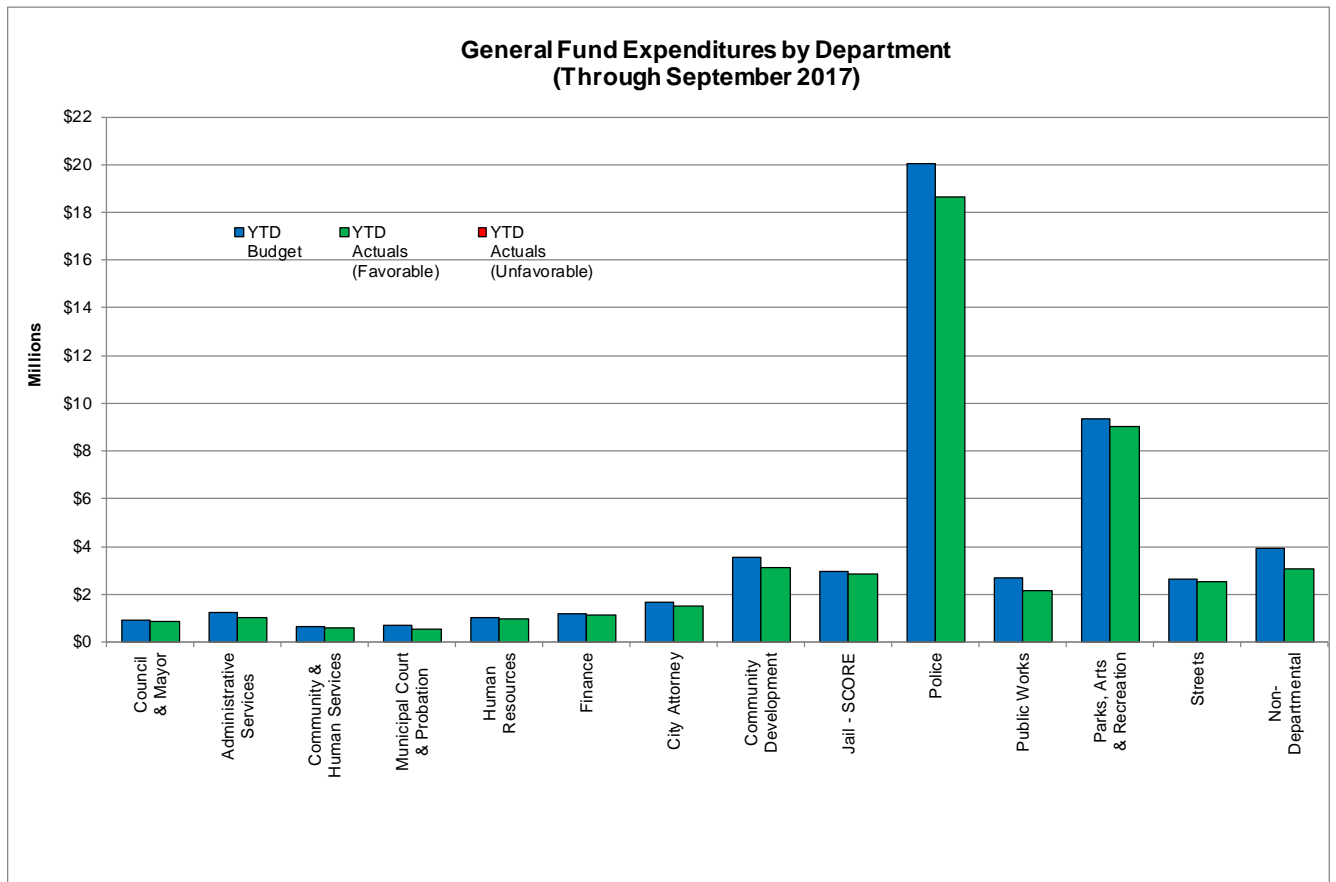
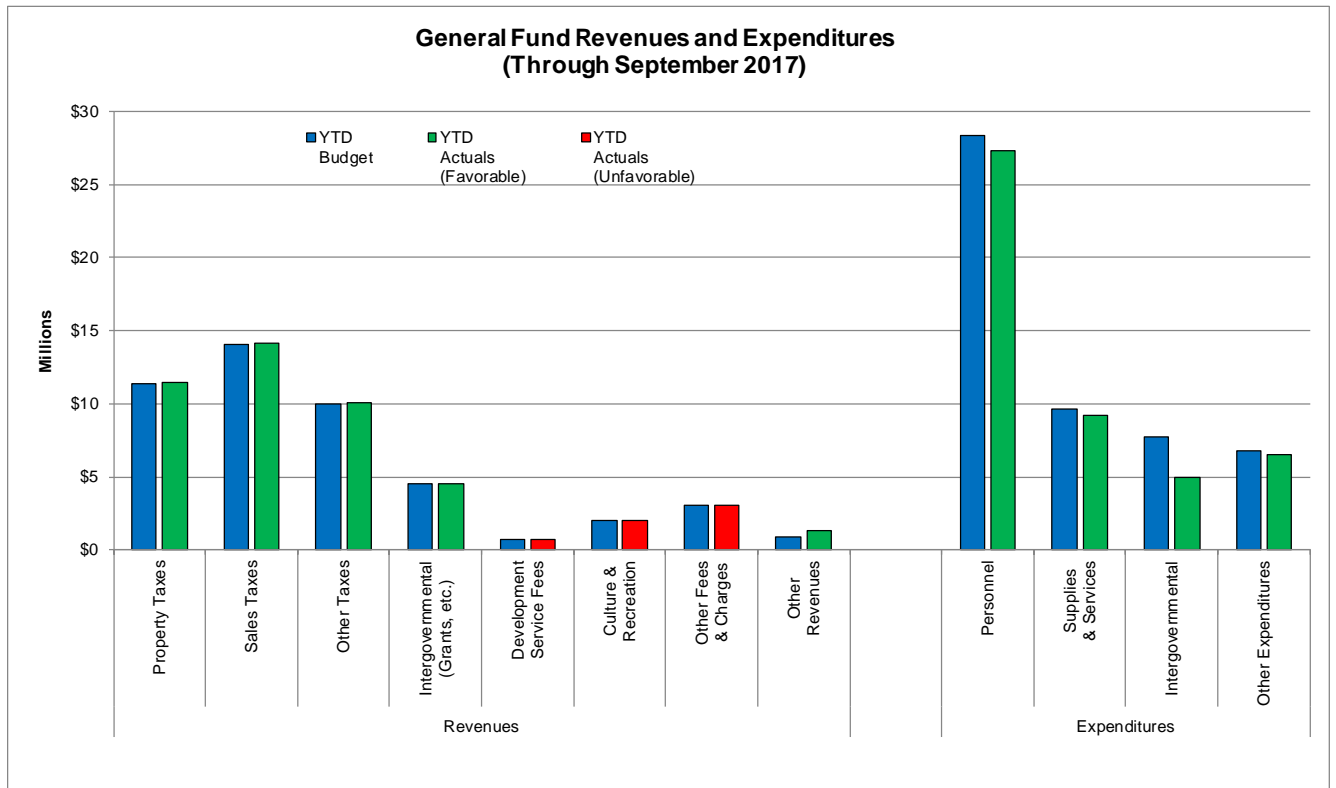




## AGENDA BILL APPROVAL FORM

<b>Agenda Subject:</b> 3rd Quarter 2017 Financial Report		<b>Date:</b> November 1, 2017
<b>Department:</b> Finance	<b>Attachments:</b> Quarterly Financial Report	<b>Budget Impact:</b> \$0
<b>Administrative Recommendation:</b> For discussion only.		
<b>Background Summary:</b>  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 the third quarter 2017 status report based on financial data available as of October 13, 2017 for the period ending September 30, 2017 and sales tax information representing business activity that occurred through July 2017.		
		<b>Staff:</b> Coleman
<b>Meeting Date:</b> November 27, 2017		<b>Item Number:</b>

## General Fund Summary



General Fund Summary of Sources and Uses	Page Ref	2017			2016	2017 YTD Budget vs. Actual	
		Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable) Amount	Percentage
<b>Operating Revenues</b>							
Property Tax	6	\$ 20,652,000	\$ 11,416,200	\$ 11,476,537	\$ 9,920,666	\$ 60,337	0.5 %
Sales Tax	7-8	14,746,000	11,059,200	11,054,167	10,969,821	(5,033)	(0.0) %
Sales Tax - Pierce County Parks		75,000	55,300	70,929	66,207	15,629	28.3 %
Sales Tax - Annexation Credit		2,032,100	1,510,800	1,530,028	1,500,373	19,228	1.3 %
Criminal Justice Sales Tax		1,889,400	1,395,800	1,499,435	1,454,287	103,635	7.4 %
Brokered Natural Gas Tax		351,800	280,200	134,037	177,005	(146,163)	(52.2) %
City Utilities Tax	9-10	3,936,300	2,906,800	2,884,928	2,901,188	(21,872)	(0.8) %
Admissions Tax		317,000	236,600	319,643	269,321	83,043	35.1 %
Electric Tax	9-10	3,560,000	2,700,700	2,850,764	2,733,513	150,064	5.6 %
Natural Gas Tax	9-10	1,001,200	879,400	960,214	833,093	80,814	9.2 %
Cable Franchise Fee	11	971,500	723,500	751,424	728,136	27,924	3.9 %
Cable Utility Tax - New 2017	12	1,000,000	750,000	527,616	-	(222,384)	(29.7) %
Cable Franchise Fee - Capital		66,200	49,650	50,038	49,877	388	0.8 %
Telephone Tax	9-10	1,451,800	1,111,500	1,055,709	1,144,823	(55,791)	(5.0) %
Garbage Tax (external)	9-10	120,000	90,000	96,104	92,985	6,104	6.8 %
Leasehold Excise Tax		40,000	30,400	187,275	191,475	156,875	516.0 %
Gambling Excise Tax		300,300	225,200	251,094	403,771	25,894	11.5 %
<b>Taxes sub-total</b>		<b>\$ 52,510,600</b>	<b>\$ 35,421,250</b>	<b>\$ 35,699,942</b>	<b>\$ 33,436,540</b>	<b>\$ 278,692</b>	<b>0.8 %</b>
Business License Fees	12-13	\$ 222,100	\$ 114,300	\$ 125,142	\$ 106,657	\$ 10,842	9.5 %
Building Permits	14	1,575,000	1,179,100	1,063,045	1,432,215	(116,055)	(9.8) %
Other Licenses & Permits		541,600	413,300	437,296	582,773	23,996	5.8 %
Intergovernmental (Grants, etc.)	15	6,123,910	4,521,992	4,571,803	4,179,792	49,812	1.1 %
Charges for Services:	16-18						
General Government Services	16	60,700	47,700	58,880	61,991	11,180	23.4 %
Public Safety	16	875,700	660,875	719,522	453,345	58,647	8.9 %
Development Services Fees	17	1,007,600	711,700	705,323	794,082	(6,377)	(0.9) %
Culture and Recreation	18	2,319,680	2,055,600	2,039,089	2,076,505	(16,511)	(0.8) %
Fines and Penalties	19-20	876,100	671,500	670,078	696,072	(1,422)	(0.2) %
<b>Fees/Charges/Fines sub-total</b>		<b>\$ 13,602,390</b>	<b>\$ 10,376,067</b>	<b>\$ 10,390,180</b>	<b>\$ 10,383,431</b>	<b>\$ 14,113</b>	<b>0.1 %</b>
Interest and Investment Earnings	20-21	\$ 69,000	\$ 46,600	\$ 161,285	\$ 81,161	\$ 114,685	246.1 %
Rents and Leases	20-21	715,300	576,300	720,531	645,327	144,231	25.0 %
Contributions and Donations	20-21	35,000	28,500	38,345	26,883	9,845	34.5 %
Other Miscellaneous	20-21	227,500	174,300	257,127	228,553	82,827	47.5 %
Transfers In		84,000	76,500	76,500	139,112	0	0.0 %
Insurance Recoveries - Capital & Operating		25,000	18,743	106,886	58,094	88,143	470.3 %
<b>Other Revenues sub-total</b>		<b>\$ 1,155,800</b>	<b>\$ 920,943</b>	<b>\$ 1,360,674</b>	<b>\$ 1,179,131</b>	<b>\$ 439,731</b>	<b>47.7 %</b>
<b>Total Operating Revenues</b>		<b>\$ 67,268,790</b>	<b>\$ 46,718,259</b>	<b>\$ 47,450,796</b>	<b>\$ 44,999,102</b>	<b>\$ 732,537</b>	<b>1.6 %</b>
<b>Operating Expenditures</b>							
Council & Mayor		\$ 1,240,618	\$ 931,100	\$ 850,556	\$ 802,274	\$ 80,544	8.7 %
Administration		1,640,533	1,230,300	997,121	831,249	233,179	19.0 %
Community & Human Services		1,103,040	643,400	609,707	577,608	33,693	5.2 %
Municipal Court & Probation	4	2,502,954	689,966	537,946	1,892,377	152,020	22.0 %
Human Resources		1,409,871	1,041,300	973,575	930,960	67,725	6.5 %
Finance		1,500,893	1,176,800	1,103,843	898,832	72,957	6.2 %
City Attorney		2,279,653	1,675,000	1,478,386	1,410,070	196,614	11.7 %
Community Development		4,798,583	3,532,500	3,141,340	3,014,962	391,160	11.1 %
Jail - SCORE		3,953,150	2,964,863	2,846,154	3,014,605	118,709	4.0 %
Police		26,897,517	20,020,700	18,646,001	17,490,649	1,374,699	6.9 %
Public Works		3,547,418	2,700,300	2,135,901	2,262,105	564,399	20.9 %
Parks, Arts & Recreation		12,235,387	9,366,500	9,017,914	8,627,328	348,586	3.7 %
Streets		3,798,094	2,624,000	2,546,081	2,256,727	77,919	3.0 %
Non-Departmental		6,254,415	3,947,190	3,062,055	2,783,240	885,135	22.4 %
<b>Total Operating Expenditures</b>		<b>\$ 73,162,126</b>	<b>\$ 52,543,918</b>	<b>\$ 47,946,581</b>	<b>\$ 46,792,985</b>	<b>\$ 4,597,337</b>	<b>8.7 %</b>

**Executive Summary**

This Executive Summary provides an overview of the City's overall financial position for the fiscal period ending September 30, 2017, reflecting financial data available as of October 13, 2017.

**General Fund:**

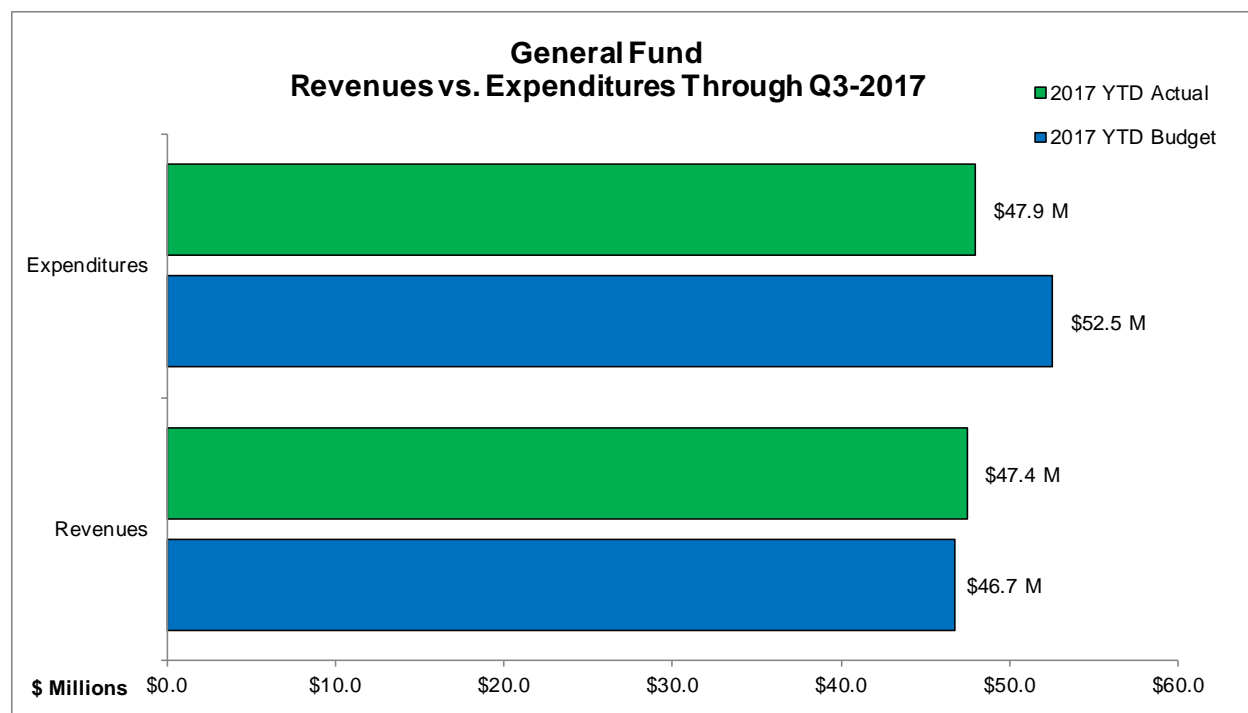
Through September 2017, General Fund revenues totaled \$47.4 million compared to a budget of \$46.7 million, and were \$733,000 (1.6%) higher than budget expectations. Some notable variances to budget year-to-date include:

- Property tax collections through Q3-2017 totaled \$11.5 million, which was 0.5% or \$60,000 above budget expectations and exceeded collections through Q3-2016 by \$1.6 million, or 15.7%. This year-over-year increase in property tax collections was attributable to an increase in assessed valuation and the use of banked capacity. **[page 6]**
- General Fund retail sales tax revenues totaled \$11.1 million, and exceeded collections through Q3-2016 by \$84,000, or 0.8%. The primary area of significant increase in sales activity compared to collections through Q3-2016 was in the automotive category; this was offset by reductions in the services and manufacturing categories. **[pages 7-8]**
- The other taxes category performed favorably through Q3-2017, with revenues totaling \$10.1 million compared to a budget of \$10.0 million. Electric and natural gas revenues collected through September exceeded budget by \$150,000 and \$81,000 respectively. In addition, leasehold excise taxes collected were \$157,000 above budget due to a \$146,000 tax receipt in May for the Emerald Downs property, which is tribally owned. Through Q3-2017, Brokered Natural Gas revenues were \$146,000 under budget. This is primarily due to the fact that the main remitter of this revenue had a reduction in sales of approximately 33% through Q3-2017 compared to the same period last year. In addition, cable utility tax revenues were \$222,000 below budget through the third quarter, although this is just a timing issue where the Q3-2017 revenues associated with the cable utility tax in the amount of \$274,000 were not received until October 2017. **[pages 9-12]**
- Building permit revenue collected through Q3-2017 totaled \$1.1 million compared to a year-to-date budget of \$1.2 million. The volume of building permits issued through Q3-2017 totaled 565, which represents a 14.4% decline over the number of permits issued during the same period last year. While building permit revenues collected in 2017 are indicative of continued growth in the City, fewer permits issued combined with a 30% decline in the average valuation of the projects for which permits have been issued compared to valuations through Q3-2016. This is primarily due to the fact that building permits issued in 2016 included numerous large scale commercial projects such as the Promenade Apartment Project and permits for The Reserve project on A street. **[page 14]**
- Public safety revenues collected through Q3-2017 totaled \$720,000 compared to a budget of \$661,000. Revenues collected through the third quarter of 2017 were \$266,000 higher than what was collected through the third quarter of 2016. This increased revenue is due to additional contracted Police Officer extra duty security services (which are reimbursed by the hiring contractor) compared to the same period last year. **[page 16]**

- Culture and recreation revenues collected year-to-date were \$2.0 million, and were slightly under budget expectations by \$17,000, or 0.8%. Through Q3-2017, greens fee revenues collected at the Golf Course were \$89,000 less than budgeted, which represents an 8.5% variance. The unfavorable variance in greens fee revenues was partially offset by favorable variances in special events revenue, primarily due to increased revenues collected for vendor fees, increased participant registration, and the increased sales of wrist-bands (for use of inflatables and other attractions) at multiple City events including AuburnFest, Petpalooza, and the 4<sup>th</sup> of July Festival.  
**[page 18]**
- Rents and leases revenues ended the period \$144,000, or 25.0% higher than budget. This favorable variance is due to a combination of factors, including increased rentals of City-owned facilities such as the new Community and Events Center as well as increased deposits held for rentals. Also, effective in 2017, the City increased its inventory of parking spaces, some of which were rented on a 12-month term.  
**[page 20]**

General Fund expenditures through the third quarter of 2017 totaled \$47.9 million compared to a year-to-date budget of \$52.5 million, representing an 8.7% favorable variance. All of the General Fund departments operated within their allocated budget through September 2017. The year-to-date actuals for Municipal Court and Probation do not include the payment for services provided by the King County District Court for municipal court services, which is typically made annually in the third quarter of the year; the payment will be reflected in the Q4-2017 Financial Report.

