



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 23, 2016
TO: Mayor and Councilmembers
FROM: Accounting Division, Finance Department
SUBJECT: Fiscal Year 2016 Mid-Year Review

RECOMMENDATION: That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the six months ended December 31, 2015;
- B. Accept the Fiscal Year 2016 Interim Financial Statements for the Six Months Ended December 31, 2015; and
- C. Approve the proposed mid-year adjustments to Fiscal Year 2016 appropriations and estimated revenues as detailed in the attached schedule of Proposed Mid-Year Adjustments.

DISCUSSION:

Each month, staff presents the interim financial statements (Attachment 1) showing the status of revenues and expenditures in relation to budget for each of the City's Funds. Each quarter, the interim financial statements are expanded to include a detailed narrative analysis of the General Fund and Enterprise Funds. This narrative analysis is included in Attachment 2.

In addition to the mid-year budget analysis, staff brings forward recommended adjustments for City Council approval. These adjustments are the result of new information and/or unanticipated events that occurred since the adoption of the budget in June 2015. A listing and description of each proposed adjustment to the current year budget is provided in Attachment 3.

ATTACHMENTS:

1. Summary by Fund Statement of Revenues and Expenditures for the Six Months Ended December 31, 2015
2. Interim Financial Statements for the Six Months Ended December 31, 2015 (Narrative Analysis)
3. Schedule of Proposed Mid-Year Adjustments

PREPARED BY: Jennifer Tomaszewski, 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 Six Months Ended December 31, 2015 (50% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
GENERAL FUND					
Revenue	124,763,159	55,244,982	-	69,518,177	44.3%
Expenditures	<u>125,916,082</u>	<u>60,408,614</u>	<u>4,033,968</u>	61,473,500	51.2%
<i>Addition to / (use of) reserves</i>	<u>(1,152,923)</u>	<u>(5,163,632)</u>	<u>(4,033,968)</u>		
SOLID WASTE FUND					
Revenue	20,952,792	10,406,493	-	10,546,299	49.7%
Expenditures	<u>20,999,104</u>	<u>10,190,992</u>	<u>196,717</u>	10,611,395	49.5%
<i>Addition to / (use of) reserves</i>	<u>(46,312)</u>	<u>215,501</u>	<u>(196,717)</u>		
WATER OPERATING FUND					
Revenue	45,448,662	22,717,442	-	22,731,220	50.0%
Expenditures	<u>52,607,764</u>	<u>24,626,270</u>	<u>2,035,446</u>	25,946,049	50.7%
<i>Addition to / (use of) reserves</i>	<u>(7,159,102)</u>	<u>(1,908,828)</u>	<u>(2,035,446)</u>		
WASTEWATER OPERATING FUND					
Revenue	18,580,927	9,427,849	-	9,153,078	50.7%
Expenditures	<u>21,183,782</u>	<u>9,511,522</u>	<u>1,609,982</u>	10,062,278	52.5%
<i>Addition to / (use of) reserves</i>	<u>(2,602,855)</u>	<u>(83,673)</u>	<u>(1,609,982)</u>		
DOWNTOWN PARKING					
Revenue	8,383,944	4,301,591	-	4,082,353	51.3%
Expenditures	<u>8,894,872</u>	<u>4,264,615</u>	<u>400,096</u>	4,230,161	52.4%
<i>Addition to / (use of) reserves</i>	<u>(510,928)</u>	<u>36,975</u>	<u>(400,096)</u>		
AIRPORT OPERATING FUND					
Revenue	16,338,411	8,074,305	-	8,264,106	49.4%
Expenditures	<u>17,726,517</u>	<u>7,951,035</u>	<u>1,343,189</u>	8,432,294	52.4%
<i>Addition to / (use of) reserves</i>	<u>(1,388,106)</u>	<u>123,270</u>	<u>(1,343,189)</u>		
GOLF COURSE FUND					
Revenue	2,266,957	1,078,704	-	1,188,253	47.6%
Expenditures	<u>2,329,493</u>	<u>1,163,706</u>	<u>11,989</u>	1,153,797	50.5%
<i>Addition to / (use of) reserves</i>	<u>(62,536)</u>	<u>(85,002)</u>	<u>(11,989)</u>		
INTRA-CITY SERVICE FUND					
Revenue	7,284,170	3,689,996	-	3,594,173	50.7%
Expenditures	<u>7,298,574</u>	<u>3,472,221</u>	<u>407,194</u>	3,419,159	53.2%
<i>Addition to / (use of) reserves</i>	<u>(14,404)</u>	<u>217,776</u>	<u>(407,194)</u>		

