



2008 Quarterly Financial Report
Second Quarter 2008
January through June

The City of Hoquiam, Washington

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Hoquiam, Washington

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CITY OF HOQUIAM

Second Quarter Financial Report - January through June 2008

EXECUTIVE SUMMARY

This document provides a detailed review of City financial activity for the first six 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 June, 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 38.5% of operating appropriations. As of June 30, only a small percentage of capital improvement and debt service expenditures had been made.

Analysis: Only the Train Station Improvement Fund is showing higher than expected expenditures. This is due to the completion of this 15 year project as the Train Station was occupied by the Department of Licensing at the end of June.

Bottom Line: Revenues are exceeding expectations while expenditures have been less than anticipated. Cash reserves in the General Fund are at an all time high.

A trend that started in the first quarter of 2008 has continued into the second quarter. That is, sales taxes are up 17% or \$51,167 in 2008 over comparable 2007 levels, while B&O Tax receipts are down 15% or \$70,111. 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. However, staff will continue to investigate this anomaly.

Almost all operating departments are within normal expenditure levels through the second quarter. In the General Fund, the combined operating departments expended 11.3% more in the 2nd Quarter of 2008 than they did combined in the 2nd Quarter of 2007.

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 2ND QUARTER FINANCIAL REPORT

<u>OPERATING FUNDS</u>	<u>No.</u>	<u>2008 Q2 YTD</u>	<u>2007 Q2 YTD</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>	<u>2007 Budget</u>	<u>% to Budget</u>
General Fund	001	\$2,892,778	\$3,096,345	-\$203,567	-6.6%	\$6,848,055	42.2%
Cemetery	101	\$97,225	\$101,035	-\$3,810	-3.8%	\$192,190	50.6%
Mausoleum	102	\$3,565	\$3,882	-\$317	-8.2%	\$31,235	11.4%
Cemetery Equipment Reserve	103	\$6,455	\$0	\$6,455	-	\$8,455	76.3%
Cemetery Preneed	104	\$2,210	\$3,065	-\$855	-27.9%	\$57,000	3.9%
Parks Special Programs	105	\$0	\$0	\$0	-	\$16,400	0.0%
Street Fund	106	\$130,659	\$147,983	-\$17,324	-11.7%	\$316,560	41.3%
Arterial Street Fund	107	\$155	\$163	-\$8	-5.1%	\$80,365	0.2%
Ambulance	109	\$813,955	\$751,346	\$62,609	8.3%	\$1,551,100	52.5%
Stadium/Tourism	112	\$0	\$0	\$0	-	\$6,045	0.0%
Comm. Devel. Repay	130	\$22,060	\$22,842	-\$782	-3.4%	\$125,100	17.6%
Water	401-25	\$867,910	\$847,969	\$19,941	2.4%	\$1,828,155	47.5%
Sewer	401-26	\$579,062	\$531,261	\$47,801	9.0%	\$1,331,990	43.5%
Storm	401-27	\$172,330	\$139,235	\$33,096	23.8%	\$368,925	46.7%
Watershed	402	\$215,995	\$739,797	-\$523,801	-70.8%	\$2,584,010	8.4%
Landfill Postclosure	417	\$32,829	\$27,683	\$5,146	18.6%	\$64,865	50.6%
Equipment Rental	501	\$194,514	\$321,581	-\$127,067	-39.5%	\$550,075	35.4%
Equipment Rental Reserve	505	\$36,391	\$169,455	-\$133,064	-78.5%	\$262,415	13.9%
Medical/Dental Benefits	520	\$729,865	\$763,856	-\$33,991	-4.4%	\$1,522,305	47.9%
Unemployment Fund	522	\$0	\$9,457	-\$9,457	-100.0%	\$20,545	0.0%
Police & Fire Retiree	611	\$251,431	\$247,460	\$3,971	1.6%	\$538,110	46.7%
<u>Library Memorial</u>	625	<u>\$6,814</u>	<u>\$0</u>	<u>\$6,814</u>	<u>-</u>	<u>\$6,815</u>	<u>100.0%</u>
TOTAL OPERATING FUNDS		\$7,056,203	\$7,924,414	-\$868,210	-11.0%	\$18,310,715	38.5%
<u>CAPITAL IMPROVEMENT FUNDS</u>							
Stadium Field Loan Repayment	005	\$0	\$18,971	-\$18,971	-100.0%	\$37,200	0.0%
Arterial Streets	107	\$4,410	\$0	\$4,410	-	\$20,990	21.0%
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	\$1,142	\$0	\$1,142	-	\$82,000	1.4%
Train Station	308	\$352,880	\$18,260	\$334,620	1832.6%	\$342,450	103.0%
Water Capital Projects	401-25	\$54,957	\$153,576	-\$98,619	-64.2%	\$1,234,620	4.5%
Sewer Capital Projects	401-26	\$34,890	\$504,904	-\$470,014	-93.1%	\$906,530	3.8%
<u>Storm Drain Capital Projects</u>	401-27	<u>\$417</u>	<u>\$540</u>	<u>-\$123</u>	<u>-22.7%</u>	<u>\$1,495</u>	<u>27.9%</u>
TOTAL CAPITAL IMPROVEMENT FUNDS		\$548,697	\$696,251	-\$147,554	-21.2%	\$2,883,285	19.0%
TOTAL DEBT SERVICE FUNDS		\$78,470	\$21,583	\$56,887	263.6%	\$269,480	29.1%
TOTAL ALL FUNDS		\$7,683,370	\$8,642,248	-\$958,877	-11.1%	\$21,463,480	35.8%

General Fund

Overview:

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

For 2008, total revenues and transfers in are budgeted at \$6,272,330, while appropriations and transfers out are adopted at \$6,848,055, creating an ending balance of \$1,725,850.

Operating budget appropriations of \$2,590,037 represent an 11.3% increase over comparable 2007 appropriations. This increase can be attributed to rising fuel costs, overtime due to employee turnover, the addition of the City Planner, and improvements to Olympic Stadium

Transfers to other funds total \$947,525, and include annual support of City activities including street operations and funds for police and fire pension obligations.

General Fund Revenues:

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

Taxes through June are at 55.9% of budget. This is appropriate as the City has already received 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 high percentage of taxes received through June.

Licenses and Permits are at 78.5% of budget through June. This is due in part to business license renewals that were paid in full for the year during the first quarter and the large number of building permits taken out after the December 2007 storm.

Intergovernmental Revenue is at 30.5% of budget through the second 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 79.8% through June. This category includes primarily police citations and other court fines.

Miscellaneous Revenue is at 43.3% of budget. Interest income on reserves represents the majority of this category.

