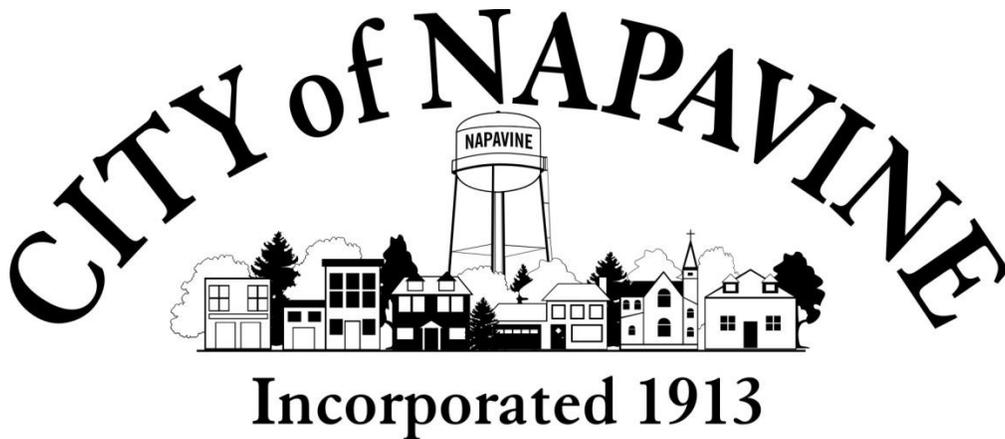


**CITY OF NAPA VINE**  
**2017 BUDGET**  
**PRELIMINARY REVENUES**



**For the Fiscal Year**

**January 1, 2017**

**Through**

**December 31, 2017**

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## 2016 BUDGET ESTIMATED ENDING CASH FLOW

2016 Estimated Year End Cash Flow									
	Beginning					Ending			
	Cash & Invest	Revenues	Transfers IN	Expenditures	Transfers Out	Cash & Invest	Restricted \$	Committed \$	Unreserved Bal
General Fund 001	265,283	857,000	-	777,160	97,020	248,103		105,795	142,308
Substance Abuse Fund	6,294	70	-	-		6,364	6,364		0
Park Improvement Fund 004	33,086	13,530		265		46,351	46,351		0
Street Fund 101	118,764	222,390	48,000	213,020	8,500	167,634	1,890		165,744
Street Improvement Fund 105	87,223	13,530	8,000	19,500		89,253	24,096	15,000	50,157
Criminal Justice Funds	1,350	42,825	48,020	19,010		73,185	73,185		0
Project Planning Fund	44,920	27,225		6,530		65,615	65,615		0
Water Fund 401	620,066	412,445		416,560	101,000	514,951	0		514,951
Water System Improvement Fund	403,839	95,800	100,000	21,775		577,864	0		577,864
USDA Bond Reserve Fund	22,710	-		-		22,710	22,710		0
Water Deposit Trust Fund	10,215	-		2,215		8,000	8,000		0
LID 2011-1 Construction Fund	-	-				-	0		0
Wastewater Fund 406	201,157	730,445	-	690,172	21,000	220,430	0		220,430
Wastewater System Improve Fund	159,307	20,465	20,000	-	-	199,772	0		199,772
Exit 71 Improvement Fund	(108)	50,000	-	49,890		2	2		0
LID 2011-1 Bond Redemption Fund	204,183	156,790	-	161,730		199,243	199,243		0
Private-Purpose Trust Funds	20,836	-	3,500	-		24,336	0		24,336
Municipal Court Trust Fund	27	120		50		97	97		0
Agency Funds	555	20,000		20,500		55	55		0
<b>Total</b>	<b>2,199,707</b>	<b>2,662,635</b>	<b>227,520</b>	<b>2,398,377</b>	<b>227,520</b>	<b>2,463,965</b>	<b>447,607</b>	<b>120,795</b>	<b>1,895,563</b>
			2,890,155		2,625,897				

Note: Ozone project \$280,000 in Water System Improvement Fund

## 2017 PRELIMINARY BUDGET SUMMARY (CASH FLOW)

2017 Preliminary Cash Flow Estimate									
	Beginning					Ending			
	Cash & Invest	Revenues	Transfers IN	Expenditures	Transfers Out	Cash & Invest	Restricted \$	Committed \$	Unreserved Bal
General Fund 001	248,103	768,425	-	769,485	49,000	198,043	-	97,395	100,648
Substance Abuse Fund	6,364	75	-	500		5,939	5,939		-
Park Improvement Fund 004	46,351	10,630		13,500		43,481	43,481		-
Street Fund 101	167,634	193,890	48,000	232,005	5,500	172,019			172,019
Street Improvement Fund 105	89,253	10,650	5,000	36,000		68,903	34,696	15,000	19,207
Criminal Justice Funds	73,185	30,220	-	30,400		73,005	73,005		-
Project Planning Fund	65,615	21,390		28,000		59,005	59,005		-
Water Fund 401	514,951	431,160		377,545	51,000	517,566	-		517,566
Water System Improvement Fund	577,864	15,150	50,000	317,900		325,114	-		325,114
USDA Bond Reserve Fund	22,710	-		-		22,710	22,710		-
Water Deposit Trust Fund	8,000	-		8,000		0	-		0
Wastewater Fund 406	-	775,500	-	693,115	21,000	61,385	-		61,385
Wastewater System Improve Fund	220,430	19,935	20,000	115,000		145,365	-		145,365
Exit 71 Improvement Fund	199,772	280,000		280,000		199,772	2		199,770
LID 2011-1 Bond Redemption Fund	2	67,395		84,630		(17,233)	182,008		(199,242)
Private-Purpose Trust Funds	199,243	-	3,500	22,000		180,743	-		180,743
Municipal Court Trust Fund	24,336					24,336	97		24,240
Agency Funds	97					97	55		42
<b>Total</b>	<b>2,463,910</b>	<b>2,624,420</b>	<b>126,500</b>	<b>3,008,080</b>	<b>126,500</b>	<b>2,080,250</b>	<b>420,998</b>	<b>112,395</b>	<b>1,546,857</b>
		2,750,920		3,134,580					

# FINANCIAL INFORMATION

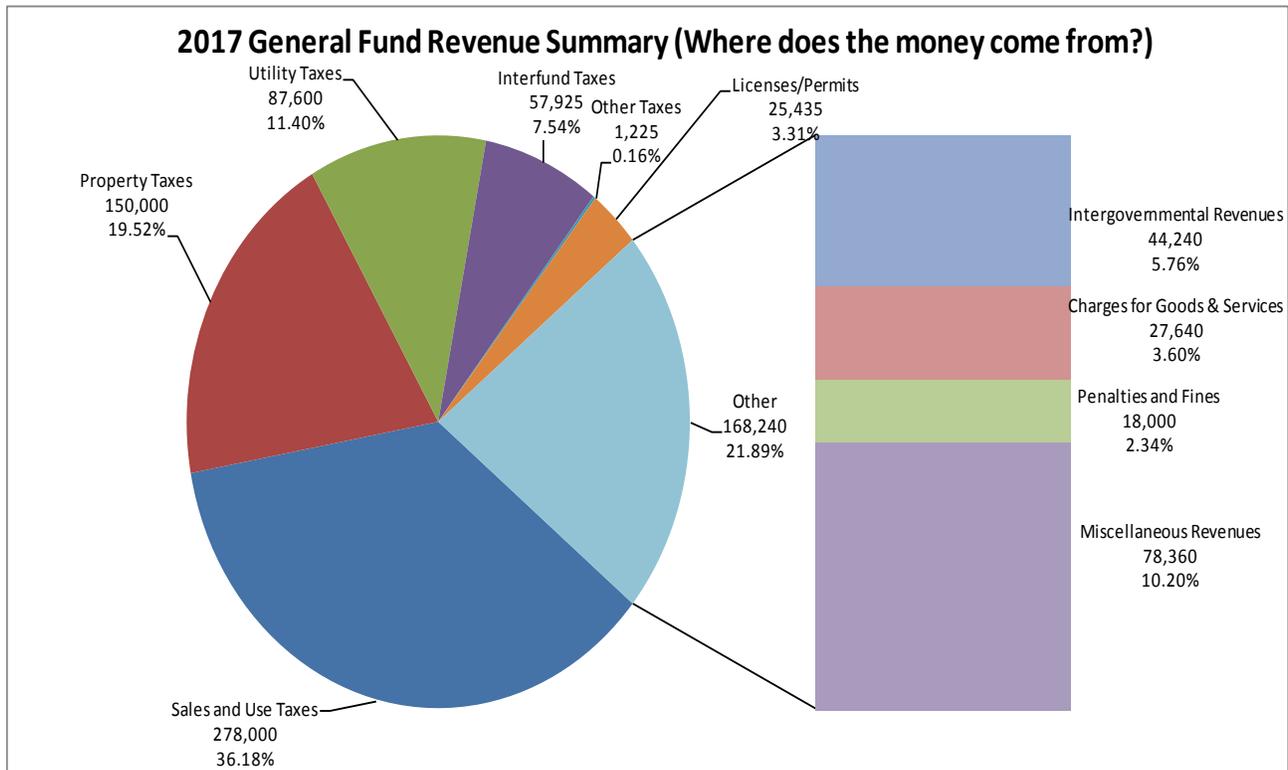
## GOVERNMENTAL FUND TYPES

All governmental funds share a common measurement focus and basis of accounting. Under the current financial resources measurement focus, the object of the operating statement is to report near-term inflows and out-flows of financial or spendable resources.

