

Financial Report 2007 Year End

Presented by the
Finance Department
May 19, 2008

Purpose

- Review the 2007 Year-End Financial Report
- Informational - No Action Required By Council

General Fund Overview

2007 General Fund Summary					
	Budget	Projected	Actual	\$\$ Variance Actuals v. Projected	% Variance
Revenue	\$34,238,843	\$29,001,142	\$29,776,251	\$775,109	2.67%
Expenditure*	\$34,542,541	\$33,837,486	\$33,334,508	-\$502,978	-1.49%

*Includes carryovers

- Net Result is \$1,278,087 in one-time savings

General Fund Revenue Overview

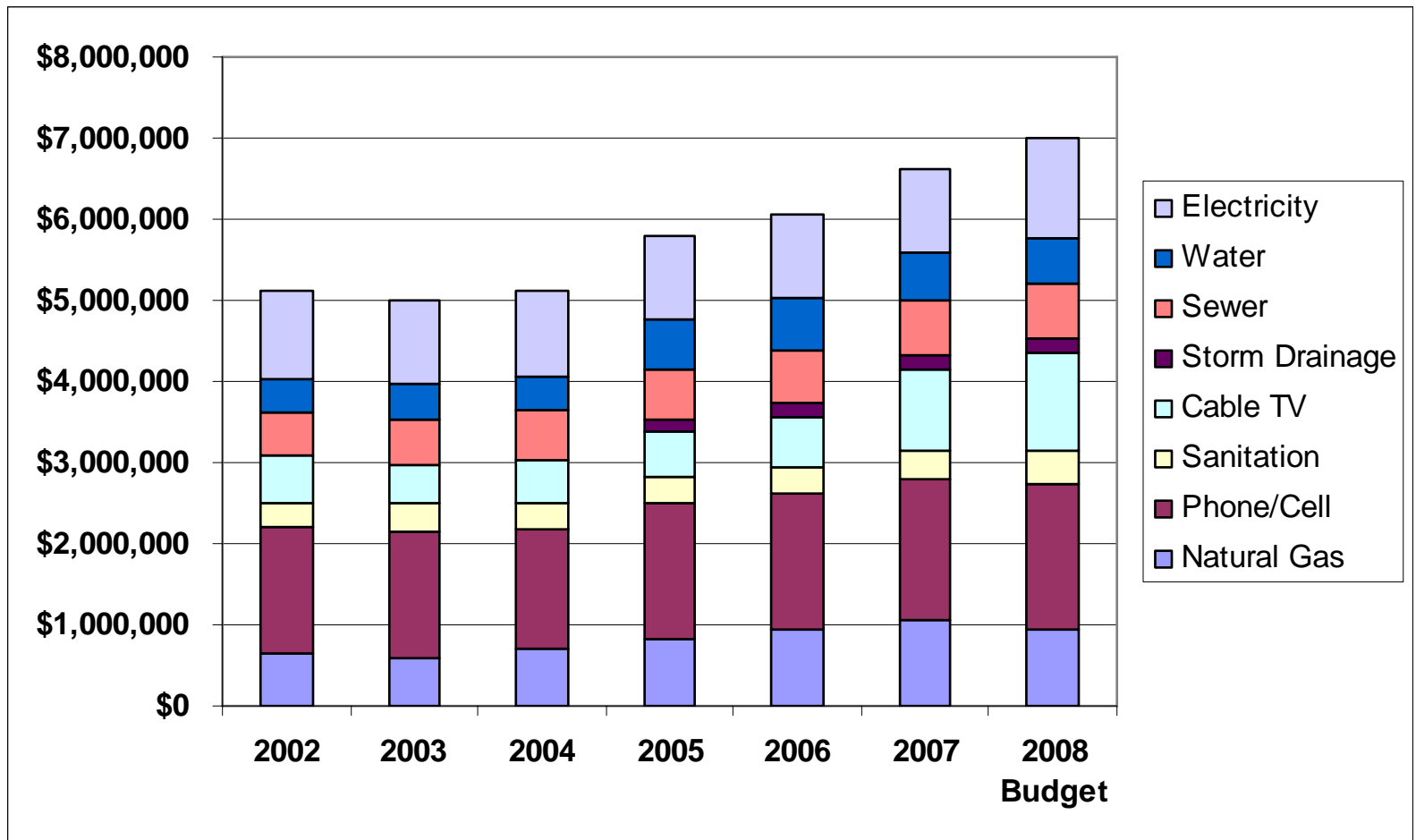
Good News!!

