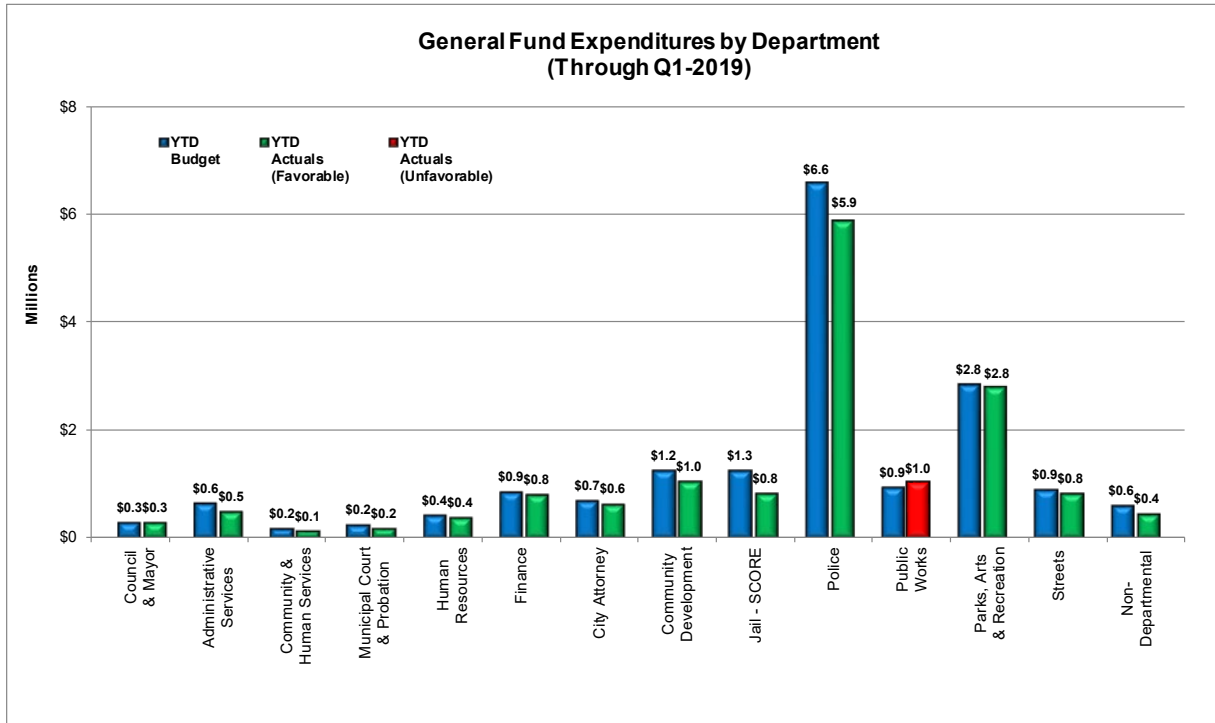
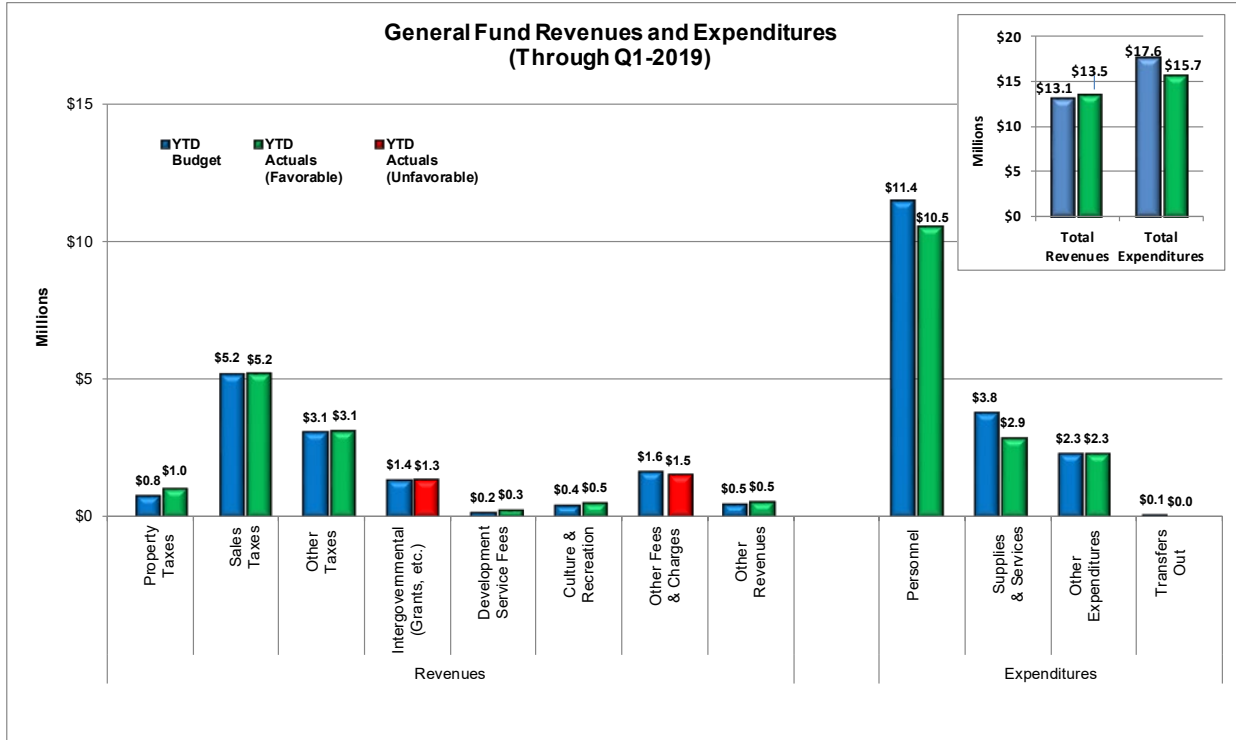




AGENDA BILL APPROVAL FORM

Agenda Subject: 1 st Quarter 2019 Financial Report		Date: June 19, 2019
Department: Finance	Attachments: Quarterly Financial Report	Budget Impact: \$0
Administrative Recommendation: For discussion only.		
<p>Background Summary:</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 March 2019 status report based on financial data available as of April 24, 2019 for the period ending March 31, 2019 and sales tax information representing business activity that occurred through January 2019.</p>		
		Staff: Coleman
Meeting Date: June 24, 2019		Item Number:

General Fund Summary



General Fund Summary of Sources and Uses	Page Ref	2019			2018	2019 YTD Budget vs. Actual	
		Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable) Amount	Percentage
Operating Revenues							
Property Tax	6	\$ 21,550,000	\$ 789,300	\$ 1,026,973	\$ 701,388	\$ 237,673	30.1 %
Retail Sales Tax	7-8	18,435,100	4,608,900	4,579,062	4,060,293	(29,838)	(0.6) %
Sales Tax - Pierce County Parks		105,500	25,800	27,327	25,077	1,527	5.9 %
Sales Tax - Annexation Credit		-	-	-	555,453	0	N/A %
Criminal Justice Sales Tax		2,162,000	528,800	596,048	550,711	67,248	12.7 %
Brokered Natural Gas Tax		137,900	43,000	54,596	40,558	11,596	27.0 %
City Utilities Tax	8-9	4,035,600	939,700	964,586	889,631	24,886	2.6 %
Admissions Tax		398,000	99,600	102,303	96,945	2,703	2.7 %
Electric Tax	8-9	3,558,100	870,800	880,133	936,682	9,333	1.1 %
Natural Gas Tax	8-9	1,008,000	212,300	234,053	270,367	21,753	10.2 %
Cable Franchise Fee	10	950,500	244,600	240,214	253,732	(4,386)	(1.8) %
Cable Utility Tax	11	1,020,000	255,000	249,189	266,594	(5,811)	(2.3) %
Cable Franchise Fee - Capital		65,000	16,250	16,235	13,975	(15)	(0.1) %
Telephone Tax	8-9	1,177,900	296,200	228,262	352,969	(67,938)	(22.9) %
Garbage Tax (external)	8-9	134,400	33,600	36,017	32,961	2,417	7.2 %
Leasehold Excise Tax		50,000	12,500	12,952	12,369	452	3.6 %
Gambling Excise Tax		415,500	57,000	92,614	76,612	35,614	62.5 %
Taxes sub-total		\$ 55,203,500	\$ 9,033,350	\$ 9,340,564	\$ 9,136,315	\$ 307,214	3.4 %
Business License Fees	11-12	\$ 210,000	\$ 110,600	\$ 85,514	\$ 180,415	(25,086)	(22.7) %
Building Permits	13	1,070,000	295,000	105,394	268,673	(189,606)	(64.3) %
Other Licenses & Permits		557,900	129,000	158,412	133,653	29,412	22.8 %
Intergovernmental (Grants, etc.)	14	5,782,600	1,350,515	1,321,423	1,468,342	(29,092)	(2.2) %
Charges for Services:	15-18						
General Government Services	15	2,579,200	644,700	647,052	22,144	2,352	0.4 %
Public Safety	16	1,111,000	234,975	257,891	218,947	22,916	9.8 %
Development Services Fees	16-17	805,000	157,400	265,405	152,822	108,005	68.6 %
Culture and Recreation	17-18	2,409,980	436,000	524,314	489,855	88,314	20.3 %
Fines and Penalties	18-19	859,500	229,200	238,267	243,919	9,067	4.0 %
Fees/Charges/Fines sub-total		\$ 15,385,180	\$ 3,587,390	\$ 3,603,672	\$ 3,178,770	\$ 16,282	0.5 %
Interest and Investment Earnings	20	\$ 348,700	\$ 87,000	\$ 91,120	\$ 74,666	4,120	4.7 %
Rents and Leases	20	849,300	219,300	229,036	265,221	9,736	4.4 %
Contributions and Donations	20	25,000	4,600	11,464	9,937	6,864	149.2 %
Other Miscellaneous	20	228,400	75,000	117,736	70,624	42,736	57.0 %
Transfers In		80,906	80,906	80,906	74,000	0	0.0 %
Insurance Recoveries - Capital & Operating		25,000	6,250	17,664	2,732	11,414	182.6 %
Other Revenues sub-total		\$ 1,557,306	\$ 473,056	\$ 547,926	\$ 497,180	\$ 74,870	15.8 %
Total Operating Revenues		\$ 72,145,986	\$ 13,093,796	\$ 13,492,162	\$ 12,812,266	\$ 398,366	3.0 %
Operating Expenditures							
Council & Mayor		\$ 1,150,079	\$ 285,400	\$ 280,848	\$ 269,866	\$ 4,552	1.6 %
Administration		2,580,048	645,000	484,616	348,951	160,384	24.9 %
Community & Human Services (Comm Devel)		1,085,473	174,900	121,182	245,237	53,718	30.7 %
Municipal Court & Probation		2,879,221	246,668	166,747	154,422	79,921	32.4 %
Human Resources		1,626,831	419,500	377,680	307,068	41,820	10.0 %
Finance		3,533,140	855,000	812,297	348,534	42,703	5.0 %
City Attorney		2,795,950	688,500	627,734	537,643	60,766	8.8 %
Community Development		4,774,436	1,244,800	1,049,922	1,077,890	194,878	15.7 %
Jail - SCORE		5,001,000	1,250,250	827,069	999,418	423,181	33.8 %
Police		28,921,479	6,556,700	5,875,472	6,916,183	681,228	10.4 %
Public Works		4,031,925	928,000	1,014,199	830,878	(86,199)	(9.3) %
Parks, Arts & Recreation		12,878,201	2,844,600	2,791,788	2,738,881	52,812	1.9 %
Streets		4,041,472	890,500	829,940	829,513	60,560	6.8 %
Non-Departmental		2,488,910	607,900	443,948	640,052	163,952	27.0 %
Total Operating Expenditures		\$ 77,788,165	\$ 17,637,718	\$ 15,703,441	\$ 16,244,533	\$ 1,934,277	11.0 %

Executive Summary

This Executive Summary provides an overview of the City's overall financial position for the fiscal period ending March 31, 2019, reflecting financial data available as of April 24, 2019.

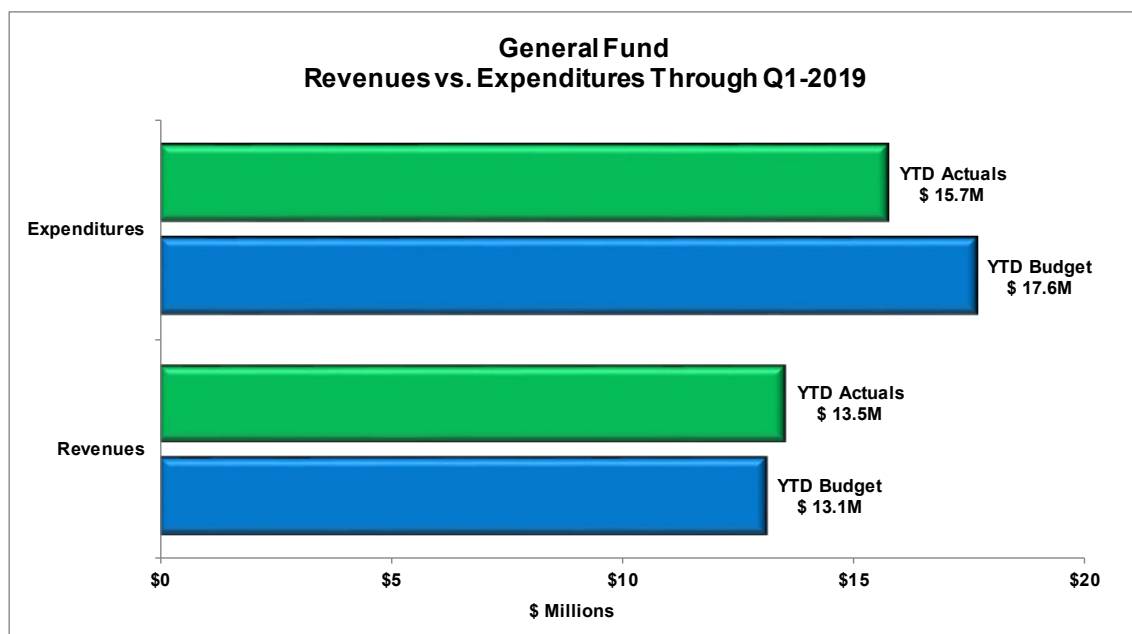
General Fund:

Through March 2019, General Fund revenues totaled \$13.5 million and were \$398,000 (3.0%) higher than budget expectations. They also exceeded collections in Q1-2018 by \$680,000. Some notable variances to budget through March 2019 include:

- Property tax collections in Q1-2019 totaled \$1.0 million, which was \$238,000 higher than budget expectations and exceeded 2018 year-to-date collections by \$326,000. **[page 6]**
- General Fund retail sales tax revenues totaled \$4.6 million, which was \$30,000 under budget expectations. While General Fund sales tax collections in Q1-2019 were \$519,000 higher than what was collected in Q1-2018, this is due to a policy change: between 2013 and 2018, all sales tax dollars collected from sales tax on construction benefitted the Local Street Fund and therefore were not distributed to the General Fund. Effective January 1, 2019, this policy changed and now all sales tax dollars stay in the General Fund to support ongoing operations. **[pages 7-8]**
- The other taxes category performed favorably to budget in Q1-2019. Actual revenues collected totaled \$3.1 million, which was \$31,000, or 1.0% favorable to budget. City utility tax and natural gas tax revenues collected in Q1-2019 exceeded budget by \$25,000 and \$22,000, respectively. These revenues were somewhat offset by unfavorable variances in telephone tax revenues – which was \$68,000 unfavorable to budget. **[pages 8-11]**
- Building permit revenue collected in Q1-2019 totaled \$105,000, compared to budget of \$295,000. The number of building permits issued in Q1-2019 totaled 105, which represents a 16% decline over the number of permits issued in Q1-2018. **[page 13]**
- Intergovernmental revenues collected in Q1-2019 totaled \$1.4 million and ended the quarter \$29,000 under budget expectations. This variance to budget was seen primarily in the streamlined sales tax revenues. While the Marketplace Fairness Act (MFA) was passed in 2017 in order to capture the retail sales tax lost from internet and remote sales, the bill phases out and eliminates the streamlined sales tax mitigation payments to local governments. It was anticipated that 2019 would be the last year that the City of Auburn would receive the streamlined sales tax monies, but when the 2019 legislative session adjourned for the year (in May 2019), they voted to continue funding of the mitigation payments through 2021. The annual revenue historically collected on this revenue stream was approximately \$2.0 million. While the sales tax revenues collected under MFA are receipted in as sales tax revenue, it is deducted from the amount of revenue the City receives for streamlined sales tax revenues. The amount that the City received in Q1-2019 for the Marketplace Fairness Act was \$148,000. **[page 14]**
- Development services revenues collected in Q1-2019 totaled \$265,000 and were \$108,000, or 68.6%, favorable to budget. This variance was due to higher than anticipated revenues received for plan check fees as well as increased revenues for zoning and subdivision fees. **[pages 16-17]**

General Fund expenditures in the first quarter of 2019 totaled \$15.7 million compared to a budget of \$17.6 million, representing an 11.0% favorable variance to budget. It is important to note that although jailing services (SCORE) expenditures appear to be \$423,000 favorable to budget, this is due to a timing issue where the monthly payment for services was made in April versus March. All departments operated within their allocated quarterly budget in Q1-2019 with the exception of the Public Works Department. The Public Works Department’s operating expenditures in Q1-2019 totaled \$1.0 million, which was \$86,000 or 9.3% unfavorable to the year-to-date budget. This unfavorable variance was primarily due to unbudgeted repair and maintenance expenditures and traffic control overtime associated with the 15th Street NE/NW street preservation project, which will be partially covered by a budget amendment that added \$36,500 in budget in April.

First quarter General Fund expenditures were \$541,000 less than expenditures in Q1-2018. This was primarily due to the timing of the payment to Valley Communications for 911 services: typically, about one-third of the annual cost for this service is paid in Q1, but this payment – of about \$1.1 million – was not made until April (Q2) in 2019. Partly offsetting that difference was about \$750,000 in salary and benefit cost increases from 2018 to 2019. Note that the Q1 budget for salaries and wages does not include the wage adjustments for the Police and Sergeant Collective Bargaining Agreements (which have since been approved), but does include non-police union represented cost of living increases. In addition, healthcare benefit costs have increased 7% - 12%, on average, over 2018 levels depending on the medical plan.



Year-over-year salary and benefit costs reported in the General Fund in 2019 will be higher than salary and benefit costs in 2018 due not only to wage adjustments noted above but also to a change in the way salary and benefit costs are allocated. Prior to 2019, salary and benefit costs for support departments (Finance, Human Resources and the Legal Department) were directly charged to other General Fund departments as well as to other City funds. Effective January 1, 2019, all salaries and benefit costs for the support departments mentioned above are now charged 100% to the General Fund. In order to recoup the cost of services, the General Fund now charges other funds for these services via an interfund charge, with an associated revenue in the General Fund (for reference, refer to the general government services line item on page 2 of this report and pages 15-16). While this change results in higher salary and benefit costs within the General Fund, the change is actually cost neutral to the bottom line.

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. 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.

In Q1-2019, **Arterial Street Fund** revenues totaled \$161,000 as compared to collections of \$452,000 in Q1-2018, while expenditures totaled \$169,000 as compared to expenditures of \$770,000 during the first quarter of last year. These variances are due to the level of activity on projects in the fund and timing of grant reimbursement and other funding. **[pages 24–25]**

Local Street Fund revenues of \$606,000 are in line with budget expectations, and compare to collections of \$786,000 in Q1-2018. This variance is due to a change in funding sources – last year, the Local Street Fund received revenue from sales tax on construction. Starting in 2019, the fund will receive a set revenue amount instead from real estate excise tax (REET 2). Expenditures in the first quarter were \$34,000 as compared with \$116,000 in Q1-2018. **[pages 26–27]**

Lastly, **Arterial Street Preservation Fund** revenues totaled \$495,000 in Q1-2019, which was approximately \$33,000 lower than revenues in Q1-2018 but \$70,000 above budget expectations. Expenditures totaled \$252,000 versus \$166,000 in Q1-2018. These variances are due to the level of activity on projects in the fund and timing of grant reimbursement and other funding. **[pages 28–29]**

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 from bimonthly to monthly billing starting in January 2019. To achieve standardization in the billing cycles, additional days were added to all billing cycles for December 2018, which brought all customers current through December 31, 2018. This one-time occurrence increased the amount of revenue accrued back from Q1-2019 billings to Q4-2018. This decrease in revenue was largely offset by general increases to utility rates that took effect January 1, 2019 – each utility fund continued to generate operating income in Q1-2019.

