

## Second Quarter 2008 Financial Report

### *General Fund Status*

The General Fund's cash balance at the end of the 2nd quarter 2008 is \$1,260,944, whereas last year the ending cash balance was \$1,357,399. Total revenue collections through this quarter are \$3,211,969, and last year was \$2,606,397. The difference can be attributed to enhanced business tax revenues and development service fees. As compared to the budget, the budgeted revenue is 46.6% collected and the costs are 45.3% expended. This report will highlight where the significant changes in revenues and expenditures have occurred.

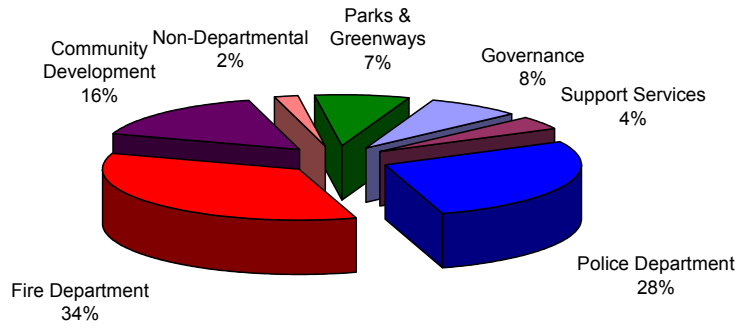
### *General Fund Expenditure Budget Update*

Division	2008 Budget	2008 YTD	2008 % Used	2007 Budget	2007 YTD	2007 % Used
Mayor/Council	67,842	39,291	57.9%	73,387	31,101	42.4%
City Administrator	288,875	144,672	50.1%	238,294	115,935	48.7%
Legal Services	100,000	34,219	34.2%	100,000	41,030	41.0%
Emergency Mgmt	79,873	10,277	12.9%	103,679	24,912	24.0%
Finance/Accounting	180,380	74,155	41.1%	181,348	71,543	39.5%
Central Services	131,461	43,378	33.0%	139,445	60,969	43.7%
Police Department	1,528,944	803,382	52.5%	1,483,162	665,089	44.8%
Fire Department	2,003,792	1,004,928	50.2%	1,554,966	722,850	46.5%
Engineering	372,699	135,144	36.3%	353,878	200,355	56.6%
Building	467,260	218,798	46.8%	556,885	200,969	36.1%
Planning	283,364	111,483	39.3%	301,596	129,495	42.9%
Parks & Recreation	351,731	108,957	31.0%	267,402	90,486	33.8%
Museum	40,211	14,401	35.8%	38,779	15,282	39.4%
Facilities	123,068	53,904	43.8%	102,559	46,932	45.8%
Greenways	217,942	49,551	22.7%	243,160	48,825	20.1%
Non-Departmental	154,478	51,797	33.5%	103,740	36,801	35.5%
<b>Total</b>	<b>6,391,920</b>	<b>2,898,337</b>	<b>45.3%</b>	<b>5,842,280</b>	<b>2,502,574</b>	<b>42.8%</b>

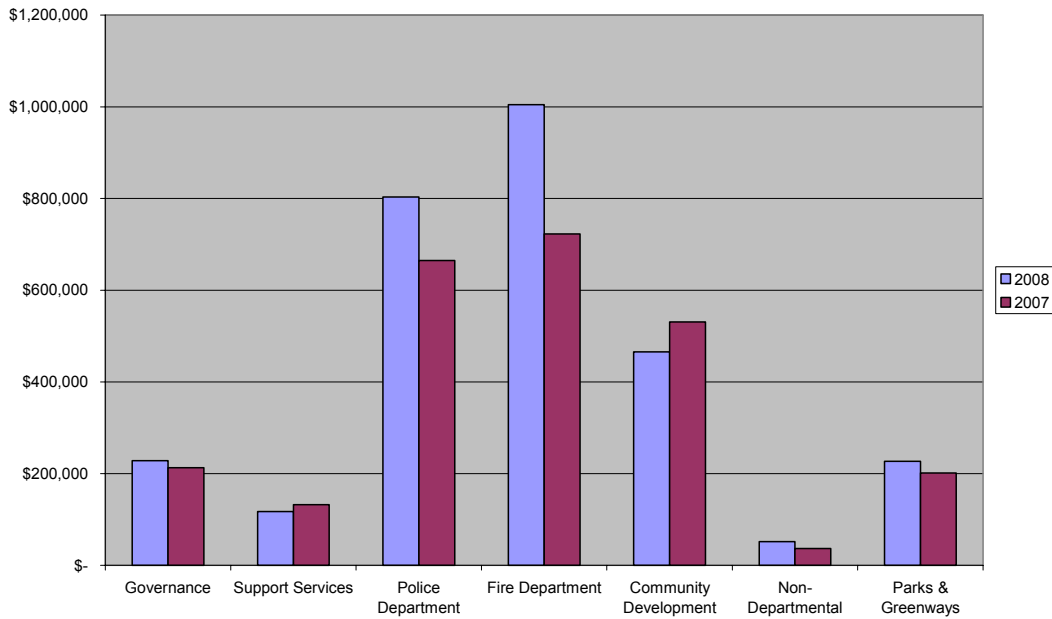
### *General Fund Expenditure by Category*

