

INTRODUCTION

The Financial Status Update provides a budget to actual comparison of revenues and expenditures for the General Fund and all other Funds from January through December 2021.

This report is comprised of the following four sections:

- General Fund
- Utility Funds
- All Other Funds
- Budget Adjustment Summary

It should be noted that, where significant, revenues are recognized when earned, regardless of when cash is received, and expenditures are recognized when a liability has been incurred or when resources have been transferred to another Fund. Beginning Fund Balance represents net excess resources from a prior year that have been appropriated to Fund budgeted expenditures in the current year.

APRIL 19, 2022

FINANCIAL STATUS UPDATE

AS OF DECEMBER 31, 2021

2021 General Fund

Adopted Revenue Budget

\$31.0 million

Amended Revenue Budget

\$33.4 million

Revenue Actuals

as of December 31,
*\$32.6 million (97.6% of
amended budget)*

Adopted Expenditure Budget

\$30.5 million

Amended Expenditure Budget

\$33.5 million

Expenditure Actuals

as of December 31,
*\$31.3 million (93.6% of
amended budget)*

Contingency Fund Balance

\$3.8 million

GENERAL FUND

Revenues

Overall, General Fund revenues met expectations at the end of the year despite the ongoing COVID-19 Pandemic (Pandemic). The 2021 amended revenue budget is included in the table below along with year-to-date (YTD) actuals, and YTD actuals as a percentage of the amended budget. Prior YTD actuals are presented for comparative purposes.

The budget and actual amounts are for all twelve months of the year, through the end of December. Additional detail regarding primary General Fund revenues and material variances from the original budget is discussed in the narrative below.

GENERAL FUND: Revenues

As of December 31, 2021

Revenue Category	2021 Adopted Budget	2021 Amended Budget	Prior YTD 12/31/2020	YTD 12/31/2021	YTD Revenue as % of Amended Budget
Property Tax	\$ 12,982,811	\$ 12,982,811	\$ 12,766,138	\$12,916,753	99.5%
Sales Tax - General	4,116,770	4,116,770	4,655,523	5,274,525	128.1%
Sales Tax - Criminal Justice	674,900	674,900	702,294	825,202	122.3%
Utility Taxes	4,734,540	4,734,540	4,136,588	4,828,026	102.0%
B&O Taxes	508,600	508,600	792,789	766,667	150.7%
Shared Revenues	1,181,024	1,233,194	2,587,529	1,436,450	116.5%
Cost Allocation-Overhead	792,835	792,835	668,915	905,984	114.3%
EMS Revenues	1,575,537	1,575,537	1,385,298	1,458,172	92.6%
Parks & Recreation	163,400	163,400	359,549	388,760	237.9%
License, Permit & Zoning	2,800,750	2,859,423	2,732,117	3,349,014	117.1%
Municipal Court	262,600	262,600	179,057	192,701	73.4%
Miscellaneous Revenue	218,200	218,200	1,866,105	275,964	126.5%
Interest Earnings	24,600	24,600	18,461	4,850	19.7%
Interfund Transfers	50,000	50,000	189,605	50,000	N/A
Total Revenues	\$ 30,086,567	\$ 30,197,410	\$ 33,039,969	\$32,673,068	108.2%
Beginning Fund Balance	925,214	3,546,389	0	0	0.0%
Total Resources	\$ 31,011,781	\$ 33,743,799	\$ 33,039,969	\$ 32,673,068	96.8%

Property Tax is at 99.5 percent of the budget at the end of the year. This aligns with expectations and reflects the annual timing of property tax payments to the City which typically occur in April and October.

General Sales Tax is 128.1 percent of the adopted budget at the end of December. Because of the delay in receiving Sales Tax from the State, tax revenue is recognized one month later than it is collected (i.e., December Sales Tax revenue numbers represent November sales). Sales Tax revenue is performing above budget expectations primarily due to higher-than-expected returns across all business sectors. Most of

these higher than anticipated returns are due to an increase of potential online sales as well as new construction.

Construction has historically been the largest component of Sales Tax revenue and has retaken its place as the majority of total revenues, with Retail & Wholesale Trade just behind. Both sectors are performing much higher than the prior year. The following table compares Sales Tax revenue by business sector through December for 2020 and 2021.

