



AGENDA BILL APPROVAL FORM

Agenda Subject: 3 rd Quarter 2015 Financial Report		Date: November 16, 2015
Department: Finance	Attachments: Quarterly Financial Report	Budget Impact: \$0
Administrative Recommendation: For discussion only.		

Background Summary:

The purpose of the quarterly 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 details can be found within the attached financial report.

The third quarter status report is based on financial data available as of October 22, 2015 for the period ending September 30, 2015. Sales tax information represents business activity that occurred through July 2015.

General Fund:

The General Fund is the City's largest fund and accounts for the majority of City resources and services, other than those required by statute to be accounted for in another fund.

Through September 2015, General Fund revenues totaled \$42.5 million and exceed the year-to-date budget of \$40.6 million due primarily to increased revenues from sales tax collections, development services fees, and revenues from culture and recreation activities. Retail sales tax collections through the third quarter of 2015 exceed budget by \$748,000 or 7.4%, and exceed revenues collected for the same period last year by \$617,000. Development services fees collected through Q3-2015 exceeded budget expectations by \$392,000, or 72.4%, due primarily to an increase in plan check revenues. In addition, culture and recreation revenues exceed budget by \$276,000, or 15.7%, primarily due to higher than anticipated revenues for greens fees at the Auburn Golf Course as well as an increase in revenues for league fees and charges for classes at the Auburn Avenue Theatre. These favorable increases are partially offset by lower than budgeted collections for electric and natural gas taxes (\$409,000, or 11.1%) due primarily to a mild winter that reduced customer heating demands.

General Fund expenditures through the third quarter of 2015 totaled \$45.6 million compared to a budget of \$48.5 million, and were \$2.9 million or 6.0% under budget. Year-to-date General Fund expenditures through Q3-2015 were \$4.8 million or 11.9% higher than the same period last year. The increase in year-over-year expenditures was attributable to several factors including a \$2.8 million transfer to the Cumulative Reserve Fund to replenish prior withdrawals. Salary and benefit costs increased year-over-year by \$1.0 million, or 4.3% due to lower departmental vacancies compared to the year prior as well as increased costs associated with health care and pensions. In addition, interfund charges through Q3-2015 were \$890,000 higher than the same period the year prior, primarily from Equipment Rental (due to the addition of the Golf Course to the General Fund and increased operating, capital construction and replacement costs) and from Facilities due to several repair and maintenance projects that were completed on several City buildings in 2015. Lastly, the cost of providing 911 services in 2015 has increased 30% over the year prior.

Year-to-date, 3,956 pet licenses have been sold resulting in \$113,335 in revenue. For the same period in 2014, 4,348 licenses were sold resulting in \$114,330 in revenue.

Street Funds:

The City's three street funds are special revenue funds where the revenue sources and expenditures are legally restricted. These funds are used for street capital construction projects, local street repair and arterial street repair and preservation projects. Through Q3-2015, the Arterial Street fund ended the period with a reduction in fund balance of \$1.5M. The Local Street fund ended the period with an increase in fund balance of \$560K, and the Arterial Street Preservation fund ended the period with a reduction in fund balance of \$860K. Due to the timing of capital projects, budgeted expenditures exceed budgeted revenues in all three funds, resulting in planned reductions to fund balances. Actual year-to-date results are generally in line with this. Projections for the street funds indicate that all three are likely to end the year with expenditures significantly below budget.

Enterprise Funds:

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

Through the end of the third quarter, the Water fund had operating income of \$1,309,300 compared to operating income of \$1,289,500 in 2014. The Sewer fund ended the quarter with net income of \$48,000 compared to income of \$98,900 in 2014. The Sewer-Metro Utility ended the period with operating income of \$57,900 compared to operating income of \$94,900 in the previous year. Lastly, the Stormwater Utility ended the quarter with operating income of \$1,062,600 as compared with operating income of \$1,098,900 in 2014.

The Cemetery ended the third quarter with net operating income of \$33,500 compared to operating income of \$3,600 in 2014.

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 Q3-2015 was \$115.7M, and compares to \$121.9 million at the end of Q2-2015.

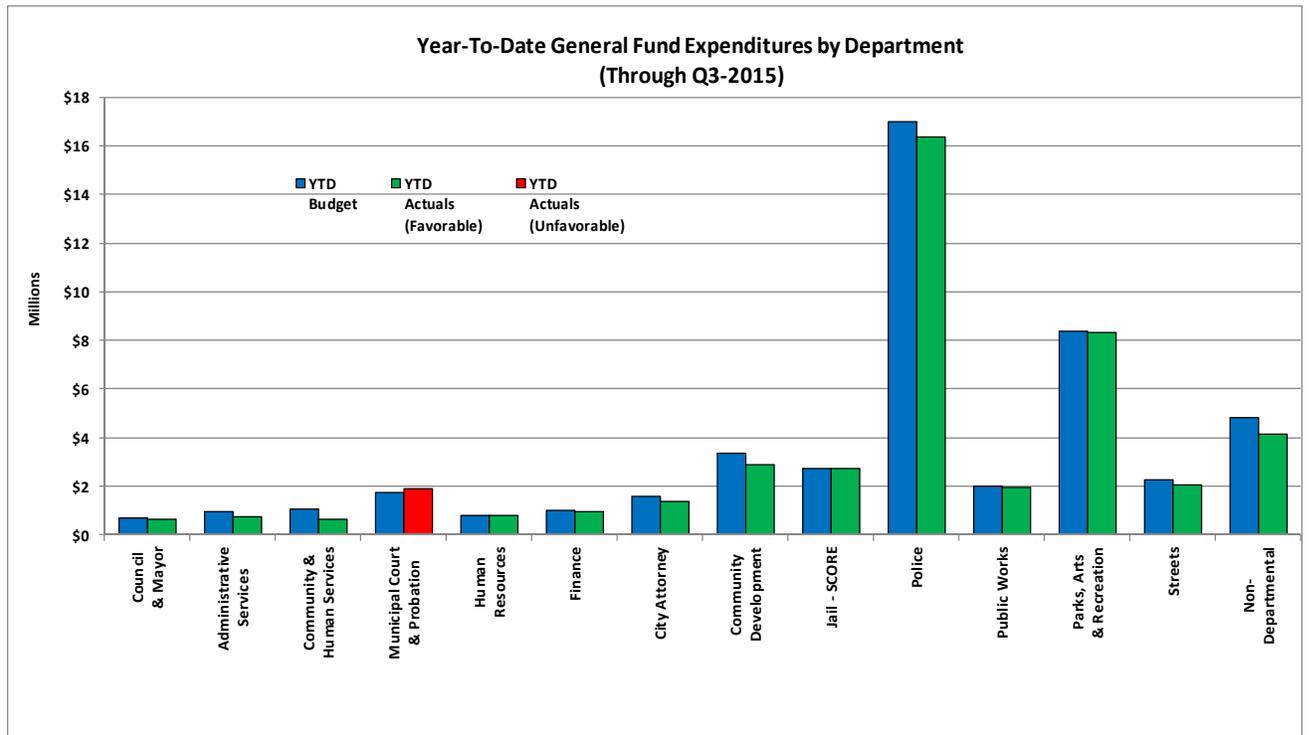
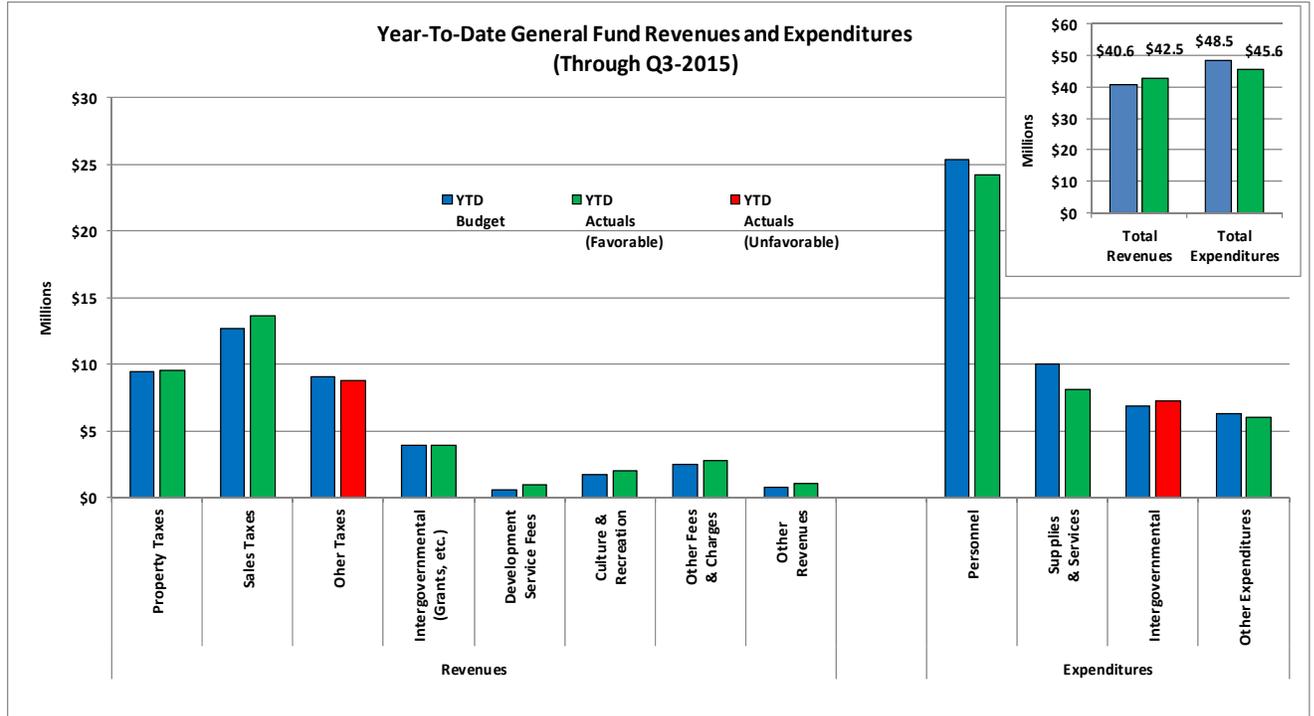
<p>Reviewed by Council & Committees:</p> <p><input type="checkbox"/> Arts Commission <input type="checkbox"/> Airport <input type="checkbox"/> Hearing Examiner <input type="checkbox"/> Human Services <input type="checkbox"/> Park Board <input type="checkbox"/> Planning Comm.</p> <p>COUNCIL COMMITTEES:</p> <p><input type="checkbox"/> Finance <input type="checkbox"/> Municipal Serv. <input type="checkbox"/> Planning & CD <input type="checkbox"/> Public Works <input type="checkbox"/> Other _____</p>	<p>Reviewed by Departments & Divisions:</p> <p><input type="checkbox"/> Building <input type="checkbox"/> Cemetery <input type="checkbox"/> Finance <input type="checkbox"/> Fire <input type="checkbox"/> Legal <input type="checkbox"/> Public Works <input type="checkbox"/> Information Services</p> <p><input type="checkbox"/> M&O <input type="checkbox"/> Mayor <input type="checkbox"/> Parks <input type="checkbox"/> Planning <input type="checkbox"/> Police <input type="checkbox"/> Human Resources</p>
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Action:

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

Councilmember:	Staff: Coleman
Meeting Date: November 30, 2015	Item Number:

General Fund Summary



General Fund Summary of Sources and Uses	2015			2014	2015 YTD Budget vs. Actual	
	Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable) Amount	Percentage
Operating Revenues						
Property Tax	\$ 17,182,600	\$ 9,456,800	\$ 9,500,023	\$ 8,671,476	\$ 43,223	0.5 %
Sales Tax	13,662,000	10,102,400	10,850,092	10,232,931	747,692	7.4 %
Sales Tax - Annexation Credit	1,856,000	1,361,500	1,469,642	1,353,361	108,142	7.9 %
Criminal Justice Sales Tax	1,589,000	1,170,000	1,341,552	1,220,359	171,552	14.7 %
Brokered Natural Gas Tax	282,000	229,700	195,126	225,727	(34,574)	(15.1) %
City Utilities Tax	3,452,300	2,580,400	2,712,038	2,583,403	131,638	5.1 %
Admissions Tax	330,300	248,000	278,210	242,304	30,210	12.2 %
Electric Tax	3,435,600	2,660,500	2,393,107	2,676,062	(267,393)	(10.1) %
Natural Gas Tax	1,152,000	1,020,700	878,683	1,016,345	(142,017)	(13.9) %
Cable TV Franchise Fee	888,900	665,800	689,428	662,669	23,628	3.5 %
Cable TV Franchise Fee - Capital	63,000	54,100	53,921	47,420	(179)	(0.3) %
Telephone Tax	1,811,000	1,361,100	1,271,170	1,369,114	(89,930)	(6.6) %
Garbage Tax (external)	106,000	79,470	84,177	79,933	4,707	5.9 %
Leasehold Excise Tax	33,000	20,900	45,968	27,111	25,068	119.9 %
Gambling Excise Tax	232,400	175,000	147,986	211,463	(27,014)	(15.4) %
Taxes sub-total	\$ 46,076,100	\$ 31,186,370	\$ 31,911,123	\$ 30,619,679	\$ 724,753	2.3 %
Business License Fees	\$ 219,000	\$ 120,200	\$ 154,096	\$ 107,374	\$ 33,896	28.2 %
Building Permits	1,100,000	869,000	977,631	1,164,856	108,631	12.5 %
Other Licenses & Permits	532,300	385,300	434,921	501,420	49,621	12.9 %
Intergovernmental (Grants, etc.)	5,443,451	3,894,478	3,929,887	3,690,117	35,410	0.9 %
Charges for Services:						
General Government Services	96,500	73,100	60,462	80,975	(12,638)	(17.3) %
Public Safety	515,100	426,207	396,978	382,509	(29,229)	(6.9) %
Development Services Fees	680,000	541,500	933,627	910,625	392,127	72.4 %
Culture and Recreation	2,058,080	1,754,500	2,030,266	1,871,665	275,766	15.7 %
Fines and Forfeits	788,040	609,600	711,380	1,040,512	101,780	16.7 %
Fees/Charges/Fines sub-total	\$ 11,432,471	\$ 8,673,885	\$ 9,629,247	\$ 9,750,053	\$ 955,363	11.0 %
Interest and Other Earnings	\$ 36,850	\$ 27,100	\$ 32,834	\$ 29,470	\$ 5,734	21.2 %
Rents, Leases and Concessions	573,200	490,700	574,287	587,800	83,587	17.0 %
Contributions and Donations	32,000	22,300	31,947	35,531	9,647	43.3 %
Other Miscellaneous	107,400	80,100	159,007	129,929	78,907	98.5 %
Transfers In	539,380	76,000	76,000	121,097	-	0.0 %
Insurance Recoveries - Capital & Operating	25,000	18,900	131,404	65,375	112,504	595.3 %
Other Revenues sub-total	\$ 1,313,830	\$ 715,100	\$ 1,005,479	\$ 969,200	\$ 290,379	40.6 %
Total Operating Revenues	\$ 58,822,401	\$ 40,575,355	\$ 42,545,850	\$ 41,338,932	\$ 1,970,495	4.9 %
Operating Expenditures						
Council & Mayor	\$ 915,017	\$ 686,800	\$ 662,611	\$ 557,961	\$ 24,189	3.5 %
Administration	1,299,136	974,700	746,156	511,602	228,544	23.4 %
Community & Human Services	1,406,523	1,052,600	644,041	689,430	408,559	38.8 %
Municipal Court & Probation	1,935,710	1,733,400	1,888,511	1,198,451	(155,111)	(8.9) %
Human Resources	1,137,785	800,300	793,308	908,539	6,992	0.9 %
Finance	1,277,225	1,006,700	975,764	899,315	30,936	3.1 %
City Attorney	2,202,159	1,610,100	1,370,421	1,232,988	239,679	14.9 %
Community Development	4,606,675	3,377,500	2,868,071	2,814,196	509,429	15.1 %
Jail - SCORE	3,670,000	2,752,500	2,744,147	3,439,293	8,353	0.3 %
Police	22,887,782	16,996,100	16,388,842	15,115,068	607,258	3.6 %
Public Works	2,724,409	2,012,700	1,975,023	1,945,676	37,677	1.9 %
Parks, Arts & Recreation	11,096,464	8,399,100	8,320,497	7,332,550	78,603	0.9 %
Streets	3,365,676	2,289,100	2,044,555	2,258,289	244,545	10.7 %
Non-Departmental	6,138,548	4,804,472	4,145,992	1,834,182	658,480	13.7 %
Total Operating Expenditures	\$ 64,663,109	\$ 48,496,072	\$ 45,567,941	\$ 40,737,539	\$ 2,928,131	6.0 %