### GENERAL FUND

This is the main operating fund of the City which includes revenues and expenditures not required by codes to be accounted for separately. Revenues include taxes, license and permit fees, Intergovernmental revenues (State Shared Revenues), charges for goods and services, court fines, grant funding, and administrative fees.

### GENERAL FUND REVENUES SUMMARY

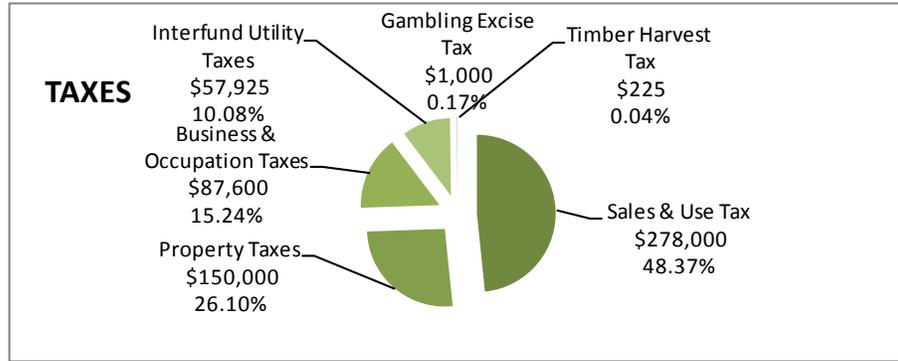


CITY OF NAPAVINE 2017 PRELIMINARY BUDGET						
GENERAL FUND						
SUMMARY BY REVENUE TYPE AND EXPENDITURE BY DEPARTMENT						
BEGINNING FUND	Amended	Actual	ADOPTED	Estimate Y/E	Preliminary	% Chg
BALANCE:	2015	2015	2016	2016	2017	16-17
January 1	194,970	216,086	216,181	265,283	248,103	14.77%
						% Chg
<b>REVENUES</b>						<b>16-17</b>
Property Taxes/Timber Harvest	139,050	140,078	141,120	139,855	150,225	6.45%
Sales and Use Taxes	250,000	277,979	275,000	278,500	278,000	1.09%
CJ Sales Tax (move to 110 CJ Fund)	25,000	26,657	-	-	-	N/A
Business & Occupation Taxes	144,835	135,926	146,385	141,910	146,525	0.10%
Licenses/Permits	51,795	28,304	24,705	25,730	25,435	2.95%
Intergovernmental Revenues	40,195	47,283	37,100	44,255	44,240	19.25%
Charges for Goods & Services	40,955	34,597	21,540	28,735	27,640	28.32%
Penalties and Fines	29,665	18,101	18,630	16,845	18,000	-3.38%
Miscellaneous Revenues	72,500	75,366	76,565	78,900	78,360	2.34%
Other Financing Sources	-	38	-	100,000	-	N/A
Non-Revenues/Insurance Recoveries	-	-	-	2,270	-	N/A
<b>TOTAL REVENUES</b>	<b>793,995</b>	<b>784,329</b>	<b>741,045</b>	<b>857,000</b>	<b>768,425</b>	<b>3.69%</b>
Transfers In	0	0	10,025	-	-	-100.00%
<b>TOTAL REVENUES &amp; TRANSFERS-IN</b>	<b>793,995</b>	<b>784,329</b>	<b>751,070</b>	<b>857,000</b>	<b>768,425</b>	<b>2.31%</b>

## Tax Revenues

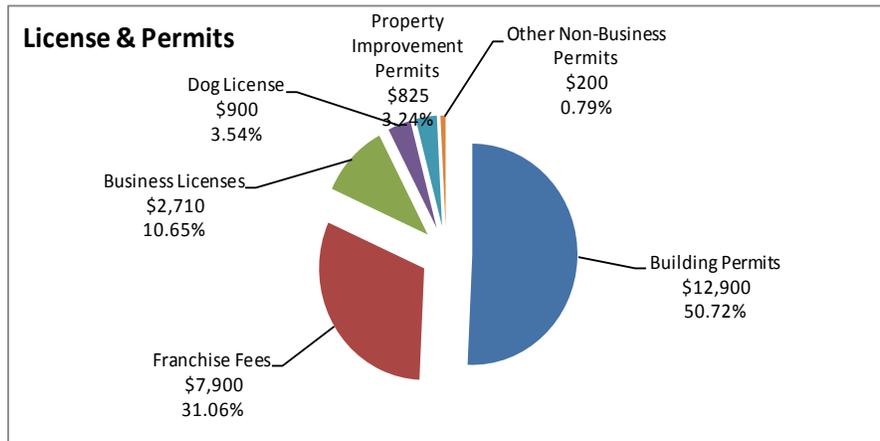
- Retail Sales Tax estimated in the amount of \$278,000 for 2017.
- Property Taxes (Levy estimated amount \$292,000 split 50/50 with the Street Fund) however the new State Assessed Utilities is yet to be determined, which the city needs to budget for an increase or the city will not be allowed to collect property taxes on this value. The 2016 actual levy amount for City of Napavine was \$276,760. The allowable 1% increase over 2016 levy limit is estimated to be \$2,768. The value of the new construction in 2016 was \$3,208,000 X last year's (2016) levy rate of \$2.133372671074 allows an increase in property levy for new construction in the amount of \$6,844. If the State Assessed Utilities increase; the levy estimate could result in an additional levy amount of up to \$46, which is quite conservative since the past two years the value of State Assessed Utilities has gone down. The city annexed properties along Woodard Road and Koontz Road by Ordinance 535 in November 2015, which will increase the city of Napavine's property value by \$1,458,100 resulting in an additional levy amount of \$3,219 totaling the 2017 levy amount to budget for round up to \$290,135. The city certifies to collect \$1,865 in administrative refunds for the 2017 tax year.
- Utility Taxes include telephone, cable, and electric utilities at a 5% rate. While reviewing revenues for the General Fund, the telephone utility tax has steadily declined since 2012 for a total of 34.70% or \$12,539. By state law the maximum rate a city may impose on utilities is 6%, while the city of Napavine currently charges 5%. If the city were to raise the allowed utility tax by 1% to the maximum of 6%, the city could recognize an increase in taxes on electric, cable and telephone utility services in the amount of \$5,000
- Inter-fund Taxes on water & wastewater services from Utility Billing at a 5% rate of utility services. If the city desired to increase the utility tax on these services by 1% to a total of 6% utility tax, the city could recognize an increase in Inter fund taxes in the amount of \$11,585.
- Gambling Excise Tax based on 1% of gross receipts. (Gross sales less prize awards)

- Forest Timber Tax



### Licenses and Permits

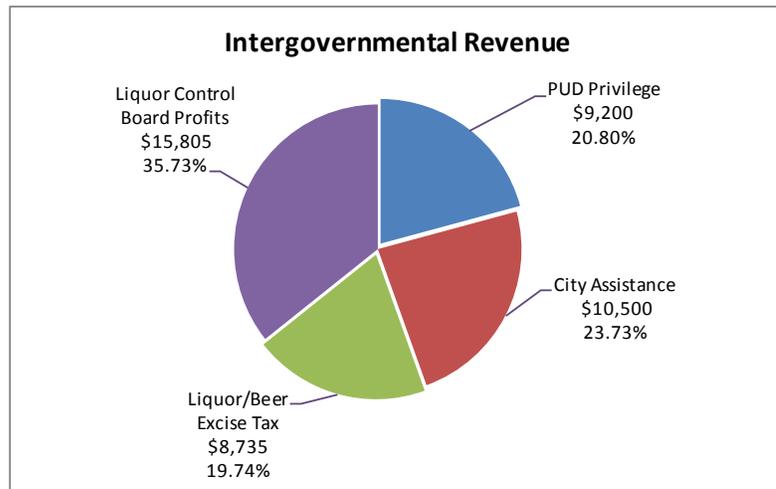
- Business Licenses
- Franchise Fees
- Building Permits
- Animal License
- Miscellaneous Permits



### Intergovernmental Revenue

- Indirect Federal Grants
- State Grants
- State Shared Revenues:
- PUD Privilege
- **City Assistance**

- RCW 82.45.60 imposes an excise tax of 1.028% on each sale of real property within Washington State. A portion of this tax (1.6%) must be deposited in the city-county assistance account that is created in RCW 43.08.290 for the purpose of providing assistance for certain cities and counties that meet the qualifications of the statute. These funds were originally intended to mitigate the loss of the motor vehicle excise tax (MVET) that was distributed to local governments as a means of equalization of sales tax. The city anticipates receiving \$10,500. The city assistance funds are distributed quarterly on January, April, July and October. For funds to be distributed on those dates, the transfers must be made in the previous month. January payment is remitted in December of the year in which the certification is made, then in March, June and September of



the coming year. This means that, for budgeting purposes, cities are dealing with two different certification years (2017-2018).

