



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 23, 2010
TO: Mayor and Councilmembers
FROM: Accounting Division, Finance Department
SUBJECT: Fiscal Year 2010 Mid-Year Review

RECOMMENDATION: That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget as of December 31, 2009;
- B. Accept the Fiscal Year 2010 Interim Financial Statements for the Six Months Ended December 31, 2009; and
- C. Increase appropriations in the Miscellaneous Grants Fund by \$43,712 for the purchase of a Breathing Air Compressor Fill Station for fire operations from reserves accumulated in the Miscellaneous Grants Fund for Hazmat expenditures.

EXECUTIVE SUMMARY:

Each month, staff presents the interim financial statements (Attachment 1) showing the progress 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 the attached interim financial statements (Attachment 2).

In addition to the mid-year budget analysis, staff brings forward any recommended adjustments for Council approval. These adjustments are the result of new information and/or unanticipated events that occurred since the adoption of the budget in June 2009. In November 2009, staff presented several mid-year budget adjustments that were needed due to the deteriorating revenue stream and the weak local and national economies. Council approved those adjustments and there are no further mid-year adjustments requested at this time.

The General Fund currently has a projected budget gap of approximately \$3.7 million. Each General Fund department has been asked to curtail spending to achieve additional expenditure savings this year. Some savings will be achieved through cost cutting and as a result of staff vacancies from turnover and retirements. Early staff projections indicate that we could potentially save up to \$2 million; however, several of the proposed options do not appear achievable before the end of the fiscal year. Staff

will continue to monitor the state of the City's finances and will propose any additional required adjustments to the budget later this year.

Recommended Appropriations Increase

The Fire Department requests additional appropriations to replace the Breathing Air Compressor Fill Station. This compressor fills the firefighter's Self-Contained Breathing Apparatus bottles. The current unit has broken down and is no longer repairable. Replacement parts cannot be obtained and staff will need to locate a new manufacturer. New units can cost as much as \$50,000. The Miscellaneous Grants Fund has accumulated \$43,712 in reserves for Hazmat expenditures and these reserves will be used to pay for the new equipment. If the new equipment costs more than \$43,712, the balance will be paid out of existing Fire Department appropriations in the General Fund.

- ATTACHMENTS:**
1. Summary by Fund Statement of Revenues and Expenditures for the Six Months Ended December 31, 2009
 2. Interim Financial Statements for the Six Months Ended December 31, 2009 (Narrative Analysis)

PREPARED BY: Rudolf J. Livingston, Accounting Manager

SUBMITTED BY: Robert Samario, Interim 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, 2009 (50% of Fiscal Year)

| | Annual Budget | YTD Actual | Encum- brances | Remaining Balance | Percent of Budget |
|--|--------------------|--------------------|--------------------|----------------------|----------------------|
| GENERAL FUND | | | | | |
| Revenue | 103,198,955 | 44,617,667 | - | 58,581,288 | 43.2% |
| Expenditures | 103,363,474 | 50,279,805 | 787,837 | 52,295,832 | 49.4% |
| <i>Addition to / (use of) reserves</i> | <i>(164,519)</i> | <i>(5,662,139)</i> | <i>(787,837)</i> | | |
| WATER OPERATING FUND | | | | | |
| Revenue | 34,188,296 | 18,792,916 | - | 15,395,380 | 55.0% |
| Expenditures | 37,418,635 | 15,937,564 | 2,667,770 | 18,813,300 | 49.7% |
| <i>Addition to / (use of) reserves</i> | <i>(3,230,339)</i> | <i>2,855,352</i> | <i>(2,667,770)</i> | | |
| WASTEWATER OPERATING FUND | | | | | |
| Revenue | 14,828,850 | 7,521,999 | - | 7,306,851 | 50.7% |
| Expenditures | 16,070,288 | 6,690,162 | 1,361,912 | 8,018,213 | 50.1% |
| <i>Addition to / (use of) reserves</i> | <i>(1,241,438)</i> | <i>831,836</i> | <i>(1,361,912)</i> | | |
| DOWNTOWN PARKING | | | | | |
| Revenue | 6,762,290 | 3,413,416 | - | 3,348,874 | 50.5% |
| Expenditures | 8,195,457 | 3,677,422 | 582,640 | 3,935,396 | 52.0% |
| <i>Addition to / (use of) reserves</i> | <i>(1,433,167)</i> | <i>(264,006)</i> | <i>(582,640)</i> | | |
| AIRPORT OPERATING FUND | | | | | |
| Revenue | 12,440,678 | 6,538,113 | - | 5,902,565 | 52.6% |
| Expenditures | 12,723,593 | 5,678,280 | 618,511 | 6,426,802 | 49.5% |
| <i>Addition to / (use of) reserves</i> | <i>(282,915)</i> | <i>859,833</i> | <i>(618,511)</i> | | |
| GOLF COURSE FUND | | | | | |
| Revenue | 2,380,438 | 888,958 | - | 1,491,480 | 37.3% |
| Expenditures | 2,785,158 | 1,499,863 | 120,922 | 1,164,373 | 58.2% |
| <i>Addition to / (use of) reserves</i> | <i>(404,720)</i> | <i>(610,906)</i> | <i>(120,922)</i> | | |
| INTRA-CITY SERVICE FUND | | | | | |
| Revenue | 6,397,840 | 3,334,886 | - | 3,062,954 | 52.1% |
| Expenditures | 6,659,667 | 2,381,932 | 586,962 | 3,690,772 | 44.6% |
| <i>Addition to / (use of) reserves</i> | <i>(261,827)</i> | <i>952,954</i> | <i>(586,962)</i> | | |

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Six Months Ended December 31, 2009 (50% of Fiscal Year)

| | Annual Budget | YTD Actual | Encum- brances | Remaining Balance | Percent of Budget |
|--|---------------------|-----------------|--------------------|----------------------|----------------------|
| FLEET REPLACEMENT FUND | | | | | |
| Revenue | 1,779,868 | 953,251 | - | 826,617 | 53.6% |
| Expenditures | 3,821,874 | 798,875 | 818,469 | 2,204,531 | 42.3% |
| <i>Addition to / (use of) reserves</i> | <u>(2,042,006)</u> | <u>154,377</u> | <u>(818,469)</u> | | |
| FLEET MAINTENANCE FUND | | | | | |
| Revenue | 2,530,238 | 1,240,119 | - | 1,290,119 | 49.0% |
| Expenditures | 2,631,703 | 1,000,199 | 168,315 | 1,463,189 | 44.4% |
| <i>Addition to / (use of) reserves</i> | <u>(101,465)</u> | <u>239,920</u> | <u>(168,315)</u> | | |
| SELF INSURANCE TRUST FUND | | | | | |
| Revenue | 6,073,674 | 3,019,345 | - | 3,054,329 | 49.7% |
| Expenditures | 6,519,840 | 2,673,171 | 236,026 | 3,610,644 | 44.6% |
| <i>Addition to / (use of) reserves</i> | <u>(446,166)</u> | <u>346,174</u> | <u>(236,026)</u> | | |
| INFORMATION SYSTEMS ICS FUND | | | | | |
| Revenue | 2,435,147 | 1,222,828 | - | 1,212,319 | 50.2% |
| Expenditures | 2,630,280 | 1,283,718 | 66,661 | 1,279,902 | 51.3% |
| <i>Addition to / (use of) reserves</i> | <u>(195,133)</u> | <u>(60,890)</u> | <u>(66,661)</u> | | |
| WATERFRONT FUND | | | | | |
| Revenue | 11,522,348 | 6,197,555 | - | 5,324,793 | 53.8% |
| Expenditures | 12,061,259 | 5,903,156 | 566,390 | 5,591,714 | 53.6% |
| <i>Addition to / (use of) reserves</i> | <u>(538,911)</u> | <u>294,400</u> | <u>(566,390)</u> | | |
| TOTAL FOR ALL FUNDS | | | | | |
| Revenue | 204,538,622 | 97,741,051 | - | 106,797,571 | 47.8% |
| Expenditures | 214,881,229 | 97,804,148 | 8,582,413 | 108,494,668 | 49.5% |
| <i>Addition to / (use of) reserves</i> | <u>(10,342,607)</u> | <u>(63,097)</u> | <u>(8,582,413)</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, 2009 (50% of Fiscal Year)

| | Annual Budget | YTD Actual | Remaining Balance | Percent Received | Previous YTD |
|-------------------------------------|--------------------|-------------------|----------------------|---------------------|-------------------|
| TAXES | | | | | |
| Sales and Use | 17,405,682 | 6,412,644 | 10,993,038 | 36.8% | 7,603,457 |
| Property Taxes | 23,426,345 | 7,566,461 | 15,859,884 | 32.3% | 8,590,431 |
| Utility Users Tax | 6,916,329 | 3,484,555 | 3,431,774 | 50.4% | 3,509,286 |
| Transient Occupancy Tax | 11,351,970 | 6,618,032 | 4,733,938 | 58.3% | 7,737,272 |
| Franchise Fees | 3,335,000 | 1,639,714 | 1,695,286 | 49.2% | 1,463,071 |
| Business License | 2,273,300 | 917,418 | 1,355,882 | 40.4% | 982,866 |
| Real Property Transfer Tax | 325,800 | 199,690 | 126,110 | 61.3% | 166,796 |
| <i>Total</i> | <u>65,034,426</u> | <u>26,838,514</u> | <u>38,195,912</u> | 41.3% | <u>30,053,178</u> |
| LICENSES & PERMITS | | | | | |
| Licenses & Permits | 179,000 | 85,941 | 93,059 | 48.0% | 92,424 |
| <i>Total</i> | <u>179,000</u> | <u>85,941</u> | <u>93,059</u> | 48.0% | <u>92,424</u> |
| FINES & FORFEITURES | | | | | |
| Parking Violations | 2,582,774 | 1,258,091 | 1,324,683 | 48.7% | 1,235,900 |
| Library Fines | 117,318 | 58,305 | 59,013 | 49.7% | 52,799 |
| Municipal Court Fines | 150,000 | 67,528 | 82,472 | 45.0% | 88,604 |
| Other Fines & Forfeitures | 100,000 | 91,046 | 8,954 | 91.0% | - |
| <i>Total</i> | <u>2,950,092</u> | <u>1,474,969</u> | <u>1,475,123</u> | 50.0% | <u>1,377,303</u> |
| USE OF MONEY & PROPERTY | | | | | |
| Investment Income | 941,951 | 588,528 | 353,423 | 62.5% | 768,004 |
| Rents & Concessions | 406,436 | 208,045 | 198,391 | 51.2% | 198,987 |
| <i>Total</i> | <u>1,348,387</u> | <u>796,574</u> | <u>551,813</u> | 59.1% | <u>966,991</u> |
| INTERGOVERNMENTAL | | | | | |
| Grants | 2,307,577 | 229,530 | 2,078,047 | 9.9% | 1,830,605 |
| Vehicle License Fees | 200,000 | 134,978 | 65,022 | 67.5% | 140,864 |
| Reimbursements | 17,500 | - | 17,500 | 0.0% | - |
| <i>Total</i> | <u>2,525,077</u> | <u>364,508</u> | <u>2,160,569</u> | 14.4% | <u>1,971,469</u> |
| FEES & SERVICE CHARGES | | | | | |
| Finance | 858,930 | 412,783 | 446,147 | 48.1% | 406,412 |
| Community Development | 4,425,717 | 2,284,447 | 2,141,270 | 51.6% | 2,179,264 |
| Recreation | 2,448,499 | 983,507 | 1,464,992 | 40.2% | 1,131,940 |
| Public Safety | 550,543 | 199,157 | 351,386 | 36.2% | 168,066 |
| Public Works | 4,608,873 | 2,533,361 | 2,075,512 | 55.0% | 2,005,240 |
| Library | 775,452 | 370,265 | 405,187 | 47.7% | 18,541 |
| Reimbursements | 5,809,367 | 2,727,084 | 3,082,283 | 46.9% | 2,502,685 |
| <i>Total</i> | <u>19,477,381</u> | <u>9,510,604</u> | <u>9,966,777</u> | 48.8% | <u>8,412,148</u> |
| OTHER MISCELLANEOUS REVENUES | | | | | |
| Miscellaneous | 1,640,775 | 962,187 | 678,588 | 58.6% | 2,368,038 |
| Indirect Allocations | 7,238,105 | 3,672,553 | 3,565,552 | 50.7% | 3,292,960 |
| Operating Transfers-In | 2,805,712 | 911,816 | 1,893,896 | 32.5% | 632,851 |
| <i>Total</i> | <u>11,684,592</u> | <u>5,546,557</u> | <u>6,138,035</u> | 47.5% | <u>6,293,850</u> |
| TOTAL REVENUES | <u>103,198,955</u> | <u>44,617,667</u> | <u>58,581,288</u> | 43.2% | <u>49,167,362</u> |