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

GENERAL FUND (CURRENT EXPENSE) #001

CITY OF HOQUIAM

2008 2ND QUARTER FINANCIAL REPORT

<u>REVENUES</u>	<u>2008 Q2 YTD</u>	<u>2007 Q2 YTD</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>	<u>2008 Budget</u>	<u>% to Budget</u>
Beginning Fund Balance	\$2,308,243	\$2,211,992			\$2,301,575	
Taxes	\$2,567,994	\$2,498,354	\$69,640	2.8%	\$4,595,050	55.9%
Licenses and Permits	\$218,012	\$236,536	-\$18,525	-7.8%	\$277,715	78.5%
Intergovernmental Revenue	\$195,824	\$230,809	-\$34,985	-15.2%	\$642,700	30.5%
Charges for Services	\$37,693	\$39,863	-\$2,171	-5.4%	\$63,730	59.1%
Fines and Forfeits	\$95,521	\$81,597	\$13,925	17.1%	\$119,705	79.8%
<u>Miscellaneous Revenue</u>	<u>\$191,602</u>	<u>\$249,935</u>	<u>-\$58,334</u>	<u>-23.3%</u>	<u>\$442,590</u>	<u>43.3%</u>
TOTAL GENERAL FUND	\$3,306,645	\$3,337,095	-\$30,450	-0.9%	\$6,141,490	53.8%
<u>OTHER REVENUES & TRANSFERS IN</u>						
Trf In - Ambulance 109/E911	\$4,545	\$1,964	\$2,581	131.4%	\$13,640	33.3%
Trf In - Stadium 005/Grayport	\$0	\$18,971	-\$18,971	-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/Lib Roof	\$0	\$0	\$0	100.0%	\$0	-
Trf In - Library Memorial	\$6,814	\$0	\$6,814	100.0%	\$0	-
<u>Trf In - 130 CD Repay/ED Plan</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>100.0%</u>	<u>\$30,000</u>	<u>0.0%</u>
TOTAL OTHER REVENUES	\$11,359	\$20,935	-\$9,576	-45.7%	\$130,840	8.7%
TOTAL GEN FUND REVENUES	\$3,318,004	\$3,358,030	-\$40,026	-1.2%	\$6,272,330	52.9%
GRAND TOTAL GENERAL FUND	\$5,626,247	\$5,570,022			\$8,573,905	

General Fund Appropriations:

Adopted appropriations and required transfers total \$6,848,055, an increase of \$640,860 from 2007 appropriated levels. This is attributed to four factors: first, the miscellaneous improvements to City Hall, second personnel increases in the Police Department including cashing out banked vacation hours. Also, grant funded equipment in the Fire Department and finally, reimbursable Pontoon Project permit reviews in Public Works. Of this total, the adjacent page summarizes operating appropriations of \$5,900,530 and transfers out of \$947,525.

Through June, operating expenditures total 43.9% of budgeted appropriations, below anticipated spending levels for the first six months of the year. Given that the first six months typically include annual insurance premiums and other one-time costs, this is well within normal operating parameters.

The only department that is substantially above year to date targets is the Legislative/Council Department and the 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 second year of the Americorps program ends in July and the budget for the remainder of 2008 has not yet been finalized. This department should be on target by year end.

In summary, all departments are well within expected budget parameters through the first six 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 \$947,525 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. An accounting change in 2007 forced all "creeper" funds receive their funds via transfer from the General Fund rather than direct appropriation. A transfer of \$50,000 or 33.9% of budgeted amounts was made as of June.

Train Station: A one-time transfer of funds to make improvements for the Department of Licensing was approved by Council. This includes \$129,000 in interior office improvements. This transfer had not been made as of June.

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 \$240,000 or 46.5% had been made as of June.

GENERAL FUND (CURRENT EXPENSE) #001

CITY OF HOQUIAM

2008 2ND QUARTER FINANCIAL REPORT

OPERATING EXPENDITURES

<u>DEPARTMENT</u>	<u>2008 Q2 YTD</u>	<u>2007 Q2 YTD</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>	<u>2008 Budget</u>	<u>% to Budget</u>
Legislative/Council	\$75,175	\$75,755	-\$581	-0.8%	\$122,845	61.2%
Municipal Court	\$77,606	\$73,894	\$3,712	5.0%	\$167,895	46.2%
Finance	\$104,732	\$98,696	\$6,036	6.1%	\$231,850	45.2%
Legal	\$62,739	\$60,974	\$1,764	2.9%	\$125,830	49.9%
Civil Service	\$1,522	\$2,362	-\$840	-35.6%	\$5,845	26.0%
City Hall & Buildings	\$53,362	\$62,111	-\$8,749	-14.1%	\$206,265	25.9%
Electrical	\$91,114	\$77,676	\$13,438	17.3%	\$205,830	44.3%
Police	\$1,064,213	\$916,340	\$147,873	16.1%	\$2,167,980	49.1%
Fire	\$428,429	\$397,464	\$30,965	7.8%	\$911,450	47.0%
Animal Control	\$33,763	\$32,908	\$855	2.6%	\$79,675	42.4%
Public Works	\$147,836	\$95,523	\$52,314	54.8%	\$500,380	29.5%
Personnel Services	\$0	\$0	\$0	100.0%	\$0	-
Police Special Funds (DTF)	\$69,888	\$53,228	\$16,660	31.3%	\$169,315	41.3%
Library	\$62,483	\$91,215	-\$28,732	-31.5%	\$208,370	30.0%
Community Services	\$227,445	\$176,822	\$50,623	28.6%	\$580,060	39.2%
Americorps	\$30,818	\$29,044	\$1,774	6.1%	\$35,500	86.8%
Economic Development	\$13,561	\$66,663	-\$53,102	-79.7%	\$56,255	24.1%
911 Program	\$45,351	\$14,919	\$30,432	204.0%	\$125,185	36.2%
Miscellaneous	<u>\$0</u>	<u>\$2,000</u>	<u>-\$2,000</u>	<u>-100.0%</u>	<u>\$0</u>	<u>-</u>
TOTAL OPERATING EXPENSES	\$2,590,037	\$2,327,594	\$262,444	11.3%	\$5,900,530	43.9%
<u>TRANSFERS OUT</u>						
Trf Out - Cemetery #101	\$0	\$0	\$0	100.0%	\$25,280	0.0%
Trf Out - Street #106	\$50,000	\$35,000	\$15,000	42.9%	\$147,380	33.9%
Trf Out - GO Bond #213	\$12,741	\$15,304	-\$2,563	-16.7%	\$25,485	50.0%
Trf Out - Train Station #308	\$0	\$0	\$0	100.0%	\$129,000	0.0%
Trf Out - Unemployment #522	\$0	\$1,447	-\$1,447	-100.0%	\$15,000	0.0%
Trf Out - Pol/Fire Pension #611	\$240,000	\$200,000	\$40,000	20.0%	\$516,500	46.5%
Trf Out - Reserve Funds	<u>\$0</u>	<u>\$517,000</u>	<u>-\$517,000</u>	<u>-100.0%</u>	<u>\$88,880</u>	<u>0.0%</u>
TOTAL TRANSFERS OUT	\$302,741	\$768,751	-\$466,010	-60.6%	\$947,525	32.0%
GRAND TOTAL GENERAL FUND	\$2,892,778	\$3,096,345	-\$203,567	-6.6%	\$6,848,055	42.2%
OVER (SHORT)	\$2,733,469	\$2,473,677			\$1,725,850	

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 preservation, grave, crypt and niche sales and retail monument and vault sales.

The budget provides for \$211,885 in total resources and transfers in and total expenditures and transfers out of \$191,190.

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 right on budget with 50.2% of budgeted amounts received as of the second quarter. However, this is \$9,878 or 14.9% lower than comparable 2007 levels.

As of the second quarter, \$12,230 or 19.1% of budgeted transfers to the Cemetery Fund had been made. At June 30, 2008, the Cemetery Fund is slightly below target having received \$91,726 or 43.3% 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 June, the Cemetery fund is on target having expended \$97,225 or 50.6% of budgeted appropriations.

The Americorps team is aggressively working on a project to update the records at the Cemetery. Staff anticipates that this update will include the movement of funds from pre-need to at-need. To date, \$2,210 or 10% of the budgeted amount of \$22,000 has been transferred.

