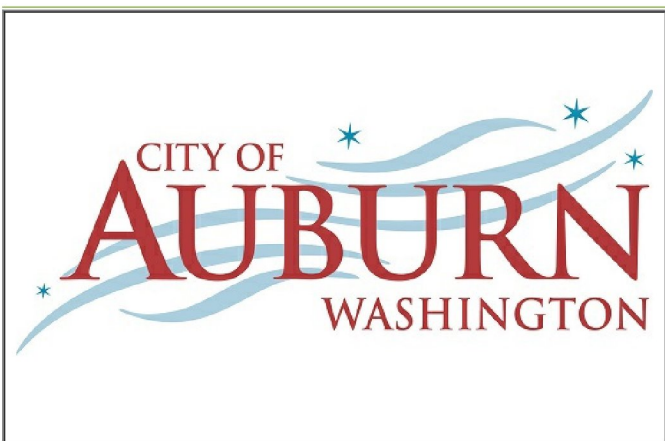


	City Council Study Session Finance, Technology and Economic Development Special Focus Area March 13, 2023 - 5:30 PM City Hall Council Chambers AGENDA Watch the meeting LIVE! Watch the meeting video Meeting videos are not available until 72 hours after the meeting has concluded.
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I. CALL TO ORDER

II. PUBLIC PARTICIPATION

A. Public Participation

The Auburn City Council Study Session Meeting scheduled for Monday, March 13, 2023 at 5:30 p.m. will be held in person and virtually.

Virtual Participation Link:

To view the meeting virtually please click the below link, or call into the meeting at the phone number listed below. The link to the Virtual Meeting is:

<https://www.youtube.com/user/watchauburn/live/?nomobile=1>

To listen to the meeting by phone or Zoom, please call the below number or click the link:

Telephone: 253 205 0468

Toll Free: 888 475 4499

Zoom: <https://us06web.zoom.us/j/87176989434>

B. Roll Call

III. AGENDA MODIFICATIONS

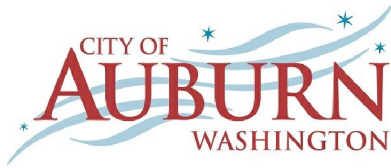
IV. ANNOUNCEMENTS, REPORTS, AND PRESENTATIONS

V. FINANCE, TECHNOLOGY AND ECONOMIC DEVELOPMENT DISCUSSION ITEMS

A. 4th Quarter 2022 Financial Report Update (Thomas) (10 Minutes)

VI. ADJOURNMENT

Agendas and minutes are available to the public at the City Clerk's Office, on the City website (<http://www.auburnwa.gov>), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.



AGENDA BILL APPROVAL FORM

Agenda Subject:

4th Quarter 2022 Financial Report Update (Thomas) (10 Minutes)

Date:

January 19, 2023

Department:

Finance

Attachments:

[Financial Report through Dec 2022- Working Capital](#)

Budget Impact:**Administrative Recommendation:**

For discussion only.

Background for Motion:**Background Summary:**

The financial report summarizes the general state of Citywide financial affairs and highlights significant items or trends that the City Council should be aware of. The attachment provides year-to-date financial activity through December 31, 2022, based on financial data available as of March 2, 2023. A report detailing the working capital balance for enterprise funds covering the same period is also attached.

Reviewed by Council Committees:

Councilmember: Baldwin

Staff:

Thomas

Meeting Date: March 13, 2023

Item Number:

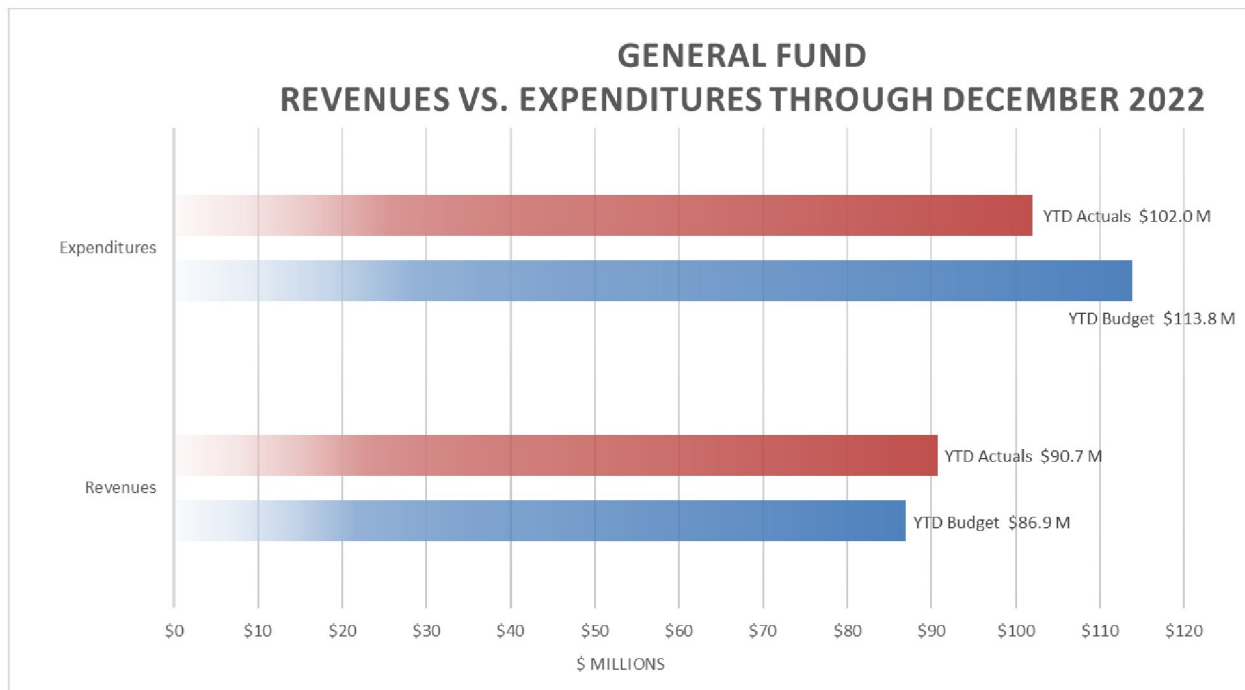
This report provides an overview of the City's overall financial position for the fiscal period ending December 31, 2022, reflecting financial data available as of February 8, 2023.

GENERAL FUND OVERVIEW

General Fund revenues have generally exceeded budget expectations and largely recovered from the impact of the COVID-19 mitigation measures. During 2021, the City saw the easing of mask mandates and COVID-19 restrictions being lifted following the state's Healthy Washington Roadmap to Recovery plan. Simultaneous to reduced COVID-19 related restrictions, the local economy saw a surge in demand and limited supply for goods and housing due to several local, national, and international economic factors. These factors actually created a favorable financial position for the City's General Fund through the end of 2021.

Many of the favorable economic impacts of 2021 continued through 2022 and the City had an overall favorable year. However, year-over-year increases have slowed from the unprecedented increases seen in 2021. A perfect example of this is seen with the City's Sales and Retail Tax which outperformed 2021 collections by 4.5% (compared to the 14.6% annual increase 2020 to 2021). New in 2022, the City implemented a Business and Occupation (B&O) tax, wherein the City taxes businesses based on the value of gross receipts or square footage of occupied warehousing space, subject to certain constraints. This new B&O tax generated \$3.0 million in revenue in 2022.

Overall, General Fund revenues collected through Q4-2022 totaled \$90.7 million as compared to an annual budget of \$86.9 million, and were \$3.8 million, or **4.4% above** budget expectations. General Fund expenditures through Q4-2022 totaled \$102.0 million compared to the total budget authority of \$113.8 million, a **10.4% underspend**.



Revenue: The following factors had the most significant impacts on the budget vs. actual revenue collected:

- Retail Sales Tax: Collections through December 2022 totaled \$22.7 million, and exceeded the annual budget by \$2.4 million (11.7%). The increase resulted from multiple categories, particularly in the services and manufacturing. **[pages 5-7]**
- Utility Tax: Revenue collected through Q4-2022 were \$687,500 unfavorable to budget and they were \$437,000 lower than what was collected in 2021. This variance is primarily due to a change in how the interfund utility taxes are transferred between the City's General Fund and the City's pass-through King County Metro Sewer subfund. **[pages 7-9]**
- Intergovernmental revenue: 2022 collections totaled \$6.9 million and were \$574,000 unfavorable to budget. This is due to the timing for reimbursements on some State and Interlocal grants.. **[pages 12-13]**
- Fines and Penalties: Total revenue collected in this category underperformed budget by \$495,000 (56%). Fines and Fees are almost entirely related to the civil and criminal penalties imposed and collected by defendants through the municipal court, which is currently operated by King County Courts. **[pages 15]**

Expenditures: All departments operated within their budgets in 2022. Of this favorable variance to budget, \$6.9 million was due to underspends in services and charges for projects and programs that did not reach completion. The single largest contributor to the underspend was \$4.8 million in unspent salaries related to staff vacancies related to attrition.

STREET FUNDS OVERVIEW

The City's three street funds are special revenue funds wherein the revenue sources and expenditures are legally restricted. These funds are used for street capital construction projects, as well as local and arterial street repair and preservation projects. Historically, the majority of expenditures in all three street funds occur during the second half of the year when weather conditions are optimal for pavement construction. Variances in budget and actuals between years are generally due to the schedule and level of activity on projects in the fund, and the timing of grant reimbursements and other funding.

In 2022, **Arterial Street Fund** revenues totaled \$3.1 million as compared to revenues of \$2.5 million in 2021, while expenditures totaled \$4.4 million as compared to expenditures of \$3.7 million in 2021. **[pages 19-20]**

Local Street Fund revenues of \$1.8 million compared to revenues of \$1.5 million in 2021. Expenditures in 2022 were \$2.1 million as compared with \$1.5 million in 2021. **[pages 20-21]**

Lastly, **Arterial Street Preservation Fund** revenues totaled \$4.2 million in 2022 compared to \$3.5 million in 2021. Expenditures totaled \$4.2 million compared to \$3.9 million through last year. **[pages 20-21]**

ENTERPRISE FUNDS OVERVIEW

The City's enterprise funds account for operations with revenues primarily provided from user fees, charges or contracts for services.

The **Water Fund** ended 2022 with operating income of \$5.5 million, approximately \$577,000 above the same period last year due to decreased expenditures. **[page 23-24]**

The **Sewer Fund** had operating income of \$3.4 million in 2022 versus \$1.1 million last year. Increased in interest earnings and lower interfund utility tax costs resulting in an increase in operating income from 2021. **[page 24]**

Through December 2022, the **Stormwater Fund** had operating income of \$2.7 million compared to \$2.3 million in 2021; this variance is largely due to increased interest earnings and increase in charges for service. **[page 24]**

The **Solid Waste Fund** had an operating loss of \$1.1 million in 2022 compared to a loss of \$2.4 million in 2021; higher service revenues & interest earnings were offset by increased payments to the City's primary solid waste vendor. **[pages 24-25]**

The **Airport Fund** had operating income of \$358,000 through December 2022, compared to \$339,000 last year. Higher supplies cost was offset by higher charges for service revenues. **[page 25]**

The **Cemetery Fund** had operating income of \$71,000 in 2022, compared with operating income of \$597,000 last year. This decrease is largely attributable to decreased sales revenues and increased costs of supplies for resale. **[page 25]**

INTERNAL SERVICE FUNDS OVERVIEW

Internal service funds provide services to other City departments and include functions such as Insurance, Worker's Compensation, Facilities, Innovation & Technology, and Equipment Rental. No significant variances were reported in these funds in 2022. **[page 25]**

GENERAL FUND DETAILS

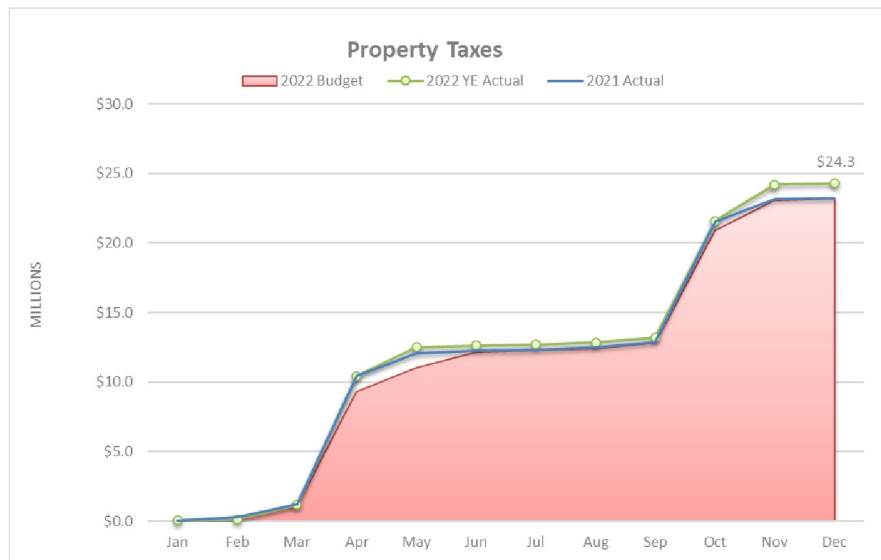
The following chart is a detailed breakdown of the General Fund's different sources of revenue and expenditures, broken down by department:

