



CITY OF MEDINA

501 EVERGREEN POINT ROAD | PO BOX 144 | MEDINA WA 98039-0144
TELEPHONE 425-233-6400 | www.medina-wa.gov

Date: February 13th, 2023
To: Honorable Mayor and City Council
Via: Stephen R. Burns, City Manager
From: Ryan Wagner, Finance & HR Director
Subject: Year End 2022 Financial Reporting and 2021 Audit

The Year End 2022 Reporting includes:

- December 13th Month AP Check Register Activity Detail
 - 2021 Audit Findings and Next Steps
 - Year End Financials and Cash Position Report
 - 2022 End of Year Highlights
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2021 City of Medina Financial Audit

- The 2021 Financial and Accountability Audits were concluded on January 23rd, 2023.

Financial Audit Report

<https://www.medina-wa.gov/financeandhr/page/financial-statements-audit-reports>

Accountability Audit Report

<https://www.medina-wa.gov/financeandhr/page/accountability-audit-reports>

Audit Recommendations

Through the 2021 audit process, Medina's audit team recommended a few process level changes to improve the transparency of the cities financials. The two main process changes are the following,

- Ordinance for RCW 42.24.180 compliance.
 - o Council needs to authorize either the City Manager or Finance Director as a pre-approval signer for payment of warrants prior to Council approval.
 - o Researching and working with other municipalities to draft the ordinance, will have legal review before it is brought to Council.
- Update Medina's Financial Policy's to Include Accounts Payable Language
 - o Include RCW 42.24.180 language and reference ordinance.
 - o Reduce and include authorized check signers in writing and provide signed City manager approval.

2022 Year End Financials

	DECEMBER ACTUAL	DECEMBER YTD ACTUAL	2022 ANNUAL BUDGET - Updated per Budget Amendment	% of Budget Total	REMAINING BUDGET
General Fund					
Property Tax	\$54,452	\$4,185,656	\$4,167,873	100.43%	(\$17,783)
Sales Tax	\$175,773	\$1,883,644	\$1,958,050	96.20%	\$74,406
Affordable & Sup. Housing	\$1,513	\$11,135	\$0	--	\$11,135
Criminal Justice	\$9,141	\$104,390	\$100,283	104.10%	(\$4,107)
B & O Tax: Utility & Franchise Fee	\$1,327	\$992,460	\$938,302	105.77%	(\$54,158)
Leasehold Excise Tax	\$2	\$1,698	\$3,042	55.82%	\$1,344
General Government (includes Hunts Point)	\$114,874	\$480,258	\$485,756	98.87%	\$5,498
Passports, General Licenses & Permits	\$583	\$3,145	\$404,492	0.78%	\$401,347
Fines, Penalties, Traffic Infr.	\$1,687	\$19,280	\$15,000	128.53%	(\$4,280)
Misc. Invest. Facility Leases	\$23,858	\$201,451	\$234,416	85.94%	\$32,965
Disposition of Capital Assets	\$2,399	\$6,903	\$3,000	230.10%	(\$3,903)
General Fund Total	\$385,609	\$7,890,020	\$8,310,214	94.94%	\$420,194
Development Services Fund Total	\$98,722	\$974,237	\$1,356,895	71.80%	\$382,657.75
Development Services Fund Transfers In from GF	\$10,835	\$1,010,835	\$1,010,835	100.00%	\$0.00
Street Fund Total	\$5,304	\$58,692	\$118,801	49.40%	\$90,446
Street Fund Transfers In from GF	\$37,562	\$405,628	\$405,628	100.00%	\$200,764
Tree Fund Total	\$0	\$2,310	\$3,075	75.12%	\$765
Capital Fund Total	\$171,615	\$2,151,364	\$2,060,619	104.40%	(\$90,745)
Levy Stabilization Fund Total	\$41,667	\$500,000	\$500,000	100.00%	(\$0)
Levy Fund Transfers In from GF	\$41,667	\$500,000	\$500,000	100.00%	(\$0)
NonRevenue Trust Funds Total	\$1,086	\$21,366	\$0	--	(\$21,366)
Master Investments Total	\$0	\$250,000	\$0	--	(\$250,000)
Total (All Funds)	\$662,337	\$11,097,990	\$11,849,604	93.66%	\$751,615
Total (All Funds) Transfers In	\$37,562	\$1,916,463	\$1,916,463	100.00%	\$0

