



## 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:** August 15, 2023

**Subject:** 2023 2nd Quarter Financial Update

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This financial update is a preliminary, unaudited, report for the 2nd quarter ended June 30, 2023, two quarters, or 50% of the year, intended to inform and assist governance decisions for future planning. In total, city revenues are at 40.5% of budget and expenditures are at 36.7% of budget. The timing of certain revenue payments and Capital fund expenditures are normally the biggest reasons that revenues and expenditures are below 50% 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 103.1% of the second quarter last year, and currently exceeding budgeted amounts by 22.5%.

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 11.8%, with general auto repair services remaining the largest contributor.
  - Construction is currently showing an increase of 9.2% over last year, with new single-family and multi family housing construction being the major components.
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- Accommodations and food services are up 8.1%, generally split between all areas, likely due to inflation.
- The Wholesale category is currently at 6.7%, with the largest increases in industrial machinery equipment.
- Miscellaneous other is at (3.5%), mainly due to a surge in Healthcare and Social Assistance in the first quarter of 2023.

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 21.5% from budgeted amounts in the 2nd 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 50.5%. The most significant variances are:

- Other Revenue - mainly investment and sales tax interest - is at 70.1% in the 2nd quarter, normal for this time of year, due the the timing of incoming revenues.
- Property Tax is at 57.6% in the 2nd 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.
- Utility and Franchise taxes are currently at 53.8% of the Amended Budget, most likely due to the timing of utility payments and rate increases for 2023.
- Other Taxes, consisting of mainly gambling taxes, are at 38.0%, which is normal in the 2nd quarter, also due to the timing of incoming revenue payments.

General Fund Expenditures in total are at 50.6%. The most significant variances are:

- Intergovernmental revenues (71.8%) are above 50% mainly due to the timing of payments.
- Police Pension is at 78.6% due to the Collective Bargaining Agreement (CBA) adjustment posted in January.
- Firemen's Relief/Pension is at 59.0%, also due to CBA adjustments in the first quarter.
- Information Technology, Code Administration, Human Resources, Planning and City Council are currently under 40% 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, was negatively affected by the downturn in the fair value rate for investment interest at the end of the year. The City of Yakima is required by General Accepted Accounting Principles (GAAP) to report investments at fair market value.

In the 2nd quarter of 2023, the General Fund balance is continuing to erode, with a reduction of \$1.3 million. This amount is likely to change as the year progresses, but is an indicator of what is currently trending.

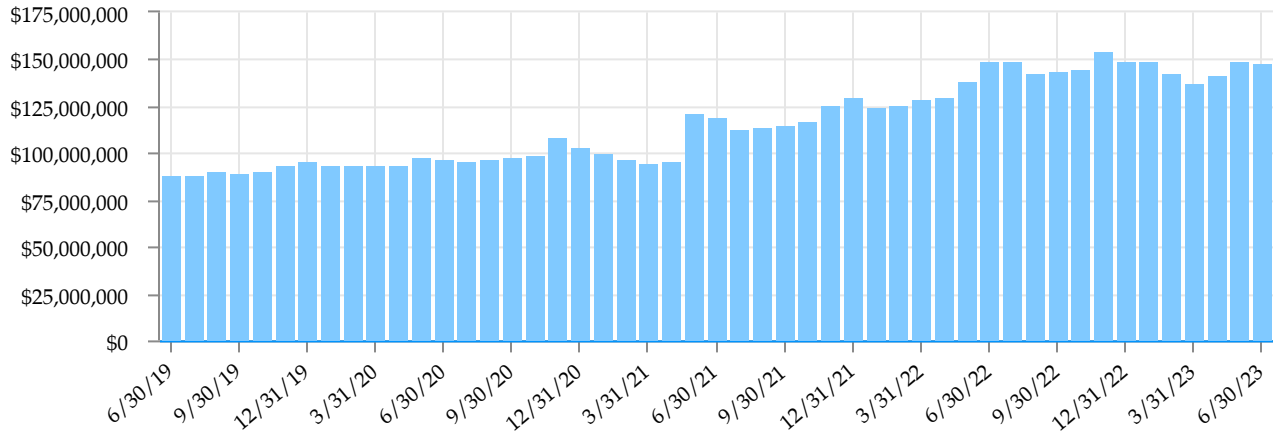
# CASH POSITION AND REVENUE UPDATE

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 June at \$147.9 million. Each month is best compared to the same month in previous years to account for seasonality and other annual events.