2020-2021 General Sales Tax Revenue by Business Sector (in thousands)						
Business Sector	Year to Date 12/31/2020	Year to Date 12/31/2021	Increase / (Decrease)	% of Total		
				2020	2021	Sector Totals Change
Construction	\$1,592	\$1,791	\$199	34.2%	34.0%	-0.2%
Retail & Wholesale Trade	\$1,574	\$1,763	\$188	33.8%	33.4%	-0.4%
Admin & Support Services	\$416	\$483	\$67	8.9%	9.2%	0.2%
All Other Sectors	\$394	\$487	\$93	8.5%	9.2%	0.8%
Food Services	\$194	\$229	\$35	4.2%	4.3%	0.2%
Finance/Insurance/Real Estate	\$177	\$200	\$24	3.8%	3.8%	0.0%
Professional, Scientific & Tech	\$173	\$187	\$14	3.7%	3.5%	-0.2%
Telecommunications	\$136	\$134	(\$2)	2.9%	2.5%	-0.4%
Total	\$4,656	\$5,275	\$619	100.0%	100.0%	

Criminal Justice Sales Tax is 122.3 percent of the adopted budget at the end of December. This revenue consists of a 0.1 percent sales tax imposed by King County that is shared amongst cities in the county on a per capita (population) basis. It is closely tied to county wide taxable sales numbers. According to King County's Office of Economic and Financial Analysis, taxable sales recovered significantly in 2021 and are expected to stay strong into 2022.

Business & Occupation (B&O) Tax is 150.7 percent of budget at the end of the year. This revenue continues to be impacted by the Pandemic, ending the year \$26 thousand lower than total revenues in the prior year. Staff expects this revenue line to continue its recovery to pre-Pandemic levels in 2022.

Shared Revenues are 116.5 percent of budget at the end of December. Major revenue sources include State shared taxes; hazardous waste grants; the I-90 corridor landscape maintenance revenue from the Washington State Department of Transportation; vessel registration fees received from the state through King County; the marine patrol services contract revenue from the City of Renton; and financial support for the School Resource Officer received from the Mercer Island School District. The higher than anticipated returns can be attributed in part to high returns on state shared taxes such as Marijuana Excise Tax and Liquor Excise Tax. These two revenue components were a combined \$48 thousand above budget estimates.

Parks and Recreation revenues are 237.9 percent of budget at the end of December. Revenue sources include limited field rentals, boat launch fees, and rent payments from the annex building outside the Mercer Island Community and Event Center (MICEC). Staff has presented to Council an implementation strategy to restart limited Recreation services that were canceled in 2020 due to the onset of the Pandemic, which was passed as part of Ordinance No. 21-11. Staff is continuing the process of rehiring to

implement the approved Reset Strategy with careful attention to the evolving Pandemic. The limited restart of Recreation services has resulted in higher-than-expected revenues, especially from field rentals which ended the year \$75 thousand above budget estimates.

License, Permit, and Zoning Fees are 117.1 percent of budget at the end of the year. This revenue category consists of fees related to development services, business licenses, and a cable franchise. This revenue stream is performing well due to improved administration of development services, an updated fee schedule, and a higher-than-normal volume of permits.

Municipal Court revenues are 73.4 percent of budget through the end of December. Revenues in this category have improved over the prior year but continue to fall short of budget expectations due, in part, to a lag in payments from people who lost their job in the first year of the Pandemic and were unable to pay. In addition, case filings have been historically low since the onset of the Pandemic and slow to recover to pre-Pandemic levels.

Miscellaneous Revenue is at 126.5 percent of the budget at the end of the year. This is primarily due to underestimating revenues from the City's various site leases for public cell towers. Staff has identified this in the revenue forecast and adjusted the expected revenues from site leases accordingly going into 2022 as part of the mid-biennial budget review process.

Interest Earnings are budgeted in the General Fund as an estimate of earnings tied to the balance of the reserve for LEOFF 1 long term care. The City's idle cash resources are invested in the State Treasury Local Government Investment Pool. Per current budget policy, interest earnings are distributed to the various Funds based on their relative cash balances at the end of each quarter. Across all Funds, interest earnings are experiencing a decline compared to 2020.

