



1st Quarter Financial Summary

FY 2014-15

This summary of FY 2014-15 first quarter financial activity displays expenditure information at a category level by fund or by groups of City funds and resource information at a greater degree of detail. The rating system employed in City of Salem financial summaries – positive (green), watch (yellow), and negative (orange) – is integrated in the numeric tables.

GENERAL FUND

Performance at a Glance	Fiscal Year 2014-15			Difference FY 13-14 to FY 14-15
	Budget	9/30/2014	% YTD	
Beginning Working Capital	\$ 19,564,780	\$ 20,997,247	107%	\$ 197,887
Property Taxes	57,015,410	242,765	0%	(127,586)
Franchise Fees	15,620,450	1,046,638	7%	(50,036)
Internal Charges	11,241,730	2,675,391	24%	43,090
State Shared Revenues	4,724,940	409,767	9%	(16,309)
Fees, Licenses, and Permits	3,839,620	755,071	20%	97,890
Rents and Other Agencies	2,522,740	302,261	12%	(162,158)
Fines, Penalties, and Forfeitures	2,613,630	597,380	23%	(41,262)
Grants, Other Misc. Revenue	10,400,200	408,297	4%	(396,990)
Current Revenues	\$107,978,720	\$ 6,437,570	6%	\$ (653,360)
Total Resources	\$127,543,500	\$ 27,434,817	22%	\$ (455,473)
Personal Services	\$ 81,304,800	\$ 17,542,020	22%	\$ 607,801
Materials and Services	30,788,900	5,174,468	17%	(380,209)
Capital Outlay	2,029,320	392	0%	(50,036)
Debt Service	-	-	0%	-
Transfers	847,120	98,365	12%	(442,832)
Contingencies	2,154,500	-	0%	-
Total Expenditures	\$117,124,640	\$ 22,815,244	19%	\$ (265,276)
Ending Balance	\$ 10,418,860	\$ 4,619,573		\$ (190,197)

What the ratings mean:

Positive – Revenues and City Council-adopted use of reserves support the current level of service. Working capital is stable over a three-year forecast. No significant issues are identified.

Watch – Various stressors may cause current revenues to be flat or decline and impact capacity to support current level of service. Factors exist that may contribute to the instability of fund working capital over the next year.

Low revenue numbers in the first quarter for the General Fund are typical as the fund's primary revenue source – property tax – has not yet been collected. Franchise fees, state shared revenues, and fee-generated revenues maintain a watch status along with property tax. The first quarter includes an adjustment through a supplemental budget, which increased the grouping of Grants and Other Miscellaneous Revenue by \$1,700,000 to support implementation of new parking technology and accept a \$200,000 Environmental Protection Agency grant.

With a budget-to-actual expenditure rate of 19 percent, General Fund costs are 2 percent lower for the period as compared to FY 2013-14. Decreased expense in materials and services relates to the *timing* of expenditures as the budget for FY 2014-15 is actually 10 percent higher than last year.

OTHER FUNDS

Performance at a Glance	Fiscal Year 2014-15			Difference FY 13-14 to FY 14-15
	Budget	1st Qtr Actual	% YTD	
RESOURCES				
Public Works	\$ 18,588,830	\$ 5,294,734	28%	\$ 380,680
Airport	1,618,050	1,007,067	62%	(140,727)
Parking	2,763,160	906,614	33%	68,265
Emergency Medical Services	3,390,480	3,088,410	91%	(33,593)
Community Renewal	5,418,710	562,191	10%	80,296
Economic Improvement Dist.	176,800	173,152	98%	(234,154)
Cultural and Tourism	4,132,500	2,000,592	48%	499,952
Public Art	6,070	4,339	71%	2,511
Leasehold	1,212,820	688,395	57%	8,901
Building and Safety	7,564,930	5,537,589	73%	805,925
General Debt Service	15,032,300	1,466,476	10%	276,609
Capital Improvements	105,013,050	47,726,041	45%	(12,598,324)
Extra Capacity Facilities	24,304,670	19,178,132	79%	351,919
Development Districts	1,955,910	1,562,058	80%	99,159
Water and Sewer	120,826,870	57,970,612	48%	(1,235,411)
WVCC*	9,621,300	3,218,715	33%	(172,462)
PRIORS	1,261,360	1,018,911	81%	40,245
City Services	21,819,310	14,651,297	67%	(1,871,816)
Self Insurance	36,159,560	18,203,785	50%	1,503,698
Equipment Reserve	4,888,770	4,387,548	90%	3,947,645
Trust	9,535,510	5,664,977	59%	(328,410)
Total Resources - Other Funds	\$ 395,290,960	\$ 194,311,636	49%	\$ (8,549,091)
EXPENDITURES				
Personal Services	\$ 54,137,650	\$ 11,627,150	21%	\$ 257,779
Materials and Services	220,719,500	25,510,888	12%	(1,683,106)
Capital Outlay	10,882,640	128,259	1%	(214,428)
Debt Services	37,064,280	106,309	0%	(426,390)
Transfers	23,448,080	2,304,020	10%	(1,150,344)
Contingencies	4,593,400	-	0%	-
Total Expenditures - Other Funds	\$ 350,845,550	\$ 39,676,625	11%	\$ (3,216,489)
Ending Balance - All Other Funds	\$ 44,445,410	\$ 154,635,011		-7.5%
	Budget	Sep 30 2014		Change from FY 13-14

No assessment imposed

Year-to-year decrease due to use of bond proceeds

Impact of transfer from Fleet to initiate the equipment reserve

The Public Works, Airport, Parking, and Emergency Services funds remain on the City Manager's "watch" list as demonstrated with the yellow highlight above. All four funds remain at risk of an imbalance between current revenues and the cost of service, which negatively impacts fund health.

As a group, the City's "Other Funds" have realized 49 percent of budgeted resources through the first quarter, demonstrating the impact of beginning working capital. Expenditures are 11 percent of budget estimates and 7.5 percent lower than expenses in the prior year with decreased expenditures in the Capital Improvements Fund for the period as the primary reason.