



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 7, 2012

TO: Mayor and Councilmembers

FROM: Accounting Division, Finance Department

SUBJECT: Fiscal Year 2012 Interim Financial Statements For The Twelve Months Ended June 30, 2012

RECOMMENDATION: That Council:

- A. Accept the Fiscal Year 2012 Interim Financial Statements for the Fiscal Year Ended June 30, 2012; and
- B. Approve the proposed adjustments to Fiscal Year 2012 estimated revenues and appropriations as contained in the attached Schedule of Proposed Budget Adjustments.

DISCUSSION:

Each quarter, staff provides the City Council with interim financial statements and a narrative analysis in order to provide a comprehensive overview of how revenues and expenditures are performing relative to budget and current projections. Since the interim statements for this quarter are through June 30, 2012, they cover an entire year and represent preliminary year-end results, though they are subject to additional adjustments that may be necessary. Therefore, the focus of this report is to provide Council with a preliminary sense of how we ended the year in comparison to budgeted expectations.

In addition, this report identifies certain proposed adjustments to the budget based on new information and/or unanticipated events that occurred since the adoption of the budget in June 2011. One example of is the elimination of the City's Redevelopment Agency and the creation of a Successor Agency, which requires final adjustments based on the results of the dissolution process.

The accompanying interim financial statements (Attachment 1) present revenues and expenditures, with a comparison to budgeted amounts, for the fiscal year ended June 30, 2012. Attachment 2 contains a narrative detailed analysis of the General Fund and enterprise funds. Attachment 3 includes all proposed adjustments to the Fiscal Year 2012 Annual Budget. A discussion of each is presented below.

Revenues and expenditures will continue to be analyzed and further adjusted in the next few weeks, as necessary, in preparation for the annual independent financial audit. After recording year-end adjustments, staff will return in September to the City Council to present final year-end results

General Fund

City Administrator

The City Administrator budget has incurred unexpected retirement costs due to a change in the method that the Public Employees Retirement System (PERS) uses in processing what is known as Retirement Benefit payments. A Retirement Benefit payment occurs when a former employee's retirement allowance exceeds the limit to be paid by a qualified benefit pension plan such as PERS, thereby requiring the former employer to fund the difference. For those former employees that fall within this category, the City fully funded the retirement benefit during their employment. As a result, in previous years PERS allowed the City to credit the payment against those normal contributions, thereby not causing an impact to the City budget. However, in Fiscal Year 2012 PERS informed member agencies that taking a credit against normal contributions would no longer be allowed, which caused the City to incur additional retirement costs of \$68,630.

After submitting the required payment, staff contacted PERS to discuss the matter further. As a result of those discussions, PERS decided to again allow the City to fund the Retirement Benefit payment by the "credit" method starting in Fiscal Year 2013.

To cover the unanticipated payment to PERS for Fiscal Year 2012, staff recommends an appropriation of \$68,630 from the General Fund appropriated reserves which has \$229,402 available for appropriation.

Police Department

Due to payout of sick leave balances in connection with the unexpected retirement of a police captain totaling \$115,900, the Police Department is expected to exceed its budget.

In order to cover these unanticipated expenditures, staff recommends using General Fund appropriated reserves. After posting the budget adjustment to the City Administrator's department, described in the previous section of this report, the General Fund appropriated reserve will have \$160,772 available for appropriation, enough to cover this expense.

Community Development

At the City Council meeting of July 17, staff presented an overview of the budgetary impacts to the General Fund as a result of the dissolution of the Redevelopment Agency (RDA). At that time, staff explained that certain project costs previously funded by the RDA were determined not to be enforceable obligations by the Oversight Board and, therefore, were disallowed from receiving funding either from the Redevelopment Property Tax Trust Fund (RPTTF) established by the County or from existing RDA reserves held by the Successor Agency.

Staff has completed a final accounting of the disallowed project costs, and a total of \$485,307 in expenditures will need to be funded by the General Fund. Of this amount:

- \$153,831 is due to administrative costs (e.g. personnel costs and legal services) exceeding the maximum allowable amount per AB 26;
- \$177,531 is due to engineering costs charged to capital improvement projects, which did not qualify as third party enforceable obligations; and
- \$153,945 is due to purchase orders for two capital improvement projects that were issued subsequent to the adoption of AB 26 and were thus deemed not to be enforceable obligations.

In order to cover these unanticipated project costs in the General Fund, staff is recommending that a portion of the additional property tax revenues of \$874,000 received in June 2012 from the RDA dissolution be used as the funding source. These additional revenues represent the City's share (approximately 13%) of the tax increment revenues previously received by the RDA and now allocated to all taxing agencies, including the City of Santa Barbara. Therefore, staff recommends increasing estimated revenues and appropriations by \$485,307.

In addition to the disallowed project costs, there is an impact to General Fund revenues. The Police Department will not be receiving anticipated reimbursements for the Restorative Policing program for five months of the fiscal year, as this program was also denied funding. The Police Department had projected revenues of \$352,070 from the RDA, but only \$205,374 will be reimbursed for program costs incurred prior to February 1, 2012, the RDA dissolution date. As a result, revenue in the amount of \$146,696 will not be realized. This unrealized revenue will be offset by the \$388,693 in additional property tax revenues received that are over and above the \$485,307 portion to be appropriated for the disallowed project costs.

Successor Agency Funds

As part of the review of the first ROPS (Recognized Obligation Payment Schedule), the Oversight Board approved various capital improvement projects that were already in progress. However, the source of funding for the projects was changed from RDA bond proceeds to funding from the Redevelopment Property Tax Trust Fund (RPTTF). As a

result of this change, project costs totaling \$479,909 will be shifted from bond proceeds to the Successor Agency, thereby relieving bond funds for future re-appropriation to other capital improvement projects. Staff recommends decreasing the RDA Bond Fund appropriations and increasing the Successor Agency Capital Fund appropriations by \$479,909.

- ATTACHMENTS:**
1. Summary by Fund Statement of Revenues and Expenditures for the Twelve Months Ended June 30, 2012
 2. Interim Financial Statements for the Twelve Months Ended June 30, 2012 (Narrative Analysis)
 3. Proposed Budget Adjustments

PREPARED BY: Ruby Carrillo, Accounting Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget
GENERAL FUND					
Revenue	103,169,648	103,138,016	-	31,632	100.0%
Expenditures	103,716,314	100,193,572	488,503	3,034,238	97.1%
<i>Addition to / (use of) reserves</i>	<u>(546,665)</u>	<u>2,944,444</u>	<u>(488,503)</u>		
WATER OPERATING FUND					
Revenue	38,167,816	37,427,035	-	740,781	98.1%
Expenditures	43,447,024	37,462,992	1,234,687	4,749,345	89.1%
<i>Addition to / (use of) reserves</i>	<u>(5,279,208)</u>	<u>(35,956)</u>	<u>(1,234,687)</u>		
WASTEWATER OPERATING FUND					
Revenue	16,395,810	16,461,528	-	(65,718)	100.4%
Expenditures	17,667,788	16,613,485	316,444	737,859	95.8%
<i>Addition to / (use of) reserves</i>	<u>(1,271,978)</u>	<u>(151,958)</u>	<u>(316,444)</u>		
DOWNTOWN PARKING					
Revenue	7,036,049	7,649,008	-	(612,959)	108.7%
Expenditures	7,582,431	7,181,044	44,304	357,083	95.3%
<i>Addition to / (use of) reserves</i>	<u>(546,382)</u>	<u>467,964</u>	<u>(44,304)</u>		
AIRPORT OPERATING FUND					
Revenue	15,030,488	14,520,610	-	509,878	96.6%
Expenditures	17,910,688	16,980,362	175,245	755,082	95.8%
<i>Addition to / (use of) reserves</i>	<u>(2,880,200)</u>	<u>(2,459,752)</u>	<u>(175,245)</u>		
GOLF COURSE FUND					
Revenue	2,060,146	1,933,780	-	126,366	93.9%
Expenditures	2,065,870	1,905,703	24,000	136,167	93.4%
<i>Addition to / (use of) reserves</i>	<u>(5,724)</u>	<u>28,077</u>	<u>(24,000)</u>		
INTRA-CITY SERVICE FUND					
Revenue	6,722,563	6,202,478	-	520,085	92.3%
Expenditures	6,959,569	5,992,498	244,329	722,742	89.6%
<i>Addition to / (use of) reserves</i>	<u>(237,006)</u>	<u>209,980</u>	<u>(244,329)</u>		

