



AGENDA BILL APPROVAL FORM

Agenda Subject: Quarter 1 - 2014 Financial Report		Date: May 14, 2014
Department: Finance	Attachments: Quarterly Financial Report	Budget Impact: \$0
Administrative Recommendation: For discussion only.		
<p>Background Summary:</p> <p>The purpose of the monthly financial report is to summarize for the City Council the general state of Citywide financial affairs and to highlight significant items or trends that the City Council should be aware of. The following provides a high level summary of the City's financial performance. Further detail can be found within the attached financial report.</p> <p>The March status report is based on financial data available as of April 25, 2014 for the period ending March 31, 2014. Sales tax information represents business activity that occurred in January 2014.</p> <p><u>General Fund:</u></p> <p>The General Fund is the City's largest fund and is used to account for the majority of City resources and services except those required by statute or to be accounted for in another fund.</p> <p>Through March 2014, General Fund revenues totaled \$11.4 million and exceed year-to-date budget of \$9.9 million due primarily to increased revenues from sales tax collections, property tax collections, and building permit revenues. Retail sales tax collections through the first quarter of 2014 exceed budget by \$432,000 and property tax collections to date exceed budget by \$268,000.</p> <p>General Fund expenditures through March totaled \$12.8 million and compares to \$12.5 million for the same period last year. Effective January 1, 2014, an accounting change occurred whereas the Golf Course fund is now reported under the General Fund. After recognizing this change, year-to-date expenditures are flat compared to the same period last year. Through March 2014, payments to SCORE have decreased by \$675,000 compared to the same period the year prior. The majority of this reduction in expenditures is due to reduced monthly payments for incarceration services (current year monthly payments are based upon prior year City inmate counts). Overall departmental spending is \$872,000 – or 6.4% under budget due to staff vacancies, underspend of contingency funds, and continued vigilance in monitoring general spending.</p> <p>Year-to-date, 1,684 pet licenses have been sold resulting in \$38,615 in revenue. For the same period in 2013, 1,256 licenses were sold resulting in \$34,510 in revenue.</p> <p><u>Enterprise Funds:</u></p> <p>The City's seven enterprise funds account for operations with revenues primarily provided from user fees, charges or contracts for services.</p> <p>At the end of the first quarter, the Water fund's net operating income increased to \$148,000 and compares to income of \$8,000 the previous year. The Sewer fund ended the quarter with \$58,000 operating loss compared to an operating loss of \$305,000 the previous year; the Sewer-Metro Utility ended the quarter with an operating loss of \$58,000 compared to an operating loss of \$180,000 the previous year; and the Stormwater Utility ended the quarter with an operating income of \$370,000 and compares to operating income of \$330,000 the previous year.</p>		

The Cemetery ended the first quarter with net operating income of \$42,000 compared to operating income of \$31,000 the previous year.

Internal Service Funds:

Internal Service Funds provide services to other City departments and include functions such as Insurance, Worker's Compensation, Facilities, Innovation and Technology, and Equipment Rental. All funds have sufficient revenues to cover year-to-date expenditures.

Investment Portfolio:

The City's total cash and investments at the end of March 2014 was \$113.9 million, and compares to \$113.0 million at the end of 2013.

Reviewed by Council & Committees:

- | | |
|---|--|
| <input type="checkbox"/> Arts Commission | COUNCIL COMMITTEES: |
| <input type="checkbox"/> Airport | <input checked="" type="checkbox"/> Finance |
| <input type="checkbox"/> Hearing Examiner | <input type="checkbox"/> Municipal Serv. |
| <input type="checkbox"/> Human Services | <input type="checkbox"/> Planning & CD |
| <input type="checkbox"/> Park Board | <input checked="" type="checkbox"/> Public Works |
| <input type="checkbox"/> Planning Comm. | <input type="checkbox"/> Other _____ |

Reviewed by Departments & Divisions:

- | | |
|---|--|
| <input type="checkbox"/> Building | <input type="checkbox"/> M&O |
| <input type="checkbox"/> Cemetery | <input type="checkbox"/> Mayor |
| <input checked="" type="checkbox"/> Finance | <input type="checkbox"/> Parks |
| <input type="checkbox"/> Fire | <input type="checkbox"/> Planning |
| <input type="checkbox"/> Legal | <input type="checkbox"/> Police |
| <input type="checkbox"/> Public Works | <input type="checkbox"/> Human Resources |
| <input type="checkbox"/> Information Services | |

Action:

Committee Approval: ☐ Yes ☐ No
 Council Approval: ☐ Yes ☐ No
 Referred to _____ Until ____/____/____
 Tabled _____ Until ____/____/____
 Call for Public Hearing ____/____/____

Councilmember: Wales

Staff: Coleman

Meeting Date: May 19, 2014

Item Number:

General Fund Summary of Sources and Uses	2014			2013	2014 YTD Budget vs. Actual	
	Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable) Amount	Percentage
Operating Revenues						
Property Tax	15,699,417	621,500	889,756	623,011	268,256	43.2 %
Sales Tax	13,048,552	3,101,700	3,533,696	3,037,855	431,996	13.9 %
Sales Tax - Annexation Credit	1,404,590	331,000	467,105	403,739	136,105	41.1 %
Criminal Justice Sales Tax	1,231,185	304,600	411,139	378,229	106,539	35.0 %
Brokered Natural Gas Tax	303,008	111,300	92,221	98,079	(19,079)	(17.1) %
City Utilities Tax	3,203,673	778,600	830,310	860,063	51,710	6.6 %
Admissions Tax	365,427	65,100	59,685	61,539	(5,415)	(8.3) %
Electric Tax	3,373,905	836,400	871,122	786,368	34,722	4.2 %
Natural Gas Tax	1,213,919	304,600	309,852	244,173	5,252	1.7 %
Cable TV Franchise Fee	816,000	202,900	220,649	212,145	17,749	0.0 %
Cable TV Franchise Fee - Capital	62,310	15,700	15,720	15,821	20	0.0 %
Telephone Tax	2,042,737	474,800	532,622	395,980	57,822	12.2 %
Garbage Tax (external)	96,261	24,000	26,414	24,046	2,414	10.1 %
Leasehold Excise Tax	50,754	8,500	9,270	10,350	770	9.1 %
Gambling Excise Tax	<u>250,237</u>	<u>68,200</u>	<u>73,243</u>	<u>73,914</u>	<u>5,043</u>	<u>7.4 %</u>
Taxes sub-total	43,161,975	7,248,900	8,342,805	7,225,314	1,093,905	15.1 %
Business License Fees	203,015	80,600	72,322	82,365	(8,279)	(10.3) %
Building Permits	1,169,160	213,000	374,921	760,505	161,921	76.0 %
Other Licenses & Permits	528,072	107,000	138,601	159,658	31,601	29.5 %
Intergovernmental (Grants, etc.)	5,087,759	1,085,821	1,136,229	1,153,549	50,408	4.6 %
Charges for Services:						
General Government Services	94,783	26,600	28,101	31,460	1,501	5.6 %
Public Safety	17,351	5,100	8,203	9,000	3,103	60.8 %
Development Services Fees	738,881	165,000	241,389	291,244	76,389	46.3 %
Culture and Recreation - (I)	2,047,549	342,400	363,225	234,417	20,825	6.1 %
Fines and Forfeits	<u>1,562,575</u>	<u>415,900</u>	<u>384,831</u>	<u>356,041</u>	<u>(31,069)</u>	<u>(7.5) %</u>
Fees/Charges/Fines sub-total	11,449,145	2,441,421	2,747,820	3,078,238	306,400	12.6 %
Interests and Other Earnings	42,230	9,400	8,391	11,917	(1,009)	(10.7) %
Rents, Leases and Concessions - (I)	543,150	92,700	168,001	67,391	75,301	81.2 %
Contributions and Donations	30,000	4,900	8,773	5,615	3,873	79.0 %
Other Miscellaneous - (I)	113,200	21,400	31,831	17,066	10,431	48.7 %
Transfers In	92,000	91,000	91,000	119,548	0	0.0 %
Insurance Recoveries - Capital & Operating	<u>25,000</u>	<u>6,300</u>	<u>11,532</u>	<u>30,442</u>	<u>5,232</u>	<u>83.0 %</u>
Other Revenues sub-total	845,580	225,700	319,528	251,978	93,828	41.6 %
Total Operating Revenues	55,456,700	9,916,021	11,410,153	10,555,530	1,494,132	15.1 %
Operating Expenditures						
Council & Mayor	718,926	178,076	220,084	249,469	(42,008)	(23.6) %
Administrative Services	828,034	207,008	154,511	0	52,498	25.4 %
Community & Human Services	1,379,335	356,300	194,025	251,737	162,275	45.5 %
Municipal Court & Probation	1,870,966	64,892	43,390	92,903	21,502	33.1 %
Human Resources	1,557,163	365,700	306,801	337,728	58,899	16.1 %
Finance	1,369,895	320,700	276,766	280,589	43,934	13.7 %
City Attorney	1,880,945	421,700	408,856	411,756	12,844	3.0 %
Community Development	4,069,107	998,901	1,036,784	981,792	(37,883)	(3.8) %
Jail - SCORE	5,786,100	1,056,000	974,474	1,649,017	81,526	7.7 %
Police	21,238,447	5,199,300	5,001,630	4,629,326	197,670	3.8 %
Public Works	2,653,441	618,100	724,228	616,818	(106,128)	(17.2) %
Parks, Arts & Recreation - (I)	9,512,253	2,378,100	2,170,790	1,862,608	207,310	8.7 %
Streets	3,295,760	678,200	769,106	628,728	(90,906)	(13.4) %
Non-Departmental	3,268,607	878,952	568,037	494,447	310,915	35.4 %
Total Operating Expenditures	59,428,978	13,721,929	12,849,482	12,486,917	872,447	6.4 %

(1) Through December 31, 2013, Golf Course revenues and expenditures were reported under Fund 437. Effective January 1, 2014, Golf Course revenues and expenditures are now reported in the General Fund (above). Therefore, when comparing 2014 General Fund actuals to prior year, it is important to recognize this change.

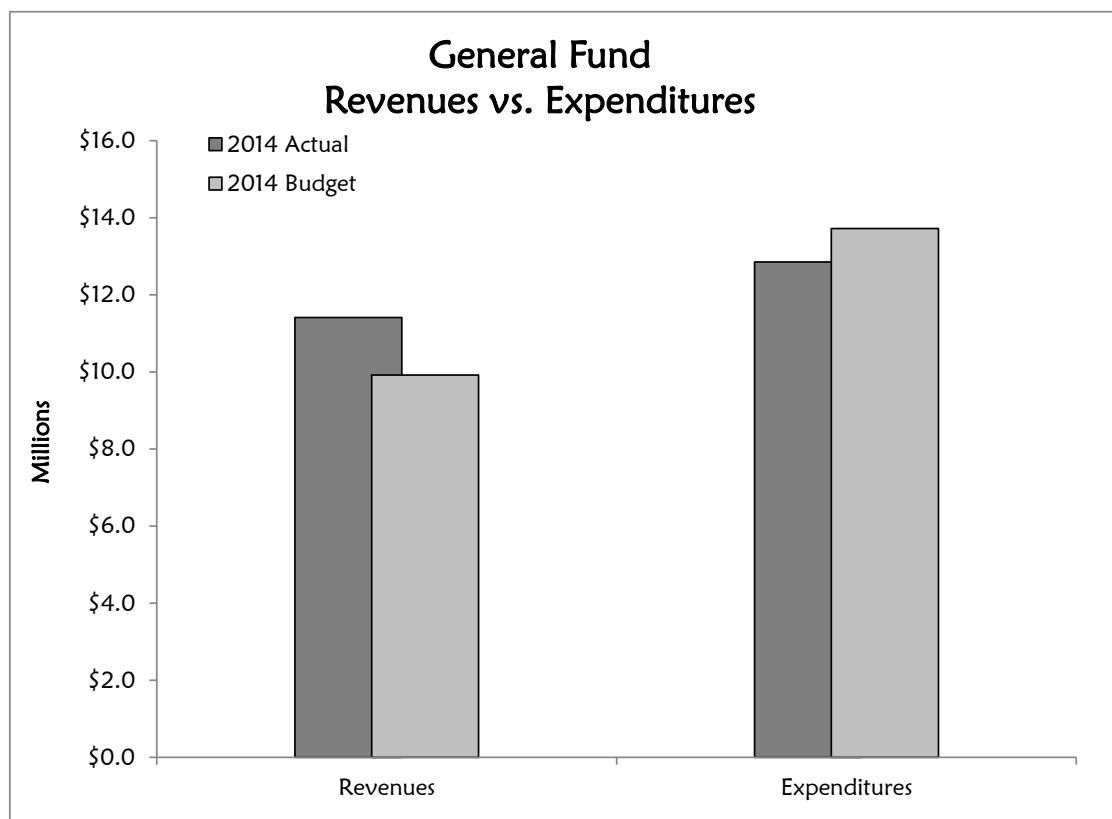
Overview

This financial overview reflects the City's overall financial position for the fiscal period ending March 31, 2014 and represents financial data available as of April 25, 2014. The budgeted revenues and operating expenditures are primarily based on the collection/disbursement average for the same period of the two years prior.