The formula used to allocate city funding is based on a sales tax and property tax equalization formula, and the 2005 MVET backfill levels. Cities with a population of 5,000 or less qualify to receive distributions equal to the greater of 1) 55 % sales tax equalization on first 0.5 percent local sales tax or 2) 55% property tax equalization based on per capital assessed values per \$1,000 assessed value; or 3) their 2005 MVET backfill allocation, or \$11,100 for Napavine.

- **Liquor Excise Tax**

Initiative 1183, passed in November 2011, privatized the distribution and retail sale of liquor, effective June 1, 2012. 2012 legislation resulted in a permanent diversion of \$10 million per year of city and county money from the liquor excise tax fund to the state general fund. The reduction in liquor excise tax distributions is applied to cities and counties in the same proportion as the initial tax distribution; 80% of the liquor excise tax is distributed to cities and 20% to counties. The 2015-2017 state budget (ESSB 6052) returned the distribution from the liquor excise tax to 35% of revenues collected. This distribution is based on population or per Capita, which the Office of Financial Management (OFM) estimates Napavine's 2017 population at 1,870. The anticipated revenue in this category is \$8,735

- **Liquor Board Profits**

Under Initiative 1183 the state now collects revenue in the form of license fees from distributors and retailers. A portion of these "liquor profits" (the Liquor Control Board (LCB) continues to call these funds "liquor profits") goes to cities, counties, and border cities and counties. Section 302 of Initiative 1183, now codified as RCW 66.24.065. The distribution of spirits license fees under RCW 66.24.630 and 66.24.055 through the liquor revolving fund to border areas, counties, cities, towns and the municipal research center must be made in a manner that provides that each category of recipients receive, in the aggregate, no less than it received from the liquor revolving funds during comparable periods prior to December 8, 2011. An additional distribution of ten million dollars per year from the spirits license fees must be provided to border areas, counties, cities, and towns through the liquor revolving fund for the purpose of enhancing public safety programs. Three-tenths of one percent (.03) is distributed to border cities and counties. Then the remaining amount gets distributed as follows; 80% to cities (49,289,686) equals \$39,431,748 annually, and 20% to counties (49,289,686) equals \$9,857,936 annually.

Each city and county has to split its distributions so that it can account separately for the portion that can be spent for any general fund purpose and the portion that must be spent to enhance public safety programs; 20.23% must be used for public safety purposes. This distribution is also based on population estimates for 2017 of 1,870 for an anticipated revenue amount of \$15,805, which \$3,198 is restricted for public safety purposes.

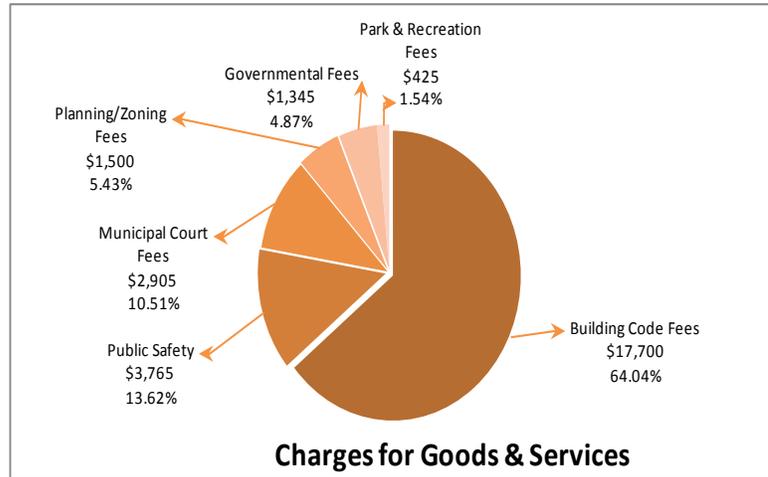
The following Intergovernmental Revenues are restricted in their use by state law:

- Two percent (2%) of liquor taxes and profits must be devoted to support an approved alcoholism or drug addiction program per RCW 70.96A.087 (Note: Cities that do not have their own facility or program for the treatment and rehabilitation of alcoholics and other drug addicts may share in the use of a facility or program maintained by another city or county so long as it contributes no less than 2% of its share of *liquor taxes* and *profits* to the support of the facility or program) in

order to be eligible to receive these distributions. The 2% amount of liquor taxes and profits restricted is estimated in the amount of \$495 which the city of Napavine remits to Lewis County for alcoholism or drug addiction programs.

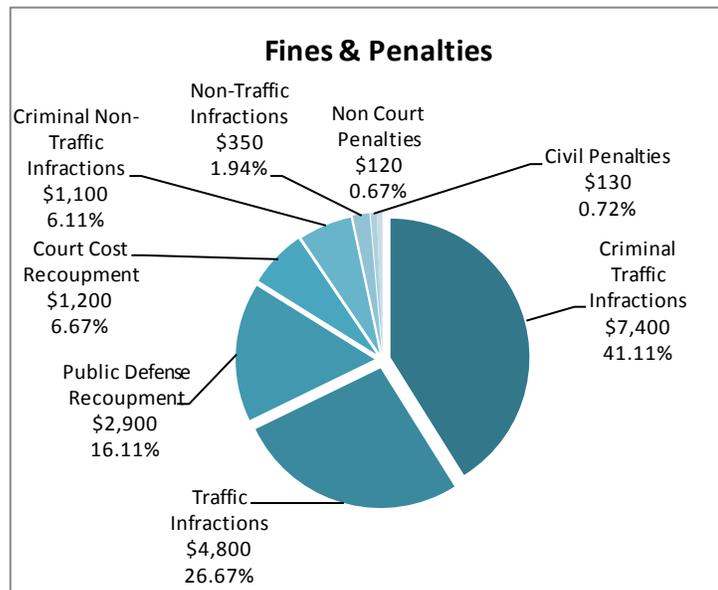
### Charges for Goods and Services

- Building Code Fees
- Municipal Court Fees
- Physical Environment
- Planning Fees (SEPA, etc.)
- Park & Recreation Fees
- Governmental Fees



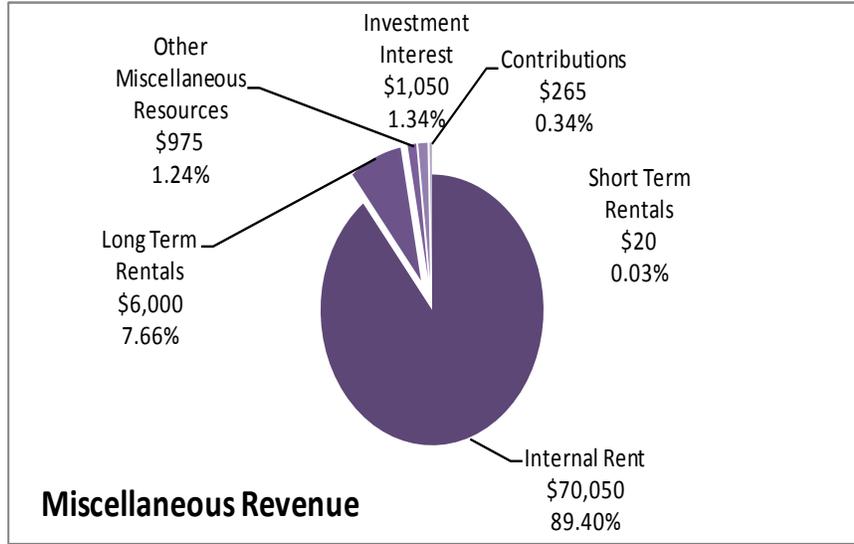
### Court Fines & Penalties

- Criminal Traffic Fines
- Traffic Infraction Fines
- Criminal Court Costs
- Criminal Non-Traffic Fines
- Non-Traffic Fines
- Civil Penalties
- Penalties on business licenses and Accounts Receivables late fees



