

Required Supplementary Information

# **Notes to the Required Supplementary Information**

### Year Ended June 30, 2012

#### (1) Budgets and Budgetary Data

The City Council is required to adopt an annual budget resolution by June 30 of each fiscal year. The budgets are adopted on a basis that does not differ materially from GAAP.

An appropriated annual budget is legally adopted for the General and Special Revenue Governmental Funds. Annual appropriated budgets are not adopted for Debt Service Funds because bond indentures are used as the method for adequate budgetary control. Some Capital Projects Funds have annual appropriated budgets. Control over some projects is maintained by means of an annual budget; others through a project-length capital improvement budget. This project-length budget authorizes total expenditures over the duration of a construction project, rather than year by year.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is the department level and within a single fund. The City Manager may authorize transfers of appropriations within a department so long as it is within a single fund. Supplemental appropriations during the year must be approved by the City Council. All unencumbered appropriations lapse at fiscal year end. In order to be an encumbered appropriation there must be either an approved purchase order or contract in force as of June 30.

#### (2) Expenditures in Excess of Appropriations

The general fund reported an excess of expenditures over appropriations at June 30, 2012:

			Variance with Final Budget Positive		
	<b>Budget</b>	<u>Actual</u>	(Negative)		
General Fund:					
General government					
City Council	1,949,992	2,029,855	(79,863)		
Non-departmental	940,074	6,237,786	(5,297,712)		
Culture and leisure					
<b>Human Services and Recreation</b>	8,890,360	9,447,449	(557,089)		
Non-departmental-PCOC	4,900,000	5,276,660	(376,660)		

# **Notes to the Required Supplementary Information**

#### Year Ended June 30, 2012

## (2) Expenditures in Excess of Appropriations, (Continued)

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Special Revenue Funds: Library Fund Housing and Community	11,705,108	12,042,135	(337,027)
Development Donated Funds Housing Successor Fund	22,245,732 255,219	24,025,236 311,214 226,155	(1,779,504) (55,995) (226,155)

The general government, City Council departmental expenditures, exceeded appropriations by due to an understatement of benefits and printing charges.

The general government, non-departmental expenditures exceeded appropriations because expenditures for billable projects do not typically have budgets.

Culture and leisure, Human Services and Recreation expenditures exceeded appropriations due to excessive use of part-time staff to supplement staffing levels across the department, over commitment in Contract Services expenses and increases in Internal Service charges for which their budget was not adjusted.

Culture and leisure, non-departmental expenditures exceeded appropriations due to unanticipated expenditures by PCOC requiring additional transfers of Transient Occupancy Tax to this component unit.

The Library Fund exceeded appropriations due to mandated salary adjustments droving personnel costs higher than anticipated and the department having fewer vacancy savings to help offset such costs.

The Housing and Community Development Fund expenditures exceeded appropriations due to the budget for Other Housing Funds being included in the Low and Moderate Income Housing Fund before dissolution of redevelopment.

The Housing Successor Fund was created due to the dissolution of redevelopment. The budget for this activity is included in the Low and Moderate Income Housing Fund.

Only the Downtown Cultural Trust Fund expenditures were budgeted; other Donated Funds do not budget for spending of donated funding which was given with certain restrictions. As appropriate opportunities arise, this funding is utilized.