Through the first quarter of 2014, General Fund revenues totaled \$11.4 million and compares to budget of \$9.9 million and previous year-to-date collections of \$10.6 million. Some highlights this quarter include:

- Sales Tax revenue totaled \$3.5 million and was \$432,000 above previous 2 years' average budget and is in line with the 2014 budget expectations.
- Property Tax revenue totaled \$890,000 and compares to budget of \$623,000 based on previous years' budget and is in line with 2014 budget expectations due to the levy correction. Fees/Charges/Fines totaled \$2.7 million and exceeds budget by \$306,000 due to stronger than budgeted revenues from development activity.

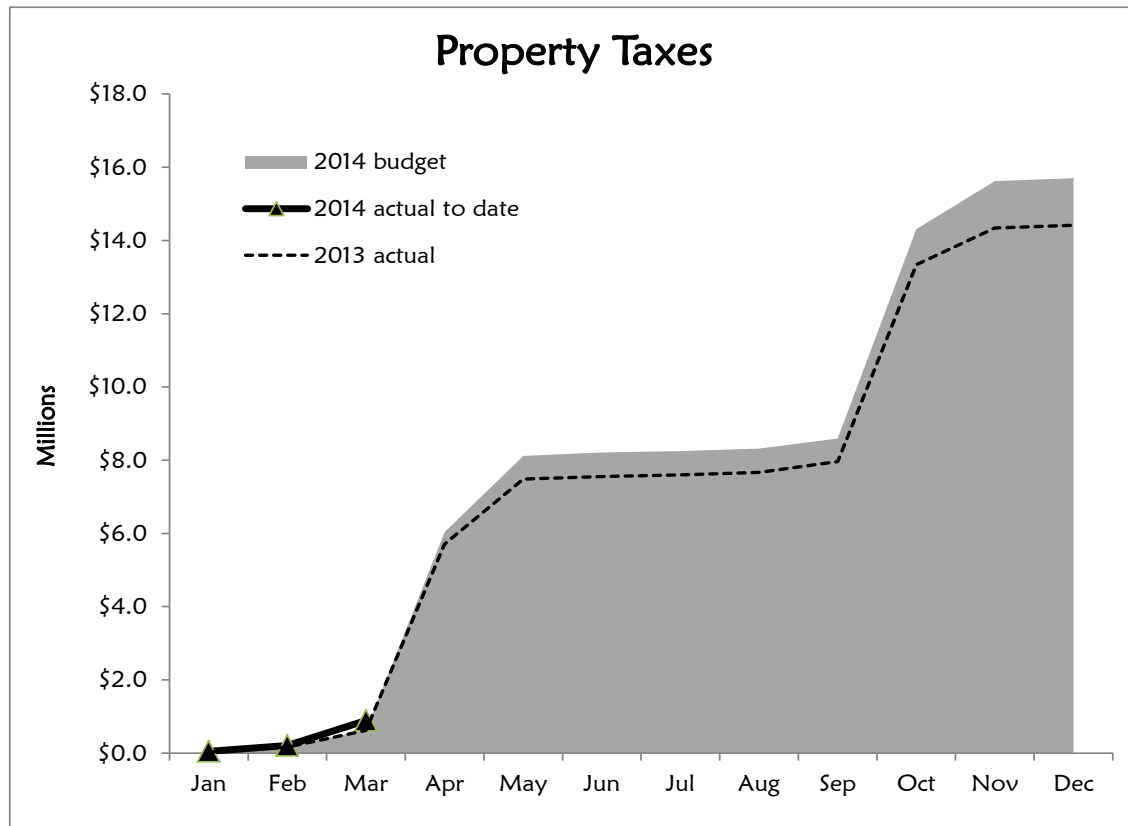
General Fund expenditures for the first quarter totaled \$12.8 million and compares to budget of \$13.7 million. Due to an accounting change effective January 1, 2014 all revenues and expenditures related to the Auburn Golf Course are now reported under the General Fund. Therefore it is important to recognize this shift when comparing 2014 performance to prior year performance. After adjusting for the Q1-2013 Golf Course expenditures of \$330,000, the year to date General Fund expenditures are flat compared to prior year.



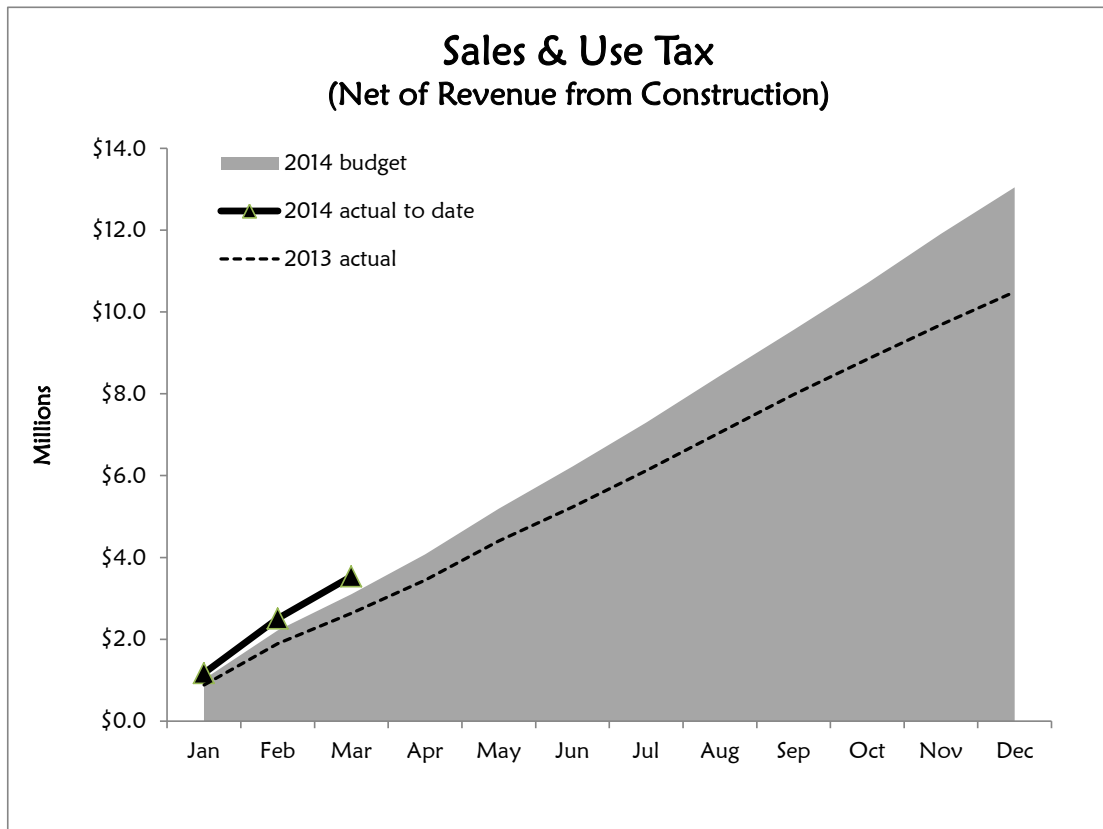
Revenues

The combined total of property tax, sales/use tax, utility tax, gambling, and admissions tax provide approximately 80% of all resources supporting general governmental activities. The following section provides additional information on these sources.

Property Tax collections to date totaled \$890,000 and exceeds budget by \$268,000, and compares to collections of \$622,000 for the same period the prior year. The majority of property tax revenues are collected during the months of April and October, coinciding with the due date for the County property tax billings.



Sales tax distributions Citywide totaled \$4.0 million of which \$3.5 million was distributed to the General Fund, and \$463,000 to the Local Street Fund (SOS) program.*



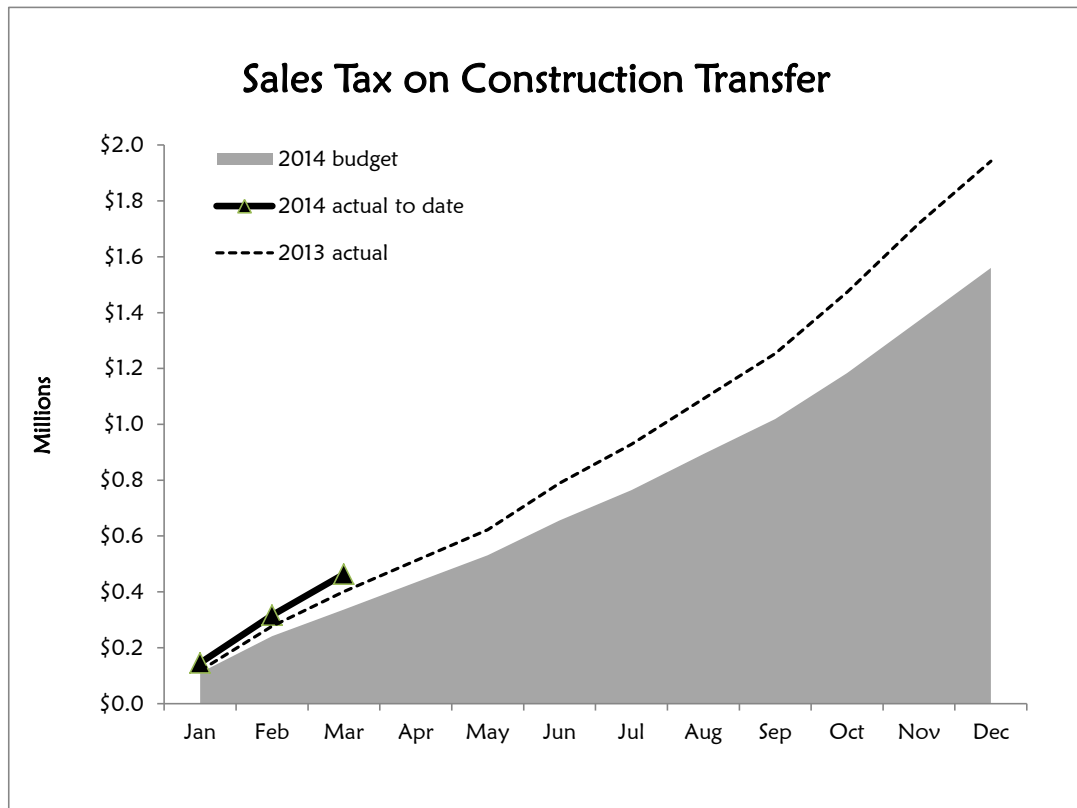
* Per 2013-2014 budget, Local Street Fund (Fund 103) street repairs are funded from sales taxes on construction. Total transferred in through Q1-2014 is \$463,259. The graphic above presents sales taxes under the current policy.

