



City of Des Moines

1st Quarter 2008 Financial Report

May 8, 2008

Report Highlights:

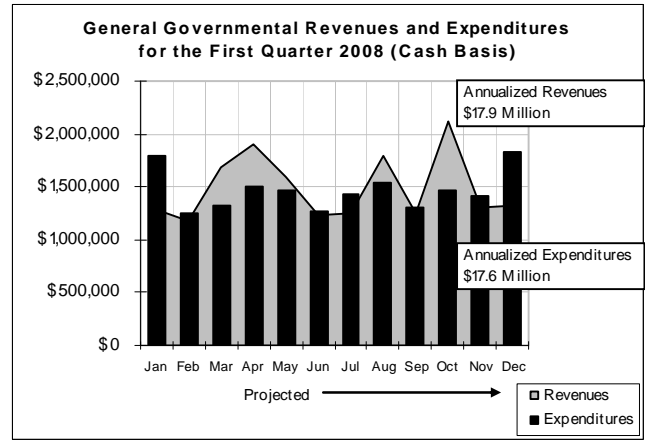
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General Governmental Operations Overview

The general governmental operating funds include the general and street funds. These funds support general governmental operations including administration, municipal court, law enforcement, planning and development services, building, street maintenance, park maintenance and operations, recreation programs, and senior services and programs.

As a note to the reader, 2008 first quarter revenues for the general governmental operating funds include revenues received in January and February 2008 that have been accrued for 2007 financial statement purposes. The 2008 beginning fund balances have been adjusted to exclude these revenues. These revenues are included in order to show comparable revenue trends on a cash basis and will be discussed further in this report.

The graph depicting monthly revenues and expenditures for the general governmental funds reflects actual results through March 2008 and projections from April through December 2008. The projections are based on the 2008 adopted budget and allocated monthly based on 2007 actual results.



General governmental revenues for the first quarter 2008 totaled \$4,133,966. The revenue total approximates actual collections and represents 23% of the 2008 adopted budget. In comparison, 2007 first quarter revenues totaled \$3,714,327, or 20.8% of the 2007 adopted budget. The 2008 revenues increased 11.3% over 2007's actual results. Revenues received in January and February 2008 accrued for 2007 financial statements purposes totaled \$1,073,015. In addition, \$109,658 of revenues received in 2007 for fees and taxes received in advance of 2008 and considered deferred for 2007 financial statement purposes are included in fund balance and will be included as 2008 revenues for financial statement purposes. Detail information on first quarter general governmental revenues follows in this report.

General governmental expenditures for the first quarter ended 2008 totaled \$4,367,602, or 24.5% of the 2008 adopted budget. In comparison, 2007 first quarter expenditures totaled \$4,286,600, or 24.1% of the 2007 adopted budget. Overall, 2008 expenditures exceeded 2007 by \$81,002, or 1.9%. A discussion of 2008 expenditures in comparison to 2007 and each year's respective adopted budgets follows in this report on page 4.

The general and street fund ending fund balances as of March 31, 2008 are presented as follows.

The results show a combined negative fund balance of \$135,892, whereby assets of \$1,776,305 are insufficient to cover liabilities of \$1,912,197. The general and street funds had combined cash and investments totaling \$1,072,246 as of March 31, 2008.

Item	General	Street	Total
Beginning Fund Balances	\$ 753,414	\$ 307,687	\$ 1,061,101
First Quarter Revenues	3,939,056	194,910	4,133,966
Less 2007 Revenue Accruals	(1,071,198)	(1,817)	(1,073,015)
Subtotal First Quarter Revenues	2,867,858	193,093	3,060,951
First Quarter Expenditures	(4,135,025)	(232,577)	(4,367,602)
2007 Deferred Revenues	109,658	-	109,658
Ending Fund Balances	\$ (404,095)	\$ 268,203	\$ (135,892)

General Governmental Revenues

Table 1 on page 4 provides a detailed review of general governmental revenues for the first quarter 2008 compared with 2007. Major revenue sources include property taxes, sales taxes, business and occupation taxes, utility taxes, licenses and permits, intergovernmental revenues, and charges for services.

