

City of Chehalis



**Quarterly
Council Financial Report**

**For the Period Ended
March 31, 2018
(January through March)**

The City of Chehalis, Washington

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Jill Anderson, City Manager
BY: Chun Saul, Finance Director
MEETING OF: April 23, 2018
SUBJECT: Financial Reports First Quarter Ended 03/31/2018

DISCUSSION

This item has been scheduled to provide financial reports for the first quarter ended 3/31/2018 (January through March).

EXECUTIVE SUMMARY

This document provides a summary review of City financial activity for the first quarter ended 3/31/2018 (January through March). The report has been formatted to be consistent with the adopted budget for ease of comparison and review of information. First set of reports provides summary review of all City funds with their beginning fund balance, total revenues and transfers in, total expenditures and transfers out, ending fund balances, and changes in fund balances during the year. Second set of reports provides two-year comparative financial reports for revenues and expenditures for the General Fund and the major enterprise funds.

CURRENT STATUS

At the end of March, on a city-wide basis, total revenues and transfers-in, and expenditures and transfers-out are within parameters for budget projections. The target % of budget for receipts and spending for 3 months operations is 25% (3/12 months).

Overall, on a city-wide basis, the city received in 22.8% of total revenue budget (including other funding sources and non-revenues) and expended 19.0% of total appropriations (including transfers out and other use of resources).

During this period, the total city-wide receipts exceeded total expenditures/expenses by \$945,967 and increased the ending fund balances by \$945,967 (a 5.3% increase).

For the most part, the city operated within the normal budget parameters.

There are three (3) funds showing their ending fund balance decreased from their beginning balance, which means total expenditures exceeded total receipts.

The General Fund shows \$228,175 decrease in fund balance. This is explained in detail in the General Fund overview section below.

The Public Facility Reserve fund (#301) shows a \$42,863 decrease in fund balance. Total year-to-date revenue is less than 1% of budget, which is all from transfers in from other funds. Typically, budget transfers are recorded periodically to cover the expenditures incurred, but no transfers were recorded in the first quarter. We will record the budget transfers in April to cover the estimated expenditures through June.

The Firemen's Pension fund (#611) shows a \$5,716 decrease in fund balance. This is a temporary discrepancy. Firemen's pension fund revenues come from a portion of general property tax and fire insurance premium tax. The first half of property tax payment and the annual fire insurance premium tax will be received in May, and they should increase the fund balance.

Overall, on a city-wide basis, total expenditures & transfers out is 19.0% of the 2018 budget. While most monthly recurring operating expenditures are within normal budget parameters, debt service payments, capital expenditures and the related fund transfers out will occur after the first quarter.

BOTTOM LINE: The City operated within normal budget parameters.

GENERAL FUND

Overview:

2018 adopted budget includes use of beginning fund balance in the amount of \$228,149, due to the total appropriation exceeding the 2018 revenue projection. At the end of first quarter, the general fund expenditures and transfers out exceeded the revenues by \$228,175 (100% of budget). We will need to monitor general fund activities more closely.

Total revenues and other receipts is 23.8% of budget and the expenditures and transfers out is 25.6%.

General Fund Revenues:

Tax revenues make up 81.4% of total general fund revenues. Total tax revenues through March 2018 is \$1,827,342 (a 22.0% of the budget). Overall tax revenue receipts showed a \$108,123 (or 6.3%) increase from this time last year.

Property Tax receipts are 0.9% of budget, way below the target %. There are two contributing factors for deviation from the normal budget parameters: 1) the first half of 2018 property tax

is due in April and we will receive the tax distributions from the County in May and 2) Currently about 8.9% of the city's general property tax is placed in the Firemen's Pension fund. This portion is included in the general fund budget as well as in the Firemen's Pension fund in error. Overall, 2018 property tax budget is \$175,355 over the 2018 final tax levy certification. A budget amendment will be needed to adjust the property tax revenue budget to match to the County's tax levy amount.

Sales and Use Tax receipts are 26.2% of the budget. This is \$145,619 (or 13.2%) increase from this time last year. About \$87,500 (about 60%) of the increase is from construction activities (highway & bridge and commercial & institutional building construction), which is considered one-time nature and the sale tax will Kiley drop once the constructions are over. Also, February 2018 Consumer Price Index (CPI) for Seattle-Tacoma-Bremerton area went up 3.3 percent from a year ago, which could have contributed to the increase.

Utility Tax receipts are 33.6% of the budget. All utility tax receipts are higher than the target 25% except Cable utility tax receipts, which is 19.5% of the budget.

Charges for Services receipts are 11.5% of budget. Plan check review fees, charges for fire and police services, and parks & recreation fees make up this category. Parks & Recreation fees make up 55% of the budget in this category. Parks and recreation program revenues is 11.5% of the budget. This revenue is expected to pick up during the summer months.

Fines and Other Receipts are 93.5% of budget. This is \$186,124 increase from this time last year. This increase is attributable to the Chehalis Foundation donation in the amount of \$189,233 for the ballfield project.

GENERAL FUND EXPENDITURES & TRANSFERS OUT

Adopted appropriations and required transfers are budgeted at \$9,655,146, which includes the operating appropriations of \$9,106,625 and capital outlays, debt service and transfers out of \$548,521.

Total expenditures and transfers out are at 25.6% of the budget. Annual WCIA insurance premium (general fund's share \$176,199) was paid in February which is one of the contributing factors for the actual expenditures going over the target %.

Almost all departments are within the budget parameter, except for Police, Fire and Facilities and Parks. Police department expenditures are 28.2% of the budget. Payroll costs are one of the contributing factors. Payroll expenditures are about 27.4% of the budget due to the retroactive pay relating to the Police Guild CBA change in late 2017.

The costs related to the CBA with the Police Guild were anticipated and the second 2017 budget amendment set aside a sum of \$250,000 in a suspense account for retroactive payments related to for the Police and Fire in the Non-Departmental department. In order to

maintain an accurate record of personnel costs in the Police Department the payments made in February 2018 were charged to the Police Department, not the Non-Departmental Account.

In addition, the collective bargaining agreement with the International Association of Fire Fighters has not yet been settled, so any salary impacts associated with an agreement will need to be accounted for in 2018. One or more budget amendments will be scheduled after the first quarter of 2018 to reflect the accounting for the approved changes in payroll associated with employment costs.

Fire department expenditures are 29.0% of the budget. This is mainly due to substantially (92%) all of their annual budget for uniforms and minor equipment are expensed within the first quarter.

Facilities and Parks department expenditures are 26.1% of the budget.

ENTERPRISE FUNDS

Wastewater Fund

Operating revenues for the first quarter is \$1,235,542 (22.3% of budget). Wastewater sales revenue is \$146,397 (or 10.2%) lower than this time last year.