The following table breaks out the City's base sales tax, excluding Criminal Justice, Annexation Credit and Streamlined Sales Tax Mitigation by major business sectors.

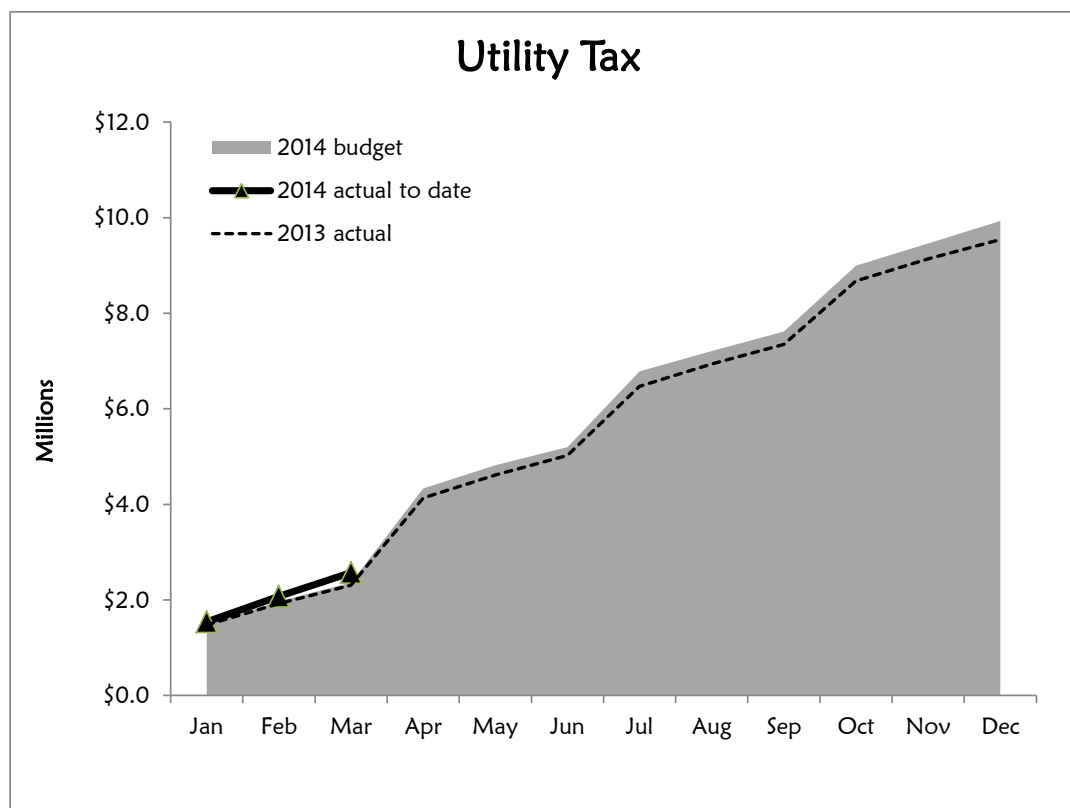
Comparison of Sales Tax Collections by SIC Group March-2014				
Component Group	2013 Actual	2014 Actual	Change from 2013	
			Amount	Percentage
Construction	400,915	463,259	62,344	15.6 %
Manufacturing	166,306	349,574	183,268	110.2 %
Transportation & Warehousing	7,457	11,165	3,708	49.7 %
Wholesale Trade	278,925	282,129	3,204	1.1 %
Automotive	710,566	765,196	54,630	7.7 %
Retail Trade	1,108,747	1,287,328	178,581	16.1 %
Services	779,477	834,434	54,957	7.1 %
Miscellaneous	24,428	38,599	14,171	58.0 %
YTD Total	3,476,821	4,031,684	554,863	16.0 %

As shown on the prior page, sales tax revenues collected through the first quarter of 2014 exceed prior year collections by \$555,000. The areas showing the largest amount of increase in revenues compared to 2013 are in the manufacturing and retail trade categories.

Total sales tax revenue on construction, which is transferred to the Local Street Fund (Fund 103) for local street repair and maintenance, totals \$463,000 year-to-date and exceeds budget by \$127,000 reflecting increased commercial and residential construction activity throughout the City.



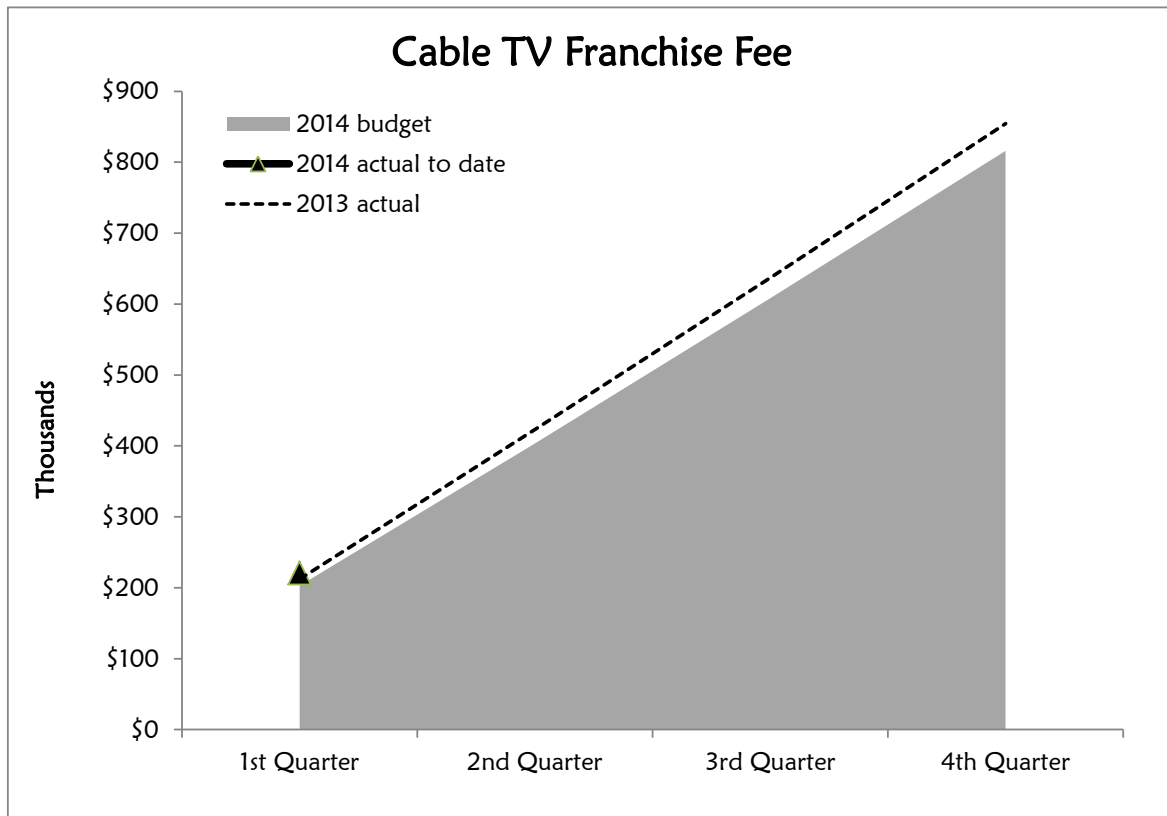
Utility Taxes consists of City interfund utility taxes (Water, Sewer, Storm and Solid Waste) and external utility taxes (Electric, Natural Gas, Telephone and Solid Waste). Utility taxes collected through the first quarter of 2014 totaled \$2.6 million and compares to \$2.3 million collected in the same period last year.



As shown in the table below, utility tax revenue year-to-date exceed expectation by \$152,000 or 6.3%. The increase in Telephone tax revenues is primarily due to timing of payments.

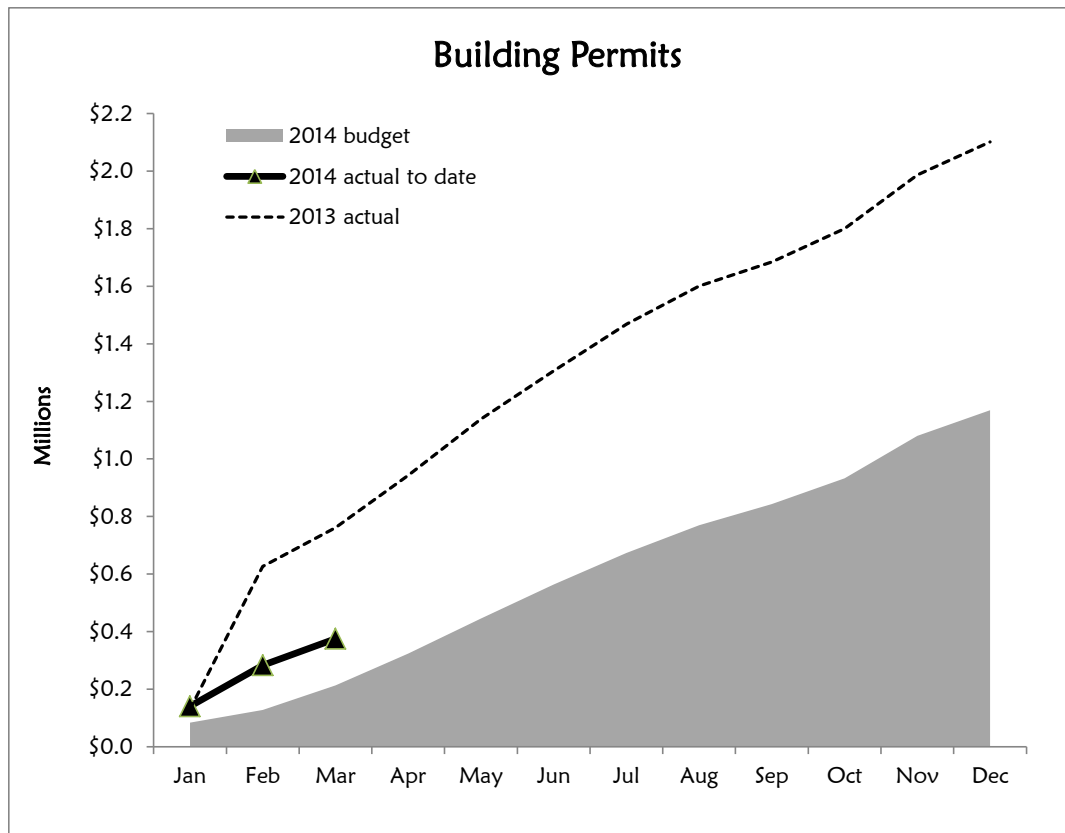
Utility Tax by Type March-2014							
Month	2013 Actual	2014 Budget	2014 Actual	2014 vs. 2013 Actual		2014 vs. Budget	
				Amount	Percentage	Amount	Percentage
City Interfund Utility Taxes	860,063	778,600	830,310	(29,752)	(3.5) %	51,710	6.6 %
Electric	786,368	836,400	871,122	84,754	10.8 %	34,722	4.2 %
Natural Gas	244,173	304,600	309,852	65,679	26.9 %	5,252	1.7 %
Telephone	395,980	474,800	532,622	136,641	34.5 %	57,822	12.2 %
Solid Waste (external)	24,046	24,000	26,414	2,367	9.8 %	2,414	10.1 %
YTD Total	2,310,631	2,418,400	2,570,320	259,689	11.2 %	151,920	6.3 %

Cable TV Franchise Fees, which are collected quarterly, totaled \$221,000 and exceed budget by \$18,000 or 8.7%.



