



Chandler • Arizona
Where Values Make The Difference

MEMORANDUM

Management Services Memo No. 15-009

DATE: SEPTEMBER 10, 2014

TO: MAYOR & COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*
NACHIE MARQUEZ, ASSISTANT CITY MANAGER *NM*
DAWN LANG, MANAGEMENT SERVICES DIRECTOR *DL*

FROM: GREG WESTRUM, BUDGET MANAGER *AW*

SUBJECT: FISCAL YEAR (FY) 2013-14 FOURTH QUARTER FINANCIAL REPORT THROUGH JUNE 2014 FISCAL YEAR END

Attached is the FY 2013-14 Fourth Quarter Financial Report, summarizing budget to actual performance of General Fund operating revenue and expenditures, and additional summaries and analysis of Enterprise, System Development Fees and Impact Fees, Highway User Tax, and Grant funds. The analysis included in this report reflects how the City performed for FY 2013-14 year end compared to adopted and adjusted budget, historical trends, and the prior year results.

This FY 2013-14 report is submitted in September due to the timing of the year-end closing process which extends into August. Of particular note is the fact that all budgeted categories reflect "positive" performance indicators showing that overall revenues and expenditures were within anticipated ranges when compared to budget and historical trend.

Revenue reports and discussions throughout the year have highlighted the fact that FY 2013-14 General Fund revenues were higher than anticipated. General Fund revenues ended the year 7.5% over adopted budget due to better than expected revenues in almost all revenue categories, including Licenses and Permits, Fines and Forfeitures, State Shared Sales Tax, and Transaction Privilege (Sales) Taxes. The net results were \$14.1 million in revenue over budget in the General Fund. Excess revenues were anticipated during the preparation of the FY 2014-15 budget so a portion of this excess revenue was incorporated into the forecast and budget at that time.

The total General Fund spending (expenditures and encumbrances) for FY 2012-13 was 94.9% of the adjusted budget, compared to the 94.3% spent in the prior year.

Should you have any questions, please feel free to call me at x2256 or Dawn Lang at x2255.

Attachment

cc: Marsha Reed, Assistant City Manager



QUARTERLY FINANCIAL REPORT

4th Qtr FY13-14

PERFORMANCE AT A GLANCE

GENERAL FUND REVENUE		YEAR TO DATE COMPARED TO BUDGET %	REFERENCE
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PERFORMANCE INDICATORS

POSITIVE	= Variance < 2% compared to historical trends or positive variance > 0% for % to budget.
WARNING	= Variance of 2 - 5% compared to historical trends.
NEGATIVE	= Variance of > 5% compared to historical trends or negative variance < 0% for % to budget.

THE QUARTERLY FINANCIAL REPORT

Report Objectives

- * Provide historical comparisons to identify trends or deviations from trends.
- * Develop performance benchmarks to measure positive and negative results.
- * Create an executive level report to highlight potential issues or concerns.

What is Included in the Report

The report emphasizes General Fund, with analysis of its revenue and each category of revenue, and the expenditures by department. Also included is a summary and analysis of Enterprise Funds, System Development Fee and Impact Fee Funds, the Highway User Tax Fund, and Grants.

How to Read the Report

- * Page 1 serves as a table of contents and quick view of performance issues.
- * The benchmarks are Positive (navy colored), Warning (grey colored), and Negative (maroon colored), providing an initial indicator to determine if the category needs to be monitored closely in the upcoming period.
- * Performance indicators for General Fund *revenue* are comparing the percent of year-to-date actuals collected to total budget AND the budget prorated based on the historical trend (last four years) of average actual year-to-date collections.
- * Performance indicators for General Fund *expenditures* are based on whether they are within budget for the percent of year-to-date actuals expended plus encumbrances compared to the total budgeted expenditures.
- * Performance indicators for Enterprise Funds focus on the relationship between Operating Revenues and Operating Expenses (including debt service and indirect cost allocation) and the percentage of budget received/expended.

ECONOMIC INDICATORS

GROSS DOMESTIC PRODUCT (GDP)

Real gross domestic product - the output of goods and services produced by labor and property located in the US.

The change to the GDP is an indicator of the general direction of the economy. Slow or negative growth will likely mean lower revenues for the City.

Third Quarter 2013 (revised)	4.5%
Fourth Quarter 2013 (revised)	3.5%
First Quarter 2014 (revised estimate)	-2.1%
Second Quarter 2014 (second estimate)	4.2%

Source: US Department of Commerce

INTEREST RATES

This table reflects the four most recent changes to the Federal Funds Rate by the Federal Reserve Board.

Lowering the Federal Funds Rate is a way for the Federal Reserve Board to make it less expensive for banks to borrow money for loans and investments and (in theory) pumping additional dollars into the economy. Recent announcements state this rate will remain low through 2015.

April 30, 2008	2.0%
October 8, 2008	1.5%
October 29, 2008	1.0%
December 16, 2008 to date	0% - 0.25%

Source: Federal Reserve Bank

UNEMPLOYMENT

	National	State of Arizona	Phoenix Metro Area
Mar-14	6.7%	7.3%	6.4%
Apr-14	6.3%	6.9%	5.3%
May-14	6.3%	6.8%	5.6%
Jun-14	6.1%	6.9%	6.5%

High unemployment rates are a reflection of a slow economy and the reduced demand for goods and services. The Phoenix Metro Area unemployment rate is typically lower than the national and state rates.

Source: Arizona Department of Commerce, "Arizona Workforce" Newsletter

CITY INVESTMENT PORTFOLIO

The City splits its investment portfolio between two investment firms with a different mix of holdings at each firm to reduce risk.

Fiscal Year 2013-14 Rate of Return	4th Quarter	Fiscal Year
Benchmark:	0.20%	0.57%
Wells Capital Management:	0.20%	0.70%
PFM:	0.19%	0.69%
Fiscal Year 2012-13 Rate of Return	4th Quarter	Fiscal Year
Benchmark:	-0.07%	0.23%
Wells Capital Management:	-0.13%	0.26%
PFM:	-0.10%	0.27%

The City's benchmark is the 0-3 year Merrill Lynch Treasury Index while last year it was the one-year Merrill Lynch Treasury Note (change occurred as of the third quarter of last fiscal year to current benchmark). Rate of return includes interest earnings as well as both realized and unrealized gains/(losses).

Source: Investment Advisors

BUILDING PERMITS

Single-family building permits are an indicator of the general economy. Higher numbers of permits indicate an active construction market and resultant home sales.

	State of Arizona	Chandler
Jan - Feb - Mar 2013	4,223	143
Apr - May - Jun 2013	5,455	167
Jul - Aug - Sep 2013	4,544	133
Oct - Nov - Dec 2013	3,908	102
Jan - Feb - Mar 2014	4,079	87
Apr - May - Jun 2014	5,120	147

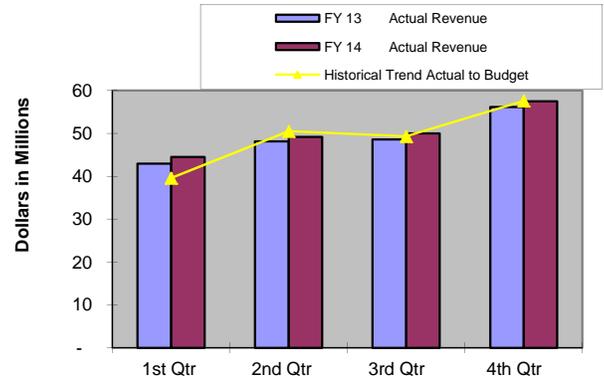
Single family building permits are lower than the high-growth years, averaging 120 permits over the last six quarters. Fewer building permits generally equates to less new construction, lower permit fee revenues and lower sales tax revenues.

Source: U.S. Census Bureau, City of Chandler Transportation & Development Department.

REVENUE ANALYSIS:

OVERALL GENERAL FUND REVENUES FY 2013-2014

		FY 14 Adjusted Budget	FY 14 Actual Revenue	% of Budget Rec'd	*% of Budget Hist. Rec'd
1st Qtr	Jul - Sep 13	\$ 40,977,394	\$ 44,465,892	23.8%	21.2%
2nd Qtr	Oct - Dec 13	46,636,811	49,153,476	26.3%	27.0%
3rd Qtr	Jan - Mar 14	46,268,125	50,003,679	26.7%	26.4%
4th Qtr	Apr - Jun 14	53,145,028	57,471,330	30.7%	30.8%
Total		\$ 187,027,358	\$ 201,094,377	107.5%	105.4%



* Pro-rated based upon a four year Historical Trend of Actual Year-to-date Collections

POSITIVE

General Fund revenue collections for FY 2013-14 are \$14.1M (7.5%) above the budget and \$5.3M (2.7%) higher than actual collections for FY 2012-13. Although the fiscal year ended \$14.1 million over the Adopted Budget, when preparing the FY 2014-15 Budget, revenues were updated based on additional information available at that time. This is completed for the purpose of estimating the fiscal year end General Fund balance to determine available one-time funds for the FY 2014-15 Budget preparations. In summary, a portion of the \$14.1 million over adopted was anticipated and incorporated into the FY 2014-15 Budget, although the year ended even better than projected.

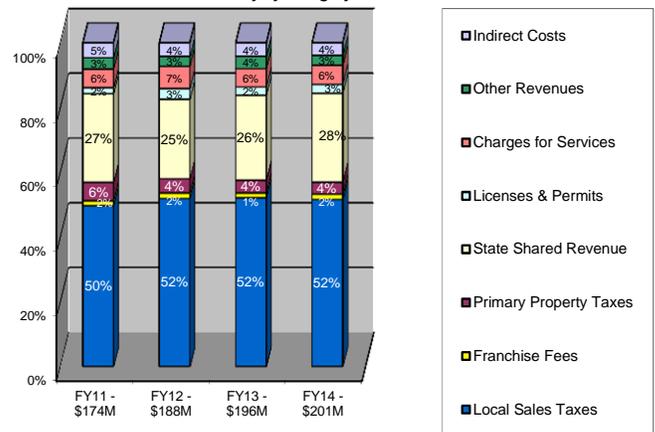
Overall, General Fund revenue, led by continuing strong State and Local Sales Tax collections, are performing well due to higher consumer confidence.

