

DURHAM



1869
CITY OF MEDICINE

FY 2018 1st Quarter Financial Report

(Quarter Ending 09/30/2017)
November 21, 2017

*Budget & Management Services &
Finance*



FY 2018 Financial Update

- The update reflects the Administration's effort to continually monitor the City's financial status and update City Council.
- The next financial update will be given in February, 2018.



General Fund

FY 2018 – 1st Quarter



General Fund - Revenues

Reminder...

- First quarter is the least indicative of full year results.
- Property tax revenues, representing 49% of General Fund budget, are mostly collected in December and January.
- First sales tax payment for fiscal year not received until October.

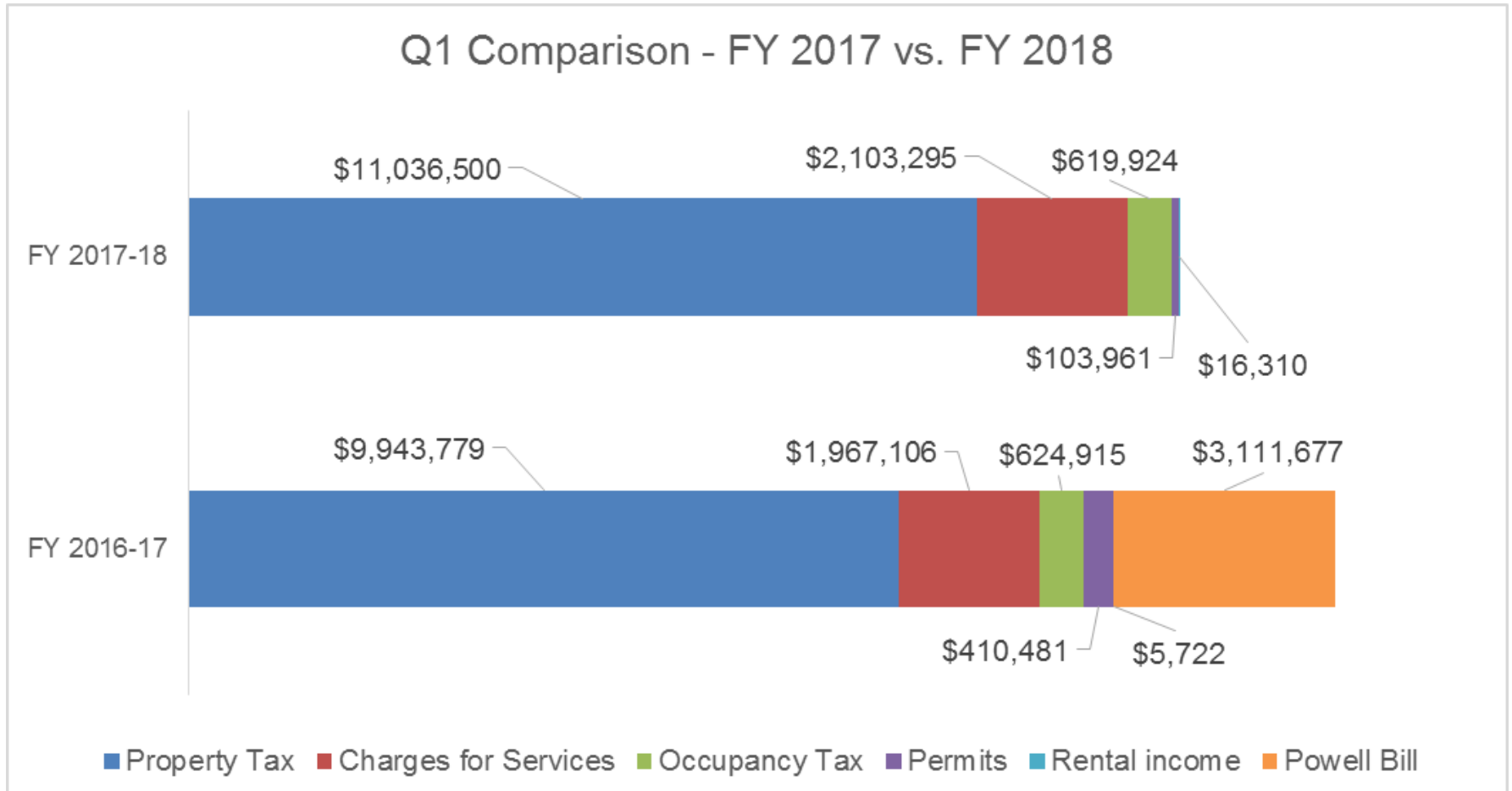


