

AGENDA BILL APPROVAL FORM

Agenda Subject:

Q2 2022 Financial Update

Department:

Finance

Attachments:

[Financial Report Through June 2022](#)

[Monthly Sales Tax Report](#)

Date:

September 7, 2022

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background for Motion:

Background Summary:

The financial report summarizes the general state of Citywide financial affairs and highlights significant items or trends that the City Council should be aware of. The attachment provides year-to-date financial activity through June 30, 2022, based on financial data available as of August 31, 2022. Sales tax information represents tax collected through June 2022, reflecting business activity through April 2022.

Reviewed by Council Committees:

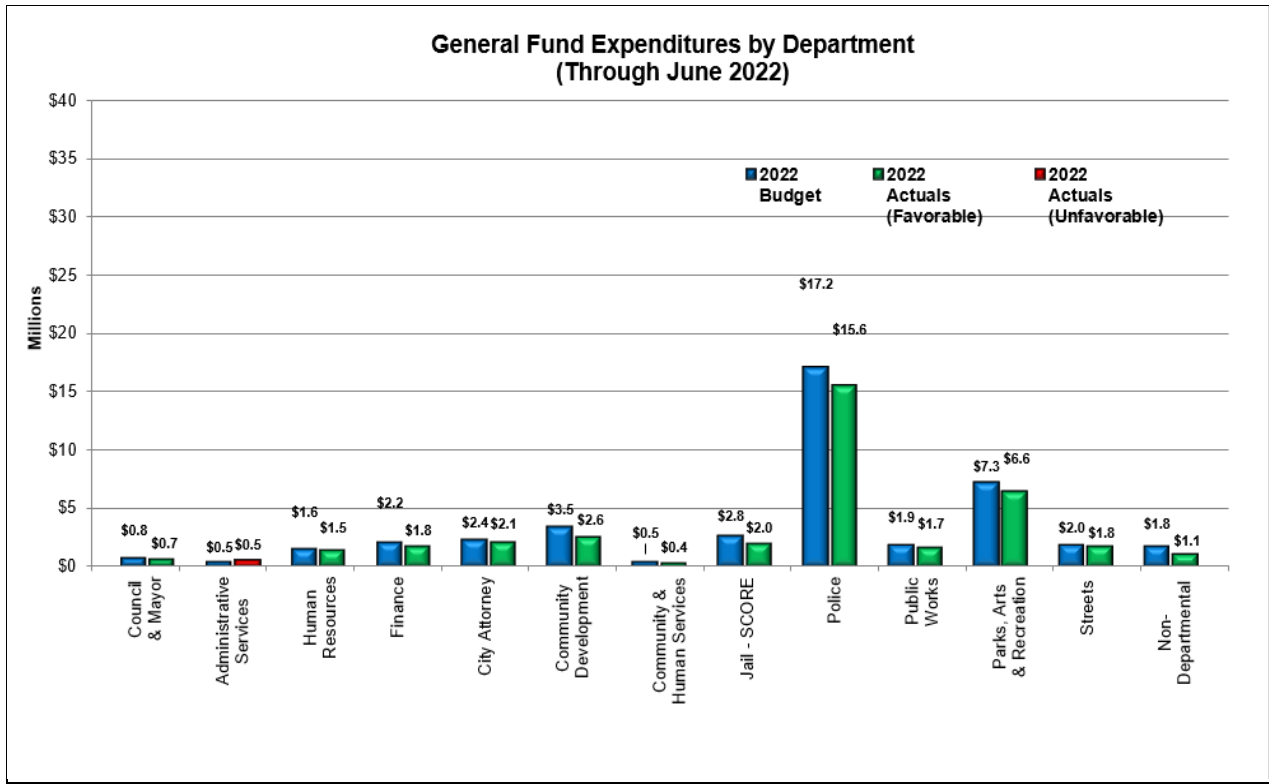
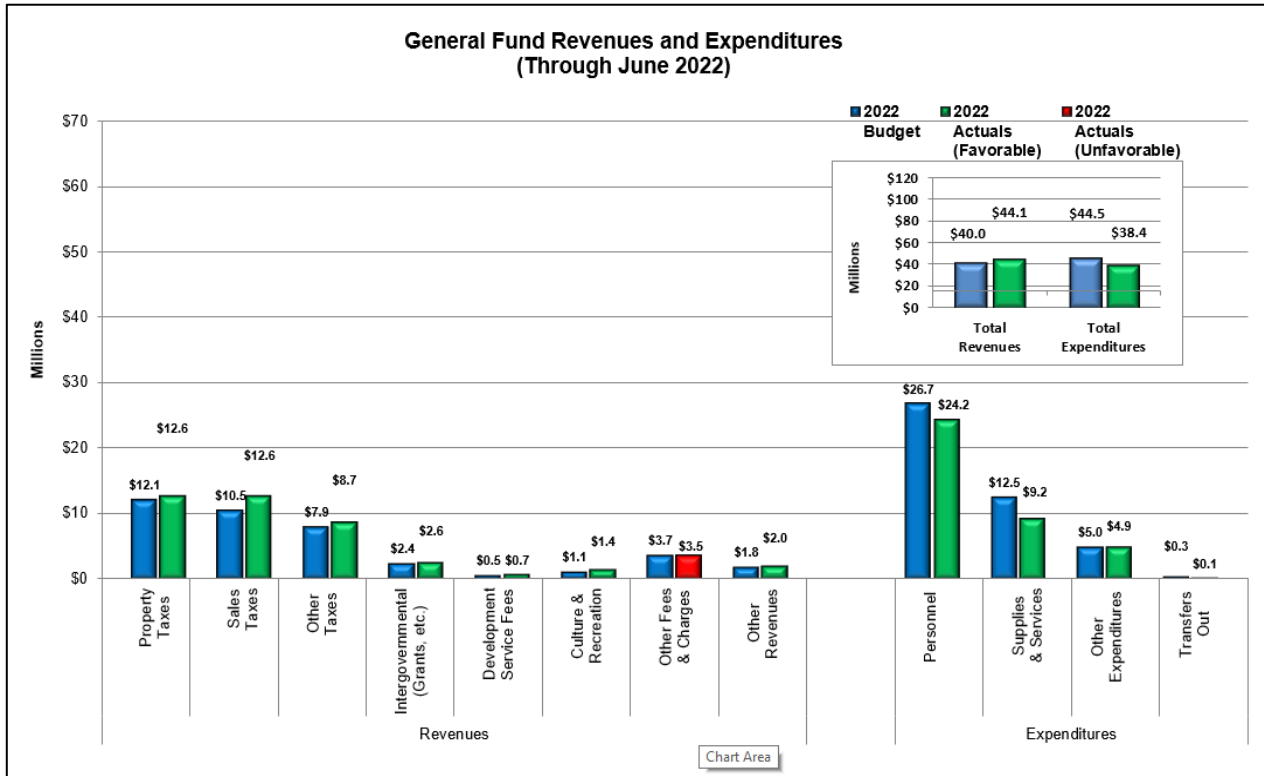
Councilmember: Baggett

Staff: Thomas

Meeting Date: September 12, 2022

Item Number:

General Fund Summary



General Fund Summary of Sources and Uses	2022			2021	2022 YTD Budget vs. Actual	
	Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable) Amount	Percentage
Operating Revenues						
Property Tax	\$ 23,198,400	\$ 12,128,000	\$ 12,627,152	\$ 12,212,669	\$ 499,152	4.1 %
Retail Sales Tax	20,294,400	9,354,300	11,066,712	10,277,635	1,712,412	18.3 %
Affordable Housing Sales Tax Credit	129,900	64,950	52,582	59,038	(12,368)	(19.0) %
Sales Tax - Pierce County Parks	101,700	47,700	65,285	62,073	17,585	36.9 %
Criminal Justice Sales Tax	2,135,000	1,015,500	1,428,451	1,209,358	412,951	40.7 %
Brokered Natural Gas Tax	131,300	80,700	110,090	91,230	29,390	36.4 %
City Utilities Tax	6,779,000	3,202,900	3,295,916	2,974,962	93,016	2.9 %
Business & Occupation Tax	500,000	125,000	568,689	-	443,689	355.0 %
Admissions Tax	400,000	217,700	126,745	39,724	(90,955)	(41.8) %
Electric Tax	3,760,400	1,880,200	2,144,208	1,979,127	264,008	14.0 %
Natural Gas Tax	1,122,500	764,300	809,712	709,535	45,412	5.9 %
Cable Franchise Fee	850,600	425,000	456,739	456,138	31,439	7.4 %
Cable Utility Tax	969,600	484,800	483,230	481,359	(1,570)	(0.3) %
Cable Franchise Fee - Capital	60,000	30,000	26,723	31,363	(3,277)	(10.9) %
Telephone Tax	704,200	354,400	284,515	372,126	(69,885)	(19.7) %
Solid Waste Tax (external)	-	-	28,897	109,922	28,897	N/A
Leasehold Excise Tax	210,000	185,000	209,022	199,047	24,022	13.0 %
Gambling Excise Tax	342,100	173,246	130,037	15,897	(43,209)	(24.9) %
Taxes sub-total	\$ 61,689,100	\$ 30,533,996	\$ 33,914,706	\$ 31,281,201	\$ 3,380,710	11.1 %
Business License Fees	\$ 393,100	\$ 130,800	\$ 106,628	\$ 124,247	\$ (24,172)	(18.5) %
Building Permits	1,000,900	385,400	477,106	725,180	91,706	23.8 %
Other Licenses & Permits	870,300	439,200	566,471	716,721	127,271	29.0 %
Intergovernmental (Grants, etc.)	6,063,420	2,866,763	2,600,936	3,050,448	(265,827)	(9.3) %
Charges for Services:						
General Government Services	3,646,350	1,823,175	1,728,339	1,663,296	(94,836)	(5.2) %
Public Safety	988,200	494,100	439,528	689,130	(54,572)	(11.0) %
Development Services Fees	1,041,900	539,400	681,920	790,126	142,520	26.4 %
Culture and Recreation	2,375,680	1,132,327	1,413,393	1,218,933	281,066	24.8 %
Fines and Penalties	731,400	399,800	183,627	330,762	(215,173)	(54.0) %
Fees/Charges/Fines sub-total	\$ 17,111,250	\$ 8,209,965	\$ 8,197,950	\$ 9,308,844	\$ (12,016)	(0.1) %
Interest and Investment Earnings	\$ 91,200	\$ 45,600	\$ 156,679	\$ 2,412	\$ 111,079	243.6 %
Rents and Leases	1,003,000	536,200	537,347	407,597	1,147	0.2 %
Contributions and Donations	28,400	14,200	7,654	1,973	(6,546)	(46.1) %
Other Miscellaneous	223,800	131,050	365,020	136,764	233,970	178.5 %
Transfers In	4,167,900	959,000	818,861	162,000	(140,139)	(14.6) %
Insurance Recoveries - Capital & Operating	225,000	112,500	90,659	43,431	(21,841)	(19.4) %
Other Revenues sub-total	\$ 5,739,300	\$ 1,798,550	\$ 1,976,220	\$ 754,178	\$ 177,670	9.9 %
Total Operating Revenues	\$ 84,539,650	\$ 40,542,511	\$ 44,088,876	\$ 41,344,222	\$ 3,546,364	8.7 %
Operating Expenditures						
Council & Mayor	\$ 1,713,091	\$ 847,500	\$ 745,006	\$ 549,433	\$ 102,494	12.1 %
Administration	1,155,166	478,200	531,229	814,249	(53,029)	(11.1) %
Human Resources	2,139,183	1,070,500	1,028,574	877,198	41,926	3.9 %
Municipal Court & Probation	3,163,945	541,073	428,751	452,887	112,322	20.8 %
Finance	4,226,313	2,200,400	1,773,579	814,249	426,821	19.4 %
City Attorney	5,498,018	2,425,600	2,099,947	1,595,729	325,653	13.4 %
Community Development	7,245,384	3,493,300	2,571,651	2,359,130	921,649	26.4 %
Community & Human Services (Comm Devel)	1,411,128	493,500	404,651	330,064	88,849	18.0 %
Jail - SCORE	5,523,800	2,761,800	2,023,815	2,282,550	737,985	26.7 %
Police	34,178,050	17,205,400	15,581,950	14,366,325	1,623,450	9.4 %
Public Works	3,801,285	1,935,600	1,734,678	1,720,035	200,922	10.4 %
Parks, Arts & Recreation	15,366,550	7,267,900	6,562,370	5,378,311	705,530	9.7 %
Streets	4,034,054	1,959,900	1,815,652	1,854,084	144,248	7.4 %
Non-Departmental	3,731,720	1,790,342	1,147,090	1,033,325	643,251	35.9 %
Total Operating Expenditures	\$ 93,187,686	\$ 44,471,014	\$ 38,448,944	\$ 34,427,570	\$ 6,022,070	13.5 %