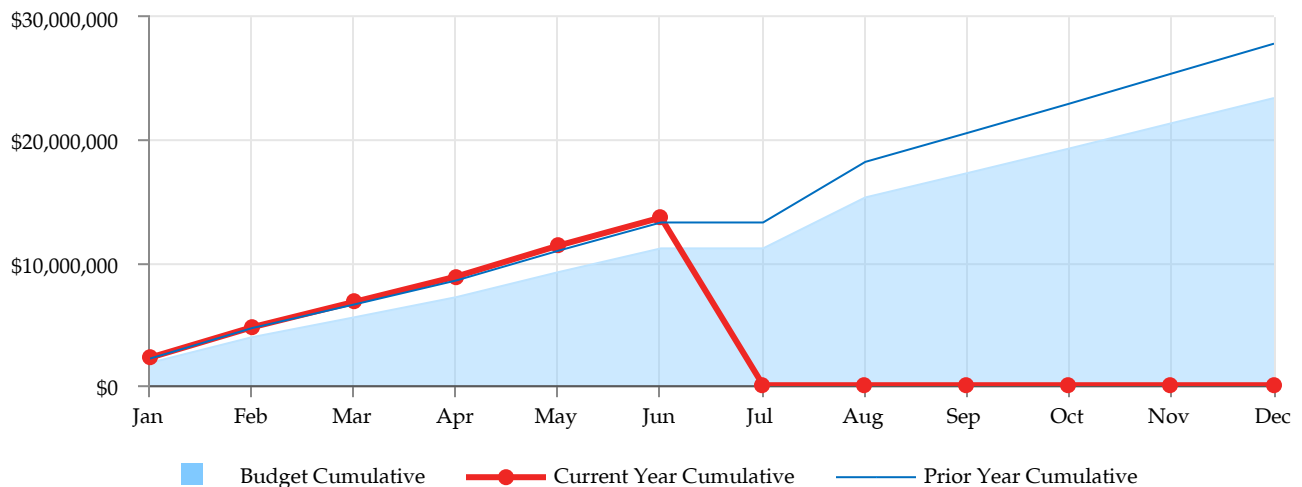
CASH AND INVESTMENTS HISTORY



## Sales Tax

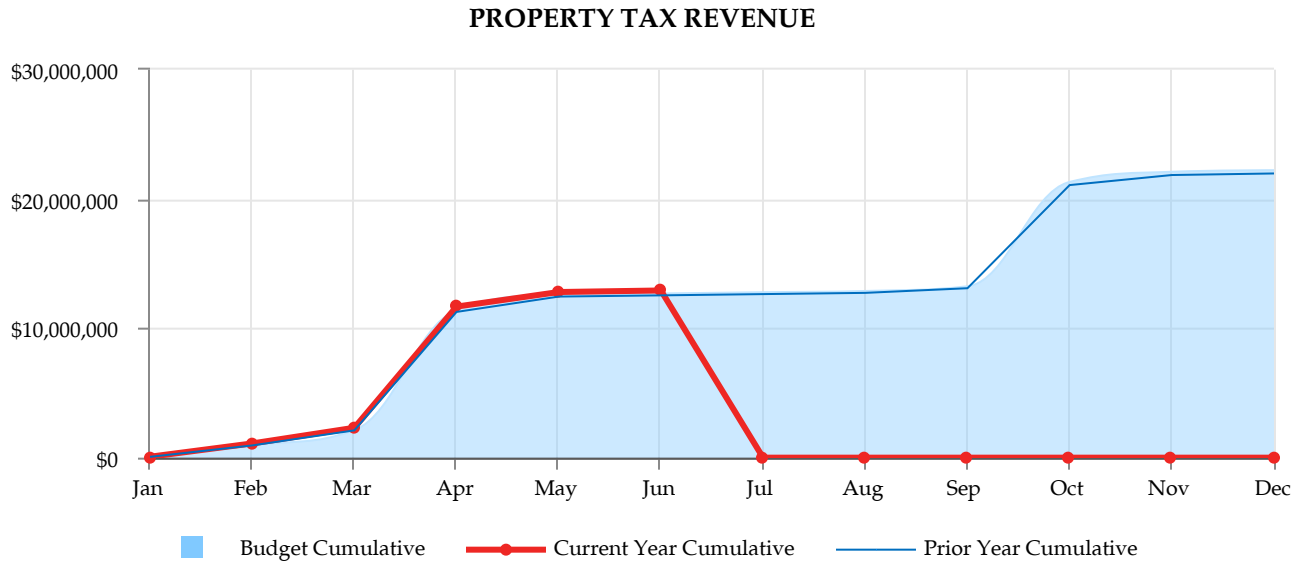
This is the largest single funding source for the city. The 2nd quarter city-wide cumulative revenue of \$13.7 million exceeds the cumulative budget by \$2.5 million or 22.5% and is greater than prior year by \$399,640. The city receives sales tax from the State on a 2-month lag from the actual point-of-sale transactions so these figures are for actual transactions through April. 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