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget
FLEET REPLACEMENT FUND					
Revenue	2,230,083	2,242,082	-	(11,999)	100.5%
Expenditures	1,502,646	589,450	497,361	415,836	72.3%
<i>Addition to / (use of) reserves</i>	<u>727,437</u>	<u>1,652,633</u>	<u>(497,361)</u>		
FLEET MAINTENANCE FUND					
Revenue	2,530,723	2,516,979	-	13,744	99.5%
Expenditures	2,482,012	2,213,517	40,584	227,911	90.8%
<i>Addition to / (use of) reserves</i>	<u>48,711</u>	<u>303,462</u>	<u>(40,584)</u>		
SELF INSURANCE TRUST FUND					
Revenue	5,391,678	5,186,576	-	205,102	96.2%
Expenditures	9,055,327	8,968,236	123,101	(36,010)	100.4%
<i>Addition to / (use of) reserves</i>	<u>(3,663,649)</u>	<u>(3,781,660)</u>	<u>(123,101)</u>		
INFORMATION SYSTEMS ICS FUND					
Revenue	2,306,135	2,307,342	-	(1,207)	100.1%
Expenditures	2,347,350	2,149,488	47,600	150,262	93.6%
<i>Addition to / (use of) reserves</i>	<u>(41,215)</u>	<u>157,854</u>	<u>(47,600)</u>		
WATERFRONT FUND					
Revenue	12,203,518	12,683,080	-	(479,562)	103.9%
Expenditures	11,981,963	11,398,888	199,773	383,302	96.8%
<i>Addition to / (use of) reserves</i>	<u>221,555</u>	<u>1,284,192</u>	<u>(199,773)</u>		
TOTAL FOR ALL FUNDS					
Revenue	213,244,657	212,268,512	-	976,145	99.5%
Expenditures	226,718,984	211,649,234	3,435,932	11,633,818	94.9%
<i>Addition to / (use of) reserves</i>	<u>(13,474,327)</u>	<u>619,279</u>	<u>(3,435,932)</u>		

*** It is City policy to adopt a balanced budget. In most cases, encumbrance balances exist at year-end. These encumbrance balances are obligations of each fund and must be reported at the beginning of each fiscal year. In addition, a corresponding appropriations entry must be made in order to accommodate the 'carried-over' encumbrance amount. Most differences between budgeted annual revenues and expenses are due to these encumbrance carryovers.*

CITY OF SANTA BARBARA
General Fund
Interim Statement of Budgeted and Actual Revenues
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Remaining Balance	Percent Received	Previous YTD
TAXES					
Sales and Use	17,949,013	18,778,491	(829,478)	104.6%	17,813,513
Property Taxes	23,063,000	23,712,312	(649,312)	102.8%	22,781,853
Utility Users Tax	7,144,500	7,059,850	84,650	98.8%	6,907,720
Transient Occupancy Tax	13,018,252	13,515,942	(497,690)	103.8%	12,327,319
Business License	2,229,800	2,243,105	(13,305)	100.6%	2,210,702
Real Property Transfer Tax	410,000	418,507	(8,507)	102.1%	373,818
<i>Total</i>	<u>63,814,565</u>	<u>65,728,208</u>	<u>(1,913,644)</u>	103.0%	<u>62,414,925</u>
LICENSES & PERMITS					
Licenses & Permits	182,900	215,969	(33,069)	118.1%	206,376
<i>Total</i>	<u>182,900</u>	<u>215,969</u>	<u>(33,069)</u>	118.1%	<u>206,376</u>
FINES & FORFEITURES					
Parking Violations	2,403,500	2,275,620	127,880	94.7%	2,368,671
Library Fines	133,516	119,710	13,806	89.7%	114,886
Municipal Court Fines	180,000	100,062	79,938	55.6%	140,901
Other Fines & Forfeitures	210,000	217,007	(7,007)	103.3%	232,430
<i>Total</i>	<u>2,927,016</u>	<u>2,712,400</u>	<u>214,616</u>	92.7%	<u>2,856,888</u>
USE OF MONEY & PROPERTY					
Investment Income	740,827	852,592	(111,765)	115.1%	817,044
Rents & Concessions	397,952	387,422	10,530	97.4%	450,232
<i>Total</i>	<u>1,138,779</u>	<u>1,240,014</u>	<u>(101,235)</u>	108.9%	<u>1,267,275</u>
INTERGOVERNMENTAL					
Grants	488,610	246,031	242,579	50.4%	468,615
Vehicle License Fees	-	-	-	0.0%	302,529
Reimbursements	14,040	8,471	5,569	60.3%	12,814
<i>Total</i>	<u>502,650</u>	<u>254,501</u>	<u>248,149</u>	50.6%	<u>783,958</u>
FEES & SERVICE CHARGES					
Finance	860,000	845,240	14,760	98.3%	848,694
Community Development	4,525,570	4,159,694	365,876	91.9%	4,847,819
Recreation	2,354,257	2,593,990	(239,733)	110.2%	2,261,759
Public Safety	499,673	607,178	(107,505)	121.5%	544,385
Public Works	5,286,083	5,381,194	(95,111)	101.8%	4,891,886
Library	675,575	675,593	(18)	100.0%	776,256
Reimbursements	6,248,494	5,857,194	391,300	93.7%	5,696,765
<i>Total</i>	<u>20,449,652</u>	<u>20,120,083</u>	<u>329,570</u>	98.4%	<u>19,867,564</u>
OTHER REVENUES					
Miscellaneous	1,398,491	1,607,933	(209,442)	115.0%	1,632,364
Franchise Fees	3,593,200	3,372,562	220,638	93.9%	3,439,892
Indirect Allocations	6,111,818	6,111,818	-	100.0%	6,520,510
Operating Transfers-In	3,050,577	1,774,527	1,276,050	58.2%	1,074,341
<i>Total</i>	<u>14,154,086</u>	<u>12,866,840</u>	<u>1,287,246</u>	90.9%	<u>12,667,107</u>
TOTAL REVENUES	<u>103,169,648</u>	<u>103,138,016</u>	<u>31,632</u>	100.0%	<u>100,064,092</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
GENERAL GOVERNMENT						
<u>Mayor & City Council</u>						
MAYOR	725,196	701,933	-	23,263	96.8%	
<i>Total</i>	725,196	701,933	-	23,263	96.8%	621,744
<u>City Attorney</u>						
CITY ATTORNEY	1,950,640	1,905,767	8,325	36,548	98.1%	
<i>Total</i>	1,950,640	1,905,767	8,325	36,548	98.1%	1,937,530
<u>Administration</u>						
CITY ADMINISTRATOR	1,516,849	1,499,116	-	17,733	98.8%	
CITY TV	455,110	397,755	984	56,371	87.6%	
<i>Total</i>	1,971,959	1,896,872	984	74,104	96.2%	1,748,048
<u>Administrative Services</u>						
CITY CLERK	435,245	405,284	2,021	27,940	93.6%	
ADMIN SVCS-ELECTIONS	300,000	208,387	79,052	12,560	95.8%	
HUMAN RESOURCES	1,197,982	1,127,463	-	70,519	94.1%	
ADMIN SVCS-EMPLOYEE DEVELOPMENT	14,447	10,260	-	4,187	71.0%	
<i>Total</i>	1,947,674	1,751,394	81,073	115,206	94.1%	1,571,149
<u>Finance</u>						
ADMINISTRATION	219,098	222,538	4,571	(8,011)	103.7%	
TREASURY	481,463	428,500	-	52,963	89.0%	
CASHIERING & COLLECTION	417,180	414,294	-	2,886	99.3%	
LICENSES & PERMITS	417,558	389,639	-	27,919	93.3%	
BUDGET MANAGEMENT	396,344	386,303	-	10,041	97.5%	
ACCOUNTING	476,344	477,875	45,160	(46,691)	109.8%	
PAYROLL	273,474	269,387	-	4,087	98.5%	
ACCOUNTS PAYABLE	207,832	205,284	-	2,548	98.8%	
CITY BILLING & CUSTOMER SERVICE	581,802	560,372	-	21,430	96.3%	
PURCHASING	659,344	652,121	42	7,181	98.9%	
CENTRAL STORES	160,010	157,015	-	2,995	98.1%	
MAIL SERVICES	102,301	100,484	-	1,817	98.2%	
<i>Total</i>	4,392,750	4,263,813	49,773	79,164	98.2%	4,081,482
TOTAL GENERAL GOVERNMENT	10,988,219	10,519,779	140,156	328,284	97.0%	9,959,953
PUBLIC SAFETY						
<u>Police</u>						
CHIEF'S STAFF	979,104	1,011,946	-	(32,842)	103.4%	
SUPPORT SERVICES	574,199	521,225	-	52,974	90.8%	
RECORDS	1,172,517	1,094,294	-	78,223	93.3%	
COMMUNITY SVCS	729,721	693,412	-	36,309	95.0%	
PROPERTY ROOM	165,159	129,879	-	35,280	78.6%	
TRNG/RECRUITMENT	405,269	493,889	4,598	(93,218)	123.0%	

