



FINANCE DEPARTMENT

To: Honorable Mayor and Members of the City Council
Dave Zabell, Interim City Manager

From: Rosylen Oglesby, Interim Director of Finance & Budget
Kimberly Dominé, Financial Services Manager
Kathy Miles, Finance Department Analyst

Date: April 2, 2024

Subject: 2023 4th Quarter Financial Update

This financial update is a preliminary, unaudited, report for the 4th quarter ending December 31, 2023. As with all quarters, or 100% of the year, it is intended to inform and assist governance decisions for future planning. In total, city revenues are 86.2% and expenditures are 75.7% of the amended budget. The timing of certain revenue payments and Capital Fund expenditures are usually the biggest reasons that revenues and expenses are below 100% at this point in the year.

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

This report is not final, 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 continuously monitored and reported, there is a substantial economic impact to many of the City's budgeted revenues as a result of the pandemic.

Revenues

Total Sales Tax revenue is keeping pace with the general economy at this time, currently at 102.8% of the 4th quarter last year, and just above amended budgeted amounts by 0.3%. 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 13.0%, with general auto repair services remaining the largest contributor.
- Accommodations and food services are up 6.8%, mostly due to new business openings and general inflation increases.

- Construction is currently showing an increase of 6.8% over last year, with new single-family housing construction being the major component.
- The Manufacturing category is currently at 6.0%, with the largest increases in plastic manufacturing.

The following revenues are monitored closely due to the impact of the economic effects of the COVID pandemic:

- 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 8.8% from budgeted amounts in the 4th quarter.
- Fire Inspection Fees decreased drastically during 2020 and into 2021 due to COVID, and began improving in 2022, 2023 numbers continue to improve, but are still performing below pre-pandemic levels.

General Fund's (001, 003 and 612) Performance to Budget

General Fund Revenues in total are at 105.7% of the Amended Budget. The most significant variances are:

- Other Revenue - investment and sales tax interest - is at 351.3% in the 4th quarter, due mainly to increased rates of interest on investments, and that allocations to other departments have been discontinued.
- Other Taxes, consisting of mainly gambling taxes, are at 119.2%, which is mostly due to COVID economic recovery.
- Fines and Forfeitures are at 113.5% of the amended budget, mainly due to increased Municipal Court Recoupments.
- Intergovernmental Revenue is at 68.4%, mostly due to fluctuation of grant amounts from the state and federal governments. This includes the loss of Criminal Justice High Crime funding as a result of local crime rates going down, while statewide crime rates increase.

General Fund Expenditures in total are at 98.2%. The most significant variances are:

- Indigent Defense is at 107.3%, mainly due to increased rates for professional services.
- City Clerks/Records is at 108.0%, due to the 2023 estimated election costs.
- Police (103.0%) and Fire (102.6%) are over mostly due to overtime/salary increases, but also in supplies and professional services due to cost increases. As a point of note, Fire overtime cost is underestimated due to the use of ARPA Funds to offset the expenditures
- Code Administration is at 61.8% mainly due to a Connecting Housing to Infrastructure Program (CHIP) grant due to pending reimbursements.
- Human Resources, Planning, Economic Development and Purchasing are all currently under 80% of expenditures, mostly due to the timing of invoices received and vacant positions.

General Fund (001, 003 and 612) Balance

The General Fund, which provides for public safety and general government services, balance was negatively affected at the end of 2022 due to the downturn in the fair value rate for investment interest. By the 4th quarter of 2023, the General Fund balance outlook improved by \$599,304 due to the upturn of the fair value rates and increased interest returns. This amount will likely change as final updates in revenues and expenditures are made and the State audit commences, but is an indicator of what is currently trending.

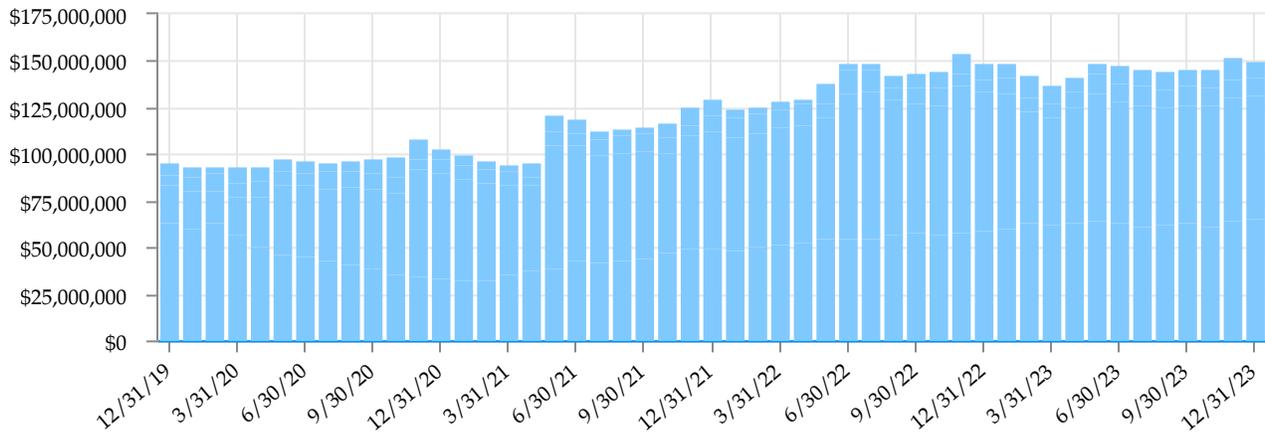
CASH POSITION AND REVENUE UPDATE

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 December at \$150.8 million. Each month is best compared to the same month in previous years to account for seasonality and other annual events.

