



City of Camarillo

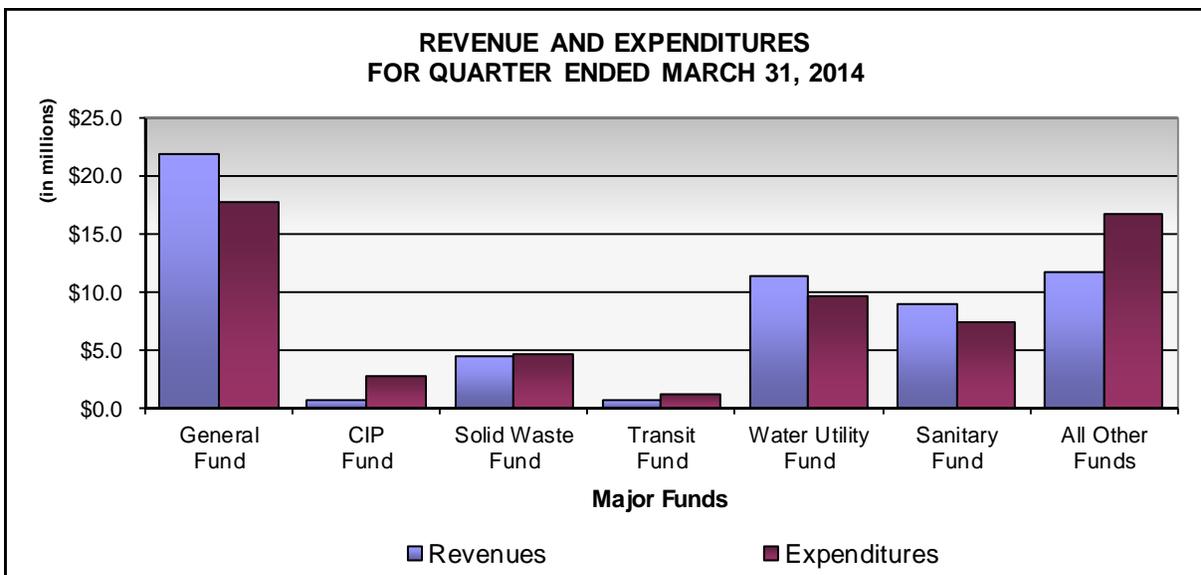
Revenue and Expenditure Reports

Fiscal Year 2013/14 Third Quarter Financial Report

July 1 through March 31, 2014

OVERVIEW

The City of Camarillo Third Quarter Financial Report summarizes the City’s financial information, from July 1 through March 31, 2014. 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 March 31, 2014. 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.