Overview

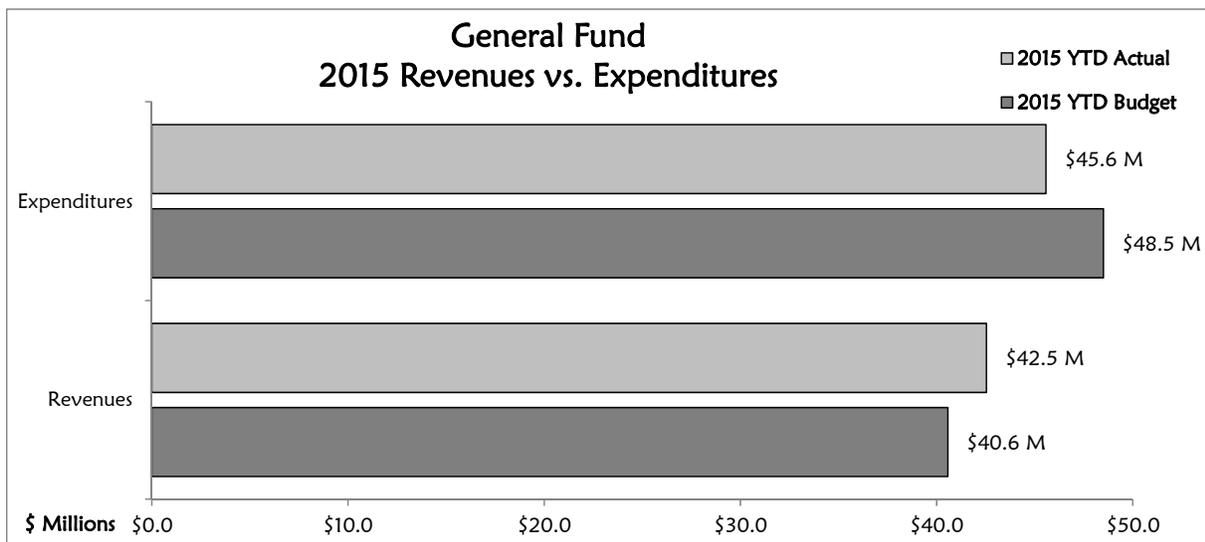
This financial overview reflects the City's overall financial position for the fiscal period ending September 30, 2015 and represents financial data available as of October 22, 2015. Budgeted revenues and operating expenditures are primarily based on the collection/disbursement average for the same period of the two prior years.

Through September 2015, General Fund revenues totaled \$42.5 million compared to a budget of \$40.6 million and were \$1.2 million higher than the revenues collected during the same period the year prior. Some notable variances to budget year-to-date include:

- General Fund sales tax revenues totaled \$10.9 million and exceeded budget by 7.4% or \$748,000, and exceeded prior year collections by \$617,000. The areas of significant increase in sales activity compared to 2014 are primarily in the automotive and retail trade categories.
- The other taxes category is performing under budget through Q3-2015 due to lower than anticipated collections in electric tax revenues and natural gas tax revenues. These revenues year-to-date were under budget by \$267,000 and \$142,000 respectively due primarily to a mild winter, which reduced customer demand for heating.
- Development services fees through September totaled \$934,000 and exceeded budget by \$392,000. The increased revenues were attributable to plan check revenues and public facility extension revenues, both of which already exceed year-end budget.
- Culture and recreation revenues exceeded the year-to-date budget by \$276,000 and exceed collections for the same period last year by \$159,000. The year-over-year increase was primarily due to \$115,000 in increased revenues collected at the Auburn Golf Course for greens fees this year compared to the same period last year (representing a 12.3% increase). In addition, revenues collected for league fees and charges for classes at the Auburn Avenue Theatre were up year-over-year by \$14,000 and \$10,000 respectively.
- Other fees and charges exceeded year-to-date budget through Q3-2015 by \$252,000 or 10.2%, primarily due to building permit revenue and fines and forfeit revenue exceeding budget expectations. These favorable variances more than offset the reduced revenue collected for general governmental services as the City no longer provides services to the City of Algona. In addition, revenue collected for public safety through Q3-2015 is lower than budget expectations. This is due to a 32.1% reduction in extra duty billable hours for private security this year, compared to the same period last year.

General Fund expenditures through the third quarter of 2015 totaled \$45.6 million compared to a budget of \$48.5 million. All departments operated within their allocated budget through Q3-2015, with the exception of the Municipal Court/Probation cost center. The Municipal Court ended the period \$155,000 over budget, or 8.9%, due to the fact that the annual payment to King County District Court for services rendered was \$336,000 higher than budgeted for the year. This budget variance will be addressed in Budget Amendment #3.

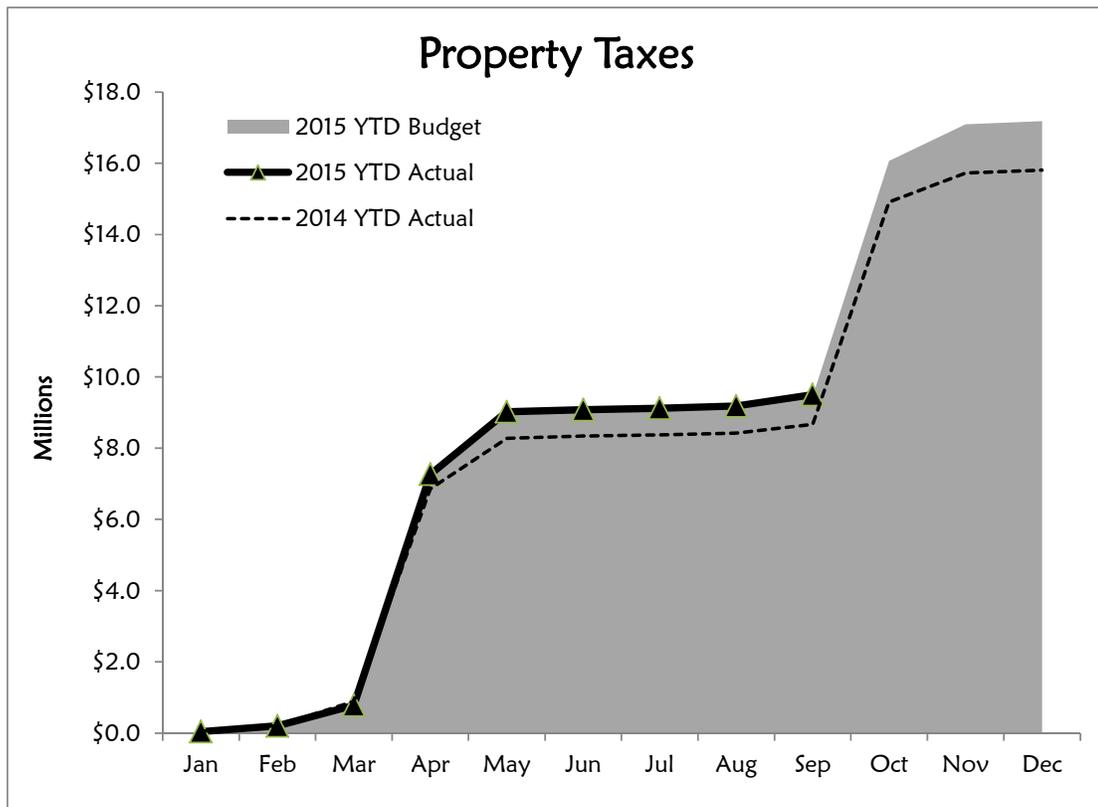
Year-to-date General Fund expenditures ended the period 11.9%, or \$4.8 million, higher than the same period last year. The increase in year-over-year expenditures was attributable to several factors including a \$2.8 million transfer to the Cumulative Reserve Fund to replenish prior withdrawals. Salary and benefit costs increased year-over-year by \$1.0 million, or 4.3%, due to lower departmental vacancies compared to the year prior as well as increased costs associated with health care and pensions. In addition, interfund charges through Q3-2015 were \$0.9 million higher than the same period the year prior, primarily from Equipment Rental (due to the addition of the Golf Course to the General Fund and increased operating, capital construction, and replacement costs) and from Facilities (due to repair and maintenance projects that were completed on several City buildings). Lastly, the cost of providing 911 services in 2015 has increased 30% over the year prior.



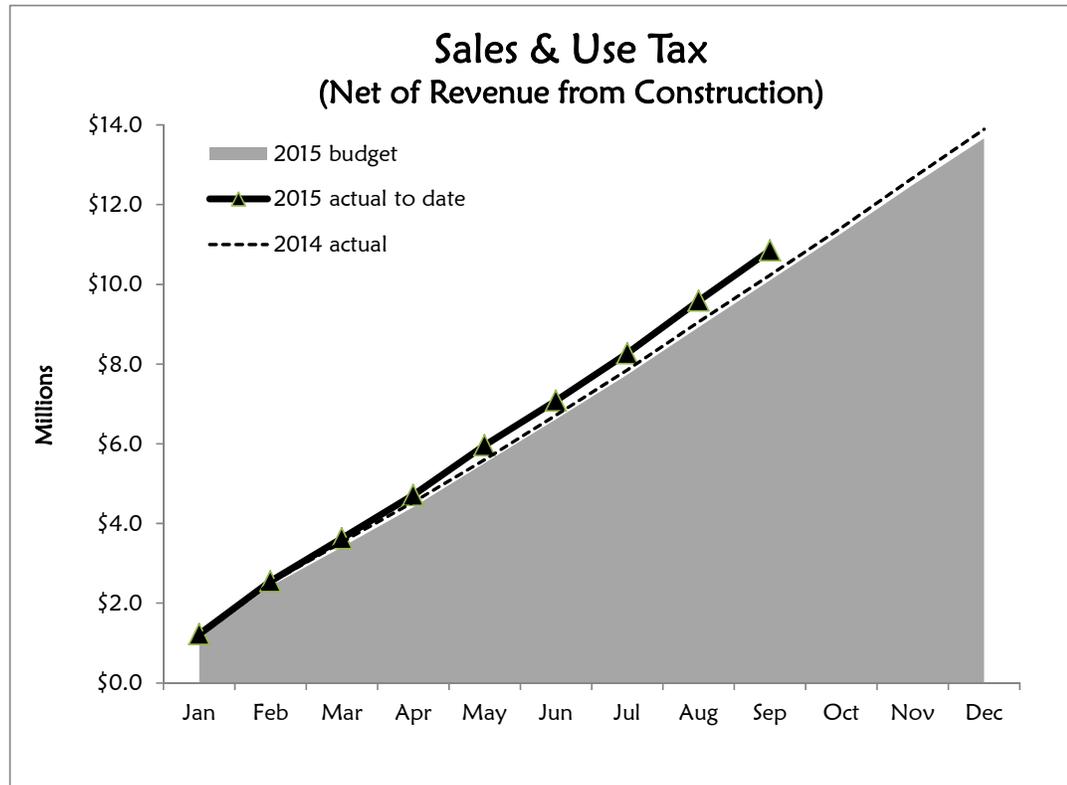
Revenues

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

Property Tax collections through Q3-2015 totaled \$9.5 million and are on target to end the year on budget. The property tax revenue collection through September 2015 compares to \$8.7 million collected the same period the year prior, which represents a 9.6% increase year-over-year.



Sales tax collections totaled \$12.5 million of which \$10.9 million was distributed to the General Fund and \$1.6 million was distributed to the Local Street Fund (SOS) program.* Through September 2015, total sales tax revenue distributions to the General Fund exceeded budget expectations by \$748,000, or 7.4%.



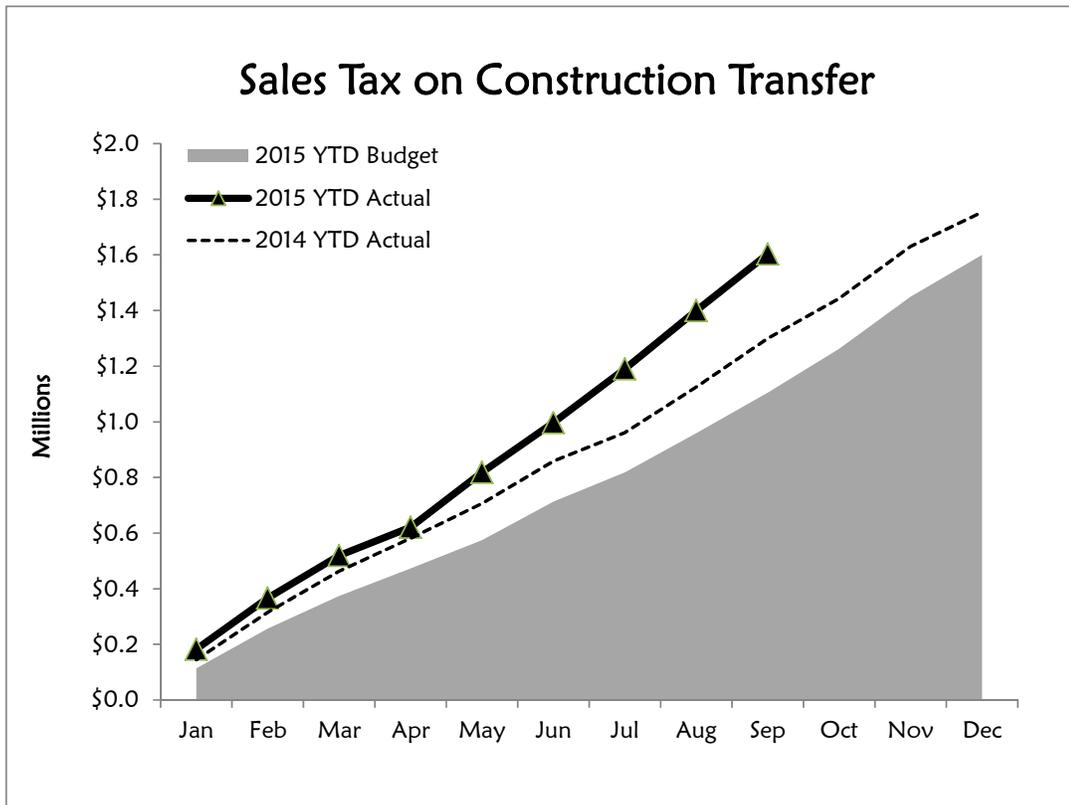
* Beginning in 2013, Local Street Fund (Fund 103) street repairs have been funded from sales taxes on construction. The total amount transferred year-to-date through Q3-2015 was \$1,602,935. The graphic above presents sales taxes under the current policy.

