

# Financial Status Report

## First Quarter 2023



The Financial Status Report provides a summary budget-to-actual comparison of revenues and expenditures for the City’s general operating funds (General Fund and Street Fund). Information for the same quarter from prior years is also shown. The last page shows Citywide FTE vacancy information and information on capital budgets.

	2023 Budget	2023 Year-to-date
Revenues	\$ 59,889,118	\$ 7,716,936
Expenditures	60,153,169	9,959,331
Capital Transfers	6,105,000	1,526,250
Net Revenues Less Expenditures	\$ (6,369,051)	\$ (3,768,645)
Beginning Fund Balance	\$ 44,775,689	\$ 50,000,000
Ending Fund Balance (EFB)	\$ 38,406,638	\$ 46,231,355
Strategic Operating Reserves*	\$ 5,988,912	

*General Fund includes the Street Fund*

### Overall highlights

After the first quarter, the City is on target with the operating budget.

Property taxes, which provide approximately 56% of total operating revenues are received primarily in the second and fourth quarters (April and October respectively).

The City has not received any invoices on the police contract. The first invoice is typically received in the second quarter. These expenditures are expected to be on budget for the year.

Additionally, many expenditures are seasonal and therefore it is typical that expenditures are less than 25% of the annual budget one quarter of the way through the year.

There are position vacancies resulting in the personnel budget being underspent through the first quarter of 2022. However, the vacancy rate is currently under 10% and lower than it has been in recent years.

The budget reflects a \$6.4 million use of fund balance primarily as a result of transferring out \$6.1 million to a general government capital fund.

The actual Year-to-date beginning fund balance has been updated to better reflect 2022 estimated year end totals.

\*Current City Council policy sets the strategic operating reserve at 10% of the City’s annual General Fund revenue budget.

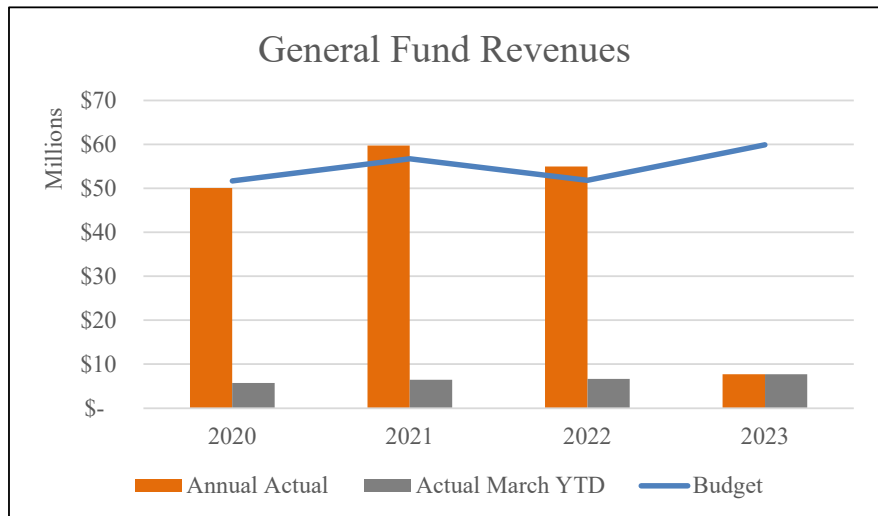
# Revenues

Historical YTD Through 1st Quarter Actual Revenues					Budget
	2020	2021	2022	2023	2023
Property Tax	\$ 1,524,639	\$ 2,199,114	\$ 1,963,646	\$ 2,174,530	\$ 33,800,000
Sales Tax	2,017,128	2,322,199	2,471,880	2,556,546	9,357,000
Other Tax	970	970	2,663	1,406	2,000
<i>Other Revenues</i>					
Licenses and Permits	325,931	480,059	513,973	597,776	2,653,500
Intergovernmental	616,402	594,273	662,027	632,574	4,818,535
Charges for Service	652,809	509,919	671,548	725,000	3,595,083
Fines & Forfeits	41,800	287	-	32,123	410,000
Miscellaneous	537,210	329,963	341,144	996,980	5,253,000
Transfers In	-	25,000	-	-	-
<b>Total Revenues</b>	<b>\$ 5,716,889</b>	<b>\$ 6,461,784</b>	<b>\$ 6,626,881</b>	<b>\$ 7,716,936</b>	<b>\$ 59,889,118</b>

