AGENDA BILL APPROVAL FORM

Agenda Subject: March 2012 Financial Report		**Date:** 05/14/2012
Department: Finance	**Attachments:** Monthly Financial Report	**Budget Impact: $0**
Administrative Recommendation:		

Background Summary:

The purpose of the monthly financial reports is to summarize for the City Council the general state of city-wide financial affairs and to highlight significant items or trends that the City Council should be aware of. The following provides a high level summary of the City's financial performance. Further detail can be found within the attached financial report.

The March status report is based on financial data available as of April 30, 2012. Sales tax information represents business activity that occurred in January 2012.

General Fund:
The general fund is the City's largest fund and is used to account for the majority of City resources and services except those required by statute or to be accounted for in another fund.

At the end of March, General Fund revenue collections totaled $9.6 million and compare to budget-to-date of $10.0 million. Intergovernmental revenues are below budget due to the timing of payments from the Muckleshoot Indian Tribe and lower revenue collections from the red light photo-enforcement program.

General tax revenues, the largest category of revenue within the General Fund, totaled $7.4 million and is on target with budget. The City's sales tax totaled $3.5 million and is on target with budget and is running about 4.6% below same period 2011 due primarily to a one-time adjustment by the State of Washington. Accounting for this one-time adjustment, 2012 sales taxes are running about 2.1% below 2011 levels.

Property tax collections totaled $457,000 and is comparable to collections for the same period 2011. Approximately 50% of property taxes will be collected in April, coinciding with the first half King County due date for property tax payments.

General Fund expenses totaled $11.0 million and compare to budget of $13.0 million. Departmental expenditures are within expectations. SCORE jail expenses are below budget due to the timing of invoices. A potential issue facing SCORE in 2012 and 2013 may be the financial implications of lower than expected non-member contracted beds. The SCORE 2012 budget contemplated $3.7 million in contract bed revenue from non member cities, 75 daily beds. Currently, contract bed revenue is running 10% of projection, 7.5 beds daily. The Administration board is working with SCORE on how best to market the beds to potential users. The financial implications of the lower than expected non member contracted beds will potentially impact Auburn. The 2012 budget for Score is $4.7 million, which is based on 2007 ADP of 100 at $112.50 per day plus an additional $600,000 added in the 2012 mid-term correction in anticipation of lower than expected contract beds and the likelihood of an additional Maintenance and Operation charge from SCORE.

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

At the end of March, the Water fund ended with a slight operating loss and the Sewer fund ended this period with a $459,000 operating loss. Stormwater revenues are on target and are sufficient to meet expenses.

The Golf Course ended the period with an operating loss of $284,000 and compare to an operating loss of $246,000 for the same period last year, reflecting higher inventory expenses for the Pro Shop. Financial performance for the Auburn Golf Course is expected to improve with improvement in weather during the spring and summer.

Cemetery revenues at the end of March totaled $191,000 and were slightly below expenses of $224,000. A transfer of $200,000 from the Cumulative Reserve Fund to the Cemetery Fund was approved by Council as part of budget amendment #7 to support anticipated cash flow needs in 2012.

Internal Service Funds:
Internal Service Funds provide services to other City departments and include functions such as Insurance, Facilities, Information Services, and Equipment Rental. At the end of the year, revenue from charges assessed to internal client departments was sufficient to meet expenses.

Investment Portfolio:
The City's total cash and investments at the end of March was $97.7 million and was comparable to February 2012.

Reviewed by Council & Committees:

- ☐ Arts Commission
- ☐ Airport
- ☐ Hearing Examiner
- ☐ Human Services
- ☐ Park Board
- ☐ Planning Comm.

COUNCIL COMMITTEES:

- ☒ Finance
- ☐ Municipal Serv.
- ☐ Planning & CD
- ☐ Public Works
- ☐ Other _____

Reviewed by Departments & Divisions:

- ☐ Building
- ☐ Cemetery
- ☒ Finance
- ☐ Fire
- ☐ Legal
- ☐ Public Works
- ☐ Information Services
- ☐ M&O
- ☐ Mayor
- ☐ Parks
- ☐ Planning
- ☐ Police
- ☐ Human Resources

Action:

Committee Approval: ☐Yes ☐No

Council Approval: ☐Yes ☐No Call for Public Hearing ___/___/____

Referred to _____ Until ___/___/____

Tabled _____ Until ___/___/____

Councilmember: Partridge	**Staff:** Coleman
Meeting Date: May 21, 2012	**Item Number:**

General Fund Summary of Sources and Uses	2012			2011	2012 YTD Budget vs. Actual Favorable (Unfavorable)	
	Annual Budget	YTD Budget	YTD Actual	YTD Actual	Amount	Percentage
OPERATING REVENUES						
Property Tax	12,562,565	484,100	457,024	519,174	(27,076)	-5.6%
Sales Tax	14,295,000	3,476,800	3,516,903	3,688,311	40,103	1.2%
Sales Tax - Annexation Credit	1,383,730	341,730	359,032	363,635	17,302	5.1%
Criminal Justice Sales Tax	1,212,900	301,900	343,891	327,712	41,991	13.9%
Brokered Natural Gas Tax	260,000	84,800	113,313	107,056	28,513	33.6%
City Utilities Tax	2,620,200	612,500	627,942	578,787	15,442	2.5%
Admissions Tax	360,000	67,600	57,779	62,344	(9,821)	-14.5%
Electric Tax	3,275,000	826,000	812,586	789,549	(13,414)	-1.6%
Natural Gas Tax	1,295,820	321,500	295,289	268,472	(26,211)	-8.2%
Cable TV Franchise Fee	703,600	177,200	202,201	204,994	25,001	14.1%
Cable TV Franchise Fee - Capital	75,000	18,300	15,824	15,993	(2,476)	-13.5%
Telephone Tax	2,012,400	524,800	481,944	512,939	(42,856)	-8.2%
Garbage Tax (external)	150,000	39,300	34,709	39,633	(4,591)	-11.7%
Leasehold Excise Tax	50,000	12,600	2,401	12,346	(10,199)	N/A
Gambling Excise Tax	331,500	143,900	66,942	60,029	(76,958)	-53.5%
Taxes sub-total	**40,587,715**	**7,433,030**	**7,387,780**	**7,550,973**	**(45,250)**	**-0.6%**
Business License Fees	200,000	45,100	103,350	85,379	58,250	129.2%
Building Permits	700,000	132,700	249,624	173,688	116,924	88.1%
Other Licenses & Permits	229,000	39,300	70,317	59,420	31,017	78.9%
Intergovernmental (Grants, etc)	3,925,105	1,009,800	646,166	1,009,040	(363,634)	-36.0%
Charges for Services:						
General Government Services	64,600	18,000	31,763	21,778	13,763	76.5%
Public Safety	223,500	59,700	59,263	64,040	(437)	-0.7%
Development Services Fees	627,000	136,500	236,174	85,761	99,674	73.0%
Culture and Recreation	920,000	265,100	220,237	221,544	(44,863)	-16.9%
Fines and Forfeits	2,208,500	645,900	425,426	569,920	(220,474)	-34.1%
Fees/Charges/Fines sub-total	**9,097,705**	**2,352,100**	**2,042,321**	**2,290,571**	**(309,779)**	**-13.2%**
Interests and Other Earnings	115,000	26,900	18,279	18,468	(8,621)	-32.0%
Rents, Leases and Concessions	311,000	93,900	67,907	121,342	(25,993)	-27.7%
Contributions and Donations	20,500	4,100	12,494	9,209	8,394	204.7%
Other Miscellaneous	46,200	21,600	16,833	15,263	(4,767)	-22.1%
Transfers In	17,000	17,000	17,000	78,439	-	0.0%
Insurance Recoveries- Capital & Operating	25,000	7,037	17,886	49,239	10,848	154.2%
Other Revenues sub-total	**534,700**	**170,537**	**150,399**	**291,960**	**(20,138)**	**-11.8%**
Total Operating Revenues	**50,220,120**	**9,955,667**	**9,580,500**	**10,133,504**	**(375,167)**	**-3.8%**
Operating Expenditures						
Council & Mayor	869,890	214,490	228,163	177,759	(13,673)	-6.4%
Municipal Court & Probation	3,399,260	776,900	718,934	704,107	57,966	7.5%
Human Resources	886,530	207,700	200,804	186,725	6,896	3.3%
Finance	1,235,590	292,500	255,325	265,011	37,175	12.7%
City Attorney	1,699,500	395,200	365,695	360,647	29,505	7.5%
Planning	3,889,620	921,700	914,047	853,275	7,653	0.8%
Community & Human Services	1,160,360	260,460	222,611	203,795	37,849	14.5%
Jail - SCORE	4,764,750	1,101,350	286,979	443,103	814,371	73.9%
Police	20,616,200	5,026,000	4,517,580	4,556,878	508,420	10.1%
Engineering	2,643,870	637,700	607,346	537,979	30,354	4.8%
Parks and Recreation	7,557,230	1,735,800	1,706,053	1,588,680	29,747	1.7%
Streets	3,215,280	769,280	601,550	658,274	167,730	21.8%
Non-Departmental	5,161,650	686,300	387,544	348,072	298,756	43.5%
Total Operating Expenditures	**57,099,730**	**13,025,380**	**11,012,631**	**10,884,306**	**2,012,749**	**15.5%**

Overview

This financial overview reflects the City's overall financial position for the fiscal period ending March 31, 2012 and represents financial data available as of April 25, 2012. The budgeted year-to-date revenues and operating expenses are based on the collection/disbursement average for the same period of the two prior years.

