



# 2018 THIRD QUARTER FINANCIAL REPORT

## PERFORMANCE AT A GLANCE

GENERAL FUND REVENUES	COMPARED TO 2018 BUDGET	COMPARED TO 2017 ACTUAL	REFERENCE
PROPERTY TAX REVENUE	◀NEUTRAL▶	▲ POSITIVE ▲	PAGE 5
SALES TAX REVENUE	▲ POSITIVE ▲	▲ POSITIVE ▲	PAGE 6, 7
UTILITY TAX, FRANCHISE FEE & CONTRACT PAYMENT REVENUE	▼ NEGATIVE ▼	◀NEUTRAL▶	PAGE 9, 10
DEVELOPMENT REVENUE	▲ POSITIVE ▲	▲ POSITIVE ▲	PAGE 11
PARKS AND RECREATION REVENUE	▲ POSITIVE ▲	▲ POSITIVE ▲	PAGE 12
INVESTMENT INCOME	▲ POSITIVE ▲	▲ POSITIVE ▲	PAGE 13, 19, 20
NON-GENERAL FUND REVENUES			
FUEL TAX	▲ POSITIVE ▲	◀NEUTRAL▶	PAGE 14
REAL ESTATE EXCISE TAX	▲ POSITIVE ▲	▼ NEGATIVE ▼	PAGE 17
SURFACE WATER FEES	▲ POSITIVE ▲	▲ POSITIVE ▲	PAGE 18

### Key to revenue trend indicators:

▲ POSITIVE ▲ = Positive variance of >+2% compared to prior year actual.

◀NEUTRAL▶ = Variance of -1% to +2% compared to prior year actual.

● WARNING ● = Negative variance of -1% to -4% compared to prior year actual.

▼ NEGATIVE ▼ = Negative variance of >-4% compared to prior year actual.

This report reflects revenue collections and expenditures through September 30, 2018. The above table reflects differences when compared to the current budget's projection and the prior year's actual.

- General Fund receipts are 6.2% more than the year-ago level. Expenditures are 8.7% more than the year-ago level with departmental expenditures and operating transfers out more than the year-ago level by 5.6% and 107.8%, respectively. See pages 3-13 for details. Utility Tax, Franchise Fee and Contract Payment receipts are less than the year-to-date budget projection and year-ago level by 5.6% and 0.2%, respectively.
- Street Fund receipts are 8.4% more than the year-ago level. The General Fund is withholding its support until the Street Fund has a need. Operating expenditures, excluding transfers out, are 6.2% less than the year-ago level. It is important to note that the transfers out included a one-time transfer of \$630,645, which was planned for in the 2018 Final Budget, of fund balance in excess of the Street Fund's minimum required balance of \$254,700 back to the General Fund. The City Manager intends to set these monies aside in reserve for future improvements for a maintenance facility. Fuel Tax revenue receipts are 1.3% more than the year-ago level. See page 14 for details.
- Surface Water Utility (SWM) Fund receipts are 43.8% more than the year-ago level. Storm drainage fees are 46.3% more than the year-ago level. Surface Water Utility operations expended 39.1% of the Operating Budget, which is 20.2% more than the year-ago level. Capital projects expended 58.6% of the Capital Budget, which is 22.6% less than the year-ago level. See page 18 for details.
- Real Estate Excise Tax revenue receipts are 6.0% less than the year-ago level. See page 17 for details.
- More information on each budget by fund and the scope and timing of capital projects, including updated estimates, can be found in the City's 2019-2020 Proposed Biennial Budget and 2019-2024 Capital Improvement Plan book on pp. 251-276 and 302-415, respectively available at the following link:  
<http://www.shorelinewa.gov/home/showdocument?id=41089>



# 2018 THIRD QUARTER FINANCIAL REPORT

## ALL FUNDS FINANCIAL OVERVIEW

### RESOURCES

Fund	2018 Current Budgeted Revenues	2018 Third Quarter Actual	2018 % of Current Budget	2017 Current Budgeted Revenues	2017 Third Quarter Actual	2017 % of Current Budget	2018 v. 2017 \$ Change	2018 v. 2017 % Change
General Fund	\$43,004,250	\$26,426,421	61.5%	\$41,196,846	\$24,888,956	60.4%	\$1,537,465	6.2%
Street Fund	1,296,037	962,240	74.2%	1,276,822	949,061	74.3%	13,180	1.4%
Code Abatement Fund	80,550	5,211	6.5%	80,550	214,161	265.9%	(208,950)	-97.6%
State Drug Enforcement Fund	18,243	2,911	16.0%	18,243	2,107	11.6%	803	38.1%
Public Arts Fund	5,000	3,494	69.9%	8,000	1,817	22.7%	1,677	92.3%
Federal Drug Enforcement Fund	13,000	506	3.9%	13,200	1,839	13.9%	(1,333)	-72.5%
Property Tax Equalization Fund	0	0	0.0%	0	0	0.0%	0	0.0%
Federal Crime Forfeitures Fund	0	0	0.0%	201,500	4,349	2.2%	(4,349)	-100.0%
Transportation Impact Fee	200,000	913,789	456.9%	200,000	452,523	226.3%	461,265	101.9%
Park Impact Fee	50,000	31,602	63.2%	0	0	0.0%	31,602	0.0%
Revenue Stabilization Fund	0	0	0.0%	0	0	0.0%	0	0.0%
Unltd Tax GO Bond Fund	1,680,742	919,703	54.7%	1,700,000	931,363	54.8%	(11,660)	-1.3%
Limited Tax GO Bond 2009 Fund	320,000	180,474	56.4%	353,254	179,876	50.9%	598	0.3%
Limited Tax GO BAN 2018 Fund	200,000	0	0.0%	0	0	0.0%	0	0.0%
Limited Tax GO Bond 2013 Fund	0	0	0.0%	0	0	0.0%	0	0.0%
General Capital Fund*	28,494,755	1,469,945	5.2%	3,411,952	1,562,484	45.8%	(92,539)	-5.9%
City Facility-Major Maint. Fund*	883	1,107	125.4%	7,943	629	7.9%	478	76.1%
Roads Capital Fund*	13,133,964	2,318,920	17.7%	13,148,193	3,452,978	26.3%	(1,134,058)	-32.8%
Surface Water Utility Fund*	10,624,200	3,266,310	30.7%	4,697,023	2,272,047	48.4%	994,264	43.8%
Wastewater Utility Fund	2,297,901	237,842	10.4%	15,728,683	0	0.0%	237,842	0.0%
Vehicle Operations/ Maint. Fund	503,786	427,357	84.8%	438,123	449,409	102.6%	(22,052)	-4.9%
Equipment Replacement Fund	511,327	456,389	89.3%	443,487	404,640	91.2%	51,749	12.8%
Unemployment Fund	0	741	0.0%	0	463	0.0%	278	60.0%
<b>Total Budgeted Revenue</b>	<b>\$102,434,638</b>	<b>\$37,624,962</b>	<b>36.7%</b>	<b>\$82,923,819</b>	<b>\$35,768,701</b>	<b>43.1%</b>	<b>\$1,856,261</b>	<b>5.2%</b>
Transfers In	7,503,327	4,460,353	59.4%	8,960,208	2,884,260	32.2%	1,576,094	54.6%
Budgeted Use of Fund Balance	12,964,930	0	0.0%	16,017,863	0	0.0%	0	0.0%
<b>Total Budgeted Resources</b>	<b>\$122,902,895</b>	<b>\$42,085,316</b>	<b>34.2%</b>	<b>\$107,901,890</b>	<b>\$38,652,961</b>	<b>35.8%</b>	<b>\$3,432,355</b>	<b>8.9%</b>

### EXPENDITURES

Fund	2018 Current Budgeted Expenditures	2018 Third Quarter Actual	% of Current Budget	2017 Current Budgeted Expenditures	2017 Third Quarter Actual	2017 % of Current Budget	2018 v. 2017 \$ Change	2018 v. 2017 % Change
General Fund	\$45,210,942	\$27,078,822	59.9%	\$43,084,897	\$25,649,757	59.5%	\$1,429,064	5.6%
Street Fund	1,447,258	891,757	61.6%	1,404,314	950,304	67.7%	(58,547)	-6.2%
Code Abatement Fund	130,000	0	0.0%	100,000	4,000	4.0%	(4,000)	-100.0%
State Drug Enforcement Fund	18,243	2,312	12.7%	19,043	7,694	40.4%	(5,382)	-70.0%
Public Arts Fund	195,246	44,383	22.7%	96,203	60,588	63.0%	(16,205)	-26.7%
Federal Drug Enforcement Fund	58,000	46,473	80.1%	58,000	0	0.0%	46,473	0.0%
Property Tax Equalization Fund	0	0	0.0%	0	0	0.0%	0	0.0%
Federal Crime Forfeitures Fund	0	0	0.0%	0	0	0.0%	0	0.0%
Transportation Impact Fee	0	0	0.0%	0	0	0.0%	0	0.0%
Park Impact Fee	0	0	0.0%	0	0	0.0%	0	0.0%
Revenue Stabilization Fund	0	0	0.0%	0	0	0.0%	0	0.0%
Unltd Tax GO Bond Fund	1,697,925	43,253	2.5%	1,710,375	50,843	3.0%	(7,590)	-14.9%
Limited Tax GO Bond 2009 Fund	1,661,417	552,259	33.2%	1,662,817	563,009	33.9%	(10,750)	-1.9%
Limited Tax GO BAN 2018 Fund	200,000	0	0.0%	0	0	0.0%	0	0.0%
Limited Tax GO Bond 2013 Fund	260,635	57,733	22.2%	260,948	60,188	23.1%	(2,455)	-4.1%
General Capital Fund*	31,143,370	4,665,661	15.0%	8,438,164	2,141,716	25.4%	2,523,945	117.8%
City Facility-Major Maint. Fund*	181,742	115,264	63.4%	96,000	84,951	88.5%	30,313	35.7%
Roads Capital Fund*	17,953,835	2,269,204	12.6%	17,832,628	3,425,540	19.2%	(1,156,336)	-33.8%
Surface Water Utility Fund*	6,887,425	3,020,644	43.9%	5,585,578	2,966,821	53.1%	53,822	1.8%
Wastewater Utility Fund	2,297,901	1,471,839	64.1%	15,728,683	0	0.0%	1,471,839	0.0%
Vehicle Operations/ Maint. Fund	523,786	271,115	51.8%	453,123	298,364	65.8%	(27,249)	-9.1%
Equipment Replacement Fund	336,844	284,265	84.4%	701,787	473,980	67.5%	(189,715)	-40.0%
Unemployment Fund	17,500	4,943	28.2%	17,500	3,241	18.5%	1,701	52.5%
<b>Total Departmental Expenditures</b>	<b>\$110,222,069</b>	<b>\$40,819,925</b>	<b>37.0%</b>	<b>\$97,250,060</b>	<b>\$36,740,996</b>	<b>37.8%</b>	<b>\$4,078,928</b>	<b>11.1%</b>
Operating Transfers Out	7,505,657	4,460,353	59.4%	8,815,987	2,884,260	32.7%	1,576,094	54.6%
<b>Total Expenditures</b>	<b>\$117,727,726</b>	<b>\$45,280,278</b>	<b>38.5%</b>	<b>\$106,066,047</b>	<b>\$39,625,256</b>	<b>37.4%</b>	<b>\$5,655,022</b>	<b>14.3%</b>