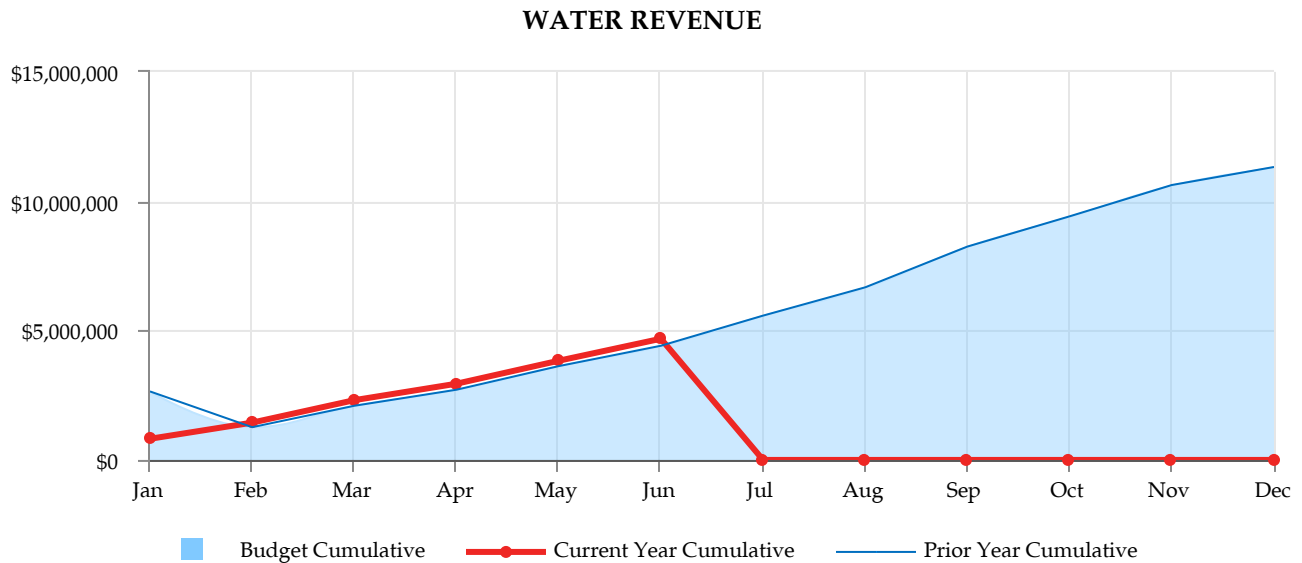
## Property Tax

The 2nd 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

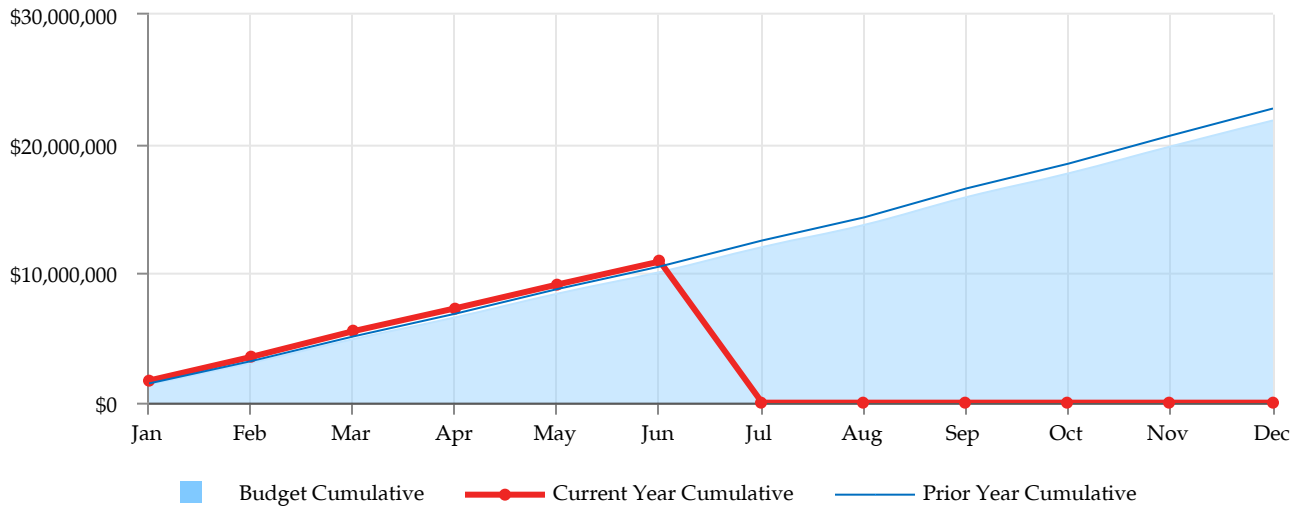
The 2nd quarter cumulative water operating revenue of \$4.7 million through June is above budget by \$280,519. A rate increase of 5% went into effect in January of 2023. January 2022 was overstated, as there was a billing error in January that was corrected in February.



## Wastewater

The 2nd quarter cumulative wastewater operating revenue of \$10.9 million is up \$814,702 over budget and \$386,577 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.

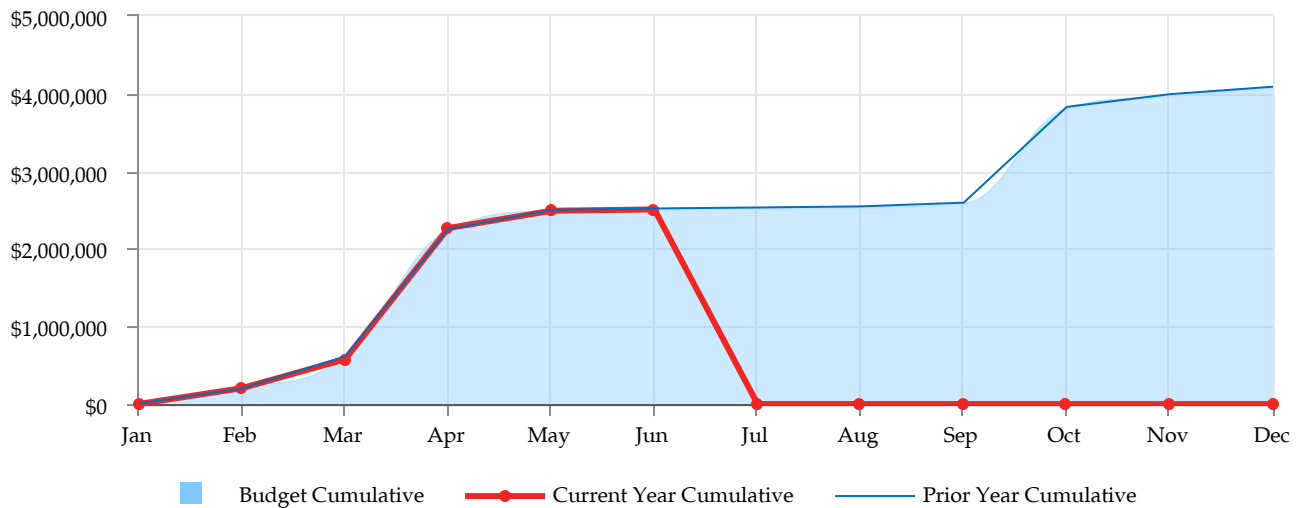
### WASTEWATER REVENUE



## Stormwater

The 2nd quarter cumulative operating assessments of \$2,507,807 is up \$2,809 over budget, and \$12,858 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.