	DECEMBER ACTUAL	DECEMBER YTD ACTUAL	2022 ANNUAL BUDGET - Updated per Budget Amendment	% of Budget Total	REMAINING BUDGET
EXPENDITURES:					
General Fund					
Legislative	\$3,602	\$18,154	\$39,600	45.84%	\$21,446
Municipal Court	\$9,927	\$59,453	\$59,250	100.34%	(\$203)
Executive	\$23,949	\$295,456	\$318,257	92.84%	\$22,801
Finance	\$34,168	\$516,338	\$577,347	89.43%	\$61,009
Legal	\$26,845	\$239,438	\$311,200	76.94%	\$71,763
Central Services	\$154,245	\$1,055,241	\$1,119,045	94.30%	\$63,804
Police Operations	\$329,751	\$2,409,607	\$2,986,604	80.68%	\$576,997
Fire & Medical Aid	\$0	\$766,426	\$756,837	101.27%	(\$9,589)
Public Housing, Environmental & Mental Health Fees	\$25,434	\$42,649	\$46,691	91.34%	\$4,042
Recreational Services	\$0	\$38,086	\$48,500	78.53%	\$10,414
Parks	\$63,734	\$567,370	\$541,126	104.85%	(\$26,244)
Nonexpenditure	\$0	\$11,500	\$0	--	(\$11,500)
General Fund Subtotal	\$671,655	\$6,019,717	\$6,804,457	88.47%	\$784,741
General Fund Transfers Out	\$90,064	\$1,916,463	\$1,916,463	100.00%	\$0
General Fund Total	\$761,718	\$7,936,180	\$8,720,920	91.00%	\$784,741
Development Services Fund Total	\$148,336	\$1,149,347	\$1,190,561	96.54%	\$41,214
City Street Fund Total	\$47,375	\$494,824	\$524,429	94.35%	\$29,605
Tree Fund Total	\$0	\$13,696	\$40,000	34.24%	\$26,304
Capital Fund Total	\$64,430	\$1,238,272	\$1,484,000	83.44%	\$245,728
NonRevenue Trust Funds Total	\$58	\$803	\$0	0.00%	(\$803)
Master Investments Total	\$224,931	\$5,185,451	\$0	0.00%	(\$5,185,451)
Total (All Funds)	\$931,854	\$8,916,659	\$10,043,447	88.78%	\$1,126,789
Total (All Funds) Transfers Out	\$90,064	\$1,916,463	\$1,916,463	100.00%	\$0

2022 Cash Position Report

<u>2022 Beginning Cash Balance 01/01/2022</u>		<u>2022 Cash Balance, 12/31/2022</u>	
TOTAL CASH & INVESTMENTS		TOTAL CASH & INVESTMENTS	
Period starting 1/1/2022		Period Ending: 12/31/2022	
WA ST INV POOL	\$ 5,550,792	WA ST INV POOL	\$ 7,990,461
OTHER INVESTMENTS	1,500,000	OTHER INVESTMENTS*	4,000,000
CHECKING	<u>2,732,941</u>	CHECKING	<u>494,721</u>
	\$ 9,783,733		\$ 12,485,182

*Bond maturity dates:

Matured, cash received on 1/3/2022



\$500K bond (Mar 2020)
3/25/2025
\$1M bond (Aug 2020)
8/5/2024
\$1M bond (June 2022)
12/31/2022
\$1M bond (June 2022)
5/31/2023
\$500K bond (June 2022)
12/31/2025

