



## AGENDA BILL APPROVAL FORM

<b>Agenda Subject:</b> 4 <sup>th</sup> Quarter 2015 Financial Report		<b>Date:</b> February 05, 2016
<b>Department:</b> Finance	<b>Attachments:</b> Quarterly Financial Report	<b>Budget Impact:</b> \$0
<b>Administrative Recommendation:</b> For discussion only.		

**Background Summary:**

The purpose of the quarterly financial report is to summarize for the City Council the general state of Citywide 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 details can be found within the attached financial report.

The fourth quarter status report is based on financial data available as of February 4, 2016 for the period ending December 31, 2015. Sales tax information represents business activity that occurred through October 2015.

General Fund:

The General Fund is the City's largest fund and accounts for the majority of City resources and services, other than those required by statute to be accounted for in another fund.

In 2015, General Fund revenues totaled \$61.0 million compared to a budget of \$58.9 million and were \$2.2 million higher than the revenues collected in 2014. Notable variances to budget in 2015 include:

- General Fund sales tax revenues totaled \$14.6 million and exceeded budget by 6.7% or \$911,000. In addition, sales tax credit for annexation and criminal justice sales tax revenues exceeded budget expectations by \$133,000 and \$227,000 respectively.
- Collections in electric tax and natural gas tax revenues ended the year under budget by \$204,000 and \$150,000 respectively due primarily to a mild winter which reduced customer demand for heating. This unfavorable variance was somewhat offset by favorable variances in City utility tax collections.
- Development services fees totaled \$1.4 million and exceeded budget by \$720,000. Of this, \$575,000 of this was attributable to the fact that plan check revenues far exceeded budget expectations. Both The Villas (Senior Living Community) and the Promenade Apartment project contributed to these higher than usual collections.

General Fund expenditures through December totaled \$61.1 million as compared with a budget of \$65.1 million. This represents a 6.1% year-end underspend compared to budget. All departments operated within their allocated budgets in 2015.

Ending 2015 fund balances will not be finalized until approximately June 2016 pending final year-end adjustments and certification by the State Auditor's Office. Once the final ending 2015 fund balances are available, budgeted beginning 2016 fund balances will be reconciled and adjusted accordingly.

In 2015, 5,112 pet licenses were sold resulting in \$147,152 in revenue. For the same period in 2014, 5,811 licenses were sold resulting in \$155,790 in revenue.

Street Funds:

The City's three street funds are special revenue funds where the revenue sources and expenditures are legally restricted. These funds are used for street capital construction projects, local street repair and arterial street repair and preservation projects. In 2015, Arterial Street fund revenues collected totaled \$4.7 million as compared to collections of \$3.5 million in 2014; expenditures totaled \$6.9 million as compared to \$3.8 million spent last year. Local Street fund revenues exceeded budget expectations by \$698,000, or 39.8%, due to higher than anticipated sales tax revenues from local construction projects; expenditures were under budget by \$957,000, or 28.4%. Lastly, Arterial Street Preservation fund revenues totaled \$2.7 million as compared to a budget of \$2.9 million, while expenditures totaled \$4.0 million.

Enterprise Funds:

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

At the end of 2015, the Water fund had net operating income of \$1,076,100 compared to operating income of \$1,757,300 at the end of 2014. The Sewer fund ended the year with net income of \$109,300 compared to income of \$181,500 in the previous year. The Sewer-Metro Utility ended 2015 with operating income of \$186,800 as compared to operating income of \$273,900 in 2014. Lastly, the Stormwater Utility ended the year with operating income of \$1,316,800 compared to operating income of \$1,486,200 at the end of 2014.

The Cemetery ended 2015 with net operating income of \$19,600 compared to operating income of \$2,900 in 2014.

Internal Service Funds:

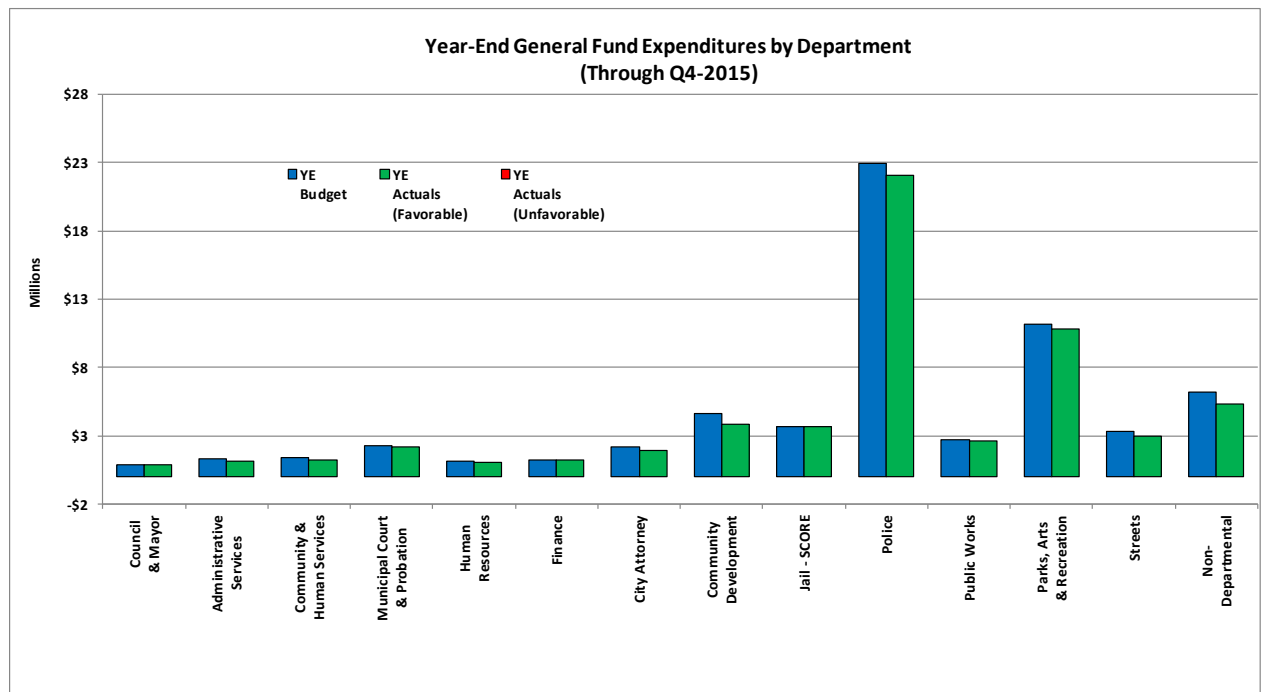
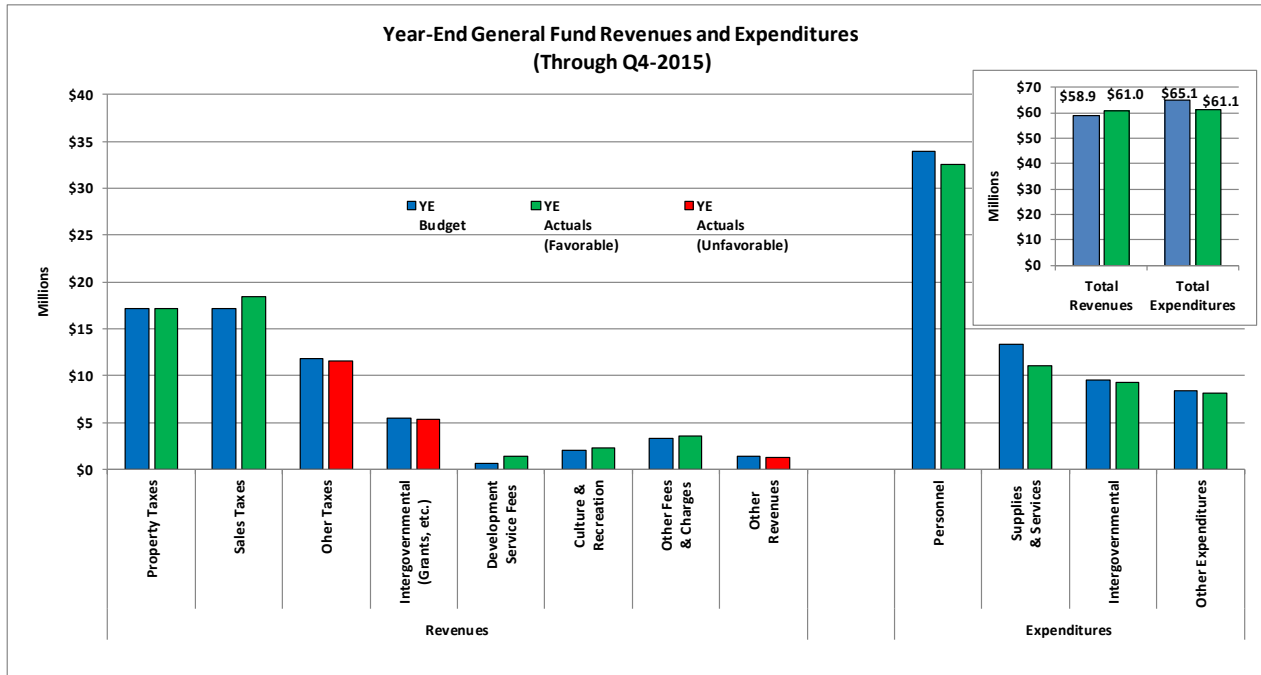
Internal Service Funds provide services to other City departments and include functions such as Insurance, Worker's Compensation, Facilities, Innovation and Technology, and Equipment Rental. All funds have sufficient revenues to cover year-end expenditures.

Investment Portfolio:

The City's total cash and investments at the end of the year was \$115.1 million, and compares to \$115.7 million at the end of Q3-2015.

	<b>Staff:</b> Coleman
<b>Meeting Date:</b> February 22, 2016	<b>Item Number:</b>

### General Fund Summary



General Fund Summary of Sources and Uses	2015			2014	2015 YE Budget vs. Actual	
	Annual Budget	YE Budget	YE Actual	YE Actual	Favorable (Unfavorable) Amount	Percentage
<b>Operating Revenues</b>						
Property Tax	\$ 17,182,600	\$ 17,182,600	\$ 17,199,418	\$ 15,805,041	\$ 16,818	0.1 %
Sales Tax	13,662,000	13,662,000	14,573,164	13,891,465	911,164	6.7 %
Sales Tax - Annexation Credit	1,856,000	1,856,000	1,988,523	1,836,391	132,523	7.1 %
Criminal Justice Sales Tax	1,589,000	1,589,000	1,815,833	1,658,228	226,833	14.3 %
Brokered Natural Gas Tax	282,000	282,000	248,670	275,327	(33,330)	(11.8) %
City Utilities Tax	3,452,300	3,452,300	3,642,218	3,479,570	189,918	5.5 %
Admissions Tax	330,300	330,300	355,170	318,441	24,870	7.5 %
Electric Tax	3,435,600	3,435,600	3,232,503	3,424,427	(203,097)	(5.9) %
Natural Gas Tax	1,152,000	1,152,000	1,002,334	1,136,969	(149,666)	(13.0) %
Cable TV Franchise Fee	888,900	888,900	925,835	880,909	36,935	4.2 %
Cable TV Franchise Fee - Capital	63,000	63,000	69,680	62,993	6,680	10.6 %
Telephone Tax	1,811,000	1,811,000	1,661,505	1,805,572	(149,495)	(8.3) %
Garbage Tax (external)	106,000	106,000	114,870	110,566	8,870	8.4 %
Leasehold Excise Tax	33,000	33,000	66,544	37,233	33,544	101.6 %
Gambling Excise Tax	232,400	232,400	212,939	280,736	(19,461)	(8.4) %
<b>Taxes sub-total</b>	<b>\$ 46,076,100</b>	<b>\$ 46,076,100</b>	<b>\$ 47,109,207</b>	<b>\$ 45,003,866</b>	<b>\$ 1,033,107</b>	<b>2.2 %</b>
Business License Fees	\$ 219,000	\$ 219,000	\$ 281,654	\$ 171,422	\$ 62,654	28.6 %
Building Permits	1,100,000	1,100,000	1,209,836	1,505,799	109,836	10.0 %
Other Licenses & Permits	532,300	532,300	582,986	723,441	50,686	9.5 %
Intergovernmental (Grants, etc.)	5,456,951	5,456,951	5,317,259	5,063,108	(139,692)	(2.6) %
Charges for Services:						
General Government Services	96,500	96,500	79,413	113,491	(17,087)	(17.7) %
Public Safety	515,100	515,100	479,061	479,866	(36,039)	(7.0) %
Development Services Fees	680,000	680,000	1,400,292	1,101,680	720,292	105.9 %
Culture and Recreation	2,058,080	2,058,080	2,317,351	2,219,387	259,271	12.6 %
Fines and Forfeits	788,040	788,040	938,775	1,239,233	150,735	19.1 %
<b>Fees/Charges/Fines sub-total</b>	<b>\$ 11,445,971</b>	<b>\$ 11,445,971</b>	<b>\$ 12,606,628</b>	<b>\$ 12,617,427</b>	<b>\$ 1,160,657</b>	<b>10.1 %</b>
Interest and Other Earnings	\$ 36,850	\$ 36,850	\$ 57,464	\$ 41,767	\$ 20,614	55.9 %
Rents, Leases and Concessions	573,200	573,200	729,969	710,705	156,769	27.3 %
Contributions and Donations	32,000	32,000	39,712	46,851	7,712	24.1 %
Other Miscellaneous	107,400	107,400	218,832	168,357	111,432	103.8 %
Transfers In	560,823	560,823	97,443	121,652	(463,380)	(82.6) %
Insurance Recoveries - Capital & Operating	50,600	50,600	153,041	102,377	102,441	202.5 %
<b>Other Revenues sub-total</b>	<b>\$ 1,360,873</b>	<b>\$ 1,360,873</b>	<b>\$ 1,296,461</b>	<b>\$ 1,191,708</b>	<b>\$ (64,412)</b>	<b>(4.7) %</b>
<b>Total Operating Revenues</b>	<b>\$ 58,882,944</b>	<b>\$ 58,882,944</b>	<b>\$ 61,012,296</b>	<b>\$ 58,813,002</b>	<b>\$ 2,129,352</b>	<b>3.6 %</b>
<b>Operating Expenditures</b>						
Council & Mayor	\$ 915,017	\$ 915,017	\$ 912,825	\$ 744,569	\$ 2,192	0.2 %
Administration	1,299,136	1,299,136	1,171,634	719,335	127,502	9.8 %
Community & Human Services	1,406,523	1,406,523	1,222,557	942,026	183,966	13.1 %
Municipal Court & Probation	2,272,110	2,272,110	2,239,983	1,265,243	32,127	1.4 %
Human Resources	1,137,785	1,137,785	1,050,803	1,305,029	86,983	7.6 %
Finance	1,277,225	1,277,225	1,221,253	1,148,104	55,971	4.4 %
City Attorney	2,202,159	2,202,159	1,901,141	1,742,176	301,018	13.7 %
Community Development	4,606,675	4,606,675	3,882,709	3,783,049	723,966	15.7 %
Jail - SCORE	3,670,000	3,670,000	3,658,863	5,504,767	11,137	0.3 %
Police	22,887,782	22,887,782	22,085,780	20,296,100	802,002	3.5 %
Public Works	2,724,409	2,724,409	2,620,478	2,647,511	103,931	3.8 %
Parks, Arts & Recreation	11,135,564	11,135,564	10,816,576	9,600,201	318,988	2.9 %
Streets	3,365,676	3,365,676	3,016,275	3,227,025	349,401	10.4 %
Non-Departmental	6,161,565	6,161,565	5,302,250	2,319,980	859,315	13.9 %
<b>Total Operating Expenditures</b>	<b>\$ 65,061,626</b>	<b>\$ 65,061,626</b>	<b>\$ 61,103,128</b>	<b>\$ 55,245,114</b>	<b>\$ 3,958,498</b>	<b>6.1 %</b>

## Overview

This financial overview reflects the City's overall financial position for the fiscal period ending December 31, 2015 (period 12) and represents financial data available as of February 4, 2016.

