



Building Community ✦ Driving for Excellence

Financial Report

Year to date through
March 31, 2009
(Unaudited)

GENERAL FUND

Cash Balance

The available General Fund operating cash balance was \$1,655,746 on March 31, 2009. This is approximately 9.39% of General Fund expenditure budget, which is in alignment for first quarter activity. It also continues to meet the City Council goal of General Fund reserve requirement.

The financial information presented in this report has been prepared using a modified cash basis of accounting which is another comprehensive basis of accounting (OCBOA) and is not presented in accordance with Generally Accepted Accounting Principles (GAAP).

Revenues

General Fund revenue collections year to date through March 31, 2009 were \$1,744,805.

GENERAL FUND REVENUE ANALYSIS – Year to date through March 31st:

Major Category/Account	2009/2010 Budget	YTD Actual	% Coll.
Taxes	\$14,164,590	\$1,408,799	9.95%
Property Tax	1,750,930	62,946	3.60%
Retail Sales Taxes	8,000,000	674,930	8.44%
Other Sales and Use Taxes	499,110	53,557	10.73%
Business Taxes	3,818,190	603,646	15.81%
Other Taxes	96,360	13,720	14.24%
Licenses and Permits	\$1,093,850	\$52,125	4.77%
Business Licenses & Permits	348,250	45,301	13.01%
Building Permits	703,000	5,479	0.78%
Other Licenses and Permits	42,600	1,345	3.16%
Intergovernmental	\$304,590	\$163,328	53.62%
Federal Grants	-	1,614	-
State Grants & Entitlements	244,590	154,280	63.08%
Intergovernmental Service	60,000	7,434	12.39%
Charges for Service	\$709,370	\$18,283	2.58%
General Government	87,470	8,092	9.25%
Security of Persons & Property	19,000	4,007	21.09%
Physical Environment	34,180	350	1.02%
Plan Checking Fees	387,100	3,670	0.95%
Fire Review Fees	125,000	98	0.08%
Other Fees	56,620	2,066	3.65%
Fine and Forfeits	407,660	55,824	13.69%
Miscellaneous Revenues	\$106,000	\$16,357	15.43%
Interest Earnings	100,000	8,833	8.83%
Contributions/Donations & Other Miscellaneous Revenues	6,000	7,524	125.40%
Non-Revenues	500	-	-
Other Financing Sources	265,700	30,089	11.32%
TOTAL GENERAL FUND REVENUES	\$17,052,260	\$1,744,805	9.29%

This is the City of Sumner's first biennial budget, for actual to budget variances 48% of the budget is allocated to 2009 and 52% is allocated to 2010. So for the first three months of the biennium the expected % of the budget equals 12%.

Property Tax

- Is no longer the largest revenue contributor to the General Fund, it is now only 10% of total revenue. For 2008 property tax revenue represented nearly 37% of total revenue. Property tax revenues are received during the May/June (second quarter) and November/December (fourth quarter). The amount of revenue is based on the assessed value and is estimated using the Pierce County Assessor's data. Thus far our collections are consistent with our projections.