All other revenues are within expectations through the end of December.

Expenditures

Overall, General Fund expenditures are well within budget estimates at the end of the year. The table below lists the 2021 amended expenditure budget, year-to-date actuals, and year-to-date actuals as a percentage of the amended budget. Prior year actuals are presented for comparative purposes.

The budget and actual amounts are through all twelve months of the year, through the end of December. Additional detail of material variances from the adopted budget are discussed in the narrative below.

GENERAL FUND: Expenditures

As of December 31, 2021

General Fund Department	2021 Adopted Budget	2021 Amended Budget	Prior YTD 12/31/2020	YTD 12/31/2021	YTD Expense as % of Amended Budget
Administrative Services	\$ 478,523	\$ 478,523	N/A	\$ 428,000	89.4%
City Attorney's Office	743,450	2,283,537	945,994	1,937,804	84.9%
City Council	47,375	52,375	73,916	54,376	103.8%
City Manager's Office	963,104	963,104	922,130	845,748	87.8%
Community Planning & Development	2,744,975	2,815,867	2,947,488	2,666,167	94.7%
Finance	944,767	944,767	819,987	855,817	90.6%
Fire	6,988,873	6,982,873	6,644,601	7,013,850	100.4%
Human Resources	747,009	769,295	615,460	718,072	93.3%
Information & Geographic Services	157,849	157,849	135,506	143,924	91.2%
Municipal Court	473,078	473,078	427,504	442,849	93.6%
Non-Departmental	1,882,759	2,313,089	3,380,826	2,087,440	90.2%
Parks & Recreation	727,553	1,265,003	3,112,173	1,125,937	89.0%
Police	7,382,410	7,510,555	7,171,344	7,292,406	97.1%
Public Works	4,885,973	4,985,973	1,473,118	4,455,753	89.4%
Total Expenditures	\$ 29,167,698	\$ 31,995,888	\$ 28,670,047	\$ 30,068,144	94.0%
Interfund Transfers	1,365,787	1,525,787	470,921	1,311,883	86.0%
Total Expenditures + Interfund Transfers	\$ 30,533,485	\$ 33,521,675	\$ 29,140,967	\$ 31,380,026	93.6%

In reviewing expenditures by department, the following are noteworthy:

City Attorney's Office has expended 84.9 percent of budget at the end of December. The City Attorney budget for 2021 includes \$1.2 million in funding (part of Ordinance No. 20C-20) for Sound Transit litigation of which 75 percent has been expended to date. Regular operating expenditures in the City Attorney's office are at 96.9 percent of budget at the end of December.

City Council expenditures ended the year at 103.8 percent of budget. Higher than anticipated professional service costs relating to maintaining remote City Council meetings were the cause of the slight overage.

All other expenditures are meeting expectations through the end of December.

Fund Balance

The General Fund's 2021 year-end unassigned available fund balance amounts to \$4.0 million. It represents the working capital (i.e., current assets less current liabilities) in the fund and consists of the following restricted and unrestricted amounts.

12/31/2021	Amount
Non-spendable Fund Balance	
Petty cash	1,500
Inventory of supplies	120,857
Restricted Fund Balance	
JAG reserve	0
Law Enforcement and Criminal Justice funding	81,793
DSG technology fee reserve	120,094
Customer deposits	200,897
Deferred development fee revenue	566,884
Committed Fund Balance	
Deferred MICEC facility rental revenue	21,757
Compensated absences reserve	751,055
LEOFF I long-term care reserve	2,215,326
Assigned Fund Balance	
Emerging Innovations Reserve (EIR)	0
Expenditure carryovers to 2022 budget	1,134,909
Budgeted fund balance-2022 budget	2,438,184
Subtotal (reserved)	7,653,255
Unassigned - Available balance	4,009,143
Total Fund Balance	11,662,398

The 2021 available fund balance surplus in the General Fund can be attributed in part to:

- General sales tax surplus and license, permit, and zoning fees surplus above the amended budget and revised forecast projections.
- Salary and benefit expenditure savings of \$1.2 million across all departments.

UTILITY FUNDS

At the end of December, all three utility Funds are within expectations for operating revenues and expenditures.