→ Total operating expenditures is 28.0% of the budget. This is mainly due to the \$63,136 final payment made to the contractor in early 2018 for Prindle sewer repair work done in late 2017. This project cost was originally included in 2017 budget. The first 2018 budget amendment will include this item.

Debt service and capital outlay expenditures are at 1.5% of the budget. Debt service payments are on annual and bi-annual schedule, and the first debt service payment will be in May.

Water Fund

Operating revenues for the first quarter is \$505,865 (18.7% of budget). Water sales revenue is \$35,168 (or 6.5%) lower than this time last year.

Operating expenditures are 20.4% of the budget. Other than Debt service (5.4% of budget) and capital expenditures (1.4% of budget), all other expenditures are within the normal budget parameters.

Storm and Surface Water Fund

Operating revenues for the first quarter is \$166,338 (29.5% of budget). Stormwater fee revenues is \$6,467 (or 4%) higher than this time last year.

Operating expenditures are 24.4% of the budget and are within normal budget parameters.

Airport Fund

Operating revenue for the first quarter is \$478,114 (25.1% of budget). Rents/lease revenue receipts are \$267,236 (24.1% of budget) and is \$876 increase from this time last year. Rent/lease revenues are the number one revenue source for the Airport fund and makes up about 58% of total revenue budget. Fuel sales and intergovernmental grants are their next main revenue sources. Fuel sales revenue decreased from this time last year by \$14,724.

Operating expenditures is 19.5% of budget.

FISCAL IMPACT

As shown.

RECOMMENDATION

It is recommended that the City Council review this information and let staff know if there are any questions.

SUGGESTED MOTION

N/A

City of Chehalis
 First Quarter Financial Statements - All Funds
 March 31, 2018

	General Fund #001		Dedicated Street Fund #003		Bldg. Abatement #004		Arterial Str Fund #102		TBD Fund #103	
	Budget	YTD Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	1,292,910	2,041,942	20,533	117,842	90,200	90,313	109,938	114,125	217,880	360,055
Revs. & Transfers In	9,426,997	2,244,535	185,125	48,501	9,796	149	148,500	39,154	850,600	282,927
Exps. & Transfers Out	(9,655,146)	(2,472,710)	(164,900)	(33,780)	0	0	(160,060)	(11,867)	(500,000)	0
Ending Fund Balance	1,064,761	1,813,767	40,758	132,563	99,996	90,462	98,378	141,412	568,480	642,982
Changes in Fund Balance	(228,149)	(228,175)	14,721	14,721	149	149	27,287	27,287	282,927	282,927
	Tourism Fund #107		CDBG Fund #195		HUD BG Fund #197		2011 G.O. Bond #200		Public Fac Reserve #301	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	261,082	313,086	111	111	70,706	70,943	0	0	0	90,185
Revs. & Transfers In	233,800	47,972	10,000	0	100	117	102,510	300	420,000	101
Exps. & Transfers Out	(317,435)	0	(75)	0	0	0	(102,510)	(300)	(420,000)	(42,964)
Ending Fund Balance	177,447	361,058	10,036	111	70,806	71,060	0	0	0	47,322
Changes in Fund Balance	47,972	47,972	0	0	117	117	0	0	(42,863)	(42,863)
	Auto/Eq Reserve #302		1st QTR REET Fund #305		2nd QTR REET Fund #306		Garbage Fund #402		Wastewater Fund #404	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	461	463	186,857	176,107	275,504	264,738	6,868	7,024	4,125,346	4,822,426
Revs. & Transfers In	0	1	90,700	17,507	90,650	17,653	6,445	1,453	5,518,992	1,233,080
Exps. & Transfers Out	0	0	(162,865)	(100)	(233,675)	(100)	(6,005)	(1)	(4,947,395)	(835,905)
Ending Fund Balance	461	464	114,692	193,514	132,479	282,291	7,308	8,476	4,696,943	5,219,601
Changes in Fund Balance	1	1	17,407	17,407	17,553	17,553	1,452	1,452	397,175	397,175
	Water Fund #405		Storm/Surface Wtr #406		Airport Fund #407		Firemens Pension #611		City Agency Fund #633	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	4,515,851	7,192,608	866,832	1,100,553	237,974	371,625	696,307	729,330	9,560	10,890
Revs. & Transfers In	2,830,884	637,174	573,130	170,486	2,090,259	519,191	148,950	2,615	360,000	0
Exps. & Transfers Out	(2,923,461)	(545,777)	(696,351)	(113,958)	(1,957,269)	(251,156)	(78,500)	(8,331)	(360,000)	0
Ending Fund Balance	4,423,274	7,284,005	743,611	1,157,081	370,964	639,660	766,757	723,614	9,560	10,890
Changes in Fund Balance	91,397	91,397	56,258	56,258	268,035	268,035	(5,716)	(5,716)	0	0
	ALL FUNDS TOTALS									
Beginning Fund Balance	12,984,920	17,874,366								
Revs. & Transfers In	23,097,438	5,262,916								
Exps. & Transfers Out	(22,685,647)	(4,316,949)								
Ending Fund Balance	13,396,711	18,820,333								
Changes in Fund Balance	(411,791)	945,967								

Note: In some instances, ending fund balances include non-cash components, such as prepaid insurance and inventory. Resulting variances are considered immaterial.

To: The Honorable Mayor and Council
 Via: Tracie J Anderson, City Manager
 From: Chun Saul, Finance Director
 Prepared by: Betty Brooks, Payroll Accountant
 Date: April 17, 2018
 Subject: Monthly Financial Reports for Period Ended March 2018