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

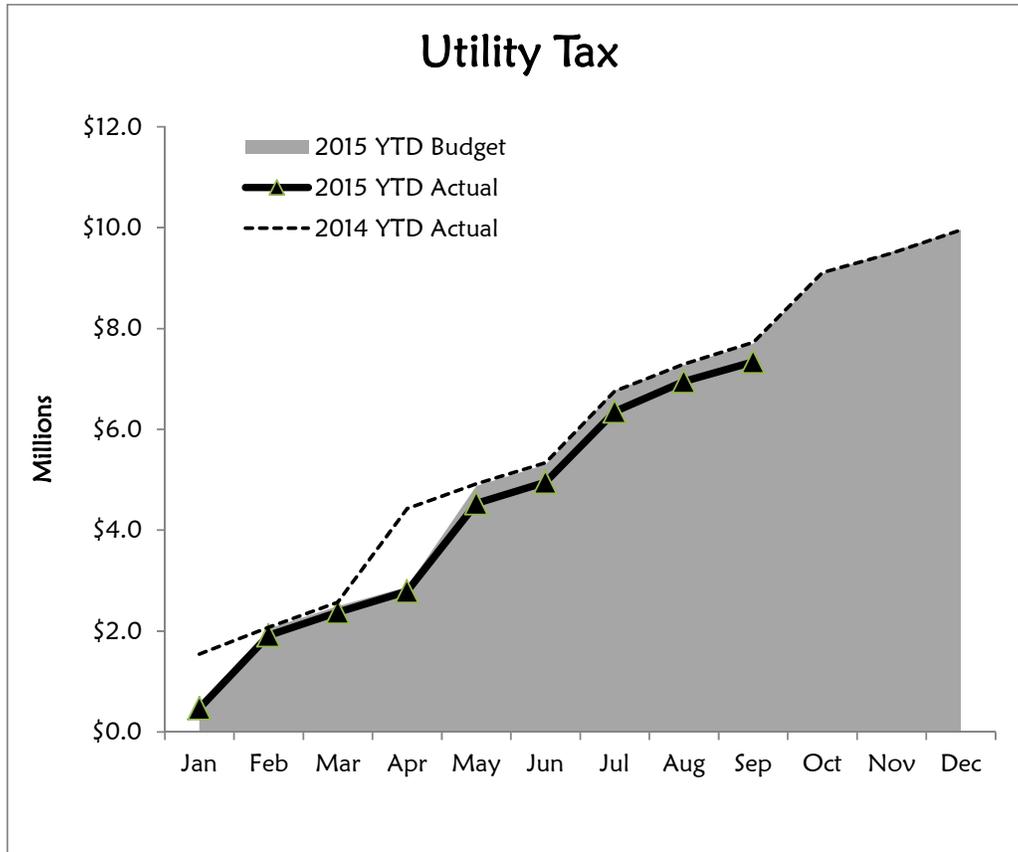
Comparison of Sales Tax Collections by SIC Group				
September-2015				
Component Group	2014 Actual	2015 Actual	Change from 2014	
			Amount	Percentage
Construction	\$ 1,299,177	\$ 1,602,935	\$ 303,758	23.4 %
Manufacturing	866,808	666,248	(200,560)	(23.1) %
Transportation & Warehousing	30,851	46,931	16,080	52.1 %
Wholesale Trade	889,379	934,506	45,127	5.1 %
Automotive	2,449,526	2,772,680	323,155	13.2 %
Retail Trade	3,438,556	3,719,022	280,466	8.2 %
Services	2,464,157	2,651,561	187,404	7.6 %
Miscellaneous	91,121	51,225	(39,896)	(43.8) %
YTD Total	\$ 11,529,575	\$ 12,445,109	\$ 915,534	7.9 %

Total sales tax revenue collected through Q3-2015 exceeded prior year collections by \$921,000, or 8.0%. The business sectors showing the largest increase in revenues compared to the same period last year were in the automotive, construction and retail trade industries.

Total sales tax revenue on construction, which is transferred to the Local Street Fund (Fund 103) for local street repair and maintenance, totaled \$1,603,000, which is \$304,000 higher than the same period last year, and already exceeds year-end budget for 2015 by a small margin.



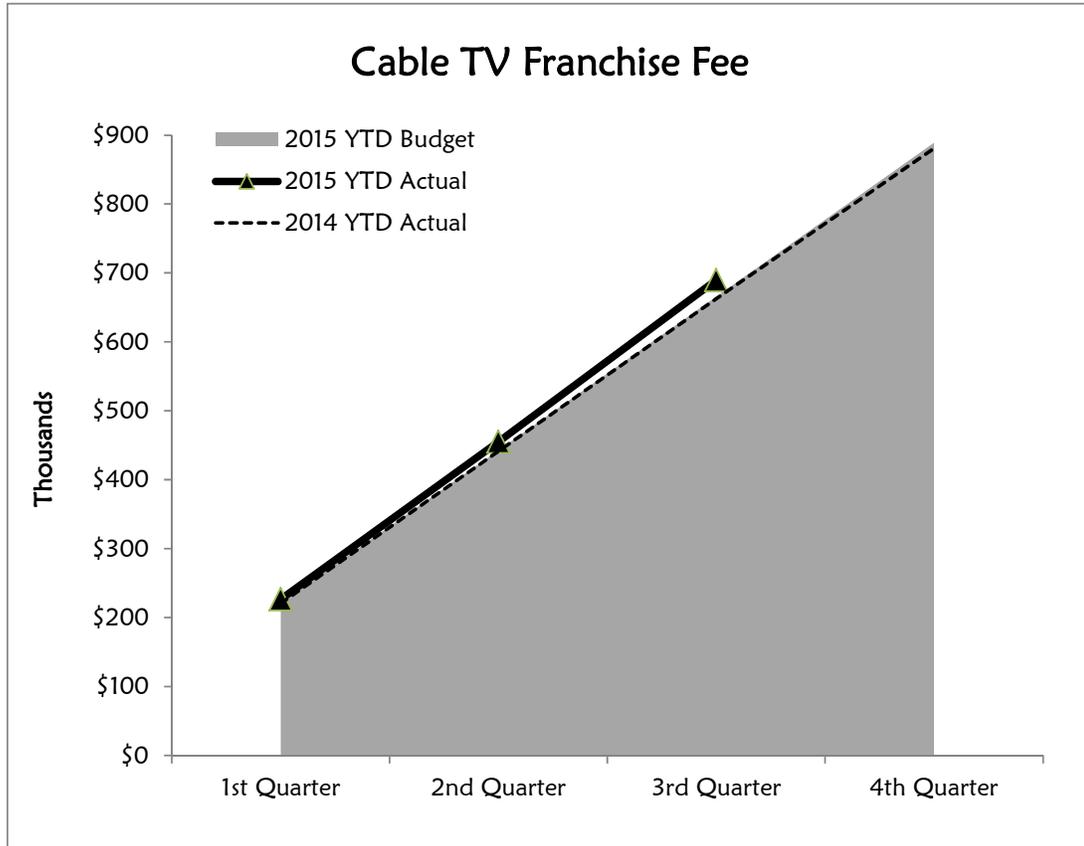
Utility Taxes consist of interfund taxes on City utilities (Water, Sewer, Storm and Solid Waste) and taxes on external utilities (Electric, Natural Gas, Telephone and Solid Waste). Utility taxes collected through the third quarter of 2015 totaled \$7.3 million compared to a budget of \$7.7 million.



As shown in the table below, overall utility tax revenues collected year-to-date were \$7.3 million, resulting in underperformance relative to budget of \$363,000, or 4.7%. A mild winter has reduced customer heating demands and resulted in year-over-year declines in electricity and natural gas sales, and therefore reducing the City’s tax collections. In addition, telephone tax revenues are running \$90,000, or 6.6% unfavorable to budget.

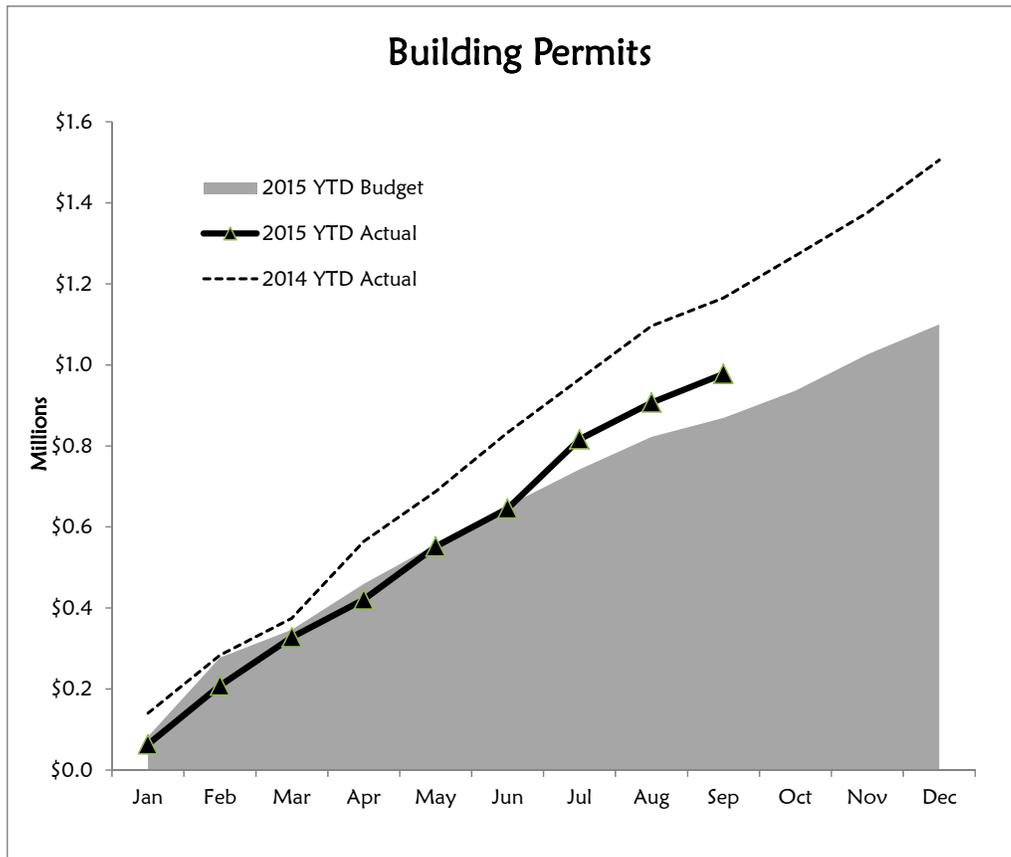
Utility Tax by Type September-2015							
Utility Tax Type	2014 Actual	2015 Budget	2015 Actual	2015 vs. 2014 Actual		2015 vs. Budget	
				Amount	Percentage	Amount	Percentage
City Interfund Utility Taxes	\$ 2,583,403	\$ 2,580,400	\$ 2,712,038	\$ 128,635	5.0 %	\$ 131,638	5.1 %
Electric	2,676,062	2,660,500	2,393,107	(282,955)	(10.6) %	(267,393)	(10.1) %
Natural Gas	1,016,345	1,020,700	878,683	(137,662)	(13.5) %	(142,017)	(13.9) %
Telephone	1,369,114	1,361,100	1,271,170	(97,944)	(7.2) %	(89,930)	(6.6) %
Solid Waste (external)	79,933	79,470	84,177	4,244	5.3 %	4,707	5.9 %
YTD Total	\$ 7,724,857	\$ 7,702,170	\$ 7,339,175	\$ (385,682)	(5.0) %	\$ (362,995)	(4.7) %

Cable TV Franchise Fees, which are collected quarterly, totaled \$689,000 and exceeded year-to-date budget by \$27,000 or 4.0%.

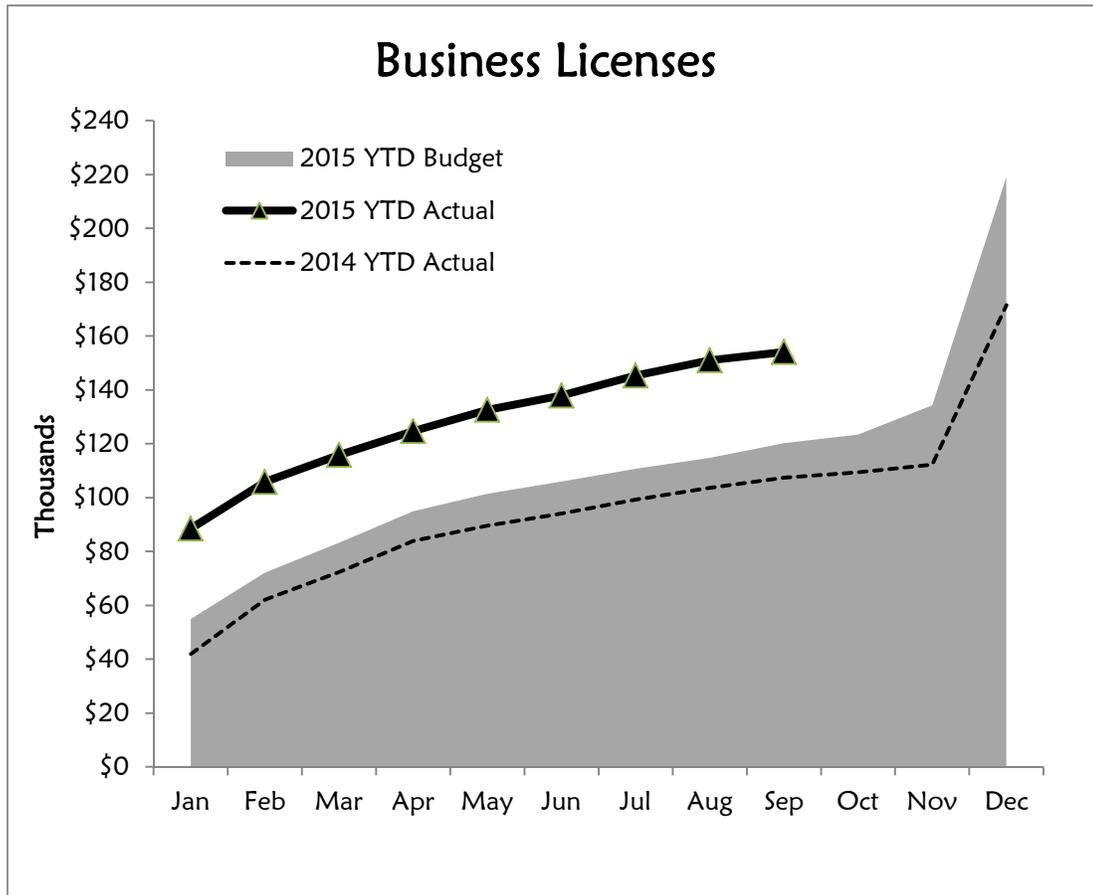


Licenses and Permits include business licenses, building permits, plumbing, electric and other licenses and permit fees. Building permit fees and business licenses make up about 70% of the annual budgeted revenue in this category.

