

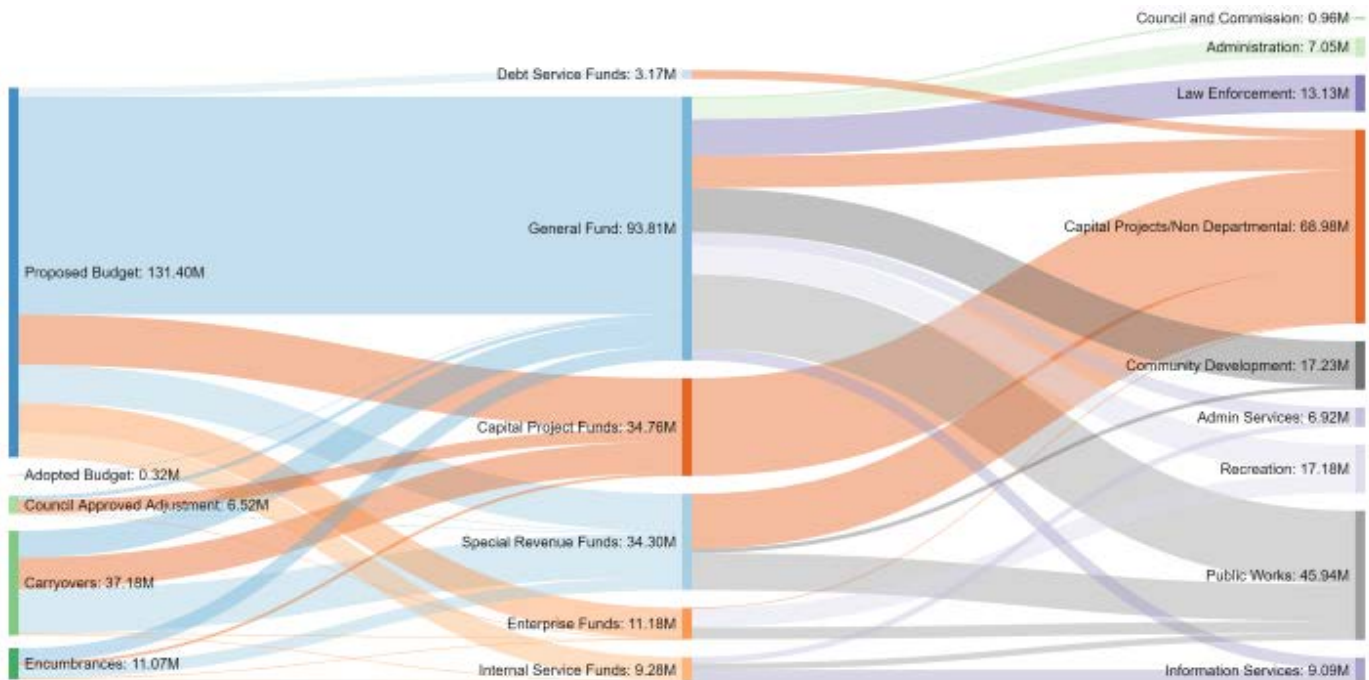


MID-YEAR REPORT

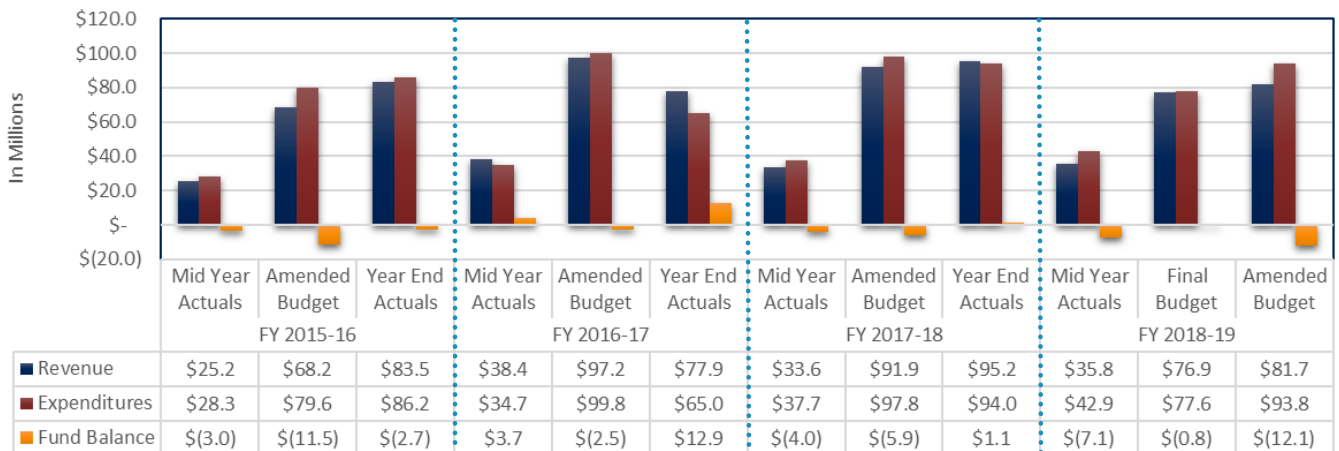
The following is the Mid-Year Financial Report, submitted by the Administrative Services Department for the period of October 1, 2018 to December 31, 2018 for the 2018-2019 Fiscal Year. It has been prepared to inform the City Council, City leadership and the public of the City's fiscal status.

BACKGROUND - On November 20, 2018, Council received an update on the City's spending plan as part of the City Manager's First Quarter Financial Report, which revised the budget to account for encumbrances of \$11,061,145 and carryover appropriations of \$37,177,851 from FY 2017-18. In the first two quarters of FY 2018-19, Council approved \$6,523,652 in adjustments which include, but are not limited to: 1) \$3,500,000 New City Hall design, 2) \$500,000 Interim City Hall design, and 3) \$558,979 for Apple Park law enforcement services. This resulted in an amended budget of \$186,481,507.

Proposed Budget through the Mid-Year | Amended Budget FY 2018-19 | Flow of Funds Chart (in Millions)



