

September 2017 Monthly Financial Report

City of Modesto, California

Through September 30, 2017*

General Fund Overview

	Monthly Actuals Received/ Expended	Monthly % of Total Budget	YTD Actuals	2017/18 Operating Budget	% of Total Budget Received/ Expended
Revenues	\$ 5,551,043	4.6%	\$ 10,909,973	\$ 120,133,745	9.1%
Expenditures	\$ 9,577,616	7.3%	\$ 33,721,192	\$ 130,722,625	25.8%
Revenue Over Expenditure Variance	\$ (4,026,573)		\$ (22,811,219)	\$ (10,588,880)	

Summary

Revenue Overview

The City has received \$5.55 million in General Fund revenues in the month of September 2017. These revenues were received mainly in the areas of Sales Tax (\$2.97M) and Utility Users Tax (\$759k). When comparing the amount of revenue received in September with the amount received in August, it is clear that less revenue typically comes in for the General Fund during the month of September. One area that requires some closer monitoring in the coming months will be the area of Users Utility Tax. When looking at the chart comparing year to year actuals (page 4), it shows that the Users Utility Tax is down \$1.2 million from what was received in the prior fiscal year. This revenue source will be monitored closely in the coming months.

Expenditure Overview

The City has expended \$9.58 million in General Fund dollars in the month of September 2017. This represents approximately 7.3% of the total FY 2017-18 Operating Budget. To date there have been total expenditures of \$33.7 million. The year-to-date total may seem high, but this is due to the lump sum payment to CalPERS for the unfunded accrued liability payment that was required at the beginning of the fiscal year in July 2017. This payment was in the amount of \$9.8 million for the General Fund portion of the expense.

The majority of expenditures that occurred during the month of September 2017 originated from the Public Safety Departments and were related to salary and benefit charges. The salary and benefit expenses for the Police and Fire totaled \$5.07 million in the month of September. All remaining salary and benefit expenditures from General Fund departments totaled \$1.36 million. The total remaining expenditures across the categories of discretionary expenditures, internal service fund expenditures and transfers out of the General Fund were approximately \$3.15 million.

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General Fund Revenues Overview

Revenue Category	Monthly Actuals Received	Monthly % of Total Budget	YTD Actuals	2017/18 Operating Budget	% of Total Budget Received
1 Property Tax - Property	60,760	0.4%	121,336	15,634,250	0.8%
2 Property Tax - VLF Swap	-	0.0%	-	15,711,010	0.0%
3 Sales Tax	2,966,090	9.7%	2,966,090	30,440,650	9.7%
4 Utility Users Tax	759,189	3.7%	2,501,619	20,459,361	12.2%
5 Business License/Mill Tax	171,019	1.5%	1,065,682	11,603,520	9.2%
6 Franchise Fees	2,147	0.0%	42,465	4,605,794	0.9%
7 Transient Occupancy Tax	123,759	5.1%	252,664	2,450,000	10.3%
8 Construction Revenues	181,358	8.3%	592,436	2,179,162	27.2%
9 Departmental Revenues	1,135,873	7.0%	3,216,833	16,126,153	19.9%
10 Motor Vehicle Fees	55,663	31.4%	55,663	177,020	31.4%
11 Transfers In	95,185	12.8%	95,185	746,423	12.8%
Total	5,551,043	4.6%	10,909,973	120,133,343	9.1%

