



# FY 2017-18 4<sup>th</sup> Quarter & Preliminary Year-End Financial report

(Quarter Ending 06/30/2018)  
September 6, 2018

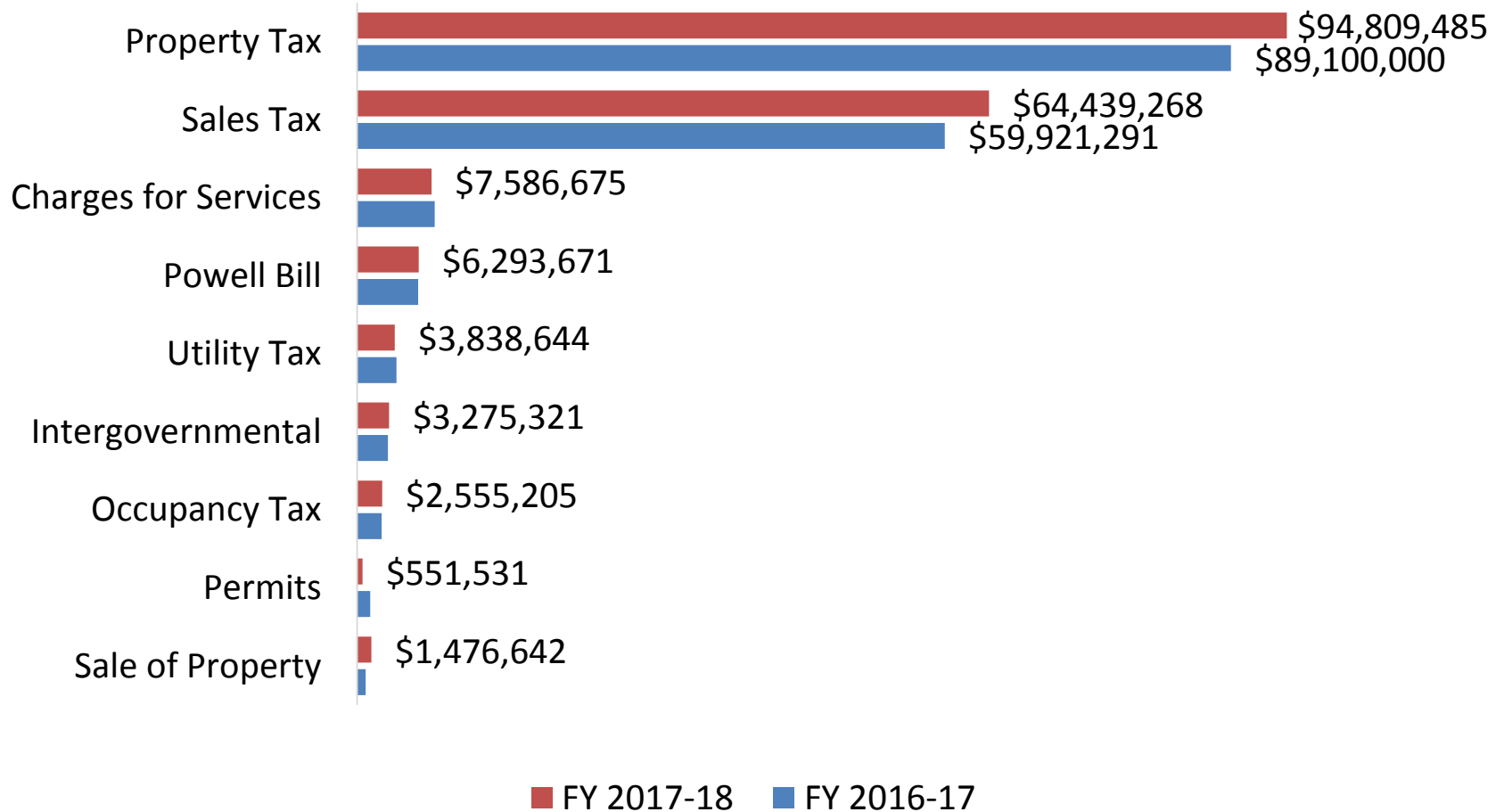
# General Fund

# Summary Results

- Departmental expenditures projected to be under budget by approximately \$8.8M
- All departments projected to be within budget at year end
- Expected Revenue surplus of approximately \$2.9M
- Of the \$18.4M budgeted to come from fund balance, we will only need \$6.7M, a positive variance of \$11.7M