YTD Cash Increase of \$2,701,449

How the cash is utilized:

- \$418,006 in Outstanding Checks
- \$500,000 to the Levy Stabilization Fund
- \$913,092 Increase to the Capital Budget
- \$870,351 Increase over Jan 2022 to General Fund
- Helps replace transfer of funds to Development Services

2022 Fund Year End Balances

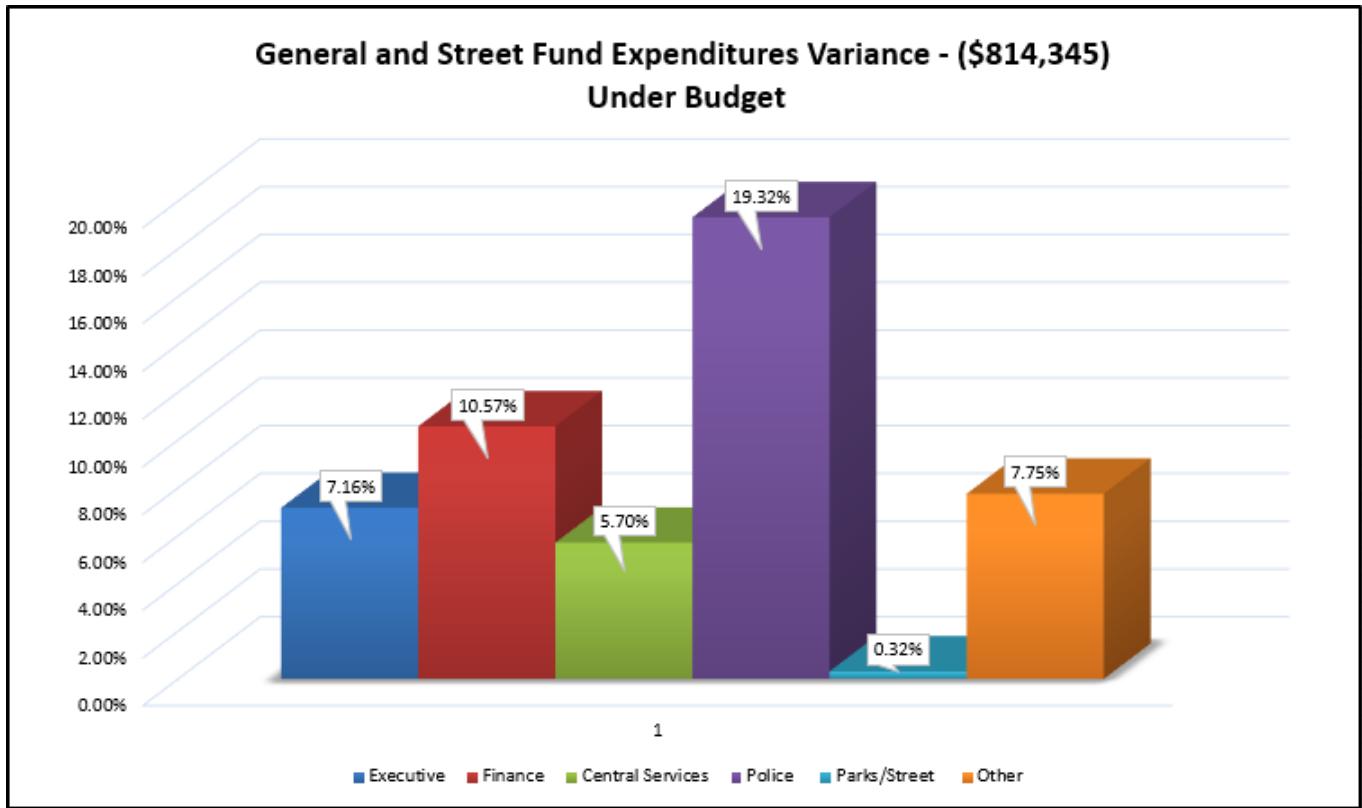
Cash and Investment Activity

Period: 2022 - December

Fund		Beginning Cash	Beginning Investments	Activity In	Activity Out	Ending Cash	Ending Investments	Ending Balance
001	General Fund	\$3,862,392.04	\$0.00	\$7,976,224.18	\$7,928,508.13	\$3,910,108.09	\$0.00	\$3,910,108.09
101	City Street Fund	\$74,928.06	\$0.00	\$490,011.56	\$520,516.40	\$44,423.22	\$0.00	\$44,423.22
103	Tree Fund	\$84,324.22	\$0.00	\$6,708.00	\$18,094.26	\$72,937.96	\$0.00	\$72,937.96
302	Contingency Fund	\$250,000.00	\$0.00	\$0.00	\$0.00	\$250,000.00	\$0.00	\$250,000.00
303	Levy Stabilization Fund	\$500,000.00	\$0.00	\$500,000.03	\$0.00	\$1,000,000.03	\$0.00	\$1,000,000.03
307	Capital Projects Fund	\$5,017,813.93	\$0.00	\$2,148,926.46	\$1,235,834.35	\$5,930,906.04	\$0.00	\$5,930,906.04
401	Development Services Fund	\$0.00	\$0.00	\$1,995,072.45	\$1,159,346.83	\$835,725.62	\$0.00	\$835,725.62
631	NonRevenue Trust Funds	\$129.34	\$0.00	\$21,366.42	\$802.50	\$20,693.26	\$0.00	\$20,693.26
999	Master Investments	(\$7,052,964.81)	\$7,052,964.81	\$250,000.00	\$5,185,451.41	(\$11,988,416.22)	\$11,988,416.22	\$0.00
		\$2,736,622.78	\$7,052,964.81	\$13,388,309.10	\$16,048,553.88	\$76,378.00	\$11,988,416.22	\$12,064,794.22

General Fund Expenditures

2022 Actuals	2022 Budgeted	Variance
\$6,019,717	\$6,804,457	\$784,740



Where the Cost Savings Came From:

Police Department- \$576,977

-\$424,500 from Camera System (Cost Pushed to 2023)

