



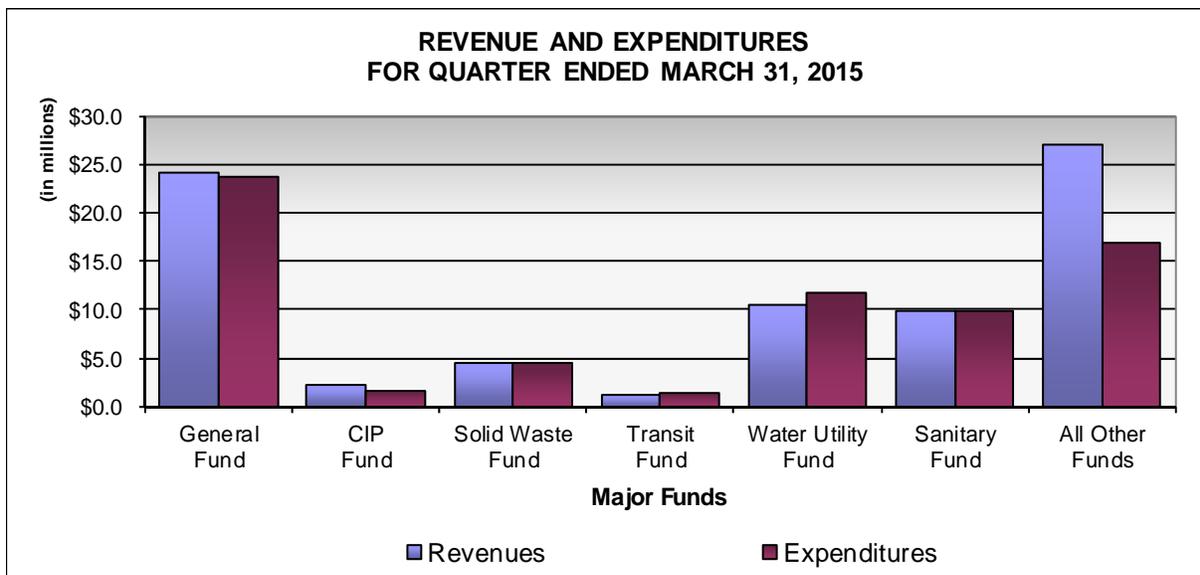
City of Camarillo

Revenue and Expenditure Reports

*Fiscal Year 2014/15 Third Quarter Financial Report
July 1 through March 31, 2015*

OVERVIEW

The City of Camarillo Third Quarter Financial Report summarizes the City’s financial information, from July 1 through March 31, 2015. The following chart summarizes actual year to date revenues and expenditures, including transfers in/out, and is based on the adopted Fiscal Year 2014/15 budget, adjusted for continuing appropriations (carryovers), and any budget amendments approved by City Council and Camarillo Sanitary District (City) as of March 31, 2015. 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.

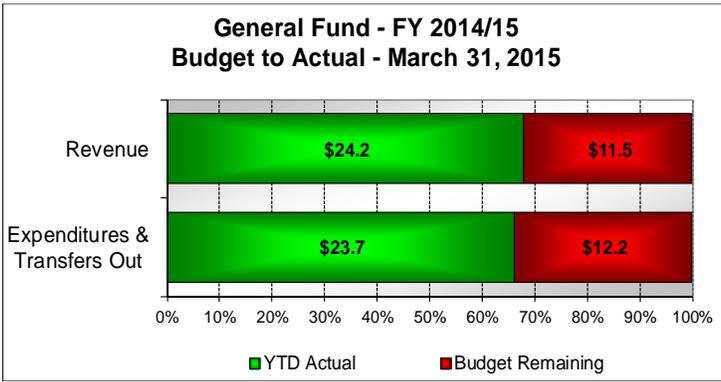


EXECUTIVE SUMMARY

With the third quarter of the fiscal year complete, we appear to be moving along consistent with budget projections, 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, or thus do not have sufficient



