

CITY OF KENT, WA Q1 2015 FINANCIAL STATUS REPORT

**CITY COUNCIL WORKSHOP
MAY 19, 2015**

SPECIAL RECOGNITION TO:

BARBARA LOPEZ, ASSISTANT FINANCE
DIRECTOR

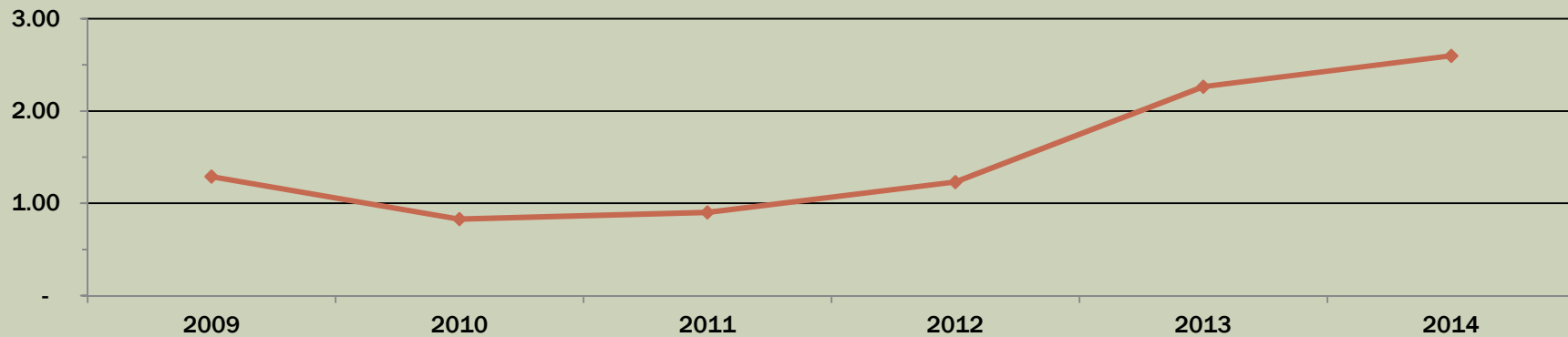
PATTY ROSETO, SR. FINANCIAL ANALYST

KATHLEEN ETHEREDGE, SR. FINANCIAL ANALYST

2014 YEAR END FINANCIAL HEALTH ASSESSMENTS

- General Fund - Current Ratio
- General Fund - Operating Margin
- General Fund - Fund Balance Sufficiency
- Governmental Funds - Change in Net Position
- General Fund - Cash Flow
- General Fund - Ending Fund Balance by Year

GENERAL FUND CURRENT RATIO

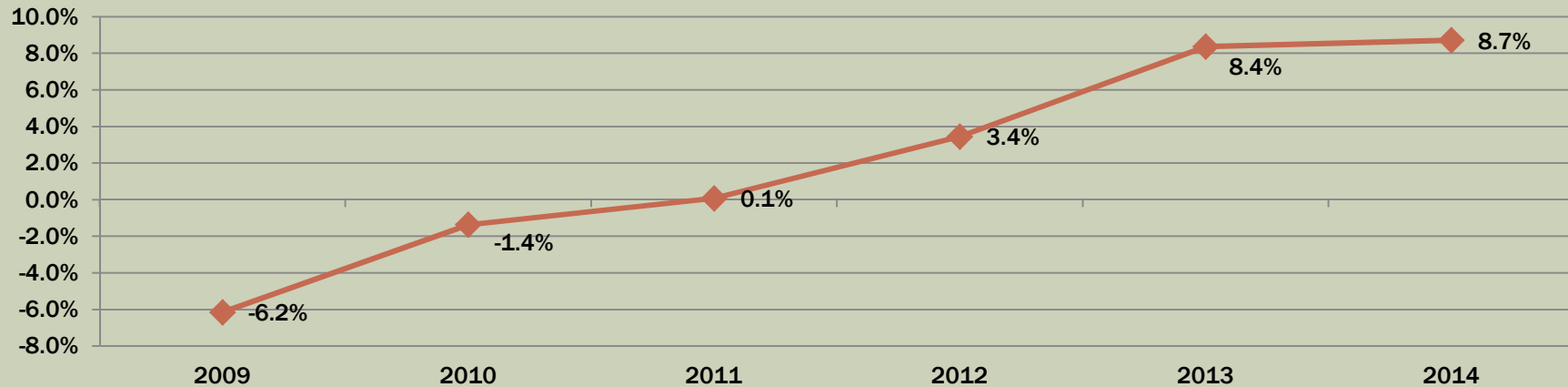


	2009	2010	2011	2012	2013	2014
Cash & LGIP	2,342,060	161,310	656,130	2,811,930	5,703,370	11,984,430
Receivable	4,619,220	5,867,730	5,875,100	4,941,610	7,039,070	7,876,730
Other			500,000	-		
Current Assets	6,961,280	6,029,040	7,031,230	7,753,540	12,742,440	19,861,160
Current Liabilities	5,400,030	7,285,340	7,800,830	6,304,260	5,630,350	7,646,020
Current Ratio	1.29	0.83	0.90	1.23	2.26	2.60

Current Ratio = Current Assets (includes cash and receivables) / Current Liabilities.

A ratio of 1.0 or greater generally implies that the city is able to pay its general fund expenses when they come due.

GENERAL FUND OPERATING MARGIN



	2009	2010	2011	2012	2013	2014
Revenue	72,419,600	76,813,480	68,543,360	72,146,280	76,264,470	80,799,190
Transfer-In	1,840,660	1,634,440	1,864,290	1,235,200	1,036,880	931,220
Total Resources	74,260,260	78,447,920	70,407,650	73,381,480	77,301,350	81,730,410
Expenditure	78,477,910	78,919,270	64,887,610	67,523,730	68,520,000	71,359,620
Transfer-Out	653,730	617,610	5,471,170	3,412,200	2,816,520	3,822,040
Total Use of Resources	79,131,640	79,536,880	70,358,780	70,935,930	71,336,520	75,181,660
Operating Margin	-6.2%	-1.4%	0.1%	3.4%	8.4%	8.7%

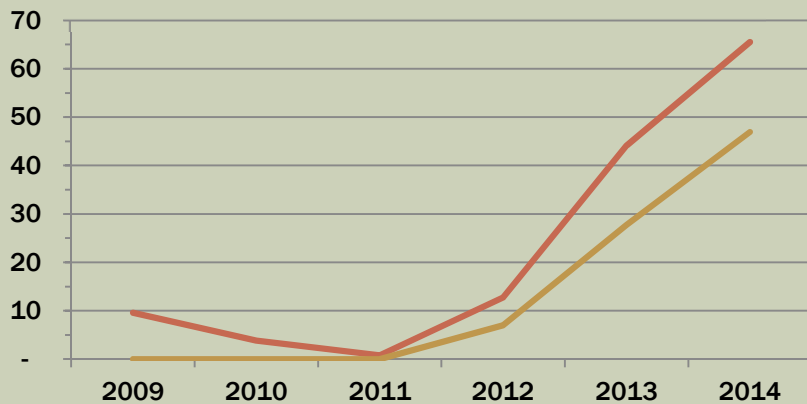
Expenditures do not include capital outlay.