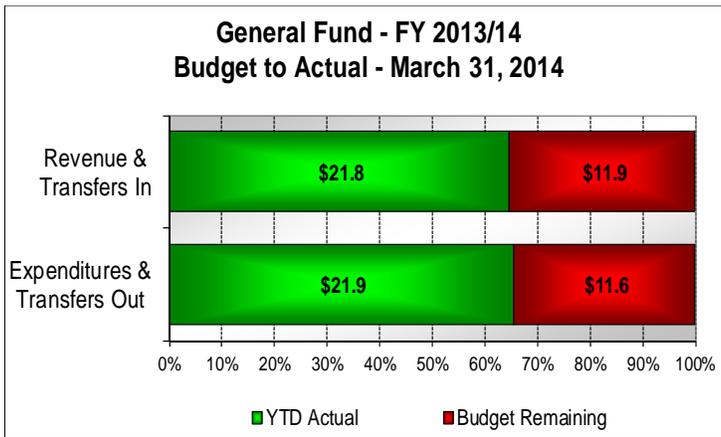


EXECUTIVE SUMMARY

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



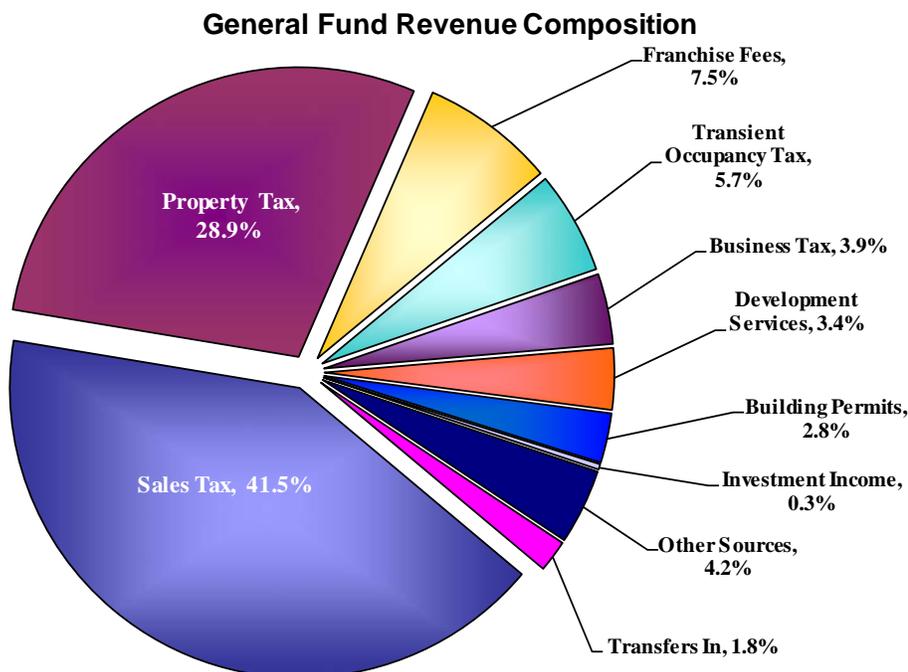
resources to cover the associated expenditures. Included are the Gas Tax Fund, Citywide Lighting & Landscape Fund, Storm Water Management Fund, Library Operating Fund, Transit Fund, and Debt Service Funds. In addition, the General Fund is a major contributor to the CIP Fund. Staff is working to fully 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 64.7% of projected revenues and transfers in, and approximately 65.3% of budgeted expenditures and transfers out. Transfers to other funds are typically generated on an as-needed basis. Fund balance at March 31, 2014 is projected at \$38.6 million, which is in accordance with City Council policy.

General Fund Summary (March 31, 2014)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues & Transfers In	\$ 32,904,400	\$ 33,737,934	\$ 21,833,136	64.7%
Expenditures & Transfers Out	32,419,974	33,548,737	21,911,266	65.3%
Revenues Over/(Under) Expenditures	\$ 484,426	189,197	\$ (78,130)	
Available Fund Balance, July 1		38,277,401		
Adjustments to Fund Balance (estimated)		11,950,459		
Available Fund Balance, End of Period (estimated)		\$ 50,417,057		

General Fund Revenues. The top eight revenue sources account for approximately 94.0% of the total projected General Fund revenues. By focusing on these, we can obtain an excellent understanding of the General Fund revenue position.

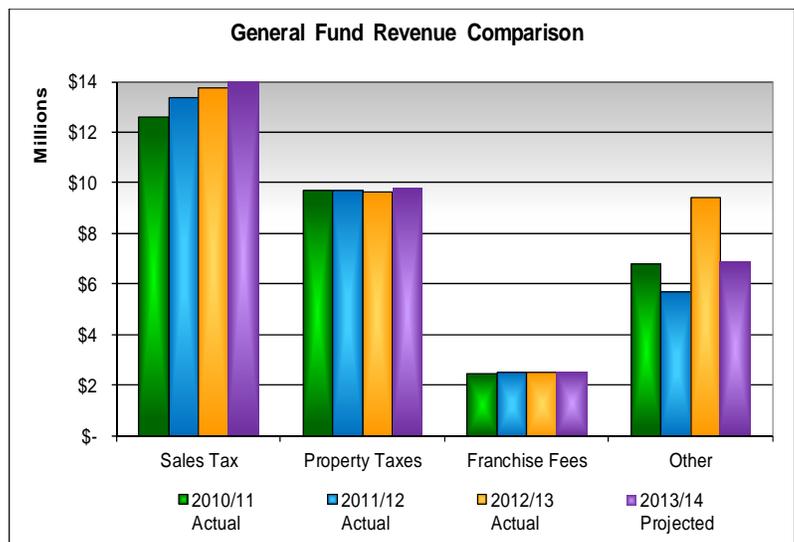


Overall, these key revenues are performing as projected for the third quarter, based on payment schedules and past trends, with major variances noted below. Total revenues through March are at approximately 64.7% of total budget, compared to prior year, revenues to date were 72.8% of budget.

