

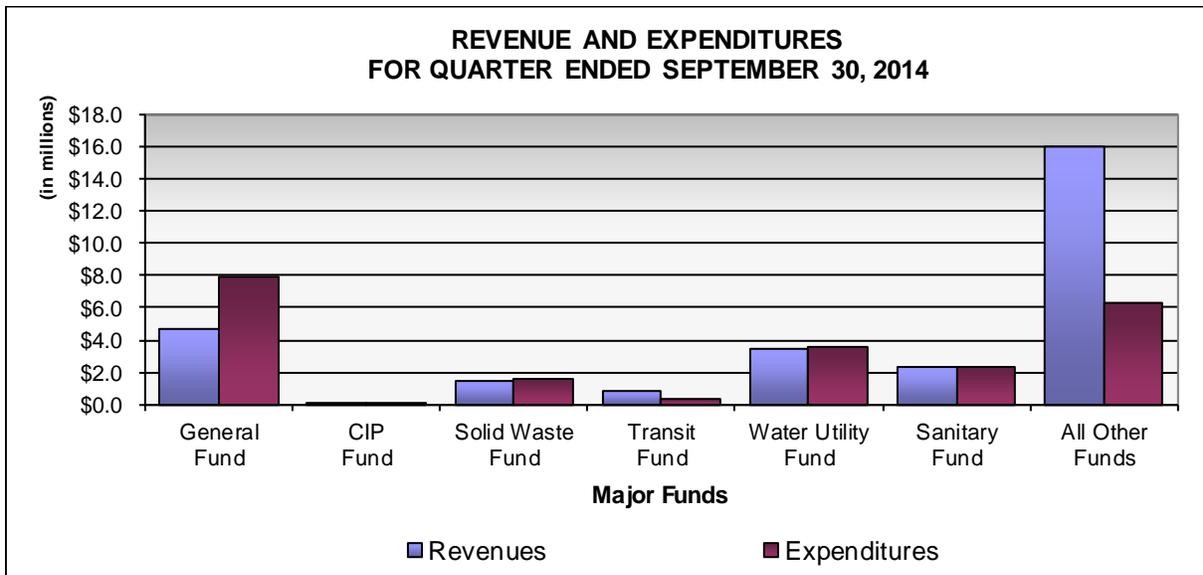


City of Camarillo

Revenue and Expenditure Reports *Fiscal Year 2014/15 First Quarter Financial Report July 1 through September 30, 2014*

OVERVIEW

The City of Camarillo First Quarter Financial Report summarizes the City’s financial information, from July 1 through September 30, 2014. 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 as of September 30, 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.