Property taxes received in the first quarter 2008 totaled \$134,744 slightly below 2007’s results of \$144,140, representing 4.7% and 5.2% of each year’s respective adopted budgets. Property tax revenues received in January and February 2008 accrued to 2007 totaled \$21,492.

Sales taxes reported in the first quarter 2008 include sales taxes distributed for November and December 2007 and January 2008. These revenues totaled \$518,969. One-time sales taxes of \$100,976 are included with this amount and relate to sales taxes on construction activities generated from the following projects: Mt. Rainier High School, Judson Park Expansion, Midway Elementary, and Midway Sewer Outfall. Sales taxes for the comparable period in 2007 totaled \$503,979 with one-time sales taxes of \$57,345 included with this amount generated from construction activities for the Mt. Rainier High School. Overall, sales taxes for 2008 increased \$14,990, or 3%, over 2007’s actual results. Sales taxes received in January and February 2008

accrued to 2007 totaled \$365,053. The following provides a comparison of sales taxes by category for the first quarter of 2008 compared to the first quarter 2007.

Category	2008	2007
Construction	\$182,433	\$154,068
Manufacturing	6,082	7,795
Wholesale	15,894	20,000
Retail	108,351	104,583
Food & Beverage	47,677	47,371
Restaurants	65,431	60,004
Other	93,101	110,158
Total	\$518,969	\$503,979

Criminal Justice sales taxes were enacted by the voters in November 1990 providing for one-tenth of one percent sales taxes and are distributed to cities based on a population formula. First quarter 2008 criminal justice sales taxes totaled \$183,686, or 26.2% of the 2008 adopted budget. In comparison, 2007 results for the first quarter totaled \$172,738, or 27.4% of the 2007 adopted budget.

Business & Occupation taxes received in the first quarter 2008 totaled \$248,398 representing 45.2% of the 2008 adopted budget. The 2008 revenues exceeded 2007’s actual results by \$56,495, or 29.7%. Included in 2008’s first quarter revenues were business and occupation taxes accrued to 2007 totaling \$241,087. First quarter 2008 returns were mailed March 24 to taxpayers filing on a quarterly basis for taxes due April 30. These returns include the requirement for allocation and apportionment of income effective January 1, 2008 under the retailing, wholesaling or service and other reporting classifications.

Franchise fee collections on television cable and solid waste for the first quarter 2008 totaled \$183,754 representing 24.3% of the 2008 adopted budget. In comparison, for the first quarter 2007, franchise fees totaled \$171,781, or 26.8% of the 2007 adopted budget. Franchise fees for 2008 exceeded 2007’s actual results by \$11,973, or 7%.

Franchise fees collected in January 2008 accrued to 2007 totaled \$58,032.

Utility tax collections for the first quarter 2008 totaled \$920,989, or 31.1% of the 2008 adopted budget, reflecting an 8.4% increase over 2007 utility taxes of \$849,502. Utility taxes collected in January and February 2008 accrued to 2007 totaled \$379,826.

Licenses and permits for the first quarter 2008 reflect a decrease of \$121,509 over 2007. The decrease primarily relates to permits issued for construction activity for the Judson Park expansion received in January 2007. In the fourth quarter 2007, the city received \$34,693 for 2008 business license fees, and \$38,234 for 2008 crime-free housing endorsement fees. These revenues were deferred for 2007 and will be included in the 2008 financial statements.

