



FY 2015-16

2nd Quarter Financial Report
(Quarter Ending 12/31/2015)

February 18th, 2016

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 May 19th.



General Fund



General Fund - Revenues

- Property tax revenues, representing 52% of General Fund budget, are mostly collected in December and January.
- First sales tax payment for fiscal year received in October.

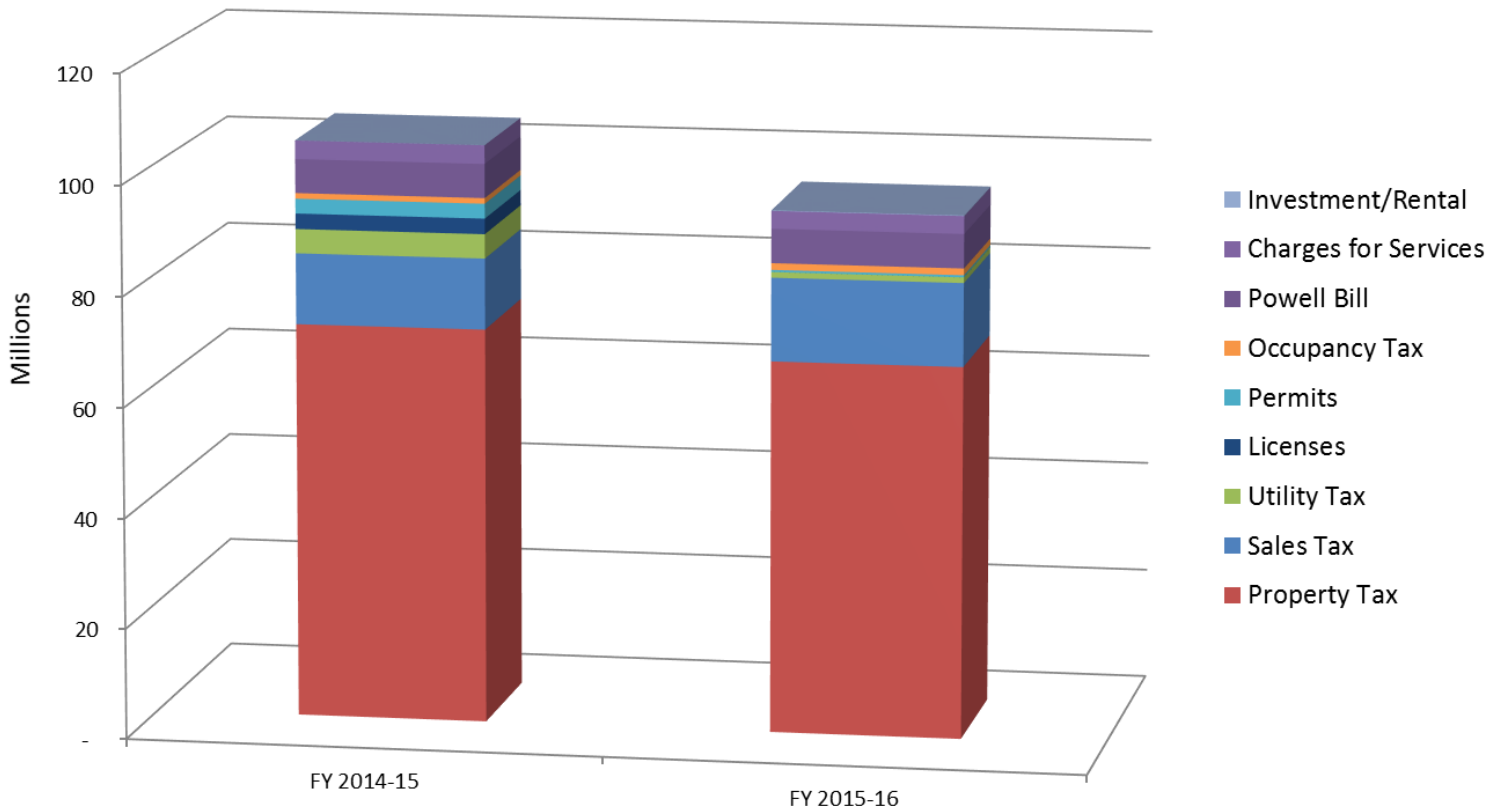


General Fund – Revenues

- Property taxes down from same period last year (-5.9%).
- Licenses down from same period last year (-99.8%).
- Permits down from same period last year (-85.9%).
- Occupancy tax up from same period last year (19.3%).
- Powell Bill up from same period last year (0.3%).
- Charges for Services down from same period last year (-4.4%).



