



# City of Kenmore, Washington

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## Memorandum

Date: November 16, 2023

To: Rob Karlinsey, City Manager

From: Melinda Merrell, Finance Director

Regarding: October 2023 Financial Reports for the City of Kenmore, Washington

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**October 2023** financial information is presented for your review and delivery to the City Council. Attached you will find the following reports:

- General Fund Summary
- General Fund Revenue Graphs
- General Fund Expenditure Graphs
- Street Fund Summary
- Cash and Investment Report
- Investment Schedule and Portfolio Analysis
- Sales Tax Receipts by Business Type
- Retail Sales and Use Tax Distribution

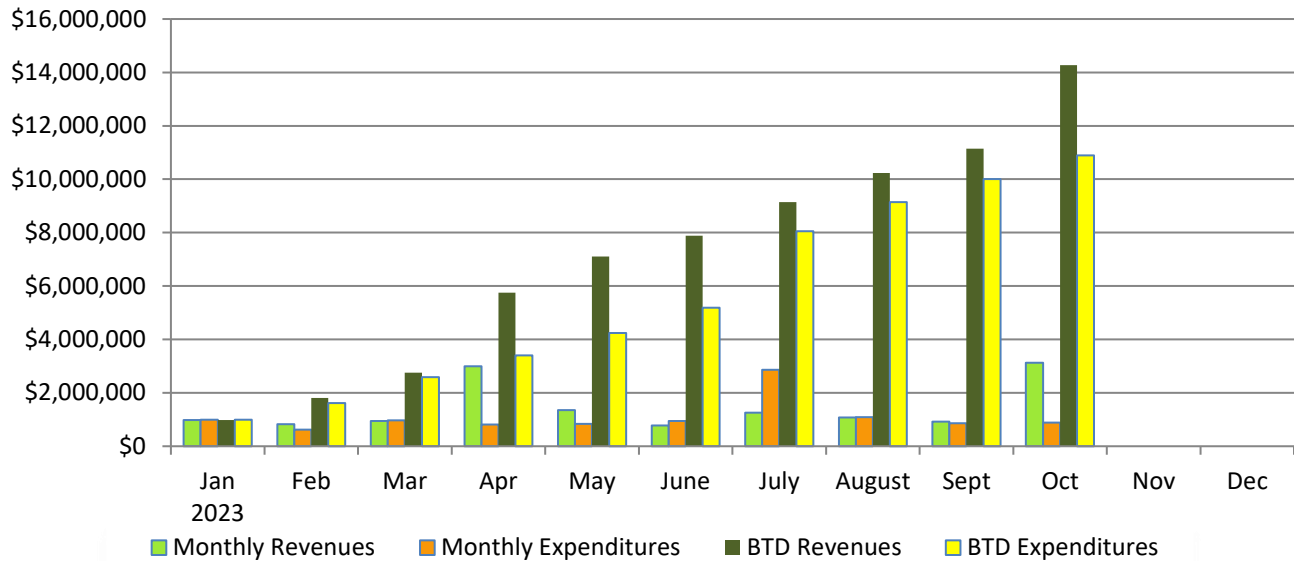
If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

### GENERAL FUND

The first section of the monthly financial report is a review of the General Fund. This fund accounts for operational activities and includes all financial resources except those required or elected to be accounted for in another fund. Revenues include various taxes, per capita distributions from the State, fines and forfeitures, permits and licenses, and fees for service. In the context of the biennial budget, October is the tenth month (42%) of the 2023-2024 biennial budget period. For the month of October, revenues exceeded expenditures in the General Fund by \$2,233,743. Biennium to date, revenues exceed expenditures by \$3,378,793.

