



# Quarterly Financial Report

## Third Quarter 2006-07

April 30, 2007

### OVERVIEW

This summarizes the City's overall financial position for the fiscal year through March 2007. Except as noted below, revenues and operating expenditures are generally on target based on past trends for the third quarter. The revenue projections and budgets include any supplemental appropriations approved by the Council as of March 31, 2007.

**Revenues.** Revenue recorded for the first nine (9) 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	65.68%	61.75%
2004-05	63.25%	46.57%
2005-06	58.75%	43.23%
2006-07	57.49%	42.31%

**Expenditures.** The following is a comparison of the percent of first nine (9) months expenditures made for the current year and the last three (3) fiscal years:

Fiscal Year	General Fund	All Funds
2003-04	72.30%	67.93%
2004-05	69.80%	65.02%
2005-06	71.77%	67.91%
2006-07	69.80%	64.61%

### GENERAL FUND

**General Fund Financial Condition.** With 75% of the year completed, General Fund revenues are at 57.49% and expenditures are at 69.80% of projections.

General Fund Balance	Budget	YTD Actual	Percent
Revenues	10,573,287	6,075,539	57.5%
Expenditures	10,535,757	7,354,420	69.8%
Other Sources (Uses)	(275,000)	180,745	-65.7%
TRAN		2,500,000	
Balance, Start of year	1,711,743	1,414,450	
Balance, Year-To-Date	1,474,273	2,816,314	

**Top Revenues.** Our top seven revenues account for over 90% of total General Fund revenues. By focusing on these, we can get an excellent understanding of our revenue position. Except for Development Review Fees these key revenues are generally performing as projected based on payment schedules and past trends for this quarter. Significant variances are noted below.

Top Ten Revenues	Budget	YTD Actual	% Received
Sales tax	5,000,000	3,172,598	63.5%
Property tax	2,110,000	1,428,319	67.7%
Development review fees	1,840,306	278,459	15.1%
Franchise fees	538,400	332,979	61.8%
Transient occupancy tax	200,000	142,021	71.0%
Business tax	180,000	113,671	63.2%
Interest on investment	80,000	83,277	104.1%
Total	9,948,706	5,551,324	55.8%

◆ **Sales Tax.** Year-to-date results are slightly low compared to our projections. However, this may be due to an additional shift of Sales Taxes into Property Taxes due to the Triple-Flip. There is a very large jump in Property Taxes. The current percentage is 63.5%.

◆ **Property Tax.** At this time of year the percentage is usually about 50%. This year the percentage is 67.7%. This is well above our projections. We know that assessed values went up due to an active housing market, but we also believe that additional Sales Tax Revenue has been shifted into the Triple-Flip. We should receive the remaining balance from the County in May and June.

◆ **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 incompletion of the North-East Specific Plan and the problems in the development of the Wal-Mart site have caused a slow-down in development. Development is still predicted, it is just 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. The third quarter revenue will actually be received in the 4th quarter. TOT collections are up we expect to collect 130% of this years estimate.

♦ **Business Tax.** The business license tax is on target for this time of year. The last quarter of the year has the heaviest collection of tax.

♦ **Interest Earnings.** Interest earnings are above estimated projections. This revenue source continues to reflect an increase in interest yields and investigable balance. We have already exceeded our current year projections.

**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	% Expended
Staffing	7,202,100	4,803,658	66.7%
M & O	3,754,522	2,062,683	54.9%
Minor Capital & Debt	579,135	488,078	84.3%
Transfers to other funds	(275,000)	180,745	-65.7%
Balance, Year-To-Date	11,260,757	7,535,164	

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

Expenditures	Budget	YTD Actual	% Expended
Legislative	231,650	176,886	76.4%
Administration	289,871	224,148	77.3%
Human Resources	251,907	186,670	74.1%
Finance	543,536	403,745	74.3%
Police	4,602,806	3,107,887	67.5%
Fire	1,468,736	1,047,812	71.3%
Community Dev	1,027,800	603,260	58.7%
Recreation	591,912	429,150	72.5%
Public Works	858,212	525,789	61.3%
Non-Department	669,327	649,073	97.0%
Total	10,535,757	7,354,420	69.8%

Legislative is above the normal expenditure level for this quarter due to added professional service expenses. The Administration department includes Economic Development. This division has expended more for professional services than originally budgeted. The Non-department expenditures reflect

the payment of the City's non-department debt that is due 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**

Working Capital	Budget	YTD Actual	% Expended
Revenues	119,100	51,546	43.3%
Expenditures			
Staffing	441,594	311,759	70.6%
M & O	748,129	439,449	58.7%
Minor Capital & Debt	551,780	273,114	49.5%
Transfers from other funds	1,195,956	836,328	69.9%
Balance, Start of year	(591,586)	(572,832)	
Balance, Year-To-Date	1,018,033	(709,280)	

**Ambulance Enterprise Fund**

Working Capital	Budget	YTD Actual	% Expended
Revenues	1,535,000	1,074,295	70.0%
Expenditures			
Staffing	1,029,669	699,405	67.9%
M & O	276,558	196,771	71.1%
Minor Capital & Debt	82,547	47,079	57.0%
Balance, Start of year	252,743	389,971	
Balance, Year-To-Date	398,969	521,011	

**Transit Enterprise Fund**

Working Capital	Budget	YTD Actual	% Expended
Revenues	549,348	51,186	9.3%
Expenditures			
Staffing	291,111	191,896	65.9%
M & O	42,235	24,843	58.8%
Minor Capital & Debt			
Transfers from other funds	10,000	10,000	
Balance, Start of year	(171,070)	(174,859)	
Balance, Year-To-Date	54,932	(330,412)	

**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.