Revenues

The table below lists the 2021 adopted revenue budget, January through December actuals, and a percentage of budget received. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the end of December. Additional detail of major variances is discussed in the narrative following the table.

UTILITY FUNDS: Revenues

As of December 31, 2021

Revenue Category	2021 Adopted Budget	2021 Amended Budget	Prior YTD 12/31/20	YTD 12/31/21	YTD Revenue as % of Adopted Budget
Operating Revenues					
Water Utility	\$ 8,735,800	\$ 8,735,800	\$ 9,626,701	\$ 10,007,267	114.6%
Sewer Utility	10,478,100	10,478,100	10,171,564	10,611,909	101.3%
Storm Water Utility	2,216,300	2,261,720	2,107,568	2,236,579	100.9%
Interest Earnings					
Water Utility	156,100	156,100	119,194	21,120	13.5%
Sewer Utility	63,000	63,000	41,279	10,541	16.7%
Storm Water Utility	45,100	45,100	36,299	5,079	11.3%
Total Revenues	\$ 21,694,400	\$ 21,739,820	\$ 22,102,604	\$ 22,892,496	105.5%

Sewer and Storm Water Utility operating revenues are within expectations. Water Utility operating revenues are above expectations as a result of higher-than-expected water use due in part to the extreme temperatures observed during the summertime months. Adopted rate increases that became effective January 1, 2021, result in dollar increases as compared to 2020 revenues for the same period.

Interest earnings for the Water, Sewer, and Storm Water Utility Funds are well below expected budget numbers. The local government investment pool saw a steady decline in yields through 2020 which has continued throughout 2021.

Expenditures

The table below lists the 2021 adopted expenditure budget by Utility Fund and category, year to date actuals, and a percentage of budget spent. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the end of December. Additional detail of major variances is discussed following the table.

UTILITY FUNDS: Expenditures

As of December 31, 2021

Category	2021 Adopted Budget	2021 Amended Budget	Prior YTD 12/31/20	YTD 12/31/21	YTD Expense as % of Adopted Budget
Operating Expenditures					
Water Utility	\$ 5,929,827	\$ 5,929,827	\$ 5,775,033	\$ 5,427,902	91.5%
Sewer Utility	7,686,517	7,686,517	7,998,399	7,186,647	93.5%
Storm Water Utility	1,684,308	1,729,728	1,308,578	1,668,525	99.1%
Capital Projects					
Water Utility	6,277,671	7,019,631	1,647,854	2,702,585	43.1%
Sewer Utility	2,216,440	2,265,749	961,181	764,592	34.5%
Storm Water Utility	1,072,272	1,072,272	704,405	703,936	65.6%
Debt Service					
Water Utility	109,875	109,875	105,920	106,969	97.4%
Sewer Utility	1,047,070	1,047,070	1,031,875	1,028,343	98.2%
Storm Water Utility	-	-	-	-	N/A
Total Expenditures	\$26,023,980	\$ 26,860,669	\$ 19,533,244	\$ 19,589,500	75%

Operating expenditures in all three Utility funds are within expectations at the end of the year.

Utility capital projects are below budget projections in 2021. This expenditure shortfall is typical for the first year of the biennium as projects are being designed and advertised for the construction season that occurs throughout the final part of the year and into the second year of the biennium. The unspent budget allocation is also a result of delays due to supply chain issues (a Pandemic-related impact) for projects such as the water and sewer SCADA System Upgrades and Booster Chlorination Station. This appears to be continuing into 2022.

The water system SCADA Upgrade is currently in the construction phase but is awaiting the SCADA electronic control and communications components to arrive following repeated delays with shipments anticipated in June 2022. The sewer system SCADA Upgrade is in design phase with work slowed due to system complexities related to operational control and communication needs. The sewer project is expected to bid in Q3 2022 with construction starting in mid-2023 if supply chain delays continue.

The bid for the Booster Chlorination Station was awarded in July with construction starting in late Q4 of 2021 following the review of extensive material submittals and procurement of materials. This project has also faced supply chain delays and delays associated with the concrete truck drivers' strike. This project

aims to construct a booster disinfection system to reduce the risk of future water system contaminations, a need identified by the 2014 Boiled Water Advisory long-term action plan.