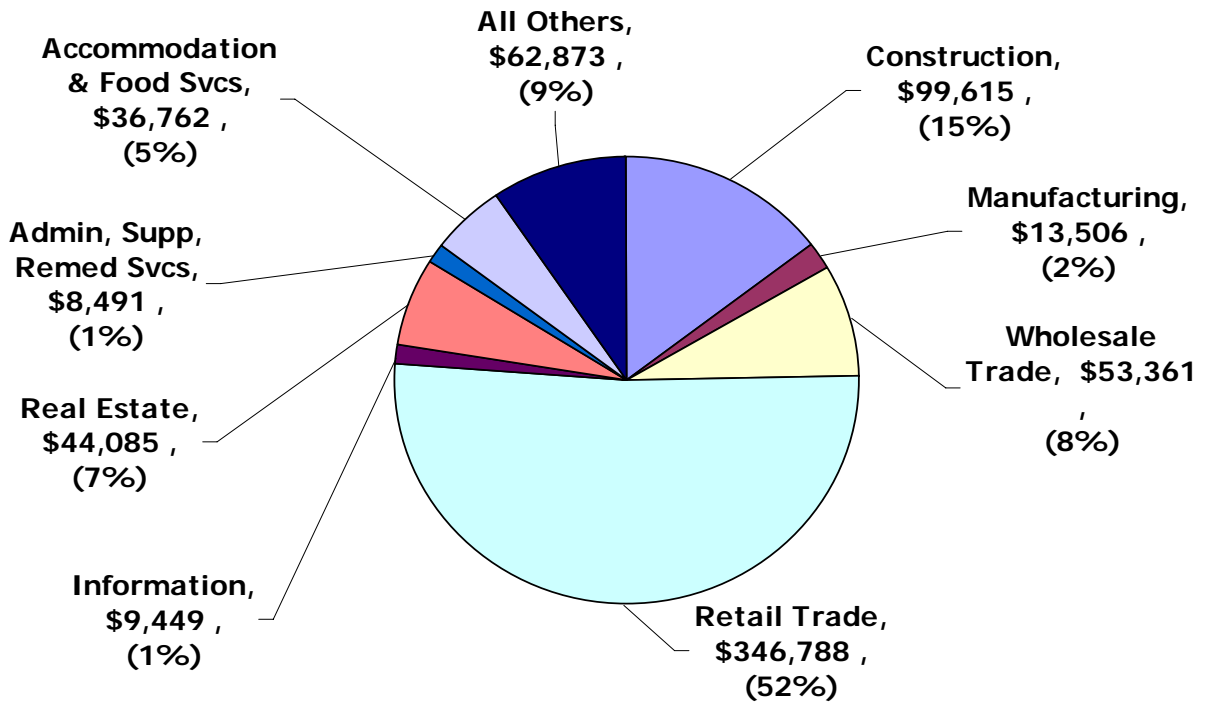
Sales Tax

- Sales tax revenue is now the largest revenue contributor in the General Fund. Total retail sales tax collections through the end of March were \$859,701. This is significantly below estimates that were developed in June 2008. Global economic conditions have impacted the local economy.

