



Quarterly Financial Report

Fourth Quarter of 2010-11

November 28, 2011

OVERVIEW

Since this report is for the last quarter, it serves as an *interim* financial report for the year. While the audit is not yet complete, we believe this interim report provides a reasonable basis for assessing the General Fund's financial position at the end of 2010-11. However, this information is subject to change once all accruals have been made and the audit is completed. Final financial statements will be available January 2012.

GENERAL FUND

General Fund Financial Condition. Based on interim results, revenues for the year are down \$217,379 from budget projections. However, expenditures are 15.6% lower than budget projections. This results in an ending General Fund balance of \$6.6 million, an operating deficit of \$297,579 and a reserve level of 26% (our reserve policy is 15%).

General Fund Balance	Budget	YTD Actuals	Percent
Revenues	24,558,200	24,340,821	99.1%
Expenditures	29,868,700	25,216,378	84.4%
Other Sources (Uses)	409,600	577,978	141.1%
Balance, Start of Year	6,899,605	6,899,605	-
Balance, Year-to-Date	1,998,705	6,602,026	-

Top Ten Revenues. Our top ten revenues account for about 91% of total General Fund revenues. By focusing on these, we can get an excellent understanding of our revenue position.

Overall, these key revenues are down 3.7% as projected based on revised estimates, payment schedules and past trends for the fourth quarter. Any significant variances are noted below.

Property Tax. The first major apportionment of 2010-11 taxes occurred in December 2010 and the collections were down approximately 5% per the budget projections. The second apportionment in April 2011 added to the shortfall gap of 5.8% or \$365,569.

Top Ten Revenues	Budget	YTD Actuals	% Received
Property Tax	6,301,000	5,935,431	94.2%
Property Tax in Lieu of VLF	2,556,000	2,355,542	92.2%
Sales Tax	4,850,000	5,286,398	109.0%
Property Tax in Lieu of Sales Tax	1,900,000	1,786,097	94.0%
Prop 172 Sales Tax Public Safety	280,000	261,799	93.5%
Transient Occupancy Tax	2,950,000	2,998,498	101.6%
Franchise Taxes	2,213,400	1,793,604	81.0%
Recreation Program Fees	525,000	446,490	85.0%
Business Licenses	440,000	412,206	93.7%
Police and Fire Service Fees	335,400	209,111	62.3%
Interest Earnings	210,000	109,332	52.1%
Rents and Leases	205,000	276,351	134.8%
Building Permit Fees	263,000	310,422	118.0%
Total	23,028,800	22,181,281	96.3%

Property Tax In-Lieu of VLF. We received our first payment of these taxes from the County in January 2011. This revenue line item fell short by \$200,458.

Sales Tax. Results to-date are over budget estimates by 9% or \$436,398. This reflects an increase in the local economy.

Property Tax In-Lieu of Sales Tax. This revenue line item is down 6% or \$113,903 from budget projections.

Transient Occupancy Tax. Year-to-date revenues are up 9.6% from the same period last year.

Franchise Fees. Franchise fees are down from budget projections and this trend is expected to continue.

Recreation Fees. These revenues are down approximately 10% from the same quarter last year.

Business Licenses. These revenues are down \$27,794 from budget projections.

Investments Earnings. Investment earnings are down, due to lower yields in the market by \$100,668 from projections. As the financial markets continue to fluctuate, we will monitor this closely.

Expenditures. Operating costs are generally below budget projections for the fourth quarter of the year as summarized below:

Expenditures By Type	Budget	YTD Actuals	% Expended
Staffing	20,530,200	16,851,985	82.1%
Maintenance & Operations	7,197,000	7,076,694	98.3%
Debt Service	149,200	143,877	96.4%
Capital Outlay	1,992,300	1,143,822	57.4%
Total	29,868,700	25,216,378	84.4%

Departmental operating expenditures are also below budget projections:

Expenditures by Dept	Budget	YTD Actuals	% Expended
Council	28,200	20,328	72.1%
City Manager/City Attorney	515,900	472,407	91.6%
Administrative Services	1,355,200	1,799,137	132.8%
Police	9,209,700	8,218,843	89.2%
Emergency Services	5,302,000	4,594,326	86.7%
Public Works	7,147,900	5,111,718	71.5%
Library and Recreation Services	4,840,800	3,886,188	80.3%
Community Development	1,469,000	1,113,431	75.8%
Total	29,868,700	25,216,378	84.4%

The only significant variance is in Administrative Services, which reflects the City's payment to the County for property tax administration fees.

ENTERPRISE FUNDS

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

Water Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	9,871,100	6,573,054	66.6%
Expenditures			
Operating programs	8,994,700	7,647,681	85.0%
CIP projects	13,007,400	734,859	5.6%
Debt Service	32,600	2,188	6.7%
Other Sources (Uses)	(41,400)	(41,400)	100.0%
Balance, Start of Year	24,194,918	24,194,918	
Balance, Year-to-Date	12,055,118	22,346,220	

Sewer Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	6,365,100	5,377,056	84.5%
Expenditures			
Operating programs	5,300,100	5,072,458	95.7%
CIP projects	7,489,700	3,472,657	46.4%
Debt Service	493,900	343,259	69.5%
Other Sources (Uses)	(41,400)	(41,400)	100.0%
Balance, Start of Year	5,230,353	5,230,353	
Balance, Year-to-Date	(1,729,647)	1,677,635	

Transit Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	1,412,800	1,442,854	102.1%
Expenditures			
Operating programs	1,364,900	1,710,841	125.3%
CIP projects	141,500	33,895	24.0%
Balance, Start of Year	340,850	340,850	
Balance, Year-to-Date	247,250	38,968	

Airport Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	913,200	915,580	100.3%
Expenditures			
Operating programs	747,000	676,588	90.6%
CIP projects	679,600	90,416	13.3%
Balance, Start of Year	1,359,233	1,359,233	
Balance, Year-to-Date	845,833	1,507,809	

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.

