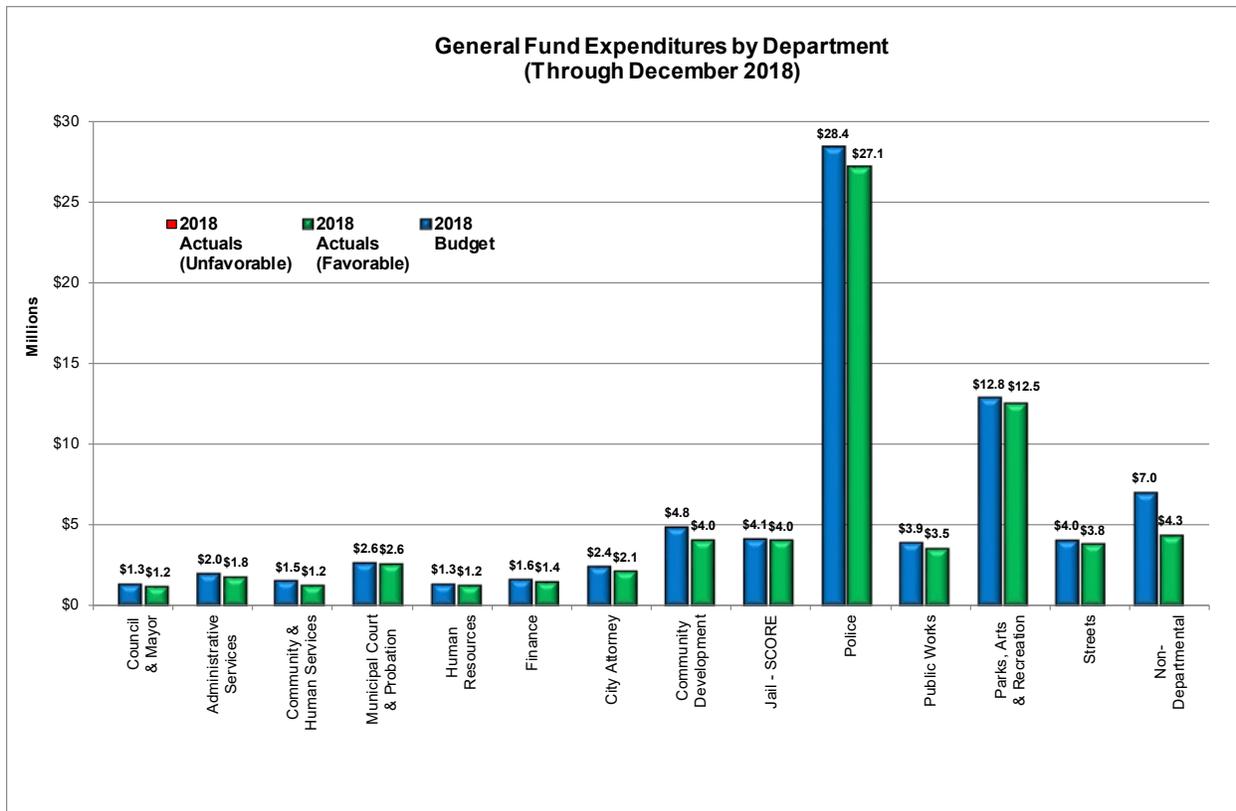
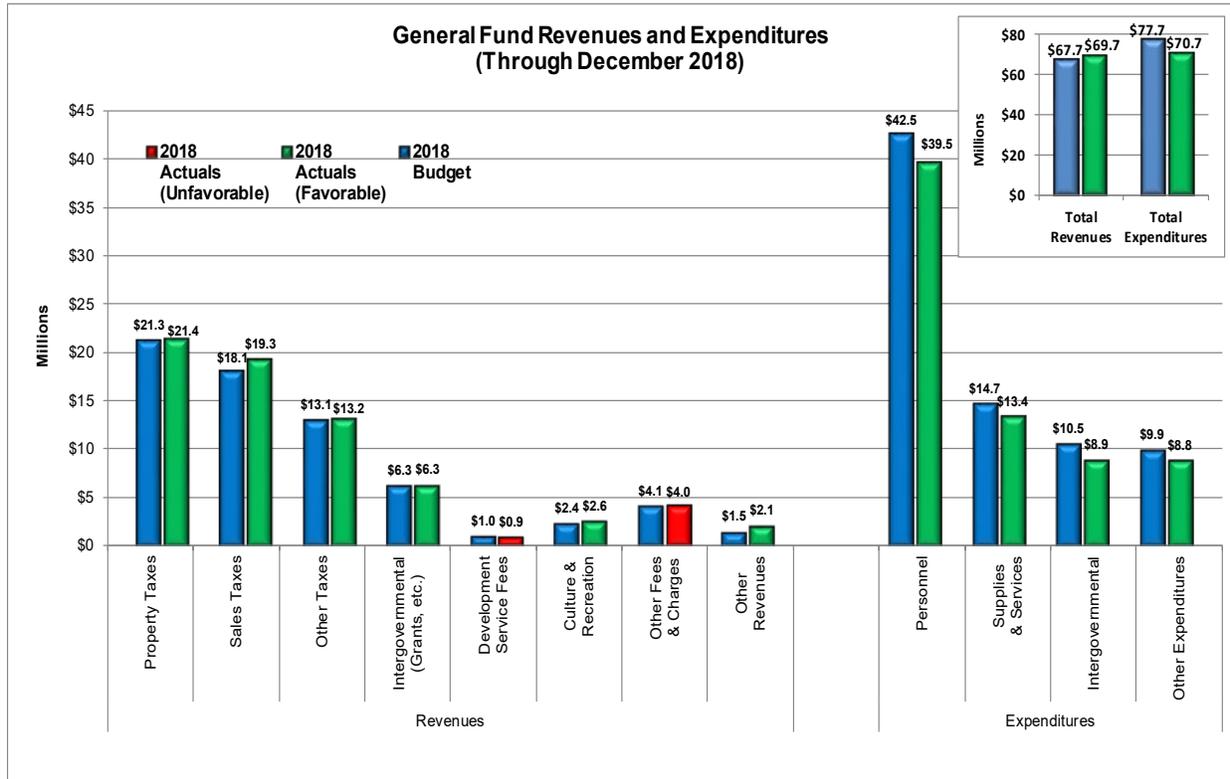




## AGENDA BILL APPROVAL FORM

<b>Agenda Subject:</b> 4 <sup>th</sup> Quarter 2018 Financial Report		<b>Date:</b> March 20, 2019
<b>Department:</b> Finance	<b>Attachments:</b> Quarterly Financial Report	<b>Budget Impact:</b> \$0
<b>Administrative Recommendation:</b> For discussion only.		
<p><b>Background Summary:</b></p> <p>The quarterly financial report summarizes the general state of Citywide financial affairs and highlights significant items or trends that the City Council should be aware of. The attachment provides the year to date through December 2018 status report based on financial data available as of January 23, 2019 for the period ending December 31, 2018 and sales tax information representing business activity that occurred through October 2018.</p>		
		<b>Staff:</b> Coleman
<b>Meeting Date:</b> March 25, 2019		<b>Item Number:</b>

### General Fund Summary



General Fund Summary of Sources and Uses	Page Ref	2018			2017	2018 YE Budget vs. Actual	
		Annual Budget	YE Budget	YE Actual	YE Actual	Favorable (Unfavorable) Amount	Percentage
<b>Operating Revenues</b>							
Property Tax	7	\$ 21,281,000	\$ 21,281,000	\$ 21,422,752	\$ 20,837,874	\$ 141,752	0.7 %
Sales Tax	8-9	14,893,500	14,893,500	15,888,667	14,949,407	995,167	6.7 %
Sales Tax - Pierce County Parks		77,250	77,250	104,158	95,750	26,908	34.8 %
Sales Tax - Annexation Credit		1,250,000	1,250,000	1,056,364	2,085,949	(193,636)	(15.5) %
Criminal Justice Sales Tax		1,908,300	1,908,300	2,265,557	2,038,296	357,257	18.7 %
Brokered Natural Gas Tax		353,600	353,600	152,561	176,067	(201,039)	(56.9) %
City Utilities Tax	10-11	3,991,000	3,991,000	3,750,955	3,890,304	(240,045)	(6.0) %
Admissions Tax		317,000	317,000	470,370	422,280	153,370	48.4 %
Electric Tax	11	3,577,800	3,577,800	3,708,104	3,694,954	130,304	3.6 %
Natural Gas Tax	11	1,006,200	1,006,200	1,022,753	1,072,751	16,553	1.6 %
Cable Franchise Fee	12	986,100	986,100	951,973	1,009,432	(34,127)	(3.5) %
Cable Utility Tax - New in 2017	13	1,000,000	1,000,000	1,017,825	801,150	17,825	1.8 %
Cable Franchise Fee - Capital		67,200	67,200	62,941	66,428	(4,259)	(6.3) %
Telephone Tax	11	1,408,200	1,408,200	1,278,757	1,379,949	(129,443)	(9.2) %
Garbage Tax (external)	11	-	-	136,883	129,831	136,883	N/A %
Leasehold Excise Tax		40,000	40,000	203,350	203,034	163,350	408.4 %
Gambling Excise Tax		303,180	303,180	412,547	324,309	109,367	36.1 %
<b>Taxes sub-total</b>		<b>\$ 52,460,330</b>	<b>\$ 52,460,330</b>	<b>\$ 53,906,517</b>	<b>\$ 53,177,765</b>	<b>\$ 1,446,187</b>	<b>2.8 %</b>
Business License Fees	14	\$ 223,200	\$ 223,200	\$ 352,880	\$ 163,347	\$ 129,680	58.1 %
Building Permits	15	1,653,750	1,653,750	920,305	1,191,974	(733,445)	(44.4) %
Other Licenses & Permits		543,000	543,000	580,369	551,475	37,369	6.9 %
Intergovernmental (Grants, etc.)	16	6,269,050	6,269,050	6,321,332	6,104,610	52,282	0.8 %
Charges for Services:	17-20						
General Government Services	17	61,300	61,300	74,301	72,710	13,001	21.2 %
Public Safety	18	756,000	756,000	1,133,972	887,535	377,972	50.0 %
Development Services Fees	18-19	1,019,100	1,019,100	903,884	906,687	(115,216)	(11.3) %
Culture and Recreation	20	2,366,680	2,366,680	2,550,075	2,375,807	183,395	7.7 %
Fines and Penalties	21-22	885,300	885,300	920,187	882,255	34,887	3.9 %
<b>Fees/Charges/Fines sub-total</b>		<b>\$ 13,777,380</b>	<b>\$ 13,777,380</b>	<b>\$ 13,757,305</b>	<b>\$ 13,136,398</b>	<b>\$ (20,075)</b>	<b>(0.1) %</b>
Interest and Investment Earnings	22	\$ 68,000	\$ 68,000	\$ 415,348	\$ 237,532	\$ 347,348	510.8 %
Rents and Leases	22	856,100	856,100	991,469	879,059	135,369	15.8 %
Contributions and Donations	22	53,200	53,200	51,400	47,926	(1,800)	(3.4) %
Other Miscellaneous	22-23	236,800	236,800	357,075	308,578	120,275	50.8 %
Transfers In		144,300	144,300	92,117	79,000	(52,183)	(36.2) %
Insurance Recoveries - Capital & Operating		105,000	105,000	165,212	134,103	60,212	57.3 %
<b>Other Revenues sub-total</b>		<b>\$ 1,463,400</b>	<b>\$ 1,463,400</b>	<b>\$ 2,072,622</b>	<b>\$ 1,686,198</b>	<b>\$ 609,222</b>	<b>41.6 %</b>
<b>Total Operating Revenues</b>		<b>\$ 67,701,110</b>	<b>\$ 67,701,110</b>	<b>\$ 69,736,443</b>	<b>\$ 68,000,361</b>	<b>\$ 2,035,333</b>	<b>3.0 %</b>
<b>Operating Expenditures</b>							
Council & Mayor		\$ 1,332,443	\$ 1,332,443	\$ 1,159,695	\$ 1,136,527	\$ 172,748	13.0 %
Administration		1,963,814	1,963,814	1,767,999	1,434,930	195,815	10.0 %
Community & Human Services		1,488,828	1,488,828	1,190,641	1,076,539	298,187	20.0 %
Municipal Court & Probation		2,644,145	2,644,145	2,575,638	2,465,944	68,507	2.6 %
Human Resources		1,315,663	1,315,663	1,195,959	1,279,436	119,704	9.1 %
Finance		1,565,731	1,565,731	1,435,401	1,433,788	130,330	8.3 %
City Attorney		2,398,550	2,398,550	2,082,324	2,038,930	316,226	13.2 %
Community Development		4,826,325	4,826,325	4,046,469	4,225,865	779,857	16.2 %
Jail - SCORE		4,099,465	4,099,465	3,997,671	3,794,872	101,794	2.5 %
Police		28,354,695	28,354,695	27,105,538	24,947,225	1,249,157	4.4 %
Public Works		3,864,132	3,864,132	3,529,830	2,957,741	334,302	8.7 %
Parks, Arts & Recreation		12,821,406	12,821,406	12,481,642	12,030,393	339,764	2.6 %
Streets		4,039,204	4,039,204	3,769,988	3,677,312	269,216	6.7 %
Non-Departmental		6,983,343	6,983,343	4,343,574	4,327,753	2,639,769	37.8 %
<b>Total Operating Expenditures</b>		<b>\$ 77,697,744</b>	<b>\$ 77,697,744</b>	<b>\$ 70,682,368</b>	<b>\$ 66,827,255</b>	<b>\$ 7,015,376</b>	<b>9.0 %</b>

## Executive Summary

This Executive Summary provides an overview of the City's overall financial position for the fiscal period ending December 31, 2018, reflecting financial data available as of January 23, 2019.

### General Fund:

Through December 2018, General Fund revenues totaled \$69.7 million compared to a budget of \$67.7 million, and were \$2.0 million (3.0%) higher than budget expectations. Some notable variances to budget in 2018 include:

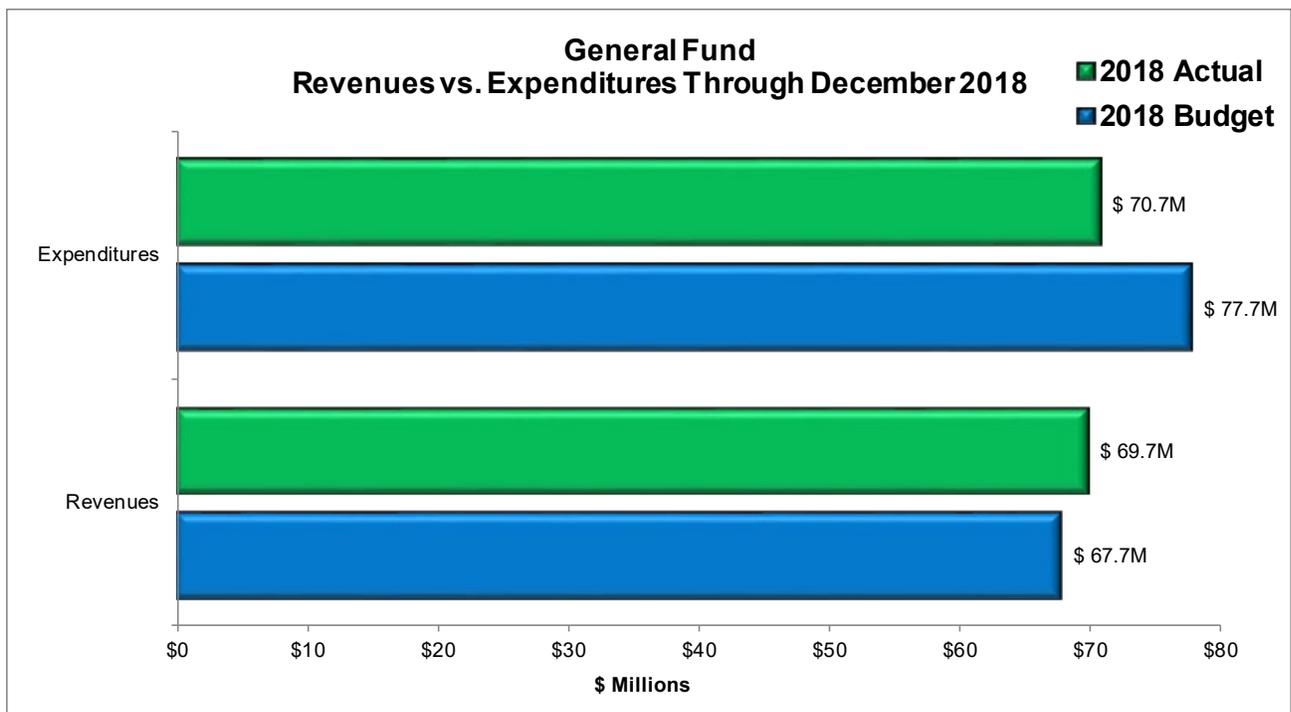
- Property tax collections in 2018 totaled \$21.4 million, which was \$142,000 higher than budget expectations and exceeded 2017 collections by \$585,000. **[page 7]**
- General Fund retail sales tax revenues totaled \$15.9 million, exceeding budget by 6.7% or \$995,000. Due to the Marketplace Fairness Act (MFA) which became effective on January 1, 2018, retail sales taxes collected in 2018 included \$232,000 from retail sales taxes collected on internet sales. (Note: This is collected as retail sales tax revenue and is deducted from the amount the City receives for streamlined sales tax revenue.) Overall, the primary areas of significant increase in retail sales activity compared to collections in 2017 were in the services, automotive, and retail trade categories. **[pages 8-9]**
- The other taxes category performed favorably to budget in 2018, with revenues totaling \$13.2 million compared to a budget of \$13.1 million. Leasehold excise tax revenues collected in 2018 exceeded budget by \$163,000 due to a one-time tax receipt for the Emerald Downs property. Admission taxes collected in 2018 were \$48,000 higher than what was collected in 2017 and gambling excise tax revenues collected in 2018 were \$88,000 higher than what was collected in 2017 largely due to new revenues generated from amusement games at Dave and Busters. These revenues were somewhat offset by unfavorable variances in City utility tax revenues and brokered natural gas tax revenues of \$240,000 and \$201,000 respectively. **[pages 10-13]**
- Building permit revenue collected in 2018 totaled \$920,000, compared to a budget of \$1.7 million, representing \$733,000 variance to budget. The number of building permits issued in 2018 was 535, which represents a 21.3% decline from the number of permits issued in 2017. **[page 15]**
- Intergovernmental revenues collected totaled \$6.3 million and exceeded budget expectations by \$52,000, or 0.8%. **[page 16]**
- Public safety revenues collected in 2018 totaled \$1.1 million compared to a budget of \$756,000 mainly due to \$341,000 in additional contracted police officer extra duty security services (which are reimbursed by the hiring contractor). **[page 18]**
- Development services revenues collected in 2018 totaled \$904,000 and were \$115,000, or 11.3%, unfavorable to budget. This variance was predominately due to plan check revenues not meeting budget expectations. **[page 18-19]**

Ending 2018 fund balances will not be finalized until approximately June 2019 pending final year-end adjustments and certification by the State Auditor’s Office. Once the final ending 2018 fund balances are available, budgeted beginning 2019 fund balances will be reconciled and adjusted accordingly.

General Fund expenditures in 2018 totaled \$70.7 million compared to a budget of \$77.7 million, representing a 9.0% favorable variance to budget. All departments operated within their allocated budget in 2018. Significant variances include savings in salaries and benefits largely due to vacancies and savings in professional service contracts and miscellaneous expenditures.

General Fund expenditures in 2018 were \$3.9 million, or 5.8% higher than in 2017. Salary and benefit costs increased by \$2.9 million, or 7.9% compared to 2017. This year-over-year increase was primarily due to an increase in Council Approved FTEs (Full Time Equivalents), increases for cost of living adjustments (COLAs), and increased costs associated with pensions and healthcare. In addition, charges for services increased by \$0.9 million, or 7.9%, due primarily to increased costs paid to Valley Communications for 911 services, replacements of street poles, cabinets and guardrails, as well as the cost of paying Auburn Valley Humane Society for managing the Pet Licensing Program.

Lastly, payments made to SCORE (South Correctional Entity) for correctional services increased by \$203,000 in 2018.



The quarterly reports focus not on the financial position of the City but rather on the budget status over the period being reported. We look at the adopted budget and the actual activity against it to see if revenues are tracking and if expenditure budgets are within Council’s appropriation. What is missing from this report is the actual position of the funds. In this particular case it is the General Fund we are looking at.

We must always be mindful of the cash position of a given fund. The cash position tells if there are surplus funds or a shortage of funds. For the general government, we look at the General Fund (checking account) and the Cumulative Reserve Fund (savings account). From time to time Council authorizes transfers between these funds. Just like transfers from a savings account to the checking account and vice versa, therefore we must look at them together.

Over the past several years, there have been increases to the cash position due to levying banked property tax capacity, increasing utility tax (cable), and a strong development cycle (2013-2016). All these factors have enabled the City to maintain funding for the services provided.

This schedule shows a downturn of the cash position at the end of 2018. 2018 development fees were less than 50% of those collected in 2013 and 2016. 2018 also had the sunset (6/30/2018) of the annexation sales tax credit revenue. All the banked or excess property tax has been levied and the growth of this revenue is now limited to 1% + new construction.

2019 will further strain the cash position with increased public safety costs (contracts with SCORE, Valley Communications, King County District Court), homeless and human service needs, and staffing costs (salary and benefits).

We can always look at financial statements and review the health of the fund, but the best way to measure health is looking at the cash.