Monthly Actuals Notes

- 1 **Property Tax -Property** - The largest amount of property taxes are paid at two points in the fiscal year, December/January and May/June. The first payment will be evaluated at the December/January timeframe.
- 2 **Property Tax - VLF Swap** - No VLF Swap revenue has been received to date. The first payment is typically received in December/January during the fiscal year.
- 3 **Sales Tax** - In September, the City received a payment of Sales Tax for July 2017. This is the first payment of Sales Tax that the City has received that will be applied to Fiscal Year 2017-18. The amount received was \$2.97 million. It is also important to note that this amount is approximately \$137k higher than the amount received in the same month in Fiscal Year 2016-17.
- 4 **Utility Users Tax** - This revenue has come in significantly lower for the month of September when compared to the previous fiscal year. In September 2017, the revenue came in \$1.27 million lower than the same month in the previous fiscal year. This brings the fiscal year total down by about \$753k when compared to the same time period in Fiscal Year 2016-17. This revenue will continue to be monitored closely over the next few months as we get closer to mid-year.
- 5 **Business License/Mill Tax** - Revenues received through the first three months of the current fiscal year are up by approximately \$26k from the previous fiscal year.
- 9 **Departmental Revenues** - A majority of the revenues received in this category in the month of September have been received from the Finance Department (\$264k), Non-Departmental (\$262k), and the Police Departments (\$232k).
- 10 **Motor Vehicle Fees** - \$55k in motor vehicle fees from abandoned vehicle fees have been received to date.
- 11 **Transfers In** - To date, \$95k has been received in Transfer In to the General Fund. This was from the dissolution of the Inventory Purchases Fund that was part of the adopted budget for Fiscal Year 2017-18.

