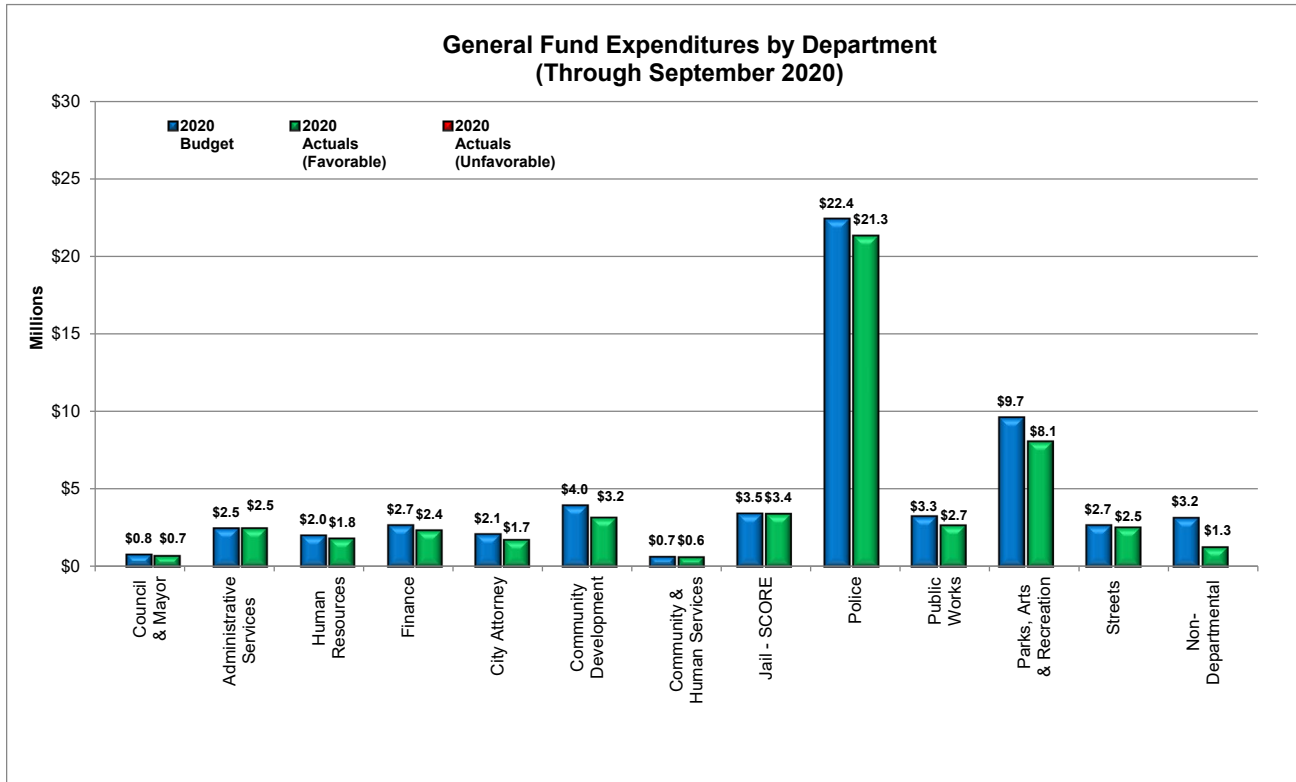
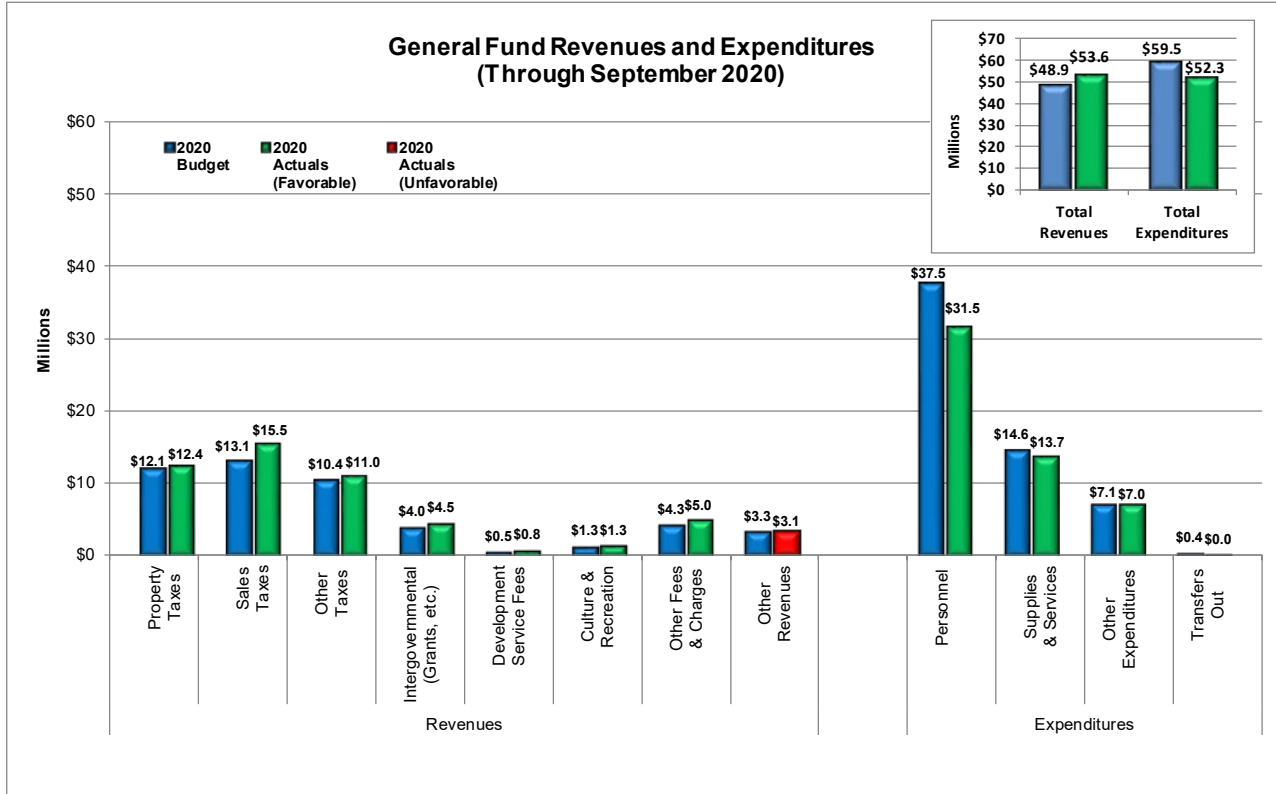




## AGENDA BILL APPROVAL FORM

<b>Agenda Subject:</b> Financial Report Through September 2020		<b>Date:</b> November 6, 2020
<b>Department:</b> Finance	<b>Attachments:</b> Financial Report through September	<b>Budget Impact:</b> \$0
<b>Administrative Recommendation:</b> For discussion only.		
<p><b>Background Summary:</b></p> <p>The 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 2020 status report based on financial data available as of October 20, 2020. Sales tax information represents business activity that occurred through July 2020.</p>		
		<b>Staff:</b> Thomas
<b>Meeting Date:</b> November 23, 2020		<b>Item Number:</b>

### General Fund Summary



General Fund Summary of Sources and Uses	Page Ref	2020			2019	2020 YTD Budget vs. Actual	
		Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable) Amount	Percentage
<b>Operating Revenues</b>							
Property Tax	7	\$ 22,000,000	\$ 12,115,200	\$ 12,376,181	\$ 12,228,024	\$ 260,981	2.2 %
Retail Sales Tax	8-9	15,576,200	11,528,900	13,678,442	13,825,585	2,149,542	18.6 %
Affordable Housing Sales Tax Credit		150,000	112,500	104,759	-	(7,741)	(6.9) %
Sales Tax - Pierce County Parks		110,800	82,000	80,900	82,419	(1,100)	(1.3) %
Sales Tax - Annexation Credit		-	-	-	373,279	0	N/A
Criminal Justice Sales Tax		1,910,000	1,407,100	1,667,278	1,783,637	260,178	18.5 %
Brokered Natural Gas Tax		131,000	103,500	123,168	172,481	19,668	19.0 %
City Utilities Tax	10-11	4,521,700	3,384,100	3,413,691	3,026,859	29,591	0.9 %
Admissions Tax	11	252,800	189,603	197,965	334,077	8,362	4.4 %
Electric Tax	10-11	4,024,400	3,135,600	3,242,922	2,753,414	107,322	3.4 %
Natural Gas Tax	10-11	1,201,900	1,067,100	1,114,296	818,958	47,196	4.4 %
Cable Franchise Fee		904,000	678,000	677,983	694,741	(17)	(0.0) %
Cable Utility Tax		1,135,100	851,682	864,091	731,470	12,408	1.5 %
Cable Franchise Fee - Capital		65,000	48,750	46,529	48,471	(2,221)	(4.6) %
Telephone Tax	10-11	981,900	752,700	831,771	735,332	79,071	10.5 %
Solid Waste Tax (external)	10-11	154,600	115,920	166,230	109,116	50,310	43.4 %
Leasehold Excise Tax		51,000	38,250	211,704	197,512	173,454	453.5 %
Gambling Excise Tax	12	82,100	61,575	74,995	276,973	13,420	21.8 %
<b>Taxes sub-total</b>		<b>\$ 53,252,500</b>	<b>\$ 35,672,480</b>	<b>\$ 38,872,904</b>	<b>\$ 38,192,348</b>	<b>\$ 3,200,423</b>	<b>9.0 %</b>
Business License Fees	12-13	\$ 328,000	\$ 160,100	\$ 147,995	\$ 126,563	\$ (12,106)	(7.6) %
Building Permits	14	720,000	456,900	686,295	627,371	229,395	50.2 %
Other Licenses & Permits		551,300	406,200	729,676	766,440	323,476	79.6 %
Intergovernmental (Grants, etc.)	15-16	8,031,370	3,953,285	4,529,943	4,733,859	576,659	14.6 %
Charges for Services:	16-18						%
General Government Services	16	2,823,620	2,032,510	2,234,136	1,944,889	201,626	9.9 %
Public Safety	16-17	964,000	723,000	704,263	847,021	(18,737)	(2.6) %
Development Services Fees	16-17	650,000	475,100	754,150	850,551	279,050	58.7 %
Culture and Recreation	16, 18	1,492,380	1,269,200	1,332,318	2,224,932	63,118	5.0 %
Fines and Penalties	18-19	668,500	498,250	475,518	642,069	(22,732)	(4.6) %
<b>Fees/Charges/Fines sub-total</b>		<b>\$ 16,229,170</b>	<b>\$ 9,974,545</b>	<b>\$ 11,594,294</b>	<b>\$ 12,763,695</b>	<b>\$ 1,619,749</b>	<b>16.2 %</b>
Interest and Investment Earnings	20	\$ 700,700	\$ 493,680	\$ 377,313	\$ 291,861	\$ (116,367)	(23.6) %
Rents and Leases	20	507,600	426,800	386,007	793,273	(40,793)	(9.6) %
Contributions and Donations	20	46,200	37,000	28,876	26,539	(8,124)	(22.0) %
Other Miscellaneous	20	230,800	179,100	171,276	330,377	(7,824)	(4.4) %
Transfers In		4,081,527	2,079,645	2,081,527	104,006	1,882	0.1 %
Insurance Recoveries - Capital & Operating		179,250	81,400	71,391	92,792	(10,009)	(12.3) %
<b>Other Revenues sub-total</b>		<b>\$ 5,746,077</b>	<b>\$ 3,297,625</b>	<b>\$ 3,116,390</b>	<b>\$ 1,638,848</b>	<b>\$ (181,235)</b>	<b>(5.5) %</b>
<b>Total Operating Revenues</b>		<b>\$ 75,227,747</b>	<b>\$ 48,944,651</b>	<b>\$ 53,583,588</b>	<b>\$ 52,594,892</b>	<b>\$ 4,638,937</b>	<b>9.5 %</b>
<b>Operating Expenditures</b>							
Council & Mayor		\$ 1,057,296	\$ 801,100	\$ 708,024	\$ 762,497	\$ 93,076	11.6 %
Administration		3,578,081	2,503,300	2,494,166	1,607,681	9,134	0.4 %
Human Resources		1,767,704	1,298,300	1,165,246	655,167	133,054	10.2 %
Municipal Court & Probation		3,074,111	744,233	666,941	1,107,248	77,293	10.4 %
Finance		3,518,178	2,694,200	2,360,243	2,538,235	333,957	12.4 %
City Attorney		2,894,572	2,122,900	1,748,226	1,877,968	374,674	17.6 %
Community Development		5,349,088	3,982,600	3,178,358	3,028,604	804,242	20.2 %
Community & Human Services (Comm Devel)		1,055,484	653,400	632,686	660,205	20,714	3.2 %
Jail - SCORE		4,601,000	3,450,750	3,423,825	2,894,741	26,925	0.8 %
Police		30,763,024	22,444,600	21,335,656	20,626,144	1,108,944	4.9 %
Public Works		4,426,341	3,273,400	2,684,001	2,798,423	589,399	18.0 %
Parks, Arts & Recreation		12,626,216	9,652,800	8,094,481	9,558,340	1,558,319	16.1 %
Streets		3,858,677	2,705,600	2,547,290	2,561,410	158,310	5.9 %
Non-Departmental		5,540,333	3,165,933	1,279,897	1,239,164	1,886,036	59.6 %
<b>Total Operating Expenditures</b>		<b>\$ 84,110,105</b>	<b>\$ 59,493,116</b>	<b>\$ 52,319,041</b>	<b>\$ 51,915,829</b>	<b>\$ 7,174,075</b>	<b>12.1 %</b>

**Executive Summary**

This report provides an overview of the City's overall financial position for the fiscal period ending September 30, 2020, reflecting financial data available as of October 20, 2020.

**General Fund:**

Due to the COVID-19 pandemic, many General Fund revenues declined due to the Governor's "Stay Home, Stay Healthy" order that effectively closed all non-essential businesses earlier this year. While the county has since progressed to phase 2 reopening, revenues are still being unfavorably impacted compared to what would be considered normal activity. The revenue categories that are primarily impacted by the pandemic include sales taxes, admission tax, gambling tax, business licenses, culture and recreation, and rents and leases. In light of the economic impact that COVID-19 has had, the City recently adjusted some General Fund revenue budgets downward to reflect new expectations. At the same time, the City also implemented expenditure reductions with the goal of closing the expected revenue gap. Anticipated expenditure reductions are reflected in this financial report in both the budget and actuals. Through September 2020, General Fund revenues totaled \$53.6 million and were \$4.6 million, or 9.5% favorable to the revised budget expectations.

The City estimates that the annual revenue loss to the General Fund in 2020 due to COVID-19 will be between \$6.0 million and \$9.0 million in 2020, which partially depends on when Pierce and King counties are allowed to progress through the remaining reopening phases set forth by the Governor. To help close the revenue gap, the City implemented the following policy changes earlier this year; together, these changes account for year-to-date incremental revenue to the General Fund in the amount of \$2.0 million.

**Policy Changes due to COVID-19:**

- Divert interest earnings for most funds to the General Fund for 2020 (retroactive to April). The year-to-date incremental revenue to the General Fund as a result of this policy change is an additional \$216,000 in revenue.
- No longer allocating a portion of Motor Vehicle Fuel Tax (MVFT) monies to the Arterial Street Fund for 2020 and, therefore, that portion of revenues from the state will stay in the General Fund. The funding source in 2020 for the Arterial Street Fund is being replaced with real estate excise tax (REET) monies. This policy change was made retroactive to January, and the year-to-date incremental revenue to the General Fund as a result of this policy change is \$321,000.
- The City will retain all utility tax revenues entirely in the General Fund for 2020 and replacing this funding source for the Arterial Street Preservation Fund with REET funds. This policy change, which was also made retroactive to January, has resulted in year-to-date incremental revenue to the General Fund of \$1.5 million.

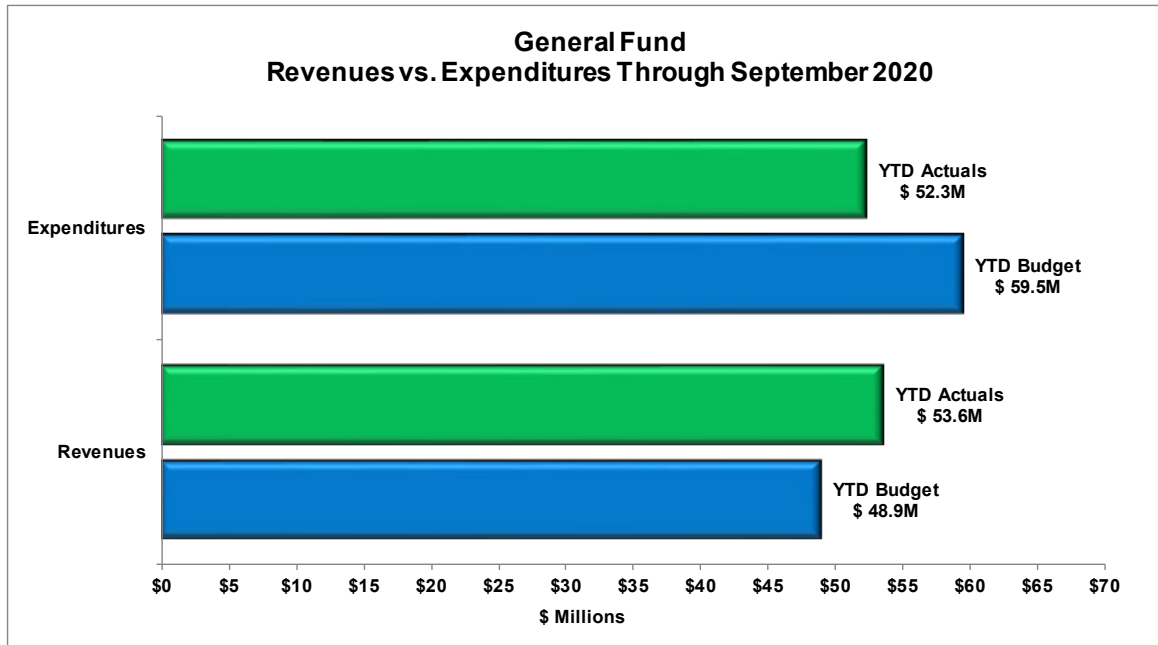
**Notable variances to budget through September 2020 include:**

- Retail Sales Tax: The sales tax report through September 2020 (which is provided as an attachment to this report) reflects amounts remitted to the City of Auburn based on sales from November 2019 through July 2020. Revenue losses compared to the year prior were seen in several categories, most notably in the manufacturing, automotive, and services sectors. While sales tax revenues are down in some areas, there are some categories that exceeded expectations, most notably the construction category. Through Q3-2020, sales tax revenues are down 1.1%, or \$147,000, compared to the same period last year. **[pages 8-9]**

- Building permit revenues collected through September 2020 totaled \$686,000 and were \$229,000, or 50.2%, above budget and 9.4% higher than revenues collected through Q3-2019. While the “Stay Home, Stay Healthy” order earlier this year did impact building permit revenues, there were four significant commercial projects in the City that contributed to higher than anticipated revenues this year. The total number of building permits issued year-to-date totaled 371, which is 8.8% less than the number of permits issued through Q3-2019. **[page 14]**
- Culture and recreation revenues collected through September totaled \$1.3 million and were \$893,000 less than what was collected through September 2019. These reduced revenues are a direct result of the COVID-19 pandemic whereby the City of Auburn essentially closed the majority of all Parks, Arts and Recreation activities and services effective March 6, 2020. While some activities have since resumed, these are at a reduced capacity, and other activities continue to be on hold, delayed, or canceled to comply with the Governor’s guidance for Washington’s Safe Start phased reopening plan. **[pages 16, 18]**
- Rents and leases revenues to date totaled \$386,000 and were \$41,000, or 9.6%, below budget expectations and \$407,000, or 51.3%, less than revenues collected through Q3-2019. The majority of these revenues are derived from Parks, Arts and Recreation Department rentals such as golf carts, athletic fields, campsites and shelters, and meeting and event facilities – all of which were halted in March due to COVID-19 restrictions and had limited openings started in May. **[page 20]**

2020 General Fund expenditures through September 2020 totaled \$52.3 million compared to a revised year-to-date budget of \$59.5 million; this represents a \$7.2 million, or 12.1%, favorable variance to budget. Due to the significant impact the COVID-19 pandemic has already had and will continue to have on the General Fund, the City implemented several mitigation strategies to close the gap for the projected revenue shortfall. These strategies included employee furloughs, hiring freezes on sixteen positions, voluntary early retirements, temporary benefit cuts, temporary lay-offs of temporary and seasonal employees, participation in the Shared Work Program for employees whose workload has slowed down, and specific departmental expenditure reductions in the areas of travel, training, and some service contracts. These expenditure cuts are reflected in the expenditures reported here.

