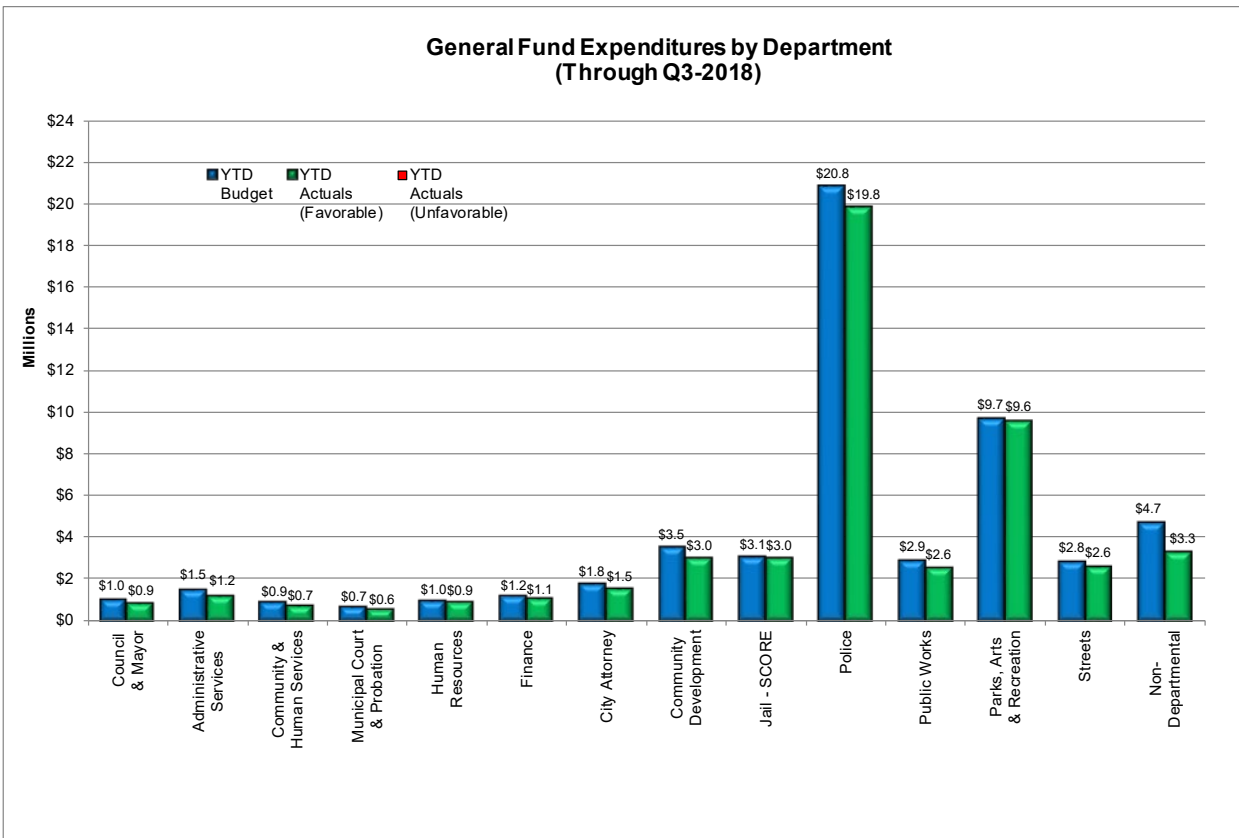
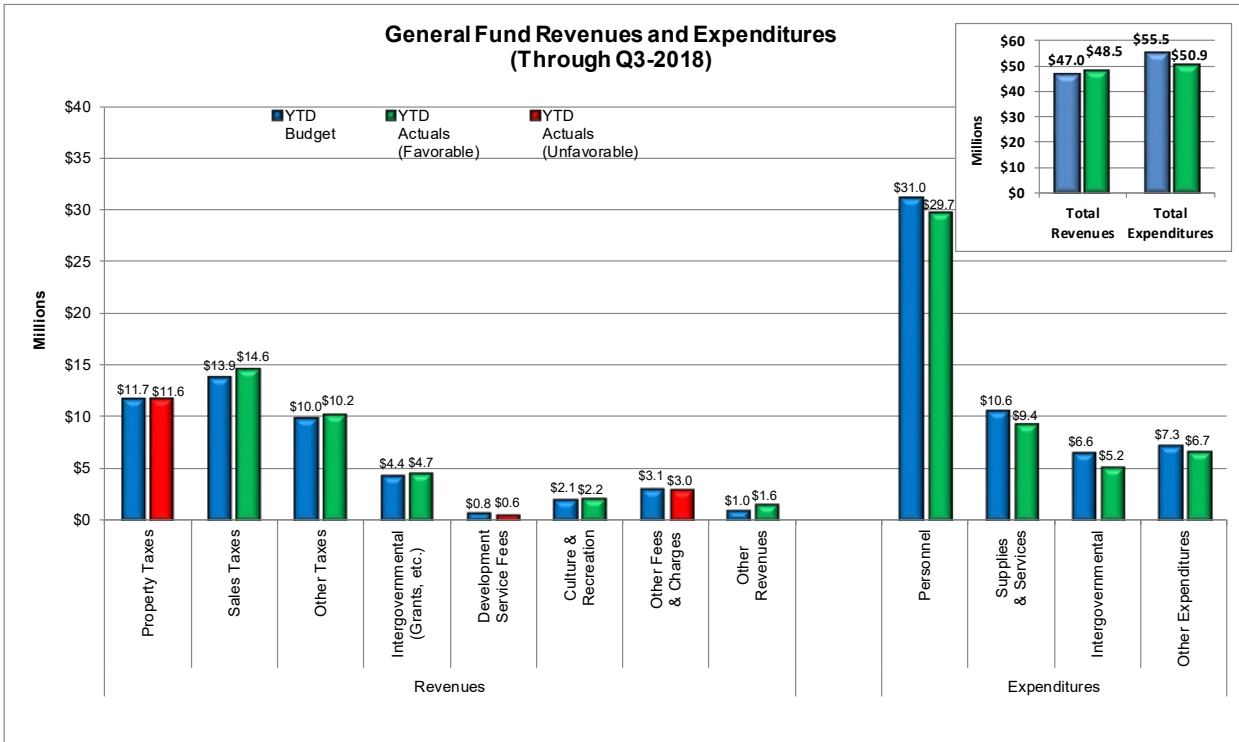




## AGENDA BILL APPROVAL FORM

<b>Agenda Subject:</b> 3 <sup>rd</sup> Quarter 2018 Financial Report		<b>Date:</b> December 5, 2018
<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 September 2018 status report based on financial data available as of October 24, 2018 for the period ending September 30, 2018 and sales tax information representing business activity that occurred through July 2018.		
		<b>Staff:</b> Coleman
<b>Meeting Date:</b> December 10, 2018		<b>Item Number:</b>

## General Fund Summary



General Fund Summary of Sources and Uses	Page Ref	2018			2017	2018 YTD Budget vs. Actual	
		Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable) Amount	Percentage
<b>Operating Revenues</b>							
Property Tax	7	\$ 21,281,000	\$ 11,744,800	\$ 11,633,676	\$ 11,476,537	\$ (111,124)	(0.9) %
Sales Tax	8-9	14,893,500	11,169,900	11,825,112	11,054,167	655,212	5.9 %
Sales Tax - Pierce County Parks		77,250	57,200	76,824	70,929	19,624	34.3 %
Sales Tax - Annexation Credit		1,250,000	1,250,000	1,056,364	1,530,028	(193,636)	(15.5) %
Criminal Justice Sales Tax		1,908,300	1,406,600	1,664,826	1,499,435	258,226	18.4 %
Brokered Natural Gas Tax		353,600	275,100	126,785	134,037	(148,315)	(53.9) %
City Utilities Tax	10-11	3,991,000	2,942,000	2,851,226	2,884,928	(90,774)	(3.1) %
Admissions Tax		317,000	232,900	353,497	319,643	120,597	51.8 %
Electric Tax	10-11	3,577,800	2,767,100	2,890,368	2,850,764	123,268	4.5 %
Natural Gas Tax	10-11	1,006,200	894,000	912,333	960,214	18,333	2.1 %
Cable Franchise Fee	12	986,100	734,200	717,171	751,424	(17,029)	(2.3) %
Cable Utility Tax - New in 2017	13	1,000,000	750,000	763,586	527,616	13,586	1.8 %
Cable Franchise Fee - Capital		67,200	50,400	46,766	50,038	(3,634)	(7.2) %
Telephone Tax	10-11	1,408,200	1,078,100	966,456	1,055,709	(111,644)	(10.4) %
Garbage Tax (external)	10-11	-	-	102,313	96,104	102,313	N/A %
Leasehold Excise Tax		40,000	36,000	189,560	187,275	153,560	426.6 %
Gambling Excise Tax		303,180	227,700	313,817	251,094	86,117	37.8 %
<b>Taxes sub-total</b>		<b>\$ 52,460,330</b>	<b>\$ 35,616,000</b>	<b>\$ 36,490,680</b>	<b>\$ 35,699,942</b>	<b>\$ 874,680</b>	<b>2.5 %</b>
Business License Fees	14	\$ 223,200	\$ 133,100	\$ 209,934	\$ 125,142	\$ 76,834	57.7 %
Building Permits	15	1,653,750	1,289,000	738,697	1,063,045	(550,303)	(42.7) %
Other Licenses & Permits		543,000	425,400	452,625	437,296	27,225	6.4 %
Intergovernmental (Grants, etc.)	16	6,134,150	4,401,844	4,678,784	4,571,803	276,940	6.3 %
Charges for Services:	17-19						
General Government Services	17	61,300	49,600	59,408	58,880	9,808	19.8 %
Public Safety	17	756,000	533,875	775,086	719,522	241,211	45.2 %
Development Services Fees	18	1,019,100	782,300	613,617	705,323	(168,683)	(21.6) %
Culture and Recreation	19	2,366,680	2,075,700	2,155,549	2,039,089	79,849	3.8 %
Fines and Penalties	20-21	885,300	679,100	734,490	670,078	55,390	8.2 %
<b>Fees/Charges/Fines sub-total</b>		<b>\$ 13,642,480</b>	<b>\$ 10,369,919</b>	<b>\$ 10,418,190</b>	<b>\$ 10,390,180</b>	<b>\$ 48,271</b>	<b>0.5 %</b>
Interest and Investment Earnings	21	\$ 68,000	\$ 47,500	\$ 295,262	\$ 161,285	\$ 247,762	521.6 %
Rents and Leases	21	816,100	670,400	829,454	720,531	159,054	23.7 %
Contributions and Donations	21	35,000	28,400	46,595	38,345	18,195	64.1 %
Other Miscellaneous	21-22	236,800	193,300	250,421	257,127	57,121	29.6 %
Transfers In		144,300	77,500	77,500	76,500	0	0.0 %
Insurance Recoveries - Capital & Operating		105,000	18,750	84,434	106,886	65,684	350.3 %
<b>Other Revenues sub-total</b>		<b>\$ 1,405,200</b>	<b>\$ 1,035,850</b>	<b>\$ 1,583,666</b>	<b>\$ 1,360,674</b>	<b>\$ 547,816</b>	<b>52.9 %</b>
<b>Total Operating Revenues</b>		<b>\$ 67,508,010</b>	<b>\$ 47,021,769</b>	<b>\$ 48,492,536</b>	<b>\$ 47,450,796</b>	<b>\$ 1,470,768</b>	<b>3.1 %</b>
<b>Operating Expenditures</b>							
Council & Mayor		\$ 1,332,443	\$ 1,013,400	\$ 859,322	\$ 850,556	\$ 154,078	15.2 %
Administration		1,963,814	1,473,300	1,227,242	997,121	246,058	16.7 %
Community & Human Services		1,488,828	907,200	714,451	609,707	192,749	21.2 %
Municipal Court & Probation		2,644,145	692,741	578,985	537,946	113,756	16.4 %
Human Resources		1,315,663	977,600	895,187	973,575	82,413	8.4 %
Finance		1,565,731	1,204,400	1,118,092	1,103,843	86,308	7.2 %
City Attorney		2,398,550	1,766,400	1,531,784	1,478,386	234,616	13.3 %
Community Development		4,801,325	3,546,300	3,016,097	3,141,340	530,203	15.0 %
Jail - SCORE		4,099,465	3,074,599	2,998,253	2,846,154	76,346	2.5 %
Police		27,855,395	20,807,000	19,816,945	18,646,001	990,055	4.8 %
Public Works		3,864,132	2,878,700	2,569,827	2,135,901	308,873	10.7 %
Parks, Arts & Recreation		12,799,606	9,671,400	9,598,326	9,017,914	73,074	0.8 %
Streets		4,039,204	2,816,900	2,633,146	2,546,081	183,754	6.5 %
Non-Departmental		7,346,343	4,690,951	3,339,930	3,062,055	1,351,021	28.8 %
<b>Total Operating Expenditures</b>		<b>\$ 77,514,644</b>	<b>\$ 55,520,891</b>	<b>\$ 50,897,589</b>	<b>\$ 47,946,581</b>	<b>\$ 4,623,302</b>	<b>8.3 %</b>

**Executive Summary**

This Executive Summary provides an overview of the City's overall financial position for the fiscal period ending September 30, 2018, reflecting financial data available as of October 24, 2018.

**General Fund:**

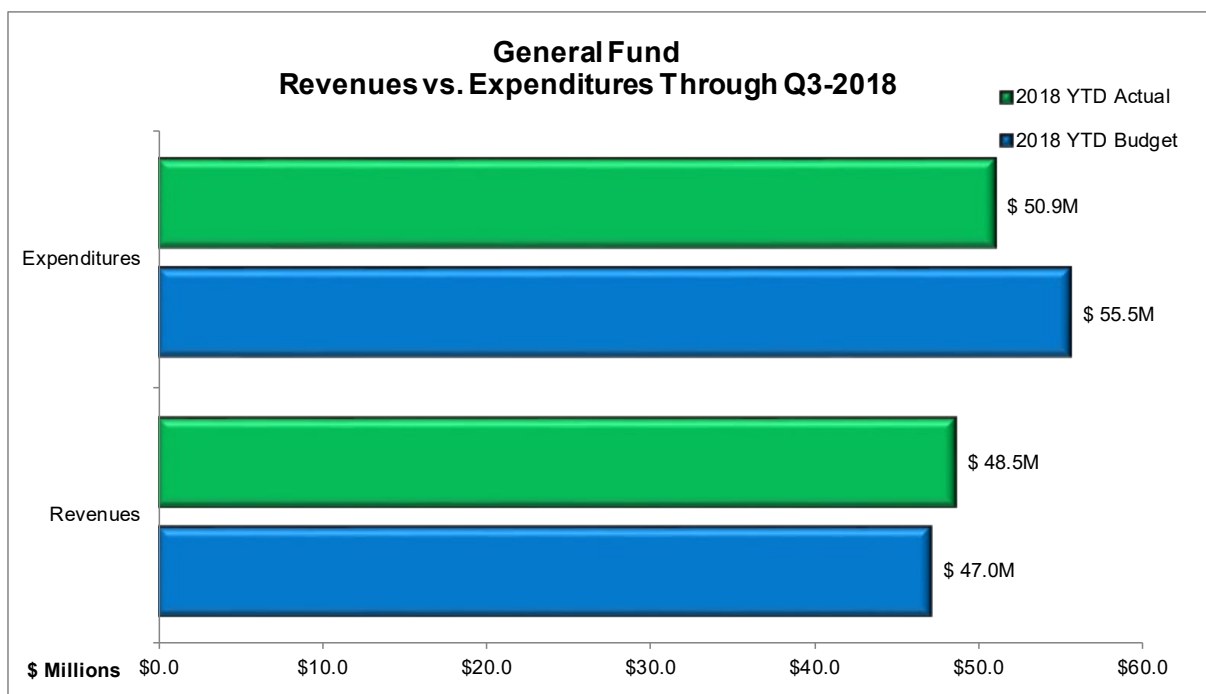
Through September 2018, General Fund revenues totaled \$48.5 million compared to a budget of \$47.0 million, and were \$1.5 million (3.1%) higher than budget expectations. Some notable variances to budget year-to-date include:

- Property tax collections through Q3-2018 totaled \$11.6 million, which was \$111,000 below budget expectations but \$157,000 more than was collected through Q3-2017. **[page 7]**
- General Fund retail sales tax revenues totaled \$11.8 million, exceeding budget by 5.9% or \$655,000 and exceeding Q3-2017 collections by \$771,000. Due to the Marketplace Fairness Act (MFA) which became effective on January 1, 2018, retail sales taxes collected year-to-date includes \$142,000 from retail sales taxes collected on internet sales. (Note: This is collected as retail sales tax revenue and is deducted from the amount the City receives for streamlined sales tax revenue.) Overall, the primary areas of significant increase in retail sales activity compared to collections through Q3-2017 were in the services and automotive categories. **[pages 8-9]**
- June 2018 was the last month in which the City received the sales tax annexation credit. The sales tax annexation credit is a way for cities to offset the municipal service costs to newly annexed areas if the cost to provide municipal services to the annexation area exceeds the projected general revenue that the city would otherwise receive from the annexation area. The City of Auburn received this sales tax credit monthly for 10 years as a way to offset the municipal service costs of annexing Lea Hill and West Hill in 2008. This revenue source was approximately \$2.0 million per year.
- The other taxes category performed favorably to budget through Q3-2018. Actual revenues collected through Q3-2018 were \$10.2 million, which was \$246,000, or 2.5% favorable to budget. Leasehold excise tax revenues collected through Q3-2018 exceeded budget by \$154,000 due to a one-time tax receipt for the Emerald Downs property. Electric tax revenues collected during the same period exceeded budget by \$123,000. Admission taxes exceeded budget by \$121,000 and gambling excise taxes exceeded budget by \$86,000 due to new revenues generated from amusement games at Dave and Busters. These revenues were somewhat offset by unfavorable variances in brokered natural gas tax revenues and telephone tax revenues in the amount of \$148,000 and \$112,000, respectively. **[pages 10-13]**
- Building permit revenue collected through Q3-2018 totaled \$739,000, compared to a budget of \$1.3 million, representing \$550,000 below budget expectations. The number of building permits issued through Q3-2018 was 403, which represents a 29% decline from the number of permits issued through Q3-2017. **[page 15]**

- Intergovernmental revenues through Q3-2018 totaled \$4.7 million compared to a budget of \$4.4 million. The bulk of this favorable variance was seen in the reimbursement for services provided to Muckleshoot, which exceeded budget expectations by \$257,000, and marijuana revenues, which exceeded budget expectations by \$143,000. These favorable variances to budget were somewhat offset by lower than budgeted collections from streamlined sales tax revenues, as this revenue was reduced by Marketplace Fairness Act (see explanation on the previous page). **[page 16]**
- Public safety revenues collected through Q3-2018 totaled \$775,000 compared to a budget of \$534,000. Revenues collected through the third quarter of 2018 were \$56,000 higher than what was collected through the third quarter of 2017. This increased revenue was 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 17]**
- Development services revenues collected through Q3-2018 were \$169,000, or 22%, unfavorable to budget. This variance was predominately due to plan check revenues not meeting budget expectations. **[page 18]**

General Fund expenditures through the third quarter of 2018 totaled \$50.9 million compared to a budget of \$55.5 million, representing an 8.3% favorable variance to budget. All departments operated within their budget through Q3-2018. Due to the timing of the bimonthly payment to Valley Communications for 911 services, the year-to-date actuals for the Police Department does not yet include the \$535,000 payment for these services. While the expenditures in the Police Department are running favorable to budget, when factoring in this payment, the department ended the period \$455,000 (2.2%) favorable to budget.

Year-to-date General Fund expenditures ended the period \$3.0 million, or 6.2% higher than expenditures through Q3-2017. Salary and benefit costs increased by \$2.3 million, or 8.6%, compared to salary and benefit expenditures through Q3-2017. This year-over-year increase was due primarily to an increase in Council-approved FTEs (Full Time Equivalents), cost of living adjustments (COLAs), and increased costs associated with healthcare benefits. In addition, payments made to SCORE (South Correctional Entity) for correctional services increased by \$152,000 through Q3-2018 compared to the same period last year.