Year-to-date General Fund expenditures ended the period \$1.2 million, or 2.5% higher than expenditures through Q3-2016. The year-over-year expenditure increase was predominately seen in salaries and benefits as well as increased costs related to interfund expenditures; specifically for City fleet vehicles and IT costs.



Street Funds:

The City's three street funds are special revenue funds where the revenue sources and expenditures are legally restricted. These funds are used for street capital construction projects, local street repair and arterial street repair and preservation projects. Through Q3-2017, **Arterial Street Fund** revenues totaled \$5.4 million as compared to collections of \$2.3 million through Q3-2016; expenditures totaled \$5.9 million as compared to expenditures of \$3.0 million through Q3-2016. [pages 24–25]

**Local Street Fund** revenues of \$2.0 million exceeded budget expectations thus far this year by \$619,000, or 44.3%, due to higher than anticipated sales tax revenues from local construction projects; last year's collections through Q3 totaled \$1.8 million. Expenditures were \$538,000 as compared with \$1.1 million through Q3-2016. [pages 26–27]

Lastly, the **Arterial Street Preservation Fund** revenues totaled \$2.3 million as compared to \$1.6 million through Q3-2016, while expenditures totaled \$2.9 million versus \$862,000 through this time last year. Historically, the majority of expenditures in all three street funds occur during the second half of the year when weather conditions are optimal for pavement construction. [pages 28–29]

Enterprise Funds:

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

At the end of Q3-2017, the **Water Fund** experienced operating income before depreciation of \$4.1 million compared to \$3.5 million in Q3-2016. This increase is largely due to lower expenditures in 2017 compared to 2016, during which the City purchased water from the City of Tacoma. The **Sewer Fund** ended the quarter with operating income before depreciation of \$1.7 million versus \$1.6 million in Q3-2016. The **Sewer-Metro Fund** operating expenditures exceeded revenues by \$243,000 as compared to \$235,000 in Q3-2016. This is generally a byproduct of King County's billing process, which uses statistics averaged over prior periods to determine charges to the City; operating revenues were \$635,000 higher than Q3-2016 and in line with budget predictions. Lastly, the **Stormwater Fund** ended the quarter with operating income before depreciation of \$2.1 million compared to \$2.0 million through Q3-2016. [pages 31–32]

Internal Service Funds:

Internal service funds provide services to other City departments and include functions such as Insurance, Worker's Compensation, Facilities, Innovation and Technology, and Equipment Rental. All funds have sufficient revenues to cover year-end expenditures. [page 33]

Investment Portfolio:

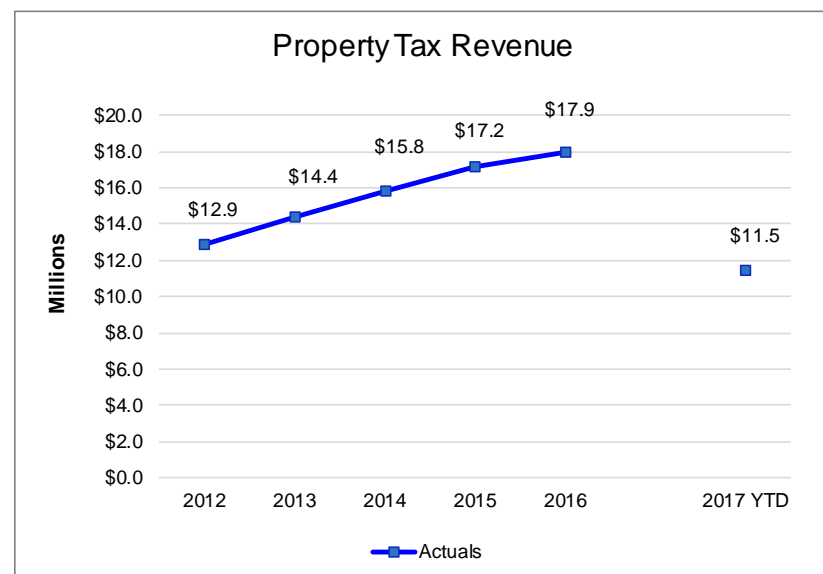
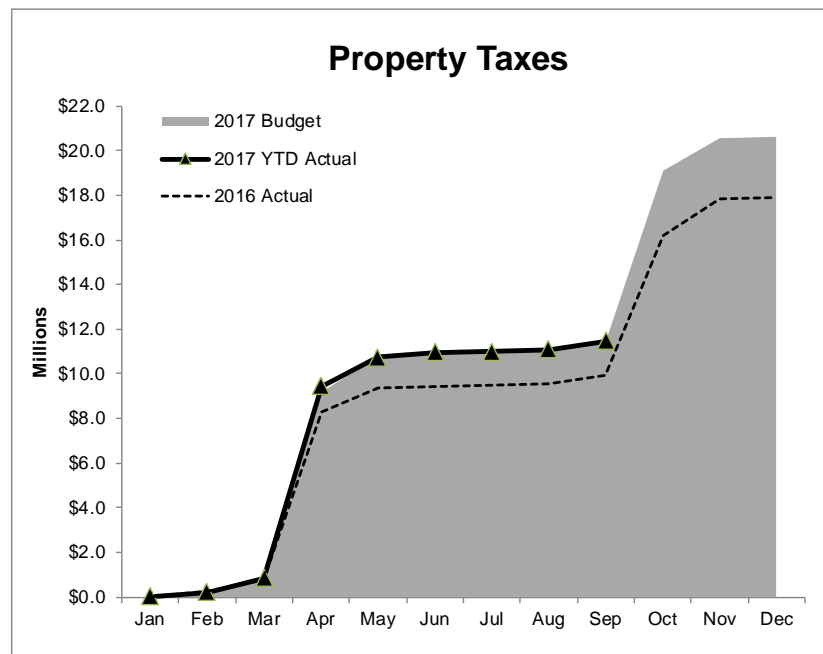
The City's total cash and investments at the end of the third quarter of 2017 totaled \$134.5 million, compared to \$135.8 million at the end of the second quarter of 2017. [attachment]

## General Fund

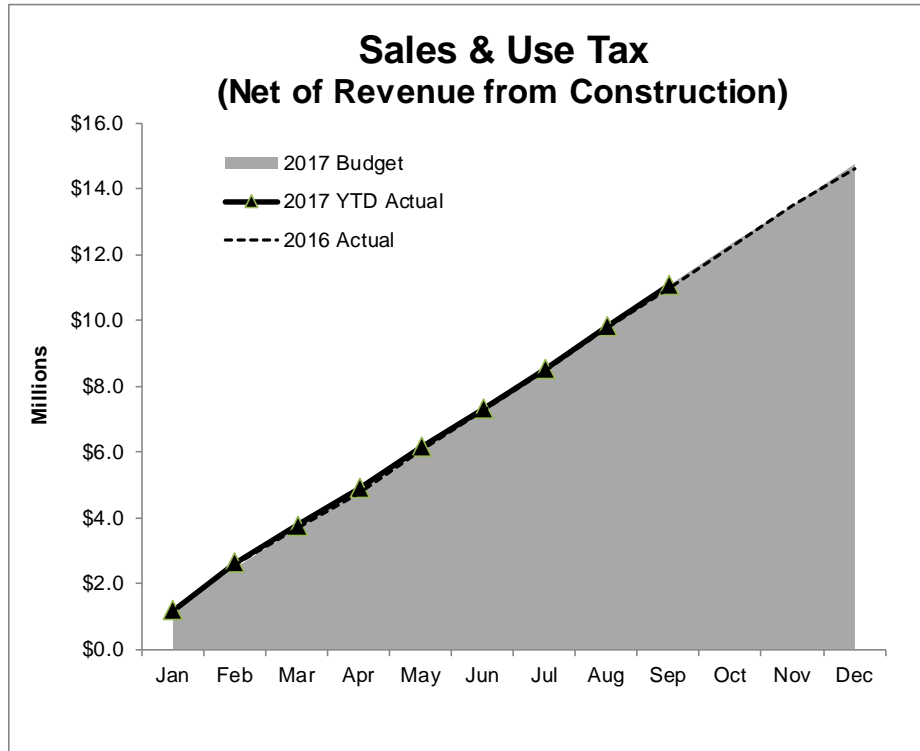
### Revenues

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

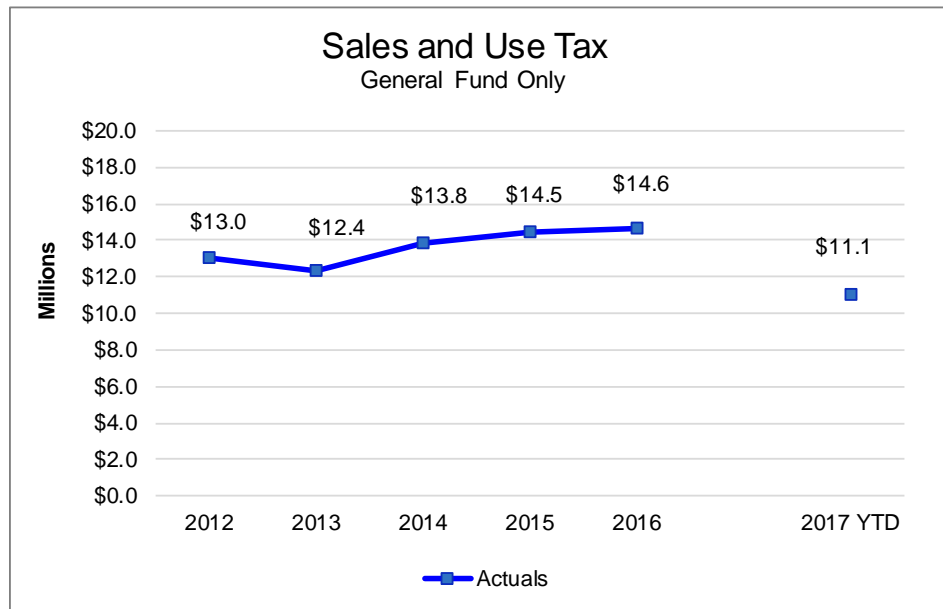
**Property Tax** collections through Q3-2017 totaled \$11.5 million, which was 0.5% or \$60,000 above budget expectations. Property tax collections through Q3-2017 exceeded amounts collected through the same period last year by \$1.6 million, or 15.7%. This year-over-year increase is attributable to an increase in assessed valuation and the use of banked capacity. The majority of property taxes are collected during the months of April and October, coinciding with the due dates for the County property tax billings.



**Sales tax** collections through Q3-2017 totaled \$12.9 million, of which \$11.1 million was distributed to the General Fund and \$1.8 million was distributed to the Local Street Fund (SOS) program.\* Total sales tax revenue distributions to the General Fund through Q3-2017 exceeded collections through Q3-2016 by \$84,000, or 0.8%.



\* Beginning in 2013, Local Street Fund (Fund 103) street repairs have been funded from sales taxes on construction. The total amount transferred through Q3-2017 was \$1,844,760. The graphic above presents sales taxes under the current policy.



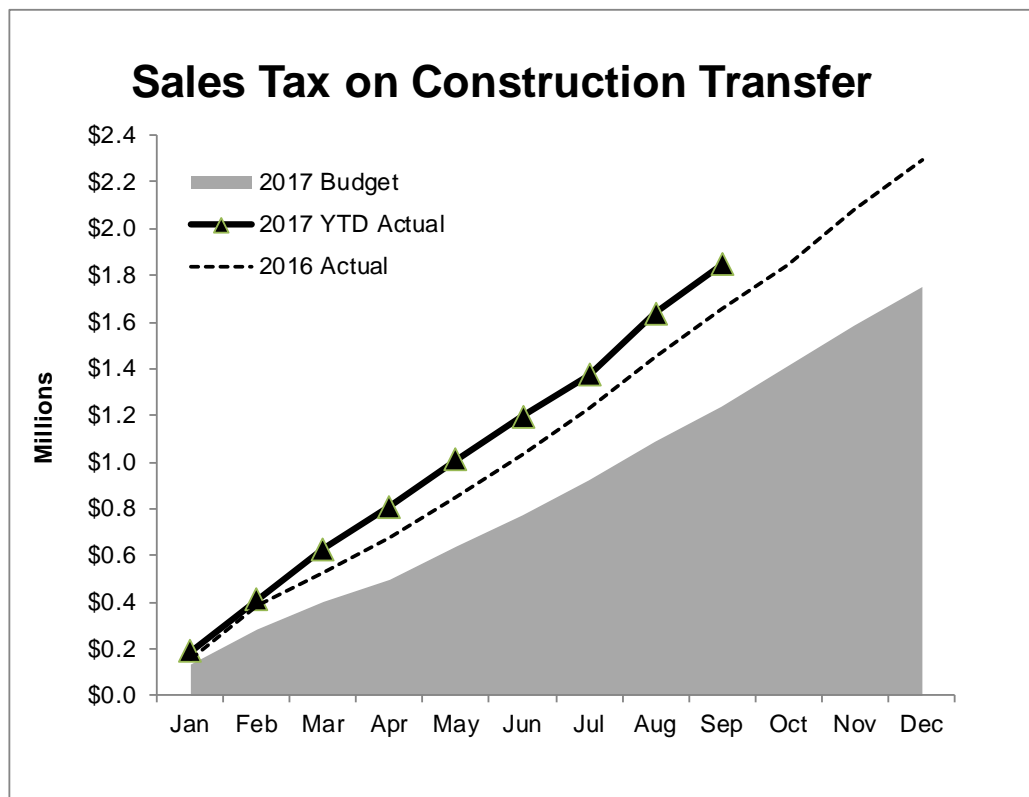


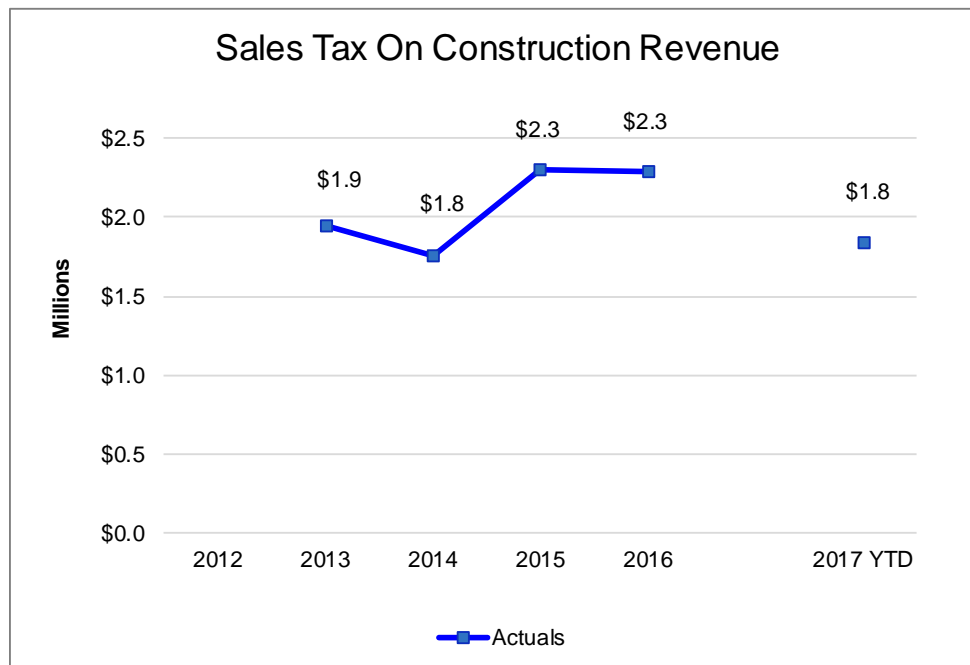
The following table breaks out the City's base sales taxes, excluding Pierce County Parks Sales Tax, Criminal Justice Sales Tax, and Annexation Credit Sales Tax, by major business sector.

Comparison of Sales Tax Collections by SIC Group Through September				
Component Group	2016 Actual	2017 Actual	Change from 2016	
			Amount	Percentage
Construction	\$ 1,651,379	\$ 1,844,760	\$ 193,382	11.7 %
Manufacturing	602,662	523,810	(78,852)	(13.1) %
Transportation & Warehousing	65,962	69,050	3,088	4.7 %
Wholesale Trade	930,697	985,731	55,033	5.9 %
Automotive	2,746,266	2,881,236	134,970	4.9 %
Retail Trade	3,636,892	3,651,905	15,013	0.4 %
Services	2,974,730	2,889,056	(85,674)	(2.9) %
Miscellaneous	12,612	53,381	40,769	323.3 %
YTD Total	\$ 12,621,199	\$ 12,898,928	\$ 277,729	2.2 %

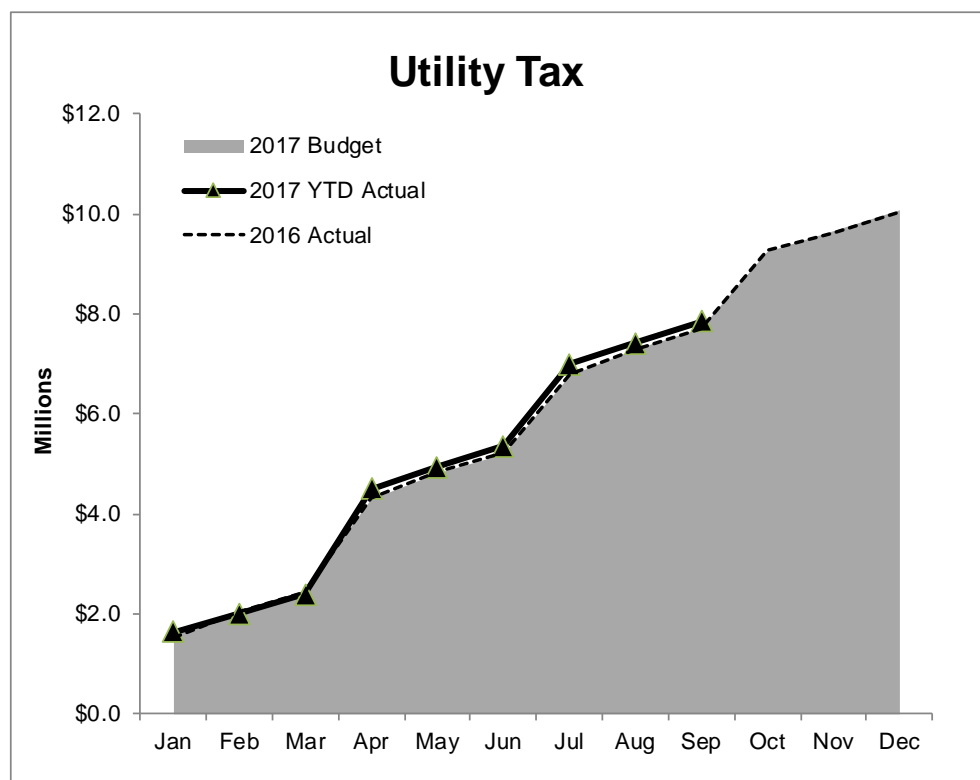
Total sales tax revenue collected in Q3-2017 exceeded prior year collections by \$278,000, or 2.2%. The business sectors showing the largest increase in General Fund revenues compared to last year were the automotive and wholesale trade categories.

Sales tax revenue on construction, which is transferred to the Local Street Fund (Fund 103) for local street repair and maintenance, totaled \$1.8 million, which is \$193,000 more than was collected through Q3-2016 and is \$604,000 higher than budget.



