



# City of Camarillo

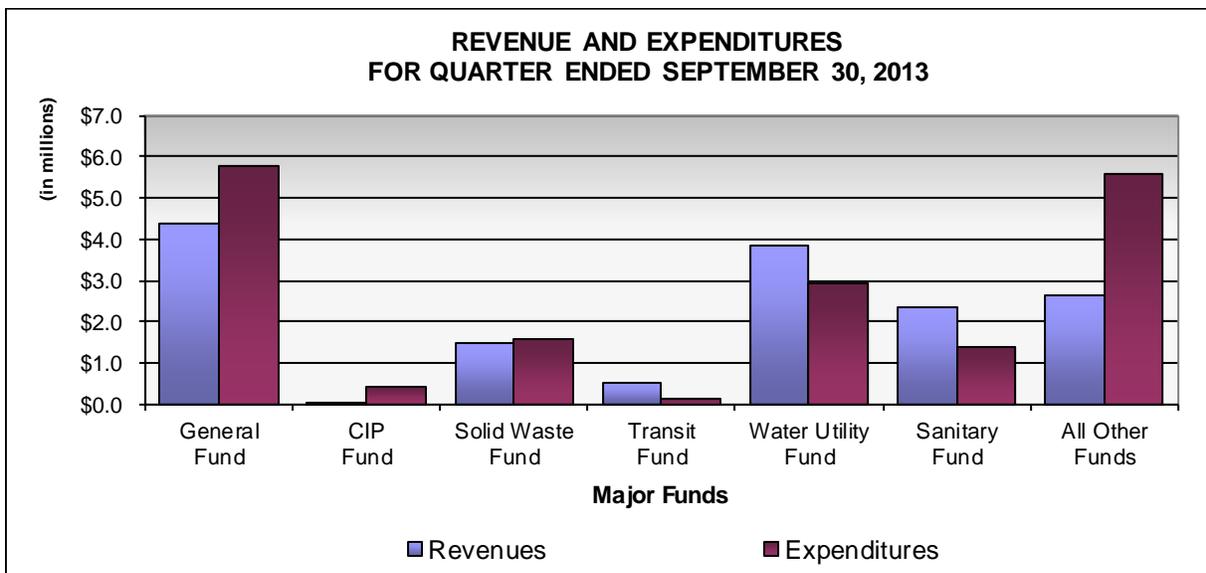
## Revenue and Expenditure Reports

### *Fiscal Year 2013/14 First Quarter Financial Report*

### *July 1 through September 30, 2013*

#### OVERVIEW

The City of Camarillo First Quarter Financial Report summarizes the City's financial information, from July 1 through September 30, 2013. The following chart summarizes actual year to date revenues and expenditures, but does not include transfers in/out or encumbrances, and is based on the adopted Fiscal Year 2013/14 budget, adjusted for encumbrances, continuing appropriations (carryovers), and any budget amendments approved by City Council as of September 30, 2013. The General, Capital Improvement Projects (CIP), Solid Waste, Transit, Water Utility, and Sanitary District Funds are considered "**major funds**" and are our primary focus, since their budgets represent the majority of the City's total budget.

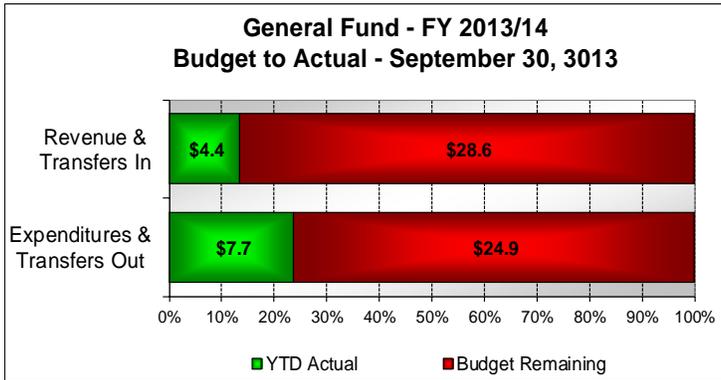


#### EXECUTIVE SUMMARY

With the first quarter of the fiscal year complete, we appear to be moving along as anticipated based on past trends, and as compared to the first quarter of last year. Revenue and expenditure activity, estimated fund balance, and any major variance from the anticipated budget are detailed below for the major funds.