# **General Fund**

# Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended June $30,\,2012$

	Bud	get		Variance with Final Budget	Prior Year	
	Original	Final	Actual	Positive (Negative)	Actual	
Revenues:						
Taxes	\$ 121,272,351	117,264,300	120,658,622	3,394,322	114,150,357	
Licenses and permits	2,628,440	2,628,440	2,738,785	110,345	2,471,544	
Intergovernmental revenues	14,461,083	14,519,855	14,388,263	(131,592)	14,570,521	
Charges for services	29,679,987	29,029,987	29,613,903	583,916	32,092,354	
Fines and forfeits	6,351,000	6,351,000	6,796,482	445,482	6,362,032	
Investment earnings	19,340,000	19,340,000	9,665,891	(9,674,109)	22,929,320	
Rental income Miscellaneous revenues	1,051,773 2,390,747	1,731,463 2,737,747	1,336,611 10,390,704	(394,852) 7,652,957	1,073,420 2,307,555	
Total revenues	197,175,381	193,602,792	195,589,261	1,986,469	195,957,103	
Expenditures:						
Current:						
General government:						
City Attorney/City Prosecutor	6,163,494	5,936,760	5,561,406	375,354	5,791,888	
City Clerk	1,699,616	1,697,548	1,646,913	50,635	2,164,843	
City Council	1,950,843	1,949,992	2,029,855	(79,863)	1,923,958	
City Manager	4,277,643	5,328,796	4,327,982	1,000,814	2,762,385	
Finance	9,041,622	9,028,064	8,833,011	195,053	8,603,768	
Human Resources Non-departmental	2,688,839 2,556,574	2,685,976 940,074	2,372,444 6,237,786	313,532 (5,297,712)	2,603,544 15,427,000	
Public safety:						
Fire	39,471,202	39,289,044	38,705,014	584,030	39,106,917	
Police	58,309,273	59,149,844	58,352,983	796,861	58,102,502	
Transportation:						
Public Works and Transportation	24,901,866	25,893,115	23,883,432	2,009,683	23,026,269	
Culture and leisure:						
Human Services and Recreation	9,022,722	8,890,360	9,447,449	(557,089)	9,038,597	
Non-departmental - PCOC	4,900,000	4,900,000	5,276,660	(376,660)	4,745,370	
Community development:	, ,	, ,	, ,	, , ,	, ,	
Planning and Permitting	7,395,113	7,630,815	7,063,911	566,904	8,362,111	
Total expenditures	172,378,807	173,320,388	173,738,846	(418,458)	181,659,152	
Excess (deficiency) of revenues						
over (under) expenditures	24,796,574	20,282,404	21,850,415	1,568,011	14,297,951	
Other financing sources (uses):						
Transfers in	16,717,614	16,902,390	20,225,884	3,323,494	26,931,281	
Transfers out	(46,563,337)	(47,350,781)	(37,847,163)	9,503,618	(47,756,165)	
Transfers to component units		-	(37,047,103)		-	
Total other financing sources (uses)	(29,845,723)	(30,448,391)	(17,621,279)	12,827,112	(20,824,884)	
Extraordinary gain (loss)			(364,808)	(364,808)		
Change in fund balances	(5,049,149)	(10,165,987)	3,864,328	14,030,315	(6,526,933)	
Fund balances at beginning of year, as restated (note 22)	49,911,540	49,911,540	49,911,540	<u> </u>	56,438,473	
Fund balances at end of year	\$ 44,862,391	39,745,553	53,775,868	14,030,315	49,911,540	

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SUPPLEMENTARY INFORMATION

# Non-Major Governmental Funds Combining Balance Sheet June 30, 2012

	Special		Debt	Capital			
		Revenue	Service	<b>Projects</b>	Permanent	Totals	
		Funds	Funds	Funds	Funds	2012	2011
<u>Assets</u>							
Cash and investments	\$	69,653,330	10,643,331	17,496,537	2,445,133	100,238,331	95,439,475
Accounts receivable		9,336,623	-	41,601	6,912	9,385,136	10,498,053
Notes receivable		51,202,083	-	-	-	51,202,083	40,570,036
Due from other funds		-	-	-	-	-	1,788,523
Prepaids and other assets		3,602	-	-	-	3,602	6,370
Advances to other funds		-	-	2,196,629	-	2,196,629	29,586,135
Allowance for uncollectible long-term							
receivables		(25,718,765)	-	-	-	(25,718,765)	(37,882,387)
Property held for resale		7,171,300	-	-	-	7,171,300	7,438,977
Total assets	\$	111,648,173	10,643,331	19,734,767	2,452,045	144,478,316	147,445,182
<b>Liabilities and Fund Balances</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$	3,294,873	-	_	598	3,295,471	2,448,550
Deposits	·	310.089	-	_	-	310,089	303,447
Due to other funds		3,756,684	-	_	_	3,756,684	8,073,408
Due to other governments		560,771	-	-	-	560,771	-
Deferred revenue		3,932,340	-	-	-	3,932,340	4,842,790
Advances from other funds		<u> </u>					65,833,946
Total liabilities		11,854,757			598	11,855,355	81,502,141
Fund balances:							
Nonspendable		32,654,618	-	2,196,629	1,459,638	36,310,885	41,186,014
Restricted		24,846,300	10,643,331	3,807,551	381,044	39,678,226	36,071,295
Committed		43,452,802	, , , <u>-</u>	13,730,587	610,765	57,794,154	54,034,985
Unassigned	_	(1,160,304)				(1,160,304)	(65,349,253)
Total fund balances	_	99,793,416	10,643,331	19,734,767	2,451,447	132,622,961	65,943,041
Total liabilities							
and fund balances	\$	111,648,173	10,643,331	19,734,767	2,452,045	144,478,316	147,445,182