# 2018 THIRD QUARTER FINANCIAL REPORT

## GENERAL FUND REVENUE OVERVIEW

General Fund Resource	2018 Current Budget	2018 Third Quarter Actual Revenue	% of 2018 Current Budget	2017 Current Budget	2017 Third Quarter Actual Revenue	% of 2017 Current Budget	Operating 2018 v. 2017 \$ Change	Operating 2018 v. 2017 % Change
Property Tax	\$12,759,858	\$6,973,812	54.7%	\$12,531,317	\$6,740,453	53.8%	\$233,359	3.5%
Sales Tax	8,428,191	6,163,670	73.1%	7,969,800	5,679,326	71.3%	484,344	8.5%
Local Criminal Justice	1,570,543	1,216,956	77.5%	1,476,779	1,120,958	75.9%	95,997	8.6%
Gambling Tax, Utility Tax, Franchise Fee & Contract Payments	10,539,119	5,815,536	55.2%	10,314,534	5,881,438	57.0%	(65,903)	-1.1%
Development Revenue	3,009,528	2,477,425	82.3%	2,412,675	2,030,154	84.1%	447,271	22.0%
Park and Recreation Revenue	1,770,687	1,600,655	90.4%	1,752,317	1,515,819	86.5%	84,835	5.6%
Intergovernmental Revenue	2,459,756	1,127,516	45.8%	2,496,401	1,062,688	42.6%	64,828	6.1%
Grant Revenue	1,166,308	119,707	10.3%	708,705	122,465	17.3%	(2,758)	-2.3%
Fines and Licenses	601,275	154,820	25.7%	650,225	163,624	25.2%	(8,804)	-5.4%
Miscellaneous Revenue	628,385	514,121	81.8%	813,493	447,882	55.1%	66,239	14.8%
Interest Income	70,600	262,065	371.2%	70,600	124,147	175.8%	137,918	111.1%
<b>Total Revenues</b>	<b>\$43,004,250</b>	<b>\$26,426,282</b>	<b>61.5%</b>	<b>\$41,196,846</b>	<b>\$24,888,956</b>	<b>60.4%</b>	<b>\$1,537,326</b>	<b>6.2%</b>
Budgeted Fund Balance	6,173,934	0	0.0%	7,118,073	0	0.0%	0	0.0%
Operating Transfers In	1,833,395	1,563,897	85.3%	1,675,308	1,273,515	76.0%	290,382	22.8%
<b>Total Resources</b>	<b>\$51,011,579</b>	<b>\$27,990,179</b>	<b>54.9%</b>	<b>\$49,990,227</b>	<b>\$26,162,471</b>	<b>52.3%</b>	<b>\$1,827,708</b>	<b>7.0%</b>

## GENERAL FUND EXPENDITURE OVERVIEW

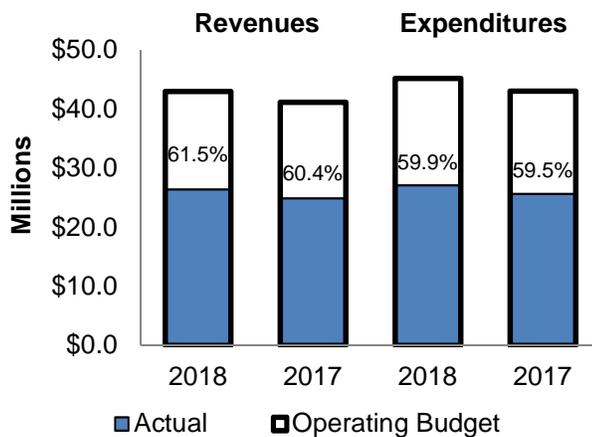
Department	2018 Current Budget	2018 Third Quarter Actual Revenue	% of 2018 Current Budget	2017 Current Budget	2017 Third Quarter Actual Revenue	% of 2017 Current Budget	Operating 2018 v. 2017 \$ Change	Operating 2018 v. 2017 % Change
City Council	\$248,652	\$172,934	69.5%	\$247,942	\$177,377	71.5%	(\$4,443)	-2.5%
City Manager's Office <sup>1</sup>	4,050,035	2,228,910	55.0%	3,772,546	2,119,480	56.2%	109,431	5.2%
City Attorney	861,437	531,305	61.7%	825,590	584,322	70.8%	(53,017)	-9.1%
Community Services <sup>2</sup>	1,766,068	1,175,098	66.5%	1,641,211	1,106,855	67.4%	68,243	6.2%
Administrative Services <sup>3</sup>	6,283,221	3,835,670	61.0%	5,813,456	3,126,675	53.8%	708,994	22.7%
Citywide	2,025,075	896,598	44.3%	2,309,046	788,504	34.1%	108,094	13.7%
Human Resources	499,237	346,523	69.4%	471,496	338,396	71.8%	8,128	2.4%
Police	12,346,618	7,553,571	61.2%	12,141,260	7,329,226	60.4%	224,345	3.1%
Criminal Justice	3,133,059	1,206,531	38.5%	3,068,384	1,442,315	47.0%	(235,784)	-16.3%
Parks	7,089,599	4,524,115	63.8%	6,298,353	4,392,389	69.7%	131,725	3.0%
Planning & Community Development	3,616,561	2,344,254	64.8%	3,182,400	2,094,000	65.8%	250,254	12.0%
Public Works	3,291,380	2,263,312	68.8%	3,313,213	2,150,218	64.9%	113,094	5.3%
<b>Departmental Expenditures</b>	<b>\$45,210,942</b>	<b>\$27,078,822</b>	<b>59.9%</b>	<b>\$43,084,897</b>	<b>\$25,649,757</b>	<b>59.5%</b>	<b>\$1,429,064</b>	<b>5.6%</b>
Operating Transfers Out	4,202,736	1,709,536	40.7%	5,105,462	822,815	16.1%	886,721	107.8%
<b>Total Expenditures</b>	<b>\$49,413,678</b>	<b>\$28,788,358</b>	<b>58.3%</b>	<b>\$48,190,359</b>	<b>\$26,472,573</b>	<b>54.9%</b>	<b>\$2,315,785</b>	<b>8.7%</b>

1. City Manager's Office includes City Clerk, Communications, Intergovernmental Relations, Economic Development, Property Management and Light Rail Stations.
2. Community Services includes Neighborhoods, Customer Response Team, Emergency Management Planning, and Human Services.
3. Administrative Services includes Finance, Budget, Purchasing, Information Technology, and Fleet & Facilities.



# 2018 THIRD QUARTER FINANCIAL REPORT

## GENERAL FUND FINANCIAL OVERVIEW



General Fund	Resources	Expenditures
<b>2018 Current Budget</b>	<b>\$51,011,579</b>	<b>\$49,413,678</b>
Less Budgeted Use of Fund Balance	6,173,934	N/A
Less Budgeted Transfers	1,833,395	4,202,736
Operating Budget	\$43,004,250	\$45,210,942
Actual Operating Receipts/Expenditures	\$26,426,421	\$27,078,822
% of Budgeted Revenues/Expenditures	61.5%	59.9%
<b>2017 Current Budget</b>	<b>\$49,990,227</b>	<b>\$48,190,359</b>
Less Budgeted Use of Fund Balance	7,118,073	N/A
Less Budgeted Transfers	1,675,308	5,105,462
Operating Budget	\$41,196,846	\$43,084,897
Actual Operating Receipts/Expenditures	\$24,888,956	\$25,649,757
% of Budgeted Revenues/Expenditures	60.4%	59.5%
Operating 2018 v. 2017 \$ Change	\$1,537,465	\$1,429,064
Operating 2018 v. 2017 % Change	6.2%	5.6%

The Current Budget reflects the planned use of Fund Balance for one-time investments and transfers in from other funds as provided in the City's financial policies. Operating Receipts/Expenditures reflects revenues or expenditures to provide services accounted for within that fund.

### Revenues

General Fund revenue received reflects a year-over-year increase of 6.2%. The following pages present a detailed analysis of various General Fund revenue sources. The following are highlights comparing 2018 to 2017 for the General Fund:

- Property tax receipts are 3.5% more than those for 2017.
- Sales tax receipts, which reflect activity from December 2017 through July 2018, are more than the budget's year-to-date projection by 9.4% and 2017 collections by 8.5%.
- Intergovernmental Revenue receipts are 6.1% more than the year-ago level. Receipts from sources other than Sound Transit reimbursements total \$823,261 and are 12.0% more than the year-ago level due to the receipt of additional marijuana excise tax.
- Utility Tax, Franchise Fee and Contract Payment receipts are less than the budget projection and year-to-date year-ago level by 5.6% and 0.2%, respectively.
- Local development activity in 2018, in terms of the number of building permits pulled for new construction and remodels, is less than the year-ago level; however, the value is \$87.8 million more. Additionally, some permit revenue from the Shoreline School District projects has been deferred but will be posted later this year.

