

CITY OF GRANTS PASS
MONTHLY FINANCIAL REPORT
February 2015
Discussion & Analysis



As is typical, most of the percentages that look like variances in this month's report are due to seasonal factors or transactions that are not regularly spaced throughout the months in the fiscal year. The following text describes some of the operating conditions facing the City this year that may not be apparent from this high level monthly view of the City's financial picture.

On the expenditure side of this monthly financial report, one thing to keep in mind is that the operating divisions that transfer funds to the capital programs such as the utility operating funds and the General Fund – General Operations have recorded most of the required capital transfers for the whole fiscal year. This transfer expenditure makes the prorated expenditures for these divisions look slightly higher than normal at this point in the year. Most of these transfers are from the General Fund (Council and General Operations), the Water Fund, the Wastewater Fund, and the Street Utility Fund.

On the revenue side, most major revenue sources for City operations are coming in near or above expectations. Property taxes will be slightly over the revenue budget this year due to the final County assessment changes coming in slightly above expectations, Franchise and Other Taxes for the General Fund are on track to be close to budget, Transient Room Taxes are tracking slightly higher than budget, Water and Wastewater Utility Charges for Services are on track with budget, and the Street Utility's Fees and Gas Tax allocations typically don't fluctuate a great deal from year to year and are on track. The annexation that was approved by voters in November of 2014 will cause many of the City's major revenue sources to increase slightly in coming years. This will affect revenue sources such as property taxes, franchise fees, state revenue sharing amounts and certain utility charges as the population and properties now officially part of the City increased by nearly 4% due to this annexation. Many of the annexed properties were already connected to City services in some way as they were developed to City standards in the Urban Growth Boundary.

Staff in Finance and other departments have been extremely busy in recent months with the implementation of a new ERP system that is the financial software for most of the administrative duties of the City such as financial reporting and the general ledger, payroll, human resources, licensing and permitting, utility billing, accounts payable, budget processing, all things accounting, document management, and other areas. The financial module (which includes GL, Financial Reporting, Project Reporting, Accounts Payable, Budget, and other functions) was the first module to go live on January 1st, 2015 and staff has been very busy learning the new system while going through the normal busy budgeting processes this time of year.

As a result of the implementation, the creation of the City's typical monthly financial report is slightly behind the normal reporting schedule. The transactions and accounting processes are still happening in real time as normal but the processes to create the monthly and quarterly financial reports and also certain budget reports are still being developed and refined to use the new system for these reports. Certain parts of both the old and the new systems are being used until the completion of the entire software implementation. In time, staff hopes to be able to program monthly and quarterly financial reports in the new system that are produced more automatically than the manual processes staff has to go through today to create the various customized reports that Council, the Budget Committee, and Staff prefer to use on a regular basis. The next quarterly report will also look slightly different than past quarterly reports.

The standard part of the annual budgeting process began in earnest for all departments during February. After the Strategic Plan was approved by Council, the next step for staff was to create personnel/payroll projections and discuss the capital projects necessary to accomplish the tasks in the Strategic Plan. As Council prioritized the work plan items, this assisted staff with focusing available resources on projects necessary to complete the highest priority work plan items. Departments were given budgetary directions and had a series of budget deadlines set for February, March, and April.

We hope this discussion and analysis provided some insight into the City financial activities. Should you have additional comments or questions please feel free to contact the Finance Department.