GENERAL FUND UPDATE - General Fund Revenue, Expenditures and Fund Balance



GENERAL FUND UPDATE (continued)

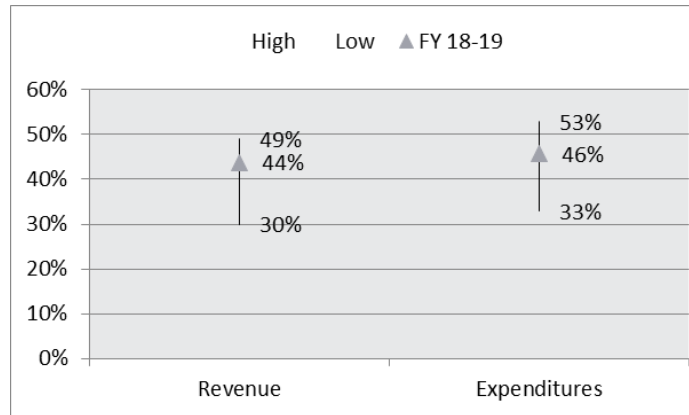
General Fund Classification of Fund Balance

CLASSIFICATION	Actuals 2016-17	Year End Projection 2017-18	Adopted Budget 2018-19	1st Quarter	Mid-Year End
				Year End Projection 2018-19	Projection 2018-19
Non Spendable	0.88	0.47	0.47	0.47	0.46
Restricted	1.02	1.25	0.84	1.25	9.24
Committed	19.00	23.92	27.08	27.08	19.12
Assigned	4.64	5.17	7.93	7.93	7.59
Unassigned	28.06	21.62	8.89	12.23	5.84
TOTAL FUND BALANCE	53.59	52.42	45.21	48.96	42.25

General Fund Revenue and Expenditure Trends

As of December 31, 2018, General Fund expenditures are \$42.9 million; this represents 46% of the budgeted appropriations. Expenditures at the Mid-Year point of the prior three years were between 33% and 53% of the final actual expenditures placing this year within range. General Fund revenues are at \$35.8 million; this represents 44% of the budgeted revenue. Revenues at the Mid-Year point of the prior three years were between 30% and 49%, placing this year within the range.