#### GENERAL FUND (101)

The General Fund is where the majority of discretionary funds are recorded, and the majority of general municipal services are provided. Through transfers, it is also a major contributor to funds whose revenue sources either do not grow, or grow more slowly than the expenditures, and thus do not have sufficient



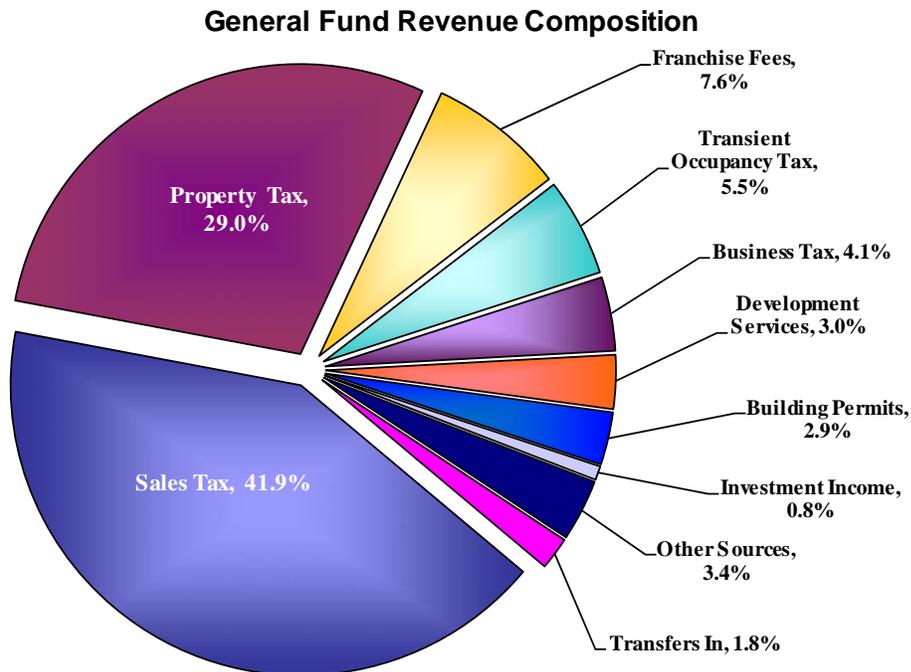
resources to cover the associated expenditures. Included are the Gas Tax Fund, Citywide Lighting & Landscape Fund, Storm Water Management Fund, Transit Fund, and Debt Service Funds. In addition, the General Fund is a major contributor to the CIP Fund. Staff is working to fully implement a long-term strategy to address the on-going fiscal impacts of operating transfers from the General Fund, and will be one of the key deliverables of our long-range plan for fiscal sustainability.

In total, the General Fund has recorded approximately 13% of projected revenues, approximately 23% of budgeted expenditures, and approximately 30% of budgeted transfers. Transfers to other funds are typically generated on an as-needed basis. Fund balance at September 30, 2013 is projected at \$38.7 million, which is in accordance with City Council policy.

**General Fund Summary (September 30, 2013)**

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues & Transfers In	\$ 32,904,400	\$ 32,959,951	\$ 4,389,316	13.3%
Expenditures & Transfers Out	32,419,974	32,592,940	7,694,252	23.6%
Revenues Over/(Under) Expenditures	\$ 484,426	367,011	\$ (3,304,936)	
Available Fund Balance, July 1 (estimated)		38,377,898		
Available Fund Balance, End of Period (estimated)		\$ 38,744,909		

**General Fund Revenues.** The top eight revenue sources account for approximately 94.8% of the total projected General Fund revenues. By focusing on these, we can obtain an excellent understanding of the General Fund revenue position.



Overall, these key revenues are performing as projected for the first quarter, based on payment schedules and past trends, with major variances noted below. Total revenues through September are at approximately 13.3% of total budget, compared to prior year, revenues to date were 13.0% of budget.