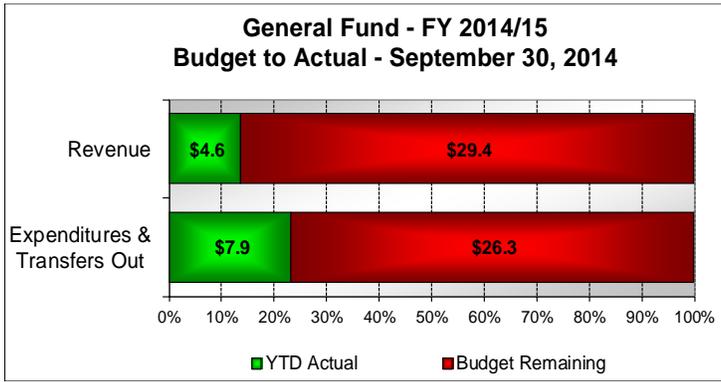


EXECUTIVE SUMMARY

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



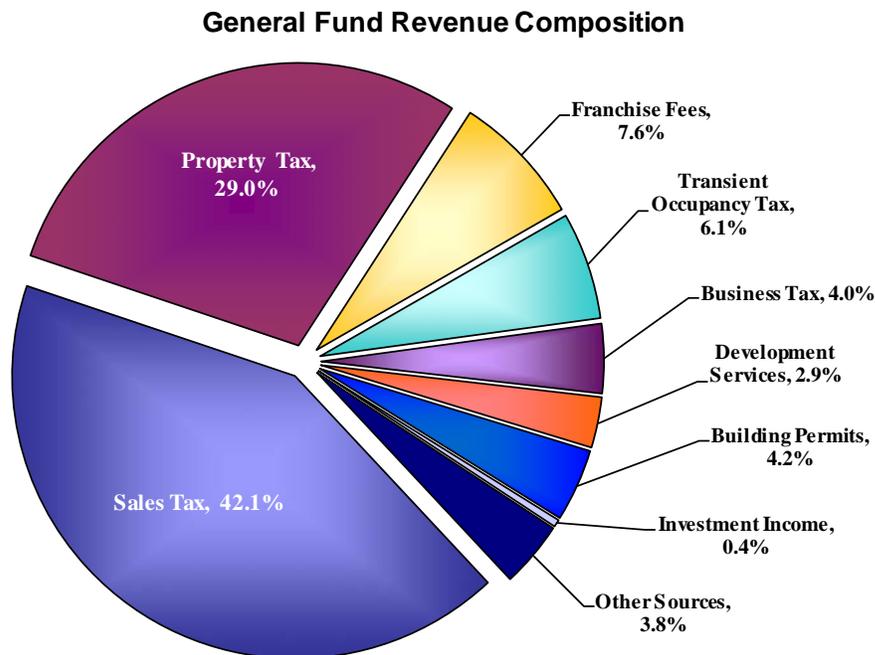
resources to cover the associated expenditures. Included are the Gas Tax Fund, Citywide Lighting & Landscape Fund, Storm Water Management Fund, Transit Fund, and Debt Service Funds. In addition, the General Fund is a major contributor to the CIP Fund. Staff is working on a long-range plan for fiscal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

In total, the General Fund has recorded approximately 13.6% of projected revenues, approximately 23.0% of budgeted expenditures and transfers. Transfers to other funds are typically recorded on an as-needed basis. Unassigned fund balance at September 30, 2014 is projected at \$4.1 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 (September 30, 2014)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues	\$ 34,020,032	\$ 34,020,220	\$ 4,632,431	13.6%
Expenditures & Transfers Out	33,987,636	34,195,572	7,854,422	23.0%
Revenues Over/(Under) Expenditures	\$ 32,396	\$ (175,352)	(3,221,991)	
Available Fund Balance, July 1			7,313,985	
Available Fund Balance, End of Period			<u>\$ 4,091,994</u>	

General Fund Revenues. The top eight revenue sources account for approximately 96% of the total projected General Fund revenues. By focusing on these, we can obtain an excellent understanding of the General Fund revenue position.

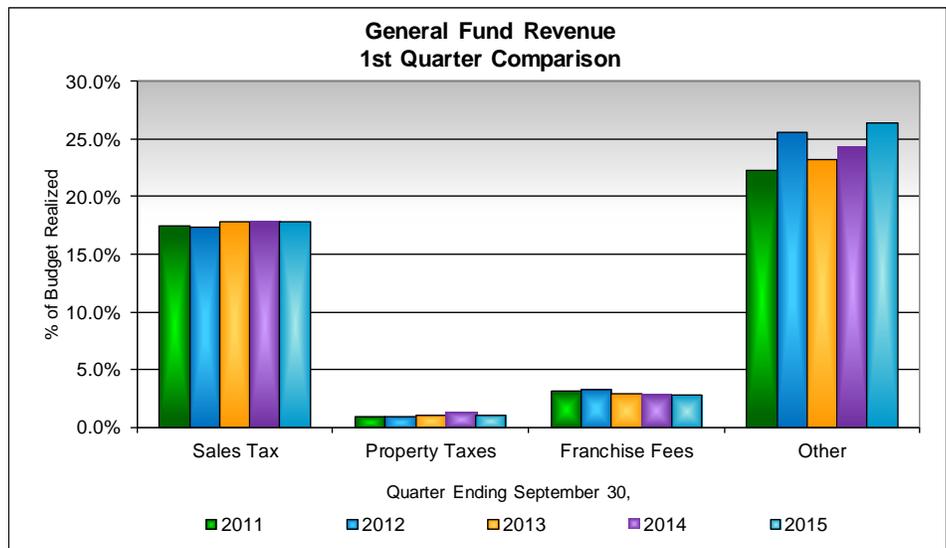


Overall, these key revenues are performing as projected for the first quarter, based on payment schedules and past trends, with major variances noted below. Total revenues through September are at approximately 13.6% of total budget, compared to prior year, revenues to date were 13.3% of budget.