The **Water Fund** ended the quarter with operating income before depreciation of \$1.3 million, compared to \$1.2 million during the same period last year. The **Sewer Fund** ended Q1-2019 with operating income before depreciation of \$892,000 versus \$557,000 in Q1-2018. The **Stormwater Fund** ended the first quarter with operating income before depreciation of \$857,000 compared to \$773,000 in Q1-2018. The **Solid Waste Fund** finished Q1-2019 with operating income of \$202,000 compared to \$168,000 in Q1-2018. **[pages 31–34]**

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. No significant variances were reported in these funds during the first quarter. **[page 35]**

Investment Portfolio:

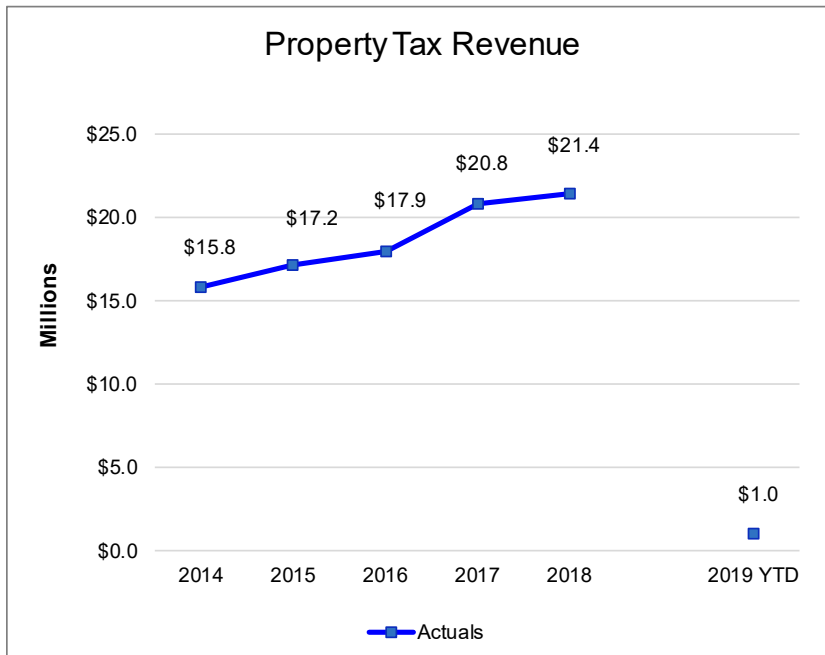
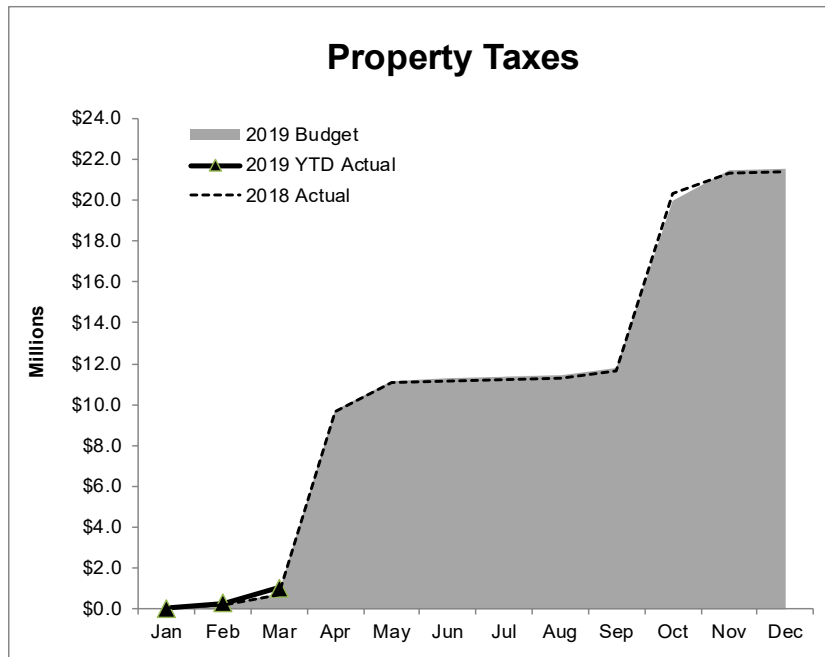
The City's total cash and investments at the end of the Q1-2019 totaled \$140.3 million, and compares to \$141.0 million at the end of Q4-2018. **[attachment]**

General Fund

Revenues

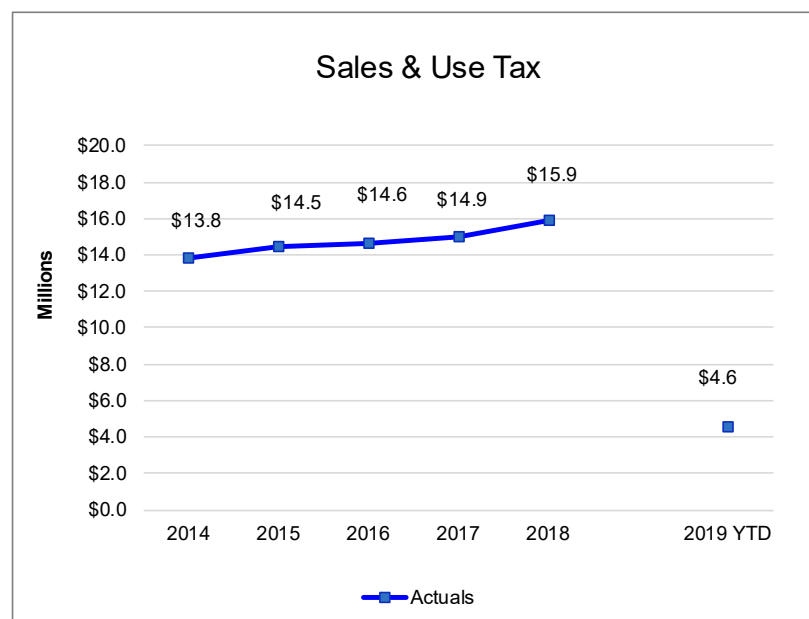
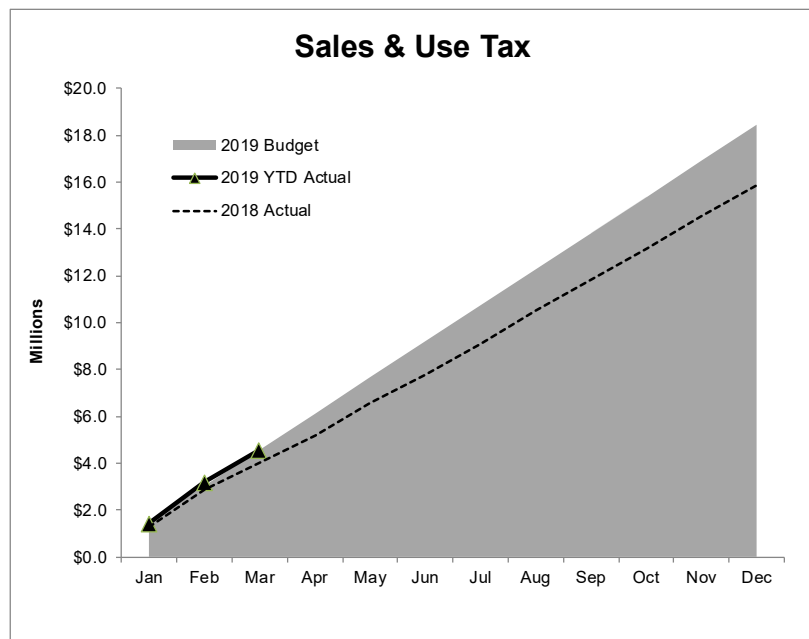
The combined total of property, sales/use, utility, gambling, and admissions taxes provides approximately 80% of all resources supporting general governmental activities. The following section provides additional information on these sources.

Property Tax collections in Q1-2019 totaled \$1.0 million and were \$238,000 higher than budget expectations. As depicted in the graphic below, 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 collections in Q1-2019 totaled \$4.6 million, which was \$30,000 under budget expectations. While sales tax revenues collected in the General Fund in Q1-2019 were \$519,000 more than collections in Q1-2018, this is primarily due to a policy change that became effective on January 1, 2019. Between 2013 and 2018, all sales tax dollars collected from sales tax on construction benefitted the Local Street Fund and were therefore not distributed to the General Fund; effective January 1, 2019, this policy changed whereby all sales tax dollars stay in the General Fund to support ongoing operations.

Due to the Marketplace Fairness Act (MFA) which became effective on January 1, 2018, retail sales taxes collected in Q1-2019 included \$148,000 from retail sales taxes collected on internet and remote sales. This is collected as retail sales tax revenue and is deducted from the amount the City receives for streamlined sales tax revenue (see page 14 for more information.)

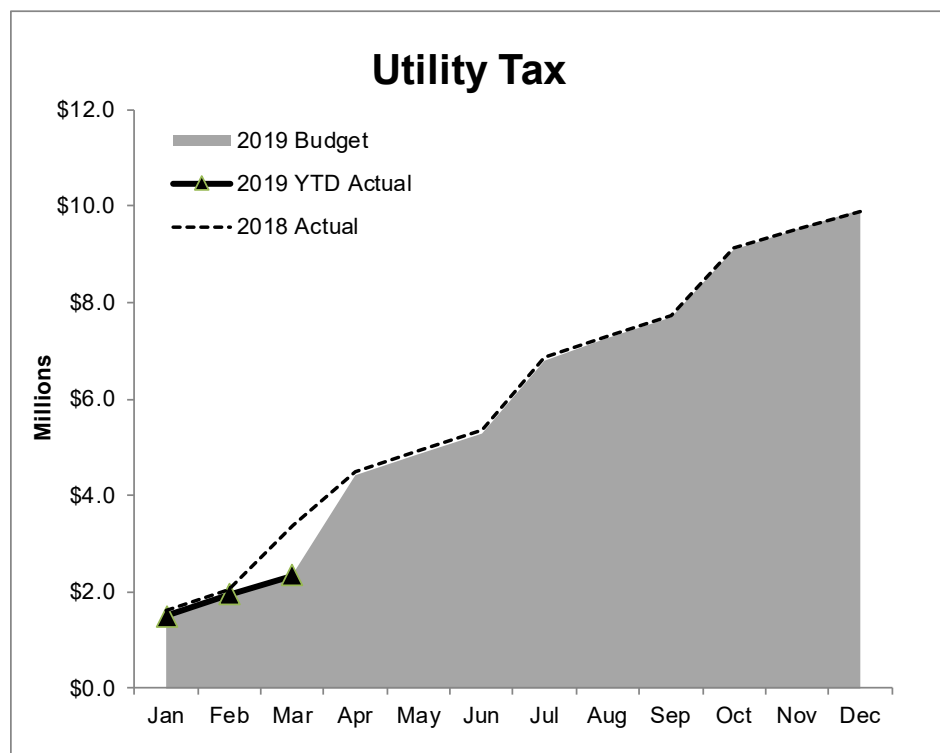


The following table breaks out the City’s retail sales taxes by major business sector.

Comparison of Sales Tax Collections by Group Through March				
Component Group	2018 Actual	2019 Actual	Change from 2018	
			Amount	Percentage
Construction	\$ 623,421	\$ 478,627	\$ (144,794)	(23.2) %
Manufacturing	169,053	169,895	842	0.5 %
Transportation & Warehousing	19,879	23,577	3,698	18.6 %
Wholesale Trade	399,133	345,833	(53,300)	(13.4) %
Automotive	1,009,073	978,456	(30,618)	(3.0) %
Retail Trade	1,396,352	1,414,748	18,396	1.3 %
Services	1,043,983	1,108,980	64,997	6.2 %
Miscellaneous	22,820	58,947	36,127	158.3 %
YTD Total	\$ 4,683,713	\$ 4,579,062	\$ (104,651)	(2.2) %

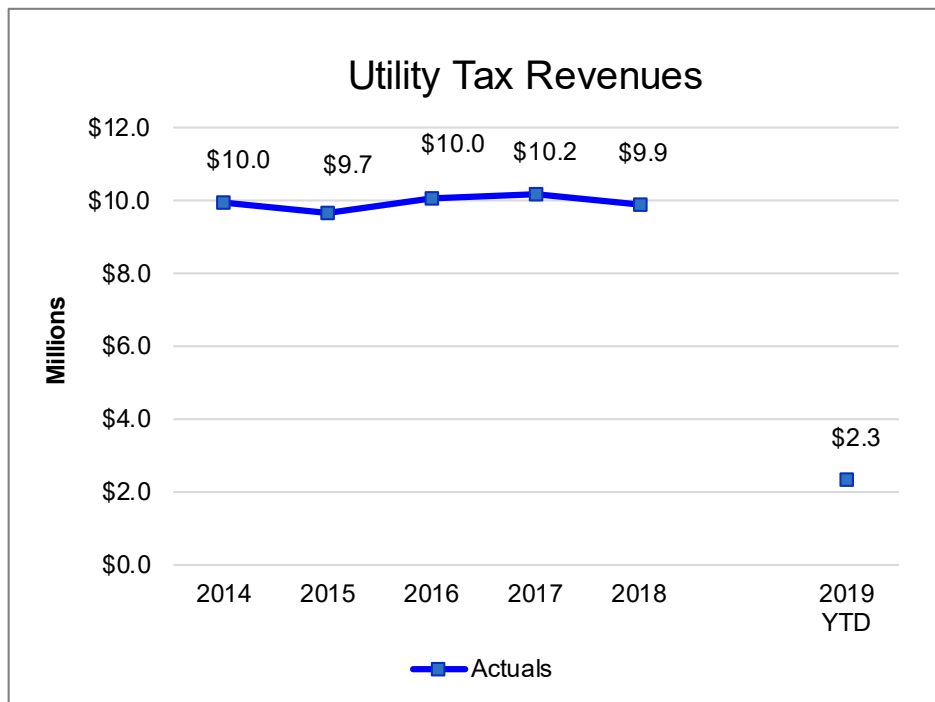
Citywide sales tax revenue collected in Q1-2019 was \$105,000, or 2.2%, less than collections in Q1-2018. The business sector that realized the greatest revenue increase compared to the same period last year was in the services category, while the construction category declined 23.2%, or \$145,000, compared to collections in Q1-2018.

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 Q1-2019 totaled \$2.3 million and were \$10,000, or 0.4%, under budget expectations.

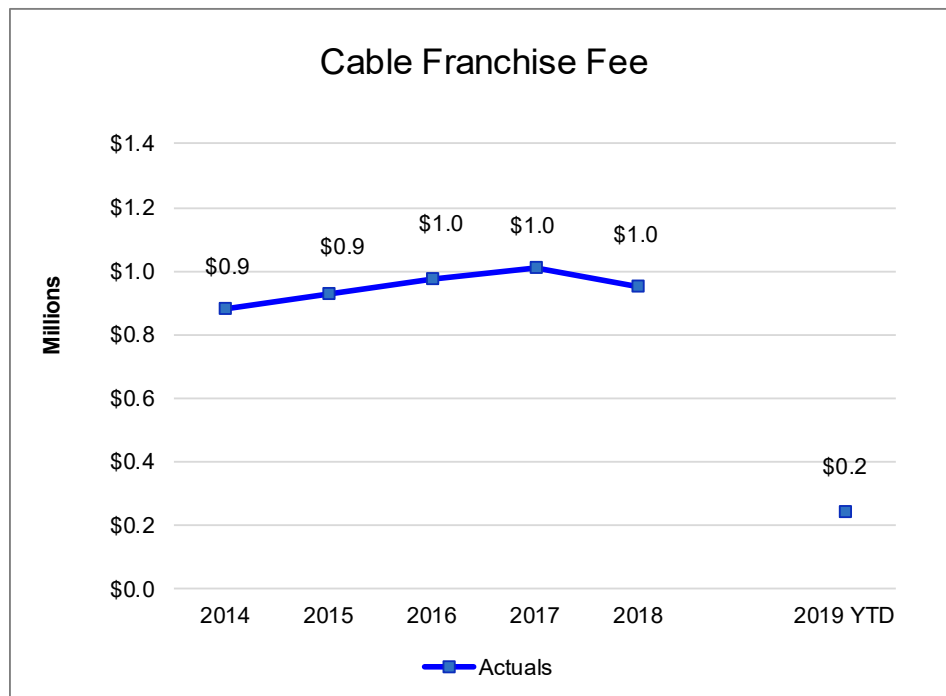
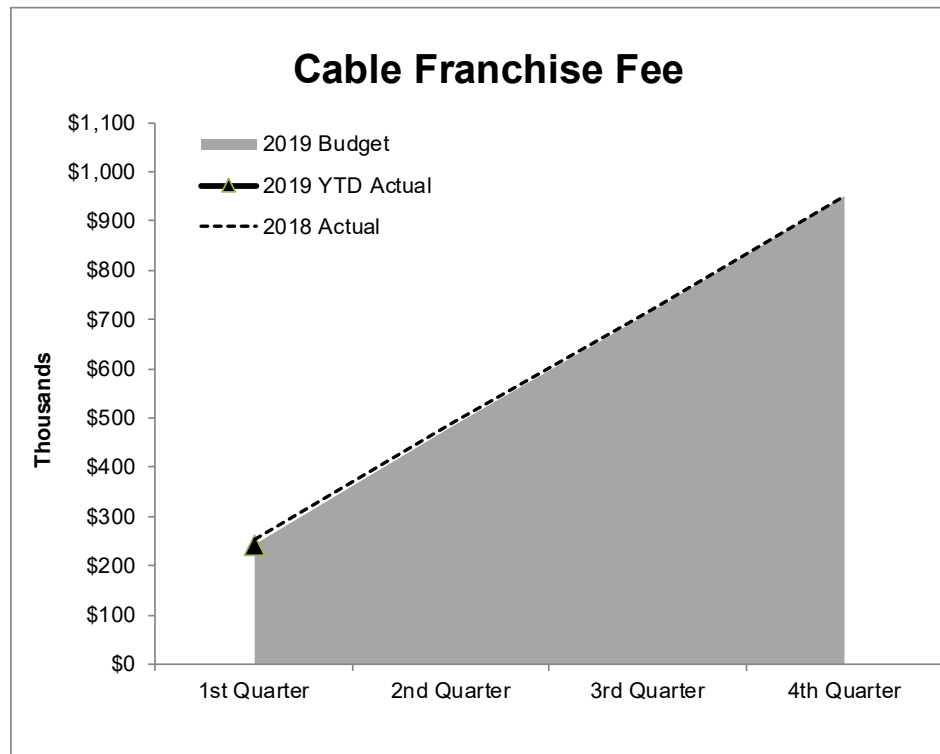


Unfavorable variances in telephone tax revenues during Q1-2019 were partially offset by higher City utility tax revenues and natural gas tax revenues collected during the period.