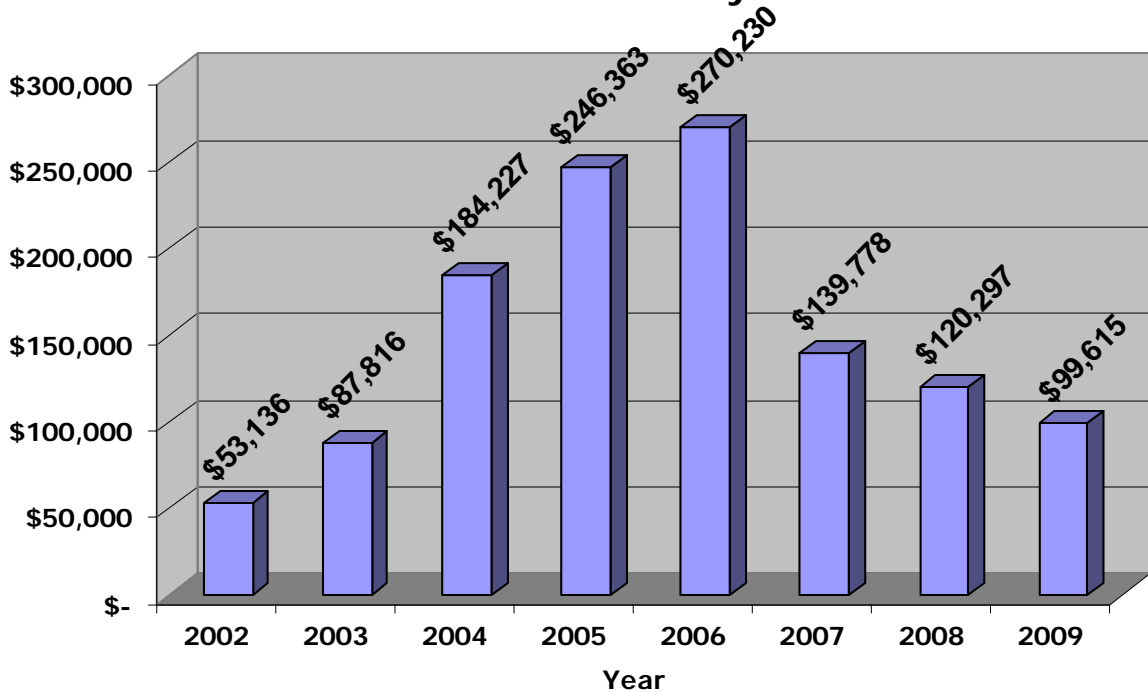
Month	2009 Data		Historical Information				
	Budget	Actual	2008	2007	2006	2005	2004
January	\$ 295,871	\$ 206,082	\$ 276,754	\$ 290,173	\$ 307,141	\$ 270,004	\$ 281,761
February	\$ 375,118	\$ 283,907	\$ 365,275	\$ 412,560	\$ 431,156	\$ 364,714	\$ 274,240
March	\$ 271,147	\$ 184,941	\$ 265,102	\$ 277,764	\$ 248,336	\$ 248,763	\$ 273,994
April	\$ 269,560	\$ 184,771	\$ 281,716	\$ 308,383	\$ 264,031	\$ 250,759	\$ 201,965
May	\$ 339,371		\$ 310,883	\$ 371,486	\$ 321,568	\$ 359,314	\$ 275,186
June	\$ 297,924		\$ 272,676	\$ 359,778	\$ 276,474	\$ 286,322	\$ 244,244
July	\$ 307,312		\$ 306,367	\$ 315,709	\$ 301,521	\$ 301,205	\$ 253,949
August	\$ 343,010		\$ 314,026	\$ 310,186	\$ 334,759	\$ 352,887	\$ 277,478
September	\$ 331,887		\$ 270,548	\$ 283,832	\$ 349,941	\$ 333,771	\$ 258,131
October	\$ 331,836		\$ 263,932	\$ 376,624	\$ 355,742	\$ 306,251	\$ 267,736
November	\$ 359,294		\$ 254,607	\$ 355,833	\$ 376,800	\$ 347,152	\$ 289,335
December	\$ 317,670		\$ 221,536	\$ 331,517	\$ 347,815	\$ 338,150	\$ 259,589
YTD	\$ 3,840,000	\$ 859,701	\$ 3,403,422	\$ 3,993,844	\$ 3,915,284	\$ 3,759,291	\$ 3,157,607