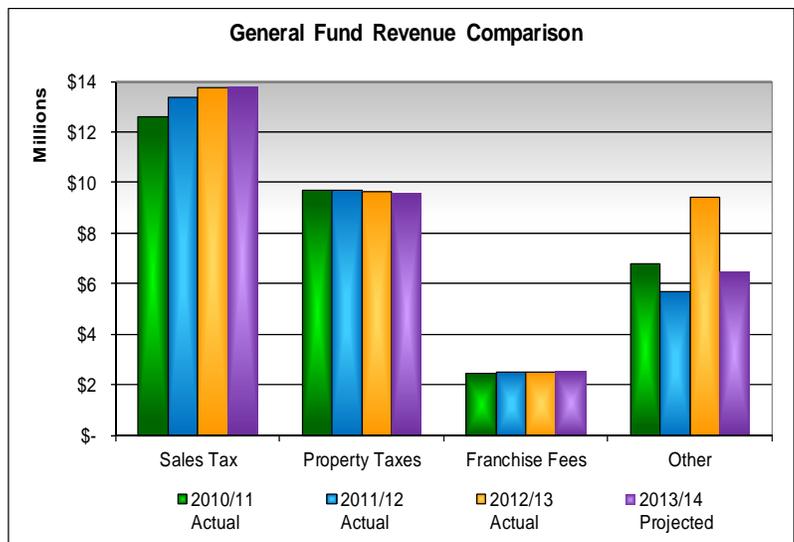
Revenue Sources	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Sales Tax	\$ 13,775,300	\$ 13,775,300	\$ 2,468,100	17.9%
Property Tax	9,553,400	9,553,400	123,127	1.3%
Franchise Fees	2,519,600	2,519,600	71,289	2.8%
Transient Occupancy Tax	1,804,900	1,804,900	576,384	31.9%
Business Tax	1,356,900	1,356,900	326,258	24.0%
Development Services	992,000	992,000	320,608	32.3%
Building Permits	968,100	968,100	264,284	27.3%
Investment Income	255,000	255,000	1,174	0.5%
<b>Total</b>	<b>31,225,200</b>	<b>31,225,200</b>	<b>4,151,224</b>	<b>13.3%</b>
Other Revenue Sources	1,079,200	1,134,751	238,092	21.0%
Transfers In	600,000	600,000	-	0.0%
<b>Total Fund Revenue</b>	<b>\$ 32,904,400</b>	<b>\$ 32,959,951</b>	<b>\$ 4,389,316</b>	<b>13.3%</b>

➤ **Sales Tax** – The City has received 17.9% of the budgeted Sales Tax, compared to 19.1% this time last year. Included in this revenue projection of \$13,775,300, is the In-Lieu Sales Tax (\$3,476,600), which is not reflected in YTD Actual, but is scheduled to be received in two installments in January and May, 2014.

➤ **Property Tax** - The first of two major apportionments occur in December, with the second following in April. Also included under this revenue projection of \$9,553,400, is the In-Lieu Motor Vehicle Fees (\$5,026,400), which is not reflected in YTD Actual, but is scheduled to be received in two equal installments in January and May, 2014.

➤ **Franchise Fees** - The majority of the Franchise Fees are received in April, 2014.

➤ **Transient Occupancy Tax (TOT)** – The City has received 31.9% of the budgeted TOT, compared to 30.6% in the first quarter last year. July and August have the highest occupancy rates of the fiscal year.



➤ **Business Tax** – As of the first quarter, 24.0% of the budgeted revenue has been realized. With 25% of the fiscal year lapsed, this revenue is tracking as projected.

➤ **Development Services** - This revenue is slightly higher than anticipated with 32.3% of budget realized, and significantly higher than the 22.8% received through first quarter 2012. This revenue fluctuates due to the timing of planned development projects. Included in the first quarter revenue, are a few projects, not anticipated at the time of budget development.

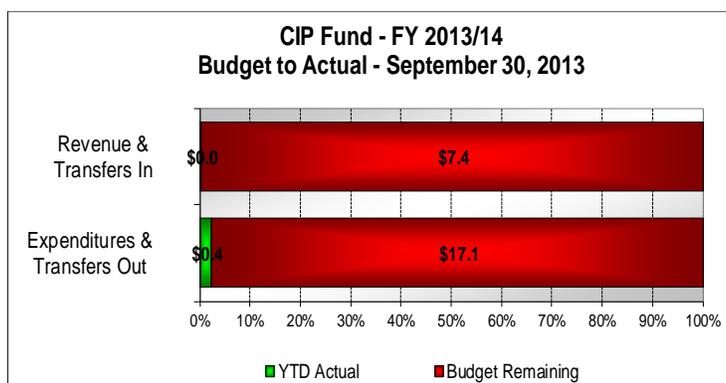
- **Building Permits** - With 27.3% of the annual budget realized in the first quarter, this revenue is on track. This time last year, the City has realized 18.3% of the annual budget. This revenue also fluctuates due to the timing of planned development projects. Included in the first quarter revenue, are a few projects, not anticipated at the time of budget development.
- **Investment Income** – Investment earnings had not been posted as of this report. There is typically a delay at the first of the fiscal year due to the audit processes.

