



# Quarterly Financial Report

## Second Quarter 2006-07

January 22, 2007

### OVERVIEW

This summarizes the City's overall financial position for this fiscal year through December 2006. 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, 2006.

**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
2003-04	34.90%	32.44%
2004-05	27.50%	23.97%
2005-06	29.47%	24.92%
2006-07	25.60%	22.64%

**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
2003-04	48.90%	45.80%
2004-05	48.90%	45.82%
2005-06	48.77%	45.08%
2006-07	47.71%	44.18%

### GENERAL FUND

**General Fund Financial Condition.** With 50% of the year completed, General Fund revenues are at 25.60% and expenditures are at 47.71% of projections. However, due to the triple-flip a large portion of the former VLF and the sales tax revenue for the first half of the year is released in late January by the County Auditor-Controller. When we include this anticipated revenue it increases the percentage to 43.9%.

General Fund Balance	Budget	YTD Actual	Percent
Revenues	10,573,287	2,706,920	25.6%
Expenditures	(10,338,357)	(4,932,298)	47.7%
Other sources (uses)	(297,000)	2,314,447	
Balance, start of year	1,711,742	1,414,450	
Balance, year-to-date	1,649,672	1,503,519	

\* 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 seven revenues account for 94% 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 Revenues	Budget	YTD Actual	% Received
Sales tax	5,000,000	1,789,940	35.8%
Property tax	2,110,000	29,187	1.4%
Development review fees	1,836,456	178,329	9.7%
Franchise fees	540,200	247,190	45.8%
Transient occupancy tax	200,000	70,173	35.1%
Business tax	180,000	72,212	40.1%
Interest on investments	80,000	34,910	43.6%
Sub-total	9,946,656	2,421,941	24.3%

♦ **Sales Tax.** Year-to-date results are slightly low compared to our projections. The current percentage of 35.8% is appropriate for this time of year. When we add in the pending January Triple-Flip payment due from the County it increases the percentage to 48.96%. This payment has not yet been received.

♦ **Property Tax.** The above percentage reflects only the taxes actually received. The taxes formerly received in December have now been delayed to January due to the triple-flip. This pending revenue when added to the current revenue increases the percentage to 62.41%. The property tax revenue includes the portion of the VLF that has been changed to property taxes



♦ **Development Review Fees.** This revenue category includes building permits issued and user fees collected by Community Development. The collections are less than originally anticipated for this time of year. The incompleteness of the North-East Specific Plan and the inability of the City to allow annexations have caused a slow-down in development. Development is still predicted, it is just a little delayed.

♦ **Franchise Fees.** The year-to-date revenue is on target with our revenue estimates.

♦ **Transient Occupancy Tax.** This category is paid in the quarter after it is incurred. Only one quarter has been paid at this time. This revenue is higher than our estimate.

♦ **Business tax.** The business license tax revenue is currently on target with our revenue estimates.

♦ **Interest Earnings.** Interest earnings are above estimated projections. This revenue source continues to reflect an increase in interest yields and investible balance.

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

Expenditures by Type	Budget	YTD Actual	Percent
Staffing	(7,202,100)	(3,167,729)	44.0%
M & O	(2,557,122)	(1,375,825)	53.8%
Minor Capital & Debt	(579,135)	(388,743)	67.1%
Transfer to other funds	(297,000)	(185,553)	62.5%
Balance, year-to-date	(10,635,357)	(5,117,850)	48.1%

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

Expenditures	Budget	YTD Actual	% Received
Legislative	(231,650)	(120,129)	51.9%
Administration	(289,871)	(148,347)	51.2%
Personnel	(251,907)	(123,376)	49.0%
Finance	(543,536)	(262,116)	48.2%
Police	(4,602,806)	(2,021,903)	43.9%
Fire	(1,468,736)	(688,473)	46.9%
Community Development	(830,400)	(353,618)	42.6%
Recreation	(591,912)	(284,663)	48.1%
Public Works	(858,212)	(324,626)	37.8%
Non-Department	(669,327)	(605,047)	90.4%
Total	(10,338,357)	(4,932,298)	47.7%

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	119,100	42,333	35.5%
Expenditures			
Staffing	(441,594)	(210,158)	47.6%
M & O	(748,129)	(313,413)	41.9%
Minor Capital & Debt	(551,780)	(181,057)	32.8%
Transfer from other funds	1,195,956	525,186	43.9%
Balance, start of year	(519,586)	(572,832)	
Balance, year-to-date	(946,033)	(709,941)	

**Ambulance Enterprise Fund**

Working Capital	Budget	YTD Actual	Percent
Revenues	1,535,000	692,540	45.1%
Expenditures			
Staffing	(1,029,669)	(458,411)	44.5%
M & O	(276,558)	(127,843)	46.2%
Minor Capital & Debt	(82,547)	(40,309)	48.8%
Balance, start of year	252,743	389,971	
Balance, year-to-date	398,969	455,948	

**Transit Enterprise Fund**

Working Capital	Budget	YTD Actual	Percent
Revenues	549,348	51,203	9.3%
Expenditures			
Staffing	(281,111)	(131,000)	46.6%
M & O	(42,235)	(16,384)	38.8%
Contribution to FCRTA	(240,000)	(120,000)	50.0%
Transfer from other funds	10,000	10,000	100.0%
Balance, start of year	(171,070)	(174,859)	
Balance, year-to-date	(175,068)	(381,040)	

**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.