



Quarterly Financial Report

First Quarter FY 2015-16

Ending September 30, 2015

November 16, 2015

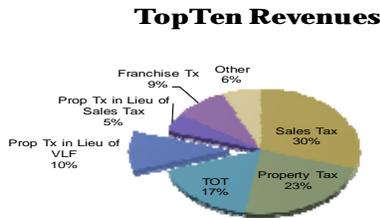
OVERVIEW-The first quarter report for fiscal year 2016 for the City of Paso Robles concentrates on **General** and **Enterprise Funds**. With only the first quarter of the fiscal year complete, it is too early to identify any major financial trends. The City's annual audit is still in the process of being completed, therefore, beginning fund balances are considered *estimates* at the time of this report.

GENERAL FUND SUMMARY - With 25% of the year complete, General Fund revenues are at 16% of projections based on the receipt of revenues later in the fiscal year. Expenditures are also under budget at 16% mainly due to salary accruals for FY 15, lower operating costs and capital improvement projects that are still in process, summarized at right:

| Changes in General Fund (GF) | Budget | YTD Actuals | Percent |
|------------------------------|---------------------|--------------------|---------|
| *Revenues | \$ 30,990,958 | \$ 4,947,536 | 16.0% |
| *Expenditures | 31,225,943 | 4,998,896 | 16.0% |
| Revenues Over (Under) | | | |
| Expenditures | \$ (234,985) | \$ (51,360) | |
| GF Balance, Start of Year | 12,481,531 | 12,481,531 | |
| GF Balance, Year-to Date | \$ 12,246,546 | \$ 12,430,171 | |

*Revenues and Expenditures include Transfers

Top Ten Revenues - The top ten revenues account for about 92% of total General Fund revenues. By focusing on these, we can get an excellent understanding of our revenue position. Sales tax, property tax and transient occupancy tax (TOT) account for 70% of the budgeted top ten revenues as illustrated in the graph below:



Budget to Actual-Overall, these key revenues are performing as projected based on revised estimates, payment schedules and past trends for the first quarter. Any significant variances are noted below:

Revenue Comparison by Year-The top ten revenues for the first quarter of FY 16 are \$184K higher in total compared to the prior first quarter of FY 15 as shown below:

| Top Ten Revenues | FY 16 | FY 15 | Incr(Decr) |
|-----------------------------------|---------------------|---------------------|----------------|
| Sales Tax | \$ 638,392 | \$ 652,584 | (14,192) |
| Property Tax | 57,637 | 42,597 | 15,040 |
| Transient Occupancy Tax | 931,660 | 838,125 | 93,535 |
| Property Tax in Lieu of VLF | - | - | - |
| Franchise Taxes | 369,346 | 414,102 | (44,756) |
| Property Tax in Lieu of Sales Tax | - | - | - |
| Building Permit Fees | 234,581 | 126,121 | 108,460 |
| Business Licenses | 454,026 | 429,406 | 24,620 |
| Prop 172 Sales Tax Public Safety | 68,314 | 71,016 | (2,702) |
| Recreation Program Fees | 79,507 | 75,986 | 3,521 |
| Total | \$ 2,833,463 | \$ 2,649,937 | 183,526 |

| Top Ten Revenues | Budget | YTD Actuals | % Recv'd | Comments |
|-----------------------------------|----------------------|---------------------|--------------|---------------------------|
| Sales Tax | \$ 7,871,500 | \$ 638,392 | 8.1% | 1 month recv'd |
| Property Tax | 5,936,900 | 57,637 | 1.0% | Dec'15-1st apportion |
| Transient Occupancy Tax | 4,525,500 | 931,660 | 20.6% | 11% increase from FY 15 |
| Property Tax in Lieu of VLF | 2,697,200 | - | 0.0% | Jan '16-1st receipt |
| Franchise Taxes | 2,306,000 | 369,346 | 16.0% | PG&E/SCG recvd in Apr '16 |
| Property Tax in Lieu of Sales Tax | 1,268,000 | - | 0.0% | Jan '16-1st receipt |
| Building Permit Fees | 569,100 | 234,581 | 41.2% | Incr \$108K from FY 15 |
| Business Licenses | 489,000 | 454,026 | 92.8% | Renewal cycle in Q1 |
| Prop 172 Sales Tax Public Safety | 394,000 | 68,314 | 17.3% | Comparable to FY 15 |
| Recreation Program Fees | 271,300 | 79,507 | 29.3% | Comparable to FY 15 |
| Total | \$ 26,328,500 | \$ 2,833,463 | 10.8% | |

Expenditures

Budget to Actual- Operating costs are at 16% of budget for the first quarter of the year as summarized below:

| Expenditures By Type | Budget | YTD Actuals | % Expended |
|--------------------------|----------------------|---------------------|--------------|
| Staffing | \$ 19,315,420 | \$ 3,598,347 | 18.6% |
| Maintenance & Operations | 8,981,333 | 1,363,353 | 15.2% |
| Debt Service | 143,728 | - | 0.0% |
| Capital Outlay | 2,785,462 | 37,196 | 1.3% |
| Total | \$ 31,225,943 | \$ 4,998,896 | 16.0% |