The following charts provide more detail regarding the various sources of General Fund revenues.

GENERAL FUND REVENUES BY CATEGORY FY 2013-2014

Revenue Categories	FY 14 Adjusted Budget	FY 14 Actual Revenue	% of Budget Rec'd
Sales Tax	\$ 95,211,000	\$ 103,891,763	109.1%
Franchise Fees	2,875,000	3,134,488	109.0%
Primary Property Tax	7,250,000	7,389,562	101.9%
State Shared Revenue	53,613,700	55,423,760	103.4%
Licenses & Permits	3,476,000	5,479,384	157.6%
Charges for Services	10,572,450	11,723,745	110.9%
Other Revenues	6,187,250	6,209,717	100.4%
Indirect Cost Allocation	7,841,958	7,841,958	100.0%
Total	\$ 187,027,358	\$ 201,094,377	107.5%

General Fund Collection History by Category %



POSITIVE

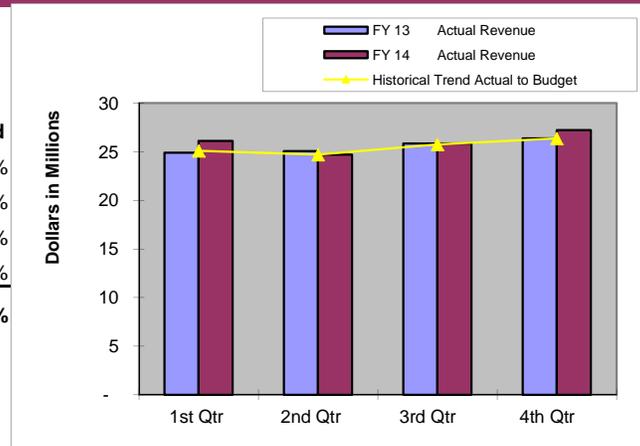
This chart summarizes General Fund revenue collections by category for FY 2013-14, where collections in all revenue categories exceeded their budget. The graph helps us visualize what percentage each revenue category is to the total General Fund. As you can see, the percentage spread of revenue sources are relatively consistent over the years with local sales taxes and state shared revenues being the largest General Fund revenue sources. The next several pages provide an analysis of each revenue category except Indirect Cost Allocation (payments by the Water, Wastewater, Solid Waste, and Airport Enterprise Funds to the General Fund for City services provided for operations).

REVENUE ANALYSIS (continued):

SALES TAX REVENUE FY 2013-2014

		FY 14 Adopted Budget	FY 14 Actual Revenue	% of Budget Rec'd	*% of Budget Hist. Rec'd
1st Qtr	Jul - Sep 13	\$ 23,509,384	\$ 26,109,219	27.4%	26.3%
2nd Qtr	Oct - Dec 13	22,861,122	24,695,955	25.9%	25.9%
3rd Qtr	Jan - Mar 14	24,021,548	25,870,541	27.2%	27.0%
4th Qtr	Apr - Jun 14	24,818,946	27,216,048	28.6%	27.7%
Total		\$ 95,211,000	\$ 103,891,763	109.1%	106.9%

* Pro-rated based upon a four year Historical Trend of Actual Year-to-date Collections

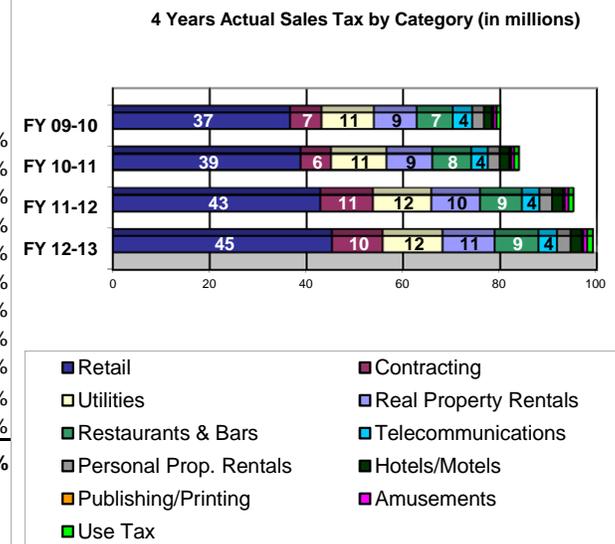


POSITIVE

Figures above **include** Local Sales Tax Collections and the related revenues of License Fees, Audit Assessments, Penalties, and Interest. Sales tax collections for FY 2013-14 are \$8.7M (9.1%) above the budget and \$1.7M (1.6%) higher than FY 2012-13 actual collections. Although it was anticipated that the April 2013 opening of the new outlet mall west of the City would have a negative impact on collections, this has not happened to date, although Staff is continuing to monitor retail sales tax revenues from the Chandler Fashion Center and surrounding retail area. Increased spending related to higher consumer confidence has contributed to greater Local Sales Tax collections.

SALES TAX COLLECTION HISTORY

	FY 14 Adopted Budget	FY 14 Actual Revenue	% of Actual to Budget	% Chg from Prior Yr
Retail	\$ 42,700,000	\$ 47,384,617	111.0%	4.5%
Contracting	9,300,000	9,780,645	105.2%	-6.0%
Utilities	12,400,000	12,421,526	100.2%	0.5%
Real Property Rentals	9,800,000	11,058,203	112.8%	2.2%
Restaurants & Bars	8,800,000	9,542,714	108.4%	5.2%
Telecommunications	3,800,000	3,533,636	93.0%	-5.3%
Personal Prop. Rentals	2,300,000	2,949,421	128.2%	2.2%
Hotels/Motels	1,900,000	2,472,754	130.1%	8.0%
Publishing/Printing	300,000	258,547	86.2%	-22.8%
Amusements	650,000	728,110	112.0%	1.5%
Use Tax	800,000	1,090,427	136.3%	-17.1%
TOTAL SALES TAX	\$ 92,750,000	\$ 101,220,600	109.1%	2.0%



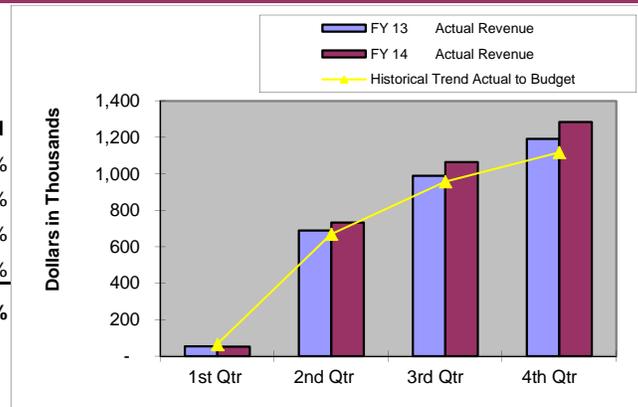
The above figures reflect Sales Tax Collections by category and **exclude** the related revenues of License Fees, Audit Assessments, Penalties, and Interest. Sales Tax collections for FY 2013-14 were \$8.5M (9.1%) above the budget and \$2.0M (2.0%) higher than collections for FY 2012-13. Contracting and Use Tax collections have declined compared to the prior year as we move past the high one-time collections related to the Intel construction project. Telecommunications collections have declined compared to the prior year due to lower receipts. The decline in Publishing/Printing is a result of an amendment to the Model City Tax Code.

REVENUE ANALYSIS (continued):

FRANCHISE FEE REVENUE FY 2013-2014

		FY 14 Adopted Budget	FY 14 Actual Revenue	% of Budget Rec'd	*% of Budget Hist. Rec'd
1st Qtr	Jul - Sep 13	\$ 66,514	\$ 51,979	1.8%	2.3%
2nd Qtr	Oct - Dec 13	684,711	733,662	25.5%	23.3%
3rd Qtr	Jan - Mar 14	979,894	1,064,986	37.0%	33.3%
4th Qtr	Apr - Jun 14	1,143,881	1,283,861	44.7%	38.9%
Total		\$ 2,875,000	\$ 3,134,488	109.0%	97.8%

* Pro-rated based upon a four year Historical Trend of Actual Year-to-date Collections



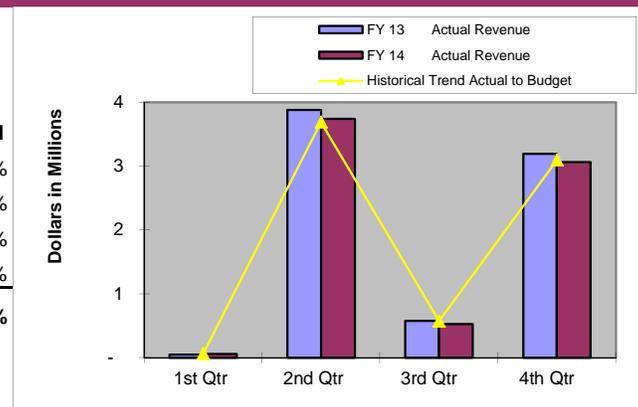
POSITIVE

Franchise Fees are paid by Arizona Public Service (2% of Commercial and Residential Sales), Southwest Gas Corporation (2% of Commercial and Residential Sales), Cox Communications (5% of Gross Revenue), and Air Products (2% of Gross Sales). Qwest Cable Services (5% of Gross Sales) revenues are included in the first year of the four-year historical trend of actual collections since Qwest exited the cable business at the beginning of FY 2010-11, making the percentage of budget historically received higher in the first quarter. Franchise fee collections for FY 2013-14 are \$259,488 (9.0%) above the budget and \$208,959 (7.1%) higher than FY 2012-13 actual collections. A new Qwest/Centurylink cable TV service has re-entered the market, however, the financial impact on franchise fee collections is not yet known.