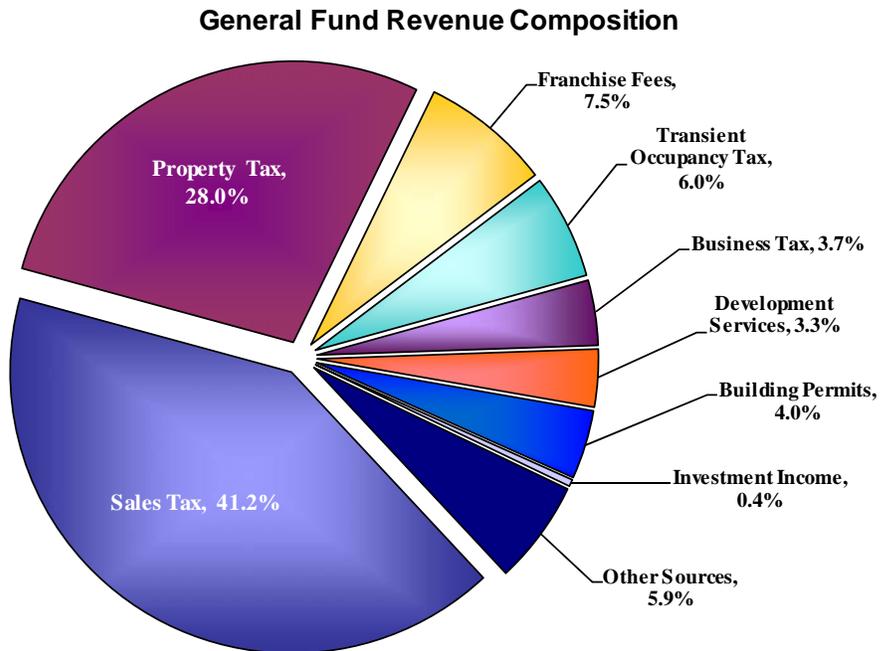
resources to cover the associated expenditures. Included are the Gas Tax Fund, Citywide Lighting & Landscape Fund, Storm Water Management Fund, Library Operations Fund, Transit Fund, and Debt Service Funds. In addition, the General Fund is a major contributor to the CIP Fund. Staff is working on a long-range plan for fiscal sustainability, including a long-term strategy to address the ongoing fiscal impacts of operating transfers from the General Fund.

In total, the General Fund has recorded approximately 67.8% of projected revenues, approximately 66.0% of budgeted expenditures and transfers. Transfers to other funds are typically recorded on an as-needed basis. Unassigned fund balance at March 31, 2015 is projected at \$7.4 million, which is in accordance with City Council reserve policy goal. During the 2014-2016 Budget process, Council committed \$41.5 million of the General Fund balance for economic development, planned capital projects, and future operating transfers to other funds.

General Fund Summary (March 31, 2015)

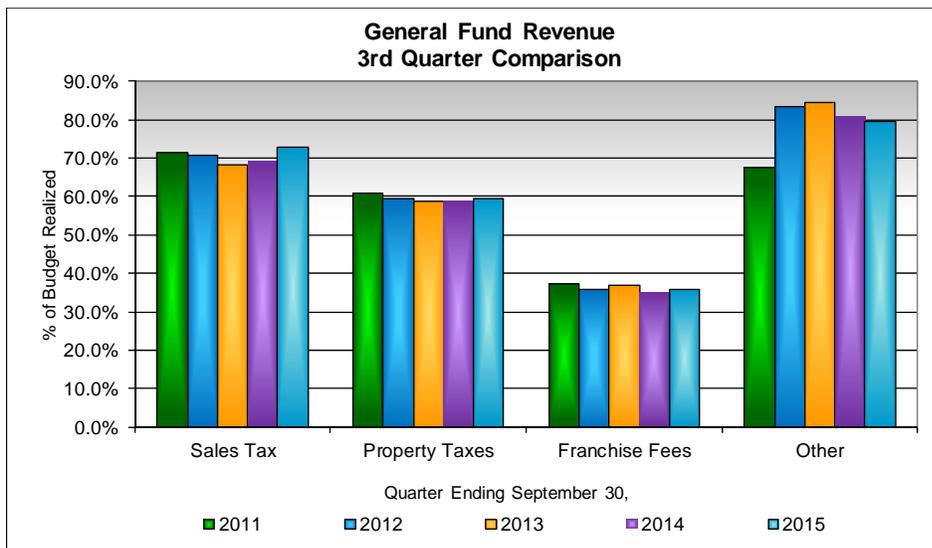
	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues	\$ 34,020,032	\$ 35,696,047	\$ 24,187,795	67.8%
Expenditures & Transfers Out	33,987,636	35,930,701	23,696,888	66.0%
Revenues Over/(Under) Expenditures	\$ 32,396	\$ (234,654)	490,907	
Unrestricted Available Fund Balance, July 1			7,563,922	
Unrestricted Available Fund Balance, End of Period			<u>\$ 8,054,829</u>	

