



ADMINISTRATIVE SERVICES DEPARTMENT

MEMORANDUM

DATE: October 4, 2016

TO: The Honorable City Council

FROM: Bryan Cook, City Manager
Via: Tracey L. Hause, Administrative Services Director
By: Lee Ma, Accountant

**SUBJECT: FISCAL YEAR (FY) 2015-16 FOURTH QUARTER PRELIMINARY
FINANCIAL STATUS REPORT**

RECOMMENDATION:

It is recommended the City Council receive and file the Fourth Quarter (i.e., April – June 2016) Preliminary Financial Status Report.

BACKGROUND / ANALYSIS:

Historically on a quarterly basis, staff has submitted reports to the City Council on treasury activities and revenue and expenditure transactions. These reports represent activities for the fourth quarter of Fiscal Year (FY) 2015-16, April 2016 through June 2016.

Even though the City completed its fiscal and program year for 2015-16, on June 30, 2016, all financial activities for FY 2015-16 have yet to be recorded due to timing of receipts and recognition of revenues and expenses. This process of recording financial transactions for a few months after the end of a fiscal year is typical, and is commonly referred as accruing, or recording financial transactions for the appropriate fiscal year.

In order to keep the City Council updated on the status of the City's financial activities, on a quarterly basis for FY 2015-16, these preliminary reports are presented. These reports, however, do not include all the adjustments for accrued revenues, which will be significant. For example, two months of sales tax and property tax receipts attributable to the months of May and June, 2016, from the State of California and County of Los Angeles are still being finalized. There will be other smaller adjustments as well to other revenue accounts. While most expenses have been recognized, there may be additional minor adjustments. The

Comprehensive Annual Financial Report (CAFR) will be an all-inclusive reporting of financial transactions for FY 2015-16, and will be completed when Vavrinek, Trine, Day & Company's independent audit is concluded, later in this calendar year (i.e., December 2016).

The Fourth Quarter Financial Status Report includes the following four sub reports: 1) City Treasurer's Report; 2) Preliminary Summary Report; 3) Expenditure Summary Expenditure Report; and 4) Capital Improvement Financial Status Report.

1. City Treasurer's Report

The Treasurer or Chief Fiscal Officer (i.e., Administrative Services Director) is required to render an annual statement of investment policy to the legislative body of the local agency and to complete a monthly report containing specific information regarding investment and deposits to the legislative body and the Chief Administrative Officer. The attached Treasurer's Report (Attachment "A"), which is completed and submitted to the City Council on a monthly and quarterly basis, reflects the cash balances and investments of \$26,351,717.49 as of June 30, 2016. This is the only report presented that will not deviate from reported cash and investments in the final FY 2015-16 CAFR.

2. Preliminary Revenue Summary Report

This report (Attachment "B") is a summary of revenues by fund and category for the period of July 1, 2015 through June 30, 2016. The City has received and recorded \$13.2 million (98% of estimated revenues) in the General Fund to date. This represents a slightly decrease of \$58,652 or 0.4% of revenues for the same period last fiscal year. Again as discussed above, year-end revenue accruals (actual receipt of revenues in July and August that are attributable to June) have not yet been recognized due to timing. We are anticipating actual General Fund receipts will be close to the estimated revenues.

The City's General Fund revenues are summarized into seven categories:

- Taxes include revenues from property tax, sales tax, real estate transfer tax and franchise fees. Primary revenue sources in this category, property tax is 5.5% higher and sales tax is 6.7% higher from the same period last year. Currently actual receipts collected, in this category to date, are within 89% of estimates, however after the accruals have been recorded, it is anticipated the budget expectations will be met;
- Licenses and Permits include building permits, business license fees, animal license fees, parking permits, impound fees, temporary parking permits, code enforcement fees, in lieu parking fees and encroachment permit fees. Actual receipts have exceeded estimates by 16% overall;

- Intergovernmental is primarily Motor Vehicle In Lieu. The actual collections have exceeded estimates by 4%;
- Charges for Services are from recreation fees, facility rental fees, zoning fees, plan check fees and public works and engineering fees. These revenues are reflected when services, classes or events are provided. Actual receipts have exceeded estimates by 8% overall;
- Fines and Forfeitures reflect revenues received from court fines on a monthly basis and parking citations issued by the Los Angeles County Sheriff's Department and the City's Parking Control Officers. Actual collections was 42% lower due to less citations written due to vacant part-time vacant Parking Control Officer positions. Two of the three positions are now filled.
- Use of Money and Property category is interest earned on City investments from LAIF, Certificates of Deposit (CD), and bond investments. LAIF interest is received on a quarterly basis and MorganStanley SmithBarney and other investment interests from CDs, Government Securities and Corporate Bonds are received monthly, semi-annually or when the account matures. Actual receipts are 22% less than estimates due to a slight decrease in interest rates; and
- Miscellaneous category reflects revenues received on a monthly basis from reimbursement for recyclable revenue, rental income, reimbursement of administrative charge from the Lighting/Landscape District and other miscellaneous sources. This category reflects 95% revenues collected to date.