Executive Summary

This report provides an overview of the City's overall financial position for the fiscal period ending June 30, 2022, reflecting financial data available as of August 31, 2022.

General Fund:

General Fund revenues have generally exceeded budget expectations and largely recovered from the impact of the COVID-19 mitigation measures. During 2021, various restrictions were implemented at the state and local level in terms of occupancy limits, vaccination requirements, and mask mandates, all of which are thought to have either directly or indirectly affected the local economy.

In late March of 2021, both King and Pierce counties advanced to Phase III of the state's Healthy Washington Roadmap to Recovery plan. Phase III allowed businesses to have indoor dining occupancy up to 50%; retail, fitness and competitive sports at 50% occupancy; and indoor entertainment venues were allowed to reopen with restrictions. At the end of June, Washington state reopened under the Washington Ready plan. Industry sectors previously covered by the Roadmap to Recovery or the Safe Start plan (with limited exceptions) were allowed to return to usual capacity and operations. Throughout the third quarter of 2021, businesses were able to resume normal operations, and some businesses continued to have modified hours and/or capacity restrictions. Effective in October 2021, all restaurants in King County were to require indoor dining patrons to show proof of vaccination. The indoor mask mandate also continued throughout Q4-2021. In the state's reopening plan, the state moved towards a county-based system and away from the regional system. In this new plan, the assessment of counties will be conducted on an individual basis. In March 2022, the mask mandate was lifted in many indoor public settings. As a result, collections on numerous culture and recreation revenues are slowly returning to pre-pandemic amounts.

Overall, General Fund revenues collected through Q2-2022 totaled \$44.1 million as compared to a year-to-date budget of \$40.0 million, and were \$4.0 million, or 10.0% above budget expectations.

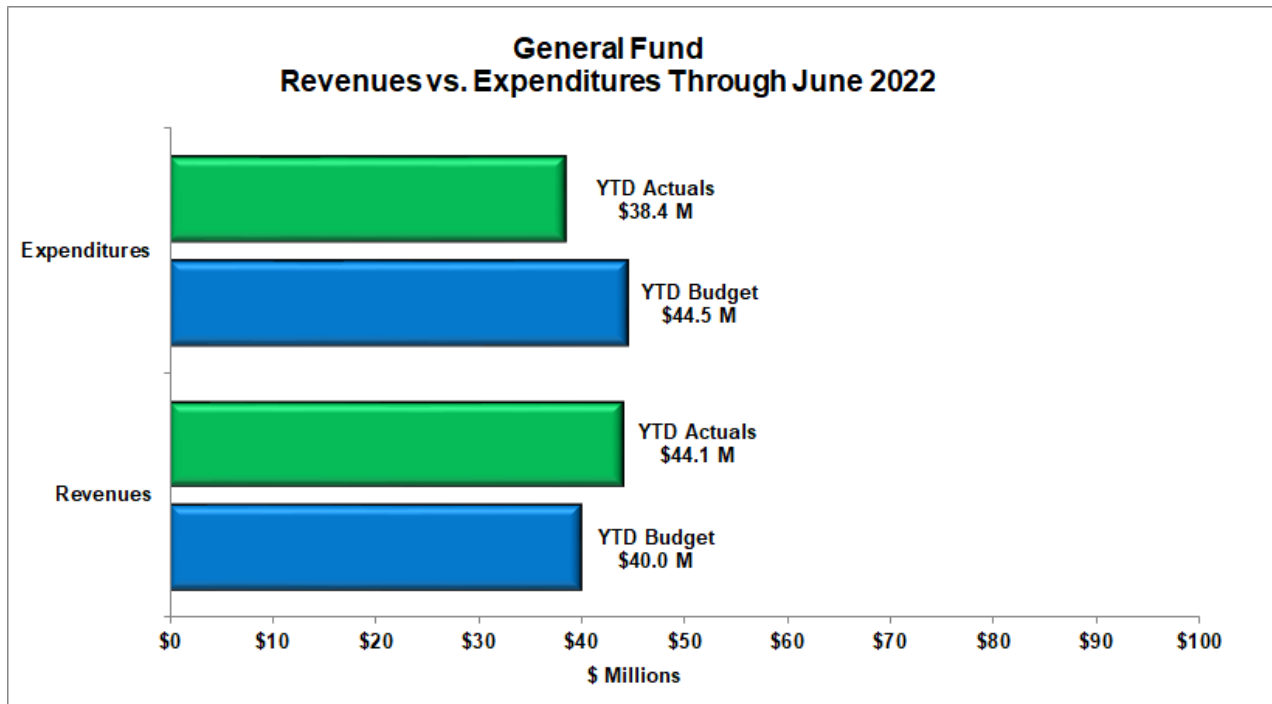
Notable variances to the 2022 budget include:

- Retail Sales Tax: The sales tax report through Q2-2022 (which is provided as an attachment to this report) reflects amounts remitted to the City of Auburn based on sales from November 2021 through April 2022. Collections up to June 2022 totaled \$11.1 million, a 6.8% increase from last year. The increase resulted from multiple categories, particularly manufacturing, in which The Boeing Company had a 488% increase from April 2021 compared to April 2022. **[pages 6-7]**
- In 2021, City Council increased the City utility tax rate from 7.0% to 10.0%. 1.0% of utility tax revenue continues to support the Arterial Street Preservation Fund, while this change increased General Fund tax revenues for Water, Sewer, Storm and Solid Waste services from the previous 6.0% to 9.0%. City utility tax revenues through Q2-2022 were \$93,016 favorable to budget and \$994,498 higher than what was collected through Q2-2021. **[pages 8-10]**
- Building permit revenues collected through Q2-2022 totaled \$477,000, which was 92,000 favorable to the year-to-date budget. A contributor to this variance was the permitting of Divine Court, a 7-story multi-use building on Main Street. **[page 13]**

- Intergovernmental revenues collected through Q2-2022 totaled \$2.6 million and were \$266,000 unfavorable to budget. Lower revenues collected from Federal and State grants negatively impact the overall variance. [page 13-14]
- Culture and Recreation revenues collected through Q2-2022 totaled \$1.4 million and were \$281,000 higher than budget expectations. This variance was primarily due to higher than anticipated revenues received for green fees at Auburn Golf Course and recreational classes. Where 50% of the favorable variance results from the Auburn Golf Course and 26% consists of recreational classes. [page 16-17]

General Fund expenditures through Q2-2022 totaled \$38.4 million compared to a budget of \$44.5 million, representing a \$6.0 million favorable variance to budget. Almost all departments operated within their budgets through the second quarter of 2022.

Of this favorable variance to budget, 55% of that is comprised of underspends in supplies and professional services, while 40% was due to underspends in personnel costs.



Enterprise Funds:

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

The **Water Fund** ended Q2-2022 with operating income of about \$1.5 million, which was approximately \$225,000 above the same period last year due to decrease in expenditures from Q2-2021. This decrease was driven by lower debt service interest. Revenues were higher in rents, leases, concessions, and charges for service. **[page 21-22]**

The **Sewer Fund** had operating income of \$706,000 versus \$509,000 in the same period last year. Increased consumption revenues were offset by higher expenditures, similar to the Water Fund. **[page 22]**

Through June 2022 the **Stormwater Fund** had operating income of \$1.3 million compared to \$1.1 million in the same period in 2021; the increase in revenues from charges for storm service more than offset the increased expenditures due to higher interfund utility taxes. **[page 22]**

Internal Service Funds:

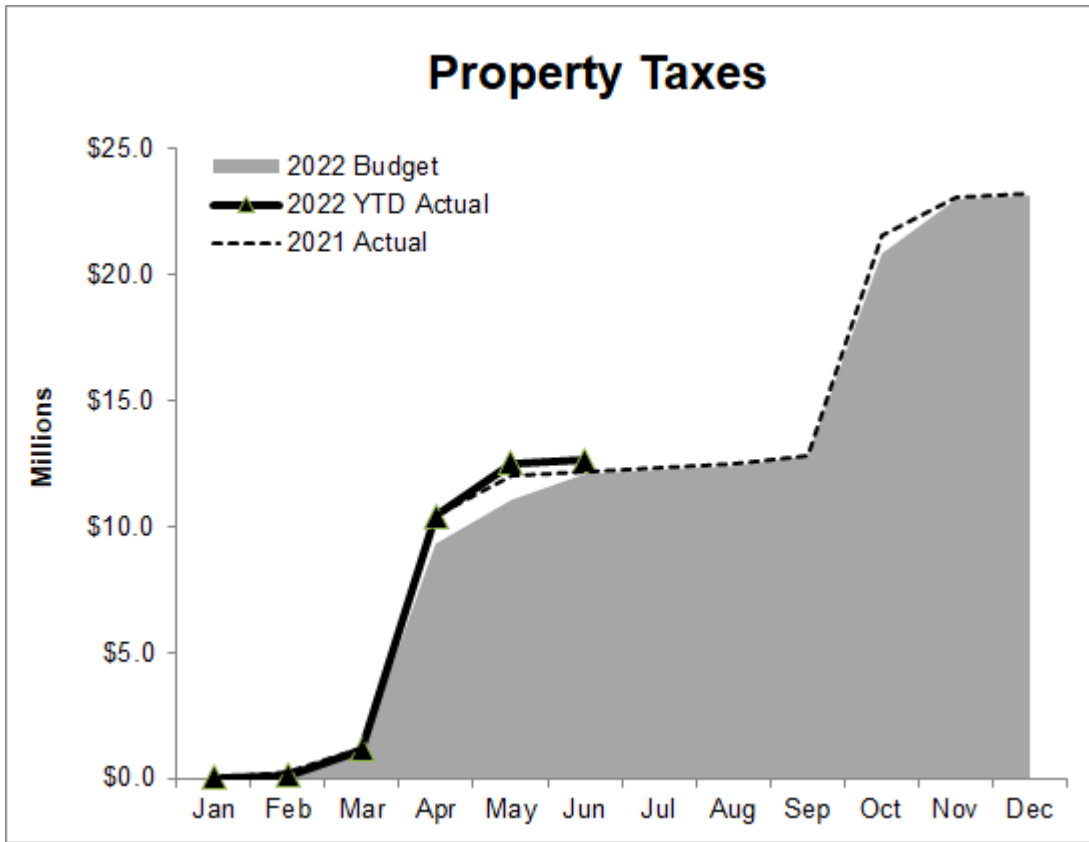
Internal service funds provide services to other City departments and include functions such as Insurance, Worker's Compensation, Facilities, Innovation & Technology, and Equipment Rental. No significant variances were reported in these funds during Q2-2022. **[page 22]**

