

First Quarter 2008 Financial Report

General Fund Status

The General Fund's cash balance at the end of the 1st quarter 2008 is \$771,044, whereas last year the ending cash balance was \$846,683. Total revenue collections this quarter are \$1,311,532, and last year was \$876,961. The difference can be attributed to enhanced business tax revenues and development service fees. As compared to the budget, the budgeted revenue is 20.6% collected and the costs are 23.8% expended. This report will highlight where the significant changes in revenues and expenditures have occurred.

General Fund Expenditure Budget Update

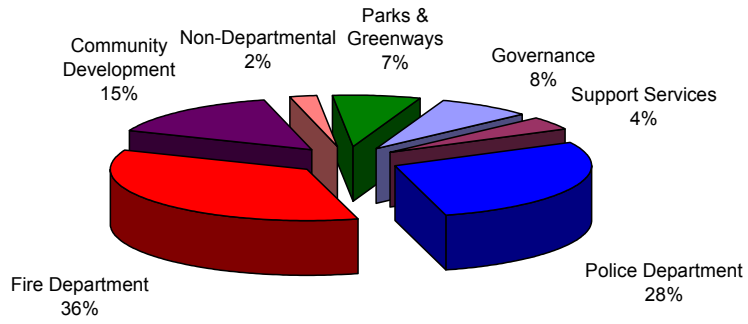
Division	2008 Budget	2008 YTD	2008 % Used	2007 Budget	2007 YTD	2007 % Used
Mayor/Council	63,647	20,251	31.8%	73,387	17,385	23.7%
City Administrator	288,875	70,929	24.6%	238,294	55,623	23.3%
Legal Services	100,000	15,794	15.8%	100,000	21,916	21.9%
Emergency Mgmt	79,873	8,633	10.8%	96,179	11,803	12.3%
Finance/Accounting	180,380	42,310	23.5%	181,348	38,055	21.0%
Central Services	131,461	16,038	12.2%	129,445	23,679	18.3%
Police Department	1,528,351	419,020	27.4%	1,387,279	386,069	27.8%
Fire Department	1,973,792	517,509	26.2%	1,550,666	376,018	24.2%
Engineering	372,699	52,549	14.1%	373,854	96,442	25.8%
Building	467,260	112,635	24.1%	556,885	102,303	18.4%
Planning	283,364	57,533	20.3%	301,596	66,419	22.0%
Parks & Recreation	298,168	53,335	17.9%	267,402	34,277	12.8%
Museum	40,211	7,969	19.8%	38,779	7,982	20.6%
Facilities	116,505	28,549	24.5%	102,559	26,952	26.3%
Greenways	97,442	18,425	18.9%	223,160	15,093	6.8%
Non-Departmental	151,516	29,540	19.5%	94,773	26,372	27.8%
Total	6,173,544	1,471,020	23.8%	5,715,606	1,306,388	22.9%