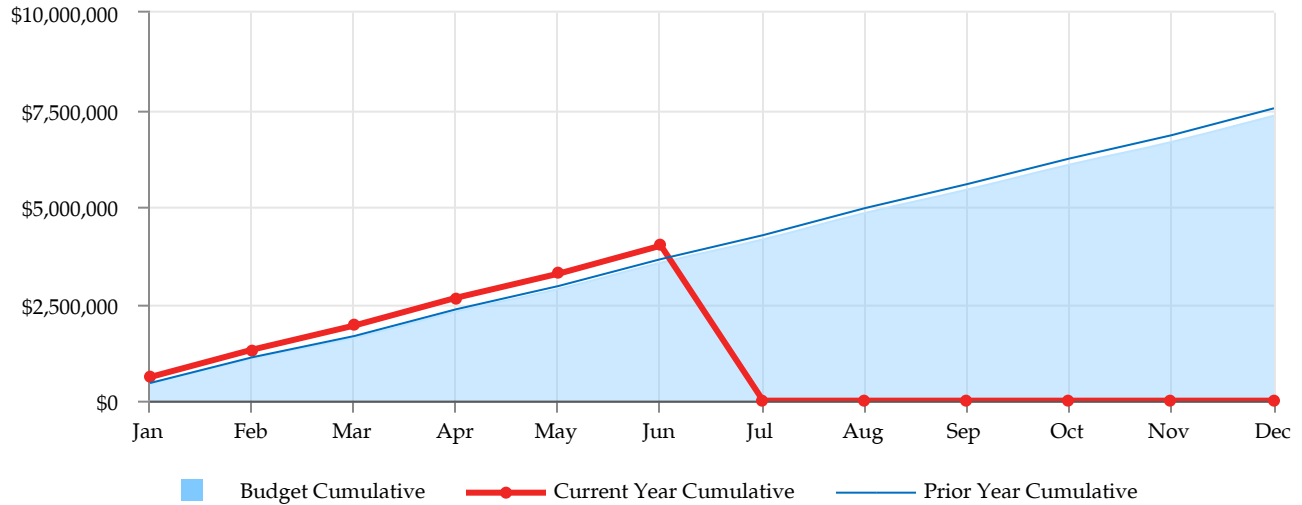
### STORMWATER REVENUE



## Refuse

The 2nd quarter cumulative automated residential revenue of \$4.0 million is up \$438,763 over budget and \$346,669 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.

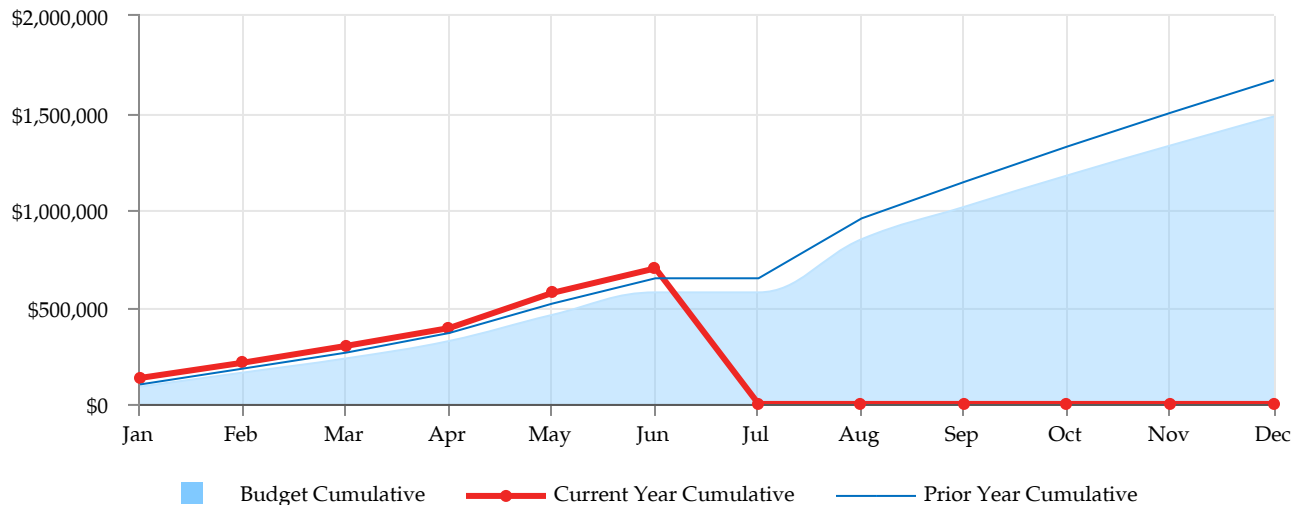
**REFUSE REVENUE**



## Lodging Tax

The 2nd quarter cumulative revenue of \$698,887 is up \$123,892 over budget and up \$51,237 compared to prior year. The comparison of each month's revenue to the same month in prior year improved throughout 2022, and into the 2nd quarter of 2023, showing steady improvement.

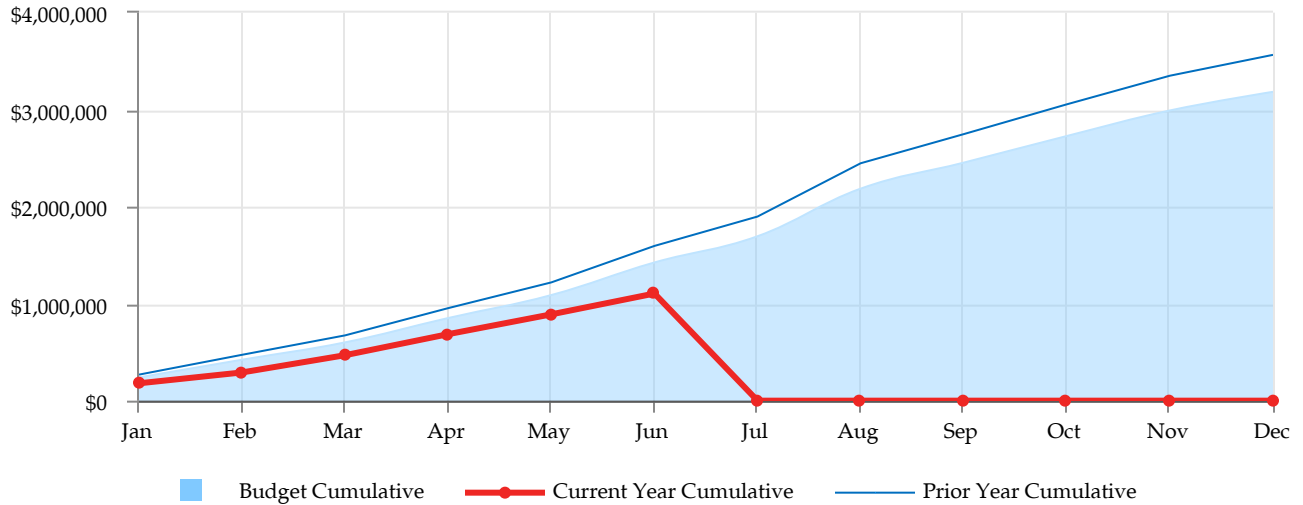
**LODGING TAX REVENUE**



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

The 2nd quarter cumulative revenue for REET of \$1,104,491 is \$320,264 under budget and \$490,828 below prior year, which it is believed is due to higher mortgage rates and the ensuing drop in home sales activity.