City of Chehalis
Comparative Financial Reports
March 2018 and 2017

GENERAL FUND (#001)	A		B		C=B/A		D		E		F=E/D		G		H		H [^]		J=E-B	
	2017	2017	YTD Actual	% to Budget	2018	2018	YTD Actual	% to Budget	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2017-2018	YTD Incr
ADDITIONS	Budget	YTD Actual	% to Budget	Budget	YTD Actual	% to Budget	Budget	YTD Actual	% to Budget	Target % *	Target % *	Target \$	2018 YTD	Variance from Target	2017-2018	YTD Incr	(decr)			
Tax Revenues:																				
Property Taxes ⁽¹⁾	1,792,460	38,829	2.2%	1,864,685	16,065	0.9%	1,864,685	16,065	0.9%	25.0%	466,171	466,171	(450,106)	(22,764)						
Sales and Use Taxes ⁽²⁾	4,180,791	1,100,707	26.3%	4,752,128	1,246,326	26.2%	4,752,128	1,246,326	26.2%	25.0%	1,188,032	1,188,032	58,294	145,619						
Utility Taxes	1,656,731	567,946	34.3%	1,640,420	551,456	33.6%	1,640,420	551,456	33.6%	25.0%	410,105	410,105	141,351	(16,490)						
Other Taxes	43,095	11,737	27.2%	50,267	13,495	26.8%	50,267	13,495	26.8%	25.0%	12,567	12,567	928	1,758						
Total Tax Revenues	7,673,077	1,719,219	22.4%	8,307,500	1,827,342	22.0%	8,307,500	1,827,342	22.0%	25.0%	2,076,875	2,076,875	(249,533)	108,123						
Non-Tax Revenues:																				
Licenses and Permits	210,550	61,125	29.0%	180,835	40,724	22.5%	180,835	40,724	22.5%	25.0%	45,209	45,209	(4,485)	(20,401)						
Intergovernmental Revenues	183,661	41,947	22.8%	207,561	53,444	25.7%	207,561	53,444	25.7%	25.0%	51,890	51,890	1,554	11,497						
Charges for Goods and Services	326,265	63,018	19.3%	349,705	40,270	11.5%	349,705	40,270	11.5%	25.0%	87,426	87,426	(47,156)	(22,748)						
Fines and Forfeitures	144,770	28,546	19.7%	140,685	27,482	19.5%	140,685	27,482	19.5%	25.0%	35,171	35,171	(7,689)	(1,064)						
Other Revenues	127,475	36,912	29.0%	128,435	224,100	174.5%	128,435	224,100	174.5%	25.0%	32,109	32,109	191,991	187,188						
Total Non-Tax Revenues	992,721	231,548	23.3%	1,007,221	386,020	38.3%	1,007,221	386,020	38.3%	25.0%	251,805	251,805	134,215	154,472						
Other Increase in Fund Resources:																				
Custodial Receipts	148,351	22,381	15.1%	112,276	21,589	19.2%	112,276	21,589	19.2%	25.0%	28,069	28,069	(6,480)	(792)						
Other Resources	-	-	0.0%	-	9,584	0.0%	-	9,584	0.0%	25.0%	-	-	9,584	9,584						
Total Other Increase in Fund Resources	148,351	22,381	15.1%	112,276	31,173	27.8%	112,276	31,173	27.8%	25.0%	28,069	28,069	3,104	8,792						
Total Revenues & Other Fund Resources	\$ 8,814,149	\$ 1,973,148	22.4%	\$ 9,426,997	\$ 2,244,535	23.8%	\$ 9,426,997	\$ 2,244,535	23.8%	25.0%	\$ 2,356,749	\$ (112,214)	\$ 271,387							

Foot Note:

⁽¹⁾ Excludes percentage of property tax allocated to the Firemen's Pension Fund.

⁽²⁾ Excludes Transportation Benefit District (TBD) sales tax.

Key:

* The expected percentage is calculated as follows: since the report is for the 3 months of the year, 3 is divided by 12 - the number of months in the year.

H=(D*G) (annual budgeted amount x expected % amount)

H[^] Actual expensed less the target (expected) amount

City of Chehalis
Comparative Financial Reports
March 2018 and 2017

GENERAL FUND (#001)	A		B		C=B/A		D		E		F=E/D		G		H		H^		J=E-B	
	2017		2017		2017 YTD		2018		2018		2018 YTD		2018 YTD		2018 YTD		2018 YTD		2017-2018	
DEDUCTIONS	Budget	YTD Actual	% to Budget	Budget	YTD Actual	% to Budget	Budget	YTD Actual	% to Budget	YTD Actual	% to Budget	Target	Target % *	Target \$	Variance from Target	YTD Incr (decr)				
Expenditures:																				
City Council	\$ 92,351	13,901	15.1%	92,364	17,580	19.0%	92,364	17,580	19.0%	23,091	25.0%	23,091	25.0%	23,091	(5,511)	3,679				
Municipal Court	368,768	83,507	22.6%	395,412	91,874	23.2%	395,412	91,874	23.2%	98,853	25.0%	98,853	25.0%	98,853	(6,979)	8,367				
City Manager	312,582	10,129	3.2%	275,562	62,013	22.5%	275,562	62,013	22.5%	68,891	25.0%	68,891	25.0%	68,891	(6,878)	51,884				
Finance	231,511	61,330	26.5%	302,373	74,844	24.8%	302,373	74,844	24.8%	75,593	25.0%	75,593	25.0%	75,593	(749)	13,514				
City Clerk	79,915	12,026	15.0%	92,078	16,992	18.5%	92,078	16,992	18.5%	23,020	25.0%	23,020	25.0%	23,020	(6,028)	4,966				
Facilities and Parks	791,001	216,728	0.0%	1,038,724	271,072	26.1%	1,038,724	271,072	26.1%	259,681	25.0%	259,681	25.0%	259,681	11,391	54,344				
Non-Departmental	424,846	126,512	29.8%	427,234	49,061	11.5%	427,234	49,061	11.5%	106,809	25.0%	106,809	25.0%	106,809	(57,748)	(77,451)				
Human Resources	80,584	21,712	26.9%	104,410	23,213	22.2%	104,410	23,213	22.2%	26,103	25.0%	26,103	25.0%	26,103	(2,890)	1,501				
Police	2,827,928	709,722	25.1%	2,990,874	842,015	28.2%	2,990,874	842,015	28.2%	747,719	25.0%	747,719	25.0%	747,719	94,297	132,293				
Fire	1,987,889	575,771	29.0%	2,049,333	594,908	29.0%	2,049,333	594,908	29.0%	512,333	25.0%	512,333	25.0%	512,333	82,575	19,137				
Public Works - Streets	569,309	105,695	18.6%	573,223	112,367	19.6%	573,223	112,367	19.6%	143,306	25.0%	143,306	25.0%	143,306	(30,939)	6,672				
Planning & Building	259,497	92,528	0.0%	320,060	81,179	25.4%	320,060	81,179	25.4%	80,015	25.0%	80,015	25.0%	80,015	1,164	(11,349)				
Recreation	476,870	96,371	0.0%	444,978	95,757	21.5%	444,978	95,757	21.5%	111,245	25.0%	111,245	25.0%	111,245	(15,488)	(614)				
Total Functional Expenditures	\$ 8,503,051	\$ 2,125,931	25.0%	\$ 9,106,625	\$ 2,332,875	25.6%	\$ 9,106,625	\$ 2,332,875	25.6%	\$ 2,276,656	25.0%	\$ 2,276,656	25.0%	\$ 2,276,656	\$ 56,219	\$ 206,944				
Other Decrease in Fund Resources:																				
Capital Outlay	213,454	122,676	57.5%	126,260	52,565	41.6%	126,260	52,565	41.6%	31,565	25.0%	31,565	25.0%	31,565	21,000	(70,111)				
Debt Service	119,390	28,068	23.5%	100,185	25,043	25.0%	100,185	25,043	25.0%	25,046	25.0%	25,046	25.0%	25,046	(3)	(3,025)				
Custodial Disbursements	127,280	14,537	11.4%	101,885	13,846	13.6%	101,885	13,846	13.6%	25,471	25.0%	25,471	25.0%	25,471	(11,625)	(691)				
Transfer Out	286,505	42,522	14.8%	220,191	48,381	22.0%	220,191	48,381	22.0%	55,048	25.0%	55,048	25.0%	55,048	(6,667)	5,859				
Total Other Decrease in Fund Resources	746,629	207,803	27.8%	548,521	139,835	25.5%	548,521	139,835	25.5%	137,130	25.0%	137,130	25.0%	137,130	2,705	(67,968)				
Total Expenditures & Other Decreases in Fund Resources	9,249,680	2,333,734	25.2%	9,655,146	2,472,710	25.6%	9,655,146	2,472,710	25.6%	2,413,787	25.0%	2,413,787	25.0%	2,413,787	58,923	138,976				
Increase (Decrease) in Cash and Investments	\$ (435,531)	\$ (360,566)	82.8%	\$ (228,149)	\$ (228,175)	100.0%	\$ (228,149)	\$ (228,175)	100.0%	\$ (57,037)	25.0%	\$ (57,037)	25.0%	\$ (57,037)	\$ (171,138)	\$ 132,411				