**General Fund Expenditures and Transfers.** As illustrated in the table below, the majority of General Fund divisional expenditures and transfers are slightly lower than expected overall, averaging 23.6% of the annual budget. As of first quarter last year, 23.0% of budgeted expenditures and transfers had been disbursed.

Divisions	Adopted Budget	Amended Budget	YTD Actual	Percent Expended
City Council	\$ 698,511	\$ 698,511	\$ 169,536	24.3%
City Clerk	532,229	532,229	113,433	21.3%
City Attorney	492,810	492,810	82,246	16.7%
City Manager	919,027	919,027	192,308	20.9%
Finance	1,313,218	1,344,978	280,247	20.8%
Community Development	1,754,187	1,838,669	375,798	20.4%
Code Compliance	748,687	748,687	163,894	21.9%
Police	15,609,344	15,619,184	3,606,484	23.1%
DART	18,175	18,175	5,178	28.5%
Building & Safety	561,260	561,260	188,780	33.6%
Public Works	1,726,931	1,760,965	355,280	20.2%
Cultural Arts Services	714,938	730,288	134,065	18.4%
Economic Development	379,457	376,957	97,003	25.7%
Non Departmental	7,500	7,500	-	0.0%
Total	25,476,274	25,649,240	5,764,252	22.5%
Transfers Out	6,943,700	6,943,700	1,930,000	27.8%
<b>Total Fund Expenditures</b>	<b>\$ 32,419,974</b>	<b>\$ 32,592,940</b>	<b>\$ 7,694,252</b>	<b>23.6%</b>

Building & Safety division has expended slightly higher than the expected 25%, primarily due to first of year standing accruals, and annual costs expended in the first quarter of the fiscal year. D.A.R.T. division purchased a new trailer with grant funds, and vehicle maintenance expenditures are trending slightly higher than anticipated, due to new vehicle setup (decals, etc.). City Attorney division expenditures are lower than anticipated, at 16.7% due to timing of monthly invoices, with only July and August services reflected.

**CAPITAL IMPROVEMENT PROJECTS FUND (410)**



The Capital Improvement Projects (CIP) Fund accounts for the general capital projects. Revenues and expenditures are budgeted in the year corresponding with the various stages of the projects, and include balances carried forward from the previous budget year. On June 26, 2013, the City Council approved year one of the City’s Five-Year Capital Improvement Program 2013-2018, with a total expenditure budget of \$28.4 million. Included in that total

is \$6.9 million of funding, and \$8.0 million expenditures in the CIP Fund, for new or existing capital projects. The amended budget includes carry-over funding for uncompleted projects from prior years, and any budget changes approved by the City Council.

**Capital Improvement Projects Fund Summary (September 30, 2013)**

	<b>Adopted Budget</b>	<b>Amended Budget</b>	<b>YTD Actual</b>	<b>Percent Realized</b>
Revenues & Transfers In	\$ 7,454,700	\$ 7,454,700	\$ 20,952	0.3%
Expenditures & Transfers Out	8,610,000	17,500,300	428,195	2.5%
Revenues Over/(Under) Expenditures	\$ (1,155,300)	(10,045,600)	\$ (407,243)	
Available Fund Balance, July 1 (estimated)		12,661,183		
Available Fund Balance, End of Period (estimated)		\$ 2,615,583		

Funding for the CIP projects comes from a variety of sources including Federal, State, County, capital fees collected from developers, and interfund transfers.

