

FINANCIAL PERFORMANCE REPORT FISCAL YEAR 2008

PERIOD 7



Department of Finance
City Comptroller's Office
01/11/08

Performance at a Glance

General Fund Revenues
General Fund Expenditures
Water Department Revenues
Water Department Expenses
Sewer Funds Revenue
Sewer Funds Expenses

	<i>Period Performance</i>	<i>Year-to-Date Performance</i>	<i>See Page Number</i>
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General Fund Expenditures	▲	▲	8
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Purpose and Scope

This report is designed to provide city management with the financial information necessary to assess the current financial position of the City of San Diego. Information is also provided to assist in the evaluation of departmental performance. However, we note that the analysis of budgetary performance, and the review of the achievement of departmental objectives, is traditionally the role of the Financial Management division of the Department of Finance.

The General Fund is the primary focus of this report, although other budgeted funds are also included. However, it does not contain the operating results of numerous special revenue funds, debt service funds, or fiduciary funds; the results of component units; or capital project funds.

The attached statements were not prepared in accordance with Generally Accepted Accounting Principles (GAAP) for external financial reporting. Financial information contained in this report is unaudited, and should not be used as the sole basis of investment decisions. Likewise, this report is not a replacement for the City of San Diego's Comprehensive Annual Financial Report (CAFR). The CAFR, as well as other financial reports, can be accessed via the internet at: <http://www.sandiego.gov/auditor/reports/index.shtml>.

In both the body of this report and its supporting schedules the primary analysis tool is a comparison of current year activity against the previous year's activity. This provides a variance of two definite values, rather than between one definite value and an estimate. Comparisons against departmental estimates, also referred to as Period-to-Date Budgets, continue to be important, and we include them in the supporting schedules for the General Fund as an informational item. In the General Fund Revenue and General Fund Expenditure sections of this report we also include a summary table of the top five variances between departmental period-to-date estimates and actual balances.

The focus of this report is financial activity through Period 7 of Fiscal Year 2008 (ended January 11, 2008). Unless stated otherwise, the balances discussed are as of this date. Likewise, references to the previous year, or last year, are as of Period 7 Fiscal Year 2007 (ended January 12, 2007).

The General Fund

GENERAL FUND SUMMARY

A municipality's annual budget is the spending plan for that fiscal year, and based on unforeseen events and changes in revenue receipts, that plan often requires revision. Current year performance suggests that revisions to the Fiscal Year 2008 Budget may be necessary, primarily because revenue shortfalls exceed expenditure savings.

Current Year Variances

General Fund revenues total \$364.1 million through Period 7, which marks a \$19.0 million (5.5%) increase from last year. Notwithstanding this increase, actual performance is \$48.0 million below the amount estimated in the Period-to-Date Budget. Of the variance between actual and expected performance, \$26.6 million is in the Services and Transfers category and is attributable to explainable timing differences. For similar reasons, Transient Occupancy Tax (TOT) receipts are below the amounts estimated by \$4.8 million.

Several revenue categories are currently below estimated amounts, and are unlikely to make up these shortfalls. (In some cases the revenue shortfall may be offset by a reduction in related expenditures.) Together, they account for \$16.5 million of the total Period-to-Date Budget variance. Revenue categories contributing to the revenue shortfall are Sales Tax, Fines & Forfeitures, and Revenue from Other Agencies, and are discussed in the General Fund Revenue section of this report.

General Fund expenditures totaled \$569.5 million, which marks a \$50.0 million (9.6%) increase from last year. This is also \$37.2 million below the Period-to-Date Budget. If the fiscal year ended as of Period 7, the \$48.0 million revenue shortfall would be offset by \$37.2 million of appropriation savings. The remaining \$10.8 million shortfall would, if realized, result in a reduction of City reserves.

So far, this summary has only discussed performance from a budgetary perspective. Actual results indicate total expenditures, along with \$47.3 million of encumbrances, exceed revenue by \$252.7 million. This relationship is demonstrated on the table on the following page, as well as more thoroughly in the General Fund Summary table on page 5.

General Fund Status Summary

	Adopted Budget	Revised Budget	Year-to-Date Actuals
Total Revenues	\$ 1,111,439,952	\$ 1,111,439,952	\$ 364,121,913
Total Expenditures	1,111,439,952	1,121,108,292	569,549,510
	\$ -	\$ (9,668,340)	\$ (205,427,597)
Total Encumbrances			47,278,872
Net Impact			<u>\$ (252,706,469)</u>

A very large portion of General Fund revenue is typically received in the last 3 periods of the fiscal year (37% of total receipts last year). Because of this, it is difficult to precisely estimate performance until late in the year. However, City financial management, including the Financial Management and Comptroller's offices, will actively monitor returns and take necessary corrective actions - including directing departments to reduce spending - in order to ensure that expenditures do not exceed revenues at the conclusion of the fiscal year. The City Council and Independent Budget Analyst will be kept informed of the potential for corrective actions and any related impacts on the Fiscal Year 2009 budget as information becomes available. In this regard we anticipate that we will have greater clarity on certain major revenue categories (i.e. Sales Tax) in late March and April.