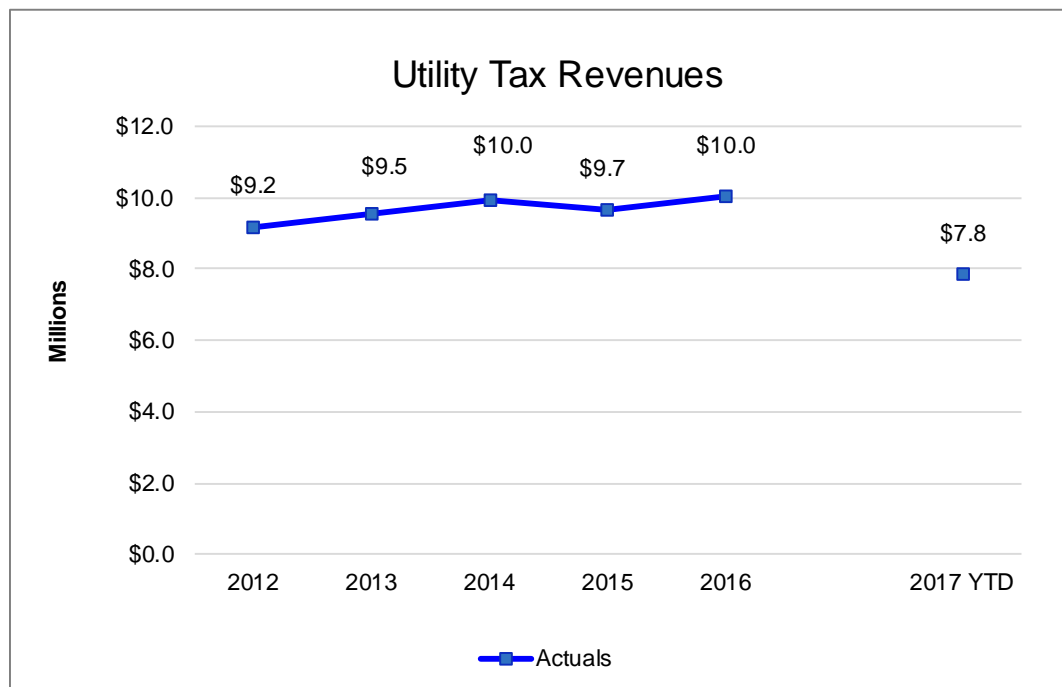


**Utility Taxes** consist of interfund taxes on City utilities (Water, Sewer, Storm and Solid Waste) and taxes on external utilities (Electric, Natural Gas, Telephone and Solid Waste). Utility taxes collected through Q3-2017 totaled \$7.8 million and exceeded year-to-date budget by \$159,000, or 2.1%. Some utilities, such as Water, have cyclical revenue streams due mainly to weather, which results in cyclical receipts of the associated utility taxes.

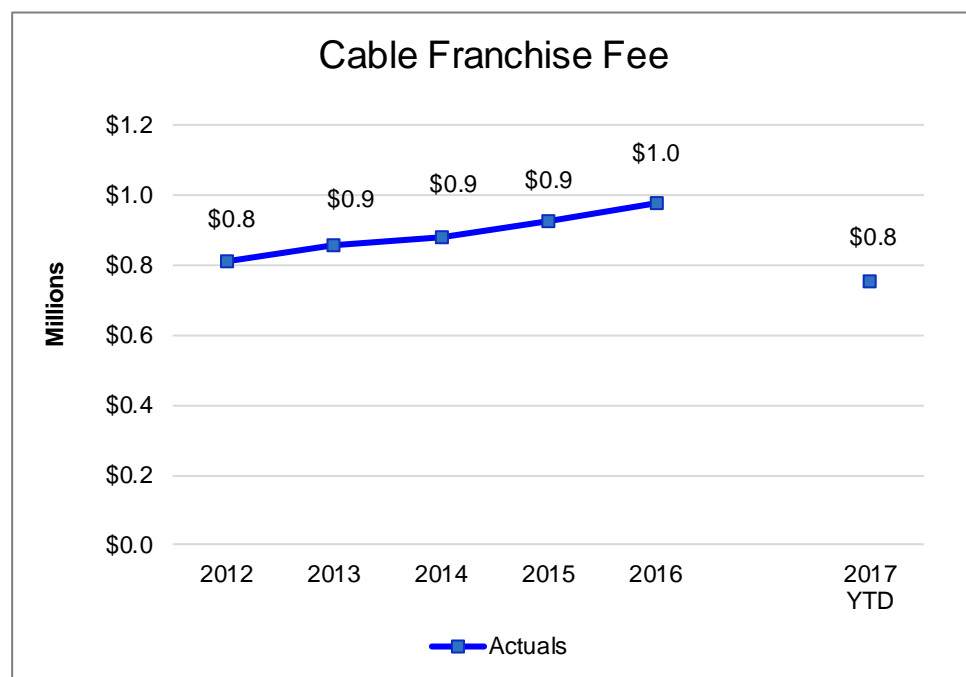
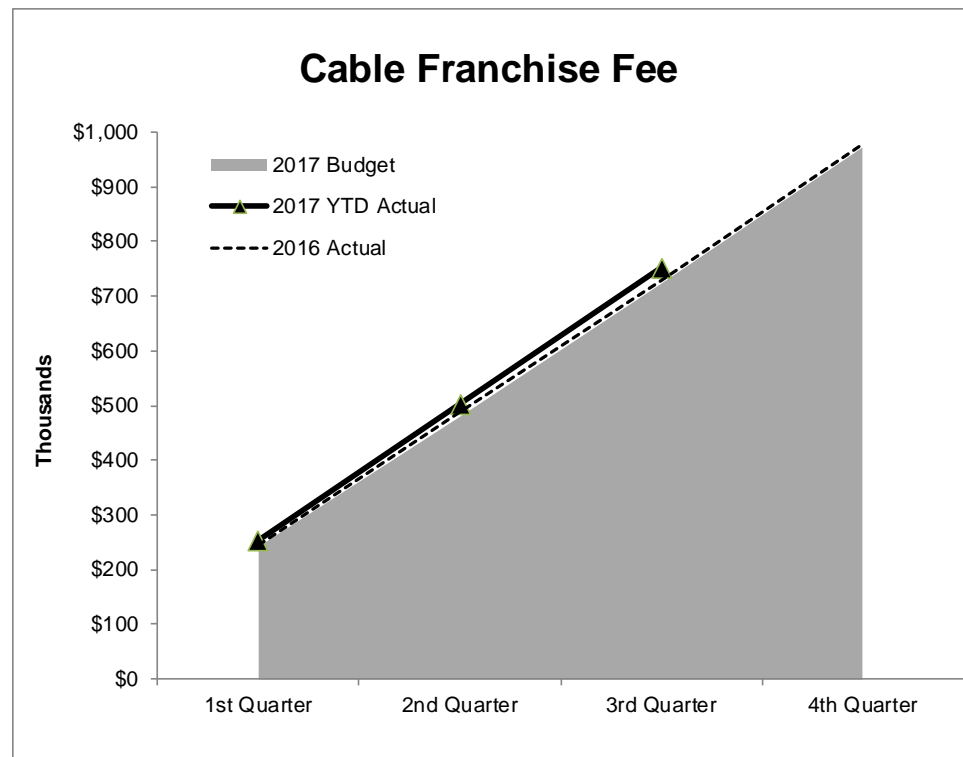


Favorable variances in electric and natural gas revenues offset lower collections in telephone utility taxes and City utility taxes.

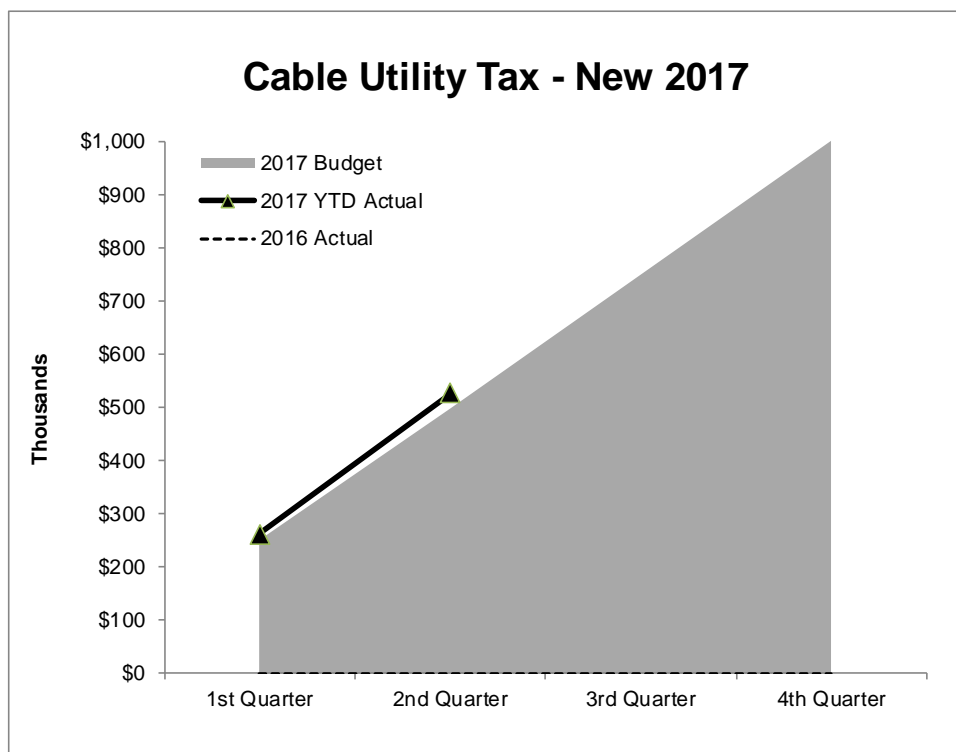
Utility Tax by Type Through September 2017							
Utility Tax Type	2016 YTD Actual	2017 YTD Budget	2017 YTD Actual	2017 vs. 2016 Actual		2017 vs. Budget	
				Amount	Percentage	Amount	Percentage
City Interfund Utility Taxes	\$ 2,901,188	\$ 2,906,800	\$ 2,884,928	\$ (16,260)	(0.6) %	\$ (21,872)	(0.8) %
Electric	2,733,513	2,700,700	2,850,764	117,251	4.3 %	150,064	5.6 %
Natural Gas	833,093	879,400	960,214	127,120	15.3 %	80,814	9.2 %
Telephone	1,144,823	1,111,500	1,055,709	(89,113)	(7.8) %	(55,791)	(5.0) %
Solid Waste (external)	92,985	90,000	96,104	3,119	3.4 %	6,104	6.8 %
YTD Total	\$ 7,705,602	\$ 7,688,400	\$ 7,847,719	\$ 142,117	1.8 %	\$ 159,319	2.1 %



**Cable Franchise Fees**, which are collected quarterly, totaled \$751,000 and exceeded budget by \$28,000, or 3.9%.

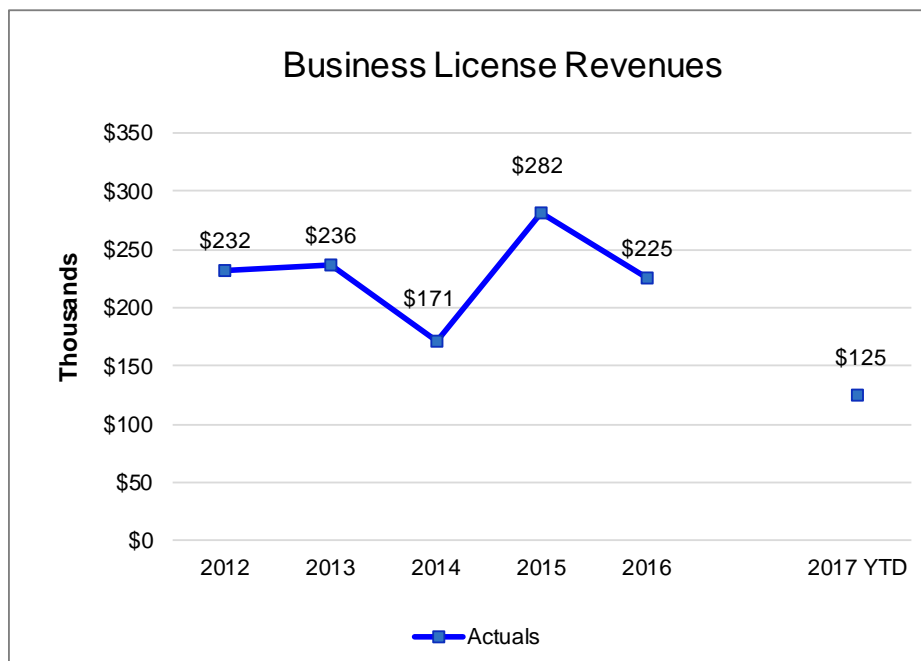
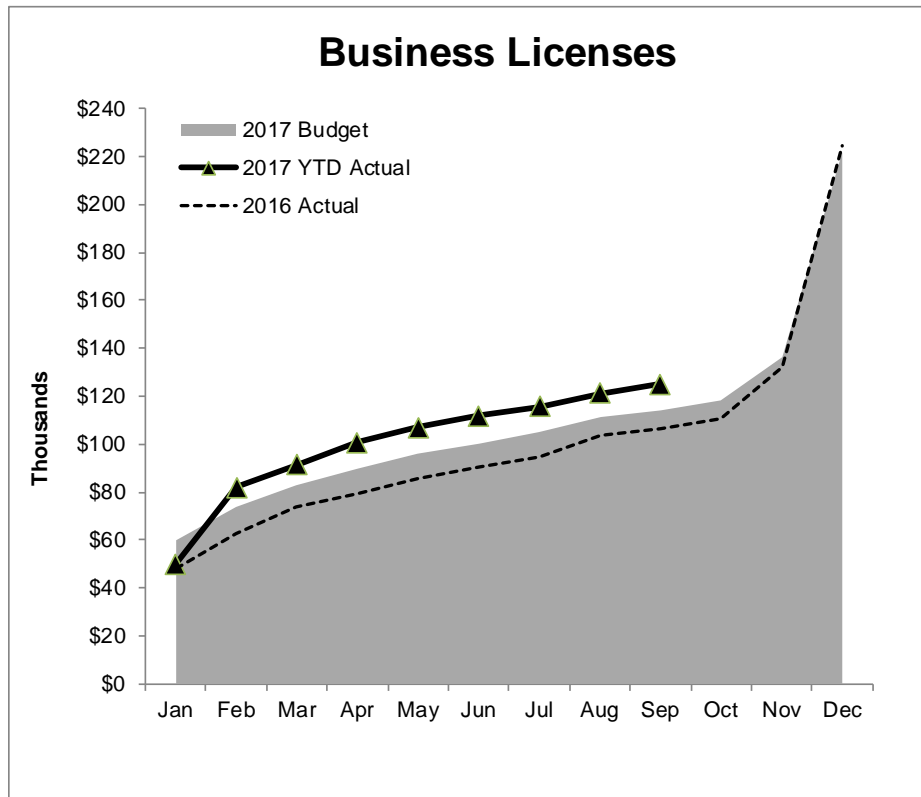


**Cable Utility Tax (New in 2017).** In September 2016, City Council approved Ordinance No. 6620, which increased the Cable Utility Tax from 1.0% to 6.0%, with the entirety of the new tax amount benefitting the General Fund. This tax became effective on January 1, 2017 and is collected quarterly. Although this revenue stream appears to be unfavorable to budget through Q3-2017, this is just a timing issue whereas the revenues generated for July through September 2017 in the amount of \$274,000 were collected in October 2017. Including the payment received in October, the distributions totaled \$801,000 and exceeded the budget expectation of \$750,000.



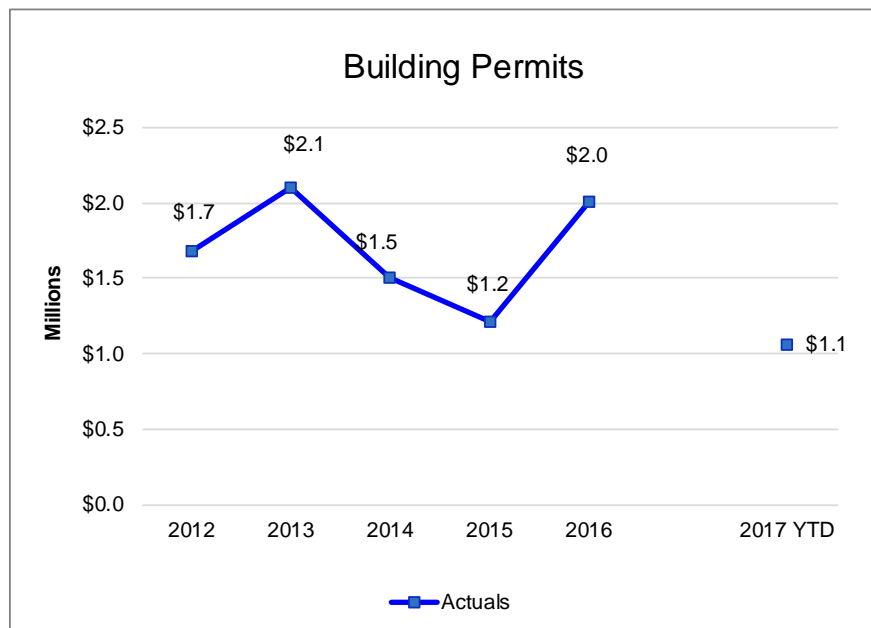
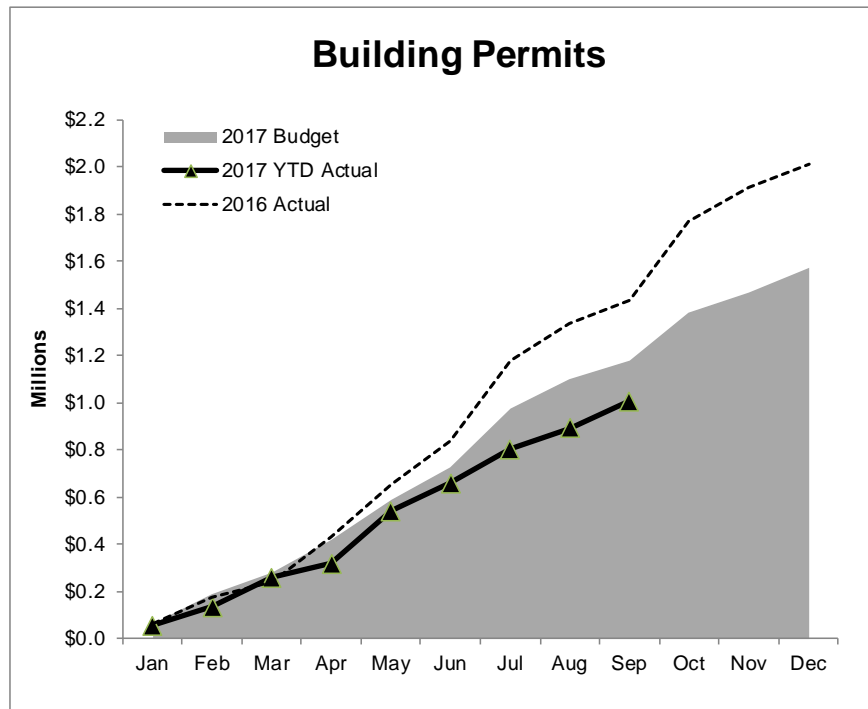
**Licenses and Permits** include business licenses, building permits, plumbing, electric and other licenses and permit fees. Building permit fees and business licenses make up about 70% of the annual budgeted revenue in this category.

Business license revenues collected through September 2017 totaled \$125,000, compared to a budget of \$114,000. The first graphic on the following page reflects the timing of payments by business owners, where the majority of business license payments are typically collected during the first two months of the year and the last month of the year.



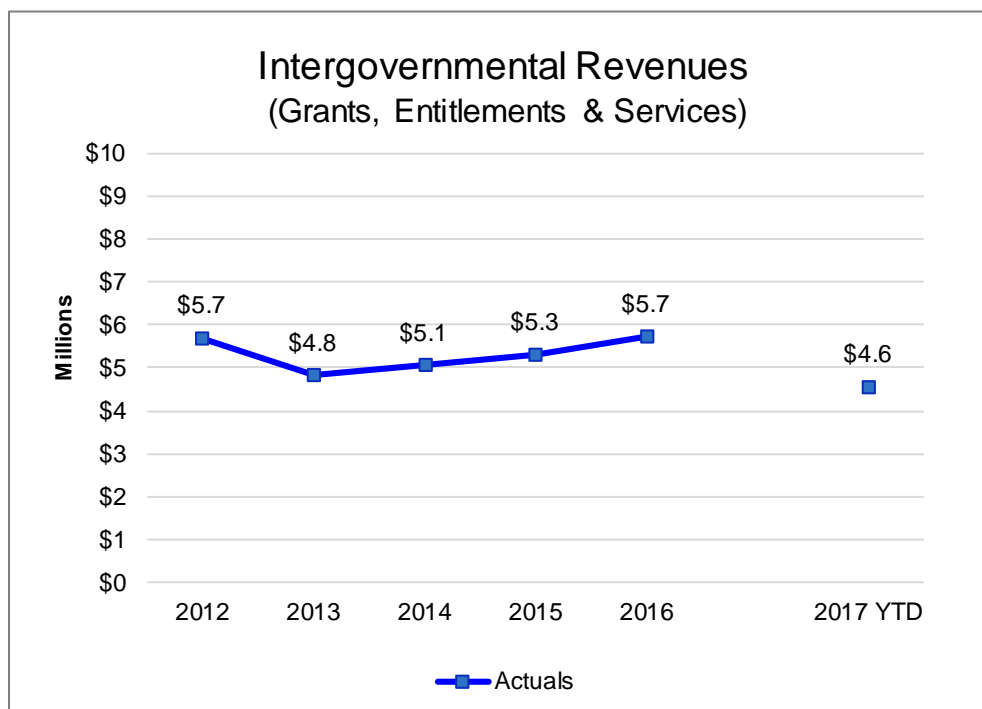
Building permit revenues collected through September totaled \$1.1 million, compared to a year-to-date budget of \$1.2 million. Through Q3-2017, a total of 565 building permits were issued compared to 660 building permits issued through Q3-2016.

