



AGENDA BILL APPROVAL FORM

Agenda Subject: 2 nd Quarter 2016 Financial Report		Date: August 23, 2016
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 second quarter status report is based on financial data available as of July 25, 2016 for the period ending June 30, 2016. Sales tax information represents business activity that occurred through April 2016.

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 June 2016, General Fund revenues totaled \$32.5 million compared to a budget of \$30.3 million and were \$2.2 million higher than the revenues collected for the same period in 2015. Notable variances to budget in the second quarter of 2016 include:

- General Fund sales tax revenues totaled \$7.3 million, exceeding budget by \$16,000 or 0.2% and exceeding 2015 collections by \$221,000. Receipts to date include a one-time payment of over \$100,000 and so the trend is unfavorable. The areas of significant increase from 2015 were primarily in the service and transportation sectors, with significant decreases in the manufacturing and retail trade sectors.
- The Other Taxes category performed better than budget through Q2-2016. Collections in criminal justice sales tax revenues exceeded budget by \$114,000, or 13.8%. City utility tax revenues were above budget by \$156,000 and electric and natural gas tax revenues were above budget by \$157,000 and \$68,000, respectively. These revenues were somewhat offset by an unfavorable variance in telephone tax collections of \$67,000.
- Development services fees through June totaled \$616,000 and exceeded budget by \$248,000. The increased revenues were predominantly attributable to plan check revenues, which year-to-date have already generated 82% of budgeted annual revenue.
- Other revenues exceeded the year-to-date budget through Q2-2016 by \$251,000, or 51.7%, and exceeded Q2-2015 revenue in this category by \$102,000, primarily due to increase parking revenues, facility rental revenues, and purchase card rebates.

General Fund expenditures through June totaled \$29.2 million as compared with a budget of \$33.4 million. This represents a 12.6% underspend compared to budget.

Through the second quarter of 2016, 2,342 pet licenses have been sold resulting in \$66,645 in revenue. For the same period in 2015, 2,563 licenses were sold resulting in \$73,605 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. In Q2-2016, Arterial Street fund revenues collected totaled \$1.9 million as compared to collections of \$1.1 million for the same period in 2015; expenditures totaled \$1.5 million as compared to \$1.8 million spent through second quarter last year. Local Street fund revenues exceeded budget expectations for the first half of the year by \$299,000, or 33.7%, due to higher than anticipated sales tax revenues from local construction projects; expenditures were \$276,000 as compared with a budget of \$312,000. Lastly, Arterial Street Preservation fund revenues totaled \$1.1 million as compared to a budget of \$1.3 million, while expenditures totaled \$354,000.

Proprietary Funds:

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

At the end of Q2-2016, the Water fund had net operating income of \$1.9 million compared to operating income of \$1.4 million at the end of Q2-2015. The Sewer fund ended the period with net income of \$1.2 million compared to income of \$0.9 million in the previous year. The Sewer-Metro Utility ended the quarter with net operating income of \$192,000 as compared to an operating loss of \$173,000 in 2015. Lastly, the Stormwater Utility ended the quarter with operating income of \$1.4 million compared to operating income of \$2.7 million for the same period in 2015.

The Cemetery ended Q2-2016 with net operating income of \$178,000 compared to operating income of \$94,000 for the same period in 2015.

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-end expenditures.

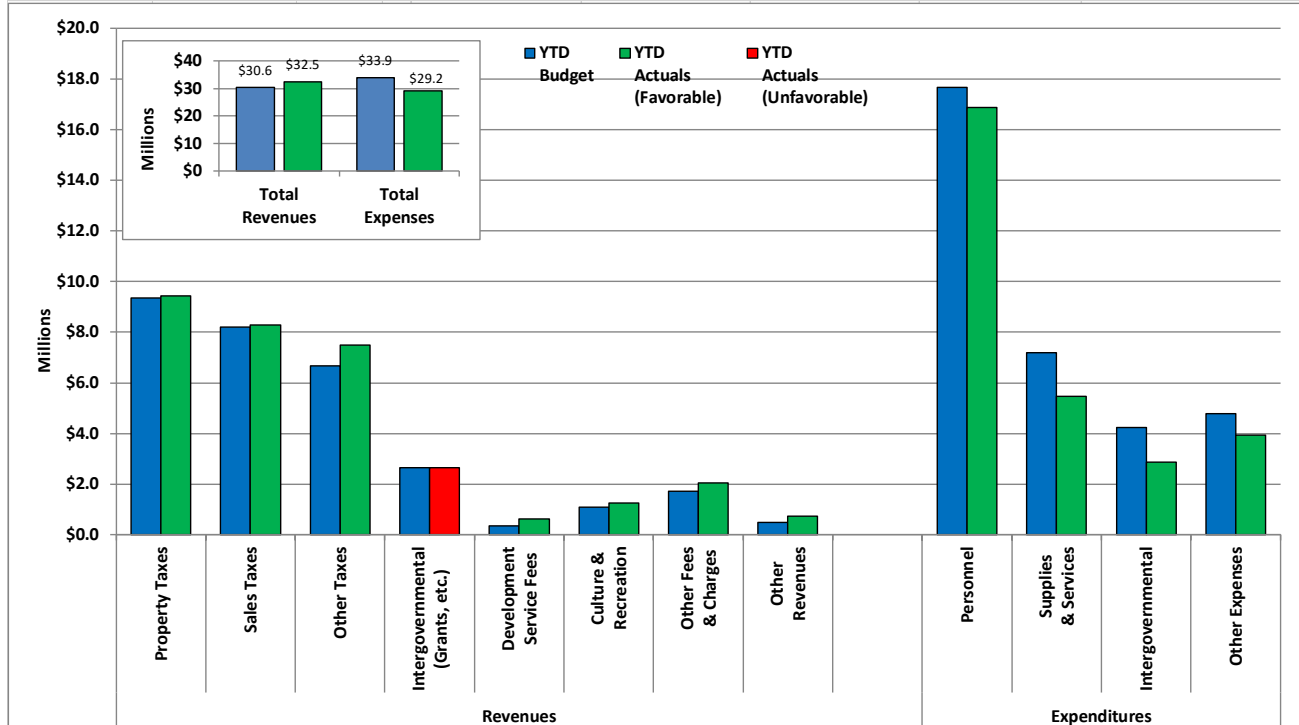
Investment Portfolio:

The City's total cash and investments at the end of the quarter was \$114.7 million, and compares to \$118.3 million at the end of Q2-2015.

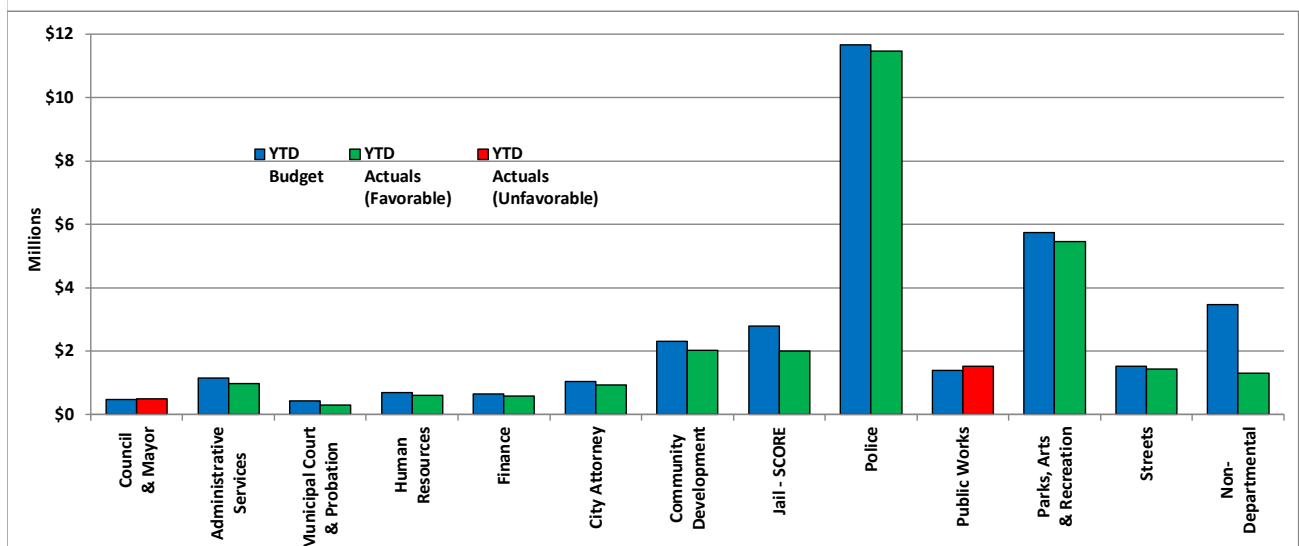
	Staff: Coleman
Meeting Date: August 29, 2016	Item Number:

GENERAL FUND SUMMARY

YEAR-TO-DATE GENERAL FUND REVENUES
(through June 2016)



YEAR-TO-DATE GENERAL FUND EXPENDITURES BY DEPARTMENT
(through June 2016)



General Fund Summary of Sources and Uses	2016			2015	2016 YTD Budget vs. Actual	
	Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable) Amount	Percent
Beginning Fund Balance	\$ 15,817,653					
Operating Revenues						
Property Tax	\$ 17,733,500	\$ 9,364,100	\$ 9,448,363	\$ 9,082,406	\$ 84,263	0.9 %
Sales Tax	14,572,000	7,286,000	7,301,456	7,080,481	15,456	0.2 %
Sales Tax - Annexation Credit	1,912,000	914,000	988,193	886,979	74,193	8.1 %
Criminal Justice Sales Tax	1,747,000	831,400	945,829	861,400	114,429	13.8 %
Brokered Natural Gas Tax	282,000	179,900	160,140	159,349	(19,760)	(11.0) %
City Utilities Tax	3,521,200	1,682,400	1,838,188	1,719,324	155,788	9.3 %
Admissions Tax	333,600	133,300	142,414	135,674	9,114	6.8 %
Electric Tax	3,297,700	1,758,600	1,915,419	1,648,480	156,819	8.9 %
Natural Gas Tax	852,000	575,900	644,107	659,020	68,207	11.8 %
Cable TV Franchise Fee	906,700	449,900	487,057	455,052	37,157	8.3 %
Cable TV Franchise Fee - Capital	64,000	32,800	33,238	36,324	438	1.3 %
Telephone Tax	1,620,000	835,000	767,726	871,239	(67,274)	(8.1) %
Garbage Tax (external)	106,000	52,980	61,778	54,854	8,798	16.6 %
Leasehold Excise Tax	33,000	16,700	179,245	35,020	162,545	973.3 %
Gambling Excise Tax	334,400	129,700	309,615	82,550	179,915	138.7 %
Taxes subtotal	\$ 47,315,100	\$ 24,242,680	\$ 25,222,768	\$ 23,768,153	\$ 980,088	4.0 %
Business License Fees	\$ 310,000	\$ 137,000	\$ 105,695	\$ 160,817	\$ (31,305)	(22.9) %
Building Permits	1,190,000	647,800	840,170	645,220	192,370	29.7 %
Other Licenses & Permits	444,600	216,300	270,330	246,230	54,030	25.0 %
Intergovernmental (Grants, etc.)	5,627,893	2,654,934	2,648,748	2,602,995	(6,186)	(0.2) %
Charges for Services:						
General Government Services	67,200	37,600	46,237	43,704	8,637	23.0 %
Public Safety	520,300	260,149	342,281	287,517	82,132	31.6 %
Development Services Fees	680,600	368,100	615,814	715,082	247,714	67.3 %
Culture and Recreation	2,105,080	1,089,000	1,251,074	1,236,235	162,074	14.9 %
Fines and Forfeits	796,180	418,700	449,907	485,978	31,207	7.5 %
Fees/Charges/Fines subtotal	\$ 11,741,853	\$ 5,829,583	\$ 6,570,256	\$ 6,423,779	\$ 740,673	12.7 %
Interests and Other Earnings	\$ 35,200	\$ 15,000	\$ 54,747	\$ 23,497	\$ 39,747	265.0 %
Rents, Leases and Concessions	630,600	294,500	373,158	301,118	78,658	26.7 %
Contributions and Donations	32,000	17,300	11,818	20,852	(5,482)	(31.7) %
Other Miscellaneous	157,800	70,000	160,111	102,512	90,111	128.7 %
Transfers In	159,300	76,000	99,000	76,000	23,000	30.3 %
Insurance Recoveries - Capital & Operating	25,000	12,600	37,572	110,458	24,972	198.2 %
Other Revenues subtotal	\$ 1,039,900	\$ 485,400	\$ 736,406	\$ 634,438	\$ 251,006	51.7 %
Total Operating Revenues	\$ 60,096,853	\$ 30,557,663	\$ 32,529,429	\$ 30,826,369	\$ 1,971,766	6.5 %
Operating Expenditures						
Council & Mayor	\$ 976,866	\$ 487,900	\$ 495,405	\$ 446,739	\$ (7,505)	(1.5) %
Administration	2,544,236	1,163,000	986,476	857,741	176,524	15.2 %
Municipal Court & Probation	2,355,889	447,000	314,914	272,076	132,086	29.5 %
Human Resources	1,406,554	688,400	612,047	510,844	76,353	11.1 %
Finance	1,300,773	654,000	589,442	623,422	64,558	9.9 %
City Attorney	2,195,190	1,048,500	937,549	912,293	110,951	10.6 %
Community Development	4,656,841	2,309,300	2,027,342	1,919,180	281,958	12.2 %
Jail - SCORE	5,583,542	2,791,771	2,009,736	1,829,432	782,035	28.0 %
Police	23,794,252	11,664,900	11,463,766	10,811,956	201,134	1.7 %
Public Works	2,811,835	1,391,400	1,518,788	1,326,774	(127,388)	(9.2) %
Parks, Arts & Recreation	11,584,205	5,738,300	5,452,246	5,351,703	286,054	5.0 %
Streets	3,466,563	1,531,900	1,447,978	1,289,104	83,922	5.5 %
Non-Departmental	5,102,169	3,471,775	1,313,029	2,298,317	2,158,747	62.2 %
Total Operating Expenditures	\$ 67,778,915	\$ 33,388,146	\$ 29,168,718	\$ 28,449,580	\$ 4,219,428	12.6 %

Executive Summary

This Executive Summary provides an overview of the City's overall financial position for the fiscal period ending June 30, 2016, reflecting financial data available as of July 25, 2016.

