



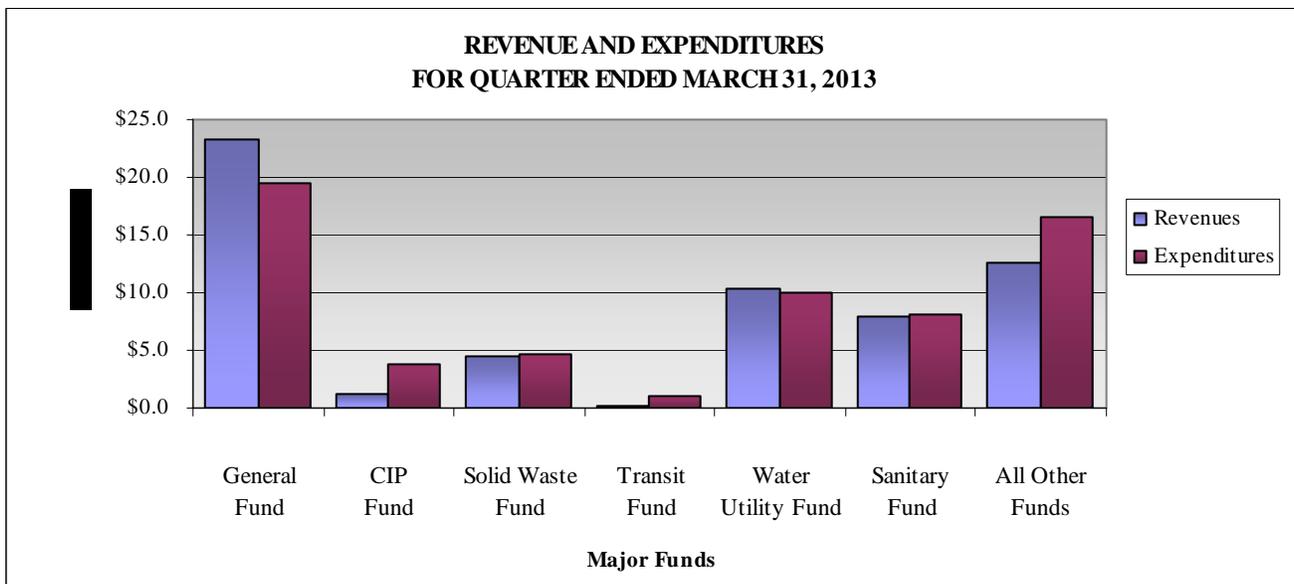
City of Camarillo

Revenue and Expenditure Reports

*Fiscal Year 2012-13 Third Quarter Financial Report
July 1 through March 31, 2013*

OVERVIEW

The City of Camarillo Third Quarter Financial Report summarizes the City’s financial information from July 1 through March 31, 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 2012/13 budget, continuing appropriations (carryovers), and any budget amendments approved by City Council as of March 31, 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.

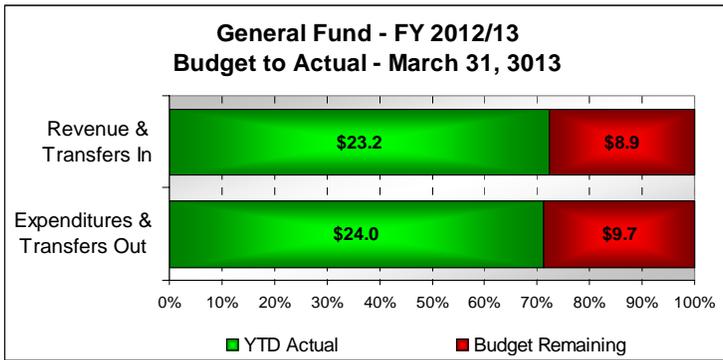


EXECUTIVE SUMMARY

With the third quarter of the fiscal year complete, we appear to be moving along as anticipated based on past trends and as compared to the third 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, 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