Non-General funding sources (i.e., Special Revenue Funds) are received from various funds such as Traffic Safety, Gas Tax, Proposition A, Proposition C, Measure R, Lighting/Landscape District and CDBG. Some revenues are received on a monthly basis while others are received when reimbursement requests are submitted to the other governmental agencies (i.e., or State of California or Los Angeles County). Actual revenues received currently is 82% of budgeted estimates primarily due to the fact that there were not many big capital improvement projects were completed in this fiscal year. Overall amount of the special revenue is \$68,484 or 1.4% higher in comparison to last year.

3. Preliminary Expenditure Summary Report

This report (Attachment "C") is a summary of expenditures for the period of July 1, 2015 through June 30, 2016. Any percentage of expenditures that is less than 110% of the adopted budget is considered immaterial when considering the entire

operating budget of \$17,541,600, as the excess is typically only a few thousand dollars. The Building Program was over 14% of the adopted budget due to additional costs for contracted building inspection. However, this cost was offset by building permit fees and salary savings.

4. Capital Improvement Financial Status Report

The fourth quarter expenditures reflect costs for 11 Citywide Capital Improvement Projects undertaken in FY 2015-16 (Attachment "D"). Actual expenditures are \$283,291 lower from last fiscal year primarily due to the completion of the Rosemead Boulevard Project in FY 2014-15. This level of expenditures is typical with Capital Improvement Projects as completion of some projects are over multiple fiscal years. Also, in some cases the entire amount budgeted was not required to complete the project (i.e., Street Sweeping Street Signage). Unspent funds are either re-programmed to the FY 2016-17 City Budget or returned to the respective Fund Balances.

CITY STRATEGIC GOALS:

As it will be a couple more months before the audited CAFR will be complete, it is important to keep the City Council updated on the financial status of the operations and capital improvement projects in this interim period. As a result, the City Council is requested to receive and file the FY 2015-16 Fourth Quarter Preliminary Financial Status Report to further City's Strategic Goal to promote Good Governance.

FISCAL IMPACT:

This item does not have an impact on the FY 2015-16 or the FY 2016-17 City Budgets.

ATTACHMENTS:

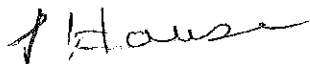
- A. City of Temple City Treasurer's Report
- B. City of Temple City Preliminary Revenue Summary Report
- C. City of Temple City Preliminary Expenditure Summary Report
- D. City of Temple City Preliminary Capital Improvement Financial Status Report

**CITY OF TEMPLE CITY
TREASURER'S REPORT
June 30, 2016**

ATTACHMENT A

	<u>COST VALUE</u>	<u>MARKET VALUE</u>
<u>Cash in Bank</u>		
Wells Fargo Bank - Checking	1,415,766.92	1,415,766.92
- Payroll	17,405.54	17,405.54
- Merchant Card	9,068.53	9,068.53
US Bank - Checking	32,099.30	32,099.30
<u>Camellia Fund</u>		
East West Bank - Monthly Market Account	160,000.00	160,000.00
Wells Fargo Bank - Checking	10,202.20	10,202.20
<u>Petty Cash</u>		
	2,100.00	2,100.00
<u>LAIF</u>		
Effective Quarter to Date Yield 6/30/16 0.550%	1,786,726.11	1,787,121.08
<u>MorganStanley SmithBarney</u>		
<u>Certificates of Deposit</u>		
Weighted Average to Date Yield 6/30/16 1.498%	2,538,000.00	2,569,221.33
<u>Government Securities</u>		
Weighted Average to Date Yield 6/30/16 1.240%	1,200,000.00	1,202,532.05
<u>Corporate Fixed Income</u>		
Weighted Average to Date Yield 6/30/16 1.672%	1,511,500.00	1,521,613.16
<u>Money Market</u>		
	8,961.63	8,961.63
<u>Mutual Securities</u>		
<u>Government Securities</u>		
Weighted Average to Date Yield 6/30/16 1.193%	5,500,034.72	5,501,880.00
<u>Money Market</u>		
	3,760.04	3,760.04
<u>US Bank</u>		
<u>Certificates of Deposit</u>		
Weighted Average to Date Yield 6/30/16 1.073%	3,570,000.00	3,570,000.00
<u>Government Securities</u>		
Weighted Average to Date Yield 6/30/16 1.159%	986,092.50	999,922.50
<u>Los Angeles County Pool Investment Fund</u>		
As of 6/30/16 0.930%	6,500,000.00	6,589,280.48
<u>OPEB Investment</u>		
As of 5/31/16	1,100,000.00	1,247,396.96
TOTAL	\$ 26,351,717.49	\$ 26,648,331.72
<u>PRIOR MONTH STATUS</u>		
Total	\$ 27,283,492.96	\$ 27,386,847.31

