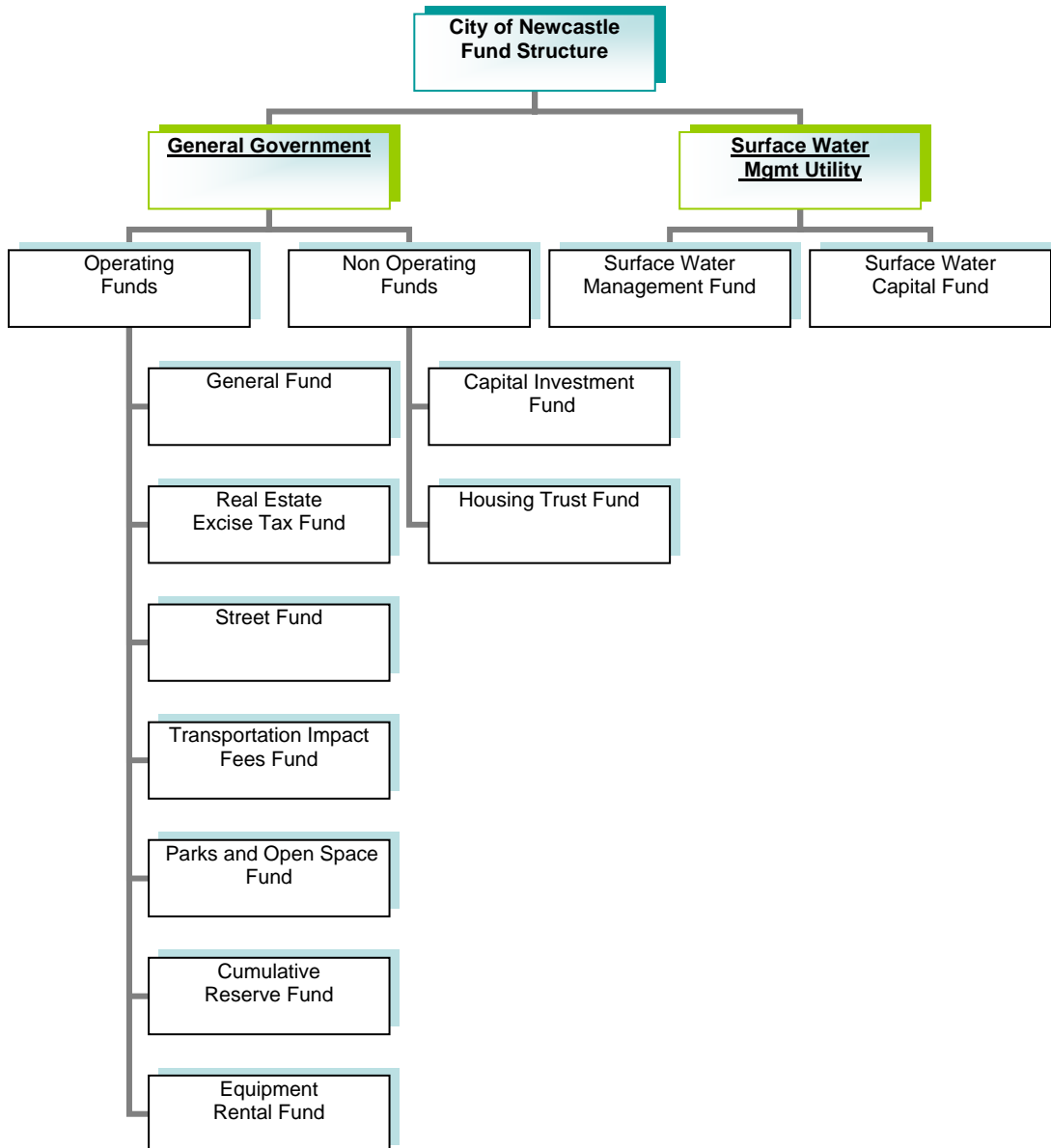


Fund Structure



Fund Description

Fund accounting is used to comply with legal restrictions on the use of public resources. A “fund” is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances. A separate fund is created in order to carry on specific activities or to attain certain objectives. Governmental units create and maintain funds required by law and necessary for sound financial administration.

GENERAL GOVERNMENT

- **Operating Funds**

- General Fund

- The General Fund is the principle operating fund of a state or local government. It is used to account for all resources not required to be accounted for in another fund. The City of Newcastle uses the General Fund to account for all unrestricted revenue and all operating expenditures not accounted for in other funds. The General Fund receives transfers from special revenue funds to pay for appropriate operating expenditures. The fund makes transfers to the Capital Investment Fund to pay for capital expenditures.

- Equipment Rental Fund (ERF)

- The City’s ERF fund is an internal service fund that accounts for government-sponsored operations that provide for the maintenance and repair costs for the City’s vehicles and equipment. These costs include fuel and ongoing repairs costs on equipment that supports the general operations of the City’s departments. The cost is spread to benefiting departments on cost-reimbursement basis. Also budgeted in this fund is an estimate for the cost of replacement for the major capital equipment and technology (i.e. software) for the City.

- **Special Revenue Funds**

These funds are used to account for resources that are legally or administratively restricted for specific purposes. While not required, the City of Newcastle has created special revenue funds to provide distinct accountability. The main type of expenditure recorded in this type of fund is operating transfers to the Capital Investment Fund. In addition to these transfers, the cost of acquisition of parks and open space will be expended directly out of the Parks and Open Space Fund.

- Street Fund

- The Street Fund accounts for motor vehicle fuel taxes (MVFT) restricted for the maintenance and improvement of the City’s streets and traffic systems..

- Real Estate Excise Tax Fund

- The Real Estate Excise Tax Fund accounts for both of the excise taxes imposed by the City on each sale of real property in the City as prescribed in State law. All real estate excise tax revenue must be used for capital improvements..

- Transportation Impact Fee Funds

- The Transportation Impact Fees Fund accounts for revenues realized from traffic

- impact fees. These fees are paid by new development and are used to pay a proportionate share of the cost of adding to the City's infrastructure as a result of new development and growth.
- Parks Open Space and Fund
The Parks and Open Space Fund accounts for revenues intended or restricted for parks, open space and related facilities. The revenue accounted for here includes park fees-in-lieu fees, investment earnings, impact fees and donations specifically identified for Parks purposes.
 - Cumulative Reserve Fund
The monies in this fund must be used for capital purchases or for operating shortfalls due to unforeseen cost increases or unanticipated revenue losses. Use of monies from this fund must be approved by a two-third majority of the City Council.
- **Non Operating Funds**
 - Capital Investment Fund
The Capital Investment Fund accounts for major acquisitions and construction projects. It receives transfers from other funds and certain grants that are to be used for capital investment projects. Transfers from other funds to the Capital Investment Fund occur during the year for the amount needed to cover the year's expenditures.
 - Housing Trust Fund
The Housing Trust Fund is an Agency type fund that accounts for appropriations that support the development and preservation of affordable housing via the inter-jurisdictional agency called A Regional Coalition for Housing (ARCH). The General Fund makes an annual contribution to this fund. The only expenditures are payments to ARCH as approved by City Council.

