



# FY 2015-16

## 1<sup>st</sup> Quarter Financial Report (Quarter Ending 09/30/2015)

November 19, 2015

*Budget & Management Services and Finance*

# FY 2016 Financial Update



- The update reflects the Administration's effort to continually monitor the City's financial status and update City Council.
- The next financial update will be given on February 18<sup>th</sup>.



# General Fund



# General Fund - Revenues

- Reminder...
  - First quarter is the least indicative of full year results.
  - Property tax revenues, representing 52% of General Fund budget, are mostly collected in December and January.
  - First sales tax payment for fiscal year not received until October.

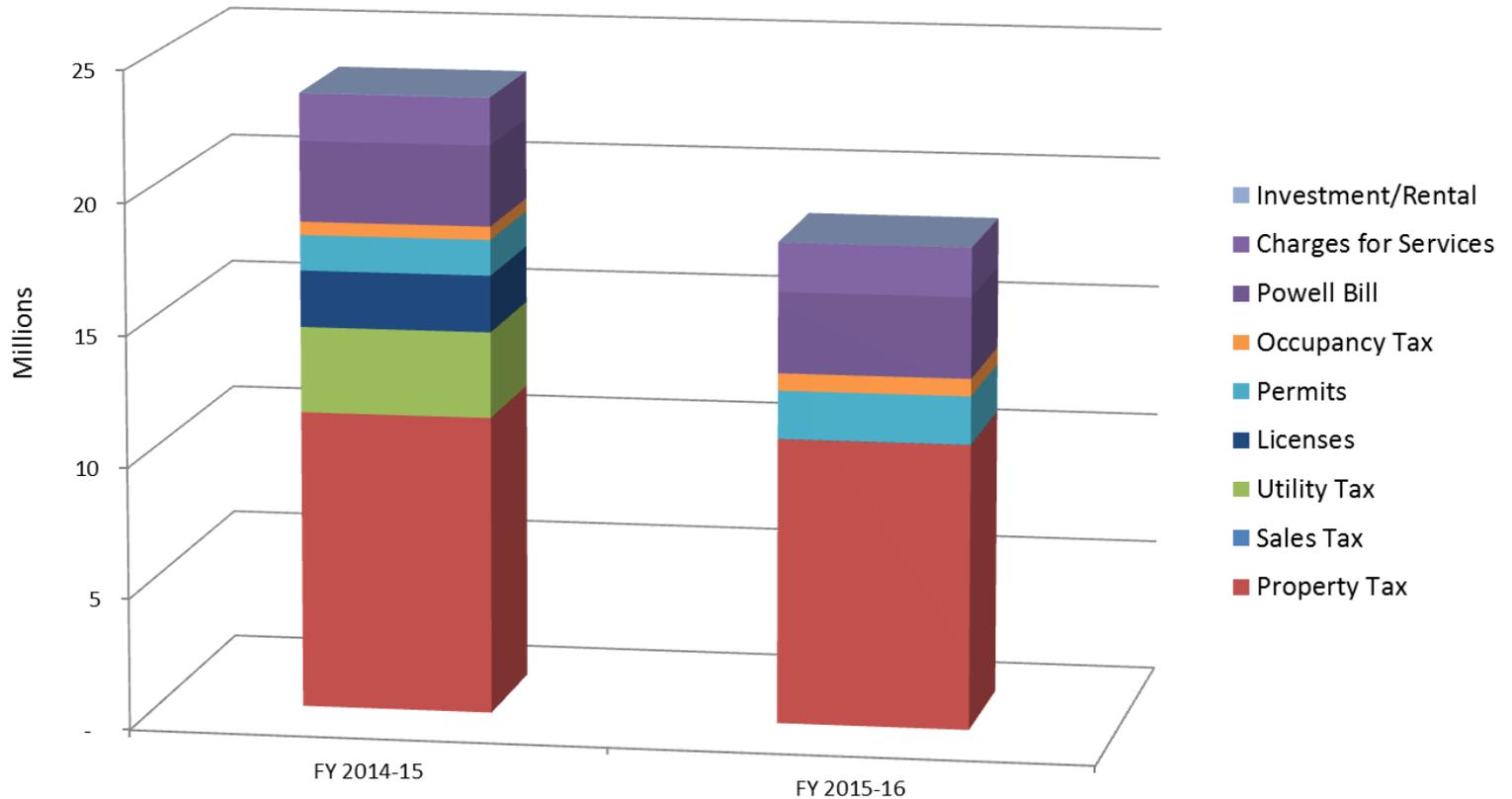


# General Fund – Revenues

- Property taxes down from same period last year (-4.1%).
- Licenses down from same period last year (-99.8%).
- Permits up from same period last year (5.7%).
- Occupancy tax up from same period last year (30.1%).
- Powell Bill up from same period last year (0.3%).
- Charges for Services up from same period last year (3.3%).