Major projects contributing to the revenues this quarter include building permits for North Auburn Logistics and the Holiday Inn Express, as well as numerous single family housing permits – most notably in Canyon Creek and Calla Crest. Of the \$349,000 in building permit revenues collected in Q3-2017, 52% was attributable to commercial projects in the City and the remaining 48% was predominately single family housing permits.



**Intergovernmental revenues** include grants (direct and indirect Federal, state and local), compact revenue from the Muckleshoot Indian Tribe (MIT), intergovernmental service revenues, and state shared revenues. Collections through Q3-2017 totaled \$4.6 million and were \$50,000, or 1.1% higher than budget. Favorable variances in Criminal Justice High Crime revenues and Muckleshoot Casino services reimbursement are offset by the reduced Federal grant revenues received year-to-date. Federal grant reimbursements to date are significantly lower than budget expectations primarily due to delayed hiring of the Police Officers who are to be partially funded by the Federal COPS (Community Oriented Policing Services) grant.

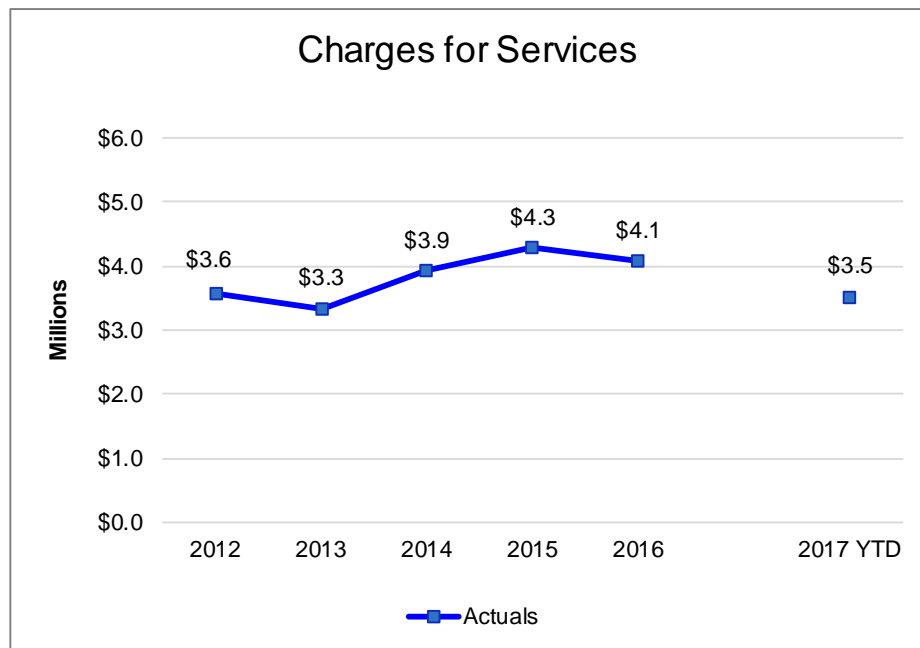
Intergovernmental Revenues (Grants, Entitlements & Services)							
Through September 2017							
Revenue	2016	2017	2017	2017 vs. 2016 Actual		2017 vs. Budget	
	YTD Actual	YTD Budget	YTD Actual	Amount	% Change	Amount	% Change
Federal Grants	\$ 181,274	\$ 367,500	\$ 152,712	\$ (28,563)	(15.8) %	\$ (214,788)	(58.4) %
State Grants	120,966	140,300	143,220	22,254	18.4 %	2,920	2.1 %
Interlocal Grants	28,973	65,000	74,136	45,163	0.0 %	9,136	14.1 %
Muckleshoot Casino Services	496,524	490,667	627,570	131,046	26.4 %	136,903	27.9 %
Intergovernmental Service	17,304	0	0	(17,304)	N/A %	0	N/A %
State Shared Revenues:							
Streamlined Sales Tax	1,443,924	1,430,775	1,432,078	(11,846)	(0.8) %	1,303	0.1 %
Motor Vehicle Fuel Tax	823,044	901,300	844,363	21,318	2.6 %	(56,937)	(6.3) %
Criminal Justice - High Crime	142,628	192,000	338,764	196,137	N/A %	146,764	76.4 %
Criminal Justice - Population	15,480	17,900	16,226	746	4.8 %	(1,674)	(9.3) %
Criminal Justice - Special Prog.	56,494	59,600	58,940	2,446	4.3 %	(660)	(1.1) %
Marijuana Revenues	19,589	25,500	37,871	18,283	93.3 %	12,371	48.5 %
State DUI	8,843	9,000	8,779	(64)	(0.7) %	(221)	(2.5) %
Fire Insurance Tax	76,569	75,000	78,078	1,509	N/A %	3,078	4.1 %
Liquor Excise	259,959	259,200	270,965	11,006	4.2 %	11,765	4.5 %
Liquor Profit	488,220	488,250	488,101	(119)	(0.0) %	(149)	(0.0) %
Total State Shared:	3,334,750	3,458,525	3,574,166	239,416	7.2 %	115,641	3.3 %
YTD Total	\$ 4,179,792	\$ 4,521,992	\$ 4,571,803	\$ 392,012	9.4 %	\$ 49,812	1.1 %





**Charges for Services** consist of general governmental service charges, public safety charges, development service fees, and cultural & recreation fees. Overall, charges for services collected through September 2017 totaled \$3.5 million, which was \$47,000, or 1.4% favorable to budget.

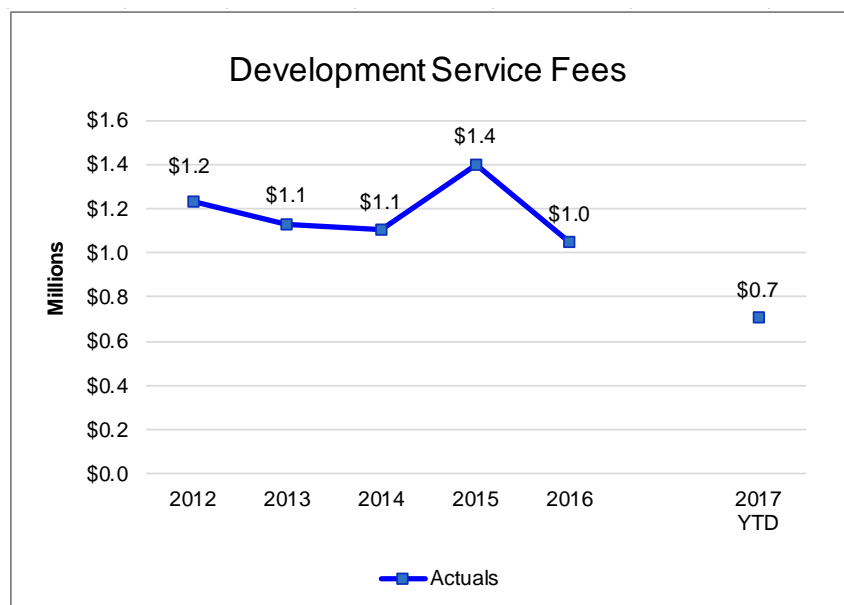
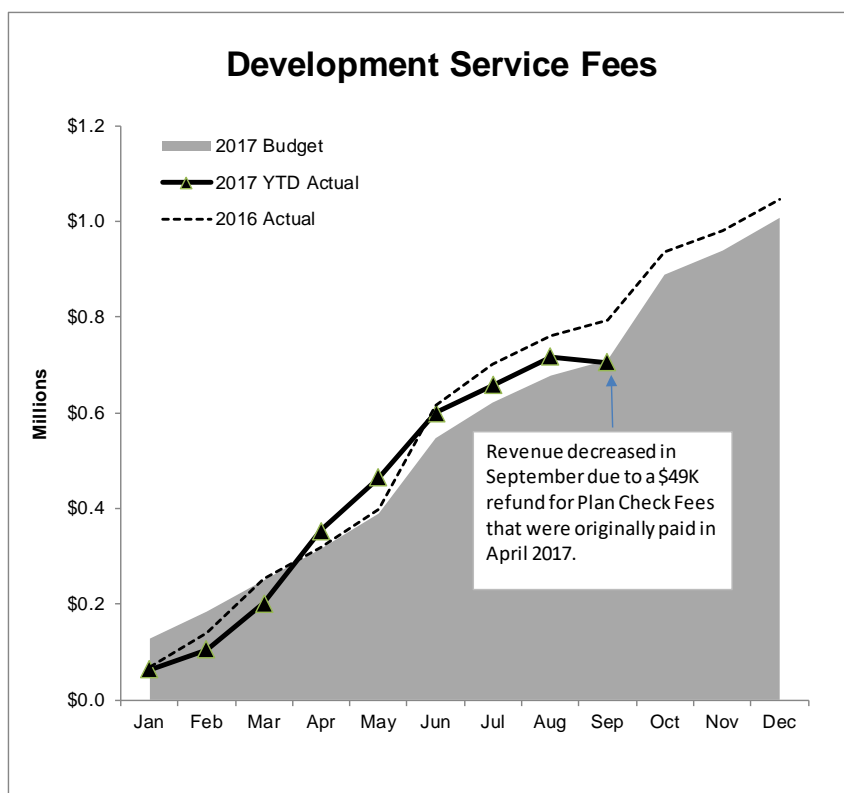
Charges for Services by Type Through September 2017							
Revenue	2016 YTD Actual	2017 YTD Budget	2017 YTD Actual	2017 vs. 2016 Actual		2017 vs. Budget	
				Amount	Percentage	Amount	Percentage
General Government	\$ 61,991	\$ 47,700	\$ 58,880	\$ (3,111)	(5.0) %	\$ 11,180	23.4 %
Public Safety	453,345	660,875	719,522	266,178	58.7 %	58,647	8.9 %
Development Services	794,082	711,700	705,323	(88,759)	(11.2) %	(6,377)	(0.9) %
Culture & Recreation	2,076,505	2,055,600	2,039,089	(37,416)	(1.8) %	(16,511)	(0.8) %
YTD Total	\$ 3,385,923	\$ 3,475,875	\$ 3,522,815	\$ 136,892	4.0 %	\$ 46,940	1.4 %



General governmental revenues collected through September 2017 totaled \$59,000, compared to a budget of \$48,000. This favorability to budget was mostly seen in revenues collected year-to-date for passport services.

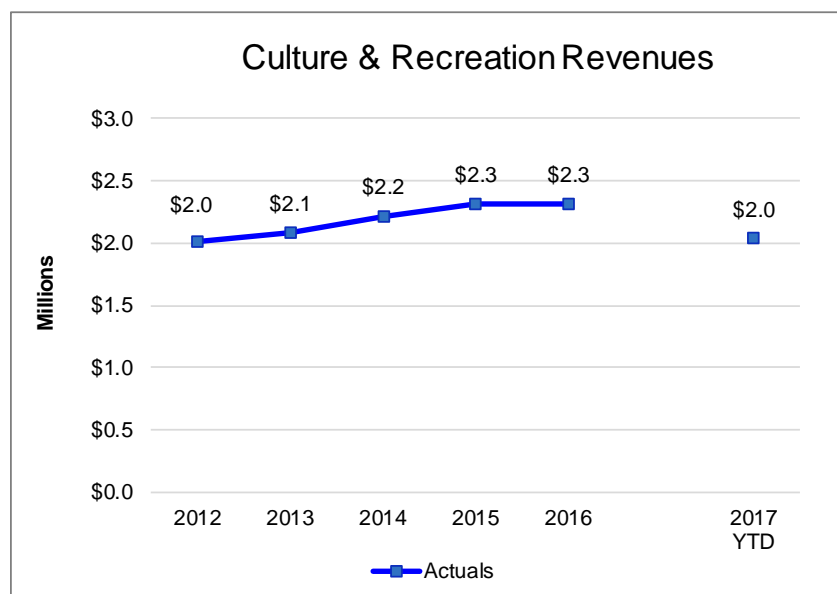
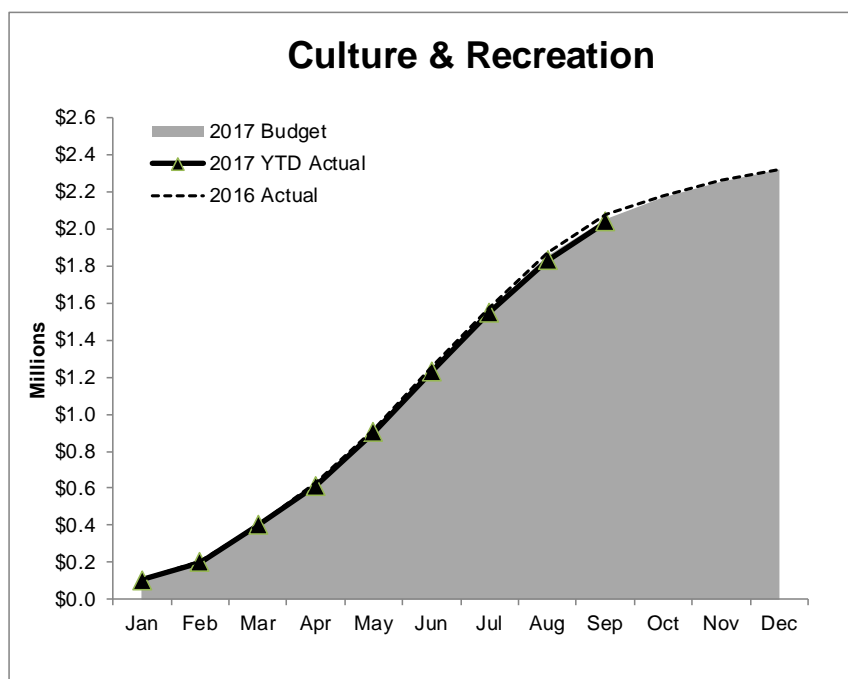
Public safety revenues consist of revenues generated for Police Officer extra duty security services – where officers are contracted for and reimbursement is made by the hiring contractor – as well as revenues generated for reimbursement from the Muckleshoot Indian Tribe (MIT) for a full-time dedicated Police Officer and associated expenditures. Public safety revenues collected through Q3-2017 totaled \$720,000 compared to a budget of \$661,000. Revenues collected through Q3-2017 were \$266,000 higher than what was collected through Q3-2016 predominately due to additional contracted Police Officer extra duty security services compared to the same period last year.

Development services fee collections, which primarily consist of plan check fees, totaled \$705,000 and ended the quarter \$6,000, or 0.9%, under budget expectations. Plan check revenues collected through Q3-2017 totaled \$492,000 and compare to \$587,000 collected the same period last year. Plan check revenues collected in Q3-2017 were primarily from single family housing plan reviews – most notably in the Calla Crest and Canyon Creek housing developments.



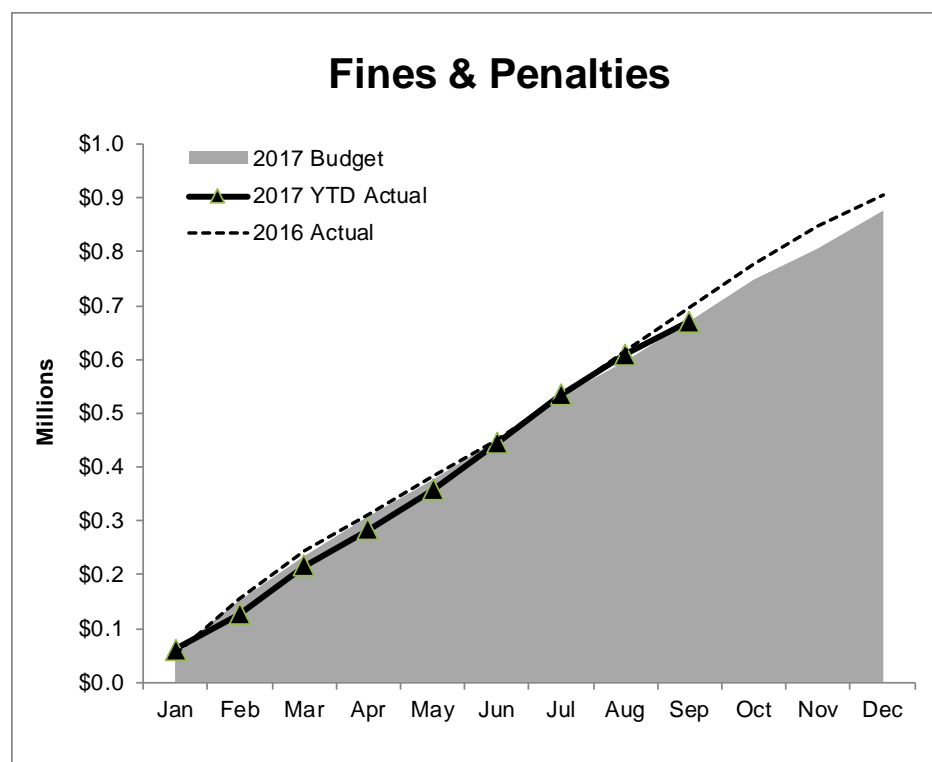
Culture and recreation revenues collected through Q3-2017 totaled \$2.0 million and were \$17,000 (or 0.8%) below budget expectations. The majority of these revenues are derived from greens fees and pro shop sales at the Auburn Golf Course, recreational classes, athletic league fees, and special events.

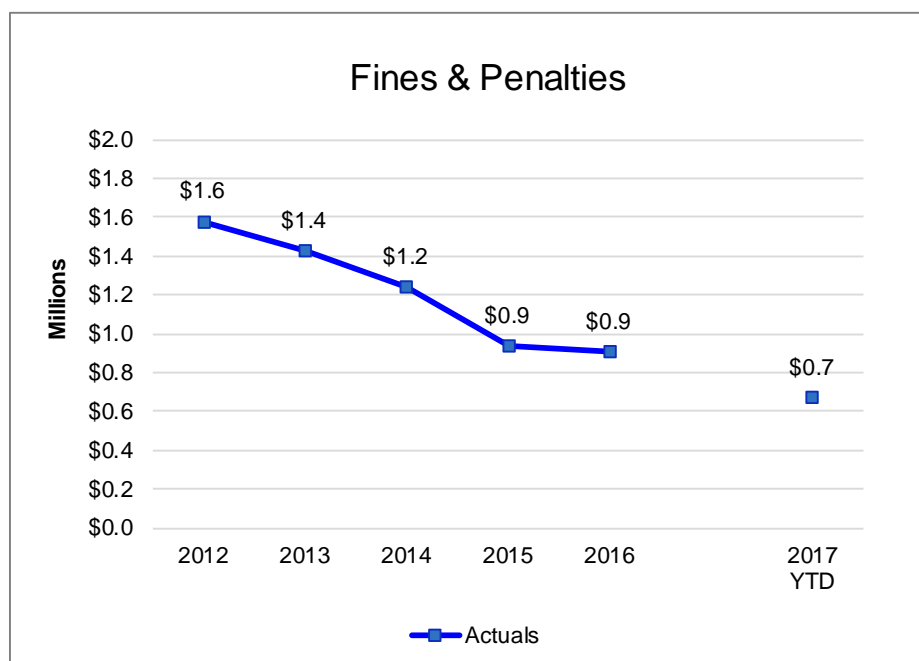
Through Q3-2017, greens fee revenues collected at the Auburn Golf Course were \$89,000, or 8.5% unfavorable to budget and were \$77,000 less than the same period last year. The reduction in green fee revenues was partially offset by favorable variances in special events revenue, which were primarily due to increased revenues collected for vendor fees, increased number of participant registrations, and the increased sales of wrist-bands (for use of inflatables and other attractions) at multiple City events including AuburnFest, Petpalooza, and the 4<sup>th</sup> of July Festival.