General Fund

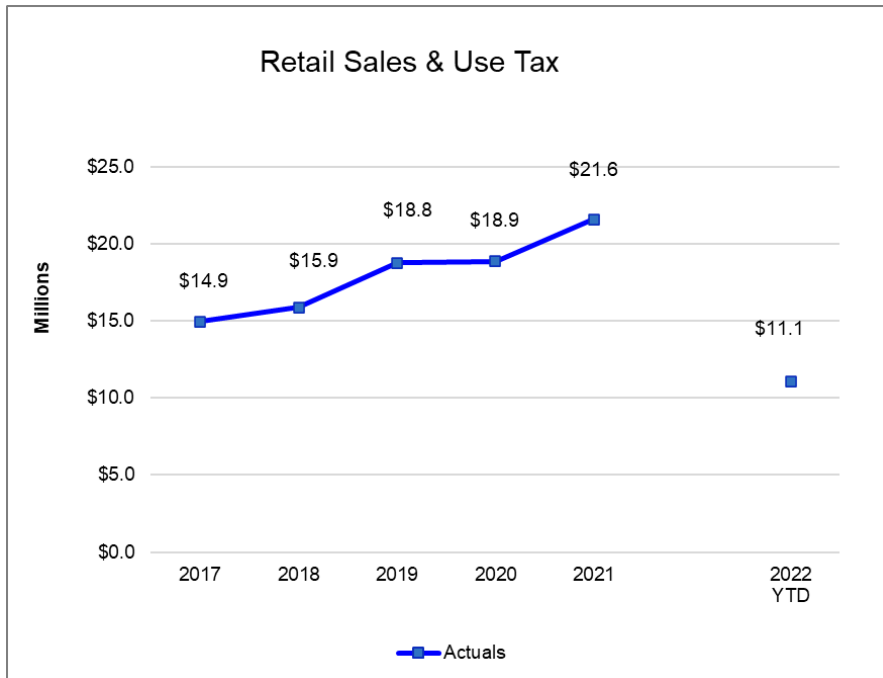
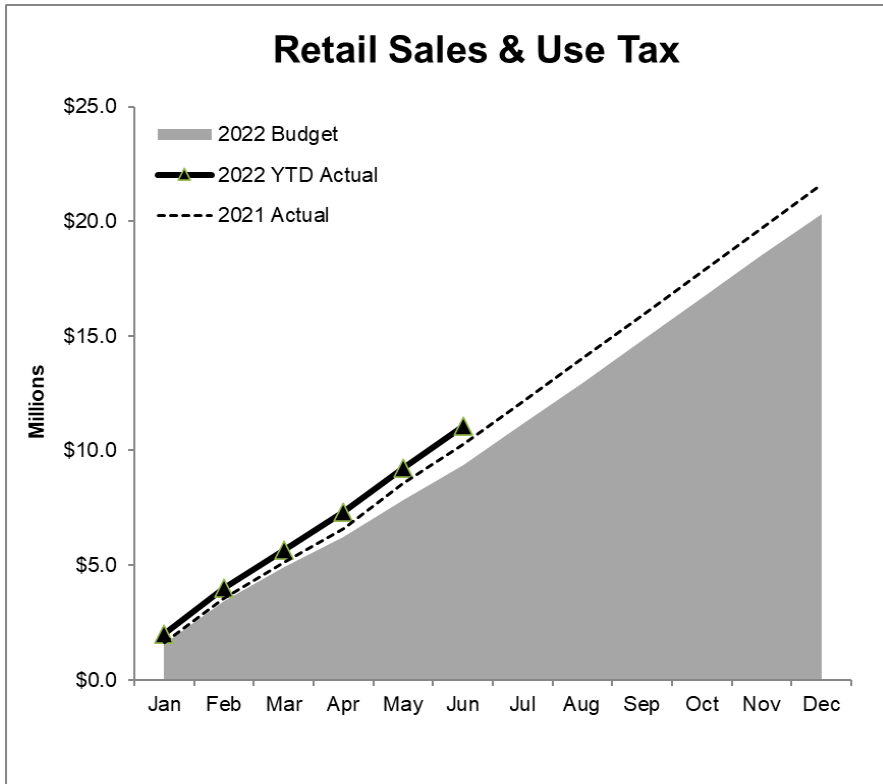
Revenues

The combined total of property, sales/use, utility, gambling, and admissions taxes provides over 70% of all resources supporting general governmental activities. The following section provides additional information on these sources.

Property Tax collections in the second quarter totaled \$11.5 million as compared to a second quarter budget of \$11.1 million. Year-to-date collections total \$12.6 million versus a budget of \$12.1 million resulting in ~\$500k above budget expectations. As depicted in the graphic below, the majority of property taxes are collected during the months of April and October, coinciding with the due dates for the County property tax billings.



Retail Sales Tax collections through Q2-2022 totaled \$11 million, representing taxes remitted to the City of Auburn based on sales from November 2021 through April 2022. Despite the COVID-19 pandemic, 2021 sales tax revenues were higher than the prior five years – and, in fact, 2021 sales tax collections were the highest on record for the City of Auburn. Sales tax revenues in the second quarter of 2022 exceed those from the second quarter of 2021, with increases in most categories, and in particular manufacturing and services. Sales tax on construction revenues are the notable exception, which saw a 6.5% decrease from Q2-2021. Overall, retail sales tax revenues are up \$789,000 or 7.7% from the same period last year.

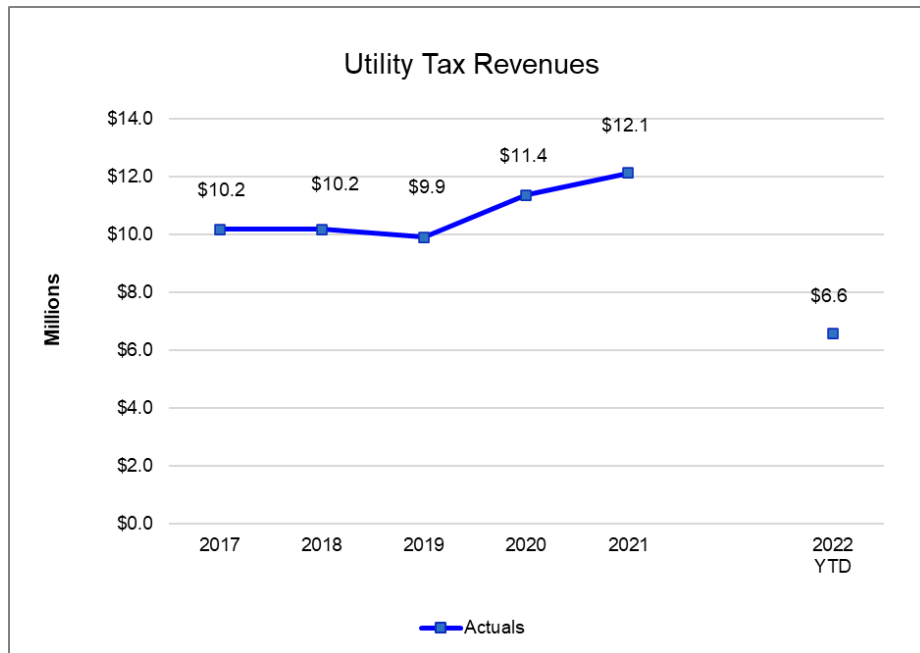
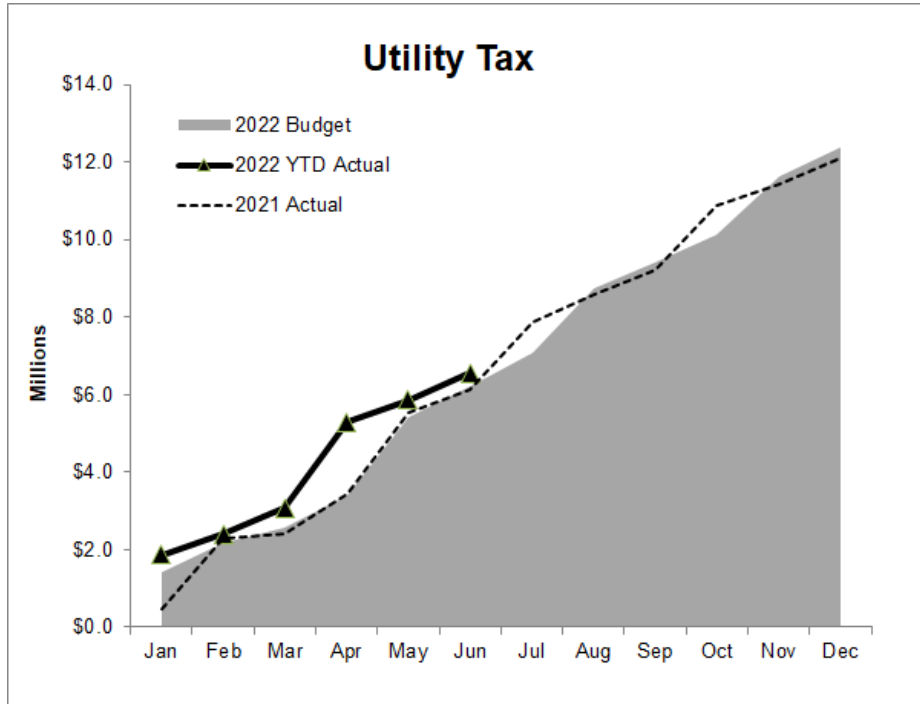


Note: The increase in sales tax revenue from 2018 to 2019 was primarily due to a policy change whereby sales tax on construction revenue is retained in the General Fund; previously, a portion was transferred to street funds. Of the year-over-year increase in sales tax revenue depicted in the graphic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

The following table breaks out the City’s retail sales taxes by major business sector.

