



# Financial Briefing

## Revenue Update

### HIGHLIGHTS

- Sales tax receipts through July up 7.7% compared to same period in 2015.
- City receives clean audit opinion for 2015 financial statement and single audits from State Auditor's Office.
- Contract awarded to complete Bob Olson Parkway and Hildebrand Boulevard.

**Sales Tax** received in July (for taxable sales activity from May) totaled \$1,442,281, which is 5.3% more than the City received in July of 2015. Year-to-date, the City has received \$10,037,459 in sales tax, which is 7.7% more than this same time period in 2015. Sales tax received from new construction activity has significantly influenced results so far this year, making up approximately 2% of the overall growth in sales tax experienced for the year-to-date.

On July 6<sup>th</sup>, the City held an exit conference with the Washington State Auditor's Office to review the results of the City's **2015 financial statement and single**

**audits.** The City's financial statement audit is an independent audit completed to assure users and stakeholders that the City's financial statements are free of material misstatement and are presented in compliance with generally accepted accounting principles (GAAP). A single audit, which is conducted in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is required each year for agencies that expend more than \$750,000 in federal assistance (grants). The purpose of the single

audit is to verify compliance with the requirements established for each type of federal assistance program and review the adequacy of the City's internal controls.

The City of Kennewick received a clean (unmodified) audit opinion for both its financial statement and single audits for 2015, which indicates that the City's financial statements were prepared properly and were free from material misstatement and that there were no significant deficiencies, questioned costs, or material weaknesses identified during the State Auditors review of the City's \$2.3 million in expenditures of federal assistance for the year.

## Expenditure Update

At its July 19<sup>th</sup> meeting, the Kennewick City Council awarded a \$6.5M contract for the completion of **Bob Olson Parkway & Hildebrand Boulevard**. Funding for the project will come from a combination of budgeted funds in the City's Capital Improvement and Water/Sewer Funds, as well as proceeds from a potential future bond issue. The

project includes the construction of a five lane arterial roadway and widening of an existing roadway including water and sewer infrastructure, curb, gutter, sidewalks and landscaping to complete this critical connection in the City's Southridge area. After the project's completion, the City's road network will now include a new route from

State Route 395 in the southern area of the City all the way to Highway 240 in the northwest via Hildebrand Boulevard/Bob Olson Parkway and Steptoe. In addition to better serving the City's growing population and transportation needs, completion of this important project will also serve as a catalyst for new economic development opportunities in the City.