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>** Remaining Balance</u>	<u>YTD Expended and Encumbered</u>	<u>Previous YTD</u>
PUBLIC SAFETY						
<u>Police</u>						
RANGE	1,184,348	1,168,626	5,160	10,562	99.1%	
BEAT COORDINATORS	784,859	665,442	-	119,417	84.8%	
INFORMATION TECHNOLOGY	1,275,768	1,181,746	8,560	85,462	93.3%	
INVESTIGATIVE DIVISION	4,582,903	4,366,820	-	216,083	95.3%	
CRIME LAB	130,163	139,855	-	(9,692)	107.4%	
PATROL DIVISION	14,663,551	15,028,315	-	(364,764)	102.5%	
TRAFFIC	1,288,412	1,328,965	-	(40,553)	103.1%	
SPECIAL EVENTS	772,599	952,336	-	(179,737)	123.3%	
TACTICAL PATROL FORCE	1,324,561	1,211,146	-	113,415	91.4%	
STREET SWEEPING ENFORCEMENT	294,783	269,978	-	24,805	91.6%	
NIGHT LIFE ENFORCEMENT	297,965	264,012	-	33,953	88.6%	
PARKING ENFORCEMENT	931,552	852,147	-	79,405	91.5%	
CCC	2,361,140	2,193,780	605	166,754	92.9%	
ANIMAL CONTROL	613,570	552,268	-	61,302	90.0%	
<i>Total</i>	<u>34,532,143</u>	<u>34,122,327</u>	<u>18,923</u>	<u>390,893</u>	<u>98.9%</u>	<u>32,810,035</u>
<u>Fire</u>						
ADMINISTRATION	742,079	759,383	-	(17,304)	102.3%	
EMERGENCY SERVICES AND PUBLIC ED	249,338	239,960	-	9,378	96.2%	
PREVENTION	1,110,296	1,049,501	-	60,795	94.5%	
WILDLAND FIRE MITIGATION PROGRAM	172,505	173,021	5,490	(6,006)	103.5%	
OPERATIONS	17,114,340	16,850,218	1,862	262,260	98.5%	
ARFF	1,698,433	1,607,998	-	90,435	94.7%	
<i>Total</i>	<u>21,086,991</u>	<u>20,680,182</u>	<u>7,352</u>	<u>399,457</u>	<u>98.1%</u>	<u>21,136,210</u>
TOTAL PUBLIC SAFETY	<u>55,619,134</u>	<u>54,802,508</u>	<u>26,276</u>	<u>790,350</u>	<u>98.6%</u>	<u>53,946,245</u>
PUBLIC WORKS						
<u>Public Works</u>						
ADMINISTRATION	868,519	813,489	-	55,030	93.7%	
ENGINEERING SVCS	4,357,704	4,217,243	-	140,461	96.8%	
PUBLIC RT OF WAY MGMT	1,176,628	1,102,434	-	74,194	93.7%	
ENVIRONMENTAL PROGRAMS	421,105	323,681	68,266	29,158	93.1%	
<i>Total</i>	<u>6,823,956</u>	<u>6,456,846</u>	<u>68,266</u>	<u>298,844</u>	<u>95.6%</u>	<u>6,243,476</u>
TOTAL PUBLIC WORKS	<u>6,823,956</u>	<u>6,456,846</u>	<u>68,266</u>	<u>298,844</u>	<u>95.6%</u>	<u>6,243,476</u>
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
PRGM MGMT & BUS SVCS	370,912	373,825	-	(2,913)	100.8%	
FACILITIES	786,720	723,642	34,061	29,017	96.3%	
YOUTH ACTIVITIES	743,003	722,126	-	20,877	97.2%	
SR CITIZENS	717,260	749,009	7	(31,756)	104.4%	

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>** Remaining Balance</u>	<u>YTD Expended and Encumbered</u>	<u>Previous YTD</u>
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
AQUATICS	1,045,683	1,112,199	384	(66,900)	106.4%	
SPORTS	429,714	448,174	2,801	(21,261)	104.9%	
TENNIS	234,714	211,983	13,426	9,305	96.0%	
NEIGHBORHOOD & OUTREACH SERV	984,333	979,999	3,136	1,197	99.9%	
ADMINISTRATION	522,889	531,699	-	(8,810)	101.7%	
PROJECT MANAGEMENT TEAM	243,403	248,657	-	(5,254)	102.2%	
BUSINESS SERVICES	299,201	254,017	7,221	37,963	87.3%	
FACILITY & PROJECT MGT	992,450	986,560	-	5,890	99.4%	
GROUNDS MANAGEMENT	4,119,025	4,018,098	28,721	72,206	98.2%	
FORESTRY	1,160,228	1,126,635	30,413	3,180	99.7%	
BEACH MAINTENANCE	146,160	134,229	4,452	7,478	94.9%	
<i>Total</i>	<u>12,795,695</u>	<u>12,620,853</u>	<u>124,621</u>	<u>50,221</u>	99.6%	<u>12,516,225</u>
<u>Library</u>						
ADMINISTRATION	420,294	409,500	-	10,794	97.4%	
PUBLIC SERVICES	1,828,065	1,833,787	700	(6,422)	100.4%	
SUPPORT SERVICES	1,784,128	1,532,296	87,743	164,089	90.8%	
<i>Total</i>	<u>4,032,487</u>	<u>3,775,583</u>	<u>88,443</u>	<u>168,461</u>	95.8%	<u>3,803,141</u>
TOTAL COMMUNITY SERVICES	<u>16,828,182</u>	<u>16,396,436</u>	<u>213,064</u>	<u>218,682</u>	98.7%	<u>16,319,365</u>
COMMUNITY DEVELOPMENT						
<u>Community Development</u>						
ADMINISTRATION	456,182	415,082	3,500	37,600	91.8%	
ECON DEV	52,667	42,552	-	10,115	80.8%	
CITY ARTS ADVISORY PROGRAM	427,260	427,260	-	-	100.0%	
HUMAN SVCS	855,862	824,843	15,789	15,230	98.2%	
RDA	715,653	577,409	-	138,245	80.7%	
RDA HSG DEV	611,074	500,534	-	110,540	81.9%	
LR PLANNING/STUDIES	826,558	706,403	-	120,155	85.5%	
DEV & DESIGN REVIEW	1,075,206	981,964	10,000	83,242	92.3%	
ZONING	1,245,146	1,103,518	-	141,628	88.6%	
DESIGN REV & HIST PRESERVATN	975,603	906,160	1,706	67,737	93.1%	
BLDG PERMITS	1,048,775	995,377	4,848	48,550	95.4%	
RECORDS & ARCHIVES	529,868	459,066	4,899	65,903	87.6%	
PLAN CK & COUNTER SRV	1,271,905	1,090,300	-	181,605	85.7%	
<i>Total</i>	<u>10,091,759</u>	<u>9,030,477</u>	<u>40,742</u>	<u>1,020,540</u>	89.9%	<u>9,365,254</u>
TOTAL COMMUNITY DEVELOPMENT	<u>10,091,759</u>	<u>9,030,477</u>	<u>40,742</u>	<u>1,020,540</u>	89.9%	<u>9,365,254</u>
NON-DEPARTMENTAL						
<u>Non-Departmental</u>						
DUES, MEMBERSHIPS, & LICENSES	22,272	21,933	-	339	98.5%	