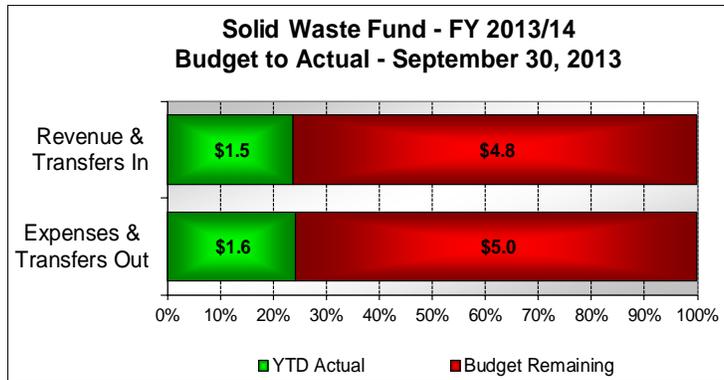
At this point in the fiscal year, the CIP Fund has recognized 0.3% of the projected revenues. Federal Capital Grants for transportation projects are the primary source, and funds are typically drawn down on a reimbursement basis, after the expenditures are incurred.

<b>Revenue Sources</b>	<b>Adopted Budget</b>	<b>Amended Budget</b>	<b>YTD Actual</b>	<b>Percent Realized</b>
Grants	\$ 4,845,000	\$ 4,845,000	\$ -	0.0%
Development Services	190,000	190,000	19,045	10.0%
Investment Income	59,700	59,700	-	0.0%
Contributions	300,000	300,000	-	0.0%
Total	5,394,700	5,394,700	19,045	0.4%
Transfers In	2,060,000	2,060,000	1,907	0.1%
<b>Total Fund Revenue</b>	<b>\$ 7,454,700</b>	<b>\$ 7,454,700</b>	<b>\$ 20,952</b>	<b>0.3%</b>

The budgeted expenditures for this fund total \$16.9 million, and a transfer to the General Fund of \$600,000. Through the first quarter, 2.5% of budgeted expenditures have been disbursed, which includes an accrual adjustment of \$56.5 thousand. The following represents the projects that account for the majority of expenditures to date:

<b>Project Expenditures</b>	<b>Adopted Budget</b>	<b>Amended Budget</b>	<b>YTD Actual</b>	<b>Percent Expended</b>
Ponderosa Dr Landscaping Ph 3      LS1201	\$ -	\$ 2,296,566	\$ 200,984	8.8%
Ponderosa-Camarillo Hills Landscaping      LS0901	-	559,041	235,802	42.2%
<b>Total Major Projects</b>	<b>\$ -</b>	<b>\$ 2,855,607</b>	<b>\$ 436,786</b>	<b>15.3%</b>

**SOLID WASTE FUND (805)**



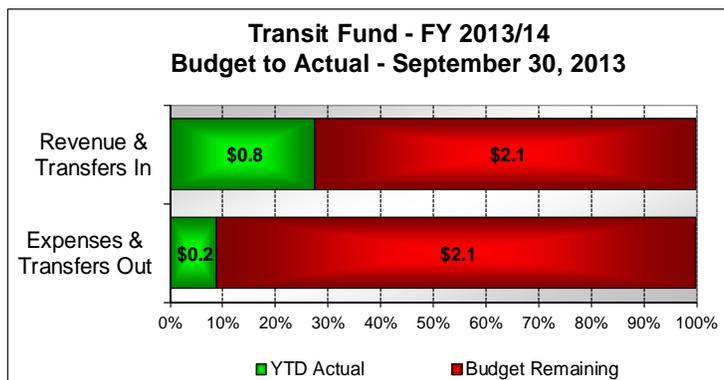
The City provides refuse and recycling programs for residential and commercial customers, and a green waste program for residential customers. The City contracts with a local hauler through an exclusive franchise agreement.

The Solid Waste Fund has recognized 23.3% of projected revenues, and 23.7% of budgeted expenses. Both revenues and expenses are meeting projections through the first quarter.

