



FINANCE DEPARTMENT

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

From: Rosylen Oglesby, Assistant City Manager
Kimberly Dominé, Financial Services Manager
Kathy Miles, Finance Department Analyst

Date: November 21, 2023

Subject: 2023 3rd Quarter Financial Update

This financial update is a preliminary, unaudited, report for the 3rd quarter ended September 30, 2023, three quarters, or 75% of the year, intended to inform and assist governance decisions for future planning. In total, city revenues are at 57.6% of budget and expenditures are at 52.3% of budget. The timing of certain revenue payments and Capital fund expenditures are normally the biggest reasons that revenues and expenditures are below 75% 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 2023 will not be completed until later in 2024, which may affect final numbers.

COVID's Economic Effects on City Revenues

The American Rescue Plan Act (ARPA) funds have impacted budgeted revenues and expenses, affecting "normal" budgetary percentages in the accompanying reports uniquely for 2021 through 2023, and will likely do so until 2026, when this funding is required to be spent. The economic effects of COVID and the CARES Act also affected the budget uniquely, further complicating comparison to prior years.

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.

Revenues

In more detail, actual Sales Tax revenue is keeping pace with the general economy at this time, currently at 103.3% of the 3rd quarter last year, and currently exceeding budgeted amounts by 22.9%. Significant categorical differences from last year are:

- Other services continue to be up over 10%, a trend that began in the last half of 2021, up 11.7%, with general auto repair services remaining the largest contributor.
- Accommodations and food services are up 7.9%, mainly in the food services category, mostly due to new restaurant openings and general inflation increases.

- The Wholesale category is currently at 7.8%, with the largest increases in book, periodical and newspaper merchant wholesale.
- Construction is currently showing an increase of 7.4% over last year, with new single-family housing construction being the major component.
- Miscellaneous other is at (1.5%), mainly due to a surge in Healthcare and Social Assistance in the first quarter of 2022.

Lodging Tax had a significant downturn in 2020 and 2021 due to the economic effects of the COVID pandemic but improved significantly in 2022. This trend continues into 2023, with Lodging Tax up 23.4% from budgeted amounts in the 3rd quarter.

Fire Inspection Fees decreased drastically during 2020 and into 2021 due to COVID, and began improving in 2022, but are still performing below budget expectations due to staffing issues.

General Fund's Performance to Budget

General Fund Revenues in total are at 74.2%. The most significant variances are:

- Other Revenue - investment and sales tax interest - is at 138.4% in the 3rd quarter, due mainly to the return on interest from investments.
- Intergovernmental Revenue is at 50.5%, mostly due to a reduction in the Local Government Assistance from the State, along with the loss of Criminal Justice High Crime funding that was lost this year due to lower crime rates within the City.
- Property Tax is at 61.7% in the 3rd quarter of the year. Variances in this category are mainly due to the timing of Property Tax receipts, which are higher in the months of April and November.
- Other Taxes, consisting of mainly gambling taxes, are at 64.9%, which is normal in the 3rd quarter, and generally due to the timing of incoming payments.

General Fund Expenditures in total are at 71.9%. The most significant variances are:

- Intergovernmental expenditures (84.3%) are above 75% mainly due to the timing of these payments - generally paid in the beginning of the year.
- Information Technology, Code Administration, Human Resources, Planning, Economic Development and Purchasing are all currently under 65% of expenditures, mostly due to the timing of invoices received.

General Fund Balance

The General Fund, which provides for public safety and general government services, had its balance negatively affected at the end of 2022, mainly by the downturn in the fair value rate for investment interest. The City of Yakima is now required by General Accepted Accounting Principles (GAAP) to report investments at fair market value.

In the 3rd quarter of 2023, the General Fund balance is continuing to erode, with a reduction of \$1.9 million. This amount is likely to change as the year progresses, but is an indicator of what is currently trending.

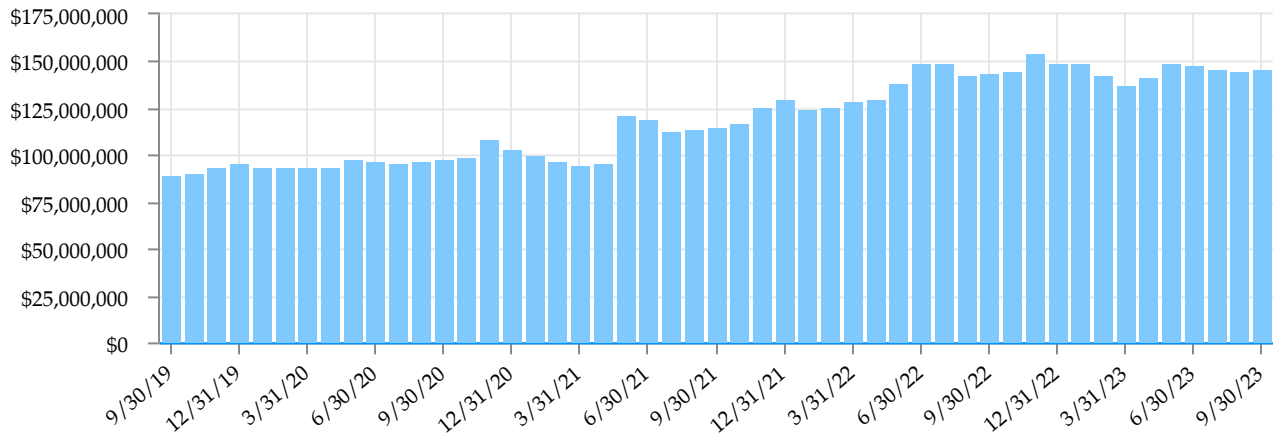
CASH POSITION AND REVENUE UPDATE

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 September at \$146.3 million. Each month is best compared to the same month in previous years to account for seasonality and other annual events.