Intergovernmental revenues are primarily state shared revenues that are distributed on a population based formula. The city’s intergovernmental revenues consist of the state local government assistance, MVET criminal justice funding, street fuel tax, liquor excise tax and liquor board profits, federal, state, and local grants. In addition, this revenue source includes interlocal revenues received for providing court services to the City of Normandy Park, and for providing an instructor to the Washington State Criminal Justice Training Center Intergovernmental revenues for the first quarter 2008 totaled \$362,605, or 22.8% of the 2008 adopted budget. The 2008 revenues exceeded 2007’s actual results by \$50,056, or 16%.

Charges for services include general fees such as passports and false alarm fees plus right-of-way permits, engineering plan review, zoning, plan check, park recreation and senior service program fees. First quarter 2008 results totaled \$601,883, or 30.1% of the adopted budget. In comparison, 2007 first quarter results totaled \$497,314, or 17.9% of the adopted budget. In March 2008, the city received \$207,057 in zoning and plan check fees for the Parkside Elementary project. In

January 2007, the city received \$216,665 in engineering plan review, zoning, and plan check fees for the Judson Park Expansion project.

Parks Recreation and Sr. Services programs are considered primarily self-sustaining, whereby revenues support program activities. The following provides 2008 first quarter results comparing total program revenues including facility rentals, contributions, and miscellaneous revenues plus support from Normandy Park for Sr. Programs against program expenditures.

Item	Rec Programs	Senior Programs
Revenues	\$ 190,477	\$ 21,136
2007 Deferred Revenues	36,357	374
Expenditures	(251,743)	(18,911)
Excess (Deficit)	\$ (24,909)	\$ 2,599

Fines and forfeits for the first quarter 2008 totaled \$69,216 representing 23.1% of the 2008 adopted budget. In comparison, first quarter 2007 revenues totaled \$59,824, or 21.4% of the 2007 adopted budget. The 2008 actual results exceed 2007 by \$9,392, or 15.7%.

Interest earnings for the first quarter 2008 totaled \$48,146, representing 23.8% of the 2008 adopted budget and exceeding 2007’s actual results by \$12,963. In 2008, interest earnings from the Revenue Stabilization Fund, Airport Defense Fund, Police Services Restoration Fund, Equipment Rental Replacement Fund, and the Computer Equipment Replacement Fund will be recognized in the General Fund. The Federal Reserve has enacted six rate cuts totaling 3% since September 18, 2007. The most recent rate cut on March 18, 2008 resulted in a federal funds rate of 2.25%. Yields on the State Local Government Investment Pool (LGIP) have been declining as a result of these rate cuts. The March 2008 yield was 3.14%. In March 2007, the LGIP yield was 5.24%.

Interfund revenues for the first quarter 2008 totaled \$233,276, or 19.9% of the 2008 adopted budget. In comparison, \$199,709 was received in

the first quarter of 2007, representing 18.9% of the 2007 adopted budget.

Miscellaneous revenues include facility rentals, contributions and donations, Labor and Industries reimbursements, and reimbursements for security for privately held public events. Also included are employer funded ICMA 401A (Social Security Replacement) contributions forfeited for non-vested terminated employees. In March 2008,

\$103,722 in forfeitures was recognized and will be utilized for paying 2008 current IMCA 401A employer contributions.

Operating transfers-in occurring in the first quarter 2008 include \$37,195 transferred from the Airport Defense Fund and \$18,800 transferred from the 1995 GO Bond Fund – Police Facility. The \$18,800 will be utilized for office remodeling at the main police building.