After revisions, the General Fund expenditure budget exceeds the revenue budget by \$9.7 million. This is due to the creation of an appropriated reserve and other actions that were funded by unallocated reserves. Increases in expenditure appropriations from these sources did not include an offsetting increase in the revenue budget. Budget revisions are detailed in the General Fund Budget Reconciliation section of this report (see page 6).

General Fund Summary

	Adopted Budget	Revised Budget	Current Year-to- Date Actuals	% of Revised Budget	CY/PY Change	Prior Year-to- Date Actuals	FY07 Year-End Totals	% of FY07 Year- End Total
Revenues								
Property Tax	\$ 385,688,853	\$ 385,688,853	\$ 120,850,564	31%	\$ 8,139,264	\$ 112,711,300	\$ 360,400,407	31%
Safety Sales Tax	8,401,528	8,401,528	3,372,863	40%	(61,415)	3,434,278	7,940,313	43%
Sales Tax	239,485,958	239,485,958	58,586,558	24%	(827,064)	59,413,622	225,841,450	26%
General Fund TOT	85,184,936	85,184,936	38,758,056	45%	3,921,088	34,836,968	80,702,830	43%
Property Transfer Taxes	7,570,860	7,570,860	3,346,247	44%	1,809,421	1,536,826	9,307,713	17%
Licenses and Permits	34,456,484	34,456,484	14,460,561	42%	1,311,787	13,148,774	31,478,210	42%
Fines and Forfeitures	34,769,264	34,769,264	9,024,200	26%	(2,975,027)	11,999,227	36,452,196	33%
Interest & Dividends	10,437,122	10,437,122	4,931,032	47%	2,098,835	2,832,197	10,151,728	28%
Franchises	69,585,776	69,585,776	15,922,900	23%	761,454	15,161,446	64,633,832	23%
Rents & Concessions	38,405,313	38,405,313	17,435,192	45%	(19,162)	17,454,354	35,270,989	49%
Motor Vehicle License Fees	7,938,333	7,938,333	3,317,052	42%	(1,595,524)	4,912,576	8,101,184	61%
Revenues From Other Agencies	7,203,056	7,203,056	2,296,134	32%	(5,964,073)	8,260,207	11,644,797	71%
Charges for Current Services	28,850,177	28,850,177	17,521,563	61%	2,104,220	15,417,343	32,308,468	48%
Services and Transfers	151,243,445	151,243,445	52,876,827	35%	10,255,988	42,620,839	135,964,341	31%
Miscellaneous Revenues	2,218,847	2,218,847	1,422,164	64%	4,026	1,418,138	3,036,190	47%
Total General Fund Revenue	\$ 1,111,439,952	\$ 1,111,439,952	\$ 364,121,913	33%	\$ 18,963,818	\$ 345,158,095	\$ 1,053,234,648	33%
Expenditures								
Personnel Services	\$ 499,182,982	\$ 499,191,888	\$ 261,064,914	52%	\$ 9,936,759	\$ 251,128,155	\$ 461,185,650	54%
Total PE	499,182,982	499,191,888	261,064,914	52%	9,936,759	251,128,155	461,185,650	54%
Fringe Benefits	271,654,326	271,645,420	155,913,443	57%	23,360,241	132,553,202	254,201,849	52%
Supplies / Services	267,000,178	277,178,801	112,888,926	41%	11,825,226	101,063,700	195,302,910	52%
Data Processing	37,185,579	37,074,493	23,337,158	63%	9,312,467	14,024,691	29,328,720	48%
Energy	25,655,302	25,791,406	13,627,310	53%	(176,794)	13,804,104	29,425,582	47%
Outlay	10,761,585	10,226,284	2,717,759	27%	(4,212,178)	6,929,937	13,195,795	53%
Total NPE	612,256,970	621,916,404	308,484,596	50%	40,108,962	268,375,634	521,454,856	51%
Total General Fund Expenditures	\$ 1,111,439,952	\$ 1,121,108,292	\$ 569,549,510	51%	\$ 50,045,721	\$ 519,503,789	\$ 982,640,506	53%
General Fund Encumbrances			47,278,872		15,693,779	31,585,093	28,636,895	
Net Impact	\$ -	\$ (9,668,340)	\$ (252,706,469)		\$ (46,775,682)	\$ (205,930,787)	\$ 41,957,247	

GENERAL FUND BUDGET RECONCILIATION

Three actions affected the Adopted Budget; this activity is detailed in the table presented below. All three actions, totaling \$9.7 million, were funded from General Fund unallocated reserves.

General Fund Budget Reconciliation

Action	Estimated Revenue Authority	Amount
FY2008 Adopted Budget	O-19525	\$ 1,111,439,952
Final FY2008 Revised Budget		<u>\$ 1,111,439,952</u>

Action	Expenditure Appropriations Authority	Amount
FY2008 Adopted Budget	O-19525	\$ 1,111,439,952
Retention of Macias Gini & O'Connell, LLP	O-19660	688,000
Arbitration settlement with the San Diego Chargers	O-19672	1,980,340
Establishment of Appropriated Reserve	O-19679	7,000,000
Final FY2008 Revised Budget		<u>\$ 1,121,108,292</u>