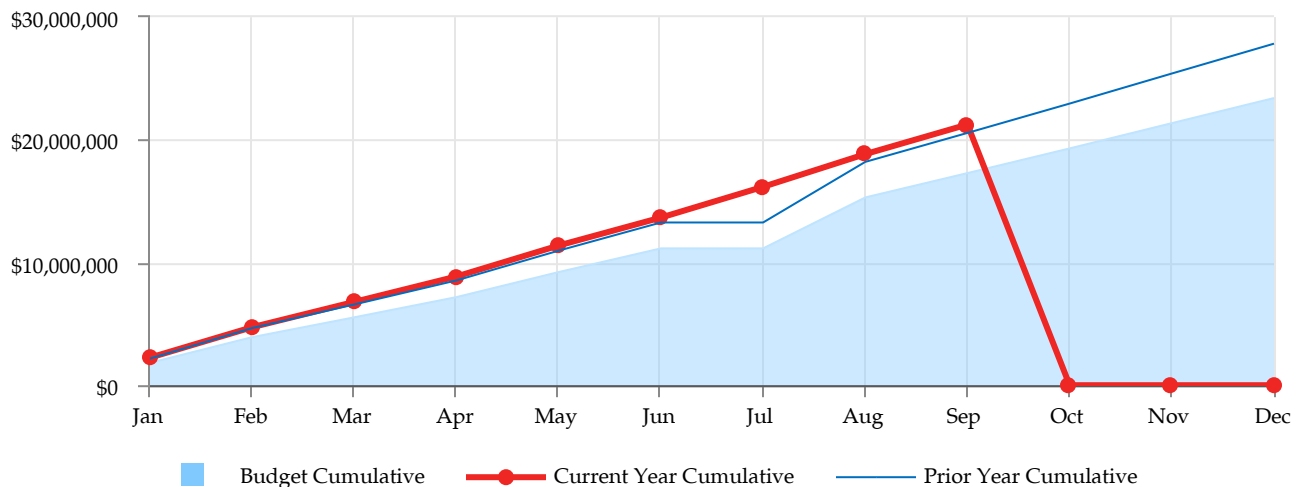
CASH AND INVESTMENTS HISTORY



Sales Tax

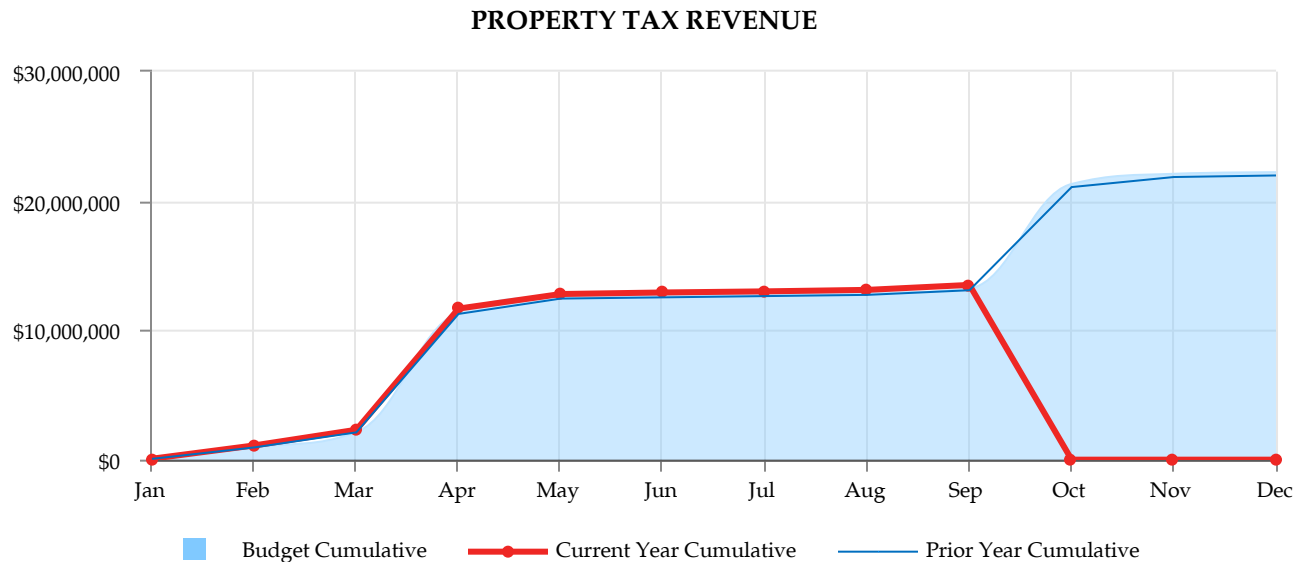
This is the largest single funding source for the city. The 3rd quarter city-wide cumulative revenue of \$21.3 million exceeds the cumulative budget by \$4.0 million or 22.9% and is greater than prior year by \$685,965. The city receives sales tax from the State on a 2-month lag from the actual point-of-sale transactions so these figures are for actual transactions through July. 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 2022 revenue for July was not posted until August, creating the anomaly in the graph 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