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
NON-DEPARTMENTAL						
<u>Non-Departmental</u>						
COMMUNITY PROMOTIONS	1,536,799	1,590,719	-	(53,920)	103.5%	
SPECIAL PROJECTS	381,073	327,322	-	53,751	85.9%	
TRANSFERS OUT	43,500	43,500	-	-	100.0%	
DEBT SERVICE TRANSFERS	349,983	338,594	-	11,389	96.7%	
CAPITAL OUTLAY TRANSFER	665,457	665,457	-	-	100.0%	
APPROP. RESERVE	365,979	-	-	365,979	0.0%	
<i>Total</i>	3,365,063	2,987,525	-	377,538	88.8%	2,776,631
TOTAL NON-DEPARTMENTAL	3,365,063	2,987,525	-	377,538	88.8%	2,776,631
TOTAL EXPENDITURES	103,716,314	100,193,572	488,503	3,034,238	97.1%	98,610,924

*** The legal level of budgetary control is at the department level for the General Fund. Therefore, as long as the department as a whole is within budget, budgetary compliance has been achieved. The City actively monitors the budget status of each department and takes measures to address potential over budget situations before they occur.*

For Enterprise and Internal Service Funds, the legal level of budgetary control is at the fund level. The City also monitors and addresses these fund types for potential over budget situations.

CITY OF SANTA BARBARA
Special Revenue Funds
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget
TRAFFIC SAFETY FUND					
Revenue	515,000	433,735	-	81,265	84.2%
Expenditures	515,000	433,735	-	81,265	84.2%
<i>Revenue Less Expenditures</i>	-	-	-	-	
CREEK RESTORATION/WATER QUALITY IMPRVMT					
Revenue	2,800,800	2,862,427	-	(61,627)	102.2%
Expenditures	3,545,725	2,848,161	122,271	575,293	83.8%
<i>Revenue Less Expenditures</i>	(744,925)	14,266	(122,271)	(636,921)	
SOLID WASTE PROGRAM					
Revenue	18,331,232	18,804,083	-	(472,851)	102.6%
Expenditures	19,129,869	19,951,650	180,321	(1,002,102)	105.2%
<i>Revenue Less Expenditures</i>	(798,637)	(1,147,567)	(180,321)	529,250	
COMM.DEVELOPMENT BLOCK GRANT					
Revenue	2,730,423	962,313	-	1,768,111	35.2%
Expenditures	2,730,423	1,769,372	70,976	890,075	67.4%
<i>Revenue Less Expenditures</i>	-	(807,060)	(70,976)	878,036	
COUNTY LIBRARY					
Revenue	1,944,769	1,553,613	-	391,156	79.9%
Expenditures	2,058,536	1,866,276	67,137	125,123	93.9%
<i>Revenue Less Expenditures</i>	(113,767)	(312,663)	(67,137)	266,033	
STREETS FUND					
Revenue	10,616,535	10,861,115	-	(244,580)	102.3%
Expenditures	14,664,829	10,965,831	779,084	2,919,915	80.1%
<i>Revenue Less Expenditures</i>	(4,048,294)	(104,715)	(779,084)	(3,164,495)	
MEASURE A					
Revenue	2,774,034	3,119,504	-	(345,470)	112.5%
Expenditures	3,335,145	2,782,792	241,929	310,425	90.7%
<i>Revenue Less Expenditures</i>	(561,111)	336,712	(241,929)	(655,895)	

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)

WATER OPERATING FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
	-	(109,476)	-	109,476	100.0%	-
Water Sales - Metered	30,700,000	29,811,625	-	888,375	97.1%	27,336,863
Service Charges	450,192	938,042	-	(487,850)	208.4%	853,861
Cater JPA Treatment Charges	2,619,000	1,997,228	-	621,772	76.3%	2,573,902
Investment Income	791,800	693,617	-	98,183	87.6%	938,987
Miscellaneous	604,691	1,093,867	-	(489,176)	180.9%	758,073
Operating Transfers-In	3,002,133	3,002,133	-	-	100.0%	-
TOTAL REVENUES	<u>38,167,816</u>	<u>37,427,035</u>	<u>-</u>	<u>740,781</u>	<u>98.1%</u>	<u>32,461,686</u>
EXPENSES						
Salaries & Benefits	7,649,148	7,090,057	-	559,091	92.7%	7,166,159
Materials, Supplies & Services	9,975,765	7,090,980	451,625	2,433,159	75.6%	7,514,649
Special Projects	1,438,061	442,686	544,006	451,369	68.6%	223,376
Water Purchases	7,723,468	6,836,018	208,885	678,565	91.2%	6,404,263
Debt Service	4,831,189	4,453,923	-	377,266	92.2%	4,490,405
Capital Outlay Transfers	11,284,416	11,284,416	-	-	100.0%	3,349,702
Equipment	215,777	133,097	22,782	59,898	72.2%	93,057
Capitalized Fixed Assets	124,200	104,598	7,389	12,212	90.2%	136,961
Other	55,000	27,215	-	27,785	49.5%	26,843
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	<u>43,447,024</u>	<u>37,462,992</u>	<u>1,234,687</u>	<u>4,749,345</u>	<u>89.1%</u>	<u>29,405,417</u>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)

WASTEWATER OPERATING FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Service Charges	14,926,192	14,759,862	-	166,330	98.9%	13,836,055
Fees	493,222	736,825	-	(243,603)	149.4%	762,323
Investment Income	267,300	218,633	-	48,667	81.8%	283,881
Public Works	10,000	38,091	-	(28,091)	380.9%	43,190
Miscellaneous	25,000	34,020	-	(9,020)	136.1%	81,631
Operating Transfers-In	674,096	674,096	-	-	100.0%	-
TOTAL REVENUES	<u>16,395,810</u>	<u>16,461,528</u>	<u>-</u>	<u>(65,718)</u>	<u>100.4%</u>	<u>15,007,080</u>
EXPENSES						
Salaries & Benefits	5,148,257	4,889,554	-	258,703	95.0%	4,834,571
Materials, Supplies & Services	6,195,715	5,792,216	316,400	87,099	98.6%	5,497,419
Special Projects	100,000	2,104	-	97,896	2.1%	152,496
Debt Service	1,352,213	1,280,243	-	71,970	94.7%	1,280,595
Capital Outlay Transfers	4,592,559	4,592,559	-	-	100.0%	6,295,500
Equipment	98,044	33,074	44	64,926	33.8%	33,163
Capitalized Fixed Assets	26,000	21,136	-	4,864	81.3%	69,809
Other	5,000	2,600	-	2,400	52.0%	2,615
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	<u>17,667,788</u>	<u>16,613,485</u>	<u>316,444</u>	<u>737,859</u>	<u>95.8%</u>	<u>18,166,168</u>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)
DOWNTOWN PARKING

