



PASO ROBLES

Quarterly Financial Report

Third Quarter FY 2015-16

Ending March 31, 2016

April 15, 2016

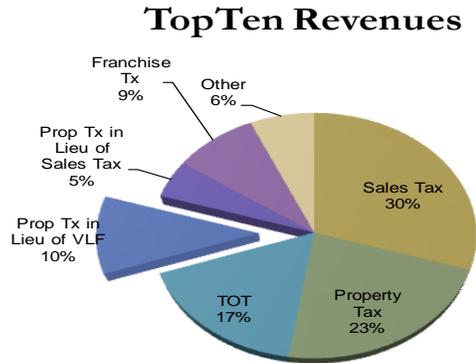
OVERVIEW-The third quarter report for fiscal year 2016 for the City of Paso Robles concentrates on **General** and **Enterprise Funds**. Revenue trends seem to be on target based on past historical data, while expenditures appear to be lower than projected, with significant variances explained below.

GENERAL FUND SUMMARY - With 75% of the year complete, General Fund revenues are at 63.6% of current budget projections, which is mainly due to the timing of when revenues are received. Revenue is on target and \$908K higher than the same period in FY 15. Expenditures are also under budget at 59.8% mainly due to salary accruals for FY 15, lower operating costs that include accounts for fuel, repairs and maintenance, liability insurance, OPEB, professional services, travel and training and utilities. 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*	\$ 30,264,558	\$ 19,237,449	63.6%
Expenditures*	30,635,043	18,317,849	59.8%
Revenues Over (Under)			
Expenditures	\$ (370,485)	\$ 919,600	
GF Balance, Start of Year	12,481,531	12,481,531	
GF Balance, Year-to Date	\$ 12,111,046	\$ 13,401,131	

*Revenues and Expenditures include Transfers

Top Ten Revenues - The top ten budgeted 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:



Top Ten Revenues – continued

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

Top Ten Revenues	Budget	YTD Actuals	% Recv'd	Comments
Sales Tax	\$ 7,871,500	\$ 4,277,963	54.3%	7 months recv'd (2 month lag) Revenue up \$460K or 12% from FY 15
Property Tax	5,936,900	4,469,415	75.3%	8 months received, revenue up \$223K or 9% from FY 15
Transient Occupancy Tax	4,525,500	2,919,988	64.5%	On target, collected in Jan & May, revenue up \$71K from FY 15
Property Tax in Lieu of VLF	2,697,200	1,373,616	50.9%	On target, gas & electric collected in April, revenue up \$85K from FY 15
Franchise Taxes	2,306,000	1,452,634	63.0%	Revenue down from FY 15 due to triple flip ending
Property Tax in Lieu of Sales Tax	1,268,000	340,253	26.8%	Revenue up \$245K from FY 15
Building Permit Fees	569,100	671,131	117.9%	Renewal cycle in Q1, revenue up \$49K from FY 15
Business Licenses	489,000	501,958	102.6%	Decrease \$16K from FY 15
Prop 172 Sales Tax Public Safety	394,000	267,914	68.0%	Comparable to FY 15
Recreation Program Fees	271,300	172,151	63.5%	
Total	\$ 26,328,500	\$ 16,447,023	62.5%	

Revenue Comparison by Year-The top ten revenues for the third quarter of FY 16 are \$908K higher in total compared to the prior third quarter of FY 15 as shown below:

Top Ten Revenues	FY 15	FY 16	Incr(Decr)
Sales Tax	\$ 3,861,819	\$ 4,277,963	\$ 416,144
Property Tax	4,009,385	4,469,415	460,030
Transient Occupancy Tax	2,696,645	2,919,988	223,343
Property Tax in Lieu of VLF	1,302,798	1,373,616	70,818
Franchise Taxes	1,368,130	1,452,634	84,504
Property Tax in Lieu of Sales Tax	959,307	340,253	(619,054)
Building Permit Fees	426,091	671,131	245,040
Business Licenses	453,277	501,958	48,681
Prop 172 Sales Tax Public Safety	284,296	267,914	(16,382)
Recreation Program Fees	176,948	172,151	(4,797)
Total	\$ 15,538,696	\$ 16,447,023	\$ 908,327