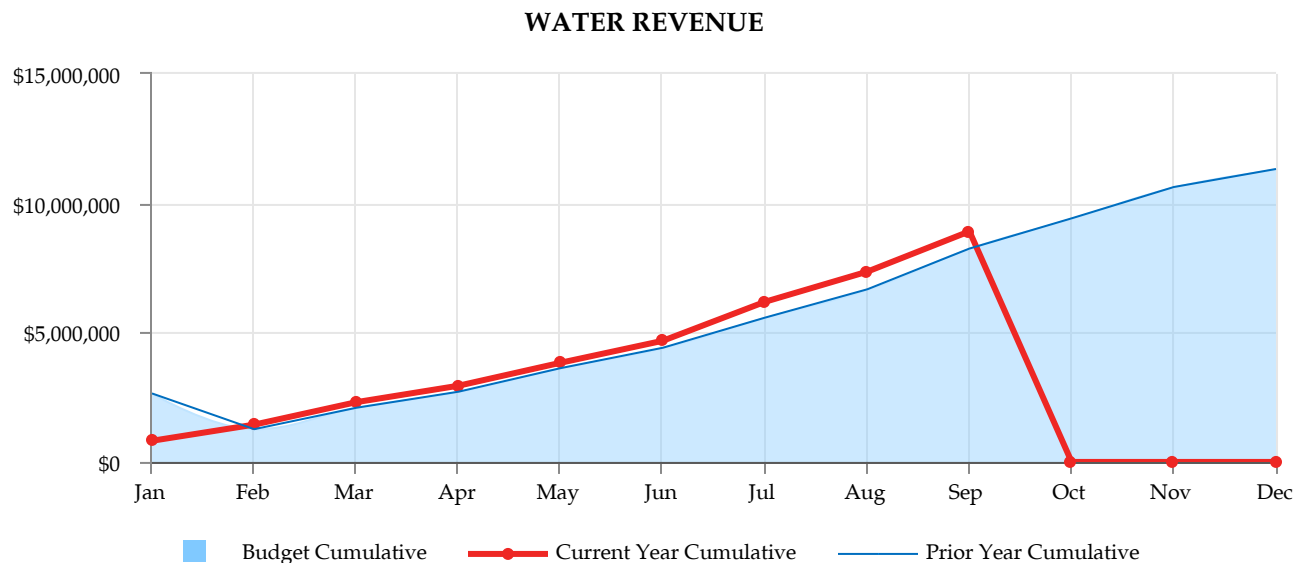
Property Tax

The 3rd quarter cumulative Property Tax revenue is tracking right on budget. The 2023 budget increased by \$635,459 due to assessed valuations (a combination of the existing cap at 1% and new growth). The following graph includes city-wide property tax revenue.



Water

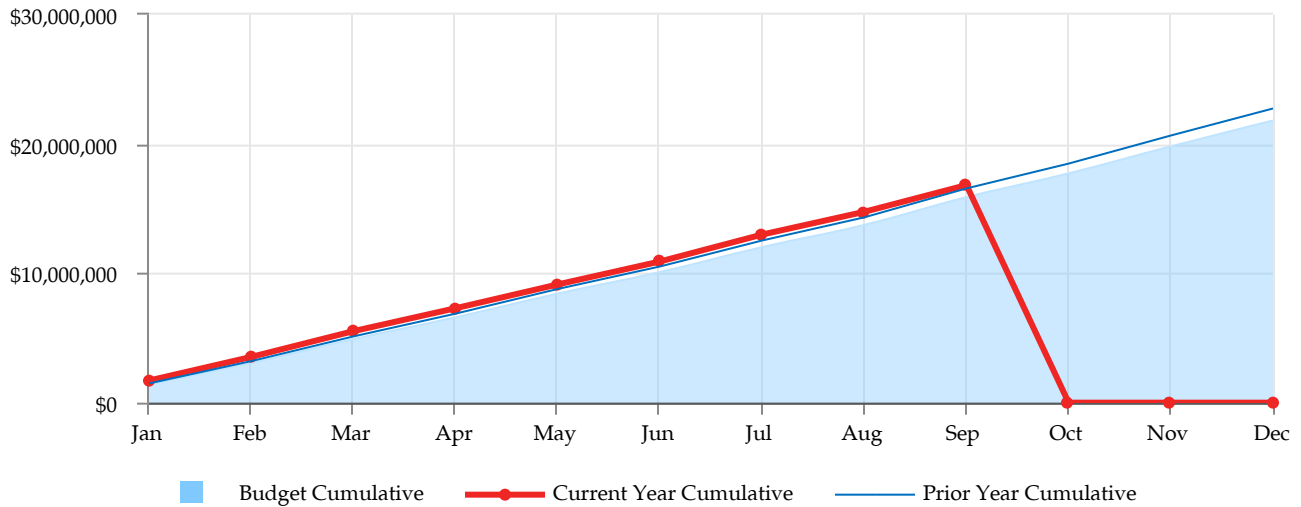
The 3rd quarter cumulative water operating revenue of \$8.9 million through September is above budget by \$683,715. A rate increases of 5% went into effect in January of 2023. January 2022 was overstated, as there was a billing error in January that was corrected in February.



Wastewater

The 3rd quarter cumulative wastewater operating revenue of \$16.8 million is up \$931,772 over budget and \$258,203 over prior year. A cost of service and rate study for the division was planned and budgeted for 2022, but will not be completed until 2023.

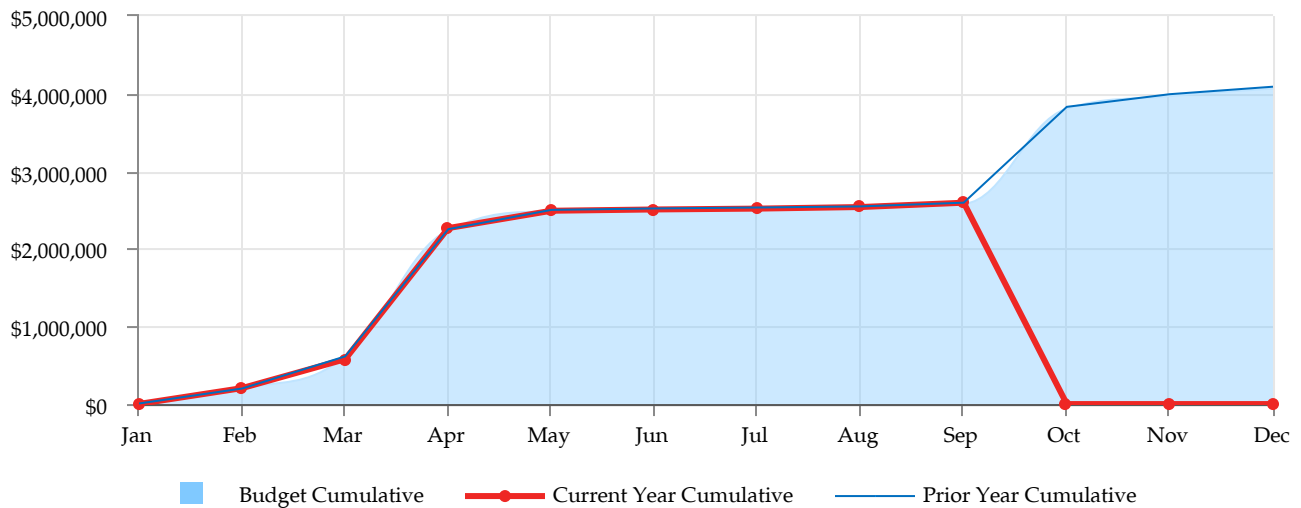
WASTEWATER REVENUE



Stormwater

The 3rd quarter cumulative operating assessments of \$2,594,931 is up \$15,768 over budget, and \$363 below prior year. This is consistent with prior years due to the timing of payments. 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.