# General Fund Major Revenue Q1 2015 vs. Q1 2016





# General Fund - Revenues

## CITY OF DURHAM, NORTH CAROLINA

Exhibit 1

General Fund Revenues and Other

Financing Sources Activity and Year End

Projection for Quarter Ending Sept 2015

REVENUES	FY 2015 ADJUSTED BUDGET	ACTIVITY THROUGH SEPT 2015	PERCENTAGE USED TO DATE	PROJECTION THROUGH YEAR END	VARIANCE TO FINAL BUDGET- POSITIVE (NEGATIVE)
Property taxes	\$ 89,197,999	\$ 10,883,713	12.2%	\$ 89,101,999	\$ (96,000)
Sales taxes	50,925,492	-	0.0%	50,925,492	-
Hotel/Motel Occupancy tax	2,132,683	661,064	31.0%	2,691,240	558,557
Other local taxes	313,915	104,203	33.2%	351,600	37,685
Permits	4,408,736	1,844,483	41.8%	4,838,752	430,016
Utility franchise tax	4,400,000	-	0.0%	4,400,000	-
Powell bill	6,133,143	3,086,737	50.3%	6,173,474	40,331
Other intergovernmental revenues	3,171,371	752,254	23.7%	3,099,059	(72,312)
Interest and rental income	126,272	7,720	6.1%	101,018	(25,254)
Charges for services	6,855,356	1,874,207	27.3%	6,857,356	2,000
Intragovernmental services	225,000	102,237	45.4%	189,052	(35,948)
Assessments	51,100	2,505	4.9%	51,100	-
Sale of property and miscellaneous	679,747	37,699	5.5%	679,747	-
<b>Total revenues</b>	<b>168,620,814</b>	<b>19,356,822</b>	<b>11.5%</b>	<b>169,459,889</b>	<b>839,075</b>



# General Fund - Revenues

## CITY OF DURHAM, NORTH CAROLINA

Exhibit 1

General Fund Revenues and Other

Financing Sources Activity and Year End

Projection for Quarter Ending Sept 2015

	FY 2015 ADJUSTED BUDGET	ACTIVITY THROUGH SEPT 2015	PERCENTAGE USED TO DATE	PROJECTION THROUGH YEAR END	VARIANCE TO FINAL BUDGET- POSITIVE (NEGATIVE)
<b>OTHER FINANCING SOURCES</b>					
Transfer from other funds	-	-	0.0%	-	-
Debt refunding	-	-	0.0%	-	-
Transfer from reserves	5,647,321	-	0.0%	5,647,321	-
Appropriation from fund balance	3,223,305	-	0.0%	1,514,076	(1,709,229)
Total other financing sources	<u>8,870,626</u>	<u>-</u>	<u>0.0%</u>	<u>7,161,397</u>	<u>(1,709,229)</u>
Total revenues and other financing sources	<u>\$ 177,491,440</u>	<u>\$ 19,356,822</u>	<u>10.9%</u>	<u>\$ 176,621,286</u>	<u>\$ (870,154)</u>



# General Fund - Expenditures

- Year-end operations spending projected at \$870K less than budgeted:
  - Personnel costs under-budget by \$337K or approximately 0.25%
  - Operating costs under budget by \$502K or 1.35%
- No departments are projected to exceed budget



