



City of Prosser

Quarterly Budget Review – First Quarter 2016

Overview

The Quarterly Budget Review provides a summary of budget to actual comparisons of revenues and expenditures for each fund through the end of the year. This information contained in this report is unaudited and prepared on a cash basis. Changes or adjustments to these figures may occur occasionally to correct mispostings or miscodings.

General Fund

Summary

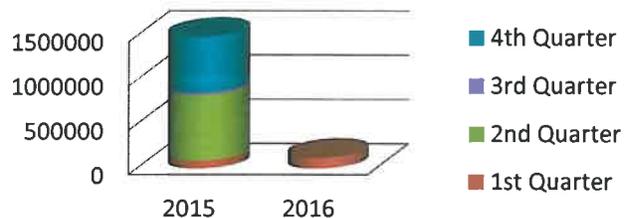
The general fund was established to account for revenues and expenditures necessary to carry out basic governmental activities of the City such as administration, public safety, recreation, parks, and library services.

Revenues

The General Fund ended the first quarter of 2016 in relatively good shape compared to budget. Overall, total revenues collected in the General Fund increased 3.6%, or \$35,680.21, in first quarter 2016 compared to first quarter 2015. This increase is primarily attributed to the beginning cash balance being larger than expected or budgeted. To date we have collected about 21% of our annual revenue which is identical to last year and right on target. Some of you might expect to see revenues at 25% since we have 25% of the year behind us. Unlike expenditures which more closely follow this methodology, revenues typical come in waves in the General Fund since a large portion of our funding comes from property tax receipts which are due in April and October of each year.

To date, we have received \$90,641.59 or 12.5% of property tax receipts for the year. This may seem low, but consider that by the end of April it will most likely jump to nearly 35%. In 2015 we expect to have received \$723,090 in property tax receipts into the general fund. This equates to 22% of the total revenue coming into the general fund. This is the third largest contributor of revenue to the general fund.

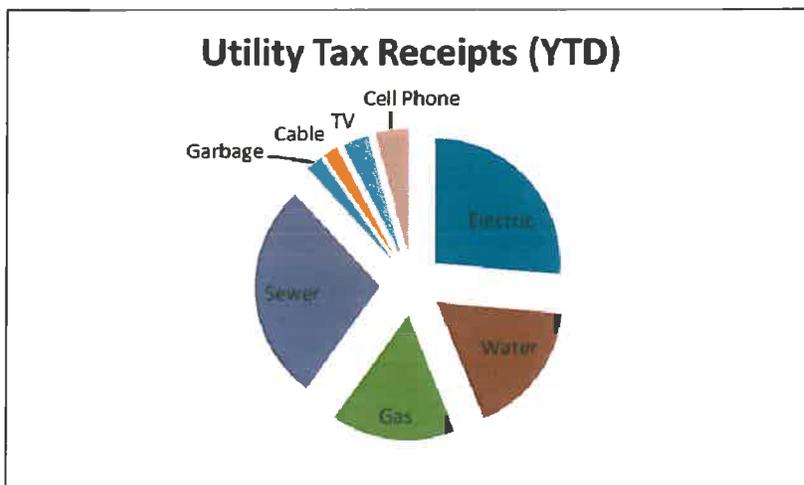
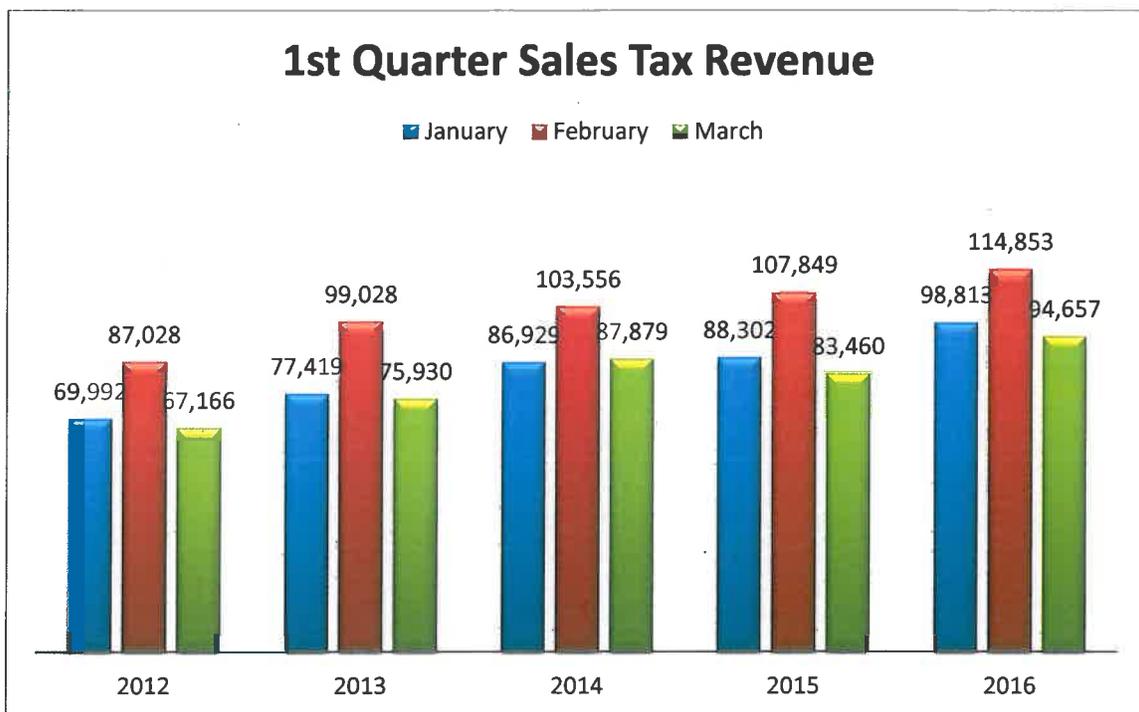
Property Tax Receipts by Quarter