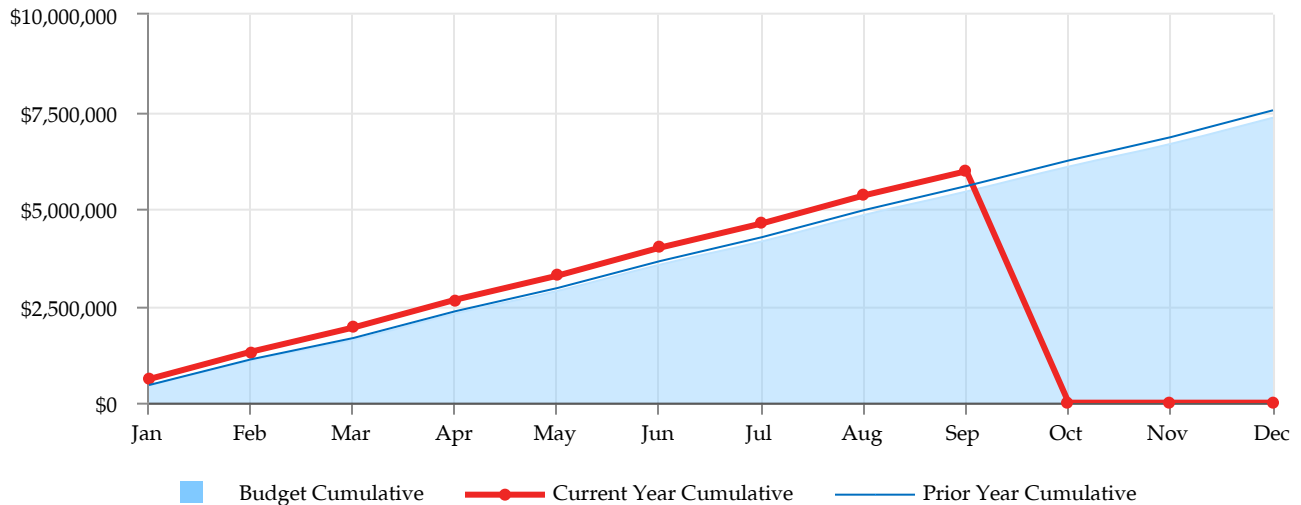
STORMWATER REVENUE



Refuse

The 3rd quarter cumulative automated residential revenue of \$6.0 million is up \$524,243 over budget and \$383,310 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 2023 budget.

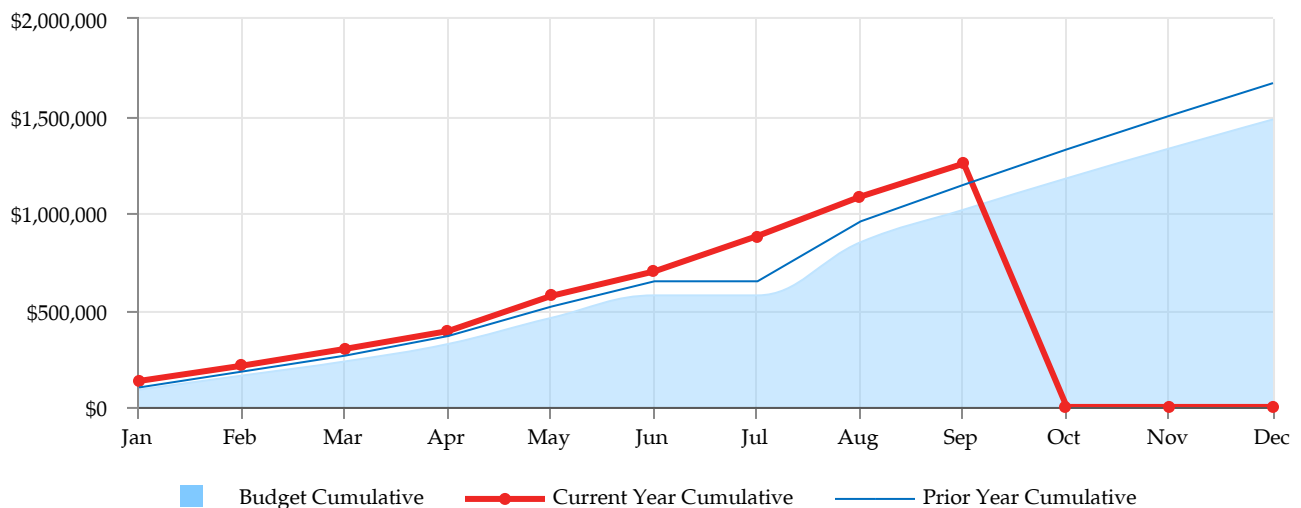
REFUSE REVENUE



Lodging Tax

The 3rd quarter cumulative revenue of \$1,254,477 is up \$237,690 over budget and up \$109,211 compared to prior year. The comparison of each month's revenue to the same month in prior year improved throughout 2022, and into the 3rd quarter of 2023.