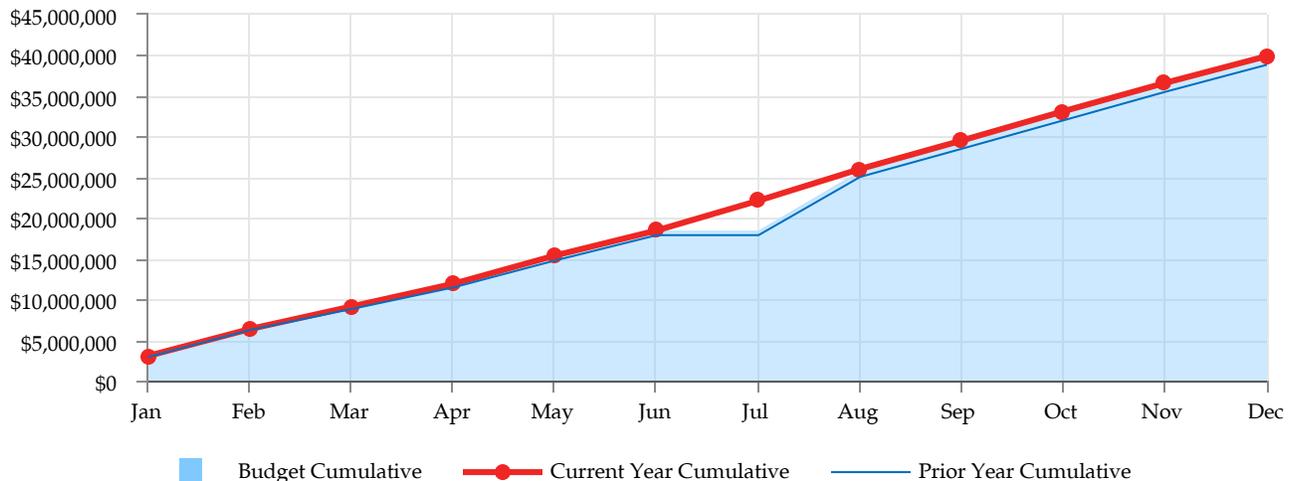
CASH AND INVESTMENTS HISTORY



Sales Tax

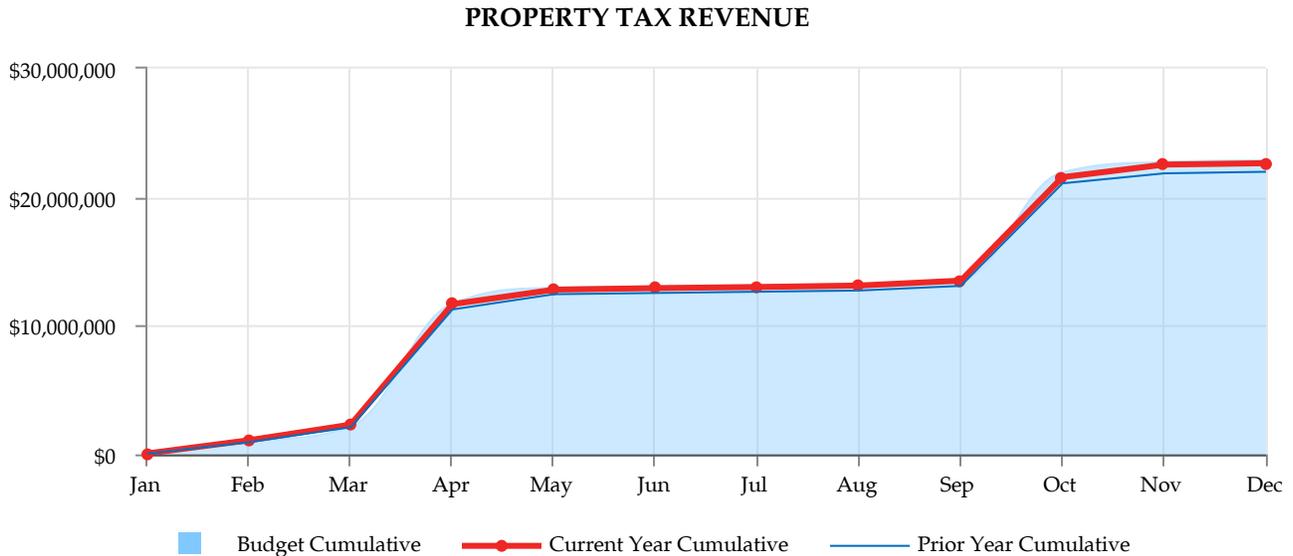
This is the largest single funding source for the city. The 4th quarter city-wide cumulative revenue of \$39.9 million exceeds the cumulative budget by \$0.1 million or 0.3% and is greater than prior year by \$1,064,513. The city receives sales tax from Washington State on a 2-month lag from the actual point-of-sale transactions; therefore, these figures are for actual transactions through October. Rising inflation, unchanged spending and consumption by end users have all influenced the nominal increase of revenues from sales tax receipts. Please note the 2022 revenue for July was not posted until August, creating the anomaly in the graph below.