PRIMARY PROPERTY TAX REVENUE FY 2013-2014

		FY 14 Adopted Budget	FY 14 Actual Revenue	% of Budget Rec'd	*% of Budget Hist. Rec'd
1st Qtr	Jul - Sep 13	\$ 61,390	\$ 60,319	0.8%	0.9%
2nd Qtr	Oct - Dec 13	3,604,289	3,740,184	51.6%	50.9%
3rd Qtr	Jan - Mar 14	558,877	525,536	7.2%	7.9%
4th Qtr	Apr - Jun 14	3,025,444	3,063,523	42.3%	42.7%
Total		\$ 7,250,000	\$ 7,389,562	101.9%	102.4%

* Pro-rated based upon a four year Historical Trend of Actual Year-to-date Collections



POSITIVE

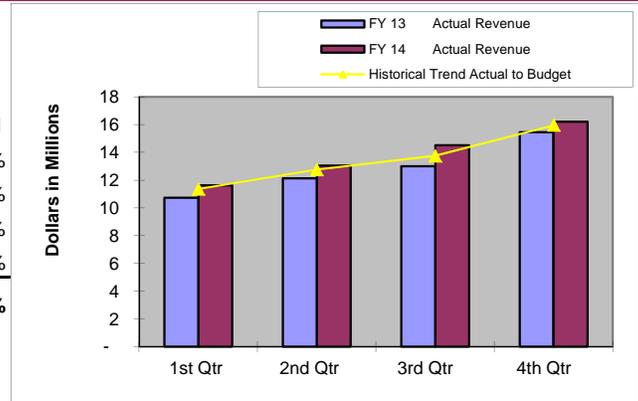
This presentation only includes primary property taxes (supporting General Fund operations) and does not include secondary property taxes (supporting debt service on capital projects and recorded in the General Obligation Debt Service Fund). Property tax collections are due starting October 1st and March 1st each year. For FY 2013-14, Chandler collected a primary tax rate of \$0.3292 per \$100 of assessed valuation and a secondary tax rate of \$0.9422 per \$100 of assessed valuation for a total rate of \$1.2714, representing **no** increase from the rates adopted for FY 2012-13. Due to the two-year lag in recording assessed valuations, FY 2010-11 was the first year to reflect significant drops in market value. FY 2011-12, FY 2012-13, and FY 2013-14 also brought in lower property tax collections as a result of continuing declines in assessed valuations. Primary property tax collections for FY 2013-14 are \$139,562 (1.9%) above the budget and \$311,021 (-4.0%) lower than FY 2012-13 actual collections.

REVENUE ANALYSIS (continued):

STATE SHARED REVENUE FY 2013-2014

		FY 14 Adopted Budget	FY 14 Actual Revenue	% of Budget Rec'd	*% of Budget Hist. Rec'd
1st Qtr	Jul - Sep 13	\$ 11,125,945	\$ 11,632,502	21.7%	21.2%
2nd Qtr	Oct - Dec 13	12,969,539	13,064,364	24.4%	23.8%
3rd Qtr	Jan - Mar 14	13,683,156	14,515,784	27.1%	25.7%
4th Qtr	Apr - Jun 14	15,835,060	16,211,110	30.2%	29.8%
Total		\$ 53,613,700	\$ 55,423,760	103.4%	100.5%

* Pro-rated based upon a four year Historical Trend of Actual Year-to-date Collections



POSITIVE

-- **State Shared Sales Tax:** The state sales tax rate is currently 5.6%, of which a portion of the various categories of sales tax are distributed to cities and towns based on population as state shared sales tax. Collections for FY 2013-14 are \$1.2M (6.2%) above the budget trend and \$1.3M (6.6%) higher than FY 2012-13 actual collections. This revenue category reflects a small but steady growth in Arizona's overall economy.

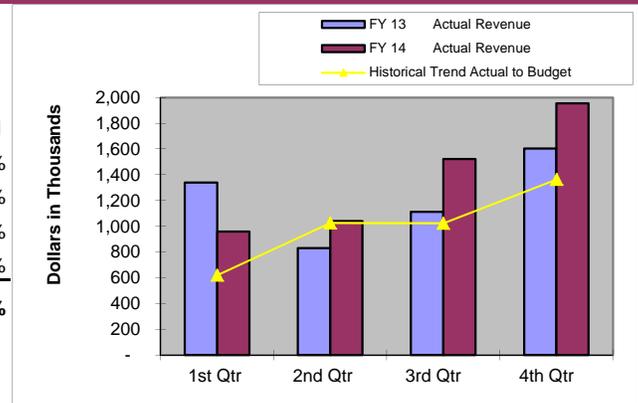
-- **Vehicle License Tax:** Cities and towns receive 25% of the net revenues collected for vehicle licensing within their county from the state. The respective city shares are determined by the proportion of city population to total incorporated population of the county. Collections for FY 2013-14 are \$569,366 (7.2%) above the budget and \$539,419 (6.8%) higher than FY 2012-13 actual collections.

-- **Urban Revenue Sharing:** Fifteen percent (15%) of the 2011 State income tax collection is distributed to cities and towns as urban revenue sharing based upon population and is known for budget purposes. Collections for FY 2013-14 are \$36,401 (0.1%) above the budget and \$2.3M (9.4%) higher than FY 2012-13 actual collections. This revenue category reflects activity from two years ago due to the lag in distributing to cities and towns, so is reflecting some improvement over the 2010 "recession" year.

LICENSES & PERMITS REVENUE FY 2013-2014

		FY 14 Adopted Budget	FY 14 Actual Revenue	% of Budget Rec'd	*% of Budget Hist. Rec'd
1st Qtr	Jul - Sep 13	\$ 534,402	\$ 958,923	27.6%	17.8%
2nd Qtr	Oct - Dec 13	883,691	1,041,385	30.0%	29.5%
3rd Qtr	Jan - Mar 14	881,966	1,522,143	43.8%	29.4%
4th Qtr	Apr - Jun 14	1,175,941	1,956,933	56.3%	39.2%
Total		\$ 3,476,000	\$ 5,479,384	157.7%	115.9%

* Pro-rated based upon a four year Historical Trend of Actual Year-to-date Collections



POSITIVE

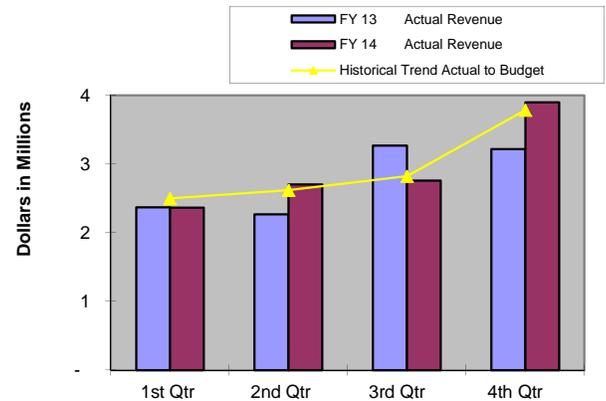
This category includes revenue for various licenses: transaction privilege sales tax, alcoholic beverages, peddlers and solicitors, secondhand and junk dealers, amusements, and professional/occupational licenses, as well as cable license application fees. In addition, revenue from building, alarm, and fiber optic permits are included. License and permit collections for FY 2013-14 are \$2.0M (57.6%) above the budget and \$591,918 (12.1%) higher than FY 2012-13 actual collections. Budgeted revenues in this category were forecasted at reduced levels, with \$4.8M budgeted in this category in FY 2012-13 and \$3.5M for FY 2013-14, mainly due to anticipated lower revenues from building permits. Actual collections have not declined as expected this fiscal year due to a steady stream of new development activity in Chandler.

REVENUE ANALYSIS (continued):

CHARGES FOR SERVICES REVENUE FY 2013-2014

		FY 14 Adopted Budget	FY 14 Actual Revenue	% of Budget Rec'd	*% of Budget Hist. Rec'd
1st Qtr	Jul - Sep 13	\$ 2,252,061	\$ 2,365,260	22.4%	23.6%
2nd Qtr	Oct - Dec 13	2,361,254	2,702,730	25.6%	24.8%
3rd Qtr	Jan - Mar 14	2,545,234	2,757,777	26.1%	26.7%
4th Qtr	Apr - Jun 14	3,413,901	3,897,978	36.9%	35.8%
Total		\$ 10,572,450	\$ 11,723,745	111.0%	110.9%

* Pro-rated based upon a four year Historical Trend of Actual Year-to-date Collections



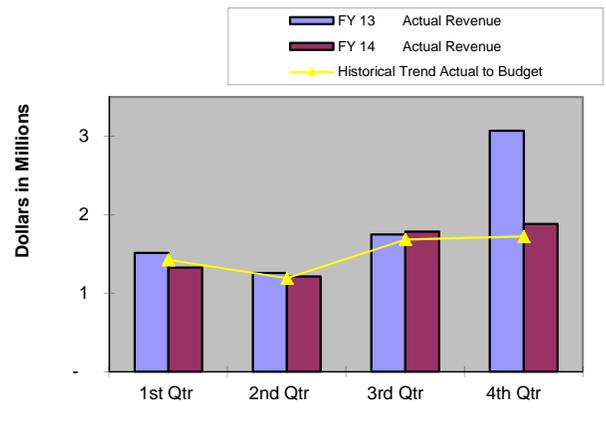
POSITIVE

Charges for Services include revenue from various engineering, recreation, and library fees, police and fire miscellaneous service reimbursements, and public school reimbursement. Charges for services collections for FY 2013-14 are \$1.2M (10.9%) above the budget and \$596,513 (5.4%) higher than FY 2012-13 actual collections. Increased FY 2013-14 collections were received in public school revenues, building plan review fees, civil engineering plan review fees, and ambulance revenues.