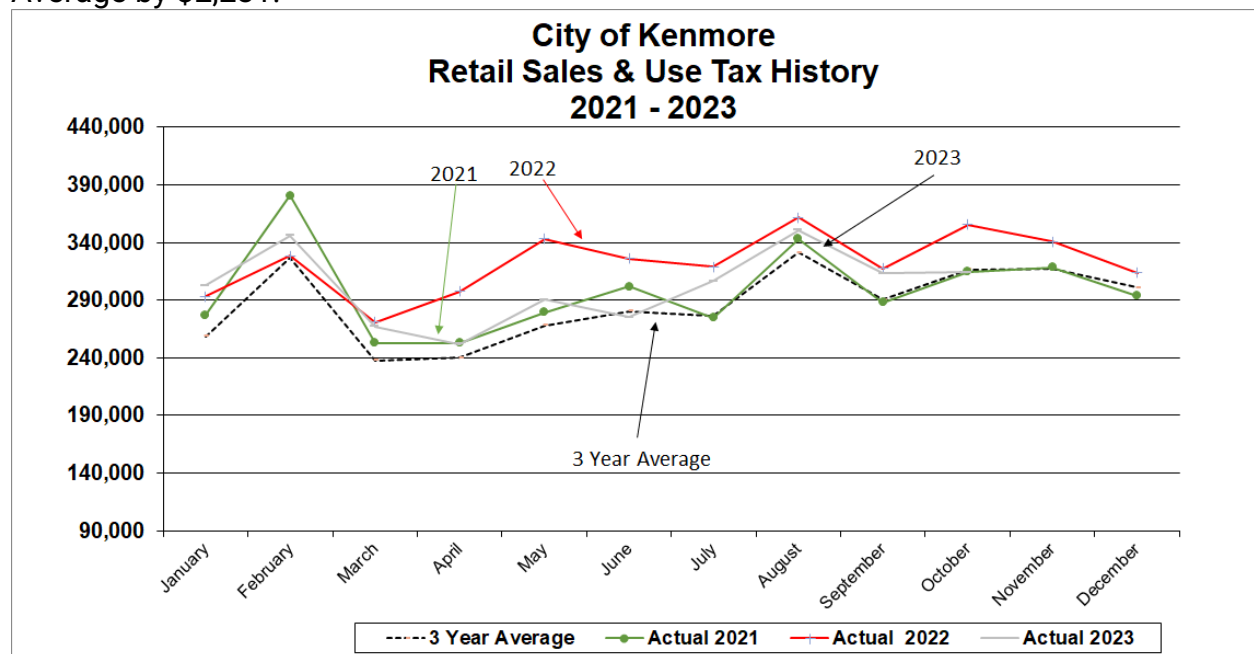
The following chart illustrates the monthly revenue and expenditure activity in the General Fund through October 2023.