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Six Months Ended December 31, 2015 (50% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
FLEET REPLACEMENT FUND					
Revenue	3,245,667	1,705,114	-	1,540,553	52.5%
Expenditures	6,598,649	1,614,909	807,127	4,176,614	36.7%
<i>Addition to / (use of) reserves</i>	<u>(3,352,982)</u>	<u>90,205</u>	<u>(807,127)</u>		
FLEET MAINTENANCE FUND					
Revenue	2,722,761	1,373,575	-	1,349,186	50.4%
Expenditures	2,850,287	1,393,070	269,322	1,187,896	58.3%
<i>Addition to / (use of) reserves</i>	<u>(127,526)</u>	<u>(19,494)</u>	<u>(269,322)</u>		
SELF INSURANCE TRUST FUND					
Revenue	7,068,083	3,631,182	-	3,436,901	51.4%
Expenditures	6,935,527	2,977,791	140,100	3,817,636	45.0%
<i>Addition to / (use of) reserves</i>	<u>132,556</u>	<u>653,391</u>	<u>(140,100)</u>		
INFORMATION SYSTEMS ICS FUND					
Revenue	3,204,557	1,602,509	-	1,602,048	50.0%
Expenditures	3,682,136	1,873,198	46,491	1,762,447	52.1%
<i>Addition to / (use of) reserves</i>	<u>(477,579)</u>	<u>(270,689)</u>	<u>(46,491)</u>		
WATERFRONT FUND					
Revenue	13,458,598	7,724,526	-	5,734,072	57.4%
Expenditures	14,233,529	6,946,801	662,503	6,624,225	53.5%
<i>Addition to / (use of) reserves</i>	<u>(774,931)</u>	<u>777,725</u>	<u>(662,503)</u>		
TOTAL FOR ALL FUNDS					
Revenue	273,718,688	130,978,269	-	142,740,419	47.9%
Expenditures	291,256,317	136,394,744	11,964,124	142,897,449	50.9%
<i>Addition to / (use of) reserves</i>	<u>(17,537,630)</u>	<u>(5,416,475)</u>	<u>(11,964,124)</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 Six Months Ended December 31, 2015 (50% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Remaining Balance</u>	<u>Percent Received</u>	<u>Previous YTD</u>
TAXES					
Sales and Use	23,367,961	8,359,744	15,008,217	35.8%	8,475,993
Property Taxes	28,742,300	10,467,921	18,274,379	36.4%	9,873,692
Utility Users Tax	7,219,700	3,559,856	3,659,844	49.3%	3,567,847
Transient Occupancy Tax	19,707,100	10,872,039	8,835,061	55.2%	10,832,023
Business License	2,624,400	1,082,806	1,541,594	41.3%	1,099,330
Real Property Transfer Tax	659,100	384,795	274,305	58.4%	276,089
<i>Total</i>	<u>82,320,561</u>	<u>34,727,161</u>	<u>47,593,400</u>	42.2%	<u>34,124,974</u>
LICENSES & PERMITS					
Licenses & Permits	219,700	74,076	145,624	33.7%	95,441
<i>Total</i>	<u>219,700</u>	<u>74,076</u>	<u>145,624</u>	33.7%	<u>95,441</u>
FINES & FORFEITURES					
Parking Violations	2,701,987	930,695	1,771,292	34.4%	1,348,899
Library Fines	89,500	33,878	55,622	37.9%	50,487
Municipal Court Fines	100,000	36,563	63,437	36.6%	32,947
Other Fines & Forfeitures	310,000	169,331	140,669	54.6%	175,742
<i>Total</i>	<u>3,201,487</u>	<u>1,170,467</u>	<u>2,031,020</u>	36.6%	<u>1,608,075</u>
USE OF MONEY & PROPERTY					
Investment Income	633,743	270,490	363,253	42.7%	276,229
Rents & Concessions	419,316	194,075	225,241	46.3%	181,292
<i>Total</i>	<u>1,053,059</u>	<u>464,565</u>	<u>588,494</u>	44.1%	<u>457,521</u>
INTERGOVERNMENTAL					
Grants	260,568	115,842	144,726	44.5%	115,776
Vehicle License Fees	35,000	36,752	(1,752)	105.0%	38,585
Reimbursements	437,900	685,501	(247,601)	156.5%	126,536
<i>Total</i>	<u>733,468</u>	<u>838,095</u>	<u>(104,627)</u>	114.3%	<u>280,897</u>
FEES & SERVICE CHARGES					
Finance	961,454	484,666	476,788	50.4%	476,494
Community Development	4,817,843	2,843,256	1,974,587	59.0%	2,219,425
Recreation	3,189,480	1,860,629	1,328,851	58.3%	1,325,222
Public Safety	611,342	220,975	390,367	36.1%	274,008
Public Works	6,357,295	3,115,379	3,241,916	49.0%	2,892,518
Library	873,320	443,017	430,303	50.7%	381,352
Reimbursements	4,760,907	2,314,399	2,446,508	48.6%	2,491,320
<i>Total</i>	<u>21,571,641</u>	<u>11,282,320</u>	<u>10,289,321</u>	52.3%	<u>10,060,339</u>
OTHER REVENUES					
Miscellaneous	1,750,818	901,582	849,236	51.5%	1,055,177
Franchise Fees	3,219,400	1,477,021	1,742,379	45.9%	1,905,522
Indirect Allocations	7,180,832	3,595,444	3,585,388	50.1%	3,205,578
Operating Transfers-In	1,512,193	714,251	797,942	47.2%	548,339
Anticipated Year-End Variance	2,000,000	-	2,000,000	0.0%	-
<i>Total</i>	<u>15,663,243</u>	<u>6,688,299</u>	<u>8,974,944</u>	42.7%	<u>6,714,616</u>
TOTAL REVENUES	<u>124,763,159</u>	<u>55,244,982</u>	<u>69,518,177</u>	44.3%	<u>53,341,863</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2015 (50% 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 & CITY COUNCIL	803,842	402,944	7,710	393,188	51.1%	
ARTS AND COMMUNITY PROMOTIONS	2,638,967	1,460,412	1,144,402	34,154	98.7%	
<i>Total</i>	<u>3,442,809</u>	<u>1,863,356</u>	<u>1,152,112</u>	<u>427,342</u>	87.6%	<u>2,265,066</u>
<u>City Attorney</u>						
CITY ATTORNEY-ADMINISTRATION	566,513	339,441.82	54,501	172,570	69.5%	
CITY ATTORNEY-ADVISORY	1,023,883	434,414	-	589,469	42.4%	
CITY ATTORNEY-CIVIL LITIGATION	738,668	361,352	-	377,316	48.9%	
CITY ATTORNEY-CODE ENFORCEMENT	228,540	71,094	-	157,446	31.1%	
<i>Total</i>	<u>2,557,604</u>	<u>1,206,301</u>	<u>54,501</u>	<u>1,296,802</u>	49.3%	<u>1,144,286</u>
<u>Administration</u>						
CITY ADMINISTRATOR	1,606,155	760,878	22,699	822,578	48.8%	
CITY TV	590,939	291,055	27,220	272,664	53.9%	
<i>Total</i>	<u>2,197,094</u>	<u>1,051,933</u>	<u>49,918</u>	<u>1,095,242</u>	50.2%	<u>989,816</u>
<u>Administrative Services</u>						
ADMINISTRATION	384,471	139,298	8,402	236,772	38.4%	
CITY CLERK	545,235	266,414	12,738	266,082	51.2%	
ELECTIONS	301,479	154,818	89,579	57,082	81.1%	
HUMAN RESOURCES	1,537,040	661,417	35,888	839,735	45.4%	
EMPLOYEE DEVELOPMENT	49,447	15,430	3,850	30,167	39.0%	
<i>Total</i>	<u>2,817,672</u>	<u>1,237,377</u>	<u>150,457</u>	<u>1,429,838</u>	49.3%	<u>892,856</u>
<u>Finance</u>						
ADMINISTRATION	248,839	125,528	10,460	112,851	54.6%	
REVENUE & CASH MANAGEMENT	508,976	224,579	47,047	237,350	53.4%	
CASHIERING & COLLECTION	513,575	244,738	-	268,837	47.7%	
LICENSES & PERMITS	528,331	242,233	13,802	272,296	48.5%	
BUDGET MANAGEMENT	480,869	230,136	-	250,733	47.9%	
ACCOUNTING	873,398	386,211	22,947	464,240	46.8%	
PAYROLL	375,143	177,036	-	198,107	47.2%	
ACCOUNTS PAYABLE	281,116	126,271	-	154,845	44.9%	
CITY BILLING & CUSTOMER SERVICE	698,988	304,189	120,058	274,741	60.7%	
PURCHASING	727,260	344,326	4,051	378,883	47.9%	
CENTRAL WAREHOUSE	203,235	104,393	505	98,337	51.6%	
MAIL SERVICES	120,721	58,797	136	61,788	48.8%	
<i>Total</i>	<u>5,560,451</u>	<u>2,568,436</u>	<u>219,007</u>	<u>2,773,008</u>	50.1%	<u>2,394,964</u>
TOTAL GENERAL GOVERNMENT	<u>16,575,630</u>	<u>7,927,404</u>	<u>1,625,995</u>	<u>7,022,231</u>	57.6%	<u>7,686,988</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2015 (50% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
PUBLIC SAFETY						
<u>Police</u>						
CHIEF'S STAFF	1,151,521	610,534	3,317	537,670	53.3%	
SUPPORT SERVICES	723,816	318,207	81,914	323,695	55.3%	
RECORDS BUREAU	1,497,490	717,151	17,816	762,523	49.1%	
ADMIN SERVICES	1,254,526	688,998	34,334	531,194	57.7%	
PROPERTY ROOM	229,172	93,289	234	135,649	40.8%	
TRAINING/RECRUITMENT	517,615	239,616	22,817	255,182	50.7%	
RANGE	1,487,388	717,113	46,713	723,562	51.4%	
COMMUNITY & MEDIA RELATIONS	854,936	375,321	-	479,615	43.9%	
INFORMATION TECHNOLOGY	1,337,136	797,424	44,020	495,692	62.9%	
INVESTIGATIVE DIVISION	5,119,083	2,192,082	7,396	2,919,605	43.0%	
CRIME LAB	169,633	72,887	-	96,746	43.0%	
PATROL DIVISION	16,015,045	7,827,839	145,632	8,041,574	49.8%	
TRAFFIC	1,429,012	540,850	550	887,612	37.9%	
SPECIAL EVENTS	884,414	754,338	200	129,877	85.3%	
TACTICAL PATROL FORCE	1,683,590	935,245	-	748,345	55.6%	
STREET SWEEPING ENFORCEMENT	360,574	177,704	-	182,870	49.3%	
NIGHT LIFE ENFORCEMENT	315,189	159,755	-	155,434	50.7%	
PARKING ENFORCEMENT	1,016,030	436,872	-	579,158	43.0%	
COMBINED COMMAND CENTER	2,741,873	1,192,988	-	1,548,885	43.5%	
ANIMAL CONTROL	754,588	258,042	6,782	489,764	35.1%	
<i>Total</i>	<u>39,542,631</u>	<u>19,106,256</u>	<u>411,723</u>	<u>20,024,653</u>	49.4%	<u>18,950,562</u>
<u>Fire</u>						
ADMINISTRATION	946,445	485,250	1,857	459,339	51.5%	
EMERGENCY SERVICES AND PUBLIC ED	317,867	158,742	-	159,125	49.9%	
PREVENTION	1,287,740	642,293	-	645,448	49.9%	
WILDLAND FIRE MITIGATION PROGRAM	209,358	97,016	3,308	109,034	47.9%	
OPERATIONS	19,394,663	10,549,214	34,066	8,811,384	54.6%	
TRAINING AND RECRUITMENT	722,633	335,211	-	387,422	46.4%	
ARFF	2,013,700	1,108,433	-	905,267	55.0%	
<i>Total</i>	<u>24,892,406</u>	<u>13,376,158</u>	<u>39,230</u>	<u>11,477,018</u>	53.9%	<u>11,873,972</u>
TOTAL PUBLIC SAFETY	<u>64,435,037</u>	<u>32,482,413</u>	<u>450,953</u>	<u>31,501,671</u>	51.1%	<u>30,824,534</u>
PUBLIC WORKS						
<u>Public Works</u>						
ADMINISTRATION	1,136,473	488,818	5,293	642,362	43.5%	
ENGINEERING SVCS	5,639,233	2,694,356	119,397	2,825,480	49.9%	
PUBLIC RT OF WAY MGMT	1,196,363	556,595	20,838	618,930	48.3%	
ENVIRONMENTAL PROGRAMS	571,383	140,607	204,462	226,314	60.4%	
<i>Total</i>	<u>8,543,452</u>	<u>3,880,375</u>	<u>349,991</u>	<u>4,313,086</u>	49.5%	<u>3,496,851</u>
TOTAL PUBLIC WORKS	<u>8,543,452</u>	<u>3,880,375</u>	<u>349,991</u>	<u>4,313,086</u>	49.5%	<u>3,496,851</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2015 (50% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
REC PROGRAM MGMT	794,492	361,884	8,564	424,044	46.6%	
FACILITIES & SPECIAL EVENTS	799,181	395,056	1,440	402,685	49.6%	
YOUTH ACTIVITIES	1,141,433	654,656	5,587	481,190	57.8%	
ACTIVE ADULTS	803,558	369,749	4,209	429,599	46.5%	
AQUATICS	1,402,010	805,707	32,939	563,364	59.8%	
SPORTS	591,967	269,612	11,778	310,577	47.5%	
TENNIS	268,345	121,138	9,400	137,807	48.6%	
NEIGHBORHOOD & OUTREACH SERV	1,328,751	678,774	-	649,978	51.1%	
ADMINISTRATION	821,741	334,547	975	486,219	40.8%	
PROJECT MANAGEMENT TEAM	556,412	214,138	-	342,274	38.5%	
PARK OPERATIONS MANAGEMENT	692,576	310,285	21,749	360,542	47.9%	
GROUND & FACILITIES MAINTENANCE	4,835,187	2,217,566	82,697	2,534,924	47.6%	
FORESTRY	1,327,068	644,237	89,252	593,578	55.3%	
BEACH MAINTENANCE	162,124	71,599	16,855	73,671	54.6%	
MEDIANS PARKWAYS & CONTRACTS	1,272,162	562,171	393,531	316,460	75.1%	
<i>Total</i>	<u>16,797,006</u>	<u>8,011,117</u>	<u>678,976</u>	<u>8,106,913</u>	51.7%	<u>7,414,727</u>
<u>Library</u>						
ADMINISTRATION	557,882	232,578	-	325,304	41.7%	
PUBLIC SERVICES	2,989,203	1,336,889	-	1,652,314	44.7%	
SUPPORT SERVICES	1,738,471	837,178	55,369	845,924	51.3%	
<i>Total</i>	<u>5,285,555</u>	<u>2,406,644</u>	<u>55,369</u>	<u>2,823,542</u>	46.6%	<u>2,442,094</u>
TOTAL COMMUNITY SERVICES	<u>22,082,562</u>	<u>10,417,761</u>	<u>734,345</u>	<u>10,930,456</u>	50.5%	<u>9,856,821</u>
COMMUNITY DEVELOPMENT						
<u>Community Development</u>						
ADMINISTRATION	940,815	509,656	590	430,569	54.2%	
RENTAL HOUSING MEDIATION	220,324	110,953	-	109,371	50.4%	
HUMAN SERVICES	1,068,760	275,002	734,600	59,158	94.5%	
HOUSING PRESERVATION AND DEV	25,152	3,215	18,996	2,941	88.3%	
LONG RANGE PLAN & SPEC STUDY	880,739	407,660	4,471	468,607	46.8%	
DEVEL & ENVIRONMENTAL REVIEW	1,479,691	664,495	21,047	794,150	46.3%	
ZONING INFO & ENFORCEMENT	1,531,429	664,691	2,444	864,294	43.6%	
DESIGN REV & HIST PRESERVATION	1,176,685	546,134	21,233	609,318	48.2%	
BLDG INSP & CODE ENFORCEMENT	1,218,282	590,176	468	627,638	48.5%	
RECORDS ARCHIVES & CLER SVCS	588,810	274,821	2,172	311,817	47.0%	
BLDG COUNTER & PLAN REV SVCS	1,677,579	785,968	66,666	824,946	50.8%	
<i>Total</i>	<u>10,808,266</u>	<u>4,832,773</u>	<u>872,684</u>	<u>5,102,809</u>	52.8%	<u>4,758,009</u>
TOTAL COMMUNITY DEVELOPMENT	<u>10,808,266</u>	<u>4,832,773</u>	<u>872,684</u>	<u>5,102,809</u>	52.8%	<u>4,758,009</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2015 (50% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
NON-DEPARTMENTAL						
<u>Non-Departmental</u>						
OTHER	-	1,749	-	(1,749)	100.0%	
TRANSFERS OUT	239,991	128,241	-	111,750	53.4%	
DEBT SERVICE TRANSFERS	344,402	310,398	-	34,004	90.1%	
CAPITAL OUTLAY TRANSFER	855,000	427,500	-	427,500	50.0%	
APPROP.RESERVE	2,031,742	-	-	2,031,742	0.0%	
<i>Total</i>	<u>3,471,135</u>	<u>867,888</u>	<u>-</u>	<u>2,603,247</u>	25.0%	<u>1,278,198</u>
TOTAL NON-DEPARTMENTAL	<u>3,471,135</u>	<u>867,888</u>	<u>-</u>	<u>2,603,247</u>	25.0%	<u>1,278,198</u>
 TOTAL EXPENDITURES	 <u>125,916,082</u>	 <u>60,408,614</u>	 <u>4,033,968</u>	 <u>61,473,500</u>	 51.2%	 <u>57,901,401</u>

