

Third Quarter 2007 Financial Report

General Fund Status

The General Fund's cash balance at the end of this quarter is \$1,156,553, whereas last year the ending cash balance was \$2,783,782. Total revenue collections this year at the end of September are \$3,544,436, and last year at the same point in the year were \$3,379,207. The difference can be attributed primarily to receipt of the first half of property tax collections as well as enhanced business tax revenues. As compared to the budget, the budgeted revenue is 62.9% collected and the costs are 64.6% expended. This report will highlight where the significant changes in revenues and expenditures have occurred.

General Fund Expenditure Budget Update

Division	2007 Budget	2007 YTD	2007 % Used	2006 Budget	2006 YTD	2006 % Used
Mayor/Council	73,387	44,229	60.3%	104,857	62,264	59.4%
City Administrator	259,826	184,663	71.1%	243,278	134,962	55.5%
Legal Services	100,000	61,982	62.0%	95,000	72,144	75.9%
Emergency Mgmt	103,679	33,432	32.2%	-	-	0.0%
Finance/Accounting	181,348	103,249	56.9%	228,741	105,214	46.0%
Central Services	139,445	83,695	60.0%	124,121	76,101	61.3%
Police Department	1,483,162	988,296	66.6%	1,174,077	830,788	70.8%
Fire Department	1,556,405	1,057,857	68.0%	1,543,744	931,159	60.3%
Engineering	373,854	295,784	79.1%	452,388	345,289	76.3%
Building	536,909	298,176	55.5%	503,850	335,584	66.6%
Planning	301,596	189,413	62.8%	279,164	186,741	66.9%
Parks & Recreation	267,402	167,073	62.5%	156,038	83,934	53.8%
Museum	38,779	23,610	60.9%	18,492	12,847	69.5%
Facilities	102,559	71,421	69.6%	93,641	67,736	72.3%
Greenways	243,160	151,862	62.5%	236,748	150,295	63.5%
Non-Departmental	265,740	139,569	52.5%	-	-	-
Total	6,027,251	3,894,311	64.6%	5,254,139	3,395,058	64.6%

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

In previous years, the Emergency Management budgeted was reflected in the Fire Department budget. In 2007 the City began utilizing a Non-Departmental budget for citywide dues, assessments, contract services, and other expenditures not typically associated with a specific department.

Revenue Update

Real and Personal Property tax collections through September are \$582,472 and **EMS property tax** levy revenues are \$244,171. The second half of property tax collections distributed in October will bring these revenues in on budget.

Sales tax revenues (including Criminal Justice sales tax) are \$827,420 which is an increase of \$48,070 or 6.2% above the same time last year (\$779,350).

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 \$146,303 or 86.6% 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 below. As of the end of the third quarter we have collected \$850,126. We are starting to experience a slowdown in this revenue source which will result in coming in under budget in 2007, with the trend anticipated to continue on into 2008.

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>2006</i>	<i>2007</i>
Electrical	\$ 171,266	\$ 222,243
Natural Gas	141,564	183,027
Telephone	99,808	112,605
Solid Waste	20,282	23,209
Water	55,254	23,432
Sewer	31,151	37,630
Stormwater	20,310	12,881
Total	\$ 539,635	\$ 615,027

A total of 797 new utility accounts were established through the 3rd quarter of 2007. Of these, 166 were from new construction and 631 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. Through the 3rd quarter of 2007 the City collected \$52,709.

Real Estate Excise tax collections are the primary funding source for the Capital Projects Fund. The City has received \$772,916 through September 2007 which is a 20% increase over budget.

General Fund Revenues

Revenue Source	2007 Budget	2007 YTD	2007 % Collected	2006 Budget	2006 YTD	2006 % Collected
Property Taxes	1,541,604	826,715	53.6%	1,312,094	691,541	52.7%
Retail Sales Taxes	1,328,528	827,420	62.3%	1,134,900	779,350	68.7%
Business Taxes	907,220	763,834	84.2%	872,052	663,937	76.1%
Licenses & Permits	752,000	413,560	55.0%	750,200	528,604	70.5%
Intergovernmental Grants	78,351	15,526	19.8%	68,940	4,800	7.0%
State Shared Revenues	86,423	65,188	75.4%	67,410	47,341	70.2%
Charges for Services	129,650	25,499	19.7%	28,200	21,436	76.0%
Development Svcs Fees	708,000	497,688	70.3%	807,500	567,051	70.2%
Fines & Forfeits	300	100	33.3%	1,000	200	20.0%
Interest Earnings	66,100	62,861	95.1%	55,300	43,981	79.5%
Rents & Leases	27,500	25,163	91.5%	11,500	25,879	225.0%
Donations	-	13,775	0.0%	-	-	0.0%
Miscellaneous	5,309	7,107	133.9%	8,206	5,087	62.0%
Total	5,630,985	3,544,436	62.9%	5,117,302	3,379,207	66.0%

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

Utility Funds

The Water Fund collected \$763,279 water service charges through the 3rd quarter, compared to 2007 service charges of \$780,364, a decrease of 2.2%. Total water fund revenues totaled \$955,869, which included water service charges, water turn-on and connection fees, late payment penalties, and investment interest. Water fund expenditures are at \$673,200 or 40.5% of the budget.