Revenues Above Projections



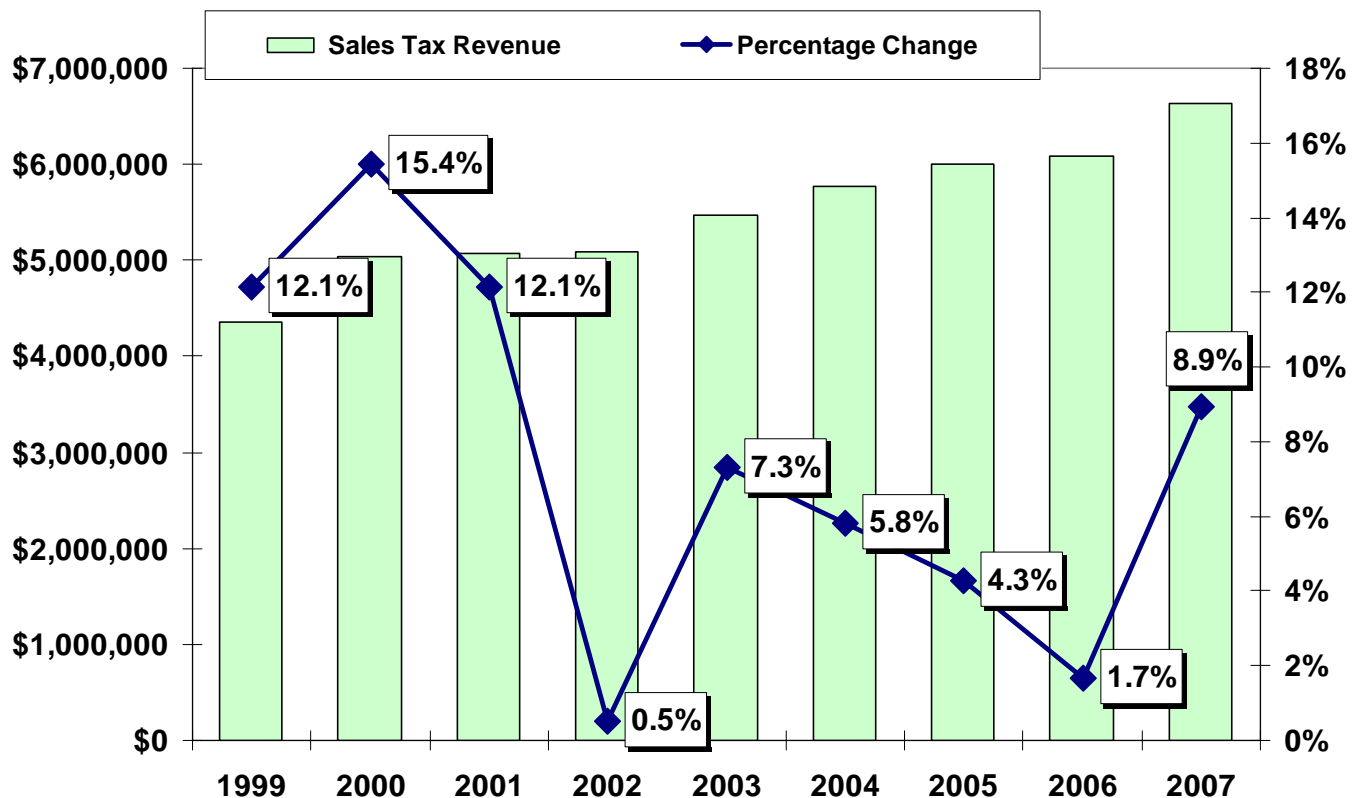
➤ Cable TV Utility Tax	\$55,116 or 15.84%
➤ Sales Tax Revenue	\$385,051 or 6.16%
➤ Investment Interest Revenue	\$195,440 or 47.51%
➤ Criminal Justice Sales Tax	\$72,841 or 5.95%
➤ Permit Revenue	\$64,528 or 4.47%