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**CITY OF GRANTS PASS
MONTHLY FINANCIAL REPORT**

February 28, 2015
unaudited

Budget to Actuals

	ANNUAL BUDGET	FEBRUARY BUDGET	FEBRUARY ACTUAL***	% OF MONTH BUDGET	YEAR-TO-DATE BUDGET	YEAR-TO-DATE ACTUAL***	% OF YEAR-TO-DATE BUDGET
General Fund:							
Revenues							
Beginning Balance	\$ 10,515,825				\$ 10,515,825	\$ 11,799,811	
Property Tax	\$ 15,480,030	\$ 1,290,003	\$ 155,185	12%	\$ 10,320,020	\$ 14,240,784	138%
Franchise & Other Taxes	\$ 3,114,900	\$ 259,575	\$ 53,261	21%	\$ 2,076,600	\$ 1,662,753	80%
Licenses & Permits	\$ 315,640	\$ 26,303	\$ 16,582	63%	\$ 210,427	\$ 178,076	85%
Inter-Governmental & Grants	\$ 1,540,604	\$ 128,384	\$ 43,663	34%	\$ 1,027,069	\$ 860,625	84%
Fees & Charges for Service	\$ 2,115,740	\$ 176,312	\$ 196,758	112%	\$ 1,410,493	\$ 1,425,394	101%
Interest Income (misc)	\$ 74,000	\$ 6,167	\$ 3,530	57%	\$ 49,333	\$ 50,908	103%
Other Revenue	\$ 179,275	\$ 14,940	\$ 2,659	18%	\$ 119,517	\$ 42,748	36%
Transfers	\$ 1,151,300	\$ 95,942	\$ 170,971	178%	\$ 767,533	\$ 749,793	98%
TOTAL RESOURCES	\$ 34,487,314	\$ 1,997,624	\$ 642,609	32%	\$ 26,496,818	\$ 31,010,892	117%

Expenditures							
Council and General Operations	\$ 3,425,163	\$ 285,430	\$ 29,265	10%	\$ 2,283,442	\$ 2,486,844	109%
Public Safety	\$ 18,205,819	\$ 1,517,152	\$ 1,269,322	84%	\$ 12,137,213	\$ 10,889,484	90%
Parks & Recreation	\$ 1,944,343	\$ 162,029	\$ 122,936	76%	\$ 1,296,229	\$ 1,121,211	86%
Community Development	\$ 1,346,497	\$ 112,208	\$ 92,736	83%	\$ 897,665	\$ 809,444	90%
Economic Dev/Tourism/Downtown Dev.	\$ 898,563	\$ 74,880	\$ 64,381	86%	\$ 599,042	\$ 525,532	88%
Contingency & Ending Balance (Budgetary)	\$ 8,159,687				\$ 8,159,687	\$ 14,675,874	
Ending Balance Building (Budgetary Basis)	\$ 507,242				\$ 507,242	\$ 502,503	
TOTAL REQUIREMENTS	\$ 34,487,314	\$ 2,151,699	\$ 1,578,640	73%	\$ 25,880,519	\$ 31,010,892	

Fund Balance End of Period GAAP Basis (Includes Interfund Loans Out \$1,460,000) \$ 16,638,377

	ANNUAL BUDGET	FEBRUARY BUDGET	FEBRUARY ACTUAL***	% OF MONTH BUDGET	YEAR-TO-DATE BUDGET *	YEAR-TO-DATE ACTUAL ***	% OF YEAR-TO-DATE BUDGET *
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Transient Room Tax:

Beginning Balance	\$ 144,300				\$ 144,300	\$ 101,289	
Revenues	\$ 1,239,700	\$ 103,308	\$ 83,349	81%	\$ 826,467	\$ 995,152	120%
Expenditures	\$ 1,334,000	\$ 111,167	\$ 203,691	183%	\$ 889,333	\$ 867,892	98%
Ending Balance/Contingency (Budgetary)	\$ 50,000				\$ 50,000	\$ 228,549	Budgetary Balance**

Street Utility:

Beginning Balance	\$ 687,503				\$ 687,503	\$ 890,671	
Revenues	\$ 3,268,352	\$ 272,363	\$ 269,576	99%	\$ 2,178,901	\$ 1,826,507	84%
Expenditures	\$ 3,496,597	\$ 291,383	\$ 161,337	55%	\$ 2,331,065	\$ 2,127,204	91%
Ending Balance/Contingency (Budgetary)	\$ 459,258				\$ 459,258	\$ 589,974	Budgetary Balance**

