



2008 Quarterly Financial Report
First Quarter 2008
January through March

The City of Hoquiam, Washington

609 8th Street

Hoquiam, Washington

360-532-5700

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CITY OF HOQUIAM

First Quarter Financial Report - January through March 2008

EXECUTIVE SUMMARY

This document provides a detailed review of City financial activity for the first three months of 2008. 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 March, 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 vs. appropriation information for the City, and indicates that overall, the City has expended 19.1% of operating appropriations. As of March 31, only a small percentage of capital improvement and debt service expenditures had been made.

Analysis: There are three funds showing higher than expected expenditures: the Medical/Dental Fund, the General Capital Reserve Fund and the Train Station Improvement Fund. The Medical/Dental Benefits Fund is higher than anticipated because the April payment for medical and dental premiums was made on April 7, 2008 and included in the first quarter expenditures. Without this April payment, the Medical Dental Fund would be at 24.0% expended or right on target. This fund should be at 100% at year-end.

The General Capital Reserve Fund is higher than anticipated due to a one-time transfer to the Train Station Improvement Fund for improvements specific to the Department of Licensing occupying the building. This fund should be below 100% expended by the end of 2008.

The Train Station Improvement Fund has expended more than 25% through the 1st Quarter of 2008 as the improvements to the Train Station are nearly complete and the Department of Licensing is getting ready to occupy the building. Staff will continue to monitor this fund, however I anticipate being on target by year end without the need for any future amendments.

Bottom Line: For the first three months of the year, revenues are down from the prior year but are within normal parameters while expenditures are at acceptable levels.

Sales taxes are also up 13% in 2008 over comparable 2007 levels, however B&O Tax receipts are down 13%. Some large development projects have skewed both

of these numbers including the biodiesel plant, the new Rite Aid store and the Train Depot making a year to year comparison difficult. Also, Ambulance Service Charges were extremely strong through the 1st Quarter of 2008 due to an increase in run totals and collection efforts. Investment income continued to buoy many of the operating funds as short term interest rates began the quarter over 5%. However, by the end of March short term interest rates were under 3%.

Almost all operating departments are within normal expenditure levels through the first quarter. In the General Fund, the combined operating departments expended 15.6% more in the 1st Quarter of 2008 than they did combined in the 1st Quarter of 2007. However, there was one large capital projects undertaken at Olympic Stadium and we are fully staffed in the Police and the Public Works Departments.

Additionally, Water, Sewer and Storm operations (not including capital) expended 6.9% more combined in the 1st Quarter of 2008 than they did combined in the 1st Quarter of 2007. This is also due to being fully staffed but does include some additional personnel expenditures associated with new labor agreements that took effect at the beginning of the year.

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

ALL FUNDS EXPENDITURE SUMMARY

CITY OF HOQUIAM
2008 1ST QUARTER FINANCIAL REPORT

<u>OPERATING FUNDS</u>	<u>No.</u>	<u>2008 Q1 YTD</u>	<u>2007 Q1 YTD</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>	<u>2008 Budget</u>	<u>% to Budget</u>
General Fund	001	\$1,446,392	\$1,751,545	-\$305,152	-17.4%	\$6,294,980	23.0%
Cemetery	101	\$46,294	\$51,791	-\$5,497	-10.6%	\$219,070	21.1%
Mausoleum	102	\$1,528	\$1,598	-\$70	-4.4%	\$31,235	4.9%
Cemetery Equipment Reserve	103	\$0	\$0	\$0	-	\$2,000	0.0%
Cemetery Preneed	104	\$2,210	\$0	\$2,210	-	\$54,665	4.0%
Parks Special Programs	105	\$0	\$418	-\$418	-100.0%	\$16,400	0.0%
Street Fund	106	\$69,051	\$82,044	-\$12,993	-15.8%	\$328,225	21.0%
Arterial Street Fund	107	\$77	\$81	-\$4	-5.3%	\$80,365	0.1%
Ambulance	109	\$396,604	\$364,338	\$32,266	8.9%	\$1,530,795	25.9%
Stadium/Tourism	112	\$0	\$0	\$0	-	\$6,045	0.0%
Comm. Devel. Repay	130	\$5,390	\$17,488	-\$12,098	-69.2%	\$125,100	4.3%
Water	401-25	\$474,141	\$474,527	-\$386	-0.1%	\$1,811,150	26.2%
Sewer	401-26	\$313,978	\$265,220	\$48,758	18.4%	\$1,347,825	23.3%
Storm	401-27	\$86,635	\$76,175	\$10,460	13.7%	\$383,815	22.6%
Watershed	402	\$23,565	\$482,298	-\$458,733	-95.1%	\$2,584,010	0.9%
Landfill Postclosure	417	\$16,284	\$9,887	\$6,397	64.7%	\$64,985	25.1%
Equipment Rental	501	\$81,115	\$76,837	\$4,278	5.6%	\$311,505	26.0%
Equipment Rental Reserve	505	\$0	\$0	\$0	-	\$20,220	0.0%
Medical/Dental Benefits	520	\$484,515	\$325,640	\$158,875	48.8%	\$1,522,305	31.8%
Unemployment Fund	522	\$0	\$5,737	-\$5,737	-100.0%	\$20,545	0.0%
Police & Fire Retiree	611	\$129,702	\$123,613	\$6,089	4.9%	\$538,110	24.1%
<u>Library Memorial</u>	625	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>\$6,815</u>	<u>0.0%</u>
TOTAL OPERATING FUNDS		\$3,577,481	\$4,109,236	-\$531,755	-12.9%	\$17,300,165	20.7%
 <u>CAPITAL IMPROVEMENT FUNDS</u>							
Stadium Field Loan Repayment	005	\$0	\$9,319	-\$9,319	-100.0%	\$37,200	0.0%
Arterial Strets	107	\$0	\$0	\$0	-	\$20,990	0.0%
Paths & Trails	108	\$0	\$0	\$0	-	\$8,000	0.0%
General Capital Reserve	114	\$100,000	\$0	\$100,000	-	\$250,000	40.0%
Sidewalk Construction Fund	302	\$0	\$0	\$0	-	\$82,000	0.0%
Train Station	308	\$153,428	\$15,778	\$137,650	872.4%	\$213,450	71.9%
Water Capital Projects	401-25	\$23,807	\$77,933	-\$54,125	-69.5%	\$1,226,310	1.9%
Sewer Capital Projects	401-26	\$2,585	\$345,495	-\$342,909	-99.3%	\$856,530	0.3%
<u>Storm Capital Projects</u>	<u>401-27</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>\$1,495</u>	<u>0.0%</u>
TOTAL CAPITAL IMPROVEMENT FUNDS		\$279,821	\$448,524	-\$168,703	-37.6%	\$2,695,975	10.4%
TOTAL DEBT SERVICE FUNDS		\$20,541	\$12,740	\$7,800	61.2%	\$269,280	7.6%
TOTAL ALL FUNDS		\$3,877,843	\$4,570,501	-\$692,658	-15.2%	\$20,265,420	19.1%

General Fund

Overview:

The following four pages summarize all 2008 General Fund projected revenues, appropriations, and expenditures by department through March.

For 2008, total revenues and transfers in were budgeted at \$5,668,290, while appropriations and transfers out were adopted at \$6,294,980, creating an ending balance of \$1,674,885.

Operating budget appropriations of \$5,476,455, represent an 10.5% increase over comparable 2007 appropriations. This can be attributed to fully staffed Police and Public Works Departments, increases in 911 services, and improvements to Olympic Stadium.

Transfers to other funds total \$818,525, and include annual support of City activities including street operations and funds for police and fire pension obligations. Also included in these are transfers to fully fund the City's Contingency Fund.

General Fund Revenues: The adjacent chart provides a summary of adopted and year to date 2008 General Fund revenues and transfers in.

Taxes through March are at 18.9% of budget. This is appropriate as the City awaits the first of two major property tax distributions from the County. The County normally distributes property taxes, one of the single largest revenue sources for this category, in May and November. Thus, the relatively low percentage of taxes received through March.

Licenses and Permits are at 43.8% of budget through March. This comparatively high amount is due to business license renewals during the first quarter and a large number of construction permits taken out after the December windstorm.