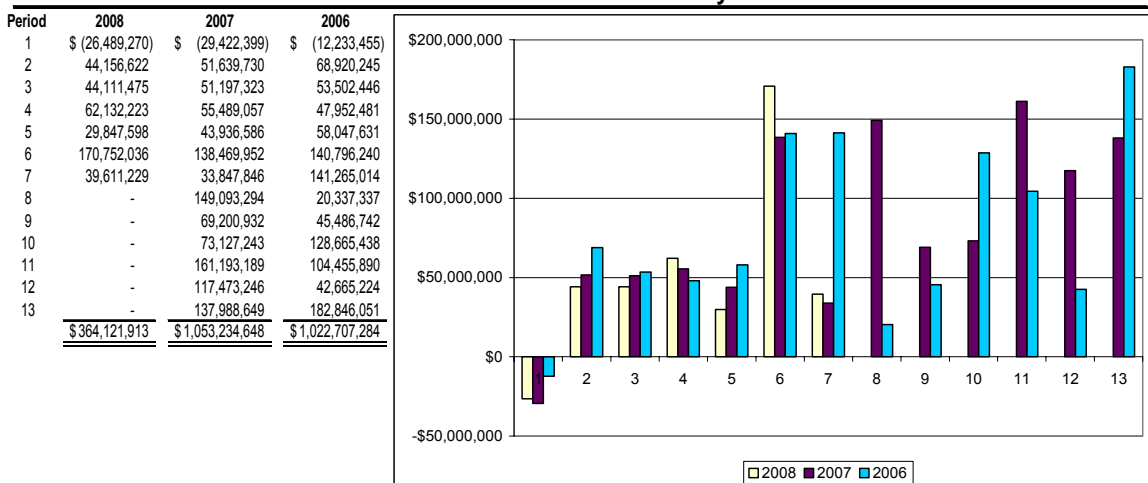
Expenditure Appropriation increases were funded by:

Excess Revenue	\$ -
General Fund Reserves	\$ 9,668,340

GENERAL FUND REVENUES

General Fund revenues totaled \$364.1 million, which is a \$19.0 million (5.5%) increase from last year. This total is \$48.0 million less than estimated by the Period-to-Date Budget. The discussion below addresses individual revenue categories that contribute to this shortfall.

General Fund Revenue Analysis



Revenue categories with either significant year-to-year changes or variances when compared to Period-to-Date Budgets are:

- *Property Tax* revenue is up \$8.1 million from last year. Performance in this category is strong and consistent with amounts estimated in the Period-to-Date Budget.
- *Sales Tax* revenue has decreased \$827,064 from last year, and is \$3.9 million lower than the Period-to-Date Budget.
- *Transient Occupancy Tax* revenue is up \$3.9 million from last year, but is \$4.8 million lower than the Period-to-Date Budget. This is primarily due to delays in the posting of receipts.
- *Property Transfer Tax* revenue is up \$1.8 million from last year, and is \$1.1 million higher than estimated in the Period-to-Date Budget. The timing of receipts is less predictable than other categories, and increases should be evaluated in the context of an uncertain housing market.
- *Fines and Forfeitures* revenue is down \$3.0 million from last year, and is \$8.6 million below the Period-to-Date Budget. This shortfall is primarily driven by Parking Citations which is \$7.5 million below the Period-to-Date Budget. A portion of this variance is attributable to timing differences resulting from the implementation of new information systems; however, this category is expected to end the year under budget. The Financial Management department has plans to work with the responsible departments to revise budgetary projections.
- *Revenues from Other Agencies* is down \$6.0 million from last year, and is \$4.0 million below the Period-to-Date Budget. This is primarily due to payments normally received in the *Relief from Booking Fees* account, which are not expected to be collected. However, it is likely there will be an offsetting reduction in expenditures. The Financial Management department is working with the County of San Diego to determine the disposition of this matter.
- Revenue from *Services and Transfers* has increased \$10.3 million from last year, but is \$26.6 million lower than the Period-to-Date Budget. The majority of this difference continues to be timing differences related to transfers.

The table on the following page shows how the actual receipt of revenue compares to period-to-date estimates. It contains the categories with the five largest variances, as well as the General Fund total.

General Fund Revenue Period-to-Date Variance Analysis

	PTD Budget	FY08 Actuals	Variance	%
Services & Transfers	\$ 79,464,059	\$ 52,876,827	\$ (26,587,232)	-33%
Fines & Forfeitures	17,598,309	9,024,200	(8,574,109)	-49%
General Fund TOT	43,547,353	38,758,056	(4,789,297)	-11%
Revenue from Other Agency	6,285,102	2,296,134	(3,988,968)	-63%
General Fund Sales Taxes	62,487,975	58,586,558	(3,901,417)	-6%
Remaining Revenue Categories	202,709,044	202,580,138	(128,906)	-
Total General Fund Revenues	\$ 412,091,842	\$ 364,121,913	\$ (47,969,929)	-12%

Additional details of General Fund revenues can be found on Schedule 1- General Fund Revenue Status Report.

GENERAL FUND EXPENDITURES

General Fund expenditures totaled \$569.5 million; this is a \$50.0 million (9.6%) increase from last year. Despite this increase, the City has expended \$37.2 million less than estimated in the Period-to-Date Budget. The discussion below addresses individual departments that contribute to these totals and the expenditure categories with significant changes from last year.

