



2022 THIRD QUARTER FINANCIAL REPORT

PERFORMANCE AT A GLANCE

The City of Shoreline adopted its 2021-2022 Biennial Budget on November 16, 2020. While the budget is adopted for the biennium, each year has a plan for revenues and expenditures. This report reflects revenue collections and expenditures through September 30, 2022 as compared to the 2022 Plan as amended through September 30, 2022.

General Fund Revenues	Compared to 2022 Current Plan	Compared to 2021 Actuals as of September	Reference
Property Tax Revenue	▶ NEUTRAL ▶	▲ POSITIVE ▲	Page 6
Sales Tax Revenue	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 7
Utility Tax	▲ POSITIVE ▲	▲ POSITIVE ▲	Pages 9-10
Development Revenue	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 11
Parks and Recreation Revenue	▶ NEUTRAL ▶	▲ POSITIVE ▲	Page 12
Interest Income	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 13, 20, 21
Non-General Fund Revenues			
Gas Tax	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 14
Transportation Benefit District Sales Tax	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 17
Real Estate Excise Tax	▲ POSITIVE ▲	▶ NEUTRAL ▶	Page 18
Surface Water Fees	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 19

Key to revenue trend indicators:

▲ POSITIVE ▲ = Variance/Change of > +2%

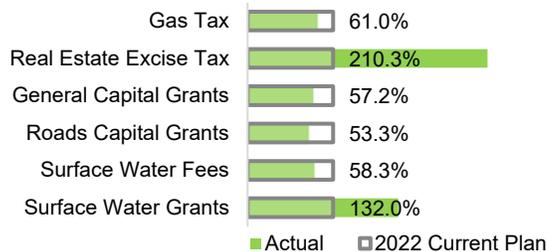
◀ NEUTRAL ▶ = Variance/Change of -1% to +2%

● WARNING ● = Variance/Change of -1% to -4%

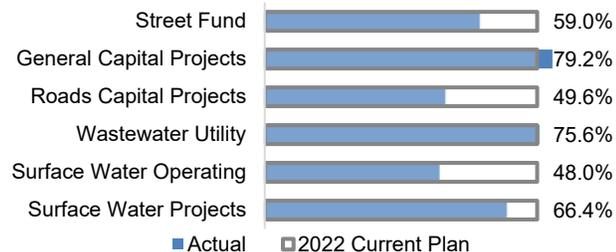
▼ NEGATIVE ▼ = Variance/Change of >-4%

OTHER FUNDS COMPARED TO 2022 CURRENT PLAN (AS OF SEP. 30):

Revenues



Expenses





2022 THIRD QUARTER FINANCIAL REPORT

PERFORMANCE AT A GLANCE

Highlights:

Although the City prepared for the potential impacts of a recession as a result of the pandemic, the actual results for 2022 are significantly better than anticipated. While certain revenue streams are directly impacted they are more than offset by the impacts of strong development and the stability of our retail sales tax. Following are the major highlights with details included later in the report.

- General Fund receipts reflect a year-over-year increase of 11.8% primarily due to one-time revenues associated with development. Departmental expenditures reflect a 5.2% increase. See pages 4-13 for details.
- Property tax receipts came in on track at 54.7% of the plan. See page 6 for details.
- Sales tax receipts reflecting activity from January through July 2022 are greater than the plan by 8.5% and 2021 collections by 7.2%. The Construction sector, while 11.4% less than 2021 collections, continued to maintain a high level of activity. The Retail Trade sector and hotels/restaurants experienced a return to pre-pandemic levels of activity. See page 7 for details.
- Revenues from Permit and Plan Check Fees are more than 2021 by 27.6% and more than the 2022 plan by 151.6%. Approximately \$401,246 in revenue from 2019, 2020, and 2021 was deferred to 2022 for inspections that have been paid for but not yet performed. Total permit applications through the 3rd quarter of 2022 are 281, or 1.06%, less than 2021. Total permits issued during this time are 292, or 1.68%, less than 2021. See page 11 for details.
- With reopening of Parks and Recreation activities we are seeing an increase in revenues over 2021. Park Rentals have experienced significant increase in use and revenue. Recreation program offerings have not returned to pre-covid levels given challenges staffing. The resulting lower revenue is partially offset by reduced expenditures. See page 12 for details.
- The Department of Revenue calculated a maximum cap of distributions during the state's fiscal year of the Affordable and Supportive Housing State Shared Tax of \$86,235. That cap was reached with February's distribution; therefore, no further distribution was made in March or April. Distributions resumed in May.
- Street Fund receipts, excluding transfers in, are 5.4% more than 2021. Gas tax receipts reflecting activity from January through June 2022 are less than the 2022 plan by 1.7% and more than 2021 by 4.7%. See page 14 for details.
- The 2022 plan for the General Capital and Roads Capital funds includes one-time transfers from the General Fund, Surface Water Utility Fund and Park Impact Fee or Transportation Impact Fee funds in support of capital projects. Funds are transferred as expenditures are incurred by the projects. See pages 15-16 for details.
- More information on the scope and timing of capital projects, including updated estimates, can be found in the City's 2021-2022 Proposed Biennial Budget and 2021-2026 Capital Improvement Plan book.
- Surface Water Fee payments are due to King County in April and October of each year. The County then remits the City's portion resulting in most collections occurring in the second and fourth quarters of each calendar year. Receipts are more than the budget projection by \$148,094, or 3.1%. Surface Water Utility operations expended 48.0% of the 2022 plan for the Operating Budget, which is 25.4% less than 2021. Capital projects expended 66.4% of the 2022 plan for the Capital Budget. Capital expenditures are impacted by the timing of construction schedules. See page 19 for details.
- Wastewater Revenues are currently 86.9% of plan and more than the prior year by \$12,543, or 0.1%. Expenditures are currently 75.2% of plan and less than the prior year by \$1,438,662 or 9.6%. Because this fund, like surface water, includes capital expenditures the timing of project expenditures can vary greatly, see page 20 for details.



2022 THIRD QUARTER FINANCIAL REPORT

ALL FUNDS BUDGET AND YEAR-OVER-YEAR COMPARISON

The following table presents the 2022 Current Plan as amended by Ordinance No. 970.

REVENUES & OTHER SOURCES

FUND TYPE Fund Title	2021 Current Plan	2021 Actual	% of 2021 Current Plan	2022 Current Plan	2022 Actual	% of 2022 Current Plan	2021 v. 2022 \$ Change	2021 v. 2022 % Change
OPERATING FUNDS	\$56,455,345	\$30,771,697	54.5%	\$48,917,600	\$34,355,604	70.2%	\$3,583,906	11.6%
General Fund	\$54,106,961	\$29,072,874	53.7%	\$46,525,455	\$32,507,450	69.9%	\$3,434,577	11.8%
Shoreline Secure Storage Fund	1,129,750	981,119	86.8%	1,129,750	1,070,230	94.7%	89,111	9.1%
Street Fund	1,140,391	694,846	60.9%	1,196,152	732,426	61.2%	37,579	5.4%
Code Abatement Fund	30,000	1,241	4.1%	30,000	43,293	144.3%	42,051	3387.6%
State Drug Forfeiture Fund	18,243	9,256	50.7%	18,243	841	4.6%	(8,415)	-90.9%
Public Arts Fund	17,000	12,320	72.5%	5,000	890	17.8%	(11,430)	-92.8%
Federal Drug Forfeiture Fund	13,000	41	0.3%	13,000	181	1.4%	140	344.1%
Federal Criminal Forfeiture Fund	0	0	0.0%	0	293	0.0%	293	0.0%
DEBT SERVICE FUNDS	\$3,294,257	\$2,262,339	68.7%	\$2,235,089	\$1,807,887	80.9%	(\$454,452)	-20.1%
CAPITAL FUNDS	\$34,435,840	\$14,137,659	41.1%	\$27,483,288	\$22,979,533	83.6%	\$8,841,874	62.5%
General Capital Fund	2,630,423	2,520,942	95.8%	1,664,555	2,538,784	152.5%	17,842	0.7%
General Capital Fund-Parks Bond	0	0	0.0%	0	158,131	0.0%	158,131	0.0%
City Facility-Major Maintenance Fund	490,170	184	0.0%	883	0	0.0%	(184)	-100.0%
Roads Capital Fund	28,645,269	7,253,046	25.3%	25,017,850	14,427,750	57.7%	7,174,704	98.9%
Sidewalk Expansion Fund	1,919,978	19,735	1.0%	800,000	76,269	9.5%	56,534	286.5%
Transportation Impact Fees Fund	0	2,159,241	0.0%	0	3,039,274	0.0%	880,033	40.8%
Park Impact Fees Fund	750,000	2,184,511	291.3%	0	2,739,327	0.0%	554,816	25.4%
ENTERPRISE FUNDS	\$27,549,146	\$18,971,497	68.9%	\$27,580,044	\$19,651,460	71.3%	\$679,963	3.6%
Surface Water Utility Fund	9,363,971	4,699,970	50.2%	8,750,325	5,367,390	61.3%	667,421	14.2%
Wastewater Utility Fund	18,185,175	14,271,527	78.5%	18,829,719	14,284,070	75.9%	12,543	0.1%
INTERNAL SERVICE FUNDS	\$764,675	\$177,781	23.2%	\$768,758	\$116,100	15.1%	(\$61,681)	-34.7%
TOTAL REVENUE	\$122,499,263	\$66,320,973	54.1%	\$106,984,779	\$78,910,584	73.8%	\$12,589,611	19.0%
OTHER SOURCES								
Proceeds from Capital Assets	\$2,000	\$989,856	49492.8%	\$0	\$2,415,941	0.0%	\$1,426,085	144.1%
Transfers In	19,682,186	3,721,828	18.9%	35,235,649	20,416,404	57.9%	16,694,577	448.6%
Other Financing Sources	5,696,008	3,235,261	56.8%	75,897,677	42,506,245	56.0%	39,270,984	1213.8%
Budgeted Use of Fund Balance	29,071,031	0	0.0%	19,195,612	0	0.0%	0	0.0%
TOTAL RESOURCES	\$176,950,488	\$74,267,917	42.0%	\$237,313,717	\$144,249,174	60.8%	\$69,981,257	94.2%