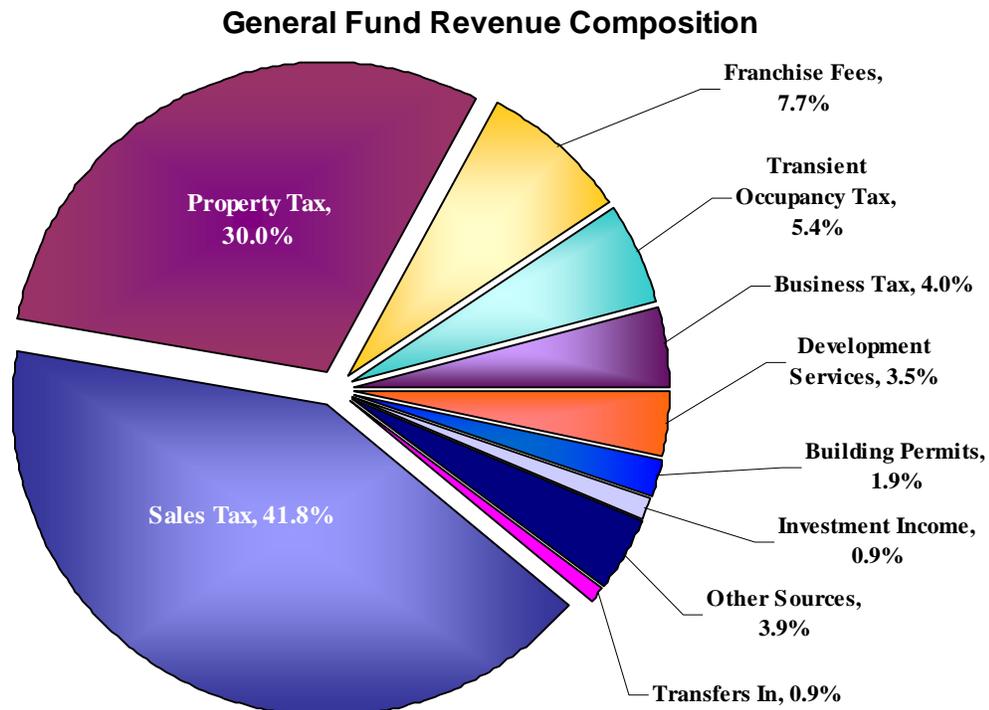
sustainability.

In total, the General Fund has recorded 72.9% of projected revenues, 72.3% of budgeted expenditures, and 69.4% of budgeted net transfers. Transfers to other funds are typically generated on an as-needed basis. Fund balance at March 31, 2013 is projected at \$45.0 million, which is in accordance with City Council policy.

General Fund Summary (March 31, 2013)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues & Transfers In	\$ 31,800,333	\$ 32,165,126	\$ 23,225,747	72.2%
Expenditures & Transfers Out	31,755,525	33,690,156	23,955,541	71.1%
Revenues Over/(Under) Expenditures	\$ 44,808	(1,525,030)	\$ (729,794)	
Available Fund Balance, July 1		46,562,784		
Available Fund Balance, End of Period (estimated)		\$ 45,037,754		

General Fund Revenues. The top eight revenue sources account for approximately 95% of the total projected General Fund revenues. By focusing on these, we can obtain an excellent understanding of the General Fund revenue position.

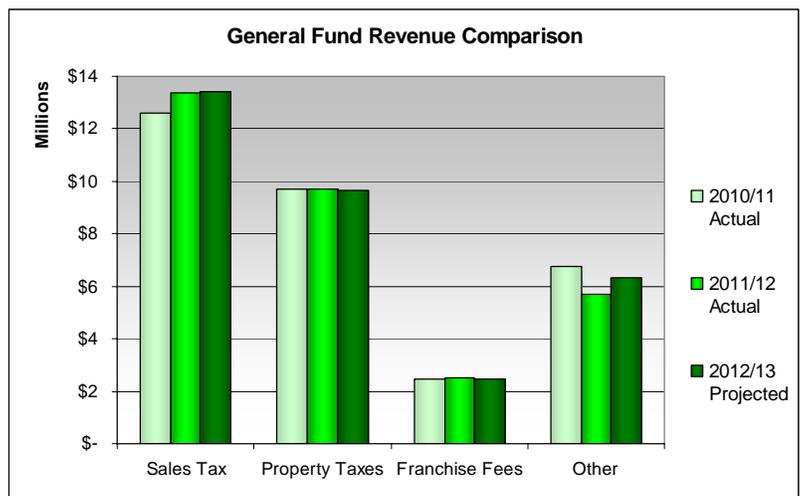


Overall, these key revenues are performing as projected through the third quarter based on payment schedules and past trends with major variances noted below. Total revenues through March are at approximately 72.8% of total budget, compared to prior year, revenues to date were 67.5% of budget.