#### Street Funds:

The City's three street funds are special revenue funds wherein the revenue sources and expenditures are legally restricted. These funds are used for street capital construction projects, local street repair, and arterial street repair and preservation projects. Through the first three quarters of 2018, **Arterial Street Fund** revenues totaled \$2.7 million as compared to collections of \$5.4 million through Q3-2017, while expenditures totaled \$3.4 million as compared to expenditures of \$5.9 million spent during the same period last year. The Operator's Union strike began in August and lasted several weeks, delaying the schedule of many of the City's projects. This was especially impactful to street projects—many of the anticipated expenditures will move into Q4-2018, and some will move into the spring of 2019. [pages 25–26]

**Local Street Fund** revenues of \$2.0 million exceeded year-to-date budget expectations by \$562,000, or 40.2%, due to higher than anticipated sales tax revenues from local construction projects. Last year's collections through the third quarter also totaled \$2.0 million. 2018 expenditures through Q3 were \$1.2 million as compared with \$538,000 in Q3-2017. [pages 27–28]

Lastly, **Arterial Street Preservation Fund** revenues totaled \$2.3 million through Q3-2018, which was approximately \$31,000 higher than revenues through Q3-2017. Expenditures totaled \$2.3 million versus \$2.9 million through Q3-2017. Historically, the majority of expenditures in all three street funds occur during the second half of the year when weather conditions are optimal for pavement construction. [pages 29–30]

Enterprise Funds:

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

Through September 30, 2018 the **Water Fund** experienced operating income before depreciation of \$4.4 million compared to \$4.1 million during the same period last year. The **Sewer Fund** ended the third quarter of 2018 with operating income before depreciation of \$1.6 million versus \$1.7 million through Q3-2017. The **Stormwater Fund** ended the third quarter with operating income before depreciation of \$2.0 million compared to \$2.1 million in Q3-2017. The **Solid Waste Fund** ended the quarter with operating income of \$485,000 compared to \$564,000 for the same period in 2017. **[pages 32–35]**

Internal Service Funds:

Internal service funds provide services to other City departments and include functions such as Insurance, Worker's Compensation, Facilities, Innovation and Technology, and Equipment Rental. All funds had sufficient revenues to cover year-end expenditures. **[page 35]**

Investment Portfolio:

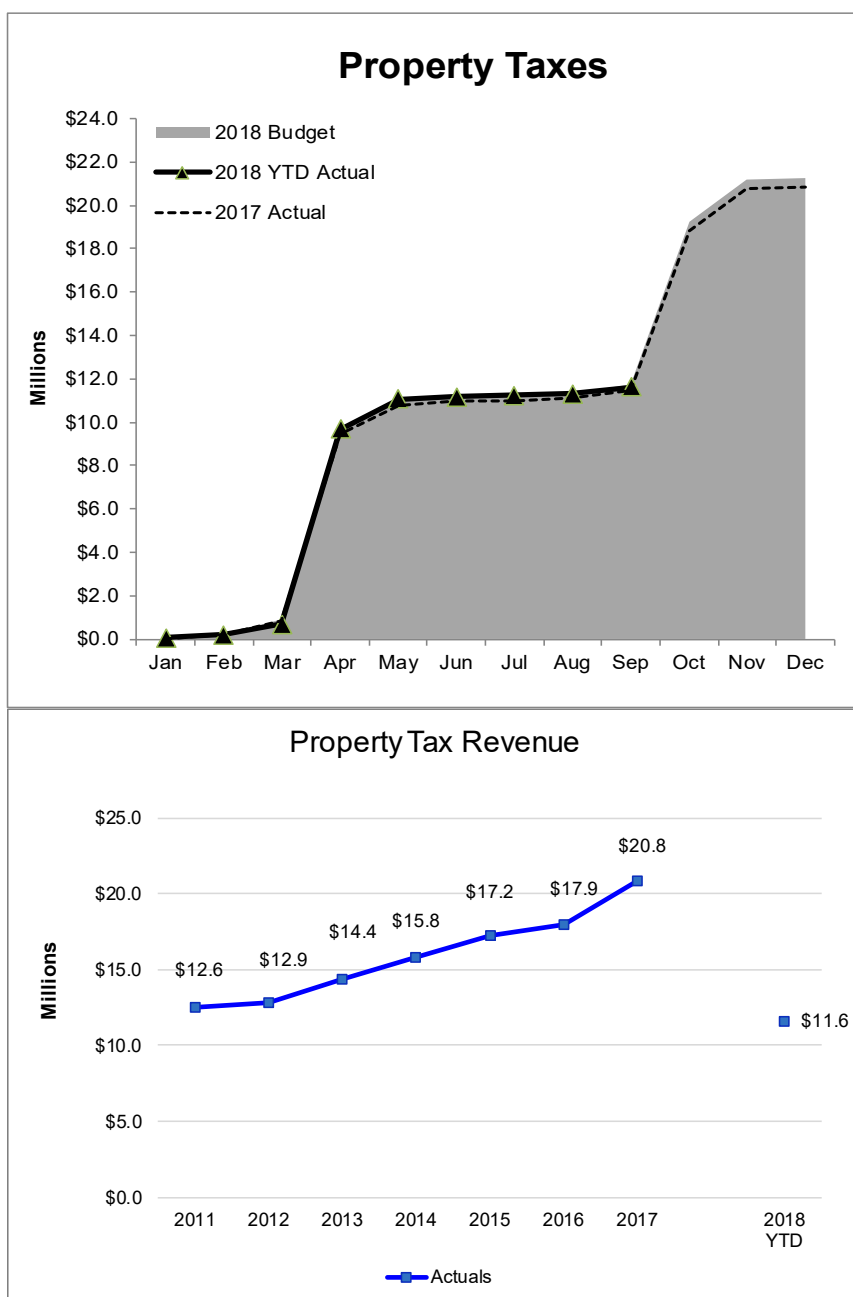
The City's total cash and investments at the end of the Q3-2018 totaled \$138.3 million, and compares to \$141.2 million at the end of Q2-2018. **[attachment]**

## General Fund

### Revenues

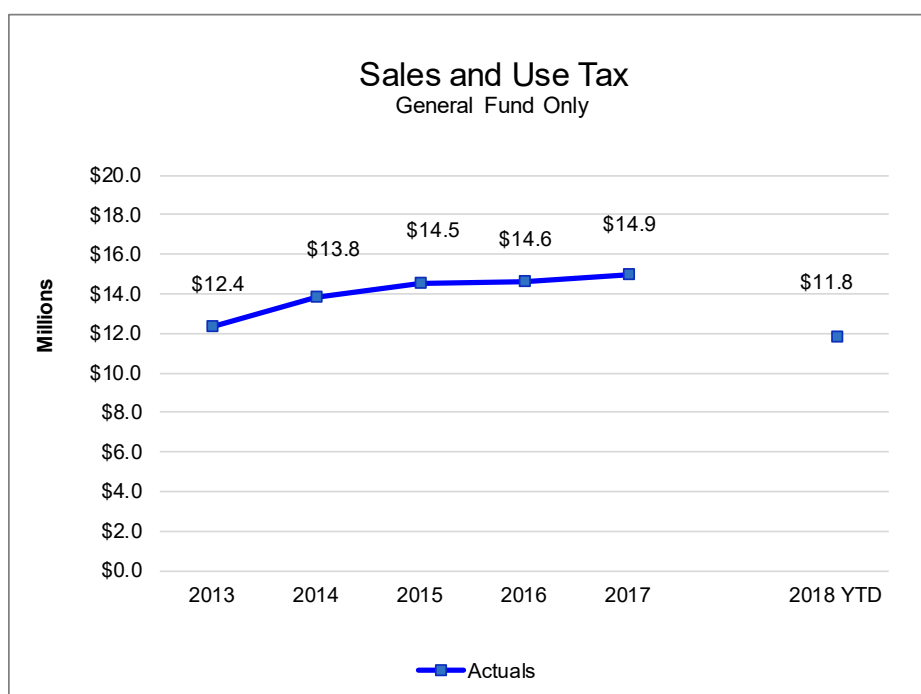
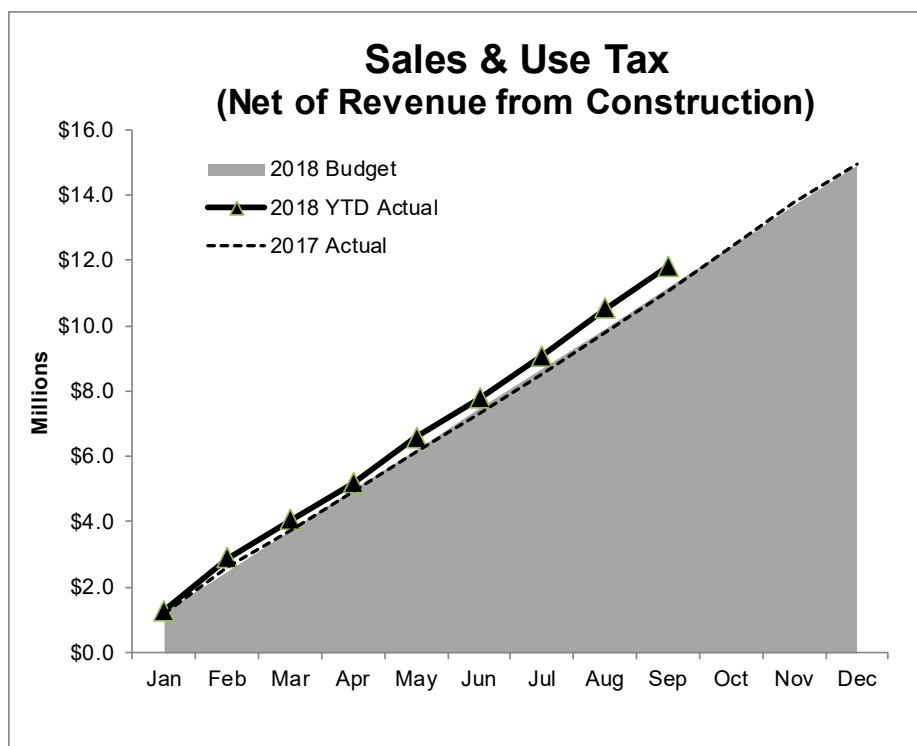
The combined total of property, sales/use, utility, gambling, and admissions taxes provides approximately 80% of all resources supporting general governmental activities. The following section provides additional information on these sources.

**Property Tax** collections through Q3-2018 totaled \$11.6 million and were \$111,000, or 0.9% below budget expectations. While year-to-date revenues fell slightly short of budget expectations in 2018, they were \$157,000, or 1.4% higher than revenues collected through Q3-2017. 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. Therefore, 2018 property tax receipts are on track to be close to the annual budget of \$21.3 million by year end.





**Sales tax** collections through Q3-2018 totaled \$13.6 million, of which \$11.8 million was distributed to the General Fund and \$1.8 million was distributed to the Local Street Fund (SOS) program as per current financial practice. Total sales tax revenue distributions to the General Fund through Q3-2018 exceeded budget expectations by \$655,000, or 5.9%, and were \$771,000 higher than what was collected through Q3-2017. Of the retail sales taxes collected year-to-date, \$142,000 represents new revenues collected on internet sales due to Marketplace Fairness Act legislation, which was effective January 1, 2018.

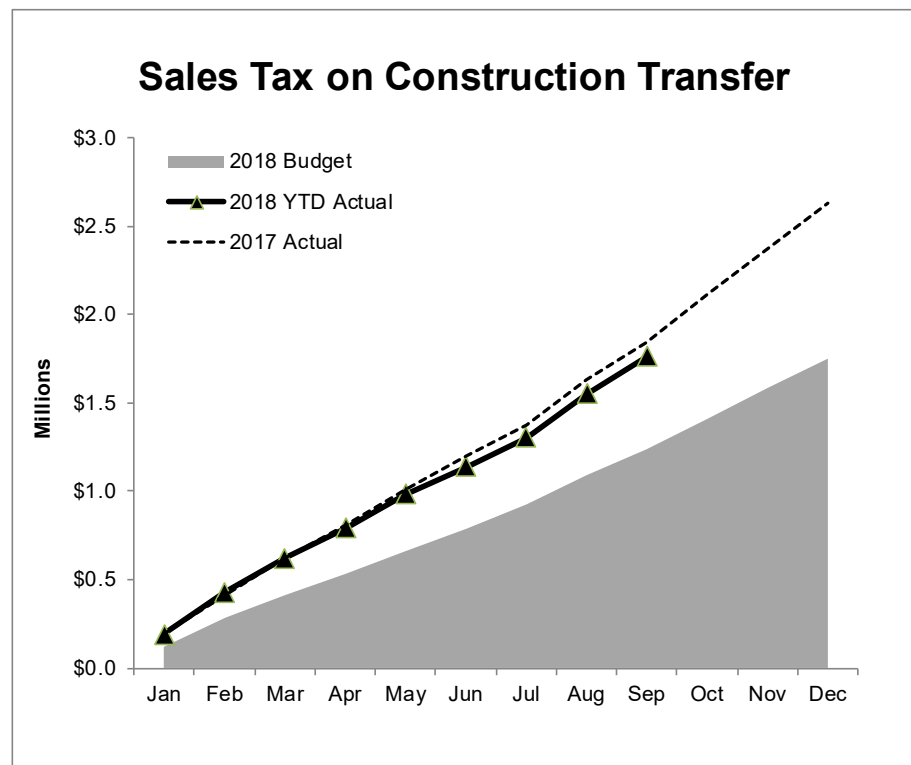


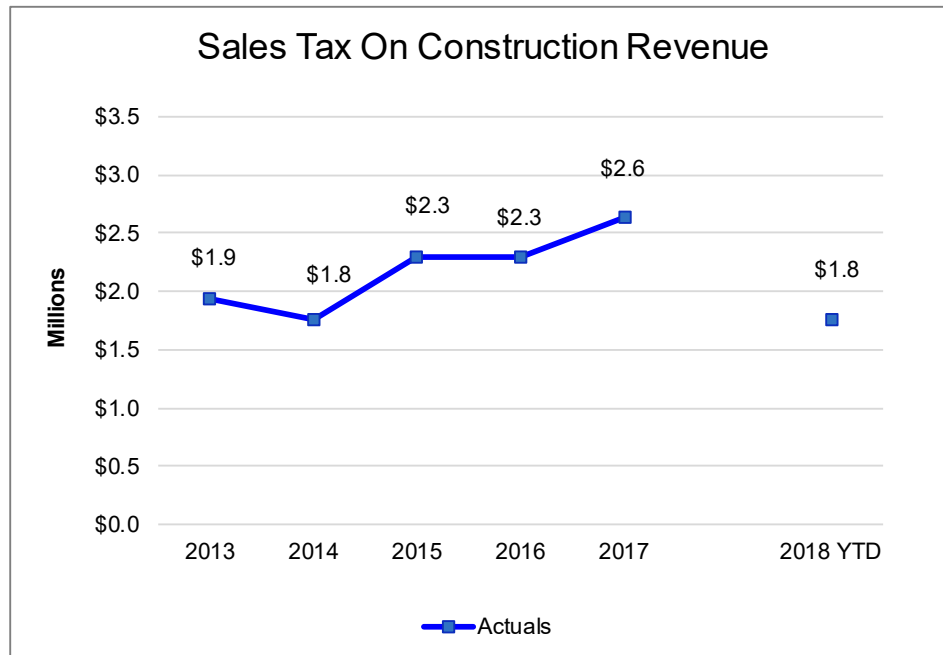
The following table breaks out the City's base sales taxes, excluding Pierce County Parks sales tax, Criminal Justice sales tax, and Annexation Credit sales tax, by major business sector.

Comparison of Sales Tax Collections by Group Through September				
Component Group	2017 Actual	2018 Actual	Change from 2017	
			Amount	Percentage
Construction	\$ 1,844,760	\$ 1,763,440	\$ (81,320)	(4.4) %
Manufacturing	523,810	556,018	32,208	6.1 %
Transportation & Warehousing	69,050	92,685	23,636	34.2 %
Wholesale Trade	985,731	1,100,407	114,676	11.6 %
Automotive	2,881,236	3,092,212	210,976	7.3 %
Retail Trade	3,651,905	3,756,570	104,665	2.9 %
Services	2,889,056	3,131,431	242,374	8.4 %
Miscellaneous	53,381	95,789	42,409	79.4 %
YTD Total	\$ 12,898,928	\$ 13,588,552	\$ 689,624	5.3 %

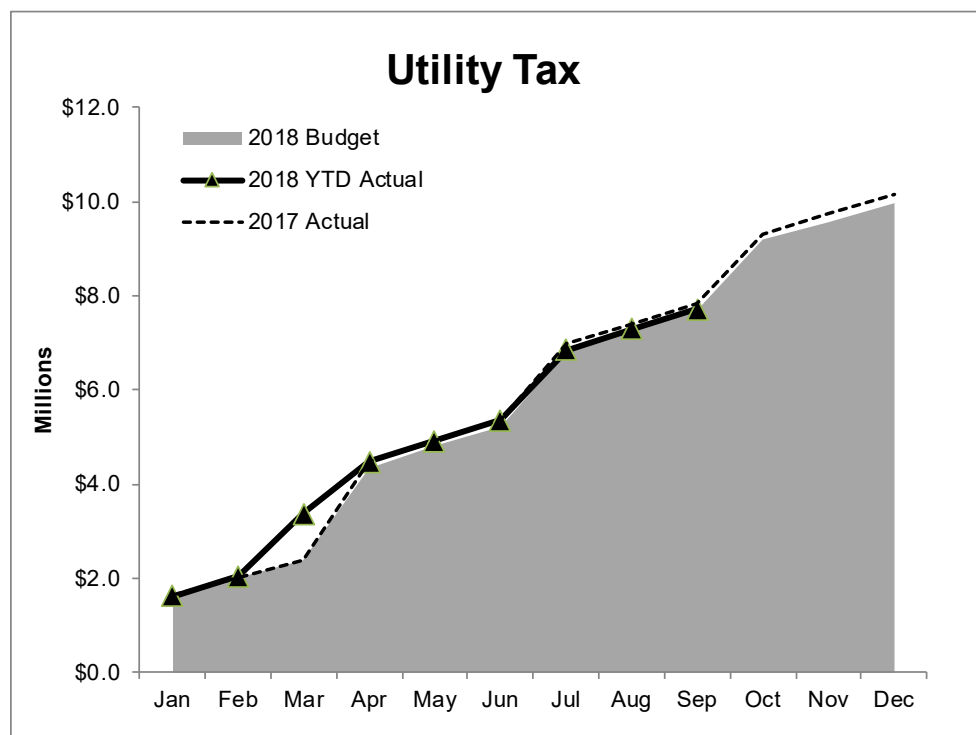
Total sales tax revenue collected through Q3-2018 exceeded prior year collections by \$690,000, or 5.3%. The business sectors showing the largest dollar increase in revenues compared to last year were the services and automotive industries.

Sales tax revenue on construction is transferred to the Local Street Fund (Fund 103) for local street repair and maintenance. Through the third quarter of 2018, this totaled \$1.8 million, which was \$521,000 higher than budget but \$81,000 less than collections through Q3-2017.



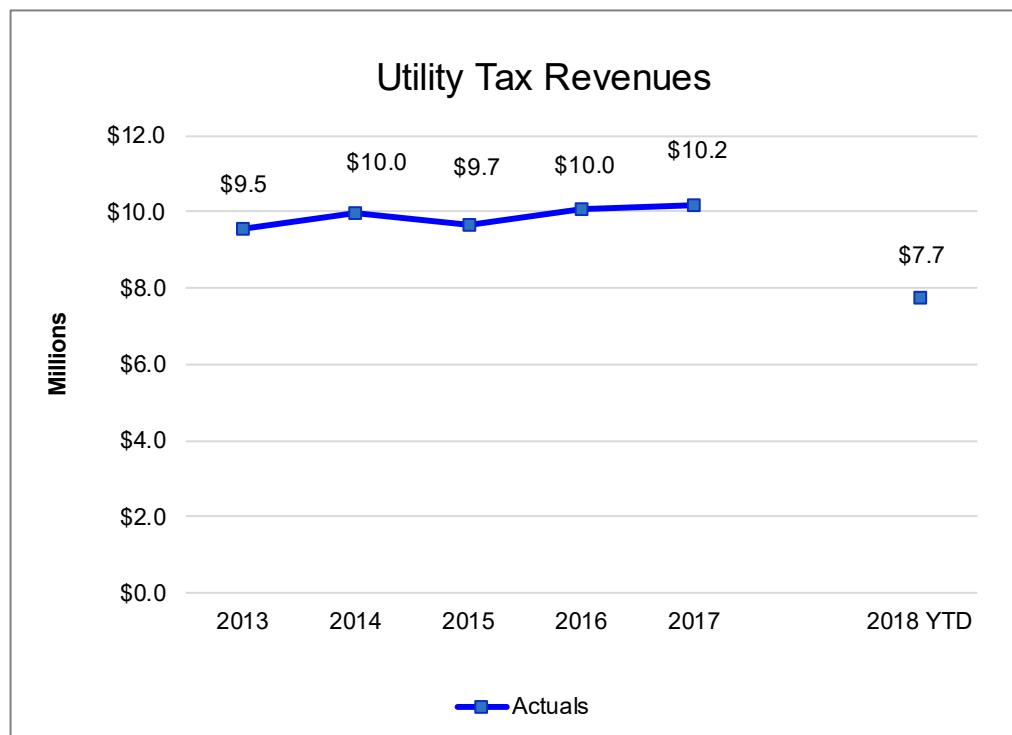


**Utility Taxes** consist of interfund taxes on City utilities (Water, Sewer, Storm and Solid Waste) and taxes on external utilities (Electric, Natural Gas, Telephone and Solid Waste). Utility taxes collected through Q3-2018 totaled \$7.7 million and exceeded year-to-date budget by \$41,000, or 0.5%.