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Improvement Tax	840,000	899,741	-	(59,741)	107.1%	825,339
Parking Fees	5,662,166	6,235,991	-	(573,825)	110.1%	5,706,084
Investment Income	137,600	117,662	-	19,938	85.5%	146,630
Rents & Concessions	40,925	40,925	-	-	100.0%	23,740
Public Works	-	1,890	-	(1,890)	100.0%	1,890
Reimbursements	-	-	-	-	100.0%	4,598
Miscellaneous	1,500	(1,060)	-	2,560	-70.7%	12,384
Operating Transfers-In	353,858	353,858	-	-	100.0%	43,500
TOTAL REVENUES	<u>7,036,049</u>	<u>7,649,008</u>	<u>-</u>	<u>(612,959)</u>	<u>108.7%</u>	<u>6,764,166</u>
EXPENSES						
Salaries & Benefits	3,799,707	3,689,527	-	110,180	97.1%	3,607,036
Materials, Supplies & Services	1,842,052	1,688,229	11,977	141,846	92.3%	1,515,440
Special Projects	574,522	459,460	32,328	82,734	85.6%	412,830
Transfers-Out	297,121	297,121	-	-	100.0%	312,621
Capital Outlay Transfers	1,043,270	1,043,270	-	-	100.0%	660,000
Equipment	25,760	3,437	-	22,323	13.3%	16,372
TOTAL EXPENSES	<u>7,582,431</u>	<u>7,181,044</u>	<u>44,304</u>	<u>357,083</u>	<u>95.3%</u>	<u>6,524,300</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)
AIRPORT OPERATING FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Leases - Commercial / Industrial	4,171,000	4,337,312	-	(166,312)	104.0%	4,276,814
Leases - Terminal	5,183,033	4,834,879	-	348,154	93.3%	5,076,520
Leases - Non-Commerical Aviation	1,361,600	1,502,912	-	(141,312)	110.4%	1,492,769
Leases - Commerical Aviation	3,465,000	3,100,213	-	364,787	89.5%	2,313,229
Investment Income	214,300	170,656	-	43,644	79.6%	229,203
Miscellaneous	185,052	274,471	-	(89,419)	148.3%	222,848
Operating Transfers-In	450,503	300,166	-	150,337	66.6%	-
TOTAL REVENUES	<u>15,030,488</u>	<u>14,520,610</u>	<u>-</u>	<u>509,878</u>	<u>96.6%</u>	<u>13,611,385</u>
EXPENSES						
Salaries & Benefits	5,001,631	4,815,269	-	186,362	96.3%	4,675,317
Materials, Supplies & Services	6,666,361	6,300,301	175,245	190,815	97.1%	6,268,958
Special Projects	941,298	792,854	-	148,443	84.2%	845,665
Transfers-Out	44,212	44,212	-	-	100.0%	31,049
Debt Service	1,113,099	1,113,099	-	-	100.0%	-
Capital Outlay Transfers	3,853,399	3,853,399	-	-	100.0%	2,047,368
Equipment	129,276	61,227	-	68,049	47.4%	30,457
Appropriated Reserve	161,413	-	-	161,413	0.0%	-
TOTAL EXPENSES	<u>17,910,688</u>	<u>16,980,362</u>	<u>175,245</u>	<u>755,082</u>	<u>95.8%</u>	<u>13,898,814</u>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)

GOLF COURSE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Fees & Card Sales	1,640,801	1,521,724	-	119,077	92.7%	1,525,308
Investment Income	9,900	10,326	-	(426)	104.3%	12,395
Rents & Concessions	302,322	297,892	-	4,430	98.5%	309,528
Miscellaneous	3,500	215	-	3,285	6.1%	56,667
Operating Transfers-In	103,623	103,623	-	-	100.0%	-
TOTAL REVENUES	<u>2,060,146</u>	<u>1,933,780</u>	<u>-</u>	<u>126,366</u>	<u>93.9%</u>	<u>1,903,897</u>
EXPENSES						
Salaries & Benefits	1,111,449	1,064,161	-	47,288	95.7%	1,098,698
Materials, Supplies & Services	547,478	517,352	-	30,126	94.5%	540,472
Special Projects	10,724	-	-	10,724	0.0%	7,540
Debt Service	230,294	230,294	-	-	100.0%	213,408
Capital Outlay Transfers	92,036	92,036	-	-	100.0%	70,000
Equipment	27,500	1,013	24,000	2,487	91.0%	3,897
Other	1,014	847	-	167	83.5%	847
Appropriated Reserve	45,375	-	-	45,375	0.0%	-
TOTAL EXPENSES	<u>2,065,870</u>	<u>1,905,703</u>	<u>24,000</u>	<u>136,167</u>	<u>93.4%</u>	<u>1,934,861</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)

INTRA-CITY SERVICE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Service charges	99,584	99,584	-	-	100.0%	-
Work Orders - Bldg Maint.	3,035,446	3,130,398	-	(94,952)	103.1%	3,327,359
Grants	810,764	542,409	-	268,355	66.9%	125,499
Service Charges	2,033,543	2,033,544	-	(1)	100.0%	1,732,565
Reimbursements	-	792	-	(792)	100.0%	-
Miscellaneous	360,000	12,524	-	347,476	3.5%	24,641
Operating Transfers-In	383,226	383,226	-	-	100.0%	-
TOTAL REVENUES	<u>6,722,563</u>	<u>6,202,478</u>	<u>-</u>	<u>520,085</u>	<u>92.3%</u>	<u>5,210,064</u>
EXPENSES						
Salaries & Benefits	3,107,626	2,949,539	-	158,087	94.9%	2,777,074
Materials, Supplies & Services	1,105,502	1,111,140	4,999	(10,637)	101.0%	1,000,546
Special Projects	1,956,847	1,440,601	37,263	478,983	75.5%	1,086,750
Equipment	15,000	2,661	-	12,339	17.7%	19,026
Capitalized Fixed Assets	774,595	488,555	202,067	83,972	89.2%	203,458
TOTAL EXPENSES	<u>6,959,569</u>	<u>5,992,498</u>	<u>244,329</u>	<u>722,742</u>	<u>89.6%</u>	<u>5,086,854</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)

FLEET REPLACEMENT FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Vehicle Rental Charges	1,805,982	1,801,194	-	4,788	99.7%	1,791,427
Investment Income	149,700	138,017	-	11,683	92.2%	157,916
Rents & Concessions	224,401	224,401	-	-	100.0%	232,341
Miscellaneous	50,000	78,470	-	(28,470)	156.9%	46,586
TOTAL REVENUES	<u>2,230,083</u>	<u>2,242,082</u>	<u>-</u>	<u>(11,999)</u>	<u>100.5%</u>	<u>2,228,270</u>
EXPENSES						
Salaries & Benefits	158,537	158,459	-	78	100.0%	151,188
Materials, Supplies & Services	2,452	1,777	-	675	72.5%	1,668
Special Projects	300,000	-	-	300,000	0.0%	-
Capitalized Fixed Assets	1,041,657	429,214	497,361	115,083	89.0%	1,805,549
TOTAL EXPENSES	<u>1,502,646</u>	<u>589,450</u>	<u>497,361</u>	<u>415,836</u>	<u>72.3%</u>	<u>1,958,405</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)

FLEET MAINTENANCE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Vehicle Maintenance Charges	2,371,918	2,371,917	-	1	100.0%	2,369,418
Miscellaneous	60,000	46,257	-	13,743	77.1%	60,629
Operating Transfers-In	98,805	98,805	-	-	100.0%	-
TOTAL REVENUES	<u>2,530,723</u>	<u>2,516,979</u>	<u>-</u>	<u>13,744</u>	<u>99.5%</u>	<u>2,430,046</u>
EXPENSES						
Salaries & Benefits	1,147,349	1,129,064	-	18,285	98.4%	1,133,329
Materials, Supplies & Services	1,269,663	1,040,744	26,474	202,445	84.1%	1,161,918
Special Projects	60,000	42,899	14,110	2,991	95.0%	44,604
Equipment	5,000	810	-	4,190	16.2%	1,653
TOTAL EXPENSES	<u>2,482,012</u>	<u>2,213,517</u>	<u>40,584</u>	<u>227,911</u>	<u>90.8%</u>	<u>2,341,504</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)

SELF INSURANCE TRUST FUND

	** Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Insurance Premiums	2,547,084	2,547,084	-	-	100.0%	2,584,609
Workers' Compensation Premiums	2,500,000	2,500,000	-	-	100.0%	2,643,581
OSH Charges	182,894	-	-	182,894	0.0%	-
Investment Income	161,700	112,299	-	49,401	69.4%	178,188
Reimbursements	-	967	-	(967)	100.0%	316
Miscellaneous	-	26,226	-	(26,226)	100.0%	47,986
TOTAL REVENUES	5,391,678	5,186,576	-	205,102	96.2%	5,454,679
EXPENSES						
Salaries & Benefits	500,761	437,692	-	63,069	87.4%	400,590
Materials, Supplies & Services	4,860,238	4,836,595	123,101	(99,458)	102.0%	4,755,127
Special Projects	-	-	-	-	100.0%	100
Transfers-Out	3,694,328	3,693,950	-	378	100.0%	717,988
Equipment	-	-	-	-	100.0%	1,300
TOTAL EXPENSES	9,055,327	8,968,236	123,101	(36,010)	100.4%	5,875,105