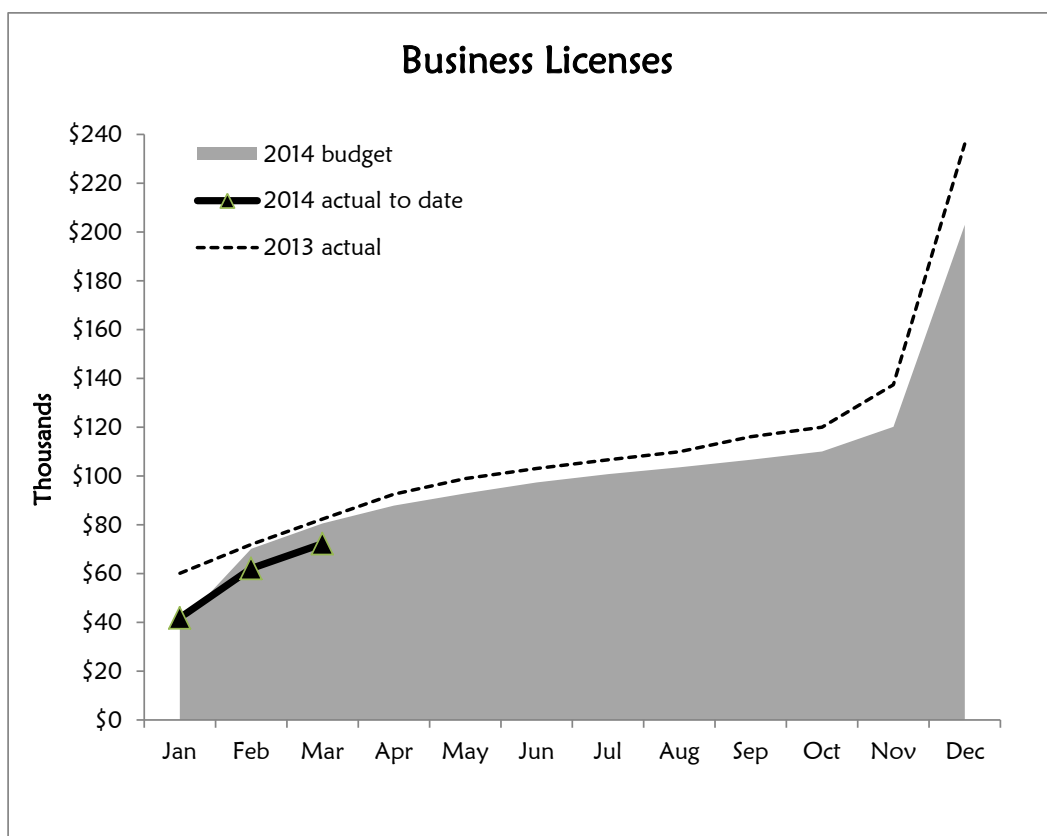
Licenses and Permits include business licenses, building permits, plumbing, electric and other licenses and permit fees. Building permit fees and business licenses make up 80% of the annual budgeted revenue in this category.

Total building permit revenues collected through March totaled \$375,000 and compare to budget of \$213,000. Building permits issued through March total 209, and compares to 218 during the same period last year. Major projects contributing to revenues this quarter include the Student Life Building at Green River Community College, various projects at Boeing, as well as numerous housing developments – most notably Edgeview, Lakeland East, and Lakeland Villas.



Note: The spike seen in February 2013 (above) includes revenues for the Auburn High School Reconstruction and Modernization project.

Business License revenues collected through March totaled \$72,000, and compares to budget of \$81,000. The graphic on the following page reflects the timing of payments by business owners, where the majority of business license payments are collected during the first two months of the year and the last month of the year.



Intergovernmental includes Grants (Direct & Indirect Federal, State and Local), state shared revenues and compact revenue from the Muckleshoot Indian Tribe (MIT). Collections to date total \$1.1 million and are \$50,000, or 4.6% higher than budget.

Intergovernmental March-2014							
Revenue	2013	2014	2014	2014 vs. 2013 Actual		2014 vs. Budget	
	Actual	Budget	Actual	Amount	% Change	Amount	% Change
Federal Grants	0	5,200	0	0	N/A %	(5,200)	(100.0) %
State Grants	27,620	36,000	8,269	(19,352)	(70.1) %	(27,731)	(77.0) %
Interlocal Grants	2,000	200	0	(2,000)	(100.0) %	(200)	(100.0) %
State Shared Revenue	933,760	915,800	977,176	43,415	4.6 %	61,376	6.7 %
Muckleshoot Casino Emerg.	182,594	127,400	127,433	(55,161)	(30.2) %	33	0.0 %
Intergovernmental Service	7,574	1,221	23,351	15,778	208.3 %	22,131	1813.2 %
YE Total	1,153,549	1,085,821	1,136,229	(17,320)	(1.5) %	50,408	4.6 %

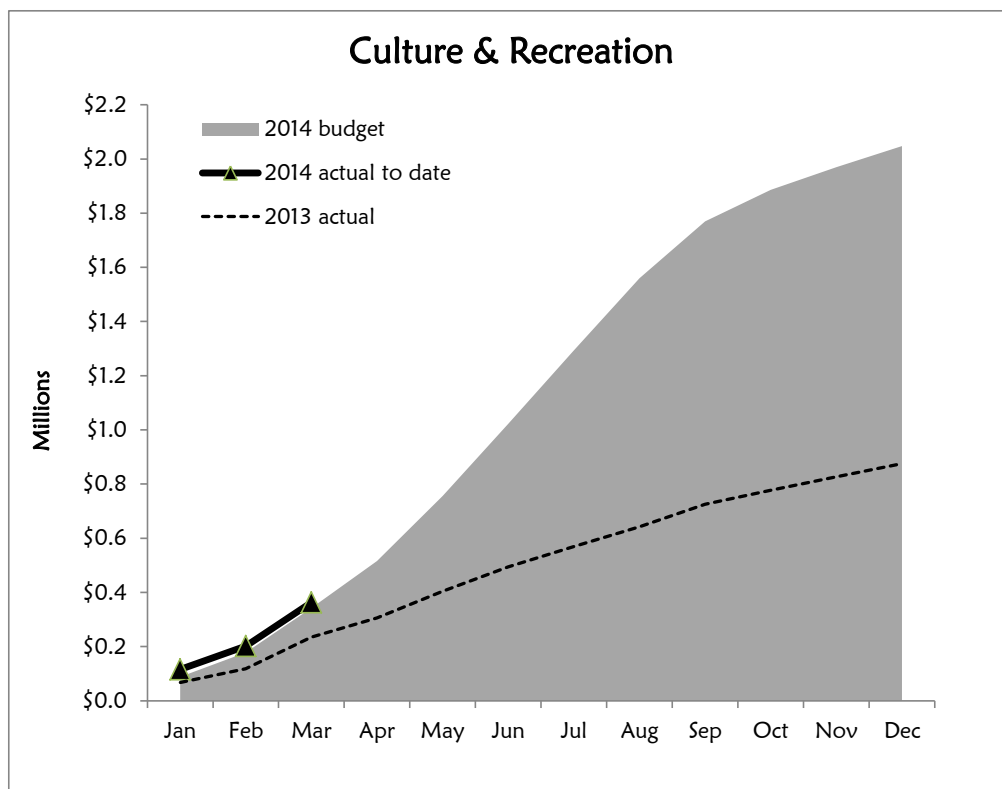
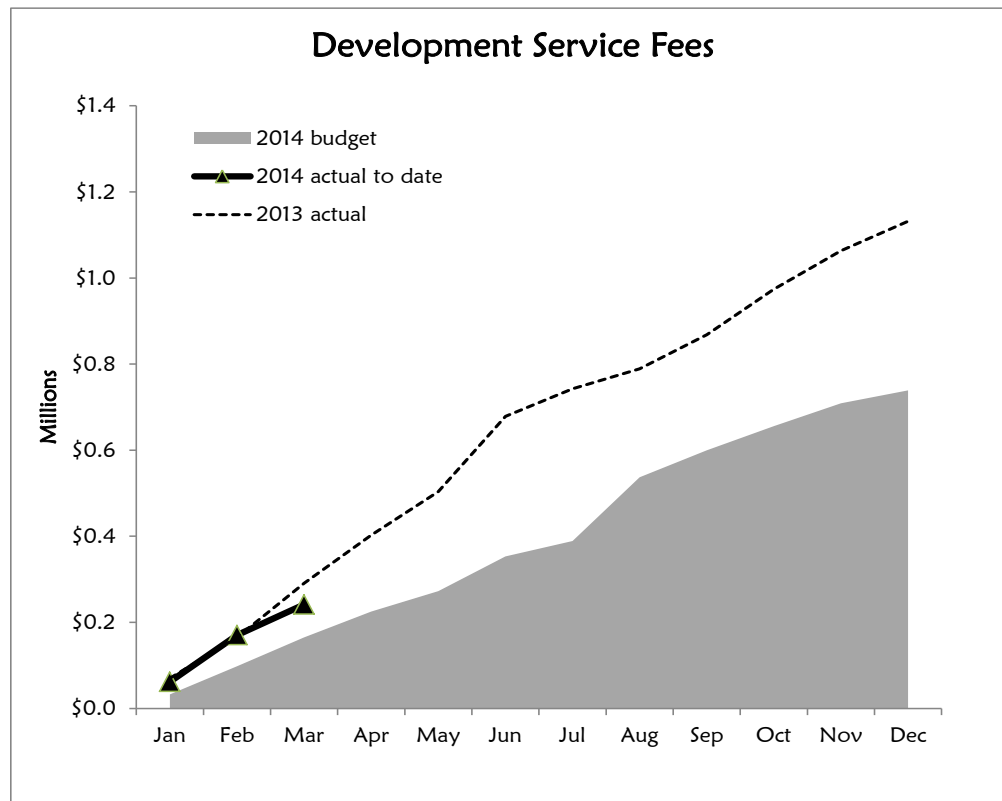
State shared revenue includes \$496,027 in Streamlined Sales Tax Mitigation payments.

Charges for Services consists of general governmental services, public safety, development service fees and cultural & recreation fees. Overall, charges for services exceed budget by \$102,000 and prior year collections by \$75,000. Development service fees and culture and recreation fees make up over 90% of the revenue within this category.

Development service fee collections, which primarily consist of plan check fees, exceed budget by \$76,000 year to date. Total plan check fees collected this quarter totaled \$183,000 and includes fees related to several commercial and housing projects including the Student Life Building at Green River Community College, various projects at Boeing, as well as plans for the Edgeview and Vista Pointe housing developments.

Culture and recreation revenues are \$21,000 higher than budget; reflecting increased activity from recreational classes and City special events. The year over year increase in Culture and Recreation revenues reflect the change in accounting; where Golf Course revenues and expenditures are now reported within the General Fund.

