

City of San Antonio



FISCAL YEAR 2009 THREE PLUS NINE FINANCIAL REPORT

February 4, 2009

REVENUES AND EXPENDITURES

- 1ST QUARTER ACTUALS UNAUDITED (OCT-DEC 2008)
- NINE MONTH PROJECTION (JAN-SEPT 2009)

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FY 2009 THREE PLUS NINE FINANCIAL REPORT

City of San Antonio

GENERAL FUND REVENUES

	FY 2009 ADOPTED BUDGET	FY 2009 3-MONTH PLAN	FY 2009 3-MONTH ACTUALS	VARIANCE FAVORABLE (UNFAVORABLE)	FY 2009 RE-ESTIMATE	VARIANCE FAVORABLE (UNFAVORABLE)
AVAILABLE FUNDS						
1 Beginning Balance (Excluding Financial Reserves)	\$ 86,255,937	\$ 19,763,984	\$ 27,063,984	\$ 7,300,000	\$ 108,255,937*	\$ 22,000,000
REVENUES						
2 Current Property Tax	\$ 245,250,281	\$ 81,475,596	\$ 81,442,474	\$ (33,122)	\$ 241,748,816	\$ (3,501,465)
City Sales Tax	202,809,519	47,917,200	48,144,189	226,989	202,809,519	0
3 CPS Energy	288,861,091	59,175,360	54,125,208	(5,050,152)	274,002,237	(14,858,854)
Business and Franchise Tax	27,300,627	6,881,164	7,095,503	214,339	27,308,812	8,185
Liquor by the Drink Tax	5,356,000	1,339,000	1,383,693	44,693	5,356,000	0
Delinquent Property Tax	2,622,664	1,075,276	1,434,080	358,804	2,764,080	141,416
Penalty & Interest on Delinquent Taxes	2,000,000	274,000	330,899	56,899	2,050,899	50,899
4 Licenses and Permits	6,129,117	1,298,559	1,239,310	(59,249)	5,851,050	(278,067)
San Antonio Water System	9,880,665	2,476,465	2,543,976	67,511	9,880,665	0
Other Agencies	5,959,635	1,688,007	1,867,130	179,123	6,124,646	165,011
Charges for Current Services						
General Government	3,645,208	814,357	786,445	(27,912)	3,463,627	(181,581)
5 Public Safety	20,918,642	5,485,851	5,847,216	361,365	21,341,310	422,668
Highways/Streets/Sanitation	1,638,763	387,530	107,232	(280,299)	1,638,763	0
Health	3,758,426	807,784	796,450	(11,335)	3,775,918	17,492
6 Recreation and Culture	11,712,710	2,351,984	2,266,438	(85,546)	11,223,123	(489,587)
Fines	12,166,379	2,602,513	2,668,083	65,569	12,299,959	133,580
Miscellaneous Revenue						
7 Sale of Property	4,041,690	1,010,091	717,880	(292,211)	4,183,930	142,240
Use of Money and Property						
8 Interest Earnings	4,012,783	870,149	752,786	(117,363)	829,774	(3,183,009)
Leases	1,754,325	438,579	507,921	69,341	1,644,999	(109,326)
9 Recovery of Expenditures	1,025,235	393,941	560,184	166,243	1,255,481	230,246
10 Miscellaneous	296,455	36,607	60,481	23,874	278,650	(17,805)
Interfund Charges	529,171	110,090	143,118	33,028	529,171	0
TOTAL REVENUE	\$ 861,669,386	\$ 218,910,105	\$ 214,820,693	\$ (4,089,412)	\$ 840,361,431	\$ (21,307,955)
TRANSFERS FROM OTHER FUNDS	\$ 25,832,769	\$ 6,433,178	\$ 6,433,178	\$ 0	\$ 25,832,769	\$ 0
TOTAL REVENUE AND TRANSFERS	\$ 887,502,155	\$ 225,343,283	\$ 221,253,871	\$ (4,089,412)	\$ 866,194,200	\$ (21,307,955)
TOTAL AVAILABLE FUNDS	\$ 973,758,092	\$ 245,107,268	\$ 248,317,855	\$ 3,210,588	\$ 974,450,137	\$ 692,045

* Unaudited FY 2009 Beginning Balance

Significant First Quarter and FY 2009 Re-Estimate variances are explained on the following page.