### Expenditures

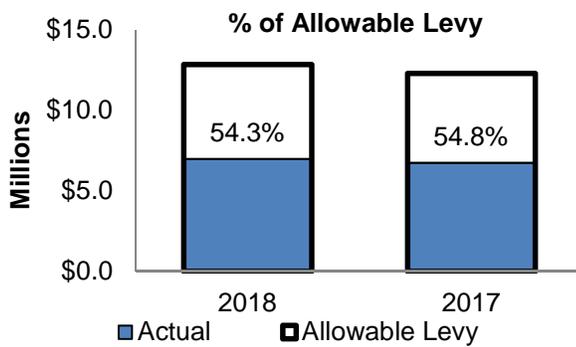
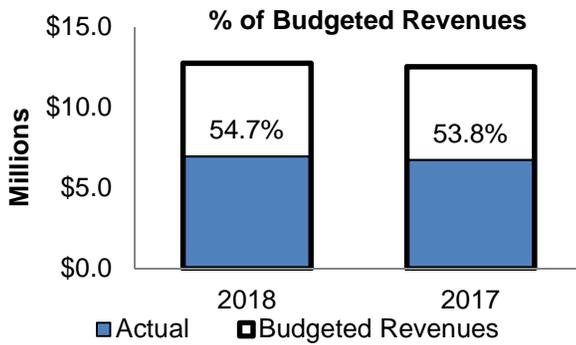
Departments spent \$27.079 million, or 59.9%, of the Operating Budget. This level of expenditures is 5.6% more than the year-ago level. The General Fund transferred \$1.7 million, or 40.7%, of its budgeted support to other funds. This level is 107.8% more than the year-ago level, largely due to timing of support needed for capital projects.

Total expenditures, including transfers out, representing expenditure of 58.3% of the Current Budget, are 8.7% more than the year-ago level.



# 2018 THIRD QUARTER FINANCIAL REPORT

## PROPERTY TAX



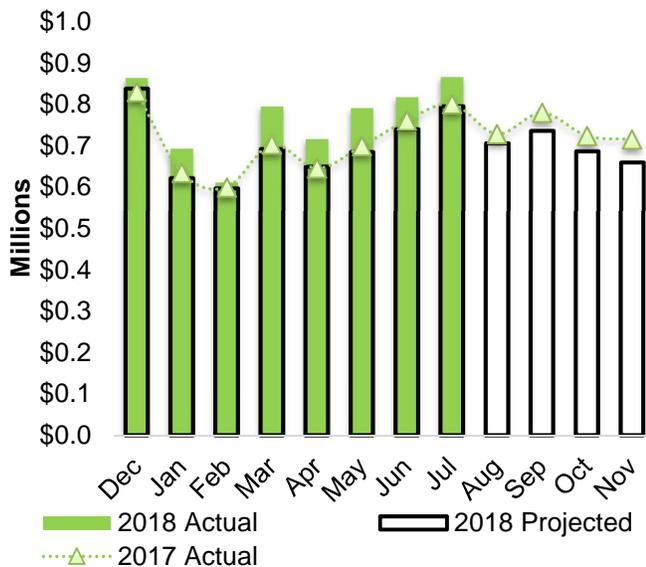
<b>2018 Current Budget</b>	
2018 Third Quarter Actual Revenue	\$6,973,812
2018 % of Current Budget Received	54.7%
<b>2017 Current Budget</b>	
2017 Third Quarter Actual Revenue	\$6,740,453
2017 % of Current Budget Received	53.8%
2018 v. 2017 \$ Change	\$233,359
2018 v. 2017 % Change	3.5%

Property tax payments are due to King County in April and October. The County then must remit the City's portion resulting in the majority of collections occurring in the second and fourth quarters. Receipts for 2018 and 2017 as a percentage of the budgeted projection are at 54.7% and 53.8%, respectively. In terms of the allowable levy, which in many cases is different than the budgeted projection, receipts for 2018 and 2017 are 54.3% and 54.8%, respectively, which indicates that collections are on track with historical trends.



# 2018 THIRD QUARTER FINANCIAL REPORT

## SALES TAX



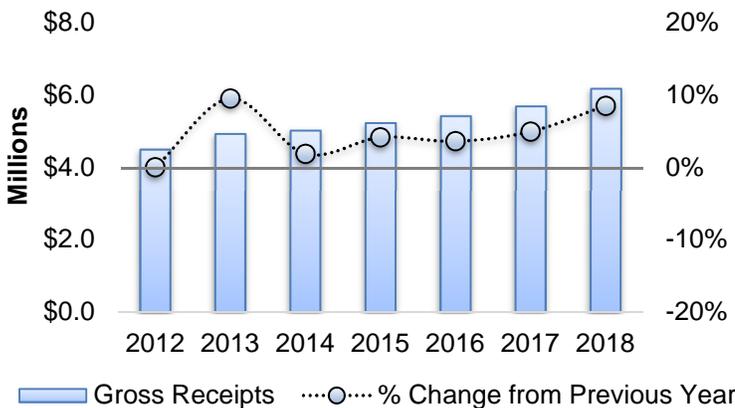
**2018 Current Budget** **\$8,428,191**

Sales tax revenue: December - July

Sales Activity	2017	2018
December	\$830,653	\$864,879
January	635,543	694,368
February	600,093	613,044
March	703,715	796,123
April	645,855	717,917
May	699,799	792,214
June	761,881	818,455
July	801,787	866,669
<b>Year to date</b>	<b>\$5,679,326</b>	<b>\$6,163,670</b>
<b>\$ Change</b>		<b>\$484,344</b>
<b>% Change</b>		<b>8.5%</b>

In 2017, the Regional Transit Authority Tax increased the sales tax rate by 0.5% to 10.0% on April 1, 2017 to expand and improve transit facilities in King, Pierce, and Snohomish Counties. For 2018 the rate remained at 10% with the City's portion accounting for 0.85% of the rate.

Sales Tax receipts, which reflect activity from December 2017 through July 2018, are more than the budget's year-to-date projection by \$530,388, or 9.4%, and 2017 collections by \$484,344, or 8.5%. The following chart and table reflects a comparison of sales tax receipts by year:



Year	Third Quarter Actual Revenue	% Change from Previous Year
2012	\$4,491,651	
2013	\$4,920,532	9.5%
2014	\$5,012,744	1.9%
2015	\$5,221,778	4.2%
2016	\$5,410,543	3.6%
2017	\$5,679,326	5.0%
2018	\$6,163,670	8.5%

The tables on the following page help illustrate the performance of various sectors. The first table presents a condensed view of the four primary categories of Construction; Retail Trade; Hotels and Restaurants; and All Others. The second table presents a breakdown of the Retail Trade category and highlights specific industry economic performance in comparison to previous years.

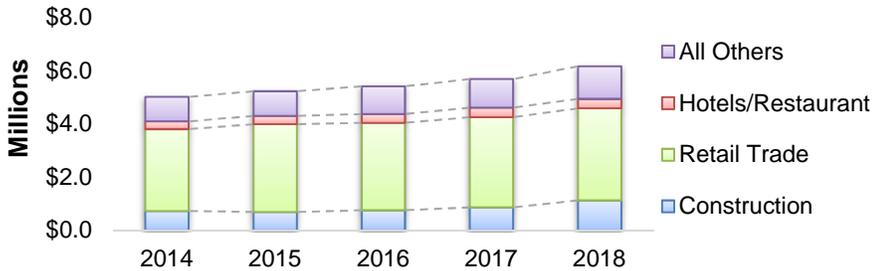
Receipts from the Construction sector are more than the year-ago level by 30.4% but the Retail Trade and Hotels/Restaurant sectors saw minimal growth at 1.9% and 0.5%, respectively. Within the Retail Trade sector, decreases in automotive, nonstore retailers were offset by growth in miscellaneous store retailers.



# 2018 THIRD QUARTER FINANCIAL REPORT

## SALES TAX (CONTINUED)

### SALES TAX BY PRIMARY CATEGORY: DECEMBER – JULY



Sector	2014	2015	2016	2017	2018
Construction	\$730,341	\$692,139	\$756,910	\$865,329	\$1,128,248
\$ Change		(\$38,203)	\$64,771	\$108,419	\$262,919
% Change		-5.2%	9.4%	14.3%	30.4%
Retail Trade	\$3,070,639	\$3,294,255	\$3,281,055	\$3,386,430	\$3,451,660
\$ Change		\$223,616	(\$13,200)	\$105,376	\$65,229
% Change		7.3%	-0.4%	3.2%	1.9%
Hotels/Restaurant	\$291,617	\$313,761	\$331,201	\$355,895	\$357,610
\$ Change		\$22,145	\$17,440	\$24,694	\$1,715
% Change		7.6%	5.6%	7.5%	0.5%
All Others	\$920,148	\$921,624	\$1,041,378	\$1,071,672	\$1,226,153
\$ Change		\$1,476	\$119,754	\$30,294	\$154,481
% Change		0.2%	13.0%	2.9%	14.4%
<b>Total Revenue</b>	<b>\$5,012,744</b>	<b>\$5,221,778</b>	<b>\$5,410,543</b>	<b>\$5,679,326</b>	<b>\$6,163,670</b>
\$ Change		\$209,033	\$188,765	\$268,783	\$484,344
% Change		4.2%	3.6%	5.0%	8.5%

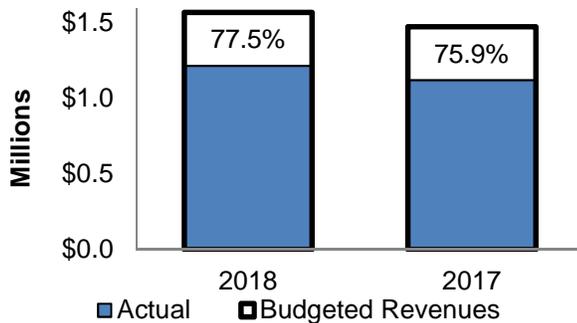
### SALES TAX BY RETAIL TRADE CATEGORY: DECEMBER – JULY