Cash Position History as of December 31 (Period 12)						
Year	General Fund	Cumulative Reserve Fund		Total	Change	Comments
2015	\$ 17,940,290	\$ 8,215,082	\$ 26,155,372			
2016	19,744,123	8,742,100	28,486,223	2,330,851	Development Fees \$1M +	
2017	21,765,660	9,804,051	31,569,711	3,083,488	Levied \$2M banked capacity (Property Taxes)	
2018	20,061,756	10,145,241	30,206,997	(1,362,714)	Annexation Sales Tax ended 6/30/2018	

Street Funds:

The City's three street funds are special revenue funds wherein 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 2018, **Arterial Street Fund** revenues totaled \$3.4 million as compared to collections of \$8.4 million in 2017, while expenditures totaled \$4.2 million as compared to expenditures of \$9.7 million spent last year. The Operator's Union strike began in August and lasted several weeks, delaying the schedule of many of the City's projects. This was especially impactful to street projects—some expenditures anticipated to occur in 2018 will move into 2019 because of this. **[pages 26–27]**

**Local Street Fund** revenues of \$2.5 million exceeded the annual budget by \$617,000, or 32.3%, due to higher than anticipated sales tax revenues from local construction projects. Last year's collections totaled \$2.8 million. 2018 expenditures through the fourth quarter were \$2.7 million as compared with \$2.2 million in 2017. **[pages 28–29]**

Lastly, **Arterial Street Preservation Fund** revenues totaled \$4.2 million through Q4-2018, which was approximately \$312,000 higher than revenues in 2017. Expenditures totaled \$4.9 million versus \$5.0 million in 2017. Historically, the majority of expenditures in all three street funds occur during the second half of the year when weather conditions are optimal for pavement construction. **[pages 30–31]**

Enterprise Funds:

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

All City utilities transitioned to a monthly billing cycle starting in January 2019. In order to achieve standardization in the billing cycles, additional days were added to the January 2019 billing, which brought all customers current through December 31, 2018. This one-time occurrence increased both the Q4-2018 billing revenue and necessitated that a larger than usual amount of revenue be accrued back to 2018 from the first billing of 2019, giving the appearance of lower overall revenue. The numbers below are prior to the accrual; see pages 32–35 for more information.

In 2018 the **Water Fund** experienced operating income before depreciation of \$5.8 million compared to \$5.7 million during the same period last year. The **Sewer Fund** ended 2018 with operating income before depreciation of \$1.8 million versus \$2.2 million in 2017. The **Stormwater Fund** ended the third quarter with operating income before depreciation of \$2.2 million compared to \$2.6 million in 2017. The **Solid Waste Fund** ended 2018 with operating income of \$206,000 compared to \$612,000 in 2017. **[pages 33–36]**

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 had sufficient revenues to cover year-end expenditures. **[page 37]**

Investment Portfolio:

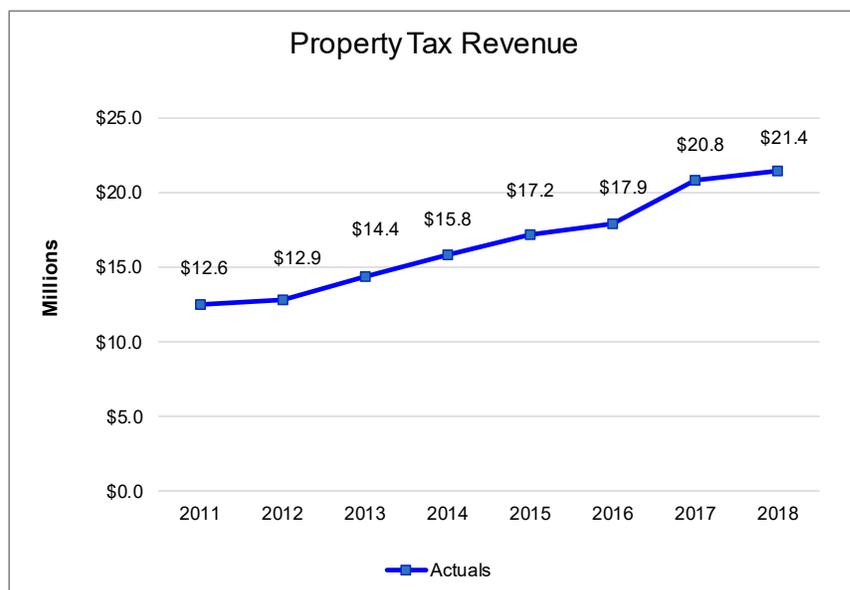
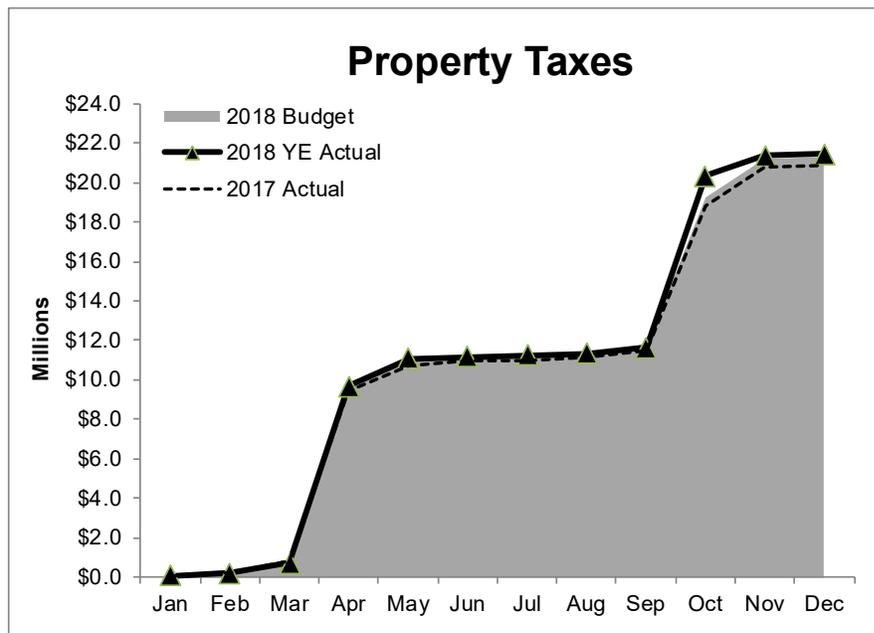
The City's total cash and investments at the end of the Q4-2018 totaled \$141.0 million, and compares to \$138.3 million at the end of Q3-2018. **[attachment]**

**General Fund**

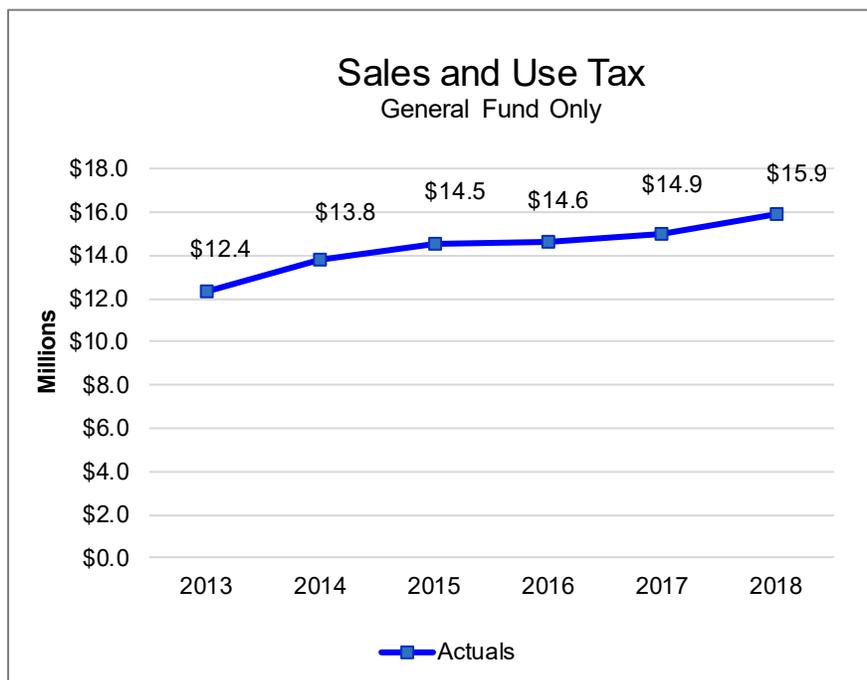
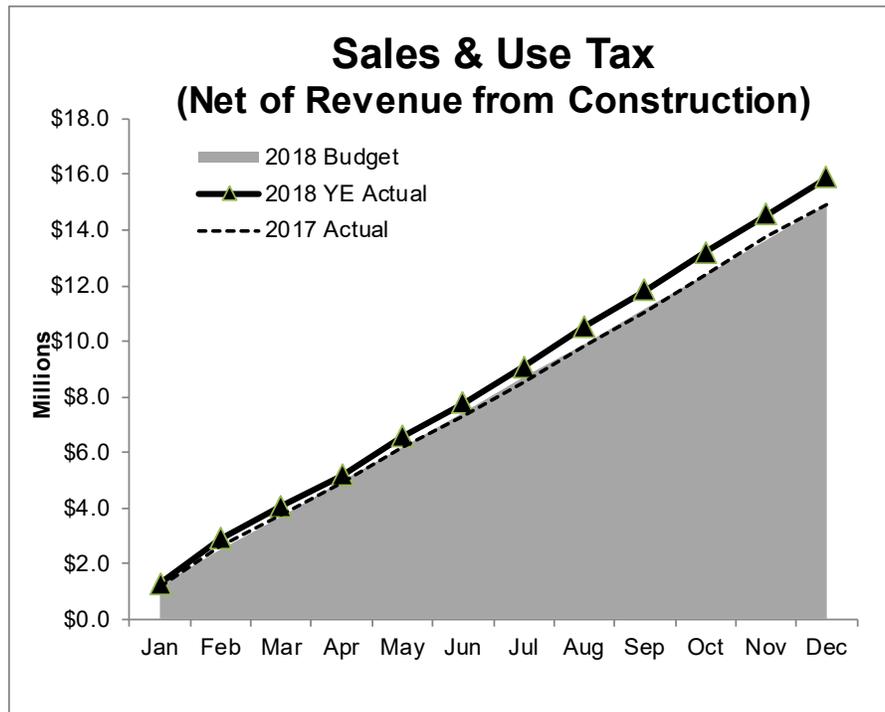
**Revenues**

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 in 2018 totaled \$21.4 million and were \$142,000, or 0.7% above budget expectation. Property tax revenue collected in 2018 exceeded collections in 2017 by \$585,000, or 2.8%. The majority of property taxes are collected during the months of April and October, coinciding with the due dates for the County property tax billings.



**Sales tax** collected in 2018 totaled \$18.2 million, of which \$15.9 million was distributed to the General Fund and \$2.3 million was distributed to the Local Street Fund (SOS) program as per current financial practice; this will be discontinued starting in 2019. Total sales tax revenue distributions to the General Fund in 2018 exceeded budget expectations by \$995,000, or 6.7%, and were \$939,000 higher than what was collected in 2017. Of the retail sales taxes collected in 2018, \$232,000 represented new revenues collected on internet sales due to Marketplace Fairness Act legislation, which was effective January 1, 2018.

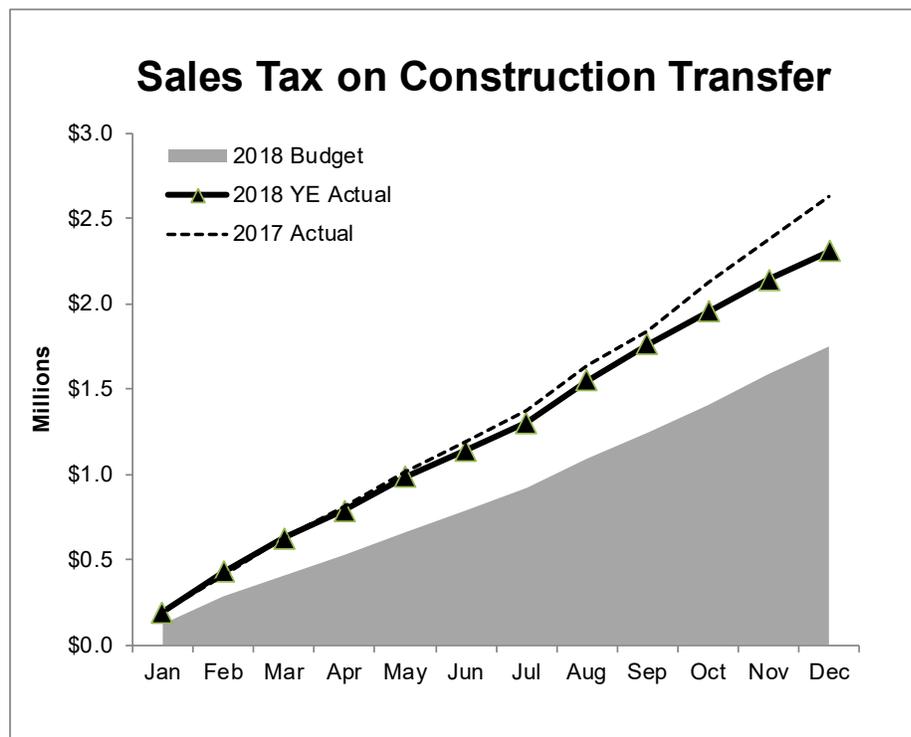


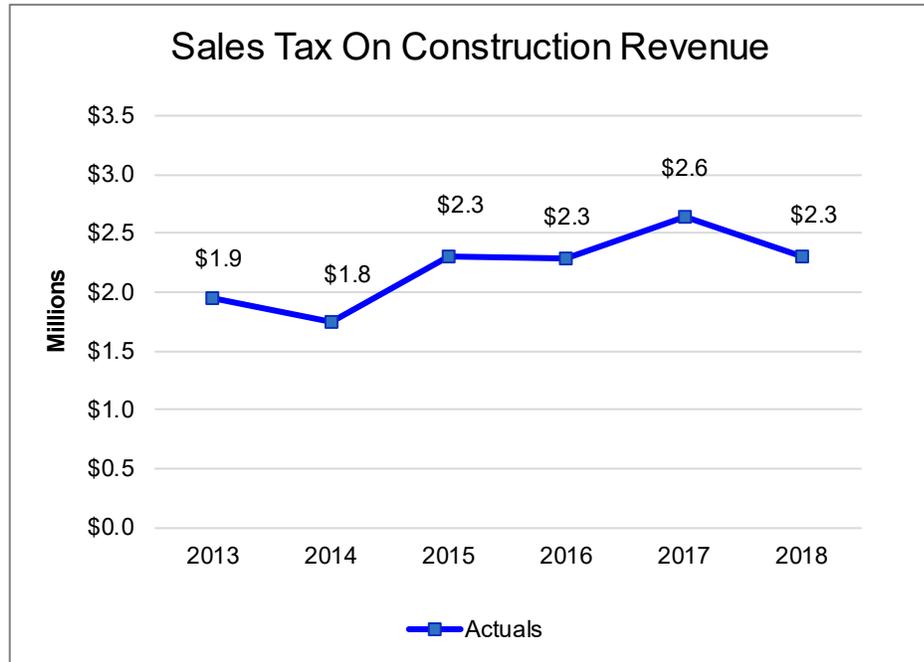
The following table breaks out the City’s base sales taxes, excluding Pierce County Parks sales tax, Criminal Justice sales tax, and Annexation Credit sales tax, by major business sector.

Comparison of Sales Tax Collections by Group				
Through December				
Component Group	2017 Actual	2018 Actual	Change from 2017	
			Amount	Percentage
Construction	\$ 2,632,107	\$ 2,309,617	\$ (322,490)	(12.3) %
Manufacturing	677,596	754,285	76,690	11.3 %
Transportation & Warehousing	88,502	120,208	31,706	35.8 %
Wholesale Trade	1,363,083	1,469,017	105,934	7.8 %
Automotive	3,971,531	4,121,791	150,259	3.8 %
Retail Trade	4,871,580	5,040,912	169,332	3.5 %
Services	3,911,740	4,228,822	317,082	8.1 %
Miscellaneous	65,374	153,632	88,258	135.0 %
YE Total	\$ 17,581,514	\$ 18,198,285	\$ 616,771	3.5 %

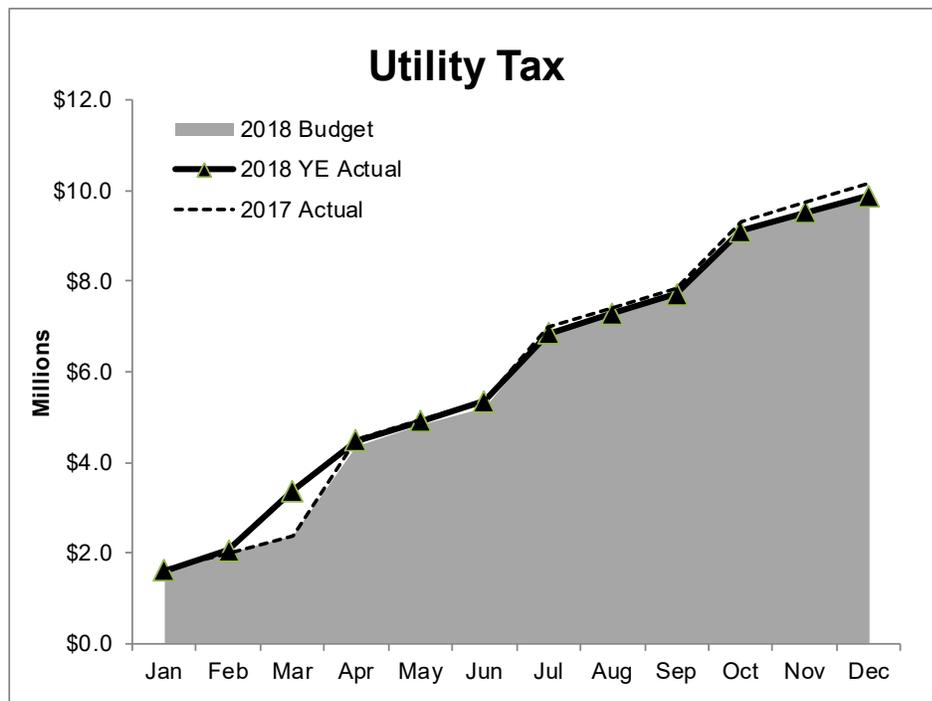
Total sales tax revenue collected in 2018 exceeded prior year collections by \$617,000, or 3.5%. The business sectors showing the largest dollar increase in revenues compared to last year were the services, automotive, and retail trade industries, while construction declined 12.3%.

Sales tax revenue on construction is transferred to the Local Street Fund (Fund 103) for local street repair and maintenance. As noted above, this practice will be discontinued starting in 2019. In 2018, the total amount of sales tax on construction revenue collected was \$2.3 million, which was \$322,000 less than was collected in 2017, and exceeds the 2018 budget by \$560,000.



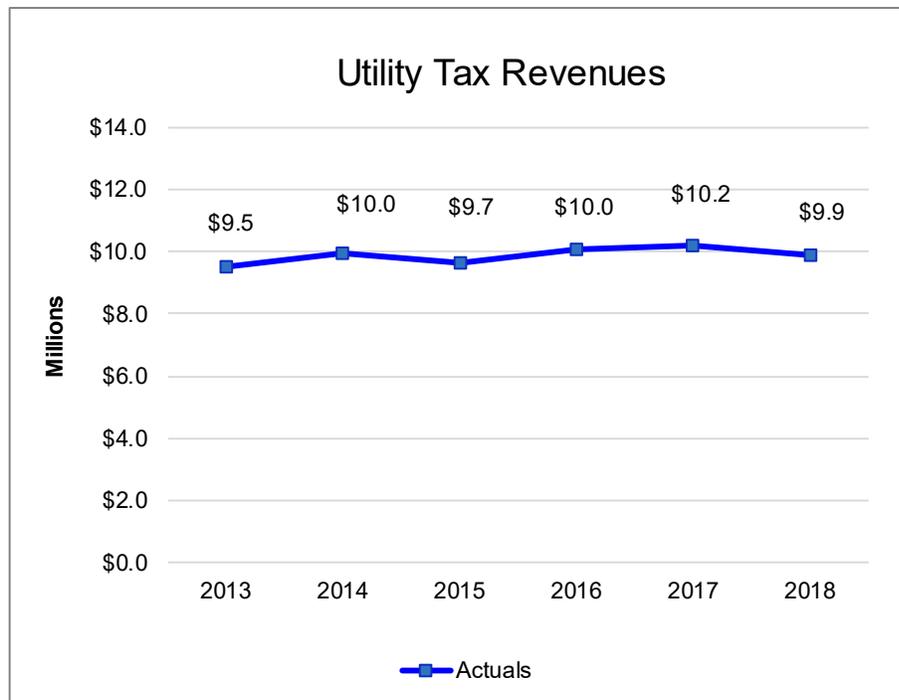


**Utility Taxes** consist of interfund taxes on City utilities (Water, Sewer, Storm and Solid Waste) and taxes on external utilities (Electric, Natural Gas, Telephone and Solid Waste). Utility taxes collected in 2018 totaled \$9.9 million and were \$86,000, or 0.9% less than budget expectations.