Key:

* The expected percentage is calculated as follows: since the report is for the 3 months of the year, 3 is divided by 12 - the number of months in the year.

H=(D*G) (annual budgeted amount x expected % amount)

H^ Actual expensed less the target (expected) amount

City of Chehalis
Comparative Financial Reports
March 2018 and 2017

WASTEWATER FUND (#404)	A		B		C=B/A		D	E		F=E/D		G	H^A		I=F-G	J=E-B
	2017	2017	2017	2017	2017	2017		2018	2018	2018	2018		2018	2018		
	Budget	YTD Actual	% to Budget	2017 YTD Budget	2018 Budget	2018 YTD Actual	2018 YTD Budget	2018 YTD % to Budget	2018 YTD Target %*	2018 YTD Target \$	2018 YTD Variance from Target	2018 YTD % Variance from Target	2017-2018 YTD Incr (decr)			
Revenues:																
Charges for Goods & Services	\$ 5,289,972	\$ 1,341,801	25.4%	\$ 5,289,972	\$ 1,195,404	21.9%	25.0%	25.0%	1,361,948	\$ (166,544)	-3.1%	\$ (146,397)				
Intergovernmental Revenues	-	8,795	0.0%	-	10,903	0.0%	25.0%	25.0%	-	10,903	-25.0%	2,108				
Late Payment Fees	50,000	12,885	25.8%	50,000	13,455	26.4%	25.0%	25.0%	12,750	705	1.4%	570				
Rental Income	3,545	3,545	100.0%	3,545	3,545	100.0%	25.0%	25.0%	886	2,659	75.0%	-				
Interest Earnings	3,000	4,324	144.1%	3,000	8,229	54.9%	25.0%	25.0%	3,750	4,479	29.9%	3,905				
Other Misc. Revenues	3,000	536	17.9%	3,000	1,006	91.5%	25.0%	25.0%	275	731	66.5%	470				
Total Revenues	5,349,517	1,371,886	25.6%	5,349,517	1,232,542	22.33%	25.0%	25.0%	1,379,609	(147,067)	78.19%	(139,344)				
Expenditures:																
Operating Expenditures	2,804,370	703,503	25.1%	2,804,370	805,187	28.0%	25.0%	25.0%	719,603	85,585	-3.0%	101,684				
Total Expenditures:	2,804,370	703,503	25.1%	2,804,370	805,187	28.0%	25.0%	25.0%	719,603	85,585	-3.0%	101,684				
Excess (Deficiency) Revenues over Expenditures	2,545,147	668,383	26.3%	2,545,147	427,355	16.2%	25.0%	25.0%	660,007	(232,652)	8.8%	(241,028)				
Other Increase in Fund Resources:																
Custodial Receipts	555	498	89.7%	555	538	96.9%	25.0%	25.0%	139	399	71.9%	40				
Capital Contribution - Utility Hookup/Connection	60,000	-	0.0%	60,000	-	0.0%	25.0%	25.0%	-	-	-25.0%	-				
Debt Proceeds (Bonds/Loans)	275,000	574,953	209.1%	275,000	-	0.0%	25.0%	25.0%	-	-	-25.0%	(574,953)				
Total Other Increases in Fund Resources	335,555	575,451	171.5%	335,555	538	96.9%	25.0%	25.0%	139	399	71.9%	(574,913)				
Other Use of Fund Resources:																
Custodial Disbursements	555	43	7.7%	555	22	3.7%	25.0%	25.0%	150	(128)	21.3%	(21)				
Debt Service Principal	1,846,181	19,773	1.1%	1,846,181	19,773	1.1%	25.0%	25.0%	467,929	(448,156)	23.9%	-				
Debt Service - Interest	43,937	29	0.1%	43,937	19	0.1%	25.0%	25.0%	5,417	(5,398)	24.9%	(10)				
Capital Outlay	473,000	575,208	121.6%	473,000	10,903	6.2%	25.0%	25.0%	43,750	(32,847)	18.8%	(564,305)				
Total Other Use of Fund Resources	2,363,673	595,053	25.2%	2,363,673	30,717	1.5%	25.0%	25.0%	517,246	(486,529)	23.5%	(564,336)				
Increase (Decrease) in Cash & Investments	\$ 517,029	\$ 648,781	125.5%	\$ 517,029	\$ 397,176	69.5%	25.0%	25.0%	\$ 142,899	\$ 254,276	44.5%	\$ (251,605)				

Key:

* The expected percentage is calculated as follows: since the report is for the 3 months of the year, 3 is divided by 12 - the number of months in the year.