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

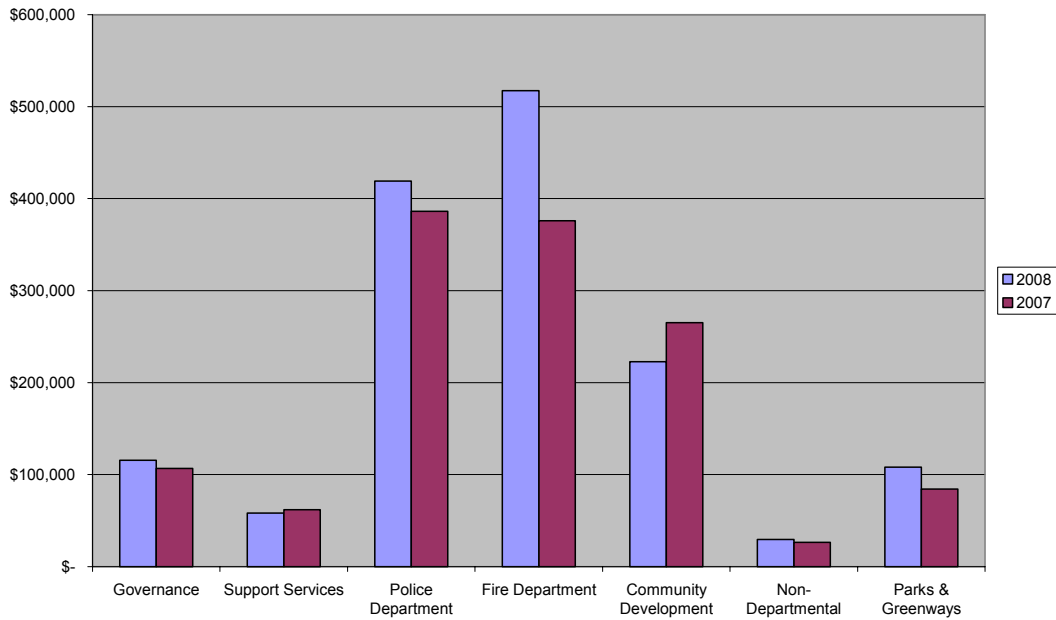
General Fund Expenditure by Category

Category	2008			2007		
	3/31/2008	Budget	% Spent	3/31/2007	Budget	% Spent
Salaries & Benefits	931,980	3,843,346	24.2%	771,155	3,449,972	22.4%
Supplies	35,924	242,510	14.8%	41,444	179,692	23.1%
Services & Charges	406,803	1,431,324	28.4%	323,429	1,511,794	21.4%
Intergovernmental Svcs	94,426	311,495	30.3%	110,739	214,523	51.6%
Replacement Reserves	-	305,869	0.0%	-	231,422	0.0%
Interfund Transfers	40,000	163,250	24.5%	50,000	162,000	30.9%
Capital Outlay	1,888	39,000	4.8%	59,621	128,203	46.5%
Total Expenditures	1,511,020	6,336,794	23.8%	1,356,389	5,877,606	23.1%

General Fund Expenditures 1st Quarter 2008



General Fund Expenditure Comparison 1st 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	17,495	1.0%	1,541,604	17,584	1.1%
Retail Sales Taxes	1,368,450	288,975	21.1%	1,328,528	224,576	16.9%
Business Taxes	1,119,235	284,946	25.5%	907,220	237,540	26.2%
Licenses & Permits	592,680	275,508	46.5%	752,000	172,693	23.0%
Intergovernmental Grants	111,180	36,165	32.5%	5,000	-	0.0%
State Shared Revenues	92,678	22,221	24.0%	86,423	19,120	22.1%
Charges for Services	190,078	24,018	12.6%	129,650	7,161	5.5%
Development Svcs Fees	1,085,817	272,053	25.1%	708,000	172,382	24.3%
Fines & Forfeits	200	50	25.0%	300	-	0.0%
Interest Earnings	81,800	9,269	11.3%	66,100	16,583	25.1%
Rents & Leases	29,050	6,717	23.1%	27,500	5,089	18.5%
Donations	13,500	719	5.3%	-	2,300	0.0%
Miscellaneous	5,564	32,654	586.9%	1,500	1,933	128.9%
Total	6,375,609	1,270,790	19.9%	5,553,825	876,961	15.8%

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 for the 1st quarter of 2008 are \$12,327 and **EMS property tax** revenues are \$5,168.

Sales tax revenues (including Criminal Justice sales tax) are \$288,975 which is an increase of \$64,399 or 28.7% above the same time last year (\$224,576). 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 \$54,267 or 26% 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 1st quarter, we have collected \$495,066. 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>
Electrical	\$ 69,212	\$ 80,386
Natural Gas	42,121	52,492
Telephone	38,592	46,141
Solid Waste	7,313	8,827
Water	15,027	16,113
Sewer	9,490	14,927
Stormwater	8,127	8,563
Total	\$ 189,882	227,449

A total of 183 new utility accounts were established in the first quarter of 2008. Of these, 49 were from new construction and 134 were new residents.

Other Funds Expenditure Budget Update

Fund	2008 Budget	2008 YTD	2008 % Used	2007 Budget	2007 YTD	2007 % Used
Street Operations	361,979	79,209	21.9%	340,206	76,532	22.5%
Street Depreciation	65,000	-	0.0%	-	-	0.0%
Hotel/Motel Tax	79,000	1,000	1.3%	39,000	-	0.0%
Public Safety		-	0.0%	40,000	6,043	15.1%
Technology	11,250	-	0.0%	10,000	-	0.0%
Glacier NW Settlement	100,000	-	0.0%			
Debt Service - G.O.	62,073	187	0.3%	82,152	-	0.0%
Debt Service - L.I.D.	-	-	0.0%	-	-	0.0%
Capital Projects	1,631,603	70,208	4.3%	2,437,887	27,914	1.1%
ER&R	139,228	19,616	14.1%	159,700	-	0.0%
Total	2,450,133	170,219	6.9%	3,108,945	110,489	3.6%

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	41,440	22.7%	195,334	41,243	21.1%
Street Depreciation	87,323	58,245	66.7%	43,214	71,610	165.7%
Hotel/Motel Tax	85,324	17,563	20.6%	70,750	16,983	24.0%
Fire Mitigation	496,038	30,443	6.1%	305,000	16,544	5.4%
Technology	500	141	28.2%	300	186	62.0%
Glacier NW Settlement	46,000	7,519	16.3%	36,000	10,497	29.2%
Debt Service/LID	138,643	4,252	3.1%	141,752	2,919	2.1%
Capital Projects	1,076,500	235,055	21.8%	1,045,000	416,852	39.9%
Water Utility	1,408,625	340,823	24.2%	1,356,960	284,834	21.0%
Sewer Utility	39,150	51,952	132.7%	172,500	58,114	33.7%
Stormwater Utility	548,000	149,058	27.2%	497,000	144,176	29.0%
ER&R Fund	381,789	10,512	2.8%	281,662	7,126	2.5%
Total	4,490,290	947,004	21.1%	4,145,472	1,071,084	25.8%

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. During the 1st quarter of 2008 the City collected \$17,563.