The majority of the expenditure savings through September was seen in salary costs, which were underspent by \$3.1 million, and in benefit costs, which were underspent by \$2.9 million. Savings in salaries were primarily related to position vacancies resulting, in large part, from the hiring freezes, layoffs, and participation in the Shared Work Program as noted above. Savings in benefit expenditures were due in part to position vacancies and also to the fact that the actual cost of providing medical benefits in 2020 were less than budgeted.



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, as well as local 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. Variances in budget and actuals between years are generally due to the schedule and level of activity on projects in the fund, and the timing of grant reimbursements and other funding.

Through September 2020, **Arterial Street Fund** revenues totaled \$1.4 million as compared to collections of \$1.5 million in the same period of 2019, while expenditures totaled \$1.3 million as compared to expenditures of \$1.6 million in 2019. **[pages 23–24]**

**Local Street Fund** revenues of \$1.5 million are in line with budget expectations and only \$48,000 below collections through September 2019. Expenditures through September were \$1.0 million as compared with \$0.8 million in 2019. **[pages 25–26]**

Lastly, **Arterial Street Preservation Fund** revenues totaled \$2.2 million through September 2020, approximately \$95,000 higher than year-to-date through September 2019. Expenditures totaled \$1.2 million versus \$2.4 million last year. **[pages 27–28]**

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. Additionally, a new utility fee schedule also went into effect in January 2019.

The **Water Fund** ended September 2020 with operating income of \$4.5 million year-to-date, compared to \$5.2 million last year. **[page 30]**

The **Sewer Fund** finished September 2020 with operating income of \$1.5 million year-to-date versus \$2.2 million in 2019. This variance is primarily due to a one-time refund from the Department of Revenue last year, as well as lower commercial volumes. **[page 31]**

Through September 2020 the **Stormwater Fund** had year-to-date operating income of \$2.6 million compared to \$2.3 million in 2019, largely due to the rate increase implemented in January. **[page 31]**

The **Solid Waste Fund** finished September 2020 with year-to-date operating income of \$200,000 compared to \$300,000 in the same period last year. **[pages 31-32]**

The **Airport Fund** experienced operating income of \$405,000 year-to-date through September 2020, compared to \$331,000 through September 2019. This variance is largely attributable to the purchase and sale of aviation fuel, an activity that was not previously directly managed by the City. **[page 33]**

The **Cemetery Fund** had year-to-date operating income of \$153,000 through September, compared to \$146,000 through September 2019. **[page 33]**

Internal Service Funds:

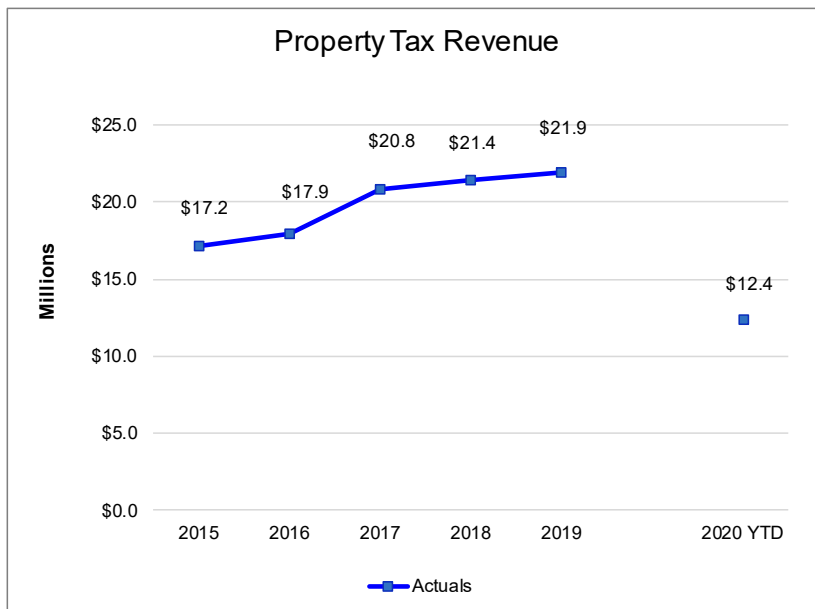
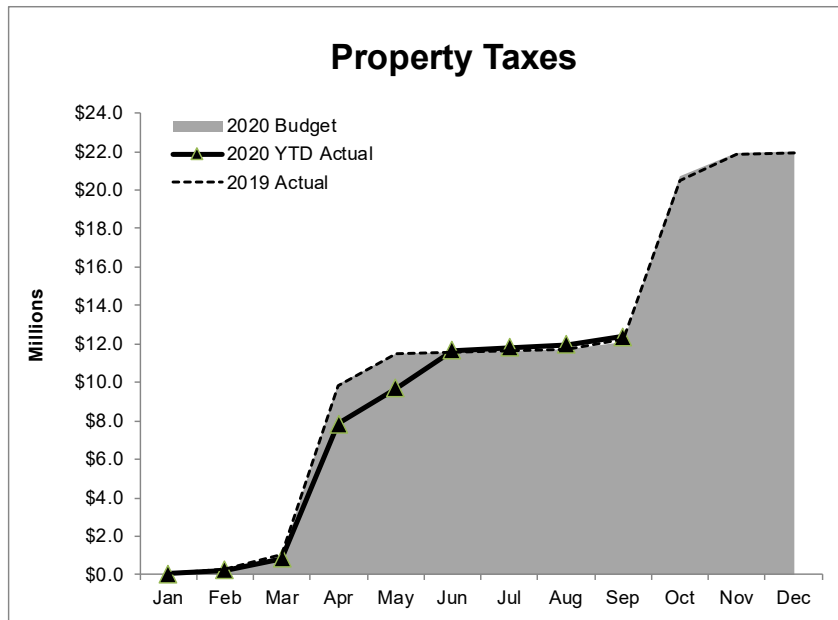
Internal service funds provide services to other City departments and include functions such as Insurance, Worker's Compensation, Facilities, Innovation & Technology, and Equipment Rental. No significant variances were reported in these funds during the period ending September 30, 2020. **[page 34]**

**General Fund**

**Revenues**

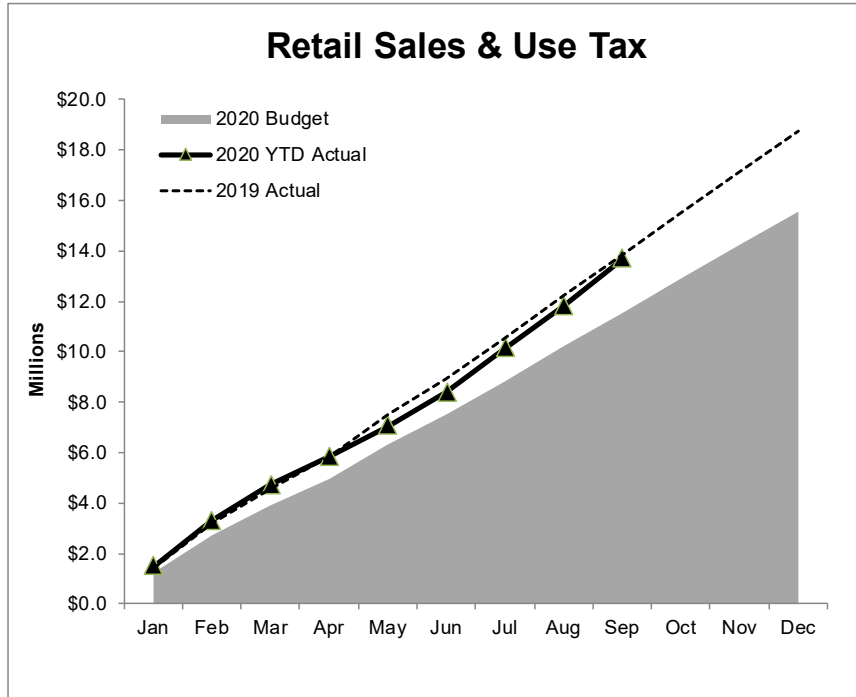
The combined total of property, sales/use, utility, gambling, and admissions taxes provides over 70% of all resources supporting general governmental activities. The following section provides additional information on these sources.

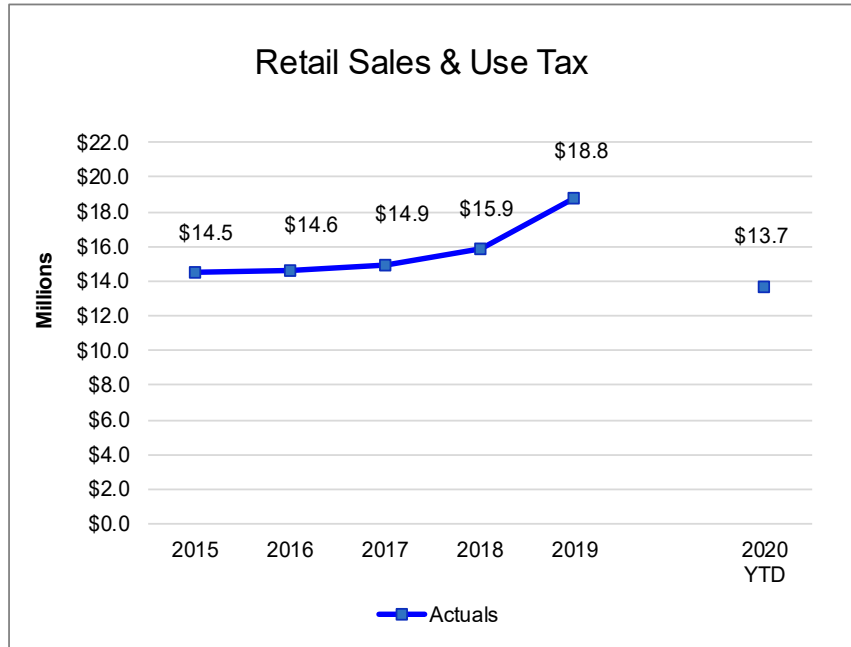
**Property Tax** collections through September 2020 totaled \$12.4 million and compare to a budget of \$12.1 million. As depicted in the graphic below, the majority of property taxes are collected during the months of April and October, coinciding with the due dates for the County property tax billings. The COVID-19 pandemic is expected to have minimal, if any, impact to property tax revenues.





**Retail sales tax** collections through September 2020 reflect taxes remitted to the City of Auburn based on sales from November 2019 through July 2020, which includes approximately one and a half months where all non-essential business were closed as part of the “Stay Home, Stay Healthy” order. In Budget Amendment No. 7 (approved in September), the budget for retail sales tax revenues for 2020 was reduced by \$3.3 million to reflect revised expectations. As a result of COVID-related business shut-downs, sales tax revenues collected in Q2-2020 were 19.1% lower than sales taxes collected during the same period in 2019. Conversely, sales tax revenues collected in Q3-2020 were 8.1% higher than sales tax revenue collected during the same period last year, with the most notable increases seen in the construction and automotive categories.





**Note:** The increase in sales tax revenue from 2018 to 2019 was primarily due to a policy change whereby sales tax on construction revenue stays in the General Fund starting in 2019. Of the year-over-year increase in sales tax revenue depicted in the graphic above from 2018 to 2019, \$2.2 million of the \$2.9 million increase was due to this policy change.

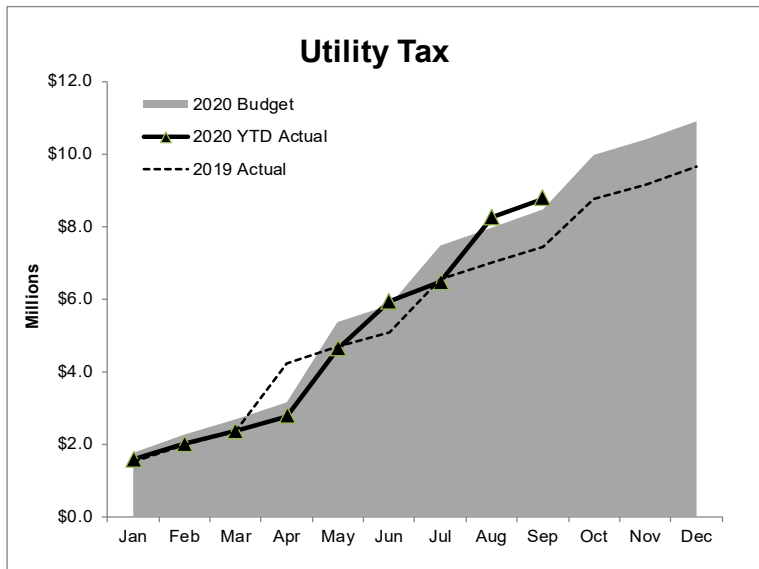
The following table breaks out the City’s retail sales taxes by major business sector.

Comparison of Retail Sales Tax Collections by Group Through September				
Component Group	2019 Actual	2020 Actual	Change from 2019	
			Amount	Percentage
Construction	\$ 1,506,735	\$ 2,138,487	\$ 631,752	41.9 %
Manufacturing	589,753	286,376	\$ (303,378)	(51.4) %
Transportation & Warehousing	63,946	121,106	\$ 57,160	89.4 %
Wholesale Trade	1,133,801	986,543	\$ (147,258)	(13.0) %
Automotive	3,037,102	2,746,612	\$ (290,491)	(9.6) %
Retail Trade	4,043,320	4,039,685	\$ (3,635)	(0.1) %
Services	3,305,574	3,136,003	\$ (169,572)	(5.1) %
Miscellaneous	192,684	223,631	\$ 30,947	16.1 %
YTD Total	\$ 13,872,916	\$ 13,678,441	\$ (194,475)	(1.4) %

Citywide retail sales tax revenue collected through Q3-2020 were \$194,000, or 1.4%, less than revenues collected through Q3-2019. While most business sectors generated less revenue compared to last year, the construction and transportation & warehousing sectors generated higher revenues than the same period in 2019.

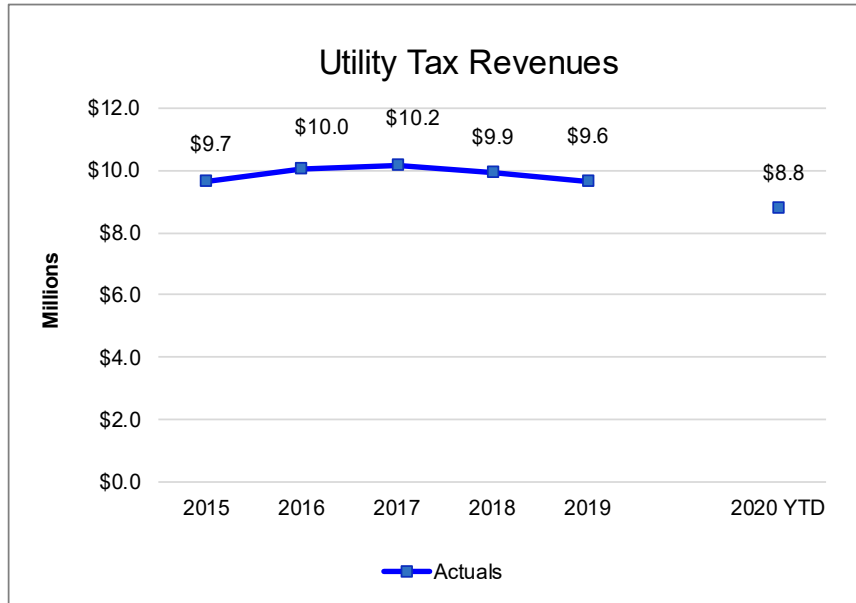
**Utility Taxes** consist of interfund taxes on City utilities (Water, Sewer, Storm and Solid Waste) and taxes on external utilities (Electric, Natural Gas, Telephone and Solid Waste). Due to the fiscal impact of the COVID-19 pandemic, the City of Auburn implemented a policy change regarding how these utility tax revenues are recorded. Historically, these revenues were recorded in both the General Fund and the Arterial Street Preservation Fund. Effective in 2020 only and retroactive to January, the City is retaining 100% of the utility tax revenues in the General Fund. This will result in an additional \$1.8 million in revenues in the General Fund by year-end to fund ongoing operations.

Through Q3-2020, this policy change has resulted in an additional \$1.5 million in utility tax revenue recorded to the General Fund.