# General Fund - Expenditures

## CITY OF DURHAM, NORTH CAROLINA

Exhibit 1

General Fund Activity and Year End

Projection by Department and Class  
for Quarter Ending September 2015

DEPARTMENT	FY 2016 ADJUSTED BUDGET	ACTIVITY THROUGH SEPT 2015	ENCUM- BRANCE BALANCE	PROJECTION THROUGH YEAR END	FINAL BUDGET- POSITIVE (NEGATIVE)
Audit Services	\$ 561,899	\$ 130,006	\$ 44,850	\$ 561,899	\$ -
Budget & Management Services	1,367,630	299,024	15,403	1,367,630	-
City Attorney	1,683,627	412,610	2,486	1,683,627	-
City Clerk	634,536	147,317	4,500	631,624	2,912
City Council	1,032,634	303,933	187	1,024,459	8,175
City Manager/One Call/Public Affairs	3,163,979	706,540	57,588	3,163,979	-
City/County Inspections	3,915,247	820,454	5,113	3,915,247	-
City/County Planning	3,170,458	696,382	49,463	3,170,458	-
Community Development	1,709,969	529,157	171,847	1,709,969	-
Economic & Workforce Development	3,788,113	506,405	1,669,225	3,702,410	85,703
Emergency Communications	6,092,709	1,235,982	455,625	6,092,709	-
Emergency Management	208,690	52,172	-	208,690	-
Equal Opportunity-Equity Assurance	539,379	126,472	643	539,379	-



# General Fund - Expenditures

## CITY OF DURHAM, NORTH CAROLINA

Exhibit 1

General Fund Activity and Year End  
 Projection by Department and Class  
 for Quarter Ending September 2015

DEPARTMENT	FY 2016 ADJUSTED BUDGET	ACTIVITY THROUGH SEPT 2015	ENCUM- BRANCE BALANCE	PROJECTION THROUGH YEAR END	FINAL BUDGET- POSITIVE (NEGATIVE)
Finance	4,484,000	829,517	179,826	4,484,000	-
Fire	25,481,589	5,720,678	272,069	25,481,589	-
Fleet Maintenance	3,319,222	750,328	76,542	3,317,372	1,850
General Services	12,216,899	2,586,968	1,232,760	12,216,885	14
Human Resources	1,983,473	425,051	2,053	1,983,473	-
Durham One Call					-
Neighborhood Improvement Service	3,670,484	918,160	277,169	3,670,484	-
Parks & Recreation	12,484,773	2,744,803	981,165	12,448,168	36,605
Police	55,214,907	12,774,305	1,352,524	55,214,907	-
Public Works	7,995,013	1,475,635	1,753,063	7,364,713	630,300
Technology Solutions	6,436,181	1,906,849	863,428	6,436,181	-
Transportation	7,971,931	1,792,390	422,820	7,885,962	85,969
NonDepartmental	11,354,399	1,709,469	1,283,428	11,335,773	18,626
Indirect Cost	(7,928,349)	-	-	(7,928,349)	-
Debt Service	-	-	-	-	-
Transfer	4,938,048	7,010	-	4,938,048	-
<b>Total</b>	<b>177,491,440</b>	<b>39,607,617</b>	<b>11,173,777</b>	<b>176,621,286</b>	<b>870,154</b>



# General Fund - Expenditures

CLASS	FY2016 ADJUSTED BUDGET	ACTIVITY THROUGH SEPT 2015	ENCUM- BRANCE BALANCE	PROJECTION THROUGH YEAR END	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
Personal services	\$ 134,312,408	\$ 30,493,158	\$ 206,249	\$ 133,975,316	\$ 337,092
Operating expenditures	37,078,223	9,086,039	10,666,350	\$ 36,576,743	501,480
Capital outlay	1,022,649	21,410	301,178	\$ 1,018,317	4,332
Appropriation not authorized for expenditures	140,112	-	-	\$ 112,862	27,250
Debt service	-	-	-	\$ -	-
Transfers out	4,938,048	7,010	-	\$ 4,938,048	-
<b>Total</b>	<b>177,491,440</b>	<b>39,607,617</b>	<b>11,173,777</b>	<b>176,621,286</b>	<b>870,154</b>



# Enterprise Funds



# Water & Sewer Fund

- Operating revenues at 30% of yearly budget
- Operating expenses at 18.5% of yearly budget
- Consumption for the First quarter of FY16 is 2% higher than consumption for the same period in FY15.
- Overall, fund is expected to finish with a surplus for FY 16.



# Water & Sewer Fund - Revenues

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
<b>Revenues</b>				
Operating revenues	\$86,935,103	\$26,197,061	\$88,659,003	\$ 1,723,900
Permits	85,000	41,872	85,000	-
Total operating revenues	<u>87,020,103</u>	<u>26,238,933</u>	<u>88,744,003</u>	<u>1,723,900</u>
<b>Non-operating revenues</b>				
Miscellaneous	1,300,625	460,099	1,263,371	(37,254)
Investment Income	136,000	101,581	136,000	-
2015 Bond Refunding	-	-	-	-
Operating transfers from other funds	276,982	-	276,982	-
Transfer from reserves	2,591,898	-	-	(2,591,898)
Appropriation from fund balance	-	-	-	-
Total Non-operating revenues	<u>4,305,505</u>	<u>561,680</u>	<u>1,676,353</u>	<u>(2,629,152)</u>
 Total revenues	 <u>\$91,325,608</u>	 <u>\$26,800,613</u>	 <u>\$90,420,356</u>	 <u>\$ (905,252)</u>