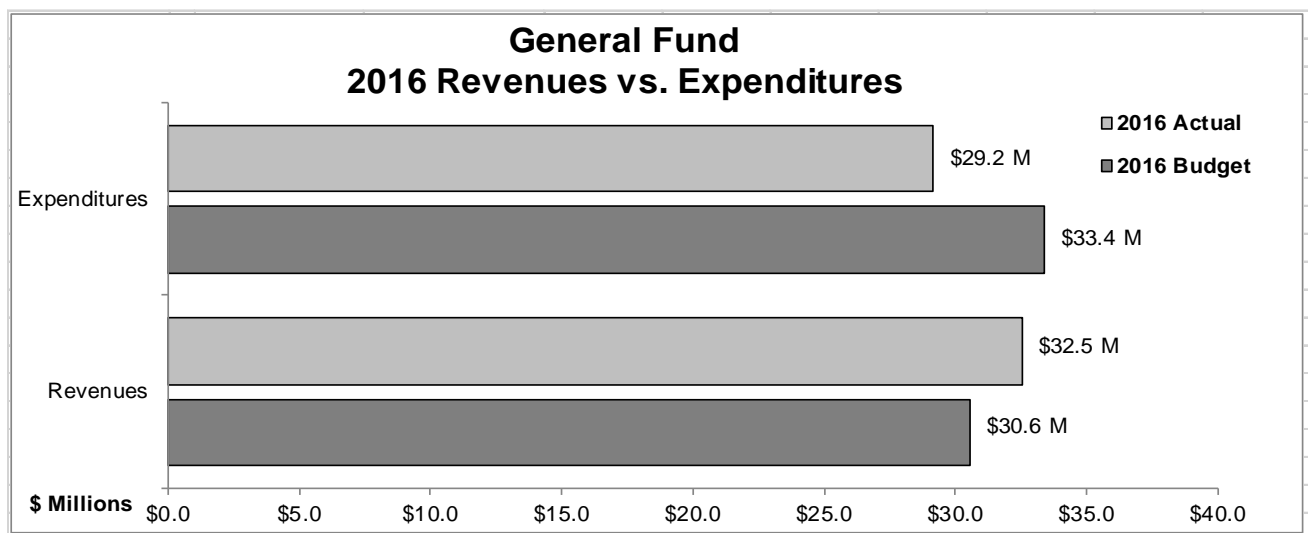
Through June 2016, General Fund revenues totaled \$32.5 million compared to a budget of \$30.6 million, and were \$2.2 million higher than the revenues collected during the first half of 2015. Some notable variances to budget year-to-date include:

- General Fund sales tax revenues totaled \$7.3 million, exceeding budget by \$16,000 or 0.2% and exceeding 2015 collections by \$221,000. Receipts to date include a one-time payment of over \$100,000 and so the trend is unfavorable. Staff will continue to closely monitor this key revenue source.
- The Other Taxes category performed better than budget through Q2-2016. Collections in criminal justice sales tax revenues exceeded budget by \$114,000, or 13.8%. City utility tax revenues were above budget by \$156,000 and electric and natural gas tax revenues were above budget by \$157,000 and \$68,000, respectively. These revenues were somewhat offset by an unfavorable variance in telephone tax collections of \$67,000.
- Leasehold excise taxes show a large favorable variance compared to budget. This is due to an unbudgeted payment from King County to the City for \$139,500 in May 2016, resulting from a determination by the Washington Department of Revenue. In essence, while tribally-owned real estate is exempt from property tax, a parcel's occupant (tenant or lessee) may be subject to leasehold excise tax. Based on a Memorandum of Understanding between the Muckleshoot Indian Tribe and King County, King County distributed the City's portion of payment for the Emerald Downs property, owned by the Muckleshoot Indian Tribe. The Memorandum is legally binding only for 2016; future payments will be negotiated separately. This payment in lieu of taxes was categorized as leasehold excise tax for the purposes of this report.
- Gambling excise tax revenues were above budget by \$180,000. The favorable variance in gambling excise tax was due to a balloon payment on promissory notes for prior years' unpaid taxes from Iron Horse Casino. The budget for these revenues was increased in Budget Amendment #5, and is expected to balance by year end.
- Development services fees through June totaled \$616,000 and exceeded budget by \$248,000. The increased revenues were predominately attributable to plan check revenues, which year-to-date have already generated 82.0% of budgeted annual revenue.
- Culture and recreation revenues year-to-date exceeded budget by \$162,000, or 14.9%. Revenue sources with significant increases compared to Q2-2015 include Auburn Avenue Theater ticket sales, the Cultural Arts Program, and recreational classes which combined for a total \$145,000 favorable variance from the same period the prior year.

- The Other Revenues category exceeded the year-to-date budget through Q2-2016 by \$251,000, or 51.7%, and exceed 2015 year-to-date revenue in this category by \$102,000. This was partially due to increased revenue collected for parking lot fees, which directly relate to a new parking lot and changes to parking rates. Additionally, facility rental revenues have increased over the prior year, and the City continues to receive higher than anticipated revenues from purchase-card rebates.

General Fund expenditures through the first half of 2016 totaled \$29.2 million as compared to a budget of \$33.4 million, representing 12.6% less than budget. Salary and benefits charges to the Public Works Department exceeded year-to-date budget by \$127,000, or 9.2%, due to the timing of work on capital projects. When working on capital projects, Engineering staff in the department charge time to capital funds. However, public works projects are often unfeasible during portions the early months of the year due to inclement weather, during which time salaries and wages that would normally be charged to projects are instead charged to the General Fund. This is anticipated to balance by the end of the year.

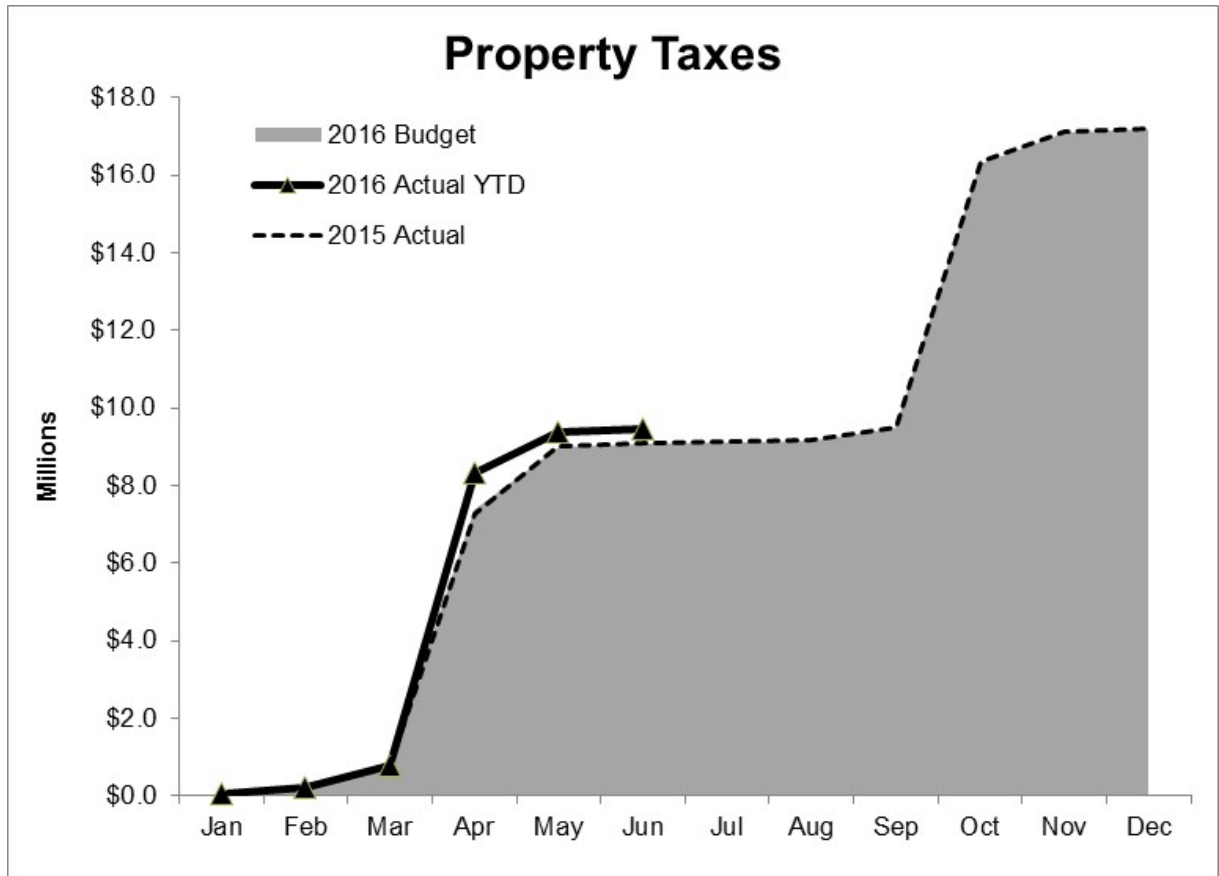
Year-to-date General Fund expenditures ended the period \$719,000, or 2.5%, higher than the same period last year. Salary and benefit costs increased by \$826,000, or 5.1%, from the first half of last year due mainly to increased costs associated with labor contracts and pension benefits.



Revenues

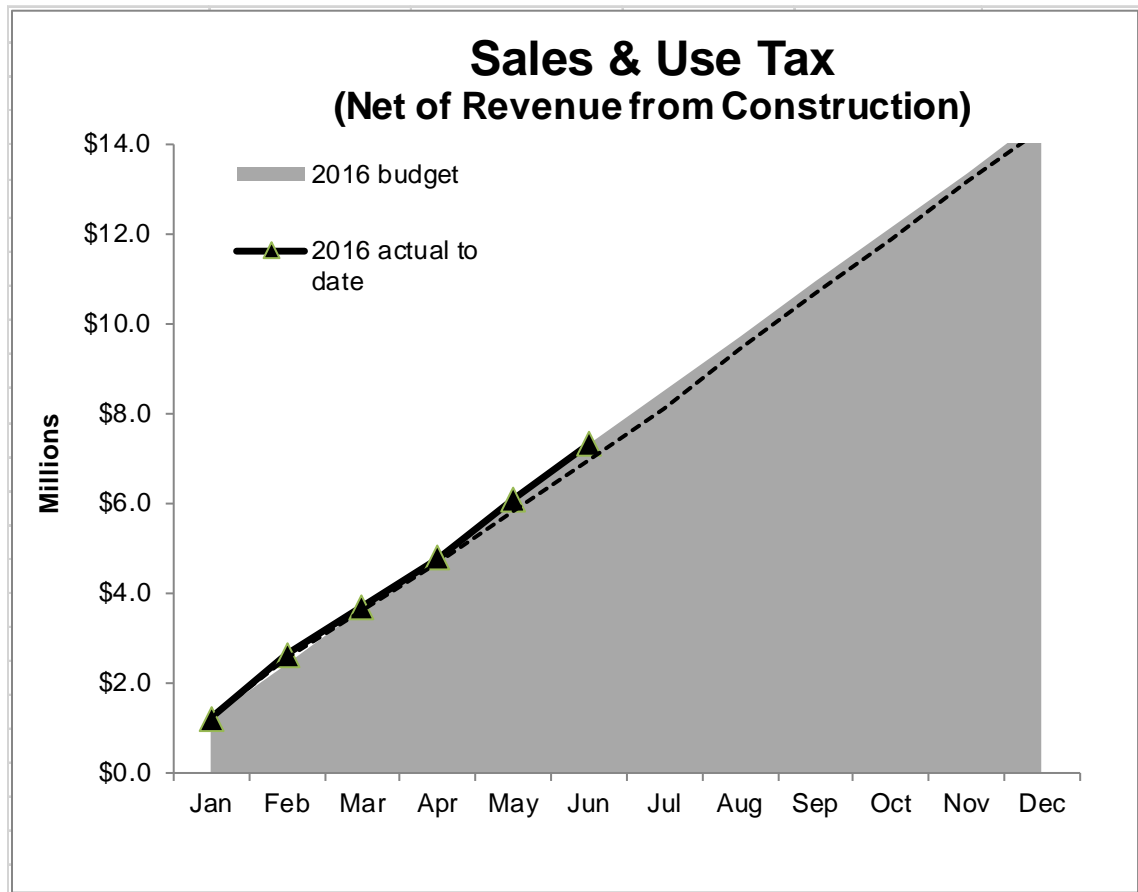
The combined total of property, sales/use, utility, gambling, and admissions taxes provides approximately 80% of all resources supporting general governmental activities. The following section provides additional information on these sources.

Property Tax collections through Q2-2016 totaled \$9,448,000, which is 1% or \$84,000 above budget expectations. The property tax collection through Q2-2016 exceeded collections through the same period last year by \$354,000, or 4.3%. The majority of property tax revenues are collected during the months of April and October, coinciding with the due dates for the County property tax billings.



Sales tax collections year to date total \$8.3 million, of which \$7.3 million was distributed to the General Fund and \$0.9 million was distributed to the Local Street Fund (SOS) program.* Through June 2016, total sales tax revenue distributions to the General Fund exceeded budget expectations by \$16,000, or 0.2%. Receipts to date include a one-time payment of \$110,000 in the “Other Services” category and so the trend is unfavorable.

The areas of significant increase from 2015 were primarily in the service and transportation and warehousing sectors, with significant decreases in the manufacturing and retail trade sectors.



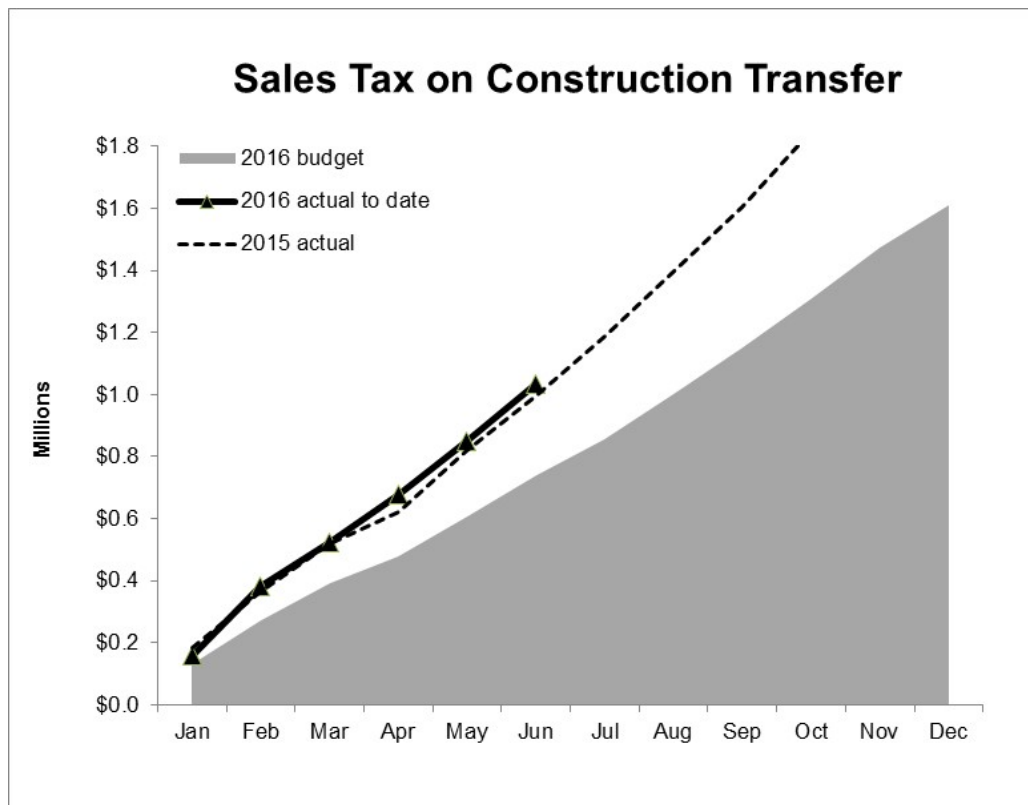
* Beginning in 2013, Local Street Fund (Fund 103) street repairs have been funded from sales taxes on construction. The total amount transferred year-to-date through Q2-2016 was \$1,033,228. The graphic above presents sales taxes under the current policy.

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.