# General Fund Major Revenue

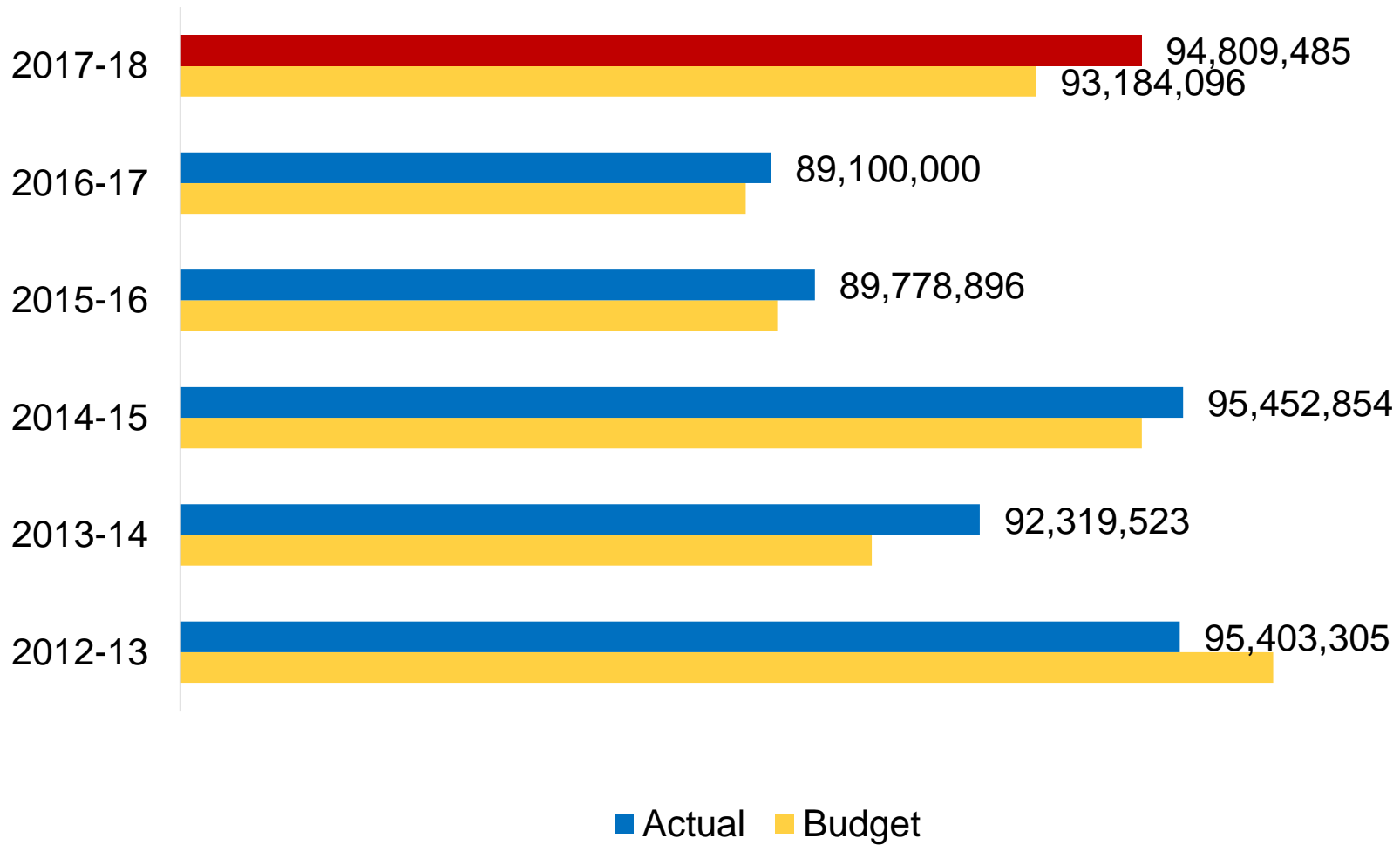
## Quarter 4 - 2018 vs 2017



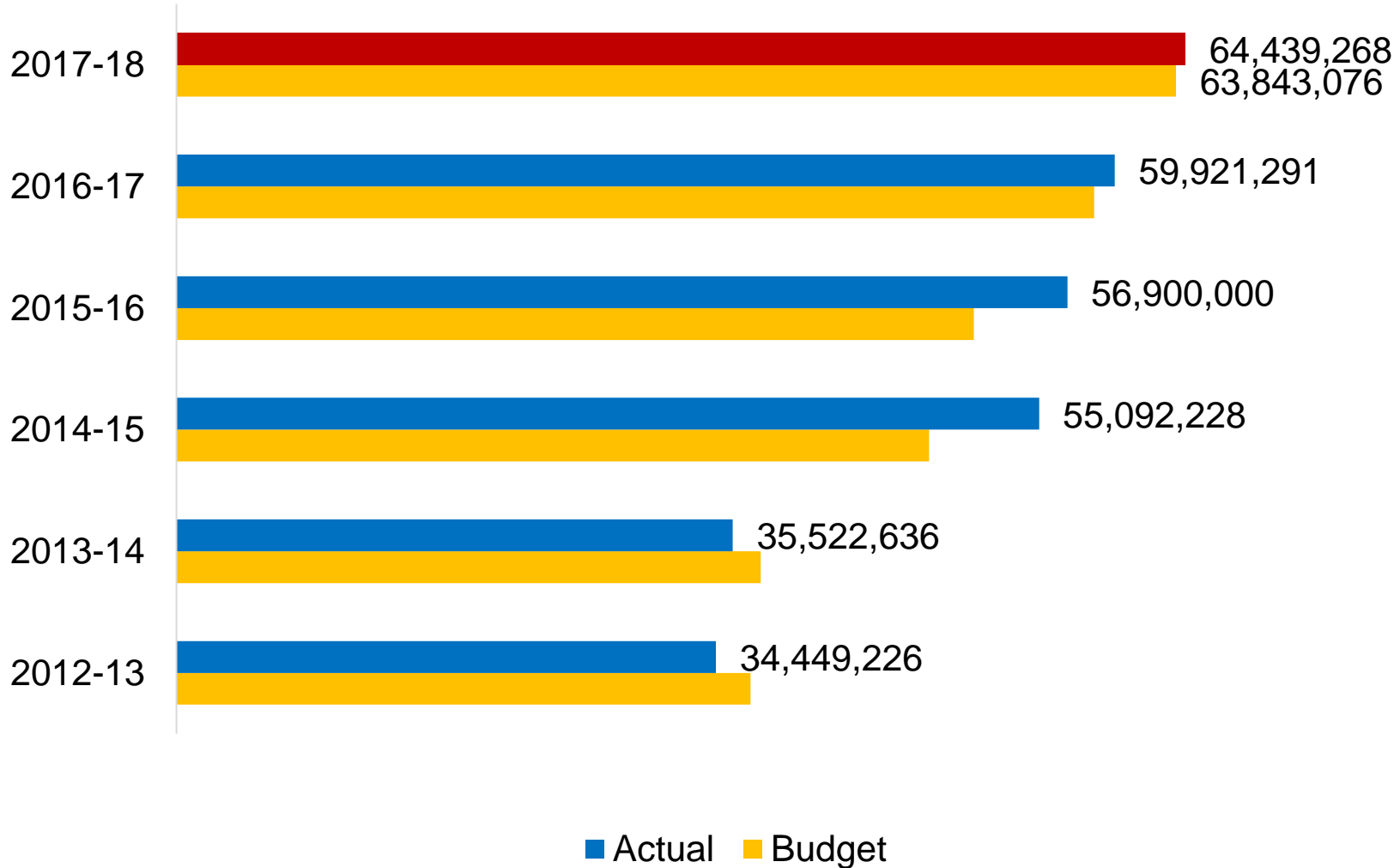
# Sales Tax Collections

- \$56.97M in collections to date including sales tax on electricity and gas.
  - Up \$398K (6.56%) versus FY 2017
  - Up \$862K (1.54%) versus budget to date
- Budgeted \$63.8M for FY2017-18 compared to \$58.6M for FY2016-17. Expect to exceed budget projections for FY2017-18.
  - Final Payment for FY2017-18 (September 2018)