# Water & Sewer Fund - Expenses

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
<b>Expenditures</b>				
Personal Services	\$25,431,252	\$ 5,192,307	\$23,141,881	\$ 2,289,371
Operating expenditures	24,814,326	4,599,956	24,814,776	(450)
Non-departmental administration	5,997,679	-	5,997,679	-
Capital outlay	221,523	78,746	221,074	449
2015 Bond Refunding	-	-	-	-
Debt service principal and interest	10,646,702	978,204	10,646,702	-
Operating transfers to other funds	19,650,869	-	19,650,869	-
Transfer to fund balance	4,563,256	-	5,947,375	(1,384,119)
<b>Total expenditures</b>	<b>\$91,325,608</b>	<b>\$10,849,213</b>	<b>\$90,420,356</b>	<b>\$ 905,252</b>
Revenues less Expenditures	-	15,951,400	-	



# W&S Capital Facility Fee Fund

- Capital Facility Fees are derived from charges to new development or facility expansion.
- Funding provided to the Water and Sewer Construction Fund to support capital improvements.
- First quarter results are similar to Q1 in FY 15.
- Collected surplus is credited toward fund balance.



# Transit Operations Fund

- Transit Operations Fund overall expected to operate at budget.
- Timing of receipts makes Q1 estimates very preliminary
- Tax rate of 3.87 cents per \$100 (about \$9.58M) is budgeted in the Transit Fund.



# Transit Operations Fund – Revenue

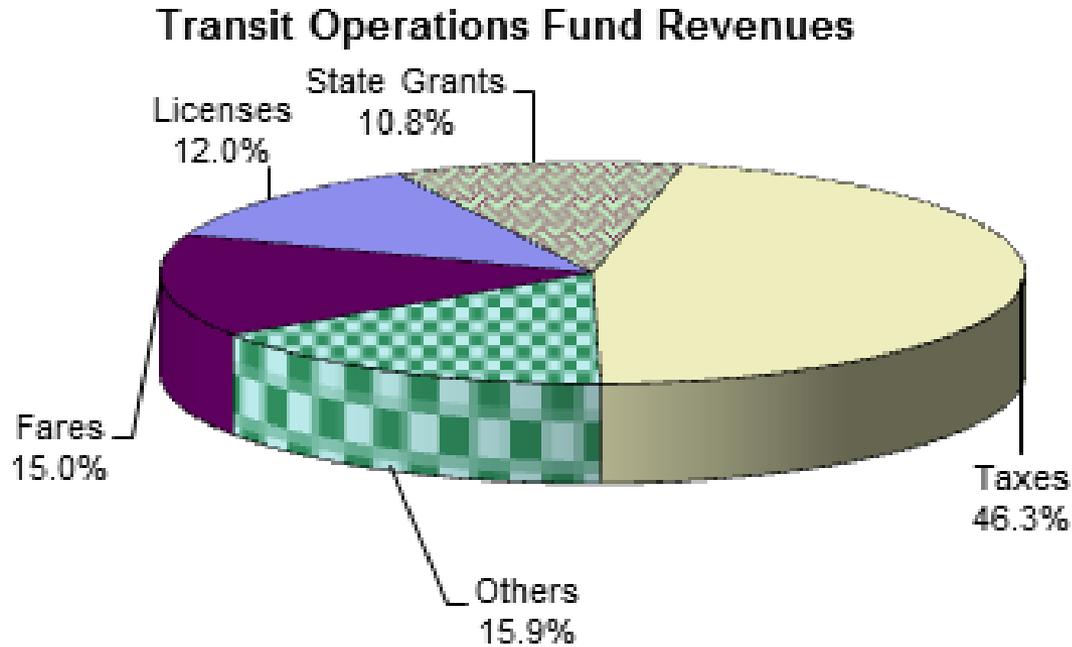
	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Year-End Projection</u>	<u>Year-End Positive/ (Negative)</u>
Revenues				
Operating revenues	\$ 3,636,525	\$ 692,908	\$ 3,636,525	\$ -
Non-operating revenues				
Taxes	9,580,368	1,150,425	9,580,368	-
Miscellaneous	7,452,664	510,569	7,452,664	-
Investment Income	-	-	-	-
Operating transfers from other fund	-	-	-	-
2010 Debt refunding	-	-	-	-
Transfer from reserves	827,530	-	668,987	(158,543)
Appropriation from fund balance	-	-	-	-
Total Non-operating revenues	<u>17,860,562</u>	<u>1,660,993</u>	<u>17,702,019</u>	<u>(158,543)</u>
Total revenues	<u>\$ 21,497,087</u>	<u>\$ 2,353,901</u>	<u>\$ 21,338,544</u>	<u>\$ (158,543)</u>