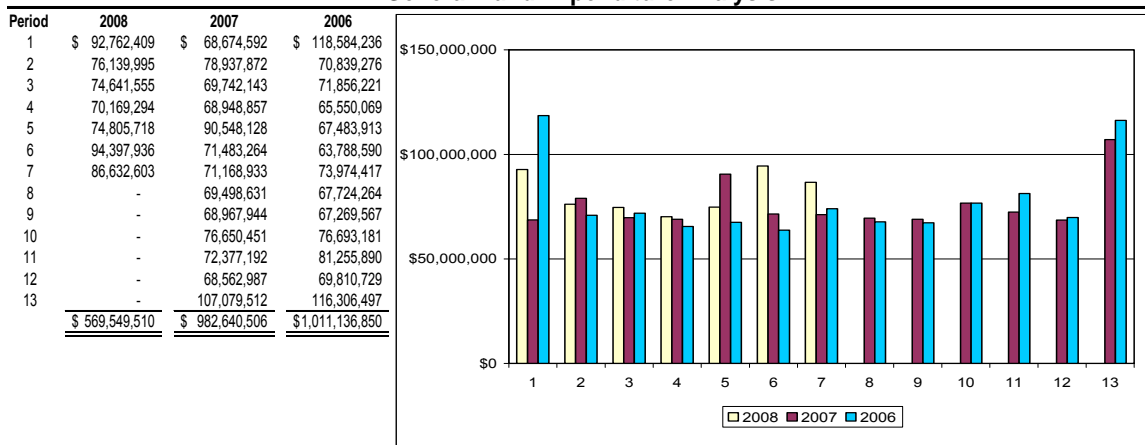
- *Fringe Benefits* has increased \$23.4 million from last year primarily due to the budgeted transfer for Other Post Employment Benefits (General Fund portion was \$16.6 million of the \$25.0 million total). This transfer occurred in Period 6 this year, but was not transacted until Period 10 last year. This one-time transfer will also affect “fringe rates,” and the timing of this transaction should be considered when evaluating this expenditure category.
- *Supplies / Services* expenditures are up \$11.8 million, primarily in San Diego Fire and Rescue. This is a combination of unanticipated wildfire related costs, as well as equipment maintenance costs, which applied to *Outlay* in previous fiscal years.
- *Data Processing* charges are up \$9.3 million primarily as the result of timing differences between fixed billings that occurred in Period 7 this year, and Period 8 last year.
- *Outlay* expenditures are down \$4.2 million from last year, primarily in the Police Department and San Diego Fire and Rescue. This change is primarily due to equipment maintenance costs, which now apply in the *Supplies / Services* category.

General Fund Expenditures by Category

Category	Revised Budget	Current Year-to-Date Actuals	Prior Year-to-Date Actuals	Change	%
Personnel Services	\$ 499,191,888	\$ 261,064,914	\$ 251,128,155	\$ 9,936,759	4%
Fringe Benefits	271,645,420	155,913,443	132,553,202	23,360,241	18%
Supplies / Services	277,178,801	112,888,926	101,063,700	11,825,226	12%
Data Processing	37,074,493	23,337,158	14,024,691	9,312,467	66%
Energy	25,791,406	13,627,310	13,804,104	(176,794)	-1%
Outlay	10,226,284	2,717,759	6,929,937	(4,212,178)	-61%
Total Expenditures	\$ 1,121,108,292	\$ 569,549,510	\$ 519,503,789	\$ 50,045,721	10%

The exhibit below demonstrates the regularity in which expenditures occur through the course of the year.

General Fund Expenditure Analysis



Departments with either significant year-to-year changes or variances when compared to Period-to-Date Budgets are:

- *Office of the Chief Information Officer* expenditures have increased \$15.4 million higher than last year due to increased centralization of data processing costs, as well as a fixed price billing that occurred earlier this fiscal year.
- *Park and Recreation* expenditures are up \$1.8 million from last year, and are \$2.5 million below the Period-to-Date Budget. This difference is attributable to transfers and Outlay expenditures originally anticipated for Period 6, but are now expected to occur in Period 8.
- The *Police Department* expenditures have increased \$11.9 million from last year. This increase is largely due to wildfire related costs, pay increases, and increases in staffing levels. However, the department's expenditures are \$6.4 million lower than the Period-to-Date Budget. This variance is primarily the result of timing differences, and should be resolved as the year progresses.

- *San Diego Fire and Rescue* expenditures have increased \$10.9 million from last year, and are \$6.3 million higher than the Period-to-Date Budget. This increase is largely the result of unanticipated wildfire costs
- *Engineering and Capital Projects* expenditures are up \$1.6 million from last year, but are \$1.9 million below the Period-to-Date Budget. This is largely due to the combination of unexpended encumbered commitments, as well as general savings in the *Supplies / Services* category.
- The *General Services* department expenditures increased \$2.1 million from last year. However, this is \$19.8 million lower than the Period-to-Date Budget. This is primarily due to timing differences related to contracts for projects which have been reprioritized due to other operating issues.
- *Tax and Revenue Anticipation Notes* expenditures are down \$3.9 million from last year. However, this is due to the timing of payments. Last year the TRANS agreement required that they be made mid-year, and this year they will be made at year-end.