FY 2009 THREE PLUS NINE FINANCIAL REPORT

City of San Antonio

GENERAL FUND REVENUES

Variance Analysis

- 1 Beginning Balance** - The current FY 2009 Beginning Balance, based on preliminary unaudited financial data, is \$22M over projections developed last summer. This balance, which represents the ending General Fund balance as of September 30, 2008, is higher than anticipated due to a combination of more than projected revenues and less spending. In FY 2008, revenues from CPS exceeded the projected amount by \$5.1M primarily due to higher than anticipated gas prices in the months of June, July and August. Property Tax Revenue collections exceeded the projected amount by \$1.5M due to a higher than anticipated collection rate. It is important to note that Sales Tax revenue was \$1.3M below the projected amount. Additionally, less spending contributed to the higher than anticipated ending balance.
- 2 Current Property Tax** - Decrease in Current Property Tax revenue is due to ongoing litigation of commercial real property values.
- 3 CPS Energy** - Natural gas prices for the first three months of the fiscal year were lower than anticipated in the Adopted Budget resulting in less than anticipated CPS Energy Revenues. Gas prices are estimated to continue to remain lower than anticipated through the remainder of the fiscal year.
- 4 Licenses and Permits** - The unfavorable revenue variance is the result of lower than anticipated Unpermitted Alarm Fees due to the implementation beginning later than anticipated.
- 5 Public Safety** - The first quarter favorable variance is due to increased EMS revenues realized by the Fire Department. It is anticipated that the trend of higher than anticipated EMS transport fees will continue throughout the fiscal year.
- 6 Recreation and Culture** - After School Challenge revenues are lower than the planned amount due to a change in the sliding scale fee structure adopted by City Council after the program budget was already proposed. This revenue variance will be offset by expenditure savings within the program.
- 7 Sale of Property** - Favorable variance due to a higher than anticipated increase in the number of impounded vehicles being auctioned.
- 8 Use of Money and Property (Interest Earnings)** - Actual portfolio interest earnings from City investments are lower than projected earnings due to lower than anticipated interest rates.
- 9 Recovery of Expenditures** - The City received a one-time annual reimbursement from the Bexar County Sheriff's Department to fund the operations and management of the Emergency Operations Center.
- 10 Miscellaneous** - The unfavorable variance is due to lower than anticipated Police Unclaimed Property Funds.



FY 2009 THREE PLUS NINE FINANCIAL REPORT

City of San Antonio

GENERAL FUND EXPENDITURES

	FY 2009 ADOPTED BUDGET	FY 2009 3-MONTH PLAN	FY 2009 3-MONTH ACTUALS**	VARIANCE FAVORABLE (UNFAVORABLE)	FY 2009 RE-ESTIMATE	VARIANCE FAVORABLE (UNFAVORABLE)
APPROPRIATIONS						
City Attorney	\$ 7,201,653	\$ 1,887,597	\$ 1,886,262	\$ 1,334	\$ 7,201,653	\$ 0
City Auditor	3,045,753	718,249	694,216	24,033	3,033,152	12,601
City Clerk	2,260,568	601,305	600,037	1,267	2,260,568	0
City Manager	2,598,223	692,517	692,169	348	2,592,751	5,472
1 Communication & Public Affairs	1,037,725	271,855	179,997	91,858	998,893	38,832
2 Community Initiatives	23,019,918	4,031,462	3,766,917	264,545	23,019,918	0
Customer Service & 311 System	3,728,705	966,655	966,148	507	3,728,705	0
Downtown Operations	9,757,769	2,213,015	2,212,695	320	9,757,287	482
Economic Development	2,799,762	663,896	658,443	5,453	2,799,762	0
Finance	7,532,846	1,883,212	1,866,597	16,614	7,509,427	23,419
Fire	217,949,841	54,438,572	54,170,539	268,033	217,949,841	0
Health	14,578,344	4,235,324	4,213,747	21,577	14,578,344	0
3 Housing & Neighborhood Services	11,167,695	2,954,048	2,594,831	359,217	11,167,695	0
Human Resources	4,782,738	1,226,002	1,218,285	7,717	4,782,738	0
4 Intergovernmental Relations	1,215,008	251,597	201,256	50,341	1,215,008	0
International Affairs	583,836	155,705	154,978	727	583,040	796
Library	29,885,833	7,534,765	7,500,538	34,227	29,812,220	73,613
Management & Budget	1,718,789	532,825	525,685	7,139	1,718,789	0
Mayor and Council	4,606,426	1,159,070	1,101,851	57,219	4,606,426	0
Municipal Courts	10,707,611	2,704,103	2,697,591	6,512	10,581,984	125,627
5 Municipal Elections	2,800,000	490,000	460,368	29,632	2,693,500	106,500
Parks and Recreation	58,843,340	13,197,142	13,192,600	4,542	58,843,340	0
Police	313,371,197	79,473,045	79,169,071	303,974	313,371,197	0
Public Works	14,152,938	2,913,133	2,863,076	50,057	14,152,938	0
Delegate Agencies	7,395,046	1,195,102	1,193,590	1,512	7,395,046	0
Non-Departmental/Non-Operating	54,998,919	7,807,825	7,807,825	0	54,998,919	0
One-Time Projects	4,545,217	2,580,744	2,580,744	0	4,545,217	0
Transfers	113,676,235	29,301,783	29,301,783	0	113,676,235	0
TOTAL APPROPRIATIONS	\$ 929,961,935	\$ 226,080,550	\$ 224,471,841	\$ 1,608,709	\$ 929,574,592	\$ 387,343
TOTAL AVAILABLE FUNDS	\$ 973,758,092	\$ 0	\$ 0	\$ 0	\$ 974,450,137	\$ 692,045
GROSS ENDING BALANCE	\$ 43,796,156	\$ 0	\$ 0	\$ 0	\$ 44,875,545	\$ 1,079,389
LESS BUDGETED RESERVES						
Financial Reserves (Incremental Amount)	\$ 15,528,628	\$ 0	\$ 0	\$ 0	\$ 15,528,628	\$ 0
FY 2009 Reserve for FY 2010 Balance Budget Policy Goal	\$ 28,267,528	\$ 0	\$ 0	\$ 0	\$ 28,267,528	\$ 0
NET ENDING BALANCE	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,079,389	\$ 1,079,389
BUDGETED RESERVES SUMMARY						
Total Annual Budgeted Financial Reserves	\$ 83,696,574				\$ 83,696,574	
Annual Budgeted Financial Reserves as a % of Appropriations	\$ 9%				\$ 9%	