EXPENDITURES & TRANSFERS OUT

OPERATING FUNDS	\$47,489,366	\$29,329,283	61.8%	\$51,196,198	\$30,653,983	59.9%	\$1,324,700	4.5%
General Fund	\$44,897,794	\$27,729,747	61.8%	\$48,578,768	\$29,158,103	60.0%	\$1,428,355	5.2%
Shoreline Secure Storage Fund	649,750	357,105	55.0%	649,750	411,414	63.3%	54,309	15.2%
Revenue Stabilization Fund	0	288	0.0%	0	697	0.0%	409	142.1%
Street Fund	1,716,423	1,177,658	68.6%	1,769,088	1,043,862	59.0%	(133,796)	-11.4%
Code Abatement Fund	100,000	22	0.0%	100,000	5,337	5.3%	5,315	24212.7%
Public Arts Fund	94,156	63,014	66.9%	67,349	34,561	51.3%	(28,452)	-45.2%
State Drug Forfeiture Fund	18,243	1,448	7.9%	18,243	7	0.0%	(1,441)	-99.5%
Federal Drug Forfeiture Fund	13,000	1	0.0%	13,000	3	0.0%	2	134.7%
DEBT SERVICE FUNDS	\$3,895,048	\$795,763	20.4%	\$37,536,067	\$9,174,751	24.4%	\$8,378,988	1053.0%
CAPITAL FUNDS	\$51,762,817	\$11,614,206	22.4%	\$44,297,094	\$21,348,382	48.2%	\$9,734,175	83.8%
General Capital Fund	18,347,763	2,532,804	13.8%	4,053,303	4,764,494	117.5%	2,231,690	88.1%
General Capital Fund-Parks Bond	0	0	0.0%	2,633,854	532,429	20.2%	532,429	0.0%
City Facility-Major Maint. Fund	1,455,099	116,395	8.0%	100,826	278,030	275.8%	161,635	138.9%
Roads Capital Fund	28,866,960	8,492,283	29.4%	28,644,111	14,200,760	49.6%	5,708,477	67.2%
Sidewalk Expansion Fund	3,092,995	472,406	15.3%	8,865,000	1,571,467	17.7%	1,099,061	232.7%
Transportation Impact Fees Fund	0	262	0.0%	0	906	0.0%	644	246.3%
Park Impact Fees Fund	0	57	0.0%	0	296	0.0%	238	416.9%
ENTERPRISE FUNDS	\$39,693,426	\$19,157,767	48.3%	\$29,163,825	\$20,035,056	68.7%	\$877,289	4.6%
Surface Water Utility Fund	13,649,757	4,243,067	31.1%	11,326,756	6,559,018	57.9%	2,315,951	54.6%
Wastewater Utility Fund	26,043,669	14,914,700	57.3%	17,837,069	13,476,038	75.6%	(1,438,662)	-9.6%
INTERNAL SERVICE FUNDS	\$586,023	\$347,179	59.2%	\$537,868	\$250,367	46.5%	(\$96,812)	-27.9%
TOTAL EXPENDITURES	\$143,426,680	\$61,244,198	42.7%	\$162,731,052	\$81,462,538	50.1%	\$20,218,340	33.0%
TRANSFERS OUT	\$19,682,186	\$5,667,833	28.8%	\$27,418,653	\$20,416,404	74.5%	\$14,748,571	260.2%
TOTAL EXPENDITURES & TRANSFERS OUT	\$163,108,866	\$66,912,031	41.0%	\$190,149,705	\$101,878,942	53.6%	\$34,966,911	52.3%



2022 THIRD QUARTER FINANCIAL REPORT

GENERAL FUND BUDGET AND YEAR-OVER-YEAR COMPARISON OVERVIEW

RESOURCES

GENERAL FUND RESOURCES	2021 Current Plan	2021 YTD Actual	% of 2021 Current Plan	2022 Current Plan	2022 YTD Actual	% of 2022 Current Plan	2021 v. 2022 \$ Change	2021 v. 2022 % Change
Property Tax	\$14,243,017	\$7,831,820	55.0%	\$15,248,023	\$8,344,197	54.7%	\$512,377	6.5%
Sales Tax*	10,353,600	6,969,757	67.3%	10,409,690	7,471,859	71.8%	502,102	7.2%
Local Criminal Justice*	1,580,357	1,060,954	67.1%	1,639,472	1,194,904	72.9%	133,950	12.6%
B&O, Utility, and Gambling Taxes	6,656,789	3,711,424	55.8%	7,139,025	4,603,563	64.5%	892,140	24.0%
Franchise Fees & Contract Payments	4,122,800	2,502,878	60.7%	3,791,800	2,401,562	63.3%	(101,317)	-4.0%
Development Revenue	4,041,190	3,644,757	90.2%	2,877,003	4,543,083	157.9%	898,326	24.6%
Park and Recreation Revenue	1,260,741	948,401	75.2%	1,629,686	1,375,952	84.4%	427,552	45.1%
Intergovernmental Revenue*	1,962,522	1,608,797	82.0%	2,080,984	1,358,690	65.3%	(250,107)	-15.5%
Grant Revenue	8,528,178	167,090	2.0%	359,302	242,613	67.5%	75,523	45.2%
Fines and Licenses	597,150	177,948	29.8%	596,500	126,962	21.3%	(50,986)	-28.7%
Miscellaneous Revenue	690,017	388,497	56.3%	683,370	526,165	77.0%	137,668	35.4%
Interest Income	70,600	60,549	85.8%	70,600	317,899	450.3%	257,349	425.0%
TOTAL REVENUES	\$54,106,961	\$29,072,874	53.7%	\$46,525,455	\$32,507,450	69.9%	\$3,434,577	11.8%
Proceeds from Capital Assets	0	9,880	0.0%	0	0	0.0%	(9,880)	-100.0%
Operating Transfers In	1,774,059	887,030	50.0%	2,028,244	1,521,183	75.0%	634,154	71.5%
Other Financing Sources	15,000	0	0.0%	15,000	0	0.0%	0	0.0%
Budgeted Use of Fund Balance	8,913,047	0	0.0%	4,188,751	0	0.0%	0	0.0%
TOTAL RESOURCES	\$64,809,067	\$29,969,783	46.2%	\$52,757,450	\$34,028,633	64.5%	\$4,058,850	13.5%

EXPENDITURES & TRANSFERS OUT

DEPARTMENT	2021 Current Plan	2021 YTD Actual	% of 2021 Current Plan	2022 Current Plan	2022 YTD Actual	% of 2022 Current Plan	2021 v. 2022 \$ Change	2021 v. 2022 % Change
City Council	\$246,898	\$152,047	61.6%	\$246,898	\$192,489	78.0%	\$40,442	26.6%
City Manager's Office ¹	4,259,312	2,949,203	69.2%	4,837,224	3,074,860	63.6%	\$125,656	4.3%
City Attorney	879,248	533,507	60.7%	893,209	387,422	43.4%	(\$146,085)	-27.4%
Administrative Services ²	8,027,224	5,403,575	67.3%	8,112,185	5,479,953	67.6%	\$76,378	1.4%
Citywide	1,110,556	1,017,241	91.6%	2,578,113	1,150,503	44.6%	\$133,262	13.1%
Human Resources	523,600	340,025	64.9%	598,422	401,994	67.2%	\$61,969	18.2%
Police	13,844,609	8,111,858	58.6%	14,148,229	8,129,765	57.5%	\$17,906	0.2%
Criminal Justice	2,007,742	643,618	32.1%	2,224,655	955,369	42.9%	\$311,752	48.4%
Recreation, Cultural & Community Services ³	6,814,920	3,629,968	53.3%	7,219,449	4,220,778	58.5%	\$590,810	16.3%
Planning & Community Development	3,438,933	2,370,810	68.9%	3,853,705	2,568,593	66.7%	\$197,783	8.3%
Public Works	3,744,752	2,577,894	68.8%	3,866,679	2,596,377	67.1%	\$18,483	0.7%
DEPARTMENTAL EXPENDITURES	\$44,897,794	\$27,729,747	61.8%	\$48,578,768	\$29,158,103	60.0%	\$1,428,355	5.2%
Operating Transfers Out	13,080,412	990,265	7.6%	2,787,324	2,470,813	88.6%	1,480,547	149.5%
TOTAL EXPENDITURES AND TRANSFERS OUT	\$57,978,206	\$28,720,013	49.5%	\$51,366,092	\$31,628,915	61.6%	\$2,908,903	10.1%

1. City Manager's Office includes City Clerk, Communications, Code Enforcement Customer Response Team, Intergovernmental Relations, Economic Development, Property Management, and Light Rail Stations.

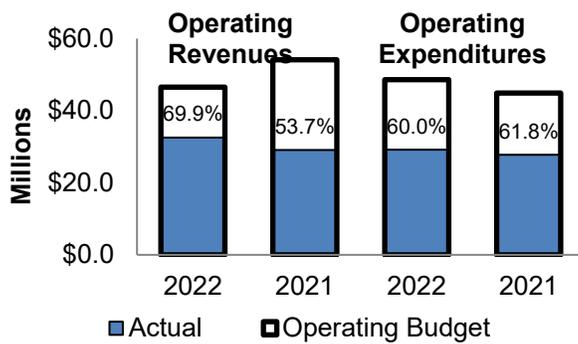
2. Recreation, Cultural and Community Services includes Neighborhoods, Emergency Management Planning, Human Services, Diversity Inclusion, Environmental Services, Recreation, Youth & Teen Development, and Cultural Services.

3. Administrative Services includes Finance, Budget, Purchasing, Information Systems, Parks, Fleet & Facilities, and Recreation Facility Rentals.



2022 THIRD QUARTER FINANCIAL REPORT

GENERAL FUND FINANCIAL OVERVIEW



General Fund	Revenues	Dept. Exp.
2022 Operating Plan	\$46,525,455	\$48,578,768
2022 Actual	\$32,507,450	\$29,158,103
% of 2022 Operating Plan	69.9%	60.0%
2021 Operating Plan	\$54,106,961	\$44,897,794
2021 Actual	\$29,072,874	\$27,729,747
% of 2021 Operating Plan	53.7%	61.8%
Actual 2022 v. 2021 \$ Change	\$3,434,577	\$1,428,355
Actual 2022 v. 2021 % Change	11.8%	5.2%

The table on the previous page presents the 2022 planned revenues, expenditures, use of fund balance for one-time investments and transfers in from/out to other funds as approved in the 2021-2022 Biennial Budget. It also compares them to actual for 2022 and 2021.

Revenues:

General Fund revenue received reflects a year-over-year increase of 11.8%. The following are highlights comparing actual collections to those projected for 2022 and to 2021 collections for the General Fund:

- Property tax receipts are at 54.7% of the 2022 plan.
- Sales tax receipts for 2022 are 8.5% greater than projected for the same period of the current plan. The Construction sector is 11.4% more than 2021 collections. The Retail Trade sector and hotels/restaurants experienced a return to pre-pandemic levels of activity.
- Receipts from the Local Criminal Justice Tax for the reporting period of January through April are \$133,950, or 12.6%, more than the same period for 2021.
- Intergovernmental Revenue receipts are 15.5% less than the year-ago level. The maximum cap of distributions of the Affordable and Supportive Housing State Shared Tax was reached during the state's fiscal year in April. Distributions resumed in July.
- This report reflects Gambling Tax and B&O Tax receipts collected from first and second quarter tax returns, which were due April 30th and July 31st, from businesses placed on quarterly filing status as well as those that voluntarily filed first and second quarter tax returns.
- Utility Tax receipts in the amount of \$3.0 million are more than the 2022 plan and 2021 by 27.5% and 24.0%, respectively.
- Local development activity in 2022, in terms of the number of permit applications, is 281, or 1.06%, less than 2021. Total permits issued are 292, or 1.68%, less than 2021.

Expenditures and Transfers Out:

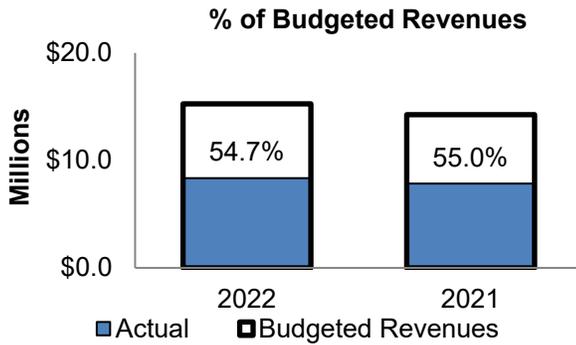
Departments spent \$29.158 million, or 60.0%, of the Operating Budget. This level of expenditures is 5.2% more than the year-ago level. Total expenditures, including transfers out, representing expenditure of 61.6% of the Current Plan, are 10.1% more than the year-ago level. General Fund contributions to select capital projects are reflected in the table to the right.