*** The Self Insurance Trust Fund is an internal service fund of the City, which accounts for the cost of providing workers' compensation, property and liability insurance as well as unemployment insurance and certain self-insured employee benefits on a city-wide basis. Internal Service Funds charge other funds for the cost of providing their specific services.*

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)

INFORMATION SYSTEMS ICS FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Service charges	2,286,395	2,286,393	-	2	100.0%	2,291,583
Miscellaneous	-	1,209	-	(1,209)	100.0%	-
Operating Transfers-In	19,740	19,740	-	-	100.0%	37,200
TOTAL REVENUES	<u>2,306,135</u>	<u>2,307,342</u>	<u>-</u>	<u>(1,207)</u>	<u>100.1%</u>	<u>2,328,783</u>
EXPENSES						
Salaries & Benefits	1,502,407	1,477,903	-	24,504	98.4%	1,483,836
Materials, Supplies & Services	553,174	537,969	27,126	(11,921)	102.2%	481,936
Special Projects	3,700	5,860	-	(2,160)	158.4%	7,488
Equipment	276,637	127,756	20,474	128,407	53.6%	216,059
Appropriated Reserve	11,432	-	-	11,432	0.0%	-
TOTAL EXPENSES	<u>2,347,350</u>	<u>2,149,488</u>	<u>47,600</u>	<u>150,262</u>	<u>93.6%</u>	<u>2,189,319</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2012 (100% of Fiscal Year)

WATERFRONT FUND

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Leases - Commercial	1,332,869	1,439,633	-	(106,764)	108.0%	1,343,351
Leases - Food Service	2,352,254	2,486,793	-	(134,539)	105.7%	2,357,471
Slip Rental Fees	3,998,521	3,973,521	-	25,000	99.4%	3,858,104
Visitors Fees	463,000	400,350	-	62,650	86.5%	416,262
Slip Transfer Fees	425,000	614,000	-	(189,000)	144.5%	428,875
Parking Revenue	1,911,450	2,012,300	-	(100,850)	105.3%	1,767,424
Wharf Parking	244,000	255,775	-	(11,775)	104.8%	223,524
Other Fees & Charges	380,911	328,125	-	52,786	86.1%	381,799
Investment Income	185,859	160,588	-	25,271	86.4%	188,324
Rents & Concessions	301,173	314,249	-	(13,076)	104.3%	331,356
Grants	-	-	-	-	100.0%	4,256
Miscellaneous	155,000	244,264	-	(89,264)	157.6%	161,817
Operating Transfers-In	453,481	453,481	-	-	100.0%	-
TOTAL REVENUES	12,203,518	12,683,080	-	(479,562)	103.9%	11,462,561
EXPENSES						
Salaries & Benefits	5,461,051	5,370,795	-	90,256	98.3%	5,424,270
Materials, Supplies & Services	3,455,120	3,338,209	182,554	(65,642)	101.9%	3,226,210
Special Projects	137,020	117,681	-	19,339	85.9%	121,343
Debt Service	1,776,789	1,520,474	-	256,315	85.6%	1,522,956
Capital Outlay Transfers	934,483	934,483	-	-	100.0%	969,361
Equipment	117,500	72,361	17,220	27,920	76.2%	74,046
Capitalized Fixed Assets	50,000	42,345	-	7,655	84.7%	-
Other	-	2,540	-	(2,540)	100.0%	2,540
Appropriated Reserve	50,000	-	-	50,000	0.0%	-
TOTAL EXPENSES	11,981,963	11,398,888	199,773	383,302	96.8%	11,340,726

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

*Fiscal Year 2012 Interim Financial Statements
For the Twelve Months Ended June 30, 2012 (100% of Year Elapsed)*

General Fund Revenues

The table below summarizes General Fund revenues for the twelve months ended June 30, 2012. For interim financial statement purposes, revenues are reported on the cash basis (i.e. when the funds are received). The table below does not include year-end adjusting entries to close the books, which will occur during the next several weeks, in preparation for the annual audit and compilation of the annual financial statements. In September, after all year-end adjustments have been made, staff will present final year-end results. Major revenues and significant variances through June 30 are discussed below.

Summary of Revenues For the Twelve Months Ended June 30, 2012 GENERAL FUND								
	Current Year Analysis					Prior Year Analysis		
	Annual Budget	YTD Budget	YTD Actual	YTD Variance	YTD Percent Rec'd	3-Year Average Bench- mark	Prior Year YTD Actual	Variance Prior Yr To Current Yr
Sales & Use Tax	\$ 17,949,013	\$ 17,949,013	\$ 18,778,491	\$ 829,478	104.62%	100.00%	\$ 17,813,513	5.4%
Property Tax	23,063,000	23,063,000	23,712,312	649,312	102.82%	100.00%	22,781,853	4.1%
UUT	7,144,500	7,144,500	7,059,850	(84,650)	98.82%	100.00%	6,907,720	2.2%
TOT	13,018,252	13,018,252	13,515,942	497,690	103.82%	100.00%	12,327,319	9.6%
Bus License	2,229,800	2,229,800	2,243,105	13,305	100.60%	100.00%	2,210,702	1.5%
Prop Trans Tax	410,000	410,000	418,507	8,507	102.07%	100.00%	373,818	12.0%
Total Taxes	63,814,565	63,814,565	65,728,208	1,913,644	103.00%	100.00%	62,414,925	5.3%
License & Permits	182,900	182,900	215,969	33,069	118.08%	100.00%	206,376	4.6%
Fines & Forfeitures	2,927,016	2,927,016	2,712,400	(214,616)	92.67%	100.00%	2,856,888	-5.1%
Franchise Fee	3,593,200	3,593,200	3,372,562	(220,638)	93.86%	100.00%	3,439,892	-2.0%
Use of Money & Property	1,138,779	1,138,779	1,240,014	101,235	108.89%	100.00%	1,267,275	-2.2%
Intergovernmental	502,650	502,650	254,501	(248,149)	50.63%	100.00%	783,958	-67.5%
Fees & Charges	20,449,652	20,449,652	20,120,083	(329,570)	98.39%	100.00%	19,867,564	1.3%
Miscellaneous	9,360,886	9,360,886	9,494,278	133,392	101.42%	100.00%	9,227,215	2.9%
Total Other	38,155,083	38,155,083	37,409,808	(745,275)	98.05%		37,649,167	-0.6%
Total Before Budgeted Variances	101,969,648	101,969,648	103,138,016	1,168,369			100,064,092	
Anticipated Year-End Variance	1,200,000	1,200,000	-	(1,200,000)	0.00%	100.00%	-	0.0%
Total Revenues	\$ 103,169,648	\$ 103,169,648	\$ 103,138,016	\$ (31,632)	99.97%	100.00%	\$ 100,064,092	

*Fiscal Year 2012 Interim Financial Statements
For the Twelve Months Ended June 30, 2012 (100% of Year Elapsed)*

Sales and Use Taxes

Sales tax revenue received through June 30, 2012 includes revenues March 31, 2012. Revenues for the quarter ending June 30, 2012 will be received between July and September and counted as Fiscal Year 2012 revenues as part of the final year-end adjustments. However, revenues through March 31, 2012 grew 10.8% above revenues received through March 31 of the prior year. Staff is still waiting to receive fourth quarter results to determine year-end accruals and final results. However, based on available information, sales tax is projected to be \$19.0 million, an 8.2% increase over last year.

Property Tax

Property tax revenue was above the adopted budget by \$649,000. The City received its first re-distribution of property tax revenue from the dissolution of the Redevelopment Agency in the amount of \$874,000, which was not budgeted. If not for the re-distribution payment, actual property tax revenues would be \$225,000 below the adopted budget due to a continued struggling housing market. The secured and unsecured portion of property taxes, the largest piece of the total received, grew just 0.2%, below the assumed 1% annual growth.