*** 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 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
Interim Statement of Revenues and Expenditures
Special Revenue Funds
For the Six Months Ended December 31, 2015 (50% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
TRAFFIC SAFETY FUND					
Revenue	525,000	206,795	-	318,205	39.4%
Expenditures	<u>525,000</u>	<u>206,795</u>	<u>-</u>	<u>318,205</u>	39.4%
<i>Revenue Less Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
CREEK RESTORATION/WATER QUALITY IMPRVMT					
Revenue	4,070,672	2,244,482	-	1,826,190	55.1%
Expenditures	<u>6,513,439</u>	<u>1,499,458</u>	<u>383,227</u>	<u>4,630,753</u>	28.9%
<i>Revenue Less Expenditures</i>	<u>(2,442,767)</u>	<u>745,024</u>	<u>(383,227)</u>	<u>(2,804,563)</u>	
COMMUNITY DEVELOPMENT BLOCK GRANT					
Revenue	1,833,936	135,552	-	1,698,384	7.4%
Expenditures	<u>2,109,112</u>	<u>202,541</u>	<u>120,557</u>	<u>1,786,015</u>	15.3%
<i>Revenue Less Expenditures</i>	<u>(275,176)</u>	<u>(66,989)</u>	<u>(120,557)</u>	<u>(87,631)</u>	
COUNTY LIBRARY					
Revenue	2,098,550	773,073	-	1,325,477	36.8%
Expenditures	<u>2,294,884</u>	<u>1,109,527</u>	<u>4,549</u>	<u>1,180,808</u>	48.5%
<i>Revenue Less Expenditures</i>	<u>(196,334)</u>	<u>(336,454)</u>	<u>(4,549)</u>	<u>144,669</u>	
STREETS FUND					
Revenue	9,717,290	4,906,472	-	4,810,818	50.5%
Expenditures	<u>10,676,518</u>	<u>5,181,397</u>	<u>219,109</u>	<u>5,276,011</u>	50.6%
<i>Revenue Less Expenditures</i>	<u>(959,228)</u>	<u>(274,926)</u>	<u>(219,109)</u>	<u>(465,193)</u>	
MEASURE A					
Revenue	3,669,665	1,546,228	-	2,123,437	42.1%
Expenditures	<u>3,938,441</u>	<u>1,910,377</u>	<u>455,363</u>	<u>1,572,701</u>	60.1%
<i>Revenue Less Expenditures</i>	<u>(268,776)</u>	<u>(364,149)</u>	<u>(455,363)</u>	<u>550,736</u>	

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Six Months Ended December 31, 2015 (50% of Fiscal Year)

SOLID WASTE 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	20,341,706	10,200,414	-	10,141,292	50.1%	10,096,898
Other Fees & Charges	361,642	191,642	-	170,000	53.0%	98,671
Investment Income	12,200	11,027	-	1,173	90.4%	5,163
Miscellaneous	237,244	3,411	-	233,833	1.4%	8,918
TOTAL REVENUES	<u>20,952,792</u>	<u>10,406,493</u>	<u>-</u>	<u>10,546,299</u>	49.7%	<u>10,209,650</u>
EXPENSES						
Salaries & Benefits	998,573	432,781	-	565,792	43.3%	454,105
Materials, Supplies & Services	19,131,521	9,428,534	190,813	9,512,174	50.3%	9,223,158
Special Projects	597,261	282,860	2,440	311,962	47.8%	9,212
Transfers-Out	50,000	25,000	-	25,000	50.0%	25,000
Equipment	156,749	21,817	3,464	131,468	16.1%	11,243
Other	40,000	-	-	40,000	0.0%	-
Appropriated Reserve	25,000	-	-	25,000	0.0%	-
TOTAL EXPENSES	<u>20,999,104</u>	<u>10,190,992</u>	<u>196,717</u>	<u>10,611,395</u>	49.5%	<u>9,722,718</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Six Months Ended December 31, 2015 (50% 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						
Water Sales- Metered	41,800,000	21,307,538	-	20,492,462	51.0%	17,973,849
Service Charges	651,100	313,337	-	337,763	48.1%	363,432
Cater JPA Treatment Charges	1,680,000	554,257	-	1,125,743	33.0%	415,153
Investment Income	437,950	105,216	-	332,734	24.0%	225,273
Rents & Concessions	22,872	11,436	-	11,436	50.0%	11,436
Reimbursements	745,740	395,690	-	350,050	53.1%	313,519
Miscellaneous	111,000	29,969	-	81,031	27.0%	33,407
TOTAL REVENUES	<u>45,448,662</u>	<u>22,717,442</u>	<u>-</u>	<u>22,731,220</u>	<u>50.0%</u>	<u>19,336,069</u>
EXPENSES						
Salaries & Benefits	9,311,184	4,266,496	-	5,044,688	45.8%	4,126,867
Materials, Supplies & Services	11,578,899	4,314,038	1,852,793	5,412,069	53.3%	4,116,326
Special Projects	1,080,948	163,722	104,877	812,348	24.8%	98,413
Water Purchases	8,644,749	3,750,490	30,046	4,864,213	43.7%	3,980,891
Debt Service	4,692,620	3,509,872	-	1,182,748	74.8%	1,715,623
Transfer-Out	9,586,101	4,793,051	-	4,793,051	50.0%	986,346
Capital Outlay Transfers	7,220,795	3,758,295	-	3,462,500	52.0%	6,734,614
Equipment	167,576	14,253	5,846	147,477	12.0%	72,116
Capitalized Fixed Assets	145,892	29,847	40,884	75,161	48.5%	8,236
Other	29,000	26,206	1,000	1,794	93.8%	23,756
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	<u>52,607,764</u>	<u>24,626,270</u>	<u>2,035,446</u>	<u>25,946,049</u>	<u>50.7%</u>	<u>21,863,188</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 Expenditures
For the Six Months Ended December 31, 2015 (50% 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	17,844,201	8,925,930	-	8,918,271	50.0%	8,640,591
Fees	533,668	361,767	-	171,901	67.8%	397,475
Investment Income	162,700	81,267	-	81,433	49.9%	79,622
Rents & Concessions	34,358	17,501	-	16,857	50.9%	-
Miscellaneous	6,000	41,383	-	(35,383)	689.7%	18,569
TOTAL REVENUES	<u>18,580,927</u>	<u>9,427,849</u>	<u>-</u>	<u>9,153,078</u>	<u>50.7%</u>	<u>9,136,257</u>
EXPENSES						
Salaries & Benefits	5,917,398	2,803,636	-	3,113,762	47.4%	2,662,120
Materials, Supplies & Services	7,502,196	2,997,952	1,424,289	3,079,956	58.9%	3,246,648
Special Projects	635,271	63,728	184,194	387,349	39.0%	64,676
Transfer-Out	900,000	900,000	-	-	100.0%	-
Debt Service	1,794,917	619,425	-	1,175,492	34.5%	633,071
Capital Outlay Transfers	4,150,000	2,075,000	-	2,075,000	50.0%	1,964,250
Equipment	71,610	22,735	-	48,875	31.7%	33,120
Capitalized Fixed Assets	59,390	26,326	1,500	31,564	46.9%	441
Other	3,000	2,720	-	280	90.7%	2,750
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	<u>21,183,782</u>	<u>9,511,522</u>	<u>1,609,982</u>	<u>10,062,278</u>	<u>52.5%</u>	<u>8,607,076</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 Expenditures
For the Six Months Ended December 31, 2015 (50% of Fiscal Year)