### Miscellaneous Revenues

- Internal Rent
- Other Miscellaneous
- Investment Interest
- Contributions/Donations
- Short-term Rentals



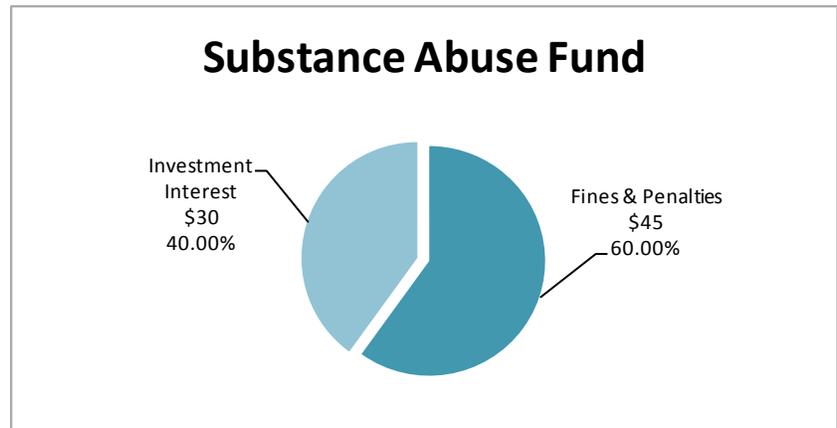
## SUBSTANCE ABUSE FUND

This fund was established from the proceeds of seized evidence from drug trafficking cases and establishing a fine for all drug cases that was prosecuted by the Napavine Police Department. The resources in this fund may be used for the care and custody of evidence, training and education related to drugs.

CITY OF NAPAVINE 2017 PRELIMINARY BUDGET						
SUBSTANCE ABUSE FUND						
SUMMARY BY REVENUE TYPE AND EXPENDITURE BY DEPARTMENT						
<b>BEGINNING FUND</b>	<b>Adopted</b>	<b>Actual</b>	<b>ADOPTED</b>	<b>Estimate Y/E</b>	<b>Preliminary</b>	<b>% Change</b>
<b>BALANCE:</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>	<b>16-17</b>
<b>January 1</b>	<b>6,230</b>	<b>6,222</b>	<b>6,410</b>	<b>6,294</b>	<b>6,364</b>	<b>-0.72%</b>
	<b>Adopted</b>	<b>Actual</b>	<b>ADOPTED</b>	<b>Estimate Y/E</b>	<b>Preliminary</b>	<b>% Change</b>
<b>REVENUES</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>	<b>16-17</b>
Fines & Penalties	160	43	45	40	45	0.00%
Investment Interest	25	29	25	30	30	20.00%
<b>Total Revenues</b>	<b>185</b>	<b>72</b>	<b>70</b>	<b>70</b>	<b>75</b>	<b>7.14%</b>

### Substance Abuse Revenue

- Fines
- Investment Interest



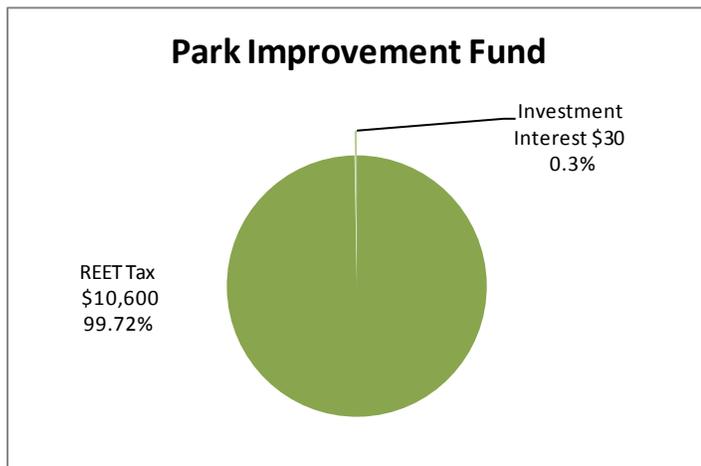
## PARK IMPROVEMENT FUND

This fund is used for capital improvement to the city's parks. This fund is used to account for one-half the money collected from the first quarter percent real estate excise tax (REET) authorized under RCW 82.46.010 (2). The revenues from this tax must be used by any city or county with a population of five thousand or less and any city or county that does not plan under RCW [36.70A.040](#) for any capital purpose identified in a capital improvements plan and local capital improvements, including those listed in RCW [35.43.040](#).

CITY OF NAPAVINE 2017 PRELIMINARY BUDGET						
PARK IMPROVEMENT FUND						
SUMMARY BY REVENUE TYPE AND EXPENDITURE BY DEPARTMENT						
BEGINNING FUND	Amended	Actual	ADOPTED	Estimate Y/E	Preliminary	% Change
BALANCE:	2015	2015	2016	2016	2017	16-17
January 1	30,037	29,667	30,550	33,086	46,351	51.72%
	Amended	Actual	ADOPTED	Estimate Y/E	Preliminary	% Change
REVENUES	2015	2015	2016	2016	2017	16-17
REET Tax	12,480	10,596	5,135	13,500	10,600	106.43%
Miscellaneous Revenue	20	1,024	20	30	30	50.00%
<b>Total Revenue</b>	<b>12,500</b>	<b>11,620</b>	<b>5,155</b>	<b>13,530</b>	<b>10,630</b>	<b>106.21%</b>
Transfers In	-	-	-	-	-	N/A
<b>TOTAL REVENUES &amp; TRANSFERS-IN</b>	<b>12,500</b>	<b>11,620</b>	<b>5,155</b>	<b>13,530</b>	<b>10,630</b>	<b>106.21%</b>

### Park Improvement Fund Revenues

- Taxes
- Investment Interest



## SPECIAL REVENUE FUND TYPES

Special revenue funds account for revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. Restricted revenues are resources externally restricted by creditors, grantors, contributors or laws or regulations of other governments or restricted by law through constitutional provisions or enabling legislation. Committed revenues are resources with limitations imposed by the highest level of the government, and where the limitations can be removed only by a similar action of the same governing body. Revenues do not include other financing sources (long-term debt, transfers, etc.)

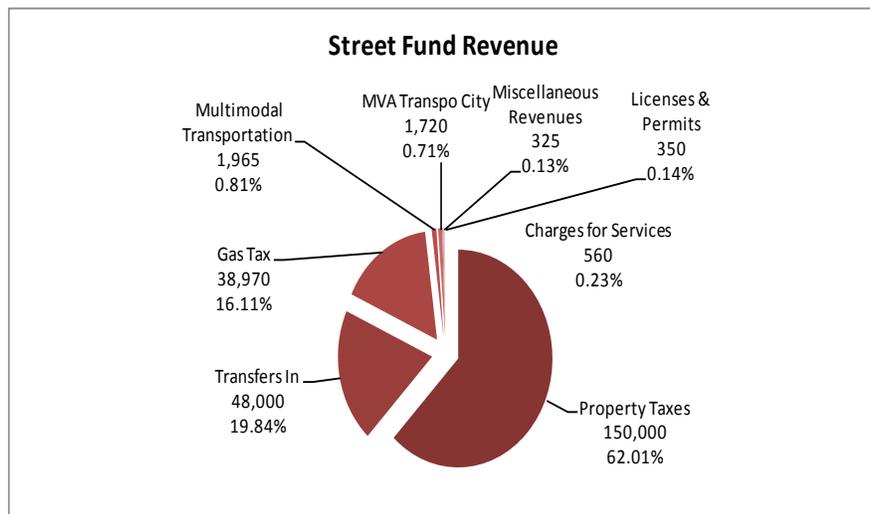
### STREET FUND

This fund is used to account for the City's share of motor vehicle fuel tax, Multi-modal distribution, increased gas tax ESSB 5987 and 50% property tax revenue and general fund resources designated to the maintenance of city streets.

