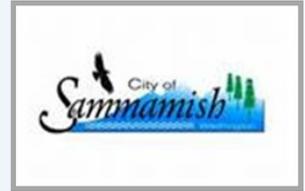


Financial Status Report

YTD Through Second Quarter 2022



The Financial Status Report provides a summary budget-to-actual comparison of revenues and expenditures for the City's general operating funds (General Fund and Street Fund). Information for the same YTD period from prior years is also shown.

The last page shows Citywide FTE vacancy information and a summary of the American Rescue Plan Act (ARPA) Fund.

	2022 Budget	2022 Year-to-date
Revenues	\$ 51,811,616	\$ 28,412,337
Expenditures	51,680,114	18,248,290
Capital Transfers	3,350,000	1,675,000
Net Revenues Less Expenditures	\$ (3,218,498)	\$ 8,489,047
Beginning Fund Balance	\$ 32,458,406	\$ 44,821,156
Ending Fund Balance (EFB)	\$ 29,239,908	\$ 53,310,203
Strategic Operating Reserves*	\$ 5,181,162	\$ 5,181,162
<i>General Fund includes the Street Fund</i>		

Overall highlights

After the second quarter, the City's revenues have exceeded the half the annual budget and the City's expenditures are significantly under half the annual budget.

Revenues are budgeted conservatively and both sales tax and development fee revenues have exceeded half the annual budget through June.

The City has not received any invoices on the police contract yet and the first invoice is typically received in the second quarter or early in the third quarter. These expenditures are expected to be on budget for the year.

Additionally, many expenditures are seasonal and therefore it is typical that expenditures are less than 50% of the annual budget half of the way through the year. It is doubtful these expenditures will reach the annual budgeted amount.

There are also position vacancies resulting in the personnel budget being underspent through the first half of 2022. The City's vacancy rate has been between 13% and 17% over the last few years, so it is likely this budget will remain underspent.

The beginning fund balance was substantially above budget as revenues in 2021 were higher than budget and 2021 expenditures were below budget.

*Current City Council policy sets the strategic operating reserve at 10% of the City's annual General Fund revenue budget.

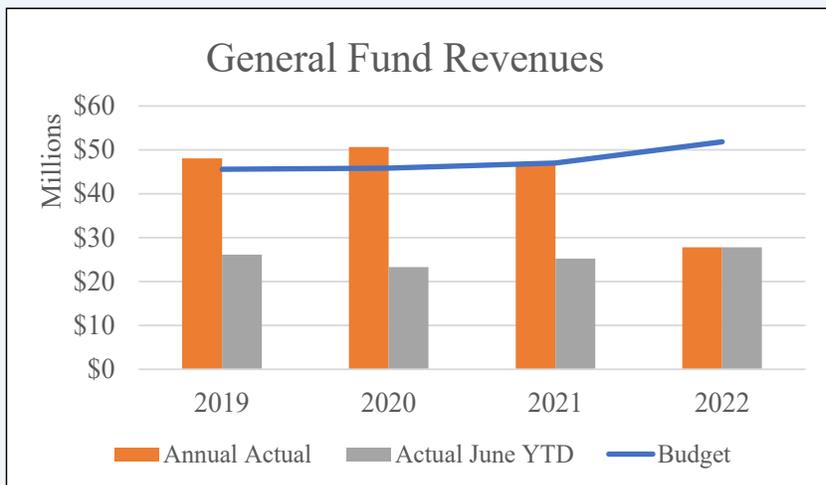
Revenues

Historical YTD Through 2nd Quarter Actual Revenues					Budget
	2019	2020	2021	2022	2022
Property Tax	\$ 15,507,832	\$ 15,559,661	\$ 16,950,255	\$ 17,928,538	\$ 33,322,125
Sales Tax	3,966,188	3,593,981	4,476,915	4,798,558	8,354,000
Other Tax	1,940	1,939	1,937	4,055	1,500
<i>Other Revenues</i>					
Licenses and Permits	1,151,416	879,140	950,633	1,471,460	1,620,000
Intergovernmental	1,284,400	1,191,457	1,305,494	1,492,456	4,391,350
Charges for Service	1,313,299	1,278,969	1,086,216	1,677,512	2,949,201
Fines & Forfeits	140,550	42,089	1,487	50,650	398,000
Miscellaneous	1,478,060	815,925	441,637	989,109	775,440
Transfers In	-	-	25,000	-	-
Total Revenues	\$ 24,843,685	\$ 23,363,161	\$ 25,239,574	\$ 28,412,337	\$ 51,811,616