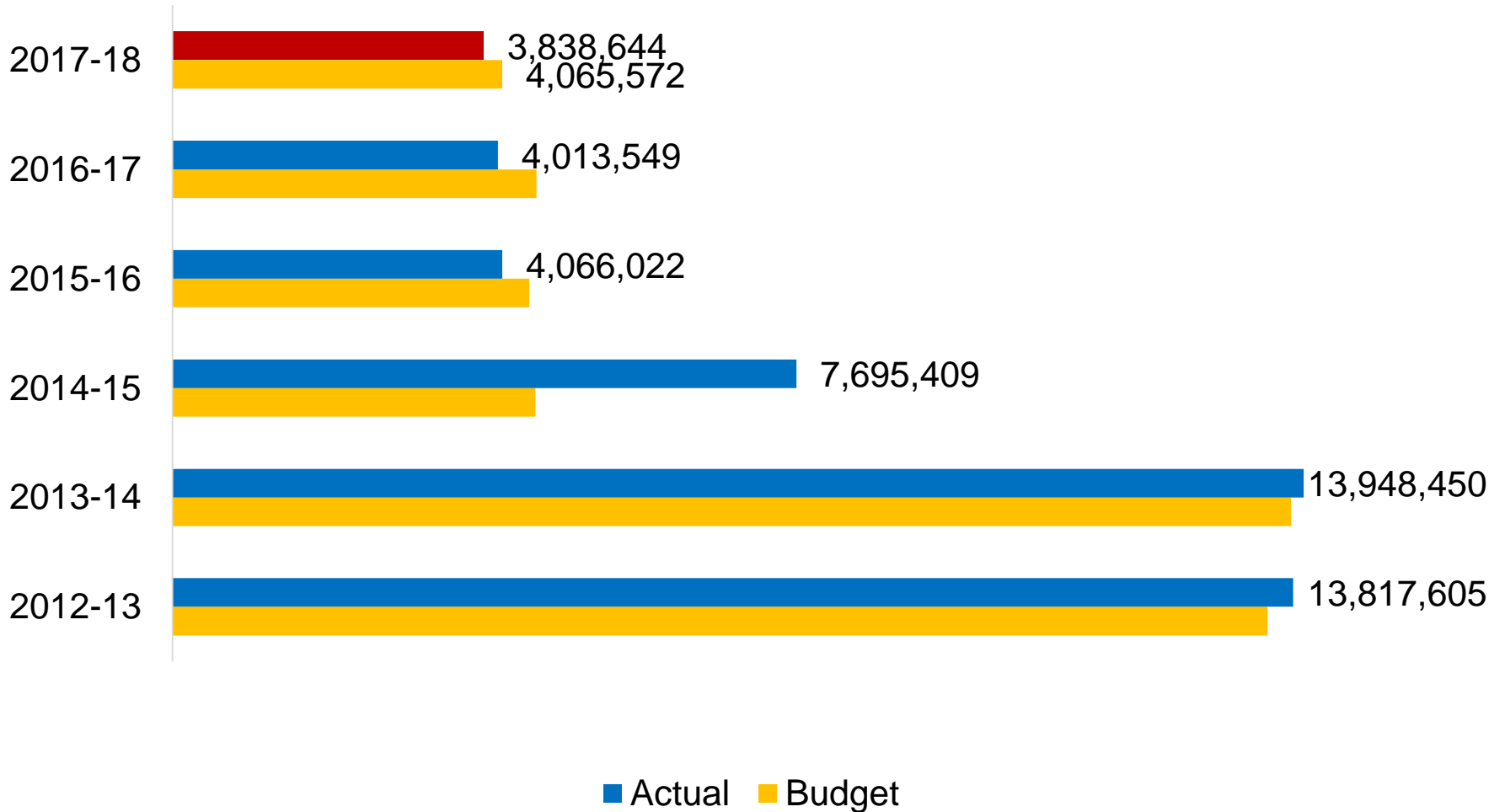
# Property Tax (GF) – Multi Year



# Sales Tax – Multi-Year

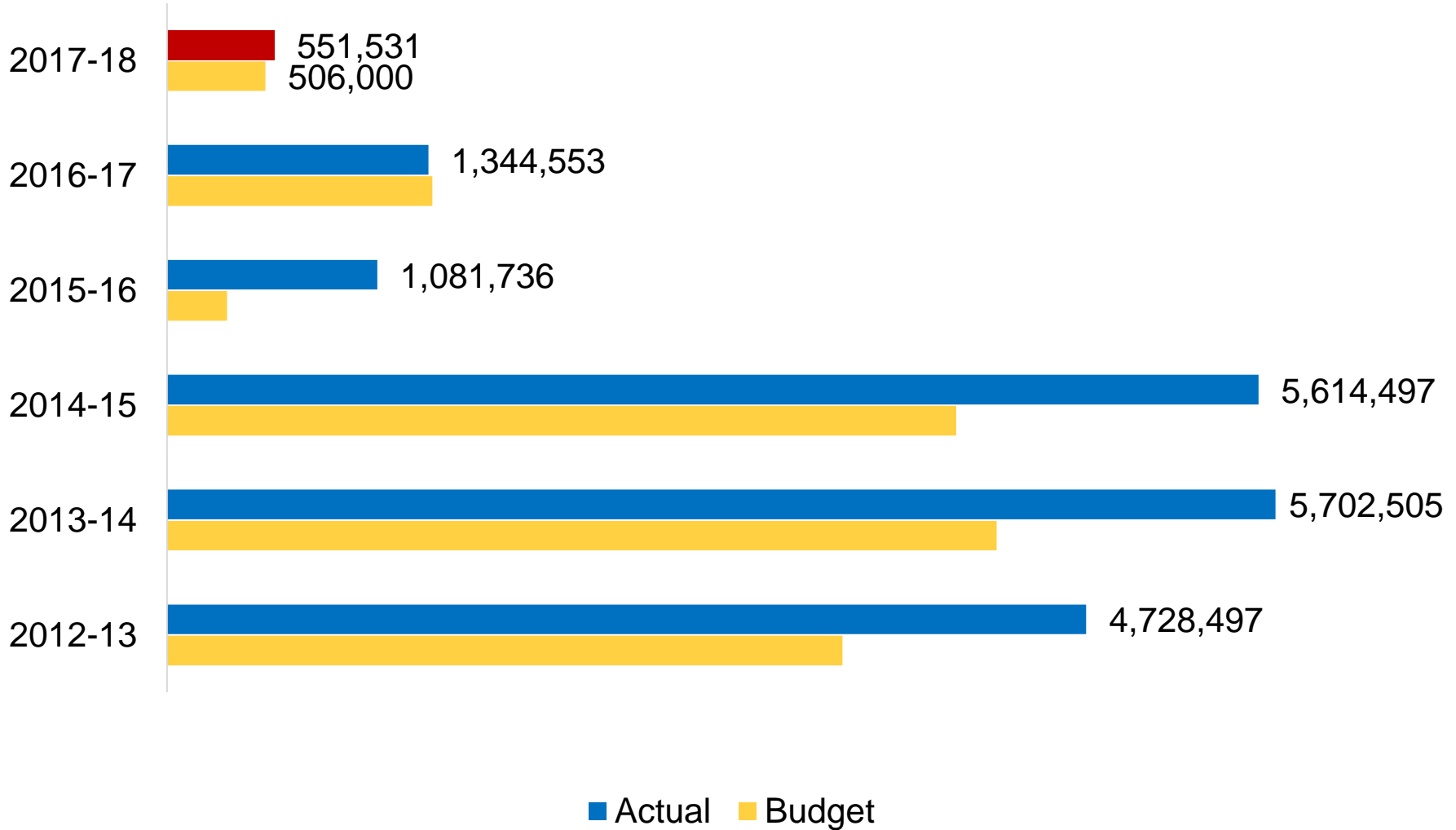


# Utility Tax – Multi-Year

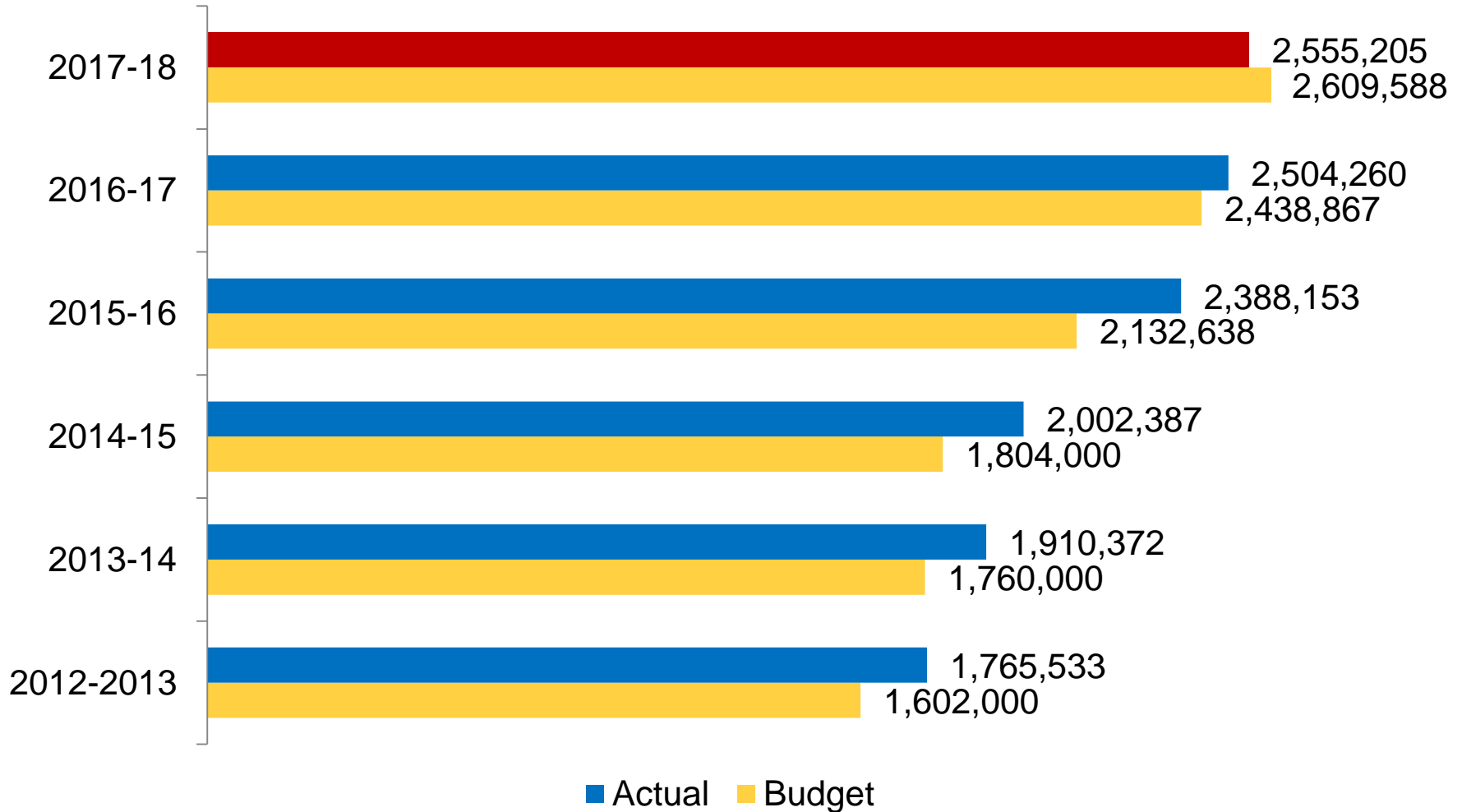




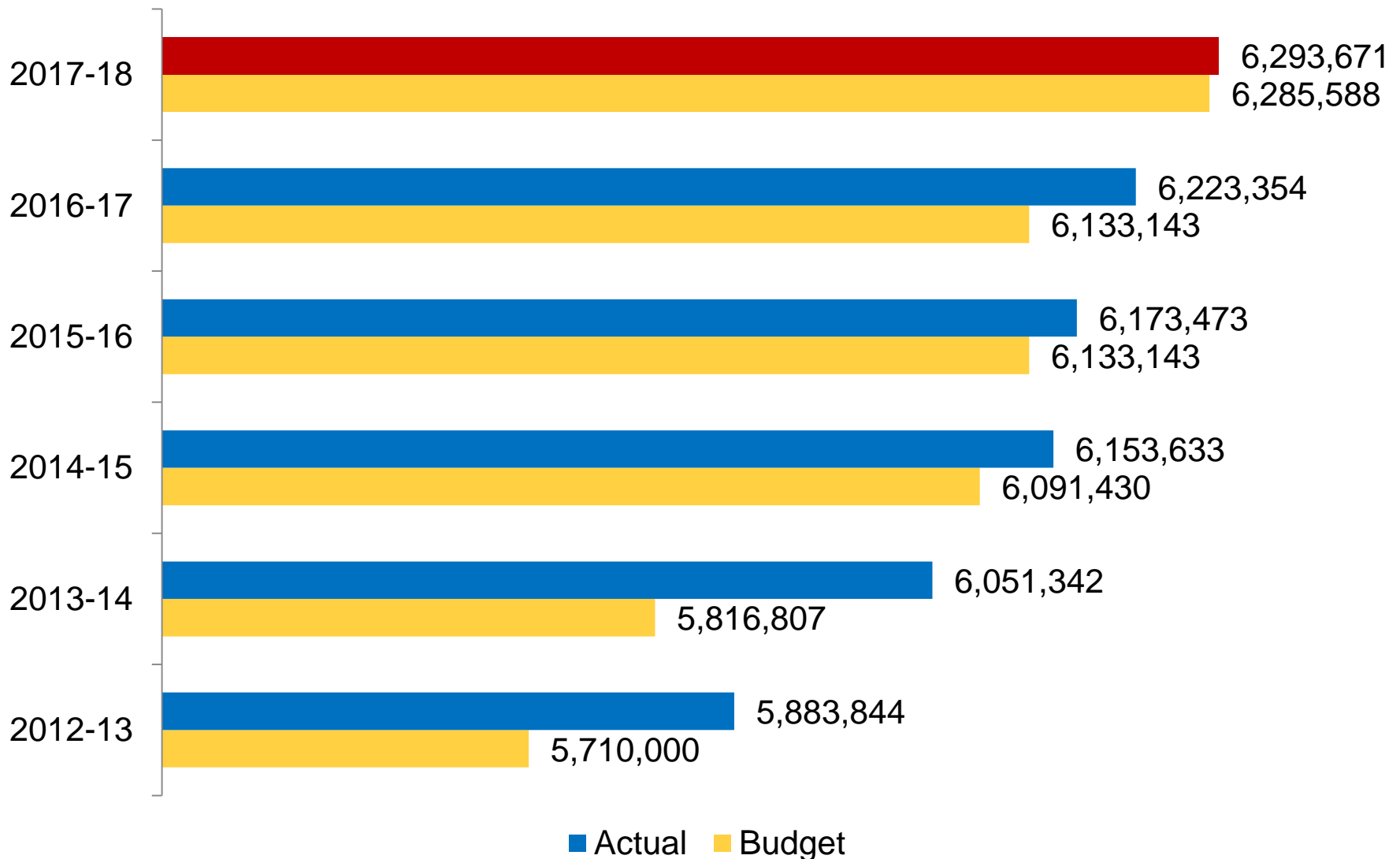
# Permits – Multi-Year



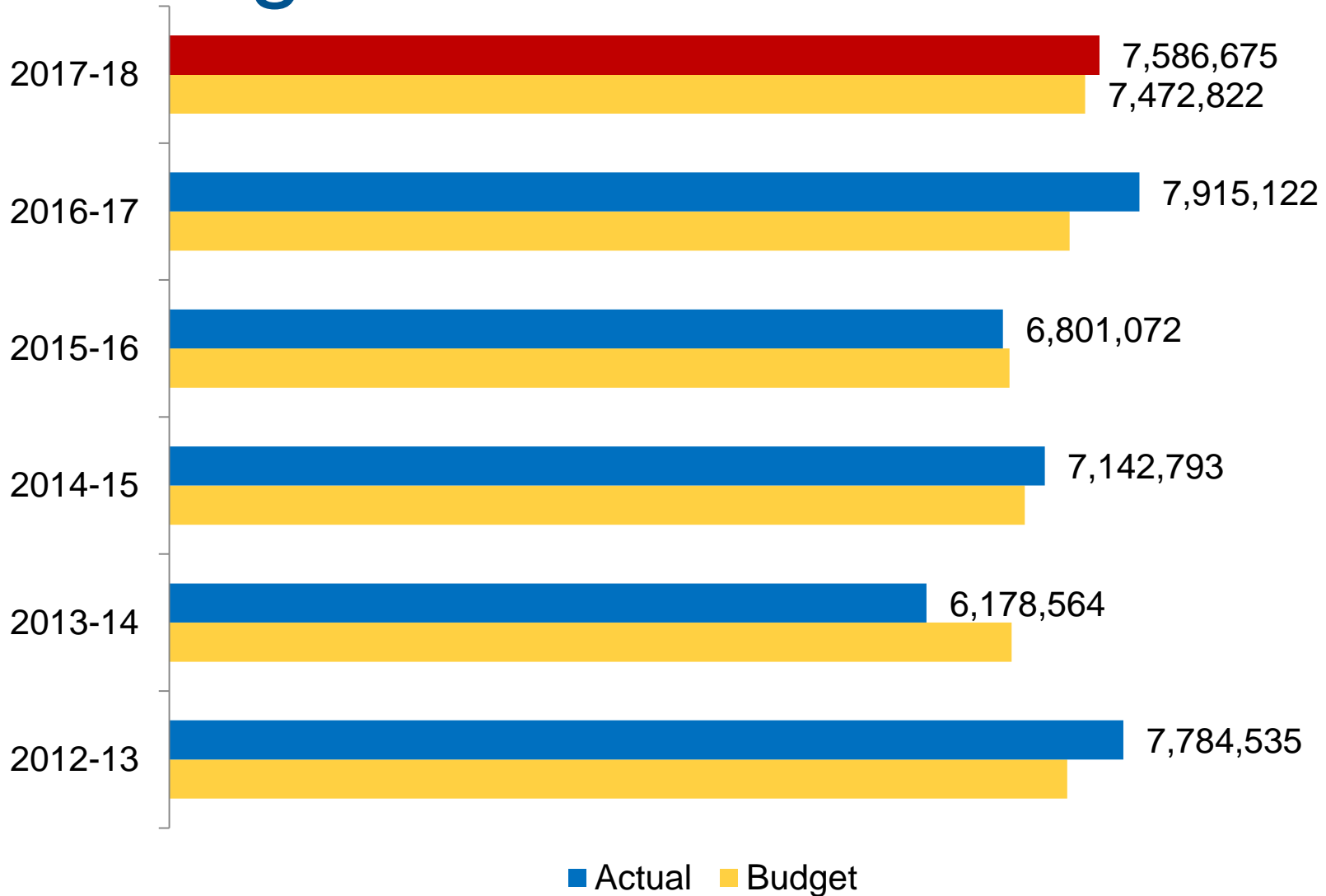
# Occupancy Tax– Multi-Year



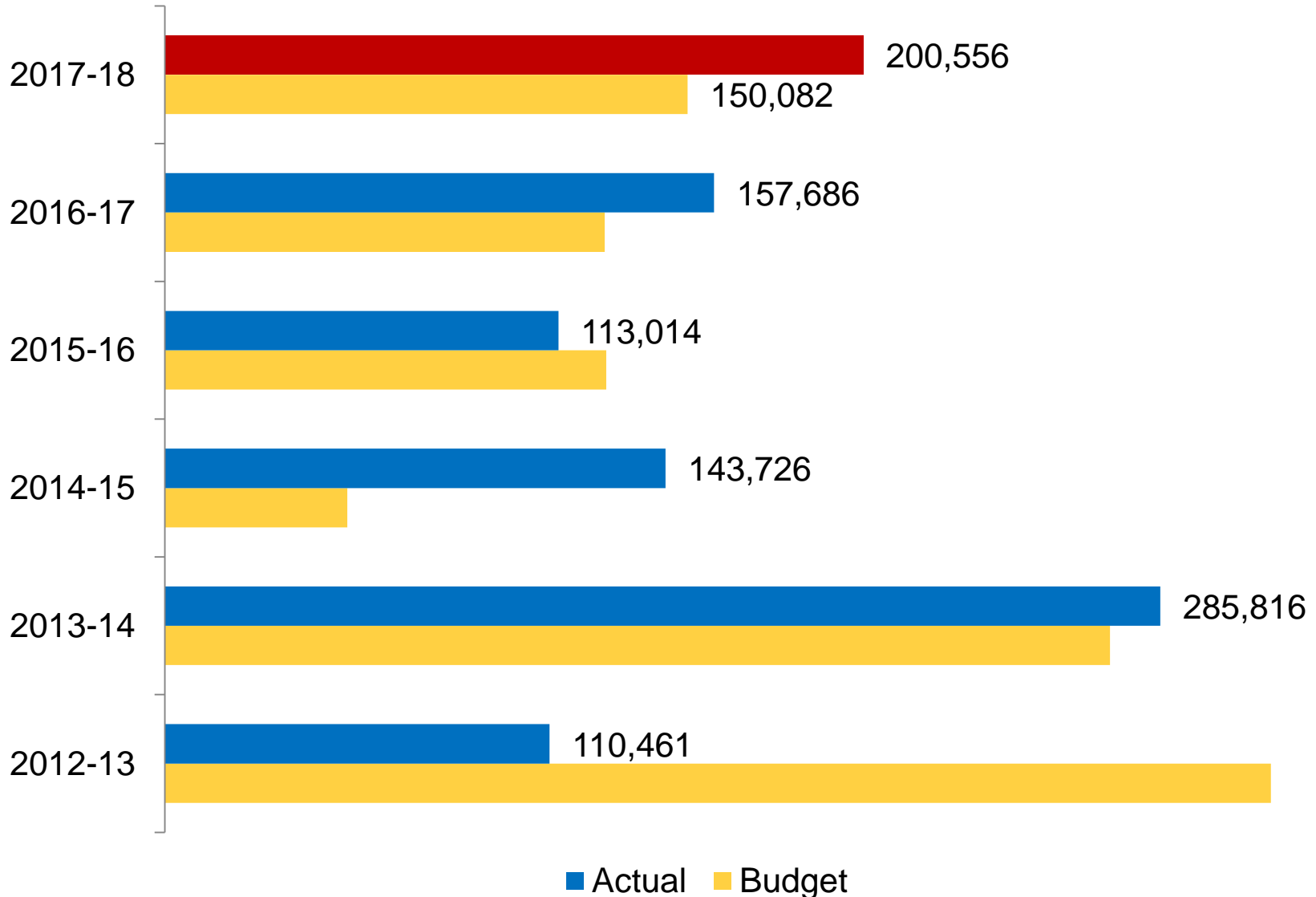
# Powell Bill– Multi-Year



# Charges for Services— Multi-Year



# Investment/Rental– Multi-Year



# General Fund - Revenues

	FY 2018 ADOPTED BUDGET	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2018	PERCENT OF BUDGET TO DATE	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
<b>REVENUES</b>						
Property Taxes	\$ 93,184,096	\$ 93,184,096	\$ 94,809,485	101.7%	\$ 94,809,485	\$ 1,625,389
Sales Taxes	63,843,076	63,843,076	52,356,104	82.0%	\$ 64,439,268	596,192
Hotel/Motel Occupancy Tax	2,609,588	2,609,588	2,555,205	97.9%	\$ 2,555,205	(54,383)
Other Local Taxes	313,915	313,915	394,264	125.6%	\$ 394,264	80,349
Licenses & Permits	506,000	506,000	551,531	109.0%	\$ 551,531	45,531
Utility Franchise tax	4,065,572	4,065,572	2,878,644	70.8%	\$ 3,838,644	(226,928)
Powell Bill	6,285,588	6,285,588	6,293,671	100.1%	\$ 6,293,671	8,083
Other Intergovernmental Revenues	3,398,253	3,398,253	3,275,321	96.4%	\$ 3,275,321	(122,932)
Rental income	150,082	150,082	200,556	133.6%	\$ 200,556	50,474
Charges For Services	7,472,822	7,472,822	7,586,675	101.5%	\$ 7,586,675	113,853
Intragovernmental Services	275,000	275,000	705,689	256.6%	\$ 705,689	430,689
Assessments	26,100	26,100	81,359	311.7%	\$ 81,359	55,259
Sale of Property and Miscellaneous	1,217,000	1,217,000	1,476,642	121.3%	\$ 1,476,642	259,642