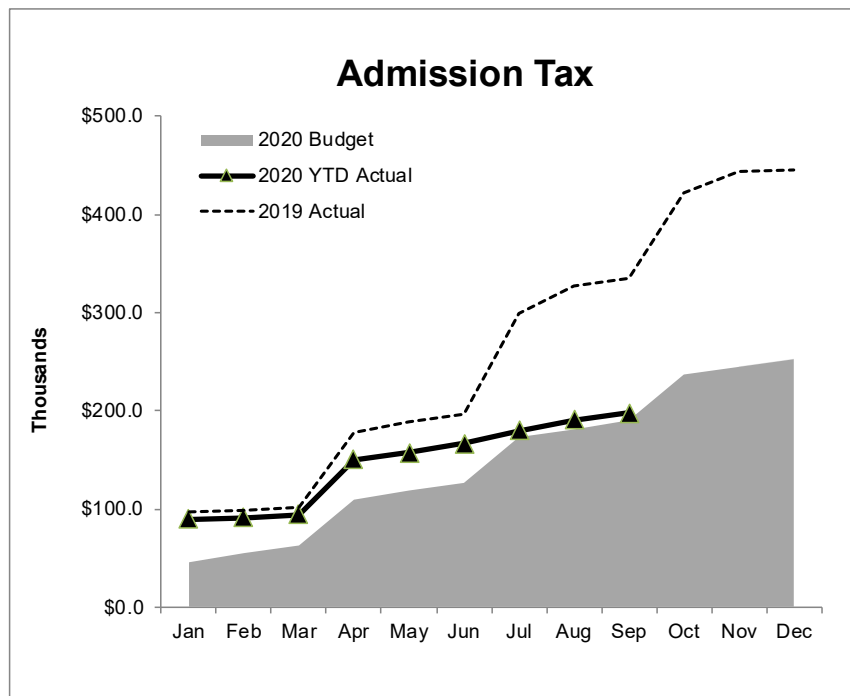


The table below demonstrates the various utility tax revenues and show year-to-date actuals compared to budget.

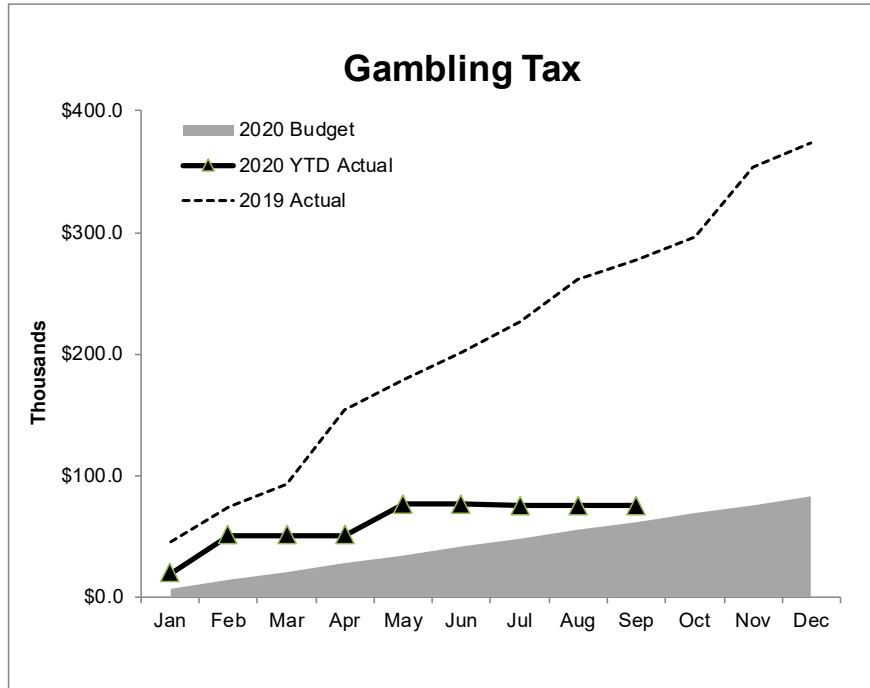
Utility Tax by Type Through September 2020							
Utility Tax Type	2019 YTD Actual	2020 YTD Budget	2020 YTD Actual	2020 vs. 2019 Actual		2020 vs. Budget	
				Amount	Percentage	Amount	Percentage
City Interfund Utility Taxes	\$ 3,026,859	\$ 3,384,100	\$ 3,413,691	\$ 386,832	12.8 %	\$ 29,591	0.9 %
Electric	2,753,414	3,135,600	3,242,922	489,509	17.8 %	107,322	3.4 %
Natural Gas	818,958	1,067,100	1,114,296	295,338	36.1 %	47,196	4.4 %
Telephone	735,332	752,700	831,771	96,439	13.1 %	79,071	10.5 %
Solid Waste (external)	109,116	115,920	166,230	57,114	52.3 %	50,310	43.4 %
<b>YTD Total</b>	<b>\$ 7,443,679</b>	<b>\$ 8,455,420</b>	<b>\$ 8,768,910</b>	<b>\$ 1,325,231</b>	<b>17.8 %</b>	<b>\$ 313,490</b>	<b>3.7 %</b>



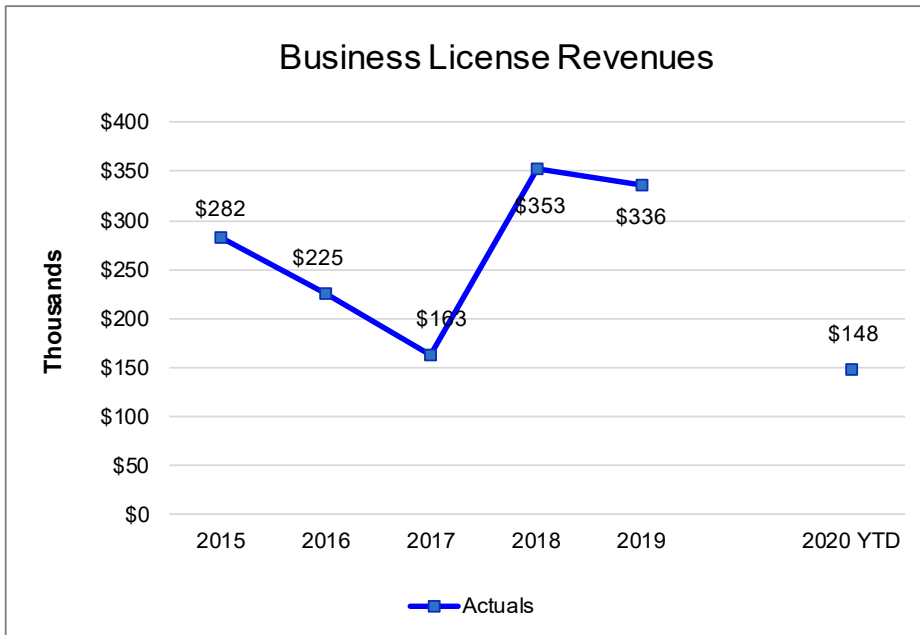
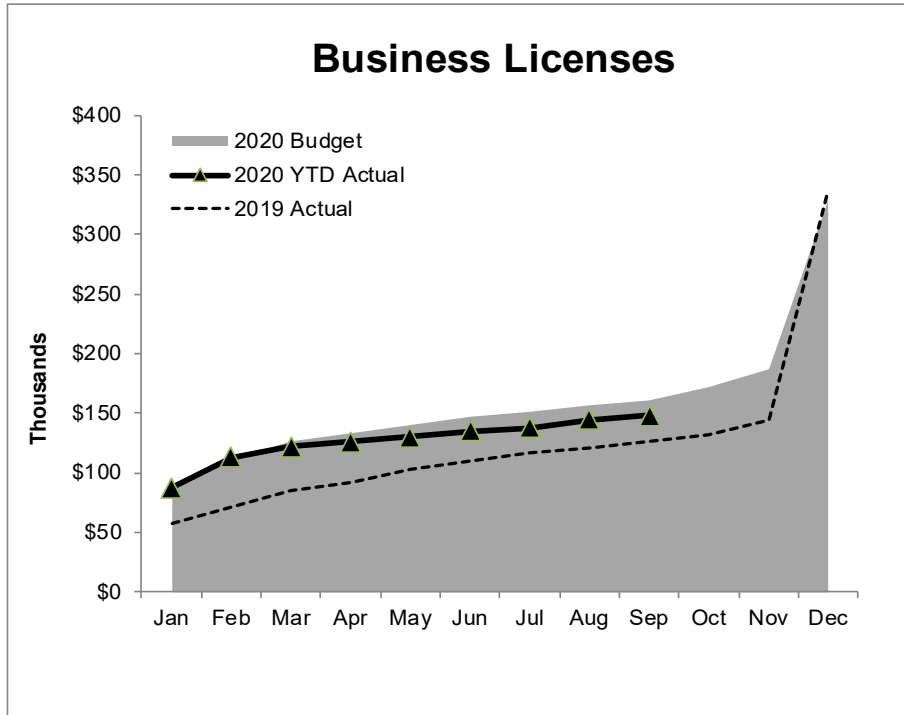
An admission tax of 5.0% is placed on charges for general admission, season tickets, cover charges, parking charges, etc. Admission tax revenue collected through Q3-2020 totaled \$198,000 and compares to \$334,000 collected through the same period last year. While there are only a handful of businesses that qualify to remit these taxes to the City, 75% of the tax revenue in this category is typically generated from Auburn Regal Theater located at the Outlet Collection mall. Due to the Governor’s orders relating to COVID-19, all of these revenues ceased during the shutdown, will continue to be significantly lower than normal until group activities are permitted, and may be limited for some period thereafter. Since the initial shutdown in March, the Governor has since allowed golf courses to reopen within certain limitations and the Auburn Golf Course reopened on May 5<sup>th</sup>. Revenues in this category collected since May are almost exclusively from admissions tax collected from the golf course.



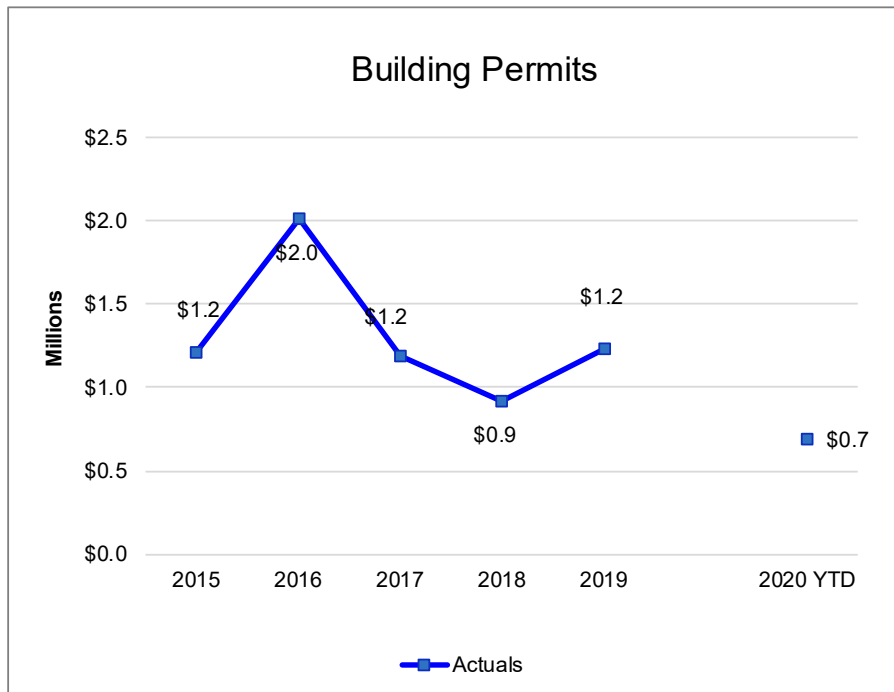
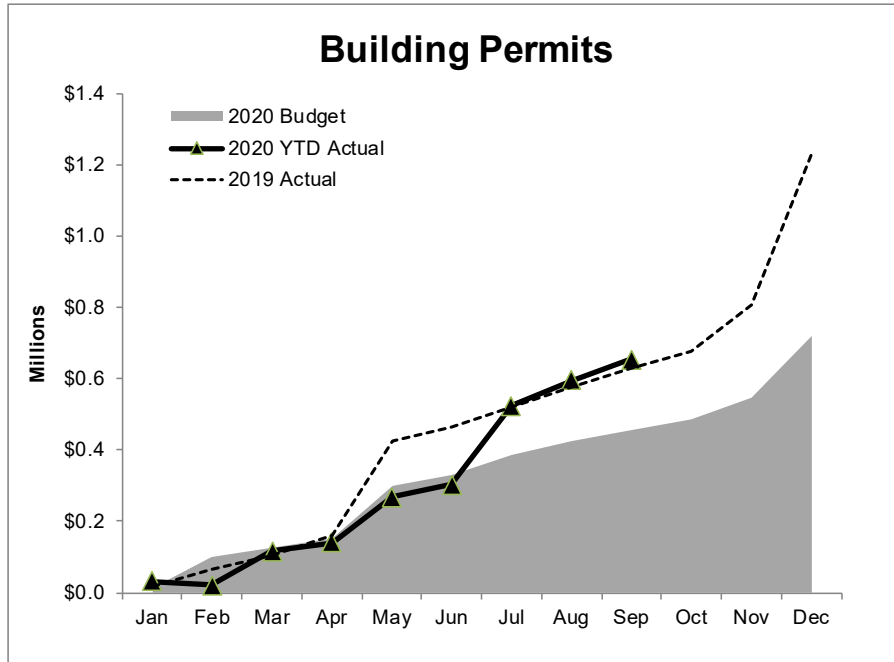
Gambling tax applies to all card games, punch board games, pull tabs, bingo games, raffles and amusement games played within City limits. Due to the Governor’s orders relating to COVID-19, these entertainment style activities are mostly on hold. Therefore, it is expected the revenues generated from gambling taxes this year will be significantly lower than normal. As depicted in the graphic below, revenues collected through September totaled \$75,000 which was \$202,000 less than collections through Q3-2019.



The City charges an annual fee of \$100 for a business license for each business that is located within the City. The City typically sends out the renewals for the following year around December of each year. Therefore, the majority of these revenues are collected in December for the following year or January in the current year. Through September 2020 these revenues totaled \$148,000 and are \$12,000, or 7.6% unfavorable to budget. It is anticipated that due to COVID-19, there will be businesses that do not remit their renewals this year.



Building permit revenues collected through September 2020 totaled \$686,000 and were \$59,000, or 9.4%, higher than revenues collected through the same period last year. While these revenues were temporarily affected by COVID-19 due to the fact that construction was temporarily halted, there were several large projects that contributed to the higher revenues collected. Some of these projects include the replacement of Pioneer Elementary School, Auburn Elementary School #16, and the Bridge Point Warehouse.



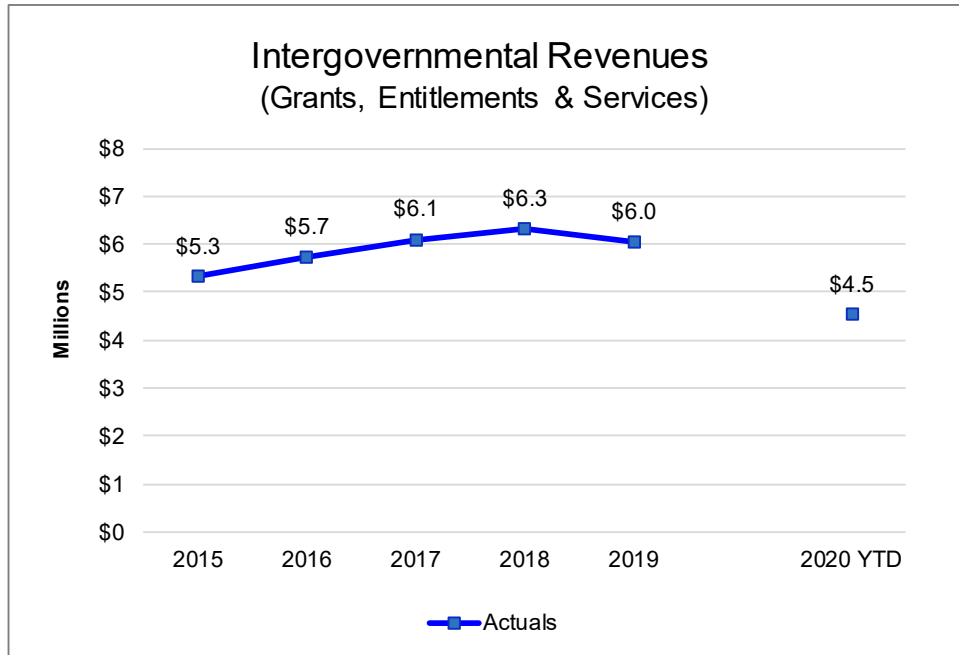
**Intergovernmental revenues** include grants (direct and indirect federal, state and local), revenue from the Muckleshoot Indian Tribe (MIT) compact as well as state shared revenues. Collections through Q3-2020 totaled \$4.5 million and were \$577,000 above budget expectations. The majority of the favorable variance to budget was seen in the contributions from Muckleshoot Casino for services related to police calls for service, court related prosecutions, and street maintenance.

Due to COVID-19 and the “Stay Home, Stay Healthy” order, many people have drastically reduced their driving patterns therefore fuel consumption has and will continue to be low compared to historical usage. To mitigate the revenue loss, the City of Auburn implemented a policy change for 2020 (retroactive to January) where motor vehicle fuel tax revenues (MVFT) that have historically benefitted the Arterial Street Fund are being retained in the General Fund. Through Q3-2020, the policy change has resulted in an additional \$321,000 in MVFT monies in the General Fund.

Streamlined Sales Tax (SST) revenue is a state shared revenue that was granted in 2008 as a way for cities to offset the negative fiscal impact of the Streamlined Sales and Use Tax Agreement, also known as ‘destination sourcing’. The City of Auburn had expected to receive these monies through Q2-2021. In an effort for the state to close the revenue gap due to COVID-19, in April 2020, the state announced it will discontinue any SST distributions after Q2-2020. This loss of revenue represents a loss of \$460,000 to the City of Auburn in 2020. The City of Auburn received the final remittance from the state in June 2020, which totaled \$250,000.

