

# ***Financial Report*** ***2nd Quarter of 2004***

***Presented by***  
***Finance Department***  
***September 7, 2004***

# **Purpose**

- *Review financial position of the City after first half of 2004*
- *Information Only - No Action Required By Council*

# *City Operating Fund Overview*

## **General Fund**

- ◆ Revenues 0.4% above projections (\$42,000)
- ◆ Expenditures 0.7% below projections (\$75,000)

## **Development Services Fund**

- ◆ Revenues 2.7% below projections (\$24,000)
- ◆ Expenditures 3.9% below projections (\$34,000)

## **Street Fund**

- ◆ Revenues 0.4% above projections (\$4,000)
- ◆ Expenditures 6.2% below projections (\$75,000)

## **Surface Water Management**

- ◆ Revenues 0.8% above projections
- ◆ Expenditures 26.9% below projections

# ***General Fund***

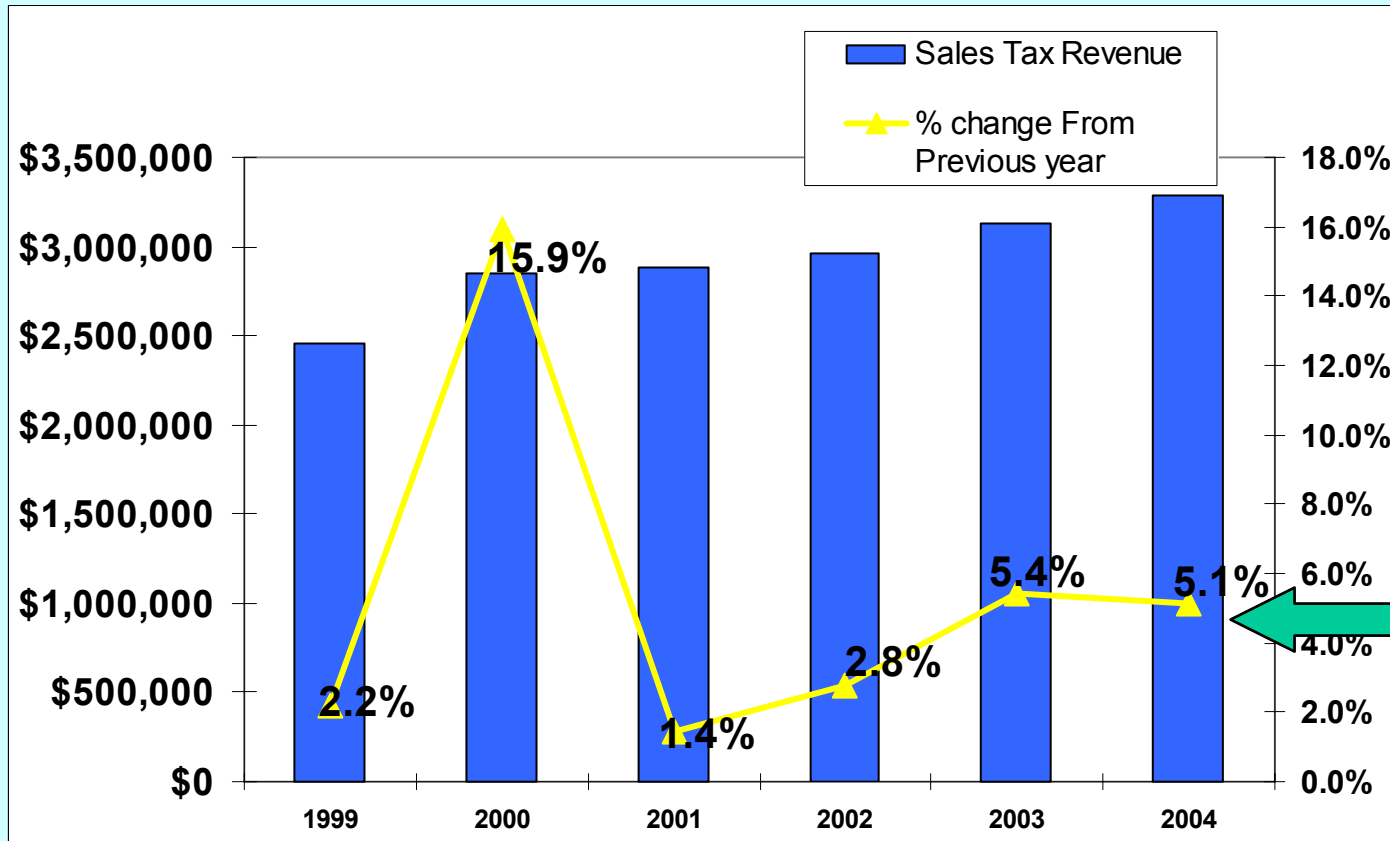
## ***Revenue Highlights***

- **2004 Revenue Projections Revised Upwards by \$1 Million due to:**
  - **Sales Tax Revenue Up \$75K**  
*(Correction to distribution from local business)*
  - **Gambling Tax Revenue Up \$832K**  
*(Hollywood Casino)*
  - **Liquor Excise Taxes Up \$60K**
  - **Parks & Recreation Revenue Up \$60K**  
*(Increased Program Attendance)*