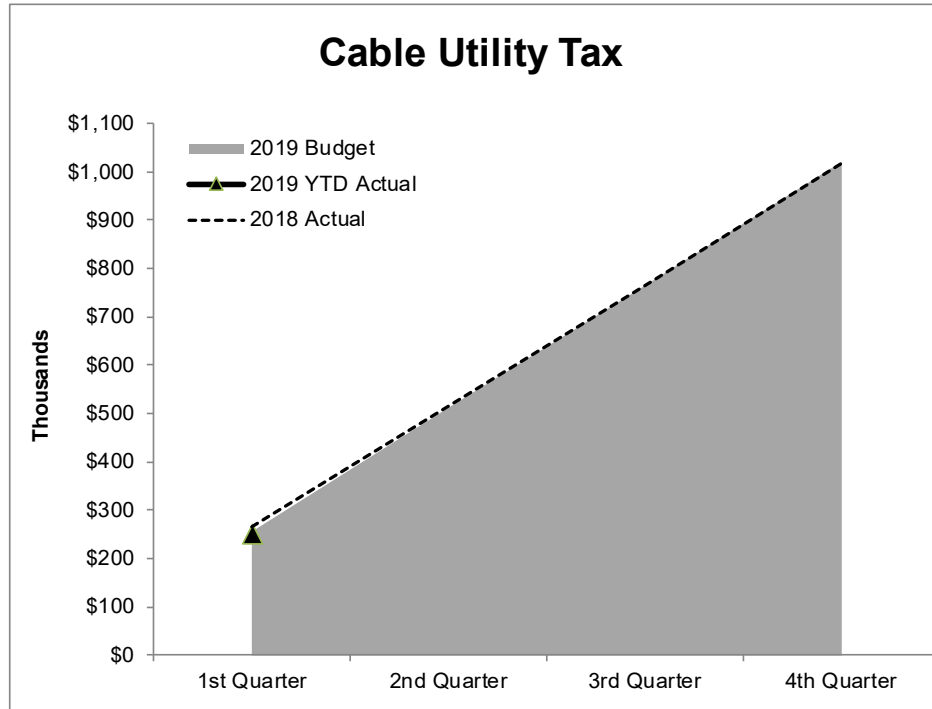
Utility Tax by Type Through March 2019							
Utility Tax Type	2018 YTD Actual	2019 YTD Budget	2019 YTD Actual	2019 vs. 2018 Actual		2019 vs. Budget	
				Amount	Percentage	Amount	Percentage
City Interfund Utility Taxes	\$ 889,631	\$ 939,700	\$ 964,586	\$ 74,955	8.4 %	\$ 24,886	2.6 %
Electric	936,682	870,800	880,133	(56,550)	(6.0) %	9,333	1.1 %
Natural Gas	270,367	212,300	234,053	(36,315)	(13.4) %	21,753	10.2 %
Telephone	352,969	296,200	228,262	(124,708)	(35.3) %	(67,938)	(22.9) %
Solid Waste (external)	32,961	33,600	36,017	3,056	9.3 %	2,417	N/A %
YTD Total	\$ 2,482,611	\$ 2,352,600	\$ 2,343,050	\$ (139,561)	(5.6) %	\$ (9,550)	(0.4) %



Cable Franchise Fees, which are collected quarterly, totaled \$240,000 in Q1-2019 and were \$4,000, or 1.8%, lower than budget expectations.

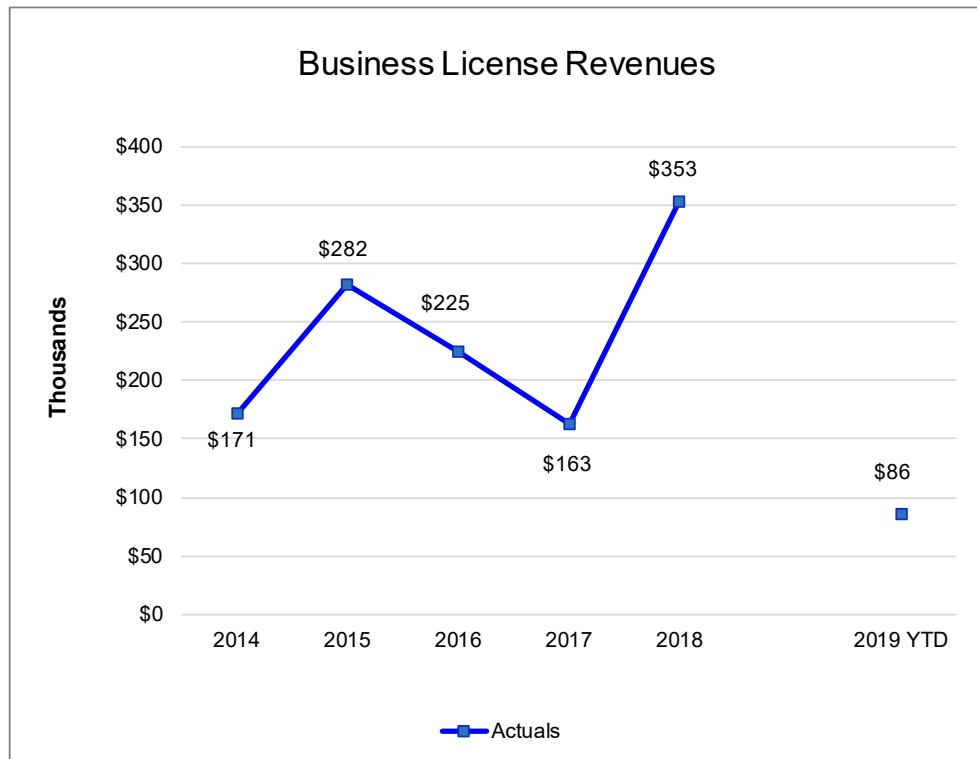
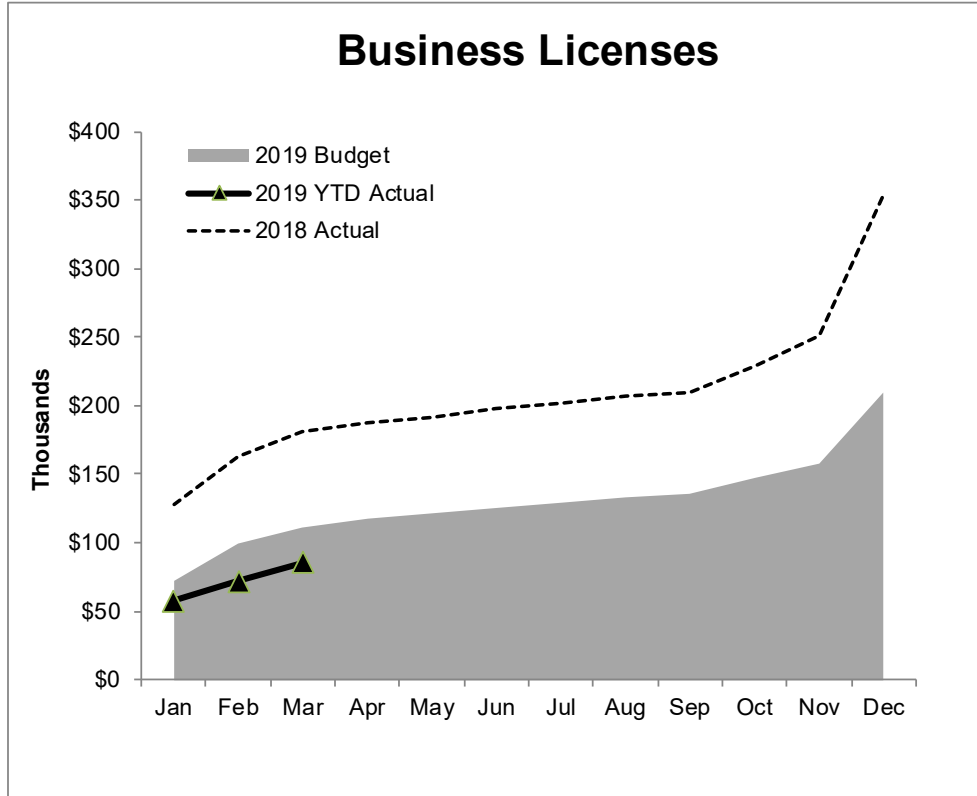


Cable Utility Tax. This tax became effective on January 1, 2017 and is also collected quarterly. Total cable utility tax revenue collected in Q1-2019 totaled \$249,000 and was slightly under budget expectations by \$6,000, or 2.3%.



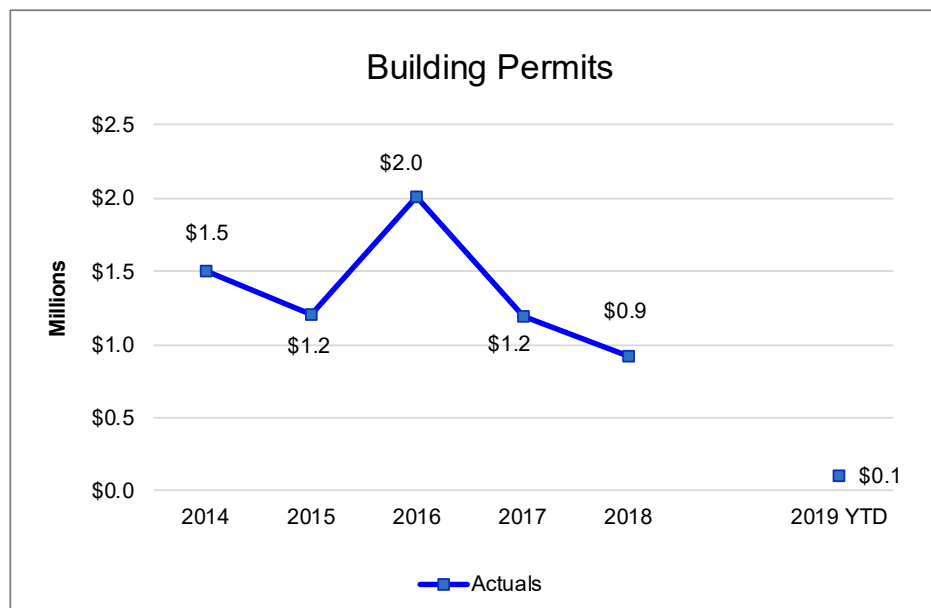
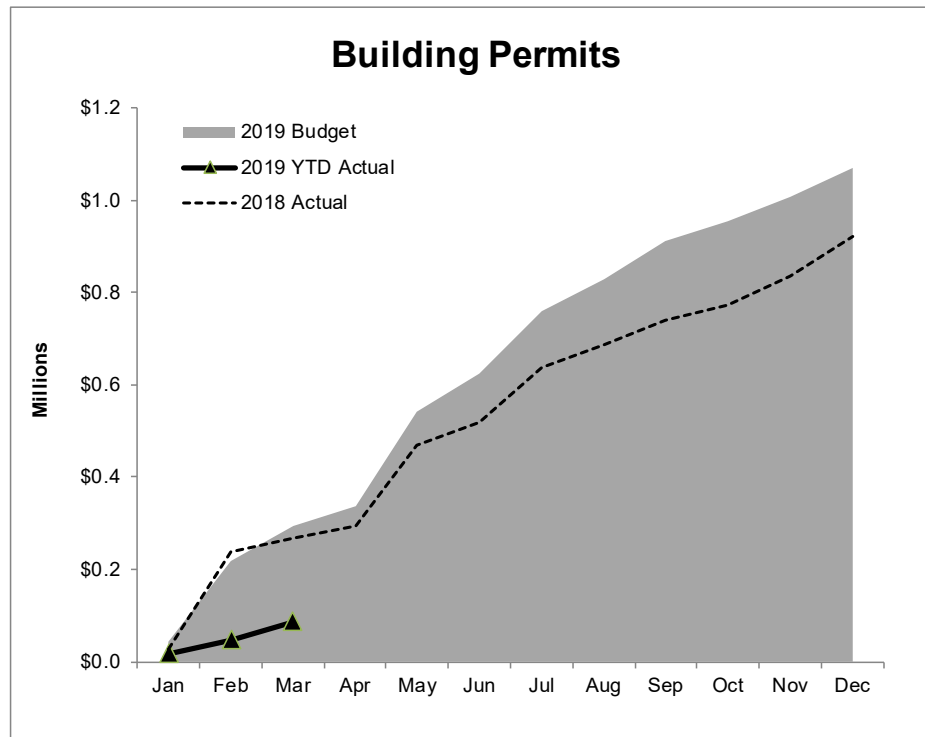
Licenses and Permits include business licenses, building permits, plumbing, electric and other licenses and permit fees. Building permit fees and business licenses make up about 70% of the annual budgeted revenue in this category.

Business license revenues collected in Q1-2019 totaled \$86,000, and compare to a budget of \$111,000 and to significantly higher collections in Q1-2018 (about \$180,000). The year-over-year decline in revenues is due to the timing of when business license renewal notices are paid: the majority of businesses paid their 2018 business licenses in early 2018 and also paid their 2019 business licenses in late 2018.



Building permit revenues through March 2019 totaled \$105,000 as compared to a year-to-date budget of \$295,000. A total of 105 building permits were issued in Q1-2019 compared to 125 building permits issued in Q1-2018, representing a 16.0% reduction. Of the permit revenues collected in Q1-2019, 53% was attributable to commercial projects and the remaining 47% was predominately single family housing permits.

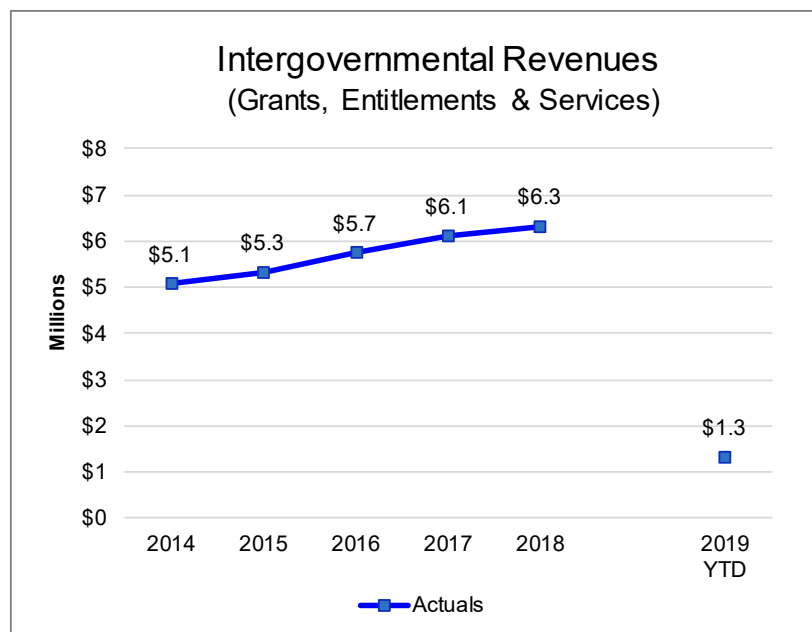
Major projects providing building permit revenues in the first quarter of 2019 include Young's Market and several single family houses in the Hastings housing development.



Intergovernmental revenues include grants (direct and indirect federal, state and local), revenue from the Muckleshoot Indian Tribe (MIT) compact, intergovernmental service revenues, and state shared revenues. Collections in Q1-2019 totaled \$1.3 million and were \$29,000, or 2.2%, under budget expectations.

The majority of the variance to budget was seen in the streamlined sales tax revenue distribution amount as this revenue was reduced by \$148,000 in Q1-2019 due to the Marketplace Fairness Act (MFA), which was implemented in January 2018 to capture the retail sales tax lost on internet and remote sales. MFA revenues are collected as retail sales tax revenues, which then reduces the amount the City receives in streamlined sales taxes. (See also page 7).

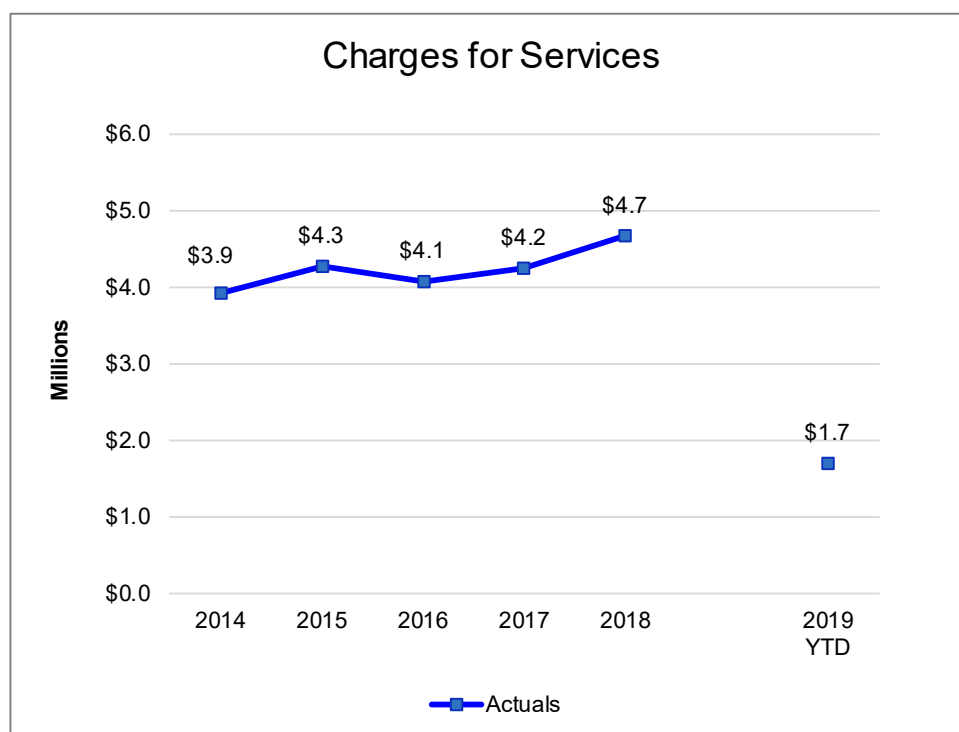
Intergovernmental Revenues (Grants, Entitlements & Services)							
Through March 2019							
Revenue	2018	2019	2019	2019 vs. 2018 Actual		2019 vs. Budget	
	YTD Actual	YTD Budget	YTD Actual	Amount	% Change	Amount	% Change
Federal Grants	\$ -	\$ -	\$ 2,392	\$ 2,392	N/A %	\$ 2,392	N/A %
State Grants	36,988	24,600	36,496	(492)	(1.3) %	11,896	48.4 %
Interlocal Grants	0	0	0	0	0.0 %	0	N/A %
Muckleshoot Casino Services	227,733	269,200	269,242	41,510	18.2 %	42	0.0 %
State Shared Revenues:							
Streamlined Sales Tax	480,641	421,250	335,368	(145,272)	(30.2) %	(85,882)	(20.4) %
Motor Vehicle Fuel Tax	285,947	267,800	280,995	(4,952)	(1.7) %	13,195	4.9 %
Criminal Justice - High Crime	52,488	50,000	57,305	4,817	9.2 %	7,305	14.6 %
Criminal Justice - Population	5,595	5,500	5,880	285	5.1 %	380	6.9 %
Criminal Justice - Special Prog.	20,270	20,100	21,210	940	4.6 %	1,110	5.5 %
Marijuana Revenues	100,310	27,000	45,617	(54,693)	(54.5) %	18,617	69.0 %
State DUI	2,919	2,900	2,932	13	0.5 %	32	1.1 %
Fire Insurance Tax	0	0	0	0	N/A %	0	N/A %
Liquor Excise	91,868	97,440	99,661	7,793	8.5 %	2,221	2.3 %
Liquor Profit	163,585	164,725	164,325	741	0.5 %	(400)	(0.2) %
Total State Shared:	1,203,622	1,056,715	1,013,293	(190,329)	(15.8) %	(43,422)	(4.1) %
YTD Total	\$ 1,468,342	\$ 1,350,515	\$ 1,321,423	\$ (146,919)	(10.0) %	\$ (29,092)	(2.2) %



Charges for Services consist of general governmental service charges, public safety charges, development service fees, and culture & recreation fees. Overall, charges for services collected through March 2019 totaled \$1.7 million, which was \$222,000 favorable to budget. The primary areas of increases were seen in both development services and culture and recreation revenues as explained below.