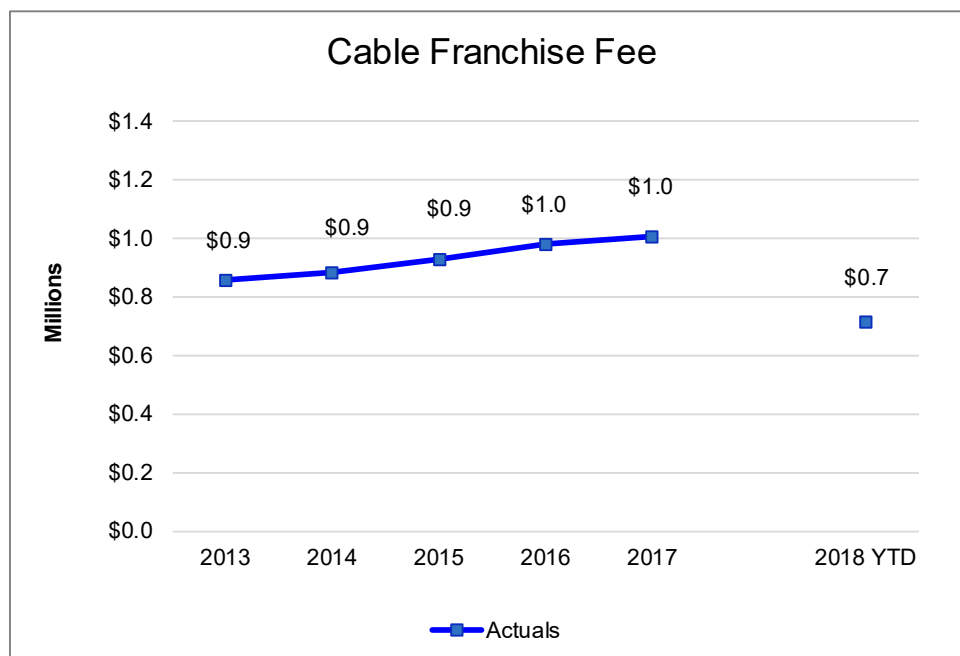
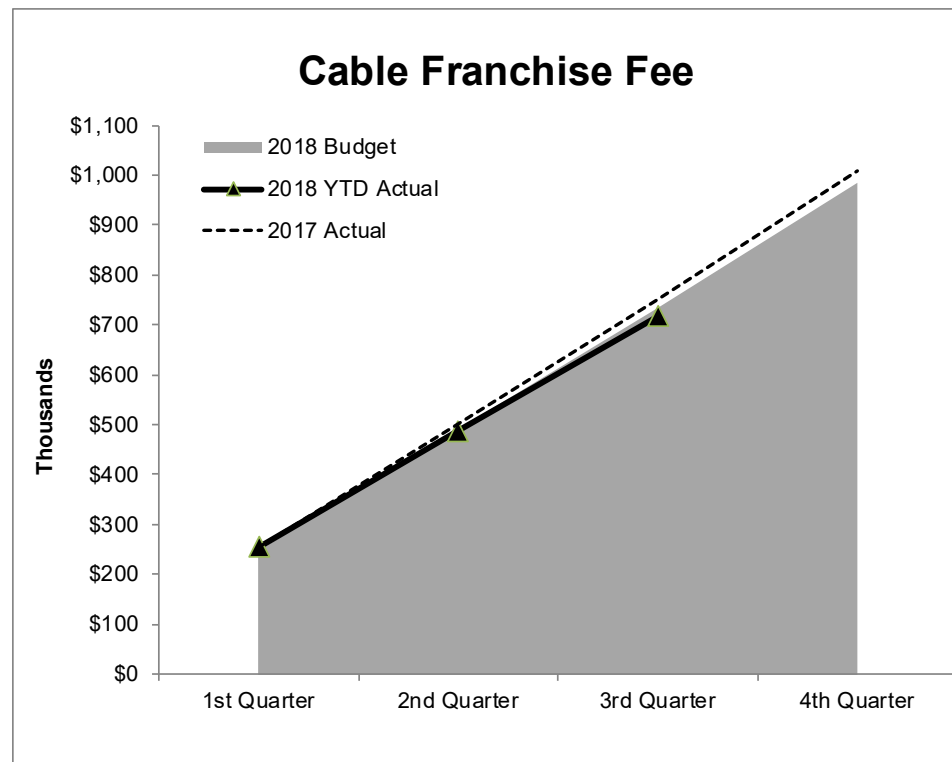


Favorable variances in electric and solid waste revenues offset lower collections in telephone and City utility taxes.

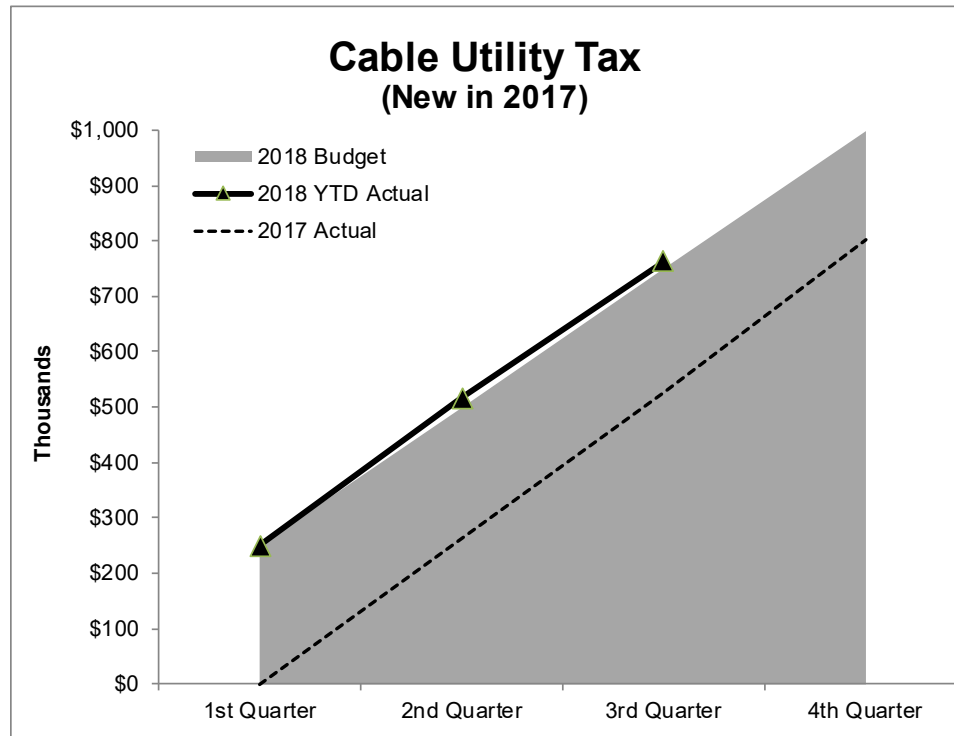
Utility Tax by Type Through September 2018							
Utility Tax Type	2017 YTD Actual	2018 YTD Budget	2018 YTD Actual	2018 vs. 2017 Actual		2018 vs. Budget	
				Amount	Percentage	Amount	Percentage
City Interfund Utility Taxes	\$ 2,884,928	\$ 2,942,000	\$ 2,851,226	\$ (33,702)	(1.2) %	\$ (90,774)	(3.1) %
Electric	2,850,764	2,767,100	2,890,368	39,604	1.4 %	123,268	4.5 %
Natural Gas	960,214	894,000	912,333	(47,881)	(5.0) %	18,333	2.1 %
Telephone	1,055,709	1,078,100	966,456	(89,254)	(8.5) %	(111,644)	(10.4) %
Solid Waste (external)	96,104	0	102,313	6,209	6.5 %	102,313	N/A %
YTD Total	\$ 7,847,719	\$ 7,681,200	\$ 7,722,696	\$ (125,023)	(1.6) %	\$ 41,496	0.5 %



**Cable Franchise Fees**, which are collected quarterly, totaled \$717,000 and were \$17,000, or 2.3%, under budget through Q3-2018.

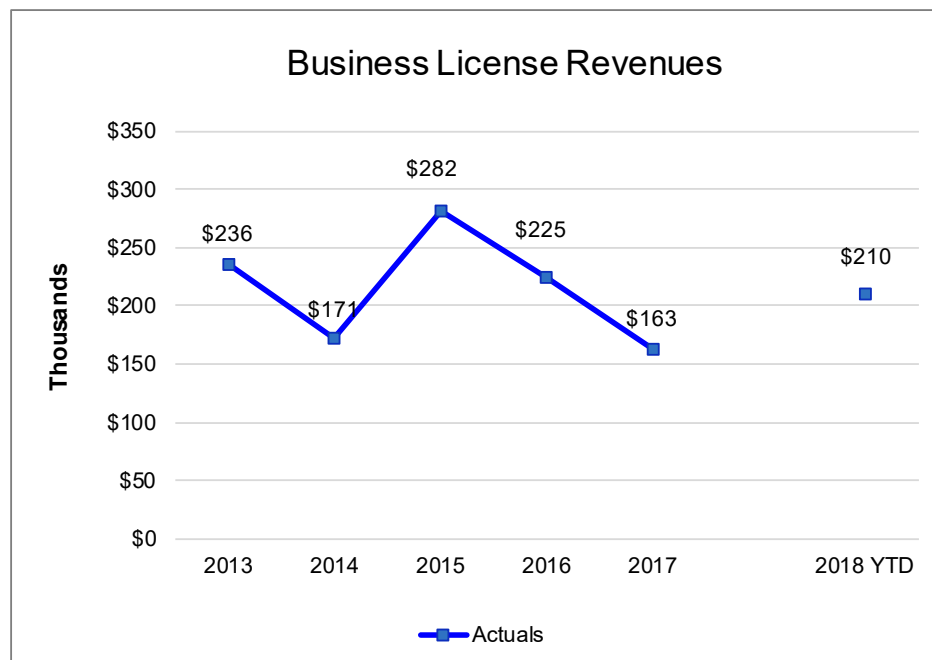
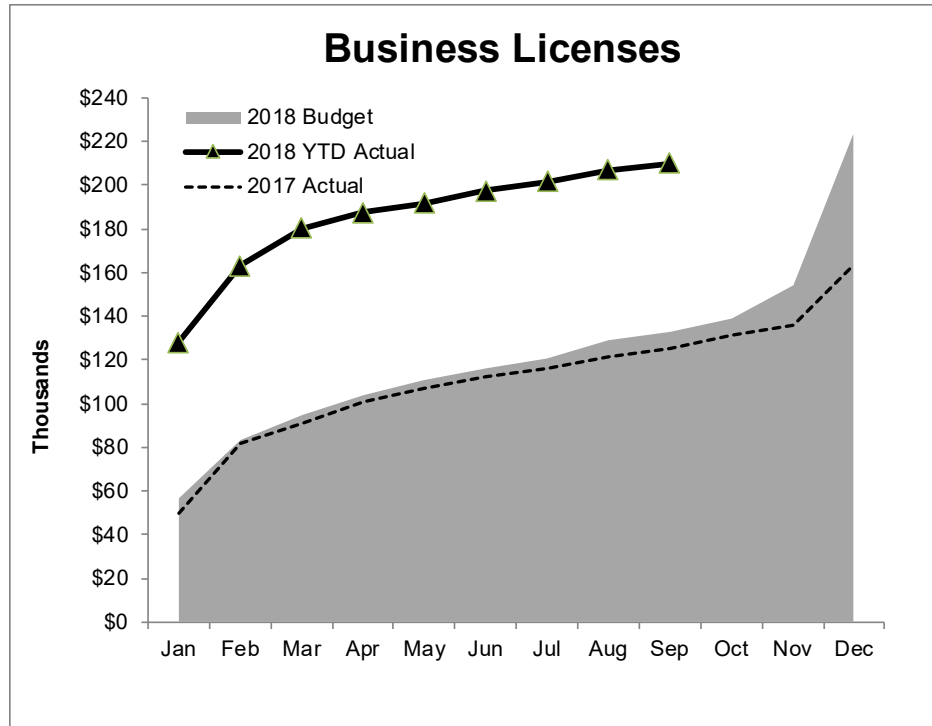


**Cable Utility Tax.** In September 2016, City Council increased the Cable Utility Tax from 1.0% to 6.0%, with the entirety of the new tax amount benefitting the General Fund. This tax became effective on January 1, 2017 and is collected quarterly. Total cable utility tax collections through Q3-2018 were \$764,000 and were favorable to budget by \$14,000, or 1.8%.



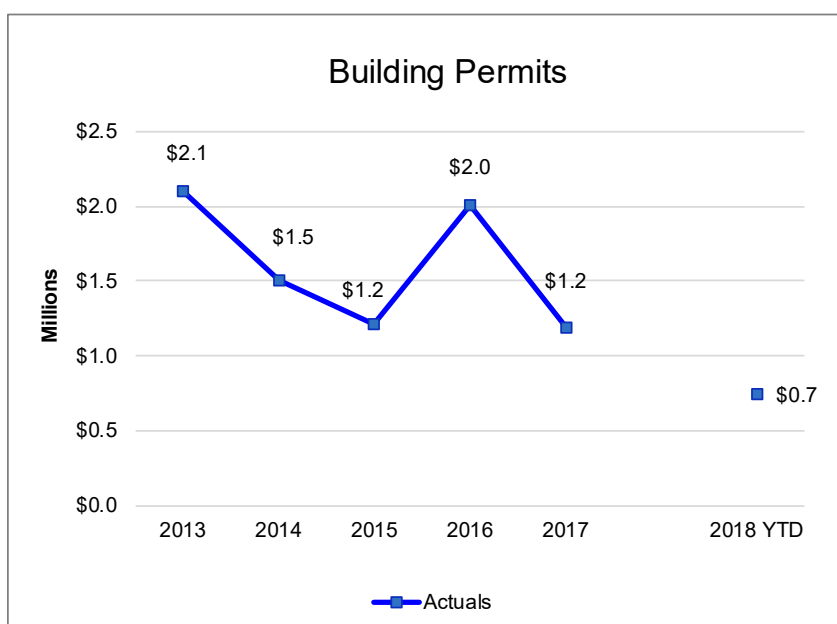
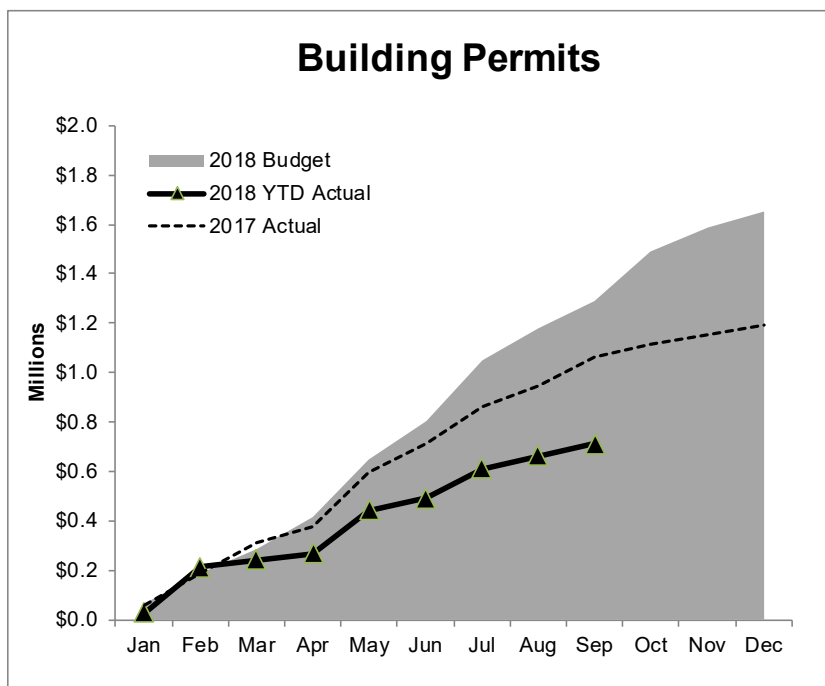
**Licenses and Permits** include business licenses, building permits, plumbing, electric and other licenses and permit fees. Building permit fees and business licenses make up about 70% of the annual budgeted revenue in this category.

Business license revenues collected through September 2018 totaled \$210,000 due to a large percentage of business owners having paid their 2018 annual business license fees early in the year.



Building permit revenues collected through September 2018 totaled \$739,000, as compared to a year-to-date budget of \$1.3 million. A total of 403 building permits were issued through Q3-2018 compared to 565 building permits issued through Q3-2017, representing a 28.7% reduction year-over-year.

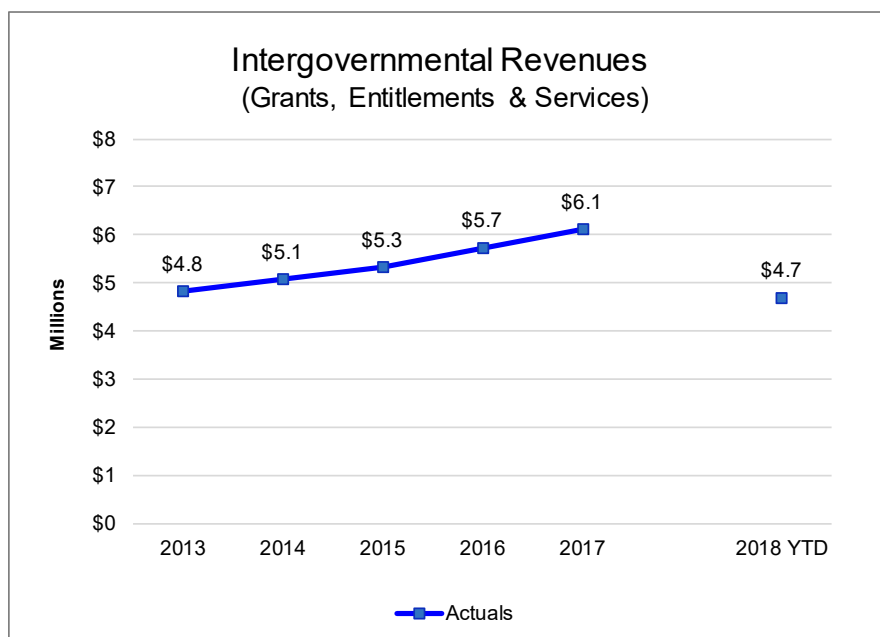
Major projects contributing to building permit revenues in Q3-2018 include projects at Boeing and the Outlet Collection – Seattle. These revenues also include revenues from over 25 building permits issued for single family houses in the Wyncrest II development, as well as permits in the Forest Glenn at Lakeland development. Of the building permit revenues collected this quarter, 20% was attributable to commercial projects and the remaining 80% was predominately single family housing permits.





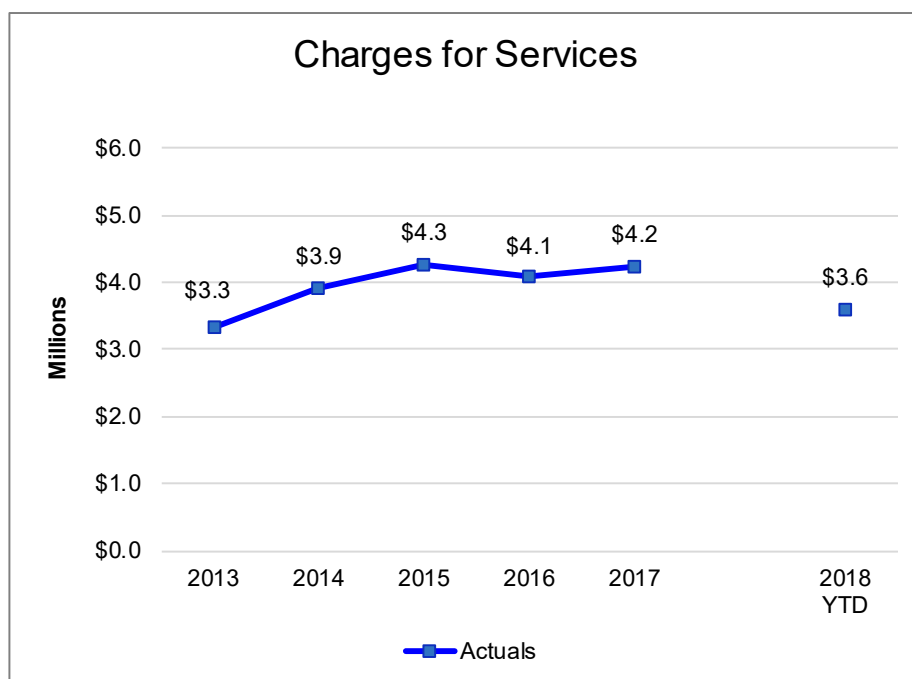
**Intergovernmental revenues** include grants (direct and indirect federal, state and local), compact revenue from the Muckleshoot Indian Tribe (MIT), intergovernmental service revenues, and state shared revenues. Collections through Q3-2018 totaled \$4.7 million and were \$277,000, or 6.3%, favorable to budget. The favorability to budget was mainly seen in revenues collected from Muckleshoot for reimbursement of services provided to the casino, as well as increases in marijuana excise tax revenues received from the state. These favorable variances to budget were somewhat offset by lower than budgeted collections from streamlined sales tax revenues, as this revenue was reduced by \$142,000 year-to-date due to the Marketplace Fairness Act. The Marketplace Fairness Act (MFA) was effective January 1, 2018, and is intended to capture the retail sales tax lost on internet sales. MFA revenues are collected as retail sales tax revenues and reduce the amount the City receives in streamlined sales tax revenues.