Legal- \$71,763

-\$49,716 from Special Counsel

Central Services- \$63,804

-\$36,482 from City Hall HW/SW (Capital)

-\$32,233 from Repairs and Maintenance

Finance- \$61,009

-\$50,628 Wages and Benefits

General Fund Revenue

2022 Actuals	2022 Budgeted	Variance
\$7,890,020	\$8,310,214	\$420,194

Where the Negative Variance Comes From:

Passport Services - \$401,100

Contributions/Donations - \$100,000 (Camera System)

Development Services Fund Expenditures

2022 Actuals	2022 Budgeted	Variance
\$1,149,347	\$1,190,561	\$41,214

Key Accounts:

Planning Consultant - \$52,514 over Budget

Landscape Consultant - \$42,983 over Budget (\$44,473 recovered by Advanced Deposit)

Vehicle - \$40,000 Under Budget (Did not Purchase in 2022)

Development Services Fund Revenue

2022 Actuals	2022 Budgeted	Variance
\$974,237.25	\$1,356,895	\$382,657.75

Where the Negative Variance Comes From:

Building Permits - \$311,215.57 (68% of What Was Budgeted)

Zoning and Subdivision - \$34,160 (58% of What Was Budgeted)

Street Fund Expenditures

2022 Actuals	2022 Budgeted	Variance
\$494,824	\$524,429	\$29,605

Street Fund Revenue

2022 Actuals	2022 Budgeted	Variance
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\$464,320	\$524,429	\$60,110
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Where the Negative Variance Comes From:

NPDES DOE Grant - \$50,000

Tree Fund Expenditures

2022 Actuals	2022 Budgeted	Variance
\$13,696	\$40,000	\$26,304

Tree Fund Revenue

2022 Actuals	2022 Budgeted	Variance
\$2,310	\$3,075	\$765

Capital Fund Expenditures

2022 Actuals	2022 Budgeted	Variance
\$1,238,272	\$1,484,000	\$245,728

Savings come from Sidewalk and Stormwater Projects

Capital Fund Revenue

2022 Actuals	2022 Budgeted	Variance
\$2,151,364	\$2,060,619	\$90,745

TIB Grants Received:

- \$192,356.32 for 84th Overlay Project
- \$140,656.00 for NE 7th Overlay Project

2022 Medina Revenue and Expense Summary

DESCRIPTION	2020 Actual	2021 Year-end Actuals	2022 Adopted Budget	2022 Year-end Actuals	2023 Adopted Budget	General Fund Year End Carryover Balances 2023
GENERAL FUND						Fund Balance
BEGINNING FUND BALANCE	\$ 1,181,753	\$ 2,194,185	\$ 3,373,294	\$ 3,373,294	\$ 3,327,133	Excess/(Shortfall)
REVENUES	7,983,720	8,952,680	8,270,543	7,890,020	7,818,769	\$1,514,868
OPERATING TRANSFERS-IN	-	-	-	-	-	
EXPENDITURES	6,601,288	6,646,440	6,779,723	6,019,717	6,764,827	25% Policy Minimum
OPERATING TRANSFERS-OUT	370,000	1,127,132	1,901,527	1,916,463	940,000	\$1,926,207
Year end carryover balance	\$ 2,194,185	\$ 3,373,294	\$ 2,962,587	\$ 3,327,133	\$ 3,441,075	44.7%
STREET FUND						<i>Note: GF balances prior to 2022 do not include Development Services' customer deposits or S.A.O 2019 directive "fiduciary" amounts</i>
BEGINNING FUND BALANCE	\$ 16,031	\$ 13,778	\$ 81,376	\$ 81,376	\$ 54,973	
REVENUES	65,875	128,931	118,801	62,793	135,166	
OPERATING TRANSFERS-IN	370,000	377,132	401,527	405,628	515,000	
EXPENDITURES	438,128	438,465	520,328	494,824	642,803	
OPERATING TRANSFERS-OUT	-	-	-	-	-	
Year end carryover balance	\$ 13,778	\$ 81,376	\$ 81,376	\$ 54,973	\$ 62,336	
DEV. SERVICES FUND						<i>Note: \$600,000 of DS Balance is Held within Advanced Deposits Is Not Considered Usable Funds</i>
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ 835,725	
REVENUES	-	-	1,356,895	974,237	1,007,538	
OPERATING TRANSFERS-IN	-	-	1,000,000	1,010,835	-	
EXPENDITURES	-	-	1,179,726	1,149,347	1,013,297	
OPERATING TRANSFERS-OUT	-	-	-	-	-	
Year end carryover balance	\$ -	\$ -	\$ 1,177,169	\$ 835,725	\$ 829,967	
TREE FUND						
BEGINNING FUND BALANCE	\$ 113,572	\$ 110,072	\$ 86,032	\$ 86,032	\$ 74,646	
REVENUES	-	-	3,075	2,310	3,075	
OPERATING TRANSFERS-IN	-	-	-	-	-	
EXPENDITURES	3,500	24,040	40,000	13,696	40,000	
OPERATING TRANSFERS-OUT	-	-	-	-	-	
Year end carryover balance	\$ 110,072	\$ 86,032	\$ 49,107	\$ 74,646	\$ 37,721	
LEVY STABILIZATION FUND						Must have min. of \$2M by 12/31/2025
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 1,000,000	
OPERATING TRANSFERS-IN	-	500,000	500,000	500,000	500,000	
OPERATING TRANSFERS-OUT	-	-	-	-	-	
Year end carryover balance	\$ -	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,500,000	
CAPITAL PROJECTS FUND						<i>Note: CPF balances do not include contractor retainage activity amounts</i>
BEGINNING FUND BALANCE	\$ 2,049,772	\$ 3,281,736	\$ 5,073,214	\$ 5,073,214	\$ 5,986,306	
REVENUES	1,841,084	2,443,145	2,086,618	2,151,364	1,253,265	
OPERATING TRANSFERS-IN	-	-	-	-	-	
EXPENDITURES	609,120	651,667	1,510,000	1,238,272	1,090,000	
OPERATING TRANSFERS-OUT	-	-	-	-	75,000	
Year end carryover balance	\$ 3,281,736	\$ 5,073,214	\$ 5,649,832	\$ 5,986,306	\$ 6,074,571	
CONTINGENCY FUND						
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
OPERATING TRANSFERS-IN	\$ -	\$ 250,000	\$ -	\$ -	\$ -	
OPERATING TRANSFERS-OUT	\$ -	\$ -	\$ -	\$ -	\$ -	
Year end carryover balance	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	
TOTAL ALL FUNDS BUDGET						
BEGINNING FUND BALANCE	\$ 3,361,128	\$ 5,599,771	\$ 9,395,381	\$ 9,395,381	\$ 11,528,784	
REVENUES	9,890,679	11,518,257	11,835,932	11,080,724	10,217,812	
OPERATING TRANSFERS-IN	370,000	1,127,132	1,901,527	1,916,463	1,015,000	
EXPENDITURES	7,652,036	7,722,647	10,029,777	8,915,856	9,550,927	
OPERATING TRANSFERS-OUT	370,000	1,127,132	1,901,527	1,916,463	1,015,000	
Year end carryover balance	\$ 5,599,771	\$ 9,395,381	\$ 11,201,536	\$ 11,560,249	\$ 12,195,670	