<b>TOTAL REVENUES</b>	<b>\$ 183,347,092</b>	<b>\$ 183,347,092</b>	<b>\$ 173,165,146</b>	<b>94.4%</b>	<b>\$ 186,208,310</b>	<b>\$ 2,861,218</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 189,448,009</b>	<b>\$ 201,736,419</b>	<b>\$ 183,591,391</b>	<b>91.0%</b>	<b>\$ 192,924,784</b>	<b>\$ 8,811,635</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ (6,100,917)</b>	<b>\$ (18,389,327)</b>	<b>\$ (10,426,245)</b>		<b>\$ (6,716,474)</b>	
<b>To/(From) Fund Balance</b>						
					Overall Budget Variance	<b>\$ 11,672,853</b>

# General Fund - Expenditures

<b>DEPARTMENT</b>	<b>FY 2018 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH JUNE 2018</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
Audit Services	\$ 634,291	\$ 616,383	\$ 616,383	\$ 17,908
Budget & Management Services	1,389,242	1,335,427	\$ 1,335,427	53,815
City Attorney	1,852,517	1,782,876	\$ 1,783,642	68,875
City Clerk	755,066	687,404	\$ 723,305	31,761
City Council	1,095,832	1,009,230	\$ 1,009,615	86,217
City Manager/One Call/Public Affairs	3,878,991	3,737,930	\$ 3,809,596	69,395
City/County Planning	3,870,020	3,478,478	\$ 3,522,523	347,497
Community Development	2,206,433	1,818,983	\$ 1,868,166	338,267
Economic & Workforce Development	5,321,143	2,916,792	\$ 4,639,385	681,758
Emergency Communications	6,537,075	5,636,654	\$ 5,783,806	753,269
Emergency Management	243,412	240,915	\$ 240,915	2,497
Equal Opportunity-Equity Assurance	556,168	535,701	\$ 535,764	20,404

# General Fund - Expenditures

<b>DEPARTMENT</b>	<b>FY 2018 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH JUNE 2018</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
Finance	4,891,989	4,560,711	\$ 4,658,732	233,257