Revenue Sources	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Sales Tax	\$ 14,324,294	\$ 14,324,294	\$ 2,547,300	17.8%
Property Tax	9,857,200	9,857,200	99,615	1.0%
Franchise Fees	2,577,888	2,577,888	71,318	2.8%
Transient Occupancy Tax	2,087,700	2,087,700	653,645	31.3%
Business Tax	1,349,140	1,349,140	320,056	23.7%
Development Services	985,245	985,245	268,567	27.3%
Building Permits	1,413,000	1,413,000	419,668	29.7%
Investment Income	142,250	142,250	49,453	34.8%
Total	32,736,717	32,736,717	4,429,622	13.5%
Other Revenue Sources	1,283,315	1,283,503	202,809	15.8%
Total Fund Revenue	\$ 34,020,032	\$ 34,020,220	\$ 4,632,431	13.6%

➤ **Sales Tax** – The City has received 17.8% of the budgeted Sales Tax, compared to 17.9% this time last year. Included in this revenue projection of \$14,324,294, is \$3,615,360 In-Lieu Sales Tax, which is not reflected in YTD Actual, but is scheduled to be received in two installments in January and May, 2015.

➤ **Property Tax** - The first of two major apportionments occur in December, with the second following in April. Also included under this revenue projection of \$9,857,200, is \$4,491,350 In-Lieu Motor Vehicle Fees, which is not reflected in YTD Actual, but is scheduled to be received in two equal installments in January and May, 2015.



➤ **Franchise Fees** - The majority of the Franchise Fees are received in April, 2015.

➤ **Transient Occupancy Tax (TOT)** – The City has received 31.3% of the budgeted TOT, almost equal to first quarter last year. July and August typically have the highest occupancy rates of the fiscal year.

➤ **Business Tax** – As of the first quarter, 23.7% of the budgeted revenue has been realized, almost equal to last fiscal year.

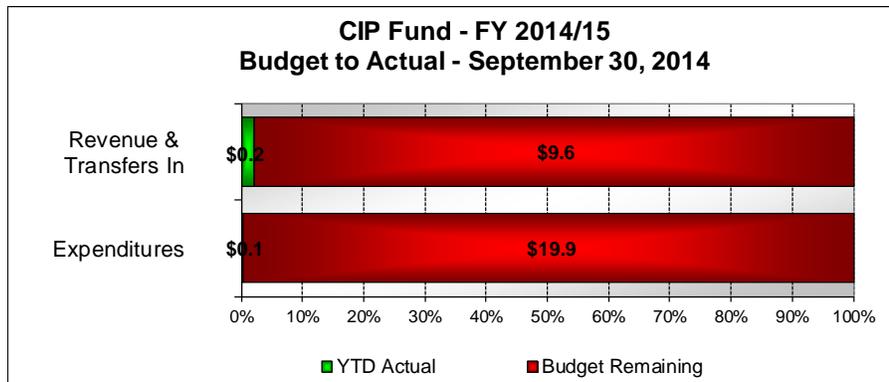
- **Development Services** - This revenue is slightly higher than anticipated with 27.3% of budget realized, and significantly lower than the 32.3% received through first quarter 2013/14. This revenue fluctuates due to the timing of planned development projects. Included in the first quarter revenue, are receipts from certain projects that were not anticipated at the time of budget development.
- **Building Permits** - With 29.7% of the annual budget realized in the first quarter, this revenue is on track, exceeding the revenue received through this same time period last year. 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 are slightly higher than anticipated with 34.8% realized, primarily due to slightly higher first quarter receipts from Building Permit, TOT, and Development Services.

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 23.0% of the annual budget. As of first quarter last year, 23.6% of budgeted expenditures and transfers had been disbursed.