The following table shows how actual expenditures compare to period-to-date estimates. It contains the departments with the five largest variances.

General Fund Expenditure Period-to-Date Variance Analysis				
	PTD	FY08		
	Budget	Actuals	Variance	%
General Services	\$ 53,126,736	\$ 33,342,250	\$ 19,784,486	37%
Police	210,659,687	204,262,212	6,397,475	3%
San Diego Fire-Rescue	97,782,371	104,078,275	(6,295,904)	-6%
Park and Recreation	46,738,226	44,223,409	2,514,817	5%
Engineering and Capital Projects	19,775,698	17,873,644	1,902,054	10%
Remaining Departments	178,672,252	165,769,720	12,902,532	7%
Total General Fund Expenditures	\$ 606,754,970	\$ 569,549,510	\$ 37,205,460	6%

Additional details of General Fund expenditure can be found on Schedule 2-General Fund Expenditure Status Report.

Other Budgeted Funds

WATER DEPARTMENT

Water Department revenues totaled \$207.5 million, which is a \$25.7 million increase from last year. For the same period, Water Department expenses and encumbrances totaled \$232.9 million. This is an increase of \$32.1 million from last year. As the table below indicates, year-to-date expenses and encumbrances exceed revenue by \$25.4 million.

Water Department

	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Year-to-Date Actuals</u>
Revenues			
Operating Revenue	\$ 333,176,831	\$ 333,176,831	\$ 190,696,056
CIP Revenue	128,997,631	128,997,631	16,754,896
	<u>462,174,462</u>	<u>462,174,462</u>	<u>207,450,952</u>
Expenses			
Operating Expenses	337,030,029	337,149,275	149,572,026
Operating Encumbrances	-	-	12,708,902
CIP Expenses	178,950,290	246,748,789	19,821,885
CIP Encumbrances	-	-	50,750,657
Contingency Reserve	19,936,102	19,936,102	-
	<u>535,916,421</u>	<u>603,834,166</u>	<u>232,853,470</u>
Net Impact	<u>\$ (73,741,959)</u>	<u>\$ (141,659,704)</u>	<u>\$ (25,402,518)</u>

SEWER FUNDS

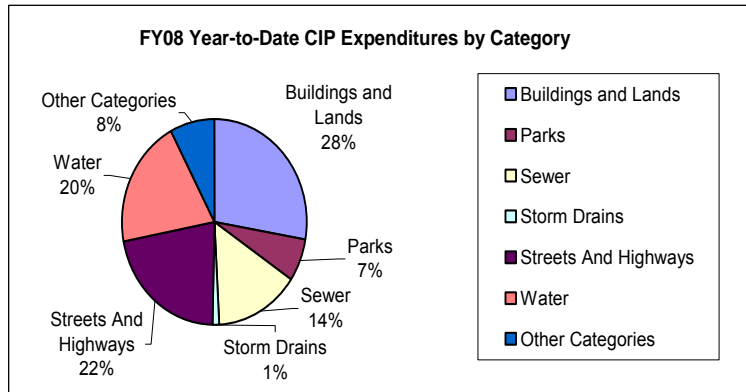
Sewer Funds realized revenues totaling \$220.7 million. This marks an increase of \$44.7 million from last fiscal year. Expenses total \$203.5 million, up \$8.6 million from last year. The table below indicates revenues exceed expenses and encumbrances by \$17.2 million.

Sewer Funds

	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Year-to-Date Actuals</u>
Revenues			
Operating Revenue	\$ 338,234,349	\$ 338,234,349	\$ 182,488,544
CIP Revenue	15,796,074	15,796,074	38,247,192
	<u>354,030,423</u>	<u>354,030,423</u>	<u>220,735,736</u>
Expenses			
Operating Expenses	338,113,675	338,113,675	128,052,072
Operating Encumbrances	-	-	27,450,471
CIP Expenses	128,213,878	169,078,527	13,879,434
CIP Encumbrances	-	-	34,106,811
Contingency Reserve	31,653,907	31,653,907	-
	<u>497,981,460</u>	<u>538,846,109</u>	<u>203,488,788</u>
Net Impact	<u>\$ (143,951,037)</u>	<u>\$ (184,815,686)</u>	<u>\$ 17,246,948</u>

Capital Improvement Projects

Year-to-date Capital Improvement Project (CIP) expenditures total \$96.4 million. At this point last year, these expenditures totaled \$103.6 million, which marks a decrease of 6.9%. These expenditures are incurred in support of a variety of asset categories, illustrated by the following chart and table.



FY08 Year-to-Date CIP Expenditures by Category

Buildings and Lands	\$ 26,680,547
Parks	6,653,538
Sewer	13,958,421
Storm Drains	1,237,314
Streets and Highways	20,823,322
Water	19,688,828
Other Categories	7,407,082
Total CIP	\$ 96,449,052

The following tables present the top five projects in each of these categories based on year-to-date expenditures. Also included are those project's project-to-date budgets and expenditures.