General Fund includes the Street Fund

Highlights for Operating Revenues

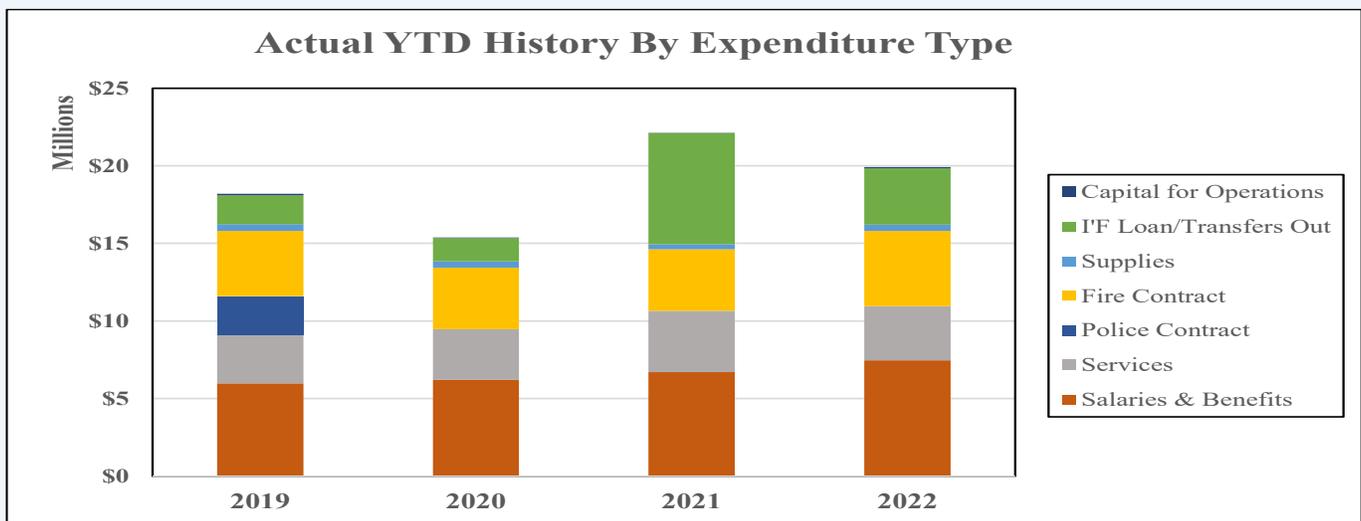
- **Property tax revenues** are primarily received in the April/May and October/November timeframes. YTD the City has received 53.8% of the annual budget and is on pace to slightly exceed budget.
- **Sales tax revenues** are at 57% of the annual budget and 7.2% higher than 2021 through the second quarter. The pandemic led to a shift in the spending by the City's residents where they shopped more online than in neighboring cities, resulting in the City of Sammamish receiving more sales tax revenue. In addition to strong growth in online general merchandise shopping, the sales tax revenue from the business sectors for services and contracting have exceeded 2021 levels.
- **Licenses & Permits and Charges for Services** categories had some re-classifications in 2022, so comparisons to the budget and prior years, should be done as one group. For YTD 2022 these categories of revenue are 69% of the annual budget and 55% higher than 2021 levels. The City has experienced higher levels of permit revenues due to more permit requests and higher permit fees introduced in 2022.
- **Intergovernmental budget** includes a \$1.53 million US DOT grant for the 228th Ave. overlay project in the budget. The grant revenues will be received as the project progresses..



Expenditures

Historical YTD Through 2nd Quarter Actual Expenditures by Type					Budget
	2019	2020	2021	2022	2022
Salaries & Benefits	\$ 5,984,586	\$ 6,212,548	\$ 6,700,043	\$ 7,468,900	\$ 17,331,150
Supplies	436,646	400,700	322,668	416,028	1,338,520
Police Contract	2,465,209	-	-	-	8,569,200
Fire Contract	4,204,831	3,956,536	3,954,156	4,828,626	8,132,914
Services	3,140,613	3,264,375	3,961,265	3,495,233	12,495,970
IF Loan/Transfers Out	1,857,532	1,508,982	7,163,578	3,621,397	7,081,360
Capital for Operations	101,476	39,026	27,688	93,107	81,000
Total Expenditures	\$18,190,893	\$15,382,167	\$22,129,398	\$19,923,290	\$ 55,030,114