*Reflects Amounts for September 30, 2017 as of October 20, 2017

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City of Modesto, California

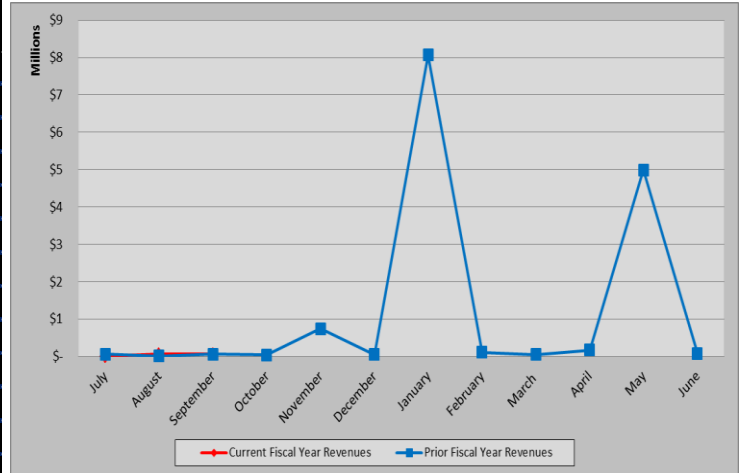
Through September 30, 2017

General Fund Revenue Overview

GENERAL FUND MAJOR REVENUE SOURCES

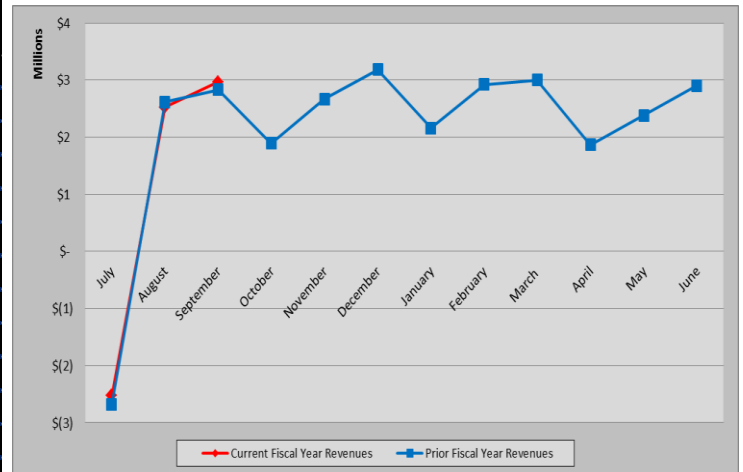
Property Tax - Property

	Current Fiscal Year Revenues	Prior Fiscal Year Revenues	Year-over-Year Variance
July	\$ -	\$ 64,644.74	\$ (64,644.74)
August	\$ 60,576.00	\$ 7,881.21	\$ 52,694.79
September	\$ 60,760.00	\$ 56,673.26	\$ 4,086.74
October		\$ 43,967.66	\$ (43,967.66)
November		\$ 739,766.61	\$ (739,766.61)
December		\$ 48,434.64	\$ (48,434.64)
January		\$ 8,062,785.17	\$ (8,062,785.17)
February		\$ 113,211.76	\$ (113,211.76)
March		\$ 47,723.88	\$ (47,723.88)
April		\$ 170,600.70	\$ (170,600.70)
May		\$ 4,992,130.12	\$ (4,992,130.12)
June		\$ 85,194.67	\$ (85,194.67)
Totals	\$ 121,336.00	\$ 14,433,014.42	\$ (14,311,678.42)



Sales Tax

	Current Fiscal Year Revenues	Prior Fiscal Year Revenues	Year-over-Year Variance
July	\$ (2,526,400.00)	\$ (2,684,974.82)	\$ 158,574.82
August	\$ 2,526,400.00	\$ 2,616,091.00	\$ (89,691.00)
September	\$ 2,966,090.00	\$ 2,828,180.91	\$ 137,909.09
October		\$ 1,890,550.00	\$ (1,890,550.00)
November		\$ 2,668,500.00	\$ (2,668,500.00)
December		\$ 3,184,602.52	\$ (3,184,602.52)
January		\$ 2,156,829.00	\$ (2,156,829.00)
February		\$ 2,923,327.00	\$ (2,923,327.00)
March		\$ 3,003,361.10	\$ (3,003,361.10)
April		\$ 1,863,729.09	\$ (1,863,729.09)
May		\$ 2,383,565.57	\$ (2,383,565.57)
June		\$ 2,900,718.21	\$ (2,900,718.21)
Totals	\$ 2,966,090.00	\$ 25,734,479.58	\$ (22,768,389.58)



Amounts in July of the Current Fiscal Year reflect accruals to previous fiscal year.

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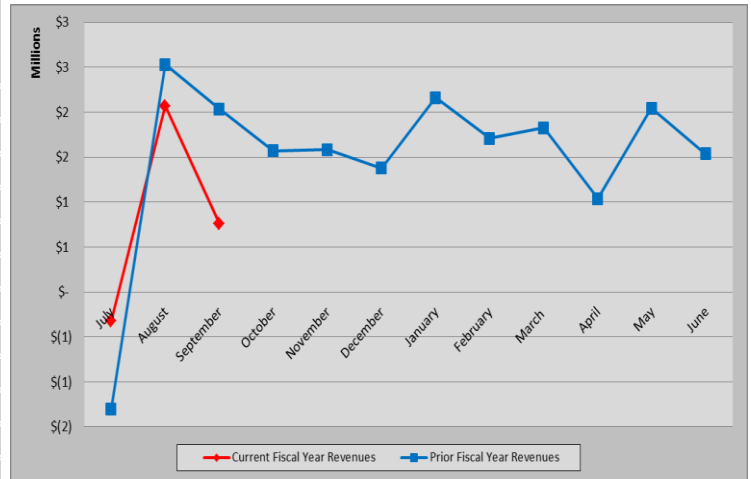
Through September 30, 2017*