H=(D*G) (annual budgeted amount x expected % amount)

H^A Actual expensed less the target (expected) amount

City of Chehalis
Comparative Financial Reports
March 2018 and 2017

WATER FUND (#405)	A		B		C=B/A		D		E		F=E/D		G		H		H ^Δ		I=F-G		J=E-B		
	2017	2017	2017	2017	2017	2017	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2017-2018	2017-2018	
	Budget	YTD Actual	% to Budget	Budget	YTD Actual	% to Budget	Budget	YTD Actual	Budget	YTD Actual	% to Budget	Budget	YTD Actual	Target % *	Target \$	YTD	Variance from Target	Variance from Target	Variance from Target	YTD Incr (decr)	YTD Incr (decr)	YTD Incr (decr)	
Revenues:																							
Charges for Goods & Services	\$2,613,600	\$ 541,033	20.7%	\$2,814,784	\$ 608,248	21.6%	\$2,814,784	\$ 608,248	\$703,696	\$ (95,448)	-3.4%	\$703,696	\$ (95,448)								\$ 67,215		
Intergovernmental Revenues	-	-	0.0%	-	-	0.0%	-	-	-	-	0.0%	-	-								-		
Late Payment Fees	28,000	8,681	31.0%	31,000	10,242	33.0%	31,000	10,242	7,750	2,492	8.0%	31,000	10,242		7,750						1,561		
Interest Earnings	9,750	3,274	33.6%	15,000	15,009	100.1%	15,000	15,009	3,750	11,259	75.1%	15,000	15,009		3,750						11,735		
Other Misc. Revenues	2,121	454	21.4%	1,000	3,681	368.1%	1,000	3,681	250	3,431	343.1%	1,000	3,681		250						3,227		
Total Revenues	2,653,471	553,442	20.9%	2,861,784	637,180	22.3%	2,861,784	637,180	715,446	(78,266)	-2.7%	2,861,784	637,180		715,446						83,738		
Expenditures																							
Operating Expenditures	1,930,472	515,783	26.7%	2,440,235	498,547	20.4%	2,440,235	498,547	610,059	(111,512)	4.6%	2,440,235	498,547		610,059						(17,236)		
Total Expenditures	1,930,472	515,783	26.7%	2,440,235	498,547	20.4%	2,440,235	498,547	610,059	(111,512)	4.6%	2,440,235	498,547		610,059						(17,236)		
Excess (Deficiency) Revenues over Expenditures	722,999	37,659	5.2%	421,549	138,633	32.9%	421,549	138,633	105,387	33,246	-7.9%	421,549	138,633		105,387						100,974		
Other Increase in Fund Resources																							
Capital Contribution - Utility Hookup/Connection	75,000	3,807	5.1%	-	-	0.0%	-	-	-	-	0.0%	-	-		-						(3,807)		
Custodial Receipts (Non-Rev Taxes)	150	42	28.0%	100	(5)	-5.0%	100	(5)	25	(30)	-30.0%	100	(5)		25						(47)		
Proceeds from Debt Issuance (Bonds/Loans)	1,000,000	-	0.0%	-	-	0.0%	-	-	-	-	0.0%	-	-		-						-		
Total Other Increase in Fund Resources	1,075,150	3,849	0.4%	100	(5)	-5.0%	100	(5)	25	(30)	-30.0%	100	(5)		25						(3,854)		
Other Use of Fund Resources																							
Custodial Disbursements	105	-	0.0%	100	378	378.3%	100	378	25	353	353.3%	100	378		25						378		
Debt Service Principal	135,077	11,000	8.1%	196,677	11,000	5.6%	196,677	11,000	49,169	(38,169)	19.4%	196,677	11,000		49,169						-		
Debt Service - Interest	12,480	1,833	14.7%	30,449	1,284	4.2%	30,449	1,284	7,612	(6,328)	20.8%	30,449	1,284		7,612						(549)		
Capital Outlay	1,603,000	379,542	23.7%	256,000	34,568	13.5%	256,000	34,568	64,000	(29,432)	11.5%	256,000	34,568		64,000						(344,974)		
Total Other Use of Fund Resources	1,750,662	392,375	22.4%	483,226	47,230	9.8%	483,226	47,230	120,807	(73,576)	15.2%	483,226	47,230		120,807						(345,145)		
Increase (Decrease) in Cash and Investments	\$ 47,487	\$(350,868)	-738.9%	\$(61,577)	\$ 91,398	-148.4%	\$(61,577)	\$ 91,398	\$(15,394)	\$ 106,792	173.4%	\$(61,577)	\$ 91,398		\$(15,394)						\$ 442,266		
Total revenues & other funding sources	3,728,621	557,291		2,861,884	637,175		2,861,884	637,175	715,471	(78,296)		2,861,884	637,175		715,471						79,885		
Total Expenditures and other funding use	3,681,134	908,158		2,923,461	545,777		2,923,461	545,777	730,865	(185,088)		2,923,461	545,777		730,865						(362,381)		
	47,487	(350,868)		(61,577)	91,398		(61,577)	91,398	(15,394)	106,792		(61,577)	91,398		(15,394)						442,266		

Key:

* The expected percentage is calculated as follows: since the report is for the 3 months of the year, 3 is divided by 12 - the number of months in the year.
H=(D*G) (annual budgeted amount x expected % amount)
H^Δ Actual expended less the target (expected) amount

City of Chehalis
Comparative Financial Reports
March 2018 and 2017

STORM FUND (#406)	A		B		C=B/A		D	E		F=E/D		G	H	H [^]	I=F-G	J=E-B	
	2017	2017	2017	2017	2017	2017	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2017-2018
REVENUES	Budget	YTD Actual	YTD Actual	% to Budget	Budget	YTD Actual	Budget	YTD Actual	Budget	YTD Actual	Target % *	Target %	Target \$	Variance from Target	YTD %	Variance from Target	YTD Incr (decr)
Revenues:																	
Charges for Goods & Services	\$545,910	\$ 159,871	\$ 159,871	29.3%	\$ 571,100	\$ 166,338	\$ 571,100	\$ 166,338	29.1%	\$142,775	25.0%	25.0%	\$23,563	\$ 23,563	4.1%	\$ 6,467	
Intergovernmental Revenue	-	-	-	0.0%	-	-	-	-	0.0%	-	25.0%	25.0%	-	-	0.0%	-	
Fines and Forfeitures	-	1,209	1,209	0.0%	5,000	2,260	5,000	2,260	45.2%	1,250	25.0%	20.2%	1,010	1,010	20.2%	1,051	
Interest Earnings	1,000	914	914	91.4%	2,000	1,867	2,000	1,867	93.4%	500	25.0%	68.4%	1,367	1,367	68.4%	953	
Other Misc. Revenues	-	6,750	6,750	0.0%	-	-	-	-	0.0%	-	25.0%	0.0%	-	-	0.0%	(6,750)	
Total Revenues	546,910	168,744	168,744	30.9%	578,100	170,465	578,100	170,465	29.5%	144,525	25.0%	4.5%	25,940	25,940	4.5%	1,721	
Expenditures:																	
Operating Expenditures	524,798	86,424	86,424	16.5%	466,301	113,936	466,301	113,936	24.4%	116,575	25.0%	0.6%	(2,639)	(2,639)	0.6%	27,512	
Total Expenditures	524,798	86,424	86,424	16.5%	466,301	113,936	466,301	113,936	24.4%	116,575	25.0%	0.6%	(2,639)	(2,639)	0.6%	27,512	
Excess (Deficiency) Revenues and Expenditures	22,112	82,320	82,320	372.3%	111,799	56,529	111,799	56,529	50.6%	27,950	25.0%	-25.6%	28,579	28,579	-25.6%	(25,791)	
Other Increase in Fund Resources:																	
Capital Contributions - Utility Hookup/Connection	2,000	-	-	0.0%	-	-	-	-	0.0%	-	25.0%	0.0%	-	-	0.0%	-	
Custodial Receipts	-	25	25	0.0%	30	21	30	21	70.0%	8	25.0%	45.0%	14	14	45.0%	(4)	
Total Other Increase of Fund Resources	2,000	25	25	1.3%	30	21	30	21	70.0%	8	25.0%	45.0%	14	14	45.0%	(4)	
Other Use of Fund Resources:																	
Custodial Disbursements	100	25	25	25.0%	50	21	50	21	42.0%	13	25.0%	0.0%	9	9	0.0%	(4)	
Capital Outlay	-	-	-	0.0%	230,000	-	230,000	-	0.0%	57,500	25.0%	0.0%	(57,500)	(57,500)	0.0%	-	
Total Other Use of Fund Resources	100	25	25	25.0%	230,050	21	230,050	21	0.0%	57,513	25.0%	25.0%	(57,492)	(57,492)	25.0%	(4)	
Increase (Decrease) in Cash and Investments	\$ 24,012	\$ 82,320	\$ 82,320	342.8%	\$(18,221)	\$ 56,529	\$(18,221)	\$ 56,529	-47.8%	\$(29,555)	25.0%	72.8%	\$ 86,084	\$ 86,084	72.8%	\$(25,791)	