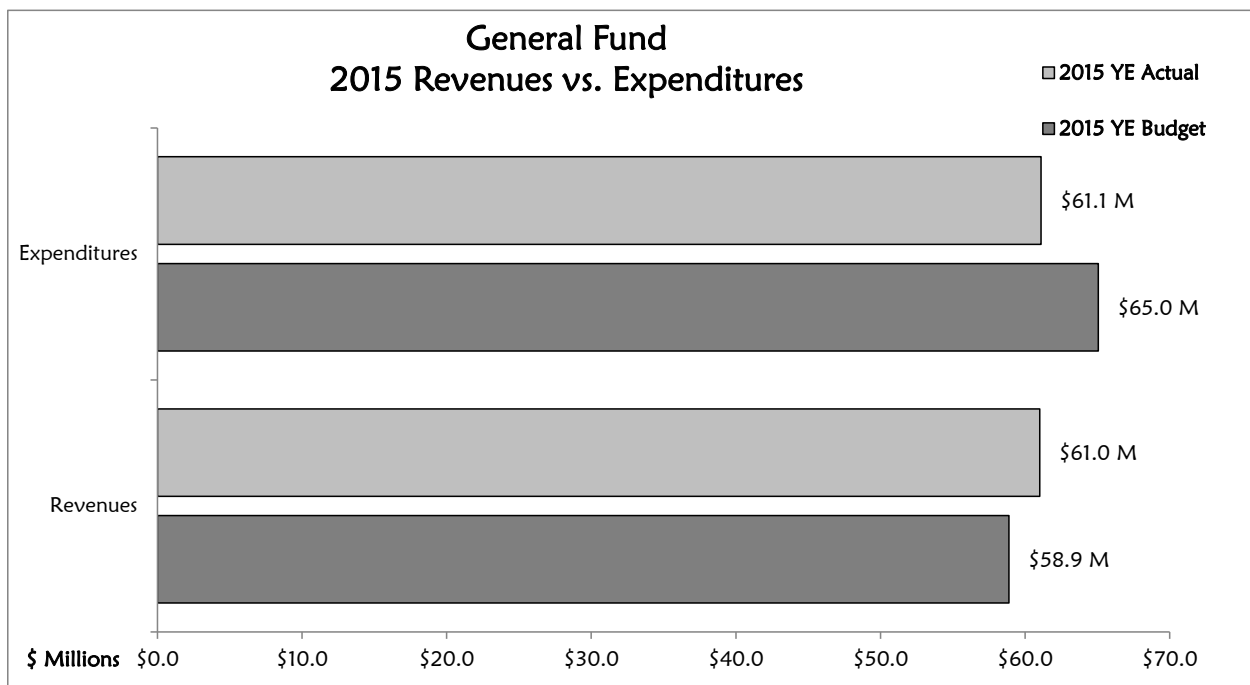
In 2015, General Fund revenues totaled \$61.0 million compared to a budget of \$58.9 million, and were \$2.2 million higher than the revenues collected during in 2014. Some notable variances to budget this year include:

- General Fund sales tax revenues totaled \$14.6 million, exceeding budget by 6.7% or \$911,000, and exceeding 2014 collections by \$682,000. The areas of significant increase in sales activity compared to 2014 were primarily seen in the construction and automotive sales categories.
- The other taxes category ended the year \$254,000, or 2.2%, lower than anticipated. Collections in electric and natural gas tax revenues in 2015 were under budget by \$204,000 and \$150,000, respectively, due primarily to a mild winter which reduced customer demand for heating. Telephone tax revenues were also \$150,000 below budget. The underperformance in these revenues was somewhat offset by favorable variances in City utility tax collections.
- Development services fees in 2015 totaled \$1.4 million and exceeded budget by \$720,000. The increased revenues were predominately attributable to plan check and public facility extension revenues, which surpassed budget expectations by \$575,000 and \$101,000 respectively. There were two large projects in 2015 that contributed to the favorability of plan check revenues: The Villas (Senior Living Community) and the Promenade Apartment project.
- Culture and recreation revenues exceeded budget by \$259,000, and exceeded 2014 collections by \$98,000. The year-over-year increase was primarily due increased revenues collected at the Auburn Golf Course for greens fees. Green fee revenue collected in 2015 exceeded 2014 revenues collected by \$118,000, which represents an 11.4% increase. The year-over-year increase was attributable to many factors, including good weather during the main golf season.
- Other revenues ended the year \$64,000, or 4.7% unfavorable to budget. This was partially due to Transfer-In revenues having ended the year \$463,000 below budget. Transfer-In revenue is revenue that is transferred from one City fund to another City fund. In this case, two separate transfers did not occur in 2015. The larger of the two – a \$350,000 transfer from the Innovation & Technology Fund – will be carried forward into 2016 to fund technology improvements in the Community and Youth/Teen Center. This variance was somewhat offset by higher than anticipated revenues from City facility rental income.

Ending 2015 fund balances will not be finalized until approximately June 2016 pending final year-end adjustments and certification by the State Auditor's Office. Once the final ending 2015 fund balances are available, budgeted beginning 2016 fund balances will be reconciled and adjusted accordingly.

General Fund expenditures in 2015 totaled \$61.1 million as compared to a budget of \$65.1 million, representing 6.1% less than budget. All departments operated within their allocated budget in 2015. Major savings were experienced in salaries and wages (\$294,000) primarily due to vacancies and reduced overtime costs; healthcare and other benefits (\$780,000); and services (\$2,025,000) due mainly to underexpenditures in professional service contracts, utilities, contingency budget, and other miscellaneous expenses.

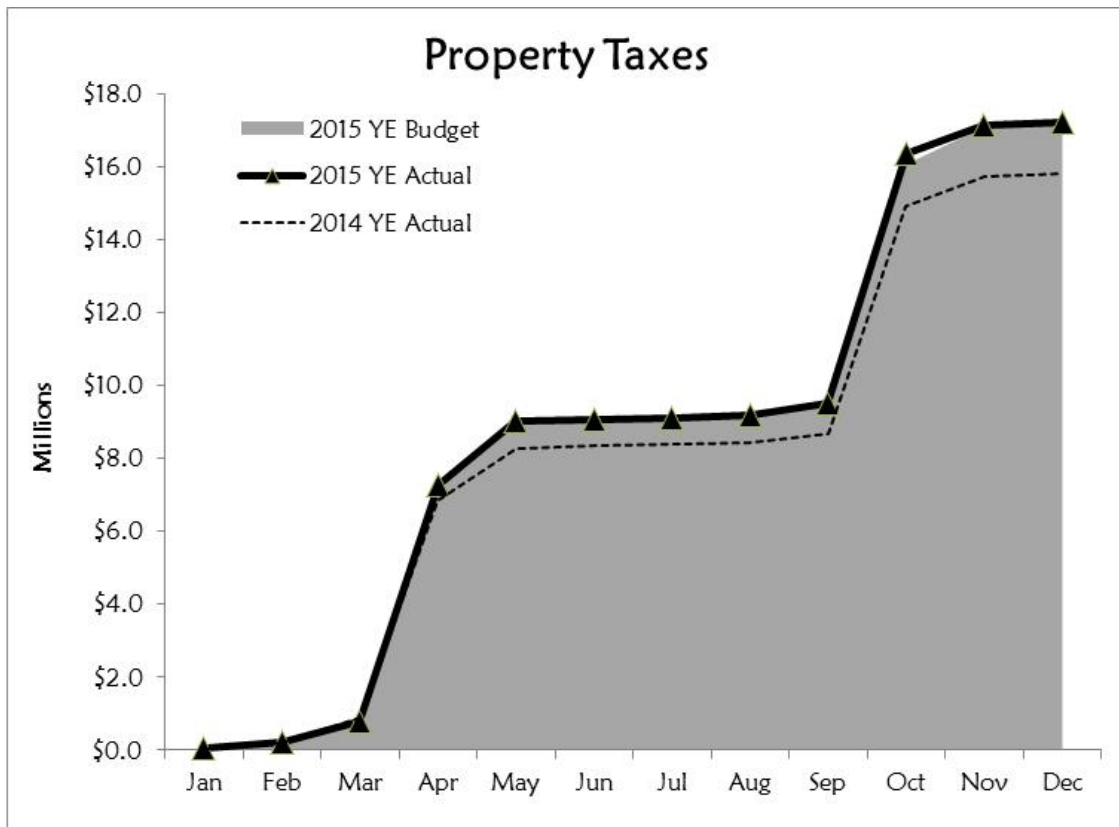
General Fund expenditures in were \$5.9 million, or 10.6%, higher than 2014. The increase in year-over-year expenditures was attributable to several factors including a \$2.8 million transfer to the Cumulative Reserve Fund to replenish prior withdrawals. Salary and benefit costs increased year-over-year by \$1.5 million, or 4.7%, due to several factors including increased number of Council-approved positions in 2015, increased costs associated with healthcare and pensions, and overall lower departmental vacancies compared to 2014. In addition, interfund charges in 2015 were \$1.2 million, or 17.4%, higher than in 2014. This was seen primarily in interfund Equipment Rental charges due to increased operating, capital construction, and replacement costs and in the interfund Facilities charges due to repair and maintenance projects that were completed on several City buildings. Lastly, the cost of providing 911 services in 2015 increased \$530,000 compared to 2014.



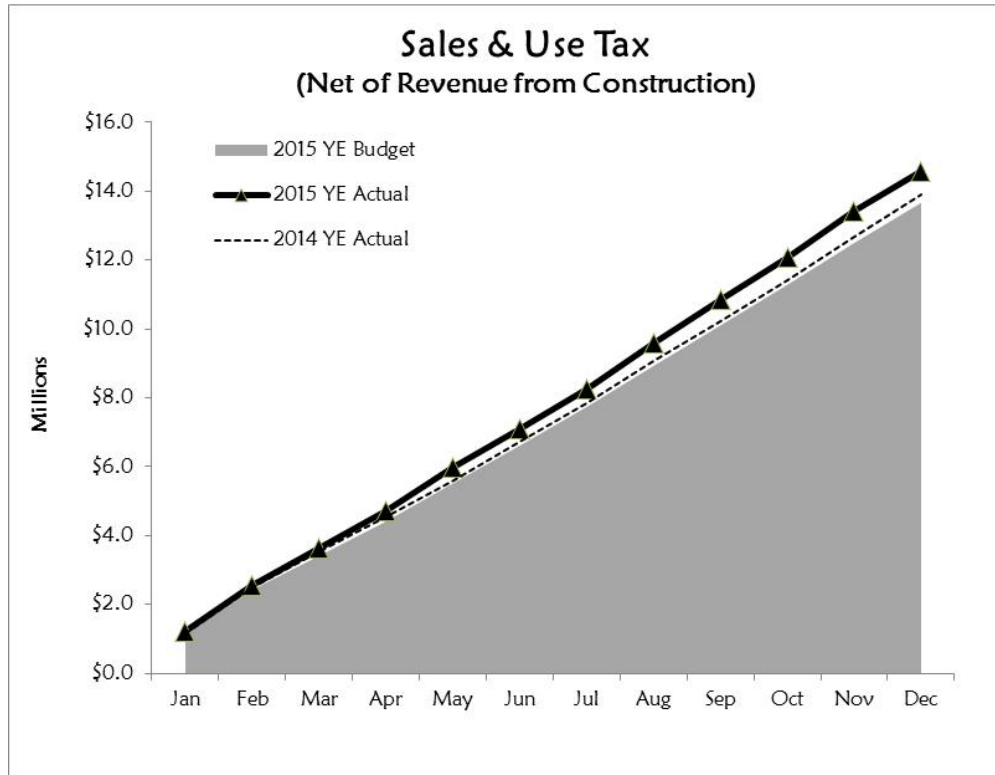
**Revenues**

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 in 2015 totaled \$17.2 million and met budget expectations. The 2015 collection exceeded collections in 2014 by \$1.4 million, or 8.8%. The majority of property tax revenues are collected during the months of April and October, coinciding with the due dates for the County property tax billings.



Sales tax collections in 2015 totaled \$16.9 million of which \$14.6 million was distributed to the General Fund and \$2.3 million was distributed to the Local Street Fund (SOS) program.\* Total sales tax revenue distributions to the General Fund in 2015 exceeded budget expectations by \$911,000, or 6.7%.



\* Beginning in 2013, Local Street Fund (Fund 103) street repairs have been funded from sales taxes on construction. The total amount transferred in 2015 was \$2,296,863. The graphic above presents sales taxes under the current policy.

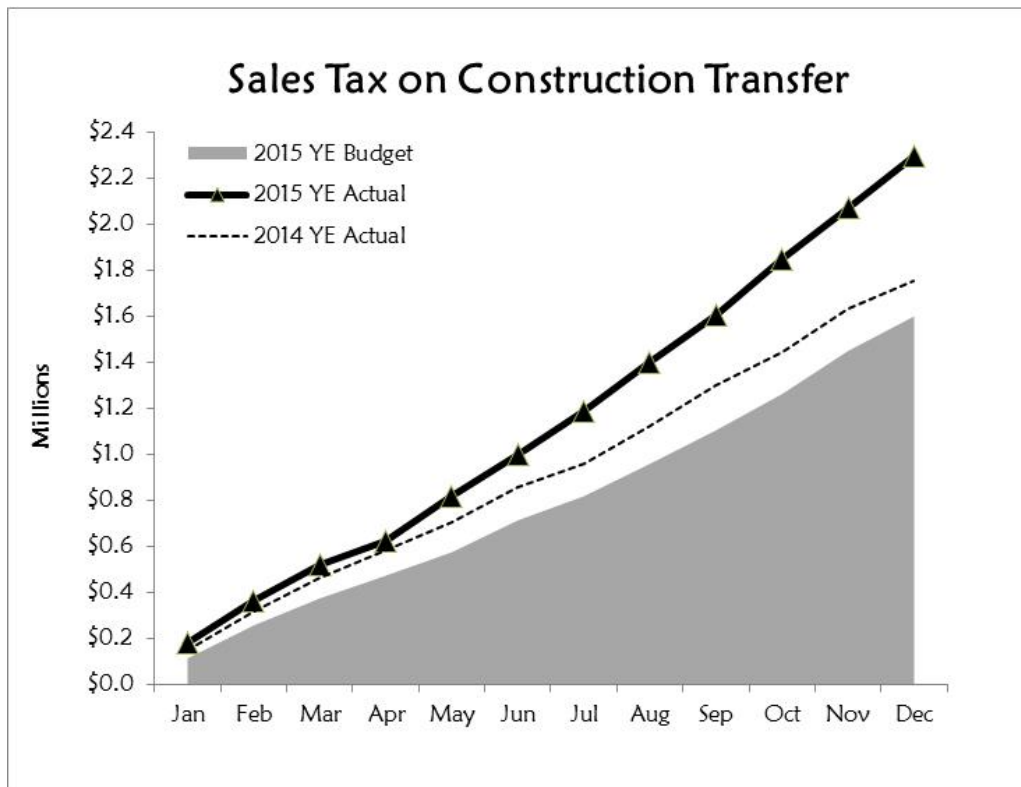
The following table breaks out the City’s base sales tax, excluding Criminal Justice, Annexation Credit and Streamlined Sales Tax Mitigation, by major business sector.