Operating Margin = (Resources - Current Expenses (use of resources)) / Total Expense (use of resources).

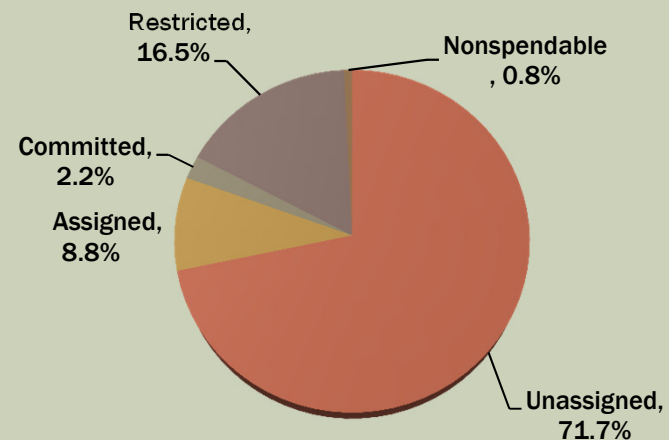
If the operating margin is positive, funding received in the current year was sufficient to cover the city's spending on operating and contributions toward capital and transfers to other funds.

GENERAL FUND FUND BALANCE SUFFICIENCY

Fund Bal. Sufficiency Days - All



Composition of GF Fund Balance



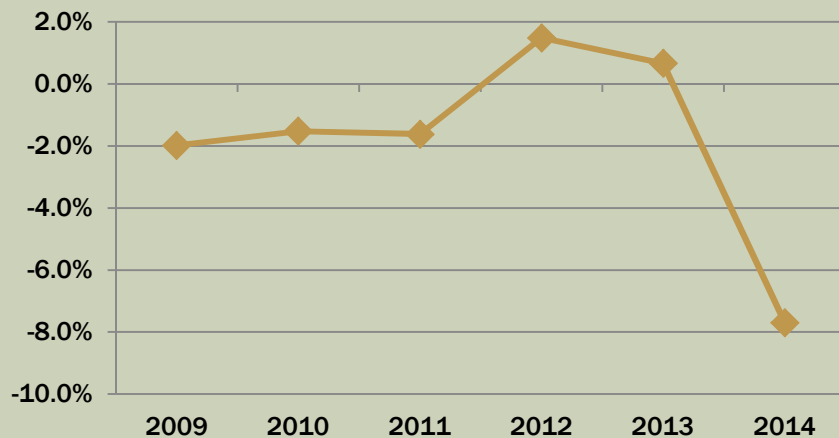
	2009	2010	2011	2012	2013	2014
Ending Fund Balance	2,060,230	826,110	142,460	2,363,760	8,279,930	12,802,580
Unassigned			(205,780)	1,290,800	5,200,180	9,179,220
Assigned			-	772,590	968,870	1,128,840
Committed			283,670	129,560	184,690	281,180
Restricted			5,030	67,440	1,846,130	2,116,800
Nonspendable			59,540	103,370	80,060	96,540
Current Expenditure	78,477,910	78,919,320	64,887,610	67,523,730	68,520,000	71,351,620
Sufficiency/days all	10	4	1	13	44	65
Sufficiency/days unassigned	N/A	N/A	-	7	28	47

Current Expenditure does not include capital outlay expenses.

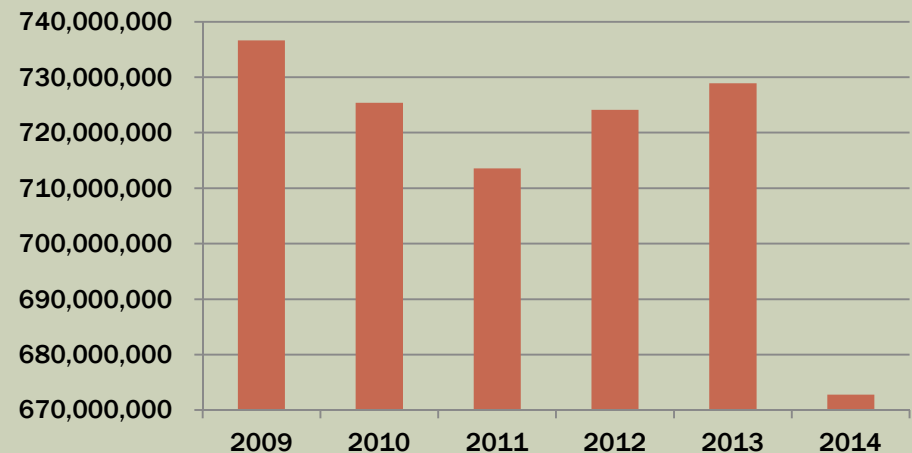
Sufficiency days = Fund Balance / (Current Expenditures / 365 days)