Divisions	Adopted Budget	Amended Budget	YTD Actual	Percent Expended
City Council	\$ 719,555	\$ 719,555	\$ 196,769	27.4%
City Clerk	563,925	563,925	115,098	20.4%
City Attorney	470,312	470,312	78,892	16.8%
City Manager	931,262	1,051,262	199,293	19.0%
Finance	1,347,830	1,388,213	267,970	19.3%
Community Development	1,978,399	1,994,729	364,877	18.3%
Code Compliance	757,534	757,534	161,183	21.3%
Police	15,871,751	15,871,887	3,693,940	23.3%
DART	23,605	23,605	2,928	12.4%
Building & Safety	838,987	838,987	224,048	26.7%
Public Works	1,894,246	1,922,238	318,401	16.6%
Cultural Arts Services	600,049	603,144	113,069	18.8%
Economic Development	365,481	365,481	103,954	28.4%
Non Departmental	7,500	7,500	-	0.0%
Total	26,370,436	26,578,372	5,840,422	22.0%
Transfers Out	7,617,200	7,617,200	2,014,000	26.4%
Total Fund Expenditures	\$ 33,987,636	\$ 34,195,572	\$ 7,854,422	23.0%

City Attorney division expenditures are lower than anticipated, at 16.8% due to timing of monthly invoices, with only July services reflected. D.A.R.T. division has expended 12.4%, primarily due to budgeted safety equipment purchases that have not been made. Economic Development division expenditures of 28.4% are slightly higher due to annual dues/memberships due in full at the beginning of the fiscal year.

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 year one of the City’s Five-Year Capital Improvement

Program 2014-2019, with a total expenditure budget of \$39.7 million. Included in that total is approximately \$10.0 million of additional funding, and \$20.0 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 (September 30, 2014)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues & Transfers In	\$ 9,809,850	\$ 9,809,850	\$ 160,690	1.6%
Expenditures	15,220,000	19,998,277	75,540	0.4%
Revenues Over/(Under) Expenditures	\$ (5,410,150)	\$ (10,188,427)	85,150	
Available Fund Balance, July 1			14,326,170	
Available Fund Balance, End of Period			<u>\$ 14,411,320</u>	

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

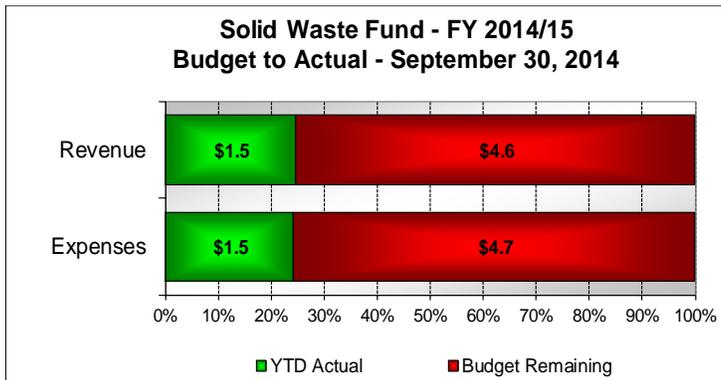
At this point in the fiscal year, the CIP Fund has recognized 1.6% of the projected revenues. Federal Capital Grants for transportation projects are the primary source, and funds are typically drawn down on a reimbursement basis, after the expenditures are incurred.

Revenue Sources	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Grants	\$ 3,961,000	\$ 3,961,000	\$ -	0.0%
Development Services	680,000	680,000	129,365	19.0%
Investment Income	33,850	33,850	15,106	44.6%
Contributions	300,000	300,000	-	0.0%
Total	4,974,850	4,974,850	144,471	2.9%
Transfers In	4,835,000	4,835,000	16,219	0.3%
Total Fund Revenue	\$ 9,809,850	\$ 9,809,850	\$ 160,690	1.6%

The budgeted expenditures for this fund total \$20.0 million, with no budgeted transfers out. Through the first quarter, 0.4% 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
Santa Rosa Road Widening	LS1201	\$ 2,900,000	\$ 3,171,581	\$ 13,882	0.4%
Annual Pavement Rehabilitation	ST1403/04	4,000,000	6,717,652	11,972	0.2%
Pancho Road Pavement Rehab	ST1305	1,800,000	1,847,965	25	0.0%
Other Projects		6,520,000	8,261,079	49,661	0.6%
Total Major Projects		\$ 15,220,000	\$ 19,998,277	\$ 75,540	0.4%

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.