Transient Occupancy Tax

TOT revenue was about \$498,000 above the amended budget. However, once year-end accruals are recorded, revenues are expected to end the year at \$637,000 above the amended budget and 9.6% over the prior year. This marks the highest collections in thirteen years.

Franchise Fees

Franchise fees are \$220,000 below the approved budget. However, this shortfall is primarily due to the timing and method of how the City receives these revenues. In previous years, the City received cable franchise fee receipts on a monthly basis. However, subsequent to the State taking over the franchise agreement, these receipts are now being remitted on a quarterly basis. Once the fourth quarter revenues are recognized, franchise fees are projected to be 3.4% higher than the prior year.

Intergovernmental

Intergovernmental revenue is reporting an unfavorable variance of \$248,000 mostly due to mutual aid reimbursements being lower than projected. These revenues are generated when the Fire Department provides mutual aid assistance to other jurisdictions and fire agencies throughout the state. The City is reimbursed for actual costs plus an overhead factor. This revenue is expected to have a shortfall of about \$200,000 that will be partially offset by lower mutual aid overtime costs.

Fees & Service Charges

Overall, fees and service charges were about \$330,000 below the amended budget. The table on the next page provides more details on fees and service charges by Department. The more significant variances are also discussed.

***Fiscal Year 2012 Interim Financial Statements
For the Twelve Months Ended June 30, 2012 (100% of Year Elapsed)***

Fees and Service Charges General Fund For the Twelve Months Ended June 30, 2012								
Department	Annual Budget	YTD Budget	YTD Actual	Budget Variance	Percent Received YTD	Prior Year YTD	Prior Year Variance	Percent Variance
Finance	\$ 860,000	\$ 860,000	\$ 845,240	\$ (14,760)	98.3%	\$ 848,694	\$ (3,454)	-0.4%
Community Development	4,525,570	4,525,570	4,159,694	(365,876)	91.9%	4,847,819	(688,125)	-14.2%
Parks & Recreation	2,354,257	2,354,257	2,593,990	239,733	110.2%	2,261,759	332,231	14.7%
Public Safety	499,673	499,673	607,178	107,505	121.5%	544,385	62,793	11.5%
Public Works	5,286,083	5,286,083	5,381,194	95,111	101.8%	4,891,886	489,308	10.0%
Library	675,575	675,575	675,593	18	100.0%	776,256	(100,663)	-13.0%
Inter-Fund Charges	6,248,494	6,248,494	5,857,194	(391,300)	93.7%	5,696,765	160,429	2.8%
Total	\$ 20,449,652	\$ 20,449,652	\$ 20,120,083	\$ (329,570)	98.4%	\$ 19,867,564	\$ 252,519	1.3%

Community Development revenues are \$366,000 below the approved budget due to expected shortfalls in both Planning and Building Permit revenues. The department has seen fewer projects than anticipated this year, due to a slow recovery of local development activity after the recession.

Parks & Recreation revenues are \$240,000 above the amended budget. The revenue increase is primarily due to higher recreation program registrations, specifically in Aquatics and Adult Classes.

Inter-Fund Charges are \$391,300 below the approved budget mostly due to the dissolution of the RDA. AB 26 limited administrative costs of a Successor Agency for staff, supplies and materials, and services. Therefore, these projected reimbursement revenues did not fully materialize.

Anticipated Year-End Variances and Budgeted Savings from Concessions

It is important to note that the table on page 1 includes \$1,200,000 in budgeted revenue variances through June 30, 2012 associated with anticipated year-end savings. The Anticipated Year-End Variance is roughly equal to 1.2% of budgeted operating expenditures in the General Fund and represents what staff projected in favorable expenditure variances (i.e. expenditures *under* budget) for the year. As is the case each year, the Anticipated Year-End Variance budgeted will not reflect any actual revenues, but rather will be realized through expected favorable variances in expenditures by year-end.

General Fund Expenditures

The table on the next page summarizes the General Fund budgeted and year-to-date expenditures through June 30, 2012. The "Adjusted Annual Budget" column represents the adopted budget, appropriation carryovers from the prior year, and any supplemental appropriations approved by Council in the current year.

***Fiscal Year 2012 Interim Financial Statements
For the Twelve Months Ended June 30, 2012 (100% of Year Elapsed)***

The table includes actual expenditures without encumbrances, and a separate column for the variance after considering encumbrances. Inclusion of encumbrances can significantly distort the analysis of budgeted and actual expenditures. Outstanding encumbrances include appropriations that were carried forward from the prior year and contracts. The following discussion and analysis does not include the impact of encumbrances.

The amended budget of \$103.7 million compared to actual expenditures of \$100.2 million, resulted in a favorable variance of \$3.5 million. Although all departments are reporting expenditures under the amended budget, staff is still processing payments and will be adjusting for accrued payroll costs applicable to Fiscal Year 2012, which will narrow the gap considerably. Nonetheless, after all year-end adjustments are posted, staff anticipates a favorable expenditure variance based on current information. The most significant variances are explained below.

Fire Department expenditures are below the amended budget by approximately \$407,000. The variance is due to salary and benefit cost savings from vacant positions as a result of employee retirements during the year and lower mutual aid overtime costs.

Community Development expenditures are approximately \$1.0 million below the amended budget; however, there will be additional expenditures charged to the department as a result of the dissolution of the RDA. Part of the favorable variance will still materialize due to position vacancies during the year.

SUMMARY OF EXPENDITURES GENERAL FUND For the Twelve Months Ended June 30, 2012							
Department	Adjusted Annual Budget	YTD Budget	YTD Actual	YTD Variance Without Encumbrance	Encum- brance	YTD Variance With Encumb Favorable (Unfavorable)	
						\$	%
Mayor & Council	\$ 725,196	\$ 725,196	\$ 701,933	\$ 23,263	\$ -	\$ 23,263	3.2%
City Attorney	1,950,640	1,950,640	1,905,767	44,873	8,325	36,548	1.9%
City Administrator	1,971,959	1,971,959	1,896,872	75,087	984	74,103	3.8%
Administrative Svs.	1,947,674	1,947,674	1,751,394	196,280	81,073	115,207	5.9%
Finance	4,392,750	4,392,750	4,263,813	128,937	49,773	79,164	1.8%
Police	34,532,143	34,532,143	34,122,327	409,816	18,923	390,893	1.1%
Fire	21,086,991	21,086,991	20,680,182	406,809	7,352	399,457	1.9%
Public Works	6,823,956	6,823,956	6,456,846	367,110	68,266	298,844	4.4%
Parks & Recreation	12,795,695	12,795,695	12,620,853	174,842	124,621	50,221	0.4%
Library	4,032,487	4,032,487	3,775,583	256,904	88,443	168,461	4.2%
Community Development	10,091,759	10,091,759	9,030,477	1,061,282	40,742	1,020,540	10.1%
Community Promotion	3,365,063	3,365,063	2,987,525	377,538	-	377,538	11.2%
Total	<u>\$ 103,716,314</u>	<u>\$ 103,716,314</u>	<u>\$ 100,193,572</u>	<u>\$ 3,522,741</u>	<u>\$ 488,503</u>	<u>\$ 3,034,239</u>	2.9%
% of annual budget		100.0%	96.6%	3.4%	0.5%	2.9%	

*Fiscal Year 2012 Interim Financial Statements
For the Twelve Months Ended June 30, 2012 (100% of Year Elapsed)*

Enterprise Fund Revenues and Expenses

Unlike the General Fund, which relies primarily on taxes to subsidize programs and services, Enterprise Fund operations are financed primarily from user fees and other non-tax revenues. The table below summarizes Enterprise Fund revenues and expenses through June 30, 2012. The expenses shown in the table do not include outstanding encumbrances at June 30; inclusion of encumbrances can significantly distort the analysis of budgeted and actual expenses. Outstanding encumbrances include appropriations that were carried forward from prior year as part of the appropriation carryovers and contracts.