DOWNTOWN PARKING 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						
Improvement Tax	1,080,000	502,348	-	577,652	46.5%	542,192
Parking Fees	7,034,826	3,638,526	-	3,396,300	51.7%	3,550,587
Other Fees & Charges	6,918	4,200	-	2,718	60.7%	2,059
Investment Income	104,200	58,435	-	45,765	56.1%	51,018
Rents & Concessions	107,000	53,500	-	53,500	50.0%	51,996
Miscellaneous	7,500	22,832	-	(15,332)	304.4%	23,391
Operating Transfers-In	43,500	21,750	-	21,750	50.0%	96,750
TOTAL REVENUES	<u>8,383,944</u>	<u>4,301,591</u>	<u>-</u>	<u>4,082,353</u>	51.3%	<u>4,317,993</u>
EXPENSES						
Salaries & Benefits	4,352,940	2,132,144	-	2,220,796	49.0%	2,062,582
Materials, Supplies & Services	2,371,221	1,107,192	147,624	1,116,405	52.9%	963,734
Special Projects	469,656	210,035	252,472	7,149	98.5%	211,633
Transfer-Out	318,399	159,200	-	159,200	50.0%	154,563
Capital Outlay Transfers	1,305,000	652,500	-	652,500	50.0%	485,000
Equipment	27,000	3,545	-	23,455	13.1%	6,285
Appropriated Reserve	50,657	-	-	50,657	0.0%	-
TOTAL EXPENSES	<u>8,894,872</u>	<u>4,264,615</u>	<u>400,096</u>	<u>4,230,161</u>	52.4%	<u>3,883,797</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 Expenditures
For the Six Months Ended December 31, 2015 (50% 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	4,488,390	2,182,367	-	2,306,023	48.6%	2,093,168
Leases-Terminal	4,884,637	2,464,348	-	2,420,289	50.5%	2,514,781
Leases-Non-Commercial Aviation	2,093,650	1,021,561	-	1,072,089	48.8%	975,139
Leases-Commercial Aviation	4,544,034	2,285,346	-	2,258,688	50.3%	2,295,617
Investment Income	106,600	55,442	-	51,158	52.0%	52,432
Miscellaneous	216,300	60,442	-	155,858	27.9%	144,748
Operating Transfers-In	4,800	4,800	-	-	100.0%	-
TOTAL REVENUES	16,338,411	8,074,305	-	8,264,106	49.4%	8,075,885
EXPENSES						
Salaries & Benefits	6,006,251	2,738,985	-	3,267,266	45.6%	2,619,919
Materials, Supplies & Services	8,305,343	3,472,053	1,266,618	3,566,671	57.1%	3,577,034
Special Projects	48,415	764	35	47,616	1.6%	1,577
Transfer-Out	12,662	6,331	-	6,331	50.0%	10,177
Debt Service	1,816,586	908,293	-	908,293	50.0%	907,859
Capital Outlay Transfers	1,313,733	812,764	-	500,969	61.9%	-
Equipment	138,902	11,845	76,536	50,521	63.6%	19,487
Appropriated Reserve	84,626	-	-	84,626	0.0%	-
TOTAL EXPENSES	17,726,517	7,951,035	1,343,189	8,432,294	52.4%	7,136,053

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 Expenditures
For the Six Months Ended December 31, 2015 (50% 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	1,753,034	839,733	-	913,301	47.9%	819,108
Investment Income	7,900	4,340	-	3,560	54.9%	3,926
Rents & Concessions	325,523	146,044	-	179,479	44.9%	149,765
Miscellaneous	500	(1,413)	-	1,913	-282.5%	(3,293)
Operating Transfers-In	180,000	90,000	-	90,000	50.0%	-
TOTAL REVENUES	<u>2,266,957</u>	<u>1,078,704</u>	<u>-</u>	<u>1,188,253</u>	47.6%	<u>969,506</u>
EXPENSES						
Salaries & Benefits	1,146,810	519,515	-	627,295	45.3%	557,514
Materials, Supplies & Services	654,604	341,228	11,981	301,395	54.0%	304,223
Special Projects	9	-	9	-	100.0%	-
Debt Service	262,122	169,538	-	92,584	64.7%	169,522
Capital Outlay Transfers	265,048	132,524	-	132,524	50.0%	40,364
Other	900	901	-	(1)	100.1%	901
TOTAL EXPENSES	<u>2,329,493</u>	<u>1,163,706</u>	<u>11,989</u>	<u>1,153,797</u>	50.5%	<u>1,072,524</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 Expenditures
For the Six Months Ended December 31, 2015 (50% 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	3,787,803	1,893,901	-	1,893,902	50.0%	1,319,185
Work Orders - Bldg Maint.	3,401,421	1,783,526	-	1,617,895	52.4%	1,225,805
Miscellaneous	94,946	12,569	-	82,377	13.2%	29,918
Operating Transfers-In	-	-	-	-	0.0%	2,500
TOTAL REVENUES	<u>7,284,170</u>	<u>3,689,996</u>	<u>-</u>	<u>3,594,173</u>	50.7%	<u>2,577,408</u>
EXPENSES						
Salaries & Benefits	3,801,207	1,847,489	-	1,953,718	48.6%	1,741,342
Materials, Supplies & Services	2,481,334	1,124,133	230,643	1,126,557	54.6%	790,455
Special Projects	545,379	293,719	175,108	76,552	86.0%	237,896
Capital Outlay Transfers	410,612	205,306	-	205,306	50.0%	-
Equipment	15,000	306	-	14,694	2.0%	4,361
Capitalized Fixed Assets	11,201	1,267	1,443	8,491	24.2%	2,921
Appropriated Reserve	33,841	-	-	33,841	0.0%	-
TOTAL EXPENSES	<u>7,298,574</u>	<u>3,472,221</u>	<u>407,194</u>	<u>3,419,159</u>	53.2%	<u>2,776,975</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Six Months Ended December 31, 2015 (50% 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	2,809,765	1,483,879	-	1,325,886	52.8%	1,122,069
Investment Income	116,700	62,883	-	53,817	53.9%	57,769
Rents & Concessions	146,084	73,042	-	73,042	50.0%	116,983
Miscellaneous	173,118	85,310	-	87,808	49.3%	87,118
TOTAL REVENUES	<u>3,245,667</u>	<u>1,705,114</u>	<u>-</u>	<u>1,540,553</u>	52.5%	<u>1,383,939</u>
EXPENSES						
Salaries & Benefits	207,466	97,582	-	109,884	47.0%	91,658
Materials, Supplies & Services	1,243	622	-	621	50.0%	913
Special Projects	698,567	34,246	39,845	624,477	10.6%	1,534
Capitalized Fixed Assets	5,691,373	1,482,459	767,282	3,441,632	39.5%	1,282,662
TOTAL EXPENSES	<u>6,598,649</u>	<u>1,614,909</u>	<u>807,127</u>	<u>4,176,614</u>	36.7%	<u>1,376,767</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Six Months Ended December 31, 2015 (50% 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	2,609,691	1,316,836	-	1,292,855	50.5%	1,263,813
Reimbursements	10,000	5,000	-	5,000	50.0%	5,000
Miscellaneous	103,070	51,739	-	51,331	50.2%	64,600
TOTAL REVENUES	<u>2,722,761</u>	<u>1,373,575</u>	<u>-</u>	<u>1,349,186</u>	50.4%	<u>1,333,413</u>
EXPENSES						
Salaries & Benefits	1,359,285	654,193	-	705,092	48.1%	589,281
Materials, Supplies & Services	1,227,978	627,443	264,037	336,498	72.6%	534,669
Special Projects	81,308	12,246	3,042	66,021	18.8%	8,091
Debt Service	43,070	21,535	-	21,535	50.0%	21,535
Equipment	89,307	48,196	-	41,111	54.0%	-
Capitalized Fixed Assets	35,338	29,457	2,243	3,639	89.7%	31,085
Appropriated Reserve	14,000	-	-	14,000	0.0%	-
TOTAL EXPENSES	<u>2,850,287</u>	<u>1,393,070</u>	<u>269,322</u>	<u>1,187,896</u>	58.3%	<u>1,184,661</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Six Months Ended December 31, 2015 (50% of Fiscal Year)

SELF INSURANCE TRUST 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						
Insurance Premiums	3,156,625	1,578,312	-	1,578,313	50.0%	1,392,511
Workers' Compensation Premiums	3,342,571	1,672,056	-	1,670,515	50.0%	1,694,083
OSH Charges	231,057	115,529	-	115,529	50.0%	101,731
Unemployment Insurance Premium	221,805	110,903	-	110,903	50.0%	-
Investment Income	40,200	20,603	-	19,597	51.3%	19,605
Miscellaneous	-	95,867	-	(95,867)	100.0%	3,030
Operating Transfers-In	75,825	37,913	-	37,913	50.0%	37,913
TOTAL REVENUES	<u>7,068,083</u>	<u>3,631,182</u>	<u>-</u>	<u>3,436,901</u>	51.4%	<u>3,248,873</u>
EXPENSES						
Salaries & Benefits	597,085	271,016	-	326,069	45.4%	228,970
Materials, Supplies & Services	6,338,439	2,706,775	140,097	3,491,567	44.9%	3,485,377
Special Projects	3	-	3	-	100.0%	-
Equipment	-	-	-	-	0.0%	245
TOTAL EXPENSES	<u>6,935,527</u>	<u>2,977,791</u>	<u>140,100</u>	<u>3,817,636</u>	45.0%	<u>3,714,592</u>

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 Expenditures
For the Six Months Ended December 31, 2015 (50% 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	3,204,557	1,602,509	-	1,602,048	50.0%	1,560,294
TOTAL REVENUES	3,204,557	1,602,509	-	1,602,048	50.0%	1,560,294
EXPENSES						
Salaries & Benefits	1,953,525	921,046	-	1,032,479	47.1%	852,379
Materials, Supplies & Services	1,087,157	642,849	45,910	398,398	63.4%	361,016
Special Projects	18,481	2,508	581	15,392	16.7%	-
Capital Outlay Transfers	604,000	302,000	-	302,000	50.0%	172,000
Equipment	2,750	4,796	-	(2,046)	174.4%	2,843
Capital Fixed Assets	-	-	-	-	0.0%	14
Appropriated Reserve	16,223	-	-	16,223	0.0%	-
TOTAL EXPENSES	3,682,136	1,873,198	46,491	1,762,447	52.1%	1,388,252

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
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WATERFRONT 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	1,428,787	895,692	-	533,095	62.7%	930,235
Leases - Food Service	2,844,333	1,782,375	-	1,061,958	62.7%	1,865,100
Slip Rental Fees	4,288,834	2,162,493	-	2,126,341	50.4%	2,125,789
Visitors Fees	500,000	274,414	-	225,586	54.9%	295,197
Slip Transfer Fees	575,000	351,975	-	223,025	61.2%	721,700
Parking Revenue	2,385,820	1,449,809	-	936,011	60.8%	1,356,830
Wharf Parking	262,258	84,476	-	177,783	32.2%	142,993
Grants	10,000	-	-	10,000	0.0%	-
Other Fees & Charges	242,304	146,226	-	96,078	60.3%	133,577
Investment Income	95,700	60,088	-	35,612	62.8%	46,232
Rents & Concessions	310,770	171,957	-	138,813	55.3%	158,537
Reimbursements	-	1,777	-	(1,777)	100.0%	-
Miscellaneous	514,792	343,247	-	171,545	66.7%	308,751
TOTAL REVENUES	<u>13,458,598</u>	<u>7,724,526</u>	<u>-</u>	<u>5,734,072</u>	<u>57.4%</u>	<u>8,084,941</u>
EXPENSES						
Salaries & Benefits	6,272,587	2,923,590	-	3,348,997	46.6%	2,929,698
Materials, Supplies & Services	4,151,182	2,074,668	610,321	1,466,193	64.7%	1,963,593
Special Projects	265,629	107,057	45,595	112,978	57.5%	48,635
Debt Service	1,841,620	1,093,705	-	747,915	59.4%	1,095,838
Capital Outlay Transfers	1,453,144	726,572	-	726,572	50.0%	692,500
Equipment	112,262	19,834	5,587	86,841	22.6%	24,145
Capital Fixed Assets	37,104	-	-	37,104	0.0%	-
Other	-	1,375	1,000	(2,375)	100.0%	1,375
Appropriated Reserve	100,000	-	-	100,000	0.0%	-
TOTAL EXPENSES	<u>14,233,529</u>	<u>6,946,801</u>	<u>662,503</u>	<u>6,624,225</u>	<u>53.5%</u>	<u>6,755,784</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.