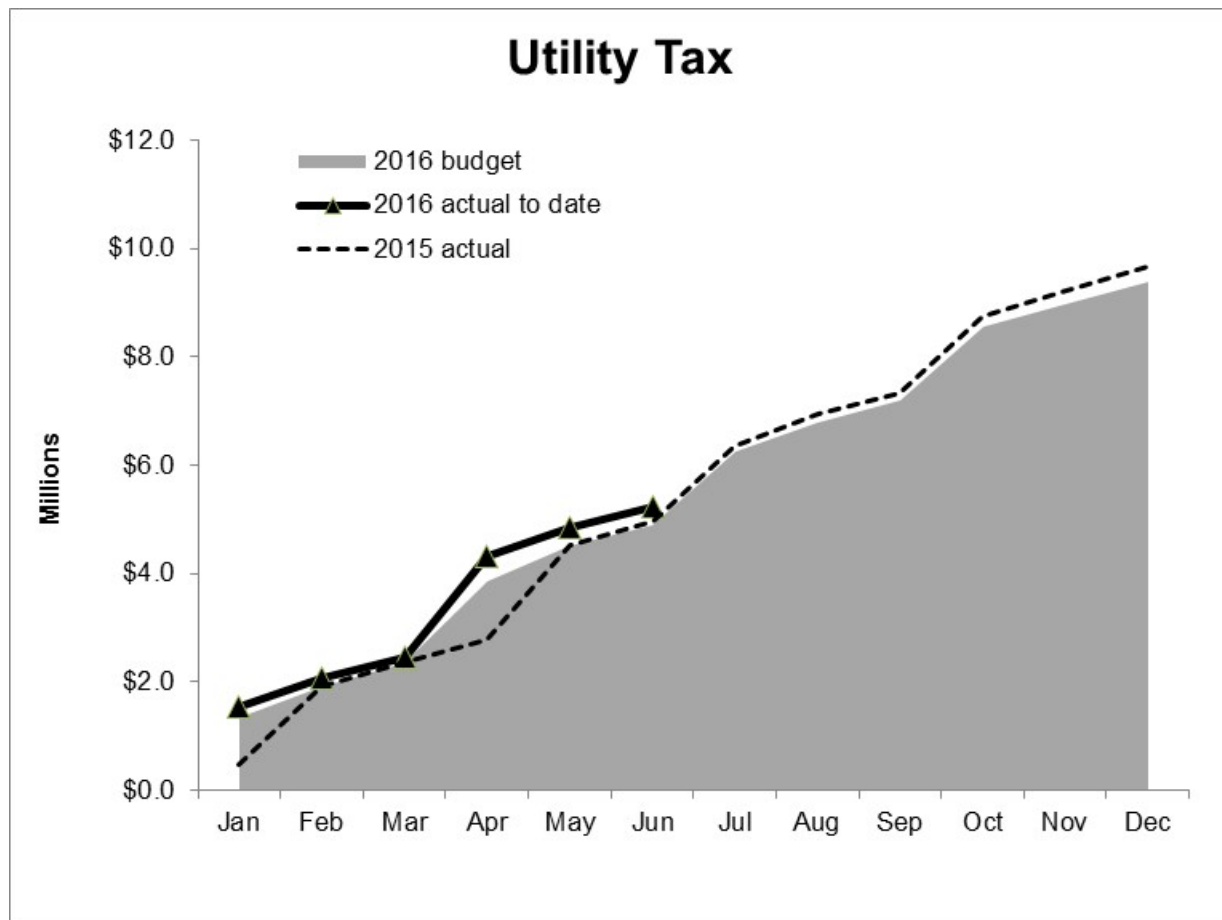
Comparison of Sales Tax Collections by SIC Group				
June 2016				
Component Group	2015 Actual	2016 Actual	Change from 2015	
			Amount	Percentage
Construction	\$ 996,884	\$ 1,033,228	\$ 36,344	3.6 %
Manufacturing	436,192	419,006	(17,186)	(3.9) %
Transportation & Warehousing	28,097	46,904	18,807	66.9 %
Wholesale Trade	609,203	603,496	(5,707)	(0.9) %
Automotive	1,778,094	1,780,400	2,306	0.1 %
Retail Trade	2,483,952	2,436,545	(47,407)	(1.9) %
Services	1,728,219	2,037,369	309,150	17.9 %
Miscellaneous	30,968	-17,289	(48,257)	(155.8) %
YTD Total	\$ 8,091,609	\$ 8,339,659	\$ 248,050	3.1 %

Total sales tax revenue collected through Q2-2016 exceeded prior year collections by \$221,000, or 3.1%. The business sectors showing the largest increase in revenues compared to last year were the service, transportation and warehousing, and construction industries.

Sales tax revenue on construction, which is transferred to the Local Street Fund (Fund 103) for local street repair and maintenance, totaled \$509,000, which is \$31,000 higher than the same period last year. Year-to-date revenues exceed budgeted revenue by \$295,000.



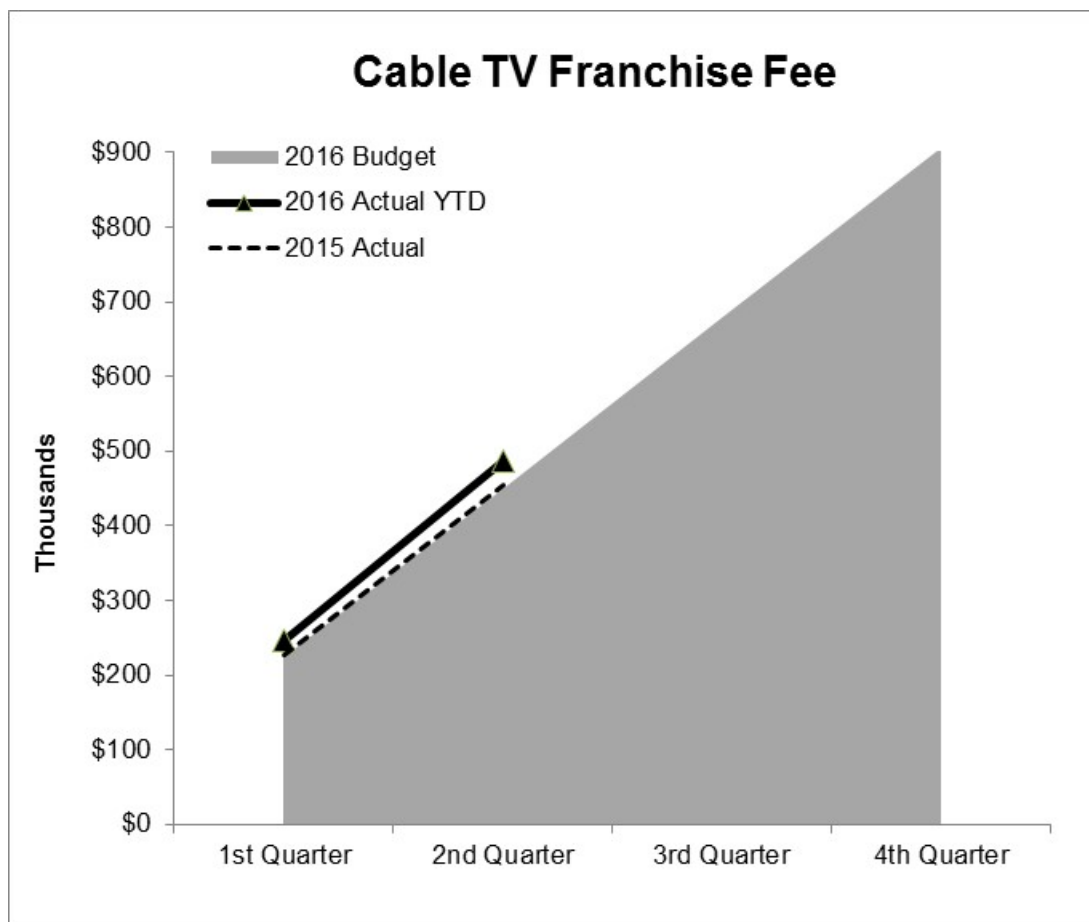
Utility Taxes consist of interfund taxes on City utilities (Water, Sewer, Storm and Solid Waste) and taxes on external utilities (Electric, Natural Gas, Telephone and Solid Waste). Utility taxes collected through Q2-2016 totaled \$5.2 million and exceeded year-to-date budget by \$322,000 or 6.6%.



Favorable variances in City interfund utility tax, Electric tax, Natural Gas tax and Solid Waste tax revenues more than offset lower than expected collections from the Telecommunication industry. Budget Amendment #5 reduced telephone tax revenue by \$200,000.

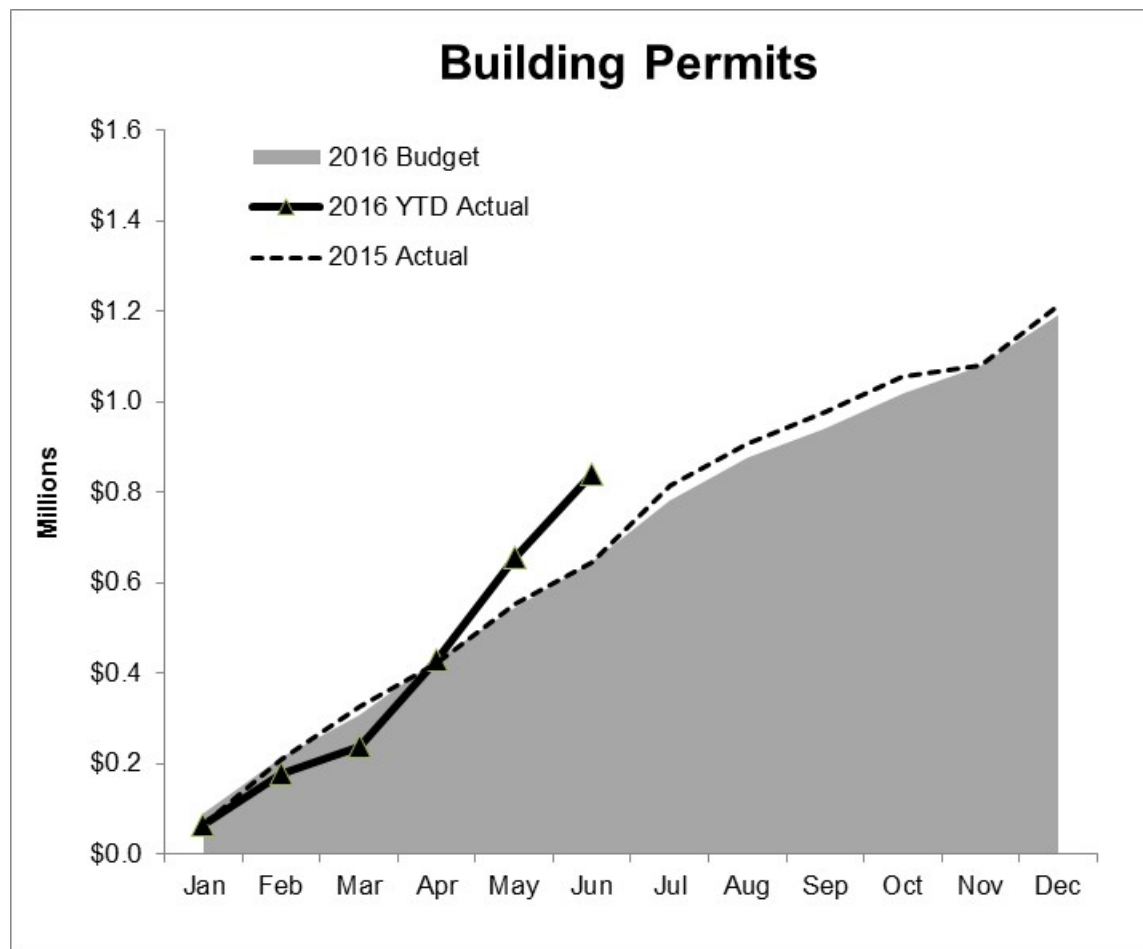
Utility Tax by Type							
June 2016							
Utility Tax Type	2015 Actual	2016 Budget	2016 Actual	2015 vs. 2016		2016 vs. Budget	
				Amount	Percentage	Amount	Percentage
City Interfund Utility Taxes	\$ 1,719,324	\$ 1,682,400	\$ 1,838,188	\$ 118,864	6.9 %	\$ 155,788	9.3 %
Electric	1,648,480	1,758,600	1,915,419	266,939	16.2 %	156,819	8.9 %
Natural Gas	659,020	575,900	644,107	(14,913)	(2.3) %	68,207	11.8 %
Telephone	871,239	835,000	767,726	(103,513)	(11.9) %	(67,274)	(8.1) %
Solid Waste (external)	54,854	52,980	61,778	6,923	12.6 %	8,798	16.6 %
YTD Total	\$ 4,952,918	\$ 4,904,880	\$ 5,227,218	\$ 274,300	5.5 %	\$ 322,338	6.6 %

Cable TV Franchise Fees, which are collected quarterly, totaled \$241,000 for Q2-2016. Year-to-date, revenues exceed the budget of \$450,000 by \$37,000, or 8.3%.



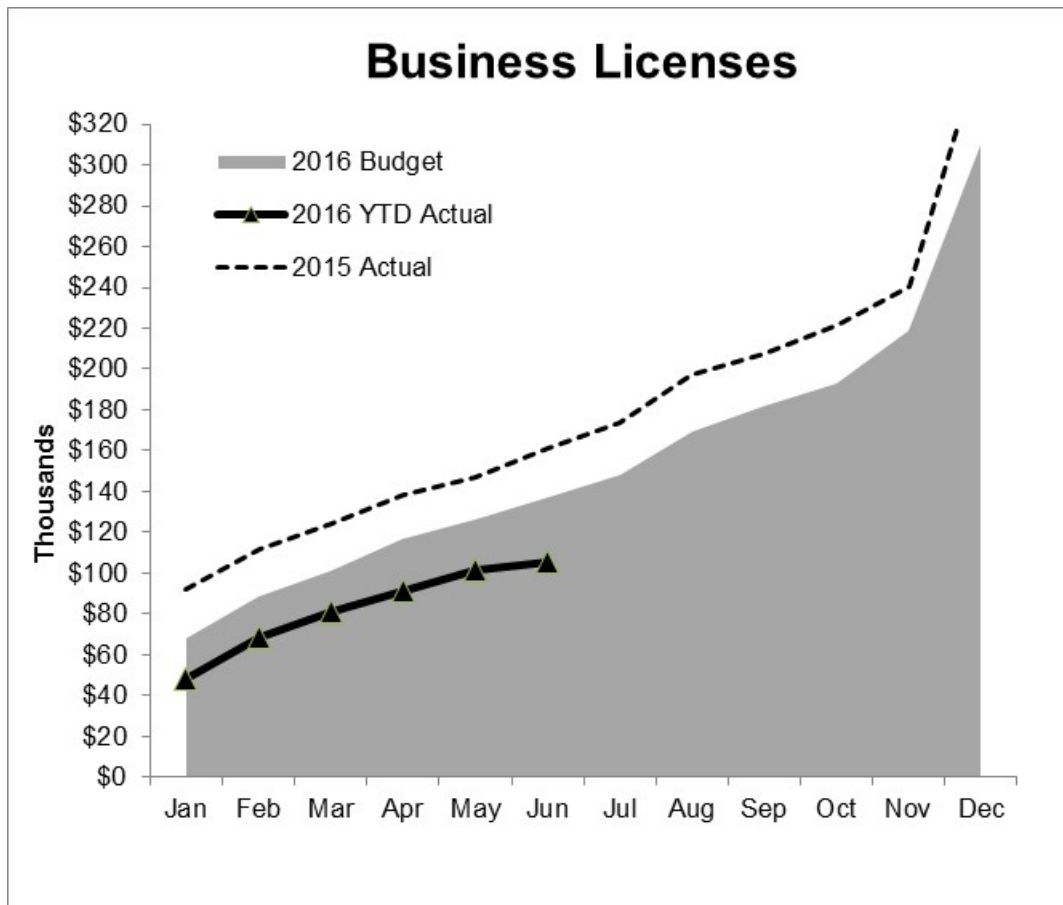
Licenses and Permits include business licenses, building permits, plumbing, electric and other licenses and permit fees. Building permit fees and business licenses make up about 70% of the annual budgeted revenue in this category.

Building permit revenues collected in through June totaled \$840,000, compared to a year-to-date budget of \$648,000. Building permits issued through June total 436, and compares to 385 issued during the same period in 2015.



Business license revenues collected through June totaled \$105,000 compared to a budget of \$137,000; these revenues were below budget by \$31,000 largely due to 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.

Year-to-date business license revenues are 22.9% lower than the same period in 2015. Again, this variance is largely due to the timing of collections and is expected to be at budget by year end.



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 \$2.6 million, which reflects budget expectations.

Favorable variances in Motor Vehicle Fuel Tax revenue and Liquor Excise revenue more than offset the reduced revenues received in Federal grant monies and Streamlined Sales Tax.

During the state's 2015-16 fiscal year budget cycle, the City of Auburn did not qualify for Criminal Justice High Crime revenues because the City's crime rate for the prior reporting period did not exceed the statewide average. Therefore, the City of Auburn did not receive these distributions for reporting periods Q3-2015 through Q2-2016. Effective for the state's 2016-17 fiscal year (July 1, 2016 through June 30, 2017), the City of Auburn again qualifies for this distribution. Revenues for the remaining two quarters of 2016 will be reflected in the associated quarterly financial reports.