** Excludes Prior Year Encumbrances and Carryforward Expenditures that may have been posted

Significant First Quarter and FY 2009 Re-Estimate variances are explained on the following page.



FY 2009 THREE PLUS NINE FINANCIAL REPORT

City of San Antonio

GENERAL FUND EXPENDITURES

Variance Analysis

- 1 Communication & Public Affairs** - The positive variance is due primarily to less than anticipated costs associated with contractual services (\$76k) and regular salaries (\$12K). It is anticipated that these expenses will be realized in the upcoming months and the department will continue to be within budget.
- 2 Community Initiatives** - The favorable first quarter variance is due to the delay in receiving invoices and payments for contracts. It is anticipated that these expenditures will be realized in future months and the department will be within budget for the fiscal year.
- 3 Housing & Neighborhood Services** - Expenditures are lower than the first quarter planned amount due to decreased spending on contractual services for vacant lot abatement as a result of recent drought conditions.
- 4 Intergovernmental Relations** - The positive variance is due to lower than anticipated expenditures for state lobbyist contracts as well as savings in travel expenses for the first three months of FY 2009 when the State Legislature was out of session.
- 5 Municipal Elections** - Expenditures for Municipal Elections are favorable due to savings which resulted from successful contract negotiations with Bexar County concerning the November Charter Election.