Total building permit revenues collected through September totaled \$978,000 compared to a year-to-date budget of \$869,000. Building permits issued through September total 594 and compares to 662 issued during the same period in 2014. Major projects contributing to revenues this quarter include building permits for the Green River College off-campus building, and permits for the seating and finish upgrades to Regal Cinema, as well as other projects and numerous housing developments – most notably Lakeland Hills Estates.



Business license revenues collected through September totaled \$154,000 compared to \$107,000 collected the same period in 2014; the difference is due to the timing of collections. The graphic below reflects the timing of payments by business owners, where the majority of business license payments are typically collected during the first two months of the year and the last month of the year.



Intergovernmental revenues include Grants (Direct & Indirect Federal, State and Local), compact revenue from the Muckleshoot Indian Tribe (MIT), intergovernmental and state shared revenues. Collections to date totaled \$3.9 million and were \$31,000, or 0.8%, higher than budget.

Favorable variances in Motor Vehicle Fuel Tax revenue and Liquor Excise revenues offset the reduced revenues received in Federal Grant monies and Criminal Justice High Crime revenues. Due to the timing of the hire dates of the two COPS Grant officers, Federal Grant revenues will end the year under budget expectations.

Effective during the state’s 2016 fiscal year budget cycle, the City of Auburn does not qualify for Criminal Justice High Crime revenues because the City’s crime rate for the last reporting period did not exceed the statewide average. Therefore, the City of Auburn will not receive these distributions for reporting periods Q3-2015 through Q2-2016. The fiscal impact to the City of Auburn in 2015 is an estimated reduction in general fund revenues of \$96,000.

Intergovernmental September-2015							
Revenue	2014 Actual	2015 Budget	2015 Actual	2015 vs. 2014 Actual		2015 vs. Budget	
				Amount	% Change	Amount	% Change
Federal Grants	\$ 90,084	\$ 220,000	\$ 148,202	\$ 58,118	64.5 %	\$ (71,798)	(32.6) %
State Grants	67,921	196,100	192,790	124,869	183.8 %	(3,310)	(1.7) %
Muckleshoot Casino Emerg.	444,667	431,400	449,301	4,635	1.0 %	17,901	4.1 %
Intergovernmental Service	55,102	0	14,423	(40,679)	(73.8) %	14,423	N/A
State Shared Revenues:							
Streamlined Sales Tax	1,478,789	1,507,300	1,468,082	(10,707)	(0.7) %	(39,218)	(2.6) %
Motor Vehicle Fuel Tax	752,587	699,000	784,333	31,746	4.2 %	85,333	12.2 %
Criminal Justice - High Crime	47,904	144,000	96,509	48,605	101.5 %	(47,491)	(33.0) %
Criminal Justice - Population	13,992	13,300	14,843	851	6.1 %	1,543	11.6 %
Criminal Justice - Special Prog.	51,989	50,300	54,433	2,445	4.7 %	4,133	8.2 %
Marijuana Enforcement	0	0	4,881	4,881	N/A	4,881	N/A
State DUI	9,926	10,000	8,328	(1,597)	(16.1) %	(1,672)	(16.7) %
Fire Insurance Tax	77,558	70,000	75,702	(1,855)	(2.4) %	5,702	8.1 %
Liquor Excise	101,740	76,223	117,851	16,112	15.8 %	41,629	54.6 %
Liquor Profit	488,207	472,755	490,501	2,294	0.5 %	17,746	3.8 %
Total State Shared:	3,022,691	3,042,878	3,115,465	92,774	3.1 %	72,588	2.4 %
YTD Total	\$ 3,690,117	\$3,894,478	\$ 3,929,887	\$ 239,770	6.5 %	\$ 35,410	0.9 %

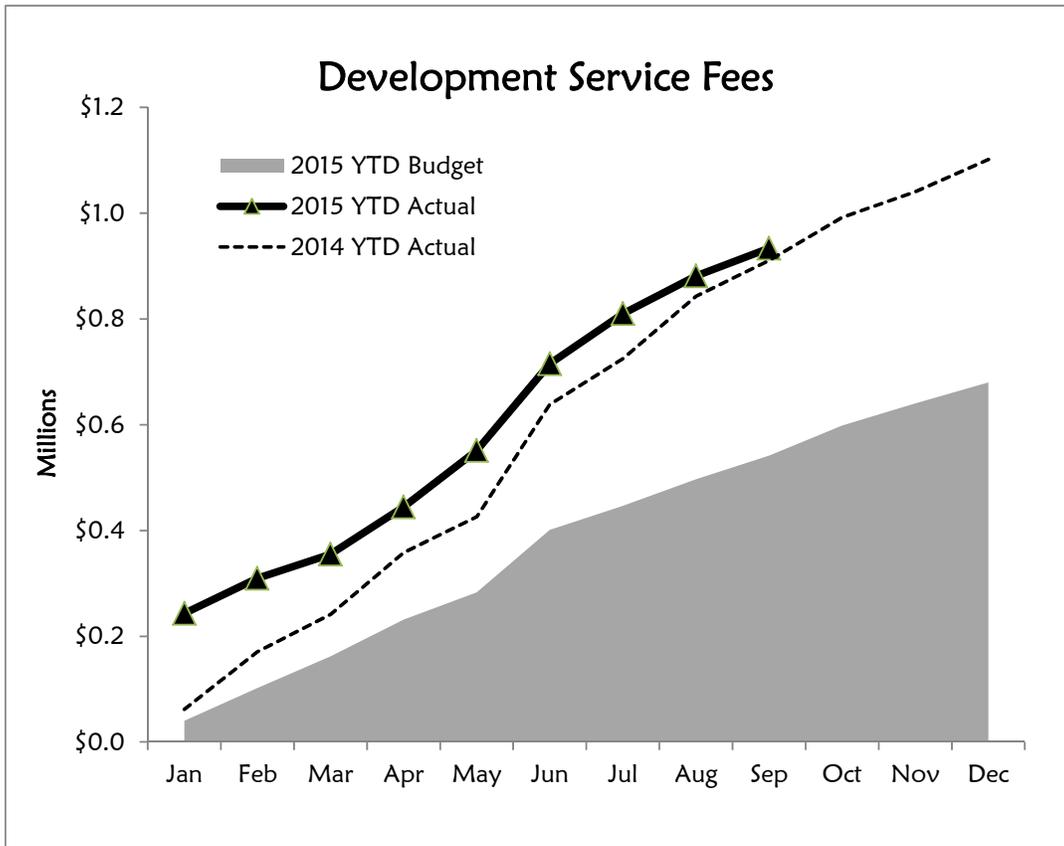
Charges for Services consist of general governmental services, public safety, development service fees and cultural & recreation fees. Overall, charges for services collected through Q3-2015 totaled \$3.4 million compared to a year-to-date budget of \$2.8 million. Total revenues collected thus far exceed year-to-date budget by \$626,000, or 22.4%.

General governmental revenues through Q3-2015 totaled \$60,000 compared to a budget of \$73,000. The underperformance to budget was due to the fact that the City no longer provides services to the City of Algona; therefore the City will not receive reimbursement for services.

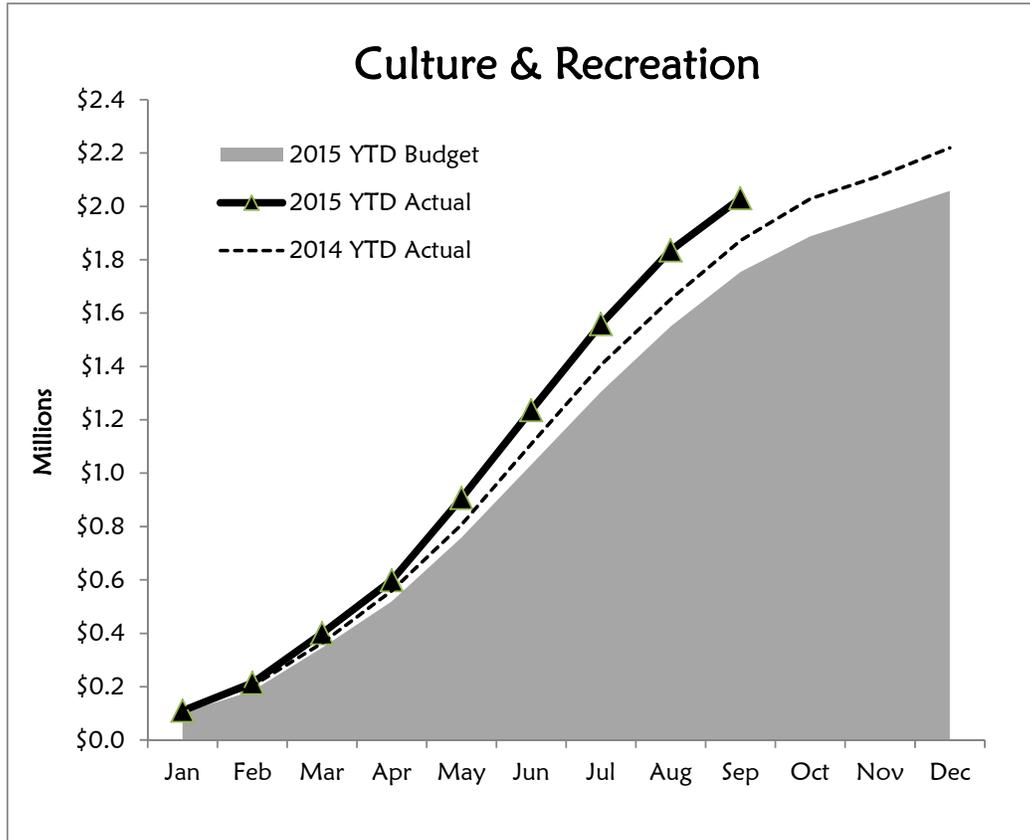
Public safety revenues collected year-to-date totaled \$397,000 as compared to a budget of \$426,000. Public safety revenues consist of revenues generated for Police Officer extra duty overtime, where officers are contracted for services and reimbursement is made by the hiring contractor. Effective June 2014, public safety revenue also includes reimbursement from the Muckleshoot Indian Tribe (MIT) for a full-time dedicated Police Officer and associated expenditures. Public safety revenues through Q3-2015 were lower than anticipated, primarily due to the fact that extra duty billable hours through Q3-2015 were down 32.1% compared to the same period last year.

Development services fee collections, which primarily consist of plan check fees, totaled \$934,000 and exceeded year-to-date budget by \$392,000. Total plan check fees collected in Q3-2015 totaled \$140,000 and include revenues related to several commercial and residential projects including upgrades to Multicare as well as plans for Edgeview, Mountain View North and Mountain View South housing developments.

Charges for Services by Type September-2015							
Revenue	2014 Actual	2015 Budget	2015 Actual	2015 vs. 2014 Actual		2015 vs. Budget	
				Amount	Percentage	Amount	Percentage
General Government	\$ 80,975	\$ 73,100	\$ 60,462	\$ (20,514)	(25.3) %	\$ (12,638)	(17.3) %
Public Safety	382,509	426,207	396,978	14,469	3.8 %	(29,229)	(6.9) %
Development Services	910,625	541,500	933,627	23,002	2.5 %	392,127	72.4 %
Culture & Recreation	1,871,665	1,754,500	2,030,266	158,601	8.5 %	275,766	15.7 %
YTD Total	\$ 3,245,775	\$ 2,795,307	\$ 3,421,332	\$ 175,557	5.4 %	\$ 626,025	22.4 %

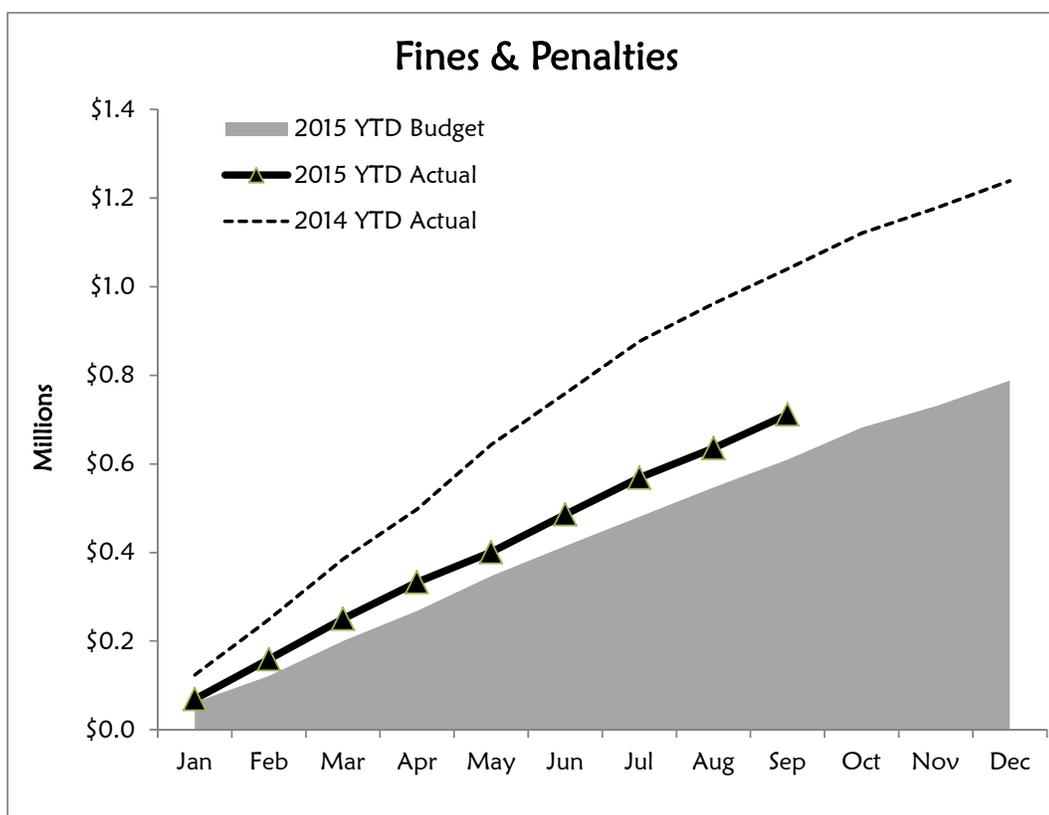


Culture and recreation revenues totaled \$2.0 million and exceeded year-to-date budget by \$276K, or 15.7%, primarily due to higher revenue collected at the Auburn Golf Course for greens fees. Greens fee revenue collected through Q3 totaled \$1,048,000 and exceeded year end budget of \$1,045,000. In addition, both league fees and revenue related to Auburn Avenue Theatre classes exceeded year-end budget expectations through Q3-2015.



Fines & Penalties include traffic and parking infraction penalties, criminal fines (including criminal traffic, criminal non traffic and other criminal offenses) as well as non-court fines such as false alarm fines. Total revenue collected through Q3-2015 totaled \$711,000, compared to a budget of \$610,000 and prior year collections of \$1.0 million. Effective June 2014, the Redflex Photo Enforcement Program was cancelled, which is the contributing factor for the significant year-over-year decline in fines and forfeits revenue.