CD Block Grant / HUD:

Beginning Balance	\$ 1,379,134				\$ 1,379,134	\$ 1,368,998	
Revenues	\$ 454,595	\$ 37,883	\$ 1,310	3%	\$ 303,063	\$ 57,581	19%
Expenditures	\$ 1,011,000	\$ 84,250	\$ -	0%	\$ 674,000	\$ 280,800	42%
Ending Balance/Contingency (Budgetary)	\$ 822,729				\$ 822,729	\$ 1,145,779	Budgetary Balance**

Debt Service, Gen Obligation and Bancroft:

Beginning Balance	\$ 80,974				\$ 80,974	\$ 138,645	
Revenues	\$ 1,975,800	\$ 164,650	\$ 10,684	6%	\$ 1,317,200	\$ 1,142,415	87%
Expenditures	\$ 1,989,200	\$ 165,767	\$ 834	1%	\$ 1,326,133	\$ 112,602	8%
Ending Balance/Contingency (Budgetary)	\$ 67,574				\$ 67,574	\$ 1,168,458	Budgetary Balance**

Storm Drain and Capital Projects:

Beginning Balance	\$ 298,112				\$ 298,112	\$ 453,780	
Revenues	\$ 193,000	\$ 16,083	\$ 2,015	13%	\$ 128,667	\$ 211,883	165%
Expenditures	\$ 490,753	\$ 40,896	\$ 2,109	5%	\$ 327,169	\$ 322,495	99%
Ending Balance/Contingency (Budgetary)	\$ 359				\$ 359	\$ 343,168	Budgetary Balance**

Transportation / Lands and Buildings Capital Projects:

Beginning Balance	\$ 11,448,606				\$ 11,448,606	\$ 13,264,079	
Revenues	\$ 13,266,787	\$ 6,633,394	\$ 753,707	11%	\$ 53,067,148	\$ 3,783,657	7%
Expenditures	\$ 24,715,393	\$ 2,059,616	\$ 652,703	32%	\$ 16,476,929	\$ 3,790,834	23%
Ending Balance/Contingency (Budgetary)	\$ -				\$ -	\$ 13,256,902	Budgetary Balance**