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General Fund Revenues

The table below summarizes General Fund revenues for the six months ended December 31, 2015. For interim financial statement purposes, revenues are reported on a cash basis (i.e. when the funds are received). The table below includes the budgeted totals as well as the year-to-date (YTD) budget, which for tax revenues and franchise fees have been adjusted based on a 3-year average of collections through the same period to account for seasonal variations. Because tax revenues are not collected evenly throughout the year, adjusting the year-to-date budget to reflect the unique collection pattern for each type of tax allows for a more meaningful comparison to year-to-date results. For all other revenues, the Year-to-Date Budget column represents 50% (6 months out of the 12 elapsed) of the annual budget column. Unlike tax revenues, these revenues tend to be collected more evenly throughout the year.

Summary of Revenues For the Six Months Ended December 31, 2015 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	\$ 23,367,961	\$ 8,883,466	\$ 8,359,744	\$ (523,722)	35.77%	38.02%	\$ 8,475,993	-1.4%
Property Tax	28,742,300	10,121,447	10,467,921	346,474	36.42%	35.21%	9,873,692	6.0%
UUT	7,219,700	3,667,184	3,559,856	(107,328)	49.31%	50.79%	3,567,847	-0.2%
TOT	19,707,100	11,364,439	10,872,039	(492,400)	55.17%	57.67%	10,832,023	0.4%
Bus License	2,624,400	1,025,025	1,082,806	57,781	41.26%	39.06%	1,099,330	-1.5%
Prop Trans Tax	659,100	289,953	384,795	94,842	58.38%	43.99%	276,089	39.4%
Total Taxes	82,320,561	35,351,513	34,727,161	(624,352)	42.19%	42.59%	34,124,974	1.8%
License & Permits	219,700	109,850	74,076	(35,774)	33.72%	50.00%	95,441	-22.4%
Fines & Forfeitures	3,201,487	1,600,744	1,170,467	(430,277)	36.56%	50.00%	1,608,075	-27.2%
Franchise Fee	3,219,400	1,610,022	1,477,021	(133,001)	45.88%	50.01%	1,905,522	-22.5%
Use of Money & Property	1,053,059	526,530	464,565	(61,965)	44.12%	50.00%	457,522	1.5%
Intergovernmental	733,468	366,734	838,095	471,361	114.26%	50.00%	280,897	198.4%
Fee & Charges	21,571,641	10,785,821	11,282,320	496,500	52.30%	50.00%	10,060,339	12.1%
Miscellaneous	10,443,843	5,221,922	5,211,278	(10,644)	49.90%	50.00%	4,809,094	8.4%
Total Other	40,442,598	20,221,621	20,517,822	296,201	50.73%	49.92%	19,216,890	6.8%
Total Before Budgeted Variances	122,763,159	55,573,134	55,244,982	(328,151)			53,341,864	
Anticipated Year-End Var	2,000,000	1,000,000	-	(1,000,000)	0.00%	50.00%	-	0.0%
Total Revenues	\$124,763,159	\$ 56,573,134	\$ 55,244,982	\$(1,328,151)	44.28%	44.94%	\$ 53,341,864	3.6%

* YTD Budget for Taxes is calculated based on a 3-year average of collections for each revenue source; for all other revenues, YTD Budget is calculated on a straight-line basis based on the number of months elapsed.

The table above summarizes General Fund revenues for the six months ended December 31, 2015. For interim financial statement purposes, revenues are reported on a cash basis (i.e. when the funds are received). Total revenues are \$328,152 below YTD budget before budgeted variances. Major revenues and significant variances are discussed below.

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Sales Taxes

Sales tax revenue for the first six months of the fiscal year is \$523,722 below the YTD budget on a cash basis. While representing two quarterly sales tax payments year-to-date, the revenues received through December 31, 2015 provide information for the growth in sales tax revenues earned for the quarter ended September 30, 2015, which were 3.4% below those from the prior year. Sales tax revenue is impacted by various factors, including falling gas prices and low inflation. In addition, various one-time significant adjustments, such as refunds of prior period overpayments, negatively impacted sales tax revenue for the quarter ended September 30, 2015. Staff projects sales tax revenues to be below the original budget of \$23 million by approximately \$1,064,100 by fiscal year-end.

Property Tax

Property tax revenue is \$346,475 above the YTD budget at December 31, 2015. Revenue growth for Fiscal Year 2016 is trending higher than expected based on information provided by the County of Santa Barbara relative to increases in assessed values, which were over 6% per county records. Property tax revenues are projected to exceed the adopted budget by approximately \$664,000 at year-end.

Utility Users Tax

Utility users' tax revenues are \$107,328 below the year-to-date budget. These returns represent a 0.2% decrease over the same six-month period last year. The two primary reasons for the reduction in utility users' taxes is the increasing segmentation in the telephony market, which impacts traditional landline telephone and cellular telephone service, and a decline in natural gas prices. Based on current projections, revenues are expected to be more than \$300,000 below budget at year-end.

Transient Occupancy Tax

Transient occupancy tax revenue is \$492,400 below the YTD budget at December 31, 2015. Overall revenue growth for the first six months of Fiscal Year 2016 is approximately zero. Transient occupancy tax revenue is impacted by various factors, such as the number of available hotel and motel rooms and room rates. The closure of a well-established motel in the City is one of the factors that has impacted TOT revenues in the current fiscal year. Based on current projections, revenues are expected to be more than \$667,813 below budget at year-end.

Business License Tax

Business license revenue is \$57,781 above the year-to-date budget; however, this is a 1.5% decrease from the prior year. The majority of business license renewals occur in the second half of the fiscal year. Based on current projections, business license revenues are projected to be about \$25,000 below budget.

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License and Permits

License and permits revenue is \$35,774 below the YTD budget at December 31. This variance is largely the result of a decline in taxicab permit revenue and animal licensing revenue in the first six months of the year. Staff is projecting increased license and permits revenue in the second half of the fiscal year.

Fines and Forfeitures

Fines and forfeitures revenues are \$430,277 below the year-to-date budget. This variance is primarily due to a timing difference in the recording of December police parking citation revenues. Due to the implementation of a new billing system for police parking violations in the first half of fiscal year 2016, all December parking citation revenue amounting to approximately \$350,000 was recorded in January. With the timing adjustment, revenues are slightly below budget by approximately \$100,000 at December 31, 2015.

Franchise Fee

Franchise fee revenues are down nearly 42.4%, or \$429,000, compared to the same six-month period last year. The City has been setting aside moneys from the 1% electricity franchise fee surcharge in a special holding account pending the result of litigation challenging the legality of the fee. The City has collected \$390,366 for this fee in the first six months. In addition, franchise fee revenues are below year-to-date budget by \$133,001. Similar to the UUT trends highlighted above, a decline in local natural gas prices is affecting City franchise fee revenues.

Intergovernmental

Intergovernmental revenue is approximately \$471,361 above the YTD Budget. The largest component of intergovernmental revenue is mutual aid reimbursements received by the Fire Department for providing assistance to other agencies. The City is reimbursed for the actual costs of providing assistance plus an overhead factor. The Fire Department budgeted \$423,000 in reimbursements and has received \$682,100 in reimbursements as of December 31.

Miscellaneous

Total miscellaneous revenue is \$10,644 below the year-to-date budget. The table below describes the largest components of miscellaneous revenue, which includes overhead cost recovery, transfers in, donations, administrative citations, auction revenue, City TV revenue, sale of property, insurance rebates, refunds, and other miscellaneous revenue.

Miscellaneous Revenue General Fund For the Six Months Ended December 31, 2015								
Type of Misc. Revenue	Annual Budget	YTD Budget	YTD Actual	Budget Variance	Percent Received YTD	Prior Year YTD	Prior Year Variance	Percent Variance
Miscellaneous	\$ 1,750,818	\$ 875,409	901,582	\$ 26,173	51.5%	\$ 1,055,177	\$ (153,595)	-14.6%
Indirect Allocations	7,180,832	3,590,417	3,595,444	5,028	50.1%	3,205,578	389,866	12.2%
Operating-Transfers In	1,512,193	756,097	714,251	(41,846)	47.2%	548,339	165,912	30.3%
Total	\$ 10,443,843	\$ 5,221,922	\$ 5,211,278	\$ (10,644)	49.9%	\$ 4,809,094	\$ 402,183	8.4%

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Operating-transfers in is \$41,845 below the year-to-date budget. The variance is due to lower traffic safety citation revenues from the County, thus impacting total transfers in to the General Fund. Staff anticipates this revenue to be at budget by year-end but will be closely monitoring it over the next several months.

Fees & Service Charges

Overall, fees and service charges are \$496,500 over the YTD budget. The table below provides more details on fees and service charges by department. The more significant mid-year variances are also discussed.

Fees and Service Charges General Fund For the Six Months Ended December 31, 2015								
Department	Annual Budget	YTD Budget	YTD Actual	Budget Variance	Percent Received YTD	Prior Year YTD	Prior Year Variance	Percent Variance
Finance	\$ 961,454	\$ 480,727	\$ 484,666	\$ 3,939	50.41%	\$ 476,494	\$ 8,172	1.7%
Community Development	4,817,843	2,408,922	2,843,256	434,335	59.02%	2,219,425	623,831	28.1%
Parks & Recreation	3,189,480	1,594,740	1,860,629	265,889	58.34%	1,325,222	535,407	40.4%
Public Safety	611,342	305,671	220,975	(84,696)	36.15%	274,008	(53,033)	-19.4%
Public Works	6,357,295	3,178,648	3,115,379	(63,269)	49.00%	2,892,518	222,861	7.7%
Library	873,320	436,660	443,017	6,357	50.73%	381,352	61,665	16.2%
Reimbursements	4,760,907	2,380,454	2,314,399	(66,055)	48.61%	2,491,320	(176,921)	-7.1%
Total	\$ 21,571,641	\$ 10,785,821	\$ 11,282,320	\$ 496,500	52.30%	\$ 10,060,339	\$ 1,221,982	12.1%

Community Development fees are approximately \$434,000 above the year-to-date budget. This variance is mostly due to large increases in building permits, development permits and other planning and zoning-type fee revenue. Staff expects similar increases in the second half of the fiscal year and anticipates revenues will exceed budget by \$625,000 at fiscal year-end.