GOVERNMENTAL FUNDS CHANGE IN NET POSITION

Percent Change



Ending Net Position

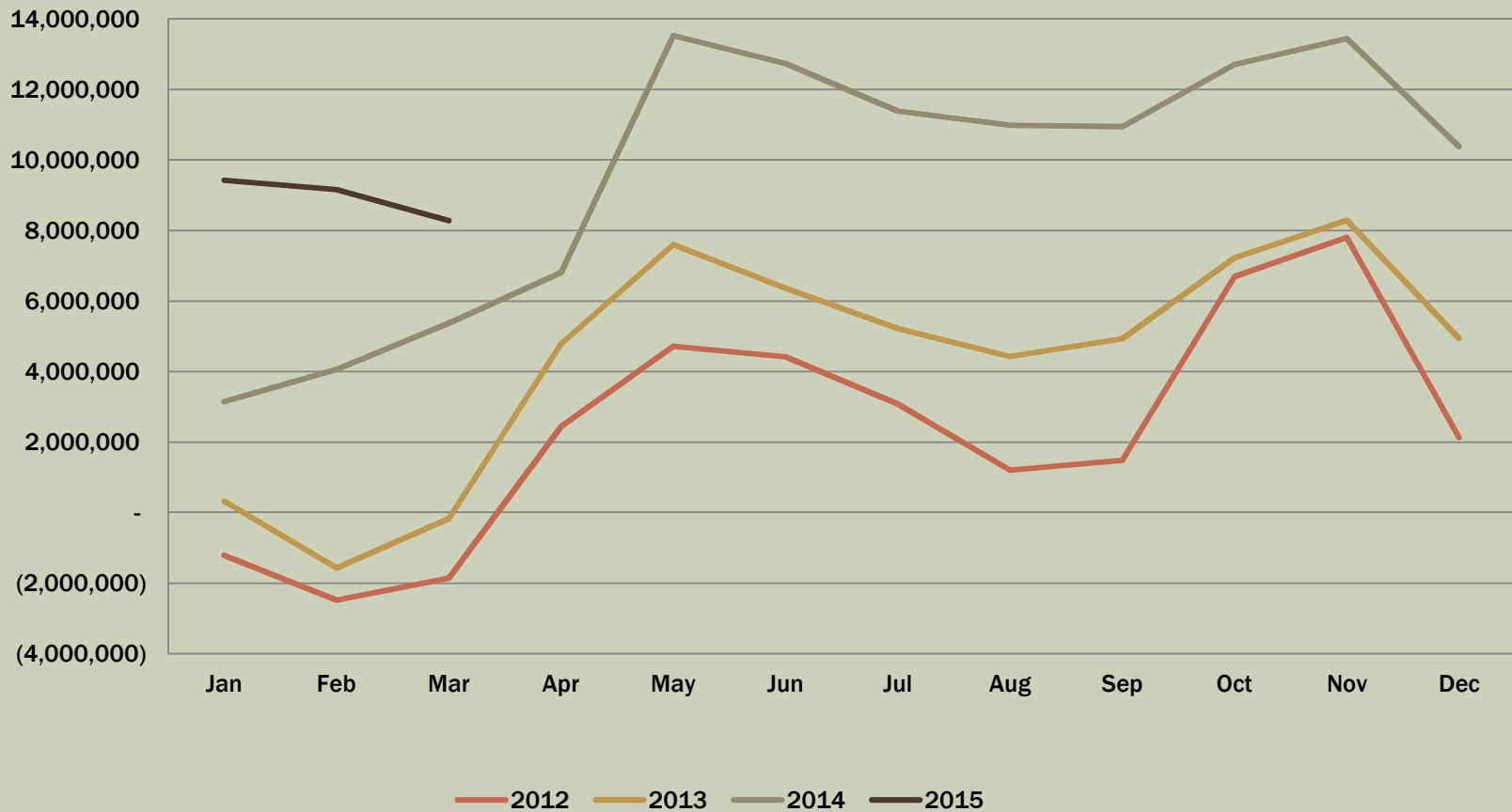


	2009	2010	2011	2012	2013	2014
Ending Net Position	736,610,850	725,377,330	713,577,780	724,143,800	728,898,190	672,774,090
Change in Net Position	(14,938,810)	(11,233,520)	(11,799,550)	10,566,020	4,754,390	(56,124,100)
Percent Change	-2.0%	-1.5%	-1.6%	1.5%	0.7%	-7.7%

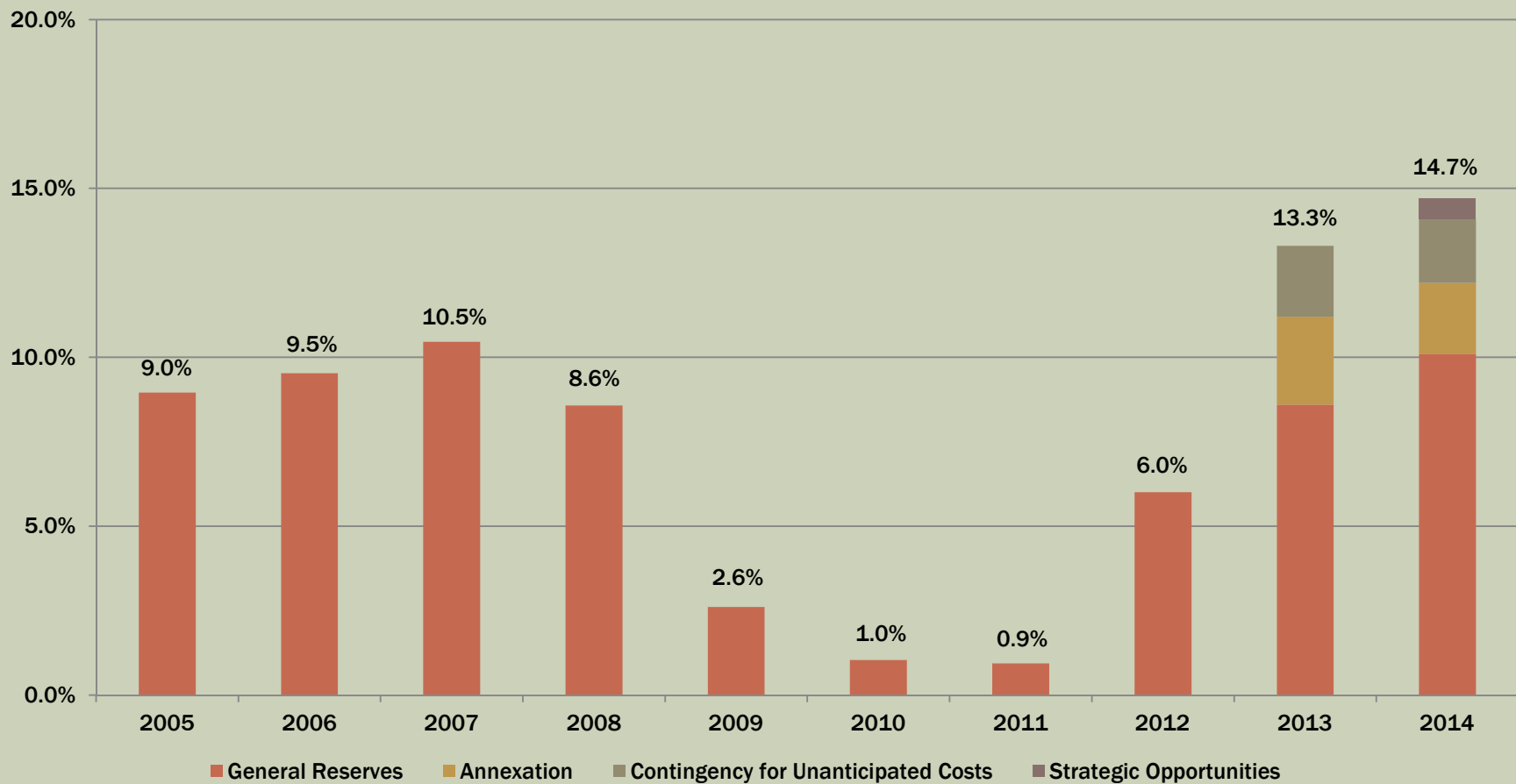
Change in Net Position = Change in Net Position / Prior Year Net Position