Intergovernmental Revenues (Grants, Entitlements & Services) Through September 2018							
Revenue	2017	2018	2018	2018 vs. 2017 Actual		2018 vs. Budget	
	YTD Actual	YTD Budget	YTD Actual	Amount	% Change	Amount	% Change
Federal Grants	\$ 152,712	\$ 215,000	\$ 229,475	\$ 76,764	50.3 %	\$ 14,475	6.7 %
State Grants	143,220	164,400	137,359	(5,861)	(4.1) %	(27,041)	(16.4) %
Interlocal Grants	74,136	40,000	47,255	(26,882)	0.0 %	7,255	18.1 %
Muckleshoot Casino Services	627,570	509,244	766,217	138,647	22.1 %	256,973	50.5 %
State Shared Revenues:							
Streamlined Sales Tax	1,432,078	1,416,450	1,304,831	(127,247)	(8.9) %	(111,619)	(7.9) %
Motor Vehicle Fuel Tax	844,363	943,900	891,422	47,059	5.6 %	(52,478)	(5.6) %
Criminal Justice - High Crime	338,764	144,000	161,902	(176,862)	(52.2) %	17,902	12.4 %
Criminal Justice - Population	16,226	18,600	17,043	817	5.0 %	(1,557)	(8.4) %
Criminal Justice - Special Prog.	58,940	61,500	61,647	2,707	4.6 %	147	0.2 %
Marijuana Revenues	37,871	48,750	191,463	153,591	405.6 %	142,713	292.7 %
State DUI	8,779	9,000	8,755	(24)	(0.3) %	(245)	(2.7) %
Fire Insurance Tax	78,078	75,000	79,798	1,720	2.2 %	4,798	6.4 %
Liquor Excise	270,965	270,000	290,903	19,938	7.4 %	20,903	7.7 %
Liquor Profit	488,101	486,000	490,715	2,615	0.5 %	4,715	1.0 %
Total State Shared:	3,574,166	3,473,200	3,498,479	(75,687)	(2.1) %	25,279	0.7 %
YTD Total	\$ 4,571,803	\$ 4,401,844	\$ 4,678,784	\$ 106,980	2.3 %	\$276,940	6.3 %



**Charges for Services** consist of general governmental service charges, public safety charges, development service fees, and cultural & recreation fees. Total charges for services collected through September 2018 totaled \$3.6 million, which was \$162,000 favorable to budget. While development services revenues year-to-date were 21.6% unfavorable to budget due to plan check revenues having declined year-over-year, this was more than offset by increased revenues in public safety and culture and recreation revenues as explained below.

Charges for Services by Type Through September 2018							
Revenue	2017 YTD Actual	2018 YTD Budget	2018 YTD Actual	2018 vs. 2016 Actual		2018 vs. Budget	
				Amount	Percentage	Amount	Percentage
General Government	\$ 58,880	\$ 49,600	\$ 59,408	\$ 529	0.9 %	\$ 9,808	19.8 %
Public Safety	719,522	533,875	775,086	55,563	7.7 %	241,211	45.2 %
Development Services	705,323	782,300	613,617	(91,706)	(13.0) %	(168,683)	(21.6) %
Culture & Recreation	2,039,089	2,075,700	2,155,549	116,460	5.7 %	79,849	3.8 %
YTD Total	\$ 3,522,815	\$ 3,441,475	\$ 3,603,661	\$ 80,846	2.3 %	\$ 162,186	4.7 %

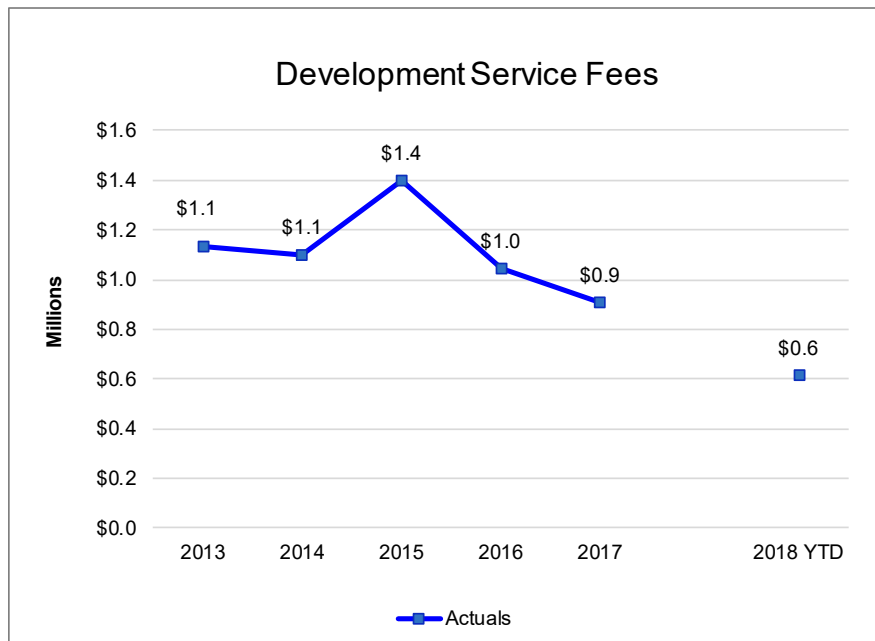
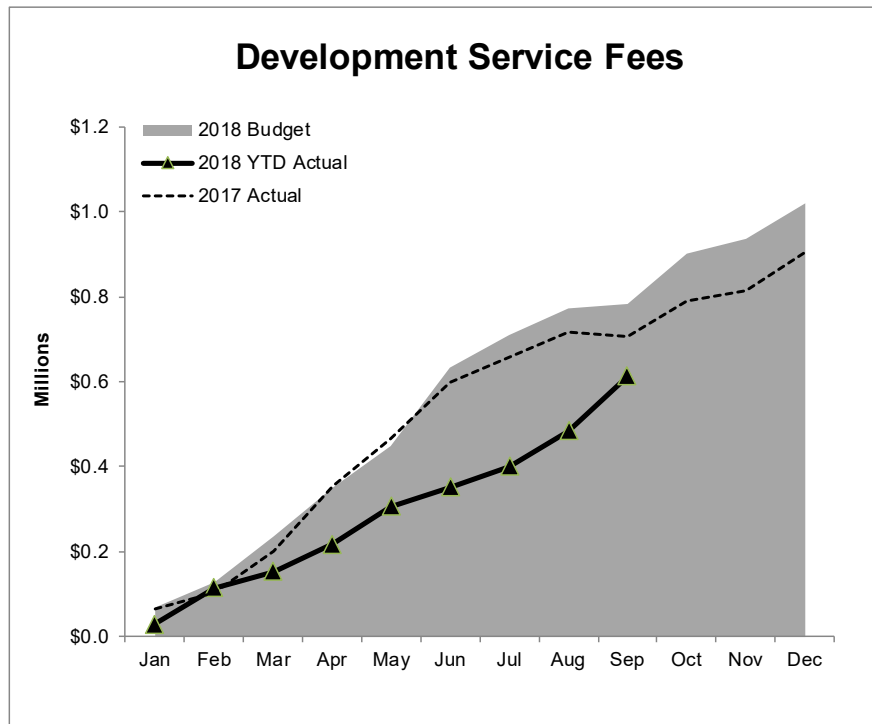


General governmental charges for service collected through Q3-2018 totaled \$59,000 and were \$10,000 above the YTD budget.

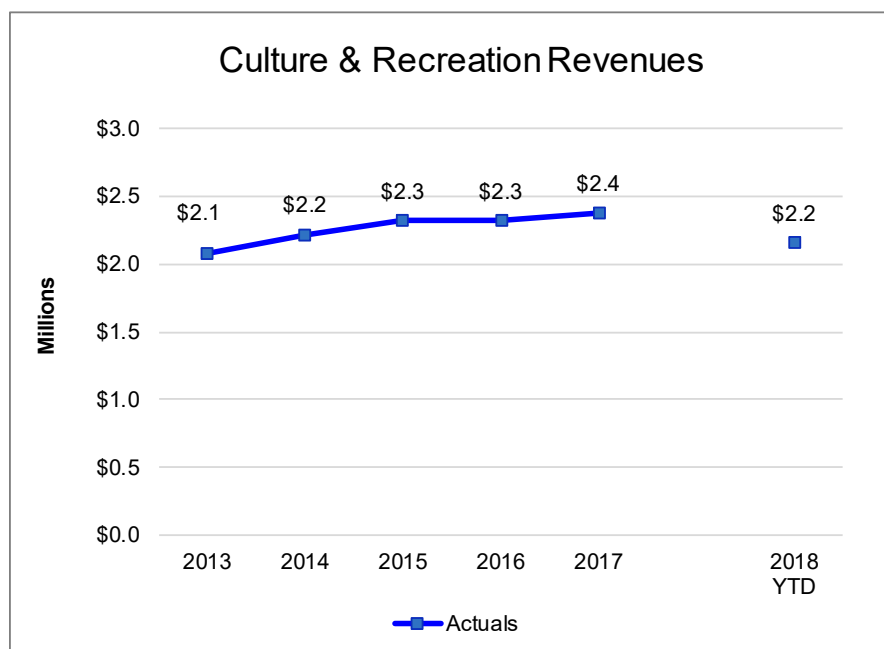
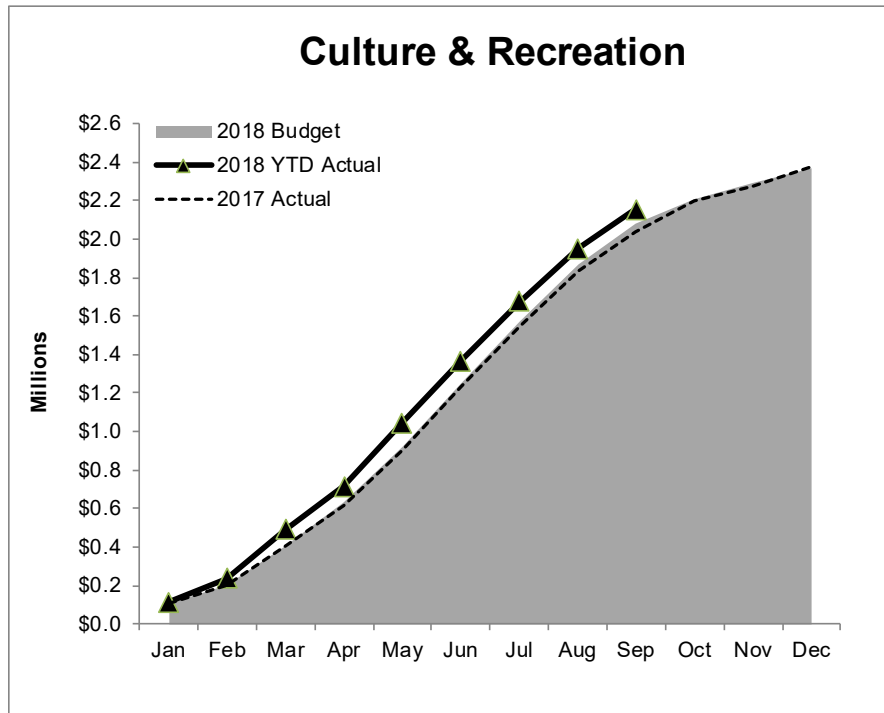
Public safety revenues consist of revenues received for police officer extra duty security services – whereby officers are contracted for and reimbursement is made by the hiring agency. This also includes reimbursements from the Muckleshoot Indian Tribe (MIT) for a full-time dedicated police officer and associated expenditures as well as monies collected from the Auburn School District and the Criminal Justice Training Commission (CJTC) for services rendered. Public safety revenues collected through Q3-2018 totaled \$775,000 and compare to a budget of \$534,000. The majority of the favorability seen in this revenue source is due to

extra duty overtime reimbursements exceeding budget expectations as a result of increased requests for police officer security services.

Development services fee collections, which primarily consist of plan check fees, totaled \$614,000 and ended the quarter \$169,000, or 21.6%, under budget expectations. Total plan check revenues collected through Q3-2018 totaled \$326,000 as compared to \$492,000 collected through Q3-2017. Plan check revenues collected in the third quarter of 2018 include both commercial and residential projects, including projects at Boeing and single family housing developments including Hastings, Wyncrest II, and Forest Glen at Lakeland.

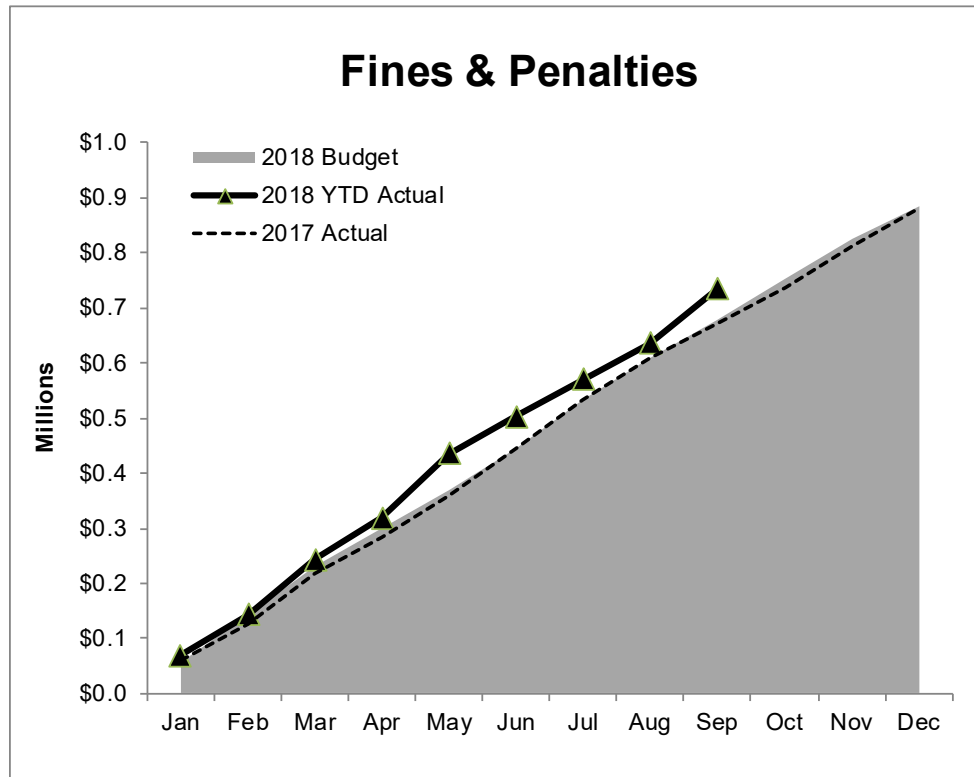


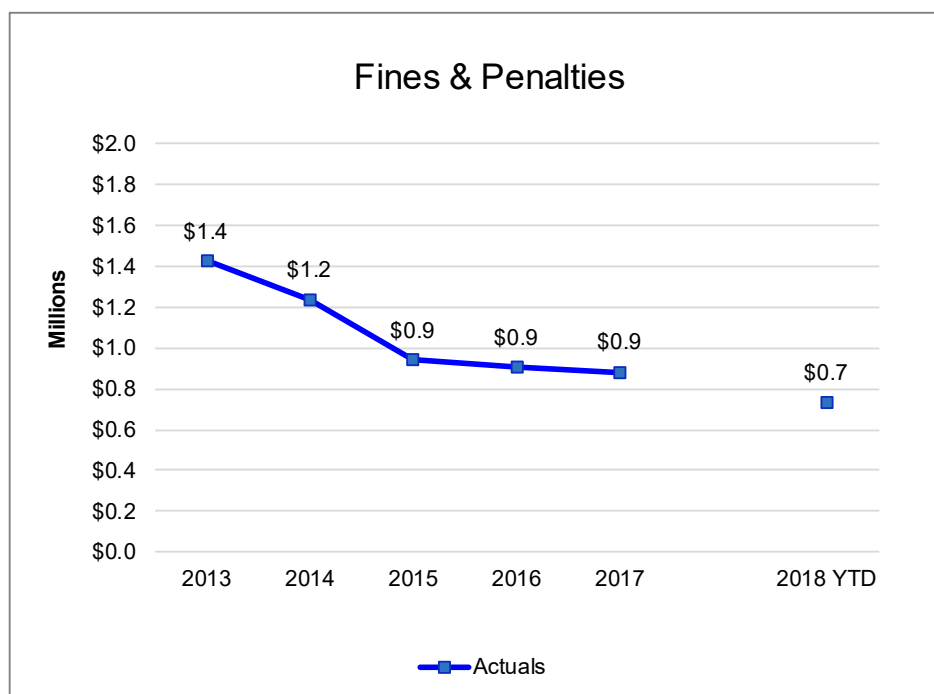
Culture and recreation revenues collected through Q3-2018 totaled \$2.2 million, exceeding collections in the same period last year by \$116,000 and exceeding Q3-2018 budget expectations by \$80,000. The majority of the year-over-year increase in revenues was seen in recreation class revenues and greens fee revenues at the Auburn Golf Course. The majority of culture and recreation revenues are derived from greens fees and pro shop sales at the Auburn Golf Course, recreational classes, athletic league fees, and special events.



**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 Q3-2018 totaled \$734,000 and ended the quarter \$55,000, or 8.2%, favorable to budget. As seen in the table below, civil penalty revenues collected through Q3-2018 exceed budget by \$88,000. This is due to revenues collected through September in the amount of \$88,000 for code compliance penalties, which are unbudgeted. These code compliance penalties are revenues collected from banks on vacant bank-owned properties that are neglected and in non-compliance with City code.

Fines & Penalties by Type Through September 2018							
Month	2017 YTD Actual	2018 YTD Budget	2018 YTD Actual	2018 vs. 2017 Actual		2018 vs. Budget	
				Amount	Percentage	Amount	Percentage
Civil Penalties	\$ 6,306	\$ 6,300	\$ 94,411	\$ 88,105	1,397.1 %	\$ 88,111	1,398.6 %
Civil Infraction Penalties	359,912	365,600	372,626	12,715	3.5 %	7,026	1.9 %
Redflex Photo Enforcement	7,793	0	6,613	(1,180)	(15.1) %	6,613	N/A
Parking Infractions	112,412	112,300	99,176	(13,236)	(11.8) %	(13,124)	(11.7) %
Criminal Traffic Misdemeanor	60,707	38,500	38,525	(22,182)	(36.5) %	25	0.1 %
Criminal Non-Traffic Fines	23,131	32,400	37,362	14,231	61.5 %	4,962	15.3 %
Criminal Costs	37,501	33,500	31,969	(5,532)	(14.8) %	(1,531)	(4.6) %
Non-Court Fines & Penalties	62,317	90,500	53,807	(8,511)	(13.7) %	(36,693)	(40.5) %
YTD Total	\$ 670,078	\$ 679,100	\$ 734,490	\$ 64,411	9.6 %	\$ 55,390	8.2 %





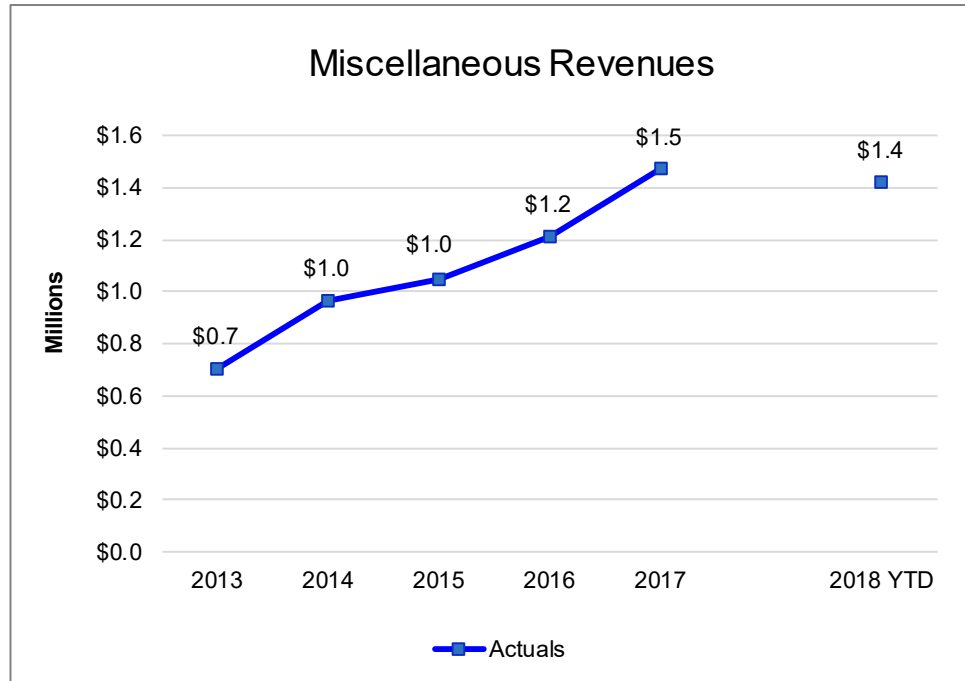
**Miscellaneous revenues** consist of investment earnings, income from facility rentals, contributions & donations, and other income including the quarterly purchasing card (P-card) rebate monies. Revenues collected in this category through Q3-2018 totaled \$1.4 million and exceeded budget expectations by \$482,000. The majority of the increase in revenues was seen in interest and investments as well as the rents and leases category.

