



FINANCIAL MANAGEMENT REVIEW

QUARTERLY REPORT (1st Quarter FY 2008-09) Vol 4, Issue 1

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General Fund Highlights

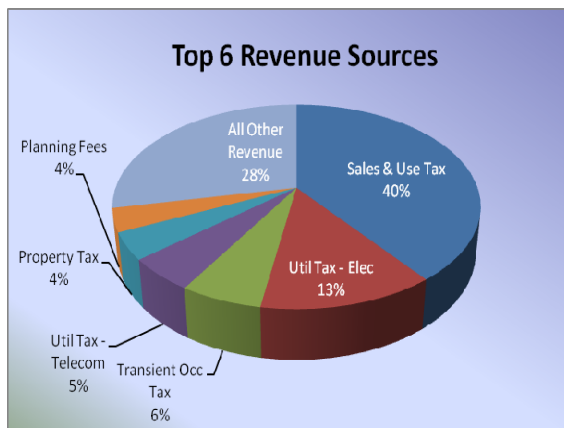
The first quarter of fiscal year 2008-09 ended on September 30, 2008 and the General Fund financial performance tracked better than planned for revenue, as well as better than planned for expenditures. During the 1st quarter, the City of Calabasas received \$3.1M in revenue and during that same period, it spent \$3.9M, resulting in a decrease of \$800K in the General Fund, bringing its balance to \$19.3M.

As part of the budgeting process, the Office of Finance for the City of Calabasas used many available sources of information to create a realistic budget, and presented it to the City Council for approval. Even with subsequent negative economic news, the City is positioned to weather economic ups and downs by keeping up to date on changes in revenue expectations as well as internally controlling spending. Going forward with this cautious approach, throughout this fiscal year, the General Fund should be fairly stable.

Detail of Year-to-Date Financial Performance

Revenue

During the first quarter of the fiscal year, the City's General Fund revenue tracked ahead of plan, coming in at \$472K better than budget. The major contributor to this positive condition was Sales Tax, which was \$661K ahead of plan. This was offset mostly by Transfer Tax, which was behind plan by (\$170K.) This reflects a decline in both the value of properties within the City, as well as the number of sales transactions. Of the total revenue received in the first quarter of the fiscal year of over \$3.1M, more than half came from the top 6 sources.



In the second fiscal quarter, a portion of the Sales Tax revenue will be shifted to the prior period due to a planned auditor's adjusting entry. This adjustment

is simply a shifting of revenue, and has no effect on the General Fund balance.

Expenditures

The City's General Fund expenditures during the first quarter of the fiscal year under-ran the budget by more than \$426K. This was due primarily to lower than planned spending in Personnel costs, because during this quarter there were several full-time vacancies. These vacancies were filled toward the end of this quarter, so Personnel costs in the second quarter should be closer to plan.



Potential Challenges to Meeting This Year's Budget Objectives

- 1) Sales tax and Transient Occupancy tax revenues are slowing due to a general decline in consumer spending,
- 2) Property tax and Transfer tax revenues are slowing due to lower property values and fewer sales, and
- 3) Increased costs for operations and maintenance, including insurance needs, for both City Hall and the Library.