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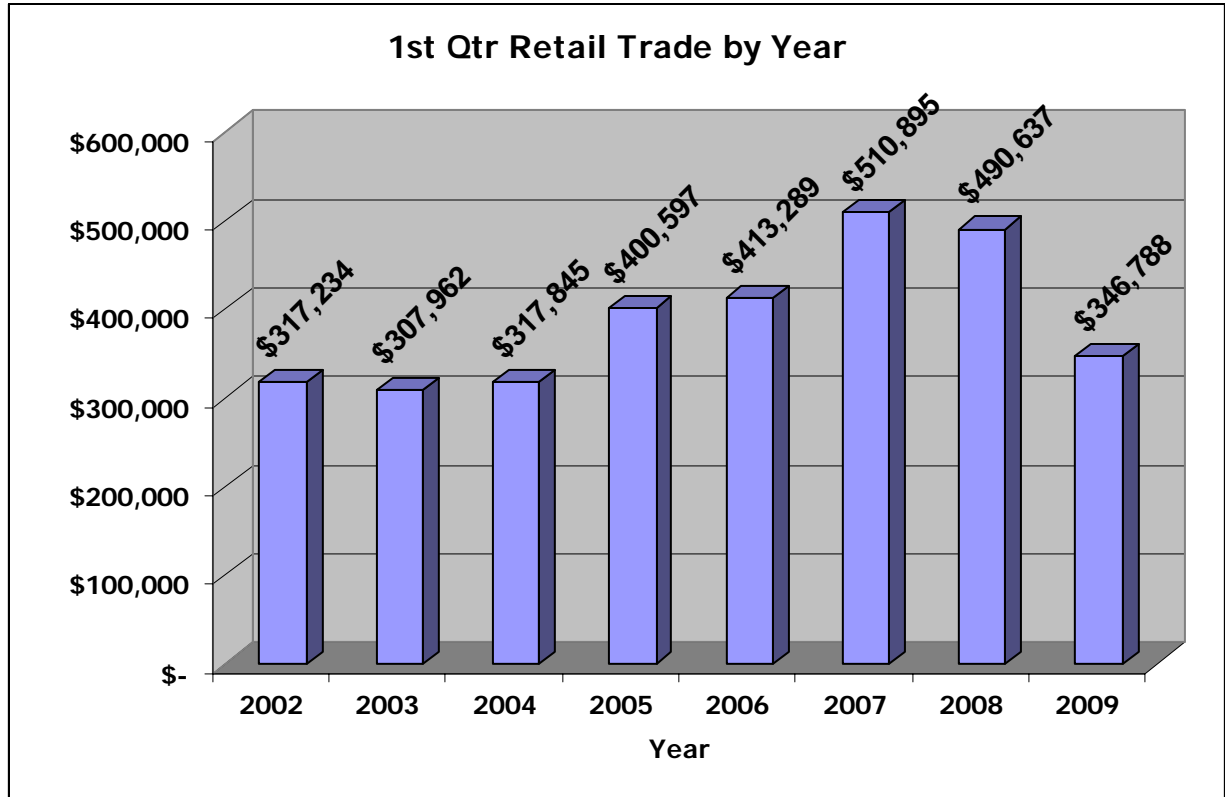
1st Qtr 2009 Sales Tax by Type



1st Qtr Construction by Year



- Construction-related sales tax for the year to date through March 31st is 17% lower than the same period last year. We do not anticipate significant improvement through the end of 2009. Additionally due to the current economic conditions retail trade sales tax revenue has also decreased by nearly 31% compared to last year.



Licenses and Permits & Charges for Services

- These revenue categories are significantly affected by the slow-down in construction and are currently at 3% of the budgeted revenue. Building permits, plan check fees and fire review fees are less than 1% of the total. We have made adjustments to revenue estimates to reflect these changes.

Intergovernmental Revenue

- Intergovernmental revenues include monies received for federal and state grants; monies received from the State of Washington for Sales Tax Mitigation, Liquor Board Profits, Liquor Excise Taxes and Criminal Justice revenues. Year to date revenues are \$1,614 from direct and indirect federal grants and state grants; \$153,829 from state entitlements; and \$450 from intergovernmental services.

Fines and Forfeitures

- Fines and Forfeitures are monies received by the City of Sumner's Municipal Court for traffic and parking infractions, as well as other criminal traffic infractions.
- Year to date revenues are \$55,824, or 13.69% of budgeted projections. We anticipate this revenue source to slightly exceed budgeted projections.

EXPENDITURES

- For this report, the budget period is 12% complete. In the Expenditures section, departments with 12% or less of "% of Budget Used" are at or below budget for the year. Most of the departments have been performing within budget parameter. For those that have expended more than 12%, reasonable and appropriate causes exist and are explained below:
 - *Finance Department* – Professional Services expenditures are \$19,754 which is 45% of the line item budget. This is due to the annual payment of the software maintenance costs.
 - *Legal* – Professional Service expenditures are \$1,424 which is 46% of the line item budget. This is due to payment for pro tem services.
 - *Senior Center* – Utility payments are at 22% of budget for the biennium. We anticipate this line item to normalize over the rest of the year as weather conditions improve.
 - *Parks & City Hall Facilities* – Salary and benefits for both of these cost centers are running slightly ahead of budget as a result of the final payment to the Parks and Facilities Manager.