Intergovernmental Revenues (Grants, Entitlements & Services)							
Through September 2020							
Revenue	2019	2020	2020	2020 vs. 2019 Actual		2020 vs. Budget	
	YTD Actual	YTD Budget	YTD Actual	Amount	% Change	Amount	% Change
Federal Grants	\$ 173,444	\$ 247,200	\$ 272,782	\$ 99,338	57.3 %	\$ 25,582	10.3 %
State Grants	148,776	102,500	140,207	(8,570)	(5.8) %	37,707	36.8 %
Interlocal Grants	38,888	171,900	205,373	166,484	0.0 %	33,473	19.5 %
Muckleshoot Casino Services	908,419	669,967	1,020,419	112,000	12.3 %	350,452	52.3 %
State Shared Revenues:							
Streamlined Sales Tax	1,304,831	490,000	494,830	(810,002)	(62.1) %	4,830	1.0 %
Motor Vehicle Fuel Tax	867,456	1,059,000	1,051,874	184,417	21.3 %	(7,126)	(0.7) %
Criminal Justice - High Crime	169,308	150,000	168,992	(316)	(0.2) %	18,992	12.7 %
Criminal Justice - Population	17,958	17,000	18,997	1,039	5.8 %		11.7 %
Criminal Justice - Special Prog.	64,666	62,500	68,053	3,388	5.2 %	5,553	8.9 %
Marijuana Excise Tax	135,977	101,250	130,716	(5,261)	(3.9) %	29,466	29.1 %
State DUI	8,548	8,700	8,619	72	0.8 %	(81)	(0.9) %
Fire Insurance Tax	80,386	78,900	85,819	5,433	6.8 %	6,919	8.8 %
Liquor Excise	322,324	295,243	371,283	48,959	15.2 %	76,040	25.8 %
Liquor Profit	492,877	499,125	491,980	(897)	(0.2) %	(7,145)	(1.4) %
Total State Shared:	3,464,332	2,761,718	2,891,163	(573,168)	(16.5) %	129,445	4.7 %
YTD Total	\$ 4,733,859	\$ 3,953,285	\$ 4,529,943	\$ (203,916)	(4.3) %	\$ 576,659	14.6 %





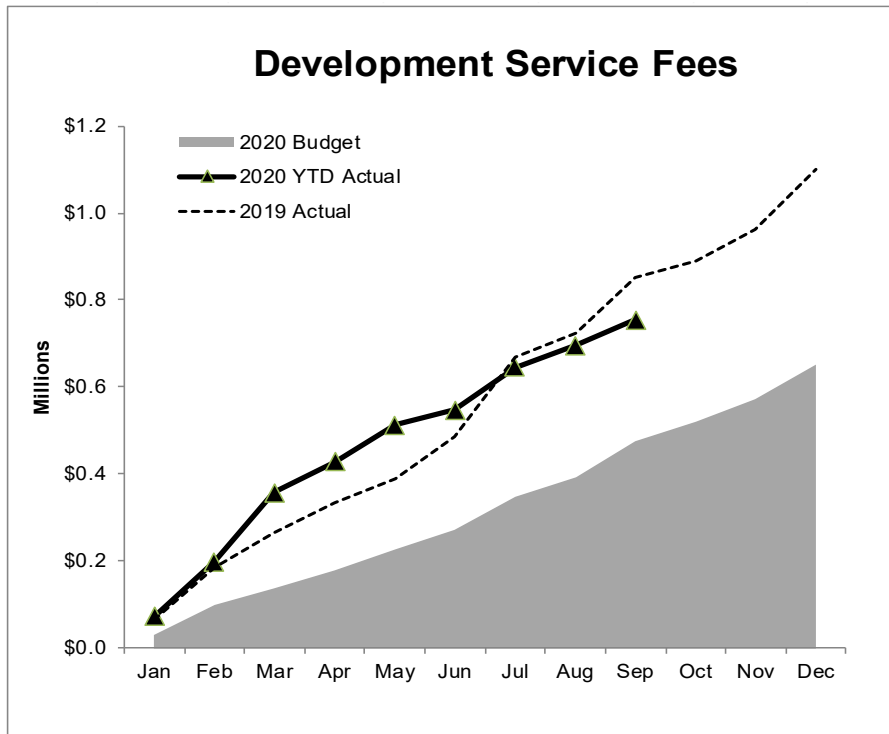
**Charges for Services** consist of general governmental service charges, public safety charges, development service fees, and culture and recreation fees. Total charges for services collected through September 2020 totaled \$5.0 million and were \$525,000, or 11.7%, favorable to budget.

Charges for Services by Type Through September 2020							
Revenue	2019 YTD Actual	2020 YTD Budget	2020 YTD Actual	2020 vs. 2019 Actual		2020 vs. Budget	
				Amount	Percentage	Amount	Percentage
General Government	\$ 1,944,889	\$ 2,032,510	\$ 2,234,136	\$ 289,247	14.9 %	\$ 201,626	9.9 %
Public Safety	847,021	723,000	704,263	(142,758)	(16.9) %	(18,737)	(2.6) %
Development Services	850,551	475,100	754,150	(96,400)	(11.3) %	279,050	58.7 %
Culture & Recreation	2,224,932	1,269,200	1,332,318	(892,614)	(40.1) %	63,118	5.0 %
YTD Total	\$ 5,867,392	\$ 4,499,810	\$ 5,024,867	\$ (842,526)	(14.4) %	\$ 525,057	11.7 %

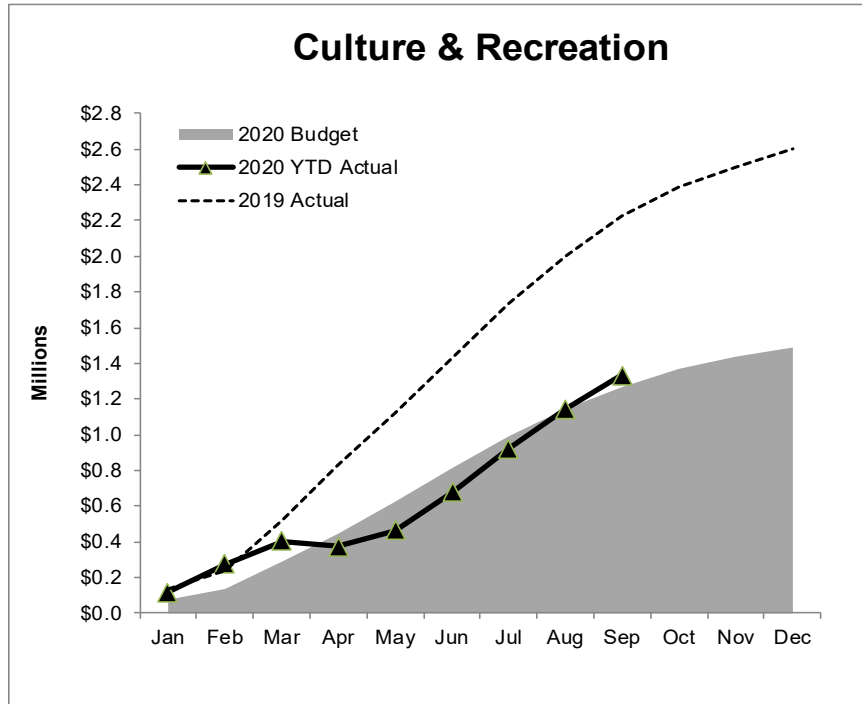
The General Government revenue category primarily includes the interfund assessment for the salary and benefit costs for support departments (Finance, Human Resources and the Legal Department). Salary and benefit costs for these support departments are charged to the respective General Fund home department and the offsetting revenues for that support personnel is recouped from other funds into the General Fund.

Public safety revenues mostly consist of revenues for law enforcement services. Law enforcement services include revenues received for extra duty security services, whereby police officers are contracted for and reimbursement is made by the hiring agency. This category 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. Law enforcement service revenues collected through September totaled \$704,000 and were \$19,000 or 2.6% unfavorable to budget expectations. It is anticipated that this revenue will continue to be lower than collections last year as some businesses who utilize these services will not require security services due to business closures.

Development services fee collections consist primarily of plan check fees, facility extension charges, and zoning and subdivision fees. Through Q3-2020, development service fees totaled \$754,000, and were \$279,000 favorable to budget expectations. The favorable variance to budget was seen primarily in facility extension charges, which generated \$342,000 in revenue through Q3-2020. Part of this favorable variance to budget was due to a sizable change in the fee schedule for this service. Plan check revenues collected year-to-date totaled \$318,000 and were approximately \$163,000 less than the amount collected through the same period last year. Plan check revenues to date include numerous commercial and residential projects including Auburn Elementary School #16, the replacement of Pioneer Elementary School, Legacy Plaza, Copper Gate Apartments, projects at Boeing, as well as single family residential projects including the Pulte Homes development.

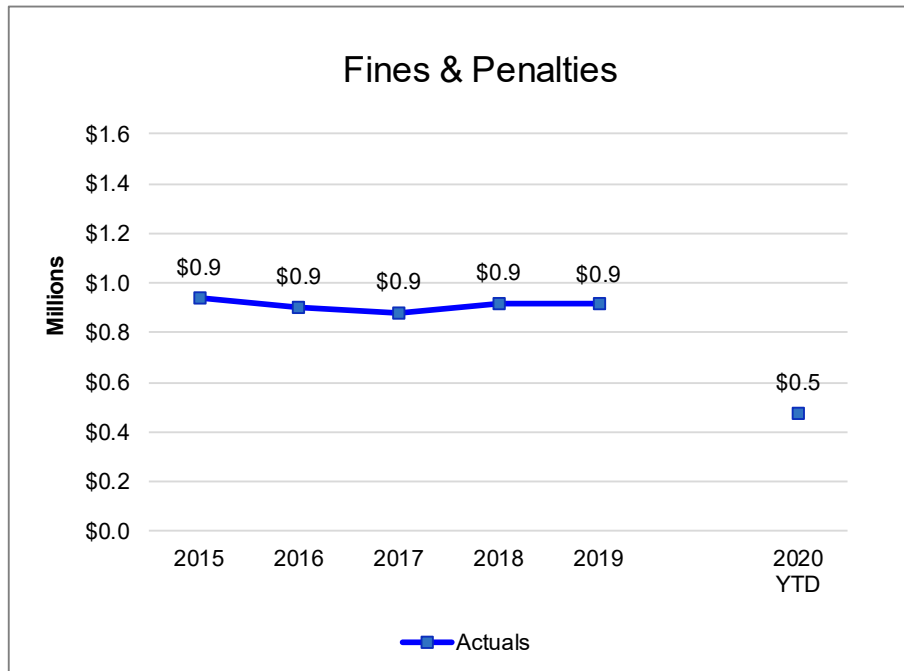
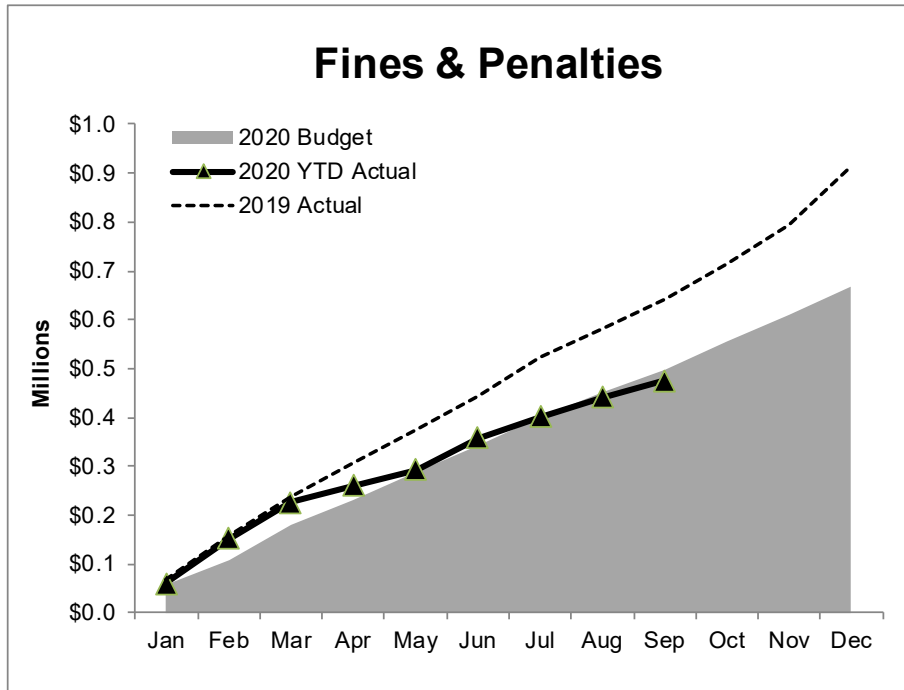


The majority of culture and recreation revenues is derived from greens fees and pro shop sales at the Auburn Golf Course, recreational classes, ticket sales at the Auburn Avenue Theater, senior programs and special events. Due to COVID-19, all of these activities were suspended in March. Effective May 5<sup>th</sup>, the Auburn Golf Course reopened with restrictions but there are numerous other culture and recreation activities that are still suspended or have been significantly modified. Therefore, culture and recreation revenues collected through September 2020 totaled \$1.3 million as compared to \$2.2 million collected through 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 Q3-2020 totaled \$476,000 compared to a budget of \$498,000 and were 4.6% below budget expectations.

Fines & Penalties by Type Through September 2020							
Month	2019 YTD Actual	2020 YTD Budget	2020 YTD Actual	2020 vs. 2019 Actual		2020 vs. Budget	
				Amount	Percentage	Amount	Percentage
Civil Penalties	\$ 64,560	\$ 11,250	\$ 21,857	\$ (42,703)	(66.1) %	\$ 10,607	94.3 %
Civil Infraction Penalties	328,685	275,900	205,250	(123,435)	(37.6) %	(70,650)	(25.6) %
Redflex Photo Enforcement	2,672	0	1,182	(1,490)	(55.8) %	1,182	N/A %
Parking Infractions	96,758	53,500	54,982	(41,776)	(43.2) %	1,482	2.8 %
Criminal Traffic Misdemeanor	27,982	42,800	15,530	(12,453)	(44.5) %	(27,270)	(63.7) %
Criminal Non-Traffic Fines	46,259	33,600	17,773	(28,486)	(61.6) %	(15,827)	(47.1) %
Criminal Costs	14,966	39,300	14,725	(241)	(1.6) %	(24,575)	(62.5) %
Non-Court Fines & Penalties	60,187	41,900	144,220	84,034	139.6 %	102,320	244.2 %
<b>YTD Total</b>	<b>\$ 642,069</b>	<b>\$ 498,250</b>	<b>\$ 475,518</b>	<b>\$ (166,550)</b>	<b>(25.9) %</b>	<b>\$ (22,732)</b>	<b>(4.6) %</b>



**Miscellaneous revenues** consist of investment earnings, income from facility rentals, revenue collected on golf cart rentals at the Auburn Golf Course, contributions and donations, and other income including the quarterly purchasing card (P-card) rebate monies.

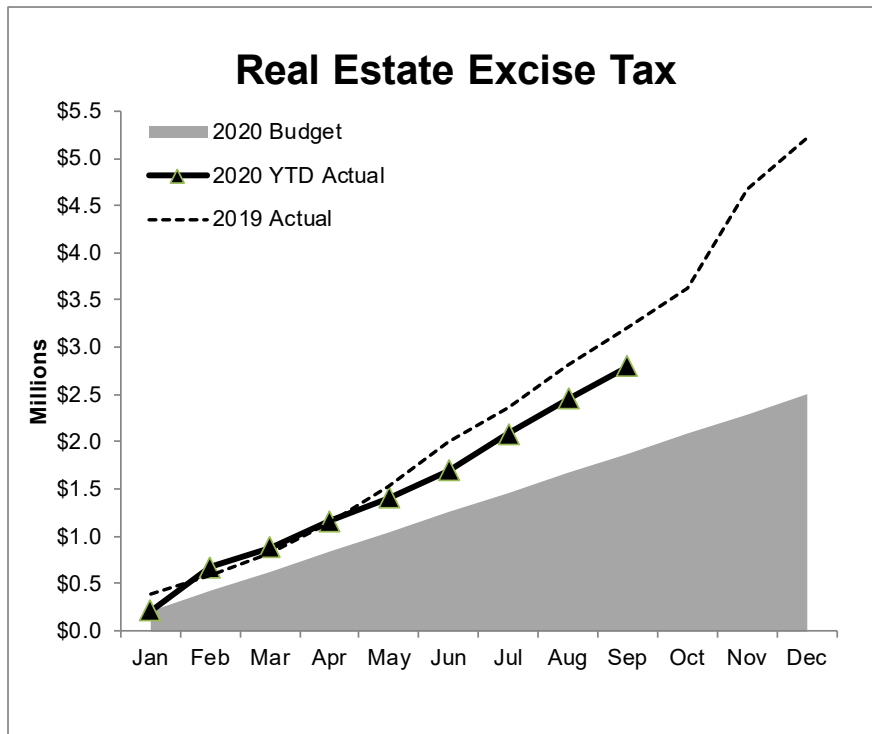
Miscellaneous Revenues by Type Through September 2020							
Month	2019 YTD Actual	2020 YTD Budget	2020 YTD Actual	2020 vs. 2019		2020 vs. Budget	
				Amount	Percentage	Amount	Percentage
Interest & Investments	\$ 291,861	\$ 493,680	\$ 377,313	\$ 85,452	29.3 %	\$ (116,367)	(23.6) %
Rents & Leases	793,273	426,800	386,007	(407,266)	(51.3) %	(40,793)	(9.6) %
Contributions & Donations	26,539	37,000	28,876	2,336	8.8 %	(8,124)	(22.0) %
Other Miscellaneous Revenue	330,377	179,100	171,276	(159,101)	(48.2) %	(7,824)	(4.4) %
YTD Total	\$ 1,442,050	\$ 1,136,580	\$ 963,472	\$ (478,578)	(33.2) %	\$ (173,108)	(15.2) %

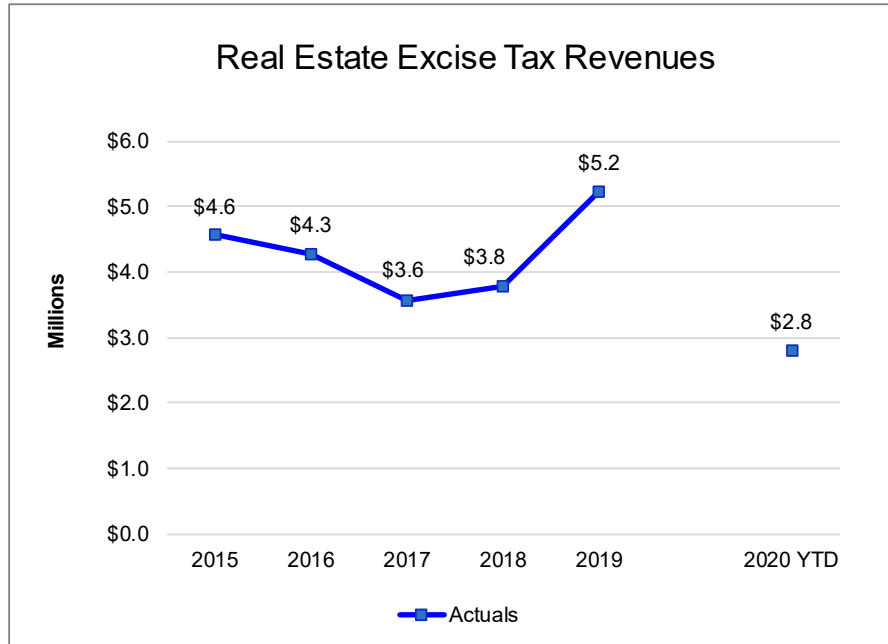
Revenues collected through Q3-2020 in this category totaled \$963,000 and were under budget expectations by \$173,000, or 15.2%. The majority of the unfavorable variance to budget was in the interest and investments category. As noted on page 3 of this report, the City has implemented a temporary policy change where the majority of interest earnings for most funds are being diverted to the General Fund (retroactive to April 2020). The year-to-date incremental revenue to the General Fund as a result of this policy change is an additional \$216,000 in revenue. While the budget has been increased to reflect this policy change, the unfavorable variance to budget is primarily due to the drastic decline in the State Investment Pool Interest rate, which started out at the beginning of 2020 at 1.7%, but which has declined each month and is currently at 0.2%.