General Fund Revenue Overview

GENERAL FUND MAJOR REVENUE SOURCES

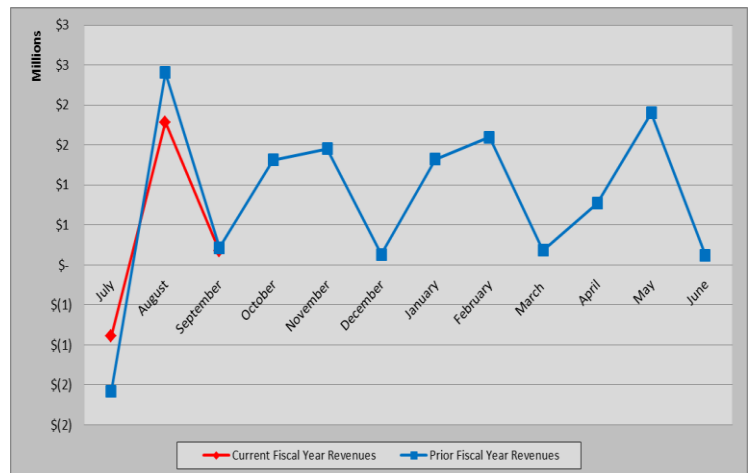
Users Utility Tax

	Current Fiscal Year Revenues	Prior Fiscal Year Revenues	Year-over-Year Variance
July	\$ (325,377.00)	\$ (1,306,137.90)	\$ 980,760.90
August	\$ 2,067,807.00	\$ 2,527,878.86	\$ (460,071.86)
September	\$ 759,189.00	\$ 2,033,486.87	\$ (1,274,297.87)
October		\$ 1,571,012.26	\$ (1,571,012.26)
November		\$ 1,583,396.82	\$ (1,583,396.82)
December		\$ 1,376,969.17	\$ (1,376,969.17)
January		\$ 2,159,039.69	\$ (2,159,039.69)
February		\$ 1,709,713.93	\$ (1,709,713.93)
March		\$ 1,827,369.51	\$ (1,827,369.51)
April		\$ 1,037,647.42	\$ (1,037,647.42)
May		\$ 2,041,310.83	\$ (2,041,310.83)
June		\$ 1,536,930.96	\$ (1,536,930.96)
Totals	\$ 2,501,619.00	\$ 18,098,618.42	\$ (15,596,999.42)



Business License/Mill Tax

	Current Fiscal Year Revenues	Prior Fiscal Year Revenues	Year-over-Year Variance
July	\$ (891,286.00)	\$ (1,581,576.93)	\$ 690,290.93
August	\$ 1,785,949.00	\$ 2,404,819.12	\$ (618,870.12)
September	\$ 171,019.00	\$ 216,396.14	\$ (45,377.14)
October		\$ 1,311,116.57	\$ (1,311,116.57)
November		\$ 1,454,074.95	\$ (1,454,074.95)
December		\$ 131,647.13	\$ (131,647.13)
January		\$ 1,323,245.47	\$ (1,323,245.47)
February		\$ 1,598,394.70	\$ (1,598,394.70)
March		\$ 180,611.15	\$ (180,611.15)
April		\$ 768,836.57	\$ (768,836.57)
May		\$ 1,903,257.69	\$ (1,903,257.69)
June		\$ 119,574.46	\$ (119,574.46)
Totals	\$ 1,065,682.00	\$ 9,830,397.02	\$ (8,764,715.02)



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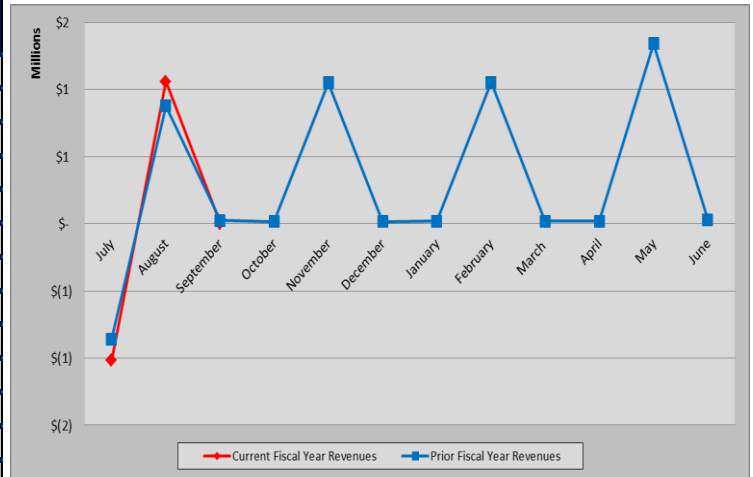
Through September 30, 2017*

