



Finance & Human Resources Department

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DATE: September 20, 2022
TO: Finance & Administration Committee
FROM: Jen Ferguson, Finance & HR Director
SUBJECT: SAMPLE – Snoqualmie Financial Performance Reporting

The purpose of this memo is to present a sample of a financial performance report that would be prepared after the end of each fiscal quarter and year-end to inform the City Council of the financial health of the City. Proposed Financial Management Policy includes a section describing that this type of reporting be prepared and presented to the City Council.

The finance department has prepared a sample report, included with this memo, that is envisioned to accomplish this reporting requirement and desires the F&A Committee's feedback on proposed reporting format, sections included and financial data that they would like to review.



FINANCIAL PERFORMANCE REPORT

As of End of Quarter date/year

Abstract

The Snoqualmie Finance Department endeavors to provide transparent, accurate financial information, maintain the City's fiscal health, guide adherence to Financial Policy, and manage financial service operations with a high level of customer service

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FINANCE DEPARTMENT

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DATE:

TO: Snoqualmie City Council
FROM: Jen Ferguson, Interim Finance Director
SUBJECT: Financial Performance Report as of period ending, 2022

Attached is the quarterly Financial Performance Report for the period ending June 30, 2022. This report presents the General, Special Revenue, Non-Utilities CIP, Utilities CIP, Debt Service, and Internal Service Funds. The purpose of this report is to compare actual expenditures and revenues to the 2022 Amended Budget and to discuss reasons for variances.

Notable items:

- General Fund revenues were ... which is ... Than last year and ... than the expected budget. This was primarily driven by ...
- General fund expenditures are ... as of the quarter end, compared to ... last year and ... than the amount budgeted. This is due to ...
- Other changes ...
- In February, the Bureau of Labor Statistics published the CPI, Seattle area, which provides the basis for most inflationary and cost-of living adjustments (COLA) as up 1.7% over the past two months, and up 8.1% from a year ago. Inflation is currently impacting the costs of services, construction materials, wages, and other goods the city purchases. Inflationary pressures remain highly uncertain in the near and long terms.

A. Brief Table of Contents in an Inset Bar

B. Scorecard or Indicator Page with red/yellow/green indicators or + or - of variance.

➤ Reserves and Fund Balance	
○ Reserve Target – General Fund	+
○ Reserve Target – Utility Enterprise Fund	+
○ Reserve Target – Special Revenues	+
○ Reserve Target – Capital Funds	+
➤ General Fund Revenue Performance as Compared to Budget	+
➤ General Fund Expenditures as Compared to Budget	+
➤ Community Development Services Revenue vs Expenditure Actuals	+
➤ Defined Indicator	⚠
➤ Defined Indicator	⚠
➤ Defined Indicator	👎

Indicator Legend:	
+	Positive variance or negative variance of <1%
⚠	Negative variance of 1-4%
👎	Negative variance of >4%

C. Financial Performance

- a. Quarterly Summary Revenues, Expenditures and Fund Balance
 - i. All funds, with foot notes
 - ii. Table Here

b. Financial Ratios –example below

City of Name

Government Financial Health: Ratio Analysis

Ratio	2014	General Fund 2015	2016	Significance
Financial Position				
Short-Run Financial Position	0.3	0.3	0.3	A higher ratio suggests larger reserves for dealing with unexpected resource needs in the long run.
Liquidity	5.0	8.5	6.3	A high ratio suggests a greater capacity for paying off short-term obligations.
Financial Performance				
Operating Margin	0.06	0.13	0.08	A low ratio suggest basic government services are more self-sufficient through charges, fees, and grants.
Net Asset Growth	0.17	0.23	0.05	A high ratio suggests annual costs are being adequately financed and the financial condition is improving.
Budget Solvency				
Own Source Revenues	0.03	0.03	0.04	A low ratio suggests the government is not heavily reliant on intergovernmental aid.
Near-Term Solvency	0.02	0.04	0.05	A low ratio suggests outstanding obligations can be more easily met with annual revenues
Long-term Solvency				
Debt Burden	\$ 959	\$ 904	\$ 789	A low per capita suggests less burden on taxpayers and greater capacity for additional borrowing.
Debt Coverage	0.19	0.10	0.09	A low ratio suggests general governmental long-term debt can be more easily repaid when it comes due
Capital Outlay Condition	0.00	0.00	0.0	A high ratio suggests a government is keeping pace, on average, with the replacement of worn stock