SUMMARY OF REVENUES & EXPENSES								
Twelve Months Ended June 30, 2012								
ENTERPRISE FUNDS								
	Current Year Analysis						Prior Year Analysis	
	Annual Budget	YTD Budget	YTD Actual	YTD Variance	YTD Percent	3 Year Average	YTD Actual	% Variance
Water Fund								
Revenues	\$ 38,167,816	\$ 38,167,816	\$ 37,427,035	\$ (740,781)	98.1%	100.0%	\$ 32,461,686	15.3%
Expenses	43,447,024	43,447,024	37,462,992	5,984,032	86.2%	100.0%	29,405,417	27.4%
Wastewater Fund								
Revenues	16,395,810	16,395,810	16,461,528	65,718	100.4%	100.0%	15,007,080	9.7%
Expenses	17,667,788	17,667,788	16,613,485	1,054,303	94.0%	100.0%	18,166,168	-8.5%
Downtown Parking Fund								
Revenues	7,036,049	7,036,049	7,649,008	612,959	108.7%	100.0%	6,764,166	13.1%
Expenses	7,582,431	7,582,431	7,181,044	401,387	94.7%	100.0%	6,524,300	10.1%
Airport Fund								
Revenues	15,030,488	15,030,488	14,520,610	(509,878)	96.6%	100.0%	13,611,385	6.7%
Expenses	17,910,688	17,910,688	16,980,362	930,326	94.8%	100.0%	13,898,814	22.2%
Golf Fund								
Revenues	2,060,146	2,060,146	1,933,780	(126,366)	93.9%	100.0%	1,903,897	1.6%
Expenses	2,065,870	2,065,870	1,905,703	160,167	92.2%	100.0%	1,934,861	-1.5%
Waterfront Fund								
Revenues	12,203,518	12,203,518	12,683,080	479,562	103.9%	100.0%	11,462,561	10.6%
Expenses	11,981,963	11,981,963	11,398,888	583,075	95.1%	100.0%	11,340,726	0.5%

*Fiscal Year 2012 Interim Financial Statements
For the Twelve Months Ended June 30, 2012 (100% of Year Elapsed)*

The following discussion highlights some of the more significant revenue and expense variances of the enterprise funds, in relation to budget or prior year.

Water Fund

Water Fund revenues are approximately \$0.7 million below the approved budget. The shortfall is attributable to a reduction in water sales, these revenues are \$0.9 million under budget due to lower water consumption. Increases were reported in water service and meter fee revenues due to permit fees from the El Encanto Hotel project, which partially offset the decrease in water sales.

Expenses for the Water Fund are under the amended budget by \$6.0 million. The variance is mostly due to lower water production and distribution costs that have also caused savings in water treatment chemicals and supplies, as well as energy costs. The department also realized savings in personnel costs due to position vacancies during the year. Lastly, the Water Fund incurred lower interest payments to the State for the new loan that is funding the Cater Ozone and Ortega Groundwater projects. Overall, cost savings more than offset the reported revenue shortfall.

Wastewater Fund

Wastewater Fund revenues are in line with the budget. Wastewater Fund expenses are about \$1.1 million below the amended budget. The variance is due to lower expenses in materials, supplies and services, which are expended throughout the year as needed.

Downtown Parking

Downtown Parking Fund revenues are \$0.6 over the approved budget. The monthly parking program, particularly in the Granada Garage which has the highest permit holders and highest rates, is popular among larger employers in the area and has contributed to higher revenues. Another significant increase is in hourly parking revenues. Due to an improving economy, there are more businesses downtown, which has led to parkers spending more time in the area thereby generating more parking revenues. Expenses are reporting a favorable variance of \$0.4 million.

Airport Fund

Airport Fund revenues are about \$0.5 million below the amended budget. Continued bankruptcies and mergers in the airline industry have lead to reduced number of airlines, planes and seats causing a decrease in passenger traffic. As a result of the decrease in passenger traffic, parking revenues did not meet projections. Additionally, ongoing construction in the short-term parking lot also negatively impacted parking revenues.

Expenses are \$0.9 million below the amended budget. Most of the variance is due to personnel cost savings as a result of position vacancies in Patrol, Marketing, and Maintenance. There were also cost savings in facilities maintenance, as equipment at the new terminal was under warranty and any necessary repairs did not incur additional costs. The decrease in expenses offset the reported revenue shortfall.

*Fiscal Year 2012 Interim Financial Statements
For the Twelve Months Ended June 30, 2012 (100% of Year Elapsed)*

Golf Fund

Revenues improved from the prior year due to good golf course conditions and favorable weather, in addition to the Golf Course continuing to aggressively market its services and providing promotions to encourage play. However by year-end the Golf Course still did not meet projections, as green fee revenues ended the year about 7% below budget.

Golf Fund expenses were slightly below the approved budget, mostly due to salary and benefit savings from an employee retirement and underfilling a position. The department also deferred facility maintenance, including repainting the clubhouse; the budget savings offset the revenue shortfall.

Waterfront Fund

Revenues are above the approved budget by \$0.5 million. The increase is due to parking revenue at the Harbor West lot being higher than the prior year, as a result of the installation of self-pay parking stations that accept credit cards. Marina management revenue is also higher due to an increase in slip transfers. Lastly, there was a significant increase in cruise ship visits during the spring and fall than in previous years, which realized \$93,000 more in cruise ship revenues. As for expenses, they are reporting a favorable variance mostly due to lower debt service costs than projected.

City of Santa Barbara
Interim Financial Statements for the Twelve Months Ended June 30, 2012
Proposed Budget Adjustments

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Fund Balance</u>
GENERAL FUND			
City Administrator			
Benefits- Retirement	\$ 68,630	\$ -	\$ (68,630)
Police Department			
Benefits- Retirement	115,900	-	(115,900)
Community Development			
Administrative Costs (RDA Dissolution)	153,831	-	(153,831)
Non-Departmental			
Appropriated Reserves	(184,530)	-	184,530
Property Tax Revenues	-	485,307	485,307
Transfer to General Capital Outlay fund for Capital Improvement Projects- Engineering Costs	177,531	-	(177,531)
Transfer to General Capital Outlay fund for Capital Improvement Projects- Plaza del Mar Restroom Renovation and Pershing Park Restroom Renovation	153,945	-	(153,945)
Total General Fund	<u>\$ 485,307</u>	<u>\$ 485,307</u>	<u>\$ 0</u>
CAPITAL PROJECT FUNDS			
Capital Outlay Fund			
Transfers in from Non-Departmental (RDA Dissolution)	\$ -	\$ 331,476	\$ 331,476
Engineering Costs:			
Helena Parking Lot Development	9,064	-	(9,064)
West Beach Pedestrian Imp	40,343	-	(40,343)
Fire Dept Administration Annex	43,501	-	(43,501)
Chase Palm Park Lighting/Electrical Upgrade	5,124	-	(5,124)
DP Structure Construction Imp	28,790	-	(28,790)
Lower West Downtown Street Lighting	44,714	-	(44,714)
Cabrillo Pavilion Arts Ctr Assessment Study	5,995	-	(5,995)
Project Costs:			
Plaza Del Mar Restroom Renovation	68,170	-	(68,170)
Pershing Park Restroom Renovation	85,775	-	(85,775)
Total Capital Outlay Fund	<u>\$ 331,476</u>	<u>\$ 331,476</u>	<u>\$ -</u>
RDA Bond Fund			
Helena Parking Lot Development	\$ (39,658)	\$ -	\$ 39,658
Plaza De La Guerra	(2,420)	-	2,420
Fire Dept Administration Annex	(426,294)	-	426,294
Carrillo Rec Ctr Restoration	(11,537)	-	11,537
Total RDA Bond Fund	<u>\$ (479,909)</u>	<u>\$ -</u>	<u>\$ 479,909</u>
Successor Agency Capital Fund			
Helena Parking Lot Development	\$ 39,658.00	\$ -	\$ (39,658)
Plaza De La Guerra	2,420	-	(2,420)
Fire Dept Administration Annex	426,294	-	(426,294)
Carrillo Rec Ctr Restoration	11,537	-	(11,537)
Total Successor Agency Capital Fund	<u>\$ 479,909</u>	<u>\$ -</u>	<u>\$ (479,909)</u>