Much of the progress on the Meter Replacement project has been focused on finalizing the contract and completing the propagation evaluation for the Advanced Metering Infrastructure. This project will replace the aging water meters throughout the City, more than 60 percent of which are 15 years or older. Once completed, the project will implement new Advanced Metering Infrastructure (AMI) technologies that integrate with the SCADA System Upgrade to better support future system analysis and operations.

Fund Balance

Fund balances, excluding fixed assets, as of December 31, 2021, for the Utility funds are detailed below.

Water Utility 12/31/2021	Amount
Committed Balance	
Minimum Operating Fund Balance	1,420,000
Capital reserve	471,754
Assigned Balance	
Available for Water Utility purposes	9,552,900
Expenditure carryovers to 2022 budget	4,342,177
Budgeted fund balance (2022 budget)	4,160,992
Total	19,947,823

Sewer Utility 12/31/2021	Amount
Committed Balance	
Sewer lake line reserve	1,500,000
Minimum Operating Fund Balance	1,240,000
Capital reserve	1,096,515
Assigned Balance	
Available for Sewer Utility purposes	3,582,852
Expenditure carryovers to 2022 budget	1,436,392
Budgeted fund balance (2022 budget)	0
Total	8,855,759

Stormwater Utility 12/31/2021	Amount
Committed Balance	
Minimum Operating Fund Balance	224,000
Basin improvement reserve	0
Assigned Balance	
Available for Stormwater Utility Purposes	3,630,311
Budgeted fund balance (2022 budget)	609,133
Expenditure carryovers to 2022 budget	351,659
Total	4,815,103

ALL OTHER FUNDS

Revenues

The table below lists the 2021 amended revenue budget, end of the year actuals, and a percentage of budget received. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the end December. Additional detail of major variances is discussed in the narrative following the table.

ALL OTHER FUNDS: Revenues

As of December 31, 2021

Fund Name	2021 Adopted Budget	2021 Amended Budget	Prior YTD 12/31/2020	YTD 12/31/2021	YTD Revenue as % of Amended Budget
Self Insurance Claim	\$ 10,000	\$ 10,000	\$ -	\$ -	N/A
Youth Services Endowment	5,000	5,000	2,159	285	5.7%
Street	3,781,817	3,781,817	3,269,914	4,945,810	130.8%
Contingency	260,300	260,300	160,354	32,246	12.4%
1% for the Arts	17,000	34,000	8,251	30,314	89.2%
Youth & Family Services	2,191,387	2,845,998	1,831,789	2,638,124	92.7%
ARPA	-	391,500	-	391,500	100.0%
Bond Redemption (Voted)	-	-	-	-	N/A
Bond Redemption (Non-Voted)	847,200	847,200	839,700	847,200	100.0%
Town Center Parking Facilities	-	-	-	-	N/A
Capital Improvement	3,293,899	3,313,899	3,129,115	5,118,346	154.5%
Technology & Equipment	362,500	362,500	269,814	280,000	77.2%
Capital Reserve	-	-	-	-	N/A
Equipment Rental	1,751,656	1,751,656	846,473	1,733,057	98.9%
Computer Equipment	1,134,492	1,134,492	1,100,901	1,134,297	100.0%
Firefighter's Pension	173,310	173,310	68,315	164,095	94.7%

Youth Services Endowment Fund revenues are at 5.7 percent of budget at the end of December. Interest earnings were lower than anticipated due to a steady decline in local government investment pool yields.

Street Fund revenues are at 130.8 percent of budget at the end of December. The primary revenue source in the Street Fund is a portion of Real Estate Excise Tax (REET) which ended the year \$1.7 million over budget estimates. Higher than expected returns in 2021 can be attributed to a historically high volume of homes sold, two commercial property sales that generated a combined \$1.8 million in revenue, and nearly double the amount of extraordinary sales, sales of properties valued over \$5.0 million, that were observed in 2020. Total number of property sales in 2021 were 530, compared to 445 recorded in 2020.

Revenues in the **Contingency Fund** are made up of interest earnings, which totaled 12.4 percent of budget at the end of December. Across all funds, interest earnings were much lower than anticipated due to a steady decline in local government investment pool yields seen throughout 2020 and continuing into 2021.