# General Fund Revenue Highlights

## Sales Tax Revenue

### First 6 Months of Each Year

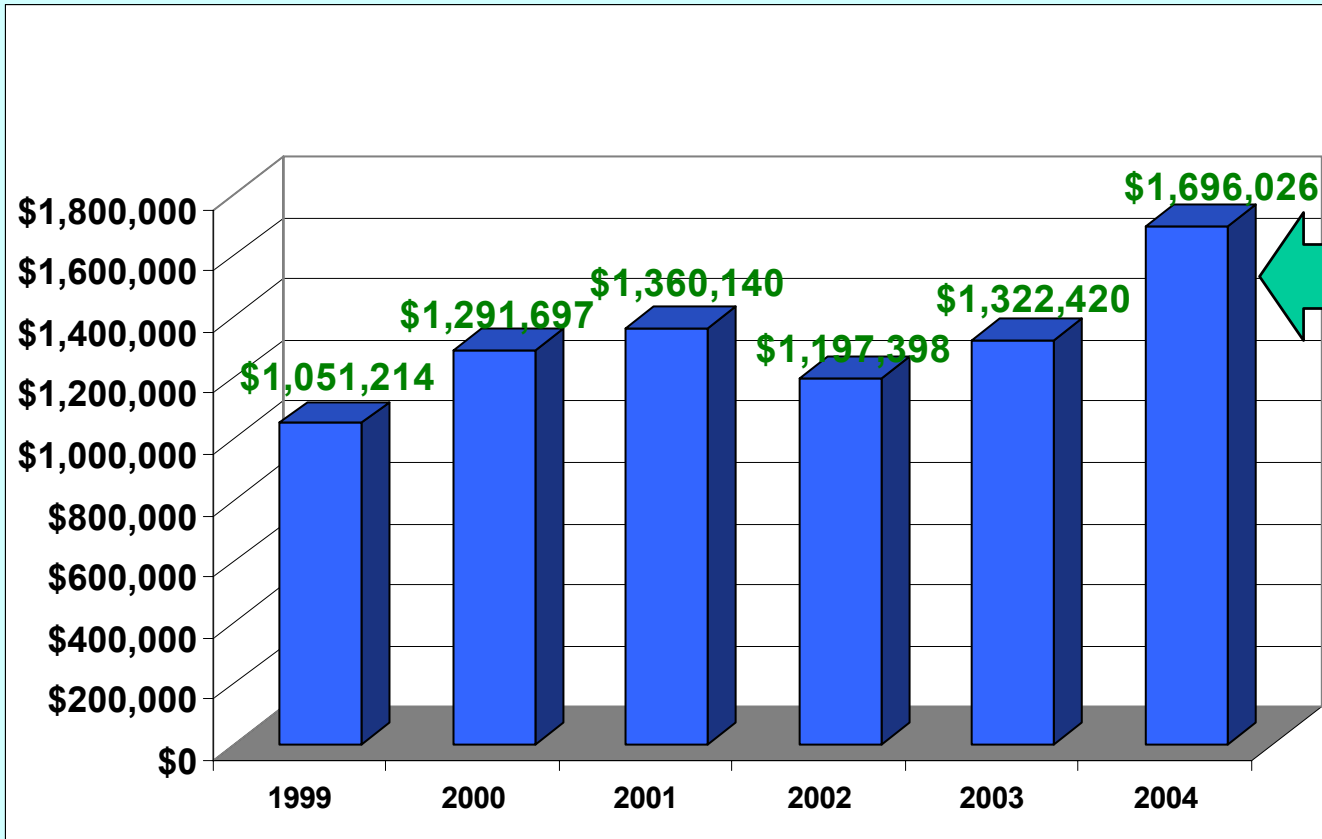


**Sales Tax Revenue: Growth is Moderate but Steady Since 2002**

# General