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2009 (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 | 747,750 | 349,502 | 1,945 | 396,303 | 47.0% | |
| <i>Total</i> | 747,750 | 349,502 | 1,945 | 396,303 | 47.0% | 394,258 |
| <u>City Attorney</u> | | | | | | |
| CITY ATTORNEY | 2,099,358 | 1,020,892 | - | 1,078,466 | 48.6% | |
| <i>Total</i> | 2,099,358 | 1,020,892 | - | 1,078,466 | 48.6% | 1,093,336 |
| <u>Administration</u> | | | | | | |
| CITY ADMINISTRATOR | 1,324,103 | 696,747 | 1,945 | 625,410 | 52.8% | |
| LABOR RELATIONS | 187,984 | 86,668 | - | 101,316 | 46.1% | |
| CITY TV | 433,943 | 202,284 | 38,343 | 193,316 | 55.5% | |
| <i>Total</i> | 1,946,030 | 985,700 | 40,289 | 920,042 | 52.7% | 1,132,631 |
| <u>Administrative Services</u> | | | | | | |
| CITY CLERK | 773,167 | 474,905 | 15,650 | 282,612 | 63.4% | |
| HUMAN RESOURCES | 1,190,764 | 525,512 | 19,879 | 645,373 | 45.8% | |
| ADMIN SVCS-EMPLOYEE DEVELOPMENT | 182,921 | 71,312 | - | 111,609 | 39.0% | |
| <i>Total</i> | 2,146,852 | 1,071,729 | 35,529 | 1,039,594 | 51.6% | 951,999 |
| <u>Finance</u> | | | | | | |
| ADMINISTRATION | 631,402 | 335,124 | 10,995 | 285,283 | 54.8% | |
| TREASURY | 380,819 | 194,098 | 2,000 | 184,721 | 51.5% | |
| CASHIERING & COLLECTION | 425,648 | 205,872 | - | 219,776 | 48.4% | |
| LICENSES & PERMITS | 387,383 | 185,613 | - | 201,770 | 47.9% | |
| BUDGET MANAGEMENT | 330,928 | 187,173 | - | 143,755 | 56.6% | |
| ACCOUNTING | 387,205 | 212,295 | 23,547 | 151,364 | 60.9% | |
| PAYROLL | 272,626 | 130,504 | - | 142,122 | 47.9% | |
| ACCOUNTS PAYABLE | 210,352 | 100,841 | - | 109,511 | 47.9% | |
| CITY BILLING & CUSTOMER SERVICE | 560,393 | 239,955 | - | 320,438 | 42.8% | |
| PURCHASING | 634,301 | 312,380 | 2,471 | 319,449 | 49.6% | |
| CENTRAL STORES | 183,684 | 88,454 | - | 95,230 | 48.2% | |
| MAIL SERVICES | 96,326 | 45,089 | - | 51,237 | 46.8% | |
| <i>Total</i> | 4,501,067 | 2,237,398 | 39,014 | 2,224,655 | 50.6% | 2,387,485 |
| TOTAL GENERAL GOVERNMENT | 11,441,057 | 5,665,221 | 116,777 | 5,659,060 | 50.5% | 5,959,709 |
| PUBLIC SAFETY | | | | | | |
| <u>Police</u> | | | | | | |
| CHIEF'S STAFF | 1,160,176 | 576,742 | - | 583,434 | 49.7% | |
| SUPPORT SERVICES | 575,931 | 276,090 | 3,202 | 296,640 | 48.5% | |
| RECORDS | 1,396,802 | 666,275 | 6,059 | 724,468 | 48.1% | |
| COMMUNITY SVCS | 1,063,530 | 518,777 | 4,902 | 539,851 | 49.2% | |
| CRIME ANALYSIS | 66,056 | 9,607 | - | 56,449 | 14.5% | |
| PROPERTY ROOM | 125,326 | 62,168 | 802 | 62,356 | 50.2% | |

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2009 (50% of Fiscal Year)

| | Annual Budget | YTD Actual | Encum- brances | ** Remaining Balance | YTD Expended and Encumbered | Previous YTD |
|----------------------------------|-------------------|-------------------|-------------------|-------------------------|--------------------------------------|-------------------|
| PUBLIC SAFETY | | | | | | |
| <u>Police</u> | | | | | | |
| TRNG/RECRUITMENT | 381,881 | 255,445 | 16,290 | 110,146 | 71.2% | |
| RANGE | 879,439 | 430,188 | 29,024 | 420,227 | 52.2% | |
| BEAT COORDINATORS | 801,812 | 229,229 | 878 | 571,705 | 28.7% | |
| INFORMATION TECHNOLOGY | 1,118,502 | 616,393 | 12,529 | 489,580 | 56.2% | |
| INVESTIGATIVE DIVISION | 4,489,206 | 2,143,495 | 3,445 | 2,342,266 | 47.8% | |
| CRIME LAB | 222,370 | 62,143 | - | 160,227 | 27.9% | |
| PATROL DIVISION | 12,629,310 | 6,226,296 | 114,603 | 6,288,412 | 50.2% | |
| TRAFFIC | 1,330,706 | 555,111 | 1,580 | 774,015 | 41.8% | |
| SPECIAL EVENTS | 986,472 | 894,374 | - | 92,098 | 90.7% | |
| TACTICAL PATROL FORCE | 1,131,685 | 571,281 | 2,074 | 558,330 | 50.7% | |
| STREET SWEEPING ENFORCEMENT | 236,362 | 126,535 | - | 109,827 | 53.5% | |
| NIGHT LIFE ENFORCEMENT | 458,400 | 172,802 | - | 285,598 | 37.7% | |
| PARKING ENFORCEMENT | 1,031,837 | 433,890 | 22,020 | 575,926 | 44.2% | |
| CCC | 2,383,022 | 1,028,035 | 641 | 1,354,347 | 43.2% | |
| ANIMAL CONTROL | 564,640 | 304,531 | 1,736 | 258,374 | 54.2% | |
| <i>Total</i> | 33,033,465 | 16,161,276 | 219,785 | 16,652,404 | 49.6% | 17,557,076 |
| <u>Fire</u> | | | | | | |
| ADMINISTRATION | 1,096,276 | 574,494 | 3,046 | 518,735 | 52.7% | |
| EMERGENCY SERVICES AND PUBLIC ED | 218,086 | 103,865 | 988 | 113,234 | 48.1% | |
| PREVENTION | 1,187,985 | 573,723 | 393 | 613,868 | 48.3% | |
| WILDLAND FIRE MITIGATION PROGRAM | 191,083 | 82,520 | 22,229 | 86,334 | 54.8% | |
| OPERATIONS | 17,188,401 | 8,246,817 | 48,290 | 8,893,294 | 48.3% | |
| ARFF | 1,623,165 | 830,733 | - | 792,432 | 51.2% | |
| <i>Total</i> | 21,504,996 | 10,412,152 | 74,947 | 11,017,898 | 48.8% | 11,307,424 |
| TOTAL PUBLIC SAFETY | 54,538,461 | 26,573,428 | 294,732 | 27,670,302 | 49.3% | 28,864,500 |
| PUBLIC WORKS | | | | | | |
| <u>Public Works</u> | | | | | | |
| ADMINISTRATION | 862,361 | 401,330 | 7,425 | 453,605 | 47.4% | |
| ENGINEERING SVCS | 4,129,675 | 2,031,609 | 11,485 | 2,086,580 | 49.5% | |
| PUBLIC RT OF WAY MGMT | 1,011,589 | 449,852 | 1,678 | 560,059 | 44.6% | |
| ENVIRONMENTAL PROGRAMS | 393,673 | 146,720 | 61,076 | 185,878 | 52.8% | |
| <i>Total</i> | 6,397,298 | 3,029,511 | 81,664 | 3,286,122 | 48.6% | 3,346,062 |
| TOTAL PUBLIC WORKS | 6,397,298 | 3,029,511 | 81,664 | 3,286,122 | 48.6% | 3,346,062 |
| COMMUNITY SERVICES | | | | | | |
| <u>Parks & Recreation</u> | | | | | | |
| PRGM MGMT & BUS SVCS | 524,868 | 256,456 | - | 268,412 | 48.9% | |
| FACILITIES | 394,356 | 204,921 | 8,059 | 181,376 | 54.0% | |
| CULTURAL ARTS | 429,832 | 216,252 | 22,028 | 191,552 | 55.4% | |
| YOUTH ACTIVITIES | 752,636 | 335,942 | 6,251 | 410,443 | 45.5% | |