GENERAL FUND	2022			2021	2022 YE Budget vs. Actual	
	Annual Budget	YE Budget	YE Actual	YE Actual	Favorable (Unfavorable) Amount	Percentage
Operating Revenues						
Property Tax	\$ 23,198,400	\$ 23,198,400	\$ 24,293,611	\$ 23,234,591	\$ 1,095,211	4.7 %
Retail Sales Tax	20,294,400	20,294,400	22,661,066	21,683,222	2,366,666	11.7 %
Affordable Housing Sales Tax Credit	129,900	129,900	152,865	155,794	22,965	17.7 %
Sales Tax - Pierce County Parks	101,700	101,700	135,694	129,875	33,994	33.4 %
Criminal Justice Sales Tax	2,135,000	2,135,000	3,031,055	2,614,952	896,055	42.0 %
Brokered Natural Gas Tax	131,300	131,300	219,151	151,567	87,851	66.9 %
City Utilities Tax	6,779,000	6,779,000	5,597,438	6,372,408	(1,181,562)	(17.4) %
Business & Occupation Tax	500,000	500,000	3,032,830	-	2,532,830	506.6 %
Admissions Tax	400,000	400,000	154,463	169,752	(245,537)	(61.4) %
Electric Tax	3,760,400	3,760,400	4,045,920	3,790,297	285,520	7.6 %
Natural Gas Tax	1,122,500	1,122,500	1,243,873	1,082,748	121,373	10.8 %
Cable Franchise Fee	850,600	850,600	456,739	912,416	(393,861)	(46.3) %
Cable Utility Tax	969,600	969,600	1,050,577	962,553	80,977	8.4 %
Cable Franchise Fee - Capital	60,000	60,000	57,254	57,105	(2,746)	(4.6) %
Telephone Tax	704,200	704,200	574,500	679,925	(129,700)	(18.4) %
Solid Waste Tax (external)	-	-	66,999	196,733	66,999	N/A
Leasehold Excise Tax	210,000	210,000	243,472	222,050	33,472	15.9 %
Gambling Excise Tax	342,100	342,100	256,683	124,965	(85,417)	(25.0) %
Taxes sub-total	\$ 61,689,100	\$ 61,689,100	\$ 67,274,192	\$ 62,540,952	\$ 5,585,092	9.1 %
Business License Fees	\$ 393,100	\$ 393,100	\$ 326,223	\$ 424,315	\$ (66,877)	(17.0) %
Building Permits	1,000,900	1,000,900	1,001,265	1,293,979	365	0.0 %
Other Licenses & Permits	870,300	870,300	947,992	1,218,809	77,692	8.9 %
Intergovernmental (Grants, etc.)	7,480,195	7,480,195	6,906,122	6,308,142	(574,073)	(7.7) %
Charges for Services:						
General Government Services	3,653,540	3,653,540	3,501,518	3,329,054	(152,022)	(4.2) %
Public Safety	988,200	988,200	864,972	1,270,737	(123,228)	(12.5) %
Development Services Fees	1,041,900	1,041,900	1,331,856	1,626,502	289,956	27.8 %
Culture and Recreation	2,375,680	2,375,680	2,702,879	2,339,300	327,199	13.8 %
Fines and Penalties	885,400	885,400	390,200	434,042	(495,200)	(55.9) %
Fees/Charges/Fines sub-total	\$ 18,689,215	\$ 18,689,215	\$ 17,973,026	\$ 18,244,880	\$ (716,189)	(3.8) %
Interest and Investment Earnings	\$ 91,200	\$ 91,200	\$ 657,437	\$ 95,542	\$ 566,237	620.9 %
Rents and Leases	1,003,000	1,003,000	1,139,940	1,127,408	136,940	13.7 %
Contributions and Donations	28,400	28,400	24,533	31,182	(3,867)	(13.6) %
Other Miscellaneous	223,800	223,800	529,975	241,751	306,175	136.8 %
Transfers In	4,983,661	4,983,661	3,033,653	1,538,372	(1,950,008)	(39.1) %
Insurance Recoveries - Capital & Operating	225,000	225,000	103,473	187,185	(121,527)	(54.0) %
Other Revenues sub-total	\$ 6,555,061	\$ 6,555,061	\$ 5,489,010	\$ 3,221,442	\$ (1,066,050)	(16.3) %
Total Operating Revenues	\$ 86,933,376	\$ 86,933,376	\$ 90,736,229	\$ 84,007,273	\$ 3,802,853	4.4 %
Operating Expenditures						
Council & Mayor	\$ 1,713,091	\$ 1,713,091	\$ 1,494,416	\$ 1,130,366	\$ 218,675	12.8 %
Administration	1,170,381	1,170,381	1,106,061	1,195,017	64,320	5.5 %
Human Resources	2,244,183	2,244,183	2,068,191	1,745,216	175,992	7.8 %
Municipal Court & Probation	3,163,945	3,163,945	2,314,646	2,473,775	849,299	26.8 %
Finance	4,226,313	4,226,313	3,727,235	3,342,944	499,078	11.8 %
City Attorney	6,243,018	6,243,018	4,547,810	3,959,192	1,695,208	27.2 %
Community Development	7,657,912	7,657,912	5,903,213	4,970,932	1,754,698	22.9 %
Community & Human Services (Comm Devel)	1,411,128	1,411,128	1,177,273	1,188,683	233,855	16.6 %
Jail - SCORE	5,523,800	5,523,800	5,592,261	5,583,799	(68,461)	(1.2) %
Police	34,601,650	34,601,650	31,577,235	29,535,230	3,024,415	8.7 %
Public Works	3,945,285	3,945,285	3,653,173	3,450,243	292,112	7.4 %
Parks, Arts & Recreation	15,388,110	15,388,110	14,114,895	12,050,998	1,273,215	8.3 %
Streets	4,034,054	4,034,054	3,715,658	3,786,304	318,396	7.9 %
Non-Departmental	22,497,099	22,497,099	20,962,143	6,449,917	1,534,956	6.8 %
Total Operating Expenditures	\$ 113,819,968	\$ 113,819,968	\$101,954,211	\$ 80,862,617	\$ 11,865,757	10.4 %

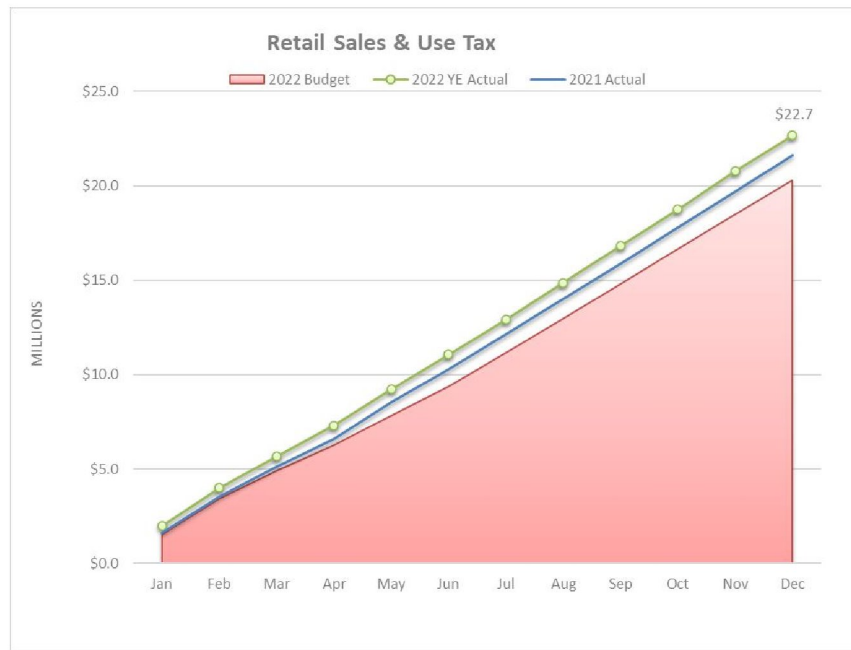
Revenue

General Fund taxes (property tax, sales and use tax, utility tax, business and occupation tax, and other excise taxes) provide for over 74% of all resources supporting general governmental activities. Licenses, charges for services, intergovernmental revenue (grants, state shared revenue, etc.), and fines account for almost 20%. The remaining 6% is a combination of different sources that are typically considered one-time sources. The following section provides additional information on the most significant tax

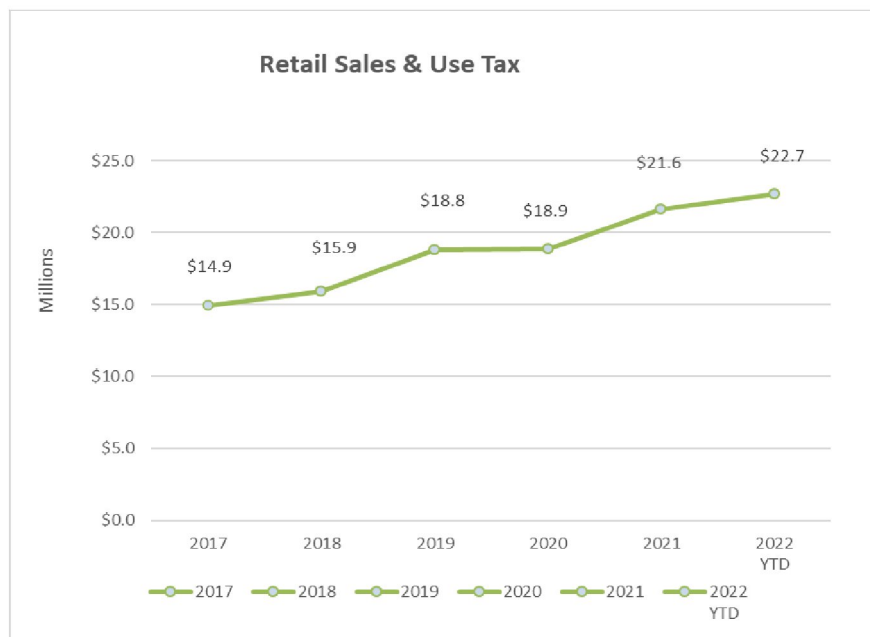
Property Tax Year-to-date collections total \$24.3 million versus a budget of \$23.2 million resulting in \$1.1 million above budget expectations. As depicted in the graphic below, property taxes are primarily collected during the months of April and October, coinciding with the due dates with the County. The difference in budget vs. actual is due to fewer delinquent accounts than budgeted and the collection of delinquent property taxes from previous years.



Retail Sales and Use Tax collections through Q4-2022 totaled \$22.7 million, representing taxes remitted to the City of Auburn based on sales activity from November 2021 through October 2022. Total sales and use tax exceeded budget expectations by \$2.4 million, or 11.7%, which is depicted in the chart on the next page.



Following the same trend from Q1-Q3 2022, sales tax collected in Q4 2022 continued to outpace 2021 collections. Although total 2022 collections exceeded 2021 by \$978,000 (5%) this is a significant slowdown compared to the \$2.8 million (14%) increase in 2021 over 2020. Overall, sales and use tax collections in 2022 were strong but there are indications of a slowdown approaching.



Note: The increase in sales tax revenue from 2018 to 2019 was primarily due to a policy change whereby sales tax on construction revenue is retained in the General Fund; previously, a portion was transferred to street funds. Of the year-over-year increase in sales tax revenue depicted in the graphic above from 2018 to 2019, \$2.2 million of the \$2.9 million increase was due to this policy change.

Overall, retail sales tax revenues are up \$978,000 or 4.5% from the same period last year. Most business categories showed increases, in particular the manufacturing and services sectors.

The following table breaks out the City's retail sales taxes by major business sector:

Comparison of Retail Sales Tax Collections by Group Through December 2022				
Component Group	2021 YE Actual	2022 YE Actual	Change from 2021	
			Amount	Percentage
Construction	\$ 3,034,111	\$ 2,828,362	\$ (205,749)	(6.8) %
Manufacturing	501,480	749,110	247,630	49.4 %
Transportation & Warehousing	373,108	249,466	(123,642)	(33.1) %
Wholesale Trade	1,423,595	1,578,405	154,810	10.9 %
Automotive	4,555,224	4,780,001	224,777	4.9 %
Retail Trade	6,461,966	6,653,103	191,137	3.0 %
Services	4,924,232	5,395,010	470,778	9.6 %
Miscellaneous	409,506	427,610	18,104	4.4 %
YE Total	\$ 21,683,222	\$ 22,661,067	\$ 977,845	4.5 %

Citywide retail sales tax revenues collected in 2022 were \$978,000 or 4.5%, more than collections in 2021. The greatest year-over-year revenue increases were in the services and manufacturing sectors.

Sales tax on *construction* revenues are the notable exception, which saw a 6.8% decrease from Q4-2021, which is significantly impacted by the completion of several new school construction projects. The City has seen a steady year-over-year increase in this category since 2019 and 2022 was the first year there was a decrease since 2019.

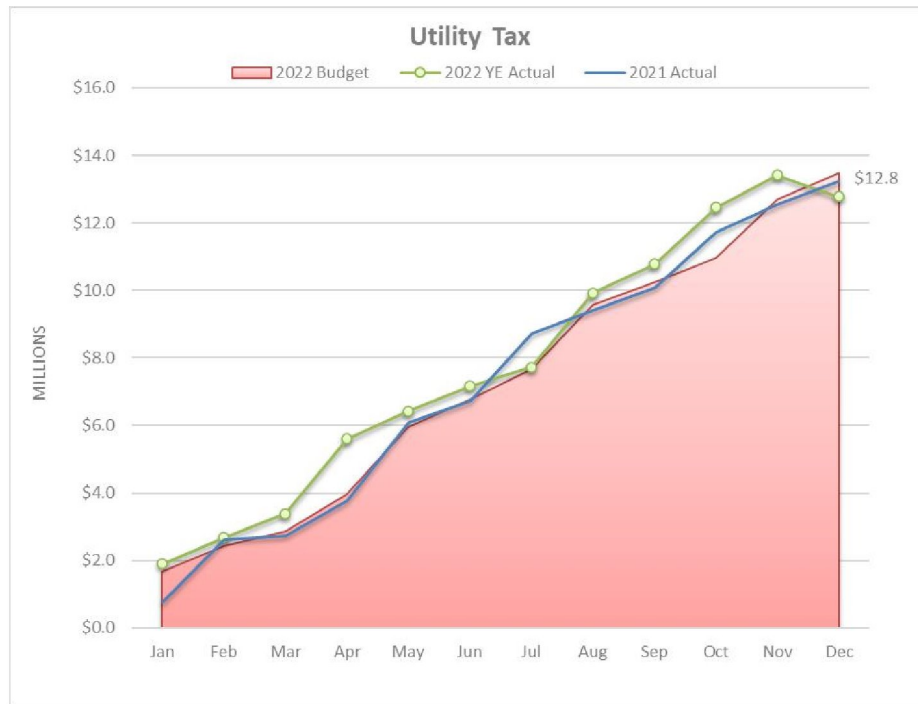
The *transportation and warehousing* decrease of 33.1% entirely attributed to the decrease in activity in the couriers and messengers subcategory. Despite this decrease, the category is still ended \$161,000, or 181%, higher than 2019.