Fund Revenue Highlights

## Gambling Tax Revenue

### First and Second Quarter of Each Year

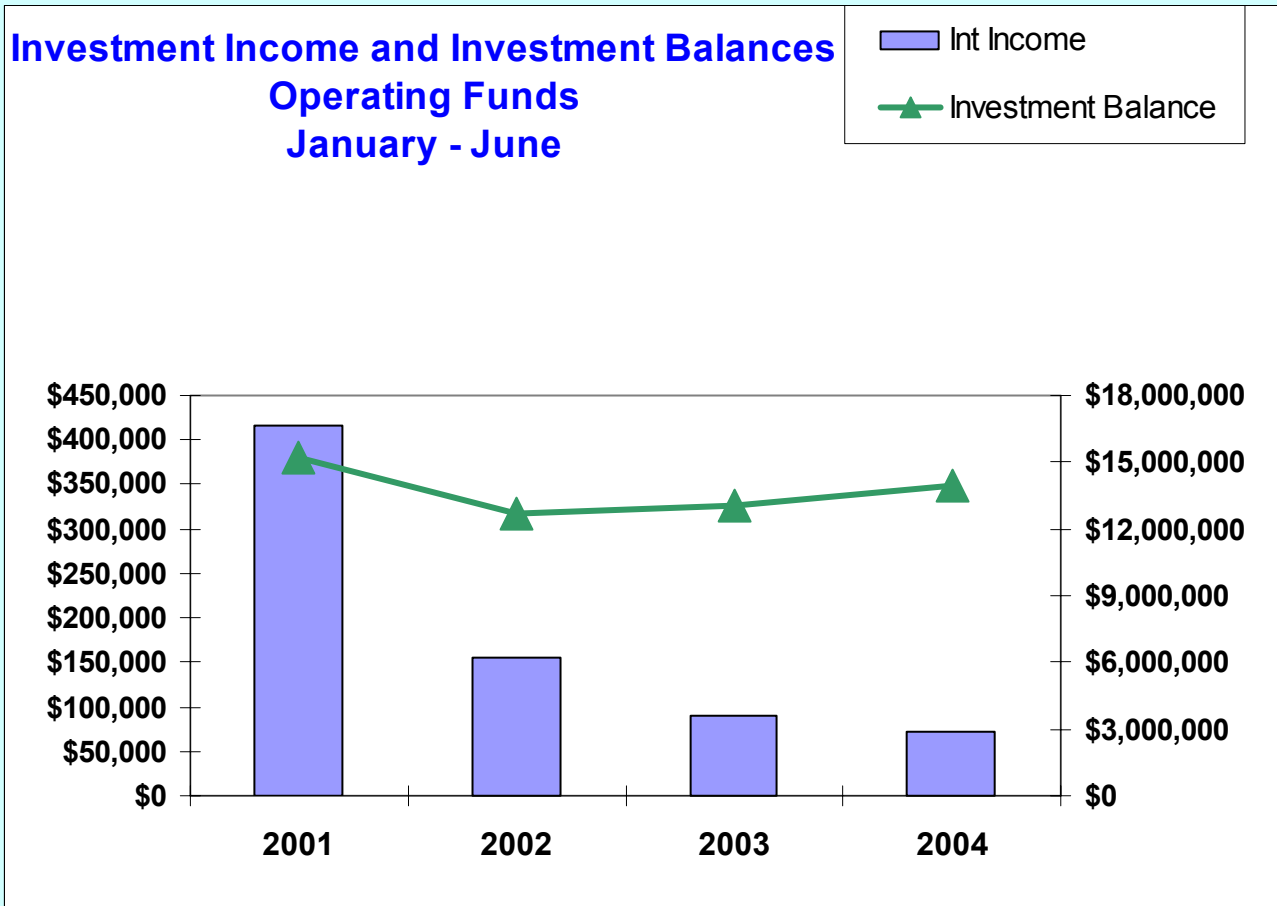


Gambling Revenue Is Running \$373K or 28% Ahead of Last Year.