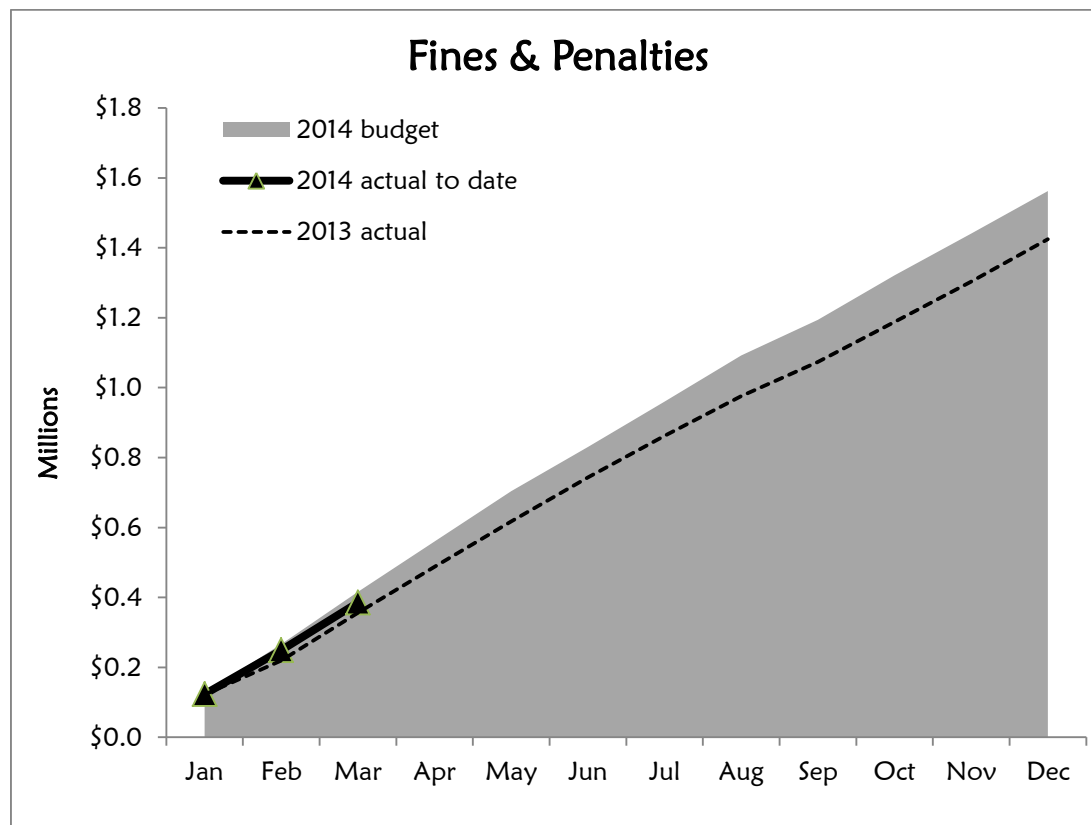
Charges for Services by Type March-2014							
Revenue	2013 Actual	2014 Budget	2014 Actual	2014 vs. 2013 Actual		2014 vs. Budget	
				Amount	Percentage	Amount	Percentage
General Government	31,460	26,600	28,101	(3,359)	(10.7) %	1,501	5.6 %
Public Safety	9,000	5,100	8,203	(797)	(8.9) %	3,103	60.8 %
Development Services	291,244	165,000	241,389	(49,855)	(17.1) %	76,389	46.3 %
Culture & Recreation	234,417	342,400	363,225	128,808	54.9 %	20,825	6.1 %
YTD Total	566,120	539,100	640,918	74,797	13.2 %	101,818	18.9 %

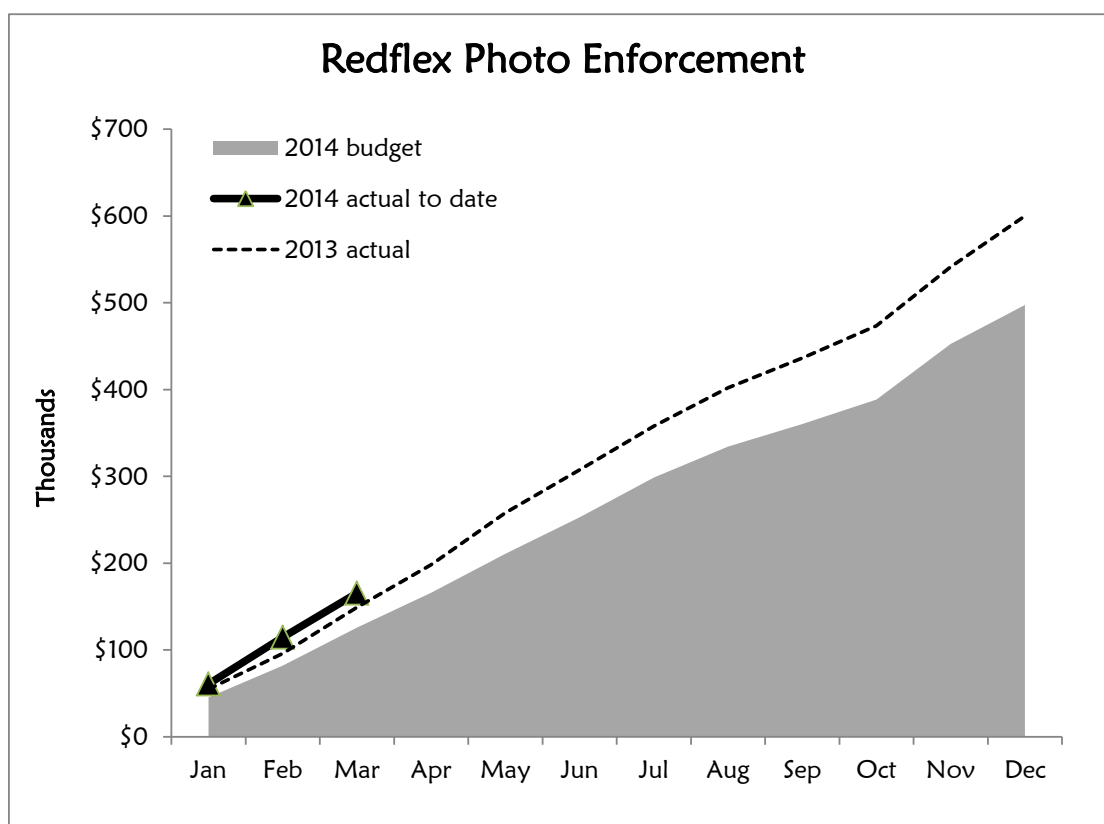


Note: The 2014 budget is considerably higher than 2013 actuals due to the accounting change effective January 1, 2014 where the Golf Course is now included in the General Fund.

Fines & Penalties include traffic and parking infraction penalties, Redflex photo enforcement violations, criminal fines (including criminal traffic, criminal non traffic and criminal costs) as well as non court fines such as false alarm and shopping cart fines. Total revenue collected to date is \$385,000 and compares \$356,000 collected the same period last year.

Fines & Forfeits by Type March-2014							
Month	2013 Actual	2014 Budget	2014 Actual	2014 vs. 2013 Actual		2014 vs. Budget	
				Amount	Percentage	Amount	Percentage
Civil Penalties	3,360	3,200	4,341	981	29.2 %	1,141	35.7 %
Civil Infraction Penalties	115,484	187,800	127,636	12,152	10.5 %	(60,164)	(32.0) %
Redflex Photo Enforcement	149,072	125,700	165,322	16,250	10.9 %	39,622	31.5 %
Parking Infractions	31,395	44,300	26,833	(4,562)	(14.5) %	(17,467)	(39.4) %
Criminal Traffic Misdemeanor	15,446	23,100	12,670	(2,776)	(18.0) %	(10,430)	(45.2) %
Criminal Non-Traffic Fines	15,630	22,500	12,087	(3,543)	(22.7) %	(10,413)	(46.3) %
Criminal Costs	6,407	3,000	12,473	6,066	94.7 %	9,473	315.8 %
Non-Court Fines & Penalties	19,246	6,300	23,468	4,222	21.9 %	17,168	272.5 %
YE Total	356,041	415,900	384,831	28,790	8.1 %	(31,069)	(7.5) %



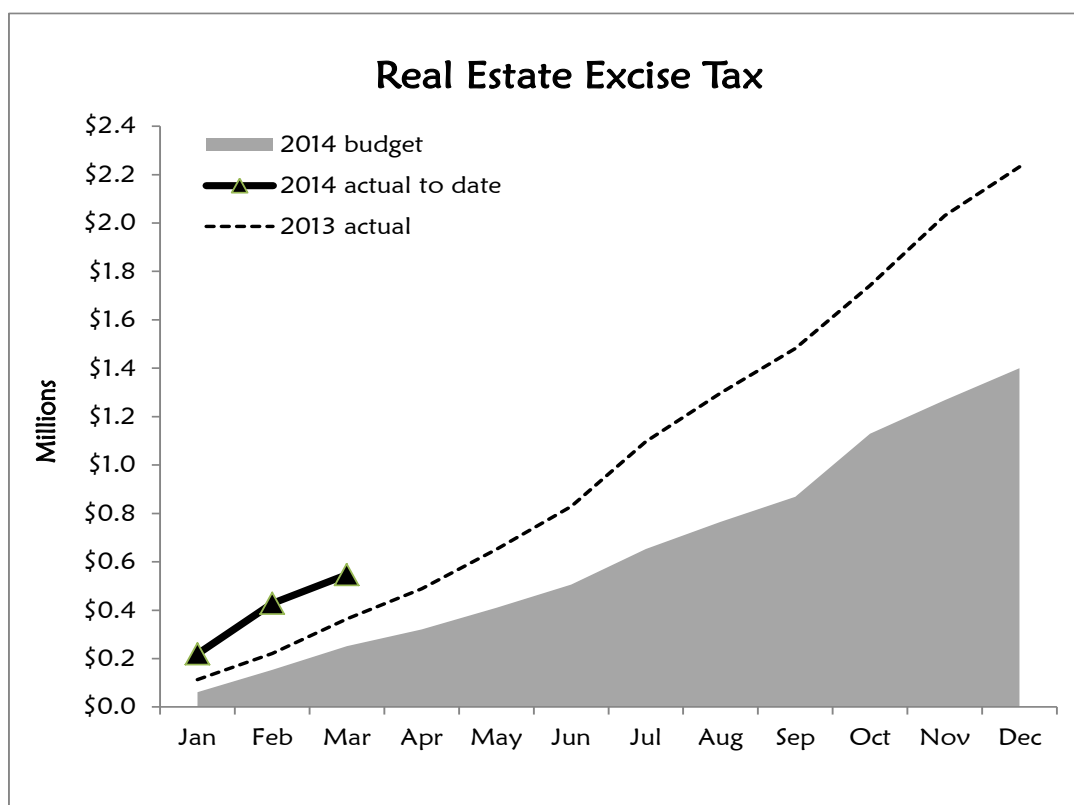


Miscellaneous revenues primarily consist of income from facility rentals; other sources within this category include investment earnings, contributions & donations and other miscellaneous income. Revenues in this category totaled \$217,000, and compares to budget of \$128,000.