General Fund Contributions to Projects	2021-2022 Budget	2021-2022 Actual	Budgeted General Fund Support	Amount Transferred
General Capital Projects				
City Hall	\$1,352,313	\$420,730	\$1,352,313	\$377,136
Police Station at City Hall	\$48,000	\$17,554	\$61,170	\$14,884
City Maintenance Facility	\$5,454,272	\$843,806	\$3,871,455	\$412,494
Parks Repair & Replacement	\$650,000	\$143,525	\$200,000	\$62,500
Parks Facilities Recreation Amenities	\$487,000	\$0	\$113,000	\$0
Pool Repair/Replace/Demo	\$620,000	\$584,725	\$620,000	\$442,935
Parks Restrooms Renovation	\$442,000	\$41,003	\$38,240	\$18,292
Playground Replacement	\$656,173	\$0	\$0	\$0
Soccer Field Rental Contribution	N/A	\$1,175	\$260,000	\$0
Parks Improvements-Sound Transit	\$0	\$0	\$0	\$0
Roads Capital Projects				
Sidewalk Rehabilitation Program	\$2,300,400	\$218,881	\$152,518	\$95,324
Trail Along the Rail	\$756,744	\$352,581	\$398,056	\$29,245
147 th /148 th Non-Motorized Bridge	\$7,976,082	\$897,582	\$247,732	\$0
185 th Corridor Study	\$0	\$0	\$0	\$0
160 th and Greenwood/Innis Arden	\$100,000	\$14,503	\$0	\$0
Driveway Relocation Richmond Beach Rd	\$81,439	N/A	\$56,309	\$0
Gambling Tax and Grant Match Funding	N/A	N/A	\$195,302	\$48,826

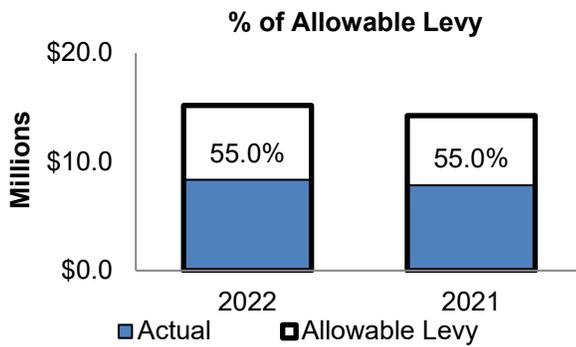


2022 THIRD QUARTER FINANCIAL REPORT

PROPERTY TAX



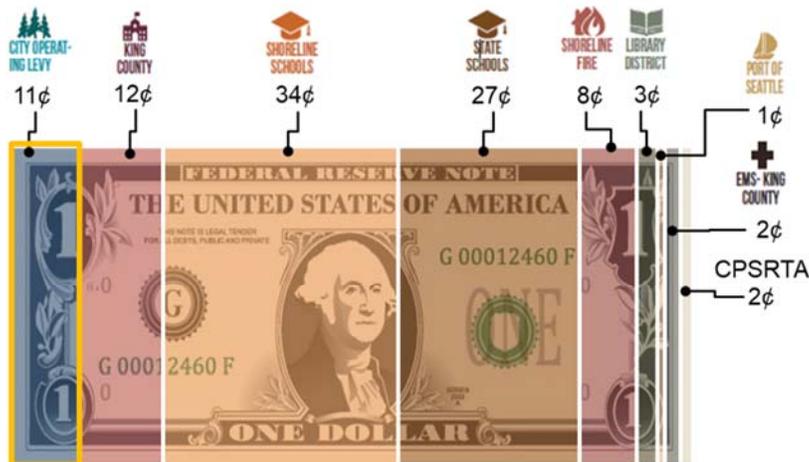
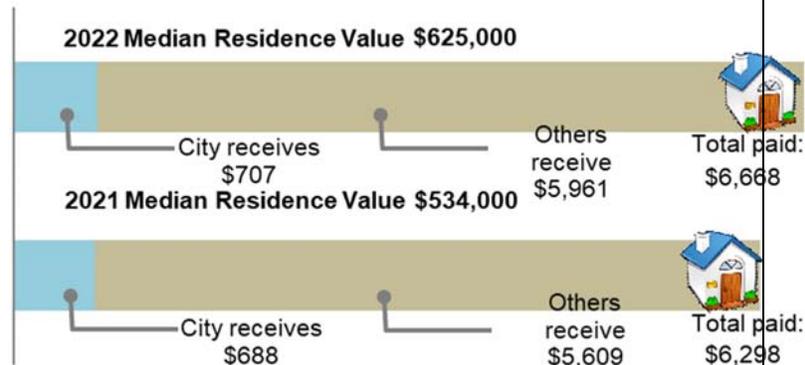
2022 Current Plan		\$15,248,023
2022 Third Quarter Actual Revenue	\$8,344,197	
% of 2022 Current Plan		54.7%
2021 Current Plan		\$14,243,017
2021 Third Quarter Actual Revenue	\$7,831,820	
% of 2021 Current Plan		55.0%
2022 v. 2021 \$ Change		\$512,377
2022 v. 2021 % Change		6.5%



Property tax payments are due to King County in April and October. The County then must remit the City's portion resulting in most collections occurring in the second and fourth quarters. Receipts for 2022 and 2021 as a percentage of the budgeted projection are at 54.7% and 55.0%, respectively. In terms of the allowable levy, which is different than the budgeted projection presented here, receipts for 2022 and 2021 are 55.0% and 55.0%, respectively.

Impact on a median homeowner:

In 2022, the City of Shoreline property tax regular levy and excess voted levy rates decreased from \$1.19 to \$1.13 and \$0.10 to \$0.00, respectively. The total levy rate decreased from \$11.79 to \$10.67. The chart to the right compares the amount paid by a homeowner of a residence with a median value (as determined by the King County Department of Assessments). The total tax bill is estimated to increase \$370, or 5.9%, with the City's portion increasing \$19, or 2.8%, and all other taxing jurisdictions' portion increasing \$352, or 6.3%.



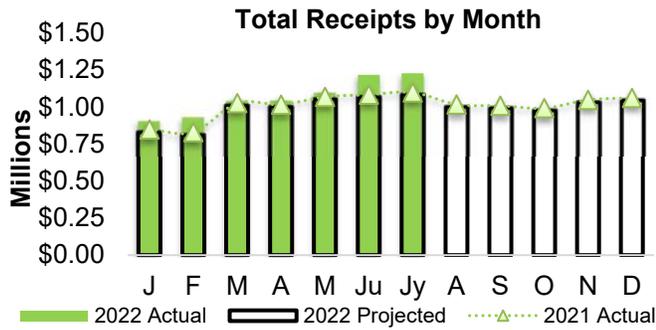
How \$1 is allocated:

The chart to the left illustrates the allocation of each dollar paid at the 2022 levy rates for all taxing jurisdictions within Shoreline. The City receives 11¢ for the City's regular.



2022 THIRD QUARTER FINANCIAL REPORT

SALES TAX



2022 Current Plan		\$10,409,690
2022 Third Quarter Actual Revenue		\$7,471,859
% of 2022 Current Plan		71.8%
2021 Current Plan		\$10,353,600
2021 Third Quarter Actual Revenue		\$6,969,757
% of 2021 Current Plan		67.3%
2022 v. 2021 \$ Change		\$502,102
2022 v. 2021 % Change		7.2%

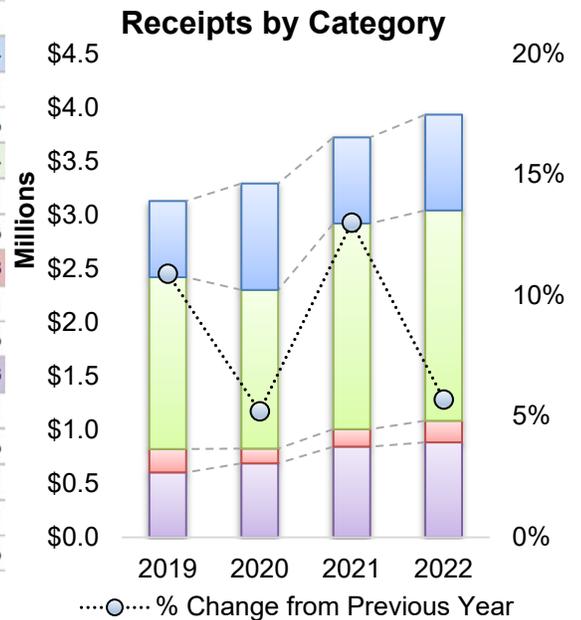
When analyzing monthly sales tax receipts, there are two items of special note: First, most businesses remit their sales tax collections to the Washington State Department of Revenue (DOR) on a monthly basis. Small businesses only have to remit their sales tax collections either quarterly or annually, which can create anomalies when comparing the same month between two years. Second, for those businesses which remit sales tax monthly, there is a two-month lag from the time that sales tax is collected to the time it is distributed to the City. Therefore, the data presented here reflects the distributions received in March through September, which is from activity for January through July.

Receipts are more than the 2022 Plan and 2021 collections by 8.5% and 7.2%, respectively. The Construction sector, while 11.4% more than 2021 collections, continued to maintain a high level of activity. The Retail Trade sector and hotels/restaurants experienced a return to pre-pandemic levels of activity.

The following table and chart illustrate the performance of the primary categories.

SALES TAX BY PRIMARY SECTOR FOR DISTRIBUTION PERIOD: SEPTEMBER

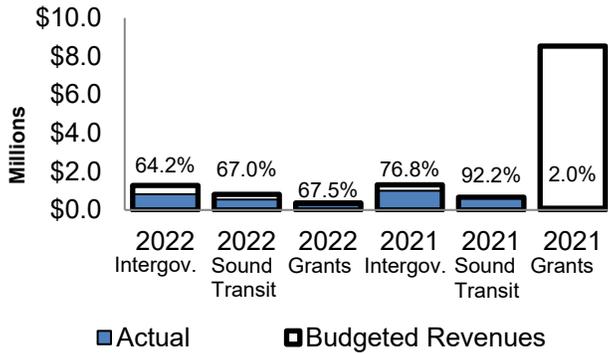
Sector	2018	2019	2020	2021	2022
Construction	\$496,392	\$709,568	\$991,417	\$799,858	\$891,074
\$ Change		\$213,175	\$281,849	(\$191,559)	\$91,216
% Change		42.9%	39.7%	-19.3%	11.4%
Retail Trade	\$1,563,230	\$1,597,460	\$1,474,537	\$1,913,846	\$1,955,794
\$ Change		\$34,230	(\$122,923)	\$439,308	\$41,948
% Change		2.2%	-7.7%	29.8%	2.2%
Hotels/Restaurant	\$175,903	\$218,282	\$138,389	\$163,404	\$202,118
\$ Change		\$42,379	(\$79,893)	\$25,015	\$38,714
% Change		24.1%	-36.6%	18.1%	23.7%
All Others	\$585,927	\$603,581	\$687,466	\$843,009	\$883,066
\$ Change		\$17,654	\$83,885	\$155,542	\$40,058
% Change		3.0%	13.9%	22.6%	4.8%
Total Revenue	\$2,821,452	\$3,128,891	\$3,291,809	\$3,720,116	\$3,932,053
\$ Change		\$307,438	\$162,918	\$428,307	\$211,937
% Change		10.9%	5.2%	13.0%	5.7%





2022 THIRD QUARTER FINANCIAL REPORT

INTERGOVERNMENTAL, GRANTS, AND STATE SHARED SALES TAXES



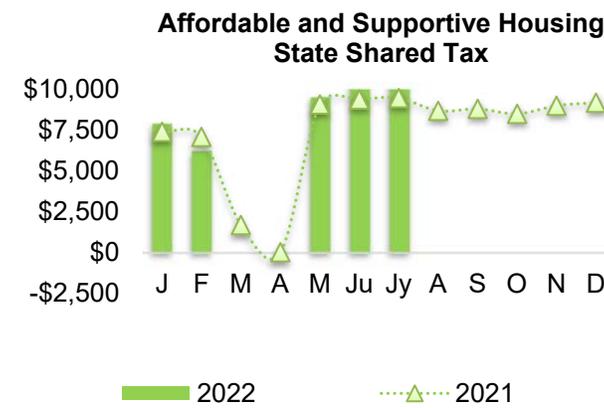
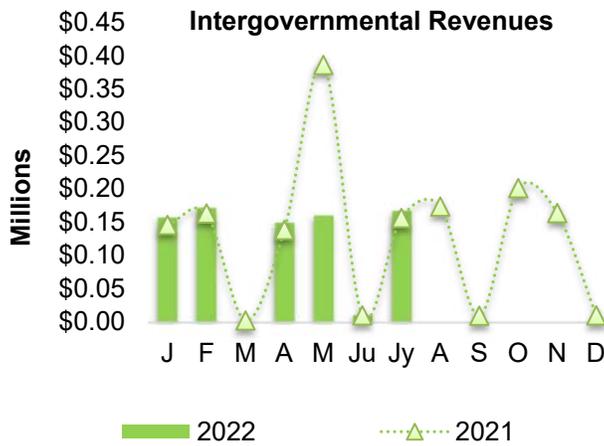
Intergovernmental revenue sources are comprised primarily of funding for criminal justice programs, contract payments, liquor excise tax, liquor board profits, marijuana excise tax, grants, and reimbursement from Sound Transit per the Expedited Permitting and Reimbursement Agreement. Contract payments are discussed separately in this report. Many grants are applied for and received for specific purposes. The amount of grants received in any year can vary.