Fines & Forfeits by Type September-2015							
Month	2014 Actual	2015 Budget	2015 Actual	2015 vs. 2014 Actual		2015 vs. Budget	
				Amount	Percentage	Amount	Percentage
Civil Penalties	\$ 13,115	\$ 11,900	\$ 8,823	\$ (4,292)	(32.7) %	\$ (3,077)	(25.9) %
Civil Infraction Penalties	368,220	344,600	384,758	16,538	4.5 %	40,158	11.7 %
Redflex Photo Enforcement	377,730	0	1,859	(375,871)	(99.5) %	1,859	N/A %
Parking Infractions	102,962	86,900	105,877	2,916	2.8 %	18,977	21.8 %
Criminal Traffic Misdemeanor	39,908	39,100	41,568	1,660	4.2 %	2,468	6.3 %
Criminal Non-Traffic Fines	33,951	35,900	36,895	2,944	8.7 %	995	2.8 %
Criminal Costs	38,366	31,400	42,706	4,340	11.3 %	11,306	36.0 %
Non-Court Fines & Penalties	66,260	59,800	88,892	22,632	34.2 %	29,092	48.6 %
YTD Total	\$1,040,512	\$ 609,600	\$ 711,380	\$ (329,132)	(31.6) %	\$ 101,780	16.7 %

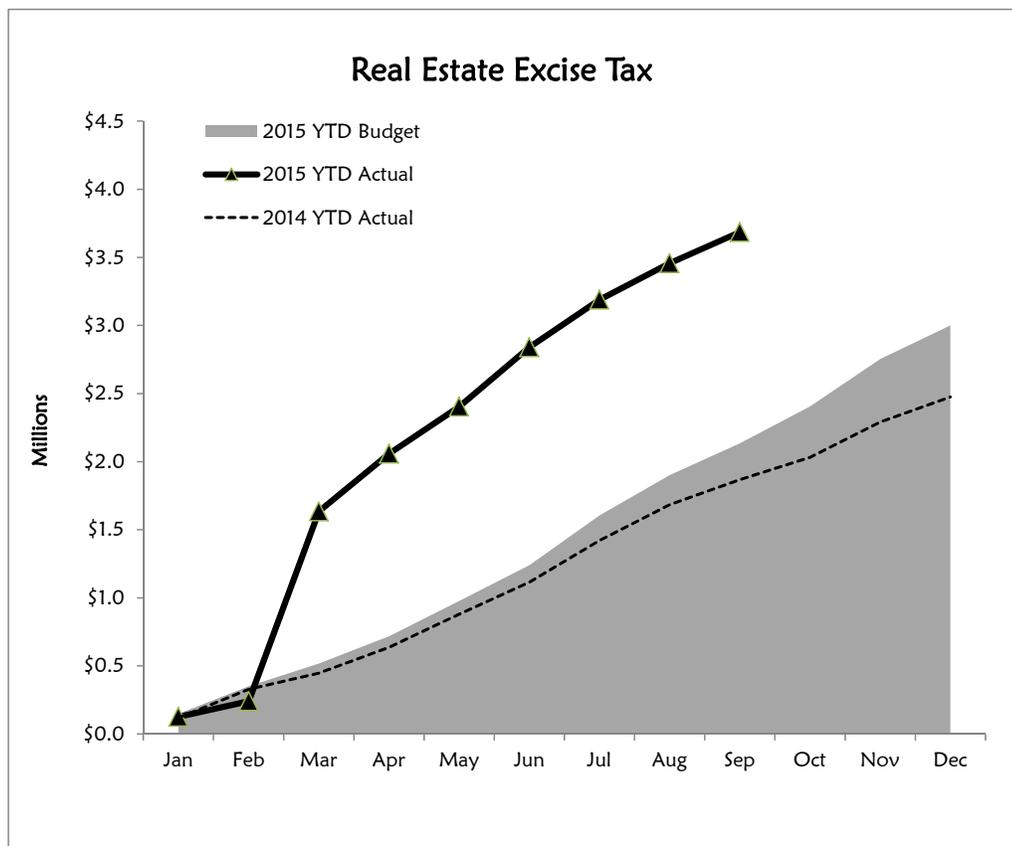


Miscellaneous revenues primarily consist of investment earnings, income from facility rentals, contributions & donations, and other miscellaneous income, which includes the quarterly purchasing card (P-card) rebate monies. Total revenues collected in this category through Q3-2015 totaled \$798,000 and exceeded budget expectation of \$620,000. Rents and leases revenue through Q3-2015 exceed budget by \$84,000, primarily due to both golf cart rental revenues and City owned facilities rental revenues having already exceeded year end budget expectations. In addition, other miscellaneous revenues collected exceeded year-to-date budget expectations by \$79,000, primarily due to higher than budgeted P-Card rebate monies collected through September.

Miscellaneous Revenues by Type September-2015							
Month	2014 Actual	2015 Budget	2015 Actual	2015 vs. 2014		2015 vs. Budget	
				Amount	Percentage	Amount	Percentage
Interest & Investments	\$ 29,470	\$ 27,100	\$ 32,834	\$ 3,364	11.4 %	\$ 5,734	21.2 %
Rents & Leases	587,800	490,700	574,287	(13,513)	(2.3) %	83,587	17.0 %
Contributions & Donations	35,531	22,300	31,947	(3,584)	(10.1) %	9,647	43.3 %
Other Miscellaneous Revenue	129,929	80,100	159,007	29,079	22.4 %	78,907	98.5 %
YTD Total	\$ 782,729	\$ 620,200	\$ 798,076	\$ 15,346	2.0 %	\$ 177,876	28.7 %

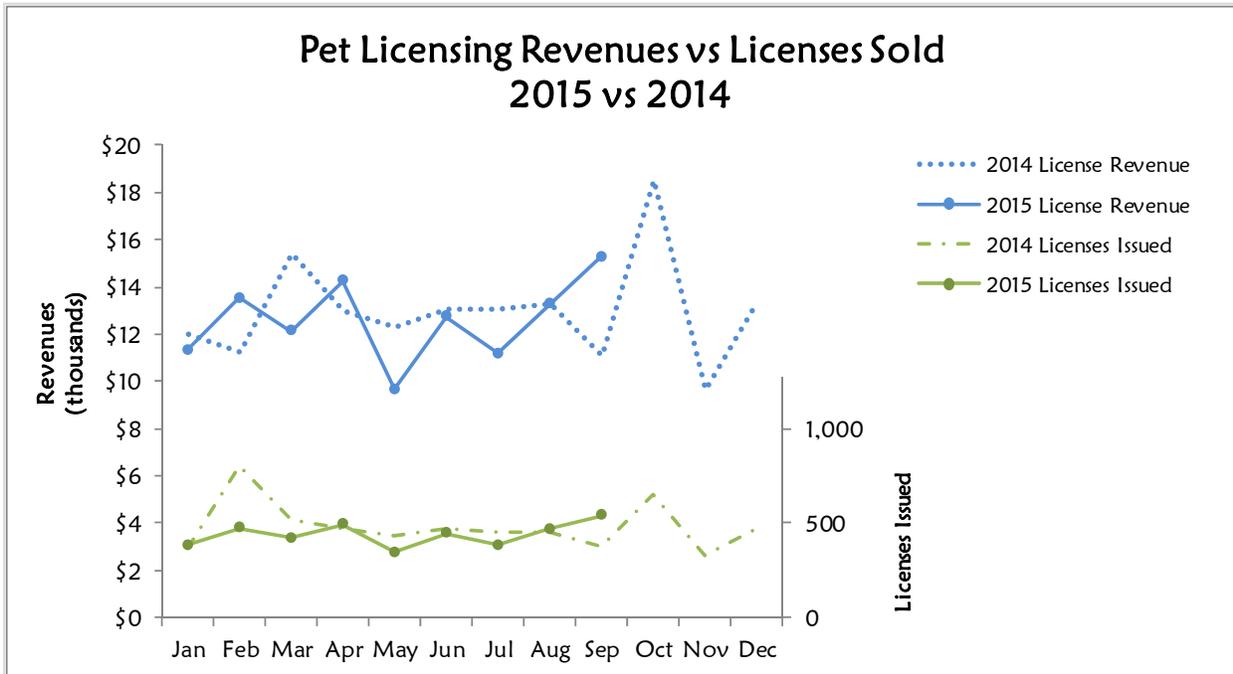
Real Estate Excise Tax (REET) revenue is receipted into the Capital Improvement Projects Fund and is used for governmental capital projects. REET revenues collected through Q3-2015 totaled \$3.7 million, compared to a budget expectation of \$2.1 million. REET revenues collected through Q3-2015 already exceed the year-end budget and have surpassed historical collections. Real estate sales in the City of Auburn this quarter included the sale of several large plots of vacant land, the sale of several businesses, and the sale of over 400 single family residences.

Real Estate Excise Tax Revenues							
September-2015							
Month	2014 Actual	2015 Budget	2015 Actual	2015 vs. 2014		2015 vs. Budget	
				Amount	Percentage	Amount	Percentage
Jan	\$ 119,765	\$ 148,800	125,089	\$ 5,324	4.4 %	\$ (23,711)	(15.9) %
Feb	208,206	201,200	115,287	(92,919)	(44.6) %	(85,913)	(42.7) %
Mar	118,578	166,900	1,394,226	1,275,648	1075.8 %	1,227,326	735.4 %
Apr	189,771	200,300	423,394	233,624	123.1 %	223,094	111.4 %
May	243,472	258,900	345,489	102,017	41.9 %	86,589	33.4 %
Jun	236,067	263,500	436,101	200,033	84.7 %	172,601	65.5 %
Jul	305,214	365,300	348,745	43,531	14.3 %	(16,555)	(4.5) %
Aug	263,573	295,900	269,454	5,881	2.2 %	(26,446)	(8.9) %
Sep	182,829	233,500	228,140	45,311	24.8 %	(5,360)	(2.3) %
Oct	163,912	271,100					
Nov	259,026	348,500					
Dec	183,799	246,100					
YTD Total	\$ 1,867,475	\$ 2,134,300	\$ 3,685,925	\$ 1,818,450	97.4 %	\$1,551,625	72.7 %
Annual Total	\$ 2,474,212	\$3,000,000					



Pet Licensing

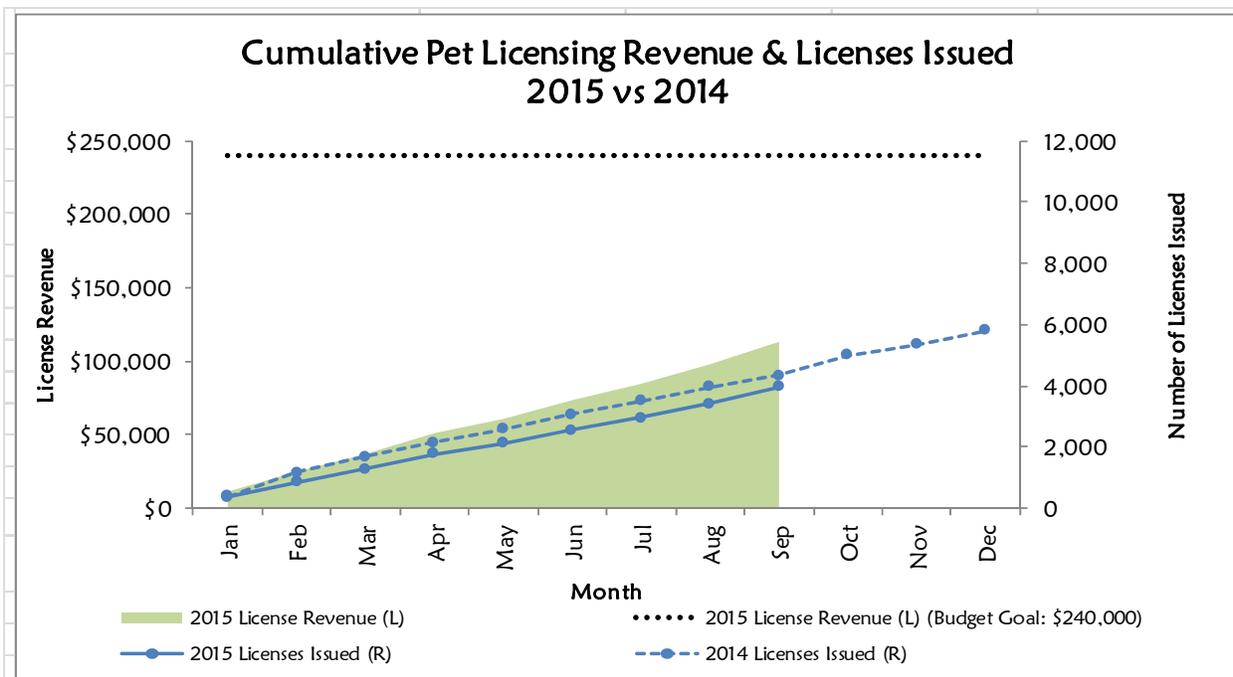
Year-to-date, 3,956 pet licenses have been sold resulting in \$113,335 in revenue. For the same period in 2014, 4,348 licenses were sold resulting in \$114,330 in revenue.



2015 Budget Goal: \$240,000 or more

2015 Revenue = \$113,335
2015 Licenses Sold = 3,956

2014 Revenue = \$114,330
2014 Licenses Sold = 4,348



Street Funds

This section provides financial overview of the City’s three street funds for the fiscal period ending September 30, 2015. The City’s three street funds include the Arterial Street Fund (Fund 102), the Local Street Fund (Fund 103), and the Arterial Street Preservation Fund (Fund 105). The capital project expenditures for each of these funds are budgeted primarily based on the collection/disbursement average for the same period of the prior two years.

