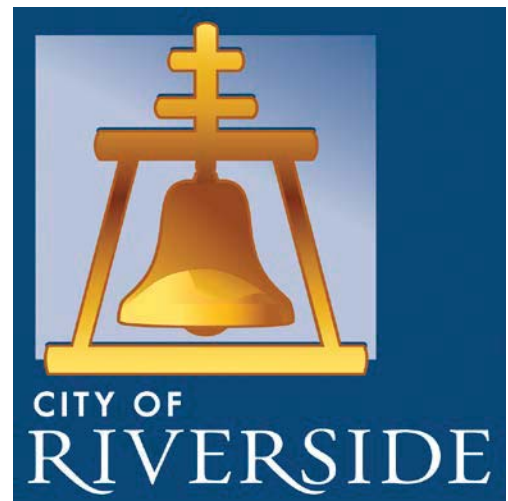


# ATTACHMENT A

## FINANCIAL REPORT



**City of Riverside**  
**Fiscal Year 2015/16 General Fund Budget Forecast**  
**As of March 31, 2016 (3rd Quarter)**

A-2

	Revised 2015/16 Adopted Budget	Projected 2015/16 (2nd Quarter)	2nd Quarter Budget Variance	Projected 2015/16 (3rd Quarter)	3rd Quarter Budget Variance
<b>Beginning General Fund Balance <sup>1</sup></b>	<b>\$ 40,085,510</b>	<b>\$ 40,085,510</b>		<b>\$ 40,085,510</b>	
Add: Revenue <sup>2</sup>	257,593,718	255,345,706	(2,248,012)	255,093,517	(2,500,201)
Less: Expenditures and Budget Adjustments <sup>3</sup>	(256,593,718)	(262,140,838)	(5,547,120)	(262,325,775)	(5,732,057)
<b>Projected General Fund Operating Surplus /(Deficit)</b>	<b>1,000,000</b>	<b>(6,795,132)</b>	<b>(7,795,132)</b>	<b>(7,232,258)</b>	<b>(8,232,258)</b>
Add: Finance Department Recommended Budget Reductions <sup>4</sup>	-	2,500,000			
Add: Finance Department Recommended Budget Freezes <sup>4</sup>	-	945,000		-	
<b>Projected Addition/(Draw) on General Fund Reserve</b>	<b>1,000,000</b>	<b>(3,350,132)</b>		<b>(7,232,258) <sup>5</sup></b>	
<b>Projected General Fund Reserve</b>	<b>\$ 41,085,510</b>	<b>\$ 36,735,378</b>		<b>\$ 32,853,252</b>	
<b>% of General Fund</b>	<b>16.0%</b>	<b>14.3%</b>		<b>12.8%</b>	

<sup>1</sup> The revised General Fund reserve balance is the audited final balance from fiscal year 2014/15.

<sup>2</sup> See page A-3 for additional detail.

<sup>3</sup> See page A-4 for additional detail.

<sup>4</sup> March 8, 2016 proposed budget reductions and additional freezes did not materialize as anticipated.

<sup>5</sup> Total draw on reserves for the 3rd Quarter includes implementation of approximately \$850,000 of proposed budget reductions. Without these measures the total operating deficit would be approximately \$8.1 million, which equates to a budgetary deficit of \$9.1 million when you take into account the \$1 million General Fund surplus in the adopted budget.

