

Fiscal Year 2017-18

February 2018 Monthly Financial Report

City of Modesto, California

Through February 28, 2018*

General Fund Overview

	Monthly Actuals Received/ Expended	Monthly % of Total Budget	YTD Actuals	2017/18 Operating Budget	% of Total Budget Received/ Expended
Revenues	\$ 16,273,243	13.5%	\$ 67,047,989	\$ 120,458,647	55.7%
Expenditures	\$ 7,543,984	5.7%	\$ 79,201,533	\$ 131,407,114	60.3%
Revenue Over Expenditure Variance	\$ 8,729,259		\$ (12,153,544)	\$ (10,948,467)	

Summary

Revenue Overview

The City has received \$16.3 million in General Fund revenues in the month of February 2018. These revenues were received mainly in the areas of Property Tax - VLF Swap (\$7.95M), Sales Tax (\$3.07M) and Business License/Mill Tax (\$2.33M). When comparing the amount of revenue received in February with the amount received in January, the figures show that revenues are significantly higher in this month. This is a direct result of the first installment of the Property Tax - VLF Swap being received. This is good news for the City as this first installment has come in slightly higher than expected for this revenue source. Being that 50% of the revenue in this category is typically received in this first payment, it can be estimated that the total revenue for Property Tax - VLF Swap will be \$15.9M which is approximately \$200K higher than the budgeted amount for FY 2017-18.

Expenditure Overview

The City has expended \$7.54 million in General Fund dollars in the month of February 2018. This represents approximately 5.7% of the total FY 2017-18 Operating Budget. To date, there have been total expenditures of \$79.2 million or 60.3% of the total expense budget. The year-to-date total is higher than previous years, but this is largely 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 February 2018 originated from the Public Safety Departments (\$5.53M) and were related to salary and benefit charges. The salary and benefit expenses for the Police and Fire Departments totaled \$4.95M million in the month of February. All remaining salary and benefit expenditures from General Fund departments totaled \$1.25 million. The total remaining expenditures across the categories of discretionary expenditures, internal service fund expenditures and transfers out of the General Fund were approximately \$760 thousand.

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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	57,436	0.4%	9,238,564	15,634,250	59.1%
2 Property Tax - VLF Swap	7,948,403	50.6%	7,948,403	15,711,010	50.6%
3 Sales Tax	3,070,819	10.1%	16,024,962	30,440,650	52.6%
4 Utility Users Tax	1,406,063	6.9%	11,952,218	20,459,361	58.4%
5 Business License/Mill Tax	2,329,106	20.1%	7,292,418	11,603,520	62.8%
6 Franchise Fees	577,825	12.5%	1,670,886	4,605,794	36.3%
7 Transient Occupancy Tax	198,644	8.1%	1,514,739	2,450,000	61.8%
8 Construction Revenues	267,500	12.3%	1,619,409	2,179,162	74.3%
9 Departmental Revenues	304,232	1.8%	9,475,717	16,451,055	57.6%
10 Motor Vehicle Fees	113,215	64.0%	215,488	177,020	121.7%
11 Transfers In	-	0.0%	95,185	746,825	12.7%
Total	16,273,243	13.5%	67,047,989	120,458,647	55.7%