Retail Trade	2015 Dec- July	2016 Dec- July	2016v.2015 \$ Change	2017 Dec- July	2017v.2016 \$ Change	2018 Dec- July	2018v.2017 \$ Change
Motor Veh. & Parts Dealer	\$887,686	\$919,657	\$31,971	\$932,289	\$12,632	\$881,331	(\$50,958)
Furn. & Home Furnishings	36,972	43,138	6,166	46,892	3,754	55,308	8,416
Electronics and Appliances	72,181	74,821	2,640	75,509	688	72,145	(3,364)
Building Material & Garden	548,637	522,842	(25,795)	574,244	51,402	596,310	22,066
Food & Beverage Stores	175,178	221,720	46,543	194,020	(27,701)	209,510	15,491
Health & Personal Care	139,925	153,944	14,019	167,434	13,491	170,401	2,967
Gasoline Stations	54,210	49,696	(4,514)	51,216	1,521	48,659	(2,558)
Clothing & Accessories	39,187	48,398	9,211	56,742	8,343	63,031	6,289
Sporting Goods, Hobby	56,388	51,160	(5,228)	54,319	3,159	57,375	3,056
General Merch. Stores	997,761	883,975	(113,786)	882,509	(1,467)	885,208	2,699
Misc. Store Retailers	158,804	160,208	1,403	184,211	24,004	307,393	123,181
Nonstore Retailers	127,326	151,496	24,170	167,045	15,549	104,988	(62,057)
<b>Total Retail Trade</b>	<b>\$3,294,255</b>	<b>\$3,281,055</b>	<b>(\$13,200)</b>	<b>\$3,386,430</b>	<b>\$105,376</b>	<b>\$3,451,660</b>	<b>\$65,229</b>



# 2018 THIRD QUARTER FINANCIAL REPORT

## LOCAL CRIMINAL JUSTICE TAX

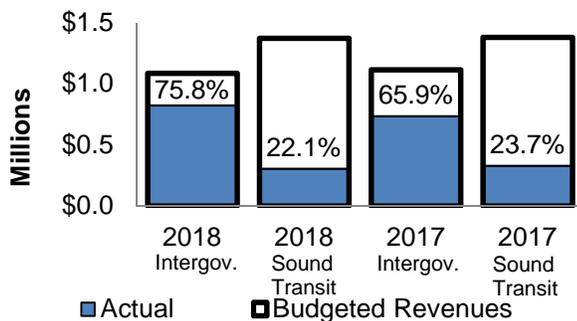


<b>2018 Current Budget</b>	<b>\$1,570,543</b>
2018 Third Quarter Actual Revenue	\$1,216,956
2018 % of Current Budget Received	77.5%
<b>2017 Current Budget</b>	<b>\$1,476,779</b>
2017 Third Quarter Actual Revenue	\$1,120,958
2017 % of Current Budget Received	75.9%
2018 v. 2017 \$ Change	\$95,997
2018 v. 2017 % Change	8.6%

Local Criminal Justice Sales Tax receipts are 8.6% more than the year-ago level. Thus far this year 77.5% of the amount budgeted has been received as compared to 75.9% received during the same period last year. Receipts are 5.1% more than the year-to-date budget projection.

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.

## INTERGOVERNMENTAL REVENUE



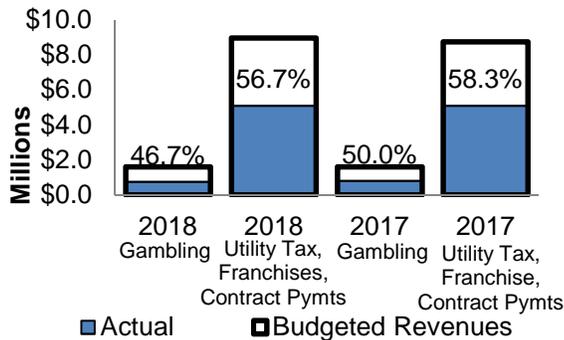
<b>2018 Current Budget</b>	<b>\$2,459,756</b>
2018 Third Quarter Actual Revenue	\$1,127,516
2018 % of Current Budget Received	45.8%
<b>2017 Current Budget</b>	<b>\$2,496,401</b>
2017 Third Quarter Actual Revenue	\$1,062,688
2017 % of Current Budget Received	42.6%
2018 v. 2017 \$ Change	\$64,828
2018 v. 2017 % Change	6.1%

Intergovernmental revenue sources are comprised primarily of funding for criminal justice programs, liquor excise tax, liquor board profits, and reimbursement from Sound Transit per the Expedited Permitting and Reimbursement Agreement. The first bill to Sound Transit was paid in the fourth quarter of 2016 and the balance of the reimbursement is anticipated to be received in 2018 as work on the project continues. Total receipts are 6.1% more than the year-ago level. Receipts from sources other than Sound Transit reimbursements total \$823,261 and are 12.0% more than the year-ago level due to the receipt of additional marijuana excise tax.



# 2018 THIRD QUARTER FINANCIAL REPORT

## GAMBLING TAX, UTILITY TAX, FRANCHISE FEE & CONTRACT PAYMENTS



<b>2018 Current Budget</b>	<b>\$10,539,119</b>
2018 Third Quarter Actual Revenue	\$5,815,536
2018 % of Current Budget Received	55.2%
<b>2017 Current Budget</b>	<b>\$10,314,534</b>
2017 Third Quarter Actual Revenue	\$5,881,438
2017 % of Current Budget Received	57.0%
2018 v. 2017 \$ Change	(\$65,903)
2018 v. 2017 % Change	-1.1%

**IMPORTANT NOTE:** There are important changes effective January 1, 2019. The Business & Occupation (B&O) Tax becomes effective in Shoreline. The City will also begin using a combined tax form for B&O Tax, Utility Tax and Gambling Tax. To support the implementation of these changes, the City is partnering with *FileLocal* as its taxpayer portal which allows users to transact business with multiple cities in one virtual location. Businesses will be able to link existing business licenses on *FileLocal* after January 1, 2019. Doing so will allow the City to send to the business electronic communications regarding license renewal and tax filings. Please visit [shorelinewa.gov/businessoccupationtax](http://shorelinewa.gov/businessoccupationtax) for more information.

The City levies tax on gross operating revenues for gambling and utility operations as shown in the table below. The City's agreement with Seattle City Light imposes a six percent contract fee on total electrical revenues. The City also has franchises with water and cable services with fees imposed at 6% and 5%, respectively. The Shoreline Municipal Code should be consulted to determine if specific deductions and credits are allowed.

	Rate on Gross Revenue (For-Profit)	Rate on Gross Revenue (Non-Profit)
<b>Gambling</b>		
Amusement Games	2.0%	2.0%
Bingo/Raffles	5.0%	5.0%
Card Rooms	10.0%	10.0%
Pull Tabs/Punch Boards	5.0%	10.0%
<b>Utility</b>	Rate on Gross Revenue	Effective Rate on Billed Charges
Cable	6.0%	6.0%
Natural Gas	6.0%	6.7%
Telephone/Cellular/Pager	6.0%	6.4% to 6.6%
Solid Waste	6.0%	6.5%
Storm Drainage	6.0%	6.0%

Gambling tax receipts presented in this report largely reflect only those taxes calculated through the second quarter since third quarter gambling tax returns are not due to the City until October 30. Total gambling receipts, including late payment penalties, in the amount of \$740,549 are 6.8% less than 2017 collections. Activity has declined year-over-year from pull tab/punch board and card game activity by 15.2% and 5.9%, respectively.

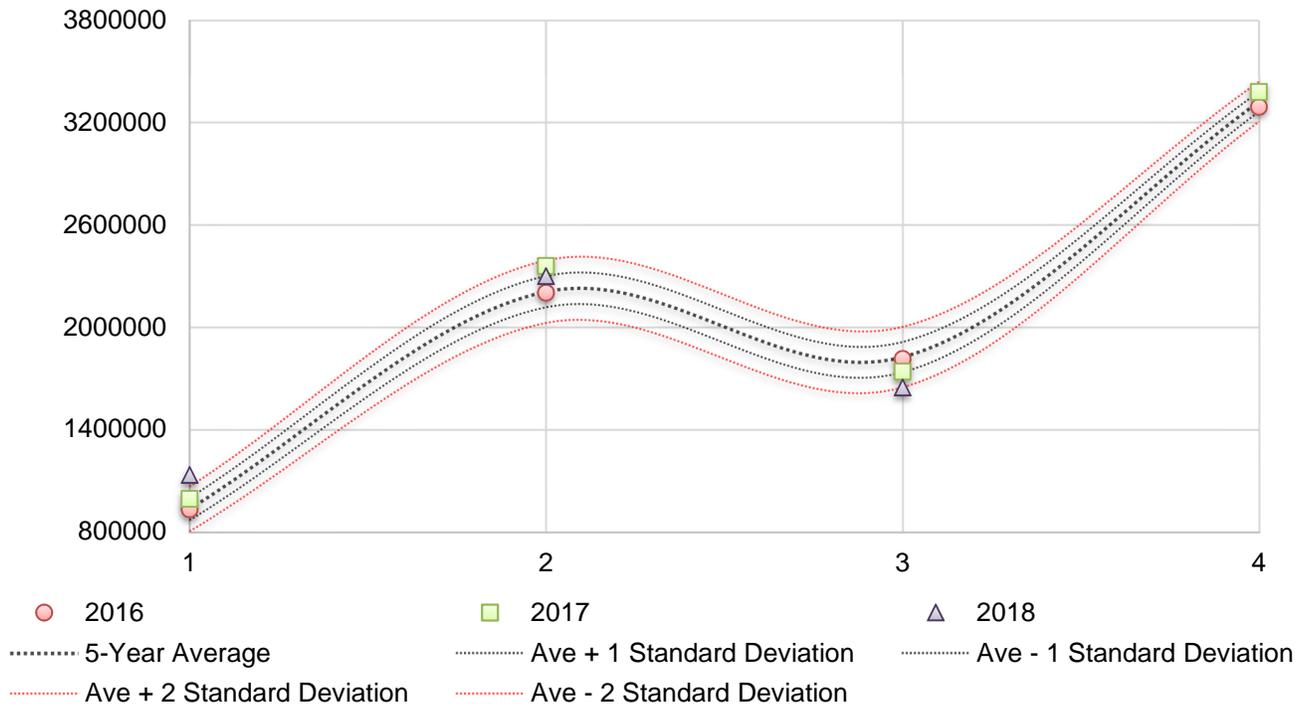
Utility Tax, Franchise Fee and Contract Payment receipts, in the amount of \$5,074,987, are less than the year-to-date budget projection and year-ago level by 5.6% and 0.2%, respectively. Activity through the third quarter presented in this report does not reflect third quarter payments for the garbage utility tax and water and cable franchise fees, which are typically received in late October.