Comparison of Sales Tax Collections by SIC Group				
December-2015				
Component Group	2014 Actual	2015 Actual	Change from 2014	
			Amount	Percentage
Construction	\$ 1,753,532	\$ 2,296,863	\$ 543,331	31.0 %
Manufacturing	1,163,090	861,555	(301,534)	(25.9) %
Transportation & Warehousing	70,679	65,671	(5,008)	(7.1) %
Wholesale Trade	1,204,714	1,228,919	24,205	2.0 %
Automotive	3,309,404	3,706,535	397,130	12.0 %
Retail Trade	4,679,929	4,988,898	308,969	6.6 %
Services	3,321,827	3,645,551	323,724	9.7 %
Miscellaneous	119,617	71,548	(48,069)	(40.2) %
YE Total	\$ 15,622,791	\$ 16,865,540	\$ 1,242,749	8.0 %

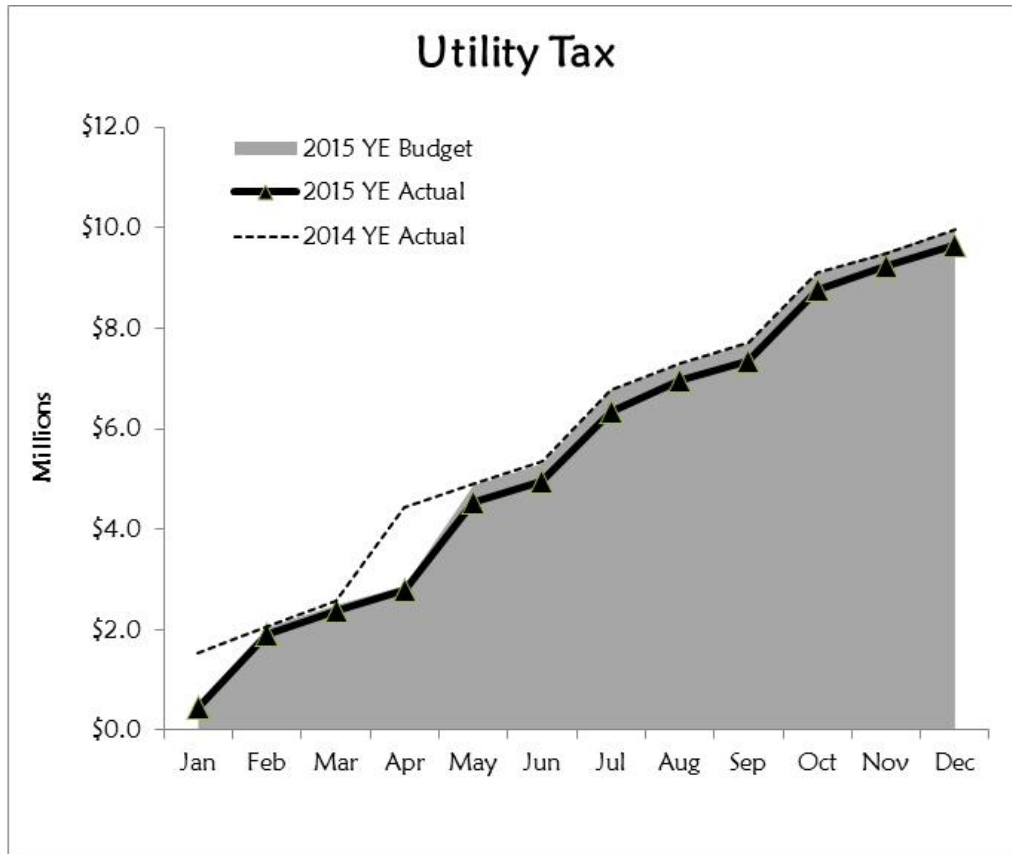


Total sales tax revenue collected in 2015 exceeded 2014 collections by \$1.2 million, or 7.8%. The business sectors showing the largest increase in revenues compared to last year were in the construction, automotive, and services categories.

Total sales tax revenue on construction, which is transferred to the Local Street Fund (Fund 103) for local street repair and maintenance, totaled \$2,297,000, which is \$543,000 higher than last year and exceeds the 2015 budget by \$697,000.



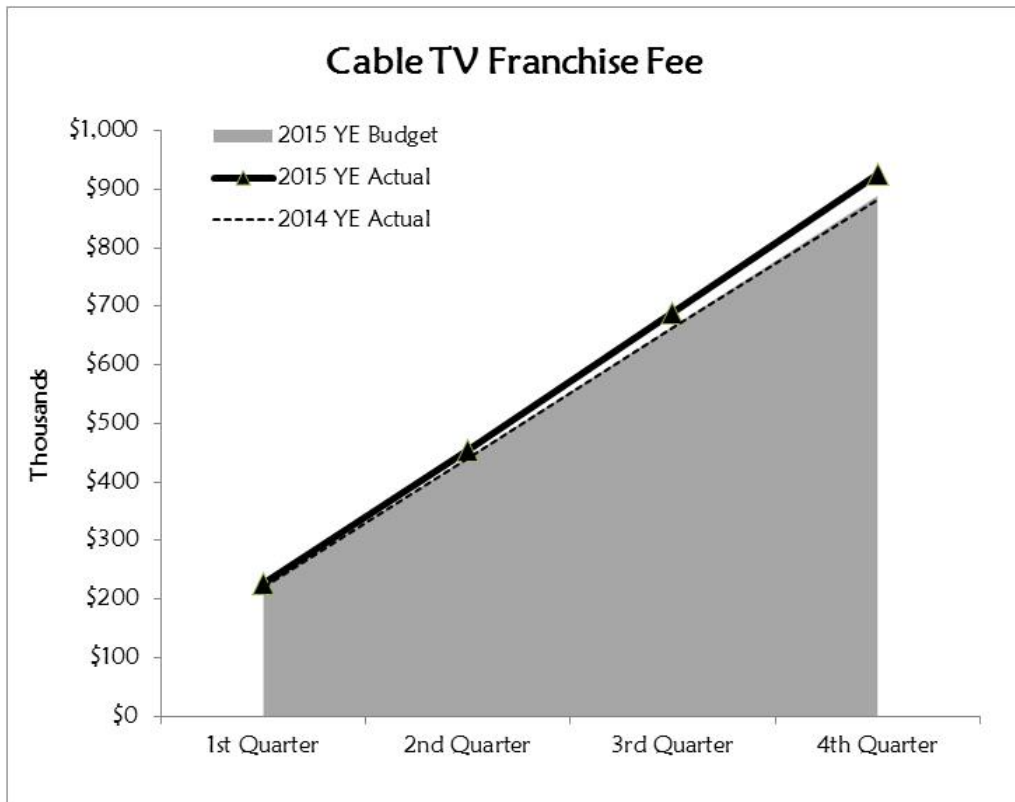
**Utility Taxes** consist of interfund taxes on City utilities (Water, Sewer, Storm and Solid Waste) and taxes on external utilities (Electric, Natural Gas, Telephone and Solid Waste). Utility taxes collected in 2015 totaled \$9.7 million compared to a budget of \$10.0 million.



As shown in the table below, overall utility tax revenues collected in 2015 were \$303,000, or 3.0%, below budget. A favorable variance in City interfund utility tax revenues partially offset lower than expected collections from private utility providers, specifically in the Electric, Natural Gas and the Telecommunications industries.

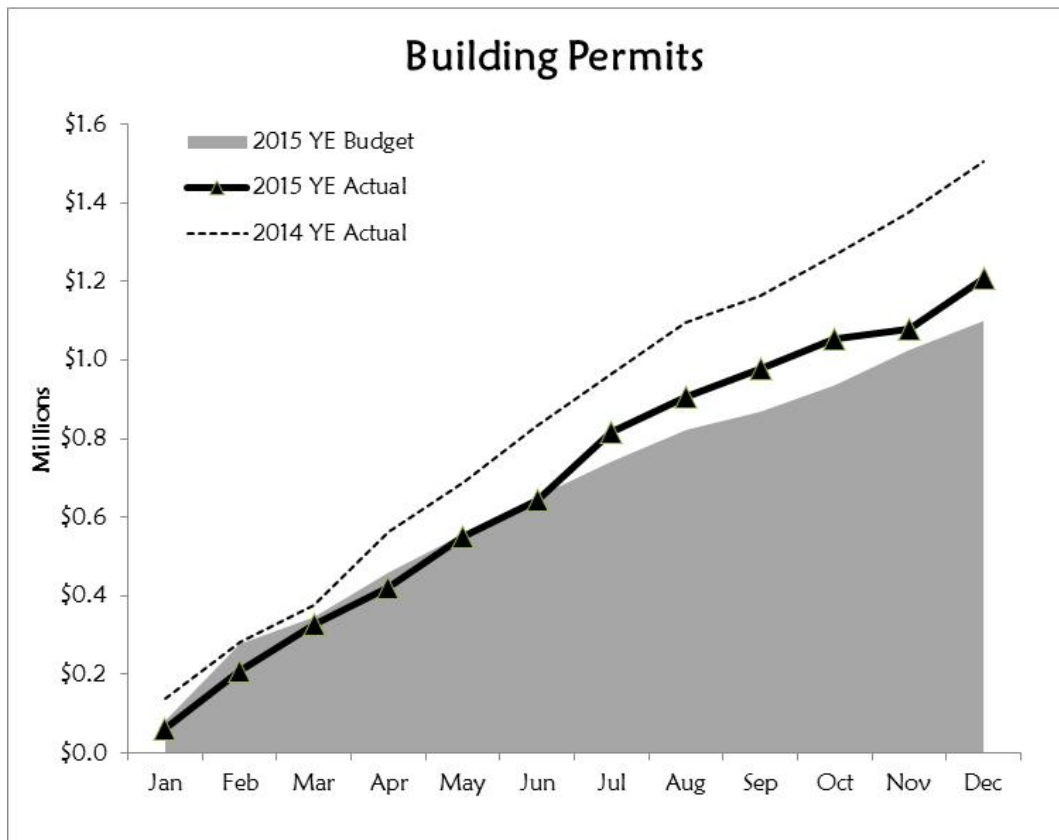
Utility Tax by Type December-2015							
Utility Tax Type	2014 Actual	2015 Budget	2015 Actual	2015 vs. 2014 Actual		2015 vs. Budget	
				Amount	Percentage	Amount	Percentage
City Interfund Utility Taxes	\$ 3,479,570	\$ 3,452,300	\$ 3,642,218	\$ 162,648	4.7 %	\$ 189,918	5.5 %
Electric	3,424,427	3,435,600	3,232,503	(191,924)	(5.6) %	(203,097)	(5.9) %
Natural Gas	1,136,969	1,152,000	1,002,334	(134,634)	(11.8) %	(149,666)	(13.0) %
Telephone	1,805,572	1,811,000	1,661,505	(144,067)	(8.0) %	(149,495)	(8.3) %
Solid Waste (external)	110,566	106,000	114,870	4,304	3.9 %	8,870	8.4 %
YE Total	\$ 9,957,104	\$ 9,956,900	\$ 9,653,430	\$ (303,673)	(3.0) %	\$ (303,470)	(3.0) %

**Cable TV Franchise Fees**, which are collected quarterly, totaled \$926,000 and exceeded the 2015 budget of \$889,000 by \$37,000, or 4.2%.

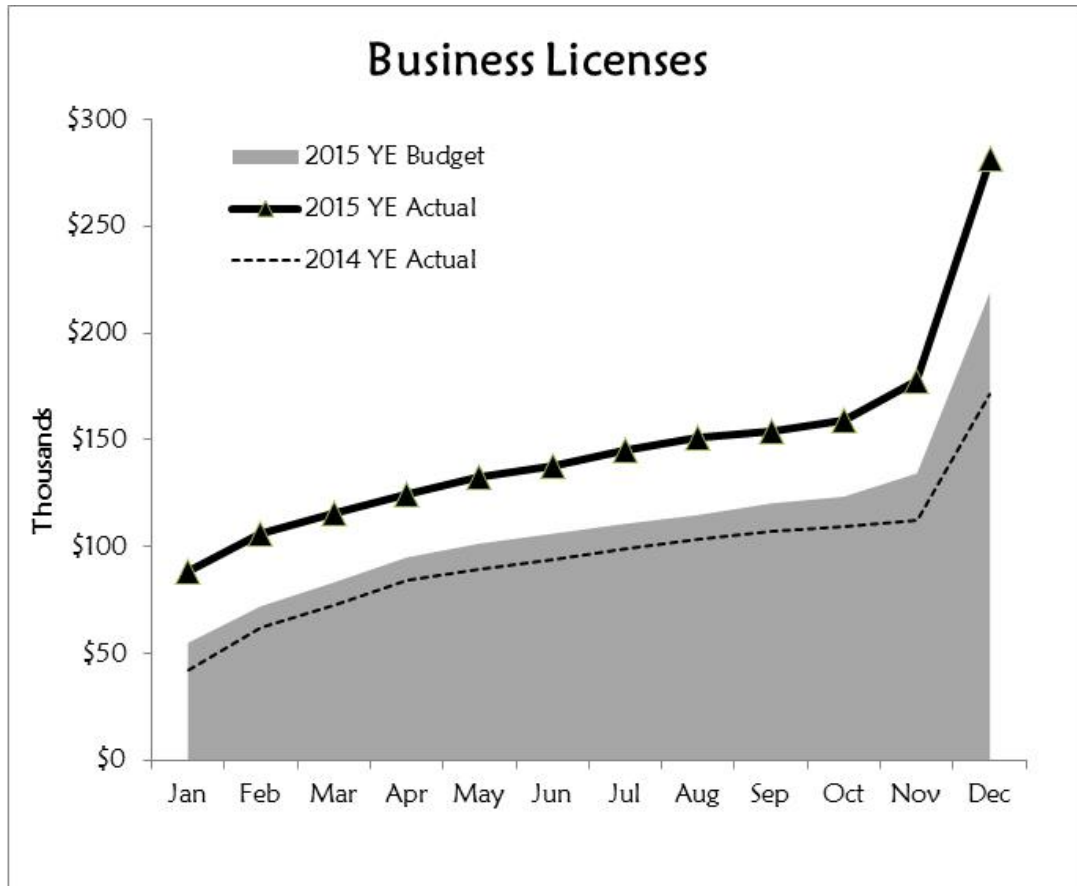


**Licenses and Permits** include business licenses, building permits, plumbing, electric and other licenses and permit fees. Building permit fees and business licenses make up about 70% of the annual budgeted revenue in this category.

Building permit revenues collected in 2015 totaled \$1.2 million, compared to 2014 collections of \$1.5 million and a 2015 budget of \$1.1 million. 2015 building permit activity included permitting for several large commercial projects including several projects at Boeing, the Green River Community College off-campus aviation building, Lakeland Hills Storage, and the Merrill Gardens Senior Living complex. In addition, numerous housing developments were permitted in 2015 – most notably Edgeview, Lakeland Hill Estates, and Mountain View North and South. Of the \$1.2 million in building permit revenues collected in 2015, 33.4% was attributable to commercial projects in the City, and the remaining 66.6% was predominately single family housing permits. The total number of building permits issued in 2015 was 747 and compares to 846 issued in 2014.



Business license revenues collected in 2015 totaled \$282,000 compared to a budget of \$219,000; these revenues exceeded budget by \$63,000 largely due to timing of collections. The graphic below reflects the timing of payments by business owners, where the majority of business license payments are typically collected during the first two months of the year and the last month of the year.



**Intergovernmental revenues** include Grants (Direct & Indirect Federal, State and Local), compact revenue from the Muckleshoot Indian Tribe (MIT), intergovernmental and state shared revenues. Collections in 2015 totaled \$5.3 million and ended the year \$140,000, or 2.6%, under budget.

Favorable variances in Motor Vehicle Fuel Tax revenue and Liquor Excise revenues partially offset the reduced revenues received in Federal, State and Interlocal grant monies. In 2015, grant revenues were \$308,000 under budget although this does not include Period 13 accruals that will account for the 2015 revenues to be collected for reimbursable services. The Federal COPS grant will end the year \$58,000 under budget due to the timing of the hire dates of the two COPS Grant Officers.

Effective during the state’s 2016 fiscal year budget cycle, the City of Auburn does not qualify for Criminal Justice High Crime revenues because the City’s crime rate for the last reporting period did not exceed the statewide average. Therefore, the City of Auburn will not receive these distributions for reporting periods Q3-2015 through Q2-2016. The fiscal impact to the City of Auburn in 2015 was an estimated reduction in General Fund revenues in the amount of \$96,000.