**Fines & Penalties** include traffic and parking infraction penalties, criminal fines (including criminal traffic, criminal non traffic and other criminal offenses) as well as non-court fines such as false alarm fines. Total revenues collected through Q3-2017 totaled \$670,000 and were \$1,000, or 0.2%, less than budget.

Fines & Penalties by Type Through September 2017							
Month	2016 YTD Actual	2017 YTD Budget	2017 YTD Actual	2017 vs. 2016 Actual		2017 vs. Budget	
				Amount	Percentage	Amount	Percentage
Civil Penalties	\$ 21,179	\$ 9,200	\$ 6,306	\$ (14,872)	(70.2) %	\$ (2,894)	(31.5) %
Civil Infraction Penalties	358,003	359,700	359,912	1,909	0.5 %	212	0.1 %
Redflex Photo Enforcement	13,550	0	7,793	(5,757)	(42.5) %	7,793	N/A %
Parking Infractions	100,942	110,500	112,412	11,470	11.4 %	1,912	1.7 %
Criminal Traffic Misdemeanor	38,984	34,500	60,707	21,723	55.7 %	26,207	76.0 %
Criminal Non-Traffic Fines	34,146	31,600	23,131	(11,015)	(32.3) %	(8,469)	(26.8) %
Criminal Costs	46,044	32,800	37,501	(8,543)	(18.6) %	4,701	14.3 %
Non-Court Fines & Penalties	83,226	93,200	62,317	(20,909)	(25.1) %	(30,883)	(33.1) %
YTD Total	\$ 696,072	\$ 671,500	\$ 670,078	\$ (25,994)	(3.7) %	\$ (1,422)	(0.2) %





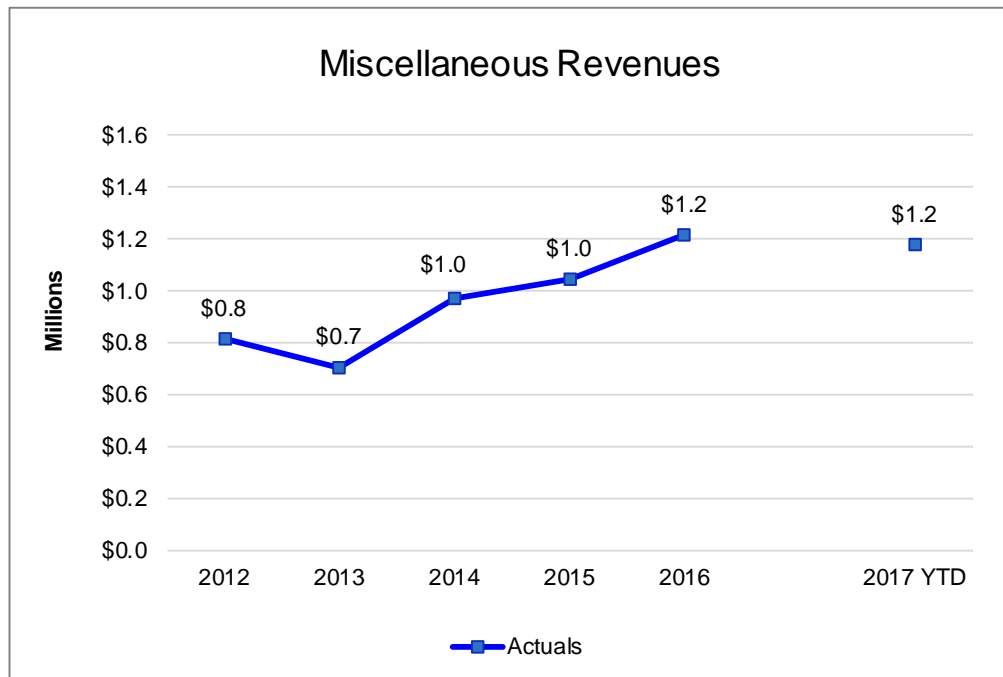
**Miscellaneous revenues** consist of investment earnings, income from facility rentals, contributions & donations, and other income including the quarterly purchasing card (P-card) rebate monies. Total revenues collected in this category through Q3-2017 totaled \$1.2 million and exceeded budget expectations by \$352,000.

Miscellaneous Revenues by Type Through September 2017							
Month	2016 YTD Actual	2017 YTD Budget	2017 YTD Actual	2017 vs. 2016		2017 vs. Budget	
				Amount	Percentage	Amount	Percentage
Interest & Investments	\$ 81,161	\$ 46,600	\$ 161,285	\$ 80,125	98.7 %	\$ 114,685	246.1 %
Rents & Leases	645,327	576,300	720,531	75,204	11.7 %	144,231	25.0 %
Contributions & Donations	26,883	28,500	38,345	11,462	42.6 %	9,845	34.5 %
Other Miscellaneous Revenue	228,553	174,300	257,127	28,573	12.5 %	82,827	47.5 %
YTD Total	\$ 981,925	\$ 825,700	\$ 1,177,288	\$ 195,364	19.9 %	\$ 351,588	42.6 %

Interest and investment income exceeded year-to-date budget expectations by \$115,000, primarily due to the increase in the State Pool interest rate. This interest rate in Q3-2017 averaged 1.1%, which is substantially higher than it has been in the past several years.

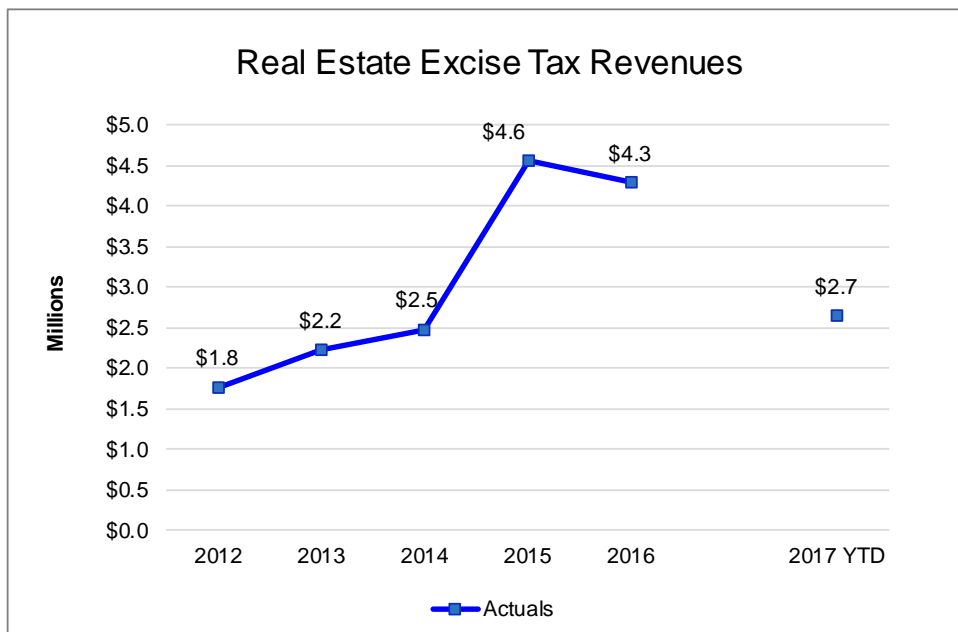
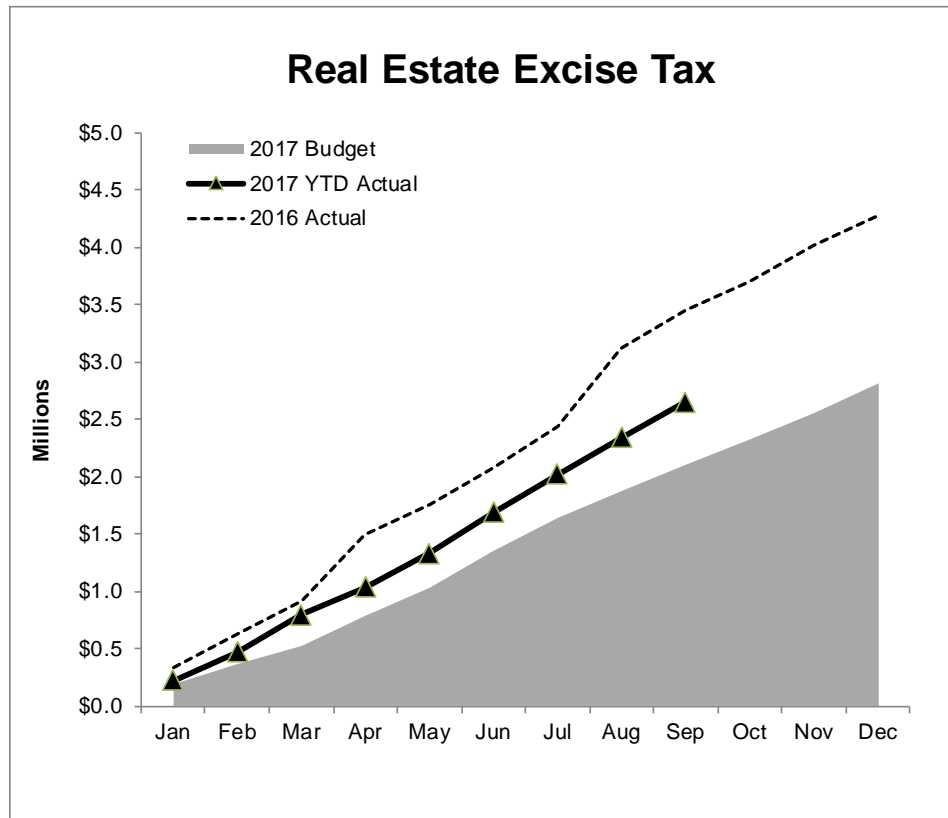
Rents and leases revenue through September 2017 totaled \$721,000 compared to prior year actuals of \$645,000. The majority of the year-over-year increase was seen in facility rentals and parking permit revenues. Facility rental revenue realized a \$44,000 year-over-year increase due primarily to the opening of the new Community and Events Center in mid-2016. In addition, because additional inventory of parking spaces were added in 2017, parking permit revenues collected year-to-date through September 2017 increased by \$20,000 compared to collections through September 2016.

Through Q3-2017 other miscellaneous revenues exceeded budget expectations by \$83,000 which was predominately due to revenues collected in the amount of \$56,000 for code violations, which are unbudgeted.



**Real Estate Excise Tax (REET)** revenue is receipted into the Capital Improvement Projects Fund and is used for governmental capital projects. REET revenues collected through Q3-2017 totaled \$2.7 million, and exceed budget expectations by \$553,000. Real estate sales in the City of Auburn in Q3-2017 represent the sale of both commercial properties and numerous single family residences. The commercial sales include the sale of an automotive dealership, a hotel, vacant land, as well as warehouse and industrial properties.

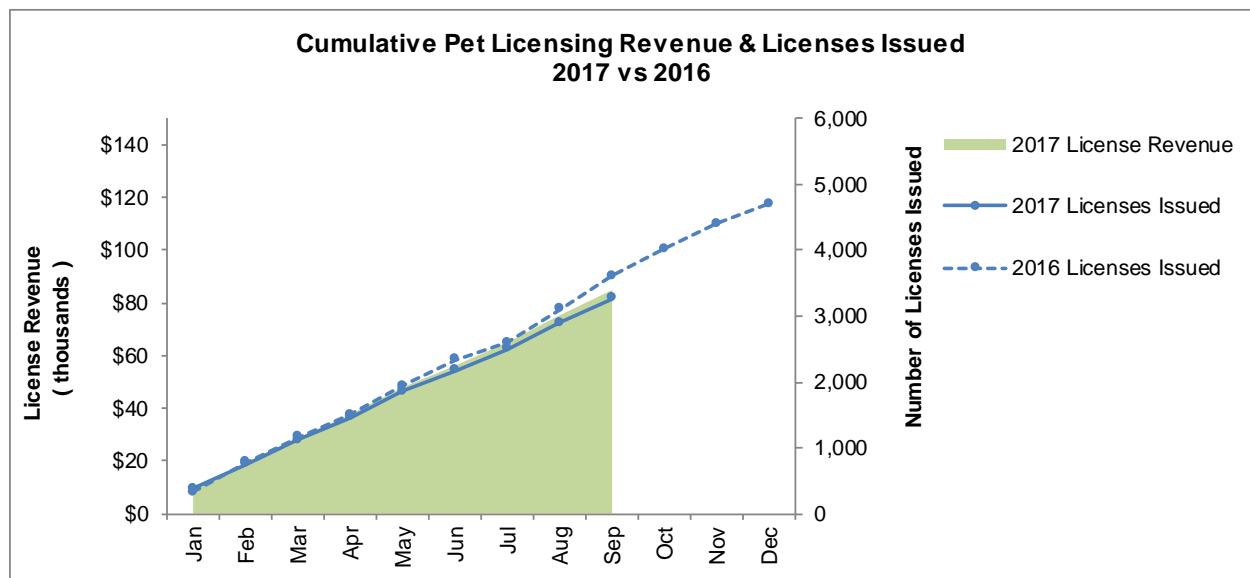
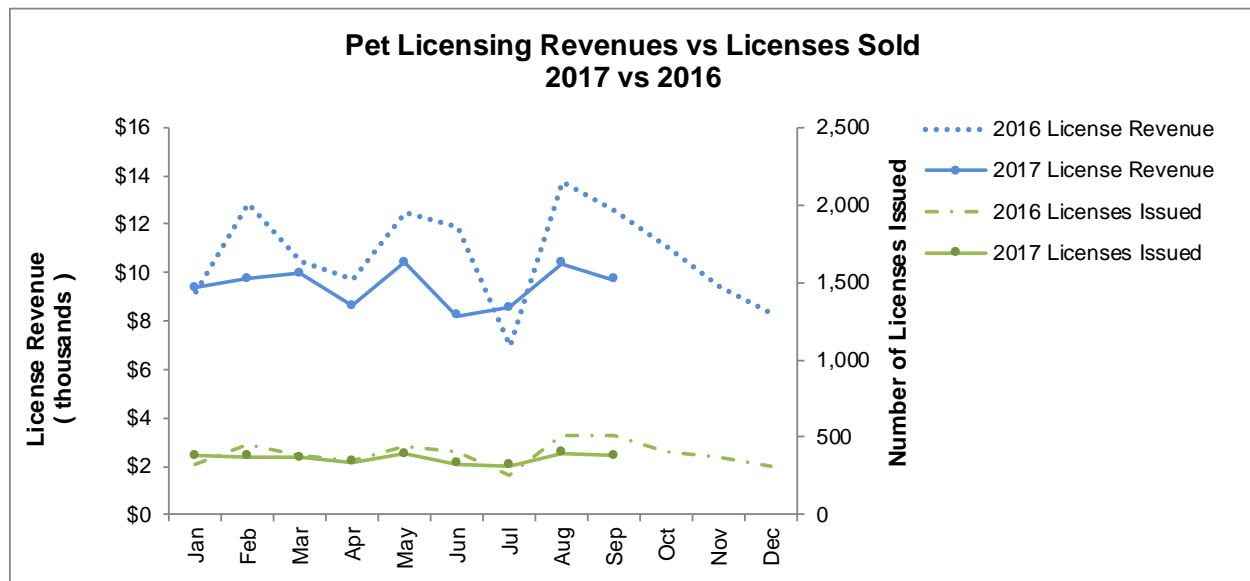
Real Estate Excise Tax Revenues							
September 2017							
Month	2016 Actual	2017 Budget	2017 Actual	2017 vs. 2016		2017 vs. Budget	
				Amount	Percentage	Amount	Percentage
Jan	\$ 339,594	\$ 192,600	\$ 224,044	\$ (115,550)	(34.0) %	\$ 31,444	16.3 %
Feb	286,943	166,800	249,683	(37,261)	(13.0) %	82,883	49.7 %
Mar	293,361	170,800	326,044	32,683	11.1 %	155,244	90.9 %
Apr	574,925	254,200	234,480	(340,445)	(59.2) %	(19,720)	(7.8) %
May	255,078	249,000	299,251	44,173	17.3 %	50,251	20.2 %
Jun	329,081	317,200	353,807	24,727	7.5 %	36,607	11.5 %
Jul	360,857	294,200	330,707	(30,150)	(8.4) %	36,507	12.4 %
Aug	673,012	221,000	325,936	(347,076)	(51.6) %	104,936	47.5 %
Sep	338,340	234,800	309,422	(28,918)	(8.5) %	74,622	31.8 %
Oct	249,714	226,300	0	(249,714)	(100.0) %	(226,300)	(100.0) %
Nov	321,895	230,200	0	(321,895)	(100.0) %	(230,200)	(100.0) %
Dec	262,543	252,900	0	(262,543)	(100.0) %	(252,900)	(100.0) %
YTD Total	\$ 3,451,191	\$ 2,100,600	\$ 2,653,374	\$ (797,817)	(23.1) %	\$ 552,774	26.3 %
Annual Total	\$ 4,285,344	\$ 2,810,000					



## Pet Licensing

Through the third quarter, 3,271 pet licenses were sold, resulting in \$84,925 in revenue.

Through Q3-2016, 3,616 licenses were sold, resulting in \$99,925 in revenue.





## Street Funds

This section provides a financial overview of the City's three street funds for the quarter ending September 30, 2017. 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). The capital project expenditures in these funds are budgeted primarily based on historical actual revenue and expenditure distributions for the prior six years.

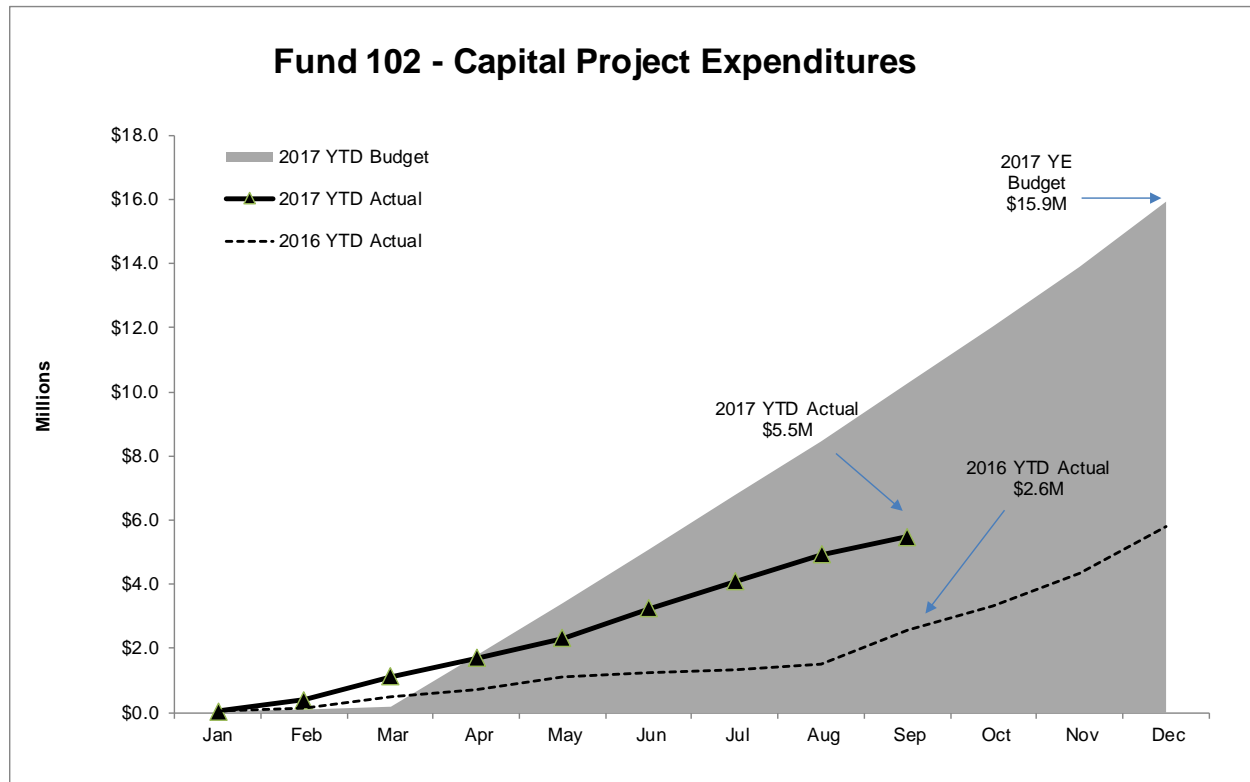
### Fund 102 – Arterial Street Fund

The Arterial Street Fund is a Special Revenue Fund that is funded by transportation grants, traffic impact fees, a portion of the City's gas tax receipts, Public Works Trust Fund loans, developer contributions, and other sources. As of September 30, 2017 there were 28 separate street projects budgeted in this fund for 2017.