OTHER REVENUE FY 2013-2014

		FY 14 Adjusted Budget	FY 14 Actual Revenue	% of Budget Rec'd	*% of Budget Hist. Rec'd
1st Qtr	Jul - Sep 13	\$ 1,467,205	\$ 1,327,201	21.5%	23.0%
2nd Qtr	Oct - Dec 13	1,311,718	1,214,706	19.6%	19.2%
3rd Qtr	Jan - Mar 14	1,636,961	1,786,422	28.9%	27.2%
4th Qtr	Apr - Jun 14	1,771,366	1,881,388	30.4%	27.8%
Total		\$ 6,187,250	\$ 6,209,717	100.4%	97.2%

* Pro-rated based upon a four year Historical Trend of Actual Year-to-date Collections



POSITIVE

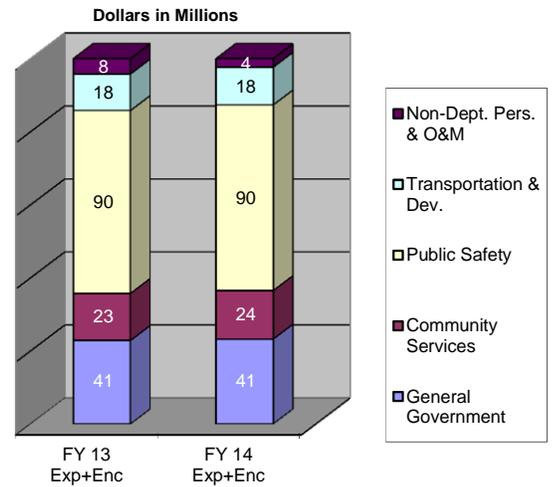
Other revenue captures interest income, fines and forfeitures, lump sum agreements, sale of land and fixed assets, and other miscellaneous items. Revenue streams in this category are not constant. Other revenue collections for FY 2013-14 are \$162,471 (0.4%) above the budget and \$1.4M (-18.2%) lower than FY 2012-13 actual collections. Revenues are lower than the prior fiscal year due to a large one-time revenues in FY 2012-13 from Kinder Morgan for a pipeline project (\$269,000) and from CDW's repayment of a development agreement (\$251,000) that were not received in FY 2013-14.

EXPENDITURE ANALYSIS:

GENERAL FUND EXPENDITURES + ENCUMBRANCES for FY 2013-2014 by FUNCTION

	FY 14 Adjusted Budget	FY14 Actual Exp+Enc	% of Budget Exp'd	% of Budget Prior Yr
* Dept. Operating				
General Government	\$ 44,403,220	\$ 41,386,088	93.2%	93.4%
Community Services	24,564,056	23,672,793	96.4%	95.3%
Public Safety	91,962,993	90,440,587	98.3%	98.4%
Transportation & Dev.	19,886,601	18,363,626	92.3%	94.5%
Non-Dept. Pers. & O&M	6,752,069	4,141,666	61.3%	64.3%
Subtotal	\$ 187,568,939	\$ 178,004,760	94.9%	94.3%
Non-Dept. Reserves	\$ 3,632,946	\$ -	0.0%	0.0%
Non-Dept. Contingencies	19,805,792	-	0.0%	0.0%
Total	\$ 211,007,677	\$ 178,004,760	84.4%	84.2%

* Excluding Interfund Transfers



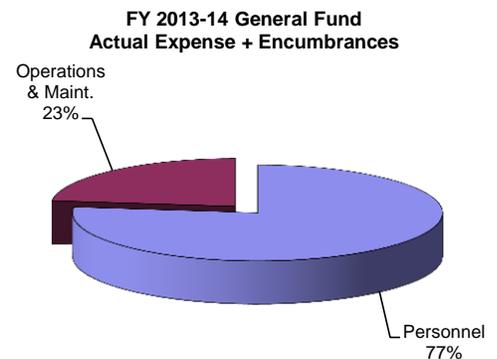
Total General Fund operating expenditures are reflected by City function, along with budgeted non-departmental reserves (encumbrance and unencumbered carryforward, utility, fuel, and downtown redevelopment) and contingencies (12% and Council). Since General Obligation debt and General Fund capital expenses are reflected in the General Obligation Debt and General Capital Projects Funds, this presentation only includes General Fund operating expenditures to more clearly reflect the results of operations.

FY 2013-14 operating spending is 94.9% of the adjusted budget compared to 94.3% of adjusted budget spent last fiscal year. As shown on the following pages, departments have expended between 85.0% and 99.1% of their General Fund adjusted budgets for FY 2013-14.

GENERAL FUND EXPENDITURES + ENCUMBRANCES for FY 2013-2014 by CATEGORY

*Dept. Operating	FY 14 Adjusted Budget	FY 14 Actual Exp+Enc	FY 13 Actual Exp+Enc	% change from Prior Yr Actual
Personnel	\$ 139,975,267	\$ 136,854,081	\$ 136,815,659	0.0%
Operations & Maint.	47,593,672	41,150,679	43,315,850	-5.0%
Reserves	3,632,946	-	-	0.0%
Contingencies	19,805,792	-	-	0.0%
Total	\$ 211,007,677	\$ 178,004,760	\$ 180,131,509	-1.2%

* Excluding Interfund Transfers

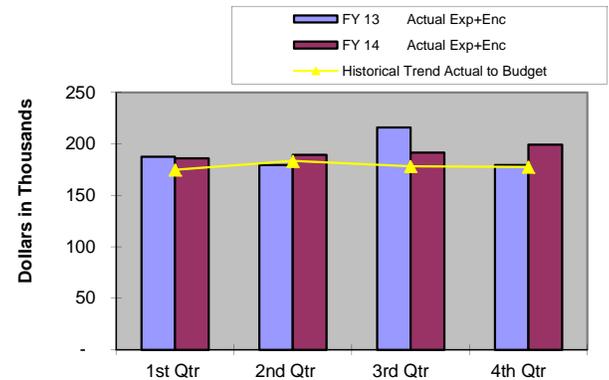


Total General Fund operating expenditures and encumbrances are reflected by spending category. Personnel spending for FY 2013-14 is slightly higher than spending for FY 2012-13. Operations and Maintenance spending for FY 2013-14 is 5.0% lower than spending through the same period in the prior year mainly due to last year's non-departmental spending on the Strategic Economic Development Continuum project.

EXPENDITURE ANALYSIS (continued / department summaries):

MAYOR & COUNCIL EXPENDITURE 2013-2014 COMPARISON

		FY 14	FY 14	% of	*Hist.
		Adjusted	Actual	Budget	Trend % of
		Budget	Exp+Enc	Expended	Budget
				by Qtr	
Operating Only					
1st Qtr	Jul - Sep 13	\$ 193,936	\$ 186,026	23.0%	21.6%
2nd Qtr	Oct - Dec 13	210,097	189,300	23.4%	22.7%
3rd Qtr	Jan - Mar 14	202,016	191,466	23.7%	22.0%
4th Qtr	Apr - Jun 14	202,016	199,213	24.7%	22.0%
Total		\$ 808,065	\$ 766,005	94.8%	88.3%



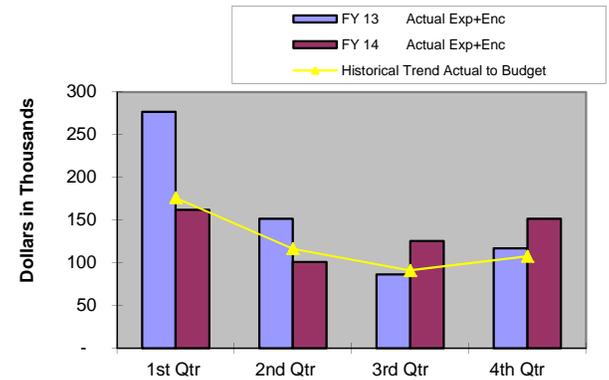
* Historical Trend represents the average of the past 4 years % of actual to budget

POSITIVE

Mayor and Council spent 94.8% of their FY 2013-14 adjusted budget and has historically spent 88.3% of their adjusted budget for the fiscal year. Since tightening up budgets during the economic downturn, the percentage of budget expended is higher than historical trend due to a lower budget.

CITY CLERK EXPENDITURE 2013-2014 COMPARISON

		FY 14	FY 14	% of	*Hist.
		Adjusted	Actual	Budget	Trend % of
		Budget	Exp+Enc	Expended	Budget
				by Qtr	
Operating Only					
1st Qtr	Jul - Sep 13	\$ 213,658	\$ 162,153	27.3%	29.7%
2nd Qtr	Oct - Dec 13	142,439	101,042	17.0%	19.6%
3rd Qtr	Jan - Mar 14	112,764	125,566	21.2%	15.3%
4th Qtr	Apr - Jun 14	124,634	151,678	25.6%	18.1%
Total		\$ 593,495	\$ 540,439	91.1%	82.7%



* Historical Trend represents the average of the past 4 years % of actual to budget

POSITIVE

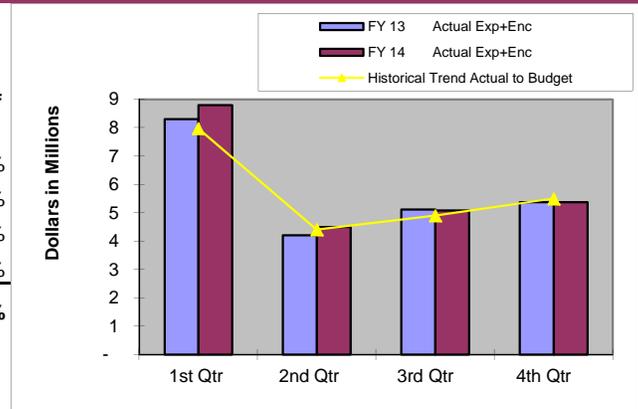
The City Clerk has spent 91.1% of their FY 2013-14 adjusted budget and has historically spent 82.7% of their adjusted budget for the fiscal year. FY 2012-13 spending included expenditures for the primary election in the first quarter and the general election in the second quarter, while the FY 2013-14 budget was reduced since there were no elections in the current fiscal year. Since tightening up budgets during the economic downturn, the percentage of budget expended is higher than historical trend due to a lower budget.