The *automotive* and *retail* categories continue to see strong growth, 4.9% and 3.0% respectively in 2022. Since 2019 the automotive and retail categories have increased 17% and 22%, respectively. These increases are not expected to continue. The City experience large increases in 2021 and 202 as a result of pent-up demand and supply chain issues.

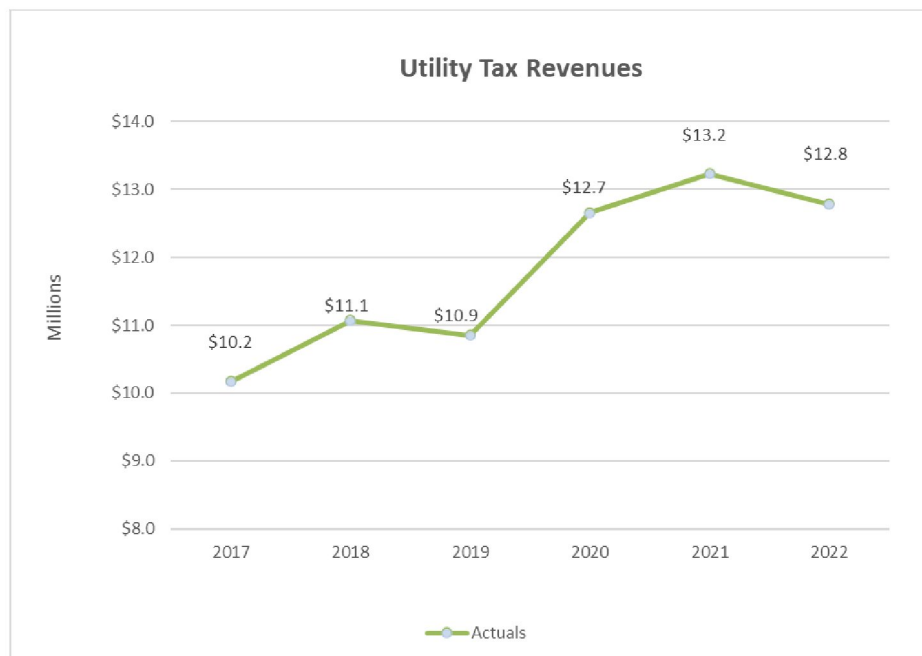
The *services* category continues to have strong year-over-year performance with a \$471,000 (9.6%) increase in 2022 over 2021. Compared to pre-pandemic activity, the categories that have seen the most consistent and significant increases are the information, accommodation and food services, and other categories. These three subcategories account for 68% of the total increases in the services category. Examples of the types of businesses that fall into these subcategories include telecommunications, computer related software/services, restaurants, and automotive repair and maintenance.

Utility Taxes consist of interfund taxes on City utilities (Water, Sewer, Storm and Solid Waste) and taxes on external utilities (Electric, Natural Gas, Cable, and Telephone). Overall, utility taxes collected were \$669,000 less than budgeted and \$438,000 less than 2021.

This decrease is attributed to a correction made in December 2022 to correct the way the King County Metro Sewer fund was paying for sewer tax. The decrease in City utility tax was partially offset by a \$513,000 increase in external utility taxes collected.



The December 2022 correction accounts for net \$438,000 decrease (\$12.8 million collected in 2022 compared to \$13.2 million collected in 2021) in utility tax collections for 2022.



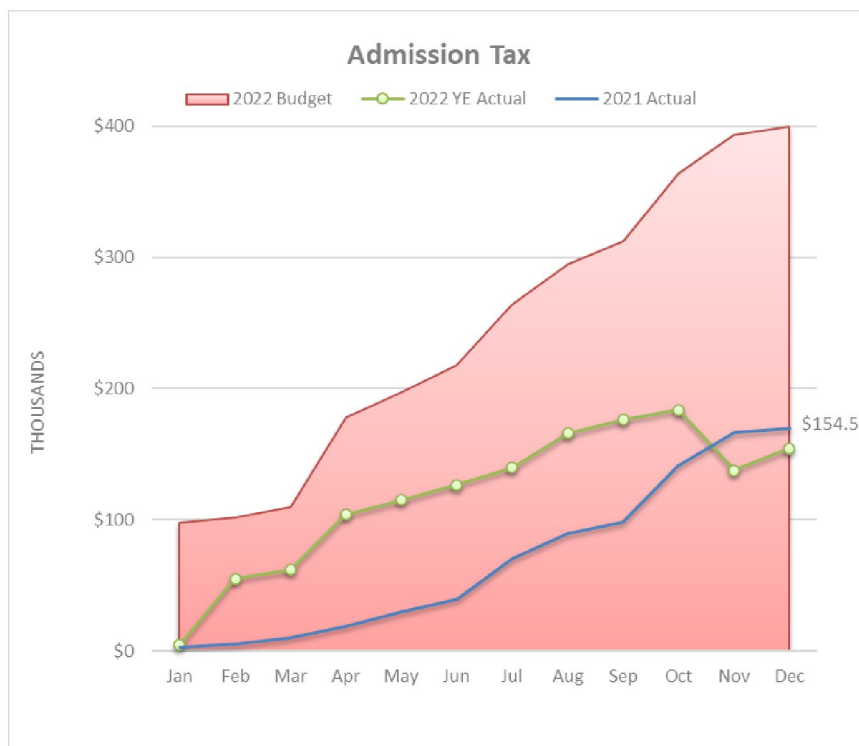
Note: Of the total utility tax levied, 1% is allocated to the Arterial Street Preservation Fund and not reflected in the General Fund's portion discussed here. The large increase from 2019 (\$10.9 million) to 2020 (\$12.7 million) is attributed to the City's decision mid-2020 to reallocate the 1%

dedicated to the Arterial Street Preservation Fund to support General Fund operations, due to the uncertainty of the economic impacts of COVID-19. The Arterial Street Fund's 1% was reinstated in 2021, but 2021 collections continued to increase due to an increase in the City's internal utility tax rate from 7.0% to 10.0% effective in 2021.

The table below demonstrates actual revenues compared to budget and prior year collections by the different utility categories.

Utility Tax by Type Through December 2022							
Utility Tax Type	2021 YE Actual	2022 YE Budget	2022 YE Actual	2022 vs. 2021 Actual		2022 vs. Budget	
				Amount	Percentage	Amount	Percentage
City Interfund Utility Taxes	\$ 6,372,408	\$ 6,779,000	\$ 5,597,438	\$ (774,970)	(12.2) %	\$ (1,181,562)	(17.4) %
Electric	3,790,297	3,760,400	4,045,920	255,623	6.7 %	285,520	7.6 %
Natural Gas	1,082,748	1,122,500	1,243,873	161,125	14.9 %	121,373	10.8 %
Telephone	679,925	704,200	574,500	(105,424)	(15.5) %	(129,700)	(18.4) %
Solid Waste (external)	196,733	0	66,999	(129,734)	(65.9) %	66,999	0.0 %
Brokered Natural Gas	151,567	131,300	219,151	67,584	44.6 %	87,851	66.9 %
Cable	962,553	969,600	1,050,577	88,024	9.1 %	80,977	8.4 %
YE Total	\$ 13,236,230	\$ 13,467,000	\$ 12,798,459	\$ (437,771)	(3.3) %	\$ (668,541)	(5.0) %

An **Admission Tax** of 5.0% is placed on charges for general admission, season tickets, cover charges, etc. Although admission tax revenues of \$155,000 collected through December 2022 were slightly less than Q4-2021 and underperformed budget by \$246,000. However, due to timing of tax reporting and payment, the City had not yet received several large tax payments as of December 31st. An additional \$208,000 was received in January 2023 for Q4 2022 activity. Even accounting for timing, total taxes collected still underperformed budget by \$138,000. This is mostly due to a change in accounting and a correction made in November 2022 for the admission tax charged to the City's Golf Course operations, which have been discontinued.



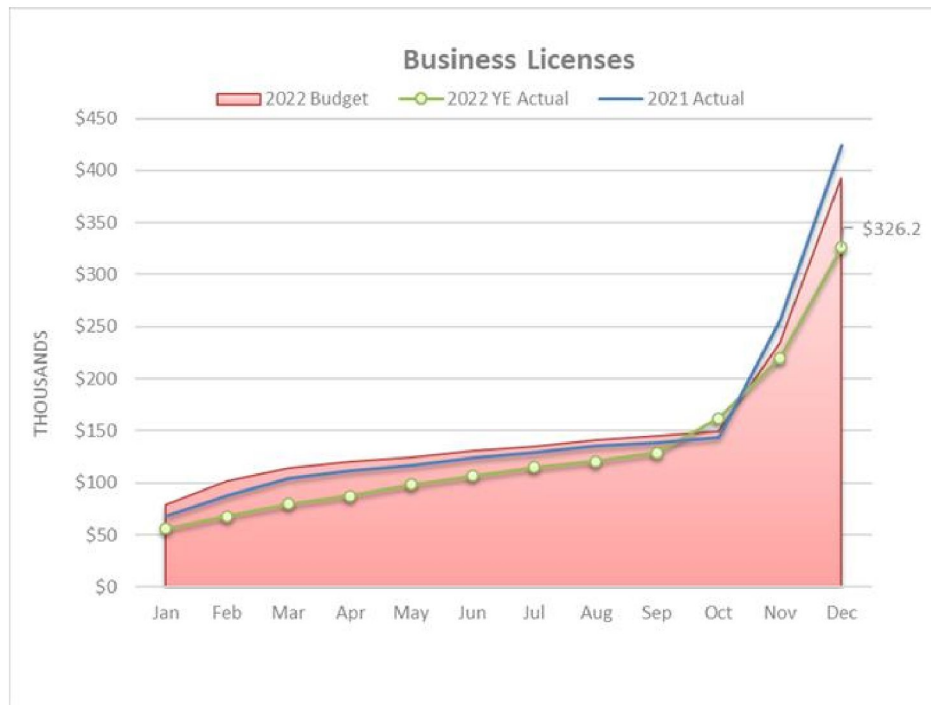
Gambling Tax applies to all card games, punch board games, pull tabs, bingo games, raffles and amusement games played within City limits. Overall, 2022 gambling tax revenues collected through year end totaled \$257,000 and were unfavorable compared to budget by \$85,000. However, due to timing of tax reporting and payment, the City had not yet received several large tax payments as of December 31st. An additional \$132,000 was received in January and February 2023 for Q4 2022 activity. Accounting for the timing of tax payments, total gambling tax exceeded budget by \$45,000 and exceeded 2021 collections by \$263,000.



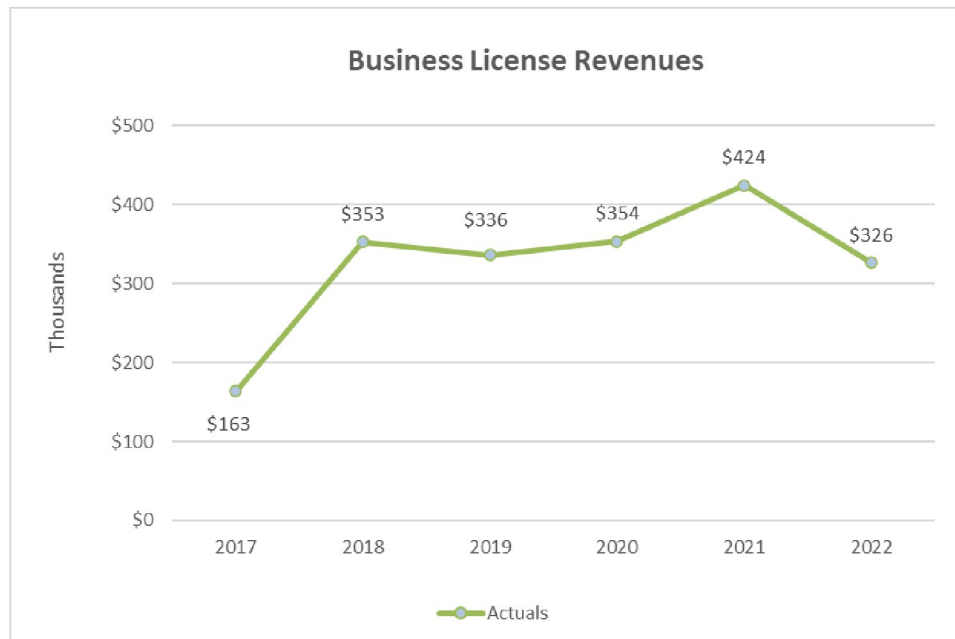
Licenses and Permits include business licenses, building permits, plumbing, electric and other licenses and permit fees. Building permit fees and business licenses make up approximately 70% of the annual budgeted revenue in this category.