Total Intergovernmental receipts are 15.5% less than the year-ago level. Receipts by month from sources other than Sound Transit reimbursements are reflected in the Intergovernmental Revenues chart, which compares disbursements for March through September. Receipts for these revenues in 2022 total \$816,207 and are 18.3% less than 2021.

Grant receipts are 45.2% more than 2021 and is mostly attributable to the King County Best Starts for Youth grant.

On October 28, 2019, the City Council adopted Resolution No. 448 and Ordinance No. 869 to impose the Affordable and Supportive Housing State Shared Tax authorized by Substitute House Bill (SHB) 1406 and Revised Code of Washington (RCW) 82.14.540. The Department of Revenue calculated a maximum cap of distributions during the state's fiscal year of \$86,235. That cap was reached with April's distribution; therefore, no further distribution was made in May or June. Distributions resumed in July. The distributions presented in this report are for March through September 2022, which is from activity for January through July.

The result for Local Criminal Justice Sales Tax receipts is not commensurate with the result for Sales Tax receipts because the distribution of Local Criminal Justice Sales Tax is based on the city's population and the amount of sales tax collected throughout all of King County. The Puget Sound Economic Forecaster estimated that retail sales throughout King County would increase year-over-year by 4.8%. Sales tax collected throughout King County was actually 10.4% more than 2021.





2022 THIRD QUARTER FINANCIAL REPORT

BUSINESS & OCCUPATION TAXES AND FRANCHISE FEE & CONTRACT PAYMENTS

Business & Occupation Taxes

2022 Current Plan		\$7,139,025
Business & Occupation Tax		\$846,058
Utility Tax		\$3,013,748
Gambling Tax		\$743,756
2022 Third Quarter Actual Revenue		\$4,603,563
% of 2022 Current Plan		64.5%
2021 Current Plan		\$6,656,789
Business & Occupation Tax		\$703,969
Utility Tax		\$2,430,468
Gambling Tax		\$576,987
2021 Third Quarter Actual Revenue		\$3,711,424
% of 2021 Current Plan		55.8%
2022 v. 2021 \$ Change		\$892,140
2022 v. 2021 % Change		24.0%

The City has franchises with water and cable services with fees imposed at 6% and 5%, respectively. The City also has agreements with Seattle City Light, which imposes a 6% contract fee on total electrical revenues, and Ronald Wastewater District, which imposes an Interlocal Operating Agreement Fee.

More information is available at <http://www.shorelinewa.gov/government/departments/city-clerk-s-office/agreements-and-contracts/utility-franchise-agreements-document-library/-folder-386>.

The City has levied tax on gross operating revenues for gambling activities since 1995 and utility operations since 2005. The Business & Occupation (B&O) Tax and in-house processing of business licensing for Shoreline became effective in January 2019.

This report reflects Gambling Tax and B&O Tax receipts collected from quarterly tax returns. The closure of gaming establishments for much of the second quarter in 2020 impacted Gambling Tax collections for that year. B&O Tax receipts in the amount of \$.37M are more than 2021 by 2.6%.

Utility Tax receipts in the amount of \$3.0 million are less than the 2022 Plan by 27.5% but more than 2021 by 24.0%. We continue to experience a significant decline in telecommunications tax as reflected on the next page.

Franchise Fee & Contract Payments

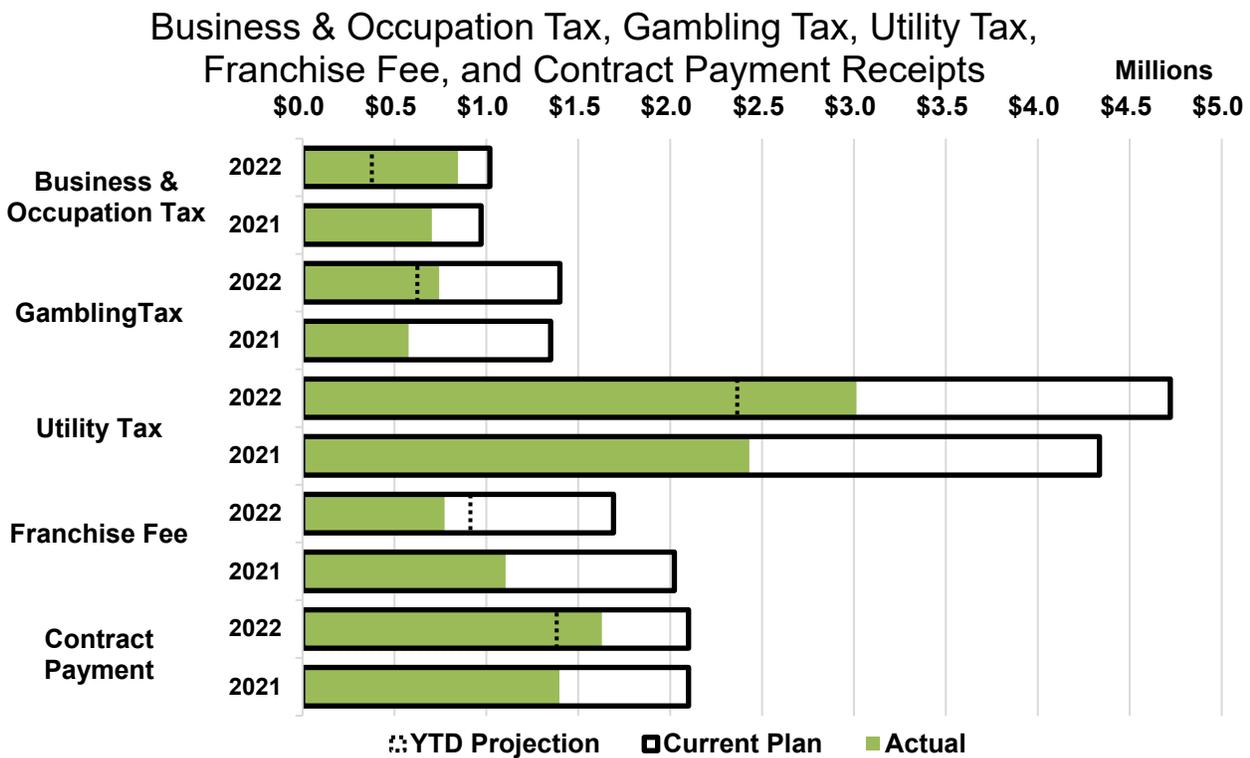
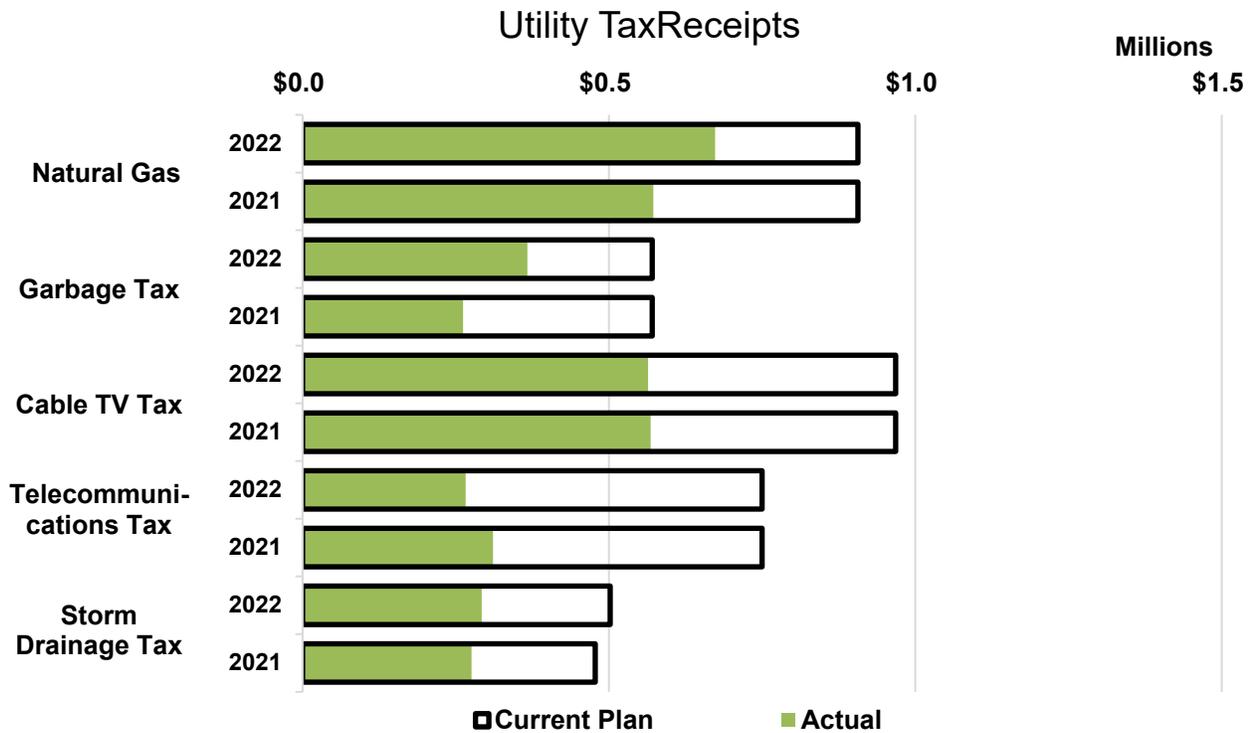
2022 Current Plan		\$3,791,800
Franchise Fee		\$772,664
Contract Payment		\$1,628,898
2022 Third Quarter Actual Revenue		\$2,401,562
% of 2022 Current Plan		63.3%
2021 Current Plan		\$4,122,800
Franchise Fee		\$1,105,110
Contract Payment		\$1,397,768
2021 Third Quarter Actual Revenue		\$2,502,878
% of 2021 Current Plan		60.7%
2022 v. 2021 \$ Change		(\$101,317)
2022 v. 2021 % Change		-4.0%



2022 THIRD QUARTER FINANCIAL REPORT

BUSINESS & OCCUPATION TAXES AND FRANCHISE FEE & CONTRACT PAYMENTS

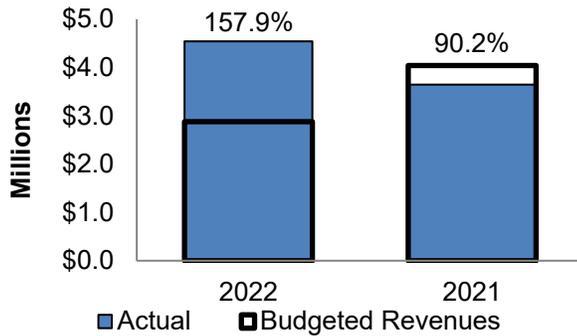
The chart below compares actual receipts to the annual budget for each year and budget projection for 2022.