**Solid Waste Fund Summary (September 30, 2013)**

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
<b>Revenues</b>				
Solid Waste Services	\$ 6,201,900	\$ 6,201,900	\$ 1,449,482	23.4%
Grants	36,200	36,200	-	0.0%
Other Revenue Sources	80,600	80,600	19,862	24.6%
<b>Total Solid Waste Fund Revenue</b>	<b>6,318,700</b>	<b>6,318,700</b>	<b>1,469,344</b>	<b>23.3%</b>
<b>Expenses</b>				
Operating Expenses	6,569,330	6,569,330	1,558,994	23.7%
<b>Total Solid Waste Fund Expenses</b>	<b>\$ 6,569,330</b>	<b>\$ 6,569,330</b>	<b>\$ 1,558,994</b>	<b>23.7%</b>
Revenues Over/(Under) Expenses	(250,630)	(250,630)	(89,650)	
Available Working Capital, July 1 (estimated)		869,230		
Adjustments to Working Capital (estimated)		3,500		
Available Working Capital, End of Period (estimated)		\$ 622,100		

**TRANSIT FUND (810)**



The Transit Fund is where costs associated with operating the City's transit system are recorded. The Transit Fund has recognized 26.7% of projected revenues and transfers in, and 7.0% of budgeted expenses and transfers out. Funding for the Transit Fund comes from a variety of sources including Federal Grants, ridership fares, and transfers from the General Fund and the Air Quality Fund. Federal Transit Administration (FTA) Grants provide for a majority of the revenues received in this fund,

which are received at fiscal year-end, after all the expenses are incurred. The Transit Fund relies on interfund transfers to meet its operational needs. This fund includes the City's portion of the costs of the intercity bus that is operated by the Ventura County Transportation Commission (VCTC).

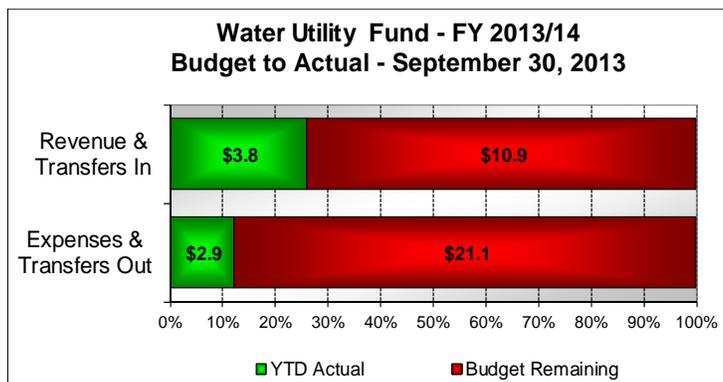
## Transit Fund Summary (September 30, 2013)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
<b><u>Revenues</u></b>				
Transit Services	\$ 133,500	\$ 133,500	\$ 10,026	7.5%
Grants	1,273,200	1,779,631	500,000	28.1%
Other Revenue Sources	2,500	2,500	-	0.0%
Total	1,409,200	1,915,631	510,026	26.6%
Transfers In	930,000	930,000	250,000	26.9%
Total Transit Fund Revenue	2,339,200	2,845,631	760,026	26.7%
<b><u>Expenses</u></b>				
Operating Expenses	1,465,272	1,465,272	140,863	9.6%
Capital Purchases	230,000	331,710	-	0.0%
Depreciation	144,200	144,200	-	0.0%
Metrolink Station Maint.	95,000	95,000	15,171	16.0%
Operating Expenses	1,934,472	2,036,182	156,034	7.7%
Transfers Out	200,000	200,000	-	0.0%
Total Transit Fund Expenses	\$ 2,134,472	2,236,182	\$ 156,034	7.0%
Revenues Over/(Under) Expenses	204,728	609,449	603,992	
Available Fund Balance, July 1 (estimated)		(363,491)		
Adjustments to Working Capital (estimated)		148,200		
Available Working Capital, End of Period (estimated)		\$ 394,158		

Grant revenue of \$500,000 is reimbursement for FY 2012/13 Transit O&M expenses. Funding from VCTC was delayed, and therefore the revenue was deferred. Operating expenses appear lower than expected at 7.7%, due to a one-month lag in transit service contract disbursements. At this juncture, the expenses are tracking as anticipated.

### **WATER UTILITY FUND (860)**

The Water Utility Fund is where revenue and expenses associated with the City's water service are recorded. This fund is fully self-supporting, and derives the majority of its revenue from ratepayers. Other revenue sources include investment earnings, and capital fees collected from developers. The City provides water and associated maintenance to approximately 13,155 customers. Four other water companies provide water to Camarillo residents.