Utility Tax, Franchise Fee & Utility Contract Payment Revenues



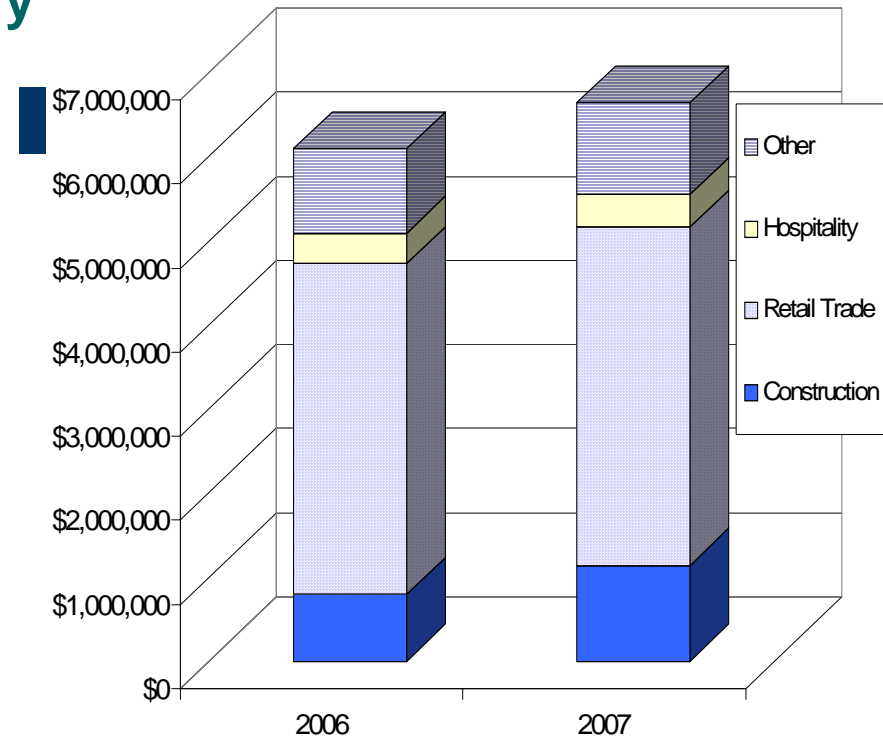
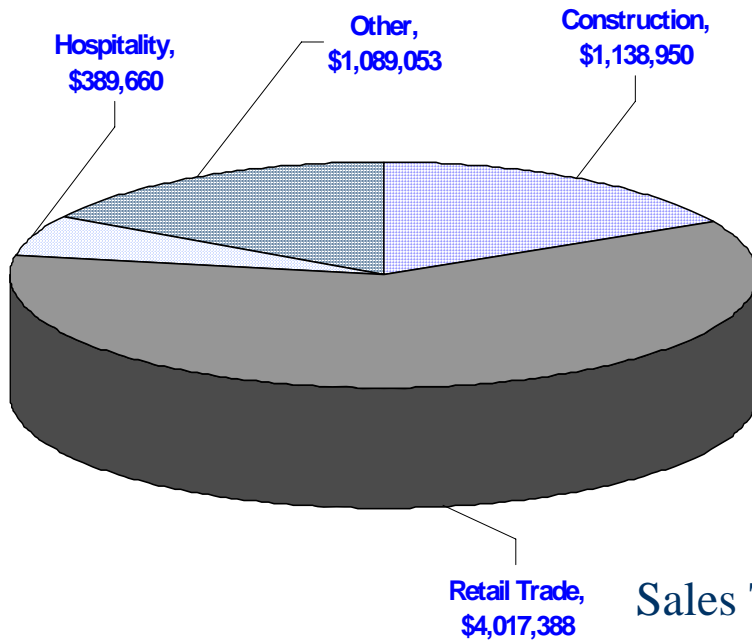
General Fund Revenue

- Sales Tax: positive growth \$385,051 above projections.