General Fund revenues totaled $9.6 million as of the end of the first quarter and were under budget by 3.8%, or $375,000.

Other General Fund revenue highlights include:

- Tax revenues totaled $7.4 million and were $45,000 below budget. Sales taxes totaled $3.5 million and compare to collections of $3.7 million for the same period last year. The lowered performance is due in part to two one-time adjustments totaling $94,000 by the Washington State Department of Revenue that occurred during the January and February sales tax distributions.
- The Fees/Charges/Fines category totaled $2.0 million and was under budget by $310,000, reflecting the timing of payments from the Muckleshoot Indian Tribe and lowered revenue from the City's red-light photo enforcement program.
- Other revenues totaled $150,400 and were $20,000 below budget, reflecting lowered revenue from parks recreation fees, reflecting the general economic conditions and lower level of discretionary spending by consumers.

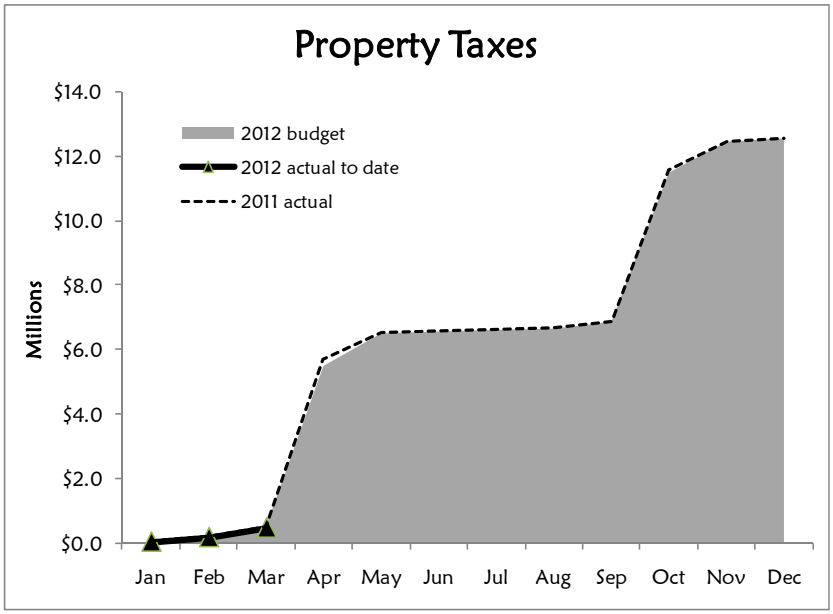
General Fund expenses totaled $11.0 million and were $2 million below budget and compare to expenses of $10.9 million for this time last year. The majority of budget savings was due to timing of payments for SCORE jail services and salary savings from vacancies within the Police Department.

	2012			2011	
General Fund	**Budget**	**YTD Actual**	**% of Budget**	**YTD Actual**	**% of Budget**
Operating Revenues					
Taxes	$ 40,587,715	$ 7,387,780	18.2%	$ 7,550,973	19.2%
Fees/Charges/Fines	9,097,705	2,042,321	22.4%	2,290,571	26.4%
Other Revenues	534,700	150,399	28.1%	291,960	18.2%
Total	**$ 50,220,120**	**$ 9,580,500**	**19.1%**	**$ 10,133,504**	**20.4%**
Operating Expenses					
Council & Mayor	$ 869,890	$ 228,163	26.2%	177,759	20.5%
Municipal Court & Probation	3,399,260	718,934	21.1%	704,107	21.4%
Human Resources	886,530	200,804	22.7%	186,725	22.4%
Finance	1,235,590	255,325	20.7%	265,011	22.7%
City Attorney	1,699,500	365,695	21.5%	360,647	21.9%
Planning	3,889,620	914,047	23.5%	853,275	22.5%
Community & Human Services	1,160,360	222,611	19.2%	203,795	18.7%
Jail - SCORE	4,764,750	286,979	6.0%	443,103	7.0%
Police	20,616,200	4,517,580	21.9%	4,556,878	22.9%
Engineering	2,643,870	607,346	23.0%	537,979	22.4%
Parks and Recreation	7,557,230	1,706,053	22.6%	1,588,680	21.6%
Streets	3,215,280	601,550	18.7%	658,274	21.1%
Non-Departmental	5,161,650	387,544	7.5%	348,072	9.2%
Total	**$ 57,099,730**	**$ 11,012,631**	**19.3%**	**$ 10,884,306**	**19.6%**

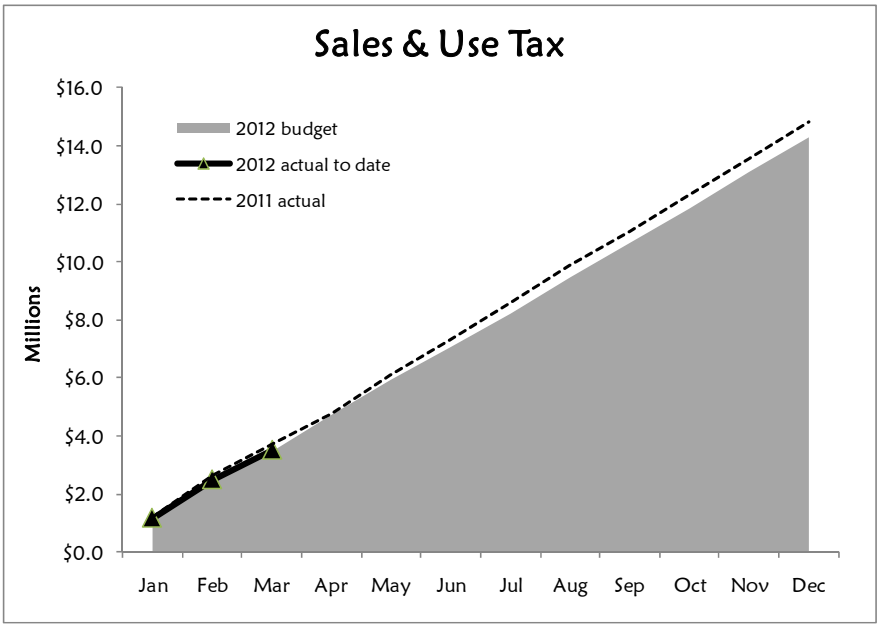
Revenues

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

Property Tax collections to date totaled $457,000 compared to budget of $484,000. The majority of property tax revenues are collected during the months of April and October, coinciding with the due date for County property tax billings.



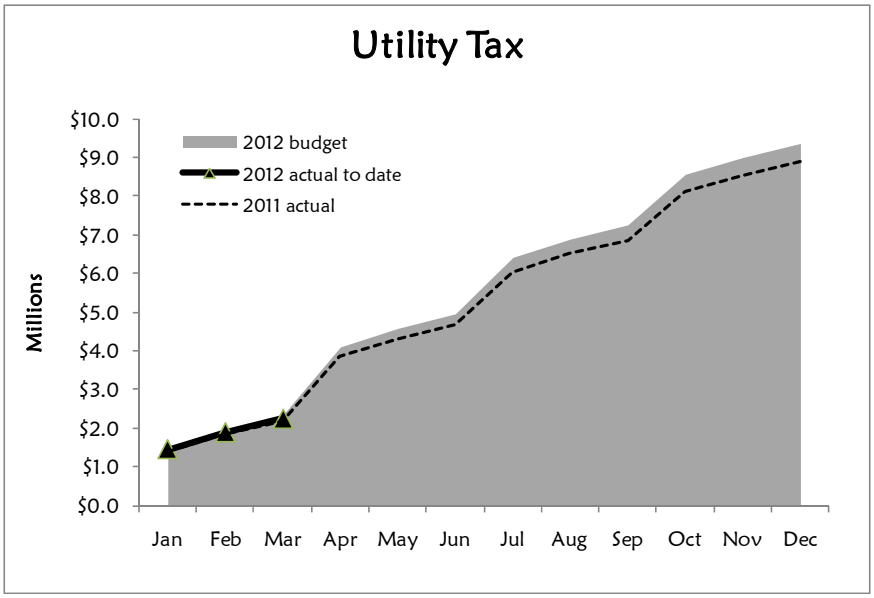
Sales taxes totaled $3.5 million and are on target with budget. Sales taxes include a 1st Quarter Payment of $500,000 for Streamlined Sales Tax Mitigation payments.