CITYWIDE SALES TAX REVENUE



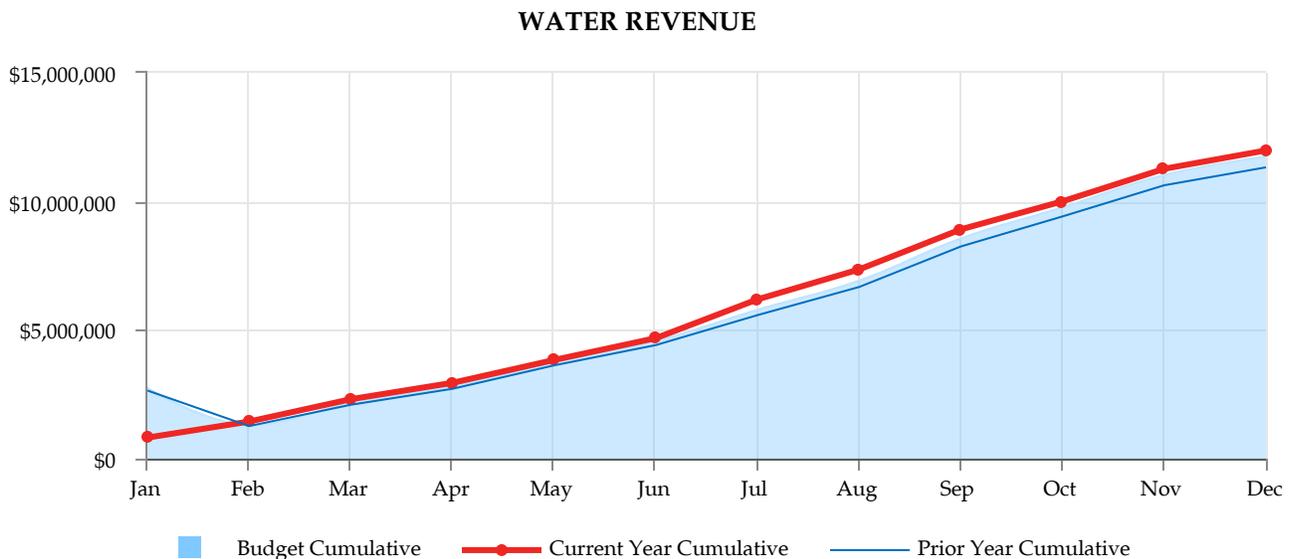
Property Tax

The 4th 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

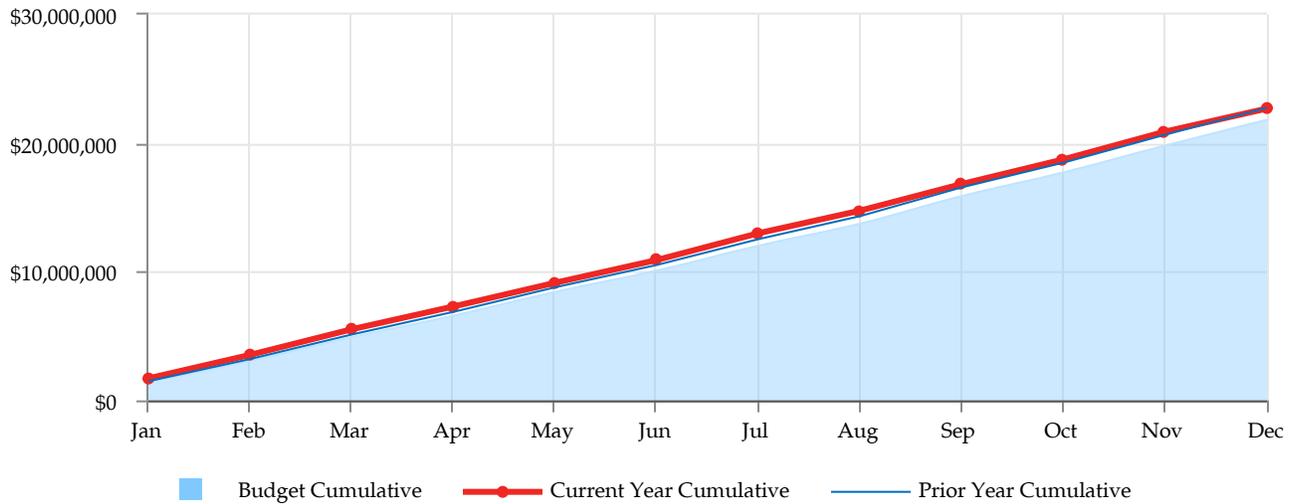
The 4th quarter cumulative water operating revenue of \$12.0 million through December is above budget by \$230,986. A rate increases of 5% went into effect in January of 2023. January 2022 was overstated, as there was a billing error in January that was corrected in February.



Wastewater

The 4th quarter cumulative wastewater operating revenue of \$22.7 million is up \$870,394 over budget and \$54,490 under prior year. A cost of service and rate study for the division was planned and budgeted for 2022, and is currently scheduled to be completed in the second quarter of 2024.

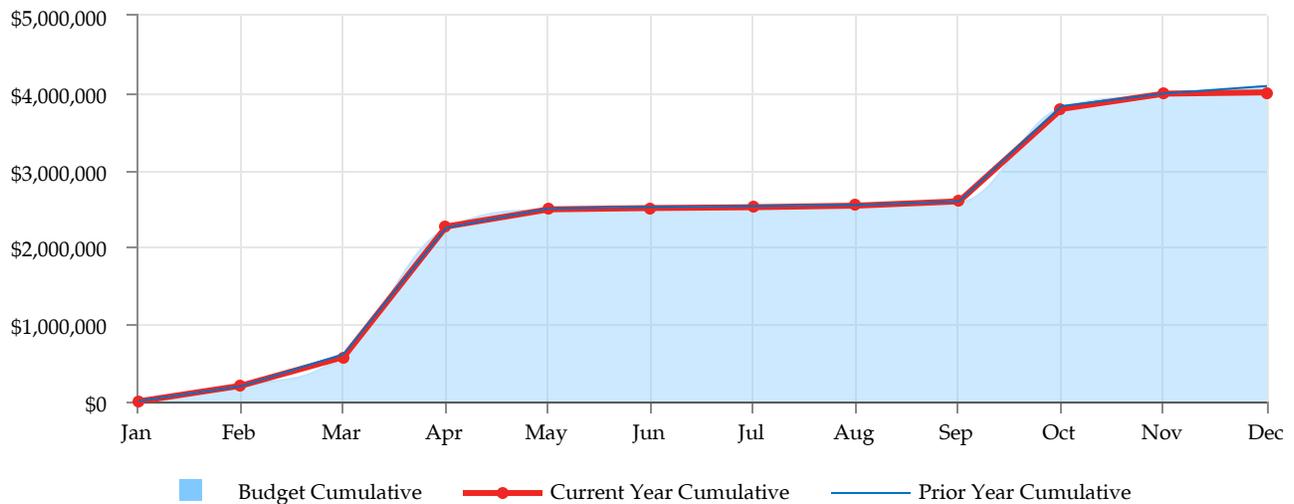
WASTEWATER REVENUE



Stormwater

The 4th quarter cumulative operating assessments of \$4,007,081 is \$57,329 under budget, and \$82,750 below prior year. This is likely 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.