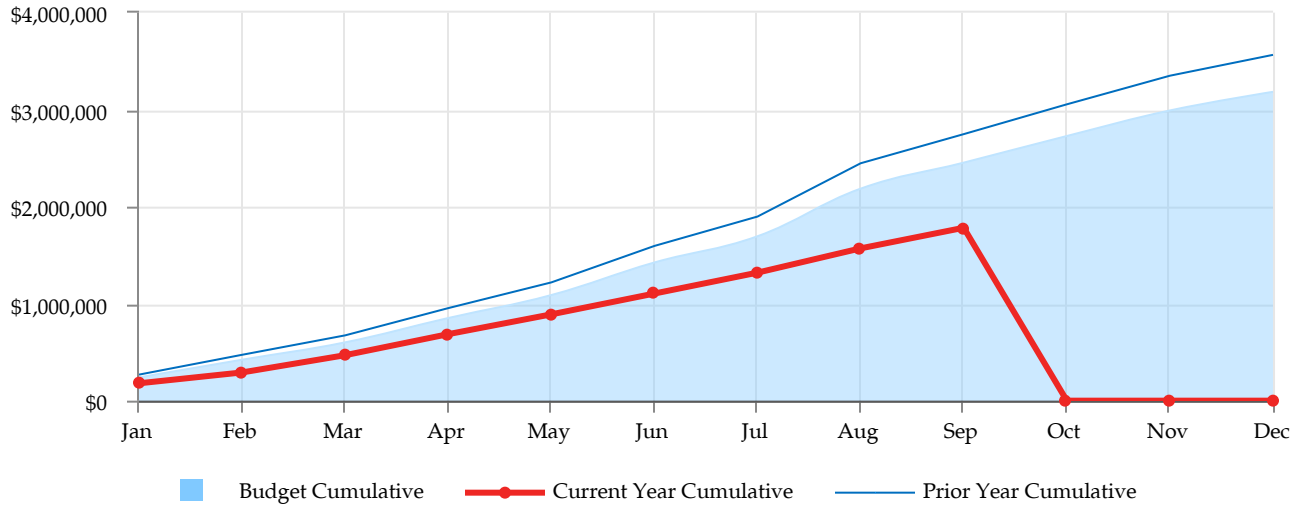
LODGING TAX REVENUE



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

The 3rd quarter cumulative revenue for REET continues to perform below expectations, with \$1,782,459 in revenue, which is \$671,561 under budget and \$965,343 below prior year. This is believed to be mostly due to higher mortgage rates and the ensuing drop in home sales activity.

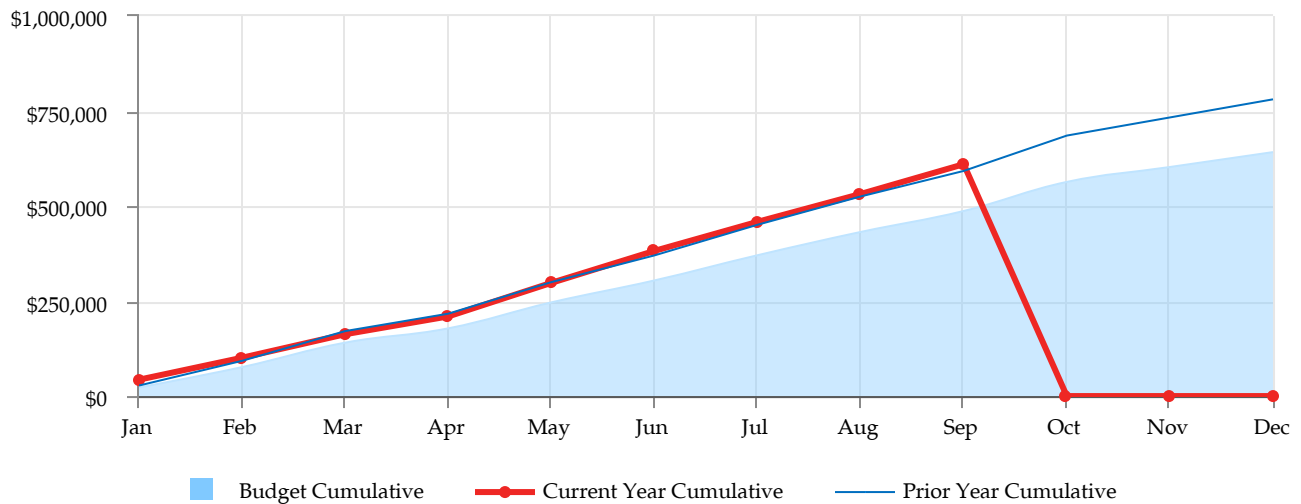
REET 1 / REET 2



Building Permits

After a slow start in 2022, the 3rd quarter cumulative revenues of \$610,162 are up \$123,071 over budget and up \$17,670 from 2022. Permit activity shows that there were 976 permits for 289 dwelling units in the 3rd quarter for 2023, compared with 554 permits for 437 dwelling units in 2022, with the difference in permit type mainly within the residential alteration category.

BUILDING PERMIT REVENUE



CITY-WIDE FUND BALANCE SUMMARY

CHANGE IN FUND BALANCE

	2023	As of September 30			% of	% Change
	Beginning	2023	2023	Ending	Amended	in Fund
	Balance	Actual Rev.	Actual Exp.	Balance	Budget	Balance
General Fund (001)	9,534,450	51,044,763	52,149,703	8,429,510	11.6%	(11.6)%
Criminal Justice (003)	1,457,735	2,422,651	3,048,618	831,768	21.9%	(42.9)%
Firemen's Relief & Pension (612)	1,587,704	597,884	808,171	1,377,417	129.1%	(13.2)%
General Fund Subtotal	\$ 12,579,889	\$ 54,065,298	\$ 56,006,492	\$ 10,638,695	13.7%	(15.4)%
Parks and Recreation	563,546	4,138,213	4,665,217	36,542	0.6%	(93.5)%
Street & Traffic Operations	1,537,274	3,617,192	3,583,986	1,570,480	23.9%	2.2%
General Government Subtotal	14,680,709	61,820,703	64,255,695	12,245,717	95.6%	(16.6)%
Other Governmental Operating Funds	8,229,941	12,845,198	14,279,268	6,795,871	17.3%	(17.4)%
Government Capital Funds	17,373,589	7,543,177	9,047,591	15,869,175	45.9%	(8.7)%
Enterprise Operating Funds	38,154,297	48,636,860	46,663,508	40,127,649	56.2%	5.2%
Enterprise Capital Funds	32,062,812	12,650,925	10,867,885	33,845,852	70.2%	5.6%
Internal Service Funds	6,320,400	7,671,163	7,388,471	6,603,092	43.4%	4.5%
Employee Benefit Reserve	4,914,861	12,312,388	13,339,564	3,887,685	21.1%	(20.9)%
Risk Management Reserves	6,544,818	4,381,509	3,780,896	7,145,431	108.9%	9.2%
Debt Service & Agency Funds	4,043,184	6,069,216	3,820,680	6,291,720	90.8%	55.6%
Total	\$ 132,324,611	\$ 173,931,139	\$ 173,443,558	\$ 132,812,192	52.4%	0.4%

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 11.6% at this point in time, which falls below Council policy of maintaining 16.7% of reserves. Staff and Council continue discussions to review options, new revenues or budget reductions to comply with reserve policies.

