

Fourth Quarter 2006 Financial Report

General Fund Status

The General Fund's cash balance at the end the year is \$1,302,897 whereas last year the ending cash balance was \$1,634,447. Total revenue collections for the year were \$4,885,064, and last year's collections were \$5,197,551. The difference can be attributed to the receipt in 2005 of a FEMA grant. As compared to the budget, revenue collections were 4.5% lower than budgeted and the expenditures were 6.6% under budget. This report will highlight where the significant changes in revenues and expenditures have occurred.

General Fund Expenditure Budget Update

Division	2006 Budget	2006 YTD	2005 Budget	2005 YTD	2006 % Used	2005 % Used
Mayor/Council	104,857	69,487	58,396	35,854	66.3%	61.4%
City Administrator	243,278	180,993	157,529	156,292	74.4%	99.2%
Legal Services	95,000	105,003	100,000	102,334	110.5%	102.3%
Finance/Accounting	228,741	174,636	171,445	122,595	76.3%	71.5%
Central Services	124,121	121,199	107,198	103,775	97.6%	96.8%
Police Department	1,174,077	1,144,165	950,343	946,341	97.5%	99.6%
Fire Department	1,543,744	1,449,288	1,154,212	1,116,601	93.9%	96.7%
Engineering	452,388	487,627	624,929	748,373	107.8%	119.8%
Building	503,850	456,977	411,853	399,733	90.7%	97.1%
Planning	279,164	259,904	258,202	254,388	93.1%	98.5%
Parks & Recreation	156,038	125,856	107,846	99,373	80.7%	92.1%
Museum	18,492	17,231	7,610	4,157	93.2%	54.6%
Facilities	93,641	91,292	86,363	61,798	97.5%	71.6%
Greenways	236,748	225,956	195,000	152,711	95.4%	78.3%
Total	5,254,139	4,909,614	4,390,926	4,304,325	93.4%	98.0%

The above table does not include ending fund balance, contingency reserve or operating transfers.

Almost all of the divisions finished the year within budget, with the exception of Legal and Engineering, which primarily attributable of reimbursable engineering services.

Revenue Update

General Fund Revenues

Revenue Source	2006 Budget	2006 YTD	2005 Budget	2005 YTD	2006 % Collected	2005 % Collected
Property Taxes	1,312,094	1,314,955	1,071,541	1,069,136	100.2%	99.8%
Retail Sales Taxes	1,134,900	1,032,641	919,500	1,093,667	91.0%	118.9%
Business Taxes	872,052	882,390	687,640	708,731	101.2%	103.1%
Other Taxes	-	72	-	1,986	n/a	n/a
Licenses & Permits	750,200	623,302	869,283	835,565	83.1%	96.1%
Intergovernmental Grants	68,940	58,054	129,844	130,077	84.2%	100.2%
State Shared Revenues	67,410	64,302	52,595	54,500	95.4%	103.6%
Charges for Services	28,200	29,436	33,950	40,330	104.4%	118.8%
Development Svcs Fees	807,500	779,694	1,017,546	1,193,687	96.6%	117.3%
Fines & Forfeits	1,000	250	1,000	707	25.0%	70.7%
Interest Earnings	55,300	59,414	46,090	45,855	107.4%	99.5%
Rents & Leases	11,500	25,018	11,275	12,072	217.5%	n/a
Donations	-	20	3,000	1,483	0.0%	49.4%
Miscellaneous	8,206	15,516	3,255	9,755	189.1%	299.7%
Total	5,117,302	4,885,064	4,846,519	5,197,551	95.5%	107.2%

The above table does not include beginning fund balance or operating transfers.

Real and Personal Property tax collections through December were \$926,680 and **EMS property tax** levy revenues were \$388,275. This is over budget by \$2,861 which is a result of collections of delinquent accounts.

Sales tax revenues (including Criminal Justice sales tax) were \$1,032,641, which is a decrease of \$60,997 or 5.6% below the same time last year (\$1,093,638). This is primarily due to an unanticipated slowdown in residential construction.

The City's **Business & Occupation tax** is charged to all businesses that do business within the city, whether or not the business is actually located within the city. We collected \$173,538 in 2006, or 2.7% above budget estimates.

Development Fees are collected at the time of development of any parcel of land within the city. This includes building permits, plan checking fees, all land use issues such as short-plats, sub-divisions, rezones, conditional-use permits, etc. This fee category does not include other development fees such as impact and mitigation fees. Due to the classification of the revenue source, a portion of these are reflected under Licenses & Permits in the revenue chart below. We have collected \$1,352,828 for the year.

The City of Dupont imposes a **Utility Tax** on telephone, electric, water, natural gas, sewer, solid waste and stormwater at the rate of six (6%) percent.

<i>Type</i>	<i>2005</i>	<i>2006</i>
Electrical	\$ 179,987	\$236,159
Natural Gas	121,428	165,795
Telephone	118,977	134,244
Solid Waste	22,321	27,334
Water	61,537	72,524
Sewer	40,275	45,843
Stormwater	20,895	25,163
Total	\$565,420	\$707,062

A total of 1,020 new utility accounts have been established through 2006. Of these, 250 were from new construction and 770 were new residents.

The **Hotel/Motel tax** is derived from the tax of renting a room in a hotel or motel within the city limits of DuPont. A sales tax is charged, and out of the 6.5% State portion, 2% is rebated back to the City to be expended on the promotion of tourism. In 2006 the City collected \$65,374, which exceeded the budgeted amount by \$18,124.

