

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

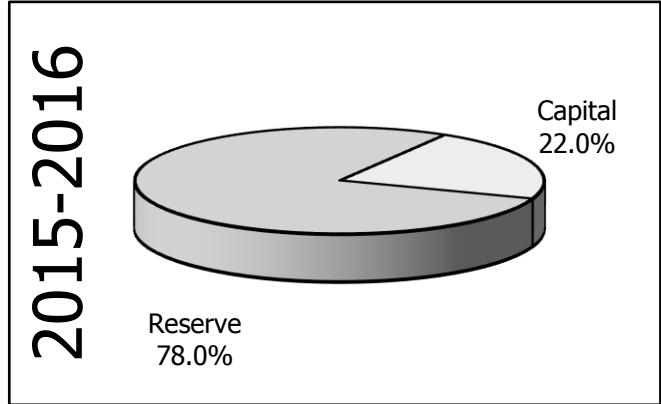
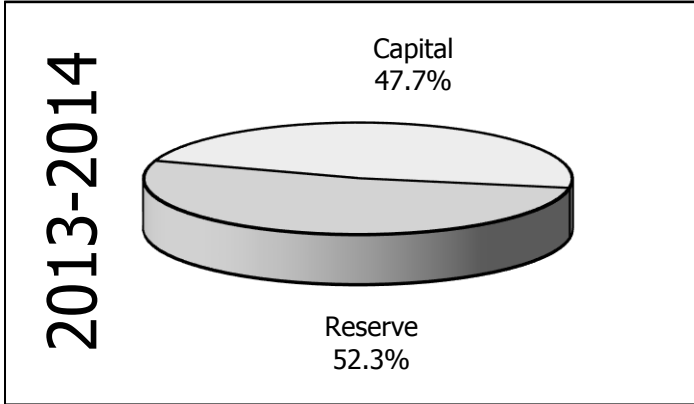
Special Revenue Funds are used to account for revenues that are dedicated for specific purposes either through statute or Council policy. The following Special Revenue Funds are part of the non-operating budget.

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 road 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 road 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 passed in 2011 allows cities to use a portion of this revenue for operations and maintenance of capital facilities. This "flexibility" expires in 2016. The 2015-2016 uses this revenue for one-time funded park and street operations and maintenance expenditures.

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



2013-2014 BUDGET SUMMARY: BY PURPOSE

Fund	2013-14 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
152 Contingency	2,426,425	2,426,425	-	-	-
156 Impact Fees	3,953,397	2,664,760	-	1,288,637	-
190 Excise Tax Capital Improvement	12,846,786	4,964,543	-	7,882,243	-
Total Special Revenue Funds	19,226,608	10,055,728	-	9,170,880	-

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	7,062,824	5,900,047	-	1,162,777	-
190 Excise Tax Capital Improvement	20,864,944	14,991,014	-	5,873,930	-
Total Special Revenue Funds	31,964,193	24,927,486	-	7,036,707	-

CITY OF KIRKLAND
CHANGE IN FUND BALANCE (Beginning 2013 to Ending 2016)
GENERAL GOVERNMENT NON-OPERATING
SPECIAL REVENUE FUNDS

	Contingency¹	Impact Fees²	Excise Tax Capital Improvement²	Total
2013 Actual Beginning Fund Balance	2,201,870	2,746,267	5,762,774	10,710,911
<i>Reserved</i>	<i>2,201,870</i>	<i>2,746,267</i>	<i>5,762,774</i>	<i>10,710,911</i>
<i>Unreserved Working Capital</i>	-	-	-	-
Plus: 2013-14 Estimated Revenues	224,555	3,933,955	12,861,264	17,019,774
Less: 2013-14 Estimated Expenditures	-	1,288,637	7,891,374	9,180,011
2014 Estimated Ending/2015 Budgeted Beginning Fund Balance	2,426,425	5,391,585	10,732,664	18,550,674
Plus: 2015-16 Budgeted Revenues	1,610,000	1,671,239	10,132,280	13,413,519
Less: 2015-16 Budgeted Expenditures	-	1,162,777	5,873,930	7,036,707
2016 Budgeted Ending Fund Balance	4,036,425	5,900,047	14,991,014	24,927,486
<i>Reserved</i>	<i>4,036,425</i>	<i>5,900,047</i>	<i>14,991,014</i>	<i>24,927,486</i>
<i>Unreserved Working Capital</i>	-	-	-	-
Change in Fund Balance: Beginning 2013 to Ending 2016	1,834,555	3,153,780	9,228,240	14,216,575

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 are economically sensitive and the current expected increases to fund balances reflect the significant improvement in development and real estate sales activity. Several master plans are expected to be completed which will likely identify significant capital needs and resources may be reallocated from these funds for capital projects during the 2015-2016 biennium.