Key:

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H=(D*G) (annual budgeted amount x expected % amount)

H[^] Actual expensed less the target (expected) amount

City of Chehalis
Comparative Financial Reports
March 2018 and 2017

AIRPORT FUND (#407)	A		B		C=B/A		D		E		F=E/D		G		H		H^A		I=F-G		J=E-B		
	2017	2017	2017	2017	2017	2017	2017	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2017	2018	
	Budget	YTD Actual	% to Budget	YTD	% to Budget	YTD	Budget	YTD Actual	% to Budget	Target % *	YTD	Target % *	YTD	Target \$	YTD	Variance from Target	YTD	Variance from Target	YTD	Variance from Target	YTD	YTD	
Revenues:																							
Intergovernmental Revenues	\$ 944,587	\$ 94,340	10.0%			\$ 308,000	\$ 127,439	41.4%	25.0%	25.0%	\$ 77,000	\$ 50,439	\$ 50,439	\$ 77,000	\$ 26,561	16.4%	\$ 33,099	\$ 77,000	\$ 50,439	\$ 26,561	\$ 33,099	\$ 33,099	
Fuel sales	533,622	97,161	18.2%			486,000	82,437	17.0%	25.0%	25.0%	121,500	(39,063)	(39,063)	121,500	160,563	(0)	(14,724)	121,500	160,563	38,063	(14,724)	(14,724)	
Other Misc. Revenues	3,095	295	9.5%			3,050	-	0.0%	25.0%	25.0%	763	(763)	(763)	763	(0)	0.0%	(295)	763	(763)	(0)	(295)	(295)	
Rents & Royalties	981,437	266,360	27.1%			1,111,150	267,236	24.1%	25.0%	25.0%	277,788	(10,552)	(10,552)	277,788	267,236	-0.9%	876	277,788	267,236	10,552	876	876	
Late Payment Fees	-	-	0.0%			-	-	0.0%	25.0%	25.0%	-	-	-	-	-	0.0%	-	-	-	-	-	-	
Interest Earnings	5,325	385	7.2%			-	1,002	0.0%	25.0%	25.0%	-	1,002	1,002	-	1,002	0.0%	617	-	1,002	1,002	617	617	
Total Revenues	2,468,066	458,541	18.6%			1,908,200	478,114	25.1%	25.0%	25.0%	477,050	1,064	1,064	477,050	1,064	0.1%	19,573	477,050	1,064	1,064	19,573	19,573	
Expenditures:																							
Operating Expenditures	1,159,047	247,154	21.3%			1,095,428	213,729	19.5%	25.0%	25.0%	273,857	(60,128)	(60,128)	273,857	(60,128)	5.5%	(33,425)	273,857	(60,128)	(60,128)	(33,425)	(33,425)	
Total Expenditures	1,159,047	247,154	21.3%			1,095,428	213,729	19.5%	25.0%	25.0%	273,857	(60,128)	(60,128)	273,857	(60,128)	5.5%	(33,425)	273,857	(60,128)	(60,128)	(33,425)	(33,425)	
Excess (Deficiency) Revenues over Expenditures	1,309,019	211,387	16.1%			812,772	264,385	32.5%	25.0%	25.0%	203,193	61,192	61,192	203,193	61,192	-7.5%	52,998	203,193	61,192	61,192	52,998	52,998	
Other Increase in Fund Resources:																							
Custodial Receipts	168,424	42,237	25.1%			182,059	41,077	22.6%	25.0%	25.0%	45,515	(4,438)	(4,438)	45,515	(4,438)	-2.4%	(1,160)	45,515	(4,438)	(4,438)	(1,160)	(1,160)	
Proceeds from Sale of Capital Assets	-	1,440	0.0%			-	-	0.0%	25.0%	25.0%	-	-	-	-	-	0.0%	(1,440)	-	-	-	(1,440)	(1,440)	
Total Other Increase in Fund Resources	168,424	43,677	25.9%			182,059	41,077	22.6%	25.0%	25.0%	45,515	(4,438)	(4,438)	45,515	(4,438)	-2.4%	(2,600)	45,515	(4,438)	(4,438)	(2,600)	(2,600)	
Other Use of Fund Resources:																							
Custodial Disbursements	168,424	5,174	3.1%			182,014	3,783	2.1%	25.0%	25.0%	45,504	(41,721)	(41,721)	45,504	(41,721)	22.9%	(1,391)	45,504	(41,721)	(41,721)	(1,391)	(1,391)	
Debt Service Principal	1,597,850	3,794	0.2%			36,640	9,771	26.7%	25.0%	25.0%	9,160	611	611	9,160	611	-1.7%	5,977	9,160	611	611	5,977	5,977	
Debt Service - Interest	44,382	2,877	6.5%			23,214	6,455	27.8%	25.0%	25.0%	5,804	652	652	5,804	652	-2.8%	3,578	5,804	652	652	3,578	3,578	
Capital Outlay	1,184,587	62,304	5.3%			619,973	17,418	2.8%	25.0%	25.0%	154,993	(137,575)	(137,575)	154,993	(137,575)	22.2%	(44,886)	154,993	(137,575)	(137,575)	(44,886)	(44,886)	
Total Other Use of Fund Resources	2,995,243	74,149	2.5%			861,841	37,427	4.3%	25.0%	25.0%	215,460	(178,033)	(178,033)	215,460	(178,033)	20.7%	(36,722)	215,460	(178,033)	(178,033)	(36,722)	(36,722)	
Increase (Decrease) in Cash and Investments	\$ (1,517,800)	\$ 180,915	-11.9%			\$ 132,990	\$ 268,035	201.5%	25.0%	25.0%	\$ 33,248	\$ 234,787	\$ 234,787	\$ 33,248	\$ 234,787	-176.5%	\$ 87,120	\$ 33,248	\$ 234,787	\$ 234,787	\$ 87,120	\$ 87,120	\$ 87,120

Key:

* The expected percentage is calculated as follows: since the report is for the 3 months of the year, 3 is divided by 12 - the number of months in the year.