2022 THIRD QUARTER FINANCIAL REPORT

DEVELOPMENT REVENUE



2022 Current Plan	\$2,877,003
2022 Third Quarter Actual Revenue	\$4,543,083
% of 2022 Current Plan	157.9%
2021 Current Plan	\$4,041,190
2021 Third Quarter Actual Revenue	\$3,644,757
% of 2021 Current Plan	90.2%
2022 v. 2021 \$ Change	\$898,326
2022 v. 2021 % Change	24.6%

Development revenue receipts, including right-of-way permits, exhibit a year-over-year increase of 24.6%.

Revenues from Permit and Plan Check Fees are more than 2021 by 27.6%. Total permit applications through 2022 are 281, or 1.06%, less than 2021. Total permits issued are 292, or 1.68%, less than 2021.

Approximately \$401,246 in revenue from 2019, 2020, and 2021 was deferred to 2022 for inspections that have been paid for but not yet performed.

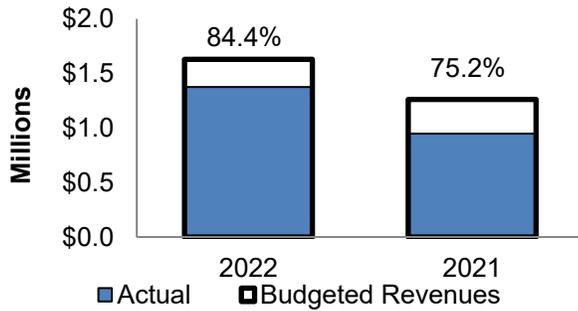
In 2022, the valuation for all residential, commercial, townhouse, and multi-family permit applications totaled \$562.6 million, of which \$531.8 million, or 94.53%, was from new construction permits.

- Single-family: There were 18 less new construction and remodel permit applications in 2022 compared to 2021, with a valuation that is \$10.7 million less.
- Townhouses: Total permit applications in 2022 had a valuation of \$22 million. There were nineteen applications in 2022, of which two permits are for the construction six units per building and 5 buildings with 3 units.
- Multi-family construction and remodels: There were ten new permit applications with a valuation of \$ 343.8 million, including new construction permits for one 7-story 172 -unit apartment building valued at \$ 30.9 million and a 550 unit building valued at \$110.6 million., compared to the same period in 2021 in which eight permit applications had a valuation of \$61.6 million.
- Mixed use: There are three new construction permit application currently under review with a valuation of \$343.7 million for an apartment and retail mixed use building.
- Commercial: There were ten less permits applied for in 2022 with a valuation that is \$.632 million less than 2021.



2022 THIRD QUARTER FINANCIAL REPORT

PARKS AND RECREATION REVENUE



2022 Current Plan	\$1,629,686
2022 Third Quarter Actual Revenue	\$1,375,952
% of 2022 Current Plan	84.4%
2021 Current Plan	\$1,260,741
2021 Third Quarter Actual Revenue	\$948,401
% of 2021 Current Plan	75.2%
2022 v. 2021 \$ Change	\$427,552
2022 v. 2021 % Change	45.1%

There has been a significant increase in the rentals and drop-in use of the City park facilities, fields and open spaces in 2022. This increased use of parks has resulted in a dramatic increase in park rental revenue in 2022. In addition, improved rental policies and online rental processes have streamlined the park rental process for customers and made park rentals more accessible. In particular:

- Adult field rental revenue has increased in 2022 due to adult sports leagues holding complete winter and spring seasons for the first time since 2019.
- Picnic shelter rental revenue has exceeded revenue numbers prior to COVID-19 due to improved rental procedures/policy and high demand for special event locations.
- Tennis court rental revenue has exceeded revenue numbers prior to COVID-19 due to the increased demand for tennis court rentals for tennis and pickleball.

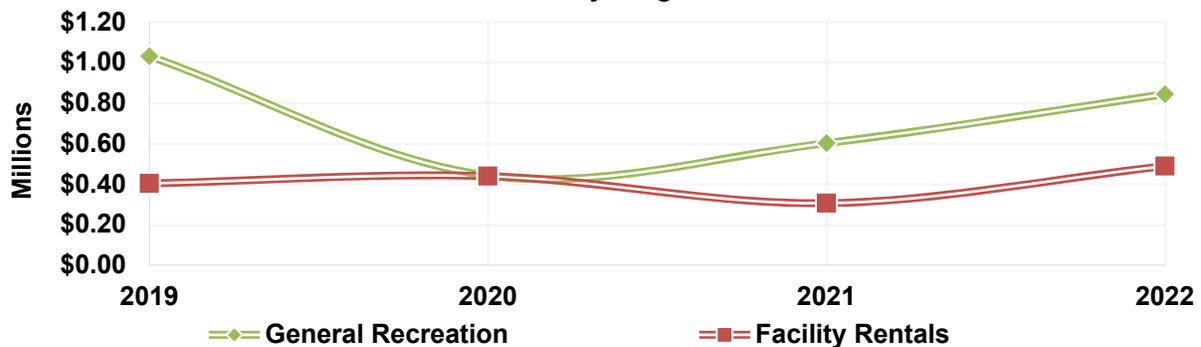
Recreation revenues have seen growth from 2021 to 2022 with a return to strong summer camp enrollment. The summer camps that were offered had full attendance and were nearly back to normal levels. The City continues to rehire instructors for classes and rebuild programs after closures and cancellations in 2020 and 2021. There have been reduced indoor rentals at Spartan Recreation Center due to staffing limitations, but those rentals and revenues are expected to increase by 2023. Indoor rentals at Richmond Highlands Recreation Center have been limited due to construction project delays and staffing limitations. Revenues are expected to return to normal levels in 2023.

As a result, Parks and Recreation revenue receipts are 45.1% more than the year-ago level with receipts for general recreation programs less than the year-ago level by 40.0% but facility rentals 59.8% more than the year-ago level.

Revenue by Program Area:

Year	General Recreation	Gen Rec % of Total	Facility Rentals	Fac Rent % of Total	Total Program Revenue	Non-Program Revenue
2019	\$1,031,156	71.9%	\$403,221	28.1%	\$1,434,377	\$29,981
2020	\$441,831	50.2%	\$439,130	49.8%	\$880,960	\$45,938
2021	\$602,136	66.3%	\$305,700	33.7%	\$907,835	\$40,566
2022	\$843,239	63.3%	\$488,357	36.7%	\$1,331,596	\$44,357

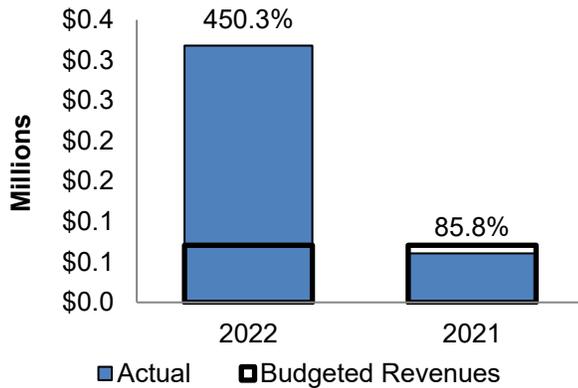
Recreation Revenue by Program Area





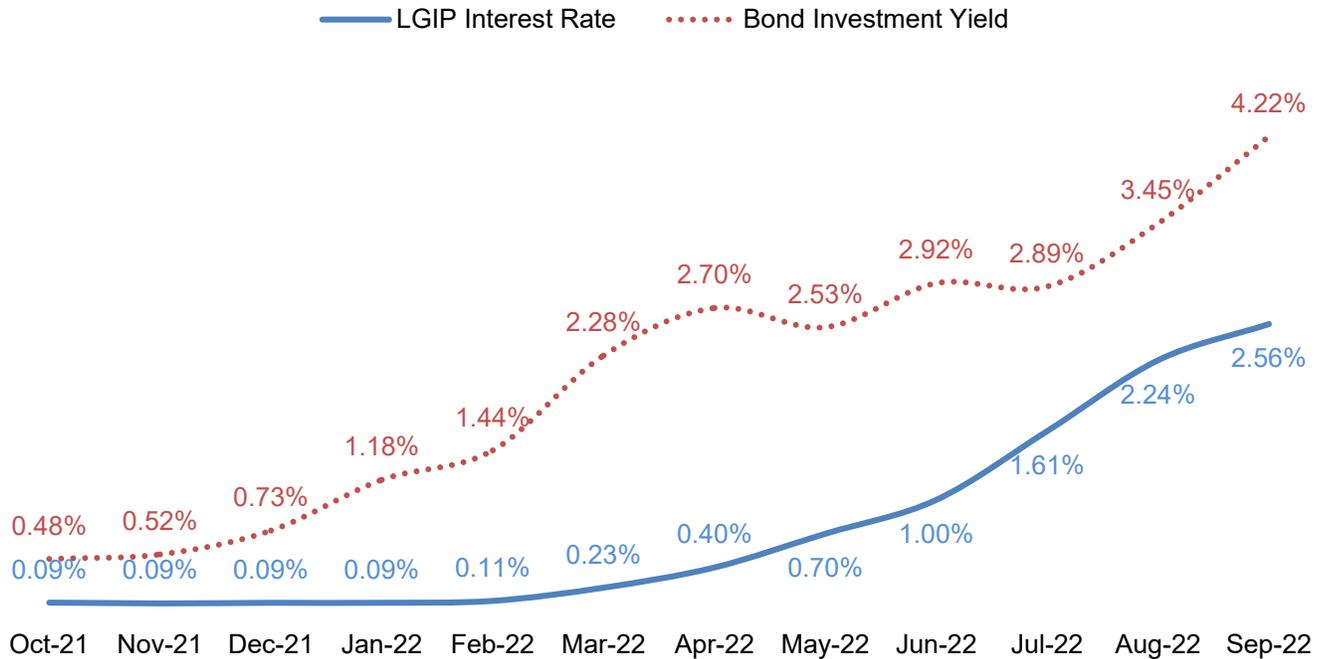
2022 THIRD QUARTER FINANCIAL REPORT

INTEREST INCOME



2022 Current Plan		\$70,600
2022 Third Quarter Actual Revenue		\$317,899
% of 2022 Current Plan		450.3%
2021 Current Plan		\$70,600
2021 Third Quarter Actual Revenue		\$60,549
% of 2021 Current Plan		85.8%
2022 v. 2021 \$ Change		\$257,349
2022 v. 2021 % Change		425.0%

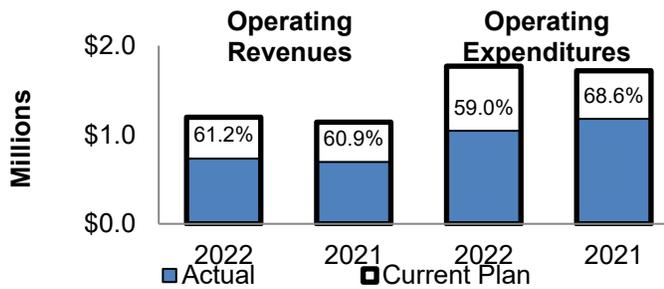
Interest income is more than that for 2021 by 425.0%. The City's investment policy adheres to strict standards as prescribed by federal law, state statutes, and local ordinances, and allows the City to develop an investment model to maximize its investment returns with the primary objectives of safety and liquidity. The third quarter returns reflected here, do not include the "mark to market" adjustment that will be required at year end to recognize unrealized losses as discussed in the investment report on pages 19 and 20.