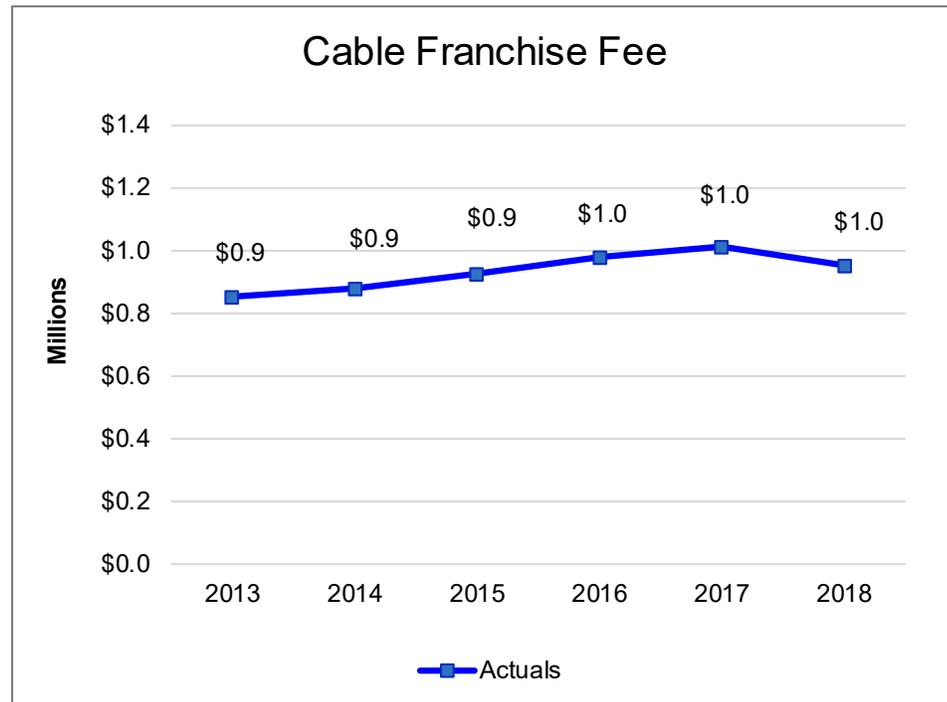
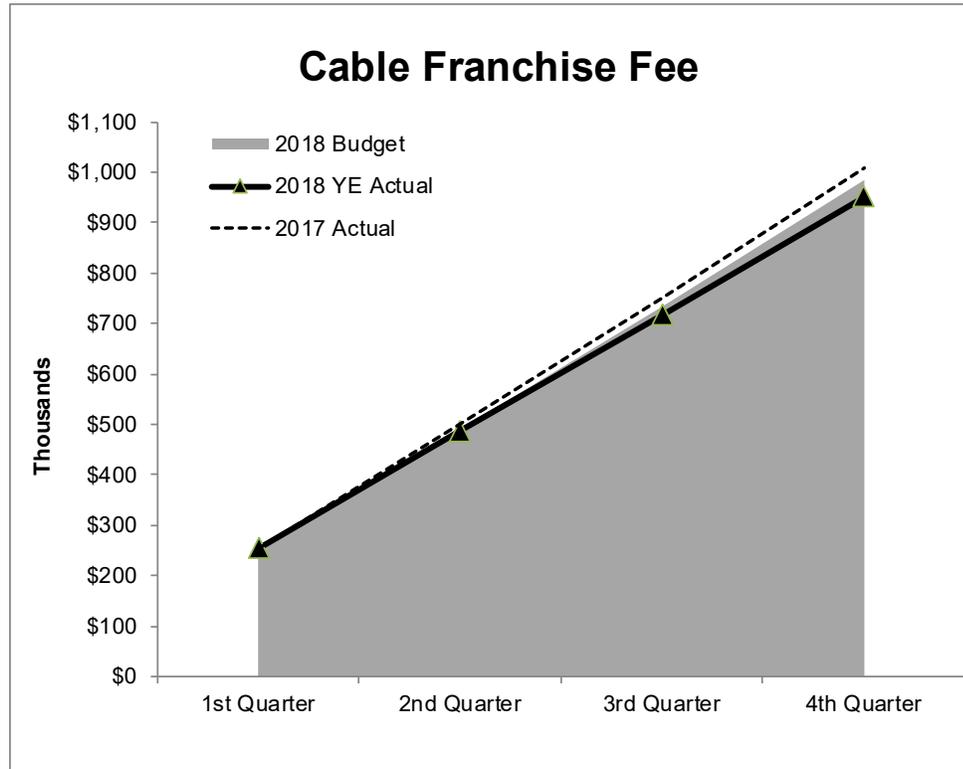


Favorable variances in electric and solid waste revenues offset lower collections in City utility taxes and telephone tax revenues. Note: Whereas previously utility bills were billed bi-monthly, effective January 2019 utility bills are billed monthly. This transition required additional days to be added to the Q4-2018 utility billings on a one-time basis to standardize all billing cycles. Due to this change, a larger than normal proportion of utility revenue was billed in January 2019 and then accrued back to 2018. This also impacted utility tax revenue, making collections in Q4-2018 appear lower than normal.

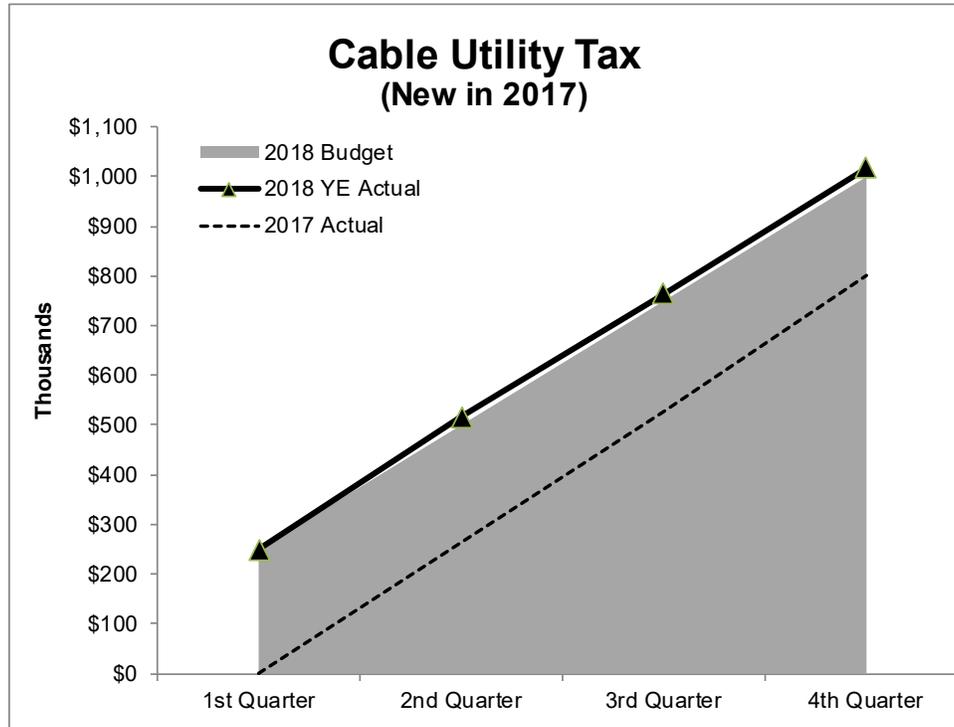
Utility Tax by Type Through December 2018							
Utility Tax Type	2017 YE Actual	2018 YE Budget	2018 YE Actual	2018 vs. 2017 Actual		2018 vs. Budget	
				Amount	Percentage	Amount	Percentage
City Interfund Utility Taxes	\$ 3,890,304	\$ 3,991,000	\$ 3,750,955	\$ (139,350)	(3.6) %	\$ (240,045)	(6.0) %
Electric	3,694,954	3,577,800	3,708,104	13,151	0.4 %	130,304	3.6 %
Natural Gas	1,072,751	1,006,200	1,022,753	(49,998)	(4.7) %	16,553	1.6 %
Telephone	1,379,949	1,408,200	1,278,757	(101,193)	(7.3) %	(129,443)	(9.2) %
Solid Waste (external)	129,831	0	136,883	7,051	5.4 %	136,883	N/A %
YE Total	\$ 10,167,789	\$ 9,983,200	\$ 9,897,451	\$ (270,338)	(2.7) %	\$ (85,749)	(0.9) %



**Cable Franchise Fees**, which are collected quarterly, totaled \$952,000 and were \$34,000, or 3.5%, unfavorable to budget.

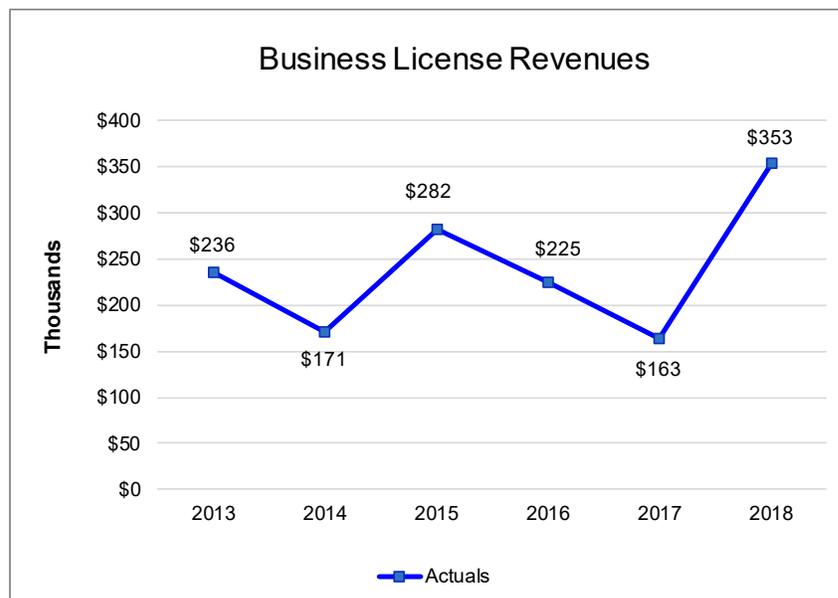
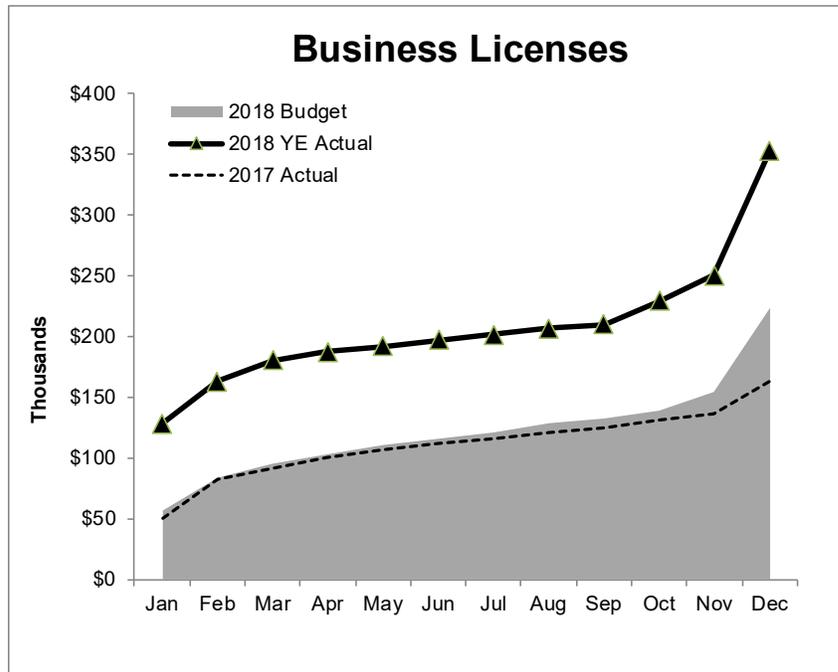


**Cable Utility Tax.** In September 2016, City Council increased the Cable Utility Tax from 1.0% to 6.0%, with the entirety of the new tax amount benefitting the General Fund. This tax became effective on January 1, 2017 and is collected quarterly. Total cable utility tax revenue collected in 2018 was \$1,018,000 and exceeded budget expectations by \$18,000, or 1.8%.



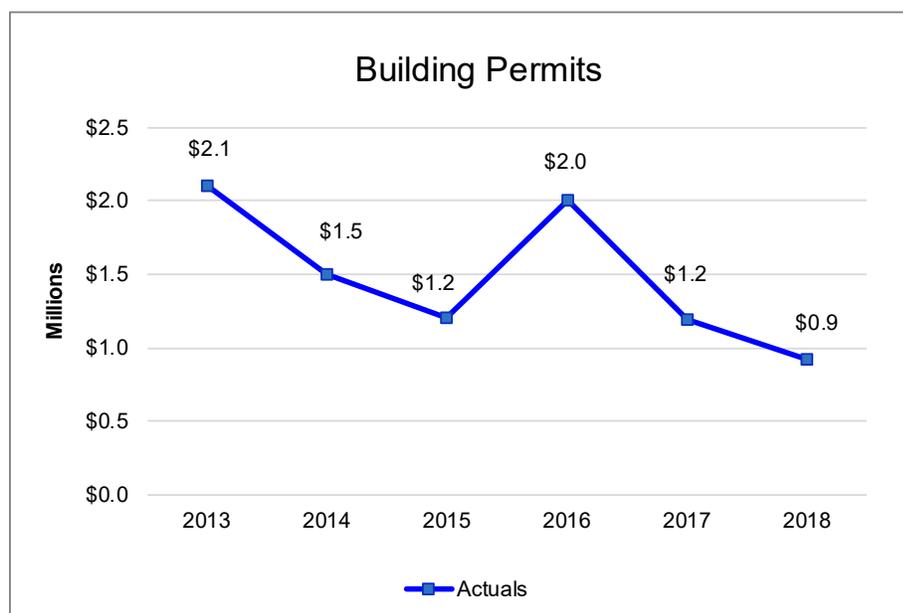
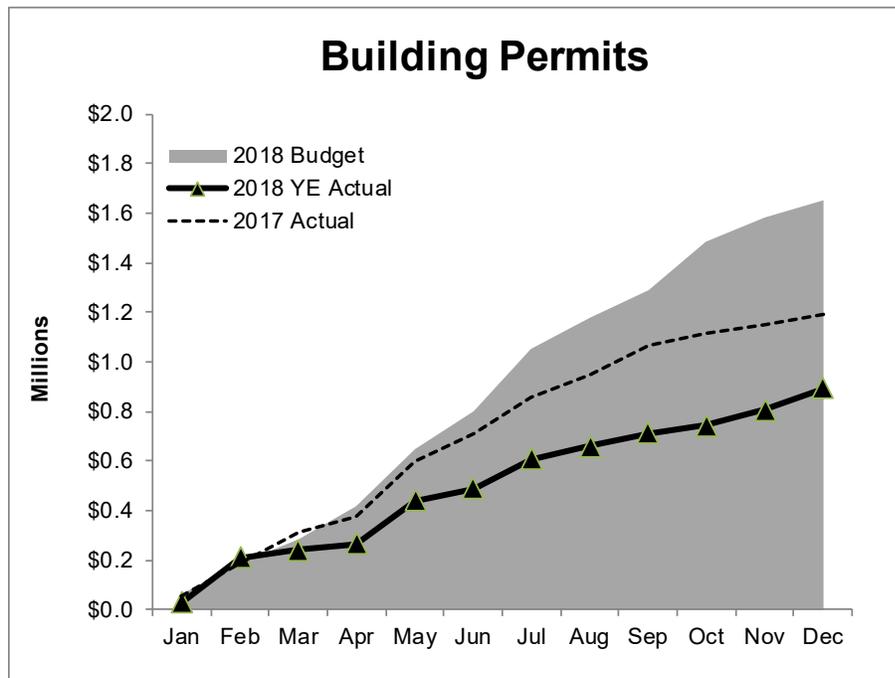
**Licenses and Permits** include business licenses, building permits, plumbing, electric and other licenses and permit fees. Building permit fees and business licenses make up about 70% of the annual budgeted revenue in this category.

Business license revenues collected in 2018 totaled \$353,000 as compared to \$163,000 collected in 2017. The primary reason for this year-over-year increase in revenues is the timing of when business license renewal notices were sent to businesses and paid. The majority of businesses paid their 2018 business licenses in early 2018 and paid their 2019 business licenses in December 2018. In addition, due to compliance efforts initiated by the City, there has been an increase in the number of licenses sold.



Building permit revenues collected in 2018 totaled \$920,000 as compared to 2017 collections of \$1.2 million. This year-over-year decline is a result of a decrease in the number of building permits issued. A total of 535 building permits were sold in 2018 as compared to 680 sold in 2017, representing a 21.3% reduction. Of the permit revenues collected in 2018, 57% was attributable to commercial projects and the remaining 43% was predominately single family housing permits.

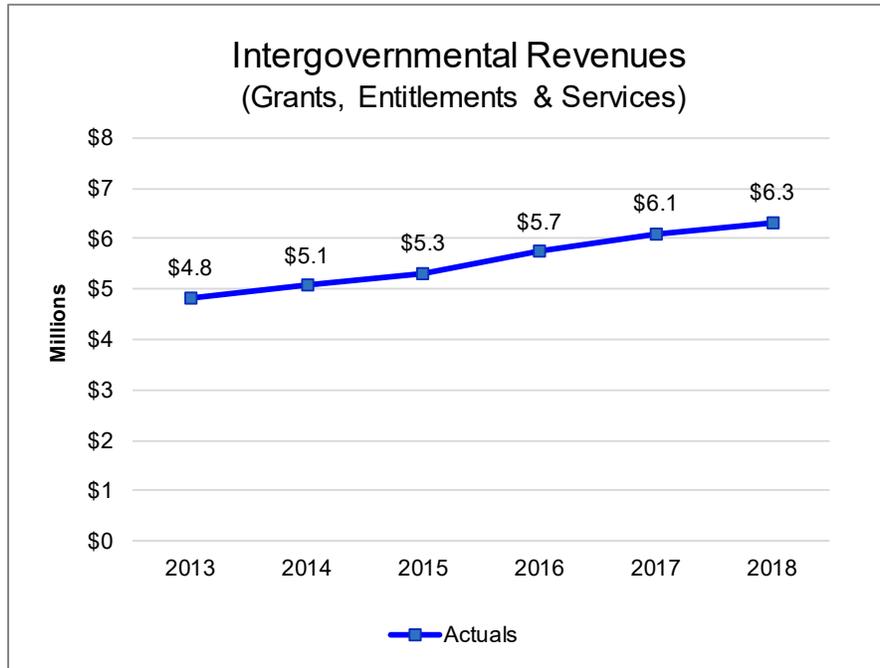
Major projects contributing to building permit revenues in 2018 include permits issued for the Hudson Distribution Center, over 30 single family homes in the Wyncrest housing development, the Olympic Middle School Reconstruction Project, multiple projects at Boeing, and construction of The Auburn Apartments.



**Intergovernmental revenues** include grants (direct and indirect federal, state and local), compact revenue from the Muckleshoot Indian Tribe (MIT), intergovernmental service revenues, and state shared revenues. Collections in 2018 totaled \$6.3 million and were \$52,000, or 0.8%, favorable to budget.

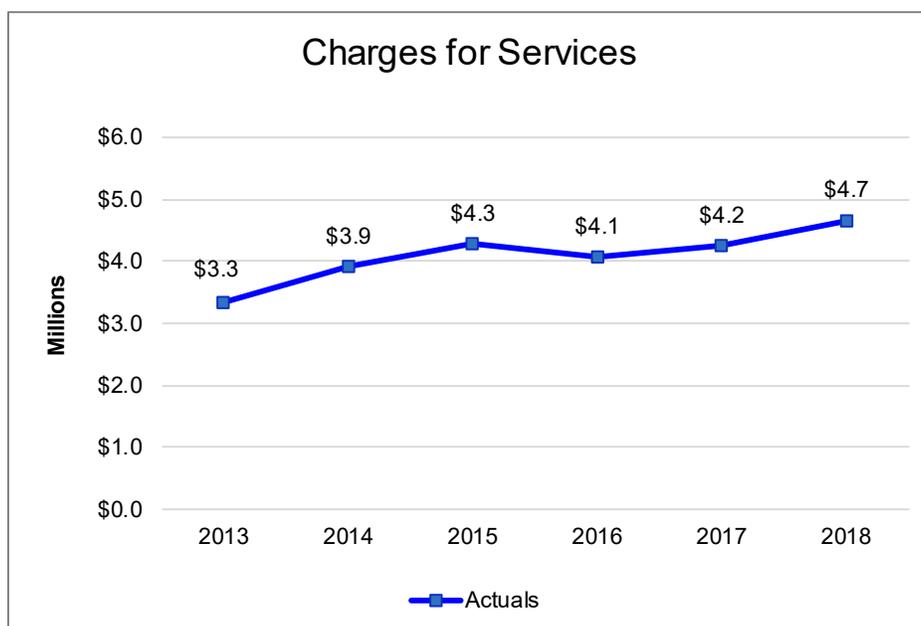
The favorability to budget was mainly seen in revenues collected from Muckleshoot for reimbursement of services provided to the casino, as well as increases in marijuana excise tax revenues received from the state. These favorable variances to budget were somewhat offset by lower than budgeted collections from streamlined sales tax revenues, as this revenue was reduced by \$232,000 due to the Marketplace Fairness Act. The Marketplace Fairness Act (MFA), which was effective January 1, 2018, is intended to capture the retail sales tax lost on internet sales. MFA revenues are collected as retail sales tax revenues, which then reduces the amount the City receives in streamlined sales tax revenues. In addition, grant revenues collected were unfavorable to budget by \$280,000 through December 2018 – although this will be largely offset by \$206,000 that will be collected in 2019 for 2018 activity.

Intergovernmental Revenues (Grants, Entitlements & Services)							
Through December 2018							
Revenue	2017	2018	2018	2018 vs. 2017 Actual		2018 vs. Budget	
	YE Actual	YE Budget	YE Actual	Amount	% Change	Amount	% Change
Federal Grants	\$ 241,952	\$ 506,850	\$ 344,731	\$ 102,780	42.5 %	\$(162,119)	(32.0) %
State Grants	189,238	244,000	191,270	2,032	1.1 %	(52,730)	(21.6) %
Interlocal Grants	96,322	217,600	152,205	55,882	0.0 %	(65,395)	(30.1) %
Muckleshoot Casino Services	855,302	650,000	1,035,459	180,156	21.1 %	385,459	59.3 %
State Shared Revenues:							
Streamlined Sales Tax	1,908,971	1,888,600	1,699,909	(209,063)	(11.0) %	(188,691)	(10.0) %
Motor Vehicle Fuel Tax	1,153,061	1,287,500	1,191,433	38,372	3.3 %	(96,067)	(7.5) %
Criminal Justice - High Crime	391,027	192,000	218,832	(172,195)	(44.0) %	26,832	14.0 %
Criminal Justice - Population	21,787	25,000	22,896	1,109	5.1 %	(2,104)	(8.4) %
Criminal Justice - Special Prog.	79,077	82,500	82,756	3,679	4.7 %	256	0.3 %
Marijuana Revenues	56,069	65,000	236,951	180,882	322.6 %	171,951	264.5 %
State DUI	11,678	12,000	11,673	(6)	(0.1) %	(327)	(2.7) %
Fire Insurance Tax	78,078	75,000	79,798	1,720	2.2 %	4,798	6.4 %
Liquor Excise	371,440	375,000	399,164	27,725	7.5 %	24,164	6.4 %
Liquor Profit	650,607	648,000	654,256	3,649	0.6 %	6,256	1.0 %
Total State Shared:	4,721,796	4,650,600	4,597,667	(124,129)	(2.6) %	(52,933)	(1.1) %
YE Total	\$ 6,104,610	\$ 6,269,050	\$ 6,321,332	\$ 216,722	3.6 %	\$ 52,282	0.8 %



**Charges for Services** consist of general governmental service charges, public safety charges, development service fees, and cultural & recreation fees. Total charges for services collected in 2018 totaled \$4.7 million, which is \$419,000 higher than revenues collected in 2017 and \$459,000, or 10.9%, favorable to budget in 2018. While development services revenues in 2018 were \$115,000, or 11.3%, unfavorable to budget due to plan check revenues having declined year-over-year, this was more than offset by increased revenues in public safety and culture and recreation revenues as explained below.