Intergovernmental June 2016							
Revenue	2015	2016	2016	2016 vs. 2015 Actual		2016 vs. Budget	
	Actual	Budget	Actual	Amount	% Change	Amount	% Change
Federal Grants	\$ 67,622	\$ 107,300	\$ 95,083	\$ 27,461	40.6 %	\$ (12,217)	(11.4) %
State Grants	118,572	83,900	80,896	(37,676)	(31.8) %	(3,004)	(3.6) %
Muckleshoot Casino Emerg.	296,987	315,000	324,419	27,433	9.2 %	9,419	3.0 %
Intergovernmental Service	8,556	4,679	0	(8,556)	(100.0) %	(4,679)	(100.0) %
State Shared Revenues:							
Streamlined Sales Tax	980,842	1,005,500	962,037	(18,805)	(1.9) %	(43,463)	(4.3) %
Motor Vehicle Fuel Tax	495,526	503,200	538,381	42,855	8.6 %	35,181	7.0 %
Criminal Justice - High Crime	96,509	48,000	0	(96,509)	(100.0) %	(48,000)	(100.0) %
Criminal Justice - Population	9,742	8,800	10,151	409	4.2 %	1,351	15.4 %
Criminal Justice - Special Prog.	35,793	33,200	37,115	1,322	3.7 %	3,915	11.8 %
Marijuana Enforcement	0	9,800	9,757	9,757		(43)	(0.4) %
State DUI	6,560	7,300	5,907	(653)	(9.9) %	(1,393)	(19.1) %
Fire Insurance Tax	75,702	70,000	76,569	867	1.1 %	6,569	9.4 %
Liquor Excise	83,566	151,305	180,280	96,714	115.7 %	28,975	19.1 %
Liquor Profit	327,019	316,750	325,653	(1,366)	(0.4) %	8,903	2.8 %
Total State Shared:	2,111,259	2,153,855	2,145,849	34,590	1.6 %	(8,006)	(0.4) %
YTD Total	\$2,602,995	\$2,664,734	\$ 2,648,748	\$ 45,752	1.8 %	\$ (15,986)	(0.6) %

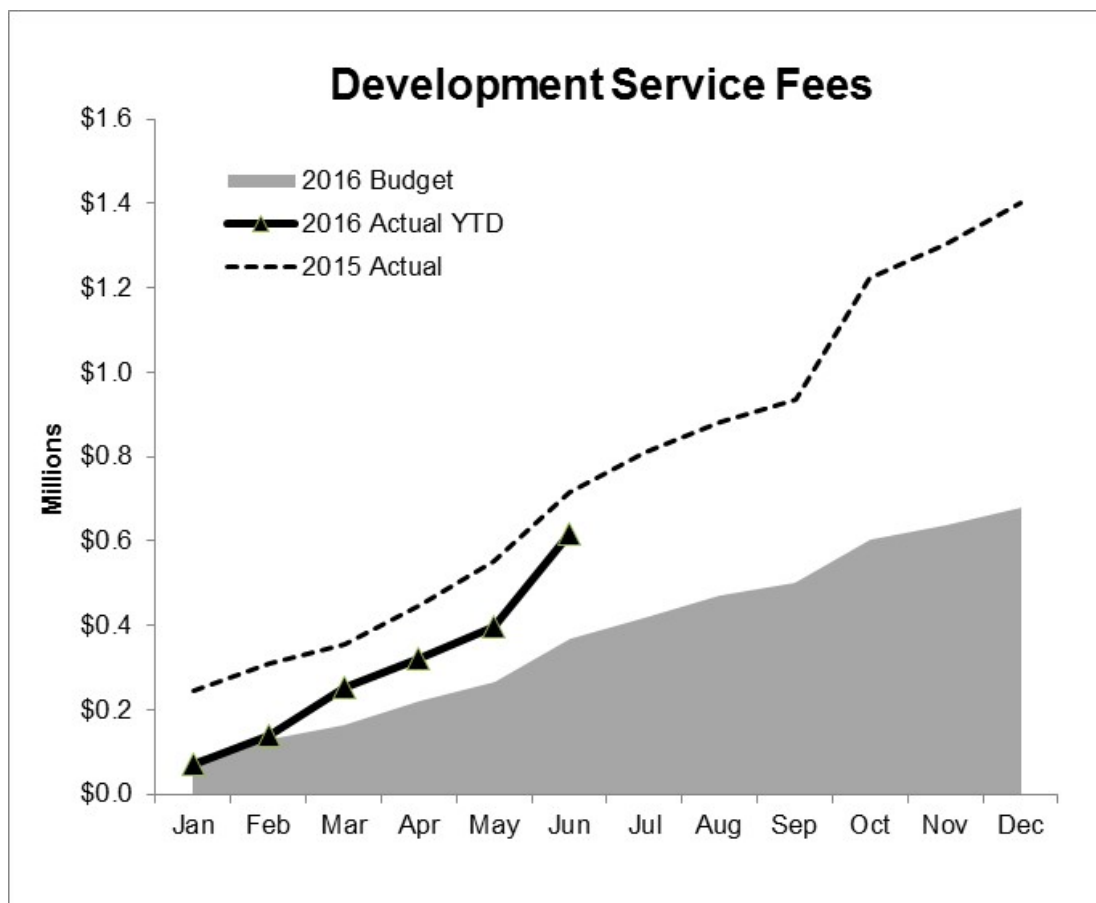
Charges for Services consist of general governmental services, public safety, development service fees and cultural & recreation fees. Overall, charges for services collected through Q2-2016 totaled \$2.3 million compared to a budget of \$1.8 million. Total revenues collected thus far exceed budget by \$500,000, or 28.5%.

Charges for Services by Type June 2016							
Revenue	2015 Actual	2016 Budget	2016 Actual	2016 vs. 2015 Actual		2016 vs. Budget	
				Amount	Percentage	Amount	Percentage
General Government	\$ 43,704	\$ 37,600	\$ 46,237	\$ 2,534	5.8 %	\$ 8,637	23.0 %
Public Safety	287,517	260,149	342,281	54,764	19.0 %	82,132	31.6 %
Development Services	715,082	368,100	615,814	(99,268)	(13.9) %	247,714	67.3 %
Culture & Recreation	1,236,235	1,089,000	1,251,074	14,838	1.2 %	162,074	14.9 %
YTD Total	\$ 2,282,538	\$ 1,754,849	\$ 2,255,406	\$ (27,132)	(1.2) %	\$ 500,557	28.5 %

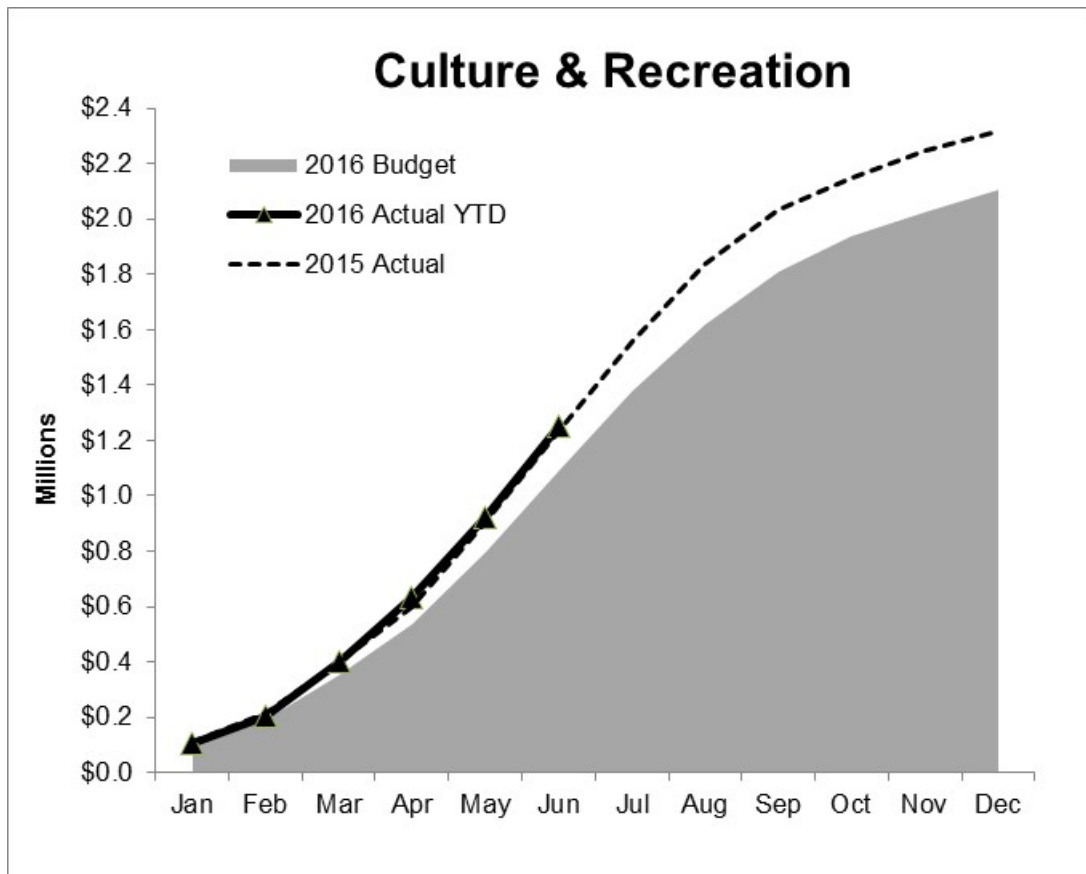
General governmental revenues through Q2-2016 totaled \$46,000 compared to a budget of \$38,000. Budget expectations for these revenues were revised from the prior year due to the fact that the City no longer provides services to the City of Algona; therefore the City does not receive reimbursement for services.

Public safety revenues collected year-to-date totaled \$342,000, compared to budget of \$260,000. 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.

Development services fee collections, which primarily consist of plan check fees, totaled \$616,000 and exceeded budget by \$248,000. Plan check fees collected year-to-date total \$453,000, compared to a budget of \$275,000.

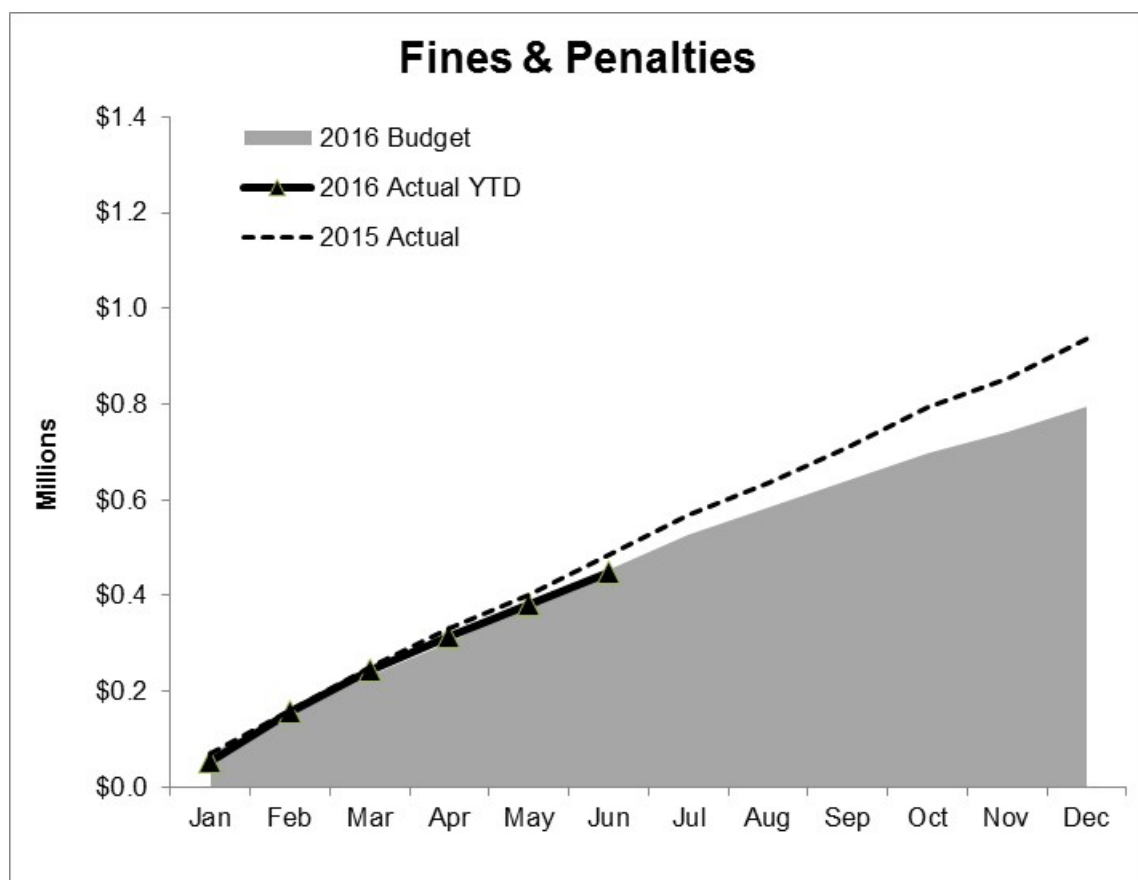


Culture and recreation revenues totaled \$1.3 million and exceeded year-to-date budget by \$162,000, or 14.9 %. A substantial portion of this favorable variance was due to recreational classes, where year-over-year revenues have increased \$79,000. Additionally, revenues collected through the second quarter for the Cultural Arts program and Auburn Avenue Theater classes have exceeded their year-end budget expectations, reflecting higher than anticipated participation.



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 Q2-2016 totaled \$450,000, compared to a budget of \$419,000.

Fines & Forfeits by Type							
June 2016							
Month	2015 Actual	2016 Budget	2016 Actual	2016 vs. 2015 Actual		2016 vs. Budget	
				Amount	Percentage	Amount	Percentage
Civil Penalties	\$ 6,069	\$ 7,900	\$ 5,151	\$ (918)	(15.1) %	\$ (2,749)	(34.8) %
Civil Infraction Penalties	273,741	245,300	235,442	(38,300)	(14.0) %	(9,859)	(4.0) %
Redflex Photo Enforcement	1,766	0	10,849	9,083	514.3 %	10,849	
Parking Infractions	67,867	51,700	70,624	2,757	4.1 %	18,924	36.6 %
Criminal Traffic Misdemeanor	29,317	26,400	24,757	(4,560)	(15.6) %	(1,643)	(6.2) %
Criminal Non-Traffic Fines	25,129	23,800	22,156	(2,973)	(11.8) %	(1,644)	(6.9) %
Criminal Costs	30,829	24,200	29,751	(1,078)	(3.5) %	5,551	22.9 %
Non-Court Fines & Penalties	51,259	39,400	51,178	(81)	(0.2) %	11,778	29.9 %
YTD Total	\$ 485,978	\$ 418,700	\$ 449,907	\$ (36,071)	(7.4) %	\$ 31,207	7.5 %

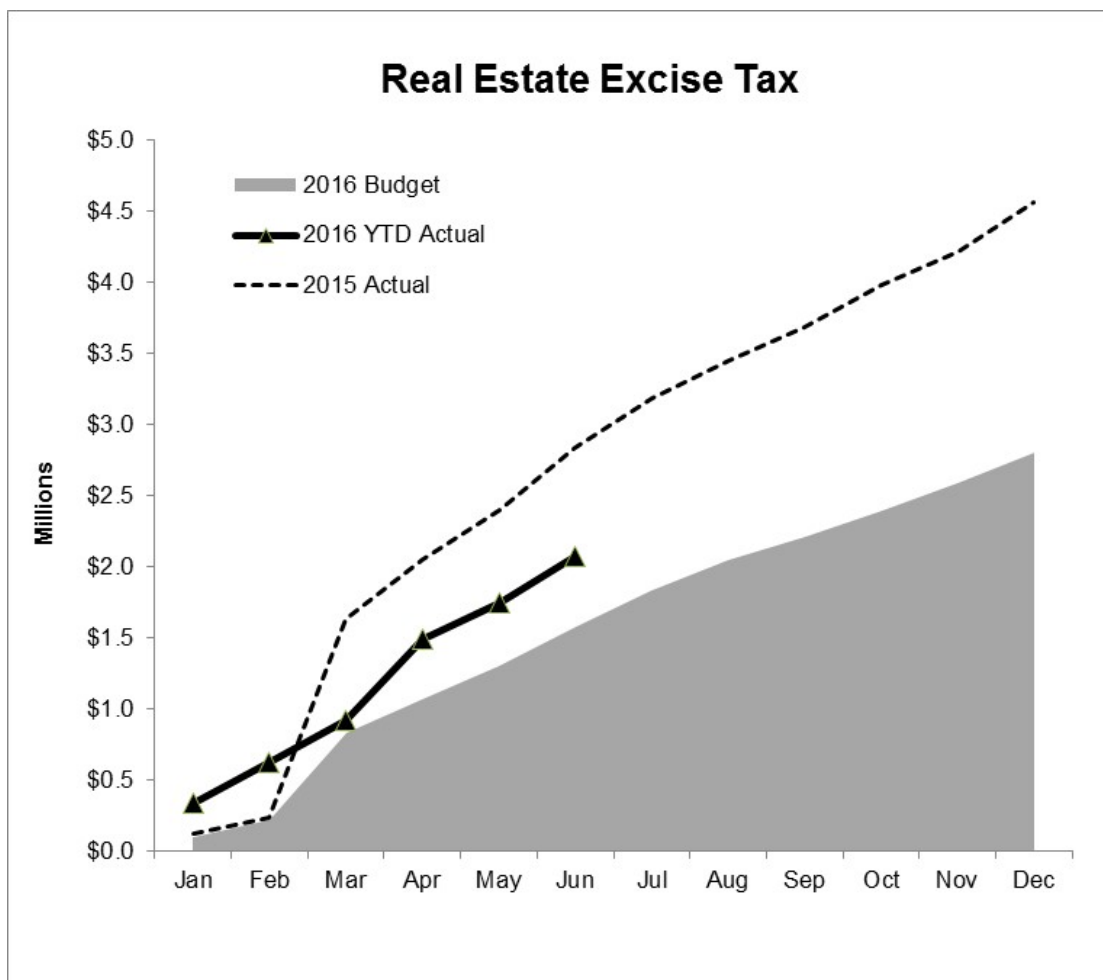


Miscellaneous revenues primarily consist of investment earnings, income from facility rentals, contributions & donations, and other miscellaneous income, which includes the quarterly purchasing card (P-card) rebate monies. Total revenues collected in this category through Q2-2016 totaled \$600,000 and exceeded budget expectations by \$203,000, or 51.2%. Primary contributors to this revenue performance include investment income, which has already exceeded annual budgeted revenue, and parking garage permits, which has year-to-date revenue of nearly double the annual budget of \$8,000. Facilities rental revenues are also higher than anticipated after an increase in demand during the late spring and early summer.