Category	2008			2007		
	6/30/2008	Budget	% Spent	6/30/2007	Budget	% Spent
Salaries & Benefits	1,772,045	3,847,065	46.1%	1,589,231	3,429,996	46.3%
Supplies	106,213	243,517	43.6%	79,607	190,192	41.9%
Services & Charges	780,045	1,640,124	47.6%	648,302	1,543,094	42.0%
Intergovernmental Svcs	230,875	314,457	73.4%	119,703	223,490	53.6%
Replacement Reserves	-	305,869	0.0%	-	231,422	0.0%
Interfund Transfers	80,000	163,250	49.0%	50,000	162,000	30.9%
Capital Outlay	9,159	40,888	22.4%	65,730	224,086	29.3%
<b>Total Expenditures</b>	<b>2,978,337</b>	<b>6,555,170</b>	<b>45.4%</b>	<b>2,552,574</b>	<b>6,004,280</b>	<b>42.5%</b>

### General Fund Expenditures 2nd Quarter 2008



### General Fund Expenditure Comparison 2nd Quarter - 2007 vs. 2008



## General Fund Revenue Update

### General Fund Revenues

Revenue Source	2008 Budget	2008 YTD	2008 % Collected	2007 Budget	2007 YTD	2007 % Collected
Property Taxes	1,685,377	904,661	53.7%	1,541,604	758,865	49.2%
Retail Sales Taxes	1,368,450	585,218	42.8%	1,328,528	505,516	38.1%
Business Taxes	1,119,235	590,716	52.8%	907,220	518,148	57.1%
Licenses & Permits	958,000	399,797	41.7%	752,000	322,143	42.8%
Intergovernmental Grants	150,448	41,277	27.4%	76,912	7,135	9.3%
State Shared Revenues	92,678	45,018	48.6%	86,423	45,410	52.5%
Charges for Services	190,078	76,808	40.4%	129,650	15,407	11.9%
Development Svcs Fees	1,164,942	480,764	41.3%	708,000	354,069	50.0%
Fines & Forfeits	200	50	25.0%	300	50	16.7%
Interest Earnings	81,800	15,413	18.8%	66,100	37,461	56.7%
Rents & Leases	29,050	25,652	88.3%	27,500	22,183	80.7%
Donations	13,500	9,617	71.2%	-	13,575	0.0%
Miscellaneous	39,628	36,978	93.3%	5,309	6,435	121.2%
<b>Total</b>	<b>6,893,386</b>	<b>3,211,969</b>	<b>46.6%</b>	<b>5,629,546</b>	<b>2,606,397</b>	<b>46.3%</b>

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

**Real and Personal Property tax** collections are the largest revenue source in the General Fund. Although property taxes represent a major source of funding for City services, the portion of each property owner's total tax bill allocated to the City is relatively small. In 2008, the total property tax rate for DuPont is \$9.28 per \$1,000 of assessed valuation. Of that total, 98¢ per \$1,000 assessed valuation goes to the City for the regular levy and 41¢ for the EMS levy. Regular property tax levy collections through June 2008 are \$637,417 and EMS property tax levy revenues are \$267,244.

**Sales tax** revenues (including Criminal Justice sales tax) are \$585,218 which is an increase of \$79,702 or 15.8% above the same time last year (\$505,516). The general sales tax rate within the City of DuPont is 8.8 percent. Of the 8.8 percent the City's effective rate is .84%.