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2009 (50% of Fiscal Year)

| | Annual Budget | YTD Actual | Encum- brances | ** Remaining Balance | YTD Expended and Encumbered | Previous YTD |
|------------------------------------|-------------------|------------------|-------------------|-------------------------|--------------------------------------|-------------------|
| COMMUNITY SERVICES | | | | | | |
| <u>Parks & Recreation</u> | | | | | | |
| SR CITIZENS | 722,733 | 359,462 | 387 | 362,884 | 49.8% | |
| AQUATICS | 1,033,575 | 618,319 | 29,379 | 385,877 | 62.7% | |
| SPORTS | 483,177 | 214,758 | 8,483 | 259,936 | 46.2% | |
| TENNIS | 275,753 | 150,461 | - | 125,292 | 54.6% | |
| NEIGHBORHOOD & OUTREACH SERV | 1,263,260 | 610,852 | 3,954 | 648,454 | 48.7% | |
| ADMINISTRATION | 528,293 | 256,339 | - | 271,954 | 48.5% | |
| PROJECT MANAGEMENT TEAM | 242,538 | 145,201 | - | 97,337 | 59.9% | |
| BUSINESS SERVICES | 375,931 | 170,707 | 8,383 | 196,842 | 47.6% | |
| FACILITY & PROJECT MGT | 1,012,354 | 552,813 | 1,295 | 458,246 | 54.7% | |
| GROUNDS MANAGEMENT | 4,051,580 | 2,021,189 | 95,609 | 1,934,782 | 52.2% | |
| FORESTRY | 1,182,344 | 486,238 | 16,048 | 680,058 | 42.5% | |
| BEACH MAINTENANCE | 170,234 | 63,041 | 8,984 | 98,209 | 42.3% | |
| <i>Total</i> | <u>13,443,464</u> | <u>6,665,744</u> | <u>208,861</u> | <u>6,568,859</u> | 51.1% | <u>8,041,140</u> |
| <u>Library</u> | | | | | | |
| ADMINISTRATION | 416,148 | 198,940 | - | 217,208 | 47.8% | |
| PUBLIC SERVICES | 2,161,456 | 1,085,659 | 3,816 | 1,071,982 | 50.4% | |
| SUPPORT SERVICES | 1,594,389 | 657,024 | 2,658 | 934,707 | 41.4% | |
| <i>Total</i> | <u>4,171,993</u> | <u>1,946,876</u> | <u>6,474</u> | <u>2,218,643</u> | 46.8% | <u>2,294,678</u> |
| TOTAL COMMUNITY SERVICES | <u>17,615,457</u> | <u>8,612,620</u> | <u>215,334</u> | <u>8,787,503</u> | 50.1% | <u>10,335,818</u> |
| COMMUNITY DEVELOPMENT | | | | | | |
| <u>Community Development</u> | | | | | | |
| ADMINISTRATION | 491,949 | 215,722 | 744 | 275,483 | 44.0% | |
| ECON DEV | 62,919 | 27,498 | - | 35,421 | 43.7% | |
| CITY ARTS ADVISORY PROGRAM | 540,483 | 452,511 | - | 87,972 | 83.7% | |
| HUMAN SVCS | 818,612 | 395,851 | - | 422,761 | 48.4% | |
| RDA | 730,700 | 297,220 | - | 433,480 | 40.7% | |
| RDA HSG DEV | 677,395 | 333,780 | - | 343,615 | 49.3% | |
| LR PLANNING/STUDIES | 792,833 | 361,300 | 639 | 430,894 | 45.7% | |
| DEV & DESIGN REVIEW | 1,038,992 | 475,014 | 7,452 | 556,526 | 46.4% | |
| ZONING | 853,074 | 391,994 | 918 | 460,161 | 46.1% | |
| DESIGN REV & HIST PRESERVATN | 940,732 | 422,774 | 43,237 | 474,720 | 49.5% | |
| SHO/ENVIRON REVIEW/TRAINING | 703,239 | 323,775 | 7,069 | 372,394 | 47.0% | |
| BLDG PERMITS | 1,018,740 | 468,896 | 222 | 549,622 | 46.0% | |
| RECORDS & ARCHIVES | 527,248 | 236,799 | 18,762 | 271,687 | 48.5% | |
| PLAN CK & COUNTER SRV | 1,268,494 | 589,108 | 284 | 679,102 | 46.5% | |
| <i>Total</i> | <u>10,465,410</u> | <u>4,992,243</u> | <u>79,330</u> | <u>5,393,837</u> | 48.5% | <u>5,744,046</u> |
| TOTAL COMMUNITY DEVELOPMENT | <u>10,465,410</u> | <u>4,992,243</u> | <u>79,330</u> | <u>5,393,837</u> | 48.5% | <u>5,744,046</u> |

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Six Months Ended December 31, 2009 (50% of Fiscal Year)

| | Annual Budget | YTD Actual | Encum- brances | ** Remaining Balance | YTD Expended and Encumbered | Previous YTD |
|-------------------------------|------------------|---------------|-------------------|-------------------------|--------------------------------------|-----------------|
| NON-DEPARTMENTAL | | | | | | |
| <u>Non-Departmental</u> | | | | | | |
| DUES, MEMBERSHIPS, & LICENSES | 22,272 | 2,585 | - | 19,687 | 11.6% | |
| COMMUNITY PROMOTIONS | 1,706,580 | 1,012,521 | - | 694,059 | 59.3% | |
| SPECIAL PROJECTS | 21,000 | 34,550 | - | (13,550) | 164.5% | |
| TRANSFERS OUT | 43,500 | 43,500 | - | - | 100.0% | |
| DEBT SERVICE TRANSFERS | 353,568 | 288,626 | - | 64,942 | 81.6% | |
| CAPITAL OUTLAY TRANSFER | 573,170 | 25,000 | - | 548,170 | 4.4% | |
| APPROP. RESERVE | 185,701 | - | - | 185,701 | 0.0% | |
| <i>Total</i> | 2,905,791 | 1,406,782 | - | 1,499,009 | 48.4% | 2,440,925 |
| TOTAL NON-DEPARTMENTAL | 2,905,791 | 1,406,782 | - | 1,499,009 | 48.4% | 2,440,925 |
| TOTAL EXPENDITURES | 103,363,474 | 50,279,805 | 787,837 | 52,295,832 | 49.4% | 56,691,061 |

*** 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 Six Months Ended December 31, 2009 (50% of Fiscal Year)

| | Annual Budget | YTD Actual | Encum- brances | Remaining Balance | Percent of Budget |
|--|------------------|---------------|-------------------|----------------------|----------------------|
| TRAFFIC SAFETY FUND | | | | | |
| Revenue | 515,000 | 246,984 | - | 268,016 | 48.0% |
| Expenditures | 515,000 | 246,984 | - | 268,016 | 48.0% |
| <i>Revenue Less Expenditures</i> | - | - | - | - | |
| CREEK RESTORATION/WATER QUALITY IMPRVMT | | | | | |
| Revenue | 2,610,100 | 1,459,704 | - | 1,150,396 | 55.9% |
| Expenditures | 3,386,420 | 1,307,794 | 339,285 | 1,739,341 | 48.6% |
| <i>Revenue Less Expenditures</i> | (776,320) | 151,910 | (339,285) | (588,944) | |
| SOLID WASTE PROGRAM | | | | | |
| Revenue | 18,614,209 | 8,661,115 | - | 9,953,094 | 46.5% |
| Expenditures | 18,713,657 | 8,847,621 | 120,628 | 9,745,409 | 47.9% |
| <i>Revenue Less Expenditures</i> | (99,448) | (186,506) | (120,628) | 207,685 | |
| COMM.DEVELOPMENT BLOCK GRANT | | | | | |
| Revenue | 3,244,916 | 887,572 | - | 2,357,344 | 27.4% |
| Expenditures | 3,121,049 | 733,070 | 65,810 | 2,322,169 | 25.6% |
| <i>Revenue Less Expenditures</i> | 123,867 | 154,502 | (65,810) | 35,175 | |
| COUNTY LIBRARY | | | | | |
| Revenue | 1,703,932 | 597,096 | - | 1,106,836 | 35.0% |
| Expenditures | 1,765,938 | 830,596 | 18,010 | 917,333 | 48.1% |
| <i>Revenue Less Expenditures</i> | (62,006) | (233,500) | (18,010) | 189,503 | |
| STREETS FUND | | | | | |
| Revenue | 9,571,682 | 4,272,077 | - | 5,299,605 | 44.6% |
| Expenditures | 14,093,895 | 5,507,047 | 1,069,674 | 7,517,175 | 46.7% |
| <i>Revenue Less Expenditures</i> | (4,522,213) | (1,234,969) | (1,069,674) | (2,217,570) | |
| MEASURE "D" | | | | | |
| Revenue | 4,884,000 | 1,964,259 | - | 2,919,741 | 40.2% |
| Expenditures | 9,067,069 | 1,554,740 | 2,489,766 | 5,022,563 | 44.6% |
| <i>Revenue Less Expenditures</i> | (4,183,069) | 409,519 | (2,489,766) | (2,102,822) | |

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2009 (50% of Fiscal Year)

WATER OPERATING FUND

| | Annual Budget | YTD Actual | Encum- brances | Remaining Balance | Percent of Budget | Previous YTD |
|--------------------------------|-------------------|-------------------|-------------------|----------------------|----------------------|-------------------|
| REVENUES | | | | | | |
| Water Sales - Metered | 29,850,000 | 15,880,618 | - | 13,969,382 | 53.2% | 16,207,308 |
| Service Charges | 385,000 | 212,379 | - | 172,621 | 55.2% | 200,612 |
| Cater JPA Treatment Charges | 2,200,000 | 1,706,794 | - | 493,206 | 77.6% | 1,393,580 |
| Licenses & Permits | (2,500) | - | - | (2,500) | 0.0% | - |
| Investment Income | 1,008,000 | 599,974 | - | 408,026 | 59.5% | 815,721 |
| Grants | 36,098 | 24,243 | - | 11,855 | 67.2% | - |
| Reimbursements | 18,000 | - | - | 18,000 | 0.0% | - |
| Miscellaneous | 693,698 | 368,907 | - | 324,791 | 53.2% | 201,826 |
| TOTAL REVENUES | 34,188,296 | 18,792,916 | - | 15,395,380 | 55.0% | 18,819,047 |
| EXPENSES | | | | | | |
| Salaries & Benefits | 7,599,922 | 3,489,417 | - | 4,110,505 | 45.9% | 3,430,633 |
| Materials, Supplies & Services | 10,540,950 | 3,847,972 | 2,544,245 | 4,148,734 | 60.6% | 3,544,893 |
| Special Projects | 646,774 | 63,884 | 70,458 | 512,433 | 20.8% | 44,767 |
| Water Purchases | 7,776,465 | 3,219,509 | 43,702 | 4,513,254 | 42.0% | 3,292,242 |
| Debt Service | 5,094,672 | 2,606,260 | - | 2,488,412 | 51.2% | 2,580,787 |
| Capital Outlay Transfers | 5,302,492 | 2,651,246 | - | 2,651,246 | 50.0% | 4,004,317 |
| Equipment | 197,459 | 37,116 | 7,715 | 152,629 | 22.7% | 4,882 |
| Capitalized Fixed Assets | 109,900 | 861 | 1,652 | 107,388 | 2.3% | 7,674 |
| Other | - | 21,299 | - | (21,299) | 100.0% | 20,328 |
| Appropriated Reserve | 150,000 | - | - | 150,000 | 0.0% | - |
| TOTAL EXPENSES | 37,418,635 | 15,937,564 | 2,667,770 | 18,813,300 | 49.7% | 16,930,522 |