The rents and leases revenue category is primarily rental revenue generated from campsites and park shelters, rentals of the athletic fields, and rentals of meeting and event rooms. Due to COVID-19, facility rental revenue abruptly halted in March as the facilities closed. The rents and leases category also includes revenue generated from golf cart rentals at the Auburn Golf Course; due to the “Stay Home, Stay Healthy” order, the golf course was closed from March 25<sup>th</sup> through May 4<sup>th</sup> which also contributed to the revenue loss in this category.

**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 September 2020 totaled \$2.8 million, exceeding budget expectations by \$925,000. Sales activity through this reporting period includes the sale of several warehouses, an office complex, retail businesses, multi-family complexes, single family homes, and vacant land.

Real Estate Excise Tax Revenues							
September 2020							
Month	2019 Actual	2020 Budget	2020 Actual	2020 vs. 2019		2020 vs. Budget	
				Amount	Percentage	Amount	Percentage
Jan	\$ 387,084	\$ 208,500	\$ 214,936	\$ (172,147)	(44.5) %	\$ 6,436	3.1 %
Feb	208,857	208,500	455,986	247,129	118.3 %	247,486	118.7 %
Mar	232,233	208,500	214,029	(18,204)	(7.8) %	5,529	2.7 %
Apr	318,475	208,500	273,949	(44,526)	(14.0) %	65,449	31.4 %
May	375,246	208,500	245,815	(129,431)	(34.5) %	37,315	17.9 %
Jun	481,934	208,500	288,495	(193,440)	(40.1) %	79,995	38.4 %
Jul	352,378	208,500	392,753	40,375	11.5 %	184,253	88.4 %
Aug	452,068	208,500	368,252	(83,815)	(18.5) %	159,752	76.6 %
Sep	400,173	208,500	346,819	(53,354)	(13.3) %	138,319	66.3 %
Oct	414,124	208,500					
Nov	1,046,103	208,500					
Dec	553,301	208,900					
YTD Total	\$ 3,208,447	\$ 1,876,500	\$ 2,801,035	\$ (407,413)	(12.7) %	\$ 924,535	49.3 %





**Street Funds**

This section provides a financial overview of the City’s three street funds for the period ending September 30, 2020. 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**

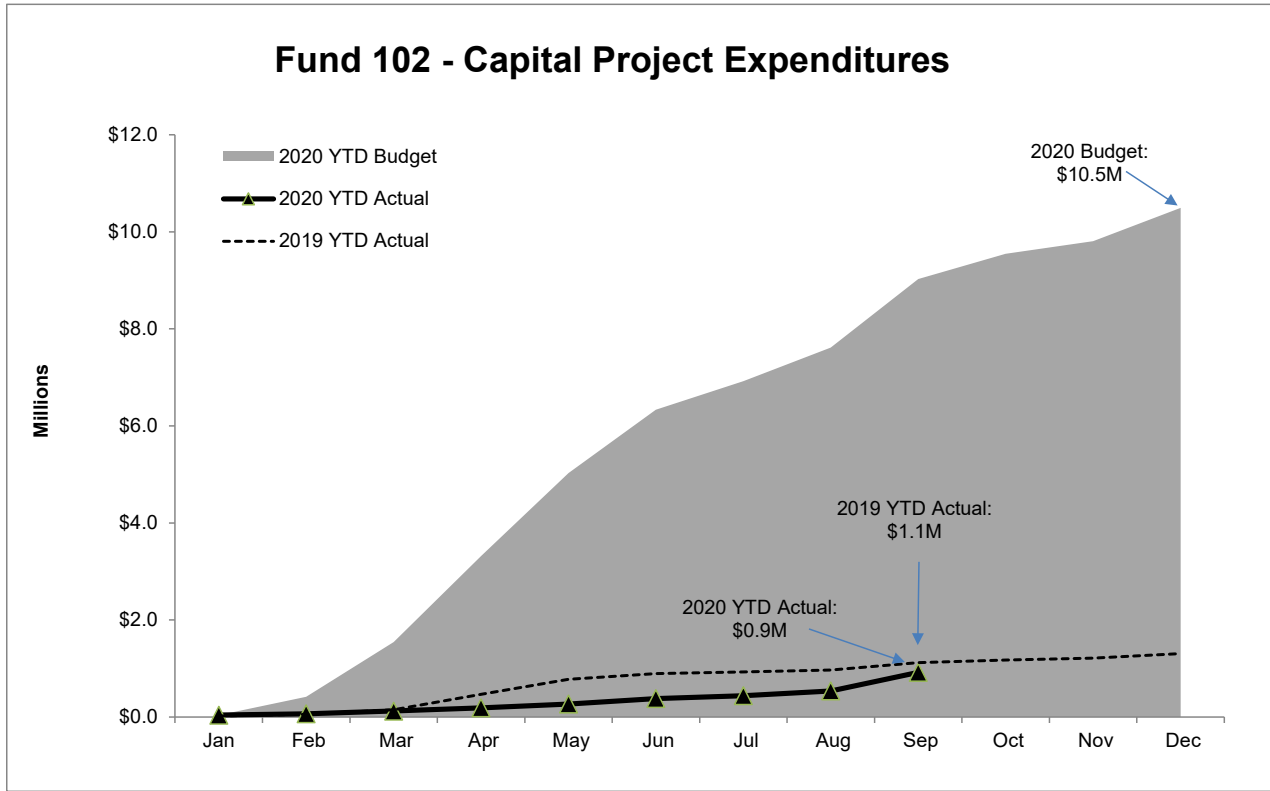
The Arterial Street Fund is a special revenue fund that is funded by transportation grants, traffic impact fees, a portion of the City’s gas tax receipts, Public Works Trust Fund loans, developer contributions, and other sources. As of September 30, 2020 there were 25 separate street projects budgeted in this fund.

Through September 2020, revenues collected totaled \$1.4 million as compared to collections of \$1.5 million through September last year. Total expenditures through September were \$1.3 million as compared to \$1.6 expended through September 2019. 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.

Fund 102 - Arterial Street Summary of Sources and Uses Report Period: September 2020	2020			2019	2020 YTD Budget vs. Actual	
	2020 Budget	2020 YTD Budget	2020 YTD Actual	2019 YTD Actual	Favorable (Unfavorable)	
					Amount	Percentage
<b>Revenues</b>						
Federal Grants	\$ 5,535,770	\$ 3,787,825	\$ 130,624	\$ 492,609	\$ (3,657,201)	(96.6) %
State And Local Grants	730,000	510,000	-	-	(510,000)	(100.0) %
Motor Vehicle Fuel and Multimodal Taxes	197,000	143,021	83,551	457,355	(59,470)	(41.6) %
Developer Contributions	-	-	-	-	-	
Miscellaneous Revenue	-	-	14,469	-	14,469	
Operating Transfer In	3,370,194	2,358,141	1,147,876	559,429	(1,210,265)	(51.3) %
Investment Income	11,600	8,603	7,660	33,964	(943)	(11.0) %
<b>Total Revenues</b>	<b>\$ 9,844,564</b>	<b>\$ 7,017,590</b>	<b>\$ 1,384,180</b>	<b>\$ 1,543,357</b>	<b>\$ (5,633,411)</b>	<b>(80.3) %</b>
<b>Expenditures</b>						
Salary and Benefits	\$ 397,000	\$ 294,918	\$ 384,691	\$ 203,838	\$ (89,773)	(30.4) %
Capital Outlay	10,096,046	7,662,283	535,036	915,970	7,127,247	93.0 %
Subtotal - Capital Project Expenditures	10,493,046	7,957,201	919,728	1,119,808	7,037,473	88.4 %
Services and Charges	400,000	181,187	139,247	89,455	41,939	23.1 %
Interfund Payments for Services	80,100	60,075	60,075	58,575	-	0.0 %
Debt Service Principal and Interest	207,600	207,600	207,428	208,122	172	0.1 %
Operating Transfer Out	-	-	-	143,196	-	
<b>Total Expenditures</b>	<b>\$ 11,180,746</b>	<b>\$ 8,406,063</b>	<b>\$ 1,326,478</b>	<b>\$ 1,619,156</b>	<b>\$ 7,079,585</b>	<b>84.2 %</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,336,182)</b>	<b>\$ (1,388,472)</b>	<b>\$ 57,702</b>	<b>\$ (75,800)</b>	<b>\$ 1,446,174</b>	<b>104.2 %</b>

Beg. Fund Balance, January 2020	\$ 1,970,223
Net Change in Fund Balance, September 2020	57,702
<b>Ending Fund Balance, September 2020</b>	<b>\$ 2,027,925</b>
2020 Budgeted Ending Fund Balance	\$ 634,041





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 2020 portion of each project’s budget and year-to-date expenditures.

<b>Fund 102 - Arterial Street</b>			
<b>Capital Projects Status *</b>			
<b>Name</b>	<b>2020 Budget</b>	<b>YTD Actual</b>	<b>Remaining</b>
F Street SE Non-Motorized Improvements	\$2.9M	\$0.4M	\$2.5M
AWS Improvements - Hemlock St SE to Poplar St SE	\$2.2M	\$0.1M	\$2.1M
Lea Hill Safe Routes to Schools	\$1.4M	\$0.0M	\$1.4M
All Other Projects (22 Others Budgeted)	\$3.9M	\$0.4M	\$3.5M
<b>Total</b>	<b>\$10.5M</b>	<b>\$0.9M</b>	<b>\$9.6M</b>

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

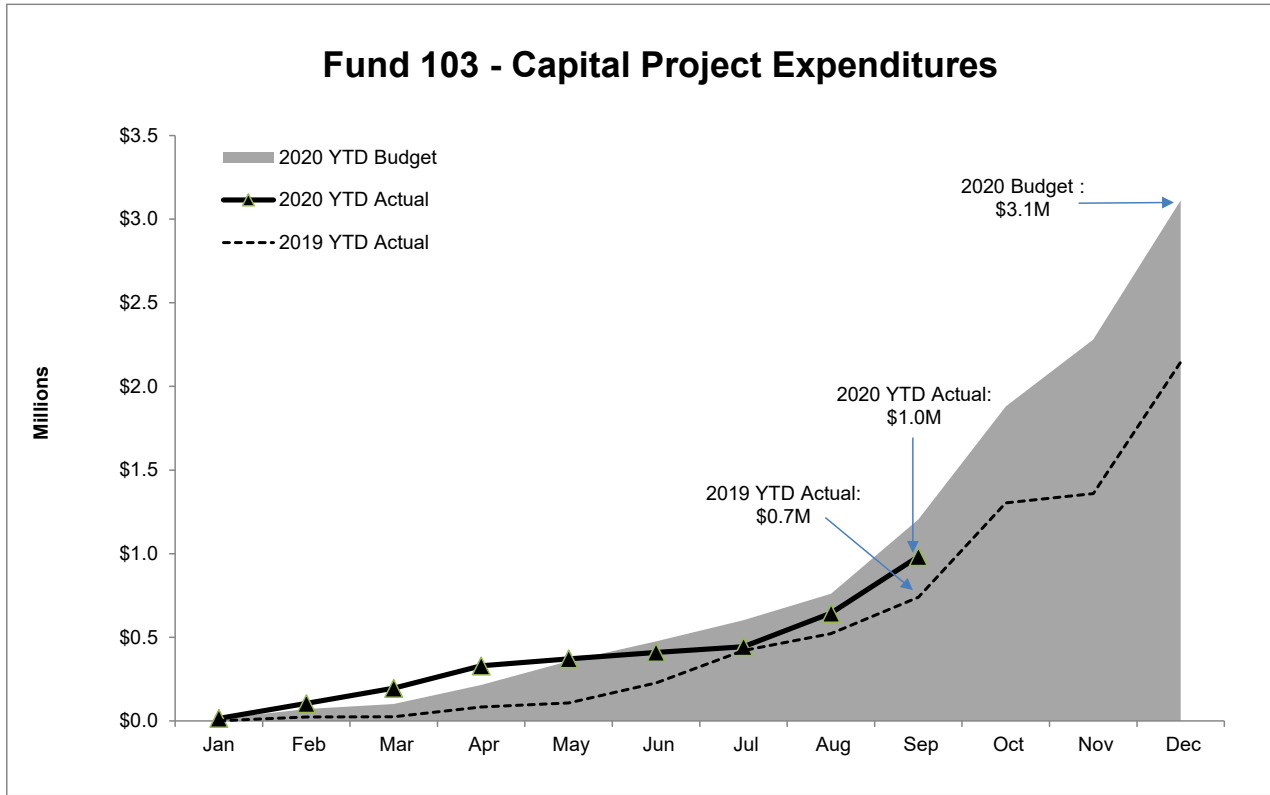
Note: The Lea Hill Safe Routes to Schools project was originally programmed assuming grant funding that has not yet been received in the competitive process.

**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. Expenditures through September were \$1.0 million and compare to expenditures of \$783,000 in the same period last year. 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 2020	2020			2019	2020 YTD Budget vs. Actual	
	2020 Budget	2020 YTD Budget	2020 YTD Actual	2019 YTD Actual	Favorable (Unfavorable) Amount	Percentage
<b>Revenues</b>						
Sales Tax on Construction	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating Transfer In	1,900,000	1,462,500	\$ 1,462,500	1,462,500	-	0.0 %
Interest Earnings	-	-	\$ 10,301	58,470	10,301	
<b>Total Revenues</b>	<b>\$ 1,900,000</b>	<b>\$ 1,462,500</b>	<b>\$ 1,472,801</b>	<b>\$ 1,520,970</b>	<b>\$ 10,301</b>	<b>0.7 %</b>
<b>Expenditures</b>						
Capital Salary and Benefits	162,391	116,201	98,155	57,056	18,046	15.5 %
Capital Services and Charges						
Capital Outlay	2,950,143	1,398,842	884,929	682,281	513,914	36.7 %
Subtotal - Capital Project Expenditures	3,112,534	1,515,044	983,084	739,337	531,960	35.1 %
Admin Salary and Benefits	-	-	14,722	13,667	\$ (14,722)	
Admin Services and Charges	700	607	361	19,066	247	40.6 %
Interfund Payments for Services	15,600	11,700	11,700	11,400	-	0.0 %
Operating Transfer Out	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 3,128,834</b>	<b>\$ 1,527,351</b>	<b>\$ 1,009,866</b>	<b>\$ 783,469</b>	<b>\$ 517,485</b>	<b>33.9 %</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,228,834)</b>	<b>\$ (64,851)</b>	<b>\$ 462,935</b>	<b>\$ 737,501</b>	<b>\$ 527,786</b>	<b>813.8 %</b>

Beg. Fund Balance, January 2020	\$ 2,550,612
Net Change in Fund Balance, September 2020	462,935
Ending Fund Balance, September 2020	\$ 3,013,547
2020 Budgeted Ending Fund Balance	\$ 1,321,778



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 2020 portion of each project’s budget and year-to-date expenditures.

Fund 103 - Local Street			
Capital Projects Status*			
Name	2020 Budget	YTD Actual	Remaining
2020 Local Street Reconstruction	\$1.6M	\$0.7M	\$0.9M
2019 Local Street Reconstruction	\$0.8M	\$0.3M	\$0.6M
2021 Local Street Preservation	\$0.7M	\$0.0M	\$0.7M
All Other Projects (2 Others Budgeted)	\$0.0M	\$0.0M	\$0.0M
<b>Total</b>	<b>\$3.1M</b>	<b>\$1.0M</b>	<b>\$2.1M</b>

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

**Fund 105 – Arterial Street Preservation Fund**

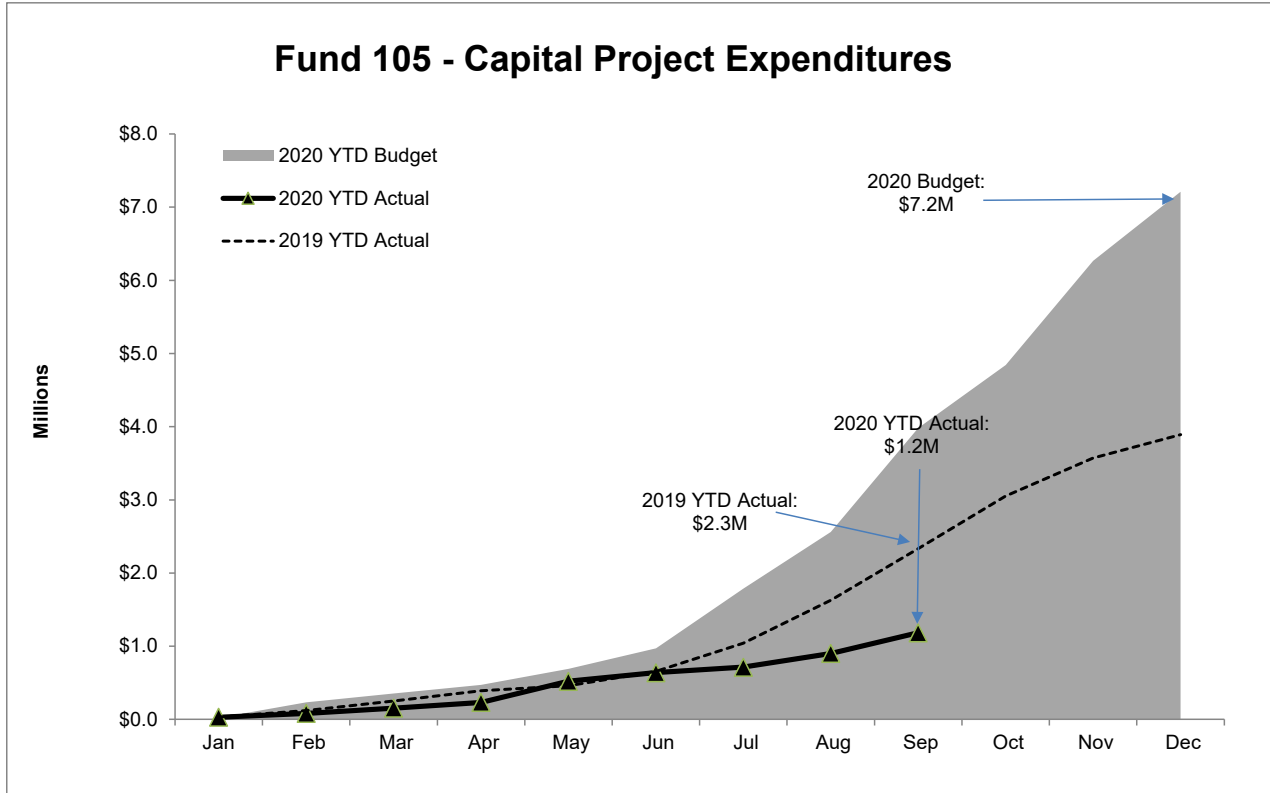
The Arterial Street Preservation Fund is a special revenue fund that is primarily funded by a 1.0% utility tax that was adopted by Council in 2008; these utility tax revenues are restricted for arterial street repair and preservation projects. In 2020, due to COVID-19 impacts, the funding source will be from REET 2 revenues and the 1.0% utility tax will be retained in the General Fund.