The following table breaks out the City's base sales tax, excluding Criminal Justice, Annexation Credit and Streamlined Sales Tax Mitigation by major business sectors.

Comparison of Sales Tax Collections by SIC Group Year to Date through March				
	2011	2012	Change from 2011	
Component Group	Actual	Actual	Amount	Percentage
New Construction	311,897	282,028	(29,869)	-9.6%
Manufacturing	180,612	44,882	(135,730)	-75.2%
Transportation & Warehousing	16,008	12,567	(3,441)	-21.5%
Wholesale Trade	303,530	306,682	3,152	1.0%
Automotive	641,563	654,606	13,043	2.0%
Retail Trade	1,067,495	1,032,420	(35,075)	-3.3%
Services	691,133	714,689	23,556	3.4%
Miscellaneous	17,870	9,353	(8,517)	-47.7%
YTD Total	3,230,108	3,057,227	(172,881)	-5.4%

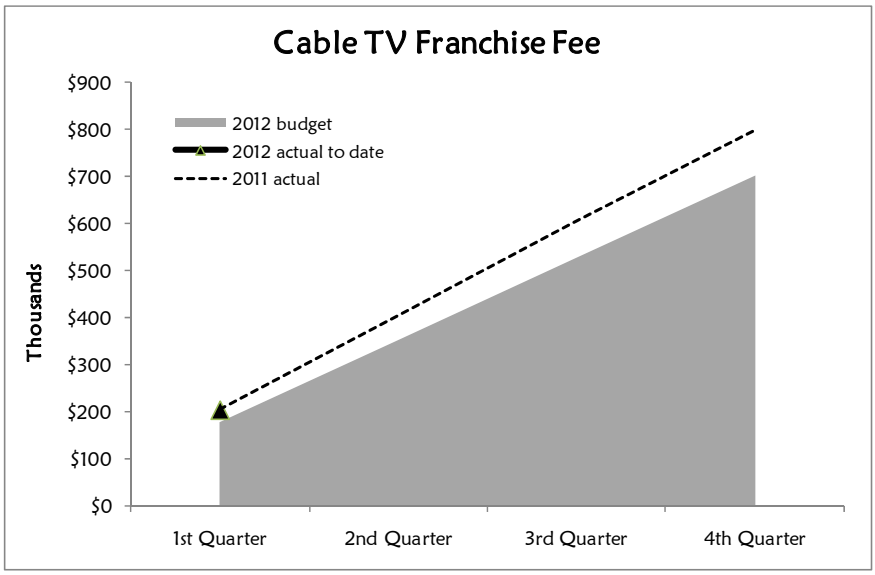
As shown above, **sales tax collections by business sector** totaled of $3.06 million and are $173,000 less than the same period last year due in part to two one-time corrections totaling $94,000 by the Washington State Department of Revenue. Accounting for this correction, March sales taxes would have increased to $3.15 million. These corrections are included in the manufacturing sector (-$74,000) and in the services sector (-$20,000).



Utility Taxes consists of City inter-fund utility taxes (Water, Sewer, Storm and Solid Waste) and external utility taxes (Electric, Natural gas, Telephone and Solid Waste). Year to date through March collections totaled $2.3M million, or $71,000 below budget and reflect lowered revenues in the City's telephone and natural gas utility taxes. The following table presents utility tax collections by source:

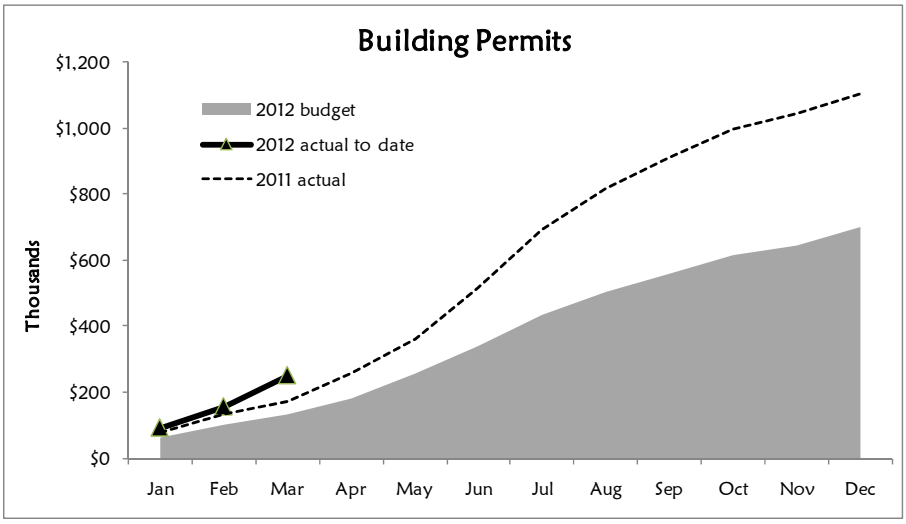
Utility Tax by Type Year to Date through March							
	2011	2012	2012	2012 vs. 2011		2012 vs. Budget	
Month	Actual	Budget	Actual	Amount	Percentage	Amount	Percentage
City Interfund Utility Taxes	578,787	612,500	627,942	49,155	8.5%	15,442	2.5%
Electric	789,549	826,000	812,586	23,037	2.9%	(13,414)	-1.6%
Natural Gas	268,472	321,500	295,289	26,817	10.0%	(26,211)	-8.2%
Telephone	512,939	524,800	481,944	(30,995)	-6.0%	(42,856)	-8.2%
Solid Waste	39,633	39,300	34,709	(4,924)	-12.4%	(4,591)	-11.7%
YTD Total	2,189,380	2,324,100	2,252,470	63,089	2.9%	(71,630)	-3.1%
Annual Total	8,890,614	9,353,420					

Cable TV Franchise Fees remain unchanged as these fees are collected quarterly. To-date, collections are above budget and similar to 2011 collection levels. This revenue source is likely to outperform budget by the end of 2012 and end at levels similar to the previous year.

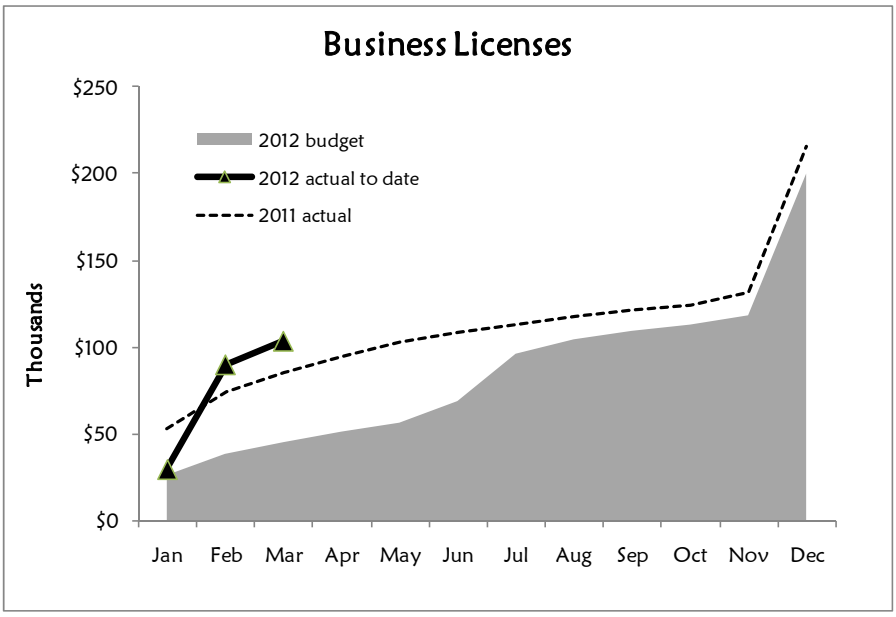


Licenses and Permits include business licenses, building permits, plumbing, electric and other licenses and permit fees. Building permit fees and Business licenses make up 80% of the annual budgeted revenue in this category.