# Operating Revenue Highlights

## Interest Income

### First 6 Months of the Year



Investment Balances have remained fairly flat, but interest rate decreases have resulted in substantially lower investment income

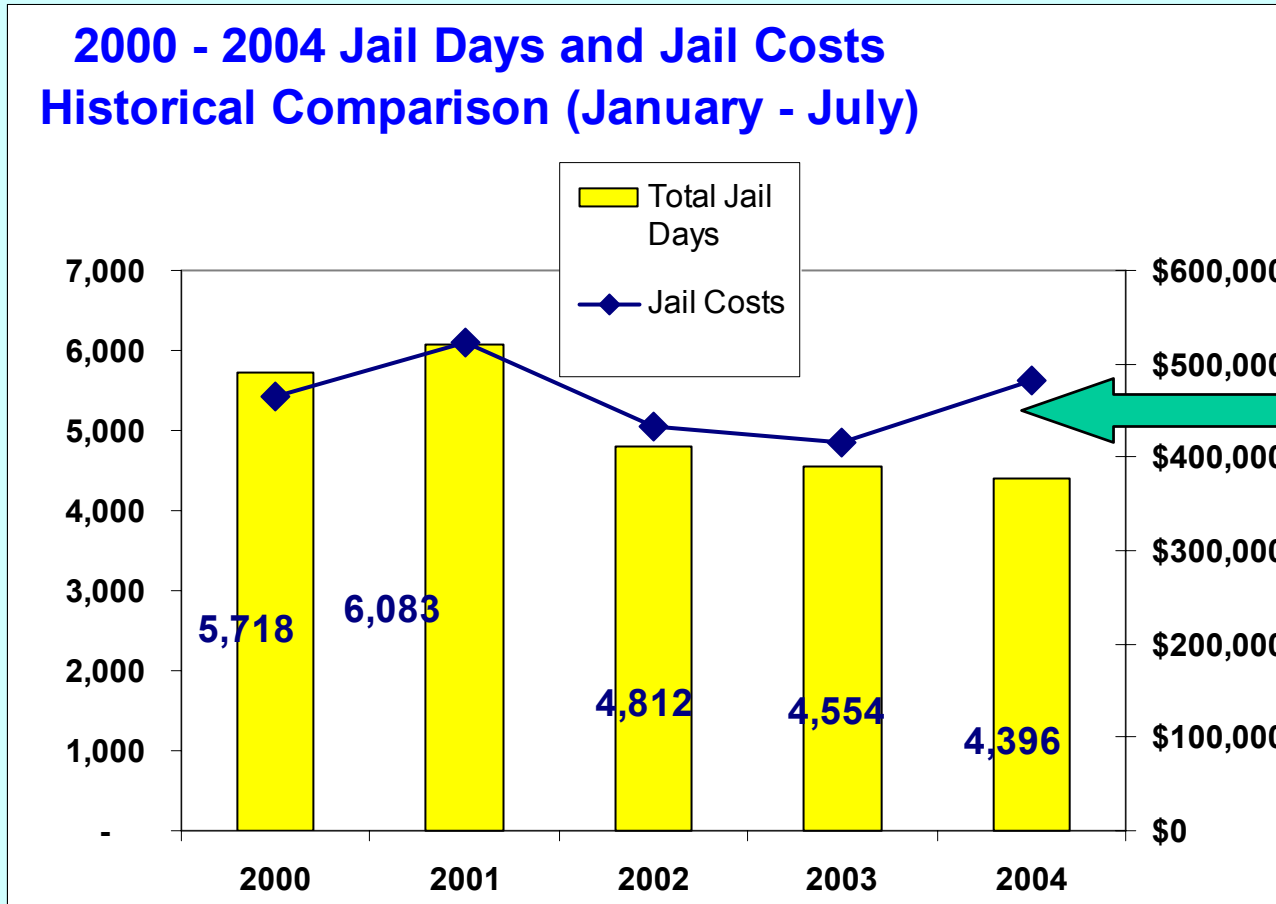
# ***General Fund Expenditure Highlights***