SURFACE WATER MANAGEMENT UTILITY:

- **Surface Water Management Fund (SWM)**
The Surface Water Management Fund is used to account for the city's Surface Water Management fees. The expenditures recorded in this fund include all costs associated with the ongoing maintenance and repairs needed for the City's surface water system. The staff costs charged to this fund is made via transfer from the General Fund (where staff salary and benefit costs are recorded) to the SWM fund based on the actual hours of work performed by the Public Works Department.
- Surface Water Capital Fund
The Surface Water Capital Fund accounts for major acquisitions and construction projects related to the City's surface water management system. It receives transfer from the Surface Water Management Fund in the amount needed to cover the Capital costs incurred.

Fund Balances

ALL FUNDS - Includes Operating Transfers

	Amended Budget 2008	Actual 2008	Amended Budget 2009	Forecast				
				2010	2011	2012	2013	2014
BEGINNING FUND BALANCE								
General Fund	\$1,919,461	\$2,253,388	\$2,041,118	\$1,912,083	\$1,574,831	\$1,217,804	\$805,487	\$333,242
Real Estate Excise Tax Fund	1,881,484	1,898,119	1,435,465	599,678	(24,328)	(211,815)	(357,315)	47,540
Street Fund	222,110	222,110	271,110	184,006	85,422	(33,301)	(112,362)	(223,756)
Transportation Impact Fund	1,003,426	1,041,845	233,275	103,923	269,451	94,934	273,769	171,244
Parks and Open Space Fund	742,273	950,312	645,891	238,618	194,620	126,743	(8,492)	(52,432)
Cumulative Reserve Fund	1,419,983	1,469,225	1,484,522	1,514,212	1,544,497	1,575,387	1,606,894	1,639,032
Equipment Rental Fund	196,081	196,080	116,042	173,735	136,849	105,471	107,480	(7,778)
Capital Investment Fund	0	(3,640,841)	1,125,987	0	0	0	0	0
Housing Trust Fund	102,060	92,060	92,203	92,203	92,203	92,203	92,203	92,203
Surface Water Management Fund	602,015	593,156	753,858	43,315	97,329	193,750	272,667	243,864
Surface Water Capital Fund	0	0	0	0	0	0	0	0
Total Beginning Fund Balance	\$8,088,893	\$5,075,454	\$8,199,471	\$4,861,774	\$3,970,874	\$3,161,175	\$2,680,331	\$2,243,160
Revenue/Transfers								
General Fund	\$7,183,990	\$6,222,954	\$6,643,237	\$6,652,738	\$6,811,763	\$6,971,537	\$7,133,125	\$7,296,595
Real Estate Excise Tax Fund	900,000	616,346	832,213	861,994	949,513	978,500	1,007,855	1,039,041
Street Fund	221,000	228,000	229,896	231,416	236,277	240,939	246,606	251,844
Transportation Impact Fund	250,000	191,430	218,648	223,528	233,483	236,835	305,475	312,425
Parks and Open Space Fund	0	32,579	17,727	27,002	26,122	24,765	22,060	21,181
Cumulative Reserve Fund	0	15,297	29,690	30,284	30,890	31,508	32,138	32,781
Equipment Rental Fund	84,000	87,914	141,013	154,314	161,335	155,934	183,753	157,170
Capital Investment Fund	36,427,000	25,024,112	18,049,013	6,351,000	2,456,000	4,782,000	4,435,000	1,675,000
Housing Trust Fund	53,000	55,143	53,000	55,000	57,000	59,000	61,000	63,000
Surface Water Management Fund	505,000	555,495	649,353	779,665	784,580	790,361	795,739	806,512
Surface Water Capital Fund	0	0	891,000	238,000	181,000	184,000	276,000	189,000
Total Revenue	\$45,623,990	\$33,029,270	\$27,754,791	\$15,604,942	\$11,927,963	\$14,455,379	\$14,498,752	\$11,844,549
Total Resources	\$53,712,883	\$38,104,724	\$35,954,262	\$20,466,715	\$15,898,837	\$17,616,554	\$17,179,082	\$14,087,709
Expenditures								
General Fund	\$7,240,235	\$6,435,224	\$6,772,272	\$6,989,990	\$7,168,790	\$7,383,854	\$7,605,369	\$7,833,531
Real Estate Excise Tax Fund	1,969,257	1,079,000	1,668,000	1,486,000	1,137,000	1,124,000	603,000	887,000
Street Fund	442,000	179,000	317,000	330,000	355,000	320,000	358,000	300,000
Transportation Impact Fund	1,088,000	1,000,000	348,000	58,000	408,000	58,000	408,000	58,000
Parks and Open Space Fund	704,938	337,000	425,000	71,000	94,000	160,000	66,000	68,000
Cumulative Reserve Fund	0	0	0	0	0	0	0	0
Equipment Rental Fund	84,000	167,952	83,320	191,199	192,713	153,925	299,011	161,546
Capital Investment Fund	36,427,000	20,257,284	19,175,000	6,351,000	2,456,000	4,782,000	4,435,000	1,675,000
Housing Trust Fund	93,000	55,000	53,000	55,000	57,000	59,000	61,000	63,000
Surface Water Management Fund	243,749	394,793	1,359,896	725,652	688,158	711,444	824,542	759,484
Surface Water Capital Fund	0	0	891,000	238,000	181,000	184,000	276,000	189,000
Total Expenditures	\$48,292,179	\$29,905,253	\$31,092,488	\$16,495,841	\$12,737,661	\$14,936,223	\$14,935,922	\$11,994,561
ENDING FUND BALANCE								
General Fund	\$1,863,216	\$2,041,118	\$1,912,083	\$1,574,831	\$1,217,804	\$805,487	\$333,242	(\$203,693)
Real Estate Excise Tax Fund	812,227	1,435,465	599,678	(24,328)	(211,815)	(357,315)	47,540	199,581
Street Fund	1,110	271,110	184,006	85,422	(33,301)	(112,362)	(223,756)	(271,912)
Transportation Impact Fund	165,426	233,275	103,923	269,451	94,934	273,769	171,244	425,669
Parks and Open Space Fund	37,335	645,891	238,618	194,620	126,743	(8,492)	(52,432)	(99,251)
Cumulative Reserve Fund	1,419,983	1,484,522	1,514,212	1,544,497	1,575,387	1,606,894	1,639,032	1,671,813
Equipment Rental Fund	196,081	116,042	173,735	136,849	105,471	107,480	(7,778)	(12,154)
Capital Investment Fund	0	1,125,987	0	0	0	0	0	0
Housing Trust Fund	62,060	92,203	92,203	92,203	92,203	92,203	92,203	92,203
Surface Water Management Fund	863,266	753,858	43,315	97,329	193,750	272,667	243,864	290,893
Surface Water Capital Fund	0	0	0	0	0	0	0	0
Total Ending Fund Balance	\$5,420,704	\$8,199,471	\$4,861,774	\$3,970,874	\$3,161,175	\$2,680,331	\$2,243,160	\$2,093,149
Total Expenditures	\$53,712,883	\$38,104,724	\$35,954,262	\$20,466,715	\$15,898,837	\$17,616,554	\$17,179,082	\$14,087,709