# 2018 THIRD QUARTER FINANCIAL REPORT

The chart below shows the five-year average plus or minus one- and two-standard deviations with the projection for third quarter receipts totaling between \$1,647,326 and \$2,001,220. Third quarter receipts totaled \$1,644,697.

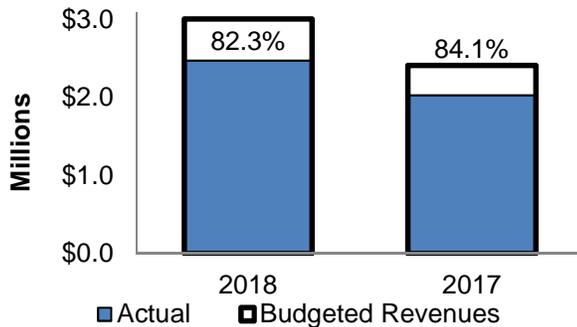
**Utility Tax, Franchise Fee & Contract Payment Receipts by Quarter**





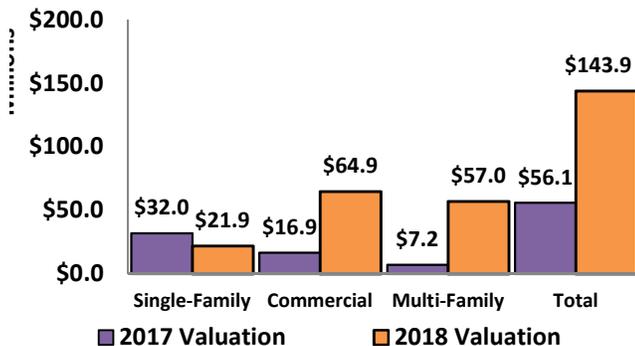
# 2018 THIRD QUARTER FINANCIAL REPORT

## DEVELOPMENT REVENUE



2018 Current Budget		\$3,009,528
2018 Third Quarter Actual Revenue		\$2,477,425
2018 % of Current Budget Received		82.3%
2017 Current Budget		\$2,412,675
2017 Third Quarter Actual Revenue		\$2,030,154
2017 % of Current Budget Received		84.1%
2018 v. 2017 \$ Change		\$447,271
2018 v. 2017 % Change		22.0%

## Valuation of Building Permits

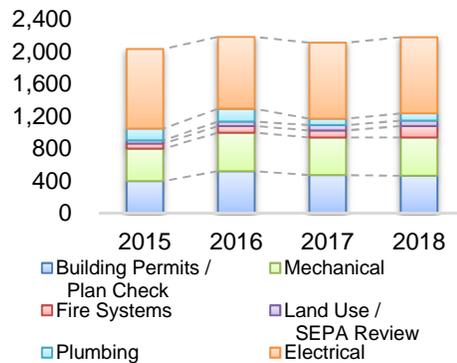


Development revenue receipts exhibit a year-over-year increase of 22.0% and are more than the budget projection by 25.3%.

Local development activity in 2018, in terms of the number of building permits pulled for new construction and remodels, is less than the year-ago level but valuation is significantly higher. In 2018, 47 fewer permits have been issued for new single-family residences, with a value that is \$10.1 million less, as compared to the year-ago level. Eighteen more permits have been issued for commercial / multi-family construction (new and remodels), with a value that is \$97.9 million more than the year-ago level.

Valuation of 268 building permits for new construction and remodels totals \$143.9 million and is comprised of 15.3% residential and 84.7% commercial / multi-family valuation. In 2017 valuation of 297 permits totaled \$56.1 million and was comprised of 57.1% residential and 42.9% commercial / multi-family construction.

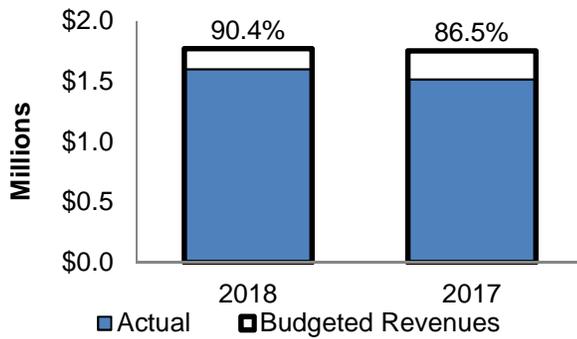
PERMIT TYPE	2015	2016	2017	2018	# Change	% Change
Building Permits / Plan Check	400	524	474	467	(57)	-10.9%
Mechanical	401	476	466	474	(2)	-0.4%
Fire Systems	64	82	88	141	59	72.0%
Land Use / SEPA Review	39	56	65	68	12	21.4%
Plumbing	146	159	80	89	(70)	-44.0%
Electrical	986	890	941	944	54	6.1%
<b>Total</b>	<b>2036</b>	<b>2187</b>	<b>2114</b>	<b>2183</b>	<b>-4</b>	<b>-0.2%</b>





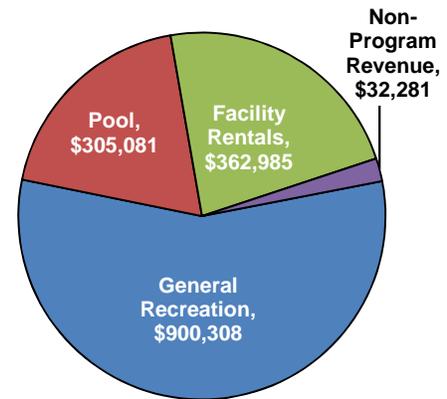
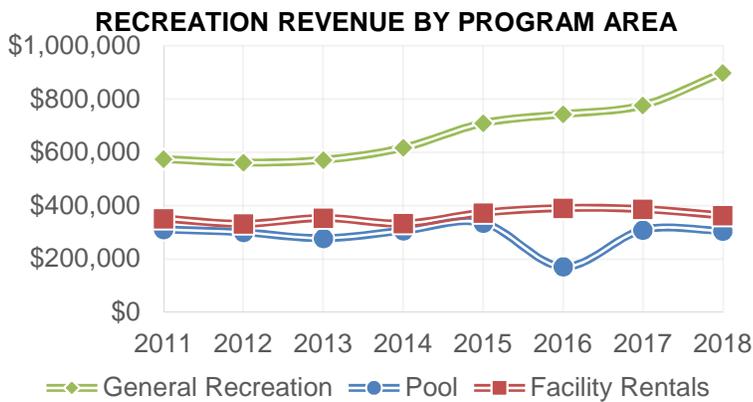
# 2018 THIRD QUARTER FINANCIAL REPORT

## PARKS AND RECREATION REVENUE



<b>2018 Current Budget</b>	<b>\$1,770,687</b>
2018 Third Quarter Actual Revenue	\$1,600,655
2018 % of Current Budget Received	90.4%
<b>2017 Current Budget</b>	<b>\$1,752,317</b>
2017 Third Quarter Actual Revenue	\$1,515,819
2017 % of Current Budget Received	86.5%
2018 v. 2017 \$ Change	\$84,835
2018 v. 2017 % Change	5.6%

Parks and Recreation revenue receipts are 5.6% more than the year-ago level with receipts for general recreation programs more than the year-ago level by 15.7%. Receipts for facility rentals and the Shoreline Pool are less than the year-ago level by 6.2% and 1.2%, respectively.



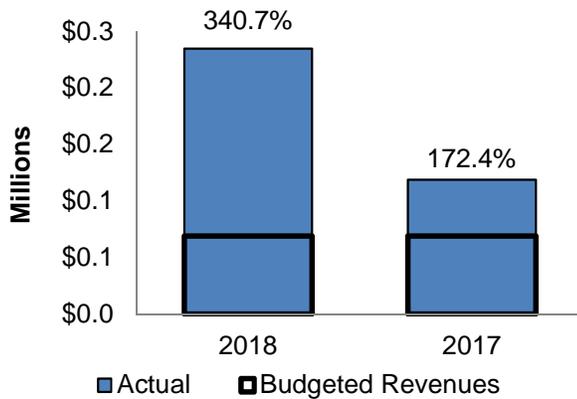
### Revenue by Program Area:

Year	General Recreation	Gen Rec % of Total	Pool	Pool % of Total	Facility Rentals	Fac Rent % of Total	Total Program Revenue	Non-Program Revenue	Total Revenue
2011	\$574,810	46.5%	\$310,388	25.1%	\$351,622	28.4%	\$1,236,820	\$12,726	\$1,249,546
2012	\$562,108	47.1%	\$299,268	25.1%	\$331,552	27.8%	\$1,192,928	\$29,949	\$1,222,877
2013	\$572,199	47.6%	\$277,292	23.0%	\$353,767	29.4%	\$1,203,258	\$56,992	\$1,260,250
2014	\$617,947	49.2%	\$305,555	24.3%	\$332,705	26.5%	\$1,256,207	\$54,737	\$1,310,944
2015	\$710,446	50.1%	\$334,985	23.6%	\$373,353	26.3%	\$1,418,784	\$60,748	\$1,479,532
2016	\$744,173	57.0%	\$169,890	13.0%	\$391,189	30.0%	\$1,305,252	\$50,471	\$1,355,723
2017	\$777,834	52.8%	\$308,658	20.9%	\$386,874	26.3%	\$1,473,366	\$42,453	\$1,515,819
2018	\$900,308	57.4%	\$305,081	19.5%	\$362,985	23.1%	\$1,568,374	\$32,281	\$1,600,655