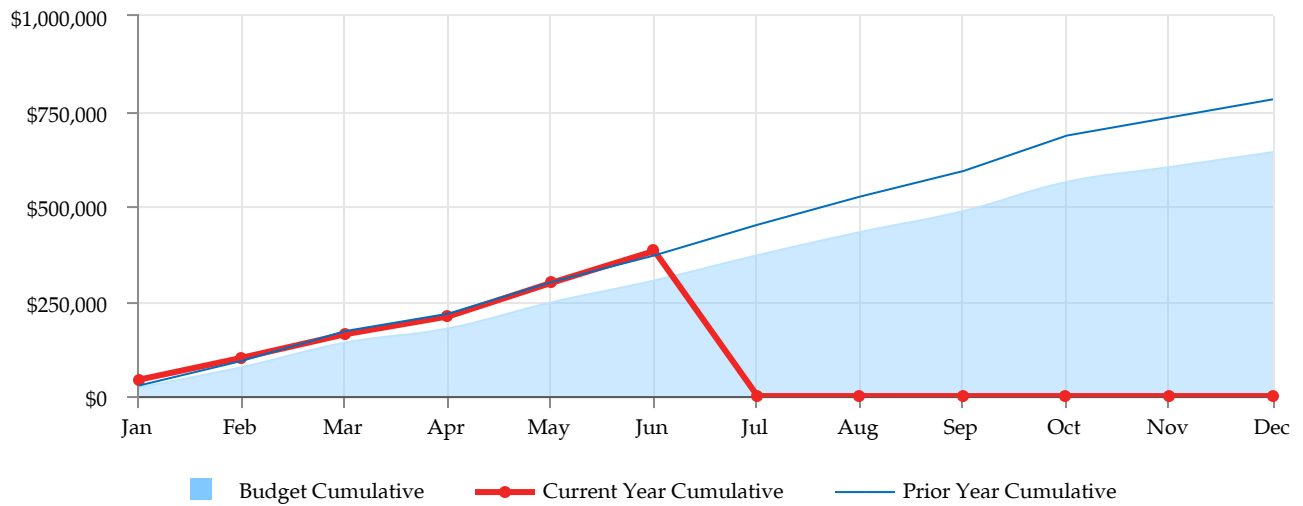
**REET 1 / REET 2**



**Building Permits**

After a slow start in 2022, the 2nd quarter cumulative revenues of \$382,046 are up \$77,713 over budget and up \$11,858 from 2022. Permit activity shows that there were 637 permits for 157 dwelling units in the 2nd quarter for 2023, compared with 513 permits for 189 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 June 30			% of	% Change
	Beginning	2023	2023	Ending	Amended	in Fund
	Balance	Actual Rev.	Actual Exp.	Balance	Budget	Balance
General Fund (001)	9,534,450	34,351,493	35,328,930	8,557,013	12.2%	(10.3)%
Criminal Justice (003)	1,457,735	1,553,044	1,864,321	1,146,458	30.5%	(21.4)%
Firemen's Relief & Pension (612)	1,587,704	578,356	570,303	1,595,757	165.0%	0.5%
<b>General Fund Subtotal</b>	<b>\$ 12,579,889</b>	<b>\$ 36,482,893</b>	<b>\$ 37,763,554</b>	<b>\$ 11,299,228</b>	<b>15.1%</b>	<b>(10.2)%</b>
Parks and Recreation	563,546	3,274,575	2,587,137	1,250,984	20.1%	122.0%
Street & Traffic Operations	1,537,274	3,127,693	2,569,813	2,095,154	31.9%	36.3%
<b>General Government Subtotal</b>	<b>14,680,709</b>	<b>42,885,161</b>	<b>42,920,504</b>	<b>14,645,366</b>	<b>114.5%</b>	<b>(0.2)%</b>
Other Governmental Operating Funds	8,229,941	9,662,473	10,014,319	7,878,095	20.1%	(4.3)%
Government Capital Funds	17,373,589	4,429,288	4,770,962	17,031,915	57.9%	(2.0)%
Enterprise Operating Funds	31,675,625	31,418,073	30,881,127	32,212,571	45.4%	1.7%
Enterprise Capital Funds	79,869,102	9,635,874	7,628,253	81,876,723	175.6%	2.5%
Internal Service Funds	7,718,292	5,169,614	5,290,631	7,597,275	54.2%	(1.6)%
Employee Benefit Reserve	4,512,663	7,950,670	8,716,980	3,746,353	21.7%	(17.0)%
Risk Management Reserves	6,748,375	3,017,878	3,238,953	6,527,300	100.8%	(3.3)%
Debt Service & Agency Funds	7,294,958	4,514,004	3,470,927	8,338,035	122.0%	14.3%
<b>Total</b>	<b><u>\$178,103,254</u></b>	<b><u>\$118,683,035</u></b>	<b><u>\$116,932,656</u></b>	<b><u>\$179,853,633</u></b>	<b>73.8%</b>	<b>1.0%</b>