General Fund - Revenues

- Property taxes up from same period last year (11.0%).
- Permits down from same period last year (-74.7%).
- Occupancy tax down from same period last year (-0.8%).
- Charges for Services up from same period last year (6.9%).
- Investment and Rental Income up from same period last year (185.0%)
- Powell Bill revenue was late and not received until October.



General Fund - Revenues



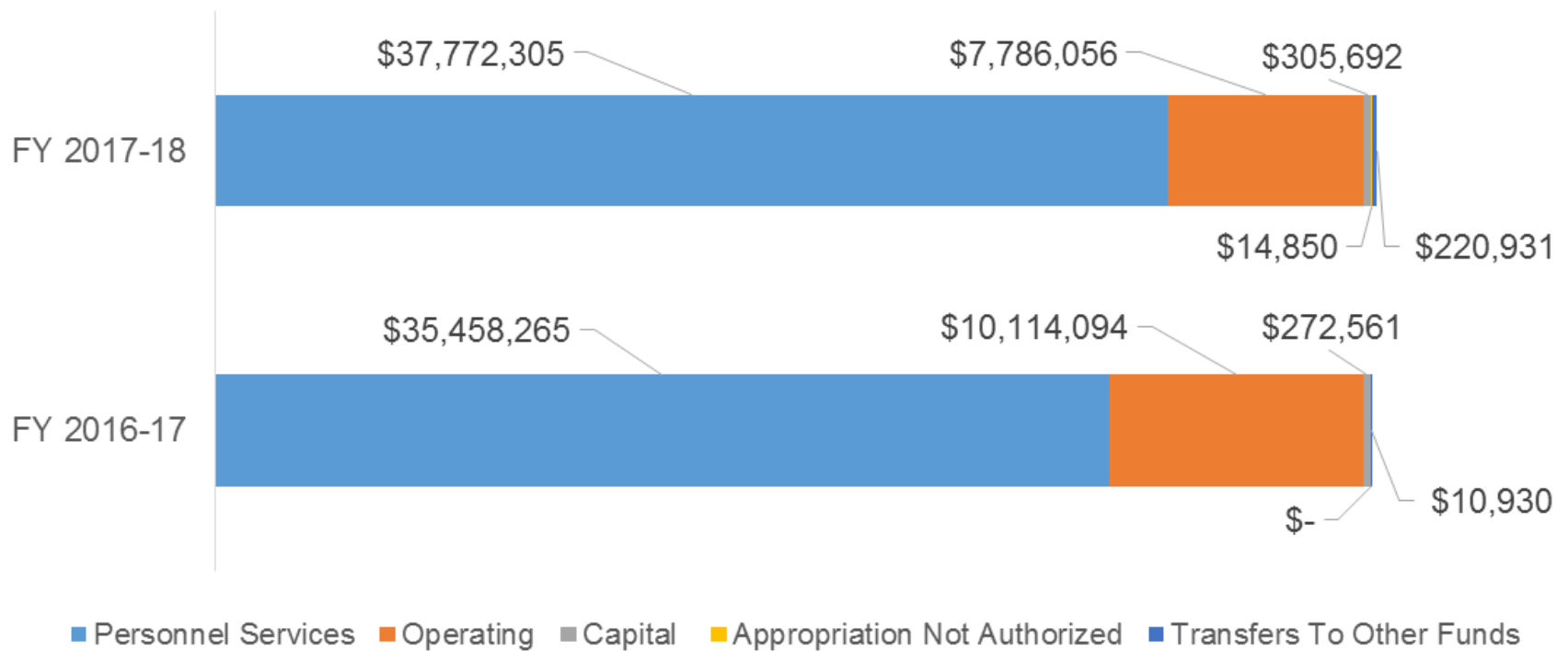
General Fund - Expenditures

- Year-end operations spending projected at \$1.7M less than budgeted:
 - Personnel costs under-budget by \$888K or approximately 0.60%
 - Operating costs under budget by \$706K or 1.69%
- No departments are projected to exceed budget



