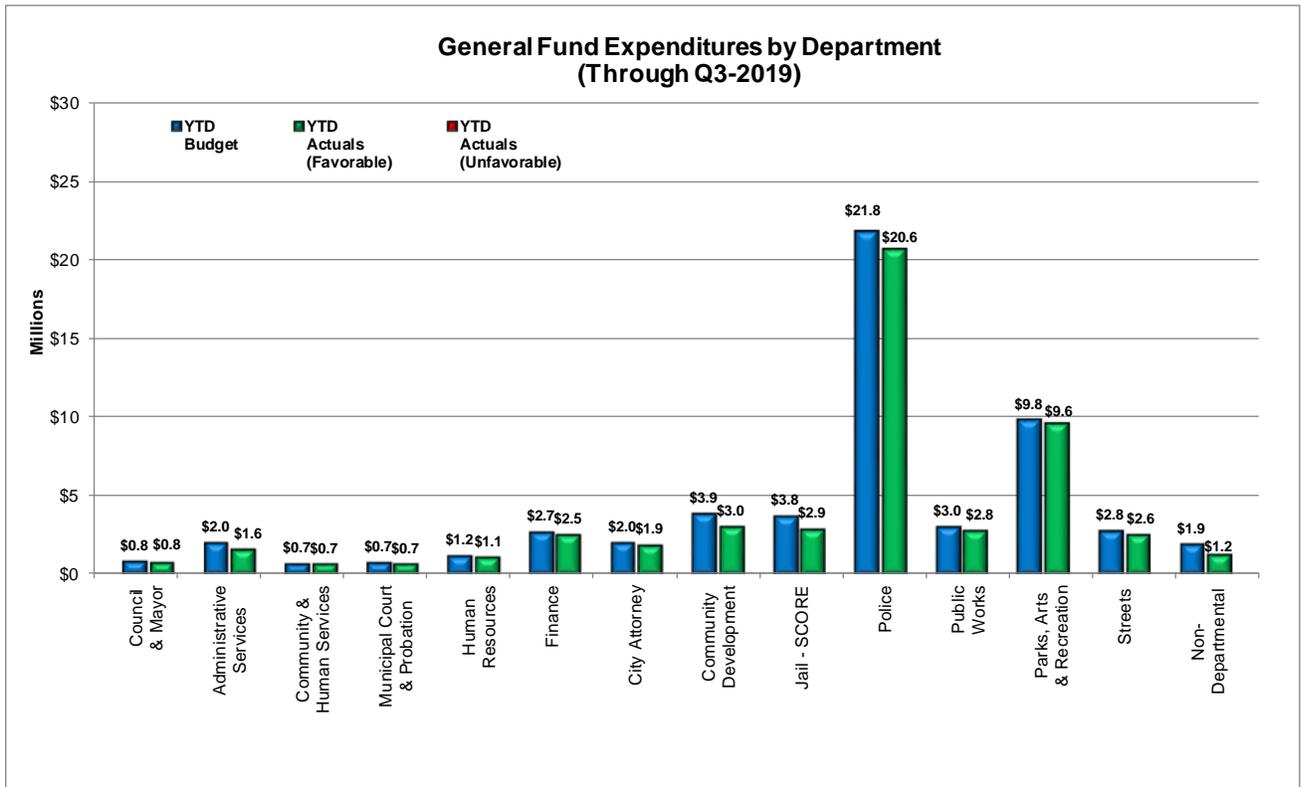
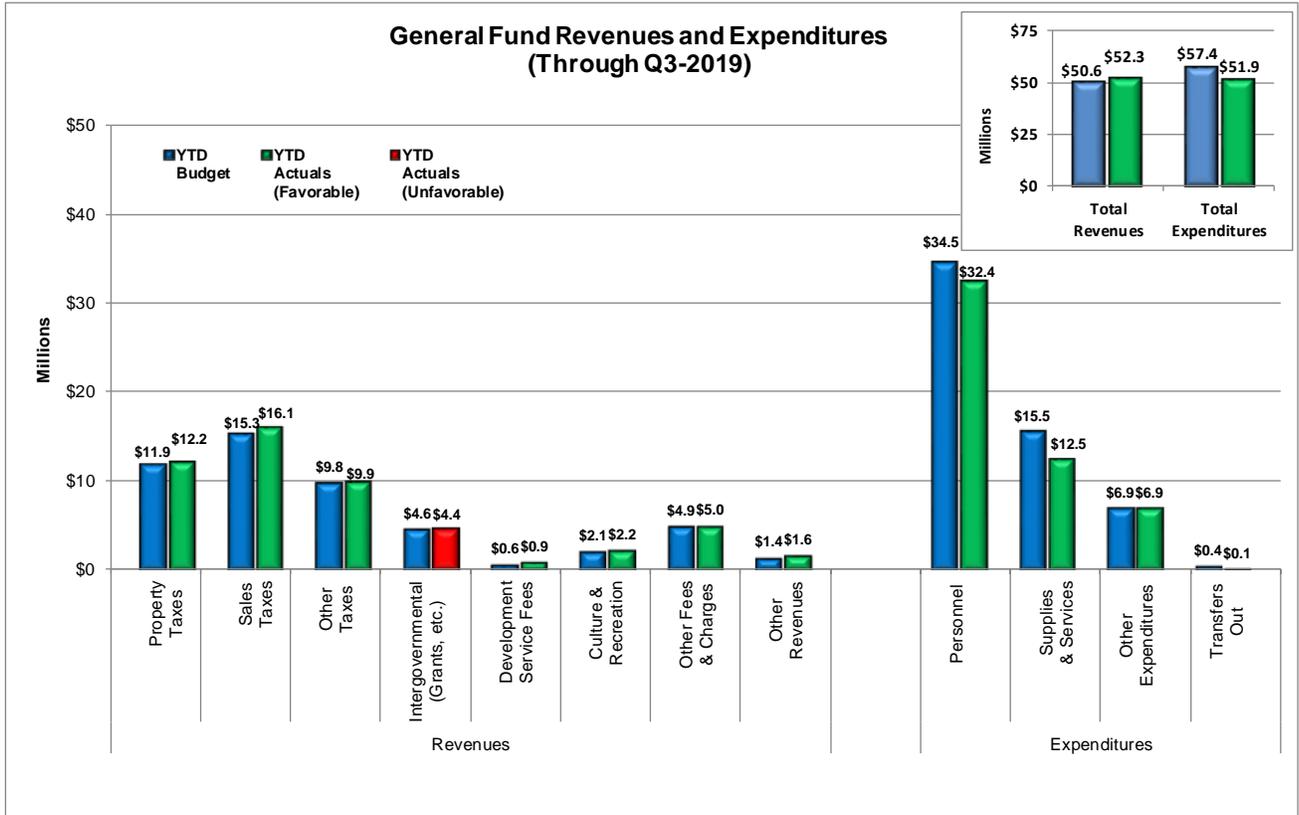




AGENDA BILL APPROVAL FORM

Agenda Subject: 3rd Quarter 2019 Financial Report		Date: November 5, 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 September 2019 status report based on financial data available as of October 31, 2019 for the period ending September 30, 2019 and sales tax information representing business activity that occurred through July 2019.</p>		
		Staff: Thomas
Meeting Date: November 25, 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	7	\$ 21,825,000	\$ 11,935,000	\$ 12,228,024	\$ 11,633,676	293,024	2.5 %
Retail Sales Tax	8-9	18,435,100	13,677,100	13,825,585	11,825,112	148,485	1.1 %
Sales Tax - Pierce County Parks		105,500	78,100	82,419	76,824	4,319	5.5 %
Sales Tax - Annexation Credit		-	-	373,279	1,056,364	373,279	N/A %
Criminal Justice Sales Tax		2,162,000	1,589,700	1,783,637	1,664,826	193,937	12.2 %
Brokered Natural Gas Tax		137,900	109,400	172,481	126,785	63,081	57.7 %
City Utilities Tax	9-10	4,035,600	3,029,300	3,026,859	2,851,226	(2,441)	(0.1) %
Admissions Tax		398,000	298,800	334,077	353,497	35,277	11.8 %
Electric Tax	9-10	3,558,100	2,759,400	2,753,414	2,890,368	(5,986)	(0.2) %
Natural Gas Tax	9-10	1,008,000	901,100	818,958	912,333	(82,142)	(9.1) %
Cable Franchise Fee	11-12	950,500	711,700	694,741	717,171	(16,959)	(2.4) %
Cable Utility Tax	12	1,020,000	765,000	731,470	763,586	(33,530)	(4.4) %
Cable Franchise Fee - Capital		65,000	48,750	48,471	46,766	(279)	(0.6) %
Telephone Tax	9-10	1,177,900	894,500	735,332	966,456	(159,168)	(17.8) %
Garbage Tax (external)	9-10	134,400	100,800	109,116	102,313	8,316	8.3 %
Leasehold Excise Tax		50,000	37,500	197,512	189,560	160,012	426.7 %
Gambling Excise Tax		415,500	171,000	276,973	313,817	105,973	62.0 %
Taxes sub-total		\$ 55,478,500	\$ 37,107,150	\$ 38,192,348	\$ 36,490,680	\$ 1,085,198	2.9 %
Business License Fees	13	\$ 210,000	\$ 136,200	\$ 126,563	\$ 209,934	(9,637)	(7.1) %
Building Permits	14	1,070,000	912,900	627,371	738,697	(285,529)	(31.3) %
Other Licenses & Permits	3	557,900	438,600	766,440	452,625	327,840	74.7 %
Intergovernmental (Grants, etc.)	15	6,235,300	4,579,320	4,420,602	4,678,784	(158,718)	(3.5) %
Charges for Services:	16-19						
General Government Services	16	2,821,110	1,934,100	1,944,889	59,408	10,789	0.6 %
Public Safety	16-17	1,048,200	786,150	847,021	775,086	60,871	7.7 %
Development Services Fees	16-18	805,000	586,300	850,551	613,617	264,251	45.1 %
Culture and Recreation	16-19	2,409,980	2,052,200	2,224,932	2,155,549	172,732	8.4 %
Fines and Penalties	19-20	859,500	668,400	642,069	734,490	(26,331)	(3.9) %
Fees/Charges/Fines sub-total		\$ 16,016,990	\$ 12,094,170	\$ 12,450,437	\$ 10,418,190	\$ 356,267	2.9 %
Interest and Investment Earnings	21	\$ 348,700	\$ 261,000	\$ 291,861	\$ 295,262	30,861	11.8 %
Rents and Leases	21	849,300	703,800	793,273	829,454	89,473	12.7 %
Contributions and Donations	21	25,000	21,400	26,539	46,595	5,139	24.0 %
Other Miscellaneous	21	237,200	184,200	330,377	250,421	146,177	79.4 %
Transfers In		120,506	102,006	104,006	77,500	2,000	2.0 %
Insurance Recoveries - Capital & Operating		125,000	93,750	92,792	84,434	(958)	(1.0) %
Other Revenues sub-total		\$ 1,705,706	\$ 1,366,156	\$ 1,638,848	\$ 1,583,666	\$ 272,692	20.0 %
Total Operating Revenues		\$ 73,201,196	\$ 50,567,476	\$ 52,281,634	\$ 48,492,536	\$ 1,714,158	3.4 %
Operating Expenditures							
Council & Mayor		\$ 1,109,779	\$ 837,400	\$ 762,497	\$ 859,322	74,903	8.9 %
Administration		2,694,148	2,020,500	1,607,681	1,227,242	412,819	20.4 %
Human Resources		1,626,831	1,228,100	1,107,248	895,187	120,852	9.8 %
Municipal Court & Probation		2,879,221	740,003	655,167	578,985	84,836	11.5 %
Finance		3,533,140	2,736,100	2,538,235	1,118,092	197,865	7.2 %
City Attorney		2,795,950	2,042,200	1,877,968	1,531,784	164,232	8.0 %
Community Development		5,221,526	3,886,600	3,028,604	3,016,097	857,996	22.1 %
Community & Human Services (Comm Devel)		1,069,373	700,100	660,205	714,451	39,895	5.7 %
Jail - SCORE	4	5,001,000	3,750,750	2,894,741	2,998,253	856,009	22.8 %
Police	4	29,515,179	21,809,300	20,626,144	19,816,945	1,183,156	5.4 %
Public Works		4,188,425	3,038,000	2,798,423	2,569,827	239,577	7.9 %
Parks, Arts & Recreation		12,962,401	9,844,600	9,558,340	9,598,326	286,260	2.9 %
Streets		4,041,472	2,810,500	2,561,410	2,633,146	249,090	8.9 %
Non-Departmental		2,961,510	1,907,425	1,239,164	3,339,930	668,261	35.0 %
Total Operating Expenditures		\$ 79,599,955	\$ 57,351,578	\$ 51,915,829	\$ 50,897,589	\$ 5,435,750	9.5 %

Executive Summary

This Executive Summary provides an overview of the City's overall financial position for the fiscal period ending September 30, 2019, reflecting financial data available as of October 31, 2019.

General Fund:

Through September 2019, General Fund revenues totaled \$50.6 million and were \$1.7 million (3.5%) higher than budget expectations and \$3.8 million (8.1%) higher than revenues collected through the same period last year. The majority of this year-over-year increase is due to two policy changes: keeping sales taxes on construction revenue in the General Fund versus transferring it to the Local Street Fund (YTD impact = \$1.5M) and reimbursement for support department labor by other funds (YTD impact = \$1.9M).

Some notable variances to budget through September 2019 include:

- Property tax collections through Q3-2019 totaled \$12.2 million, which was \$293,000 (2.5%) higher than budget expectations and exceeded 2018 year-to-date collections by \$594,000 (5.1%). **[page 7]**
- General Fund retail sales tax revenues totaled \$13.8 million, which was \$148,000, or 1.1% favorable to budget. While General Fund sales tax collections through Q3-2019 were \$2.0 million higher than what was collected through Q3-2018, the majority of this increase is due to a policy change: between 2013 and 2018, sales tax dollars collected from sales tax on construction benefitted the Local Street Fund and 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 8-9]**
- While the 10-year annexation sales tax credit expired in 2018, the City of Auburn received \$373,000 in Q3-2019 which was the result of a finding that the Department of Revenue had ended the 2018 final payments two months earlier than they should have. The revenue collected in Q3-2019 was budgeted in 2018. **[page 8]**
- The other taxes category performed favorably to budget in Q3-2019. Actual revenues collected through Q3-2019 were \$9.8 million, which was \$72,000, or 0.7% above budget. Leasehold excise tax revenues collected through Q3-2019 exceeded budget by \$160,000 due to an unbudgeted leasehold excise tax receipt for the Emerald Downs property. Gambling tax revenues collected during the same period exceeded budget by \$106,000. These revenues were somewhat offset by unfavorable variances in telephone tax and natural gas tax revenues in the amount of \$159,000 and \$82,000, respectively. **[pages 10-12]**
- Building permit revenue collected through Q3-2019 totaled \$627,000 as compared to a budget of \$913,000. 407 building permits issued through Q3-2019, representing a 1.0% increase over the number of permits issued through Q3-2018; however, the valuation of those permits also declined by 12.3% during that same period. **[page 14]**
- Other licenses and permit revenues collected year-to-date exceeded budget expectations by \$328,000. A portion of this variance is due to large grading permits issued for the Huntington Woods housing development, as well as the grading permits for two elementary schools. In addition, excavation permit revenues collected year-to-date exceed budget expectations by \$233,000. The increased revenue collected is primarily due to the increase in the fee structure effective this year, where the City is now closer to achieving full cost recovery on construction permits.

- Intergovernmental revenues collected through Q3-2019 totaled \$4.4 million, which was \$159,000 lower than budget expectations due primarily to revenues collected for streamlined sales tax revenues ending the period \$272,000 unfavorable to budget. This was somewhat offset by revenues from marijuana excise tax revenues that exceeded budget expectations by \$55,000.

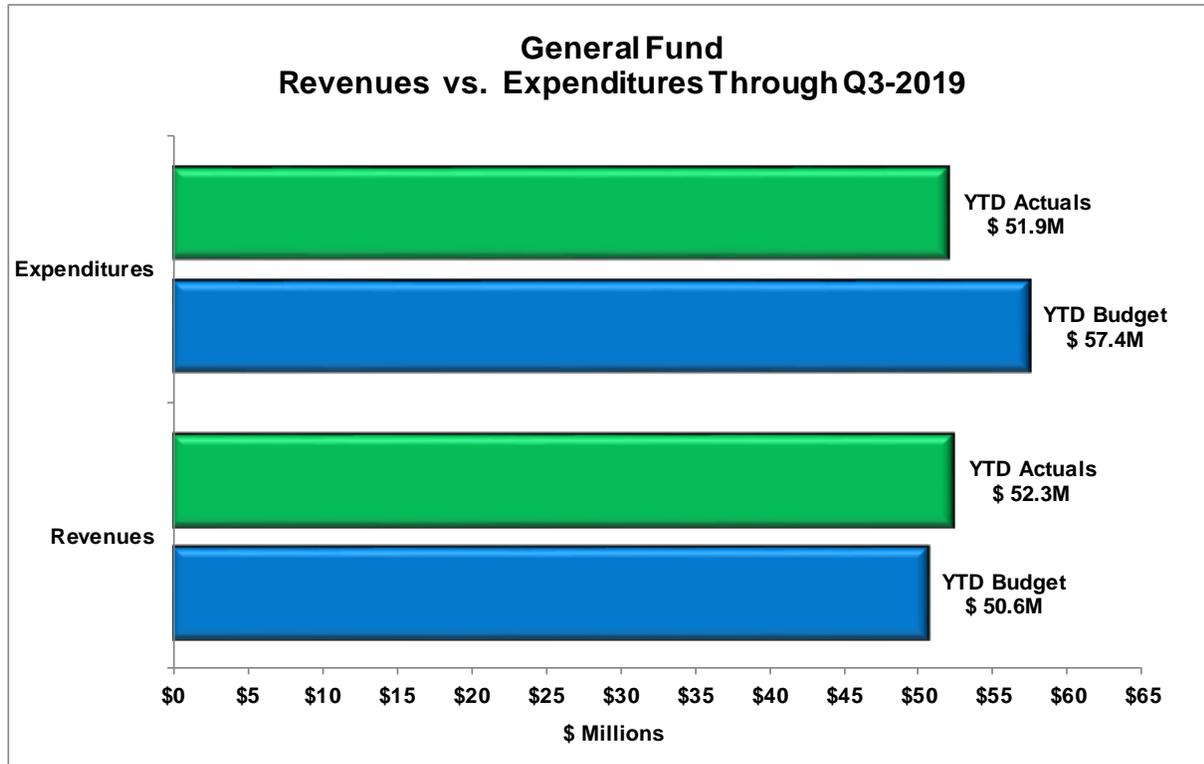
Streamlined sales tax revenues are enhanced by the Marketplace Fairness Act (MFA), which was passed in 2017 to capture the retail sales tax lost from internet and remote sales. However, the bill also phases out and eventually eliminates the streamlined sales tax mitigation payments to local governments. 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 (in May 2019), they voted to continue funding of the mitigation payments through June 2021. 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 for MFA monies through Q3-2019 totaled \$453,000. **[page 15]**

- Culture and recreation revenues collected through Q3-2019 totaled \$2.2 million compared to a budget of \$2.1 million, exceeding budget expectations by \$173,000 and exceeding collections in the same period last year by \$69,000. The primary areas of increased revenues collected compared to last year were greens fees generated at the Auburn Golf Course and ticket sales for performances at the Auburn Avenue Theater. **[pages 18-19]**

General Fund expenditures through September 2019 totaled \$51.9 million compared to a budget of \$57.4 million, representing a 9.5% favorable variance to budget. All departments operated within their allocated year-to-date budget through Q3-2019. It is important to note that due to the delayed timing of the payment to Valley Communications for 911 services and to SCORE for jailing services, a total of \$1.4 million in payments were booked in October versus September.

Year-to-date General Fund expenditures ended the period \$1.0 million, or 2.0% higher than expenditures through Q3-2018. This year-over-year increase was primarily due to increased expenditures for salaries and benefits. This increase reflects increased costs associated with the Police bargaining agreements that were approved earlier this year, the impacts of the cost of living adjustments (COLAs), an increase in Council-approved FTEs (Full Time Equivalents), and increased costs associated with healthcare benefits. While these factors contributed to the year-over-year increase in expenditures, salaries and benefit expenditures ended the period \$2.1 million favorable to budget due to vacancies.