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 12.2% at this point in time, which falls below Council policy of maintaining 16.7% of reserves. Staff and Council continue budget 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	Actual	%	Annual	Actual	%
	Amended			Amended		
	Budget	as of 6/30	Rec'd	Budget	as of 6/30	Rec'd
General Fund	\$ 70,544,525	\$ 33,981,029	48.2 %	\$ 72,222,571	\$ 36,482,893	50.5 %
Parks and Recreation	5,710,259	2,695,722	47.2 %	6,162,753	3,274,575	53.1 %
Street & Traffic Operations	6,478,808	3,162,140	48.8 %	6,415,663	3,127,693	48.8 %
<b>General Government Subtotal</b>	<b>82,733,592</b>	<b>39,838,891</b>	<b>48.2 %</b>	<b>84,800,987</b>	<b>42,885,161</b>	<b>50.6 %</b>
Other Government Operating Funds	46,513,849	20,204,317	43.4 %	38,566,372	9,662,473	25.1 %
Government Capital Funds	41,148,287	3,990,240	9.7 %	22,260,559	4,429,288	19.9 %
Enterprise Operating Funds	69,830,538	29,526,062	42.3 %	66,220,984	31,418,073	47.4 %
Enterprise Capital Funds	38,366,070	13,138,211	34.2 %	39,855,154	9,635,874	24.2 %
Internal Service Funds	12,049,036	4,528,741	37.6 %	10,762,133	5,169,614	48.0 %
Employee Benefit Reserves	17,700,231	7,600,814	42.9 %	18,292,441	7,950,670	43.5 %
Risk Management Reserve	5,873,577	3,104,411	52.9 %	5,438,458	3,017,878	55.5 %
Debt Service & Agency Funds	7,100,227	4,634,401	65.3 %	6,837,743	4,514,004	66.0 %
<b>Total</b>	<b>\$ 321,315,407</b>	<b>\$ 126,566,088</b>	<b>39.4 %</b>	<b>\$ 293,034,831</b>	<b>\$ 118,683,035</b>	<b>40.5 %</b>

### EXPENDITURE COMPARISON

(Budget vs. Actual)

	2022			2023		
	Annual	Actual	%	Annual	Actual	%
	Amended			Amended		
	Budget	as of 6/30	Exp'd	Budget	as of 6/30	Exp'd
General Fund	\$ 72,847,262	\$ 31,290,826	43.0 %	\$ 74,686,655	\$ 37,763,554	50.6 %
Parks and Recreation	6,386,672	2,652,649	41.5 %	6,233,727	2,587,137	41.5 %
Street & Traffic Operations	6,567,056	2,665,539	40.6 %	6,558,038	2,569,813	39.2 %
<b>General Government Subtotal</b>	<b>85,800,990</b>	<b>36,609,014</b>	<b>42.7 %</b>	<b>87,478,420</b>	<b>42,920,504</b>	<b>49.1 %</b>
Other Government Operating Funds	38,743,539	7,684,948	19.8 %	39,186,051	10,014,319	25.6 %
Government Capital Funds	37,008,593	3,783,876	10.2 %	29,412,187	4,770,962	16.2 %
Enterprise Operating Funds	75,163,417	33,554,413	44.6 %	70,983,688	30,881,127	43.5 %
Enterprise Capital Funds	58,471,085	7,539,667	12.9 %	46,634,813	7,628,253	16.4 %
Internal Service Funds	13,124,430	4,713,644	35.9 %	14,021,923	5,290,631	37.7 %
Employee Benefit Reserves	17,265,080	8,614,058	49.9 %	17,272,153	8,716,980	50.5 %
Risk Management Reserve	5,555,497	3,319,001	59.7 %	6,477,822	3,238,953	50.0 %
Debt Service & Agency Funds	7,100,520	3,451,915	48.6 %	6,837,234	3,470,927	50.8 %
<b>Total</b>	<b>\$ 338,233,151</b>	<b>\$ 109,270,536</b>	<b>32.3 %</b>	<b>\$ 318,304,291</b>	<b>\$ 116,932,656</b>	<b>36.7 %</b>

# GENERAL GOVERNMENT REVENUE DETAIL

## GENERAL GOVERNMENT REVENUES

General Fund	Revenues as of June 30			2023	2023
	2021	2022	2023	Amended Budget	Percent Rec'd
Property Tax	\$ 5,164,793	\$ 5,342,593	\$ 5,311,816	\$ 9,229,468	57.6 %
General Sales Tax	10,343,662	10,841,479	11,175,424	24,247,000	46.1 %
Criminal Justice Sales Tax	2,110,294	2,423,548	2,489,243	5,207,000	47.8 %
Utility & Franchise Taxes	10,141,099	9,784,175	10,945,543	20,334,354	53.8 %
Other Taxes	301,478	348,543	422,487	1,112,400	38.0 %
Licenses and Permits	805,960	890,527	968,992	1,908,700	50.8 %
Intergovernmental Revenues	14,717,128	1,928,669	1,741,077	3,948,703	44.1 %
Charges for Services	3,673,933	1,418,231	1,506,947	3,105,310	48.5 %
Fines and Forfeitures	659,023	589,894	632,453	1,291,000	49.0 %
Other Revenue	581,245	413,370	1,288,911	1,838,636	70.1 %
<b>Total General Fund</b>	<b>48,498,615</b>	<b>33,981,029</b>	<b>36,482,893</b>	<b>72,222,571</b>	<b>50.5 %</b>
<b>Parks &amp; Recreation</b>					
Property Tax	1,536,122	1,485,575	1,775,716	3,173,716	56.0 %
Intergovernmental Revenues	5,958	26,166	11,915	64,830	18.4 %
Charges for Services	333,933	464,129	457,573	907,615	50.4 %
Other Revenue	1,094,676	719,852	1,029,371	2,016,592	51.0 %
<b>Total Parks &amp; Recreation</b>	<b>2,970,689</b>	<b>2,695,722</b>	<b>3,274,575</b>	<b>6,162,753</b>	<b>53.1 %</b>
<b>Streets</b>					
Property Tax	2,451,144	2,445,946	2,461,831	4,400,000	56.0 %
Intergovernmental Revenues	647,040	684,021	662,119	1,488,000	44.5 %
Charges for Services	253,720	2,932	1,475	527,663	0.3 %
Other Revenue	39,385	29,241	2,268	—	n/a
<b>Total Streets</b>	<b>3,391,289</b>	<b>3,162,140</b>	<b>3,127,693</b>	<b>6,415,663</b>	<b>48.8 %</b>
<b>Total General Government</b>	<b>\$ 54,860,593</b>	<b>\$ 39,838,891</b>	<b>\$ 42,885,161</b>	<b>\$ 84,800,987</b>	<b>50.6 %</b>