General Fund - Expenditures

Q1 Comparison - FY 2017 vs. FY 2018



General Fund - Expenditures

CLASS	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH SEPTEMBER 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
Personnel Services	\$ 147,555,420	\$ 37,772,305	\$ 146,667,130	\$ 888,290
Operating Expenditures	41,678,158	7,786,056	40,972,583	705,575
Capital Outlay	2,248,047	305,692	2,176,348	71,699
Appropriation Not Authorized for Expenditures	567,910	14,850	496,327	71,583
Transfers To Other Funds	9,686,883	220,931	9,686,883	-
Total	\$ 201,736,418	\$ 46,099,834	\$ 199,999,271	\$ 1,737,147



Enterprise Funds

FY 2018 – 1st Quarter



Water & Sewer Fund

- Operating revenues at 27.43% of yearly budget
- Operating expenses at 22.77% of yearly budget
- Overall, fund is expected to finish with a surplus for FY 2018.



Water & Sewer Fund

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH SEPTEMBER 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
REVENUES				
Operating Revenues	\$ 97,673,327	\$ 26,792,510	\$ 99,919,814	\$ 2,246,487
Permits	145,000	53,350	145,000	-
Total Operating Revenues	97,818,327	26,845,860	100,064,814	2,246,487
Non-Operating Revenues				
Miscellaneous	1,493,600	617,179	1,493,600	-
Investment Income	275,000	201,795	275,000	-
Total Non-Operating Revenues	1,768,600	818,974	1,768,600	-
TOTAL REVENUES	\$ 99,586,927	\$ 27,664,834	\$ 101,833,414	\$ 2,246,487



Water & Sewer Fund

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH SEPTEMBER 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
EXPENDITURES				
Personnel Services	\$ 28,019,457	\$ 7,140,913	\$ 27,848,492	\$ 170,965
Operating Expenditures	24,596,119	5,600,975	24,596,119	-
Non-Departmental Administration	5,303,254	1,325,813	5,303,254	-
Capital Outlay	79,012	32,081	79,012	-
Debt Service Principal and Interest	10,462,619	1,593,888	10,462,619	-
Operating Transfers to Other Funds	33,638,056	-	33,638,056	-
TOTAL EXPENDITURES	\$ 102,098,518	\$ 15,693,671	\$ 101,927,553	\$ 170,965
NET REVENUES LESS EXPENDITURES	\$ (2,511,591)	\$ 11,971,163	\$ (94,139)	
To/(From) Fund Balance				
			Overall Budget Variance	\$ 2,417,452



Water & Sewer Capital Fee Fund

- Capital Facility Fees are derived from charges to new development or facility expansion.
- Funding provided to the Water and Sewer Construction Fund to support capital improvements.
- First quarter results are about 42% of budget
- Collected surplus is credited toward fund balance.



Transit Operations Fund

- Transit Operations Fund overall expected to operate at budget.
- Timing of receipts makes Q1 estimates very preliminary.
- Tax rate of 3.56 cents per \$100 (about \$9.9M) is budgeted in the Transit Fund.