Monthly Actuals Notes

- 1 **Property Tax -Property** - As of February 2018, the City has received an additional small payment of \$57k in Property Tax revenues. At this point in time, Property Tax is trending approximately \$101k higher than at the same point in Fiscal Year 2017.
- 2 **Property Tax - VLF Swap** - The first payment of VLF Swap revenue has been received in February 2018. The first payment came in higher than was anticipated at \$7.94M. This means that the total revenue for this category will likely end the year \$185k higher than budgeted
- 3 **Sales Tax** - In February, the City received a payment of Sales Tax for the month of December 2017. This is the sixth payment of Sales Tax that the City has received that will be applied to Fiscal Year 2017-18. The amount received was \$3.07 million. It is important to note that this amount is approximately \$147k higher than the amount received in the same month in Fiscal Year 2016-17 and that Sales Tax is up by \$441k when compared to the prior fiscal year at the same point in time.
- 4 **Utility Users Tax** - In February 2018, the amount of UUT received was \$1.4 million which was approximately \$303k lower than the amount received in the same month in the prior fiscal year. This is the second straight month with a fairly large decrease in UUT revenue when compared to the prior fiscal year. Even with this fact, the UUT revenue overall for the year is approximately \$296k higher than last year.
- 5 **Business License/Mill Tax** - Revenues received in the month of February were about \$2.33 million. This was higher by about \$730k from what had been received in the previous fiscal year's month of February. The large revenue received in February has brought this revenue category back in the positive overall when comparing it to the prior year in the same time period. It is up approximately \$434k.
- 9 **Departmental Revenues** - A majority of the revenues received in this category in the month of February have been received from Police Department (\$328k), Parks and Recreation (\$180k) and the Public Works Department (\$137k).
- 11 **Transfers In** - To date, \$95k has been received in Transfers 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 February 28, 2018 as of March 16, 2018

Fiscal Year 2017-18

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City of Modesto, California

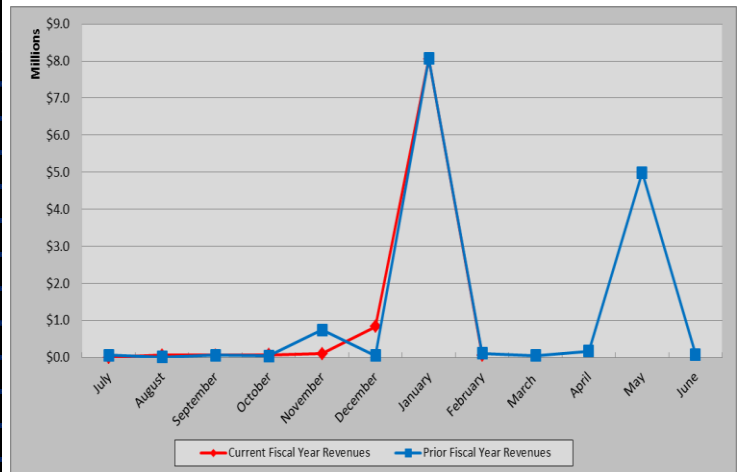
Through February 28, 2018

General Fund Revenue Overview

GENERAL FUND MAJOR REVENUE SOURCES

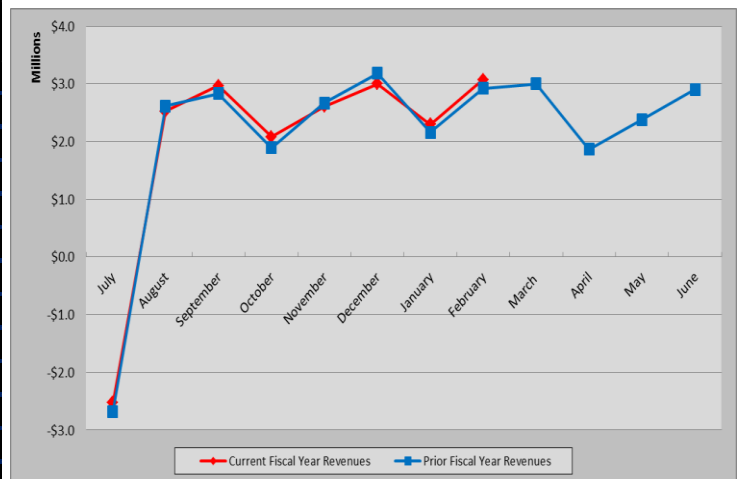
Property Tax - Property

	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	\$ 70,052.00	\$ 43,967.66	\$ 26,084.34
November	\$ 103,043.00	\$ 739,766.61	\$ (636,723.61)
December	\$ 827,990.00	\$ 48,434.64	\$ 779,555.36
January	\$ 8,058,707.00	\$ 8,062,785.17	\$ (4,078.17)
February	\$ 57,436.00	\$ 113,211.76	\$ (55,775.76)
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	\$ 9,238,564.00	\$ 14,433,014.42	\$ (5,194,450.42)