Street Operating Fund:

Street Fund	<u>Budget</u>	<u>Actual</u>	<u>% Used</u>
Beginning Cash & Investments	\$ -	\$ 93,160	
Revenues:			
Licenses & Permits	\$ 40,000	\$ 415	1.04%
Motor Vehicle Excise Tax	\$ 431,500	\$ 44,959	10.42%
Fees & Charges	\$ 65,000	\$ 135	0.21%
Interest Earnings	\$ -	\$ 216	-
Operating Transfers	\$ 1,829,000	\$ 219,480	12.00%
Total Revenues	\$ 2,365,500	\$ 265,205	11.21%
Expenditures:			
Road & Street Maintenance	\$ 658,790	\$ 86,172	13.08%
Traffic & Pedestrian Services	\$ 702,160	\$ 74,934	10.67%
Road & Street Administration	\$ 636,900	\$ 65,721	10.32%
Traffic Calming	\$ 45,000	\$ -	-
Operating Transfers Out	\$ 120,630	\$ 14,476	12.00%
Total Expenditures	\$ 2,163,480	\$ 241,303	11.15%
Ending Cash & Investments	\$ 202,020	\$ 117,062	

Given the floods from January 2009 the Street Fund is managing its financial resources extremely well. Overtime related to the flood was nearly \$20,000.

Arterial Street Fund:

Arterial Street Fund	<u>Budget</u>	<u>Actual</u>	<u>% Used</u>
Beginning Cash & Investments	\$ -	\$ (26,957)	
Revenues:			
Indirect Federal Grants	\$ 100,000	\$ 84,427	84.43%
Interest Earnings	\$ -	\$ 12	-
Operating Transfers	\$ 225,000	\$ -	0.00%
Total Revenues	\$ 325,000	\$ 84,439	25.98%
Expenditures:			
Professional Services	\$ -	\$ 104	
Interest & Other Debt Svc. Costs		\$ -	
Capital Projects:	\$ 75,000	\$ -	
Traffic & Main Intersection	\$ 150,000	\$ 29,815	19.88%
Stewart Rd Corridor	\$ 50,000	\$ 18,687	37.37%
Valley Ave - WA to Elm	\$ -	\$ 984	-
136th Avenue	\$ 50,000	\$ -	0.00%
Total Expenditures	\$ 325,000	\$ 49,590	15.26%
Ending Cash & Investments	\$ -	\$ 7,892	

We are currently waiting for grant reimbursement from the WA State Department of Transportation.

Water Utility Fund:

	Budget	Actual	% Used
Beginning Cash & Investments	\$ 2,620,200	\$ 2,787,589	
Revenues:			
Water Permits	\$ 70,000	\$ 670	0.96%
Water Sales	\$ 2,925,870	\$ 331,304	11.32%
Penalties & Fees	\$ 140,500	\$ 17,999	12.81%
Water Meter & Installation	\$ 50,000	\$ 1,232	2.46%
Intergovernmental Revenues	\$ 285,000	\$ -	
Interest & Other Earnings	\$ 279,030	\$ 26,477	9.49%
Other Miscellaneous Revenues	\$ 41,000	\$ 320	-
Contributed Capital	\$ 650,000	\$ 21,407	3.29%
Total Revenues	\$ 4,441,400	\$ 399,409	8.99%
Expenses:			
Administration General	\$ 1,538,090	\$ 178,753	11.62%
Maintenance	\$ 1,190,110	\$ 140,985	11.85%
Operations - Customer Service	\$ 153,550	\$ 25,236	16.44%
Operating Transfers Out	\$ 212,350	\$ 25,482	12.00%
Debt Service	\$ 1,142,520	\$ 329	0.03%
Capital Projects	\$ 1,865,000	\$ 181,271	9.72%
Total Expenses	\$ 6,101,620	\$ 552,056	9.05%
Ending Cash & Investments	\$ 959,980	\$ 2,634,942	

While there is a difference between the revenue stream and the expenses for the Water Utility it is due to the seasonal nature of water sales. Typically a larger percentage of water sales occur during summer months.