In addition, the year-over-year salary and benefit costs reported in the General Fund in 2019 are higher than salary and benefit costs in 2018 due not only to the reasons noted above but also due 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 in the table on page 16 of this report). 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.

Through Q3-2019, **Arterial Street Fund** revenues totaled \$1.5 million as compared to collections of \$2.6 million through Q3-2018, while expenditures totaled \$1.6 million as compared to expenditures of \$3.4 million through Q3-2018. These variances are due to the level of activity on projects in the fund and timing of grant reimbursements and other funding. **[pages 25–26]**

Local Street Fund revenues of \$1.5 million are in line with budget expectations, and compare to collections of \$2.0 million through Q3-2018. 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 instead receives a set revenue amount from real estate excise tax (REET 2). Expenditures through the second quarter were \$783,000 as compared with \$1.2 million through Q3-2018. **[pages 27–28]**

Lastly, **Arterial Street Preservation Fund** revenues totaled \$2.2 million through Q3-2019, compared to collections of \$2.3 million through Q3-2018. Expenditures totaled \$2.4 million versus \$2.3 million through Q3-2018. These variances are due to the level of activity on projects in the fund and timing of grant reimbursements and other funding. **[pages 29–30]**

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 usage billing starting in January 2019.

The **Water Fund** ended the third quarter with operating income of \$5.2 million, compared to \$4.4 million during the same period last year. **[page 32]**

The **Sewer Fund** finished Q3-2019 with operating income of \$2.2 million versus \$1.5 million through Q3-2018. **[page 33]**

The **Stormwater Fund** ended the third quarter with operating income of \$2.3 million compared to \$2.0 million through Q2-2018. **[page 33]**

The **Solid Waste Fund** finished Q3-2019 with operating income of \$299,000 compared to \$485,000 through Q3-2018, a variance caused mainly by increased payments to the City's primary solid waste contractor. **[pages 33-34]**

The **Airport Fund** finished Q3-2019 with operating income of \$331,000 compared to \$263,000 through Q3-2018, a variance largely attributable to the purchase and sale of aviation fuel. **[page 35]**

The **Cemetery Fund** had operating income of \$146,000, compared to \$174,000 through Q3-2018. **[page 35]**

Internal Service Funds:

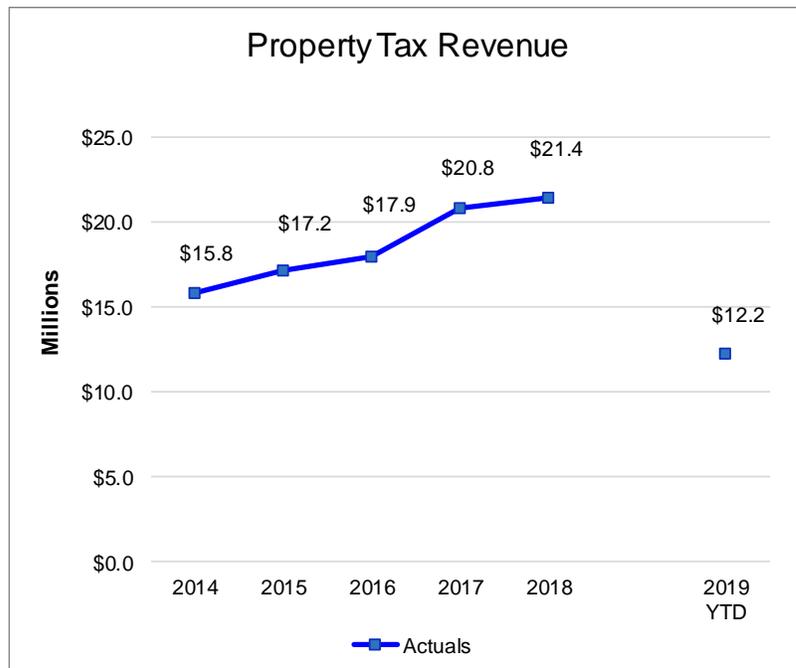
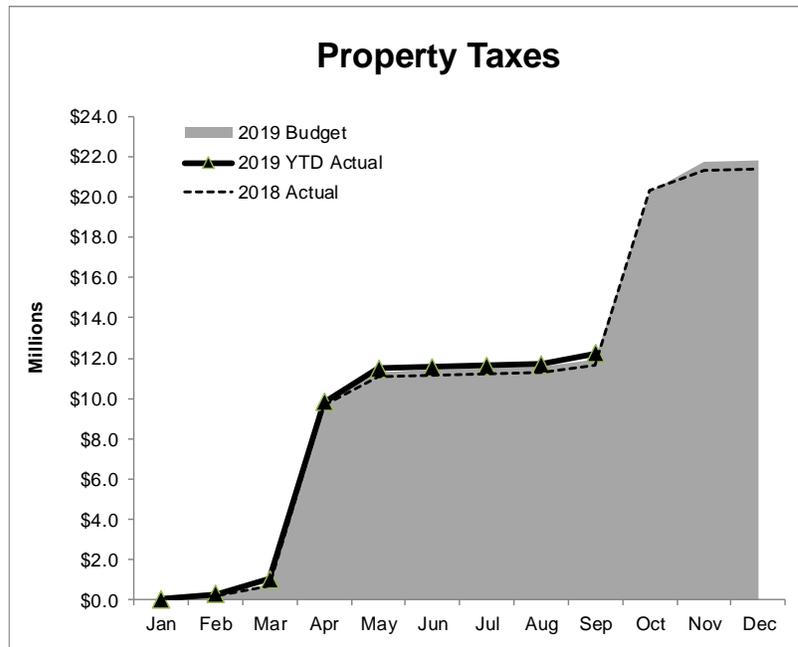
Internal service funds provide services to other City departments and include functions such as Insurance, Worker's Compensation, Facilities, Innovation & Technology, and Equipment Rental. No significant variances were reported in these funds during the second quarter. **[page 36]**

General Fund

Revenues

The combined total of property, sales/use, utility, gambling, and admissions taxes provides 75% to 80% of all resources supporting general governmental activities. The following section provides additional information on these sources.

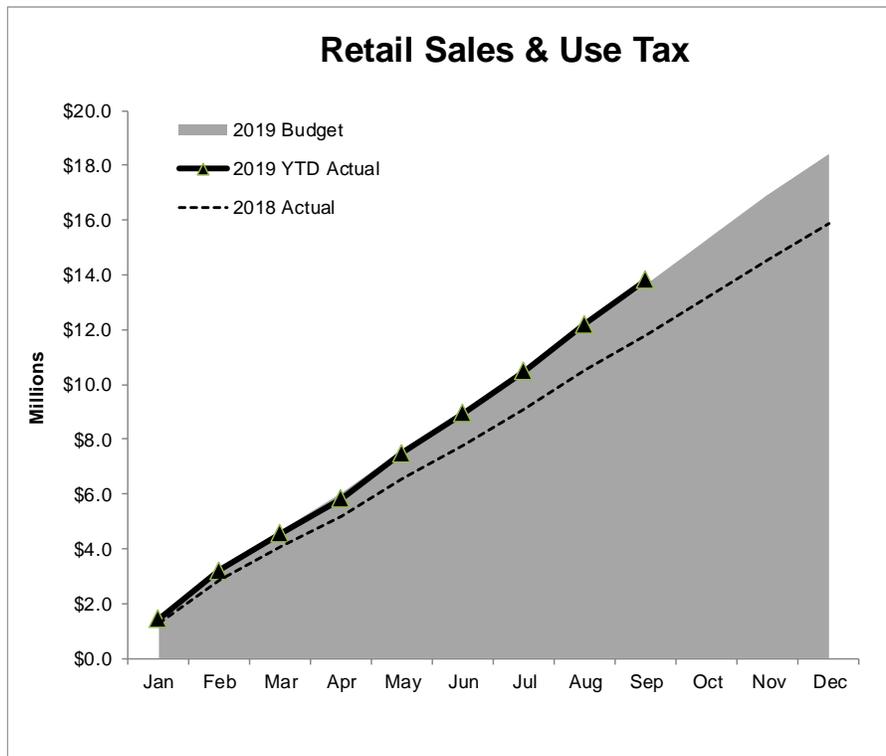
Property Tax collections through Q3-2019 totaled \$12.2 million and were \$293,000, or 2.5% favorable to budget expectations. As depicted in the graphic below, the majority of property taxes are collected during the months of April and October, coinciding with the due dates for the County property tax billings.

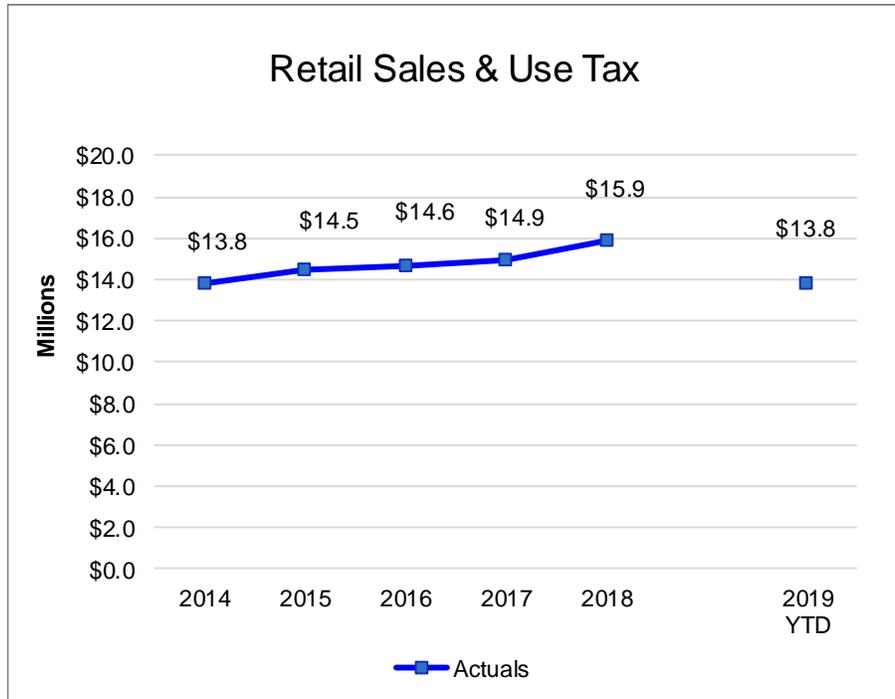


Retail sales tax collections through Q3-2019 totaled \$13.8 million, which was \$148,000 higher than budget expectations. While sales tax revenues collected in the General Fund through Q3-2019 were \$2.0 million more than collections through Q3-2018, this is primarily due to a policy change that became 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, all sales tax dollars now stay in the General Fund to support ongoing operations. In June 2019, the City issued a rebate in the amount of \$47,000 in accordance with the Sales Tax Exemption Program, which is a permanent program that incentivizes construction of new or expanded businesses in specific zoned areas of the City. This rebate is reflective of the differences in retail sales taxes shown in the table on page 9 of this report.

Due to the Marketplace Fairness Act (MFA) which became effective on January 1, 2018, retail sales taxes collected through Q3-2019 included \$453,000 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 15 for more information).

While the 10-year annexation sales tax credit expired in 2018, the City of Auburn received \$373,000 in Q3-2019 which was the result of a finding that the Department of Revenue had ended the 2018 final payments two months earlier than they should have. The revenue collected in Q3-2019 was budgeted in 2018. Pierce County parks sales tax revenue and the criminal justice sales tax revenue both ended the period favorable to budget by \$4,000 and \$194,000 respectively. Total sales tax revenues – including retail and other sales taxes – were \$15.3 million through Q3-2019 as compared to a year-to-date budget of \$16.1 million.



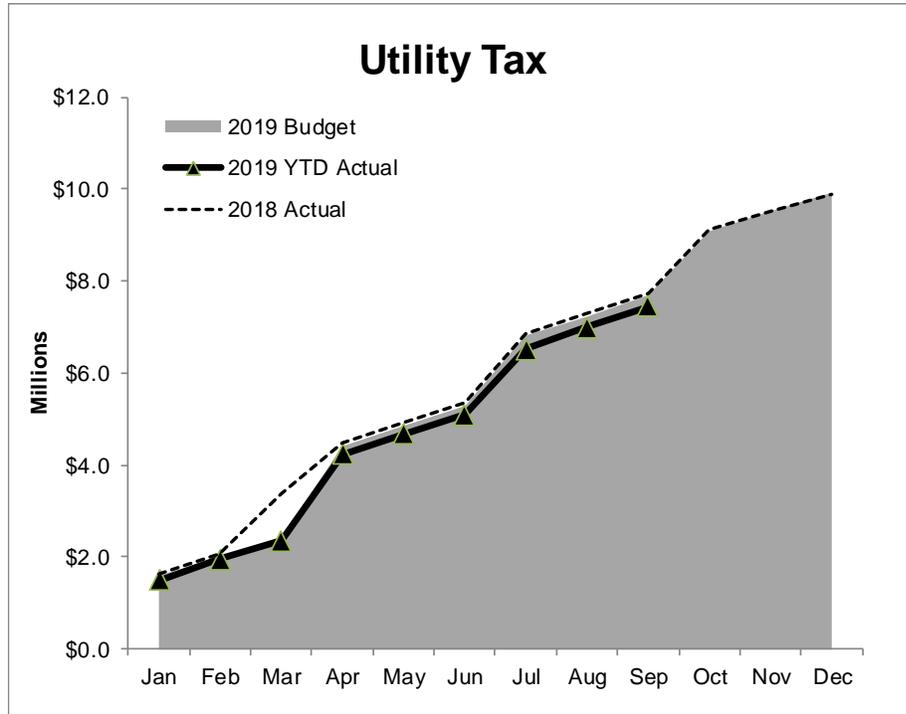


The following table breaks out the City’s retail sales taxes by major business sector.

Comparison of Retail Sales Tax Collections by Group Through September				
Component Group	2018 Actual	2019 Actual	Change from 2018	
			Amount	Percentage
Construction	\$ 1,763,440	\$ 1,506,735	\$ (256,705)	(14.6) %
Manufacturing	556,018	589,753	33,735	6.1 %
Transportation & Warehousing	92,685	63,946	(28,739)	(31.0) %
Wholesale Trade	1,100,407	1,133,801	33,395	3.0 %
Automotive	3,092,212	3,037,102	(55,110)	(1.8) %
Retail Trade	3,756,570	4,043,320	286,750	7.6 %
Services	3,131,431	3,305,574	174,143	5.6 %
Miscellaneous	95,789	192,684	96,895	101.2 %
YTD Total	\$ 13,588,552	\$ 13,872,916	\$ 284,365	2.1 %

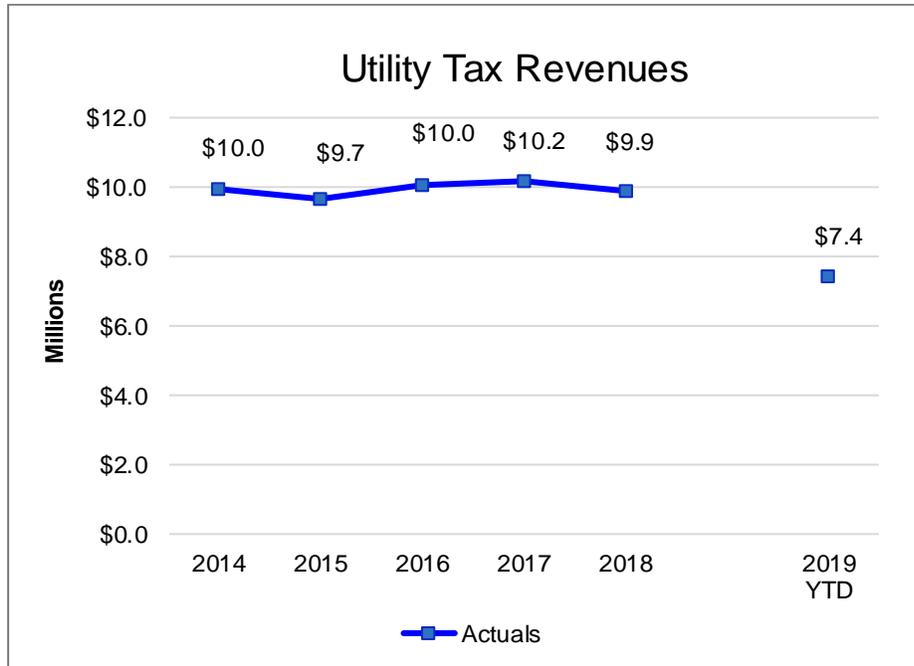
Citywide retail sales tax revenue collected through Q3-2019 was \$284,000, or 2.1%, more than collected through Q3-2018. The business sector that realized the greatest revenue increase compared to the same period last year was in the retail trade category, while the construction category declined 14.6%, or \$257,000, compared to collections through Q3-2018.

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 through Q3-2019 totaled \$7.4 million and were \$241,000, or 3.1%, below budget expectations.

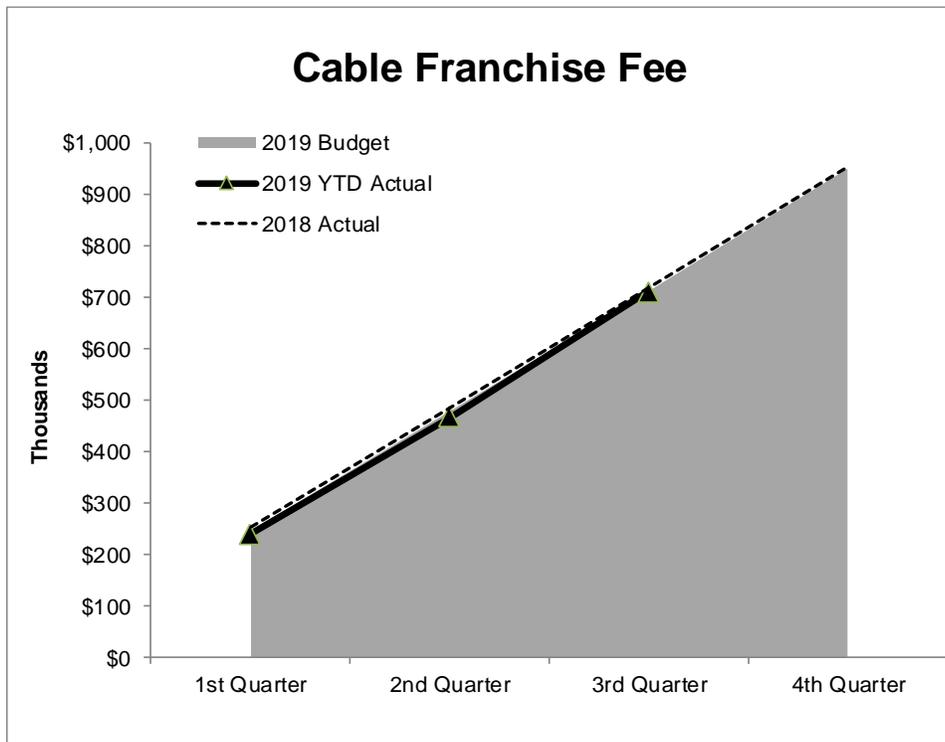


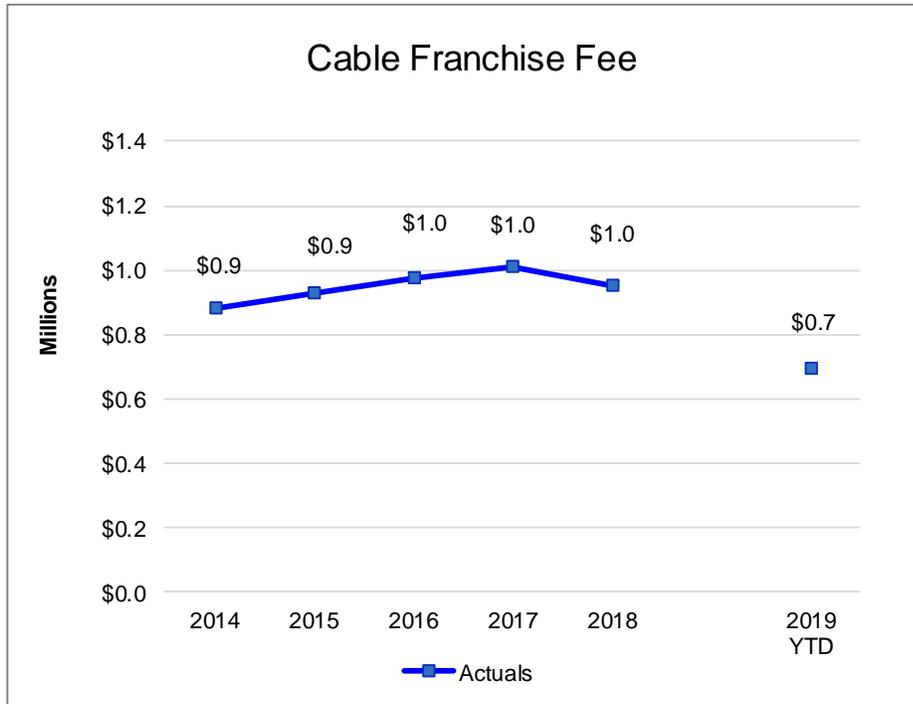
The majority of this unfavorable variance to budget through Q3-2019 was seen in telephone tax collections. This revenue source year-to-date has declined 17.8% compared to collections through the same period last year and overall the telephone utility tax revenue has seen a steady decline since 2010.