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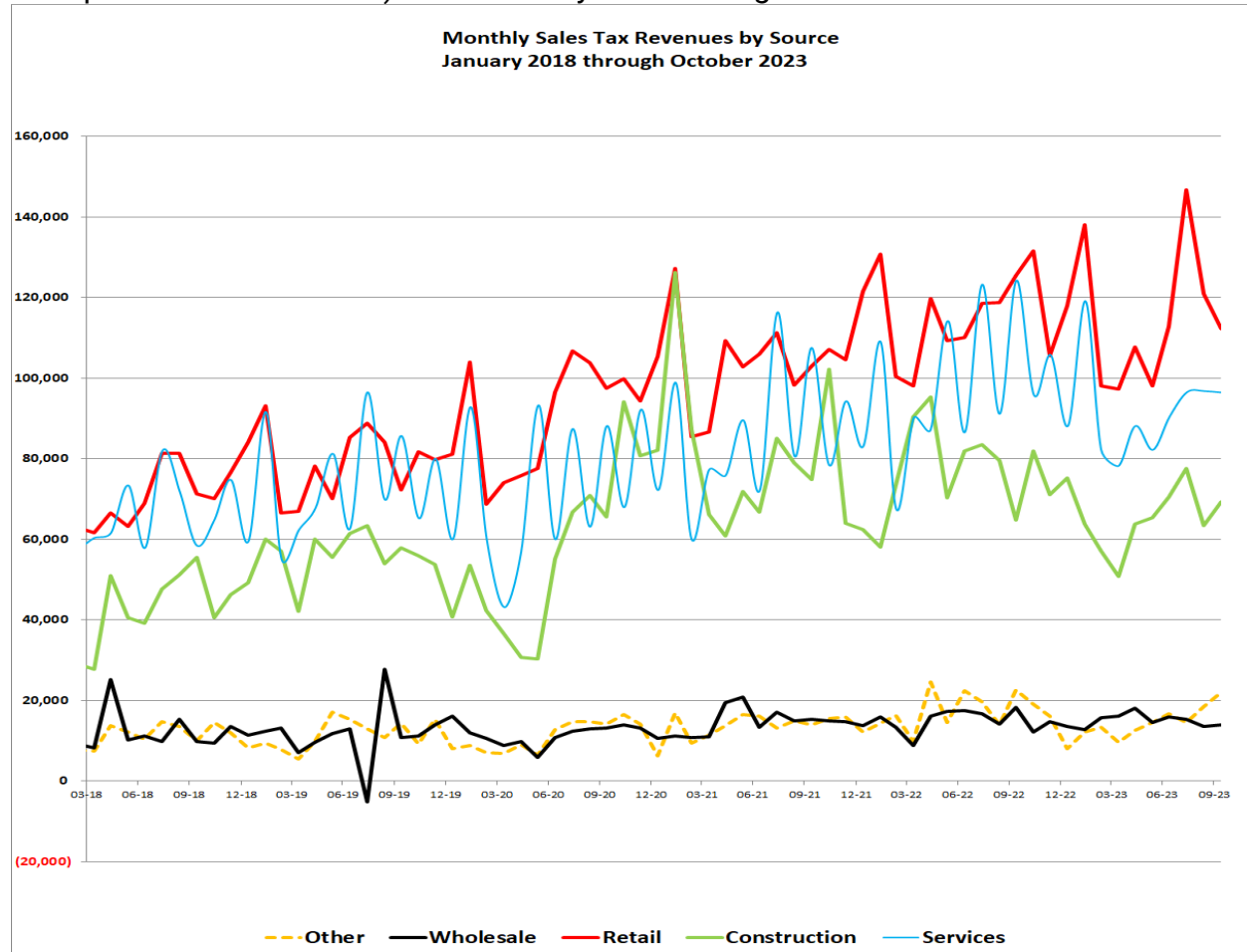


Total **revenues** for the month were **\$3,124,318**. Biennium to date revenues were \$14,270,964 which is 45.6% of the budgeted revenues of \$31,305,131. Primary sources of revenue for the month included \$2,042,745 in property taxes, \$110,712 in development fees & permits, \$314,206 in retail sales and use taxes, \$112,348 in intergovernmental & grants, \$179,613 in franchise fees, and \$322,124 in utility taxes.

A summary of sales tax revenues received in **October** is attached. These receipts are based on **August** sales activity. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted 3 Year Average line is a monthly average of actual receipts during 2020, 2021, and 2022. The gray line represents 2023 actual receipts by month, which are \$41,462 below 2022 and below the 3 Year Average by \$2,231.



The following chart illustrates the historical trends of sales tax receipts from the major segments: construction, retail, wholesale, other (agriculture, services, manufacturing, transportation and utilities) from January 2018 through October 2023.