<b>CITY OF NAPAVINE 2017 PRELIMINARY BUDGET</b>						
<b>STREET FUND</b>						
<b>SUMMARY BY REVENUE TYPE AND EXPENDITURES</b>						
	BUDGET	Actual	ADOPTED	Estimate Y/E	Preliminary	% Change
<b>BEGINNING FUND BALANCE:</b>	2015	2015	2016	2016	2017	16-17
<b>January 1</b>	<b>109,786</b>	<b>118,574</b>	<b>60,960</b>	<b>118,764</b>	<b>167,634</b>	<b>174.99%</b>
<b>REVENUES</b>						<b>16-17</b>
Property Taxes	139,000	139,952	141,000	139,630	150,000	6.38%
Licenses & Permits	300	350	250	325	350	40.00%
Intergovernmental Revenue	36,830	38,246	38,515	81,490	42,655	10.75%
Charges for Services	520	551	545	555	560	2.75%
Miscellaneous Revenues	370	843	340	390	325	-4.41%
<b>TOTAL REVENUES</b>	<b>177,020</b>	<b>179,942</b>	<b>180,650</b>	<b>222,390</b>	<b>193,890</b>	<b>7.33%</b>
Transfers In	47,000	47,000	48,000	48,000	48,000	0.00%
<b>Total Transfers In</b>	<b>47,000</b>	<b>47,000</b>	<b>48,000</b>	<b>48,000</b>	<b>48,000</b>	<b>0.00%</b>
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>224,020</b>	<b>226,942</b>	<b>228,650</b>	<b>270,390</b>	<b>241,890</b>	<b>5.79%</b>

### Street Fund Revenues

- Property Taxes
- Intergovernmental Revenue (State Gas Tax) Multi-modal transportation Increased gas Tax 2ESSB 5987
- Transfers-In
- Goods/Services
- Street Permits
- Miscellaneous Revenue



The 2015 legislative session adopted a transportation package 2ESSB 5987, which increased the motor vehicle fuel tax of 11.9 cents. The legislation required that these distributions be phased in over the 2015-17 and 2017-19 biennium. The result is an annual distribution to counties, cities, and towns starting with the state fiscal year 2018 (7/1/17 – 6/30/18), of \$12,556,000. These direct transfers are to be split equally between cities and counties and the distributions based on population. They will be distributed on the last day of the month in September, December, March and June.

A **reminder** that fuel taxes in Washington are assessed as cents per gallon, so fuel tax revenue depends on the number of gallons sold, not the dollar value of the sales. Also the motor vehicle fuel tax dollars are based on per capita, which Napavine's estimated population for 2016 is 1870.

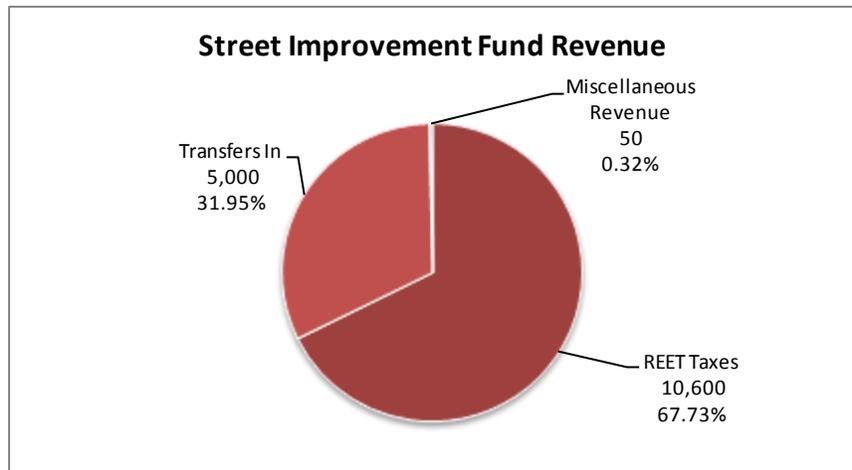
## STREET IMPROVEMENT FUND

This fund is used to account for one half of the first quarter percent real estate excise tax (REET) authorized under RCW 82.46.010 (2) and special grants that are legally restricted to the construction or maintenance of state highways within the City’s boundaries. These proceeds were required to be used “solely for financing capital projects specified in a Capital Facilities Plan element of a Comprehensive Plan.”

CITY OF NAPAVINE 2017 PRELIMINARY BUDGET						
STREET IMPROVEMENT FUND						
SUMMARY BY REVENUE TYPE AND EXPENDITURES						
	BUDGET	Actual	ADOPTED	Estimate Y/E	Preliminary	% Change
BEGINNING FUND BALANCE:	2015	2015	2016	2016	2017	16-17
January 1	41,238	48,870	55,120	87,223	89,253	61.93%
	BUDGET	Actual	ADOPTED			% Change
REVENUES	2015	2015	2016			16-17
REET Taxes	6,230	10,596	5,135	13,500	10,600	106.43%
TIB Grant Funds	589,230	74,925	-	-	-	N/A
H & H Napavine 16 (Restricted)	-	-	-	-	-	N/A
H & H Napavine Interest (Restricted)	20	29	30	20	30	0.00%
Investment Interest	-	-	-	10	20	N/A
HH Nap 16 Exit 72 Infrastructure (Restricted)	-	-	-			N/A
<b>TOTAL REVENUE</b>	<b>595,480</b>	<b>85,551</b>	<b>5,165</b>	<b>13,530</b>	<b>10,650</b>	<b>106.20%</b>
Transfers In	36,000	36,000	8,000	8,000	5,000	-37.50%
<b>Total Revenue &amp; Transfers</b>	<b>631,480</b>	<b>121,551</b>	<b>13,165</b>	<b>21,530</b>	<b>15,650</b>	<b>18.88%</b>

### Street Improvement Revenues

- REET Tax
- Investment Interest
- Transfers In



## CRIMINAL JUSTICE FUNDS

The Criminal Justice Funds were previously included in the General Fund and tracked separately from the other funds and expenditures of the fund. To simplify the tracking of the criminal justice funds which are restricted in their use by the Revised Code of Washington, in 2016 the revenues and expenditures of this nature will be moved to the Criminal Justice Fund 110.

With the repeal of the motor vehicle excise tax, the only money that cities receive by statute comes from language that says that beginning July 1, 2000, a transfer would be made from the general fund to both city accounts under RCW 82.14.320 and RCW 82.14.330. Each transfer was appropriated originally at \$4.6 million, to be increased each July by “the fiscal growth factor” in RCW 43.135.025, which is the average growth in state personal income for the prior ten years. By 2015, the distributions had grown to \$8.2 million.

Seventy percent (70%) of the revenue distributed under RCW 82.14.330 (1) (a) (ii) is handed out on a purely per capita basis.

- Criminal Justice Lo-Pop which each city receiving a minimum of \$1,000, no matter how small their population.
  - Criminal Justice Lo-Pop is restricted per RCW 82.14.330 for criminal justice purposes for non-recurring expenditures, which may also be used for criminal judicial purposes.
- RCW 82.14.330 (2) (a) (ii) allocates 54 percent to innovative law enforcement strategies, programs to help at-risk children or child abuse victim response programs and programs designed to reduce the level of domestic violence or to provide counseling for domestic violence victims. The funds for these areas are distributed by the Office of the State Treasurer on a strictly per capita basis. While there is a requirement that these funds be spent in these specific areas, there is not requirement of how much must be spent in each area. All of the distribution could be spent in one area if the city wishes.
- Criminal Justice Special Programs
  - The Criminal Justice Special Programs, formerly referred to as CTED Funds is restricted per RCW 82.14.330 (2)(b) for Innovative Law Strategies, At-Risk Children, Child Abuse Prevention Programs, and Domestic Violence Prevention Programs.
- Dui Cities
  - Dui Cities and Criminal Justice Sales tax may be used for criminal justice purposes with a broad use of these funds.

The city also receives 1% sales tax for Local Criminal Justice which may be used for criminal justice purposes as law enforcement deems necessary. Currently the city is utilizing the local criminal justice funds for two new patrol vehicles.

The ending restricted fund balance of the criminal justice dollars for criminal justice purposes was transferred from the General Fund to the Criminal Justice Fund in January 2016, in the amount of \$48,020.