CEMETERY FUND #101**CITY OF HOQUIAM****2008 2ND QUARTER FINANCIAL REPORT**

<u>REVENUES</u>	2008 Q2 YTD	2007 Q2 YTD	Increase (Decrease)	% Increase (Decrease)	2008 Budget	% to Budget
Beginning Fund Balance	\$13,642	\$15,776			\$13,640	
Retail Sales	\$0	\$0	\$0	-	\$0	-
Cemetery Fees	\$56,545	\$66,424	-\$9,878	-14.9%	\$112,705	50.2%
Investment Interest	\$15,731	\$13,142	\$2,589	19.7%	\$20,735	75.9%
Land Lease (Cell Tower)	\$4,800	\$4,800	\$0	0.0%	\$9,600	50.0%
Housing Rentals	\$2,400	\$2,400	\$0	0.0%	\$4,800	50.0%
Donations	\$0	\$0	\$0	-	\$0	-
<u>Other Miscellaneous</u>	<u>\$20</u>	<u>\$34</u>	<u>-\$14</u>	<u>-41.2%</u>	<u>\$0</u>	<u>-</u>
TOTAL CEMETERY FUND	\$79,496	\$86,800	-\$7,303	-8.4%	\$147,840	53.8%
<u>OTHER REVENUES & TRANSFERS IN</u>						
Trf In - Cem Equip Res #103	\$6,455	\$0	\$6,455	-	\$6,455	100.0%
Trf In - Mausoleum #102	\$3,565	\$3,882	-\$317	-8.2%	\$10,310	34.6%
Trf In - Cem Preneed #104	\$2,210	\$2,195	\$15	0.7%	\$22,000	10.0%
<u>Trf In - General Fund #001</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>\$25,280</u>	<u>0.0%</u>
TOTAL OTHER REVENUES	\$12,230	\$6,077	\$6,153	101.2%	\$64,045	19.1%
TOTAL CEMETERY REVENUES	\$91,726	\$92,877	-\$1,151	-1.2%	\$211,885	43.3%
GRAND TOTAL CEMETERY FUND	\$105,368	\$108,652			\$225,525	
<u>APPROPRIATIONS</u>						
Cemetery Operations	\$81,631	\$94,156	-\$12,524	-13.3%	\$159,405	51.2%
Equipment Rental	\$5,624	\$5,673	-\$49	-0.9%	\$12,000	46.9%
Road Paving Debt Service	\$0	\$0	\$0	-	\$6,825	0.0%
Land	\$0	\$438	-\$438	-100.0%	\$0	-
Equipment	\$9,381	\$0	\$9,381	-	\$12,460	75.3%
<u>Trf Out - Equipment Reserve #505</u>	<u>\$589</u>	<u>\$768</u>	<u>-\$179</u>	<u>-23.4%</u>	<u>\$1,500</u>	<u>39.2%</u>
CEMETERY FUND APPROPRIATIONS	\$97,225	\$101,035	-\$3,810	-3.8%	\$192,190	50.6%
OVER (SHORT)	\$8,143	\$7,617			\$33,335	

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 is budgeted to begin the year with a \$149,395 cash balance. The budget provides for \$21,560 in resources and \$31,235 in expenditures leaving and ending cash balance of \$139,720.

Revenues:

The major source of resources to the Mausoleum Fund comes from user fees and crypt sales. As of June 2008, \$2,645 or 17.0%, of revenues have been received.

There has been a drastic decrease recently in the number of services provided at the City's Mausoleum since the swift up tick in 2007. Through the 2nd Quarter of 2008, the City has received \$9,680 or 89.7% less revenue than the comparable 2007 period.

Appropriations:

Appropriations to the Mausoleum Fund include salaries, operating supplies and a transfer to the Cemetery Fund for perpetual care and maintenance to the Mausoleum. At the end of the second quarter, \$3,565 or 11.4% of appropriated expenditures had been made.

MAUSOLEUM FUND #102
CITY OF HOQUIAM
2008 2ND QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 Q2 YTD	2007 Q2 YTD	Increase (Decrease)	% Increase (Decrease)	2008 Budget	% to Budget
Beginning Fund Balance	\$149,394	\$129,176			\$149,395	
Cemetery Fees	\$1,112	\$10,791	-\$9,680	-89.7%	\$11,000	10.1%
Investment Interest	\$1,534	\$2,767	-\$1,233	-44.6%	\$3,735	41.1%
Interest on Contracts	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	-	<u>\$795</u>	<u>0.0%</u>
TOTAL MAUSOLEUM FUND	\$2,645	\$13,558	-\$10,913	-80.5%	\$15,530	17.0%
<u>OTHER REVENUES & TRANSFERS IN</u>						
Interfund Loan - Cemetery #101	<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	\$2,645	\$13,558	-\$10,913	-80.5%	\$21,560	12.3%
GRAND TOTAL MAUSOLEUM FUND	\$152,039	\$142,735			\$170,955	
<u>APPROPRIATIONS</u>						
Mausoleum Operations	\$0	\$0	\$0	-	\$4,500	0.0%
Undistributed Carryover	\$0	\$0	\$0	-	\$16,425	0.0%
Trf Out - Cemetery #101	<u>\$3,565</u>	<u>\$3,882</u>	<u>-\$317</u>	<u>-8.2%</u>	<u>\$10,310</u>	<u>34.6%</u>
MAUSOLEUM FUND APPROPRIATIONS	\$3,565	\$3,882	-\$317	-8.2%	\$31,235	11.4%
OVER (SHORT)	\$148,475	\$138,853			\$139,720	

Street Fund #106

Overview:

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

Revenues

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

Gas tax collections received to date are \$66,262 or 43.5% of budget through June. 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 or decrease in gasoline prices does not result in a corresponding change in gas tax revenue.

Property tax revenues of \$50,000 or 33.9% of \$147,380 in budgeted revenues of have been transferred as of this date. This revenue source will increase as property taxes are collected and street fund activity increases.

Appropriations:

Overall, the Street Fund has expended 41.3% or \$130,659 of its \$316,560 budget during the first six months of the year. This is \$17,324 or 11.7% lower than comparable 2007 levels.

Street activity should accelerate as the summer approaches and the City increases its road maintenance efforts.

STREET FUND #106
CITY OF HOQUIAM
2008 2ND QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 <u>Q2 YTD</u>	2007 <u>Q2 YTD</u>	Increase (Decrease)	% Increase (Decrease)	2008 <u>Budget</u>	% to <u>Budget</u>
Beginning Fund Balance	\$49,796	\$51,175			\$49,795	
Street Maintenance & Repair Charges	\$120	\$0	\$120	-	\$0	-
Street & Curb Permits	\$827	\$360	\$467	129.6%	\$1,195	69.2%
<u>Gas Tax</u>	<u>\$66,262</u>	<u>\$69,813</u>	<u>-\$3,551</u>	<u>-5.1%</u>	<u>\$152,335</u>	<u>43.5%</u>
TOTAL STREET FUND	\$67,209	\$70,173	-\$2,964	-4.2%	\$153,530	43.8%
<u>OTHER REVENUES & TRANSFERS IN</u>						
Trf In - General Fund #001	<u>\$50,000</u>	<u>\$35,000</u>	<u>\$15,000</u>	<u>42.9%</u>	<u>\$147,380</u>	<u>33.9%</u>
TOTAL OTHER REVENUES	\$50,000	\$35,000	\$15,000	42.9%	\$147,380	33.9%
TOTAL STREET FUND REVENUES	\$117,209	\$105,173	\$12,036	11.4%	\$300,910	39.0%
GRAND TOTAL STREET FUND	\$167,005	\$156,348			\$350,705	
<u>APPROPRIATIONS</u>						
Executive Services	\$10,528	\$9,947	\$580	5.8%	\$21,315	49.4%
Roadway Services	\$68,073	\$82,114	-\$14,040	-17.1%	\$157,495	43.2%
Traffic Control Devices	\$175	\$2,556	-\$2,381	-93.2%	\$14,390	1.2%
Ancillary Operations	\$4,460	\$4,040	\$420	10.4%	\$8,995	49.6%
General Administration	\$47,098	\$48,391	-\$1,293	-2.7%	\$97,535	48.3%
Undistributed Carryover	\$0	\$0	\$0	-	\$16,065	0.0%
Trf Out - Unemployment #522	\$0	\$586	-\$586	-100.0%	\$0	-
<u>Trf Out - Paths & Trails #108</u>	<u>\$326</u>	<u>\$349</u>	<u>-\$23</u>	<u>-6.7%</u>	<u>\$765</u>	<u>42.6%</u>
STREET FUND APPROPRIATIONS	\$130,659	\$147,983	-\$17,324	-11.7%	\$316,560	41.3%
OVER (SHORT)	\$36,345	\$8,365			\$34,145	