Sewer Utility Fund:

	Budget	Actual	% Used
Beginning Cash & Investments	\$ 4,387,820	\$ 4,537,289	
Revenues:			
Sewer Permits	\$ 62,000	\$ 840	1.35%
Sewer Service Charges	\$ 6,651,500	\$ 796,109	11.97%
Sewer Service - Bonney Lake	\$ 1,433,150	\$ 273,135	19.06%
Sewer Service - Other Fees & Charges	\$ 65,000	\$ 8,848	13.61%
Plan Check Fees	\$ 43,000	\$ -	-
Interest & Other Earnings	\$ 491,510	\$ (6,998)	-1.42%
Rents & Leases	\$ 75,900	\$ -	-%
Special Assessments	\$ 408,380	\$ 172,209	42.17%
Other Miscellaneous Revenues	\$ 4,250	\$ -	
Contributed Capital	\$ 750,000	\$ 3,147	0.42%
Total Revenues	\$ 9,984,690	\$ 1,247,290	12.49%
Expenses:			
Administration General	\$ 1,480,320	\$ 166,237	11.23%
Maintenance	\$ 984,460	\$ 119,891	12.18%
Operations - Customer Service	\$ 203,220	\$ 30,011	14.77%
Operating Transfers Out Sewer Treatment Plant Department	\$ 212,350	\$ 25,481	12.00%
	\$ 3,451,860	\$ 415,760	12.04%
Debt Service	\$ 2,706,750	\$ 83,046	3.07%
Capital Projects	\$ 930,000	\$ 168,603	18.13%
Total Expenses	\$ 9,968,960	\$ 1,009,029	10.12%
Ending Cash & Investments	\$ 4,403,550	\$ 4,775,550	

The sewer service charges for the City of Bonney Lake are higher in the first quarter due to the reconciliation of 2008 charges being reflected in this amount.

Storm Sewer Utility Fund:

	Budget	Actual	% Used
Beginning Cash & Investments	\$ 7,344,020	\$ 7,371,259	
Revenues:			
Storm Sewer Permits	\$ 67,500	\$ 555	0.82%
Storm Sewer Charges	\$ 3,491,800	\$ 431,462	12.36%
Interest & Other Earnings	\$ 466,340	\$ 12,167	2.61%
Rents & Leases	\$ 2,500	\$ -	-
Contributed Capital	\$ 750,000	\$ -	-
Total Revenues	\$ 4,778,140	\$ 444,184	9.30%
Expenses:			
Administration General	\$ 1,408,710	\$ 142,941	10.15%
Maintenance	\$ 859,450	\$ 109,276	12.71%
Operations - Customer Service	\$ 187,430	\$ 31,485	16.80%
Operating Transfers Out	\$ 262,350	\$ 25,480	9.71%
Debt Service	\$ 529,640	\$ -	-
Capital Projects	\$ 1,870,620	\$ 3,439	0.18%
Total Expenses	\$ 5,118,200	\$ 312,621	6.11%
Ending Cash & Investments	\$ 7,003,960	\$ 7,502,822	

Operating revenues and expenses are on track for the 1st quarter. So far this year we have not received any system development charges which is consistent with the downturn in construction activity for Sumner. In addition, there has been no debt service payments made, which is normally in April and October.

CONCLUSION

We anticipate uncertainty in the economy for at least for the next six to nine months. Economic indicators vary from month to month, as well as from the indicators themselves. As a result we have implemented monthly monitoring of the more volatile revenue sources as well as working with department directors to manage resources effectively and to continue to identify efficiencies that result in additional financial savings.