**City of Riverside**  
**Fiscal Year 2015/16 General Fund Revenue Forecast**  
**As of March 31, 2016 (3rd Quarter)**

A-3

	Revised 2015/16 Adopted Budget	Projected 2015/16 (3rd Quarter)	3rd Quarter Budget Variance	Change From 2nd Quarter to 3rd Quarter
<b>Taxes</b>				
Sales & Use Taxes \$	62,949,000	\$ 62,949,000	\$ -	\$ -
Property Taxes <sup>1</sup>	53,742,073	54,084,782	342,709	(200,000)
Utility Users Tax <sup>2</sup>	29,082,000	28,140,000	(942,000)	-
Transient Occupancy Tax <sup>3</sup>	5,656,000	6,230,000	574,000	-
Franchises	5,365,000	5,500,000	135,000	-
Property Transfer Tax	2,609,000	2,440,000	(169,000)	-
<b>Sub-Total Taxes</b>	<b>159,403,073</b>	<b>159,343,782</b>	<b>(59,291)</b>	<b>(200,000)</b>
<b>Interfund Transfers<sup>4</sup></b>	<b>46,134,100</b>	<b>44,789,400</b>	<b>(1,344,700)</b>	<b>-</b>
<b>Charges, Licenses, &amp; Permits</b>				<b>-</b>
Charges for Services <sup>5</sup>	25,716,677	25,428,873	(287,804)	877,196
Licenses & Permits	9,093,500	9,118,200	24,700	(35,000)
<b>Sub-Total Charges, Licenses, &amp; Permits</b>	<b>34,810,177</b>	<b>34,547,073</b>	<b>(263,104)</b>	<b>842,196</b>
<b>Other Revenues</b>				
Other / One-Time <sup>6</sup>	8,309,025	8,037,809	(271,216)	(498,600)
Special Assessments	4,621,843	4,454,627	(167,216)	(44,656)
Fines & Forfeits <sup>7</sup>	2,418,500	1,730,440	(688,060)	(316,021)
Intergovernmental	1,897,000	2,190,386	293,386	(35,108)
<b>Sub-Total Other Revenues</b>	<b>17,246,368</b>	<b>16,413,262</b>	<b>(833,106)</b>	<b>(894,385)</b>
<b>Total</b>	<b>\$ 257,593,718</b>	<b>\$ 255,093,517</b>	<b>\$ (2,500,201)</b>	<b>\$ (252,189)</b>

**Notes on material variances, include:**

<sup>1</sup>Property Tax - Overall increase in Successor Agency General Fund tax increment was lower than 2nd Quarter projections.

<sup>2</sup>Utility User's Tax - Decrease, strictly related to reduced Water/Electric revenue projections, continues from 2nd Quarter projections.

<sup>3</sup>Transient Occupancy Tax - Continual strong growth in hotel room nights and daily rate, consistent with 2nd Quarter projections.

<sup>4</sup>Interfund Transfers - Lower than anticipated prior year Water Fund revenues due to water conservation, continues from 2nd Quarter.

<sup>5</sup>Revenue from Fee Study - Delay in approval and implementation of fee study and certain fee increases deferred. Decrease in estimated losses from 2nd Quarter are due to better than expected performance of the Fox/Muni and Convention Center agreement.

<sup>6</sup>Other/One-Time Revenue - Made up of several items, including interest revenue, rentals leases, rebates/refunds, miscellaneous receipts, etc. One particular line item in the adopted FY 2015-16 Budget, miscellaneous receipts/one-time revenue, was budgeted for \$2.5 million. To date, this account has not performed as planned causing the decrease from 2nd Quarter projections.

<sup>7</sup>Fines for Forfeits - Overall decrease in Code Enforcement revenue relating to administrative civil penalties and administrative citations is greater than 2nd Quarter projections and consistent with the improved economy.

**City of Riverside**  
**Fiscal Year 2015/16 General Fund Expenditure Forecast**  
**As of March 31, 2016 (3rd Quarter)**