Intergovernmental Revenue is at 29.3% of budget through the first quarter. Grants received by the Police and Fire Departments account for a majority of this category's receipts.

Fines and Forfeitures are running ahead of budget, at 71.4% through March. This category includes primarily police citations and other court fines.

Miscellaneous Revenue is at 45.9% of budget. High short term interest rates have allowed the City to earn more money on its cash reserves.

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

GENERAL FUND
CITY OF HOQUIAM
2008 1ST QUARTER FINANCIAL REPORT

<u>REVENUES</u>	<u>2008</u> <u>Q1 YTD</u>	<u>2007</u> <u>Q1 YTD</u>	<u>Increase</u> <u>(Decrease)</u>	<u>% Increase</u> <u>(Decrease)</u>	<u>2007</u> <u>Budget</u>	<u>% to</u> <u>Budget</u>
Beginning Fund Balance	\$2,308,243	\$2,211,992			\$2,301,575	
Taxes	\$867,723	\$905,685	-\$37,962	-4.2%	\$4,595,050	18.9%
Licenses and Permits	\$121,674	\$163,898	-\$42,224	-25.8%	\$277,715	43.8%
Intergovernmental Revenue	\$88,368	\$93,731	-\$5,363	-5.7%	\$302,080	29.3%
Charges for Services	\$12,942	\$19,671	-\$6,730	-34.2%	\$61,295	21.1%
Fines and Forfeits	\$65,408	\$28,093	\$37,316	132.8%	\$91,585	71.4%
Miscellaneous Revenue	<u>\$110,050</u>	<u>\$127,163</u>	<u>-\$17,113</u>	<u>-13.5%</u>	<u>\$239,725</u>	<u>45.9%</u>
TOTAL GENERAL FUND	\$1,266,164	\$1,338,240	-\$72,076	-5.4%	\$5,567,450	22.7%
<u>OTHER REVENUES & TRANSFERS IN</u>						
Trf In - Ambulance 109/E911	\$2,273	\$982	\$1,290	131.4%	\$13,640	16.7%
Trf In - Stadium 005/Grayport	\$0	\$9,319	-\$9,319	-100.0%	\$37,200	0.0%
Trf In - Gen. Capital 114/City Hall	\$0	\$0	\$0	100.0%	\$50,000	0.0%
Trf In - Gen. Capital 114/Library	\$0	\$0	\$0	100.0%	\$0	-
Trf In - Library Memorial 625	\$0	\$0	\$0	100.0%	\$0	-
Trf In - CD Repay 130	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>100.0%</u>	<u>\$0</u>	<u>-</u>
TOTAL OTHER REVENUES	\$2,273	\$10,301	-\$8,029	-77.9%	\$100,840	2.3%
GRAND TOTAL GENERAL FUND	\$1,268,437	\$1,348,541	-\$80,105	-5.9%	\$5,668,290	22.4%

General Fund Appropriations:

Adopted appropriations and required transfers total \$6,294,980 an \$87,785 increase from 2007 appropriated levels. This is attributed primarily to capital expenses related to Olympic Stadium. Also, all property tax funds are now receipted into the General Fund and transferred out to other funds as needed. Of this total, the adjacent page summarizes operating appropriations of \$5,476,455 and transfers out of \$818,525.

Through March, operating expenditures total 23.6% of budgeted appropriations, below anticipated spending levels for the first three months of the year. Given that the first three months typically include annual insurance premiums and other one-time costs, this is well within normal operating parameters.

The only departments that are substantially above year to date targets are the Legislative/Council and Americorps. The Legislative Department is over due to the payment of various association dues and memberships in the first quarter (e.g., the Council of Governments, EDC, and liability insurance). The Legislative Department should be at target by year-end.

The Americorps Department is over anticipated amounts because a budget has not been developed for the second half of 2008. The Americorps Grant runs on a July to June Fiscal cycle. Staff will be developing this budget and the budget will be at 100% by year end.

In summary, most departments are well within budgeted parameters through the first three 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 \$818,525 in transfers to other funds. These transfers include:

Street: Annual support level totals \$147,380. The Street Fund is a "creeper" fund requiring assistance from the General Fund for operations. This transfer has not been made as of March

Police and Fire Pension: \$516,500 in transfers for continued operational support including medical premiums and unreimbursed medical costs for retirees of the State's Law Enforcement Officers and Fire Fighters Plan 1 pension system. A transfer of \$140,000 or 27.1% was made as of March.

GENERAL FUND
CITY OF HOQUIAM
2008 1ST QUARTER FINANCIAL REPORT

OPERATING EXPENDITURES

<u>DEPARTMENT</u>	<u>2008 Q1 YTD</u>	<u>2007 Q1 YTD</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>	<u>2008 Budget</u>	<u>% to Budget</u>
Legislative/Council	\$42,344	\$46,080	-\$3,736	-8.1%	\$121,770	34.8%
Municipal Court	\$42,023	\$37,316	\$4,707	12.6%	\$163,415	25.7%
Finance	\$59,727	\$51,176	\$8,550	16.7%	\$224,745	26.6%
Legal	\$33,032	\$32,235	\$797	2.5%	\$121,780	27.1%
Civil Service	\$920	\$1,315	-\$394	-30.0%	\$5,845	15.7%
City Hall & Buildings	\$35,690	\$32,975	\$2,715	8.2%	\$148,265	24.1%
Electrical	\$38,572	\$43,499	-\$4,927	-11.3%	\$205,740	18.7%
Police	\$487,866	\$440,848	\$47,018	10.7%	\$2,039,045	23.9%
Fire	\$212,806	\$215,224	-\$2,418	-1.1%	\$824,165	25.8%
Animal Control	\$17,255	\$17,245	\$10	0.1%	\$77,920	22.1%
Public Works	\$71,992	\$47,863	\$24,129	50.4%	\$327,330	22.0%
Personnel Services	\$0	\$0	\$0	100.0%	\$0	-
Police Special Funds (DTF)	\$30,042	\$24,620	\$5,422	22.0%	\$128,670	23.3%
Library	\$47,133	\$8,988	\$38,145	424.4%	\$234,015	20.1%
Community Services	\$132,688	\$80,612	\$52,076	64.6%	\$663,705	20.0%
Americorps	\$16,187	\$13,821	\$2,367	17.1%	\$35,500	45.6%
Economic Development	\$9,138	\$15,605	-\$6,467	-41.4%	\$54,255	16.8%
911 Program	\$16,235	\$7,820	\$8,416	107.6%	\$100,290	16.2%
<u>Miscellaneous</u>	<u>\$0</u>	<u>\$2,000</u>	<u>-\$2,000</u>	<u>-100.0%</u>	<u>\$0</u>	<u>-</u>
TOTAL OPERATING EXPENDITURE	\$1,293,652	\$1,119,241	\$174,411	15.6%	\$5,476,455	23.6%
TRANSFERS OUT						
Trf Out - Reserve Funds	\$0	\$517,000	-\$517,000	-100.0%	\$88,880	0.0%
Trf Out - Cemetery	\$0	\$0	\$0	100.0%	\$25,280	0.0%
Trf Out - Street Fund #106	\$0	\$0	\$0	100.0%	\$147,380	0.0%
Trf Out - Ambulance #109	\$0	\$0	\$0	100.0%	\$0	-
Trf Out - GO Bond Redemption #213	\$12,741	\$15,304	-\$2,563	-16.7%	\$25,485	50.0%
Trf Out - Unemployment #522	\$0	\$0	\$0	100.0%	\$15,000	0.0%
<u>Trf Out - Police/Fire Pension #611</u>	<u>\$140,000</u>	<u>\$100,000</u>	<u>\$40,000</u>	<u>40.0%</u>	<u>\$516,500</u>	<u>27.1%</u>
TOTAL TRANSFERS OUT	\$152,741	\$632,304	-\$479,563	-75.8%	\$818,525	18.7%
GRAND TOTAL GENERAL FUND	\$1,446,392	\$1,751,545	-\$305,152	-17.4%	\$6,294,980	23.0%
OVER (SHORT)	-\$177,956	-\$403,003	\$225,048		-\$626,690	
ENDING FUND BALANCE	\$2,130,287	\$1,808,988			\$1,674,885	

Cemetery Fund #101

Overview:

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

The budget provides for \$205,430 in total resources and transfers in and total expenditures and transfers out of \$219,070.