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 Six Months Ended December 31, 2009 (50% of Fiscal Year)

WASTEWATER OPERATING FUND

| | Annual Budget | YTD Actual | Encum- brances | Remaining Balance | Percent of Budget | Previous YTD |
|--------------------------------|-------------------|------------------|-------------------|----------------------|----------------------|------------------|
| REVENUES | | | | | | |
| Service Charges | 14,010,000 | 7,049,647 | - | 6,960,353 | 50.3% | 6,932,271 |
| Fees | 410,000 | 248,701 | - | 161,299 | 60.7% | 212,774 |
| Investment Income | 325,000 | 208,851 | - | 116,149 | 64.3% | 280,084 |
| Miscellaneous | 83,850 | 14,800 | - | 69,050 | 17.7% | 105,940 |
| TOTAL REVENUES | 14,828,850 | 7,521,999 | - | 7,306,851 | 50.7% | 7,531,070 |
| EXPENSES | | | | | | |
| Salaries & Benefits | 5,125,324 | 2,349,516 | - | 2,775,808 | 45.8% | 2,389,126 |
| Materials, Supplies & Services | 5,733,089 | 2,188,934 | 1,354,339 | 2,189,816 | 61.8% | 2,243,536 |
| Special Projects | 711,367 | 354,271 | - | 357,096 | 49.8% | 546,593 |
| Transfers-Out | 65,000 | 32,500 | - | 32,500 | 50.0% | - |
| Debt Service | 1,354,888 | 346,613 | - | 1,008,275 | 25.6% | 390,277 |
| Capital Outlay Transfers | 2,827,188 | 1,413,594 | - | 1,413,594 | 50.0% | 1,169,607 |
| Equipment | 50,167 | 3,872 | 5,922 | 40,372 | 19.5% | 7,919 |
| Capitalized Fixed Assets | 53,265 | 861 | 1,651 | 50,752 | 4.7% | 15,394 |
| Appropriated Reserve | 150,000 | - | - | 150,000 | 0.0% | - |
| TOTAL EXPENSES | 16,070,288 | 6,690,162 | 1,361,912 | 8,018,213 | 50.1% | 6,762,451 |

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 Six Months Ended December 31, 2009 (50% of Fiscal Year)
DOWNTOWN PARKING

| | Annual Budget | YTD Actual | Encum- brances | Remaining Balance | Percent of Budget | Previous YTD |
|--------------------------------|------------------|------------------|-------------------|----------------------|----------------------|------------------|
| REVENUES | | | | | | |
| Improvement Tax | 875,000 | 407,481 | - | 467,519 | 46.6% | 431,172 |
| Parking Fees | 5,552,550 | 2,820,417 | - | 2,732,133 | 50.8% | 2,714,983 |
| Investment Income | 202,500 | 110,048 | - | 92,452 | 54.3% | 182,289 |
| Rents & Concessions | 23,740 | 23,740 | - | - | 100.0% | - |
| Reimbursements | 50,000 | 6,711 | - | 43,289 | 13.4% | - |
| Miscellaneous | 15,000 | 1,518 | - | 13,482 | 10.1% | 57,089 |
| Operating Transfers-In | 43,500 | 43,500 | - | - | 100.0% | 43,500 |
| TOTAL REVENUES | 6,762,290 | 3,413,416 | - | 3,348,874 | 50.5% | 3,429,033 |
| EXPENSES | | | | | | |
| Salaries & Benefits | 3,724,389 | 1,754,900 | - | 1,969,490 | 47.1% | 1,786,683 |
| Materials, Supplies & Services | 1,978,278 | 770,284 | 196,330 | 1,011,664 | 48.9% | 835,757 |
| Special Projects | 846,410 | 364,581 | 381,900 | 99,929 | 88.2% | 365,142 |
| Transfers-Out | 312,621 | 156,311 | - | 156,311 | 50.0% | - |
| Capital Outlay Transfers | 1,258,760 | 629,380 | - | 629,380 | 50.0% | 34,078 |
| Equipment | 25,000 | 78 | 2,800 | 22,123 | 11.5% | 332 |
| Capitalized Fixed Assets | - | 1,890 | 1,610 | (3,500) | 100.0% | 893,473 |
| Appropriated Reserve | 50,000 | - | - | 50,000 | 0.0% | - |
| TOTAL EXPENSES | 8,195,457 | 3,677,422 | 582,640 | 3,935,396 | 52.0% | 3,915,465 |

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2009 (50% of Fiscal Year)
AIRPORT OPERATING FUND

| | Annual Budget | YTD Actual | Encum- brances | Remaining Balance | Percent of Budget | Previous YTD |
|----------------------------------|-------------------|------------------|-------------------|----------------------|----------------------|------------------|
| REVENUES | | | | | | |
| Leases - Commercial / Industrial | 3,893,750 | 2,107,130 | - | 1,786,620 | 54.1% | 2,165,746 |
| Leases - Terminal | 4,853,050 | 2,522,995 | - | 2,330,055 | 52.0% | 2,468,349 |
| Leases - Non-Commerical Aviation | 1,075,875 | 565,489 | - | 510,386 | 52.6% | 613,558 |
| Leases - Commerical Aviation | 2,113,451 | 1,095,287 | - | 1,018,164 | 51.8% | 1,137,116 |
| Investment Income | 310,000 | 167,195 | - | 142,805 | 53.9% | 283,405 |
| Miscellaneous | 194,552 | 80,016 | - | 114,536 | 41.1% | 189,258 |
| TOTAL REVENUES | 12,440,678 | 6,538,113 | - | 5,902,565 | 52.6% | 6,857,433 |
| EXPENSES | | | | | | |
| Salaries & Benefits | 4,780,946 | 2,285,023 | - | 2,495,923 | 47.8% | 2,307,534 |
| Materials, Supplies & Services | 6,291,961 | 2,836,657 | 618,511 | 2,836,793 | 54.9% | 3,172,448 |
| Special Projects | 742,838 | 213,146 | - | 529,692 | 28.7% | 185,987 |
| Transfers-Out | 7,351 | - | - | 7,351 | 0.0% | - |
| Capital Outlay Transfers | 675,240 | 325,535 | - | 349,706 | 48.2% | 1,297,449 |
| Equipment | 34,212 | 17,920 | - | 16,292 | 52.4% | 29,772 |
| Capitalized Fixed Assets | - | - | - | - | 100.0% | 38,214 |
| Appropriated Reserve | 191,045 | - | - | 191,045 | 0.0% | - |
| TOTAL EXPENSES | 12,723,593 | 5,678,280 | 618,511 | 6,426,802 | 49.5% | 7,031,404 |

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 Six Months Ended December 31, 2009 (50% of Fiscal Year)

GOLF COURSE FUND

| | Annual Budget | YTD Actual | Encum- brances | Remaining Balance | Percent of Budget | Previous YTD |
|--------------------------------|------------------|------------------|-------------------|----------------------|----------------------|------------------|
| REVENUES | | | | | | |
| Fees & Card Sales | 1,802,397 | 716,017 | - | 1,086,380 | 39.7% | 956,138 |
| Investment Income | 28,300 | 18,271 | - | 10,029 | 64.6% | 23,680 |
| Rents & Concessions | 299,741 | 152,822 | - | 146,919 | 51.0% | 137,854 |
| Miscellaneous | 250,000 | 1,848 | - | 248,152 | 0.7% | 24,998 |
| TOTAL REVENUES | 2,380,438 | 888,958 | - | 1,491,480 | 37.3% | 1,142,670 |
| EXPENSES | | | | | | |
| Salaries & Benefits | 1,137,368 | 553,022 | - | 584,346 | 48.6% | 597,609 |
| Materials, Supplies & Services | 577,822 | 276,806 | 104,488 | 196,529 | 66.0% | 397,795 |
| Special Projects | 31,190 | 976 | 9,524 | 20,690 | 33.7% | 34,918 |
| Transfers-Out | 507,767 | 507,767 | - | - | 100.0% | - |
| Debt Service | 219,058 | 156,862 | - | 62,196 | 71.6% | 155,696 |
| Capital Outlay Transfers | 303,553 | 276 | - | 303,277 | 0.1% | 17,070 |
| Equipment | 8,400 | - | - | 8,400 | 0.0% | 1,200 |
| Capitalized Fixed Assets | - | 4,154 | 6,910 | (11,064) | 100.0% | 506,473 |
| TOTAL EXPENSES | 2,785,158 | 1,499,863 | 120,922 | 1,164,373 | 58.2% | 1,710,761 |

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2009 (50% of Fiscal Year)