Miscellaneous Revenues by Type Through September 2018							
Month	2017 YTD Actual	2018 YTD Budget	2018 YTD Actual	2018 vs. 2017		2018 vs. Budget	
				Amount	Percentage	Amount	Percentage
Interest & Investments	\$ 161,285	\$ 47,500	\$ 295,262	\$ 133,977	83.1 %	\$ 247,762	521.6 %
Rents & Leases	720,531	670,400	829,454	108,923	15.1 %	159,054	23.7 %
Contributions & Donations	38,345	28,400	46,595	8,250	21.5 %	18,195	64.1 %
Other Miscellaneous Revenue	257,127	193,300	250,421	(6,706)	(2.6) %	57,121	29.6 %
YTD Total	\$ 1,177,288	\$ 939,600	\$ 1,421,732	\$ 244,444	20.8 %	\$ 482,132	51.3 %

Interest and investments revenues collected through Q3-2018 exceeded budget expectations by \$248,000. This year-over-year increase in investment revenue is primarily due to the increase in the State Investment Pool interest rate.

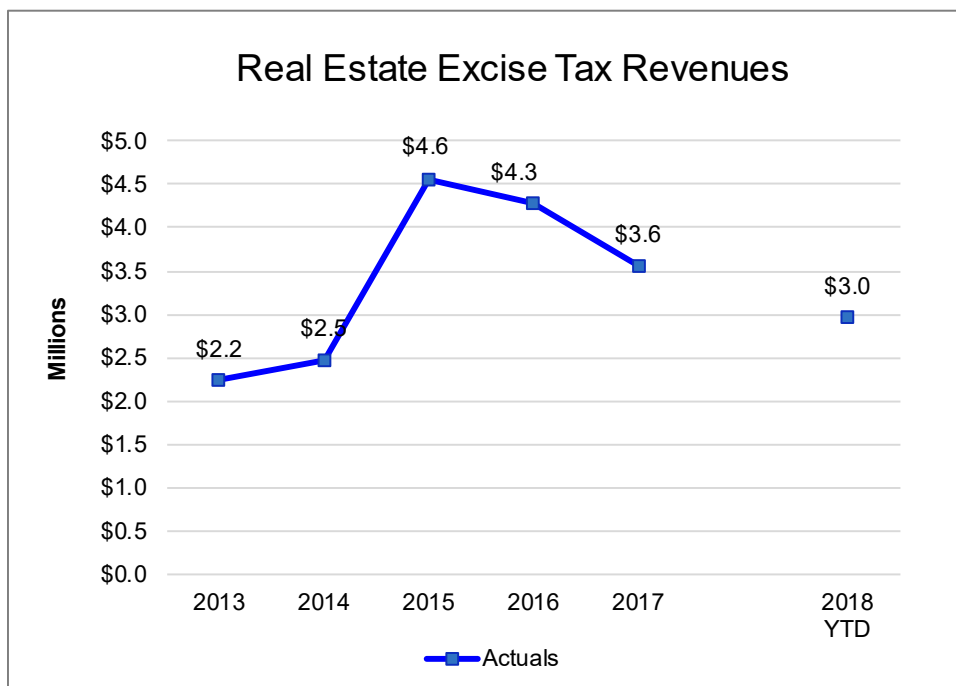
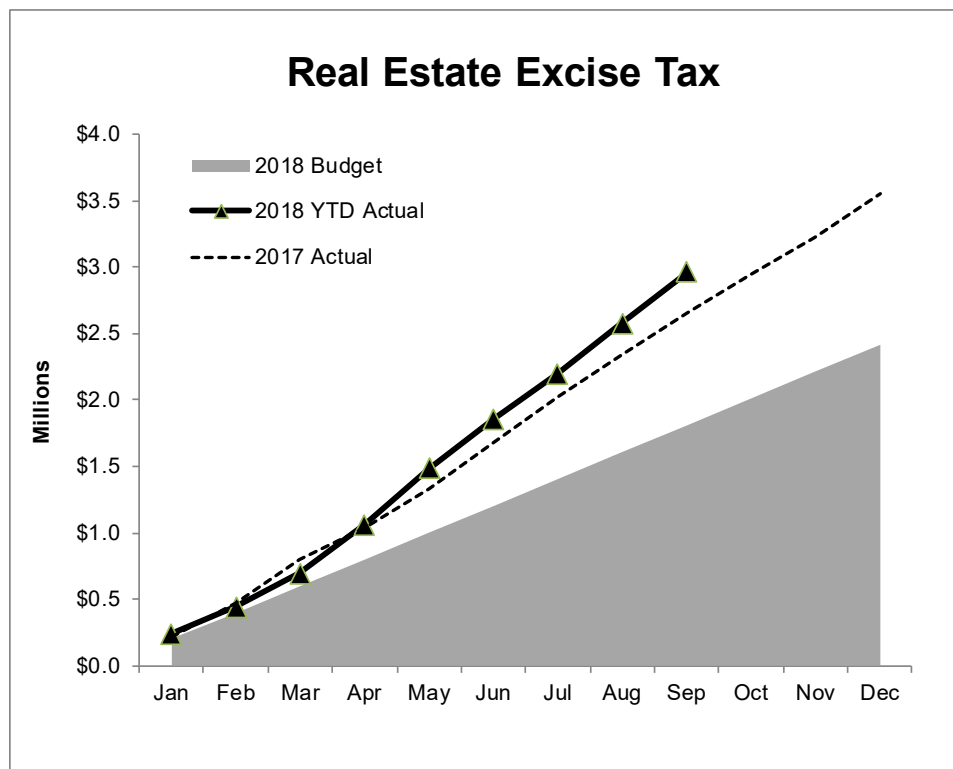
Rents and lease revenue collected through Q3-2018 totaled \$829,000 and was \$109,000 higher than what was collected through Q3-2017. The year-over-year increase in rents and leases was primarily seen in the facility rental revenues, miscellaneous parks unearned revenue (deposits), and golf cart rental revenues. Through the third quarter of 2018, facility rental revenues increased \$23,000 compared to revenues collected through Q3-2017. Golf cart revenues and miscellaneous parks unearned revenue (facility deposits) increased \$27,000 and \$45,000 respectively, over revenues collected through Q3-2017.

Lastly, other miscellaneous revenues exceeded budget expectations by \$57,000 mainly due to assessments for code compliance property abatements and sales of unclaimed property.



**Real Estate Excise Tax (REET)** revenue is receipted into the Capital Improvement Projects Fund and is used for governmental capital projects. REET revenues collected through Q3-2018 totaled \$3.0 million, exceeding budget expectations by \$1.2 million and exceeding prior year collections through Q3-2017 by \$308,000. Real estate sales in Q3-2018 represent the sale of both commercial properties and single family residences. Commercial sales in Q3-2018 included the sale of multi-family properties, vacant land, warehouse space and offices.

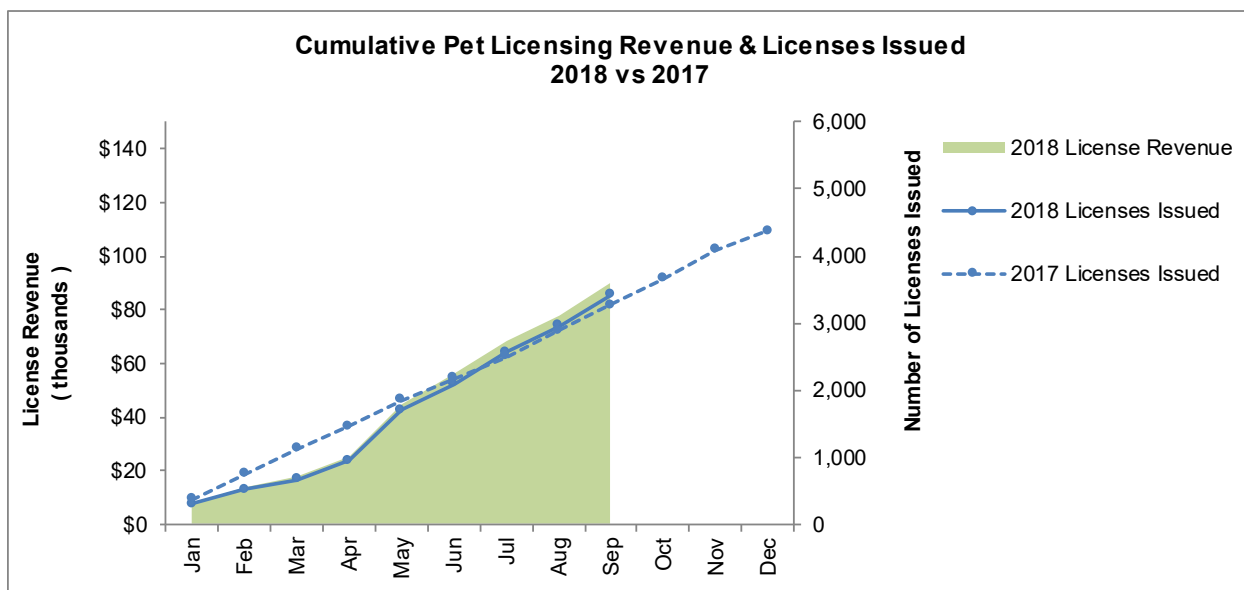
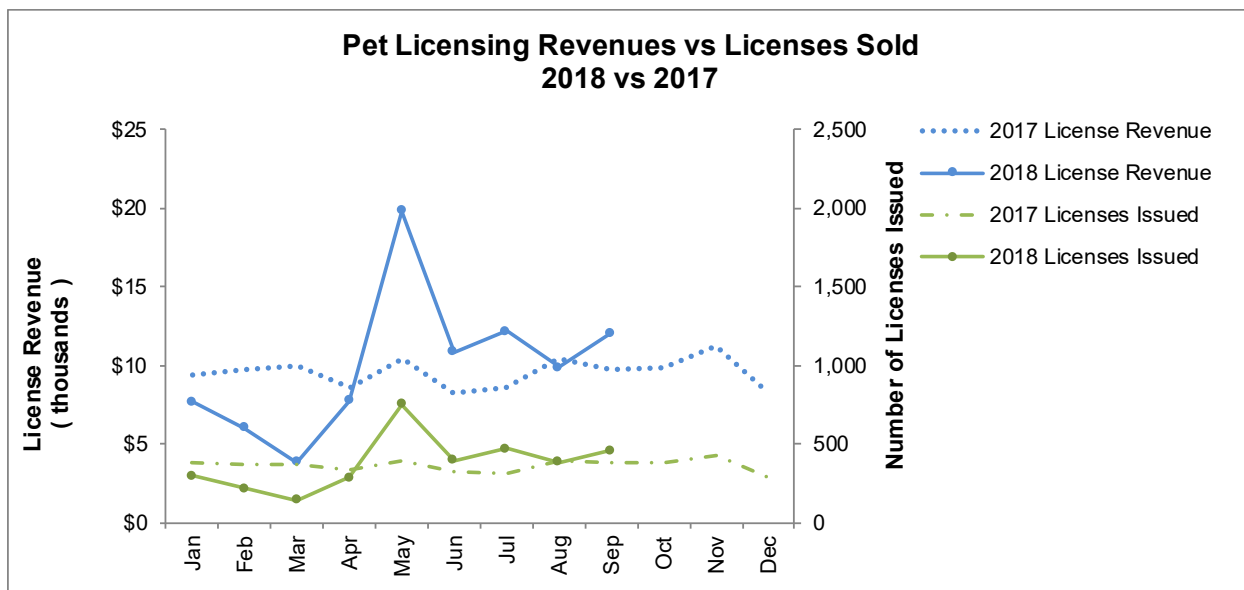
Real Estate Excise Tax Revenues							
September 2018							
Month	2017 Actual	2018 Budget	2018 Actual	2018 vs. 2017		2018 vs. Budget	
				Amount	Percentage	Amount	Percentage
Jan	\$ 224,044	\$ 200,800	\$ 240,414	\$ 16,371	7.3 %	\$ 39,614	19.7 %
Feb	249,683	200,800	200,783	(48,899)	(19.6) %	(17)	(0.0) %
Mar	326,044	200,800	255,218	(70,826)	(21.7) %	54,418	27.1 %
Apr	234,480	200,800	362,999	128,519	54.8 %	162,199	80.8 %
May	299,251	200,800	427,054	127,803	42.7 %	226,254	112.7 %
Jun	353,807	200,800	371,816	18,009	5.1 %	171,016	85.2 %
Jul	330,707	200,800	342,006	11,299	3.4 %	141,206	70.3 %
Aug	325,936	200,800	373,889	47,954	14.7 %	173,089	86.2 %
Sep	309,422	200,800	387,673	78,251	25.3 %	186,873	93.1 %
YTD Total	\$2,653,374	\$1,807,200	\$2,961,854	\$ 308,480	11.6 %	\$1,154,654	63.9 %





## Pet Licensing

Through the third quarter of 2018, 3,413 pet licenses were sold, resulting in \$90,165 in revenue. Through the third quarter of 2017, 3,271 licenses were sold, resulting in \$84,925 in revenue. As of March 2018, pet licensing services are provided by the Auburn Valley Humane Society. Previously, these services were provided by PetData.



## Street Funds

This section provides a financial overview of the City's three street funds for the quarter ending September 30, 2018. The City's three street funds include the Arterial Street Fund (Fund 102), the Local Street Fund (Fund 103), and the Arterial Street Preservation Fund (Fund 105).

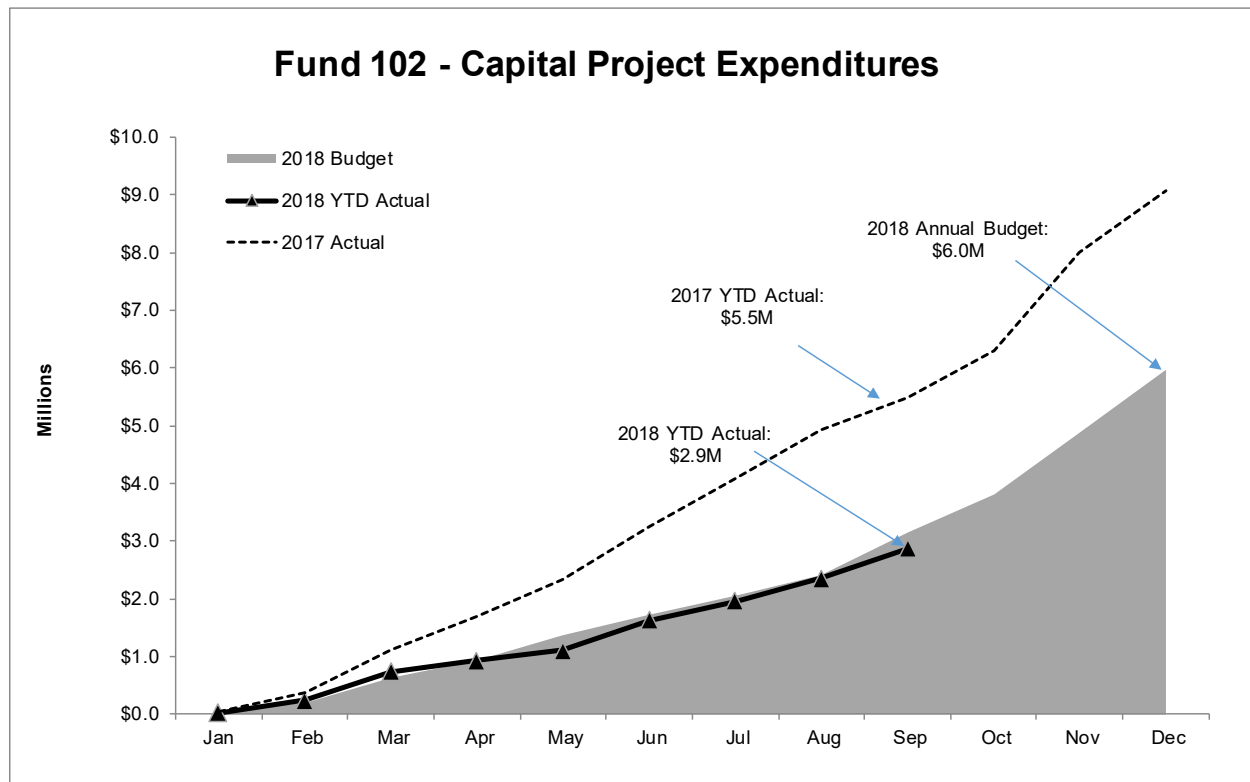
### Fund 102 – Arterial Street Fund

The Arterial Street Fund is a special revenue fund that is funded by transportation grants, traffic impact fees, a portion of the City's gas tax receipts, Public Works Trust Fund loans, developer contributions, and other sources. As of September 30, 2018 there were 26 separate street projects budgeted in this fund.

Through September, revenues collected totaled \$2.7 million as compared with collections of \$5.4 million through Q3-2017. Total expenditures through Q3-2018 were \$3.4 million as compared to \$5.9 million expended through Q3-2017. Variances in revenues and expenditures are largely due to the timing of capital expenditures and any subsequent reimbursement via federal grants. Expenditure timing is generally determined by the current phase of each individual capital project, and tends to increase as projects move from design phase into construction. Additionally, the Operator's Union strike impacted several projects and has delayed their anticipated expenditures during this quarter.

Fund 102 - Arterial Street  Summary of Sources and Uses  Report Period: September 2018	2018			2017	2018 YTD Budget vs. Actual	
	Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable)	
					Amount	Percentage
<b>Revenues</b>						
Federal Grants	\$ 2,247,600	\$ 1,506,945	\$ 711,936	\$ 2,893,962	\$ (795,009)	(52.8) %
State Grants	176,500	114,771	31,585	906,031	(83,187)	(72.5) %
Motor Vehicle Fuel and Multimodal Taxes	585,000	430,446	467,618	428,672	37,172	8.6 %
Developer Contributions	-	-	(0)	222,575	(0)	
Miscellaneous Revenue	466,200	310,800	498,885	-	188,085	60.5 %
Other Governmental Agencies	-	-	-	-	-	
Public Works Trust Fund Loans	-	-	-	-	-	
Operating Transfer In	1,833,417	1,238,930	933,729	977,326	(305,200)	(24.6) %
Investment Income	2,600	1,962	22,567	7,419	20,606	1050.5 %
<b>Total Revenues</b>	<b>\$ 5,311,317</b>	<b>\$ 3,603,854</b>	<b>\$ 2,666,321</b>	<b>\$ 5,435,984</b>	<b>\$ (937,533)</b>	<b>(26.0) %</b>
<b>Expenditures</b>						
Salary and Benefits	\$ 551,000	\$ 414,901	\$ 307,635	\$ 485,008	\$ 107,267	25.9 %
Capital Outlay	5,418,300	3,440,607	2,566,494	4,999,122	874,113	25.4 %
Subtotal - Capital Project Expenditures	5,969,300	3,855,508	2,874,128	5,484,129	981,380	25.5 %
Services and Charges	405,200	261,123	215,782	149,753	45,341	17.4 %
Interfund Payments for Services	78,859	59,144	59,148	57,510	(4)	(0.0) %
Debt Service Principal and Interest	208,818	208,818	208,817	209,511	1	0.0 %
Operating Transfer Out	55,615	41,711	23,151	6,605	18,561	44.5 %
<b>Total Expenditures</b>	<b>\$ 6,717,792</b>	<b>\$ 4,426,305</b>	<b>\$ 3,381,025</b>	<b>\$ 5,907,508</b>	<b>\$ 1,045,279</b>	<b>23.6 %</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,406,475)</b>	<b>\$ (822,451)</b>	<b>\$ (714,705)</b>	<b>\$ (471,523)</b>	<b>\$ 107,746</b>	<b>(13.1) %</b>

Beg. Fund Balance, January 2018	\$ 2,584,136
Net Change in Fund Balance, September 2018	(714,705)
Ending Fund Balance, September 2018	<u>\$ 1,869,431</u>
2018 Budgeted Ending Fund Balance	\$ 1,177,661



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

Fund 102 - Arterial Street			
Capital Projects Status *			
Name	Annual Budget	YTD Actual	Remaining
22nd St NE & I St NE Intersection	\$1.1M	\$1.0M	\$0.1M
AWS Corridor Safety Improvements	\$0.8M	\$0.6M	\$0.2M
A St SE & 37th St SE	\$0.8M	\$0.2M	\$0.5M
All Other Projects (23 Others Budgeted)	\$3.2M	\$1.0M	\$2.2M
Total	\$6.0M	\$2.9M	\$3.1M

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

#### Notes:

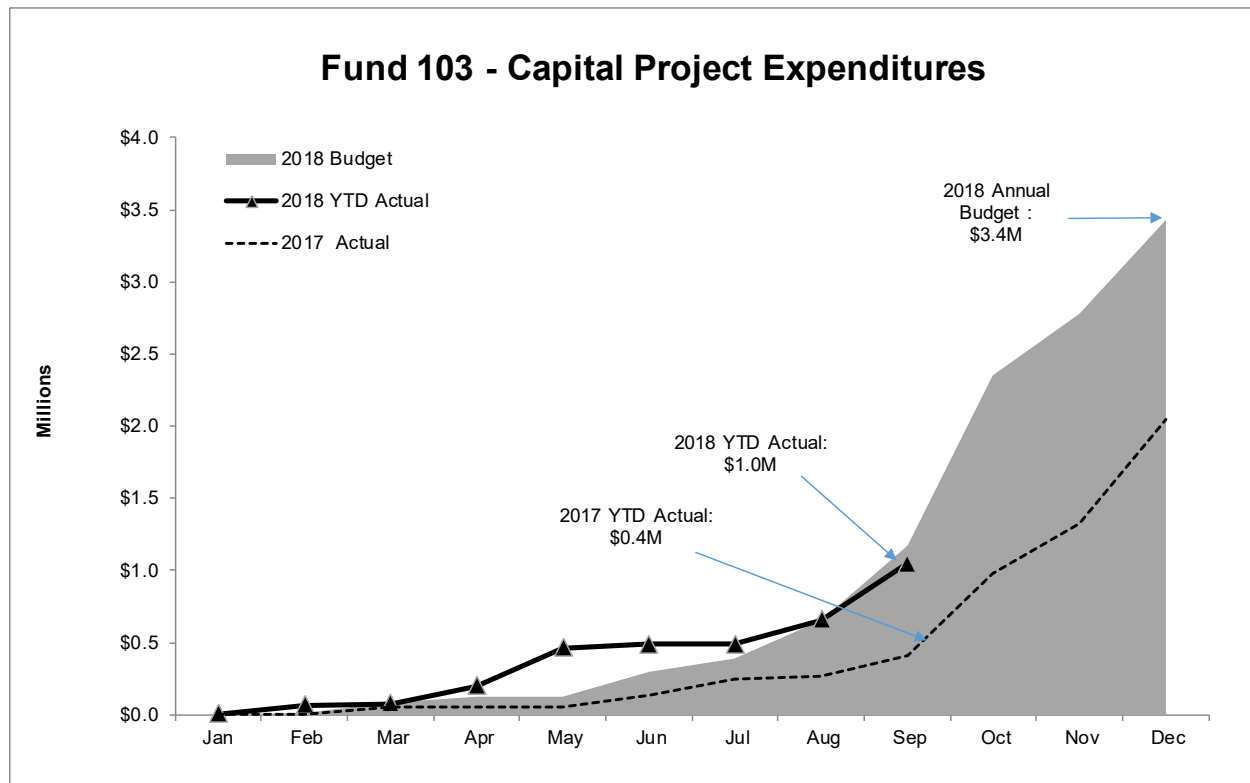
- Construction awards for several projects occurred in Q3-2018, with work completed for the City by the Auburn School District and by WSDOT during that quarter. It is anticipated that these expenditures will be reflected in Q4-2018.