Miscellaneous Revenues by Type							
June 2016							
Month	2015 Actual	2016 Budget	2016 Actual	2016 vs. 2015		2016 vs. Budget	
				Amount	Percentage	Amount	Percentage
Interest & Investments	\$ 23,497	\$ 15,000	\$ 54,747	\$ 31,249	133.0 %	\$ 39,747	265.0 %
Rents & Leases	301,118	294,500	373,158	72,040	23.9 %	78,658	26.7 %
Contributions & Donations	20,852	17,300	11,818	(9,034)	(43.3) %	(5,482)	(31.7) %
Other Miscellaneous Revenue	102,512	70,000	160,111	57,599	56.2 %	90,111	128.7 %
YTD Total	\$ 447,979	\$ 396,800	\$ 599,833	\$ 151,854	33.9 %	\$ 203,033	51.2 %

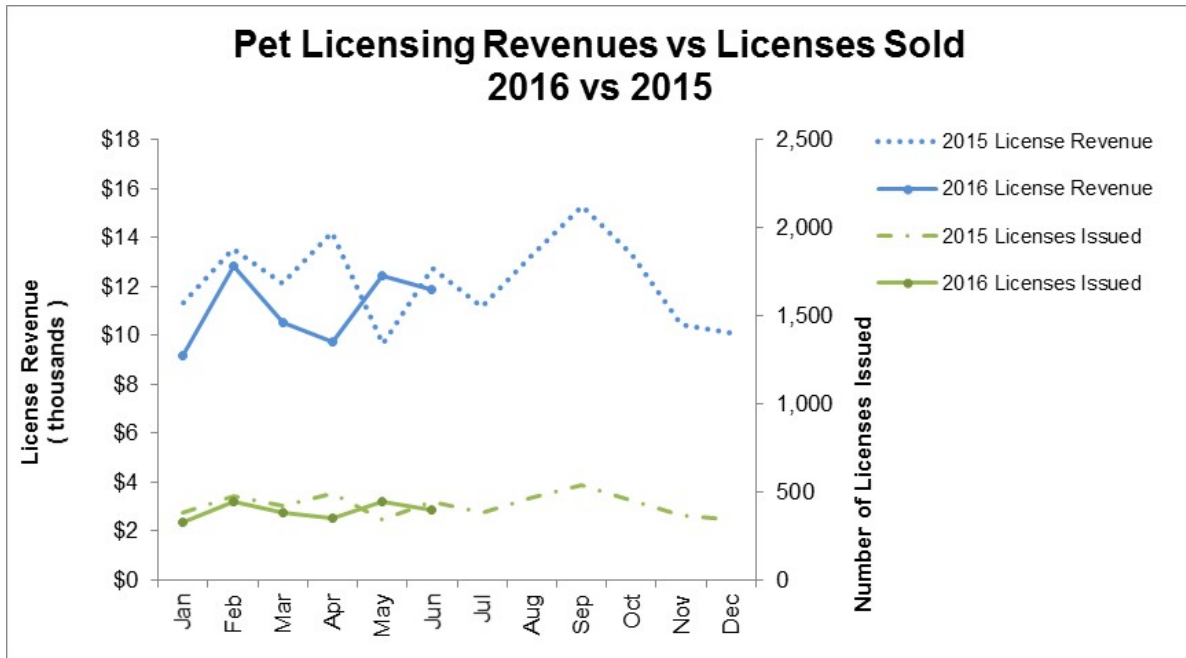
Real Estate Excise Tax (REET) revenue is receipted into the Capital Improvement Projects Fund and is used for governmental capital projects. REET revenues collected through Q2-2016 totaled \$2.1 million and exceeded budgeted amounts by \$503,000, or 31.9%. Year-to-date revenues were lower than the same period in 2015, which saw the sale of several large businesses in the City, to include the Outlet Collection – Seattle and the Lakeland Town Center. Real estate sales in the City of Auburn in Q2-2016 included the sale of both commercial and single family residences.

Real Estate Excise Tax Revenues							
June 2016							
Month	2015 Actual	2016 Budget	2016 Actual	2016 vs. 2015		2016 vs. Budget	
				Amount	Percentage	Amount	Percentage
Jan	\$ 125,089	\$ 97,600	339,594	\$ 214,505	171.5 %	\$ 241,994	247.9 %
Feb	\$ 115,287	\$ 128,900	286,943	171,656	148.9 %	158,043	122.6 %
Mar	\$ 1,394,226	\$ 602,800	293,361	(1,100,865)	(79.0) %	(309,439)	(51.3) %
Apr	\$ 423,394	\$ 244,300	574,925	151,531	35.8 %	330,625	135.3 %
May	\$ 345,489	\$ 234,700	255,078	(90,410)	(26.2) %	20,378	8.7 %
Jun	\$ 436,101	\$ 267,800	329,081	(107,020)	(24.5) %	61,281	22.9 %
Jul							
Aug							
Sep							
Oct							
Nov							
Dec							
YTD Total	\$ 2,839,586	\$ 1,576,100	2,078,982	(760,604)	(26.8) %	502,882	31.9 %



Pet Licensing

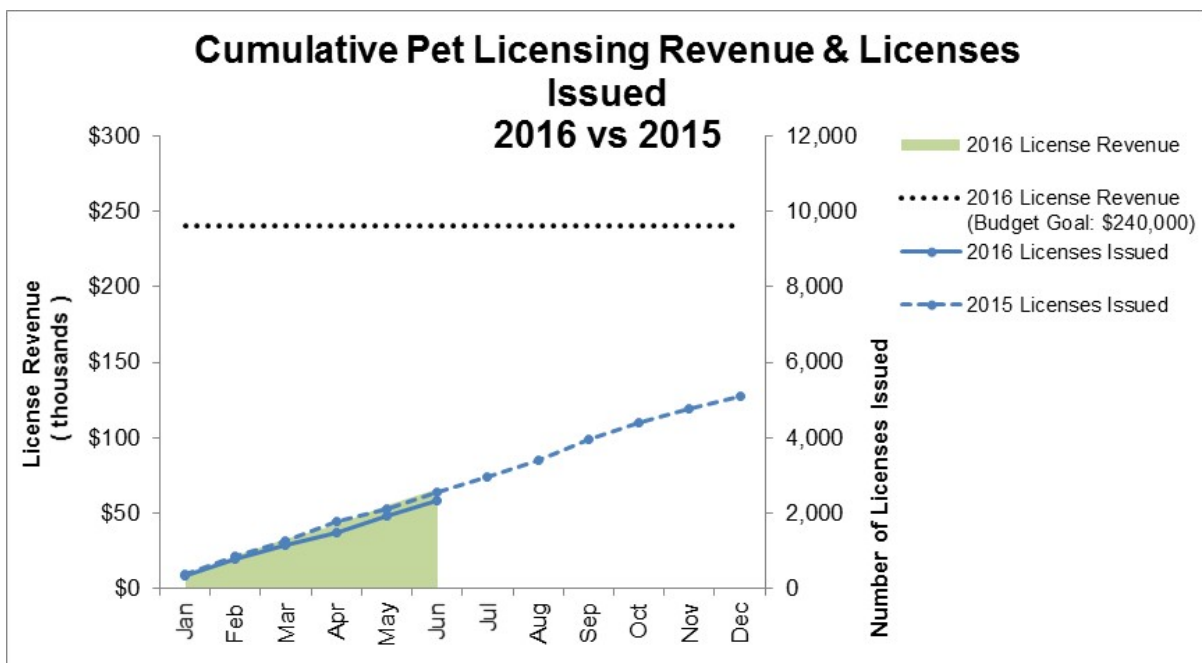
Year-to-date, 2,342 pet licenses were sold, resulting in \$66,645 in revenue. For the same period in 2015, 2,563 licenses were sold, resulting in \$73,605 in revenue.



2016 Budget Goal: \$240,000

2016 Revenue = \$66,645
2016 Licenses Sold = 2,342

2015 Revenue = \$73,605
2015 Licenses Sold = 2,563



Street Funds

This section provides financial overview of the City's three street funds for the fiscal period ending June 31, 2016. This City's three street funds include the following: the Arterial Street Fund (Fund 102), the Local Street Fund (Fund 103), and the Arterial Street Preservation Fund (Fund 105). The capital project expenditures are budgeted primarily based on the collection/disbursement average for the same period of the prior two years.

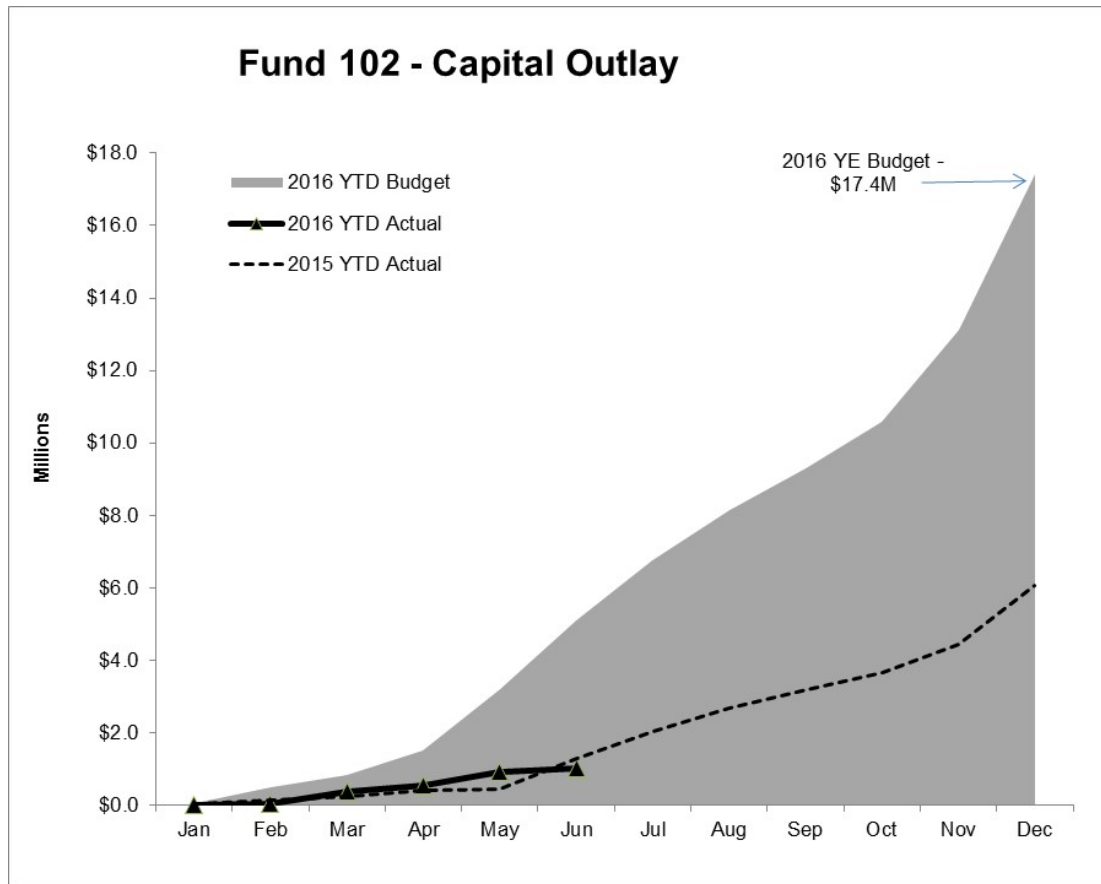
Fund 102 – Arterial Street Fund

The Arterial Street Fund is a Special Revenue Fund that is funded by transportation grants, traffic impact fees, a portion of the City's gas tax receipts, Public Works Trust Fund loans, developer contributions, and other sources. There are over 40 separate street projects budgeted in this fund in 2016. Some of these projects include the South 272nd /South 277th Street Corridor Improvement Project, the West Main Street Multimodal Corridor and ITS Improvement Project, and the AWS Corridor Safety Improvement Project (Muckleshoot Plaza to Dogwood).

Through June 2016, revenues collected totaled \$1.9 million and compare to collections of \$1.1 million the same period in the prior year. Expenditures through June totaled \$1.5 million and compare to \$1.8 million spent the same period last year.

Fund 102 - Arterial Street Summary of Sources and Uses Report Period: June 2016	2016			2015	2016 YTD Budget vs. Actual	
	Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable)	
					Amount	Percentage
Revenues						
Federal Grants	\$ 7,270,016	\$ 511,396	\$ 47,465	\$ 153,434	\$ (463,931)	(90.7) %
State Grants	4,198,288	967,871	99,350	139,195	(868,521)	(89.7) %
Motor Vehicle Fuel and Multimodal Taxes	530,000	265,000	290,906	233,128	25,906	9.8 %
Developer Contributions	1,544,200	0	0	0	0	N/A
Miscellaneous Revenue	336,674	168,337	64,862	82,953	(103,475)	(61.5) %
Other Governmental Agencies	0	0	0	61,520	0	N/A
Public Works Trust Fund Loans	0	0	0	0	0	N/A
Operating Transfer In	3,882,586	0	712,702	450,205	712,702	N/A
Investment Income	2,000	1,000	3,132	1,664	2,132	213.2 %
Total Revenues	\$ 17,763,764	\$ 1,913,604	\$ 1,218,417	\$ 1,122,100	\$ (695,187)	(36.3) %
Expenditures						
Salary and Benefits	\$ 839,323	\$ 389,647	\$ 235,491	\$ 190,239	\$ 154,157	39.6 %
Services and Charges	245,000	122,500	30,036	115,536	92,464	75.5 %
Capital Outlay	17,428,903	5,083,447	1,012,136	1,286,471	4,071,311	80.1 %
Interfund Payments for Services	74,550	37,275	37,278	35,574	(3)	(0.0) %
Debt Service Principal and Interest	217,862	0	210,205	218,761	(210,205)	N/A
Operating Transfer Out	0	0	0	0	0	N/A
Total Expenditures	\$ 18,805,638	\$ 5,632,869	\$ 1,525,145	\$ 1,846,581	\$ 4,107,723	72.9 %
Net Change in Fund Balance	\$ (1,041,874)	\$ (3,719,265)	\$ (306,728)	\$ (724,481)	\$ 3,412,536	(91.8) %

Estimated Beg. Fund Balance, April 2016	\$	2,325,058
Net Change in Fund Balance, June 2016		(306,728)
Ending Fund Balance, June 2016	\$	2,018,330
2016 Budgeted Ending Fund Balance	\$	1,283,185



Notes:

The year-to-date variance is largely due to timing of project expenditures for four significant projects, which together account for over 77% of the 2016 expenditure budget in this fund:

- S 272nd St. / S 277th St. Corridor Improvements – Environmental requirements are delaying construction work; it is anticipated that \$1.7 million out of a budget of \$6.0 million will be expended in 2016.
- W Main St. Multimodal Corridor and ITS Improvements – Work began in August and is expected to be completed in the remainder of 2016.
- AWS Corridor Safety Improvements – Project has been slowed during ROW acquisition. Costs are anticipated to be higher than planned and may require additional funding.
- 37th St. SE & A St. SE Traffic Signal Safety Improvements – Project is currently in the design phase and will not be in construction until early 2017.