Total building permit revenues at the end of March was $250,000 and was ahead of both budget and prior year levels of $133,000 and $174,000, respectively.



Business License revenues totaled $103,000 and exceed budget, due to the timing of payments. The revenue for the year is billed out late in December and most payments are received between January and February. This revenue source is expected to level out for the remainder of the year until December when collections increase as payments for 2013 are received.



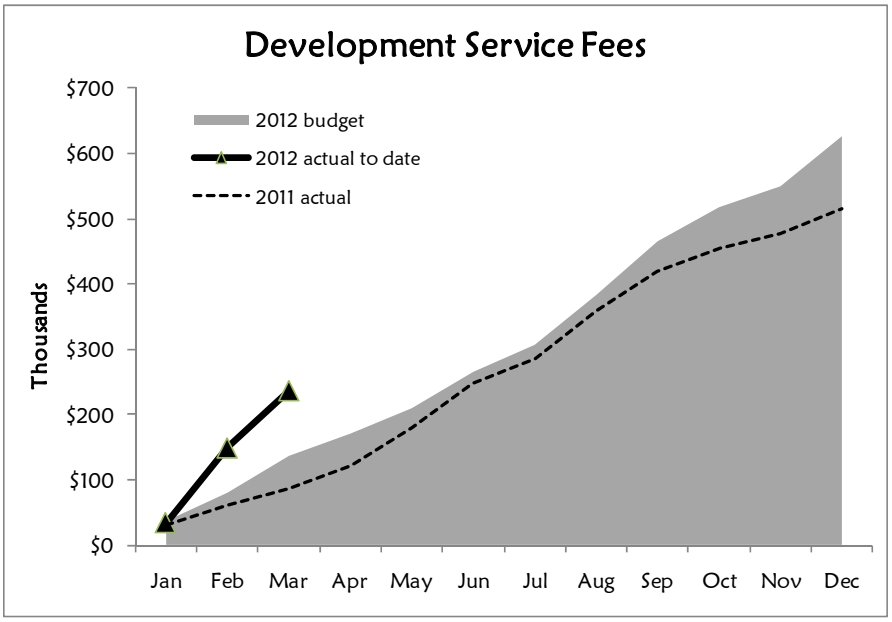
Intergovernmental include Grants (Direct & Indirect Federal, State and Local); State shared revenues and compact revenue from the Muckleshoot Indian Tribe. March collections were below budget by $364,000 or 36%, due primarily to the timing of reimbursements from the Muckleshoot Casino for public safety services and state shared Motor Vehicle Fuel Taxes. The 2012 budget for the Motor Vehicle Fuel Tax has not yet been adjusted to reflect the change in revenue recognition to the Arterial Street fund and Recreational Trails fund. This adjustment will be included in the next budget adjustment ordinance to the City Council.

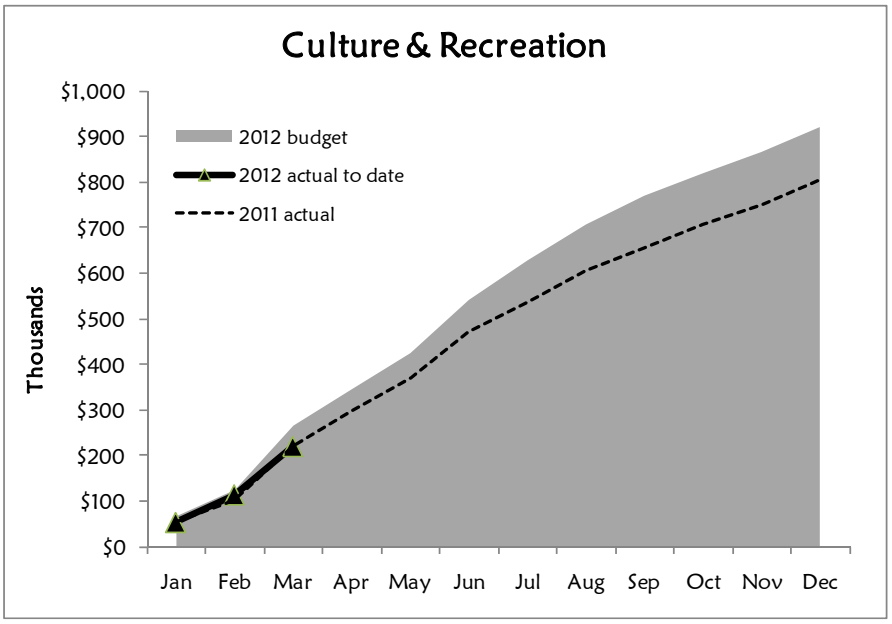
Intergovernmental Year to Date through March					
Revenue	2011 Actual	2012 Budget	2012 Actual	2012 vs. 2011 % Change	2012 vs. Budget % Change
Federal Grants	557	7,300	-	N/A	-100.0%
State Grants	19,627	4,800	7,017	-64.2%	0.0%
Interlocal Grants	12,501	11,800	2,500	-80.0%	-78.8%
State Shared Revenue	629,391	633,300	473,368	-24.8%	-25.3%
Muckleshoot Casino Emerg.	335,525	352,600	163,281	-51.3%	-53.7%
Intergovernmental Service	11,440	-	-	-96.2%	N/A
YTD Total	1,009,040	1,009,800	646,166	-36.0%	-36.0%
Annual Total	3,432,394	3,925,105			
YTD %	29%	26%	16%		

State Shared Revenues Year to Date through March							
Revenue	2011 Actual	2012 Budget	2012 Actual	2012 vs. 2011 Amount	2012 vs. 2011 Percentage	2012 vs. Budget Amount	2012 vs. Budget Percentage
Trial Court Improvements	11,234	9,200	5,658	(5,576)	N/A	(3,542)	N/A
Court Interpreter Program	4,931	5,200	7,307	2,376	N/A	2,107	N/A
Motor Vehicle Fuel Tax	346,149	356,200	229,083	(117,066)	-33.8%	(127,117)	-35.7%
Criminal Justice -High Crime	37,353	-	35,698	(1,655)	-4.4%	35,698	N/A
Criminal Justice -Population	3,817	25,100	3,884	67	1.8%	(21,216)	-84.5%
Criminal Justice -Spec. Prog.	14,412	13,800	14,657	245	1.7%	857	6.2%
State DUI	3,107	1,600	3,389	282	9.1%	1,789	111.8%
Fire Insurance Premium Tax	-	-	-	-	N/A	-	N/A
Liquor Excise Tax	81,197	84,400	81,587	390	0.5%	(2,813)	-3.3%
Liquor Profits	127,191	137,800	92,106	(35,085)	-27.6%	(45,694)	N/A
YTD Total	629,391	633,300	473,368	(156,023)	-24.8%	(159,932)	-25.3%
Annual Total	2,073,650	2,551,890					

Charges for Services consists of general governmental services, public safety, development service fees and cultural & recreation fees. Development service fees and culture and recreation fees make up 84% of the revenue within this category. Development services revenues totaled $236,000 due to stronger revenues from development plan-check fees and offset lower than expected revenue from recreation classes. Culture & Recreation revenues totaled $220,000 and are running below budget due to lower revenue from adult health & fitness classes and afterschool programs.

