



Foster City Financial Update IQ 14/15

City of Foster City

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in Foster City

The City has completed the first quarter of the fiscal year 2014-2015. This report summarizes the activities of the City's General Fund, but is not meant to be inclusive of all financial and accounting transactions. This report is only intended to provide the Council and the public with an overview of the state of the City's general fiscal condition. The General Fund is the primary operating fund of the City and is used to account for most operating activities.

Highlights of General Fund Revenue Performance:

The general fund revenues has increased \$108,000, or 4.8%, compared to the same quarter of last fiscal year.

During the first quarter general fund has received \$2,341,938 in revenues, or 6.9% of the annual budget projection. The majority of the major revenues are collected in the second, third, and fourth quarters each fiscal year, such as property tax, sales tax in-lieu (triple flip), franchise tax, business licenses, and vehicle license fees (property tax swap).

According to the latest property tax revenue estimates received from the County, the City will receive \$18.1 million in property tax which is \$723,000 higher than the projection. However, prior year adjustments, appeals, and supplemental tax are not included in the estimates.

At the rate of increase in property assessed value countywide, a significant amount of ERAF refund and a shortfall in Triple Flip could be expected.

The City has experienced a moderate recovery in sales and use taxes and a high growth in transient occupancy tax in the first quarter of the fiscal year.

The City may end the fiscal year with \$1.6 million in revenues above the original \$33.7 million budget projection.

GENERAL FUND	FY 2014-2015			FY 2013-2014		
		1st QTR YTD	% of	1st QTR YTD	% of	
	Budget	Actual	Budget	Budget	Actual	Budget
Property Tax	\$ 17,910,000	\$ 20,297	0.11%	\$ 16,192,000	\$ -	0.00%
Sales and Use Tax	\$ 3,100,000	\$ 215,300	6.95%	\$ 3,451,000	\$ 210,646	6.10%
Transient Occupancy Tax	\$ 2,070,000	\$ 438,327	21.18%	\$ 2,040,000	\$ 401,833	19.70%
Franchise Tax	\$ 1,159,000	\$ 39,320	3.39%	\$ 1,379,500	\$ 78,176	5.67%
Property Transfer Tax	\$ 271,600	\$ 37,344	13.75%	\$ 275,400	\$ 114,651	41.63%
Licenses and Permits	\$ 2,894,700	\$ 402,085	13.89%	\$ 2,392,400	\$ 328,742	13.74%
Intergovernmental	\$ 2,828,000	\$ 65,607	2.32%	\$ 2,460,000	\$ 45,206	1.84%
Charges for Current Services	\$ 2,182,600	\$ 782,766	35.86%	\$ 1,863,500	\$ 730,759	39.21%
Fines and Forfeitures	\$ 60,000	\$ 19,911	33.19%	\$ 57,000	\$ 12,262	21.51%
Investment and Rental In-	\$ 886,500	\$ 289,913	32.70%	\$ 977,000	\$ 282,658	28.93%
Other	\$ 366,500	\$ 31,068	8.48%	\$ 449,800	\$ 28,978	6.44%
TOTAL REVENUES	\$ 33,728,900	\$ 2,341,938	6.94%	\$ 31,537,600	\$ 2,233,911	7.08%

**Highlights of General Fund Expenditure Performance**

The general fund expenditures increased \$213,000, or 2.7%, compared to the same quarter of last fiscal year.

The general fund salaries and benefits expenditures increased \$138,000, or 2.35%, compared to the same quarter of last fiscal year. However, there is a savings of \$144,000, or 0.58%, compared to the budget due to deferral in filling vacant positions.

The general fund professional services expenditures increased \$117,000, or 21.42%, compared to the same quarter of last fiscal year. The increases in professional services expenditures were mainly related to the consulting services provided for the climate action plan and housing element as well as legal services provided for the 15-acre land sale and the smoking ordinance revisions.

GENERAL FUND	FY 2014-2015			FY 2013-2014		
		1st QTR YTD	% of		1st QTR YTD	% of
	Budget	Actual	Budget	Budget	Actual	Budget
General Government	\$ 3,282,637	\$ 808,467	24.63%	\$ 3,088,676	\$ 808,876	26.19%
Police	\$ 9,947,481	\$ 2,389,610	24.02%	\$ 9,291,442	\$ 2,392,550	25.75%
Fire	\$ 8,267,663	\$ 2,044,548	24.73%	\$ 7,894,278	\$ 1,954,869	24.76%
Public Works	\$ 1,683,155	\$ 352,275	20.93%	\$ 1,689,933	\$ 300,760	17.80%
Community Development	\$ 2,293,335	\$ 480,193	20.94%	\$ 1,872,484	\$ 424,447	22.67%
Parks and Recreation	\$ 7,384,336	\$ 1,808,963	24.50%	\$ 7,267,310	\$ 1,789,915	24.63%
Capital Outlay	\$ 40,000	\$ -	0.00%	\$ -	\$ -	0.00%
Total Expenditures	\$ 32,898,607	\$ 7,884,056	23.96%	\$ 31,104,123	\$ 7,671,417	24.66%

GENERAL FUND	FY 2014-2015			FY 2013-2014		
		1st QTR YTD	% of		1st QTR YTD	% of
	Budget	Actual	Budget	Budget	Actual	Budget
Salaries and Benefits	\$ 24,614,409	\$ 6,009,663	24.42%	\$ 23,116,321	\$ 5,871,580	25.40%
Professional Services	\$ 1,502,256	\$ 664,984	44.27%	\$ 2,580,595	\$ 547,664	21.22%
Operating	\$ 6,741,942	\$ 1,209,408	17.94%	\$ 5,407,207	\$ 1,252,172	23.16%
Capital Outlay	\$ 40,000	\$ -	0.00%	\$ -	\$ -	0.00%
Total Expenditures	\$ 32,898,607	\$ 7,884,056	23.96%	\$ 31,104,123	\$ 7,671,417	24.66%



Highlights of the General Fund's Fund Balances

The City's general fund continues to perform well with the overall appreciation of property values, new developments, voters' supported increased transient occupancy tax and business license tax rates, and moderate recovery in sales and use taxes.

Based on the projected increases of \$1.6 million in revenues and savings of \$329,000 in expenditures, the City's general fund's fund balances may end the fiscal year \$1.9 million above the original \$21.3 million projection.

GENERAL FUND	FY 2014-2015			FY 2013-2014		
	1st QTR YTD		% of	1st QTR YTD		% of
	Budget	Actual	Budget	Budget	Actual	Budget
Revenues	\$ 33,728,900	\$ 2,341,938	6.94%	\$ 31,537,600	\$ 2,233,911	7.08%
Expenditures	\$ 32,898,607	\$ 7,884,056	23.96%	\$ 31,139,123	\$ 7,671,417	24.64%
Transfer In	\$ 205,000	\$ 205,000	100.00%	\$ 205,000	\$ 205,000	100.00%
Transfer Out	\$ (683,350)	\$ -	0.00%	\$ (376,000)	\$ -	0.00%
Net Change	\$ 351,943	\$ (5,337,118)	-1516.47%	\$ 227,477	\$ (5,232,506)	-2300.24%
Beginning Fund Balance	\$ 24,942,451	\$ 24,942,451	100.00%	\$ 19,976,723	\$ 19,976,723	100.00%
Year-to-Date Fund Balance	\$ 25,294,394	\$ 19,605,333	77.51%	\$ 20,204,200	\$ 14,744,217	72.98%

FOR MORE INFORMATION:

This summary is based on detailed information produced by the City's Financial Services Department. If you would like additional information or have any questions about this report, please call 650-286-3212.