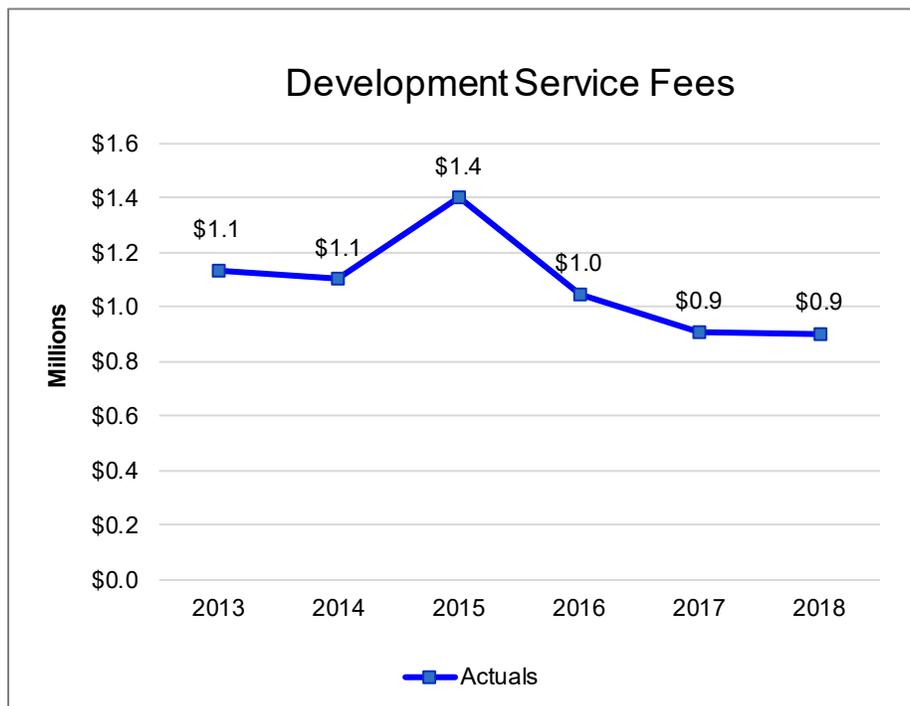
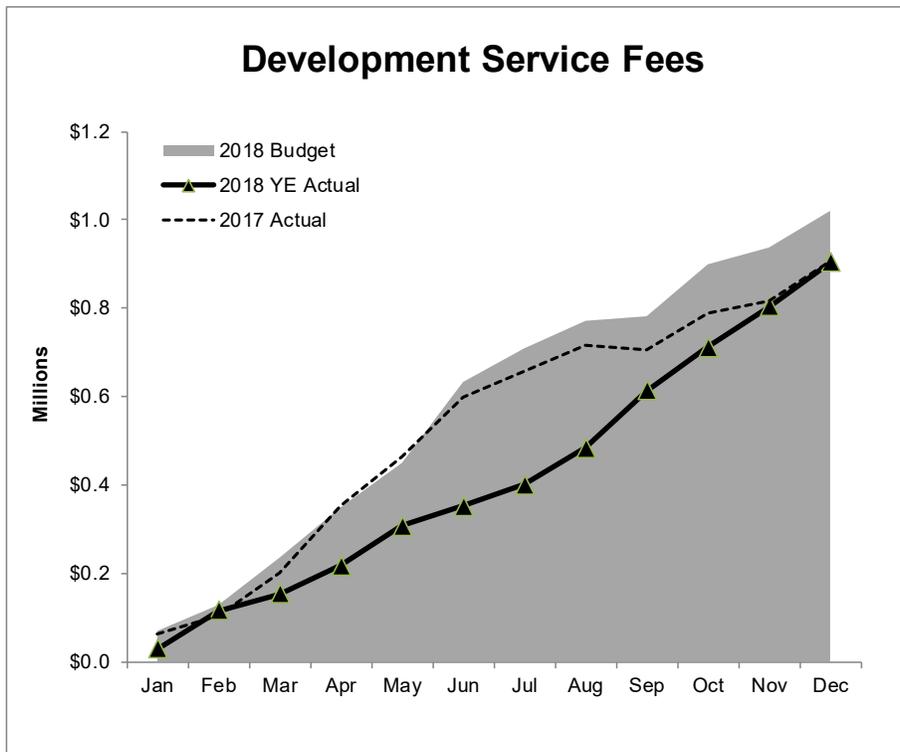
Charges for Services by Type Through December 2018							
Revenue	2017 YTD Actual	2018 YTD Budget	2018 YTD Actual	2018 vs. 2017 Actual		2018 vs. Budget	
				Amount	Percentage	Amount	Percentage
General Government	\$ 72,710	\$ 61,300	\$ 74,301	\$ 1,591	2.2 %	\$ 13,001	21.2 %
Public Safety	887,535	756,000	1,133,972	246,438	27.8 %	377,972	50.0 %
Development Services	906,687	1,019,100	903,884	(2,802)	(0.3) %	(115,216)	(11.3) %
Culture & Recreation	2,375,807	2,366,680	2,550,075	174,268	7.3 %	183,395	7.7 %
YE Total	\$ 4,242,738	\$ 4,203,080	\$ 4,662,233	\$ 419,495	9.9 %	\$ 459,153	10.9 %



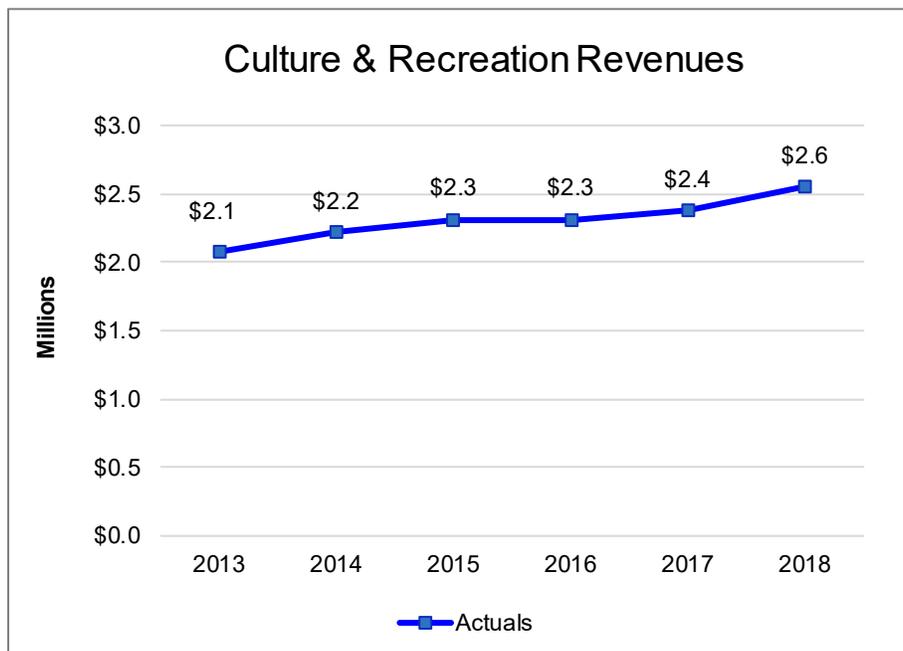
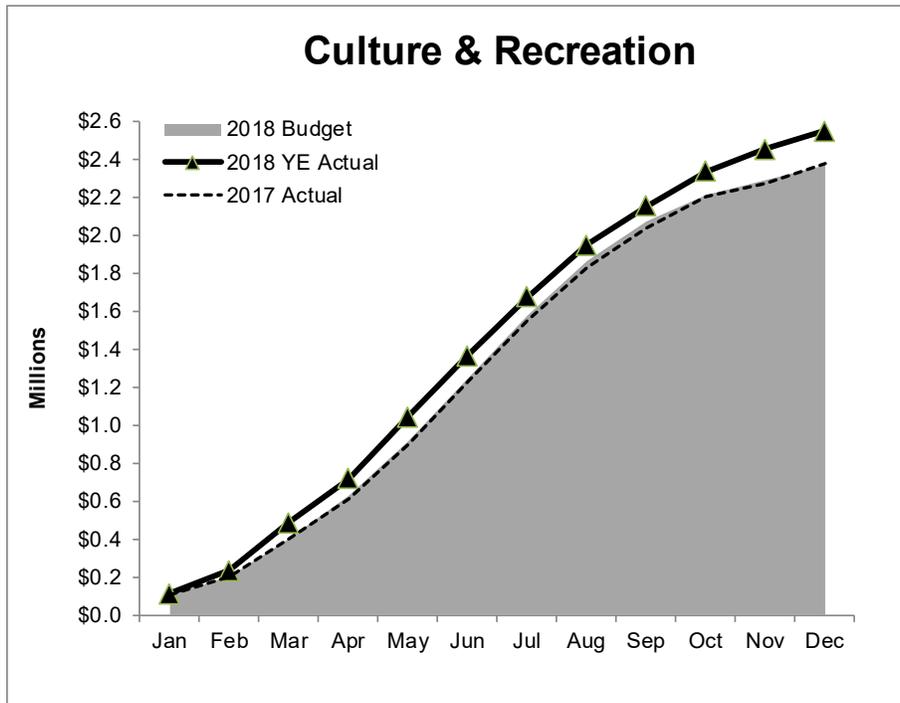
General governmental charges for service collected in 2018 totaled \$74,000 compared to a budget of \$61,000. The favorability to budget was mostly seen in passport services.

Public safety revenues consist of revenues received for police officer extra duty security services – whereby officers are contracted for and reimbursement is made by the hiring agency. This also includes reimbursements from the Muckleshoot Indian Tribe (MIT) for a full-time dedicated police officer and associated expenditures as well as monies collected from the Auburn School District and the Criminal Justice Training Commission (CJTC) for services rendered. Public safety revenues collected in 2018 totaled \$1.1 million and compare to a budget of \$756,000. The majority of the favorability seen in this revenue source is due to extra duty overtime reimbursements exceeding budget expectations as a result of increased requests for police officer security services.

Development services fee collections, which primarily consist of plan check fees, totaled \$904,000 and ended the year \$115,000, or 11.3%, under budget expectations. Total plan check revenues collected in 2018 totaled \$488,000 as compared to \$664,000 collected in 2017; this represents a 26.6% year-over-year decline in revenues. Plan check revenues collected in 2018 were from numerous commercial and residential projects including projects at Boeing, the Dick Scobee Elementary School Replacement Project, The Auburn Apartments, the Wyndham Hotel and single-family houses in the Hastings housing development.

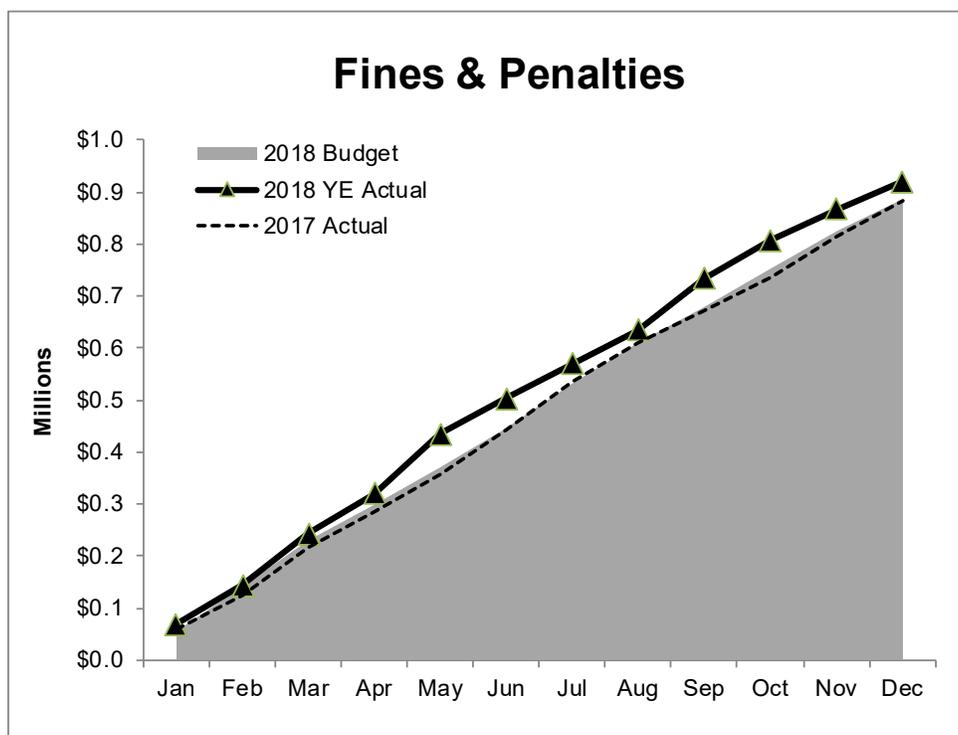


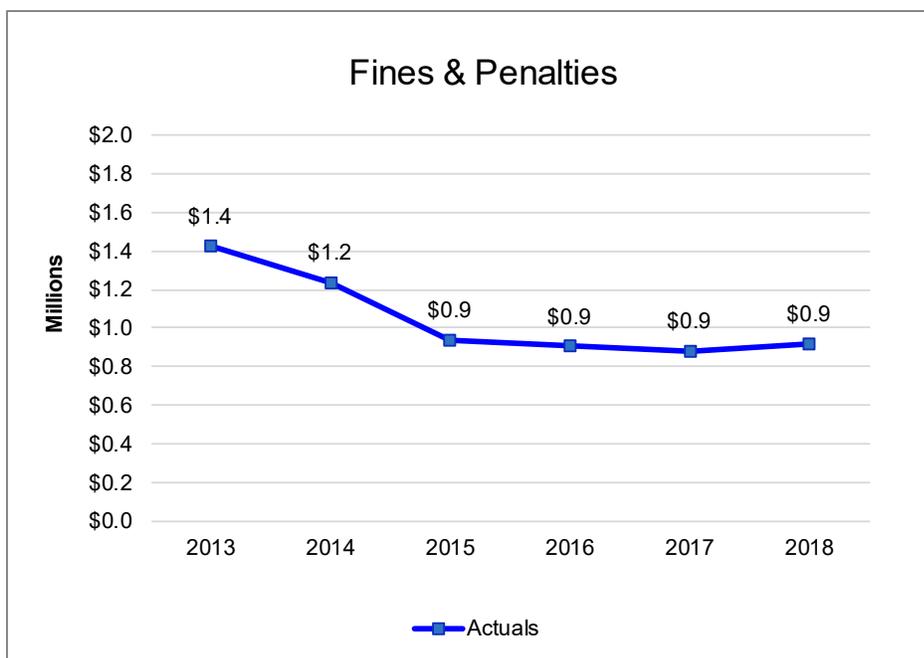
Culture and recreation revenues collected in 2018 totaled \$2.6 million, and exceeded budget by \$183,000, or 7.7%. Collections in 2018 increased by \$174,000, or 7.3%, compared to collections in 2017, which was primarily due to an increase in revenues collected for summer camps, green fees and Pro-Shop sales at the Auburn Golf Course, and Special Events revenue due to new sponsorship revenue collected for the annual Veteran's Day Parade.



**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 revenues collected in 2018 totaled \$920,000, compared to a budget of \$885,000. As seen in the table below, civil penalty revenues collected in 2018 were \$69,000 higher than 2017 collections. This year-over-year increase was due to revenues collected for code compliance penalties, which are unbudgeted. Code compliance penalties are revenues collected from banks on vacant bank-owned properties that are neglected and in non-compliance with City code. Non-court fines and penalties ended the year under budget expectations by \$34,000, primarily due to false alarm fines ending the year under budget expectations.

Fines & Penalties by Type Through December 2018							
Month	2017 YE Actual	2018 YE Budget	2018 YE Actual	2018 vs. 2017 Actual		2018 vs. Budget	
				Amount	Percentage	Amount	Percentage
Civil Penalties	\$ 28,346	\$ 12,000	\$ 97,242	\$ 68,896	243.1 %	\$ 85,242	710.4 %
Civil Infraction Penalties	457,818	472,600	463,432	5,614	1.2 %	(9,168)	(1.9) %
Redflex Photo Enforcement	10,773	0	7,335	(3,438)	(31.9) %	7,335	N/A %
Parking Infractions	148,260	146,800	129,752	(18,508)	(12.5) %	(17,048)	(11.6) %
Criminal Traffic Misdemeanor	73,578	51,300	52,090	(21,487)	(29.2) %	790	1.5 %
Criminal Non-Traffic Fines	31,077	44,300	50,375	19,298	62.1 %	6,075	13.7 %
Criminal Costs	46,394	42,800	38,135	(8,259)	(17.8) %	(4,665)	(10.9) %
Non-Court Fines & Penalties	86,009	115,500	81,825	(4,184)	(4.9) %	(33,675)	(29.2) %
YE Total	\$ 882,255	\$ 885,300	\$ 920,187	\$ 37,932	4.3 %	\$ 34,887	3.9 %





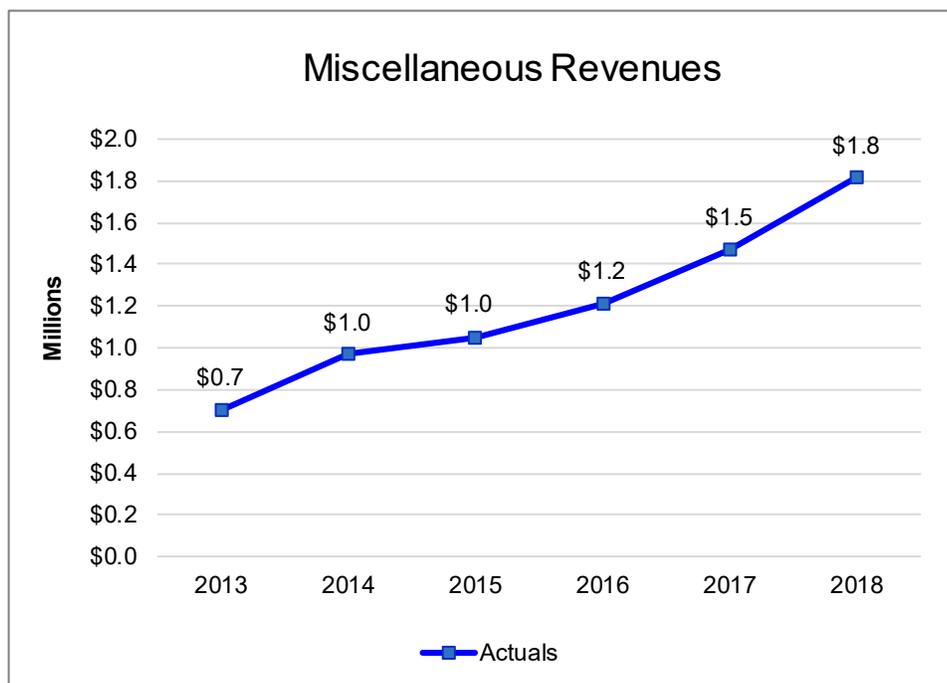
**Miscellaneous revenues** consist of investment earnings, income from facility rentals, contributions & donations, and other income including the quarterly purchasing card (P-card) rebate monies. Revenues collected in this category in 2018 totaled \$1.8 million and exceeded budget expectations by \$601,000. The majority of the increase in revenues was seen in interest and investments as well as the rents and leases category.

Miscellaneous Revenues by Type Through December 2018							
Month	2017 YE Actual	2018 YE Budget	2018 YE Actual	2018 vs. 2017		2018 vs. Budget	
				Amount	Percentage	Amount	Percentage
Interest & Investments	\$ 237,532	\$ 68,000	\$ 415,348	\$ 177,816	74.9 %	\$ 347,348	510.8 %
Rents & Leases	879,059	856,100	991,469	112,410	12.8 %	135,369	15.8 %
Contributions & Donations	47,926	53,200	51,400	3,474	7.2 %	(1,800)	(3.4) %
Other Miscellaneous Revenue	308,578	236,800	357,075	48,497	15.7 %	120,275	50.8 %
YE Total	\$ 1,473,095	\$ 1,214,100	\$ 1,815,292	\$ 342,197	23.2 %	\$ 601,192	49.5 %

Interest and investments revenues collected in 2018 exceeded budget expectations by \$347,000, and were \$178,000 more than what was collected in 2017. This year-over-year increase in investment revenue is primarily due to the increase in the State Investment Pool interest rate.