General Fund includes the Street Fund

## Highlights for Operating Revenues

- Property tax revenues** are primarily received in the April/May and October/November timeframes. YTD the City has received 6% of the annual budgeted revenues and this is comparable to prior years at this time
- Sales tax revenues** are 3.4% higher than 2022 through the first quarter. The city benefits from online purchases where a portion of the sales tax is remitted based on where the product is delivered. While sales tax revenues have grown in recent years, they are growing at a slower pace than inflation.
- Licenses & Permits and Charges for Services** categories had some re-classifications in 2022, so comparisons to the budget and prior years, should be done as one group. For YTD 2023 these categories of revenue are 21% of the annual budget and 10% higher than 2022 levels through March.
- Intergovernmental** revenues includes multiple grants in the budget. Once the money is spent, the city applies to receive the promised grant money. Revenues for this category are similar to the first quarter in previous years.

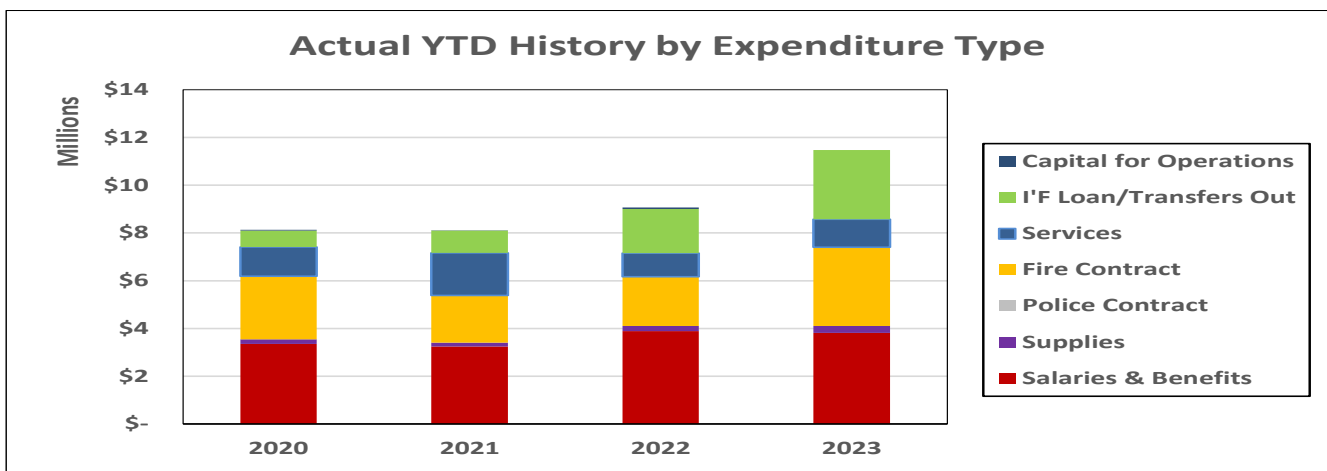


Note: In the graph, 2021 revenues included the \$9.7 million transfer of the street fund ending balance.

# Expenditures

Historical YTD Through 1st Quarter Actual Expenditures by Type					Budget
	2020	2021	2022	2023	2023
Salaries & Benefits	\$ 3,349,390	\$ 3,243,824	\$ 3,887,831	\$ 3,817,869	\$ 18,362,850
Supplies	197,991	162,226	213,519	290,011	1,353,060
Police Contract	-	-	-	-	10,283,000
Fire Contract	2,637,691	1,977,088	2,069,411	3,306,657	9,251,676
Services	1,229,157	1,783,852	980,924	1,165,448	16,407,100
I'F Loan/Transfers Out	688,541	939,945	1,851,057	2,905,596	9,705,383
Capital for Operations	27,179	10,783	69,001	-	895,100
<b>Total Expenditures</b>	<b>\$ 8,129,949</b>	<b>\$ 8,117,718</b>	<b>\$ 9,071,743</b>	<b>\$11,485,581</b>	<b>\$ 66,258,169</b>

