



**2006 Quarterly Financial Report
Third Quarter 2006
(January through September)**

The City of Hoquiam, Washington

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Hoquiam, Washington

360-532-5700

Mike Folkers, Finance Director

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CITY OF HOQUIAM

Third Quarter Financial Report - January through September 2006

EXECUTIVE SUMMARY

This document provides a detailed review of City financial activity for the first nine months of 2006. The report has been formatted to be consistent with the adopted budget for ease of comparison and review of information. Each set of facing pages provides a complete review of an individual fund and its year to date activity. The only exception to this is the General fund, which is presented in two sections: (1) revenues & transfers in and (2) appropriations and transfers out.

Current Status: At the end of September, on a City-wide basis, both revenues and expenditures are within parameters for budget projections. The adjacent All Funds Expenditure Summary page provides a summary of year to date expenditure v. appropriation information for the City, and indicates that overall, the City has expended 67.2% of operating appropriations. As of September 30, only a small percentage of capital improvement and debt service expenditures had been made.

Concerns: There are three funds showing higher than expected expenditures: the Cemetery Preneed Fund, the Medical/Dental Benefits Fund and the Unemployment Compensation Fund. The Cemetery Preneed fund shows higher than expected expenditures due an increase in the transfers to the Cemetery Fund. These transfers occur when people that have paid for prepaid for cemetery services actually use the services. This increase in transfers will be covered by a supplemental budget.

The Medical/Dental Benefits Fund is higher than anticipated because the October payment for medical premiums was paid early in October and included in the third quarter expenditure report. This fund should be at 100% at year-end.

The Unemployment Compensation Fund is higher than anticipated because two former employees have filed for unemployment of which the City is partially responsible. Staff will continue to monitor this fund for future amendments.

Total Water, Sewer and Storm Fund revenues are at appropriate levels for the third quarter of the year. In the second quarter report, I noted how water revenues started out below 2005 but reversed in the second quarter. Water sales are now 5.1% higher than 2005 levels. Water sales are still running less than 75% on the year but are within normal expenditure parameters.

Storm drain revenues continue to lag and are only at 52.6% of budget for the third quarter. Storm drain revenues are not seasonal and collections should be higher

than they are. Staff is reviewing the rate model and will communicate necessary rate adjustments during the budget process.

Please see the individual pages for a more detailed analysis of each fund's revenues and expenditures.

ALL FUNDS EXPENDITURE SUMMARY

CITY OF HOQUIAM
2006 3RD QUARTER FINANCIAL REPORT

<u>OPERATING FUNDS</u>	<u>No.</u>	<u>2006</u> <u>Q3 YTD</u>	<u>2005</u> <u>Q3 YTD</u>	<u>Increase</u> <u>(Decrease)</u>	<u>% Increase</u> <u>(Decrease)</u>	<u>2006</u> <u>Budget</u>	<u>% to</u> <u>Budget</u>
General Fund	001	\$3,464,005	\$3,676,636	-\$212,631	-5.8%	\$4,679,665	74.0%
Cemetery	101	\$115,198	\$126,037	-\$10,839	-8.6%	\$181,555	63.5%
Mausoleum	102	\$7,807	\$6,962	\$845	12.1%	\$19,175	40.7%
Cemetery Pread	104	\$3,305	\$1,728	\$1,578	91.3%	\$2,000	165.3%
Street Fund	106	\$205,982	\$205,170	\$812	0.4%	\$274,070	75.2%
Arterial Street Fund	107	\$36,234	\$36,546	-\$312	-0.9%	\$66,330	54.6%
Ambulance	109	\$1,074,781	\$985,248	\$89,533	9.1%	\$1,367,235	78.6%
Stadium/Tourism	112	\$1,000	\$0	\$1,000	-	\$7,000	14.3%
Comm. Devel. Repay	130	\$21,669	\$15,524	\$6,145	39.6%	\$42,600	50.9%
Water	401-25	\$1,216,320	\$1,265,626	-\$49,306	-3.9%	\$1,628,160	74.7%
Sewer	401-26	\$719,492	\$832,906	-\$113,414	-13.6%	\$968,300	74.3%
Storm	401-27	\$215,021	\$0	\$215,021	-	\$313,530	68.6%
Watershed	402	\$468,300	\$1,492,560	-\$1,024,260	-68.6%	\$1,717,940	27.3%
Landfill Postclosure	417	\$30,692	\$31,343	-\$651	-2.1%	\$61,490	49.9%
Equipment Rental	501	\$342,082	\$345,430	-\$3,348	-1.0%	\$579,850	59.0%
Equipment Rental Reserve	505	\$156,618	\$178,815	-\$22,198	-12.4%	\$425,275	36.8%
Medical/Dental Benefits	520	\$1,050,718	\$876,299	\$174,418	19.9%	\$1,320,000	79.6%
Unemployment Fund	522	\$24,017	\$11,359	\$12,658	111.4%	\$15,000	160.1%
<u>Police & Fire Retiree</u>	611	<u>\$362,978</u>	<u>\$332,949</u>	<u>\$30,029</u>	<u>9.0%</u>	<u>\$493,250</u>	<u>73.6%</u>
TOTAL OPERATING FUNDS		\$9,516,636	\$10,421,138	-\$904,502	-8.7%	\$14,162,425	67.2%
 <u>CAPITAL IMPROVEMENT FUNDS</u>							
Stadium Field Loan Repayment	005	\$26,325	\$25,391	\$934	3.7%	\$34,000	77.4%
Paths & Trails	108	\$0	\$0	\$0	-	\$5,000	0.0%
General Capital Reserve	114	\$0	\$0	\$0	-	\$25,000	0.0%
Sidewalk Construction Fund	302	\$2,289	\$3,574	-\$1,285	-35.9%	\$32,500	7.0%
Train Station	308	\$29,866	\$9,186	\$20,680	225.1%	\$0	-
Water Capital Projects	401-25	\$43,385	\$738,071	-\$694,686	-94.1%	\$546,405	7.9%
Sewer Capital Projects	401-26	\$57,414	\$401,469	-\$344,055	-85.7%	\$642,010	8.9%
<u>Storm Drain Capital Projects</u>	401-27	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>\$70,000</u>	<u>0.0%</u>
TOTAL CAPITAL IMPROVEMENT FUNDS		\$159,279	\$1,177,691	-\$1,018,412	-86.5%	\$1,354,915	11.8%
TOTAL DEBT SERVICE FUNDS		\$43,659	\$49,121	-\$5,462	-11.1%	\$305,115	14.3%
TOTAL ALL FUNDS		\$9,719,574	\$11,647,950	-\$1,928,376	-16.6%	\$15,822,455	61.4%

General Fund

Overview:

The following four pages summarize all 2006 General Fund projected revenues, appropriations, and expenditures by department through September.

For 2006, total revenues and transfers in are budgeted at \$4,459,375, while appropriations and transfers out are adopted at \$4,679,665, creating an ending balance of \$1,237,700.

Operating budget appropriations of \$4,612,685, represent a -0.1% decrease over comparable 2005 operating appropriations. Transfers to other funds total \$66,980, and include annual support of City activities including emergency care operations and funds for cemetery operations.

General Fund Revenues:

Taxes through September are at 81.9% of budget. This is higher than anticipated and 3.4% higher than the third quarter of 2005. Sales taxes are collected two months in arrears, however they are a sign of the City's health and a good indicator of economic activity. Through September, sales taxes collected are 9.8% higher than comparable 2005 levels. Additionally, B&O taxes are up 41.0% over comparable 2005 levels. However, B&O tax collections are not always paid on time and a late payment by a large business can skew this line item. Lastly, Utility Taxes in total are up 8.3% over comparable 2005.

Licenses and Permits are at 110.1% of budget through September. This is due to business license renewals that were due in January and the increase in building permits. Revenue from building permits through 2006 is 111% higher than comparable 2005 levels. This does not include the building permit from Imperium Biodiesel that is expected by the fiscal year end.

Intergovernmental Revenue is at 99.4% of budget through the third quarter. Grants received by the Police and Fire Departments account for a majority of this category's year to date revenues.

Fines and Forfeitures are running ahead of budget, at 107.5% through September. This category includes primarily police citations and other court fines. The City received two large distributions of Investigative Confiscation money skewing this category.

Miscellaneous Revenue is at 147.2% of budget. Increases in short term interest rates and fund balances from the increase in the above revenues have allowed the City to earn more money on its cash reserves.