Utility Tax by Type Through September 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	\$ 2,851,226	\$ 3,029,300	\$ 3,026,859	\$ 175,633	6.2 %	\$ (2,441)	(0.1) %
Electric	2,890,368	2,759,400	2,753,414	(136,954)	(4.7) %	(5,986)	(0.2) %
Natural Gas	912,333	901,100	818,958	(93,375)	(10.2) %	(82,142)	(9.1) %
Telephone	966,456	894,500	735,332	(231,124)	(23.9) %	(159,168)	(17.8) %
Solid Waste (external)	102,313	100,800	109,116	6,803	6.6 %	8,316	8.3 %
YTD Total	\$ 7,722,696	\$ 7,685,100	\$ 7,443,679	\$ (279,017)	(3.6) %	\$ (241,421)	(3.1) %

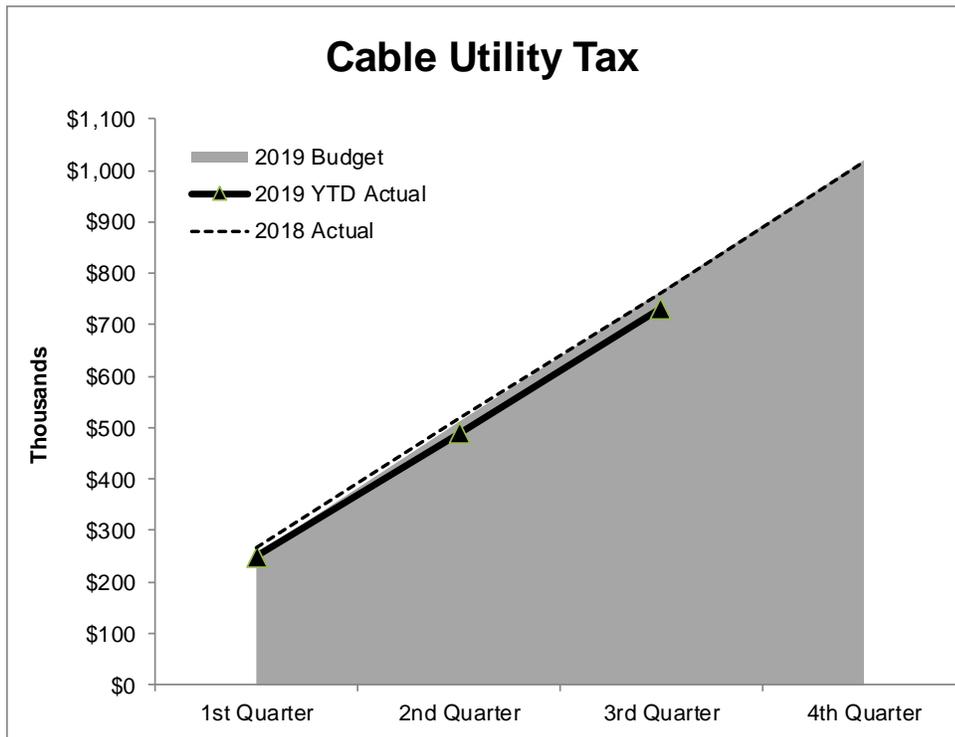


Cable Franchise Fees, which are collected quarterly, totaled \$695,000 through Q3-2019 and were \$17,000, or 2.4%, lower than budget expectations.



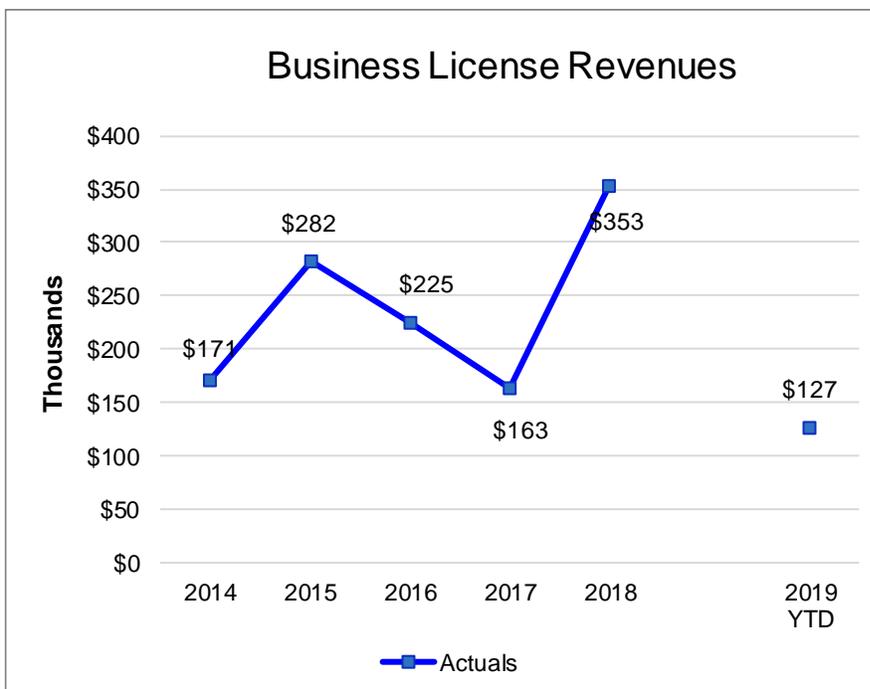
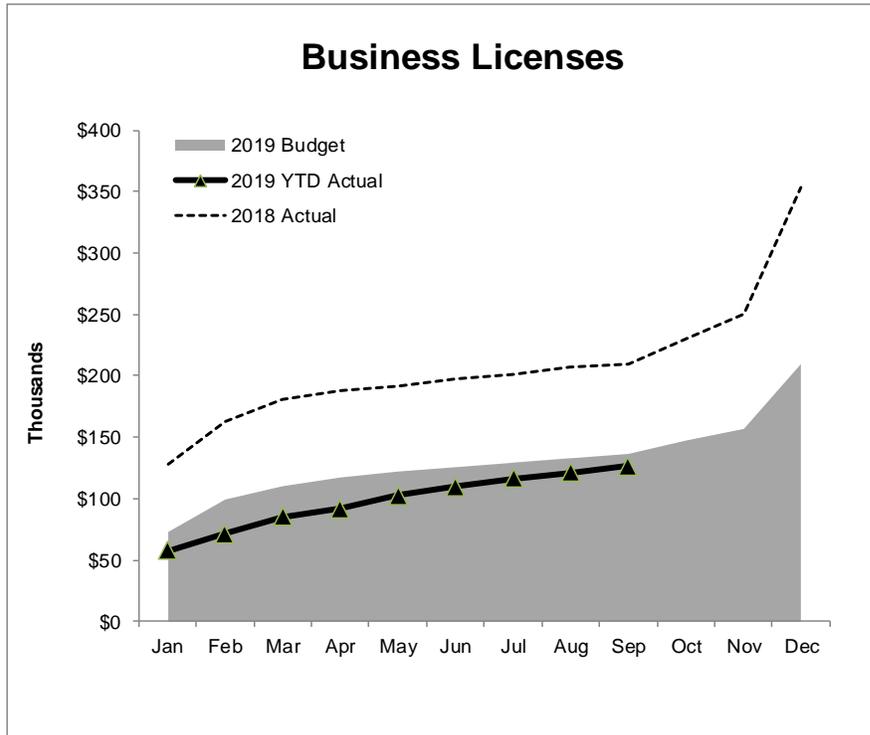


Cable Utility Tax. This tax became effective on January 1, 2017 and is also collected quarterly. Total cable utility tax revenue collected through Q3-2019 totaled \$731,000 and was unfavorable to budget expectations by \$34,000, or 4.4%.



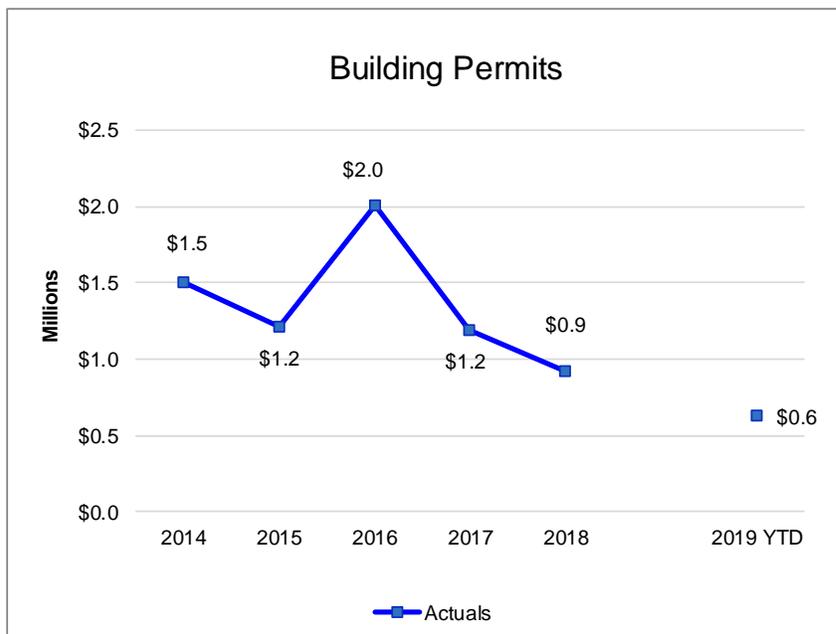
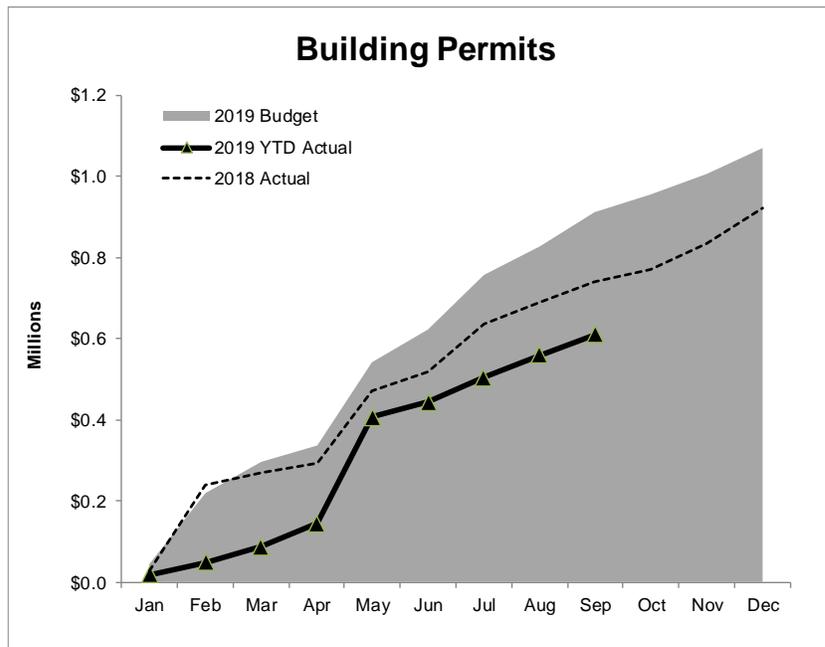
Licenses and Permits include business licenses, building permits, plumbing, electric and other licenses and permit fees. Building permit fees and business licenses make up approximately 70% of the annual budgeted revenue in this category.

Business license revenues collected through September 2019 totaled \$127,000 as compared to a budget of \$136,000. This shortfall relates to the timing of when business license renewal notices are paid: a majority of businesses paid their 2019 business licenses in late 2018.



Building permit revenue collected through Q3-2019 totaled \$627,000 compared to a budget of \$913,000. Revenues collected through Q3-2019 were 15.1% below collections through Q3-2018, while the valuation of permits during these same periods declined by 12.3% (after adjusting for the Auburn Apartments project, for which permits were paid in 2018). The number of building permits issued through Q3-2019 totaled 407, which represents a 1.0% increase over the number of permits issued through Q3-2018. Although the number of permits issued increased slightly, the average valuation of projects thus far this year has declined compared to the same period last year.

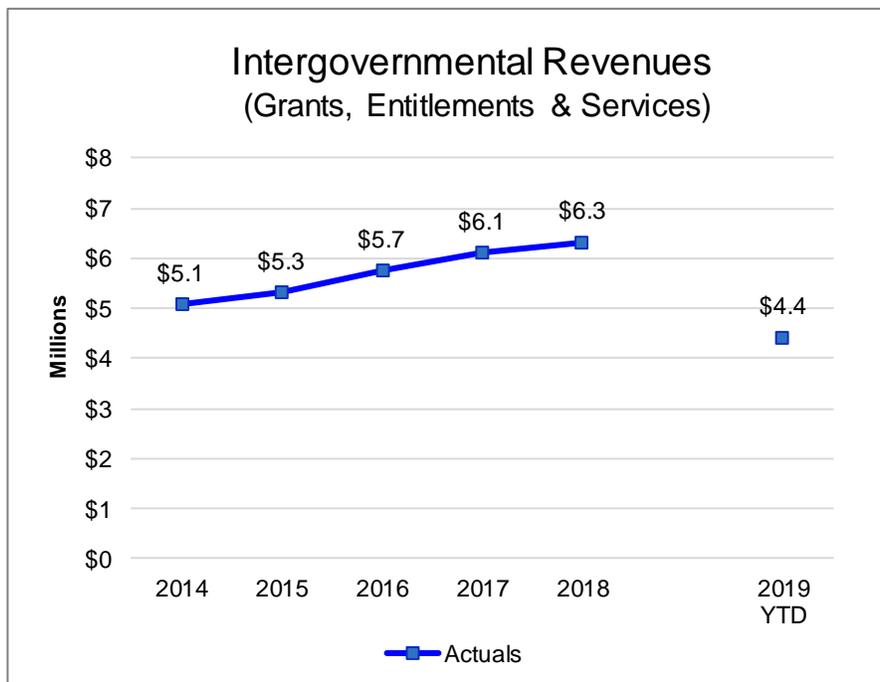
Major projects contributing to building permit revenues this quarter includes duplexes at Country Meadows, Fieldhouse USA (an indoor sports facility at The Outlet Collection), and various projects at Boeing.



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 through September 2019 totaled \$4.4 million and were \$159,000 lower than budget expectations.

The majority of the variance to budget was seen in the streamlined sales tax revenue distribution, which was lower than expectations by \$453,000 through Q3-2019 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 8).

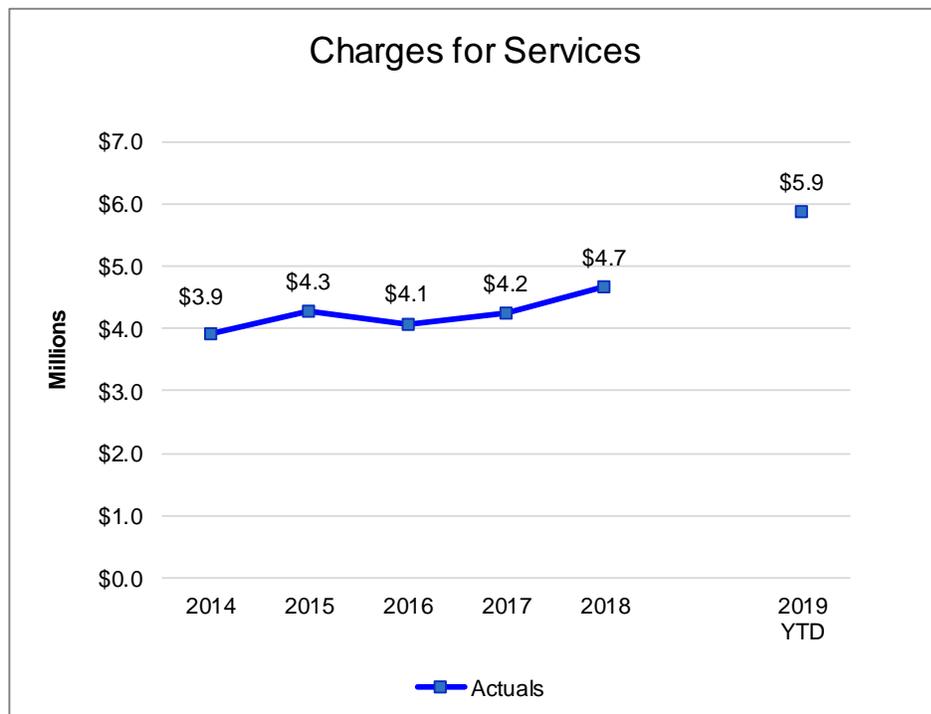
Intergovernmental Revenues (Grants, Entitlements & Services)							
Through September 2019							
Revenue	2018	2019	2019	2019 vs. 2018 Actual		2019 vs. Budget	
	YTD Actual	YTD Budget	YTD Actual	Amount	% Change	Amount	% Change
Federal Grants	\$ 229,475	\$ 249,675	\$ 173,444	\$ (56,031)	(24.4) %	\$ (76,231)	(30.5) %
State Grants	137,359	122,100	148,776	11,418	8.3 %	26,676	21.8 %
Interlocal Grants	47,255	12,000	38,888	(8,366)	0.0 %	26,888	224.1 %
Muckleshoot Casino Services	766,217	902,400	908,419	142,202	18.6 %	6,019	0.7 %
State Shared Revenues:							
Streamlined Sales Tax	1,304,831	1,263,750	991,574	(313,257)	(24.0) %	(272,176)	(21.5) %
Motor Vehicle Fuel Tax	891,422	846,500	867,456	(23,965)	(2.7) %	20,956	2.5 %
Criminal Justice - High Crime	161,902	150,000	169,308	7,406	4.6 %	19,308	12.9 %
Criminal Justice - Population	17,043	16,700	17,958	915	5.4 %	1,258	7.5 %
Criminal Justice - Special Prog.	61,647	61,100	64,666	3,019	4.9 %	3,566	5.8 %
Marijuana Revenues	191,463	81,000	135,977	(55,485)	(29.0) %	54,977	67.9 %
State DUI	8,755	8,700	8,548	(207)	(2.4) %	(152)	(1.8) %
Fire Insurance Tax	79,798	78,900	80,386	588	0.7 %	1,486	1.9 %
Liquor Excise	290,903	292,320	322,324	31,421	10.8 %	30,004	10.3 %
Liquor Profit	490,715	494,175	492,877	2,162	0.4 %	(1,298)	(0.3) %
Total State Shared:	3,498,479	3,293,145	3,151,074	(347,405)	(9.9) %	(142,071)	(4.3) %
YTD Total	\$ 4,678,784	\$ 4,579,320	\$ 4,420,602	\$ (258,182)	(5.5) %	\$ (158,718)	(3.5) %



Charges for Services consist of general governmental service charges, public safety charges, development service fees, and culture and recreation fees. Overall, charges for services collected through Q3-2019 totaled \$5.9 million, which was \$509,000 favorable to budget. The primary areas of increases were in both development services and culture and recreation revenues as explained on pages 17 and 18.