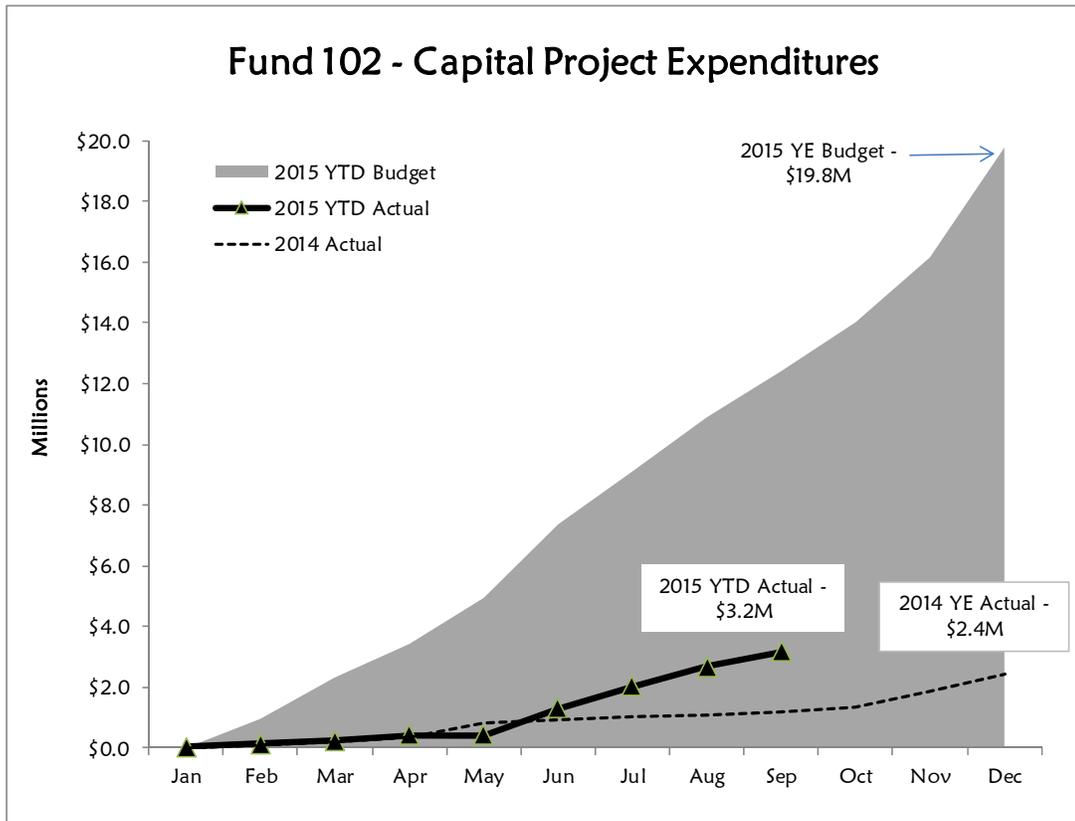
Fund 102 – Arterial Street Fund

The Arterial Street Fund is a Special Revenue fund which is funded by transportation grants, traffic impact fees, a portion of the City’s gas tax receipts, Public Works Trust Fund loans, developer contributions, as well as other funding sources for street capital construction projects. There are over 30 separate street projects budgeted in this fund in 2015. Some of these projects include the South 272nd /South 277th Street Corridor Improvement Project, the Auburn Way South (AWS) Fir Street Southeast to Hemlock Street Southeast Project, as well as the AWS Corridor Safety Improvement Project (Muckleshoot Plaza to Dogwood).

Through September 2015, revenues collected totaled \$2.4 million as compared to prior year collections for the same period of \$2.6 million. Expenditures through September totaled \$3.9 million, compared to \$2.6 million spent the same period last year.

Fund 102 - Arterial Street Summary of Sources and Uses	2015			2014	2015 YTD Budget vs. Actual		
	Annual				Favorable (Unfavorable)		
	Report Period: Through September 2015	Budget	YTD Budget	YTD Actual	YTD Actual	Amount	Percentage
Revenues							
Federal Grants	\$ 6,448,969	\$ 2,862,659	\$ 975,716	\$ 605,896	\$ (1,886,943)	(65.9) %	
State Grants	6,820,658	3,972,554	319,214	436,031	(3,653,340)	(92.0) %	
Motor Vehicle Fuel Tax	530,000	397,500	363,669	353,366	(33,831)	(8.5) %	
Developer Contributions	2,001,328	1,500,996	0	564	(1,500,996)	(100.0) %	
Miscellaneous Revenue	776,356	582,267	82,953	15,272	(499,314)	(85.8) %	
Other Governmental Agencies	0	0	61,520	254,988	61,520	N/A %	
Public Works Trust Fund Loans	0	0	0	240,366	0	N/A %	
Operating Transfer In	3,350,137	2,512,603	553,723	733,954	(1,958,880)	(78.0) %	
Investment Income	2,000	1,500	2,159	1,641	659	43.9 %	
Total Revenues	\$ 19,929,448	\$ 11,830,079	\$ 2,358,953	\$ 2,642,077	\$ (9,471,126)	(80.1) %	
Expenditures							
Salary and Benefits	\$ 804,773	\$ 624,431	\$ 299,722	\$ 334,120	\$ 324,709	52.0 %	
Services and Charges	200,000	150,000	146,492	169,744	3,508	2.3 %	
Capital Outlay	19,781,780	12,413,520	3,178,951	1,760,645	9,234,569	74.4 %	
Interfund Payments for Services	71,150	53,363	53,361	58,490	2	0.0 %	
Debt Service Principal and Interest	218,763	218,763	218,761	213,902	2	0.0 %	
Operating Transfer Out	10,053	0	0	17,003	0	N/A %	
Total Expenditures	\$ 21,086,519	\$ 13,460,077	\$ 3,897,287	\$ 2,553,905	\$ 9,562,789	71.0 %	
Net Change in Fund Balance	\$ (1,157,071)	\$ (1,629,998)	\$ (1,538,334)	\$ 88,173	\$ (19,033,915)	1167.7 %	

Beginning Fund Balance, January 1, 2015	\$ 2,781,100
Net Change in Fund Balance, September 2015	(1,538,334)
Ending Fund Balance, September 2015	\$ 1,242,766
2015 Budgeted Ending Fund Balance	\$ 1,624,029

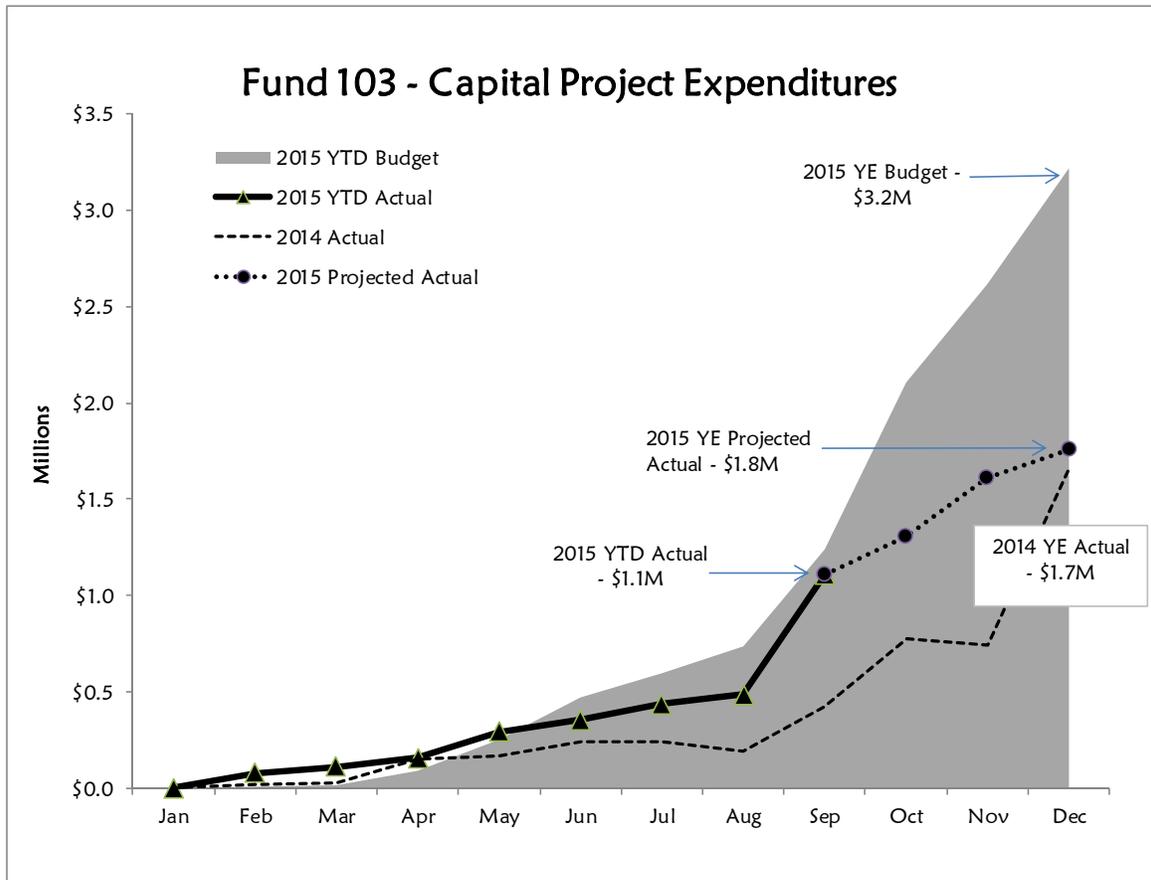


Fund 103 – Local Street Fund

The Local Street Fund is a Special Revenue fund where the revenue from sales taxes on construction is used for local street repairs. Through September 2015, revenues in this fund exceeded budget expectations by \$499,000, or 39.7%. Expenditures year-to-date were below budget by \$150,000, or 11.1%. Projects within this fund include Pavement Patching and Overlay and Local Street Pavement Reconstruction.

Fund 103 - Local Street Fund Summary of Sources and Uses	2015			2014	2015 YTD Budget vs. Actual	
	Annual				Favorable (Unfavorable)	
	Report Period: Through September 2015	Budget	YTD Budget	YTD Actual	YTD Actual	Amount
Revenues						
Sales Tax on Construction	\$ 1,600,000	\$ 1,104,900	\$ 1,602,935	\$ 1,299,177	\$ 498,035	45.1 %
Operating Transfer In	150,000	150,000	150,000	150,000	0	0.0 %
Interest Earnings	2,500	1,875	2,667	1,838	792	42.3 %
Miscellaneous Revenue	0	0	0	26,034	0	N/A %
Total Revenues	\$ 1,752,500	\$ 1,256,775	\$ 1,755,602	\$ 1,477,049	\$ 498,827	39.7 %
Expenditures						
Salary and Benefits	\$ 128,566	\$ 96,424	\$ 78,943	\$ 88,343	\$ 17,481	18.1 %
Services and Charges	300	225	416	314	(191)	(84.8) %
Capital Outlay	3,218,665	1,240,157	1,107,349	423,875	132,808	10.7 %
Interfund Payments for Services	12,470	9,353	9,360	10,053	(8)	(0.1) %
Operating Transfer Out	10,053	0	0	17,003	0	N/A %
Total Expenditures	\$ 3,370,054	\$ 1,346,159	\$ 1,196,068	\$ 539,588	\$ 150,091	11.1 %
Net Change in Fund Balance	\$ (1,617,554)	\$ (89,384)	\$ 559,534	\$ 937,460	\$ 348,737	(390.2) %

Beginning Fund Balance, January 1, 2015	\$ 2,042,977
Net Change in Fund Balance, September 2015	559,534
<u>Ending Fund Balance, September 2015</u>	<u>\$ 2,602,512</u>
2015 Budgeted Ending Fund Balance	\$ 425,424

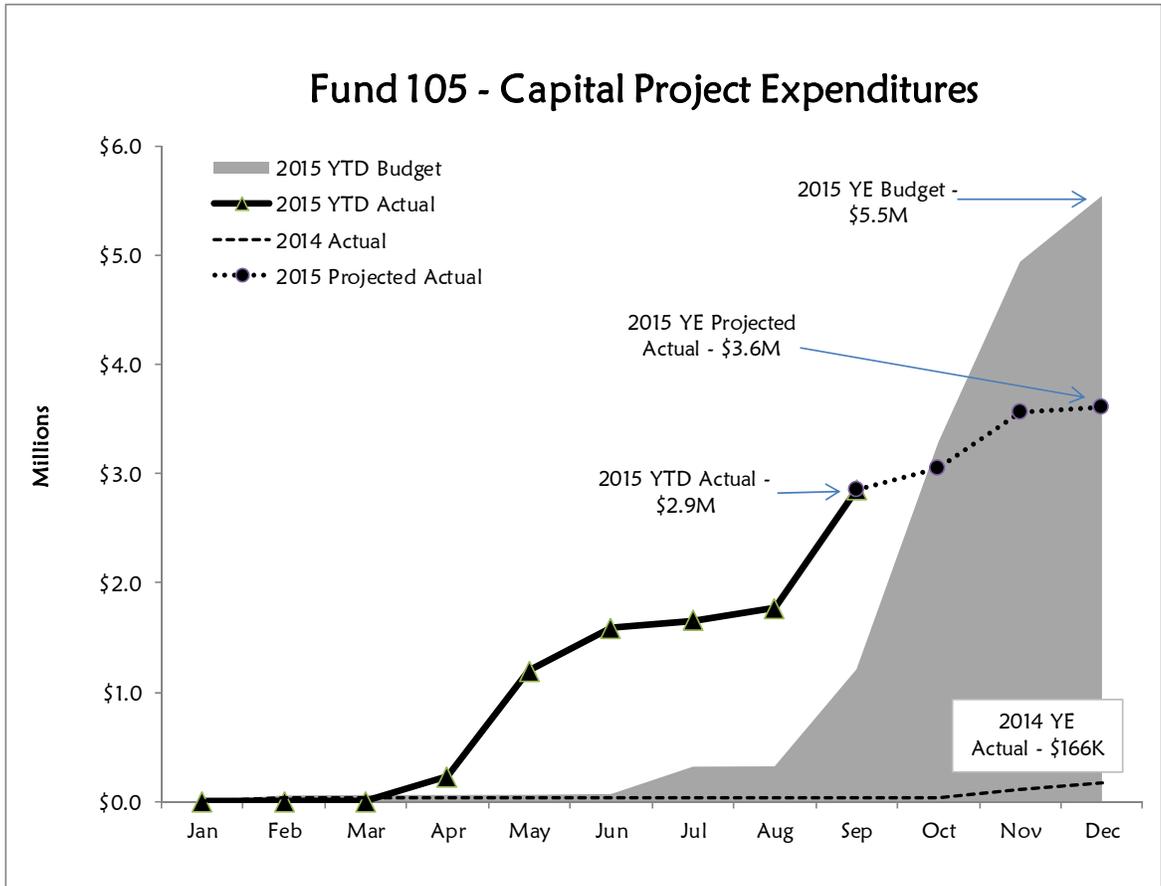


Fund 105 – Arterial Street Preservation Fund

The Arterial Street Preservation Fund is a Special Revenue fund which is primarily funded by a 1.0% utility tax that was adopted by City Council in 2008. This portion of utility tax revenues is restricted for arterial street repair and preservation projects. Some projects budgeted within the Arterial Street Preservation Fund in 2015 include Pavement Patching and Overlay, the annual Arterial and Collector Crack Seal project, and the Auburn Way North Preservation project. Through September 2015, year-to-date revenues totaled \$2.2 million as compared to a budget of \$2.3 million. Expenditures through this period totaled \$3.0 million.