GENERAL FUND (CURRENT EXPENSE) #001

CITY OF HOQUIAM

2006 3RD QUARTER FINANCIAL REPORT

<u>REVENUES</u>	<u>2006 Q3 YTD</u>	<u>2005 Q3 YTD</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>	<u>2006 Budget</u>	<u>% to Budget</u>
Beginning Fund Balance	\$1,464,337	\$1,543,327			\$1,457,990	
Taxes	\$2,686,979	\$2,598,920	\$88,059	3.4%	\$3,279,010	81.9%
Licenses and Permits	\$278,332	\$206,168	\$72,164	35.0%	\$252,715	110.1%
Intergovernmental Revenue	\$350,622	\$316,164	\$34,459	10.9%	\$352,900	99.4%
Charges for Services	\$70,353	\$55,844	\$14,509	26.0%	\$52,540	133.9%
Fines and Forfeits	\$112,309	\$53,914	\$58,395	108.3%	\$104,500	107.5%
<u>Miscellaneous Revenue</u>	<u>\$282,771</u>	<u>\$206,361</u>	<u>\$76,410</u>	<u>37.0%</u>	<u>\$192,100</u>	<u>147.2%</u>
TOTAL GENERAL FUND	\$3,781,366	\$3,437,369	\$343,997	10.0%	\$4,233,765	89.3%
<u>OTHER REVENUES & TRANSFERS IN</u>						
Interfund Loan - Eq. Res. 505	\$0	\$0	\$0	100.0%	\$90,000	0.0%
Proceeds from Property Sale	\$54,000	\$0	\$54,000	100.0%	\$0	-
Residual Equity Transfer In	\$4,124	\$0	\$4,124	100.0%	\$4,165	99.0%
Trf In - Ambulance 109/E911	\$11,734	\$9,656	\$2,077	21.5%	\$15,645	75.0%
Trf In - Stadium 005/Grayport	26,325	\$25,391	\$934	3.7%	\$34,000	77.4%
Trf In - Gen. Capital 114/City Hall	\$0	\$0	\$0	100.0%	\$25,000	0.0%
Trf In - Gen. Capital 114/Lib Roof	\$0	\$0	\$0	100.0%	\$50,000	0.0%
Trf In - Library Memorial	\$0	\$0	\$0	100.0%	\$6,800	0.0%
Trf In - 112 Tourism	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>100.0%</u>	<u>\$0</u>	<u>-</u>
TOTAL OTHER REVENUES	\$96,183	\$35,048	\$61,135	174.4%	\$225,610	42.6%
TOTAL GEN FUND REVENUES	\$3,877,549	\$3,472,417	\$405,132	11.7%	\$4,459,375	87.0%
GRAND TOTAL GENERAL FUND	\$5,341,886	\$5,015,744			\$5,917,365	

In summary, revenue activity is ahead of normal parameters, and staff will monitor specific areas of concern.

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General Fund Appropriations:

Adopted appropriations and required transfers are budgeted at \$4,679,665 a \$262,505 decrease from 2005 appropriated levels. This large decrease is due to the elimination of transfers to the Ambulance Fund and the associated passage of the Ambulance Utility Ordinance. Of this total, the adjacent page summarizes budgeted operating appropriations of \$4,612,685 and transfers out of \$66,980.

Through September, operating expenditures total 74.2% of appropriations, slightly below anticipated spending levels for the first nine months of the year. Given that the first nine months will include annual insurance premiums, debt service costs and other one-time costs, this is better than expected. The departure of employees in Animal Control, Public Works, and Finance contributed to the low budget to actual.

Departments that are substantially above year to date targets include Legislative, and Community Services. The Legislative Department is over budget due to a number of membership payments to other governmental entities including Council of Governments. This budget will be closely monitored to ensure it comes in at target for year-end.

Community Services expenses are above target, due to Americorps grant carryovers from 2005 that were not included in the adopted budget. Both the Fire and Community Services will be reimbursed for these expenditures and should be at target by year-end.

In summary, most departments are well within budgeted parameters through the first nine months. The Finance Department will work with Department Heads to monitor activity monthly to ensure that overall budget targets are adhered to.

Transfers to Other Funds:

The General Fund budget includes \$66,980 in transfers to other funds. These transfers include:

Ambulance: Annual support level totals \$43,000. To date this category is 99.5% expended during the first nine months. The Ambulance service fee structure was modified in January 2006 eliminating the need for further transfers in.

Cemetery: \$23,980 in transfers for continued operational support. This transfer has not been made as of September.

GENERAL FUND (CURRENT EXPENSE) #001

CITY OF HOQUIAM

2006 3RD QUARTER FINANCIAL REPORT

OPERATING EXPENDITURES

<u>DEPARTMENT</u>	<u>2006 Q3 YTD</u>	<u>2005 Q3 YTD</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>	<u>2006 Budget</u>	<u>% to Budget</u>
Legislative/Council	\$90,434	\$106,002	-\$15,568	-14.7%	\$106,955	84.6%
Municipal Court	\$99,572	\$105,843	-\$6,271	-5.9%	\$146,055	68.2%
Finance	\$135,589	\$116,722	\$18,867	16.2%	\$191,910	70.7%
Legal	\$82,081	\$76,691	\$5,391	7.0%	\$106,000	77.4%
Civil Service	\$3,604	\$220	\$3,385	1539.9%	\$5,075	71.0%
City Hall & Buildings	\$65,329	\$76,152	-\$10,823	-14.2%	\$107,790	60.6%
Electrical	\$128,581	\$128,013	\$568	0.4%	\$190,710	67.4%
Police	\$1,433,568	\$1,306,383	\$127,185	9.7%	\$1,871,030	76.6%
Fire	\$616,949	\$585,724	\$31,224	5.3%	\$798,315	77.3%
Animal Control	\$32,680	\$43,363	-\$10,683	-24.6%	\$65,405	50.0%
Public Works	\$127,552	\$120,980	\$6,573	5.4%	\$168,640	75.6%
Personnel Services	\$304	\$324	-\$20	-6.1%	\$0	-
Police Special Funds (DTF)	\$77,054	\$93,313	-\$16,259	-17.4%	\$119,320	64.6%
Library	\$131,072	\$134,480	-\$3,408	-2.5%	\$244,860	53.5%
Community Services	\$305,851	\$282,606	\$23,245	8.2%	\$358,695	85.3%
Americorps	\$7,290	\$0	\$7,290	100.0%	\$0	-
Economic Development	\$30,665	\$52,491	-\$21,826	-41.6%	\$61,180	50.1%
911 Program	\$53,057	\$68,963	-\$15,906	-23.1%	\$70,745	75.0%
Miscellaneous	\$0	\$167	-\$167	-100.0%	\$0	-
TOTAL OPERATING EXPENSES	\$3,421,232	\$3,298,437	\$122,796	3.7%	\$4,612,685	74.2%
<u>TRANSFERS OUT</u>						
Trf Out - Ambulance #109	\$42,772	\$378,200	-\$335,427	-88.7%	\$43,000	99.5%
Trf Out - Cemetery #101	\$0	\$0	\$0	-	\$23,980	0.0%
TOTAL TRANSFERS OUT	\$42,772	\$378,200	-\$335,427	-88.7%	\$66,980	63.9%
GRAND TOTAL GENERAL FUND	\$3,464,005	\$3,676,636	-\$212,631	-5.8%	\$4,679,665	74.0%
OVER (SHORT)	\$1,877,881	\$1,339,107			\$1,237,700	

Cemetery Fund #101

Overview:

The Cemetery Fund provides for the accounting of resources and expenditures associated with the City Cemetery. This includes the total care and maintenance of the grounds, perpetual headstone care, grave, crypt and niche sales and retail monument and vault sales.

The budget provides for \$181,555 in total resources and transfers in and total expenditures and transfers out of \$181,555.

Revenues:

Revenues to the Cemetery Fund primarily come from Cemetery Fees and operating transfers from other funds, foremost the General Fund. Cemetery Fee revenue is much higher than anticipated with 93.0% of budgeted amounts received as of the third quarter. As of the end of September, only 20.8% of transfers to the Cemetery Fund had been made. To date, the Cemetery Fund is on target having received \$138,753, or 76.4% of budgeted revenues.

Appropriations:

There are 1.42 FTE's dedicated to operations and maintenance activities and 0.75 FTE's dedicated for administrative and clerical duties at the Cemetery. Through September, the Cemetery fund has expended \$115,198 or 63.5% of budgeted appropriations.