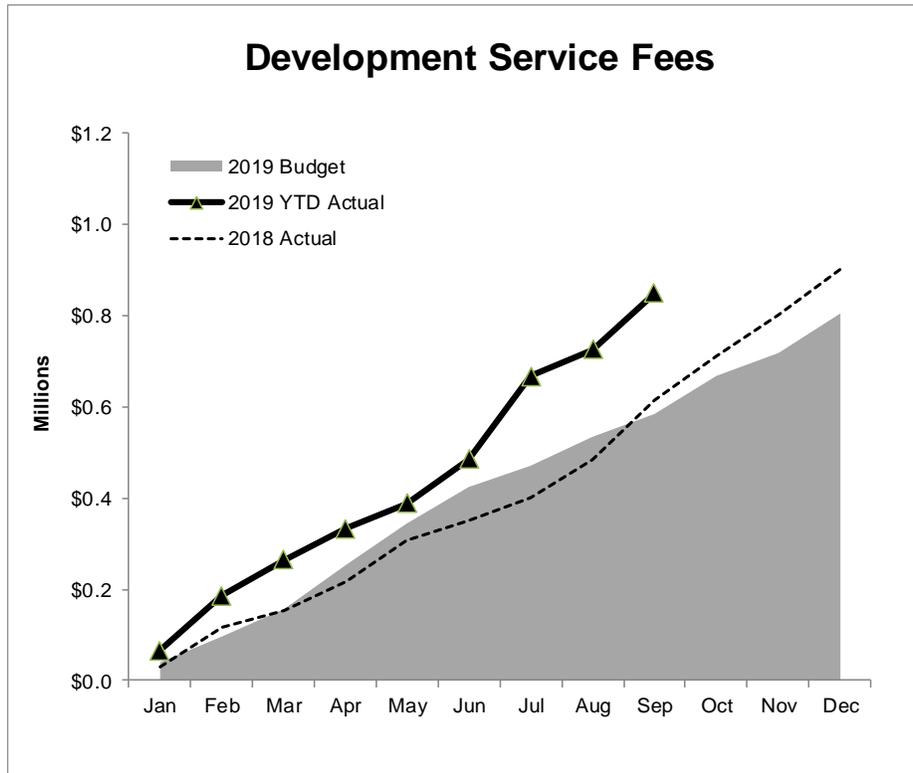
Charges for Services by Type Through September 2019							
Revenue	2018 YTD Actual	2019 YTD Budget	2019 YTD Actual	2019 vs. 2018 Actual		2019 vs. Budget	
				Amount	Percentage	Amount	Percentage
General Government	\$ 59,408	\$ 1,934,100	\$ 1,944,889	\$ 1,885,481	3,173.8 %	\$ 10,789	0.6 %
Public Safety	775,086	786,150	847,021	71,935	9.3 %	60,871	7.7 %
Development Services	613,617	586,300	850,551	236,933	38.6 %	264,251	45.1 %
Culture & Recreation	2,155,549	2,052,200	2,224,932	69,382	3.2 %	172,732	8.4 %
YTD Total	\$ 3,603,661	\$ 5,358,750	\$ 5,867,392	\$ 2,263,732	62.8 %	\$ 508,642	9.5 %

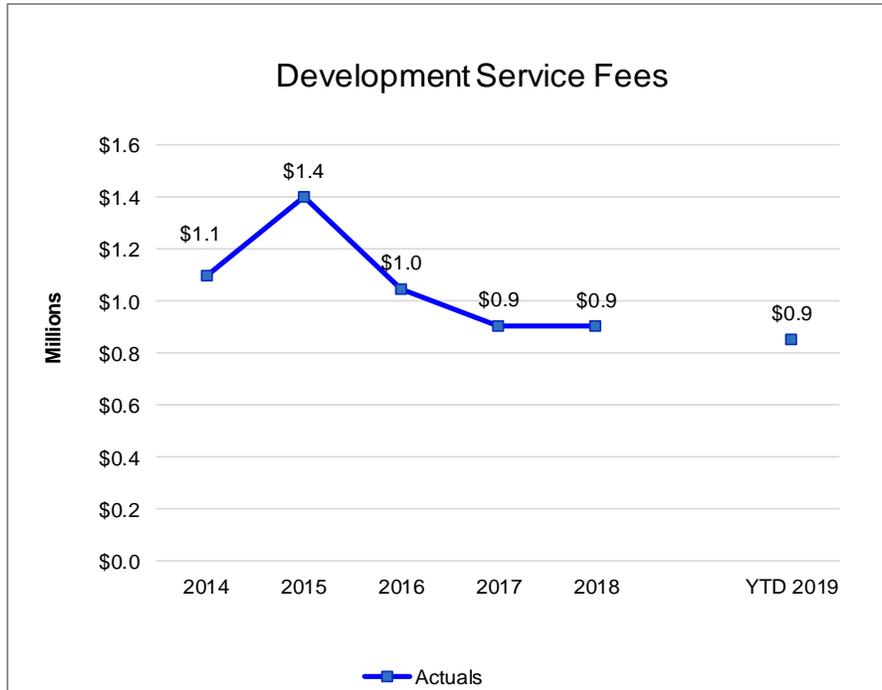
A process change was implemented in 2019 that significantly affects the comparison of year-over-year variances. Prior to 2019, salary and benefit expenditures for support departments (Finance, Human Resources, and Legal) were allocated between the General Fund and other City funds. Effective January 1, 2019, all salary and benefit costs for support departments are now fully charged to their respective General Fund department. The General Fund 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 above). This policy change results in salary and benefit expenditures within the General Fund to be 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 through Q3-2019 as general governmental revenues in the General Fund for the salary and benefit interfund charges totaled \$1.9 million.



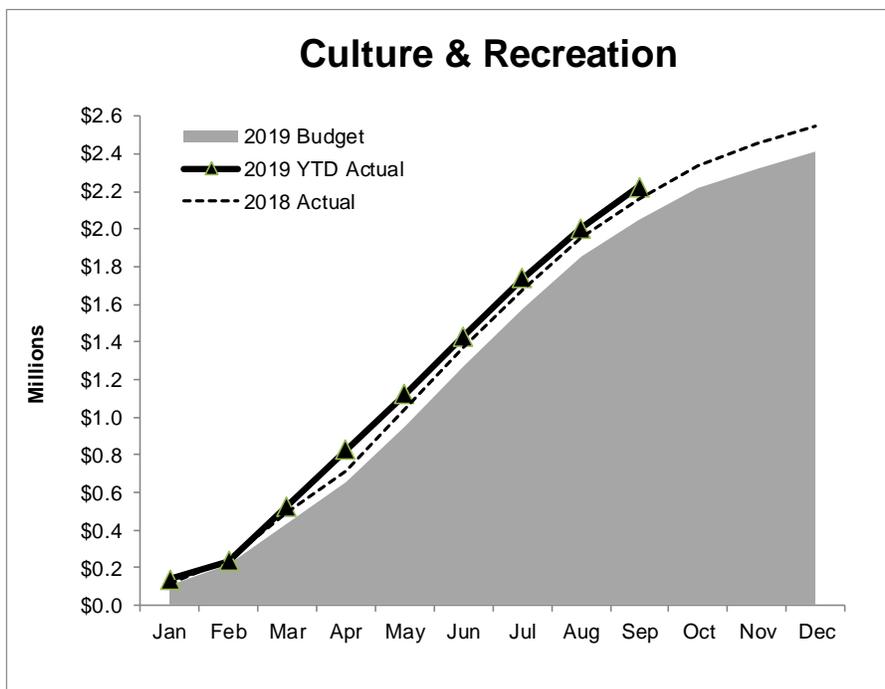
Public safety revenues consist of revenues received for extra duty security services, whereby police officers are contracted for and reimbursement is made by the hiring agency. This also includes reimbursements from the Muckleshoot Indian Tribe (MIT) for a full-time dedicated police officer and associated 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 through September 2019 totaled \$847,000 as compared to a budget of \$786,000. 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.

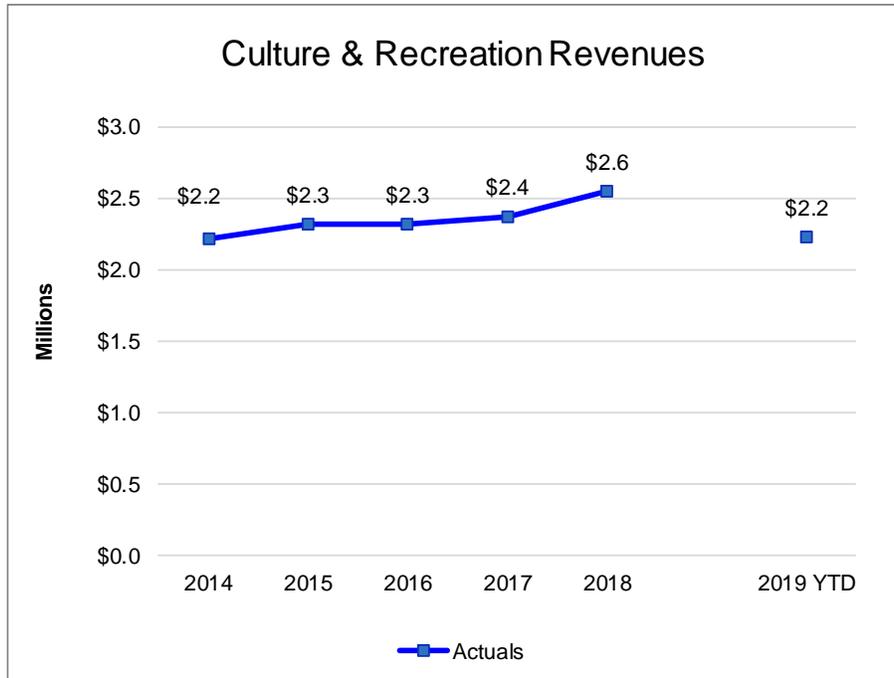
Development services fee collections consist primarily of plan check fees, facility extension charges, and zoning and subdivision fees. Through Q3-2019, development service fees totaled \$851,000 and ended the period \$264,000 favorable to budget expectations. Total plan check revenues collected through Q3-2019 totaled \$481,000 compared to \$326,000 collected through Q3-2018 which is a 47.3% increase in revenues. Plan check revenues collected in the third quarter of 2019 were from numerous commercial and residential projects including the Cooper Gate Apartment complex (a 16 building complex), Divine Court (a 7 story mixed-use building on Main Street), and Huntington Woods which is a new single family housing development. In addition to increased plan check revenues collected through Q3-2019, both zoning/subdivision fees and facility extension fees were higher than anticipated partly due to an increase in the fee structure where the rates were recalibrated effective in January 2019 to be closer to cost of the service(s) provided.





The majority of culture and recreation revenues are derived from greens fees and pro shop sales at the Auburn Golf Course, recreational classes, ticket sales at the Auburn Avenue Theater, special events, and athletic league fees. Culture and recreation revenues collected through Q3-2019 totaled \$2.2 million, exceeding collections in the same period last year by \$69,000 and exceeding Q3-2019 budget by \$173,000. The majority of the year-over-year increase in revenues was in greens fee revenues from the Auburn Golf Course and increased ticket sales at the Auburn Avenue Theater. Through Q3-2019, greens fee revenues increased 2.7%, or \$27,000 and theater ticket sales increased 19.0%, or \$24,000, compared to the same period last year.

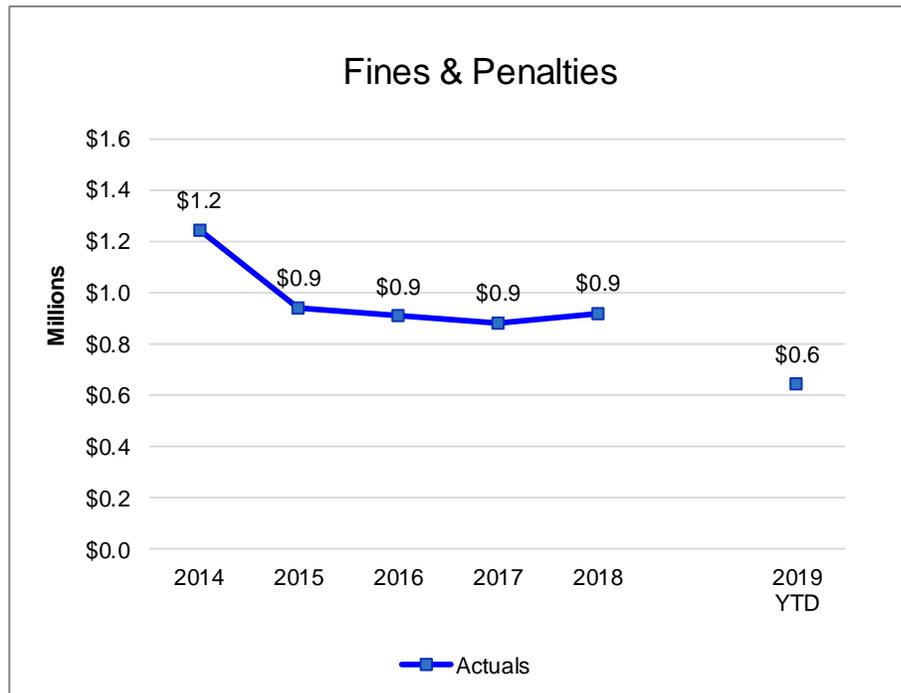
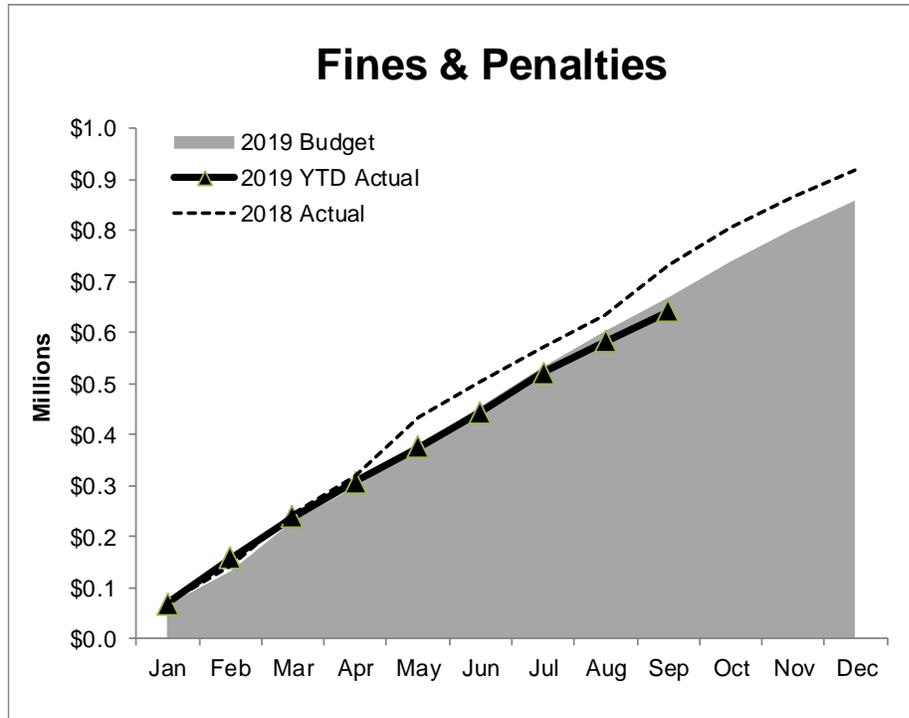




Fines & Penalties include civil penalties (such as code compliance fines), parking and traffic infraction penalties, criminal fines (including criminal traffic, criminal non-traffic and other criminal offenses) as well as non-court fines such as false alarm fines. Total revenues collected through Q3-2019 totaled \$642,000 as compared to a budget of \$668,000.

As seen in the table below, civil penalty revenues collected through Q3-2019 were \$52,000 higher than budget expectations. The favorable variance to budget in civil penalties relates 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 September 2019							
Month	2018 YTD Actual	2019 YTD Budget	2019 YTD Actual	2019 vs. 2018 Actual		2019 vs. Budget	
				Amount	Percentage	Amount	Percentage
Civil Penalties	\$ 94,411	\$ 12,100	\$ 64,560	\$ (29,851)	(31.6) %	\$ 52,460	433.6 %
Civil Infraction Penalties	372,626	368,200	328,685	(43,941)	(11.8) %	(39,515)	(10.7) %
Redflex Photo Enforcement	6,613	0	2,672	(3,942)	(59.6) %	2,672	N/A %
Parking Infractions	99,176	114,000	96,758	(2,418)	(2.4) %	(17,242)	(15.1) %
Criminal Traffic Misdemeanor	38,525	44,900	27,982	(10,543)	(27.4) %	(16,918)	(37.7) %
Criminal Non-Traffic Fines	37,362	32,400	46,259	8,896	23.8 %	13,859	42.8 %
Criminal Costs	31,969	37,800	14,966	(17,003)	(53.2) %	(22,834)	(60.4) %
Non-Court Fines & Penalties	53,807	59,000	60,187	6,380	11.9 %	1,187	2.0 %
YTD Total	\$ 734,490	\$ 668,400	\$ 642,069	\$ (92,421)	(12.6) %	\$ (26,331)	(3.9) %

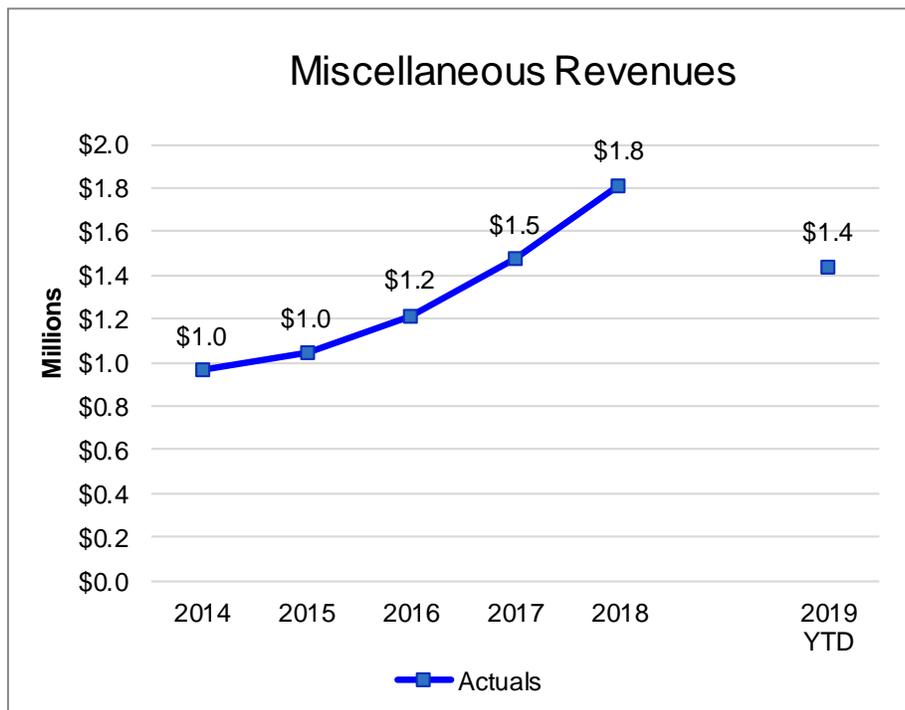


Miscellaneous revenues consist of investment earnings, income from facility rentals, revenue collected on golf cart rentals at the Auburn Golf Course, contributions & donations, and other income including the quarterly purchasing card (P-card) rebate monies (see page 36 for more information on P-cards). Revenues collected in this category through Q3-2019 totaled \$1.4 million and exceeded budget expectations by \$272,000, or 23.2%. The majority of this increase was in the other miscellaneous revenue category and was due to unbudgeted one-time monies.