INTRA-CITY SERVICE FUND

| | Annual Budget | YTD Actual | Encum- brances | Remaining Balance | Percent of Budget | Previous YTD |
|--------------------------------|--------------------------|-----------------------|---------------------------|------------------------------|------------------------------|-------------------------|
| REVENUES | | | | | | |
| Vehicle Maintenance Charges | - | - | - | - | 100.0% | 1,355,143 |
| Work Orders - Bldg Maint. | 3,808,159 | 1,663,399 | - | 2,144,761 | 43.7% | 1,726,530 |
| Rents & Concessions | 65,000 | - | - | 65,000 | 0.0% | - |
| Grants | 818,200 | 818,200 | - | - | 100.0% | - |
| Service Charges | 1,641,481 | 820,740 | - | 820,741 | 50.0% | 869,872 |
| Miscellaneous | - | 47 | - | (47) | 100.0% | 94,441 |
| Operating Transfers-In | 65,000 | 32,500 | - | 32,500 | 50.0% | - |
| TOTAL REVENUES | 6,397,840 | 3,334,886 | - | 3,062,954 | 52.1% | 4,045,986 |
| EXPENSES | | | | | | |
| Salaries & Benefits | 3,121,012 | 1,451,352 | - | 1,669,660 | 46.5% | 2,125,310 |
| Materials, Supplies & Services | 919,270 | 446,073 | 68,012 | 405,185 | 55.9% | 1,179,628 |
| Special Projects | 1,686,832 | 418,402 | 439,723 | 828,708 | 50.9% | 615,830 |
| Capital Outlay Transfers | 65,829 | 65,414 | - | 415 | 99.4% | 1,603 |
| Equipment | 23,000 | 155 | - | 22,845 | 0.7% | 13,750 |
| Capitalized Fixed Assets | 843,724 | 536 | 79,227 | 763,961 | 9.5% | 38,303 |
| TOTAL EXPENSES | 6,659,667 | 2,381,932 | 586,962 | 3,690,772 | 44.6% | 3,974,424 |

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2009 (50% of Fiscal Year)

FLEET REPLACEMENT FUND

| | Annual Budget | YTD Actual | Encum- brances | Remaining Balance | Percent of Budget | Previous YTD |
|--------------------------------|--------------------------|-----------------------|---------------------------|------------------------------|------------------------------|-------------------------|
| REVENUES | | | | | | |
| Vehicle Rental Charges | 1,343,020 | 671,510 | - | 671,510 | 50.0% | 926,149 |
| Investment Income | 194,000 | 107,609 | - | 86,391 | 55.5% | 149,846 |
| Rents & Concessions | 242,848 | 121,424 | - | 121,424 | 50.0% | 134,120 |
| Miscellaneous | - | 52,709 | - | (52,709) | 100.0% | 50,647 |
| TOTAL REVENUES | 1,779,868 | 953,251 | - | 826,617 | 53.6% | 1,260,763 |
| EXPENSES | | | | | | |
| Salaries & Benefits | 162,092 | 73,814 | - | 88,278 | 45.5% | 58,138 |
| Materials, Supplies & Services | 1,120 | 560 | - | 560 | 50.0% | 1,299 |
| Capitalized Fixed Assets | 3,658,662 | 724,501 | 818,469 | 2,115,693 | 42.2% | 844,442 |
| TOTAL EXPENSES | 3,821,874 | 798,875 | 818,469 | 2,204,531 | 42.3% | 903,879 |

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2009 (50% of Fiscal Year)

FLEET MAINTENANCE FUND

| | Annual Budget | YTD Actual | Encum- brances | Remaining Balance | Percent of Budget | Previous YTD |
|--------------------------------|--------------------------|-----------------------|---------------------------|------------------------------|------------------------------|-------------------------|
| REVENUES | | | | | | |
| Vehicle Maintenance Charges | 2,480,238 | 1,240,119 | - | 1,240,119 | 50.0% | - |
| Miscellaneous | 50,000 | - | - | 50,000 | 0.0% | - |
| TOTAL REVENUES | 2,530,238 | 1,240,119 | - | 1,290,119 | 49.0% | - |
| EXPENSES | | | | | | |
| Salaries & Benefits | 1,189,312 | 556,607 | - | 632,705 | 46.8% | - |
| Materials, Supplies & Services | 1,367,766 | 433,885 | 152,488 | 781,393 | 42.9% | - |
| Special Projects | 60,625 | 9,707 | 15,827 | 35,091 | 42.1% | - |
| Equipment | 14,000 | - | - | 14,000 | 0.0% | - |
| TOTAL EXPENSES | 2,631,703 | 1,000,199 | 168,315 | 1,463,189 | 44.4% | - |

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2009 (50% of Fiscal Year)

SELF INSURANCE TRUST FUND

| | ** Annual Budget | YTD Actual | Encum- brances | Remaining Balance | Percent of Budget | Previous YTD |
|--------------------------------|-----------------------------|-----------------------|---------------------------|------------------------------|------------------------------|-------------------------|
| REVENUES | | | | | | |
| Insurance Premiums | 2,950,613 | 1,475,307 | - | 1,475,306 | 50.0% | 1,598,720 |
| Workers' Compensation Premiums | 2,482,928 | 1,241,464 | - | 1,241,464 | 50.0% | 928,751 |
| OSH Charges | 302,518 | 151,259 | - | 151,259 | 50.0% | 146,050 |
| Investment Income | 337,615 | 138,897 | - | 198,718 | 41.1% | 243,229 |
| Miscellaneous | - | 12,418 | - | (12,418) | 100.0% | 354,276 |
| Accel - Return of Premium | - | - | - | - | 100.0% | 750,000 |
| TOTAL REVENUES | 6,073,674 | 3,019,345 | - | 3,054,329 | 49.7% | 4,021,026 |
| EXPENSES | | | | | | |
| Salaries & Benefits | 600,672 | 256,338 | - | 344,334 | 42.7% | 257,933 |
| Materials, Supplies & Services | 5,590,392 | 2,116,280 | 236,026 | 3,238,086 | 42.1% | 2,160,733 |
| Transfers-Out | 300,000 | 300,000 | - | - | 100.0% | 1,589,853 |
| Capital Outlay Transfers | 1,105 | 552 | - | 553 | 50.0% | 2,137 |
| Equipment | 4,000 | - | - | 4,000 | 0.0% | - |
| Appropriated Reserve | 23,671 | - | - | 23,671 | 0.0% | - |
| TOTAL EXPENSES | 6,519,840 | 2,673,171 | 236,026 | 3,610,644 | 44.6% | 4,010,656 |

*** 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 Six Months Ended December 31, 2009 (50% of Fiscal Year)

INFORMATION SYSTEMS ICS FUND

| | Annual Budget | YTD Actual | Encum- brances | Remaining Balance | Percent of Budget | Previous YTD |
|--------------------------------|------------------|------------------|-------------------|----------------------|----------------------|------------------|
| REVENUES | | | | | | |
| Service charges | 2,435,147 | 1,222,601 | - | 1,212,546 | 50.2% | 1,285,849 |
| Miscellaneous | - | 226 | - | (226) | 100.0% | 10,526 |
| TOTAL REVENUES | 2,435,147 | 1,222,828 | - | 1,212,319 | 50.2% | 1,296,374 |
| EXPENSES | | | | | | |
| Salaries & Benefits | 1,537,067 | 719,459 | - | 817,608 | 46.8% | 844,950 |
| Materials, Supplies & Services | 598,350 | 347,563 | 53,767 | 197,020 | 67.1% | 259,556 |
| Special Projects | 1,700 | 1,415 | 2,796 | (2,512) | 247.7% | (771) |
| Capital Outlay Transfers | - | - | - | - | 100.0% | 42,500 |
| Equipment | 408,269 | 215,280 | 10,098 | 182,891 | 55.2% | (1,547) |
| Capitalized Fixed Assets | - | - | - | - | 100.0% | 488 |
| Appropriated Reserve | 84,895 | - | - | 84,895 | 0.0% | - |
| TOTAL EXPENSES | 2,630,280 | 1,283,718 | 66,661 | 1,279,902 | 51.3% | 1,145,177 |

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Six Months Ended December 31, 2009 (50% of Fiscal Year)

WATERFRONT FUND

| | Annual Budget | YTD Actual | Encum- brances | Remaining Balance | Percent of Budget | Previous YTD |
|--------------------------------|-------------------|------------------|-------------------|----------------------|----------------------|------------------|
| REVENUES | | | | | | |
| Leases - Commercial | 1,482,056 | 775,529 | - | 706,527 | 52.3% | 830,248 |
| Leases - Food Service | 2,393,380 | 1,288,356 | - | 1,105,024 | 53.8% | 1,349,584 |
| Slip Rental Fees | 3,676,785 | 1,831,281 | - | 1,845,504 | 49.8% | 1,767,729 |
| Visitors Fees | 700,000 | 310,659 | - | 389,341 | 44.4% | 272,964 |
| Slip Transfer Fees | 250,000 | 300,875 | - | (50,875) | 120.4% | 169,500 |
| Parking Revenue | 1,885,098 | 996,309 | - | 888,789 | 52.9% | 795,484 |
| Wharf Parking | 268,749 | 119,202 | - | 149,547 | 44.4% | 110,223 |
| Other Fees & Charges | 364,909 | 186,592 | - | 178,317 | 51.1% | 189,703 |
| Investment Income | 125,000 | 136,090 | - | (11,090) | 108.9% | 188,771 |
| Rents & Concessions | 279,322 | 149,840 | - | 129,482 | 53.6% | 141,290 |
| Miscellaneous | 97,049 | 102,823 | - | (5,774) | 105.9% | 145,238 |
| TOTAL REVENUES | 11,522,348 | 6,197,555 | - | 5,324,793 | 53.8% | 5,960,733 |
| EXPENSES | | | | | | |
| Salaries & Benefits | 5,530,336 | 2,687,524 | - | 2,842,812 | 48.6% | 2,699,247 |
| Materials, Supplies & Services | 3,416,967 | 1,484,727 | 561,150 | 1,371,090 | 59.9% | 1,594,191 |
| Special Projects | 122,559 | 42,820 | 3,000 | 76,739 | 37.4% | 15,253 |
| Debt Service | 1,673,572 | 1,112,096 | - | 561,476 | 66.5% | 1,198,749 |
| Capital Outlay Transfers | 1,131,381 | 565,691 | - | 565,691 | 50.0% | 495,499 |
| Equipment | 86,445 | 10,299 | 2,240 | 73,906 | 14.5% | 50,928 |
| Appropriated Reserve | 100,000 | - | - | 100,000 | 0.0% | - |
| TOTAL EXPENSES | 12,061,259 | 5,903,156 | 566,390 | 5,591,714 | 53.6% | 6,053,868 |

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 2010 Interim Financial Statements
For the Six Months Ended December 31, 2009 (50% of Year Elapsed)**

General Fund Revenues

The table below summarizes General Fund revenues for the six months ended December 31, 2009. For interim financial statement purposes, revenues are reported on the cash basis (i.e. when they are received). The table below includes the budgeted totals as well as the year-to-date (YTD) budget, which for tax revenues have been seasonally adjusted based on a 3-year average of collections through the same period. Because tax revenues are not collected evenly throughout the year, adjusting the YTD budget to reflect the unique collection pattern of each category of tax revenue enables a more meaningful comparison to year-to-date results shown in the YTD Actual column. For all other revenues, the YTD Budget column represents 50% (6 months out of the 12 elapsed) of the budget column. Unlike tax revenues, these revenues tend to be collected more evenly during the year.

