



FINANCIAL MANAGEMENT REVIEW

QUARTERLY REPORT (4th Quarter FY 2006-07) Vol 2, Issue 4

June 30, 2007

Fiscal year 2006-07 ended on June 30, 2007, and for the fiscal year, the City's monthly and year-to-date actuals tracked exceptionally close to the initial time-phased budget plan. This was due to clear financial reporting along with management's ability to identify areas of spending and therefore, the ability to better manage cash. Despite spending \$2.6M on the Rubberized Overlay Project and \$4.6M on Contractual Services during the fiscal year, the General Fund decreased by only \$717K, bringing the balance at year-end to \$21.2M.

Although Fiscal Year 2006-07 is closed in the accounting system, the information reported herein cannot fully represent exactly how it will be reported in the Comprehensive Annual Financial Report (CAFR) as there may be some minor year-end auditor's adjusting entries. However, the information is complete enough to produce this report and provide a general understanding as to how the City performed relative to its budget for FY 2006-07.



Finance Dept Staff visits the Civic Center Site

Summary of Fiscal Year Financial Performance

Revenue

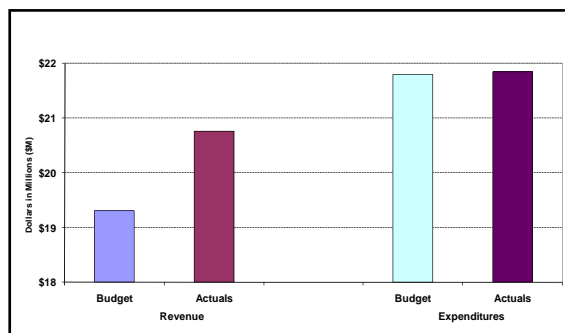
The City's General Fund revenue exceeded the budget for the fiscal year by \$1.5M. The major categories where the City received more revenue than planned include:

- 1) Secured Property Tax - \$0.6M,
- 2) Vehicle License Fees - \$0.6M,
- 3) Utility Tax - \$0.4M,
- 4) TOT - \$0.4M, and
- 5) Planning Fees - \$0.3M.

The two major categories that did not perform as expected include:

- 1) Sales and Use tax - (\$0.9M,) and
- 2) Building Fees - (\$0.5M).

Sales tax revenue for the City declined compared to the prior year. This was primarily due to a decrease in new auto sales. Additionally, building fees finished the year behind plan due to lower than expected volume.



Expenditures

Due to the availability of strong financial reporting and executive management implementation, the City's actual expenditures ran extremely close to plan throughout the

fiscal year. At year end, actual expenditures under-ran the budget by \$317K. There were two particular areas that contributed to this:

- 1) Personnel costs were lower than plan by \$146K due to position vacancies, and
- 2) Sheriff's Services were lower than plan by \$272K due to less need for special patrol services.

Civic Center Project Budget Status

The Civic Center construction contract is now a fixed-price contract, not to exceed \$36,854,000. As of fiscal year-end, approximately 35% of that amount had been expended.

NTE Contract Amount	\$ 36,854,000
Amount Paid through 6/30/07	<u>13,013,558</u>
Amount Remaining	<u>\$ 23,840,442</u>

General Fund Balance

Even though the City Council approved a projected over-run of \$2.5M in this budget with spending on projects such as Slurry Seal, Parkway Calabasas Road Repair, and U.S. 101 Corridor Bike Lane Project, the General Fund balance decreased by only \$717K from the prior year to a year-end balance of \$21.2M. There were several areas where City departments under-ran their budgets, the savings of which contributed to a smaller decrease in the General Fund balance than was budgeted. Some of them were:

- 1) Transfers to Capital, due to some large projects pushed into FY07/08 - \$647K,
- 2) Sheriff's Services, due to less need for special patrols - \$272K,
- 3) General Plan Review, due to a slow start, pushed into FY07/08 - \$216K,
- 4) Personnel Costs, due to position vacancies - \$146K,
- 5) Insurance, due to better pool rates based on lower claims in prior years - \$68K, and
- 6) Various other general operational accounts - \$434K.