c. Financial Indicators -example below

INDICATOR 2

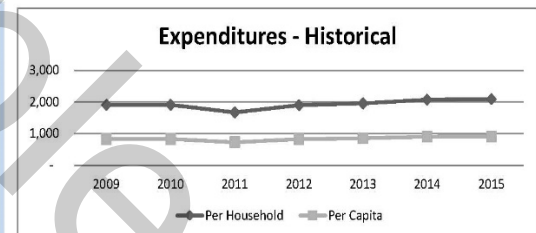
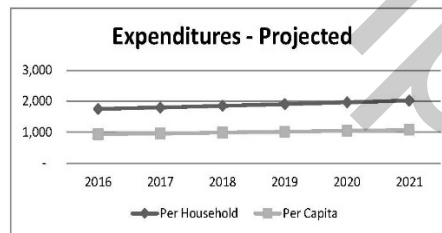
Expenditures per Capita

Warning Trend:

Increasing net operating expenditures per capita

Formula:

$$\frac{\text{total operating expenditures \& transfers}}{\text{population}}$$



Fiscal Year	2016	2017	2018	2019	2020	2021	2009	2010	2011	2012	2013	2014	2015
Net operating expenditures and transfers	8,800,033	9,064,034	9,335,955	9,616,034	9,904,515	10,201,650	7,550,104	7,549,920	6,699,636	7,614,150	7,849,332	8,367,267	8,547,727
Consumer price index	236.5	240.3	244.1	248.1	252.0	256.1	214.5	218.1	224.9	229.6	233.0	236.7	236.5
Net operating expenditures & transfers per inflation	37,206	37,719	38,239	38,765	39,300	39,841	35,193	34,624	29,784	33,164	33,694	35,344	36,140
Current population	9,425	9,500	9,500	9,500	9,500	9,500	9,060	9,098	9,200	9,215	9,220	9,270	9,385
Current households	5,025	5,045	5,050	5,050	5,050	5,050	3,959	3,959	4,013	4,017	4,019	4,040	4,085
Per Capita Expenditures	934	954	983	1,012	1,043	1,074	833	830	728	826	851	903	911
Per Household Expenditures	1,751	1,797	1,849	1,904	1,961	2,020	1,907	1,907	1,669	1,895	1,953	2,071	2,092

Description:

Changes in per capita expenditures reflect changes in expenditures relative to changes in population. Increasing per capita expenditures can indicate that the cost of providing services is outstripping the community's ability to pay, especially if spending is increasing faster than the residents' collective personal income. From a different perspective, if the increase in spending is greater than can be accounted for by inflation or the addition of new services, it may indicate declining productivity--that is, that the government is spending more real dollars to support the same level of services.

D. General Fund Budget vs Actual

- a. Revenues and expenditures as of quarter end, as compared to budget. Presentation can include year-end projection alongside actual quarter end balance.
- b. Graphs
 - i. Include historical graphs for prior 5-to-10-year period to show trends
- c. Narrative, addressing noteworthy variances & change in fund balance.
- d. General Fund Revenues by type, in graph form. Brief explanation for each.

E. Special Revenue Funds Budget vs Actual

- a. Revenues and expenditures as of quarter end, as compared to budget. Presentation can include year-end projection alongside actual quarter-end balance.
- b. Graph to follow form of above graph.
 - i. Include historical graphs for prior 5-to-10-year period to show trends
- c. Narrative includes resource explanation, notable events, variances

F. Utility Operating Funds Budget vs Actual

- a. Revenues and expenditures as of quarter end, as compared to budget. Presentation can include year-end projection alongside actual quarter-end balance.
- b. Graph to follow form of above graph.
 - i. Include historical graphs for prior 5-to-10-year period to show trends
- c. Narrative includes resource explanation, notable events, variances

G. Non-Utility CIP Budget vs Actual

- a. Revenues and expenditures as of quarter end, as compared to budget. Presentation can include year-end projection alongside actual quarter-end balance.
- b. Graph to follow form of above graph.
- c. Narrative includes resource explanation, notable events, variances

H. Utility CIP Budget vs Actual

- a. Revenues and expenditures as of quarter end, as compared to budget. Presentation can include year-end projection alongside actual quarter-end balance.
- b. Graph to follow form of above graphs.
- c. Narrative includes resource explanation, notable events, variances

I. Debt Service

- a. Pertinent graphs
- b. Notable changes

J. Investment Portfolio

- a. Pertinent graphs
- b. Notable changes

K. Staffing Overview

- a. Salary & Benefit expenditures only as of quarter end, compared to budget
- b. Table show current FTEs (new staffing count report) compared to approved FTEs – to show vacancies –

L. Appendix

- a. Link to Adopted Biennial Budget Document (when adopted)
- b. Link to Financial Management Policies (when adopted)
- c. Other links to resources for elected officials
- d. Glossary