The annual **Business License** renewal fee for each business that is located within the City is \$103. Previously, all businesses were on calendar year renewal cycle, which meant that the majority of business license revenue was collected in November and December for existing businesses renewing their licenses, which is reflected in the large peak in the chart below.

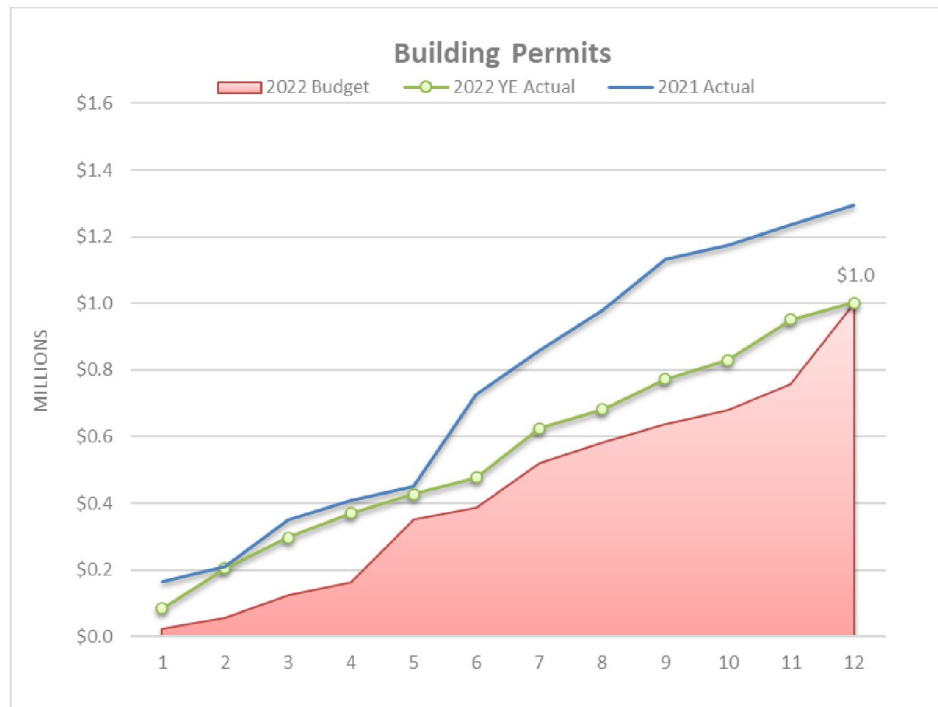
Beginning in September of 2022 business are now on an annual renewal cycle that begins on the date the business had originally been granted a license. This new methodology will smooth out revenue collection throughout the year, but it has also created an unusual timing for revenue collection in the first year of its rollout. You can see this change in the chart below with the revenue collections smoothing out in September – December 2022.



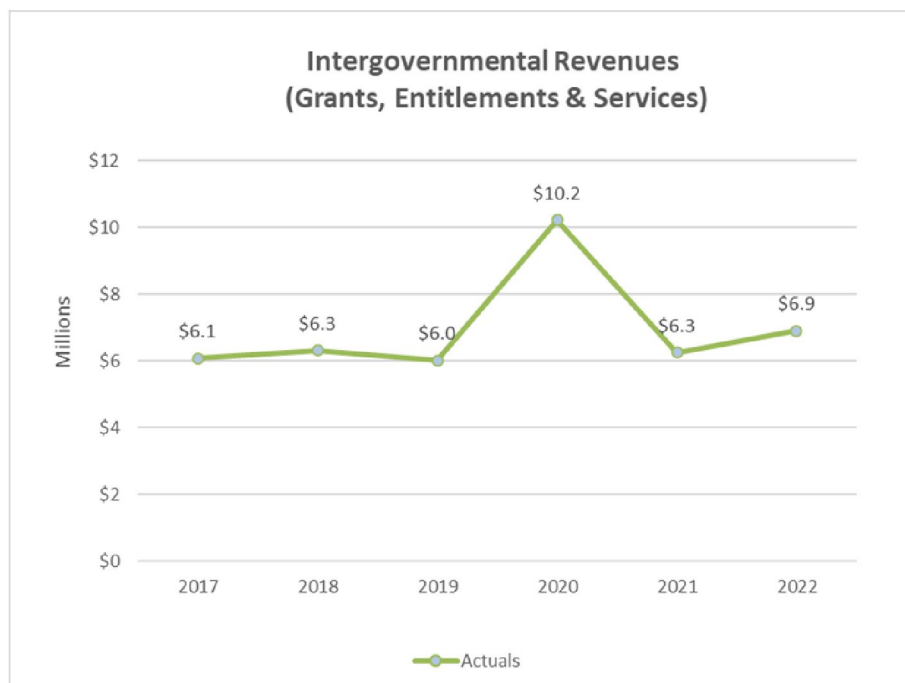
Business license revenues collected through Q4-2022 totaled \$326,000, which was lower than the projected revenues of \$393,100, and \$98,000 less than collections through Q4-2021. We anticipate collections in 2023 will be slightly higher, offsetting the slight 2022 decrease due to two reasons: increased discovery through B&O tax collections and using the State's Business Licensing System (BLS); and many businesses that would normally have paid their 2023 renewal fee in November and December 2022 will now be paying throughout 2023.



Building Permit revenues collected in 2022 totaled \$1.0 million and were equal to budget. A total of 543 building permits were issued in 2022 compared to 515 building permits issued in 2021, representing an 5.4% increase in building permitting volumes. However, the total permit value has decreased over 2021, which led to an overall \$293,000 decrease from 2021.



Intergovernmental revenues include grants and stimulus monies (direct and indirect federal, state and local), revenue from the Muckleshoot Indian Tribe (MIT) compact as well as state shared revenues. Collections during 2022 totaled \$6.9 million and were \$574,000 unfavorable to budgeted expectations, but exceeded 2021 collections by \$598,000.



As shown in the detailed table below, much of this unfavorable budget to actual variance is due to the timing of revenue collections from grants and the Muckleshoot Indian Tribe, which is offset by favorable collections from State Shared Revenue that exceeded budgeted expectations by \$294,000. The largest impact on the 2022 collections compared to 2021 was due to the large \$847,000 increase in annual contributions from the Muckleshoot Tribe.

Intergovernmental Revenues (Grants, Entitlements & Services)							
Through December 2022							
Revenue	2021	2022	2022	2022 vs. 2021 Actual		2022 vs. Budget	
	YE Actual	YE Budget	YE Actual	Amount	% Change	Amount	% Change
Federal Grants	\$ 118,696	\$ 119,915	\$ 91,598	\$ (27,098)	(22.8) %	\$ (28,317)	104.5 %
State Grants	155,813	621,100	58,034	(97,779)	(62.8) %	(563,066)	575.9 %
Interlocal Grants	440,385	756,280	626,873	186,487	42.3 %	(129,407)	(69.4) %
Muckleshoot Casino Services	1,157,990	2,151,300	2,004,520	846,530	73.1 %	(146,780)	(17.3) %
One-Time Allocation (SB 5092)	-	-	-	-		-	
State Shared Revenues:							
Streamlined Sales Tax	1,500,237	1,000,000	900,142	(600,095)	(40.0) %	(99,858)	16.6 %
Motor Vehicle Fuel Tax	1,046,790	1,062,000	1,116,525	69,735	6.7 %	54,525	78.2 %
Criminal Justice - High Crime	232,540	216,400	279,262	46,722	20.1 %	62,862	134.5 %
Criminal Justice - Population	27,323	26,900	30,272	2,949	10.8 %	3,372	114.3 %
Criminal Justice - Special Prog.	97,288	99,800	134,662	37,374	38.4 %	34,862	93.3 %
Marijuana Excise Tax	189,789	187,300	243,619	53,830	28.4 %	56,319	104.6 %
State DUI	13,602	12,000	10,087	(3,515)	(25.8) %	(1,913)	54.4 %
Fire Insurance Tax	98,371	88,400	104,661	6,289	6.4 %	16,261	258.5 %
Liquor Excise	581,922	488,800	622,746	40,824	7.0 %	133,946	328.1 %
Liquor Profit	647,396	650,000	683,122	35,726	5.5 %	33,122	92.7 %
Total State Shared:	4,435,257	3,831,600	4,125,098	(310,160)	(7.0) %	293,498	(94.6) %
YE Total	\$ 6,308,142	\$ 7,480,195	\$ 6,906,122	\$ 597,980	9.5 %	\$ (574,073)	(7.7) %

Charges for Services consist of general governmental service charges, public safety charges, development service fees, and culture and recreation fees. Total charges for services collected in 2022 totaled \$8.4 million and was \$342,000 or 4.2%, more than budgeted. However, charges for services were \$164,000 or 1.9% less than 2021 collections.

Charges for Services by Type							
Through December 2022							
Revenue	2021	2022	2022	2022 vs. 2021 Actual		2022 vs. Budget	
	YE Actual	YE Budget	YE Actual	Amount	Percentage	Amount	Percentage
General Government	\$ 3,329,054	\$ 3,653,540	\$ 3,501,518	\$ 172,464	5.2 %	\$ (152,022)	(4.2) %
Public Safety	1,270,737	988,200	864,972	(405,765)	(31.9) %	(123,228)	(12.5) %
Development Services	1,626,502	1,041,900	1,331,856	(294,646)	(18.1) %	289,956	27.8 %
Culture & Recreation	2,339,300	2,375,680	2,702,879	363,579	15.5 %	327,199	13.8 %
YE Total	\$ 8,565,593	\$ 8,059,320	\$ 8,401,224	\$ (164,369)	(1.9) %	\$ 341,904	4.2 %

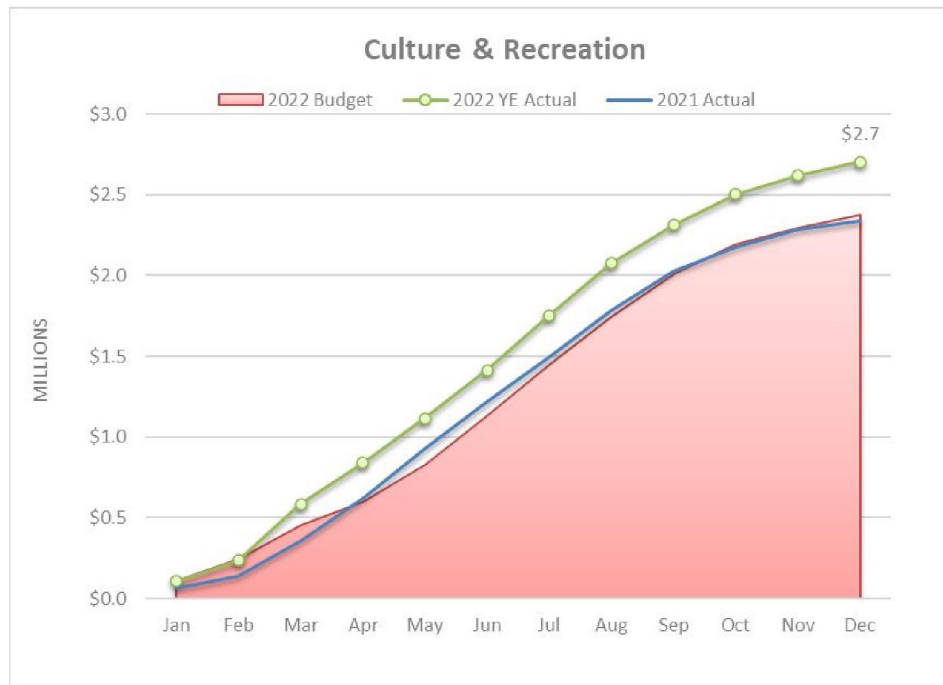
The *General Government* revenue category primarily includes the interfund assessment for the operating costs of support departments (Finance, Human Resources, and the Legal Department). Operating costs for these support departments are charged to the respective General Fund home department and the portion of those costs that provide citywide benefit are recouped from other funds via interfund charges. General Government revenues also include revenues for passport services, reimbursement from cities participating in the South King Housing and Homelessness

Partners (SKHHP), as well as transportation projects. The majority of the unfavorable variance to budget in the general government category through Q4-2022 was due to the timing of SKHHP payments for City of Auburn services.

Public safety revenues mostly consist of revenues for law enforcement services, which are extra duty security services whereby police officers are contracted for, and reimbursement is made by the hiring agency. This category also includes reimbursements from the Muckleshoot Indian Tribe (MIT) for a full-time dedicated police officer and associated expenditures as well as monies collected from the Auburn School District for services rendered. Public safety revenues collected in 2022 totaled \$865,000 and were \$123,000 unfavorable to budget primarily due to fewer than anticipated extra duty security services being provided.

Development services fee collections consist primarily of plan check fees, facility extension charges, and zoning and subdivision fees. Through Q4-2022, development service fees collected totaled \$1.3 million and were \$290,000 favorable to budget expectations. This variance was seen primarily in plan check revenues along with zoning and subdivision fees. Plan check fees generated \$673,000 in revenue compared to a budget of \$559,000; a favorable variance of \$114,000. Likewise, zoning and subdivision fees generated \$214,000 throughout 2022 versus a budget of \$97,500 resulting in a favorable variance of 116,500.

The majority of *culture and recreation* revenues are derived from greens fees and pro shop sales at the Auburn Golf Course, recreational classes, senior programs, and special events. As shown in the chart below, overall revenues exceeded budget by \$327,000, or 13.8%.