Intergovernmental December-2015							
Revenue	2014	2015	2015	2015 vs. 2014 Actual		2015 vs. Budget	
	Actual	Budget	Actual	Amount	% Change	Amount	% Change
Federal Grants	\$ 187,468	\$ 454,124	\$ 264,721	\$ 77,253	41.2 %	\$(189,403)	(41.7) %
State Grants	118,683	317,116	235,772	117,089	98.7 %	(81,344)	(25.7) %
Interlocal Grants	40,901	67,440	30,207	(10,694)	0.0 %	(37,234)	(55.2) %
Muckleshoot Casino Emerg.	603,283	575,000	601,616	(1,667)	(0.3) %	26,616	4.6 %
Intergovernmental Service	63,670	0	18,162	(45,508)	(71.5) %	18,162	N/A
State Shared Revenues:							
Streamlined Sales Tax	1,962,161	2,000,000	1,951,097	(11,064)	(0.6) %	(48,903)	(2.4) %
Motor Vehicle Fuel Tax	1,023,468	950,000	1,072,284	48,816	4.8 %	122,284	12.9 %
Criminal Justice - High Crime	95,789	192,000	96,509	720	0.8 %	(95,491)	(49.7) %
Criminal Justice - Population	18,835	18,100	19,942	1,107	5.9 %	1,842	10.2 %
Criminal Justice - Special Prog.	69,775	67,800	73,066	3,292	4.7 %	5,266	7.8 %
Marijuana Enforcement	0	0	9,759	9,759	N/A	9,759	N/A
State DUI	13,186	13,400	11,306	(1,879)	(14.3) %	(2,094)	(15.6) %
Fire Insurance Tax	77,558	70,000	75,702	(1,855)	(2.4) %	5,702	8.1 %
Liquor Excise	137,613	101,630	203,184	65,570	47.6 %	101,554	99.9 %
Liquor Profit	650,720	630,340	653,931	3,211	0.5 %	23,591	3.7 %
Total State Shared:	4,049,104	4,043,270	4,166,781	117,678	2.9 %	123,511	3.1 %
YE Total	\$ 5,063,108	\$ 5,456,951	\$ 5,317,259	\$ 254,151	5.0 %	\$(139,692)	(2.6) %

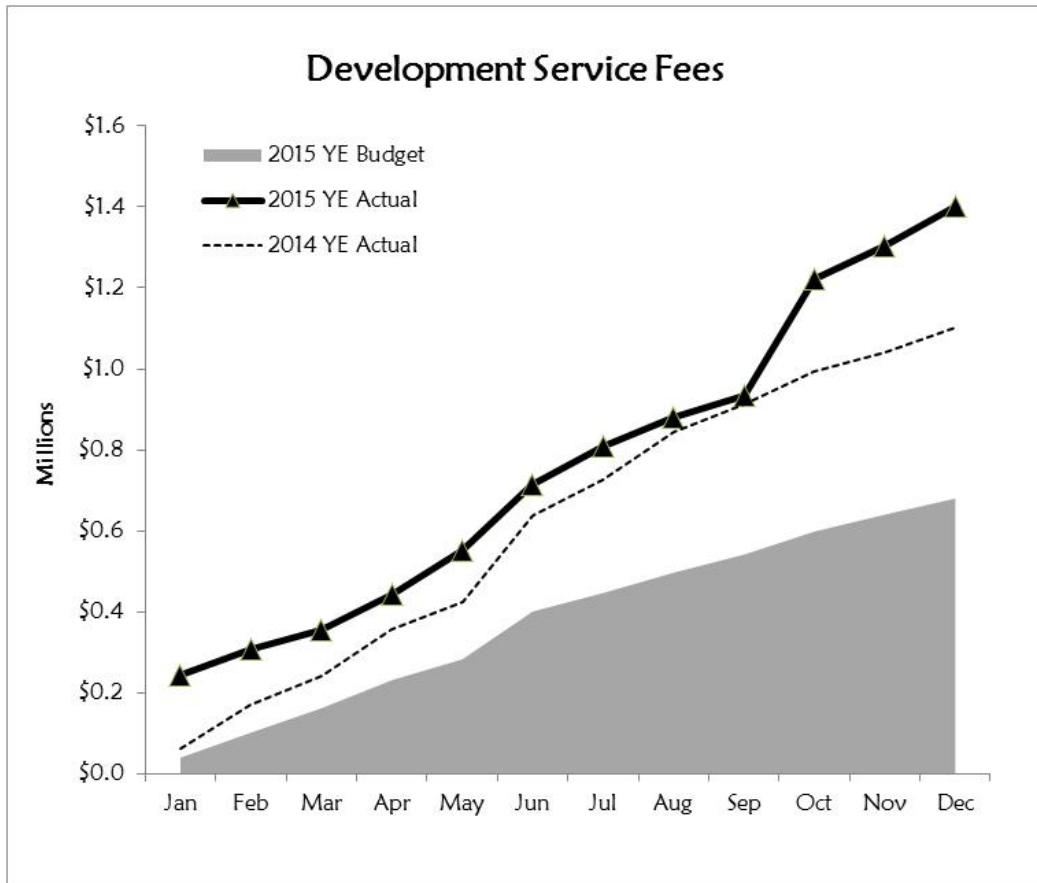
**Charges for Services** consist of general governmental services, public safety, development service fees and cultural & recreation fees. Overall, charges for services collected in 2015 totaled \$4.3 million compared to a budget of \$3.3 million. Total revenues collected in 2015 exceed budget by \$926,000, or 27.7%.

General governmental revenues in 2015 totaled \$79,000 compared to a budget of \$97,000. The underperformance to budget was due to the fact that the City no longer provides services to the City of Algona; therefore the City did not receive reimbursement for services.

Public safety revenues collected in 2015 totaled \$479,000, compared to budget of \$515,000. Public safety revenues consist of revenues generated for Police Officer extra duty overtime, where officers are contracted for services and reimbursement is made by the hiring contractor. Effective June 2014, public safety revenue also includes reimbursement from the Muckleshoot Indian Tribe (MIT) for a full-time dedicated Police Officer and associated expenditures. Public safety revenues in 2015 were lower than anticipated primarily due to the fact that extra duty billable hours in 2015 were reduced by 28.1% compared to 2014.

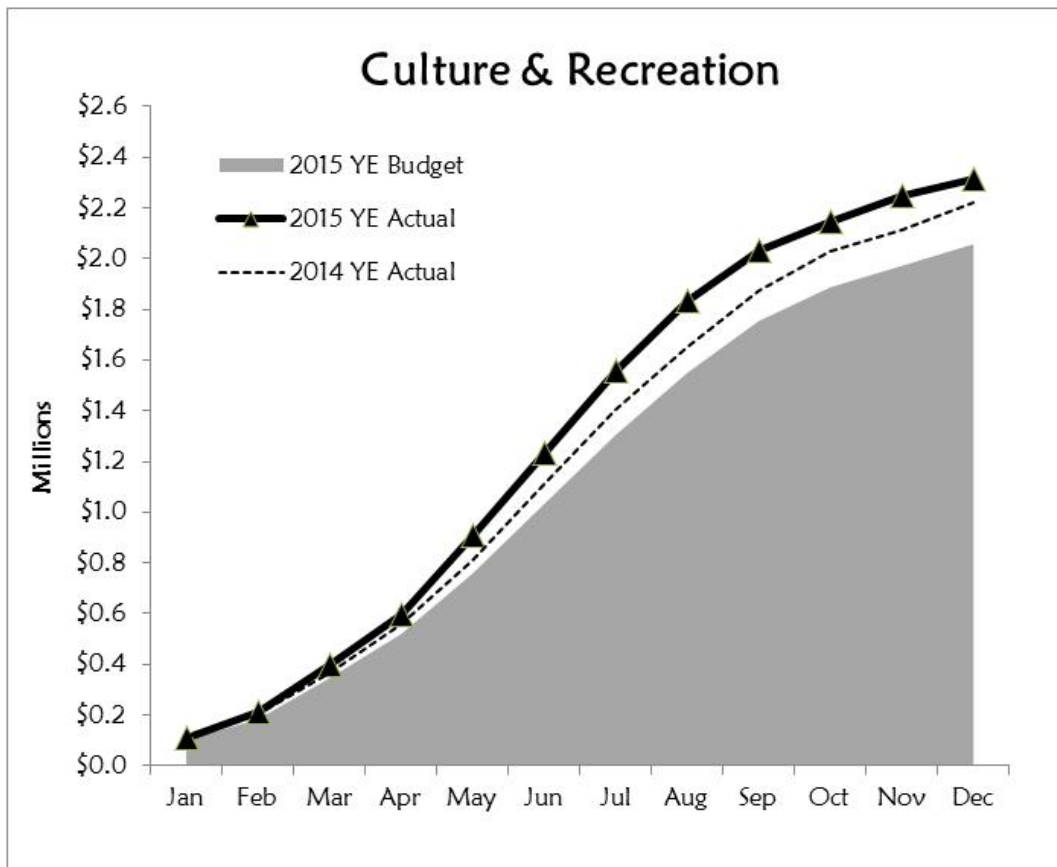
Development services fee collections, which primarily consist of plan check fees, totaled \$1.4 million for the year and exceeded budget by \$720,000. Total plan check fees collected in 2015 totaled \$1.1 million, compared to a budget of \$550,000 and 2014 collections of \$833,000. Plan check revenues in 2015 included revenues from several commercial projects including The Villas (Senior Living Community), the Promenade Apartment project, and the optical manufacturing project at Costco. Some of the single family housing projects included Edgeview, Sonata Hill, and Mountain View north and south. Of the \$1.1 million in plan check revenues collected in 2015, 61.3% was attributable to commercial projects in the City and the remaining 38.7% was predominately single family housing projects.

Charges for Services by Type December-2015							
Revenue	2014 Actual	2015 Budget	2015 Actual	2015 vs. 2014 Actual		2015 vs. Budget	
				Amount	Percentage	Amount	Percentage
General Government	\$ 113,491	\$ 96,500	\$ 79,413	\$ (34,078)	(30.0) %	\$ (17,087)	(17.7) %
Public Safety	479,866	515,100	479,061	(804)	(0.2) %	(36,039)	(7.0) %
Development Services	1,101,680	680,000	1,400,292	298,612	27.1 %	720,292	105.9 %
Culture & Recreation	2,219,387	2,058,080	2,317,351	97,964	4.4 %	259,271	12.6 %
YE Total	\$ 3,914,424	\$3,349,680	\$ 4,276,118	\$ 361,694	9.2 %	\$ 926,438	27.7 %



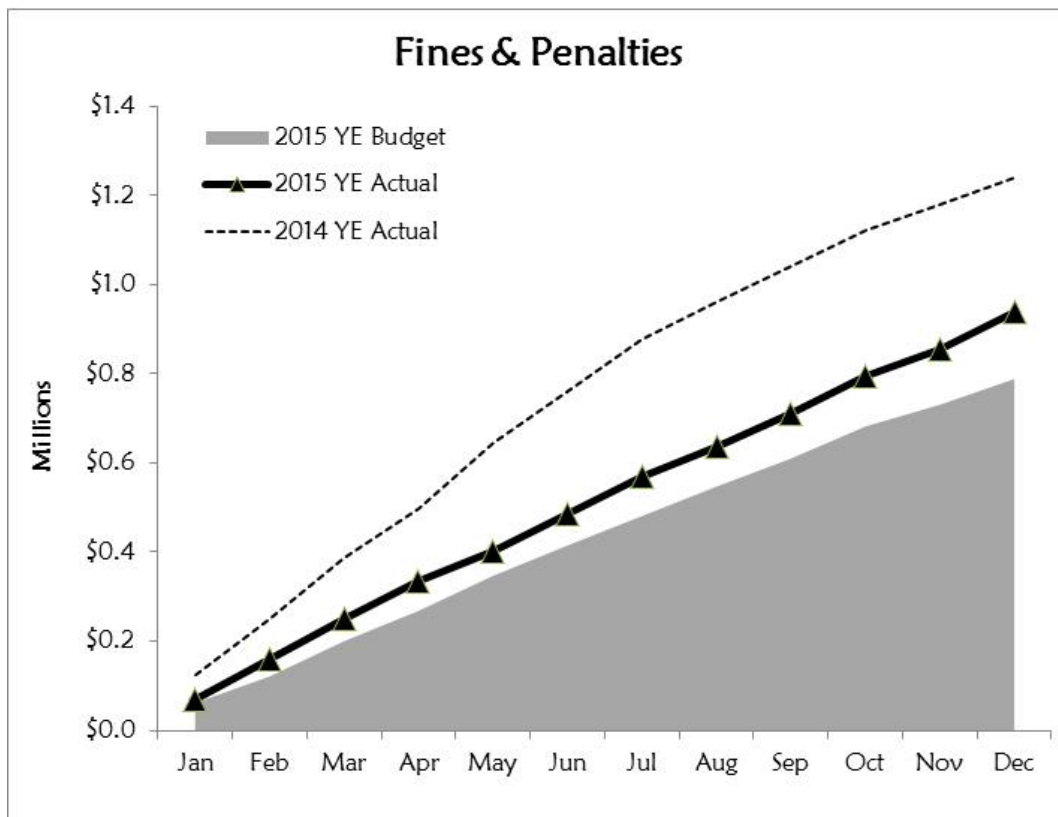


Culture and recreation revenues collected in 2015 totaled \$2.3 million and exceeded budget by \$259,000, or 12.6%, and exceeded 2014 actuals of \$2.2 million. The majority of this favorable variance to budget was due to increased revenues collected at the Auburn Golf Course for greens fees. Green fees revenues collected in 2015 were \$106,000 above budget expectations. This favorable variance to budget was a combination of increased participation, which is the culmination of factors including good weather, vigilant marketing efforts, as well as increased business to the Auburn Golf Course due to other area golf courses having gone out of business. In addition, revenue generated by the Auburn Avenue Theatre for ticket sales exceeded expectations by \$28,000, or 27.9%, which was a result of the addition of the Auburn Community Teen Players and several fall productions that nearly sold out.



**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 revenue collected in 2015 totaled \$939,000, compared to a budget of \$788,000 and prior year collections of \$1.2 million. Effective June 2014, the Redflex Photo Enforcement Program was cancelled, which is the contributing factor for the significant year-over-year decline in fines and forfeits revenue.

Fines & Forfeits by Type December-2015							
Month	2014 Actual	2015 Budget	2015 Actual	2015 vs. 2014 Actual		2015 vs. Budget	
				Amount	Percentage	Amount	Percentage
Civil Penalties	\$ 16,984	\$ 15,200	\$ 11,287	\$ (5,696)	(33.5) %	\$ (3,913)	(25.7) %
Civil Infraction Penalties	476,207	447,100	495,700	19,492	4.1 %	48,600	10.9 %
Redflex Photo Enforcement	383,307	0	15,285	(368,022)	(96.0) %	15,285	N/A %
Parking Infractions	133,676	108,700	141,075	7,399	5.5 %	32,375	29.8 %
Criminal Traffic Misdemeanor	50,903	50,600	59,870	8,967	17.6 %	9,270	18.3 %
Criminal Non-Traffic Fines	42,941	45,500	50,468	7,527	17.5 %	4,968	10.9 %
Criminal Costs	47,156	40,940	53,211	6,055	12.8 %	12,271	30.0 %
Non-Court Fines & Penalties	88,060	80,000	111,879	23,819	27.0 %	31,879	39.8 %
YE Total	\$1,239,233	\$ 788,040	\$ 938,775	\$ (300,458)	(24.2) %	\$ 150,735	19.1 %

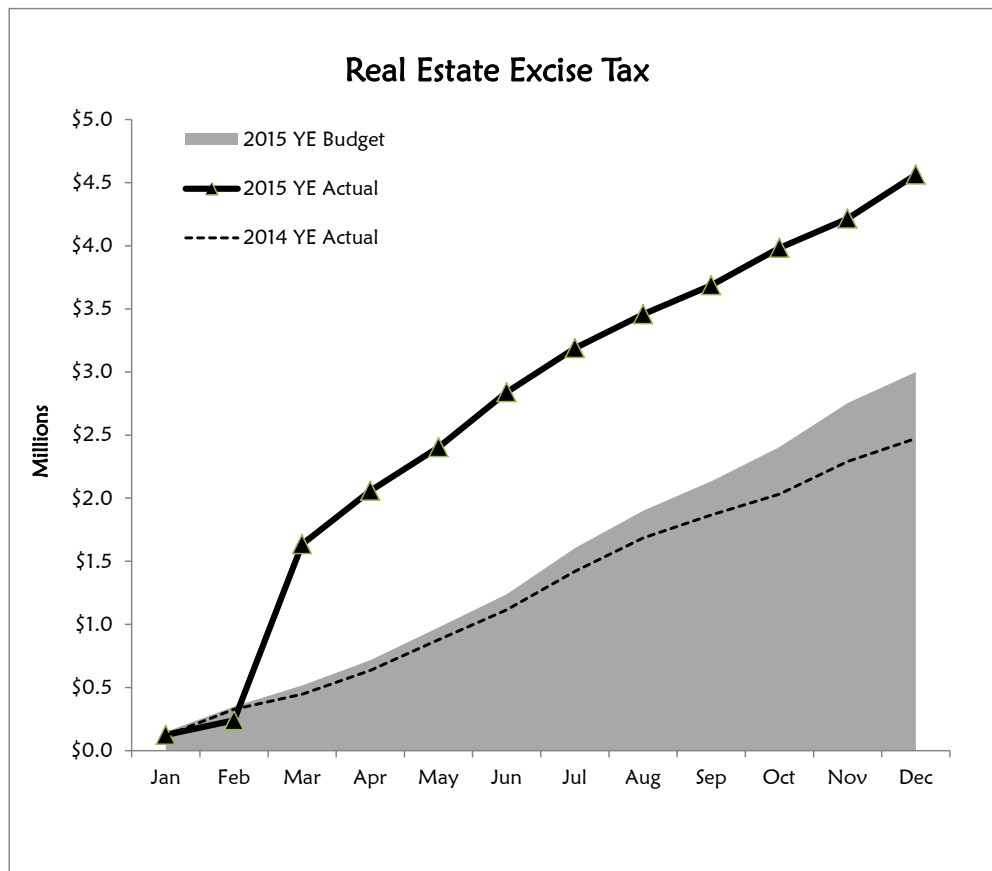


Miscellaneous revenues primarily consist of investment earnings, income from facility rentals, contributions & donations, and other miscellaneous income, which includes the quarterly purchasing card (P-card) rebate monies. Total revenues collected in this category in 2015 totaled \$1.0 million and exceeded budget expectations by \$297,000, or 39.6%. Rents and leases revenue in 2015 exceeded budget by \$157,000, or 27.3%, primarily due higher than anticipated revenues generated from City owned facility rentals and increased revenue generated from golf cart rentals at the Auburn Golf Course. These two revenue sources exceeded budget by \$91,000 and \$41,000 respectively. In addition, P-card rebate monies collected in 2015 exceeded budget by \$97,000.