Miscellaneous Revenues by Type							
March-2014							
Month	2013 Actual	2014 Budget	2014 Actual	2014 vs. 2013		2014 vs. Budget	
				Amount	Percentage	Amount	Percentage
Interest & Investments	11,917	9,400	8,391	(3,525)	(29.6) %	(1,009)	(10.7) %
Rents & Leases	67,391	92,700	168,001	100,611	149.3 %	75,301	81.2 %
Contributions & Donations	5,615	4,900	8,773	3,158	56.2 %	3,873	79.0 %
Other Miscellaneous Revenue	17,066	21,400	31,831	14,765	86.5 %	10,431	48.7 %
YTD Total	101,988	128,400	216,997	115,008	112.8 %	88,597	69.0 %

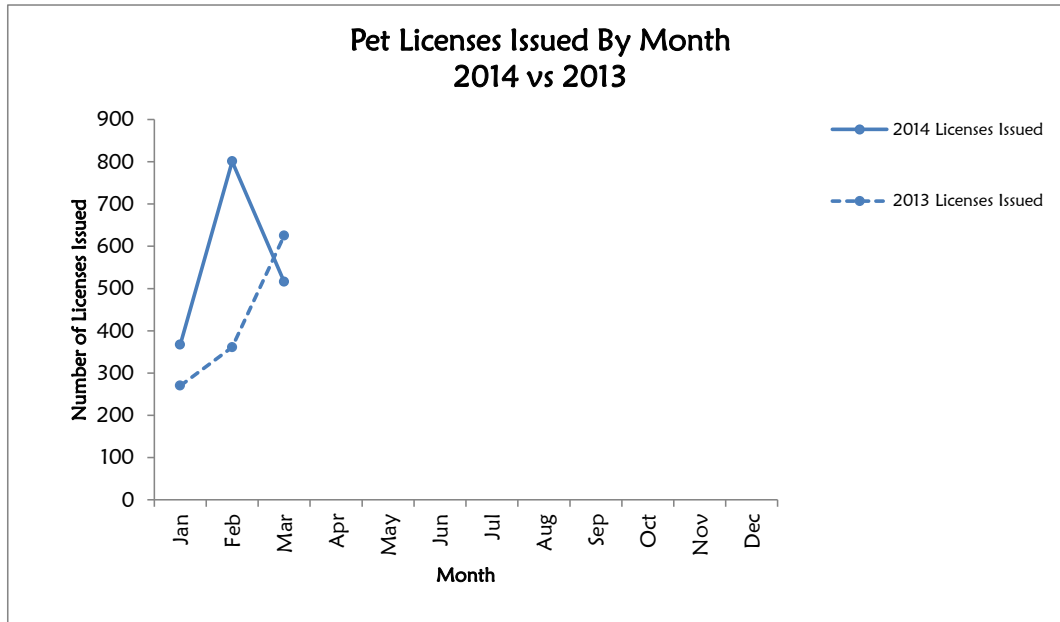
Real Estate Excise Tax (REET) revenue is receipted into the Capital Improvement Projects Fund and is used for governmental capital projects. Total revenue collected through March was \$447,000 and exceeds budget and prior year actuals by \$195,000 and \$82,000 respectively, reflecting local and regional improvement in the real estate market.

Real Estate Excise Tax Revenues							
March-2014							
Month	2013 Actual	2014 Budget	2014 Actual	2014 vs. 2013		201 vs. Budget	
				Amount	Percentage	Amount	Percentage
Jan	113,615	61,300	119,765	6,150	5.4 %	58,465	95.4 %
Feb	107,485	92,200	208,206	100,721	93.7 %	116,006	125.8 %
Mar	143,198	98,000	118,578	(24,620)	(17.2) %	20,578	21.0 %
Apr	124,445	69,100					
May	162,750	89,400					
Jun	177,380	95,800					
Jul	267,976	147,100					
Aug	200,627	112,200					
Sep	183,507	103,600					
Oct	261,388	260,600					
Nov	287,776	138,600					
Dec	202,388	132,100					
YTD Total	364,298	251,500	446,549	82,251	22.6 %	195,049	77.6 %



Pet Licensing

Year-to-date, 1,684 pet licenses have been sold resulting in \$38,615 in revenue. For the same period in 2013, 1,256 licenses were sold resulting in \$34,510 in revenue.

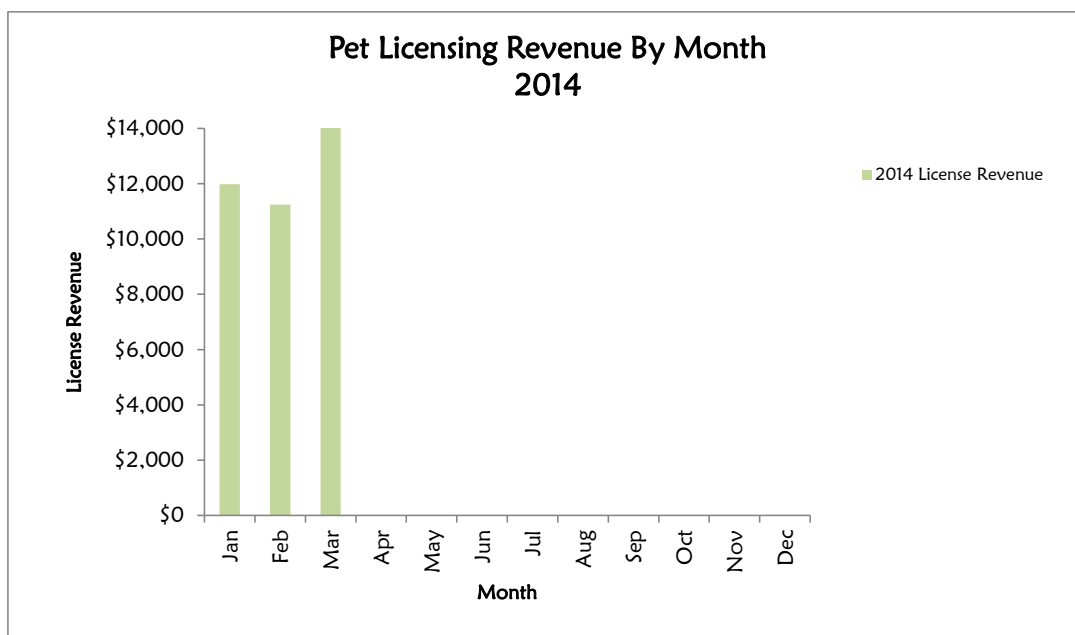


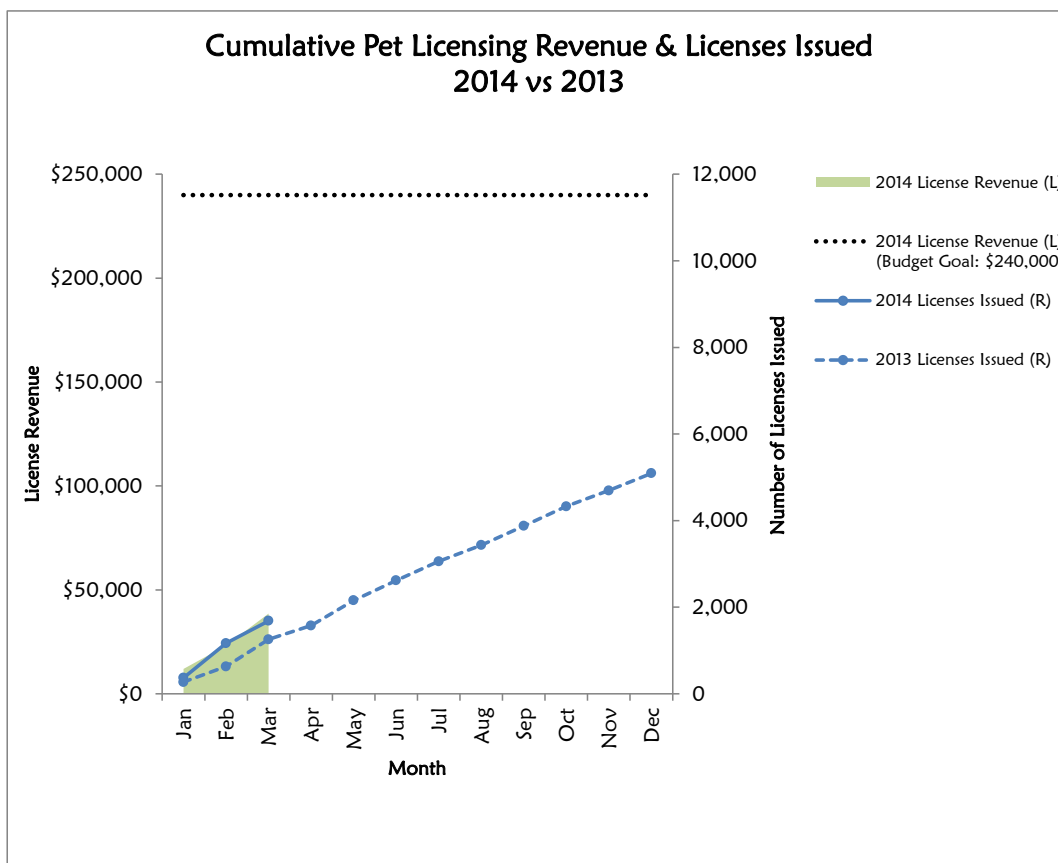
2014 Budget Goal: \$240,000 or more

Year-to-Date Revenue 2014 (through March) = \$38,615

Year-to-Date Licenses 2014 (through March) = 1,684

Year-to-Date Licenses 2013 (through March) = 1,256

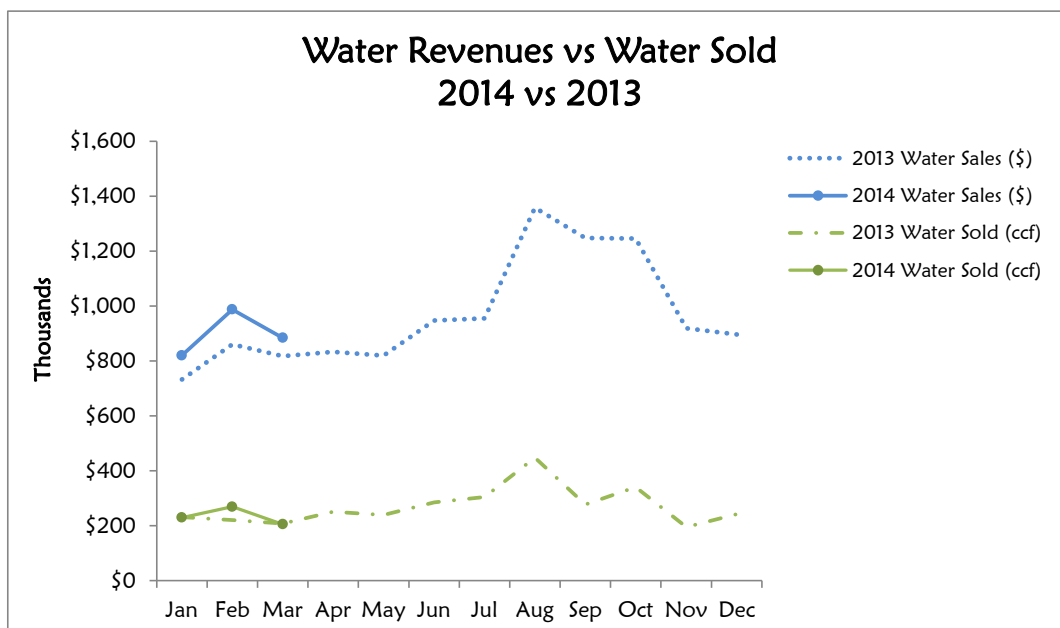




Enterprise Funds

The detailed Working Capital and Fund Balance statements for Enterprise and Internal Service funds can be found in the Appendix at the end of this report.