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 lower than anticipated with 20.5% of budgeted amounts received as of the first quarter. This is \$11,392 or 33% lower than comparable 2007 levels.

As of the first quarter, transfers to the Cemetery Fund had not yet been made. At March 31, 2008, the Cemetery Fund is slightly behind target having received \$40,890, or 19.9% 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 March, the Cemetery fund is on target having expended \$46,294 or 21.1% of budgeted appropriations.

CEMETERY FUND #101
CITY OF HOQUIAM
2008 1ST QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 Q1 YTD	2007 Q1 YTD	Increase (Decrease)	% Increase (Decrease)	2008 Budget	% to Budget
Beginning Fund Balance	\$13,642	\$15,776			\$13,640	
Cemetery Fees	\$23,125	\$34,517	-\$11,392	-33.0%	\$112,705	20.5%
Investment Interest	\$10,428	\$10,101	\$327	3.2%	\$20,735	50.3%
Land Lease (Cell Tower)	\$2,400	\$2,400	\$0	0.0%	\$9,600	25.0%
Housing Rentals	\$1,200	\$1,200	\$0	0.0%	\$4,800	25.0%
Donations	<u>\$0</u>	<u>\$14</u>	<u>-\$14</u>	<u>-100.0%</u>	<u>\$0</u>	<u>-</u>
TOTAL CEMETERY FUND	\$37,153	\$48,232	-\$11,079	-23.0%	\$147,840	25.1%
<u>OTHER REVENUES & TRANSFERS IN</u>						
Trf In - General Fund #001	\$0	\$0	\$0	-	\$25,280	0.0%
Trf In - Mausoleum #102	\$1,528	\$1,598	-\$70	-4.4%	\$10,310	14.8%
Trf In - Cem Equip Resr #103	0	0	\$0	-	\$0	-
Trf In - Cem Preneed #104	<u>\$2,210</u>	<u>\$0</u>	<u>\$2,210</u>	<u>-</u>	<u>\$22,000</u>	<u>10.0%</u>
TOTAL OTHER REVENUES	\$3,738	\$1,598	\$2,140	133.9%	\$57,590	6.5%
TOTAL CEMETERY REVENUES	\$40,891	\$49,830	-\$8,938	-17.9%	\$205,430	19.9%
GRAND TOTAL CEMETERY FUND	\$54,533	\$65,605	-\$11,072	-16.9%	\$219,070	24.9%
APPROPRIATIONS						
Cemetery Operations	\$44,172	\$48,636	-\$4,464	-9.2%	\$192,740	22.9%
Equipment Rental	\$1,881	\$2,774	-\$893	-32.2%	\$12,000	15.7%
Road Paving Debt Service	\$0	\$0	\$0	-	\$6,825	0.0%
Land	\$0	\$0	\$0	-	\$0	-
Golf Cart	\$0	\$0	\$0	-	\$2,000	0.0%
Undistributed Carryover	\$0	\$0	\$0	-	\$4,005	0.0%
Trf Out - Equipment Reserve #505	<u>\$240</u>	<u>\$380</u>	<u>-\$140</u>	<u>-36.8%</u>	<u>\$1,500</u>	<u>16.0%</u>
CEMETERY FUND APPROPRIATIONS	\$46,294	\$51,791	-\$5,497	-10.6%	\$219,070	21.1%
ENDING FUND BALANCE	\$8,240	\$13,815			\$0	

Mausoleum Fund #102

Overview:

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

For the year, this fund begins the year with a \$149,394 cash balance. The budget provides for \$21,560 in resources and \$31,235 in expenditures.

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 March 2008, only \$950 in interest earnings has been received and no sales were made. Mausoleum sales are actuarially based and can be very unpredictable. Staff will monitor this Fund and recommend any changes to the Council.

Appropriations:

Appropriations to the Mausoleum Fund include operating supplies and a transfer to the Cemetery Fund for perpetual care and maintenance to the Mausoleum. At the end of the first quarter, \$1,528 or 4.9% of appropriated expenditures had been made.

MAUSOLEUM FUND #102
CITY OF HOQUIAM
2008 1ST QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 Q1 YTD	2007 Q1 YTD	Increase (Decrease)	% Increase (Decrease)	2008 Budget	% to Budget
Beginning Fund Balance	\$149,394	\$129,176			\$149,395	
Cemetery Fees	\$0	\$6,110	-\$6,110	-100.0%	\$11,000	0.0%
Investment Interest	\$950	\$1,851	-\$902	-48.7%	\$3,735	25.4%
<u>Interest on Contracts</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	-	<u>\$795</u>	<u>0.0%</u>
TOTAL MAUSOLEUM FUND	\$950	\$7,961	-\$7,012	-88.1%	\$15,530	6.1%
<u>OTHER REVENUES & TRANSFERS IN</u>						
<u>Interfund Loan - Cemetery #101</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	-	<u>\$6,030</u>	<u>0.0%</u>
TOTAL OTHER REVENUES	\$0	\$0	\$0	-	\$6,030	0.0%
TOTAL MAUSOLEUM REVENUES	\$950	\$7,961	\$0	-88.1%	\$21,560	4.4%
GRAND TOTAL MAUSOLEUM FUND	\$150,344	\$137,138	-\$7,012	9.6%	\$170,955	87.9%
<u>APPROPRIATIONS</u>						
Mausoleum Operations	\$0	\$0	\$0	-	\$4,500	0.0%
Capital	\$0	\$0	\$0	-	\$0	-
Undistributed Carryover	\$0	\$0	\$0	-	\$16,425	0.0%
<u>Trf Out - Cemetery #101</u>	<u>\$1,528</u>	<u>\$1,598</u>	<u>-\$70</u>	<u>-4.4%</u>	<u>\$10,310</u>	<u>14.8%</u>
MAUSOLEUM FUND APPROPRIATIONS	\$1,528	\$1,598	-\$70	-4.4%	\$31,235	4.9%
ENDING FUND BALANCE	\$148,816	\$135,540			\$139,720	

Street Fund #106

Overview:

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

Revenues

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

Gas tax revenues were \$33,002 or 21.7% of budget through March. 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 or decrease in gasoline prices does not result in a corresponding change in gas tax revenue.

A transfer to this fund from the General Fund had not been made at the end of the first quarter. This revenue source will increase as property taxes are collected and street fund activity increases.

Appropriations:

Overall, the Street Fund expended \$82,044, or 21.0% of its \$328,225 budget during the first three months of the year. This is \$12,993 or 15.8% lower than comparable 2007 levels.

Street crews were busy in the first quarter clearing snow and debris from City roadways. Street activity will accelerate as the summer approaches and the City increases its road maintenance efforts.

STREET FUND #106
CITY OF HOQUIAM
2008 1ST QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 <u>Q1 YTD</u>	2006 <u>Q1 YTD</u>	Increase (Decrease)	% Increase (Decrease)	2008 <u>Budget</u>	% to <u>Budget</u>
Beginning Fund Balance	\$49,796	\$51,175			\$49,795	
Property Tax	\$0	\$0	\$0	-	\$0	0.0%
Street & Curb Permits	\$230	\$125	\$105	83.8%	\$1,195	19.2%
<u>Gas Tax</u>	<u>\$33,002</u>	<u>\$34,851</u>	<u>-\$1,849</u>	<u>-5.3%</u>	<u>\$152,335</u>	<u>21.7%</u>
TOTAL STREET FUND	\$33,232	\$34,976	-\$1,744	-5.0%	\$153,530	21.6%
Trf In - General Fund #001	\$0	\$0	\$0	-	\$147,380	0.0%
TOTAL STREET REVENUES	\$33,232	\$34,976	-\$1,744	-5.0%	\$300,910	0.0%
GRAND TOTAL STREET FUND	\$83,028	\$86,151	-\$1,744	-3.6%	\$350,705	23.7%
APPROPRIATIONS						
Executive Services	\$5,212	\$4,950	\$262	5.3%	\$22,020	23.7%
Roadway Services	\$34,083	\$45,819	-\$11,736	-25.6%	\$168,720	20.2%
Traffic Control Devices	\$159	\$1,226	-\$1,066	-87.0%	\$14,390	1.1%
Ancillary Operations	\$27,199	\$27,446	-\$247	-0.9%	\$97,535	27.9%
General Administration	\$2,232	\$2,018	\$214	10.6%	\$8,730	25.6%
Undistributed Carryover	\$0	\$0	\$0	-	\$16,065	0.0%
Trf Out - Paths & Trails #108	\$165	\$174	-\$9	-5.3%	\$765	21.6%
<u>Trf Out - Unemployment #522</u>	<u>\$0</u>	<u>\$410</u>	<u>-\$410</u>	<u>-100.0%</u>	<u>\$0</u>	<u>-</u>
STREET FUND APPROPRIATIONS	\$69,051	\$82,044	-\$12,993	-15.8%	\$328,225	21.0%
ENDING FUND BALANCE	\$13,977	\$4,107			\$22,480	

Arterial Street Fund #107

Overview:

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

Revenues

Revenues to this fund come entirely from gas taxes and invested fund balances.