Comparison of Retail Sales Tax Collections by Group Through June 2022				
Component Group	2021 YTD Actual	2022 YTD Actual	Change from 2021	
			Amount	Percentage
Construction	\$ 1,386,613	\$ 1,372,433	\$ (14,180)	(1.0) %
Manufacturing	176,838	484,023	307,185	173.7 %
Transportation & Warehousing	181,775	136,358	(45,417)	(25.0) %
Wholesale Trade	682,475	725,599	43,124	6.3 %
Automotive	2,186,225	2,281,327	95,102	4.4 %
Retail Trade	3,180,701	3,277,070	96,369	3.0 %
Services	2,314,579	2,615,432	300,853	13.0 %
Miscellaneous	168,429	174,471	6,042	3.6 %
YTD Total	\$ 10,277,635	\$ 11,066,712	\$ 789,077	7.7 %

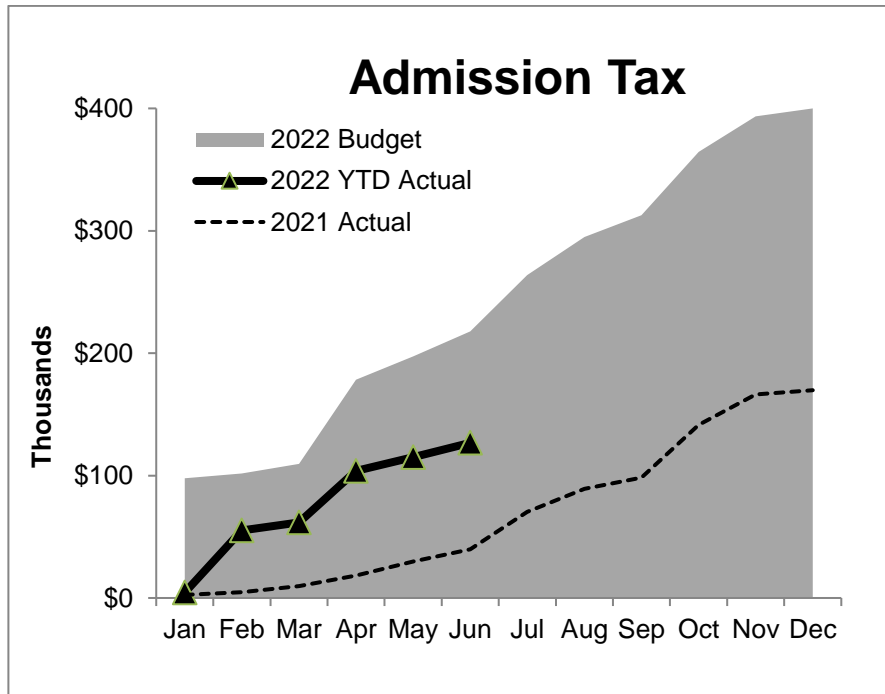
Utility Taxes consist of interfund taxes on City utilities (Water, Sewer, Storm and Solid Waste) and taxes on external utilities (Electric, Natural Gas, Telephone and Solid Waste). As noted on page 3 of this report, Council increased the City utility tax rate from 7.0% to 10.0% effective in 2021. While 1.0% of this tax revenue continues to support the Arterial Street Preservation Fund, this change increased General Fund tax revenue for Water, Sewer, Storm and Solid Waste services from the previous 6.0% to 9.0%. Overall, City utility tax revenues collected through June 2022 were \$417,600 more than what was collected through June 2021.



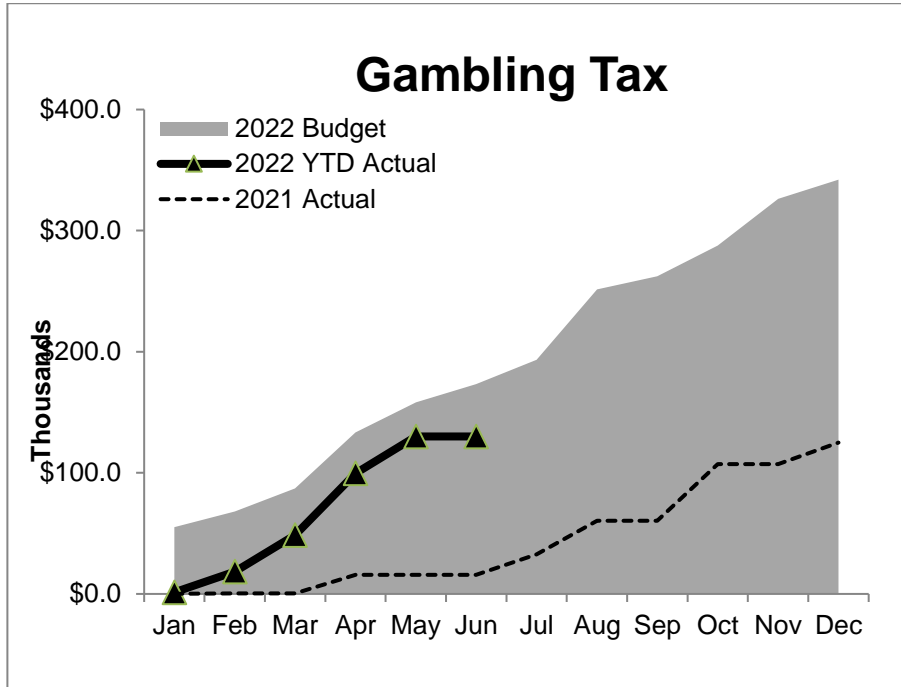
The table below demonstrates the various utility tax revenues and show actual revenues compared to budget.

Utility Tax by Type Through June 2022							
Utility Tax Type	2021 YTD Actual	2022 YTD Budget	2022 YTD Actual	2022 vs. 2021 Actual		2022 vs. Budget	
				Amount	Percentage	Amount	Percentage
City Interfund Utility Taxes	\$ 2,974,962	\$ 3,202,900	\$ 3,295,916	\$ 320,954	10.8 %	\$ 93,016	2.9 %
Electric	1,979,127	1,880,200	2,144,208	165,081	8.3 %	264,008	14.0 %
Natural Gas	709,535	764,300	809,712	100,178	14.1 %	45,412	5.9 %
Telephone	372,126	354,400	284,515	(87,610)	(23.5) %	(69,885)	(19.7) %
Solid Waste (external)	109,922	0	28,897	(81,026)	(73.7) %	28,897	
YTD Total	\$ 6,145,671	\$ 6,201,800	\$ 6,563,248	\$ 417,577	6.8 %	\$ 361,448	5.8 %

An **Admission Tax** of 5.0% is placed on charges for general admission, season tickets, cover charges, etc. Although admission tax revenues of \$127,000 collected through June 2022 were significantly higher than Q2-2021; this is due in part to COVID-19 restrictions, whereby some entertainment businesses did not reopen until the second quarter of 2021. The primary remitter of admission tax to the City of Auburn is the Auburn Regal Cinema at the Outlet Collection mall, contributing roughly 75% of these revenues between 2018-2020. However, in both 2021 and year-to-date in 2022, Regal Cinema’s contributions have dropped by half from their pre-pandemic levels. As a result, admission tax revenues are unfavorable to budget by roughly \$91,000.

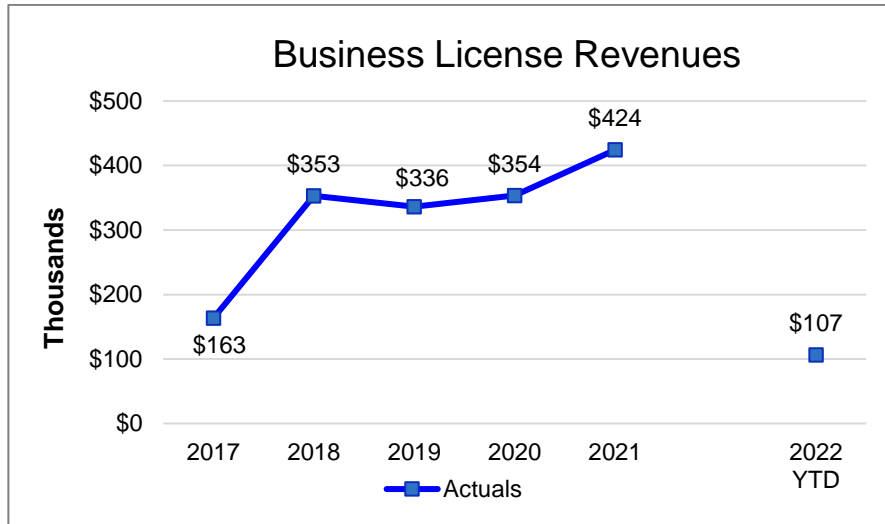
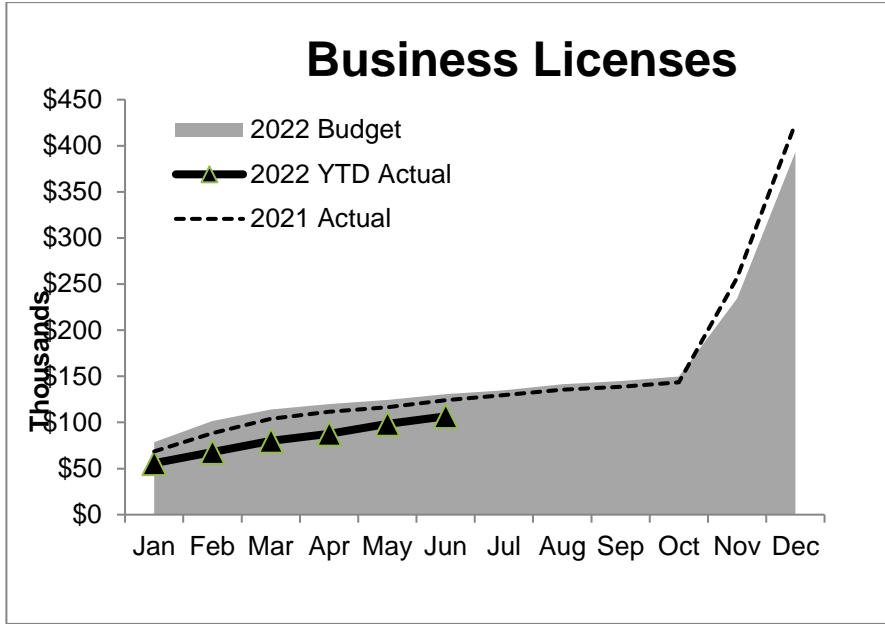


Gambling Tax applies to all card games, punch board games, pull tabs, bingo games, raffles and amusement games played within City limits. Due to COVID-19 occupancy limitations, some of these establishments did not reopen for business until the latter part of Q1-2021 and many opened at a reduced capacity. While capacity limitations were lifted at the end of Q2-2021, the effects on these entertainment style activities continue to be evident due to reduced receipts compared to normal levels.