City of Prosser

In second place would be sales tax receipts. To date, we have received \$308,322.32 or 22.8% of the annual budget. This is \$28,711 more than we received in the same period in 2015. It is important to note that these receipts reflect spending from a few months ago which are historically smaller receipt months. We will continue to monitor this revenue but are confident that given anticipated construction projects and escalating consumer spending that we will reach our anticipated budget amount of \$1,350,000.



The largest contributor to the general fund are utility taxes. To date we have received \$448,377 or 25% of our budgeted utility taxes for 2016.



City of Prosser

Expenditures

Department	Budgeted	Spent	% Spent
Council	\$35,100	\$18,553	52.9%
Judicial	\$122,000	\$25,975	21.3%
Executive	\$174,700	\$32,647	
Finance & Clerk	\$594,450	\$139,898	23.5%
Legal	\$39,000	\$0	0.0%
Custodial	\$206,100	\$23,948.95	11.6%
IT	\$119,125	\$28,595	24.0%
Police	\$1,557,450	\$325,386	20.9%
Contracted PS	\$101,000	\$23,819	23.6%
Detention	\$120,000	\$18,136	15.1%
Building Inspections	\$178,300	\$48,182	27.0%
Planning	\$159,400	\$27,653	17.3%
Senior Center	\$22,607	\$4,631	20.5%
Recreation	\$81,325	\$19,072	23.5%
Libraries	\$213,407	\$49,792	23.3%
Aquatic Center	\$279,750	\$6,988	2.5%
Parks	\$373,250	\$65,074	17.4%
Other	\$420,731	\$184,039	43.7%
Total	\$4,797,695	\$1,042,387	42.7%

You will see that a majority of the funds are under 25% which is exactly what we expect to see. There are some departments that are seasonal, like the aquatic center, where we expect to see the percentages low until the department starts up for the year. While in other areas a one-time purchase can make the percentages higher than expected. For instance, in the "other" category there are some one time fund transfers that cause this section to appear higher than typical.