2022 THIRD QUARTER FINANCIAL REPORT

STREET FUND

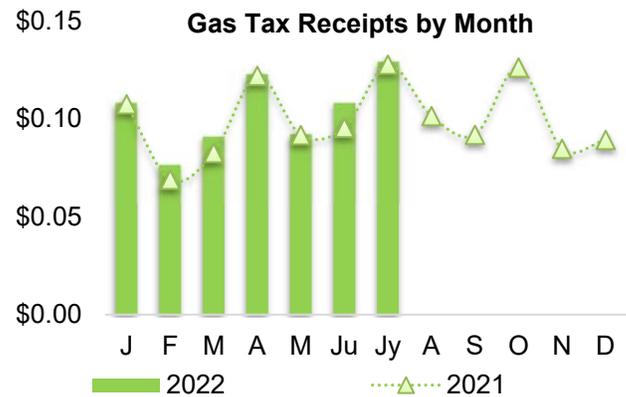
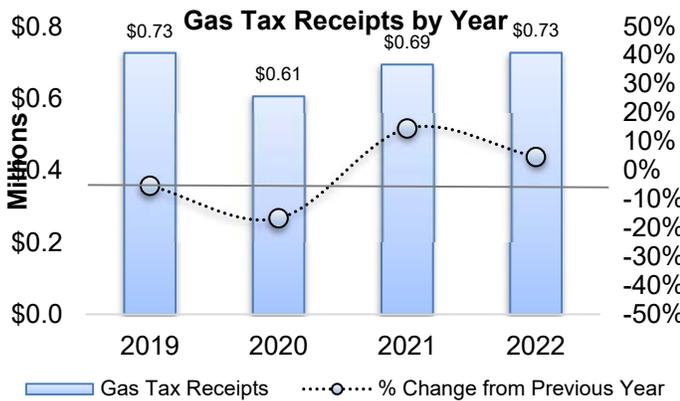


Street Fund	Resources	Expenditures
2022 Operating Plan	\$1,196,152	\$1,769,088
2022 Actual	\$732,426	\$1,043,862
% of 2022 Operating Plan	61.2%	59.0%
2021 Operating Plan	\$1,140,391	\$1,716,423
2021 Actual	\$694,846	\$1,177,658
% of 2021 Operating Plan	60.9%	68.6%
Actual 2022 v. 2021 \$ Change	\$37,579	(\$133,796)
Actual 2022 v. 2021 % Change	5.4%	-11.4%

The table shows Street Fund receipts, excluding transfers in, are 5.4% more than 2021. Operating expenditures, excluding transfers out, are 11.4% less than 2021. Expenditures, including transfers out, are 0.6% less than 2021.

The Motor Vehicle Fuel Excise Tax, commonly referred to as Gas Tax, is assessed by the State as cents per gallon so revenue depends on the number of gallons sold, not the dollar value of the sales. It is then distributed monthly on a per capita basis to the City of Shoreline and placed in the Street Fund. When analyzing monthly Gas Tax receipts it is important to note there is a two-month lag from the time that Gas Tax is collected to the time it is distributed to the City. Therefore, the distribution received in March through September 2022 reflects activity from January through July.

Distributions for this period total \$0.728 million, which is 4.7% more than 2021.





2022 THIRD QUARTER FINANCIAL REPORT

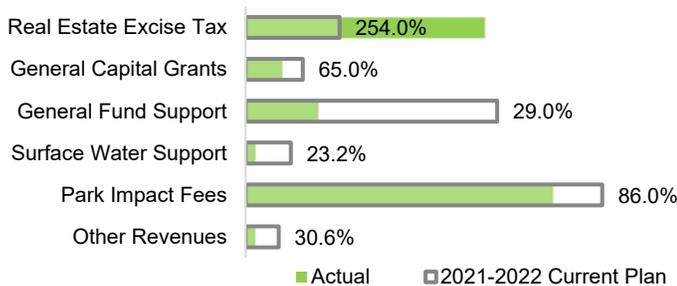
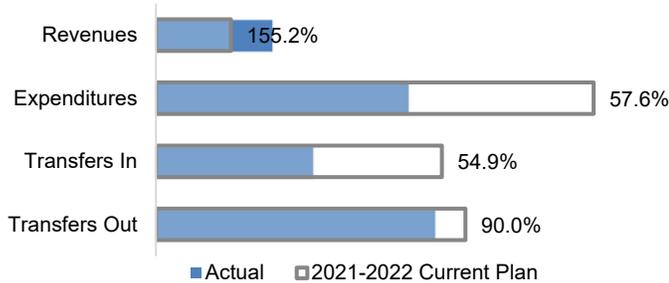
GENERAL CAPITAL FUND

General Capital Fund	Resources	Expenditures
2022 Current Plan Total	\$52,252,138	\$23,689,270
Less:		
2022 Use of Fund Balance	2,480,796	N/A
2022 Other Sources & Transfers	48,106,787	17,002,113
2022 Capital Plan Revenues/Expenditures	\$1,664,555	\$6,687,157
2022 Actual	\$2,700,978	\$5,763,258
% of 2022 Capital Plan Rev./Exp.	162.3%	86.2%
2021 Current Plan Total	\$19,059,451	\$19,046,281
Less:		
2021 Use of Fund Balance	8,214,579	N/A
2021 Other Sources & Transfers	8,214,449	698,518
2021 Capital Plan Revenues/Expenditures	\$2,630,423	\$18,347,763
2021 YTD Actual	\$3,963,243	\$8,656,527
% of 2021 Capital Plan Rev./Exp.	150.7%	47.2%
2021-2022 Capital Plan Revenues/Expenditures	\$4,294,978	\$25,034,920
2021-2022 Actual	\$6,664,221	\$14,419,785
% of 2020-2021 Capital Plan Rev./Exp.	155.2%	57.6%

Third Quarter Actual receipts are largely comprised of Real Estate Excise Tax, which is discussed separately in this report. The 2022 plan includes one-time transfers from the General Fund, Park Impact Fee Fund, and Surface Water Utility Fund as well as bond proceeds in support of the following capital projects listed in the Summary of Contributions to/other Funding for General Capital Projects table below. Funds are transferred from the General Fund, Park Impact Fee Fund, and Surface Water Utility Fund as expenditures are incurred by the projects.

The table shows capital projects expended 79.2% of the 2022 current plan.

Transfers Out are comprised of transfers to the General Fund for overhead and the Limited Tax General Obligation Bond Fund for City Hall debt service payments. More information on the scope and timing of capital projects, including updated estimates, can be found on pp. 307-332 of the City's 2021-2022 Proposed Biennial Budget and 2021-2026 Capital Improvement Plan book.





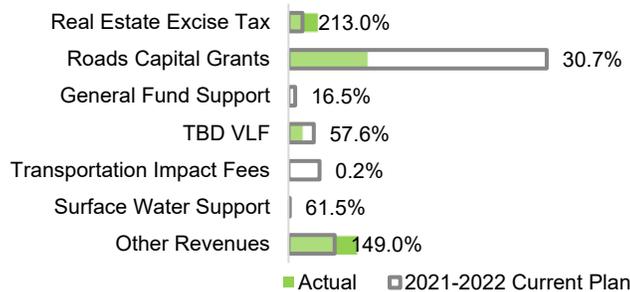
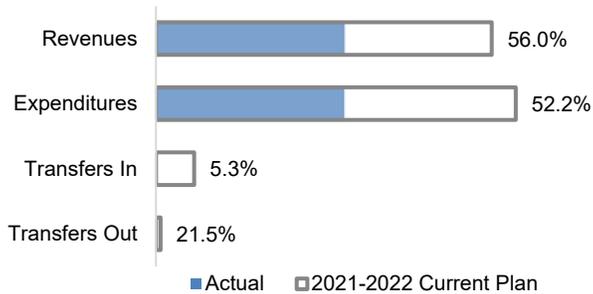
2022 THIRD QUARTER FINANCIAL REPORT

ROADS CAPITAL FUND

Roads Capital Fund	Resources	Expenditures
2022 Capital Plan Total	\$35,025,202	\$28,736,565
Less:		
2022 Use of Fund Balance	1,752,718	N/A
2022 Other Sources & Transfers	8,254,634	92,454
2022 Capital Plan Revenues/Expenditures	\$25,017,850	\$28,644,111
2022 Actual	\$15,581,665	\$17,063,640
% of 2022 Capital Plan Rev./Exp.	62.3%	59.6%
2021 Capital Plan Total	\$31,373,231	\$29,527,530
Less:		
2021 Use of Fund Balance	595,332	N/A
2021 Other Sources & Transfers	2,132,630	660,570
2021 Capital Plan Revenues/Expenditures	\$28,645,269	\$28,866,960
2021 YTD Actual	\$14,474,349	\$12,942,670
% of 2021 Capital Plan Rev./Exp.	50.5%	44.8%
2021-2022 Capital Plan Revenues/Expenditures	\$53,663,119	\$57,511,071
2021-2022 Actual	\$30,056,014	\$30,006,310
% of 2021-2022 Capital Plan Rev./Exp.	56.0%	52.2%

Receipts are largely comprised of Real Estate Excise Tax. The 2022 plan includes one-time transfers from the General Fund and Transportation Impact Fee Fund in support of the following capital projects listed in the Summary of Contributions to/other Funding for Roads Capital Projects table later in this report. Funds are transferred from the General Fund and Transportation Impact Fee Fund as expenditures are incurred by the projects.

Capital projects expended 52.2% of the current plan for the Capital Budget. Capital expenditures are impacted by the timing of construction schedules. Transfers Out are comprised of transfers to the General Fund for overhead. More information on the scope and timing of capital projects, including updated estimates, can be found on pp. 351-386 of the City's 2021-2022 Proposed Biennial Budget and 2021-2026 Capital Improvement Plan book.





2022 THIRD QUARTER FINANCIAL REPORT

SIDEWALK EXPANSION

2020 LTGO Bond Fund	Resources	Expenditures
2022 Current Plan Total	\$2,235,089	\$899,550
Less:		
2022 Use of Fund Balance	0	N/A
2022 Other Sources & Transfers	0	0
2022 Current Plan Revenues/Expenditures	\$2,235,089	\$899,550
2022 Actual	\$1,800,019	\$187,989
% of 2022 Current Plan Rev./Exp.	80.5%	20.9%
2021 Capital Plan Total	\$2,159,113	\$899,550
Less:		
2021 Use of Fund Balance	0	N/A
2021 Other Sources & Transfers	0	0
2021 Current Plan Revenues/Expenditures	\$2,159,113	\$899,550
2021 YTD Actual	\$2,827,756	\$900,530
% of 2021 Current Plan Rev./Exp.	131.0%	100.1%
2021-2022 Current Plan Revenues/Expenditures	\$4,394,202	\$1,799,100
2021-2022 Actual	\$4,627,775	\$1,088,519
% of 2021-2022 Current Plan Rev./Exp.	105.3%	60.5%

The regular Sales Tax rate is 10.2% with the City's general operation's portion accounting for 0.85% of the rate. At the November 6, 2018 General Election, Shoreline voters approved an additional 0.2% Sales Tax rate for the Shoreline Transportation Benefit District, revenue from which is reported in the Sidewalk LTGO Bond Fund and used to pay the debt service for the bonds issued to fund the New Sidewalks Program. Collections started in April 2019. Receipts for 2022, in the amount of \$1.750 million, are 7.3% more than 2021. In 2020, the City received \$11.539 million in bond proceeds for the New Sidewalks Program.

Capital expenditures are impacted by the timing of construction schedules. More information on the scope and timing of capital projects, including updated estimates, can be found on pp. 351-386 of the City's 2021-2022 Proposed Biennial Budget and 2021-2026 Capital Improvement Plan book.