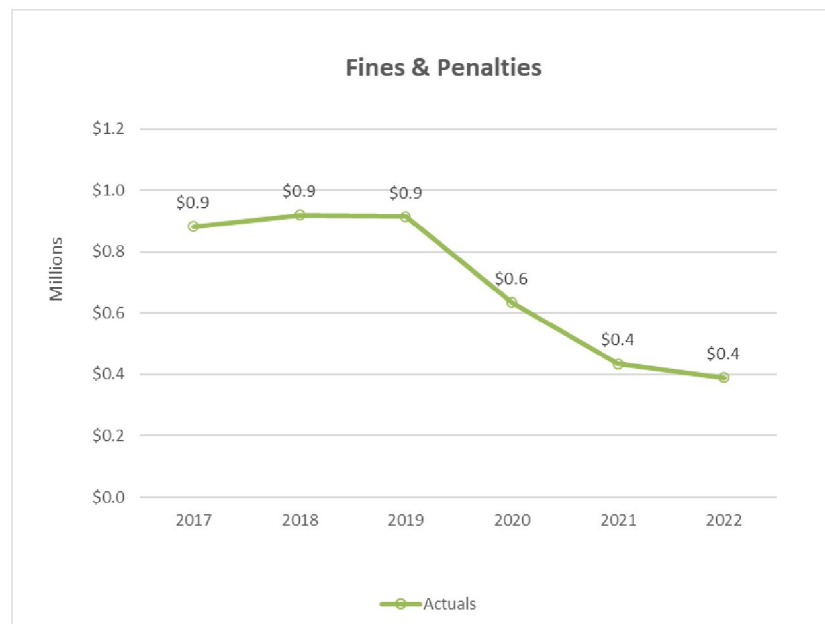
Approximately 65% of 2022 revenues have come from greens fees at the Auburn Golf Course and pro-shop sales, and recreation programs and classes account for 20% of the revenue collected. During 2022 the City saw greens fee revenues increase by \$11,345 or 0.8% from the same period last year, recreation class revenues have increased by \$177,500 or 48.2% and special events increased by \$97,000 or 442.5%. A portion of the revenue increase over 2021 is attributable to lower revenues caused by COVID-19 restrictions in place during 2021, which have since been eased or removed.

Fines & Penalties include civil penalties (such as code compliance fines), parking and traffic infraction penalties, criminal fines (including criminal traffic, criminal non-traffic and other criminal offenses) as well as non-court fines such as false alarm fines. The chart below shows a detailed breakdown of the different types of fines and penalties collected by the City.

Fines & Penalties by Type Through December 2022							
Month	2021	2022	2022	2022 vs. 2021 Actual		2022 vs. Budget	
	YE Actual	YE Budget	YE Actual	Amount	Percentage	Amount	Percentage
Civil Penalties	\$ 20,090	\$ 25,400	\$ 5,305	\$ (14,785)	(73.6) %	\$ (20,095)	(79.1) %
Civil Infraction Penalties	194,953	418,200	155,657	(39,297)	(20.2) %	(262,543)	(62.8) %
Redflex Photo Enforcement	3,413	154,000	902	(2,511)	(73.6) %	(153,098)	N/A %
Parking Infractions	78,685	121,200	81,878	3,193	4.1 %	(39,322)	(32.4) %
Criminal Traffic Misdemeanor	36,173	40,400	27,475	(8,698)	(24.0) %	(12,925)	(32.0) %
Criminal Non-Traffic Fines	20,127	31,300	37,933	17,806	88.5 %	6,633	21.2 %
Criminal Costs	25,675	12,100	25,457	(218)	(0.8) %	13,357	110.4 %
Non-Court Fines & Penalties	54,925	82,800	55,593	668	1.2 %	(27,207)	(32.9) %
YE Total	\$ 434,042	\$ 885,400	\$ 390,200	\$ (43,842)	(10.1) %	\$ (495,200)	(55.9) %

Municipal Court fines and penalties account for 73% of the budgeted revenue in this category. However, total revenues collected in 2022 totaled \$390,000 as compared to a budget of \$885,000 and were 55.9% below budget expectations and were \$43,000 less than total collections in 2021. A large portion (31%) of the unfavorable variance is due to the Redflex Photo Enforcement which has not been active since 2018.

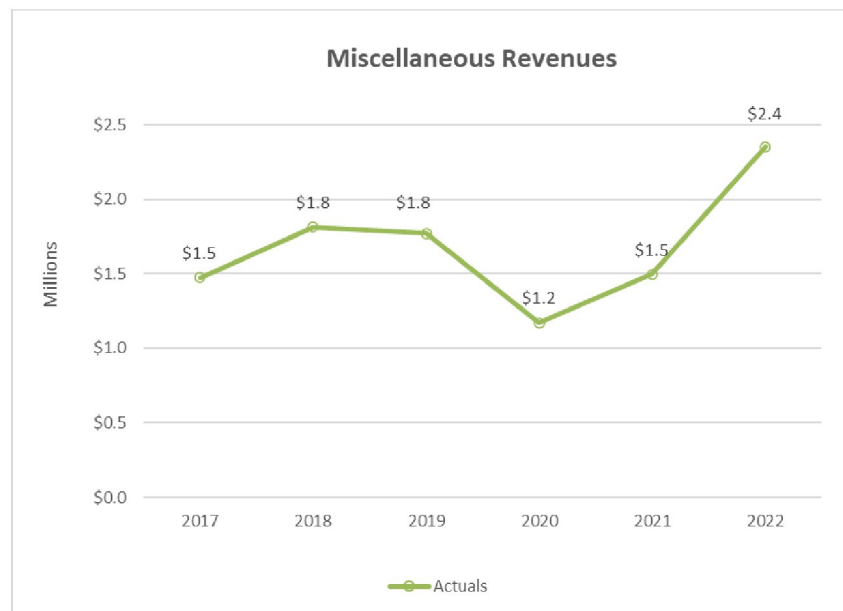
The most significant contributor (60%) to the under collection in this category is the collection of municipal court related fines and penalties. As shown in the graph below, annual collections of fines and penalties are experiencing a decreasing trend. The City contracts with the King County Court to operate its municipal court services and the number of hearings, judgements, and collections activity began decreasing in 2019 and has continued to dramatically decrease since that time. Initially, the decreasing fines collected via the Court was partially offset by an increase in false alarm fees.



Miscellaneous Revenues consist of investment earnings, income from facility rentals, revenue collected for golf cart rentals at the Auburn Golf Course, contributions and donations, and other income including the quarterly purchasing card (P-card) rebate monies. A breakdown of the the most significant miscellaneous revenue categories are listed in the chart below.

Miscellaneous Revenues by Type Through December 2022							
Month	2021 YE Actual	2022 YE Budget	2022 YE Actual	2022 vs. 2021 Actual		2022 vs. Budget	
				Amount	Percentage	Amount	Percentage
Interest & Investments	\$ 95,542	\$ 91,200	\$ 657,437	\$ 561,895	588.1 %	\$ 566,237	620.9 %
Rents & Leases	1,127,408	1,003,000	1,139,940	12,532	1.1 %	136,940	13.7 %
Contributions & Donations	31,182	28,400	24,533	(6,650)	(21.3) %	(3,867)	(13.6) %
Other Miscellaneous Revenue	241,751	223,800	529,975	288,223	119.2 %	306,175	136.8 %
YE Total	\$ 1,495,884	\$ 1,346,400	\$ 2,351,885	\$ 856,000	57.2 %	\$ 1,005,485	74.7 %

Revenues collected during 2022 in this category totaled \$2.35 million and were \$1.01 million favorable to budget. The majority of the favorable variance to budget was in the other miscellaneous revenue category, largely due to the sale of fixed assets with respect to a fire utility easement (\$186,000) and increased p-card rebates. Also contributing to the favorable variance were higher than average pre-payments for facility rentals in the interest & investments category.

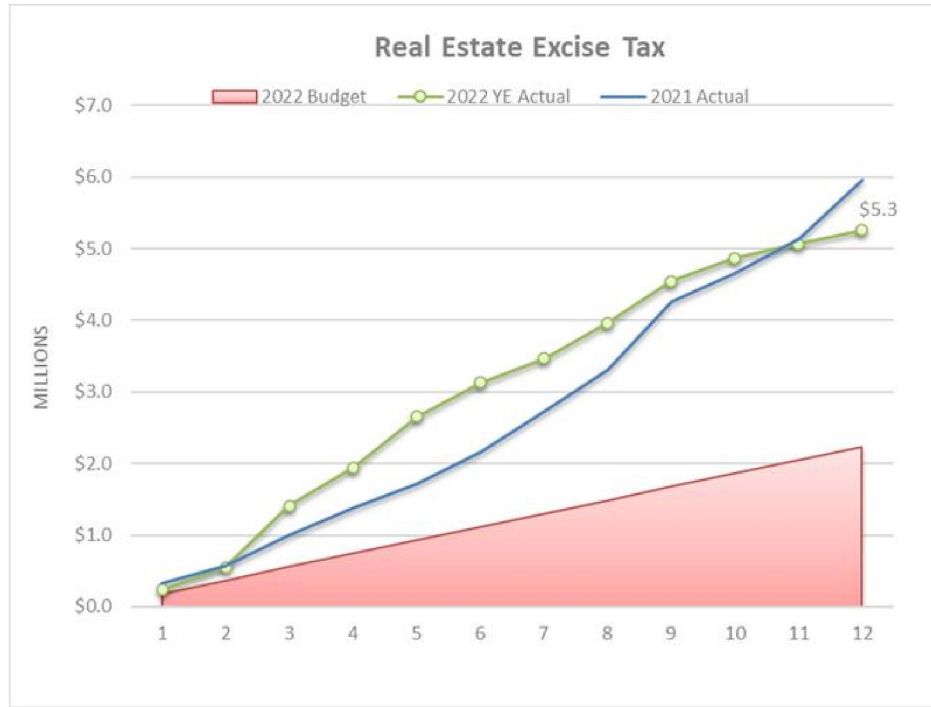


OTHER FUNDS

Real Estate Excise Tax (REET)

REET revenues are taxes on the sale of both commercial properties and single-family residences. These collections are receipted into the Capital Improvement Projects Fund and used for governmental capital projects.

REET revenues collected in 2022 total \$5.26 million, which is \$3.02 million or 57.5% favorable to budget expectations. This strong performance continues on the heels of 2021, which saw the highest REET revenue collections on record for the City of Auburn. This increase throughout 2022 is attributable to the continued growth of the real estate market through increase of property values and increasing volumes of sales.



As reflected in the chart below showing monthly transactions, REET collected in the first half of 2022 strongly outpaced 2021, however, with increased borrowing rates there were fewer real estate transactions that took place in the second half of 2022 compared to 2021.

Real Estate Excise Tax Revenues Through December 2022							
Month	2021 YE Actual	2022 YE Budget	2022 YE Actual	2022 vs. 2021 Actual		2022 vs. Budget	
				Amount	Percentage	Amount	Percentage
1	\$ 328,140	\$ 186,200	\$ 235,988	\$ (92,152)	(28.1) %	\$ 49,788	21.1 %
2	244,189	186,200	320,851	76,661	31.4 %	134,651	42.0 %
3	423,532	186,200	855,713	432,182	102.0 %	669,513	78.2 %
4	385,966	186,200	530,857	144,891	37.5 %	344,657	64.9 %
5	339,074	186,200	710,134	371,060	109.4 %	523,934	73.8 %
6	447,063	186,200	479,225	32,162	7.2 %	293,025	61.1 %
7	563,422	186,200	331,971	(231,451)	(41.1) %	145,771	43.9 %
8	585,227	186,200	497,294	(87,933)	(15.0) %	311,094	62.6 %
9	946,209	186,200	587,492	(358,717)	(37.9) %	401,292	68.3 %
10	393,570	186,200	316,404	(77,166)	(19.6) %	130,204	41.2 %
11	474,992	186,200	202,461	(272,531)	(57.4) %	16,261	8.0 %
12	825,919	186,500	191,104	(634,815)	-76.9% %	4,604	2.4 %
YE Total	\$ 5,957,304	\$ 2,234,700	\$ 5,259,495	\$ (697,809)	-11.7%	\$ 3,024,795	57.5%

American Rescue Plan Act (ARPA) Fund

In March 2021 the American Rescue Plan Act (ARPA) was signed into law, with the intent of mitigating the economic impacts related to COVID-19. Through ARPA's State and Local

Government Fiscal Recovery Fund program, the City was allocated \$14.75 million in funding. Council approved the City's acceptance of ARPA funds in Resolution #5608, and the general spending categories of those funds (as determined by a Council ad hoc committee) in Ordinance #6832.

As of December 31, 2022, the City has expended \$2.7 million on the following projects:

Title	Budget	Spent This	Lifetime Spent Remaining Budget	
		Quarter		
SCORE Revenue loss replacement	800,000		800,000	-
Public Health -Vaccination Incentive	47,500		34,980	12,520
Household Assistance -Utility Aid	524,996		218,601	306,396
Community Violence Interventions	586,400	2,690	546,235	40,165
Police Hiring Bonus	200,000	10,781	32,590	167,410
Police Retention Incentive	650,000		650,000	-
Auburn Way S Median Landscape Improvements	40,187		40,187	-
Administration -ARPA	420,000	32,496	95,378	324,622
Community Violence Interv -Spidr/Handgun	250,000	130,479	130,479	119,521
AXON Drone Program	70,600	77,352	77,352	(6,752)
Dykstra Foot Bridge	500,000		10,357	489,643
D St SE & 23rd St SE Storm Improvements	135,000	66	2,835	132,165
Other Projects (not started)	10,526,549		-	10,526,549
	14,751,232	253,864	2,638,993	12,112,239

Project CP2125 (D Street SE and 23rd Street SE Storm Improvements) is using ARPA funding to install curb, gutter and sidewalk along the east side of K Street SE to the south of 21st Street SE. Throughout 2022, a total of \$2,835 was spent on this project.