Fire	28,969,387	28,447,021	\$ 28,513,439	455,948
Fleet Maintenance	3,689,744	3,450,987	\$ 3,628,638	61,106
General Services	14,953,999	12,896,387	\$ 14,798,612	155,387
Human Resources	2,895,937	2,722,703	\$ 2,848,712	47,225
Neighborhood Improvement Service	4,396,647	3,869,211	\$ 4,350,181	46,466
Parks & Recreation	14,515,330	12,935,133	\$ 13,485,530	1,029,800
Police	62,018,552	60,582,133	\$ 61,812,249	206,303
Public Works	9,901,484	7,757,529	\$ 9,552,883	348,601
Technology Solutions	7,631,558	7,138,998	\$ 7,505,499	126,059
Transportation	8,452,526	7,702,658	\$ 8,059,460	393,066
NonDepartmental	11,838,341	8,534,991	\$ 8,646,166	3,192,175
Indirect Cost	(10,446,148)	(10,446,148)	\$ (10,446,148)	-
Transfers To Other Funds	9,686,883	9,642,304	9,642,304	44,579
<b>Total</b>	<b>\$ 201,736,419</b>	<b>\$ 183,591,391</b>	<b>\$ 192,924,784</b>	<b>\$ 8,811,635</b>



# General Fund - Expenditures

<b>CLASS</b>	<b>FY 2018 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH JUNE 2018</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
Personnel Services	\$ 146,812,305	\$ 140,430,918	\$ 140,635,504	\$ 6,176,801
Operating Expenditures	42,441,671	31,972,895	40,408,737	2,032,934
Capital Outlay	2,641,230	1,545,274	2,238,239	402,991
Appropriation Not Authorized for Expenditures	154,330	-	-	154,330
Transfers To Other Funds	9,686,883	9,642,304	9,642,304	44,579
<b>Total</b>	<b>\$ 201,736,419</b>	<b>\$ 183,591,391</b>	<b>\$ 192,924,784</b>	<b>\$ 8,811,635</b>

# General Fund Balance

Fund Balance 6/30/17 = \$50.1 million

**Minus** 2018 Projected Use of Fund Balance = \$6.7 million

**Plus** Encumbered Funds Released in 2018 = \$9.1 million

**Projected Fund Balance 6/30/18 = \$52.5 million (29%)**

16.7% Policy Level = \$30.2 million.