General Fund Revenues. The top eight revenue sources account for approximately 94% 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 third quarter, based on payment schedules and past trends, with major variances noted below. Total revenues through March are at approximately 67.8% of total budget, compared to prior year, revenues to date were at 64.7% of budget.

Revenue Sources	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Sales Tax	\$ 14,324,294	\$ 14,699,901	\$ 10,699,660	72.8%
Property Tax	9,857,200	9,987,694	5,948,994	59.6%
Franchise Fees	2,577,888	2,665,374	974,719	36.6%
Transient Occupancy Tax	2,087,700	2,149,255	1,627,800	75.7%
Business Tax	1,349,140	1,334,705	955,004	71.6%
Development Services	985,245	1,180,145	1,565,843	132.7%
Building Permits	1,413,000	1,413,000	1,203,104	85.2%
Investment Income	142,250	142,250	74,317	52.2%
Total	32,736,717	33,572,324	23,049,441	68.7%
Other Revenue Sources	1,283,315	2,123,723	1,138,354	53.6%
Total Fund Revenue	\$ 34,020,032	\$ 35,696,047	\$ 24,187,795	67.8%



➤ **Sales Tax** – The City has received 72.8% of the budgeted Sales Tax, compared to 69.0% this time last year. Included in this revenue projection of \$14,699,901, is \$3,674,976 In-Lieu Sales Tax, which is not reflected in YTD Actual, but is scheduled to be received in two installments. In January, \$2.6 million was received, and the remaining \$1.1 million should be received

in May.

- **Property Tax** - The first of two major apportionments occur in December, with the second following in April. Also included under this revenue projection of \$9,987,694, is \$5,329,837 In-Lieu Motor Vehicle Fees, which is received in two equal installments. \$2.66 million was received in January and the remaining \$2.66 million should be received in May.
- **Franchise Fees** - The majority of the Franchise Fees are received in April, 2015.
- **Transient Occupancy Tax (TOT)** – The City has received 75.7% of the budgeted TOT, almost equal to third quarter last year. Average YTD occupancy this fiscal year is 74.0%, compared to 70.4% in 2014. July and August typically have the highest occupancy rates of the fiscal year.
- **Business Tax** – As of the third quarter, 71.6% of the budgeted revenue has been realized, compared to 74.2% last fiscal year. As of March 31, the City had 7,245 active businesses. Business license renewals occur throughout the fiscal year.

- **Development Services** - This revenue is significantly higher than anticipated with 132.7% of budget realized, and higher than the 89.8% received through third quarter 2013/14. This revenue fluctuates due to the timing of planned development projects. Included in the third quarter revenue, are receipts from certain projects that were not anticipated at the time of budget development.
- **Building Permits** - With 85.2% of the annual budget realized in the third quarter, this revenue is slightly higher than anticipated, and slightly lower than the 98.6% realized through this same time period last year. This revenue also fluctuates due to the timing of planned development projects. Included in the third quarter revenue, are a few projects not anticipated at the time of budget development.
- **Investment Income** – Investment earnings are lower than anticipated with 52.2% realized, primarily due to timing of security interest payments. Investment earnings are projected to meet budget estimates at fiscal year-end.