Note: Parks and Recreation revenues increased in 2023 due to a reallocation of property tax (from General Fund) for salaries and wages, mainly due to the minimum wage increase.

CITY WIDE REVENUES & EXPENDITURES BY FUND GROUPING

REVENUE COMPARISON

(Budget vs. Actual)

	2022			2023		
	Annual			Annual		
	Amended	Actual	%	Amended	Actual	%
	Budget	as of 9/30	Rec'd	Budget	as of 9/30	Rec'd
General Fund	\$ 70,544,525	\$ 50,160,641	71.1 %	\$ 72,887,325	\$ 54,065,301	74.2 %
Parks and Recreation	5,710,259	3,681,556	64.5 %	6,162,753	4,138,213	67.1 %
Street & Traffic Operations	6,478,808	3,659,082	56.5 %	6,415,663	3,617,192	56.4 %
General Government Subtotal	82,733,592	57,501,279	69.5 %	85,465,741	61,820,706	72.3 %
Other Government Operating Funds	46,513,849	23,623,690	50.8 %	38,566,372	12,845,198	33.3 %
Government Capital Funds	41,148,287	7,715,312	18.8 %	27,674,713	7,543,177	27.3 %
Enterprise Operating Funds	69,830,538	46,361,685	66.4 %	66,220,984	48,636,860	73.4 %
Enterprise Capital Funds	38,366,070	20,085,908	52.4 %	41,431,638	12,650,925	30.5 %
Internal Service Funds	12,049,036	7,009,323	58.2 %	10,922,133	7,671,163	70.2 %
Employee Benefit Reserves	17,700,231	11,377,224	64.3 %	19,440,071	12,312,388	63.3 %
Risk Management Reserve	5,873,577	4,622,730	78.7 %	5,438,458	4,381,509	80.6 %
Debt Service & Agency Funds	7,100,227	6,041,030	85.1 %	6,932,357	6,069,216	87.5 %
Total	\$ 321,315,407	\$ 184,338,181	57.4 %	\$ 302,092,467	\$ 173,931,142	57.6 %

EXPENDITURE COMPARISON

(Budget vs. Actual)

	2022			2023		
	Annual			Annual		
	Amended	Actual	%	Amended	Actual	%
	Budget	as of 9/30	Exp'd	Budget	as of 9/30	Exp'd
General Fund	\$ 72,847,262	\$ 47,087,357	64.6 %	\$ 77,848,701	\$ 56,006,490	71.9 %
Parks and Recreation	6,386,672	4,400,623	68.9 %	6,233,727	4,665,217	74.8 %
Street & Traffic Operations	6,567,056	3,878,435	59.1 %	6,573,038	3,583,986	54.5 %
General Government Subtotal	85,800,990	55,366,415	64.5 %	90,655,466	64,255,693	70.9 %
Other Government Operating Funds	38,743,539	11,859,468	30.6 %	39,378,284	14,279,268	36.3 %
Government Capital Funds	37,008,593	6,155,883	16.6 %	34,602,636	9,047,591	26.1 %
Enterprise Operating Funds	75,163,417	49,713,838	66.1 %	71,415,764	46,663,508	65.3 %
Enterprise Capital Funds	58,471,085	22,551,575	38.6 %	48,211,297	10,867,885	22.5 %
Internal Service Funds	13,124,430	6,900,687	52.6 %	15,198,437	7,388,471	48.6 %
Employee Benefit Reserves	17,265,080	13,203,855	76.5 %	18,468,153	13,339,564	72.2 %
Risk Management Reserve	5,555,497	3,949,897	71.1 %	6,560,714	3,780,896	57.6 %
Debt Service & Agency Funds	7,100,520	3,773,642	53.1 %	6,931,848	3,820,680	55.1 %
Total	\$ 338,233,151	\$ 173,475,260	51.3 %	\$ 331,422,599	\$ 173,443,556	52.3 %

GENERAL GOVERNMENT REVENUE DETAIL

GENERAL GOVERNMENT REVENUES

General Fund	Revenues as of September 30			2023	2023
	2021	2022	2023	Amended Budget	Percent Rec'd
Property Tax	\$ 5,435,773	\$ 5,586,234	\$ 5,555,647	\$ 9,005,763	61.7 %
General Sales Tax	16,205,745	16,818,458	17,369,591	24,247,000	71.6 %
Criminal Justice Sales Tax	3,695,973	3,747,639	3,882,472	5,207,000	74.6 %
Utility & Franchise Taxes	15,144,105	14,895,934	16,610,149	20,334,354	81.7 %
Other Taxes	606,089	690,506	722,400	1,112,400	64.9 %
Licenses and Permits	1,192,787	1,363,007	1,489,175	1,908,700	78.0 %
Intergovernmental Revenues	2,888,413	3,019,200	2,443,297	4,837,162	50.5 %
Charges for Services	2,655,501	2,191,064	2,363,623	3,105,310	76.1 %
Fines and Forfeitures	1,061,170	885,810	1,084,053	1,291,000	84.0 %
Other Revenue	824,901	962,790	2,544,894	1,838,636	138.4 %
Total General Fund	49,710,457	50,160,642	54,065,301	72,887,325	74.2 %
Parks & Recreation					
Property Tax	1,610,423	1,547,131	1,853,186	3,173,716	58.4 %
Intergovernmental Revenues	33,756	26,544	36,653	64,830	56.5 %
Charges for Services	547,114	731,500	720,389	907,615	79.4 %
Other Revenue	1,340,729	1,376,382	1,527,985	2,016,592	75.8 %
Total Parks & Recreation	3,532,022	3,681,557	4,138,213	6,162,753	67.1 %
Streets					
Property Tax	2,569,704	2,547,240	2,569,234	4,400,000	58.4 %
Intergovernmental Revenues	1,024,582	1,072,913	1,042,005	1,488,000	70.0 %
Charges for Services	254,970	3,182	1,800	527,663	0.3 %
Other Revenue	41,627	35,747	4,153	—	n/a
Total Streets	3,890,883	3,659,082	3,617,192	6,415,663	56.4 %
Total General Government	\$ 57,133,362	\$ 57,501,281	\$ 61,820,706	\$ 85,465,741	72.3 %