| Summary of Revenues For the Six Months Ended December 31, 2009 GENERAL FUND | | | | | | | | |
|--|--------------------------------------|-------------------------|-----------------------|-------------------------|----------------------------------|---|----------------------------------|--|
| | Current Year Analysis | | | | | | Prior Year Analysis | |
| | Amended 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 | \$ 17,405,682 | \$ 6,823,027 | \$ 6,412,644 | \$ (410,383) | 36.8% | 39.2% | \$ 7,603,457 | -15.7% |
| Property Tax | 23,426,345 | 8,738,027 | 7,566,461 | (1,171,566) | 32.3% | 37.3% | 8,590,431 | -11.9% |
| UUT | 6,916,329 | 3,465,081 | 3,484,555 | 19,474 | 50.4% | 50.1% | 3,509,286 | -0.7% |
| TOT | 11,351,970 | 6,879,294 | 6,618,032 | (261,262) | 58.3% | 60.6% | 7,737,272 | -14.5% |
| Bus License | 2,273,300 | 927,506 | 917,418 | (10,088) | 40.4% | 40.8% | 982,866 | -6.7% |
| Prop Trans Tax | 325,800 | 184,403 | 199,690 | 15,287 | 61.3% | 56.6% | 166,796 | 19.7% |
| Total Taxes | <u>61,699,426</u> | <u>27,017,338</u> | <u>25,198,800</u> | <u>(1,818,538)</u> | 40.8% | | <u>28,590,108</u> | -11.9% |
| License & Permits | 179,000 | 89,500 | 85,941 | (3,559) | 48.0% | 50.0% | 92,424 | -7.0% |
| Fines & Forfeitures | 2,950,092 | 1,475,046 | 1,474,969 | (77) | 50.0% | 50.0% | 1,377,303 | 7.1% |
| Franchise Fee | 3,335,000 | 1,645,736 | 1,639,714 | (6,022) | 49.2% | 49.3% | 1,463,071 | 12.1% |
| Use of Money & Property | 1,348,387 | 674,194 | 796,574 | 122,381 | 59.1% | 50.0% | 966,991 | -17.6% |
| Intergovernmental | 2,525,077 | 1,262,539 | 364,508 | (898,031) | 14.4% | 50.0% | 1,971,469 | -81.5% |
| Fee & Charges | 19,477,381 | 9,738,691 | 9,510,604 | (228,087) | 48.8% | 50.0% | 8,412,148 | 13.1% |
| Miscellaneous | 10,323,084 | 5,161,542 | 5,546,557 | 385,015 | 53.7% | 50.0% | 6,293,850 | -11.9% |
| Budgeted year-end variance | 1,361,508 | 680,754 | - | (680,754) | 0.0% | 50.0% | - | 0.0% |
| Total Other | <u>41,499,529</u> | <u>20,728,000</u> | <u>19,418,867</u> | <u>(1,309,133)</u> | 46.8% | | <u>20,577,256</u> | |
| Total Revenues | <u>\$ 103,198,955</u> | <u>\$ 47,745,338</u> | <u>\$ 44,617,667</u> | <u>\$ (3,127,671)</u> | 43.2% | | <u>\$ 49,167,364</u> | -9.3% |

* 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.

After six months of activity, we are able to identify trends in our revenues and update our estimates regarding where we expect revenues to end the year. As seen in the table above, total revenues are approximately \$3.1 million below the YTD budget at December 31, 2009. This variance is primarily due to the continuing effect of the recession on our non-departmental tax revenues as well as the intergovernmental and fees and service charges categories. This variance is beyond what was anticipated in the amended revenue adjustments that Council approved in November, 2009. When comparing YTD revenues to last fiscal year, overall collections are 9.3% below the same period and nearly every revenue category shows declines.

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For the Six Months Ended December 31, 2009 (50% of Year Elapsed)**

We expect that General Fund revenues will not meet budget at year end, in spite of the first quarter non-departmental revenue adjustments that Council approved in November 2009, falling short of the amended budget by approximately \$2.35 million in non-departmental revenues (excluding the anticipated year-end variance), while departmental revenues are expected to end the year between \$1.3 – 1.5 million under budget. A large portion of the departmental variance is due to mutual aid revenue in the Fire Department which may be approximately \$1.3 million under budget See discussion in Intergovernmental Revenues below). We will continue to monitor all revenues closely in the second half of the fiscal year for any additional revenue declines beyond mid year expectations.

It is important to note that the previous table includes \$1.36 million in “Anticipated Year-End Variance” as budgeted revenue. This “revenue” is roughly equal to 1.3% of budgeted operating expenditures in the General Fund, and represents what staff projected in total favorable variances in revenues and expenditures (revenues *over* budget and expenditures *under* budget) for the year. No actual revenues are recognized in this account; rather the negative variance typically is offset by actual favorable variances realized in other revenue and expenditure accounts at year-end. As discussed above, the current economic crisis has created significant shortfalls in projected year-end revenues and, therefore, it is expected that no overall favorable year-end revenue variances will be realized by year-end as planned. Expenditure savings will be relied on alone to offset the negative variance in the anticipated year-end variance “revenue” account.

Each revenue category shown in the table above is discussed below.

Sales and Use Taxes

Sales tax revenue is below the YTD budget by \$410,383, which is consistent with expectations due to the continuing impact of the recession on our local economy. For the quarter ended September 30, 2009, sales tax revenue declined 16.9% from last fiscal year for the same quarter. In November, the sales tax estimate was lowered by over \$1 million as part of the first quarter budget adjustments. We expect an additional shortfall of almost \$624,000 from the amended budget by year-end based on an assumption that sales tax for the December quarter to be received in March will decline 5% and then remain flat for the last two quarters of the fiscal year.

Property Taxes

Property tax revenue is below the YTD budget by \$1.17 million due primarily to a timing issue of when payments were received from the County. In January, we received an additional \$930,000 in secured taxes that were not paid in December. When factoring in this additional secured payment, collections are roughly \$250,000 below YTD budget.

In November, the property tax estimate was lowered by \$433,655 as part of the first quarter adjustments based on additional guidance from the County on property tax estimates for fiscal year 2010. However, based on final information from the County on the City’s property tax roll set for 2010, as well as poor YTD performance in supplemental property taxes (imposed when properties are sold or improved after the levy date), we anticipate an additional shortfall of approximately \$396,000 from the amended property tax budget.

Utility Users Taxes

A utility users' tax (UUT) is applied to utilities, including water, cable television, telephone, electricity, refuse, and natural gas. By ordinance, 50% of most UUT revenues are restricted for streets maintenance and capital and are reported directly in the Streets Fund. In November, the UUT estimate was lowered by \$675,090 as part of the first quarter budget adjustments. We expect an additional shortfall of almost \$206,000 from the amended budget based primarily on additional shortfalls in the electricity and gas sectors due to fluctuations in the commodity prices which are uncontrollable and difficult to predict.

Transient Occupancy Taxes

Transient occupancy tax (TOT) revenue is \$261,262 under the YTD budget at the end of December and 14.5% below prior year cash collections for the same period. This revenue has shown double-digit declines in five of the first six months of the fiscal year. In November, the TOT estimate was lowered by \$675,030 as part of the first quarter budget adjustments; however based on information on collections through December, we expect an additional shortfall of \$455,500 in this revenue. The amended budget assumed an overall 5.7% decline from the prior year. We expect the actual decline in TOT to be 9.5% at year end.

Business License Tax

Business license tax revenues are only slightly below YTD budget by \$10,088. In general, many of the largest licensed businesses pay taxes based on a percent of their gross sales and, therefore, this revenue source is also impacted by the recession. Although YTD collections are 6.7% below prior year collections for the same period, the current year budget was conservatively estimated and we anticipate to meet budget at year end.

Property Transfer Tax

After the first six months, property transfer tax revenue shows a positive budget variance of \$15,287 or 4.7% above the 3 year benchmark for YTD budget. Property transfer taxes are paid when real property is sold, and the positive variance is consistent with an increase in the number of property sales locally during the first half of the fiscal year. However, it should be noted here that due to the substantial decline in the median and average home sales prices, we do not expect the increase in the property transfer tax revenue to translate into higher supplemental property tax collections as discussed in the property tax section above.

Fines and Forfeitures

General Fund revenues in this category are derived from four sources: parking citation revenues and municipal court fines budgeted in the Police Department, late fees on utility bills in the Finance Department, and Library fines. Overall, fines and forfeitures are tracking in line with YTD budget. However, this is due to the new late fee on utility bills exceeding YTD budget. At the end of December, in its first year of implementation, 90.9% of late fee revenue has been received after only 50% of the fiscal year. This overage serves to offset shortfalls in other revenues in the fines and forfeitures category. Parking citation revenues are down substantially through the first six months due to 15% vacancy rate for parking enforcement officers and a

***Fiscal Year 2010 Interim Financial Statements
For the Six Months Ended December 31, 2009 (50% of Year Elapsed)***

reduction of 12% in the number of citations issued through December. Although all parking enforcement officer vacancies have been filled as of January, 2010, a \$350,000 shortfall is expected in parking citation revenue at year-end.

Licenses & Permits

Revenues in this category are derived from the issuance of a variety of miscellaneous licenses and permits for businesses and activities such as taxi cabs, dance halls, tobacco retailers, and animal licenses. These revenues are only slightly below YTD budget by \$3,559. We expect this revenue to meet budget at year-end.

Franchise Fees

Franchise fee revenues are received from companies that have a franchise agreement to provide utility services in the City and tend to follow the same overall pattern as UUT over the course of a fiscal year. However, this revenue does not track exactly the same as UUT throughout each month because there are variances in the timing of franchise payments from the electricity providers (which pay quarterly, not monthly) and gas providers (which pay on estimate that is trued up in February of each year). Through December, franchise fees are in line with YTD budget; however, at year end we expect a shortfall from the amended budget of slightly more than \$427,000. This is in line with the anticipated shortfall in UUT revenues as discussed above.

Use of Money & Property

Although the City's monthly yield on investments has steadily declined in the first six months, revenues in this category are ahead of YTD budget by approximately 9.1%. However, the current year budget anticipated declining market returns throughout the year. By year-end, we expect this revenue category will meet budget as the lower monthly yields in the second half of the year will normalize the apparent surplus shown at the end of December.