General Fund Revenue

Sales Tax by Major Category

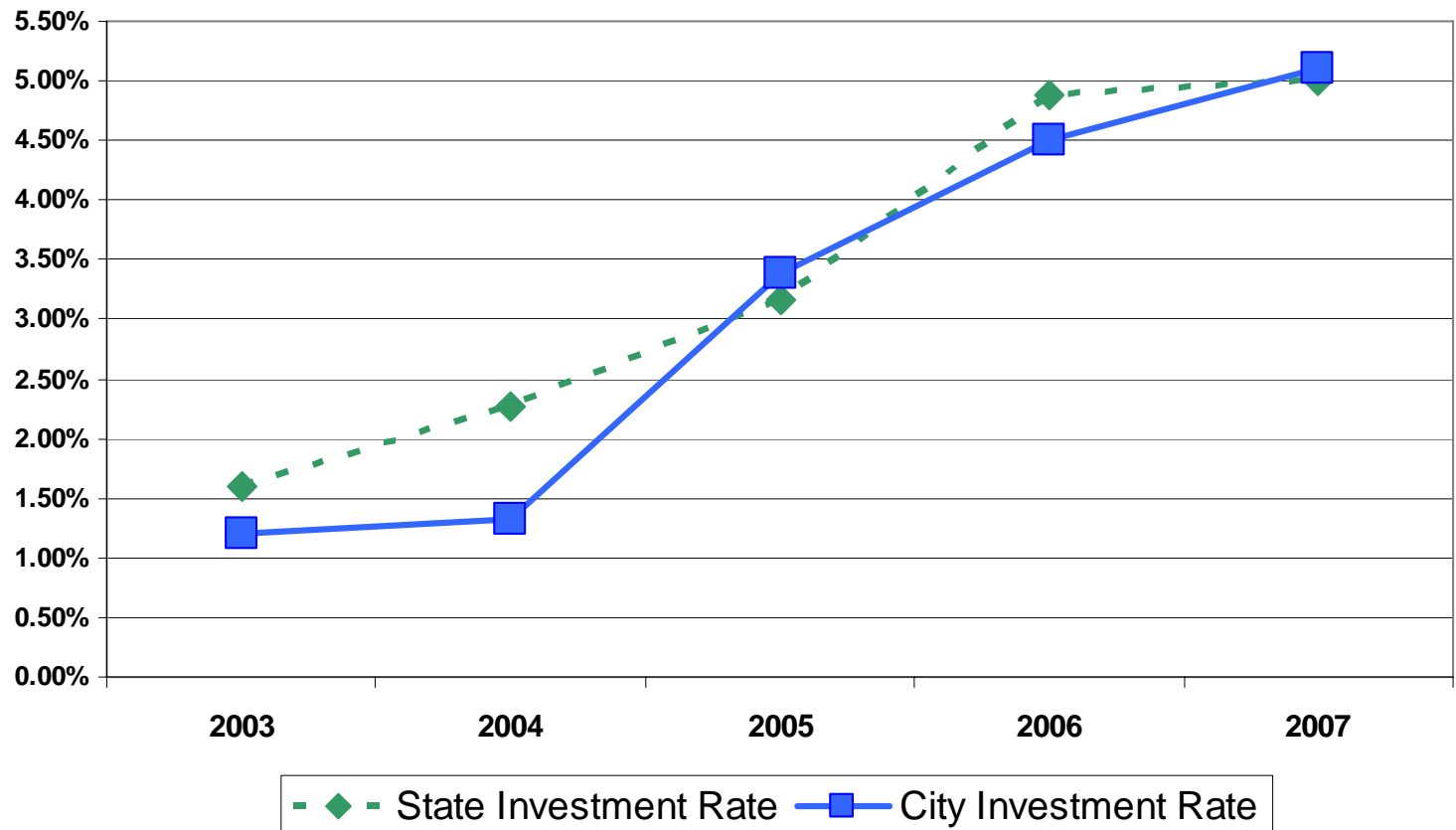


Sales Tax Changes 2006 v. 2007:

- Construction related sales tax grew by \$339,862 or 42.5%
- Retail trade related sales tax grew by only \$85,009 or 2.2%