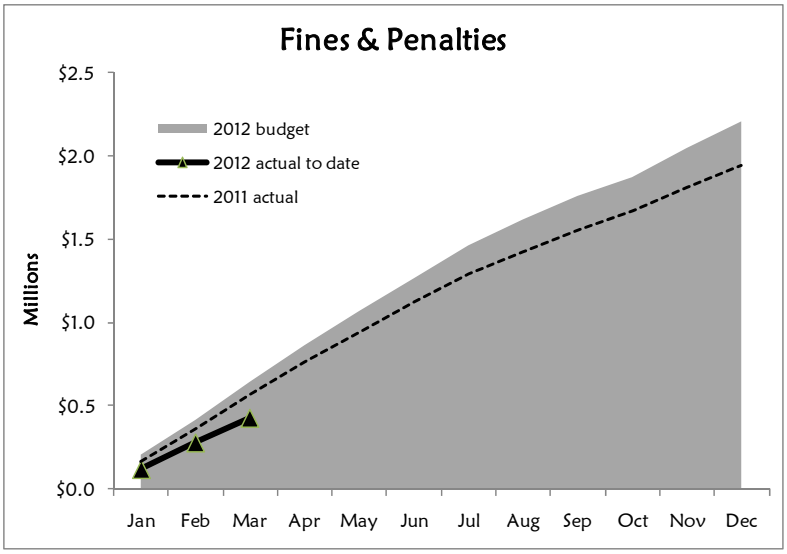
Charges for Services by Type Year to Date through March							
	2011	2012	2012	2012 vs. 2011		2012 vs. Budget	
Revenue	Actual	Budget	Actual	Amount	Percentage	Amount	Percentage
General Government	21,778	18,000	31,763	9,985	45.85%	13,763	76.46%
Public Safety	64,040	59,700	59,263	(4,777)	-7.5%	(437)	-0.7%
Development Services	85,761	136,500	236,174	150,413	175.4%	99,674	73.0%
Culture & Recreation	221,544	265,100	220,237	(1,308)	-0.6%	(44,863)	-16.9%
YTD Total	393,124	479,300	547,437	154,313	39.3%	68,137	14.2%
Annual Total	1,651,371	1,835,100					

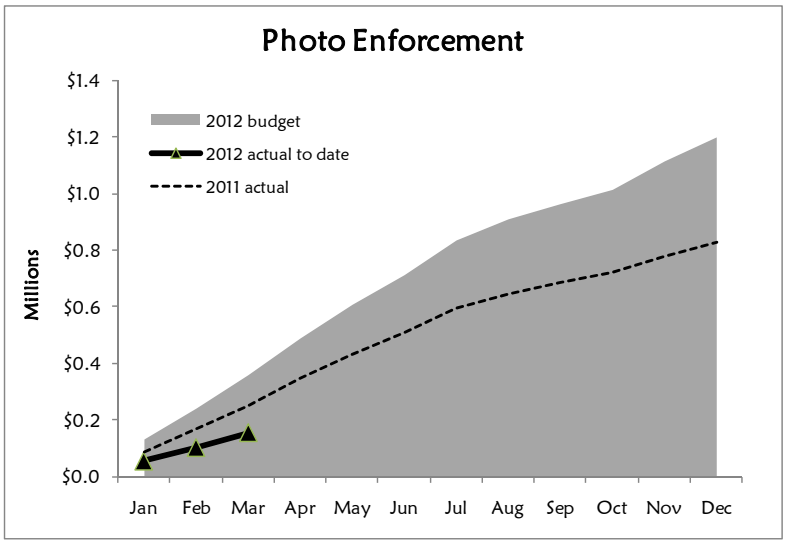




Fines & Penalties totaled $425,000 compared to a budget of $646,000. Financial performance is $220,000 below budget due to lower photo enforcement revenues and reduced parking infractions compared to 2011.

Fines & Forfeits by Type Year to Date through March							
	2011	2012	2012	2012 vs. 2011		2012 vs. Budget	
Month	Actual	Budget	Actual	Amount	Percentage	Amount	Percentage
Civil Penalties	4,983	3,900	4,235	(748)	-15.0%	335	8.6%
Civil Infraction Penalties	190,321	166,800	178,526	(11,795)	-6.2%	11,726	7.0%
Red Light Photo Enforcement	248,649	358,100	153,120	(95,530)	-38.4%	(204,980)	-57.2%
Parking Infractions	45,818	45,300	27,765	(18,053)	-39.4%	(17,535)	-38.7%
Criminal Traffic Misdemeanor	24,155	30,700	27,944	3,789	15.7%	(2,756)	-9.0%
Criminal Non-Traffic Fines	24,442	26,000	20,606	(3,837)	-15.7%	(5,394)	-20.7%
Criminal Costs	4,295	3,000	4,046	(249)	-5.8%	1,046	34.9%
Non-Court Fines & Penalties	27,257	12,100	9,186	(18,070)	-66.3%	(2,914)	-24.1%
YTD Total	569,920	645,900	425,426	(144,493)	-25.4%	(220,474)	-34.1%
Annual Total	1,940,326	2,208,500					

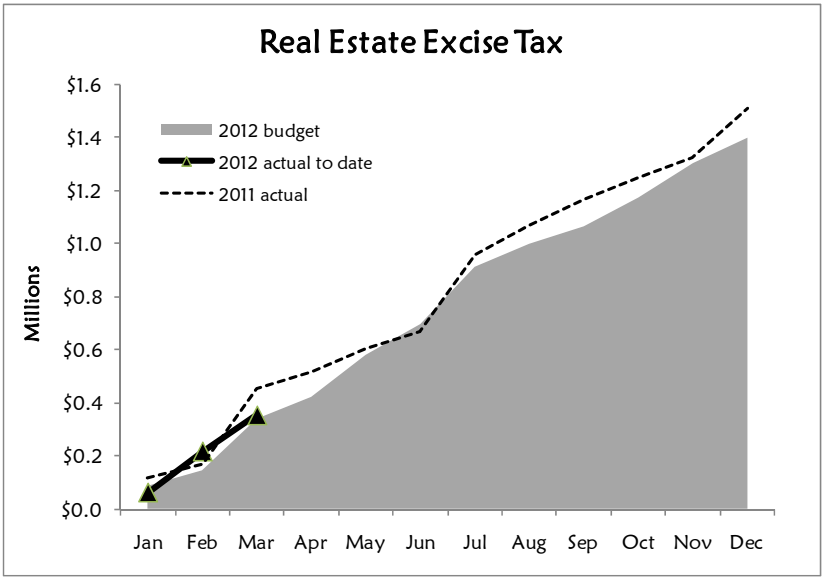




Miscellaneous revenues include interest and other investment earnings, rents, leases & concessions, contributions & donations and other miscellaneous income. March revenues in this category totaled $116,000 and are below budget by $31,000 due primarily to lowered revenue from facility rentals.

Miscellaneous Revenues by Type Year to Date through March							
	2011	2012	2012	2012 vs. 2011		2012 vs. Budget	
Month	Actual	Budget	Actual	Amount	Percentage	Amount	Percentage
Interest & Investments	18,468	26,900	18,279	(190)	-1.0%	(8,621)	-32.0%
Rents & Leases	121,342	93,900	67,907	(53,435)	-44.0%	(25,993)	-27.7%
Contributions & Donations	9,209	4,100	12,494	3,285	35.7%	8,394	204.7%
Other Miscellaneous Revenue	15,263	21,600	16,833	1,570	10.3%	(4,767)	-22.1%
YTD Total	164,282	146,500	115,514	(48,768)	-29.7%	(30,986)	-21.2%
Annual Total	649,927	492,700					

Real Estate Excise Tax (REET) revenue is receipted into the Capital Improvement Projects Fund and is used for governmental capital projects. Revenue at the end of March totaled $354,000 and is exceeding budget by 4%.



Enterprise Funds

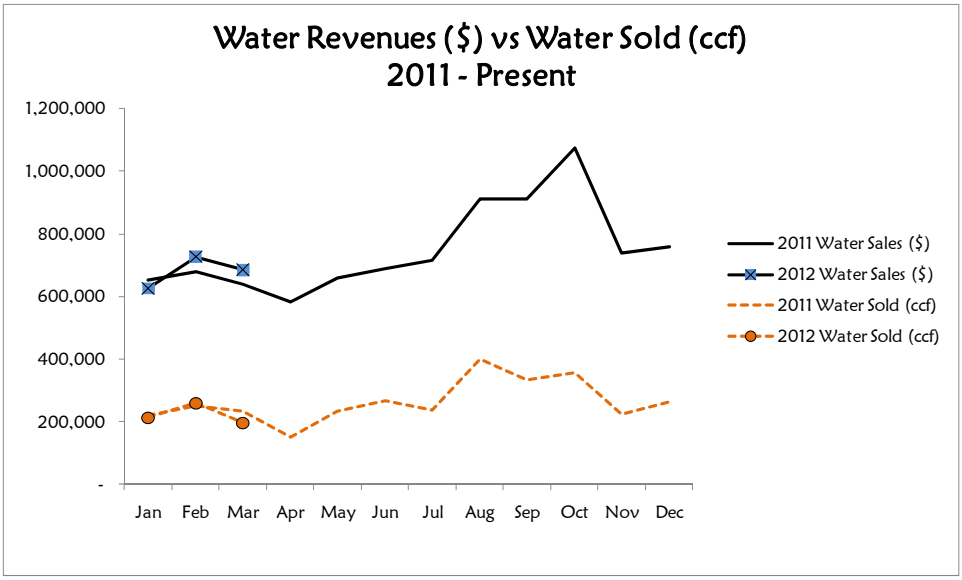
The following table provides an analysis of all City Enterprise funds through March 2012.