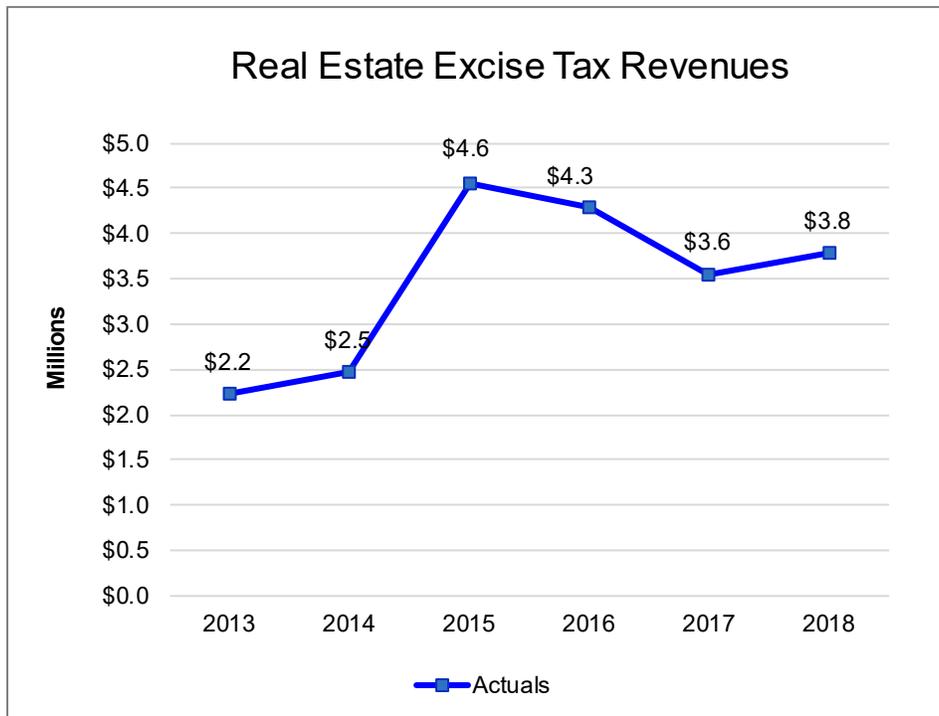
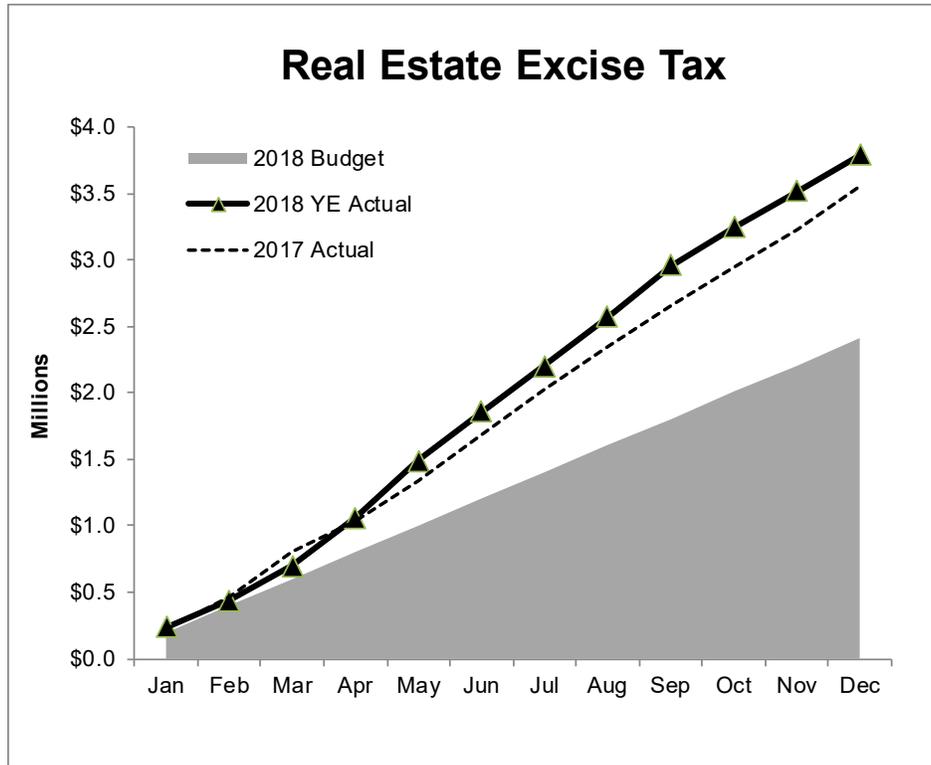
Rents and lease revenue collected in 2018 totaled \$991,000 and was \$112,000 higher than 2017 collections. This year-over-year increase was primarily related to facility rental revenues, miscellaneous parks unearned revenue (deposits), and golf cart rental revenues. In 2018, the facility rental revenues increased \$43,000 compared to revenues collected in 2017, which were primarily due to greater rental revenue generated at the Auburn Community and Events Center and at Game Farm Wilderness Campground. Miscellaneous parks unearned revenue (facility deposits) and golf cart rental revenues increased \$35,000 and \$31,000 respectively, over revenues collected in 2017.

Lastly, other miscellaneous revenues exceeded budget expectations by \$120,000 mainly due to revenues collected for code compliance property abatements and sales of unclaimed property.



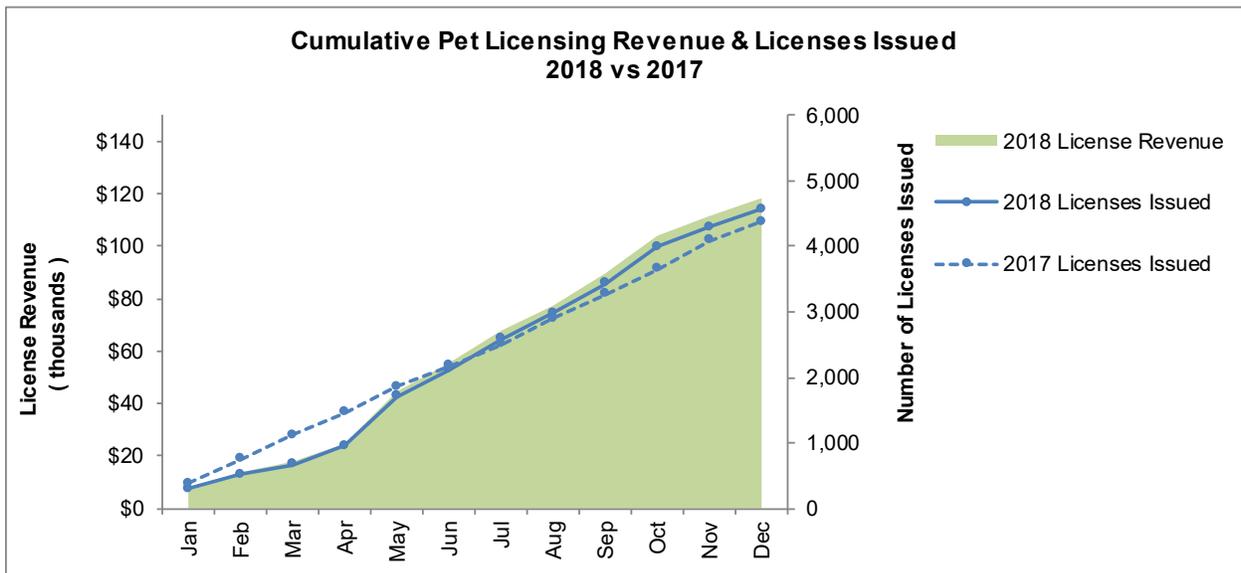
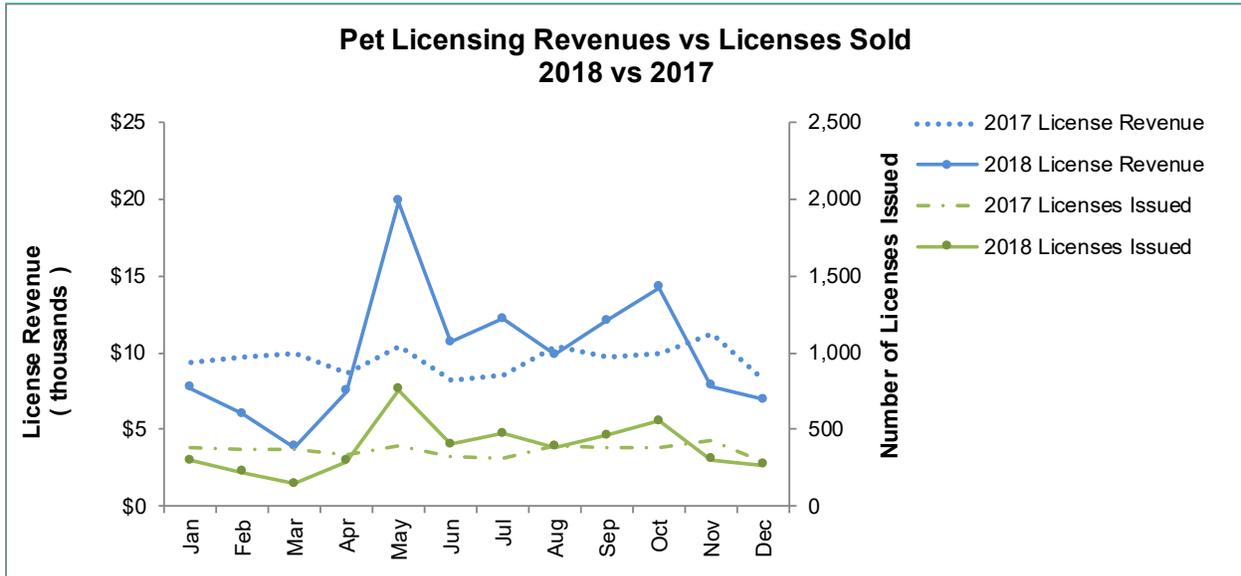
**Real Estate Excise Tax (REET)** revenue is receipted into the Capital Improvement Projects Fund and is used for governmental capital projects. REET revenues collected in 2018 totaled \$3.8 million, exceeding budget expectations by \$1.4 million and exceeding prior year collections by \$236,000, or 6.6%. Real estate sales in 2018 represent the sale of both commercial properties and single-family residences. Commercial sales in 2018 included the sale of several multi-family properties, the sale of two hotels, commercial and warehousing space, offices, manufacturing businesses and vacant land.

Real Estate Excise Tax Revenues							
December 2018							
Month	2017 Actual	2018 Budget	2018 Actual	2018 vs. 2017		2018 vs. Budget	
				Amount	Percentage	Amount	Percentage
Jan	\$ 224,044	\$ 200,800	\$ 240,414	\$ 16,371	7.3 %	\$ 39,614	19.7 %
Feb	249,683	200,800	200,783	(48,899)	(19.6) %	(17)	(0.0) %
Mar	326,044	200,800	255,218	(70,826)	(21.7) %	54,418	27.1 %
Apr	234,480	200,800	362,999	128,519	54.8 %	162,199	80.8 %
May	299,251	200,800	427,054	127,803	42.7 %	226,254	112.7 %
Jun	353,807	200,800	371,816	18,009	5.1 %	171,016	85.2 %
Jul	330,707	200,800	342,006	11,299	3.4 %	141,206	70.3 %
Aug	325,936	200,800	373,889	47,954	14.7 %	173,089	86.2 %
Sep	309,422	200,800	387,673	78,251	25.3 %	186,873	93.1 %
Oct	286,675	200,800	285,967	(708)	(0.2) %	85,167	42.4 %
Nov	289,045	200,800	272,195	(16,850)	(5.8) %	71,395	35.6 %
Dec	325,309	201,200	270,161	(55,149)	(17.0) %	68,961	34.3 %
YE Total	\$ 3,554,404	\$ 2,410,000	\$ 3,790,176	\$ 235,772	6.6 %	\$ 1,380,176	57.3 %



**Pet Licensing**

In 2018, 4,564 pet licenses were sold, resulting in \$118,660 in revenue. In 2017, 4,378 licenses were sold, resulting in \$114,265 in revenue. As of March 2018, pet licensing services are provided by the Auburn Valley Humane Society; previously, these services were provided by PetData, Inc.



**Street Funds**

This section provides a financial overview of the City’s three street funds for the quarter ending December 31, 2018. 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).

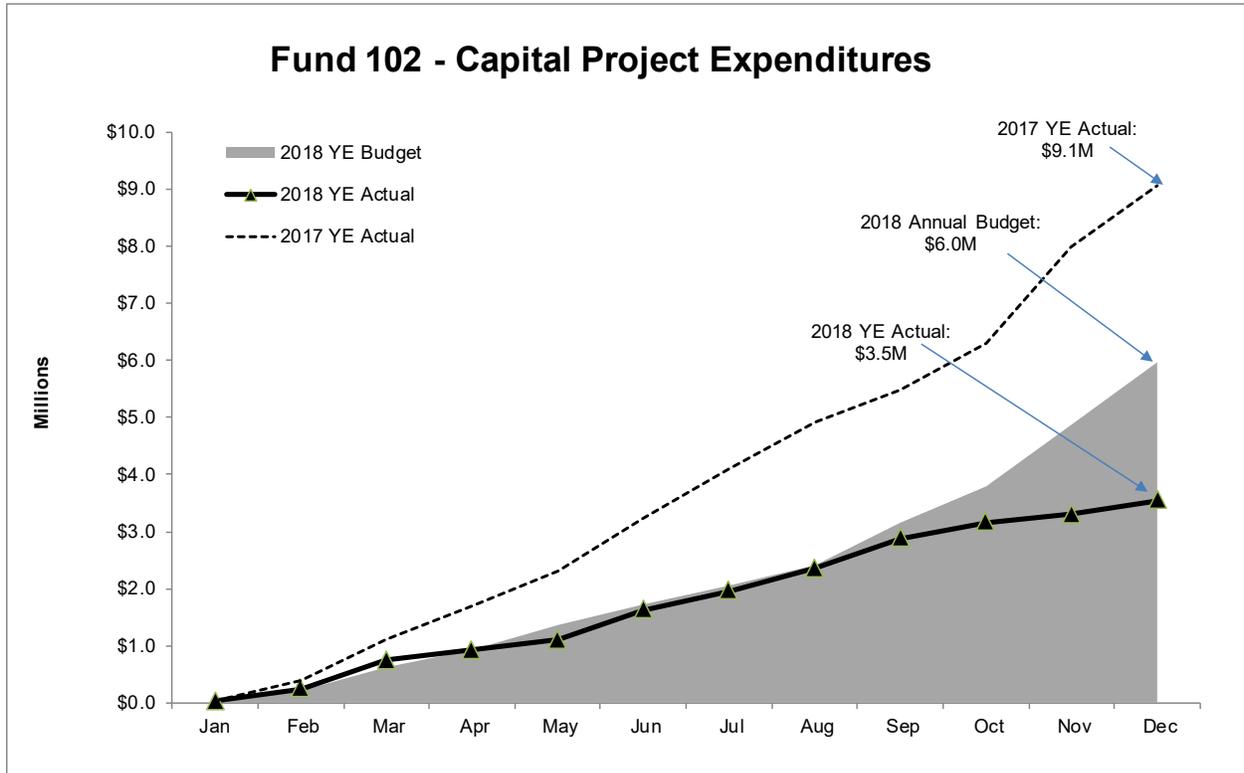
**Fund 102 – Arterial Street Fund**

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. As of December 31, 2018 there were 25 separate street projects budgeted in this fund.

In 2018, revenues collected totaled \$3.4 million as compared with collections of \$8.4 million in 2017. Total expenditures in 2018 were \$4.2 million as compared to \$9.7 million expended in 2017. Variances in revenues and expenditures are largely due to the timing of capital expenditures and any subsequent reimbursement via grants and/or operating transfers. Expenditure timing is generally determined by the current phase of each individual capital project; expenditures tend to increase as projects move from design phase into construction. Additionally, the Operator’s Union strike impacted several projects in 2018 and delayed their anticipated expenditures and reimbursement revenue.

Fund 102 - Arterial Street  Summary of Sources and Uses  Report Period: December 2018	2018			2017	2018 YE Budget vs. Actual	
	Annual Budget	YE Budget	YE Actual	YE Actual	Favorable (Unfavorable)	
					Amount	Percentage
<b>Revenues</b>						
Federal Grants	\$ 2,247,600	\$ 2,247,600	\$ 1,307,081	\$ 2,991,037	\$ (940,519)	(41.8) %
State Grants	176,500	176,500	180,627	2,339,312	4,127	2.3 %
Motor Vehicle Fuel and Multimodal Taxes	585,000	585,000	641,109	590,141	56,109	9.6 %
Developer Contributions	-	-	-	369,382	-	
Miscellaneous Revenue	466,200	466,200	545,707	-	79,507	17.1 %
Operating Transfer In	1,833,417	1,833,417	716,050	2,092,291	(1,117,367)	(60.9) %
Investment Income	2,600	2,600	32,750	11,173	30,150	1159.6 %
<b>Total Revenues</b>	<b>\$ 5,311,317</b>	<b>\$ 5,311,317</b>	<b>\$ 3,423,325</b>	<b>\$ 8,393,335</b>	<b>\$ (1,887,992)</b>	<b>(35.5) %</b>
<b>Expenditures</b>						
Salary and Benefits	\$ 551,000	\$ 551,000	\$ 360,370	\$ 618,410	\$ 190,630	34.6 %
Capital Outlay	5,408,300	5,408,300	3,184,052	8,452,526	2,224,248	41.1 %
Subtotal - Capital Project Expenditures	5,959,300	5,959,300	3,544,422	9,070,936	2,414,878	40.5 %
Services and Charges	405,200	405,200	363,312	329,980	41,888	10.3 %
Interfund Payments for Services	78,859	78,859	78,864	76,680	(5)	(0.0) %
Debt Service Principal and Interest	208,818	208,818	208,817	209,511	1	0.0 %
Operating Transfer Out	95,615	95,615	25,615	7,015	70,000	73.2 %
<b>Total Expenditures</b>	<b>\$ 6,747,792</b>	<b>\$ 6,747,792</b>	<b>\$ 4,221,030</b>	<b>\$ 9,694,122</b>	<b>\$ 2,526,762</b>	<b>37.4 %</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,436,475)</b>	<b>\$ (1,436,475)</b>	<b>\$ (797,705)</b>	<b>\$ (1,300,786)</b>	<b>\$ 638,770</b>	<b>(44.5) %</b>

Beg. Fund Balance, January 2018	\$	2,584,136
Net Change in Fund Balance, December 2018		(797,705)
Ending Fund Balance, December 2018	\$	1,786,431
2018 Budgeted Ending Fund Balance	\$	1,147,661



This table presents the status of the projects with the most significant budget impact on the fund:

Fund 102 - Arterial Street			
Capital Projects Status *			
Name	Annual Budget	YE Actual	Remaining
22nd St NE & I St NE Intersection	\$1.1M	\$1.0M	\$0.1M
AWS Corridor Safety Improvements	\$0.8M	\$0.7M	\$0.2M
A St SE & 37th St SE	\$0.8M	\$0.6M	\$0.2M
All Other Projects (21 Others Budgeted)	\$3.2M	\$1.3M	\$1.9M
<b>Total</b>	<b>\$6.0M</b>	<b>\$3.5M</b>	<b>\$2.4M</b>

\*Components may not sum to total due to rounding.

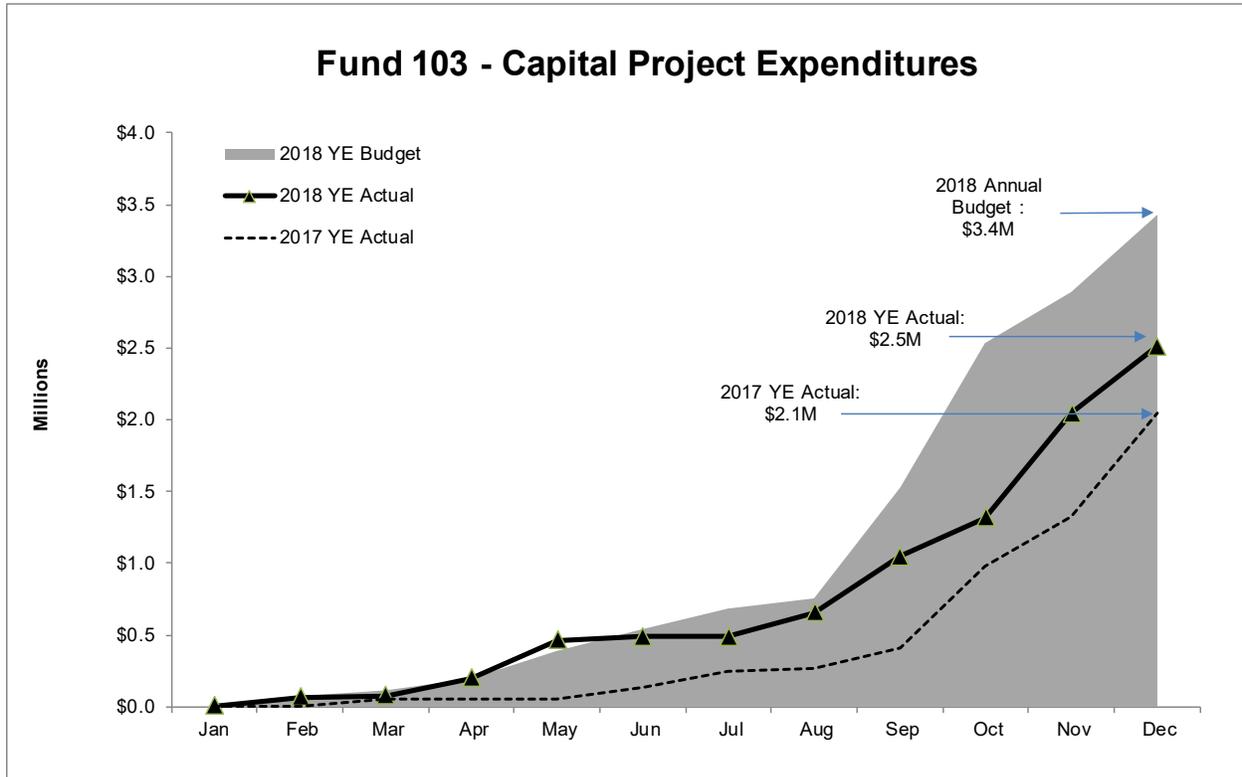
**Notes:**

- Several street projects were delayed by the Operator’s Union strike and the lack of natural gas during the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2018, which will move some expenditures into 2019.

**Fund 103 – Local Street Fund**

The Local Street Fund is a special revenue fund that is currently funded from sales taxes on construction, and used for local street repair. In 2018, revenues in this fund totaled \$2.5 million, exceeding budget expectations by \$617,000 due to higher than anticipated sales tax revenues from local construction projects. This compares to collections of \$2.8 million in 2017. Total expenditures in 2018 were \$2.7 million and compare to expenditures of \$2.2 million in 2017. Historically, well over half of this fund’s annual expenditures occur in the final four months of each year due to the weather sensitivity of pavement construction (this work needs to be done primarily in the summer and early fall). Highlighted in the table below and shown in the following graph are the fund’s total expenditures related to capital projects.