Through September 30, 2017, revenues collected totaled \$5.4 million and compare to collections of \$2.3 million through Q3-2016. This variance is largely due to the timing of capital expenditures and their subsequent reimbursement via federal grants. Total expenditures through Q3-2017 were \$5.9 million and compare to \$3.0 million spent through the same period last year. The increase from YTD 2016 to 2017 is based on increased construction activity as budgeted multi-year projects move from the design phase to the construction phase, where most expenditures occur.

Fund 102 - Arterial Street  Summary of Sources and Uses  Report Period: September 2017	2017			2016	2017 YTD Budget vs. Actual	
	Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable) Amount	Percentage
<b>Revenues</b>						
Federal Grants	\$ 7,054,082	\$ 4,655,431	\$ 2,893,962	\$ 493,143	\$ (1,761,469)	(37.8) %
State Grants	2,995,210	1,996,807	906,031	198,554	(1,090,776)	(54.6) %
Motor Vehicle Fuel and Multimodal Taxes	583,000	430,790	428,672	432,411	(2,118)	(0.5) %
Developer Contributions	809,221	547,814	222,575	188,781	(325,239)	(59.4) %
Miscellaneous Revenue	466,191	310,794	-	64,862	(310,794)	(100.0) %
Other Governmental Agencies	-	-	-	-	-	
Public Works Trust Fund Loans	-	-	-	-	-	
Operating Transfer In	3,420,622	2,356,637	977,326	943,207	(1,379,311)	(58.5) %
Investment Income	2,600	2,150	7,419	5,478	5,270	245.2 %
<b>Total Revenues</b>	<b>\$ 15,330,926</b>	<b>\$ 10,300,422</b>	<b>\$ 5,435,984</b>	<b>\$ 2,326,435</b>	<b>\$ (4,864,437)</b>	<b>(47.2) %</b>
<b>Expenditures</b>						
Salary and Benefits	\$ 285,000	\$ 206,275	\$ 485,008	\$ 355,490	\$ (278,733)	(135.1) %
Capital Outlay	15,658,112	10,068,040	4,999,122	2,216,277	5,068,918	50.3 %
Subtotal - Capital Project Expenditures	15,943,112	10,274,314	5,484,129	2,571,766	4,790,185	46.6 %
Services and Charges	285,000	195,017	149,753	187,898	45,265	23.2 %
Interfund Payments for Services	76,681	57,511	57,510	55,917	1	0.0 %
Debt Service Principal and Interest	209,511	209,511	209,511	210,205	0	0.0 %
Operating Transfer Out	15,046	10,419	6,605	-	3,814	36.6 %
<b>Total Expenditures</b>	<b>\$ 16,529,350</b>	<b>\$ 10,746,773</b>	<b>\$ 5,907,508</b>	<b>\$ 3,025,786</b>	<b>\$ 4,839,265</b>	<b>45.0 %</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,198,424)</b>	<b>\$ (446,351)</b>	<b>\$ (471,523)</b>	<b>\$ (699,351)</b>	<b>\$ (25,172)</b>	<b>5.6 %</b>

Beg. Fund Balance, January 2017	\$ 2,655,913
Net Change in Fund Balance, September 2017	(471,523)
Ending Fund Balance, September 2017	<u>\$ 2,184,390</u>
2017 Budgeted Ending Fund Balance	\$ 1,457,489



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

Fund 102 - Arterial Street			
Capital Projects Status			
Name	Annual Budget	YTD Actual	Remaining
W. Main St Multimodal Corridor & ITS Imp	\$1.6M	\$1.3M	\$0.2M
S. 277th St Corridor Improvements	\$4.3M	\$1.5M	\$2.8M
AWS Corridor Safety Imp. -- Muckleshoot Pl.	\$3.5M	\$1.6M	\$1.8M
All Other Projects (25 Others Budgeted)	\$6.6M	\$1.0M	\$5.6M
<i>Total</i>	\$15.9M	\$5.5M	\$10.5M

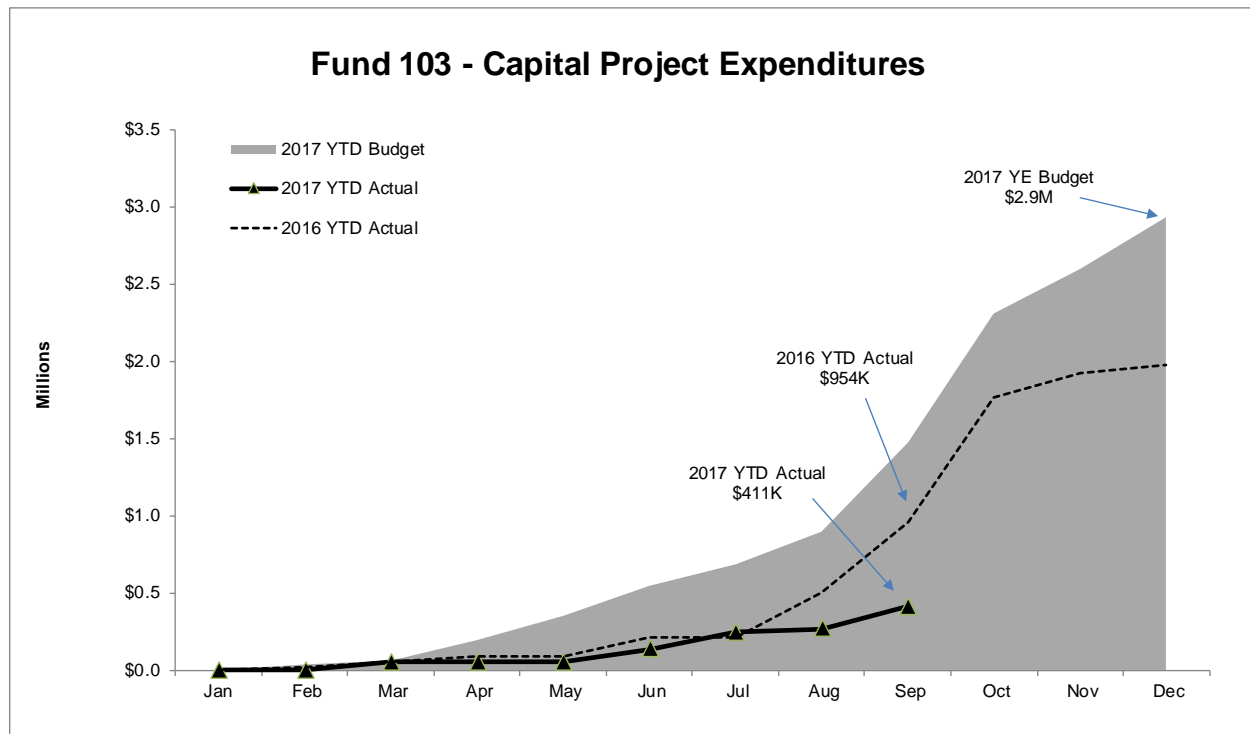
**Notes:**

- W. Main St. Multimodal Corridor & ITS Improvements is nearing completion.
- S 277<sup>th</sup> Street Corridor Improvements is currently under construction.
- AWS Corridor Safety Improvements is currently under construction.
- Of the remaining projects in this fund: nine are in construction, two are partnership projects with other entities that are delayed until 2018 due to the construction schedule of the other agencies, and one is a grant-funded project that was delayed by Puget Sound Regional Council until 2019. These represent approximately \$4.9M of the remaining projects.

## Fund 103 – Local Street Fund

The Local Street Fund is a Special Revenue Fund where the revenue from sales taxes on construction are used for local street preservation. Through Q3-2017 the revenues in this fund totaled \$2.0 million, exceeding budget expectations by \$619,000 due to higher than anticipated sales tax revenues from local construction projects. This compares to collections of \$1.8 million through Q3-2016. Total expenditures through Q3-2017 were \$538,000 and compare to expenditures of \$1.1M through Q3-2016. Historically, well over half of this fund's annual expenditures occur in the final four months of each year due to the weather sensitivity of pavement construction (this work needs to be done primarily in the summer and early fall). Highlighted in the table below and the following graph are the subset of the fund's total expenditures related to capital projects.

Fund 103 - Local Street Fund  Summary of Sources and Uses  Report Period: September 2017	2017			2016	2017 YTD Budget vs. Actual	
	Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable)	
					Amount	Percentage
<b>Revenues</b>						
Sales Tax on Construction	\$ 1,750,000	\$ 1,241,003	\$ 1,844,760	\$ 1,651,379	\$ 603,757	48.7 %
Operating Transfer In	150,000	150,000	150,000	150,000	-	0.0 %
Interest Earnings	9,100	6,685	22,129	8,501	15,444	231.0 %
<b>Total Revenues</b>	<b>\$ 1,909,100</b>	<b>\$ 1,397,688</b>	<b>\$ 2,016,889</b>	<b>\$ 1,809,880</b>	<b>\$ 619,202</b>	<b>44.3 %</b>
<b>Expenditures</b>						
Salary and Benefits	\$ 148,568	\$ 105,364	\$ 92,810	\$ 89,919	\$ 12,553	11.9 %
Capital Project Expenditures	2,933,969	1,471,405	410,911	953,978	1,060,494	72.1 %
Services and Charges	25,680	17,169	19,791	532	(2,622)	(15.3) %
Interfund Payments for Services	11,925	8,944	8,937	9,180	7	0.1 %
Operating Transfer Out	11,051	7,423	5,766	-	1,657	22.3 %
<b>Total Expenditures</b>	<b>\$ 3,131,193</b>	<b>\$ 1,610,304</b>	<b>\$ 538,216</b>	<b>\$ 1,053,610</b>	<b>\$ 1,072,089</b>	<b>66.6 %</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,222,093)</b>	<b>\$ (212,617)</b>	<b>\$ 1,478,674</b>	<b>\$ 756,270</b>	<b>\$ 1,691,290</b>	<b>(795.5) %</b>
Beg. Fund Balance, January 2017	\$ 2,424,727					
Net Change in Fund Balance, September 2017	1,478,674					
Ending Fund Balance, September 2017	<u>\$ 3,903,401</u>					
2017 Budgeted Ending Fund Balance	\$ 1,202,634					



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

<b>Fund 103 - Local Street</b>			
<b>Capital Projects Status</b>			
<b>Name</b>	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Remaining</b>
2016 Local Street Pavement Reconst.	\$0.1M	\$0.1M	\$0.0M
2017 Local St. Reconst. & Preservation	\$2.9M	\$0.3M	\$2.5M
<i>Total</i>	\$2.9M	\$0.4M	\$2.5M

**Notes:**

- 2016 Local Street Reconstruction Project received Final Acceptance by the City Council on April 17, 2017 and is now complete.
- 2017 Local Street Reconstruction Project was awarded for construction by the City Council on July 3, 2017 and is currently under construction.

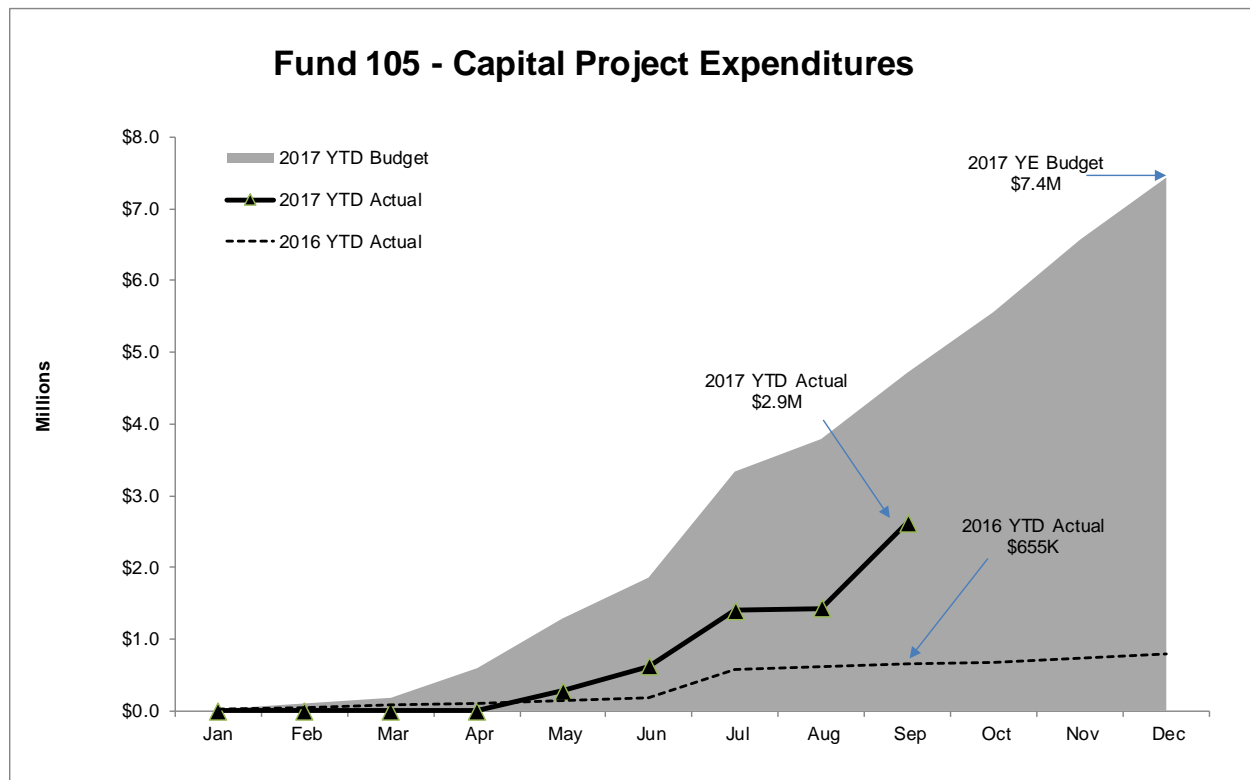
## Fund 105 – Arterial Street Preservation Fund

The Arterial Street Preservation Fund is a Special Revenue Fund which is primarily funded by a 1.0% utility tax that was adopted by Council in 2008; these utility tax revenues are restricted for arterial street repair and preservation projects. Major projects budgeted within the Arterial Street Preservation Fund in 2017 include 15<sup>th</sup> Street NE/NW Preservation, Auburn Way North Preservation, and the B Street NW Reconstruction project. Through Q3-2017 revenues totaled \$2.3 million and compare to collections of \$1.6 million through Q3-2016.

Total expenditures through Q3-2017 were \$2.9M, which compares to expenditures of \$862,000 through Q3-2016. This increase is due to projects carried forward from the prior year which are under construction currently. 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 the following graph are the subset of the fund's total expenditures related to capital projects.

Fund 105 - Arterial Street Preservation  Summary of Sources and Uses  Report Period: September 2017	2017			2016	2017 YTD Budget vs. Actual	
	Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable)	
					Amount	Percentage
<b>Revenues</b>						
City Utility Tax	\$ 632,300	\$ 467,079	\$ 480,821	\$ 483,531	\$ 13,743	2.9 %
Electric Utility Tax	712,000	553,018	570,153	546,703	17,134	3.1 %
Natural Gas Utility Tax	200,200	177,665	192,043	166,619	14,378	8.1 %
Cable TV Tax	194,300	144,671	156,731	147,046	12,060	8.3 %
Telephone Utility Tax	290,400	222,326	211,142	228,965	(11,184)	(5.0) %
Garbage Utility Tax (External Haulers)	19,400	14,550	16,017	15,498	1,467	10.1 %
Grants	2,354,398	1,069,426	508,325	843	(561,100)	(52.5) %
Developer Mitigation Fees	-	-	-	-	-	-
Operating Transfer In	431,750	312,833	131,750	30,932	(181,083)	(57.9) %
Interest Earnings	4,900	3,675	20,536	6,673	16,861	458.8 %
<b>Total Revenues</b>	<b>\$ 4,839,648</b>	<b>\$ 2,965,243</b>	<b>\$ 2,287,518</b>	<b>\$ 1,626,809</b>	<b>\$ (677,725)</b>	<b>(22.9) %</b>
<b>Expenditures</b>						
Salary and Benefits	\$ 368,000	\$ 251,650	\$ 301,737	\$ 206,327	\$ (50,087)	(19.9) %
Capital Outlay	7,071,019	4,457,460	2,626,020	448,274	1,831,440	41.1 %
Subtotal - Capital Project Expenditures	7,439,019	4,709,110	2,927,757	654,601	1,781,352	37.8 %
Supplies	-	-	-	-	-	-
Services and Charges	-	-	-	37,525	-	-
Operating Transfer Out	56,535	37,690	14,141	170,276	23,549	62.5
<b>Total Expenditures</b>	<b>\$ 7,495,554</b>	<b>\$ 4,746,800</b>	<b>\$ 2,941,899</b>	<b>\$ 862,402</b>	<b>\$ 1,804,901</b>	<b>38.0 %</b>
<b>Net Change in Fund Balance</b>	<b>\$ (2,655,906)</b>	<b>\$ (1,781,557)</b>	<b>\$ (654,380)</b>	<b>\$ 764,407</b>	<b>\$ 1,127,176</b>	<b>(63.3) %</b>

Beg. Fund Balance, January 2017	\$ 3,269,631
Net Change in Fund Balance, September 2017	(654,380)
Ending Fund Balance, September 2017	\$ 2,615,251
2017 Budgeted Ending Fund Balance	\$ 613,725



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

Fund 105 - Arterial Street Preservation			
Capital Projects Status			
Name	Annual Budget	YTD Actual	Remaining
15th St NE/NW Preservation	\$1.5M	\$0.0M	\$1.5M
Auburn Way North Preservation	\$1.7M	\$1.5M	\$0.2M
B Street NW Reconstruction	\$2.7M	\$0.4M	\$2.3M
All Other Projects (4 Others Budgeted)	\$1.4M	\$1.0M	\$0.5M
<i>Total</i>	\$7.4M	\$2.9M	\$4.5M

**Notes:**

- Auburn Way North Preservation is nearing completion.
- B Street NW Reconstruction was awarded for construction by the City Council on June 19, 2017 and is currently under construction.
- 15<sup>th</sup> Street NE/NW Preservation project construction will be delayed until 2018 due to the Puget Sound Regional Council's (PSRC's) modification of the Grant's obligation year to FY 2018. This revision was part of a region wide effort to address federal grant funding restrictions for FY 2017, 2018, 2019 and 2020, and means that funds cannot be expended until 2018.

The Mitigation Fees Fund is a Special Revenue Fund funded from revenue from new development, which is assessed at the time applications are received for development activity. These funds are used to mitigate costs associated with City growth. Through Q3-2017, revenues were above budget expectations, at 130.5% of the annual budgeted amount. Projects contributing substantially to these revenues include North Auburn Logistics and Holiday Inn Express. Expenditures were below budget due to the timing of capital projects funded by these revenues, which historically occur during the second half of the year when conditions are more favorable for construction.