Expected to begin in 2023 is the Clean and Sober Housing Program, budgeted at \$2 million over the life of the program. This program is to assist residents of Auburn who are experiencing homelessness and drug addiction who are willing to enroll in and complete inpatient treatment. The program will cover the costs of clean and sober housing of participants for up to three years if the participant follows the clean and sober housing agreement.

Also expected to begin in 2023, the City will be upgrading existing wireless access points and installing new access points to expand the reach of the current broadband network to additional Auburn residents.

Street Funds

This section provides a financial overview of the City's three street funds for the period ending December 31, 2022. The City's street funds are the Arterial Street Fund (Fund 102), the Local Street Fund (Fund 103), and the Arterial Street Preservation Fund (Fund 105).

Fund 102 – Arterial Street Fund

The Arterial Street Fund is a special revenue fund that is funded by transportation grants, traffic impact fees, a portion of the City's gas tax receipts, Public Works Trust Fund loans, developer contributions, and other sources. As of December 31, 2022 there were 25 separate street projects budgeted in this fund.

Revenues collected in 2022 totaled \$3.2 million as compared to budgeted revenue totaling \$10.3 million, representing an undercollection of \$7.1 million. The funding in capital project funds is almost entirely dependent on reimbursements and operating transfers directly related to the timing of capital project. Therefore the variance between budget and actual are expected, considering the expenditure underspend.

Total expenditures in 2022 were \$4.4 million compared to budgeted expenditures totaling \$12 million, representing and underspend of \$7.5 million. Expenditure timing is generally determined by the current phase of each individual capital project; expenditures tend to increase as projects move from design phase into construction.

Fund 102 - Arterial Street Summary of Sources and Uses Report Period: December 2022	2022			2021	2022 YE Budget vs. Actual	
	2022 Budget	2022 YE Budget	2022 YE Actual	2021 YE Actual	Favorable (Unfavorable)	
					Amount	Percentage
Revenues						
Federal Grants	\$ 2,626,208	\$ 2,626,208	\$ 332,815	\$ 1,170,024	\$ (2,293,393)	(87.3) %
State And Local Grants	951,864	951,864	450,354	(33,329)	(501,510)	(52.7) %
Motor Vehicle Fuel and Multimodal Taxes	620,000	620,000	646,011	641,460	26,011	4.2 %
Miscellaneous Revenue	135,000	135,000	-	43,000	(135,000)	(100.0) %
Operating Transfer In	5,615,465	5,615,465	1,526,013	688,073	(4,089,452)	(72.8) %
Contributions & Donations	300,000	300,000	173,498	-	(126,502)	(42.2) %
Investment Income	2,100	2,100	30,310	1,302	28,210	1343.3 %
Total Revenues	\$ 10,250,637	\$ 10,250,637	\$ 3,159,002	\$ 2,510,530	\$ (7,091,635)	(69.2) %
Expenditures						
Salary and Benefits	\$ 408,000	\$ 408,000	\$ 412,987	\$ 549,996	\$ (4,987)	(1.2) %
Capital Outlay	10,562,168	10,562,168	3,307,258	2,775,327	7,254,910	68.7 %
Subtotal - Capital Project Expenditures	10,970,168	10,970,168	3,720,245	3,325,323	7,249,923	66.1 %
Services and Charges	720,000	720,000	466,920	129,884	253,080	35.2 %
Interfund Payments for Services	56,200	56,200	56,200	69,050	0	0.0 %
Debt Service Principal and Interest	206,200	206,200	206,039	206,733	161	0.1 %
Operating Transfer Out	-	-	-	-	-	
Total Expenditures	\$ 11,952,568	\$ 11,952,568	\$ 4,449,403	\$ 3,730,990	\$ 7,503,165	62.8 %
Net Change in Fund Balance	\$ (1,701,931)	\$ (1,701,931)	\$ (1,290,401)	\$ (1,220,460)	\$ 411,530	24.2 %

Beg. Fund Balance, January 2022	\$ 2,710,488
Net Change in Fund Balance, December 2022	(1,290,401)
Ending Fund Balance, December 2022	\$ 1,420,086

2022 Budgeted Ending Fund Balance \$ 1,008,557

Most unspent capital expenditures at year-end are carried forward into the subsequent budget year for completion of the project, at the same time any uncollected revenue and transfers will also be carried forward. The 2022 Ending Fund Balance reflected above shows \$1.4 million, however, after adjusting for carry forwards, both revenue and expenditures, the adjusted fund balance is expected to be \$1.1 million.

The table below presents the status of the projects with the most significant budget impact on the fund. Many capital projects are budgeted over multiple years; what is displayed below is the 2022 portion of each project's budget and year-to-date expenditures.

Fund 102 - Arterial Street			
Capital Projects Status *			
Name	2022 Budget	YE Actual	Remaining
A Street Loop	\$1.0M	\$0.4M	\$0.6M
R St SE/ 29th SE Intersection Imp.	\$1.2M	\$0.2M	\$1.0M
AWS Imp. -Hemlock St SE to Poplar St SE	\$2.8M	\$0.5M	\$2.3M
All Other Projects (17 Others Budgeted)	\$5.9M	\$2.6M	\$3.3M
Total	\$11.0M	\$3.7M	\$7.2M

*Components may not sum to total due to rounding.

Fund 103 – Local Street Fund

The Local Street Fund is a special revenue fund used for local street repair. The fund is currently funded by interfund transfers on a project-reimbursement basis, primarily from REET funding.

Revenues through December 2022 were \$1.8 million compared to budgeted revenues of \$3.1 million. Expenditures through December 2022 were \$2.1 million as compared to expenditures to budgeted expenditures of \$4.3 million. Highlighted in the table below and shown in the following graph are the fund's total expenditures related to capital projects.

Fund 103 - Local Street Fund	2022			2021	2022 YE Budget vs. Actual	
	2022 Budget	2022 YE Budget	2022 YE Actual	2021 YE Actual	Favorable (Unfavorable)	
					Amount	Percentage
Summary of Sources and Uses						
Report Period: December 2022						
Revenues						
Operating Transfer In	3,072,022	3,072,022	\$ 1,781,364	1,539,177	(1,290,658)	(42.0) %
Interest Earnings	10,500	10,500	\$ 43,472	3,341	32,972	314.0 %
Total Revenues	\$ 3,082,522	\$ 3,082,522	\$ 1,824,836	\$ 1,542,518	\$ (1,257,686)	(40.8) %
Expenditures						
Capital Salary and Benefits	148,500	148,500	49,957	99,955	98,543	66.4 %
Capital Outlay	4,124,057	4,124,057	2,054,974	1,361,612	2,069,083	50.2 %
Subtotal - Capital Project Expenditures	4,272,557	4,272,557	2,104,930	1,461,568	2,167,627	50.7 %
Admin Salary and Benefits	-	-	-	-	\$ -	
Admin Services and Charges	700	700	-	-	700	100.0 %
Interfund Payments for Services	13,800	13,800	13,800	13,250	-	0.0 %
Total Expenditures	\$ 4,287,057	\$ 4,287,057	\$ 2,118,730	\$ 1,474,818	\$ 2,168,327	50.6 %
Net Change in Fund Balance	\$ (1,204,535)	\$ (1,204,535)	\$ (293,895)	\$ 67,700	\$ 910,640	75.6 %

Beg. Fund Balance, January 2022	\$ 3,332,074
Net Change in Fund Balance, December 2022	(293,895)
Ending Fund Balance, December 2022	\$ 3,038,180
2022 Budgeted Ending Fund Balance	\$ 2,127,539

Most unspent capital expenditures at year-end are carried forward into the subsequent budget year for completion of the project, at the same time any uncollected revenue and transfers will also be carried forward. The 2022 Ending Fund Balance reflected above shows \$3.0 million, however, after adjusting for carry forwards, both revenue and expenditures, the adjusted fund balance is expected to be \$2.3 million.

The table below presents the status of the projects with the most significant budget impact on the fund. Many capital projects are budgeted over multiple years; what is displayed below is the 2022 portion of each project's budget and year-to-date expenditures.

Fund 103 - Local Street			
Capital Projects Status*			
Name	2022 Budget	YE Actual	Remaining
Lead Service Line Replacement	\$1.6M	\$1.3M	\$0.3M
2021 Local Street Preservation	\$1.1M	\$0.7M	\$0.4M
2023 Local Street Preservation	\$1.3M	\$0.0M	\$1.3M
All Other Projects (2 Others Budgeted)	\$0.2M	\$0.1M	\$0.1M
Total	\$4.3M	\$2.1M	\$2.2M

*Components may not sum to total due to rounding.

Fund 105 – Arterial Street Preservation Fund

The Arterial Street Preservation Fund is a special revenue fund that is primarily funded by a 1.0% utility tax and grants. Highlighted in the table below are the fund's total expenditures related to capital projects.

Fund 105 - Arterial Street Preservation	2022			2021	2022 YE Budget vs. Actual	
Summary of Sources and Uses	2022 Budget	2022 YE Budget	2022 YE Actual	2021 YE Actual	Favorable (Unfavorable)	
Report Period: December 2022					Amount	Percentage
Revenues						
City Utility Tax	\$ 759,900	\$ 759,900	\$ 621,938	\$ 708,045	\$ (137,962)	(18.2) %
Electric Utility Tax	752,100	752,100	809,184	758,059	57,084	7.6 %
Natural Gas Utility Tax	224,500	224,500	248,775	216,550	24,275	10.8 %
Cable TV Tax	170,100	170,100	543,051	192,511	372,951	219.3 %
Telephone Utility Tax	140,800	140,800	115,351	135,985	(25,449)	(18.1) %
Garbage Utility Tax (External Haulers)	-	-	11,166	32,789	11,166	
Grants	3,876,251	3,876,251	1,736,882	1,032,754	(2,139,369)	(55.2) %
Transportation	258,770	258,770	33,766	-	(225,004)	(87.0) %
Operating Transfer In	-	-	-	437,946	-	
Interest Earnings	11,400	11,400	46,852	2,742	35,452	311.0 %
Total Revenues	\$ 6,193,821	\$ 6,193,821	\$ 4,166,965	\$ 3,517,380	\$ (2,026,856)	(32.7) %
Expenditures						
Salary and Benefits	\$ 170,800	\$ 170,800	\$ 395,877	\$ 481,007	\$ (225,077)	(131.8) %
Capital Outlay	7,336,585	7,336,585	3,802,790	3,393,360	3,533,795	48.2 %
Subtotal - Capital Project Expenditures	7,507,385	7,507,385	4,198,667	3,874,368	3,308,718	44.1 %
Supplies	-	-	-	-	-	
Services and Charges	150,000	150,000	9,801	22,365	140,199	93.5
Operating Transfer Out	185,000	185,000	-	68,500	185,000	100.0
Total Expenditures	\$ 7,842,385	\$ 7,842,385	\$ 4,208,468	\$ 3,965,233	\$ 3,633,917	46.3 %
Net Change in Fund Balance	\$ (1,648,564)	\$ (1,648,564)	\$ (41,503)	\$ (447,853)	\$ 1,607,061	97.5 %
Beg. Fund Balance, January 2022	\$ 3,133,696					
Net Change in Fund Balance, December 2022	(41,503)					
Ending Fund Balance, December 2022	\$ 3,092,193					

2022 Budgeted Ending Fund Balance \$ 1,485,132

Total revenue collected through 2022 totaled \$4.2 million compared to the budgeted revenue of \$6.2 million. This variance is due to undercollecting grant revenue by \$2.1 million, which is slightly offset by higher than expected utility taxes by \$300,000.

Expenditures through December 2022 totaled \$4.2 million as compared to budgeted expenditures of \$7.8 million. Historically, the majority of this fund's expenditures occur in the second half of each year due to the weather sensitivity of pavement construction (this work needs to be done primarily in the summer and early fall).

The table below presents the status of the projects with the most significant budget impact on the fund. Many capital projects are budgeted over multiple years; what is displayed below is the 2022 portion of each project's budget and year-to-date expenditures.

Fund 105 - Arterial Street Preservation			
Capital Projects Status*			
Name	2022 Budget	YE Actual	Remaining
4th Street SE Preservation	\$2.7M	\$1.9M	\$0.8M
Lea Hill Bridge Deck Preservation	\$.9M	\$0.8M	\$0.1M
2nd Street SE Preservation	\$1.1M	\$0.7M	\$0.4M
All Other Projects (11 Others Budgeted)	\$2.8M	\$0.7M	\$2.0M
Total	\$7.5M	\$4.2M	\$3.3M

**Components may not sum to total due to rounding.*

Mitigation Fund

The Mitigation Fees Fund is a special revenue fund funded from revenues from fees for new development that are assessed at the time applications are received for development activity. These revenues are used to address costs associated with City growth.

The fund houses two types of revenues: mitigation fees and impact fees. Mitigation fees are variable charges collected as a result of State Environmental Policy Act (SEPA) reviews and the City's determination that a project must pay additional fees to compensate for a unique effect that it has on the community.

Impact fees are set charges collected automatically for a variety of projects. These fees are adopted annually by the City Council based on projects anticipated in the Capital Facilities Plan over the next six years. School and Fire Impact fees are collected and reissued on behalf of the Valley Regional Fire Authority, Auburn School District, Kent School District, Federal Way School District, and Dieringer School District.

Expenditures from these funds consist of transfers out to capital project funds to help support the cost of transportation and parks capital projects. The projects funded from impact and mitigation fee are new or enhanced services necessary to absorb the impact of development.