Table 1: General Governmental Revenues

Revenue Source	2008 Actual	2008 Budget	% Bgt	2007 Actual	2007 Budget	% Bgt	\$ Chg over 2007	% Chg Over 2007
Property Tax	\$ 134,744	\$ 2,844,448	4.7%	\$ 144,140	\$ 2,791,618	5.2%	\$ (9,396)	-6.5%
Sales/Use Tax	518,969	2,787,660	18.6%	503,979	2,027,500	24.9%	14,990	3.0%
Criminal Justice	183,686	700,000	26.2%	172,738	630,000	27.4%	10,948	6.3%
B & O Taxes	248,398	550,000	45.2%	191,453	600,000	31.9%	56,945	29.7%
Franchise Fees	183,754	757,100	24.3%	171,781	642,000	26.8%	11,973	7.0%
Utility Taxes	920,989	2,962,000	31.1%	849,502	2,630,000	32.3%	71,487	8.4%
Other Taxes	6,293	111,000	5.7%	25,955	112,300	23.1%	(19,662)	-75.8%
Total Taxes	\$ 2,196,833	\$ 10,712,208	20.5%	\$ 2,059,548	\$ 9,433,418	21.8%	\$ 137,285	6.7%
Licenses/Permits	\$ 405,346	\$ 1,749,146	23.2%	\$ 526,855	\$ 2,434,730	21.6%	\$ (121,509)	-23.1%
Intergovernmental	362,605	1,588,517	22.8%	312,549	1,539,334	20.3%	50,056	16.0%
Charges for Svc	601,883	2,001,873	30.1%	497,314	2,782,625	17.9%	104,569	21.0%
Fines/Forfeits	69,216	300,000	23.1%	59,824	280,000	21.4%	9,392	15.7%
Interest Earnings	48,146	202,500	23.8%	35,183	139,800	25.2%	12,963	36.8%
Interfund Revenues	233,276	1,169,398	19.9%	199,709	1,054,622	18.9%	33,567	16.8%
Misc Revenue	158,665	163,880	96.8%	23,344	160,955	14.5%	135,321	579.7%
Other Financing Sources	2,000	0	N/A	0	0	N/A	2,000	N/A
Operating Transfers-In	55,995	69,264	80.8%	0	0	N/A	55,995	N/A
TOTAL REVENUES	\$ 4,133,966	\$ 17,956,786	23.0%	\$ 3,714,327	\$ 17,825,484	20.8%	\$ 419,639	11.3%

General Governmental Expenditures

As discussed in the overview section, general governmental expenditures for the first quarter 2008 totaled \$4,367,602, or 24.5% of the 2008 adopted budget. In comparison, expenditures for 2007's first quarter totaled \$4,286,600, or 24.1% of the 2007 adopted budget. Table 2 on page 5 provides a breakdown by expenditures classification (line item) and by department for 2008 compared with 2007 and each year's respective budgets.

Expenditures by category appear to be trending normally for salaries, benefits, and other services. The 2008 supplies category is trending lower than

2007. In the first quarter 2007, \$60,683 was spent for police firearms and equipment. Major purchases in the first quarter 2008 include a server for the Court - \$4,066, police helmet communication kits - \$3,106, police intoximeter equipment - \$4,614, and police firearms - \$4,294. Interfund payments reflect the January 2008 annual transfer for insurance. General and street funds 2008 insurance assessments totaled \$451,744. In 2007, the annual insurance assessments totaled \$408,460.

While the overall 2008 first quarter expenditures appear to be consistent with spending patterns of the prior year, some departmental expenditures are trending differently. The Legislative expenditures

are trending higher for 2008 primarily due to travel expenditures, three months of Federal lobbyist invoices versus two months in 2007, and \$5,497 incurred for updating the Municipal code. The Executive Department's increase in expenditures over 2007 primarily results from \$7,000 in recruiting costs for the Assistant City Manager and employment advisory consulting of \$2,808. The Judicial expenditures declined in 2008 from 2007. In the first quarter of 2007 \$118,638 was paid to Yakima County for fourth quarter 2006 and first quarter 2007 unused beds. The explanation for the Finance Department's higher than expected results is due to investment

advisory services of \$2,500, first quarter banking fees of \$2,506, and tax audits of \$4,119. The lower than expected expenditures for 2007 incurred for the Planning, Building, and Public Works Department is attributed to staff vacancies. Parks, Recreation, and Sr. Services first quarter 2008 expenditures are slightly above budget as a result of increased program activities that have corresponding increased program revenues, and expenditures incurred for Activity Center chairs and floor refinishing.