**A-4**

Department	2015/16 Adopted Budget	Previously Approved Adjustments <sup>1</sup>	Revised Budget 2015/16	Projected 2015/16 (3rd Quarter)	Projected Variance 2015/16 (3rd Quarter)	Change From 2nd Quarter to 3rd Quarter
City Attorney <sup>5</sup>	\$ 4,066,225	\$ 294,550	\$ 4,360,775	\$ 3,599,256	(761,519)	\$ (661,519)
City Clerk	1,596,263	-	1,596,263	1,541,148	(55,115)	(9,115)
City Council	1,274,352	-	1,274,352	1,228,606	(45,746)	(5,746)
City Manager <sup>6</sup>	5,290,931	(19,931)	5,271,000	5,392,006	121,006	146,006
Community & Economic Development	11,687,783	(47,400)	11,640,383	10,511,140	(1,129,243)	370,757
Finance <sup>7</sup>	5,838,473	135,000	5,973,473	6,134,539	161,066	511,066
Fire <sup>8</sup>	47,600,629	584,226	48,184,855	48,760,379	575,524	425,524
General Services	4,058,278	-	4,058,278	3,553,733	(504,545)	45,455
Human Resources	2,726,952	105,000	2,831,952	2,526,795	(305,157)	89,843
Innovation & Technology <sup>9</sup>	11,079,054	(287,500)	10,791,554	9,866,554	(925,000)	(500,000)
Library	6,149,818	-	6,149,818	5,957,933	(191,885)	178,115
Mayor	872,591	8,125	880,716	847,295	(33,421)	(8,421)
Museum & Cultural Affairs	3,785,710	(17,460)	3,768,250	3,763,250	(5,000)	120,000
Non-Departmental	24,846,896	(8,125)	24,838,771	24,564,199	(274,572)	151,428
Non-Departmental - Community Livability	786,680	-	786,680	851,680	65,000	65,000
Parks, Recreation & Community Services	15,795,719	59,325	15,855,044	15,169,797	(685,247)	(185,247)
Police	88,122,448	4,661,544	92,783,992	92,527,549	(256,443)	(6,443)
Public Works <sup>10</sup>	12,933,933	(385,000)	12,548,933	11,348,933	(1,200,000)	(400,000)
<b>SubTotal</b>	<b>248,512,735</b>	<b>5,082,354</b>	<b>253,595,089</b>	<b>248,144,792</b>	<b>(5,450,297)</b>	<b>326,703</b>
Estimated Managed Savings <sup>2</sup>	(6,100,000)		(6,100,000)	N/A	6,100,000	-
Interfund Transfers <sup>4</sup>	2,487,202		2,487,202	2,487,202	-	-
Net Cost Allocation	(19,940,744)		(19,940,744)	(19,940,744)	-	-
Net Debt Service Allocation	31,634,525		31,634,525	31,634,525	-	-
<b>Total</b>	<b>\$ 256,593,718</b>	<b>\$ 5,082,354</b>	<b>\$ 261,676,072</b>	<b>\$ 262,325,775</b>	<b>\$ 649,703</b>	<b>\$ 326,703</b>

<sup>1</sup> Includes the previous or anticipated appropriations by the City Council listed at A-5 following page.

<sup>2</sup> Managed Savings is budgeted at the fund level but reflected in department-level actual expenditures.

<sup>3</sup> Material variances as outlined on the following page.

<sup>4</sup> Final payment to the Water Fund for the \$10,000,000 GFT-related settlement.

<sup>5</sup> Increased projected savings attributable to reduction in the use of outside legal counsel

<sup>6</sup> Projected operational shortfall associated with resignation of an Assistant City Manager.

<sup>7</sup> Projected operational shortfall associated with resignation of Finance Director/Treasurer and Financial Resources Manager. Both positions were filled with contract staff to assist with the FY 2016-18 Two-Year Budget and Five-Year Plan.

<sup>8</sup> Projected operational shortfall associated with historical structural deficit relating to overtime budgeting practices. FY 2016-18 Two-Year Budget will address this issue.

<sup>9</sup> Increased projected savings attributable to vacancies not filled in the Xerox Outsourcing Agreement.

<sup>10</sup> Increased projected savings attributable to vacancies not filled and reduction in contract services provided (e.g. Tree Trimming).

**City of Riverside**  
**Fiscal Year 2015/16 General Fund Expenditure Forecast**  
**As of March 31, 2016 (3rd Quarter)**

The following are General Fund changes, including budget transfers, relating to projects and City Council approved supplemental appropriations and budget reductions.