STREET FUND

Fund Description:

This fund is a special revenue type fund. It captures the State shared Motor Vehicle Fuel Tax collected gasoline tax that is to be shared with cities.

Revenue Sources:

Motor Vehicle Fuel Tax (MVFT) - The tax is on motor vehicle fuels from the prior month's collections of the preceding month's station sales. Currently the tax is 23 cents per gallon. Cities received 10.69% of the funds.

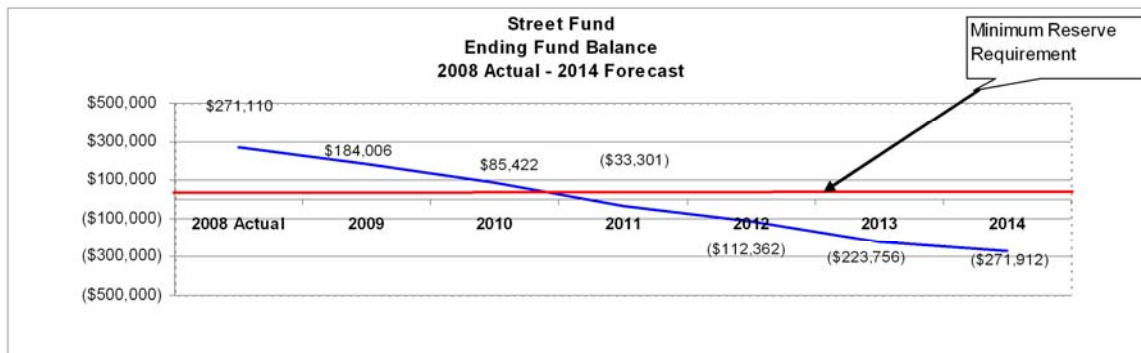
Uses of Funds:

Cities with a population of less than 15,000 may use their gas tax money for maintenance or construction of roads. Currently the City transfers this revenue to the Capital Improvement Program fund to cover transportation projects. The bulk of these funds cover the City's annual overlay project.

	Amended Budget	Actual	Amended Budget	Forecast				
	2008			2008	2009	2010	2011	2012
BEGINNING BALANCE	\$222,110	\$222,110	\$271,110	\$184,006	\$85,422	(\$33,301)	(\$112,362)	(\$223,756)
Resources								
Gas Tax (b)	\$221,000	\$218,659	\$221,103	\$227,736	\$234,568	\$241,605	\$248,853	\$256,319
Investment Earnings (a)		7,766	8,793	3,680	1,708	(666)	(2,247)	(4,475)
ROW Permits		1,575						
Total Resources	\$221,000	\$228,000	\$229,896	\$231,416	\$236,277	\$240,939	\$246,606	\$251,844
Expenditures								
Carryforward for 2008:								
T-011	\$50,000							
T-017	20,000							
T-014	100,000							
Transfers to: CIP (c)	272,000	179,000	317,000	330,000	355,000	320,000	358,000	300,000
Total Expenditures	\$442,000	\$179,000	\$317,000	\$330,000	\$355,000	\$320,000	\$358,000	\$300,000
ENDING BALANCE	\$1,110	\$271,110	\$184,006	\$85,422	(\$33,301)	(\$112,362)	(\$223,756)	(\$271,912)

2009-2014 Forecast Assumptions:

- (a) Forecast for Interest revenue based on 2% per year for 2009-2014.
- (b) MVFT revenue forecast assumes an increase of 3% per year for 2009-2014.
- (c) Operating transfers to the CIP for 2009-2014 per 2009 Operating & Capital Budget.



REAL ESTATE EXCISE TAX FUND

Fund Description:

This fund is a special revenue fund type. It captures the Real Estate Excise Tax for the City.

Revenue Sources:

The Real Estate Excise Tax is levied on all sales of real estate, measured by the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. The State levies at the rate of 1.28%. A locally-imposed tax is also authorized. All cities may levy a quarter percent tax (REET 1). Cities that are planning under GMA have the authority to levy a second quarter percent tax (REET 2).

Uses of Funds:

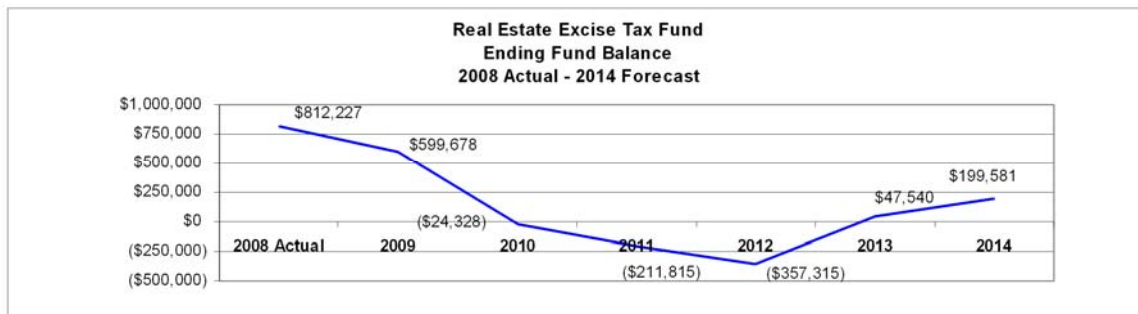
REET 1 must be spent on any capital purpose identified in a capital improvements plan. Capital projects are defined as: "those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads, highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks; recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative and judicial facilities"

REET 2 must be spent on any capital purpose which means "public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation or improvement of parks". Acquisition of land for parks is not a permitted use of REET 2, although it is permitted for use for street, water, and sewer projects.