Arterial Street Fund #107

Overview:

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

The City used to be required to segregate monies received from gas taxes for Streets and Arterial Streets. Recent changes in state law allowed for the combination of these two revenue sources. However, the City has continued to segregate these funds to track the debt service and related expenditures on Arterial Streets.

Revenues

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

Gas tax revenues are \$30,982 or 43.5% of budget through June. 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 prices. For this reason, the increase in gasoline prices does not result in a corresponding increase in gas tax revenue.

Appropriations and transfers out:

Through June, expenditures and transfers out total \$39,901 or 29.2% of budgeted appropriations of \$136,690. Expenditures go primarily to debt service and transfers out.

There is \$35,335 budgeted debt service payment on 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. The transfer to the sidewalk fund has yet to be made as of June 30, 2008.

ARTERIAL STREET FUND #107

CITY OF HOQUIAM

2008 2ND QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 <u>Q2 YTD</u>	2007 <u>Q2 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	\$30,982	\$32,642	-\$1,660	-5.1%	\$71,230	43.5%
<u>Investment Interest</u>	<u>\$2,696</u>	<u>\$4,281</u>	<u>-\$1,585</u>	<u>-37.0%</u>	<u>\$3,080</u>	<u>87.5%</u>
TOTAL ARTERIAL STREET FUND	\$33,677	\$36,923	-\$3,245	-8.8%	\$74,310	45.3%
GRAND TOTAL ART. STREET FUND	\$216,000	\$197,175			\$256,635	
<u>APPROPRIATIONS</u>						
Debt Service	\$35,335	\$35,666	-\$330	-0.9%	\$35,335	100.0%
Capital	\$4,410	\$0	\$4,410	-	\$20,990	21.0%
Trf Out - Paths & Trails #108	\$155	\$163	-\$8	-5.1%	\$365	42.4%
<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	\$39,901	\$35,829	\$4,072	11.4%	\$136,690	29.2%
OVER (SHORT)	\$176,100	\$161,346			\$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 June.

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 June, the City had received \$101,866, or 57.9% from this revenue source, with another major distribution expected to occur in November from the County Auditor's office.
- Ambulance fees are projected at \$822,600. Through June, the City has collected \$518,103, or 63.0% of Budget. This activity is \$92,469 or 21.7% higher than the 2007 activity through June.
- Ambulance utility charges are budgeted at \$450,000. The City has received \$225,712 or 50.2% of these monthly charges.

Appropriations and Transfers Out:

Through June, the Ambulance Fund has spent 52.5% of its annual operating budget appropriations of \$1,551,100. This activity is right on target and the Finance Department, 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 33.3% expended as of the 2nd Quarter.
- \$28,080 in capital projects including new lifepak (heart) monitors and a heavy-duty gurney.

AMBULANCE FUND #109**CITY OF HOQUIAM****2008 2ND QUARTER FINANCIAL REPORT**

<u>REVENUES</u>	2008 Q2 YTD	2007 Q2 YTD	Increase (Decrease)	% Increase (Decrease)	2008 Budget	% to Budget
Beginning Fund Balance	\$192,710	\$263,094			\$192,710	
EMS Levy	\$101,866	\$91,500	\$10,366	11.3%	\$175,920	57.9%
St. Health Grant	\$1,644	\$1,439	\$205	14.2%	\$0	-
GH Transit Grant	\$0	\$0	\$0	-	\$0	-
Ambulance Fees	\$518,103	\$425,634	\$92,469	21.7%	\$822,600	63.0%
Miscellaneous	\$774	\$0	\$773	164521.3%	\$600	129.0%
Ambulance Utility Charges	\$225,712	\$226,410	-\$698	-0.3%	\$450,000	50.2%
Amb Utility Collection Accts	\$18	\$14	\$5	34.4%	\$1,220	1.5%
<u>Fire District EMS Fees</u>	<u>\$18,988</u>	<u>\$15,810</u>	<u>\$3,178</u>	<u>20.1%</u>	<u>\$45,700</u>	<u>41.5%</u>
TOTAL AMBULANCE FUND	\$867,105	\$760,807	\$106,299	14.0%	\$1,496,040	58.0%
OTHER REVENUES & TRANSFERS IN						
Trf In - General Fund #001	\$0	\$0	\$0	-	\$0	-
TOTAL OTHER REVENUES	\$0	\$0	\$0	-	\$0	-
TOTAL AMBULANCE REVENUES	\$867,105	\$760,807	\$106,299	14.0%	\$1,496,040	58.0%
GRAND TOTAL AMBULANCE FUND	\$1,059,815	\$1,023,901			\$1,688,750	
APPROPRIATIONS						
Ambulance Operations	\$756,839	\$683,976	\$72,863	10.7%	\$1,441,560	52.5%
Capital	\$1,040	\$1,294	-\$255	-19.7%	\$28,080	3.7%
Debt Service	\$0	\$2,838	-\$2,838	-100.0%	\$0	-
Trf Out - General Fund #001 (E911)	\$4,545	\$1,964	\$2,581	131.4%	\$13,640	33.3%
Trf Out - Equipment Rental #501	\$26,529	\$22,203	\$4,326	19.5%	\$17,820	148.9%
<u>Trf Out - Equipment Reserve #505</u>	<u>\$25,002</u>	<u>\$39,071</u>	<u>-\$14,069</u>	<u>-36.0%</u>	<u>\$50,000</u>	<u>50.0%</u>
AMBULANCE FUND APPROPRIATIONS	\$813,955	\$751,346	\$62,609	8.3%	\$1,551,100	52.5%
OVER (SHORT)	\$245,861	\$272,555			\$137,650	

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. Revenues through June of \$3,944 constitute 30.3% of the budgeted amount of \$13,000.

Through June, Hotel Motel taxes are also up 34.4% compared to 2007 levels demonstrating a marked increase. However the need for additional lodging facilities in Hoquiam still exists. Staff will continue to monitor this trend monthly and keep the Council informed of any important developments.