Youth & Family Services Fund revenues ended the year at 92.7 percent of budget. Thrift Store revenues exceeded budget estimates by \$36.9 thousand while it still operates in a limited capacity due to the ongoing Pandemic.

Capital Improvement Fund revenues are at 154.5 percent of budget at the end of December. Similar to the Street Fund, the primary revenue source in the Capital improvement Fund is a portion of REET. REET revenues in this fund exceeded budget estimates by \$2.1 million.

Technology & Equipment Fund revenues are at 77.2 percent of budget at the end of December. This underage is a result of the Equipment Rental Fund's contribution not being required. The contribution from the Equipment Rental fund is based on a Police antenna project that has been deferred. The General Fund's portion of this revenue stream is posted and up to date at 100 percent of budget expectations.

Firefighter's Pension Fund: Total revenues are 94.7 percent of budget at the end of December, up \$95.7 thousand from 2020. This difference is a result of a contribution of General Fund prior year surplus into the Firefighter's Pension Fund. Investment interest earnings are down \$4.7 thousand when compared to 2020. This lower-than-expected interest earnings comes as local government investment pool yields saw a continued decline throughout 2020 and has continued into 2021.

All other revenues are within expectations through the end of the year.

Expenditures

The table below lists the 2021 amended expenditures budget by Fund, end of December actuals and a percentage of budget spent. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the end of December. Additional detail of major variances is discussed in the narrative following the table.

ALL OTHER FUNDS: Expenditures

As of December 31, 2021

Fund Name	2021 Adopted Budget	2021 Amended Budget	Prior YTD 12/31/2020	YTD 12/31/2021	YTD Expense as % of Amended Budget
Self Insurance Claim	\$ 60,000	\$ 60,000	\$ -	\$ 55,000	N/A
Youth Services Endowment	3,500	5,000	3,500	-	0.0%
Street	3,366,531	5,022,403	1,905,692	3,845,628	76.6%
Contingency	-	-	439,605	-	N/A
1% for the Arts	15,000	32,000	27,998	29,211	91.3%
Youth & Family Services	2,178,182	2,934,632	2,083,282	2,386,100	81.3%
ARPA	-	391,500	-	126,274	32.3%
Bond Redemption (Voted)	-	-	-	-	N/A
Bond Redemption (Non-Voted)	847,200	847,200	839,700	847,200	100.0%
Town Center Parking Facilities	-	237,645	121,226	14,670	6.2%
Capital Improvement	3,590,573	4,171,834	2,304,917	1,873,450	44.9%
Technology & Equipment	287,560	297,560	279,713	110,318	37.1%
Capital Reserve	-	-	-	-	N/A
Equipment Rental	2,043,931	2,511,311	1,431,697	1,600,244	63.7%
Computer Equipment	1,060,228	1,060,228	1,063,995	877,872	82.8%
Firefighter's Pension	83,000	90,500	77,944	88,774	98.1%

Youth Services Endowment expenses are at 0.0 percent of budget at the end of the year. The only budgeted expenditure in this fund is a \$5.0 thousand interfund transfer of interest earnings to the Youth & Family Services Fund. Per the Financial Management policies and Ordinance No. 21C-32, which terminates the Endowment fund, the balance of the endowment fund will be transferred to the YFS Fund to facilitate the creation of an operating reserve.

Street Fund expenditures are 76.6 percent of amended budget at the end of December. This is within budget expectations for the first year of a biennium as project work will carry over into 2022 and aim to complete by the end of the biennium, although project timelines continued to be delayed by ongoing supply chain issues.

Youth & Family Services Fund expenditures are 81.3 percent of budget at the end of the year. This apparent expenditure shortfall compared to expectations is a result of a budget amendment of \$212 thousand of grant monies carried over from the prior biennium as part of Ordinance No. 21-07, as well as salary savings across the department. Operating expenditures are within budget estimates.

ARPA Fund expenditures are 32.3 percent of budget at the end of the year. Primary expenditures in this fund are deferred maintenance for Parks with more work to continue into the second year of the biennium.

Town Center Parking Facilities Fund ended the year at 6.2 percent of budget estimates. Professional service costs totaled only \$11.7 thousand, or 4.9 percent, of allocated budget resulting in a savings of \$225.8 thousand.