	Amended Budget 2008	Actual 2008	Amended Budget 2009	Forecast				
				2010	2011	2012	2013	2014
BEGINNING BALANCE	\$1,881,484	\$1,898,119	\$1,435,465	\$599,678	(\$24,328)	(\$211,815)	(\$357,315)	\$47,540
Resources								
Real Estate Excise Tax 1	\$412,370	\$293,116	\$400,000	\$425,000	\$475,000	\$489,250	\$503,928	\$519,045
Real Estate Excise Tax 2	412,371	293,116	400,000	425,000	475,000	489,250	503,928	519,045
Investment Interest (a)	75,259	30,114	32,213	11,994	(487)			951
Total Resources	\$900,000	\$616,346	\$832,213	\$861,994	\$949,513	\$978,500	\$1,007,855	\$1,039,041
Expenditures								
Carryforward for 2008:								
F-005	\$70,000							
T-007	31,170							
T-011	302,921							
T-006	66,166							
Transfer to CIP (c)	1,499,000	1,079,000	1,668,000	1,486,000	1,137,000	1,124,000	603,000	887,000
Total Expenditures	\$1,969,257	\$1,079,000	\$1,668,000	\$1,486,000	\$1,137,000	\$1,124,000	\$603,000	\$887,000
ENDING FUND BALANCE	\$812,227	\$1,435,465	\$599,678	(\$24,328)	(\$211,815)	(\$357,315)	\$47,540	\$199,581

2009-2014 Forecast Assumptions:

- (a) Forecast for interest earnings based on 2 % per year for 2009-2014.
- (b) Assume gradual return of real estate transactions starting in 2010.
- (c) Operating transfer to the CIP for 2009-2014 per 2009 Operating and Capital Budget.



TRANSPORTATION IMPACT FEE FUND

Fund Description

This fund is a special Revenue Fund. It is set up to account for revenues realized from traffic impact fees. These fees are paid by new development and are used to cover a proportionate share of the cost of adding to the City's infrastructure as a result of new development and growth.

Revenue Sources:

There are two types of impact fees collected by the City. The first is from King County, MPS fees. These are fees calculated by the County and shared with the City. They are charged at the time an applicant applies for a building permit in the City.

The second impact fee is the City's impact fee charged to any new development, including new residential, commercial, retail, office, industrial and institutional development in the City. The City has a schedule of the fees that are to be charged to each development.

Uses of Funds:

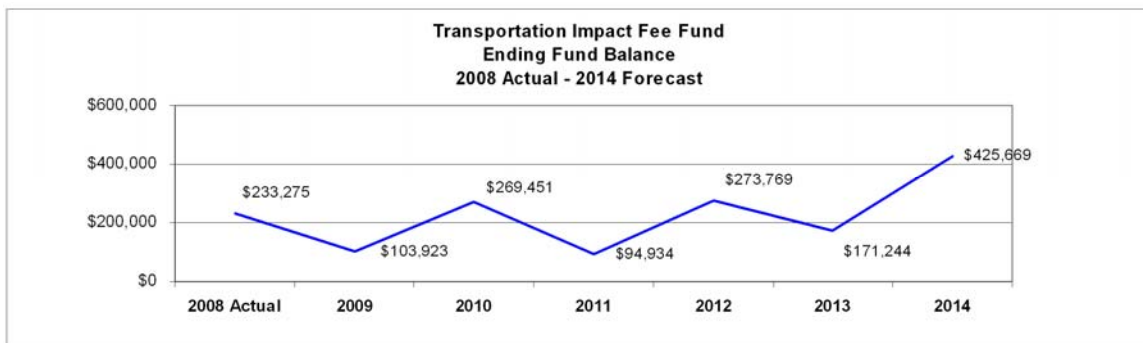
Impact fees may be spent for system improvements, including but not limited to transportation planning, engineering design studies, land surveys, right-of-way acquisition, engineering, permitting, financing, administrative expenses, construction of streets and roads and related facilities such as curbs, gutters, sidewalks, bike lanes, storm drainage and installation of traffic signals, signs and street lights. Impact Fees collected by the City have a time limit to be used for or returned to the developer.

In the event that bonds or similar debt instruments are or have been issued for the advanced provision of system improvements, impact fees may be used to pay debt service on such bonds or similar debt instruments to the extent that system improvements.

	Amended Budget 2008	Actual 2008	Amended Budget 2009	Forecast				
				2010	2011	2012	2013	2014
BEGINNING BALANCE	\$1,003,426	\$1,041,845	\$233,275	\$103,923	\$269,451	\$94,934	\$273,769	\$171,244
Resources								
Investment Earnings (a)		\$28,576	\$3,648	\$2,078	\$5,389	\$1,899	\$5,475	\$3,425
Traffic Impact Fees (b)	150,000	25,575	115,000	118,450	122,004	125,664	150,000	154,500
MPS Fees (b)	100,000	137,279	100,000	103,000	106,090	109,273	150,000	154,500
Total Resources	\$250,000	\$191,430	\$218,648	\$223,528	\$233,483	\$236,835	\$305,475	\$312,425
Expenditures								
Addition Appropriation	\$1,015,000							
Transfer to CiP	58,000	1,000,000	348,000	58,000	408,000	58,000	408,000	58,000
Carryforward	15,000							
Total Expenditures	\$1,088,000	\$1,000,000	\$348,000	\$58,000	\$408,000	\$58,000	\$408,000	\$58,000
ENDING FUND BALANCE	\$165,426	\$233,275	\$103,923	\$269,451	\$94,934	\$273,769	\$171,244	\$425,669

2009-2014 Forecast Assumptions:

- (a) Forecast for Interest earnings based on 2% per year for 2009-2014.
- (b) Forecast assumes 1 large, commercial project per year.
- (c) Operating transfers to the CiP for 2009-2014 per 2009 Operating & Capital Budget.



PARKS AND OPEN SPACE FUND

Fund Description:

The purpose of this fund is to collect funds for the use of improving or acquiring park and trail lands.

Revenue Sources:

These revenues include park fees-in lieu, impact fees, the proceeds from the sale of certain real estate, and donations. A new revenue source for City parks is the King County levy passed July 2008. The City receives a portion of the proceeds based on population.