## Fund 103 – Local Street Fund

The Local Street Fund is a special revenue fund where the revenues from sales taxes on construction are used for local street repair. Through September 30, 2018 revenues in this fund totaled \$2.0 million, exceeding year-to-date budget expectations by \$562,000 due to higher than anticipated sales tax revenues from local construction projects. This is consistent with collections of \$2.0 million through Q3-2017. Total expenditures through Q3-2018 were \$1.2 million and compare to expenditures of \$538,000 through Q3-2017. Historically, well over half of this fund's annual expenditures occur in the final four months of each year due to the weather sensitivity of pavement construction (this work needs to be done primarily in the summer and early fall). Highlighted in the table below and shown in the following graph are the fund's total expenditures related to capital projects.

Fund 103 - Local Street Fund  Summary of Sources and Uses  Report Period: September 2018	2018			2017	2018 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	\$ 1,242,400	\$ 1,763,440	\$ 1,844,760	\$ 521,040	41.9 %
Operating Transfer In	150,000	150,000	150,000	150,000	-	0.0 %
Interest Earnings	9,100	6,455	47,781	22,129	41,326	640.2 %
<b>Total Revenues</b>	<b>\$ 1,909,100</b>	<b>\$ 1,398,855</b>	<b>\$ 1,961,221</b>	<b>\$ 2,016,889</b>	<b>\$ 562,366</b>	<b>40.2 %</b>
<b>Expenditures</b>						
Salary and Benefits	\$ 148,817	\$ 110,245	\$ 101,947	\$ 92,810	\$ 8,298	7.5 %
Capital Project Expenditures	3,429,298	1,544,832	1,047,594	410,911	497,238	32.2 %
Services and Charges	700	555	2,414	19,791	(1,858)	(334.8) %
Interfund Payments for Services	12,239	9,179	9,180	8,937	(1)	(0.0) %
Operating Transfer Out	516	511	229	5,766	282	55.1 %
<b>Total Expenditures</b>	<b>\$ 3,591,570</b>	<b>\$ 1,665,323</b>	<b>\$ 1,161,364</b>	<b>\$ 538,216</b>	<b>\$ 503,958</b>	<b>30.3 %</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,682,470)</b>	<b>\$ (266,468)</b>	<b>\$ 799,856</b>	<b>\$ 1,478,674</b>	<b>\$ 1,066,324</b>	<b>(400.2) %</b>

Beg. Fund Balance, January 2018	\$	2,943,350
Net Change in Fund Balance, September 2018		799,856
Ending Fund Balance, September 2018	\$	3,743,206
2018 Budgeted Ending Fund Balance	\$	1,260,880



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

Fund 103 - Local Street			
Capital Projects Status*			
Name	Annual Budget	YTD Actual	Remaining
2018 Local Street Pavement Reconstruction	\$1.8M	\$0.4M	\$1.4M
2018 Citywide Pavement Patching & Overlay	\$0.9M	\$0.3M	\$0.6M
2017 Local Street Reconstruction & Preservation	\$0.7M	\$0.4M	\$0.3M
All Other Projects (1 Other Budgeted)	\$0.1M	\$0.0M	\$0.1M
Total	\$3.4M	\$1.0M	\$2.4M

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

#### Notes:

- 2018 Local Street Pavement Reconstruction was awarded by Council on 6/18/2018. Work on this project was impacted by the Operators Union strike in the 3<sup>rd</sup> quarter.
- 2018 Citywide Pavement Patching and Overlay was awarded by Council on 6/25/2018. Work on this project was impacted by the Operators Union strike in the 3<sup>rd</sup> quarter.

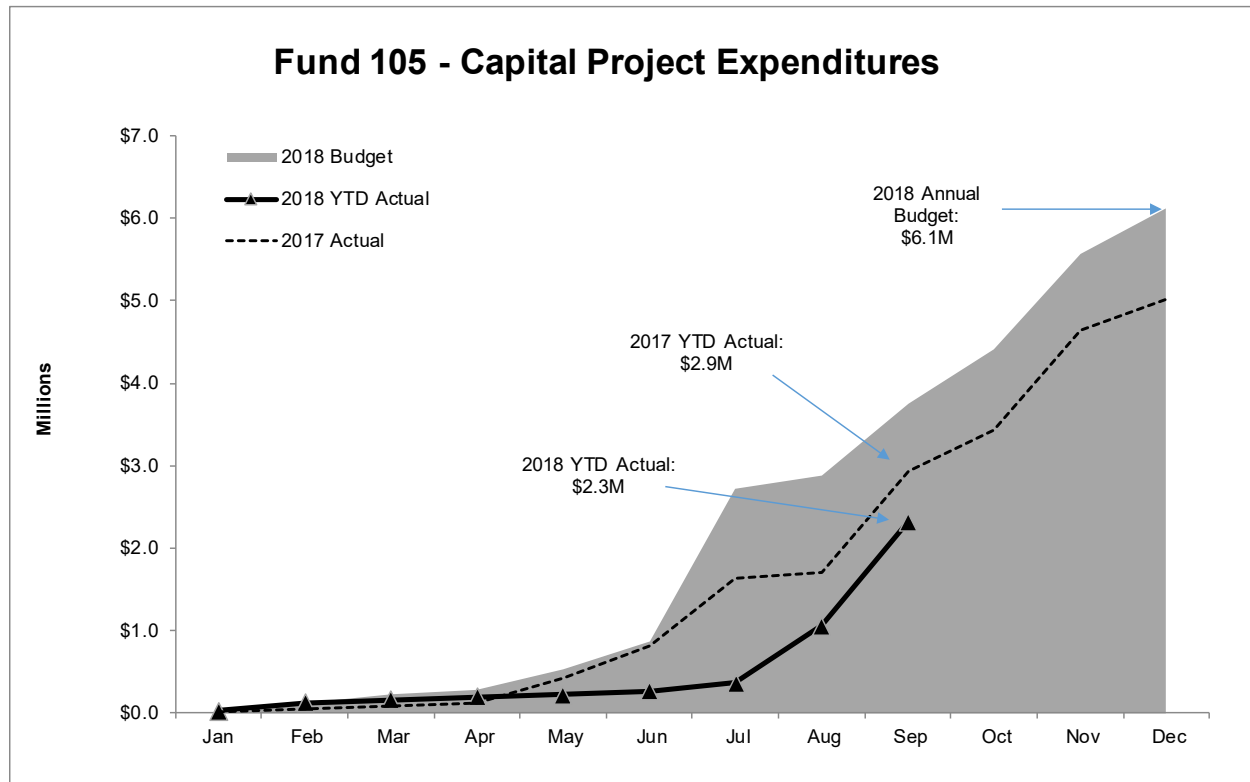
**Fund 105 – Arterial Street Preservation Fund**

The Arterial Street Preservation Fund is a special revenue fund that is primarily funded by a 1.0% utility tax that was adopted by Council in 2008; these utility tax revenues are restricted for arterial street repair and preservation projects. Major projects budgeted within the Arterial Street Preservation Fund in 2018 include 15<sup>th</sup> Street NE/NW Preservation, South 277<sup>th</sup> Street Preservation, and Citywide Pavement Patching and Overlay. Through Q3-2018, revenues totaled \$2.3 million, approximately \$31,000 higher than the same period last year.

Total expenditures through Q3-2018 were \$2.3 million, as compared to expenditures of \$2.9 million through Q3-2017. Historically, the majority of this fund's expenditures occur in the second half of each year due to the weather sensitivity of pavement construction (this work needs to be done primarily in the summer and early fall). Highlighted in the table below and shown in the following graph are the fund's total expenditures related to capital projects.

Fund 105 - Arterial Street Preservation  Summary of Sources and Uses  Report Period: September 2018	2018			2017	2018 YTD Budget vs. Actual	
	Annual Budget	YTD Budget	YTD Actual	YTD Actual	Favorable (Unfavorable)	
					Amount	Percentage
<b>Revenues</b>						
City Utility Tax	\$ 700,000	\$ 541,598	\$ 475,204	\$ 480,821	\$ (66,394)	(12.3) %
Electric Utility Tax	715,600	549,573	578,074	570,153	28,500	5.2 %
Natural Gas Utility Tax	201,200	178,583	182,467	192,043	3,883	2.2 %
Cable TV Tax	197,200	146,501	152,717	156,731	6,217	4.2 %
Telephone Utility Tax	281,600	215,584	181,330	211,142	(34,254)	(15.9) %
Garbage Utility Tax (External Haulers)	-	-	16,681	16,017	16,681	
Grants	1,511,840	612,710	106,627	508,325	(506,083)	(82.6) %
Developer Mitigation Fees	-	-	-	-	-	
Operating Transfer In	2,212,400	3,318,600	594,560	131,750	(2,724,040)	(82.1) %
Interest Earnings	4,900	3,675	30,658	20,536	26,983	734.2 %
<b>Total Revenues</b>	<b>\$ 5,824,740</b>	<b>\$ 5,566,824</b>	<b>\$ 2,318,317</b>	<b>\$ 2,287,518</b>	<b>\$ (3,248,507)</b>	<b>(58.4) %</b>
<b>Expenditures</b>						
Salary and Benefits	\$ 225,000	\$ 161,192	\$ 287,288	\$ 301,737	\$ (126,096)	(78.2) %
Capital Outlay	5,895,840	5,325,315	2,033,538	2,626,020	3,291,777	61.8 %
Subtotal - Capital Project Expenditures	6,120,840	5,486,507	2,320,826	2,927,757	3,165,681	57.7 %
Supplies	-	-	-	-	-	
Services and Charges	150,000	90,060	-	-	90,060	100.0 %
Operating Transfer Out	46,100	69,150	-	14,141	69,150	100.0 %
<b>Total Expenditures</b>	<b>\$ 6,316,940</b>	<b>\$ 5,645,717</b>	<b>\$ 2,320,826</b>	<b>\$ 2,941,899</b>	<b>\$ 3,324,891</b>	<b>58.9 %</b>
<b>Net Change in Fund Balance</b>	<b>\$ (492,200)</b>	<b>\$ (78,893)</b>	<b>\$ (2,509)</b>	<b>\$ (654,380)</b>	<b>\$ 76,384</b>	<b>(96.8) %</b>

Beg. Fund Balance, January 2018	\$ 2,039,837
Net Change in Fund Balance, September 2018	(2,509)
Ending Fund Balance, September 2018	\$ 2,037,328
2018 Budgeted Ending Fund Balance	\$ 1,547,637



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

Fund 105 - Arterial Street Preservation			
Capital Projects Status*			
Name	Annual Budget	YTD Actual	Remaining
15th St NE/NW Preservation	\$2.2M	\$1.5M	\$0.6M
S 277th Street Preservation	\$1.3M	\$0.1M	\$1.2M
2018 Citywide Pavement and Patching Overlay	\$1.7M	\$0.6M	\$1.1M
All Other Projects (6 Others Budgeted)	\$1.0M	\$0.2M	\$0.8M
Total	\$6.1M	\$2.3M	\$3.8M

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

#### Notes:

- Construction on the 15<sup>th</sup> Street NE/NW Preservation project was underway in the 3<sup>rd</sup> quarter but was significantly impacted by the Operators Union strike.
- South 277<sup>th</sup> Street Preservation was awarded by Council on 7/16/2018; work on this project was impacted by the Operators Union strike.
- 2018 Citywide Pavement Patching and Overlay was awarded by Council on 6/25/2018; work on this project was impacted by the Operators Union strike.

## Fund 124 – Mitigation Fees

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

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

Through Q3-2018, revenues were below budget expectations, at 41.9% of the annual budgeted amount. This variance is largely due to a decrease in single-family housing development, which is the source of parks impact fees and a significant source of transportation impact fees. Additionally, there is a budgeted transfer-in of \$400,000 from the Capital Improvement Projects fund that has not occurred; this is anticipated either in Q4-2018 or early 2019. This transfer is to pay for traffic impact fees associated with two multifamily development proposals: Auburn Apartments and Auburn Senior Living. Expenditures were also below budget due to the timing of capital projects funded by these revenues.

Fund 124 - Mitigation Fees Summary of Sources and Uses				YTD ACTUALS		
Report Period Through: September 2018				Ending		
	Revenues	Expenditures	Fund Balance	Revenues	Expenditures	Fund Balance
Transportation Impact Fees	\$ 800,000	\$ 1,498,517	\$ 4,517,955	\$ 382,817	\$ 816,029	\$ 4,783,257
Transportation Mitigation Fees	-	188,800	45,505	-	117,700	116,605
Fire Impact Fees	100,000	50,000	136,373	119,483	-	205,856
Fire Mitigation Fees	-	-	81	-	-	81
Parks Impact Fees	600,000	967,000	4,963,136	154,000	201,985	5,282,152
Parks Mitigation Fees	-	-	335,302	-	-	335,302
School Impact Admin Fees	12,000	-	68,115	2,454	-	58,569
Wetland Mitigation Fees	-	31,600	38,061	-	-	69,661
Interest and Investment Income	8,200	-	8,200	145,448	-	145,448
Fees in Lieu of Improvements	-	-	123,313	-	-	123,313
Operating Transfers	400,000	100,000	300,000	-	-	-
Total	\$ 1,920,200	\$ 2,835,917	\$ 10,536,041	\$ 804,202	\$ 1,135,714	\$ 11,120,244

Beginning Fund Balance, January 2018	\$ 11,451,755
Net Change in Fund Balance, September 2018	(331,511)
Ending Fund Balance, September 2018	\$ 11,120,244
2018 Budgeted Ending Fund Balance	\$ 10,536,041

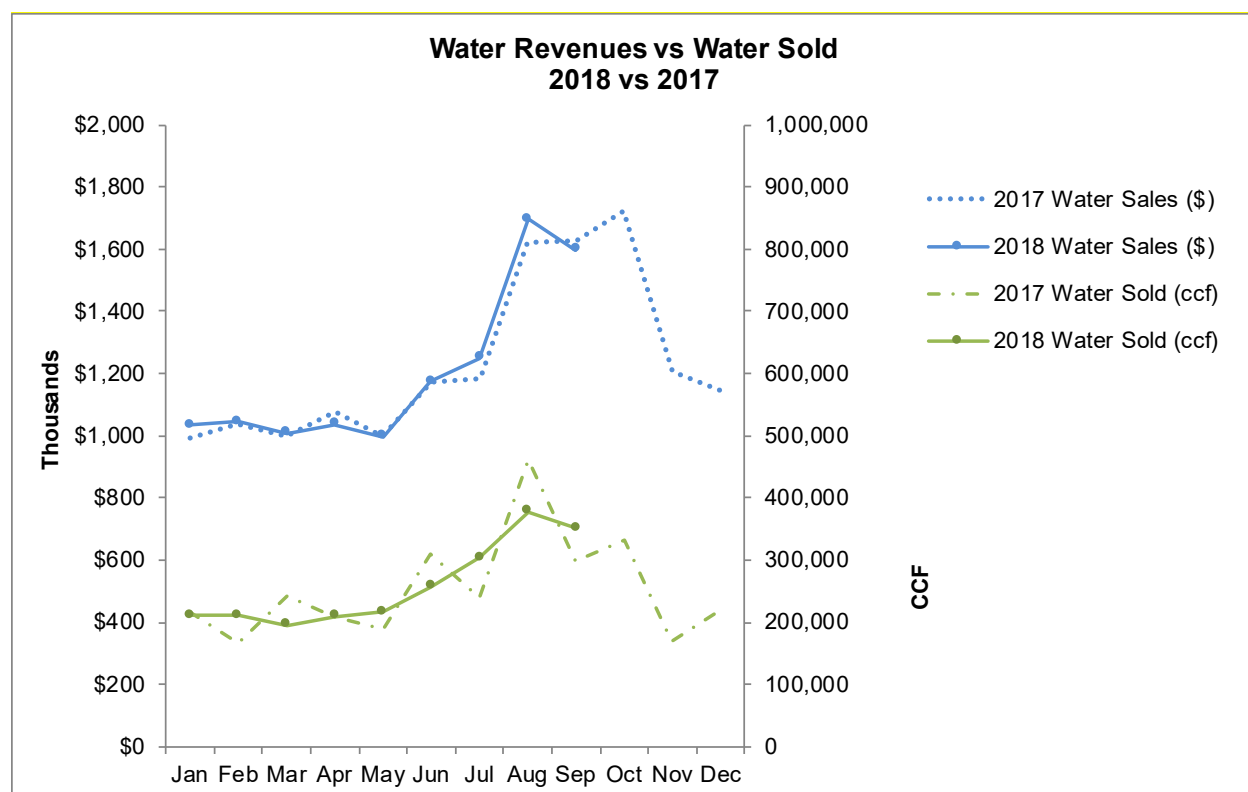


## Enterprise Funds

Detailed income and expense statements for Enterprise and Internal Service funds can be found in an attachment at the end of this report. The attachment provides operating and, as applicable, capital fund reports for these funds showing budget, actuals, and variances. Operating funds house all the operating costs along with debt service and financing obligations. Capital funds show costs associated with capital acquisition and construction. Both the operating and capital funds have a working capital balance. This approach isolates those funds available for capital and cash flow needs for daily operations, and project managers will know exactly how much working capital is available for current and planned projects.

Through September 30, 2018 the **Water Utility** had operating income before depreciation of \$4.4 million as compared with \$4.1 million during the same period last year. Revenues are slightly below budget expectations, mainly due to a budgeted \$1.1 million Drinking Water State Revolving Fund (DWSRF) Loan which has not yet been fully drawn down.

Water sales by volume through Q3-2018 totaled 2.33 million hundred cubic feet (ccf), which is nearly identical to the volume sold through Q3-2017. For many years, the Water utility has seen a general trend of decreased year-over-year consumption per account due largely to conservation efforts and appliance efficiency improvements. Additionally, the City has not provided water to Water District #111 since its take-or-pay agreement expired and the Interlocal Agreement was amended at the end of 2016. However, the overall volume of water consumption has increased due to City growth, offsetting lower per-account consumption.



The **Sewer Utility** finished Q3-2018 with operating income before depreciation of \$1.6 million as compared to operating income of \$1.7 million through Q3-2017. This decrease is due primarily to lower revenue from charges for service and slightly increased expenditures.

The **Stormwater Utility** ended Q3-2018 with operating income before depreciation of \$2.0 million compared with \$2.1 million through Q3-2017. This decrease is due primarily to increases in operating expenditures.