Parks & Recreation fees are approximately \$266,000 above the year-to-date budget. While there have been some general increases in participation of youth activity, aquatics, and sports programs, the primary reason for the increase is a change in accounting method, which recognized a portion of money received in Fiscal Year 2015 as revenue in Fiscal Year 2016, resulting in an increase in current year revenue figures. Staff anticipates revenues will either meet budget or be slightly below budget at fiscal year-end.

Public Safety fees are approximately \$84,000 below the year-to-date budget. Most of the variance is due to lower dismissal, vehicle release and document viewing fees in the Police Department. State laws regarding the towing of vehicles have changed, thereby reducing the number of towed vehicles and impacting vehicle release fee revenues. False alarm billing revenues are also lower than budgeted, but are expected to increase in the latter part of the year as businesses exceed the free false alarm threshold. Staff anticipates revenues to be below budget at year-end by \$100,000.

Public Works fees are approximately \$63,000 below the year-to-date budget. The variance is due to engineering work order revenue being down at mid-year, which is expected to be under

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budget by year-end. Staff expects Public Works fees to be under budget by approximately \$200,000 at fiscal year-end.

Reimbursement revenues are approximately \$66,000 below the YTD budget. The variance is primarily due to certain interdepartmental reimbursements that are not booked until the end of the fiscal year.

Anticipated Year-End Variances and Budgeted Savings from Concessions

It is important to note that the table on page 1 includes \$2,000,000 for anticipated year-end budget variances. The \$2 million is roughly equal to 2.0% of budgeted operating expenditures in the General Fund and, although budgeted as revenue, represents staff's estimate of the 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 favorable variances in expenditures by year-end.

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General Fund Expenditures

The table below summarizes the General Fund budget and year-to-date expenditures through December 31, 2015. 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.

As shown below, a year-to-date budget (labeled “YTD Budget”) column is included. This column has been developed based on a 3-year average of expenditures in order to adjust for the seasonal nature of certain expenditures, such as debt service and summer recreation programs. The table includes actual expenditures without encumbrances, and separate column for the variance after considering encumbrances. Inclusion of encumbrances can significantly distort the analysis of budgeted and actual expenditures during the year. Outstanding encumbrances include certain appropriations that were carried forward from prior year and contracts or blanket purchase orders that have been executed in the current year but are expected to be used throughout the year. The following discussion and analysis does not include the impact of encumbrances.

The year-to-date budget of \$64.2 million at December 31, compared to actual expenditures of \$60.4 million, resulted in a favorable variance of approximately \$3.6 million. Significant variances in departments are discussed below.

Mayor and Council expenditures are below the YTD budget by approximately \$265,000. The variance is mostly due to a timing difference in payments of approximately \$345,000 per quarter for the annual contract with Visit Santa Barbara to promote the City as a tourist destination and location for film production. Staff anticipates expenditures to be within budget at year-end.

Administrative Services expenditures are below the YTD budget by approximately \$186,000. The variance is mostly due to salary savings from several vacancies spread across the Human Resources, Information Services, and City Clerk Divisions. All positions are anticipated to be filled by March.

SUMMARY OF EXPENDITURES GENERAL FUND For the Six Months Ended December 31, 2015							YTD Variance With Encumb Favorable (Unfavorable)	
Department	Adjusted Annual Budget	YTD Budget	YTD Actual	YTD Variance Without Encumbrance	Encum- brance	\$	%	
Mayor & Council	\$ 3,442,809	\$ 2,128,345	\$ 1,863,356	\$ 264,989	\$ 1,152,112	\$ (887,123)	-25.8%	
City Attorney	2,557,604	1,336,348	1,206,301	130,047	54,501	75,546	3.0%	
City Administrator	2,197,094	1,113,268	1,051,933	61,335	49,918	11,417	0.5%	
Administrative Svs.	2,817,672	1,424,333	1,237,377	186,956	150,457	36,499	1.3%	
Finance	5,560,451	2,727,401	2,568,436	158,965	219,007	(60,042)	-1.1%	
Police	39,542,631	20,020,434	19,106,256	914,178	411,723	502,455	1.3%	
Fire	24,892,406	12,595,557	13,376,158	(780,601)	39,230	(819,831)	-3.3%	
Public Works	8,543,452	4,124,779	3,880,375	244,404	349,991	(105,587)	-1.2%	
Parks & Recreation	16,797,006	8,495,926	8,011,117	484,809	678,976	(194,167)	-1.2%	
Library	5,285,555	2,566,666	2,406,644	160,022	55,369	104,653	2.0%	
Community Development	10,808,266	5,600,843	4,832,773	768,070	872,684	(104,614)	-1.0%	
Non-Departmental	3,471,135	2,088,929	867,888	1,221,041	-	1,221,041	35.2%	
Total	<u>\$ 125,916,081</u>	<u>\$ 64,222,828</u>	<u>\$ 60,408,614</u>	<u>\$ 3,814,214</u>	<u>\$ 4,033,968</u>	<u>\$ (219,754)</u>	-0.2%	
% of annual budget		51.0%	48.0%	3.0%	3.2%	-0.2%		

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Police Department expenditures are below the YTD budget by approximately \$914,000. This is due to the ongoing effect of the department's challenges in filling vacancies. Overtime is higher at December 31, however this is more than offset by salary savings.

Fire Department expenditures are over the YTD budget by approximately \$781,000. This variance is due to higher than anticipated mutual aid expenditures during the first six months of Fiscal Year 2016. Mutual aid expenditures relate to the cost of providing assistance to other locations throughout the state. As of December 31, mutual aid expenditures amounted to \$916,000 in comparison to budgeted mutual aid expenditures of \$367,500. However, the Fire Department has received approximately \$682,000 in mutual aid reimbursement revenues as of December 31, and anticipates an additional amount of \$520,000 that has already been billed but not yet received. Mutual aid revenues are projected to exceed expenditures by \$300,000 for all mutual aid activities through December 31, 2015. As there is the possibility of additional mutual aid activities by year-end, staff will be monitoring mutual aid revenues and expenditures and will request an adjustment at year-end to record the total revenues and appropriations for all fiscal year 2016 mutual aid activities.

Overtime for Minimum Staffing in Operations and the ARFF programs were higher than budgeted levels at mid-year, along with vacation cash out costs; however, the 10 vacant positions were filled in September with the graduates from the Fire Academy, which will greatly reduce overtime costs throughout the remainder of the year. At this time, staff anticipates expenditures, excluding mutual aid, will be within budget by year-end.

Public Works expenditures are below YTD budget by approximately \$244,000. The variance is mostly due to reduced salary and benefit costs as a result of vacant positions and retirements. The City Engineer retired and the position was vacant for four months before being filled. The City Surveyor and Survey Technician positions were vacated in August, and will remain unfilled for the remainder of the year. A budget savings of \$330,000 for the fiscal year is projected, which will offset the reduction in work order revenues referred to in Fees and Service Charges above.

Parks and Recreation expenditures are below YTD budget by approximately \$485,000. The variance is mostly due to reduced salary and benefit costs as a result of vacant positions. The department is actively recruiting new staff and anticipates that all vacant positions, including the Assistant Parks and Recreation Director position, will be filled by July 2016; budget savings of \$425,000 for the fiscal year are projected.

Community Development expenditures are below YTD budget by approximately \$768,000. This variance is largely attributed to salary savings resulting from position vacancies and hourly vacancies, and approximately \$55,000 in across-the-board savings in Supplies and Services. Land development and building construction activity is stretching staff resources. Therefore, some of the savings may be needed to hire contract or hourly staff before year-end.

Non-Departmental expenditures are below YTD budget by approximately \$868,000. This variance is due to the appropriation of anticipated year end reserves of \$1,887,742 established as an appropriated surplus to ensure some level of funds are available at year end to increase reserve balances and provide supplemental funding for capital. As of December 31, \$0 have been used.

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This variance is also due to the programming of \$400,000 of appropriated reserves to cover contingencies that arise during the course of the fiscal year. As of December 31, \$256,000 appropriated reserves have been used.

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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 December 31, 2015, with a comparison to the current year budget and prior year expenses through the first six months. Note that the “YTD Budget” column has been calculated based on a 3-year average collection rate through December 31st. This rate, which is shown as a percentage in the “3 Year Average” column, has been applied to the annual budget amount to arrive at the Year-to-Date Budget. This approach is used in recognition that enterprise fund revenues and certain expenses are seasonally affected and are not necessarily received or incurred evenly throughout the year.

SUMMARY OF REVENUES & EXPENSES For The Six Months Ended December 31, 2015 ENTERPRISE FUNDS								
	Current Year Analysis						Prior Year Analysis	
	Annual Budget	YTD Budget *	YTD Actual	YTD Variance	YTD Percent	3 Year Average	YTD Actual	% Variance
Solid Waste Fund								
Revenues	\$ 20,952,792	\$ 10,315,060	\$ 10,406,493	\$ 91,433	49.7%	49.2%	\$ 10,209,650	1.9%
Expenses	20,999,104	10,155,167	10,190,992	(35,825)	48.5%	48.4%	9,722,718	4.8%
Water Fund								
Revenues	45,448,662	24,533,188	22,717,442	(1,815,746)	50.0%	54.0%	19,336,069	17.5%
Expenses	52,607,764	25,672,589	24,626,270	1,046,319	46.8%	48.8%	21,863,189	12.6%
Wastewater Fund								
Revenues	18,580,927	9,435,395	9,427,849	(7,546)	50.7%	50.8%	9,136,257	3.2%
Expenses	21,183,782	9,729,711	9,511,522	218,189	44.9%	45.9%	8,607,076	10.5%
Downtown Parking Fund								
Revenues	8,383,944	4,191,134	4,301,591	110,457	51.3%	50.0%	4,317,994	-0.4%
Expenses	8,894,872	4,394,067	4,264,615	129,452	47.9%	49.4%	3,883,796	9.8%
Airport Fund								
Revenues	16,338,411	8,281,941	8,074,305	(207,636)	49.4%	50.7%	8,075,886	0.0%
Expenses	17,726,517	8,366,916	7,951,035	415,881	44.9%	47.2%	7,136,053	11.4%
Golf Fund								
Revenues	2,266,957	1,141,413	1,078,704	(62,709)	47.6%	50.4%	969,506	11.3%
Expenses	2,329,493	1,238,358	1,163,706	74,652	50.0%	53.2%	1,072,524	8.5%
Waterfront Fund								
Revenues	13,458,598	7,053,651	7,724,526	670,875	57.4%	52.4%	8,084,941	-4.5%
Expenses	14,233,529	7,038,480	6,946,801	91,679	48.8%	49.5%	6,755,784	2.8%
* The YTD Budget column has been calculated based on a 3-year average of collections for revenues, and of payments made for expenses through December 31, which has been applied to the annual budget.								