Major projects budgeted within the Arterial Street Preservation Fund in 2020 include Auburn Way North Preservation (Phase 2), Auburn Way North Preservation (Phase 3) and 2020 Arterial Street Preservation. Through September 2020 revenues totaled \$2.2 million, which is approximately \$95,000 higher 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 September were \$1.2 million as compared to \$2.4 million through last September. Historically, the majority of this fund’s expenditures occur in the second half of each year due to the weather sensitivity of pavement construction (this work needs to be done primarily in the summer and early fall). Highlighted in the table below and shown in the following graph are the fund’s total expenditures related to capital projects.

Fund 105 - Arterial Street Preservation Summary of Sources and Uses	2020			2019	2020 YTD Budget vs. Actual	
	2020 Budget	2020 YTD Budget	2020 YTD Actual	2019 YTD Actual	Favorable (Unfavorable) Amount	Percentage
Report Period: September 2020						
<b>Revenues</b>						
City Utility Tax	\$ 66,900	\$ 50,103	\$ -	\$ 504,476	\$ (50,103)	(100.0) %
Electric Utility Tax	69,900	53,788	-	550,683	(53,788)	(100.0) %
Natural Gas Utility Tax	19,800	17,538	-	163,792	(17,538)	(100.0) %
Cable TV Tax	18,800	14,106	-	146,294	(14,106)	(100.0) %
Telephone Utility Tax	16,100	12,316	-	147,066	(12,316)	(100.0) %
Garbage Utility Tax (External Haulers)	2,200	1,650	-	18,186	(1,650)	(100.0) %
Grants	3,880,589	1,592,461	348,331	84,617	(1,244,130)	(78.1) %
Developer Mitigation Fees	-	-	-	-	-	
Operating Transfer In	2,618,020	1,061,263	1,891,551	500,338	830,288	78.2 %
Interest Earnings	13,000	9,750	7,297	36,365	(2,453)	(25.2) %
<b>Total Revenues</b>	<b>\$ 6,705,309</b>	<b>\$ 2,812,974</b>	<b>\$ 2,247,179</b>	<b>\$ 2,151,818</b>	<b>\$ (565,795)</b>	<b>(20.1) %</b>
<b>Expenditures</b>						
Salary and Benefits	\$ 306,000	\$ 230,905	\$ 412,922	\$ 438,878	\$ (182,017)	(78.8) %
Capital Outlay	6,903,224	4,154,925	772,074	1,894,227	3,382,851	81.4 %
Subtotal - Capital Project Expenditures	7,209,224	4,385,830	1,184,996	2,333,106	3,200,834	73.0 %
Supplies	-	-	-	-	-	
Services and Charges	-	-	985	18,529	(985)	
Operating Transfer Out	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 7,209,224</b>	<b>\$ 4,385,830</b>	<b>\$ 1,185,980</b>	<b>\$ 2,351,635</b>	<b>\$ 3,199,850</b>	<b>73.0 %</b>
<b>Net Change in Fund Balance</b>	<b>\$ (503,915)</b>	<b>\$ (1,572,856)</b>	<b>\$ 1,061,199</b>	<b>\$ (199,817)</b>	<b>\$ 2,634,054</b>	<b>167.5 %</b>

Beg. Fund Balance, January 2020	\$ 2,041,919
Net Change in Fund Balance, September 2020	1,061,199
Ending Fund Balance, September 2020	\$ 3,103,118
2020 Budgeted Ending Fund Balance	\$ 1,538,004



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 2020 portion of each project’s budget and year-to-date expenditures.

<b>Fund 105 - Arterial Street Preservation</b>			
<b>Capital Projects Status*</b>			
<b>Name</b>	<b>2020 Budget</b>	<b>YTD Actual</b>	<b>Remaining</b>
AWN Preservation Phase 3	\$1.8M	\$0.4M	\$1.5M
AWN Preservation Phase 2	\$1.5M	\$0.2M	\$1.3M
2020 Arterial Street Preservation	\$0.9M	\$0.1M	\$0.8M
All Other Projects (4 Others Budgeted)	\$3.0M	\$0.6M	\$2.4M
<b>Total</b>	<b>\$7.2M</b>	<b>\$1.2M</b>	<b>\$6.0M</b>

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

**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.

The City received \$1.7 million in revenues in through September 2020, which exceeds total revenue budgeted for the year. With the exception of interest and investment income, each revenue category has exceeded its annual budgeted amount. Expenditures were significantly below budget due to the timing of capital projects funded by mitigation and/or impact fee revenues.

Fund 124 - Mitigation Fees Summary of Sources and Uses Report Period Through: September 2020	BUDGET			YTD ACTUALS		
	Revenues	Expenditures	Ending Fund Balance	Revenues	Expenditures	Ending Fund Balance
Transportation Impact Fees	\$ 800,000	\$ 2,952,194	\$ 5,541,320	\$ 1,193,203	\$ 724,876	\$ 8,161,840
Traffic Mitigation Fees	-	-	123,687	13,622	-	137,309
Fire Impact Fees	100,000	75,000	473,889	121,545	-	570,434
Fire Mitigation Fees	-	-	81	-	-	81
Parks Impact Fees	200,000	2,121,728	3,382,966	206,500	220,458	5,290,736
Parks Mitigation Fees	-	300,000	49,371	129,591	300,000	178,962
School Impact Admin Fees	2,000	-	86,251	3,160	-	87,411
Wetland Mitigation Fees	-	5,000	67,581	-	-	72,581
Interest and Investment Income	204,700	-	204,700	57,118	-	57,118
Fees in Lieu of Improvements	-	-	27,020	-	-	27,020
Operating Transfers-In	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,306,700</b>	<b>\$ 5,453,922</b>	<b>\$ 9,956,866</b>	<b>\$ 1,724,739</b>	<b>\$ 1,245,334</b>	<b>\$ 14,583,494</b>

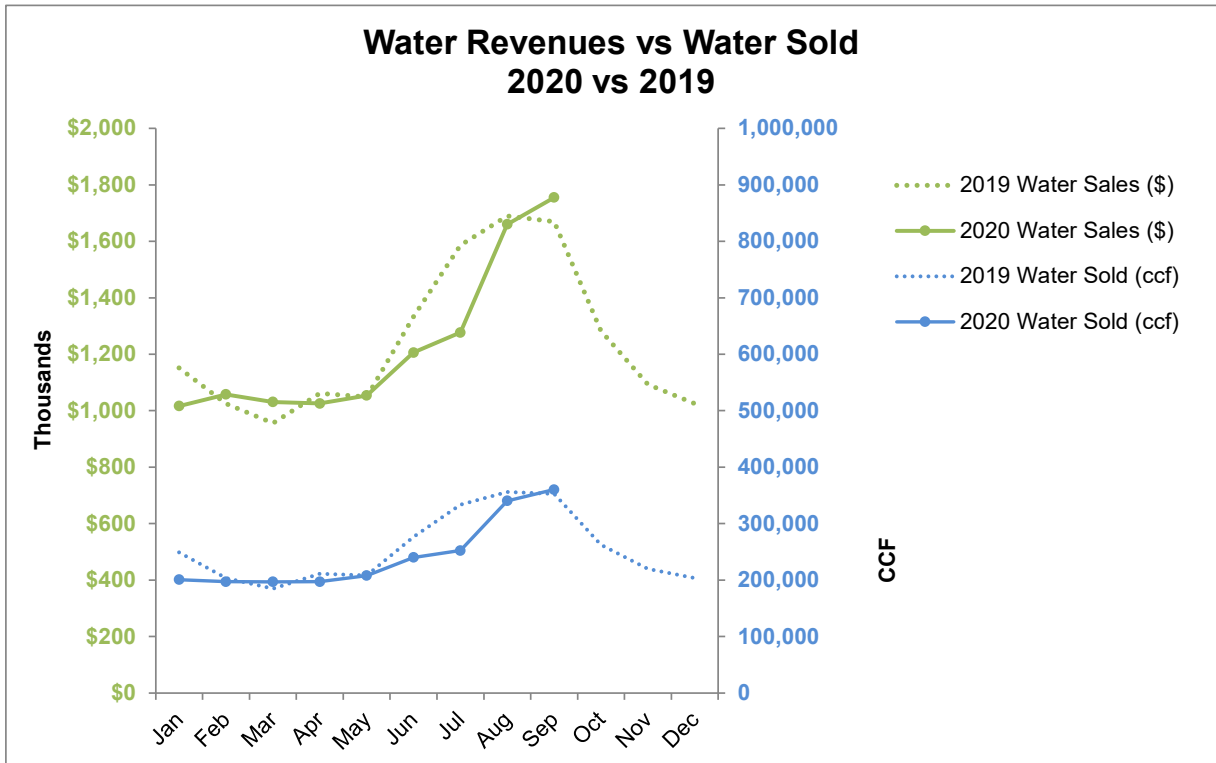
Beginning Fund Balance, January 2020	\$ 14,104,088
Net Change in Fund Balance, September 2020	479,406
<b>Ending Fund Balance, September 2020</b>	<b>\$ 14,583,494</b>
2020 Budgeted Ending Fund Balance	\$ 9,956,866

**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 September the **Water Utility** had operating income of \$4.5 million as compared to \$5.2 million through September 2019. Total Water Fund operating revenues were \$657,000 lower than 2019; the majority of this variance is due to weaker performance in water sales. Increases in residential sales revenue were more than offset by decreases in most other categories, particularly commercial, irrigation and manufacturing. Also contributing to the reduced operating income is a decrease in interest earnings from 2019 to 2020. Operating expenditures in 2020 were materially the same as the same period in 2019.

Water sales by volume through September totaled 2.2 million hundred cubic feet (ccf) as compared to 2.4 million ccf in 2019, a decrease of 7.7%. Consumption has been lower each month in 2020 compared to 2019 with the exception of the March and September billings for the prior months' consumption. Total consumption decreased across all non-residential categories, resulting in the lowest YTD consumption in a five-year period. This is in line with a trend of decreased year-over-year consumption on a *per account* basis due largely to conservation efforts and appliance efficiency improvements, which are anticipated in the Utilities Comprehensive Plan. COVID-19 mitigation efforts contributed to the decrease in commercial and manufacturing consumption, as many businesses were required to close or operate at reduced capacity.



Through September, the **Sewer Utility** finished with operating income of \$1.5 million as compared to \$2.2 million through September 2019. Last year the fund saw a one-time \$203,000 refund from the Department of Revenue for overpayment of excise tax that significantly increased YTD revenues. Consumption by volume through September 2020 is down 11.6% from 2019 due to reductions in commercial consumption, which was exacerbated by COVID-19 mitigation efforts. This resulted in a decrease of \$197,000 in sewer service revenue.

Operating expenditures in the Sewer Utility were above the same period in 2019 due to the timing of intergovernmental payments and increases in interfund allocations.

Through September, the **Stormwater Utility** had operating income of \$2.6 million compared with \$2.3 million through September 2019. Operating revenues were up \$130,000 compared to 2019 mainly due to charges for City storm service. As most Stormwater Utility charges are flat rate, COVID-19 has not had a significant effect on service revenue.

Operating expenditures in the Stormwater Utility were down \$179,000 from 2019, contributing to the higher operating income noted above. This variance is mainly due to the timing of certain intergovernmental expenditures.

Through September 2020 the **Solid Waste Utility** Fund had \$11.4 million in operating revenues, compared to \$11.2 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.

Through September 2020, Waste Management serviced 15,532 customers (79% of customers) and Republic Services serviced 4,183 customers (21% of customers).

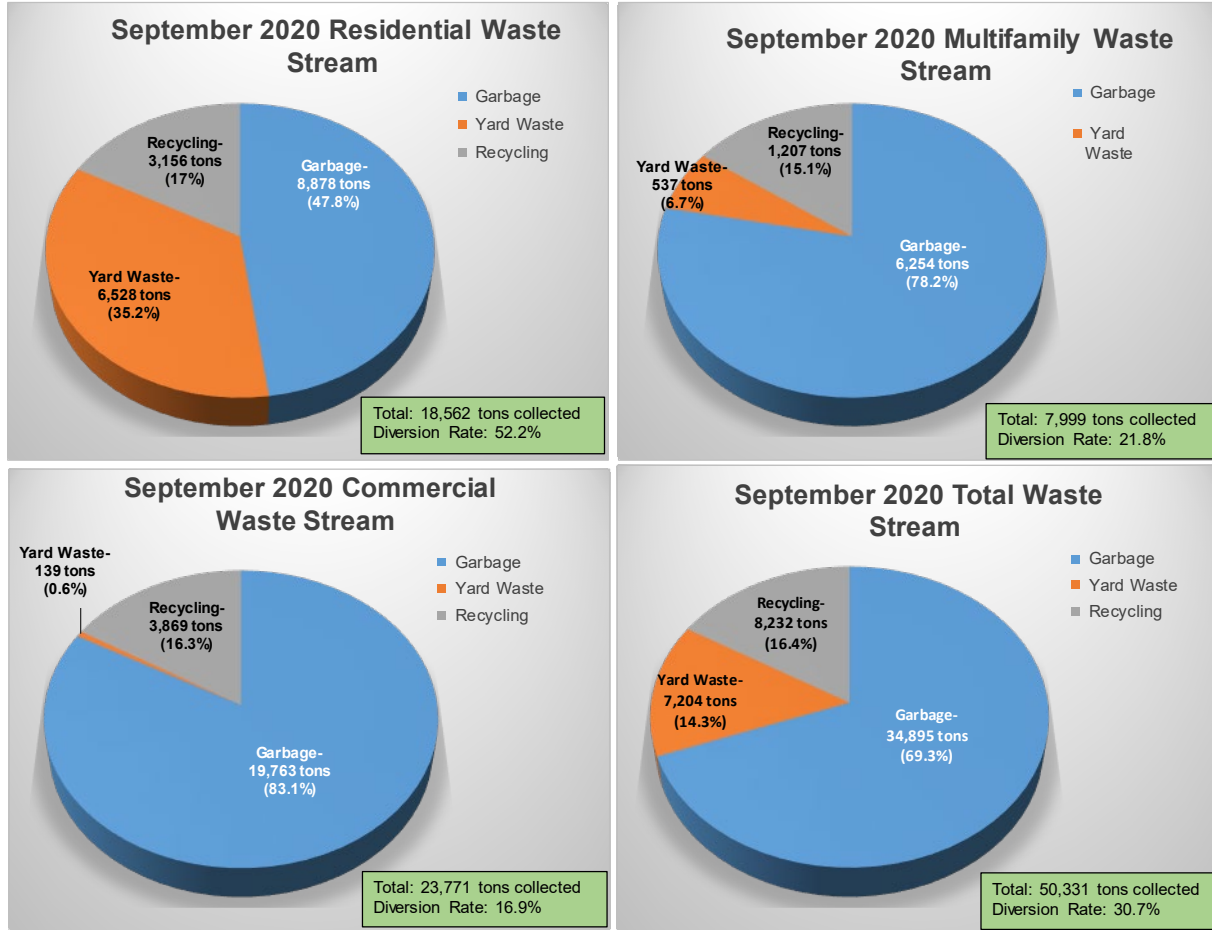
The current mix of solid waste customer account types is:

- 89.8% Residential
- 7.8% Commercial
- 2.4% Multifamily

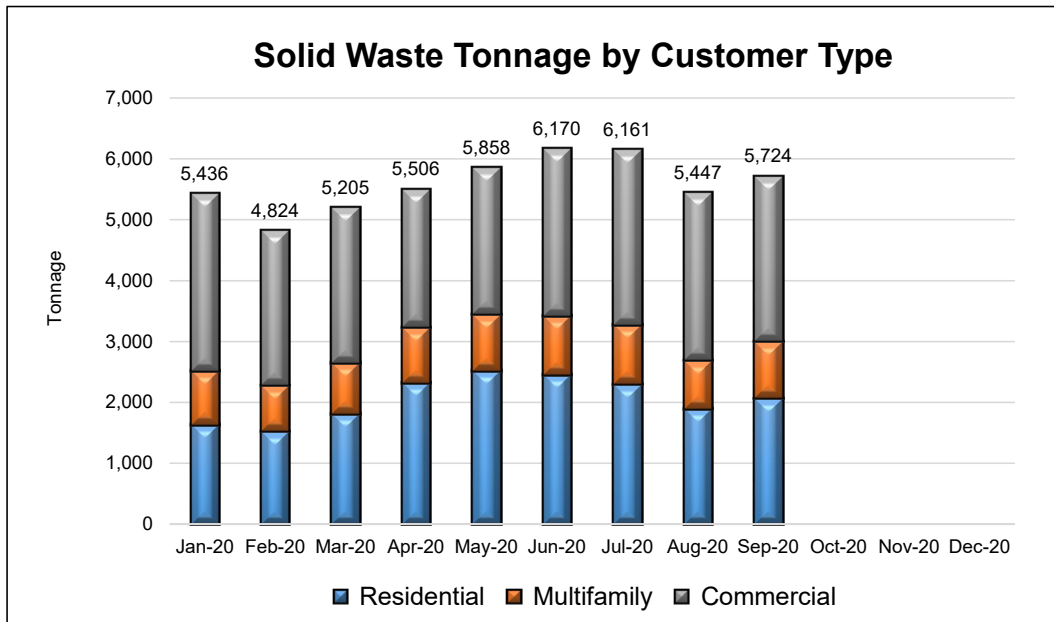
The "diversion rate" is a measure of how much generated waste is not sent to the landfill; i.e., waste that is either recycled or collected yard waste. Through September 2020, the total diversion rate was 30.7%, which represents a total of 15,400 tons of waste that was diverted from landfills.