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Date: February 13th, 2023
To: Honorable Mayor and City Council
Via: Stephen R. Burns, City Manager
From: Ryan Wagner, Finance & HR Director
Subject: January 2023 Financial Report

The January 2023 Reporting includes:

- January AP Check Register Activity Detail
- Key Expenditures in January 2023
- Investment Update
- Potential Budget Amendment Items
- January 2023 Cash Position Report

**Please note full January reporting will be provided later, still waiting on some revenue receipts to be reconciled for month end.*

Key Expenditures from January of 2023

- \$283K WCIA 2023 Insurance Payment
- \$65K TIG Toughbooks for Police Patrol Cars
- \$21K Q1 Norcom 911 Dispatch Services Payment

Investment Update

- \$1M bond matured at end of 2022, was reinvestment at discount for 3.5 years at 4% return
- \$52K in January investment earnings between Bond and LGIP interest

Budget Amendment Items

- 20K for WCIA 2023 bill, good faith estimate was understated by Finance Director

Potential Amendment Items

- \$10K for outgoing Council celebration and end of year banquet
- \$25K for potential arborist fee study (already presented to council in Jan 23)
- \$40K for Body Cameras for our PD, potential Q4 expense
- \$30K for a Development Services fee study, (Feb second meeting discussion)
- \$50K for potential Overlay projects (high estimate per PW Director)

2023 January Cash Position Report

<u>2022 Cash Balance, 12/31/2022</u>		<u>2023 Cash Balance, 1/31/2023</u>	
TOTAL CASH & INVESTMENTS		TOTAL CASH & INVESTMENTS	
Period Ending: 12/31/2022		Period Ending: 01/31/2023	
WA ST INV POOL	\$ 7,990,461	WA ST INV POOL	\$ 7,204,348
OTHER INVESTMENTS	4,000,000	OTHER INVESTMENTS*	4,150,000
CHECKING	<u>494,721</u>	CHECKING	<u>567,182</u>
	\$ 12,485,182		\$ 11,921,531

*Bond maturity dates:

New Bond 3.5 Year
4% annual yield



\$500K bond (Mar 2020)
3/25/2025
\$1M bond (Aug 2020)
8/5/2024
\$1.15M bond (Jan 2023)
6/30/2026
\$1M bond (June 2022)
5/31/2023
\$500K bond (June 2022)
12/31/2025