Appropriations and Transfers out:

Through June, 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 2ND QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 <u>Q2 YTD</u>	2007 <u>Q2 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	\$3,944	\$2,933	\$1,010	34.4%	\$13,000	30.3%
<u>Investment Interest</u>	<u>\$342</u>	<u>\$486</u>	<u>-\$144</u>	<u>-29.6%</u>	<u>\$300</u>	<u>114.2%</u>
TOTAL STADIUM/TOURISM FUND	\$4,286	\$3,419	\$867	25.3%	\$13,300	32.2%
GRAND TOTAL STADIUM/TOURISM	\$23,929	\$21,367			\$32,945	
<u>APPROPRIATIONS</u>						
Loggers Playday	\$0	\$0	\$0	-	\$0	-
7th Street Theatre	\$0	\$0	\$0	-	\$0	-
Community Events	\$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%
OVER (SHORT)	\$23,929	\$21,367			\$26,900	

Community Development Repay Fund #130

Overview:

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

This fund began 2008 with a budgeted \$191,854 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 \$42,123 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 approximately \$50,000 for demolition costs for dilapidated structures.

Through June, \$22,060 or 17.6% of this budget 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 2ND QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 Q2 YTD	2007 Q2 YTD	Increase (Decrease)	% Increase (Decrease)	2008 Budget	% to Budget
Beginning Fund Balance	\$191,854	\$206,174			\$191,855	
GH County Waste Abatement Grant	\$7,500	\$0	\$7,500	-	\$0	-
Miscellaneous Cleanup Fees	\$82	\$0	\$82	-	\$0	-
Abatement Fees	\$6,309	\$216	\$6,093	2820.6%	\$0	-
<u>Contract Payments</u>	<u>\$42,123</u>	<u>\$23,415</u>	<u>\$18,708</u>	<u>79.9%</u>	<u>\$10,000</u>	<u>421.2%</u>
TOTAL COMM. DEVEL. REPAY FUND	\$56,014	\$23,631	\$32,383	137.0%	\$10,000	560.1%
GRAND TOTAL COMM. DEVEL. REPAY	\$247,868	\$229,805	\$32,383	7.9%	\$201,855	122.8%
<u>APPROPRIATIONS</u>						
Miscellaneous	\$4,045	\$2,547	\$1,498	58.8%	\$100	4045.1%
Cleanup Activities	\$2,160	\$3,103	-\$943	-30.4%	\$1,000	216.0%
Abate Nuisances	\$15,570	\$16,714	-\$1,144	-6.8%	\$50,000	31.1%
GH Co. Waste Abatement Grant	\$286	\$478	-\$192	-40.2%	\$2,320	12.3%
<u>Undistributed Carryover</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-</u>	<u>\$71,680</u>	<u>0.0%</u>
COMM. DEVEL. REPAY FUND	\$22,060	\$22,842	-\$782	-3.4%	\$125,100	17.6%
OVER (SHORT)	\$225,808	\$206,963			\$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 June.

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 June water sales of \$642,659 were collected or 45.7% of budgeted metered water revenues of \$1,404,895. This is 6.5% 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 June, this fund had also collected 52.6%, or \$592,295 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 5.8% higher than the 2007 year to date amount.

Storm Drain rate revenues through June are at 40.7%, or \$101,780 of the budgeted amount of \$250,000. Storm Drain revenues are \$7,385 or 7.8% higher than comparable 2007 amounts. Staff has been closely monitoring this trend and found some errors in accounts that were corrected in June. This revenue line item should be at 100% by year end.

Interest earned on the invested balance in this fund has earned \$37,526 through June. This is 49.8% of budget and \$50,608 lower than comparable 2007 amounts. Short term interest rates have dropped drastically since 2007. However, the City still makes a concerted effort to invest all of its available funds.

The last major revenue source to this fund comes from a transfer in from the Watershed Fund. Through June, \$145,688 or 6.0% of the budgeted amount of \$2,425,095 had been transferred. These transfers will increase as the river crossing project activity increases this summer.

WATER,SEWER AND STORM FUND #401

CITY OF HOQUIAM

2008 2ND QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 <u>Q2 YTD</u>	2007 <u>Q2 YTD</u>	Increase <u>(Decrease)</u>	% Increase <u>(Decrease)</u>	2008 <u>Budget</u>	% to <u>Budget</u>
Beginning Fund Balance	\$673,237	\$522,378			\$623,235	
Water Sales	\$642,659	\$603,221	\$39,437	6.5%	\$1,404,895	45.7%
Waters Sales - Collection Accounts	\$62	\$310	-\$248	-80.0%	\$0	-
Sewer Service	\$592,295	\$560,037	\$32,258	5.8%	\$1,125,205	52.6%
Sewer Service - Collection Accounts	\$53	\$39	\$14	34.4%	\$0	-
Storm Drainage	\$101,780	\$94,395	\$7,385	7.8%	\$250,000	40.7%
Charges for Miscellaneous Service	\$19,262	\$7,751	\$11,511	148.5%	\$25,000	77.0%
Investment Interest	\$37,523	\$88,131	-\$50,608	-57.4%	\$75,390	49.8%
Other Miscellaneous	<u>\$8,077</u>	<u>\$11,278</u>	<u>-\$3,201</u>	<u>-28.4%</u>	<u>\$2,000</u>	<u>403.9%</u>
TOTAL SERVICE REVENUES	\$1,401,711	\$1,365,164	\$36,547	2.7%	\$2,882,490	48.6%
<u>OTHER REVENUES & TRANSFERS IN</u>						
PWTF Loan	\$0	\$90,000	-\$90,000	-100.0%	\$0	-
Trf In - Watershed #402	<u>\$145,688</u>	<u>\$689,334</u>	<u>-\$543,646</u>	<u>-78.9%</u>	<u>\$2,425,095</u>	<u>6.0%</u>
TOTAL OTHER REVENUES	\$145,688	\$779,334	-\$633,646	-81.3%	\$2,425,095	6.0%
TOTAL FUND REVENUES	\$1,547,399	\$2,144,498	-\$597,099	-27.8%	\$5,307,585	29.2%
GRAND TOTAL FUND RESOURCES	\$2,220,636	\$2,666,876			\$5,930,820	
<u>APPROPRIATIONS</u>						
Water Operations	\$810,137	\$804,543	\$5,594	0.7%	\$1,732,700	46.8%
Sewer Operations	\$549,536	\$509,404	\$40,132	7.9%	\$1,268,540	43.3%
Storm Drain Operations	<u>\$160,284</u>	<u>\$129,867</u>	<u>\$30,417</u>	<u>23.4%</u>	<u>\$342,210</u>	<u>46.8%</u>
TOTAL WATERWORKS OPERATIONS	\$1,519,957	\$1,443,814	\$76,143	5.3%	\$3,343,450	45.5%
Water Capital	\$54,957	\$153,576	-\$98,619	-64.2%	\$1,234,620	4.5%
Sewer Capital	\$34,890	\$504,904	-\$470,014	-93.1%	\$906,530	3.8%
Storm Drain Capital	<u>\$417</u>	<u>\$540</u>	<u>-\$123</u>	<u>-22.7%</u>	<u>\$1,495</u>	<u>27.9%</u>
TOTAL WATERWORKS CAPITAL	\$90,265	\$659,020	-\$568,756	-86.3%	\$2,142,645	4.2%
Water Debt Service	\$0	\$0	\$0	-	\$0	-
Sewer Debt Service	<u>\$25,800</u>	<u>\$0</u>	<u>\$25,800</u>	<u>-</u>	<u>\$24,270</u>	<u>106.3%</u>
TOTAL WATERWORKS DEBT	\$25,800	\$0	\$25,800	-	\$24,270	106.3%
Trf Out - Water Eq Rental #501	\$29,057	\$17,927	\$11,130	62.1%	\$44,455	65.4%
Trf Out - Sewer Eq Rental #501	\$15,982	\$9,732	\$6,251	64.2%	\$25,335	63.1%
Trf Out - Storm Eq Rental #501	\$6,850	\$4,171	\$2,679	64.2%	\$10,380	66.0%
Trf Out - Water Eq Reserve #505	\$25,500	\$25,500	\$0	0.0%	\$51,000	50.0%
Trf Out - Sewer Eq Reserve #505	\$12,125	\$12,125	\$0	0.0%	\$38,115	31.8%
Trf Out - Storm Eq Reserve #505	\$5,197	\$5,197	\$0	0.0%	\$16,335	31.8%
Trf Out - Water Unemployment #522	\$3,217	\$3,217	\$0	0.0%	\$0	-
Trf Out - Sewer Unemployment #522	<u>\$1,419</u>	<u>\$1,419</u>	<u>\$0</u>	<u>0.0%</u>	<u>\$0</u>	<u>-</u>
TOTAL WATERWORKS TRANSFERS	\$99,346	\$79,287	\$20,060	25.3%	\$185,620	53.5%
GRAND TOTAL FUND	\$1,735,368	\$2,182,121	-\$446,753	-20.5%	\$5,695,985	30.5%
OVER (SHORT)	\$485,268	\$484,755			\$234,835	