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	\$ 2,083,100.00	\$ 1,890,550.00	\$ 192,550.00
November	\$ 2,609,202.00	\$ 2,668,500.00	\$ (59,298.00)
December	\$ 3,001,806.00	\$ 3,184,602.52	\$ (182,796.52)
January	\$ 2,293,945.00	\$ 2,156,829.00	\$ 137,116.00
February	\$ 3,070,819.00	\$ 2,923,327.00	\$ 147,492.00
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	\$ 16,024,962.00	\$ 25,734,479.58	\$ (9,709,517.58)



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

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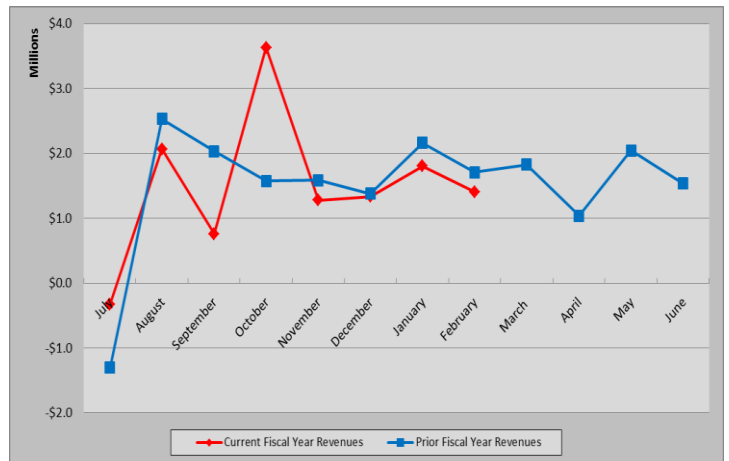
Through February 28, 2018

General Fund Revenue Overview

GENERAL FUND MAJOR REVENUE SOURCES

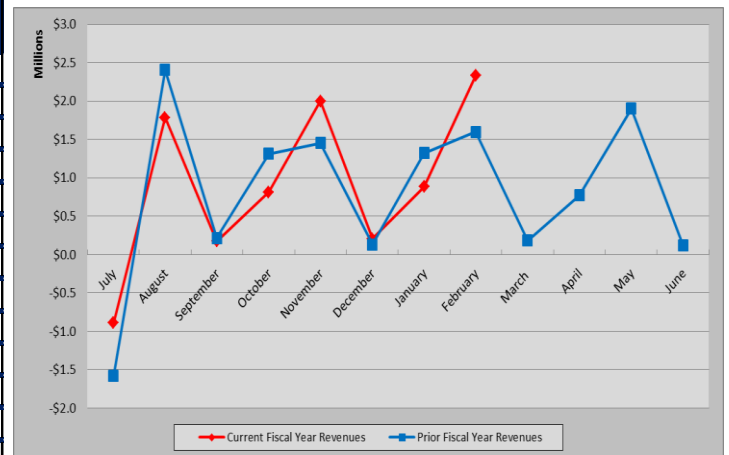
Utility Users Tax

	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	\$ 3,628,790.00	\$ 1,571,012.26	\$ 2,057,777.74
November	\$ 1,276,979.00	\$ 1,583,396.82	\$ (306,417.82)
December	\$ 1,335,670.00	\$ 1,376,969.17	\$ (41,299.17)
January	\$ 1,803,097.00	\$ 2,159,039.69	\$ (355,942.69)
February	\$ 1,406,063.00	\$ 1,709,713.93	\$ (303,650.93)
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	\$ 11,952,218.00	\$ 18,098,618.42	\$ (6,146,400.42)