Miscellaneous Revenues by Type Through September 2019							
Month	2018	2019	2019	2019 vs. 2018		2019 vs. Budget	
	YTD Actual	YTD Budget	YTD Actual	Amount	Percentage	Amount	Percentage
Interest & Investments	\$ 295,262	\$ 261,000	\$ 291,861	\$ (3,401)	(1.2) %	\$ 30,861	11.8 %
Rents & Leases	829,454	703,800	793,273	(36,181)	(4.4) %	89,473	12.7 %
Contributions & Donations	46,595	21,400	26,539	(20,056)	(43.0) %	5,139	24.0 %
Other Miscellaneous Revenue	250,421	184,200	330,377	79,956	31.9 %	146,177	79.4 %
YTD Total	\$ 1,421,732	\$ 1,170,400	\$ 1,442,050	\$ 20,318	1.4 %	\$ 271,650	23.2 %

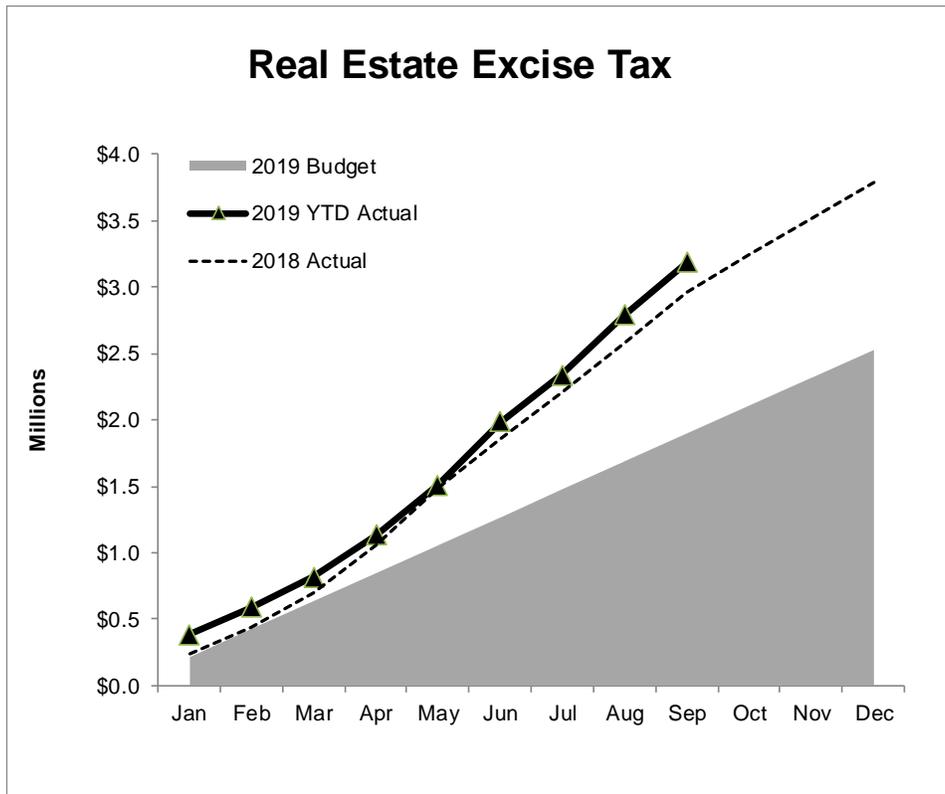
Interest and investments revenue collected through Q3-2019 totaled \$292,000 and exceeded budget expectations by \$31,000, or 11.8%.

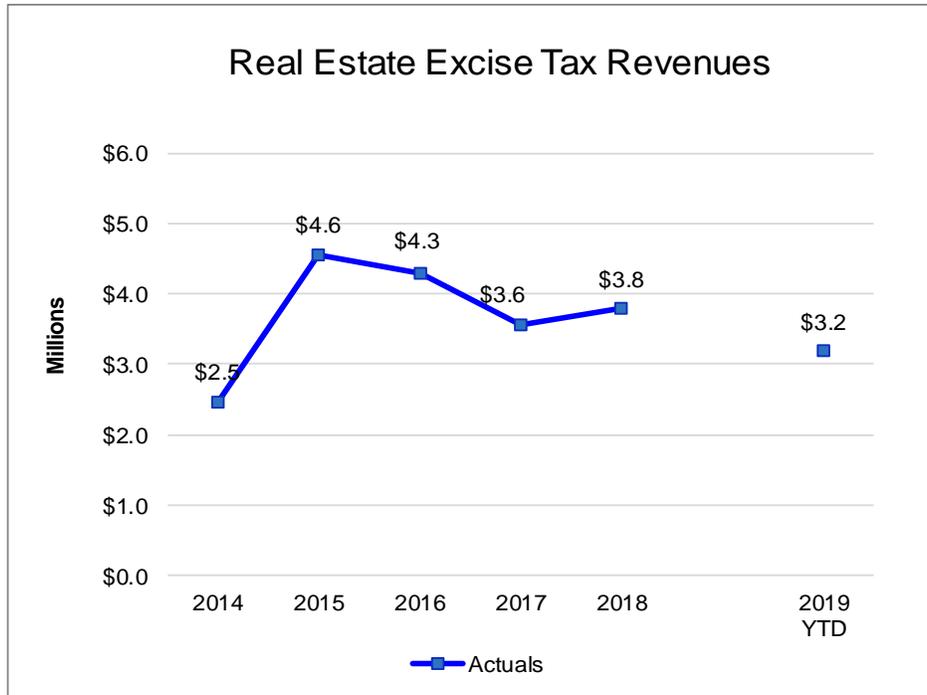
Rents and lease revenues collected through Q3-2019 totaled \$793,000 and were \$36,000 less than revenues collected through the same period last year. Both facilities rental revenues and golf cart rental revenues increased \$13,000 and \$11,000 respectively compared to collections through Q3-2018. Conversely, deposits held through Q3-2019 for facility rentals declined \$47,000 compared to the same period last year. Lastly, due to a reduction of parking space inventory due to construction projects in downtown Auburn, parking lot rental revenues through Q3-2019 were \$14,000 less than revenues collected through Q3-2018.



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 through Q3-2019 totaled \$3.2 million, exceeding budget expectations by \$1.3 million. Commercial sales in Q3-2019 included the sale of several commercial buildings including warehouses, several multi-family complexes, a hotel, a restaurant, a storage facility and several parcels of vacant land.

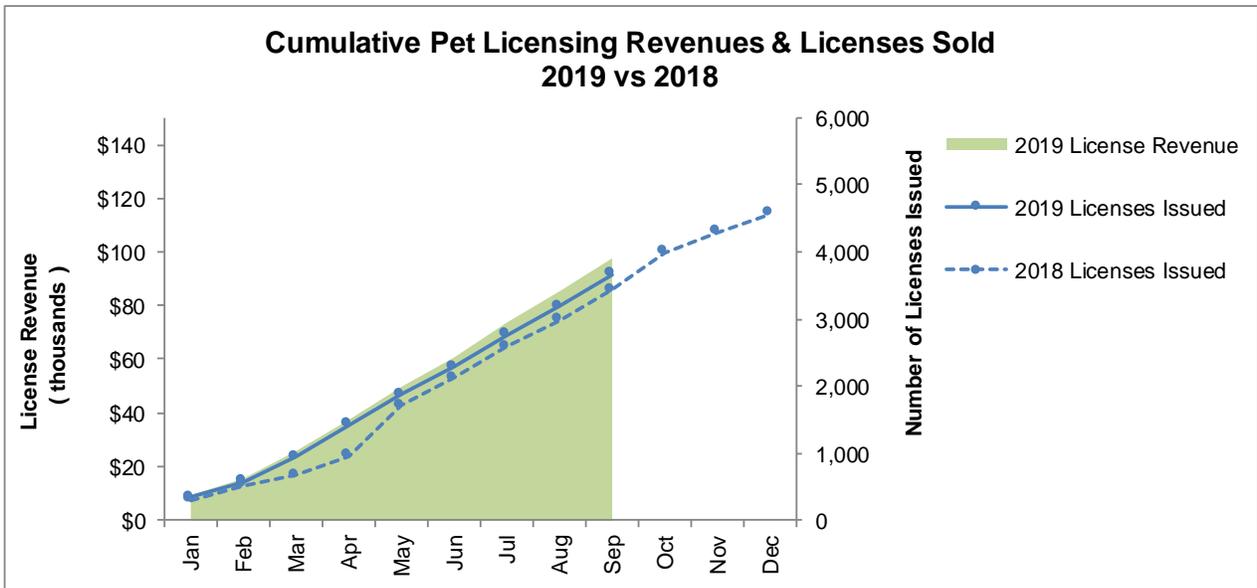
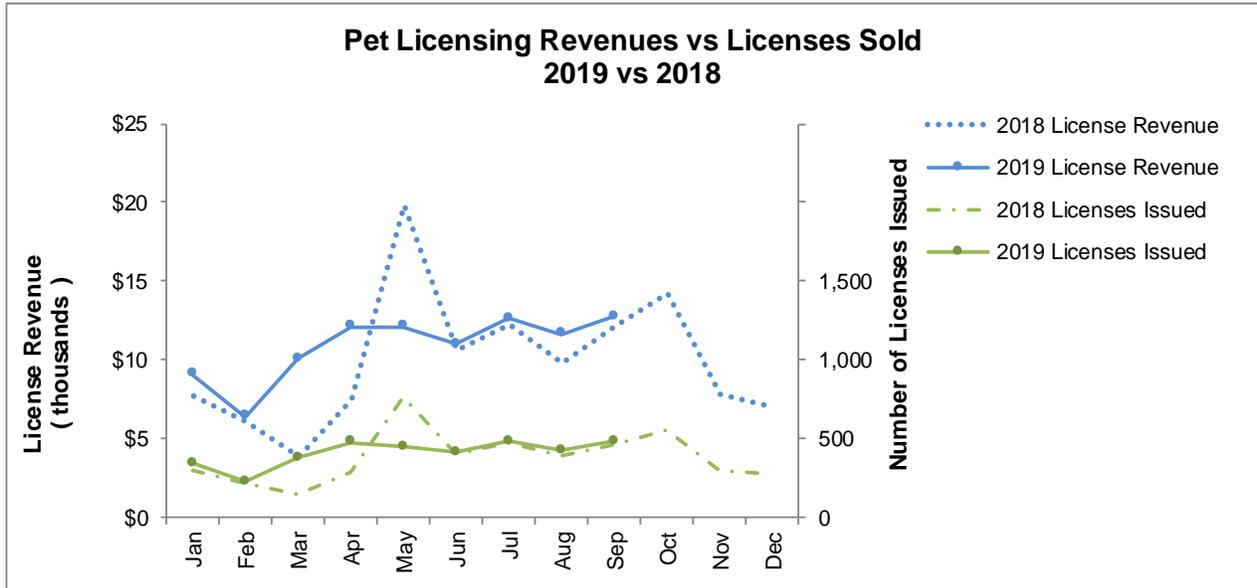
Real Estate Excise Tax Revenues							
September 2019							
Month	2018 Actual	2019 Budget	2019 Actual	2019 vs. 2018		2019 vs. Budget	
				Amount	Percentage	Amount	Percentage
Jan	\$ 240,414	\$ 210,100	\$ 383,547	\$ 143,132	59.5 %	\$ 173,447	82.6 %
Feb	200,783	210,100	206,022	5,239	2.6 %	(4,078)	(1.9) %
Mar	255,218	210,100	229,181	(26,037)	(10.2) %	19,081	9.1 %
Apr	362,999	210,100	315,855	(47,144)	(13.0) %	105,755	50.3 %
May	427,054	210,100	372,394	(54,661)	(12.8) %	162,294	77.2 %
Jun	371,816	210,100	478,537	106,720	28.7 %	268,437	127.8 %
Jul	342,006	210,100	350,228	8,223	2.4 %	140,128	66.7 %
Aug	373,889	210,100	450,095	76,206	20.4 %	239,995	114.2 %
Sep	387,673	210,100	398,420	10,748	2.8 %	188,320	89.6 %
YTD Total	\$ 2,961,854	\$ 1,890,900	\$3,184,280	\$ 222,426	7.5 %	\$1,293,380	68.4 %





Pet Licensing

Pet licensing services are provided by the Auburn Valley Humane Society. Through Q3-2019, 3,661 pet licenses were sold, resulting in \$97,725 in revenue. Through Q3-2018, a total of 3,426 licenses were sold, resulting in \$89,650 in revenue.



Street Funds

This section provides a financial overview of the City’s three street funds for the quarter ending September 30, 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).

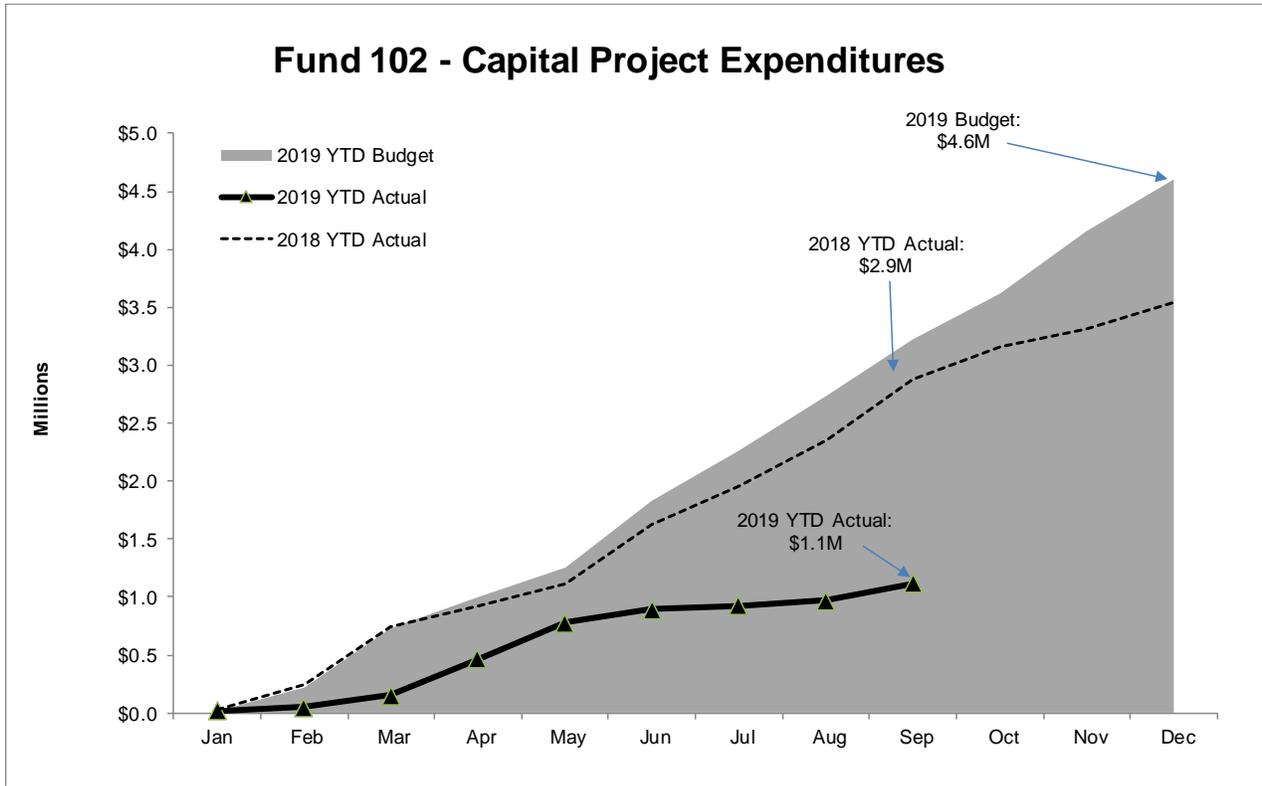
Fund 102 – Arterial Street Fund

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 September 30, 2019 there were 28 separate street projects budgeted in this fund.

Through Q3-2019, revenues collected totaled \$1.5 million as compared to collections of \$2.7 million through Q3-2018. Total expenditures through Q3-2019 were \$1.6 million as compared to \$3.4 million expended through Q3-2018. 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: September 2019						
Revenues						
Federal Grants	\$ 2,298,881	\$ 1,298,027	\$ 492,609	\$ 711,936	\$ (805,418)	(62.0) %
State Grants	-	-	-	31,585	-	
Motor Vehicle Fuel and Multimodal Taxes	620,000	453,444	457,355	467,618	3,911	0.9 %
Developer Contributions	-	-	-	(0)	-	
Miscellaneous Revenue	-	-	-	498,885	-	
Operating Transfer In	1,595,960	1,132,220	559,429	933,729	(572,790)	(50.6) %
Investment Income	28,300	19,147	33,964	22,567	14,817	77.4 %
Total Revenues	\$ 4,543,141	\$ 2,902,837	\$ 1,543,357	\$ 2,666,321	\$ (1,359,480)	(46.8) %
Expenditures						
Salary and Benefits	\$ 132,000	\$ 103,876	\$ 203,838	\$ 307,635	\$ (99,961)	(96.2) %
Capital Outlay	4,464,858	2,757,459	915,970	2,566,494	1,841,489	66.8 %
Subtotal - Capital Project Expenditures	4,596,858	2,861,336	1,119,808	2,874,128	1,741,528	60.9 %
Services and Charges	400,000	209,551	89,455	215,782	120,096	57.3 %
Interfund Payments for Services	78,100	58,575	58,575	59,148	(0)	(0.0) %
Debt Service Principal and Interest	208,300	208,300	208,122	208,817	178	0.1 %
Operating Transfer Out	143,196	82,964	143,196	23,151	(60,232)	(72.6) %
Total Expenditures	\$ 5,426,454	\$ 3,420,726	\$ 1,619,156	\$ 3,381,025	\$ 1,801,569	52.7 %
Net Change in Fund Balance	\$ (883,313)	\$ (517,889)	\$ (75,800)	\$ (714,705)	\$ 442,089	(85.4) %

Beg. Fund Balance, January 2019	\$ 2,062,371
Net Change in Fund Balance, September 2019	(75,800)
Ending Fund Balance, September 2019	\$ 1,986,571
2019 Budgeted Ending Fund Balance	\$ 1,179,058



The table below presents the status of the projects with the most significant budget impact on the fund. Many capital projects are budgeted over multiple years; what is displayed below is the 2019 portion of each project’s budget and year-to-date expenditures.

Fund 102 - Arterial Street			
Capital Projects Status *			
Name	2019 Budget	YTD Actual	Remaining
AWS Improvements - Hemlock to Poplar	\$1.6M	\$0.0M	\$1.5M
F Street SE Non-Motorized Improvements	\$0.5M	\$0.1M	\$0.4M
A St SE Corridor Signal Safety Improvements	\$0.4M	\$0.4M	\$0.0M
All Other Projects (25 Others Budgeted)	\$2.2M	\$0.6M	\$1.5M
Total	\$4.6M	\$1.1M	\$3.5M

*Components may not sum to total due to rounding.

Notes:

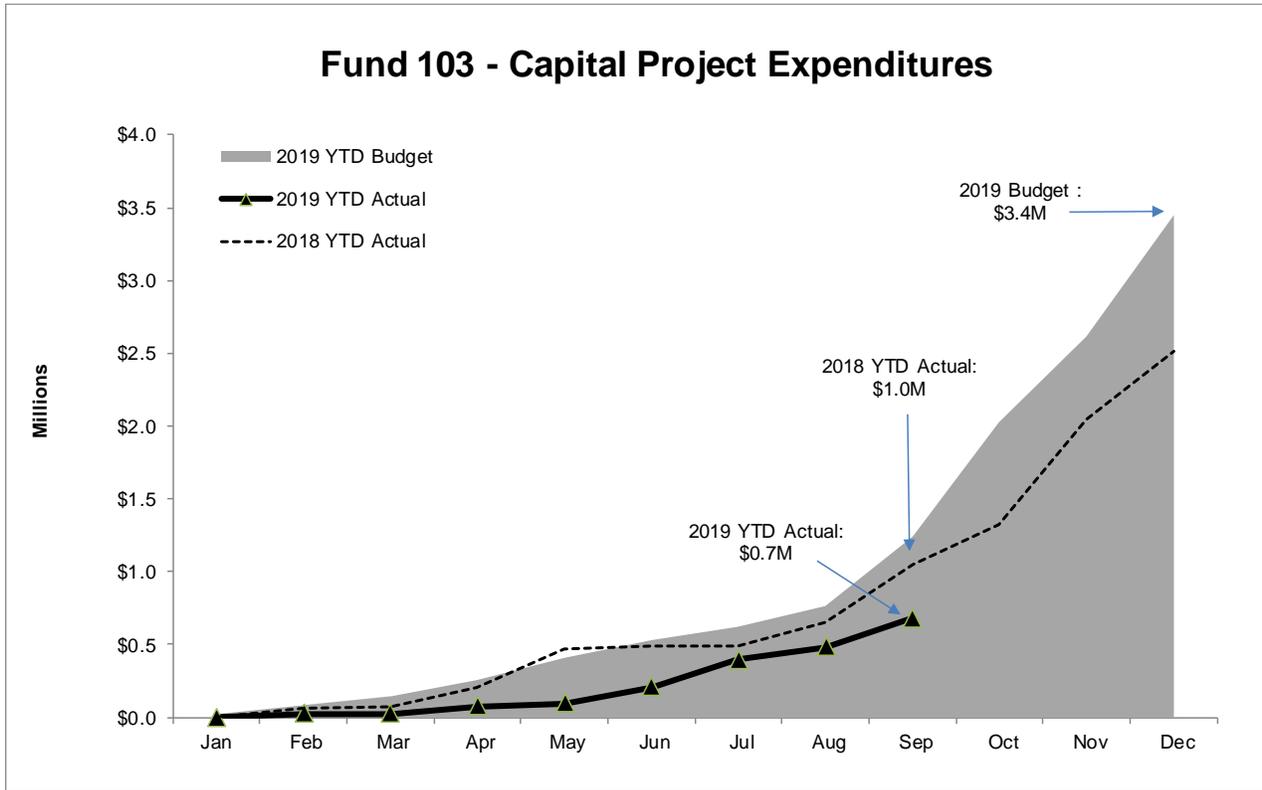
- Several large multi-year projects are reaching completion of construction in 2019 and several large projects are beginning design, with construction anticipated in 2020 or later.