Operating transfers-out for 2008 and 2007 are for the Mt. Rainier Pool Subsidy.

Table 2: General Governmental Expenditures

Item	2008 Actual	2008 Budget	% Bgt	2007 Actual	2007 Budget	% Bgt
Line Item:						
Salaries and Wages	\$ 1,994,070	\$ 8,646,544	23.1%	\$ 1,909,757	\$ 8,182,597	23.3%
Personnel Benefits	700,105	3,123,916	22.4%	643,423	2,831,626	22.7%
Supplies	162,341	623,480	26.0%	199,942	529,308	37.8%
Other Services	629,384	2,892,465	21.8%	566,328	2,644,166	21.4%
Intergovernmental	107,353	834,177	12.9%	230,812	943,598	24.5%
Capital Outlay	0	66,800	0.0%	96,046	508,628	18.9%
Interfund Payments	721,197	1,352,159	53.3%	588,690	1,129,378	52.1%
Operating Transfers-Out	53,153	268,002	19.8%	51,602	1,041,418	5.0%
Contingency	0	0	N/A	0	0	N/A
TOTAL	\$ 4,367,602	\$ 17,807,543	24.5%	\$ 4,286,600	\$ 17,810,719	24.1%
Department:						
Legislative	48,626	224,048	21.7%	34,458	224,393	15.4%
Executive	132,352	602,061	22.0%	115,494	482,091	24.0%
Judicial	309,606	1,388,900	22.3%	392,579	1,448,635	27.1%
Finance	302,286	1,058,973	28.5%	252,651	948,290	26.6%
Legal	125,452	512,175	24.5%	118,607	489,968	24.2%
Law Enforcement	1,833,090	7,507,329	24.4%	1,842,404	6,902,045	26.7%
Planning, Bldng & Public Works	1,118,929	4,599,203	24.3%	1,103,619	5,065,027	21.8%
Parks, Rec, Sr Services	444,108	1,656,852	26.8%	375,185	1,449,552	25.9%
Operating Transfers-Out	53,153	258,002	20.6%	51,602	800,718	6.4%
Contingency	0	0	N/A	0	0	N/A
TOTAL	\$ 4,367,602	\$ 17,807,543	24.5%	\$ 4,286,600	\$ 17,810,719	24.1%

Police Services Restoration Fund

The property tax levy lid lift approved by voters on May 16, 2006 resulted in creating this special revenue fund to accumulate property taxes from the levy lid lift and to fund expenditures to restore police department staffing to previous year's levels as provided in the ballot measure. The following provides the revenues and expenditures

and ending fund balance for the first quarter 2008. The 2007 revenue accruals are for property taxes received in January and February 2008.

Beginning Fund Balance	\$ 607,182
Revenues	69,234
Less 2007 Revenue Accruals	(8,513)
Expenditures	(290,421)
Ending Fund Balance	\$ 377,482

Special Revenue Funds

Special Revenue Funds are established to account for the proceeds of specific revenue sources that legislation has legally restricted for specified purposes. The following provides first quarter 2008 activity for the other city special revenue funds.

Fund	Begin			Ending
	Fund Bal	Rev	Exp	Fund Bal
Revenue Stabilization	\$ 803,924	\$ -	\$ -	\$ 803,924
Airport Defense	37,195	-	37,195	-
Facility Repair & Repl	350,308	22,870	7,922	365,256
Police Drug Seizure	21,304	4,108	3,743	21,669
Traffic Impact Fees	4,253	177,493	168,263	13,483
Mr. Rainier Pool	140,382	97,317	23,917	213,782
Hotel-Motel Tax	5,561	4,659	-	10,220

Capital Improvement Funds

The general governmental capital improvement funds include the Arterial Street Fund and the Municipal Capital Improvement Fund.