Fund 105 - Arterial St. Presv. Summary of Sources and Uses	2015			2014	2015 YTD Budget vs. Actual	
	Annual				Favorable (Unfavorable)	
	Budget	YTD Budget	YTD Actual	YTD Actual	Amount	Percentage
Revenues						
City Utility Tax	\$ 578,000	\$ 432,100	\$ 452,006	\$ 430,567	\$ 19,906	4.6 %
Electric Utility Tax	687,100	532,000	478,621	535,212	(53,379)	(10.0) %
Natural Gas Utility Tax	230,400	204,700	175,737	203,269	(28,963)	(14.1) %
Cable TV Tax	177,800	133,100	139,192	133,837	6,092	4.6 %
Telephone Utility Tax	362,200	276,900	254,234	273,823	(22,666)	(8.2) %
Garbage Utility Tax (External Haulers)	17,700	13,275	14,030	13,322	755	5.7 %
Grants	80,000	60,000	35,301	0	(24,699)	(41.2) %
Developer Mitigation Fees	190,000	0	0	0	0	N/A %
Operating Transfer In	612,340	612,340	612,340	0	0	0.0 %
Interest Earnings	1,500	1,125	2,719	1,453	1,594	141.7 %
Total Revenues	\$ 2,937,040	\$ 2,265,540	\$ 2,164,180	\$ 1,591,483	\$ (101,360)	(4.5) %
Expenditures						
Salary and Benefits	\$ 82,071	\$ 61,553	\$ 162,060	\$ 39,372	\$ (100,507)	(163.3) %
Services and Charges	150,000	0	0	0	0	N/A %
Capital Outlay	5,543,221	1,210,625	2,850,174	39,882	(1,639,549)	(135.4) %
Operating Transfer Out	95,463	10,000	8,411	17,003	1,589	15.9 %
Total Expenditures	\$ 5,870,755	\$ 1,282,178	\$ 3,020,645	\$ 96,258	\$ (1,738,467)	(135.6) %
Net Change in Fund Balance	\$ (2,933,715)	\$ 983,362	\$ (856,465)	\$ 1,495,225	\$ 1,637,108	166.5 %

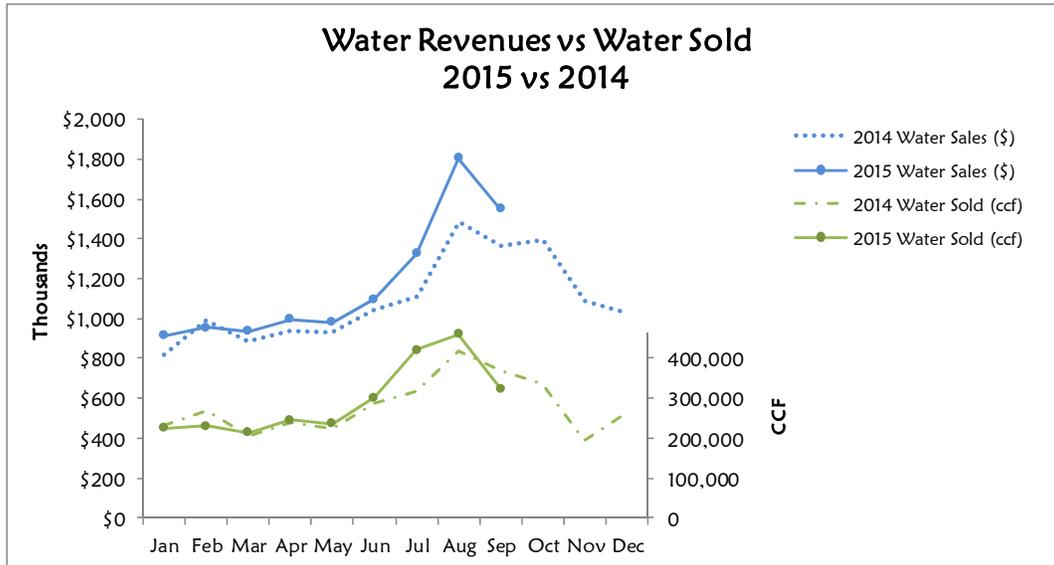
Beginning Fund Balance, January 1, 2015	\$ 3,180,980
Net Change in Fund Balance, September 2015	(856,465)
<u>Ending Fund Balance, September 2015</u>	<u>\$ 2,324,516</u>
2015 Budgeted Ending Fund Balance	\$ 247,265



Enterprise Funds

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.

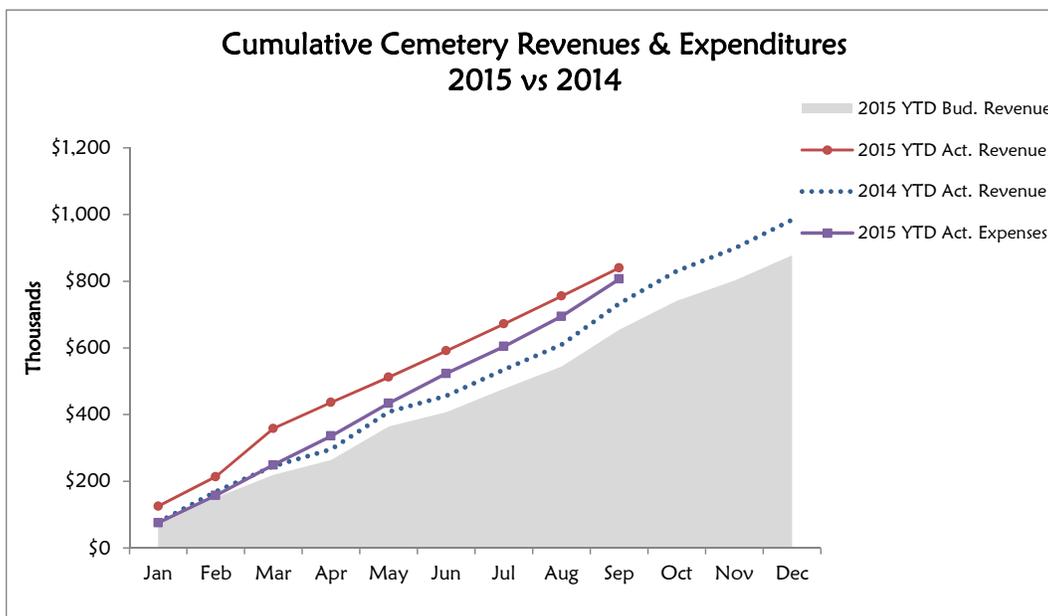
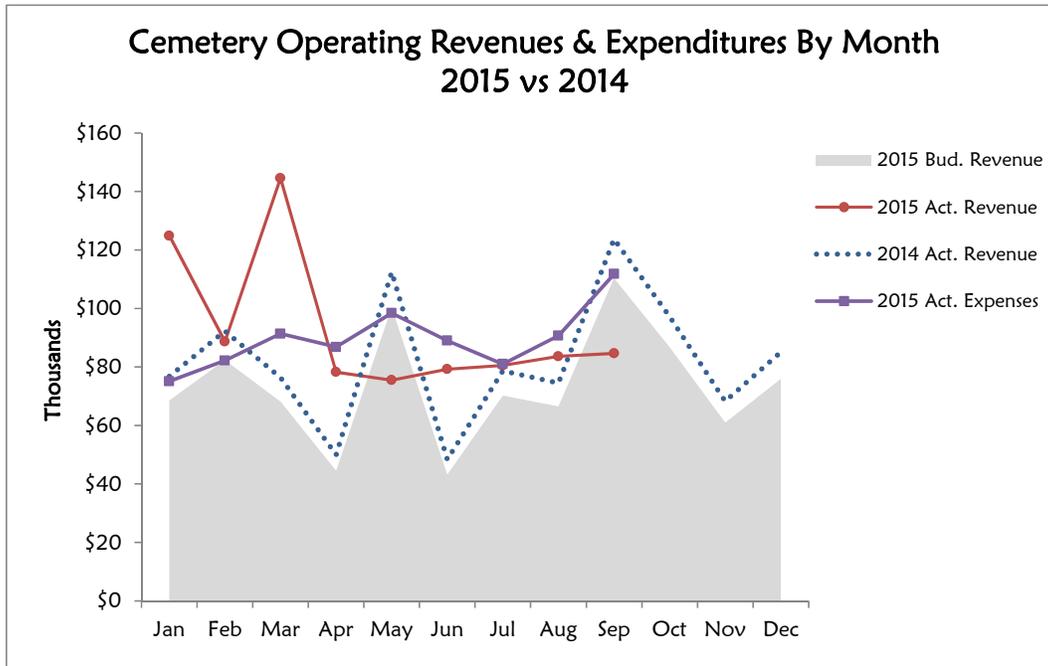
At the end of the third quarter, the **Water Utility** had operating income of \$1,309,300 compared to operating income of \$1,289,500 in 2014. Water sales for the same period were 2.7 million ccf in 2015 and 2.5 million ccf in 2014, which represents a 5.3% increase.



The **Sewer Utility** ended the quarter with operating income of \$48,000 compared to operating income of \$98,900 in 2014. The **Sewer-Metro Utility** ended the period with net operating income of \$57,900 compared to operating income of \$94,900 for the previous year.

The **Stormwater Utility** ended the quarter with \$1,062,600 in operating income which compares to operating income of \$1,098,900 for the same period last year.

The Cemetery Fund ended the third quarter with operating income of \$33,500 compared to operating income of \$3,600 for the same period last year. Year to date, the number of interments at the Cemetery totals 179 (80 burials, 99 cremations), which compares to 179 (82 burials, 97 cremations) for the same period last year.



Internal Service Funds

Operating expenditures within the **Insurance** Fund represent the premium cost pool that will be allocated monthly to other City funds over the course of 2015. 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
September 30, 2015**

Investment Type	Purchase Date	Purchase Price	Maturity Date	Yield to Maturity
State Investment Pool	Various	\$ 102,111,216	Various	0.18%
KeyBank Money Market	Various	13,339,208	Various	0.00%
US Treasury	05/04/1990	57,750	05/15/2016	5.72%
LAKUTL	9/25/2013	235,919	11/1/2017	1.90%
Total Cash & Investments		\$ 115,744,092		0.162%

Investment Mix	% of Total	Summary	
State Investment Pool	88.2%	Current 6-month treasury rate	0.18%
KeyBank Money Market	11.5%	Current State Pool rate	0.18%
US Treasury	0.0%	KeyBank Money Market	0.00%
FFCB	0.0%	Blended Auburn rate	0.16%
FHLB	0.0%		
LAKUTL	0.2%		
	100.0%		

SALES TAX SUMMARY
SEPTEMBER 2015 SALES TAX DISTRIBUTIONS (FOR JULY 2015 RETAIL ACTIVITY)

NAICS	CONSTRUCTION	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Jul '14)	2015 YTD (Nov '14 - Jul '15)	YTD % Diff
236	Construction of Buildings	866,060	652,751	863,806	32.3%
237	Heavy and Civil Construction	146,261	104,326	164,662	57.8%
238	Specialty Trade Contractors	741,211	542,100	574,468	6.0%
TOTAL CONSTRUCTION		1,753,532	1,299,177	1,602,935	23.4%
<i>Overall Change from Previous Year</i>				303,758	

NAICS	MANUFACTURING	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Jul '14)	2015 YTD (Nov '14 - Jul '15)	YTD % Diff
311	Food Manufacturing	3,220	2,654	2,181	-17.8%
312	Beverage and Tobacco Products	8,257	6,142	7,080	15.3%
313	Textile Mills	234	197	247	25.1%
314	Textile Product Mills	2,970	2,518	2,029	-19.4%
315	Apparel Manufacturing	244	237	105	-55.8%
316	Leather and Allied Products	15	7	2	-73.0%
321	Wood Product Manufacturing	76,560	57,779	52,040	-9.9%
322	Paper Manufacturing	5,237	3,712	4,547	22.5%
323	Printing and Related Support	44,114	28,677	45,614	59.1%
324	Petroleum and Coal Products	10,293	7,488	4,187	-44.1%
325	Chemical Manufacturing	5,397	3,986	4,178	4.8%
326	Plastics and Rubber Products	9,844	7,583	7,083	-6.6%
327	Nonmetallic Mineral Products	19,801	13,993	8,429	-39.8%
331	Primary Metal Manufacturing	1,542	1,416	1,430	1.0%
332	Fabricated Metal Product Manuf	33,900	25,992	22,553	-13.2%
333	Machinery Manufacturing	24,491	15,644	18,010	15.1%
334	Computer and Electronic Product	18,265	12,714	6,352	-50.0%
335	Electric Equipment, Appliances	1,179	797	466	-41.5%
336	Transportation Equipment Man	837,227	629,795	427,859	-32.1%
337	Furniture and Related Products	21,248	14,480	14,397	-17.6%
339	Miscellaneous Manufacturing	39,052	27,997	37,458	33.8%
TOTAL MANUFACTURING		1,163,090	866,808	666,248	-23.1%
<i>Overall Change from Previous Year</i>				-200,560	

NAICS	TRANSPORTATION AND WAREHOUSING	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Jul '14)	2015 YTD (Nov '14 - Jul '15)	YTD % Diff
481	Air Transportation	0	0	0	N/A
482	Rail Transportation	8,069	3,977	7,211	81.3%
484	Truck Transportation	4,740	3,291	5,900	79.3%
485	Transit and Ground Passengers	4	4	155	4002.1%
488	Transportation Support	26,786	19,325	25,606	32.5%
491	Postal Service	691	631	196	-69.0%
492	Couriers and Messengers	672	671	1	-99.8%
493	Warehousing and Storage	29,718	2,953	7,861	166.2%
TOTAL TRANSPORTATION		70,679	30,851	46,931	52.1%
<i>Overall Change from Previous Year</i>				16,080	

NAICS	WHOLESALE TRADE	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Jul '14)	2015 YTD (Nov '14 - Jul '15)	YTD % Diff
423	Wholesale Trade, Durable Goods	1,024,016	758,585	777,233	2.5%
424	Wholesale Trade, Nondurable	178,054	128,756	155,789	21.0%
425	Wholesale Electronic Markets	2,643	2,038	1,484	-27.2%
TOTAL WHOLESALE		1,204,714	889,379	934,506	5.1%
<i>Overall Change from Previous Year</i>				45,127	

NAICS	AUTOMOTIVE	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Jul '14)	2015 YTD (Nov '14 - Jul '15)	YTD % Diff
441	Motor Vehicle and Parts Dealer	3,062,768	2,263,012	2,587,136	14.3%
447	Gasoline Stations	246,636	186,513	185,544	-0.5%
TOTAL AUTOMOTIVE		3,309,404	2,449,526	2,772,680	13.2%
<i>Overall Change from Previous Year</i>				323,155	

NAICS	RETAIL TRADE	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Jul '14)	2015 YTD (Nov '14 - Jul '15)	YTD % Diff
442	Furniture and Home Furnishings	254,103	178,076	189,327	6.3%
443	Electronics and Appliances	236,955	194,124	217,286	11.9%
444	Building Material and Garden	502,470	365,425	439,564	20.3%
445	Food and Beverage Stores	352,552	257,712	274,668	6.6%
446	Health and Personal Care Store	144,146	144,146	166,104	15.2%
448	Clothing and Accessories	1,008,978	742,048	793,985	7.0%
451	Sporting Goods, Hobby, Books	212,015	161,403	164,796	2.1%
452	General Merchandise Stores	955,479	720,944	742,535	3.0%
453	Miscellaneous Store Retailers	587,784	413,147	451,623	9.3%
454	Nonstore Retailers	381,876	261,531	279,134	6.7%
TOTAL RETAIL TRADE		4,679,929	3,438,556	3,719,022	8.2%
<i>Overall Change from Previous Year</i>				280,466	

NAICS	SERVICES	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Jul '14)	2015 YTD (Nov '14 - Jul '15)	YTD % Diff
51*	Information	486,856	366,007	380,736	4.0%
52*	Finance and Insurance	87,574	63,727	71,027	11.5%
53*	Real Estate, Rental, Leasing	314,900	231,133	245,591	6.3%
541	Professional, Scientific, Tech	216,494	160,723	146,216	-9.0%
551	Company Management	43	26	9,225	35461.8%
56*	Admin. Supp., Remed Svcs	350,417	277,970	252,765	-9.1%
611	Educational Services	49,123	32,383	43,751	35.1%
62*	Health Care Social Assistance	66,359	32,412	63,869	97.1%
71*	Arts and Entertainment	157,908	132,701	131,423	-1.0%
72*	Accommodation and Food Svcs	1,066,580	780,814	852,841	9.2%
81*	Other Services	425,896	313,316	354,970	13.3%
92*	Public Administration	99,676	72,945	99,148	35.9%
TOTAL SERVICES		3,321,827	2,464,157	2,651,561	7.6%
<i>Overall Change from Previous Year</i>				187,404	