Gas tax revenues were \$15,431 or 21.7% of budget through March. 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 the 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 \$136,690. Through March, expenditures and transfers out total \$77. Expenditures go primarily to debt service and transfers out.

The \$35,335 debt service payment is for the City's Public Works Trust Fund loan for the Aberdeen Avenue project. There is also an \$80,000 transfer to the Sidewalk Construction Fund. Both of these distributions have yet to be made as of March 31, 2008.

ARTERIAL STREET FUND #107

CITY OF HOQUIAM

2008 1ST QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 <u>Q1 YTD</u>	2007 <u>Q1 YTD</u>	Increase <u>(Decrease)</u>	% Increase <u>(Decrease)</u>	2008 <u>Budget</u>	% to <u>Budget</u>
Beginning Fund Balance	\$182,323	\$160,252			\$182,325	
Gas Tax	\$15,431	\$16,295	-\$864	-5.3%	\$71,230	21.7%
<u>Investment Interest</u>	<u>\$1,654</u>	<u>\$1,983</u>	<u>-\$329</u>	<u>-16.6%</u>	<u>\$3,080</u>	<u>53.7%</u>
TOTAL ARTERIAL STREET FUND	\$17,085	\$18,278	-\$1,194	-6.5%	\$74,310	23.0%
GRAND TOTAL ART. STREET FUND	\$199,408	\$178,530	-\$1,194	-6.5%	\$256,635	23.0%
APPROPRIATIONS						
Debt Service	\$0	\$0	\$0	-	\$35,335	0.0%
Capital	\$0	\$0	\$0	-	\$20,990	0.0%
Trf Out - Paths & Trails #108	\$77	\$81	-\$4	-5.3%	\$365	21.1%
<u>Trf Out - Sidewalk Construction #302</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>\$80,000</u>	<u>0.0%</u>
ART. STREET FUND APPROPRIATIONS	\$77	\$81	-\$4	-5.3%	\$136,690	0.1%
ENDING FUND BALANCE	\$199,331	\$178,449			\$119,945	

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 biennial revenues, and financial activity through March.

Revenues:

Emergency Care revenues come from three primary sources:

- The general emergency medical services (EMS) property tax levy is projected to generate \$175,920. Through March, the City had received \$3,960 from this revenue source, with the major distributions expected to occur in May and November from the County Auditor's office.
- Ambulance fees are projected at \$822,600. Through March, the City has collected \$291,063, or 35.4% of Budget. This activity is \$82,856 or 39.8% higher than the 2007 activity through March.
- Ambulance utility charges are budgeted at \$450,000. The City has received \$114,319 or 25.4% of these monthly charges.

Appropriations and Transfers Out:

Through March, the Ambulance Fund has spent 25.9% of its annual operating budget appropriations of \$1,421,530. This activity is right on 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 \$13,640 transfer to the General Fund to pay the Ambulance Fund's portion of the annual E911 contribution. This line item is 25.9% expended as of the 1st Quarter.
- \$27,805 in capital projects including new lifepak (heart) monitors and the ramp at the east side station.

AMBULANCE FUND #109
CITY OF HOQUIAM
2008 1ST QUARTER FINANCIAL REPORT

<u>REVENUES</u>	<u>2008</u> <u>Q1 YTD</u>	<u>2007</u> <u>Q1 YTD</u>	<u>Increase</u> <u>(Decrease)</u>	<u>% Increase</u> <u>(Decrease)</u>	<u>2008</u> <u>Budget</u>	<u>% to</u> <u>Budget</u>
Beginning Fund Balance	\$192,710	\$263,094			\$192,710	
EMS Levy	\$3,960	\$3,266	\$694	21.3%	\$175,920	2.3%
Ambulance Fees	\$291,063	\$208,207	\$82,856	39.8%	\$822,600	35.4%
Miscellaneous	\$755	\$647	\$108	16.7%	\$1,220	61.9%
Ambulance Utility Charges	\$114,319	\$111,197	\$3,122	2.8%	\$450,000	25.4%
Fire District EMS Fees	<u>\$6,040</u>	<u>\$6,200</u>	<u>-\$160</u>	<u>-2.6%</u>	<u>\$45,700</u>	<u>13.2%</u>
TOTAL AMBULANCE FUND	\$416,137	\$329,517	\$86,620	26.3%	\$1,495,440	27.8%
<u>OTHER REVENUES & TRANSFERS IN</u>						
Trf In - General Fund #001	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	-	<u>\$0</u>	-
TOTAL OTHER REVENUES	\$0	\$0	\$0	-	\$0	-
TOTAL AMBULANCE REVENUES	\$416,137	\$329,517	\$86,620	26.3%	\$1,495,440	27.8%
GRAND TOTAL AMBULANCE FUND	\$608,847	\$592,611	\$86,620	2.7%	\$1,688,150	\$0
<u>APPROPRIATIONS</u>						
Ambulance Operations	\$368,580	\$360,614	\$7,966	2.2%	\$1,421,530	25.9%
Capital	\$0	-\$96	\$96	-	\$27,805	0.0%
Debt Service	\$0	\$2,838	-\$2,838	-100.0%	\$0	-
Trf Out - General Fund #001 (E911)	\$2,273	\$982	\$1,290	131.4%	\$13,640	16.7%
Trf Out - Equipment Rental Fund #501	<u>\$25,751</u>	<u>\$0</u>	<u>\$25,751</u>	-	<u>\$67,820</u>	<u>38.0%</u>
AMBULANCE FUND APPROPRIATIONS	\$396,604	\$364,338	\$32,266	8.9%	\$1,530,795	25.9%
ENDING FUND BALANCE	\$212,243	\$228,273			\$157,355	

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 revenues and 3% Transient excise tax. Combined revenues through March of \$1,974 constitute 15.2% of the budgeted amount of \$13,000.

Through March, Hotel Motel taxes are up 39.1% compared to 2007 levels which is encouraging. However, the relatively small amount of revenue demonstrates the need for additional lodging facilities in Hoquiam. Staff will continue to monitor this trend monthly and keep the Council informed of any important developments.

Appropriations and Transfers out:

Through March, the City has not expended any of its budget authority in this fund. Staff will be bringing recommendations to the Council from the Lodging Tax Advisory Committee (LTAC) for approval to fund the 2008 community events and festivals.

STADIUM/TOURISM FUND #112

CITY OF HOQUIAM

2008 1ST QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 <u>Q1 YTD</u>	2007 <u>Q1 YTD</u>	Increase <u>(Decrease)</u>	% Increase <u>(Decrease)</u>	2008 <u>Budget</u>	% to <u>Budget</u>
Beginning Fund Balance	\$19,643	\$17,948			\$19,645	
Hotel-Motel Tax	\$1,974	\$1,419	\$555	39.1%	\$13,000	15.2%
<u>Investment Interest</u>	<u>\$200</u>	<u>\$235</u>	<u>-\$35</u>	<u>-15.0%</u>	<u>\$300</u>	<u>66.6%</u>
TOTAL STADIUM/TOURISM FUND	\$2,174	\$1,654	\$520	31.4%	\$13,300	16.3%
TOTAL TOURISM REVENUES	\$2,174	\$1,654	\$520	31.4%	\$13,300	16.3%
GRAND TOTAL STADIUM/TOURISM	\$21,817	\$19,602	\$520	31.4%	\$32,945	16.3%
APPROPRIATIONS						
Loggers Playday	\$0	\$0	\$0	-	\$0	-
7th Street Theatre	\$0	\$0	\$0	-	\$0	-
Community Events	\$0	\$0	\$0	-	\$0	-
Polson Museum RR Signage	\$0	\$0	\$0	-	\$6,045	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	\$0	\$0	\$0	-	\$6,045	0.0%
ENDING FUND BALANCE	\$21,817	\$19,602			\$26,900	

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 2008 with a budgeted \$191,855 cash balance.