Revenue Sources	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Sales Tax	\$ 13,775,300	\$ 13,984,037	\$ 9,651,337	69.0%
Property Tax	9,553,400	9,756,336	5,734,473	58.8%
Franchise Fees	2,519,600	2,523,040	884,879	35.1%
Transient Occupancy Tax	1,804,900	1,934,490	1,453,048	75.1%
Business Tax	1,356,900	1,329,200	986,105	74.2%
Development Services	992,000	1,156,348	1,038,831	89.8%
Building Permits	968,100	936,510	923,798	98.6%
Investment Income	255,000	101,025	153,692	152.1%
Total	31,225,200	31,720,986	20,826,163	65.7%
Other Revenue Sources	1,079,200	1,416,948	1,006,973	71.1%
Transfers In	600,000	600,000	-	0.0%
Total Fund Revenue	\$ 32,904,400	\$ 33,737,934	\$ 21,833,136	64.7%

➤ **Sales Tax** – The City has received 69.0% of the budgeted Sales Tax, compared to 68.4% this time last year. Included in this revenue projection of \$13,984,037, is the In-Lieu Sales Tax (\$3,599,534), which is received in two installments in January and May. \$1.78 million was received in January and the balance should be received in May.

➤ **Property Tax** - The first of two major apportionments occur in December, with the second following in April. The City has received 58.8% of budgeted Property Tax revenue, compared to 58.6% through third quarter last year. Also included under this revenue projection of \$9,756,336, is the In-Lieu Motor Vehicle Fees (\$5,079,832), which is received in two equal installments. \$2.54 million was received in January and the remaining \$2.54 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 35.1% of budgeted Franchise Fees compared with 36.8% last year.

➤ **Transient Occupancy Tax (TOT) and Business Tax** – These revenues are on track with anticipated revenue through third quarter, at 75.1% and 74.2% respectively. Average YTD occupancy through March 2014 was 70.0% compared to 65.3% in 2013. July and August typically have the highest occupancy rates of the fiscal year. As of March 31, the City had 7,023 businesses. Business license renewals occur throughout the fiscal year.

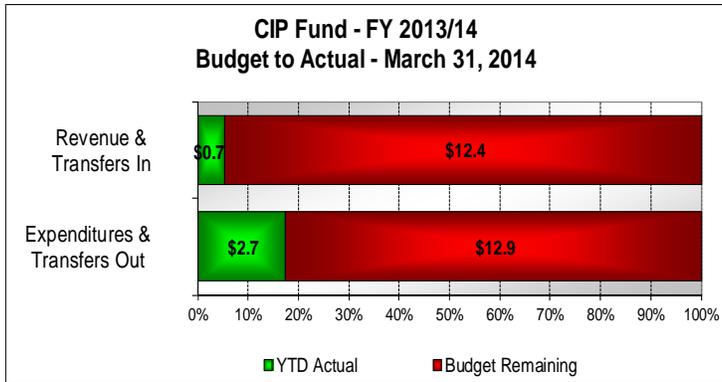
- **Development Services** - This revenue is slightly higher than anticipated with 89.8% of budget realized. This revenue fluctuates due to the timing of planned development projects, however, the City is on track to meet the budget projection by fiscal year end.
- **Building Permits** – This revenue almost met the annual projection, with 98.6% of the budget realized through the third quarter, compared to 64.3% third quarter last year. This revenue also fluctuates due to the timing of planned development projects, with building permit issuance one of the last elements of development projects process. This year’s strong building permit revenue follows last year’s exceptional development services revenue.
- **Investment Income** – Investment earnings have exceeded budget by 52.1% through March. Amended budget projections were conservative investment earning rates remaining low. The varied timing of development related revenues and a one-time infusion of cash increased the cash balances available to invest, thereby exceeding expectations.

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 75%, averaging 65.3% of the annual budget. As of third quarter last year, 71.1% of budgeted expenditures and transfers had been disbursed.