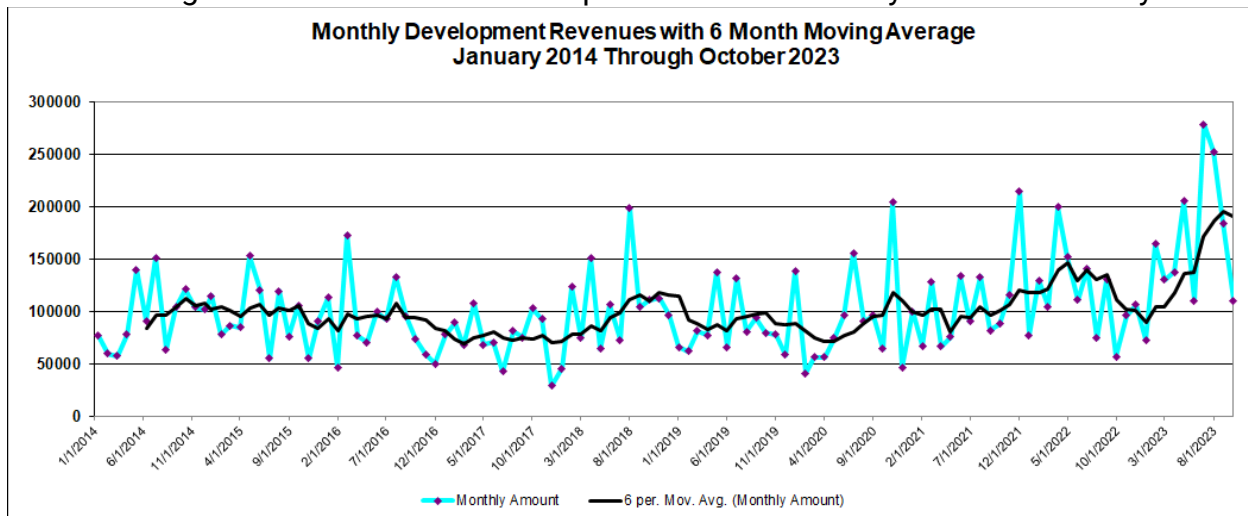


In October, the top 506 sales tax remitters, accounting for 87% or \$274,435 of total remittances, were reviewed for internet sales activity.

Of the \$274,435 of sales tax remitted by these companies in October, \$55,450 (20% of the total) was generated from internet-based companies. Below is a chart that illustrates the amount of internet-based sales tax in the major segments that include it:

	Top Sales Tax Remitters in October	Internet Based Companies	% of Total Internet Sales Tax Collected
Retail Trade	\$88,172	\$35,288	40%
Information	10,792	3,044	28%
Services	74,497	15,224	20%
Wholesale	10,215	1,894	19%
Other	90,759	0	0%
	<b>\$274,435</b>	<b>\$55,450</b>	

The following chart illustrates the development revenue activity over the last 10 years.



**October 2023 expenditures** were **\$890,576**. Biennium to date expenditures were \$10,892,171 which is 35% of the biennial budget expenditures of \$31,252,425.

City cash, \$23,082,777, and long-term investments, \$8,000,247, at the end of October, totaled \$31,083,024. Proposition 1 levy funds and ARPA Recovery Funds are included in this cash balance.

### **OTHER FUNDS**

Total non-General Fund revenues for the month were \$1,698,902 and total non-General Fund expenditures were \$1,417,376.

In the **Street Fund**, expenses are outpacing revenues year to date as transfers from the General Fund and Transportation Benefit District have not yet been recorded. Overall, expenses are slightly lower than expected at 33.4% for the biennium vs the 42% target.

In October, the **Transportation Capital Fund** had expenditures in the amount of \$573,192 on pedestrian safety projects & street maintenance.

The **Real Estate Excise Tax Fund** received \$161,755 of real estate excise taxes (REET) in October from sales activity that occurred in September. Thirty-two (32) transactions were reported.

The **Park Capital Fund** had \$29,731 in Park improvement expenditures during October.

In October, the **Walkways & Waterways Debt Service Fund** collected \$382,398 in property taxes related to the Prop 1 Bond for a biennium to date total revenue of \$959,952.

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The **Transportation Benefit District Fund** received \$54,251 in vehicle license fees during the month.

### **SUMMARY**

This concludes the financial report for the City of Kenmore as of **October 31, 2023**. I appreciate your feedback and encourage you to contact me if you have any questions prior to the City Council meeting.