In 2022, the City received \$1.9 million in mitigation and impact revenues, largely driven by commercial transportation impact fees paid for by two large warehouse projects. As a result, revenues exceeded budget, while expenditures were significantly below budget due to the timing of multiple capital projects funded by mitigation and/or impact fee revenues.

The chart below shows the estimated ending fund balance of \$15.4 million, however, the unspent transfer amounts of \$4.8 million will be carried forward into the 2023 budget year as capital projects come nearer to completion. The remaining, uncommitted fund balance has been accounted for in the capital project funding in the City's 6 year Capital Facilities Plan.

Fund 124 - Mitigation Fees Summary of Sources and Uses Report Period Through: December 2022	BUDGET			YE Actuals		
	Revenues	Expenditures	Ending Fund Balance	Revenues	Expenditures	Ending Fund Balance
Transportation Impact Fees	\$ 818,000	\$ 4,795,465	\$ 5,658,214	\$ 1,249,120	\$ 1,172,353	\$ 9,712,444
Traffic Mitigation Fees	-	100,000	37,941	-	-	137,941
Fire Impact Fees	153,400	25,000	281,094	141,540	-	294,234
Fire Mitigation Fees	-	-	81	-	-	81
Parks Impact Fees	127,800	2,320,629	3,540,843	299,250	1,357,906	4,675,016
Parks Mitigation Fees	-	-	186,533	-	-	186,533
School Impact Admin Fees	7,200	-	102,382	2,926	-	98,110
Wetland Mitigation Fees	-	5,000	67,943	-	-	72,943
Interest and Investment Income	55,500	-	55,500	232,042	-	232,042
Fees in Lieu of Improvements	-	-	27,155	-	-	27,155
Permit Processing Fees	-	43,700	(43,700)	-	-	-
Total	\$ 1,161,900	\$ 7,289,794	\$ 9,913,986	\$ 1,924,877	\$ 2,530,259	\$ 15,436,499

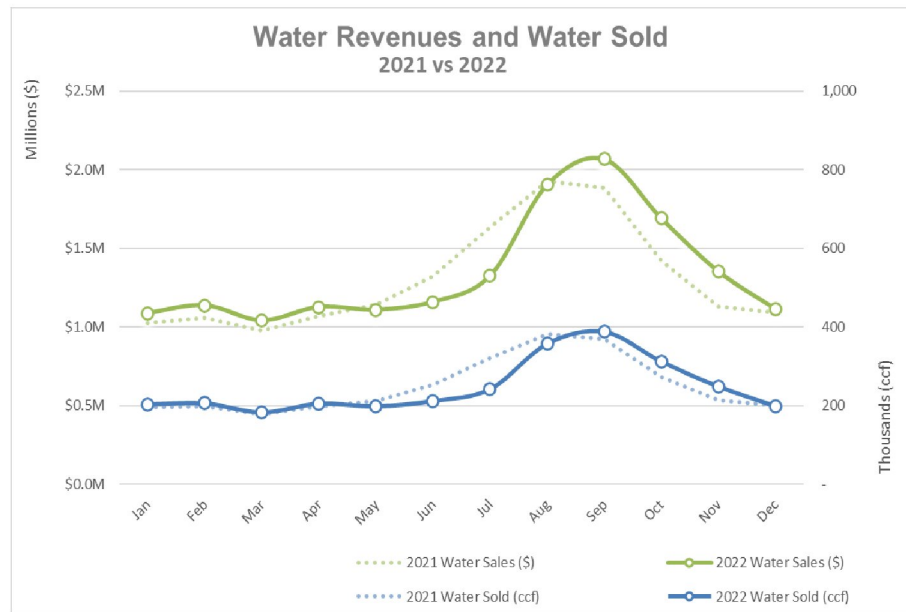
Beginning Fund Balance, January 2022	\$ 16,041,880
Net Change in Fund Balance, December 2022	(605,381)
Estimated Ending Fund Balance, December 2022	\$ 15,436,499
2022 Budgeted Ending Fund Balance	\$ 9,913,986

Enterprise Funds

Detailed income and expense statements for Enterprise and Internal Service funds can be found in an attachment at the end of this report. The attachment provides operating and – as applicable – capital fund reports for these funds showing budget, actuals, and variances. Operating funds house all the operating costs along with debt service and financing obligations. Capital funds show costs associated with capital acquisition and construction. Both the operating and capital funds have a working capital balance. This approach isolates those funds available for capital and cash flow needs for daily operations, and project managers will know exactly how much working capital is available for current and planned projects.

Through December 2022 the **Water Utility** had operating income of \$5.5 million (operating revenues less operating expenditures), approximately \$577,000 above the same period last year. Water Fund operating revenues were \$883,000 or 5.6% higher than 2021; the majority of this variance was due higher interest earnings and higher charges for service revenues. Operating expenditures increased by \$305,000 mainly due to higher personnel costs, and increased interfund service charges and other service charges.

As shown in the graph below, billable water consumption through December 2022 totaled 3.0 million hundred cubic feet (ccf), a decrease of 39,000 ccf (1.4%) over last year. With the exception of manufacturing and wholesale, all customer classes saw an increase in consumption compared to last year. Since water sales is directly correlated with water consumption, total water sales has also increased.



Through December 2022, the **Sewer Utility** finished with operating income of \$3.4 million as compared to \$1.1 million through December 2021. Operating revenues were up \$690,000 or 7.7% from last year due to stronger performance in charges for City sewer service. Operating expenses were down \$1.6 million, largely attributable to the fund no longer paying interfund utility tax on the pass-through revenues recorded in the King County Metro Sewer subfund.

Through December 2022, the **Stormwater Utility** had operating income of \$2.7 million compared with \$2.3 million in the same last year. Operating revenues were up \$600,000 compared to 2021 due to charges for City storm service and interest earnings more \$184,000 higher in 2022 compared to 2021. As most Stormwater Utility charges are based on a flat rate, stormwater service revenue is more stable and predictable than other utilities.

Operating expenditures in the Stormwater Utility were up \$209,000 compared to 2021. This increase was mainly due to increased personnel costs, supplies, and other service charges.

Prior to October 2021, the City of Auburn's **Solid Waste Utility** services had been outsourced to Waste Management and to Republic Services, who managed the contract for the annexed areas. Beginning in October 2021, all of the City's solid waste services are handled by Waste Management based on a newly signed contract. This contract change is reflected in the 2022 operating revenues which have increased by \$9.3 million compared to last year, while operating expenditures have increased by \$8 million.

The majority of both the revenue and expenditure increase are attributable to new rates implemented through the City's updated contract with Waste Management. Additionally, higher revenues from grants, interest earnings and hazardous waste were received in 2022 compared to 2021. Meanwhile, expenditures also increased due to increased interfund utility tax payments resulting from increased revenue.

Through December 2022, the **Solid Waste Utility** had an operating loss of \$1.1 million. In 2021 same period, the fund had an operating loss of \$2.4 million. While these losses appear significant, they were planned. Over the past ten years the solid waste utility had accumulated a little bit of a fund balance. It was well known that the new contract with Waste Management would be more

expensive and it was planned to rely on the fund balance to help smooth user rates over the first three years of the new contract.

Through December 2022, the **Airport Fund** had operating income of \$397,000 as compared with operating income of \$347,000 in 2021. Operating revenues in the Airport Fund were \$199,000 more than last year due to increased revenues from aviation fuel sales and property leases.

Operating expenditures in the Airport Fund were \$180,000 more than the same period of last year. Much of this variance consisted of higher personnel costs and fuel purchased for resale.

In 2022, the **Cemetery Fund** realized net operating income of \$72,000 as compared with operating income of \$597,000 in 2021. Total sales revenues were down \$283,000, or 14.3%, from 2021 due to significant decreased in lot sales, markers, and openings and closings. Operating expenditures were up \$243,000 or 17.5% from last year due mostly to other service charges, supplies for resales, and increased personnel costs.

Internal Service Funds

Operating expenditures within the **Insurance** Fund represent the premium cost pool that will be allocated monthly to other City funds over the course of the year. As a result, the expenditure balance gradually diminishes each month throughout the year.

No significant variances are reported in the **Workers' Compensation, Facilities, Innovation & Technology, or Equipment Rental** Funds.

Contact Information

This report is prepared by the Finance Department. Additional financial information can also be viewed at our website: <http://www.auburnwa.gov/>. For any questions about this report please contact Jamie Thomas at jdthomas@auburnwa.gov.

OPERATING & CAPITAL FUNDS				ENTERPRISE FUNDS								
Through December 2022	WATER			SEWER			SEWER METRO			STORM		
	YE			YE			YE			YE		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
OPERATING FUND:												
OPERATING REVENUES												
Charges For Service	16,994,650	16,423,313	(571,337)	9,912,480	9,532,289	(380,191)	20,996,400	19,336,391	(1,660,009)	10,861,370	10,961,028	99,658
Grants			-			-			-	-	-	-
Interest Earnings	73,400	218,988	145,588	80,400	146,867	66,467	16,300	29,515	13,215	90,500	194,411	103,911
Rents, Leases, Concessions, & Other	30,000	72,992	42,992	-	768	768	-	-	-	-	28,822	28,822
TOTAL OPERATING REVENUES	17,098,050	16,715,292	(382,758)	9,992,880	9,679,924	(312,956)	21,012,700	19,365,906	(1,646,794)	10,951,870	11,184,260	232,390
OPERATING EXPENSES												
Salaries & Wages	2,982,226	2,631,052	351,174	1,782,483	1,699,350	83,133	-	-	-	2,850,129	2,614,719	235,410
Benefits	1,573,588	1,257,942	315,646	938,653	783,100	155,553	-	-	-	1,473,432	1,228,995	244,437
Supplies	359,850	293,372	66,478	166,050	75,683	90,367	-	-	-	82,050	93,958	(11,908)
Other Service Charges	5,764,730	3,997,053	1,767,677	4,374,930	1,902,489	2,472,441	21,008,800	18,823,985	2,184,815	2,742,850	2,180,659	562,191
Intergovernmental Services (Less Transfers Out)				-	-	-				-	-	-
Waste Management Payments												
Sewer Metro Services							-	-	-			
Debt Service Interest	745,400	991,881	(246,481)	96,500	139,741	(43,241)	-	-	-	173,700	232,161	(58,461)
Interfund Operating Rentals & Supplies	2,023,350	2,026,627	(3,277)	1,629,750	1,632,964	(3,214)	-	-	-	2,135,300	2,137,506	(2,206)
TOTAL OPERATING EXPENSES	13,449,144	11,197,927	2,251,217	8,988,366	6,233,327	2,755,039	21,008,800	18,823,985	2,184,815	9,457,461	8,487,998	969,463
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION	3,648,906	5,517,365	1,868,459	1,004,514	3,446,597	2,442,083	3,900	541,921	538,021	1,494,409	2,696,262	1,201,853
NON-OPERATING REVENUES												
Operating Transfers-in	-	-	-									
Intergovernmental Loan	3,395,000	-	3,395,000		22,500							
Other Non-Operating Revenues												
Revenue Bond Proceeds	-	-	-									
NON-OPERATING EXPENSES												
Transfer to Capital Subfund	7,624,010	-	7,624,010	-	-	-				-	-	-
Other Operating Transfers-out	1,881,928	4,684,778	(2,802,850)	586,095	59,555	526,540				660,095	133,555	526,540
Debt Service Principal	1,648,600	1,516,669	131,931	457,100	532,534	(75,434)				363,700	426,973	(63,273)
Net Change in Restricted Net Assets	-	68,389	68,389	-	5,203	5,203				-	15,805	15,805
Interfund Loan Repayment												
Other Non-Operating Expenses												
BEGINNING WORKING CAPITAL - January 1, 2022	14,609,492	14,609,492	-	9,365,295	9,365,295	-	3,713,134	3,713,134	-	11,922,725	11,922,725	-
ENDING WORKING CAPITAL - December 31, 2022	10,498,860	13,857,020	3,358,161	9,326,614	12,237,099	2,910,485	3,717,034	4,255,055	538,021	12,393,339	14,042,654	1,649,315
NET CHANGE IN WORKING CAPITAL (see Note)	(4,110,632)	(752,471)	3,358,161	(38,681)	2,871,804	2,910,485	3,900	541,921	538,021	470,614	2,119,929	1,649,315
CAPITAL FUND:												
CAPITAL REVENUES												
Interest Revenue	18,500	59,442	40,942	52,200	159,142	106,942				36,200	106,014	69,814
Grants	300,000	-	(300,000)							-	48,928	48,928
Contributions	-	-	-	-	-	-				-	-	-
Other Non-Operating Revenue	-	13,341	13,341	-	21,092	21,092				-	4,690	4,690
Gain (Loss) On Sale Of Fixed Assets	-	-	-	-	-	-				-	-	-
Increase In Contributions - System Development	983,200	419,801	(563,399)	703,400	531,320	(172,080)				526,600	363,632	(162,968)
Interfund Revenues	-	-	-	-	-	-				-	-	-
Increase In Contributions - FAA	-	-	-	-	-	-				-	-	-
Proceeds of Debt Activity	-	-	-	-	-	-				-	-	-
Transfers In from Operating Sub-Fund	7,624,010	-	(7,624,010)	-	-	-				-	-	-
Transfer In from Other Funds	1,260,334	4,588,440	3,328,106	-	-	-				-	-	-
TOTAL CAPITAL REVENUES	10,186,044	5,081,024	(5,105,020)	755,600	711,554	(44,046)				562,800	523,264	(39,536)
CAPITAL EXPENSES												
Other Non-Operating Expense	-	-	-	-	-	-				-	-	-
Increase In Fixed Assets - Salaries	500,000	250,827	249,173	271,400	76,192	195,208				221,400	187,683	33,717
Increase In Fixed Assets - Benefits	200,000	120,308	79,692	108,600	33,396	75,204				88,600	87,014	1,586
Increase In Fixed Assets - Services	22,300	269	22,031	16,900	625	16,275				12,800	355	12,445
Increase In Fixed Assets - Site Improvements	-	20,145	(20,145)	-	-	-				-	-	-
Increase In Fixed Assets - Equipment	-	-	-	-	-	-				-	-	-
Increase In Fixed Assets - Construction	14,957,874	7,325,461	7,632,413	6,384,347	1,351,835	5,032,512				7,542,324	2,342,867	5,199,457
Operating Transfers Out	-	-	-	-	-	-				-	-	-
TOTAL CAPITAL EXPENSES	15,680,174	7,717,010	7,963,164	6,781,247	1,462,049	5,319,198				7,865,124	2,617,920	5,247,204
BEGINNING WORKING CAPITAL - January 1, 2022	6,820,039	6,820,039	-	11,392,457	11,392,457	-				11,705,042	11,705,042	-
ENDING WORKING CAPITAL - December 31, 2022	1,325,909	4,184,052	2,858,144	5,366,810	10,641,962	5,275,152				4,402,718	9,610,386	5,207,668
NET CHANGE IN WORKING CAPITAL (see Note)	(5,494,130)	(2,635,986)	2,858,144	(6,025,647)	(750,495)	5,275,152				(7,302,324)	(2,094,656)	5,207,668
Total Change in Working Capital	(9,604,762)	(3,388,458)	6,216,304	(6,064,328)	2,121,309	8,185,637	3,900	541,921	538,021	(6,831,710)	25,273	6,856,983
(*) Depreciation	4,328,600	3,533,926		2,487,500	2,478,902		-	-		2,341,300	1,837,459	
Working Capital = Current Assets minus Current Liabilities												