Fund 103 – Local Street Fund

The Local Street Fund is a special revenue fund used for local street preservation. Effective January 1, 2019 through 2020 this fund is funded at a specific annual amount by real estate excise tax (REET 2) whereas, previously, the funding source was sales tax on construction. Through Q3-2019, revenues in this fund totaled \$1.5 million, which is slightly higher than budget expectations due to strong performance in interest earnings. This compares to collections of \$2.0 million through Q3-2018. Expenditures through Q3-2019 were \$783,000 and compare to expenditures of \$1.2 million through Q3-2018. 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). In addition, several inclement weather situations during Q1-2019 were not conducive to street construction. 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 Summary of Sources and Uses Report Period: September 2019	2019			2018	2019 YTD Budget vs. Actual	
	2019 Budget	2019 YTD Budget	2019 YTD Actual	2018 YTD Actual	Favorable (Unfavorable)	
					Amount	Percentage
Revenues						
Sales Tax on Construction	\$ -	\$ -	\$ -	\$ 1,763,440	\$ -	
Operating Transfer In	1,900,000	1,462,500	\$ 1,462,500	150,000	-	0.0 %
Interest Earnings	12,000	8,433	\$ 58,470	47,781	50,037	593.3 %
Total Revenues	\$ 1,912,000	\$ 1,470,933	\$ 1,520,970	\$ 1,961,221	\$ 50,037	3.4 %
Expenditures						
Capital Salary and Benefits	231,616	174,264	57,056	-	117,208	67.3 %
Capital Outlay	3,217,860	1,371,303	682,281	1,047,594	689,023	50.2 %
Subtotal - Capital Project Expenditures	3,449,476	1,545,568	739,337	1,047,594	806,231	52.2 %
Admin Salary and Benefits	-	-	13,667	101,947	\$ (13,667)	
Admin Services and Charges	40,700	34,153	19,066	2,414	15,087	44.2 %
Interfund Payments for Services	15,200	11,400	11,400	9,180	(0)	(0.0) %
Operating Transfer Out	-	-	-	229	-	
Total Expenditures	\$ 3,505,376	\$ 1,591,120	\$ 783,469	\$ 1,161,364	\$ 807,652	50.8 %
Net Change in Fund Balance	\$ (1,593,376)	\$ (120,187)	\$ 737,501	\$ 799,856	\$ 857,688	(713.6) %

Beg. Fund Balance, January 2019	\$ 2,799,957
Net Change in Fund Balance, September 2019	737,501
Ending Fund Balance, September 2019	<u>\$ 3,537,458</u>
2019 Budgeted Ending Fund Balance	\$ 1,206,581



The table below presents the status of the projects with the most significant budget impact on the fund. Many capital projects are budgeted over multiple years; what is displayed below is the 2019 portion of each project’s budget and year-to-date expenditures.

Fund 103 - Local Street			
Capital Projects Status*			
Name	2019 Budget	YTD Actual	Remaining
2019 Local Street Reconstruction	\$2.6M	\$0.4M	\$2.2M
2018 Citywide Pavement Patch and Overlay	\$0.5M	\$0.3M	\$0.1M
2020 Local Street Pavement Reconstruction	\$0.4M	\$0.0M	\$0.4M
All Other Projects (1 Other Budgeted)	\$0.0M	\$0.0M	\$0.0M
Total	\$3.4M	\$0.7M	\$2.7M

*Components may not sum to total due to rounding.

Notes:

- The 2019 Local Street Pavement Reconstruction project was awarded June 17, 2019.

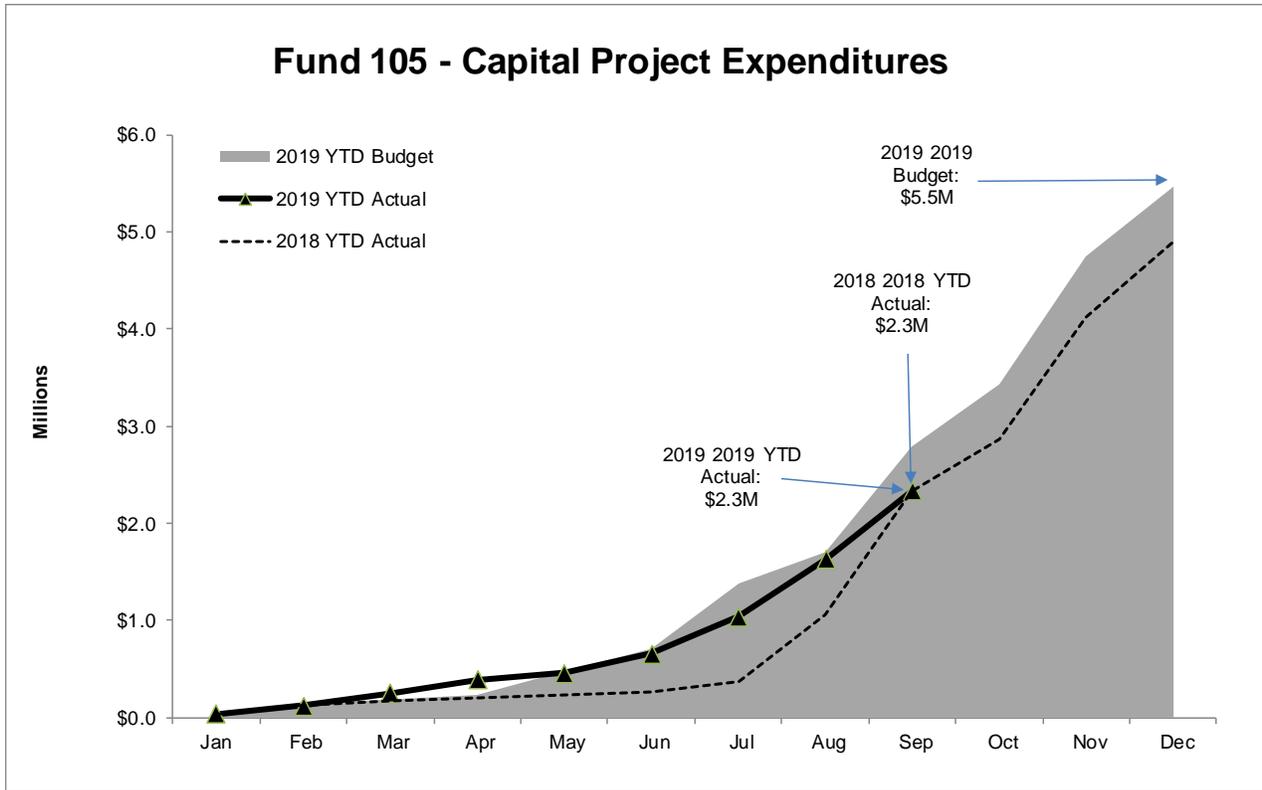
Fund 105 – Arterial Street Preservation Fund

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. Through Q3-2019 revenues totaled \$2.2 million, which is approximately \$166,000 lower than the same period last year. This is primarily due to the timing associated with construction projects and their subsequent cost reimbursements from grants and transfers-in.

Expenditures through Q3-2019 were \$2.4 million as compared to \$2.3 million through Q3-2018. 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). In addition, several inclement weather situations during Q1-2019 were not conducive to street construction. 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	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	\$ 506,524	\$ 504,476	\$ 475,204	\$ (2,048)	(0.4) %
Electric Utility Tax	711,600	547,027	550,683	578,074	3,656	0.7 %
Natural Gas Utility Tax	201,600	178,379	163,792	182,467	(14,587)	(8.2) %
Cable TV Tax	190,100	141,765	146,294	152,717	4,529	3.2 %
Telephone Utility Tax	235,600	177,740	147,066	181,330	(30,674)	(17.3) %
Garbage Utility Tax (External Haulers)	22,400	16,800	18,186	16,681	1,386	8.3 %
Grants	940,511	231,235	84,617	106,627	(146,618)	(63.4) %
Operating Transfer In	1,445,679	847,219	500,338	594,560	(346,881)	(40.9) %
Interest Earnings	29,800	22,350	36,365	30,658	14,015	62.7 %
Total Revenues	\$ 4,451,890	\$ 2,669,040	\$ 2,151,818	\$ 2,318,317	\$ (517,222)	(19.4) %
Expenditures						
Salary and Benefits	\$ 241,000	\$ 178,423	\$ 438,878	\$ 287,288	\$ (260,455)	(146.0) %
Capital Outlay	5,230,122	2,901,970	1,894,227	2,033,538	1,007,743	34.7 %
Subtotal - Capital Project Expenditures	5,471,122	3,080,393	2,333,106	2,320,826	747,288	24.3 %
Supplies	-	-	-	-	-	-
Services and Charges	165,000	99,066	18,529	-	80,537	81.3
Operating Transfer Out	26,831	17,887	-	-	17,887	100.0
Total Expenditures	\$ 5,662,953	\$ 3,197,347	\$ 2,351,635	\$ 2,320,826	\$ 845,712	26.5 %
Net Change in Fund Balance	\$ (1,211,063)	\$ (528,307)	\$ (199,817)	\$ (2,509)	\$ 328,490	(62.2) %

Beg. Fund Balance, January 2019	\$ 2,044,459
Net Change in Fund Balance, September 2019	(199,817)
Ending Fund Balance, September 2019	\$ 1,844,642
2019 Budgeted Ending Fund Balance	\$ 833,396



The table below presents the status of the projects with the most significant budget impact on the fund. Many capital projects are budgeted over multiple years; what is displayed below is the 2019 portion of each project’s budget and year-to-date expenditures.

Fund 105 - Arterial Street Preservation			
Capital Projects Status*			
Name	2019 Budget	YTD Actual	Remaining
A St SE Preservation	\$1.8M	\$0.4M	\$1.5M
2019 Citywide Pavement Patching & Overlay	\$1.0M	\$0.8M	\$0.3M
2018 Citywide Pavement Patching & Overlay	\$0.9M	\$0.7M	\$0.2M
All Other Projects (8 Others Budgeted)	\$1.7M	\$0.5M	\$1.2M
Total	\$5.5M	\$2.3M	\$3.1M

*Components may not sum to total due to rounding.

Notes:

- The A Street SE Preservation project was awarded June 3, 2019.
- The 2019 Citywide Patch and Overlay project was awarded May 6, 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 \$1.8 million, or nearly 111%, of annual budgeted revenues were received through Q3-2019. This significant favorable revenue performance was driven by the receipt of nearly \$600,000 in traffic impact fee revenue in Q2 from the Young’s Market truck warehouse and distribution center. Additionally, a transfer-in of approximately \$400,000 was completed in May to pay for traffic mitigation 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. Of the twelve projects funded by parks impact fee revenues, only the Brannan Park Synthetic Infield project has seen significant progress. There are three projects budgeted with parks impact fee funding of at least \$500,000 that have had minimal expenditures. Approximately 53% of the year-to-date expenditures of transportation impact fee revenue consists of scheduled debt service payments.

Fund 124 - Mitigation Fees Summary of Sources and Uses Report Period Through: September 2019	BUDGET			YTD ACTUALS		
	Revenues	Expenditures	Ending Fund Balance	Revenues	Expenditures	Ending Fund Balance
Transportation Impact Fees	\$ 800,000	\$ 1,391,629	\$ 4,743,105	\$ 1,045,545	\$ 443,307	\$ 5,936,972
Transportation Mitigation Fees	-	51,100	68,508	1,353	-	120,961
Fire Impact Fees	100,000	75,000	256,758	51,766	-	283,524
Fire Mitigation Fees	-	-	81	-	-	81
Parks Impact Fees	100,000	2,507,077	3,183,719	70,000	424,997	5,235,799
Parks Mitigation Fees	-	300,000	41,614	-	-	341,614
School Impact Admin Fees	1,200	-	67,784	918	-	67,502
Wetland Mitigation Fees	-	36,600	34,372	-	-	70,972
Interest and Investment Income	195,000	-	195,000	221,175	-	221,175
Fees in Lieu of Improvements	-	100,000	25,634	-	100,000	25,634
Operating Transfers-In	416,200	-	416,200	398,528	-	398,528
Total	\$ 1,612,400	\$ 4,461,406	\$ 9,032,775	\$ 1,789,285	\$ 968,304	\$ 12,702,762

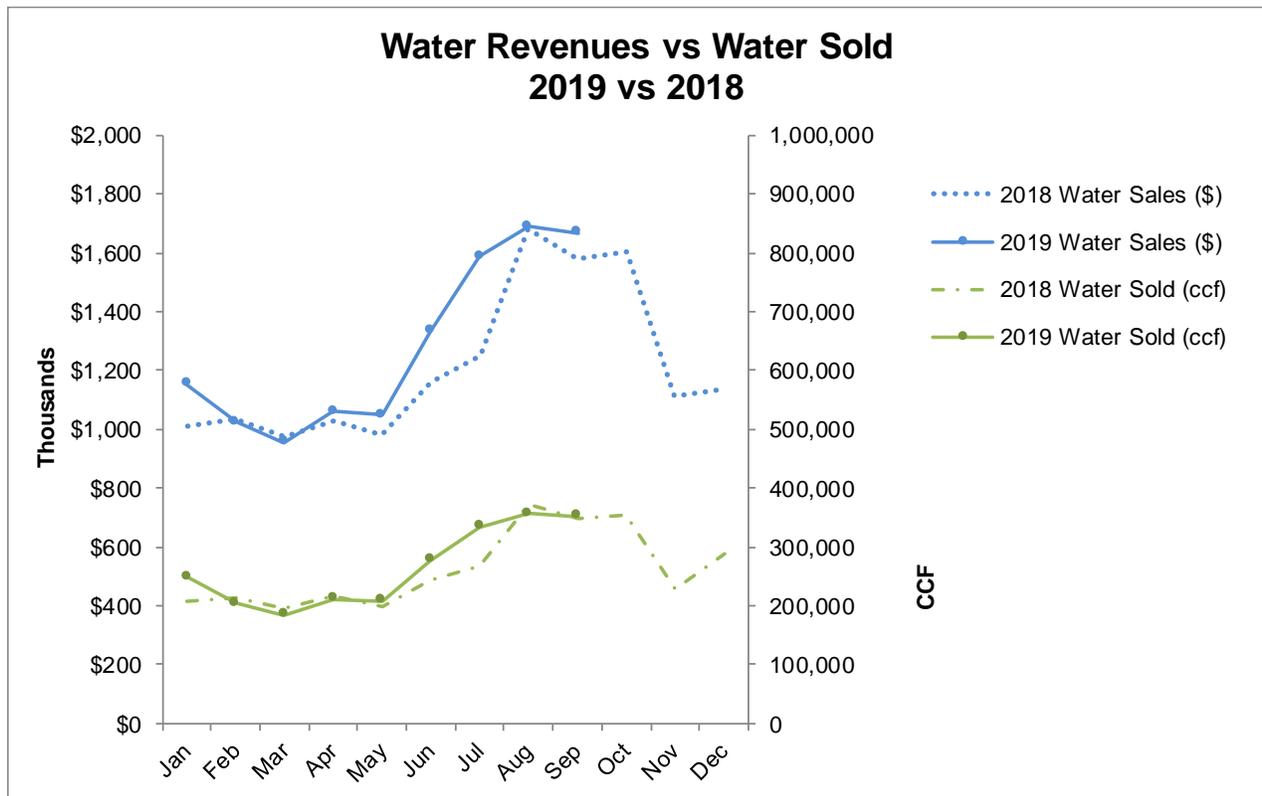
Beginning Fund Balance, January 2019	\$ 11,881,781
Net Change in Fund Balance, September 2019	820,981
Ending Fund Balance, September 2019	\$ 12,702,762
2019 Budgeted Ending Fund Balance	\$ 9,032,775

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.

Through Q3-2019 the **Water Utility** had operating income of \$5.2 million as compared to \$4.4 million through Q3-2018. Total Water Fund operating revenues were \$903,000 higher than through Q3-2018, mainly due to strong performance in water sales – particularly the commercial and irrigation categories. Water sales revenue is directly impacted by rate changes, which were implemented across all water consumption categories effective January 1, 2019. Operating expenditures through Q3-2019 were up \$126,000, or 1.9% from Q3-2018. This variance is mainly due to increases in personnel costs and to increased interfund utility taxes associated with higher revenues.

Water sales by volume through September 2019 totaled 2.4 million hundred cubic feet (ccf) as compared to 2.3 million ccf through September 2018, an increase of 5.0%. Total consumption was up across all customer categories except school and wholesale. Significant increases by volume were seen in commercial, irrigation and multifamily usage. While overall consumption has increased compared to the same period last year, the Water Utility has seen a general trend of decreased year-over-year consumption on a *per account* basis due largely to conservation efforts and appliance efficiency improvements.



The **Sewer Utility** finished Q3-2019 with operating income of \$2.2 million as compared to \$1.5 million through Q3-2018. Increased revenues from charges for City sewer service following the rate adjustment in January 2019 account for about half of the favorable variance; the remainder consists mainly of a one-time \$203,000 refund from the Department of Revenue for overpayment of excise tax as well as interest earnings that already significantly exceed budget projections.

Year-to-date operating expenditures in the Sewer Utility were slightly below Q3-2018, with spending at similar levels to last year in each category.

Through Q3-2019, the **Stormwater Utility** had operating income of \$2.3 million compared with \$2.0 million through Q3-2018. Operating revenues are up \$235,000 compared to Q3-2018 due to charges for City storm service, which saw increases to all non-single family variable rates, as well as from strong investment income performance.

Operating expenditures in the Stormwater Utility were down \$56,000 from Q3-2018, contributing to the higher operating income noted above. Factors contributing to this include a decrease in spending on repairs and maintenance and the timing of certain intergovernmental payments.