CEMETERY FUND #101
CITY OF HOQUIAM
2006 3RD QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2006 Q3 YTD	2005 Q3 YTD	Increase (Decrease)	% Increase (Decrease)	2006 Budget	% to Budget
Beginning Fund Balance	\$0	\$5,229			\$0	
Retail Sales	\$0	\$0	\$0	-	\$6,000	0.0%
Cemetery Fees	\$95,851	\$69,331	\$26,520	38.3%	\$100,000	95.9%
Investment Interest	\$22,743	\$12,537	\$10,205	81.4%	\$19,500	116.6%
Land Lease (Cell Tower)	\$7,200	\$8,000	-\$800	-10.0%	\$9,600	75.0%
Housing Rentals	\$3,600	\$1,800	\$1,800	100.0%	\$4,800	75.0%
Donations	\$100	\$45	\$55	122.2%	\$0	-
<u>Other Miscellaneous</u>	<u>\$589</u>	<u>\$5</u>	<u>\$584</u>	<u>11231.7%</u>	<u>\$0</u>	<u>-</u>
TOTAL CEMETERY FUND	\$130,083	\$91,718	\$38,365	41.8%	\$139,900	93.0%
<u>OTHER REVENUES & TRANSFERS IN</u>						
Interfund Loan - Mausoleum 102	\$0	\$0	\$0	-	\$5,000	0.0%
Trf In - Mausoleum #102	\$5,940	\$4,934	\$1,006	20.4%	\$10,675	55.6%
Trf In - Cem Preneed #104	\$2,730	\$1,728	\$1,003	58.0%	\$2,000	136.5%
<u>Trf In - General Fund #001</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>\$23,980</u>	<u>0.0%</u>
TOTAL OTHER REVENUES	\$8,670	\$6,661	\$2,009	30.2%	\$41,655	20.8%
TOTAL CEMETERY REVENUES	\$138,753	\$98,379	\$40,374	41.0%	\$181,555	76.4%
GRAND TOTAL CEMETERY FUND	\$138,753	\$103,608			\$181,555	
<u>APPROPRIATIONS</u>						
Cemetery Operations	\$107,229	\$119,774	-\$12,545	-10.5%	\$157,030	68.3%
Equipment Rental	\$5,921	\$5,571	\$351	6.3%	\$10,500	56.4%
Road Paving Debt Service	\$0	\$0	\$0	-	\$6,825	0.0%
Land	\$805	\$0	\$805	-	\$0	-
Mausoleum Loan	\$0	\$0	\$0	-	\$5,000	0.0%
Computer Touch Screen Upgrade	\$0	\$0	\$0	-	\$1,000	0.0%
<u>Trf Out - Equipment Reserve #505</u>	<u>\$1,242</u>	<u>\$693</u>	<u>\$549</u>	<u>79.2%</u>	<u>\$1,200</u>	<u>103.5%</u>
CEMETERY FUND APPROPRIATIONS	\$115,198	\$126,037	-\$10,839	-8.6%	\$181,555	63.5%
OVER (SHORT)	\$23,555	-\$22,429			\$0	

Mausoleum Fund #102

Overview:

The Mausoleum Fund accounts for all operating funds necessary to operate and maintain the City's Mausoleum.

This fund begins the year with a \$120,521 cash balance. The budget provides for \$20,825 in resources.

Revenues:

The major source of resources to the Mausoleum Fund comes from user fees. There is also a repayment of a loan provided to the Cemetery Fund. As of September 2006, \$10,624 or 51.0%, of revenues have been received.

Appropriations:

Appropriations to the Mausoleum Fund include operating supplies and a transfer to the Cemetery Fund for maintenance to the Mausoleum. At the end of the third quarter, \$7,807 or 40.7% of appropriated expenditures had been made.

MAUSOLEUM FUND #102
CITY OF HOQUIAM
2006 3RD QUARTER FINANCIAL REPORT

<u>REVENUES</u>	<u>2006</u> <u>Q3 YTD</u>	<u>2005</u> <u>Q3 YTD</u>	<u>Increase</u> <u>(Decrease)</u>	<u>% Increase</u> <u>(Decrease)</u>	<u>2006</u> <u>Budget</u>	<u>% to</u> <u>Budget</u>
Beginning Fund Balance	\$120,521	\$113,863			\$120,520	
Cemetery Fees	\$5,877	\$7,349	-\$1,472	-20.0%	\$11,000	53.4%
Investment Interest	\$4,747	\$2,184	\$2,562	117.3%	\$3,000	158.2%
<u>Interest on Contracts</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>\$1,085</u>	<u>0.0%</u>
TOTAL MAUSOLEUM FUND	\$10,624	\$9,533	\$1,091	11.4%	\$15,085	70.4%
<u>OTHER REVENUES & TRANSFERS IN</u>						
<u>Interfund Loan - Cemetery #101</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>\$5,740</u>	<u>0.0%</u>
TOTAL OTHER REVENUES	\$0	\$0	\$0	-	\$5,740	0.0%
TOTAL MAUSOLEUM REVENUES	\$10,624	\$9,533	\$1,091	11.4%	\$20,825	51.0%
GRAND TOTAL MAUSOLEUM FUND	\$131,145	\$123,395			\$141,345	
<u>APPROPRIATIONS</u>						
Mausoleum Operations	\$1,867	\$2,028	-\$161	-7.9%	\$3,500	53.3%
Cemetery Loan	\$0	\$0	\$0	-	\$5,000	0.0%
<u>Trf Out - Cemetery #101</u>	<u>\$5,940</u>	<u>\$4,934</u>	<u>\$1,006</u>	<u>20.4%</u>	<u>\$10,675</u>	<u>55.6%</u>
MAUSOLEUM FUND APPROPRIATIONS	\$7,807	\$6,962	\$845	12.1%	\$19,175	40.7%
OVER (SHORT)	\$123,338	\$116,434			\$122,170	

Street Fund #106

Overview:

The adjacent page summarizes all Street Fund projected revenues, adopted appropriations, and financial activity through September.

Revenues

Revenues and transfers come from two primary sources, gas taxes, and property taxes indirectly transferred from the General fund.

Gas tax revenues are at 71.1% of budget through September. Yearly revenue estimates are based upon Department of Transportation projections. Gasoline taxes are collected on a cents per gallon basis and not as a percentage of sales price. For this reason, the increase in gasoline prices does not result in a corresponding increase in gas tax revenue.

Property tax revenues indirectly transferred to this fund are \$128,630, or 100.0% of budget. This revenue source is fully funded for the year and no further transfers are planned.

Appropriations:

Overall, the Street Fund expended 75.2%, or \$208,982 of its \$274,070 budget during the first nine months of the year. Activity will decelerate as the summer winds down and the City reduces its road maintenance efforts.

STREET FUND #106
CITY OF HOQUIAM
2006 3RD QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2006 <u>Q3 YTD</u>	2005 <u>Q3 YTD</u>	Increase <u>(Decrease)</u>	% Increase <u>(Decrease)</u>	2006 <u>Budget</u>	% to <u>Budget</u>
Beginning Fund Balance	\$54,734	\$84,768			\$54,735	
Property Tax	\$128,630	\$109,500	\$19,130	17.5%	\$128,630	100.0%
Street & Curb Permits	\$1,356	\$1,005	\$351	34.9%	\$1,200	113.0%
<u>Gas Tax</u>	<u>\$101,845</u>	<u>\$93,884</u>	<u>\$7,962</u>	<u>8.5%</u>	<u>\$143,240</u>	<u>71.1%</u>
TOTAL STREET FUND	\$231,831	\$204,389	\$27,443	13.4%	\$327,805	70.7%
GRAND TOTAL STREET FUND	\$286,565	\$289,156			\$382,540	
<u>APPROPRIATIONS</u>						
Executive Services	\$13,671	\$3,958	\$9,713	245.4%	\$18,290	74.7%
Roadway Services	\$109,151	\$112,195	-\$3,043	-2.7%	\$151,555	72.0%
Traffic Control Devices	\$11,337	\$7,236	\$4,101	56.7%	\$9,200	123.2%
Ancillary Operations	\$64,629	\$64,164	\$465	0.7%	\$86,205	75.0%
General Administration	\$6,685	\$16,870	-\$10,186	-60.4%	\$8,105	82.5%
<u>Trf Out - Paths & Trails #108</u>	<u>\$509</u>	<u>\$747</u>	<u>-\$238</u>	<u>-31.8%</u>	<u>\$715</u>	<u>71.2%</u>
STREET FUND APPROPRIATIONS	\$205,982	\$205,170	\$812	0.4%	\$274,070	75.2%
OVER (SHORT)	\$80,583	\$83,986			\$108,470	

Arterial Street Fund #107

Overview:

The adjacent page summarizes all Arterial Street Fund projected revenues, adopted appropriations, and financial activity through September.

Revenues

Revenues to this fund come entirely from gas taxes and associated fund balance investments.

Gas tax revenues are at 71.1% of budget through September. Yearly revenue estimates are based upon Department of Transportation projections. Gasoline taxes are collected on a cents per gallon basis and not as a percentage of sales price. For this reason, the increase in gasoline prices does not result in a corresponding increase in gas tax revenue.

Appropriations and transfers out:

Budgeted appropriations and transfers out total \$66,330. Through September, expenditures and transfers out total \$36,234. Expenditures go primarily to debt service and transfers out. The debt service in this fund is a Public Works Trust Fund loan for the Aberdeen Avenue project. The large transfer out goes to the Sidewalk Construction Fund. A small transfer also goes to the City's Paths and Trails Fund for a future project.