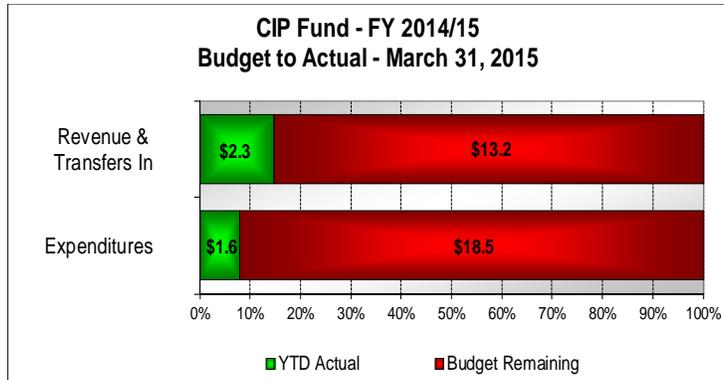
General Fund Expenditures and Transfers. As illustrated in the table below, the majority of General Fund divisional expenditures and transfers are slightly lower than expected overall, averaging 66.0% of the annual budget. As of third quarter last year, 65.3% of budgeted expenditures and transfers had been disbursed.

Divisions	Adopted Budget	Amended Budget	YTD Actual	Percent Expended
City Council	\$ 719,555	\$ 733,473	\$ 518,303	70.7%
City Clerk	563,925	570,925	398,266	69.8%
City Attorney	470,312	491,272	403,673	82.2%
City Manager	931,262	1,066,262	716,890	67.2%
Finance	1,347,830	1,410,853	949,090	67.3%
Community Development	1,978,399	2,009,729	1,230,117	61.2%
Code Compliance	757,534	758,084	520,158	68.6%
Police	15,871,751	15,871,887	11,036,233	69.5%
DART	23,605	27,328	6,869	25.1%
Building & Safety	838,987	1,168,987	774,874	66.3%
Public Works	1,894,246	3,185,461	2,168,456	68.1%
Cultural Arts Services	600,049	610,259	314,668	51.6%
Economic Development	365,481	365,481	221,361	60.6%
Non Departmental	7,500	7,500	(70)	-0.9%
Total	26,370,436	28,277,501	19,258,888	68.1%
Transfers Out	7,617,200	7,653,200	4,438,000	58.0%
Total Fund Expenditures	\$ 33,987,636	\$ 35,930,701	\$ 23,696,888	66.0%

- City Attorney division expenditures are trending higher than anticipated, at 82.2% of budget. This is due to some one-time legal costs (i.e., Camarillo Springs Debris Flow) that were not anticipated at the time of budget adoption.
- Community Development division expenditures are lower than anticipated, at 61.2% primarily due to the timing of special studies.
- D.A.R.T. division has expended 25.1%, primarily due to budgeted equipment purchases that have not yet been made.

- Cultural Arts Services division expenditures are 51.6% of budget, primarily due to the timing of community events.
- Economic Development division expenditures of 60.6% are lower than anticipated, primarily due to the timing of projects/studies.

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 25, 2014, the City Council approved the first year of the City’s Five-Year Capital Improvement Program 2014-2019, with a total expenditure budget of \$15.2 million. Included in that total is approximately \$10.0 million of

additional funding in FY 2014/15, and \$5.0 million from the fund balance of 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, 2015)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues & Transfers In	\$ 9,809,850	\$ 15,497,251	\$ 2,321,308	15.0%
Expenditures	15,220,000	20,093,277	1,594,132	7.9%
Revenues Over/(Under) Expenditures	\$ (5,410,150)	\$ (4,596,026)	727,176	
Available Fund Balance, July 1			14,326,170	
Available Fund Balance, End of Period			<u>\$ 15,053,346</u>	