# Transit Operations Fund – Expenses

	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Year-End Projection</u>	<u>Year-End Positive/ (Negative)</u>
Expenditures				
Operating expenditures	\$ 18,523,234	\$ 3,359,299	\$ 18,523,234	\$ (0)
Non-departmental administration	404,241	-	404,241	-
Capital outlay	379,000	-	379,000	-
Debt service principal and interest	203,460	160,871	203,460	-
Operating transfers to other funds	1,828,609	-	1,828,609	-
Transfer to fund balance	158,543	-	-	158,543
Total expenditures	<u>\$ 21,497,087</u>	<u>\$ 3,520,170</u>	<u>\$ 21,338,544</u>	<u>\$ 158,543</u>
Revenues less Expenditures	-	(1,166,268)	-	

# Transit Fund- Source of Funding





# Solid Waste Fund

- Revenues projected slightly under budget.
- Expenditures projected under budget due to operational savings.
- Overall fund is expected to finish near budget.
- The Solid Waste Disposal Fund budgeted to receive 30.7% of fund needs through charges and other non-tax revenue sources.
- New for FY 16 – 5.85 cents of the tax rate is dedicated to this fund.



# Solid Waste Fund - Revenues

	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Year-End Projection</u>	<u>Year-End Positive/ (Negative)</u>
Revenues				
Operating revenues	<u>\$ 6,237,052</u>	<u>\$ 1,586,778</u>	<u>\$ 6,153,041</u>	<u>\$ (84,011)</u>
Non-operating revenues				
Taxes	14,481,951	1,726,057	14,481,951	-
Investment Income	7,000	3,364	7,000	-
Miscellaneous	152,400	36,123	152,400	-
2015 Bond Refunding	-	-	-	-
Operating transfers from other funds	15,000	-	15,000	-
Transfer from reserves	937,569	-	691,493	(246,076)
Appropriation from fund balance	-	-	-	-
Total Non-operating revenues	<u>15,593,920</u>	<u>1,765,544</u>	<u>15,347,844</u>	<u>(246,076)</u>
Total revenues	<u>\$ 21,830,972</u>	<u>\$ 3,352,321</u>	<u>\$ 21,500,885</u>	<u>\$ (330,087)</u>



# Solid Waste Fund - Expenses

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
<b>Expenditures</b>				
Personal Services	\$ 6,389,542	\$ 1,455,963	\$ 6,389,437	\$ 105
Operating expenditures	10,635,761	1,614,762	10,544,029	91,732
Non-departmental administration	153,670	-	153,670	-
Capital Outlay	128,801	128,801	128,801	-
2015 Bond Refunding	-	-	-	-
Debt service principal and interest	4,281,130	1,428,796	4,281,130	-
Transfers to fund balance	238,250	-	-	238,250
Operating transfers to other funds	3,818	-	3,818	-
<b>Total expenditures</b>	<b><u>\$ 21,830,972</u></b>	<b><u>\$ 4,628,322</u></b>	<b><u>\$ 21,500,885</u></b>	<b><u>\$ 330,087</u></b>
<b>Revenues less Expenditures</b>	<b>-</b>	<b>(1,276,000)</b>	<b>-</b>	



# Stormwater Fund

- Provides for the management and maintenance of operational expenses of stormwater activities which include street cleaning.
- The fund is a self-sufficient enterprise fund and receives no tax support.
- At quarter-one, the Stormwater Fund has received 39.68% of projected revenues. Fund anticipating surplus due to personnel and operating savings..