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

GENERAL GOVERNMENT EXPENDITURE DETAIL

GENERAL FUND EXPENDITURE DETAIL

General Fund	Expenditures as of September 30			2023 Amended	Percent
	2021	2022	2023	Budget	Exp'd
Police	\$ 20,545,721	\$ 21,351,872	\$ 26,178,205	\$ 34,679,354	75.5 %
Fire	11,577,232	12,236,912	14,381,199	18,547,280	77.5 %
Information Technology	2,723,881	2,687,686	2,714,761	4,657,840	58.3 %
Finance	1,746,601	1,895,517	1,897,629	2,684,943	70.7 %
Legal	1,394,455	1,534,361	1,643,425	2,332,556	70.5 %
Municipal Court	1,215,001	1,216,233	1,552,101	2,192,980	70.8 %
Code Administration	1,353,862	1,280,714	1,151,705	2,832,913	40.7 %
Indigent Defense	825,238	857,174	1,180,591	1,500,000	78.7 %
Human Resources	525,735	547,454	646,867	1,303,967	49.6 %
Engineering	599,800	608,717	750,208	1,104,257	67.9 %
Firemen's Relief/Pension	825,266	789,046	808,171	1,066,840	75.8 %
Planning	550,254	523,036	463,346	956,252	48.5 %
City Clerk/Records	365,038	392,329	516,114	839,064	61.5 %
City Management	600,136	570,679	469,382	711,898	65.9 %
Police Pension	531,988	481,947	628,978	812,130	77.4 %
Economic Development	227,414	341,764	355,559	599,493	59.3 %
City Hall Facility	274,995	306,556	351,949	515,704	68.2 %
Purchasing	312,833	327,090	282,874	486,136	58.2 %
City Council	188,426	192,011	215,665	284,813	75.7 %
Intergovernmental	102,083	127,741	115,650	137,189	84.3 %
Interfund Distributions ¹	(1,026,080)	(1,242,579)	(297,681)	(396,908)	75.0 %
Parking ²	82,326	61,098	(208)	—	n/a
Clean City Fund ³	1,800	—	—	—	n/a
Total General Fund	45,544,005	47,087,358	56,006,490	77,848,701	71.9 %

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. These numbers can vary dependent upon the timing of the City Services Reimbursements and transfers out.

² Parking was moved into the Police department as of 2023. A final journal entry will be done for 2023 once all reoccurring charges have expired.

³ 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	2023	As of September 30			% Change in Fund Balance
	Beginning Balance	2023 Actual Rev.	2023 Actual Exp.	Ending Balance	
Neighborhood Development	1,204,804	228,802	1,134,525	299,081	(75.2)%
Community Relations	778,111	431,004	462,796	746,319	(4.1)%
Clean City Program	269,222	639,621	504,035	404,808	50.4%
Cemetery	192,236	278,910	292,916	178,230	(7.3)%
Emergency Services ¹	204,613	1,032,332	1,375,405	(138,460)	(167.7)%
Public Safety Communication	1,623,079	3,162,478	3,088,565	1,696,992	4.6%
Police Grants	948,530	110,960	86,245	973,245	2.6%
PBIA (Park/Bus Improvement Area)	77,990	174,790	93,084	159,696	104.8%
Trolley	42,535	9,369	1,780	50,124	17.8%
Front Street Bus Improvement Area	8,013	3,080	1,733	9,360	16.8%
Convention & Event Center	716,785	1,539,041	1,550,429	705,397	(1.6)%
Capitol Theatre	102,725	325,792	309,157	119,360	16.2%
PFD - Convention Center	1,204,762	799,995	1,132,698	872,059	(27.6)%
Tourism Promotion Area	143,220	770,834	770,834	143,220	—%
PFD - Capitol Theatre	645,616	606,050	677,938	573,728	(11.1)%
American Rescue Plan Act (ARPA) ²	67,700	2,732,140	2,797,128	2,712	(96.0)%
Total Other Gov't Operating Funds	\$ 8,229,941	\$ 12,845,198	\$ 14,279,268	\$ 6,795,871	(17.4)%

GOVERNMENTAL CAPITAL FUNDS

Fund	2023	As of September 30			% Change in Fund Balance
	Beginning Balance	2023 Actual Rev.	2023 Actual Exp.	Ending Balance	
Central Bus District Capital	55,024	—	—	55,024	—%
Capitol Theatre Construction ³	86,977	213,275	336,401	(36,149)	(141.6)%
Yakima Redevelopment Area	330,542	674,682	365,559	639,665	93.5%
Parks & Recreation Capital	12,181	723,158	641,763	93,576	668.2%
Fire Capital	510,237	120,500	28,409	602,328	18.0%
Law and Justice Capital	1,431,977	375,540	883,612	923,905	(35.5)%
Public Works Trust Construction	4,323,052	954,565	1,864,896	3,412,721	(21.1)%
REET 2 Capital	1,535,139	891,230	1,359,251	1,067,118	(30.5)%
Street Capital	4,281,860	1,268,777	584,510	4,966,127	16.0%
Street Overlay & Reconstruction	2,719,374	1,710,484	2,668,575	1,761,283	(35.2)%
Conv & Event Center Cap Impr	1,758,805	597,385	183,105	2,173,085	23.6%
Reserve for Capital Improvement	328,421	13,581	131,510	210,492	(35.9)%
Total Gov't Capital Funds	\$ 17,373,589	\$ 7,543,177	\$ 9,047,591	\$ 15,869,175	(8.7)%

¹ Emergency Services fund balance can go negative due to the timing of Property Tax receipts.

² 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. The fund balance can become negative due to the timing of journal entries, as expenditures are only accounted for as the revenue is spent.

³ The Capitol Theatre Construction fund balance is negative due to the timing of a grant payment. This will correct next quarter.