H=(D*G) (annual budgeted amount x expected % amount)

H^A Actual expensed less the target (expected) amount

RECOMMENDATION/COUNCIL ACTION DESIRED

This report is for the Council's information only. No action is necessary.

Reviewed by _____, City Manager

March 2018 Financial Report City of Chehalis

**By Chun Saul
Finance Director**

Discussion

- 3 Months (January through March) Operations Results
- Target 25% for Budget to Actual Comparison
- Summary Review of all City Funds
- General Fund
 - Overview Revenues & Expenditures Budget to Actual
 - Revenues Budget to Actual & 2-Year Comparison
 - 2018 Revenues by Source
 - 2018 Expenditures by Department / Program – Budget to Actual
- Enterprise Funds Operating Results

All Funds – Summary Review

- On a City-wide basis
- YTD Actual v. 2018 Budget Comparison – Target 25%
- For the most part, revenues and expenditures are within parameters for budget projections.
- Revenues and transfers-in are 22.8% of the 2018 budgeted amount.
- Year to date expenditures v. 2018 appropriations:
 - Overall, the City has expended 19.0% of total appropriations.
 - Most operating appropriations – within normal budget parameters.
 - About 8.7% of the capital improvement has been made
 - About 3.5% of debt service expenditures has been made

General Fund Overview

City of Chehalis			
Revenues, Expenditures/Expenses and Changes in Fund Balance			
General Fund - Budget to Actual			
For the First Quarter Ended March 31, 2018			
	Budget	Actual	Target % % Of Budget
Beginning Fund Balance	\$ 1,292,910	\$ 2,041,942	
Revs. & Transfers In	9,426,997	2,244,535	25%
Exps. & Transfers Out	9,655,146	2,472,710	25%
Ending Fund Balance	\$ 1,064,761	\$ 1,813,767	
Changes in Fund Balance	\$ (228,149)	\$ (228,175)	←
% Increase (decrease)		-11.2%	

General Fund Revenue Sources Budget to Actual & YTD 2018 vs. 2017

General Fund Revenue Sources	2018 Budget		Mar. 2018		Prct. Rcvd	Mar. 2017		2018-2017 Incr. (decr.)
			YTD Actual	YTD Actual		YTD Actual	YTD Actual	
Property Taxes (1)	\$ 1,864,685	\$	16,065	0.9%	\$ 38,829	\$	(22,764)	
Sales and Use Taxes (2)	4,752,128		1,246,326	26.2%	1,100,707		145,619	
Utility Taxes	1,640,420		551,456	33.6%	567,946		(16,490)	
Other Taxes	50,267		13,495	26.8%	11,737		1,758	
Subtotal - Tax Revenues	8,307,500		1,827,342	22.0%	1,719,219		108,123	
Licenses and Permits	180,835		40,724	22.5%	61,125		(20,401)	
Intergovernmental Revenues	207,561		53,444	25.7%	41,947		11,497	
Charges for Goods and Services	349,705		40,270	11.5%	63,018		(22,748)	
Fines and Other Revenues	269,120		251,582	93.5%	65,458		186,124	
Transfers in & Other Non-Revenues	112,276		31,173	27.8%	22,381		8,792	
Total	\$ 9,426,997		\$ 2,244,535	23.8%	\$ 1,973,148		\$ 271,387	

Foot Note:

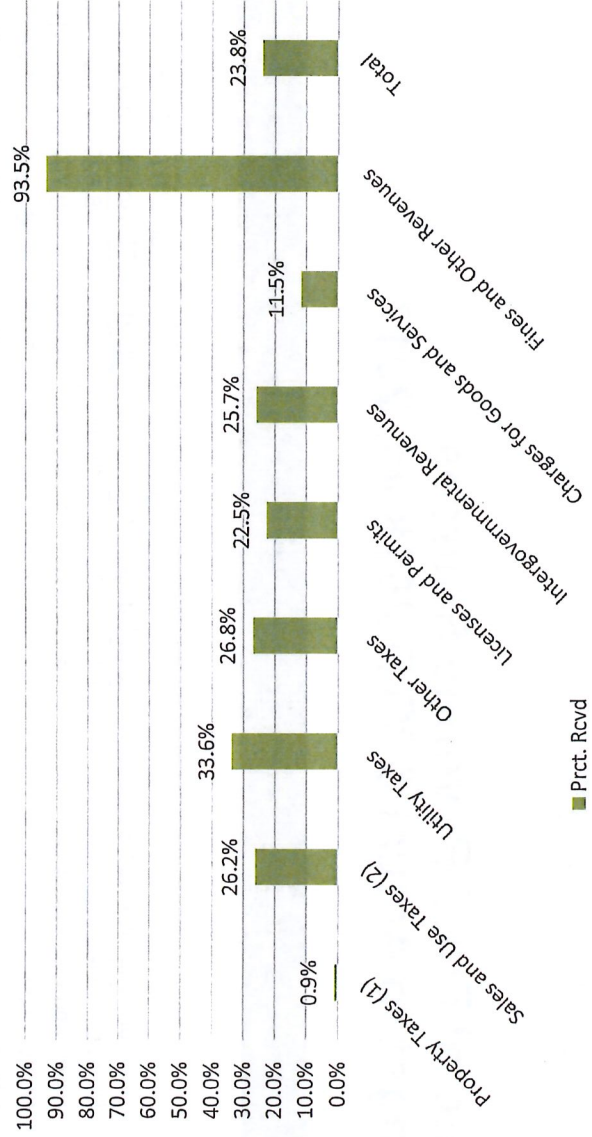
(1) Excludes percentage of property tax allocated to the Firemen's Pension Fund.

(2) Excludes Transportation Benefit District (TBD) sales tax.

* A portion of the city's general property tax goes to the Firemen's Pension fund. That portion was included in the general fund as well as in the Firemen's Pension fund. Overall 2018 property tax budget is approximately \$175,000 over the 2018 final tax levy certification. A budget amendment will be needed to adjust the property tax revenue budget to match to the County's tax levy amount.