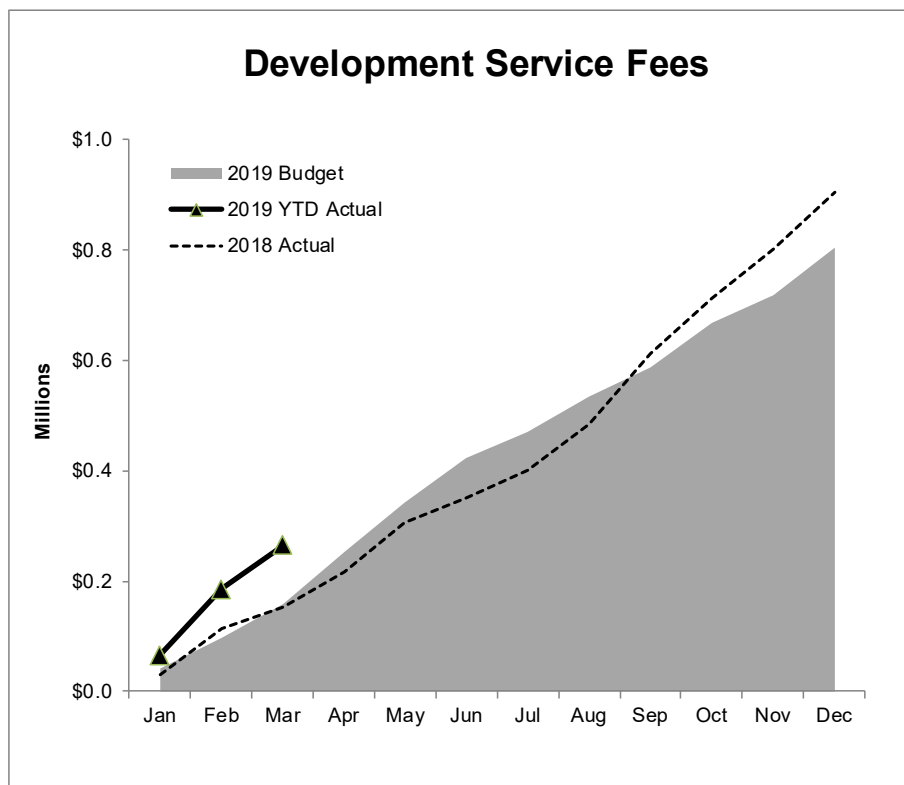
Charges for Services by Type Through March 2019							
Revenue	2018 YTD Actual	2019 YTD Budget	2019 YTD Actual	2019 vs. 2018 Actual		2019 vs. Budget	
				Amount	Percentage	Amount	Percentage
General Government	\$ 22,144	\$ 644,700	\$ 647,052	\$ 624,908	2,822.0 %	\$ 2,352	0.4 %
Public Safety	218,947	234,975	257,891	38,944	17.8 %	22,916	9.8 %
Development Services	152,822	157,400	265,405	112,583	73.7 %	108,005	68.6 %
Culture & Recreation	489,855	436,000	524,314	34,459	7.0 %	88,314	20.3 %
YTD Total	\$ 883,768	\$ 1,473,075	\$ 1,694,662	\$ 810,894	91.8 %	\$ 221,587	15.0 %

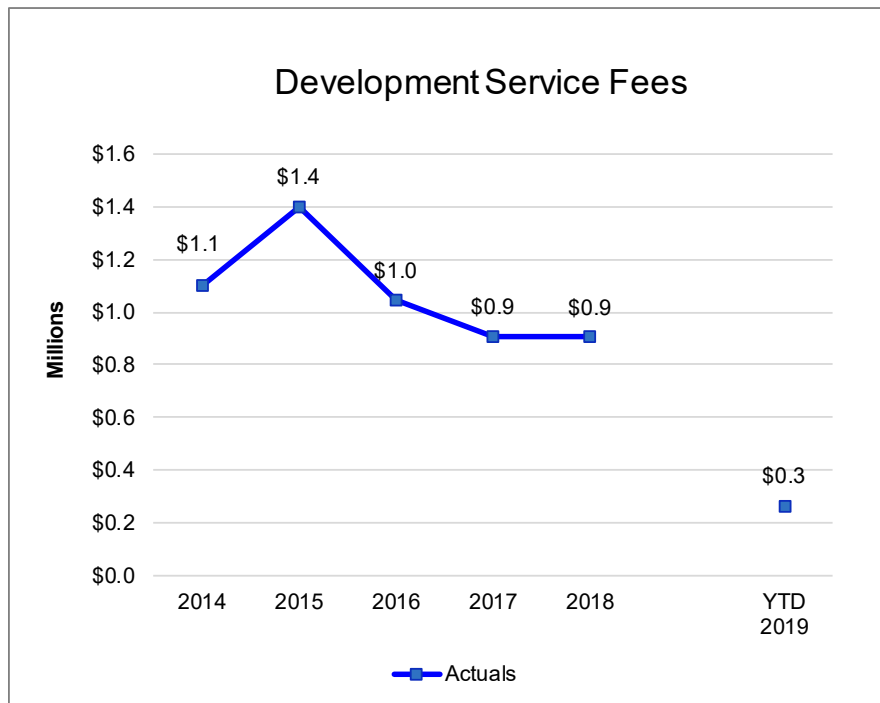
A process change was implemented in 2019 that significantly affects the comparison of year-over-year variances. Prior to 2019, salary and benefit expenditures for support departments (Finance, Human Resources and the Legal Department) were allocated between the General Fund and other City funds. Effective January 1, 2019, all salary and benefit costs for support departments are now fully charged to their respective General Fund department. The General Fund now charges these other funds for these services via an interfund assessment, with a corresponding General Fund revenue shown under “General Government” in the table above (hence the dramatic change from 2018 to 2019 shown in the table). This policy change results in salary and benefit expenditures within the General Fund that appear higher than were previously reported, but the change has a cost-neutral impact on the General Fund due to the revenue offset. Total revenues recouped as general governmental revenues in the General Fund for the salary and benefit interfund charge were \$626,000 in Q1-2019.



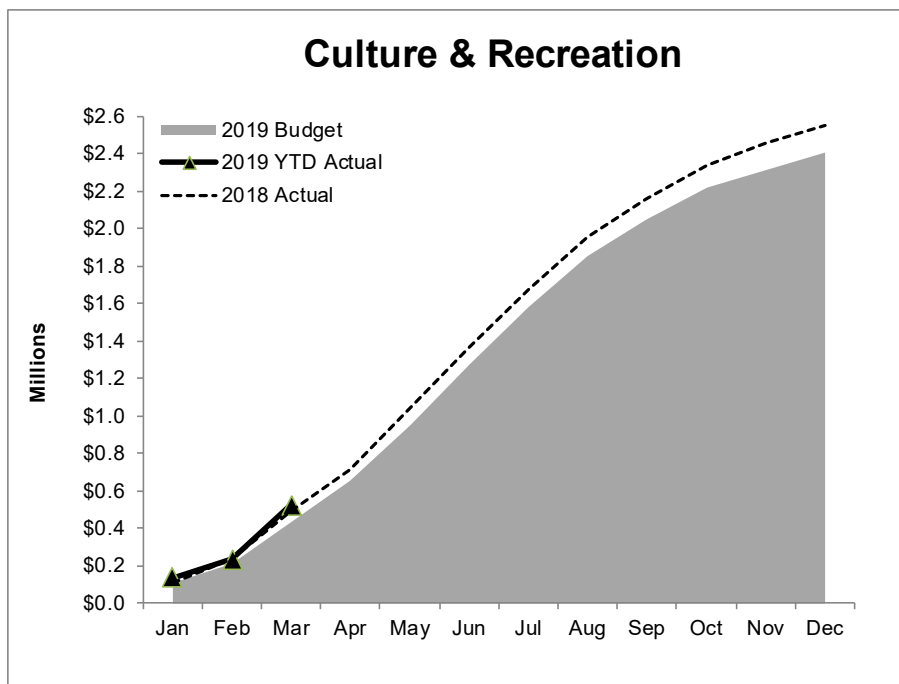
Public safety revenues consist of revenues received for police officer extra duty security services, whereby officers are contracted for and reimbursement is made by the hiring agency. This also includes reimbursements from the Muckleshoot Indian Tribe (MIT) for a full-time dedicated police officer and 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 Q1-2019 totaled \$258,000 and compare to a budget of \$235,000. The majority of the favorability seen in this revenue source is due to extra duty overtime reimbursements exceeding budget expectations resulting from increased requests for police officer security services.

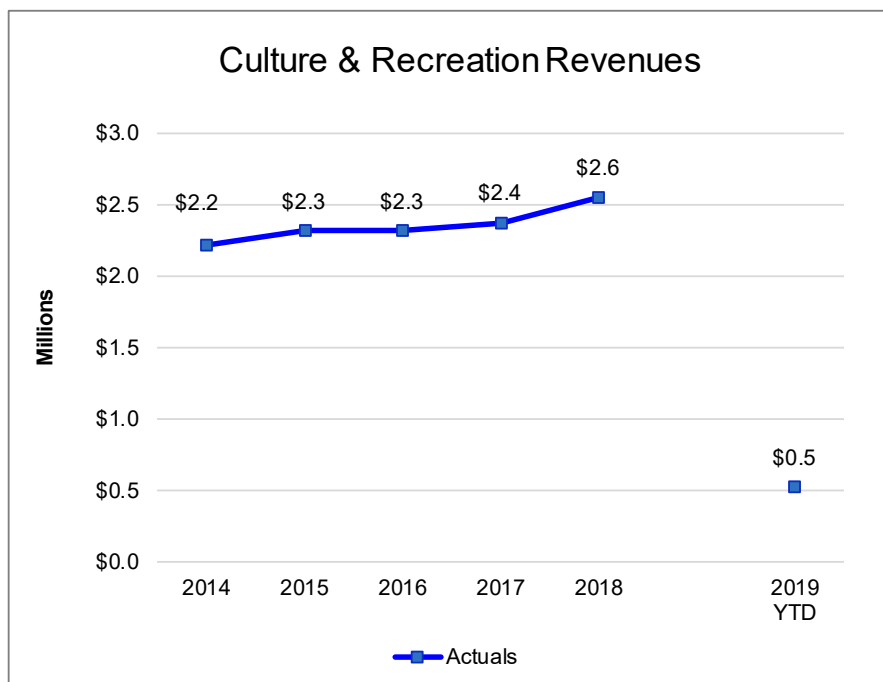
Development services fee collections consist primarily of plan check fees, facility extension charges, and zoning and subdivision fees. In Q1-2019, development service fees totaled \$265,000 and ended the quarter \$108,000 favorable to budget expectations. Total plan check revenues collected in Q1-2019 totaled \$156,000 compared to \$113,000 collected in Q1-2018 which is a 38.3% increase in revenues. Plan check revenues collected in the first quarter of 2019 were from numerous commercial and residential projects including Auburn Elementary School #15, Young’s Market, and projects at the Outlet Collection. In addition to increased plan check revenues collected in Q1-2019, both facility extension fees and zoning fees were higher than anticipated. One of the projects that contributed to these increased revenues is Carbon Trails, a single family subdivision project slated to include 44 houses.





The majority of culture and recreation revenues are derived from green fees and pro shop sales at the Auburn Golf Course, recreational classes, ticket sales at the Auburn Avenue Theatre, special events, and athletic league fees. Culture and recreation revenues collected in Q1-2019 totaled \$524,000, exceeding collections in the same period last year by \$34,000 and exceeding Q1-2019 budget by \$88,000. The majority of the year-over-year increase in revenues was seen in green fee revenues at the Auburn Golf Course and increased ticket sales at the Auburn Avenue Theatre. In Q1-2019, green fee revenues at the Auburn Golf Course increased 15.6% and ticket sales at the Auburn Avenue Theatre increased 43.5% compared to the same period last year.

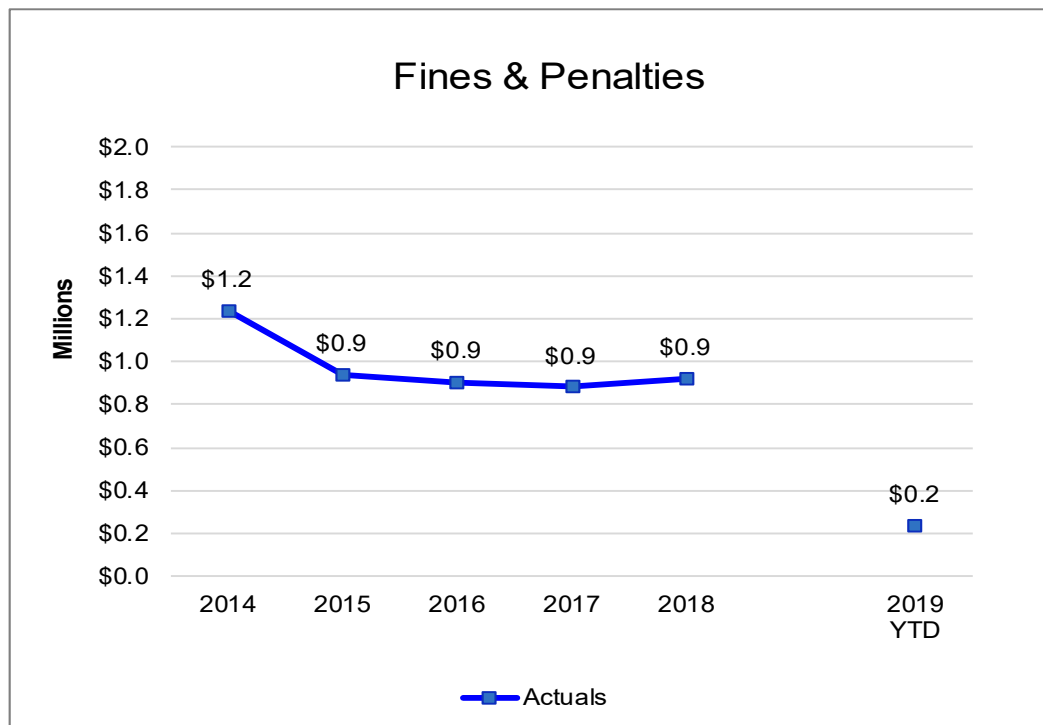
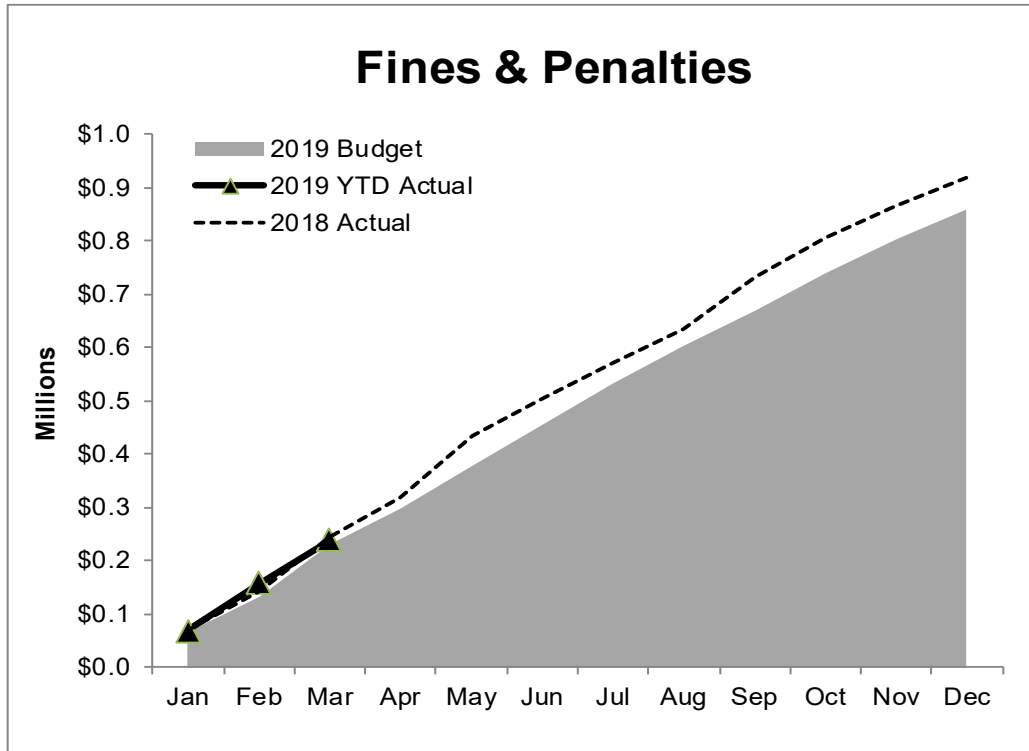




Fines & Penalties include civil penalties (which include code compliance fines), parking and traffic infraction penalties, criminal fines (including criminal traffic, criminal non-traffic and other criminal offenses) as well as non-court fines such as false alarm fines. Total revenues collected in the first quarter of 2019 totaled \$238,000 as compared to a budget of \$229,000.

As seen in the table below, civil penalty revenues collected in Q1-2019 were \$45,000 higher than collections in Q1-2018. This year-over-year increase was due to revenues collected for code compliance penalties, which are largely unbudgeted. Code compliance penalties are revenues collected from banks on vacant bank-owned properties that are neglected and in non-compliance with City code.

Fines & Penalties by Type Through March 2019							
Month	2018 YTD Actual	2019 YTD Budget	2019 YTD Actual	2019 vs. 2018 Actual		2019 vs. Budget	
				Amount	Percentage	Amount	Percentage
Civil Penalties	\$ 4,178	\$ 800	\$ 48,956	\$ 44,778	1,071.8 %	\$ 48,156	6,019.5 %
Civil Infraction Penalties	130,924	133,800	104,522	(26,402)	(20.2) %	(29,278)	(21.9) %
Redflex Photo Enforcement	2,914	0	754	(2,159)	(74.1) %	754	N/A %
Parking Infractions	35,986	36,500	31,849	(4,137)	(11.5) %	(4,651)	(12.7) %
Criminal Traffic Misdemeanor	17,893	14,700	8,485	(9,408)	(52.6) %	(6,215)	(42.3) %
Criminal Non-Traffic Fines	14,418	9,600	18,795	4,377	30.4 %	9,195	95.8 %
Criminal Costs	15,344	14,700	7,178	(8,166)	(53.2) %	(7,522)	(51.2) %
Non-Court Fines & Penalties	22,264	19,100	17,728	(4,536)	(20.4) %	(1,372)	(7.2) %
YTD Total	\$ 243,919	\$ 229,200	\$ 238,267	\$ (5,652)	(2.3) %	\$ 9,067	4.0 %

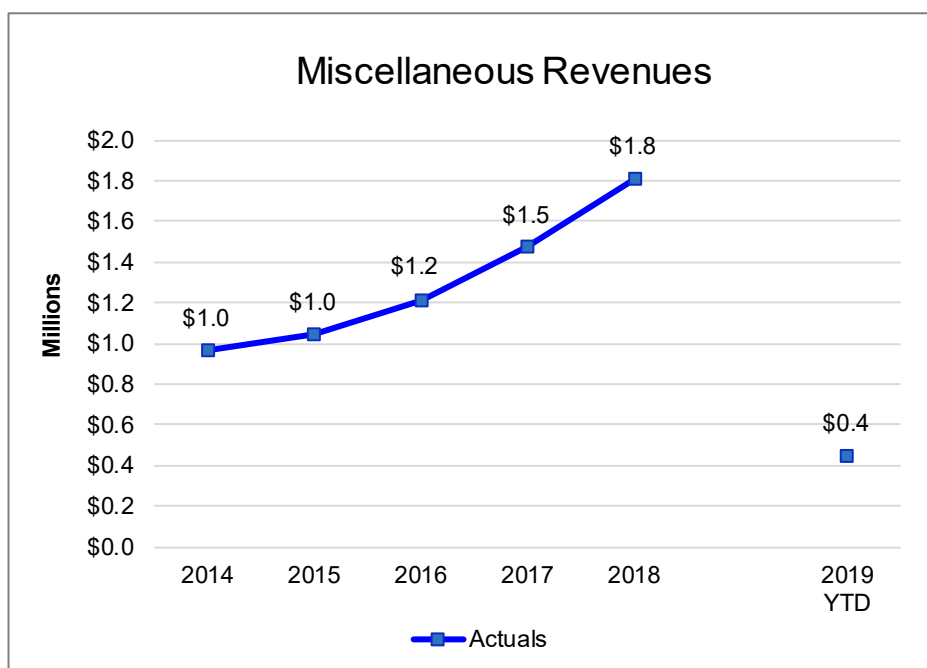


Miscellaneous revenues consist of investment earnings, income from facility rentals, revenue collected on golf cart rentals at the Auburn Golf Course, contributions & donations, and other income including the quarterly purchasing card (P-card) rebate monies. Revenues collected in this category in Q1-2019 totaled \$449,000 and exceeded budget expectations by \$63,000, or 16.4%. The majority of this increase was in the other miscellaneous category and was due to one-time unbudgeted monies.