ARTERIAL STREET FUND #107

CITY OF HOQUIAM

2006 3RD QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2006 <u>Q3 YTD</u>	2005 <u>Q3 YTD</u>	Increase <u>(Decrease)</u>	% Increase <u>(Decrease)</u>	2006 <u>Budget</u>	% to <u>Budget</u>
Beginning Fund Balance	\$127,110	\$100,030			\$127,110	
Gas Tax	\$47,620	\$43,897	\$3,723	8.5%	\$67,000	71.1%
<u>Investment Interest</u>	<u>\$4,961</u>	<u>\$2,198</u>	<u>\$2,763</u>	<u>125.7%</u>	<u>\$3,000</u>	<u>165.4%</u>
TOTAL ARTERIAL STREET FUND	\$52,580	\$46,095	\$6,485	14.1%	\$70,000	75.1%
GRAND TOTAL ART. STREET FUND	\$179,690	\$146,125			\$197,110	
<u>APPROPRIATIONS</u>						
Debt Service	\$35,996	\$36,326	-\$330	-0.9%	\$35,995	100.0%
Trf Out - Paths & Trails #108	\$238	\$219	\$19	8.5%	\$335	71.1%
<u>Trf Out - Sidewalk Construction #302</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>\$30,000</u>	<u>0.0%</u>
ART. STREET FUND APPROPRIATIONS	\$36,234	\$36,546	-\$312	-0.9%	\$66,330	54.6%
OVER (SHORT)	\$143,456	\$109,580			\$130,780	

Ambulance Fund #109

Overview:

The Ambulance Fund accounts for the emergency medical response operations of the City's Fire Department. The adjacent page summarizes all revenues, and financial activity through September.

Revenues:

Emergency Care revenues come from three primary sources:

- The general emergency medical services property tax levy is projected to generate \$164,000. Through September, the City had received \$92,763 with another major distribution expected to occur in November from the County Auditor's office.
- Ambulance fees are projected at \$675,000. Through September, the City has collected \$577,777, or 85.6% of Budget. This activity is \$15,449 or 2.7% higher than the 2005 activity through September.
- Transfers from the General fund are budgeted at \$43,000. Through September 99.5%, or \$42,772, has been transferred. The Ambulance fee structure was modified in 2006 and no more transfers will be necessary from the General Fund.

Appropriations and Transfers Out:

Through September, the Ambulance Fund has spent 79.5% of its annual operating budget appropriations of \$1,274,445. This activity is slightly above target, and Finance with the cooperation Emergency Care Administration will monitor monthly activity to ensure that overall budget targets are adhered to.

Other appropriations include:

- A \$15,645 transfer to the General Fund to pay the Ambulance Fund's portion of the annual E911 contribution.
- \$19,600 in capital projects including a heavy-duty gurney and the ramp at the East Side station.
- A \$14,540 transfer to Equipment Rental for vehicle repairs
- \$40,000 in transfers to the Equipment Reserve Fund for future vehicle purchases.

AMBULANCE FUND #109
CITY OF HOQUIAM
2006 3RD QUARTER FINANCIAL REPORT

<u>REVENUES</u>	<u>2006</u> <u>Q3 YTD</u>	<u>2005</u> <u>Q3 YTD</u>	<u>Increase</u> <u>(Decrease)</u>	<u>% Increase</u> <u>(Decrease)</u>	<u>2006</u> <u>Budget</u>	<u>% to</u> <u>Budget</u>
Beginning Fund Balance	\$244,582	\$75,368			\$244,580	
EMS Levy	\$92,763	\$85,982	\$6,781	7.9%	\$164,000	56.6%
St. Health Grant	\$1,463	\$1,290	\$173	13.4%	\$0	-
GH Transit Grant	\$2,323	\$0	\$2,323	-	\$0	-
Ambulance Fees	\$577,777	\$562,328	\$15,449	2.7%	\$675,000	85.6%
Miscellaneous	\$4,292	\$3,636	\$656	18.0%	\$2,000	214.6%
Ambulance Utility Charges	\$310,591	\$0	\$310,591	-	\$0	-
Amb Utility Collection Accts	\$61	\$46	\$15	32.7%	\$0	-
<u>Fire District EMS Fees</u>	<u>\$10,640</u>	<u>\$17,360</u>	<u>-\$6,720</u>	<u>-38.7%</u>	<u>\$41,000</u>	<u>26.0%</u>
TOTAL AMBULANCE FUND	\$999,910	\$670,642	\$329,268	49.1%	\$882,000	113.4%
<u>OTHER REVENUES & TRANSFERS IN</u>						
<u>Trf In - General Fund #001</u>	<u>\$42,772</u>	<u>\$378,200</u>	<u>-\$335,427</u>	<u>-88.7%</u>	<u>\$43,000</u>	<u>99.5%</u>
TOTAL OTHER REVENUES	\$42,772	\$378,200	-\$335,427	-88.7%	\$43,000	99.5%
TOTAL AMBULANCE REVENUES	\$1,042,682	\$1,048,841	-\$6,159	-0.6%	\$925,000	112.7%
GRAND TOTAL AMBULANCE FUND	\$1,287,264	\$1,124,209			\$1,169,580	
<u>APPROPRIATIONS</u>						
Ambulance Operations	\$1,012,818	\$930,068	\$82,750	8.9%	\$1,274,445	79.5%
Capital	\$11,716	\$0	\$11,716	-	\$19,600	59.8%
Debt Service	\$3,005	\$3,005	\$0	0.0%	\$3,005	100.0%
Trf Out - General Fund #001 (E911)	\$1,134	\$9,656	-\$8,523	-88.3%	\$15,645	7.2%
Trf Out - Equipment Rental #501	\$16,111	\$15,854	\$257	1.6%	\$14,540	110.8%
<u>Trf Out - Equipment Reserve #505</u>	<u>\$29,997</u>	<u>\$26,664</u>	<u>\$3,333</u>	<u>12.5%</u>	<u>\$40,000</u>	<u>75.0%</u>
AMBULANCE FUND APPROPRIATION	\$1,074,781	\$985,248	\$89,533	9.1%	\$1,367,235	78.6%
OVER (SHORT)	\$212,483	\$138,962			-\$197,655	

Stadium and Tourism Fund #112

Overview:

The Stadium and Tourism Fund provides for the collection of the City's 2% stadium tax and 3% transient tax revenues. Funds collected here are spent to finance ongoing municipal operations related to tourism, festivals and performing arts activities.

Revenues:

For the year, Hotel Motel tax revenues are budgeted to total \$13,000, and come from two sources, a 2% Stadium tax and a 3% Transient excise tax. Revenues through September of \$7,565 constitute 58.2% of the budgeted amount of \$13,000. This is lower by \$2,578 or 25.4%, than 2005 levels.

Through September, total revenue collections are slightly below target and have dropped 20.5% behind the 2005 year to date actuals. Staff will continue to monitor this trend monthly and keep the Council informed of any important developments.

Appropriations and Transfers out:

Through September, the City has only expended 14.3% of its budget authority in this fund. Budgeted expenditures include:

Loggers Playday, \$1,000 budgeted. To fund the marketing efforts of this September event.

7th Street Theatre, \$1,000 budgeted: To fund promotional and media related activities of the Theatre.

Community events, \$5,000 budgeted: To fund promotional and marketing of the Blue Grass Festival and the On Track Art Festival.

STADIUM/TOURISM FUND #112

CITY OF HOQUIAM

2006 3RD QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2006 <u>Q3 YTD</u>	2005 <u>Q3 YTD</u>	Increase <u>(Decrease)</u>	% Increase <u>(Decrease)</u>	2006 <u>Budget</u>	% to <u>Budget</u>
Beginning Fund Balance	\$11,434	\$0			\$11,435	
Hotel-Motel Tax	\$7,565	\$10,143	-\$2,578	-25.4%	\$13,000	58.2%
<u>Investment Interest</u>	<u>\$497</u>	<u>\$1</u>	<u>\$496</u>	<u>65278.9%</u>	<u>\$0</u>	<u>-</u>
TOTAL STADIUM/TOURISM FUND	\$8,062	\$10,144	-\$2,082	-20.5%	\$13,000	62.0%
GRAND TOTAL STADIUM/TOURISM	\$19,496	\$10,144			\$24,435	
<u>APPROPRIATIONS</u>						
Loggers Playday	\$1,000	\$0	\$1,000	-	\$1,000	100.0%
7th Street Theatre	\$0	\$0	\$0	-	\$1,000	0.0%
Community Events	\$0	\$0	\$0	-	\$5,000	0.0%
<u>Trf Out - General Fund #001</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>\$0</u>	<u>-</u>
STADIUM/TOURISM APPROPRIATIONS	\$1,000	\$0	\$1,000	-	\$7,000	14.3%
OVER (SHORT)	\$18,496	\$10,144			\$17,435	

Community Development Repay Fund #130

Overview:

The Community Development Repay Fund receives its funding from loan repayments associated with the home improvement loan program established in the early 1980's. Proposed expenditures represent abatement and cleanup activities.

This fund began 2006 with a budgeted \$195,285 cash balance.

Revenues:

This fund receives its primary resources from contract payments on home improvement loans and some resources from cleanup and abatement fees. Total resources were budgeted at \$5,960 while revenues of \$39,476 have already been received primarily from stepped up abatement efforts. The City's increased efforts in the abatement of dangerous buildings has increased the revenues of this fund dramatically and slowed the use of reserves by this fund.