	Water	Sewer	Storm	Solid Waste	Airport	Cemetery	Golf
OPERATING REVENUES							
Charges for services	2,037,040	1,097,635	1,807,461	2,804,642	3,862	191,265	84,719
Sewer Metro Service Revenue	-	3,104,990	-	-	-	-	-
Rents, Leases, Concessions & Other	-	-	-	-	153,493	-	41,494
TOTAL OPERATING REVENUES	2,037,040	4,202,625	1,807,461	2,804,642	157,355	191,265	126,213
OPERATING EXPENSES:							
Administration	609,677	478,966	595,655	184,642	158,147	71,861	55,486
Operations & Maintenance	925,528	603,707	640,118	229,013	31	136,974	275,956
Waste Management Payments	-	-	-	1,552,468	-	-	-
Sewer Metro Services	-	3,132,695	-	-	-	-	-
Depreciation & Amortization	545,612	446,617	318,715	4,705	97,660	14,788	79,098
TOTAL OPERATING EXPENSES	2,080,817	4,661,985	1,554,487	1,970,827	255,838	223,624	410,539
OPERATING INCOME (LOSS)	(43,777)	(459,360)	252,974	833,815	(98,483)	(32,359)	(284,326)
NON-OPERATING REVENUES & EXPENSES							
Interest Revenue	13,632	3,381	3,131	125	379	29	108
Other Non Operating Revenue	551	330	2,244	388	195	18	-
Other Non Operating Expense	-	-	-	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	14,183	3,711	5,375	513	574	47	108
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	(29,594)	(455,649)	258,349	834,328	(97,909)	(32,312)	(284,218)
Contributions	88,888	54,239	70,906	-	-	-	-
Transfers In	-	-	-	-	-	-	4,237
Transfers Out	(50,000)	(50,000)	(50,000)	-	-	-	-
TOTAL CONTRIBUTIONS & TRANSFERS	38,888	4,239	20,906	-	-	-	4,237
CHANGE IN FUND BALANCE	9,294	(451,410)	279,255	834,328	(97,909)	(32,312)	(279,981)
BEGINNING FUND BALANCE, January 1, 2012	63,028,695	73,274,006	47,772,204	760,681	9,731,158	814,709	5,144,962
ENDING FUND BALANCE, March 31, 2012	63,037,990	72,822,597	48,051,458	1,595,009	9,633,249	782,398	4,864,980

The following table presents the Enterprise funds working capital statements. Working capital is generally defined as the difference between current assets and current liabilities.

	Water	Sewer	Storm	Solid Waste	Airport	Cemetery	Golf
OPERATING REVENUES							
Charges for services	2,037,040	1,097,635	1,807,461	2,804,642	3,862	191,265	84,719
Sewer Metro Service Revenue	-	3,104,990	-	-	-	-	-
Rents, Leases, Concessions & Other	-	-	-	-	153,493	-	41,494
TOTAL OPERATING REVENUES	2,037,040	4,202,625	1,807,461	2,804,642	157,355	191,265	126,213
OPERATING EXPENSES:							
Salaries & Wages	512,666	342,538	453,836	105,789	4,768	107,385	130,432
Benefits	225,571	146,533	198,427	45,937	1,607	55,413	65,495
Supplies	35,716	7,914	6,782	6,734	-	14,131	64,907
Other Service Charges	502,984	391,586	234,794	209,070	151,803	15,380	30,105
Intergovernmental Services	-	-	9,098	-	-	-	-
Waste Management Payments	-	-	-	1,552,468	-	-	-
Sewer Metro Services	-	3,132,695	-	-	-	-	-
Interfund Operating Rentals/Supplies	258,268	194,103	332,835	46,125	-	16,527	40,503
Depreciation & Amortization	545,612	446,617	318,715	4,705	97,660	14,788	79,098
TOTAL OPERATING EXPENSES	2,080,817	4,661,986	1,554,487	1,970,828	255,838	223,624	410,540
OPERATING INCOME (LOSS)	(43,777)	(459,361)	252,974	833,814	(98,483)	(32,359)	(284,327)
NON-OPERATING REVENUES & EXPENSES							
Interest Revenue	13,632	3,381	3,131	125	379	29	108
Other Non Operating Revenue	551	330	2,244	388	195	18	-
Other Non Operating Expense	-	-	-	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	14,183	3,711	5,375	513	574	47	108
Plus Items Not Effecting Working Capital							
Depreciation	545,612	446,617	318,715	4,705	97,660	14,788	79,098
NET WORKING CAPITAL FROM OPERATIONS	516,018	(9,033)	577,064	839,032	(249)	(17,524)	(205,121)
Increase in Contributions -System Development	88,888	54,239	70,906	-	-	-	-
Increase in Contributions -Area Assessments	-	-	-	-	-	-	-
Increase in Contributions -FAA Grants	-	-	-	-	-	-	-
Increase in Contributions -KC Flood Zone Dist.	-	-	-	-	-	-	-
Operating Transfers In	-	-	-	-	-	-	4,237
Increase in Restricted Net Assets	3,231	10,825	-	-	(2,710)	-	
Decrease in Long term Receivables	-	-	-	-	-	-	-
Increase in Deferred Credits	-	-	-	-	(5,611)	-	-
TOTAL RESOURCES OTHER THAN OPERATIONS	92,119	65,064	70,906	-	(8,321)	-	4,237
Net Change in Restricted Net Assets	404	139	285	-	(3,291)	-	(3,248)
Increase in Fixed Assets - Salaries	34,113	28,749	10,262	-	-	-	-
Increase in Fixed Assets - Benefits	13,608	10,673	4,404	-	-	-	-
Increase in Fixed Assets - Site Improvements	18,359	-	-	-	-	-	-
Increase in Fixed Assets - Equipment	32,224	-	-	-	-	-	-
Increase in Fixed Assets - Construction	709,386	311,040	114,193	-	-	-	-
Operating Transfers Out	50,000	50,000	50,000	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL USES OTHER THAN OPERATIONS	858,094	400,601	179,144	-	(3,291)	-	(3,248)
NET CHANGE IN WORKING CAPITAL	(249,957)	(344,570)	468,826	839,032	(5,279)	(17,524)	(197,636)
BEGINNING WORING CAPITAL, January 1, 2012	16,945,811	12,806,527	9,102,000	632,263	961,633	71,820	68,320
ENDING WORKING CAPITAL, March 31, 2012	16,695,854	12,461,957	9,570,826	1,471,295	956,354	54,296	(129,316)
NET CHANGE IN WORKING CAPITAL	(249,957)	(344,570)	468,826	839,032	(5,279)	(17,524)	(197,636)

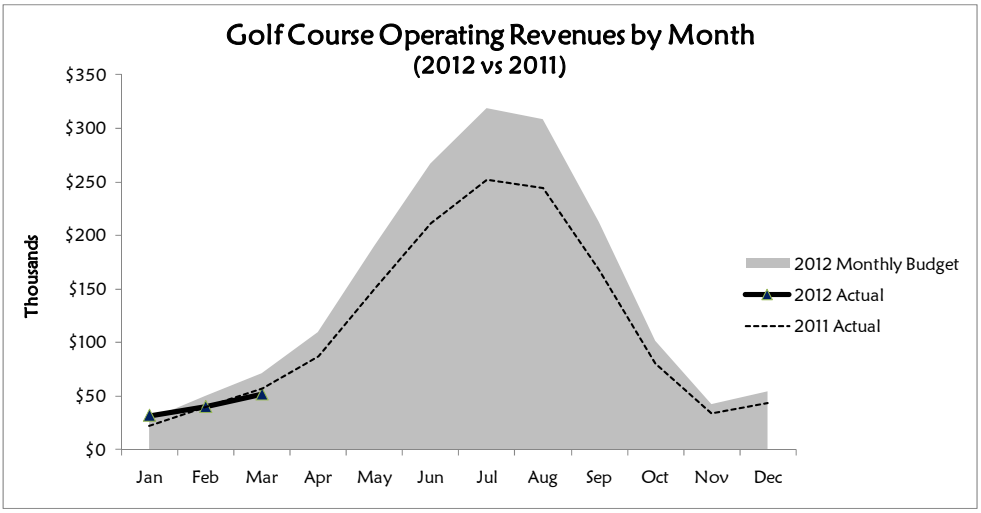
The **Water Utility** ended March with a $29,000 net operating loss and compares to a $167,000 net operating loss for the same period last year. Water utility revenues improved over the previous year, reflecting a scheduled increase in rates at the beginning of the year.