EXPENDITURE ANALYSIS (continued / department summaries):

CITY MANAGER EXPENDITURE 2013-2014 COMPARISON

		FY 14 Adjusted Budget	FY 14 Actual Exp+Enc	% of Budget Expended by Qtr	*Hist. Trend % of Budget
Operating Only					
1st Qtr	Jul - Sep 13	\$ 8,724,338	\$ 8,799,622	35.3%	32.0%
2nd Qtr	Oct - Dec 13	4,821,118	4,501,437	18.1%	17.7%
3rd Qtr	Jan - Mar 14	5,360,812	5,085,526	20.4%	19.6%
4th Qtr	Apr - Jun 14	6,021,347	5,373,329	21.5%	22.1%
Total		\$ 24,927,615	\$ 23,759,914	95.3%	91.4%

* Historical Trend represents the average of the past 4 years % of actual to budget



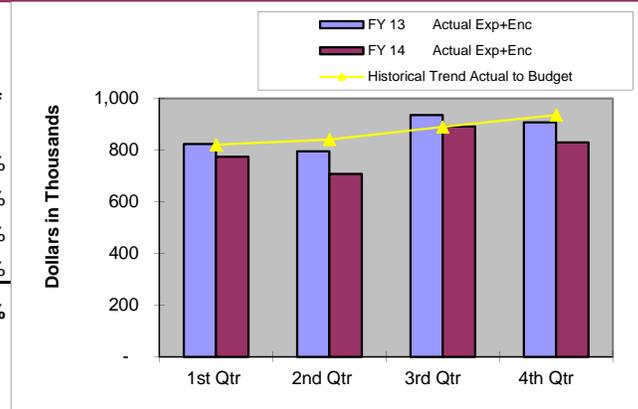
POSITIVE

City Manager includes the following divisions budgeted in the General Fund: Administration, Buildings & Facilities, Human Resources, Information Technology, Economic Development, Office of Neighborhood Resources, and Downtown Redevelopment. Combined, they spent 95.3% of their FY 2013-14 adjusted budget and have historically spent 91.4% of their adjusted budget for the fiscal year.

LAW EXPENDITURE 2013-2014 COMPARISON

		FY 14 Adjusted Budget	FY 14 Actual Exp+Enc	% of Budget Expended by Qtr	*Hist. Trend % of Budget
Operating Only					
1st Qtr	Jul - Sep 13	\$ 858,339	\$ 774,359	21.7%	22.9%
2nd Qtr	Oct - Dec 13	858,339	708,433	19.8%	23.5%
3rd Qtr	Jan - Mar 14	929,868	890,832	24.9%	24.9%
4th Qtr	Apr - Jun 14	929,868	830,389	23.2%	26.1%
Total		\$ 3,576,414	\$ 3,204,013	89.6%	97.4%

* Historical Trend represents the average of the past 4 years % of actual to budget



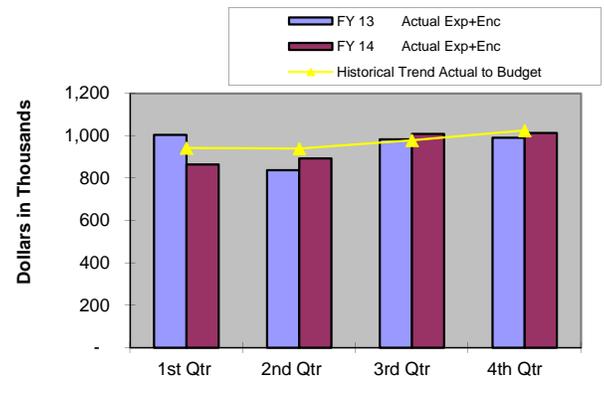
POSITIVE

Law spent 89.6% of their FY 2013-14 adjusted budget and has historically spent 97.4% of their adjusted budget for the fiscal year. This reduced spending is due to lower personnel costs in FY 2013-14 due to vacant positions generating vacancy savings.

EXPENDITURE ANALYSIS (continued / department summaries):

CITY MAGISTRATE EXPENDITURE 2013-2014 COMPARISON

		FY 14	FY 14	% of	*Hist.
		Adjusted	Actual	Budget	Trend % of
Operating Only		Budget	Exp+Enc	Expended	Budget
				by Qtr	
1st Qtr	Jul - Sep 13	\$ 1,019,397	\$ 864,820	20.6%	22.4%
2nd Qtr	Oct - Dec 13	1,015,771	893,759	21.3%	22.3%
3rd Qtr	Jan - Mar 14	1,059,485	1,008,228	23.9%	23.3%
4th Qtr	Apr - Jun 14	1,108,425	1,013,638	24.1%	24.4%
Total		\$ 4,203,078	\$ 3,780,445	89.9%	92.4%



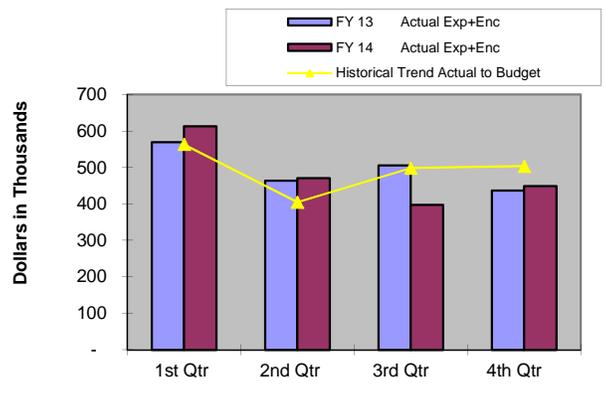
* Historical Trend represents the average of the past 4 years % of actual to budget

POSITIVE

City Magistrate spent 89.9% of their FY 2013-14 adjusted budget and has historically spent 92.4% of their adjusted budget for the fiscal year. This reduced spending is due to lower personnel costs in FY 2013-14 due to vacant positions generating vacancy savings.

COMMUNICATIONS & PUBLIC AFFAIRS EXP. 2013-2014 COMPARISON

		FY 14	FY 14	% of	*Hist.
		Adjusted	Actual	Budget	Trend % of
Operating Only		Budget	Exp+Enc	Expended	Budget
				by Qtr	
1st Qtr	Jul - Sep 13	\$ 658,632	\$ 613,496	27.0%	24.8%
2nd Qtr	Oct - Dec 13	476,940	470,993	20.7%	17.8%
3rd Qtr	Jan - Mar 14	567,786	398,033	17.6%	21.9%
4th Qtr	Apr - Jun 14	567,786	448,830	19.7%	22.2%
Total		\$ 2,271,144	\$ 1,931,352	85.0%	86.7%



* Historical Trend represents the average of the past 4 years % of actual to budget

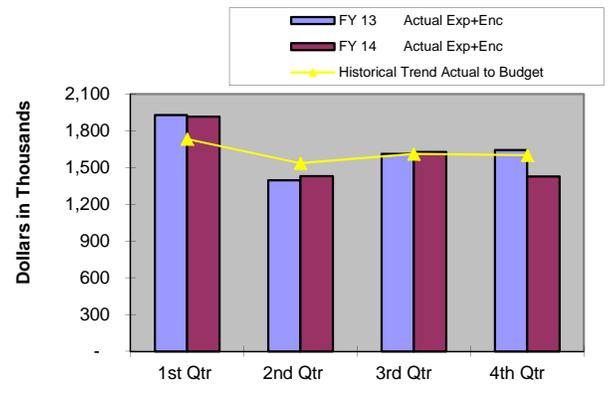
POSITIVE

Communications and Public Affairs (CAPA) also includes Video Production and Print, Mail, & Graphics. CAPA spent 85.0% of their FY 2013-14 adjusted budget and has historically spent 86.7% of their adjusted budget for the fiscal year.

EXPENDITURE ANALYSIS (continued / department summaries):

MANAGEMENT SERVICES EXPENDITURE 2013-2014 COMPARISON

		FY 14 Adjusted Budget	FY 14 Actual Exp+Enc	% of Budget Expended by Qtr	*Hist. Trend % of Budget
Operating Only					
1st Qtr	Jul - Sep 13	\$ 1,900,134	\$ 1,916,230	27.2%	24.6%
2nd Qtr	Oct - Dec 13	1,689,008	1,429,626	20.3%	21.8%
3rd Qtr	Jan - Mar 14	1,759,384	1,626,889	23.2%	22.9%
4th Qtr	Apr - Jun 14	1,689,009	1,427,726	20.2%	22.7%
Total		\$ 7,037,535	\$ 6,400,471	90.9%	92.0%



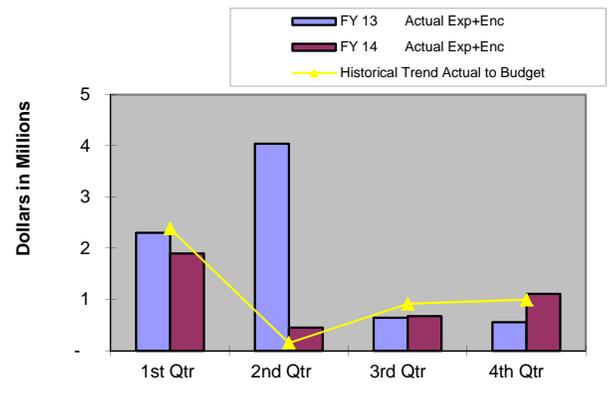
* Historical Trend represents the average of the past 4 years % of actual to budget

POSITIVE

Management Services Department includes the following divisions budgeted in the General Fund: Administration, Budget, Accounting, Purchasing, Central Supply, Tax & License, and Utility Services (reimbursed by the Municipal Utilities Department through the Indirect Cost Allocation). These divisions spent 90.9% of their FY 2013-14 adjusted budget and have historically spent 92.0% of their adjusted budget for the fiscal year.

