



Quarterly Financial Report

Second Quarter of 2011-12

January 26, 2012

OVERVIEW

This report summarizes the City's overall financial position for the fiscal year through December 2011. 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 any supplemental appropriations made by the Council as of December 31, 2011.

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 44.5%.

General Fund Balance	Budget	YTD Actuals	Percent
Revenues	23,306,000	8,946,470	38.4%
Expenditures	24,744,300	11,010,862	44.5%
Other Sources (Uses)	359,600	54,798	15.2%
Balance, Start of Year	6,429,060	6,429,060	-
Balance, Year-to-Date	5,350,360	4,419,466	-

Top Ten Revenues. Our top ten revenues account for about 96% of total General Fund revenues. By focusing on these, we 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	5,877,000	3,253,094	55.4%
Property Tax in Lieu of VLF	2,321,000		0.0%
Sales Tax	5,400,000	2,875,065	53.2%
Property Tax in Lieu of Sales Tax	1,842,000		0.0%
Prop 172 Sales Tax Public Safety	263,000	117,039	44.5%
Transient Occupancy Tax	3,070,000	1,475,349	48.1%
Franchise Taxes	1,874,000	532,946	28.4%
Recreation Program Fees	352,000	125,991	35.8%
Business Licenses	421,000	416,409	98.9%
Police and Fire Service Fees	230,000	120,652	52.5%
Interest Earnings	117,000	11,118	9.5%
Rents and Leases	266,000	105,914	39.8%
Building Permit Fees	409,000	202,491	49.5%
Total	22,442,000	9,236,068	41.2%

Property Tax. The first major apportionment of 2011-12 taxes occurred in December 2011 and thus far collections are in line with the budget projections.

Property Tax In-Lieu of VLF. We will not receive any revenues from this source until January 2012.

Sales Tax. Results to-date are on target to budget estimates. This reflects a slight increase in the local economy.

Property Tax In-Lieu of Sales Tax. We will not receive any revenues from this source until January 2012.

Transient Occupancy Tax. Year-to-date revenues are up 9% 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 2012.

Recreation Fees. These revenues are down approximately 40% from the same quarter last year due to the elimination of several programs.

Business Licenses. The renewal cycle for business license fees occurs during the first quarter of the fiscal year. These revenues are up 3% from the same time last year.

Investments Earnings. Investment earnings are down, due to lower 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 second quarter of the year as summarized below:

Expenditures By Type	Budget	YTD Actuals	% Expended
Staffing	16,096,800	7,428,113	46.1%
Maintenance & Operations	8,460,000	3,513,450	41.5%
Debt Service	187,500	69,299	37.0%
Capital Outlay	-	-	0.0%
Total	24,744,300	11,010,862	44.5%

Departmental operating expenditures are also generally on target:

Expenditures by Dept	Budget	YTD Actuals	% Expended
Council	18,100	(13,867)	0.0%
City Manager/City Attorney	618,800	1,010,189	163.2%
Administrative Services	2,552,400	636,685	24.9%
Police	7,983,700	3,703,871	46.4%
Emergency Services	5,027,200	2,201,029	43.8%
Public Works	3,881,300	1,391,967	35.9%
Library and Recreation Services	3,393,700	1,492,218	44.0%
Community Development	1,269,100	588,770	46.4%
Total	24,744,300	11,010,862	44.5%

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	7,838,800	3,805,744	48.6%
Expenditures			
Operating programs	11,404,300	7,283,829	63.9%
CIP projects	12,825,200	74,535	0.6%
Debt Service		919	0.0%
Other Sources (Uses)	(41,400)	(20,700)	50.0%
Balance, Start of Year	23,359,730	23,359,730	
Balance, Year-to-Date	6,927,630	19,786,410	

Sewer Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	5,605,400	2,345,726	41.8%
Expenditures			
Operating programs	5,303,000	2,521,887	47.6%
CIP projects	3,883,500	697,101	18.0%
Debt Service	334,200	168,183	50.3%
Other Sources (Uses)	(41,400)	(20,700)	50.0%
Balance, Start of Year	3,427,565	3,427,565	
Balance, Year-to-Date	(529,135)	2,365,420	

Transit Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	1,646,000	510,571	31.0%
Expenditures			
Operating programs	1,315,000	545,002	41.4%
CIP projects	87,500	36,598	41.8%
Balance, Start of Year	183,858	183,858	
Balance, Year-to-Date	427,358	112,829	

Airport Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	1,169,800	295,503	25.3%
Expenditures			
Operating programs	762,000	328,282	43.1%
CIP projects	1,160,900	73,581	6.3%
Balance, Start of Year	1,839,326	1,839,326	
Balance, Year-to-Date	1,086,226	1,732,966	

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.