Appropriations and Transfers out:

Expenditures for cleanup and abatement activities were budgeted at \$42,600. Through September, \$21,669 or 50.9% of this budget have been expended. This activity is well below expected levels.

COMMUNITY DEVELOPMENT REPAY FUND #130

CITY OF HOQUIAM

2006 3RD QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2006 <u>Q3 YTD</u>	2005 <u>Q3 YTD</u>	Increase <u>(Decrease)</u>	% Increase <u>(Decrease)</u>	2006 <u>Budget</u>	% to <u>Budget</u>
Beginning Fund Balance	\$195,287	\$145,323			\$195,285	
GH County Waste Abatement Grant	\$7,500	\$0	\$7,500	-	\$0	-
Miscellaneous Cleanup Fees	\$1,523	\$0	\$1,523	-	\$0	-
Abatement Fees	\$20,524	\$1,661	\$18,863	1135.6%	\$0	-
<u>Contract Payments</u>	<u>\$9,928</u>	<u>\$69,070</u>	<u>-\$59,142</u>	<u>-85.6%</u>	<u>\$5,960</u>	<u>166.6%</u>
TOTAL COMM. DEVEL. REPAY FUND	\$39,476	\$70,732	-\$31,256	-44.2%	\$5,960	662.3%
GRAND TOTAL COMM. DEVEL. REPAY	\$234,763	\$216,054	-\$31,256	8.7%	\$201,245	116.7%
<u>APPROPRIATIONS</u>						
Miscellaneous	\$387	-\$13	\$400	-	\$100	387.0%
Cleanup Activities	\$339	\$80	\$259	323.1%	\$2,500	13.6%
Abate Nuisances	\$15,810	\$11,239	\$4,571	40.7%	\$40,000	39.5%
<u>GH Co. Waste Abatement Grant</u>	<u>\$5,133</u>	<u>\$4,219</u>	<u>\$914</u>	<u>21.7%</u>	<u>\$0</u>	<u>-</u>
COMM. DEVEL. REPAY FUND	\$21,669	\$15,524	\$6,145	39.6%	\$42,600	50.9%
OVER (SHORT)	\$213,094	\$200,530			\$158,645	

Water, Sewer and Storm Fund #401

Overview:

The Water, Sewer and Storm fund provides for all utility operations, capital improvement and debt service appropriations and transfers. The adjacent pages summarize budgeted financial activity for the biennium, including revenues and expenditures through September.

Revenues:

This fund was budgeted to generate revenues of \$4,714,600, primarily from water, sewer and storm usage. Fees received from late penalties and shut-offs are also received by this fund.

Through September water sales of \$934,857 were collected or 68.2% of budgeted metered water revenues of \$1,370,000. This is 5.1% higher than 2005 representing a dramatic turnaround from the first quarter. Water revenues are very seasonal and this number has increased in the summer months. However, staff will be monitoring this revenue closely in the fall and winter.

Sewer Revenues have been consistent throughout the year. Through September, this fund had collected 75.2%, or \$811,182 of its budgeted \$1,079,000 sewer service revenue. This is 2.3% higher than the 2005 year to date.

Storm Drain rate revenues through September are at 52.6%, or \$131,566 of the budgeted amount of \$250,000. The Storm Drain Ordinance was rewritten in late 2005, which drastically changed the way the City collects these charges. Staff will need to closely monitor this trend as far less than budgeted amounts have been received. Any adjustments in the storm rates will be communicated to the Council during the budget process.

The last major revenue source to this fund comes from a transfer in from the Watershed Fund. Through September, \$314,097 or 19.6% of budgeted amounts of \$1,602,340 have been transferred. Transfers are made on an as needed basis and are only made to cover major capital improvements to the system.

Appropriations:

For 2006, this fund was appropriated to spend \$4,168,405. Budgeted amounts are primarily for operations, but do include expenditures for capital, debt service and transfers out for equipment maintenance and equipment reserves.

Through September, the Water Department has expended 73.6%, or \$1,106,991 of its \$1,504,820 operating budget, which is within parameters for the third quarter.

WATER,SEWER AND STORM FUND #401

CITY OF HOQUIAM

2006 3RD QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2006 <u>Q3 YTD</u>	2005 <u>Q3 YTD</u>	Increase <u>(Decrease)</u>	% Increase <u>(Decrease)</u>	2006 <u>Budget</u>	% to <u>Budget</u>
Beginning Fund Balance	\$318,261	\$374,695			\$318,260	
Water Sales	\$934,857	\$889,682	\$45,174	5.1%	\$1,370,000	68.2%
Waters Sales - Collection Accounts	\$206	\$155	\$51	32.7%	\$0	-
Sewer Service	\$811,182	\$792,663	\$18,519	2.3%	\$1,079,000	75.2%
Sewer Service - Collection Accounts	\$176	\$133	\$43	32.6%	\$0	-
Storm Drainage	\$131,566	\$0	\$131,566	-	\$250,000	52.6%
Charges for Miscellaneous Service	\$8,910	\$14,711	-\$5,801	-39.4%	\$25,000	35.6%
Investment Interest	\$74,206	\$36,948	\$37,258	100.8%	\$70,000	106.0%
<u>Other Miscellaneous</u>	<u>\$10,379</u>	<u>\$3,596</u>	<u>\$6,784</u>	<u>188.7%</u>	<u>\$0</u>	<u>-</u>
TOTAL SERVICE REVENUES	\$1,971,482	\$1,737,888	\$233,594	13.4%	\$3,112,260	63.3%
<u>OTHER REVENUES & TRANSFERS IN</u>						
Trf In - Watershed #402	\$314,097	\$1,409,610	-\$1,095,513	-77.7%	\$1,602,340	19.6%
TOTAL OTHER REVENUES	\$314,097	\$1,409,610	-\$1,095,513	-77.7%	\$1,602,340	19.6%
TOTAL FUND REVENUES	\$2,285,579	\$3,147,498	-\$861,919	-27.4%	\$4,714,600	48.5%
GRAND TOTAL FUND RESOURCES	\$2,603,840	\$3,522,193			\$5,032,860	
<u>APPROPRIATIONS</u>						
Water Operations	\$1,106,991	\$1,139,373	-\$32,381	-2.8%	\$1,504,820	73.6%
Sewer Operations	\$647,627	\$779,243	-\$131,615	-16.9%	\$898,935	72.0%
<u>Storm Drain Operations</u>	<u>\$195,621</u>	<u>\$0</u>	<u>\$195,621</u>	<u>-</u>	<u>\$291,005</u>	<u>67.2%</u>
TOTAL WATERWORKS OPERATIONS	\$1,950,240	\$1,918,615	\$31,624	1.6%	\$2,694,760	72.4%
Water Capital	\$43,385	\$738,071	-\$694,686	-94.1%	\$546,405	7.9%
Sewer Capital	\$57,414	\$401,469	-\$344,055	-85.7%	\$642,010	8.9%
<u>Storm Drain Capital</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>\$70,000</u>	<u>0.0%</u>
TOTAL WATERWORKS CAPITAL	\$100,799	\$1,139,540	-\$1,038,741	-91.2%	\$1,258,415	8.0%
Water Debt Service	\$54,211	\$55,789	-\$1,579	-2.8%	\$54,210	100.0%
<u>Sewer Debt Service</u>	<u>\$33,600</u>	<u>\$0</u>	<u>\$33,600</u>	<u>-</u>	<u>\$16,800</u>	<u>200.0%</u>
TOTAL WATERWORKS DEBT	\$87,811	\$55,789	\$32,021	57.4%	\$71,010	123.7%
Trf Out - Water Eq Rental #501	\$34,186	\$32,214	\$1,972	6.1%	\$43,630	78.4%
Trf Out - Sewer Eq Rental #501	\$14,608	\$19,931	-\$5,324	-26.7%	\$21,065	69.3%
Trf Out - Storm Eq Rental #501	\$6,260	\$0	\$6,260	-	\$9,025	69.4%
Trf Out - Water Eq Reserve #505	\$20,932	\$38,250	-\$17,318	-45.3%	\$25,500	82.1%
Trf Out - Sewer Eq Reserve #505	\$23,657	\$33,732	-\$10,075	-29.9%	\$31,500	75.1%
<u>Trf Out - Storm Eq Reserve #505</u>	<u>\$13,139</u>	<u>\$0</u>	<u>\$13,139</u>	<u>-</u>	<u>\$13,500</u>	<u>97.3%</u>
TOTAL WATERWORKS TRANSFERS	\$112,782	\$124,127	-\$11,345	-9.1%	\$144,220	78.2%
GRAND TOTAL FUND	\$2,251,631	\$3,238,072	-\$986,440	-30.5%	\$4,168,405	54.0%
OVER (SHORT)	\$352,209	\$284,121			\$864,455	

To date, the Sewer Department has expended 72.0%, or \$647,627 of its \$898,935 operating budget.

Through September, actual Storm Drain expenditures of \$195,621 constitute 67.2% of total appropriations of \$291,005.