Miscellaneous Revenues by Type December-2015							
Month	2014 Actual	2015 Budget	2015 Actual	2015 vs. 2014		2015 vs. Budget	
				Amount	Percentage	Amount	Percentage
Interest & Investments	\$ 41,767	\$ 36,850	\$ 57,464	\$ 15,697	37.6 %	\$ 20,614	55.9 %
Rents & Leases	710,705	573,200	729,969	19,264	2.7 %	156,769	27.3 %
Contributions & Donations	46,851	32,000	39,712	(7,139)	(15.2) %	7,712	24.1 %
Other Miscellaneous Revenue	168,357	107,400	218,832	50,475	30.0 %	111,432	103.8 %
YE Total	\$ 967,680	\$ 749,450	\$ 1,045,976	\$ 78,296	8.1 %	\$ 296,526	39.6 %

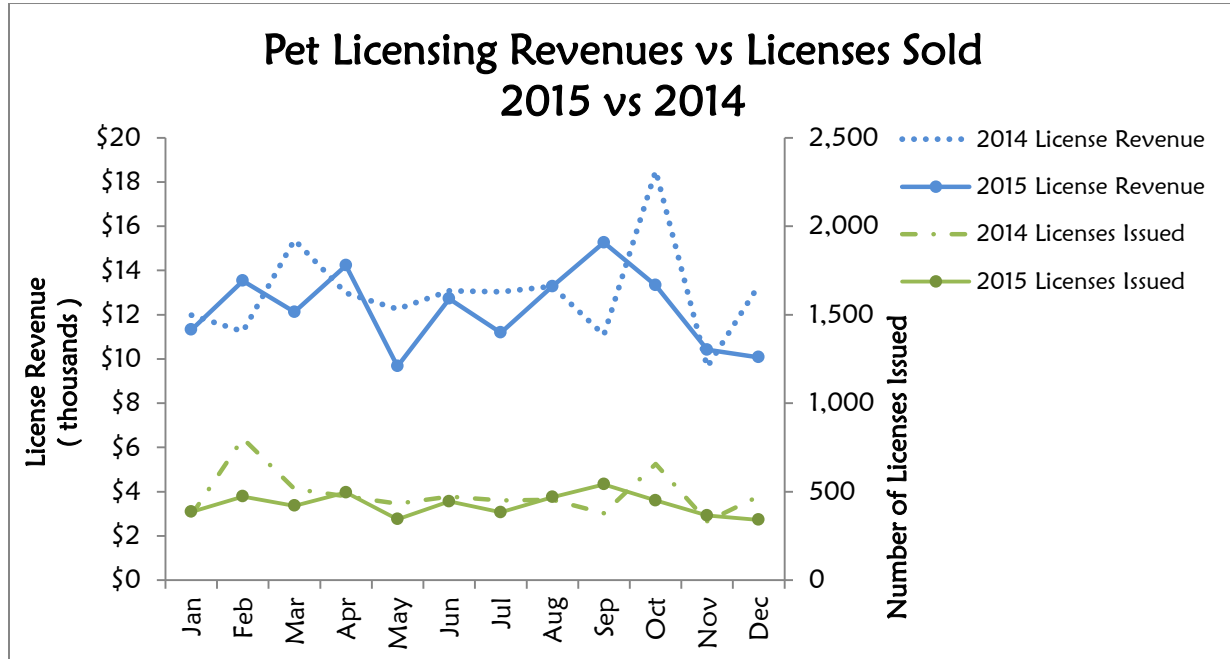
**Real Estate Excise Tax (REET)** revenue is receipted into the Capital Improvement Projects Fund and is used for governmental capital projects. REET revenues collected in 2015 totaled \$4.6 million and exceeded budget and prior year actuals by \$1.6 million and \$2.1 million respectively. Real estate sales in the City of Auburn in Q4-2015 included the sale of several commercial and warehouse businesses, multi-family complexes, the sale of large plots of land, and the sale of over 300 single family residences. REET revenues collected in 2015 exceed revenues collected in this category in any prior year on record.

Real Estate Excise Tax Revenues							
December-2015							
Month	2014 Actual	2015 Budget	2015 Actual	2015 vs. 2014		2015 vs. Budget	
				Amount	Percentage	Amount	Percentage
Jan	\$ 119,765	\$ 148,800	125,089	\$ 5,324	4.4 %	\$ (23,711)	(15.9) %
Feb	208,206	201,200	115,287	(92,919)	(44.6) %	(85,913)	(42.7) %
Mar	118,578	166,900	1,394,226	1,275,648	1075.8 %	1,227,326	735.4 %
Apr	189,771	200,300	423,394	233,624	123.1 %	223,094	111.4 %
May	243,472	258,900	345,489	102,017	41.9 %	86,589	33.4 %
Jun	236,067	263,500	436,101	200,033	84.7 %	172,601	65.5 %
Jul	305,214	365,300	348,745	43,531	14.3 %	(16,555)	(4.5) %
Aug	263,573	295,900	269,454	5,881	2.2 %	(26,446)	(8.9) %
Sep	182,829	233,500	228,140	45,311	24.8 %	(5,360)	(2.3) %
Oct	163,912	271,100	296,100	132,188	80.6 %	25,000	9.2 %
Nov	259,026	348,500	233,389	(25,637)	(9.9) %	(115,111)	(33.0) %
Dec	183,799	246,100	347,582	163,783	89.1 %	101,482	41.2 %
YE Total	\$ 2,474,212	\$3,000,000	\$ 4,562,995	\$ 2,088,783	84.4 %	\$1,562,995	52.1 %



Pet Licensing

In 2015, 5,112 pet licenses were sold resulting in \$147,152 in revenue. For the same period in 2014, 5,811 licenses were sold resulting in \$155,790 in revenue.



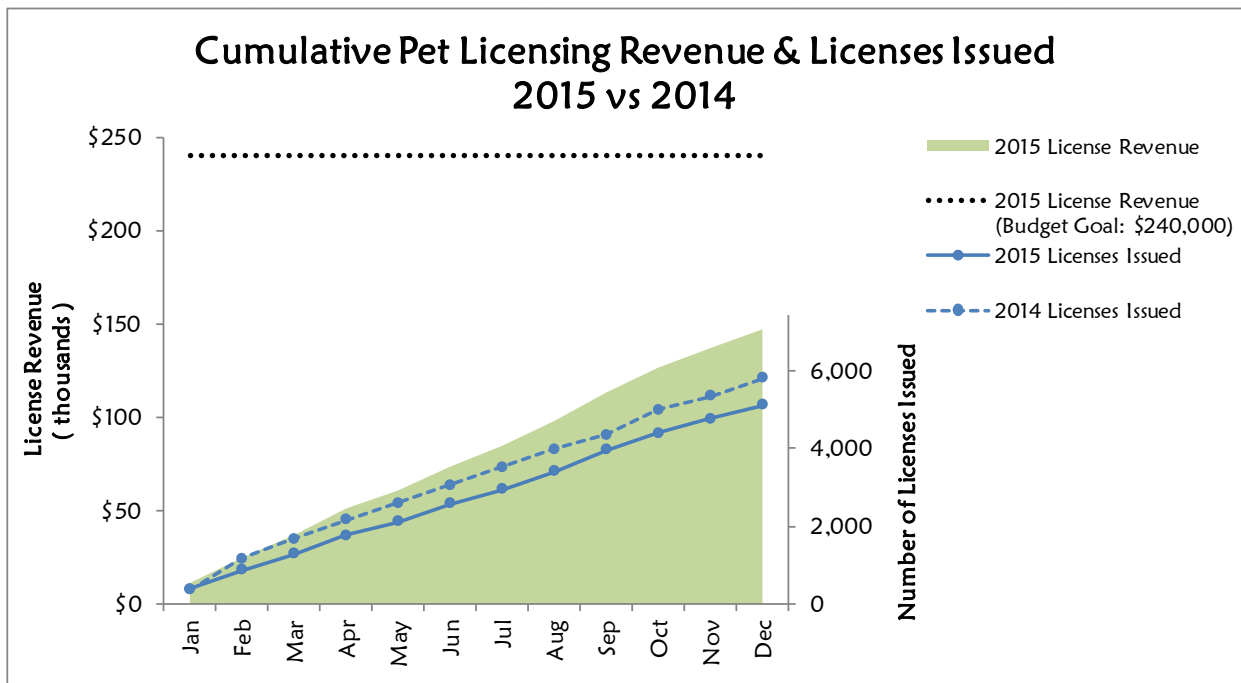
2015 Budget Goal: \$240,000 or more

2015 Revenue = \$147,152

2014 Revenue = \$155,790

2015 Licenses Sold = 5,112

2014 Licenses Sold = 5,811



**Street Funds**

This section provides financial overview of the City’s three street funds for the fiscal period ending December 31, 2015. 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).

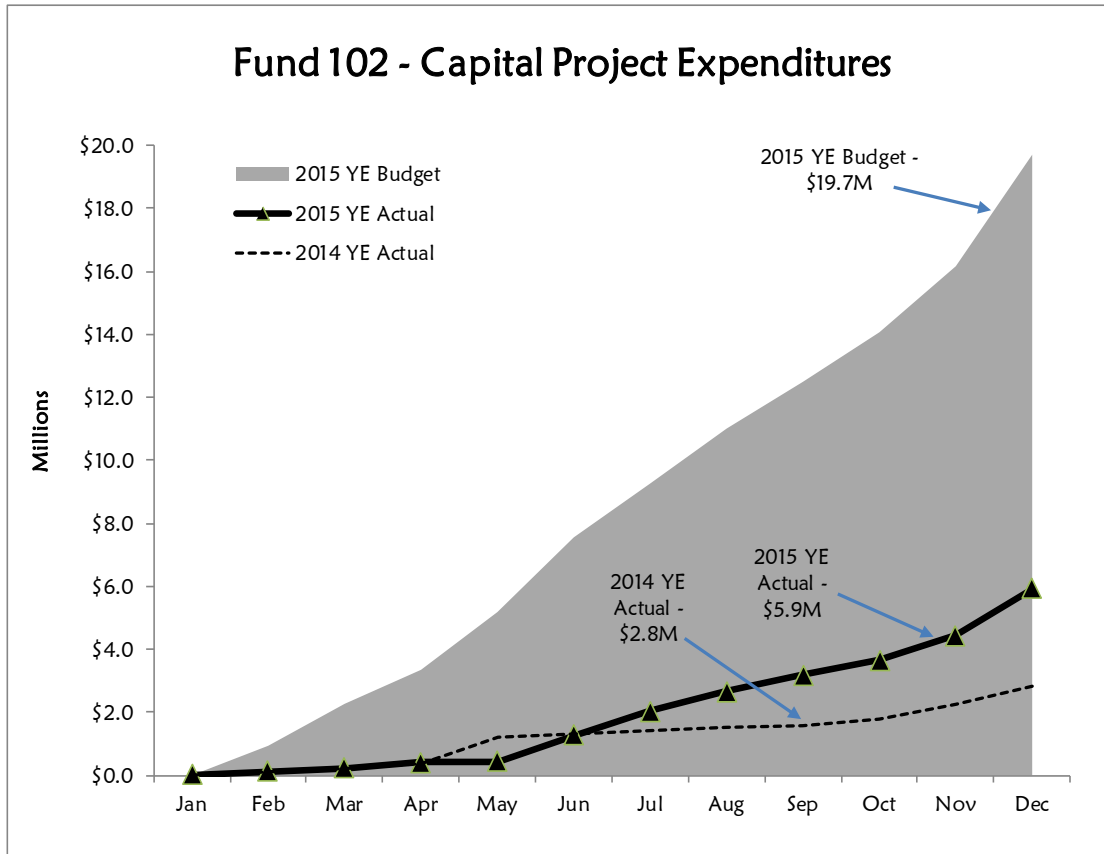
**Fund 102 – Arterial Street Fund**

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, as well as other funding sources for street capital construction projects. There are over 30 separate street projects budgeted in this fund in 2015. Some of these projects include the South 272<sup>nd</sup> /South 277<sup>th</sup> Street Corridor Improvement Project, the Auburn Way South (AWS) Fir Street Southeast to Hemlock Street Southeast Project, and the AWS Corridor Safety Improvement Project (Muckleshoot Plaza to Dogwood).

In 2015, revenues collected totaled \$4.7 million and compare to collections of \$3.5 million for 2014. Expenditures in 2015 totaled \$6.9 million, as compared with \$3.8 million spent last year.

Fund 102 - Arterial Street Summary of Sources and Uses Report Period: Through December 2015	2015			2014	2015 YE Budget vs. Actual	
	Annual				Favorable (Unfavorable)	
	Budget	YE Budget	YE Actual	YE Actual	Amount	Percentage
<b>Revenues</b>						
Federal Grants	\$ 6,448,969	\$ 6,448,969	\$ 1,080,056	\$ 743,720	\$ (5,368,913)	(83.3) %
State Grants	6,820,658	6,820,658	1,214,948	538,924	(5,605,710)	(82.2) %
Motor Vehicle Fuel Tax	530,000	530,000	493,808	480,807	(36,192)	(6.8) %
Developer Contributions	2,001,328	2,001,328	628,027	564	(1,373,301)	(68.6) %
Miscellaneous Revenue	776,356	776,356	420,839	15,272	(355,517)	(45.8) %
Other Governmental Agencies	0	0	61,520	376,767	61,520	N/A
Public Works Trust Fund Loans	0	0	0	240,366	0	N/A
Operating Transfer In	3,350,137	3,350,137	795,280	1,075,931	(2,554,857)	(76.3) %
Investment Income	2,000	2,000	2,670	2,252	670	33.5 %
<b>Total Revenues</b>	<b>\$ 19,929,448</b>	<b>\$ 19,929,448</b>	<b>\$ 4,697,147</b>	<b>\$ 3,474,603</b>	<b>\$ (15,232,301)</b>	<b>(76.4) %</b>
<b>Expenditures</b>						
Salary and Benefits	\$ 804,773	\$ 804,773	\$ 442,151	\$ 404,248	\$ 362,622	45.1 %
Services and Charges	273,600	273,600	273,820	294,453	(220)	(0.1) %
Capital Outlay	19,708,180	19,708,180	5,920,803	2,832,802	13,787,377	70.0 %
Interfund Payments for Services	71,150	71,150	71,148	70,188	2	0.0 %
Debt Service Principal and Interest	218,763	218,763	218,761	213,902	2	0.0 %
Operating Transfer Out	10,053	10,053	378	17,832	9,675	96.2 %
<b>Total Expenditures</b>	<b>\$ 21,086,519</b>	<b>\$ 21,086,519</b>	<b>\$ 6,927,061</b>	<b>\$ 3,833,425</b>	<b>\$ 14,159,458</b>	<b>67.1 %</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,157,071)</b>	<b>\$ (1,157,071)</b>	<b>\$ (2,229,914)</b>	<b>\$ (358,822)</b>	<b>\$ (1,072,843)</b>	<b>92.7 %</b>

Beginning Fund Balance, January 1, 2015	\$ 2,781,100
Net Change in Fund Balance, December 2015	(2,229,914)
<b>Ending Fund Balance, December 2015</b>	<b>\$ 551,186</b>
2015 Budgeted Ending Fund Balance	\$ 1,624,029