Fund 124 - Mitigation Fees Summary of Sources and Uses				BUDGET		
Report Period Through: September 2017				Ending Fund Balance		
	Revenues	Expenditures	Ending Fund Balance	Revenues	Expenditures	Ending Fund Balance
Transportation Impact Fees	\$ 1,630,661	\$ 912,523	\$ 5,872,433	\$ 800,000	\$ 3,264,472	\$ 2,689,823
Transportation Mitigation Fees	67,877	-	332,154	-	30,000	234,277
Fire Impact Fees	172,484	-	472,295	100,000	50,000	349,811
Fire Mitigation Fees	-	-	81	-	-	81
Parks Impact Fees	549,576	107,216	5,248,793	600,000	612,000	4,794,434
Parks Mitigation Fees	-	-	331,327	-	-	331,327
School Impact Admin Fees	7,640	-	54,560	12,000	-	58,920
Wetland Mitigation Fees	-	-	68,835	-	31,570	37,265
Interest and Investment Income	77,421	-	77,421	8,200	-	8,200
Fees in Lieu of Improvements	-	-	122,525	-	-	122,525
Operating Transfers	-	-	-	400,000	-	400,000
Total	\$ 2,505,659	\$ 1,019,739	\$ 12,580,424	\$ 1,920,200	\$ 3,988,042	\$ 9,026,663

Beginning Fund Balance, January 2017	\$ 11,094,505
Net Change in Fund Balance, September 2017	1,485,919
Ending Fund Balance, September 2017	\$ 12,580,424
2017 Budgeted Ending Fund Balance	\$ 9,026,663

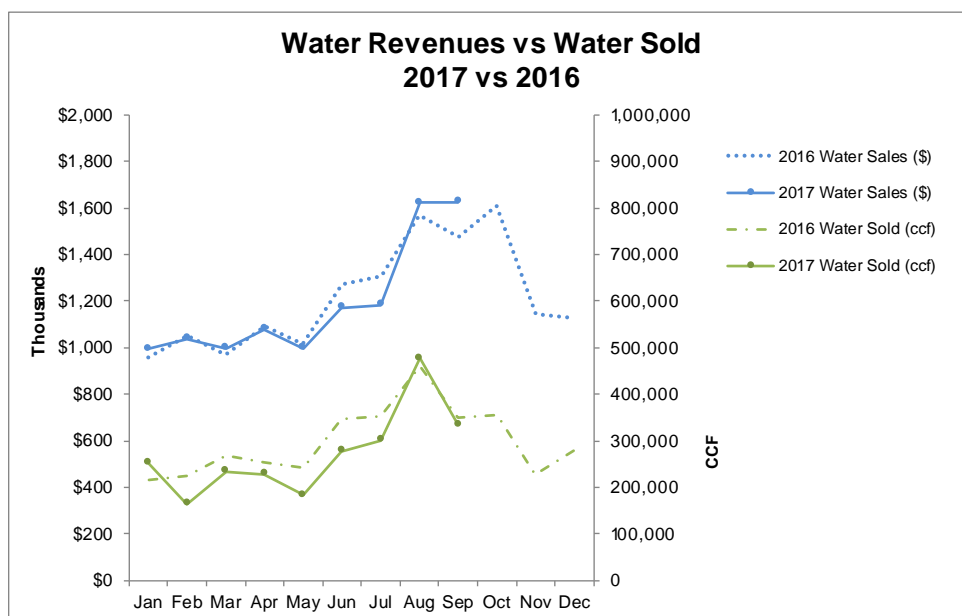
## Enterprise Funds

Detailed income and expense statements for Enterprise and Internal Service funds can be found in the Appendices at the end of this report. The format changed in Q1-2016 and, in lieu of a working capital statement, there are now operating and, 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.

Working capital was moved from the operating funds to the capital funds along with other beginning fund balance adjustments. System development revenues previously credited to the operating funds are now directed to the corresponding capital funds.

Through Q3-2017, the **Water Utility** had operating income before depreciation of \$4.1 million as compared with \$3.5 million through Q3-2016. Revenues ended the quarter slightly ahead of budget expectations. The increase in operating income is largely due to lower expenditures in 2017 compared to 2016, during which the City purchased regional water from the City of Tacoma while four of the City's six major production wells were being rehabilitated. Regional water purchases in 2017 have been minimal compared to the prior year.

Water sales by volume through Q3-2017 totaled 2.4 million hundred cubic feet (ccf), compared to 2.7 million ccf in 2016, representing a 9.71% decrease due to lower water consumption. This is part of a general trend of decreased year-over-year water consumption per account due largely to conservation efforts and appliance efficiency improvements. Additionally, the City has not provided water to Water District #111 since its contract was renegotiated; last year, sales to Water District #111 represented 11.3% of water sales by volume.



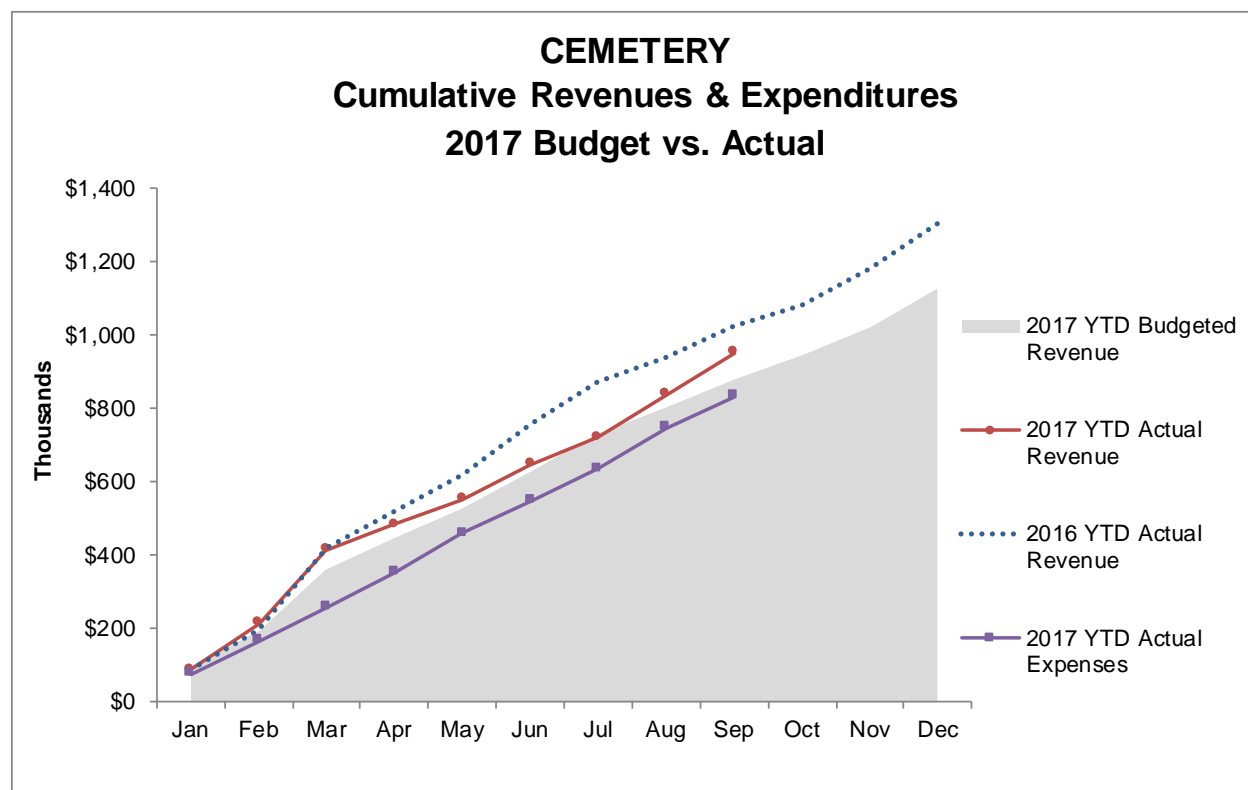


The **Sewer Utility** finished Q3-2017 with operating income before depreciation of \$1.7 million as compared to operating income of \$1.6 million through Q3-2016 due primarily to higher service revenues in 2017.

The **Sewer-Metro Utility** ended the third quarter with operating income before depreciation of \$243,000, as compared with \$235,000 in Q3-2016. Variances in this fund are largely due to King County's internal billing process, by which King County bills the City a flat rate each quarter based on the number of customers and consumption volume averaged over prior quarters. Therefore, the Sewer-Metro Utility generally experiences a loss early in the year when revenues trend low, and income later in the year when revenues trend higher. The Sewer-Metro Utility is expected to end the year with positive operating income, consistent with prior years.

The **Stormwater Utility** ended Q3-2017 with operating income before depreciation of \$2.1 million, compared with \$2.0 million through Q3-2016. The difference is largely due to higher service revenues in 2017.

The **Cemetery Fund** ended Q3-2017 with an operating income of \$120,000 as compared with an operating income of \$168,000 in through Q3-2016. This variance is mainly due to lower revenue from lot sales and markers, both of which already exceed annual budgeted amounts, but are low compared to the exceptional numbers in the prior year. Year-to-date revenues ended the quarter ahead of budget predictions by approximately \$70,000 or 6.2%.



**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 2017. As a result, the expenditure balance will gradually diminish each month throughout the year.

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

**Contact Information**

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

**City of Auburn  
Investment Portfolio Summary  
September 30, 2017**

Investment Type	Purchase Date	Purchase Price	Maturity Date	Yield to Maturity
State Investment Pool	Various	\$ 128,655,713	Various	1.13%
KeyBank Money Market	Various	4,610,004	Various	0.02%
FNMA	3/11/2016	998,844	2/22/2019	1.20%
LAKUTL	9/25/2013	235,919	11/1/2017	1.90%
Total Cash & Investments		<b>\$ 134,500,480</b>		<b>1.093%</b>

Investment Mix	% of Total	Summary	
State Investment Pool	95.7%	Current 6-month treasury rate	1.17%
KeyBank Money Market	3.4%	Current State Pool rate	1.13%
US Treasury	0.0%	KeyBank Money Market	0.02%
FNMA	0.7%		
LAKUTL	0.2%		
	<b>100.0%</b>		

SALES TAX SUMMARY

SEPTEMBER 2017 SALES TAX DISTRIBUTIONS (FOR JULY 2017 RETAIL ACTIVITY)

NAICS	CONSTRUCTION	2016 Annual Total (Nov '15-Oct '16)	2016 YTD (Nov '15-Jul '16)	2017 YTD (Nov '16-Jul '17)	YTD % Diff
236	Construction of Buildings	1,139,466	798,884	1,049,044	31.3%
237	Heavy and Civil Construction	309,344	229,621	138,807	-39.5%
238	Specialty Trade Contractors	843,470	622,874	656,909	5.5%
TOTAL CONSTRUCTION		\$ 2,292,280	\$ 1,651,379	\$ 1,844,760	11.7%
Overall Change from Previous Year				\$ 193,382	

NAICS	MANUFACTURING	2016 Annual Total (Nov '15-Oct '16)	2016 YTD (Nov '15-Jul '16)	2017 YTD (Nov '16-Jul '17)	YTD % Diff
311	Food Manufacturing	3,278	2,485	3,763	51.4%
312	Beverage and Tobacco Products	9,601	7,153	5,000	-30.1%
313	Textile Mills	415	219	134	-38.9%
314	Textile Product Mills	3,554	2,157	1,129	-47.6%
315	Apparel Manufacturing	155	146	147	1.2%
316	Leather and Allied Products	38	32	31	-3.2%
321	Wood Product Manufacturing	58,391	45,860	12,359	-73.1%
322	Paper Manufacturing	8,047	5,475	11,034	101.6%
323	Printing and Related Support	52,610	40,523	41,083	1.4%
324	Petroleum and Coal Products	2,145	1,902	777	-59.2%
325	Chemical Manufacturing	10,183	6,034	12,473	106.7%
326	Plastics and Rubber Products	8,168	6,439	6,468	0.4%
327	Nonmetallic Mineral Products	17,429	12,750	13,785	8.1%
331	Primary Metal Manufacturing	442	295	583	97.7%
332	Fabricated Metal Product Manuf	29,409	23,415	22,676	-3.2%
333	Machinery Manufacturing	16,461	12,686	14,409	13.6%
334	Computer and Electronic Product	10,780	8,508	16,958	99.3%
335	Electric Equipment, Appliances	445	350	873	149.1%
336	Transportation Equipment Man	471,441	381,562	322,157	-15.6%
337	Furniture and Related Products	18,661	13,358	17,001	27.3%
339	Miscellaneous Manufacturing	39,437	31,315	20,969	-33.0%
TOTAL MANUFACTURING		\$ 761,091	\$ 602,662	\$ 523,810	-13.1%
Overall Change from Previous Year				\$ (78,852)	

NAICS	TRANSPORTATION AND WAREHOUSING	2016 Annual Total (Nov '15-Oct '16)	2016 YTD (Nov '15-Jul '16)	2017 YTD (Nov '16-Jul '17)	YTD % Diff
481	Air Transportation	1	1	2	61.8%
482	Rail Transportation	24,331	9,679	19,425	100.7%
484	Truck Transportation	7,067	2,756	2,669	-3.2%
485	Transit and Ground Passengers	114	67	-3,390	-5131.0%
488	Transportation Support	52,828	41,861	39,746	-5.1%
491	Postal Service	274	196	209	6.8%
492	Couriers and Messengers	301	192	1,125	485.4%
493	Warehousing and Storage	14,523	11,210	9,265	-17.4%
TOTAL TRANSPORTATION		\$ 99,439	\$ 65,962	\$ 69,050	4.7%
Overall Change from Previous Year				\$ 3,088	

NAICS	WHOLESALE TRADE	2016 Annual Total (Nov '15-Oct '16)	2016 YTD (Nov '15-Jul '16)	2017 YTD (Nov '16-Jul '17)	YTD % Diff
423	Wholesale Trade, Durable Goods	981,820	718,538	782,910	9.0%
424	Wholesale Trade, Nondurable	281,166	210,485	198,873	-5.5%
425	Wholesale Electronic Markets	1,991	1,675	3,948	135.8%
TOTAL WHOLESALE		\$ 1,264,976	\$ 930,697	\$ 985,731	5.9%
Overall Change from Previous Year				\$ 55,033	

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

- a. WA State Dept of Revenue audit adjustment to sales tax returns for period of November 2015 (adjustment: \$10,572).  
b. WA State Dept of Revenue audit adjustment to sales tax returns for period of April 2016 (adjustment: - \$52,898).  
c. WA State Dept of Revenue audit adjustment to sales tax returns for period of May 2016 (adjustment: - \$16,496).  
d. WA State Dept of Revenue audit adjustment to sales tax returns for period of April 2017 (adjustment: - \$29,746).

NAICS	AUTOMOTIVE	2016 Annual Total (Nov '15-Oct '16)	2016 YTD (Nov '15-Jul '16)	2017 YTD (Nov '16-Jul '17)	YTD % Diff
441	Motor Vehicle and Parts Dealer	3,409,019	2,563,887	2,686,816	4.8%
447	Gasoline Stations	250,478	182,379	194,420	6.6%
TOTAL AUTOMOTIVE		\$ 3,659,497	\$ 2,746,266	\$ 2,881,236	4.9%
Overall Change from Previous Year				\$ 134,970	

NAICS	RETAIL TRADE	2016 Annual Total (Nov '15-Oct '16)	2016 YTD (Nov '15-Jul '16)	2017 YTD (Nov '16-Jul '17)	YTD % Diff
442	Furniture and Home Furnishings	185,234	135,870 c	148,394	9.2%
443	Electronics and Appliances	220,553	175,342	152,928	-12.8%
444	Building Material and Garden	579,076	434,761	432,287	-0.6%
445	Food and Beverage Stores	397,177	298,973 a	277,210	-7.3%
446	Health and Personal Care Store	284,191	202,426	278,053	37.4%
448	Clothing and Accessories	1,136,431	835,833	823,174 d	-1.5%
451	Sporting Goods, Hobby, Books	237,555	189,123	147,826	-21.8%
452	General Merchandise Stores	1,017,905	770,897	760,849	-1.3%
453	Miscellaneous Store Retailers	473,398	356,739	351,082	-1.6%
454	Nonstore Retailers	321,071	236,928	280,101	18.2%
TOTAL RETAIL TRADE		\$ 4,852,592	\$ 3,636,892	\$ 3,651,905	0.4%
Overall Change from Previous Year				\$ 15,013	

NAICS	SERVICES	2016 Annual Total (Nov '15-Oct '16)	2016 YTD (Nov '15-Jul '16)	2017 YTD (Nov '16-Jul '17)	YTD % Diff
51*	Information	630,158	461,338	498,272	8.0%
52*	Finance and Insurance	110,728	83,165	88,190	6.0%
53*	Real Estate, Rental, Leasing	358,628	269,926	270,980	0.4%
541	Professional, Scientific, Tech	237,656	175,612	176,597	0.6%
551	Company Management	330	307	12	-96.2%
56*	Admin. Supp., Remed Svcs	328,453	256,106	206,016	-19.6%
611	Educational Services	50,026	36,214	36,688	1.3%
62*	Health Care Social Assistance	91,643	75,015	57,945	-22.8%
71*	Arts and Entertainment	156,301	133,281	80,275	-39.8%
72*	Accommodation and Food Svcs	1,217,734	895,831	940,434	5.0%
81*	Other Services	646,579	519,028	407,786	-21.4%
92*	Public Administration	141,806	112,614	125,861	11.8%
TOTAL SERVICES		\$ 3,970,042	\$ 3,018,436	\$ 2,889,056	-4.3%
Overall Change from Previous Year				\$ (129,380)	

NAICS	MISCELLANEOUS	2016 Annual Total (Nov '15-Oct '16)	2016 YTD (Nov '15-Jul '16)	2017 YTD (Nov '16-Jul '17)	YTD % Diff
000	Unknown	0	0	0	N/A
111-115	Agriculture, Forestry, Fishing	5,534	4,277	5,236	22.4%
211-221	Mining & Utilities	29,410	21,424	19,077	-11.0%
999	Unclassifiable Establishments	32,161	-10,098 b	29,067	-387.9%
TOTAL SERVICES		\$ 67,105	\$ 15,603	\$ 53,381	242.1%
Overall Change from Previous Year				\$ 37,778	

GRAND TOTAL	\$ 16,967,023	\$ 12,667,897	\$ 12,898,928	
Overall Change from Previous Year			\$ 231,032	1.8%

Total September 2017 Sales Tax Distributions	\$ 1,444,240
Dollar Increase from September 2016	\$ 24,858
Percent Increase from September 2016	1.8%