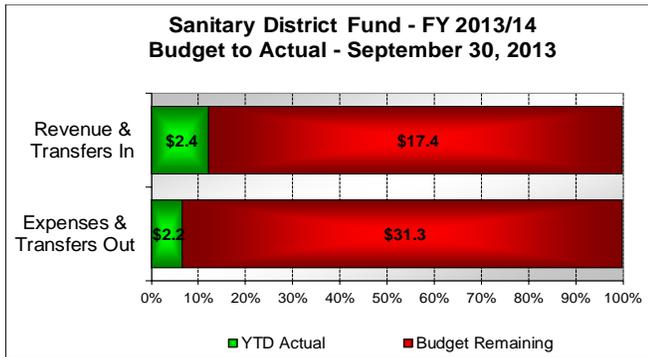


The Water Utility Fund has recognized 26.0% of projected revenues, and 12.3% of budgeted expenses and transfers out, compared to last fiscal year 29.9% and 19.7% respectively. Revenues are above projections through the first quarter, primarily due to one-time Capital Improvement Fees that exceeded budget by \$234 thousand. Expenses are under budget, primarily due to one-time capital improvement projects that have not begun.

## Water Utility Fund Summary (September 30, 2013)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
<b><u>Revenues</u></b>				
Water Sales	\$ 10,058,000	\$ 10,058,000	\$ 2,738,277	27.2%
Base Rate Charges	3,103,000	3,103,000	611,286	19.7%
Other Water Services Revenue Sources	985,100	985,100	132,756	13.5%
Capital Improvement Fees	10,000	10,000	233,798	2338.0%
Investment Income	154,800	154,800	-	0.0%
Other Revenue Sources	348,000	423,000	119,513	28.3%
<b>Total Water Utility Fund Revenue</b>	<b>14,658,900</b>	<b>14,733,900</b>	<b>3,835,630</b>	<b>26.0%</b>
<b><u>Expenses</u></b>				
General & Administrative	2,423,939	2,569,643	529,595	20.6%
Maintenance & Operations	9,582,355	9,835,669	2,404,112	24.4%
Debt Service	6,650	6,650	6,642	99.9%
Capital Purchases	7,960,000	7,992,845	-	0.0%
Capital Projects	380,000	2,378,586	(1,247)	-0.1%
Depreciation	904,250	904,250	-	0.0%
Total	21,257,194	23,687,643	2,939,102	12.4%
Transfers Out	300,000	300,000	-	0.0%
<b>Total Water Utility Fund Expenses</b>	<b>21,557,194</b>	<b>23,987,643</b>	<b>2,939,102</b>	<b>12.3%</b>
Revenues Over/(Under) Expenses	\$ (6,898,294)	(9,253,743)	\$ 896,528	
Available Working Capital, July 1 (estimated)		31,051,081		
Adjustments to Working Capital (estimated)		904,250		
Available Working Capital, End of Period (estimated)		\$ 22,701,588		

### **SANITARY DISTRICT FUNDS (871/872/873)**



The Camarillo Sanitary District (CSD) is a separate governmental entity, formed in 1955 to provide wastewater treatment services for residential and commercial customers within its boundaries. The CSD is fully self-supporting, and derives the majority of its revenue from ratepayers for services rendered. Other funding sources include property taxes, and capital fees collected from developers. The CSD has been divided into three separate funds for budgeting purposes. The separation of these funds allows for ease in cash flow and rate setting.

In total, the Sanitary District Funds have recognized 12.0% of projected revenues and transfers in, and 6.5% of budgeted expenses and transfers out. Revenues are tracking as expected, with the exception of one-time Capital Improvement Fees that have exceeded projections by \$195 thousand, and Grant revenue which is anticipated at fiscal year-end.