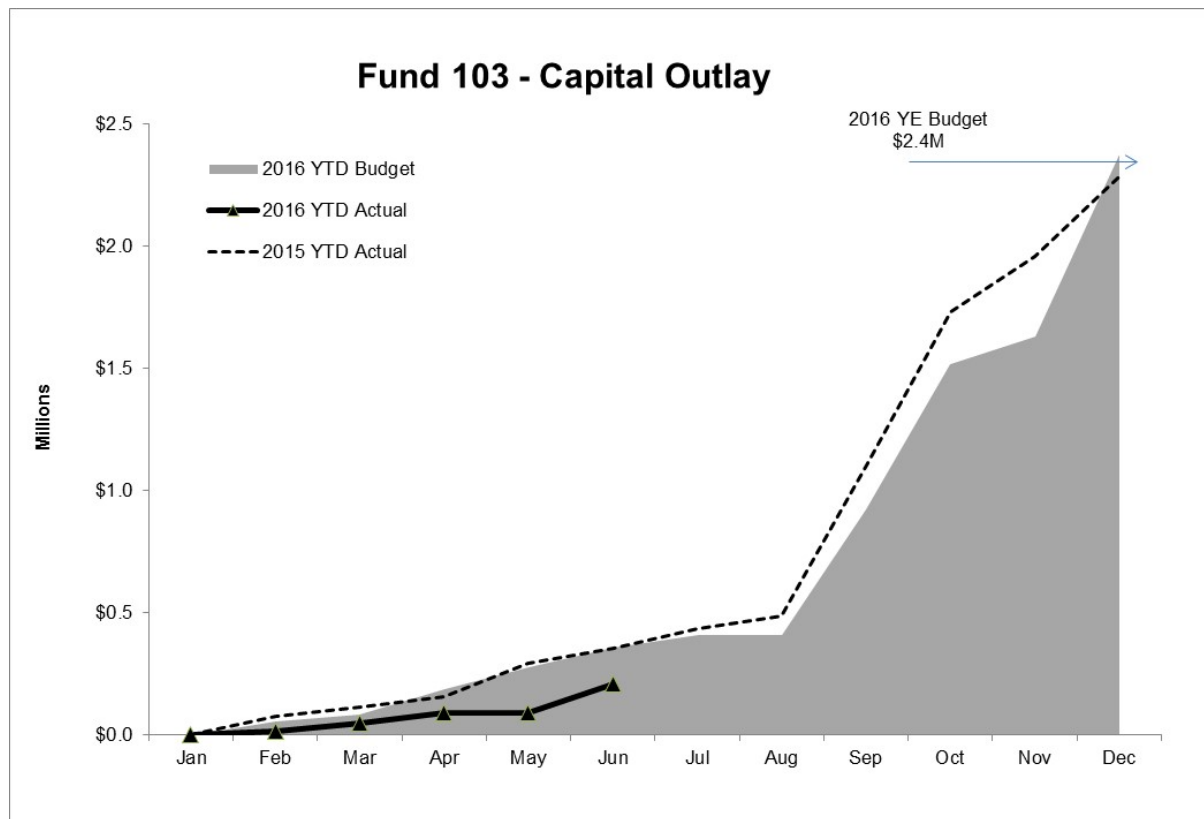
Fund 103 – Local Street Fund

The Local Street Fund is a Special Revenue Fund where the revenue from sales taxes on construction are used for local street repairs. Through June 2016 the revenues in this fund exceeded budget expectations by \$299,000, or 33.7%, due to higher than anticipated sales tax revenues from local construction projects. Expenditures through June totaled \$276,000 and compares to year to date budget of \$312,000. This variance is due to timing of project expenditures. The majority of 2016 Local Street Pavement Reconstruction Project expenditures are anticipated to occur in Q3-2016 and Q4-2016.

Fund 103 - Local Street Fund Summary of Sources and Uses Report Period: June 2016	2016			2015	2016 YTD Budget vs. Actual	
	Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable)	
					Amount	Percentage
Revenues						
Sales Tax on Construction	\$ 1,610,000	\$ 737,800	\$ 1,033,228	\$ 996,884	\$ 295,428	40.0 %
Operating Transfer In	150,000	150,000	150,000	150,000	0	0.0 %
Interest Earnings	2,500	1,250	5,246	1,686	3,996	319.6 %
Total Revenues	\$ 1,762,500	\$ 889,050	\$ 1,188,474	\$ 1,148,570	\$ 299,424	33.7 %
Expenditures						
Salary and Benefits	\$ 175,090	\$ 87,544.88	\$ 59,636	\$ 49,968	\$ 27,909	31.9 %
Services and Charges	300	150	407	249	(257)	(171.7) %
Capital Outlay	2,376,768	357,747	209,596	354,397	148,150	41.4 %
Interfund Payments for Services	12,240	6,120	6,120	6,240	0	0.0 %
Operating Transfer Out	0	0	0	0	0	N/A
Total Expenditures	\$ 2,564,398	\$ 451,561	\$ 275,760	\$ 410,854	\$ 175,801	38.9 %
Net Change in Fund Balance	\$ (801,898)	\$ 437,489	\$ 912,714	\$ 737,716	\$ 475,225	108.6 %

Estimated Beg. Fund Balance, April 2016	\$ 1,349,769
Net Change in Fund Balance, June 2016	912,714
Ending Fund Balance, June 2016	\$ 2,262,483

2016 Budgeted Ending Fund Balance	\$ 547,871
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**Notes:**

As the YTD budget (solid gray area) shows, the bulk of capital expenditures are anticipated to occur in the last several months of the year. The year-to-date variance is largely due to timing of project expenditures for the 2016 Local Street Pavement Reconstruction Project, where expenditures are anticipated to occur in Q3-2016 and Q4-2016.

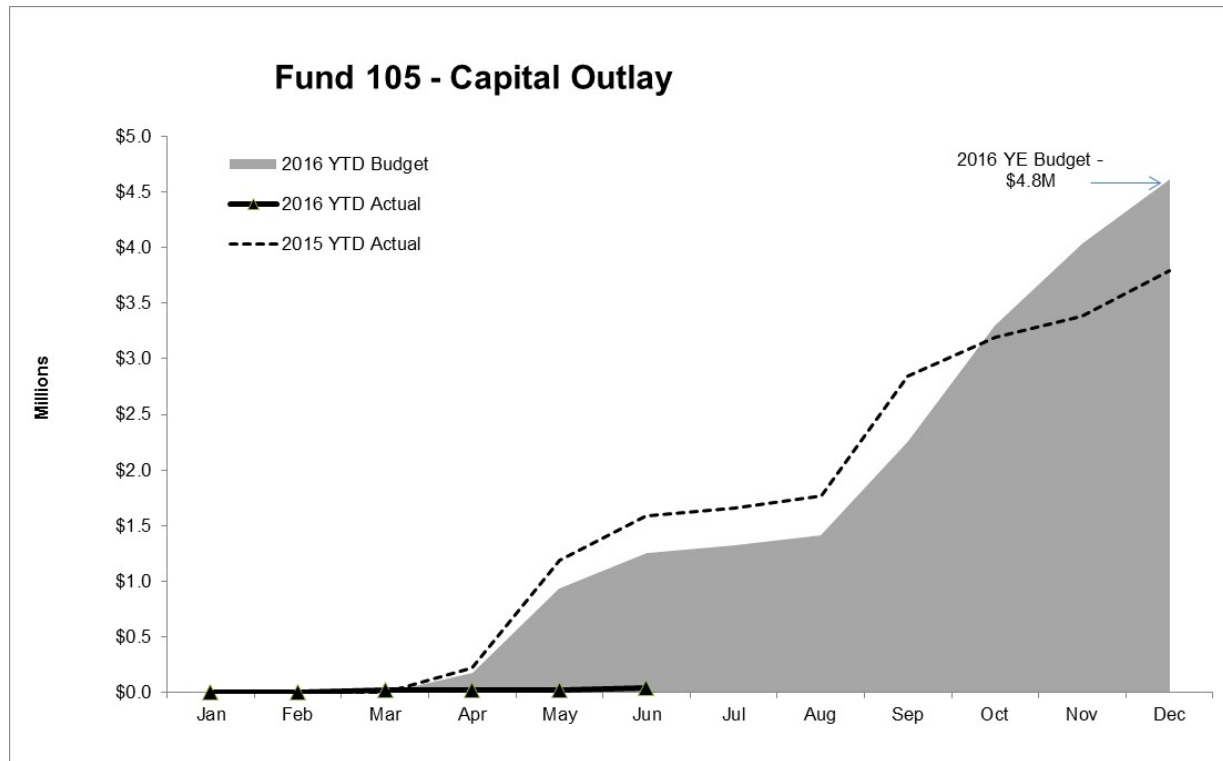
Fund 105 – Arterial Street Preservation Fund

The Arterial Street Preservation Fund is a Special Revenue Fund which is primarily funded by a 1.0% utility tax that was adopted by Council in 2008. These utility tax revenues are restricted for arterial street repair and preservation projects. Some projects budgeted within the Arterial Street Preservation Fund in 2016 include Pavement Patching and Overlay, the Annual Arterial and Collector Crack Seal Project, the Auburn Way North Preservation Project and the B Street NW Reconstruction Project. Through June 2016 revenues totaled \$1.1 million and compare to budget of \$1.3 million.

Expenditures through June totaled \$354,000, which is approximately 25% of year-to-date budgeted expenditure. This is due to the the Fund's main project, Auburn Way North Preservation, being repackaged and sent to bid a second time after the first round of bidding produced higher than expected costs. This is anticipated to be rebid in February 2017. The Fund's next-largest project, B Street NW Reconstruction, remains in the design phase. Construction on this project is anticipated to start in March 2017.

Fund 105 - Arterial St. Presv. Summary of Sources and Uses Report Period: June 2016	2016			2015	2016 YTD Budget vs. Actual	
	Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable)	
					Amount	Percentage
Revenues						
City Utility Tax	\$ 589,000	\$ 281,300	\$ 306,365	\$ 286,554	\$ 25,065	8.9 %
Electric Utility Tax	660,500	352,200	383,084	329,696	30,884	8.8 %
Natural Gas Utility Tax	170,400	115,500	128,821	131,804	13,321	11.5 %
Cable TV Tax	181,300	90,000	98,361	91,872	8,361	9.3 %
Telephone Utility Tax	324,000	169,900	153,545	174,248	(16,355)	(9.6) %
Garbage Utility Tax (External Haulers)	17,700	8,850	10,296	9,142	1,446	16.3 %
Grants	1,053,626	286,201	0	0	(286,201)	(100.0) %
Developer Mitigation Fees	0	0	0	0	0	N/A
Operating Transfer In	0	0	0	0	0	N/A
Interest Earnings	1,500	750	4,121	1,923	3,371	449.5 %
Total Revenues	\$ 2,998,026	\$ 1,304,701	\$ 1,084,593	\$ 1,025,239	\$ (220,108)	(16.9) %
Expenditures						
Salary and Benefits	\$ 124,095	\$ 62,047.72	\$ 142,976	\$ 81,176	\$ (80,928)	(130.4) %
Supplies	0	0	0	0	0	N/A
Services and Charges	150,000	75,000	0	0	75,000	N/A
Capital Outlay	4,610,726	1,252,430	45,323	1,590,512	1,207,107	96.4 %
Operating Transfer Out	401,750	0	165,226	0	(165,226)	N/A
Total Expenditures	\$ 5,286,571	\$ 1,389,478	\$ 353,525	\$ 1,671,688	\$ 1,035,953	74.6 %
Net Change in Fund Balance	\$ (2,288,545)	\$ (84,777)	\$ 731,068	\$ (646,449)	\$ 815,845	(962.3) %

Estimated Beg. Fund Balance, April 2016	\$ 2,306,928
Net Change in Fund Balance, June 2016	731,068
Ending Fund Balance, June 2016	\$ 3,037,996
2016 Budgeted Ending Fund Balance	\$ 18,382

**Notes:**

The year-to-date variance is primarily due to two major projects. This main project, Auburn Way North Preservation, is being repackaged and sent to bid a second time after the first round of bidding produced higher than expected costs. This is anticipated to be rebid in February 2017. The second project, B Street NW Reconstruction, remains in the design phase; construction on this project is anticipated to start in March 2017. Funds for both projects will be carried forward into next year.

Fund 124 – Mitigation Fees

The Mitigation Fees Fund is a Special Revenue Fund funded from revenue from new development, which is assessed at the time applications are received for development activity. These funds are used to mitigate costs associated with City growth. Through Q2-2016, revenues were above budget expectations, at 80.9% of the annual budgeted amount. Expenditures year-to-date are well below budget due to delays in construction projects.