Revenue Sources	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Sales Tax	\$ 13,435,000	\$ 13,435,000	\$ 9,195,122	68.4%
Property Tax	9,538,870	9,638,435	5,644,813	58.6%
Franchise Fees	2,468,900	2,468,900	908,471	36.8%
Transient Occupancy Tax	1,685,000	1,735,000	1,353,802	78.0%
Business Tax	1,292,000	1,292,000	996,335	77.1%
Development Services	868,190	1,133,190	3,621,358	319.6%
Building Permits	600,000	600,000	386,069	64.3%
Investment Income	300,050	300,050	158,745	52.9%
Total	30,188,010	30,602,575	22,264,715	72.8%
Other Revenue Sources	1,312,323	1,262,551	961,032	76.1%
Transfers In	300,000	300,000	-	0.0%
Total Fund Revenue	\$ 31,800,333	\$ 32,165,126	\$ 23,225,747	72.2%

➤ **Sales Tax** – The City has received 68.4% of the budgeted Sales Tax, compared to 70.6% this time last year. Included under this revenue projection of \$13,435,000 is the In-Lieu Sales Tax (\$3,390,000) which is received in two installments in January and May. \$1.61 million was received in January and the balance should be received in May.

➤ **Property Tax** - The first of two major apportionments occurred in December with the second following in April. The City has received 58.6% of budgeted Property Tax revenue, compared to 59.5% through third quarter last year. Also included under this revenue projection of \$9,638,435 is the In-Lieu Motor Vehicle Fees which is received in two equal installments. \$2.48 million was received in January and the remaining \$2.48 million should be received in May.



➤ **Franchise Fees** - The majority of the Franchise Fees are received in April. To date this year, the City has received 36.8% of budgeted Franchise Fees compared with 35.8% last year.

➤ **Transient Occupancy Tax (TOT) and Business Tax** – These revenues are slightly higher than anticipated through third quarter, at 78% and 77% respectively. Average YTD occupancy through March 2013 was 65.3% compared to 62.5% in 2012.

➤ **Development Services** - This revenue has exceeded budget by 219.6% through March. Due to the slow recovery and stalled development projects, this revenue stream was budgeted conservatively. As developers began to move forward with projects, the City had realized additional development fees. This time last year, the City had realized 81% of the \$245 thousand revenue budgeted.

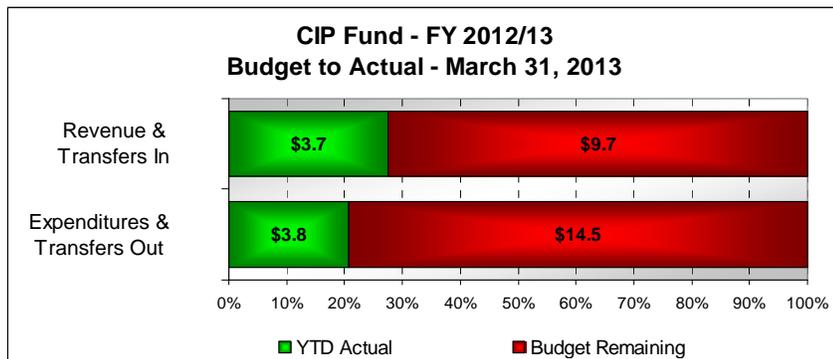
- **Building Permits** – The City has received 64.3% of the budgeted Building Permit revenue. Building permit issuance is one of the last elements of development projects, and thus this revenue has lagged behind the Development Services revenue, but is anticipated to meet the budget by fiscal year end.
- **Investment Income** – This revenue has realized 52.9% of budget, as investment earning rates remain low.

General Fund Expenditures. As illustrated in the table below, overall the majority of General Fund divisional expenditures are slightly lower than the expected 75%, averaging 72.3% of the annual budget. As of third quarter last year, 68.7% of budgeted expenditures had been disbursed.