## CITY OF NAPAIVINE 2017 PRELIMINARY BUDGET

### CRIMINAL JUSTICE FUND 110

#### SUMMARY BY REVENUE TYPE AND EXPENDITURE BY DEPARTMENT

BEGINNING FUND BALANCE:	Amended 2015	Actual 2015	ADOPTED 2016	Estimate Y/E 2016	Preliminary 2017	% Chg 16-17
January 1	-	-	-	1,350	73,186	N/A
REVENUES	Amended 2015	Actual 2015	ADOPTED 2016	Estimate Y/E 2016	Preliminary 2017	% Chg 16-17
<b>Taxes:</b>						
Local Criminal Justice			26,250	27,000	27,000	2.86%
<b>Total Taxes</b>			<b>26,250</b>	<b>27,000</b>	<b>27,000</b>	<b>2.86%</b>
<b>State Shared Revenues:</b>						
CJ LoPop			1,000	1,000	1,000	0.00%
CJ Special Programs			1,780	1,870	1,945	9.27%
CJ DUI & Other Assistance			325	290	275	-15.38%
<b>Total State Entitle Revenues</b>			<b>3,105</b>	<b>3,160</b>	<b>3,220</b>	<b>3.70%</b>
<b>Goods &amp; Services</b>			-	<b>12,000</b>	-	N/A
Miscellaneous Revenue-Sale Surplus	1,350	1,350	-	665	-	N/A
<b>TOTAL REVENUES</b>	<b>1,350</b>	<b>1,350</b>	<b>29,355</b>	<b>42,825</b>	<b>30,220</b>	<b>2.95%</b>
Transfer In (GF Restricted \$)		-	49,350	48,020	-	-100.00%
<b>TOTAL REVENUES &amp; TRANSFERS-IN</b>	<b>1,350</b>	<b>1,350</b>	<b>78,705</b>	<b>90,845</b>	<b>30,220</b>	<b>-61.60%</b>

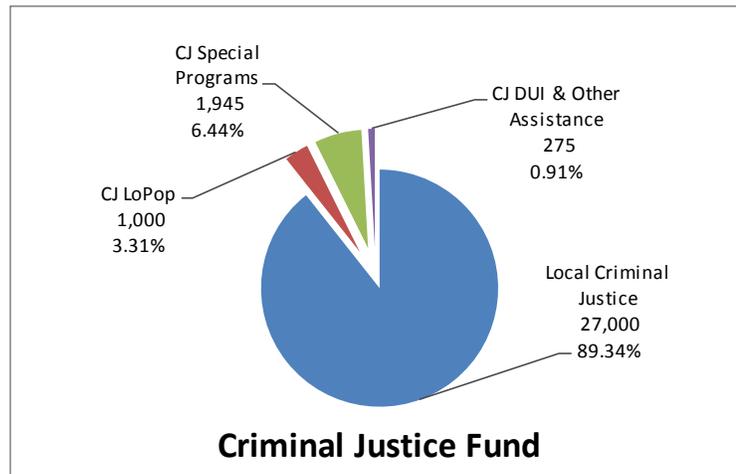
### Criminal Justice Revenues

#### Taxes

- Local Criminal Justice Sales Tax

#### Intergovernmental Revenue

- Lo-Pop
- Special Programs
- DUI



## CAPITAL PROJECT FUND TYPES

Capital project funds account for financial resources which are designated for the acquisition, construction, renovation, or major maintenance of general government capital assets.

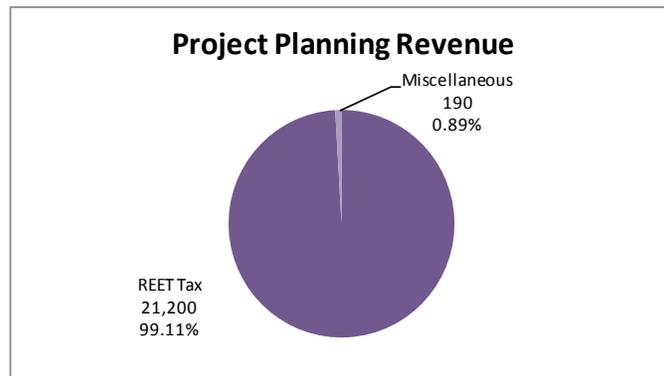
### PROJECT PLANNING FUND

This fund is used to account for the money collected from the second quarter percent real estate excise tax (REET) authorized under RCW 82.46.035 (2). These proceeds were required to be used for “public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.

<b>CITY OF NAPA VINE 2017 PRELIMINARY BUDGET</b>						
<b>PROJECT PLANNING</b>						
<b>SUMMARY BY REVENUE TYPE AND EXPENDITURES</b>						
<b>BEGINNING FUND</b>	<b>Adopted</b>	<b>Actual</b>	<b>ADOPTED</b>	<b>Estimate Y/E</b>	<b>Preliminary</b>	<b>% Change</b>
<b>BALANCE:</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>	<b>16-17</b>
<b>January 1</b>	<b>59,863</b>	<b>63,443</b>	<b>35,443</b>	<b>44,920</b>	<b>65,615</b>	<b>85.13%</b>
	<b>Adopted</b>	<b>Actual</b>	<b>ADOPTED</b>	<b>Estimate Y/E</b>	<b>Preliminary</b>	<b>% Change</b>
<b>REVENUES</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>	<b>16-17</b>
REET Taxes	12,460	21,192	10,270	27,000	21,200	106.43%
Investment Interest	155	192	140	225	190	35.71%
<b>Total Revenue</b>	<b>12,615</b>	<b>21,384</b>	<b>10,410</b>	<b>27,225</b>	<b>21,390</b>	<b>105.48%</b>
Transfers In	-	-	-	-	-	N/A
<b>REVENUE TOTALS</b>	<b>12,615</b>	<b>21,384</b>	<b>10,410</b>	<b>27,225</b>	<b>21,390</b>	<b>105.48%</b>

#### Project Planning Revenues:

- 2<sup>nd</sup> Quarter REET
- Investment Interest



## PROPRIETARY FUND TYPES

Proprietary funds are used to account for a government's business-type activities.

### ENTERPRISE FUNDS

Enterprise funds account for resources that are supported with user fees, such as water service, wastewater (sewer) service, which provides a service to customers.

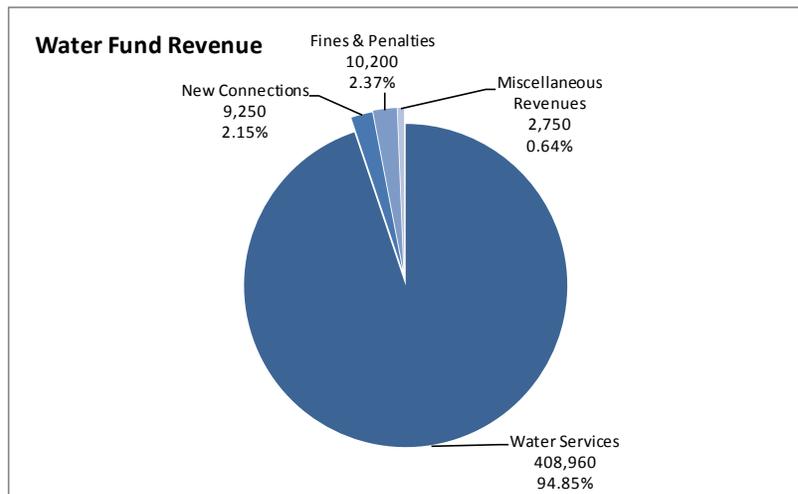
### WATER FUND

This fund is used to account for the operations of the City's water utility.

<b>CITY OF NAPA VINE 2017 PRELIMINARY BUDGET</b>						
<b>WATER FUND</b>						
<b>SUMMARY BY REVENUE TYPE AND EXPENDITURES</b>						
<b>BEGINNING FUND</b>	<b>Adopted</b>	<b>Actual</b>	<b>ADOPTED</b>	<b>Estimate Y/E</b>	<b>Preliminary</b>	<b>% Change</b>
<b>BALANCE:</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>	<b>16-17</b>
<b>January 1</b>	<b>658,805</b>	<b>662,501</b>	<b>650,596</b>	<b>620,066</b>	<b>514,951</b>	<b>-20.85%</b>
<b>REVENUES</b>						<b>16-17</b>
Goods and Services	456,175	390,684	416,375	400,495	418,210	0.44%
Fines & Penalties	9,735	7,572	7,300	8,300	10,200	39.73%
Miscellaneous Revenues	2,390	2,863	1,500	3,650	2,750	83.33%
<b>Total Revenues</b>	<b>468,300</b>	<b>401,120</b>	<b>425,175</b>	<b>412,445</b>	<b>431,160</b>	<b>1.41%</b>
<b>EXPENDITURES</b>						
Engineering	2,500	2,070	3,500	3,500	5,000	42.86%
Administration	225,655	216,616	255,735	255,735	252,305	-1.34%
Maintenance	61,000	43,662	51,000	51,000	24,750	-51.47%
Utility Operating Expenditures	33,805	28,414	50,350	50,350	41,850	-16.88%
<b>Total Enterprise Expenses</b>	<b>322,960</b>	<b>290,762</b>	<b>360,585</b>	<b>360,585</b>	<b>323,905</b>	<b>-10.17%</b>

### Water Fund Revenues

- Goods & Services:
  - Water Service (Rates have not increased since 2010)
  - Water Connection Fees (No fee increase for 2017; 50% of connection fee is recorded in the Water Fund and 50% in the Water System Improvement Fund)
- Fines & Penalties:
  - Late Fees - Ordinance #516 established new terms of the billing cycle adopted 12/6/2012. (Rate changed on 1/1/13, to 10% of balance owed as of the 26<sup>th</sup> of the billing month). Fee is based on the balance due for the water service.
  - Shut off Fees (Shorter time frame for customers to pay on account established in 2013)