Revenues:

This fund receives its primary resources from contract payments on home improvement loans and some resources from the cleanup and abatement fees. Total resources were budgeted at \$10,000 while revenues of \$13,022 have already been received.

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 \$125,100 and include demolition and abatement costs for various dilapidated structures.

Through March, \$5,390 or 4.3% of resources have been expended. This activity is well below expected levels but should be 100% expended by year end.

COMMUNITY DEVELOPMENT REPAY FUND #130

CITY OF HOQUIAM

2008 1ST QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 Q1 YTD	2007 Q1 YTD	Increase (Decrease)	% Increase (Decrease)	2008 Budget	% to Budget
Beginning Fund Balance	\$191,854	\$206,174			\$191,855	
Miscellaneous Cleanup Fees	\$82	\$0	\$82	-	\$0	-
Abatement Fees	\$6,309	\$217	\$6,092	2812.6%	\$0	-
Contract Payments	<u>\$13,022</u>	<u>\$20,734</u>	<u>-\$7,712</u>	<u>-37.2%</u>	<u>\$10,000</u>	<u>130.2%</u>
TOTAL COMM. DEVEL. REPAY FUND	\$19,412	\$20,950	-\$1,538	-7.3%	\$10,000	194.1%
TOTAL CD REPAY REVENUES	\$19,412	\$20,950	-\$1,538	-7.3%	\$10,000	194.1%
GRAND TOTAL COMM. DEVEL. REPAY	\$211,266	\$227,124			\$201,855	
APPROPRIATIONS						
Miscellaneous	\$3,877	\$164	\$3,713	2264.1%	\$100	3877.1%
Cleanup Activities	\$286	\$3,103	-\$2,817	-90.8%	\$1,000	28.6%
Abate Nuisances	\$956	\$14,124	-\$13,168	-93.2%	\$50,000	1.9%
GH Co. Waste Abatement Grant	\$271	\$98	\$174	177.9%	\$2,320	11.7%
Undistributed Carryover	\$0	\$0	\$0	-	\$71,680	0.0%
Trf Out - General Fund #001 (ED Plan)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>\$0</u>	<u>-</u>
COMM. DEVEL. REPAY FUND	\$5,390	\$17,488	-\$12,098	-69.2%	\$125,100	4.3%
ENDING FUND BALANCE	\$205,876	\$209,636			\$76,755	

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 associated with the City's utilities. The adjacent pages summarize budgeted financial activity for the biennium, including revenues and expenditures through March.

Revenues:

This fund was budgeted to generate revenues of \$5,307,585, primarily from water, sewer and storm usage. Fees received from late penalties and shut-offs are also part of this fund's revenues.

Through March water sales of \$324,351 were collected or 23.1% of budgeted metered water revenues of \$1,404,895. This is 12.1% higher than 2007. Water revenues are very seasonal and this number is anticipated to increase in the summer months. However, staff will be monitoring this revenue closely in the coming months.

Through March, this fund had collected 26.1%, or \$293,222 of its budgeted \$1,125,205 sewer service revenue. Sewer service rates are primarily fixed in amounts and not subject to variation in seasonality. Sewer service revenue is 4.9% higher than the 2007 year to date amount.

Storm Drain rate revenues through March are at 20.4%, or \$51,061 of the budgeted amount of \$250,000. Storm Drain revenues are \$5,948 or 227% higher than comparable 2007 amounts. Staff recently uncovered two errors in the rate model both of which when adjusted should put Storm Drain revenues at 100% by year end.

The last major revenue source to this fund comes from a transfer in from the Watershed Fund. Through March, none of the budgeted amount of \$2,425,095 had been transferred.

Appropriations:

For 2008, this fund was appropriated to spend \$5,651,395. Budgeted amounts are primarily for operations, but do include expenditures for capital, debt service and transfers out for equipment reserves.

Through March, the Water, Sewer and Storm Departments combined have expended 24.8%, or \$830,528 of their combined \$3,348,860 operating budget, which is within parameters for the first quarter.

WATER,SEWER AND STORM FUND #401

CITY OF HOQUIAM

2008 1ST QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 Q1 YTD	2007 Q1 YTD	Increase (Decrease)	% Increase (Decrease)	2008 Budget	% to Budget
Beginning Fund Balance	\$673,237	\$522,378			\$673,235	
Water Sales	\$324,351	\$289,296	\$35,054	12.1%	\$1,404,895	23.1%
Sewer Service	\$293,222	\$279,495	\$13,727	4.9%	\$1,125,205	26.1%
Storm Drainage	\$51,061	\$45,469	\$5,592	12.3%	\$250,000	20.4%
Charges for Miscellaneous Service	\$8,570	\$2,622	\$5,948	226.9%	\$25,000	34.3%
Investment Interest	\$18,336	\$21,389	-\$3,053	-14.3%	\$75,390	24.3%
PWTF Loan	\$0	\$15,000	-\$15,000	-100.0%	\$0	-
Other Miscellaneous	<u>\$2,979</u>	<u>\$3,750</u>	<u>-\$771</u>	<u>-20.6%</u>	<u>\$2,000</u>	<u>148.9%</u>
TOTAL WATERWORKS FUND	\$698,518	\$657,021	\$41,497	6.3%	\$2,882,490	24.2%
<u>OTHER REVENUES & TRANSFERS IN</u>						
Trf In - Watershed #402	<u>\$0</u>	<u>\$462,906</u>	<u>-\$462,906</u>	<u>-100.0%</u>	<u>\$2,425,095</u>	<u>0.0%</u>
TOTAL OTHER REVENUES	\$0	\$462,906	-\$462,906	-100.0%	\$2,425,095	0.0%
TOTAL WATERWORKS REVENUES	\$698,518	\$1,119,927	-\$421,409	-37.6%	\$5,307,585	13.2%
GRAND TOTAL WATERWORKS FUND	\$1,371,755	\$1,642,305			\$5,980,820	
<u>APPROPRIATIONS</u>						
Water Operations	\$448,674	\$452,365	-\$3,691	-0.8%	\$1,707,385	26.3%
Sewer Operations	\$300,847	\$253,190	\$47,657	18.8%	\$1,284,375	23.4%
Storm Drain Operations	<u>\$81,007</u>	<u>\$71,388</u>	<u>\$9,619</u>	<u>13.5%</u>	<u>\$357,100</u>	<u>22.7%</u>
TOTAL WATERWORKS OPERATIONS	\$830,528	\$776,943	\$53,586	6.9%	\$3,348,860	24.8%
Water Capital	\$23,807	\$77,933	-\$54,125	-69.5%	\$1,234,620	1.9%
Sewer Capital	\$2,585	\$345,495	-\$342,909	-99.3%	\$856,530	0.3%
Storm Drain Capital	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>\$1,495</u>	<u>0.0%</u>
TOTAL WATERWORKS CAPITAL	\$26,393	\$423,427	-\$397,034	-93.8%	\$2,092,645	1.3%
Water Debt Service	\$0	\$0	\$0	-	\$0	-
Sewer Debt Service	<u>\$7,800</u>	<u>\$0</u>	<u>\$7,800</u>	<u>-</u>	<u>\$24,270</u>	<u>32.1%</u>
TOTAL WATERWORKS DEBT	\$7,800	\$0	\$7,800	-	\$24,270	32.1%
Trf Out - Equipment Rental #501	\$22,415	\$15,030	\$7,385	49.1%	\$80,170	28.0%
Trf Out - Equipment Reserve #505	\$21,811	\$21,411	\$400	1.9%	\$105,450	20.7%
Trf Out - Unemployment #522	<u>\$0</u>	<u>\$2,539</u>	<u>-\$2,539</u>	<u>-100.0%</u>	<u>\$0</u>	<u>-</u>
TOTAL WATERWORKS TRANSFERS	\$44,226	\$38,980	\$5,246	13.5%	\$185,620	23.8%
GRAND TOTAL WATERWORKS FUND	\$908,947	\$1,239,350	-\$330,402	-26.7%	\$5,651,395	16.1%
ENDING FUND BALANCE	\$462,808	\$402,955			\$329,425	

To date, the Water, Sewer and Storm Departments expended 1.3%, or \$26,393 of their combined \$2,092,645 capital budget. For 2008, the majority of capital expenditures will be toward replacement of the Hoquiam River crossings.