2014 includes implementation of GASB 70

GENERAL FUND CASH FLOW



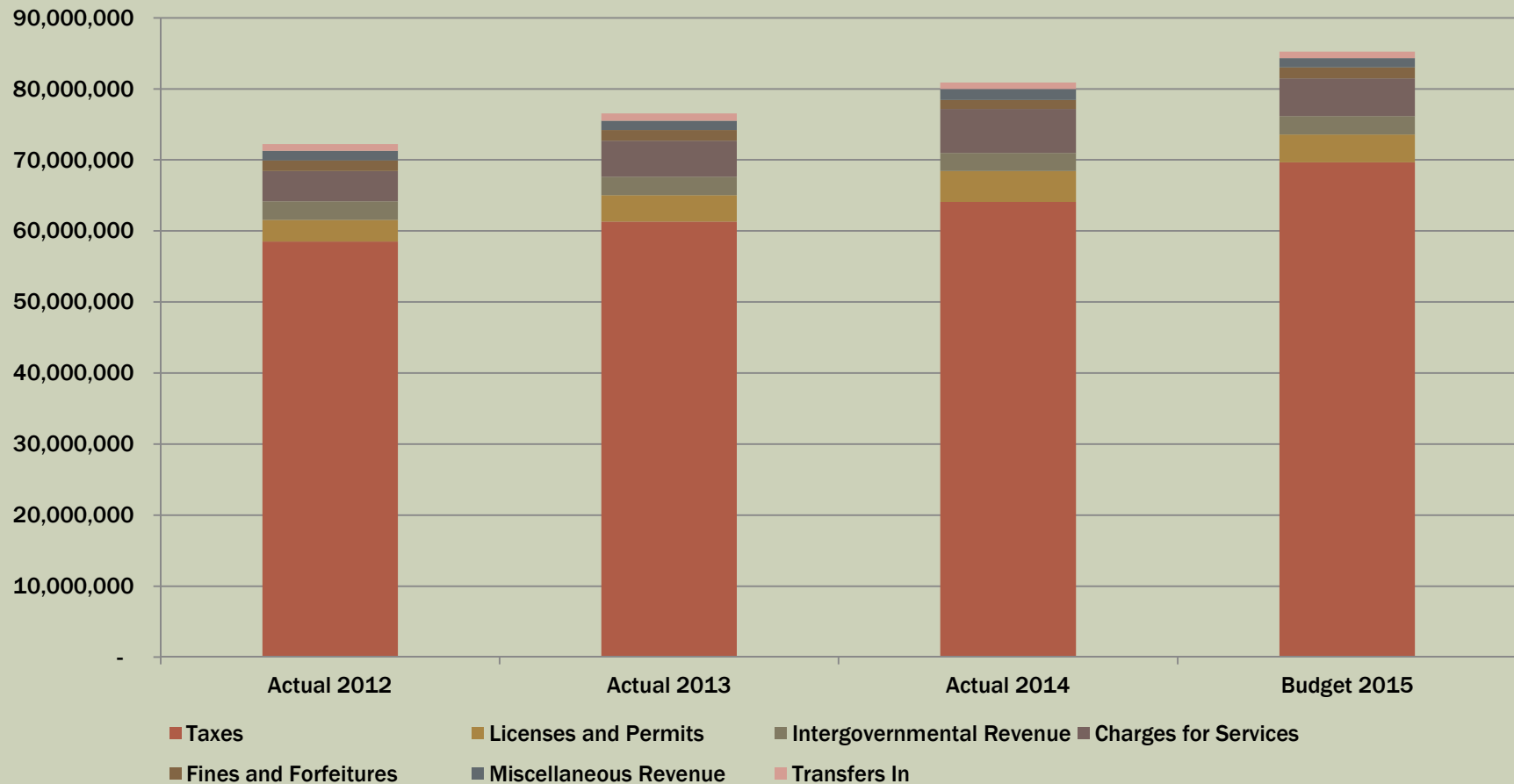
GENERAL FUND ENDING FUND BALANCE AS A PERCENT OF ENDING EXPENDITURES



2015 BUDGETARY STATUS AND COMPARISONS TO PREVIOUS YEARS

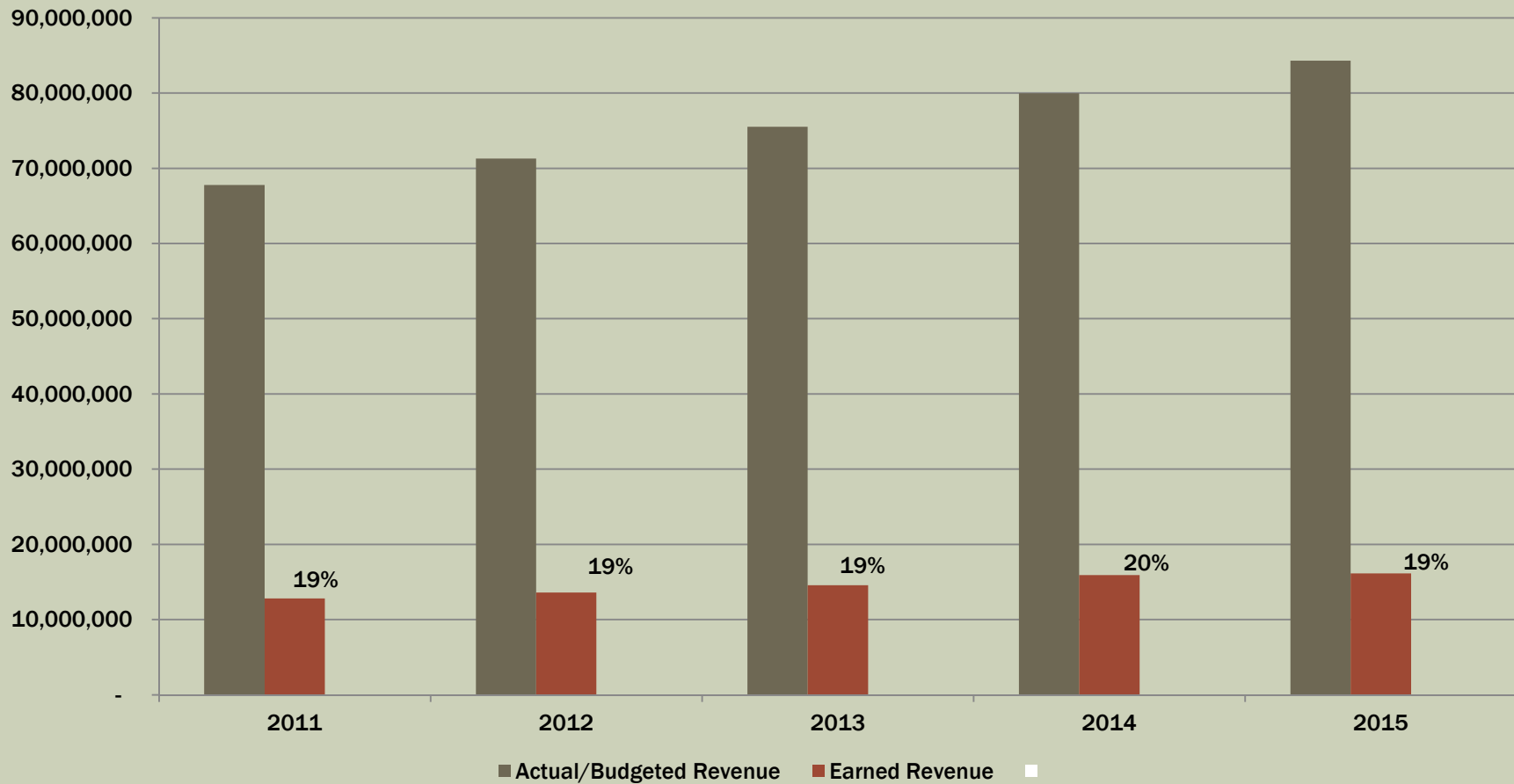
- General Fund – Revenues by Classification
- General Fund – 1st Quarter Revenue Collections