City of Prosser

Projects

Item	Cost	Status
3 Patrol Cars	\$100,000 (partial funded by Criminal Justice Funds)	Delivered in March
5 MDT Replacement	\$35,000 (partial funded by Public Safety Sales Tax)	Bid awarded by Council on March 22 nd .
Police Security System	\$6,500 (funded by Public Safety Sales Tax)	In process
Senior Center Improvements	\$13,750	Collecting quotes from small works roster
Chemical Monitoring at Pool	\$4000	In process
Virtual Server	\$8,700	
Skate Park Repairs	\$10,000	Collecting quotes from small works roster
City Park Restrooms	\$175,600 (grant funded)	In process, facility has been ordered and it is anticipated that demolition and construction will be begin immediately following the 4 th of July and will be complete before Labor Day.
<i>Unbudgeted – Annex Roof Repair</i>	<i>?</i>	<i>Collecting quotes</i>
<i>Unbudgeted – Phone System</i>	<i>?</i>	
<i>Unbudgeted – Comprehensive Plan</i>	<i>\$25,000</i>	<i>Presented to Council.</i>

Street Fund

Summary

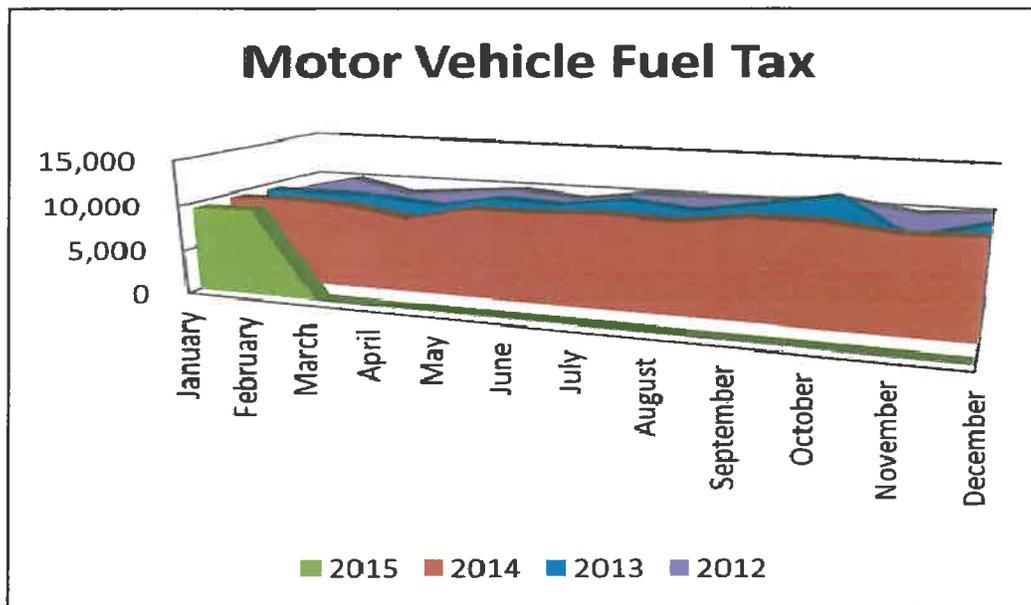
The Street Fund is a special revenue fund established to track and monitor revenues and expenses related to street operation and maintenance. The City currently maintains approximately 27 miles of street, curbs and sidewalks. Additionally, the maintenance of Wine Country Bridge, Grant Street Bridge, and Grande Bridge are also expenses out of this fund. Other street operations include the annual crack seal, signage and traffic lights, street lighting, snow plowing, and street cleaning.



City of Prosser

Revenue

In 2016, we have budgeted to receive \$622,600 in revenue into the Street Fund. A majority of this funding (77%) is received from the allocation of property taxes from the General Fund to the Street Fund. The remaining funding comes primarily from Motor Vehicle Fuel Tax, \$126,100



To date, the fund has received \$92,152.56 or about 15% of its anticipated budget. Like the general fund, this percentage may seem low and this is due to the receipt of property tax funds which are due in April and October of each year.

Expenditures

Staff is currently working with engineers to develop a strategic improvements plan for this struggling fund. As we have discussed several times, the Street Fund is unable to support the maintenance of our existing streets and related services. There are several revenue options that the City could explore to help address these needs. We are hoping to have more information soon, so that we can further explore the needs and how we can best address those.



City of Prosser

Below is a chart outlining some of the difference services found in the street fund and the funding for each.