Miscellaneous Revenues by Type Through March 2019							
Month	2018 YTD Actual	2019 YTD Budget	2019 YTD Actual	2019 vs. 2018		2019 vs. Budget	
				Amount	Percentage	Amount	Percentage
Interest & Investments	\$ 74,666	\$ 87,000	\$ 91,120	\$ 16,454	22.0 %	\$ 4,120	4.7 %
Rents & Leases	265,221	219,300	229,036	(36,185)	(13.6) %	9,736	4.4 %
Contributions & Donations	9,937	4,600	11,464	1,527	15.4 %	6,864	149.2 %
Other Miscellaneous Revenue	70,624	75,000	117,736	47,112	66.7 %	42,736	57.0 %
YTD Total	\$ 420,448	\$ 385,900	\$ 449,356	\$ 28,908	6.9 %	\$ 63,456	16.4 %

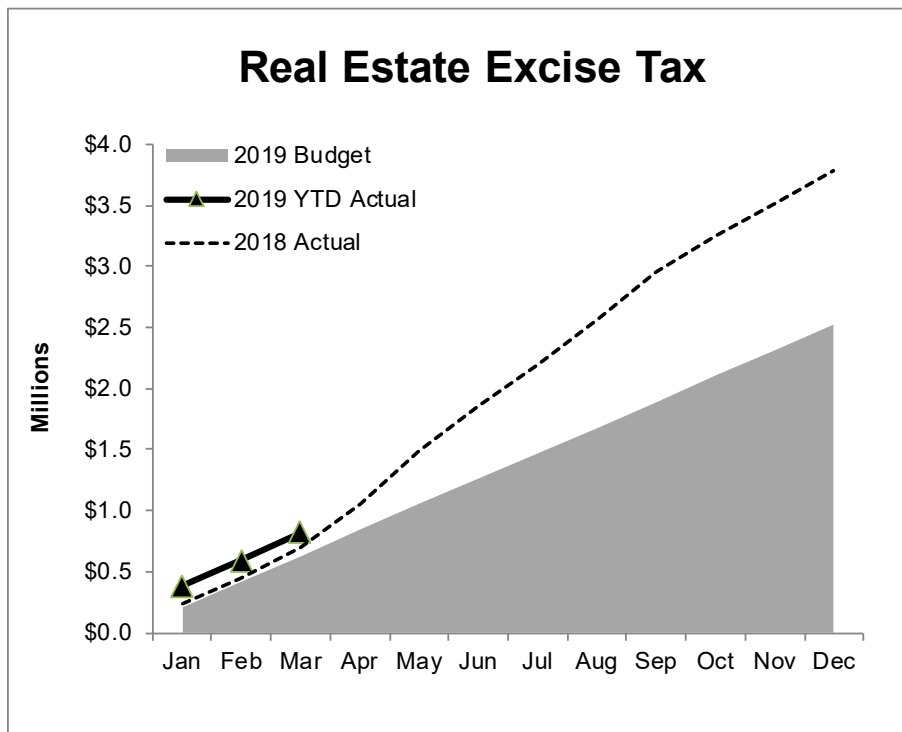
Interest and investments revenue collected in Q1-2019 totaled \$91,000 and exceeded budget expectations by \$4,000, or 4.7%. Interest and investments earnings collected in Q1-2019 were \$16,000 higher than collections in the same period last year. The primary reason for the year-over-year increase in revenues is due to the increase in the State Investment Pool interest rate.

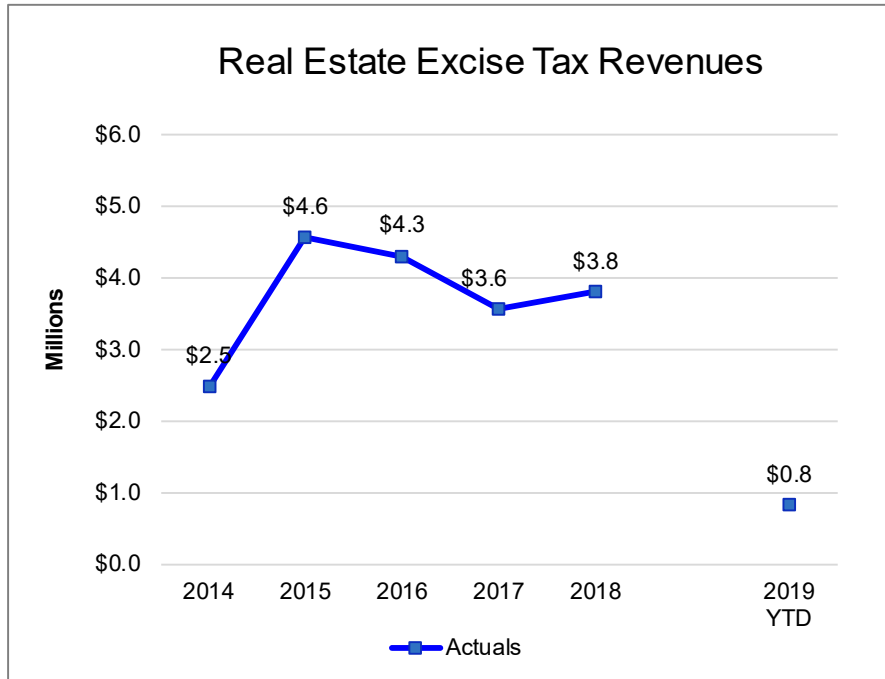
Rents and lease revenue collected in Q1-2019 totaled \$229,000 and compares to \$265,000 collected in Q1-2018. This decline in revenues collected was primarily due to deposits for facility rentals that have declined by \$32,000 in Q1-2019 compared to the same period last year.



Real Estate Excise Tax (REET) revenue is received into the Capital Improvement Projects Fund and is used for governmental capital projects. REET revenue represents taxes on the sale of both commercial properties and single-family residences. REET revenues collected in the first quarter of 2019 totaled \$819,000, exceeding budget expectations by \$188,000. Commercial sales in Q1-2019 included the sale of an assisted living facility, an auto dealership, an auto repair business, warehousing space, and several multi-family complexes.

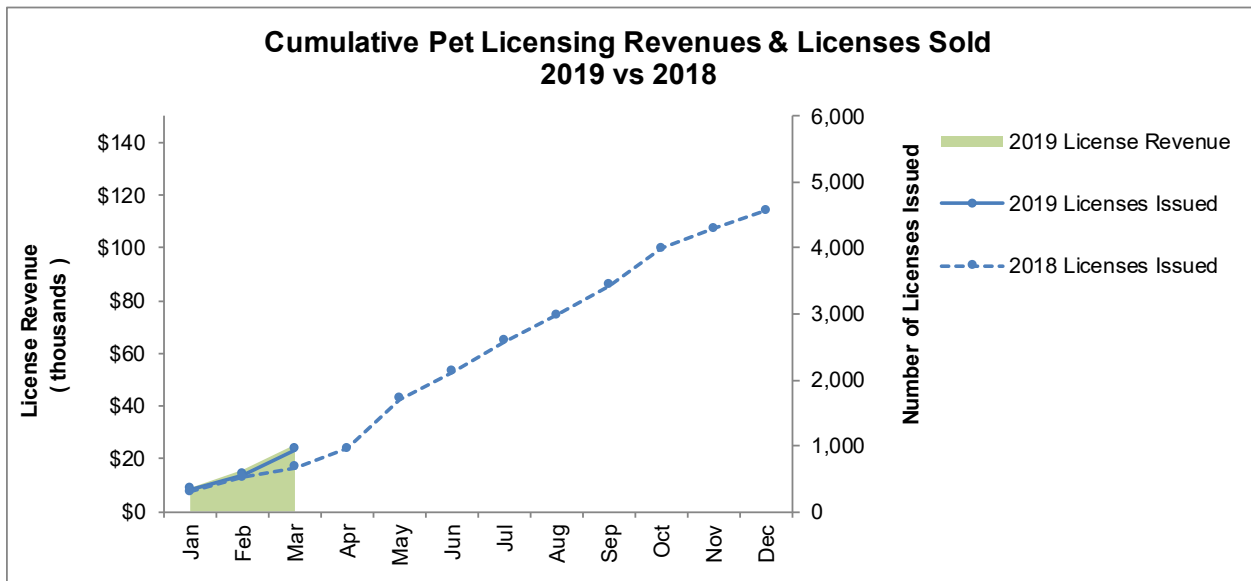
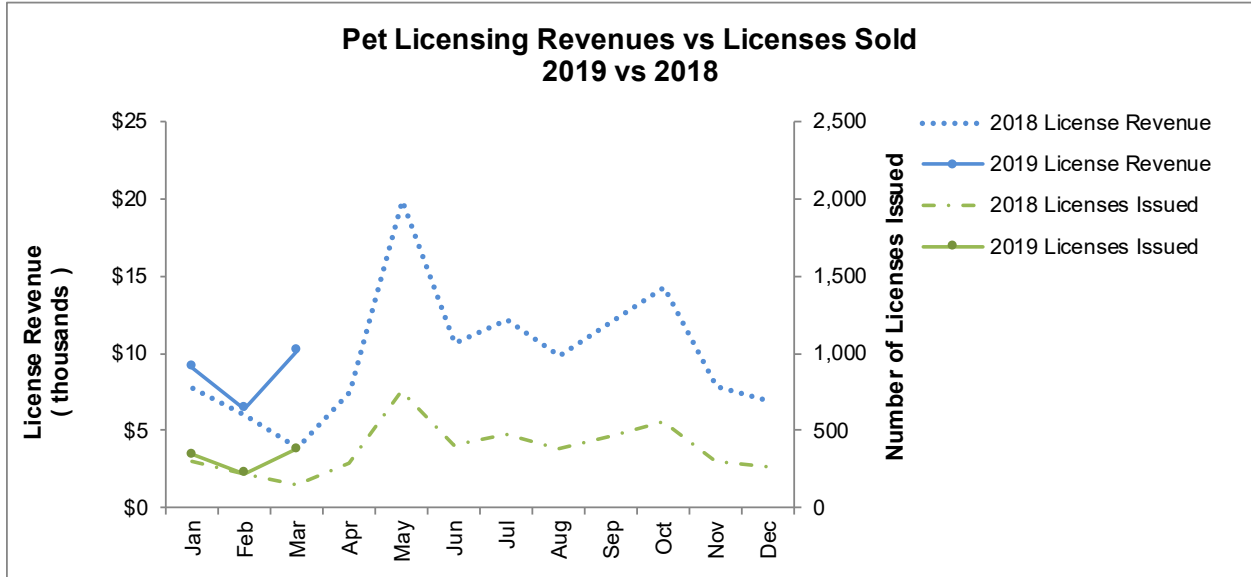
Real Estate Excise Tax Revenues							
March 2019							
Month	2018 Actual	2019 Budget	2019 Actual	2019 vs. 2018		2019 vs. Budget	
				Amount	Percentage	Amount	Percentage
Jan	\$ 240,414	\$ 210,100	\$ 383,547	\$ 143,132	59.5 %	\$ 173,447	82.6 %
Feb	200,783	210,100	206,022	5,239	2.6 %	(4,078)	(1.9) %
Mar	255,218	210,100	229,181	(26,037)	(10.2) %	19,081	9.1 %
Apr	362,999	210,100					
May	427,054	210,100					
Jun	371,816	210,100					
Jul	342,006	210,100					
Aug	373,889	210,100					
Sep	387,673	210,100					
Oct	285,967	210,100					
Nov	272,195	210,100					
Dec	270,161	209,800					
YTD Total	\$ 696,416	\$ 630,300	\$ 818,750	\$ 122,334	17.6 %	\$ 188,450	29.9 %





Pet Licensing

Pet licensing services are provided by the Auburn Valley Humane Society. In Q1-2019, 939 pet licenses were sold, resulting in \$25,635 in revenue. In Q1-2018, 662 licenses were sold, resulting in \$17,570 in revenue.



Street Funds

This section provides a financial overview of the City’s three street funds for the quarter ending March 31, 2019. 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).

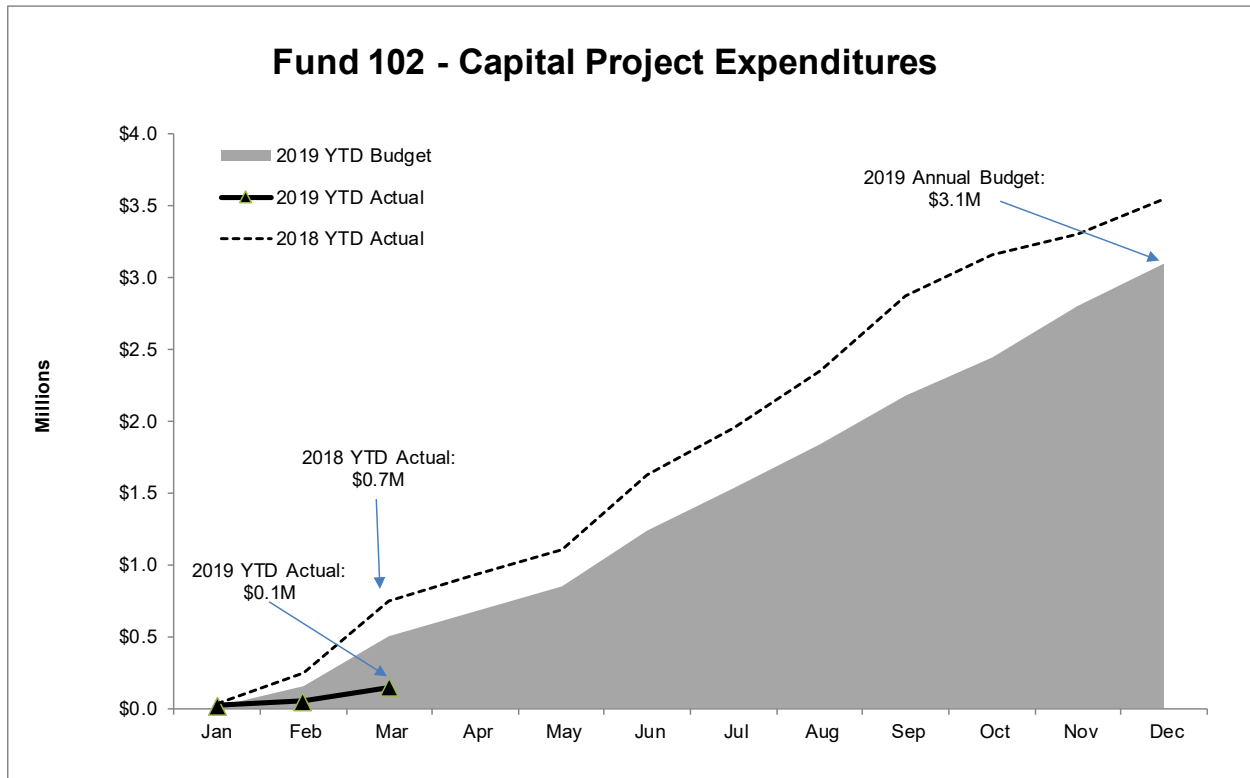
Fund 102 – Arterial Street Fund

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 March 31, 2019 there were 30 separate street projects budgeted in this fund.

In Q1-2019, revenues collected totaled \$161,000 as compared to collections of \$452,000 in Q1-2018. Total expenditures in Q1-2019 were \$169,000 as compared to \$770,000 expended in Q1-2018. 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. In addition, several inclement weather situations during Q1-2019 were not conducive to street construction.

Fund 102 - Arterial Street Summary of Sources and Uses	2019			2018	2019 YTD Budget vs. Actual	
	2019 Budget	2019 YTD Budget	2019 YTD Actual	2018 YTD Actual	Favorable (Unfavorable) Amount	Percentage
Report Period: March 2019						
Revenues						
Federal Grants	\$ 1,001,381	\$ -	\$ -	\$ -	\$ -	
State Grants	-	-	-	-	-	
Motor Vehicle Fuel and Multimodal Taxes	620,000	141,388	148,617	150,077	7,229	5.1 %
Developer Contributions	-	-	-	-	-	
Miscellaneous Revenue	-	-	-	-	-	
Operating Transfer In	1,367,060	88,609	1,504	295,929	(87,105)	(98.3) %
Investment Income	28,300	5,317	10,986	6,294	5,669	106.6 %
Total Revenues	\$ 3,016,741	\$ 235,314	\$ 161,106	\$ 452,300	\$ (74,207)	(31.5) %
Expenditures						
Salary and Benefits	\$ 132,000	\$ 34,435	\$ 66,721	\$ 96,095	\$ (32,286)	(93.8) %
Capital Outlay	2,964,858	151,539	83,127	648,226	68,412	45.1 %
Subtotal - Capital Project Expenditures	3,096,858	185,974	149,848	744,320	36,126	19.4 %
Services and Charges	400,000	22,840	-	1,778	22,840	100.0 %
Interfund Payments for Services	78,100	19,525	19,525	19,716	(0)	(0.0) %
Debt Service Principal and Interest	208,300	-	-	-	-	
Operating Transfer Out	68,196	-	-	4,272	-	
Total Expenditures	\$ 3,851,454	\$ 228,339	\$ 169,373	\$ 770,087	\$ 58,966	25.8 %
Net Change in Fund Balance	\$ (834,713)	\$ 6,975	\$ (8,267)	\$ (317,787)	\$ (15,241)	(218.5) %

Beg. Fund Balance, January 2019	\$ 2,104,190
Net Change in Fund Balance, March 2019	(8,267)
Ending Fund Balance, March 2019	\$ 2,095,923
2019 Budgeted Ending Fund Balance	\$ 1,269,477



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	2019 Budget	YTD Actual	Remaining
A St SE Corridor Signal Safety & Op. Imp.	\$0.4M	\$0.1M	\$0.3M
37th and A Street Traffic Signal	\$0.2M	\$0.0M	\$0.2M
F Street SE Non-Motorized Improvements	\$0.2M	\$0.0M	\$0.2M
All Other Projects (27 Others Budgeted)	\$2.3M	\$0.1M	\$2.2M
Total	\$3.1M	\$0.1M	\$2.9M

*Components may not sum to total due to rounding.

Notes:

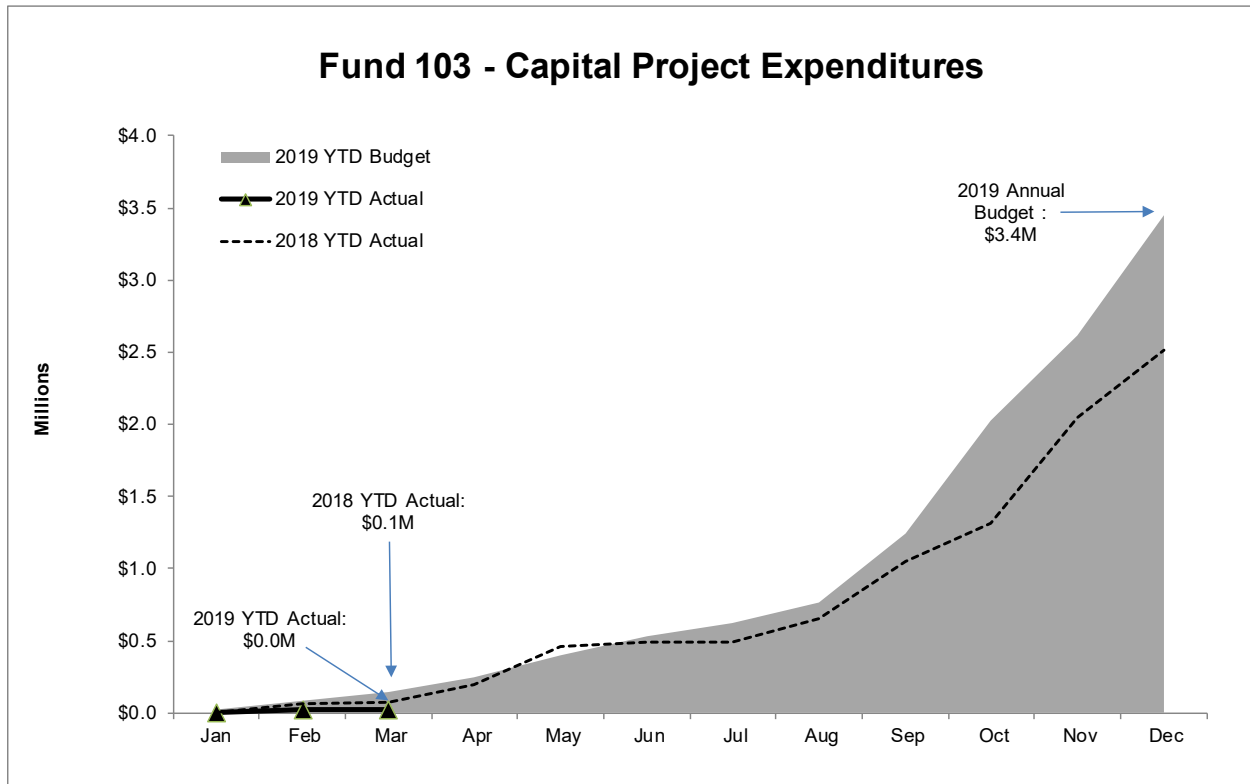
- Several large multi-year projects are reaching completion of construction in 2019 and several large projects are beginning design, with construction anticipated in 2020.