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

# GENERAL GOVERNMENT EXPENDITURE DETAIL

## GENERAL FUND EXPENDITURE DETAIL

General Fund	Expenditures as of June 30			2023	Percent Exp'd
	2021	2022	2023	Amended Budget	
Police	\$ 13,654,857	\$ 14,154,452	\$ 17,444,313	\$ 33,884,703	51.5 %
Fire	7,743,017	8,146,379	9,661,707	17,257,776	56.0 %
Information Technology	2,054,530	1,991,815	1,827,518	4,657,840	39.2 %
Finance	1,107,242	1,207,894	1,211,391	2,684,943	45.1 %
Legal	1,002,973	1,013,906	1,101,870	2,332,556	47.2 %
Municipal Court	824,533	839,483	1,117,185	2,192,980	50.9 %
Code Administration	897,865	843,875	784,675	2,030,022	38.7 %
Indigent Defense	546,859	568,078	756,455	1,500,000	50.4 %
Human Resources	356,902	356,854	456,969	1,303,967	35.0 %
Engineering	452,425	401,990	516,832	1,104,257	46.8 %
Firemen's Relief/Pension	580,142	549,270	570,303	966,840	59.0 %
Planning	360,123	358,418	291,479	956,252	30.5 %
City Clerk/Records	248,624	259,898	395,366	839,064	47.1 %
City Management	384,064	376,564	328,548	711,898	46.2 %
Police Pension	387,099	318,138	500,806	637,130	78.6 %
Economic Development	158,958	230,357	314,194	599,493	52.4 %
City Hall Facility	186,663	207,055	232,709	515,704	45.1 %
Purchasing	212,127	219,131	181,911	486,136	37.4 %
City Council	144,184	148,792	169,516	284,813	59.5 %
Intergovernmental	76,563	86,760	98,469	137,189	71.8 %
Interfund Distributions <sup>1</sup>	1,278,413	(1,028,343)	(198,454)	(396,908)	50.0 %
Parking <sup>2</sup>	46,807	40,061	(208)	—	n/a
Clean City Fund <sup>3</sup>	145,790	—	—	—	n/a
<b>Total General Fund</b>	<b>32,850,760</b>	<b>31,290,827</b>	<b>37,763,554</b>	<b>74,686,655</b>	<b>50.6 %</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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 June 30			% Change in Fund Balance
	Beginning Balance	2023 Actual Rev.	2023 Actual Exp.	Ending Balance	
Neighborhood Development	1,204,804	194,526	623,535	775,795	(35.6)%
Community Relations	778,111	290,951	312,738	756,324	(2.8)%
Clean City Program	269,222	416,916	328,384	357,754	32.9%
Cemetery	192,236	193,430	187,454	198,212	3.1%
Emergency Services	204,613	982,327	929,602	257,338	25.8%
Public Safety Communication	1,623,079	2,348,161	1,993,940	1,977,300	21.8%
Police Grants	948,530	89,757	45,669	992,618	4.6%
PBIA (Park/Bus Improvement Area)	77,990	154,041	48,994	183,037	134.7%
Trolley	42,535	6,869	1,022	48,382	13.7%
Front Street Bus Improvement Area	8,013	2,096	—	10,109	26.2%
Convention & Event Center	716,785	934,930	1,063,174	588,541	(17.9)%
Capitol Theatre	102,725	205,128	206,446	101,407	(1.3)%
PFD - Convention Center	1,204,762	481,977	755,142	931,597	(22.7)%
Tourism Promotion Area	143,220	452,778	452,778	143,220	—%
PFD - Capitol Theatre	645,616	365,129	449,786	560,959	(13.1)%
American Rescue Plan Act (ARPA) <sup>1</sup>	67,700	2,543,457	2,615,655	(4,498)	(106.6)%
<b>Total Other Gov't Operating Funds</b>	<b>\$ 8,229,941</b>	<b>\$ 9,662,473</b>	<b>\$ 10,014,319</b>	<b>\$ 7,878,095</b>	<b>(4.3)%</b>

### GOVERNMENTAL CAPITAL FUNDS

Fund	2023	As of June 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	86,977	140,000	26,488	200,489	130.5%
Yakima Redevelopment Area	330,542	7,143	251,199	86,486	(73.8)%
Parks & Recreation Capital	12,181	413,545	299,001	126,725	940.3%
Fire Capital	510,237	95,500	7,617	598,120	17.2%
Law and Justice Capital	1,431,977	212,971	680,793	964,155	(32.7)%
Public Works Trust Construction	4,323,052	594,470	1,285,066	3,632,456	(16.0)%
REET 2 Capital	1,535,139	552,246	779,070	1,308,315	(14.8)%
Street Capital	4,281,860	803,725	429,386	4,656,199	8.7%
Street Overlay & Reconstruction	2,719,374	1,235,794	883,905	3,071,263	12.9%
Conv & Event Center Cap Impr	1,758,805	373,894	128,437	2,004,262	14.0%
Reserve for Capital Improvement	328,421	—	—	328,421	—%
<b>Total Gov't Capital Funds</b>	<b>\$ 17,373,589</b>	<b>\$ 4,429,288</b>	<b>\$ 4,770,962</b>	<b>\$ 17,031,915</b>	<b>(2.0)%</b>

<sup>1</sup> 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.