Appropriations:

For 2008, this fund was appropriated to spend \$5,695,985. Budgeted amounts are primarily for operations, but do include expenditures for capital, debt service and transfers out to equipment reserve for future vehicle and equipment purchases.

Through June, the Water, Sewer and Storm Departments combined have expended 45.5%, or \$1,519,957 of their combined \$3,343,450 operating budget, which is within parameters for the second quarter.

To date, the Water, Sewer and Storm Departments expended 4.2%, or \$90,265 of their combined \$2,142,645 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 equipment reserve requirements are within normal budget parameters through June, and are anticipated to be 100% expended by year-end.

This fund was budgeted to begin the year with a cash balance of \$623,235. However, after all operating appropriations and capital expenditures, this fund is budgeted to end the year with a cash balance of \$234,835. Staff will continue to monitor this fund as a 45-day operating reserve is recommended which would equate to \$333,000.

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 as needed for infrastructure improvements.

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

Revenues:

This fund receives its resources from timber sales. The City has already completed on timber sale in is in the process of two additional sales for downed timber from the December storm. As such, the City has already received \$772,371 or 62.7% of its budgeted amounts of \$1,231,020.

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.

Total interfund transfers of \$2,480,095 are budgeted to the Water, Sewer and Storm Fund for capital expenditures in support of infrastructure improvements and to the Transmission Line Reserve Fund. To date, \$164,087 or 6.6% of budgeted transfers had been made.

WATERSHED FUND #402

CITY OF HOQUIAM

2008 2ND QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 Q2 YTD	2007 Q2 YTD	Increase (Decrease)	% Increase (Decrease)	2008 Budget	% to Budget
Beginning Fund Balance	\$1,352,988	\$1,639,561			\$1,352,990	
Miscellaneous Revenue	\$288	\$528	-\$240	-45.5%	\$0	-
<u>Timber Sale Payments</u>	<u>\$772,371</u>	<u>\$491,019</u>	<u>\$281,353</u>	<u>57.3%</u>	<u>\$1,231,020</u>	<u>62.7%</u>
TOTAL WATERSHED FUND	\$772,659	\$491,547	\$281,112	57.2%	\$1,231,020	62.8%
TOTAL WATERSHED REVENUES	\$772,659	\$491,547	\$281,112	57.2%	\$1,231,020	62.8%
GRAND TOTAL WATERSHED FUND	\$2,125,647	\$2,131,108			\$2,584,010	
<u>APPROPRIATIONS</u>						
Watershed Operations	\$51,908	\$25,912	\$25,997	100.3%	\$103,915	50.0%
Trf Out - Waterworks #401	\$145,688	\$689,334	-\$543,646	-78.9%	\$2,425,095	6.0%
<u>Trf Out - Trans Line Reserve #404</u>	<u>\$18,399</u>	<u>\$24,551</u>	<u>-\$6,152</u>	<u>-25.1%</u>	<u>\$55,000</u>	<u>33.5%</u>
Total Transfers Out	\$164,087	\$713,885	-\$549,798	-77.0%	\$2,480,095	6.6%
GRAND TOTAL WATERSHED FUND	\$215,995	\$739,797	-\$523,801	-70.8%	\$2,584,010	8.4%
OVER (SHORT)	\$1,909,652	\$1,391,311			\$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 will begin 2008 with a \$283,819 cash balance.

Revenues:

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

Appropriations and Transfers out:

This fund is budgeted to spend \$64,865 on postclosure maintenance in 2008. As of the second quarter, \$32,829 or 50.6% of anticipated expenditures had been made. This fund is budgeted to end the year with a \$256,150 cash balance.

LANDFILL POSTCLOSURE FUND #417

CITY OF HOQUIAM

2008 2ND QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 <u>Q2 YTD</u>	2007 <u>Q2 YTD</u>	Increase <u>(Decrease)</u>	% Increase <u>(Decrease)</u>	2008 <u>Budget</u>	% to <u>Budget</u>
Beginning Fund Balance	\$283,819	\$323,102			\$283,820	
<u>Investment Interest</u>	<u>\$5,161</u>	<u>\$7,611</u>	<u>-\$2,451</u>	<u>-32.2%</u>	<u>\$7,000</u>	<u>73.7%</u>
TOTAL LANDFILL POSTCLOSURE FUND	\$5,161	\$7,611	-\$2,451	-32.2%	\$7,000	73.7%
GRAND TOTAL LANDFILL POSTCLOSURE	\$288,980	\$330,713			\$7,000	73.7%
<u>APPROPRIATIONS</u>						
<u>Landfill Operations</u>	<u>\$32,829</u>	<u>\$27,683</u>	<u>\$5,146</u>	<u>18.6%</u>	<u>\$64,865</u>	<u>50.6%</u>
LANDFILL POSTCLOSURE FUND	\$32,829	\$27,683	\$5,146	18.6%	\$64,865	50.6%
OVER (SHORT)	\$256,150	\$303,029			-\$57,865	

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 or equipment.

For the biennium, this fund begins 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 \$506,940 in budgeted revenue, of which 39.3% or \$199,075, has been received through June.

Appropriations:

The primary expenditures in this fund are for the City's one mechanic and for vehicle purchases. In addition to the mechanic, there are seven vehicles and equipment purchases planned for the year, including one ambulance.

As of June, \$158,123 or 59.3% of operations had been expended and \$36,391 or 13.9% of appropriated vehicle purchases had been made. Four of the seven vehicles and equipment in the budget have been purchased as of the end of the second quarter.