Sidewalk Expansion Fund	Resources	Expenditures
2022 Capital Plan Total	\$8,865,000	\$8,865,000
Less:		
2022 Use of Fund Balance	4,700,000	N/A
2022 Other Sources & Transfers	3,365,000	0
2022 Capital Plan Revenues/Expenditures	\$800,000	\$8,865,000
2022 Actual	\$76,269	\$2,040,694
% of 2022 Capital Plan Rev./Exp.	9.5%	23.0%
2021 Capital Plan Total	\$3,174,552	\$3,092,995
Less:		
2021 Use of Fund Balance	272,771	N/A
2021 Other Sources & Transfers	981,803	0
2021 Capital Plan Revenues/Expenditures	\$1,919,978	\$3,092,995
2021 YTD Actual	\$198,050	\$1,347,740
% of 2021 Capital Plan Rev./Exp.	10.3%	43.6%
2021-2022 Capital Plan Revenues/Expenditures	\$2,719,978	\$11,957,995
2021-2022 Actual	\$274,319	\$3,388,434
% of 2021-2022 Capital Plan Rev./Exp.	10.1%	28.3%



2022 THIRD QUARTER FINANCIAL REPORT

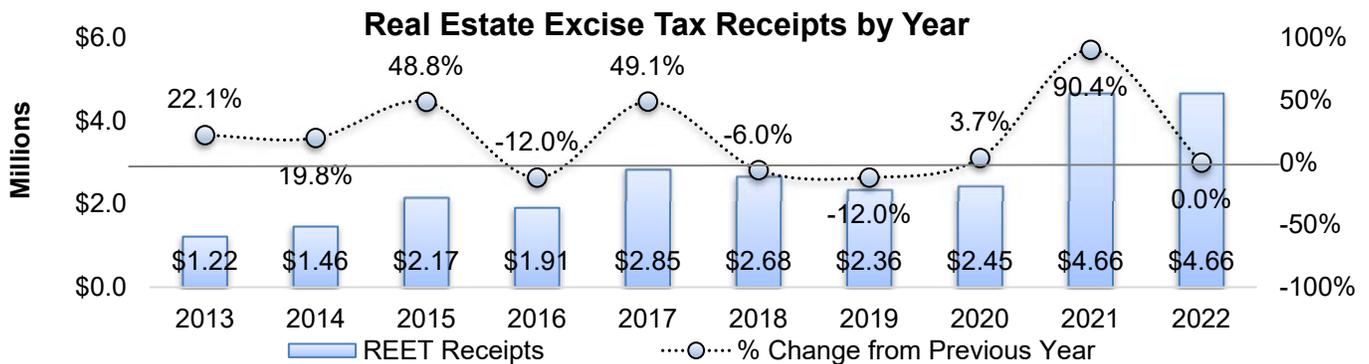
SUMMARY OF CONTRIBUTIONS TO/OTHER FUNDING FOR GENERAL CAPITAL PROJECTS

General Fund Contributions to Projects	2021-2022 Budget	2021-2022 Actual	Budgeted General Fund Support	Amount Transferred
City Hall	\$1,352,313	\$867,536	\$1,352,313	\$867,536
Police Station at City Hall	\$48,000	\$24,489	\$61,170	\$24,975
City Maintenance Facility	\$5,454,272	\$856,869	\$3,871,455	\$588,559
Parks Repair & Replacement	\$650,000	\$195,578	\$200,000	\$87,500
Pool Repair/Replace/Demo	\$620,000	\$640,573	\$620,000	\$0
Parks Restrooms Renovation	\$442,000	\$441,952	\$38,240	\$0
Parks Facilities Recreation Amenities	\$487,000	\$0	\$113,000	\$0
Soccer Field Rental Contribution	N/A	\$1,175	\$260,000	\$130,000
Parks Improvements-Sound Transit	\$0	\$0	\$0	\$0
Park Impact Fee (PIF) Contributions to Projects	2021-2022 Budget	2021-2022 Actual	Budgeted PIF Support	Amount Transferred
Playground Replacement	\$656,173	\$0	\$250,000	\$0
PROS Plan Acquisitions	\$10,862,019	\$10,173,879	\$1,032,809	\$118,669
Surface Water Utility (SWM) Fund Contributions to Projects	2021-2022 Budget	2021-2022 Actual	Budgeted SWM Support	Amount Transferred
City Maintenance Facility	See above	See above	\$1,053,462	\$244,323

SUMMARY OF CONTRIBUTIONS TO/OTHER FUNDING FOR ROADS/SIDEWALK CAPITAL PROJECTS

General Fund Contributions to Projects	2021-2022 Budget	2021-2022 Actual	Budgeted General Fund Support	Amount Transferred
Sidewalk Rehabilitation Program	\$2,300,400	\$218,881	\$152,518	\$95,324
Trail Along the Rail	\$756,744	\$352,581	\$398,056	\$29,245
147 th /148 th Non-Motorized Bridge	\$7,976,082	\$897,582	\$247,732	\$0
185 th Corridor Study	\$0	\$0	\$0	\$0
160 th and Greenwood/Innis Arden	\$100,000	\$14,503	\$0	\$0
Driveway Relocation Richmond Beach Rd	\$81,439	\$0	\$56,309	\$0
Gambling Tax and Grant Match Funding	N/A	N/A	\$195,302	\$48,826
Transportation Impact Fee (TIF) Contributions to Projects	2021-2022 Budget	2021-2022 Actual	Budgeted TIF Support	Amount Transferred
N 175th St - Stone Ave N to I5	\$7,174,602	\$3,337,618	\$4,861,071	\$8,651
Surface Water Utility (SWM) Fund Contributions to Projects	2021-2022 Budget	Amount Spent YTD	Budgeted SWM Support	Amount Transferred
Westminster Way N and N 155th Street Intersection Improvements	See above	See above	\$199,189	\$122,412

REAL ESTATE EXCISE TAX



Real Estate Excise Tax (REET) revenue receipts, in the amount of \$4,664,832, are 0.0% more than 2021.



2022 THIRD QUARTER FINANCIAL REPORT

SURFACE WATER UTILITY FUND

Surface Water Utility Fund	Resources	Expenditures
2022 Current Plan Total	\$20,967,093	\$12,150,050
Less:		
2022 Use of Fund Balance	316,768	N/A
2022 Other Sources & Transfers	11,900,000	823,294
2022 Operating & Capital Plan Revenues/Expenditures	\$8,750,325	\$11,326,756
2022 Actual	\$5,605,520	\$8,538,362
% of 2022 Current Plan Rev./Exp.	64.1%	75.4%
2021 Current Plan Total	\$18,421,019	\$15,691,142
Less:		
2021 Use of Fund Balance	1,936,845	N/A
2021 Other Sources & Transfers	7,120,203	2,041,385
2021 Operating & Capital Plan Revenues/Expenditures	\$9,363,971	\$13,649,757
2021 YTD Actual	\$8,607,450	\$5,856,029
0	91.9%	42.9%
2022-2021 Operating & Capital Plan Revenues/Expenditures	\$18,114,296	\$24,976,513
2021-2022 Actual	\$14,212,971	\$14,394,391
% of 2021-2022 Plan Rev./Exp.	78.5%	57.6%

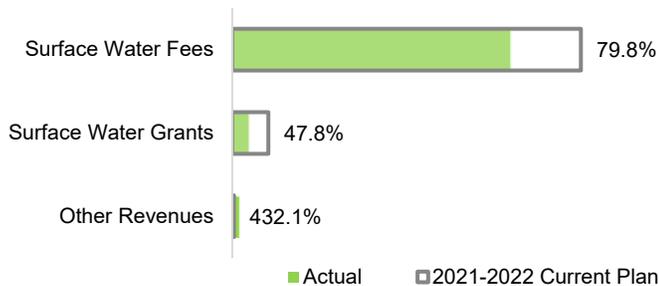
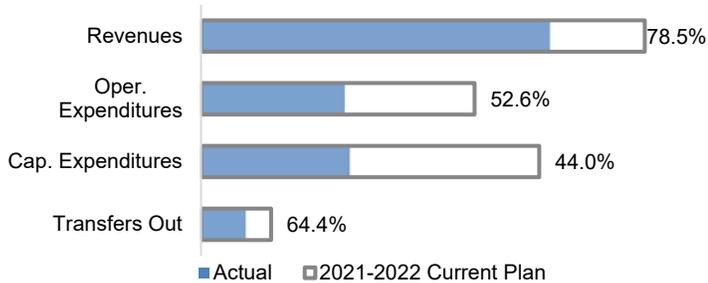
The Surface Water Utility Fund (SWM) includes both on-going operational programs and capital projects with both being reflected in the total expenditures and revenues for the fund.

SWM ongoing revenues include storm drainage fees and investment interest earnings. Surface Water Fee payments are due to King County in April and October. The County then must remit the City's portion resulting in most collections occurring in the second and fourth quarters.

Surface Water Utility operations expended 48.0% of the current plan for the Operating Budget, which is 25.4% less than 2021. Capital projects expended 66.4% of the current plan for the Capital Budget. Capital expenditures are impacted by the timing of construction schedules.

Transfers from the Surface Water Utility Fund to cover expenditures for the City Maintenance Facility in the General Capital Fund are reflected in this report.

More information on the scope and timing of capital projects, including updated estimates, can be found on pp. 389-414 of the City's 2021-2022 Proposed Biennial Budget and 2021-2026 Capital Improvement Plan book.





2022 THIRD QUARTER FINANCIAL REPORT

WASTEWATER UTILITY FUND

Wastewater Utility Fund	Resources	Expenditures
2022 Current Plan Total	\$19,851,107	\$18,562,472
Less:		
2022 Use of Fund Balance	1,021,388	N/A
2022 Other Sources & Transfers	0	725,403
2022 Current Plan Revenues/Expenditures	\$18,829,719	\$17,837,069
2022 Actual	\$14,284,070	\$15,802,603
% of 2022 Current Plan Rev./Exp.	75.9%	88.6%
2021 Current Plan Total	\$26,385,554	\$26,559,741
Less:		
2021 Use of Fund Balance	7,400,379	N/A
2021 Other Sources & Transfers	800,000	516,072
2021 Current Plan Revenues/Expenditures	\$18,185,175	\$26,043,669
2021 YTD Actual	\$17,892,967	\$17,190,852
% of 2021 Current Plan Rev./Exp.	98.4%	66.0%
2022-2021 Current Plan Revenues/Expenditures	\$37,014,894	\$43,880,738
2022-2021 Actual	\$32,177,037	\$32,993,455
% of 2022-2021 Current Plan Rev./Exp.	86.9%	75.2%

The City of Shoreline completed the assumption of Ronald Wastewater District on April 30, 2021. The Wastewater Utility Fund (WW) now includes both on-going operational programs and capital projects with both being reflected in the total expenditures and revenues for the fund.

Wastewater Revenues are currently 86.9% of plan and more than the prior year by \$12,543, or 0.1%. Expenditures are currently 75.2% of plan and less than the prior year by \$1,438,662 or 9.6%. Because this fund, like surface water, includes capital expenditures the timing of project expenditures can vary greatly.



2022 THIRD QUARTER FINANCIAL REPORT

INVESTMENT REPORT: SEPTEMBER 30, 2022

The City's investment policy adheres to strict standards prescribed by federal law, state statutes, local ordinances, and allows the City to develop an investment model to maximize its investment returns within the primary objectives of safety and liquidity.

Our yield objectives are very important and pursuant to policy, the basis used by the City to determine whether the market yields are being achieved is through the use of a comparable benchmark. Our benchmark has been identified as the current yield to maturity of the Washington State Local Government Investment Pool (LGIP), which had been the City's primary mode of investment prior to adopting our Investment Policy. As of September 30, 2022, the City's investment portfolio, excluding the State Investment Pool had a current weighted average rate of return of 2.3706%. This is currently lower than the 2.5585% rate of return of the State Investment Pool due to sharply rising interest rates in the past few months.