- Other Fees (Provide landlord with copies of tenant's utility bill & any other non-usage fees)
- Miscellaneous Revenue:
  - Investment Interest
  - Miscellaneous Revenue

## WASTEWATER FUND

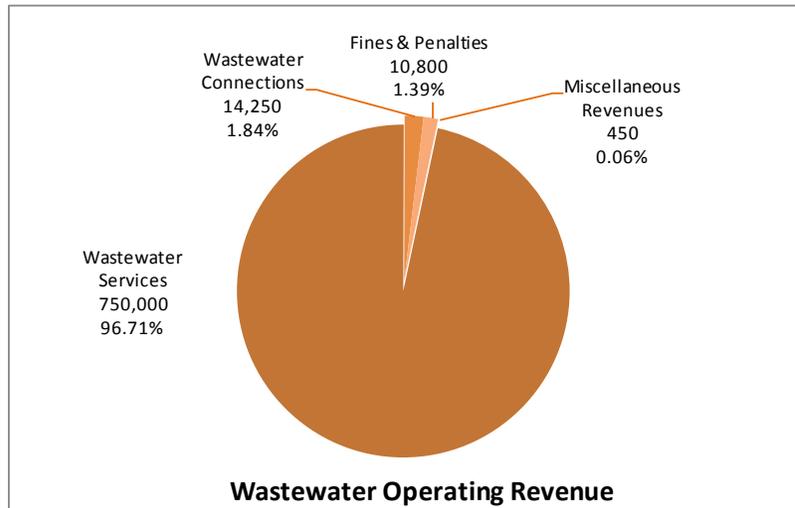
This fund is used to account for the operations of the City's wastewater (sewer) utility.

CITY OF NAPA VINE 2017 PRELIMINARY BUDGET						
WASTEWATER FUND						
SUMMARY BY REVENUE TYPE AND EXPENDITURES						
BEGINNING FUND	Adopted	Actual	Adopted	Estimate Y/E	Preliminary	% Chg
<b>BALANCE:</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>	<b>16-17</b>
January 1	110,425	131,128	139,218	201,157	220,431	58.33%
	Adopted	Actual	Adopted	Estimate Y/E	Preliminary	% Chg
<b>REVENUES</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>	<b>16-17</b>
Goods and Services	688,630	666,795	766,445	719,510	764,250	-0.29%
Fines & Penalties	8,500	9,707	9,900	10,400	10,800	9.09%
Miscellaneous Revenues	475	1,051	375	535	450	20.00%
<b>Total Revenue</b>	<b>697,605</b>	<b>677,553</b>	<b>776,720</b>	<b>730,445</b>	<b>775,500</b>	<b>-0.16%</b>

### Wastewater Fund Revenue

- Goods & Services:

- Wastewater Service (Rates were increased in 2015 which became effective on the August billing) Base rates were increased from \$47 per month to \$58 per month and the consumption rate for customers using 0-3,499 CF is \$4.50 per 100 CF and customers using greater than 3,500 CF is \$5.00 per 100 CF. A senior citizen rate was established for those that meet the criteria of an age and income bracket.



- Wastewater connection Fee

(No fee increase for 2016, 50% of connection fee is receipted into the Wastewater Fund and 50% in the Wastewater System Improvement Fund)

- Fines & Penalties

- Late Charge Fees – Ordinance #516 established new terms of the billing cycle adopted 12/6/2012. (Rate changed on 1/1/13, to 10% of balance owed as of the 26<sup>th</sup> of the billing month). Fee is based on the balance due for the wastewater service.

- Miscellaneous Revenue:

- Investment Interest
- Miscellaneous

### **UTILITY DEPOSIT TRUST FUND**

This fund is used to account for utility deposits placed with the City by utility customers, which are not funds that belong to the City. Ordinance 520 established the “customer” and/or “user” as the “property owner” and the responsible party for the utility billing on all properties, which was adopted on April 23, 2013. On April 23, 2013, the City Council eliminated the requirement of utility deposits with Ordinance 521 and the current deposits held by the city will remain until such time as the utility account is closed or transferred to the customer’s utility account.

### **USDA BOND RESERVE FUND**

This fund is used to account for the reserved amount required by USDA-Rural Development for the loan the City obtained in 1999 for the Reservoir Capital Project. The balance of this account must equal a one year payment in the amount of \$22,710. The funds in this account must remain for the life of the loan, which is anticipated to mature in 2039.

## PROPRIETARY CAPITAL FUNDS

These funds account for capital projects to upgrade the water system, referred to as Water System Improvement Fund and the wastewater system referred to as the Wastewater System Improvement Fund.

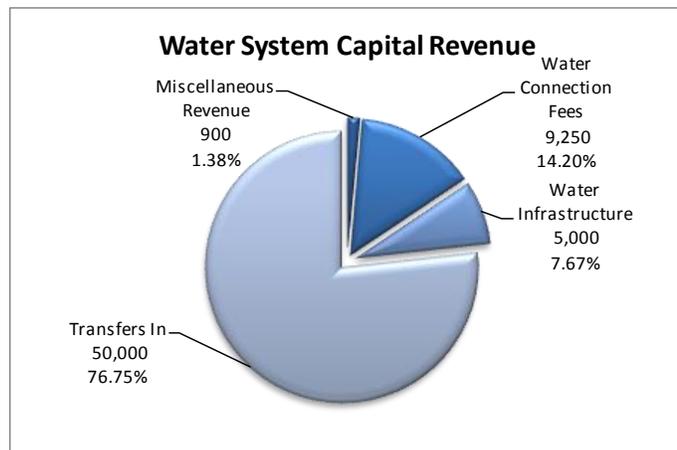
### WATER SYSTEM IMPROVEMENT FUND

This fund is to account for capital expenditures to upgrade the water system, which funds are supported from 50% of connection fees for new connections to the water system and an infrastructure fee of \$1,000 per connection.

<b>CITY OF NAPA VINE 2017 PRELIMINARY BUDGET</b>						
<b>WATER SYSTEM IMPROVEMENT FUND</b>						
<b>SUMMARY BY REVENUE TYPE AND EXPENDITURES</b>						
<b>BEGINNING FUND</b>	Amended	Actual	ADOPTED	Estimate Y/E	Preliminary	% Change
<b>BALANCE:</b>	2015	2015	2016	2016	2017	16-17
<b>January 1</b>	<b>368,372</b>	<b>373,893</b>	<b>336,753</b>	<b>403,839</b>	<b>577,864</b>	<b>71.60%</b>
<b>REVENUES</b>	Amended	Actual	ADOPTED	Estimate Y/E	Preliminary	% Change
<b>REVENUES</b>	2015	2015	2016	2016	2017	16-17
Miscellaneous Revenue	760	931	760	1,580	900	18.42%
<b>Total Miscellaneous</b>	<b>760</b>	<b>931</b>	<b>760</b>	<b>1,580</b>	<b>900</b>	<b>18.42%</b>
Capital Contributions:						
Water Connection Fees	48,100	20,600	9,250	11,875	9,250	0.00%
Water Infrastructure	26,000	9,000	5,000	5,000	5,000	0.00%
<b>Total Capital Contributions</b>	<b>74,100</b>	<b>29,600</b>	<b>14,250</b>	<b>16,875</b>	<b>14,250</b>	<b>0.00%</b>
Interfund Loan Proceeds	-	-	-	77,345	-	N/A
<b>Total Revenues</b>	<b>74,860</b>	<b>30,531</b>	<b>15,010</b>	<b>95,800</b>	<b>15,150</b>	<b>0.93%</b>
Transfers In	100,000	100,000	100,000	100,000	50,000	-50.00%
<b>Total Revenues &amp; Transfers</b>	<b>174,860</b>	<b>130,531</b>	<b>115,010</b>	<b>195,800</b>	<b>65,150</b>	<b>-43.35%</b>

#### Water System Improvement Revenue

- Water Connection Fees
- Infrastructure Fees
- Interest
- Transfers In



## LID 2011-1 REDEMPTION FUND

This fund accounts for the loan repayment established through a LID (Local Improvement District). Property owners assessments are based on buildable square footage of land (wetlands and stream buffers removed) with the property owners paying back 50% of the project cost (since WSDOH/Commerce is making 50% of the loan forgivable, basically a 50% grant). The project included installing water main, equipping a well, constructing a booster pump station and a water storage reservoir. The total project cost was \$2,832,000, resulting in a loan repayment of \$1,416,000 at a 1% interest rate over a 20 year period. The first installment of assessments on the assessment roll shall become due and payable during the 30-day period succeeding the date one year after the date of first publication by the City Treasurer of notice that the assessment roll is in her hands for collection and annually thereafter each succeeding installment shall become due and payable in like manner.