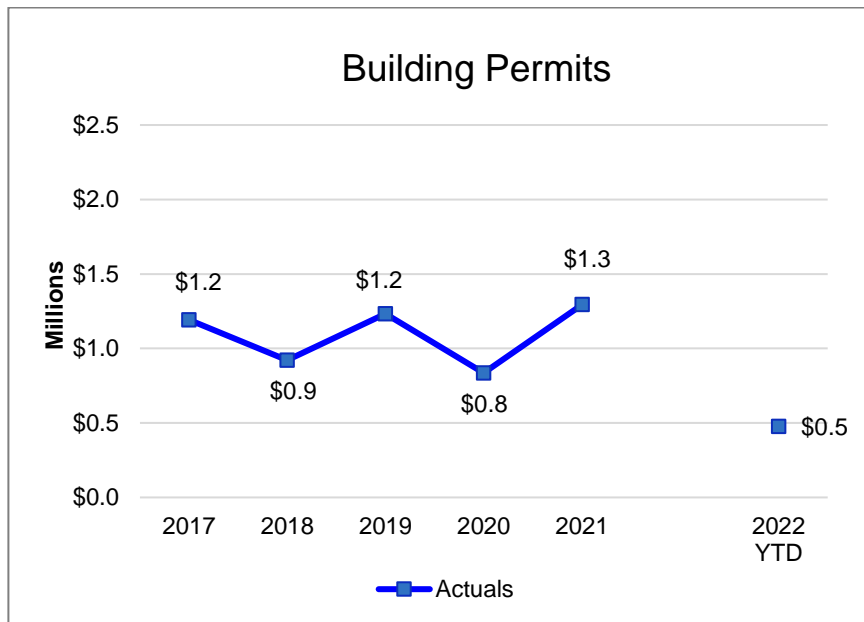
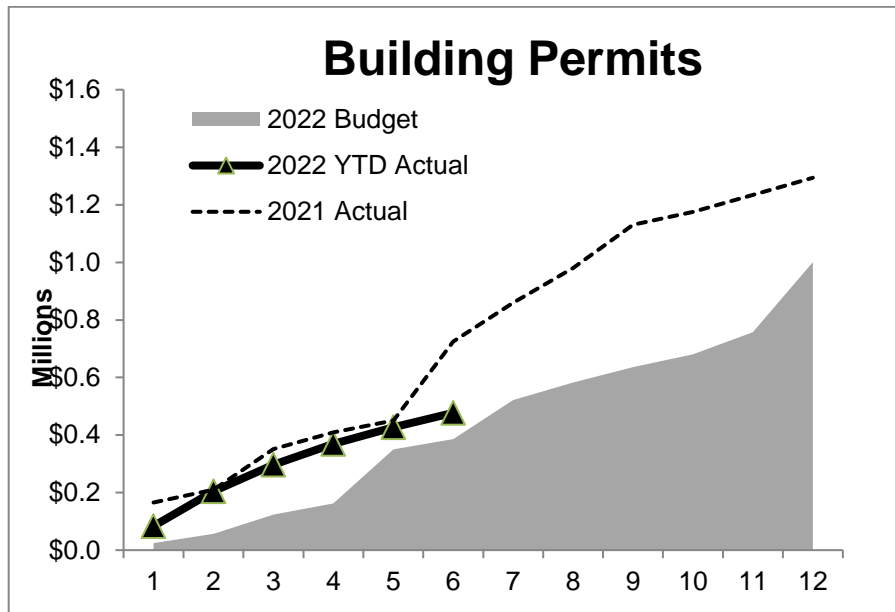


Licenses and Permits include business licenses, building permits, plumbing, electric and other licenses and permit fees. Building permit fees and business licenses make up approximately 70% of the annual budgeted revenue in this category.

The City charges an annual fee of \$103 for a **Business License** for each business that is located within the City. The City typically sends out the renewals for the following year around December of each year. Therefore, most of these revenues are collected in December for the following year or in January in the current year. Business license revenues collected through Q2-2022 totaled \$107,000, lower than the projected revenues of \$124,000. Compared to 2021 totals, YTD 2022 is unfavorable by \$17,600.

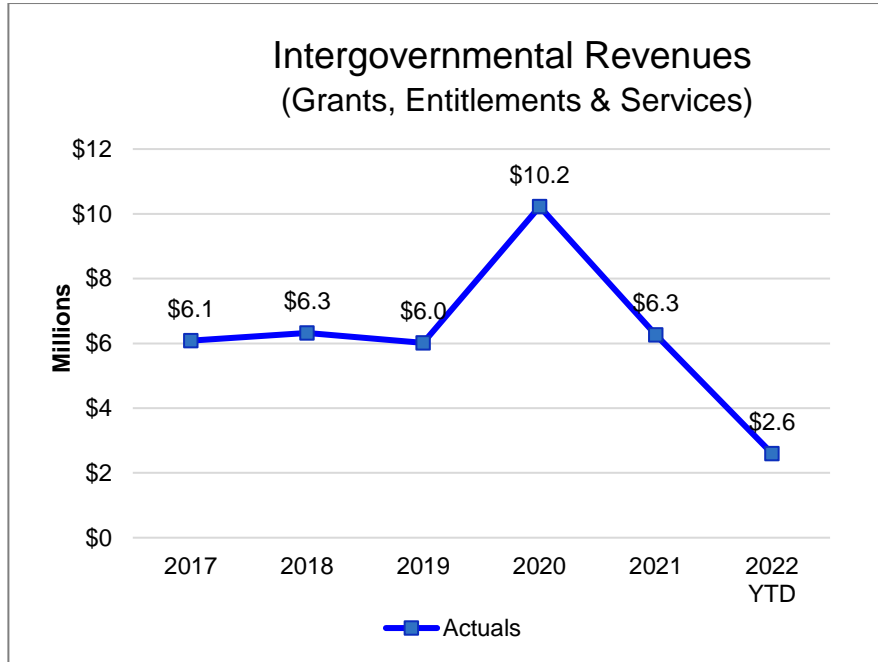


Building Permit revenues collected through June 2022 totaled \$477,000. While this is approximately \$248,000 lower than 2021 collections year-to-date, revenues were \$92,000 favorable to budget. Among the contributing factors for this favorable variance was the permitting of a seven-story mixed-use building on Main Street known as Divine Court.



Intergovernmental revenues include grants and stimulus monies (direct and indirect federal, state and local), revenue from the Muckleshoot Indian Tribe (MIT) compact as well as state shared revenues. Collections through Q2-2022 totaled \$2.6 million and were \$234,000 favorable to budget expectations. Much of this favorable variance is still due to the unbudgeted receipt of \$250,000 for Streamlined Sales Tax mitigation monies collected in March. However, state and interlocal grant collections have been minimal YTD impacting the YTD actual vs. budget variance.

Intergovernmental Revenues (Grants, Entitlements & Services)							
Through June 2022							
Revenue	2021	2022	2022	2022 vs. 2021 Actual		2022 vs. Budget	
	YTD Actual	YTD Budget	YTD Actual	Amount	% Change	Amount	% Change
Federal Grants	\$ 27,924	\$ 26,175	\$ 2,120	\$ (25,804)	(92.4) %	\$ (24,055)	93.2 %
State Grants	108,581	235,100	-	(108,581)	(100.0) %	(235,100)	216.5 %
Interlocal Grants	63,567	183,300	73,895	10,328	16.2 %	(109,405)	(1059.3) %
Muckleshoot Casino Services	385,997	485,650	385,997	-	0.0 %	(99,653)	
One-Time Allocation (SB 5092)	-	-	-	-		-	
State Shared Revenues:							
Streamlined Sales Tax	1,000,158	500,000	500,079	(500,079)	(50.0) %	79	(0.0) %
Motor Vehicle Fuel Tax	498,377	505,000	557,085	58,708	11.8 %	52,085	88.7 %
Criminal Justice - High Crime	113,625	108,200	136,636	23,011	20.3 %	28,436	123.6 %
Criminal Justice - Population	13,036	13,000	14,665	1,628	12.5 %	1,665	102.2 %
Criminal Justice - Special Prog.	46,536	48,000	52,121	5,585	12.0 %	4,121	73.8 %
Marijuana Excise Tax	82,009	93,650	111,497	29,487	36.0 %	17,847	60.5 %
State DUI	6,434	6,000	7,364	930	14.5 %	1,364	146.6 %
Fire Insurance Tax	98,371	88,400	104,661	6,289	6.4 %	16,261	258.5 %
Liquor Excise	282,049	249,288	313,219	31,170	11.1 %	63,931	205.1 %
Liquor Profit	323,785	325,000	341,600	17,815	5.5 %	16,600	93.2 %
Total State Shared:	2,464,380	1,936,538	2,138,925	(325,454)	(13.2) %	202,387	(62.2) %
YTD Total	\$ 3,050,448	\$ 2,866,763	\$ 2,600,936	\$ (449,512)	(14.7) %	\$ (265,827)	(9.3) %



Note that 2020 revenue was higher than normal due to the receipt of \$3.8 million in federal CARES grant money from the Department of Treasury.

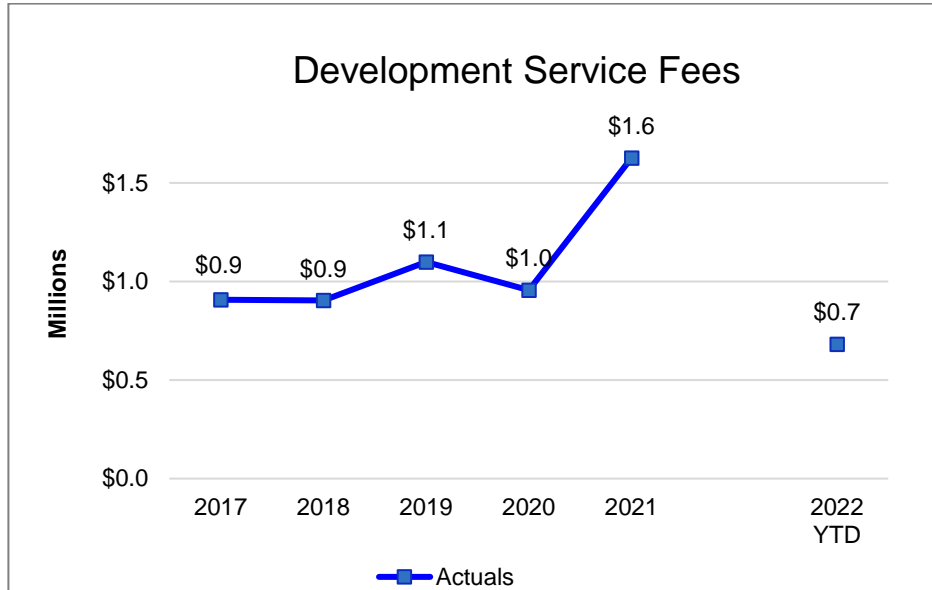
Charges for Services consist of general governmental service charges, public safety charges, development service fees, and culture and recreation fees. Total charges for services collected through June 2022 totaled \$4.3 million and was \$274,000, or 6.9%, more than expected to date.