- General Fund – Revenues by Major Type
- B&O Revenue Collections
- All Other Funds – 1st Quarter Revenue Collections
- General Fund – Expenditures by Classification
- City-wide Spending Comparison

GENERAL FUND REVENUES BY CLASSIFICATION



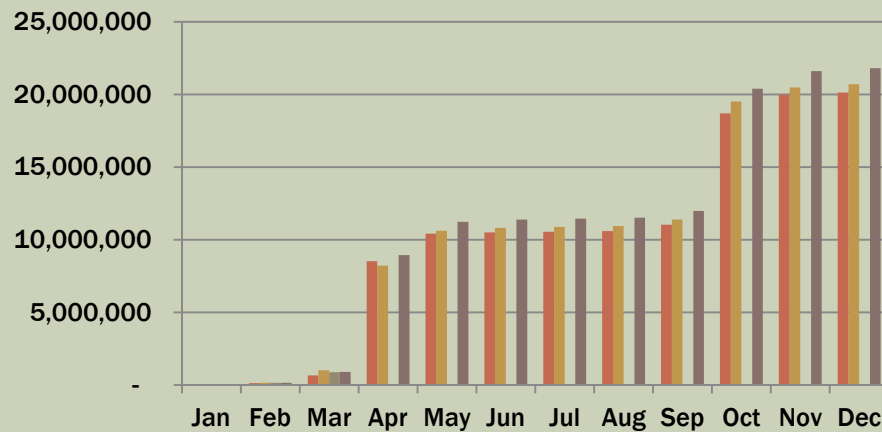
1ST QUARTER: GENERAL FUND REVENUE COLLECTIONS

(DOES NOT INCLUDE TRANSFERS FROM OTHER FUNDS)