NAICS	MISCELLANEOUS	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Jul '14)	2015 YTD (Nov '14 - Jul '15)	YTD % Diff
000	Unknown	0	0	0	N/A
111-115	Agriculture, Forestry, Fishing	7,488	3,441	3,103	-9.8%
211-221	Mining & Utilities	28,687	18,631	20,228	8.6%
999	Unclassifiable Establishments	83,442	69,049	27,894	-59.6%
TOTAL SERVICES		119,617	91,121	51,225	-43.8%
<i>Overall Change from Previous Year</i>				-39,896	

NAICS	GRAND TOTAL	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Jul '14)	2015 YTD (Nov '14 - Jul '15)	YTD % Diff
GRAND TOTAL		15,622,791	11,529,575	12,445,109	7.9%
<i>Overall Change from Previous Year</i>				915,534	

- a. WA State Dept of Revenue audit adjustment to sales tax returns for period March 2014 (adjustment: -\$45,145).
- b. WA State Dept of Revenue audit adjustment to sales tax returns for period April 2014 (adjustment: \$10,242).
- c. WA State Dept of Revenue audit adjustment to sales tax returns for period August 2014 (adjustment: \$25,146).
- d. WA State Dept of Revenue audit adjustment to sales returns for period November 2014 (adjustment: \$5,167).
- e. WA State Dept of Revenue audit adjustment to sales tax returns for period December 2014 (adjustment: -\$2,382).
- f. WA State Dept of Revenue audit adjustment to sales tax returns for period January 2015 (adjustment: \$4,464).
- g. WA State Dept of Revenue audit adjustment to sales tax returns for period February 2015 (adjustment: \$11,845).
- h. Reported correction to prior sales tax returns posted to February 2015 (adjustment: -\$9,355).
- i. WA State Dept of Revenue audit adjustment to sales tax returns for period March 2015 (adjustment: -\$17,839).
- j. Reported correction to sales tax returns posted to April 2015 (adjustment: -\$43,875).

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	\$ 10,562,308	\$ 5,958,032	\$ -	\$ 6,979,458	\$ 10,198,414	\$ 12,493	\$ 840,013	\$ -	\$ 609,580	\$ -	\$ -	\$ -
Interfund Charges For Service	-	-	-	-	-	-	-	-	-	2,585,466	3,961,258	2,605,192
Sewer Metro Service Revenue	-	-	12,079,810	-	-	-	-	-	-	-	-	-
Rents, Leases, Concessions, & Other	-	-	-	-	-	516,958	-	-	-	66,426	100,680	-
TOTAL OPERATING REVENUES	\$ 10,562,308	\$ 5,958,032	\$ 12,079,810	\$ 6,979,458	\$ 10,198,414	\$ 529,450	\$ 840,013	\$ -	\$ 609,580	\$ 2,651,892	\$ 4,061,938	\$ 2,605,192
OPERATING EXPENSES												
Salaries & Wages	\$ 1,859,340	\$ 1,217,917	\$ -	\$ 1,786,203	\$ 298,811	\$ 19,999	\$ 323,485	\$ -	\$ 58,995	\$ 437,712	\$ 1,109,232	\$ 451,868
Benefits	856,253	561,549	-	810,253	139,054	7,389	152,866	-	124,146	225,603	465,264	217,847
Supplies	194,585	78,331	-	48,664	23,455	4,818	144,161	-	-	87,995	236,517	667,192
Other Service Charges	3,165,120	1,724,283	-	953,841	876,964	326,539	98,668	352,917	185,251	998,963	1,586,024	237,303
Intergovernmental Services	-	3,388	-	64,239	201,247	-	-	-	-	-	-	-
Waste Management Payments ¹	-	-	-	-	7,836,901	-	-	-	-	-	-	-
Sewer Metro Services	-	-	12,021,865	-	-	-	-	-	-	-	-	-
Interfund Operating Rentals & Supplies	968,561	728,959	-	1,002,698	78,815	-	49,095	-	-	86,112	121,617	162,834
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	2,209,134	1,595,627	-	1,250,970	14,114	353,711	38,209	-	-	-	458,888	671,856
TOTAL OPERATING EXPENSES	\$ 9,252,993	\$ 5,910,053	\$ 12,021,865	\$ 5,916,868	\$ 9,469,363	\$ 712,456	\$ 806,484	\$ 352,917	\$ 368,391	\$ 1,836,385	\$ 3,977,542	\$ 2,408,899
OPERATING INCOME (LOSS)	\$ 1,309,315	\$ 47,979	\$ 57,945	\$ 1,062,591	\$ 729,051	\$ (183,006)	\$ 33,529	\$ (352,917)	\$ 241,190	\$ 815,508	\$ 84,396	\$ 196,293
NON-OPERATING REVENUES & EXPENSES												
Interest Revenue	\$ 15,058	\$ 13,468	\$ 756	\$ 18,666	\$ 2,542	\$ 871	\$ 432	\$ 1,001	\$ 554	\$ 2,599	\$ 3,606	\$ 5,762
Contributions	-	-	-	1,059,017	54,603	16,871	150	-	-	-	-	816
Other Non-Operating Revenue	130,989	53,519	-	33,343	280	(4,827)	0	-	-	56	1,000	108,409
Gain (Loss) On Sale Of Fixed Assets	-	-	-	10,000	-	-	-	-	-	-	-	(27,956)
Debt Service Interest	(49,854)	(16,217)	-	-	-	(18,559)	(11,134)	-	-	-	-	-
Other Non-Operating Expense	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-OPERATING REVENUES & EXPENSES	\$ 96,193	\$ 50,769	\$ 756	\$ 1,121,026	\$ 57,425	\$ (5,644)	\$ (10,552)	\$ 1,001	\$ 554	\$ 2,655	\$ 4,606	\$ 87,032
PLUS ITEMS NOT AFFECTING WORKING CAPITAL												
Depreciation	\$ 2,209,134	\$ 1,595,627	\$ -	\$ 1,250,970	\$ 14,114	\$ 353,711	\$ 38,209	\$ -	\$ -	\$ -	\$ 458,888	\$ 671,856
NET WORKING CAPITAL FROM OPERATIONS	\$ 3,614,642	\$ 1,694,375	\$ 58,701	\$ 3,434,586	\$ 800,590	\$ 165,061	\$ 61,186	\$ (351,916)	\$ 241,744	\$ 818,163	\$ 547,891	\$ 955,181
Increase In Contributions - System Development	\$ 476,296	\$ 363,954	\$ -	\$ 357,569	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase In Contributions - Area Assessments	500	10,391	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - Other Governments	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - Other Funds	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - FAA	-	-	-	-	-	1,119	-	-	-	-	-	-
Proceeds of Debt Activity	68,973	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers In	-	-	-	497,933	-	-	30,000	-	-	-	-	-
Increase In Restricted Net Assets	37,262	888	-	-	-	15,290	-	-	-	-	-	-
Decrease In Long-Term Receivables	-	45,000	-	-	-	-	-	-	-	-	-	-
Increase In Deferred Credits	-	-	-	-	-	5,172	-	-	-	-	-	-
TOTAL RESOURCES OTHER THAN OPERATIONS	\$ 583,030	\$ 420,234	\$ -	\$ 855,502	\$ -	\$ 21,581	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change In Restricted Net Assets	\$ 423,224	\$ 138,154	\$ -	\$ 192,725	\$ -	\$ 15,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (47,898)
Increase In Fixed Assets - Salaries	234,573	104,575	-	236,948	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Benefits	99,345	46,167	-	101,412	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Site Improvements	42,703	-	-	-	-	-	14,837	-	-	-	-	-
Increase In Fixed Assets - Land	-	-	-	250,000	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Equipment	-	-	-	-	-	-	-	-	-	-	293,476	967,077
Increase In Fixed Assets - Construction	3,836,479	1,659,655	-	4,196,936	-	296,927	-	-	-	-	-	-
Increase In Fixed Assets - Other	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers Out	192,083	179,598	-	124,000	-	-	-	-	-	290,229	-	226,252
Debt Service Principal	522,831	288,262	-	-	-	-	-	-	-	-	-	-
Interfund Loan Repayment	-	-	-	-	-	16,605	-	-	-	-	-	-
TOTAL USES OTHER THAN OPERATIONS	\$ 5,351,238	\$ 2,416,411	\$ -	\$ 5,102,021	\$ -	\$ 328,580	\$ 14,837	\$ -	\$ -	\$ 290,229	\$ 293,476	\$ 1,145,431
NET CHANGE IN WORKING CAPITAL	\$ (1,153,566)	\$ (301,802)	\$ 58,701	\$ (811,933)	\$ 800,590	\$ (141,938)	\$ 76,348	\$ (351,916)	\$ 241,744	\$ 527,934	\$ 254,414	\$ (190,250)
BEGINNING WORKING CAPITAL - January 1, 2015 ²	14,027,406	13,346,282	2,100,400	16,051,080	2,491,724	756,938	294,547	1,654,057	440,004	2,194,912	3,543,327	5,844,690
ENDING WORKING CAPITAL - September 30, 2015	12,873,840	13,044,480	2,159,101	15,239,148	3,292,314	615,000	370,896	1,302,141	681,748	2,722,846	3,797,741	5,654,440
NET CHANGE IN WORKING CAPITAL	\$ (1,153,566)	\$ (301,802)	\$ 58,701	\$ (811,933)	\$ 800,590	\$ (141,938)	\$ 76,348	\$ (351,916)	\$ 241,744	\$ 527,934	\$ 254,414	\$ (190,250)

¹ September's Waste Management payment in the amount of \$918,218.77 has been added to the Solid Waste Fund and is reflected in the Ending Working Capital balance.

² The Airport Fund's Beginning Working Capital has been restated reflecting a prior period adjustment of \$200,000 as the result of a reclassification of the Airport's interfund loan.

The following table provides an analysis of each of the City's Enterprise and Internal Service funds - showing 2015 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	\$ 10,562,308	\$ 5,958,032	\$ -	\$ 6,979,458	\$ 10,198,414	\$ 12,493	\$ 840,013	\$ -	\$ 609,580	\$ -	\$ -	\$ -
Interfund Charges For Service	-	-	-	-	-	-	-	-	-	2,585,466	3,961,258	2,605,192
Sewer Metro Service Revenue	-	-	12,079,810	-	-	-	-	-	-	-	-	-
Rents, Leases, Concessions, & Other	-	-	-	-	-	516,958	-	-	-	66,426	100,680	-
TOTAL OPERATING REVENUES	\$ 10,562,308	\$ 5,958,032	\$ 12,079,810	\$ 6,979,458	\$ 10,198,414	\$ 529,450	\$ 840,013	\$ -	\$ 609,580	\$ 2,651,892	\$ 4,061,938	\$ 2,605,192
OPERATING EXPENSES												
Administration	\$ 2,157,182	\$ 1,654,178	\$ -	\$ 2,407,365	\$ 491,315	\$ 348,455	\$ 195,952	\$ 352,917	\$ -	\$ -	\$ -	\$ 572,395
Operations & Maintenance	4,886,677	2,660,248	-	2,258,533	1,127,032	10,290	572,323	-	368,391	1,836,385	3,518,654	1,164,648
Waste Management Payments ¹	-	-	-	-	7,836,901	-	-	-	-	-	-	-
Sewer Metro Services	-	-	12,021,865	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	2,209,134	1,595,627	-	1,250,970	14,114	353,711	38,209	-	-	-	458,888	671,856
TOTAL OPERATING EXPENSES	\$ 9,252,993	\$ 5,910,053	\$ 12,021,865	\$ 5,916,868	\$ 9,469,363	\$ 712,456	\$ 806,484	\$ 352,917	\$ 368,391	\$ 1,836,385	\$ 3,977,542	\$ 2,408,899
OPERATING INCOME (LOSS)	\$ 1,309,315	\$ 47,979	\$ 57,945	\$ 1,062,591	\$ 729,051	\$ (183,006)	\$ 33,529	\$ (352,917)	\$ 241,190	\$ 815,508	\$ 84,396	\$ 196,293
NON-OPERATING REVENUES & EXPENSES												
Interest Revenue	\$ 15,058	\$ 13,468	\$ 756	\$ 18,666	\$ 2,542	\$ 871	\$ 432	\$ 1,001	\$ 554	\$ 2,599	\$ 3,606	\$ 5,762
Other Non-Operating Revenue	130,989	53,519	-	1,092,360	54,883	12,044	150	-	-	56	1,000	109,225
Gain (Loss) On Sale Of Fixed Assets	-	-	-	10,000	-	-	-	-	-	-	-	(27,956)
Other Non-Operating Expense	(49,854)	(16,217)	-	-	-	(18,559)	(11,134)	-	-	-	-	-
TOTAL NON-OPERATING REVENUES & EXPENSES	\$ 96,193	\$ 50,769	\$ 756	\$ 1,121,026	\$ 57,425	\$ (5,644)	\$ (10,552)	\$ 1,001	\$ 554	\$ 2,655	\$ 4,606	\$ 87,032
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	\$ 1,405,508	\$ 98,748	\$ 58,701	\$ 2,183,617	\$ 786,476	\$ (188,650)	\$ 22,977	\$ (351,916)	\$ 241,744	\$ 818,163	\$ 89,002	\$ 283,325
Contributions	\$ 476,796	\$ 374,345	\$ -	\$ 357,569	\$ -	\$ 1,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	497,933	-	-	30,000	-	-	-	-	-
Transfers Out	(192,083)	(179,598)	-	(124,000)	-	-	-	-	-	(290,229)	-	(226,252)
TOTAL CONTRIBUTIONS & TRANSFERS	\$ 284,713	\$ 194,747	\$ -	\$ 731,502	\$ -	\$ 1,119	\$ 30,000	\$ -	\$ -	\$ (290,229)	\$ -	\$ (226,252)
CHANGE IN FUND BALANCE	\$ 1,690,221	\$ 293,495	\$ 58,701	\$ 2,915,119	\$ 786,476	\$ (187,531)	\$ 52,977	\$ (351,916)	\$ 241,744	\$ 527,934	\$ 89,002	\$ 57,073
BEGINNING FUND BALANCE - January 1, 2015	\$ 71,320,494	\$ 78,284,418	\$ 2,100,400	\$ 55,862,809	\$ 2,560,449	\$ 9,662,547	\$ 870,261	\$ 1,654,057	\$ 434,859	\$ 2,152,736	\$ 4,826,830	\$ 10,864,439
ENDING FUND BALANCE - September 30, 2015	\$ 73,010,715	\$ 78,577,913	\$ 2,159,101	\$ 58,777,928	\$ 3,346,925	\$ 9,475,016	\$ 923,238	\$ 1,302,141	\$ 676,603	\$ 2,680,670	\$ 4,915,833	\$ 10,921,512

¹ September's Waste Management payment in the amount of \$918,218.77 has been added to the Solid Waste Fund and is reflected in Ending Fund Balance.