Expenditures -continued

Significant Variances-Expenditures are below budget by approximately \$2.8M mainly due to a salary accrual of approximately \$500K for FY 15 in the first pay period, unanticipated lower operating costs, debt service paid in second and third quarters and capital projects still in process. These significant variances for expenditures are shown below:

| GL Expense Account By Type | Budget | YTD Actuals | Over/(Under) Budget |
|-------------------------------|----------------------|--------------------|------------------------|
| Staffing | \$ 19,315,420 | \$4,094,708 | \$ (775,956) |
| Operating: | | | |
| Contract Personnel Svc | 163,100 | 17,021 | (23,754) |
| Fuel & Oil | 320,300 | 42,623 | (37,798) |
| Insurance Property/Liab | 2,270,000 | 424,542 | (142,958) |
| Legal Services | 975,500 | 72,298 | (171,577) |
| Facilities Maintenance | 161,865 | 19,957 | (20,509) |
| General R&M | 916,700 | 56,639 | (172,536) |
| Traffic Signals R&M | 220,200 | 5,977 | (49,074) |
| Vehicle Maintenance | 162,750 | 16,459 | (24,229) |
| OPEB | 942,600 | 105,267 | (130,383) |
| Plan Checks | 210,000 | 17,097 | (35,403) |
| Professional Services | 1,291,203 | 230,969 | (91,832) |
| Travel & Training | 187,675 | 11,793 | (35,126) |
| Total Operating | 7,821,893 | 1,020,642 | (935,179) |
| Debt Service | 143,728 | - | (35,932) |
| Capital Outlay | 2,785,462 | 37,196 | (659,170) |

Operating expenditures by department are summarized below:

| Expenditures By Department | Budget | YTD Actuals | % Expended |
|---------------------------------|----------------------|---------------------|---------------|
| City Council | \$ 181,147 | \$ 34,052 | 18.8% |
| City Manager | 2,688,260 | 497,026 | 18.5% |
| Administrative Services | 714,392 | 143,971 | 20.2% |
| Police | 9,019,995 | 1,719,089 | 19.1% |
| Emergency Services (Fire) | 5,129,262 | 957,790 | 18.7% |
| **Public Works | 8,974,920 | 941,703 | 10.5% |
| Library and Recreation Services | 2,079,382 | 411,273 | 19.8% |
| Community Development | 2,131,821 | 353,191 | 16.6% |
| Transfers & Non-Departmental | 306,765 | (59,198) | -19.3% |
| Total | \$ 31,225,944 | \$ 4,998,896 | 16.0% |

**Public Works expenditures include capital improvement projects that are currently in process.

ENTERPRISE FUNDS

In general, Enterprise Fund revenues and expenditures are consistent with past trends.

Water Fund

| Working Capital | Budget | YTD Actuals | Percent |
|------------------------|---------------|--------------|---------|
| Revenues | \$ 13,280,700 | \$ 3,138,747 | 23.6% |
| Expenditures | | | |
| Operating programs | 8,239,987 | 1,560,809 | 18.9% |
| CIP projects | 6,707,066 | 758,115 | 11.3% |
| ***Debt Service | 3,739,754 | 4,212,614 | 112.6% |
| Other Sources (Uses) | (41,400) | (10,350) | 25.0% |
| Balance, Start of Year | 11,048,686 | 11,048,686 | |
| Balance, Year-to-Date | \$ 5,601,179 | \$ 7,645,545 | * |

**The Water Fund's debt service includes a \$4M payment in July 2015 to San Luis Obispo County for the Nacimiento Pipeline Project.

Sewer Fund

| Working Capital | Budget | YTD Actuals | Percent |
|------------------------|---------------|---------------|---------|
| Revenues | \$ 10,846,200 | \$ 2,930,869 | 27.0% |
| Expenditures | | | |
| Operating programs | 8,277,728 | 1,762,473 | 21.3% |
| CIP projects | 10,049,774 | 303,710 | 3.0% |
| Debt Service | 234,774 | 1,633 | 0.7% |
| Other Sources (Uses) | (41,400) | (10,350) | 25.0% |
| Balance, Start of Year | 10,764,241 | 10,764,241 | |
| Balance, Year-to-Date | \$ 3,006,765 | \$ 11,616,944 | |

Airport Fund

| Working Capital | Budget | YTD Actuals | Percent |
|------------------------|----------------|--------------|---------|
| Revenues | \$ 679,012 | \$ 151,642 | 22.3% |
| Expenditures | | | |
| Operating programs | 741,245 | 189,810 | 25.6% |
| CIP projects | 6,692,695 | 31,300 | 0.5% |
| Debt Service | 23,755 | 301 | 1.3% |
| Balance, Start of Year | 1,812,606 | 1,812,606 | |
| Balance, Year-to-Date | \$ (4,942,322) | \$ 1,743,138 | |



REPORT PREPARED BY - This summary is based on detailed information prepared by Administrative Services. Please call 237-3999 if you would like additional information.