General Fund Revenue Overview

GENERAL FUND MAJOR REVENUE SOURCES

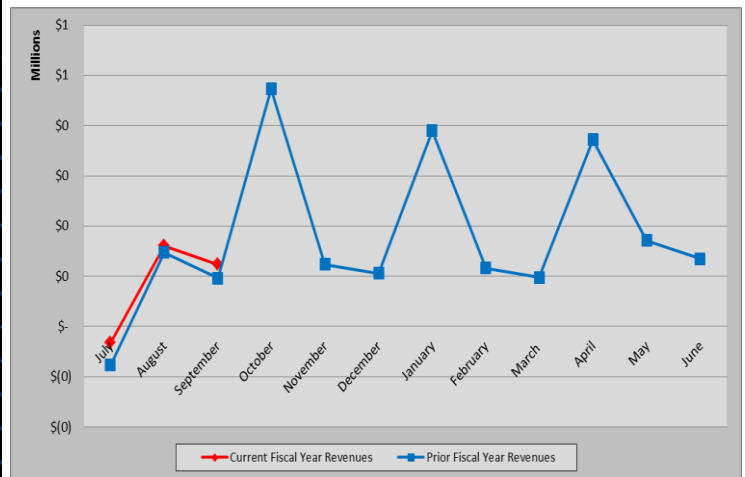
Franchise Fees

	Current Fiscal Year Revenues	Prior Fiscal Year Revenues	Year-over-Year Variance
July	\$ (1,017,135.00)	\$ (860,120.93)	\$ (157,014.07)
August	\$ 1,057,453.00	\$ 875,920.13	\$ 181,532.87
September	\$ 2,147.00	\$ 22,752.00	\$ (20,605.00)
October		\$ 15,313.00	\$ (15,313.00)
November		\$ 1,048,589.68	\$ (1,048,589.68)
December		\$ 15,516.00	\$ (15,516.00)
January		\$ 17,585.00	\$ (17,585.00)
February		\$ 1,053,300.58	\$ (1,053,300.58)
March		\$ 17,720.00	\$ (17,720.00)
April		\$ 19,032.60	\$ (19,032.60)
May		\$ 1,339,920.80	\$ (1,339,920.80)
June		\$ 28,290.14	\$ (28,290.14)
Totals	\$ 42,465.00	\$ 3,593,819.00	\$ (3,551,354.00)



Transient Occupancy Tax

	Current Fiscal Year Revenues	Prior Fiscal Year Revenues	Year-over-Year Variance
July	\$ (32,153.00)	\$ (76,787.66)	\$ 44,634.66
August	\$ 161,058.00	\$ 147,193.85	\$ 13,864.15
September	\$ 123,759.00	\$ 96,308.09	\$ 27,450.91
October		\$ 472,609.64	\$ (472,609.64)
November		\$ 123,847.91	\$ (123,847.91)
December		\$ 105,859.83	\$ (105,859.83)
January		\$ 389,399.20	\$ (389,399.20)
February		\$ 116,040.60	\$ (116,040.60)
March		\$ 97,626.09	\$ (97,626.09)
April		\$ 371,491.62	\$ (371,491.62)
May		\$ 171,074.30	\$ (171,074.30)
June		\$ 135,037.35	\$ (135,037.35)
Totals	\$ 252,664.00	\$ 2,149,700.82	\$ (1,897,036.82)



Amounts in July of the Current Fiscal Year reflect accruals to previous fiscal year.