*\* Finance Department estimate does not reflect audited financial statements*

# General Fund - Revenues

<b>Revenue</b>	<b>Actual 2016-17</b>	<b>Actual 2017-18</b>	<b>Budget 2018-2019</b>	<b>% Change</b>
Property Tax	89,100,000	94,809,485	98,310,069	3.7%
Sales Tax	59,921,291	64,439,268	67,035,230	4.0%
Occupancy Tax	2,504,260	2,555,205	2,792,259	9.3%
Other Local Taxes	402,269	394,264	313,915	-20.4%
Utility Tax	4,013,549	3,838,644	4,146,883	8.0%
Permits	1,344,553	551,531	348,000	-36.9%
Other Intergovernmental	3,140,232	3,275,321	1,419,004	-56.7%
Powell Bill	6,223,354	6,293,671	6,285,588	-0.1%
Charges for Services	7,915,122	7,586,675	8,930,425	17.7%
Intragovernmental Services	579,790	81,359	6,694,530	8128.4%
Rental	157,686	500,556	116,661	-76.7%

# Enterprise Funds

# Water & Sewer Fund

- Operating revenues at 98.63% of budget
- Operating expenses at 93.40%
- Overall, total revenues for the year exceeded total expenses by \$1.88M

# Water & Sewer Fund - Revenues

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2018	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
<b>REVENUES</b>				
Operating Revenues	\$ 97,673,327	\$ 96,272,660	\$ 96,272,660	\$ (1,400,667)
Permits	145,000	205,327	205,327	60,327
Total Operating Revenues	\$ 97,818,327	\$ 96,477,987	\$ 96,477,987	\$ (1,340,340)
Non-Operating Revenues				
Miscellaneous	\$ 1,493,600	\$ 2,285,905	\$ 2,285,905	\$ 792,305
Investment Income	275,000	684,362	684,362	409,362
Operating Transfers from Other Funds	-	137,170	137,170	137,170
Total Non-Operating Revenues	\$ 1,768,600	\$ 3,107,437	\$ 3,107,437	\$ 1,338,837
<b>TOTAL REVENUES</b>	\$ 99,586,927	\$ 99,585,424	\$ 99,585,424	\$ (1,503)