Transfers to other funds for operating, debt service and capital improvement requirements are within normal budget parameters through March, and are anticipated to be 100% expended by year-end.

This fund was budgeted to begin the year with a cash balance of \$673,235. However, after all operating appropriations and capital expenditures, this fund is budgeted to end the year with a cash balance of \$329,425. This is encouraging as a 45-day operating reserve is recommended which would equate to \$400,000.

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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 for infrastructure improvements.

This fund began 2008 with a \$1,352,988 cash balance.

Revenues:

This fund receives its resources from timber sales. Bids were opened for a timber blow down sale this Spring and the City anticipates netting approximately \$300,000. No revenues have yet been received by this fund.

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 \$2,480,095 is budgeted to the Water, Sewer and Storm Fund for capital expenditures in support of infrastructure improvements. To date, none of the budgeted transfers have been made.

WATERSHED FUND #402
CITY OF HOQUIAM
2008 1ST QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 <u>Q1 YTD</u>	2007 <u>Q1 YTD</u>	Increase <u>(Decrease)</u>	% Increase <u>(Decrease)</u>	2008 <u>Budget</u>	% to <u>Budget</u>
Beginning Fund Balance	\$1,352,988	\$1,639,561			\$1,352,990	
Miscellaneous Revenue	\$0	\$528	-\$528	-100.0%	\$0	-
<u>Timber Payments</u>	<u>\$0</u>	<u>\$110,000</u>	<u>-\$110,000</u>	<u>-100.0%</u>	<u>\$1,231,020</u>	<u>0.0%</u>
TOTAL WATERSHED FUND	\$0	\$110,528	-\$110,000	-100.0%	\$1,231,020	0.0%
TOTAL WATERSHED REVENUES	\$0	\$110,528	-\$528	-100.0%	\$1,231,020	-
GRAND TOTAL WATERSHED FUND	\$1,352,988	\$1,750,089	-\$110,000	-100.0%	\$2,584,010	0.0%
APPROPRIATIONS						
Watershed Operations	\$23,565	\$19,392	\$4,173	21.5%	\$103,915	22.7%
<u>Trf Out - Waterworks #401</u>	<u>\$0</u>	<u>\$462,906</u>	<u>-\$462,906</u>	<u>-100.0%</u>	<u>\$2,480,095</u>	<u>0.0%</u>
WATERSHED FUND	\$23,565	\$482,298	-\$458,733	-95.1%	\$2,584,010	0.9%
ENDING FUND BALANCE	\$1,329,422	\$1,267,791			\$0	

Landfill Postclosure Fund #417

Overview:

The Landfill Postclosure Fund provides for maintenance and monitoring of the old City Landfill. Funds were transferred annually from the Sanitation Fund, when it was in operation, to this fund to pay for future maintenance costs. When the Sanitation Department was sold, a sufficient amount from the sale was also transferred to this fund to cover the costs of the City's obligation to the landfill until 2009.

This fund began 2008 with a \$283,819 cash balance.

Revenues:

This fund receives its resources from interest earned on the cash balance reserved in this fund for postclosure maintenance.

Appropriations and Transfers out:

This fund is budgeted to spend \$64,985 on postclosure maintenance in 2008. As of the first quarter, \$16,284 or 25.1% of anticipated expenditures had been made. This fund is budgeted to end the year with a \$225,835 cash balance.

LANDFILL POSTCLOSURE FUND #417

CITY OF HOQUIAM

2008 1ST QUARTER FINANCIAL REPORT

	2008 <u>Q1 YTD</u>	2007 <u>Q1 YTD</u>	Increase <u>(Decrease)</u>	% Increase <u>(Decrease)</u>	2008 <u>Budget</u>	% to <u>Budget</u>
REVENUES						
Beginning Fund Balance	\$283,819	\$323,102			\$283,820	
Investment Interest	<u>\$4,223</u>	<u>\$4,807</u>	<u>-\$584</u>	<u>-12.1%</u>	<u>\$7,000</u>	<u>60.3%</u>
TOTAL LANDFILL POSTCLOSURE FUND	<u>\$4,223</u>	<u>\$4,807</u>	<u>-\$584</u>	<u>-12.1%</u>	<u>\$7,000</u>	<u>60.3%</u>
TOTAL LANDFILL REVENUES	\$4,223	\$4,807	-\$584	-12.1%	\$7,000	60.3%
GRAND TOTAL LANDFILL POSTCLOSURE	\$288,042	\$327,909	-\$584	-12.1%	\$290,820	60.3%
APPROPRIATIONS						
Landfill Operations	<u>\$16,284</u>	<u>\$9,887</u>	<u>\$6,397</u>	<u>64.7%</u>	<u>\$64,985</u>	<u>25.1%</u>
LANDFILL POSTCLOSURE FUND	<u>\$16,284</u>	<u>\$9,887</u>	<u>\$6,397</u>	<u>64.7%</u>	<u>\$64,985</u>	<u>25.1%</u>
ENDING FUND BALANCE	\$271,758	\$318,022			\$225,835	

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 funds are then transferred to this fund to acquire the vehicles.

For the biennium, this fund began the year with a \$72,956 cash balance.

Revenues:

All resources of the Equipment Rental Fund come in the form of charges for services from other departments and transfers from other funds.

There is \$264,745 in budgeted revenue, of which 28.9%, has been received through March.

Appropriations:

The primary expenditures in this fund are for the one mechanic and for vehicle purchases. In addition to the mechanic, there are two vehicle purchases planned for the year.

As of March, \$79,632 or 27.3% of operations had been expended and \$1,483 or 7.3% of appropriated vehicle purchases had been made.

EQUIPMENT RENTAL FUND #501

CITY OF HOQUIAM

2008 1ST QUARTER FINANCIAL REPORT

	2008	2007	Increase	% Increase	2008	% to
<u>REVENUES</u>	<u>Q1 YTD</u>	<u>Q1 YTD</u>	<u>(Decrease)</u>	<u>(Decrease)</u>	<u>Budget</u>	<u>Budget</u>
Beginning Fund Balance	\$72,956	\$62,813			\$72,955	
Equipment Maintenance Charges	\$75,678	\$57,499	\$18,180	31.6%	\$231,750	32.7%
Investment Interest	\$0	\$1,738	-\$1,738	-100.0%	\$7,775	0.0%
<u>Other Miscellaneous</u>	<u>\$915</u>	<u>\$1,117</u>	<u>-\$202</u>	<u>-18.1%</u>	<u>\$5,000</u>	<u>18.3%</u>
TOTAL EQUIPMENT RENTAL FUND	\$76,593	\$60,354	\$16,240	26.9%	\$244,525	31.3%
<u>OTHER REVENUES & TRANSFERS IN</u>						
Trf In - Eq. Rental Reserve #505	\$0	\$0	\$0	-	\$20,220	0.0%
TOTAL OTHER REVENUES	\$0	\$0	\$0	-	\$20,220	0.0%
TOTAL EQUIPMENT RENTAL REVENUE	\$76,593	\$60,354	\$16,240	26.9%	\$264,745	28.9%
GRAND TOTAL EQUIPMENT RENTAL	\$149,549	\$123,167	\$26,382	21.4%	\$337,700	44.3%
<u>APPROPRIATIONS</u>						
Equipment Rental Operations	\$79,632	\$62,010	\$17,622	28.4%	\$291,285	27.3%
<u>Capital</u>	<u>\$1,483</u>	<u>\$14,827</u>	<u>-\$13,344</u>	<u>-90.0%</u>	<u>\$20,220</u>	<u>7.3%</u>
EQUIPMENT RENTAL FUND APPROP.	\$81,115	\$76,837	\$4,278	5.6%	\$311,505	26.0%
ENDING FUND BALANCE	\$68,434	\$46,330			\$26,195	

Equipment Rental Reserve Fund #505

Overview:

The Equipment Rental Reserve Fund provides for the accounting of resources from all operating funds for use in acquiring vehicles and equipment. 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 biennium, this fund begins the year with a \$1,525,451 cash balance. The budget provides for \$238,900 in resources from transfers to this fund from other funds and \$32,500 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, \$238,900 in transfers are provided by other funds of which \$56,407 or 23.6%, have been made through March.