Divisions	Adopted Budget	Amended Budget	YTD Actual	Percent Expended
City Council	\$ 698,511	\$ 705,374	\$ 435,307	61.7%
City Clerk	532,229	543,398	368,437	67.8%
City Attorney	492,810	492,810	313,779	63.7%
City Manager	919,027	927,794	617,898	66.6%
Finance	1,313,218	1,411,989	932,499	66.0%
Community Development	1,754,187	1,993,502	1,161,274	58.3%
Code Compliance	748,687	763,271	521,800	68.4%
Police	15,609,344	15,621,344	10,986,234	70.3%
DART	18,175	19,425	8,093	41.7%
Building & Safety	561,260	596,260	659,410	110.6%
Public Works	1,726,931	2,035,114	1,144,897	56.3%
Cultural Arts Services	714,938	749,995	350,285	46.7%
Economic Development	379,457	390,261	223,186	57.2%
Non Departmental	7,500	7,500	167	2.2%
Total	25,476,274	26,258,037	17,723,266	67.5%
Transfers Out	6,943,700	7,290,700	4,188,000	57.4%
Total Fund Expenditures	\$ 32,419,974	\$ 33,548,737	\$ 21,911,266	65.3%

Building & Safety division has expended higher than the expected 75%, primarily due to the increased development building permit activity. This division’s costs are offset by Building Permit revenue, which is showing a corresponding increase over budget projections through March.

CAPITAL IMPROVEMENT PROJECTS FUND (410)



The Capital Improvement Projects (CIP) Fund accounts for capital asset acquisition and construction. 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 \$7.5 million of funding,

and \$8.6 million expenditures, and \$1.1 million use of accumulated fund balance 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, 2014)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues & Transfers In	\$ 7,454,700	\$ 13,096,329	\$ 741,655	5.7%
Expenditures & Transfers Out	8,610,000	15,625,975	2,681,271	17.2%
Revenues Over/(Under) Expenditures	\$ (1,155,300)	(2,529,646)	\$ (1,939,616)	
Available Fund Balance, July 1		12,661,182		
Available Fund Balance, End of Period (estimated)		\$ 10,131,536		

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

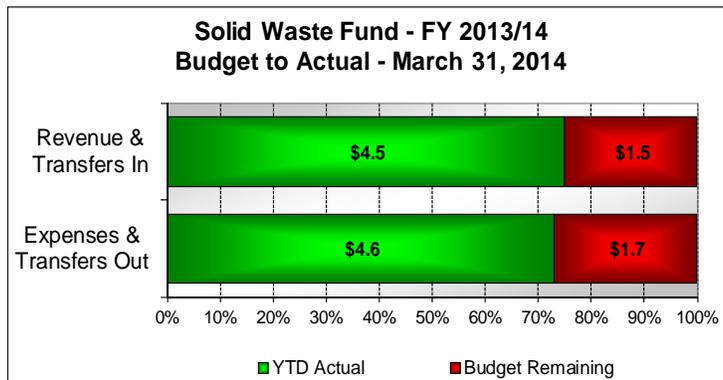
At this point in the fiscal year, the CIP Fund has recognized 5.7% of the projected revenues. Federal Capital Grants for transportation projects are the primary source, and funds are typically drawn down on a reimbursement basis, after the expenditures are incurred.

Revenue Sources	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Grants	\$ 4,845,000	\$ 7,175,369	\$ 118,156	1.7%
Development Services	190,000	662,000	449,193	67.9%
Investment Income	59,700	25,000	11,553	46.2%
Contributions	300,000	10,000	-	0.0%
Total	5,394,700	7,872,369	578,902	7.4%
Transfers In	2,060,000	5,223,960	162,753	3.1%
Total Fund Revenue	\$ 7,454,700	\$ 13,096,329	\$ 741,655	5.7%

The budgeted expenditures for this fund total \$15,025,975, and a transfer to the General Fund of \$600,000. Through the third quarter, 17.8% of budgeted expenditures have been disbursed. The following represents the projects that account for the majority of expenditures to date:

Project Expenditures		Adopted Budget	Amended Budget	YTD Actual	Percent Expended
Ponderosa Dr Landscaping Ph 3	LS1201	\$ -	\$ 1,312,451	\$ 1,009,299	76.9%
Camarillo Ills Drain Contribution	SD0801	-	720,451	562,821	78.1%
Lewis Road Monument	ST 1302	1,470,000	2,080,090	500,053	24.0%
Other Projects		6,540,000	10,912,983	609,098	5.6%
Total Major Projects				\$ 2,681,271	