Intergovernmental

Intergovernmental revenue is below the YTD budget due to lower mutual aid revenues received by the Fire Department this year. Mutual aid revenues are the largest revenue in the intergovernmental category and received when the Fire Department responds to emergencies in other jurisdictions. If there are no additional mutual aid responses this year, this revenue source is projected to be roughly \$1.3 million short of budget. This is dependant on the number and type of mutual aid calls that the department receives during the year. A negative variance in mutual aid revenues is mostly offset by reduced personnel costs to provide the aid so the department should show a corresponding variance in expenditures at year-end.

Fees & Service Charges

Overall, fees and service charges are \$228,000 (1.2%) under YTD budget. Public Works revenues are almost \$229,000 over the YTD budget and Community Development revenues are almost \$72,000 ahead of the YTD budget while all others fell short of the mid-year budget. The more significant mid-year variances are discussed below.

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For the Six Months Ended December 31, 2009 (50% of Year Elapsed)**

Public Works fee revenue was \$229,000 over the YTD budget because of engineering work orders exceeding expectations through December 31. Engineering Work orders are primarily charges for services to other funds throughout the City related to capital projects. Some of these projects are funded by federal stimulus money. Community Development fees were ahead of the YTD budget due to permits and fees associated with rebuilding homes damaged by the Tea Fire. As the year progresses, the effect of these permits will be lessened and revenues are expected to approximate revenues at year-end.

Parks & Recreation revenues are \$(241,000) (9.8%) below the YTD budget due to declining facility rentals and registrations for classes and programs. Revenues have been significantly impacted by fewer rentals at the three beachfront facilities and other facilities & park sites. Participation in programs that were relocated from the Carrillo Recreation Center has had a negative impact on mid-year revenues. Overall program revenue declines led the department to propose a fee increase effective April 1, 2010 to help offset revenue shortages. The Department has also proposed expenditure reductions to help offset the budget gap.

Inter-Fund charges are \$178,000 (3.1%) below the YTD budget at mid-year. Approximately \$106,000 of the variance is related to cost reimbursements from the City Redevelopment Agency (RDA). Salary & benefits costs in the RDA are lower than budgeted due primarily to vacancies of key positions. With lower costs incurred to manage RDA operations, reimbursement revenues from the RDA are proportionately lower. The remainder of the YTD budget variance is due to reimbursement for law enforcement activities. The City administers a police communications network for a Joint Powers Authority (JPA) with various police agencies throughout the state. Operating expenditures for the JPA are billed twice during the year so mid-year variances are normal. All costs of the JPA will be reimbursed. Additionally, a portion of the mid-year variance is due to grant reimbursements that have not yet occurred. The police have provided services that are reimbursable through federal and state grants. The reimbursements are received after actual expenditures have been made so they often lag throughout the year.

| Fees and Service Charges General Fund For the Six Months Ended December 31, 2009 | | | | | | | | |
|--|----------------------|---------------------|---------------------|---------------------|----------------------------|---------------------|------------------------|---------------------|
| Department | Annual Budget | YTD Budget | YTD Actual | Budget Variance | Percent Received YTD | Prior Year YTD | Prior Year Variance | Percent Variance |
| Finance | \$ 858,930 | \$ 429,465 | \$ 412,783 | \$ (16,682) | 48.1% | \$ 406,412 | \$ 6,371 | 1.6% |
| Community Development | 4,425,717 | 2,212,859 | 2,284,447 | 71,589 | 51.6% | 2,179,264 | 105,183 | 4.8% |
| Parks & Recreation | 2,448,499 | 1,224,250 | 983,507 | (240,743) | 40.2% | 1,131,940 | (148,433) | -13.1% |
| Public Safety | 550,543 | 275,272 | 199,157 | (76,115) | 36.2% | 168,066 | 31,091 | 18.5% |
| Public Works | 4,608,873 | 2,304,437 | 2,533,361 | 228,925 | 55.0% | 2,005,240 | 528,121 | 26.3% |
| Library | 775,452 | 387,726 | 370,265 | (17,461) | 47.7% | 18,541 | 351,724 | 1897.0% |
| Inter-Fund Charges | 5,809,367 | 2,904,684 | 2,727,084 | (177,600) | 46.9% | 2,502,685 | 224,399 | 9.0% |
| Total | \$ 19,477,381 | \$ 9,738,691 | \$ 9,510,604 | \$ (228,087) | 48.8% | \$ 8,412,148 | \$ 1,098,456 | 13.1% |

Miscellaneous Revenues

Miscellaneous Revenues are \$385,015 over YTD budget at December 31. The positive budget variance consists of unbudgeted litigation settlement revenue of approximately \$230,000 and

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rebates returned to the General Fund from the City's ICS Funds, approved by Council as part of the first quarter budget adjustments. All of the rebates were booked in November, resulting in positive YTD budget variances that will normalize by the end of the fiscal year.

General Fund Expenditures

The table below summarizes the General Fund budget and year-to-date expenditures through December 31, 2009. The Annual Budget column represents the amended budget, which includes appropriation carryovers from the prior year, as well as any supplemental appropriations approved by Council in the current year.

| SUMMARY OF EXPENDITURES GENERAL FUND For the Six Months Ended December 31, 2009 | | | | | | | | | |
|---|-----------------------------|----------------------|----------------------|---|-------|-------------------|--|-------|--|
| Department | Amended Annual Budget | YTD Budget | YTD Actual | W/O Encumbrance Variance Favorable (Unfavorable) | | Encum- brance | With Encumbrance Variance Favorable (Unfavorable) | | |
| | | | | \$ | % | | \$ | % | |
| Mayor & Council | \$ 747,750 | 373,875 | \$ 349,502 | \$ 24,373 | 3.3% | \$ 1,945 | \$ 22,428 | 3.0% | |
| City Attorney | 2,099,358 | 1,049,679 | 1,020,892 | 28,787 | 1.4% | - | 28,787 | 1.4% | |
| City Administrator | 1,946,030 | 973,015 | 985,700 | (12,685) | -0.7% | 40,289 | (52,974) | -2.7% | |
| Administrative Svcs. | 2,146,852 | 1,073,426 | 1,071,729 | 1,697 | 0.1% | 35,529 | (33,832) | -1.6% | |
| Finance | 4,501,067 | 2,250,534 | 2,237,398 | 13,136 | 0.3% | 39,014 | (25,879) | -0.6% | |
| Police | 33,033,465 | 16,516,733 | 16,161,276 | 355,457 | 1.1% | 219,785 | 135,672 | 0.4% | |
| Fire | 21,504,996 | 10,752,498 | 10,412,152 | 340,346 | 1.6% | 74,947 | 265,399 | 1.2% | |
| Public Works | 6,397,298 | 3,198,649 | 3,029,511 | 169,138 | 2.6% | 81,664 | 87,474 | 1.4% | |
| Parks & Recreation | 13,443,464 | 6,721,732 | 6,665,744 | 55,988 | 0.4% | 208,861 | (152,873) | -1.1% | |
| Library | 4,171,993 | 2,085,997 | 1,946,876 | 139,121 | 3.3% | 6,474 | 132,647 | 3.2% | |
| Community Dev. | 10,465,410 | 5,232,705 | 4,992,243 | 240,462 | 2.3% | 79,330 | 161,132 | 1.5% | |
| Non-Departmental | 2,905,791 | 1,452,896 | 1,406,782 | 46,114 | 1.6% | - | 46,114 | 1.6% | |
| Total | <u>\$ 103,363,474</u> | <u>\$ 51,681,737</u> | <u>\$ 50,279,805</u> | <u>\$ 1,401,932</u> | 1.4% | <u>\$ 787,838</u> | <u>\$ 614,094</u> | 0.6% | |
| % of annual budget | | 50.0% | 48.6% | 1.4% | | 0.8% | | | |

A year-to-date budget (labeled "YTD Budget") column is included in the table above which represents 50% of the annual budget to coincide with 6 out of 12 months in the fiscal year having elapsed. Unlike many tax revenues, where the collection rate during the year is seasonally affected, most expenditures tend to be incurred fairly evenly throughout the year. This is primarily due to salary and benefits expenditures, which account for approximately 75% of General Fund expenditures, which are paid out fairly evenly during the year.

The amended annual budget totaled approximately \$103.4 million, and the year-to-date (YTD) budget is calculated at \$51.7 million (50%). Actual expenditures were almost \$50.3 million through the first six months of the year, which resulted in a positive budget variance of approximately \$1.4 million (1.4%). The General Fund had approximately \$850,000 (1.1%) in salary savings through the first half of the fiscal year in addition to the furlough savings which were included in the budget. The General Fund also had approximately \$788,000 in outstanding encumbrances at December 31. Encumbrances are amounts that have been obligated to be spent but have not yet actually been expended. These encumbrances are often recorded in the beginning of the year even though they will be used throughout the entire year

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or in subsequent years. Encumbrances include amounts that were carried forward from the prior year and current year encumbered contracts for materials and services, such as financial audits, maintenance, and professional services. Including the encumbrances, the positive variance at December 31 was \$614,000 (0.6%).

As shown in the table above, all General Fund Departments except the City Administrator were within their respective YTD budgets at December 31. When outstanding encumbrances are included, four departments exceeded the YTD budget at December 31. These negative variances are temporary and are expected to decrease as more time elapses in the fiscal year. Staff projections indicate that all General Fund departments will end the year below their budgeted appropriation authority.

Departments with negative variances through December 31, 2009 are discussed below.

City Administrator Office

City Administrator departmental expenditures were almost \$53,000 over the YTD budget due to \$40,000 in outstanding encumbrances at December 31 and more than \$50,000 in payments to City partners for gang prevention under the CALGRIP grant. The encumbrances are primarily professional service contracts for Spanish translation services for City TV that will be utilized throughout the year. These create a temporary variance and will be expended throughout the remainder of the year as needed. The payments to City partners for the CALGRIP grant were budgeted in the Miscellaneous Grants Fund and will be reclassified to the appropriate fund and program.

Administrative Services

Administrative Services costs were almost \$34,000 over the December 31 YTD budget. This temporary variance was entirely due to professional service contracts that were encumbered at the beginning of the year for use throughout the fiscal year. The City Clerk's Office had approximately \$16,000 encumbered for duplicating, advertising, and remaining election costs. Additionally, Human Resources had almost \$20,000 encumbered through a blanket purchase orders for professional services that might be needed throughout the remainder of the year.

Finance Department

Finance Department expenditures and encumbrances were almost \$34,000 over the YTD budget at December 31. Approximately \$24,000 of this temporary variance is the result of the annual financial audit contract that has been encumbered and will be spent over the final six months of the year. The remainder is for various contracts for services that will be needed throughout the rest of this fiscal year.

Parks & Recreation

The Parks & Recreation Department expenditures and encumbrances were approximately \$153,000 over the YTD budget at mid-year. The encumbrances include maintenance contracts, professional service contracts, supplies and equipment, and other costs that will be spent in normal operations throughout the remainder of the fiscal year.