Fund 103 – Local Street Fund

The Local Street Fund is a special revenue fund used for local street repair. Effective January 1, 2019 this fund is funded at a specific amount by real estate excise tax (REET 2). Previously, the funding source was sales tax on construction. In Q1-2019, revenues in this fund totaled \$606,000, which is in line with budget expectations. This compares to collections of \$786,000 in Q1-2018. Expenditures in Q1-2019 were \$34,000 and compare to expenditures of \$116,000 in Q1-2018. 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. In addition, several inclement weather situations during Q1-2019 were not conducive to street construction.

Fund 103 - Local Street Fund	2019			2018	2019 YTD Budget vs. Actual	
	2019 Budget	2019 YTD Budget	2019 YTD Actual	2018 YTD Actual	Favorable (Unfavorable) Amount Percentage	
Summary of Sources and Uses	Report Period: March 2019					
Revenues						
Sales Tax on Construction	\$ -	\$ -	\$ -	\$ 623,421	\$ -	
Operating Transfer In	1,900,000	587,500	587,500	150,000	-	0.0 %
Interest Earnings	12,000	1,956	18,196	12,426	16,241	830.3 %
Total Revenues	\$ 1,912,000	\$ 589,456	\$ 605,696	\$ 785,847	\$ 16,241	2.8 %
Expenditures						
Capital Salary and Benefits	231,616	59,558	3,840	-	55,718	93.6 %
Capital Services and Charges	-	-	-	1,778	-	
Capital Outlay	3,217,860	59,973	21,736	77,103	38,238	63.8 %
Subtotal - Capital Project Expenditures	3,449,476	119,531	25,575	78,881	93,956	78.6 %
Admin Salary and Benefits	-	-	4,228	33,371	\$ (4,228)	
Admin Services and Charges	40,700	13,533	119	178	13,414	99.1 %
Interfund Payments for Services	15,200	3,800	3,800	3,060	(0)	(0.0) %
Operating Transfer Out	-	-	-	74	-	
Total Expenditures	\$ 3,505,376	\$ 136,864	\$ 33,722	\$ 115,564	\$ 103,142	75.4 %
Net Change in Fund Balance	\$ (1,593,376)	\$ 452,592	\$ 571,974	\$ 670,282	\$ 119,382	26.4 %

Beg. Fund Balance, January 2019	\$	2,550,256
Net Change in Fund Balance, March 2019		571,974
Ending Fund Balance, March 2019	\$	3,122,230
2019 Budgeted Ending Fund Balance	\$	956,880



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

Fund 103 - Local Street			
Capital Projects Status*			
Name	2019 Budget	YTD Actual	Remaining
2019 Local Street Reconstruction	\$2.6M	\$0.0M	\$2.6M
2018 Citywide Pavement Patch and Overlay	\$0.5M	\$0.0M	\$0.5M
2018 Local Street Pavement Reconstruction	\$0.3M	\$0.0M	\$0.2M
All Other Projects (1 Other Budgeted)	\$0.2M	\$0.0M	\$0.2M
Total	\$3.4M	\$0.0M	\$3.4M

*Components may not sum to total due to rounding.

Notes:

- The 2018 Citywide Pavement Patch and Overlay project is nearing completion of construction.
- The 2018 Local Street Pavement Reconstruction project is nearing completion of construction.

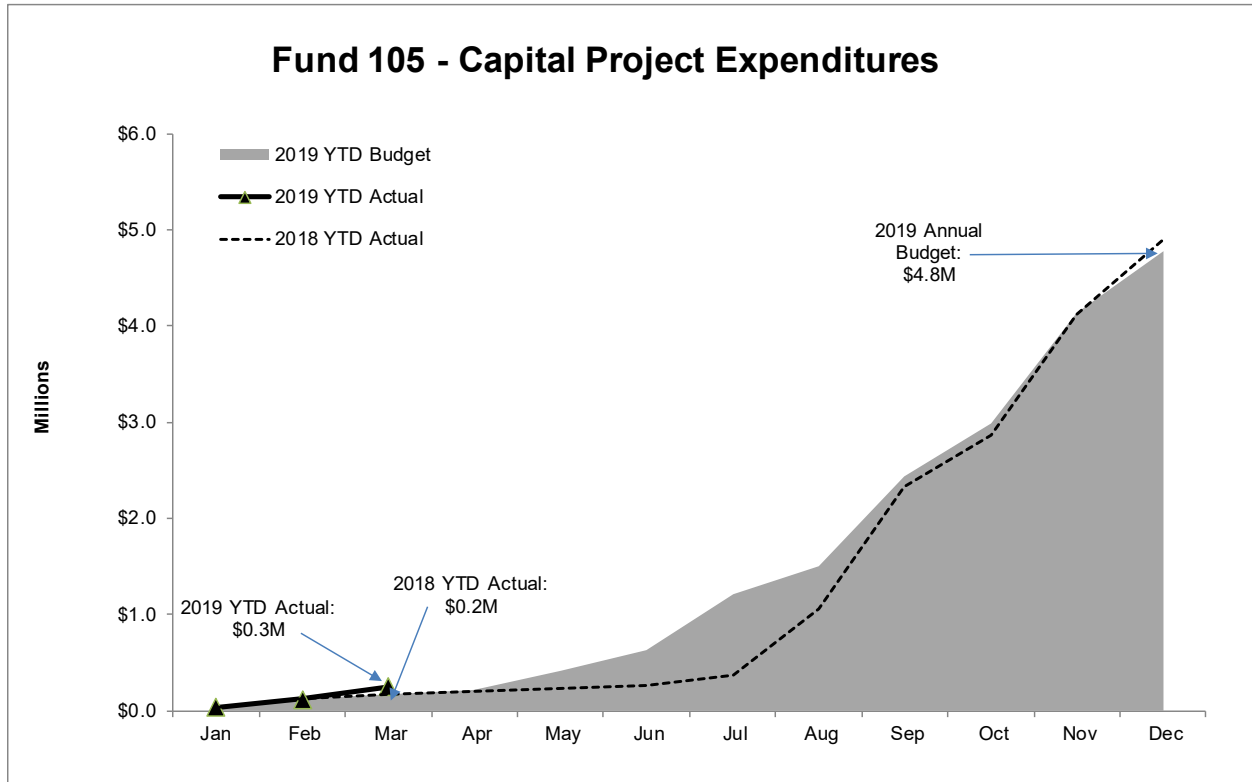
Fund 105 – Arterial Street Preservation Fund

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 2019 include A Street SE Preservation, 2019 Citywide Pavement Patching & Overlay, and 2018 Citywide Pavement Patching & Overlay. In Q1-2019 revenues totaled \$495,000, which is approximately \$33,000 lower than the same period last year, but \$70,000 higher than budget expectations.

Expenditures in Q1-2019 were \$252,000 as compared to \$166,000 in Q1-2018. 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. In addition, several inclement weather situations during Q1-2019 were not conducive to street construction.

Fund 105 - Arterial Street Preservation Summary of Sources and Uses Report Period: March 2019	2019			2018	2019 YTD Budget vs. Actual	
	2019 Budget	2019 YTD Budget	2019 YTD Actual	2018 YTD Actual	Favorable (Unfavorable) Amount	Percentage
Revenues						
City Utility Tax	\$ 674,600	\$ 157,154	\$ 160,764	\$ 148,272	\$ 3,611	2.3 %
Electric Utility Tax	711,600	140,250	176,027	187,336	35,777	25.5 %
Natural Gas Utility Tax	201,600	42,059	46,811	54,073	4,752	11.3 %
Cable TV Tax	190,100	23,020	49,838	53,319	26,818	116.5 %
Telephone Utility Tax	235,600	48,689	45,652	58,633	(3,037)	(6.2) %
Garbage Utility Tax (External Haulers)	22,400	5,600	6,003	5,122	403	7.2 %
Grants	940,511	-	-	-	-	
Operating Transfer In	746,279	-	-	13,063	-	
Interest Earnings	29,800	7,450	9,431	7,531	1,981	26.6 %
Total Revenues	\$ 3,752,490	\$ 424,221	\$ 494,525	\$ 527,350	\$ 70,303	16.6 %
Expenditures						
Salary and Benefits	\$ 241,000	\$ 49,791	\$ 92,601	\$ 87,465	\$ (42,810)	(86.0) %
Capital Outlay	4,530,722	74,302	158,981	78,743	(84,679)	(114.0) %
Subtotal - Capital Project Expenditures	4,771,722	124,094	251,582	166,209	(127,489)	(102.7) %
Supplies	-	-	-	-	-	
Services and Charges	165,000	-	-	-	-	
Operating Transfer Out	26,831	-	-	-	-	
Total Expenditures	\$ 4,963,553	\$ 124,094	\$ 251,582	\$ 166,209	\$ (127,489)	(102.7) %
Net Change in Fund Balance	\$ (1,211,063)	\$ 300,128	\$ 242,942	\$ 361,141	\$ (57,185)	(19.1) %

Beg. Fund Balance, January 2019	\$ 2,580,480
Net Change in Fund Balance, March 2019	242,942
Ending Fund Balance, March 2019	\$ 2,823,422
2019 Budgeted Ending Fund Balance	\$ 1,369,417



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	2019 Budget	YTD Actual	Remaining
A Street SE Preservation	\$1.7M	\$0.0M	\$1.7M
2019 Citywide Pavement Patching & Overlay	\$1.0M	\$0.0M	\$1.0M
2018 Citywide Pavement and Patching Overlay	\$0.9M	\$0.0M	\$0.9M
All Other Projects (7 Others Budgeted)	\$1.2M	\$0.2M	\$1.0M
Total	\$4.8M	\$0.3M	\$4.5M

*Components may not sum to total due to rounding.

Notes:

The A Street SE Preservation project is anticipated to be awarded in June 2019.

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 revenues 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.

About \$141,000, or 11.8%, of annual budgeted revenues were received in Q1-2019. While lower than budget expectations, this still represents a \$51,000 increase over Q1-2018. Revenue performance this quarter is driven by lower than expected transportation impact fees; this is expected to change significantly in April due to the receipt of nearly \$600,000 in traffic impact fee revenue from the Young’s Market truck warehouse and distribution center. Additionally, a transfer-in of approximately \$400,000 is expected in May to pay for traffic mitigations fees related to the Legacy Senior Housing Project and the Auburn Town Center.

Expenditures were significantly below budget due to the timing of capital projects funded by these revenues. Parks impact fees are planned to fund three projects with at least \$500,000 of budgeted expenditures (Game Farm Park Improvements, Downtown Auburn Arts Center, and 104th Avenue Master Plan).

Fund 124 - Mitigation Fees Summary of Sources and Uses	BUDGET			YTD ACTUALS		
	Revenues	Expenditures	Ending Fund Balance	Revenues	Expenditures	Ending Fund Balance
Report Period Through: March 2019						
Transportation Impact Fees	\$ 800,000	\$ 545,350	\$ 5,381,801	\$ 50,130	\$ 1,504	\$ 5,175,778
Transportation Mitigation Fees	-	-	67,905	-	-	67,905
Fire Impact Fees	100,000	75,000	212,773	1,451	-	189,224
Fire Mitigation Fees	-	-	81	-	-	81
Parks Impact Fees	100,000	2,055,000	3,086,936	17,500	-	5,059,436
Parks Mitigation Fees	-	300,000	40,702	-	-	340,702
School Impact Admin Fees	1,200	-	58,515	282	-	57,597
Wetland Mitigation Fees	-	5,000	33,861	-	-	38,861
Interest and Investment Income	195,000	-	195,000	71,613	-	71,613
Fees in Lieu of Improvements	-	-	24,413	-	-	24,413
Operating Transfers-In	-	-	-	-	-	-
Total	\$ 1,196,200	\$ 2,980,350	\$ 9,101,987	\$ 140,976	\$ 1,504	\$ 11,025,609

Beginning Fund Balance, January 2019	\$ 10,886,137
Net Change in Fund Balance, March 2019	139,472
Ending Fund Balance, March 2019	\$ 11,025,609
2019 Budgeted Ending Fund Balance	\$ 9,101,987

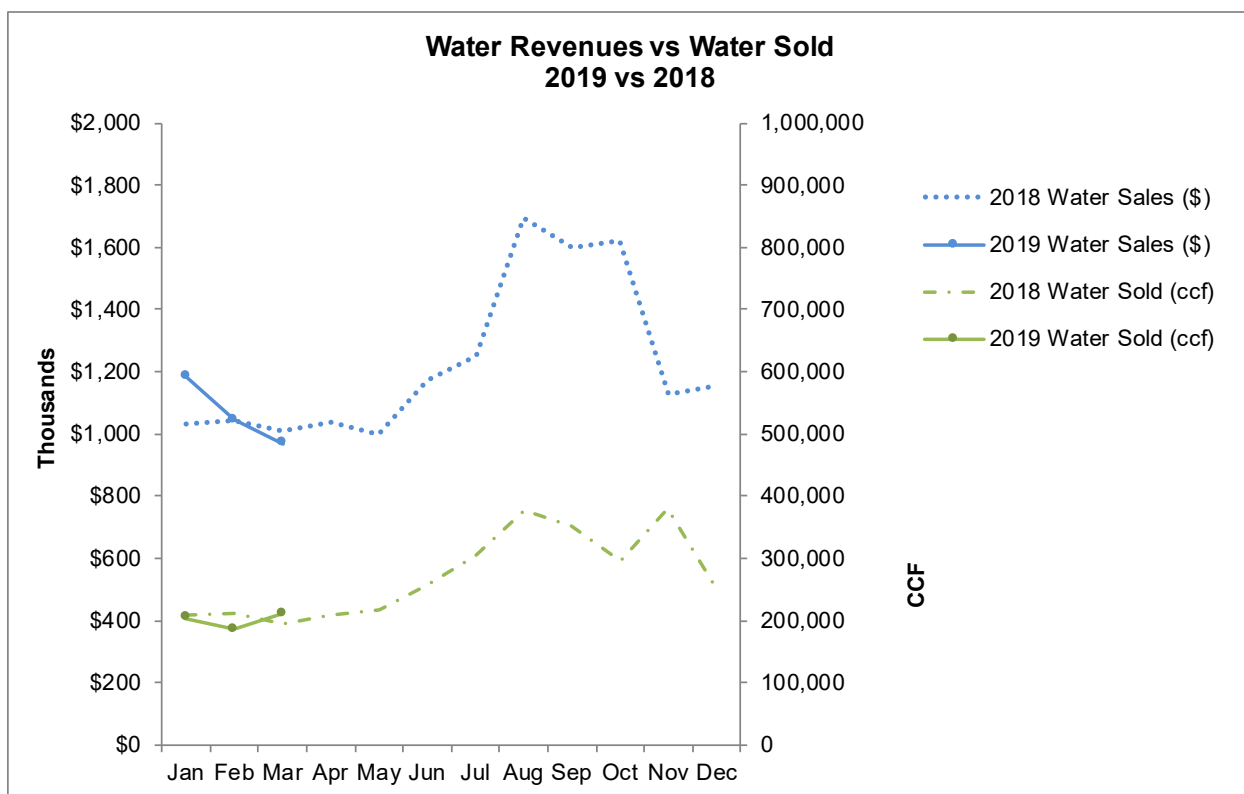
Enterprise Funds

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 usage billing schedule; previously, usage was only included in bimonthly billings for most customers. 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. This resulted in higher than normal fourth quarter billings, and also a larger than usual proportion of billing revenue being accrued back to 2018 from January 2019 billings. Therefore, Q1-2019 revenues are lower than they would have been had the billing cycles remained unmodified. This is expected to be a one-time variance, and is generally offset by the changes to utility rates effective January 1, 2019.

In Q1-2019 the **Water Utility** had operating income before depreciation of \$1.3 million as compared with \$1.2 million during Q1-2018. Total Water Fund operating revenues are \$76,000 higher than in Q1-2018, mainly due to strong performance in water sales and interest income. Water sales revenue is directly impacted by the rate changes, which implemented rate increases across all water consumption categories. Operating expenditures in Q1-2019 are tracking closely with Q1-2018 expenditures, having increased by only \$33,000 or 1.7% across the entire fund.

Water sales by volume in Q1-2019 totaled 600,000 hundred cubic feet (ccf), as compared to 616,000 ccf in Q1-2018. Although Water revenue is up due to changes in rate structures, billable water consumption is down by 2.6%. 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. And as noted above, the Q4-2018 billings saw increased consumption amounts due to additional days being included in the billing cycle. Some of this billing would previously have been included in the Q1-2019 amounts; since these were instead included in Q4-2018, consumption for Q1-2019 is commensurately lower.



The **Sewer Utility** finished Q1-2019 with operating income before depreciation of \$892,000 as compared to operating income of \$557,000 in Q1-2018. Operating revenues were higher than projected due to increased charges for City sewer service following the rate adjustment, as well as a \$203,000 refund from the Department of Revenue for overpayment of excise tax.

Expenditures in the Sewer Utility have increased by \$46,000 over Q1-2018, largely due to increased costs for employee benefits as well as tax payments. Although the dollar amount of expenditures has increased, the percentage of annual expenditure budget used is less than 1% different from Q1-2018 (19.88% of budget used, versus 19.17% in Q1-2018). First quarter budget usage has remained consistent for the last several years with the exception of Q1-2017, which saw a large spike due to a transfer of cash from the Sewer Operations fund to the Sewer Capital fund.

In Q1-2019, the **Stormwater Utility** had operating income before depreciation of \$857,000 compared with \$773,000 in Q1-2018. Overall revenues are up \$63,000 due to charges for City storm service, as well as strong investment income performance.

Expenditures in the Stormwater Utility are down \$51,000 from Q1-2018, contributing to the higher operating income noted above. Expenses for supplies are down \$9,000, while services and intergovernmental payments combined are down \$31,000 from Q1-2018.