Buildings and Lands

Project	Project-to-Date Budget	Project-to-Date Expenditures	Year-to-Date Expenditures
30TH ST PH II TRANSMISSION UNDERGROUND UTILITY DISTRICT	\$ 8,131,560	\$ 8,131,978	\$ 7,240,615
DISTRICT 3 BLOCK 3-FF; DISTRICT 3 UNDERGROUND UTILITY DISTRICT	16,857,501	16,860,584	2,412,995
MSCP PROPERTY ACQUISITION EAST ELLIOT-WEST APPRAISAL	12,568,585	12,568,396	1,706,811
DEL MAR HEIGHTS ROAD PIPE LINE RELOCATION	2,501,316	2,501,316	1,515,941
OCEANVIEW BLVD FROM I-15 TO 42ND UNDERGROUND UTILITY DISTRICT	3,705,463	3,706,030	1,471,610

Parks

Project	Project-to-Date Budget	Project-to-Date Expenditures	Year-to-Date Expenditures
BALBOA PARK HISTORICAL - MUSEUM OF ART FACADE ORNAMENTATION	\$ 2,773,830	\$ 1,611,468	\$ 1,245,871
BALBOA PARK HISTORICAL - CALIFORNIA TOWER	2,237,254	1,031,079	889,869
DEL MAR MESA NEIGHBORHOOD PARK ACQUISITION	3,400,000	1,329,821	692,910
252 CORRIDOR PARK (FATHER BRAUKHAUS PARK)	3,000,000	2,433,313	531,683
CENTRAL AVENUE MINI PARK ACQUISITION	540,000	526,324	520,000

Sewer

Project	Project-to-Date Budget	Project-to-Date Expenditures	Year-to-Date Expenditures
PIPELINE REHAB - PH C-1	\$ 13,111,186	\$ 10,644,409	\$ 3,365,202
MIRAMAR ROAD TRAFFIC SIGNAL	5,150,567	2,859,002	1,942,552
PUMP STATION 63 REPLACEMENT	1,278,672	1,194,513	718,237
PS UPGRADES GROUP III FORCEMAINS	740,000	753,320	714,352
SEWER REPLACEMENT GROUP JOB 741	3,538,947	3,290,348	612,164

Storm Drains

Project	Project-to-Date Budget	Project-to-Date Expenditures	Year-to-Date Expenditures
SCRIPPS LAKE DRIVE - 54" STORM DRAIN REPLACEMENT	\$ 350,000	\$ 259,598	\$ 229,201
ROWENA STREET PIPELINE REPAIR	435,000	424,290	210,769
ADAMS AVE AND 42ND ST STORM DRAIN	332,000	220,579	158,804
STATE ST @ 2695/2705 REPLACE DAMAGED 12' CMP STORM DRAIN	420,000	256,442	144,934
BEACH AREA LOW FLOW STORM DRAIN DIVERSION	6,468,247	5,781,608	82,894

Streets and Highways

Project	Project-to-Date Budget	Project-to-Date Expenditures	Year-to-Date Expenditures
ASPHALT OVERLAY GROUP II	\$ 5,048,423	\$ 3,160,176	\$ 3,140,410
SOLEDAD MOUNTAIN ROAD EMERGENCY REPAIR PROJECT	7,500,000	2,115,427	2,115,427
GENESEE AVENUE-I-5 TO REGENTS ROAD	6,866,780	3,500,522	2,006,506
CARMEL MOUNTAIN ROAD I-5 INTERCHANGE	17,129,105	17,244,898	1,750,188
CARMEL VALLEY RD - 300' E /O PORTOFINO DR. TO DEL MAR CITY	8,849,641	8,392,645	1,514,828

Water

Project	Project-to-Date Budget	Project-to-Date Expenditures	Year-to-Date Expenditures
MIRAMAR WTR TREATMNT PLANT UPGRADE/EXPANSION	\$ 143,047,023	\$ 117,197,043	\$ 5,008,659
MIRAMAR WTP FLOC & SEDIMENTATION BASIN	25,200,000	4,101,787	3,870,210
BARRET RESERVOIR OUTLET TOWER UPGRADE	3,988,193	2,080,575	1,441,212
WATER DEPT SECURITY UPGRADE -TANK/STANDPIPE RESERVOIR	2,171,236	1,837,992	645,718
OTAY WATER TREATMNT PLANT UPGRADE - PH. II	1,785,023	1,774,692	601,011

Other Categories

Project	Project-to-Date Budget	Project-to-Date Expenditures	Year-to-Date Expenditures
TORREY PINES GOLF COURSE CLUBHOUSE REPLACEMENT - P H I	\$ 4,500,000	\$ 2,769,290	\$ 2,095,077
SOUTH CHOLLAS LANDFILL IMPROVEMENTS	3,611,702	3,075,721	1,976,882
TORREY PINES GOLF COURSE SOUTH COURSE IMPROVEMENTS	2,955,000	2,412,158	861,055
BROWN FIELD AIRPORT AIRFIELD ELECTRICAL SYSTEM DESIGN	3,097,102	882,917	481,903
TORREY PINES GOLF COURSE EXISTING CLUBHOUSE MAINTENANCE	650,000	367,385	363,999

The preceding information is another incremental improvement of the CIP information included in this report. Projects of this nature often span several fiscal years, and contain many sub-divisions, which create numerous challenges in comparing actual expenditures against individual project budgets. Despite these challenges, the City Comptroller's Office will continue to develop project-level information for future editions of this report.