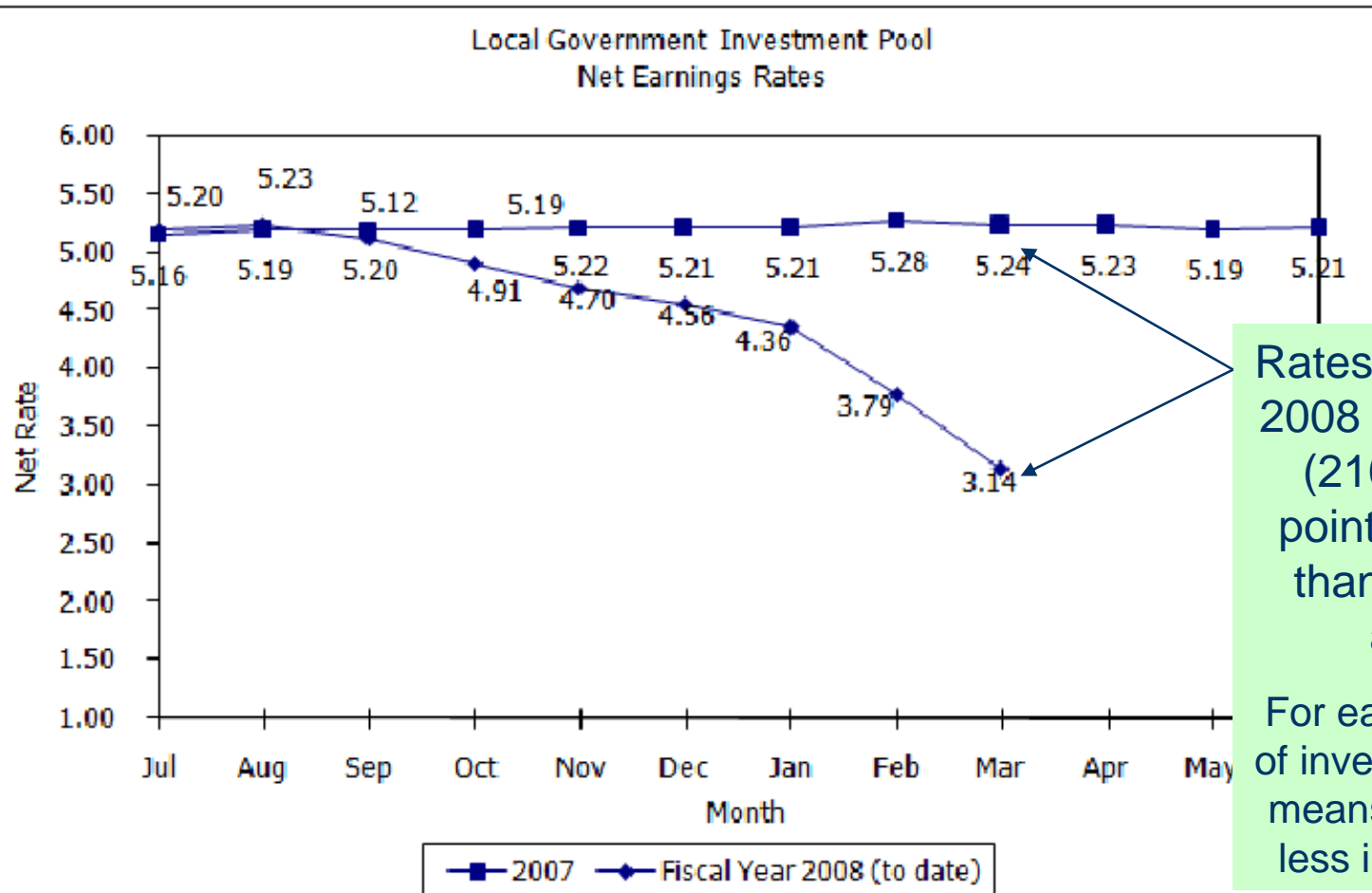
General Fund Revenue

Investment Interest: Rate Review



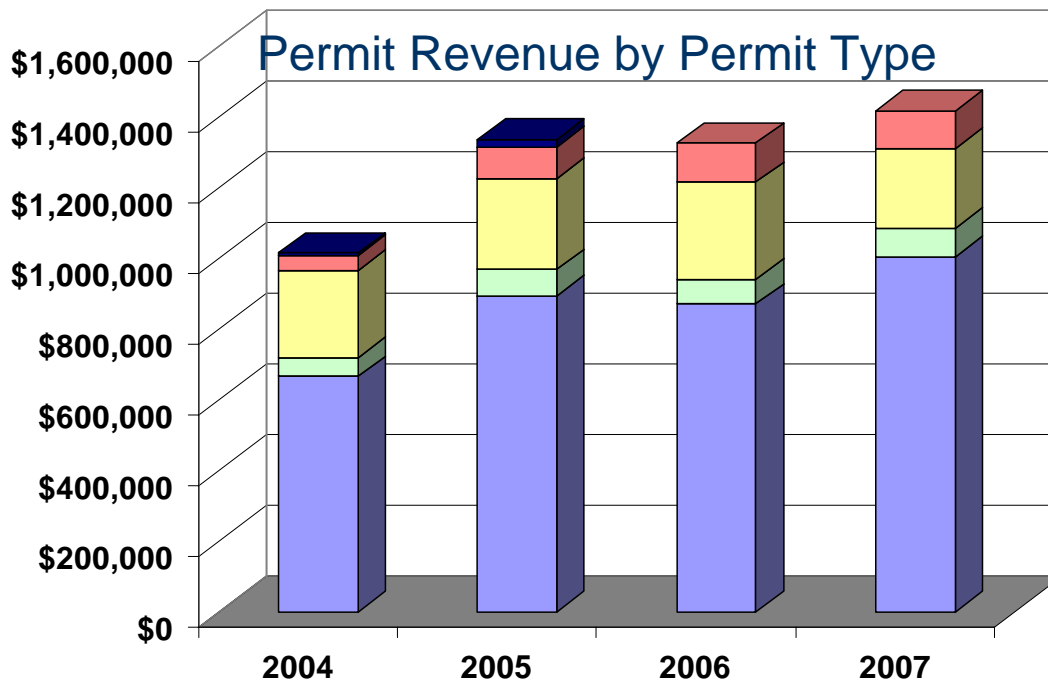
Investment Rates – Now

State Local Government Investment Pool



NOTE: Above rates are calculated on a 360-day basis.