CITY OF NAPA VINE 2017 PRELIMINARY BUDGET						
LID 2011-1 BOND REDEMPTION FUND 415						
SUMMARY BY REVENUE TYPE AND EXPENDITURES						
BEGINNING FUND	Amended	Actual	Adopted	Estimate Y/E	Preliminary	% Chg
BALANCE:	2015	2015	2016	2016	2017	16-17
January 1	-	-	-	204,183	199,243	N/A
REVENUES	Amended	Actual	Adopted	Estimate Y/E	Preliminary	% Chg
	2015	2015	2016	2016	2017	16-17
Miscellaneous Revenue	-	-	-	11,985	11,235	N/A
Special Assessments	1,000	54,986	74,400	144,805	56,160	-25%
Interfund Loan Receipts	77,345	77,346	-	-	-	N/A
Debt Issued	-	149,197	-	-	-	N/A
Transfers In	-	-	2,950	-	-	-100%
<b>Total Revenues</b>	<b>78,345</b>	<b>281,529</b>	<b>77,350</b>	<b>156,790</b>	<b>67,395</b>	<b>-13%</b>

## EXIT 71 IMPROVEMENT FUND

This fund will be used to account for activity to extend water and sewer services down along Forest Napavine Road to Exit 71. The city is considering forming a utility improvement district to finance the project. The city received a \$30,000 indirect federal grant from Environmental Protection Agency and Department of Health for a feasibility study on forming a LID in September 2015. The city accepted a Pre-Construction Loan in the amount of \$300,000 with Department of Commerce/Public Works Trust Fund in regards to the Local Improvement District for this area at a 1.5% interest rate over a five (5) year period. At the October 25, 2016, city council meeting the council will vote on whether to move forward with the Pre-Construction Loan or return it.

CITY OF NAPAVINE 2017 PRELIMINARY BUDGET						
EXIT 71 IMPROVEMENT FUND 410						
SUMMARY BY REVENUE TYPE AND EXPENDITURES						
BEGINNING FUND	Amended	Actual	Adopted	Estimate Y/E	Preliminary	% Chg
BALANCE:	2015	2015	2016	2016	2017	16-17
January 1	-	-	-	(108)	2	N/A
REVENUES	Amended	Actual	Adopted	Estimate Y/E	Preliminary	% Chg
	2015	2015	2016	2016	2017	16-17
DOH/EPA Federal Grant	30,000	-	30,000	30,000	-	-100.00%
Pre-Construction Loan	-	-	300,000	20,000	280,000	-6.67%
<b>Total Revenues</b>	<b>30,000</b>	<b>-</b>	<b>330,000</b>	<b>50,000</b>	<b>280,000</b>	<b>-15.15%</b>

### Exit 71 Improvement Revenues

- Intergovernmental Revenue
  - Department of Health Federal Indirect Grant for benefit analysis.
  - Pre-Construction Loan with Department of Commerce/Public Works Trust Fund for formation of Local Improvement District (LID) formation and design down to Exit 71.

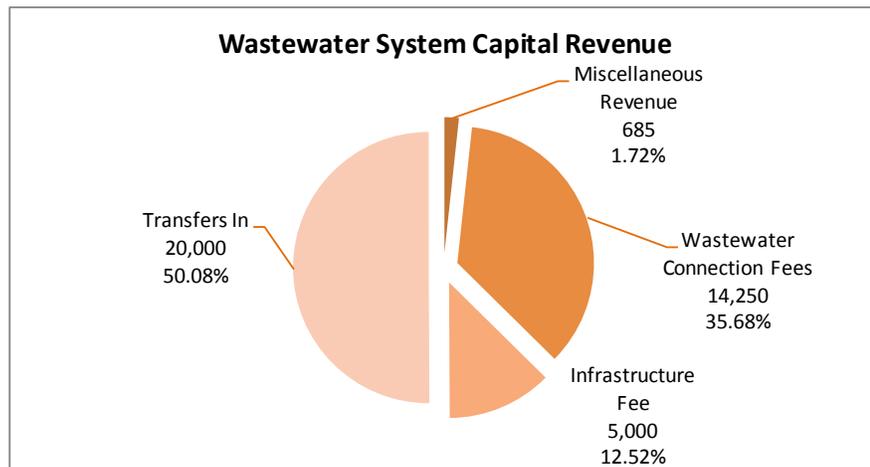
## WASTEWATER SYSTEM IMPROVEMENT FUND

This fund accounts for the capital expenditures to upgrade the wastewater system, which funds are supported from 50% of connection fees for new connections to the wastewater system and an infrastructure fee of \$1,000 per connection.

CITY OF NAPA VINE 2017 PRELIMINARY BUDGET						
WASTEWATER SYSTEM IMPROVEMENT FUND						
SUMMARY BY REVENUE TYPE AND EXPENDITURES						
BEGINNING FUND	Adopted	Actual	ADOPTED	Estimate Y/E	Preliminary	% Chg
BALANCE:	2015	2015	2016	2016	2017	16-17
January 1	57,896	75,869	134,264	159,307	199,772	48.79%
REVENUES	Adopted	Actual	ADOPTED	Estimate Y/E	Preliminary	% Chg
	2015	2015	2016	2016	2017	16-17
Miscellaneous Revenue	625	701	500	815	685	37.00%
Wastewater Connection Fees	74,100	24,550	14,250	15,650	14,250	0.00%
Infrastructure Fee	26,000	8,000	5,000	4,000	5,000	0.00%
Interfund Loan Principle	26,670	26,720	0	0	0	N/A
<b>Total Revenue</b>	<b>127,395</b>	<b>59,971</b>	<b>19,750</b>	<b>20,465</b>	<b>19,935</b>	<b>0.94%</b>
Transfers In	31,000	31,000	20,000	20,000	20,000	0.00%
<b>Total Revenues &amp; Transfers</b>	<b>158,395</b>	<b>90,971</b>	<b>39,750</b>	<b>40,465</b>	<b>39,935</b>	<b>0.47%</b>

### Wastewater System Improvement Revenue

- Capital Contributions
  - Connection Fees
  - Infrastructure Fees
- Miscellaneous Revenue
  - Investment Interest
  - Loan Interest
- Interfund Loan Repayment
- Transfers In



## FIDUCIARY FUND TYPES

Fiduciary Funds account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government’s own programs.

### **UNEMPLOYMENT COMPENSATION (PRIVATE-PURPOSE TRUST FUND)**

This fund accounts for the accumulation of resources for unemployment compensation to qualified employees terminated from employment. The City is self-insured for unemployment benefits.

<b>CITY OF NAPA VINE 2017 PRELIMINARY BUDGET</b>						
<b>UNEMPLOYMENT COMPENSATION FUND</b>						
<b>SUMMARY BY REVENUE TYPE AND EXPENDITURES</b>						
<b>BEGINNING FUND</b>	<b>Adopted</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate Y/E</b>	<b>Preliminary</b>	<b>% Change</b>
<b>BALANCE:</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>	<b>16-17</b>
January 1	17,336	17,336	20,835	20,836	24,336	16.80%
	<b>Adopted</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimate Y/E</b>	<b>Preliminary</b>	<b>% Change</b>
<b>REVENUES</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>	<b>16-17</b>
Transfers In	3,500	3,500	3,500	3,500	3,500	0.00%
<b>Total Revenues</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>0.00%</b>

### **Unemployment Compensation Revenue**

Resources are from Transfers – In from the General Fund, Street Fund, Water Fund and Wastewater Fund listed in the table below.

Fund	Transfer Amount
General Fund	1,000
Street Fund	500
Water Fund	1,000
Wastewater Fund	1,000

## PRIVATE PURPOSE TRUST FUND TYPES

Agency Funds account for funds held in an agency capacity for others by the City.

### **MUNICIPAL COURT TRUST FUND**

The Municipal Court Trust Fund is used for reporting purposes to account for the monetary transactions of the Napavine Municipal Court.

## AGENCY FUND TYPES

### **AGENCY FUND**

**The City Agency Fund** –is used to report resources held by the government in a purely custodial capacity (assets and liabilities). Agency funds typically involve only the receipts, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. This fund is used primarily to account for municipal court funds of the state share of court fines and crime victim court fines that is remitted to Lewis County Treasurer.

*\*These transactions were previously reported in the General Fund as Non-Revenues and Non-Expenditures.*