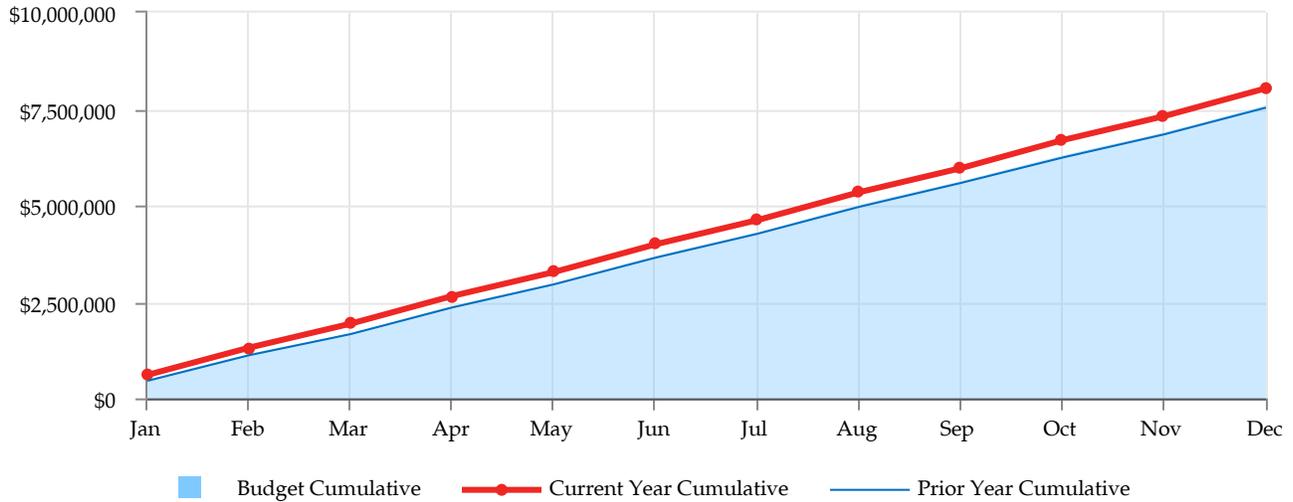
STORMWATER REVENUE



Refuse

The 4th quarter cumulative automated residential revenue of \$8.0 million is up \$471,228 over budget and \$501,379 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.

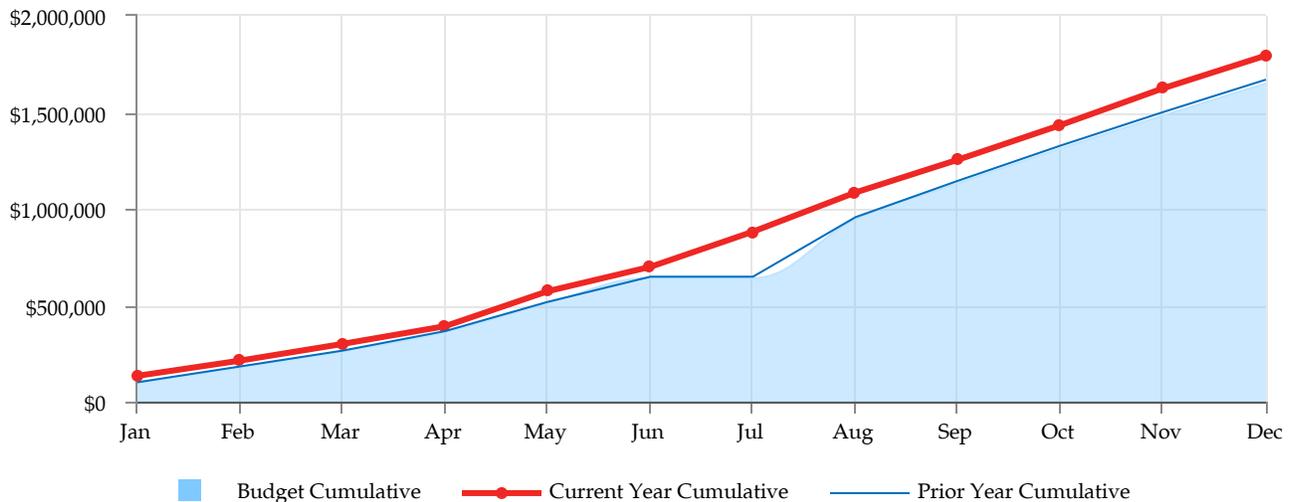
REFUSE REVENUE



Lodging Tax

The 4th quarter cumulative revenue of \$1,794,405 is up \$144,405 over budget and up \$125,143 compared to prior year. The comparison of each month's revenue to the same month in prior year improved throughout 2022, and into 2023.