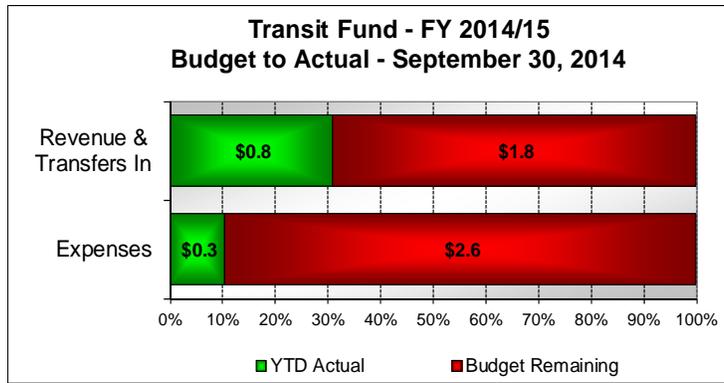
The Solid Waste Fund has recognized 23.9% of projected revenues, and 24.8% of budgeted expenses, compared with 23.3% and 23.7% respectively this time last year. Both revenues

and expenses are meeting projections through the first quarter. Grant revenues are typically received at the end of the fiscal year.

Solid Waste Fund Summary (September 30, 2014)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
<u>Revenues</u>				
Solid Waste Services	\$ 5,943,420	\$ 5,943,420	\$ 1,428,677	24.0%
Grants	36,275	36,275	-	0.0%
Other Revenue Sources	78,060	78,060	19,706	25.2%
Total Solid Waste Fund Revenue	6,057,755	6,057,755	1,448,383	23.9%
<u>Expenses</u>				
Operating Expenses	6,210,464	6,210,464	1,538,514	24.8%
Total Solid Waste Fund Expenses	6,210,464	6,210,464	1,538,514	24.8%
Revenues Over/(Under) Expenses	\$ (152,709)	\$ (152,709)	(90,131)	
Available Working Capital, July 1			746,540	
Available Working Capital, End of Period			<u>\$ 656,409</u>	

TRANSIT FUND (810)



The Transit Fund is where costs associated with operating the City’s transit system are recorded. The Transit Fund has recognized 31.4% of projected revenues and transfers in, compared with 36.7% last year, and 11.1% of budgeted expenses, compared with 7.0% 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 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).

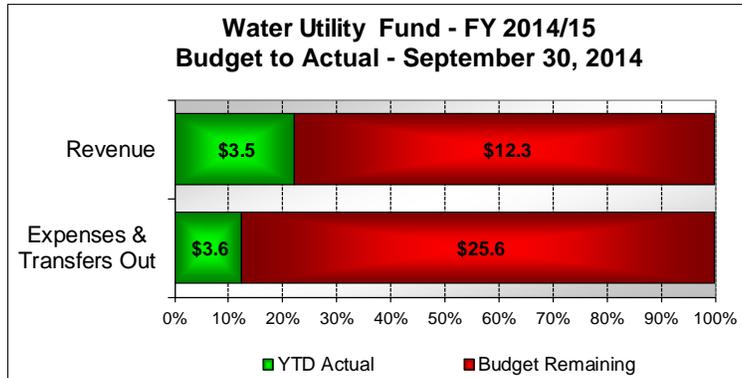
Transit Fund Summary (September 30, 2014)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
<u>Revenues</u>				
Transit Services	\$ 109,740	\$ 109,740	\$ 17,990	16.4%
Grants	1,218,900	1,533,026	8,217	0.5%
Other Revenue Sources	2,500	2,500	79,008	3160.3%
Total	1,331,140	1,645,266	105,215	6.4%
Transfers In	920,000	920,000	700,000	76.1%
Total Transit Fund Revenue	2,251,140	2,565,266	805,215	31.4%
<u>Expenses</u>				
Operating Expenses	1,818,880	1,818,880	273,645	15.0%
Capital Purchases	250,000	677,042	-	0.0%
Capital Projects	-	197,217	-	0.0%
Depreciation	149,100	149,100	37,795	25.4%
Metrolink Station Maint.	95,000	95,000	15,387	16.2%
Operating Expenses				
Total Transit Fund Expenses	2,312,980	2,937,239	326,827	11.1%
Revenues Over/(Under) Expenses	\$ (61,840)	\$ (371,973)	478,388	
Available Working Capital Balance, July 1			162,203	
Adjustments to Working Capital			37,795	
Available Working Capital, End of Period			<u>\$ 678,386</u>	

Other Revenue Sources includes ADA Paratransit Ridership funds pending disbursement to other participating agencies. Operating expenses appear lower than expected, 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 13,896 customers. Depending on location, four other water companies may provide water to Camarillo residents.