Fund 103 - Local Street Fund	2018			2017	2018 YE Budget vs. Actual	
	Annual Budget	YE Budget	YE Actual	YE Actual	Favorable (Unfavorable) Amount	Percentage
<b>Summary of Sources and Uses</b>						
<b>Report Period: December 2018</b>						
<b>Revenues</b>						
Sales Tax on Construction	\$ 1,750,000	\$ 1,750,000	\$ 2,309,617	\$ 2,632,107	\$ 559,617	32.0 %
Operating Transfer In	150,000	150,000	\$ 150,000	150,000	-	0.0 %
Interest Earnings	9,100	9,100	\$ 65,988	32,475	56,888	625.1 %
<b>Total Revenues</b>	<b>\$ 1,909,100</b>	<b>\$ 1,909,100</b>	<b>\$ 2,525,605</b>	<b>\$ 2,814,582</b>	<b>\$ 616,505</b>	<b>32.3 %</b>
<b>Expenditures</b>						
Salary and Benefits	\$ 148,817	\$ 148,817	\$ 124,191	\$ 124,325	\$ 24,626	16.5 %
Capital Project Expenditures	3,429,298	3,429,298	2,510,696	2,050,006	918,602	26.8 %
Services and Charges	700	700	2,592	23,703	(1,892)	(270.3) %
Interfund Payments for Services	12,239	12,239	12,240	11,916	(1)	(0.0) %
Operating Transfer Out	516	516	317	5,825	199	38.6 %
<b>Total Expenditures</b>	<b>\$ 3,591,570</b>	<b>\$ 3,591,570</b>	<b>\$ 2,650,036</b>	<b>\$ 2,215,775</b>	<b>\$ 941,534</b>	<b>26.2 %</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,682,470)</b>	<b>\$ (1,682,470)</b>	<b>\$ (124,431)</b>	<b>\$ 598,807</b>	<b>\$ 1,558,039</b>	<b>(92.6) %</b>
Beg. Fund Balance, January 2018	\$ 2,943,350					
Net Change in Fund Balance, December 2018	(124,431)					
<b>Ending Fund Balance, December 2018</b>	<b>\$ 2,818,919</b>					
2018 Budgeted Ending Fund Balance	\$ 1,260,880					



This table presents the status of the projects with the most significant budget impact on the fund:

<b>Fund 103 - Local Street</b>			
<b>Capital Projects Status*</b>			
Name	Annual Budget	YE Actual	Remaining
2018 Local Street Pavement Reconstruction	\$1.8M	\$1.5M	\$0.3M
2018 Citywide Pavement Patching & Overlay	\$0.9M	\$0.4M	\$0.5M
2017 Local Street Reconstruction & Preservation	\$0.7M	\$0.5M	\$0.2M
All Other Projects (1 Other Budgeted)	\$0.1M	\$0.1M	\$0.0M
<b>Total</b>	<b>\$3.4M</b>	<b>\$2.5M</b>	<b>\$0.9M</b>

*\*Components may not sum to total due to rounding.*

**Notes:**

- Several projects were impacted by the Operator’s Union strike and the lack of natural gas in the region, which impacted progress on these projects in the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2018.

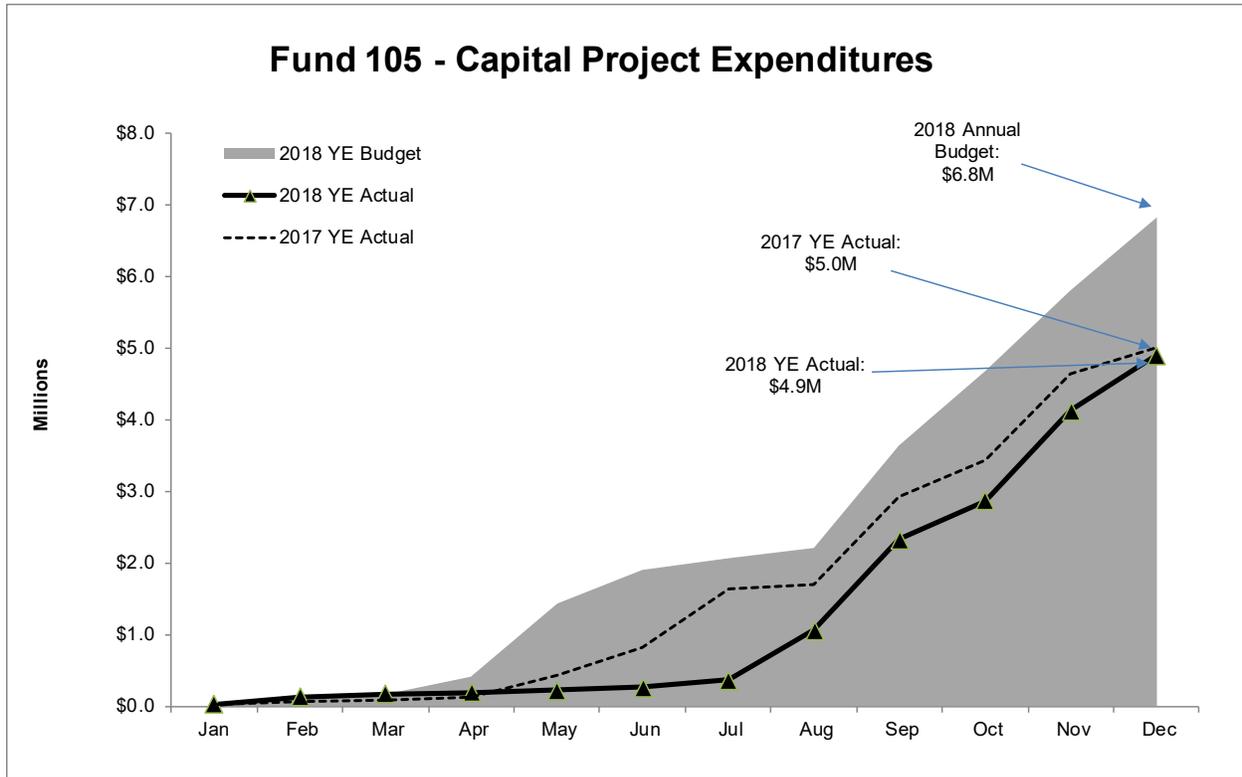
**Fund 105 – Arterial Street Preservation Fund**

The Arterial Street Preservation Fund is a special revenue fund that 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. Major projects budgeted within the Arterial Street Preservation Fund in 2018 include 15<sup>th</sup> Street NE/NW Preservation, South 277<sup>th</sup> Street Preservation, and Citywide Pavement Patching and Overlay. Through Q4-2018, revenues totaled \$4.2 million, approximately \$312,000 higher than the same period last year.

Total expenditures in 2018 were \$4.9 million as compared to \$5.0 million in 2017. Historically, the majority of this fund’s expenditures occur in the second half of each year due to the weather sensitivity of pavement construction (this work needs to be done primarily in the summer and early fall). Highlighted in the table below and shown in the following graph are the fund’s total expenditures related to capital projects.

Fund 105 - Arterial Street Preservation  Summary of Sources and Uses  Report Period: December 2018	2018			2017	2018 YE Budget vs. Actual	
	Annual Budget	YE Budget	YE Actual	YE Actual	Favorable (Unfavorable)	
					Amount	Percentage
<b>Revenues</b>						
City Utility Tax	\$ 700,000	\$ 700,000	\$ 625,159	\$ 648,384	\$ (74,841)	(10.7) %
Electric Utility Tax	715,600	715,600	741,621	738,991	26,021	3.6 %
Natural Gas Utility Tax	201,200	201,200	204,551	214,550	3,351	1.7 %
Cable TV Tax	197,200	197,200	203,565	211,438	6,365	3.2 %
Telephone Utility Tax	281,600	281,600	243,790	275,990	(37,810)	(13.4) %
Garbage Utility Tax (External Haulers)	-	-	22,443	21,639	22,443	
Grants	1,511,840	1,511,840	891,451	1,550,008	(620,389)	(41.0) %
Operating Transfer In	2,212,400	2,212,400	1,221,453	194,915	(990,947)	(44.8) %
Interest Earnings	4,900	4,900	39,029	25,483	34,129	696.5 %
<b>Total Revenues</b>	<b>\$ 5,824,740</b>	<b>\$ 5,824,740</b>	<b>\$ 4,193,062</b>	<b>\$ 3,881,397</b>	<b>\$ (1,631,678)</b>	<b>(28.0) %</b>
<b>Expenditures</b>						
Salary and Benefits	\$ 225,000	\$ 225,000	\$ 387,723	\$ 391,456	\$ (162,723)	(72.3) %
Capital Outlay	6,582,840	6,582,840	4,506,355	4,617,054	2,076,485	31.5 %
Subtotal - Capital Project Expenditures	6,807,840	6,807,840	4,894,078	5,008,510	1,913,762	28.1 %
Supplies	-	-	-	-	-	
Services and Charges	150,000	150,000	-	-	150,000	100.0
Operating Transfer Out	46,100	46,100	-	14,389	46,100	100.0
<b>Total Expenditures</b>	<b>\$ 7,003,940</b>	<b>\$ 7,003,940</b>	<b>\$ 4,894,078</b>	<b>\$ 5,022,898</b>	<b>\$ 2,109,862</b>	<b>30.1 %</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,179,200)</b>	<b>\$ (1,179,200)</b>	<b>\$ (701,016)</b>	<b>\$ (1,141,501)</b>	<b>\$ 478,184</b>	<b>(40.6) %</b>

Beg. Fund Balance, January 2018	\$ 2,039,837
Net Change in Fund Balance, December 2018	(701,016)
<b>Ending Fund Balance, December 2018</b>	<b>\$ 1,338,821</b>
2018 Budgeted Ending Fund Balance	\$ 860,637



This table presents the status of the projects with the most significant impacts on the fund:

Fund 105 - Arterial Street Preservation			
Capital Projects Status*			
Name	Annual Budget	YE Actual	Remaining
15th St NE/NW Preservation	\$2.7M	\$2.5M	\$0.2M
S 277th Street Preservation	\$1.4M	\$0.8M	\$0.5M
2018 Citywide Pavement and Patching Overlay	\$1.7M	\$0.9M	\$0.9M
All Other Projects (4 Others Budgeted)	\$1.0M	\$0.6M	\$0.3M
<b>Total</b>	<b>\$6.8M</b>	<b>\$4.9M</b>	<b>\$1.9M</b>

\*Components may not sum to total due to rounding.

**Notes:**

- Several projects were impacted by the Operator’s Union strike and the lack of natural gas in the region, which impacted progress on these projects in the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2018.

**Fund 124 – Mitigation Fees**

The Mitigation Fees Fund is a special revenue fund funded from revenues from fees for new development that are assessed at the time applications are received for development activity. These funds are used to address costs associated with City growth.

The fund houses two types of revenues: mitigation fees and impact fees. Mitigation fees are variable charges collected as a result of State Environmental Policy Act (SEPA) reviews and the City’s determination that a project must pay additional fees to compensate for a unique effect that it has on the community. Impact fees are set charges collected automatically for a variety of projects. These fees are adopted annually by the City Council based on projects anticipated in the Capital Facilities plan over the next six years.

In 2018, revenues were 27.4% below budget expectations. This variance is largely due to a decrease in single-family housing development, which is the source of parks impact fees and a significant source of transportation impact fees. Additionally, the remaining balance of the budgeted transfer-in of \$400,000 from the Capital Improvement Projects fund will be carried forward to 2019. This transfer is to pay for traffic impact fees associated with two multifamily development proposals: Auburn Apartments and Auburn Senior Living. Expenditures were also below budget due to the timing of capital projects funded by these revenues.

Fund 124 - Mitigation Fees Summary of Sources and Uses	BUDGET			YE Actuals		
			Ending			Ending
	Revenues	Expenditures	Fund Balance	Revenues	Expenditures	Fund Balance
Report Period Through: December 2018						
Transportation Impact Fees	\$ 800,000	\$ 1,498,517	\$ 4,517,955	\$ 457,831	\$ 598,350	\$ 5,075,950
Transportation Mitigation Fees	-	188,800	45,505	-	117,700	116,605
Fire Impact Fees	100,000	50,000	136,373	192,135	50,000	228,508
Fire Mitigation Fees	-	-	81	-	-	81
Parks Impact Fees	600,000	1,177,000	4,753,136	390,250	210,447	5,509,939
Parks Mitigation Fees	-	-	335,302	-	-	335,302
School Impact Admin Fees	12,000	-	68,115	9,369	-	65,484
Wetland Mitigation Fees	-	31,600	38,061	-	-	69,661
Interest and Investment Income	8,200	-	8,200	211,060	-	211,060
Fees in Lieu of Improvements	-	100,000	23,313	-	-	123,313
Operating Transfers-In	400,000	-	400,000	133,800	-	133,800
<b>Total</b>	<b>\$ 1,920,200</b>	<b>\$ 3,045,917</b>	<b>\$ 10,326,041</b>	<b>\$ 1,394,445</b>	<b>\$ 976,498</b>	<b>\$ 11,869,702</b>

Beginning Fund Balance, January 2018	\$ 11,451,755
Net Change in Fund Balance, December 2018	417,947
<b>Ending Fund Balance, December 2018</b>	<b>\$ 11,869,702</b>
2018 Budgeted Ending Fund Balance	\$ 10,326,041

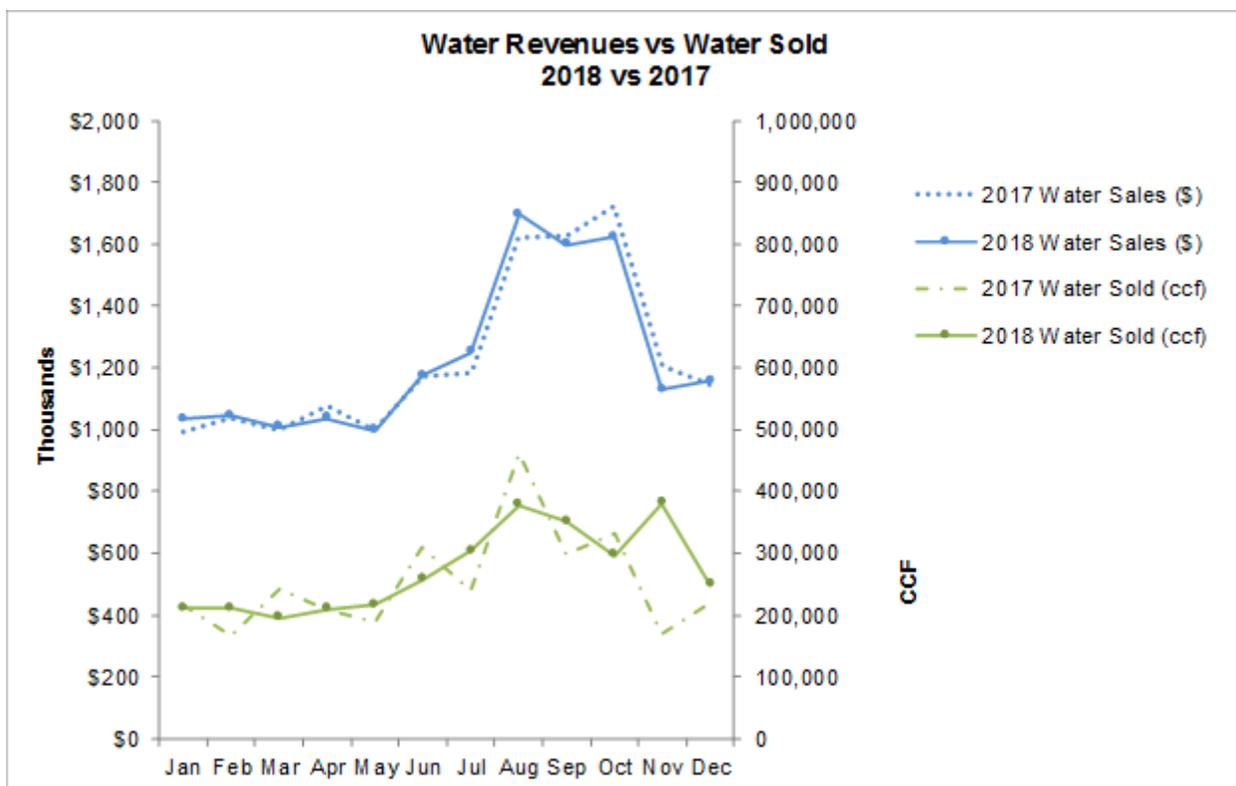
### Enterprise Funds

Detailed income and expense statements for Enterprise and Internal Service funds can be found in an attachment at the end of this report. The attachment provides operating and – as applicable – capital fund reports for these funds showing budget, actuals, and variances. Operating funds house all the operating costs along with debt service and financing obligations. Capital funds show costs associated with capital acquisition and construction. Both the operating and capital funds 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 exactly how much working capital is available for current and planned projects.

Starting in January 2019, all City utilities transitioned to a monthly billing schedule. In order to facilitate this change, utility billing for services provided through December 2018 occurred in January 2019 and included additional days in most billing cycles than had previously been included. This resulted in higher than normal fourth quarter billings, and also resulted in a larger than usual proportion of billing revenue being accrued in 2018 from January 2019 billings. This is expected to be a one-time variance, with Q4-2019 revenue anticipated to more closely match historical performance, and net adjustments decreasing proportionately.

In 2018 the **Water Utility** had operating income before depreciation of \$5.8 million as compared with \$5.7 million during 2017. Water Fund operating revenues were about \$280,000 below expectations. Operating expenditures were about \$3.2 million below budget due primarily to \$1.4 million in budgeted Tacoma water purchases that were not needed as well as underexpenditures in professional services and miscellaneous expenses.

Water sales by volume in 2018 totaled 3.25 million hundred cubic feet (ccf), as compared to 3.05 million ccf in 2017. For many years, the Water utility has seen a general trend of decreased year-over-year consumption per account due largely to conservation efforts and appliance efficiency improvements. Additionally, the City has not provided water to Water District #111 since its take-or-pay agreement expired and the Interlocal Agreement was amended at the end of 2016. However, the overall volume of water consumption has increased due to City growth, offsetting lower per-account consumption. Also, the Q4-2018 billings saw increased consumption amounts due to additional days being included in the billing cycle as noted above. The largest growth in consumption by volume was seen in single family and manufacturing accounts. Consumption billing has also seen lower adjustments, both in number and volume, since the implementation of the Advanced Metering Infrastructure (AMI) project.



The **Sewer Utility** finished 2018 with operating income before depreciation of \$1.8 million as compared to operating income of \$2.2 million in 2017. Operating revenues were higher than projected due to increased fourth quarter billings, exceeding annual budget by about \$190,000 while expenditures were about \$640,000 below budget.

The **Stormwater Utility** ended 2018 with operating income before depreciation of \$2.2 million compared with \$2.6 million in 2017. Period 13 entries resulted in a \$600,000 favorable adjustment to working capital, of which \$330,000 was for January billings accrued back for December services. Revenues exceeded expectations, mainly due to the performance of City storm charges; investment income also performed well above budget projections.

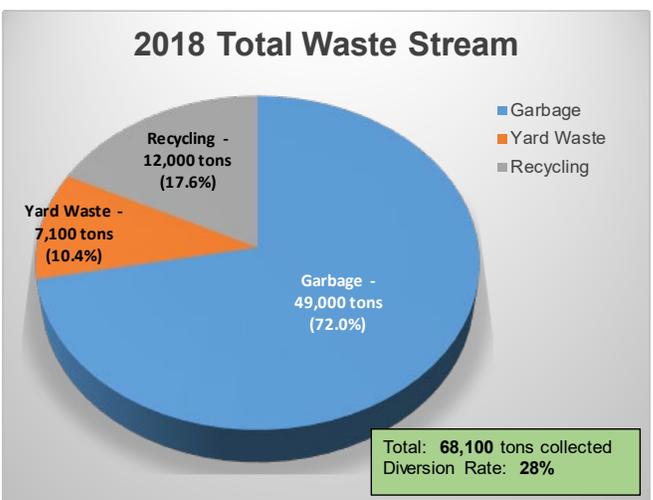
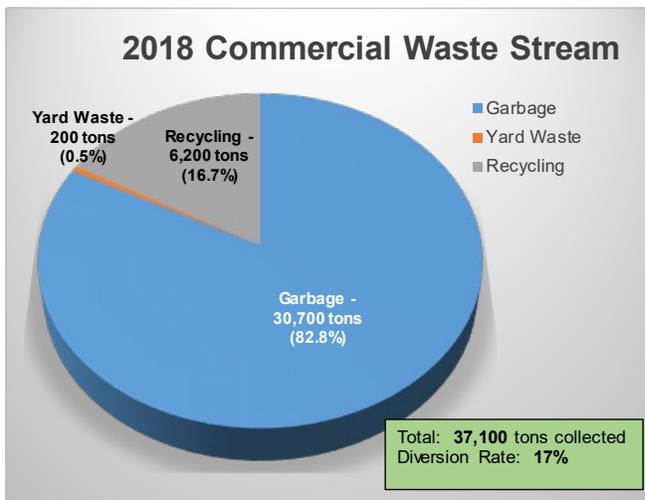
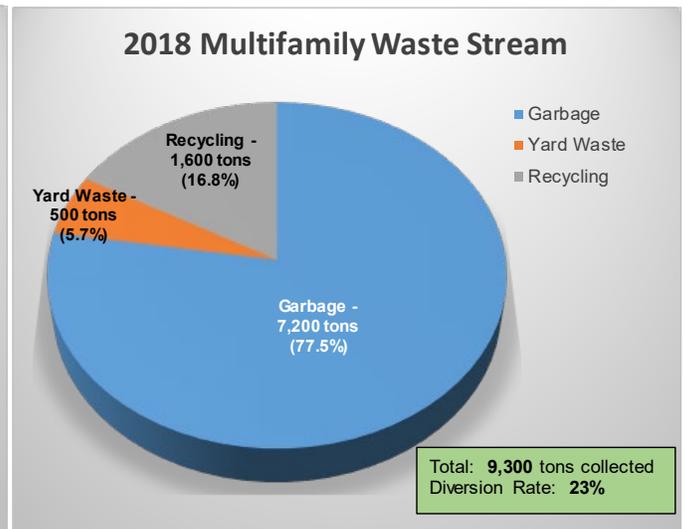
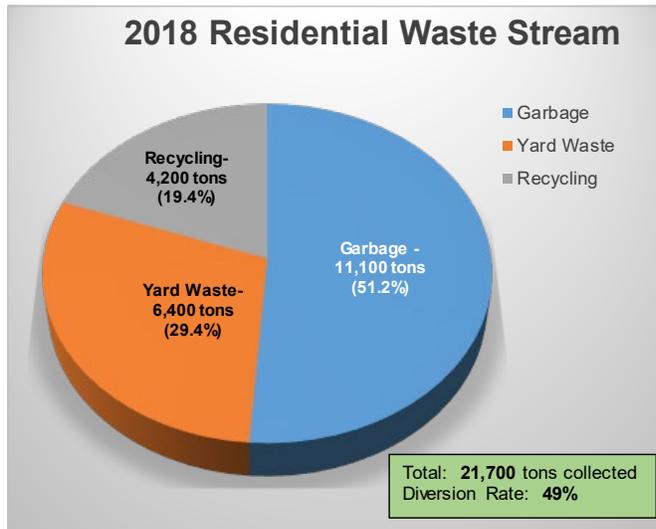
In 2018, the **Solid Waste Utility** Fund had \$15.5 million in operating revenues, compared to \$15.3 million in operating expenditures. The City of Auburn’s Solid Waste services are outsourced to Waste Management and to Republic Services, who manages the contract for the annexed areas. As of December 2018, Waste Management serviced 15,474 customers (79% of customers) and Republic Services serviced 4,103 customers (21% of customers).