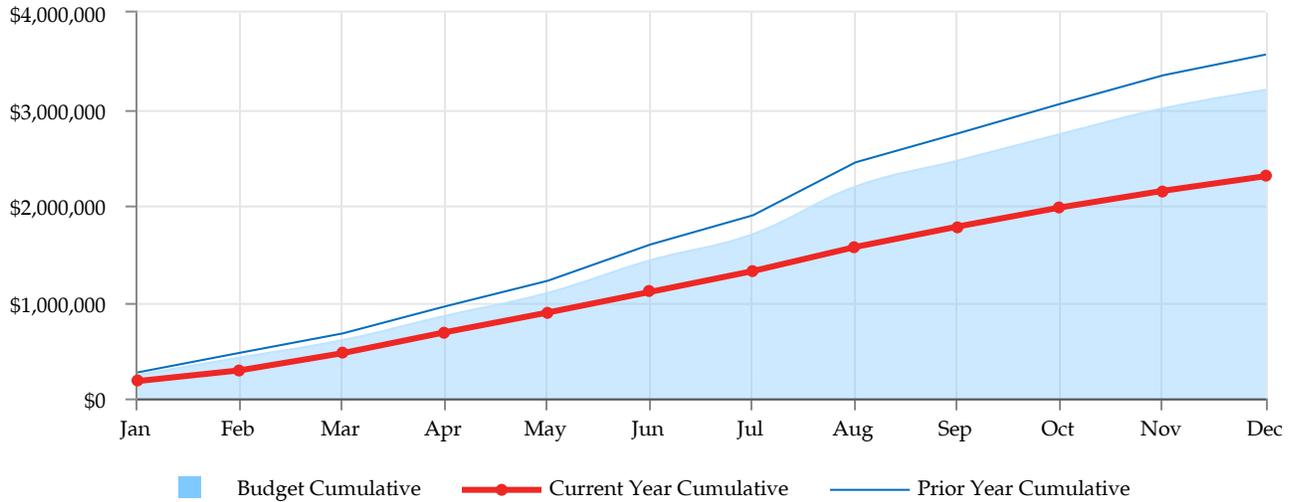
LODGING TAX REVENUE



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

The 4th quarter cumulative revenue for REET continues to perform below expectations, with \$2,304,595 in revenue, which is \$895,405 under budget and \$1,260,577 below prior year. This is believed to be mostly due to higher mortgage rates and the ensuing drop in home sales activity.

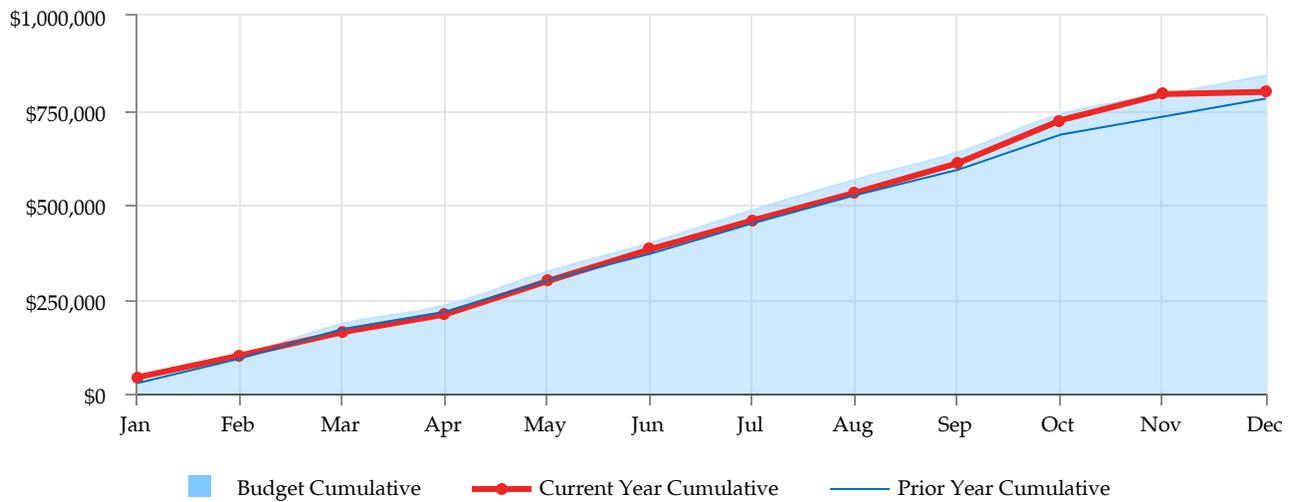
REET 1 / REET 2



Building Permits

The 4th quarter cumulative revenues for building permits of \$798,447 are down \$43,553 under budget, but up \$17,525 from 2022. Permit activity shows that there were 1,203 permits for 326 dwelling units in the 4th quarter for 2023, compared with 1,131 permits for 540 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 December 31			% of	% Change
	Beginning	2023	2023	Ending	Amended	in Fund
	Balance	Actual Rev.	Actual Exp.	Balance	Budget	Balance
General Fund (001)	9,534,450	72,775,443	71,801,141	10,508,752	14.4%	10.2%
Criminal Justice (003)	1,457,735	3,321,949	3,569,317	1,210,367	31.9%	(17.0)%
Firemen's Relief & Pension (612)	1,587,704	930,750	1,058,381	1,460,073	136.9%	(8.0)%
General Fund Subtotal	\$ 12,579,889	\$ 77,028,142	\$ 76,428,839	\$ 13,179,192	16.9%	4.8%
Parks and Recreation ¹	563,546	6,069,533	6,087,862	545,217	8.7%	(3.3)%
Street & Traffic Operations	1,537,274	5,816,930	5,055,219	2,298,985	35.0%	49.5%
General Government Subtotal	14,680,709	88,914,605	87,571,920	16,023,394	17.7%	9.1%
Other Governmental Operating Funds	8,229,941	20,090,586	20,016,674	8,303,853	21.1%	0.9%
Government Capital Funds	17,373,589	14,735,133	14,518,528	17,590,194	50.8%	1.2%
Enterprise Operating Funds	38,154,297	69,135,731	63,482,787	43,807,241	61.3%	14.8%
Enterprise Capital Funds	32,062,812	20,776,236	20,820,684	32,018,364	66.4%	(0.1)%
Internal Service Funds	6,320,400	10,554,524	10,126,295	6,748,629	44.4%	6.8%
Employee Benefit Reserve	4,914,861	17,955,584	17,770,728	5,099,717	27.6%	3.8%
Risk Management Reserves	6,544,818	5,790,952	4,345,962	7,989,808	121.8%	22.1%
Debt Service & Agency Funds	4,043,184	12,438,361	12,111,042	4,370,503	63.0%	8.1%
Total	\$ 132,324,611	\$ 260,391,712	\$ 250,764,620	\$ 141,951,703	42.8%	7.3%

This table shows balances at the point in time that this report was created. It is intended to provide a predicted year-end snapshot.

The ending fund balance in the General Fund (001) is currently 14.4% at this point in time, which falls below City Council's policy of maintaining 16.7% of reserves. Staff and City Council continue discussions to review options, new revenues or budget reductions to comply with reserve policies.

Note: Per the City Charter, 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.

¹ Parks and Recreation was budgeted in 2022 to use some of the fund balance, which reduced the percent of Amended Budget to 9.1%.

