



Quarterly Financial Report

Second Quarter 2005-06

January 23, 2006

OVERVIEW

This summarizes the City's overall financial position for the fiscal year through December 2005. Except as noted below, revenues and operating expenditures are generally on target based on past trends for the second quarter.

Adjusted Budgets. The revenue projections and budgets include encumbrances as well as any supplemental appropriations approved by the Council as of December 31, 2005.

Revenues. Revenue recorded for the first six (6) months of the fiscal year. The following is a comparison of the percent of the revenue collected for the current year and the last three (3) years:

Fiscal Year	General Fund	All Funds
2002-03	46.55%	48.24%
2003-04	34.90%	32.44%
2004-05	27.50%	23.97%
2005-06	29.47%	24.92%

Expenditures. The following is a comparison of the percent of first six (6) months expenditures made for the current year and the last three (3) fiscal years:

Fiscal Year	General Fund	All Funds
2002-03	45.79%	50.24%
2003-04	48.90%	45.80%
2004-05	48.90%	45.82%
2005-06	48.77%	45.08%

GENERAL FUND

General Fund Financial Condition. With 50% of the year completed, General Fund revenues are at 29.47% and expenditures are at 48.77% of projections. However, due to the triple-flip and ERAF, a large portion of the VLF and sales tax revenue for the first half of the year is released in January by the County Auditor-Controller. When we include this revenue it increases the percentage to 50%.

General Fund Balance	Budget	YTD Actual	Percent
Revenues	10,156,218	5,060,512	49.8%
Expenditures	(9,855,669)	(4,805,187)	49.2%
Other sources (uses) *	(275,000)	2,159,928	123.7%
Balance, start of year	1,490,758	1,890,431	
Balance, year-to date	1,516,307	4,260,684	

* Other sources (uses) in the Year-to-Date Actual column include \$2,500,000 in TRAN funds that will be repaid in June.

Top Ten Revenues. Our top ten revenues account for 90% of total General Fund revenues. By focusing on these, we can get an excellent understanding of our revenue position. Overall, these key revenues are generally performing as projected based on payment schedules and past trends for this quarter. Any significant variances are noted below.

Top Ten Revenues	Budget	YTD Actual	% Received
Sales Tax	4,800,000	2,128,701	47.5%
Vehicle In-Lieu (VFL)	1,500,000	680,555	45.4%
Development Fees	1,112,713	334,789	30.1%
Property Tax	769,000	483,237	62.8%
Garbage Service	600,000	383,294	63.9%
Franchise Fees	496,800	228,695	46.0%
Transient Occupancy Tax	200,000	51,376	25.7%
Business Tax	175,000	37,550	21.5%
Safety Service Fees	132,270	37,434	28.3%
Interest on Investment	50,000	61,483	123.0%
Total	9,835,783	4,579,851	46.6%

♦ **Sales Tax.** Year-to-date results are on target with our projections. The current percentage of 47.5% is appropriate for this time of year. I have estimated the January ERAF/Triple-Flip payment due from the County. This payment has not yet been received.

♦ **Property Tax.** We have included the property taxes formerly received in December that has been delayed to January due to the triple-flip. This is revenue attributable to the first six months of the year.

♦ **Vehicle In-Lieu Fee (VLF).** Year-to-date results are on target with our projections. The current percentage of 45.4% is appropriate for this time of



year. Here I have also estimated the January ERAF/Triple-Flip payment due from the County. This payment has not yet been received.

♦ **Development Review Fees.** This revenue category includes the building permits issued and the user fees collected by both the Community Development and Engineering departments. The collections are less than originally anticipated for this time of year. The volume of development pending has caused the process to slow down. The predicted revenue will come in just a little slower.

♦ **Transient Occupancy Tax.** This category is paid in the quarter after it is incurred. The second quarter revenue will actually be received in the 3rd quarter.

♦ **Garbage Service.** The garbage service revenue is where we account for payments for trash collection service paid with the property taxes. The expenditure to the contract hauler is included in the General Fund – Non-Department expenditures.

Expenditures. Operating costs for the General Fund are right on target for the third quarter of the year as summarized below:

Expenditures by Type	Budget	YTD	
		Actual	Percent
Staffing	6,331,132	2,900,243	45.8%
M & O	3,104,480	1,564,347	50.4%
Minor capital & debt	507,557	380,882	75.0%
Transfers between funds	(275,000)	(340,072)	123.7%
Balance, year-to-date	9,668,169	4,505,400	46.6%

Departmental operating expenditures are also on target as summarized by the following, with the below noted exceptions:

Expenditures	Budget	YTD	
		Actual	% Expended
Legislative	199,604	115,601	57.9%
Administration	270,032	145,850	54.0%
Human Resources	224,767	112,037	49.8%
Finance	544,234	248,313	45.6%
Police	4,036,027	1,781,205	44.1%
Fire	1,299,738	601,822	46.3%
Community Development	781,994	341,481	43.7%
Recreation	569,383	282,729	49.7%
Public Works	741,715	313,935	42.3%
Non-Department	1,275,675	907,211	71.1%
Total	9,943,169	4,850,184	48.8%

Legislative is above the normal expenditure level for this quarter due to unexpected litigation expenses. The non-department expenditures reflect the payment of the City's non-department debt that is paid semi-annually in September and March.

OTHER FUNDS

The following summarizes year-to-date revenues, expenditures and changes in fund balance and working capital for other major funds. In general, revenues and expenditures are consistent with past trends.

Street Maintenance Fund

Expenditures by Type	Budget	YTD	
		Actual	Percent
Revenues	79,580	37,428	47.0%
Expenditures			
Staffing	386,690	173,535	44.9%
M & O	496,379	258,517	52.1%
Minor capital & debt	279,166	155,138	55.6%
Transfers between funds	1,190,000	812,397	68.3%
Balance, start of year	(567,593)	(667,924)	
Balance, year-to-date	(460,248)	(405,289)	

Ambulance Enterprise Fund

Working Capital	Budget	YTD	
		Actual	Percent
Revenues	1,319,520	666,090	50.5%
Expenditures			
Staffing	947,081	446,637	47.2%
M & O	259,030	125,249	48.4%
Minor capital & debt	28,794	25,727	89.3%
Balance, start of year	64,704	226,659	
Balance, year-to-date	149,319	295,136	

Transit Enterprise Fund

Working Capital	Budget	YTD	
		Actual	Percent
Revenues	307,983	11,520	3.7%
Expenditures			
Staffing	267,501	142,463	53.3%
M & O	40,482	15,665	38.7%
Minor Capital & Debt			
Transfers between funds	10,000	10,000	100%
Balance, start of year	(151,411)	(172,509)	
Balance, year-to-date	(141,441)	(309,117)	

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 Finance at 891-2205.