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

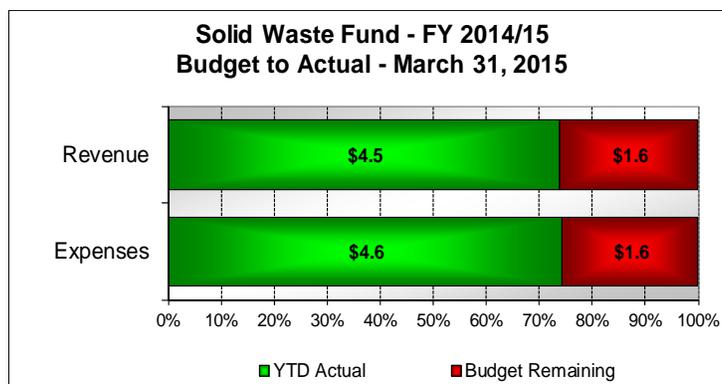
At this point in the fiscal year, the CIP Fund has recognized 15.0% of the projected revenues and transfers in. Federal Capital Grants for transportation projects are the primary source, and funds are typically drawn down on a reimbursement basis, after the expenditures are incurred.

Revenue Sources	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Grants	\$ 3,961,000	\$ 5,794,386	\$ 1,229,641	21.2%
Development Services	680,000	1,221,000	699,983	57.3%
Investment Income	33,850	33,850	22,197	65.6%
Contributions	300,000	317,700	-	0.0%
Total	4,974,850	7,366,936	1,951,821	26.5%
Transfers In	4,835,000	8,130,315	369,487	4.5%
Total Fund Revenue	\$ 9,809,850	\$ 15,497,251	\$ 2,321,308	15.0%

The budgeted expenditures for this fund total \$20.1 million, with no budgeted transfers out. Through the third quarter, 8.0% of budgeted expenditures have been disbursed due to timing of projects. The following represents the projects that account for the expenditures to date:

Project Expenditures		Adopted Budget	Amended Budget	YTD Actual	Percent Expended
Calleguas Creek Bike Trail Ph 3	ST1105	\$ 520,000	\$ 626,515	\$ 339,061	54.1%
Conference Center Drain	CC1101	1,800,000	1,800,000	-	0.0%
Pancho Road Pavement Rehab	ST1305	1,800,000	1,847,965	277,186	15.0%
Santa Rosa Road Widening	ST0501	2,900,000	3,171,581	173,360	5.5%
Annual Pavement Rehab	ST1403/04	4,000,000	6,717,652	218,834	3.3%
Other Projects		4,200,000	5,879,564	585,691	10.0%
Total Major Projects		\$ 15,220,000	\$ 20,043,277	\$ 1,594,132	8.0%

SOLID WASTE FUND (805)



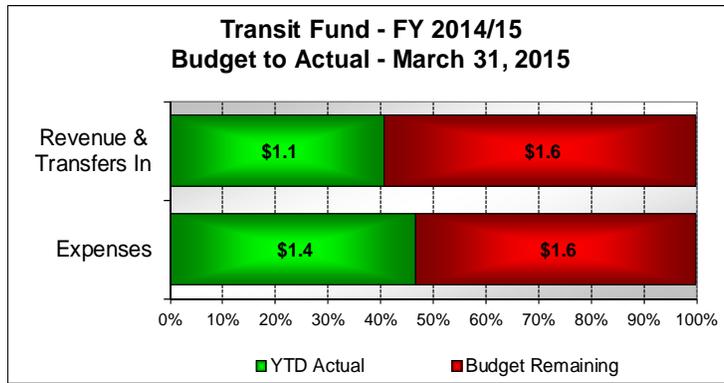
The City provides refuse and recycling programs for residential and commercial customers, and a green waste program for residential customers. The City contracts with a local hauler through an exclusive franchise agreement.

The Solid Waste Fund has recognized 73.8% of both projected revenues and budgeted expenses, compared with 72.9% and 74.4% respectively this time last year. One of two State grants has been received, with a \$17,400 reimbursement grant expected at fiscal year-end. Grant revenues are typically received at the end of the fiscal year. Both revenues and expenses are meeting projections through the third quarter.