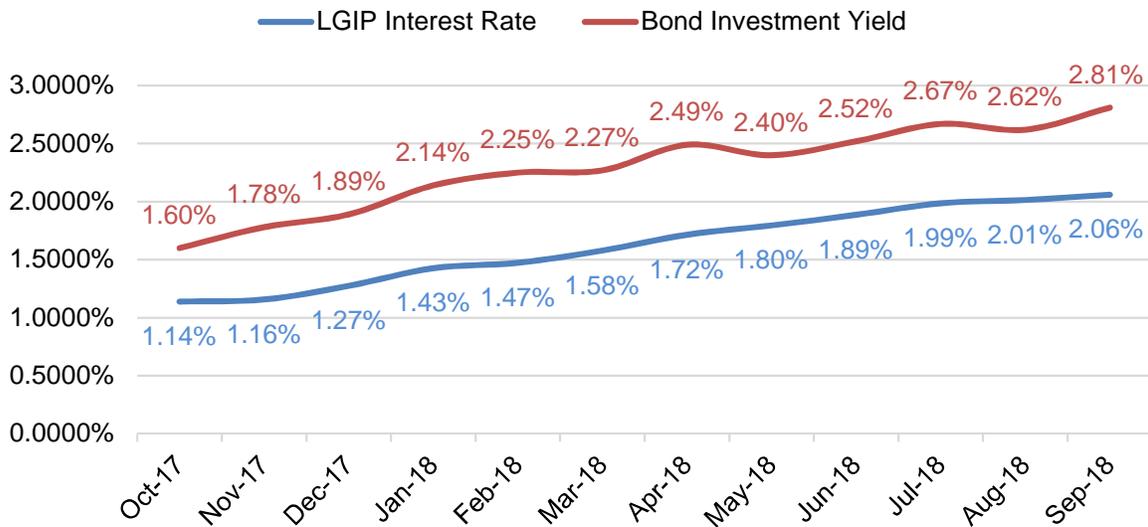
# 2018 THIRD QUARTER FINANCIAL REPORT

## INVESTMENT INCOME



2018 Current Budget		\$69,000
2018 Third Quarter Actual Revenue		\$235,056
2018 % of Current Budget Received		340.7%
2017 Current Budget		\$69,000
2017 Third Quarter Actual Revenue		\$118,974
2017 % of Current Budget Received		172.4%
2018 v. 2017 \$ Change		\$116,082
2018 v. 2017 % Change		97.6%

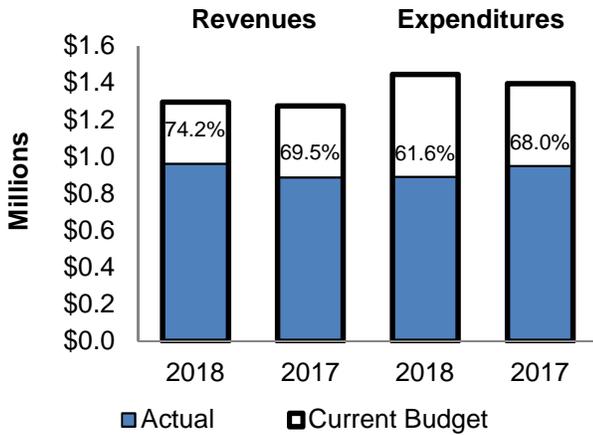
Investment earnings are more than the year-ago level by 97.6% as a result of rising interest rates. The City's investment policy adheres to strict standards as prescribed by federal law, state statutes, and local ordinances, and allows the City to develop an investment model to maximize its investment returns with the primary objectives of safety and liquidity.





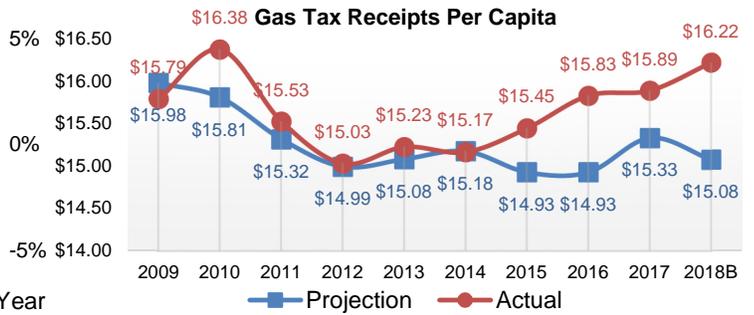
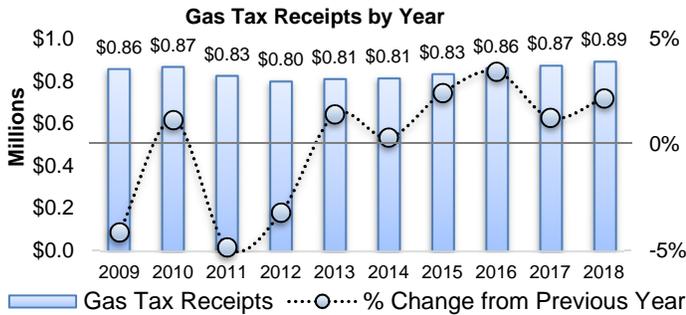
# 2018 THIRD QUARTER FINANCIAL REPORT

## STREET FUND



Street Fund	Resources	Expenditures
<b>2018 Current Budget</b>	<b>\$2,376,815</b>	<b>\$2,376,815</b>
Less Budgeted Use of Fund Balance	588,738	N/A
Less Budgeted Transfers	492,040	929,557
Operating Budget	\$1,296,037	\$1,447,258
Operating Receipts/Expenditures	\$962,240	\$891,757
% of Budgeted Revenues/Expenditures	74.2%	61.6%
<b>2017 Current Budget</b>	<b>\$1,721,485</b>	<b>\$1,721,485</b>
Less Budgeted Use of Fund Balance	200,260	N/A
Less Budgeted Transfers	244,403	324,003
Operating Budget	\$1,276,822	\$1,397,482
Operating Receipts/Expenditures	\$887,960	\$950,304
% of Budgeted Revenues/Expenditures	69.5%	68.0%
Operating 2018 v. 2017 \$ Change	\$74,280	(\$58,547)
Operating 2018 v. 2017 % Change	8.4%	-6.2%

Total receipts, excluding transfers in, are 8.4% more than the year-ago level. The Motor Vehicle Fuel Excise Tax, commonly referred to as Gas Tax, is levied by the State on a per gallon basis, distributed monthly on a per capita basis to the City of Shoreline, and placed in the Street Fund. Fuel Tax revenue receipts are 2.2% more than the year-ago level.

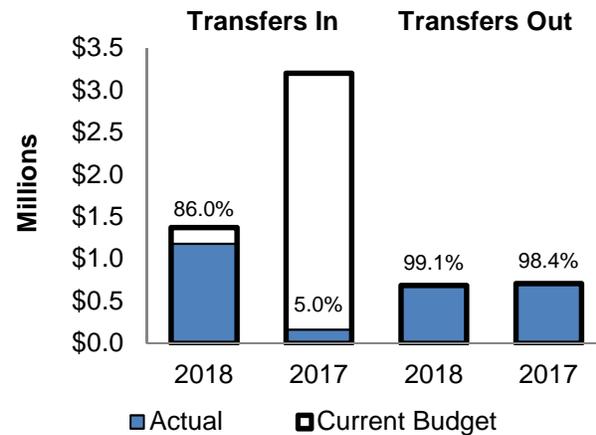
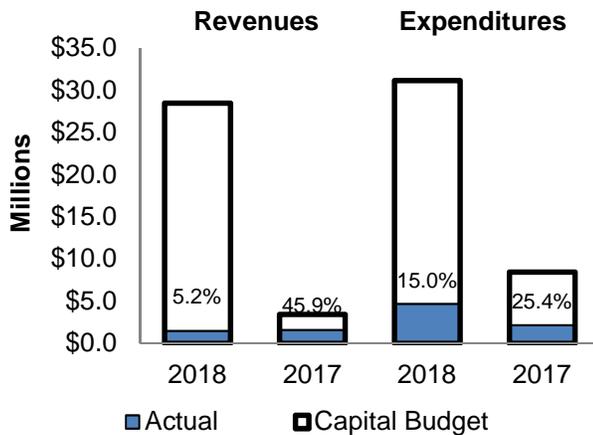


Operating expenditures, excluding transfers out, are 6.2% less than the year-ago level. Expenditures, including transfers out, are 50.0% more than the year-ago level. This is largely attributable to a one-time transfer of \$630,645, which was planned for in the 2018 Final Budget, to transfer fund balance in excess of the Street Fund's minimum required balance of \$254,700 back to the General Fund. The City Manager intends to set these monies aside in reserve for future improvements to a maintenance facility.



# 2018 THIRD QUARTER FINANCIAL REPORT

## GENERAL CAPITAL FUND



General Capital Fund	Resources	Expenditures
<b>2018 Current Budget</b>	<b>\$31,829,417</b>	<b>\$31,829,417</b>
Less Budgeted Use of Fund Balance	1,961,260	N/A
Less Budgeted Transfers	1,373,402	686,047
Capital Budget	\$28,494,755	\$31,143,370
Actual Capital Receipts/Expenditures	\$1,469,945	\$4,665,661
% of Budgeted Revenues/Expenditures	5.2%	15.0%
<b>2017 Current Budget</b>	<b>\$9,147,892</b>	<b>\$9,147,892</b>
Less Budgeted Use of Fund Balance	2,532,527	N/A
Less Budgeted Transfers	3,203,413	709,728
Capital Budget	\$3,411,952	\$8,438,164
Actual Capital Receipts/Expenditures	\$1,566,729	\$2,141,716
% of Budgeted Revenues/Expenditures	45.9%	25.4%
Capital 2018 v. 2017 \$ Change	(\$96,784)	\$2,523,945
Capital 2018 v. 2017 % Change	-6.2%	117.8%

Revenue receipts are 6.2% less than the year-ago level. The year-over-year change in Transfers In is mainly attributable to transfers in totaling \$943,637 from the General Fund in support of the Police Station at City Hall project. 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.