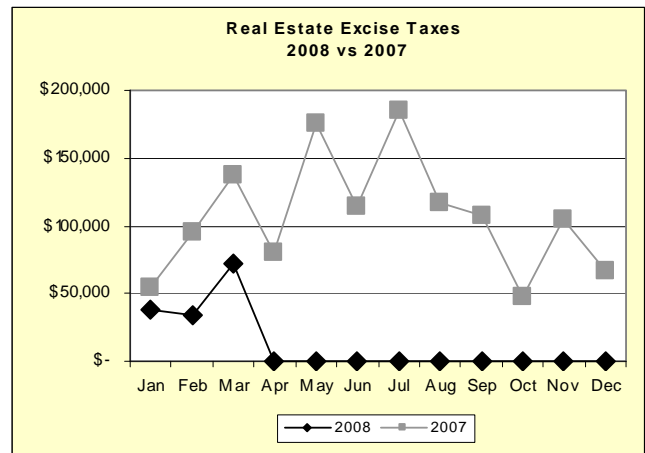
Project expenditures in the Arterial Street Fund through the first quarter 2008 totaled \$1,228,579, or 18.3% of the 2008 adopted budget of \$6,707,649. Expenditures primarily relate to the 16th Avenue South Improvement Project, 2006 slide repairs for the Marine View Drive Bridge and Des Moines Memorial Drive, 2007 slide repairs for the Des Moines Memorial Drive, and 2006 windstorm damage repairs for the Saltwater State Park Bridge.

The Municipal Capital Improvement Fund provides for the acquisition, development, and major maintenance of parks and municipal facilities.

First quarter 2008 capital expenditures totaled \$254,684. Included in this amount was \$148,750 transferred to the Arterial Street Fund, \$36,383 related to the Des Moines Beach Park projects for creek evaluation, asbestos investigation, and architectural services, \$56,247 for the Des Moines field house renovation, and \$9,583 expended for

staff time and consulting services for the Des Moines Creek Trail project.

A major revenue source for the Municipal Capital Improvement Fund is real estate excise taxes. Real estate excise taxes are levied on sales of real estate measured by the full selling price. The state levies this tax at the rate of 1.28 percent. All cities may levy a quarter percent tax, and cities planning under GMA may levy a second quarter percent. The City of Des Moines levies both the first quarter and second quarter percent. The City received \$138,674 in real estate excise taxes for the first quarter 2008, representing 10.2% of the 2008 adopted budget of \$1,360,000. In comparison, real estates excise taxes for the first quarter 2007 totaled \$255,657, or 20.5% of the 2007 adopted budget of \$1,250,000. Real estate excise taxes received January 2008 in the amount of \$67,109 represent December 2007 activity that was accrued for 2007 financial statement purposes. The following graph depicts real estate excise taxes as incurred monthly rather than as distributed to the city. For example, real estate excise taxes January through March 2008 represent distributions February 2008 through April 2008.



Marina

The Marina’s internal accounting structure includes three funds. The Marina Revenue Fund includes all operating activities of the Marina. The Marina Repair and Replacement Fund is

considered a reserve fund that is utilized for unusual or extraordinary maintenance and repairs. The Marina Depreciation and Improvement Fund provides for all major capital improvements.

Marina operating revenues for the first quarter 2008 were \$104,013 above 2007's first quarter results. Revenues primarily contributing to this increase include fuel sales - \$35,691, moorage - \$42,213, dry storage - \$5,103, reimbursements from the Marina capital fund - \$11,946, and ICMA 401A forfeitures - \$6,617. Marina operating expenditures for the first quarter 2008 exceeded 2007 first quarter results by \$133,784 largely attributable to fuel purchases.

The 2008 expenditures incurred in the Marina Repair and Replacement Fund was for the transformer repair for E & F docks. The 2007 expenditures of \$7,853 relate to repair of the office roof damaged during the December 2006 windstorm.