Solid Waste Fund Summary (March 31, 2015)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
<u>Revenues</u>				
Solid Waste Services	\$ 5,943,420	\$ 5,939,725	\$ 4,388,919	73.9%
Grants	36,275	36,010	18,610	51.7%
Other Revenue Sources	78,060	77,835	58,462	75.1%
Total Solid Waste Fund Revenue	6,057,755	6,053,570	4,465,991	73.8%
<u>Expenses</u>				
Operating Expenses	6,210,464	6,212,250	4,585,173	73.8%
Total Solid Waste Fund Expenses	6,210,464	6,212,250	4,585,173	73.8%
Revenues Over/(Under) Expenses	\$ (152,709)	\$ (158,680)	(119,182)	
Available Working Capital, July 1			746,540	
Available Working Capital, End of Period			<u>\$ 627,358</u>	

TRANSIT FUND (810)



The Transit Fund is where costs associated with operating the City’s public transit system are recorded. The Transit Fund has recognized 41.6% of projected revenues and transfers in, compared with 36.2% last year, and 46.7% of budgeted expenses, compared with 56.2% this time last year. 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 after 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). Also included is the Trolley Service, implemented in October, 2014 on a trial basis, and extended through FY 2015/16.

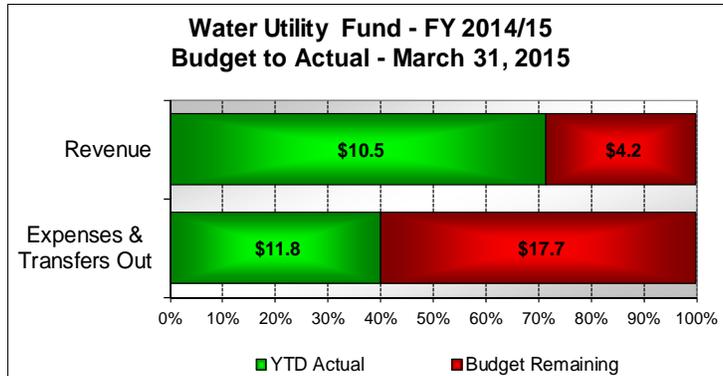
Transit Fund Summary (March 31, 2015)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
<u>Revenues</u>				
Transit Services	\$ 109,740	\$ 202,995	\$ 146,897	72.4%
Grants	1,218,900	1,546,178	80,006	5.2%
Other Revenue Sources	2,500	2,500	4,619	184.8%
Total	1,331,140	1,751,673	231,522	13.2%
Transfers In	920,000	1,005,000	915,000	91.0%
Total Transit Fund Revenue	2,251,140	2,756,673	1,146,522	41.6%
<u>Expenses</u>				
Operating Expenses	1,818,880	1,841,302	1,130,120	61.4%
Capital Purchases	250,000	717,042	89,736	12.5%
Capital Projects	-	197,217	-	0.0%
Depreciation	149,100	149,100	138,319	92.8%
Metrolink Station Maint.	95,000	95,000	42,590	44.8%
Operating Expenses				
Total Transit Fund Expenses	2,312,980	2,999,661	1,400,765	46.7%
Revenues Over/(Under) Expenses	\$ (61,840)	\$ (242,988)	(254,243)	
Available Working Capital Balance, July 1			162,203	
Adjustments to Working Capital			99,175	
Available Working Capital, End of Period			\$ 7,135	

FTA Grants are received after fiscal year-end, after all the expenses are incurred. At 41.6% realized, Transit Services revenue reflects regular bus fares through February due to process timing. Operating expenses appear lower than expected at 46.7%, 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 13,210 customers. Depending on location, four other water companies may provide water to Camarillo residents.