Fund 124 - Mitigation Fees Summary of Sources and Uses Report Period Through: March 2016	YTD ACTUALS			BUDGET		
	Revenues	Expenditures	Ending Fund Balance	Revenues	Expenditures	Ending Fund Balance
Transportation Impact Fees	\$ 590,330	\$ 547,476	\$ 3,724,939	\$ 800,000	\$ 3,106,075	\$ 1,333,590
Transportation Mitigation Fees	\$ -	\$ -	\$ 257,710	\$ -	\$ 73,144	\$ 184,566
Fire Impact Fees	\$ 42,250	\$ -	\$ 356,470	\$ 100,000	\$ 50,000	\$ 364,220
Fire Mitigation Fees	\$ -	\$ -	\$ 82	\$ -	\$ -	\$ 82
Parks Impact Fees	\$ 354,598	\$ 30,508	\$ 1,447,303	\$ 75,000	\$ 300,000	\$ 898,213
Parks Mitigation Fees	\$ -	\$ -	\$ 330,319	\$ -	\$ -	\$ 330,319
School Impact Admin Fees	\$ 6,604	\$ -	\$ 84,719	\$ 15,000	\$ -	\$ 93,115
Wetland Mitigation Fees	\$ -	\$ -	\$ 68,626	\$ -	\$ -	\$ 68,626
Interest and Investment Income	\$ 12,095	\$ -	\$ 12,095	\$ 4,890	\$ -	\$ 4,890
Fees in Lieu of Improvements	\$ 122,525	\$ -	\$ 122,525	\$ -	\$ -	\$ -
Operating Transfers	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ 400,000
Total	\$ 1,128,402	\$ 577,984	\$ 6,404,788	\$ 1,394,890	\$ 3,529,219	\$ 3,677,621

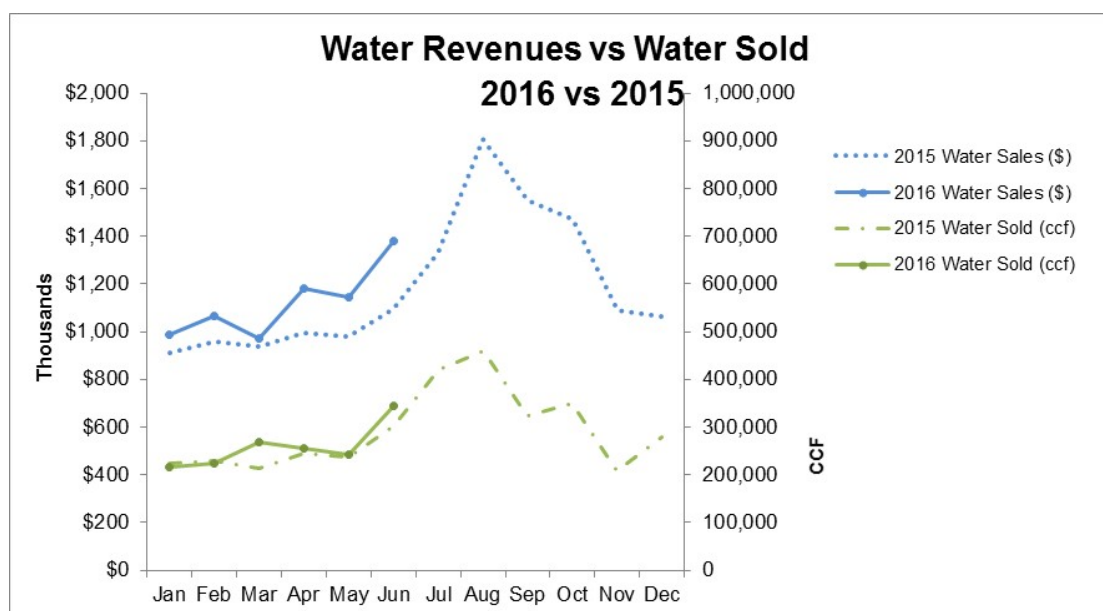
Beginning Fund Balance, January 1, 2016	\$ 5,854,369
Net Change in Fund Balance, June 2016	\$ 550,418
Ending Fund Balance, June 2016	\$ 6,404,787

Proprietary Funds

Detailed income and expense statements for Enterprise and Internal Service funds can be found in the Appendices at the end of this report. The format changed in Q1-2016 and, in lieu of a working capital statement, there are now operating and capital fund reports for most of these funds showing budget, actual and variance. The operating fund houses all the operating costs along with debt service and financing obligations. The capital fund shows costs associated with capital acquisition and construction. Both the operating fund and the capital fund have a working capital balance. This approach isolates those funds available for capital and cash flow needs for daily operations, and project managers will know how much working capital is available for current and planned projects.

Budget Amendment #6, adopted July 2016, moved working capital from the operating funds to the capital funds along with all the other beginning fund balance adjustments. System development revenues previously credited to the operating funds are now directed to the corresponding capital funds.

At the end of the second quarter, the **Water Utility** had operating income of \$1.9 million as compared with operating income of \$1.4 million for the same period in 2015. Water sales through Q2-2016 totaled 1.6 million hundred cubic feet (ccf), compared to 1.5 million ccf during the same period in 2015, representing a 6.7% increase. Year to date revenues are slightly (0.7%) below budget but it is too early to tell whether this trend will continue for the balance of the year since August through October are typically the high revenue months.



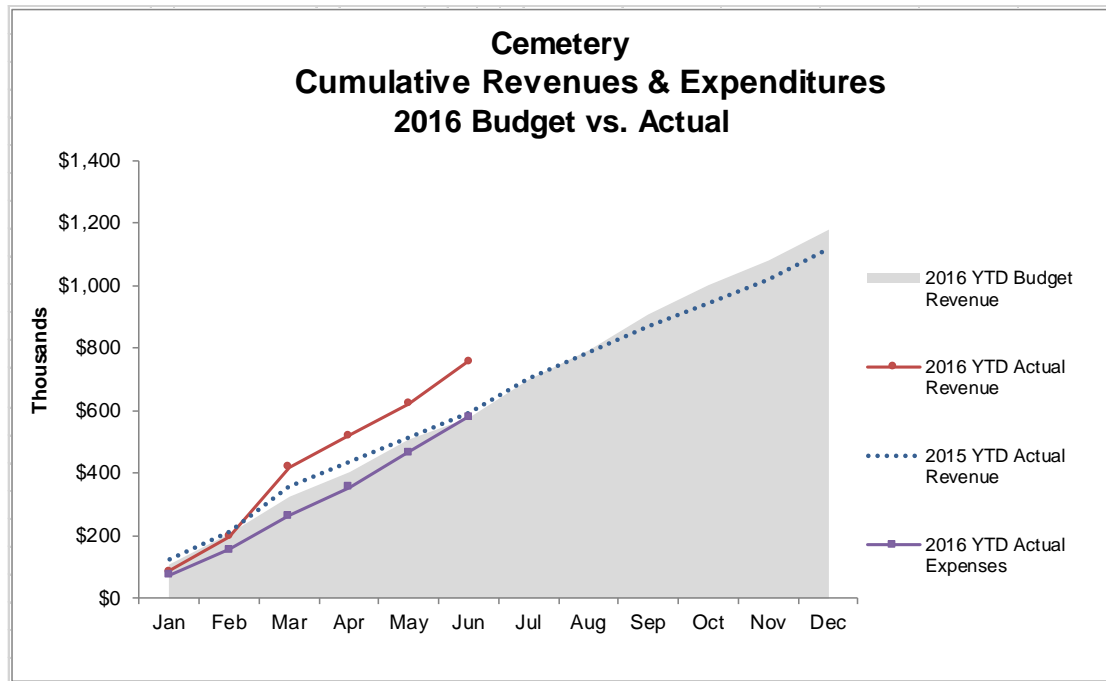
The **Sewer Utility** ended the quarter with net operating income of \$1.2 million, which is \$300,000 higher than the same period in 2015.

The **Sewer-Metro Utility** ended the quarter with a quarterly net operating income of \$192,000, as compared with an operating loss of \$173,000 through Q2-2015.

The **Stormwater Utility** ended Q2-2016 with \$1.4 million in operating income, which is about \$1.3 million below the same period in 2015. This is due in large part to the receipt of about \$800,000 in grant revenues from the Department of Ecology in Q2-2015.

The **Cemetery Fund** ended the second quarter with operating income of \$178,000 as compared with operating income of \$94,000 for the same period in 2015. Year-to-date operating revenues totaled \$757,000, compared to \$592,000 in 2015, representing an increase of 27.8%.

Operating expenditures totaled 579,000 in through Q2-2016, compared to 497,000 in the same period last year. The increase is mainly a result of higher cost of supplies due to increased inventory costs associated with higher demand.



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 2016. 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**.

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
June 30, 2016

Investment Type	Purchase Date	Purchase Price	Maturity Date	Yield to Maturity
State Investment Pool	Various	\$ 102,384,608	Various	0.49%
KeyBank Money Market	Various	15,458,967	Various	0.02%
FNMA	3/11/2016	998,844	2/22/2019	1.20%
LAKUTL	9/25/2013	235,919	11/1/2017	1.90%
Total Cash & Investments		\$ 119,078,338		0.441%

Investment Mix	% of Total	Summary	
State Investment Pool	86.0%	Current 6-month treasury rate	0.40%
KeyBank Money Market	13.0%	Current State Pool rate	0.49%
US Treasury	0.0%	KeyBank Money Market	0.02%
FNMA	0.8%		
LAKUTL	0.2%		
	100.0%		

SALES TAX SUMMARY

JUNE 2016 SALES TAX DISTRIBUTIONS (FOR APRIL 2016 RETAIL ACTIVITY)

NAICS	CONSTRUCTION	2015 Annual Total (Nov '14-Oct '15)	2015 YTD (Nov '14-Apr '15)	2016 YTD (Nov '15-Apr '16)	YTD % Diff
236	Construction of Buildings	1,229,166	542,316	515,670	-4.9%
237	Heavy and Civil Construction	252,280	97,491	117,032	20.0%
238	Specialty Trade Contractors	815,416	357,077	400,526	12.2%
TOTAL CONSTRUCTION		2,296,863	996,884	1,033,228	3.6%
Overall Change from Previous Year				36,344	

NAICS	MANUFACTURING	2015 Annual Total (Nov '14-Oct '15)	2015 YTD (Nov '14-Apr '15)	2016 YTD (Nov '15-Apr '16)	YTD % Diff
311	Food Manufacturing	3,973	1,369	1,679	22.7%
312	Beverage and Tobacco Products	9,323	4,883	4,902	0.4%
313	Textile Mills	372	117	176	50.7%
314	Textile Product Mills	3,039	1,448	1,800	24.4%
315	Apparel Manufacturing	116	81	135	66.6%
316	Leather and Allied Products	8	1	18	1522.1%
321	Wood Product Manufacturing	65,039	33,888	29,583	-12.7%
322	Paper Manufacturing	7,762	3,210	3,892	21.3%
323	Printing and Related Support	59,750	27,398	24,551	-10.4%
324	Petroleum and Coal Products	5,394	1,415	1,706	20.6%
325	Chemical Manufacturing	5,508	3,192	3,283	2.8%
326	Plastics and Rubber Products	9,081	5,315	4,274	-19.6%
327	Nonmetallic Mineral Products	14,514	3,477	7,350	111.4%
331	Primary Metal Manufacturing	1,692	1,376	183	-86.7%
332	Fabricated Metal Product Manuf	37,819	15,214	15,642	2.8%
333	Machinery Manufacturing	21,693	12,953	7,468	-42.3%
334	Computer and Electronic Product	8,388	3,642	4,790	31.5%
335	Electric Equipment, Appliances	827	476	296	-37.7%
336	Transportation Equipment Man	536,513	284,243	274,212	-3.5%
337	Furniture and Related Products	20,389	7,954	8,586	7.9%
339	Miscellaneous Manufacturing	50,358	24,542	24,478	-0.3%
TOTAL MANUFACTURING		861,555	436,192	419,006	-3.9%
Overall Change from Previous Year				-17,187	

NAICS	TRANSPORTATION AND WAREHOUSING	2015 Annual Total (Nov '14-Oct '15)	2015 YTD (Nov '14-Apr '15)	2016 YTD (Nov '15-Apr '16)	YTD % Diff
481	Air Transportation	0	0	1	N/A
482	Rail Transportation	10,457	3,383	5,932	75.4%
484	Truck Transportation	7,590	2,587	1,844	-28.7%
485	Transit and Ground Passengers	209	125	24	-80.9%
488	Transportation Support	36,669	9,347	30,745	228.9%
491	Postal Service	259	101	141	38.6%
492	Couriers and Messengers	1	1	191	16128.0%
493	Warehousing and Storage	10,487	4,002	8,026	100.5%
TOTAL TRANSPORTATION		65,671	19,546	46,904	140.0%
Overall Change from Previous Year				27,358	

NAICS	WHOLESALE TRADE	2015 Annual Total (Nov '14-Oct '15)	2015 YTD (Nov '14-Apr '15)	2016 YTD (Nov '15-Apr '16)	YTD % Diff
423	Wholesale Trade, Durable Goods	1,010,730	513,620	466,543	-9.2%
424	Wholesale Trade, Nondurable	216,303	94,522	135,871	43.7%
425	Wholesale Electronic Markets	1,885	1,061	1,082	2.0%
TOTAL WHOLESALE		1,228,919	609,203	603,496	-0.9%
Overall Change from Previous Year				-5,707	

NAICS	AUTOMOTIVE	2015 Annual Total (Nov '14-Oct '15)	2015 YTD (Nov '14-Apr '15)	2016 YTD (Nov '15-Apr '16)	YTD % Diff
441	Motor Vehicle and Parts Dealer	3,465,199	1,663,157	1,664,133	0.1%
447	Gasoline Stations	241,336	114,938	116,267	1.2%
TOTAL AUTOMOTIVE		3,706,535	1,778,094	1,780,400	0.1%
Overall Change from Previous Year				2,306	

NAICS	RETAIL TRADE	2015 Annual Total (Nov '14-Oct '15)	2015 YTD (Nov '14-Apr '15)	2016 YTD (Nov '15-Apr '16)	YTD % Diff
442	Furniture and Home Furnishings	253,871	125,079	83,307	-33.4%
443	Electronics and Appliances	295,127	154,707	124,066	-19.8%
444	Building Material and Garden	589,676	263,434	269,473	2.3%
445	Food and Beverage Stores	368,411	176,816	189,338	7.1%
446	Health and Personal Care Store	220,603	110,685	128,769	16.3%
448	Clothing and Accessories	1,079,933	540,406	570,439	5.6%
451	Sporting Goods, Hobby, Books	220,168	111,217	124,081	11.6%
452	General Merchandise Stores	988,004	486,493	541,376	11.3%
453	Miscellaneous Store Retailers	578,836	315,841	246,150	-22.1%
454	Nonstore Retailers	394,268	199,273	159,546	-19.9%
TOTAL RETAIL TRADE		4,988,898	2,483,952	2,436,545	-1.9%
Overall Change from Previous Year				-47,407	

NAICS	SERVICES	2015 Annual Total (Nov '14-Oct '15)	2015 YTD (Nov '14-Apr '15)	2016 YTD (Nov '15-Apr '16)	YTD % Diff
51*	Information	526,003	244,720	302,035	23.4%
52*	Finance and Insurance	95,471	46,666	53,595	14.8%
53*	Real Estate, Rental, Leasing	334,095	160,421	180,254	12.4%
541	Professional, Scientific, Tech	195,478	98,469	120,212	22.1%
551	Company Management	9,230	9,215	170	-98.2%
56*	Admin. Supp., Remed Svcs	373,781	155,861	180,907	16.1%
611	Educational Services	60,189	34,762	23,226	-33.2%
62*	Health Care Social Assistance	81,684	51,067	46,740	-8.5%
71*	Arts and Entertainment	207,717	91,709	95,282	3.9%
72*	Accommodation and Food Svcs	1,159,033	546,677	576,727	5.5%
81*	Other Services	475,505	228,313	383,885	68.1%
92*	Public Administration	127,364	60,340	74,336	23.2%
TOTAL SERVICES		3,645,551	1,728,219	2,037,369	17.9%
Overall Change from Previous Year				309,150	

NAICS	MISCELLANEOUS	2015 Annual Total (Nov '14-Oct '15)	2015 YTD (Nov '14-Apr '15)	2016 YTD (Nov '15-Apr '16)	YTD % Diff
000	Unknown	0	0	0	N/A
111-115	Agriculture, Forestry, Fishing	4,510	1,897	2,805	47.9%
211-221	Mining & Utilities	27,456	10,295	11,944	16.0%
999	Unclassifiable Establishments	39,581	18,776	-32,039	-270.6%
TOTAL SERVICES		71,548	30,968	-17,289	-155.8%
Overall Change from Previous Year				-48,257	

GRAND TOTAL	16,865,540	8,083,058	8,339,659	
Overall Change from Previous Year			256,600	3.2%

Total June Sales Tax Distributions	1,376,224
Increase from June 2015	85,503
	6.6%
Comparisons:	
June 2015	1,290,721
June 2014	1,266,012

Includes Adjustments in excess of +/- \$10,000.

a. WA State Dept of Revenue audit adjustment to sales tax returns for period of February 2015 (adjustment: \$11,845).

b. WA State Dept of Revenue audit adjustment to sales tax returns for period of March 2015 (adjustment: -\$17,839).

c. WA State Dept of Revenue audit adjustment to sales tax returns for period of April 2015 (adjustment: -\$43,875).

d. WA State Dept of Revenue audit adjustment to sales tax returns for period of November 2015 (adjustment: \$10,572).

e. WA State Dept of Revenue audit adjustment to sales tax returns for period of April 2016 (adjustment: - \$52,898).