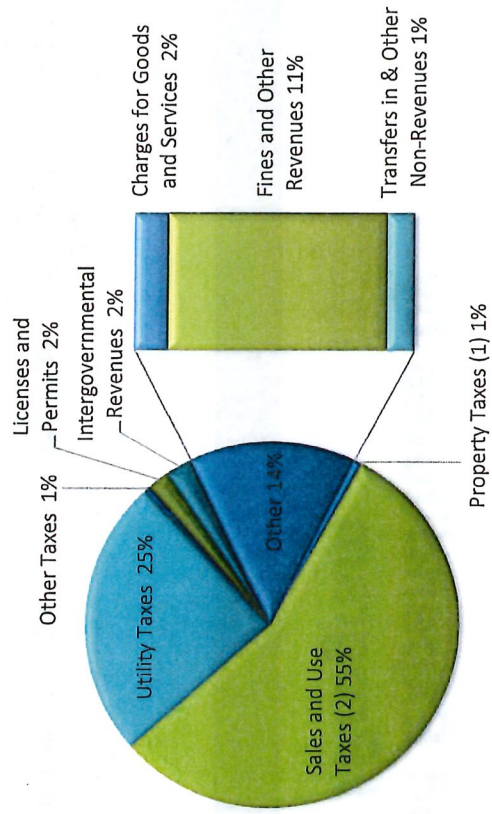
General Fund Revenues YTD vs. % of Budget

General Fund Revenues by Source
2018 Year-To-Date % of Budget
For the Period Ended March 31, 2018



General Fund Revenue Sources

City of Chehalis
General Fund Revenues by Source
For the Period Ended March 31, 2018

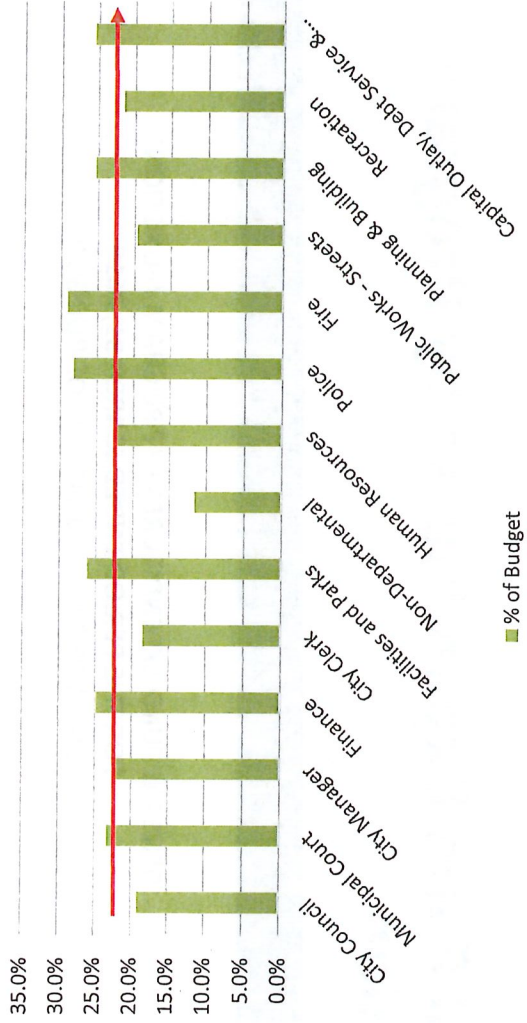


General Fund Expenditures by Department / Program

General Fund Expenditures		2018 Budget		YTD Actual		% of	
Expenditures by Department / Program				Mar. 2018	Budget	% of	Total
City Council	\$	92,364	\$	17,580		19.0%	0.7%
Municipal Court		395,412		91,874		23.2%	3.7%
City Manager		275,562		62,013		22.5%	2.5%
Finance		302,373		74,844		24.8%	3.0%
City Clerk		92,078		16,992		18.5%	0.7%
Facilities and Parks		1,038,724		271,072		26.1%	11.0%
Non-Departmental		427,234		49,061		11.5%	2.0%
Human Resources		104,410		23,213		22.2%	0.9%
Police		2,990,874		842,015		28.2%	34.1%
Fire		2,049,333		594,908		29.0%	24.1%
Public Works - Streets		573,223		112,367		19.6%	4.5%
Planning & Building		320,060		81,179		25.4%	3.3%
Recreation		444,978		95,757		21.5%	3.9%
Total Functional Expenditures		9,106,625		2,332,875		25.6%	94.3%
Capital Outlay, Debt Service & Transfers		548,521		139,835		25.5%	5.7%
Total Use of Fund Resources		\$9,655,146		\$2,472,710		25.6%	100.0%

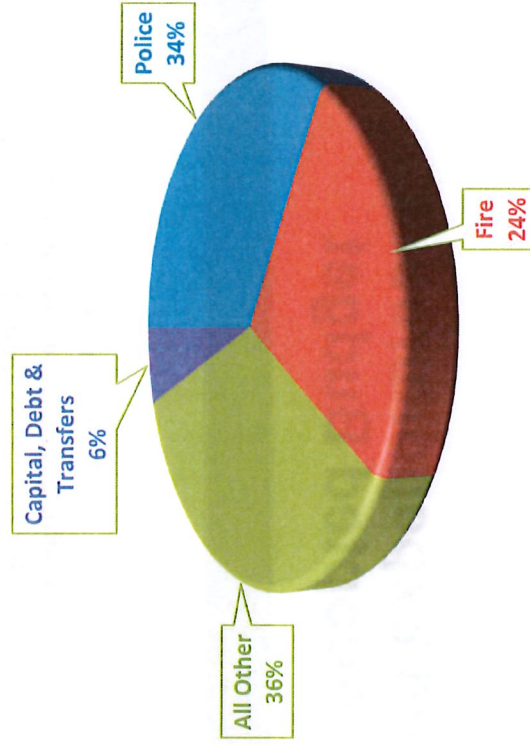
General Fund Expenditures YTD v. % of Adopted Budget

General Fund
Expenditures and Other Use of Fund Resources
For the Period Ended March 31, 2018



General Fund Expenditures by Program Proportion

GENERAL FUND EXPENDITURES BY PROGRAM /FUNCTIONS
FOR THE PERIOD ENDED MARCH 31, 2018
TOTAL YTD \$2,472,710 (15.6% OF BUDGET)



Enterprise Funds Summary

Overall all funds operated within normal budget parameters.

- Revenues range from 22.5% to 24.8% of adopted budget
- Expenditures range from 16.4% to 12.8% of budget amount
- Exceptions:
 - Repairs and Maintenance Expenditure is 74% of 2018 budgeted amount
 - Capital expenditures is 1.5% of 2018 budgeted amount
 - Debt services is 1.5 of 2018 budgeted amount
 - All others - normal

Closing

- Questions?
- Thank you!