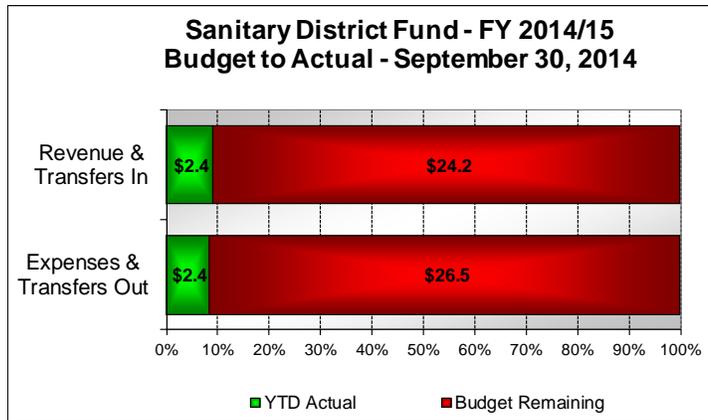
The Water Utility Fund has recognized 21.9% of projected revenues, and 12.4% of budgeted expenses and transfers out, compared to last fiscal year 26.0% and 12.3% respectively. Revenues are slightly below projections through the first quarter, primarily due to drought stage water conservation. Water Sales revenue is approximately 13.4% lower than projected through the first quarter. Consumption for the first three months of FY 2014/15 is down 8.9% when compared with

the same three months last fiscal year, the largest reduction (16.7%) in September 2014. Expenses are under budget, primarily due to one-time capital purchases, and capital improvement projects that have not begun.

Water Utility Fund Summary (September 30, 2014)

	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
<u>Revenues</u>				
Water Sales	\$ 11,393,690	\$ 11,393,690	\$ 2,466,095	21.6%
Base Rate Charges	3,318,250	3,318,250	713,989	21.5%
Other Water Services Revenue Sources	623,130	623,130	163,617	26.3%
Capital Improvement Fees	30,000	30,000	-	0.0%
Investment Income	77,700	77,700	34,378	44.2%
Other Revenue Sources	(783,870)	336,090	69,638	20.7%
Total Water Utility Fund Revenue	14,658,900	15,778,860	3,447,717	21.9%
<u>Expenses</u>				
General & Administrative	2,394,633	2,523,174	520,155	20.6%
Maintenance & Operations	11,413,708	11,350,596	2,687,755	23.7%
Capital Purchases	9,173,000	10,361,909	30,309	0.3%
Capital Projects	1,000,000	3,178,676	81,247	2.6%
Depreciation	920,000	920,000	246,439	26.8%
Total	24,901,341	28,334,355	3,565,905	12.6%
Transfers Out	875,000	875,000	51,000	5.8%
Total Water Utility Fund Expenses	25,776,341	29,209,355	3,616,905	12.4%
Revenues Over/(Under) Expenses	\$ (11,117,441)	\$ (13,430,495)	(169,188)	
Available Working Capital, July 1			34,295,150	
Adjustments to Working Capital			240,232	
Available Working Capital, End of Period			<u>\$ 34,366,194</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 9.0% of projected revenues and transfers in, and 8.2% of budgeted expenses and transfers out. This time last year, 12.0% of projected revenues and transfers in, and 6.5% of budgeted expenses and transfers out had been realized. Budgeted revenue includes proceeds from bonds expected to be issued this fiscal year. Excluding the \$10 million bond issuance, 14.4% of projected revenues and transfers in have been recognized. Grant revenue is anticipated at fiscal year-end.