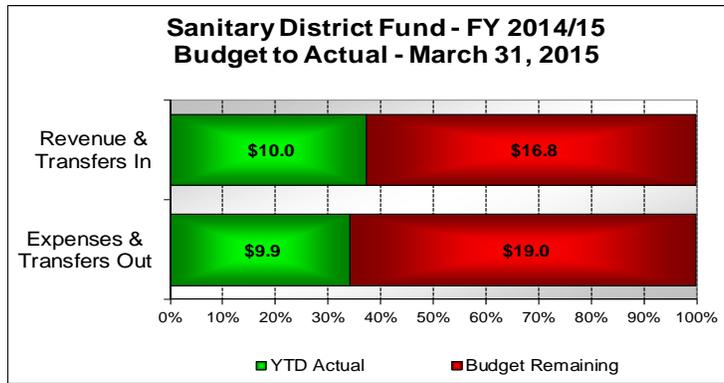
The Water Utility Fund has recognized 71.6% of projected revenues, and 40.1% of budgeted expenses and transfers out, compared to last fiscal year 74.5% and 39.0% respectively. Revenues are slightly below projections through the third quarter, primarily due to drought stage water conservation. Water Sales revenue is approximately 8.4% lower than projected through the third quarter. Consumption for January through March 2015 is down 32.9% when compared with the same

three months last fiscal year, the largest reduction (37.7%) in January 2015. One-time Capital Improvement Fees and Investment Income have exceeded projections due to projects that were not anticipated at time of budget development. Expenses are under budget, primarily due to one-time capital purchases, and capital improvement projects that have not begun.

Water Utility Fund Summary (March 31, 2015)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues				
Water Sales	\$ 11,393,690	\$ 9,287,300	\$ 6,051,211	65.2%
Base Rate Charges	3,318,250	3,750,250	2,556,936	68.2%
Other Water Services Revenue Sources	623,130	450,970	412,775	91.5%
Capital Improvement Fees	30,000	641,590	1,012,586	157.8%
Investment Income	77,700	77,700	104,634	134.7%
Other Revenue Sources	336,090	516,272	398,960	77.3%
Total Water Utility Fund Revenue	15,778,860	14,724,082	10,537,102	71.6%
Expenses				
General & Administrative	2,394,633	2,545,404	1,713,753	67.3%
Maintenance & Operations	11,413,708	11,370,596	6,974,442	61.3%
Capital Purchases	73,000	73,000	47,420	65.0%
Capital Projects	10,100,000	13,467,585	2,094,752	15.6%
Depreciation	920,000	920,000	734,395	79.8%
Total	24,901,341	28,376,585	11,564,762	40.8%
Transfers Out	875,000	1,097,965	242,958	22.1%
Total Water Utility Fund Expenses	25,776,341	29,474,550	11,807,720	40.1%
Revenues Over/(Under) Expenses	\$ (9,997,481)	\$ (14,750,468)	(1,270,618)	
Available Working Capital, July 1			34,287,664	
Adjustments to Working Capital			664,588	
Available Working Capital, End of Period			<u>\$ 33,681,634</u>	

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 37.2% of projected revenues and transfers in, and 34.4% of budgeted expenses and transfers out. This time last year, 51.5% of projected revenues and transfers in, and 24.2% of budgeted expenses and transfers out had been realized. Budgeted transfers, which are approximately 10.0% of projected revenue, have not posted to date. This is offset by one-time Capital Improvement Fees and Investment Income that have exceeded projections. Budgeted revenue includes proceeds from bonds originally expected to be issued this fiscal year, but not necessary due to postponement of related capital improvement projects. Excluding the \$10 million bond issuance, 59.3% of projected revenues and transfers in have been recognized.

Sanitary District Summary (March 31, 2015)