Transfers to other funds for operating, debt service and capital improvement requirements are at 78.2%, which is within normal budget parameters though September. All transfers are anticipated to be 100% expended by year-end.

This fund was budgeted to begin the year with a cash balance of \$318,260. However, after all operating appropriations and capital expenditures, this fund ends the third quarter with a \$352,209 ending fund balance. This is encouraging despite the poor storm revenue through the first three quarters. A 30-day operating reserve is recommended which would equate to \$222,000.

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Watershed Fund #402

Overview:

The Watershed Fund accounts for all expenditures associated with timber harvesting and the management of watershed lands. All timber sale revenues are deposited into this fund. Watershed funds are transferred to the Water, Sewer and Storm Fund on an as needed basis for major capital and infrastructure improvements.

This fund began 2006 with a \$2,310,473 cash balance.

Revenues:

This fund receives its resources from timber sales. No sale is planned for 2006.

Appropriations and Transfers out:

Starting in 2006 this fund does include a small operating expenditure budget, but primarily provides a source of funds for transfer to other Water, Sewer and Storm Funds for special projects.

An interfund transfer of \$1,602,340 is budgeted to the Water, Sewer and Storm Fund of which \$437,567 had been transferred as of September 2006. As mentioned above, all transfers of watershed funds go to finance major capital and infrastructure improvements.

WATERSHED FUND #402
CITY OF HOQUIAM
2006 3RD QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2006 <u>Q3 YTD</u>	2005 <u>Q3 YTD</u>	Increase <u>(Decrease)</u>	% Increase <u>(Decrease)</u>	2006 <u>Budget</u>	% to <u>Budget</u>
Beginning Fund Balance	\$2,310,473	\$2,392,118			\$2,310,475	
Miscellaneous Revenue	\$0	\$3,199	-\$3,199	-100.0%	\$0	-
<u>Timber Sale Payments</u>	<u>\$0</u>	<u>\$1,659,000</u>	<u>-\$1,659,000</u>	<u>-100.0%</u>	<u>\$0</u>	<u>-</u>
TOTAL WATERSHED FUND	\$0	\$1,662,199	-\$1,662,199	-100.0%	\$0	-
TOTAL WATERSHED REVENUES	\$0	\$1,662,199	-\$1,662,199	-100.0%	\$0	-
GRAND TOTAL WATERSHED FUND	\$2,310,473	\$4,054,318			\$2,310,475	
<u>APPROPRIATIONS</u>						
Watershed Operations	\$30,733	\$0	\$30,733	-	\$115,600	26.6%
Trf Out - Waterworks #401	\$437,567	\$1,409,610	-\$972,043	-69.0%	\$1,602,340	27.3%
<u>Trf Out - Trans Line Reserve #404</u>	<u>\$0</u>	<u>\$82,950</u>	<u>-\$82,950</u>	<u>-100.0%</u>	<u>\$0</u>	<u>-</u>
Total Transfers Out	\$437,567	\$1,492,560	-\$1,054,993	-70.7%	\$1,602,340	27.3%
GRAND TOTAL WATERSHED FUND	\$468,300	\$1,492,560	-\$1,024,260	-68.6%	\$1,717,940	27.3%
OVER (SHORT)	\$1,842,173	\$2,561,758			\$592,535	

Landfill Postclosure Fund #417

Overview:

The Landfill Postclosure Fund provides for maintenance of the old City Landfill. Funds were transferred annually from the Sanitation Fund to this fund to pay the annual maintenance costs. However, when the Sanitation Department was sold, a sufficient amount from the sale was transferred to this fund to cover the costs of the City's obligation to the landfill until 2009.

This fund will begin 2006 with a \$350,930 cash balance.

Revenues:

This fund receives its resources from interest earned on the cash balance reserved in this fund for postclosure maintenance. As of September 2006, \$13,811 or 138.1% of budgeted amounts had been received. Recent increases in short term rates have allowed the City to earn additional money on reserve balances.

Appropriations and Transfers out:

This fund is budgeted to spend \$61,490 on postclosure maintenance in 2006. As of the third quarter, \$30,692 or 49.9% of anticipated expenditures had been made, primarily on monitoring services. This fund is budgeted to end the year with a \$299,440 cash balance.

LANDFILL POSTCLOSURE FUND #417

CITY OF HOQUIAM

2006 3RD QUARTER FINANCIAL REPORT

<u>REVENUES</u>	<u>2006 Q3 YTD</u>	<u>2005 Q3 YTD</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>	<u>2006 Budget</u>	<u>% to Budget</u>
Beginning Fund Balance	\$350,930	\$386,661			\$350,930	
<u>Investment Interest</u>	<u>\$13,811</u>	<u>\$7,566</u>	<u>\$6,245</u>	<u>82.5%</u>	<u>\$10,000</u>	<u>138.1%</u>
TOTAL LANDFILL POSTCLOSURE FUND	\$13,811	\$7,566	\$6,245	82.5%	\$360,930	3.8%
GRAND TOTAL LANDFILL POSTCLOSURE	\$364,741	\$394,228			\$360,930	3.8%
<u>APPROPRIATIONS</u>						
<u>Landfill Operations</u>	<u>\$30,692</u>	<u>\$31,343</u>	<u>-\$651</u>	<u>-2.1%</u>	<u>\$61,490</u>	<u>49.9%</u>
LANDFILL POSTCLOSURE FUND	\$30,692	\$31,343	-\$651	-2.1%	\$61,490	49.9%
OVER (SHORT)	\$334,049	\$362,885			\$299,440	

Equipment Rental Fund #501

Overview:

The Equipment Rental Fund provides for the accounting of vehicle purchases and vehicle maintenance. Funds are accumulated over the course of one or more years in the Equipment Rental Reserve Fund #505 and are then transferred to this fund to acquire the vehicle.

This fund begins the year with a \$48,498 cash balance.

Revenues:

All resources of the Equipment Rental Fund come in the form of charges for services and transfers from other funds. There is \$581,295 in budgeted revenue, of which 59.5%, has been received through September.

Appropriations:

The two primary expenditures in this fund are for the salary and benefits of the City's mechanic and for vehicle purchases. In addition to the mechanic, there are six purchases planned for the year. As of September, \$177,201 or 76.2% of operations had been expended and \$164,881 or 47.5% of appropriated vehicle purchases had been made.

EQUIPMENT RENTAL FUND #501

CITY OF HOQUIAM

2006 3RD QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2006 Q3 YTD	2005 Q3 YTD	Increase (Decrease)	% Increase (Decrease)	2006 Budget	% to Budget
Beginning Fund Balance	\$48,498	\$31,489			\$48,500	
Equipment Maintenance Charges	\$178,835	\$171,988	\$6,847	4.0%	\$223,340	80.1%
Interest on Contracts A/R	\$6,291	\$4,747	\$1,544	32.5%	\$6,680	94.2%
<u>Other Miscellaneous</u>	<u>\$4,229</u>	<u>\$3,053</u>	<u>\$1,176</u>	<u>38.5%</u>	<u>\$4,000</u>	<u>105.7%</u>
TOTAL EQUIPMENT RENTAL FUND	\$189,356	\$179,788	\$9,567	5.3%	\$234,020	80.9%
<u>OTHER REVENUES & TRANSFERS IN</u>						
Trf In - Eq. Rental Reserve #505	\$156,618	\$178,815	-\$22,198	-12.4%	\$335,275	46.7%
Trf In - Dept. Contributions	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	=	<u>\$12,000</u>	<u>0.0%</u>
TOTAL OTHER REVENUES	\$156,618	\$178,815	-\$22,198	-12.4%	\$347,275	45.1%
TOTAL EQUP RENTAL REVENUES	\$345,973	\$358,603	-\$12,630	-3.5%	\$581,295	59.5%
GRAND TOTAL EQUIPMENT RENTAL	\$394,472	\$390,092			\$629,795	
<u>APPROPRIATIONS</u>						
Equipment Rental Operations	\$177,201	\$165,024	\$12,177	7.4%	\$232,575	76.2%
<u>Capital</u>	<u>\$164,881</u>	<u>\$180,406</u>	<u>-\$15,526</u>	<u>-8.6%</u>	<u>\$347,275</u>	<u>47.5%</u>
EQUIPMENT RENTAL FUND APPROP.	\$342,082	\$345,430	-\$3,348	-1.0%	\$579,850	59.0%
OVER (SHORT)	\$52,390	\$44,662			\$49,945	

Equipment Rental Reserve Fund #505

Overview:

The Equipment Rental Reserve Fund provides for the accounting of resources from all operating funds for use in future vehicle and equipment acquisitions. Separate balances are maintained for each operating fund making a contribution, and funds are accumulated over the course of one or more years and funds are then transferred to the Equipment Rental Fund #501 to acquire the vehicles.

For the year, this fund begins with a \$1,296,228 cash balance. The budget provides for \$135,500 in resources from transfers to this fund from other funds and \$49,815 from interfund loan repayments.