Expenditures

Budget to Actual: Operating costs are at 59.8% of budget for the second quarter of the year as summarized below:

Expenditures By Type	Budget	YTD Actuals	% Expended
Staffing	\$ 19,440,420	\$12,766,429	65.7%
Maintenance & Operations	9,707,332	5,171,045	53.3%
Debt Service	143,728	69,299	48.2%
Capital Outlay	1,343,564	311,076	23.2%
Total	\$ 30,635,044	\$ 18,317,849	59.8%

Significant Variances-Expenditures are below budget by approximately \$3.9 M mainly due to salary savings and an 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:

Expenditure By Type	Budget	YTD Actuals	Over/(Under) Q3 Budget	Comments
Staffing	\$ 19,440,420	\$ 12,766,429	\$ (909,159)	Includes \$500K salary accrual
Operating:				
Fuel & Oil	320,300	128,605	(111,620)	Fuel costs are down in FY 16
General R&M	1,319,340	440,408	(549,098)	General R&M is lower mainly due to Centennial Pool repairs that have not started
Insurance Prop/Liab	2,270,000	1,273,626	(428,874)	Liability insurance is lower than anticipated
OPEB	942,600	427,456	(279,494)	OPEB costs are lower than anticipated
Professional Svcs	1,360,153	591,541	(428,574)	Mainly due to ongoing projects, such as City Park repair & Centennial Pool rehab
Travel & Training	187,675	65,259	(75,498)	T&T costs down in FY 16
Utilities	1,340,684	890,368	(115,146)	Mainly due to Water/Sewer under \$56K & Electric under \$69K
Attorney Fees	526,800	280,198	(114,902)	Charges for attorney fees are down in HR, PD, PW & CD depts
Total Operating	8,267,552	4,097,461	(2,103,206)	
Capital Outlay	1,343,564	311,075	(696,598)	Various projects in process

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

Expenditures By Department	Budget	YTD Actuals	% Expended
City Council	\$ 181,147	\$ 102,227	56.4%
City Manager	2,688,260	1,776,377	66.1%
Administrative Services	714,392	501,700	70.2%
Police	9,205,695	6,066,165	65.9%
Emergency Services (Fire)	5,133,262	3,490,669	68.0%
Public Works**	8,194,320	3,851,426	47.0%
Library and Recreation Services	2,079,382	1,302,260	62.6%
Community Development	2,131,821	1,280,760	60.1%
Transfers & Non-Departmental	306,765	(53,735)	-17.5%
Total	\$ 30,635,044	\$ 18,317,849	59.8%

**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. Depreciation expense is not included with the information below.

Water Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	\$ 13,280,700	\$ 7,723,098	58.2%
Expenditures			
Operating programs	7,066,937	4,050,215	57.3%
CIP projects	6,807,298	2,390,895	35.1%
Debt Service***	3,739,754	4,879,180	130.5%
Transfers Out	82,450	72,100	87.4%
Total Expenditures	17,696,439	11,392,389	64.4%
Revenues Over (Under) Expenditures	(4,415,739)	(3,669,291)	
Balance, Start of Year	11,048,686	11,048,686	
Balance, Year-to-Date	\$ 6,632,947	\$ 7,379,395	

***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	\$ 7,397,719	68.2%
Expenditures			
Operating programs	5,950,378	3,929,386	66.0%
CIP projects	11,200,402	4,283,422	38.2%
Debt Service	234,774	117,725	50.1%
Transfers Out	241,815	231,552	95.8%
Total Expenditures	17,627,369	8,562,085	48.6%
Revenues Over (Under) Expenditures	(6,781,169)	(1,164,366)	
Balance, Start of Year	10,764,241	10,764,241	
Balance, Year-to-Date	\$ 3,983,072	\$ 9,599,875	

Airport Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	\$ 819,012	\$ 524,486	64.0%
Expenditures			
Operating programs	361,495	295,448	81.7%
CIP projects	6,832,695	84,994	1.2%
Debt Service	23,755	23,960	100.9%
Total Expenditures	7,217,945	404,402	5.6%
Revenues Over (Under) Expenditures	(6,398,933)	120,084	
Balance, Start of Year	1,812,606	1,812,606	
Balance, Year-to-Date	\$ (4,586,327)	\$ 1,932,690	



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