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 expended 72.9% of budgeted expenses, and recognized 74.4% of projected revenues. One of two State grants has been received, with a \$17,400 reimbursement

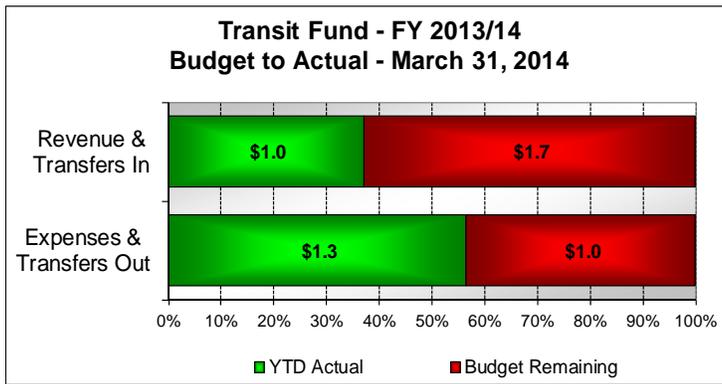
grant expected at fiscal year-end. Both revenues and expenses are meeting projections through the third quarter.

Solid Waste Summary (March 31, 2014)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues				
Solid Waste Services	\$ 6,201,900	\$ 5,935,140	\$ 4,424,004	74.5%
Grants	36,200	36,437	19,037	52.3%
Other Revenue Sources	80,600	77,840	60,208	77.4%
Total Solid Waste Fund Revenue	6,318,700	6,049,417	4,503,249	74.4%
Expenses				
Operating Expenses	6,569,330	6,258,393	4,564,755	72.9%
Total Solid Waste Fund Expenses	\$ 6,569,330	\$ 6,258,393	\$ 4,564,755	72.9%
Revenues Over/(Under) Expenses	(250,630)	(208,976)	(61,506)	
Available Working Capital, July 1		869,230		
Adjustments to Working Capital (estimated)		3,500		
Available Working Capital, End of Period (estimated)		\$ 663,754		

TRANSIT FUND (810)

The Transit Fund is where costs associated with operating the City's transit system are recorded. The Transit Fund has recognized 36.2% of projected revenues and transfers in, and 56.2% 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. The Transit Fund relies on interfund transfers to meet its operational cash flow 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 (March 31, 2014)

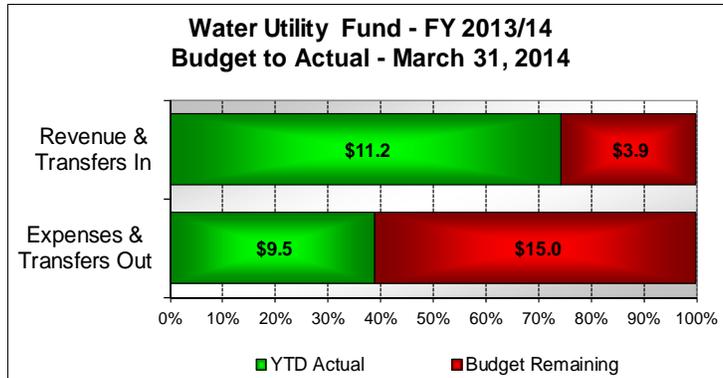
	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
<u>Revenues</u>				
Transit Services	\$ 133,500	\$ 122,395	\$ 85,443	69.8%
Grants	1,273,200	2,279,631	581,368	25.5%
Other Revenue Sources	2,500	-	1,290	0.0%
Total	1,409,200	2,402,026	668,101	27.8%
Transfers In	930,000	315,000	315,000	100.0%
Total Transit Fund Revenue	2,339,200	2,717,026	983,101	36.2%
<u>Expenses</u>				
Operating Expenses	1,465,272	1,469,253	984,086	67.0%
Capital Purchases	230,000	331,710	101,710	30.7%
Depreciation	144,200	144,200	107,571	74.6%
Metrolink Station Maint.	95,000	95,000	49,391	52.0%
Operating Expenses				
Total	1,934,472	2,040,163	1,242,758	60.9%
Transfers Out	200,000	227,069	30,523	13.4%
Total Transit Fund Expenses	\$ 2,134,472	2,267,232	\$ 1,273,281	56.2%
Revenues Over/(Under) Expenses	204,728	449,794	(290,180)	
Available Fund Balance, July 1		(363,491)		
Adjustments to Working Capital (estimated)		148,200		
Available Working Capital, End of Period (estimated)		\$ 234,503		