Divisions	Adopted Budget	Amended Budget	YTD Actual	Percent Expended
City Council	\$ 720,207	\$ 720,207	\$ 474,984	66.0%
City Clerk	564,869	565,218	395,206	69.9%
City Attorney	453,871	453,871	276,317	60.9%
City Manager	924,924	923,932	615,631	66.6%
Finance	1,540,823	1,553,362	1,135,227	73.1%
Community Development	1,915,572	2,067,974	1,690,197	81.7%
Code Compliance	735,870	742,461	496,717	66.9%
Police	15,202,706	15,266,056	10,929,586	71.6%
DART	17,710	20,710	5,993	28.9%
Building & Safety	580,656	580,656	428,606	73.8%
Public Works	1,618,038	2,037,044	1,342,145	65.9%
Cultural Arts Services	659,138	678,116	432,809	63.8%
Economic Development	311,041	337,383	262,396	77.8%
Non Departmental	7,500	1,007,500	1,000,177	99.3%
Total	25,252,925	26,954,490	19,485,991	72.3%
Transfers Out	6,502,600	6,735,666	4,469,550	66.4%
Total Fund Expenditures	\$ 31,755,525	\$ 33,690,156	\$ 23,955,541	71.1%

The Non Departmental division has expended 99.3% of budget due to a \$1 million one-time developer project disbursement posted in the second quarter of the fiscal year.

CAPITAL IMPROVEMENT PROJECTS FUND (410)



The Capital Improvement Projects (CIP) Fund accounts for the general City 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 27, 2012, the City Council approved year one of the City’s Five-Year Capital Improvement

Program 2012-2017 with a total expenditure budget of \$26.3 million. Included in that total is \$10.4 million of funding, and \$12.4 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 (March 31, 2013)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues & Transfers In	\$ 10,734,500	\$ 13,410,173	\$ 3,683,751	27.5%
Expenditures & Transfers Out	12,730,000	18,297,879	3,834,475	21.0%
Revenues Over/(Under) Expenditures	\$ (1,995,500)	(4,887,706)	\$ (150,724)	
Available Fund Balance, July 1		11,677,917		
Available Fund Balance, End of Period (estimated)		\$ 6,790,211		

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

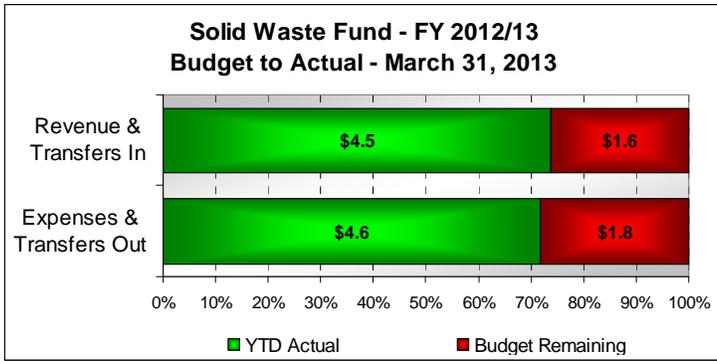
At this point in the fiscal year, the CIP Fund has recognized 27.5% of the projected revenues. Federal Capital Grants for transportation projects are the primary source, and funds are typically drawn down on a reimbursement basis after the expenditures are incurred. Development Services revenue exceeded budget by 344.8% primarily due to Traffic Mitigation Fees paid as large development projects approach the building permitting stage. Investment income is slightly lower than expected, realizing 56.8% of budget, as earning rates remain low.

Revenue Sources	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Grants	\$ 6,459,000	\$ 8,996,094	\$ 368,857	4.1%
Development Services	165,000	225,000	775,858	344.8%
Investment Income	75,500	75,500	42,884	56.8%
Contributions	300,000	300,000	-	0.0%
Total	6,999,500	9,596,594	1,187,599	12.4%
Transfers In	3,735,000	3,813,579	2,496,152	65.5%
Total Fund Revenue	\$ 10,734,500	\$ 13,410,173	\$ 3,683,751	27.5%

The budgeted expenditures for this fund total \$17,997,879, with a budgeted transfer to the General Fund of \$300,000. The following represents the projects that account for 92.7% of the \$3,834,474 expenditure activity to date:

Project Expenditures		Adopted Budget	Amended Budget	YTD Actual	Percent Expended
Annual Overlay	ST1103	\$ -	\$ 2,960,081	\$ 2,415,412	81.6%
Adolfo Road Widening Phase 1	ST0005	-	672,821	593,360	88.2%
Calleguas Creek Bike Trail Ph 2	ST0708	-	619,966	545,164	87.9%
Total				\$ 3,553,936	

SOLID WASTE FUND (805)



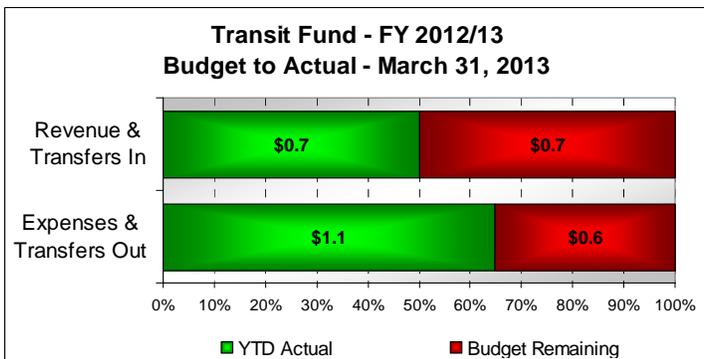
The City provides refuse and recycling programs for residential and commercial customers, and a green waste program for residential customers. The City contracts with a local hauler through an exclusive franchise agreement.

The Solid Waste Fund has recognized 73.5% of projected revenues and 72.3% of budgeted expenses. Both revenues and expenses are meeting projections through the third quarter. Grant revenue, which accounts for only a small portion of the total fund revenue, are received at fiscal year end.

Solid Waste Summary (March 31, 2013)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
<u>Revenues</u>				
Solid Waste Services	\$ 6,071,530	\$ 5,965,830	\$ 4,407,461	73.9%
Grants	36,738	36,738	-	0.0%
Other Revenue Sources	80,300	80,600	61,141	75.9%
Total Solid Waste Fund Revenue	6,188,568	6,083,168	4,468,602	73.5%
<u>Expenses</u>				
Operating Expenses	6,337,555	6,369,445	4,601,853	72.3%
Total Solid Waste Fund Expenses	\$ 6,337,555	\$ 6,369,445	\$ 4,601,853	72.3%
Revenues Over/(Under) Expenses	(148,987)	(286,277)	(133,251)	
Available Working Capital, July 1		999,387		
Adjustments to Working Capital (estimated)		3,500		
Available Working Capital, End of Period (estimated)		\$ 716,610		

TRANSIT FUND (810)



The Transit Fund is where costs associated with operating the City's transit system are recorded. 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. The Transit fund relies on interfund transfers to meet its operational needs. Federal Transit Administration (FTA) Grants provide for a majority of the revenues received in this fund.

These revenues are typically recorded 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).

The Transit Fund has recognized 50.2% of projected revenues and transfers in, and 63.0% of budgeted expenses and transfers out. Revenues appear below projections through the third quarter primarily due to the timing of Grant revenue realized at the end of the fiscal year.

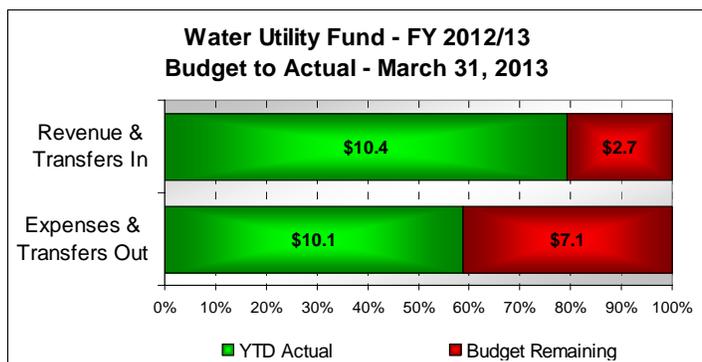
Transit Fund Summary (March 31, 2013)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues				
Transit Services	\$ 92,000	\$ 92,000	\$ 73,159	79.5%
Grants	636,080	636,080	72,569	11.4%
Other Revenue Sources	2,500	17,441	17,441	100.0%
Total	730,580	745,521	163,169	21.9%
Transfers In	725,000	725,000	575,000	79.3%
Total Transit Fund Revenue	1,455,580	1,470,521	738,169	50.2%
Expenses				
Operating Expenses	1,298,622	1,297,886	845,872	65.2%
Capital Purchases	104,000	194,964	90,712	46.5%
Depreciation	144,200	144,200	123,627	85.7%
Metrolink Station Maint.	88,075	88,075	50,944	57.8%
Operating Expenses				
Total	1,634,897	1,725,125	1,111,155	64.4%
Transfers Out	50,000	50,000	6,483	13.0%
Total Transit Fund Expenses	\$ 1,684,897	1,775,125	\$ 1,117,638	63.0%
Revenues Over/(Under) Expenses	(229,317)	(304,604)	(379,469)	
Available Fund Balance, July 1		226,302		
Adjustments to Working Capital (estimated)		148,200		
Available Working Capital, End of Period (estimated)		\$ 69,898		