## Sanitary District Summary (September 30, 2013)

All Sanitary District Funds	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
<b><u>Revenues</u></b>				
Regular Rate Charges	\$ 8,935,000	\$ 8,935,000	\$ 1,827,215	20.5%
Property Taxes	947,400	947,400	3,620	0.4%
Base Rate Charges	1,007,000	1,007,000	180,457	17.9%
Billing & Penalty Fees	186,900	186,900	47,344	25.3%
Other Revenue Sources	178,900	178,900	75,168	42.0%
Capital Improvement Fees	30,000	30,000	225,251	750.8%
Grants & Subventions	2,750,000	2,750,000	-	0.0%
Proceeds from Bonds Issued	1,800,000	1,800,000	-	0.0%
Investment Income	67,200	67,200	695	1.0%
Total	15,902,400	15,902,400	2,359,750	14.8%
Transfers In	3,850,000	3,850,000	-	0.0%
Total Sanitary District Revenue	19,752,400	19,752,400	2,359,750	12.0%
<b><u>Expenses</u></b>				
General & Administrative	2,468,138	2,564,566	535,710	20.9%
Maintenance & Operations	4,911,476	8,946,096	1,669,154	18.7%
Debt Service	1,455,950	1,455,950	(72,790)	-5.0%
Capital Purchases	291,000	330,125	5,411	1.6%
Capital Projects	12,060,000	14,229,345	24,505	0.2%
Depreciation	2,120,350	2,120,350	-	0.0%
Total	23,306,914	29,646,432	2,161,990	7.3%
Transfers Out	3,850,000	3,850,000	-	0.0%
Total Sanitary District Expenses	27,156,914	33,496,432	2,161,990	6.5%
Revenues Over/(Under) Expenses	\$ (7,404,514)	(13,744,032)	\$ 197,760	
Available Working Capital, July 1 (estimated)		21,938,078		
Adjustments to Working Capital (estimated)		2,148,400		
Available Working Capital, End of Period (estimated)		\$ 10,342,446		

The following summary highlights the Sanitary District Funds individually:

Operating Fund (871)	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues	\$ 10,335,400	\$ 10,335,400	\$ 2,130,222	20.6%
Expenses & Transfers Out	11,349,964	15,481,012	2,204,864	14.2%

Debt Service Fund (872)	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues & Transfers In	\$ 2,760,000	\$ 2,760,000	\$ 4,277	0.2%
Expenses & Transfers Out	3,455,950	3,455,950	(72,790)	-2.1%

Capital Projects Fund (873)	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues & Transfers In	\$ 6,657,000	\$ 6,657,000	\$ 225,251	3.4%
Expenses	12,351,000	14,559,470	29,916	0.2%

Operating Fund revenues are tracking as expected, with 20.6% of budget received. Expenses are slightly under projections at 14.2%, compared with 14.6% this time last year, primarily due to transfers to the CSD Capital Projects Fund that have not been processed.

Revenues in the Debt Service Fund are primarily Property Taxes, which are received in two installments, the first in December and the second in April. Expenses are under budget due to a reclass of prior period bond interest of \$72,790, to a capital improvement project.

The Capital Projects Fund has had little activity during the first quarter, which is reflected in the low percent realized to date.

### **ALL OTHER FUNDS**

**Lighting & Landscape Maintenance District Fund (220)** – The first apportionment of the primary revenue (Property Taxes) will not be received until December.

**Storm Water Management Fund (270)** – The revenues are currently tracking at 66.0% of budget. The current fiscal year budgeted annual Special Assessment of \$154,100 is not anticipated until June 2014. However, last fiscal years' assessment of \$148,273 was received past the fiscal year close. Without that deferred revenue, the revenues are tracking as anticipated through the first quarter.

**Library Operating Fund (284)** – The first apportionment of the primary revenue (Property Taxes) will not be received until December.

**Vehicles & Equipment Fund (540)** – Expenditures are significantly lower than expected at 5.7%, due to unexpended planned capital vehicle replacements that account for 46% of the annual budget.

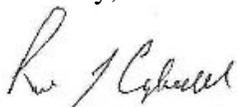
**Risk Management Fund (510)** - Liability and property insurance premiums are due in full at the beginning of each fiscal year. Thus the 74.5% expenditures ratio, which is slightly higher than 69.7% last year.

### **SUMMARY**

With the first quarter of the fiscal year complete, all revenues are tracking at 15.8% of budget, the same ratio as last year. Our expenditures are at 14.2%, compared with 14.8% as of first quarter last year. We will continue to monitor our revenues and expenditures closely, and will provide Council with a detailed analysis of the City's financial position during the mid-year budget review process.

This summary is based on information produced by the City's Finance Department. If you would like additional information or have any questions about the report, please contact me at 388-5320.

Sincerely,



Ronnie J. Campbell  
Director of Finance