Through Q3-2018, the **Solid Waste Utility** Fund had \$11.7 million in operating revenues, compared to \$11.2 million in operating expenditures, resulting in an increase in Working Capital of \$485,000.

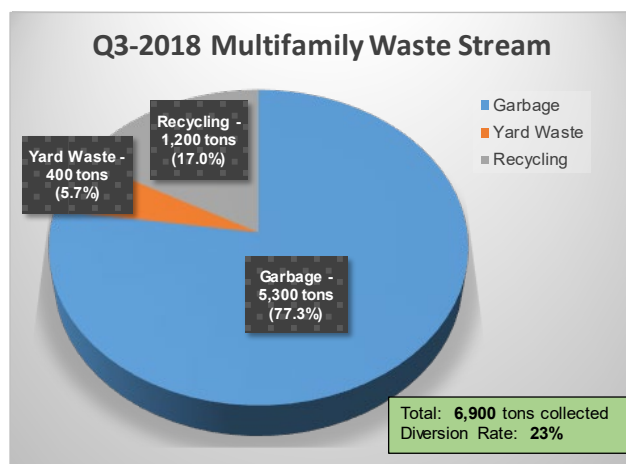
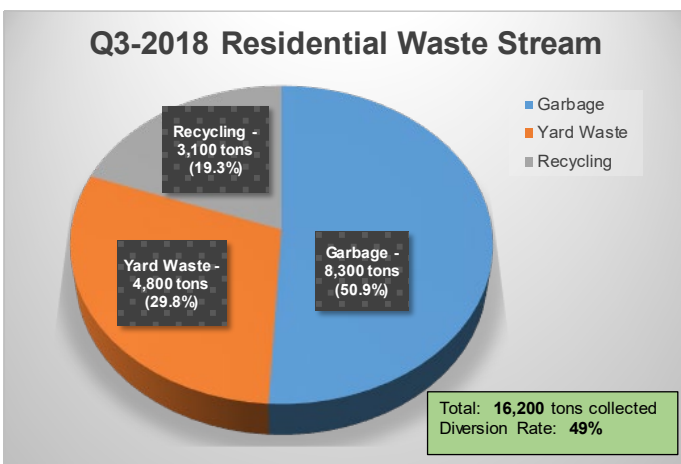
The City of Auburn's Solid Waste services are outsourced to Waste Management and to Republic Services, who manages the contract for the annexed areas. As of September 2018, Waste Management serviced 15,494 customers (79% of customers) and Republic Services serviced 4,060 customers (21% of customers).

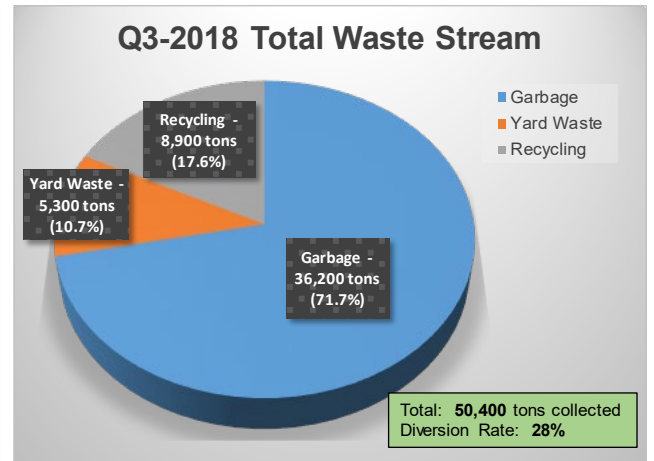
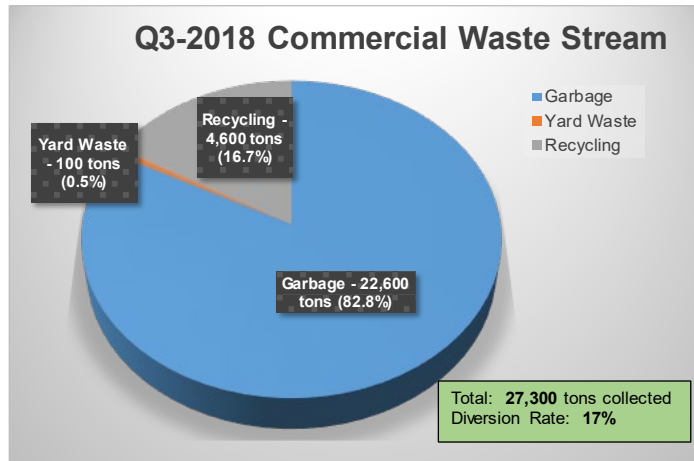
The current mix of customer account types is:

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

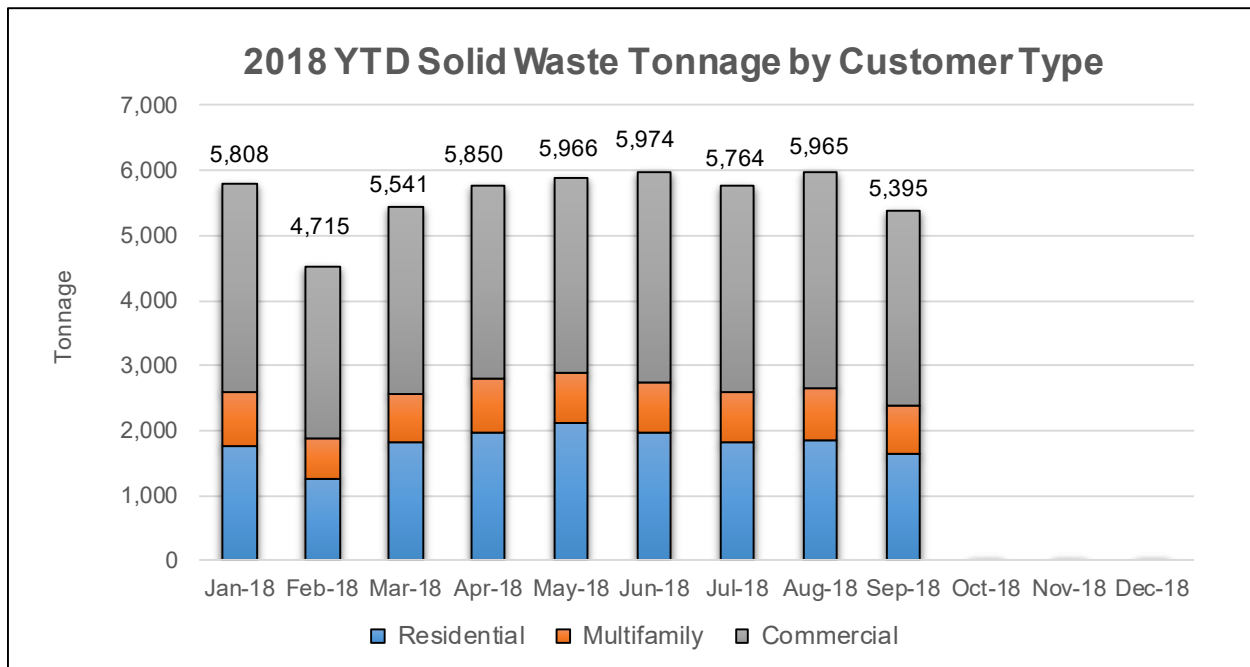
The "diversion rate" is a measure of how much generated waste is not sent to the landfill; i.e., waste that is either recycled or collected yard waste. Through Q3-2018, the total diversion rate was 28%, which represents a total of 14,200 tons of waste that was diverted from landfills.

### Q3-2018 Tons Collected and Diversion Rates:

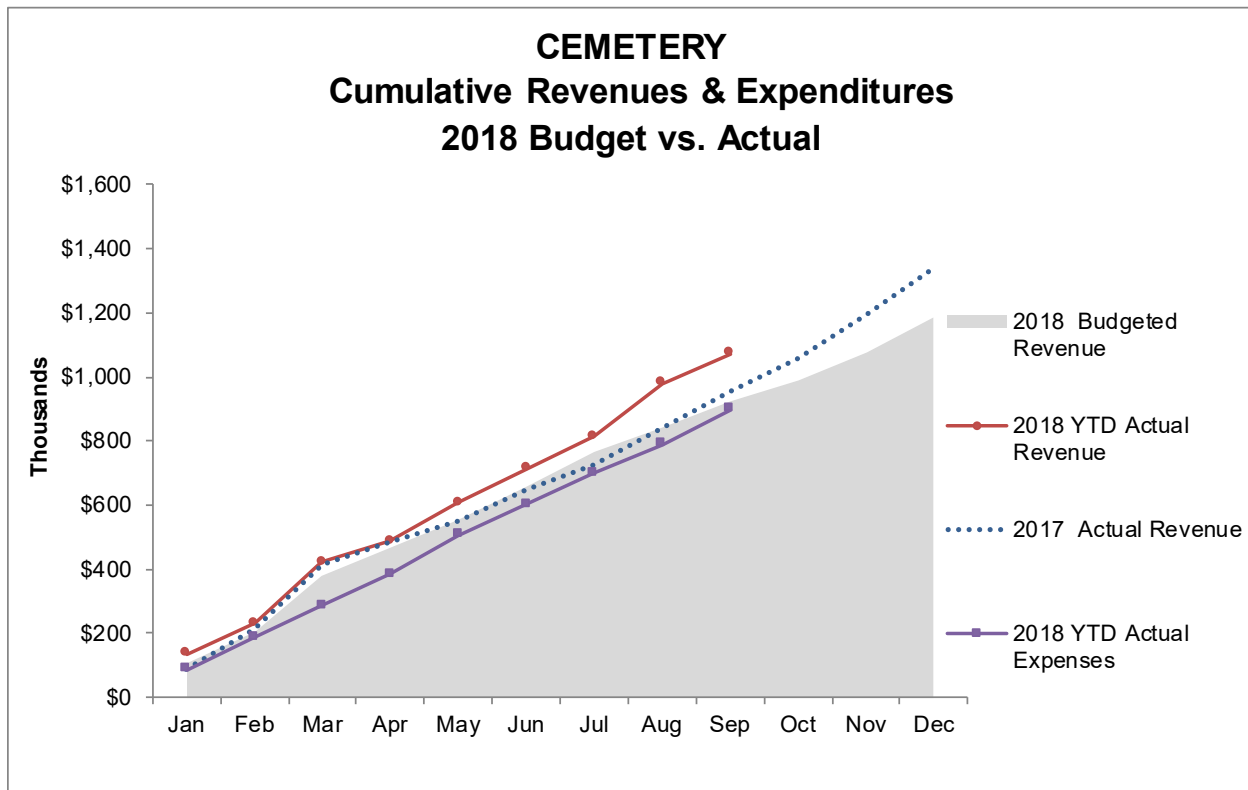




Of the total tonnage collected through Q3-2018, 32% was collected from residential customers, 14% from multifamily customers, and 54% from commercial customers, as shown in the following graph.



Through Q3-2018 the **Cemetery Fund** experienced operating income of \$174,000, as compared with an operating income of \$120,000 through Q3-2017. This variance is mainly due to increased revenue from lot sales.



### Internal Service Funds

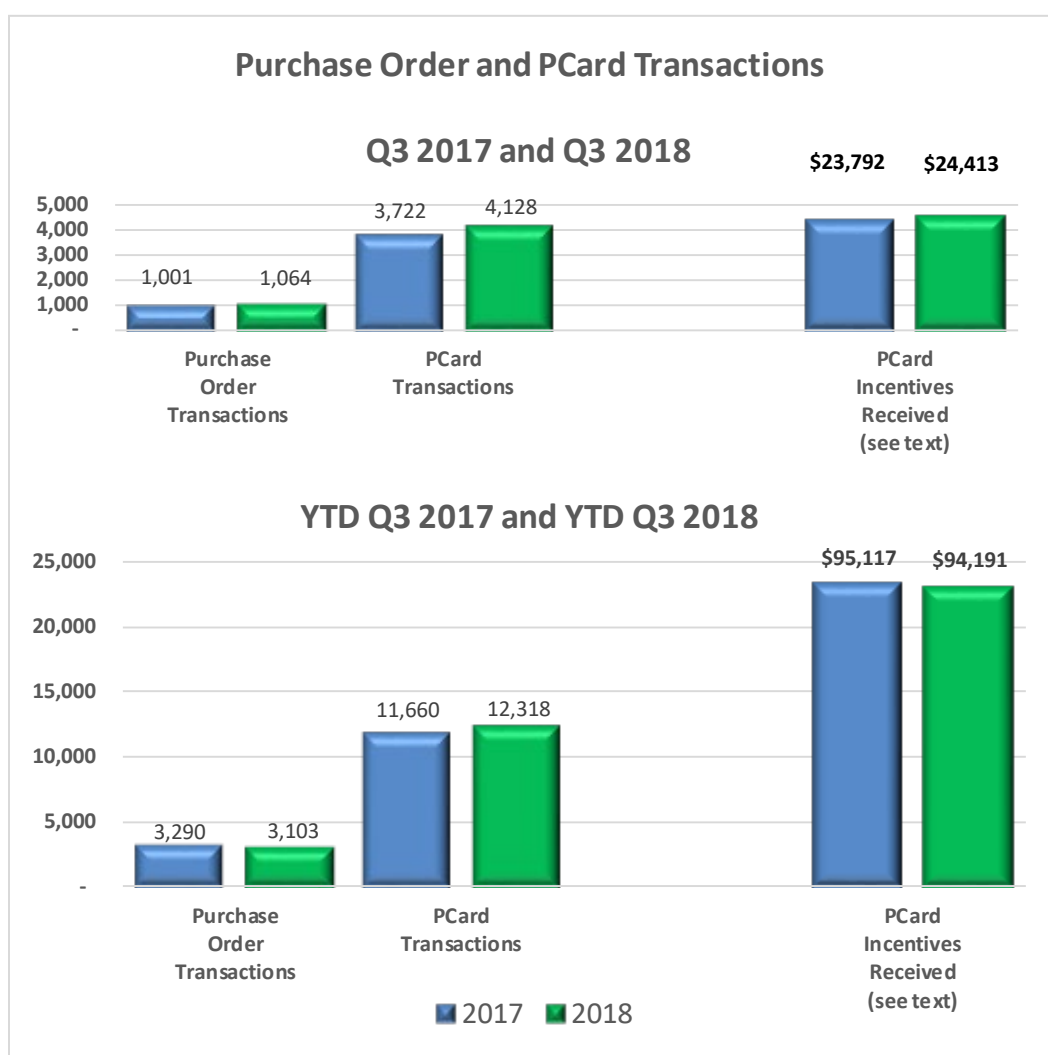
Operating expenditures within the **Insurance Fund** represent the premium cost pool that will be allocated monthly to other City funds over the course of 2018. As a result, the expenditure balance will gradually diminish each month throughout the year.

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

## P-Card Statistics

The City has been actively promoting the use of P-Cards in lieu of purchase orders to minimize effort and maximize incentive payments from the vendor and the State. In Q3-2018, 4,128 P-Card transactions were processed as compared with 1,064 purchase order transactions. A comparison of year-to-date transactions continues to show increasing use of P-Cards relative to purchase orders.

Total incentive payments received from US Bank in Q3-2018 totaled \$24,413. These are estimated payments since the quarterly rebate checks are not actually received until the next quarter. Additionally, there is an annual incentive payment from the State that is received in Q2 of each year. The annual State incentive payment for 2017 was \$24,693 and was received in April of 2018.



## Contact Information

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

**City of Auburn**  
**Investment Portfolio Summary**  
**September 30, 2018**

Investment Type	Purchase Date	Purchase Price	Maturity Date	Yield to Maturity
State Investment Pool	Various	\$ 109,698,071	Various	2.06%
KeyBank Money Market	Various	5,629,710	Various	0.02%
OpusBank Public Interest Acct	Various	10,156,777	Various	2.11%
FNMA	3/11/2016	998,844	2/22/2019	1.20%
FHLB	2/28/2018	2,000,000	2/28/2023	2.65%
FFCB	5/21/2018	2,000,000	10/21/2019	2.48%
FAMCA	6/27/2018	2,000,000	7/16/2020	2.50%
FFCB	7/16/2018	2,000,000	7/16/2020	2.60%
TX ST-BABs-A	8/8/2018	1,769,425	4/1/2020	2.68%
FFCB	8/27/2018	1,999,360	2/23/2021	2.70%
Total Cash & Investments		<u><u>\$ 138,252,187</u></u>		<u><u>2.022%</u></u>

Investment Mix	% of Total	Summary	
State Investment Pool	79.3%	Current 6-month treasury rate	2.34%
KeyBank Money Market	4.1%	Current State Pool rate	2.06%
OpusBank Public Interest Acct	7.3%	KeyBank Money Market	0.02%
FNMA	0.7%	OpusBank Public Interest Acct	2.11%
FHLB	1.4%	Blended Auburn rate	2.02%
FFCB	4.3%		
FAMCA	1.4%		
TX ST-BABs-A	1.3%		
	<u><u>100.0%</u></u>		

SALES TAX SUMMARY

SEPTEMBER 2018 SALES TAX DISTRIBUTIONS (FOR JULY 2018 RETAIL ACTIVITY)

NAICS	CONSTRUCTION	2017 Annual Total (Nov '16-Oct '17)	2017 YTD (Nov '16-Jul '17)	2018 YTD (Nov '17-Jul '18)	YTD % Diff
236	Construction of Buildings	1,503,231	1,049,044	993,660	-5.3%
237	Heavy and Civil Construction	209,928	138,807	117,481	-15.4%
238	Specialty Trade Contractors	918,947	656,909	652,299	-0.7%
TOTAL CONSTRUCTION		\$ 2,632,107	\$ 1,844,760	\$ 1,763,440	-4.4%
Overall Change from Previous Year				\$ (81,320)	

NAICS	MANUFACTURING	2017 Annual Total (Nov '16-Oct '17)	2017 YTD (Nov '16-Jul '17)	2018 YTD (Nov '17-Jul '18)	YTD % Diff
311	Food Manufacturing	4,642	3,763	5,419	44.0%
312	Beverage and Tobacco Products	7,842	5,000	9,021	80.4%
313	Textile Mills	264	134	394	194.5%
314	Textile Product Mills	1,501	1,129	1,243	10.0%
315	Apparel Manufacturing	227	147	213	44.3%
316	Leather and Allied Products	46	31	136	341.2%
321	Wood Product Manufacturing	16,528	12,359	10,250	-17.1%
322	Paper Manufacturing	15,254	11,034	6,856	-37.9%
323	Printing and Related Support	54,391	41,083	36,400	-11.4%
324	Petroleum and Coal Products	1,040	777	7,682	888.6%
325	Chemical Manufacturing	15,982	12,473	9,407	-24.6%
326	Plastics and Rubber Products	8,856	6,468	7,269	12.4%
327	Nonmetallic Mineral Products	17,749	13,785	14,703	6.7%
331	Primary Metal Manufacturing	818	583	950	63.0%
332	Fabricated Metal Product Manuf	28,618	22,676	19,717	-13.0%
333	Machinery Manufacturing	18,216	14,409	19,631	36.2%
334	Computer and Electronic Product	32,957	16,958	4,858	-71.4%
335	Electric Equipment, Appliances	1,103	873	395	-54.8%
336	Transportation Equipment Man	385,842	322,157	363,573	12.9%
337	Furniture and Related Products	34,157	17,001	13,802	-18.8%
339	Miscellaneous Manufacturing	31,567	20,969	24,097	14.9%
TOTAL MANUFACTURING		\$ 677,596	\$ 523,810	\$ 556,018	6.1%
Overall Change from Previous Year				\$ 32,208	

NAICS	TRANSPORTATION AND WAREHOUSING	2017 Annual Total (Nov '16-Oct '17)	2017 YTD (Nov '16-Jul '17)	2018 YTD (Nov '17-Jul '18)	YTD % Diff
481	Air Transportation	2	2	3	27.1%
482	Rail Transportation	20,972	19,425	17,032	-12.3%
484	Truck Transportation	4,014	2,669	23,737	789.4%
485	Transit and Ground Passengers	-3,390	-3,390	44	-101.3%
488	Transportation Support	51,246	39,746	39,291	-1.1%
491	Postal Service	274	209	833	298.3%
492	Couriers and Messengers	1,859	1,125	1,233	9.6%
493	Warehousing and Storage	13,526	9,265	10,513	13.5%
TOTAL TRANSPORTATION		\$ 88,502	\$ 69,050	\$ 92,685	34.2%
Overall Change from Previous Year				\$ 23,636	

NAICS	WHOLESALE TRADE	2017 Annual Total (Nov '16-Oct '17)	2017 YTD (Nov '16-Jul '17)	2018 YTD (Nov '17-Jul '18)	YTD % Diff
423	Wholesale Trade, Durable Goods	1,080,558	782,910	864,620	10.4%
424	Wholesale Trade, Nondurable	278,097	198,873	232,167	16.7%
425	Wholesale Electronic Markets	4,428	3,948	3,620	-8.3%
TOTAL WHOLESALE		\$ 1,363,083	\$ 985,731	\$ 1,100,407	11.6%
Overall Change from Previous Year				\$ 114,676	