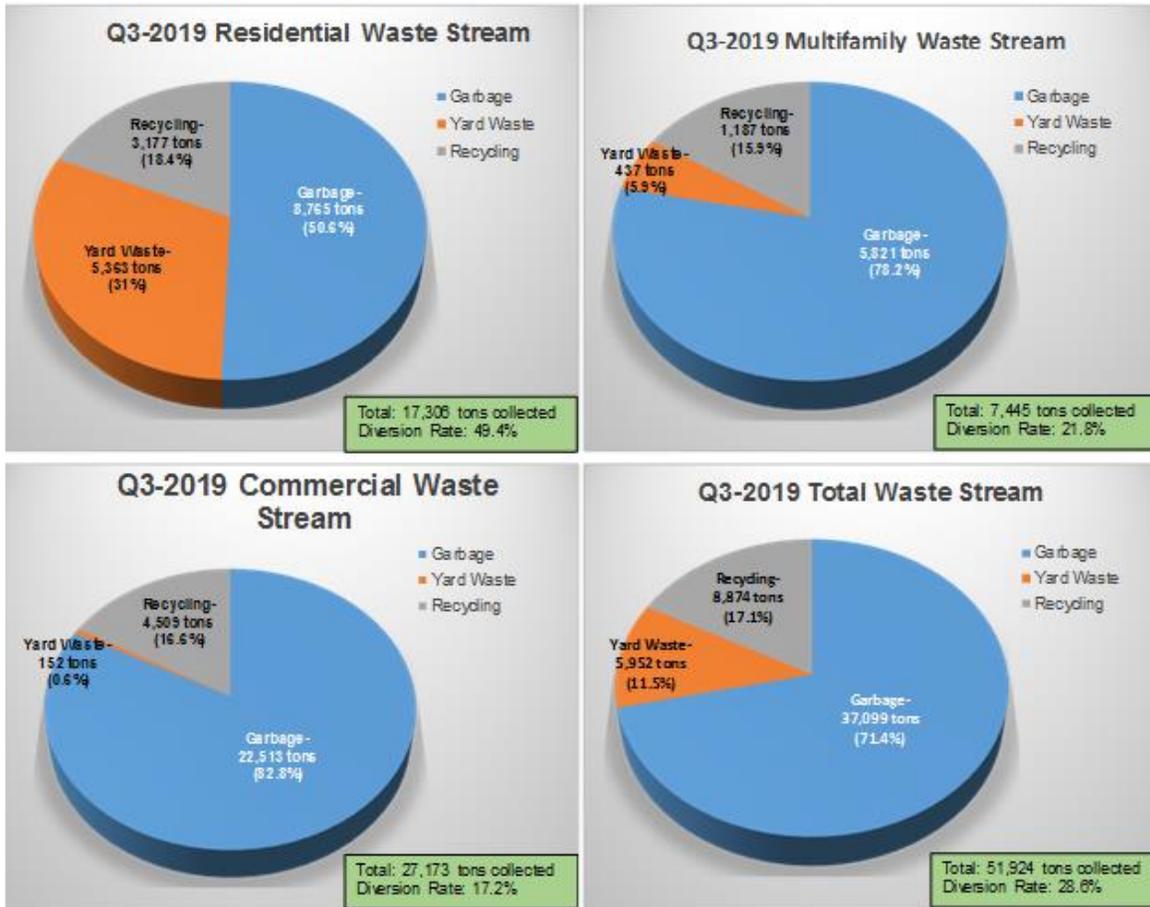
Through Q3-2019 the **Solid Waste Utility** Fund had \$11.9 million in operating revenues, compared to \$11.6 million in operating expenditures. The City of Auburn's Solid Waste services are outsourced to Waste Management and to Republic Services, who manages the contract for the annexed areas. As of September 2019, Waste Management serviced 15,511 customers (79% of customers) and Republic Services serviced 4,155 customers (21% of customers).

The current mix of solid waste customer account types is:

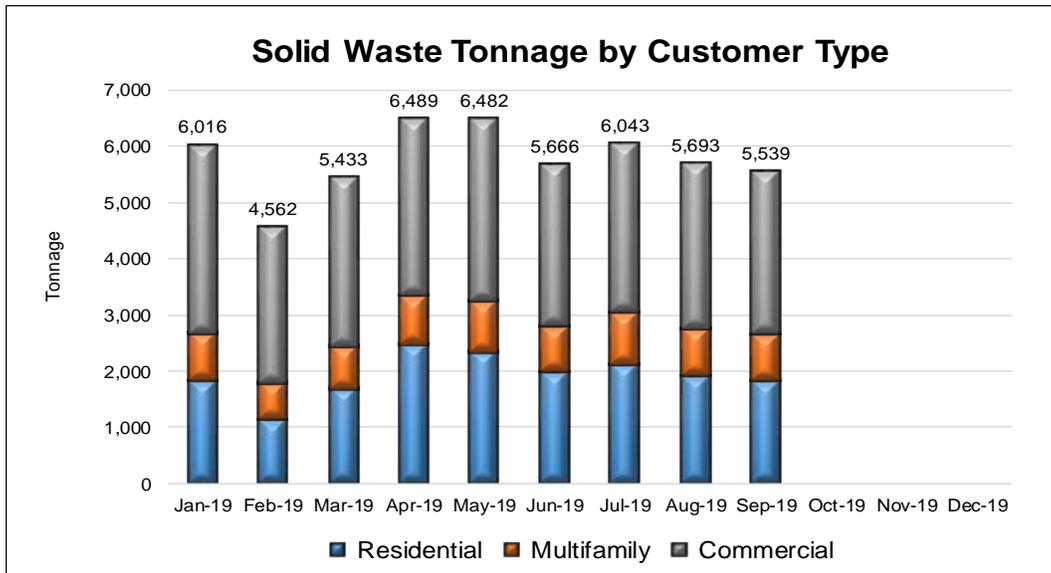
- 89.7% Residential
- 7.8% Commercial
- 2.5% Multifamily

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 Q3-2019, the total diversion rate was 28.6%, which represents a total of 14,825 tons of waste that was diverted from landfills.

2019 Tons Collected and Diversion Rates:



Of the total tonnage collected through Q3-2019, 33% was collected from residential customers, 14% from multifamily customers, and 53% from commercial customers, as shown in the following graph.

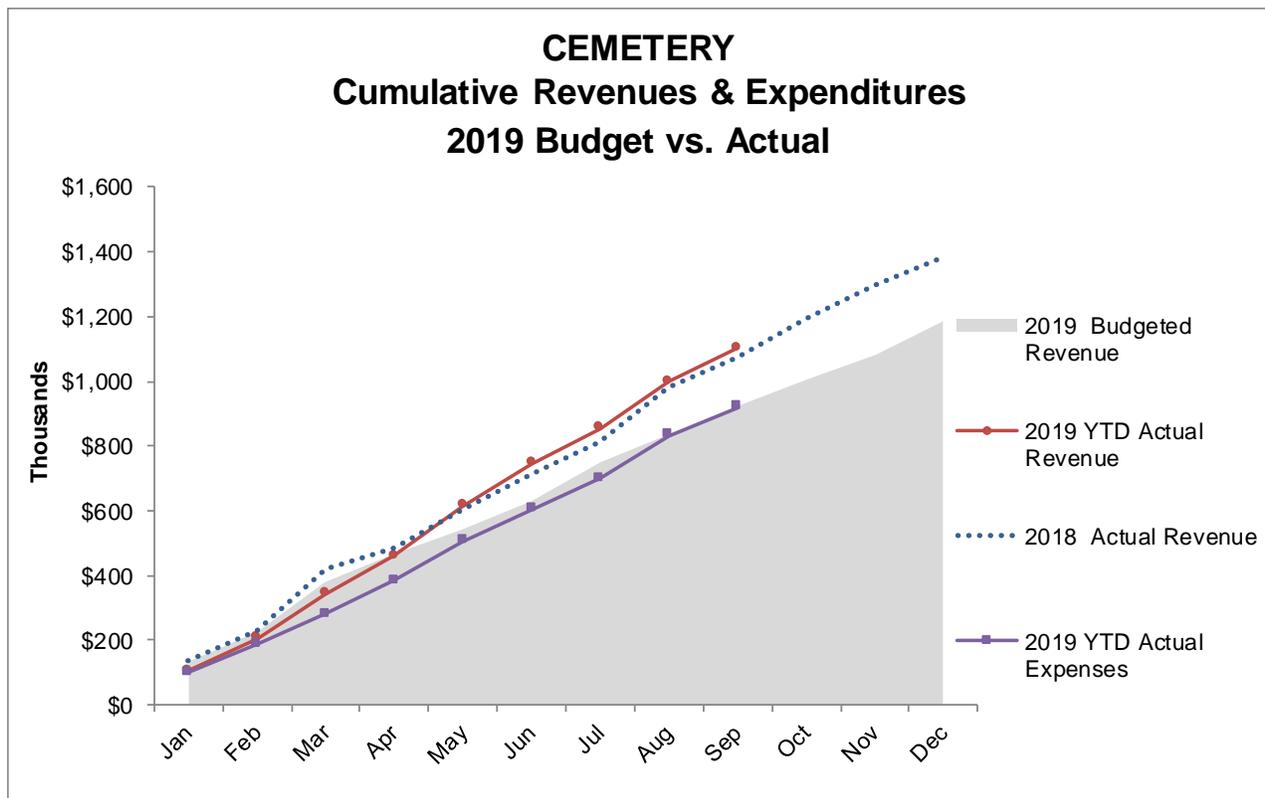


In January 2019, the Auburn Municipal Airport transitioned from contracted management services through a third-party management company to management of the Airport by in-house (City) staff.

The **Airport Fund** finished Q3-2019 with operating income of \$331,000 as compared with operating income of \$263,000 through Q3-2018. Operating revenues in the Airport Fund are up \$363,000 over Q3-2018, largely due to sales of aviation fuel. Aviation fuel was previously sold by AMG, with a portion of the profit remitted to the City. Currently the City sells fuel directly, and recovers all associated revenue.

Operating expenditures in the Airport Fund through Q3-2019 have increased by \$295,000 over the same period last year. A significant portion of this increase is due to the purchase of aviation fuel for resale; the remaining variance consists largely of interfund charges related to City internal services, repairs and maintenance, public utility costs, and interfund transfers to fund one-time technology and vehicle purchases associated with bringing the management of the facilities in-house.

Through Q3-2019, the **Cemetery Fund** experienced operating income of \$146,000 as compared with an operating income of \$174,000 through Q3-2018. While sales of lots have decreased from 2018, this is generally offset by increases in openings/closings and sales of liners and markers. Overall, operating revenues are up by \$32,000, or 3.0% while operating expenditures are up \$60,000 or 6.7% from the same period last year due to inventory purchases and citywide internal service allocations.



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.

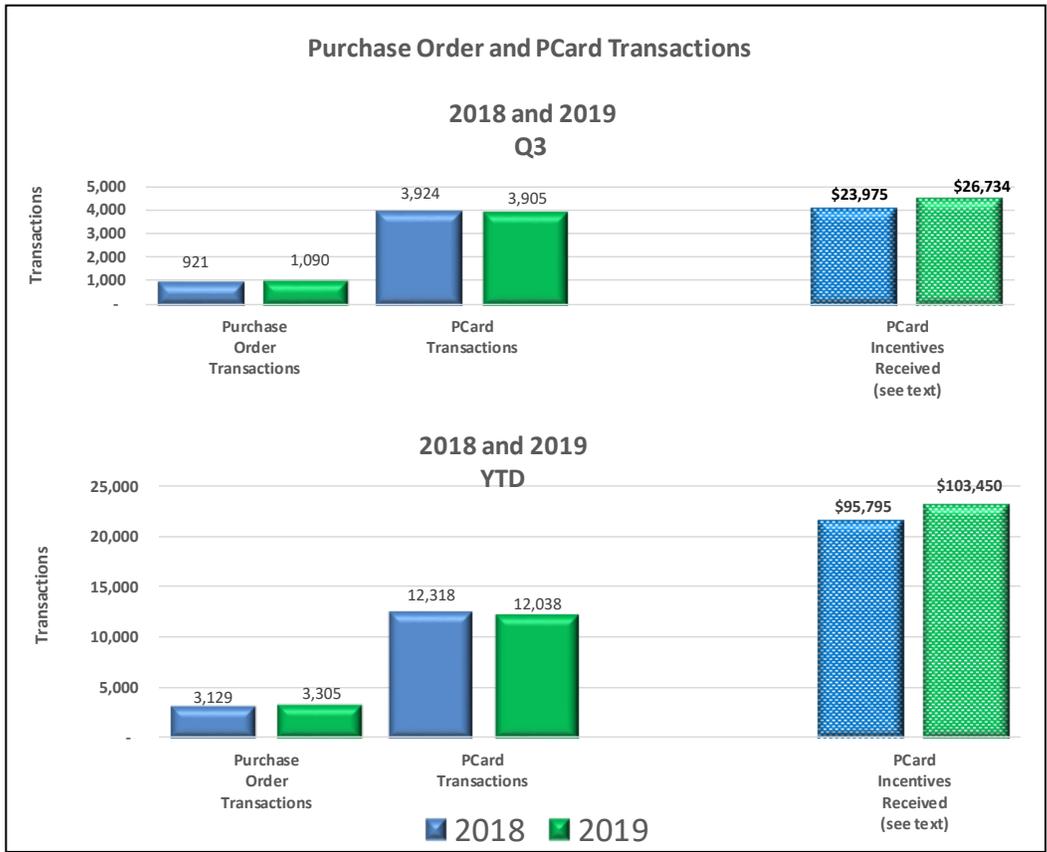
Investment Portfolio

The City's total cash and investments at the end of the Q3-2019 totaled \$148.9 million, and compares to \$147.8 million at the end of Q2-2019. [attachment]

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 Q3-2019, 3,905 P-Card transactions were processed as compared with 1,090 purchase order transactions.

Total incentive payments received from US Bank in Q3-2019 totaled \$26,734. These are estimated payments since quarterly rebate checks are not actually received until the next quarter. There is also an annual incentive payment from the State that is received in the year following. 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 Jamie Thomas at jdthomas@auburnwa.gov.

**City of Auburn
Investment Portfolio Summary
September 30, 2019**

Investment Type	Purchase Date	Book Value	Maturity Date	Yield to Maturity
State Investment Pool	Various	\$ 97,233,193	Various	2.20%
KeyBank Money Market	Various	4,485,883	Various	0.15%
OpusBank Public Interest Acct	Various	10,410,429	Various	2.28%
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	5,012,903	7/15/2020	2.73%
RFCSP	2/19/2019	4,999,824	1/15/2021	2.52%
RFCSP	5/9/2019	4,999,802	10/15/2020	2.23%
STRIPS	7/26/2019	4,999,777	11/15/2020	1.83%
Total Cash & Investments		\$ 148,940,325		2.206%

Investment Mix	% of Total	Summary	
State Investment Pool	65.3%	Current 6-month treasury rate	1.89%
KeyBank Money Market	3.0%	Current State Pool rate	2.20%
OpusBank Public Interest Acct	7.0%	KeyBank Money Market	0.15%
FHLB	1.3%	OpusBank Public Interest Acct	2.28%
FFCB	4.0%	Blended Auburn rate	2.21%
FAMCA	1.3%		
TX ST-BABs-A	1.2%		
RFCSP	13.5%		
STRIPS	3.4%		
	100.0%		

SALES TAX SUMMARY
SEPTEMBER 2019 SALES TAX DISTRIBUTIONS (FOR JULY 2019 RETAIL ACTIVITY)

NAICS	CONSTRUCTION	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jul '18)	2019 YTD (Nov '18-Jul '19)	YTD % Diff
236	Construction of Buildings	1,257,918	993,660	799,302	-19.6%
237	Heavy and Civil Construction	170,543	117,481	98,473	-16.2%
238	Specialty Trade Contractors	881,157	652,299	608,960	-6.6%
TOTAL CONSTRUCTION		\$ 2,309,617	\$ 1,763,440	\$ 1,506,735	-14.6%
<i>Overall Change from Previous Year</i>				\$ (256,705)	

NAICS	MANUFACTURING	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jul '18)	2019 YTD (Nov '18-Jul '19)	YTD % Diff
311	Food Manufacturing	7,745	5,419	6,802	25.5%
312	Beverage and Tobacco Products	12,379	9,021	8,929	-1.0%
313	Textile Mills	559	394	180	-54.2%
314	Textile Product Mills	1,860	1,243	2,023	62.8%
315	Apparel Manufacturing	347	213	537	152.4%
316	Leather and Allied Products	221	136	267	96.4%
321	Wood Product Manufacturing	16,224	10,250	10,227	-0.2%
322	Paper Manufacturing	12,982	6,856	8,867	29.3%
323	Printing and Related Support	46,020	36,400	33,825	-7.1%
324	Petroleum and Coal Products	9,780	7,682	6,195	-19.4%
325	Chemical Manufacturing	12,512	9,407	9,857	4.8%
326	Plastics and Rubber Products	8,844	7,269	5,819	-19.9%
327	Nonmetallic Mineral Products	21,776	14,703	15,128	2.9%
331	Primary Metal Manufacturing	4,065	950	31,445	3208.5%
332	Fabricated Metal Product Manuf	26,115	19,717	24,399	23.7%
333	Machinery Manufacturing	24,283	19,631	17,475	-11.0%
334	Computer and Electronic Product	7,184	4,858	5,565	14.5%
335	Electric Equipment, Appliances	791	395	174	-55.8%
336	Transportation Equipment Man	488,093	363,573	356,059	-2.1%
337	Furniture and Related Products	19,899	13,802	16,159	17.1%
339	Miscellaneous Manufacturing	32,607	24,097	29,819	23.7%
TOTAL MANUFACTURING		\$ 754,285	\$ 556,018	\$ 589,753	6.1%
<i>Overall Change from Previous Year</i>				\$ 33,735	

NAICS	TRANSPORTATION AND WAREHOUSING	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jul '18)	2019 YTD (Nov '18-Jul '19)	YTD % Diff
481	Air Transportation	3	3	0	-100.0%
482	Rail Transportation	25,453	17,032	16,496	-3.2%
484	Truck Transportation	26,564	23,737	11,049	-53.5%
485	Transit and Ground Passengers	56	44	27	-38.9%
488	Transportation Support	52,211	39,291	28,328	-27.9%
491	Postal Service	1,007	833	541	-35.1%
492	Couriers and Messengers	1,359	1,233	218	-82.3%
493	Warehousing and Storage	13,554	10,513	7,288	-30.7%
TOTAL TRANSPORTATION		\$ 120,208	\$ 92,685	\$ 63,946	-31.0%
<i>Overall Change from Previous Year</i>				\$ (28,739)	

NAICS	WHOLESALE TRADE	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jul '18)	2019 YTD (Nov '18-Jul '19)	YTD % Diff
423	Wholesale Trade, Durable Goods	1,147,872	864,620	897,370	3.8%
424	Wholesale Trade, Nondurable	315,956	232,167	229,311	-1.2%
425	Wholesale Electronic Markets	5,189	3,620	7,120	96.7%
TOTAL WHOLESALE		\$ 1,469,017	\$ 1,100,407	\$ 1,133,801	3.0%
<i>Overall Change from Previous Year</i>				\$ 33,395	

NAICS	AUTOMOTIVE	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jul '18)	2019 YTD (Nov '18-Jul '19)	YTD % Diff
441	Motor Vehicle and Parts Dealer	3,843,704	2,883,183	2,840,445	-1.5%
447	Gasoline Stations	278,087	209,029	196,657	-5.9%
TOTAL AUTOMOTIVE		\$ 4,121,791	\$ 3,092,212	\$ 3,037,102	-1.8%
<i>Overall Change from Previous Year</i>				\$ (55,110)	

NAICS	RETAIL TRADE	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jul '18)	2019 YTD (Nov '18-Jul '19)	YTD % Diff
442	Furniture and Home Furnishings	209,879	152,512	160,025	4.9%
443	Electronics and Appliances	229,028	170,495	204,900	20.2%
444	Building Material and Garden	576,468	427,143	486,621	13.9%
445	Food and Beverage Stores	387,928	285,107	303,970	6.6%
446	Health and Personal Care Store	420,087	312,578	329,890	5.5%
448	Clothing and Accessories	1,170,083	863,543	901,139	4.4%
451	Sporting Goods, Hobby, Books	220,869	160,584	185,343	15.4%
452	General Merchandise Stores	870,096	678,091	620,494	-8.5%
453	Miscellaneous Store Retailers	689,386	498,062	676,134	35.8%
454	Nonstore Retailers	267,088	208,455	174,803	-16.1%
TOTAL RETAIL TRADE		\$ 5,040,912	\$ 3,756,570	\$ 4,043,320	7.6%
<i>Overall Change from Previous Year</i>				\$ 286,750	

NAICS	SERVICES	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jul '18)	2019 YTD (Nov '18-Jul '19)	YTD % Diff
51*	Information	637,625	487,341	505,756 ^a	3.8%
52*	Finance and Insurance	140,135	105,510	104,707	-0.8%
53*	Real Estate, Rental, Leasing	367,824	271,291	321,782	18.6%
541	Professional, Scientific, Tech	253,684	190,908	248,422	30.1%
551	Company Management	16	9	1,138	12877.0%
56*	Admin. Supp., Remed Svcs	423,760	303,074	389,522	28.5%
611	Educational Services	47,224	32,771	31,727	-3.2%
62*	Health Care Social Assistance	93,420	62,303	72,041	15.6%
71*	Arts and Entertainment	119,180	89,259	85,220	-4.5%
72*	Accommodation and Food Svcs	1,435,327	1,062,325	1,087,824	2.4%
81*	Other Services	560,054	409,512	456,165	11.4%
92*	Public Administration	150,574	117,127	1,269	-98.9%
TOTAL SERVICES		\$ 4,228,822	\$ 3,131,431	\$ 3,305,574	5.6%
<i>Overall Change from Previous Year</i>				\$ 174,143	

NAICS	MISCELLANEOUS	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jul '18)	2019 YTD (Nov '18-Jul '19)	YTD % Diff
000	Unknown	0	0	0	N/A
111-115	Agriculture, Forestry, Fishing	3,656	2,848	3,719	30.6%
211-221	Mining & Utilities	26,370	19,400	21,471	10.7%
999	Unclassifiable Establishments	123,605	73,541	167,494	127.8%
TOTAL SERVICES		\$ 153,632	\$ 95,789	\$ 192,684	101.2%
<i>Overall Change from Previous Year</i>				\$ 96,895	

NAICS	WHOLESALE TRADE	2018 Annual Total (Nov '17-Oct '18)	2018 YTD (Nov '17-Jul '18)	2019 YTD (Nov '18-Jul '19)	YTD % Diff
423	Wholesale Trade, Durable Goods	1,147,872	864,620	897,370	3.8%
424	Wholesale Trade, Nondurable	315,956	232,167	229,311	-1.2%
425	Wholesale Electronic Markets	5,189	3,620	7,120	96.7%
TOTAL WHOLESALE		\$ 1,469,017	\$ 1,100,407	\$ 1,133,801	3.0%
<i>Overall Change from Previous Year</i>				\$ 33,395	

GRAND TOTAL	\$ 18,198,285	\$ 13,588,552	\$ 13,872,916	2.1%
<i>Overall Change from Previous Year</i>			\$ 284,365	
Total September 2019 Sales Tax Distributions			\$ 1,604,250	
Dollar Increase from September 2018			\$ 84,370	
Percent Increase from September 2018			5.6%	
Comparisons:				
September 2018			\$ 1,519,880	
September 2017			\$ 1,444,240	

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).

b. WA State Department of Revenue audit adjustment to sales tax returns for August 2019 Reporting (adjustment: \$10,411).