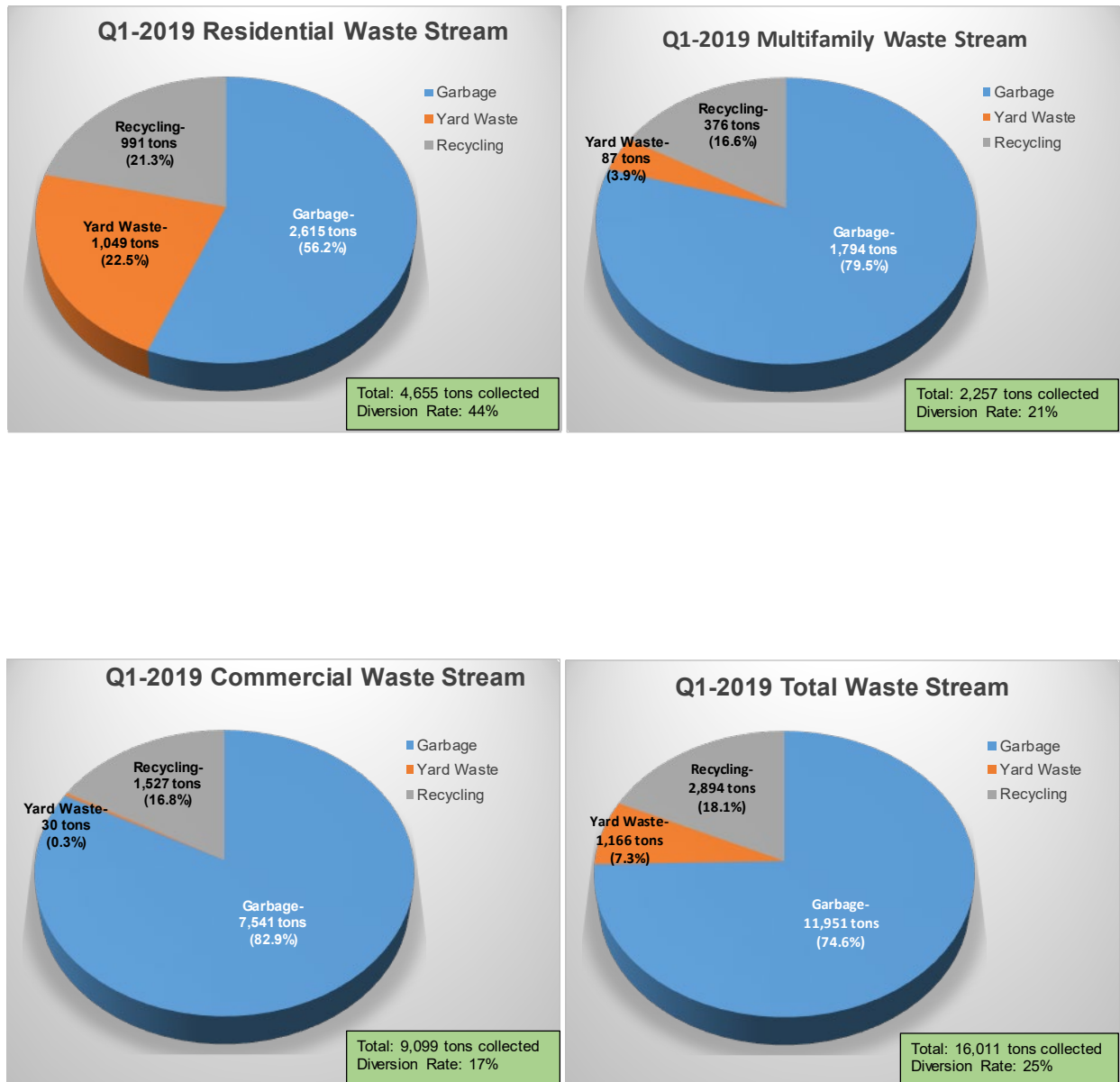
In Q1-2019 the **Solid Waste Utility** Fund had \$3.9 million in operating revenues, compared to \$3.7 million in operating expenditures. The City of Auburn’s Solid Waste services are outsourced to Waste Management and to Republic Services, who manages the contract for the annexed areas. As of March 2019, Waste Management serviced 15,493 customers (79% of customers) and Republic Services serviced 4,128 customers (21% of customers).

The current mix of solid waste customer account types is:

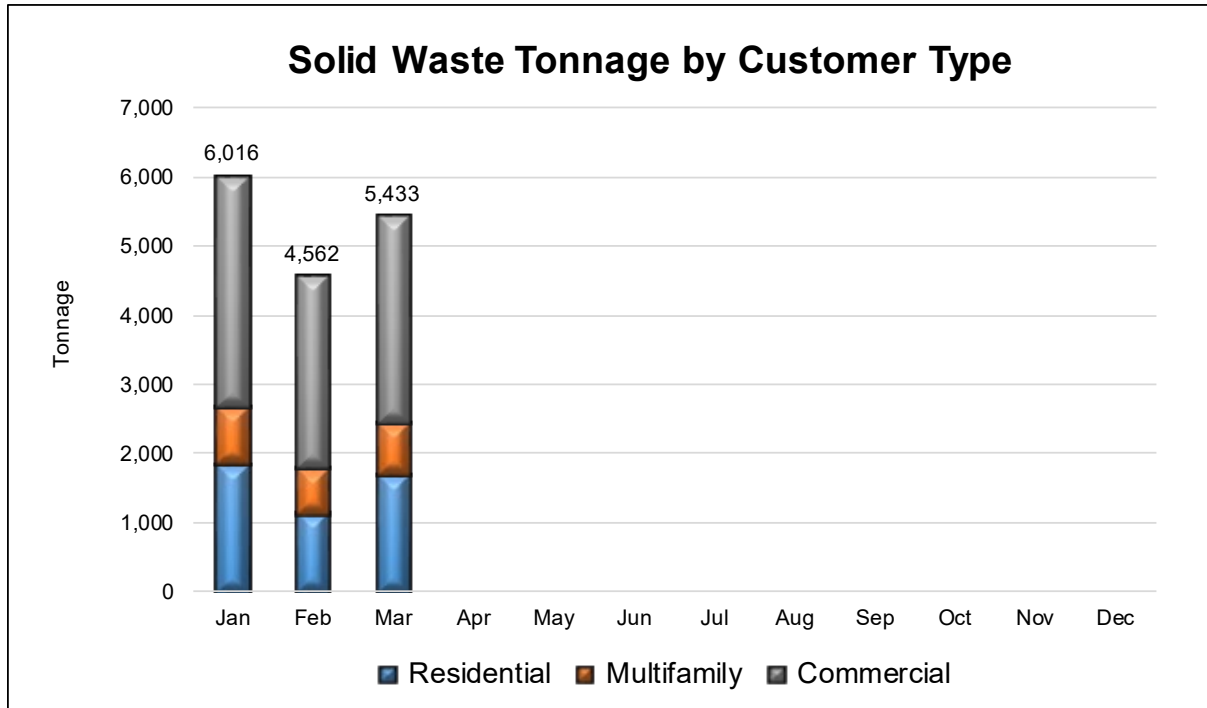
- 90% Residential
- 8% Commercial
- 2% Multifamily

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. In Q1-2019, the total diversion rate was 25.4%, which represents a total of 4,100 tons of waste that was diverted from landfills.

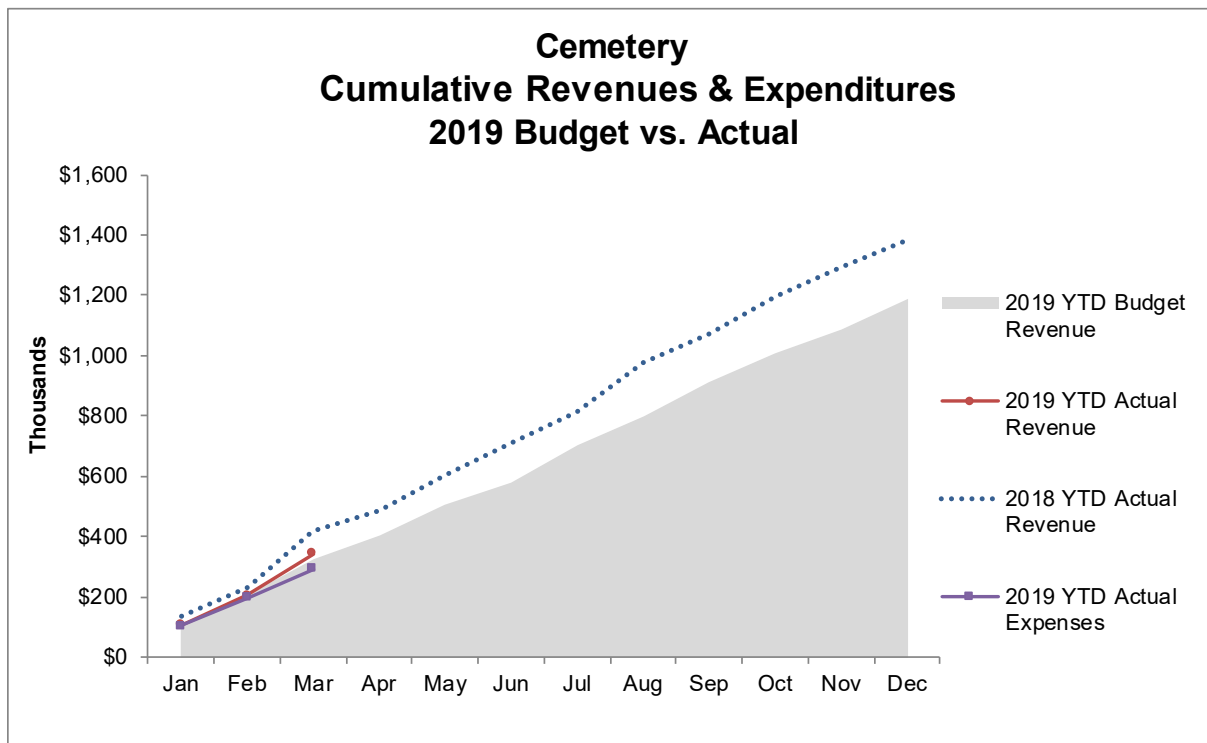
2019 Tons Collected and Diversion Rates:



Of the total tonnage collected in Q1-2019, 29% was collected from residential customers, 14% from multifamily customers, and 57% from commercial customers, as shown in the following graph.



In Q1-2019, the **Cemetery Fund** experienced operating income of \$51,000 as compared with an operating income of \$134,000 in Q1-2018. This variance is mainly due to decreased lot and marker sales thus far in 2019.



Internal Service Funds

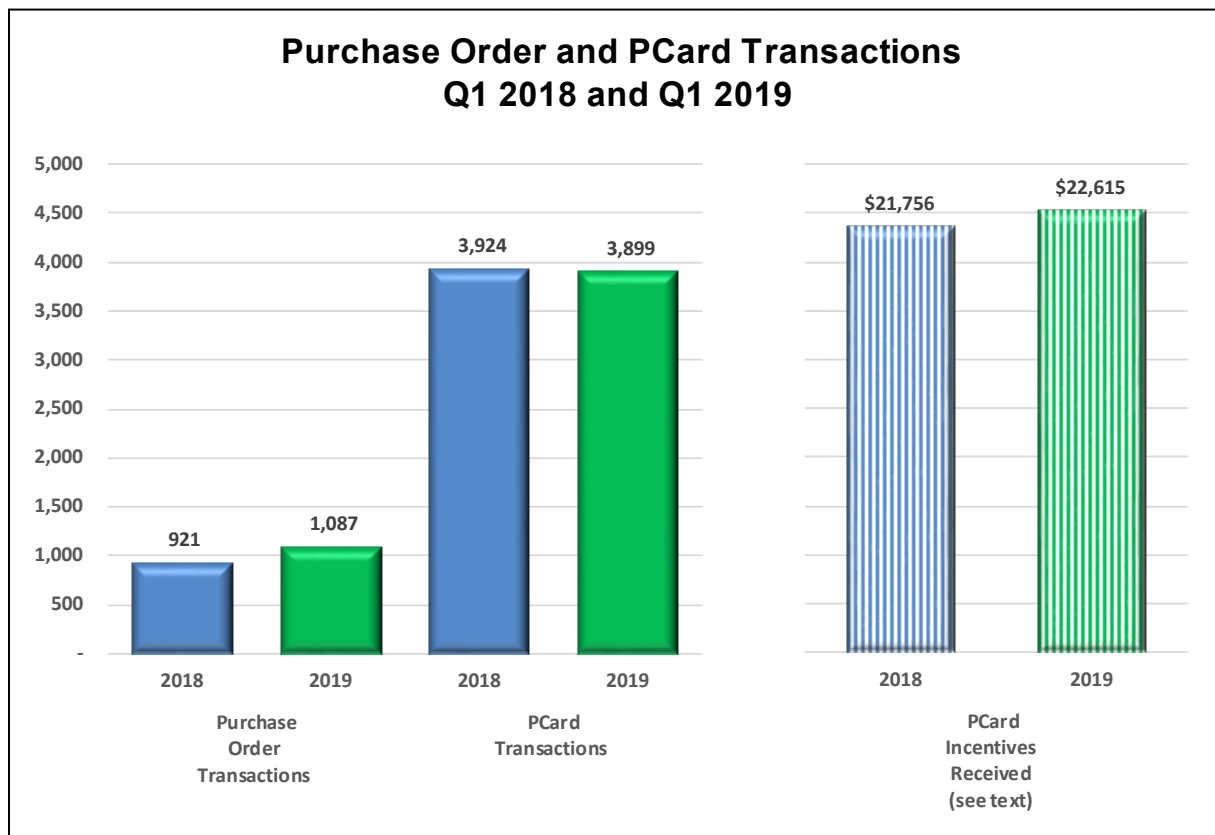
Operating expenditures within the **Insurance** Fund represent the premium cost pool that will be allocated monthly to other City funds over the course of 2019. As a result, the expenditure balance gradually diminishes each month throughout the year.

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 Q1-2019, 3,899 P-Card transactions were processed as compared with 1,087 purchase order transactions.

Total incentive payments received from US Bank in Q1-2019 totaled \$22,615. 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 2018 was \$27,723 and was received in April of 2019.



Contact Information

This report is prepared by the Finance Department. Additional financial information can also be viewed at our website: <http://www.auburnwa.gov/>. For any questions about this report please contact Shelley Coleman at scoleman@auburnwa.gov.

**City of Auburn
Investment Portfolio Summary
March 31, 2019**

Investment Type	Purchase Date	Book Value	Maturity Date	Yield to Maturity
State Investment Pool	Various	\$ 97,428,352	Various	2.52%
KeyBank Money Market	Various	5,805,963	Various	0.15%
OpusBank Public Interest Acct	Various	10,281,141	Various	2.59%
FHLB	2/28/2018	2,001,840	2/28/2023	2.65%
FFCB	5/21/2018	1,997,160	10/21/2019	2.48%
FAMCA	6/27/2018	1,999,940	7/16/2020	2.50%
FFCB	7/16/2018	2,000,620	7/16/2020	2.60%
TX ST-BABs-A	8/8/2018	1,761,620	4/1/2020	2.68%
FFCB	8/27/2018	2,004,660	2/23/2021	2.70%
RFCSP	10/5/2018	5,032,674	10/15/2019	2.69%
RFCSP	12/14/2018	5,012,902	7/15/2020	2.73%
RFCSP	2/19/2019	4,999,824	1/15/2021	2.52%
Total Cash & Investments		\$ 140,326,695		2.449%

Investment Mix	% of Total	Summary	
State Investment Pool	69.4%	Current 6-month treasury rate	2.51%
KeyBank Money Market	4.1%	Current State Pool rate	2.52%
OpusBank Public Interest Acct	7.3%	KeyBank Money Market	0.15%
FHLB	1.4%	OpusBank Public Interest Acct	2.59%
FFCB	4.3%	Blended Auburn rate	2.45%
FAMCA	1.4%		
TX ST-BABs-A	1.3%		
RFCSP	10.7%		
	100.0%		

SALES TAX SUMMARY
MARCH 2019 SALES TAX DISTRIBUTIONS (FOR JANUARY 2019 RETAIL ACTIVITY)

NAICS	CONSTRUCTION	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jan -18)	2019 YTD (Nov '18-Jan 19)	YTD % Diff
236	Construction of Buildings	1,257,918	370,471	229,057	-38.2%
237	Heavy and Civil Construction	170,543	31,653	30,833	-2.6%
238	Specialty Trade Contractors	881,157	221,297	218,736	-1.2%
TOTAL CONSTRUCTION		\$ 2,309,617	\$ 623,421	\$ 478,627	-23.2%
<i>Overall Change from Previous Year</i>				\$ (144,794)	

NAICS	MANUFACTURING	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jan -18)	2019 YTD (Nov '18-Jan 19)	YTD % Diff
311	Food Manufacturing	7,745	1,138	1,332	17.0%
312	Beverage and Tobacco Products	12,379	3,579	3,255	-9.1%
313	Textile Mills	559	195	111	-43.2%
314	Textile Product Mills	1,860	239	1,049	338.8%
315	Apparel Manufacturing	347	45	149	231.3%
316	Leather and Allied Products	221	17	81	366.3%
321	Wood Product Manufacturing	16,224	3,981	2,113	-46.9%
322	Paper Manufacturing	12,982	1,901	3,569	87.7%
323	Printing and Related Support	46,020	14,284	10,605	-25.8%
324	Petroleum and Coal Products	9,780	3,827	1,934	-49.5%
325	Chemical Manufacturing	12,512	1,932	1,696	-12.2%
326	Plastics and Rubber Products	8,844	2,251	1,611	-28.4%
327	Nonmetallic Mineral Products	21,776	3,678	4,797	30.4%
331	Primary Metal Manufacturing	4,065	374	2,902	676.7%
332	Fabricated Metal Product Manuf	26,115	6,065	8,490	40.0%
333	Machinery Manufacturing	24,283	5,733	6,473	12.9%
334	Computer and Electronic Product	7,184	1,415	1,179	-16.7%
335	Electric Equipment, Appliances	791	289	111	-61.6%
336	Transportation Equipment Man	488,093	103,628	101,977	-1.6%
337	Furniture and Related Products	19,899	4,798	6,622	38.0%
339	Miscellaneous Manufacturing	32,607	9,683	9,837	1.6%
TOTAL MANUFACTURING		\$ 754,285	\$ 169,053	\$ 169,895	0.5%
<i>Overall Change from Previous Year</i>				\$ 842	

NAICS	TRANSPORTATION AND WAREHOUSING	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jan -18)	2019 YTD (Nov '18-Jan 19)	YTD % Diff
481	Air Transportation	3	0	0	N/A
482	Rail Transportation	25,453	3,058	6,359	108.0%
484	Truck Transportation	26,564	676	4,238	526.6%
485	Transit and Ground Passengers	56	34	18	-45.5%
488	Transportation Support	52,211	11,143	9,593	-13.9%
491	Postal Service	1,007	81	201	147.9%
492	Couriers and Messengers	1,359	731	125	-82.9%
493	Warehousing and Storage	13,554	4,156	3,042	-26.8%
TOTAL TRANSPORTATION		\$ 120,208	\$ 19,879	\$ 23,577	18.6%
<i>Overall Change from Previous Year</i>				\$ 3,698	

NAICS	WHOLESALE TRADE	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jan -18)	2019 YTD (Nov '18-Jan 19)	YTD % Diff
423	Wholesale Trade, Durable Goods	1,147,872	326,801	269,095	-17.7%
424	Wholesale Trade, Nondurable	315,956	71,759	75,464	5.2%
425	Wholesale Electronic Markets	5,189	573	1,274	122.2%
TOTAL WHOLESALE		\$ 1,469,017	\$ 399,133	\$ 345,833	-13.4%
<i>Overall Change from Previous Year</i>				\$ (53,300)	

NAICS	AUTOMOTIVE	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jan -18)	2019 YTD (Nov '18-Jan 19)	YTD % Diff
441	Motor Vehicle and Parts Dealer	3,843,704	937,343	909,857	-2.9%
447	Gasoline Stations	278,087	71,731	68,599	-4.4%
TOTAL AUTOMOTIVE		\$ 4,121,791	\$ 1,009,073	\$ 978,456	-3.0%
<i>Overall Change from Previous Year</i>				\$ (30,618)	

NAICS	RETAIL TRADE	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jan -18)	2019 YTD (Nov '18-Jan 19)	YTD % Diff
442	Furniture and Home Furnishings	209,879	58,930	58,187	-1.3%
443	Electronics and Appliances	229,028	62,268	73,485	18.0%
444	Building Material and Garden	576,468	120,424	135,866	12.8%
445	Food and Beverage Stores	387,928	95,309	97,453	2.2%
446	Health and Personal Care Store	420,087	104,997	117,213	11.6%
448	Clothing and Accessories	1,170,083	335,926	328,620	-2.2%
451	Sporting Goods, Hobby, Books	220,869	59,356	72,412	22.0%
452	General Merchandise Stores	870,096	303,944	238,772	-21.4%
453	Miscellaneous Store Retailers	689,386	156,904	229,538	46.3%
454	Nonstore Retailers	267,088	98,293	63,201	-35.7%
TOTAL RETAIL TRADE		\$ 5,040,912	\$ 1,396,352	\$ 1,414,748	1.3%
<i>Overall Change from Previous Year</i>				\$ 18,396	

NAICS	SERVICES	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jan -18)	2019 YTD (Nov '18-Jan 19)	YTD % Diff
51*	Information	637,625	171,971	180,270	a 4.8%
52*	Finance and Insurance	140,135	36,056	34,212	-5.1%
53*	Real Estate, Rental, Leasing	367,824	101,573	128,624	26.6%
541	Professional, Scientific, Tech	253,684	66,138	77,320	16.9%
551	Company Management	16	2	12	473.5%
56*	Admin. Supp., Remed Svcs	423,760	86,053	131,909	53.3%
611	Educational Services	47,224	11,299	9,872	-12.6%
62*	Health Care Social Assistance	93,420	23,734	26,617	12.1%
71*	Arts and Entertainment	119,180	27,058	21,318	-21.2%
72*	Accommodation and Food Svcs	1,435,327	339,042	351,514	3.7%
81*	Other Services	560,054	137,544	146,829	6.8%
92*	Public Administration	150,574	43,513	485	-98.9%
TOTAL SERVICES		\$ 4,228,822	\$ 1,043,983	\$ 1,108,980	6.2%
<i>Overall Change from Previous Year</i>				\$ 64,997	

NAICS	MISCELLANEOUS	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jan -18)	2019 YTD (Nov '18-Jan 19)	YTD % Diff
000	Unknown	0	0	0	N/A
111-115	Agriculture, Forestry, Fishing	3,656	1,117	1,694	51.7%
211-221	Mining & Utilities	26,370	5,167	5,659	9.5%
999	Unclassifiable Establishments	123,605	16,536	51,593	212.0%
TOTAL MISCELLANEOUS		\$ 153,632	\$ 22,820	\$ 58,947	158.3%
<i>Overall Change from Previous Year</i>				\$ 36,127	

NAICS	GRAND TOTAL	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jan -18)	2019 YTD (Nov '18-Jan 19)	YTD % Diff
TOTAL		\$ 18,198,285	\$ 4,683,713	\$ 4,579,062	-2.2%
<i>Overall Change from Previous Year</i>				\$ (104,651)	

Total March 2019 Sales Tax Distributions	\$ 1,374,764
Dollar Increase from March 2018	\$ 5,437
Percent Increase from March 2018	0.4%
Comparisons:	
March 2018	\$ 1,369,327
March 2017	\$ 1,335,792

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

a. WA State Department of Revenue audit adjustment to sales tax returns for February 2019 Reporting (adjustment: \$14,165).