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

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

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

NAICS	AUTOMOTIVE	2017 Annual Total (Nov '16-Oct '17)	2017 YTD (Nov '16-Jul '17)	2018 YTD (Nov '17-Jul '18)	YTD % Diff
441	Motor Vehicle and Parts Dealer	3,703,385 b	2,686,816	2,883,183	7.3%
447	Gasoline Stations	268,146	194,420	209,029	7.5%
TOTAL AUTOMOTIVE		\$ 3,971,531	\$ 2,881,236	\$ 3,092,212	7.3%
Overall Change from Previous Year				\$ 210,976	

NAICS	RETAIL TRADE	2017 Annual Total (Nov '16-Oct '17)	2017 YTD (Nov '16-Jul '17)	2018 YTD (Nov '17-Jul '18)	YTD % Diff
442	Furniture and Home Furnishings	197,226	148,394	152,512	2.8%
443	Electronics and Appliances	211,036	152,928	170,495	11.5%
444	Building Material and Garden	580,347	432,287	427,143	-1.2%
445	Food and Beverage Stores	368,971	277,210	285,107	2.8%
446	Health and Personal Care Store	368,699	278,053	312,578	12.4%
448	Clothing and Accessories	1,118,980	823,174 a	863,543	4.9%
451	Sporting Goods, Hobby, Books	199,717	147,826	160,584	8.6%
452	General Merchandise Stores	992,858	760,849	678,091	-10.9%
453	Miscellaneous Store Retailers	463,719	351,082	498,062	41.9%
454	Nonstore Retailers	370,027	280,101	208,455	-25.6%
TOTAL RETAIL TRADE		\$ 4,871,580	\$ 3,651,905	\$ 3,756,570	2.9%
Overall Change from Previous Year				\$ 104,665	

NAICS	SERVICES	2017 Annual Total (Nov '16-Oct '17)	2017 YTD (Nov '16-Jul '17)	2018 YTD (Nov '17-Jul '18)	YTD % Diff
51*	Information	662,460	498,272	487,341	-2.2%
52*	Finance and Insurance	122,200	88,190	105,510	19.6%
53*	Real Estate, Rental, Leasing	367,828	270,980	271,291	0.1%
541	Professional, Scientific, Tech	238,617	176,597	190,908	8.1%
551	Company Management	13	12	9	-24.9%
56*	Admin. Supp., Remed Svcs	276,380	206,016	303,074	47.1%
611	Educational Services	55,506	36,688	32,771	-10.7%
62*	Health Care Social Assistance	74,678	57,945	62,303	7.5%
71*	Arts and Entertainment	109,577	80,275	89,259	11.2%
72*	Accommodation and Food Svcs	1,276,310	940,434	1,062,325	13.0%
81*	Other Services	546,059	407,786	409,512	0.4%
92*	Public Administration	182,112	125,861	117,127	-6.9%
TOTAL SERVICES		\$ 3,911,740	\$ 2,889,056	\$ 3,131,431	8.4%
Overall Change from Previous Year				\$ 242,374	

NAICS	MISCELLANEOUS	2017 Annual Total (Nov '16-Oct '17)	2017 YTD (Nov '16-Jul '17)	2018 YTD (Nov '17-Jul '18)	YTD % Diff
000	Unknown	0	0	0	N/A
111-115	Agriculture, Forestry, Fishing	6,486	5,236	2,848	-45.6%
211-221	Mining & Utilities	26,023	19,077	19,400	1.7%
999	Unclassifiable Establishments	32,865	29,067	73,541	153.0%
TOTAL SERVICES		\$ 65,374	\$ 53,381	\$ 95,789	79.4%
Overall Change from Previous Year				\$ 42,409	

GRAND TOTAL	\$ 17,581,514	\$ 12,898,928	\$ 13,588,552	
Overall Change from Previous Year			\$ 689,624	5.3%

Total September 2018 Sales Tax Distributions	\$ 1,519,880
Dollar Increase from September 2017	\$ 75,640
Percent Increase from September 2017	5.2%

Comparisons:	
September 2017	\$ 1,444,240
September 2016	\$ 1,419,382



OPERATING & CAPITAL FUNDS				ENTERPRISE FUNDS								
Cash Basis through September 2018	WATER			SEWER			SEWER METRO			STORM		
	YTD			YTD			YTD			YTD		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>OPERATING FUND:</b>												
OPERATING REVENUES												
Charges For Service	15,203,431	10,831,586	(4,371,845)	8,142,100	6,332,101	(1,809,999)	18,189,923	12,988,613	(5,201,310)	9,242,676	7,352,670	(1,890,006)
Grants			-			-			-	-	-	-
Interest Earnings	10,000	107,711	97,711	20,000	59,794	39,794	1,000	16,326	15,326	15,000	56,044	41,044
Rents, Leases, Concessions, & Other	219,024	163,294	(55,730)	75,570	35,517	(40,053)	-	-	-	63,226	50,997	(12,229)
TOTAL OPERATING REVENUES	15,432,455	11,102,590	(4,329,865)	8,237,670	6,427,412	(1,810,258)	18,190,923	13,004,939	(5,185,984)	9,320,902	7,459,711	(1,861,191)
OPERATING EXPENSES												
Salaries & Wages	2,799,131	1,952,174	846,957	1,808,531	1,337,817	470,714	-	-	-	2,716,743	1,989,054	727,689
Benefits	1,416,014	958,075	457,939	906,551	654,026	252,525	-	-	-	1,396,377	981,075	415,302
Supplies	334,244	221,093	113,151	136,550	115,702	20,848	-	-	-	94,550	105,144	(10,594)
Other Service Charges	5,285,350	2,133,612	3,151,738	2,990,471	1,822,428	1,168,043	-	-	-	1,847,779	1,092,994	754,785
Intergovernmental Services (Less Transfers Out)				9,500	12,482	(2,982)				83,000	66,596	16,404
Waste Management Payments												
Sewer Metro Services							18,250,200	13,053,674	5,196,526			
Debt Service Interest	1,313,575	395,512	918,063	264,928	138,410	126,518	-	-	-	350,697	175,348	175,349
Interfund Operating Rentals & Supplies	1,422,040	1,066,574	355,466	1,034,321	775,737	258,584	-	-	-	1,444,254	1,083,746	360,508
TOTAL OPERATING EXPENSES	12,570,354	6,727,039	5,843,315	7,150,852	4,856,601	2,294,251	18,250,200	13,053,674	5,196,526	7,933,400	5,493,956	2,439,444
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION	2,862,101	4,375,551	1,513,450	1,086,818	1,570,810	483,992	(59,277)	(48,735)	10,542	1,387,502	1,965,755	578,253
NON-OPERATING REVENUES												
Operating Transfers-in	-	-	-									
Intergovernmental Loan	1,196,600	60,494	1,136,106		22,500							
Other Non-Operating Revenues												
NON-OPERATING EXPENSES												
Transfer to Capital Subfund	2,446,600	1,311,409	1,135,191	-	-	-				1,200,000	-	1,200,000
Other Operating Transfers-out	279,291	51,364	227,927	253,020	34,367	218,653				369,192	145,759	223,433
Debt Service Principal	1,760,291	624,107	1,136,184	550,947	288,262	262,685				425,578	-	425,578
Net Change in Restricted Net Assets	-	391,749	391,749	-	119,494	119,494				-	190,931	190,931
Interfund Loan Repayment												
BEGINNING WORKING CAPITAL - January 1, 2018	5,574,972	5,574,972	-	3,609,377	3,609,377	-	3,033,467	3,033,467	-	2,910,117	2,910,117	-
ENDING WORKING CAPITAL - September 30, 2018	5,147,491	7,632,388	2,484,897	3,892,228	4,760,564	868,336	2,974,190	2,984,732	10,542	2,302,849	4,539,182	2,236,333
NET CHANGE IN WORKING CAPITAL (see Note)	(427,481)	2,057,416	2,484,897	282,851	1,151,188	868,336	(59,277)	(48,735)	10,542	(607,268)	1,629,065	2,236,333
<b>CAPITAL FUND:</b>												
CAPITAL REVENUES												
Interest Revenue	-	11,523	11,523	-	154,717	154,717				-	144,201	144,201
Grants	152,600	35,545	(117,055)							210,000	19,323	(190,677)
Other Non-Operating Revenue	-	-	-	-	-	-				-	-	-
Increase In Contributions - System Development	1,250,000	225,412	(1,024,588)	600,000	206,166	(393,834)				600,000	335,923	(264,077)
Interfund Revenues	-	-	-	-	-	-				-	-	-
Increase In Contributions - FAA	-	-	-	-	-	-				-	-	-
Proceeds of Debt Activity	2,500,000	-	(2,500,000)	-	-	-				-	-	-
Transfers In from Operating Sub-Fund	2,446,600	1,311,409	(1,135,191)	-	-	-				1,200,000	-	(1,200,000)
Transfer In from Other Funds	200,000	-	(200,000)	-	-	-				-	-	-
TOTAL CAPITAL REVENUES	6,549,200	1,583,889	(4,965,311)	600,000	360,884	(239,116)				2,010,000	499,446	(1,510,554)
CAPITAL EXPENSES												
Other Non-Operating Expense	-	-	-	-	13,751	(13,751)				-	-	-
Increase In Fixed Assets - Salaries	307,857	95,647	212,210	87,857	65,353	22,504				95,714	110,592	(14,878)
Increase In Fixed Assets - Benefits	123,143	43,127	80,016	35,143	29,047	6,096				38,286	47,748	(9,462)
Increase In Fixed Assets - Services	-	-	-	-	-	-				-	-	-
Increase In Fixed Assets - Site Improvements	-	38,099	(38,099)	-	-	-				-	-	-
Increase In Fixed Assets - Equipment	-	-	-	-	18,854	(18,854)				-	-	-
Increase In Fixed Assets - Construction	6,650,786	1,903,050	4,747,736	2,212,300	172,076	2,040,224				3,192,300	673,354	2,518,946
Operating Transfers Out	50,000	50,000	-	150,000	50,000	100,000				150,000	50,000	100,000
TOTAL CAPITAL EXPENSES	7,131,786	2,129,922	5,001,864	2,485,300	349,082	2,136,218				3,476,300	881,694	2,594,606
BEGINNING WORKING CAPITAL - January 1, 2018	1,485,010	1,485,010	-	12,467,191	12,467,191	-				13,194,888	13,194,888	-
ENDING WORKING CAPITAL - September 30, 2018	902,424	938,977	36,553	10,581,891	12,478,993	1,897,102				11,728,588	12,812,640	1,084,052
NET CHANGE IN WORKING CAPITAL (see Note)	(582,586)	(546,033)	36,553	(1,885,300)	11,802	1,897,102				(1,466,300)	(382,248)	1,084,052
Total Change in Working Capital	(1,010,067)	1,511,384	2,521,451	(1,602,449)	1,162,989	2,765,438	(59,277)	(48,735)	10,542	(2,073,568)	1,246,817	3,320,385
(*) Depreciation	3,250,000	2,561,164		2,430,000	1,676,905		-	-		2,210,000	1,555,034	
<b>Working Capital = Current Assets minus Current Liabilities</b>												



OPERATING & CAPITAL FUNDS	ENTERPRISE FUNDS						INTERNAL SERVICE FUNDS		
Cash Basis through September 2018	SOLID WASTE			AIRPORT			CEMETERY		
	YTD			YTD			YTD		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
OPERATING FUND:									
OPERATING REVENUES									
Charges For Service	14,955,350	11,614,818	(3,340,532)	843,300	702,357	(140,943)	933,000	1,062,913	129,913
Grants	88,600	15,862	(72,738)	-	-	-	-	-	-
Interest Earnings	9,000	65,166	56,166	2,500	10,974	8,474	800	8,845	8,045
Rents, Leases, Concessions, & Other	-	882	882	3,000	5,444	2,444	-	-	-
TOTAL OPERATING REVENUES	15,052,950	11,696,728	(3,356,222)	848,800	718,775	(130,025)	933,800	1,071,758	137,958
OPERATING EXPENSES									
Salaries & Wages	339,207	253,787	85,420	49,200	-	49,200	490,917	369,025	121,892
Benefits	159,496	117,606	41,890	33,700	-	33,700	277,863	196,786	81,077
Supplies	33,400	7,276	26,124	2,500	2,377	124	221,700	179,889	41,811
Other Service Charges	1,655,795	1,131,666	524,129	588,550	448,220	140,330	157,980	115,705	42,275
Intergovernmental Services (Less Transfers Out)	367,050	185,087	181,963	-	-	-	-	-	-
Waste Management Payments	12,301,000	9,430,842	2,870,158						
Sewer Metro Services									
Debt Service Interest	-	-	-	16,425	4,023	12,402	-	-	-
Interfund Operating Rentals & Supplies	114,279	85,707	28,572	1,500	1,125	375	48,898	36,675	12,223
TOTAL OPERATING EXPENSES	14,970,227	11,211,969	3,758,258	691,875	455,744	236,131	1,197,358	898,080	299,278
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION	82,723	484,759	402,036	156,925	263,030	106,105	(263,558)	173,678	437,236
NON-OPERATING REVENUES									
Operating Transfers-in							250,000	-	(250,000)
Intergovernmental Loan									
Other Non-Operating Revenues									
NON-OPERATING EXPENSES									
Transfer to Capital Subfund									
Other Operating Transfers-out	-	-	-	5,000	-	5,000	1,033	459	574
Debt Service Principal				175,000	-	175,000	-	-	-
Net Change in Restricted Net Assets				-	4,368	4,368	-	-	-
Interfund Loan Repayment				40,100	30,322	9,778			
BEGINNING WORKING CAPITAL - January 1, 2018	5,083,854	5,083,854	-	422,608	422,608	-	514,788	514,788	-
ENDING WORKING CAPITAL - September 30, 2018	5,166,577	5,568,614	402,037	359,433	650,947	291,514	500,197	688,007	187,810
NET CHANGE IN WORKING CAPITAL (see Note)	82,723	484,759	402,037	(63,175)	228,340	291,514	(14,591)	173,219	187,810
CAPITAL FUND:									
CAPITAL REVENUES									
Interest Revenue				-	3,107	3,107	-	3,363	3,363
Grants									
Other Non-Operating Revenue				-	-	-	-	-	-
Increase In Contributions - System Development				-	-	-	-	-	-
Interfund Revenues				-	-	-	-	-	-
Increase In Contributions - FAA				786,000	12,744	(773,256)	-	-	-
Proceeds of Debt Activity				-	-	-	-	-	-
Transfers In from Operating Sub-Fund				-	-	-	-	-	-
Transfer In from Other Funds				-	-	-	75,000	5,908	(69,092)
TOTAL CAPITAL REVENUES				830,467	15,851	(814,616)	75,000	9,271	(65,729)
CAPITAL EXPENSES									
Other Non-Operating Expense				-	-	-	-	-	-
Increase In Fixed Assets - Salaries				106,429	-	106,429	-	-	-
Increase In Fixed Assets - Benefits				42,571	-	42,571	-	-	-
Increase In Fixed Assets - Services				-	-	-	-	33	(33)
Increase In Fixed Assets - Site Improvements							-	-	-
Increase In Fixed Assets - Equipment							12,000	-	12,000
Increase In Fixed Assets - Construction				799,034	49,300	749,734	63,000	5,908	57,092
Operating Transfers Out				-	-	-	-	-	-
TOTAL CAPITAL EXPENSES				948,034	49,300	898,734	75,000	5,941	69,059
BEGINNING WORKING CAPITAL - January 1, 2018				260,972	260,972	-	259,037	259,037	-
ENDING WORKING CAPITAL - September 30, 2018				143,405	227,524	84,119	259,037	262,367	3,330
NET CHANGE IN WORKING CAPITAL (see Note)				(117,567)	(33,448)	84,119	-	3,330	3,330
Total Change in Working Capital	82,723	484,759		(180,742)	194,891	375,633	(14,591)	176,549	191,140

(\*) Depreciation

Working Capital = Current Assets  
minus Current Liabilities

OPERATING & CAPITAL FUNDS	INTERNAL SERVICE FUNDS											
Cash Basis through September 2018	WORKER'S COMPENSATION			FACILITIES			INNOVATION & TECHNOLOGY			EQUIPMENT RENTAL		
	YTD			YTD			YTD			YTD		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
OPERATING FUND:												
OPERATING REVENUES												
Charges For Service	1,008,100	772,711	(235,389)	3,463,200	2,705,594	(757,606)	6,212,031	4,653,882	(1,558,149)	2,260,325	1,700,851	(559,474)
Grants			-	49,000	-	(49,000)			-			-
Interest Earnings	2,600	23,678	21,078	8,800	27,898	19,098	5,500	26,432	20,932	-	43,256	43,256
Rents, Leases, Concessions, & Other	93,000	17,300	(75,700)	-	-	-	-	1,248	1,248	-	140,222	140,222
TOTAL OPERATING REVENUES	1,103,700	813,690	(290,010)	3,521,000	2,733,491	(787,509)	6,217,531	4,681,563	(1,535,968)	2,260,325	1,884,329	(375,996)
OPERATING EXPENSES												
Salaries & Wages	80,132	59,109	21,023	678,651	474,781	203,870	1,909,554	1,357,514	552,040	628,983	451,753	177,230
Benefits	367,336	146,563	220,773	383,710	260,690	123,020	887,603	608,405	279,198	331,116	232,094	99,022
Supplies	-	-	-	140,220	83,643	56,577	464,650	164,529	300,121	1,081,000	587,124	493,876
Other Service Charges	415,215	220,112	195,103	2,152,962	1,151,098	1,001,864	3,035,130	2,230,564	804,566	435,180	351,672	83,508
Intergovernmental Services (Less Transfers Out)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management Payments												
Sewer Metro Services												
Debt Service Interest	-	-	-	-	-	-	-	-	-	2,618	2,167	451
Interfund Operating Rentals & Supplies	-	-	-	143,811	107,856	35,955	190,795	143,100	47,695	220,212	165,279	54,933
TOTAL OPERATING EXPENSES	862,683	425,784	436,899	3,499,354	2,078,068	1,421,286	6,487,732	4,504,113	1,983,619	2,699,109	1,790,089	909,020
OPERATING REVENUES LESS EXPENSES BEFORE DEPRECIATION	241,017	387,905	146,888	21,646	655,423	633,777	(270,201)	177,450	447,651	(438,784)	94,240	533,024
NON-OPERATING REVENUES												
Operating Transfers-in				255,000	161,266	(93,734)	972,496	170,055	(802,441)	150,000	150,000	-
Intergovernmental Loan												
Other Non-Operating Revenues												
NON-OPERATING EXPENSES												
Transfer to Capital Subfund												
Other Operating Transfers-out				846,939	276,930	570,009	60,500	500	60,000	-	-	-
Debt Service Principal										-	-	-
Net Change in Restricted Net Assets				-	300	300	-	-	-	-	(160,242)	(160,242)
Interfund Loan Repayment												
BEGINNING WORKING CAPITAL - January 1, 2018	1,625,120	1,625,120	-	1,741,924	1,741,924	-	1,804,816	1,804,816	-	3,110,811	3,110,811	-
ENDING WORKING CAPITAL - September 30, 2018	1,866,137	2,013,025	146,888	1,171,631	2,281,383	1,109,752	2,446,611	2,151,821	(294,790)	2,822,027	3,515,293	693,266
NET CHANGE IN WORKING CAPITAL (see Note)	241,017	387,905	146,888	(570,293)	539,459	1,109,752	641,795	347,005	(294,790)	(288,784)	404,482	693,266
CAPITAL FUND:												
CAPITAL REVENUES												
Interest Revenue							-	21,324	21,324	-	47,636	47,636
Grants												
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							232,300	-	(232,300)	930,858	163,355	(767,503)
TOTAL CAPITAL REVENUES							232,300	21,324	(210,976)	2,634,489	1,488,712	(1,145,777)
CAPITAL EXPENSES												
Other Non-Operating Expense							-	-	-	-	-	-
Increase In Fixed Assets - Salaries							-	-	-	-	-	-
Increase In Fixed Assets - Benefits							-	-	-	-	-	-
Increase In Fixed Assets - Services							-	-	-	-	-	-
Increase In Fixed Assets - Site Improvements										-	-	-
Increase In Fixed Assets - Equipment							1,001,100	127,995	873,105	1,615,951	1,168,938	447,013
Increase In Fixed Assets - Construction							98,600	171,232	(72,632)	800,100	68,664	731,436
Operating Transfers Out							-	-	-	-	-	-
TOTAL CAPITAL EXPENSES							1,099,700	299,226	800,474	2,416,051	1,237,602	1,178,449
BEGINNING WORKING CAPITAL - January 1, 2018							1,837,285	1,837,285	-	3,453,808	3,453,808	-
ENDING WORKING CAPITAL - September 30, 2018							969,885	1,559,383	589,498	3,672,246	3,704,917	32,671
NET CHANGE IN WORKING CAPITAL (see Note)							(867,400)	(277,902)	589,498	218,438	251,109	32,671
Total Change in Working Capital	241,017	387,905	146,888	(570,293)	539,459	1,109,752	(225,605)	69,103	294,708	(70,346)	655,591	725,937

(\*) Depreciation

Working Capital = Current Assets  
minus Current Liabilities