CITY WIDE REVENUES & EXPENDITURES BY FUND GROUPING

REVENUE COMPARISON

(Budget vs. Actual)

	2022			2023		
	Annual	Actual	%	Annual	Actual	%
	Amended			Amended		
	Budget	as of 12/31	Rec'd	Budget	as of 12/31	Rec'd
General Fund	\$ 70,544,525	\$ 68,748,255	97.5 %	\$ 72,887,325	\$ 77,028,142	105.7 %
Parks and Recreation	5,710,259	5,627,437	98.5 %	6,162,753	6,069,533	98.5 %
Street & Traffic Operations	6,478,808	5,842,323	90.2 %	6,415,663	5,816,930	90.7 %
General Government Subtotal	82,733,592	80,218,015	97.0 %	85,465,741	88,914,605	104.0 %
Other Government Operating Funds	46,513,849	18,058,513	38.8 %	38,566,372	20,090,586	52.1 %
Government Capital Funds	41,148,287	12,640,601	30.7 %	27,674,713	14,735,133	53.2 %
Enterprise Operating Funds	69,830,538	66,768,491	95.6 %	66,220,984	69,135,731	104.4 %
Enterprise Capital Funds	38,366,070	25,082,912	65.4 %	41,431,638	20,776,236	50.1 %
Internal Service Funds	12,049,036	12,016,936	99.7 %	10,922,133	10,554,524	96.6 %
Employee Benefit Reserves	17,700,231	16,450,482	92.9 %	19,440,071	17,955,584	92.4 %
Risk Management Reserve	5,873,577	6,258,776	106.6 %	5,438,458	5,790,952	106.5 %
Debt Service & Agency Funds	7,100,227	11,521,246	162.3 %	6,932,357	12,438,361	179.4 %
Total	\$ 321,315,407	\$ 249,015,972	77.5 %	\$ 302,092,467	\$ 260,391,712	86.2 %

EXPENDITURE COMPARISON

(Budget vs. Actual)

	2022			2023		
	Annual	Actual	%	Annual	Actual	%
	Amended			Amended		
	Budget	as of 12/31	Exp'd	Budget	as of 12/31	Exp'd
General Fund	\$ 72,847,262	\$ 71,442,317	98.1 %	\$ 77,848,701	\$ 76,428,838	98.2 %
Parks and Recreation	6,386,672	6,161,280	96.5 %	6,233,727	6,087,862	97.7 %
Street & Traffic Operations	6,567,056	5,555,637	84.6 %	6,573,038	5,055,219	76.9 %
General Government Subtotal	85,800,990	83,159,234	96.9 %	90,655,466	87,571,919	96.6 %
Other Government Operating Funds	38,743,539	17,009,170	43.9 %	39,378,284	20,016,674	50.8 %
Government Capital Funds	37,008,593	10,944,335	29.6 %	34,602,636	14,518,528	42.0 %
Enterprise Operating Funds	75,163,417	67,548,514	89.9 %	71,415,764	63,482,787	88.9 %
Enterprise Capital Funds	58,471,085	28,948,753	49.5 %	48,211,297	20,820,684	43.2 %
Internal Service Funds	13,124,430	10,300,859	78.5 %	15,198,437	10,126,295	66.6 %
Employee Benefit Reserves	17,265,080	17,003,527	98.5 %	18,468,153	17,770,728	96.2 %
Risk Management Reserve	5,555,497	4,566,087	82.2 %	6,560,714	4,345,962	66.2 %
Debt Service & Agency Funds	7,100,520	11,078,010	156.0 %	6,931,848	12,111,042	174.7 %
Total	\$ 338,233,151	\$ 250,558,489	74.1 %	\$ 331,422,599	\$ 250,764,619	75.7 %

GENERAL GOVERNMENT REVENUE DETAIL

GENERAL GOVERNMENT REVENUES

General Fund	Revenues as of December 31			2023	2023
	2021	2022	2023	Amended Budget	Percent Rec'd
Property Tax	\$ 8,967,221	\$ 9,066,584	\$ 8,852,130	\$ 9,005,763	98.3 %
General Sales Tax	22,116,944	22,757,989	23,446,284	24,247,000	96.7 %
Criminal Justice Sales Tax	5,032,902	5,085,642	5,323,684	5,207,000	102.2 %
Utility & Franchise Taxes	19,070,610	20,505,532	21,535,506	20,334,354	105.9 %
Other Taxes	1,273,990	1,309,217	1,325,922	1,112,400	119.2 %
Licenses and Permits	1,711,245	1,796,136	2,000,113	1,908,700	104.8 %
Intergovernmental Revenues	3,697,113	4,485,636	3,310,096	4,837,162	68.4 %
Charges for Services	3,470,078	2,871,331	3,310,876	3,105,310	106.6 %
Fines and Forfeitures	1,381,103	1,212,744	1,465,208	1,291,000	113.5 %
Other Revenue ¹	(932,373)	(342,556)	6,458,323	1,838,636	351.3 %
Total General Fund	65,788,833	68,748,255	77,028,142	72,887,325	105.7 %
Parks & Recreation					
Property Tax	2,702,528	2,673,716	3,173,716	3,173,716	100.0 %
Intergovernmental Revenues	67,142	178,739	42,610	64,830	65.7 %
Charges for Services	647,360	838,350	817,444	907,615	90.1 %
Other Revenue	1,927,671	1,936,632	2,035,763	2,016,592	101.0 %
Total Parks & Recreation	5,344,701	5,627,437	6,069,533	6,162,753	98.5 %
Streets					
Property Tax	3,742,125	4,399,808	4,400,000	4,400,000	100.0 %
Intergovernmental Revenues	1,426,144	1,393,740	1,399,144	1,488,000	94.0 %
Charges for Services	5,020	4,333	3,750	527,663	0.7 %
Other Revenue	65,269	44,443	14,036	—	n/a
Total Streets	5,238,558	5,842,324	5,816,930	6,415,663	90.7 %
Total General Government	\$ 76,372,092	\$ 80,218,016	\$ 88,914,605	\$ 85,465,741	104.0 %

Note: Year to date revenues above are consistent with historical trends other than those noted below.