**Fund 103 – Local Street Fund**

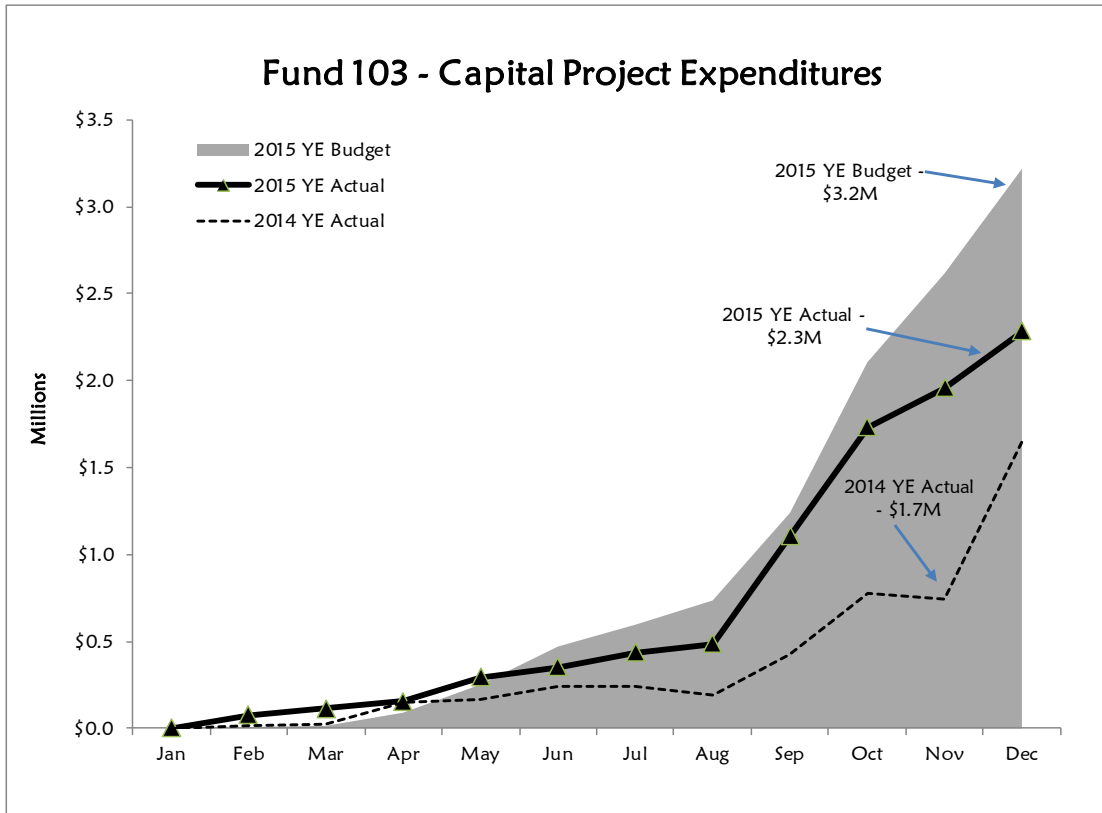
The Local Street Fund is a Special Revenue Fund where the revenue from sales taxes on construction are used for local street repairs. In 2015, the revenues in this fund exceeded budget expectations by \$698,000, or 39.8%, due to higher than anticipated sales tax revenues from local construction projects. Expenditures in 2015 were under budget by \$957,000, or 28.4%. Projects within this fund include Pavement Patching and Overlay as well as Local Street Pavement Reconstruction Projects.

Fund 103 - Local Street Fund Summary of Sources and Uses Report Period: Through December 2015	2015			2014	2015 YE Budget vs. Actual	
	Annual				Favorable (Unfavorable)	
	Budget	YE Budget	YE Actual	YE Actual	Amount	Percentage
<b>Revenues</b>						
Sales Tax on Construction	\$ 1,600,000	\$ 1,600,000	\$ 2,296,863	\$ 1,753,532	\$ 696,863	43.6 %
Operating Transfer In	150,000	150,000	150,000	150,000	0	0.0 %
Interest Earnings	2,500	2,500	3,644	2,487	1,144	45.8 %
Miscellaneous Revenue	0	0	0	26,034	0	N/A %
<b>Total Revenues</b>	<b>\$ 1,752,500</b>	<b>\$ 1,752,500</b>	<b>\$ 2,450,507</b>	<b>\$ 1,932,052</b>	<b>\$ 698,007</b>	<b>39.8 %</b>
<b>Expenditures</b>						
Salary and Benefits	\$ 128,566	\$ 128,566	\$ 114,279	\$ 119,671	\$ 14,287	11.1 %
Services and Charges	300	300	583	419	(283)	(94.2) %
Capital Outlay	3,218,665	3,218,665	2,285,074	1,654,656	933,591	29.0 %
Interfund Payments for Services	12,470	12,470	12,480	13,404	(10)	(0.1) %
Operating Transfer Out	10,053	10,053	378	17,832	9,675	96.2 %
<b>Total Expenditures</b>	<b>\$ 3,370,054</b>	<b>\$ 3,370,054</b>	<b>\$ 2,412,794</b>	<b>\$ 1,805,981</b>	<b>\$ 957,260</b>	<b>28.4 %</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,617,554)</b>	<b>\$ (1,617,554)</b>	<b>\$ 37,713</b>	<b>\$ 126,071</b>	<b>\$ 1,655,267</b>	<b>(102.3) %</b>

Beginning Fund Balance, January 1, 2015	\$ 2,042,977
Net Change in Fund Balance, December 2015	37,713
<u>Ending Fund Balance, December 2015</u>	<u>\$ 2,080,691</u>

2015 Budgeted Ending Fund Balance \$ 425,424



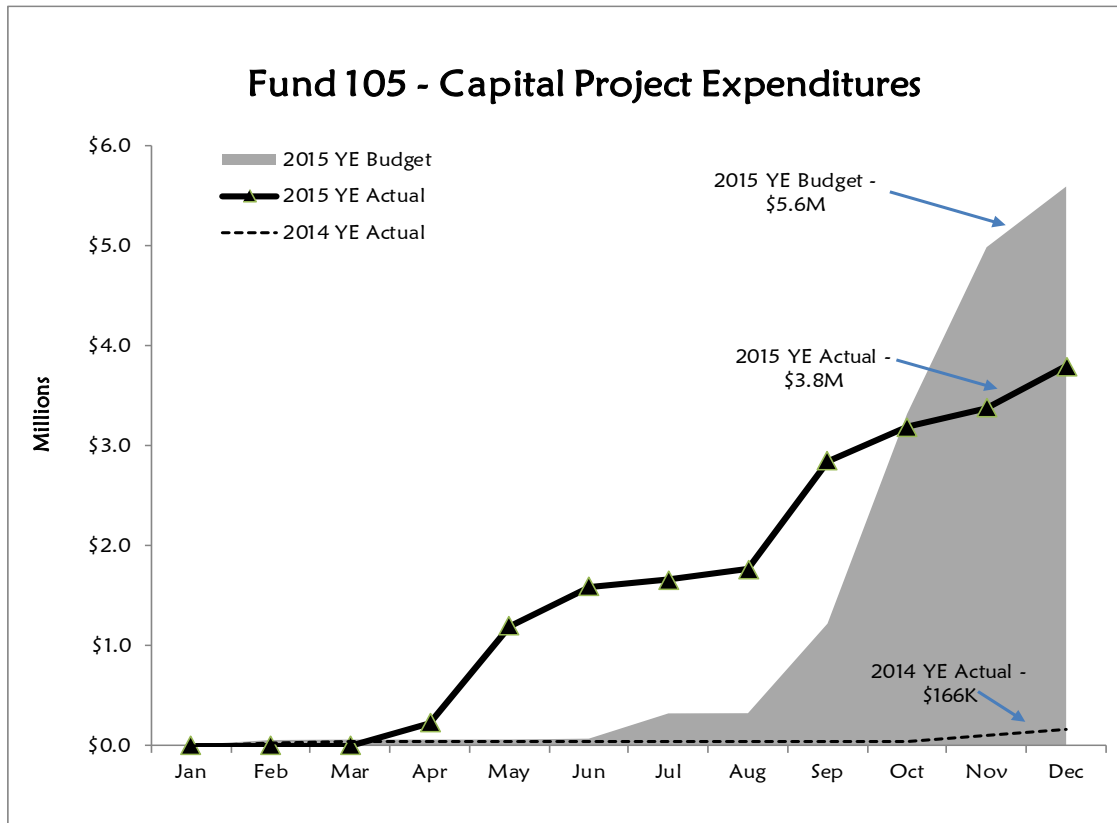


**Fund 105 – Arterial Street Preservation Fund**

The Arterial Street Preservation Fund is a Special Revenue Fund which is primarily funded by a 1.0% utility tax that was adopted by Council in 2008. These utility tax revenues are restricted for arterial street repair and preservation projects. Some projects budgeted within the Arterial Street Preservation Fund in 2015 include Pavement Patching and Overlay, the Annual Arterial and Collector Crack Seal Project, and the Auburn Way North Preservation Project. In 2015, revenues totaled \$2.7 million as compared to a budget of \$2.9 million. Expenditures in 2015 totaled \$4.0 million.

Fund 105 - Arterial St. Presv. Summary of Sources and Uses Report Period: Through December 2015	2015			2014	2015 YE Budget vs. Actual	
	Annual	YE Budget	YE Actual	YE Actual	Favorable (Unfavorable)	
	Budget				Amount	Percentage
<b>Revenues</b>						
City Utility Tax	\$ 578,000	\$ 578,000	\$ 607,036	\$ 579,928	\$ 29,036	5.0 %
Electric Utility Tax	687,100	687,100	646,501	684,885	(40,599)	(5.9) %
Natural Gas Utility Tax	230,400	230,400	200,467	227,394	(29,933)	(13.0) %
Cable TV Tax	177,800	177,800	186,934	177,875	9,134	5.1 %
Telephone Utility Tax	362,200	362,200	332,301	349,041	(29,899)	(8.3) %
Garbage Utility Tax (External Haulers)	17,700	17,700	19,145	14,857	1,445	8.2 %
Grants	80,000	80,000	59,064	3,162	(20,936)	(26.2) %
Developer Mitigation Fees	190,000	190,000	0	0	(190,000)	(100.0) %
Operating Transfer In	612,340	612,340	612,340	0	0	0.0 %
Interest Earnings	1,500	1,500	3,499	2,127	1,999	133.3 %
<b>Total Revenues</b>	<b>\$ 2,937,040</b>	<b>\$ 2,937,040</b>	<b>\$ 2,667,287</b>	<b>\$ 2,039,270</b>	<b>\$ (269,753)</b>	<b>(9.2) %</b>
<b>Expenditures</b>						
Salary and Benefits	\$ 82,071	\$ 82,071	\$ 218,442	\$ 51,635	\$ (136,371)	(166.2) %
Services and Charges	0	0	0	94,432	0	N/A
Capital Outlay	5,593,221	5,593,221	3,796,694	165,795	1,796,527	32.1 %
Operating Transfer Out	95,463	95,463	32,786	17,832	62,678	65.7 %
<b>Total Expenditures</b>	<b>\$ 5,770,755</b>	<b>\$ 5,770,755</b>	<b>\$ 4,047,922</b>	<b>\$ 329,694</b>	<b>\$ 1,722,833</b>	<b>29.9 %</b>
<b>Net Change in Fund Balance</b>	<b>\$ (2,833,715)</b>	<b>\$ (2,833,715)</b>	<b>\$ (1,380,634)</b>	<b>\$ 1,709,576</b>	<b>\$ 1,453,081</b>	<b>(51.3) %</b>

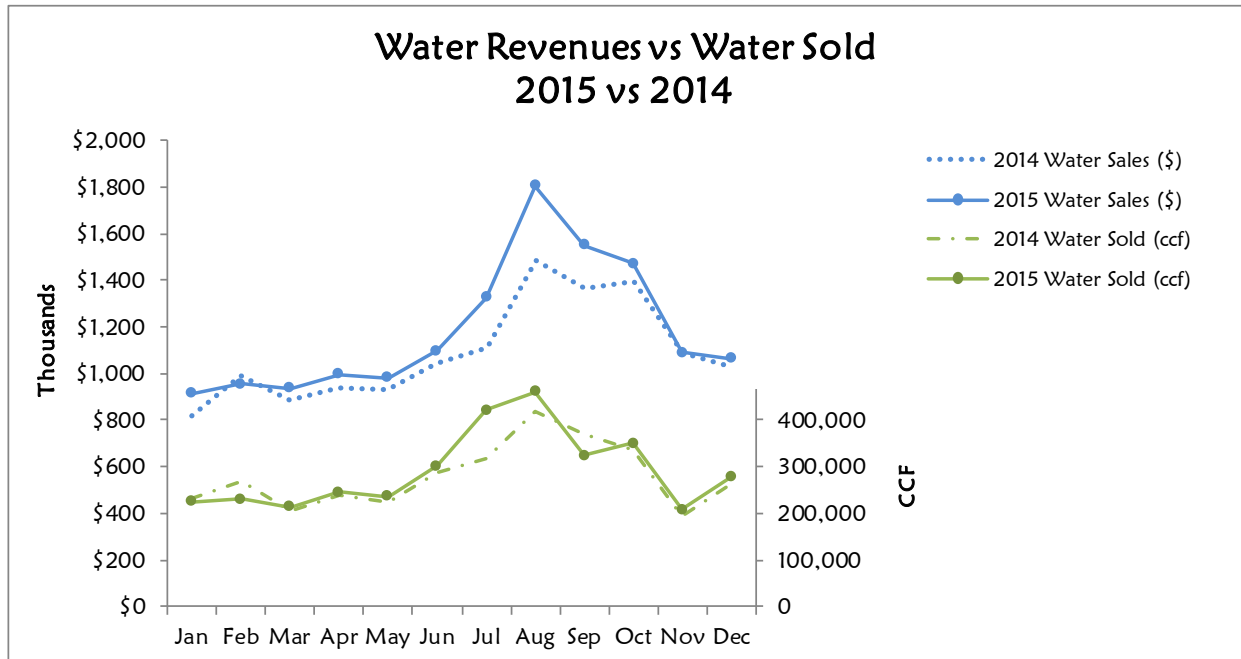
Beginning Fund Balance, January 1, 2015	\$ 3,180,980
Net Change in Fund Balance, December 2015	(1,380,634)
<u>Ending Fund Balance, December 2015</u>	<u>\$ 1,800,346</u>
2015 Budgeted Ending Fund Balance	\$ 347,265



**Enterprise Funds**

Detailed Working Capital and Fund Balance statements for Enterprise and Internal Service funds can be found in the Appendices at the end of this report.