# Water & Sewer Fund - Expenses

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2018	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
<b>EXPENDITURES</b>				
Personnel Services	\$ 28,035,957	\$ 27,223,237	\$ 27,223,237	\$ 812,720
Operating Expenditures	23,316,813	21,777,735	21,777,735	1,539,078
Non-Departmental Administration	5,303,254	5,303,254	5,303,254	-
Capital Outlay	867,819	241,657	241,657	626,162
Debt Service Principal and Interest	11,002,619	9,585,159	9,585,159	1,417,460
Operating Transfers to Other Funds	33,572,056	33,572,056	33,572,056	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 102,098,518</b>	<b>\$ 97,703,098</b>	<b>\$ 97,703,098</b>	<b>\$ 4,395,420</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ (2,511,591)</b>	<b>\$ 1,882,326</b>	<b>\$ 1,882,326</b>	
<b>To/(From) Fund Balance</b>				
			Overall Budget Variance	<u>\$ 4,393,917</u>

# W&S Capital Facility Fee Fund

- Capital Facility Fees are derived from charges to new development or facility expansion.
- Funding provided to the Water and Sewer Construction Fund supports capital improvements.
- Annual revenues are 67.3% over budget continuing the positive trend over the past five years in local development and growing utility customer base.
- In FY 2017-18 the budget for the Capital Facility Fee Fund was amended to allow for excess fund balance to be transferred to the Water and Sewer Construction Fund, \$19.2M was transferred. This fund will be eliminated in FY 2018-19.



# Transit Operations Fund

- Operating revenues at 93.77% of budget
- Operating expenses at 88.16%
- Overall, total revenues for the year exceeded total expenses by \$2.3M

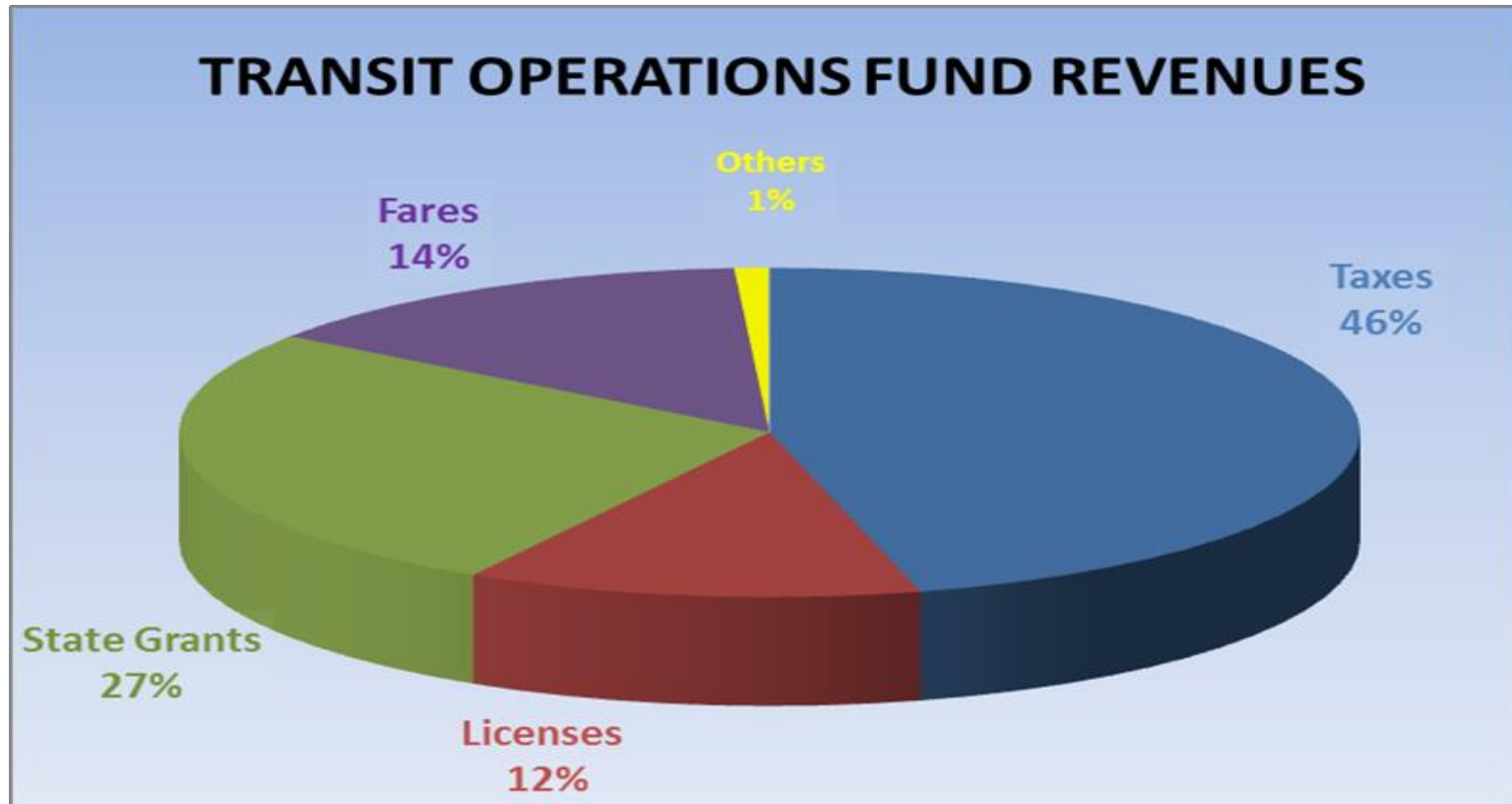
# Transit Operations Fund - Revenues

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2018	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
<b>REVENUES</b>				
Operating Revenues	\$ 3,086,786	\$ 2,894,565	\$ 2,894,565	\$ (192,221)
Non-Operating Revenues				
Taxes	\$ 9,941,248	\$ 10,201,263	\$ 10,201,263	\$ 260,015
Miscellaneous	8,636,280	8,082,228	8,082,228	(554,052)
Total Non-Operating Revenues	\$ 18,577,528	\$ 18,283,491	\$ 18,283,491	\$ (294,037)
<b>TOTAL REVENUES</b>	\$ 21,664,314	\$ 21,178,056	\$ 21,178,056	\$ (486,258)

# Transit Operations Fund - Expenses

	<b>FY 2018 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH JUNE 2018</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>EXPENDITURES</b>				
Operating Expenditures	\$ 20,992,740	\$ 18,745,539	\$ 18,745,539	\$ 2,247,201
Non-Departmental Administration	472,238	472,238	472,238	-
Capital Outlay	650,392	118,834	118,834	531,558
Debt Service Principal and Interest	194,182	198,095	198,095	(3,913)
Operating Transfers to Other Funds	1,324,417	1,301,770	1,301,770	22,647
<b>TOTAL EXPENDITURES</b>	<b>\$ 23,633,969</b>	<b>\$ 20,836,476</b>	<b>\$ 20,836,476</b>	<b>\$ 2,797,493</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ (1,969,655)</b>	<b>\$ 341,580</b>	<b>\$ 341,580</b>	
<b>To/(From) Fund Balance</b>				
			Overall Budget Variance	<u>\$ 2,311,235</u>