The expenses shown in the preceding table do not include outstanding encumbrances at December 31, 2015. Inclusion of encumbrances can significantly distort the analysis of budgeted

*Fiscal Year 2016 Interim Financial Statements
For the Six Months Ended December 31, 2015 (50% of Year Elapsed)*

and actual expenditures after six months. Outstanding encumbrances include appropriations that were carried forward from prior year as part of the appropriation carryovers and contracts or blanket purchase orders that have been added in the current year but are expected to be spent over the coming months.

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 below the year-to-date budget by approximately \$1.8 million, primarily due to a water sales revenue shortfall of \$1.3 million. Budgeted water sales revenue assumed a 25% demand reduction; however during the first half of the fiscal year, customers achieved a 34% reduction in water usage. Conservation efforts have increased and customers are being conscientious due to the current drought situation. This is favorable news for water supply, but has significantly impacted revenues. Staff anticipates that total water sales for Fiscal Year 2016 may be below budget by approximately \$1.9 million.

Expenses for the Water Fund are below the YTD budget by approximately \$1 million. Debt service budget of \$4.7 million was over spent by \$1.2 million as 75% of these costs occurred in the first half of Fiscal Year 2016, as compared to approximately 34% in prior years. The debt service costs were offset by savings of \$1.8 million in materials and water purchases. It is expected that water purchases budget will be spent during the remainder of the fiscal year. Staff anticipates materials and special projects expenditures, however, will be below budget by approximately \$2 million at year-end, offsetting the reduction in revenues. A large portion of this includes savings in chemicals, waste disposal, and electricity, attributed to lower water sales.

Wastewater Fund

Wastewater Fund revenues are in line with the YTD budget at mid-year. However, It is projected these revenues may be below budget by \$275,000 at year-end due to the 34% reduction in water usage and historical trends of lower water sales in the third and fourth quarters each year.

Wastewater Fund expenses are approximately \$218,000 below the YTD budget. This variance is due to a number of vacant positions this fiscal year, including the Wastewater Manager for several months, which have resulted in savings in personnel costs, as well as the timing of one time debt payments, due in May each year. Staff anticipates for positions will be vacant through the end of the year, resulting in a savings of approximately \$310,000.

Downtown Parking Fund

Downtown Parking Fund revenues are above the YTD budget by approximately \$110,000. While hourly parking remains strong, trend data dictates that more customers are parking in free areas, yet the paying customers are staying longer, therefore paying more than previously. This may be attributable to the usage of credit cards which is up 3% from prior year.

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For the Six Months Ended December 31, 2015 (50% of Year Elapsed)*

Expenses are below the YTD budget by approximately \$129,000. The majority of this savings is tied to materials, supplies and services encumbered at mid-year, not yet spent. Staff anticipates expenditures to be within budget at year-end.

Airport Fund

Airport Fund revenues are below the YTD budget at December 31 by approximately \$207,600. Commercial Leases are below budget by approximately \$93,000 due to vacancies, loss of income from the sale of property and the delay in revenue receipt from High Sierra Grill. Reimbursement revenues were delayed for both the TSA law enforcement officer reimbursement and RPZ analysis. Both should be received by year end. The remainder of the reduction in revenues is spread across several revenue sources. Staff project revenues to be below budget by approximately \$264,000 at year end.

Expenses for the Airport Fund are below the YTD budget by approximately \$416,000. The variance is mostly due to position vacancies in the department, in Administration, Business Properties, Patrol and Certification and Operations. Patrol vacancies are being covered with overtime and hourly employees. Approximately \$54,000 of the variance is due to equipment purchases that will be expensed in the second half of the fiscal year. Staff project expenditures to be below budget at year-end by approximately \$700,000.

Golf Fund

Golf Fund revenues are below the YTD budget by approximately \$62,700. The variance is mostly due to lower greens fee revenue. At mid-year, paid rounds are 5.3% above Fiscal Year 2015 performance; however 0.7% below the Fiscal Year 2016 budget. Concession and range fee revenues are in line with budget at mid-year. Overall, it is expected that revenues will end the year approximately \$93,000 under budget.

Golf Fund expenses are below the YTD budget by approximately \$74,700. Projected salary savings of approximately \$147,000 are due to the retirement and vacancies, with the use of hourly staff to back fill positions. Despite water conservation efforts, rate increases will result in water charges over budget by \$66,000 by year end. Staff will be closely monitoring revenues and expenses over the next several months to determine the need to make any additional cost reductions to meet budget at year-end, as efforts are underway to transfer management of Golf Operations to Santa Barbara Golf, LLC, next fiscal year.

Waterfront Fund

Waterfront Fund revenues are above the YTD budget by approximately \$671,000. \$530,000 of this surplus is attributable to the Property Management Program. In particular, the harbor food service, wharf food service and the waterfront grill have received 63% of the budgeted revenues at mid-year. Continued good summer weather and warm fall and winter seasons contributed to significant increases in revenues through December 31. Cruise ships are over budgeted revenue by approximately \$59,000 as a result of three additional ships visiting Santa Barbara in the first six months. Staff anticipates that revenues for Fiscal Year 2016 will be over budget by approximately \$413,000, as most revenues trend lower in the second half of the year.

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Expenses for the Waterfront Fund are below the YTD budget by approximately \$91,700. This variance is primarily due to salary savings, and the programming of \$100,000 of appropriated reserves in the operating budget to cover contingencies that arise during the course of the fiscal year. As of December 31, no appropriated reserves have been used. Staff anticipates expenditures to be within budget at year-end.

City of Santa Barbara
Interim Financial Statements for the Six Months Ended December 31, 2015
Proposed Budget Adjustments

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
GENERAL FUND (1000)			
City TV			
Increase Appropriations for Purchase of Warranty	\$ 16,000	\$ -	\$ (16,000)
Transfer to Capital Fund - PEG Capital for the City TV Meeting Room Equipment Upgrade Project	35,855	-	(35,855)
<p>As part of the City TV Meeting Room Equipment Upgrade Project, staff plan to upgrade the Granicus video streaming equipment. This project is to be funded with PEG Capital Reserves. The warranty on the current equipment expires April 2016, which is 4-6 months before the project to replace it begins. Information Systems recommends keeping the equipment under warranty, in case of hardware failure. \$51,855 of PEG Fees have been received in the General Fund -PEG Capital Reserves to date. The recommended entries will increase appropriations \$16,000, allowing the department to purchase the warranty in the City TV Program, and transfer the remaining reserves of \$35,855 to the Capital Fund, to fund the Project.</p>			
Parks and Recreation Department			
Increase Estimated Revenues and Appropriations for the i-Surf Program	25,000	25,000	-
<p>The Parks and Recreation Department initiated the i-Surf Aquatics Program in 2015 and it was very successful. This Program offers beginning level surf lessons to youth ages 5-15, while focusing on confidence building. Due to the success of this program, staff worked with the contractor who provides the program and have increased the scope for Fiscal Year 2016. The recommended entries increase the estimated revenues and appropriations needed to expand the program within the Recreation Division.</p>			
Increase Estimated Revenues and Appropriations for the Tiny Timbers Program	15,000	15,000	-
<p>The Parks and Recreation Department has been very successful with the Nature Camp Program, which serves ages 7-11, and offers 280 spaces, often resulting in a waiting list. Due to the success, they have developed the Tiny Timbers Program, similar to the Nature Camp Program, which will serve younger children, ages 4-6 and offer an additional 120 spaces. The recommended entries increase the estimated revenues and appropriations expected above budget this year to fund the program within the Recreation Division.</p>			
Library			
Increase Estimated Revenues and Appropriations for the Santa Barbara Library	40,000	40,000	-
<p>The Library received funding from the Tweed Tuohy Foundation through the Friends of the Santa Barbara Public Library for \$15,000 and the Orfaea Foundation for \$25,000 to be spent on the Children's Library, Adult Literacy and the Tech Lab. These recommended entries will increase estimated revenues and appropriations by \$40,000 allowing the department to utilize the additional funding.</p>			

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
GENERAL FUND cont'd			
Transfer from Cooper Trust for Purchase of Books	-	10,000	10,000
Increase Appropriations for the Santa Barbara Library	10,000	-	(10,000)
<p>The Library recieved funding maintained in the Cooper's Trust, which is restricted to books and audios that fall within the categories of art, spirituality, and phychology. The recommended entries transfer \$10,000 of the available reserves from the trust and increase appropriations in the Library Department to purchase the allowable materials.</p>			
Total General Fund	<u>\$ 141,855</u>	<u>\$ 90,000</u>	<u>\$ (51,855)</u>
SPECIAL REVENUE FUNDS			
Streets Operating Fund (2400)			
Transfer from Streets Capital Fund reimbursement of unused project funds	\$ -	\$ 272,330	\$ 272,330
<p>The Streets Capital Fund ended Fiscal Year 2015 with \$272,330 of available reserves due to the completion of projects under budget and the elimination or postponement of certain projects. This recommended entry will transfer the available reserves in the Streets Capital Fund to the Streets Operating Fund.</p>			
Total Streets Operating Fund	<u>\$ -</u>	<u>\$ 272,330</u>	<u>\$ 272,330</u>
Streets Capital Fund (2410)			
Transfer to Streets Coperating Fund reimbursement of unused project funds	\$ 272,330	\$ -	\$ (272,330)
<p>The Streets Capital Fund ended Fiscal Year 2015 with \$272,330 of available reserves due to the completion of projects under budget and the elimination or postponement of certain projects. This recommended entry will transfer the available reserves in the Streets Capital Fund to the Streets Operating Fund.</p>			
Total Streets Capital Fund	<u>\$ 272,330</u>	<u>\$ -</u>	<u>\$ (272,330)</u>
Measure A Operating Fund (2440)			
Transfer to Measure A Capital Fund reimbursement of unused project funds	\$ 123,463	\$ -	\$ (123,463)
<p>In Fiscal Year 2015, Public Works appropriated an encumbrance to the Measure A Capital Fund, which should have been appropriated in the Operating Fund, for Sycamore Creek Channel Improvements, resulting in a negative fund balance in the Capital Fund at year end. These recommended correcting entries will transfer reserves to the to the Capital Fund to eliminate the negative fund balance.</p>			
Total Measure A Operating Fund	<u>\$ 123,463</u>	<u>\$ -</u>	<u>\$ (123,463)</u>