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	\$ 814,085.00	\$ 1,311,116.57	\$ (497,031.57)
November	\$ 1,997,729.00	\$ 1,454,074.95	\$ 543,654.05
December	\$ 204,731.00	\$ 131,647.13	\$ 73,083.87
January	\$ 881,085.00	\$ 1,323,245.47	\$ (442,160.47)
February	\$ 2,329,106.00	\$ 1,598,394.70	\$ 730,711.30
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	\$ 7,292,418.00	\$ 9,830,397.02	\$ (2,537,979.02)



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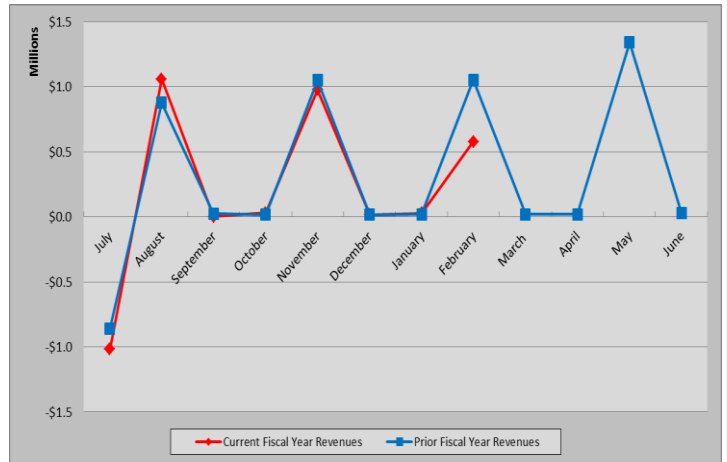
Through February 28, 2018

General Fund Revenue Overview

GENERAL FUND MAJOR REVENUE SOURCES

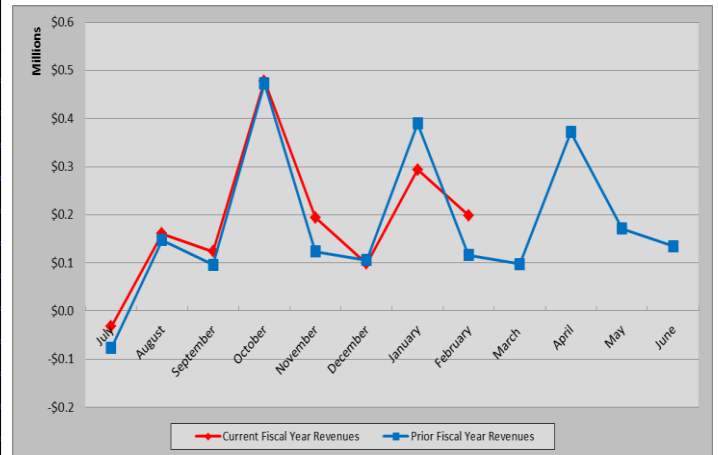
Franchise Fees

	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	\$ 28,325.00	\$ 15,313.00	\$ 13,012.00
November	\$ 977,950.00	\$ 1,048,589.68	\$ (70,639.68)
December	\$ 16,912.00	\$ 15,516.00	\$ 1,396.00
January	\$ 27,409.00	\$ 17,585.00	\$ 9,824.00
February	\$ 577,825.00	\$ 1,053,300.58	\$ (475,475.58)
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	\$ 1,670,886.00	\$ 3,593,819.00	\$ (1,922,933.00)



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	\$ 477,715.00	\$ 472,609.64	\$ 5,105.36
November	\$ 194,020.00	\$ 123,847.91	\$ 70,172.09
December	\$ 98,262.00	\$ 105,859.83	\$ (7,597.83)
January	\$ 293,434.00	\$ 389,399.20	\$ (95,965.20)
February	\$ 198,644.00	\$ 116,040.60	\$ 82,603.40
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	\$ 1,514,739.00	\$ 2,149,700.82	\$ (634,961.82)