# Transit Operations Fund – Source of Funding



# Solid Waste Fund

- Overall Fund operated at a \$2.2M surplus
- Operating revenues more than originally budgeted
- The Solid Waste Fund generated roughly 30% of revenue needs through charges and other non-tax revenues

# Solid Waste Fund - Revenues

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2018	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
<b>REVENUES</b>				
Operating Revenues	\$ 7,224,624	\$ 7,720,558	\$ 7,720,558	\$ 495,934
Non-Operating Revenues				
Taxes	\$ 17,564,734	\$ 18,003,500	\$ 18,003,500	\$ 438,766
Investment Income	30,000	62,113	62,113	32,113
Miscellaneous	167,462	244,109	244,109	76,647
Operating Transfers from Other Funds	127,695	127,695	127,695	-
Total Non-Operating Revenues	\$ 17,889,891	\$ 18,437,417	\$ 18,437,417	\$ 547,526
<b>TOTAL REVENUES</b>	\$ 25,114,515	\$ 26,157,976	\$ 26,157,975	\$ 1,043,460

# Solid Waste Fund - Expenses

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2018	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
<b>EXPENDITURES</b>				
Personnel Services	\$ 7,325,105	\$ 7,706,943	\$ 7,706,943	\$ (381,838)
Operating Expenditures	11,448,014	9,929,879	9,929,879	1,518,135
Non-Departmental Administration	2,647,272	2,647,272	2,647,272	-
Capital Outlay	372,508	254,286	254,286	118,222
Debt Service Principal and Interest	4,248,931	4,316,268	4,316,268	(67,337)
Operating Transfers to Other Funds	157,818	154,000	154,000	3,818
<b>TOTAL EXPENDITURES</b>	<b>\$ 26,199,648</b>	<b>\$ 25,008,648</b>	<b>\$ 25,008,648</b>	<b>\$ 1,191,000</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ (1,085,133)</b>	<b>\$ 1,149,328</b>	<b>\$ 1,149,327</b>	
<b>To/(From) Fund Balance</b>				
			<b>Overall Budget Variance</b>	<b>\$ 2,234,460</b>

# 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.
- Year end results show total revenues realized at 105% of budget and total expenditures at 92% of budgeted expectations.



# Stormwater Fund - Revenues

	<b>FY 2018 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH JUNE 2018</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>REVENUES</b>				
Operating Revenues	\$ 15,486,348	\$ 16,215,148	\$ 16,215,148	\$ 728,800
Non-Operating Revenues				
Investment Income	\$ 34,000	\$ 116,590	\$ 116,590	\$ 82,590
Operating Transfers from Other Funds	109,047	127,377	127,377	18,330
Total Non-Operating Revenues	\$ 143,047	\$ 243,967	\$ 243,967	\$ 100,920
<b>TOTAL REVENUES</b>	<b>\$ 15,629,395</b>	<b>\$ 16,459,115</b>	<b>\$ 16,459,115</b>	<b>\$ 829,720</b>

# Stormwater Fund - Expenses

	<b>FY 2018 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH JUNE 2018</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
Expenditures				
Personnel Services	\$ 7,911,746	\$ 7,530,329	\$ 7,530,329	\$ 381,417
Operating Expenditures	2,792,067	2,066,098	2,066,098	725,969
Non-Departmental Administration	883,708	883,708	883,708	-
Capital Outlay	335,364	158,403	158,403	176,961
Operating Transfers to Other Funds	3,904,816	3,904,816	3,904,816	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 15,827,701</b>	<b>\$ 14,543,354</b>	<b>\$ 14,543,354</b>	<b>\$ 1,284,347</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ (198,306)</b>	<b>\$ 1,915,761</b>	<b>\$ 1,915,761</b>	
<b>To/(From) Fund Balance</b>				
			Overall Budget Variance	<b>\$ 2,114,067</b>

# Parking Fund

- The Parking fund operating revenues had a shortfall of 2.29% budget to actual.
- Reduction in operating expenditure helped the Parking Fund address revenue shortfall.

# Parking Fund - Revenues

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2018	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
<b>REVENUES</b>				
Operating Revenues	\$ 5,082,231	\$ 4,965,613	\$ 4,965,613	\$ (116,618)
Non-Operating Revenues				
Investment Income	\$ 12,000	\$ 46,559	\$ 46,559	\$ 34,559
Operating Transfers from Other Funds	882,707	882,707	882,707	-
Total Non-Operating Revenues	\$ 894,707	\$ 929,265	\$ 929,266	\$ 34,559
<b>TOTAL REVENUES</b>	\$ 5,976,938	\$ 5,894,878	\$ 5,894,879	\$ (82,059)

# Parking Fund - Expenses

	<b>FY 2018 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH JUNE 2018</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>EXPENDITURES</b>				
Personnel Services	\$ 255,009	\$ 260,283	\$ 260,283	\$ (5,274)
Operating Expenditures	3,499,624	2,842,070	2,842,070	657,554
Non-Departmental Administration	392,258	392,258	392,258	-
Capital Outlay	-	-	-	-
Debt Service Principal and Interest	1,359,597	1,141,542	1,141,542	218,055
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,506,488</b>	<b>\$ 4,636,153</b>	<b>\$ 4,636,153</b>	<b>\$ 870,335</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ 470,450</b>	<b>\$ 1,258,725</b>	<b>\$ 1,258,726</b>	
<b>To/(From) Fund Balance</b>				
			Overall Budget Variance	<u>\$ 788,276</u>

# Debt Services Fund

	FY 2018 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2018	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
<b>REVENUES</b>				
Property Taxes	\$ 36,358,161	\$ 37,309,775	\$ 37,309,775	\$ 951,614
Non-Operating Revenues				
Intergovernmental (Subsidy)	598,195	632,012	632,012	33,817
Intergovernmental (Durham County)	1,878,516	1,924,443	1,924,443	45,927
Investment Income		126,590	126,590	126,590
Debt Refunding				-
Total Non-operating revenues	2,476,711	2,683,045	2,683,045	206,334
<b>TOTAL REVENUES</b>	<b>\$ 38,834,872</b>	<b>\$ 39,992,820</b>	<b>\$ 39,992,820</b>	<b>\$ 1,157,948</b>
<b>EXPENDITURES</b>				
Special Contractual Services	422,660	415,390	415,390	7,270
Transfers to Other Funds	3,020,382	3,020,382	3,020,382	-
Debt Service Principal	19,583,871	20,802,486	20,802,486	(1,218,615)
Debt Service Interest and Other Fiscal Charges	8,946,833	7,177,037	7,177,037	1,769,796
<b>TOTAL EXPENDITURES</b>	<b>\$ 31,973,746</b>	<b>\$ 31,415,295</b>	<b>\$ 31,415,295</b>	<b>\$ 558,451</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ 6,861,126</b>	<b>\$ 8,577,525</b>	<b>\$ 8,577,525</b>	
To/(From) Fund Balance				
			<b>Overall Budget Variance</b>	<b>\$ 1,716,399</b>