 4,599,910	59.4%
Environmental ⁶	561,698	387,810	618,510	330,998	(41.1)%
Public Works Administration	496,401	1,405,343	1,289,196	612,548	23.4%
Utility Services	142,101	2,842,421	2,882,418	102,104	(28.1)%
Total Enterprise Operating Funds	\$ 4,086,213	\$ 11,812,892	\$ 10,253,545	\$ 5,645,560	38.2%

³ Transit capital fund balance decreased a significant amount in 2022 due to the purchase of the Subaru property.

⁴ Wastewater Construction capital fund balance increased by \$7.5 million due to an interfund transfer for upcoming projects.

⁵ The Irrigation Capital fund balance is in the negative at this time due to the timing of grant receipts and an interfund loan transfer.

⁶ The Environmental fund is currently below expectations in fund balance due to the timing of grant reimbursements.

EMPLOYEE BENEFIT RESERVES

Fund	2022	As of December 31			% Change in Fund Balance
	Beginning	2022	2022	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
Unemployment Comp Reserve	\$ 386,847	\$ 231,851	\$ 196,899	\$ 421,799	9.0%
Employees Health Ben Reserve	3,989,873	14,151,066	13,950,187	4,190,752	5.0%
Worker's Comp Reserve ⁷	700,755	1,992,565	2,558,095	135,225	(80.7)%
Wellness/EAP	162,561	75,000	50,110	187,451	15.3%
Total Employee Benefit Reserve	\$ 5,240,036	\$ 16,450,482	\$ 16,755,291	\$ 4,935,227	(5.8)%

RISK MANAGEMENT RESERVE

Fund	2022	As of December 31			% Change in Fund Balance
	Beginning	2022	2022	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
Risk Management Reserve	\$ 4,852,012	\$ 6,235,080	\$ 4,566,087	\$ 6,521,005	34.4%

DEBT SERVICE & AGENCY FUNDS

Fund	2022	As of December 31			% Change in Fund Balance
	Beginning	2022	2022	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
GO Bond Redemption					
2002 GO Convention Center	\$ 184,239	\$ 1,438,538	\$ 1,402,046	\$ 220,731	19.8 %
2005 GO Various Bonds	16,603	3,217,846	3,216,822	17,627	6.2 %
Total GO Bond Redemption	\$ 200,842	\$ 4,656,383	\$ 4,618,868	\$ 238,357	18.7 %
Water/Sewer Revenue Bond Redemption					
WW Rev Bond & 2008 Debt Service	\$ 13,272	\$ 382,400	\$ 377,200	\$ 18,472	39.2 %
Irrigation Bond Debt Service	28,364	272,150	264,888	35,626	25.6 %
WW Rev Bond Rsv & 2012 Debt Svc	1,606,315	1,162,800	1,148,167	1,620,948	0.9 %
Total W/S Rev Bond Redemption	\$ 1,647,951	\$ 1,817,350	\$ 1,790,255	\$ 1,675,046	1.6 %
Agency Funds					
YakCorps	\$ 868,688	\$ 639,773	\$ 408,927	\$ 1,099,534	26.6 %
Custodial Fund ⁸	170,017	4,385,079	4,247,338	307,758	81.0 %
Cemetery Trust	721,484	19,625	12,000	729,109	1.1 %
Total Agency Funds	\$ 1,760,189	\$ 5,044,477	\$ 4,668,265	2,136,401	21.4 %
Total Debt Service & Agency Funds	\$ 3,608,982	\$ 11,518,210	\$ 11,077,388	\$ 4,049,804	12.2 %

⁷ The Workers Compensation fund has experienced greater claim activity in 2022, which will be corrected by an increase in rates for 2023.

⁸ The Custodial fund requires year-end adjustments that have not yet been done due to the custodial nature of this account. Once done, the account will be in line with expectations.