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

Fiscal Year 2017-18

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City of Modesto, California

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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	30,089	7.2%	261,520	420,514	62.2%
2	City Manager's Office	109,862	4.6%	1,275,627	2,378,827	53.6%
3	City Attorney's Office	65,882	3.1%	1,128,733	2,137,936	52.8%
4	City Clerks' Office	320,529	34.2%	563,470	937,881	60.1%
5	Office of the City Auditor	2,279	0.7%	26,604	327,769	8.1%
6	Finance Department	310,953	6.7%	2,955,858	4,666,358	63.3%
7	Community & Economic Development	532,990	6.7%	4,523,484	7,900,681	57.3%
8	Human Resources Department	96,362	6.6%	881,414	1,462,766	60.3%
9	Fire Department	1,836,915	6.0%	22,174,185	30,819,928	71.9%
10	Police Department	3,688,447	5.9%	38,264,973	62,280,572	61.4%
11	Parks, Recreation & Neighborhoods	273,918	7.0%	2,171,219	3,903,426	55.6%
12	Public Works Department	294,450	4.5%	4,074,245	6,506,588	62.6%
13	Non-Departmental	150	0.0%	90,969	421,000	21.6%
14	Transfers Out	(18,842)	-0.3%	809,233	7,242,869	11.2%
	Total	7,543,984	5.7%	79,201,534	131,407,115	60.3%

Monthly Actuals Notes

- City Council** - The City Council had a total of \$30k in expenditures in the month of February 2018. \$23k of the expenditures were for salary and benefit expenses, \$6k were for internal service fund charges, and \$903 were for discretionary expenses. This is a decrease of \$2.4k in expenses from the previous month.
- City Manager's Office** - The City Manager's Office had a total of \$110k in expenditures in the month of February 2018. \$97k of the expenditures were for salary and benefit expenses, \$12k were for internal service fund charges, and \$201 were for discretionary charges. This is a decrease of \$39k in expenditures from the previous month.
- City Attorney's Office** - The City Attorney's Office had a total of \$66k in expenditures in the month of February 2018. \$35k of the expenditures were for salary and benefit expenses, \$14k were for internal service fund charges, and \$17k were for discretionary expenses. This is a decrease of \$93k in expenses from the previous month in the discretionary expense category.
- Finance Department** - The Finance Department had a total of \$310k in expenditures in the month of February 2018. \$224k of the expenditures were for salary and benefit expenses, \$26k were for internal service fund charges, and \$80k were for discretionary expenses. There was also \$19k received as an offsetting expense for direct charge revenue. This is a decrease of \$80k in expenses from the previous month.
- Community & Economic Development Department** - C&ED had a total of \$533k in expenditures in the month of February 2018. \$363k in expenditures were for salary and benefit expenses, \$64k were for internal service fund charges, and \$145k were for discretionary expenses. There was also \$38k received as an offsetting expense for direct charge revenue. This is a decrease of \$38k in expenses from the previous month.
- Fire Department** - The Fire Department had a total of \$1.84 million in expenditures in the month of February 2018. \$1.7 million of the expenditures were for salary and benefit expenses, \$65k were for internal service fund charges, and \$43k were for discretionary expenses. This is a decrease of \$440k in expenses from the previous month.
- Police Department** - The Police Department has a total of \$3.69 million in expenditures in the month of February 2018. \$3.22 million of the expenditures were for salary and benefit expenses, \$194k were for internal service fund charges, and \$287k were for discretionary expenses. There was also \$10k received as an offsetting expense for direct charge revenue. This is a decrease in expenses from the previous month by \$833k. The decrease in expenditures was mainly caused because there was no payment needed for the City's portion of the SR911 Call Center in the month of February.

*Reflects Amounts for February 28, 2018 as of March 16, 2018