FY 2009 THREE PLUS NINE FINANCIAL REPORT

City of San Antonio

OTHER FUNDS

		FY 2009 ADOPTED BUDGET	FY 2009 3-MONTH PLAN	FY 2009 3-MONTH ACTUALS**	VARIANCE FAVORABLE (UNFAVORABLE)	FY 2009 RE-ESTIMATE	VARIANCE FAVORABLE (UNFAVORABLE)
Airport							
1	Revenues	\$ 71,226,865	\$ 16,909,258	\$ 16,605,986	\$ (303,272)	\$ 68,620,826	\$ (2,606,039)
2	Expenses	70,117,288	15,639,061	14,686,188	952,873	67,511,249	2,606,039
Advanced Transportation District							
3	Revenues	12,021,417	2,877,778	2,798,504	(79,274)	11,624,353	(397,064)
	Expenditures	18,948,654	1,788,149	1,766,560	21,590	18,943,526	5,128
Animal Care Services							
	Revenues	9,055,097	2,263,774	2,311,740	47,966	9,055,097	0
	Expenditures	9,029,095	1,953,215	1,941,161	12,054	9,027,141	1,954
Capital Improvements Management Services							
	Revenues	14,844,714	2,922,179	2,781,214	(140,964)	14,844,714	0
	Expenditures	14,844,714	3,575,811	3,554,876	20,936	14,844,714	0
Hotel Occupancy Tax & Hotel Occupancy Tax Supported Funds							
Hotel Occupancy Tax							
	HOT Collections	56,452,620	12,313,503	12,837,298	523,795	56,452,620	0
	Interest Income	864,257	216,064	138,540	(77,524)	269,818	(594,439)
	Miscellaneous	80,346	20,087	11,015	(9,072)	80,346	0
4	Total HOT Fund	57,397,223	12,549,654	12,986,853	437,199	56,802,784	(594,439)
Community & Visitor Facilities Fund (Convention Facilities, Int'l Affairs, & Non-Departmental)							
	Revenues	34,895,295	8,970,902	8,986,877	15,975	34,917,990	22,695
	Expenditures	34,895,295	8,078,231	7,989,716	88,515	34,855,146	40,149
Convention & Visitors Bureau Fund							
	Revenues	20,637,158	5,173,956	5,171,939	(2,017)	20,638,158	1,000
	Expenditures	20,637,158	3,320,604	3,263,857	56,747	20,635,805	1,353
Cultural Affairs Fund							
	Revenues	8,466,286	2,116,572	2,116,572	0	8,466,286	0
	Expenditures	8,466,286	1,170,083	1,135,555	34,528	8,429,338	36,948
Planning & Development Services							
5	Revenues	29,718,162	6,838,416	5,991,439	(846,977)	25,656,006	(4,062,156)
	Expenditures	25,530,358	5,961,958	5,960,896	1,062	24,470,144	1,060,214
Employee Benefits							
6	Revenues	99,983,860	24,995,965	26,604,676	1,608,711	99,571,414	(412,446)
7	Expenses	99,351,989	25,234,328	21,503,075	3,731,253	95,375,174	3,976,815

** Excludes Prior Year Encumbrances and Carryforward Expenditures that may have been posted

Significant First Quarter and FY 2009 Re-Estimate variances are explained on page 7.



FY 2009 THREE PLUS NINE FINANCIAL REPORT

City of San Antonio

OTHER FUNDS (CONTINUED)

	FY 2009 ADOPTED BUDGET	FY 2009 3-MONTH PLAN	FY 2009 3-MONTH ACTUALS**	VARIANCE FAVORABLE (UNFAVORABLE)	FY 2009 RE-ESTIMATE	VARIANCE FAVORABLE (UNFAVORABLE)
Facility Services						
8	Revenues	13,147,464	3,286,866	3,307,311	20,445	13,135,282 (12,182)
	Expenses	15,357,984	2,561,283	2,628,303	(67,020)	15,207,883 150,101
Golf Course						
	Revenues	1,027,290	472,001	478,170	6,169	1,032,690 5,400
	Expenditures	1,369,167	698,528	704,069	(5,541)	1,366,411 2,756
Information Technology Services						
9	Revenues	41,156,920	10,253,486	10,242,848	(10,638)	40,767,396 (389,524)
10	Expenses	\$ 41,179,090	\$ 11,276,760	\$ 10,565,587	\$ 711,173	\$ 40,350,760 \$ 828,330
Liability						
11	Revenues	\$ 11,286,650	\$ 2,821,663	\$ 2,792,625	\$ (29,038)	\$ 10,850,772 \$ (435,878)
	Expenditures	11,398,606	1,851,631	2,323,596	(471,965)	11,963,796 (565,190)
Parking						
	Revenues	9,259,584	2,407,492	2,471,530	64,038	9,259,605 21
	Expenses	9,215,864	2,429,614	2,393,078	36,536	9,210,570 5,294
Purchasing & General Services						
12	Revenues	50,835,344	12,590,040	9,198,086	(3,391,954)	47,629,735 (3,205,609)
13	Expenses	50,536,363	11,493,721	8,872,670	2,621,051	48,531,056 2,005,307
Solid Waste Management						
14	Revenues	94,654,876	23,638,719	23,652,039	13,320	92,402,328 (2,252,548)
15	Expenses	100,196,578	21,107,978	18,564,644	2,543,334	97,161,818 3,034,760
Storm Water Operating Fund						
16	Revenues	34,399,063	8,485,391	8,975,697	490,306	34,728,552 329,489
	Expenditures	36,370,435	7,827,841	7,894,102	(66,262)	36,366,798 3,637
Street Maintenance						
	Revenues	67,205,529	16,729,260	16,690,102	(39,158)	67,205,529 0
	Expenditures	68,114,737	12,112,209	11,992,801	119,408	68,114,737 0
Workers' Compensation						
17	Revenues	13,654,415	3,413,604	3,453,416	39,812	13,036,805 (617,610)
	Expenses	\$ 13,652,463	\$ 4,366,191	\$ 4,293,221	\$ 72,970	\$ 13,608,465 \$ 43,998

** Excludes Prior Year Encumbrances and Carryforward Expenditures that may have been posted

Significant First Quarter and FY 2009 Re-Estimate variances are explained on the following page.