**2020 Tons Collected and Diversion Rates**



Of the total tonnage collected through September, 37% was from residential customers, 16% from multifamily customers, and 47% from commercial customers, as shown in the following graph:

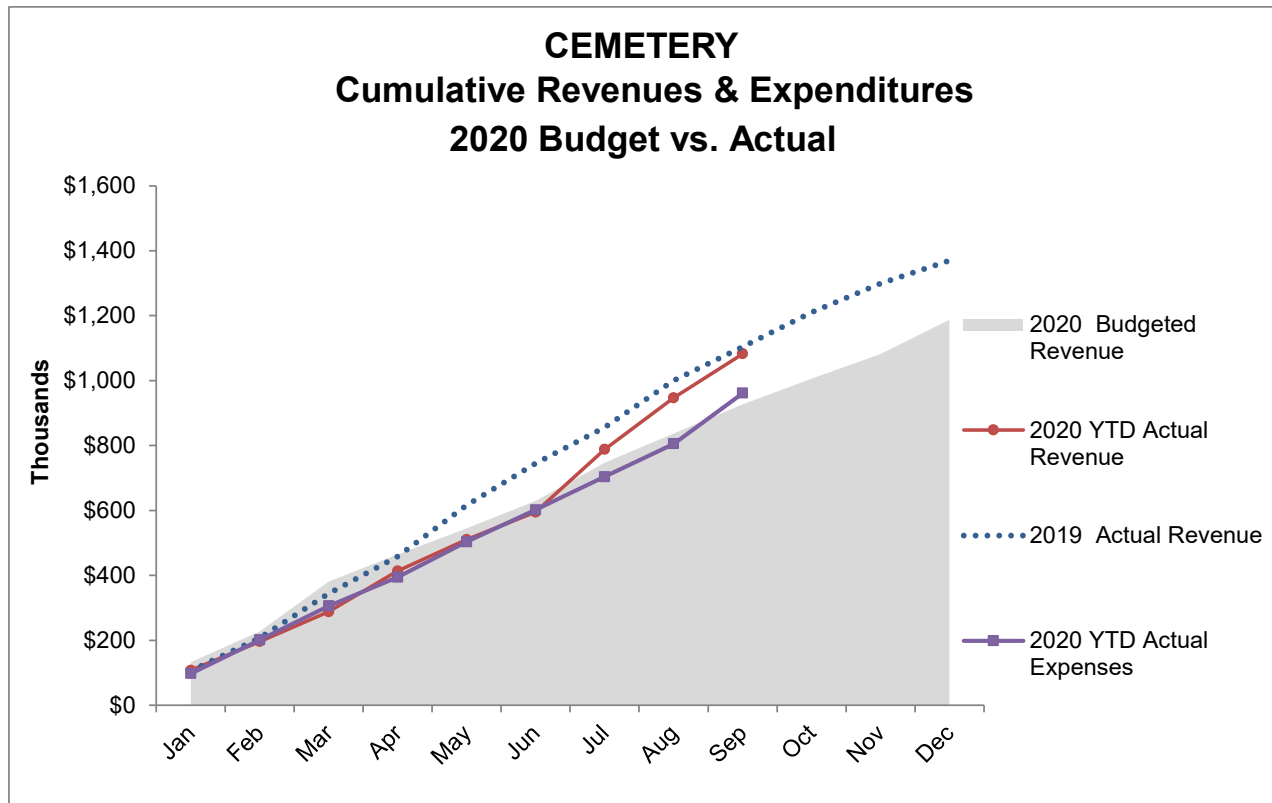


In January 2019, the Auburn Municipal Airport transitioned from contracted management services through a third-party management company, Airport Management Group (AMG), to management of the Airport by City staff.

Through September 2020, the **Airport Fund** had operating income of \$405,000 as compared with operating income of \$331,000 through September 2019. Operating revenues in the Airport Fund were \$20,000 more than the same period last year, largely due to increased revenue for property leases and tie down and hangar rent.

Operating expenditures in the Airport Fund were \$54,000 less than the same period last year. A large portion of this decrease is due to the purchase of aviation fuel for resale in 2019; fuel purchases in 2020 have been significantly lower. The remaining variance consists largely of payroll expenditures, which have decreased due to a vacant position at the Airport.

Through September 2020, the **Cemetery Fund** experienced operating income of \$153,000 as compared with an operating income of \$146,000 through September 2019. Total sales revenue is down \$9,000, with significantly less revenues occurring in March and May of 2020 than the same period in 2019. Overall, operating revenues are down by \$21,000, or 1.9% while operating expenditures are down \$29,000 or 3.0% from last year due largely to lower expenditures for inventory purchases and repairs and maintenance.



**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 the year. 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.

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

**City of Auburn  
Investment Portfolio Summary  
September 30, 2020**

Investment Type	Purchase Date	Book Value	Maturity Date	Yield to Maturity
State Investment Pool	Various	\$ 120,639,922	Various	0.21%
KeyBank Money Market	Various	14,013,737	Various	0.01%
OpusBank Public Interest Acct	Various	10,534,157	Various	0.24%
FFCB	12/30/2019	1,999,618	12/30/2020	1.63%
FFCB	8/27/2018	2,025,600	2/23/2021	2.70%
RFCSP	2/19/2019	5,146,514	1/15/2021	2.52%
RFCSP	5/9/2019	5,097,353	10/15/2020	2.23%
STRIPS	7/26/2019	5,046,067	11/15/2020	1.83%
FHLB	1/17/2020	5,044,370	12/9/2022	1.56%
Total Cash & Investments		<b>\$ 169,547,337</b>		<b>0.458%</b>

Investment Mix	% of Total	Summary	
State Investment Pool	71.2%	Current 6-month treasury rate	0.12%
Key Bank Money Market	8.3%	Current State Pool rate	0.21%
Opus Bank Public Interest Acct	6.2%	KeyBank Money Market	0.01%
FHLB	3.0%	OpusBank Public Interest Acct	0.24%
FFCB	2.4%	Blended Auburn rate	0.46%
RFCSP	6.0%		
STRIPS	3.0%		
	<b>100.0%</b>		

**SALES TAX SUMMARY**  
**SEPTEMBER 2020 SALES TAX DISTRIBUTIONS (FOR JULY 2020 RETAIL ACTIVITY)**

NAICS	CONSTRUCTION	2019 Annual Total (Nov '18-Oct '19)	2019 YTD (Nov '18-Jul '19)	2020 YTD (Nov '19 - Jul '20)	YTD % Diff
236	Construction of Buildings	1,219,472	799,302	1,383,282	73.1%
237	Heavy and Civil Construction	132,101	98,473	135,787	37.9%
238	Specialty Trade Contractors	840,982	608,960	619,417	1.7%
<b>TOTAL CONSTRUCTION</b>		<b>\$ 2,192,555</b>	<b>\$ 1,506,735</b>	<b>\$ 2,138,487</b>	<b>41.9%</b>
<i>Overall Change from Previous Year</i>				<b>\$ 631,752</b>	

NAICS	MANUFACTURING	2019 Annual Total (Nov '18-Oct '19)	2019 YTD (Nov '18-Jul '19)	2020 YTD (Nov '19 - Jul '20)	YTD % Diff
311	Food Manufacturing	9,140	6,802	7,013	3.1%
312	Beverage and Tobacco Products	12,690	8,929	8,764	-1.8%
313	Textile Mills	326	180	957	430.4%
314	Textile Product Mills	2,965	2,023	1,849	-8.6%
315	Apparel Manufacturing	767	537	876	63.2%
316	Leather and Allied Products	307	267	381	42.5%
321	Wood Product Manufacturing	13,028	10,227	11,001	7.6%
322	Paper Manufacturing	10,180	8,867	2,271	-74.4%
323	Printing and Related Support	46,449	33,825	28,614	-15.4%
324	Petroleum and Coal Products	8,499	6,195	1,386	-77.6%
325	Chemical Manufacturing	11,220	9,857	8,441	-14.4%
326	Plastics and Rubber Products	7,666	5,819	5,161	-11.3%
327	Nonmetallic Mineral Products	19,762	15,128	10,196	-32.6%
331	Primary Metal Manufacturing	48,894	31,445	46,752	48.7%
332	Fabricated Metal Product Manuf	29,751	24,399	19,210	-21.3%
333	Machinery Manufacturing	21,356	17,475	11,494	-34.2%
334	Computer and Electronic Product	8,921	5,565	6,548	17.7%
335	Electric Equipment, Appliances	1,213	174	8,044	4513.3%
336	Transportation Equipment Man	510,518	356,059	76,082	-78.6%
337	Furniture and Related Products	17,907	16,159	7,470	-53.8%
339	Miscellaneous Manufacturing	39,336	29,819	23,866	-20.0%
<b>TOTAL MANUFACTURING</b>		<b>\$ 820,898</b>	<b>\$ 589,753</b>	<b>\$ 286,376</b>	<b>-51.4%</b>
<i>Overall Change from Previous Year</i>				<b>\$ (303,378)</b>	

NAICS	TRANSPORTATION AND WAREHOUSING	2019 Annual Total (Nov '18-Oct '19)	2019 YTD (Nov '18-Jul '19)	2020 YTD (Nov '19 - Jul '20)	YTD % Diff
481	Air Transportation	0	0	0	N/A
482	Rail Transportation	22,935	16,496	13,030	-21.0%
484	Truck Transportation	17,265	11,049	17,779	60.9%
485	Transit and Ground Passengers	27	27	14	-48.7%
488	Transportation Support	37,253	28,328	65,380	130.8%
491	Postal Service	727	541	526	-2.9%
492	Couriers and Messengers	285	218	16,539	7496.6%
493	Warehousing and Storage	10,217	7,288	7,839	7.6%
<b>TOTAL TRANSPORTATION</b>		<b>\$ 88,710</b>	<b>\$ 63,946</b>	<b>\$ 121,106</b>	<b>89.4%</b>
<i>Overall Change from Previous Year</i>				<b>\$ 57,160</b>	

NAICS	WHOLESALE TRADE	2019 Annual Total (Nov '18-Oct '19)	2019 YTD (Nov '18-Jul '19)	2020 YTD (Nov '19 - Jul '20)	YTD % Diff
423	Wholesale Trade, Durable Goods	1,169,244 <sup>b</sup>	897,370	758,279	-15.5%
424	Wholesale Trade, Nondurable	316,221	229,311	217,708	-5.1%
425	Wholesale Electronic Markets	10,550	7,120	10,556	48.3%
<b>TOTAL WHOLESALE</b>		<b>\$ 1,496,015</b>	<b>\$ 1,133,801</b>	<b>\$ 986,543</b>	<b>-73.0%</b>
<i>Overall Change from Previous Year</i>				<b>\$ (147,258)</b>	

NAICS	AUTOMOTIVE	2019 Annual Total (Nov '18-Oct '19)	2019 YTD (Nov '18-Jul '19)	2020 YTD (Nov '19 - Jul '20)	YTD % Diff
441	Motor Vehicle and Parts Dealer	3,809,399	2,840,445	2,579,995	-9.2%
447	Gasoline Stations	259,864	196,657	166,617	-15.3%
<b>TOTAL AUTOMOTIVE</b>		<b>\$ 4,069,263</b>	<b>\$ 3,037,102</b>	<b>\$ 2,746,612</b>	<b>-9.6%</b>
<i>Overall Change from Previous Year</i>				<b>\$ (290,491)</b>	

NAICS	RETAIL TRADE	2019 Annual Total (Nov '18-Oct '19)	2019 YTD (Nov '18-Jul '19)	2020 YTD (Nov '19 - Jul '20)	YTD % Diff
442	Furniture and Home Furnishings	221,841	160,025	142,528	-10.9%
443	Electronics and Appliances	277,403	204,900	218,692	6.7%
444	Building Material and Garden	651,706	486,621	547,710	12.6%
445	Food and Beverage Stores	406,230	303,970	336,554	10.7%
446	Health and Personal Care Store	426,130	329,890	262,298	-20.5%
448	Clothing and Accessories	1,236,033	901,139	636,756	-29.3%
451	Sporting Goods, Hobby, Books	254,383	185,343	171,903	-7.3%
452	General Merchandise Stores	818,123	620,494	673,093	8.5%
453	Miscellaneous Store Retailers	917,046	676,134	849,062	25.6%
454	Nonstore Retailers	227,559	174,803	201,088	15.0%
<b>TOTAL RETAIL TRADE</b>		<b>\$ 5,436,454</b>	<b>\$ 4,043,320</b>	<b>\$ 4,039,685</b>	<b>-0.1%</b>
<i>Overall Change from Previous Year</i>				<b>\$ (3,635)</b>	

NAICS	SERVICES	2019 Annual Total (Nov '18-Oct '19)	2019 YTD (Nov '18-Jul '19)	2020 YTD (Nov '19 - Jul '20)	YTD % Diff
51*	Information	667,861	505,756 <sup>a</sup>	514,800	1.8%
52*	Finance and Insurance	138,176	104,707	143,314	36.9%
53*	Real Estate, Rental, Leasing	434,301	321,782	279,484	-13.1%
541	Professional, Scientific, Tech	344,043	248,422	282,543 <sup>c</sup>	13.7%
551	Company Management	1,147	1,138	34	-97.0%
56*	Admin. Supp., Remed Svcs	522,491	389,522	475,923	22.2%
611	Educational Services	45,995	31,727	22,832	-28.0%
62*	Health Care Social Assistance	93,305	72,041	88,140	22.3%
71*	Arts and Entertainment	119,538	85,220	40,674	-52.3%
72*	Accommodation and Food Svcs	1,469,344	1,087,824	894,605	-17.8%
81*	Other Services	606,743	456,165	392,200	-14.0%
92*	Public Administration	2,204	1,269	1,454	14.5%
<b>TOTAL SERVICES</b>		<b>\$ 4,445,147</b>	<b>\$ 3,305,574</b>	<b>\$ 3,136,003</b>	<b>-5.1%</b>
<i>Overall Change from Previous Year</i>				<b>\$ (169,572)</b>	

NAICS	MISCELLANEOUS	2019 Annual Total (Nov '18-Oct '19)	2019 YTD (Nov '18-Jul '19)	2020 YTD (Nov '19 - Jul '20)	YTD % Diff
000	Unknown	0	0	0	N/A
111-115	Agriculture, Forestry, Fishing	4,807	3,719	4,217	13.4%
211-221	Mining & Utilities	29,481	21,471	18,704	-12.9%
999	Unclassifiable Establishments	230,217	167,494	200,710	19.8%
<b>TOTAL SERVICES</b>		<b>\$ 264,505</b>	<b>\$ 192,684</b>	<b>\$ 223,631</b>	<b>16.1%</b>
<i>Overall Change from Previous Year</i>				<b>\$ 30,947</b>	

NAICS	GRAND TOTAL	2019 Annual Total (Nov '18-Oct '19)	2019 YTD (Nov '18-Jul '19)	2020 YTD (Nov '19 - Jul '20)	YTD % Diff
<b>GRAND TOTAL</b>		<b>\$ 18,813,547</b>	<b>\$ 13,872,916</b>	<b>\$ 13,678,441</b>	<b>-1.4%</b>
<i>Overall Change from Previous Year</i>				<b>\$ (194,475)</b>	

Total September 2020 Sales Tax Distributions **\$ 1,858,640**

Percent Increase from September 2019 **15.9%**

Comparisons:  
 September 2019 **\$ 1,604,250**  
 September 2018 **\$ 1,519,880**

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).

c. WA State Department of Revenue adjustment to sales tax returns for July 2020 Reporting (adjustment: \$18,706).