Department	Budgeted	Spent	% Spent
Roadway	\$26,200	\$255	1%
Structures	\$1,000	\$0	0%
Sidewalk	\$30,100	\$0	0%
Street Lights	\$60,000	\$12,382	21%
Traffic Control	\$26,500	\$1,230.10	5%
Snow & Ice	\$8,500	\$2,542	30%
Sweeper	\$8,000	\$2,499	31%
Roadside	\$31,500	\$2,960	9%
Maintenance	\$313,150	\$69,421	22%
Administration	\$42,450	\$10,461	25%
Debt	\$40,075	\$0	0%
Capital	\$0	\$0	0%
Total	\$587,475	\$101,751	17%

Projects

Item	Cost	Status
Chip and Crack Seal	TBD	
Wine Country Road Cross Walk	\$30,000	
Energy Efficiency Project	\$100,000	In process



City of Prosser

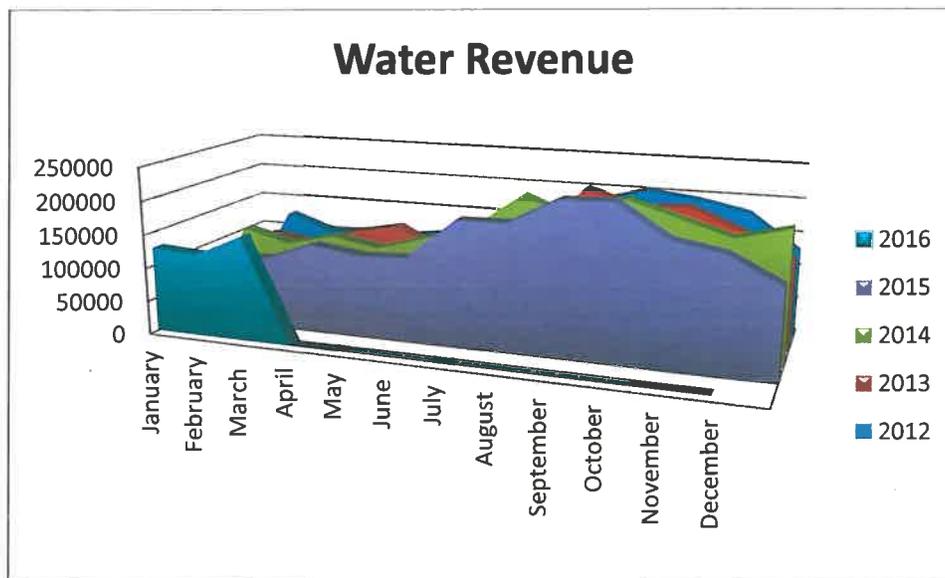
Water Fund

Summary

The Water Fund is an enterprise fund which means that it is supported by self sustaining fees or rates. There are several smaller funds that are components of the water fund. For instance there are debt, project, and reserve funds that are managed separately for administrative purposes but as far as practically possible, they are all part of the water fund and reported as such. The water fund is also where revenues and expenses related to the irrigation system can be found.

Revenue

In 2015, the Council adopted a rate increase of 3% for water service and a 2% rate increase for irrigation service. To date the fund has received 21.3% of its operating revenue for the year. This it right on track!



Expenditures

To date the water fund has expended about 27% of their budget for 2016. In the section below I have prepared a summary and status of some of the larger budget items and projects.



City of Prosser

Projects

Item	Cost	Status
Water Pickup	\$35,000	
Mini Excavator and Trailer	\$48,000	Purchased 3/2016
Water Flush Truck	\$130,000	In process
Irrigation Capital Plan	\$50,000	