OPERATING & CAPITAL FUNDS	ENTERPRISE FUNDS												
	Cash Basis through September 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	11,698,945	(3,772,555)	9,014,200	6,700,046	(2,314,154)	18,370,000	13,584,042	(4,785,958)	10,085,900	7,547,429	(2,538,471)	
Grants	-	-	-	-	-	-	-	-	-	-	-	-	
Interest Earnings	20,000	176,939	156,939	20,000	107,968	87,968	2,500	19,293	16,793	15,000	104,068	89,068	
Rents, Leases, Concessions, & Other	187,000	129,460	(57,540)	70,000	239,151	169,151	-	-	-	56,000	42,908	(13,092)	
TOTAL OPERATING REVENUES	15,678,500	12,005,344	(3,673,156)	9,104,200	7,047,165	(2,057,035)	18,372,500	13,603,336	(4,769,164)	10,156,900	7,694,405	(2,462,495)	
OPERATING EXPENSES													
Salaries & Wages	2,472,136	1,778,807	693,329	1,478,205	1,049,666	428,539	-	-	-	2,511,990	1,767,469	744,521	
Benefits	1,335,528	908,898	426,630	783,349	537,595	245,754	-	-	-	1,329,580	887,397	442,183	
Supplies	364,244	221,806	142,438	136,550	64,501	72,049	-	-	-	84,550	71,585	12,965	
Other Service Charges	4,455,849	2,219,726	2,236,123	2,912,150	1,965,221	946,929	18,215,600	13,387,096	4,828,504	1,994,100	1,167,618	826,482	
Intergovernmental Services (Less Transfers Out)	-	-	-	-	-	-	-	-	-	-	-	-	
Waste Management Payments See Note	-	-	-	-	-	-	-	-	-	-	-	-	
Sewer Metro Services	-	-	-	-	-	-	-	-	-	-	-	-	
Debt Service Interest	1,092,600	376,984	715,616	245,500	131,058	114,442	-	-	-	311,100	169,233	141,867	
Interfund Operating Rentals & Supplies	1,773,617	1,346,847	426,770	1,391,917	1,059,921	331,997	-	-	-	1,818,400	1,374,827	443,573	
TOTAL OPERATING EXPENSES	11,493,974	6,853,068	4,640,906	6,947,671	4,807,963	2,139,708	18,215,600	13,387,096	4,828,504	8,049,720	5,438,129	2,611,591	
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION	4,184,526	5,152,276	967,750	2,156,529	2,239,202	82,673	156,900	216,239	59,339	2,107,180	2,256,276	149,096	
NON-OPERATING REVENUES													
Operating Transfers-in	-	-	-	-	-	-	-	-	-	-	-	-	
Intergovernmental Loan	3,135,100	39,258	3,095,842	-	-	-	-	-	-	-	-	-	
Other Non-Operating Revenues	-	-	-	-	-	-	-	-	-	-	-	-	
NON-OPERATING EXPENSES													
Transfer to Capital Subfund	3,135,100	39,258	3,095,842	-	-	-	-	-	-	-	-	-	
Other Operating Transfers-out	381,491	27,296	354,195	328,692	9,676	319,016	-	-	-	404,392	83,676	320,716	
Debt Service Principal	1,775,400	650,014	1,125,386	563,400	288,262	275,138	-	-	-	438,000	-	438,000	
Net Change in Restricted Net Assets	-	67,435	67,435	-	(14,769)	(14,769)	-	-	-	-	21,527	21,527	
Interfund Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-	
BEGINNING WORKING CAPITAL - January 1, 2019	7,685,258	7,685,258	-	5,187,057	5,187,057	-	3,567,929	3,567,929	-	4,754,678	4,754,678	-	
ENDING WORKING CAPITAL - September 30, 2019	9,712,893	12,092,789	2,379,896	6,451,494	7,143,090	691,596	3,724,829	3,784,168	59,339	6,019,466	6,905,751	886,285	
NET CHANGE IN WORKING CAPITAL (see Note)	2,027,635	4,407,531	2,379,896	1,264,437	1,956,033	691,596	156,900	216,239	59,339	1,264,788	2,151,073	886,285	
CAPITAL FUND:													
CAPITAL REVENUES													
Interest Revenue	10,000	27,420	17,420	80,000	187,447	107,447	-	-	-	80,000	127,249	47,249	
Grants	350,592	341,129	(9,463)	-	-	-	-	-	-	181,965	5,792	(176,173)	
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	
Other Non-Operating Revenue	-	10,340	10,340	-	-	-	-	-	-	-	-	-	
Increase In Contributions - System Development	937,700	416,463	(521,237)	654,700	616,101	(38,599)	-	-	-	489,900	334,309	(155,591)	
Interfund Revenues	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Contributions - FAA	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds of Debt Activity	7,178,324	-	(7,178,324)	-	-	-	-	-	-	-	-	-	
Transfers In from Operating Sub-Fund	3,135,100	39,258	(3,095,842)	-	-	-	-	-	-	-	-	-	
Transfer In from Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL CAPITAL REVENUES	11,611,716	834,610	(10,777,106)	734,700	803,548	68,848				751,865	467,350	(284,515)	
CAPITAL EXPENSES													
Other Non-Operating Expense	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Fixed Assets - Salaries	424,300	174,077	250,223	182,900	51,963	130,938	-	-	-	202,900	50,399	152,501	
Increase In Fixed Assets - Benefits	169,700	84,240	85,460	73,100	24,796	48,304	-	-	-	81,100	23,540	57,560	
Increase In Fixed Assets - Services	300	140	160	1,900	616	1,284	-	-	-	1,900	427	1,473	
Increase In Fixed Assets - Site Improvements	-	12,419	(12,419)	-	-	-	-	-	-	-	-	-	
Increase In Fixed Assets - Equipment	-	-	-	28,000	-	28,000	-	-	-	-	-	-	
Increase In Fixed Assets - Construction	10,666,543	1,427,837	9,238,706	3,617,608	184,037	3,433,571	-	-	-	3,507,258	182,927	3,324,331	
Operating Transfers Out	76,400	66,122	10,278	50,000	50,000	-	-	-	-	50,000	50,000	-	
TOTAL CAPITAL EXPENSES	11,337,243	1,764,835	9,572,408	3,953,508	311,412	3,642,096				3,843,158	307,293	3,535,865	
BEGINNING WORKING CAPITAL - January 1, 2019	1,968,494	1,968,494	-	12,489,613	12,489,613	-	-	-	-	12,397,826	12,397,826	-	
ENDING WORKING CAPITAL - September 30, 2019	2,242,967	1,038,269	(1,204,698)	9,270,805	12,981,749	3,710,944	-	-	-	9,306,533	12,557,883	3,251,350	
NET CHANGE IN WORKING CAPITAL (see Note)	274,473	(930,225)	(1,204,698)	(3,218,808)	492,136	3,710,944	-	-	-	(3,091,293)	160,057	3,251,350	
Total Change in Working Capital	2,302,108	3,477,305	1,175,197	(1,954,371)	2,448,169	4,402,540	156,900	216,239	59,339	(1,826,505)	2,311,130	4,137,635	
(*) Depreciation	3,612,800	2,901,840		2,333,400	1,707,785		-	-		2,184,100	1,571,160		

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

OPERATING & CAPITAL FUNDS	ENTERPRISE FUNDS									INTERNAL SERVICE FUNDS			
	Cash Basis through September 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	11,808,013	(4,263,687)	1,285,700	1,055,242	(230,458)	1,086,000	1,088,647	2,647	-	-	-	
Grants	88,600	13,925	(74,675)	-	2,000	2,000	-	-	-	-	-	-	
Interest Earnings	88,800	84,879	(3,921)	6,900	18,737	11,837	1,000	14,788	13,788	21,000	21,368	368	
Rents, Leases, Concessions, & Other	-	4,202	4,202	6,000	5,873	(127)	-	214	214	-	-	-	
TOTAL OPERATING REVENUES	16,249,100	11,911,019	(4,338,081)	1,298,600	1,081,852	(216,748)	1,087,000	1,103,648	16,648	21,000	21,368	368	
OPERATING EXPENSES													
Salaries & Wages	-	761	(761)	207,803	157,797	50,006	464,932	349,219	115,713	-	-	-	
Benefits	-	69	(69)	149,990	93,743	56,247	269,930	193,344	76,586	175,000	31,580	143,420	
Supplies	53,400	3,143	50,257	292,700	293,913	(1,213)	221,700	186,705	34,995	-	-	-	
Other Service Charges	2,123,775	1,335,293	788,482	247,400	174,460	72,940	151,500	111,151	40,349	5,600	299,201	(293,601)	
Intergovernmental Services (Less Transfers Out)	-	-	-	-	-	-	-	-	-	-	-	-	
Waste Management Payments See Note	13,485,300	9,794,313	3,690,987	-	-	-	-	-	-	-	-	-	
Sewer Metro Services	-	-	-	3,700	2,258	1,442	-	-	-	-	-	-	
Debt Service Interest	-	-	-	38,600	28,950	9,650	155,900	117,390	38,510	-	-	-	
Interfund Operating Rentals & Supplies	612,000	478,664	133,336	-	-	-	-	-	-	-	-	-	
TOTAL OPERATING EXPENSES	16,274,475	11,612,244	4,662,231	940,193	751,119	189,074	1,263,962	957,808	306,154	180,600	330,781	(150,181)	
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION	(25,375)	298,775	324,150	358,407	330,733	(27,674)	(176,962)	145,840	322,802	(159,600)	(309,413)	(149,813)	
NON-OPERATING REVENUES													
Operating Transfers-in	-	-	-	-	-	-	100,000	-	(100,000)	-	-	-	
Intergovernmental Loan	-	-	-	-	-	-	-	-	-	-	-	-	
Other Non-Operating Revenues	-	-	-	-	-	-	-	-	-	-	-	-	
NON-OPERATING EXPENSES													
Transfer to Capital Subfund	-	-	-	350,000	83,179	-	100,000	-	-	-	-	-	
Other Operating Transfers-out	21,831	8,082	13,749	10,000	4,236	5,764	-	-	-	-	-	-	
Debt Service Principal	-	-	-	186,500	-	186,500	-	-	-	-	-	-	
Net Change in Restricted Net Assets	-	-	-	-	(1,766)	(1,766)	-	-	-	-	-	-	
Interfund Loan Repayment	-	-	-	42,100	31,175	10,925	-	-	-	-	-	-	
BEGINNING WORKING CAPITAL - January 1, 2019	5,647,783	5,647,783	-	590,315	590,315	-	702,687	702,687	-	1,932,526	1,932,526	-	
ENDING WORKING CAPITAL - September 30, 2019	5,600,577	5,938,475	337,898	360,122	804,223	444,101	525,725	848,527	322,802	1,772,926	1,623,113	(149,813)	
NET CHANGE IN WORKING CAPITAL (see Note)	(47,206)	290,692	337,898	(230,193)	213,908	444,101	(176,962)	145,840	322,802	(159,600)	(309,413)	(149,813)	
CAPITAL FUND:		see Note											
CAPITAL REVENUES													
Interest Revenue	-	-	-	2,000	1,464	(536)	-	4,531	4,531	-	-	-	
Grants	-	-	-	-	-	-	-	-	-	-	-	-	
Contributions	-	-	-	104,316	12,610	(91,706)	-	-	-	-	-	-	
Other Non-Operating Revenue	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Contributions - System Development	-	-	-	-	-	-	-	-	-	-	-	-	
Interfund Revenues	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Contributions - FAA	-	-	-	2,367,730	193,882	(2,173,848)	-	-	-	-	-	-	
Proceeds of Debt Activity	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers In from Operating Sub-Fund	-	-	-	350,000	83,179	(266,821)	100,000	-	(100,000)	-	-	-	
Transfer In from Other Funds	-	-	-	-	-	-	55,442	-	(55,442)	-	-	-	
TOTAL CAPITAL REVENUES				2,824,046	291,136	(2,532,910)	155,442	4,531	(150,911)				
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	8	92	100	19	81	-	-	-	
Increase In Fixed Assets - Site Improvements	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Fixed Assets - Equipment	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Fixed Assets - Construction	-	-	-	2,928,308	322,463	2,605,845	380,442	-	380,442	-	-	-	
Operating Transfers Out	-	-	-	73,200	69,034	4,166	-	-	-	-	-	-	
TOTAL CAPITAL EXPENSES				3,007,608	391,603	2,616,005	380,542	19	380,523				
BEGINNING WORKING CAPITAL - January 1, 2019				211,881	211,881	-	253,352	253,352	-				
ENDING WORKING CAPITAL - September 30, 2019				28,319	111,413	83,094	28,252	257,864	229,612				
NET CHANGE IN WORKING CAPITAL (see Note)				(183,562)	(100,468)	83,094	(225,100)	4,512	229,612				
Total Change in Working Capital	(47,206)	290,692		(413,755)	113,440	527,195	(402,062)	150,352	552,414	(159,600)	(309,413)	(149,813)	

(*) Depreciation

Note: Includes September's Waste Management payment (\$1,129,012), which will be made in October.

Working Capital = Current Assets minus Current Liabilities

OPERATING & CAPITAL FUNDS	INTERNAL SERVICE FUNDS												
	Cash Basis through September 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	814,057	(261,143)	3,436,500	2,609,132	(827,368)	6,276,600	4,714,752	(1,561,848)	2,007,606	1,505,705	(501,901)	
Grants	-	-	-	-	-	-	-	-	-	-	-	-	
Interest Earnings	46,000	42,516	(3,484)	24,600	34,987	10,387	8,000	49,573	41,573	-	56,416	56,416	
Rents, Leases, Concessions, & Other	50,000	4,777	(45,223)	-	-	-	-	-	-	-	153,267	153,267	
TOTAL OPERATING REVENUES	1,171,200	861,350	(309,850)	3,461,100	2,644,118	(816,982)	6,284,600	4,764,325	(1,520,275)	2,007,606	1,715,388	(292,218)	
OPERATING EXPENSES													
Salaries & Wages	-	-	-	728,510	504,504	224,006	2,070,555	1,503,359	567,196	604,034	450,353	153,681	
Benefits	250,000	108,949	141,051	424,233	294,895	129,338	1,072,035	730,879	341,156	324,807	225,067	99,740	
Supplies	-	-	-	144,720	78,236	66,484	469,150	251,011	218,139	1,092,000	723,752	368,248	
Other Service Charges	448,315	203,520	244,795	1,995,950	1,194,440	801,510	2,861,600	2,216,311	645,289	493,050	287,687	205,363	
Intergovernmental Services (Less Transfers Out)	-	-	-	-	-	-	-	-	-	-	-	-	
Waste Management Payments See Note	-	-	-	-	-	-	-	-	-	-	-	-	
Sewer Metro Services	-	-	-	-	-	-	-	-	-	2,700	1,222	1,478	
Debt Service Interest	-	-	-	-	-	-	-	-	-	291,600	219,626	71,974	
Interfund Operating Rentals & Supplies	119,800	93,793	26,007	159,700	119,775	39,925	183,000	137,250	45,750	291,600	219,626	71,974	
TOTAL OPERATING EXPENSES	818,115	406,262	411,853	3,453,113	2,191,850	1,261,263	6,656,340	4,838,809	1,817,531	2,808,191	1,907,706	900,485	
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION	353,085	455,088	102,003	7,987	452,269	444,282	(371,740)	(74,484)	297,256	(800,585)	(192,319)	608,266	
NON-OPERATING REVENUES													
Operating Transfers-in				44,500	40,000	(4,500)	276,210	54,582	(221,628)	-	-	-	
Intergovernmental Loan													
Other Non-Operating Revenues													
NON-OPERATING EXPENSES													
Transfer to Capital Subfund													
Other Operating Transfers-out				733,950	321,688	412,262	30,000	17,000	13,000	-	-	-	
Debt Service Principal													
Net Change in Restricted Net Assets											(57,631)	(57,631)	
Interfund Loan Repayment													
BEGINNING WORKING CAPITAL - January 1, 2019	1,165,108	1,165,108	-	1,767,017	1,767,017	-	2,613,666	2,613,666	-	3,361,101	3,361,101	-	
ENDING WORKING CAPITAL - September 30, 2019	1,518,193	1,620,196	102,003	1,085,554	1,937,598	852,044	2,488,136	2,576,764	88,628	2,560,516	3,226,413	665,897	
NET CHANGE IN WORKING CAPITAL (see Note)	353,085	455,088	102,003	(681,463)	170,581	852,044	(125,530)	(36,902)	88,628	(800,585)	(134,688)	665,897	
CAPITAL FUND:													
CAPITAL REVENUES													
Interest Revenue							-	26,717	26,717	-	75,723	75,723	
Grants										60,000	60,000	-	
Contributions													
Other Non-Operating Revenue													
Increase In Contributions - System Development													
Interfund Revenues										1,771,194	1,328,396	(442,798)	
Increase In Contributions - FAA													
Proceeds of Debt Activity													
Transfers In from Operating Sub-Fund													
Transfer In from Other Funds							34,700	-	(34,700)	1,048,000	139,434	(908,566)	
TOTAL CAPITAL REVENUES							34,700	26,717	(7,983)	2,879,194	1,603,552	(1,275,642)	
CAPITAL EXPENSES													
Other Non-Operating Expense													
Increase In Fixed Assets - Salaries								4,357	(4,357)				
Increase In Fixed Assets - Benefits								2,277	(2,277)				
Increase In Fixed Assets - Services							300	116	184	500	314	186	
Increase In Fixed Assets - Site Improvements													
Increase In Fixed Assets - Equipment							883,700	76,777	806,923	2,489,450	981,495	1,507,955	
Increase In Fixed Assets - Construction							20,000	13,255	6,745	1,140,000	-	1,140,000	
Operating Transfers Out													
TOTAL CAPITAL EXPENSES							904,000	96,782	807,218	3,629,950	981,809	2,648,141	
BEGINNING WORKING CAPITAL - January 1, 2019							1,526,533	1,526,533	-	3,770,132	3,770,132	-	
ENDING WORKING CAPITAL - September 30, 2019							657,233	1,456,468	799,235	3,019,376	4,391,875	1,372,499	
NET CHANGE IN WORKING CAPITAL (see Note)							(869,300)	(70,065)	799,235	(750,756)	621,743	1,372,499	
Total Change in Working Capital	353,085	455,088	102,003	(681,463)	170,581	852,044	(994,830)	(106,967)	887,863	(1,551,341)	487,055	2,038,396	

(*) Depreciation

- - - - 500,000 230,191 1,250,000 968,604

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