Grant revenue of \$500,000 was received as reimbursement for FY 2012/13 Transit Operating & Maintenance expenses. Funding from VCTC was delayed, and therefore the revenue was deferred. FTA Grants are received at fiscal year-end, after all the expenses are incurred, and therefore the fund reflects only 25.5% reimbursement received through March 31. At 69.8% realized, Transit Services revenue reflects regular bus fares through January due to process timing. Operating expenses appear lower than expected at 67.0%, 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 Enterprise Fund is fully self-supporting, derives the majority of its revenue from ratepayers for services rendered. Other revenue sources include investment earnings, and one-time 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 74.5% of projected revenues, and 39.0% of budgeted expenses and transfers out, compared to last fiscal year 79.4% and 58.7% respectively. Revenues, on average, are tracking as projected. One-time Capital Improvement Fees have exceeded budget due to increased development projects. Expenses are under budget primarily due to one-time capital projects that have not yet begun.

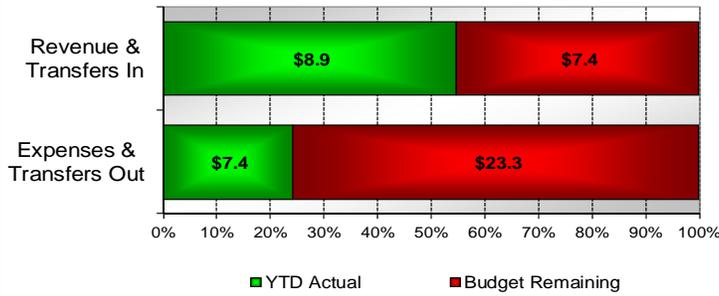
Water Utility Fund Summary (March 31, 2014)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues				
Water Sales	\$ 10,058,000	\$ 10,329,900	\$ 7,465,793	72.3%
Base Rate Charges	3,103,000	3,100,800	2,238,107	72.2%
Other Water Services Revenue Sources	985,100	862,630	629,954	73.0%
Capital Improvement Fees	10,000	376,300	518,403	137.8%
Investment Income	154,800	52,000	84,970	163.4%
Other Revenue Sources	348,000	422,800	340,134	80.5%
Total Water Utility Fund Revenue	14,658,900	15,144,430	11,277,361	74.5%
Expenses				
General & Administrative	2,423,939	2,620,736	1,749,652	66.8%
Maintenance & Operations	9,582,355	10,281,283	7,000,495	68.1%
Debt Service	6,650	6,650	6,642	99.9%
Capital Purchases	7,960,000	7,991,845	2,600	0.0%
Capital Projects	380,000	2,345,580	168,001	7.2%
Depreciation	904,250	904,250	614,844	68.0%
Total	21,257,194	24,150,344	9,542,234	39.5%
Transfers Out	300,000	348,637	-	0.0%
Total Water Utility Fund Expenses	21,557,194	24,498,981	9,542,234	39.0%
Revenues Over/(Under) Expenses	\$ (6,898,294)	(9,354,551)	\$ 1,735,127	
Available Working Capital, July 1		31,066,450		
Adjustments to Working Capital (estimated)		941,450		
Available Working Capital, End of Period (estimated)		\$ 22,653,349		

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 one-time capital improvement fees collected from developers. The CSD is accounted for in three separate funds.

**Sanitary District Fund - FY 2013/14
Budget to Actual - March 31, 2014**



In total, the Sanitary District Funds have recognized 51.5% of projected revenues and transfers in, and 24.2% of budgeted expenses and transfers out. Revenues are slightly lower than expected through third quarter. Budgeted transfers, which are approximately 28% of projected revenue, have not posted to date. This is offset by one-time Capital Improvement Fees and Investment Income that have exceeded projections, and Other Revenue, which reflects a one-time adjustment of \$277,500 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, 2014)