Are General Fund Revenues and Expenditures on Trend?



RECOMMENDED MID-YEAR ADJUSTMENTS

Fund	Department	Expense	Revenue	Fund Balance	Proposal
GENERAL FUNDS					
100 General Fund	Innovation & Technology	\$ 28,750	\$ -	\$ (28,750)	Labor Costing Software
100 General Fund	Recreation	\$ 63,044	\$ -	\$ (63,044)	Lawson Teen Center, Hidden Treasures, Sr. Ctr. P/T
100 General Fund	Community Development	\$ 100,000	\$ 815,000	\$ 715,000	Arborist, Plan Check, Charges for Services
100 General Fund	Public Works	\$ 163,748	\$ -	\$ (163,748)	Park Fee, Conduit Repair, Overtime, Compressor, Emergency Roof, Minimum Wage Increase, BBF Café
100 General Fund	Non-Departmental	\$ -	\$ 1,900,000	\$ 1,900,000	Increase in projected Sales Tax and Property Tax
100 General Fund	Non-Departmental	\$ 8,000,000	\$ -	\$ (8,000,000)	Transfer out fund balance to the Capital Reserve
TOTAL GENERAL FUNDS		\$ 8,355,542	\$ 2,715,000	\$ (5,640,542)	
SPECIAL REVENUE FUNDS					
265 BMR Housing	Community Development	\$ 18,000	\$ -	\$ (18,000)	Moving Expenses Program at Aviara
270 Transportation Fund	Non-Departmental	\$ (779,762)	\$ -	\$ 779,762	Defunding Project
TOTAL SPECIAL REVENUE FUNDS		\$ (761,762)	\$ -	\$ 761,762	
CAPITAL PROJECT FUNDS					
420 Capital Improvement Fund	Non-Departmental	\$ 65,000	\$ -	\$ (65,000)	McClellan Ranch West Parking Lot
429 Capital Reserve	Non-Departmental	\$ -	\$ 8,000,000	\$ 8,000,000	Transfer in fund balance from the General Fund
TOTAL CAPITAL PROJECT FUNDS		\$ 65,000	\$ 8,000,000	\$ 7,935,000	
ENTERPRISE FUNDS					
560 Blackberry Farm	Recreation	\$ 3,495	\$ -	\$ (3,495)	Bank charges
570 Sports Center	Public Works	\$ 19,250	\$ -	\$ (19,250)	Minimum Wage Increase to Janitorial Contracts
570 Sports Center	Recreation	\$ 41,063	\$ -	\$ (41,063)	Bank charges
TOTAL ENTERPRISE FUNDS		\$ 63,808	\$ -	\$ (63,808)	
TOTAL ALL FUNDS		\$ 7,722,588	\$ 10,715,000	\$ 2,992,412	

SUMMARY

The Mid-Year Financial Report shows the City is well-positioned to move forward. City staff recommends adjustments of \$7,722,588 in new appropriations funded by respective fund balance. This will be partially offset by the \$779,762 in defunded Transportation Fund appropriations which will increase fund balance. It will also be partially offset by an increase in estimated revenues of \$2,715,000 and an \$8,000,000 transfer to the Capital Reserve. In total, if the recommendations are approved, appropriations would increase by \$7,722,588, transfer in revenues would increase by \$8,000,000, non-departmental revenues would increase by \$1,900,000, departmental revenues would increase by \$815,000, and estimated fund balance would increase by \$2,992,412.