Appendix A

**City of Sumner
General Government Funds - Cash Summary
For the quarter ended March 31, 2009**

	Beginning Cash & Inv Balance	Budgeted Revenue	Actual Revenue	Total Funds Available	Percent Received
GENERAL GOVERNMENT FUNDS:					
001 General Fund:	\$ 1,993,147	\$ 1,735,500	\$ -	\$ 1,993,147	
Revenue:					
Taxes		14,164,590	1,408,799	1,408,799	9.95%
Licenses & Permits		1,093,850	52,125	52,125	4.77%
Intergovernmental		304,590	163,328	163,328	53.62%
Charges for Service		709,370	18,283	18,283	2.58%
Fines & Forfeits		407,660	55,824	55,824	13.69%
Miscellaneous		106,000	16,357	16,357	15.43%
Non-Revenues & Operating Transfers *		266,200	30,089	30,089	11.30%
TOTAL GENERAL FUND REVENUE	\$ 1,993,147	\$ 18,787,760	\$ 1,744,805	\$ 3,737,952	9.29%
002 General Fund Reserves	1,085,370	1,134,900	9,017	1,094,387	0.79%
003 Building Reserves	216,149	221,000	716	216,865	0.32%
TOTAL GENERAL GOVERNMENT FUND REVENUE	\$ 3,294,666	\$ 20,143,660	\$ 1,754,538	\$ 5,049,204	
GENERAL GOVERNMENT FUNDS:					
		Budgeted Expenditure	Actual Expenditure	Est. Ending Balance	Percent Used
Departments:					
Legislative		163,270	17,375		10.64%
Municipal Court		678,960	75,499		11.12%
Executive		674,320	81,523		12.09%
Finance		747,730	106,146		14.20%
Legal		422,420	47,831		11.32%
Human Resources		387,550	39,457		10.18%
Law Enforcement		7,793,330	931,173		11.95%
Community Development		1,501,220	159,642		10.63%
Senior Center		371,310	53,552		14.42%
Community & Human Services		61,320	-		0.00%
Parks and Recreation		1,189,230	156,777		13.18%
Building and City Hall		350,470	44,722		12.76%
Non-Departmental		3,285,810	368,509		11.22%
Estimated Ending Fund Balance		1,160,820		1,655,746	
TOTAL GENERAL FUND EXPENDITURES		\$ 18,787,760	\$ 2,082,206	\$ 1,655,746	11.08%
002 General Fund Reserves		1,134,900	-	1,094,387	
003 Building Reserves		221,000	-	216,865	
TOTAL GENERAL GOVERNMENT FUNDS		\$ 20,143,660	\$ 2,082,206	\$ 2,966,998	