All Sanitary District Funds	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues				
Regular Rate Charges	\$ 10,676,550	\$ 10,571,800	\$ 7,269,575	68.8%
Property Taxes	980,515	991,338	567,442	57.2%
Base Rate Charges	1,146,040	1,130,720	751,872	66.5%
Billing & Penalty Fees	150	188,100	141,370	75.2%
Other Revenue Sources	414,725	249,383	254,440	102.0%
Capital Improvement Fees	30,000	607,443	938,243	154.5%
Grants & Subventions	300,000	-	9,456	0.0%
Proceeds from Bonds Issued	10,000,000	10,000,000	-	0.0%
Investment Income	63,950	63,950	37,545	58.7%
Total	23,611,930	23,802,734	9,969,943	41.9%
Transfers In	3,000,000	3,000,000	-	0.0%
Total Sanitary District Revenue	26,611,930	26,802,734	9,969,943	37.2%
Expenses				
General & Administrative	2,928,535	3,017,996	1,851,112	61.3%
Maintenance & Operations	5,041,349	5,059,031	3,140,853	62.1%
Debt Service	1,438,350	1,438,350	379,235	26.4%
Capital Purchases	204,000	229,615	99,896	43.5%
Capital Projects	10,660,000	14,090,019	2,826,423	20.1%
Depreciation	2,090,000	2,090,000	1,638,206	78.4%
Total	22,362,234	25,925,011	9,935,725	38.3%
Transfers Out	3,000,000	3,000,000	-	0.0%
Total Sanitary District Expenses	25,362,234	28,925,011	9,935,725	34.4%
Revenues Over/(Under) Expenses	\$ 1,249,696	\$ (2,122,277)	34,218	
Available Working Capital, July 1			24,298,264	
Adjustments to Working Capital			539,691	
Available Working Capital, End of Period			<u>\$ 24,872,173</u>	

The following summary highlights the Sanitary District Funds individually:

Operating Fund (871)	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues	\$ 12,258,715	\$ 12,161,253	\$ 8,428,216	69.3%
Expenses & Transfers Out	13,059,884	13,167,027	6,630,171	50.4%

Debt Service Fund (872)	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues	\$ 11,000,565	\$ 11,011,388	\$ 572,452	5.2%
Expense	1,438,350	1,438,350	379,235	26.4%

Capital Projects Fund (873)	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues & Transfers In	\$ 3,352,650	\$ 3,630,093	\$ 969,275	26.7%
Expenses	10,864,000	14,319,634	2,926,319	20.4%

Operating Fund revenues are tracking as expected, with 69.3% of budget received. Sanitation Services revenue is tracking at 69.1% of annual budget. Regular and Base Rate Charges revenue reflect a timing lag of approximately one month. Expenses are slightly under projections at 50.4%, compared with 50.1% 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, the majority of which are received in two installments. The first installment of \$567,442 was received in December, with the second installment of \$429,318 expected in April. Debt Service expenses are tracking at 26.4% due to timing of principal and interest installments, with the final fiscal year payment posted in June.

The Capital Projects Fund revenues reflect no transfer to date. However, Capital Improvement Fees have exceeded the annual budget by 54.5% due to increased development activity. Expenses reflect little capital project activity through the third quarter.

ALL OTHER FUNDS

Storm Water Management Fund (270) - The revenues are currently tracking at 11.5% of budget. The current fiscal year budgeted annual Special Assessment of \$152,690 is not anticipated until June 2015. Expenditures are lower than anticipated at 42.6%, primarily due to timing of contract services invoicing.

Library Operating Fund (284) – Revenues are at 54.1% of budget. The second apportionment of the primary revenue (Property Taxes) will not be received until April. Expenditures are tracking as anticipated at 72.2% of budget.

Risk Management Fund (510) - Liability and property insurance premiums are due in full at the beginning of each fiscal year. Thus the 92.4% expenditures ratio, which is slightly higher than 87.8% last year.

Vehicles & Equipment Fund (540) - Expenditures are significantly lower than expected at 42.7%, due to unexpended planned capital vehicle replacements that account for 39.3% of the annual budget.

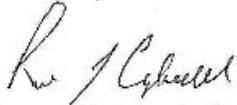
Reclaimed Water Fund (861) – No revenue has been realized this through third quarter 2015, due to later than projected distribution services. Expenditures are at 19.2% as start-up costs are incurred.

SUMMARY

With the third quarter and 75% of the fiscal year complete, all revenues are tracking at 62.5% of budget, compared to 61.7% of budget last year. Our expenditures are at 46.0%, compared with 47.7% as of third quarter last year. It is anticipated that the final revenues and expenditures will be consistent with mid-year budget projections. 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