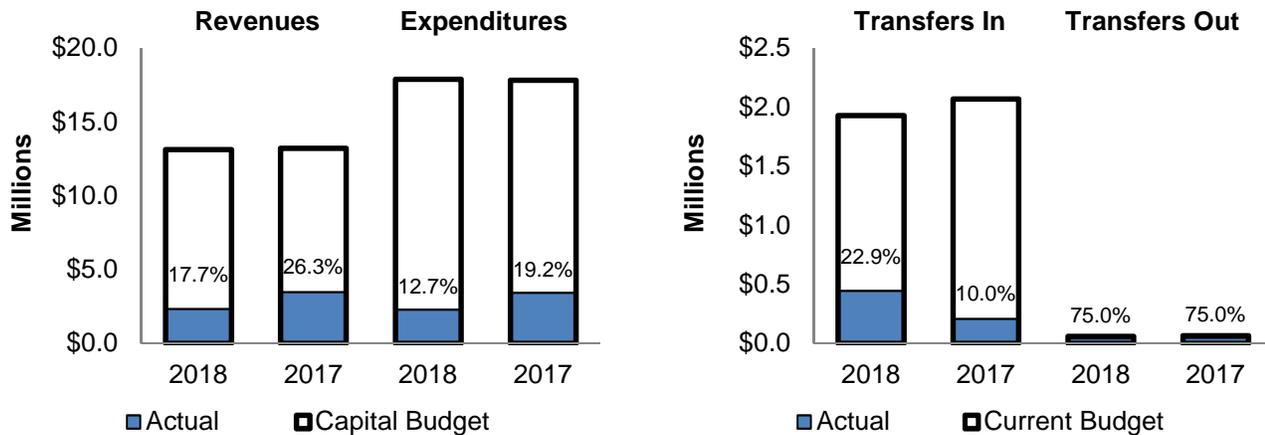
Capital Budget expenditures are 117.8% more than the year-ago level. Capital expenditures are impacted by the timing of construction schedules.

More information on the scope and timing of capital projects, including updated estimates, can be found on pp. 302-324 of the City's 2019-2020 Proposed Biennial Budget and 2019-2024 Capital Improvement Plan book available at the following link: <http://www.shorelinewa.gov/home/showdocument?id=41089>



# 2018 THIRD QUARTER FINANCIAL REPORT

## ROADS CAPITAL FUND



Roads Capital Fund	Resources	Expenditures
<b>2018 Current Budget</b>	<b>\$18,011,029</b>	<b>\$17,953,835</b>
Less Budgeted Use of Fund Balance	2,947,954	N/A
Less Budgeted Transfers	1,929,111	57,194
Capital Budget	\$13,133,964	\$17,896,641
Actual Capital Receipts/Expenditures	\$2,318,920	\$2,269,204
% of Budgeted Revenues/Expenditures	17.7%	12.7%
<b>2017 Current Budget</b>	<b>\$17,897,364</b>	<b>\$17,897,364</b>
Less Budgeted Use of Fund Balance	2,606,630	N/A
Less Budgeted Transfers	2,069,801	64,736
Capital Budget	\$13,220,933	\$17,832,628
Actual Capital Receipts/Expenditures	\$3,476,178	\$3,425,540
% of Budgeted Revenues/Expenditures	26.3%	19.2%
Capital 2018 v. 2017 \$ Change	(\$1,157,258)	(\$1,156,336)
Capital 2018 v. 2017 % Change	-33.3%	-33.8%

Revenue receipts are 33.3% less than the year-ago level. Capital projects expended 33.8% less than the year-ago level. 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. 344-375 of the City's 2019-2020 Proposed Biennial Budget and 2019-2024 Capital Improvement Plan book available at the following link:  
<http://www.shorelinewa.gov/home/showdocument?id=41089>

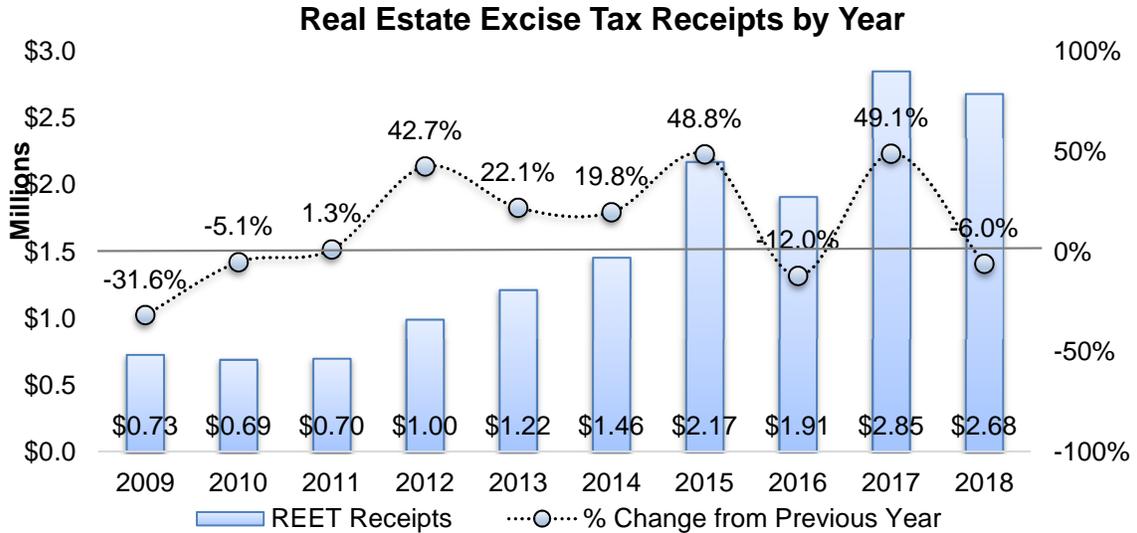
The 2018 budget includes one-time transfers from the General Fund in support of the following capital projects listed in the table below. Funds are transferred from the General Fund as expenditures are incurred by the projects; therefore, the transfer of the balance of the amount spent year-to-date, up to the amount of General Fund support budgeted, will be reflected in the 2018 Year End Financial Report.

Project	Current Budget	Amount Spent YTD	Budgeted General Fund Support	GF Support Transferred
<b>Trail Along the Rail</b>	\$339,002	\$9,225	\$213,030	\$6,975
<b>147<sup>th</sup>/148<sup>th</sup> Non-Motorized Bridge</b>	\$499,945	\$1,833	\$349,945	\$1,833
<b>160<sup>th</sup> and Greenwood/Innis Arden</b>	\$105,000	\$0	\$105,000	\$0
<b>185<sup>th</sup> Corridor Study</b>	\$515,691	\$4,242	\$515,691	\$465
<b>Westminster and 155<sup>th</sup> Improvements</b>	\$482,017	\$332,424	\$273,436	\$269,047



# 2018 THIRD QUARTER FINANCIAL REPORT

## REAL ESTATE EXCISE TAX

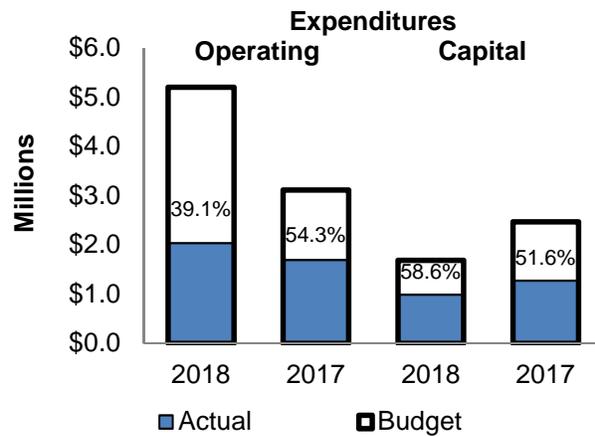
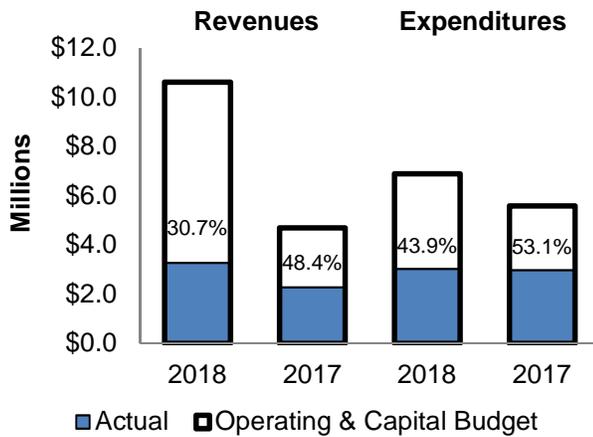


Real Estate Excise Tax (REET) revenue receipts, in the amount of \$2,682,477 are \$169,993, or 6.0%, less than the year-ago level. The number of transactions through the third quarter are down 8.8% as compared to the year-ago level. Of these transactions, 85 had a value that is greater than \$1 million and accounted for 33.2% of the valuation/taxes. That is, 11.4% of transactions through the third quarter accounted for 33.3% of the valuation/taxes.



# 2018 THIRD QUARTER FINANCIAL REPORT

## SURFACE WATER UTILITY FUND



Surface Water Utility Fund	Resources	Expenditures
<b>2018 Current Budget</b>	<b>\$10,959,748</b>	<b>\$7,597,735</b>
Less Budgeted Use of Fund Balance	267,059	N/A
Less Budgeted Transfers	68,489	710,310
Operating & Capital Budget	\$10,624,200	\$6,887,425
Actual Oper.+Cap. Receipts/Expenditures	\$3,266,310	\$3,020,644
% of Budgeted Revenues/Expenditures	30.7%	43.9%
<b>2017 Current Budget</b>	<b>\$6,241,652</b>	<b>\$6,241,652</b>
Less Budgeted Use of Fund Balance	1,544,629	N/A
Less Budgeted Transfers	0	656,074
Operating & Capital Budget	\$4,697,023	\$5,585,578
Actual Oper.+Cap. Receipts/Expenditures	\$2,272,047	\$2,966,821
% of Budgeted Revenues/Expenditures	48.4%	53.1%
2018 v. 2017 \$ Change	\$994,264	\$53,822
2018 v. 2017 % Change	43.8%	1.8%

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.