General Fund Major Revenue Q2 2015 vs. Q2 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	-
Total revenues	<u>168,620,814</u>	<u>19,356,822</u>	<u>11.5%</u>	<u>169,459,889</u>	<u>839,075</u>



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)
OTHER FINANCING SOURCES					
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	-
Total	177,491,440	39,607,617	11,173,777	176,621,286	870,154



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	-
Total	177,491,440	39,607,617	11,173,777	176,621,286	870,154



Enterprise Funds



Water & Sewer Fund

- Operating revenues at 55% of yearly budget
- Operating expenses at 41% of yearly budget
- Consumption through the Second quarter of FY16 is 4% 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)
Revenues				
Operating revenues	\$ 86,935,103	\$ 48,027,911	\$ 88,931,995	\$ 1,996,892
Permits	85,000	67,191	100,000	15,000
Total operating revenues	87,020,103	48,095,102	89,031,995	2,011,892
Non-operating revenues				
Miscellaneous	1,300,625	819,621	1,749,903	449,278
Investment Income	136,000	28,005	136,000	-
Operating transfers from other funds	276,982	276,982	276,982	-
Transfer from reserves	2,591,898	-	-	(2,591,898)
Total Non-operating revenues	4,305,505	1,124,608	2,162,885	(2,142,620)
Total revenues	\$ 91,325,608	\$ 49,219,710	\$ 91,194,880	\$ (130,728)



Water & Sewer Fund - Expenses

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Expenditures				
Personal Services	\$ 25,431,252	\$ 11,428,103	\$ 23,039,975	\$ 2,391,277
Operating expenditures	25,185,727	10,410,177	22,941,536	2,244,191
Non-departmental administration	5,997,679	2,998,840	5,997,679	-
Capital outlay	215,590	76,045	221,074	(5,484)
Debt service principal and interest	10,646,702	3,149,008	10,646,702	-
Operating transfers to other funds	19,650,869	19,650,869	19,650,869	-
Transfer to fund balance	4,197,788	-	8,697,045	(4,499,257)
Total expenditures	\$ 91,325,608	\$ 47,713,042	\$ 91,194,880	\$ 130,728
 Revenues less Expenditures	-	1,506,668	-	



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.
- Second quarter results are slightly lower than Q2 in FY 15.
- Collected surplus is credited toward fund balance.



Transit Operations Fund

- Transit Operations Fund overall expected to operate very close to budget.
- Revenue shortfalls offset by expense savings
- Tax rate of 3.87 cents per \$100 (about \$9.58M) is budgeted in the Transit Fund.



Transit Operations Fund – Revenue

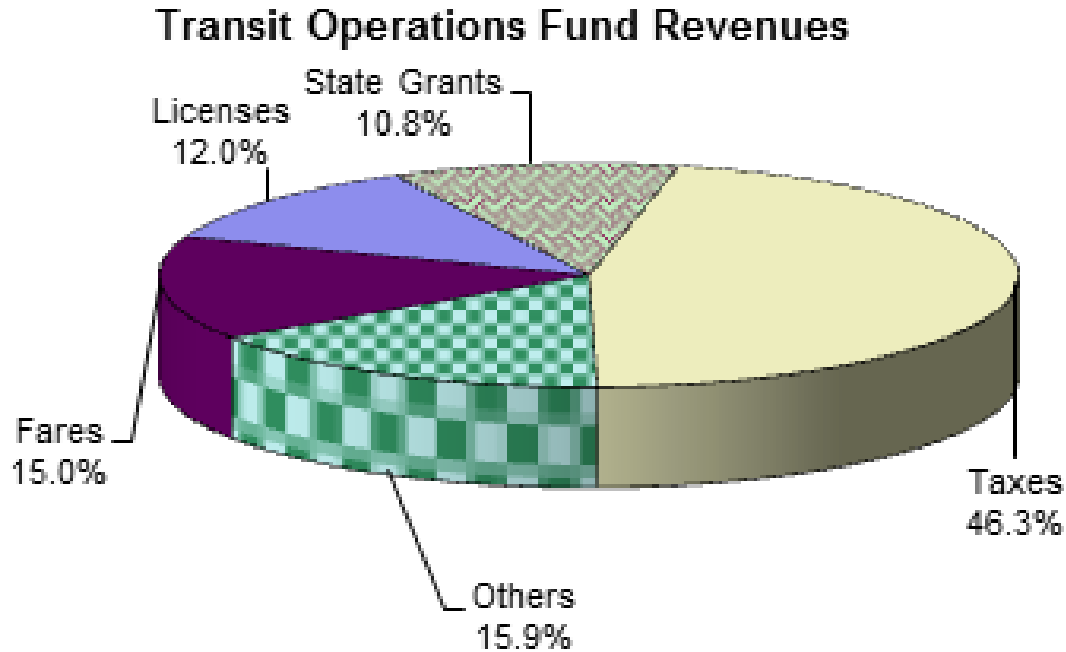
	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Revenues				
Operating revenues	\$ 3,636,525	\$ 1,201,033	\$ 3,372,013	\$ (264,512)
Non-operating revenues				
Taxes	9,580,368	7,317,024	9,580,368	-
Miscellaneous	7,452,664	974,008	7,599,718	147,054
Transfer from reserves	827,530	-	5,529	(822,001)
Appropriation from fund balance	118,082	-	-	(118,082)
Total Non-operating revenues	17,978,644	8,291,031	17,185,615	(793,029)
Total revenues	\$ 21,615,169	\$ 9,492,064	\$ 20,557,628	\$ (1,057,541)