Major expenditures incurred in the first quarter 2008 for Marina capital projects include the M dock electrical upgrade, bulkhead replacement design and engineering services, water main and power lines relocation, and engineering and design services for the dredging project.

Table 3 summarizes the Marina Funds' first quarter results for 2008 compared with 2007.

Table 3: Marina Funds

Item	2008 Actual	2008 Bgt	% Bgt	2007 Actual	2007 Bgt	% Bgt
Marina Revenue Fund						
Revenues	\$ 803,644	\$ 4,162,071	19.3%	\$ 699,631	\$ 3,856,356	18.1%
Expenses						
Operations	665,346	2,932,488	22.7%	534,410	2,732,174	19.6%
Capital Outlay	6,523	17,500	37.3%	3,500	12,337	28.4%
Debt Service	61	196,549	0.0%	235	329,513	0.1%
Transfer to Capital Fund	243	604,928	0.0%	243	569,278	0.0%
Total Expenses	\$ 672,172	\$ 3,751,465	17.9%	\$ 538,388	\$ 3,643,302	14.8%
Excess (Deficit)	\$ 131,473	\$ 410,606	32.0%	\$ 161,243	\$ 213,054	75.7%
Beginning Fund Balance	979,313	1,038,811	94.3%	772,960	690,563	111.9%
Ending Fund Balance	1,110,786	1,449,417	76.6%	934,203	903,617	103.4%
Reserve for Debt Service	332,128	712,257	46.6%	373,000	531,730	70.1%
Unreserved Ending Fund Balance	\$ 778,658	\$ 737,160	105.6%	\$ 561,203	\$ 371,887	150.9%
Marina Repair & Replacement Fund						
Revenues	\$ 3,234	\$ 14,401	22.5%	\$ 4,167	\$ 17,910	23.3%
Expenses	3,233	20,000	16.2%	7,853	20,000	39.3%
Excess (Deficit)	\$ 1	\$ (5,599)	0.0%	\$ (3,686)	\$ (2,090)	176.3%
Beginning Fund Balance	333,690	290,811	114.7%	321,274	321,445	99.9%
Ending Fund Balance	\$ 333,691	\$ 285,212	117.0%	\$ 317,588	\$ 319,355	99.4%
Marina Depreciation & Improvement Fund						
Revenues	\$ 13,328	\$ 5,649,928	0.2%	\$ 32,459	\$ 2,629,278	1.2%
Expenses						
Capital Outlay	78,539	3,147,661	2.5%	80,125	3,235,448	2.5%
Debt Service	243	519,214	0.0%	243	369,741	0.1%
Transfer to Marina Rev Fund	-	383,504	0.0%	-	158,730	0.0%
Total Expenses	\$ 78,782	\$ 4,050,379	1.9%	\$ 80,368	\$ 3,763,919	2.1%
Excess (Deficit)	\$ (65,454)	\$ 1,599,549	-4.1%	\$ (47,909)	\$ (1,134,641)	4.2%
Beginning Fund Balance	2,303,845	1,947,031	118.3%	2,564,552	2,540,861	100.9%
Ending Fund Balance	\$ 2,238,391	\$ 3,546,580	63.1%	\$ 2,516,643	\$ 1,406,220	179.0%

Surface Water Management

The Surface Water Management Utility includes both an operating fund and a capital fund. Table 4 on page 8 provides first quarter results for 2008 compared to 2007.

Surface Water Management operating revenues for the first quarter 2008 are 17.1% below 2007's actual results primarily due to lower than expected storm drainage fees. Operating expenses for the first quarter 2008 are slightly above 2007's results

by \$8,258 and relate primarily to NPDES water quality grant expenditures.

Capital project expenditures for the Surface Water Management Fund during the first quarter 2008 totaled \$2,431. Capital expenditures incurred for the first quarter 2007 primarily relate to the Marine View Drive Bridge project.