Operating expenses appear lower than expected at 63.0% 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 for services rendered. The City provides water and associated maintenance to approximately 13,270 customers. Four other water districts provide water to Camarillo residents.

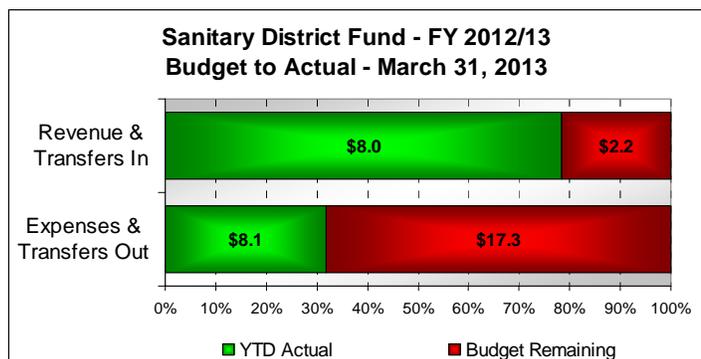


The Water Utility Fund has recognized 79.4% of projected revenues and 58.7% of budgeted expenses and transfers out, compared to last fiscal year 86.6% and 62.2% respectively. Revenues are above projections through the third quarter primarily due to development related Capital Improvement Fees that exceeded budget by \$251 thousand. Expenses are under budget primarily due to capital projects that have not yet begun.

Water Utility Fund Summary (March 31, 2013)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
<u>Revenues</u>				
Water Sales	\$ 7,944,750	\$ 8,350,000	\$ 6,439,857	77.1%
Base Rate Charges	2,648,000	2,715,000	2,030,219	74.8%
Other Water Services Revenue Sources	995,530	877,700	779,125	88.8%
Capital Improvement Fees	10,000	400,000	651,330	162.8%
Investment Income	177,150	177,150	104,531	59.0%
Other Revenue Sources	216,883	541,213	358,534	66.3%
Total Water Utility Fund Revenue	11,992,313	13,061,063	10,363,596	79.4%
<u>Expenses</u>				
General & Administrative	2,480,633	2,806,792	1,898,985	67.7%
Maintenance & Operations	9,299,871	9,853,742	7,017,219	71.2%
Debt Service	13,300	13,300	13,284	99.9%
Capital Purchases	598,000	598,220	30,976	5.2%
Capital Projects	2,200,000	2,556,608	374,237	14.6%
Depreciation	849,750	904,250	680,759	75.3%
Total	15,441,554	16,732,912	10,015,460	59.9%
Transfers Out	400,000	404,579	40,952	10.1%
Total Water Utility Fund Expenses	15,841,554	17,137,491	10,056,412	58.7%
Revenues Over/(Under) Expenses	\$ (3,849,241)	(4,076,428)	\$ 307,184	
Available Working Capital, July 1		28,674,294		
Adjustments to Working Capital (estimated)		941,450		
Available Working Capital, End of Period (estimated)		\$ 25,539,316		

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 78.4% of projected revenues, and 32.0% of budgeted expenses. Revenues are tracking as expected with the exception of Other Revenue, which reflects a one-time adjustment of \$277.5 thousand related to NPDES penalties in the Sanitary Operating Fund that was applied to the Pleasant Valley Wells Monitoring capital project in the Sanitary Capital Projects Fund.

