



Quarterly Financial Report

First Quarter of 2010-11

December 20, 2010

OVERVIEW

With only the first quarter of the fiscal year complete, it is too early to identify any major financial trends. However, there does not appear to be any significant deviations from revenue and expenditure patterns for the first quarter of last fiscal year.

Interim Beginning Balances. While the audit is not yet complete, we believe the beginning fund and working capital balances present in this report are reasonable and not likely to change significantly.

Adjusted Budgets and Revenue Estimates. The revenue projections and budgets include adjustments for supplemental appropriations made by the Council as of September 30, 2010.

GENERAL FUND

General Fund Financial Condition. With 25% 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 19%.

General Fund Balance	Budget	YTD Actuals	Percent
Revenues	25,278,200	1,516,074	6.0%
Expenditures	29,701,300	5,766,166	19.4%
Other Sources (Uses)	409,600	52,401	12.8%
Balance, Start of Year	6,899,605	6,899,605	-
Balance, Year-to-Date	2,886,105	2,701,914	-

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 first quarter. Any significant variances are noted below.

Property Tax. The first major apportionment of 2010-11 taxes will not occur until December 2010.

Top Ten Revenues	Budget	YTD Actuals	% Received
Property Tax	6,188,500	83,605	1.4%
Property Tax in Lieu of VLF	2,556,000	-	0.0%
Sales Tax	4,850,000	1,262,394	26.0%
Property Tax in Lieu of Sales Tax	1,900,000	-	0.0%
Prop 172 Sales Tax Public Safety	280,000	44,161	15.8%
Transient Occupancy Tax	2,950,000	568,722	19.3%
Franchise Taxes	2,213,400	162,669	7.3%
Recreation Program Fees	525,000	114,874	21.9%
Business Licenses	440,000	388,548	88.3%
Police and Fire Service Fees	335,400	50,552	15.1%
Interest Earnings	210,000	(6,847)	-3.3%
Rents and Leases	205,000	61,761	30.1%
Building Permit Fees	263,000	135,374	51.5%
Total	22,916,300	2,865,813	12.5%

Property Tax In-Lieu of VLF. We will not receive any revenues from this source until January 2011.

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 2011.

Transient Occupancy Tax. Revenues are usually higher in the first quarter due to the summer tourist season. TOT year-to-date revenues are down slightly 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 2011.

Recreation Fees. These revenues are down approximately 4% 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 are not performing well, due to weak yields in the market. As the financial markets continue to fluctuate, we will monitor this closely.

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

Expenditures By Type	Budget	YTD Actuals	% Expended
Staffing	20,530,200	3,644,729	17.8%
Maintenance & Operations	7,029,600	1,954,115	27.8%
Debt Service	149,200	5,279	3.5%
Capital Outlay	1,992,300	162,043	8.1%
Total	29,701,300	5,766,166	19.4%

Departmental operating expenditures are also generally on target:

Expenditures by Dept	Budget	YTD Actuals	% Expended
Council	28,200	(28,999)	0.0%
City Manager/City Attorney	487,800	679,616	139.3%
Administrative Services	1,355,200	123,543	9.1%
Police	9,209,700	1,858,788	20.2%
Emergency Services	5,302,000	995,627	18.8%
Public Works	7,020,900	862,806	12.3%
Library and Recreation Services	4,840,400	990,757	20.5%
Community Development	1,457,100	284,028	19.5%
Total	29,701,300	5,766,166	19.4%

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

ENTERPRISE FUNDS

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

Water Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	9,758,900	2,074,414	21.3%
Expenditures			
Operating programs	8,716,200	3,646,885	41.8%
CIP projects	12,516,900	81,897	0.7%
Debt Service	32,600	13,033	40.0%
Other Sources (Uses)	(41,400)	(10,350)	25.0%
Balance, Start of Year	24,104,025	24,104,025	
Balance, Year-to-Date	12,588,425	22,439,307	

Sewer Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	6,365,100	2,036,628	32.0%
Expenditures			
Operating programs	5,292,700	1,046,455	19.8%
CIP projects	7,313,300	794,337	10.9%
Debt Service	493,900	66,979	13.6%
Other Sources (Uses)	(41,400)	(10,350)	25.0%
Balance, Start of Year	4,763,221	4,763,221	
Balance, Year-to-Date	(2,012,979)	4,881,728	

Transit Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	1,412,800	21,287	1.5%
Expenditures			
Operating programs	1,364,900	194,851	14.3%
CIP projects	87,500	1,628	1.9%
Balance, Start of Year	340,850	340,850	
Balance, Year-to-Date	301,250	165,658	

Airport Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	907,500	129,476	14.3%
Expenditures			
Operating programs	747,000	167,259	22.4%
CIP projects	30,300	388,335	1281.6%
Balance, Start of Year	1,342,843	1,342,843	
Balance, Year-to-Date	1,473,043	916,725	

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.