All Sanitary District Funds	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues				
Regular Rate Charges	\$ 8,935,000	\$ 9,673,400	\$ 6,578,135	68.0%
Property Taxes	947,400	975,047	542,284	55.6%
Base Rate Charges	1,007,000	1,048,000	691,492	66.0%
Billing & Penalty Fees	186,900	188,100	142,016	75.5%
Other Revenue Sources	178,900	256,652	492,511	191.9%
Capital Improvement Fees	30,000	328,760	428,291	130.3%
Grants & Subventions	2,750,000	-	-	0.0%
Proceeds from Bonds Issued	1,800,000	-	-	0.0%
Investment Income	67,200	43,000	64,666	150.4%
Total	15,902,400	12,512,959	8,939,395	71.4%
Transfers In	3,850,000	4,850,000	-	0.0%
Total Sanitary District Revenue	19,752,400	17,362,959	8,939,395	51.5%
Expenses				
General & Administrative	2,468,138	2,622,477	1,672,025	63.8%
Maintenance & Operations	4,911,476	5,427,715	3,464,409	63.8%
Debt Service	1,455,950	1,455,950	387,737	26.6%
Capital Purchases	291,000	330,125	178,249	54.0%
Capital Projects	12,060,000	13,969,149	351,449	2.5%
Depreciation	2,120,350	2,120,350	1,388,524	65.5%
Total	23,306,914	25,925,766	7,442,393	28.7%
Transfers Out	3,850,000	4,850,000	2,473	0.1%
Total Sanitary District Expenses	27,156,914	30,775,766	7,444,866	24.2%
Revenues Over/(Under) Expenses	\$ (7,404,514)	(13,412,807)	\$ 1,494,529	
Available Working Capital, July 1		21,940,272		
Adjustments to Working Capital (estimated)		2,148,400		
Available Working Capital, End of Period (estimated)		\$ 10,675,865		

The following summary highlights the Sanitary District Funds individually:

Operating Fund (871)	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues	\$ 10,335,400	\$ 11,145,813	\$ 7,629,981	68.5%
Expenses & Transfers Out	11,349,964	13,020,542	6,527,431	50.1%

Debt Service Fund (872)	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues & Transfers In	\$ 2,760,000	\$ 2,016,386	\$ 585,973	29.1%
Expenses & Transfers Out	3,455,950	3,455,950	387,737	11.2%

Capital Projects Fund (873)	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues & Transfers In	\$ 6,657,000	\$ 4,200,760	\$ 723,441	17.2%
Expenses	12,351,000	14,299,274	529,698	3.7%

Operating Fund revenues are tracking as expected, with 68.5% of budget received. Regular and Base Rate Charges revenue reflect a timing lag of approximately one month. Expenses are slightly under projections at 50.1%, compared with 55.1% 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, which are received in two installments. The first installment of \$542,284 was received in December, with the second installment of \$432,763 is expected in April. Expenses are under budget due to pending budgeted transfers, and the second bond debt principal and interest payment due in June. Debt Service expenses are tracking at 26.6% due to timing of principal and interest installments, with the final fiscal year payment posted in June.

The Capital Projects Fund revenues reflect no transfers to date. However, Capital Improvement Fees have exceeded the annual budget by 30.3% due to increased development activity. Expenses reflect little capital project activity through the third quarter.

ALL OTHER FUNDS

Library Operating Fund (284) – Revenues are at 51.8% of budget. The second apportionment of the primary revenue (Property Taxes) will not be received until April. Expenditures are tracking at 69.6%, reflecting a slight decrease in anticipated operational charges.

Library Special Revenue Fund (285) – Revenues are on target with 73.1% realized to date. Expenditures appear lower than anticipated through the third quarter at 35.8% due to invoice timing of the two primary expenditures, Books and Database Subscriptions.

Risk Management Fund (510) – Revenues are at 68% of budget, reflecting a timing delay of reimbursed retiree health care costs. Liability and property insurance premiums are due in full at the beginning of each fiscal year, thus the 87.8% expenditures to budget ratio.

City Hall Facility Fund (550), Police Facility Fund (552) and Chamber of Commerce Facility Fund (555) – Revenues for these funds are tracking as anticipated, with the exception of investment income, which is approximately 25% lower than projected. Expenditures are at 52.1%, 56.4%, and 21.3% of budget, respectively, primarily due to timing of capital projects.

SUMMARY

With the third quarter and 75% of the fiscal year complete, all revenues are tracking at 61.7% of budget, compared with 66% last year. Our expenditures are at 47.7%, compared with 55.0% 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 two-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