Sanitary District Summary (March 31, 2013)

All Sanitary District Funds	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
<u>Revenues</u>				
Regular Rate Charges	\$ 7,410,000	\$ 7,500,000	\$ 5,696,747	76.0%
Property Taxes	942,920	981,442	567,457	57.8%
Base Rate Charges	812,000	812,000	621,045	76.5%
Billing & Penalty Fees	186,890	186,890	141,389	75.7%
Other Revenue Sources	181,410	217,106	460,636	212.2%
Capital Improvement Fees	30,000	432,915	440,815	101.8%
Investment Income	79,050	79,050	78,306	99.1%
Total Sanitary District Revenue	9,642,270	10,209,403	8,006,395	78.4%
<u>Expenses</u>				
General & Administrative	2,511,324	2,649,543	1,795,856	67.8%
Maintenance & Operations	4,746,637	4,842,185	3,027,070	62.5%
Debt Service	1,456,600	1,456,600	397,291	27.3%
Capital Purchases	336,000	330,752	53,621	16.2%
Capital Projects	11,030,000	14,005,477	1,293,845	9.2%
Depreciation	2,070,350	2,120,350	1,573,820	74.2%
Total	22,150,911	25,404,907	8,141,503	32.1%
Transfers Out	-	40,318	-	0.0%
Total Sanitary District Expenses	22,150,911	25,445,225	8,141,503	32.0%
Revenues Over/(Under) Expenses	\$(12,508,641)	(15,235,822)	\$ (135,108)	
Available Working Capital, July 1		20,165,746		
Adjustments to Working Capital (estimated)		<u>2,148,400</u>		
Available Working Capital, End of Period (estimated)		\$ 7,078,324		

The following summary highlights the Sanitary District Funds individually:

Operating Fund (871)	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues	\$ 8,615,900	\$ 8,741,594	\$ 6,663,779	76.2%
Expenses & Transfers Out	11,302,261	11,602,396	6,396,746	55.1%
Debt Service Fund (872)	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues & Transfers In	\$ 1,475,470	\$ 1,513,994	\$ 598,732	39.6%
Expenses & Transfers Out	5,656,600	6,306,600	397,291	6.3%
Capital Projects Fund (873)	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues & Transfers In	\$ 5,700,900	\$ 6,753,815	\$ 743,884	11.0%
Expenses	11,366,000	14,336,229	1,347,466	9.4%

Operating Fund revenues are tracking as expected, with 76.2% of budget received. Expenses and transfers are slightly under projections at 55.1%, compared with 57.5% this time last year.

Revenues in the Debt Service Fund are primarily Property Taxes, which are received in two installments. The first installment of \$567.5 thousand was received in December, with the second installment of \$414 thousand expected in April. Expenses are under budget due to no budgeted transfers posted to date.

The Capital Projects Fund has had little activity during the third quarter, which is reflected in the low percent revenue realized and expenses posted to date.

ALL OTHER FUNDS

Storm Water Management Fund (270) - The revenues are currently tracking at 6.8% of budget, compared to 9.5% through third quarter last fiscal year. The primary revenue, annual Special Assessments (\$153,370) is not anticipated until June 2013. The General Fund budgeted transfer in of \$100 thousand has not posted to date. Development Services revenue is below budget due to timing of services rendered and invoice processing.

Library Operating Fund (284) – Revenues are at 50.3% of budget. The second apportionment of the primary revenue (Property Taxes) will not be received until April.

Library Special Revenue Fund (285) – Expenditures appear lower than anticipated through the third quarter at 39.1% due to invoice timing of the two primary expenditures, Books and Database subscriptions.

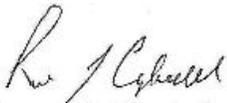
Police Facility Debt Service Fund (320) – Revenues have exceeded budget by 306.4% due to Police Facility fees related to one-time development.

SUMMARY

With the third quarter of the fiscal year complete, all revenues are tracking at 66.4% of budget, compared with 65.9% last year. Our expenditures are at 55.0%, compared with 52.0% as of third 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 2013/14 Mid-Cycle budget 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