NON-DEPARTMENTAL EXPENDITURE 2013-2014 COMPARISON

		FY 14 Adjusted Budget	FY 14 Actual Exp+Enc	% of Budget Expended by Qtr	*Hist. Trend % of Budget
Operating Only					
1st Qtr	Jul - Sep 13	\$ 3,646,117	\$ 1,900,501	28.1%	35.3%
2nd Qtr	Oct - Dec 13	202,562	452,277	6.7%	2.3%
3rd Qtr	Jan - Mar 14	1,417,934	675,136	9.9%	13.5%
4th Qtr	Apr - Jun 14	1,485,456	1,113,752	16.6%	14.7%
Total**		\$ 6,752,069	\$ 4,141,666	61.3%	65.8%



* Historical Trend represents the average of the past 4 years % of actual to budget

** Excludes Reserves and Contingencies

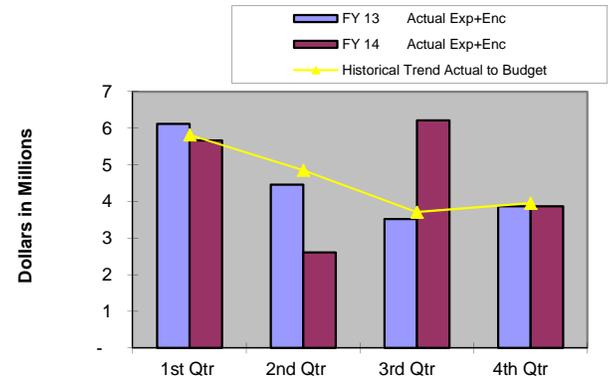
POSITIVE

Non-Departmental includes citywide costs that do not belong to a specific department (i.e., memberships, legal fees, studies, Strategic Economic Development, and miscellaneous Downtown Redevelopment). Spending in this category fluctuates due to the changing "one-time" needs from year to year. The largest expenditure for this category for FY 2012-13 was the Strategic Economic Development Continuum project.

EXPENDITURE ANALYSIS (continued / department summaries):

TRANSPORTATION & DEVELOPMENT EXPENDITURE 2013-2014 COMPARISON

		FY 14	FY 14	% of	*Hist.
		Adjusted	Actual	Budget	Trend % of
Operating Only		Budget	Exp+Enc	Expended	Budget
				by Qtr	
1st Qtr	Jul - Sep 13	\$ 6,363,712	\$ 5,670,115	28.5%	29.3%
2nd Qtr	Oct - Dec 13	5,170,516	2,606,951	13.1%	24.4%
3rd Qtr	Jan - Mar 14	3,977,320	6,215,601	31.3%	18.7%
4th Qtr	Apr - Jun 14	4,375,053	3,870,959	19.4%	19.9%
Total		\$ 19,886,601	\$ 18,363,626	92.3%	92.3%



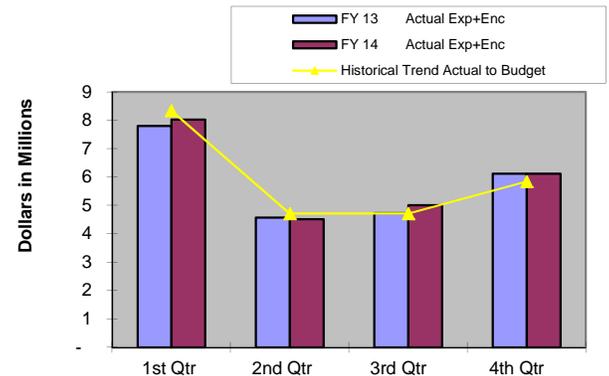
* Historical Trend represents the average of the past 4 years % of actual to budget

POSITIVE

Transportation and Development includes the following divisions budgeted in the General Fund: Administration, Planning, Development Services, Engineering, Capital Projects, Streets, Traffic Engineering, Transit Services, and Street Sweeping. The department spent 92.3% of their FY 2013-14 adjusted budget and has historically spent 92.3% of their adjusted budget for the fiscal year.

COMMUNITY SERVICES EXPENDITURE 2013-2014 COMPARISON

		FY 14	FY 14	% of	*Hist.
		Adjusted	Actual	Budget	Trend % of
Operating Only		Budget	Exp+Enc	Expended	Budget
				by Qtr	
1st Qtr	Jul - Sep 13	\$ 8,597,420	\$ 8,026,999	32.7%	34.0%
2nd Qtr	Oct - Dec 13	4,912,811	4,515,439	18.4%	19.2%
3rd Qtr	Jan - Mar 14	4,912,811	5,008,809	20.4%	19.2%
4th Qtr	Apr - Jun 14	6,141,014	6,121,546	24.9%	23.8%
Total		\$ 24,564,056	\$ 23,672,793	96.4%	96.2%



* Historical Trend represents the average of the past 4 years % of actual to budget

POSITIVE

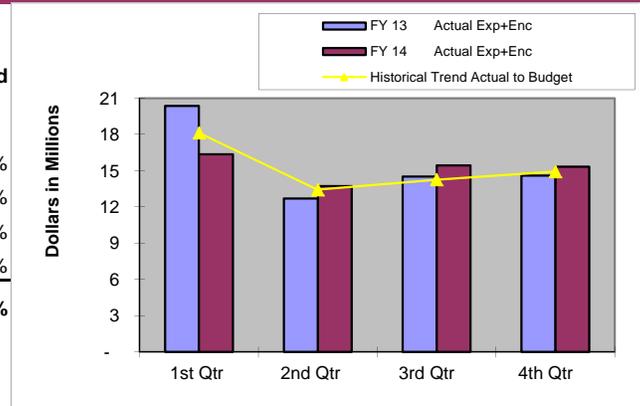
Community Services includes Administration, Center for the Arts, Library, Aquatics, Parks Development & Operations, Recreation, Sports & Fitness Facilities, Nature & Recreation Facilities, and Museum. The department spent 96.4% of their FY 2013-14 adjusted budget and has historically spent 96.2% of their adjusted budget for the fiscal year.

EXPENDITURE ANALYSIS (continued / department summaries):

POLICE EXPENDITURE 2013-2014 COMPARISON

		FY 14 Adjusted Budget	FY 14 Actual Exp+Enc	% of Budget Expended by Qtr	*Hist. Trend % of Budget
Operating Only					
1st Qtr	Jul - Sep 13	\$ 18,631,554	\$ 16,357,958	26.3%	29.2%
2nd Qtr	Oct - Dec 13	13,663,140	13,736,241	22.1%	21.6%
3rd Qtr	Jan - Mar 14	14,284,191	15,439,726	24.9%	23.0%
4th Qtr	Apr - Jun 14	15,526,295	15,328,602	24.7%	24.0%
Total		\$ 62,105,180	\$ 60,862,527	98.0%	97.8%

* Historical Trend represents the average of the past 4 years % of actual to budget



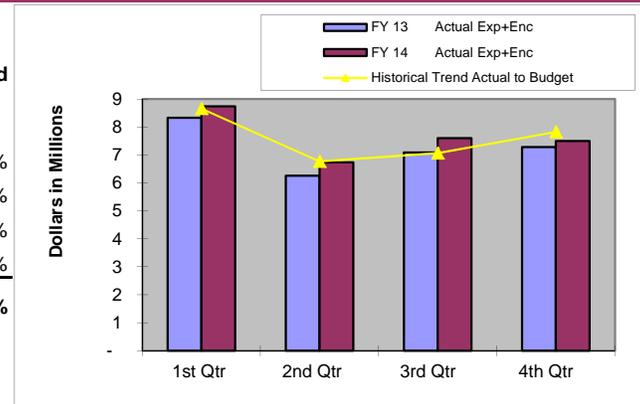
POSITIVE

Police includes Administration, Professional Standards, Property & Evidence, Forensic Services, Field Operations, Criminal Investigations, Planning & Research, Communications, Records, Detention Services, and Community Resources & Training. The department spent 98.0% of their FY 2013-14 adjusted budget and has historically spent 97.8% of their adjusted budget for the fiscal year.

FIRE EXPENDITURE 2013-2014 COMPARISON

		FY 14 Adjusted Budget	FY 14 Actual Exp+Enc	% of Budget Expended by Qtr	*Hist. Trend % of Budget
Operating Only					
1st Qtr	Jul - Sep 13	\$ 8,944,669	\$ 8,739,134	28.3%	28.1%
2nd Qtr	Oct - Dec 13	6,785,611	6,734,803	21.8%	21.9%
3rd Qtr	Jan - Mar 14	7,094,048	7,609,897	24.8%	22.9%
4th Qtr	Apr - Jun 14	8,019,359	7,497,675	24.2%	25.4%
Total		\$ 30,843,687	\$ 30,581,509	99.1%	98.3%

* Historical Trend represents the average of the past 4 years % of actual to budget



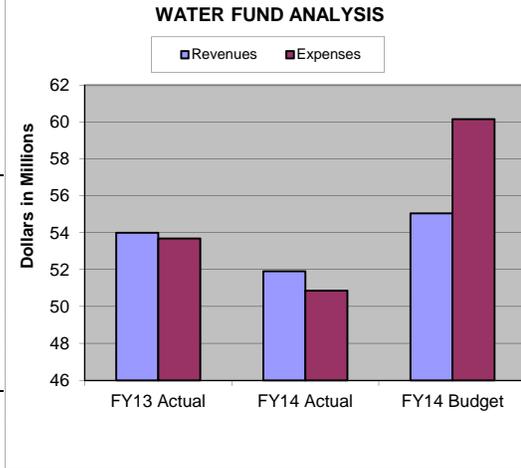
POSITIVE

Fire includes Administration, Emergency Services, Operations, Prevention & Preparedness, Support Services, and Citywide Fleet Operations. The department spent 99.1% of their FY 2013-14 adjusted budget and has historically spent 98.3% of their adjusted budget for the fiscal year.