Revenues:

All resources of the Equipment Rental Reserve Fund come in the form of transfers from other funds. As noted above, \$135,500 in transfers are provided by other funds of which 88.9%, have been made through September.

Appropriations:

Appropriations come in the form of transfers to the Equipment Rental Fund #501. In the 2006 budget, \$335,275 was appropriated in transfers of which \$156,618 or 46.7% have been made to date.

EQUIPMENT RENTAL RESERVE FUND #505

CITY OF HOQUIAM

2006 3RD QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2006 <u>Q3 YTD</u>	2005 <u>Q3 YTD</u>	Increase <u>(Decrease)</u>	% Increase <u>(Decrease)</u>	2006 <u>Budget</u>	% to <u>Budget</u>
Beginning Fund Balance	\$1,296,228	\$1,234,888			\$1,296,230	
Departmental Contributions	\$120,423	\$131,246	-\$10,823	-8.2%	\$135,500	88.9%
Interfund Loans	\$42,525	\$34,976	\$7,549	21.6%	\$49,815	85.4%
<u>Proceeds from Sale of Fixed Assets</u>	<u>\$25,387</u>	<u>\$0</u>	<u>\$25,387</u>	<u>-</u>	<u>\$0</u>	<u>-</u>
TOTAL EQ RENTAL RES REVENUES	\$188,335	\$166,222	\$22,113	13.3%	\$185,315	101.6%
GRAND TOTAL EQ RENTAL RESERVE	\$1,484,563	\$1,401,111			\$1,481,545	100.2%
<u>APPROPRIATIONS</u>						
Interfund Loan - General Fund #001	\$0	\$0	\$0	-	\$90,000	0.0%
<u>Trf Out - Equipment Rental #501</u>	<u>\$156,618</u>	<u>\$178,815</u>	<u>-\$22,198</u>	<u>-12.4%</u>	<u>\$335,275</u>	<u>46.7%</u>
EQ RENTAL RESERVE FUND	\$156,618	\$178,815	-\$22,198	-12.4%	\$425,275	36.8%
OVER (SHORT)	\$1,327,946	\$1,222,295			\$1,056,270	

Medical/Dental Fund #520

Overview:

The Medical/Dental Fund receives transfers from other operating funds to pay for the direct expenditures of contractually obligated medical, dental and vision premiums.

For the year, this fund begins the year with a \$73,044 cash balance. The budget provides for \$1,313,000 in resources transferred to this fund from the City's operating funds.

Revenues:

All resources of the Medical/Dental Fund come in the form of transfers from other funds. As noted above, \$1,313,000 in transfers are provided by other funds, of which 72.1% or \$846,728, have been made through September.

Appropriations:

Appropriations to this fund include the City's direct medical premiums in the amount of \$1,320,000. As of September, the City had expended \$996,168 or 80.0% on medical premiums. This is higher than anticipated as the October 2006 payroll premiums are included in this total. Without the inclusion of the October amounts, this fund would be almost exactly 75% expended.

MEDICAL/DENTAL FUND #520
CITY OF HOQUIAM
2006 3RD QUARTER FINANCIAL REPORT

<u>REVENUES</u>	<u>2006</u> <u>Q3 YTD</u>	<u>2005</u> <u>Q3 YTD</u>	<u>Increase</u> <u>(Decrease)</u>	<u>% Increase</u> <u>(Decrease)</u>	<u>2006</u> <u>Budget</u>	<u>% to</u> <u>Budget</u>
Beginning Fund Balance	\$73,044	\$73,680			\$73,045	
Department Contributions	\$946,728	\$871,453	\$75,275	8.6%	\$1,313,000	72.1%
Cobra Contributions	\$178	\$1,522	-\$1,344	-88.3%	\$0	-
<u>Employee Contributions</u>	<u>\$1,744</u>	<u>\$648</u>	<u>\$1,096</u>	<u>169.1%</u>	<u>\$2,000</u>	<u>87.2%</u>
TOTAL MEDICAL/DENTAL FUND	\$948,650	\$873,623	\$75,027	8.6%	\$1,315,000	72.1%
GRAND TOTAL MEDICAL/DENTAL FUND	\$1,021,693	\$947,302			\$1,388,045	
<u>APPROPRIATIONS</u>						
Medical Premiums	\$996,168	\$824,379	\$171,789	20.8%	\$1,245,000	80.0%
<u>Dental - Claims & Admin Fees</u>	<u>\$54,550</u>	<u>\$51,921</u>	<u>\$2,629</u>	<u>5.1%</u>	<u>\$75,000</u>	<u>72.7%</u>
MEDICAL/DENTAL FUND APPROPRIATIONS	\$1,050,718	\$876,299	\$174,418	19.9%	\$1,320,000	79.6%
OVER (SHORT)	-\$29,024	\$71,003	-\$100,028		\$68,045	

Unemployment Fund #522

Overview:

The Unemployment Fund provides for the City's activities as a self-funded unemployment provider. Property Tax revenues are only transferred to this fund if there are claims to be paid.

For the year, this fund begins the year with no cash balance. The budget provides for \$15,000 in resources for transfer to this fund from the General Fund, in the form of Property Taxes.

Revenues:

All resources of the Unemployment Fund come in the form of transfers from the General Fund. As noted above, \$15,000 in transfers are provided by this fund, of which 100% have been made through September. The City has had no less than two employees on unemployment all year causing this number to be higher than 2005.

Appropriations:

There is \$15,000 in appropriations planned for the year to allow for potential unemployment claims of former City employees. However, as of September, \$24,017 or 160.1% of the appropriations in this fund had been expended. Unfortunately, a former sanitation employee, a former building official, and a former public works clerk have all filed for unemployment during 2006, of which the City is required to share a portion.

UNEMPLOYMENT FUND #522

CITY OF HOQUIAM

2006 3RD QUARTER FINANCIAL REPORT

<u>REVENUES</u>	<u>2006 Q3 YTD</u>	<u>2005 Q3 YTD</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>	<u>2006 Budget</u>	<u>% to Budget</u>
Beginning Fund Balance	\$0	\$0			\$0	
Property Tax	\$15,000	\$9,891	\$5,109	51.7%	\$15,000	100.0%
<u>Trf In - Departments</u>	<u>\$0</u>	<u>\$1,468</u>	<u>-\$1,468</u>	<u>-100.0%</u>	<u>\$0</u>	<u>-</u>
TOTAL UNEMPLOYMENT FUND	\$15,000	\$11,359	\$3,641	32.1%	\$15,000	100.0%
GRAND TOTAL UNEMPLOYMENT FUND	\$15,000	\$11,359	\$3,641	32.1%	\$15,000	100.0%
<u>APPROPRIATIONS</u>						
<u>Personnel Benefits</u>	<u>\$24,017</u>	<u>\$11,359</u>	<u>\$12,658</u>	<u>111.4%</u>	<u>\$15,000</u>	<u>160.1%</u>
UNEMPLOYMENT FUND APPROPRIATIONS	\$24,017	\$11,359	\$12,658	111.4%	\$15,000	160.1%
OVER (SHORT)	-\$9,017	\$0	-\$9,017		\$0	

Police & Firemen's Pension Fund #611

Overview:

This fund pays for the medical premiums and allowable medical bills for retired LEOFF I Police and Fire employees. The City is mandated by state law to provide medical benefits to these employees while the state provides their respective pensions. This fund also pays the supplemental pension payments for pre-LEOFF fire employees. The Police and Firemen's Pension Fund is budgeted to begin the year with a beginning cash balance of \$20,414.

Revenues:

The primary source of funding for the Police & Firemen's Pension Fund is through Property Taxes. There is \$477,250 in budgeted Property Tax revenue of which none has yet been received. There is also \$16,000 in Fire Insurance Premium Taxes that are anticipated to be received in 2006 to help offset the Fire pension payments. To date, \$344,324 or 69.8% of revenues have been received in this fund.

Appropriations:

Expenditures for this fund were budgeted at \$493,250 in 2006 and go mostly for retiree medical but also for some pre-LEOFF pension payments. As of September 2006, \$362,978 or 73.6% of budgeted appropriation had been spent.