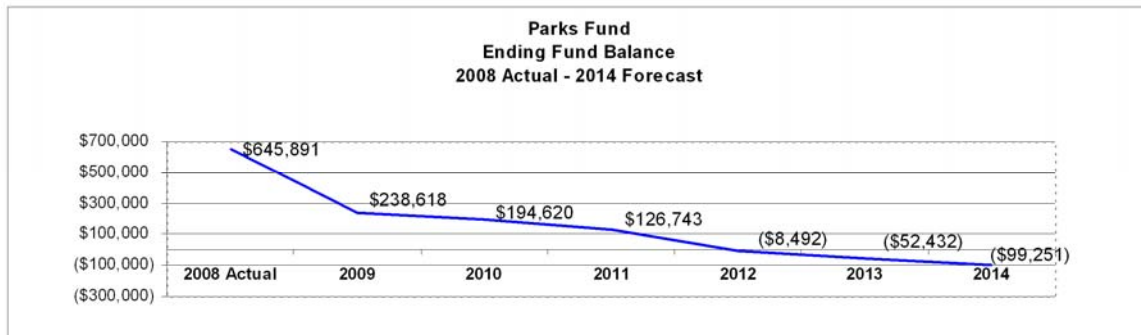
Uses of Funds:

Operating transfers are made from this fund to the CIP fund to use for parks, open space and related facilities.

	Amended Budget 2008	Actual 2008	Amended Budget 2009	Forecast				
				2010	2011	2012	2013	2014
BEGINNING BALANCE	\$742,273	\$950,312	\$645,891	\$238,618	\$194,620	\$126,743	(\$8,492)	(\$52,432)
Resources								
King County Parks levy		\$22,230		\$22,230	\$22,230	\$22,230	\$22,230	\$22,230
Interest Earnings (a)		10,349	17,727	4,772	3,892	2,535	(170)	(1,049)
Total Resources		\$32,579	\$17,727	\$27,002	\$26,122	\$24,765	\$22,060	\$21,181
Expenditures								
Carryforward to 2008								
P-001	\$35,575							
P-006	25,000							
P-007	363,363							
Transfers To: CIP (c)	281,000	337,000	425,000	71,000	94,000	160,000	66,000	68,000
Total Expenditures	\$704,938	\$337,000	\$425,000	\$71,000	\$94,000	\$160,000	\$66,000	\$68,000
ENDING BALANCE	\$37,335	\$645,891	\$238,618	\$194,620	\$126,743	(\$8,492)	(\$52,432)	(\$99,251)

2009-2014 Forecast Assumptions:

- (a) Interest 2008-2014 using 2% per year
- (b) No fees in lieu are assumed or programmed for any forecast year.
- (c) Operating transfers to the CIP for 2009-2014 per 2009 Operating & Capital Budget.



SURFACE WATER MANAGEMENT FUND

Fund Description:

There are two funds for the Surface Water Management Utility: Fund #401 Surface Water Management Fund and #411 Surface Water Capital Fund. The #401 Surface Water Management Fund is for the ongoing maintenance costs for the City's surface water system. The other Fund is for recording all of the costs associated with Surface Water Capital construction projects.

Revenue Sources:

The revenue for this fund comes from a Utility fee assessed on all property owners. The revenue will be an operating transfer in from the Surface Water Management Fund. The amount transferred will equal the costs incurred.

Uses of Funds:

Expenditures for this fund include all of the City's maintenance costs associated with the maintaining of the Surface Water system. The costs for labor (salary & benefits) are recorded here via an operating transfer from the General Fund.

	Amended Budget 2008	Actual 2008	Amended Budget 2009	Forecast				
				2010	2011	2012	2013	2014
BEGINNING BALANCE	\$602,015	\$593,156	\$753,858	\$43,315	\$97,329	\$193,750	\$272,667	\$243,864
Revenue								
ROW T-Mobile (a)		\$12,783	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	
Investment Earnings (b)		18,538	15,077	866	1,947	3,875	5,453	4,877
Utility Charges (c)	505,000	524,174	622,276	766,799	770,633	774,486	778,286	801,635
Total Revenue	\$505,000	\$555,495	\$649,353	\$779,665	\$784,580	\$790,361	\$795,739	\$806,512
Maintenance Expenditures								
Salary/Benefits- Maiya & Maint (d)	\$243,749	\$176,793	\$59,436	\$61,813	\$64,286	\$66,857	\$69,532	\$72,313
Supplies/Operations/Overtime (d)			133,760	139,110	144,675	150,462	156,480	162,739
Intergovern (d)			37,000	38,480	40,019	41,620	43,285	45,016
FTE to SWM NPDES (d)			86,000	89,440	93,018	96,738	100,608	104,632
Prof Svcs - NPDES (d)			60,000	62,400	64,896	67,492	70,192	72,999
New FTE Maint Tech NPDES (e)			76,300	79,352	82,526	85,827	89,260	92,831
Direct Costs - NPDES (e)			16,400	17,056	17,738	18,448	19,186	19,953
Total Maintenance	\$243,749	\$176,793	\$468,896	\$487,652	\$507,158	\$527,444	\$548,542	\$570,484
Operating Transfers Out : SWM Capital			\$891,000	\$238,000	\$181,000	\$184,000	\$276,000	\$189,000
2008 Capital Expenditures		218,000						
Total Expenditures	\$243,749	\$394,793	\$1,359,896	\$725,652	\$688,158	\$711,444	\$824,542	\$759,484
ENDING BALANCE	\$863,266	\$753,858	\$43,315	\$97,329	\$193,750	\$272,667	\$243,864	\$290,893
Restricted Reserves 10% Revenue			\$64,935	\$77,967	\$78,458	\$79,036	\$79,574	\$80,651
Reserves Available for CIP Programming			\$0	\$19,362	\$115,292	\$193,631	\$164,290	\$210,241

2009-2014 Forecast Assumptions:

- (a) T-Mobile contract covers 7 years and no increase.
- (b) Interest 2008-2014 using 2% per year.
- (c) Fee increases for 2009 & 2010 only per FCS presentation/Increases in customer base for 2011-2014.
- (d) Amounts from 2009 Recommended Budget Public Works SWM Division \$376,196.
- (e) New expenditures added with SWM fee increase for NPDES.
- (f) Took out the Carryforward for 2008.
- (g) SWM Capital projects from CIP Fund
- (h) Transportation CIP Projects with SWM Funding

SURFACE WATER CAPITAL FUND

Fund Description:

This fund is used to account for all of the Surface Water Capital costs. Prior to 2009 these costs were reported in the City's Capital Investment Program Fund.