OTHER FUNDS ANALYSIS:

WATER FUND ANALYSIS 2013-2014 COMPARISON

WATER FUND	FY 14 Adjusted Budget	FY 14 Actual Revenue/ Exp+Enc	% of Budget Rec'd/Exp'd to Date	% of Budget Prior Yr
Revenues	\$ 52,300,500	\$ 51,376,338	98%	97%
Intel Rev/Receivable	2,746,511	543,125	20%	71%
Total Revenues	\$ 55,047,011	\$ 51,919,463	94%	93%
Operating Expenses	\$ 31,295,082	\$ 25,503,849	81%	78%
Major Capital Expenses	2,142,462	703,476	33%	56%
Intel Exp/Payable	2,746,511	543,125	20%	71%
Debt Service	20,081,651	20,215,344	101%	100%
Transfers Out	3,894,381	3,894,381	100%	100%
Total Expenses	\$ 60,160,087	\$ 50,860,175	85%	84%
Net Rev / Exp	\$ (5,113,076)	\$ 1,059,288		



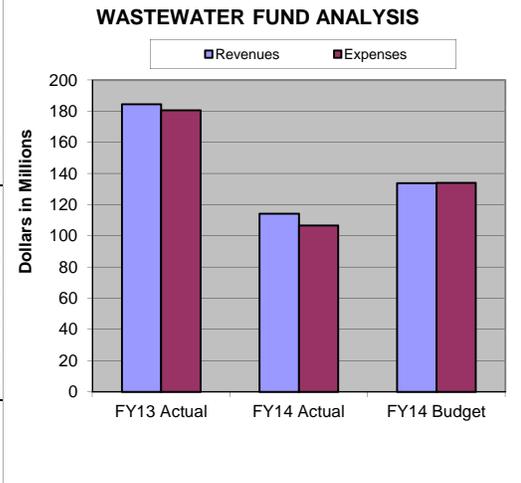
POSITIVE

The performance indicator for Enterprise Funds focuses on the relationship between Operating Revenues and Operating Expenses (including debt service and indirect cost allocation) and the percentage of budget received/expended.

Water Department includes the following divisions: Administration, Water Distribution, Water Treatment Plant, Environmental Resources, Water Quality, Water Production Facilities, and Water Capital. The Water Operating Fund supports operating functions and major capital costs that can be paid without borrowing. The Net Revenue/Expense for FY 2013-14 reflects a budgeted \$5.1 million drawdown of fund balance; however, year end results show an increase to fund balance due to low spending in operating and capital cost centers. Transfers Out include Indirect Cost Allocation to the General Fund of \$3,797,454 and payment of \$96,927 to the Technology Replacement Fund. Year end **Operating Revenues** are 98% of budget compared to 97% last year, while **Operating Expenses** are 81% of budget as compared to 78% last year. Capital projects reimbursed by Intel are detailed separately under Revenues and Expenses to have no impact on the fund.

WASTEWATER FUND ANALYSIS 2013-2014 COMPARISON

WASTEWATER FUND	FY 14 Adjusted Budget	FY 14 Actual Revenue/ Exp+Enc	% of Budget Rec'd/Exp'd to Date	% of Budget Prior Yr
Revenues	\$ 39,402,700	\$ 39,667,700	101%	100%
Intel Rev/Receivable	94,444,326	74,655,608	79%	92%
Total Revenues	\$ 133,847,026	\$ 114,323,308	85%	93%
Operating Expenses	\$ 18,729,381	\$ 14,913,461	80%	86%
Major Capital Expenses	3,956,832	1,113,588	28%	43%
Intel Exp/Payable	94,444,326	74,655,608	79%	92%
Debt Service	14,553,546	13,698,913	94%	100%
Transfers Out	2,400,687	2,400,687	100%	100%
Total Expenses	\$ 134,084,772	\$ 106,782,257	80%	91%
Net Rev / Exp	\$ (237,746)	\$ 7,541,051		



POSITIVE

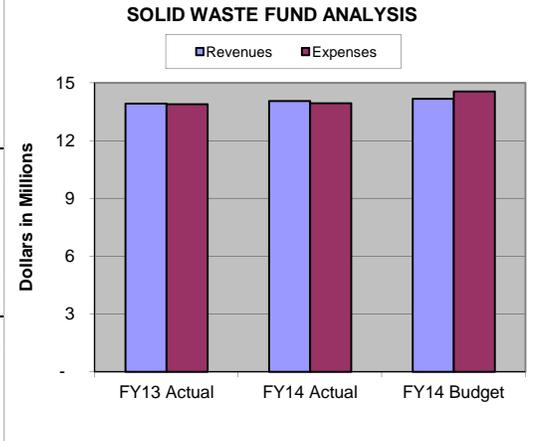
The performance indicator for Enterprise Funds focuses on the relationship between Operating Revenues and Operating Expenses (including debt service and indirect cost allocation) and the percentage of budget received/expended.

Wastewater Department includes the following divisions: Collection, Wastewater Treatment Plant, Wastewater Quality, Airport Reclamation Facility, Ocotillo Water Reclamation Facility, and Wastewater Capital. The Wastewater Operating Fund supports operating functions and major capital costs that can be paid without borrowing. The Net Revenue/Expense for FY 2013-14 reflects a budgeted \$238K drawdown of fund balance; however, year end results show an increase to fund balance of \$7.5M as a result of lower operating, major capital, and debt service expenses. Transfers Out include Indirect Cost Allocation to the General Fund of \$2,363,487 and payment of \$37,200 to the Technology Replacement Fund. Year end **Operating Revenues** are 101% of budget compared to 100% last year, while **Operating Expenses** are 80% of budget as compared to 86% last year. Capital projects reimbursed by Intel are detailed separately under Revenues and Expenses to have no impact on the fund.

OTHER FUNDS ANALYSIS (continued):

SOLID WASTE FUND ANALYSIS 2013-2014 COMPARISON

SOLID WASTE	FY 14 Adjusted Budget	FY 14 Actual Revenue/Exp+Enc	% of Budget Rec'd/Exp'd to Date	% of Budget Prior Yr
Revenues	\$ 14,177,667	\$ 14,049,757	99%	102%
Total Revenues	\$ 14,177,667	\$ 14,049,757	99%	101%
Operating Expenses	\$ 13,235,740	\$ 12,611,180	95%	95%
Major Capital Expenses	73,337	73,336	100%	100%
Transfers Out	1,251,175	1,251,175	100%	100%
Total Expenses	\$ 14,560,252	\$ 13,935,691	96%	96%
Net Rev / Exp	\$ (382,585)	\$ 114,066		



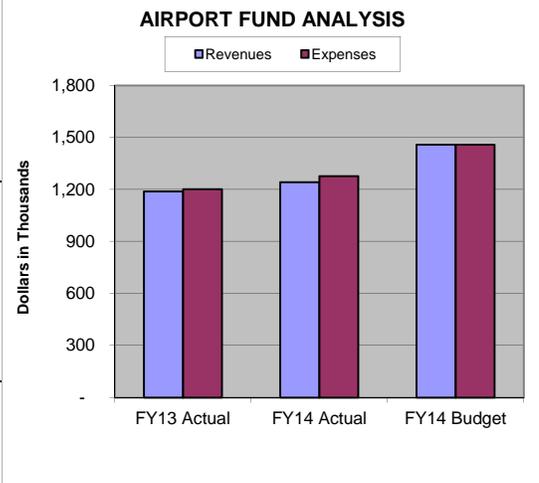
POSITIVE

The performance indicator for Enterprise Funds focuses on the relationship between Operating Revenues and Operating Expenses (including debt service and indirect cost allocation) and the percentage of budget received/expended.

The Solid Waste Operating Fund supports operating functions and major capital costs that can be paid without borrowing. The Net Revenue/Expense for FY 2013-14 reflects a budgeted \$382,585 drawdown of fund balance; however, year end results show an increase to fund balance of \$114,066. Transfers Out include Indirect Cost Allocation to the General Fund of \$1,211,017 and payment of \$40,158 to the Technology Replacement Fund. Year end **Operating Revenues** are 99% of budget compared to 102% last year, while **Operating Expenses** are 95% of budget as compared to 95% last year.

AIRPORT FUND ANALYSIS 2013-2014 COMPARISON

AIRPORT FUND	FY 14 Adjusted Budget	FY 14 Actual Revenue/Exp+Enc	% of Budget Rec'd/Exp'd to Date	% of Budget Prior Yr
Revenues	\$ 1,095,153	\$ 1,039,601	95%	97%
General Fund Subsidy	364,194	202,868	56%	64%
Total Revenues	\$ 1,459,347	\$ 1,242,469	85%	89%
Operating Expenses	\$ 1,159,188	\$ 1,109,778	96%	99%
Major Capital Expenses	171,421	38,584	23%	19%
Debt Service	23,388	23,388	100%	100%
Transfers Out	105,350	105,350	100%	100%
Total Expenses	\$ 1,459,347	\$ 1,277,100	88%	91%
Net Rev / Exp	\$ -	\$ (34,631)		



POSITIVE

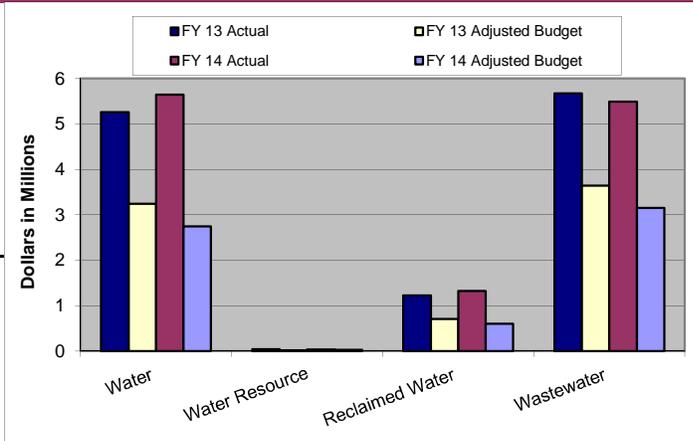
The performance indicator for Enterprise Funds focuses on the relationship between Operating Revenues and Operating Expenses (including debt service and indirect cost allocation) and the percentage of budget received/expended.