Comparisons:	
September 2016	\$ 1,419,382
September 2015	\$ 1,457,442

OPERATING & CAPITAL FUNDS				ENTERPRISE FUNDS								
Cash Basis through September 2017				WATER		SEWER		SEWER METRO		STORM		
				Budget	YTD Actual	Budget	YTD Actual	Budget	YTD Actual	Budget	YTD Actual	Variance
<b>OPERATING FUND:</b>												
OPERATING REVENUES												
Charges For Service	14,730,511	10,712,173	(4,018,338)	8,102,441	6,469,834	(1,632,607)	17,237,490	13,189,418	(4,048,072)	9,242,676	7,324,691	(1,917,985)
Grants			-			-			-	-	-	-
Interest Earnings	10,000	59,826	49,826	20,000	22,545	2,545	1,000	6,952	5,952	15,000	16,814	1,814
Rents, Leases, Concessions, & Other	212,939	131,271	(81,668)	72,849	37,754	(35,095)	-	-	-	60,951	46,130	(14,821)
TOTAL OPERATING REVENUES	14,953,450	10,903,270	(4,050,180)	8,195,290	6,530,133	(1,665,157)	17,238,490	13,196,370	(4,042,120)	9,318,627	7,387,636	(1,930,992)
OPERATING EXPENSES												
Salaries & Wages	2,688,501	1,984,337	704,164	1,742,176	1,299,748	442,428	-	-	-	2,500,996	1,928,060	572,936
Benefits	1,314,301	926,370	387,931	842,110	598,970	243,140	-	-	-	1,233,452	903,755	329,697
Supplies	334,444	179,562	154,882	136,750	65,243	71,507	-	-	-	94,750	42,975	51,775
Other Service Charges	5,096,580	2,148,796	2,947,784	2,932,890	1,905,473	1,027,417	-	-	-	1,778,290	1,070,192	708,098
Intergovernmental Services (Less Transfers Out)				9,500	3,053	6,447				83,000	47,710	35,290
Waste Management Payments												
Sewer Metro Services							17,294,700	12,952,742	4,341,958			
(*) Debt Service Interest	1,345,282	464,988	880,294	276,483	144,909	131,574	-	-	-	361,418	180,709	180,709
Interfund Loan Repayment			-			-						-
Net Change Restricted Assets												
Interfund Operating Rentals & Supplies	1,422,716	1,067,112	355,604	1,039,865	781,707	258,158	-	-	-	1,441,066	1,082,503	358,563
TOTAL OPERATING EXPENSES	12,201,824	6,771,165	5,430,659	6,979,774	4,799,102	2,180,672	17,294,700	12,952,742	4,341,958	7,492,972	5,255,904	2,237,068
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION				2,751,626	4,132,105	1,380,479	1,215,516	1,731,031	515,515	(56,210)	243,627	299,837
NON-OPERATING REVENUES												
Operating Transfers-in												
NON-OPERATING EXPENSES												
Transfer to Capital Subfund	2,500,000	2,500,000	-	1,000,000	800,000	200,000				1,400,000	300,000	1,100,000
Other Operating Transfers-out	331,166	78,439	252,727	393,832	53,793	340,039				500,312	151,837	348,475
(*) Debt Service Principal	1,799,827	624,107	1,175,720	541,127	288,262	252,865				413,162	-	413,162
Net Change in Restricted Net Assets	-	940,082	940,082	-	132,628	132,628				-	988,853	988,853
Interfund Loan Repayment												
BEGINNING WORKING CAPITAL - January 1, 2017	7,977,666	7,977,666	-	2,810,410	2,810,410	-	2,672,022	2,672,022	-	2,005,792	2,005,792	-
ENDING WORKING CAPITAL - September 30, 2017	6,098,299	7,967,143	1,868,844	2,090,967	3,266,759	1,175,792	2,615,812	2,915,649	299,837	1,517,973	2,696,834	1,178,861
NET CHANGE IN WORKING CAPITAL (see Note)	(1,879,367)	(10,523)	1,868,844	(719,443)	456,349	1,175,792	(56,210)	243,627	299,837	(487,819)	691,042	1,178,861
<b>CAPITAL FUND:</b>												
CAPITAL REVENUES												
Interest Revenue	-	15,560	15,560	-	83,470	83,470				-	86,224	86,224
Grants	175,000	-	(175,000)							-	-	-
Contributions				-	-	-				-	-	-
Other Non-Operating Revenue	-	-	-	-	-	-				-	-	-
Increase In Contributions - System Development	1,000,000	443,413	(556,587)	500,000	403,421	(96,579)				500,000	558,465	58,465
Interfund Revenues	-	-	-	-	-	-				-	-	-
Increase In Contributions - FAA	-	-	-	-	-	-				-	-	-
Proceeds of Debt Activity	5,402,159	70,798	(5,331,361)	-	-	-				-	-	-
Transfers In from Operating Sub-Fund	2,500,000	2,500,000	-	1,000,000	800,000	(200,000)				1,400,000	300,000	(1,100,000)
Transfer In from Other Funds	200,000	-	(200,000)	-	-	-				-	-	-
Other Sources	-	-	-	-	22,500	22,500				-	-	-
TOTAL CAPITAL REVENUES	9,277,159	3,029,771	(6,247,388)	1,500,000	1,309,391	(190,609)				1,900,000	944,688	(955,312)
CAPITAL EXPENSES												
Other Non-Operating Expense	-	(572,557)	572,557	-	-	-				-	(800,501)	800,501
Increase In Fixed Assets - Salaries	382,143	130,784	251,359	86,429	46,707	39,722				152,143	123,928	28,215
Increase In Fixed Assets - Benefits	152,857	58,281	94,576	34,571	21,888	12,683				60,857	55,036	5,821
Increase In Fixed Assets - Services	-	5,641	(5,641)	-	2,860	(2,860)				-	-	-
Increase In Fixed Assets - Site Improvements	-	35,511	(35,511)	-	-	-				-	-	-
Increase In Fixed Assets - Equipment	20,000	-	20,000	20,000	-	20,000				20,000	-	20,000
Increase In Fixed Assets - Construction	10,524,977	3,660,191	6,864,786	2,666,218	817,047	1,849,171				4,229,504	1,453,531	2,775,973
Increase In Fixed Assets - Other	-	-	-	-	-	-				-	7,454	(7,454)
Operating Transfers Out	50,000	50,000	-	50,000	50,000	-				156,000	156,000	-
TOTAL CAPITAL EXPENSES	11,129,977	3,367,851	7,762,126	2,857,218	938,502	1,918,716				4,618,504	995,448	3,623,056
BEGINNING WORKING CAPITAL - January 1, 2017	1,936,373	1,936,373	-	12,710,295	12,710,295	-				13,379,700	13,379,700	-
ENDING WORKING CAPITAL - September 30, 2017	83,555	1,598,293	1,514,738	11,353,077	13,081,184	1,728,107				10,661,196	13,328,940	2,667,744
NET CHANGE IN WORKING CAPITAL (see Note)	(1,852,818)	(338,080)	1,514,738	(1,357,218)	370,889	1,728,107				(2,718,504)	(50,760)	2,667,744
Total Change in Working Capital	(3,732,185)	(348,604)	3,383,581	(2,076,661)	827,238	2,903,899	(56,210)	243,627	299,837	(3,206,323)	640,283	3,846,606

Working Capital = Current Assets  
minus Current Liabilities

(\*) Debt service interest as shown represents actual cash outlay. Debt service principal represents actual expenditures; payments will be made as scheduled in December 2017.

OPERATING & CAPITAL FUNDS	ENTERPRISE FUNDS									INTERNAL SERVICE FUNDS		
Cash Basis through September 2017	SOLID WASTE			AIRPORT			CEMETERY			INSURANCE		
	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	14,816,200	11,175,901	(3,640,299)	826,800	650,430	(176,370)	927,500	949,763	22,263	-	-	-
Grants	87,300	25,120	(62,180)	-	-	-	-	-	-	-	-	-
Interest Earnings	9,000	28,116	19,116	2,500	4,353	1,853	800	2,797	1,997	1,500	6,306	4,806
Rents, Leases, Concessions, & Other	-	441	441	3,000	7,156	4,156	-	-	-	-	-	-
TOTAL OPERATING REVENUES	14,912,500	11,229,579	(3,682,921)	832,300	661,939	(170,361)	928,300	952,561	24,261	1,500	6,306	4,806
OPERATING EXPENSES												
Salaries & Wages	325,910	243,822	82,088	-	-	-	475,628	357,222	118,406	-	-	-
Benefits	147,414	108,598	38,816	-	-	-	258,734	188,007	70,727	225,750	45,649	180,101
Supplies	27,542	2,246	25,296	2,500	-	2,500	221,700	162,403	59,297	-	-	-
Other Service Charges	1,645,565	1,111,439	534,126	484,950	351,396	133,554	156,750	89,518	67,232	4,230	249,918	(245,688)
Intergovernmental Services (Less Transfers Out)	363,600	182,131	181,469	-	-	-	-	-	-	-	-	-
Waste Management Payments	11,975,500	8,933,773	3,041,727	-	-	-	-	-	-	-	-	-
Sewer Metro Services	-	-	-	-	-	-	-	-	-	-	-	-
(*) Debt Service Interest	-	-	-	24,357	5,165	19,192	(0)	-	(0)	-	-	-
Interfund Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-
Net Change Restricted Assets	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Operating Rentals & Supplies	111,587	83,691	27,896	1,400	1,053	347	47,833	35,874	11,959	-	-	-
TOTAL OPERATING EXPENSES	14,597,118	10,665,698	3,931,420	513,207	357,614	155,593	1,160,645	833,024	327,621	229,980	295,567	(65,587)
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION	315,382	563,880	248,498	319,093	304,325	(14,768)	(232,345)	119,537	351,882	(228,480)	(289,261)	(60,781)
NON-OPERATING REVENUES												
Operating Transfers-in	-	-	-	-	-	-	200,000	-	(200,000)	670,715	503,036	(167,679)
NON-OPERATING EXPENSES												
Transfer to Capital Subfund	-	-	-	-	-	-	1,332	280	1,052	-	-	-
Other Operating Transfers-out	-	-	-	-	-	-	-	-	-	-	-	-
(*) Debt Service Principal	-	-	-	165,000	-	165,000	-	-	-	-	-	-
Net Change in Restricted Net Assets	-	-	-	-	(8,646)	(8,646)	-	-	-	-	-	-
Interfund Loan Repayment	-	-	-	39,942	29,893	10,049	-	-	-	-	-	-
BEGINNING WORKING CAPITAL - January 1, 2017	4,411,853	4,411,853	-	236,649	236,649	-	293,829	293,829	-	1,385,685	1,385,685	-
ENDING WORKING CAPITAL - September 30, 2017	4,727,235	4,975,733	248,498	350,800	519,727	168,927	260,152	413,086	152,934	1,827,920	1,599,461	(228,459)
NET CHANGE IN WORKING CAPITAL (see Note)	315,382	563,880	248,498	114,151	283,078	168,927	(33,677)	119,257	152,934	442,235	213,776	(228,459)
<b>CAPITAL FUND:</b>												
CAPITAL REVENUES												
Interest Revenue	-	-	-	-	2,338	2,338	-	1,646	1,646	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	17,167	529	(16,638)	-	-	-	-	-	-
Other Non-Operating Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - System Development	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - FAA	-	-	-	310,900	3,746	(307,154)	-	-	-	-	-	-
Proceeds of Debt Activity	-	-	-	-	-	-	-	-	-	-	-	-
Transfers In from Operating Sub-Fund	-	-	-	-	-	-	-	-	-	-	-	-
Transfer In from Other Funds	-	-	-	275,000	274,937	(63)	-	-	-	-	-	-
Other Sources	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL REVENUES	-	-	-	603,067	281,551	(321,516)	-	1,646	1,646	-	-	-
CAPITAL EXPENSES												
Other Non-Operating Expense	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Salaries	-	-	-	21,429	14	21,415	-	-	-	-	-	-
Increase In Fixed Assets - Benefits	-	-	-	8,571	7	8,564	-	-	-	-	-	-
Increase In Fixed Assets - Services	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Site Improvements	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Construction	-	-	-	729,034	295,434	433,600	-	-	-	-	-	-
Increase In Fixed Assets - Other	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENSES	-	-	-	759,034	295,455	463,579	-	-	-	-	-	-
BEGINNING WORKING CAPITAL - January 1, 2017	-	-	-	360,602	360,602	-	256,633	256,633	-	-	-	-
ENDING WORKING CAPITAL - September 30, 2017	-	-	-	204,635	346,698	142,063	256,633	258,279	1,646	-	-	-
NET CHANGE IN WORKING CAPITAL (see Note)	-	-	-	(155,967)	(13,904)	142,063	-	1,646	1,646	-	-	-
Total Change in Working Capital	315,382	563,880	248,498	(41,816)	269,174	310,990	(33,677)	120,903	154,580	442,235	213,776	(228,459)

Working Capital = Current Assets  
minus Current Liabilities

Note: Working capital balance only includes eight Waste Management payments due to the timing of September's payment (\$1,045,832), which will be made in October.

(\*) Debt service interest as shown represents actual cash outlay. Debt service principal represents actual expenditures; payments will be made as scheduled in December 2017.



OPERATING & CAPITAL FUNDS				INTERNAL SERVICE FUNDS								
Cash Basis through September 2017	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	961,300	715,761	(245,539)	3,453,700	2,604,110	(849,590)	6,038,376	4,531,589	(1,506,787)	2,263,102	1,712,041	(551,061)
Grants			-	-	-	-	-	-	-	-	-	-
Interest Earnings	2,600	8,517	5,917	8,800	13,913	5,113	5,000	8,895	3,895	-	18,746	18,746
Rents, Leases, Concessions, & Other	93,000	6,522	(86,478)	-	36,816	36,816	-	-	-	-	131,903	131,903
TOTAL OPERATING REVENUES	1,056,900	730,800	(326,100)	3,462,500	2,654,839	(807,661)	6,043,376	4,540,485	(1,502,891)	2,263,102	1,862,690	(400,412)
OPERATING EXPENSES												
Salaries & Wages	76,324	54,803	21,521	655,000	466,872	188,128	1,822,981	1,366,905	456,076	681,943	433,138	248,805
Benefits	364,638	80,108	284,530	358,001	251,504	106,497	817,418	586,672	230,746	349,650	219,917	129,733
Supplies	-	-	-	150,220	87,406	62,814	508,250	446,205	62,045	1,074,000	559,441	514,559
Other Service Charges	492,915	196,706	296,209	1,818,387	1,101,649	716,738	2,882,325	2,029,817	852,508	427,580	265,014	162,566
Intergovernmental Services (Less Transfers Out)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management Payments												
Sewer Metro Services												
(*) Debt Service Interest	-	-	-	-	-	-	-	-	-	3,843	3,005	838
Interfund Loan Repayment			-			-			-			-
Net Change Restricted Assets												
Interfund Operating Rentals & Supplies	-	-	-	140,784	105,588	35,196	191,031	143,262	47,769	231,152	173,646	57,506
TOTAL OPERATING EXPENSES	933,877	331,617	602,260	3,122,392	2,013,019	1,109,373	6,222,005	4,572,860	1,649,145	2,768,168	1,654,160	1,114,008
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION	123,023	399,183	276,160	340,108	641,819	301,711	(178,629)	(32,375)	146,254	(505,066)	208,530	713,596
NON-OPERATING REVENUES												
Operating Transfers-in							652,611	215,588	(437,023)	720,000	100,000	(620,000)
NON-OPERATING EXPENSES												
Transfer to Capital Subfund												
Other Operating Transfers-out				929,452	412,346	517,106	400	400	-	-	-	-
(*) Debt Service Principal										-	-	-
Net Change in Restricted Net Assets							-	-	-	-	(128,176)	(128,176)
Interfund Loan Repayment												
BEGINNING WORKING CAPITAL - January 1, 2017	1,097,368	1,097,368	-	1,853,016	1,853,016	-	1,064,713	1,064,713	-	2,749,240	2,749,240	-
ENDING WORKING CAPITAL - September 30, 2017	1,220,391	1,496,550	276,160	1,263,672	2,082,489	818,817	1,538,295	1,247,525	(290,770)	2,964,174	3,185,946	221,772
NET CHANGE IN WORKING CAPITAL (see Note)	123,023	399,183	276,160	(589,344)	229,473	818,817	473,582	182,812	(290,770)	214,934	436,706	221,772
CAPITAL FUND:												
CAPITAL REVENUES												
Interest Revenue							-	13,379	13,379	-	20,103	20,103
Grants												
Contributions							-	-	-	-	-	-
Other Non-Operating Revenue							-	-	-	-	-	-
Increase In Contributions - System Development							-	-	-	-	-	-
Interfund Revenues							-	-	-	1,703,631	1,277,721	(425,910)
Increase In Contributions - FAA							-	-	-	-	-	-
Proceeds of Debt Activity							-	-	-	-	-	-
Transfers In from Operating Sub-Fund							-	-	-	-	-	-
Transfer In from Other Funds							96,537	86,326	(10,211)	390,927	298,254	(92,673)
Other Sources							-	-	-	-	-	-
TOTAL CAPITAL REVENUES							96,537	99,704	3,167	2,094,558	1,596,078	(498,480)
CAPITAL EXPENSES												
Other Non-Operating Expense							-	-	-	-	-	-
Increase In Fixed Assets - Salaries							-	1,896	(1,896)	-	-	-
Increase In Fixed Assets - Benefits							-	697	(697)	-	-	-
Increase In Fixed Assets - Services							-	-	-	-	-	-
Increase In Fixed Assets - Site Improvements										-	-	-
Increase In Fixed Assets - Equipment							779,437	353,756	425,681	1,961,665	1,392,491	569,174
Increase In Fixed Assets - Construction							163,000	42,662	120,338	710,000	-	710,000
Increase In Fixed Assets - Other										-	-	-
Operating Transfers Out							55,900	55,900	-	-	-	-
TOTAL CAPITAL EXPENSES							998,337	454,910	543,427	2,671,665	1,392,491	1,279,174
BEGINNING WORKING CAPITAL - January 1, 2017							2,319,577	2,319,577	-	3,020,402	3,020,402	-
ENDING WORKING CAPITAL - September 30, 2017							1,417,777	1,964,371	546,594	2,443,295	3,223,989	780,694
NET CHANGE IN WORKING CAPITAL (see Note)							(901,800)	(355,206)	546,594	(577,107)	203,587	780,694
Total Change in Working Capital	123,023	399,183	276,160	(589,344)	229,473	818,817	(428,218)	(172,394)	255,824	(362,173)	640,293	1,002,466

Working Capital = Current Assets  
minus Current Liabilities

The following table provides an analysis of each of the City's Enterprise and Internal Service funds - showing 2017 revenues and expenditures by fund through September and includes the Fund Balance in the associated Capital Sub-Fund.

FUND BALANCE	ENTERPRISE FUNDS							INTERNAL SERVICE FUNDS				
	WATER	SEWER	SEWER METRO	STORM	SOLID WASTE	AIRPORT	CEMETERY	INSURANCE	WORKER'S COMPENSATION	FACILITIES	INNOVATION & TECHNOLOGY	EQUIPMENT RENTAL
OPERATING REVENUES												
Charges For Services	\$ 10,712,173	\$ 6,469,834	\$ -	\$ 7,324,691	\$ 11,175,901	\$ 46,155	\$ 949,763	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Charges For Services	-	-	-	-	-	-	-	-	722,283	2,530,647	4,475,219	2,989,762
Sewer Metro Services Revenue	-	-	13,189,418	-	-	-	-	-	-	-	-	-
Rents, Leases, Concessions & Other	-	-	-	-	-	604,275	-	-	-	73,463	56,370	-
TOTAL OPERATING REVENUES	\$ 10,712,173	\$ 6,469,834	\$ 13,189,418	\$ 7,324,691	\$ 11,175,901	\$ 650,430	\$ 949,763	\$ -	\$ 722,283	\$ 2,604,110	\$ 4,531,589	\$ 2,989,762
OPERATING EXPENSES												
Administration & Other	\$ 2,806,283	\$ 3,385,636	\$ -	\$ 2,604,766	\$ 1,303,315	\$ 47,826	\$ 246,262	\$ 295,567	\$ -	\$ -	\$ -	\$ 603,089
Operations & Maintenance	3,499,895	1,271,417	12,952,742	2,477,883	8,316,551	304,622	586,762	-	331,617	2,013,019	4,572,860	1,048,067
Depreciation & Amortization	2,455,522	1,651,458	-	1,416,765	14,114	347,645	36,382	-	-	-	539,375	860,484
TOTAL OPERATING EXPENSES	\$ 8,761,699	\$ 6,308,511	\$ 12,952,742	\$ 6,499,415	\$ 9,633,981	\$ 700,094	\$ 869,406	\$ 295,567	\$ 331,617	\$ 2,013,019	\$ 5,112,235	\$ 2,511,640
OPERATING INCOME (LOSS)	\$ 1,950,474	\$ 161,324	\$ 236,676	\$ 825,276	\$ 1,541,921	\$ (49,664)	\$ 80,358	\$ (295,567)	\$ 390,665	\$ 591,091	\$ (580,646)	\$ 478,122
NON-OPERATING REVENUES & EXPENSES												
Interest Revenue	\$ 75,386	\$ 106,015	\$ 6,952	\$ 103,038	\$ 28,116	\$ 6,691	\$ 4,443	\$ 6,306	\$ 8,517	\$ 13,913	\$ 22,274	\$ 38,848
Other Non-Operating Revenue	131,271	37,754	-	46,130	25,561	11,432	-	-	-	36,816	-	113,902
Gain (Loss) On Sale Of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	18,001
Other Non-Operating Expense	(73,170)	(13,335)	-	-	-	(5,165)	-	-	-	-	-	(3,005)
TOTAL NON-OPERATING REVENUES & EXPENSES	\$ 133,487	\$ 130,434	\$ 6,952	\$ 149,168	\$ 53,677	\$ 12,958	\$ 4,443	\$ 6,306	\$ 8,517	\$ 50,729	\$ 22,274	\$ 167,747
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	\$ 2,083,961	\$ 291,758	\$ 243,627	\$ 974,444	\$ 1,595,598	\$ (36,707)	\$ 84,801	\$ (289,261)	\$ 399,183	\$ 641,819	\$ (558,372)	\$ 645,869
Contributions	\$ 443,413	\$ 403,421	\$ -	\$ 558,465	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	2,500,000	800,000	-	300,000	-	274,937	-	503,036	-	-	301,913	398,254
Transfers Out	(2,628,439)	(903,793)	-	(607,837)	-	-	(280)	-	-	(412,346)	(56,300)	-
TOTAL CONTRIBUTIONS & TRANSFERS	\$ 314,974	\$ 299,628	\$ -	\$ 250,628	\$ -	\$ 274,937	\$ (280)	\$ 503,036	\$ -	\$ (412,346)	\$ 245,613	\$ 398,254
CHANGE IN FUND BALANCE	\$ 2,398,935	\$ 591,386	\$ 243,627	\$ 1,225,072	\$ 1,595,598	\$ 238,231	\$ 84,521	\$ 213,776	\$ 399,183	\$ 229,473	\$ (312,759)	\$ 1,044,123
BEGINNING FUND BALANCE - January 1, 2017	\$ 75,751,705	\$ 81,919,221	\$ 2,672,022	\$ 64,010,652	\$ 4,245,695	\$ 9,514,116	\$ 1,374,410	\$ 1,385,685	\$ 1,064,528	\$ 1,530,324	\$ 4,291,351	\$ 10,920,413
ENDING FUND BALANCE - September 30, 2017	\$ 78,150,641	\$ 82,510,606	\$ 2,915,649	\$ 65,235,725	\$ 5,841,294	\$ 9,752,346	\$ 1,458,931	\$ 1,599,461	\$ 1,463,710	\$ 1,759,797	\$ 3,978,592	\$ 11,964,537