Total investment interest earnings through September 30, 2022 were \$999,195. This amount reflects the reversing entry from our year end requirement to record an unrealized gain or loss for our investments at the end of the year. In 2021, given the volatile investment market, our investments had a decreased market value. The amount of unrealized loss for 2021 was \$177,087. This is a "book" entry that reflects the value of the investment if we were to sell it today. The entry is reversed at the beginning of the following year, which is impacting our current year to date results. Therefore, the amount of interest earnings appears to be significantly higher than annual budget of \$203,090 and the prior year's returns. The adjusted earnings, when removing the reversing entry, are \$822,108, still significantly ahead of budgeted investment earnings.

Unfortunately, given the continuing volatility of the market, the market value of our portfolio has an even greater unrealized loss at this time. While that is true, because we expect to hold these investments to their maturity, we do not expect to realize the loss. Additionally, the market value will continue to change through year end at which time we will determine whether we need to record a loss or a gain for the 2022 reversing entry.

Generally, the City has maintained a laddered investment portfolio. During the pandemic, because of the market conditions, we relied on the State Investment pool as higher interest rate investments matured for a large portion of 2020 and 2021 while the LGIP rates were higher than market. In 2022, with rising rates, we have returned to a laddered portfolio which has contributed to the higher weighted average rate of return than see the past few quarters, and the ability to exceed budget projections mid-way through the year.

As of September 30, 2022, the City's investment portfolio had a fair value of \$149.96 million. Approximately 55.7% of the investment portfolio was held in U.S. government instrumentality securities, and 44.3% was held in the Washington State Investment Pool. The City's investment portfolio valued at cost as of September 30, 2022 was approximately \$151.96 million. The difference between the cost and the market value of the portfolio represents either the loss or the gain of the portfolio if the City were to liquidate investments as of the day that the market value is stated. This would only be done if the City needed to generate cash. The City generally holds all its investments until the scheduled maturity date, and therefore when the investments mature, the principal market value should equal the cost of the investment. The City also holds sufficient investments within the State Pool to allow for immediate cash liquidation if needed.



2022 THIRD QUARTER FINANCIAL REPORT

LGIP Cash and Investment Balances

Investment Instruments	CUSIP #	BROKER	Settlement Date	Maturity Date	Par Value	Investment Cost	Yield To Maturity	Unrecognized Gain/(Loss)	Market Value 09/30/22
US Treasury 2.750	912828Y61	Piper Sandler	07/02/21	07/31/23	2,500,000	2,629,350	0.2540%	(156,890)	2,472,460
US Treasury 2.000	912828S92	Piper Sandler	05/20/22	07/31/23	2,000,000	1,977,740	2.1950%	(25,552)	1,952,188
US Treasury 2.500	912828V56	Piper Sandler	07/20/22	08/15/23	3,000,000	2,979,390	3.1570%	(22,515)	2,956,875
US Treasury 2.750	9128284X5	Piper Sandler	07/02/21	08/31/23	2,500,000	2,633,450	0.2730%	(165,580)	2,467,870
US Treasury 1.375	912828T26	Piper Sandler	07/02/21	09/30/23	2,500,000	2,560,525	0.2930%	(130,055)	2,430,470
US Treasury 2.875	9128285K2	Piper Sandler	07/20/22	10/31/23	6,000,000	5,976,120	3.1930%	(61,668)	5,914,452
US Treasury 0.250	91282CAW1	Piper Sandler	10/15/21	11/15/23	2,500,000	2,491,700	0.4110%	(100,588)	2,391,113
US Treasury 2.875	9128285P1	TVI	07/20/22	11/30/23	3,000,000	2,986,257	3.2200%	(33,249)	2,953,008
US Treasury 0.125	91282CBA8	Piper Sandler	10/15/21	12/15/23	2,500,000	2,483,500	0.4330%	(103,423)	2,380,078
US Treasury 0.125	91282CBE0	MBS	10/15/21	01/15/24	2,500,000	2,481,055	0.4650%	(110,157)	2,370,898
US Treasury 2.500	9128285Z9	FNC	08/11/22	01/31/24	3,000,000	2,970,450	3.1920%	(39,591)	2,930,859
US Treasury 0.125	91282CBM2	Piper Sandler	10/15/21	02/15/24	2,500,000	2,480,375	0.4650%	(117,388)	2,362,988
US Treasury 2.500	91282CEK3	TVI	08/11/22	04/30/24	3,000,000	2,965,500	3.1920%	(48,234)	2,917,266
US Treasury 2.000	912828XT2	FNC	04/26/22	05/31/24	3,000,000	2,963,940	2.5924%	(73,041)	2,890,899
US Treasury 2.500	91282CER8	TVI	08/11/22	05/31/24	3,000,000	2,963,466	3.2000%	(48,192)	2,915,274
US Treasury 2.000	912828XX3	TVI	04/26/22	06/30/24	3,000,000	2,960,484	2.6250%	(75,093)	2,885,391
US Treasury 2.125	9128282N9	Piper Sandler	05/06/22	07/31/24	3,000,000	2,956,770	2.7930%	(68,334)	2,888,436
US Treasury 1.750	912828Y87	FNC	06/23/22	07/31/24	3,000,000	2,919,870	3.0690%	(50,418)	2,869,452
US Treasury 2.375	912828D56	FNC	06/23/22	08/15/24	3,000,000	2,956,530	3.0770%	(56,961)	2,899,569
US Treasury 1.875	9128282U3	Piper Sandler	05/06/22	08/31/24	3,000,000	2,935,680	2.8370%	(63,999)	2,871,681
US Treasury 2.125	9128282Y5	Piper Sandler	05/06/22	09/30/24	3,000,000	2,950,230	2.8440%	(68,706)	2,881,524
US Treasury 1.500	912828YH7	FNC	06/23/22	09/30/24	3,000,000	2,896,530	3.0840%	(50,046)	2,846,484
FHLB 2.125	3130AS4X4	Piper Sandler	05/20/22	05/16/23	2,000,000	1,999,160	2.1680%	(23,718)	1,975,442
FFCB 2.500	3133EMM66	Piper Sandler	07/02/21	06/28/23	2,500,000	2,499,900	0.2520%	(71,323)	2,428,578
FMAC 2.850	3132X03B5	TVI	05/20/22	06/30/23	2,000,000	2,014,692	2.1760%	(32,496)	1,982,196
FHLB 3.375	313383YJ4	TVI	07/20/22	09/08/23	3,000,000	3,003,720	3.2600%	(27,891)	2,975,829
FHLB 3.375	3130A0F70	TVI	07/20/22	12/08/23	3,000,000	3,004,263	3.2670%	(38,313)	2,965,950
FHLB 2.500	3130AFW94	TVI	08/11/22	02/13/24	3,000,000	2,969,553	3.1970%	(36,096)	2,933,457
FHLB 3.250	3130A0XE5	Piper Sandler	08/11/22	03/08/24	3,000,000	2,997,960	3.2940%	(46,032)	2,951,928
FHLB 3.125	3130ASH8	Piper Sandler	08/11/22	06/14/24	3,000,000	2,992,680	3.2620%	(50,091)	2,942,589
Sub Total - Investments					\$ 86,000,000	\$ 85,600,840		\$ (1,995,638)	\$ 83,605,202
State Investment Pool						66,359,495	2.5585%		66,359,495
Sub Total - State Investment Pool						66,359,495			66,359,495
Total LGIP + Investments					\$ 151,960,334			\$ (1,995,638)	\$ 149,964,696

Portfolio Diversification

Instrument Type	Percentage	Amount at Cost	Amount at Market Value
FFCB	1.6%	\$ 2,499,900	\$ 2,428,578
FHLB	11.2%	16,967,336	16,745,195
FMAC	1.3%	2,014,692	1,982,196
US Treasury	41.6%	64,118,912	62,449,233
State Investment Pool	44.3%	66,359,495	66,359,495
Total LGIP + Investments	100%	\$ 151,960,334	\$ 149,964,696

Broker	Percentage	Amount at Cost	Amount at Market Value
PiperSandler	29.5%	45,544,530	44,268,670
MBS	1.6%	2,481,055	2,370,898
TVI	15.0%	22,867,935	22,528,371
FNC	9.6%	14,707,320	14,437,263
State Investment Pool	44.3%	66,359,495	66,359,495
Total LGIP + Investments	100%	\$ 151,960,334	\$ 149,964,696

Investments by Fund

Fund	Investments	LGIP State	Total LGIP +	Unrecognized	Total Market	2022	2022 Actual	Over/(Under)
	at Cost as of 09/30/2022	Investment Pool as of 09/30/2022	Investments at Cost by Fund as of 09/30/2022	Gain/(Loss) as of 09/30/2022	Value of Investments by Fund as of 09/30/2022	Budgeted Investment Earnings	Investment Earnings	
001 General	\$ 24,089,968	\$ 18,675,028	\$ 42,764,996	\$ (561,617)	\$ 42,203,379	\$ 69,000	\$ 310,574	\$ 241,574
101 Street	0	0	0	-	-	2,500	626	(1,874)
107 Code Abatement	236,493	183,334	419,827	(5,513)	414,314	550	3,293	2,743
108 Asset Seizure	70,552.20	54,693.48	125,245.68	(1,644.80)	123,601	-	841	841
109 Public Arts	59,268	45,946	105,213	(1,382)	103,832	-	890	890
112 Fed Drug Enforcement	13,015	10,090	23,105	(303)	22,801	200	181	(19)
116 Fed Crim Forfeit	28,309	21,946	50,255	(660)	49,595	-	293	293
117 Transportation Impact Mitigation	5,843,124	4,529,707	10,372,831	(136,223)	10,236,609	-	65,013	65,013
118 Parks Impact Fees	2,680,048	2,077,627	4,757,674	(62,481)	4,695,194	-	24,216	24,216
190 Revenue Stabilization	3,166,476	2,454,716	5,621,192	(73,821)	5,547,371	-	-	-
230 Sidewalk LTGO Bond Admin	4,149,804	3,217,011	7,366,815	(96,746)	7,270,069	-	50,415	50,415
301 General Capital	1,439,532	1,115,954	2,555,486	(33,560)	2,521,926	15,395	40,270	24,875
305 Gen Cap Parks Bond	18,676,373	14,478,301	33,154,674	(435,408)	32,719,266	-	158,131	158,131
312 City Fac-Mjr Maint	0	0	0	-	-	883	-	(883)
330 Roads Capital	2,240,296	1,736,723	3,977,019	(52,229)	3,924,791	57,328	32,553	(24,775)
331 Trans Bene Dist	2,765,280	2,143,700	4,908,980	(64,468)	4,844,512	-	33,506	33,506
332 Sidewalk Expansion Fund Admin	4,881,004	3,783,852	8,664,856	(113,792)	8,551,064	-	76,269	76,269
334 VLF LTGO Bonds Projects	2,695,460	2,089,575	4,785,036	(62,840)	4,722,196	-	28,906	28,906
401 Surface Water Utility Fund	4,975,976	3,857,477	8,833,453	(116,006)	8,717,447	49,234	76,414	27,180
405 Wastewater Fund	5,457,920	4,231,089	9,689,009	(127,242)	9,561,767	-	69,245	69,245
501 Vehicle Oper/Maint	0	0	0	-	-	-	-	-
503 Equip Dep Replace	2,131,942	1,652,725	3,784,667	(49,703)	3,734,965	8,000	27,559	19,559
505 Unemployment	0	0	0	-	-	-	-	-
650 Agency Fund Admin	-	-	-	-	-	-	-	-
Total Investments	\$ 85,600,840	\$ 66,359,495	\$ 151,960,334	\$ (1,995,638)	\$ 149,964,696	\$ 203,090	\$ 999,195	\$ 796,105