Transit Operations Fund – Expenses

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Expenditures				
Operating expenditures	\$ 18,480,937	\$ 6,750,501	\$ 17,704,098	\$ 776,839
Non-departmental administration	404,241	202,121	404,241	-
Capital outlay	379,000	-	120,000	259,000
Debt service principal and interest	203,460	160,871	203,460	-
Operating transfers to other funds	1,988,988	1,975,829	2,125,829	(136,841)
Transfer to fund balance	158,543	-	-	158,543
Total expenditures	\$ 21,615,169	\$ 9,089,322	\$ 20,557,628	\$ 1,057,541
Revenues less Expenditures	-	402,742	-	

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 with a small surplus.
- 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

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Revenues				
Operating revenues	\$ 6,237,052	\$ 3,119,517	\$ 6,138,404	\$ (98,648)
Non-operating revenues				
Taxes	14,481,951	11,047,625	14,481,951	-
Investment Income	7,000	333	7,000	-
Miscellaneous	152,400	75,942	152,400	-
Operating transfers from other funds	15,000	15,000	15,000	-
Transfer from reserves	937,569	-	474,002	(463,567)
Total Non-operating revenues	15,593,920	11,138,900	15,130,353	(463,567)
Total revenues	\$ 21,830,972	\$ 14,258,417	\$ 21,268,757	\$ (562,215)



Solid Waste Fund - Expenses

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Expenditures				
Personal Services	\$ 6,389,542	\$ 3,220,107	\$ 6,407,297	\$ (17,755)
Operating expenditures	10,635,761	4,155,056	10,294,041	341,720
Non-departmental administration	153,670	76,835	153,670	-
Capital Outlay	128,801	128,801	128,801	(0)
Debt service principal and interest	4,281,130	1,853,084	4,281,130	-
Transfers to fund balance	238,250	-	-	238,250
Operating transfers to other funds	3,818	3,818	3,818	-
Total expenditures	\$ 21,830,972	\$ 9,437,701	\$ 21,268,757	\$ 562,215
Revenues less Expenditures	-	4,820,716	-	



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 66.6% of projected revenues. Fund anticipating surplus due to personnel and operating savings..



Stormwater Fund - Revenues

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Revenues				
Operating revenues	\$ 15,219,115	\$ 10,432,494	\$ 15,235,115	\$ 16,000
Non-operating revenues				
Investment Income	20,000	2,375	20,000	-
Operating transfers from other funds	109,047	109,047	109,047	-
Transfer from reserves	482,802	-	-	(482,802)
Total Non-operating revenues	611,849	111,422	129,047	(482,802)
Total revenues	\$ 15,830,964	\$ 10,543,916	\$ 15,364,162	\$ (466,802)

Stormwater - Expenses



	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Expenditures				
Personal Services	\$ 6,582,843	\$ 3,050,042	\$ 6,347,321	\$ 235,522
Operating expenditures	2,452,197	962,686	2,144,303	307,894
Non-departmental administration	888,659	444,330	888,659	-
Operating transfers to other funds	4,838,628	4,838,628	4,838,628	-
Transfers to fund balance	1,068,637	-	1,145,251	(76,614)
Total expenditures	\$ 15,830,964	\$ 9,295,686	\$ 15,364,162	\$ 466,802
Revenues less Expenditures	-	1,248,230	-	



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	\$ 1,757,661	\$ 3,756,903	\$ 450,177
Non-operating revenues				
Investment Income	2,000	625	2,000	-
Operating transfers from other funds	1,924,735	1,924,735	1,924,735	-
Transfer from reserves	7,250	-	-	(7,250)
Total Non-operating revenues	1,933,985	1,925,360	1,926,735	(7,250)
Total revenues	\$ 5,240,711	\$ 3,683,021	\$ 5,683,638	\$ 442,927



Parking Fund - Expenses

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Expenditures				
Personal Services	\$ 141,802	\$ 73,527	\$ 186,002	\$ (44,200)
Operating expenditures	2,552,343	1,113,426	2,595,112	(42,769)
Non-departmental administration	484,100	242,050	484,100	-
Capital outlay	47,494	36,075	46,500	994
Debt service principal and interest	1,924,737	822,948	1,924,737	-
Transfer to fund balance	90,235	-	447,187	(356,952)
Total expenditures	\$ 5,240,711	\$ 2,288,026	\$ 5,683,638	\$ (442,927)
Revenues less Expenditures	-	1,394,995	-	



Debt Reserve Fund

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Revenues				
Property Taxes	\$ 32,231,624	\$ 3,876,462	\$ 32,231,624	\$ -
Non-operating revenues				
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	-
Total Non-operating revenues	9,013,844	247,688	9,013,844	-
Total revenues	\$ 41,245,468	\$ 4,124,150	\$ 41,245,468	\$ -
Expenditures				
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	-
Total expenditures	\$ 41,245,468	\$ 12,878,235	\$ 41,245,468	\$ -
	-	(8,754,085)		



Other Projects

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