- ***Expenditures .7% (\$75,000) Below Projections***
  - Vacant Positions (City Manager's Office, Communications & Intergovt Relations, Planning & Development Services, & Economic Development)
  
- ***Total General Fund 2004 Projected Expenditures Revised Downwards by \$634K***
  - Do not anticipate spending any of the budgeted contingency or insurance reserve



# General Fund Expenditure Highlights

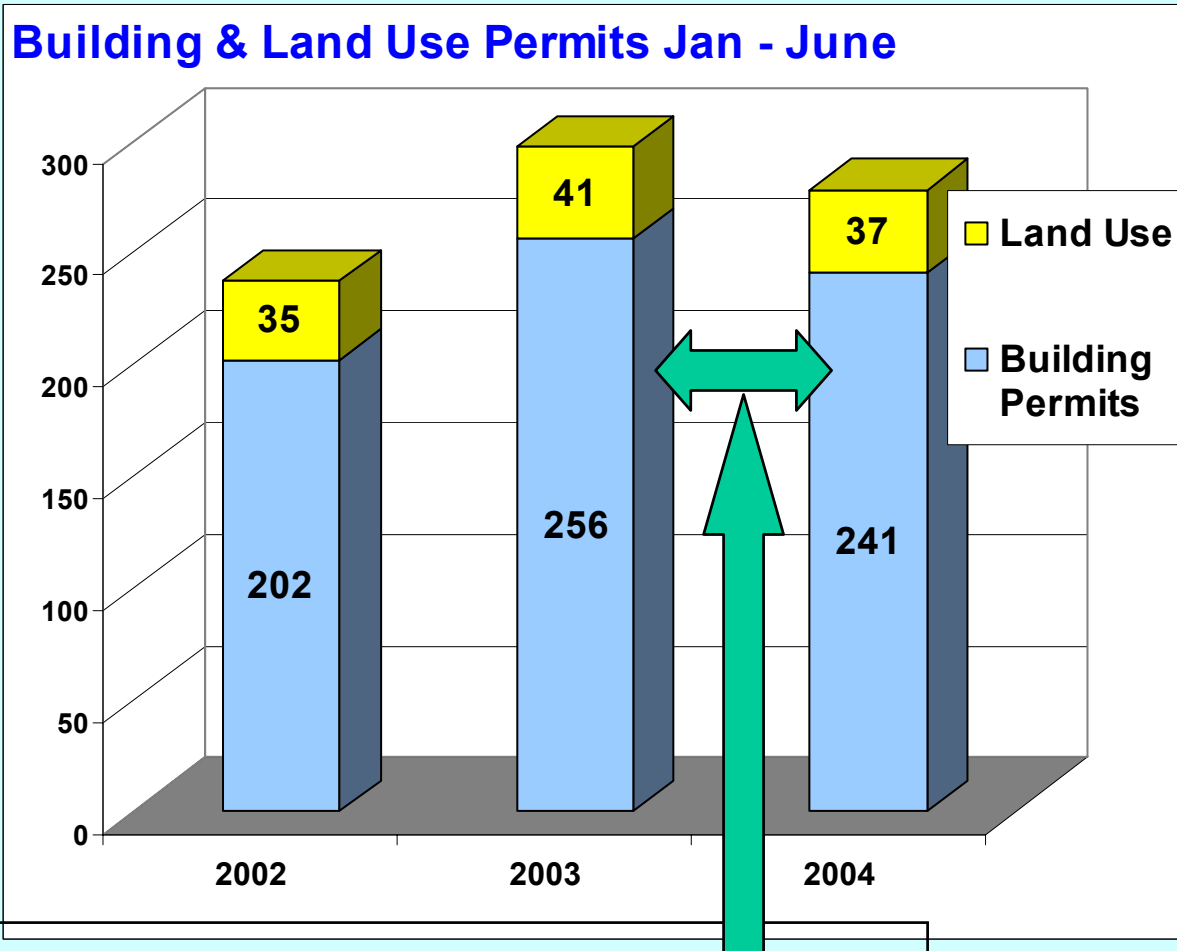
- Jail Costs and Usage Update



**2004 Jail Costs Will Include Payment to Yakima County for Unused Bed Days Adding \$83K to Jail Costs for the 7 Month Period**