General Fund Revenue: Permit Revenue

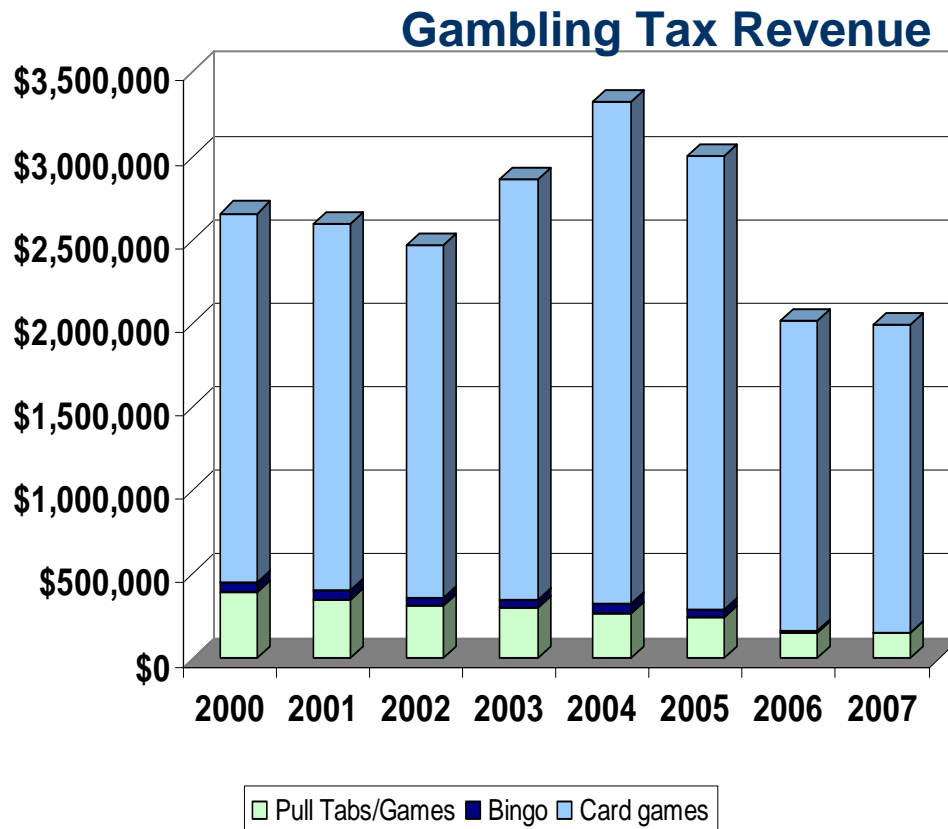


2007 Compared to 2006

- \$163,384 or 12.1% more
- \$133,565 or 15.4% increase in revenue from building permit and plan check fees.

Building Permits/Plan Check Mechanical Land Use/SEPA Review
Plumbing Fees Electrical

General Fund Revenue

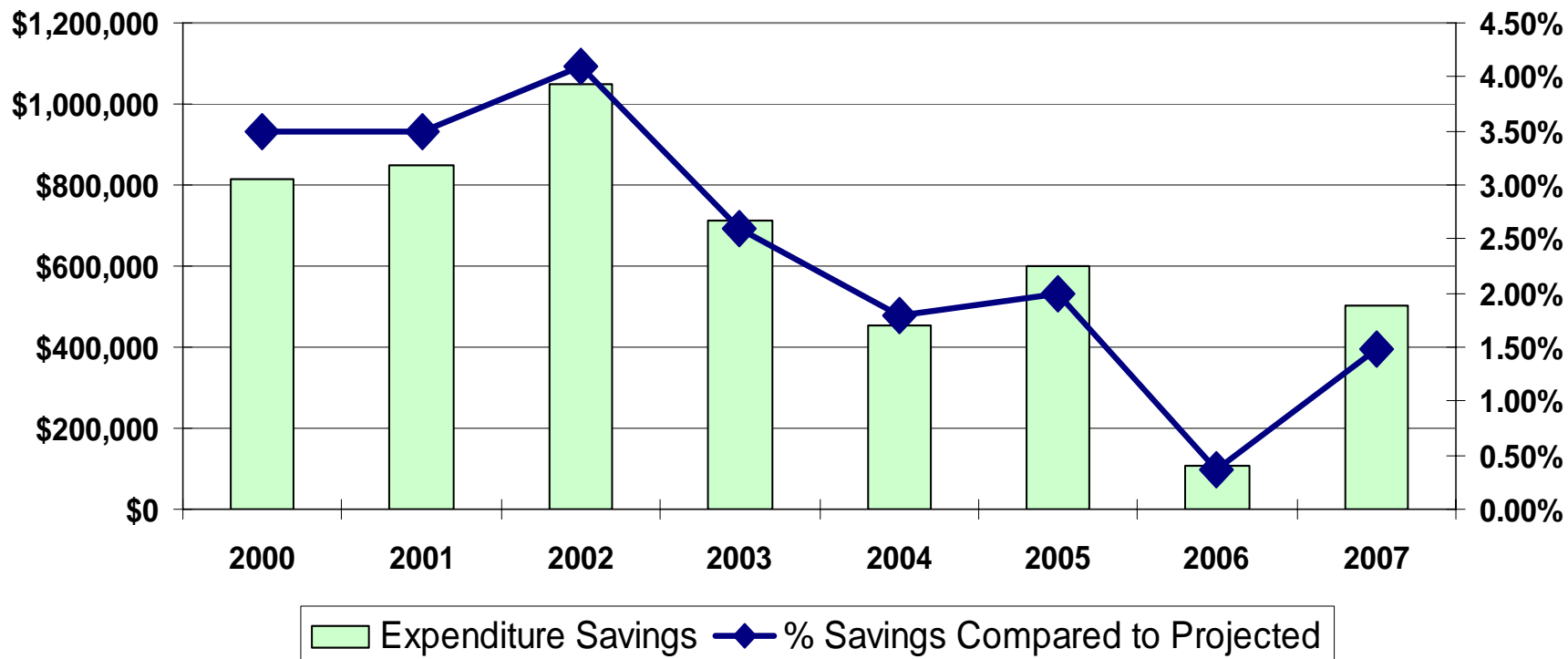


2007 Compared to 2006

- \$22,242 or 1.1% less than 2006.
- Since its peak in 2004 gambling revenue has decreased by \$1.3 million or 39.8%.
 - Decrease in card room revenue = \$1.1 million
 - Pull tab decline = \$122,687
 - Closure of the city's only bingo hall = \$58,389