EQUIPMENT RENTAL FUND #501

CITY OF HOQUIAM

2008 2ND QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 Q2 YTD	2007 Q2 YTD	Increase (Decrease)	% Increase (Decrease)	2008 Budget	% to Budget
Beginning Fund Balance	\$72,956	\$62,813			\$72,955	
Equipment Maintenance Charges	\$161,769	\$127,805	\$33,963	26.6%	\$231,750	69.8%
Interest on Contracts A/R	\$0	\$3,344	-\$3,344	-100.0%	\$7,775	0.0%
<u>Other Miscellaneous</u>	<u>\$915</u>	<u>\$1,752</u>	<u>-\$837</u>	<u>-47.8%</u>	<u>\$5,000</u>	<u>18.3%</u>
TOTAL EQUIPMENT RENTAL FUND	\$162,684	\$132,902	\$29,782	22.4%	\$244,525	66.5%
<u>OTHER REVENUES & TRANSFERS IN</u>						
Trf In - Eq. Rental Reserve #505	\$36,391	\$169,455	-\$133,064	-78.5%	\$262,415	13.9%
Trf In - Dept. Contributions	\$0	\$22,203	-\$22,203	-100.0%	\$0	-
TOTAL OTHER REVENUES	\$36,391	\$191,658	-\$155,267	-81.0%	\$262,415	13.9%
TOTAL EQUP RENTAL REVENUES	\$199,075	\$324,559	-\$125,485	-38.7%	\$506,940	39.3%
GRAND TOTAL EQUIPMENT RENTAL	\$272,031	\$387,372			\$579,895	
<u>APPROPRIATIONS</u>						
Equipment Rental Operations	\$158,123	\$129,821	\$28,302	21.8%	\$266,860	59.3%
Undistributed Carryover	\$0	\$0	\$0	-	\$20,800	0.0%
<u>Capital</u>	<u>\$36,391</u>	<u>\$191,760</u>	<u>-\$155,369</u>	<u>-81.0%</u>	<u>\$262,415</u>	<u>13.9%</u>
EQUIPMENT RENTAL FUND APPROP.	\$194,514	\$321,581	-\$127,067	-39.5%	\$550,075	35.4%
OVER (SHORT)	\$77,517	\$65,791			\$29,820	

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 \$112,014 or 46.9% have been made through June.

Appropriations:

Appropriations come in the form of transfers to the Equipment Rental Fund #501. In the 2008 budget, \$262,415 was appropriated in transfers of which \$36,391 or 13.9% have been made to date.

EQUIPMENT RENTAL RESERVE FUND #505

CITY OF HOQUIAM

2008 2ND QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 Q2 YTD	2007 Q2 YTD	Increase (Decrease)	% Increase (Decrease)	2008 Budget	% to Budget
Beginning Fund Balance	\$1,525,451	\$1,364,211			\$1,525,450	
Departmental Contributions	\$112,014	\$112,014	\$0	0.0%	\$238,900	46.9%
Interfund Loans	\$0	\$21,302	-\$21,302	-100.0%	\$32,500	0.0%
Proceeds from Sale of Fixed Assets	\$0	\$5,800	-\$5,800	-100.0%	\$0	-
TOTAL EQ RENTAL RES REVENUES	\$112,014	\$139,116	-\$27,102	-19.5%	\$271,400	41.3%
GRAND TOTAL EQ RENTAL RESERVE	\$1,637,465	\$1,503,327			\$1,796,850	91.1%
<u>APPROPRIATIONS</u>						
Interfund Loan - General Fund #001	\$0	\$0	\$0	-	\$0	-
Trf Out - Equipment Rental #501	\$36,391	\$169,455	-\$133,064	-78.5%	\$262,415	13.9%
EQ RENTAL RESERVE FUND	\$36,391	\$169,455	-\$133,064	-78.5%	\$262,415	13.9%
OVER (SHORT)	\$1,601,074	\$1,333,872			\$1,534,435	

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 \$1,513,590 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, \$1,513,590 in transfers are provided by other funds, of which \$724,402 or 47.9% have been made through June.

Appropriations:

Appropriations to this fund include the City's direct medical and dental premiums in the amount of \$1,522,305. As of June, the City had expended \$729,865 or 47.9% on medical premiums.

MEDICAL/DENTAL FUND #520
CITY OF HOQUIAM
2008 2ND QUARTER FINANCIAL REPORT

<u>REVENUES</u>	<u>2008</u> <u>Q2 YTD</u>	<u>2007</u> <u>Q2 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	\$723,977	\$660,231	\$63,745	9.7%	\$1,495,590	48.4%
Cobra Contributions	\$213	\$107	\$107	100.0%	\$0	-
Employee Contributions	\$212	\$1,355	-\$1,142	-84.3%	\$18,000	1.2%
TOTAL MEDICAL/DENTAL FUND	\$724,402	\$661,692	\$62,710	9.5%	\$1,513,590	47.9%
GRAND TOTAL MEDICAL/DENTAL FUND	\$795,278	\$730,750			\$1,584,465	
<u>APPROPRIATIONS</u>						
Medical Premiums	\$688,879	\$725,962	-\$37,083	-5.1%	\$1,434,000	48.0%
Dental - Claims & Admin Fees	\$40,986	\$37,893	\$3,093	8.2%	\$77,000	53.2%
Undistributed Carryover	\$0	\$0	\$0	-	\$11,305	0.0%
MEDICAL/DENTAL FUND APPROPRIATIONS	\$729,865	\$763,856	-\$33,991	-4.4%	\$1,522,305	47.9%
OVER (SHORT)	\$65,413	-\$33,106	\$98,519		\$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 or the fund responsible for the unemployed. As noted above, \$15,000 in transfers are provided to this fund of which none have been made through June.

Appropriations:

There is \$20,545 in appropriations planned for the year to allow for potential unemployment claims of former City employees. As of June, none of the appropriations in this fund had been expended.

UNEMPLOYMENT FUND #522

CITY OF HOQUIAM

2008 2ND QUARTER FINANCIAL REPORT

<u>REVENUES</u>	<u>2008</u> <u>Q2 YTD</u>	<u>2007</u> <u>Q2 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	\$13,553	\$0			\$13,550	
Property Tax	\$0	\$0	\$0	-	\$0	-
<u>Trf In - Departments</u>	<u>\$0</u>	<u>\$9,457</u>	<u>-\$9,457</u>	<u>-100.0%</u>	<u>\$15,000</u>	<u>0.0%</u>
TOTAL UNEMPLOYMENT FUND	\$0	\$9,457	-\$9,457	-100.0%	\$28,550	0.0%
GRAND TOTAL UNEMPLOYMENT FUND	\$0	\$9,457	-\$9,457	-100.0%	\$28,550	0.0%
<u>APPROPRIATIONS</u>						
<u>Personnel Benefits</u>	<u>\$0</u>	<u>\$9,457</u>	<u>-\$9,457</u>	<u>-100.0%</u>	<u>\$20,545</u>	<u>0.0%</u>
UNEMPLOYMENT FUND APPROPRIATIONS	\$0	\$9,457	-\$9,457	-100.0%	\$20,545	0.0%
OVER (SHORT)	\$0	\$0	\$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 \$240,000 or 46.5% 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. To date, \$19,193 or 116.3% has been received in this line item.

Appropriations:

Expenditures for this fund were budgeted at \$538,110 in 2008 and are mostly for retiree medical but also for pension payments. As of June 2008, \$251,431 or 46.7% of budgeted appropriations had been expended.