The current mix of customer account types is:

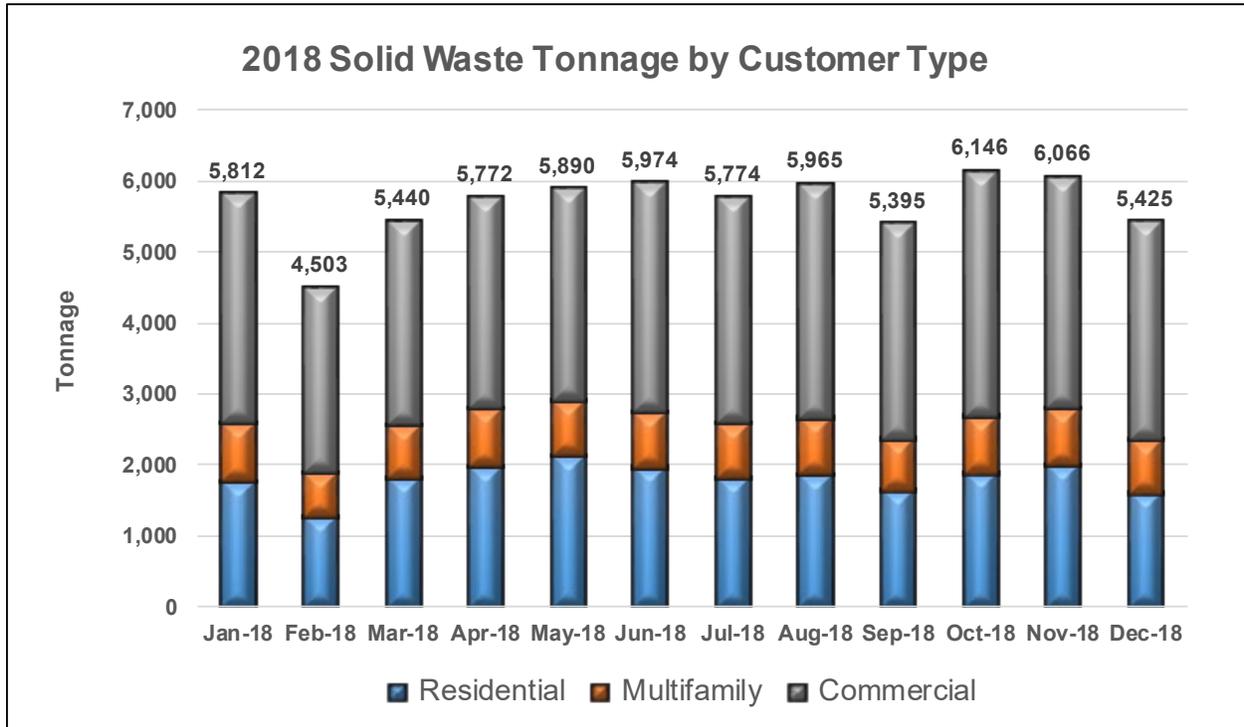
- 90% Residential
- 8% Commercial
- 2% Multifamily

The “diversion rate” is a measure of how much generated waste is not sent to the landfill; i.e., waste that is either recycled or collected yard waste. Through Q4-2018, the total diversion rate was 28%, which represents a total of 19,100 tons of waste that was diverted from landfills.

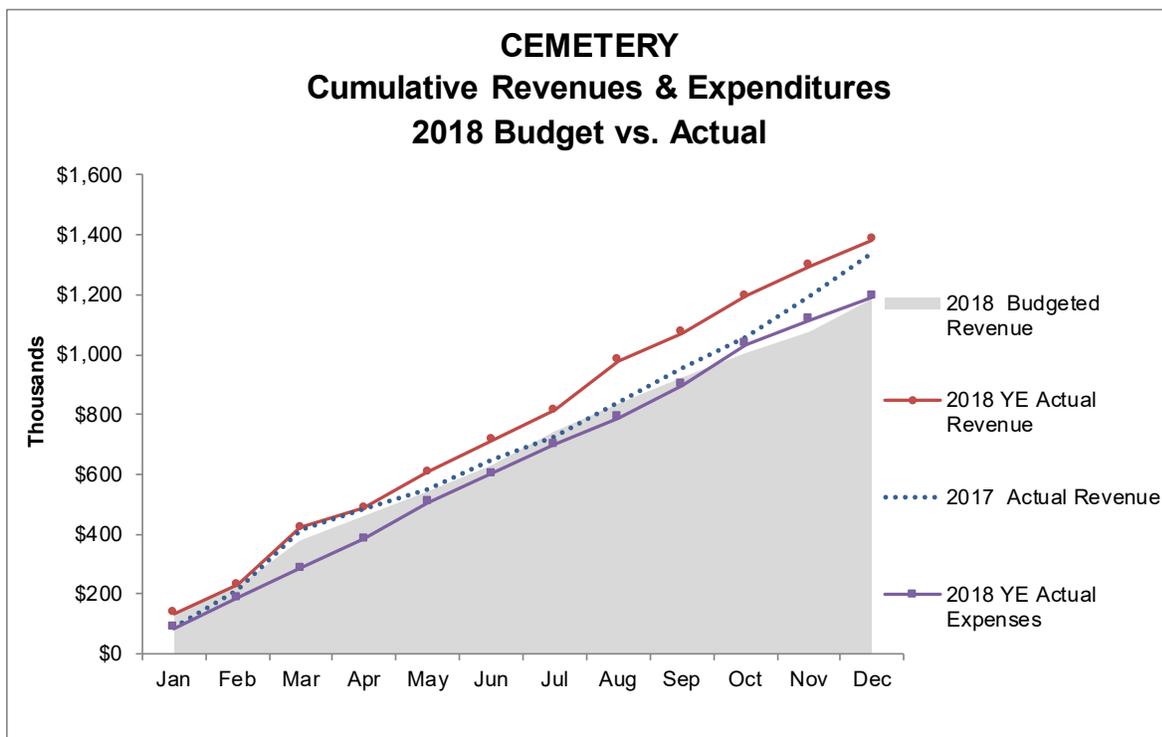
**2018 Tons Collected and Diversion Rates:**



Of the total tonnage collected through Q4-2018, 32% was collected from residential customers, 14% from multifamily customers, and 54% from commercial customers, as shown in the following graph.



In 2018 the **Cemetery Fund** experienced operating income of \$190,000, as compared with an operating income of \$220,000 in 2017, mainly due to increased operating expenditures in 2018. In 2018, revenues for the fund were nearly \$450,000 over budget expectations.



**Internal Service Funds**

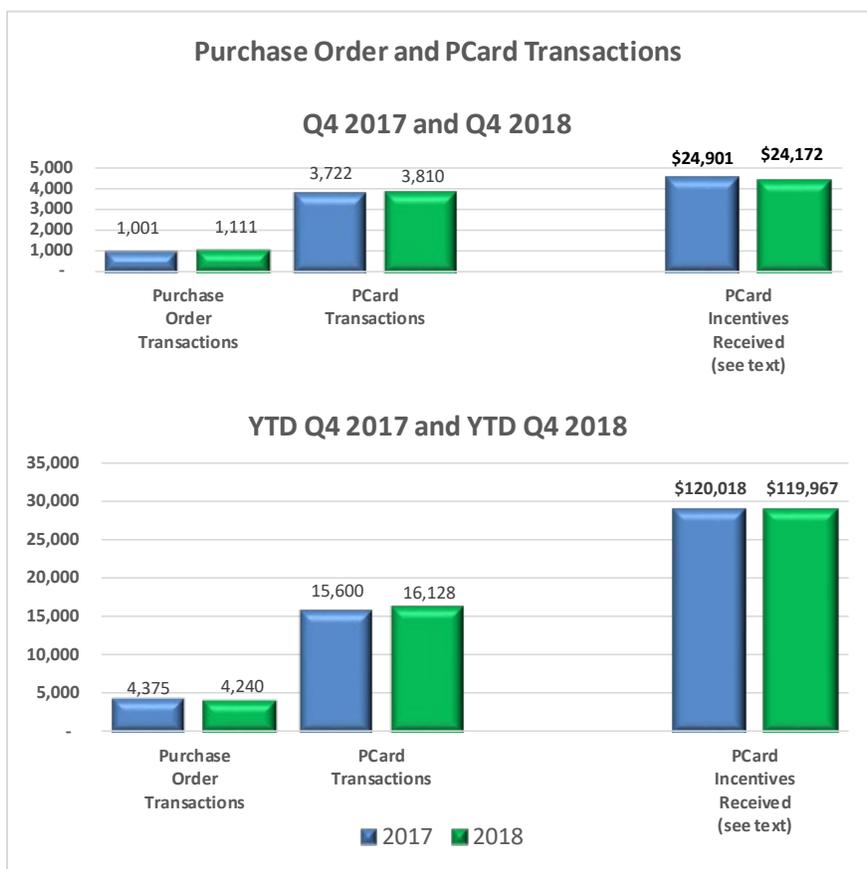
Operating expenditures within the **Insurance** Fund represent the premium cost pool that will be allocated monthly to other City funds over the course of 2018. As a result, the expenditure balance gradually diminishes each month throughout the year. In 2018, unemployment claims were about \$180,000, or 75.8%, below budget.

No significant variances are reported in the **Workers' Compensation, Facilities, Innovation & Technology**, or **Equipment Rental** Funds.

**P-Card Statistics**

The City has been actively promoting the use of P-Cards in lieu of purchase orders to minimize effort and maximize incentive payments from the vendor and the State. In Q4-2018, 3,810 P-Card transactions were processed as compared with 1,111 purchase order transactions. A comparison of transactions continues to show increasing use of P-Cards relative to purchase orders.

Total incentive payments received from US Bank in Q4-2018 totaled \$24,172. These are estimated payments since the quarterly rebate checks are not actually received until the next quarter. Additionally, there is an annual incentive payment from the State that is received in Q2 of each year. The annual State incentive payment for 2017 was \$24,693 and was received in April of 2018.



**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](mailto:scoleman@auburnwa.gov).

**City of Auburn  
Investment Portfolio Summary  
December 31, 2018**

Investment Type	Purchase Date	Purchase Price	Maturity Date	Yield to Maturity
State Investment Pool	Various	\$ 101,513,214	Various	2.37%
KeyBank Money Market	Various	6,517,960	Various	0.15%
OpusBank Public Interest Acct	Various	10,218,137	Various	2.45%
FNMA	3/11/2016	998,844	2/22/2019	1.20%
FHLB	2/28/2018	2,000,000	2/28/2023	2.65%
FFCB	5/21/2018	2,000,000	10/21/2019	2.48%
FAMCA	6/27/2018	2,000,000	7/16/2020	2.50%
FFCB	7/16/2018	2,000,000	7/16/2020	2.60%
TX ST-BABs-A	8/8/2018	1,769,425	4/1/2020	2.68%
FFCB	8/27/2018	1,999,360	2/23/2021	2.70%
RFCSP	10/5/2018	4,999,846	10/15/2019	2.69%
RFCSP	12/14/2018	4,999,181	7/15/2020	2.73%
Total Cash & Investments		<u><u>\$ 141,015,967</u></u>		<u><u>2.309%</u></u>

Investment Mix	% of Total	Summary	
State Investment Pool	72.0%	Current 6-month treasury rate	2.54%
KeyBank Money Market	4.6%	Current State Pool rate	2.37%
OpusBank Public Interest Acct	7.2%	KeyBank Money Market	0.15%
FNMA	0.7%	OpusBank Public Interest Acct	2.45%
FHLB	1.4%	Blended Auburn rate	2.31%
FFCB	4.3%		
FAMCA	1.4%		
TX ST-BABs-A	1.3%		
RFCSP	7.1%		
	<u><u>100.0%</u></u>		

**SALES TAX SUMMARY**  
**DECEMBER 2018 SALES TAX DISTRIBUTIONS (FOR OCTOBER 2018 RETAIL ACTIVITY)**

NAICS	CONSTRUCTION	2017 Annual Total (Nov '16-Oct '17)	2017 YTD (Nov '16-Oct '17)	2018 YTD (Nov '17-Oct '18)	YTD % Diff
236	Construction of Buildings	1,503,231	1,503,231	1,257,918	-16.3%
237	Heavy and Civil Construction	209,928	209,928	170,543	-18.8%
238	Specialty Trade Contractors	918,947	918,947	881,157	-4.1%
<b>TOTAL CONSTRUCTION</b>		<b>\$ 2,632,107</b>	<b>\$ 2,632,107</b>	<b>\$ 2,309,617</b>	<b>-12.3%</b>
<i>Overall Change from Previous Year</i>				<b>\$ (322,490)</b>	

NAICS	MANUFACTURING	2017 Annual Total (Nov '16-Oct '17)	2017 YTD (Nov '16-Oct '17)	2018 YTD (Nov '17-Oct '18)	YTD % Diff
311	Food Manufacturing	4,642	4,642	7,745	66.8%
312	Beverage and Tobacco Products	7,842	7,842	12,379	57.9%
313	Textile Mills	264	264	559	112.0%
314	Textile Product Mills	1,501	1,501	1,860	24.0%
315	Apparel Manufacturing	227	227	347	52.8%
316	Leather and Allied Products	46	46	221	383.2%
321	Wood Product Manufacturing	16,528	16,528	16,224	-1.8%
322	Paper Manufacturing	15,254	15,254	12,982	-14.9%
323	Printing and Related Support	54,391	54,391	46,020	-15.4%
324	Petroleum and Coal Products	1,040	1,040	9,780	840.5%
325	Chemical Manufacturing	15,982	15,982	12,512	-21.7%
326	Plastics and Rubber Products	8,856	8,856	8,844	-0.1%
327	Nonmetallic Mineral Products	17,749	17,749	21,776	22.7%
331	Primary Metal Manufacturing	818	818	4,065	397.0%
332	Fabricated Metal Product Manufacturing	28,618	28,618	26,115	-8.7%
333	Machinery Manufacturing	18,216	18,216	24,283	33.3%
334	Computer and Electronic Product	32,957	32,957	7,184	-78.2%
335	Electric Equipment, Appliances	1,103	1,103	791	-28.3%
336	Transportation Equipment Manufacturing	385,842	385,842	488,093	26.5%
337	Furniture and Related Products	34,157	34,157	19,899	-41.7%
339	Miscellaneous Manufacturing	31,567	31,567	32,607	3.3%
<b>TOTAL MANUFACTURING</b>		<b>\$ 677,596</b>	<b>\$ 677,596</b>	<b>\$ 754,285</b>	<b>11.3%</b>
<i>Overall Change from Previous Year</i>				<b>\$ 76,690</b>	

NAICS	TRANSPORTATION AND WAREHOUSING	2017 Annual Total (Nov '16-Oct '17)	2017 YTD (Nov '16-Oct '17)	2018 YTD (Nov '17-Oct '18)	YTD % Diff
481	Air Transportation	2	2	3	27.1%
482	Rail Transportation	20,972	20,972	25,453	21.4%
484	Truck Transportation	4,014	4,014	26,564	561.8%
485	Transit and Ground Passengers	-3,390	-3,390	56	-101.7%
488	Transportation Support	51,246	51,246	52,211	1.9%
491	Postal Service	274	274	1,007	267.8%
492	Couriers and Messengers	1,859	1,859	1,359	-26.9%
493	Warehousing and Storage	13,526	13,526	13,554	0.2%
<b>TOTAL TRANSPORTATION</b>		<b>\$ 88,502</b>	<b>\$ 88,502</b>	<b>\$ 120,208</b>	<b>35.8%</b>
<i>Overall Change from Previous Year</i>				<b>\$ 31,706</b>	

NAICS	WHOLESALE TRADE	2017 Annual Total (Nov '16-Oct '17)	2017 YTD (Nov '16-Oct '17)	2018 YTD (Nov '17-Oct '18)	YTD % Diff
423	Wholesale Trade, Durable Goods	1,080,558	1,080,558	1,147,872	6.2%
424	Wholesale Trade, Nondurable	278,097	278,097	315,956	13.6%
425	Wholesale Electronic Markets	4,428	4,428	5,189	17.2%
<b>TOTAL WHOLESALE</b>		<b>\$ 1,363,083</b>	<b>\$ 1,363,083</b>	<b>\$ 1,469,017</b>	<b>7.8%</b>
<i>Overall Change from Previous Year</i>				<b>\$ 105,934</b>	

NAICS	AUTOMOTIVE	2017 Annual Total (Nov '16-Oct '17)	2017 YTD (Nov '16-Oct '17)	2018 YTD (Nov '17-Oct '18)	YTD % Diff
441	Motor Vehicle and Parts Dealer	3,703,385	3,703,385 <sup>b</sup>	3,843,704	3.8%
447	Gasoline Stations	268,146	268,146	278,087	3.7%
<b>TOTAL AUTOMOTIVE</b>		<b>\$ 3,971,531</b>	<b>\$ 3,971,531</b>	<b>\$ 4,121,791</b>	<b>3.8%</b>
<i>Overall Change from Previous Year</i>				<b>\$ 150,259</b>	

NAICS	RETAIL TRADE	2017 Annual Total (Nov '16-Oct '17)	2017 YTD (Nov '16-Oct '17)	2018 YTD (Nov '17-Oct '18)	YTD % Diff
442	Furniture and Home Furnishings	197,226	197,226	209,879	6.4%
443	Electronics and Appliances	211,036	211,036	229,028	8.5%
444	Building Material and Garden	580,347	580,347	576,468	-0.7%
445	Food and Beverage Stores	368,971	368,971	387,928	5.1%
446	Health and Personal Care Store	368,699	368,699	420,087	13.9%
448	Clothing and Accessories	1,118,980	1,118,980 <sup>a</sup>	1,170,083	4.6%
451	Sporting Goods, Hobby, Books	199,717	199,717	220,869	10.6%
452	General Merchandise Stores	992,858	992,858	870,096	-12.4%
453	Miscellaneous Store Retailers	463,719	463,719	689,386	48.7%
454	Nonstore Retailers	370,027	370,027	267,088	-27.8%
<b>TOTAL RETAIL TRADE</b>		<b>\$ 4,871,580</b>	<b>\$ 4,871,580</b>	<b>\$ 5,040,912</b>	<b>3.5%</b>
<i>Overall Change from Previous Year</i>				<b>\$ 169,332</b>	

NAICS	SERVICES	2017 Annual Total (Nov '16-Oct '17)	2017 YTD (Nov '16-Oct '17)	2018 YTD (Nov '17-Oct '18)	YTD % Diff
51*	Information	662,460	662,460	637,625	-3.7%
52*	Finance and Insurance	122,200	122,200	140,135	14.7%
53*	Real Estate, Rental, Leasing	367,828	367,828	367,824	0.0%
541	Professional, Scientific, Tech	238,617	238,617	253,684	6.3%
551	Company Management	13	13	16	22.5%
56*	Admin. Supp., Remed Svcs	276,380	276,380	423,760	53.3%
611	Educational Services	55,506	55,506	47,224	-14.9%
62*	Health Care Social Assistance	74,678	74,678	93,420	25.1%
71*	Arts and Entertainment	109,577	109,577	119,180	8.8%
72*	Accommodation and Food Svcs	1,276,310	1,276,310	1,435,327	12.5%
81*	Other Services	546,059	546,059	560,054	2.6%
92*	Public Administration	182,112	182,112	150,574	-17.3%
<b>TOTAL SERVICES</b>		<b>\$ 3,911,740</b>	<b>\$ 3,911,740</b>	<b>\$ 4,228,822</b>	<b>8.1%</b>
<i>Overall Change from Previous Year</i>				<b>\$ 317,082</b>	

NAICS	MISCELLANEOUS	2017 Annual Total (Nov '16-Oct '17)	2017 YTD (Nov '16-Oct '17)	2018 YTD (Nov '17-Oct '18)	YTD % Diff
000	Unknown	0	0	0	
111-115	Agriculture, Forestry, Fishing	6,486	6,486	3,656	-43.6%
211-221	Mining & Utilities	26,023	26,023	26,370	1.3%
999	Unclassifiable Establishments	32,865	32,865	123,605	276.1%
<b>TOTAL MISCELLANEOUS</b>		<b>\$ 65,374</b>	<b>\$ 65,374</b>	<b>\$ 153,632</b>	<b>135.0%</b>
<i>Overall Change from Previous Year</i>				<b>\$ 88,258</b>	

NAICS	GRAND TOTAL	2017 Annual Total (Nov '16-Oct '17)	2017 YTD (Nov '16-Oct '17)	2018 YTD (Nov '17-Oct '18)	YTD % Diff
<b>GRAND TOTAL</b>		<b>\$ 17,581,514</b>	<b>17,581,514</b>	<b>18,198,285</b>	<b>3.5%</b>
<i>Overall Change from Previous Year</i>				<b>616,771</b>	

Total December 2018 Sales Tax Distributions **\$ 1,506,629**  
Dollar Increase from December 2017 **\$ 77,849**  
Percent Increase from December 2017 **5.4%**

Comparisons:  
December 2017 **\$ 1,428,780**  
December 2016 **\$ 1,352,227**

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

a. WA State Dept of Revenue audit adjustment to sales tax returns for period of April 2017 (adjustment: - \$29,746).

b. WA State Dept of Revenue audit adjustment to sales tax returns for period of October 2017 (adjustment: \$36,668).