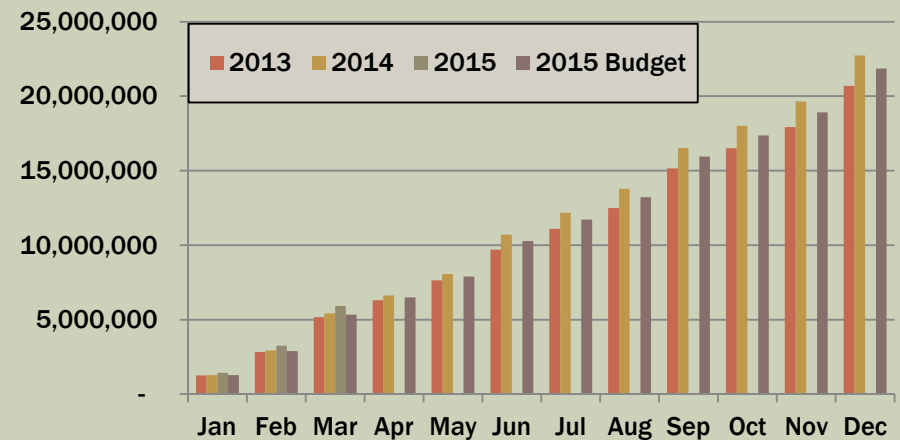


GENERAL FUND REVENUES BY MAJOR TYPE

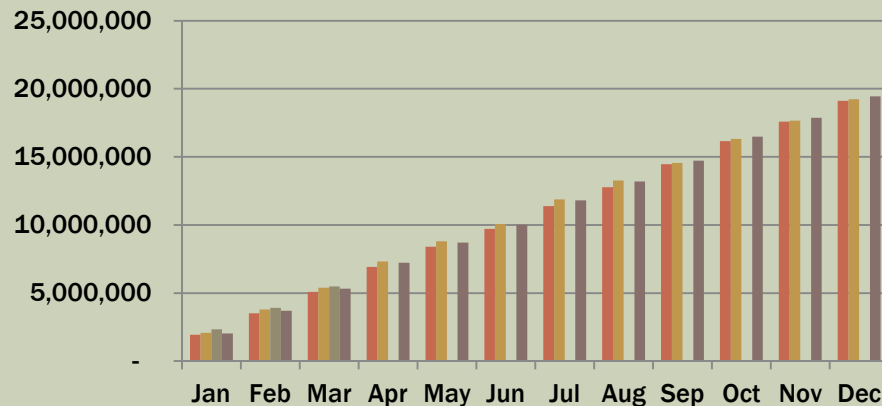
Property Tax



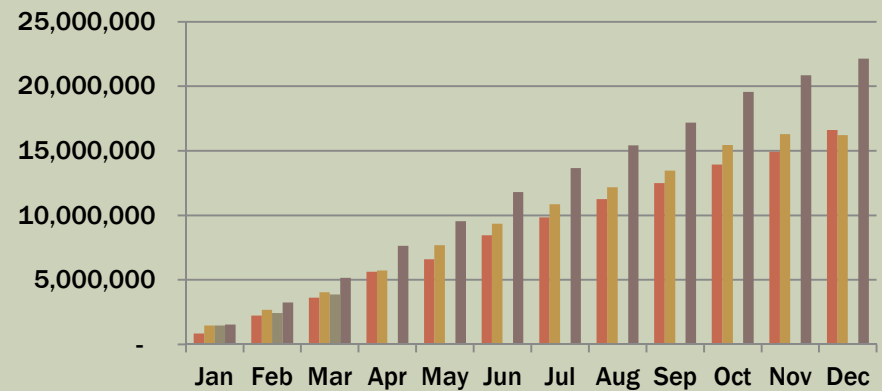
Sales Tax



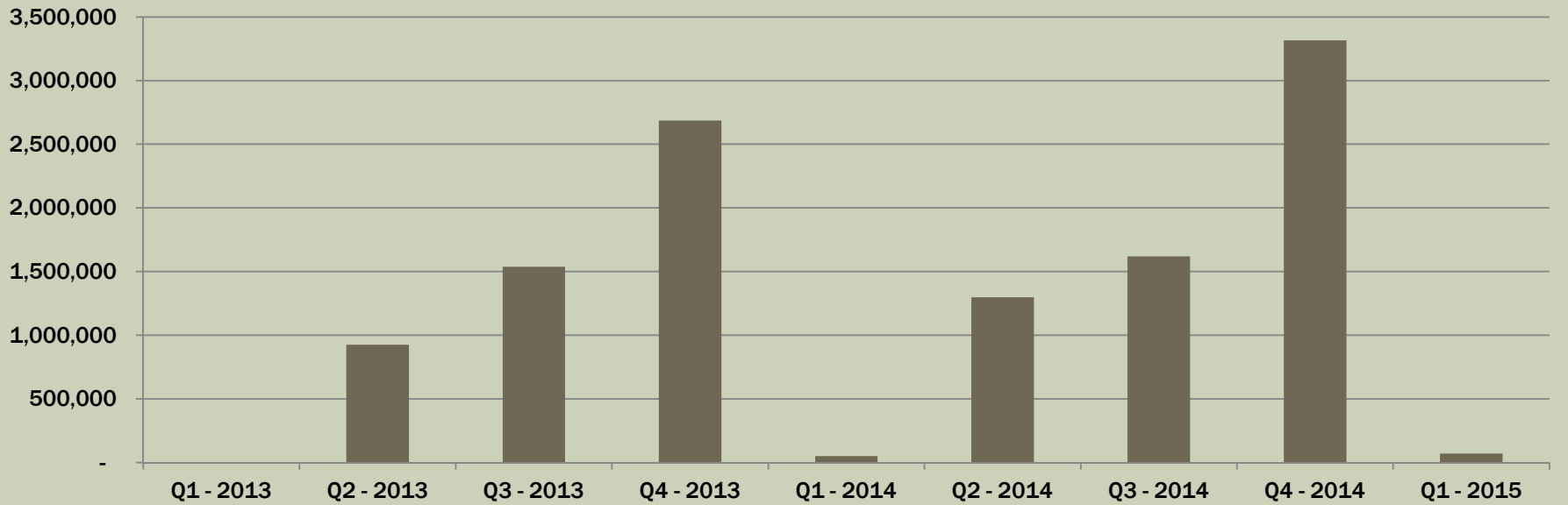
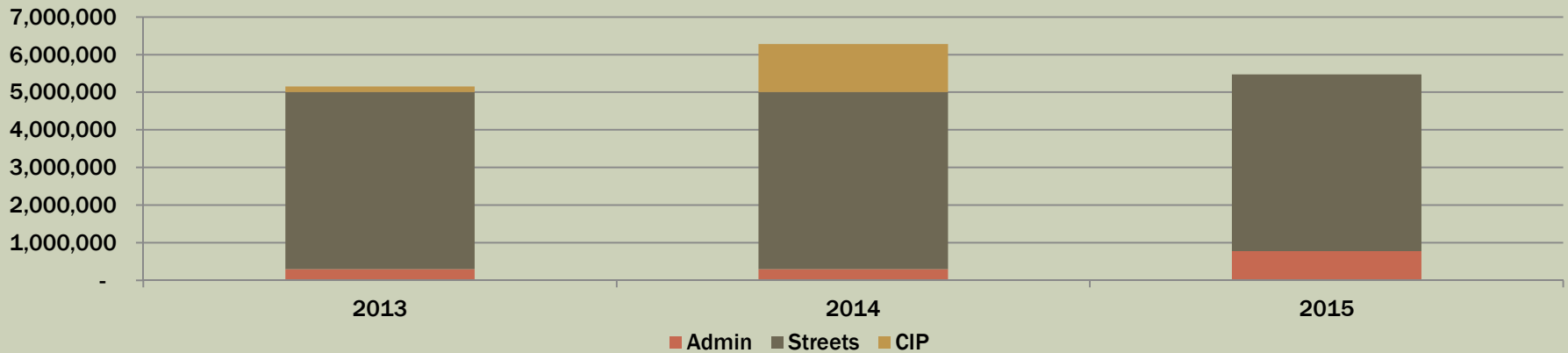
Utility Tax