POLICE & FIRE RETIREES FUND #611

CITY OF HOQUIAM

2006 3RD QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2006 <u>Q3 YTD</u>	2005 <u>Q3 YTD</u>	Increase (Decrease)	% Increase (Decrease)	2006 <u>Budget</u>	% to <u>Budget</u>
Beginning Fund Balance	\$20,414	\$13,097			\$20,415	
Property Tax	\$327,277	\$436,950	-\$109,673	-25.1%	\$477,250	68.6%
<u>Fire Insurance Premium Tax</u>	<u>\$17,046</u>	<u>\$15,027</u>	<u>\$2,019</u>	<u>13.4%</u>	<u>\$16,000</u>	<u>106.5%</u>
TOTAL FUND REVENUES	\$344,324	\$451,977	-\$107,653	-23.8%	\$493,250	69.8%
GRAND TOTAL RETIREE FUND	\$364,738	\$451,977			\$513,665	
<u>APPROPRIATIONS</u>						
Police LF 1 Medical Premiums	\$136,688	\$118,770	\$79,447	15.1%	\$177,000	77.2%
Police LF1 Medical Bills	\$4,848	\$6,782	\$4,515	-28.5%	\$11,000	44.1%
Fire LF1 Disability Pyts	\$36,369	\$35,393	\$23,627	2.8%	\$49,000	74.2%
Fire LF1 Annuity Pyts	\$7,462	\$7,792	\$5,273	-4.2%	\$10,300	72.5%
Fire LF1 Medical Premiums	\$161,131	\$142,466	\$94,978	13.1%	\$212,750	75.7%
Fire LF1 Medical Bills	\$15,940	\$15,915	\$12,458	0.2%	\$24,200	65.9%
<u>Fire LF1 Medicare Premiums</u>	<u>\$539</u>	<u>\$5,830</u>	<u>\$3,990</u>	<u>-90.8%</u>	<u>\$9,000</u>	<u>6.0%</u>
RETIREE FUND APPROPRIATIONS	\$362,978	\$332,949	\$30,029	9.0%	\$493,250	73.6%
OVER (SHORT)	\$1,760	\$119,028			\$20,415	

Capital Improvement Projects

Overview:

Capital improvement expenditures have been separated for clarity purposes and for independent accounting of capital improvement projects. Proprietary operations, such as the City's water, sewer, storm drain funds are capital intensive as the following summary explains. Very little capital project activity has taken place as of the third quarter. More detail will be included in Fourth Quarter Reports as activity is anticipated to pick up in the fall.

Progress Summary:

Water Capital Projects, \$546,405. These items provide appropriation authority for all requested water utility capital improvements for 2006. These improvements are funded primarily from Watershed transfers. The largest project in this category is for improvements to the Little Hoquiam River Dam. In total, Water Capital Projects have expended \$43,385 or 7.9% of budget authority.

Sewer Capital Projects, \$642,010. The budget included \$400,000 toward the Waste Water Treatment Plant Dechlorination Project. Likewise, variable drive replacement projects were included for \$150,000. As of September, \$57,414 or 8.9% of appropriated expenditures had been made.

Storm Drain Capital Projects, \$70,000. This capital improvement line item provides budget authority for the 2006 storm drain capital improvements. These projects include pump and motor replacements. To date, this fund has not used any of its expenditure authority.

General Capital Reserve, \$25,000. This line item was appropriated to fund minor improvements to City Hall in 2006. There have been no expenditures as of September 2006.

Sidewalk Construction Fund, \$33,500. This line item was appropriated to fund capital improvement to City owned facilities. \$2,289 or 6.8% of appropriation authority had been spent as of September 2006.

CAPITAL IMPROVEMENT BUDGET

CITY OF HOQUIAM
2006 3RD QUARTER FINANCIAL REPORT

Funding Source/Project Description	2006 Q3 YTD	2006 Budget	% to Budget
#108 Paths and Trails:			
Construction Projects	\$0	\$5,000	0.0%
#114 General Capital Reserve:			
City Hall Improvements	\$0	\$25,000	0.0%
#302 Sidewalk Construction Fund:			
Construction Projects	\$2,289	\$31,000	7.4%
<u>7th & Simpson Handicap Ramp</u>	<u>\$0</u>	<u>\$2,500</u>	<u>0.0%</u>
Subtotal, Sidewalk Construction Projects	\$2,289	\$33,500	6.8%
#308 Train Station Improvement Fund:			
Construction Projects	\$29,866	\$811,490	3.7%
#401 Water Capital Projects:			
Paint College Hill Reservoir	\$183	\$1,550	11.8%
Replace WTP Roof	\$23	\$45,000	0.1%
Recoat Concrete WTP Deck	\$0	\$8,000	0.0%
L Hoq Dam Impr-Consent Decree	\$0	\$402,500	0.0%
Add'l East Side River X'g Prep	\$2,087	\$23,690	8.8%
Replace WTP Turbidimeters	\$4,564	\$4,500	101.4%
Rebuild Raw/Finish Water Pumps	\$5,826	\$10,000	58.3%
Upgrade Telemetry System	\$9,865	\$12,165	81.1%
Study Arnold Ct Booster Pump Meters	\$0	\$10,000	0.0%
<u>Repl Chemical Metering Pumps</u>	<u>\$14,562</u>	<u>\$21,000</u>	<u>69.3%</u>
	<u>\$6,275</u>	<u>\$8,000</u>	<u>78.4%</u>
Subtotal, Water Capital Projects	\$43,385	\$546,405	7.9%
#401 Sewer Capital Projects:			
Sewer River Crossing Design	\$2,578	\$2,595	99.3%
Pump Replacements	\$2,865	\$25,000	11.5%
Variable Drives (Emerson 2003)	\$172	\$150,000	0.1%
WWTP Dechlorination System	\$47,706	\$445,650	10.7%
2nd & Bayview Diesel Generator	\$51	\$0	-
Adams Remote Autodial Monitor	\$307	\$0	-
Odor Control Blower	\$3,736	\$3,765	99.2%
<u>Pump Motor Replacements</u>	<u>\$0</u>	<u>\$15,000</u>	<u>0.0%</u>
Subtotal, Sewer Capital Projects	\$57,414	\$642,010	8.9%
#401 Storm Drain Projects			
Pump Replacements	\$0	\$50,000	0.0%
Pump Motor Replacements	<u>\$0</u>	<u>\$20,000</u>	<u>0.0%</u>
Subtotal, Storm Drain Capital Projects	\$0	\$70,000	0.0%
TOTAL CITY OF HOQUIAM CAPITAL IMPROVEMENT BUDGET			
	\$132,954	\$2,133,405	6.2%

Debt Service Budget Summary

Overview:

The adjacent page provides a summary of the 2006 debt service budget of the City. The City began 2006 with a total bonded debt service principal balance including revenue debt of \$1,260,999.

Limited Tax General Obligation (LTGO) Debt: Appropriations in this category pay the principal, interest and debt associated with two debt issues, including:

- 1989 LTGO Bonds that financed a remodel of City Hall.
- 1994 PWTF Loan that paved a portion of Aberdeen Avenue.

Through September, \$64,908 or 100.0% of budget has been expended in principal and interest payments.

Unlimited Tax General Obligation Debt: Appropriations in this category pay the principal, interest and expenses associated with two bond issues, including:

- 1995 Issue that refunded three separate bond issues.
- 2001 UTGO that financed the purchase of a new fire truck.

Through September, only \$14,747 or 5.3% of principal and interest payments have been made. The major principal payment comes at the end of the year

Revenue Debt: Appropriations in this debt category pay the principal, interest, and debt service expenses associated with two revenue bond issues, including:

- 1987 PWTF Loan to the Water Department, and
- 2000 CERB Loan to the Sewer Department.

Through September, \$87,811 or 123.7% of budget has been expended in principal and interest payments. The CERB inadvertently sent a second invoice to the City in the third quarter, which the City paid. These funds are to be returned to the City and this section of Debt Service will be 100% expended at year-end.

Total debt activity through September 30 is \$167,465 or 40.6% of the total debt service budget, due again to the fact that most payments on general obligation debt are at the end of the year.

DEBT SERVICE SUMMARY
CITY OF HOQUIAM
2006 3RD QUARTER FINANCIAL REPORT

<u>ISSUE</u>		2006 Beginning <u>Balance</u>	2006 <u>Q3 YTD</u>	2006 <u>Budget</u>	% to <u>Budget</u>	2006 Ending <u>Balance</u>
<u>Limited Tax General Obligation Debt</u>						
1989 City Hall Remodel	213	\$254,449	\$28,912	\$28,915	100.0%	\$240,804
1994 PWTF Aberdeen Avenue*	107	\$297,213	\$35,996	\$35,997	100.0%	\$264,190
Subtotal, Limited Tax G.O.		\$551,662	\$64,908	\$64,912	100.0%	\$504,994
<u>Unlimited Tax General Obligation Debt</u>						
1995 Refunding Bond	205	\$500,000	\$12,883	\$185,765	6.9%	\$340,000
2001 Fire Truck Bond	209	\$86,705	\$1,864	\$90,435	2.1%	\$0
Subtotal, Unlimited Tax G.O.		\$586,705	\$14,747	\$276,200	5.3%	\$340,000
<u>Revenue Debt</u>						
1987 PWTF Water Treatment Plant*	401	\$52,632	\$54,211	\$54,210	100.0%	\$0
2000 CERB Fifth Street Sewer Extensior	401	\$70,000	\$33,600	\$16,800	200.0%	\$70,000
Subtotal, Revenue		\$122,632	\$87,811	\$71,010	123.7%	\$70,000
Total Debt, All Sources and Uses		\$1,260,999	\$167,465	\$412,122	40.6%	\$914,994

* Not included in All Fund Summary Debt Service Line (paid out of individual operating budgets)

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