OPERATING & CAPITAL FUNDS through June 2016	ENTERPRISE FUNDS											
	WATER			SEWER			SEWER METRO			STORM		
	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance
OPERATING FUND:												
OPERATING REVENUES												
Charges For Service	13,698,782	6,360,194	(7,338,588)	7,847,883	4,177,159	(3,670,724)	16,332,687	8,367,931	(7,964,756)	9,151,487	4,766,871	(4,384,616)
Grants	-	-	-	-	-	-	-	-	-	50,000	-	(50,000)
Interest Earnings	7,735	19,770	12,035	10,697	26,360	15,663	700	2,406	1,706	13,865	28,605	14,740
Operating Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Rents, Leases, Concessions, & Other	206,854	356,361	149,507	70,128	428,007	357,879	-	-	-	58,674	486,102	427,428
TOTAL OPERATING REVENUES	13,913,371	6,736,325	(7,177,046)	7,928,708	4,631,526	(3,297,182)	16,333,387	8,370,338	(7,963,049)	9,274,026	5,281,578	(3,992,448)
OPERATING EXPENSES												
Salaries & Wages	2,587,276	1,264,661	1,322,615	1,758,478	838,242	920,236	-	-	-	2,397,119	1,277,914	1,119,205
Benefits	1,251,312	578,684	672,628	871,146	388,502	482,645	-	-	-	1,224,350	584,179	640,172
Supplies	321,994	141,754	180,240	130,500	27,745	102,755	-	-	-	94,300	45,470	48,830
Other Service Charges	5,185,175	1,828,899	3,356,276	2,723,275	1,203,382	1,519,893	-	-	-	1,670,215	608,671	1,061,544
Capital	-	26,451	(26,451)	-	(0)	0	-	-	-	-	2,771	(2,771)
Intergovernmental Services	133,960	63,251	70,709	172,008	99,135	72,872	-	-	-	415,980	245,263	170,717
Waste Management Payments	-	-	-	-	-	-	-	-	-	-	-	-
Sewer Metro Services	-	-	-	-	-	-	16,317,200	8,178,322	8,138,878	-	-	-
Debt Service Principal	1,702,563	572,855	1,129,708	541,127	288,262	252,865	-	-	-	413,162	-	413,162
Debt Service Interest	1,006,253	54,990	951,263	277,082	14,776	262,306	-	-	-	360,525	-	360,525
Interfund Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Operating Rentals & Supplies	1,276,967	638,512	638,455	952,338	476,451	475,887	-	-	-	1,312,518	657,177	655,341
TOTAL OPERATING EXPENSES	13,465,499	5,170,055	8,295,444	7,425,954	3,336,495	4,089,460	16,317,200	8,178,322	8,138,878	7,888,169	3,421,444	4,466,725
NET INCOME BEFORE DEPRECIATION (*)	447,873	1,566,270	1,118,398	502,754	1,295,031	792,277	16,187	192,016	175,829	1,385,857	1,860,134	474,278
BEGINNING WORKING CAPITAL - January 1, 2016	4,371,774	4,191,201	(180,573)	7,405,717	4,262,859	(3,142,858)	2,145,237	2,358,518	213,281	7,371,777	1,914,968	(5,456,809)
ENDING WORKING CAPITAL - June 30, 2016	4,819,646	5,757,471	937,825	7,908,471	5,557,890	(2,350,581)	2,161,424	2,550,534	389,110	8,757,634	3,775,103	(4,982,531)
NET CHANGE IN WORKING CAPITAL (see Note)	447,872	1,566,270	1,118,398	502,754	1,295,031	792,277	16,187	192,016	175,829	1,385,857	1,860,134	474,278
CAPITAL FUND:												
CAPITAL REVENUES												
Interest Revenue	1,265	-	(1,265)	2,303	-	(2,303)	-	-	-	2,135	-	(2,135)
Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Operating Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Gain (Loss) On Sale Of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - System Development	350,000	12,846	(337,154)	240,000	9,472	(230,528)	-	-	-	350,000	10,710	(339,290)
Increase In Contributions - Other	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds of Debt Activity	4,070,037	-	(4,070,037)	-	-	-	-	-	-	-	-	-
Operating Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Other Sources	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL REVENUES	4,421,302	12,846	(4,408,456)	242,303	9,472	(232,831)				352,135	10,710	(341,425)
CAPITAL EXPENSES												
Other Non-Operating Expense	-	-	-	-	-	-	-	-	-	-	-	-
Net Change In Restricted Net Assets	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Salaries	245,725	122,848	122,877	230,786	47,431	183,355	-	-	-	294,980	28,949	266,031
Increase In Fixed Assets - Benefits	81,637	50,544	31,093	76,412	20,700	55,712	-	-	-	97,969	12,785	85,184
Increase In Fixed Assets - Site Improvements	-	13,035	(13,035)	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Land	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Construction	8,989,179	2,866,563	6,122,616	3,831,262	428,827	3,402,435	-	-	-	4,390,563	322,985	4,067,578
Operating Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENSES	9,316,541	3,052,990	6,263,550	4,138,460	496,957	3,641,503				4,783,512	364,720	4,418,792
BEGINNING WORKING CAPITAL - January 1, 2016	1,513,225	5,070,000	3,556,775	3,900,520	3,900,520	-				2,498,483	4,128,845	1,630,362
ENDING WORKING CAPITAL - June 30, 2016	(3,382,014)	2,029,855	5,411,869	4,363	3,413,035	3,408,672				(1,932,894)	3,774,835	5,707,729
NET CHANGE IN WORKING CAPITAL (see Note)	(4,895,239)	(3,040,144)	1,855,094	(3,896,157)	(487,485)	3,408,672				(4,431,377)	(354,010)	4,077,367
Total Change in Working Capital	(4,447,366)	(1,473,874)	2,973,492	(3,393,403)	807,546	4,200,949	16,187	192,016	175,829	(3,045,520)	1,506,125	4,551,645

(*) Depreciation

2,726,1001,511,592

(7,177,046)

2,104,2001,098,426

(3,297,182)

-

-

1,688,400975,604

Note: Working Capital = Current Assets
minus Current Liabilities

Beginning balances were posted as part of BA#6 in early July.

OPERATING & CAPITAL FUNDS through June 2016	ENTERPRISE FUNDS									INTERNAL SERVICE FUNDS		
	SOLID WASTE			AIRPORT			CEMETERY			INSURANCE		
	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance
OPERATING FUND:												
OPERATING REVENUES												
Charges For Service	13,317,100	6,918,060	(6,399,040)	747,400	404,818	(342,582)	878,000	756,278	(121,722)	-	-	-
Grants	109,000	7,038	(101,962)	-	-	-	-	-	-	-	-	-
Interest Earnings	1,300	6,665	5,365	969	1,631	662	300	1,039	739	1,000	1,485	485
Operating Transfers	-	-	-	-	-	-	300,000	-	-	-	-	-
Rents, Leases, Concessions, & Other	-	-	-	500	4,007	3,507	-	20	20	-	-	-
TOTAL OPERATING REVENUES	13,427,400	6,931,764	(6,495,636)	748,869	410,457	(338,412)	1,178,300	757,338	(120,962)	1,000	1,485	485
OPERATING EXPENSES												
Salaries & Wages	406,645	204,198	202,447	25,723	13,969	11,753	453,837	239,741	214,096	-	-	-
Benefits	206,181	92,698	113,482	10,496	4,734	5,762	258,783	123,277	135,505	215,000	81,399	133,601
Supplies	34,200	6,894	27,306	2,000	175	1,825	191,300	138,647	52,653	-	-	-
Other Service Charges	1,387,775	3,343,015	(1,955,240)	463,050	221,302	241,748	151,700	51,559	100,141	3,900	518,270	(514,370)
Capital	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental Services	420,600	90,536	330,064	-	-	-	-	-	-	-	-	-
Waste Management Payments	10,645,300	1,716,053	8,929,247	-	-	-	-	-	-	-	-	-
Sewer Metro Services	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	150,000	-	150,000	-	-	-	-	-	-
Debt Service Interest	-	-	-	35,693	-	35,693	0	-	0	-	-	-
Interfund Loan Repayment	-	-	-	39,947	-	39,947	-	-	-	-	-	-
Interfund Operating Rentals & Supplies	104,209	52,098	52,111	-	-	-	50,740	25,368	25,372	-	-	-
TOTAL OPERATING EXPENSES	13,204,910	5,505,492	7,699,417	726,908	240,182	486,727	1,106,360	578,593	527,767	218,900	599,668	(380,768)
NET INCOME BEFORE DEPRECIATION (*)	222,490	1,426,272	1,203,781	21,961	170,275	148,314	71,940	178,745	106,805	(217,900)	(598,183)	(380,283)
BEGINNING WORKING CAPITAL - January 1, 2016	3,082,277	3,082,277	-	273,835	273,835	-	340,685	105,646	(235,039)	1,436,157	1,530,589	94,432
ENDING WORKING CAPITAL - June 30, 2016	3,304,767	4,508,548	1,203,781	295,796	444,110	148,314	412,625	284,392	(128,234)	1,218,257	932,406	(285,851)
NET CHANGE IN WORKING CAPITAL (see Note)	222,490	1,426,272	1,203,781	21,961	170,275	148,314	71,940	178,745	106,805	(217,900)	(598,183)	(380,283)
CAPITAL FUND:												
CAPITAL REVENUES												
Interest Revenue	-	-	-	31	-	(31)	-	-	-	-	-	-
Contributions	-	-	-	14,456	3,924	(10,532)	-	-	-	-	-	-
Other Non-Operating Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Gain (Loss) On Sale Of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - System Development	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - Other	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds of Debt Activity	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers In	-	-	-	-	-	-	300,000	-	(300,000)	-	-	-
Other Sources	-	-	-	-	-	-	340,685	-	(340,685)	-	-	-
TOTAL CAPITAL REVENUES				278,321	74,557	(203,764)	640,685	-	(640,685)			
CAPITAL EXPENSES												
Other Non-Operating Expense	-	-	-	-	-	-	-	-	-	-	-	-
Net Change In Restricted Net Assets	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Salaries	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Benefits	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Site Improvements	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Land	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Construction	-	-	-	469,911	118,777	351,134	0	14,541	(14,541)	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENSES				469,911	118,777	351,134	0	14,541	(14,541)			
BEGINNING WORKING CAPITAL - January 1, 2016	-	184,621	184,621	-	270,000	270,000	-	270,000	-	-	-	-
ENDING WORKING CAPITAL - June 30, 2016	(191,590)	140,401	331,991	640,685	255,459	(385,226)	640,685	255,459	(385,226)	-	-	-
NET CHANGE IN WORKING CAPITAL (see Note)	(191,590)	(44,220)	147,370	640,685	(14,541)	(655,226)	640,685	(14,541)	(655,226)	-	-	-
Total Change in Working Capital	222,490	1,426,272		(169,629)	126,055	295,684	712,625	164,205	(548,421)	(217,900)	(598,183)	(380,283)

(*) Depreciation

20,000

9,410

426,100

227,536

58,300

25,196

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**Note: Working Capital = Current Assets
minus Current Liabilities**

Beginning balances were posted as part of BA#6 in early July.

OPERATING & CAPITAL FUNDS through June 2016	INTERNAL SERVICE FUNDS											
	WORKER'S COMPENSATION			FACILITIES			INNOVATION & TECHNOLOGY			EQUIPMENT RENTAL		
	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance
OPERATING FUND:												
OPERATING REVENUES												
Charges For Service	743,000	415,582	(327,418)	3,495,900	1,700,661	(1,795,239)	5,531,965	2,730,065	(2,801,900)	3,371,780	1,652,192	(1,719,588)
Grants	-	-	-	-	-	-	-	-	-	-	-	-
Interest Earnings	100	1,626	1,526	2,500	5,165	2,665	3,088	6,926	3,838	4,048	11,422	7,374
Operating Transfers	-	-	-	-	-	-	137,950	2,500	-	428,997	139,749	-
Rents, Leases, Concessions, & Other	120,000	28,149	(91,851)	-	-	-	-	-	-	-	278	278
TOTAL OPERATING REVENUES	863,100	445,357	(417,743)	3,498,400	1,705,826	(1,792,574)	5,673,003	2,739,492	(2,798,061)	3,804,825	1,803,641	(1,711,936)
OPERATING EXPENSES												
Salaries & Wages	84,590	35,824	48,766	707,569	326,664	380,906	1,711,060	809,381	901,680	593,881	282,101	311,780
Benefits	367,005	95,263	271,742	390,621	169,937	220,684	708,330	328,520	379,811	314,545	142,408	172,138
Supplies	-	-	-	128,200	93,388	34,812	431,480	166,640	264,840	1,341,600	406,213	935,387
Other Service Charges	402,715	179,490	223,225	2,350,990	1,062,156	1,288,834	2,737,121	1,495,122	1,241,999	377,500	125,806	251,694
Capital	-	-	-	-	-	-	-	-	-	-	319,745	(319,745)
Intergovernmental Services	-	-	-	810,827	-	810,827	-	-	-	626,392	-	626,392
Waste Management Payments	-	-	-	-	-	-	-	-	-	-	-	-
Sewer Metro Services	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-	-	-	39,107	-	39,107
Debt Service Interest	-	-	-	-	-	-	-	-	-	5,033	2,663	2,370
Interfund Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Operating Rentals & Supplies	-	-	-	110,841	55,422	55,419	160,790	80,394	80,396	212,390	106,291	106,099
TOTAL OPERATING EXPENSES	854,310	310,577	543,733	4,499,048	1,707,567	2,791,482	5,748,782	2,880,056	2,868,726	3,510,449	1,385,226	2,125,223
NET INCOME BEFORE DEPRECIATION (*)	8,790	134,780	125,990	(1,000,648)	(1,741)	998,907	(75,779)	(140,564)	(64,785)	294,376	418,415	124,038
BEGINNING WORKING CAPITAL - January 1, 2016	483,503	778,233	294,730	2,583,663	2,410,754	(172,909)	2,386,387	2,305,195	(81,192)	2,095,085	2,974,119	879,034
ENDING WORKING CAPITAL - June 30, 2016	492,292	913,013	420,720	1,583,014	2,409,013	825,998	2,310,608	2,164,631	(145,977)	2,389,461	3,392,534	1,003,072
NET CHANGE IN WORKING CAPITAL (see Note)	8,790	134,780	125,990	(1,000,648)	(1,741)	998,907	(75,779)	(140,564)	(64,785)	294,376	418,415	124,038
CAPITAL FUND:												
CAPITAL REVENUES												
Interest Revenue							412	-	(412)	1,652	-	(1,652)
Contributions							-	-	-	-	-	-
Other Non-Operating Revenue							-	-	-	-	-	-
Gain (Loss) On Sale Of Fixed Assets							-	-	-	-	-	-
Increase In Contributions - System Development							-	-	-	-	-	-
Increase In Contributions - Other							-	-	-	-	-	-
Proceeds of Debt Activity							-	-	-	-	-	-
Operating Transfers In							-	-	-	-	-	-
Other Sources							-	-	-	-	-	-
TOTAL CAPITAL REVENUES							412	-	(412)	1,652	-	(1,652)
CAPITAL EXPENSES												
Other Non-Operating Expense							-	-	-	-	-	-
Net Change In Restricted Net Assets							-	-	-	-	-	-
Increase In Fixed Assets - Salaries							-	-	-	-	-	-
Increase In Fixed Assets - Benefits							-	-	-	-	-	-
Increase In Fixed Assets - Site Improvements							-	-	-	-	-	-
Increase In Fixed Assets - Land							-	-	-	-	-	-
Increase In Fixed Assets - Equipment							1,229,579	534,763	694,816	2,590,263	739,527	1,850,736
Increase In Fixed Assets - Construction							-	-	-	723,002	55,241	667,761
Operating Transfers Out							-	-	-	-	-	-
TOTAL CAPITAL EXPENSES							1,229,579	534,763	694,816	3,313,265	794,768	2,518,497
BEGINNING WORKING CAPITAL - January 1, 2016							479,588	1,400,000	920,412	1,836,396	3,100,001	1,263,605
ENDING WORKING CAPITAL - June 30, 2016							(749,579)	865,237	1,614,816	(1,475,217)	2,305,232	3,780,449
NET CHANGE IN WORKING CAPITAL (see Note)							(1,229,167)	(534,763)	694,404	(3,311,613)	(794,768)	2,516,845
Total Change in Working Capital	8,790	134,780	125,990	(1,000,648)	(1,741)	998,907	(1,304,946)	(675,327)	629,619	(3,017,237)	(376,354)	2,640,883

(*) Depreciation

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546,400

329,148

822,500

486,393

Note: Working Capital = Current Assets
minus Current Liabilities

Beginning balances were posted as part of BA#6 in early July.