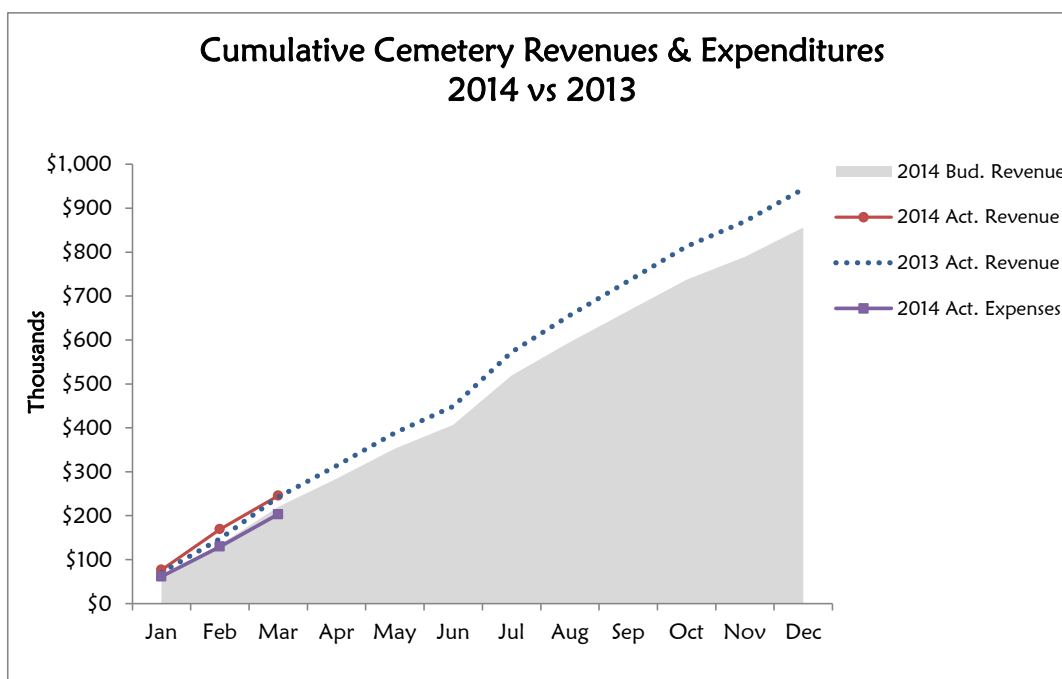
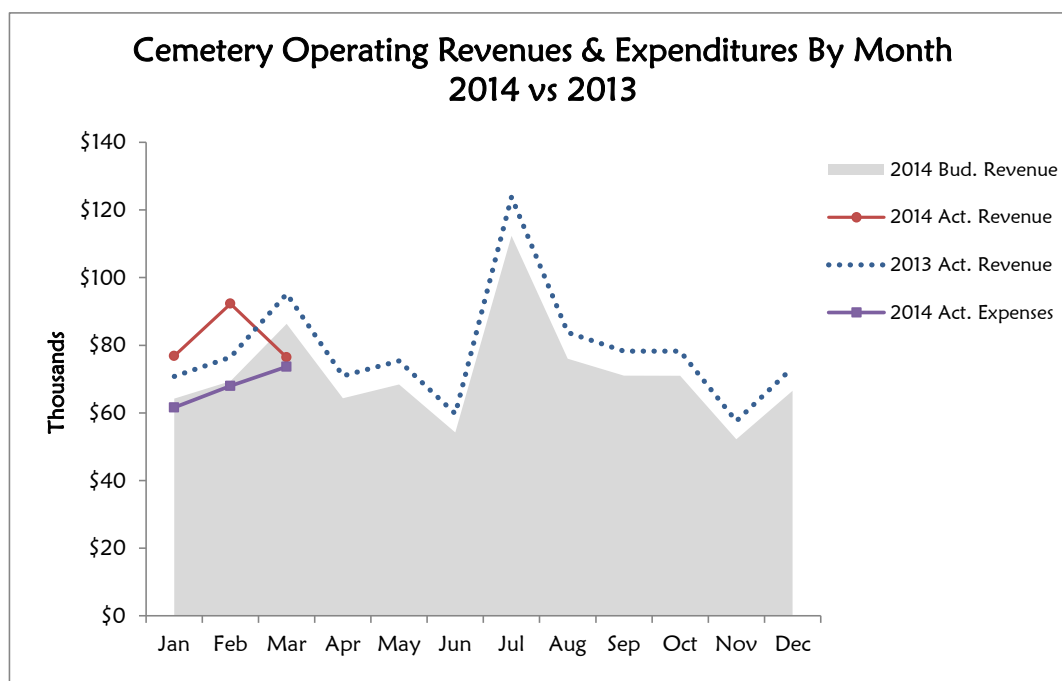
At the end of the first quarter, the **Water Utility's** net operating income increased from \$8,000 in 2013 to \$148,000 in 2014.



The **Sewer Utility** ended the quarter with a \$58,000 net operating loss compared to \$305,000 net loss for the same period in 2013. The **Sewer-Metro Utility** ended the period with an operating loss of \$58,000 compared to an operating loss of \$180,000 for the previous year.

The **Stormwater Utility** ended the quarter with \$370,000 in net operating income which compared to operating income of \$330,000 for the same period last year.

The **Cemetery Fund** ended the first quarter with an operating income of \$42,000 compared to operating income of \$31,000 for the same period last year. During the first quarter of 2014, the number of interments at the Cemetery totaled 61 (31 burials, 30 cremations) which compares to 58 (32 burials, 26 cremations) for the same period last year.



Internal Service Funds

Operating expenditures within the **Insurance** Fund represents the premium cost-pool that will be allocated monthly to other City funds over the course of 2014. As a result, this balance will gradually diminish each month throughout the year.

No significant variances are reported in the **Worker's Compensation, Facilities, Innovation & Technology**, or **Equipment Rental** Funds. All funds have sufficient revenues to cover year-to-date expenditures.

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 Shelley Coleman at scoleman@auburnwa.gov.

**City of Auburn
Investment Portfolio Summary
March 31, 2014**

Investment Type	Purchase Date	Purchase Price	Maturity Date	Yield to Maturity
State Investment Pool	Various	\$ 99,419,243	Various	0.11%
KeyBank Money Market	Various	9,188,248	Various	0.02%
US Treasury	05/04/1990	57,750	05/15/2016	5.72%
FFCB	4/11/2013	3,000,000	4/11/2016	0.43%
FHLB	2/19/2014	2,047,200	11/19/2018	1.98%
LAKUTL	9/25/2013	235,919	11/1/2017	1.90%
Total Cash & Investments		<u>\$ 113,948,360</u>		<u>0.155%</u>

Investment Mix	% of Total	Summary	
State Investment Pool	87.2%	Current 6-month treasury rate	0.08%
KeyBank Money Market	8.1%	Current State Pool rate	0.11%
US Treasury	0.1%	KeyBank Money Market	0.02%
FFCB	2.6%	Blended Auburn rate	0.15%
FHLMC	1.8%		
LAKUTL	0.2%		
	<u>100.0%</u>		

SALES TAX SUMMARY

MARCH 2014 SALES TAX DISTRIBUTIONS (FOR JANUARY 2014 RETAIL ACTIVITY)

CONSTRUCTION		2013 Annual Total (Nov '12-Oct '13)	2013 YTD (Nov '12 - Jan '13)	2014 YTD (Nov '13 - Jan '14)	YTD % Diff
236	Construction of Buildings	949,102	179,394	217,681	21.3%
237	Heavy and Civil Construction	166,874	20,692	45,976	122.2%
238	Specialty Trade Contractors	826,744	200,829	199,603	-0.6%
TOTAL CONSTRUCTION		1,942,720	400,915	463,259	15.6%
Overall Change from Previous Year				62,344	

MANUFACTURING		2013 Annual Total (Nov '12-Oct '13)	2013 YTD (Nov '12 - Jan '13)	2014 YTD (Nov '13 - Jan '14)	YTD % Diff
311	Food Manufacturing	1,836	339	1,303	284.8%
312	Beverage and Tobacco Products	7,670	2,016	2,072	2.7%
313	Textile Mills	272	39	104	167.6%
314	Textile Product Mills	3,435	784	950	21.1%
315	Apparel Manufacturing	280	144	129	-10.2%
316	Leather and Allied Products	11	1	3	120.0%
321	Wood Product Manufacturing	72,780	22,151	20,433	-7.8%
322	Paper Manufacturing	3,442	965	1,628	68.7%
323	Printing and Related Support	26,277	5,317	9,294	74.8%
324	Petroleum and Coal Products	9,762	2,913	2,860	-1.8%
325	Chemical Manufacturing	8,995	1,942	1,417	-27.0%
326	Plastics and Rubber Products	9,566	2,628	1,899	-27.7%
327	Nonmetallic Mineral Products	20,455	4,006	3,882	-3.1%
331	Primary Metal Manufacturing	717	16	874	5352.5%
332	Fabricated Metal Product Manuf	13,135 b	16,892	5,888	-65.1%
333	Machinery Manufacturing	25,232	3,270	6,599	101.8%
334	Computer and Electronic Produc	13,545	2,623	8,156	211.0%
335	Electric Equipment, Appliances	1,251	229	193	-15.6%
336	Transportation Equipment Man	350,172	89,188	265,827	198.1%
337	Furniture and Related Products	24,852	4,627	3,738	-19.2%
339	Miscellaneous Manufacturing	30,699	6,218	12,324	98.2%
TOTAL MANUFACTURING		624,385	166,306	349,574	110.2%
Overall Change from Previous Year				183,267	

TRANSPORTATION AND WAREHOUSING		2013 Annual Total (Nov '12-Oct '13)	2013 YTD (Nov '12 - Jan '13)	2014 YTD (Nov '13 - Jan '14)	YTD % Diff
481	Air Transportation	0	0	0	N/A
482	Rail Transportation	9,552	5,877	1,555	-73.5%
484	Truck Transportation	-3,489 a	-8,592	886	-110.3%
485	Transit and Ground Passengers	93	88	0	-100.0%
488	Transportation Support	27,757	5,205	7,130	37.0%
491	Postal Service	863	248	256	3.1%
492	Couriers and Messengers	1,272	240	249	3.8%
493	Warehousing and Storage	9,648	4,392	1,089	-75.2%
TOTAL TRANSPORTATION		45,696	7,457	11,165	49.7%
Overall Change from Previous Year				3,707	

WHOLESALE TRADE		2013 Annual Total (Nov '12-Oct '13)	2013 YTD (Nov '12 - Jan '13)	2014 YTD (Nov '13 - Jan '14)	YTD % Diff
423	Wholesale Trade, Durable Goods	1,111,249	240,325	240,348	0.0%
424	Wholesale Trade, Nondurable	163,774	37,585	41,079	9.3%
425	Wholesale Electronic Markets	4,384	1,015	702	-30.8%
TOTAL WHOLESALE		1,279,407	278,925	282,129	1.1%
Overall Change from Previous Year				3,204	

AUTOMOTIVE		2013 Annual Total (Nov '12-Oct '13)	2013 YTD (Nov '12 - Jan '13)	2014 YTD (Nov '13 - Jan '14)	YTD % Diff
441	Motor Vehicle and Parts Dealer	2,899,545	651,573	698,372	7.2%
447	Gasoline Stations	236,015	58,993	66,822	13.3%
TOTAL AUTOMOTIVE		3,135,559	710,566	765,193	7.7%
Overall Change from Previous Year				54,627	

RETAIL TRADE		2013 Annual Total (Nov '12-Oct '13)	2013 YTD (Nov '12 - Jan '13)	2014 YTD (Nov '13 - Jan '14)	YTD % Diff
442	Furniture and Home Furnishings	235,036	60,232	64,377	6.9%
443	Electronics and Appliances	173,552	45,534	109,048	139.5%
444	Building Material and Garden	446,976	89,473	94,483	5.6%
445	Food and Beverage Stores	335,409	79,820	85,363	6.9%
446	Health and Personal Care Store	173,874	41,273	50,584	22.6%
448	Clothing and Accessories	889,410	248,545	283,391	14.0%
451	Sporting Goods, Hobby, Books	125,040	38,085	70,146	84.2%
452	General Merchandise Stores	974,130	283,030	296,473	4.7%
453	Miscellaneous Store Retailers	548,688	133,917	142,520	6.4%
454	Nonstore Retailers	316,455	88,838	90,942	2.4%
TOTAL RETAIL TRADE		4,218,570	1,108,747	1,287,328	16.1%
Overall Change from Previous Year				178,581	