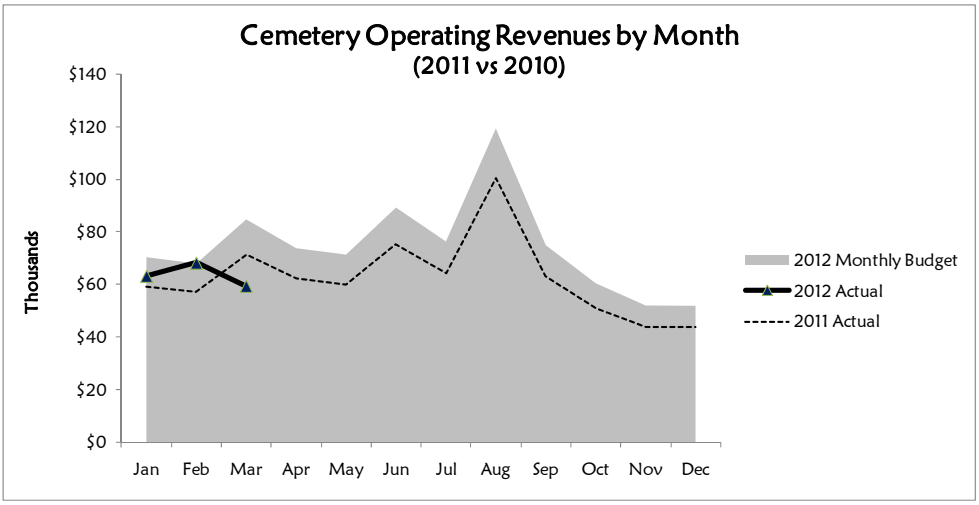
The **Sewer utility** ended March with a $456,000 operating loss, comparable to 2011 when it ended with an operating loss of $459,000. Year-to-date Metro billings totaled $3.1 million and were slightly below Metro payments of $3.13 million. The **Stormwater utility** ended the period with $258,000 in operating income as compared to a $151,000 operating income in 2011.

An update to the 2009 water, sewer, and stormwater rate study has been completed and revised rates through the year 2017 was adopted by Council at its meeting on May 7 (Ordinance #6401). This study evaluated the rate revenue requirements of each utility for the 2012-2017 study period and identified annual adjustments to rates to fully fund forecasted utility expenses. Revised rates will become effective June 1 2012.

The **Auburn Golf Course** (AGC) ended March 2012 with an increase in operating revenue reflecting an improvement in the number of rounds played (4,798 versus 4,429). The gain in operating revenue was offset by higher operating expenses from inventory purchases for the pro-shop. As a result, the AGC ended the first quarter with a net operating loss of $284,000 as compared to a net operating loss of $246,000 the same period previous year. The financial performance for the AGC is expected to improve with the spring and summer period.



The **Cemetery Fund** ended March with a $32,000 net operating loss, comparable to the financial performance for the same period last year. Operating revenues for the fund totaled $191,000 as compared to $188,000 for the same period last year. Operating expenses totaled $224,000 and were comparable the same period last year.



Internal Service Funds

The table below provides an analysis of all City Internal Service funds and shows 2012 revenues and expenditures for each fund.

	Insurance	Facilities	Information Services	Equipment Rental
OPERATING REVENUES:				
Interfund Charges for services	-	859,275	1,033,776	749,669
Rents, Leases, Concessions & Other	-	28,008	19,350	-
TOTAL OPERATING REVENUES	-	887,283	1,053,126	749,669
OPERATING EXPENSES:				
Administration	815,423	-	55,074	165,907
Operations & Maintenance	-	547,217	1,024,746	348,094
Depreciation & Amortization	-	-	136,305	180,760
TOTAL OPERATING EXPENSES	815,423	547,217	1,216,125	694,761
OPERATING INCOME (LOSS)	(815,423)	340,066	(162,999)	54,908
NON-OPERATING REVENUES & EXPENSES				
Interest Revenue	431	634	1,063	1,256
Other Non Operating Revenue (sale of fixed asset)	-	-	-	30,472
Other Non Operating Expense	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	431	634	1,063	31,728
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	(814,992)	340,700	(161,936)	86,636
Contributions	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	161,250	-	(7,000)
TOTAL CONTRIBUTIONS & TRANSFERS	-	161,250	-	(7,000)
CHANGE IN FUND BALANCE	(814,992)	501,950	(161,936)	79,636
BEGINNING FUND BALANCE, January 1, 2012	2,184,680	1,570,419	4,350,183	10,135,919
ENDING FUND BALANCE, March 31, 2012	1,369,688	2,072,369	4,188,247	10,215,555

The working capital statements for the Internal Service funds are presented on the table below.

	Insurance	Facilities	Information Services	Equipment Rental
OPERATING REVENUES:				
Interfund Charges for services	-	859,275	1,033,776	749,669
Rents, Leases, Concessions & Other	-	28,008	19,350	
TOTAL OPERATING REVENUES	-	887,283	1,053,126	749,669
OPERATING EXPENSES:				
Salaries & Wages	-	163,257	326,106	105,486
Benefits	-	71,291	135,039	41,253
Supplies	-	19,240	58,015	219,086
Other Service Charges	815,423	268,955	488,389	94,685
Interfund Operating Rentals/Supplies	-	24,474	72,270	53,492
Depreciation & Amortization	-	-	136,305	180,760
TOTAL OPERATING EXPENSES	815,423	547,217	1,216,124	694,762
OPERATING INCOME (LOSS)	(815,423)	340,066	(162,998)	54,907
NON-OPERATING REVENUES & EXPENSES				
Interest Revenue	431	634	1,063	1,256
Other Non Operating Revenue (sale of fixed asset)	-	-	-	30,472
Other Non Operating Expense	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	431	634	1,063	31,728
Plus Items Not Effecting Working Capital				
Depreciation	-	-	136,305	180,760
NET WORKING CAPITAL FROM OPERATIONS	(814,992)	340,700	(25,630)	267,395
Increase in Contributions -Other Government	-	-	-	-
Increase in Contributions -Other Funds	-	-		-
TOTAL RESOURCES OTHER THAN OPERATIONS	-	-	-	-
Net Change in Restricted Net Assets	-	-	-	-
Increase in Fixed Assets - Equipment	-	-	172,545	321,949
Increase in Fixed Assets - Construction	-	-	-	-
Operating Transfers Out	-	161,250	-	7,000
TOTAL USES OTHER THAN OPERATIONS	-	161,250	172,545	328,949
NET CHANGE IN WORKING CAPITAL	(814,992)	179,450	(198,175)	(61,554)
BEGINNING WORING CAPITAL, January 1, 2012	2,184,680	1,622,449	3,118,686	5,793,165
ENDING WORKING CAPITAL, March 31, 2012	1,369,688	1,801,899	2,920,511	5,731,611
NET CHANGE IN WORKING CAPITAL	(814,992)	179,450	(198,175)	(61,554)

Other services and charges within the **Insurance Fund** represent the premium cost-pool that will be allocated monthly to other City funds over the course of 2012. As a result, this balance will gradually diminish each month through December. The **Information Services Fund** ended March with an operating loss, reflecting the timing of expenditures. No significant variances are reported for the **Facilities Fund** and **Equipment Rental Fund**. Both funds had sufficient revenues to cover expenses during March.

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 the report please contact us at mchaw@auburnwa.gov or scoleman@auburnwa.gov.