POLICE & FIRE RETIREES FUND #611

CITY OF HOQUIAM

2008 2ND QUARTER FINANCIAL REPORT

<u>REVENUES</u>	2008 Q2 YTD	2007 Q2 YTD	Increase (Decrease)	% Increase (Decrease)	2008 Budget	% to Budget
Beginning Fund Balance	\$26,138	\$31,340			\$26,140	
Property Tax	\$0	\$0	\$0	-	\$0	-
Fire Insurance Premium Tax	\$19,193	\$18,457	\$736	4.0%	\$16,500	116.3%
<u>Trf In - General Fund #001</u>	<u>\$240,000</u>	<u>\$200,000</u>	<u>\$40,000</u>	<u>20.0%</u>	<u>\$516,500</u>	<u>46.5%</u>
TOTAL FUND REVENUES	\$259,193	\$218,457	\$40,736	18.6%	\$533,000	48.6%
GRAND TOTAL RETIREE FUND	\$285,331	\$249,797			\$559,140	
<u>APPROPRIATIONS</u>						
Police LEOFF 1 Medical Premiums	\$100,263	\$91,949	\$79,447	9.0%	\$198,000	50.6%
Police LEOFF1 Medical Bills	\$3,075	\$5,003	\$4,515	-38.5%	\$12,000	25.6%
Police LEOFF 1 Dental Bills	\$492	\$95	\$4,516	419.0%	\$2,500	19.7%
Fire LEOFF1 Disability Pyts	\$18,774	\$17,722	\$23,627	5.9%	\$51,000	36.8%
Fire LEOFF1 Annuity Pyts	\$10,144	\$10,662	\$5,273	-4.9%	\$11,000	92.2%
Fire LEOFF1 Medical Premiums	\$103,990	\$103,589	\$94,978	0.4%	\$223,000	46.6%
Fire LEOFF1 Medical Bills	\$7,014	\$12,485	\$12,458	-43.8%	\$25,000	28.1%
Fire LEOFF1 Medicare Premiums	\$6,135	\$5,827	\$3,990	5.3%	\$8,000	76.7%
Fire LEOFF1 Dental Bills	\$1,544	\$128	\$3,990	1106.1%	\$2,500	61.8%
<u>Undistributed Carryover</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,990</u>	<u>-</u>	<u>\$5,110</u>	<u>0.0%</u>
RETIREE FUND APPROPRIATIONS	\$251,431	\$247,460	\$3,971	1.6%	\$538,110	46.7%
OVER (SHORT)	\$33,900	\$2,337			\$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, and storm drain funds are capital intensive as the following summary explains. Very little capital project activity has taken place as of the second quarter. More detail will be included in future Quarterly Reports as activity picks up in the summer months.

Progress Summary:

Water Capital Projects, \$1,234,620. 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 \$54,957 or 4.5% of budget authority.

Sewer Capital Projects, \$906,530. Like the Water Capital, the Hoquiam River Crossing is the major project for 2008. As of June, \$34,890 or 3.8% of appropriated expenditures had been made.

General Capital Reserve, \$250,000. This line item was appropriated to fund improvements to the Train Station and minor improvements to City Hall in 2008. Only the Train Station improvement has been made as of June 2008.

Sidewalk Construction Fund, \$82,000. This line item was appropriated to fund sidewalk improvements at City owned facilities. Only \$1,142 has been spent as of June 2008.

Train Station Improvement Fund, \$342,450. The Train Station Improvements have been completed and the Department of Licensing occupied the building at the end of June. To date, \$352,880 or 103.0% of expenditures have been made to complete the building.

CAPITAL IMPROVEMENT BUDGET

CITY OF HOQUIAM 2008 2ND QUARTER FINANCIAL REPORT

Funding Source/Project Description	2008 <u>Q2 YTD</u>	2008 <u>Budget</u>	% to <u>Budget</u>
#107 Arterial Street Fund			
Overlay Projects	\$4,410	\$20,990	21.0%
#108 Paths and Trails:			
Construction Projects	\$0	\$8,000	0.0%
#114 General Capital Reserve:			
City Hall Improvements	\$0	\$50,000	0.0%
Train Station Improvements	\$100,000	\$100,000	100.0%
<u>Undistributed Carryover</u>	<u>\$0</u>	<u>\$100,000</u>	0.0%
Subtotal, Sidewalk Construction Projects	\$100,000	\$250,000	40.0%
#302 Sidewalk Construction Fund:			
Construction Projects	\$1,142	\$79,500	1.4%
<u>7th & Simpson Handicap Ramp</u>	<u>\$0</u>	<u>\$2,500</u>	<u>0.0%</u>
Subtotal, Sidewalk Construction Projects	\$1,142	\$82,000	1.4%
#308 Train Station Improvement Fund:			
Construction Projects	\$352,880	\$342,450	103.0%
#401 Water Capital Projects:			
L Hoq Dam Consent Decree	\$0.00	\$400,000.00	0.0%
Drill Test Well Near WTP	\$10,338.34	\$79,430.00	13.0%
Add'l East Side River X'g Prep	\$9,457.51	\$682,415.00	1.4%
Update WTP SCADA System	\$14,514.67	\$14,800.00	98.1%
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	\$19,303.19	\$22,000.00	87.7%
Repl Chem Metering Pumps	\$1,343.00	\$5,265.00	25.5%
<u>Upgrade Billing Program</u>	<u>\$0.00</u>	<u>\$8,310.00</u>	<u>0.0%</u>
Subtotal, Water Capital Projects	\$54,957	\$1,234,620	4.5%
#401 Sewer Capital Projects:			
Sewer River Crossing Design	\$9,048.05	\$688,035.00	1.3%
Biosolids Removal	\$25,712.32	\$50,000.00	51.4%
Variable Drives	\$130.08	\$161,885.00	0.1%
<u>Upgrade Utility Bill Program</u>	<u>\$0.00</u>	<u>\$6,610.00</u>	<u>0.0%</u>
Subtotal, Sewer Capital Projects	\$34,890	\$906,530	3.8%
#401 Storm Capital Projects:			
Upgrade Utility Bill Program	\$417.39	\$1,495.00	27.9%
TOTAL CITY OF HOQUIAM CAPITAL IMPROVEMENT BUDGET			
	\$448,697	\$2,646,085	17.0%

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.

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 June, \$48,076 or 79.0% of budget has been expended in principal and interest payments.

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

- 1995 Issue that refunded three separate bond issues.

Through June, only an interest payment of \$4,594 had 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.

\$25,800 or 105.4% of budget has been expended in principal and interest payments at the end of the second quarter.

Total debt activity through June 30th was \$78,470 or 29.1% of the total debt service budget, due again to later payments on general obligation debt.

DEBT SERVICE SUMMARY
CITY OF HOQUIAM
2008 2ND QUARTER FINANCIAL REPORT

<u>ISSUE</u>	<u>Fund</u>	2008					<u>% to Budget</u>	2008
		<u>Beginning Balance</u>	<u>2008 Principal</u>	<u>2008 Interest</u>	<u>2008 Q2 YTD</u>	<u>2008 Budget</u>		<u>Ending Balance</u>
<u>Limited Tax General Obligation Debt</u>								
1989 City Hall Remodel	213	\$234,288	\$7,469	\$5,271	\$12,741	\$25,485	50.0%	\$226,819
1994 PWTF Aberdeen Avenue*	107	\$231,166	\$33,024	\$2,312	\$35,335	\$35,335	100.0%	\$198,142
Subtotal, Limited Tax G.O.		\$465,454	\$40,493	\$7,583	\$48,076	\$60,820	79.0%	\$424,961
<u>Unlimited Tax General Obligation Debt</u>								
1995 Refunding Bond	205	\$175,000	\$0	\$4,594	\$4,594	\$184,190	2.5%	\$175,000
Subtotal, Unlimited Tax G.O.		\$175,000	\$0	\$4,594	\$4,594	\$184,190	2.5%	\$175,000
<u>Revenue Debt</u>								
2006 PWTF Sewer Facility Plan*	401	\$100,000	\$18,000	\$0	\$18,000	\$16,670	108.0%	\$82,000
2000 CERB Fifth Street Sewer Extension	401	\$65,000	\$5,000	\$2,800	\$7,800	\$7,800	100.0%	\$60,000
Subtotal, Revenue		\$165,000	\$23,000	\$2,800	\$25,800	\$24,470	105.4%	\$142,000
Total Debt, All Sources and Uses		\$805,454	\$63,493	\$14,977	\$78,470	\$269,480	29.1%	\$741,961

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