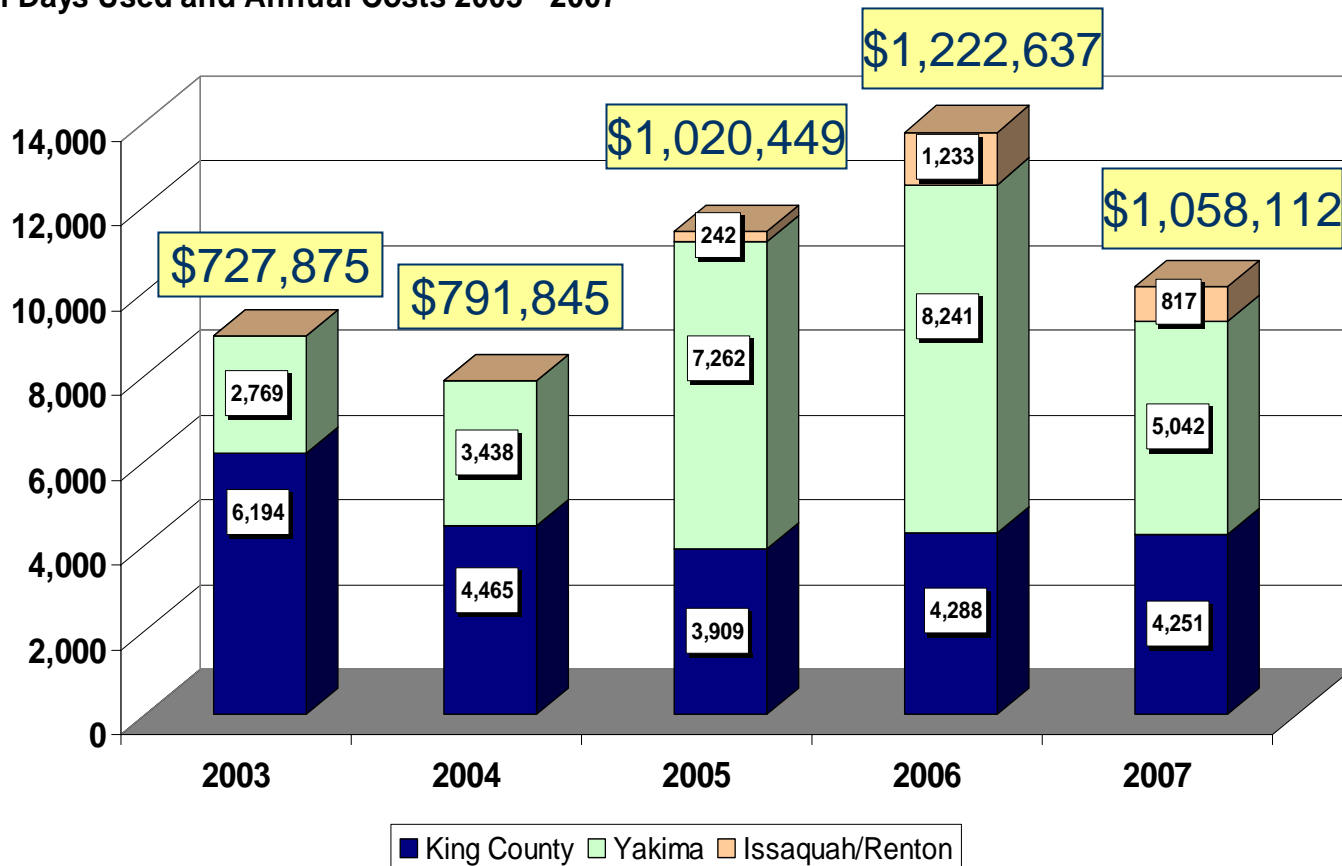
General Fund Expenditure Overview

2007 actual expenditures were 1.49% or \$502,978 under projections.



General Fund Expenditure Overview: Jail Costs

Jail Days Used and Annual Costs 2003 - 2007



2007 General Fund Summary

- \$1.278 Million in Unanticipated Budget Savings
 - Staff Recommendation
 - \$81,000 for City Hall Utility Hook-Up Fees
 - \$500,000 for City Hall Project
 - Provide additional contingency or reduce long-term debt
 - \$250,000 for Telephone System
 - Contract approved by City Council on April 14, 2008
 - Will bring back in future budget amendment

Street Fund

2007 Street Fund Summary							
	Budget	Projected	Actual	Carryover	Actual + Carryover	\$\$ Variance Actuals + Carryover v. Projected	% Variance
Revenue	\$2,582,151	\$2,530,230	\$2,604,567		\$2,604,567	\$74,337	2.9%
Expenditure	\$2,583,023	\$2,513,556	\$2,302,169	\$134,442	\$2,436,611	-\$76,945	-3.1%