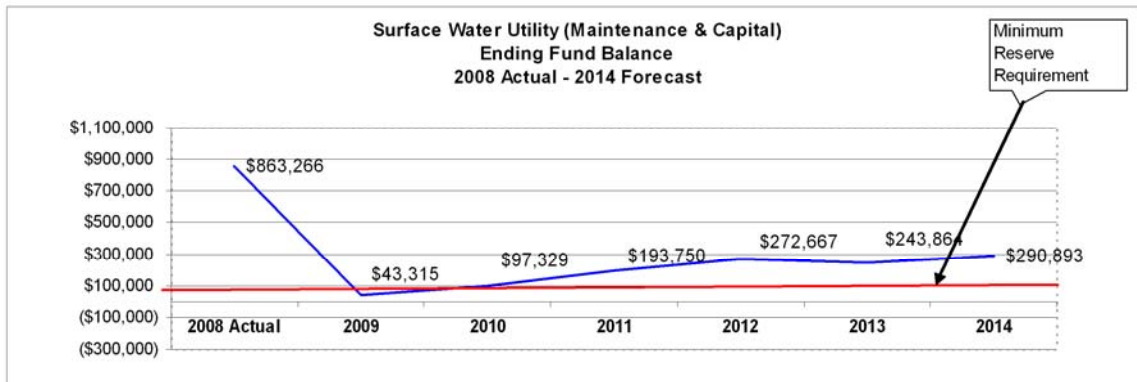
Revenue Sources:

The revenue for this fund comes from a Utility fee assessed on all property owners based on their property size. The City currently uses the King County table of fees to determine the cost per parcel.

Uses of Funds:

Expenditures include the costs for any major capital work. Costs include all expenditures except salary & benefits. These costs are transferred via interfund transfer.

	Amended Budget 2008	Actual 2008	Amended Budget 2009	Forecast				
				2010	2011	2012	2013	2014
BEGINNING BALANCE			\$0	\$0	\$0	\$0	\$0	\$0
Revenue								
Operating Transfer in			\$891,000	\$238,000	\$181,000	\$184,000	\$276,000	\$189,000
Total Revenue	\$0	\$0	\$891,000	\$238,000	\$181,000	\$184,000	\$276,000	\$189,000
Capital Expenditures								
SWM Capital			\$891,000	\$238,000	\$181,000	\$184,000	\$276,000	\$189,000
Total Capital	\$0	\$0	\$891,000	\$238,000	\$181,000	\$184,000	\$276,000	\$189,000
Total Expenditures	\$0	\$0	\$891,000	\$238,000	\$181,000	\$184,000	\$276,000	\$189,000
ENDING BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0



HOUSING TRUST FUND

Fund Description:

The Housing Trust Fund accounts for appropriations that support the development and preservation of affordable housing via the inter-jurisdictional agency A Regional Coalition for Housing (ARCH)

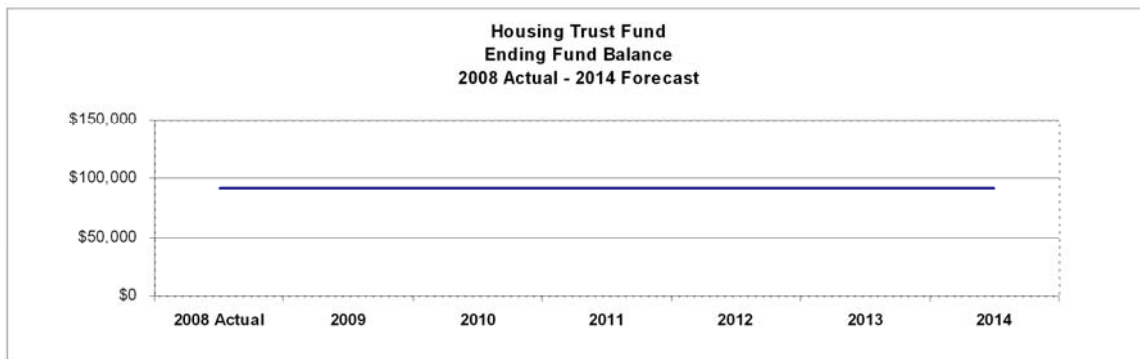
Revenue Source:

Other than Interest earnings, the only revenue source for this fund is a transfer from the General Fund.

Use of Funds:

Payments are made to the ARCH fund upon request and approval by City Council.

	Amended Budget 2008	Actual 2008	Amended Budget 2009	Forecast				
				2010	2011	2012	2013	2014
BEGINNING BALANCE	\$102,060	\$92,060	\$92,203	\$92,203	\$92,203	\$92,203	\$92,203	\$92,203
Resources								
Investment Interest		\$2,143						
Transfers from Gen. Fd	53,000	53,000	53,000	55,000	57,000	59,000	61,000	63,000
Total Resources	\$53,000	\$55,143	\$53,000	\$55,000	\$57,000	\$59,000	\$61,000	\$63,000
Expenditures								
Kenmore Project Reg. Coalition for Housing (ARCH)	\$93,000	\$55,000	\$53,000	\$55,000	\$57,000	\$59,000	\$61,000	\$63,000
Total Expenditures	\$93,000	\$55,000	\$53,000	\$55,000	\$57,000	\$59,000	\$61,000	\$63,000
ENDING BALANCE	\$62,060	\$92,203	\$92,203	\$92,203	\$92,203	\$92,203	\$92,203	\$92,203



CUMULATIVE RESERVE

Fund Description:

This fund is a special revenue type fund used to accumulate funds for "emergency" needs or for major capital purposes.

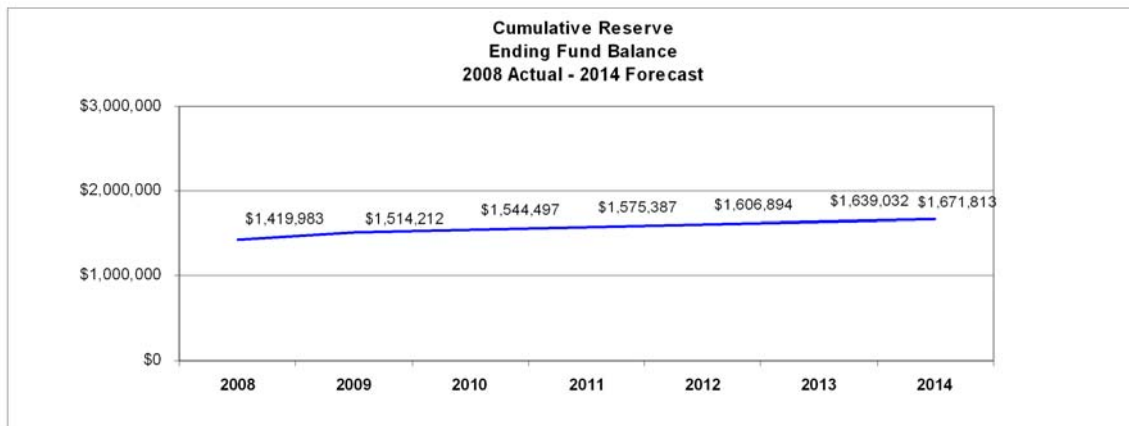
Revenue Source:

Currently the only budgeted revenue in this fund is investment earnings.