# Stormwater Fund - Revenues

	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Year-End Projection</u>	<u>Year-End Positive/ (Negative)</u>
Revenues				
Operating revenues	<u>\$ 15,219,115</u>	<u>\$ 6,039,518</u>	<u>\$ 15,219,115</u>	<u>\$ -</u>
Non-operating revenues				
Investment Income	20,000	13,552	20,000	-
Operating transfers from other funds	109,047	-	109,047	-
Transfer from reserves	482,802	-	-	(482,802)
Total Non-operating revenues	<u>611,849</u>	<u>13,552</u>	<u>129,047</u>	<u>(482,802)</u>
Total revenues	<u>\$ 15,830,964</u>	<u>\$ 6,053,070</u>	<u>\$ 15,348,162</u>	<u>\$ (482,802)</u>

# Stormwater - Expenses



	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Year-End Projection</u>	<u>Year-End Positive/ (Negative)</u>
Expenditures				
Personal Services	\$ 6,582,843	\$1,372,309	\$ 6,321,061	\$ 261,782
Operating expenditures	2,452,197	388,718	2,462,197	(10,000)
Non-departmental administration	888,659	-	888,659	-
Capital outlay	-	-	-	-
Operating transfers to other funds	4,838,628	-	4,838,628	-
Transfers to fund balance	1,068,637	-	837,617	231,020
	<u>\$ 15,830,964</u>	<u>\$1,761,027</u>	<u>\$ 15,348,162</u>	<u>\$ 482,802</u>
Revenues less Expenditures	-	4,292,043	-	



# Parking Fund

- The Parking fund operating revenues fully cover fund operating expenses.
- Debt Service Fund subsidizes the existing debt portion of the fund.
- Parking Fund is expected to operate better than budget expectations due to monthly and hourly parking revenues.



# Parking Fund - Revenues

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Revenues				
Operating revenues	\$3,306,726	\$ 873,338	\$3,685,219	\$ 378,493
Non-operating revenues				
Investment Income	2,000	685	4,000	2,000
2015 Bond Refunding	-	-	-	-
Miscellaneous	-	-	-	-
Operating transfers from other funds	1,924,735	-	1,924,735	-
Transfer from reserves	7,250	-	-	(7,250)
Appropriation from fund balance	-	-	-	-
Total Non-operating revenues	1,933,985	685	1,928,735	(5,250)
Total revenues	\$5,240,711	\$ 874,023	\$5,613,954	\$ 373,243



# Parking Fund - Expenses

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Expenditures				
Personal Services	\$ 141,802	\$ 33,612	\$ 147,502	\$ (5,700)
Operating expenditures	2,442,837	703,865	2,557,844	(115,007)
Non-departmental administration	484,100	-	484,100	-
Capital outlay	52,000	4,506	52,000	-
2015 Bond Refunding	-	-		
Debt service principal and interest	1,924,737	297,099	1,924,737	-
Transfer to fund balance	195,235	-	447,771	(252,536)
Total expenditures	<u>\$5,240,711</u>	<u>\$1,039,083</u>	<u>\$5,613,954</u>	<u>\$ (373,243)</u>
Revenues less Expenditures	-	(165,060)	-	



# Debt Reserve Fund

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
<b>Revenues</b>				
Property Taxes	\$ 32,231,624	\$ 3,876,462	\$ 32,231,624	\$ -
<b>Non-operating revenues</b>				
Intergovernmental (Subsidy)	635,637	247,688	635,637	-
Intergovernmental (County/NCCU share 9	1,217,222	-	1,217,222	-
Debt Refunding	6,000,000	-	6,000,000	-
Appropriation from Fund balance	1,160,985	-	1,160,985	-
<b>Total Non-operating revenues</b>	<u>9,013,844</u>	<u>247,688</u>	<u>9,013,844</u>	<u>-</u>
<b>Total revenues</b>	<u><u>\$ 41,245,468</u></u>	<u><u>\$ 4,124,150</u></u>	<u><u>\$ 41,245,468</u></u>	<u><u>\$ -</u></u>
<b>Expenditures</b>				
Special Contractual Services	370,664	47,079	370,664	-
Transfers to Other Funds	4,019,511	-	4,019,511	-
Debt Refunding	6,000,000	-	6,000,000	-
Debt service principal	21,872,849	9,705,533	21,872,849	-
Debt service interest	8,982,444	3,125,623	8,982,444	-
<b>Total expenditures</b>	<u><u>\$ 41,245,468</u></u>	<u><u>\$ 12,878,235</u></u>	<u><u>\$ 41,245,468</u></u>	<u><u>\$ -</u></u>
	-	(8,754,085)		



# Other Projects

- Multi Year Financial Plans
- Departmental Strategic Plans
- Employee Opinion Survey
- Resident Satisfaction Survey
- Monthly Financial Report