Revenue receipts are 43.8% more than the year-ago level. SWM ongoing revenues include storm drainage fees and investment interest earnings. Storm Drainage Fees totaled \$3,187,137 and are 46.3% more than the year-ago level.

Expenditures, including transfers out, are 1.8% more than the year-ago level. Surface Water Utility operations expended 39.1% of the Operating Budget, which is 20.2% more than the year-ago level. Capital projects, excluding transfers out, expended 58.6% of the Capital Budget, which is 22.6% less than the year-ago level. 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. 380-415 of the City's 2019-2020 Proposed Biennial Budget and 2019-2024 Capital Improvement Plan book available at the following link: <http://www.shorelinewa.gov/home/showdocument?id=41089>



# 2018 THIRD QUARTER FINANCIAL REPORT

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, which had been the City's primary mode of investment prior to adopting our Investment Policy. As of September 30, 2018, the City's investment portfolio, excluding the State Investment Pool had a current weighted average rate of return of 1.9392%. This is slightly less than 2.0597% the rate of return of the State Investment Pool.

Total annual investment interest earnings through September 30, 2018 were \$428,627 which is 226% of \$190,050 (2018's total budgeted investment earnings). The better than expected investment earning is a reflection that the economy is doing well and it helped to push interest rates up steadily. For example, the interest rate for the State Investment Pool on January 1, 2018 was 1.4268% and on September 30, 2018 it was 2.0597%.

As of September 30, 2018, the City's investment portfolio had a fair value of nearly \$34.95 million. Approximately 71% of the investment portfolio was held in U.S. government instrumentality securities, and 29% was held in the Washington State Investment Pool. The City's investment portfolio valued at cost as of September 30, 2018 was slightly over \$35.13 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 holds all of 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.



# 2018 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 9/30/18
TREASURY 0.875	912828TH3	PiperJaffray	06/22/18	07/31/19	1,000,000	983,580	2.3854%	2,318	985,898
FFCB 1.375	3133EFSW8	Alamo Capital	12/21/15	12/21/18	1,000,000	999,000	1.3750%	(1,224)	997,776
FHLB 1.18	3134G8L80	PiperJaffray	11/10/17	02/19/19	2,000,000	1,988,820	1.6243%	1,750	1,990,570
FNMA 1.250	3136G3EA9	Northw estern	03/29/16	03/29/19	1,000,000	999,500	1.2500%	(5,246)	994,254
FHLB 2.25	3130AEA5	PiperJaffray	05/04/18	05/03/19	1,000,000	1,000,000	2.2500%	(1,402)	998,598
FHLB 4.375	3133XTYY6	PiperJaffray	05/02/18	06/14/19	1,000,000	1,022,530	2.3174%	(9,525)	1,013,005
FFCB 1.18	3133EGPD1	PiperJaffray	11/08/17	08/01/19	2,000,000	1,983,300	1.6712%	(6,254)	1,977,046
FHLB 1.55	3130ACJ88	1st Empire	11/02/17	09/27/19	2,000,000	1,996,626	1.6400%	(20,510)	1,976,116
FNMA 1.250	3136G4AP8	PiperJaffray	12/31/16	09/30/19	2,000,000	2,000,000	1.2500%	(27,808)	1,972,192
FNMA 1.0	3135G0R39	PiperJaffray	04/25/18	10/24/19	1,000,000	979,490	2.4054%	2,867	982,357
FNMA 1.0	3135G0R39	PiperJaffray	04/25/18	10/24/19	1,000,000	979,490	2.4054%	2,867	982,357
FHLB 1.375	3130AA3R7	PiperJaffray	06/27/18	11/15/19	1,000,000	985,140	2.4054%	(53)	985,087
FNMA 1.20	3136G3TF2	PiperJaffray	07/16/18	12/30/19	1,000,000	980,780	2.5533%	431	981,211
FFCB 1.55	3133EG3J2	PiperJaffray	08/13/18	01/10/20	1,020,000	1,005,924	2.5533%	(1,615)	1,004,309
FHLMC 1.0	3134GBEB4	1st Empire	03/31/17	03/27/20	1,000,000	999,700	1.7000%	(15,602)	984,098
FHLMC 1.75	3134GBYR7	Security	07/27/17	07/27/20	1,000,000	1,000,350	1.7145%	(19,879)	980,471
FHLMC 2.85	3134GSYC3	PiperJaffray	09/28/18	09/28/20	1,000,000	1,000,000	2.8500%	(1,928)	998,072
FNMA 1.875	3136G4QF3	Investment Time Value	10/30/17	10/30/20	2,000,000	1,999,680	1.8805%	(44,248)	1,955,432
FHLB 2	3030ACU36	Investment Financial	12/11/17	12/11/20	1,000,000	997,684	2.0800%	(19,718)	977,966
FHLB 2.125	3130ACZD9	Northw estern	12/29/17	12/29/20	1,000,000	1,000,000	2.1250%	(18,551)	981,449
Sub Total - Investments					\$ 25,020,000	\$ 24,901,594		\$ (183,330)	\$ 24,718,264
State Investment Pool						10,231,915	2.0597%		10,231,915
Sub Total - State Investment Pool and Opus Bank Interest Checking						10,231,915			10,231,915
<b>Total LGIP + Investments</b>						<b>\$ 35,133,509</b>		<b>\$ (183,330)</b>	<b>\$ 34,950,179</b>

### Portfolio Diversification

Instrument Type	Percentage	Amount at Cost	Amount at Market Value
FFCB	11.4%	\$ 3,988,224	\$ 3,979,131
FHLB	25.5%	8,990,800	8,922,791
FHLMC	8.5%	3,000,050	2,962,641
FNMA	22.5%	7,938,940	7,867,803
FICO STRIP PRIN SER D-P	2.8%	983,580	985,898
State Investment Pool	29.3%	10,231,915	10,231,915
<b>Total LGIP + Investments</b>	<b>100%</b>	<b>\$ 35,133,509</b>	<b>\$ 34,950,179</b>

Broker	Percentage	Amount at Cost	Amount at Market Value
Alamo Capital	2.8%	\$ 999,000	\$ 997,776
Financial Northw estern	5.7%	1,999,500	1,975,703
1st Empire	8.5%	2,996,326	2,960,214
Time Value Investment	8.5%	2,997,364	2,933,398
PiperJaffray	42.4%	14,909,054	14,870,702
Multi-Bank Security	2.8%	1,000,350	980,471
State Investment Pool	29.1%	10,231,915	10,231,915
<b>Total LGIP + Investments</b>	<b>100%</b>	<b>\$ 35,133,509</b>	<b>\$ 34,950,179</b>

### Investments by Fund

Fund	Investments at Cost as of 9/30/2018	LGIP State Investment Pool as of 9/30/2018	Total LGIP + Investments at Cost by Fund as of 9/30/2018	Unrecognized Gain/(Loss) as of 9/30/2018	Total Market Value of Investments by Fund as of 9/30/2018		2018 Budgeted Investment Earnings		2018 Actual Investment Earnings	Over/(Under) Budget
					Investments	Unrecognized Gain/(Loss)	Budgeted Investment Earnings	2018 Actual Investment Earnings		
001 General	\$ 9,088,668	\$ 3,734,479	\$ 12,823,147	\$ (66,912)	\$ 12,756,234	\$ 69,000	\$ 235,056	\$ 235,056	\$ 166,056	
101 Street	205,743	84,538	290,281	(1,515)	288,766	2,500	5,991	5,991	3,491	
107 Code Abatement	271,543	111,575	383,119	(1,999)	381,120	550	4,161	4,161	3,611	
108 Asset Seizure	45,900.32	18,860.16	64,760.48	(337.93)	64,423	-	1,778	1,778	1,778	
109 Public Arts	203,316	83,541	286,858	(1,497)	285,361	-	3,404	3,404	3,404	
112 Fed Drug Enforcement	16,330	6,710	23,040	(120)	22,920	200	506	506	306	
117 Transportation Impact Mitigation	2,196,795	902,650	3,099,445	(16,173)	3,083,272	1,500	26,859	26,859	25,359	
118 Parks Impact Fees	21,530	8,847	30,376	(159)	30,218	-	26	26	26	
190 Revenue Stabilization	3,656,189	1,502,306	5,158,495	(26,917)	5,131,577	-	-	-	-	
301 General Capital	892,119	366,566	1,258,685	(6,568)	1,252,117	35,987	20,190	20,190	(15,797)	
312 City Fac-Mjr Maint	60,780	24,974	85,754	(447)	85,306	883	1,107	1,107	224	
330 Roads Capital	4,014,541	1,649,551	5,664,092	(29,556)	5,634,536	29,656	59,970	59,970	30,314	
331 Trans Bene Dist	948,860	389,881	1,338,741	(6,986)	1,331,756	-	11,342	11,342	11,342	
401 Surface Water Utility Fund	1,064,338	437,330	1,501,668	(7,836)	1,493,833	41,774	23,577	23,577	(18,197)	
405 Wastew ater Fund	270,657	111,211	381,869	(1,993)	379,876	-	3,702	3,702	3,702	
501 Vehicle Oper/Maint	145,383	59,737	205,120	(1,070)	204,050	-	3,072	3,072	3,072	
503 Equip Dep Replace	1,750,598	719,310	2,469,908	(12,888)	2,457,020	8,000	27,146	27,146	19,146	
505 Unemployment	48,302	19,847	68,150	(356)	67,794	-	741	741	741	
650 Agency Fund Admin	-	-	-	-	-	-	-	-	-	
<b>Total Investments</b>	<b>\$ 24,901,594</b>	<b>\$ 10,231,915</b>	<b>\$ 35,133,509</b>	<b>\$ (183,330)</b>	<b>\$ 34,950,179</b>	<b>\$ 190,050</b>	<b>\$ 428,627</b>	<b>\$ 428,627</b>	<b>\$ 238,577</b>	