ALL Other



B&O REVENUE COLLECTIONS

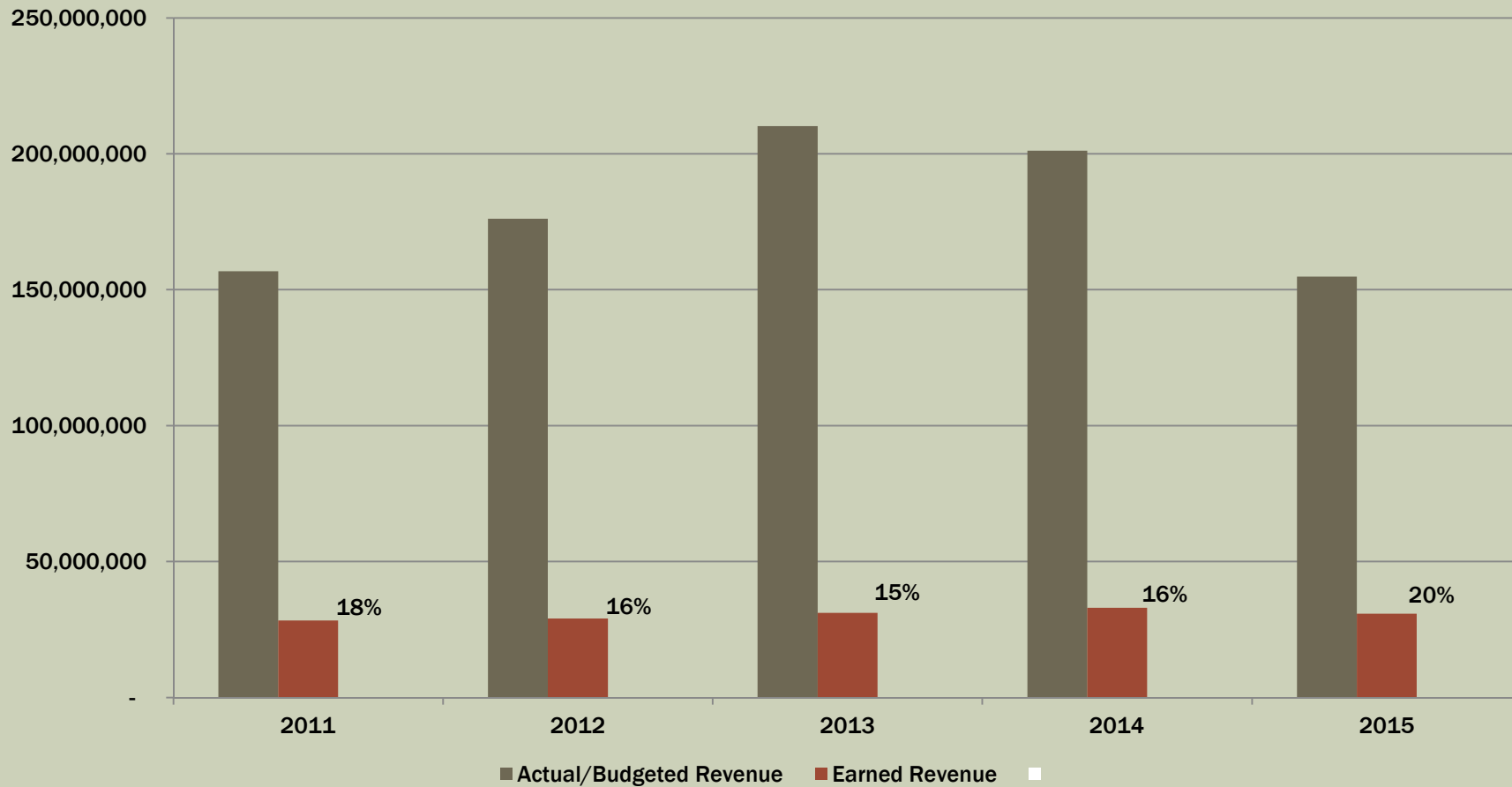


B&O PROGRAM STATISTICS & STATUS

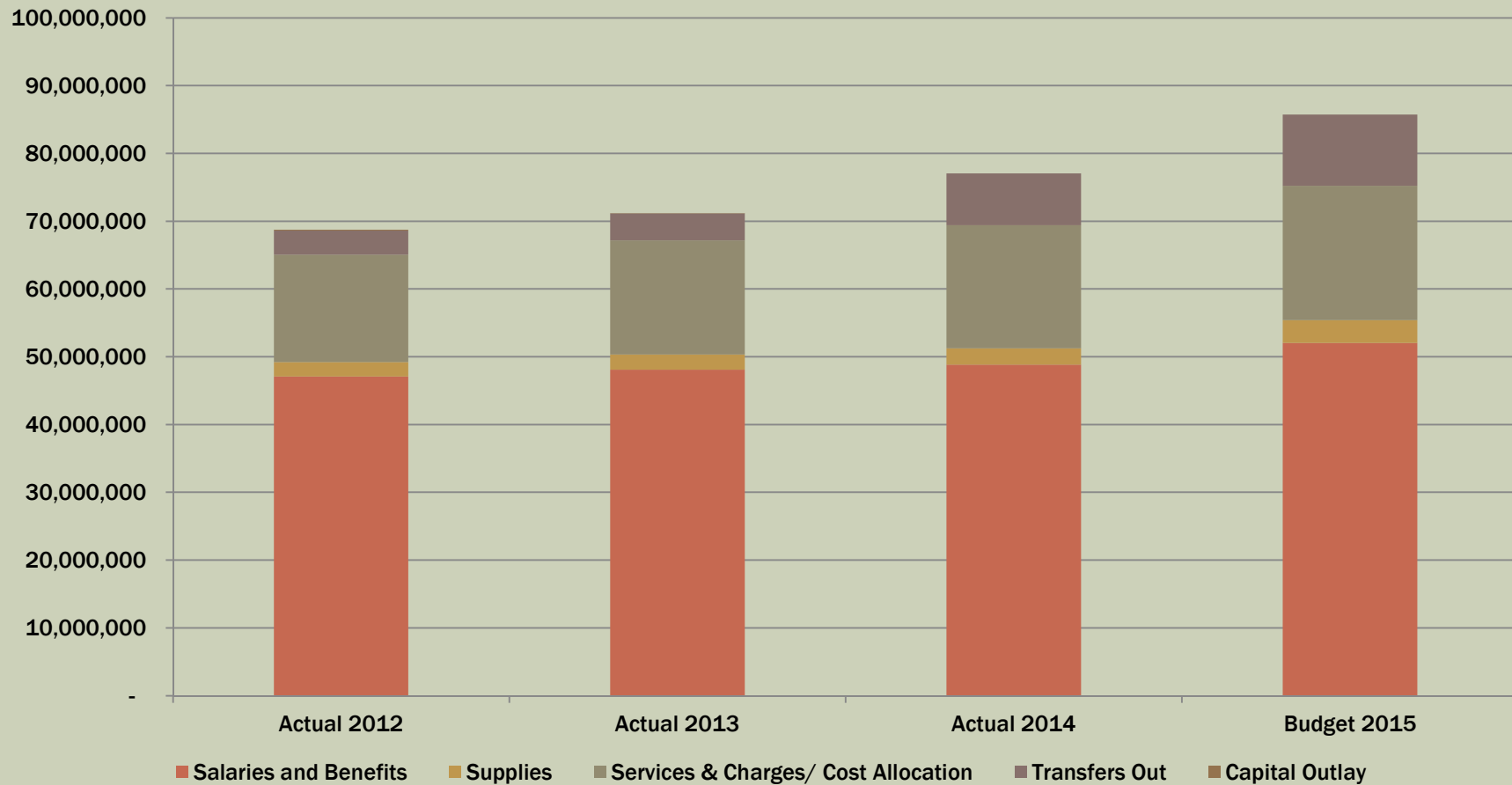
- **2014 Taxpayers:**
 - 2,483 taxpayers filed returns
 - 1,463 taxpayers filed and paid tax (59%)
 - 1,020 taxpayers filed and did not pay tax (41%)
- **2014 Collections:**
 - 16% of taxpayers (405) contributed 90% of revenues collected
 - 8% of taxpayers (205) contributed 75% of revenues collected
 - 3% of taxpayers (70) contributed 50% of revenues collected
- **2015 Status:**
 - Identified 29 new taxpayers and collected \$487k in delinquent taxes
 - Total 2015 costs to operate the program are estimated to be \$550k, which is \$157k less than budgeted