Charges for Services by Type Through June 2022							
Revenue	2021	2022	2022	2022 vs. 2021 Actual		2022 vs. Budget	
	YTD Actual	YTD Budget	YTD Actual	Amount	Percentage	Amount	Percentage
General Government	\$ 1,663,296	\$ 1,823,175	\$ 1,728,339	\$ 65,044	3.9 %	\$ (94,836)	(5.2) %
Public Safety	689,130	494,100	439,528	(249,602)	(36.2) %	(54,572)	(11.0) %
Development Services	790,126	539,400	681,920	(108,205)	(13.7) %	142,520	26.4 %
Culture & Recreation	1,218,933	1,132,327	1,413,393	194,460	16.0 %	281,066	24.8 %
YTD Total	\$ 4,361,484	\$ 3,989,002	\$ 4,263,180	\$ (98,304)	(2.3) %	\$ 274,178	6.9 %

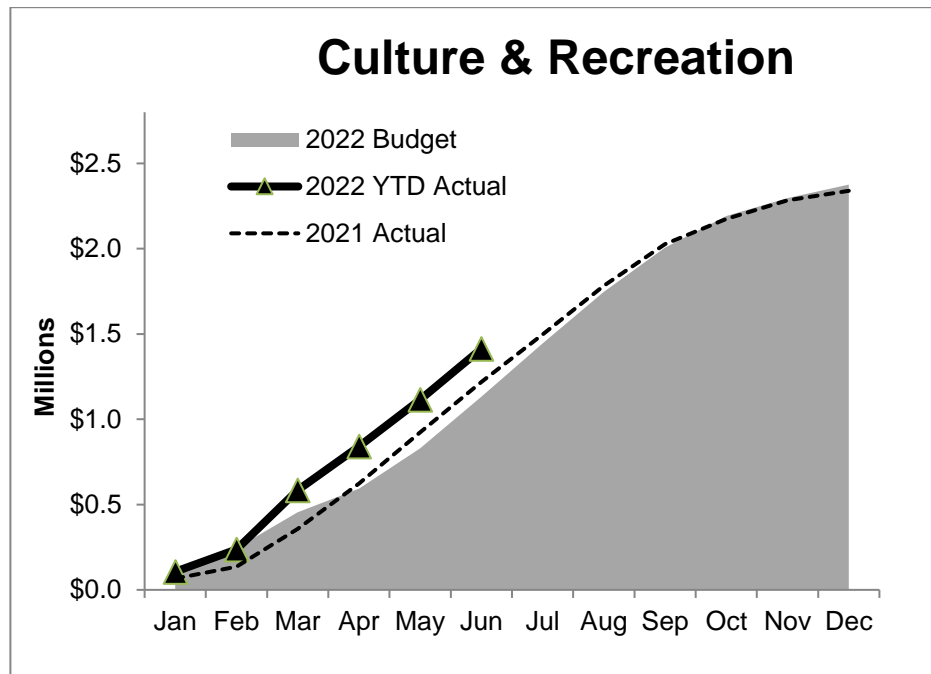
The General Government revenue category primarily includes the interfund assessment for the salary and benefit costs for support departments (Finance, Human Resources and Legal). Salary and benefit costs for these departments are charged to the respective General Fund home department and a portion of those costs are recouped from other funds via interfund charges. General Government revenues also include fees for passport services, reimbursement from cities participating in the South King Housing and Homelessness Partners (SKHHP), as well as transportation projects. The slight unfavorable variance of \$95,000 to budget is due to the timing of SKHHP revenues, which are received on a reimbursement basis.

Public safety revenues mainly consist of revenues for law enforcement services, which are extra duty security services whereby police officers are contracted for, and reimbursement is made by the hiring agency. This category also includes reimbursements from the Muckleshoot Indian Tribe (MIT) for a full-time dedicated police officer and associated expenditures as well as monies collected from the Auburn School District for services rendered. Public safety revenues collected in the second quarter of 2022 totaled \$439,500 and were \$55,500 unfavorable to budget primarily due to lower than anticipated need for extra duty security services.

Development services fee collections consist primarily of plan check fees, facility extension charges, and zoning and subdivision fees. Through Q2-2022, development service fees collected totaled \$682,000 and were \$142,500 favorable to budget expectations. Major contributors to this variance were FAC linear charges (fees assessed on projects that require extension of public facilities) as well as zoning and subdivision fees; where pre-application and preliminary plat fees were higher than expected.

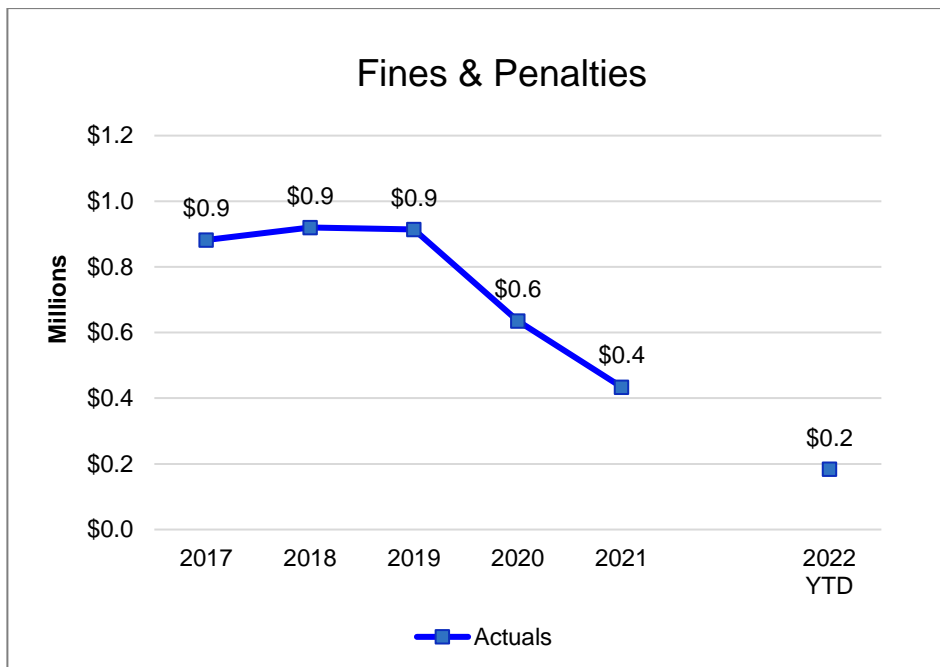
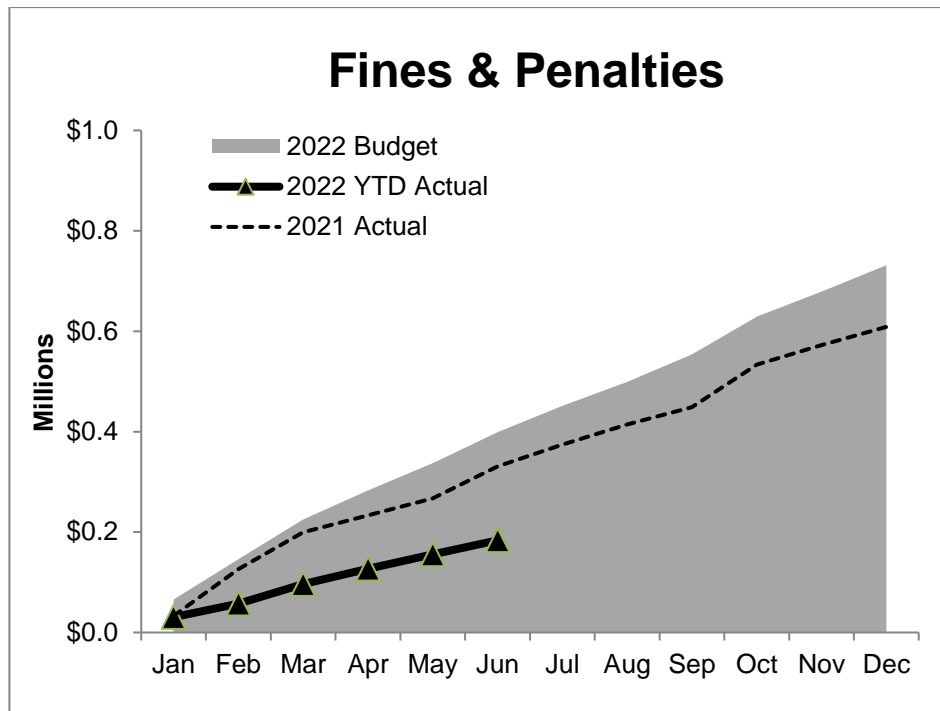


Most of the culture and recreation revenues are derived from greens fees and pro shop sales at the Auburn Golf Course, recreational classes, ticket sales at the Auburn Avenue Theater, senior programs, and special events. Overall, culture and recreation revenues exceeded budget by \$281,000, or 24.8%. Nearly 75% of year-to-date revenues have come from greens fees at the Auburn Golf Course and recreation classes. While greens fee revenues have decreased \$65,500 or -8.4% from the same period last year, recreation class revenues have increased by \$106,000 or 134.4% and special events increased by \$67,000 or 758.8%. This is primarily attributable to COVID-19 restrictions in place during Q1-2021 that have since been eased or removed.



Fines & Penalties include civil penalties (such as code compliance fines), parking and traffic infraction penalties, criminal fines (including criminal traffic, criminal non-traffic and other criminal offenses) as well as non-court fines such as false alarm fines. Total revenues collected through June 2022 totaled \$183,600 as compared to a budget of \$398,800 and were 54.0% below budget expectations primarily due to lower-than-budgeted collections in civil infraction penalties (typically consisting of traffic infractions).