General Fund includes the Street Fund

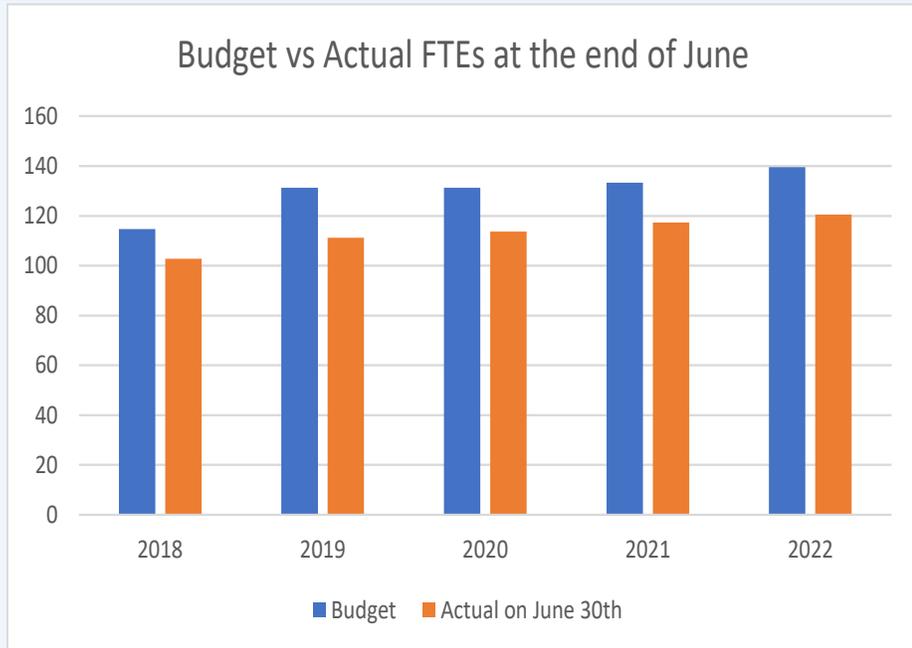


Highlights for Operating Expenditures:

- **Salaries & benefits** are at 43% of the annual budget due to vacancies, yet they are higher than last year due to step and COLA increases.
- **Police Contract** expenditures have not yet been invoiced, as invoices on the police contract are typically not received until early in the second half of the year.
- **Fire Contract** expenditures are at 59% of the annual budget YTD, as seven months of the contract have been paid.
- **Services expenditures** are only at 28% of the annual budget, which is similar to past years at this time. There are a variety of reasons for this underspend, including seasonality of expenditures. Individual accounts may be viewed in the complete June Financial Management Report (FMR).
- **Interfund Transfers** are to the internal service funds paying for items like information technology services, fleet maintenance and replacement to the equipment rental fund, citywide insurance through the risk management fund and transfers to capital funds as budgeted. These transfers have increased over time as the cost of providing these services has increased. Year to date expenditures are in line with the budget.

Personnel Vacancy Information

The 2022 budget includes 139.5 Full Time Equivalents (FTEs) and on June 30th, 2022 there were 120.5 FTEs employed at the City, representing a vacancy rate of 13.6%. This vacancy rate is comparable to what the City has experienced for the quarter ending on June 30th over the last few years. Additional headcount data is available in the monthly Financial Management Report (FMR).



American Rescue Plan Act (ARPA)

The City has received an allocation of \$4,759,912 in ARPA funding from the federal government over the course of two years. The first half of this funding was received in June 2021 and only the amount of the allocation spent is shown as 2021 revenue, with the balance rolled into 2022. The second half was received in June of 2022. The City is receiving these federal funds in a category that allows the funds to be spent on any government service with a few exceptions such as debt service and pension funding. The funds must be obligated by December 31, 2024 and spent by December 31, 2026. Any unspent funds must be returned to the federal government.

To date the funds have been authorized for spending on personnel and professional services to ensure city facilities are safe for employees and the public and for computer equipment to enable employees to work remotely.

ARPA Fund-Fund Balances, Budget vs. Actual Revenues & Expenditures

	2021 Actual	2022 Budget	2022 Year-to-date
Revenues-Federal Funding	\$ 32,740	\$ 2,379,956	\$ 4,727,172
Expenditures			
Personnel	32,740	136,900	68,198
Services & Charges	-	2,243,056	-
Gain/(Loss)	\$ -	\$ -	\$ 4,658,974
Beginning Fund Balance	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ 4,658,974