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 have currently collected \$110,714 or 53% of the budget. An aggressive campaign to ensure all businesses conducting business within City limits have a current business license and are correctly reporting their B&O tax have resulted in enhanced revenues in this area.

**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, subdivisions, 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, part of these is reflected under Licenses & Permits in the revenue chart above. As of the end of 2<sup>nd</sup> quarter, we have collected \$823,435. We are continuing to experience a slowdown in this revenue source which will result in coming in under budget in 2008, with the trend anticipated to continue on into 2009.

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>2007</i>	<i>2008</i>
Electric	\$ 145,225	\$ 168,303
Natural Gas	128,429	131,311
Telephone	75,580	88,512
Solid Waste	15,070	18,245
Water	25,432	26,261
Sewer	25,951	28,772
Stormwater	12,881	13,633
<b>Total</b>	<b>\$ 428,568</b>	<b>\$ 475,037</b>

A total of 489 new utility accounts were established during the first half of 2008. Of these, 91 were from new construction and 398 were new residents.

### *Other Funds Expenditure Budget Update*

<b>Fund</b>	<b>2008 Budget</b>	<b>2008 YTD</b>	<b>2008 % Used</b>	<b>2007 Budget</b>	<b>2007 YTD</b>	<b>2007 % Used</b>
Street Operations	363,963	160,330	44.1%	340,206	131,817	38.7%
Street Depreciation	67,315	-	0.0%	7,310	-	0.0%
Hotel/Motel Tax	79,000	4,147	5.2%	39,000	2,814	7.2%
Public Safety Mitigation		-		227,500	15,645	6.9%
Technology	11,250	-	0.0%	10,000	-	0.0%
Glacier NW Settlement	100,000	-	0.0%	-	-	0.0%
Debt Service - G.O.	62,073	15,973	25.7%	82,152	25,576	31.1%
Debt Service - L.I.D.	-	-	0.0%	-	-	0.0%
Capital Projects	2,438,536	220,564	9.0%	2,385,080	59,127	2.5%
ER&R	144,195	19,482	13.5%	195,700	40,723	20.8%
<b>Total</b>	<b>3,266,332</b>	<b>420,496</b>	<b>12.9%</b>	<b>3,286,948</b>	<b>275,702</b>	<b>8.4%</b>

The above table does not include ending fund balance.

### Other Funds Revenue Update

Fund	2008 Budget	2008 YTD	2008 % Collected	2007 Budget	2007 YTD	2007 % Collected
Street Fund	182,398	80,695	44.2%	195,334	92,241	47.2%
Street Depreciation	87,323	80,489	92.2%	43,214	74,188	171.7%
Hotel/Motel Tax	85,324	37,211	43.6%	70,750	35,455	50.1%
Public Safety Mitigation	496,038	36,743	7.4%	305,000	54,066	17.7%
Technology	500	234	46.8%	300	363	121.0%
Glacier NW Settlement	46,000	12,504	27.2%	36,000	20,528	57.0%
Debt Service/LID	138,643	25,141	18.1%	141,752	58,109	41.0%
Capital Projects	1,076,500	393,475	36.6%	1,045,000	621,886	59.5%
Water Utility	1,463,345	526,762	36.0%	1,356,960	481,107	35.5%
Sewer Utility	39,150	84,399	215.6%	172,500	105,285	61.0%
Stormwater Utility	548,000	238,123	43.5%	497,000	231,928	46.7%
ER&R Fund	381,789	17,631	4.6%	281,662	26,191	9.3%
<b>Total</b>	<b>4,545,010</b>	<b>1,533,407</b>	<b>33.7%</b>	<b>4,145,472</b>	<b>1,801,347</b>	<b>43.5%</b>

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

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. Through the 2<sup>nd</sup> quarter of 2008 the City collected \$34,935.

**Real Estate Excise tax** collections are the primary funding source for the Capital Projects Fund. The City has received \$345,809 through June 2008, which is a 17.6% decrease from the budget.

### Utility Funds

Fund	Inflows		Outflows		2008 YTD Fund Balance
	2007	2008	2007	2008	
Water Utility	481,107	526,762	400,475	459,200	\$ 2,000,237
Sewer Utility	105,285	84,398	235,573	201,405	\$ 985,540
Storm Utility	231,928	238,123	118,883	123,856	\$ 771,804
<b>Total</b>	<b>818,320</b>	<b>849,283</b>	<b>754,931</b>	<b>784,461</b>	<b>\$ 3,757,581</b>

The Water Fund collected \$373,506 water service charges for 2008, compared to 2007 service charges of \$351,064, an increase of over six percent. Total water fund revenues totaled \$526,762, which included water service charges, water turn-on and connection fees, late payment penalties, and investment interest. Water fund expenditures are at \$459,200 or 30.9 of the budget.