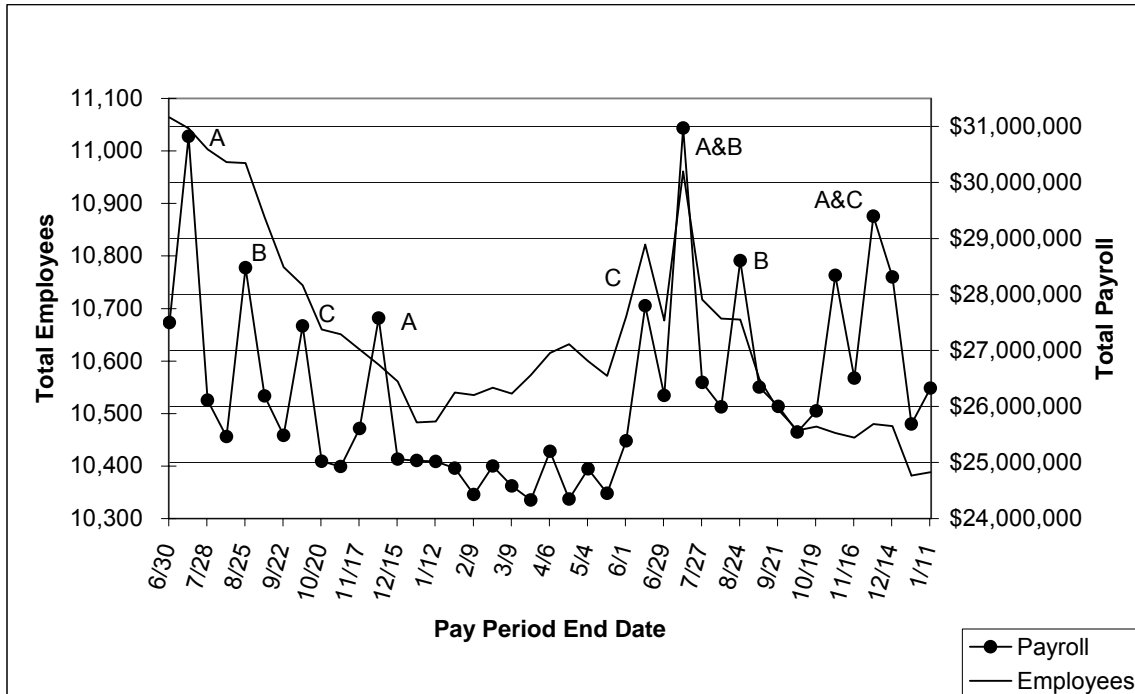
Additional Items of Interest

SUMMARY OF PAYROLL ACTIVITY

One of the significant functions of the City Comptroller's Office is the distribution of the City of San Diego's bi-weekly payroll. The graph on the following page represents the trend of total number of paychecks issued and total dollar amount of bi-weekly pay over the past several months. It should be noted that the number of paychecks issued is not the same measure as Full Time Equivalent (FTE) employees. The number used in this analysis includes many part-time and recently terminated employees.

Non-recurring activity, such as larger Terminal Leave payouts and the cashing out of accumulated Annual Leave, may distort individual distributions, the trends described below are a reasonable indicator of City staffing levels and payroll obligations.

Payroll Trend Analysis



- A) These spikes in payroll related expenditures are from the cash pay out of unused flexible benefits.
- B) This spike in payroll related expenditures represents the payment of annual uniform allowances.
- C) This spike in payroll related expenditures is from Bid-to-Goal expenses.

The following table shows the changes of selected payroll related statistics from Period 6 to Period 7 of Fiscal Year 2008.

Summary of Significant Payroll Statistics

	<u>PPE 12/14/07</u>	<u>PPE 01/11/08</u>	<u>Increase / (Decrease)</u>
Total Payroll	\$ 28,310,039	\$ 26,328,391	\$ (1,981,648)
Accrued Comp Time	\$ 5,440,018	\$ 5,323,800	\$ (116,218)
Accrued Annual Leave	\$ 84,322,413	\$ 82,732,504	\$ (1,589,909)
Accrued Old Sick Leave	\$ 674,068	\$ 635,268	\$ (38,800)
Total Paychecks Issued	10,476	10,388	(88)

General Fund Revenue Status Report (Schedule 1)
For the Period Ending January 11, 2008
(Unaudited)