## ENTERPRISE OPERATING FUNDS

Fund	2023	As of June 30			% Change in Fund Balance
	Beginning	2023	2023	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
Airport Operating	\$ 1,635,649	\$ 682,495	\$ 680,275	\$ 1,637,869	0.1%
Stormwater Operating	1,267,415	3,145,821	1,663,245	2,749,991	117.0%
Transit Operating	11,403,186	4,550,208	4,541,534	11,411,860	0.1%
Refuse	4,692,814	4,786,438	4,140,484	5,338,768	13.8%
Wastewater Operating	5,544,388	12,177,145	12,456,253	5,265,280	(5.0)%
Water Operating	6,710,123	4,993,441	6,158,773	5,544,791	(17.4)%
Irrigation	422,050	1,082,525	1,240,563	264,012	(37.4)%
<b>Total Enterprise Operating Funds</b>	<b>\$ 31,675,625</b>	<b>\$ 31,418,073</b>	<b>\$ 30,881,127</b>	<b>\$ 32,212,571</b>	<b>1.7%</b>

## ENTERPRISE CAPITAL FUNDS

Fund	2023	As of June 30			% Change in Fund Balance
	Beginning	2023	2023	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
Airport Capital <sup>2</sup>	\$ (557,072)	\$ 37,180	\$ 517,618	\$ (1,037,510)	86.2%
Stormwater Capital	5,130,919	325,000	147,320	5,308,599	3.5%
Transit Capital	13,584,291	3,360,195	3,383,041	13,561,445	(0.2)%
Wastewater Facilities Capital	5,911,188	489,917	236,410	6,164,695	4.3%
Wastewater Construction Capital	12,021,608	500,000	189,584	12,332,024	2.6%
Wastewater Capital	8,830,837	1,250,000	1,200,269	8,880,568	0.6%
Water Capital	8,533,032	2,733,532	104,486	11,162,078	30.8%
Irrigation Capital	26,414,299	940,050	1,849,525	25,504,824	(3.4)%
<b>Total Enterprise Capital Funds</b>	<b>\$ 79,869,102</b>	<b>\$ 9,635,874</b>	<b>\$ 7,628,253</b>	<b>\$ 81,876,723</b>	<b>2.5%</b>

## INTERNAL SERVICE FUNDS

Fund	2023	As of June 30			% Change in Fund Balance
	Beginning	2023	2023	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
Equipment Rental	\$ 5,809,840	\$ 2,950,731	\$ 2,834,886	\$ 5,925,685	2.0%
Environmental	650,475	108,988	185,554	573,909	(11.8)%
Public Works Administration	690,385	716,725	689,509	717,601	3.9%
Utility Services	567,592	1,393,170	1,580,682	380,080	(33.0)%
<b>Total Enterprise Operating Funds</b>	<b>\$ 7,718,292</b>	<b>\$ 5,169,614</b>	<b>\$ 5,290,631</b>	<b>\$ 7,597,275</b>	<b>(1.6)%</b>

<sup>2</sup> The Airport Capital fund can be negative due to the timing of grant reimbursements, however, the operating fund combined with the capital fund continues to remain in the positive.

## EMPLOYEE BENEFIT RESERVES

Fund	2023		As of June 30		% Change in Fund Balance
	Beginning	2023	2023	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
Unemployment Comp Reserve	\$ 433,785	\$ 146,029	\$ 71,137	\$ 508,677	17.3%
Employees Health Ben Reserve	3,945,093	6,691,556	6,913,958	3,722,691	(5.6)%
Worker's Comp Reserve <sup>3</sup>	(52,304)	1,113,085	1,709,550	(648,769)	n/a
Wellness/EAP	186,089	—	22,335	163,754	(12.0)%
<b>Total Employee Benefit Reserve</b>	<b>\$ 4,512,663</b>	<b>\$ 7,950,670</b>	<b>\$ 8,716,980</b>	<b>\$ 3,746,353</b>	<b>(17.0)%</b>

## RISK MANAGEMENT RESERVE

Fund	2023		As of June 30		% Change in Fund Balance
	Beginning	2023	2023	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
Risk Management Reserve	\$ 6,748,375	\$ 3,017,878	\$ 3,238,953	\$ 6,527,300	(3.3)%

## DEBT SERVICE & AGENCY FUNDS

Fund	2023		As of June 30		% Change in Fund Balance
	Beginning	2023	2023	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
<b>GO Bond Redemption</b>					
2002 GO Convention Center	\$ 223,141	\$ 675,537	\$ 309,534	\$ 589,144	164.0 %
2005 GO Various Bonds <sup>4</sup>	17,626	1,644,214	2,218,332	(556,492)	n/a
<b>Total GO Bond Redemption</b>	<b>\$ 240,767</b>	<b>\$ 2,319,751</b>	<b>\$ 2,527,866</b>	<b>\$ 32,652</b>	<b>(86.4)%</b>
<b>Water/Sewer Revenue Bond Redemption</b>					
WW Rev Bond & 2008 Debt Service	\$ 678,134	\$ 191,400	\$ 22,000	\$ 847,534	25.0 %
Irrigation Bond Debt Service	397,281	138,300	34,000	501,581	26.3 %
WW Rev Bond Rsv & 2012 Debt Svc	3,832,740	582,400	14,933	4,400,207	14.8 %
<b>Total W/S Rev Bond Redemption</b>	<b>\$ 4,908,155</b>	<b>\$ 912,100</b>	<b>\$ 70,933</b>	<b>\$ 5,749,322</b>	<b>17.1 %</b>
<b>Agency Funds</b>					
YakCorps	\$ 1,109,166	\$ 673,166	\$ 274,390	\$ 1,507,942	36.0 %
Custodial Fund	307,761	596,442	591,738	312,465	1.5 %
Cemetery Trust	729,109	12,545	6,000	735,654	0.9 %
<b>Total Agency Funds</b>	<b>\$ 2,146,036</b>	<b>\$ 1,282,153</b>	<b>\$ 872,128</b>	<b>2,556,061</b>	<b>19.1 %</b>
<b>Total Debt Service &amp; Agency Funds</b>	<b>\$ 7,294,958</b>	<b>\$ 4,514,004</b>	<b>\$ 3,470,927</b>	<b>\$ 8,338,035</b>	<b>14.3 %</b>

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

<sup>3</sup> 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 76% in the second quarter of 2023. This situation is being reviewed and a rate adjustment is planned.

<sup>4</sup> Fund balance may be negative due to the timing in interest accrual payments. These numbers should correct by year-end.