OPERATING & CAPITAL FUNDS	ENTERPRISE FUNDS												
	Through September 2020	WATER			SEWER			SEWER METRO			STORM		
		Budget	YTD Actual	Variance	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance
<b>OPERATING FUND:</b>													
OPERATING REVENUES													
Charges For Service	14,778,400	11,174,434	(3,603,966)	8,554,200	6,399,036	(2,155,164)	17,259,700	12,588,592	(4,671,108)	10,328,200	7,703,130	(2,625,070)	
Grants	-	-	-	-	-	-	-	-	-	-	50,000	50,000	
Interest Earnings	-	49,530	49,530	-	28,473	28,473	-	2,959	2,959	-	29,248	29,248	
Rents, Leases, Concessions, & Other	187,000	124,669	(62,331)	69,000	36,118	(32,882)	-	-	-	56,000	41,725	(14,275)	
<b>TOTAL OPERATING REVENUES</b>	<b>14,965,400</b>	<b>11,348,633</b>	<b>(3,616,767)</b>	<b>8,623,200</b>	<b>6,463,627</b>	<b>(2,159,573)</b>	<b>17,259,700</b>	<b>12,591,551</b>	<b>(4,668,149)</b>	<b>10,384,200</b>	<b>7,824,104</b>	<b>(2,560,096)</b>	
OPERATING EXPENSES													
Salaries & Wages	2,522,053	1,757,843	764,210	1,511,111	1,069,549	441,562	-	-	-	2,574,037	1,731,904	842,133	
Benefits	1,446,108	888,658	557,450	846,106	530,848	315,258	-	-	-	1,437,619	889,327	548,292	
Supplies	364,244	237,633	126,611	164,550	75,130	89,420	-	-	-	84,550	48,584	35,966	
Other Service Charges	4,520,767	2,214,993	2,305,774	3,478,200	2,125,977	1,352,223	18,397,800	13,127,914	5,269,886	2,070,740	1,040,560	1,030,180	
Intergovernmental Services (Less Transfers Out)	-	-	-	-	-	-	-	-	-	-	-	-	
Waste Management Payments <span style="color:red">See note</span>	-	-	-	-	-	-	-	-	-	-	-	-	
Sewer Metro Services	-	-	-	-	-	-	-	-	-	-	-	-	
Debt Service Interest	1,064,200	346,086	718,114	293,900	114,420	179,480	-	-	-	346,700	161,025	185,675	
Interfund Operating Rentals & Supplies	1,844,067	1,391,998	452,069	1,443,267	1,091,040	352,227	-	-	-	1,838,700	1,387,256	451,444	
<b>TOTAL OPERATING EXPENSES</b>	<b>11,761,439</b>	<b>6,837,211</b>	<b>4,924,228</b>	<b>7,737,134</b>	<b>5,006,964</b>	<b>2,730,170</b>	<b>18,397,800</b>	<b>13,127,914</b>	<b>5,269,886</b>	<b>8,352,346</b>	<b>5,258,656</b>	<b>3,093,690</b>	
<b>OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION</b>	<b>3,203,961</b>	<b>4,511,421</b>	<b>1,307,460</b>	<b>886,066</b>	<b>1,456,663</b>	<b>570,597</b>	<b>(1,138,100)</b>	<b>(536,363)</b>	<b>601,737</b>	<b>2,031,854</b>	<b>2,565,447</b>	<b>533,593</b>	
NON-OPERATING REVENUES													
Operating Transfers-in	-	-	-	-	-	-	-	-	-	-	-	-	
Intergovernmental Loan	3,095,821	55,022	3,040,799	-	-	-	-	-	-	-	-	-	
Other Non-Operating Revenues	-	-	-	-	-	-	-	-	-	-	-	-	
Revenue Bond Proceeds	15,719,900	15,729,824	(9,924)	-	-	-	-	-	-	-	-	-	
NON-OPERATING EXPENSES													
Transfer to Capital Subfund	14,220,292	2,927,272	11,293,020	-	-	-	-	-	-	-	-	-	
Other Operating Transfers-out	2,390,308	272,785	2,117,523	315,681	8,457	307,224	-	-	-	391,081	82,457	308,624	
Debt Service Principal	1,638,200	-	1,638,200	596,700	-	596,700	-	-	-	470,100	-	470,100	
Net Change in Restricted Net Assets	-	3,002,875	3,002,875	-	603,549	603,549	-	-	-	-	245,993	245,993	
Interfund Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-	
Other Non-Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	
BEGINNING WORKING CAPITAL - January 1, 2020	11,913,106	11,913,106	-	7,216,765	7,216,765	-	3,445,836	3,445,836	-	7,198,290	7,198,290	-	
ENDING WORKING CAPITAL - September 30, 2020	15,683,988	26,006,441	10,322,453	7,190,450	8,061,422	870,972	2,307,736	2,909,473	601,737	8,368,963	9,435,287	1,066,324	
NET CHANGE IN WORKING CAPITAL (see Note)	3,770,882	14,093,335	10,322,453	(26,315)	844,657	870,972	(1,138,100)	(536,363)	601,737	1,170,673	2,236,997	1,066,324	
<b>CAPITAL FUND:</b>													
CAPITAL REVENUES													
Interest Revenue	4,300	279	(4,021)	34,700	79,314	44,614	-	-	-	34,700	50,643	15,943	
Grants	-	-	-	-	-	-	-	-	-	174,120	-	(174,120)	
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	
Other Non-Operating Revenue	-	28,638	28,638	-	-	-	-	-	-	-	16,493	16,493	
Increase In Contributions - System Development	960,200	516,656	(443,544)	670,500	161,134	(509,366)	-	-	-	501,800	525,075	23,275	
Interfund Revenues	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Contributions - FAA	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds of Debt Activity	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers In from Operating Sub-Fund	14,220,292	2,927,272	(11,293,020)	-	-	-	-	-	-	-	-	-	
Transfer In from Other Funds	2,000,000	250,000	(1,750,000)	-	-	-	-	-	-	-	-	-	
<b>TOTAL CAPITAL REVENUES</b>	<b>17,184,792</b>	<b>3,722,844</b>	<b>(13,461,948)</b>	<b>705,200</b>	<b>240,448</b>	<b>(464,752)</b>				<b>710,620</b>	<b>592,212</b>	<b>(118,408)</b>	
CAPITAL EXPENSES													
Other Non-Operating Expense	-	107,669	(107,669)	-	2,283	(2,283)	-	-	-	-	-	-	
Increase In Fixed Assets - Salaries	353,600	227,193	126,407	78,600	69,742	8,858	-	-	-	130,000	77,309	52,691	
Increase In Fixed Assets - Benefits	141,400	105,825	35,575	31,400	34,316	(2,916)	-	-	-	52,000	36,690	15,310	
Increase In Fixed Assets - Services	400	8	392	2,000	382	1,618	-	-	-	2,000	570	1,430	
Increase In Fixed Assets - Site Improvements	122,000	33,616	88,384	-	-	-	-	-	-	-	-	-	
Increase In Fixed Assets - Equipment	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Fixed Assets - Construction	16,460,553	3,169,515	13,291,038	3,959,842	768,896	3,190,946	-	-	-	2,263,293	369,865	1,893,428	
Operating Transfers Out	50,000	50,000	-	50,000	50,000	-	-	-	-	50,000	50,000	-	
<b>TOTAL CAPITAL EXPENSES</b>	<b>17,127,953</b>	<b>3,693,825</b>	<b>13,434,128</b>	<b>4,121,842</b>	<b>925,619</b>	<b>3,196,223</b>				<b>2,497,293</b>	<b>534,434</b>	<b>1,962,859</b>	
BEGINNING WORKING CAPITAL - January 1, 2020	81,079	81,079	-	13,300,157	13,300,157	-	-	-	-	11,809,735	11,809,735	-	
ENDING WORKING CAPITAL - September 30, 2020	137,918	110,098	(27,820)	9,883,515	12,614,986	2,731,471	-	-	-	10,023,062	11,867,513	1,844,451	
NET CHANGE IN WORKING CAPITAL (see Note)	56,839	29,019	(27,820)	(3,416,642)	(685,171)	2,731,471	-	-	-	(1,786,673)	57,778	1,844,451	
<b>Total Change in Working Capital</b>	<b>3,827,721</b>	<b>14,122,355</b>	<b>10,294,634</b>	<b>(3,442,957)</b>	<b>159,486</b>	<b>3,602,443</b>	<b>(1,138,100)</b>	<b>(536,363)</b>	<b>601,737</b>	<b>(616,000)</b>	<b>2,294,775</b>	<b>2,910,775</b>	
(*) Depreciation	3,829,600	2,833,029		2,450,100	1,754,509		-	-		2,315,100	1,590,546		

Working Capital = Current Assets  
minus Current Liabilities

OPERATING & CAPITAL FUNDS	ENTERPRISE FUNDS									INTERNAL SERVICE FUNDS		
	SOLID WASTE			AIRPORT			CEMETERY			INSURANCE		
	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance
<b>Through September 2020</b>												
<b>OPERATING FUND:</b>												
OPERATING REVENUES												
Charges For Service	16,068,500	11,350,487	(4,718,013)	1,378,000	1,086,569	(291,431)	1,086,000	1,079,251	(6,749)	-	-	-
Grants	88,600	8,928	(79,672)	70,000	-	(70,000)	-	-	-	-	-	-
Interest Earnings	42,400	19,417	(22,983)	7,800	5,020	(2,780)	1,000	3,287	2,287	10,000	2,757	(7,243)
Rents, Leases, Concessions, & Other	-	-	-	6,100	10,586	4,486	-	-	-	-	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>16,199,500</b>	<b>11,378,831</b>	<b>(4,820,669)</b>	<b>1,461,900</b>	<b>1,102,175</b>	<b>(359,725)</b>	<b>1,087,000</b>	<b>1,082,538</b>	<b>(4,462)</b>	<b>10,000</b>	<b>2,757</b>	<b>(7,243)</b>
OPERATING EXPENSES												
Salaries & Wages	-	-	-	232,843	155,560	77,283	473,497	331,110	142,387	-	-	-
Benefits	-	-	-	167,008	78,520	88,488	291,646	187,912	103,734	175,000	58,727	116,273
Supplies	53,400	4,913	48,487	307,000	266,688	40,312	221,700	188,111	33,589	-	-	-
Other Service Charges	2,499,675	1,377,564	1,122,111	213,800	161,553	52,247	157,400	74,468	82,932	5,600	466,333	(460,733)
Intergovernmental Services (Less Transfers Out)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management Payments <b>See note</b>	13,485,300	9,309,144	4,176,156	-	-	-	-	-	-	-	-	-
Sewer Metro Services <b>See note below</b>	-	-	-	100	34	66	-	-	-	-	-	-
Debt Service Interest	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Operating Rentals & Supplies	642,300	487,763	154,537	46,100	34,575	11,525	196,000	147,349	48,651	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>16,680,675</b>	<b>11,179,383</b>	<b>5,501,292</b>	<b>966,851</b>	<b>696,929</b>	<b>269,922</b>	<b>1,340,243</b>	<b>928,950</b>	<b>411,293</b>	<b>180,600</b>	<b>525,060</b>	<b>(344,460)</b>
<b>OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION</b>	<b>(481,175)</b>	<b>199,448</b>	<b>680,623</b>	<b>495,049</b>	<b>405,246</b>	<b>(89,803)</b>	<b>(253,243)</b>	<b>153,587</b>	<b>406,830</b>	<b>(170,600)</b>	<b>(522,303)</b>	<b>(351,703)</b>
NON-OPERATING REVENUES												
Operating Transfers-in	-	-	-	-	-	-	100,000	-	(100,000)	-	-	-
Intergovernmental Loan	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Operating Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
NON-OPERATING EXPENSES												
Transfer to Capital Subfund	-	-	-	355,400	220,386	135,014	100,000	32,500	67,500	-	-	-
Other Operating Transfers-out	22,877	6,720	16,157	-	-	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-	-	-	-	-	-
Net Change in Restricted Net Assets	-	-	-	-	(93,582)	(93,582)	-	-	-	-	-	-
Interfund Loan Repayment	-	-	-	12,200	11,627	573	-	-	-	-	-	-
Other Non-Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-
BEGINNING WORKING CAPITAL - January 1, 2020	5,936,695	5,936,695	-	634,377	634,377	-	822,045	822,045	-	1,921,953	1,921,953	-
ENDING WORKING CAPITAL - September 30, 2020	5,432,643	6,129,423	696,780	761,826	901,192	139,366	568,802	943,132	374,330	1,751,353	1,399,650	(351,703)
NET CHANGE IN WORKING CAPITAL (see Note)	(504,052)	192,728	696,780	127,449	266,815	139,366	(253,243)	121,087	374,330	(170,600)	(522,303)	(351,703)
<b>CAPITAL FUND:</b>												
CAPITAL REVENUES												
Interest Revenue	-	-	-	200	1,687	1,487	-	989	989	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	165,000	52,000	(113,000)	-	-	-	-	-	-
Other Non-Operating Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - System Development	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - FAA	-	-	-	3,812,598	2,782,184	(1,030,414)	-	-	-	-	-	-
Proceeds of Debt Activity	-	-	-	-	-	-	-	-	-	-	-	-
Transfers In from Operating Sub-Fund	-	-	-	355,400	220,386	(135,014)	100,000	32,500	(67,500)	-	-	-
Transfer In from Other Funds	-	-	-	-	-	-	55,400	55,400	-	-	-	-
<b>TOTAL CAPITAL REVENUES</b>				<b>4,333,198</b>	<b>3,056,257</b>	<b>(1,276,941)</b>	<b>155,400</b>	<b>88,889</b>	<b>(66,511)</b>			
CAPITAL EXPENSES												
Other Non-Operating Expense	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Salaries	-	-	-	4,300	76	4,224	-	4,139	(4,139)	-	-	-
Increase In Fixed Assets - Benefits	-	-	-	1,700	24	1,676	-	2,151	(2,151)	-	-	-
Increase In Fixed Assets - Services	-	-	-	100	-	100	100	16	84	-	-	-
Increase In Fixed Assets - Site Improvements	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Construction	-	-	-	4,650,290	3,255,268	1,395,022	405,400	332,242	73,158	-	-	-
Operating Transfers Out	-	-	-	25,000	-	25,000	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENSES</b>				<b>4,681,390</b>	<b>3,255,369</b>	<b>1,426,021</b>	<b>405,500</b>	<b>338,547</b>	<b>66,953</b>			
BEGINNING WORKING CAPITAL - January 1, 2020	-	-	-	429,841	429,841	-	258,983	258,983	-	-	-	-
ENDING WORKING CAPITAL - September 30, 2020	-	-	-	81,649	230,729	149,080	8,883	9,325	442	-	-	-
NET CHANGE IN WORKING CAPITAL (see Note)	-	-	-	(348,192)	(199,112)	149,080	(250,100)	(249,658)	442	-	-	-
<b>Total Change in Working Capital</b>	<b>(504,052)</b>	<b>192,728</b>		<b>(220,743)</b>	<b>67,703</b>	<b>288,446</b>	<b>(503,343)</b>	<b>(128,570)</b>	<b>374,773</b>	<b>(170,600)</b>	<b>(522,303)</b>	<b>(351,703)</b>

(\*) Depreciation

Note: Includes September's Waste Management payment (\$1,116,268), which will be made in October.

Working Capital = Current Assets minus Current Liabilities

OPERATING & CAPITAL FUNDS	INTERNAL SERVICE FUNDS												
	Through September 2020	WORKER'S COMPENSATION			FACILITIES			INNOVATION & TECHNOLOGY			EQUIPMENT RENTAL		
		Budget	YTD Actual	Variance	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance	Budget	YTD Actual	Variance
<b>OPERATING FUND:</b>													
OPERATING REVENUES													
Charges For Service	1,150,500	770,118	(380,382)	3,490,600	2,648,587	(842,013)	6,587,500	4,964,742	(1,622,758)	2,085,395	1,506,980	(578,415)	
Grants	-	-	-	-	-	-	-	-	-	-	-	-	
Interest Earnings	26,600	10,918	(15,682)	10,100	5,943	(4,157)	-	10,704	10,704	-	10,572	10,572	
Rents, Leases, Concessions, & Other	50,000	5,937	(44,063)	-	11,982	11,982	-	2,625	2,625	-	102,634	102,634	
<b>TOTAL OPERATING REVENUES</b>	<b>1,227,100</b>	<b>786,973</b>	<b>(440,127)</b>	<b>3,500,700</b>	<b>2,666,512</b>	<b>(834,188)</b>	<b>6,587,500</b>	<b>4,978,071</b>	<b>(1,609,429)</b>	<b>2,085,395</b>	<b>1,620,185</b>	<b>(465,210)</b>	
OPERATING EXPENSES													
Salaries & Wages	-	-	-	711,793	604,703	107,090	2,009,816	1,507,278	502,538	563,879	505,792	58,087	
Benefits	250,000	46,446	203,554	444,389	303,435	140,954	1,112,945	684,479	428,466	327,656	234,607	93,049	
Supplies	-	-	-	140,220	68,014	72,206	460,150	425,963	34,187	941,200	655,810	285,390	
Other Service Charges	455,315	199,603	255,712	1,839,560	1,085,250	754,310	2,830,900	2,014,816	816,084	504,100	308,230	195,870	
Intergovernmental Services (Less Transfers Out)	-	-	-	-	-	-	-	-	-	-	-	-	
Waste Management Payments <span style="color:red">See note</span>	-	-	-	-	-	-	-	-	-	-	-	-	
Sewer Metro Services	-	-	-	-	-	-	-	-	-	1,500	257	1,243	
Debt Service Interest	-	-	-	-	-	-	-	-	-	304,000	229,313	74,687	
Interfund Operating Rentals & Supplies	128,100	96,075	32,025	161,400	121,050	40,350	185,900	139,425	46,475	2,642,335	1,934,008	708,327	
<b>TOTAL OPERATING EXPENSES</b>	<b>833,415</b>	<b>342,124</b>	<b>491,291</b>	<b>3,297,362</b>	<b>2,182,453</b>	<b>1,114,909</b>	<b>6,599,711</b>	<b>4,771,961</b>	<b>1,827,750</b>	<b>2,642,335</b>	<b>1,934,008</b>	<b>708,327</b>	
<b>OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION</b>	<b>393,685</b>	<b>444,849</b>	<b>51,164</b>	<b>203,338</b>	<b>484,059</b>	<b>280,721</b>	<b>(12,211)</b>	<b>206,110</b>	<b>218,321</b>	<b>(556,940)</b>	<b>(313,823)</b>	<b>243,117</b>	
NON-OPERATING REVENUES													
Operating Transfers-in	-	-	-	205,000	41,832	(163,168)	269,953	40,940	(229,013)	-	-	-	
Intergovernmental Loan	-	-	-	-	-	-	-	-	-	-	-	-	
Other Non-Operating Revenues	-	-	-	-	-	-	-	-	-	-	-	-	
Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	
NON-OPERATING EXPENSES													
Transfer to Capital Subfund	-	-	-	698,700	282,558	416,142	500,000	-	500,000	-	-	-	
Other Operating Transfers-out	-	-	-	-	-	-	-	-	-	-	-	-	
Debt Service Principal	-	-	-	-	-	-	-	-	-	-	-	-	
Net Change in Restricted Net Assets	-	-	-	-	-	-	-	-	-	-	(42,797)	(42,797)	
Interfund Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-	
Other Non-Operating Expenses	-	-	-	-	-	-	-	49,840	(49,840)	-	-	-	
BEGINNING WORKING CAPITAL - January 1, 2020	1,877,627	1,877,627	-	1,315,496	1,315,496	-	2,522,898	2,522,898	-	2,956,770	2,956,770	-	
ENDING WORKING CAPITAL - September 30, 2020	2,271,312	2,322,476	51,164	1,025,134	1,558,830	533,696	2,280,640	2,769,949	489,309	2,399,830	2,685,744	285,914	
NET CHANGE IN WORKING CAPITAL (see Note)	393,685	444,849	51,164	(290,362)	243,334	533,696	(242,258)	247,051	489,309	(556,940)	(271,026)	285,914	
<b>CAPITAL FUND:</b>													
CAPITAL REVENUES													
Interest Revenue	-	-	-	-	-	-	-	5,027	5,027	-	17,724	17,724	
Grants	-	-	-	-	-	-	-	-	-	133,700	-	(133,700)	
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	
Other Non-Operating Revenue	-	-	-	-	-	-	-	7,405	7,405	-	12,782	12,782	
Increase In Contributions - System Development	-	-	-	-	-	-	-	-	-	-	-	-	
Interfund Revenues	-	-	-	-	-	-	-	-	-	1,585,105	1,245,895	(339,210)	
Increase In Contributions - FAA	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds of Debt Activity	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers In from Operating Sub-Fund	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-	
Transfer In from Other Funds	-	-	-	-	-	-	25,000	-	(25,000)	868,600	-	(868,600)	
<b>TOTAL CAPITAL REVENUES</b>							<b>525,000</b>	<b>12,432</b>	<b>(512,568)</b>	<b>2,587,405</b>	<b>1,276,401</b>	<b>(1,311,004)</b>	
CAPITAL EXPENSES													
Other Non-Operating Expense	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Fixed Assets - Salaries	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Fixed Assets - Benefits	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Fixed Assets - Services	-	-	-	300	61	239	300	61	239	500	309	191	
Increase In Fixed Assets - Site Improvements	-	-	-	-	-	-	-	-	-	-	-	-	
Increase In Fixed Assets - Equipment	-	-	-	1,186,527	516,531	669,996	1,186,527	516,531	669,996	2,941,150	873,104	2,068,046	
Increase In Fixed Assets - Construction	-	-	-	-	-	-	-	-	-	1,140,000	-	1,140,000	
Operating Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL CAPITAL EXPENSES</b>				<b>1,186,827</b>	<b>516,591</b>	<b>670,236</b>	<b>1,186,827</b>	<b>516,591</b>	<b>670,236</b>	<b>4,081,650</b>	<b>873,412</b>	<b>3,208,238</b>	
BEGINNING WORKING CAPITAL - January 1, 2020	-	-	-	-	-	-	1,445,614	1,445,614	-	4,419,304	4,419,304	-	
ENDING WORKING CAPITAL - September 30, 2020	-	-	-	-	-	-	783,787	941,455	157,668	2,925,059	4,822,293	1,897,234	
NET CHANGE IN WORKING CAPITAL (see Note)	-	-	-	(661,827)	(504,159)	157,668	(661,827)	(504,159)	157,668	(1,494,245)	402,989	1,897,234	
<b>Total Change in Working Capital</b>	<b>393,685</b>	<b>444,849</b>	<b>51,164</b>	<b>(290,362)</b>	<b>243,334</b>	<b>533,696</b>	<b>(904,085)</b>	<b>(257,109)</b>	<b>646,976</b>	<b>(2,051,185)</b>	<b>131,963</b>	<b>2,183,148</b>	

(\*) Depreciation

Working Capital = Current Assets  
minus Current Liabilities