# Development Services Fund

- **Permit Revenue**
  - Behind projections by 2.7% (\$23k)
- **Expenditures**
  - Behind projections by 3.9% or \$34K (Vacant position being held open)



**2004 Building and Land Use Permits are 19 or 6% below 2003**

# Street Fund

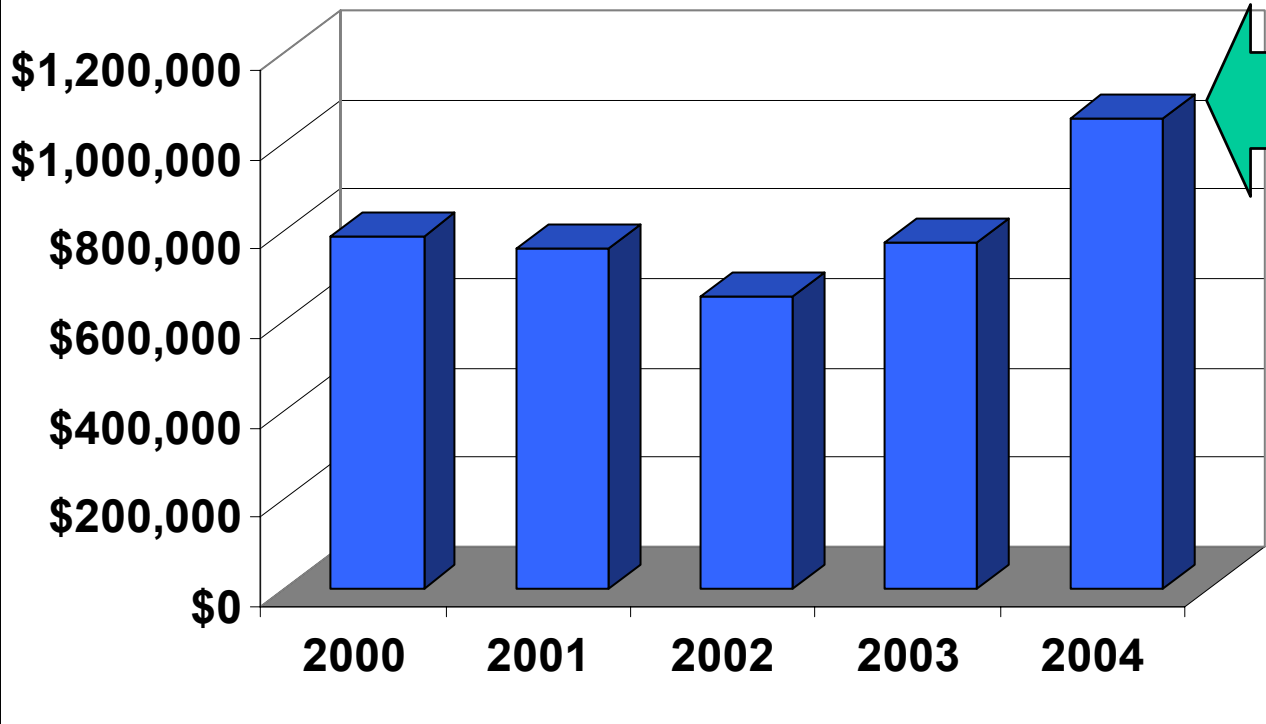
- *Revenues Ahead of Revised Projections by 0.4% or \$4K*
- *Expenditures Behind Projections by 6.2% or \$74K*
  - *It is anticipated that expenditures in the Street Fund will be very close to budget by year end.*

# ***Surface Water Management Fund***

- ***Revenue Ahead of Revised Projections by 0.8% or \$10K***
  - Storm Drainage Fees Ahead of Projections by 0.9% or \$11K
  - 2004 projected revenues have been lowered by \$20K to reflect lower investment earnings
- ***Expenditures Under Projections by \$260K***
  - However this due to later than expected billings from King County.

# *Real Estate Excise Tax - General/Roads Capital Funds*

2000 - 2004 REET Revenue - Roads &  
General Capital (January - July)



*REET  
Revenue  
\$277K or  
35% More  
than 2003*

# Summary

- ***Overall Operating Revenues are ahead of projections and trends are positive***
  - Investment income continues to lag behind budget because of lower than anticipated interest rates
  - Continue to monitor permit activity
- ***Expenditures are either below or tracking close to projections***