OPERATING & CAPITAL FUNDS	ENTERPRISE FUNDS									INTERNAL SERVICE FUNDS		
Through December 2022	SOLID WASTE			AIRPORT			CEMETERY			INSURANCE		
	YE			YE			YE			YE		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
OPERATING FUND:												
OPERATING REVENUES												
Charges For Service	24,882,900	25,010,783	127,883	1,758,700	1,794,123	35,423	1,374,200	1,674,935	300,735	-	-	-
Grants	190,000	194,664	4,664	-	1,000	1,000	-	-	-	-	-	-
Interest Earnings	44,200	100,507	56,307	10,400	25,742	15,342	3,300	25,877	22,577	12,000	18,215	6,215
Rents, Leases, Concessions, & Other	-	31,731	31,731	4,000	12,509	8,509	-	2,265	2,265	-	-	-
TOTAL OPERATING REVENUES	25,117,100	25,337,685	220,585	1,773,100	1,833,375	60,275	1,377,500	1,703,077	325,577	12,000	18,215	6,215
OPERATING EXPENSES												
Salaries & Wages	121,500	112,391	9,109	259,083	286,294	(27,211)	570,988	582,303	(11,315)	-	-	-
Benefits	73,300	70,788	2,512	120,864	121,094	(230)	319,260	284,200	35,060	175,000	34,905	140,095
Supplies	80,200	52,094	28,106	660,000	597,963	62,037	261,700	426,610	(164,910)	-	-	-
Other Service Charges	2,247,580	2,554,829	(307,249)	364,200	315,397	48,803	160,400	166,928	(6,528)	8,200	106,248	(98,048)
Intergovernmental Services (Less Transfers Out)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management Payments	23,274,600	23,042,671	231,929	-	-	-	-	-	-	-	-	-
Sewer Metro Services	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Interest	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Operating Rentals & Supplies	655,000	657,282	(2,282)	115,400	115,400	(0)	170,800	171,468	(668)	-	-	-
TOTAL OPERATING EXPENSES	26,452,180	26,490,054	(37,874)	1,519,547	1,436,147	83,400	1,483,148	1,631,510	(148,362)	183,200	141,154	42,046
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION	(1,335,080)	(1,152,369)	182,711	253,553	397,227	143,674	(105,648)	71,567	177,215	(171,200)	(122,939)	48,261
NON-OPERATING REVENUES												
Operating Transfers-in							-	-	-	-	-	-
Intergovernmental Loan				750,000	-	750,000	-	-	-	-	-	-
Other Non-Operating Revenues							-	9,250	9,250			
Revenue Bond Proceeds				-	-	-						
NON-OPERATING EXPENSES												
Transfer to Capital Subfund				1,264,100	110,000		-	-				
Other Operating Transfers-out	72,700	-	72,700	23,948	29,794	(5,846)	69,700	69,362	338			
Debt Service Principal				-	-	-	-	-	-			
Net Change in Restricted Net Assets				-	(19,044)	(19,044)	-	(2,000)	(2,000)			
Interfund Loan Repayment				-	-	-						
Other Non-Operating Expenses												
BEGINNING WORKING CAPITAL - January 1, 2022	3,789,232	3,789,232	-	1,521,952	1,521,952	-	1,633,015	1,633,015	-	1,768,175	1,768,175	-
ENDING WORKING CAPITAL - December 31, 2022	2,381,452	2,636,863	255,411	1,237,457	1,798,429	560,972	1,457,667	1,646,470	188,803	1,596,975	1,645,236	48,261
NET CHANGE IN WORKING CAPITAL (see Note)	(1,407,780)	(1,152,369)	255,411	(284,495)	276,477	560,972	(175,348)	13,455	188,803	(171,200)	(122,939)	48,261
CAPITAL FUND:												
CAPITAL REVENUES												
Interest Revenue				200	1,930	1,730	1,000	249	(751)			
Grants												
Contributions				54,181	680	(53,501)	-	-	-			
Other Non-Operating Revenue				25,000	-	(25,000)	-	-	-			
Gain (Loss) On Sale Of Fixed Assets				-	-	-	-	-	-			
Increase In Contributions - System Development				-	-	-	-	-	-			
Interfund Revenues				-	-	-	-	-	-			
Increase In Contributions - FAA				1,743,664	405,513	(1,338,151)	-	-	-			
Proceeds of Debt Activity				-	-	-	-	4,758	4,758			
Transfers In from Operating Sub-Fund				1,264,100	110,000	(1,154,100)	-	-	-			
Transfer In from Other Funds				23,948	29,794	5,846	54,700	54,362	(338)			
TOTAL CAPITAL REVENUES				3,111,093	547,917	(2,563,176)	55,700	59,369	3,669			
CAPITAL EXPENSES												
Other Non-Operating Expense				-	-	-	-	-	-			
Increase In Fixed Assets - Salaries				-	-	-	-	-	-			
Increase In Fixed Assets - Benefits				-	-	-	-	-	-			
Increase In Fixed Assets - Services				100	5	95	100	1	99			
Increase In Fixed Assets - Site Improvements							-	-	-			
Increase In Fixed Assets - Equipment							-	-	-			
Increase In Fixed Assets - Construction				3,044,013	651,819	2,392,194	54,700	54,362	338			
Operating Transfers Out				-	-	-	-	-	-			
TOTAL CAPITAL EXPENSES				3,044,113	651,824	2,392,289	54,800	54,362	438			
BEGINNING WORKING CAPITAL - January 1, 2022				169,335	169,335	-	7,284	7,284	-			
ENDING WORKING CAPITAL - December 31, 2022				236,315	65,429	(170,886)	8,184	12,291	4,106			
NET CHANGE IN WORKING CAPITAL (see Note)				66,980	(103,906)	(170,886)	900	5,006	4,106			
Total Change in Working Capital	(1,407,780)	(1,152,369)		(217,515)	172,571	390,086	(174,448)	18,462	192,910	(171,200)	(122,939)	48,261
(*) Depreciation	20,000	-		443,400	580,297		33,200	36,492		-	-	
Working Capital = Current Assets minus Current Liabilities												

OPERATING & CAPITAL FUNDS				INTERNAL SERVICE FUNDS								
Through December 2022	WORKER'S COMPENSATION			FACILITIES			INNOVATION & TECHNOLOGY			EQUIPMENT RENTAL		
	YE			YE			YE			YE		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
OPERATING FUND:												
OPERATING REVENUES												
Charges For Service	1,108,300	1,104,840	(3,460)	3,618,700	3,635,042	16,342	6,881,100	6,865,278	(15,822)	2,290,100	2,291,000	900
Grants			-	-	-	-			-			-
Interest Earnings	21,600	57,711	36,111	8,000	14,054	6,054	22,700	48,459	25,759	11,000	26,949	15,949
Rents, Leases, Concessions, & Other	15,000	60,044	45,044	-	-	-	-	1,052	1,052	-	367,634	367,634
TOTAL OPERATING REVENUES	1,144,900	1,222,595	77,695	3,626,700	3,649,095	22,395	6,903,800	6,914,789	10,989	2,301,100	2,685,583	384,483
OPERATING EXPENSES												
Salaries & Wages	-	-	-	789,139	767,911	21,228	2,293,423	2,145,153	148,270	718,979	685,152	33,827
Benefits	250,000	195,336	54,664	466,027	414,140	51,887	1,146,971	798,531	348,440	391,579	346,458	45,121
Supplies	-	-	-	140,200	120,491	19,709	481,650	446,775	34,875	1,044,200	1,059,027	(14,827)
Other Service Charges	466,900	517,178	(50,278)	1,960,450	1,831,166	129,285	3,077,700	2,891,138	186,562	576,250	514,894	61,356
Intergovernmental Services (Less Transfers Out)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management Payments												
Sewer Metro Services												
Debt Service Interest	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Operating Rentals & Supplies	167,100	167,100	-	248,600	248,600	(0)	275,700	275,700	0	374,400	374,930	(530)
TOTAL OPERATING EXPENSES	884,000	879,614	4,386	3,604,416	3,382,308	222,108	7,275,444	6,557,296	718,148	3,105,408	2,980,461	124,947
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION	260,900	342,981	82,081	22,284	266,788	244,504	(371,644)	357,493	729,137	(804,308)	(294,879)	509,429
NON-OPERATING REVENUES												
Operating Transfers-in				150,000	148,960	(1,040)	6,000	3,000	(3,000)	-	-	-
Intergovernmental Loan												
Other Non-Operating Revenues												
Revenue Bond Proceeds												
NON-OPERATING EXPENSES												
Transfer to Capital Subfund							-	-	-	86,000	86,000	
Other Operating Transfers-out				945,090	712,345	232,745	500,000	-	500,000	-	-	-
Debt Service Principal										-	-	-
Net Change in Restricted Net Assets				-	-	-	-	-	-	-	186,781	186,781
Interfund Loan Repayment												
Other Non-Operating Expenses							-	49,840	(49,840)			
BEGINNING WORKING CAPITAL - January 1, 2022	2,870,620	2,870,620	-	882,828	882,828	-	2,998,535	2,998,535	-	2,599,936	2,599,936	-
ENDING WORKING CAPITAL - December 31, 2022	3,131,520	3,213,602	82,081	110,022	586,230	476,209	2,132,891	3,359,027	1,226,137	1,709,628	2,032,275	322,648
NET CHANGE IN WORKING CAPITAL (see Note)	260,900	342,981	82,081	(772,806)	(296,597)	476,209	(865,644)	360,493	1,226,137	(890,308)	(567,660)	322,648
CAPITAL FUND:												
CAPITAL REVENUES												
Interest Revenue							3,400	2,611	(789)	50,700	89,362	38,662
Grants										-	-	-
Contributions							-	-	-	-	-	-
Other Non-Operating Revenue							-	-	-	-	5,000	5,000
Gain (Loss) On Sale Of Fixed Assets							-	-	-	-	-	-
Increase In Contributions - System Development							-	-	-	-	-	-
Interfund Revenues							-	-	-	1,943,060	1,942,160	(900)
Increase In Contributions - FAA							-	-	-	-	-	-
Proceeds of Debt Activity							-	-	-	-	-	-
Transfers In from Operating Sub-Fund							-	-	-	86,000	86,000	-
Transfer In from Other Funds							830,000	-	(830,000)	2,494,186	172,841	(2,321,345)
TOTAL CAPITAL REVENUES							833,400	2,611	(830,789)	4,573,946	2,295,363	(2,278,583)
CAPITAL EXPENSES												
Other Non-Operating Expense							-	-	-	-	-	-
Increase In Fixed Assets - Salaries							-	-	-	-	8,994	(8,994)
Increase In Fixed Assets - Benefits							-	-	-	-	4,334	(4,334)
Increase In Fixed Assets - Services							200	22	178	700	304	396
Increase In Fixed Assets - Site Improvements												-
Increase In Fixed Assets - Equipment							1,067,667	528,449	539,218	3,983,493	1,826,932	2,156,561
Increase In Fixed Assets - Construction							330,000	-	330,000	2,489,086	34,013	2,455,073
Operating Transfers Out							-	-	-	-	-	-
TOTAL CAPITAL EXPENSES							1,397,867	528,471	869,396	6,473,279	1,874,578	4,598,701
BEGINNING WORKING CAPITAL - January 1, 2022							650,654	650,654	-	5,119,713	5,119,713	-
ENDING WORKING CAPITAL - December 31, 2022							86,187	124,794	38,607	3,220,380	5,540,498	2,320,118
NET CHANGE IN WORKING CAPITAL (see Note)							(564,467)	(525,860)	38,607	(1,899,333)	420,785	2,320,118
Total Change in Working Capital	260,900	342,981	82,081	(772,806)	(296,597)	476,209	(1,430,111)	(165,367)	1,264,744	(2,789,641)	(146,875)	2,642,766
(*) Depreciation	-	-		-	-		244,000	575,234		1,482,300	1,402,477	