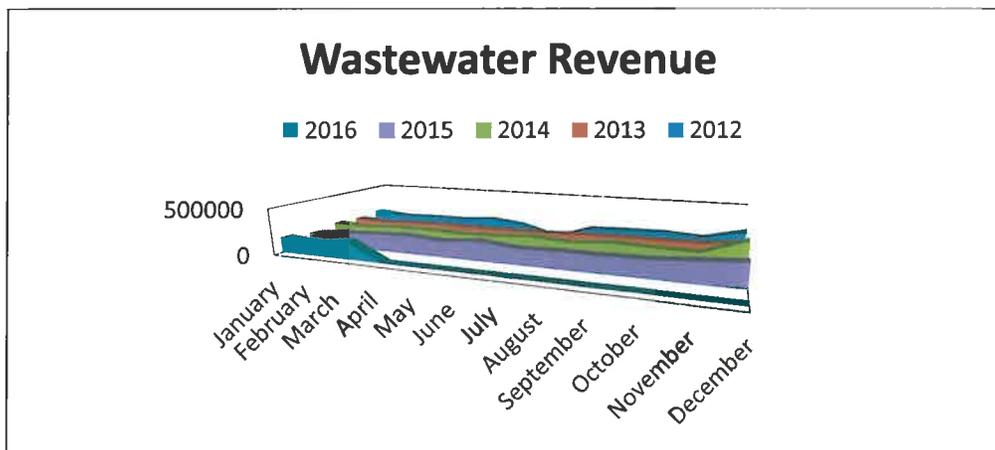
Waste Water

Summary

The Waste Water Fund is also an enterprise fund, similar to water, which means that it sustains itself using revenues collected from user fees and rates. As with the water fund, the sewer fund also maintains a variety of managerial funds which account for special projects, debt service, and reserves.

Revenue

In 2016, the Council adopted a rate increase of 2% for sewer service. To date the fund has received 21.3% of its operating revenue for the year. This it right on track! As you can see from the chart below, the revenues tend to rise gradually through the year peaking in December. This year continues to follow the historical pattern and we will continue to monitor it as the year progresses.





City of Prosser

Expenditures

To date the sewer fund has expended about 18% of their budget for 2016. In section below I have prepared a summary and status of some of the larger budget items and projects. Currently, the Wastewater Treatment Plant Improvement Project is under construction. We anticipate for that project to be complete in late summer or early fall.

Projects

Item	Cost	Status
Trickle Filter	\$25,000	
Crane	\$17,000	
Sewer Utility Worker	\$76,108.00	Hired 1/25/16
Sewer Truck	\$32,000	
New Window in Lab	\$5,000	
WWTP Improvement Project	\$3,312,000	In construction



City of Prosser

Other Items to Note

Cash Balance

Below we have prepared a chart outlining the differences in the beginning cash balance versus the budgeted beginning cash balance. What is the difference between the two? Well, it is simple really. The budgeted figure is an estimate we preparing during the budget process based upon several factors including anticipated revenues and expenditures. Why is this important to note? Beginning cash which is less than anticipated may require budget adjustments which re-prioritize projects or purchases until revenues rebound. Beginning cash which is more than anticipated allows the Council and Mayor to consider the funding of projects or purchases that may have been cut or left unfunded during the budget process.

Fund	Budgeted Beginning Cash	Actual Beginning Cash	Difference
001 – General Fund	\$374,454	\$1,276,498	\$902,044
102 – Street Fund	\$99,270	\$142,971	\$43,701
403 – Water Fund	\$714,627	\$784,016	\$69,389
407- Wastewater Fund	\$929,507	\$1,538,423	\$608,916
448 – Garbage Fund	\$410,905	\$417,195	\$6290

** It is important to note that these figures only include the operating funds balances and do not include cash found in debt, project, special revenue, or reserve funds.

2016 Budget Position Totals

We have also attached the “2016 Budget Position Totals” report from our financial software which quickly summaries the activity in all funds thus far this year.

For more information about the City’s financial statement please visit the City of Prosser’s webpage at www.cityofprosser.com and navigate to the Finance Department. Additionally, we are always happy to provide any additional information or respond to questions.



Cash Reconciliation

City of Prosser, WA

Cash & Investments

Cash	Jan-16	Feb-16	Mar-16
Money Market Account (AWB)	3,248,626.26	3,235,247.68	2,510,130.65
Petty Cash	1,150.00	1,150.00	1,150.00
Washington Trust Bank	-	-	-
Other			
Total Cash	\$ 3,249,776.26	\$ 3,236,397.68	\$ 2,511,280.65

Investments	Jan-16	Feb-16	Mar-16
State Investment Pool	\$ 2,869,457.65	\$ 2,870,415.35	\$ 2,871,509.39
US BANK Time Value Investments	\$ 7,000,409.53	\$ 7,000,409.53	\$ 7,000,409.53
Total investments	\$ 9,869,867.18	\$ 9,870,824.88	\$ 9,871,918.92

Total Cash & Investments	\$ 13,119,643.44	\$ 13,107,222.56	\$ 12,383,199.57
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Reconciling Items