Real Estate Excise tax collections are the primary funding source for the Capital Projects Fund. The City has received \$206,393 through March, 2008.

Utility Funds

Fund	Inflows		Outflows		2008 YTD Fund Balance
	2007	2008	2007	2008	
Water Utility	284,834	340,823	196,981	230,928	\$ 2,042,569
Sewer Utility	58,114	51,952	33,641	28,359	\$ 1,126,140
Storm Utility	144,176	149,058	53,050	66,593	\$ 771,804
Total	487,124	541,833	283,672	325,881	\$ 3,940,513

The Water Fund collected \$340,823 water service charges for 2008, compared to 2007 service charges of \$285,364, a decrease of less than one percent. Total water fund revenues totaled \$340,823, which included water service charges, water turn-on and connection fees, late payment

penalties, and investment interest. Water fund expenditures are at \$230,928 or 15.5 of the budget.

The Sewer Fund has expended \$28,359 this quarter for general operations. Sewer service collections and interest earnings were \$51,952. \$53,412 was expended on the Historic Village Sewer Rehabilitation project for 2007.

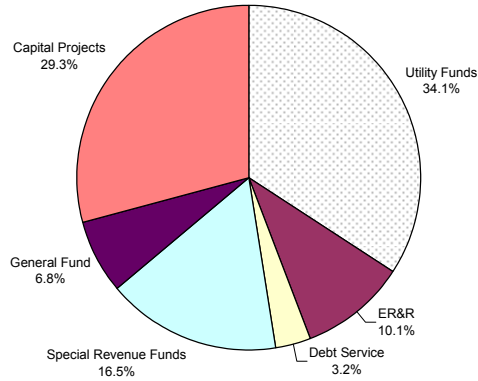
The Stormwater Fund collections are currently at \$149,058 or 12.1% of the budget. Expenditures for the quarter were \$66,593 or 9.1% of the budget.

Ending Fund Balances

The City ended 2007 with fund balances totaling over \$11.3 million. Current fund balances through March 2008 totaled over \$11.5 million. This amount is comprised of both reserved and unreserved funds. Funds totaling over \$3.3 million or 29.3% are reserved in support of the Capital Improvement Program. In addition, over \$7.3 million or 63.9% is reserved for replacement reserves and special purposes. The balance of the 2008 current fund balance, \$786,948 or 6.8% of the total comprises unreserved funding available for appropriation by the City Council in 2008 and beyond.

Fund	Ending Fund Balance		
	2007 Actual	2008 Budget	2008 Actual YTD
General	1,027,312	719,658	786,948
Street	30,720	16,881	32,951
Street Depreciation	270,325	389,504	328,570
Hotel/Motel Tax	153,640	178,121	170,203
Public Safety Mitigation	531,036	1,016,934	561,479
Technology	14,761	4,022	14,902
Glacier NW Settlement	788,193	735,257	795,712
Debt Service/LID	370,886	474,105	374,952
Capital Projects	3,219,641	1,857,605	3,384,488
Water Utility	1,932,675	2,215,334	2,042,570
Sewer Utility	1,102,547	60,568	1,126,140
Stormwater Utility	689,339	601,805	771,804
ER&R	1,177,595	1,361,045	1,168,491
Total	11,308,670	9,630,839	11,559,210

**1st Qtr 2008
Ending Fund Balances**



Operating Cash Flow and Fund Balances for All Funds				
Fund	Beginning Balance	Revenues	Expenditures	Ending Balance
General	1,027,312	1,270,790	1,511,154	786,948
Street	30,720	81,440	79,209	32,951
Street Depreciation	270,325	58,245	-	328,570
Hotel/Motel Tax	153,640	17,563	1,000	170,203
Public Safety Mitigation	531,036	30,444	-	561,479
Technology	14,761	141	-	14,902
Glacier NW Settlement	788,193	7,519	-	795,712
G.O. Debt Service	9,310	740	187	9,863
L.I.D.	361,576	3,513	-	365,089
Capital Projects	3,219,641	235,055	70,208	3,384,488
Water Utility	1,932,675	340,823	230,928	2,042,570
Sewer Utility	1,102,547	51,952	28,359	1,126,140
Stormwater Utility	689,339	149,058	66,593	771,804
ER&R	1,177,595	10,512	19,616	1,168,491
Total	11,308,670	2,257,795	2,007,254	11,559,210