**City Attorney:**

7/14/2015 CA101-9	\$ 3,800	Reimbursement of attorney fees and costs; offset by revenues of the same amount.
7/14/2015 CA101-9	\$ 9,750	Reimbursement of attorney fees and costs; offset by revenues of the same amount.
11/10/2015 CA101-129	\$ 281,000	Rental expense, moving costs, etc. related to the relocation to Mission Square.
	<u>\$ 294,550</u>	

**City Manager:**

11/17/2015 CA101-131	\$ 40,000	Add 1.0 FTE Web Designer position; amount transferred from Innovation & Technology
3/8/2016	\$ (59,931)	Mid-year budget reductions
	<u>\$ (19,931)</u>	

**Community & Economic Development:**

12/8/2015 CA101-154	\$ 50,000	Fund the Greenbelt Environmental Stewardship Program.
3/8/2016	\$ (97,400)	Mid-year budget reductions
	<u>\$ (47,400)</u>	

**Finance:**

12/1/2015 CA101-136	\$ 135,000	Performance Audit
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**Fire:**

3/8/2016 CA101-243	\$ 573,906	Mutual Aid reimbursement with matching revenue appropriation
2/1/2016 CA101-188	\$ 10,000	Use of Kiwanis Club donation; matching revenue appropriated.
10/20/2015 CA101-105	\$ 320	Use of Kleinfelder donation; matching revenue appropriated.
	<u>\$ 584,226</u>	

**Human Resources:**

12/1/2015 CA101-136	\$ 105,000	Performance Audit
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**Innovation and Technology:**

3/8/2016	\$ (250,000)	Mid-year budget reductions
11/17/2015 CA101-131	\$ (40,000)	Transfer to City Manager's Office to fund 1.0 FTE Web Designer position.
3/1/2016 CA101-207	\$ 2,500	Use of Latino Network donation; matching revenue appropriated.
	<u>\$ (287,500)</u>	

<b>Mayor:</b>			
3/22/2016	CA101-262	\$ 8,125	Transfer from non-departmental for Sister City account.
<b>Museum:</b>			
11/3/2015		\$ 360,000	Emergency Supplemental Appropriation
3/8/2016		\$ (360,000)	Mid-year budget reductions
3/8/2016		\$ (75,314)	Mid-year budget reductions
3/1/2016	CA101-188	\$ 7,854	Use of Clark Fund donation; matching revenue appropriated.
11/17/2015	CA101-131	\$ 50,000	Use of FOL sponsorship monies; matching revenue appropriated.
		<u>\$ (17,460)</u>	
<b>Non-departmental:</b>			
3/22/2016	CA101-262	\$ (8,125)	Transfer to Mayor for Sister City account.
<b>Parks, Recreation &amp; Community Services</b>			
12/1/2015	CA101-144	\$ 7,319	Use of vending machine revenue
2/1/2016	CA101-166	\$ 34,876	Use of miscellaneous monetary donations
7/14/2015	CA101-16	\$ 17,130	Use of miscellaneous monetary donations
		<u>\$ 59,325</u>	
<b>Police</b>			
3/8/2016	CA101-243	\$ 3,900,000	Police MOU
8/25/2015	CA101-61	\$ 20,000	Reward funds
9/22/2015	CA101-81	\$ 10,000	Reward funds
11/10/2015	CA101-123	\$ 75,000	Reward funds
10/6/2015	CA101-94	\$ 10,000	Preusser Research
7/14/2015	CA101-16	\$ 399,292	Helicopter Agreement
4/5/2016	CA101-272	\$ 2,500	Walmart donation
12/1/2015	CA101-145	\$ 15,118	Canine Trust Allocation
4/12/2016	CA101-278	\$ 14,634	Canine Trust Allocation
4/5/2016	CA101-273	\$ 215,000	PACT / Reimburse General Fund for related personnel
		<u>\$ 4,661,544</u>	
<b>Public Works</b>			
7/8/2015	Transfer	\$ (150,000)	Transfer of funds for project needs.
11/6/2015	Transfer	\$ (85,000)	Transfer of funds for project needs.
7/8/2015	Transfer	\$ (150,000)	Transfer of funds for project needs.
		<u>\$ (385,000)</u>	
<b>Grand Total</b>		<b>\$ 5,082,354</b>	