	ANNUAL BUDGET	FEBRUARY BUDGET	FEBRUARY ACTUAL***	% OF MONTH BUDGET	YEAR-TO-DATE BUDGET *	YEAR-TO-DATE ACTUAL***	% OF YEAR-TO-DATE BUDGET *
Wastewater Fund:							
Beginning Balance	\$ 1,933,582				\$ 1,933,582	\$ 2,234,573	
Revenues	\$ 5,911,000	\$ 492,583	\$ 479,866	97%	\$ 3,940,667	\$ 4,010,031	102%
Expenditures	\$ 6,579,609	\$ 548,301	\$ 251,696	46%	\$ 4,386,406	\$ 4,067,910	93%
Ending Balance/Contingency (Budgetary)	\$ 1,264,973				\$ 1,264,973	\$ 2,176,694	Budgetary Balance**
Wastewater Capital Projects:							
Beginning Balance	\$ 2,938,070				\$ 2,938,070	\$ 4,166,830	
Revenues	\$ 2,499,392	\$ 208,283	\$ 18,629	9%	\$ 1,666,261	\$ 2,507,615	150%
Expenditures	\$ 5,437,462	\$ 453,122	\$ 25,319	6%	\$ 3,624,975	\$ 622,177	17%
Ending Balance/Contingency (Budgetary)	\$ -		\$ (6,690)		\$ -	\$ 6,052,268	Budgetary Balance**
			\$ 28,732				
Solid Waste and Capital Projects:							
Beginning Balance	\$ 1,566,382				\$ 1,566,382	\$ 1,442,688	
Revenues	\$ 586,712	\$ 48,893	\$ 63,605	130%	\$ 391,141	\$ 262,432	67%
Expenditures	\$ 1,948,670	\$ 162,389	\$ 77,227	48%	\$ 1,299,113	\$ 321,640	25%
Ending Balance/Contingency (Budgetary)	\$ 204,424				\$ 204,424	\$ 1,383,480	Budgetary Balance**
Water Fund:							
Beginning Balance	\$ 1,913,280				\$ 1,913,280	\$ 2,978,409	
Revenues	\$ 5,666,900	\$ 472,242	\$ 391,993	83%	\$ 3,777,933	\$ 4,226,907	112%
Expenditures	\$ 6,472,910	\$ 539,409	\$ 211,908	39%	\$ 4,315,273	\$ 4,864,797	113%
Ending Balance/Contingency (Budgetary)	\$ 1,107,270				\$ 1,107,270	\$ 2,340,519	Budgetary Balance**
Water Capital Projects:							
Beginning Balance	\$ 1,229,391				\$ 1,229,391	\$ 2,604,891	
Revenues	\$ 2,643,177	\$ 220,265	\$ 54,212	25%	\$ 1,762,118	\$ 2,679,872	152%
Expenditures	\$ 3,872,568	\$ 322,714	\$ 42,097	13%	\$ 2,581,712	\$ 469,430	18%
Ending Balance/Contingency (Budgetary)	\$ -				\$ -	\$ 4,815,333	Budgetary Balance**
Vehicle Maintenance							
Beginning Balance	\$ 270,323				\$ 270,323	\$ 378,786	
Revenues	\$ 1,400,569	\$ 116,714	\$ 65,395	56%	\$ 933,713	\$ 537,171	58%
Expenditures	\$ 1,494,664	\$ 124,555	\$ 41,633	33%	\$ 996,443	\$ 499,774	50%
Ending Balance/Contingency (Budgetary)	\$ 176,228				\$ 176,228	\$ 416,183	Budgetary Balance**
Vehicle & Equipment Replacement							
Beginning Balance	\$ 3,003,662				\$ 3,003,662	\$ 3,900,809	
Revenues	\$ 668,346	\$ 55,696	\$ 52,305	94%	\$ 445,564	\$ 430,534	97%
Expenditures	\$ 2,113,508	\$ 176,126	\$ 29,611	17%	\$ 1,409,005	\$ 768,027	55%
Ending Balance/Contingency (Budgetary)	\$ 1,558,500				\$ 1,558,500	\$ 3,563,316	Budgetary Balance**
Information Technology:							
Beginning Balance	\$ 206,039				\$ 206,039	\$ 183,041	
Revenues	\$ 691,104	\$ 57,592	\$ 57,496	100%	\$ 460,736	\$ 460,541	100%
Expenditures	\$ 721,769	\$ 60,147	\$ 51,430	86%	\$ 481,179	\$ 429,325	89%
Ending Balance/Contingency (Budgetary)	\$ 175,374				\$ 175,374	\$ 214,257	Budgetary Balance**
Property Management:							
Beginning Balance	\$ 151,287				\$ 151,287	\$ 237,773	
Revenues	\$ 686,907	\$ 57,242	\$ 61,205	107%	\$ 457,938	\$ 459,730	100%
Expenditures	\$ 721,700	\$ 60,142	\$ 44,728	74%	\$ 481,133	\$ 410,385	85%
Ending Balance/Contingency (Budgetary)	\$ 116,494				\$ 116,494	\$ 287,118	Budgetary Balance**
Engineering:							
Beginning Balance	\$ 122,326				\$ 122,326	\$ 215,210	
Revenues	\$ 790,500	\$ 65,875	\$ 67,844	103%	\$ 527,000	\$ 533,122	101%
Expenditures	\$ 787,789	\$ 65,649	\$ 54,445	83%	\$ 525,193	\$ 466,533	89%
Ending Balance/Contingency (Budgetary)	\$ 125,037				\$ 125,037	\$ 281,799	Budgetary Balance**
Community Dev. Management:							
Beginning Balance	\$ 140,449				\$ 140,449	\$ 141,780	
Revenues	\$ 1,106,610	\$ 92,218	\$ 87,727	95%	\$ 737,740	\$ 738,377	100%
Expenditures	\$ 1,104,418	\$ 92,035	\$ 74,669	81%	\$ 736,279	\$ 620,533	84%
Ending Balance/Contingency (Budgetary)	\$ 142,641				\$ 142,641	\$ 259,624	Budgetary Balance**