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
SPECIAL REVENUE FUNDS cont'd			
Measure A Capital Fund (3440)			
Transfer from Measure A Operating Fund reimbursement of unused project funds	\$ -	\$ 123,463	\$ 123,463
In Fiscal Year 2015, Public Works appropriated an encumbrance to the Measure A Capital Fund, which should have been appropriated in the Operating Fund, for Sycamore Creek Channel Improvements, resulting in a negative fund balance in the Capital Fund at year end. These recommended correcting entries will transfer reserves to the to the Capital Fund to eliminate the negative fund balance.			
Total Measure A Capital Fund	<u>\$ -</u>	<u>\$ 123,463</u>	<u>\$ 123,463</u>
County Library Fund (2500)			
Increase Estimated Revenues and Appropriations for the Goleta Library	\$ 20,000	\$ 20,000	\$ -
In Fiscal Year 2016, the Goleta Library received additional donations of \$20,000 from the Friends of the Goleta Valley Library. These recommended entries increase the funding and appropriations allowing the department the ability to spend the donations.			
Increase Estimated Revenues and Appropriations for the Carpinteria Library	5,000	5,000	-
In Fiscal Year 2016, the Carpinteria Library received additional donations of \$5,000 from the Friends of the Carpinteria Library. These recommended entries increase the funding and appropriations allowing the department the ability to spend the donations.			
Total County Library Fund	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>
Police Grants Fund (2830)			
Decrease Estimated Revenues and Appropriations to SBRNET Program	\$ (63,337)	\$ (63,337)	\$ -
The SBRNET Program was a multi agency grant program managed through Santa Barbara County, focusing on narcotics efforts. The grant funding is no longer available and was incorrectly included in the Fiscal Year 2016 budget. The recommended entries remove the estimated revenue and appropriations budgeted for Fiscal Year 2016, no longer applicable with the discontinuance of this grant.			
Total Police Grants Fund	<u>\$ (63,337)</u>	<u>\$ (63,337)</u>	<u>\$ -</u>
CAPITAL OUTLAY FUND (3000)			
Transfer from General Fund - City TV Reserves for the City TV Meeting Room Equipment Upgrade Project	\$ -	\$ 35,855	\$ 35,855
As part of the City TV Meeting Room Equipment Upgrade Project, staff plan to upgrade the Granicus video streaming equipment. This project is to be funded with PEG Capital Reserves. The warranty on the current equipment expires April 2016, which is 4-6 months before the project to replace it begins. Information Systems recommends keeping the equipment under warranty, in case of hardware failure. \$51,855 of PEG Fees have been received in the General Fund -PEG Capital Reserves to date. The recommended entries will increase appropriations \$16,000, allowing the department to purchase the warranty in the City TV Program, and transfer the remaining reserves of \$35,855 to the Capital Fund, to fund the Project.			
Total Capital Outlay Fund	<u>\$ -</u>	<u>\$ 35,855</u>	<u>\$ 35,855</u>

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
ENTERPRISE FUNDS			
Airport Capital Fund (5710)			
Transfer from Airport Grants Fund for reimbursement of design costs	\$ -	\$ 196,989	\$ 196,989
<p>The Airport funds certain portions of FAA eligible projects up front. The Airport Capital Fund funded the design which was required by FAA prior to award of grant funds for the Airfield Electrical and Safety Project. The recommended entries will reimburse the Airport Capital Fund for the design costs paid before the grant was awarded.</p>			
Total Airport Capital Fund	<u>\$ -</u>	<u>\$ 196,989</u>	<u>\$ 196,989</u>
Airport Grants Fund (5720)			
Transfer to Airport Capital Fund for reimbursement of FAA Grant Fees	\$ 196,989	\$ -	\$ (196,989)
Decrease Appropriations for Improvements	(196,989)	-	196,989
<p>The Airport funds certain portions of FAA eligible projects up front. The Airport Capital Fund funded the design which was required by FAA prior to award of grant funds for the Airfield Electrical and Safety Project. The recommended entries will reimburse the Airport Capital Fund for the design costs paid before the grant was awarded.</p>			
Total Airport Grants Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Water Operating Fund (5000)			
Transfer from Water Drought Fund for reimbursement of unused project funds	\$ -	\$ 2,517,555	\$ 2,517,555
Transfer from Water Capital Fund for reimbursement of unused project funds	-	435,678	435,678
<p>The Water Drought Fund and Water Capital Fund ended Fiscal Year 2015 with \$2,517,555, and \$435,678, respectively, of available reserves due to the completion of projects under budget and the elimination or postponement of certain projects. These recommended entries will transfer the available reserves to the Water Operating Fund.</p>			
Total Water Operating Fund	<u>\$ -</u>	<u>\$ 2,953,233</u>	<u>\$ 2,953,233</u>
Water Capital Fund (5010)			
Transfer to Water Operating Fund for reimbursement of unused project funds	\$ 435,678	\$ -	\$ (435,678)
<p>The Water Capital Fund ended Fiscal Year 2015 with \$435,678 of available reserves due to the completion of projects under budget and the elimination or postponement of certain projects. These recommended entries will transfer the available reserves to the Water Operating Fund.</p>			
Total Water Capital Fund	<u>\$ 435,678</u>	<u>\$ -</u>	<u>\$ (435,678)</u>
Water Drought Fund (5011)			
Transfer to Water Operating Fund for reimbursement of unused project funds	\$ 2,517,555	\$ -	\$ (2,517,555)
<p>The Water Drought Fund ended Fiscal Year 2015 with \$2,517,555 of available reserves due to the completion of projects under budget and the elimination or postponement of certain projects. These recommended entries will transfer the available reserves to the Water Operating Fund.</p>			
Total Water Drought Fund	<u>\$ 2,517,555</u>	<u>\$ -</u>	<u>\$ (2,517,555)</u>

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
ENTERPRISE FUNDS cont'd			
Wastewater Operating Fund (5100)			
Transfer from Wastewater Capital Fund for reimbursement of unused project funds	\$ -	\$ 497,021	\$ 497,021
The Wastewater Capital Fund ended Fiscal Year 2015 with \$497,021 of available reserves due to the completion of projects under budget and the elimination or postponement of certain projects. These recommended entries will transfer the available reserves to the Wastewater Operating Fund.			
Total Wastewater Operating Fund	<u>\$ -</u>	<u>\$ 497,021</u>	<u>\$ 497,021</u>
Wastewater Capital Fund (5110)			
Transfer to Wastewater Operating Fund for reimbursement of unused project funds	\$ 497,021	\$ -	\$ (497,021)
The Wastewater Capital Fund ended Fiscal Year 2015 with \$497,021 of available reserves due to the completion of projects under budget and the elimination or postponement of certain projects. These recommended entries will transfer the available reserves to the Wastewater Operating Fund.			
Total Wastewater Capital Fund	<u>\$ 497,021</u>	<u>\$ -</u>	<u>\$ (497,021)</u>
Downtown Parking Operating Fund (5300)			
Transfer from Downtown Parking Capital Fund for reimbursement of unused project funds	\$ -	\$ 331,014	\$ 331,014
The Downtown Parking Capital Fund ended Fiscal Year 2015 with \$331,014 of available reserves due to the completion of projects under budget and the elimination or postponement of certain projects. These recommended entries will transfer the available reserves to the Downtown Parking Operating Fund.			
Total Downtown Parking Operating Fund	<u>\$ -</u>	<u>\$ 331,014</u>	<u>\$ 331,014</u>
Downtown Parking Capital Fund (5310)			
Transfer to Downtown Parking Operating Fund for reimbursement of unused project funds	\$ 331,014	\$ -	\$ (331,014)
The Downtown Parking Capital Fund ended Fiscal Year 2015 with \$331,014 of available reserves due to the completion of projects under budget and the elimination or postponement of certain projects. These recommended entries will transfer the available reserves to the Downtown Parking Operating Fund.			
Total Downtown Parking Capital Fund	<u>\$ 331,014</u>	<u>\$ -</u>	<u>\$ (331,014)</u>
INTERNAL SERVICE FUNDS			
Facilities Operating Fund (6300)			
Transfer from Facilities Capital Fund for reimbursement of unused project funds	\$ -	\$ 132,481	\$ 132,481
The Facilities Capital Fund ended Fiscal Year 2015 with \$132,481 of available reserves due to the completion of projects under budget and the elimination or postponement of certain projects. These recommended entries will transfer the available reserves to the Facilities Operating Fund.			
Total Facilities Operating Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,481</u>

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
INTERNAL SERVICE FUNDS cont'd			
Facilities Capital Fund (6310)			
Transfer to Facilities Operating Fund for reimbursement of unused project funds	\$ 132,481	\$ -	\$ (132,481)
The Facilities Capital Fund ended Fiscal Year 2015 with \$132,481 of available reserves due to the completion of projects under budget and the elimination or postponement of certain projects. These recommended entries will transfer the available reserves to the Facilities Operating Fund.			-
Total Facilities Capital Fund	<u>\$ 132,481</u>	<u>\$ -</u>	<u>\$ (132,481)</u>
LIBRARY GIFT FUND (7120)			
Library Gift Fund			
Transfer to General Fund - Library for the purchase of books	\$ -	\$ 10,000	\$ 10,000
The Library recieved funding maintained in the Cooper's Trust, which is restricted to books and audios that fall within the categories of art, spirituality, and phychology. The recommended entries transfer \$10,000 of the available reserves from the trust and increase appropriations in the Library Department to purchase the allowable materials.			
Total Library Gift Fund	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
CANINE UNIT TRUST FUND (7130)			
Canine Unit Trust Fund			
Increase Appropriations for the K9 Program	\$ 35,000	\$ -	\$ (35,000)
The City maintains a trust fund for donations received for the benefit of the Santa Barbara Police Department K9 Program. These funds are used to help offset the cost of training, maintaining and procuring police dogs, as well as the day to day equipment necessary in maintaining a healthy working environment. The recommended entries will provide the appropriations related to the annual care, maintenance and training of police dogs in the K9 Program.			
Total Canine Unit Trust Fund	<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ (35,000)</u>