Current Pending Deposits	Jan-16	Feb-16	Mar-16
Deposits not Credited	\$ (9,573.75)	\$ (15,859.27)	\$ (15,475.55)
Deposits credited, not posted			
Other :			
Total Pending Deposits	\$ (9,573.75)	\$ (15,859.27)	\$ (15,475.55)

Outstanding Checks	Jan-16	Feb-16	Mar-16
Payments not Credited			
Payments credited, not posted		\$ (116.06)	
Total Outstanding Checks	\$ -	\$ (116.06)	\$ -

Returned Items (NSF)	Jan-16	Feb-16	Mar-16
	\$ (140.00)		
	\$ (5.00)		
	\$ (181.96)		
Total Returned Items (NSF)	\$ (326.96)	\$ -	\$ -

Total Reconciling Items	\$ (9,900.71)	\$ (15,975.33)	\$ (15,475.55)
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Sub-Total	\$ 13,129,544.15	\$ 13,123,197.89	\$ 12,398,675.12
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	\$ -	\$ -	\$ 0.00
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Outstanding Checks

Outstanding WTB Checks	0.00	0.00	0.00
Outstanding Payroll Checks	128,664.77	142,099.94	153,933.90
Outstanding Accounts Payable Checks	1,102,605.32	118,693.97	22,949.41
	1,231,270.09	260,793.91	176,883.31

General Ledger Balance	\$ 11,898,274.06	\$ 12,862,403.98	\$ 12,221,791.81
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March 2016

Checkbook	
Money Market	\$2,525,606.20
Investment:	
WA State Pool	2,871,509.39
US Bank SafeKeeping	7,000,409.53
Petty Cash	1,150.00
	12,398,675.12

TOTAL 0.00

BIAS	
cash	12,221,791.81
investment	-
outstanding payroll	153,933.90
outstanding claims	22,949.41
	12,398,675.12

Cash and Investment Report

March

Fund	Description	2016 End Bal
001	General Fund	1,258,893.07
102	Street Fund	133,373.43
103	Transportation Benefit Distric	4,761.65
105	General Fund Small Projects	126.32
110	Arterial Street Fund	115,450.91
111	Municipal Capital Improvement	211,771.55
115	General Fund Reserve	55,396.33
116	City Facilities Reserve Fund	24,656.11
117	Employee Benefits Security	31,289.71
119	Parks Reserve Fund	5,068.38
130	Hotel/Motel Tax Fund	9,191.85
131	Tourism Promotion Area Fund	2,354.45
144	PS Enhancement Fund	39,891.86
146	Drug Enforcement Fund	12,833.98
147	Police Investigative Fund	45,401.87
148	Criminal Justice Fund	855,087.92
149	Public Safety Sales Tax Fund	48,527.95
151	Drug Free Communities Grant	35,546.92
152	Infrastructure Develop Reserve	501,551.67
153	Community Involvement & Action Fund	(22,793.48)
221	LID Guarantee Fund	56,442.10
229	1996 GO Bond - Fire Station	1,983.08
233	2011 GO Bond - Pool	37,528.89
234	Local Improvment Dist 10-23	8,156.62
301	REET - First Quarter %	41,911.72
302	OIE Improvement Project Fund	15,203.95
303	7th Street ADA Sidwalk Ramp	1,065.26
304	OIE Highway Improvements	11,158.29
305	Energy Efficiency Improvement Project	155,071.47
306	WCR Crosswalk Project	5,013.58
307	City Park Restroom Project	17,626.40
403	Water Fund	725,272.28
407	Sewer Fund	1,529,609.43
420	Zone 2.5 Water Supply Improv	(36,288.12)
444	1998 Water Revenue Bond Redemp	8,273.72
445	1998 Water Revenue Bond Reserv	172,548.78
448	Garbage Fund	499,652.34
449	1999 Water Revenue Bond Redemp	47,871.32
450	1999 Water Revenue Bond Reserv	85,912.17
451	Water Facilities Reserve Fund	653,635.36
452	Sewer Facilities Reserve Fund	683,546.19
453	N Prosser Water Sys Debt Red.	240,757.50
454	N Prosser Water Sys Debt Res.	191,652.89
455	Irrigation Reservre Fund	89,113.10
456	Water Rev Bond Dbt Redemption	64,275.05
457	Water Rev Bond Dbt Reserve	3,705.24
458	Sewer Treatment Plant Dbt Redemption	8,122.17
459	Sewer Treatment Plant Dbt Reserve	130,195.02
470	WasteWater Treatment Plant Improvement	3,401,943.56
603	Consumer Utility Deposits Fund	2,450.00
Asset Total		12,221,791.81
	Payroll Outstanding Checks	153,933.90
	Accounts Payable Outstanding Checks	22,949.41
	TOTAL	12,398,675.12



