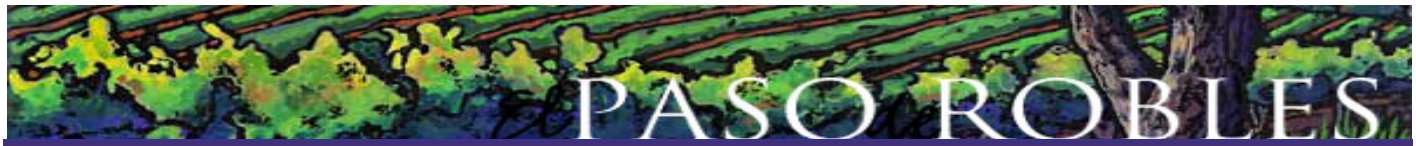


Quarterly Financial Report

Second Quarter FY 2015-16

Ending December 31, 2015

January 12, 2016

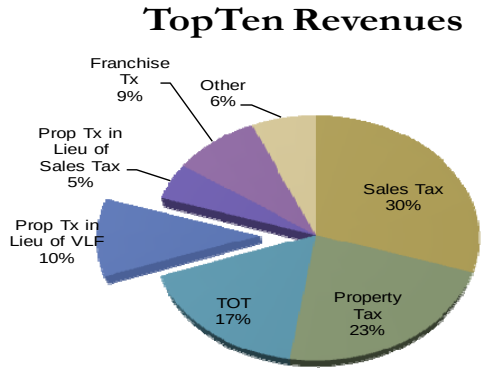
OVERVIEW-The second quarter report for fiscal year 2016 for the City of Paso Robles concentrates on **General** and **Enterprise Funds**. Revenue trends seem to be on target based on past historical data, while expenditures appear to be lower than projected, with significant variances explained below.

GENERAL FUND SUMMARY - With 50% of the year complete, General Fund revenues are at 42.1% of current budget projections based on the receipt of revenues later in the fiscal year. Expenditures are also under budget at 38.8% mainly due to salary accruals for FY 15, lower operating costs that include accounts for fuel, repairs and maintenance, liability insurance, OPEB, professional services and travel and training. Capital outlay is below projected levels mainly due to capital improvement projects that are still in process, all summarized in tables below.

Changes in General Fund (GF)	Budget	YTD Actuals	Percent
*Revenues	$ 31,388,471	$ 13,213,624	42.1%
*Expenditures	31,689,956	12,283,085	38.8%
Revenues Over (Under) Expenditures	**$ (301,485)**	**$ 930,539**	
GF Balance, Start of Year	12,481,531	12,481,531	
GF Balance, Year-to Date	$ 12,180,046	$ 13,412,070	

*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 second quarter. Any significant variances are noted below:

Top Ten Revenues	Budget	YTD Actuals	% Recv'd	Comments
Sales Tax	$ 7,871,500	$ 2,424,940	30.8%	4 months recv'd
Property Tax	5,936,900	3,433,868	57.8%	Incl's Dec'15-1st apportion
Transient Occupancy Tax	4,525,500	2,139,376	47.3%	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	887,960	38.5%	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	495,486	87.1%	Incr $211K from FY 15
Business Licenses	489,000	491,171	100.4%	Renewal cycle in Q1
Prop 172 Sales Tax Public Safety	394,000	163,490	41.5%	Decrease $15K from FY 15
Recreation Program Fees	271,300	121,532	44.8%	Comparable to FY 15
Total	**$ 26,328,500**	**$ 10,157,823**	**38.6%**	

Revenue Comparison by Year-The top ten revenues for the second quarter of FY 16 are $770K higher in total compared to the prior second quarter of FY 15 as shown below:

Top Ten Revenues	FY 16	FY 15	Incr(Decr)
Sales Tax	$ 2,424,940	$ 2,344,499	80,441
Property Tax	3,433,868	3,248,258	185,610
Transient Occupancy Tax	2,139,376	1,904,487	234,889
Property Tax in Lieu of VLF	-	-	-
Franchise Taxes	887,960	867,583	20,377
Property Tax in Lieu of Sales Tax	-	-	-
Building Permit Fees	495,486	284,382	211,104
Business Licenses	491,171	444,156	47,015
Prop 172 Sales Tax Public Safety	163,490	178,061	(14,571)
Recreation Program Fees	121,532	116,148	5,384
Total	**$ 10,157,823**	**$ 9,387,574**	**770,249**

Expenditures

Budget to Actual- Operating costs are at 38.8% of budget for the second quarter of the year as summarized below:

Expenditures By Type	Budget	YTD Actuals	% Expended
Staffing	$ 19,440,420	$ 8,231,545	42.3%
Maintenance & Operations	8,985,333	3,294,283	36.7%
Debt Service	143,728	69,299	48.2%
Capital Outlay	3,120,475	687,958	22.0%
Total	**$ 31,689,956**	**$ 12,283,085**	**38.8%**

Significant Variances-Expenditures are below budget by approximately $3M mainly due to a salary accrual of approximately $500K for FY 15 in the first pay period, unanticipated lower operating costs, 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	Comments
Staffing	**$ 19,440,420**	**$8,231,545**	**$ (957,792)**	Includes $500K salary accrual
Operating:				
Fuel & Oil	320,300	96,963	(63,187)	Fuel costs are down in FY 16
General R&M	916,700	95,722	(362,628)	General R&M is lower mainly due to Centennial Pool repairs that have not started
Insurance Prop/Liab	2,270,000	849,084	(285,916)	Liability insurance is lower than anticipated
OPEB	942,600	255,196	(216,104)	OPEB costs are lower than anticipated
Professional Svcs	1,291,203	473,412	(172,189)	Various contracts paid in Qtrs 3 & 4
Travel & Training	187,675	37,942	(55,895)	Various T&T in Qtrs 3 & 4
Total Operating	**5,928,478**	**1,808,319**	**(1,155,919)**	
Capital Outlay	**3,120,475**	**687,958**	**(872,279)**	Various projects in process

Operating expenditures by **department** are summarized below:

Expenditures By Department	Budget	YTD Actuals	% Expended
City Council	$ 181,147	$ 68,357	37.7%
City Manager	2,688,260	1,148,322	42.7%
Administrative Services	714,392	336,471	47.1%
Police	9,144,994	3,781,856	41.4%
Emergency Services (Fire)	5,133,262	2,162,600	42.1%
**Public Works	9,309,933	3,119,253	33.5%
Library and Recreation Services	2,079,382	895,083	43.0%
Community Development	2,131,821	837,578	39.3%
Transfers & Non-Departmental	306,765	(66,435)	-21.7%
Total	**$ 31,689,956**	**$ 12,283,085**	**38.8%**

**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	$ 5,955,579	44.8%
Expenditures			
Operating programs	8,453,219	3,433,843	40.6%
CIP projects	6,707,066	1,641,333	24.5%
***Debt Service	3,739,754	4,878,281	130.4%
Other Sources (Uses)	(82,450)	(61,750)	74.9%
Balance, Start of Year	11,048,686	11,048,686	
Balance, Year-to-Date	$ 5,346,897	$ 6,989,058	

***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	$ 5,335,163	49.2%
Expenditures			
Operating programs	8,277,728	4,301,783	52.0%
CIP projects	10,049,774	1,733,019	17.2%
Debt Service	234,774	116,545	49.6%
Other Sources (Uses)	(241,815)	(221,115)	91.4%
Balance, Start of Year	10,764,241	10,764,241	
Balance, Year-to-Date	$ 2,806,350	$ 9,726,942	

Airport Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	$ 679,012	$ 348,716	51.4%
Expenditures			
Operating programs	741,245	398,034	53.7%
CIP projects	6,692,695	84,942	1.3%
Debt Service	23,755	23,510	99.0%
Balance, Start of Year	1,812,606	1,812,606	
Balance, Year-to-Date	$ (4,942,322)	$ 1,678,346	

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