Transit Fund - Revenues

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH SEPTEMBER 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
REVENUES				
Operating Revenues	\$ 3,086,786	\$ 459,196	\$ 3,086,786	\$ -
Non-Operating Revenues				
Taxes	9,941,248	1,182,607	9,941,248	-
Miscellaneous	8,636,280	19,644	8,636,280	-
Total Non-Operating Revenues	18,577,528	1,202,251	18,577,528	-
TOTAL REVENUES	\$ 21,664,314	\$ 1,661,447	\$ 21,664,314	\$ -

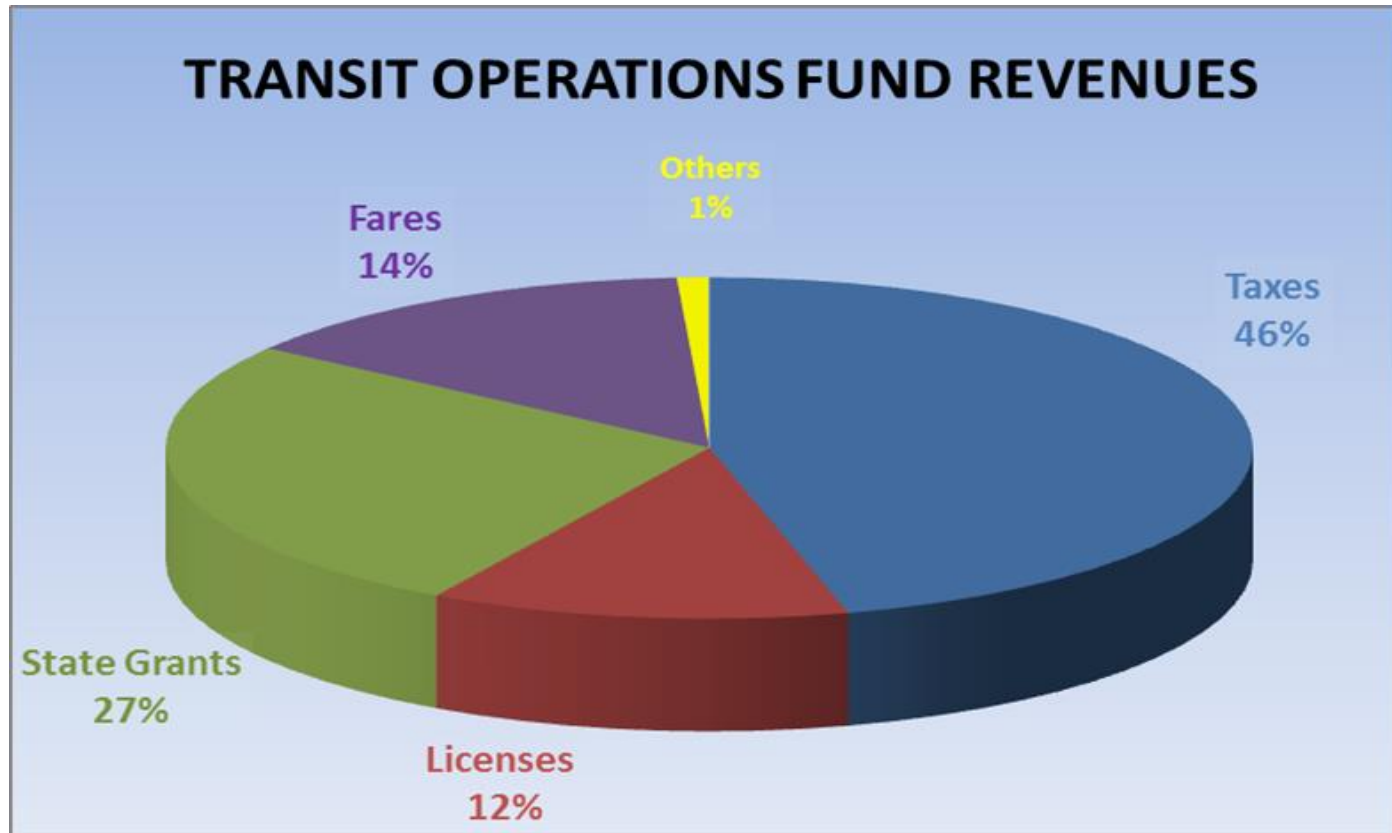


Transit Fund - Expenses

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH SEPTEMBER 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
EXPENDITURES				
Operating Expenditures	\$ 21,364,673	\$ 3,628,943	\$ 21,364,673	\$ -
Non-Departmental Administration	472,238	118,060	472,238	-
Capital Outlay	278,459	-	278,459	-
Debt Service Principal and Interest	194,182	156,232	194,182	-
Operating Transfers to Other Funds	1,324,417	-	1,324,417	-
TOTAL EXPENDITURES	\$ 23,633,969	\$ 3,903,235	\$ 23,633,969	\$ -
NET REVENUES LESS EXPENDITURES	\$ (1,969,655)	\$ (2,241,788)	\$ (1,969,655)	
To/(From) Fund Balance				
			Overall Budget Variance	<u>\$ -</u>