All investments are placed in accordance with the City of Temple City's Investment Policy. The above summary provides sufficient cash flow liquidity to meet the next six month's estimated expenditures. This report is in accordance with Government Code Section 53646.



TRACEY L. HAUSE
CITY TREASURER

**CITY OF TEMPLE CITY
PRELIMINARY REVENUE SUMMARY REPORT - ALL FUNDS
QUARTER ENDING - JUNE 30, 2016**

	2014-15 BUDGET	2014-15 YEAR TO DATE JUL-JUN	2015-16 BUDGET	2015-16 YEAR TO DATE JUL-JUN	PERCENT RECEIVED
Taxes	5,325,000	4,990,602	5,530,540	4,944,738	89%
Licenses and Permits	1,805,000	1,843,014	1,530,000	1,774,502	116%
Intergovernmental	3,688,200	3,688,539	3,917,000	4,079,441	104%
Charges for Services	1,549,000	1,526,653	1,514,100	1,627,709	108%
Fines, Forfeitures, & Penalties	400,000	408,629	500,000	288,892	58%
Use of Money and Property	150,000	170,731	200,000	156,991	78%
Miscellaneous	589,300	650,452	365,000	347,695	95%
Total General Fund Revenue	13,506,500	13,278,620	13,556,640	13,219,968	98%
Total Special Revenue Funds	6,780,310	4,784,678	5,952,835	4,853,162	82%
TOTAL REVENUE	20,286,810	18,063,298	19,509,475	18,073,130	93%

**CITY OF TEMPLE CITY
PRELIMINARY EXPENDITURE SUMMARY REPORT - ALL FUNDS
QUARTER ENDING - JUNE 30, 2016**

	2014-15 BUDGET	2014-15 YEAR TO DATE JUL-JUN	2015-16 BUDGET	2015-16 YEAR TO DATE JUL-JUN	PERCENT EXPENDED
MANAGEMENT SERVICES					
City Council	170,610	172,344	174,545	155,068	89%
City Manager	952,930	767,653	856,910	823,398	96%
City Attorney	620,000	521,808	492,000	456,947	93%
Elections	87,370	71,298	0	0	-
City Clerk	327,590	283,756	304,610	285,632	94%
	2,158,500	1,816,859	1,828,065	1,721,045	94%
ADMINISTRATIVE SERVICES DEPARTMENT					
Support Services	188,885	184,125	132,810	129,529	98%
Insurance/Benefits	968,190	924,958	952,665	1,007,534	106%
Accounting	511,800	510,357	543,510	517,969	95%
Purchasing	152,790	149,371	282,900	234,446	83%
	1,821,665	1,768,811	1,911,885	1,889,478	99%
COMMUNITY DEVELOPMENT DEPARTMENT					
Planning	1,733,910	832,220	1,891,915	826,350	44%
Building	880,385	828,542	895,860	1,024,860	114%
Housing	323,390	226,548	205,990	178,719	87%
	2,937,685	1,887,310	2,993,765	2,029,929	68%
COMMUNITY SERVICES DEPARTMENT					
Recreation/Human Services	1,181,020	1,049,405	1,197,260	1,160,230	97%
Public Transportation	759,555	691,544	851,885	702,492	82%
Parks - Maintenance/Facilities	917,100	902,186	1,006,935	976,978	97%
Trees & Parkways	715,325	563,920	675,410	534,667	79%
	3,573,000	3,207,055	3,731,490	3,374,367	90%