SALES TAX SUMMARY
MARCH 2012 SALES TAX DISTRIBUTIONS (FOR NOVEMBER - JANUARY 2011 RETAIL ACTIVITY)

NAICS	CONSTRUCTION	2011 Annual Total (Nov '10-Oct '11)	2011 YTD (Nov '10-Jan '11)	2012 YTD (Nov '11-Jan '12)	YTD % Diff
236	Construction of Buildings	582,840	126,902	104,019	-18.0%
237	Heavy and Civil Construction	108,727	23,469	33,336	42.0%
238	Specialty Trade Contractors	604,245	161,526	144,673	-10.4%
	TOTAL CONSTRUCTION	**$ 1,295,813**	**$ 311,897**	**$ 282,028**	***-9.6%***
	Overall Change from Previous Year			***$ (29,869)***	

NAICS	MANUFACTURING	2011 Annual Total (Nov '10-Oct '11)	2011 YTD (Nov '10-Jan '11)	2012 YTD (Nov '11-Jan '12)		YTD % Diff
311	Food Manufacturing	2,674	477	923		93.5%
312	Beverage and Tobacco Products	3,864	961	965		0.4%
313	Textile Mills	959	61	36		-41.8%
314	Textile Product Mills	2,625	427	645		51.0%
315	Apparel Manufacturing	2,519	2,361	154		-93.5%
316	Leather and Allied Products	175	8	40		413.5%
321	Wood Product Manufacturing	24,075	5,885	4,342		-26.2%
322	Paper Manufacturing	11,026	2,979	1,029		-65.5%
323	Printing and Related Support	38,511	10,988	8,858		-19.4%
324	Petroleum and Coal Products	9,771	610	2,227		265.1%
325	Chemical Manufacturing	7,937	1,458	1,298		-11.0%
326	Plastics and Rubber Products	9,777	2,096	2,773		32.3%
327	Nonmetallic Mineral Products	16,218	2,513	3,500		39.3%
331	Primary Metal Manufacturing	452	30	850		2755.9%
332	Fabricated Metal Product Manuf	19,661	5,090	2,664		-47.7%
333	Machinery Manufacturing	14,242	3,106	3,738		20.3%
334	Computer and Electronic Produc	16,776	3,735	1,258		-66.3%
335	Electric Equipment, Appliances	780	28	176		528.9%
336	Transportation Equipment Man	362,149	127,230	307	a	-99.8%
337	Furniture and Related Products	13,135	2,249	3,917		74.2%
339	Miscellaneous Manufacturing	25,531	8,317	5,182		-37.7%
	TOTAL MANUFACTURING	**$ 582,858**	**$ 180,612**	**$ 44,882**		***-75.1%***
	Overall Change from Previous Year			***$ (135,729)***		

NAICS	TRANSPORTATION AND WAREHOUSING	2011 Annual Total (Nov '10-Oct '11)	2011 YTD (Nov '10-Jan '11)	2012 YTD (Nov '11-Jan '12)	YTD % Diff
481	Air Transportation	24	24	-	-100.0%
482	Rail Transportation	17,831	7,598	2,178	-71.3%
484	Truck Transportation	36,261	2,688	4,010	49.2%
485	Transit and Ground Passengers	68	39	212	448.4%
488	Transportation Support	18,083	4,194	4,231	0.9%
491	Postal Service	202	61	61	0.4%
492	Couriers and Messengers	1,492	558	141	-74.8%
493	Warehousing and Storage	3,121	847	1,734	104.6%
	TOTAL TRANSPORTATION	**$ 77,083**	**$ 16,008**	**$ 12,567**	***-21.5%***
	Overall Change from Previous Year			***$ (3,441)***	

NAICS	WHOLESALE TRADE	2011 Annual Total (Nov '10-Oct '11)	2011 YTD (Nov '10-Jan '11)	2012 YTD (Nov '11-Jan '12)	YTD % Diff
423	Wholesale Trade, Durable Goods	1,095,905	265,513	274,764	3.5%
424	Wholesale Trade, Nondurable	150,480	37,170	30,657	-17.5%
425	Wholesale Electronic Markets	13,698	847	1,261	48.9%
	TOTAL WHOLESALE	**$ 1,260,083**	**$ 303,530**	**$ 306,682**	***1.0%***
	Overall Change from Previous Year			***$ 3,152***	

NAICS	AUTOMOTIVE	2011 Annual Total (Nov '10-Oct '11)	2011 YTD (Nov '10-Jan '11)	2012 YTD (Nov '11-Jan '12)	YTD % Diff
441	Motor Vehicle and Parts Dealer	2,560,962	587,714	599,012	1.9%
447	Gasoline Stations	224,459	53,850	55,595	3.2%
	TOTAL AUTOMOTIVE	**$ 2,785,421**	**$ 641,563**	**$ 654,606**	***2.0%***
	Overall Change from Previous Year			***$ 13,043***	

NAICS	RETAIL TRADE	2011 Annual Total (Nov '10-Oct '11)	2011 YTD (Nov '10-Jan '11)	2012 YTD (Nov '11-Jan '12)	YTD % Diff
442	Furniture and Home Furnishings	218,335	54,885	60,106	9.5%
443	Electronics and Appliances	126,870	36,340	40,962	12.7%
444	Building Material and Garden	382,504	76,170	87,777	15.2%
445	Food and Beverage Stores	330,776	84,205	81,241	-3.5%
446	Health and Personal Care Store	148,387	41,240	43,087	4.5%
448	Clothing and Accessories	754,407	216,671	207,849	-4.1%
451	Sporting Goods, Hobby, Books	126,042	39,888	37,669	-5.6%
452	General Merchandise Stores	967,627	315,643	282,096	-10.6%
453	Miscellaneous Store Retailers	489,259	129,397	116,557	-9.9%
454	Nonstore Retailers	235,923	73,056	75,078	2.8%
	TOTAL RETAIL TRADE	**$ 3,780,129**	**$ 1,067,495**	**$ 1,032,420**	***-3.3%***
	Overall Change from Previous Year			***$ (35,075)***	

NAICS	SERVICES	2011 Annual Total (Nov '10-Oct '11)	2011 YTD (Nov '10-Jan '11)	2012 YTD (Nov '11-Jan '12)		YTD % Diff
51*	Information	481,043	100,895	96,633		-4.2%
52*	Finance and Insurance	65,518	15,611	(1,501)	b	-109.6%
53*	Real Estate, Rental, Leasing	303,750	68,748	85,919		25.0%
541	Professional, Scientific, Tech	174,718	45,812	47,119		2.9%
551	Company Management	351	41	4		-90.3%
56*	Admin. Supp., Remed Svcs	294,603	64,403	65,193		1.2%
611	Educational Services	52,563	13,724	13,089		-4.6%
62*	Health Care Social Assistannce	40,737	3,658	11,443		212.8%
71*	Arts and Entertainment	148,629	70,262	71,104		1.2%
72*	Accomodation and Food Svcs	838,924	191,609	214,406		11.9%
81*	Other Services	389,241	96,896	92,945		-4.1%
92*	Public Administration	92,163	19,474	18,336		-5.8%
	TOTAL SERVICES	**$ 2,882,241**	**$ 691,133**	**$ 714,689**		***3.4%***
	Overall Change from Previous Year			***$ 23,556***		

NAICS	MISCELLANEOUS	2011 Annual Total (Nov '10-Oct '11)	2011 YTD (Nov '10-Jan '11)	2012 YTD (Nov '11-Jan '12)	YTD % Diff
000	Unknown	1,958	-	1	N/A
111-115	Agriculture, Forestry, Fishing	7,355	1,666	370	-77.8%
211-221	Mining & Utilities	21,830	3,463	5,319	53.6%
999	Unclassifiable Establishments	192,496	12,740	3,663	-71.2%
	TOTAL SERVICES	**$ 223,639**	**$ 17,870**	**$ 9,353**	***-47.7%***
	Overall Change from Previous Year			***$ (8,517)***	

GRAND TOTAL		**$ 12,887,267**	**$ 3,230,108**	**$ 3,057,227**	
	Overall Change from Previous Year			***$ (172,881)***	***-5.4%***

a. Wa. State Dept of Revenue audit adjustment to sales tax returns for period Nov 2011 (adjustment: -$73,971).
b. Wa. State Dept of Revenue audit adjustment to sales tax returns for period Dec 2011 (adjustment: -$20,014).

City of Auburn
Investment Portfolio Summary
March 31,2012

Investment Type	Purchase Date	Purchase Price	Maturity Date	Yield to Maturity
State Investment Pool	Various	$ 79,116,452	Various	0.14%
KeyBank Money Market	Various	10,524,785	Various	0.15%
US Treasury	05/04/1990	57,750	05/15/2016	5.72%
FFCB	6/6/2011	2,000,000	6/6/2014	1.180%
FHLB	6/13/2011	2,000,000	6/13/2014	1.150%
FHLMC	12/19/2011	2,000,000	12/19/2014	1.000%
FNMA	12/29/2011	2,000,000	12/29/2014	0.900%
Total Cash & Investments		$ 97,698,987		0.217%

Investment Mix	% of Total
State Investment Pool	81.0%
KeyBank Money Market	10.8%
US Treasury	0.1%
FHLB	2.0%
FFCB	2.0%
FHLMC	2.0%
FNMA	2.0%
	100.0%

Summary	
Current 6-month treasury rate	0.14%
Current State Pool rate	0.14%
KeyBank Money Market	0.15%
Blended Auburn rate	0.22%