Capital Improvement Fund expenses are at 44.9 percent of budget at the end of December. Capital projects are well underway at this point in the budget cycle, with the majority of work to continue into the second year of the biennium. Project timelines continued to be delayed by ongoing supply chain issues and the difficulty with successfully bidding project work.

Technology & Equipment Fund: Total expenditures are at 37.1 percent of budget at the end of December. Multiple projects have not begun yet this year due to limited staff resources needing to support the “work from home reality” brought on by the ongoing Pandemic. New staff were recently hired, adding to overall capacity to complete project work outlined in the 2021-2022 biennial budget work plan.

Equipment Rental Fund expenditures are at 63.7 percent of budget at the end of the year. Capital replacement of fleet vehicles and equipment is moving along but is being waylaid by supply chain issues. Repair and maintenance on vehicles totaled \$29.6 thousand, resulting in a \$70.3 thousand savings.

All other variances meet budget expectations through the end of the year.

Fund Balance

The composition of the fund balance as of December 31, 2021, in each of these other funds is detailed below.

All Other Funds (Excluding Utilities)

12/31/2021	Amount
Self Insurance	
Unassigned available fund balance	54,750
Budgeted fund balance (2022 budget)	-
Total Fund Balance	54,750
Youth Services Endowment	
Unassigned available fund balance	289,469
Transfer to YFS Fund - Operating Reserve	(289,469)
Total Fund Balance	0
Street	
Restricted Fund Balance	
Transportation impact fee reserve	511,373
Town Center street (north) reserve	99,684
Committed Fund Balance	
Minimum Operating Fund Balance	87,000
Assigned Fund Balance	
Expenditure carryovers to 2022 budget	1,111,501
Unassigned available fund balance	4,404,779
Total Fund Balance	6,214,337
Contingency	
Committed - Contingency reserve (1)	3,882,159
Total Fund Balance	3,882,159
1% for the Arts	
Committed Fund balance	158,936
Total Fund Balance	158,936
Youth & Family Services	
Restricted Fund Balance	
Emergency assistance reserve	135,894
Rental Assistance reserve (HB1406)	17,032
Committed Fund Balance	
Minimum Operating Fund Balance (transfer from Endowment Fund)	289,469
Assigned Fund Balance	
Budgeted fund balance (2022 budget)	0
Unassigned available fund balance	454,127
Total Fund Balance	896,522
Bond Redemption--Voted	
Restricted fund balance	18,943
Equipment Rental	
Committed Balance	
Vehicle replacement reserve	2,017,594
Fire apparatus replacement sinking fund	628,153
800 MHz radio replacement reserve	373,610
Assigned Balance	
2022 vehicle replacements	732,536
Expenditure carryovers to 2022 budget	464,082
Total	4,215,975

Notes

(1) Contingency reserve target: \$30,533,485 originally adopted 2022 General Fund budget x 12.5% = \$3,816,686

12/31/2021	Amount
Bond Redemption--Non Voted	
Restricted Fund Balance	5,038
Long Term Parking - Capital	
Assigned Fund Balance	
Expenditure carryovers to 2021 budget	222,975
Unassigned available fund balance	491,742
Total Fund Balance	714,717
Capital Improvement	
Restricted Fund Balance	
King County Parks Expansion Levy	459,377
Reserve - Freeman Landing	329,891
Impact Fees	189,001
Reserve - RCO property	28,400
Committed Fund Balance	
Minimum Operating Fund balance	114,000
Turf Fields Replacement Sinking Fund	887,282
Assigned Fund Balance	
Expenditure carryovers to 2022 budget	2,287,780
Appropriated Fund Balance 21-22 Expenditures	602,739
Unassigned available fund balance	3,826,589
Total Fund Balance	8,725,059
Technology & Equipment	
Restricted Fund Balance	
State seizure funds (criminal justice)	41,345
Committed Fund Balance	
MICEC equipment replacement sinking fund	143,504
Police car camera replacement sinking fund	37,710
Expenditure carryovers to 2022 budget	107,240
Unassigned available fund balance	431,868
Total Fund Balance	761,667
Capital Reserve	
Unassigned Available Fund Balance	169,999
Transfer to Capital Improvement Fund	(169,999)
Total Fund Balance	0
Firemen's Pension	
Restricted Fund Balance	942,129
Computer Equipment	
Committed Balance	
2021 computer replacements	200,100
Computer replacement reserve	533,673
Assigned Balance	
Expenditure carryovers to 2022 budget	65,280
Total	799,053
ARPA Projects fund	
Assigned Fund Balance	
Budgeted fund balance (2022 budget)	1,671,000
Expenditure carryovers to 2022 budget	265,226
Unassigned available fund balance	1,555,160
Total Fund Balance	3,491,386