General Fund includes the Street Fund

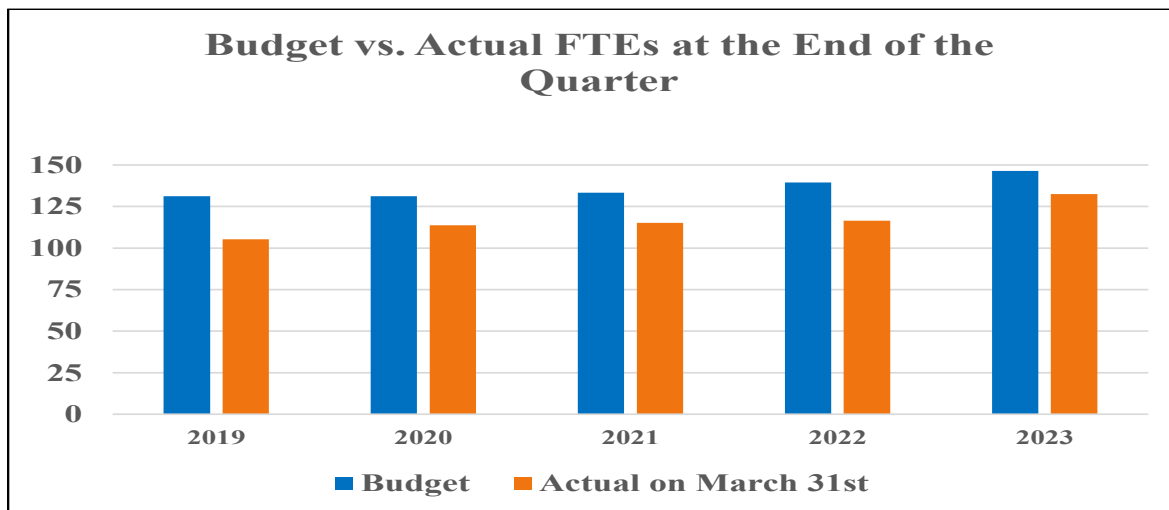


## Highlights for Operating Expenditures:

- **Salaries & benefits** are 21% of the annual budget YTD due to experiencing a vacancy rate of 10.0%. The 2022 salaries and benefit category exceeds the 2023 amount due to a severance paid out in 2022.
- **Police Contract** expenditures have not yet been invoiced, as invoices on the police contract are typically not received until the second quarter of the year.
- **Fire Contract** expenditures are at 36% of the annual budget. Four payments were made in the first three months as well as the annual contribution for replacement equipment. The contract expenditures are still expected to not exceed the annual budget.
- **Services expenditures** are only at 7% of the annual budget, which is similar to past years at this time. Many of these expenditures are from outside consultants whose services are not used uniformly throughout the year. At this time no significant projects in the budget have changed, so the full budget is still expected to be spent.
- **Interfund Transfers** primarily are to the internal service funds paying for items like information technology services, fleet maintenance and replacement to the equipment rental fund, citywide insurance through the risk management fund and transfers to capital funds as budgeted. These transfers have increased over time as the cost of providing these services has increased. Transfers are typically paid out on a schedule, with some needing to be front loaded to pay for annually invoiced expenditures.

# Personnel Vacancy Information

The 2023 budget includes 146.5 Full Time Equivalents (FTEs) and on March 31st, 2023 there were 132.5 FTEs employed at the City, representing a vacancy rate of just under 10%. Additional headcount data is available in the monthly Financial Management Report (FMR).



FTE's	2019	2020	2021	2022	2023
Budget	131.25	131.25	133.25	139.50	146.50
Actual on March 31st	105.25	113.75	115.25	116.50	132.50
# Vacant	26.00	17.50	18.00	23.00	14.00
% Vacant	20%	13%	14%	16%	10%

# Capital Projects

The annual capital budget for all funds is \$33.2 million, split between general government, parks, transportation and surface water. At the end of the first quarter less than \$500,000 has been spent.

Here's some information on the larger capital projects in the budget:

**General Government Capital Fund** -an \$8 million project is budgeted to make improvements at Fire Station 82 and there is \$2 million budgeted for property acquisition for the Sween House storage yard.

**Parks Capital Fund** - there is \$10 million in the budget for Inglewood Middle School artificial turf installation and other field/track improvements. There is also over \$4 million in this fund for land acquisition.

**Transportation Capital Fund** - this fund has less than \$4 million in the current year budget, split between 15 different projects.

**Surface Water Capital Fund** - this fund has a budget of \$4.3 million with the budget of \$1.5 million on the George Davis fish passage being the largest single item.

More line item budget details on specific projects can be found in the monthly Financial Management Report (FMR) or in the 2023-2024 Budget.