ENTERPRISE OPERATING FUNDS

Fund	2023	As of September 30			% Change
	Beginning	2023	2023	Ending	in Fund
	Balance	Actual Rev.	Actual Exp.	Balance	Balance
Airport Operating	\$ 1,156,059	\$ 924,595	\$ 1,075,266	\$ 1,005,388	(13.0)%
Stormwater Operating	1,089,237	3,365,445	2,497,375	1,957,307	79.7%
Transit Operating	10,754,520	7,109,593	6,726,169	11,137,944	3.6%
Refuse	4,343,235	7,327,233	6,516,628	5,153,840	18.7%
Wastewater Operating	11,793,966	18,996,297	18,401,797	12,388,466	5.0%
Water Operating	7,698,591	9,359,796	9,590,398	7,467,989	(3.0)%
Irrigation	1,318,689	1,553,901	1,855,875	1,016,715	(22.9)%
Total Enterprise Operating Funds	\$ 38,154,297	\$ 48,636,860	\$ 46,663,508	\$ 40,127,649	5.2%

ENTERPRISE CAPITAL FUNDS

Fund	2023	As of September 30			% Change
	Beginning	2023	2023	Ending	in Fund
	Balance	Actual Rev.	Actual Exp.	Balance	Balance
Airport Capital	\$ 597,238	\$ 56,981	\$ 618,081	\$ 36,138	(93.9)%
Stormwater Capital	5,418,295	493,167	404,617	5,506,845	1.6%
Transit Capital	3,492,382	3,503,714	3,765,475	3,230,621	(7.5)%
Wastewater Facilities Capital	5,570,122	739,917	1,436,843	4,873,196	(12.5)%
Wastewater Construction Capital	10,448,673	1,755,676	1,001,267	11,203,082	7.2%
Wastewater Capital	1,880,884	1,880,676	1,355,559	2,406,001	27.9%
Water Capital	5,835,538	2,733,904	162,656	8,406,786	44.1%
Irrigation Capital ⁴	(1,180,320)	1,486,890	2,123,387	(1,816,817)	53.9%
Total Enterprise Capital Funds	\$ 32,062,812	\$ 12,650,925	\$ 10,867,885	\$ 33,845,852	5.6%

INTERNAL SERVICE FUNDS

Fund	2023	As of September 30			% Change
	Beginning	2023	2023	Ending	in Fund
	Balance	Actual Rev.	Actual Exp.	Balance	Balance
Equipment Rental	\$ 4,946,674	\$ 4,464,231	\$ 4,030,083	\$ 5,380,822	8.8%
Environmental	289,858	203,843	200,750	292,951	1.1%
Public Works Administration	609,463	1,075,087	971,586	712,964	17.0%
Utility Services	474,405	1,928,002	2,186,052	216,355	(54.4)%
Total Enterprise Operating Funds	\$ 6,320,400	\$ 7,671,163	\$ 7,388,471	\$ 6,603,092	4.5%

⁴ An expected grant for the Nelson Dam was not received, leaving the Irrigation Capital fund balance negative. This situation will be reviewed for correction at year-end, when numbers are final, with an interfund loan the likely resolution.

EMPLOYEE BENEFIT RESERVES

Fund	2023	As of September 30			% Change in Fund Balance
	Beginning Balance	2023 Actual Rev.	2023 Actual Exp.	Ending Balance	
Unemployment Comp Reserve	\$ 421,757	\$ 208,474	\$ 134,698	\$ 495,533	17.5%
Employees Health Ben Reserve	4,170,588	10,024,264	10,575,349	3,619,503	(13.2)%
Worker's Comp Reserve ⁵	135,065	2,079,650	2,594,785	(380,070)	(381.4)%
Wellness/EAP	187,451	—	34,732	152,719	(18.5)%
Total Employee Benefit Reserve	\$ 4,914,861	\$ 12,312,388	\$ 13,339,564	\$ 3,887,685	(20.9)%

RISK MANAGEMENT RESERVE

Fund	2023	As of September 30			% Change in Fund Balance
	Beginning Balance	2023 Actual Rev.	2023 Actual Exp.	Ending Balance	
Risk Management Reserve	\$ 6,544,818	\$ 4,381,509	\$ 3,780,896	\$ 7,145,431	9.2%

DEBT SERVICE & AGENCY FUNDS

Fund	2023	As of September 30			% Change
	Beginning	2023	2023	Ending	in Fund
	Balance	Actual Rev.	Actual Exp.	Balance	Balance
GO Bond Redemption					
2002 GO Convention Center	\$ 223,141	\$ 1,057,034	\$ 309,534	\$ 970,641	335.0 %
2005 GO Various Bonds ⁶	17,626	1,887,009	2,218,332	(313,697)	n/a
Total GO Bond Redemption	\$ 240,767	\$ 2,944,043	\$ 2,527,866	\$ 656,944	172.9 %
Water/Sewer Revenue Bond Redemption					
WW Rev Bond & 2008 Debt Service	\$ 14,072	\$ 287,100	\$ 22,000	\$ 279,172	n/a
Irrigation Bond Debt Service	28,827	207,450	34,000	202,277	601.7 %
WW Rev Bond Rsv & 2012 Debt Svc	1,613,482	873,600	14,933	2,472,149	53.2 %
Total W/S Rev Bond Redemption	\$ 1,656,381	\$ 1,368,150	\$ 70,933	\$ 2,953,598	78.3 %
Agency Funds					
YakCorps	\$ 1,109,166	\$ 673,166	\$ 275,090	\$ 1,507,242	35.9 %
Custodial Fund	307,761	1,068,719	937,791	438,689	42.5 %
Cemetery Trust	729,109	15,138	9,000	735,247	0.8 %
Total Agency Funds	\$ 2,146,036	\$ 1,757,023	\$ 1,221,881	2,681,178	24.9 %
Total Debt Service & Agency Funds	\$ 4,043,184	\$ 6,069,216	\$ 3,820,680	\$ 6,291,720	55.6 %

----- End of Report -----

⁵ The Workers Compensation fund experienced greater claim activity in 2022, which was corrected by an increase in rates for 2023. However, claims are currently at 75% in the third quarter of 2023. Rates have been increased for 2024, and this situation continues to be monitored.

⁶ Fund balance may be negative due to the timing in interest accrual payments. These numbers should correct by year-end.