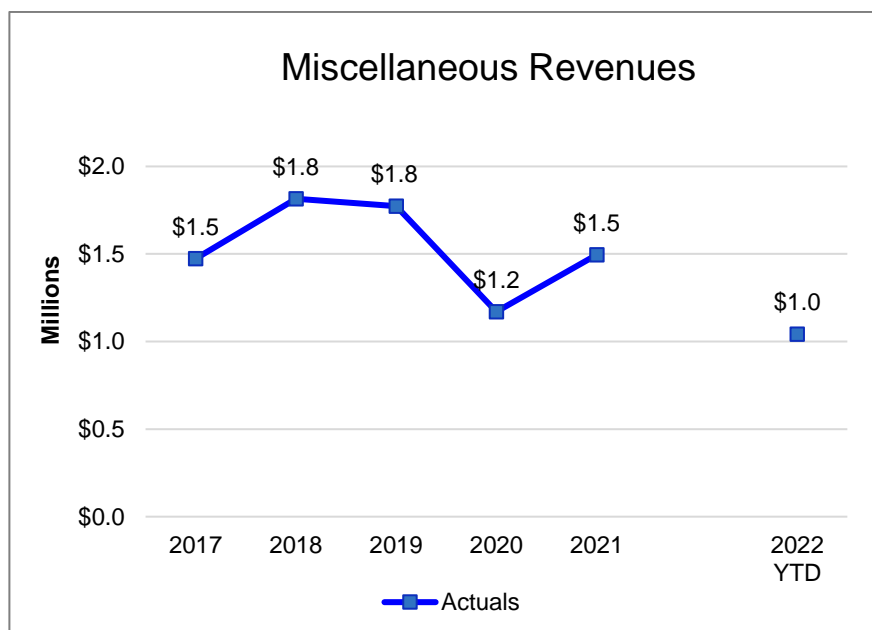
Fines & Penalties by Type Through June 2022							
Month	2021	2022	2022	2022 vs. 2021 Actual		2022 vs. Budget	
	YTD Actual	YTD Budget	YTD Actual	Amount	Percentage	Amount	Percentage
Civil Penalties	\$ 19,338	\$ 12,700	\$ 3,937	\$ (15,402)	(79.6) %	\$ (8,763)	(69.0) %
Civil Infraction Penalties	121,003	240,100	63,633	(57,370)	(47.4) %	(176,467)	(73.5) %
Redflex Photo Enforcement	2,020	-	531	(1,488)	(73.7) %	531	N/A %
Parking Infractions	26,966	55,000	44,383	17,417	64.6 %	(10,617)	(19.3) %
Criminal Traffic Misdemeanor	19,964	19,600	18,708	(1,255)	(6.3) %	(892)	(4.5) %
Criminal Non-Traffic Fines	9,816	15,100	18,179	8,362	85.2 %	3,079	20.4 %
Criminal Costs	14,340	6,300	14,601	261	1.8 %	8,301	131.8 %
Non-Court Fines & Penalties	36,729	50,000	19,655	(17,073)	(46.5) %	(30,345)	(60.7) %
YTD Total	\$ 250,177	\$ 398,800	\$ 183,627	\$ (66,549)	(26.6) %	\$ (215,173)	(54.0) %



Miscellaneous Revenues consist of investment earnings, income from facility rentals, revenue collected for golf cart rentals at the Auburn Golf Course, contributions and donations, and other income including the quarterly purchasing card (P-card) rebate monies.

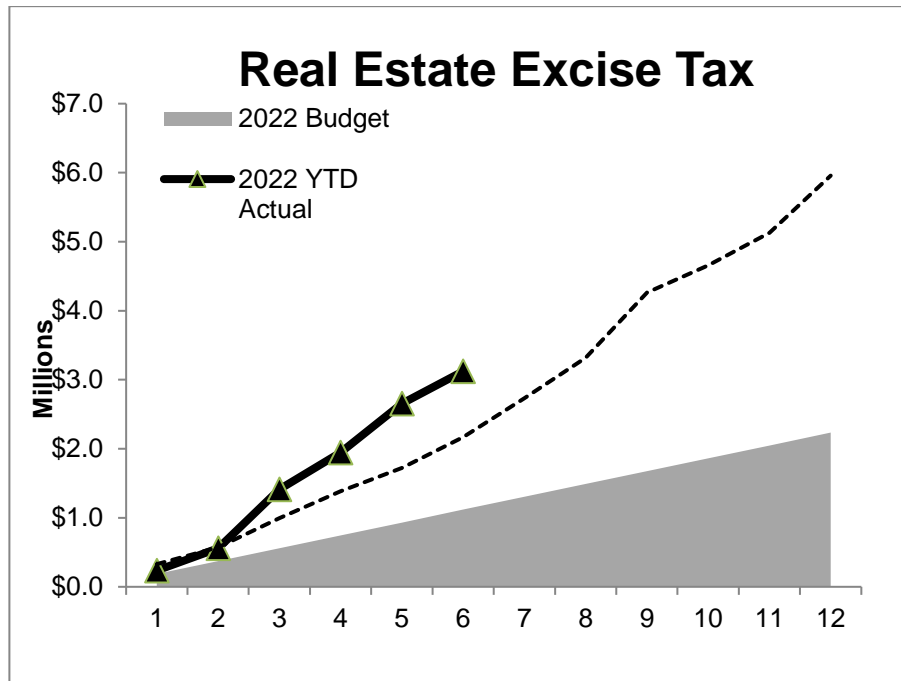
Miscellaneous Revenues by Type Through June 2022							
Month	2021 YTD Actual	2022 YTD Budget	2022 YTD Actual	2022 vs. 2021 Actual		2022 vs. Budget	
				Amount	Percentage	Amount	Percentage
Interest & Investments	\$ 2,412	\$ 45,600	\$ 156,679	\$ 154,267	6396.2 %	\$ 111,079	243.6 %
Rents & Leases	407,597	536,200	537,347	129,750	31.8 %	1,147	0.2 %
Contributions & Donations	1,973	14,200	7,654	5,680	287.8 %	(6,546)	(46.1) %
Other Miscellaneous Revenue	136,764	131,050	365,020	228,256	166.9 %	233,970	178.5 %
YTD Total	\$ 548,746	\$ 727,050	\$ 1,066,699	\$ 517,953	94.4 %	\$ 339,649	46.7 %

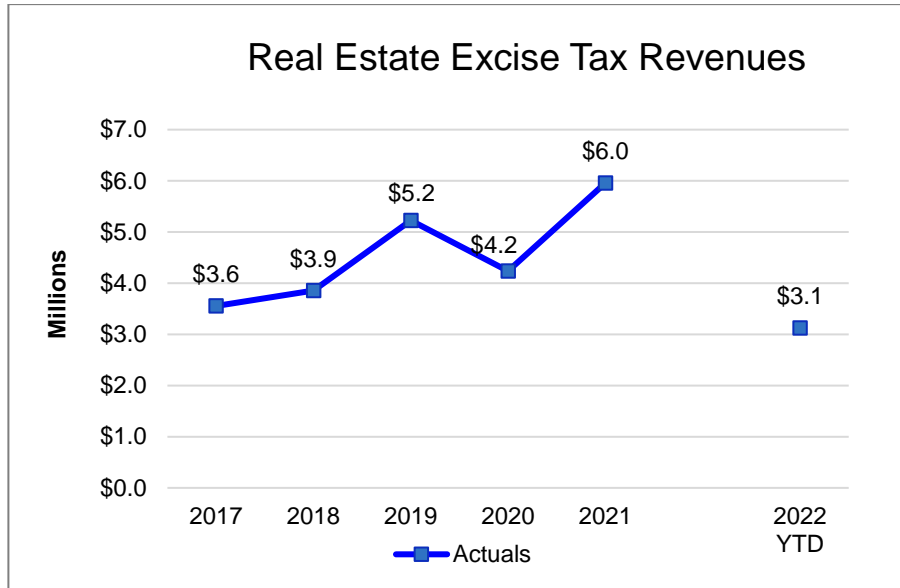
Revenues collected YTD 2022 in this category totals \$1.07 million and were \$340,000 favorable to budget. The majority of the favorable variance to budget was in the other miscellaneous revenue category, largely due to the sale of fixed assets with respect to a fire utility easement. Also contributing to the favorable variance were higher than average pre-payments for facility rentals in the interest & investments category.



Real Estate Excise Tax (REET) revenues are taxes on the sale of both commercial properties and single-family residences. These collections are receipted into the Capital Improvement Projects Fund and used for governmental capital projects. REET revenues collected year-to-date in 2022 total \$3.1 million, which is \$2.0 million or 64.2% favorable to budget expectations. This strong performance continues on the heels of 2021, which saw the highest REET revenue collections on record for the City of Auburn. This increase YTD 2022 is attributable to the continued growth of the real estate market and increase of property values. A notable contributor to the large favorable variance is the LogistiCenter property in Auburn.

Real Estate Excise Tax Revenues									
Through June 2022									
Month	2021 YTD Actual	2022 YTD Budget	2022 YTD Actual	2022 vs. 2021 Actual		2022 vs. Budget			
				Amount	Percentage	Amount	Percentage	Amount	Percentage
1	328,140	\$ 186,200	235,988	(92,152)	(28.1)	%	49,788	21.1	%
2	244,189	186,200	320,851	76,661	31.4	%	134,651	42.0	%
3	423,532	186,200	855,713	432,182	102.0	%	669,513	78.2	%
4	385,966	186,200	530,857	144,891	37.5	%	344,657	64.9	%
5	339,074	186,200	710,134	371,060	109.4	%	523,934	73.8	%
6	447,063	186,200	479,225	32,162	7.2	%	293,025	61.1	%
7	563,422	186,200							
8	585,227	186,200							
9	946,209	186,200							
10	393,570	186,200							
11	474,992	186,200							
12	825,919	186,500							
YTD Total	2,167,965	1,117,200	3,132,769	964,804	44.5%		2,015,569	64.3%	





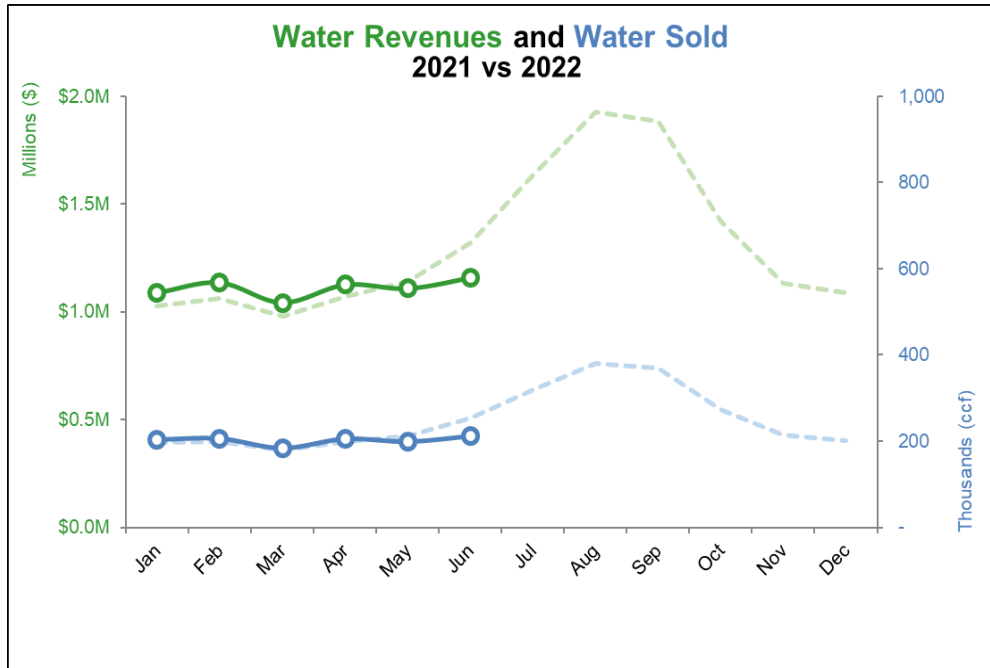
Utility Enterprise Funds

Utility activities are divided between operating funds and capital sub-funds. Operating funds house all the operating costs along with debt service and financing obligations. Capital funds show costs associated with capital acquisition and construction. Both the operating and capital funds have a working capital balance. This approach isolates those funds available for capital and cash flow needs for daily operations, and project managers will know exactly how much working capital is available for current and planned projects.