FY 2009 THREE PLUS NINE FINANCIAL REPORT

City of San Antonio

OTHER FUNDS

Variance Analysis

- 1 Airport Revenues** - The negative variance is due to decreased parking fees and concessions revenue resulting from a 5% decrease in enplanements projected for FY 2009. Additionally, a decrease in interest earnings (\$332k) contributed to the unfavorable variance. The department has developed a corrective action plan to slow spending for the remainder of FY 2009 to offset the decrease in revenues.
- 2 Airport Expenses** - The positive variance is due to the Airport's effort to offset the projected decrease in revenues (\$2.6M) for FY 2009. Department divisions have been directed to reduce spending by 6%. In addition, the department may postpone planned aviation studies, reduce travel and education expenses and defer the IT Master Plan Study initiative (\$280K).
- 3 Advanced Transportation District Revenues** - The unfavorable variance is lower than the FY 2009 planned amount due to lower than projected interest earnings (\$384K) resulting from lower than anticipated interest rates.
- 4 HOT Fund Revenues** - The unfavorable variance is lower than the FY 2009 planned amount due to lower than projected interest earnings (\$594K) resulting from lower than anticipated interest rates.
- 5 Planning & Development Services Revenues** - Fund revenues are below the planned amount due to declining permit activity. Total residential permitting is down 13.5% and commercial permitting is down 16.5% for the first three months of the year compared to budgeted levels.
- 6 Employee Benefits Revenues** - Fund revenues are below the fiscal year budget planned amount due to lower than projected interest earnings (\$697K) resulting from lower than anticipated interest rates.
- 7 Employee Benefits Expenses** - The favorable variances are attributed to several factors including better management of the Employee Benefits fund. The new Third Party Administrator continues to actively pursue out-of-network providers to become in-network providers which result in deeper discounts. Additionally, lower than projected claims have been realized during the first three months of the year.
- 8 Facility Services Expenses** - The unfavorable first quarter variance is primarily due to higher than planned overages in contractual services, i.e. building maintenance, construction costs, and fees to professional contractors. The timing of expenses often occur early in the year, however, expenses are anticipated to be within budget by year end.
- 9 Information Technology Revenues** - There has been a significant change in the way SAPD and Fire are obtaining radio work for the department. As a result, this will have a large negative effect on the two radio revenue accounts (\$565K), which is partially offset by increases in Wireless Charge (\$145K).
- 10 Information Technology Expenses** - The favorable variance is due to October cell and wireless expenses (\$202K) being posted to FY08, and radio chargeback expenditures (\$122K) being lowered due to new Police and Fire contracts. Unfinalized contract negotiations with professional contractors have resulted in savings (\$129K). The department expects to expend these funds in the coming months.
- 11 Liability Expenditures** - The first quarter variance is the result of two claims settled and paid in December: (1) wherein 13 plaintiffs were paid \$419K and (2) a "flooding" claim wherein 11 property owners were paid \$71K.
- 12 Purchasing & General Services Revenues** - The unfavorable fund variance is due to the unanticipated decline in fuel prices. However, it is offset by a drop in fuel cost as reflected in #13.
- 13 Purchasing & General Services Expenses** - The favorable variances are due, in large part, to savings resulting from the drop in fuel prices. Additionally, the fuel savings is offset by overages in personal services as a result of higher than anticipated personal leave buyback, temporary salaries, and overtime salaries.
- 14 Solid Waste Revenues** - The unfavorable year-end variance is attributable to two factors: a downturn in the recycling market (\$2.5M) and lower than projected interest earnings (\$292K) resulting from lower than projected interest rates.
- 15 Solid Waste Expenses** - Fund expenditures are below first quarter budgeted levels due to lower than anticipated costs associated with disposal services (\$500K), savings due to the unanticipated decline in fuel prices (\$1.1M) and vehicle repair expenses (\$500K).
- 16 Storm Water Revenues** - The favorable variance is due to higher than anticipated storm water fee revenues (\$384K). However, this increase is offset by lower than projected interest earnings (\$35K) due to lower than anticipated interest rates.
- 17 Workers' Compensation Revenues** - The unfavorable variance is due primarily to lower than projected interest earnings (\$618K).