- Net Result is \$151,282 in one-time savings

Surface Water Utility Fund

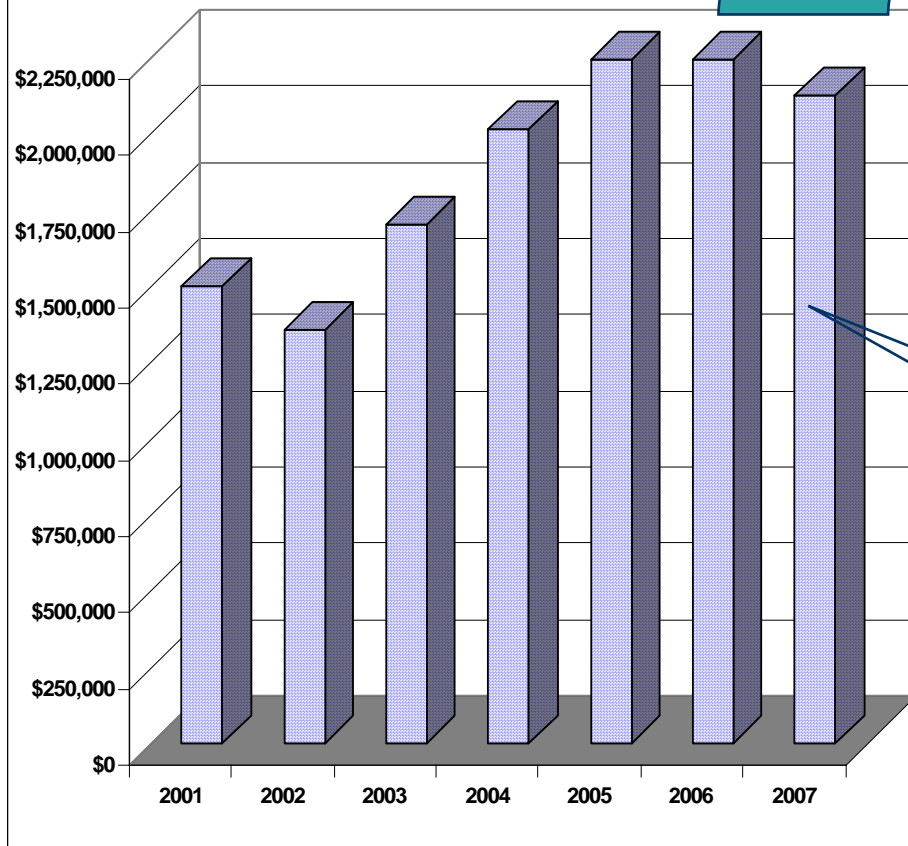
2007 Surface Water Utility Fund Summary

	Budget	Projected	Actual	Carryover	Actual + Carryover	\$\$ Variance Actuals + Carryover v. Projected	% Variance
Revenue	\$9,028,097	\$3,885,297	\$3,362,009		\$3,362,009	-\$523,288	-13.5%
Expenditure	\$6,925,911	\$3,069,833	\$1,944,059	\$747,828	\$2,691,887	-\$377,946	-12.3%

- Under on both anticipated revenues and expenditures
- Primarily related to capital expenditures and corresponding use of Public Works Trust Fund Loan

Real Estate Excise Tax (REET) Used for Capital Expenditures

Annual REET Revenue General Capital and Roads
Capital 2001 - 2007



	2006	2007	% Change
Total Number of Transactions	1,914	1,555	-18%
Total Value of Transactions	\$506,203,730	\$435,866,321	-14%

**2007 Revenue
\$433,946 or
16.92% Less than
2006.**

2007 Year End Report Summary

- Operating Funds (General Fund & Streets)
 - Revenue trends still positive
 - Watch in 2008: Sales, Gambling, Fuel Tax and Investment Interest
 - Expenditures
 - Departments managing within budget
 - Variance between actual and projected continues to narrow
 - Watch in 2008: Jail, Fuel, Inflation, Long-Term Projections
- Surface Water
 - Anticipate Capital Projects to Proceed in 2008
 - Watch 2008: Future Maintenance & Capital Needs and Related Fee Structure
- Capital
 - 2006 Bond Issue Projects progressing
 - Watch 2008: Real Estate Excise & Fuel Tax Trends, Capital Inflation, Project Bids

2008 Revenue – First Look

- Gambling Tax
 - 2008 first quarter card room gross receipts 13.5% less than first quarter 2007
- Sales Tax Revenue – 3 Month Comparison
 - \$107,246 or 6.8% above projections
- Real Estate Excise Tax
 - Through April approximately 19% below 2007
 - Approximately 12% (\$55,000) behind YTD projections