CITY OF TEMPLE CITY
PRELIMINARY EXPENDITURE SUMMARY REPORT - ALL FUNDS
QUARTER ENDING - JUNE 30, 2016

	2014-15 BUDGET	2014-15 YEAR TO DATE JUL-JUN	2015-16 BUDGET	2015-16 YEAR TO DATE JUL-JUN	PERCENT EXPENDED
COMMUNITY SERVICES DEPARTMENT					
PUBLIC SAFETY DIVISION					
Law Enforcement	3,870,235	3,825,130	4,019,860	3,973,703	99%
Traffic Engineering	67,455	60,698	40,000	34,164	85%
Animal Control	191,490	185,324	201,790	183,902	91%
Emergency Services	119,895	94,480	117,775	104,658	89%
Community Preservation	392,800	350,502	291,825	222,144	76%
Parking Administration	386,345	329,374	390,545	309,517	79%
	5,028,220	4,845,508	5,061,795	4,828,088	95%
PUBLIC WORKS DIVISION					
Administration & Engineering	653,450	617,219	525,125	543,788	104%
Street Cleaning	200,000	190,002	202,490	204,474	101%
Traffic Signal Maintenance	136,500	90,049	151,500	164,153	108%
Traffic Signs & Strip Maint.	113,165	81,625	173,925	81,116	47%
Street Maintenance	85,750	77,763	61,150	62,762	103%
Sidewalk Maintenance	8,000	3,629	63,340	48,433	76%
Solid Waste Management	21,990	12,297	19,490	9,046	46%
Street Lighting	395,120	354,119	375,425	336,670	90%
	1,613,975	1,426,703	1,572,445	1,450,442	92%
MAINTENANCE DIVISION					
General Government Buildings	283,515	283,738	239,300	245,212	102%
Parking Facilities	189,630	171,317	152,855	118,283	77%
Graffiti Abatement	50,400	49,837	50,000	41,598	83%
	523,545	504,892	442,155	405,093	92%
SUB TOTAL PROGRAM EXPENDITURES	17,656,590	15,457,138	17,541,600	15,698,442	89%

**CITY OF TEMPLE CITY
PRELIMINARY EXPENDITURE SUMMARY REPORT - ALL FUNDS
QUARTER ENDING - JUNE 30, 2016**

	2014-15 BUDGET	2014-15 YEAR TO DATE JUL-JUN	2015-16 BUDGET	2015-16 YEAR TO DATE JUL-JUN	PERCENT EXPENDED
SUB TOTAL PROGRAM EXPENDITURES	17,656,590	15,457,138	17,541,600	15,698,442	89%
CAPITAL IMPROVEMENT FUND	5,834,675	1,717,967	3,404,255	1,434,676	42%
EQUIPMENT REPLACEMENT	231,010	171,697	210,900	229,663	109%
TRUST FUND	0	2,878	0	2,960	-
TOTAL EXPENDITURES	23,722,275	17,349,680	21,156,755	17,365,741	82%
CDBG LOAN REPAYMENT	46,850	46,806	63,285	63,284	100%
GRAND TOTAL	23,769,125	17,396,486	21,220,040	17,429,025	82%

CITY OF TEMPLE CITY
 PRELIMINARY FINANCIAL STATUS REPORT
 JUL 15 - JUN 16

CAPITAL IMPROVEMENT PROGRAM PROJECT DETAIL				PARKS - MAINTENANCE/FACILITIES ACCT. NO. 60-980-59-4810	
No.	Project	Funding Source	Budget	Year To Date Expenditure	Balance
P15-02	Public Arts at Live Oak Park	(D) Public Arts Fund	25,000		25,000
P15-04	LOP and TC Parks Master Plan Development	(D) General Fund	2,100	1,050	1,050
P16-01	Live Oak Park Walking and Jogging Path	(D) DEFG General Fund Park Acquisition	240,000 20,500 80,000 <u>340,500</u>	28,144	312,356
P16-02	Veteran's Monument	(D) Park Acquisition	130,000	9,183	120,817
Recap of Funding Sources		General Fund	20,500		
		Park Acquisition	212,100		
		Public Arts Fund	25,000		
		5th District 2015 Excess Funds Grant	<u>240,000</u>		
TOTAL CIP - PARKS MAINTENANCE / FACILITIES			<u><u>497,600</u></u>	<u><u>38,377</u></u>	<u><u>459,223</u></u>

(E) = Essential

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ATTACHMENT D

CITY OF TEMPLE CITY
 PRELIMINARY FINANCIAL STATUS REPORT
 JUL 15 - JUN 16

**CAPITAL IMPROVEMENT PROGRAM
 PROJECT DETAIL**

**STREET CLEANING
 ACCT. NO. 60-980-72-4810**

<u>No.</u>	<u>Project</u>		<u>Funding Source</u>	<u>Budget</u>	<u>Year To Date Expenditure</u>	<u>Balance</u>
P14-05	Street Sweeping Signage	(D)	Gas Tax	12,180		12,180
Recap of Funding Sources			Gas Tax	<u>12,180</u>		
TOTAL CIP - PARKING ADMINISTRATION				<u><u>12,180</u></u>	<u><u>-</u></u>	<u><u>12,180</u></u>