OPERATING & CAPITAL FUNDS	ENTERPRISE FUNDS												
	Cash Basis through December 2018	WATER			SEWER			SEWER METRO			STORM		
		Budget	YE Actual	Variance	Budget	YE Actual	Variance	Budget	YE Actual	Variance	Budget	YE Actual	Variance
<b>OPERATING FUND:</b>													
OPERATING REVENUES													
Charges For Service	15,203,431	14,737,073	(466,358)	8,142,100	8,264,733	122,633	18,189,923	17,039,551	(1,150,372)	9,242,676	9,475,305	232,629	
Grants	-	-	-	-	-	-	-	-	-	-	-	-	
Interest Earnings	10,000	158,870	148,870	20,000	88,972	68,972	1,000	23,694	22,694	15,000	84,197	69,197	
Rents, Leases, Concessions, & Other	219,024	251,797	32,773	75,570	71,039	(4,531)	-	-	-	63,226	87,101	23,875	
<b>TOTAL OPERATING REVENUES</b>	<b>15,432,455</b>	<b>15,147,740</b>	<b>(284,715)</b>	<b>8,237,670</b>	<b>8,424,745</b>	<b>187,075</b>	<b>18,190,923</b>	<b>17,063,245</b>	<b>(1,127,678)</b>	<b>9,320,902</b>	<b>9,646,603</b>	<b>325,701</b>	
OPERATING EXPENSES													
Salaries & Wages	2,799,131	2,615,990	183,141	1,808,531	1,787,641	20,890	-	-	-	2,716,743	2,627,378	89,365	
Benefits	1,416,014	1,292,221	123,793	906,551	874,561	31,990	-	-	-	1,396,377	1,304,952	91,425	
Supplies	334,244	307,781	26,463	136,550	137,874	(1,324)	-	-	-	94,550	121,820	(27,270)	
Other Service Charges	5,285,350	2,908,318	2,377,032	3,070,471	2,475,370	595,101	-	-	-	1,847,779	1,478,499	369,280	
Intergovernmental Services (Less Transfers Out)	-	-	-	9,500	13,041	(3,541)	-	-	-	83,000	80,670	2,330	
Waste Management Payments	-	-	-	-	-	-	-	-	-	-	-	-	
Sewer Metro Services	-	-	-	-	-	-	18,250,200	17,326,799	923,401	-	-	-	
Debt Service Interest	1,313,575	775,845	537,730	264,928	264,927	1	-	-	-	350,697	350,697	0	
Interfund Operating Rentals & Supplies	1,422,040	1,422,083	(43)	1,034,321	1,034,316	5	-	-	-	1,444,254	1,444,811	(557)	
<b>TOTAL OPERATING EXPENSES</b>	<b>12,570,354</b>	<b>9,322,237</b>	<b>3,248,117</b>	<b>7,230,852</b>	<b>6,587,730</b>	<b>643,122</b>	<b>18,250,200</b>	<b>17,326,799</b>	<b>923,401</b>	<b>7,933,400</b>	<b>7,408,827</b>	<b>524,573</b>	
<b>OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION</b>	<b>2,862,101</b>	<b>5,825,502</b>	<b>2,963,401</b>	<b>1,006,818</b>	<b>1,837,015</b>	<b>830,197</b>	<b>(59,277)</b>	<b>(263,553)</b>	<b>(204,276)</b>	<b>1,387,502</b>	<b>2,237,776</b>	<b>850,274</b>	
NON-OPERATING REVENUES													
Operating Transfers-in	-	-	-	-	-	-	-	-	-	-	-	-	
Intergovernmental Loan	1,196,600	86,332	(1,110,268)	-	-	-	-	-	-	-	-	-	
Other Non-Operating Revenues	-	-	-	-	-	-	-	-	-	-	-	-	
NON-OPERATING EXPENSES													
Transfer to Capital Subfund	3,796,600	2,686,332	1,110,268	-	-	-	-	-	-	1,200,000	125,000	1,075,000	
Other Operating Transfers-out	279,291	64,068	215,223	253,020	45,244	207,776	-	-	-	369,192	157,589	211,603	
Debt Service Principal	1,760,291	1,506,167	254,124	550,947	550,947	0	-	-	-	425,578	425,578	-	
Net Change in Restricted Net Assets	-	(11,352)	11,352	-	(19,905)	19,905	-	-	-	-	22,404	(22,404)	
Interfund Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-	
Period 13 Adjustments	-	726,016	726,016	-	522,096	522,096	-	798,015	798,015	-	599,845	599,845	
BEGINNING WORKING CAPITAL - January 1, 2018	5,574,972	5,574,972	-	3,609,377	3,609,377	-	3,033,467	3,033,467	-	2,910,117	2,910,117	-	
ENDING WORKING CAPITAL - December 31, 2018	3,797,491	7,967,608	4,170,117	3,812,228	5,392,202	1,579,974	2,974,190	3,567,929	593,739	2,302,849	5,017,168	2,714,319	
NET CHANGE IN WORKING CAPITAL (see Note)	(1,777,481)	2,392,636	4,170,117	202,851	1,782,826	1,579,974	(59,277)	534,461	593,739	(607,268)	2,107,051	2,714,319	
<b>CAPITAL FUND:</b>													
CAPITAL REVENUES													
Interest Revenue	-	19,401	19,401	-	213,430	213,430	-	-	-	-	187,463	187,463	
Grants	152,600	59,093	(93,507)	-	-	-	-	-	-	210,000	24,816	(185,184)	
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	
Other Non-Operating Revenue	-	-	-	-	8,749	8,749	-	-	-	-	-	-	
Increase In Contributions - System Development	1,250,000	285,082	(964,918)	600,000	233,805	(366,195)	-	-	-	600,000	370,826	(229,174)	
Interfund Revenues	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Contributions - FAA	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds of Debt Activity	2,500,000	-	(2,500,000)	-	-	-	-	-	-	-	-	-	
Transfers In from Operating Sub-Fund	3,796,600	2,686,332	(1,110,268)	-	-	-	-	-	-	1,200,000	125,000	(1,075,000)	
Transfer In from Other Funds	200,000	-	(200,000)	-	-	-	-	-	-	-	-	-	
<b>TOTAL CAPITAL REVENUES</b>	<b>7,899,200</b>	<b>3,049,908</b>	<b>(4,849,292)</b>	<b>600,000</b>	<b>455,983</b>	<b>(144,017)</b>				<b>2,010,000</b>	<b>708,106</b>	<b>(1,301,894)</b>	
CAPITAL EXPENSES													
Increase In Fixed Assets - Salaries	307,857	133,388	174,469	87,857	76,379	11,478	-	-	-	95,714	131,653	(35,939)	
Increase In Fixed Assets - Benefits	123,143	61,458	61,685	35,143	34,570	573	-	-	-	38,286	58,112	(19,826)	
Increase In Fixed Assets - Services	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Fixed Assets - Site Improvements	-	42,752	(42,752)	-	-	-	-	-	-	-	-	-	
Increase In Fixed Assets - Equipment	-	-	-	-	18,854	(18,854)	-	-	-	-	-	-	
Increase In Fixed Assets - Construction	6,650,786	2,279,657	4,371,129	2,132,300	290,796	1,841,504	-	-	-	3,192,300	1,351,420	1,840,880	
Operating Transfers Out	50,000	50,000	-	150,000	50,000	100,000	-	-	-	150,000	50,000	100,000	
<b>TOTAL CAPITAL EXPENSES</b>	<b>7,131,786</b>	<b>2,567,255</b>	<b>4,564,531</b>	<b>2,405,300</b>	<b>470,600</b>	<b>1,934,700</b>				<b>3,476,300</b>	<b>1,591,185</b>	<b>1,885,115</b>	
Period 13 Adjustments	-	688	688	-	23,007	23,007	-	-	-	-	25,494	25,494	
BEGINNING WORKING CAPITAL - January 1, 2018	1,485,010	1,485,010	-	12,467,191	12,467,191	-	-	-	-	13,194,888	13,194,888	-	
ENDING WORKING CAPITAL - December 31, 2018	2,252,424	1,968,351	(284,073)	10,661,891	12,475,582	1,813,691	-	-	-	11,728,588	12,337,303	608,715	
NET CHANGE IN WORKING CAPITAL (see Note)	767,414	483,341	(284,073)	(1,805,300)	8,391	1,813,691				(1,466,300)	(857,585)	608,715	
<b>Total Change in Working Capital</b>	<b>(1,010,067)</b>	<b>2,875,977</b>	<b>3,886,044</b>	<b>(1,602,449)</b>	<b>1,791,217</b>	<b>3,393,666</b>	<b>(59,277)</b>	<b>534,461</b>	<b>593,738</b>	<b>(2,073,568)</b>	<b>1,249,466</b>	<b>3,323,034</b>	
(*) Depreciation	3,250,000	3,407,933		2,430,000	2,234,136		-	-		2,210,000	2,067,030		

Working Capital = Current Assets  
minus Current Liabilities

OPERATING & CAPITAL FUNDS	ENTERPRISE FUNDS									INTERNAL SERVICE FUNDS			
	Cash Basis through December 2018	SOLID WASTE			AIRPORT			CEMETERY			INSURANCE		
		Budget	YE Actual	Variance	Budget	YE Actual	Variance	Budget	YE Actual	Variance	Budget	YE Actual	Variance
<b>OPERATING FUND:</b>													
OPERATING REVENUES													
Charges For Service	15,555,350	15,379,517	(175,833)	843,300	939,741	96,441	933,000	1,367,875	434,875	-	-	-	
Grants	88,600	15,862	(72,738)	-	-	-	-	-	-	-	-	-	
Interest Earnings	9,000	94,592	85,592	2,500	16,129	13,629	800	13,015	12,215	1,500	27,223	25,723	
Rents, Leases, Concessions, & Other	-	882	882	3,000	8,590	5,590	-	-	-	-	-	-	
<b>TOTAL OPERATING REVENUES</b>	<b>15,652,950</b>	<b>15,490,854</b>	<b>(162,096)</b>	<b>848,800</b>	<b>964,460</b>	<b>115,660</b>	<b>933,800</b>	<b>1,380,890</b>	<b>447,090</b>	<b>1,500</b>	<b>27,223</b>	<b>25,723</b>	
OPERATING EXPENSES													
Salaries & Wages	339,207	338,300	907	49,200	5,662	43,538	490,917	484,803	6,114	-	-	-	
Benefits	159,496	157,456	2,040	33,700	1,869	31,831	277,863	262,143	15,720	237,000	57,248	179,752	
Supplies	33,400	12,503	20,897	2,500	3,586	(1,086)	221,700	233,733	(12,033)	-	-	-	
Other Service Charges	1,655,795	1,526,393	129,402	588,550	545,161	43,389	157,980	160,890	(2,910)	4,230	52,708	(48,478)	
Intergovernmental Services (Less Transfers Out)	367,050	361,202	5,848	-	-	-	-	-	-	-	-	-	
Waste Management Payments	12,901,000	12,774,505	126,495	-	-	-	-	-	-	-	-	-	
Sewer Metro Services	-	-	-	16,425	7,342	9,083	-	-	-	-	-	-	
Debt Service Interest	-	-	-	1,500	1,500	-	-	-	-	-	-	-	
Interfund Operating Rentals & Supplies	114,279	114,276	3	1,500	1,500	-	48,898	48,900	(2)	-	-	-	
<b>TOTAL OPERATING EXPENSES</b>	<b>15,570,227</b>	<b>15,284,635</b>	<b>285,592</b>	<b>691,875</b>	<b>565,120</b>	<b>126,755</b>	<b>1,197,358</b>	<b>1,190,469</b>	<b>6,889</b>	<b>241,230</b>	<b>109,956</b>	<b>131,274</b>	
<b>OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION</b>	<b>82,723</b>	<b>206,219</b>	<b>123,496</b>	<b>156,925</b>	<b>399,340</b>	<b>242,415</b>	<b>(263,558)</b>	<b>190,421</b>	<b>453,979</b>	<b>(239,730)</b>	<b>(82,733)</b>	<b>156,997</b>	
NON-OPERATING REVENUES													
Operating Transfers-in	-	-	-	-	-	-	250,000	-	(250,000)	-	-	-	
Intergovernmental Loan	-	-	-	-	-	-	-	3,100	3,100	-	-	-	
Other Non-Operating Revenues	-	-	-	-	-	-	-	-	-	-	-	-	
NON-OPERATING EXPENSES													
Transfer to Capital Subfund	-	-	-	5,000	3,040	1,960	1,033	632	401	-	-	-	
Other Operating Transfers-out	-	-	-	175,000	176,402	(1,402)	-	-	-	-	-	-	
Debt Service Principal	-	-	-	-	(176,886)	176,886	-	3,100	(3,100)	-	-	-	
Net Change in Restricted Net Assets	-	-	-	40,100	40,573	(473)	-	-	-	-	-	-	
Interfund Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-	
Period 13 Adjustments	-	392,966	392,966	-	(187,901)	(187,901)	-	46,081	46,081	-	(241)	(241)	
BEGINNING WORKING CAPITAL - January 1, 2018	5,083,854	5,083,854	-	422,608	422,608	-	514,788	514,788	-	2,015,500	2,015,500	-	
ENDING WORKING CAPITAL - December 31, 2018	5,166,577	5,683,039	516,462	359,433	590,918	231,485	500,197	750,658	250,461	1,775,770	1,932,526	156,756	
NET CHANGE IN WORKING CAPITAL (see Note)	82,723	599,185	516,462	(63,175)	168,310	231,485	(14,591)	235,870	250,461	(239,730)	(82,975)	156,756	
<b>CAPITAL FUND:</b>													
CAPITAL REVENUES													
Interest Revenue	-	-	-	-	4,270	4,270	-	4,807	4,807	-	-	-	
Grants	-	-	-	-	-	-	-	-	-	-	-	-	
Contributions	-	-	-	44,467	-	(44,467)	-	-	-	-	-	-	
Other Non-Operating Revenue	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Contributions - System Development	-	-	-	-	-	-	-	-	-	-	-	-	
Interfund Revenues	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Contributions - FAA	-	-	-	786,000	18,896	(767,104)	-	-	-	-	-	-	
Proceeds of Debt Activity	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers In from Operating Sub-Fund	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer In from Other Funds	-	-	-	-	-	-	75,000	7,558	(67,442)	-	-	-	
<b>TOTAL CAPITAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>830,467</b>	<b>23,166</b>	<b>(807,301)</b>	<b>75,000</b>	<b>12,365</b>	<b>(62,635)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
CAPITAL EXPENSES													
Increase In Fixed Assets - Salaries	-	-	-	106,429	626	105,803	-	-	-	-	-	-	
Increase In Fixed Assets - Benefits	-	-	-	42,571	234	42,337	-	-	-	-	-	-	
Increase In Fixed Assets - Services	-	-	-	-	-	-	-	33	(33)	-	-	-	
Increase In Fixed Assets - Site Improvements	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Fixed Assets - Equipment	-	-	-	-	-	-	12,000	8,207	3,793	-	-	-	
Increase In Fixed Assets - Construction	-	-	-	829,034	123,130	705,904	63,000	9,808	53,192	-	-	-	
Operating Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL CAPITAL EXPENSES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>978,034</b>	<b>123,990</b>	<b>854,044</b>	<b>75,000</b>	<b>18,048</b>	<b>56,952</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Period 13 Adjustments	-	-	-	-	51,732	51,732	-	(2)	(2)	-	-	-	
BEGINNING WORKING CAPITAL - January 1, 2018	260,972	260,972	-	260,972	260,972	-	259,037	259,037	-	-	-	-	
ENDING WORKING CAPITAL - December 31, 2018	113,405	211,881	98,476	113,405	211,881	98,476	259,037	253,352	(5,685)	-	-	-	
NET CHANGE IN WORKING CAPITAL (see Note)	(147,567)	(49,091)	98,476	(147,567)	(49,091)	98,476	-	(5,685)	(5,685)	-	-	-	
<b>Total Change in Working Capital</b>	<b>82,723</b>	<b>599,185</b>	<b>516,462</b>	<b>(210,742)</b>	<b>119,219</b>	<b>329,961</b>	<b>(14,591)</b>	<b>230,185</b>	<b>244,776</b>	<b>(239,730)</b>	<b>(82,975)</b>	<b>156,755</b>	
(*) Depreciation	19,500	18,819	(681)	481,000	435,848	(45,152)	51,000	33,212	(17,788)	-	-	-	

Working Capital = Current Assets  
minus Current Liabilities

OPERATING & CAPITAL FUNDS	INTERNAL SERVICE FUNDS												
	Cash Basis through December 2018	WORKER'S COMPENSATION			FACILITIES			INNOVATION & TECHNOLOGY			EQUIPMENT RENTAL		
		Budget	YE Actual	Variance	Budget	YE Actual	Variance	Budget	YE Actual	Variance	Budget	YE Actual	Variance
<b>OPERATING FUND:</b>													
OPERATING REVENUES													
Charges For Service	1,008,100	1,006,588	(1,512)	3,463,200	3,587,430	124,230	6,212,031	6,230,043	18,012	2,260,325	2,266,258	5,933	
Grants	-	-	-	49,900	-	(49,900)	-	-	-	-	-	-	
Interest Earnings	2,600	35,623	33,023	8,800	39,431	30,631	5,500	41,568	36,068	-	62,112	62,112	
Rents, Leases, Concessions, & Other	93,000	23,473	(69,527)	-	-	-	-	1,248	1,248	-	164,934	164,934	
<b>TOTAL OPERATING REVENUES</b>	<b>1,103,700</b>	<b>1,065,684</b>	<b>(38,016)</b>	<b>3,521,900</b>	<b>3,626,861</b>	<b>104,961</b>	<b>6,217,531</b>	<b>6,272,859</b>	<b>55,328</b>	<b>2,260,325</b>	<b>2,493,305</b>	<b>232,980</b>	
OPERATING EXPENSES													
Salaries & Wages	80,132	77,782	2,350	678,651	631,792	46,859	1,909,554	1,819,243	90,311	628,983	607,588	21,395	
Benefits	367,336	170,680	196,656	383,710	353,073	30,637	887,603	832,179	55,424	331,116	309,540	21,576	
Supplies	-	-	-	140,220	119,274	20,946	464,650	320,465	144,185	1,081,000	798,391	282,609	
Other Service Charges	415,215	267,948	147,267	2,196,862	1,710,362	486,500	3,035,130	2,531,735	503,395	435,180	531,694	(96,514)	
Intergovernmental Services (Less Transfers Out)	-	-	-	-	-	-	-	-	-	-	-	-	
Waste Management Payments	-	-	-	-	-	-	-	-	-	-	-	-	
Sewer Metro Services	-	-	-	-	-	-	-	-	-	2,618	2,733	(115)	
Debt Service Interest	-	-	-	-	-	-	-	-	-	-	-	-	
Interfund Operating Rentals & Supplies	-	-	-	143,811	143,808	3	190,795	190,800	(5)	220,212	220,332	(120)	
<b>TOTAL OPERATING EXPENSES</b>	<b>862,683</b>	<b>516,410</b>	<b>346,273</b>	<b>3,543,254</b>	<b>2,958,309</b>	<b>584,945</b>	<b>6,487,732</b>	<b>5,694,422</b>	<b>793,310</b>	<b>2,699,109</b>	<b>2,470,279</b>	<b>228,830</b>	
<b>OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION</b>	<b>241,017</b>	<b>549,273</b>	<b>308,256</b>	<b>(21,354)</b>	<b>668,552</b>	<b>689,906</b>	<b>(270,201)</b>	<b>578,437</b>	<b>848,638</b>	<b>(438,784)</b>	<b>23,026</b>	<b>461,810</b>	
NON-OPERATING REVENUES													
Operating Transfers-in				255,000	247,266	(7,734)	1,032,496	250,430	(782,066)	150,000	150,000	-	
Intergovernmental Loan													
Other Non-Operating Revenues													
NON-OPERATING EXPENSES													
Transfer to Capital Subfund													
Other Operating Transfers-out				911,939	834,590	77,349	60,500	11,617	48,883	-	-	-	
Debt Service Principal													
Net Change in Restricted Net Assets				-	300	(300)	-	-	-	-	(177,345)	177,345	
Interfund Loan Repayment													
Period 13 Adjustments	-	(1,001,451)	(1,001,451)	-	11,145	11,145	-	172,009	172,009	-	(38,331)	(38,331)	
BEGINNING WORKING CAPITAL - January 1, 2018	1,625,120	1,625,120	-	1,741,924	1,741,924	-	1,804,816	1,804,816	-	3,110,811	3,110,811	-	
ENDING WORKING CAPITAL - December 31, 2018	1,866,137	1,172,942	(693,195)	1,063,631	1,833,997	770,366	2,506,611	2,794,074	287,463	2,822,027	3,422,851	600,824	
NET CHANGE IN WORKING CAPITAL (see Note)	241,017	(452,178)	(693,195)	(678,293)	92,073	770,366	701,795	989,259	287,463	(288,784)	312,040	600,824	
<b>CAPITAL FUND:</b>													
CAPITAL REVENUES													
Interest Revenue							-	30,117	30,117	-	69,825	69,825	
Grants													
Contributions													
Other Non-Operating Revenue													
Increase In Contributions - System Development													
Interfund Revenues										1,703,631	1,703,628	(3)	
Increase In Contributions - FAA													
Proceeds of Debt Activity													
Transfers In from Operating Sub-Fund													
Transfer In from Other Funds							172,300	4,147	(168,153)	1,035,858	244,322	(791,536)	
<b>TOTAL CAPITAL REVENUES</b>							<b>172,300</b>	<b>34,264</b>	<b>(138,036)</b>	<b>2,739,489</b>	<b>2,017,776</b>	<b>(721,713)</b>	
CAPITAL EXPENSES													
Increase In Fixed Assets - Salaries							-	-	-	-	-	-	
Increase In Fixed Assets - Benefits							-	-	-	-	-	-	
Increase In Fixed Assets - Services							-	-	-	-	-	-	
Increase In Fixed Assets - Site Improvements							-	-	-	-	-	-	
Increase In Fixed Assets - Equipment							928,100	179,722	748,378	1,720,951	1,674,477	46,474	
Increase In Fixed Assets - Construction							171,600	171,232	368	800,100	68,664	731,436	
Operating Transfers Out							-	-	-	-	-	-	
<b>TOTAL CAPITAL EXPENSES</b>							<b>1,099,700</b>	<b>350,954</b>	<b>748,746</b>	<b>2,521,051</b>	<b>1,743,141</b>	<b>777,910</b>	
Period 13 Adjustments							-	5,937	5,937	-	41,689	41,689	
BEGINNING WORKING CAPITAL - January 1, 2018							1,837,285	1,837,285	-	3,453,808	3,453,808	-	
ENDING WORKING CAPITAL - December 31, 2018							909,885	1,526,533	616,648	3,672,246	3,770,132	97,886	
NET CHANGE IN WORKING CAPITAL (see Note)							(927,400)	(310,752)	616,648	218,438	316,324	97,886	
<b>Total Change in Working Capital</b>	<b>241,017</b>	<b>(452,178)</b>	<b>(693,195)</b>	<b>(678,293)</b>	<b>92,073</b>	<b>770,366</b>	<b>(225,605)</b>	<b>678,506</b>	<b>904,111</b>	<b>(70,346)</b>	<b>628,364</b>	<b>698,710</b>	
(*) Depreciation	-	-	-	-	-	-	726,000	462,540	-	987,000	1,172,807	-	

Working Capital = Current Assets  
minus Current Liabilities