Two summary listings of the originally adopted 2021-2022 Budget (expenditures only), broken down by year, and amendments adopted by Ordinance through September 30, 2021, are presented below.

Fund Type / Fund Name	Original 2021 Budget	2021 Budget Adjustments						Amended 2021 Budget
		Administrative Biennial Corrections	ORD 21-07 4/20/2021	ORD21-11 5/18/2021	ORD21-15 7/6/2021	ORD21-20 9/21/2021	ORD21-31 12/7/2021	
General Purpose Funds:								
General	30,533,485		1,590,252	897,860		500,078		33,521,675
Self-Insurance	60,000							60,000
Youth Services Endowment	5,000							5,000
Special Revenue Funds:								
Street*	3,366,531		25,000		1,193,000	437,872		5,022,403
Contingency	-							-
1% for the Arts	15,000			17,000				32,000
Youth & Family Services	2,178,182		212,750	220,372		60,000	263,328	2,934,632
ARPA Funds	-					200,000	191,500	391,500
Debt Service Funds:								
Bond Redemption (Voted)	-							-
Bond Redemption (Non-Voted)	847,200							847,200
Capital Projects Funds:								
Town Center Parking Facilities*	-		237,645					237,645
Capital Improvement*	3,590,573		86,079			495,182		4,171,834
Technology & Equipment*	287,560		10,000					297,560
Capital Reserve*	-							-
Enterprise Funds:								
Water*	12,317,373		300,000	441,960				13,059,333
Sewer*	10,950,027		49,309					10,999,336
Stormwater*	2,756,580		45,420					2,802,000
Internal Service Funds:								
Equipment Rental*	2,043,931		467,380					2,511,311
Computer Equipment*	1,060,228							1,060,228
Trust Funds:								
Firefighter's Pension	83,000							83,000
Total	70,094,670	-	3,023,835	1,577,192	1,193,000	1,693,132	454,828	78,036,657

* Capital Improvement Program (CIP) projects are accounted for in these funds.

Fund Type / Fund Name	Original 2022 Budget	2022 Budget Adjustments					Amended 2022 Budget
		Administrative Biennial Corrections	ORD21-11 5/18/2021	ORD21-20 9/21/2021	ORD21-31 12/7/2021		
General Purpose Funds:							
General	31,987,897		30,000	428,199	1,867,000		34,313,096
Self-Insurance	10,000						10,000
Youth Services Endowment	5,000						5,000
Special Revenue Funds:							
Street*	4,045,768						4,045,768
Contingency	-						-
1% for the Arts	15,000						15,000
Youth & Family Services	2,127,962		122,757		980,276		3,230,995
ARPA Funds					1,671,000		1,671,000
Debt Service Funds:							
Bond Redemption (Voted)	-						-
Bond Redemption (Non-Voted)	234,100						234,100
Capital Projects Funds:							
Town Center Parking Facilities*	-						-
Capital Improvement*	4,228,583						4,228,583
Technology & Equipment*	234,500						234,500
Capital Reserve*	-						-
Enterprise Funds:							
Water*	17,010,992						17,010,992
Sewer*	11,543,961						11,543,961
Stormwater*	2,987,833						2,987,833
Internal Service Funds:							
Equipment Rental*	1,647,322						1,647,322
Computer Equipment*	1,171,434				21,700		1,193,134
Trust Funds:							
Firefighter's Pension	87,000				15,000		102,000
Total	77,337,352	-	152,757	428,199	4,554,976	-	82,473,284

* Capital Improvement Program (CIP) projects are accounted for in these funds.