SERVICES		2013 Annual Total (Nov '12-Oct '13)	2013 YTD (Nov '12 - Jan '13)	2014 YTD (Nov '13 - Jan '14)	YTD % Diff
51*	Information	445,827	108,258	122,089	12.8%
52*	Finance and Insurance	91,439	25,839	22,296	-13.7%
53*	Real Estate, Rental, Leasing	278,919	73,598	86,678	17.8%
541	Professional, Scientific, Tech	183,904	43,837	45,848	4.6%
551	Company Management	76	1	26	4966.7%
56*	Admin. Supp., Remed Svcs	336,269	78,591	95,100	21.0%
611	Educational Services	50,183	12,537	11,754	-6.2%
62*	Health Care Social Assistance	32,608	22,250	6,212	-72.1%
71*	Arts and Entertainment	148,530	70,090	81,349	16.1%
72*	Accomodation and Food Svcs	979,254	229,565	242,296	5.5%
81*	Other Services	394,645	94,916	101,947	7.4%
92*	Public Administration	112,629	19,994	18,839	-5.8%
TOTAL SERVICES		3,054,283	779,477	834,434	7.1%
Overall Change from Previous Year				54,957	

MISCELLANEOUS		2013 Annual Total (Nov '12-Oct '13)	2013 YTD (Nov '12 - Jan '13)	2014 YTD (Nov '13 - Jan '14)	YTD % Diff
000	Unknown	0	0	0	N/A
111-115	Agriculture, Forestry, Fishing	4,385	1,263	796	-37.0%
211-221	Mining & Utilities	22,645	4,256	4,387	3.1%
999	Unclassifiable Establishments	36,549	18,908	33,416	76.7%
TOTAL SERVICES		63,580	24,428	38,599	58.0%
Overall Change from Previous Year				14,171	

GRAND TOTAL		14,364,200	3,476,821	4,031,681	
Overall Change from Previous Year				554,860	16.0%

a. WA State Dept of Revenue audit adjustment to sales tax returns for period Jan 2013 (adjustment: -\$11,382).
b. WA State Dept of Revenue audit adjustment to sales tax returns for period May 2013 (adjustment - \$30,493).

The following table presents the Working Capital Statement for each of the City's Enterprise and Internal Service funds. Working Capital is generally defined as the difference between current assets and current liabilities.

WORKING CAPITAL	ENTERPRISE FUNDS							INTERNAL SERVICE FUNDS				
	WATER	SEWER	SEWER METRO	STORM	SOLID WASTE	AIRPORT	CEMETERY	INSURANCE	WORKER'S COMPENSATION	FACILITIES	INNOVATION & TECHNOLOGY	EQUIPMENT RENTAL
OPERATING REVENUES												
Charges For Service	2,692,854	1,787,178	-	2,202,721	3,216,867	4,110	245,508	-	205,811	-	-	-
Interfund Charges For Service	-	-	-	-	-	-	-	-	-	842,465	1,186,299	717,734
Sewer Metro Service Revenue	-	-	3,655,012	-	-	-	-	-	-	-	-	-
Rents, Leases, Concessions, & Other	-	-	-	-	-	157,022	-	-	-	23,253	26,782	-
TOTAL OPERATING REVENUES	2,692,854	1,787,178	3,655,012	2,202,721	3,216,867	161,132	245,508	-	205,811	865,718	1,213,081	717,734
OPERATING EXPENSES												
Salaries & Wages	622,250	414,651	-	556,045	103,132	5,818	91,755	-	22,088	131,648	358,799	140,540
Benefits	269,102	176,359	-	240,089	48,294	1,823	45,891	-	10,919	66,227	147,024	61,177
Supplies	53,336	12,405	-	9,559	2,563	112	18,639	-	-	30,326	49,169	189,714
Other Service Charges	715,886	522,037	-	327,359	260,956	107,195	14,350	753,979	63,130	478,190	590,423	90,115
Intergovernmental Services	-	1,447	-	282	-	-	-	-	-	-	-	-
Waste Management Payments	-	-	-	-	1,603,110	-	-	-	-	-	-	-
Sewer Metro Services	-	-	3,712,563	-	-	-	-	-	-	-	-	-
Interfund Operating Rentals & Supplies	276,007	241,442	-	316,076	44,925	-	18,599	-	-	29,628	72,099	61,780
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	608,533	477,146	-	382,931	4,705	100,421	13,962	-	-	-	125,493	188,286
TOTAL OPERATING EXPENSES	2,545,114	1,845,486	3,712,563	1,832,339	2,067,685	215,369	203,196	753,979	96,137	736,019	1,343,008	731,611
OPERATING INCOME (LOSS)	147,740	(58,308)	(57,551)	370,382	1,149,182	(54,238)	42,313	(753,979)	109,674	129,699	(129,927)	(13,877)
NON-OPERATING REVENUES & EXPENSES												
Interest Revenue	4,251	3,556	283	4,039	336	256	85	262	16	571	929	1,550
Contributions	-	-	-	-	-	(8,562)	-	-	-	-	-	-
Other Non-Operating Revenue	3,707	148	-	1,972	240	(2,721)	1,654	-	-	-	-	1,962
Gain (Loss) On Sale Of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Interest	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Operating Expense	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-OPERATING REVENUES & EXPENSES	7,958	3,704	283	6,011	576	(11,028)	1,739	262	16	571	929	3,511
PLUS ITEMS NOT EFFECTING WORKING CAPITAL												
Depreciation	608,533	477,146	-	382,931	4,705	100,421	13,962	-	-	-	125,493	188,286
NET WORKING CAPITAL FROM OPERATIONS	764,231	422,542	(57,268)	759,323	1,154,463	35,156	58,014	(753,717)	109,690	130,269	(3,504)	177,920
Increase In Contributions - System Development	93,736	66,840	-	143,577	-	-	-	-	-	-	-	-
Increase In Contributions - Area Assessments	-	3,282	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - Other Governments	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - Other Funds	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - FAA	-	-	-	-	-	8,562	-	-	-	-	-	-
Proceeds of Debt Activity	42,600	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Restricted Net Assets	(1,777)	47,583	-	-	-	(1,553)	-	-	-	-	-	-
Decrease In Long-Term Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Deferred Credits	-	-	-	-	-	9,884	-	-	-	-	-	-
TOTAL RESOURCES OTHER THAN OPERATIONS	134,559	117,705	-	143,577	-	16,894	-	-	-	-	-	-
Net Change In Restricted Net Assets	427	135	-	311	-	(842)	-	-	-	2,500	-	-
Increase In Fixed Assets - Salaries	34,095	30,215	-	59,119	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Benefits	12,051	11,889	-	23,258	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Site Improvements	6,923	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Equipment	-	-	-	-	-	-	-	-	-	-	-	34,890
Increase In Fixed Assets - Construction	111,148	195,888	-	433,508	-	51,853	-	-	-	-	-	-
Operating Transfers Out	50,000	50,000	-	124,000	-	-	-	-	-	-	-	7,000
Debt Service Principal	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL USES OTHER THAN OPERATIONS	214,643	288,126	-	640,197	-	51,011	-	-	-	2,500	-	41,890
NET CHANGE IN WORKING CAPITAL	684,147	252,121	(57,268)	262,703	1,154,463	1,039	58,014	(753,717)	109,690	127,769	(3,504)	136,030
BEGINNING WORKING CAPITAL - January 1, 2014	14,189,404	12,952,797	1,826,811	15,762,939	1,504,560	801,284	261,934	1,815,731	-	1,976,512	3,406,012	5,920,444
ENDING WORKING CAPITAL - March 31, 2014	14,873,551	13,204,918	1,769,543	16,025,643	2,659,023	802,323	319,947	1,062,014	109,690	2,104,282	3,402,508	6,056,475
NET CHANGE IN WORKING CAPITAL	684,147	252,121	(57,268)	262,703	1,154,463	1,039	58,014	(753,717)	109,690	127,769	(3,504)	136,030

The following table provides an analysis of each of the City's Enterprise and Internal Service funds - showing 2014 revenues and expenditures by fund.

FUND BALANCE	ENTERPRISE FUNDS							INTERNAL SERVICE FUNDS				
	WATER	SEWER	SEWER METRO	STORM	SOLID WASTE	AIRPORT	CEMETERY	INSURANCE	WORKER'S COMPENSATION	FACILITIES	INNOVATION & TECHNOLOGY	EQUIPMENT RENTAL
OPERATING REVENUES												
Charges For Service	2,692,854	1,787,178	-	2,202,721	3,216,867	4,110	245,508	-	205,811	-	-	-
Interfund Charges For Service	-	-	-	-	-	-	-	-	-	842,465	1,186,299	717,734
Sewer Metro Service Revenue	-	-	3,655,012	-	-	-	-	-	-	-	-	-
Rents, Leases, Concessions, & Other	-	-	-	-	-	157,022	-	-	-	23,253	26,782	-
TOTAL OPERATING REVENUES	2,692,854	1,787,178	3,655,012	2,202,721	3,216,867	161,132	245,508	-	205,811	865,718	1,213,081	717,734
OPERATING EXPENSES												
Administration	734,555	564,396	-	724,677	179,812	113,188	60,959	753,979	-	-	-	208,609
Operations & Maintenance	1,202,026	803,944	-	724,731	280,057	1,761	128,274	-	96,137	736,019	1,217,514	334,716
Waste Management Payments	-	-	-	-	1,603,110	-	-	-	-	-	-	-
Sewer Metro Services	-	-	3,712,563	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	608,533	477,146	-	382,931	4,705	100,421	13,962	-	-	-	125,493	188,286
TOTAL OPERATING EXPENSES	2,545,114	1,845,486	3,712,563	1,832,339	2,067,685	215,369	203,196	753,979	96,137	736,019	1,343,008	731,611
OPERATING INCOME (LOSS)	147,740	(58,308)	(57,551)	370,382	1,149,182	(54,238)	42,313	(753,979)	109,674	129,699	(129,927)	(13,877)
NON-OPERATING REVENUES & EXPENSES												
Interest Revenue	4,251	3,556	283	4,039	336	256	85	262	16	571	929	1,550
Other Non-Operating Revenue	3,707	148	-	1,972	240	(11,284)	1,654	-	-	-	-	1,962
Gain (Loss) On Sale Of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Operating Expense	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-OPERATING REVENUES & EXPENSES	7,958	3,704	283	6,011	576	(11,028)	1,739	262	16	571	929	3,511
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	155,698	(54,603)	(57,268)	376,392	1,149,758	(65,265)	44,052	(753,717)	109,690	130,269	(128,997)	(10,366)
Contributions	93,736	70,122	-	143,577	-	8,562	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	(50,000)	(50,000)	-	(124,000)	-	-	-	-	-	-	-	(7,000)
TOTAL CONTRIBUTIONS & TRANSFERS	43,736	20,122	-	19,577	-	8,562	-	-	-	-	-	(7,000)
CHANGE IN FUND BALANCE	199,434	(34,482)	(57,268)	395,969	1,149,758	(56,703)	44,052	(753,717)	109,690	130,269	(128,997)	(17,366)
BEGINNING FUND BALANCE - January 1, 2014	68,655,974	75,821,385	1,826,811	51,686,935	1,598,247	9,318,866	888,882	1,815,731	-	1,938,141	4,604,445	10,714,407
ENDING FUND BALANCE - March 31, 2014	68,855,408	75,786,903	1,769,543	52,082,904	2,748,005	9,262,163	932,934	1,062,014	109,690	2,068,410	4,475,448	10,697,041