ANNUAL BUDGET	FEBRUARY BUDGET	FEBRUARY ACTUAL***	% OF MONTH BUDGET	YEAR-TO-DATE BUDGET *	YEAR-TO-DATE ACTUAL***	% OF YEAR-TO-DATE BUDGET *
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Insurance:

Beginning Balance	\$ 3,763,990				\$ 3,763,990	\$ 3,844,068
Revenues	\$ 1,266,034	\$ 105,503	\$ 2,455	2%	\$ 844,023	\$ 1,148,233 136%
Expenditures	\$ 1,110,940	\$ 92,578	\$ 25,126	27%	\$ 740,627	\$ 648,116 88%
Ending Balance/Contingency (Budgetary)	\$ 3,919,084				\$ 3,919,084	\$ 4,344,185 Budgetary Balance**

Administrative Services Fund:

Beginning Balance	\$ 554,598				\$ 554,598	\$ 868,098
Revenues	\$ 3,425,844	\$ 285,487	\$ 287,780	101%	\$ 2,283,896	\$ 2,283,618 100%
Expenditures	\$ 3,529,663	\$ 294,139	\$ 240,631	82%	\$ 2,353,109	\$ 2,049,280 87%
Ending Balance/Contingency (Budgetary)	\$ 450,779				\$ 450,779	\$ 1,102,436 Budgetary Balance**

Jos. County/City of GP Solid Waste Agency:

Beginning Balance	\$ 1,759,482				\$ 1,759,482	\$ 2,002,809
Revenues	\$ 310,000	\$ 25,833	\$ 39,484	153%	\$ 206,667	\$ 163,115 79%
Expenditures	\$ 440,250	\$ 36,688	\$ 23,075	63%	\$ 293,500	\$ 116,912 40%
Ending Balance/Contingency (Budgetary)	\$ 1,629,232				\$ 1,629,232	\$ 2,049,012 Budgetary Balance**

* Budget revenues exclude beginning balances. Budget expenditures exclude contingencies and ending balances.

** Budgetary Balance refers to total fund balance excluding capital assets, long-term debt, and interfund loans.

*** Actual columns represents the expenditures and revenues received in the month for the current fiscal year. Depending on the program these results may run approximately 1/2 month behind given the fiscal year-end accruals that will be recorded at the end of each fiscal year. For the months of August-May month-to-date results are fairly representative of a typical month (barring seasonality issues and a handful of revenue items received in August). At fiscal year-end, any revenues due at June 30th received by August 31st in Governmental Funds will be recognized as revenue in the prior fiscal year. In this same manner, all expenditures due at June 30th (which are generally paid by July 31st) are also recorded to the prior fiscal year. Thus the July and August report may not reflect a typical month and the June report will have higher than average revenues and expenditures.

Investments:			Average Yield	
Oregon State LGIP	\$ 44,836,924		0.50%	
Bank Savings & Money Market	\$ 216,096		0.17%	
Federal Government Bonds	\$ 6,993,785		1.07%	
Bank Time Deposits	\$ 11,199,328		1.01%	
TOTAL	\$ 63,246,134		0.65%	Overall Average

Debt Outstanding:		
Public Safety General Obl. Bonds	\$ 4,670,000	
City Wastewater Utility and RSSSD - 2009 Refunding Bonds	\$ 4,475,000	
City Water General Obl. Bonds	\$ 3,875,000	
Total Non-Bonded Debt	\$ -	
TOTAL	\$ 13,020,000	
Bonded Debt % of Legal Limit (est.)		5.30%