Appropriations:

Appropriations come in the form of transfers to the Equipment Rental Fund #501. In the 2008 budget, \$20,220 was appropriated in transfers of which none have been made to date.

EQUIPMENT RENTAL RESERVE FUND #505

CITY OF HOQUIAM

2008 1ST QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 Q1 YTD	2007 Q1 YTD	Increase (Decrease)	% Increase (Decrease)	2008 Budget	% to Budget
Beginning Fund Balance	\$1,525,451	\$1,364,211			\$1,525,450	
Departmental Contributions	\$56,407	\$56,007	\$400	0.7%	\$238,900	23.6%
Interfund Loans	\$0	\$13,256	-\$13,256	-100.0%	\$32,500	0.0%
Proceeds from Sale of Fixed Assets	\$0	\$5,800	-\$5,800	-100.0%	\$0	-
TOTAL EQ. RENTAL RESERVE FUND	\$56,407	\$75,063	-\$18,656	-24.9%	\$271,400	20.8%
TOTAL EQ RENTAL RES REVENUES	\$56,407	\$75,063	-\$18,656	-24.9%	\$271,400	20.8%
GRAND TOTAL EQ RENTAL RESERVE	\$1,581,858	\$1,439,275	-\$18,656	9.9%	\$1,796,850	88.0%
APPROPRIATIONS						
Trf Out - Equipment Rental #501	\$0	\$0	\$0	-	\$20,220	0.0%
EQ RENTAL RESERVE FUND	\$0	\$0	\$0	-	\$20,220	0.0%
ENDING FUND BALANCE	\$1,581,858	\$1,439,275			\$1,776,630	

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 \$70,876 cash balance. The budget provides for \$1,495,590 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, \$1,495,590 in transfers are provided by other funds, of which \$365,820 or 24.5%, have been made through March.

Appropriations:

Appropriations to this fund include the City's direct medical and dental premiums in the amount of \$1,522,305. As of March, the City had expended \$484,515 or 31.8% on medical premiums. This figure is higher than anticipated because it includes the April payment and is therefore for four months. If we were to exclude the April payment, this fund would be less than 25% spent to date.

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MEDICAL/DENTAL FUND #520
CITY OF HOQUIAM
2008 1ST QUARTER FINANCIAL REPORT

<u>REVENUES</u>	<u>2008</u> <u>Q1 YTD</u>	<u>2007</u> <u>Q1 YTD</u>	<u>Increase</u> <u>(Decrease)</u>	<u>% Increase</u> <u>(Decrease)</u>	<u>2008</u> <u>Budget</u>	<u>% to</u> <u>Budget</u>
Beginning Fund Balance	\$70,876	\$69,057			\$70,875	
Department Contributions	\$365,820	\$331,066	\$34,754	10.5%	\$1,495,590	24.5%
Cobra Contributions	\$213	\$0	\$213	-	\$0	-
<u>Employee Contributions</u>	<u>\$212</u>	<u>\$677</u>	<u>-\$465</u>	<u>-68.6%</u>	<u>\$18,000</u>	<u>1.2%</u>
TOTAL MEDICAL/DENTAL FUND	\$366,246	\$331,743	\$34,502	10.4%	\$1,513,590	24.2%
TOTAL MEDICAL/DENTAL REVENUES	\$366,246	\$331,743	\$34,502	10.4%	\$1,513,590	24.2%
GRAND TOTAL MEDICAL/DENTAL FUND	\$437,122	\$400,801	\$36,321	9.1%	\$1,584,465	27.6%
APPROPRIATIONS						
Medical Premiums	\$462,586	\$310,641	\$151,946	48.9%	\$1,434,000	32.3%
Dental - Claims & Admin Fees	\$21,929	\$14,999	\$6,929	46.2%	\$77,000	28.5%
<u>Undistributed Carryover</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>\$11,305</u>	<u>0.0%</u>
MEDICAL/DENTAL FUND APPROPRIATIONS	\$484,515	\$325,640	\$158,875	48.8%	\$1,522,305	31.8%
ENDING FUND BALANCE	-\$47,393	\$75,161			\$62,160	

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 biennium, this fund begins the year with no cash balance. The budget provides for \$15,000 in resources transferred to this fund from the General Fund.

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 to this fund of which none have been made through March.

Appropriations:

There is \$15,000 in appropriations planned for the year to allow for potential unemployment claims of former City employees. As of March, none of the appropriations in this fund had been expended.

UNEMPLOYMENT FUND #522

CITY OF HOQUIAM

2008 1ST QUARTER FINANCIAL REPORT

	2008 Q1 YTD	2007 Q1 YTD	Increase (Decrease)	% Increase (Decrease)	2008 Budget	% to Budget
REVENUES						
Beginning Fund Balance	\$13,553	\$0			\$13,550	
Property Tax	\$0	\$0	\$0	-	\$0	-
Trf In - General Fund	\$0	\$2,788	-\$2,788	-100.0%	\$15,000	0.0%
Trf In - Departments	<u>\$0</u>	<u>\$2,949</u>	<u>-\$2,949</u>	<u>-100.0%</u>	<u>\$0</u>	<u>-</u>
TOTAL UNEMPLOYMENT FUND	\$0	\$5,737	-\$5,737	-100.0%	\$15,000	0.0%
TOTAL UNEMPLOYMENT REVENUES	\$0	\$5,737	-\$5,737	-100.0%	\$15,000	0.0%
GRAND TOTAL UNEMPLOYMENT FUND	\$13,553	\$5,737	\$7,816	136.2%	\$28,550	47.5%
APPROPRIATIONS						
<u>Personnel Benefits</u>	<u>\$0</u>	<u>\$5,737</u>	<u>-\$5,737</u>	<u>-100.0%</u>	<u>\$20,545</u>	<u>0.0%</u>
UNEMPLOYMENT FUND APPROPRIATIONS	\$0	\$5,737	-\$5,737	-100.0%	\$20,545	0.0%
ENDING FUND BALANCE	\$13,553	\$0			\$8,005	

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 the benefits to these employees while the state provides their pensions. This fund also pays the supplemental pension payments for pre-LEOFF fire employees.

This fund is budgeted to begin the year with a \$26,138 beginning cash balance.

Revenues:

The primary source of funding for the Police & Firemen's Pension Fund is through a transfer from the General Fund. There is \$516,500 in budgeted transfers, of which \$140,000 or 27.1% has been received.

There is also \$16,500 in Fire Insurance Premium Taxes that are anticipated to be received in 2008 to help offset the Fire pension payments. No revenues have yet been received in this line item.

Appropriations:

Expenditures for this fund were budgeted at \$538,110 in 2008 and go mostly for retiree medical but also for pension payments. As of March 2008, \$129,702 or 24.1% of budgeted appropriations had been expended.