Table 4: SWM Funds

Item	2008		%	2007		%
	Actual	Bgt		Actual	Bgt	
SWM Operating Fund						
Revenues	\$ 171,420	\$ 1,975,236	8.7%	\$ 206,899	\$ 1,717,737	12.0%
Expenses						
Operations	332,153	1,569,536	21.2%	323,894	1,378,589	23.5%
Capital Outlay	-	10,600	0.0%	-	-	N/A
Transfer to Capital Fund	-	480,500	0.0%	-	472,042	0.0%
Total Expenses	\$ 332,153	\$ 2,060,636	16.1%	\$ 323,894	\$ 1,850,631	17.5%
Excess (Deficit)	\$ (160,732)	\$ (85,400)	188.2%	\$ (116,995)	\$ (132,894)	88.0%
Beginning Fund Balance	833,538	653,345	127.6%	463,735	372,272	124.6%
Ending Fund Balance	\$ 672,806	\$ 567,945	118.5%	\$ 346,740	\$ 239,378	144.9%
SWM Capital Fund						
Revenues	\$ 13,405	\$ 883,100	1.5%	\$ 198,796	\$ 840,625	23.6%
Expenses						
Capital Outlay	2,431	408,000	0.6%	390,200	443,600	88.0%
Total Expenses	\$ 2,431	\$ 408,000	0.6%	\$ 390,200	\$ 443,600	88.0%
Excess (Deficit)	\$ 10,974	\$ 475,100	2.3%	\$ (191,404)	\$ 397,025	-48.2%
Beginning Fund Balance	686,577	398,960	172.1%	697,026	768,095	90.7%
Ending Fund Balance	\$ 697,551	\$ 874,060	79.8%	\$ 505,622	\$ 1,165,120	43.4%

Internal Service Funds

The internal service funds for the city include the following funds:

- Equipment Rental Operations
- Equipment Rental Replacement
- Computer Equipment Operations
- Computer Equipment Replacement
- Self-Insurance
- Unemployment Compensation

Table 5 summarizes the activity occurring in these funds for the first quarter 2008 and 2007.

This report has been prepared by the Finance Department. If you would like additional information, or have questions about this report, please call 206-870-6512.

Paula A. Henderson
Finance Director

Table 5: Internal Service Funds

Fund	Item	2008		%	2007		%
		Actual	Bgt		Actual	Bgt	
Equipment Rental Operations	Begin Fund Bal	\$122,176			\$133,793		
	Revenues	139,317	24.7%	123,223	24.3%		
	Expenses	158,060	26.6%	142,544	26.7%		
	End Fund Bal	\$103,433		\$114,472			
Equipment Rental Replacement	Begin Fund Bal	\$869,820		\$1,098,008			
	Revenues	86,926	24.9%	73,681	26.1%		
	Expenses	73,407	26.6%	107,823	23.1%		
	End Fund Bal	\$883,339		\$1,063,866			
Computer Equipment Operations	Begin Fund Bal	\$71,372		\$29,377			
	Revenues	155,324	38.7%	75,011	25.0%		
	Expenses	137,387	31.5%	109,094	37.2%		
	End Fund Bal	\$89,309		(\$4,706)			
Computer Equipment Replacement	Begin Fund Bal	\$342,066		\$329,658			
	Revenues	29,673	20.5%	14,721	17.5%		
	Expenses	75,885	26.4%	11,300	11.7%		
	End Fund Bal	\$295,854		\$333,079			
Self-Insurance	Begin Fund Bal	\$118,437		\$73,765			
	Revenues	550,245	97.6%	482,196	94.8%		
	Expenses	459,692	78.6%	427,867	93.9%		
	End Fund Bal	\$208,990		\$128,094			
Unemployment Comp	Begin Fund Bal	\$348,682		\$312,121			
	Revenues	9,635	20.8%	9,684	23.5%		
	Expenses	0	0.0%	0	0.0%		
	End Fund Bal	\$358,317		\$321,805			