1ST QUARTER: ALL OTHER FUNDS REVENUE COLLECTIONS

(DOES NOT INCLUDE TRANSFERS FROM GENERAL FUND)

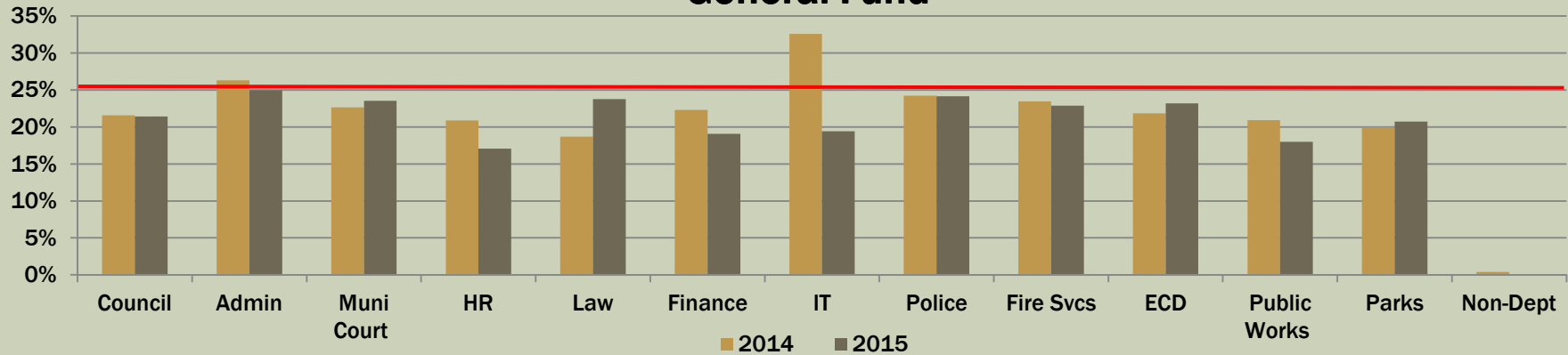


GENERAL FUND EXPENDITURES BY CLASSIFICATION

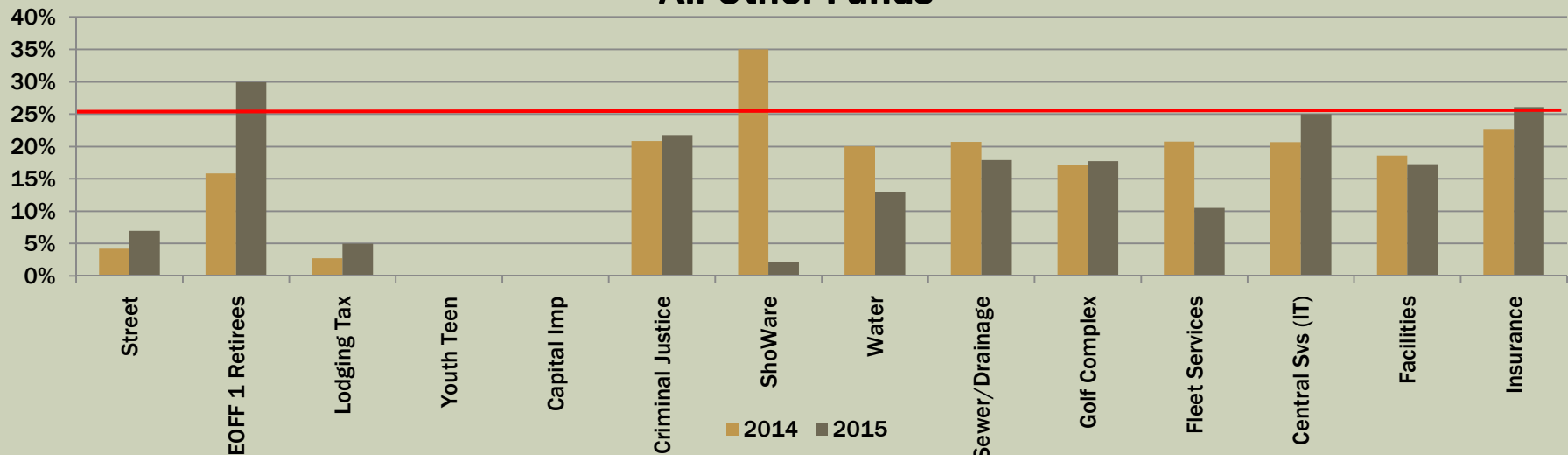


CITY-WIDE SPENDING COMPARISON FIRST QUARTER IN RELATION TO BUDGET

General Fund



All Other Funds



QUESTIONS?