Real Estate Excise tax collections are the primary funding source for the Capital Projects Fund. The City received \$807,611 through 2006, which exceeded budget projections by 1.7%. Compared with 2005 activity (\$795,388), REET revenues have increased \$12,223 or 1.5%.

Utility Funds

The Water Fund collected \$976,718 in water service charges through 2006, compared to 2005 service charges of \$797,275 which is an increase of 22.5%. Total water fund revenues totaled \$1,268,009, which included water service charges, water turn-on and connection fees, late payment penalties, and investment interest. Water fund expenditures are at \$714,716 or 74.6% of the budget.

The Sewer Fund expended \$213,016 in 2006 for general operations. Sewer service collections and interest earnings were \$186,644. \$628,497 was expended on the Historic Village Sewer Rehabilitation project through 2006. Public Works Trust Fund Proceeds of \$992,800 were received in 2006. \$628,497 was expended on the Historic Village Sewer Rehabilitation project in 2006.

The Stormwater Fund collections are currently at \$417,586 or 5.7% above budget. Expenditures for the year were \$315,613 or 88% of the budget.

Fund	Inflows		Outflows		2006 YTD
	2005	2006	2005	2006	Fund Balance
Water Utility	1,134,261	1,268,009	1,992,202	714,716	\$ 1,783,667
Sewer Utility	2,367,742	1,179,444	1,330,160	841,513	\$ 1,550,942
Storm Utility	362,288	445,759	344,412	315,613	\$ 685,186
Total	3,864,291	2,893,212	3,666,774	1,871,842	\$ 4,019,795

Other Funds Expenditure Budget Update

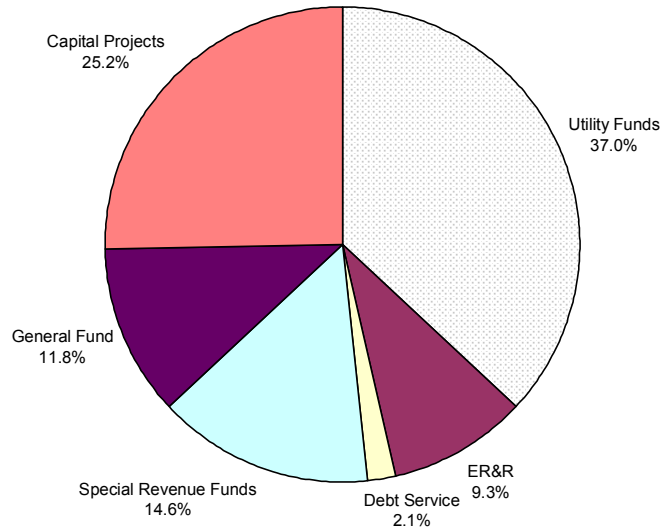
Fund	2006 Budget	2006 YTD	2005 Budget	2005 YTD	2006 % Used	2005 % Used
Street Operations	309,340	286,763	315,749	235,121	92.7%	74.5%
Street Depreciation	20,000	12,690	-	-	63.5%	0.0%
Hotel/Motel Tax	26,500	21,323	10,000	10,000	80.5%	100.0%
Fire Mitigation	180,945	144,489	630,448	629,890	79.9%	99.9%
Technology	13,702	2,281	12,500	10,896	16.6%	87.2%
Debt Service - G.O.	78,990	78,176	80,815	80,004	99.0%	99.0%
Debt Service - L.I.D.	889,647	849,713	544,000	543,417	95.5%	99.9%
Capital Projects	2,506,604	956,291	193,520	159,853	38.2%	82.6%
ER&R	79,187	85,188	57,200	23,885	107.6%	41.8%
Total	4,104,915	2,436,915	1,844,232	1,693,066	59.4%	91.8%

The above table does not include ending fund balance.

Ending Fund Balances

The City ended 2006 with fund balances totaling over \$11 million, compared to over \$9.4 million ending fund balances in 2005. This amount is comprised of both reserved and unreserved funds. Funds totaling almost \$2.8 million or 25% are reserved in support of the Capital Improvement Program. In addition, just over \$6.9 million or 63% is reserved for replacement reserves, utilities and special purposes. The balance of the 2006 current fund balance, \$1,302,897 or 12% of the total comprises unreserved funding available for appropriation by the City Council in 2006 and beyond.

4th Qtr 2006 Ending Fund Balances



Fund	Ending Fund Balance		
	2005 Actual	2006 Budget	2006 Actual YTD
General	1,634,447	1,212,178	1,302,897
Street	58,239	9,696	23,557
Street Depreciation	145,098	173,893	195,127
Hotel/Motel Tax	70,366	93,617	117,203
Fire Mitigation	163,696	668,289	506,456
Technology	15,687	2,235	14,047
Glacier NW Settlement	711,751	729,751	748,007
Debt Service/LID	170,476	128,271	227,174
Capital Projects	2,800,366	1,147,762	2,778,946
Water Utility	1,230,374	1,397,602	1,835,906
Sewer Utility	1,213,011	1,189,853	1,550,942
Stormwater Utility	555,040	602,199	686,983
ER&R	661,955	1,008,791	1,022,426
Total	9,430,506	8,364,137	11,009,671