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Enterprise Funds

Enterprise Fund operations are primarily financed from user fees. This is in contrast to the General Fund, which relies primarily on taxes to subsidize programs and services. Because of this, enterprise fund revenues have not been negatively impacted by the steep decline in key tax revenues that has occurred in the General Fund. However, as the recession has continued, some enterprise fund revenues have been negatively impacted.

| SUMMARY OF REVENUES & EXPENSES | | | | | | | | | |
|---|------------------------------|---------------------|-------------------|---------------------|--------------------|-----------------------|----------------------------|-------------------|--|
| Six Months Ended December 31, 2009 | | | | | | | | | |
| 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 | \$ 34,188,296 | \$ 18,430,910 | \$ 18,792,916 | \$ 362,006 | 55.0% | 53.9% | \$ 18,819,047 | -0.1% | |
| Expenses ** | 37,418,635 | 18,709,318 | 18,605,334 | 103,984 | 49.7% | 50.0% | 19,195,535 | -3.1% | |
| Wastewater Fund | | | | | | | | | |
| Revenues | 14,828,850 | 7,470,775 | 7,521,999 | 51,224 | 50.7% | 50.4% | 7,531,070 | -0.1% | |
| Expenses ** | 16,070,288 | 8,035,144 | 8,052,074 | (16,930) | 50.1% | 50.0% | 7,970,927 | 1.0% | |
| Downtown Parking Fund | | | | | | | | | |
| Revenues | 6,762,290 | 3,310,141 | 3,413,416 | 103,275 | 50.5% | 49.0% | 3,429,033 | -0.5% | |
| Expenses ** | 8,195,457 | 4,097,729 | 4,260,062 | (162,334) | 52.0% | 50.0% | 5,747,228 | -25.9% | |
| Airport Fund | | | | | | | | | |
| Revenues | 12,440,678 | 6,130,766 | 6,538,113 | 407,347 | 52.6% | 49.3% | 6,857,433 | -4.7% | |
| Expenses ** | 12,723,593 | 6,361,797 | 6,296,791 | 65,006 | 49.5% | 50.0% | 7,776,825 | -19.0% | |
| Golf Fund | | | | | | | | | |
| Revenues | 2,380,438 | 1,121,662 | 888,958 | (232,704) | 37.3% | 47.1% | 1,142,670 | -22.2% | |
| Expenses ** | 2,785,158 | 1,392,579 | 1,620,785 | (228,206) | 58.2% | 50.0% | 1,960,214 | -17.3% | |
| Waterfront Fund | | | | | | | | | |
| Revenues | 11,522,348 | 6,008,904 | 6,197,555 | 188,651 | 53.8% | 52.2% | 5,960,733 | 4.0% | |
| Expenses ** | 12,061,259 | 6,030,630 | 6,469,546 | (438,917) | 53.6% | 50.0% | 6,701,534 | -3.5% | |
| * The YTD Budget column has been calculated based on a 3-year average collection rate through December 31, which has been applied to the annual budget. | | | | | | | | | |
| ** Expenses include encumbrances at December 31. | | | | | | | | | |

The table above summarizes Enterprise Fund revenues and expenses through December 31, 2009, with a comparison to budget and prior year. Note that the "YTD Budget" column for revenues has been calculated based on a 3-year average collection rate through December 31. 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 YTD Budget. This approach is used in recognition that enterprise fund revenues are seasonally affected and are generally not received evenly throughout the year. For example, Water Fund revenues are affected by weather conditions such that demand is higher in the warmer summer months and lower in the wet winter months. Therefore, adjusting the budget for seasonal variations allows us to compare revenues against prior year results according to the normal collection patterns. The YTD budget for expenses is

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50% of the annual budget. The "YTD Actual" for expense includes encumbrances at December 31 of each respective year.

At December 31, 2009, all enterprise funds except the Golf Fund have met the YTD revenue budgets. In anticipation of the negative revenue impacts of the recession, all funds except the Water Fund and Wastewater Fund budgeted decreased revenues this year.

Enterprise fund revenues and expenses are discussed briefly below.

Water Fund

The Water Fund has received 55% of annual budgeted revenues throughout the first six months of the year, resulting in a \$362,000 (1.1%) variance from the YTD budget. While this is ahead of the YTD budget it is virtually even (-0.1%) with revenues from the prior year. Metered water sales account for approximately 97% of budgeted revenues in the fund and 53.2% of the annual budget was received to date. This is in line with the YTD budgeted collection rate of 53.9%. The primary reason for the mid-year variance in revenues is reimbursements received from the Carpinteria and Montecito Water districts for their share of operating the Cater water treatment plant. Water treatment costs have increased this year due to the additional filtration requirements resulting from the recent fires in the area. Water sales are higher in the first six months of the year due to the warm, dry summer months. The amount of rainfall in the winter months will have a significant impact on revenues for the remainder of the year but revenues are expected to meet budget for the year.

Water Fund expenses (including encumbrances) were 0.3% below the YTD budget at mid-year. Salary & benefits expenses were only 45.9% of the annual budget at December 31 and provided savings for the fund. Expenses in the fund are expected to continue tracking with the YTD budget throughout the year and will be within budget at year-end.

Wastewater Fund

Wastewater Fund revenues are in line with the YTD budget and prior year revenues. Revenues are primarily based on a capped level of water usage by customers and do not have as much fluctuation as water revenues. Staff projects that revenues will meet budget for the year.

Wastewater Fund expenses and encumbrances are slightly (0.1%) over the YTD budget at December 31. This slight variance is the result of outstanding encumbrances at mid-year and is expected to diminish throughout the remainder of the year. Salary & benefits costs were only 45.8% of the annual budget mostly due to vacancies, including the Wastewater Resources Manager position which was vacant for five months.

Downtown Parking Fund

Downtown Parking Fund revenues are approximately \$103,000 (1.5%) ahead of the YTD budget. The current year revenue budget was reduced almost \$703,000 from prior year revenues. YTD revenues were approximately even with revenues for the first six months of the prior year. Parking revenues are significantly impacted by the number of visitors and retail activity in the City. Approximately 72% of annual budgeted revenues are for hourly parking monthly at the City's parking facilities and the Fund collected approximately 51% of the annual budget for these revenues in the first half of the year. Revenues are expected to approximate budget for the year.

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Downtown Parking Fund expenses were \$162,000 (2%) over the YTD budget at mid-year but 25.9% below expenses for the first six months of the prior year. The current year variance is due to outstanding encumbrances for commuter programs, supplies, and maintenance contracts that will be used throughout the remainder of the year. Salary & benefits costs were 47.1% of the annual budget and expenses are projected to end the year well within budget. Expenses are significantly lower than the prior year because of a structural change made to the fund this year. We created a Downtown Parking capital projects fund this and are accounting for the long-term capital projects in that fund.

Airport Fund

Airport Fund revenues were approximately \$407,000 (2.7%) ahead of the YTD budget at December 31 and \$319,000 (4.7%) below comparable revenues for the prior year. The Fund anticipated an 8.5% reduction in passenger traffic and an 8% reduction in rental income this year and reduced this year's annual budget by \$451,000. In spite of various changes in tenants, lease revenues have remained strong and are approximately 8.2% ahead of budget. Airport terminal revenue is approximately 4% ahead of budget. There has been a reduction in passenger flights and passenger counts this year but the percentage of seats occupied on the remaining flights has increased over the prior year. Additionally, the relocation of the gift shop to the central lobby has resulted in more than a 36% increase in sales. At this point, staff is optimistic that revenue will meet budget for the year.

Airport Fund expenses and encumbrances are 0.5% below the YTD budgeted amounts. Actual operating expenses (excluding capital transfers) were 10.7% below the YTD budget. Salaries and benefits costs were 4.7% below the YTD budget and supplies & services were more than 26% under budget; however, the encumbered costs for supplies and services will be consumed in the second half of the year. Overall, expenses are on target and will end the year under budget.

Golf Fund

Golf Fund revenues were approximately \$233,000 (9.8%) below the YTD budget at mid-year. At mid-year, Golf Fund FY10 revenue is down 22% from 43.2% in FY 09 to 37.3% this year. Rounds of golf are down 20% over this time last year due the economic downturn and two construction projects, Phase IV of the Safety Improvement Plan (renovation of two greens and completion of a continuous cart path system) and the Creeks Division Storm Water Quality/Creek Restoration Project. The Department is projecting revenue to increase beginning in March with the onset of spring weather and the completion of the construction projects. The reconstructed 5th and 11th greens are maturing well, and it is expected that they will be open for play by the end of February. The Creeks Division anticipates the storm water project will be complete by the end of February. Staff estimates that year-end revenues will be \$336,000 to \$355,000 below budget.

Golf Fund expenses are higher than the YTD budget at mid-year due to the costs of the on-going golf course improvement project. Approximately \$508,000 has been spent on this project this year, which represents almost 35% of the YTD expenses through December 31. There will be no more charges for this project in the Golf Fund this year so the impact of this project on overall expenses will decrease through the remainder of the year. With a projected \$336,000 revenue shortfall, staff is working to reduce expenses throughout the remainder of the year to offset a significant portion of the projected budget shortfall. Management believes that they will be able to reduce expenditures \$336,000 to cover the revenue shortfall. The Fund is reducing

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expenses for supplies & services, special projects, and capital projects where possible. Additionally, the Fund will need to achieve salary savings through position vacancies.

Waterfront Fund

Waterfront Fund revenues were \$189,000 (1.6%) above YTD revenues at December 31 and 4% ahead of revenues for the same period in the prior year. The Property Management program is below the YTD budget due to the tough economic environment and its effect on the percentage rents generated by Waterfront lessees. The Parking Services program revenue is in line with the YTD budget and 1.6% above prior year revenues due to the fee increases that affected all Waterfront lots effective July 1, 2009. Sales of annual parking permits also appear to have improved slightly over last year. Marina Management revenue is exceeding the YTD budget, and is expected to finish the year 4.3% above budget expectations, primarily due to an increase of slip transfers taking place during the first two quarters of the fiscal year. After falling significantly below budget last year, slip transfer fees have returned to a more normal level. Overall, revenues are anticipated to slightly exceed budget for the year.

Overall, the Fund spent and encumbered 53.6% of the annual budget, resulting in a \$439,000 negative variance at December 31. The variance is due to \$566,390 encumbered at mid-year, primarily for materials, supplies, and services contracts that will be used throughout the remainder of the year. The Fund has recognized 48.6% of annual budgeted salary & benefits costs through the first six months of the year and expenses are on target to end the year under budget.