OPERATING & CAPITAL FUNDS	ENTERPRISE FUNDS												
	Cash Basis through March 2019	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	15,471,500	3,193,584	(12,277,916)	9,014,200	2,213,908	(6,800,292)	18,370,000	4,485,856	(13,884,144)	10,085,900	2,498,290	(7,587,610)	
Grants	-	-	-	-	-	-	-	-	-	-	-	-	
Interest Earnings	20,000	54,249	34,249	20,000	32,827	12,827	2,500	8,438	5,938	15,000	30,737	15,737	
Rents, Leases, Concessions, & Other	187,000	7,891	(179,109)	70,000	202,632	132,632	-	-	-	56,000	476	(55,524)	
TOTAL OPERATING REVENUES	15,678,500	3,255,724	(12,422,776)	9,104,200	2,449,367	(6,654,833)	18,372,500	4,494,294	(13,878,206)	10,156,900	2,529,503	(7,627,397)	
OPERATING EXPENSES													
Salaries & Wages	2,472,136	588,864	1,883,272	1,478,205	358,642	1,119,563	-	-	-	2,511,990	568,754	1,943,236	
Benefits	1,335,528	306,434	1,029,094	783,349	186,202	597,147	-	-	-	1,329,580	296,072	1,033,508	
Supplies	364,244	61,153	303,091	164,550	27,120	137,430	-	-	-	84,550	24,896	59,654	
Other Service Charges	4,355,849	592,217	3,763,632	2,912,150	637,428	2,274,722	18,215,600	4,339,510	13,876,090	1,994,100	327,684	1,666,416	
Intergovernmental Services (Less Transfers Out)	-	-	-	-	-	-	-	-	-	-	-	-	
Waste Management Payments See Note	-	-	-	-	-	-	-	-	-	-	-	-	
Sewer Metro Services	-	-	-	-	-	-	-	-	-	-	-	-	
Debt Service Interest	1,092,600	-	1,092,600	245,500	-	245,500	-	-	-	311,100	-	311,100	
Interfund Operating Rentals & Supplies	1,773,617	443,404	1,330,213	1,391,917	347,979	1,043,938	-	-	-	1,818,400	454,600	1,363,800	
TOTAL OPERATING EXPENSES	11,393,974	1,992,072	9,401,902	6,975,671	1,557,372	5,418,299	18,215,600	4,339,510	13,876,090	8,049,720	1,672,006	6,377,714	
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION	4,284,526	1,263,652	(3,020,874)	2,128,529	891,995	(1,236,534)	156,900	154,784	(2,116)	2,107,180	857,497	(1,249,683)	
NON-OPERATING REVENUES													
Operating Transfers-in	-	-	-	-	-	-	-	-	-	-	-	-	
Intergovernmental Loan	-	16,633	(16,633)	-	-	-	-	-	-	-	-	-	
Other Non-Operating Revenues	-	-	-	-	-	-	-	-	-	-	-	-	
NON-OPERATING EXPENSES													
Transfer to Capital Subfund	811,400	16,633	794,767	-	-	-	-	-	-	-	-	-	
Other Operating Transfers-out	353,291	2,125	351,166	303,592	2,125	301,467	-	-	-	377,592	76,125	301,467	
Debt Service Principal	1,775,400	-	1,775,400	563,400	-	563,400	-	-	-	438,000	-	438,000	
Net Change in Restricted Net Assets	-	44,513	44,513	-	1,777	1,777	-	-	-	-	-	-	
Interfund Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-	
BEGINNING WORKING CAPITAL - January 1, 2019	3,787,175	3,787,175	-	4,267,149	4,267,149	-	3,184,467	3,184,467	-	2,859,814	2,859,814	-	
ENDING WORKING CAPITAL - March 31, 2019	5,131,610	5,004,189	(127,421)	5,528,686	5,155,242	(373,444)	3,341,367	3,339,251	(2,116)	4,151,402	3,641,186	(510,216)	
NET CHANGE IN WORKING CAPITAL (see Note)	1,344,435	1,217,014	(127,421)	1,261,537	888,093	(373,444)	156,900	154,784	(2,116)	1,291,588	781,372	(510,216)	
CAPITAL FUND:													
CAPITAL REVENUES													
Interest Revenue	10,000	11,936	1,936	80,000	81,238	1,238	-	-	-	80,000	35,400	(44,600)	
Grants	100,000	-	(100,000)	-	-	-	-	-	-	-	-	-	
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	
Other Non-Operating Revenue	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Contributions - System Development	937,700	116,691	(821,009)	654,700	394,427	(260,273)	-	-	-	489,900	38,923	(450,977)	
Interfund Revenues	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Contributions - FAA	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds of Debt Activity	7,178,300	-	(7,178,300)	-	-	-	-	-	-	-	-	-	
Transfers In from Operating Sub-Fund	811,400	16,633	(794,767)	-	-	-	-	-	-	-	-	-	
Transfer In from Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL CAPITAL REVENUES	9,037,400	145,260	(8,892,141)	734,700	475,666	(259,034)				569,900	74,324	(495,576)	
CAPITAL EXPENSES													
Other Non-Operating Expense	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Fixed Assets - Salaries	424,300	57,751	366,549	182,900	10,560	172,340	-	-	-	202,900	13,911	188,989	
Increase In Fixed Assets - Benefits	169,700	27,306	142,394	73,100	5,405	67,695	-	-	-	81,100	6,501	74,599	
Increase In Fixed Assets - Services	300	-	300	1,900	-	1,900	-	-	-	1,900	-	1,900	
Increase In Fixed Assets - Site Improvements	-	1,085	(1,085)	-	-	-	-	-	-	-	-	-	
Increase In Fixed Assets - Equipment	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Fixed Assets - Construction	5,968,386	32,831	5,935,555	2,588,000	2,805	2,585,195	-	-	-	2,861,000	48,204	2,812,796	
Operating Transfers Out	50,000	50,000	-	50,000	50,000	-	-	-	-	50,000	50,000	-	
TOTAL CAPITAL EXPENSES	6,612,686	168,973	6,443,713	2,895,900	68,770	2,827,130				3,196,900	118,616	3,078,284	
BEGINNING WORKING CAPITAL - January 1, 2019	138,010	138,010	-	11,210,691	11,210,691	-	-	-	-	13,328,488	13,328,488	-	
ENDING WORKING CAPITAL - March 31, 2019	2,562,724	114,296	(2,448,428)	9,049,491	11,617,587	2,568,096	-	-	-	10,701,488	13,284,196	2,582,708	
NET CHANGE IN WORKING CAPITAL (see Note)	2,424,714	(23,714)	(2,448,428)	(2,161,200)	406,896	2,568,096	-	-	-	(2,627,000)	(44,292)	2,582,708	
Total Change in Working Capital	3,769,149	1,193,300	(2,575,849)	(899,663)	1,294,988	2,194,651	156,900	154,784	(2,116)	(1,335,412)	737,080	2,072,492	
(*) Depreciation	3,612,800	992,049		2,333,400	571,854		-	-		2,184,100	526,865		

Working Capital = Current Assets
minus Current Liabilities

OPERATING & CAPITAL FUNDS	ENTERPRISE FUNDS									INTERNAL SERVICE FUNDS			
	Cash Basis through March 2019	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	16,071,700	3,869,022	(12,202,678)	1,205,700	325,156	(880,544)	1,086,000	339,098	(746,902)	-	-	-	
Grants	88,600	-	(88,600)	-	-	-	-	-	-	-	-	-	
Interest Earnings	88,800	27,926	(60,874)	6,900	5,839	(1,061)	1,000	4,601	3,601	21,000	5,434	(15,566)	
Rents, Leases, Concessions, & Other	-	2,753	2,753	6,000	2,281	(3,719)	-	-	-	-	-	-	
TOTAL OPERATING REVENUES	16,249,100	3,899,702	(12,349,399)	1,218,600	333,276	(885,324)	1,087,000	343,699	(743,301)	21,000	5,434	(15,566)	
OPERATING EXPENSES													
Salaries & Wages	-	-	-	207,803	52,798	155,005	464,932	107,345	357,587	-	-	-	
Benefits	-	-	-	149,490	33,816	115,674	269,930	64,554	205,376	175,000	15,581	159,419	
Supplies	53,400	183	53,217	202,200	79,930	122,270	221,700	61,106	160,594	-	-	-	
Other Service Charges	2,123,775	326,658	1,797,117	173,800	46,144	127,656	151,500	20,484	131,016	5,600	918,240	(912,640)	
Intergovernmental Services (Less Transfers Out)	-	-	-	-	-	-	-	-	-	-	-	-	
Waste Management Payments See Note	13,485,300	3,217,403	10,267,897	-	-	-	-	-	-	-	-	-	
Sewer Metro Services	-	-	-	3,700	312	3,388	-	-	-	-	-	-	
Debt Service Interest	-	-	-	-	-	-	-	-	-	-	-	-	
Interfund Operating Rentals & Supplies	612,000	153,000	459,000	70,000	9,650	60,350	155,900	38,975	116,925	-	-	-	
TOTAL OPERATING EXPENSES	16,274,475	3,697,244	12,577,231	806,993	222,651	584,342	1,263,962	292,464	971,498	180,600	933,821	(753,221)	
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION	(25,375)	202,458	227,833	411,607	110,626	(300,981)	(176,962)	51,235	228,197	(159,600)	(928,386)	(768,786)	
NON-OPERATING REVENUES													
Operating Transfers-in							100,000	-	(100,000)	-	-	-	
Intergovernmental Loan													
Other Non-Operating Revenues													
NON-OPERATING EXPENSES													
Transfer to Capital Subfund							100,000	-	-				
Other Operating Transfers-out	21,831	531	21,300	360,000	-	360,000	-	-	-				
Debt Service Principal				186,500	-	186,500	-	-	-				
Net Change in Restricted Net Assets				-	2,137	2,137	-	-	-				
Interfund Loan Repayment				42,100	10,339	31,761							
BEGINNING WORKING CAPITAL - January 1, 2019	5,556,175	5,556,175	-	434,633	434,633	-	441,060	441,060	-	1,928,070	1,928,070	-	
ENDING WORKING CAPITAL - March 31, 2019	5,508,969	5,758,102	249,133	257,640	532,783	275,143	264,098	492,295	228,197	1,768,470	999,684	(768,786)	
NET CHANGE IN WORKING CAPITAL (see Note)	(47,206)	201,927	249,133	(176,993)	98,150	275,143	(176,962)	51,235	228,197	(159,600)	(928,386)	(768,786)	
CAPITAL FUND:		see Note											
CAPITAL REVENUES													
Interest Revenue				2,000	943	(1,057)	-	1,520	1,520				
Grants													
Contributions				91,700	(6)	(91,706)	-	-	-				
Other Non-Operating Revenue				-	-	-	-	-	-				
Increase In Contributions - System Development				-	-	-	-	-	-				
Interfund Revenues				-	-	-	-	-	-				
Increase In Contributions - FAA				1,650,000	-	(1,650,000)	-	-	-				
Proceeds of Debt Activity				-	-	-	-	-	-				
Transfers In from Operating Sub-Fund				-	-	-	100,000	-	(100,000)				
Transfer In from Other Funds				350,000	-	(350,000)	33,000	-	(33,000)				
TOTAL CAPITAL REVENUES				2,093,700	937	(2,092,763)	133,000	1,520	(131,480)				
CAPITAL EXPENSES													
Other Non-Operating Expense				-	-	-	-	-	-				
Increase In Fixed Assets - Salaries				4,300	57	4,243	-	-	-				
Increase In Fixed Assets - Benefits				1,700	41	1,659	-	-	-				
Increase In Fixed Assets - Services				100	-	100	100	-	100				
Increase In Fixed Assets - Site Improvements				-	-	-	-	-	-				
Increase In Fixed Assets - Equipment				-	-	-	-	-	-				
Increase In Fixed Assets - Construction				2,097,400	62,766	2,034,634	358,000	-	358,000				
Operating Transfers Out				37,000	-	37,000	-	-	-				
TOTAL CAPITAL EXPENSES				2,140,500	62,864	2,077,636	358,100	-	358,100				
BEGINNING WORKING CAPITAL - January 1, 2019				146,405	146,405	-	261,037	261,037	-				
ENDING WORKING CAPITAL - March 31, 2019				99,605	84,478	(15,127)	35,937	262,557	226,620				
NET CHANGE IN WORKING CAPITAL (see Note)				(46,800)	(61,927)	(15,127)	(225,100)	1,520	226,620				
Total Change in Working Capital	(47,206)	201,927		(223,793)	36,223	260,016	(402,062)	52,755	454,817	(159,600)	(928,386)	(768,786)	

(*) Depreciation

Note: Includes March's Waste Management payment (\$1,100,356), which will be made in April.

Working Capital = Current Assets minus Current Liabilities

OPERATING & CAPITAL FUNDS	INTERNAL SERVICE FUNDS												
	Cash Basis through March 2019	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	1,075,200	254,795	(820,406)	3,467,900	868,772	(2,599,128)	6,269,100	1,570,431	(4,698,669)	2,007,606	501,902	(1,505,704)	
Grants	-	-	-	-	-	-	-	-	-	-	-	-	
Interest Earnings	46,000	13,246	(32,754)	24,600	12,054	(12,546)	8,000	16,608	8,608	-	19,197	19,197	
Rents, Leases, Concessions, & Other	50,000	3,424	(46,576)	-	-	-	-	-	-	-	3,350	3,350	
TOTAL OPERATING REVENUES	1,171,200	271,465	(899,735)	3,492,500	880,826	(2,611,674)	6,277,100	1,587,038	(4,690,062)	2,007,606	524,449	(1,483,157)	
OPERATING EXPENSES													
Salaries & Wages	-	-	-	728,510	165,530	562,980	2,070,555	482,153	1,588,402	604,034	159,796	444,238	
Benefits	250,000	38,633	211,367	424,233	95,587	328,646	1,072,035	233,919	838,116	324,807	77,639	247,168	
Supplies	-	-	-	140,220	27,245	112,975	463,150	61,454	401,696	987,400	198,949	788,451	
Other Service Charges	448,315	113,758	334,557	1,761,950	299,508	1,462,442	2,648,900	754,533	1,894,367	493,050	98,622	394,428	
Intergovernmental Services (Less Transfers Out)	-	-	-	-	-	-	-	-	-	-	-	-	
Waste Management Payments See Note	-	-	-	-	-	-	-	-	-	-	-	-	
Sewer Metro Services	-	-	-	-	-	-	-	-	-	2,700	487	2,213	
Debt Service Interest	-	-	-	-	-	-	-	-	-	-	-	-	
Interfund Operating Rentals & Supplies	119,800	29,950	89,850	159,700	39,925	119,775	183,000	45,750	137,250	291,600	72,900	218,700	
TOTAL OPERATING EXPENSES	818,115	182,341	635,774	3,214,613	627,794	2,586,819	6,437,640	1,577,809	4,859,831	2,703,591	608,394	2,095,197	
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION	353,085	89,124	(263,961)	277,887	253,032	(24,855)	(160,540)	9,230	169,770	(695,985)	(83,945)	612,040	
NON-OPERATING REVENUES													
Operating Transfers-in				40,000	-	(40,000)	152,010	-	(152,010)	-	-	-	
Intergovernmental Loan													
Other Non-Operating Revenues													
NON-OPERATING EXPENSES													
Transfer to Capital Subfund				679,950	-	679,950	-	-	-	-	-	-	
Other Operating Transfers-out													
Debt Service Principal													
Net Change in Restricted Net Assets													
Interfund Loan Repayment													
BEGINNING WORKING CAPITAL - January 1, 2019	2,128,988	2,128,988	-	1,412,874	1,412,874	-	2,573,504	2,573,504	-	3,091,626	3,091,626	-	
ENDING WORKING CAPITAL - March 31, 2019	2,482,073	2,218,112	(263,961)	1,050,811	1,665,906	615,095	2,564,974	2,582,734	17,760	2,395,641	3,007,681	612,040	
NET CHANGE IN WORKING CAPITAL (see Note)	353,085	89,124	(263,961)	(362,063)	253,032	615,095	(8,530)	9,230	17,760	(695,985)	(83,945)	612,040	
CAPITAL FUND:													
CAPITAL REVENUES													
Interest Revenue							-	9,185	9,185	-	24,027	24,027	
Grants													
Contributions													
Other Non-Operating Revenue													
Increase In Contributions - System Development													
Interfund Revenues										1,771,194	442,799	(1,328,395)	
Increase In Contributions - FAA													
Proceeds of Debt Activity													
Transfers In from Operating Sub-Fund													
Transfer In from Other Funds										970,800	-	(970,800)	
TOTAL CAPITAL REVENUES								9,185	9,185	2,741,994	466,826	(2,275,168)	
CAPITAL EXPENSES													
Other Non-Operating Expense													
Increase In Fixed Assets - Salaries								1,642	(1,642)				
Increase In Fixed Assets - Benefits								616	(616)				
Increase In Fixed Assets - Services							300	-	300	500	-	500	
Increase In Fixed Assets - Site Improvements													
Increase In Fixed Assets - Equipment							849,000	-	849,000	2,013,950	58,320	1,955,630	
Increase In Fixed Assets - Construction							20,000	-	20,000	1,088,000	-	1,088,000	
Operating Transfers Out													
TOTAL CAPITAL EXPENSES							869,300	2,258	867,042	3,102,450	58,320	3,044,130	
BEGINNING WORKING CAPITAL - January 1, 2019							1,169,997	1,169,997	-	3,663,110	3,663,110	-	
ENDING WORKING CAPITAL - March 31, 2019							300,697	1,176,925	876,228	3,302,654	4,071,616	768,962	
NET CHANGE IN WORKING CAPITAL (see Note)							(869,300)	6,928	876,228	(360,456)	408,506	768,962	
Total Change in Working Capital	353,085	89,124	(263,961)	(362,063)	253,032	615,095	(877,830)	16,157	893,987	(1,056,441)	324,561	1,381,002	

(*) Depreciation

- - - - - 500,000 97,923 1,250,000 274,103

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