POLICE & FIRE RETIREES FUND #611**CITY OF HOQUIAM****2008 1ST QUARTER FINANCIAL REPORT**

<u>REVENUES</u>	2008 <u>Q1 YTD</u>	2007 <u>Q1 YTD</u>	Increase <u>(Decrease)</u>	% Increase <u>(Decrease)</u>	2008 <u>Budget</u>	% to <u>Budget</u>
Beginning Fund Balance	\$26,138	\$31,340			\$26,140	
Property Tax	\$0	\$0	\$0	-	\$0	-
Fire Insurance Premium Tax	\$0	\$0	\$0	-	\$16,500	0.0%
<u>Trf In - General Fund</u>	<u>\$140,000</u>	<u>\$100,000</u>	<u>\$40,000</u>	<u>40.0%</u>	<u>\$516,500</u>	<u>27.1%</u>
TOTAL POLICE & FIRE RETIREE FUN	\$140,000	\$100,000	\$40,000	40.0%	\$533,000	26.3%
TOTAL RETIREE REVENUES	\$140,000	\$100,000	\$40,000	40.0%	\$533,000	26.3%
GRAND TOTAL RETIREE FUND	\$166,138	\$131,340	\$34,798	26.5%	\$559,140	29.7%
APPROPRIATIONS						
Police LF 1 Medical Premiums	\$50,693	\$45,975	\$4,718	10.3%	\$198,000	25.6%
Police LF1 Medical Bills	\$1,549	\$2,432	-\$882	-36.3%	\$12,000	12.9%
Police LF 1 Dental Bills	\$492	\$95	\$397	419.0%	\$2,500	19.7%
Fire LF1 Disability Pyts	\$9,633	\$9,888	-\$254	-2.6%	\$51,000	18.9%
Fire LF1 Annuity Pyts	\$5,232	\$5,599	-\$367	-6.6%	\$11,000	47.6%
Fire LF1 Medical Premiums	\$54,741	\$51,795	\$2,946	5.7%	\$223,000	24.5%
Fire LF1 Medical Bills	\$3,650	\$4,759	-\$1,109	-23.3%	\$25,000	14.6%
Fire LF1 Medicare Premiums	\$3,436	\$3,026	\$410	13.6%	\$8,000	42.9%
<u>Fire LF1 Dental Bills</u>	<u>\$276</u>	<u>\$47</u>	<u>\$229</u>	<u>487.2%</u>	<u>\$2,500</u>	<u>11.0%</u>
Undistributed Carryover	\$0	\$0	\$0	-	\$5,110	0.0%
RETIREE FUND APPROPRIATIONS	\$129,702	\$123,613	\$6,089	4.9%	\$538,110	24.1%
ENDING FUND BALANCE	\$36,436	\$7,727			\$21,030	

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 first quarter. More detail will be included in future Quarterly Reports as activity picks up in the summer months.

Progress Summary:

Water Capital Projects, \$1,226,310. These items provide appropriation authority for all requested water utility capital improvements for 2008. These improvements are funded from watershed resources transferred to the Water Department. The largest project in this category is for improvements to the Hoquiam River Crossing. In total, Water Capital Projects have expended \$23,807 or 1.9% of budget authority.

Sewer Capital Projects, \$856,530. Like the Water Capital, the Hoquiam River Crossing is the major project for 2008. As of March, \$2,585 or 0.3% of appropriated expenditures had been made.

General Capital Reserve, \$50,000. This line item was appropriated to fund improvements to City Hall in 2008. There have been no expenditures as of March 2008.

Sidewalk Construction Fund, \$82,000. This line item was appropriated to fund sidewalk improvements at City owned facilities. There have been no expenditures as of March 2008.

Train Station Improvement Fund, \$213,450. These funds represent amounts to complete the Train Station in 2008. To date, \$153,428 or 71.9% of expenditures have been made and construction is nearly complete.

CAPITAL IMPROVEMENT BUDGET

CITY OF HOQUIAM
2008 1ST QUARTER FINANCIAL REPORT

<u>Funding Source/Project Description</u>	<u>2008 Q1 YTD</u>	<u>2008 Budget</u>	<u>% to Budget</u>
#107 Arterial Street Fund			
Overlay Projects	\$0	\$20,990	0.0%
#108 Paths and Trails:			
Construction Projects	\$0	\$8,000	0.0%
#114 General Capital Reserve:			
City Hall Improvements	\$0	\$50,000	0.0%
#302 Sidewalk Construction Fund:			
Construction Projects	\$0	\$79,500	0.0%
<u>7th & Simpson Handicap Ramp</u>	<u>\$0</u>	<u>\$2,500</u>	<u>0.0%</u>
Subtotal, Sidewalk Construction Projects	\$0	\$82,000	0.0%
#308 Train Station Improvement Fund:			
Construction Projects	\$153,428	\$213,450	71.9%
#401 Water Capital Projects:			
L Hoq Dam Consent Decree	\$0.00	\$400,000.00	0.0%
Drill Test Well Near WTP	\$6,201.84	\$79,430.00	7.8%
Add'l East Side River X'g Prep	\$2,922.85	\$682,415.00	0.4%
Update WTP SCADA System	\$8,865.59	\$14,800.00	59.9%
Replace Turbidimeters	\$0.00	\$2,200.00	0.0%
Replace Chart Recorders	\$0.00	\$15,000.00	0.0%
Alarm Dialer	\$0.00	\$5,200.00	0.0%
Meters	\$5,817.11	\$22,000.00	26.4%
Repl Chem Metering Pumps	\$0.00	\$5,265.00	0.0%
<u>Upgrade Billing Program</u>	<u>\$0.00</u>	<u>\$8,310.00</u>	<u>0.0%</u>
Subtotal, Water Capital Projects	\$23,807	\$1,226,310	1.9%
#401 Sewer Capital Projects:			
Sewer River Crossing Design	\$2,513.40	\$688,035.00	0.4%
Variable Drives	\$72.08	\$161,885.00	0.0%
<u>Upgrade Utility Bill Program</u>	<u>\$0.00</u>	<u>\$6,610.00</u>	<u>0.0%</u>
Subtotal, Sewer Capital Projects	\$2,585	\$856,530	0.3%
#401 Storm Capital Projects:			
Upgrade Utility Bill Program	\$0.00	\$1,495.00	0.0%
Subtotal, Storm Capital Projects	\$0	\$1,495	0.0%
TOTAL CITY OF HOQUIAM CAPITAL IMPROVEMENT BUDGET	\$179,821	\$2,458,775	7.3%

Debt Service Budget Summary

Overview:

The adjacent page provides a summary of the 2008 debt service budget of the City. The City began 2008 with a total bonded debt service principal balance including revenue debt of \$805,454 in all funds.

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 March, \$12,741 or 12.3% of budget has been expended in principal and interest payments on LTGO debt.

Unlimited Tax General Obligation (UTGO) Debt: Appropriations in this category pay the principal, interest and expenses associated with one bond issue:

- 1995 Issue that refunded three separate bond issues.

Through March, no expenditures in principal and interest payments have been made.

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

- 2006 PWTF Loan to complete a Sewer Facility Plan.
- 2000 CERB Loan to install sewer along the 5th Street Extension.

Through March, \$7,800 or 20.6% of budget has been expended in principal and interest payments on revenue debt.

Total debt activity through March 31st was \$20,541 or 4.6% of the total debt service budget, due again to payments later in the year on general obligation debt.

DEBT SERVICE SUMMARY
CITY OF HOQUIAM
2008 1ST QUARTER FINANCIAL REPORT

<u>ISSUE</u>		2008	2008	2008	2008	2008	% to	2008
	<u>Fund</u>	<u>Beginning</u>	<u>2008</u>	<u>2008</u>	<u>2008</u>	<u>2008</u>	<u>Budget</u>	<u>Ending</u>
		<u>Balance</u>	<u>Principal</u>	<u>Interest</u>	<u>Q1 YTD</u>	<u>Budget</u>	<u>Budget</u>	<u>Balance</u>
<u>Limited Tax General Obligation Debt</u>								
1989 City Hall Remodel	213	\$234,288	\$7,469	\$5,271	\$12,741	\$25,485	29.3%	\$208,803
1994 PWTf Aberdeen Avenue*	107	\$231,166	\$0	\$0	\$0	\$35,335	0.0%	\$198,142
Subtotal, Limited Tax G.O.		\$465,454	\$7,469	\$5,271	\$12,741	\$60,820	12.3%	\$406,945
<u>Unlimited Tax General Obligation Debt</u>								
1995 Refunding Bond	205	\$175,000	\$0	\$0	\$0	\$184,190	0.0%	\$0
Subtotal, Unlimited Tax G.O.		\$175,000	\$0	\$0	\$0	\$184,190	0.0%	\$0
<u>Revenue Debt</u>								
2006 PWTf Sewer Facility Plan*	401	\$100,000	\$0	\$0	\$0	\$16,670	0.0%	\$83,330
2000 CERB Fifth Street Sewer Extension	401	\$65,000	\$5,000	\$2,800	\$7,800	\$7,600	65.8%	\$57,400
Subtotal, Revenue		\$165,000	\$5,000	\$2,800	\$7,800	\$24,270	20.6%	\$140,730
Total Debt, All Sources and Uses		\$805,454	\$12,469	\$8,071	\$20,541	\$269,280	4.6%	\$547,675

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