Fund Balance & Activity

2016 BUDGET POSITION TOTALS

City Of Prosser
MCAG #: 0205

Months: 01 To: 03

Time: 15:27:24 Date: 04/05/2016

Page: 1

Fund	Revenue Budgeted	Received		Expense Budgeted	Spent	
001 General Fund	4,797,695.00	1,024,782.01	21.4%	4,822,149.00	1,042,387.28	21.6%
102 Street Fund	622,600.00	92,152.56	14.8%	587,475.00	101,750.52	17.3%
103 Transportation Benefit Distric	190,000.00	0.00	0.0%	190,766.00	6.10	0.0%
105 General Fund Small Projects Fun	0.00	0.19	0.0%	0.00	0.00	0.0%
110 Arterial Street Fund	500.00	183.97	36.8%	133,125.00	0.00	0.0%
111 Municipal Capital Improvement	427,600.00	18,581.51	4.3%	601,084.00	0.00	0.0%
115 General Fund Reserve	92,185.00	91,731.00	99.5%	332,601.00	57,600.00	17.3%
116 City Facilities Reserve Fund	500.00	39.28	7.9%	25,805.00	0.00	0.0%
117 Employee Benefits Security	50,500.00	12,547.18	24.8%	78,408.00	18,945.67	24.2%
118 General Fund Capital Reserve	0.00	0.00	0.0%	0.00	0.00	0.0%
119 Parks Reserve Fund	0.00	8.07	0.0%	0.00	0.00	0.0%
130 Hotel/Motel Tax Fund	95,150.00	14,482.56	15.2%	116,000.00	50,000.00	43.1%
131 Tourism Promotion Area Fund	20,100.00	3,057.58	15.2%	22,000.00	12,000.00	54.5%
144 PS Enhancement Fund	10,500.00	2,612.11	24.9%	47,338.00	0.00	0.0%
146 Drug Enforcement Fund	50.00	20.44	40.9%	12,801.00	0.00	0.0%
147 Police Investigative Fund	350.00	81.48	23.3%	45,613.00	0.00	0.0%
148 Criminal Justice Fund	148,150.00	63,100.44	42.6%	1,117,400.00	59,587.91	5.3%
149 Public Safety Sales Tax Fund	185,100.00	41,607.45	22.5%	193,800.00	61,573.53	31.8%
150 Forfeitures & Seizures Fund	0.00	0.00	0.0%	0.00	0.00	0.0%
151 Drug Free Community Grant	250,000.00	56,831.40	22.7%	250,000.00	21,284.48	8.5%
152 Infrastructure Develop Reserve	1,500.00	799.16	53.3%	500,000.00	0.00	0.0%
153 Community Involvement & Actio	114,000.00	10,506.65	9.2%	114,000.00	33,850.72	29.7%
221 LID Guarantee Fund	250.00	89.94	36.0%	0.00	0.00	0.0%
229 1996 GO Bond - Fire Station	0.00	1,596.45	0.0%	0.00	0.00	0.0%
233 2011 GO Bond - Pool	127,075.00	34,665.48	27.3%	126,850.00	0.00	0.0%
234 Local Improvement Dist. 10-23	1,700.00	3,769.81	221.8%	1,700.00	0.00	0.0%
301 REET - First Quarter %	27,600.00	18,317.07	66.4%	27,000.00	7,362.00	27.3%
302 OIE Improvement Project Fund	105,950.00	5,441.73	5.1%	105,950.00	3,318.17	3.1%
303 7th Street ADA Sidewalk Ramp I	7,270.00	148.70	2.0%	7,270.00	0.00	0.0%
304 OIE Highway Improvements - Ph	70,550.00	164.79	0.2%	70,550.00	0.00	0.0%
305 Energy Efficiency Improvement I	0.00	142,153.82	0.0%	0.00	46,330.80	0.0%
306 WCR Crosswalk Project	30,000.00	8.00	0.0%	30,000.00	0.00	0.0%
307 City Park Restroom Imporvement	175,600.00	17,626.40	10.0%	175,600.00	0.00	0.0%
403 Water Fund	2,450,500.00	636,349.68	26.0%	2,593,512.00	695,093.82	26.8%
407 Sewer Fund	2,376,400.00	507,003.87	21.3%	2,430,509.00	515,818.34	21.2%
420 Zone 2.5 Water Supply Improv	0.00	0.00	0.0%	0.00	27,383.49	0.0%
444 1998 Water Revenue Bond Reder	0.00	13.18	0.0%	0.00	0.00	0.0%
445 1998 Water Revenue Bond Reser	0.00	274.94	0.0%	0.00	0.00	0.0%
448 Garbage Fund	930,500.00	243,745.41	26.2%	937,550.00	161,289.00	17.2%
449 1999 Water Revenue Bond Reder	0.00	76.28	0.0%	0.00	0.00	0.0%
450 1999 Water Revenue Bond Reser	0.00	136.89	0.0%	0.00	0.00	0.0%
451 Water Facilities Reserve Fund	50,000.00	51,036.70	102.1%	0.00	0.00	0.0%
452 Sewer Facilities Reserve Fund	52,500.00	51,084.38	97.3%	0.00	0.00	0.0%
453 North Prosser Debt Redemption	0.00	552.17	0.0%	159,930.00	105,786.48	66.1%
454 North Prosser Debt Reserve	0.00	305.38	0.0%	0.00	0.00	0.0%
455 Irrigation Reserve Fund	35,100.00	18,860.67	53.7%	0.00	0.00	0.0%
456 Water Revenue Bond Debt Reder	235,500.00	64,275.05	27.3%	235,500.00	0.00	0.0%
457 Water Revenue Bond Reserve	0.00	5.90	0.0%	0.00	0.00	0.0%
458 Sewer Treatment Plant Debt Redc	81,050.00	8,122.17	10.0%	81,050.00	0.00	0.0%
459 Sewer Treatment Plant Debt Rese	130,000.00	130,195.02	100.2%	0.00	0.00	0.0%
470 Waste Water Treatment Plant Imp	4,823,000.00	1,426,621.47	29.6%	5,133,000.00	1,311,349.49	25.5%
603 Consumer Utility Deposit Fund	15,000.00	2,300.00	15.3%	15,000.00	1,900.00	12.7%
	18,732,025.00	4,798,066.39	25.6%	21,321,336.00	4,334,617.80	20.3%