Intergovernmental Revenue in the General Fund is currently at 68.4% mainly due to ARPA funding of approximately \$600,000 that has not yet been spent, and a Department of Commerce grant of \$400,000 that was budgeted for, but has not yet been received.

Streets Charges for Services is at 0.7% of budget due to an accounting change regarding Stormwater inspection fees.

¹ This increase is due mainly to the return on interest from investments and investment interest - however, an investment allocation to other departments will be done in March that will reduce this amount, but not significantly.

GENERAL GOVERNMENT EXPENDITURE DETAIL

GENERAL FUND EXPENDITURE DETAIL

General Fund	Expenditures as of December 31			2023	Percent Exp'd
	2021	2022	2023	Amended Budget	
Police	\$ 29,366,419	\$ 33,614,945	\$ 35,717,940	\$ 34,679,354	103.0 %
Fire	15,855,053	18,473,992	19,036,490	18,547,280	102.6 %
Information Technology	3,837,328	3,684,426	4,310,259	4,657,840	92.5 %
Finance	2,350,457	2,571,208	2,573,541	2,684,943	95.9 %
Legal	1,831,365	2,081,204	2,262,956	2,332,556	97.0 %
Municipal Court	1,674,931	1,736,641	2,014,370	2,192,980	91.9 %
Code Administration	1,834,935	2,397,260	1,749,548	2,832,913	61.8 %
Indigent Defense	1,098,102	1,152,637	1,610,047	1,500,000	107.3 %
Human Resources	718,882	781,992	871,373	1,303,967	66.8 %
Engineering	799,635	848,902	984,446	1,104,257	89.2 %
Firemen's Relief/Pension	1,072,915	1,111,102	1,058,381	1,066,840	99.2 %
Planning	724,355	710,570	650,747	956,252	68.1 %
City Clerk/Records	731,905	639,186	905,962	839,064	108.0 %
City Management	813,362	742,827	623,355	711,898	87.6 %
Police Pension	681,824	602,448	772,996	812,130	95.2 %
Economic Development	405,092	495,919	464,018	599,493	77.4 %
City Hall Facility	388,918	459,907	484,964	515,704	94.0 %
Purchasing	422,535	418,259	354,422	486,136	72.9 %
City Council	235,659	238,827	273,488	284,813	96.0 %
Intergovernmental	170,685	142,289	132,427	137,189	96.5 %
Interfund Distributions ¹	(1,328,441)	(1,542,496)	(422,892)	(396,908)	106.5 %
Parking ²	124,562	80,273	—	—	n/a
Total General Fund	63,810,478	71,442,318	76,428,838	77,848,701	98.2 %

General Fund Expenditures in total are at 98.2%. The most significant variances are:

- Indigent Defense is at 107.3%, mainly due to increased rates for professional services.
- City Clerks/Records is at 108.0%, due to the 2023 estimated election costs.
- Police (103.0%) and Fire (102.6%) are over mostly due to overtime/salary increases, but also in supplies and professional services due to cost increases. As a point of note, Fire overtime cost is underestimated due to the use of ARPA Funds to offset the expenditures.
- Code Administration is at 61.8% mainly due to a Connecting Housing to Infrastructure Program (CHIP) grant due to the pending reimbursements.
- Human Resources, Planning, Economic Development and Purchasing are all currently under 80% of expenditures, mostly due to the timing of invoices received and vacant positions.

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 if needed for 2023 once all reoccurring charges have expired.

OTHER FUNDS DETAIL

OTHER GOVERNMENT OPERATING FUNDS

Fund	2023	As of December 31			% Change in Fund Balance
	Beginning Balance	2023 Actual Rev.	2023 Actual Exp.	Ending Balance	
Neighborhood Development	1,204,804	1,392,820	1,538,567	1,059,057	(12.1)%
Community Relations	778,111	565,208	634,720	708,599	(8.9)%
Clean City Program	269,222	885,097	659,011	495,308	84.0%
Cemetery	192,236	357,137	366,297	183,076	(4.8)%
Emergency Services	204,613	1,703,564	1,800,425	107,752	(47.3)%
Public Safety Communication	1,623,079	4,535,868	4,287,020	1,871,927	15.3%
Police Grants	948,530	160,757	154,582	954,705	0.7%
PBIA (Park/Bus Improvement Area)	77,990	183,578	180,925	80,643	3.4%
Trolley	42,535	11,869	2,270	52,134	22.6%
Front Street Bus Improvement Area	8,013	3,814	1,733	10,094	26.0%
Convention & Event Center	716,785	2,027,386	1,921,794	822,377	14.7%
Capitol Theatre	102,725	429,254	423,990	107,989	5.1%
PFD - Convention Center	1,204,762	1,233,062	1,511,811	926,013	(23.1)%
Tourism Promotion Area	143,220	1,083,494	1,100,607	126,107	(11.9)%
PFD - Capitol Theatre	645,616	934,130	849,374	730,372	13.1%
American Rescue Plan Act (ARPA)	67,700	4,583,548	4,583,548	67,700	—%
Total Other Gov't Operating Funds	\$ 8,229,941	\$ 20,090,586	\$ 20,016,674	\$ 8,303,853	0.9%

GOVERNMENTAL CAPITAL FUNDS

Fund	2023	As of December 31			% 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	473,275	362,890	197,362	126.9%
Yakima Redevelopment Area	330,542	1,011,033	595,750	745,825	125.6%
Parks & Recreation Capital	12,181	1,466,442	1,113,588	365,035	n/a
Fire Capital	510,237	165,676	69,912	606,001	18.8%
Law and Justice Capital	1,431,977	477,159	934,111	975,025	(31.9)%
Public Works Trust Construction	4,323,052	1,310,697	2,655,141	2,978,608	(31.1)%
REET 2 Capital	1,535,139	1,226,249	1,646,696	1,114,692	(27.4)%
Street Capital	4,281,860	1,677,033	747,313	5,211,580	21.7%
Street Overlay & Reconstruction	2,719,374	6,121,488	5,532,202	3,308,660	21.7%
Conv & Event Center Cap Impr	1,758,805	792,500	711,795	1,839,510	4.6%
Reserve for Capital Improvement	328,421	13,581	149,130	192,872	(41.3)%
Total Gov't Capital Funds	\$ 17,373,589	\$ 14,735,133	\$ 14,518,528	\$ 17,590,194	1.2%