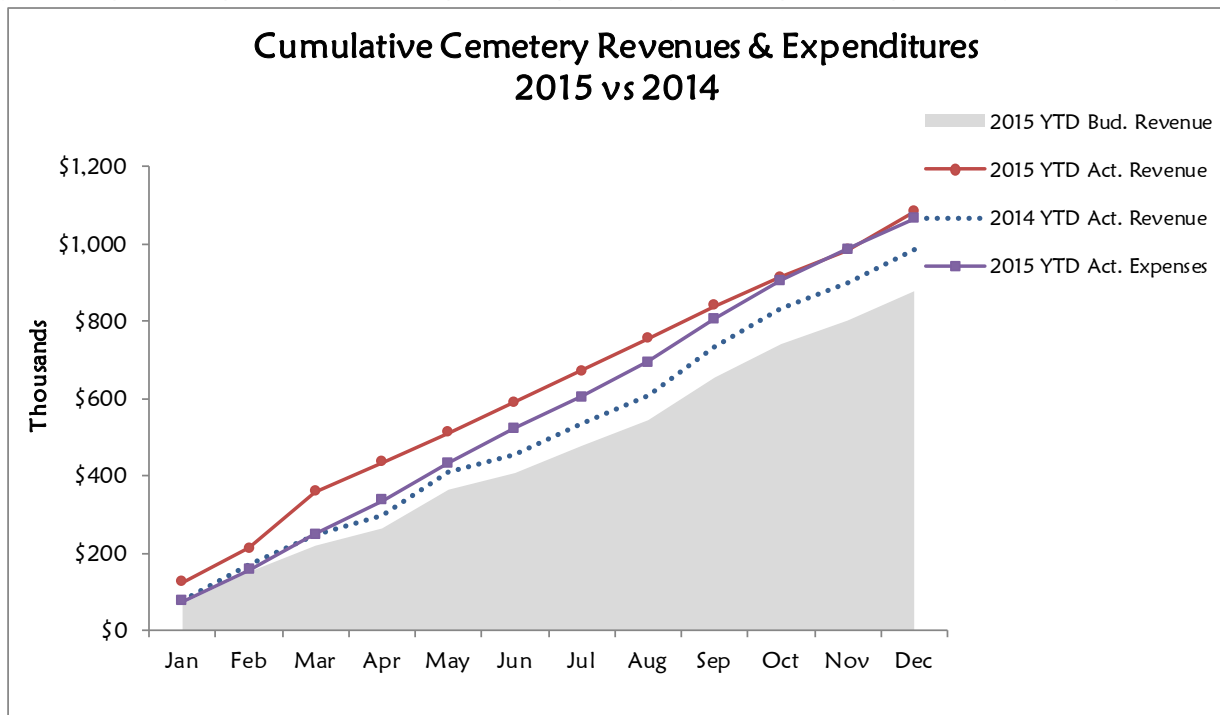
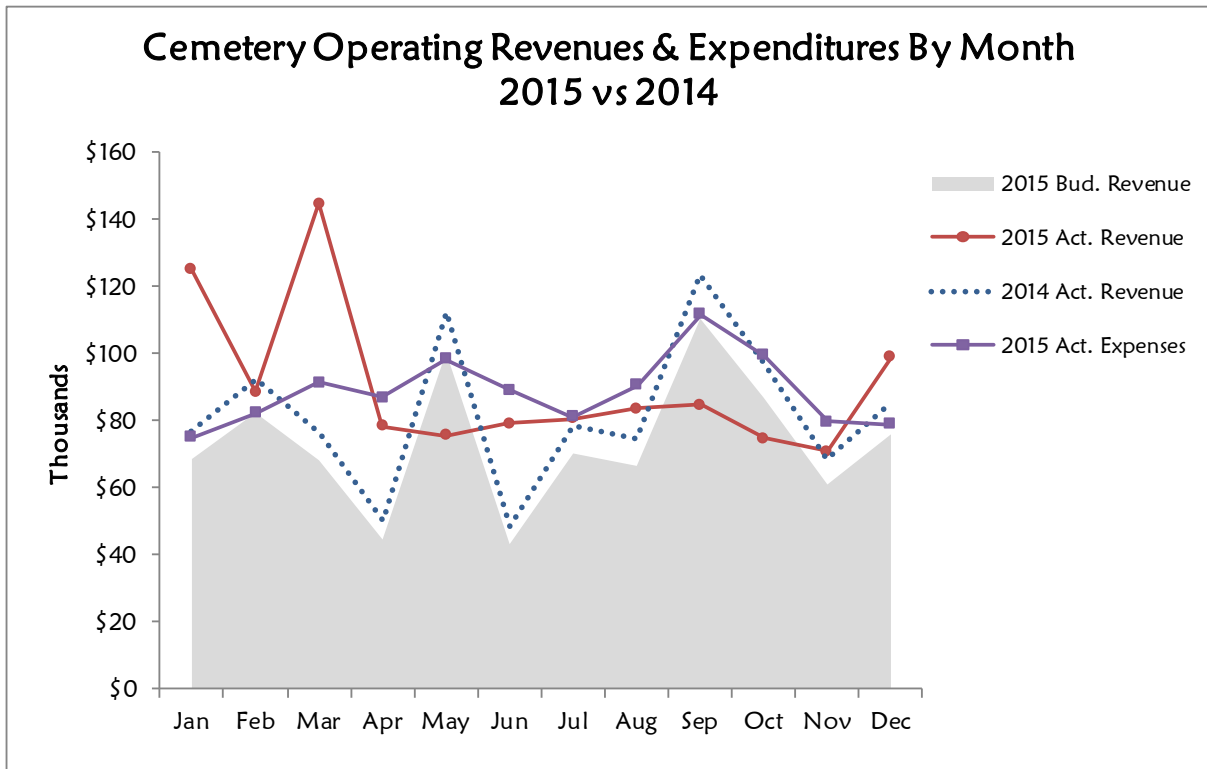
The **Water Utility** ended 2015 with operating income of \$1,076,100 compared to operating income of \$1,757,300 in 2014. Water sales in 2015 totaled 3.50 million ccf compared to 3.36 million ccf in 2014, representing a 4% increase.



The **Sewer Utility** ended the year with operating income of \$109,300 compared to operating income of \$181,500 in 2014. The **Sewer-Metro Utility** ended 2015 with net operating income of \$186,800 compared to \$273,900 for the previous year.

The **Stormwater Utility** ended the year with \$1,316,800 in operating income which compares to operating income of \$1,486,200 for the same period last year.

The **Cemetery Fund** ended the year with operating income of \$19,600 compared to operating income of \$2,900 for 2014. During 2015, the number of interments at the Cemetery totaled 237 (108 burials, 129 cremations), which compares to 250 (123 burials, 127 cremations) for 2014.



**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 2015. As a result, this balance will gradually diminish each month throughout the year.

No significant variances are reported in the **Worker's Compensation, Facilities, Innovation & Technology**, or **Equipment Rental** Funds. All funds have sufficient revenues to cover year-to-date expenditures.

**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  
December 31, 2015**

Investment Type	Purchase Date	Purchase Price	Maturity Date	Yield to Maturity
State Investment Pool	Various	\$ 102,163,513	Various	0.25%
KeyBank Money Market	Various	12,607,935	Various	0.00%
US Treasury	05/04/1990	57,750	05/15/2016	5.72%
LAKUTL	9/25/2013	235,919	11/1/2017	1.90%
Total Cash & Investments		<b>\$ 115,065,116</b>		<b>0.232%</b>

Investment Mix	% of Total	Summary	
State Investment Pool	88.8%	Current 6-month treasury rate	0.50%
KeyBank Money Market	11.0%	Current State Pool rate	0.25%
US Treasury	0.1%	KeyBank Money Market	0.00%
FFCB	0.0%	Blended Auburn rate	0.23%
FHLB	0.0%		
LAKUTL	0.2%		
	<b>100.0%</b>		

**SALES TAX SUMMARY**  
**DECEMBER 2015 SALES TAX DISTRIBUTIONS (FOR OCTOBER 2015 RETAIL ACTIVITY)**

NAICS	CONSTRUCTION	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Oct '14)	2015 YTD (Nov '14 - Oct '15)	YTD % Diff
236	Construction of Buildings	866,060	866,060	1,229,166	41.9%
237	Heavy and Civil Construction	146,261	146,261	252,280	72.5%
238	Specialty Trade Contractors	741,211	741,211	815,416	10.0%
<b>TOTAL CONSTRUCTION</b>		<b>1,753,532</b>	<b>1,753,532</b>	<b>2,296,863</b>	<b>31.0%</b>
<i>Overall Change from Previous Year</i>					
				<b>543,331</b>	

NAICS	MANUFACTURING	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Oct '14)	2015 YTD (Nov '14 - Oct '15)	YTD % Diff
311	Food Manufacturing	3,220	3,220	3,973	23.4%
312	Beverage and Tobacco Products	8,257	8,257	9,323	12.9%
313	Textile Mills	234	234	372	58.9%
314	Textile Product Mills	2,970	2,970	3,039	2.3%
315	Apparel Manufacturing	244	244	116	-52.3%
316	Leather and Allied Products	15	15	8	-47.0%
321	Wood Product Manufacturing	76,560	76,560	65,039	-15.0%
322	Paper Manufacturing	5,237	5,237	7,762	48.2%
323	Printing and Related Support	44,114	44,114	59,750	35.4%
324	Petroleum and Coal Products	10,293	10,293	5,394	-47.6%
325	Chemical Manufacturing	5,397	5,397	5,508	2.0%
326	Plastics and Rubber Products	9,844	9,844	9,081	-7.8%
327	Nonmetallic Mineral Products	19,801	19,801	14,514	-26.7%
331	Primary Metal Manufacturing	1,542	1,542	1,692	9.7%
332	Fabricated Metal Product Manuf	33,900	33,900	37,819	11.6%
333	Machinery Manufacturing	24,491	24,491	21,693	-11.4%
334	Computer and Electronic Product	18,265	18,265	8,388	-54.1%
335	Electric Equipment, Appliances	1,179	1,179	827	-29.8%
336	Transportation Equipment Man	837,227	837,227	536,513	-35.9%
337	Furniture and Related Products	21,248	21,248	20,389	-4.0%
339	Miscellaneous Manufacturing	39,052	39,052	50,358	29.0%
<b>TOTAL MANUFACTURING</b>		<b>1,163,090</b>	<b>1,163,090</b>	<b>861,555</b>	<b>-25.9%</b>
<i>Overall Change from Previous Year</i>					
				<b>-301,534</b>	

NAICS	TRANSPORTATION AND WAREHOUSING	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Oct '14)	2015 YTD (Nov '14 - Oct '15)	YTD % Diff
481	Air Transportation	0	0	0	N/A
482	Rail Transportation	8,069	8,069	10,457	29.6%
484	Truck Transportation	4,740	4,740	7,590	60.1%
485	Transit and Ground Passengers	4	4	209	5410.6%
488	Transportation Support	26,786	26,786	36,669	36.9%
491	Postal Service	691	691	259	-62.5%
492	Couriers and Messengers	672	672	1	-99.8%
493	Warehousing and Storage	29,718	29,718	10,487	-64.7%
<b>TOTAL TRANSPORTATION</b>		<b>70,679</b>	<b>70,679</b>	<b>65,671</b>	<b>-7.1%</b>
<i>Overall Change from Previous Year</i>					
				<b>-5,008</b>	

NAICS	WHOLESALE TRADE	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Oct '14)	2015 YTD (Nov '14 - Oct '15)	YTD % Diff
423	Wholesale Trade, Durable Goods	1,024,016	1,024,016	1,010,730	-1.3%
424	Wholesale Trade, Nondurable	178,054	178,054	216,303	21.5%
425	Wholesale Electronic Markets	2,643	2,643	1,885	-28.7%
<b>TOTAL WHOLESALE</b>		<b>1,204,714</b>	<b>1,204,714</b>	<b>1,228,919</b>	<b>2.0%</b>
<i>Overall Change from Previous Year</i>					
				<b>24,205</b>	

NAICS	AUTOMOTIVE	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Oct '14)	2015 YTD (Nov '14 - Oct '15)	YTD % Diff
441	Motor Vehicle and Parts Dealer	3,062,768	3,062,768	3,465,199	13.1%
447	Gasoline Stations	246,636	246,636	241,336	-2.1%
<b>TOTAL AUTOMOTIVE</b>		<b>3,309,404</b>	<b>3,309,404</b>	<b>3,706,535</b>	<b>12.0%</b>
<i>Overall Change from Previous Year</i>					
				<b>397,130</b>	

NAICS	RETAIL TRADE	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Oct '14)	2015 YTD (Nov '14 - Oct '15)	YTD % Diff
442	Furniture and Home Furnishings	254,103	254,103	253,871	-0.1%
443	Electronics and Appliances	236,955	236,955	295,127	24.5%
444	Building Material and Garden	502,470	502,470	589,676	17.4%
445	Food and Beverage Stores	352,552	352,552	368,411	4.5%
446	Health and Personal Care Store	187,715	187,715	220,603	17.5%
448	Clothing and Accessories	1,008,978	1,008,978	1,079,933	7.0%
451	Sporting Goods, Hobby, Books	212,015	212,015	220,168	3.8%
452	General Merchandise Stores	955,479	955,479	988,004	3.4%
453	Miscellaneous Store Retailers	587,784	587,784	578,836	-1.5%
454	Nonstore Retailers	381,876	381,876	394,268	3.2%
<b>TOTAL RETAIL TRADE</b>		<b>4,679,929</b>	<b>4,679,929</b>	<b>4,988,898</b>	<b>6.6%</b>
<i>Overall Change from Previous Year</i>					
				<b>308,969</b>	

NAICS	SERVICES	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Oct '14)	2015 YTD (Nov '14 - Oct '15)	YTD % Diff
51*	Information	486,856	486,856	526,003	8.0%
52*	Finance and Insurance	87,574	87,574	95,471	9.0%
53*	Real Estate, Rental, Leasing	314,900	314,900	334,095	6.1%
541	Professional, Scientific, Tech	216,494	216,494	195,478	-9.7%
551	Company Management	43	43	9,230	21420.9%
56*	Admin. Supp., Remed Svcs	350,417	350,417	373,781	6.7%
611	Educational Services	49,123	49,123	60,189	22.5%
62*	Health Care Social Assistance	66,359	66,359	81,684	23.1%
71*	Arts and Entertainment	157,908	157,908	207,717	31.5%
72*	Accommodation and Food Svcs	1,066,580	1,066,580	1,159,033	8.7%
81*	Other Services	425,896	425,896	475,505	11.6%
92*	Public Administration	99,676	99,676	127,364	27.8%
<b>TOTAL SERVICES</b>		<b>3,321,827</b>	<b>3,321,827</b>	<b>3,645,551</b>	<b>9.7%</b>
<i>Overall Change from Previous Year</i>					
				<b>323,724</b>	

NAICS	MISCELLANEOUS	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Oct '14)	2015 YTD (Nov '14 - Oct '15)	YTD % Diff
000	Unknown	0	0	0	N/A
111-115	Agriculture, Forestry, Fishing	7,488	7,488	4,510	-39.8%
211-221	Mining & Utilities	28,687	28,687	27,456	-4.3%
999	Unclassifiable Establishments	83,442	83,442	39,581	-52.6%
<b>TOTAL SERVICES</b>		<b>119,617</b>	<b>119,617</b>	<b>71,548</b>	<b>-40.2%</b>
<i>Overall Change from Previous Year</i>					
				<b>-48,069</b>	

NAICS	WHOLESALE TRADE	2014 Annual Total (Nov '13-Oct '14)	2014 YTD (Nov '13 - Oct '14)	2015 YTD (Nov '14 - Oct '15)	YTD % Diff
<b>GRAND TOTAL</b>		<b>15,622,791</b>	<b>15,622,791</b>	<b>16,865,540</b>	<b>8.0%</b>
<i>Overall Change from Previous Year</i>					
				<b>1,242,749</b>	

- a. WA State Dept of Revenue audit adjustment to sales tax returns for period March 2014 (adjustment: -\$45,145).
- b. WA State Dept of Revenue audit adjustment to sales tax returns for period April 2014 (adjustment: \$10,242).
- c. WA State Dept of Revenue audit adjustment to sales tax returns for period August 2014 (adjustment: \$25,146).
- d. WA State Dept of Revenue audit adjustment to sales returns for period November 2014 (adjustment: \$5,167).
- e. WA State Dept of Revenue audit adjustment to sales tax returns for period December 2014 (adjustment: -\$2,382).
- f. WA State Dept of Revenue audit adjustment to sales tax returns for period January 2015 (adjustment: \$4,464).
- g. WA State Dept of Revenue audit adjustment to sales tax returns for period February 2015 (adjustment: \$11,845).
- h. Reported correction to prior sales tax returns posted to February 2015 (adjustment: -\$9,355).
- i. WA State Dept of Revenue audit adjustment to sales tax returns for period March 2015 (adjustment: -\$17,839).
- j. Reported correction to sales tax returns posted to April 2015 (adjustment: -\$43,875).
- k. WA State Dept of Revenue audit adjustment to sales tax returns for period of August 2015 (adjustment: \$5,251).
- l. WA State Dept of Revenue audit adjustment to sales tax returns for period of September 2015 (adjustment: -\$5,356).



The following table presents the Working Capital Statement for each of the City's Enterprise and Internal Service funds. Working Capital is generally defined as the difference between current assets and current liabilities.