The Sewer Fund has expended \$56,508 year-to-date for general operations. Sewer service collections and interest earnings were \$84,399. \$5,670 was expended on the Historic Village Sewer Rehabilitation project and \$139,227 went to Public Works Trust Fund loan payments.

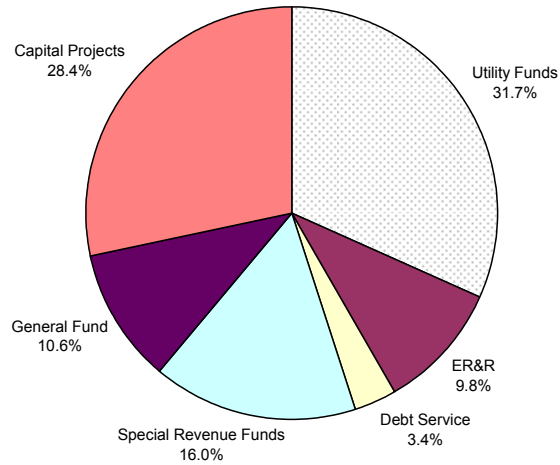
The Stormwater Fund collections are currently at \$238,123 or 43.5% of the budget. Expenditures through the 2<sup>nd</sup> quarter were \$123,856 or 17% of the budget.

### *Ending Fund Balances*

The City ended 2007 with fund balances totaling over \$11.3 million. Current fund balances through June 2008 totaled over \$11.9 million. This amount is comprised of both reserved and unreserved funds. Funds totaling almost \$3.4 million or 28.4% are reserved in support of the Capital Improvement Program. In addition, almost \$7.3 million or 61% is reserved for replacement reserves and special purposes. The balance of the 2008 current fund balance, \$1,260,944 or 10.6% of the total comprises unreserved funding available for appropriation by the City Council in 2008 and beyond.

Fund	Ending Fund Balance - June 30, 2008		
	2007 Actual	2008 Budget	2008 Actual YTD
General	1,027,312	719,658	1,260,944
Street	30,720	16,881	(8,915)
Street Depreciation	270,325	389,504	350,814
Hotel/Motel Tax	153,640	178,121	186,705
Public Safety Mitigation	531,036	1,016,934	567,778
Technology	14,761	4,022	14,995
Glacier NW Settlement	788,193	735,257	800,697
Debt Service/LID	370,886	474,105	406,817
Capital Projects	3,219,641	1,857,605	3,392,552
Water Utility	1,932,675	2,215,334	2,000,237
Sewer Utility	1,102,547	60,568	985,541
Stormwater Utility	689,339	601,805	803,606
ER&R	1,177,595	1,361,045	1,175,744
<b>Total</b>	<b>11,308,670</b>	<b>9,630,839</b>	<b>11,937,515</b>

**2nd Qtr 2008  
Ending Fund Balances**



<b>Operating Cash Flow and Fund Balances for All Funds</b>				
<b>Fund</b>	<b>Beginning Balance</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Ending Balance</b>
General	1,027,312	3,211,969	2,978,337	1,260,944
Street	30,720	120,695	160,330	(8,915)
Street Depreciation	270,325	80,489	-	350,814
Hotel/Motel Tax	153,640	37,212	4,147	186,705
Public Safety Mitigation	531,036	36,743	-	567,778
Technology	14,761	234	-	14,995
Glacier NW Settlement	788,193	12,504	-	800,697
G.O. Debt Service	9,310	46,109	15,973	39,446
L.I.D.	361,576	5,795	-	367,371
Capital Projects	3,219,641	393,475	220,564	3,392,552
Water Utility	1,932,675	526,762	459,200	2,000,237
Sewer Utility	1,102,547	84,399	201,405	985,541
Stormwater Utility	689,339	238,123	123,856	803,606
ER&R	1,177,595	17,631	19,482	1,175,744
<b>Total</b>	<b>11,308,670</b>	<b>4,812,140</b>	<b>4,183,294</b>	<b>11,937,515</b>