ENTERPRISE OPERATING FUNDS

Fund	2023	As of December 31			% Change in Fund Balance
	Beginning	2023	2023	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
Airport Operating	\$ 1,156,059	\$ 1,588,040	\$ 1,543,562	\$ 1,200,537	3.8%
Stormwater Operating	1,089,237	4,861,613	3,242,747	2,708,103	148.6%
Transit Operating	10,754,520	12,448,542	9,966,699	13,236,363	23.1%
Refuse	4,343,235	9,982,386	9,178,820	5,146,801	18.5%
Wastewater Operating	11,793,966	25,555,196	24,611,548	12,737,614	8.0%
Water Operating	7,698,591	12,530,595	12,570,570	7,658,616	(0.5)%
Irrigation	1,318,689	2,169,359	2,368,841	1,119,207	(15.1)%
Total Enterprise Operating Funds	\$ 38,154,297	\$ 69,135,731	\$ 63,482,787	\$ 43,807,241	14.8%

ENTERPRISE CAPITAL FUNDS

Fund	2023	As of December 31			% Change in Fund Balance
	Beginning	2023	2023	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
Airport Capital	\$ 597,238	\$ 2,555,709	\$ 2,875,162	\$ 277,785	(53.5)%
Stormwater Capital	5,418,295	660,593	1,437,906	4,640,982	(14.3)%
Transit Capital	3,492,382	6,058,380	4,988,018	4,562,744	30.6%
Wastewater Facilities Capital	5,570,122	1,000,000	3,665,801	2,904,321	(47.9)%
Wastewater Construction Capital	10,448,673	3,010,610	3,842,068	9,617,215	(8.0)%
Wastewater Capital	1,880,884	2,510,610	1,390,003	3,001,491	59.6%
Water Capital	5,835,538	2,733,904	331,714	8,237,728	41.2%
Irrigation Capital ¹	(1,180,320)	2,246,430	2,290,012	(1,223,902)	3.7%
Total Enterprise Capital Funds	\$ 32,062,812	\$ 20,776,236	\$ 20,820,684	\$ 32,018,364	(0.1)%

INTERNAL SERVICE FUNDS

Fund	2023	As of December 31			% Change in Fund Balance
	Beginning	2023	2023	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
Equipment Rental	\$ 4,946,674	\$ 6,067,758	\$ 5,729,598	\$ 5,284,834	6.8%
Environmental	289,858	385,538	393,743	281,653	(2.8)%
Public Works Administration	609,463	1,433,450	1,343,161	699,752	14.8%
Utility Services	474,405	2,667,778	2,659,793	482,390	1.7%
Total Enterprise Operating Funds	\$ 6,320,400	\$ 10,554,524	\$ 10,126,295	\$ 6,748,629	6.8%

¹ An expected grant for the Nelson Dam was not received, leaving the Irrigation Capital fund balance negative. This situation will be reviewed for correction after year-end, when numbers are final, with an interfund loan the likely resolution.

EMPLOYEE BENEFIT RESERVES

Fund	2023	As of December 31			% Change in Fund Balance
	Beginning	2023	2023	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
Unemployment Comp Reserve	\$ 421,757	\$ 274,158	\$ 185,427	\$ 510,488	21.0%
Employees Health Ben Reserve	4,170,588	14,046,446	14,197,007	4,020,027	(3.6)%
Worker's Comp Reserve ²	135,065	3,559,980	3,330,426	364,619	170.0%
Wellness/EAP	187,451	75,000	57,868	204,583	9.1%
Total Employee Benefit Reserve	\$ 4,914,861	\$ 17,955,584	\$ 17,770,728	\$ 5,099,717	3.8%

RISK MANAGEMENT RESERVE

Fund	2023	As of December 31			% Change in Fund Balance
	Beginning	2023	2023	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
Risk Management Reserve	\$ 6,544,818	\$ 5,790,952	\$ 4,345,962	\$ 7,989,808	22.1%

DEBT SERVICE & AGENCY FUNDS

Fund	2023	As of December 31			% Change in Fund Balance
	Beginning	2023	2023	Ending	
	Balance	Actual Rev.	Actual Exp.	Balance	
GO Bond Redemption					
2002 GO Convention Center	\$ 223,141	\$ 1,547,128	\$ 1,404,068	\$ 366,201	64.1 %
2005 GO Various Bonds	17,626	3,018,414	3,018,414	17,626	— %
Total GO Bond Redemption	\$ 240,767	\$ 4,565,542	\$ 4,422,482	\$ 383,827	59.4 %
Water/Sewer Revenue Bond Redemption					
WW Rev Bond & 2008 Debt Service	\$ 14,072	\$ 382,800	\$ 378,400	\$ 18,472	31.3 %
Irrigation Bond Debt Service	28,827	276,600	269,800	35,627	23.6 %
WW Rev Bond Rsv & 2012 Debt Svc	1,613,482	1,164,800	1,157,333	1,620,949	0.5 %
Total W/S Rev Bond Redemption	\$ 1,656,381	\$ 1,824,200	\$ 1,805,533	\$ 1,675,048	1.1 %
Agency Funds					
YakCorps	\$ 1,109,166	\$ 673,166	\$ 612,222	\$ 1,170,110	5.5 %
Custodial Fund	307,761	5,353,814	5,258,805	402,770	30.9 %
Cemetery Trust	729,109	21,639	12,000	738,748	1.3 %
Total Agency Funds	\$ 2,146,036	\$ 6,048,619	\$ 5,883,027	2,311,628	7.7 %
Total Debt Service & Agency Funds	\$ 4,043,184	\$ 12,438,361	\$ 12,111,042	\$ 4,370,503	8.1 %

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

² The Workers Compensation fund experienced greater claim activity in 2022, which was corrected by an increase in rates for 2023 and 2024. This situation continues to be monitored.