WORKING CAPITAL	ENTERPRISE FUNDS							INTERNAL SERVICE FUNDS				
	WATER	SEWER	SEWER METRO	STORM	SOLID WASTE	AIRPORT	CEMETERY	INSURANCE	WORKER'S COMPENSATION	FACILITIES	INNOVATION & TECHNOLOGY	EQUIPMENT RENTAL
OPERATING REVENUES												
Charges For Service	\$ 14,185,923	\$ 8,007,103	\$ -	\$ 9,241,198	\$ 13,756,237	\$ 17,078	\$ 1,084,467	\$ -	\$ 815,661	\$ -	\$ -	\$ -
Interfund Charges For Service	-	-	-	-	-	-	-	-	-	3,447,288	5,287,505	3,473,028
Sewer Metro Service Revenue	-	-	16,221,329	-	-	-	-	-	-	-	-	-
Rents, Leases, Concessions, & Other	-	-	-	-	-	712,420	-	-	-	91,745	119,148	-
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 14,185,923</b>	<b>\$ 8,007,103</b>	<b>\$ 16,221,329</b>	<b>\$ 9,241,198</b>	<b>\$ 13,756,237</b>	<b>\$ 729,498</b>	<b>\$ 1,084,467</b>	<b>\$ -</b>	<b>\$ 815,661</b>	<b>\$ 3,539,033</b>	<b>\$ 5,406,653</b>	<b>\$ 3,473,028</b>
OPERATING EXPENSES												
Salaries & Wages	\$ 2,467,207	\$ 1,614,545	\$ -	\$ 2,381,521	\$ 399,108	\$ 26,448	\$ 423,213	\$ -	\$ 78,371	\$ 597,988	\$ 1,487,170	\$ 599,963
Benefits	1,145,624	749,925	-	1,090,154	186,043	9,680	203,153	-	165,215	310,230	631,578	310,430
Supplies	263,798	95,098	-	62,242	24,031	4,818	187,822	-	-	114,066	377,683	869,824
Other Service Charges	5,007,290	2,341,731	-	1,325,987	1,205,127	448,450	134,410	125,131	234,745	1,461,849	2,079,167	310,471
Intergovernmental Services	-	4,637	-	64,239	382,544	-	-	-	-	-	-	-
Waste Management Payments	-	-	-	-	10,573,843	-	-	-	-	-	-	-
Sewer Metro Services	-	-	16,034,521	-	-	-	-	-	-	-	-	-
Interfund Operating Rentals & Supplies	1,291,240	971,733	-	1,337,047	105,384	-	65,460	-	-	114,816	162,156	217,031
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	2,934,694	2,120,150	-	1,663,208	18,819	468,031	50,797	-	-	-	624,001	927,965
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 13,109,852</b>	<b>\$ 7,897,818</b>	<b>\$ 16,034,521</b>	<b>\$ 7,924,397</b>	<b>\$ 12,894,899</b>	<b>\$ 957,427</b>	<b>\$ 1,064,854</b>	<b>\$ 125,131</b>	<b>\$ 478,331</b>	<b>\$ 2,598,949</b>	<b>\$ 5,361,755</b>	<b>\$ 3,235,683</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 1,076,071</b>	<b>\$ 109,285</b>	<b>\$ 186,808</b>	<b>\$ 1,316,801</b>	<b>\$ 861,338</b>	<b>\$ (227,930)</b>	<b>\$ 19,613</b>	<b>\$ (125,131)</b>	<b>\$ 337,330</b>	<b>\$ 940,084</b>	<b>\$ 44,897</b>	<b>\$ 237,345</b>
NON-OPERATING REVENUES & EXPENSES												
Interest Revenue	\$ 20,371	\$ 19,488	\$ 1,630	\$ 25,214	\$ 3,908	\$ 1,238	\$ 607	\$ 1,662	\$ 899	\$ 3,738	\$ 5,474	\$ 8,345
Contributions	-	-	-	1,059,017	54,603	20,021	150	-	-	-	-	816
Other Non-Operating Revenue	241,239	90,236	-	391,493	280	(4,552)	2	-	-	56	1,526	108,724
Gain (Loss) On Sale Of Fixed Assets	-	-	-	10,000	-	-	-	-	-	-	-	(30,466)
Debt Service Interest	(49,854)	(16,217)	-	-	-	(36,896)	(22,267)	-	-	-	-	(2,951)
Other Non-Operating Expense	-	-	-	(269,243)	-	-	-	-	-	-	-	-
<b>TOTAL NON-OPERATING REVENUES &amp; EXPENSES</b>	<b>\$ 211,756</b>	<b>\$ 93,507</b>	<b>\$ 1,630</b>	<b>\$ 1,216,481</b>	<b>\$ 58,791</b>	<b>\$ (20,190)</b>	<b>\$ (21,509)</b>	<b>\$ 1,662</b>	<b>\$ 899</b>	<b>\$ 3,794</b>	<b>\$ 7,000</b>	<b>\$ 84,468</b>
PLUS ITEMS NOT AFFECTING WORKING CAPITAL												
Depreciation	\$ 2,934,694	\$ 2,120,150	\$ -	\$ 1,663,208	\$ 18,819	\$ 468,031	\$ 50,797	\$ -	\$ -	\$ -	\$ 624,001	\$ 927,965
<b>NET WORKING CAPITAL FROM OPERATIONS</b>	<b>\$ 4,222,521</b>	<b>\$ 2,322,941</b>	<b>\$ 188,438</b>	<b>\$ 4,196,490</b>	<b>\$ 938,948</b>	<b>\$ 219,912</b>	<b>\$ 48,900</b>	<b>\$ (123,468)</b>	<b>\$ 338,229</b>	<b>\$ 943,879</b>	<b>\$ 675,898</b>	<b>\$ 1,249,778</b>
Increase In Contributions - System Development	\$ 566,632	\$ 427,451	\$ -	\$ 406,699	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase In Contributions - Area Assessments	500	10,391	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - Other Governments	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - Other Funds	-	-	-	-	-	-	-	-	-	-	-	-
Increase In Contributions - FAA	-	-	-	-	-	1,294	-	-	-	-	-	-
Proceeds of Debt Activity	850,402	-	-	-	-	-	-	-	-	-	-	204,710
Operating Transfers In	-	-	-	526,059	-	-	30,000	-	-	-	102,807	106,856
Increase In Restricted Net Assets	20,843	-	-	-	-	18,492	-	-	-	-	-	-
Decrease In Long-Term Receivables	-	45,000	-	-	-	-	-	-	-	-	-	-
Increase In Deferred Credits	-	-	-	-	-	9,154	-	-	-	-	-	-
<b>TOTAL RESOURCES OTHER THAN OPERATIONS</b>	<b>\$ 1,438,377</b>	<b>\$ 482,842</b>	<b>\$ -</b>	<b>\$ 932,758</b>	<b>\$ -</b>	<b>\$ 28,939</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 102,807</b>	<b>\$ 311,566</b>
Net Change In Restricted Net Assets	\$ 1,704,739	\$ 424,553	\$ -	\$ 796,965	\$ -	\$ (117,186)	\$ (749)	\$ -	\$ -	\$ -	\$ -	\$ (59,919)
Increase In Fixed Assets - Salaries	299,756	135,285	-	285,966	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Benefits	129,155	58,570	-	124,779	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Site Improvements	49,836	-	-	-	-	-	17,301	-	-	-	-	-
Increase In Fixed Assets - Land	-	-	-	250,000	-	-	-	-	-	-	-	-
Increase In Fixed Assets - Equipment	25,902	-	-	-	-	-	-	-	-	-	619,937	1,398,683
Increase In Fixed Assets - Construction	7,273,969	2,134,703	-	5,680,303	-	348,270	-	-	-	-	-	8,928
Increase In Fixed Assets - Other	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers Out	203,642	190,371	-	137,311	-	-	-	-	-	659,426	-	237,266
Debt Service Principal	522,831	288,262	-	-	-	135,000	749	-	-	-	-	19,119
Interfund Loan Repayment	-	-	-	-	-	16,605	-	-	-	-	-	-
<b>TOTAL USES OTHER THAN OPERATIONS</b>	<b>\$ 10,209,830</b>	<b>\$ 3,231,744</b>	<b>\$ -</b>	<b>\$ 7,275,325</b>	<b>\$ -</b>	<b>\$ 382,689</b>	<b>\$ 17,301</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 659,426</b>	<b>\$ 619,937</b>	<b>\$ 1,604,078</b>
<b>NET CHANGE IN WORKING CAPITAL</b>	<b>\$ (4,548,932)</b>	<b>\$ (425,961)</b>	<b>\$ 188,438</b>	<b>\$ (2,146,077)</b>	<b>\$ 938,948</b>	<b>\$ (133,838)</b>	<b>\$ 61,599</b>	<b>\$ (123,468)</b>	<b>\$ 338,229</b>	<b>\$ 284,453</b>	<b>\$ 158,769</b>	<b>\$ (42,733)</b>
BEGINNING WORKING CAPITAL - January 1, 2015 <sup>1</sup>	14,027,406	13,346,282	2,100,400	16,051,080	2,491,724	756,938	294,547	1,654,057	440,004	2,194,912	3,543,327	5,844,690
ENDING WORKING CAPITAL - December 31, 2015	9,478,474	12,920,321	2,288,838	13,905,004	3,430,672	623,100	356,147	1,530,588	778,233	2,479,364	3,702,095	5,801,957
<b>NET CHANGE IN WORKING CAPITAL</b>	<b>\$ (4,548,932)</b>	<b>\$ (425,961)</b>	<b>\$ 188,438</b>	<b>\$ (2,146,077)</b>	<b>\$ 938,948</b>	<b>\$ (133,838)</b>	<b>\$ 61,599</b>	<b>\$ (123,468)</b>	<b>\$ 338,229</b>	<b>\$ 284,453</b>	<b>\$ 158,769</b>	<b>\$ (42,733)</b>

<sup>1</sup> The Airport Fund's Beginning Working Capital has been restated reflecting a prior period adjustment of \$200,000 as the result of a reclassification of the Airport's interfund loan.

The following table provides an analysis of each of the City's Enterprise and Internal Service funds - showing 2015 revenues and expenditures by fund.

FUND BALANCE	ENTERPRISE FUNDS							INTERNAL SERVICE FUNDS				
	WATER	SEWER	SEWER METRO	STORM	SOLID WASTE	AIRPORT	CEMETERY	INSURANCE	WORKER'S COMPENSATION	FACILITIES	INNOVATION & TECHNOLOGY	EQUIPMENT RENTAL
OPERATING REVENUES												
Charges For Service	\$ 14,185,923	\$ 8,007,103	\$ -	\$ 9,241,198	\$ 13,756,237	\$ 17,078	\$ 1,084,467	\$ -	\$ 815,661	\$ -	\$ -	\$ -
Interfund Charges For Service	-	-	-	-	-	-	-	-	-	3,447,288	5,287,505	3,473,028
Sewer Metro Service Revenue	-	-	16,221,329	-	-	-	-	-	-	-	-	-
Rents, Leases, Concessions, & Other	-	-	-	-	-	712,420	-	-	-	91,745	119,148	-
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 14,185,923</b>	<b>\$ 8,007,103</b>	<b>\$ 16,221,329</b>	<b>\$ 9,241,198</b>	<b>\$ 13,756,237</b>	<b>\$ 729,498</b>	<b>\$ 1,084,467</b>	<b>\$ -</b>	<b>\$ 815,661</b>	<b>\$ 3,539,033</b>	<b>\$ 5,406,653</b>	<b>\$ 3,473,028</b>
OPERATING EXPENSES												
Administration	\$ 2,888,369	\$ 2,217,065	\$ -	\$ 3,241,256	\$ 678,200	\$ 479,106	\$ 264,115	\$ 125,131	\$ -	\$ -	\$ -	\$ 752,477
Operations & Maintenance	7,286,789	3,560,604	-	3,019,934	1,624,037	10,290	749,942	-	478,331	2,598,949	4,737,754	1,555,242
Waste Management Payments	-	-	-	-	10,573,843	-	-	-	-	-	-	-
Sewer Metro Services	-	-	16,034,521	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	2,934,694	2,120,150	-	1,663,208	18,819	468,031	50,797	-	-	-	624,001	927,965
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 13,109,852</b>	<b>\$ 7,897,818</b>	<b>\$ 16,034,521</b>	<b>\$ 7,924,397</b>	<b>\$ 12,894,899</b>	<b>\$ 957,427</b>	<b>\$ 1,064,854</b>	<b>\$ 125,131</b>	<b>\$ 478,331</b>	<b>\$ 2,598,949</b>	<b>\$ 5,361,755</b>	<b>\$ 3,235,683</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 1,076,071</b>	<b>\$ 109,285</b>	<b>\$ 186,808</b>	<b>\$ 1,316,801</b>	<b>\$ 861,338</b>	<b>\$ (227,930)</b>	<b>\$ 19,613</b>	<b>\$ (125,131)</b>	<b>\$ 337,330</b>	<b>\$ 940,084</b>	<b>\$ 44,897</b>	<b>\$ 237,345</b>
NON-OPERATING REVENUES & EXPENSES												
Interest Revenue	\$ 20,371	\$ 19,488	\$ 1,630	\$ 25,214	\$ 3,908	\$ 1,238	\$ 607	\$ 1,662	\$ 899	\$ 3,738	\$ 5,474	\$ 8,345
Other Non-Operating Revenue	241,239	90,236	-	1,450,510	54,883	15,469	152	-	-	56	1,526	109,541
Gain (Loss) On Sale Of Fixed Assets	-	-	-	10,000	-	-	-	-	-	-	-	(30,466)
Other Non-Operating Expense	(49,854)	(16,217)	-	(269,243)	-	(36,896)	(22,267)	-	-	-	-	(2,951)
<b>TOTAL NON-OPERATING REVENUES &amp; EXPENSES</b>	<b>\$ 211,756</b>	<b>\$ 93,507</b>	<b>\$ 1,630</b>	<b>\$ 1,216,481</b>	<b>\$ 58,791</b>	<b>\$ (20,190)</b>	<b>\$ (21,509)</b>	<b>\$ 1,662</b>	<b>\$ 899</b>	<b>\$ 3,794</b>	<b>\$ 7,000</b>	<b>\$ 84,468</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFERS</b>	<b>\$ 1,287,826</b>	<b>\$ 202,791</b>	<b>\$ 188,438</b>	<b>\$ 2,533,282</b>	<b>\$ 920,129</b>	<b>\$ (248,119)</b>	<b>\$ (1,896)</b>	<b>\$ (123,468)</b>	<b>\$ 338,229</b>	<b>\$ 943,879</b>	<b>\$ 51,897</b>	<b>\$ 321,813</b>
Contributions	\$ 567,132	\$ 437,842	\$ -	\$ 406,699	\$ -	\$ 1,294	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	526,059	-	-	30,000	-	-	-	102,807	106,856
Transfers Out	(203,642)	(190,371)	-	(137,311)	-	-	-	-	-	(659,426)	-	(237,266)
<b>TOTAL CONTRIBUTIONS &amp; TRANSFERS</b>	<b>\$ 363,490</b>	<b>\$ 247,471</b>	<b>\$ -</b>	<b>\$ 795,447</b>	<b>\$ -</b>	<b>\$ 1,294</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (659,426)</b>	<b>\$ 102,807</b>	<b>\$ (130,411)</b>
<b>CHANGE IN FUND BALANCE</b>	<b>\$ 1,651,317</b>	<b>\$ 450,262</b>	<b>\$ 188,438</b>	<b>\$ 3,328,729</b>	<b>\$ 920,129</b>	<b>\$ (246,826)</b>	<b>\$ 28,104</b>	<b>\$ (123,468)</b>	<b>\$ 338,229</b>	<b>\$ 284,453</b>	<b>\$ 154,705</b>	<b>\$ 191,403</b>
<b>BEGINNING FUND BALANCE - January 1, 2015</b>	<b>\$ 71,320,494</b>	<b>\$ 78,284,418</b>	<b>\$ 2,100,400</b>	<b>\$ 55,862,809</b>	<b>\$ 2,560,449</b>	<b>\$ 9,662,547</b>	<b>\$ 870,261</b>	<b>\$ 1,654,057</b>	<b>\$ 434,859</b>	<b>\$ 2,152,736</b>	<b>\$ 4,826,830</b>	<b>\$ 10,864,439</b>
<b>ENDING FUND BALANCE - December 31, 2015</b>	<b>\$ 72,971,810</b>	<b>\$ 78,734,680</b>	<b>\$ 2,288,838</b>	<b>\$ 59,191,538</b>	<b>\$ 3,480,578</b>	<b>\$ 9,415,721</b>	<b>\$ 898,365</b>	<b>\$ 1,530,588</b>	<b>\$ 773,088</b>	<b>\$ 2,437,188</b>	<b>\$ 4,981,535</b>	<b>\$ 11,055,841</b>