Through June 2022, the **Water Utility** had operating income of \$1.5 million (operating revenues less operating expenditures), approximately \$225,000 above the same period as last year. Water Fund operating revenues were \$165,000 or 2.5% higher than Q2-2021; the majority of this variance was due to stronger performance in water sales revenue, which was offset by lower interest earnings. Operating expenditures decreased by \$60,000 mainly due to decreased in debt service interest payments. This decrease was partially offset by increased City utility tax expenditures.

Billable water consumption through June 2022 totaled 1,210,141 hundred cubic feet (ccf), a decrease of 29,600 ccf (2.4%) over Q2-2021. The largest driver of this decrease were single family and duplex, and irrigation, while commercial saw an increase over last year.

There is also a trend of decreased year-over-year consumption on a *per account* basis due largely to conservation efforts and appliance efficiency improvements, which are anticipated in the Utilities Comprehensive Plan.



Through June 2022, the **Sewer Utility** finished with operating income of \$706,000 as compared to \$509,000 through June 2021. Operating revenues were up \$357,000 or 8.2% from the same period last year due to stronger performance in charges for City sewer service. Operating expenses were up \$161,000 mainly due to increased City interfund utility tax payments, as well as increased personnel and interfund service costs.

In the second quarter of 2022, the **Stormwater Utility** had operating income of \$1.3 million compared with \$1.1 million in the same period last year. Operating revenues were up \$250,000 compared to Q2-2021 due to charges for City storm service. As most Stormwater Utility charges are based on a flat rate, there are not typically significant fluctuations in this revenue.

Operating expenditures in the Stormwater Utility were up \$80,000 compared to the second quarter of last year. This increase was mainly due to higher interfund utility tax payments.

Internal Service Funds

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

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

Contact Information

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

SALES TAX SUMMARY
JUNE 2022 SALES TAX DISTRIBUTIONS (FOR APRIL 2022 RETAIL ACTIVITY)

NAICS	CONSTRUCTION	2021 Annual Total (Nov '20-Oct '21)	2021 YTD (Nov '20-Apr '21)	2022 YTD (Nov '21-Apr '22)	YTD % Diff
236	Construction of Buildings	1,822,597	921,180	743,625	-19.3%
237	Heavy and Civil Construction	204,312	98,712	88,653	-10.2%
238	Specialty Trade Contractors	1,007,202	447,472	540,155	20.7%
TOTAL CONSTRUCTION		\$ 3,034,111	\$ 1,467,364	\$ 1,372,433	-6.5%
<i>Overall Change from Previous Year</i>				\$ (94,931)	

NAICS	MANUFACTURING	2021 Annual Total (Nov '20-Oct '21)	2021 YTD (Nov '20-Apr '21)	2022 YTD (Nov '21-Apr '22)	YTD % Diff
311	Food Manufacturing	10,030	4,529	8,322	83.8%
312	Beverage and Tobacco Products	14,270	6,880	6,985	1.5%
313	Textile Mills	728	415	449	8.1%
314	Textile Product Mills	2,905	1,509	1,873	24.1%
315	Apparel Manufacturing	1,759	962	560	-41.7%
316	Leather and Allied Products	612	237	320	35.2%
321	Wood Product Manufacturing	21,166	7,057	16,494	133.7%
322	Paper Manufacturing	5,379	2,083	2,888	38.7%
323	Printing and Related Support	53,224	20,189	48,979	142.6%
324	Petroleum and Coal Products	15	5	5	6.2%
325	Chemical Manufacturing	14,340	5,071	6,549	29.1%
326	Plastics and Rubber Products	7,555	3,807	4,439	16.6%
327	Nonmetallic Mineral Products	18,959	8,551	8,520	-0.4%
331	Primary Metal Manufacturing	8,894	8,348	567	-93.2%
332	Fabricated Metal Product Manuf	38,660	14,789	23,665	60.0%
333	Machinery Manufacturing	17,222	9,789	10,059	2.8%
334	Computer and Electronic Product	15,944	10,008	19,168	91.5%
335	Electric Equipment, Appliances	1,074	592	2,432	311.0%
336	Transportation Equipment Man	219,977	50,688	289,292	470.7% c
337	Furniture and Related Products	14,021	6,990	8,074	15.5%
339	Miscellaneous Manufacturing	34,746	14,341	24,383	70.0%
TOTAL MANUFACTURING		\$ 501,480	\$ 176,838	\$ 484,023	173.7%
<i>Overall Change from Previous Year</i>				\$ 307,185	

NAICS	TRANSPORTATION AND WAREHOUSING	2021 Annual Total (Nov '20-Oct '21)	2021 YTD (Nov '20-Apr '21)	2022 YTD (Nov '21-Apr '22)	YTD % Diff
481	Air Transportation	0	0	0	N/A
482	Rail Transportation	21,189	8,150	11,110	36.3%
483	Water Transportation	0	0	0	N/A
484	Truck Transportation	30,906	12,799	15,664	22.4%
485	Transit and Ground Passengers	2	0	114	N/A
488	Transportation Support	46,167	23,185	25,854	11.5%
491	Postal Service	736	405	410	1.3%
492	Couriers and Messengers	265,381	131,485	78,027	-40.7%
493	Warehousing and Storage	8,727	5,750	5,179	-9.9%
TOTAL TRANSPORTATION		\$ 373,108	\$ 181,775	\$ 136,358	-25.0%
<i>Overall Change from Previous Year</i>				\$ (45,417)	

NAICS	WHOLESALE TRADE	2021 Annual Total (Nov '20-Oct '21)	2021 YTD (Nov '20-Apr '21)	2022 YTD (Nov '21-Apr '22)	YTD % Diff
423	Wholesale Trade, Durable Goods	1,066,703	522,795	558,076	6.7% b
424	Wholesale Trade, Nondurable	337,782	148,581	156,899	5.6%
425	Wholesale Electronic Markets	19,109	11,099	10,624	-4.3%
TOTAL WHOLESALE		\$ 1,423,595	\$ 682,475	\$ 725,599	6.3%
<i>Overall Change from Previous Year</i>				\$ 43,124	

NAICS	AUTOMOTIVE	2021 Annual Total (Nov '20-Oct '21)	2021 YTD (Nov '20-Apr '21)	2022 YTD (Nov '21-Apr '22)	YTD % Diff
441	Motor Vehicle and Parts Dealer	4,296,210	2,062,292	2,149,310	4.2%
447	Gasoline Stations	259,015	123,933	132,017	6.5%
TOTAL AUTOMOTIVE		\$ 4,555,224	\$ 2,186,225	\$ 2,281,327	4.4%
<i>Overall Change from Previous Year</i>				\$ 95,102	

NAICS	RETAIL TRADE	2021 Annual Total (Nov '20-Oct '21)	2021 YTD (Nov '20-Apr '21)	2022 YTD (Nov '21-Apr '22)	YTD % Diff
442	Furniture and Home Furnishings	290,161	142,223	122,821	-13.6%
443	Electronics and Appliances	343,833	161,230	190,052	17.9%
444	Building Material and Garden	802,678	377,933	369,628	-2.2%
445	Food and Beverage Stores	487,109	228,770	266,301	16.4%
446	Health and Personal Care Store	391,338	195,648	207,623	6.1%
448	Clothing and Accessories	1,122,519	541,691	561,704	3.7%
451	Sporting Goods, Hobby, Books	334,027	162,191	177,415	9.4%
452	General Merchandise Stores	916,949	476,664	463,044	-2.9%
453	Miscellaneous Store Retailers	1,493,818	741,050	780,751	5.4%
454	Nonstore Retailers	279,532	153,302	137,732	-10.2%
TOTAL RETAIL TRADE		\$ 6,461,966	\$ 3,180,701	\$ 3,277,070	3.0%
<i>Overall Change from Previous Year</i>				\$ 96,369	

NAICS	SERVICES	2021 Annual Total (Nov '20-Oct '21)	2021 YTD (Nov '20-Apr '21)	2022 YTD (Nov '21-Apr '22)	YTD % Diff
51*	Information	759,640	377,003	419,158	11.2%
52*	Finance and Insurance	157,662	79,057	83,003	5.0%
53*	Real Estate, Rental, Leasing	448,984	225,469	226,274	0.4%
541	Professional, Scientific, Tech	481,644 a	211,650	272,389	28.7%
551	Company Management	48	19	80	318.1%
56*	Admin. Supp., Remed Svcs	792,428	406,876	386,403	-5.0%
611	Educational Services	44,374	18,529	22,554	21.7%
62*	Health Care Social Assistance	99,456	54,247	66,781	23.1%
71*	Arts and Entertainment	74,095	19,617	35,208	79.5%
72*	Accommodation and Food Svcs	1,429,205	623,271	715,407	14.8%
81*	Other Services	632,779	297,358	387,180	30.2% d
92*	Public Administration	3,918	1,483	996	-32.8%
TOTAL SERVICES		\$ 4,924,232	\$ 2,314,579	\$ 2,615,432	13.0%
<i>Overall Change from Previous Year</i>				\$ 300,853	

NAICS	MISCELLANEOUS	2021 Annual Total (Nov '20-Oct '21)	2021 YTD (Nov '20-Apr '21)	2022 YTD (Nov '21-Apr '22)	YTD % Diff
000	Unknown	0	0	0	N/A
111-115	Agriculture, Forestry, Fishing	7,443	4,488	5,105	13.7%
211-221	Mining & Utilities	37,007	16,447	8,684	-47.2%
999	Unclassifiable Establishments	365,056	147,494	160,683	8.9%
TOTAL SERVICES		\$ 409,506	\$ 168,429	\$ 174,471	3.6%
<i>Overall Change from Previous Year</i>				\$ 6,042	

NAICS	GRAND TOTAL	2021 Annual Total (Nov '20-Oct '21)	2021 YTD (Nov '20-Apr '21)	2022 YTD (Nov '21-Apr '22)	YTD % Diff
TOTAL		\$ 21,683,222	\$ 10,358,386	\$ 11,066,712	6.8%
<i>Overall Change from Previous Year</i>				\$ 708,326	

Total June 2022 Sales Tax Distributions **\$ 1,838,207**

Percent Change from June 2021 **1.3%**

Comparisons:

June 2021 **\$ 1,815,220**

June 2020 **\$ 1,315,118**

Includes Adjustments in excess of +/- \$10,000.

- a. WA State Department of Revenue adjustment to sales tax returns for July 2021 Reporting (adjustment: \$42,412).
- b. WA State Department of Revenue adjustment to sales tax returns for January 2022 Reporting (adjustment: -\$23,324).
- c. WA State Department of Revenue adjustment to sales tax returns for January 2022 Reporting (adjustment: \$223,728).
- d. WA State Department of Revenue adjustment to sales tax returns for February 2022 Reporting (adjustment: \$15,861).
- e. WA State Department of Revenue adjustment to sales tax returns for May 2022 Reporting (adjustment: \$15,726).