Sanitary District Summary (September 30, 2014)

All Sanitary District Funds	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
<u>Revenues</u>				
Regular Rate Charges	\$ 10,676,550	\$ 10,676,550	\$ 2,044,718	19.2%
Property Taxes	980,515	980,515	-	0.0%
Base Rate Charges	1,146,040	1,146,040	202,821	17.7%
Billing & Penalty Fees	150	150	150	100.0%
Other Revenue Sources	414,725	414,725	103,955	25.1%
Capital Improvement Fees	30,000	30,000	12,405	41.4%
Grants & Subventions	300,000	300,000	-	0.0%
Proceeds from Bonds Issued	10,000,000	10,000,000	-	0.0%
Investment Income	63,950	63,950	25,256	39.5%
Total	23,611,930	23,611,930	2,389,305	10.1%
Transfers In	3,000,000	3,000,000	-	0.0%
Total Sanitary District Revenue	26,611,930	26,611,930	2,389,305	9.0%
<u>Expenses</u>				
General & Administrative	2,928,535	3,001,366	535,237	17.8%
Maintenance & Operations	5,041,349	5,058,928	929,864	18.4%
Debt Service	1,438,350	1,438,350	(71,141)	-5.0%
Capital Purchases	204,000	229,615	25,630	11.2%
Capital Projects	10,660,000	14,090,019	389,510	2.8%
Depreciation	2,090,000	2,090,000	545,897	26.1%
Total	22,362,234	25,908,278	2,354,997	9.1%
Transfers Out	3,000,000	3,000,000	-	0.0%
Total Sanitary District Expenses	25,362,234	28,908,278	2,354,997	8.2%
Revenues Over/(Under) Expenses	\$ 1,249,696	\$ (2,296,348)	34,308	
Available Working Capital, July 1			24,305,748	
Adjustments to Working Capital			539,691	
Available Working Capital, End of Period			<u>\$ 24,879,747</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	\$ 12,258,715	\$ 2,359,767	19.3%
Expenses & Transfers Out	13,059,884	13,150,294	2,010,998	15.3%

Debt Service Fund (872)	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues	\$ 11,000,565	\$ 11,000,565	\$ 1,908	0.0%
Expense	1,438,350	1,438,350	(71,141)	-5.0%

Capital Projects Fund (873)	Adopted Budget	Amended Budget	YTD Actual	Percent Realized
Revenues & Transfers In	\$ 3,352,650	\$ 3,352,650	\$ 27,630	0.8%
Expenses	10,864,000	14,319,634	415,140	2.9%

Operating Fund revenues are tracking lower than expected, with 19.3% of budget received, primarily due to drought related water conservation. Sanitation Services revenue is 23.4% below projected for the first quarter. Expenses are slightly under projections at 15.3%, compared with 14.2% 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 \$71,141, 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 3.1% 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 9.2%, primarily due to permit fees typically disbursed in October, and timing of contract services invoicing.

Library Operating Fund (284) - The first apportionment of the primary revenue (Property Taxes) will not be received until December. Expenditures are slightly lower at 17.6% of annual budget, primarily due to timing of books and other materials invoices.

Camarillo Corridor Bond Projects Fund (429) - The City executed an agreement with the Successor Agency (SA) to the Camarillo Community Development Commission (CDC) to manage capital improvement projects (as outlined in the approved Long-Range Property Management Program), utilizing former CDC construction bond funds. A portion of the *All Other Funds* revenue, \$12.2 million, represents the receipt of funds from the SA to this new fund.

Risk Management Fund (510) - Liability and property insurance premiums are due in full at the beginning of each fiscal year. Thus the 79.1% expenditures ratio, which is slightly higher than 74.5% last year.

Vehicles & Equipment Fund (540) - Expenditures are significantly lower than expected at 12.7%, due to unexpended planned capital vehicle replacements that account for 39.3% of the annual budget.

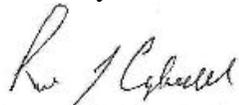
City Hall, Corporation Yard, Police, Camarillo Ranch, and Chamber of Commerce Facility Funds (550, 551, 552, 554, 555) - Expenditures are significantly lower than expected in these funds primarily due to unexpended planned capital purchases.

SUMMARY

With the first quarter of the fiscal year complete, all revenues are tracking at 23.3% of budget, compared to 15.8% last year. Our expenditures are at 14.3%, compared with 14.2% 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