Appendix B

City of Sumner
 All Funds - Cash Summary
 For the quarter ended March 31, 2009

Fund Expenditures	Beginning Cash & Inv Balance	Budgeted Revenue	Actual Revenue	Budgeted Expenditure	Actual Expenditure	Est. Ending Balance
SPECIAL REVENUE FUNDS:						
101 Street	\$ 93,160	\$ 2,365,500	\$ 265,205	\$ 2,365,500	\$ 241,303	\$ 117,062
102 Arterial Street	(26,957)	325,000	84,439	325,000	49,590	7,892
105 Drug Enforcement	120,843	125,200	528	125,200	4,106	117,265
106 Motel/Hotel Tax	31,876	84,500	7,805	84,500	994	38,687
107 LID Development	9,138	3,105,400	8	3,105,400	235,986	(226,840)
109 Animal Control	(30,686)	745,690	78,490	745,690	99,714	(51,910)
111 Miscellaneous Grant	(135,783)	60,000	128,409	60,000	22,390	(29,764)
TOTAL SPECIAL REVENUE FUNDS	\$ 61,591	\$ 6,811,290	\$ 564,884	\$ 6,811,290	\$ 654,083	\$ (27,608)
DEBT SERVICE FUNDS:						
209 LID 60	60,949	-	202	-	-	61,151
213 LID 64	2,211	63,000	41,513	63,000	-	43,724
214 LID 65	2,713	5,800	2,301	5,800	-	5,014
221 LID Guarantee	1,483,124	1,493,400	4,882	1,493,400	18,600	1,469,406
232 LTGO Bonds, 1998	3,597	-	12	-	-	3,609
233 LTD. Tax GO Bonds, 1999	1,210	105,000	11,677	105,000	121	12,766
234 LTGO Refunding Bonds, 2008	3,897	285,140	35,227	285,140	28	39,096
268 CLID 98-1	324,567	-	1,075	-	-	325,642
270 LID 70	1,129,832	1,262,800	28,370	1,262,800	1,047,443	110,759
275 LID 75	1,263	171,300	4	171,300	-	1,267
TOTAL DEBT SERVICE FUNDS	\$ 3,013,363	\$ 3,386,440	\$ 125,263	\$ 3,386,440	\$ 1,066,192	\$ 2,072,434
CAPITAL PROJECT FUNDS (CIP):						
302 Sidewalk	\$ (94,681)	\$ 533,300	\$ 54,400	\$ 533,300	\$ 490	\$ (40,771)
303 General Government Capital Asset	1,037,543	1,264,540	82,490	1,264,540	60,112	1,059,921
415 Cemetery Development	80,446	174,000	9,029	174,000	1,310	88,165
TOTAL CAPITAL PROJECT FUNDS	\$ 1,023,308	\$ 1,971,840	\$ 145,919	\$ 1,971,840	\$ 61,912	\$ 1,107,315
FIDUCIARY FUNDS:						
601 Cemetery Endowment	\$ 1,036,990	\$ 1,117,160	\$ 6,500	\$ 1,117,160	\$ 5,400	\$ 1,038,090
605 Development Impact Fees	1,141,514	1,088,000	9,865	1,088,000	-	1,151,379
611 Firemen's Pension	435,609	491,250	1,441	491,250	426	436,624
615 Section 125 Plan	14,418	-	20,488	-	30,000	4,906
TOTAL FIDUCIARY FUNDS	\$ 2,628,531	\$ 2,696,410	\$ 38,294	\$ 2,696,410	\$ 35,826	\$ 2,630,999

Appendix B

City of Sumner
 All Funds - Cash Summary
 For the quarter ended March 31, 2009

	Beginning Cash & Inv Balance	Budgeted Revenue	Actual Revenue	Budgeted Expense	Actual Expense	Est. Ending Balance
ENTERPRISE FUNDS:						
401 Water	\$ 2,787,589	\$ 7,061,600	\$ 399,409	\$ 7,061,600	\$ 552,056	\$ 2,634,942
402 Sewer	4,537,289	14,372,510	1,247,290	14,372,510	1,009,029	4,775,550
403 Utility Bond Reserves	1,649,837	1,750,000	5,462	1,750,000	-	1,655,299
408 Storm Sewers	7,371,259	12,122,160	444,184	12,122,160	312,621	7,502,822
410 Cemetery Operation	6,946	916,150	94,449	916,150	105,590	(4,195)
420 Multi-Purpose Operations	68,332	164,550	18,808	164,550	13,912	73,228
430 Golf Course Operating	80	2,327,180	100,848	2,327,180	162,219	(61,291)
TOTAL ENTERPRISE FUNDS	\$ 16,421,332	\$ 38,714,150	\$ 2,310,450	\$ 38,714,150	\$ 2,155,427	\$ 16,576,355
INTERNAL SERVICE FUNDS:						
501 Unemployment Insurance	\$ 157,178	\$ 182,250	\$ 499	\$ 182,250	\$ 8,880	\$ 148,797
550 Fleet Operations	73,046	740,790	122,946	740,790	71,336	124,656
551 Technology Services	310,492	880,990	60,950	880,990	79,280	292,162
555 Fleet Capital Replacement	874,511	1,217,230	35,317	1,217,230	1,716	908,112
TOTAL INTERNAL SERVICE FUNDS	\$ 1,415,227	\$ 3,021,260	\$ 219,712	\$ 3,021,260	\$ 161,212	\$ 1,473,727
TOTAL ALL FUNDS	\$ 27,858,018	\$ 76,745,050	\$ 5,159,060	\$ 76,745,050	\$ 6,216,858	\$ 26,800,220