CITY OF PROSSER

INVESTMENT REPORT - 3/31/2016

Investments were made through TVI ProEquities -
All funds were transferred from the Pool to:

The Following Investments were made:

Investment:	Federal Natl Mtg Assn	Federal Natl Mtg Assn	Federal Home Loan	Federal Farm Credit	Financing Corp Stripped Principal	Total
CUSIP:	3135GOTD5	3135GOXL2	313382H97	3133EC5N0	31771KAB3	
Interest Rate:	1.00%	0.65%	1.44%	1.25%	0.74%	
Trade Date:	6/6/2013	6/6/2013	6/23/2015	6/23/2015	9/29/2015	
Maturity Date:	12/28/2017	2/27/2017	4/5/2019	3/4/2019	10/6/2015	
Int. Payment Frequency	Semi-Annual	Semi-Annual	Semi-Annual	Semi- Annual	Semi- Annual	
Investment Amount	2,004,498	1,990,829	1,003,160	1,001,929	999,992	7,000,410

Fair Market Value

3/31/2016	2,000,352	1,998,718	1,000,018	1,000,001	1,002,093	7,001,182
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2016 - Interest Paid - Deposited in Banner Bank

2/29/2016		6,500				6,500
3/4/2016				6,250		6,250
						-
						-
						-
						-
						-
						-
Year To Date Interest	-	6,500	-	6,250		12,750