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General Fund Expenditures Overview

Department	Monthly Actuals Expended	Monthly % of Total Budget	YTD Actuals	2017/18 Operating Budget	% of Total Budget Expended
1 City Council	30,677	7.3%	93,616	420,514	22.3%
2 City Manager's Office	171,734	7.2%	645,165	2,378,827	27.1%
3 City Attorney's Office	119,809	5.6%	338,687	2,137,936	15.8%
4 City Clerks' Office	29,245	3.1%	104,751	937,881	11.2%
5 Office of the City Auditor	1,003	0.3%	15,216	327,769	4.6%
6 Finance Department	411,541	8.8%	1,162,146	4,666,358	24.9%
7 Community & Economic Development	510,628	6.5%	1,774,124	7,900,681	22.5%
8 Human Resources Department	101,458	6.9%	362,575	1,462,766	24.8%
9 Fire Department	2,324,487	7.5%	9,638,803	30,853,956	31.2%
10 Police Department	4,988,652	8.0%	17,055,647	62,269,822	27.4%
11 Parks, Recreation & Neighborhoods	275,536	7.1%	801,555	3,903,426	20.5%
12 Public Works Department	462,266	7.1%	1,582,117	6,506,588	24.3%
13 Non-Departmental	4,186	1.0%	4,396	421,000	1.0%
14 Transfers Out	146,394	2.2%	142,394	6,535,102	2.2%
Total	9,577,616	7.3%	33,721,192	130,722,626	25.8%

Monthly Actuals Notes

- City Council** - The City Council had a total of \$30k in expenditures in the month of September 2017. \$23k of the expenditures were for salary and benefit expenses, \$6k were for internal service fund charges, and \$858 was for discretionary expenses.
- City Manager's Office** - The City Manager's Office had a total of \$171k in expenditures in the month of September 2017. \$95k of the expenditures were for salary and benefit expenses, \$12k were for internal service fund charges, and \$64k were for discretionary charges. This is an increase of \$59k in expenses from the previous month. The increase in discretionary expense was caused by the annual payment made to Opportunity Stanislaus per the MOU.
- City Attorney's Office** - The City Attorney's Office had a total of \$119k in expenditures in the month of September 2017. \$41k of the expenditures were for salary and benefit expenses, \$14k were for internal service fund charges, and \$64k was for discretionary expenses. This is an increase of \$59k in expenses from the previous month. The increase in discretionary expense was caused by the billings for Meyers Nave general legal services expenses for the month of July 2017.
- Finance Department** - The Finance Department had a total of \$411k in expenditures in the month of September 2017. \$310k of the expenditures were for salary and benefit expenses, \$29k were for internal service fund charges, and \$88k was for discretionary expenses. There was also \$16k received as an offsetting expense for direct charge revenue. This is an increase of \$134k in expenses from the previous month.
- Community & Economic Development Department** - C&ED had a total of \$511k in expenditures in the month of September 2017. \$369k in expenditures were for salary and benefit expenses, \$66k were for internal service fund charges, and \$114k was for discretionary expenses. There was also \$38k received as an offsetting expense for direct charge revenue. This is an increase of \$20k in expenses from the previous month.
- Fire Department** - The Fire Department had a total of \$2.32 million in expenditures in the month of September 2017. \$1.79 million of the expenditures were for salary and benefit expenses, \$65k was for internal service fund charges, and \$466k was for discretionary expenses. This is an increase of \$444k in expenses from the previous month. The increase in discretionary expense was caused mainly by the first payment for the Emergency Dispatch contract.
- Police Department** - The Police Department has a total of \$4.99 million in expenditures in the month of September 2017. \$3.3 million of the expenditures were for salary and benefit expenses, \$194k were for internal service fund charges, and \$1.55 million was for discretionary expenses. There was also \$38k received as an offsetting expense for direct charge revenue. This is an increase in expenses from the previous month of \$1.28 million. The increase in discretionary expense was caused mainly by the first payment for the Emergency Dispatch contract and the In-Kind contributions to SDEA.

*Reflects Amounts for September 30, 2017 as of October 20, 2017