Use of Funds:

The funds accumulated in this fund are to be used for capital purchases or for operating shortfalls due to unforeseen cost increases or unanticipated revenue losses. The use of funds must be approved by a two-thirds majority of Council.

	Amended Budget 2008	Actual 2008	Amended Budget 2009	Forecast				
				2010	2011	2012	2013	2014
BEGINNING BALANCE	\$1,419,983	\$1,469,225	\$1,484,522	\$1,514,212	\$1,544,497	\$1,575,387	\$1,606,894	\$1,639,032
Resources								
Investment Interest		\$15,297	\$29,690	\$30,284	\$30,890	\$31,508	\$32,138	\$32,781
Total Resources		\$15,297	\$29,690	\$30,284	\$30,890	\$31,508	\$32,138	\$32,781
ENDING BALANCE	\$1,419,983	\$1,484,522	\$1,514,212	\$1,544,497	\$1,575,387	\$1,606,894	\$1,639,032	\$1,671,813



CAPITAL INVESTMENT FUND

Fund Description:

The Capital Investment Program Fund accounts for major acquisitions and construction projects for the City. The projects costs generally cover more than one year in duration whereas the other funds projects end at the end of the fiscal year.

Revenue Sources:

Operating transfers from the City's special revenue funds (Street, Reet, Parks, and Impact Fees Funds) provide the main ongoing revenue source for this fund. Several projects in this fund have grant funding and these funds are recorded directly into this fund.

Uses of Funds:

All costs recorded in this fund are capital in nature and many times cross years. The cost of the project includes city staff time, consultant costs, construction costs and engineering. Debt service costs associated with projects are also recorded in the CIP fund.

	Amended Budget 2008	Actual 2008	Amended Budget 2009	Forecast				
				2010	2011	2012	2013	2014
BEGINNING BALANCE		(\$3,640,841)	\$1,125,987	-	-	-	-	-
Resources								
2007 Carryforward	\$5,990,091	-						
Indirect Federal	4,060,000	7,049,175	733,000					
TIB	15,908,000	12,636,609	4,271,000					
Sound Transit	3,610,000	179,101						
State	1,054,000	-		150,000				
PW Trust Fund Loan		2,250,000	2,750,000					
County	1,050,000	-						362,000
Contributions	734,000	74,076	910,000		8,000			
Transfer In: SWM Fund	681,714	218,000	250,000					
Transfer In: REET Fund	1,969,257	1,189,000	1,668,000	1,136,000	1,137,000	1,124,000	603,000	887,000
Transfer In: Impact Fees	73,000	1,000,000	448,000	408,000	408,000	58,000	408,000	58,000
Transfer In: Street Fund	442,000	179,000	317,000	330,000	355,000	320,000	358,000	300,000
Transfer In: Parks /Open Sp.	704,938	227,000	424,000	71,000	94,000	160,000	66,000	68,000
Interest (a)		22,151						
Other Grants/CCUD			3,115,000					
Grants to be pursued		-	2,995,000					
Other	150,000		168,013	4,256,000	454,000	3,120,000	3,000,000	
Total Resources	\$36,427,000	\$25,024,112	\$18,049,013	\$6,351,000	\$2,456,000	\$4,782,000	\$4,435,000	\$1,675,000
Expenditures								
Transportation	\$33,875,000	\$19,238,284	\$17,768,000	\$1,882,000	\$1,504,000	\$619,000	\$961,000	\$1,199,000
Surface Water Mgmt (c)	506,000	155,000						
Parks	1,155,000	688,000	999,000	4,001,000	194,000	3,280,000	3,066,000	68,000
Facilities	543,000	119,000	60,000	60,000	350,000	475,000		
Debt Service	348,000	57,000	348,000	408,000	408,000	408,000	408,000	408,000
Total Expenditures	\$36,427,000	\$20,257,284	\$19,175,000	\$6,351,000	\$2,456,000	\$4,782,000	\$4,435,000	\$1,675,000
Repay Interfund Loan								
ENDING BALANCE		\$1,125,987						

2009-2014 Forecast Assumptions:

- (a) Interest 2008-2014 using 2% per year
- (b) Revenue & Expenditures from CIP 2009-2014
- (c) Starting in 2009 SWM Capital moved to SWM Utilities.

GENERAL FUND

Fund Description:

The General Fund is the principle operating fund of any state or local government. It is used to account for all resources not required to be accounted for in another fund. As the main Governmental type fund, it is used to account for the day-to-day operations of the City.

Revenue Sources:

The General Fund is used to account for all unrestricted revenue not accounted for in other funds. This fund also receives transfers from other funds. In 2008 the City had an operating transfer from the SWM fund to the General Fund to cover all Surface Water maintenance costs.

Uses of Funds:

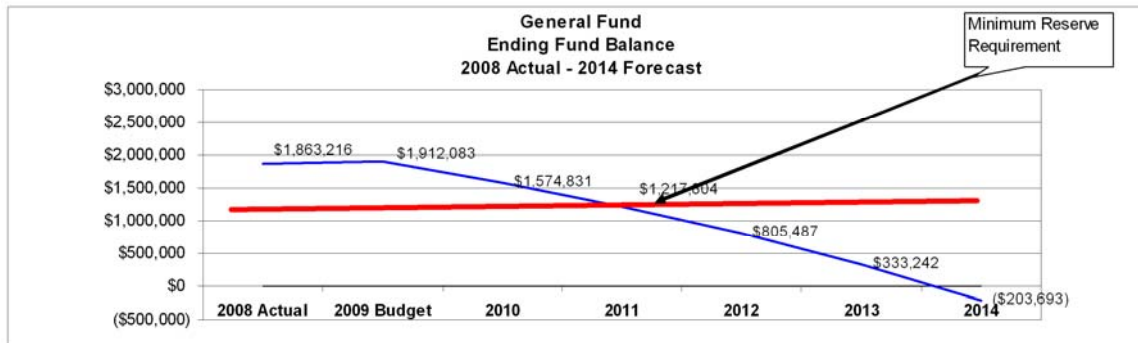
This fund includes all expenditures for the general operations of the City. All City staff costs (FTE's) are budgeted and expended in this fund. Operating transfers Out for the City is to transfer the budgeted allocation to the Housing Trust Fund where it remains until requested by the ARCH association.