The Airport Fund supports operating functions and major capital costs that can be paid without borrowing. The Net Revenue/Expense for FY 2013-14 reflects no budgeted change in fund balance. General Fund Subsidy reflects budgeted transfers from the General Fund to help support operations. The Net Revenue/Expense amount of (\$34,631) represents purchase orders open at the end of the year that will be paid in FY 2014-15. Transfers Out include Indirect Cost Allocation to the General Fund of \$100,000 and a payment of \$5,350 to the Technology Replacement Fund. Year end **Operating Revenues** are 95% of budget compared to 97% last year, with revenues now reflecting the Airport Fund's share of fuel sales taxes. **Operating Expenses** are 96% of budget as compared to 99% last year.

OTHER FUNDS ANALYSIS (continued):

SYSTEM DEVELOPMENT FEE FUNDS ANALYSIS 2013-2014 COMPARISON

SYSTEM DEVELOPMENT FEE (SDF) FUNDS	FY 14 Adjusted Budget	FY 14 Actual Revenue	% of Budget Rec'd to Date
Water	\$ 2,745,000	\$ 5,648,493	206%
Water Resource	34,100	40,884	120%
Reclaimed Water	608,700	1,326,815	218%
Wastewater	3,156,600	5,488,877	174%
Total SDF Revenue	\$ 6,544,400	\$ 12,505,069	191%



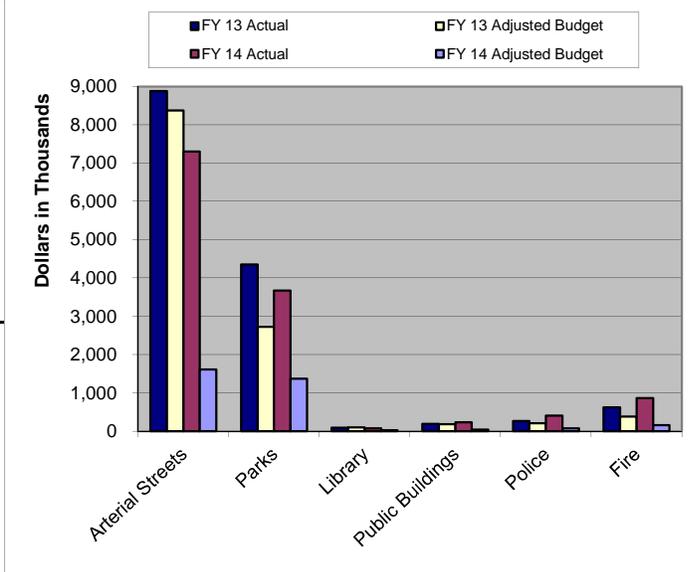
Note: Budget and Actual amounts reflect SDF revenues and the interest earned on fund balances, and excludes loan transfers in/out or proceeds from bond sales.

POSITIVE

System Development fees (SDFs) are based on development and fluctuate quarterly as well as from year to year. The graph shows the FY 2013-14 budget and year-to-date collections as compared to the FY 2012-13 budget and year-to-date collections. Collections for FY 2012-13 were 160% of the budget as compared to this year's collections of 191% of the budget.

IMPACT FEE FUNDS ANALYSIS 2013-2014 COMPARISON

IMPACT FEE FUNDS	FY 14 Adjusted Budget	FY 14 Actual Revenue	% of Budget Rec'd to Date
Arterial Streets	\$ 1,615,400	\$ 7,303,220	452%
Parks	1,371,800	3,671,488	268%
Library	28,200	75,091	266%
Public Buildings	42,500	236,830	557%
Police	77,100	403,856	524%
Fire	161,200	867,392	538%
Total Impact Revenue	\$ 3,296,200	\$ 12,557,877	381%



Note: Budget and Actual amounts reflect Impact Fee revenues and the interest earned on fund balances, and excludes loan transfers in/out or proceeds from bond sales.

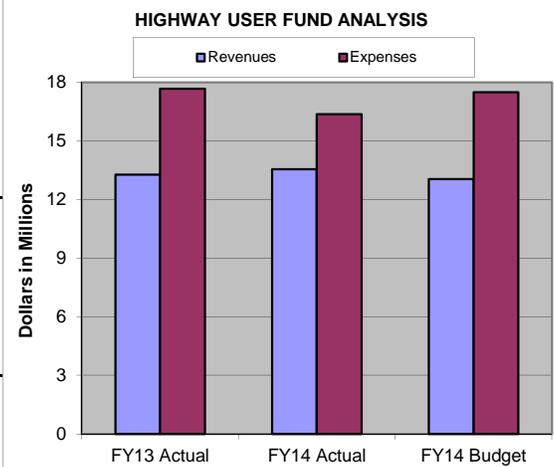
POSITIVE

Impact fees are based on development and fluctuate quarterly as well as from year to year. The graph shows the FY 2013-14 budget and year-to-date collections as compared to FY 2012-13 budget and year-to-date collections. Collections for FY 2012-13 were 120% of the budget as compared to this year's collections of 381% of the budget. Please note that there are outstanding credits owed to developers in the Arterial Street Fund, so in any year the revenues collected have the potential to be reduced by payment of credits to developers.

OTHER FUNDS ANALYSIS (continued):

HIGHWAY USER FUND (HURF) ANALYSIS 2013-2014 COMPARISON

	FY14 Adjusted Budget	FY 14 Actual Revenue/ Exp+Enc	% of Budget Rec'd/Exp'd to Date	% of Budget Prior Yr
Highway Users Tax	\$ 13,000,000	\$ 13,352,622	103%	109%
Other	48,000	198,148	413%	94%
Total Revenues	\$ 13,048,000	\$ 13,550,770	104%	108%
Operating Expenses	\$ 9,330,254	\$ 8,500,086	91%	93%
Major Capital Expenses	3,463,741	3,166,408	91%	95%
Transfers Out	4,700,653	4,700,653	100%	100%
Total Expenses	\$ 17,494,648	\$ 16,367,147	94%	95%
Net Rev / Exp	\$ (4,446,648)	\$ (2,816,377)		



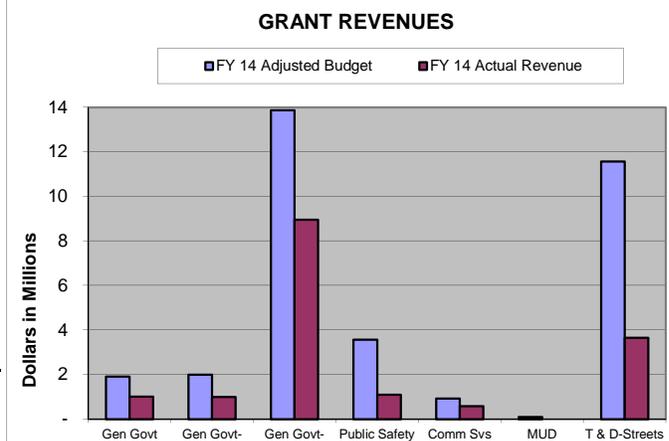
POSITIVE

Highway Users Tax is collected by the state on all gasoline sales. It is combined with other state-level vehicle related revenues, and distributed to cities and towns by using two formulas based upon population. Funds are restricted for use on streets and related projects. The Net Revenue/Expense for FY 2013-14 reflects a budgeted fund balance drawdown of \$4.4 million; however, the drawdown was actually \$2.8M due to higher revenues collected and lower spending. Transfers Out include payment of \$23,588 to the Technology Replacement Fund as well as a transfer of \$4,663,475 to the HURF Debt Service Fund. **Operating Revenues** received for the fiscal year are 103% of budget, which is 6% lower than last year's percentage, although HURF revenue collections are higher for FY 2013-14 over the prior year. **Operating Expenses** for the fiscal year are 91% of adjusted budget, which 2% lower than last year's percentage.

GRANT FUNDS ANALYSIS 2013-2014 COMPARISON

	FY 14 Adjusted Budget	FY 14 Actual Revenue	% of Budget Rec'd to Date
General Government*	\$ 1,909,993	\$ 1,003,331	53%
General Govt - CDBG	2,000,000	995,843	50%
General Govt - HUD	13,860,000	8,946,718	65%
Public Safety	3,568,000	1,094,956	31%
Community Services	927,704	578,397	62%
Municipal Utilities	100,000	-	0%
T & D - Streets	11,567,799	3,645,311	32%
Total Grant Revenue	\$ 33,933,496	\$ 16,264,556	48%

* Includes City Manager, Economic Development, Information Technology, and Law



Grants are an additional source of funds for major capital projects and certain operating programs. Grant sources include federal, state, and county governments as well as donations from businesses, organizations, or individuals to support particular programs. The adopted budget for grants is unique because it is developed before final approval on grant awards from other agencies is received in an effort to allow for adequate appropriation to spend anticipated grants. Additionally, grant revenues for many programs are received on a reimbursable basis, so the revenue on a large capital project may lag one to two fiscal years after the project is initiated. Actual collections for FY 2013-14 were \$16.3 million (48% of adjusted budget) as compared to \$16.3 million (35% of adjusted budget) collected for FY 2012-13.