

Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

GENERAL GOVERNMENT
NON-OPERATING SPECIAL REVENUE FUNDS



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CITY OF KIRKLAND

GENERAL GOVERNMENT NON-OPERATING SPECIAL REVENUE FUNDS

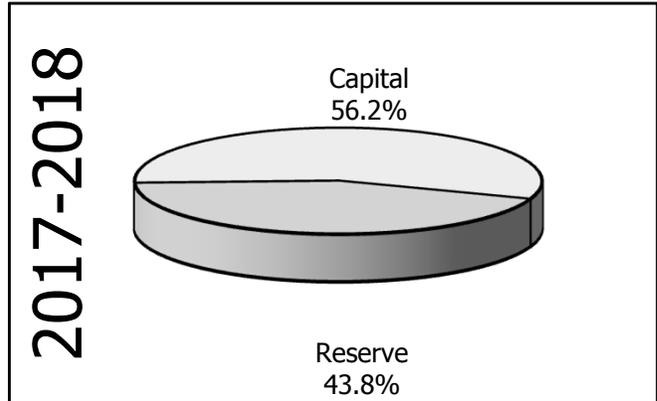
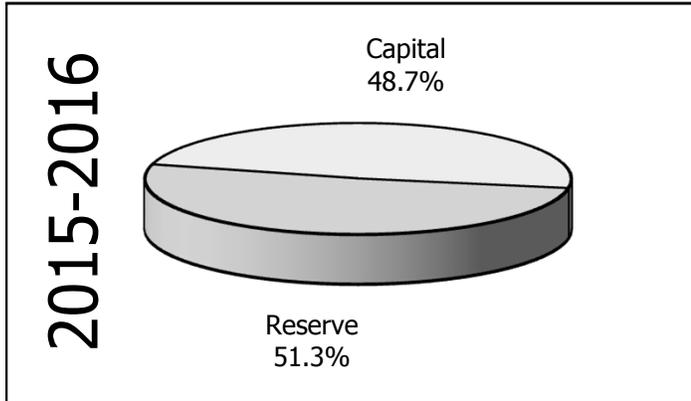
Special Revenue Funds are used to account for revenues that are dedicated for specific purposes either through statute or Council policy. The following Special Revenue Funds are part of the non-operating budget.

The **Contingency Fund** is provided for by state law and allows for the accumulation of resources up to \$0.375 per \$1,000 of assessed valuation for emergency uses.

The **Impact Fee** Fund accounts for transportation and park impact fees initiated in 1999. Impact fees, and the interest earned on them, are deposited in this fund and transferred out to the capital projects funds to pay for transportation and park capacity projects approved in the Capital Improvement Program (CIP).

The **Excise Tax Capital Improvement Fund** was created to account for revenue from both the first and second quarter percent real estate excise tax. Excise tax revenue must be used for capital projects within the categories authorized by state law including streets, sidewalks, traffic improvements, parks, fire protection facilities, and other public facilities as specified by statute. The second quarter percent real estate excise tax, adopted by the City Council in October 1996, is dedicated to transportation-related CIP projects. Funds are transferred out of the Excise Tax Capital Improvement Fund to the capital projects funds and allocated via the CIP funding process. Legislation effective in 2017 replaces previous temporary provisions that allowed cities to use a portion of this revenue for operations and maintenance of capital facilities. The new legislation requires cities to demonstrate they have adequate funding for all of the capital projects in their capital facilities plan for the succeeding two-year period in order to use a portion of this revenue for maintenance that will "preserve, prevent the decline of, or extend the useful life of a capital project." The 2017-2018 Budget uses this revenue for on-going and one-time funded parks maintenance expenditures that meet the new requirements.

**CITY OF KIRKLAND
GENERAL GOVERNMENT NON-OPERATING
SPECIAL REVENUE FUNDS**



2015-2016 BUDGET SUMMARY: BY PURPOSE

Fund	2015-16 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
152 Contingency	4,036,425	4,036,425	-	-	-
156 Impact Fees	10,221,084	3,450,108	-	6,770,976	-
190 Excise Tax Capital Improvement	22,192,787	11,214,198	-	10,978,589	-
Total Special Revenue Funds	36,450,296	18,700,731	-	17,749,565	-

2017-2018 BUDGET SUMMARY: BY PURPOSE

Fund	2017-18 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
152 Contingency	5,675,121	5,675,121	-	-	-
156 Impact Fees	11,653,381	3,413,301	-	8,240,080	-
190 Excise Tax Capital Improvement	30,149,192	11,721,582	-	18,427,610	-
Total Special Revenue Funds	47,477,694	20,810,004	-	26,667,690	-

CITY OF KIRKLAND
CHANGE IN FUND BALANCE (Beginning 2015 to Ending 2018)
GENERAL GOVERNMENT NON-OPERATING
SPECIAL REVENUE FUNDS

	Contingency ¹	Impact Fees ²	Excise Tax Capital Improvement ²	Total
2015 Actual Beginning Fund Balance	2,426,425	5,727,145	11,585,507	19,739,077
<i>Reserved</i>	<i>2,426,425</i>	<i>5,727,145</i>	<i>11,585,507</i>	<i>19,739,077</i>
<i>Unreserved Working Capital</i>	-	-	-	-
Plus: 2015-16 Estimated Revenues	1,610,000	4,341,335	19,276,839	25,228,174
Less: 2015-16 Estimated Expenditures	-	6,764,509	11,004,299	17,768,808
2016 Estimated Ending/2017 Budgeted Beginning Fund Balance	4,036,425	3,303,971	19,858,047	27,198,443
Plus: 2017-18 Budgeted Revenues	1,638,696	8,349,410	10,291,145	20,279,251
Less: 2017-18 Budgeted Expenditures	-	8,240,080	18,391,270	26,631,350
2018 Budgeted Ending Fund Balance	5,675,121	3,413,301	11,757,922	20,846,344
<i>Reserved</i>	<i>5,675,121</i>	<i>3,413,301</i>	<i>11,757,922</i>	<i>20,846,344</i>
<i>Unreserved Working Capital</i>	-	-	-	-
Change in Fund Balance: Beginning 2015 to Ending 2018	3,248,696	(2,313,844)	172,415	1,107,267

Notes:

¹Contingency Fund is a reserve set aside for unexpected general government expenditures. The increase in fund balance is due to replenishment from the General Fund to bring the reserve closer to target.

²Increases in fund balance of these special revenue funds reflect the building or replenishment of a reserve; whereas decreases in fund balance reflect the planned use of a reserve toward capital projects. Revenues for these funds can be economically sensitive.



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