	Amended Budget 2008	Actuals 2008	Amended Budget 2009	Forecast				
				2010	2011	2012	2013	2014
BEGINNING BALANCE	\$1,919,461	\$2,253,388	\$2,041,118	\$1,912,083	\$1,574,831	\$1,217,804	\$805,487	\$333,242
Revenue								
Revenue (c)	\$6,940,241	\$6,046,160	\$6,468,237	\$6,597,738	\$6,755,113	\$6,913,187	\$7,073,025	\$7,234,692
Transfer In : CIP Staff			175,000	55,000	56,650	58,350	60,100	61,903
Transfer In : SWM (1)	243,749	176,794						
Total Revenue	\$7,183,990	\$6,222,954	\$6,643,237	\$6,652,738	\$6,811,763	\$6,971,537	\$7,133,125	\$7,296,595
Expenditures								
Operating Expenditures (a) (b)	\$7,103,235	\$6,298,224	\$6,704,272	\$6,905,400	\$7,112,562	\$7,325,939	\$7,545,717	\$7,772,089
One time paymt Bellevue Fire (2)			15,000	30,000				
Transfer Out : ERF (3)	84,000	84,000						
Transfer Out : Housing	53,000	53,000	53,000	54,590	56,228	57,915	59,652	61,442
Total Expenditures	\$7,240,235	\$6,435,224	\$6,772,272	\$6,989,990	\$7,168,790	\$7,383,854	\$7,605,369	\$7,833,531
ENDING BALANCE	\$1,863,216	\$2,041,118	\$1,912,083	\$1,574,831	\$1,217,804	\$805,487	\$333,242	(\$203,693)

Annual -use of reserves (\$56,245) (\$212,270) (\$129,035) (\$337,252) (\$357,027) (\$412,317) (\$472,244) (\$536,936)

2009-2014 Forecast Assumptions:

- (a) Assume 5% increase for expenditures for all forecast years.
- (b) Assumes Recommended #3 cuts to General fund are ongoing.
- (c) For information on individual revenue forecasts see the Revenue Section.
- (d) Assume staff workload in CIP will be reduced in years 2010-2014 due to the completion of the CCP parkway project.



Notes:

- (1) Beginning in 2009 the Surface Water Mgmt expenditures budget was moved to Fund #401. No operating transfer is needed to the Gen Fd.
- (2) One time error correction in the amount of contract costs charged by Bellevue Fire. Agreement is to pay the shortage by the end of 2010.
- (3) ERF transfers for 2009-2014 included in the expenditures line.

EQUIPMENT RENTAL FUND

Fund Description:

The Equipment Rental Fund is used to budget and expend all costs associated with the purchase, repair and maintenance of the City's vehicles and equipment.

Revenue Sources:

The only revenue source for this fund, besides interest on fund balance, is an operating transfer from the General Fund. The amount of the transfer is based on the planned replacement of equipment and the budgeted cost for repair/maintenance for the year.

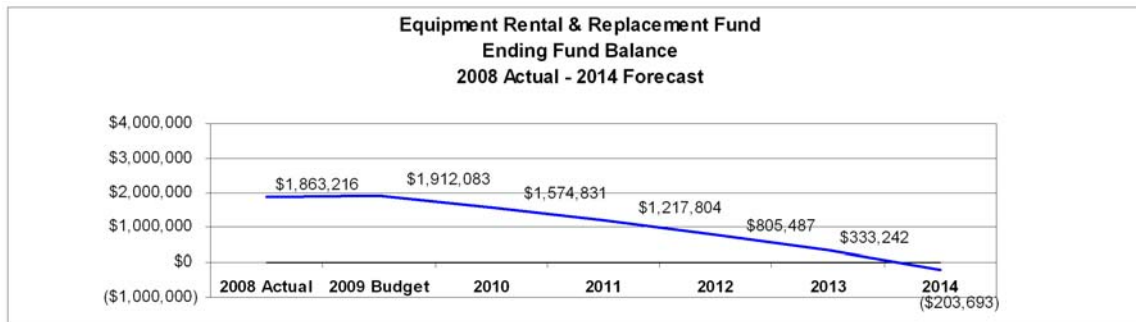
Uses of Funds:

Expenditures in this fund include repairs on equipment, fuel for vehicles and the cost of new equipment. These costs are charged directly to this fund.

	Amended Budget 2008	Actual 2008	Amended Budget 2009	Forecast				
				2010	2011	2012	2013	2014
Beginning Cash Balance	\$196,081	\$196,080	\$116,042	\$173,735	\$136,849	\$105,471	\$107,480	(\$7,778)
Interest (a)		\$3,914	\$3,922	\$5,212	\$4,105	\$3,164	\$3,224	(\$233)
Transfer In: General Fd Public Works			47,255	52,702	53,166	57,528	58,020	58,645
Transfer In: General Fd -Comm. Dev			10,292	10,292	11,346	11,346	12,400	12,400
Transfer In: General Fd Additional for SB Surplus vehicles	84,000	84,000	79,544	81,108	82,718	83,896	85,109	86,358
				5,000	10,000		25,000	
Total Revenue	\$84,000	\$87,914	\$141,013	\$154,314	\$161,335	\$155,934	\$183,753	\$157,170
EXPENDITURES								
Maintenance Costs								
Workstation Maintenance			\$24,000	\$24,720	\$25,462	\$26,225	\$27,012	\$27,823
Server Maintenance			15,120	15,574	16,041	16,041	16,041	16,041
Software Maintenance			13,000	13,390	13,792	14,205	14,632	15,071
Vehicle repairs			5,000	5,150	5,305	5,464	5,628	5,796
Summary of Expenditures	84,000	167,952	10,000	10,300	10,609	10,927	11,255	11,593
Total Expenditures	\$84,000	\$167,952	\$67,120	\$69,134	\$71,208	\$72,863	\$74,567	\$76,323
Purchases (b):								
Server Purchases					\$3,000		\$3,000	
Workstation Purchases			8,200	7,400	8,900	8,200	7,400	8,900
Equipment Purchases			8,000				100,000	
Vehicle Purchases				45,532	38,398		39,476	
Total Purchases			\$16,200	\$52,932	\$50,298	\$8,200	\$149,876	\$8,900
Total Expenditures	\$84,000	\$167,952	\$83,320	\$191,199	\$192,713	\$153,925	\$299,011	\$161,546
Ending Fund Balance	\$196,081	\$116,042	\$173,735	\$136,849	\$105,471	\$107,480	(\$7,778)	(\$12,154)

2009-2014 Forecast Assumptions:

- (a) Interest 2008-2014 using 2% per year.
- (b) Purchases for 2009-2014 based on replacement schedule.





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