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CITY OF TEMPLE CITY
PRELIMINARY FINANCIAL STATUS REPORT
JUL 15 - JUN 16

CAPITAL IMPROVEMENT PROGRAM PROJECT DETAIL				TRAFFIC SIGNAL MAINTENANCE ACCT. NO. 60-980-73-4810	
<u>No.</u>	<u>Project</u>	<u>Funding Source</u>	<u>Budget</u>	<u>Year To Date Expenditure</u>	<u>Balance</u>
P15-06	Update Traffic Signals on Temple City Blvd. (N) between El Camino Real Avenue and Ellis Lane, and Other Safety Improvements	Highway Safety Improvement Program Prop C	934,560 <u>98,100</u> 1,032,660	134,667	897,993
P15-07	Upgrade Traffic Signals Citywide and Install (N) Other Safety Improvements	Highway Safety Improvement Program General Fund	282,900 <u>29,930</u> 312,830	19,515	293,315
Recap of Funding Sources			General Fund Prop C Highway Safety Improvement Program <u>29,930</u> <u>98,100</u> <u>1,217,460</u>		
TOTAL CIP - TRAFFIC SIGNAL MAINTENANCE			<u>1,345,490</u>	<u>154,182</u>	<u>1,191,308</u>
<div style="display: flex; justify-content: space-between;"> (E) = Essential (N) = Necessary (M) = Mandated (R) = Routine (D) = Discretionary </div>					

**CITY OF TEMPLE CITY
PRELIMINARY FINANCIAL STATUS REPORT
JUL 15 - JUN 16**

CAPITAL IMPROVEMENT PROGRAM PROJECT DETAIL				STREET CONSTRUCTION ACCT. NO. 60-980-75-4810	
<u>No.</u>	<u>Project</u>	<u>Funding Source</u>	<u>Budget</u>	<u>Year To Date Expenditure</u>	<u>Balance</u>
P12-04	Citywide Upgrade Traffic Street Signage	(M) General Fund	200,000	5,339	194,661
P13-02	Repaving of Streets per Re-assessment Pavement Management Plan	(E) Gas Tax	614,000	987,768	(373,768)
P13-04	Redesign and Construction of Las Tunas Drive	(N) Prop C	84,000	83,518	482
P13-12	Bicycle Master Plan Implementation - Installation of 12.6 Miles of Class II & III Bicycle Lanes	(N) Bicycle Transportation Acct	479,985	148,033	331,952
P13-13	Installation of 45 Separate Improvements around Nine School Sites	(N)	-	1,158	(1,158)
P14-07	Catch Basin Inserts	(E) General Fund	66,500		66,500
Recap of Funding Sources		General Fund	266,500		
		Prop C	84,000		
		Gas Tax	614,000		
		Bicycle Transportation Acct	479,985		
TOTAL CIP - STREET CONSTRUCTION			<u>1,444,485</u>	<u>1,225,816</u>	<u>218,669</u>

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CITY OF TEMPLE CITY
 PRELIMINARY FINANCIAL STATUS REPORT
 JUL 15 - JUN 16

**CAPITAL IMPROVEMENT PROGRAM
 PROJECT DETAIL**

**GENERAL GOVERNMENT BUILDINGS
 ACCT. NO. 60-980-81-4810**

<u>No.</u>	<u>Project</u>	<u>Funding Source</u>	<u>Budget</u>	<u>Year To Date Expenditure</u>	<u>Balance</u>
P14-11	Rebuild the Roof for the City Yard Buildings	(D) General Fund	14,500		14,500
Recap of Funding Sources			<u>14,500</u>		
TOTAL CIP - GEN GOV'T BLDGS			<u><u>14,500</u></u>	<u><u>-</u></u>	<u><u>14,500</u></u>

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CITY OF TEMPLE CITY
 PRELIMINARY FINANCIAL STATUS REPORT
 JUL 15 - JUN 16

**CAPITAL IMPROVEMENT PROGRAM
 PROJECT DETAIL**

**PARKING FACILITIES
 ACCT. NO. 60-980-82-4810**

<u>No.</u>	<u>Project</u>		<u>Funding Source</u>	<u>Budget</u>	<u>Year To Date Expenditure</u>	<u>Balance</u>
P14-13	Demolition and Site Preparation for 5800 Temple City Blvd. Parking Lot	(D)	General Fund	90,000	16,303	73,697
Recap of Funding Sources			General Fund	<u>90,000</u>		
TOTAL CIP - GEN GOV'T BLDGS				<u><u>90,000</u></u>	<u><u>16,303</u></u>	<u><u>73,697</u></u>

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