The Sewer Fund has expended \$116,243 year-to-date for general operations. Sewer service collections and interest earnings were \$115,132. \$34,870 was expended on the Historic Village Sewer Rehabilitation project through the 3rd quarter 2007.

The Stormwater Fund collections are currently at \$378,603 or 75% of the budget. Expenditures through the 3rd quarter were \$264,642 or 50.2% of the budget.

Fund	Inflows		Outflows		2007 YTD Fund Balance
	2006	2007	2006	2007	
Water Utility	1,000,188	955,869	511,823	673,200	\$ 2,066,336
Sewer Utility	1,139,928	168,604	790,222	295,561	\$ 1,423,985
Storm Utility	358,860	378,603	264,642	214,313	\$ 849,476
Total	2,498,976	1,503,076	1,566,687	1,183,074	\$ 4,339,797

Other Funds Revenues

Fund	2007 Budget	2007 YTD	2007 % Collected	2006 Budget	2006 YTD	2006 % Collected
Street Fund	195,334	142,102	72.7%	130,963	92,939	71.0%
Street Depreciation	43,214	77,039	178.3%	53,795	60,699	112.8%
Hotel/Motel Tax	70,780	56,819	80.3%	49,750	48,625	97.7%
Fire Mitigation	375,000	76,526	20.4%	685,539	412,532	60.2%
Technology	300	544	181.3%	250	466	186.4%
Glacier NW Settlement	36,000	30,754	85.4%	18,000	26,348	146.4%
Debt Service/LID	141,752	157,903	111.4%	930,730	923,369	99.2%
Capital Projects	1,045,000	876,540	83.9%	854,000	575,348	67.4%
Water Utility	1,356,960	955,869	70.4%	1,136,450	1,000,188	88.0%
Sewer Utility	172,500	168,604	97.7%	1,362,380	1,139,928	83.7%
Stormwater Utility	497,000	378,603	76.2%	406,000	358,860	88.4%
ER&R Fund	293,850	37,320	12.7%	246,733	14,767	6.0%
Total	4,227,690	2,958,623	70.0%	5,874,590	4,654,069	79.2%

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

Other Funds Expenditure Budget Update

Fund	2007 Budget	2007 YTD	2007 % Used	2006 Budget	2006 YTD	2006 % Used
Street Operations	340,206	207,324	60.9%	309,840	181,858	58.7%
Street Depreciation	-	-	0.0%	20,000	12,690	0.0%
Hotel/Motel Tax	39,000	18,942	48.6%	26,500	11,000	41.5%
Fire Mitigation	227,500	20,908	9.2%	180,945	40,522	22.4%
Technology	10,000	-	0.0%	13,702	2,281	16.6%
Debt Service - G.O.	82,152	25,576	31.1%	78,990	26,495	33.5%
Debt Service - L.I.D.	-	-	0.0%	889,647	849,713	95.5%
Capital Projects	2,385,080	281,409	11.8%	2,506,604	148,394	5.9%
ER&R	211,700	76,428	36.1%	89,897	55,801	62.1%
Total	3,295,638	630,587	19.1%	4,116,125	1,328,754	32.3%

The above table does not include ending fund balance.

Ending Fund Balances

The City ended 2006 with fund balances totaling over \$10.9 million. Current fund balances through September 2007 totaled over \$11.9 million. This amount is comprised of both reserved and unreserved funds. Funds totaling over \$3.3 million or 28.3% are reserved in support of the Capital Improvement Program. In addition, just over \$7.5 million or 63.5% is reserved for replacement reserves and special purposes. The balance of the 2007 current fund balance, \$970,842 or 8.2% of the total comprises unreserved funding available for appropriation by the City Council in 2007 and beyond.

Fund	Ending Fund Balance		
	2006 Actual	2007 Budget	2007 Actual YTD
General	1,303,576	1,167,581	970,842
Street	23,557	19,901	58,335
Street Depreciation	195,127	230,940	267,171
Hotel/Motel Tax	117,203	144,216	155,080
Fire Mitigation	506,456	695,146	562,074
Technology	14,047	2,455	14,591
Glacier NW Settlement	748,007	781,751	778,761
Debt Service/LID	227,174	281,698	406,988
Capital Projects	2,778,946	1,990,544	3,374,077
Water Utility	1,783,667	2,080,526	2,093,448
Sewer Utility	1,550,942	1,330,558	1,426,627
Stormwater Utility	685,186	780,278	807,412
ER&R	1,022,426	1,147,875	988,713
Total	10,956,314	10,653,469	11,904,119