Transit Fund - Source of Funding



Solid Waste Fund

- Operating revenues projected higher than originally budgeted.
- Operating expenditures projected at budget.
- Solid Waste Fund originally budgeted to receive 30% of revenues from charges and other non-tax revenues.
- Remaining revenue is provided by allocating 6.29 cents of tax rate.



Solid Waste Fund - Revenues

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH SEPTEMBER 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
REVENUES				
Operating Revenues	\$ 7,224,624	\$ 1,949,849	\$ 7,454,530	\$ 229,906
Non-Operating Revenues				
Taxes	17,564,734	2,078,864	17,564,734	-
Investment Income	30,000	8,432	30,000	-
Miscellaneous	167,462	40,496	167,462	-
Operating Transfers from Other Funds	127,695	-	127,695	-
Total Non-Operating Revenues	17,889,891	2,127,792	17,889,891	-
TOTAL REVENUES	\$ 25,114,515	\$ 4,077,642	\$ 25,344,421	\$ 229,906



Solid Waste Fund - Expenses

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH SEPTEMBER 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
EXPENDITURES				
Personnel Services	\$ 7,325,105	\$ 1,992,109	\$ 7,325,105	\$ -
Operating Expenditures	11,476,019	1,984,285	11,476,019	-
Non-Departmental Administration	2,647,272	661,818	2,647,272	-
Capital Outlay	344,503	26,078	344,503	-
Debt Service Principal and Interest	4,248,931	1,329,601	4,248,931	-
Operating Transfers to Other Funds	157,818	-	157,818	-
TOTAL EXPENDITURES	\$ 26,199,648	\$ 5,993,892	\$ 26,199,648	\$ -
NET REVENUES LESS EXPENDITURES	\$ (1,085,133)	\$ (1,916,250)	\$ (855,227)	
To/(From) Fund Balance				
			Overall Budget Variance	<u>\$ 229,906</u>



Stormwater Fund

- Provides for the management and maintenance of operational expenses of stormwater activities which include street cleaning.
- The fund is a self-sufficient enterprise fund and receives no tax support.
- At quarter-one, the Stormwater Fund has received 38.03% of projected revenues. Fund anticipating surplus due to revenue actuals and operating savings.



Stormwater Fund - Revenues

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH SEPTEMBER 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
REVENUES				
Operating Revenues	\$ 15,486,348	\$ 5,889,410	\$ 15,586,348	\$ 100,000
Non-Operating Revenues				
Investment Income	34,000	31,732	34,000	-
Operating Transfers from Other Funds	109,047	-	109,047	-
Total Non-Operating Revenues	143,047	31,732	143,047	-
TOTAL REVENUES	\$ 15,629,395	\$ 5,921,142	\$ 15,729,395	\$ 100,000



Stormwater Fund - Expenses

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH SEPTEMBER 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
Expenditures				
Personnel Services	\$ 8,001,746	\$ 1,949,145	\$ 8,001,746	\$ -
Operating Expenditures	2,785,755	361,632	2,460,604	325,151
Non-Departmental Administration	883,708	220,927	883,708	-
Capital Outlay	251,676	4,000	251,676	-
Operating Transfers to Other Funds	3,904,816	-	3,904,816	-
TOTAL EXPENDITURES	\$ 15,827,701	\$ 2,535,704	\$ 15,502,550	\$ 325,151
NET REVENUES LESS EXPENDITURES	\$ (198,306)	\$ 3,385,438	\$ 226,845	
To/(From) Fund Balance				
			Overall Budget Variance	<u>\$ 425,151</u>



Parking Fund

- The Parking fund operating revenues fully cover fund operating expenses.
- Debt Service Fund subsidizes the existing debt portion of the fund.
- Parking Fund is overall anticipated to operate at budget.