# **Non-Major Governmental Funds**

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended June 30, 2012

	Special	Debt	Capital			
	Revenue	Service	Projects	Permanent	Totals	
	Funds	Funds	Funds	Funds	2012	2011
Revenues:						
Taxes	\$ 8,132,216	_	1,954,015	_	10,086,231	12,665,267
Licenses and permits	6,786,494	_	, , , <u>-</u>	_	6,786,494	4,591,945
Intergovernmental revenues	43,226,728	-	-	-	43,226,728	39,829,262
Charges for services	9,092,784	-	195,299	-	9,288,083	8,705,010
Investment earnings	852,503	166,173	226,378	29,712	1,274,766	1,300,375
Rental income	2,620,244	-	505,515	-	3,125,759	3,527,851
Miscellaneous revenues	3,209,518	-	17,025	-	3,226,543	5,810,039
Contributions	51,700		4,374,566	320,000	4,746,266	1,607,276
Total revenues	73,972,187	166,173	7,272,798	349,712	81,760,870	78,037,025
Expenditures: Current:						
General government		15,333			15,333	131,285
Public safety	3,206,700	13,333	-	-	3,206,700	3,325,194
Transportation	11,391,562	-	-	-	11,391,562	10,868,649
Sanitation	3,516,602	-	-	-	3,516,602	3,782,112
Health	10,899,113	-	-	-	10,899,113	11,027,480
Culture and leisure	12,469,805	-	-	1,403	12,471,208	11,429,562
Community developmen	28,690,438	_	1,580,579	1,403	30,271,017	31,645,429
Capital outlay	20,090,430	_	170,747	-	170,747	57,902
Debt service:			170,747		170,747	31,702
Principal retirement	315,000	9,255,740	-	-	9,570,740	11,585,899
Interest	39,509	5,217,308	3,179,981		8,436,798	10,343,588
Total expenditures	70,528,729	14,488,381	4,931,307	1,403	89,949,820	94,197,100
Excess (deficiency) of revenues						
over (under) expenditures	3,443,458	(14,322,208)	2,341,491	348,309	(8,188,950)	(16,160,075)
Other financing sources (uses):						
Transfers in	21,574,964	14,288,408	827,395	-	36,690,767	29,458,838
Transfers out	(19,272,306)		(3,518,202)	(13,355)	(22,803,863)	(19,322,495)
Total other financing						
sources (uses)	2,302,658	14,288,408	(2,690,807)	(13,355)	13,886,904	10,136,343
Extraordinary gain (loss)	(560,771)		61,542,737	<u> </u>	60,981,966	-
Change in fund balances	5,185,345	(33,800)	61,193,421	334,954	66,679,920	(6,023,732)
Fund balances at beginning						
of year, as restated	94,608,071	10,677,131	(41,458,654)	2,116,493	65,943,041	71,966,773
Fund balances at end of year	\$ 99,793,416	10,643,331	19,734,767	2,451,447	132,622,961	65,943,041