



# Quarterly Financial Report

## Second Quarter of 2009-10

April 19, 2010

### OVERVIEW

This report summarizes the City's overall financial position for the fiscal year through December 2009. Except as noted below, revenues and operating expenditures are generally on target based on past trends for the second quarter.

**Adjusted Budgets and Revenue Estimates.** The revenue projections and budgets include adjustments for carryovers and any supplemental appropriations made by the Council as of December 31, 2009.

### GENERAL FUND

**General Fund Financial Condition.** With 50% of the year complete, General Fund revenues are below projections based on the receipt of revenues later in the fiscal year and expenditures are on track at 43%.

General Fund Balance	Budget	YTD Actuals	Percent
Revenues	26,044,200	8,699,890	33.4%
Expenditures	28,756,500	12,412,719	43.2%
Other Sources (Uses)	654,900	127,683	19.5%
Balance, Start of Year	8,572,724	8,572,724	-
Balance, Year-to-Date	6,515,324	4,987,578	-

**Top Ten Revenues.** Our top ten revenues account for about 86% of total General Fund revenues. By focusing on these, we can get an excellent understanding of our revenue position.

Overall, these key revenues are performing as projected based on revised estimates, payment schedules and past trends for the second quarter. Any significant variances are noted below.

Top Ten Revenues	Budget	YTD Actuals	% Received
Property Tax	6,226,000	2,783,787	44.7%
Property Tax in Lieu of VLF	2,450,000	-	0.0%
Sales Tax	4,775,000	2,421,580	50.7%
Property Tax in Lieu of Sales Tax	1,850,000	(74,612)	-4.0%
Prop 172 Sales Tax Public Safety	280,000	103,979	37.1%
Transient Occupancy Tax	2,800,000	1,224,715	43.7%
Franchise Taxes	2,182,100	619,743	28.4%
Recreation Program Fees	525,000	205,826	39.2%
Business Licenses	440,000	411,023	93.4%
Police and Fire Service Fees	335,400	91,041	27.1%
Interest Earnings	210,000	192,314	91.6%
Rents and Leases	205,000	88,778	43.3%
Building Permit Fees	154,000	138,987	90.3%
Total	22,432,500	8,207,161	36.6%

**Property Tax.** The first major apportionment of 2009-10 taxes occurred in December 2009 and thus far collections are down approximately 10% per the budget projections.

**Property Tax In-Lieu of VLF.** We will not receive any revenues from this source until January 2010.

**Sales Tax.** Results to-date are on target to budget estimates. This reflects overall declines in the local and state economy, with sales down in every major category.

**Property Tax In-Lieu of Sales Tax.** We will not receive any revenues from this source until January 2010.

**Transient Occupancy Tax.** Year-to-date revenues are down 5% from the same period last year.

**Franchise Fees.** We will not receive a large component of our franchise fee revenues—payments from PG&E and Southern California Gas Company—until April 2010.

**Recreation Fees.** These revenues are down approximately 3% from the same quarter last year.

**Business Licenses.** The renewal cycle for business license fees occurs during the first quarter of the fiscal year.

**Investments Earnings.** Investment earnings appears to be performing well, due to slightly higher yields than

anticipated. As the financial markets continue to fluctuate, we will monitor this closely.

**Expenditures.** Operating costs are generally on target for the second quarter of the year as summarized below:

Expenditures By Type	Budget	YTD Actuals	% Expended
Staffing	18,978,900	8,701,828	45.9%
Maintenance & Operations	7,101,800	3,545,926	49.9%
Debt Service	225,800	115,301	51.1%
Capital Outlay	2,450,000	49,664	2.0%
<b>Total</b>	<b>28,756,500</b>	<b>12,412,719</b>	<b>43.2%</b>

Departmental operating expenditures are also generally on target:

Expenditures by Dept	Budget	YTD Actuals	% Expended
Council	26,800	(39,867)	0.0%
City Manager/City Attorney	411,200	764,433	185.9%
Administrative Services	1,410,300	739,708	52.5%
Police	8,594,900	4,227,095	49.2%
Emergency Services	4,877,000	2,512,758	51.5%
Public Works	7,483,000	1,608,395	21.5%
Library and Recreation Services	4,603,300	2,006,796	43.6%
Community Development	1,350,000	593,401	44.0%
<b>Total</b>	<b>28,756,500</b>	<b>12,412,719</b>	<b>43.2%</b>

The only significant variance is in City Manager/City Attorney, which reflects the City's annual insurance premium payment.

**ENTERPRISE FUNDS**

In general, enterprise fund revenues and expenditures are consistent with past trends.

**Water Fund**

Working Capital	Budget	YTD Actuals	Percent
Revenues	8,020,400	3,545,435	44.2%
Expenditures			
Operating programs	5,460,400	2,811,905	51.5%
CIP projects	16,281,700	480,872	3.0%
Other Sources (Uses)	(39,000)	(44,733)	114.7%
Balance, Start of Year	22,636,200	22,636,200	
Balance, Year-to-Date	8,875,500	22,844,125	

**Sewer Fund**

Working Capital	Budget	YTD Actuals	Percent
Revenues	5,382,200	2,675,381	49.7%
Expenditures			
Operating programs	4,656,900	2,275,651	48.9%
CIP projects	5,777,400	1,321,247	22.9%
Debt Service	332,400	166,372	50.1%
Other Sources (Uses)	(39,100)	(19,548)	50.0%
Balance, Start of Year	3,428,800	3,428,800	
Balance, Year-to-Date	(1,994,800)	2,321,363	

**Transit Fund**

Working Capital	Budget	YTD Actuals	Percent
Revenues	1,284,800	350,712	27.3%
Expenditures			
Operating programs	1,349,600	537,941	39.9%
CIP projects	60,000	77,221	128.7%
Balance, Start of Year	408,900	408,900	
Balance, Year-to-Date	284,100	144,450	

**Airport Fund**

Working Capital	Budget	YTD Actuals	Percent
Revenues	1,356,100	637,507	47.0%
Expenditures			
Operating programs	726,900	352,478	48.5%
CIP projects	1,068,000	249,369	23.3%
Balance, Start of Year	1,527,300	1,527,300	
Balance, Year-to-Date	1,088,500	1,562,960	

**For More Information.** This summary is based on detailed information produced by the City's financial management system. If you would like additional information, or have any questions about the report, please call Administrative Services at 237-3999.