Parking Fund - Revenues

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH SEPTEMBER 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
REVENUES				
Operating Revenues	\$ 5,082,231	\$ 1,287,642	\$ 5,082,231	\$ -
Non-Operating Revenues				
Investment Income	12,000	12,249	12,249	249
Operating Transfers from Other Funds	882,707	-	882,707	-
Total Non-Operating Revenues	894,707	12,249	894,956	249
TOTAL REVENUES	\$ 5,976,938	\$ 1,299,891	\$ 5,977,187	\$ 249



Parking Fund - Expenses

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH SEPTEMBER 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
EXPENDITURES				
Personnel Services	\$ 255,009	\$ 58,751	\$ 255,009	\$ -
Operating Expenditures	3,499,624	685,519	3,341,588	158,036
Non-Departmental Administration	392,258	98,065	392,258	-
Debt Service Principal and Interest	1,359,597	304,958	1,359,597	-
TOTAL EXPENDITURES	\$ 5,506,488	\$ 1,147,293	\$ 5,348,452	\$ 158,036
NET REVENUES LESS EXPENDITURES	\$ 470,450	\$ 152,598	\$ 628,735.00	
To/(From) Fund Balance				
			Overall Budget Variance	<u>\$ 158,285</u>



Inspections Fund

- Provides for support of the Inspections Department and other inspection related activities.
- The Inspections fund operating revenues fully cover fund operating expenses.
- At quarter-one, the Inspections fund has received 29% of revenue and is projected to end the year with a revenue surplus.



Inspections Fund - Revenues

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH SEPTEMBER 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
REVENUES				
Licenses, Permits & Charges for Services	\$ 6,972,403	\$ 2,051,372	\$ 10,266,547	\$ 3,294,144
Non-Operating Revenues				
Investment Income	10,000	7,750	10,000	-
TOTAL REVENUES	\$ 6,982,403	\$ 2,059,122	\$ 10,276,547	\$ 3,294,144



Inspections Fund - Expenses

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH SEPTEMBER 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
EXPENDITURES				
Personnel Services	4,302,710	1,130,258	4,302,710	-
Operating Expenditures	1,269,863	125,908	1,269,863	-
Capital Outlays	64,824	63,592	64,824	-
Transfers to Other Funds	138,480	-	138,480	-
TOTAL EXPENDITURES	\$ 5,775,877	\$ 1,319,758	\$ 5,775,877	\$ -
NET REVENUES LESS EXPENDITURES	\$ 1,206,526	\$ 739,364	\$ 4,500,670	
To/(From) Fund Balance				
			Overall Budget Variance	\$ 3,294,144



Debt Reserve Fund

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH SEPTEMBER 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
REVENUES				
Property Taxes	\$ 36,358,161	\$ 4,306,338	\$ 36,358,161	-
Non-Operating Revenues				
Intergovernmental (Subsidy)	598,195	138,450	677,459	79,264
Investment Income	-	11,046	-	-
Intergovernmental	1,878,516	-	1,878,516	-
Total Non-operating revenues	2,476,711	149,496	2,555,975	79,264
TOTAL REVENUES	38,834,872	4,455,834	\$ 38,914,136	79,264
EXPENDITURES				
Special contractual services	422,660	37,790	422,660	-
Transfers to Other Funds	3,020,382	-	3,020,382	-
Debt Service Principal	19,583,871	9,627,558	19,583,871	-
Debt Service Interest	8,946,833	2,797,560	8,946,833	-
TOTAL EXPENDITURES	31,973,746	12,462,908	\$ 31,973,746	-
NET REVENUES LESS EXPENDITURES	\$ 6,861,126	\$ (8,007,074)	\$ 6,940,390	
To/(From) Fund Balance				
			Overall Budget Variance	\$ 79,264



Other Projects

- Resident Satisfaction Survey
- City-Wide Strategic Plan
- i-Team
- Innovate Durham
- Engagement