	Period-to-Date Budget	Revised Budget	FY 08 YTD Actuals	FY 07 YTD Actuals	FY07/FY08 Change	% Change
Property Taxes	\$ 120,734,424	\$ 385,688,853	\$ 120,850,564	\$ 112,711,300	\$ 8,139,264	7%
Safety Sales Taxes	3,633,759	8,401,528	3,372,863	3,434,278	(61,415)	-2%
General Fund Sales Taxes	62,487,975	239,485,958	58,586,558	59,413,622	(827,064)	-1%
General Fund TOT	43,547,353	85,184,936	38,758,056	34,836,968	3,921,088	11%
Property Transfer Taxes	2,255,005	7,570,860	3,346,247	1,536,826	1,809,421	118%
Licenses & Permits						
Business Taxes	6,752,757	13,183,041	4,768,640	3,735,695	1,032,945	28%
Rental Unit Taxes	605,536	6,775,000	897,523	592,378	305,145	52%
Parking Meters	3,148,267	6,420,000	3,523,852	3,266,628	257,224	8%
Refuse Collector Business Taxes	1,050,439	2,000,000	1,088,191	1,071,742	16,449	2%
Other Misc Licenses & Permits	3,336,222	6,078,443	4,182,355	4,482,331	(299,976)	-7%
Total Licenses & Permits	14,893,221	34,456,484	14,460,561	13,148,774	1,311,787	10%
Fines & Forfeitures						
Parking Citations	10,455,627	19,417,599	3,004,287	5,713,902	(2,709,615)	-47%
Municipal Court	4,099,739	7,613,809	3,567,258	3,416,746	150,512	4%
Negligent Impound	1,534,617	2,850,000	1,299,534	1,430,929	(131,395)	-9%
Other Misc Fines & Forfeitures	1,508,326	4,887,856	1,153,121	1,437,650	(284,529)	-20%
Total Fines & Forfeitures	17,598,309	34,769,264	9,024,200	11,999,227	(2,975,027)	-25%
Interest & Dividends	3,907,948	10,437,122	4,931,032	2,832,197	2,098,835	74%
Franchises						
SDG&E	9,406,582	42,423,682	9,409,958	8,653,194	756,764	9%
CATV	4,198,626	16,803,015	4,052,155	3,982,813	69,342	2%
Refuse Collection	2,525,000	10,100,000	2,405,573	2,474,061	(68,488)	-3%
Other Franchises	206,579	259,079	55,214	51,378	3,836	7%
Total Franchises	16,336,787	69,585,776	15,922,900	15,161,446	761,454	5%
Rents and Concessions						
Mission Bay	16,153,844	30,000,000	13,323,408	13,849,796	(526,388)	-4%
Pueblo Lands	2,140,383	3,975,000	1,846,074	1,633,313	212,761	13%
Other Rents and Concessions	2,317,410	4,430,313	2,265,710	1,971,245	294,465	15%
Total Rents and Concessions	20,611,637	38,405,313	17,435,192	17,454,354	(19,162)	-
Motor Vehicle License Fees	4,499,512	7,938,333	3,317,052	4,912,576	(1,595,524)	-32%
Revenues from Other Agencies	6,285,102	7,203,056	2,296,134	8,260,207	(5,964,073)	-72%
Charges for Current Services	14,678,433	28,850,177	17,521,563	15,417,343	2,104,220	14%
Services and Transfers	79,464,059	151,243,445	52,876,827	42,620,839	10,255,988	24%
Miscellaneous Revenues	1,158,318	2,218,847	1,422,164	1,418,138	4,026	-
Total General Fund Revenues	<u>\$ 412,091,842</u>	<u>\$ 1,111,439,952</u>	<u>\$ 364,121,913</u>	<u>\$ 345,158,095</u>	<u>\$ 18,963,818</u>	<u>5%</u>

General Fund Expenditure Status Report (Schedule 2)
For the Period Ending January 11, 2008
(Unaudited)

	Period-to-Date Budget	Revised Budget	FY08 YTD Actuals	FY07 YTD Actuals	FY07/ FY08 Change	% Change
Business and Support Services						
Appropriated Reserve ¹	\$ 3,769,234	\$ 7,000,000	\$ 3,650,203	\$ -	\$ 3,650,203	100%
Business and Support Services	1,307,828	2,383,091	1,174,061	872,422	301,639	35%
Citywide Program Expenditures	29,355,907	50,480,202	27,783,084	27,388,441	394,643	1%
Labor Relations ¹	442,029	809,621	434,188	1,617,801	(1,183,613)	-73%
Office of the Chief Information Officer ¹	22,477,254	29,063,056	21,096,380	5,742,495	15,353,885	267%
Personnel	3,630,626	6,620,002	3,256,129	3,191,664	64,465	2%
Purchasing and Contracting	3,019,717	5,613,499	2,636,203	2,085,088	551,115	26%
Community and Legislative Services						
Community and Legislative Services	2,391,495	4,380,533	2,195,711	1,843,695	352,016	19%
Department of Finance						
City Auditor and Comptroller	6,733,478	11,511,090	5,718,899	5,878,776	(159,877)	-3%
City Treasurer	7,630,538	14,441,916	6,087,580	5,297,717	789,863	15%
Debt Management ³	1,498,584	2,730,401	1,289,193	611,331	677,862	111%
Office of the Chief Financial Officer ¹	569,120	1,067,349	351,615	118,897	232,718	196%
Financial Management	1,816,341	4,117,777	1,414,214	1,086,452	327,762	30%
Land Use and Economic Development						
City Planning and Community Investment	8,683,965	16,716,335	7,630,227	8,167,990	(537,763)	-7%
Development Services	3,678,371	6,703,916	3,793,022	2,959,830	833,192	28%
Real Estate Assets	2,338,815	4,261,462	1,874,020	1,784,563	89,457	5%
Land Use and Economic Development ¹	380,757	698,999	364,637	69,354	295,283	426%
Neighborhood and Customer Services						
Customer Services	1,379,886	2,523,132	1,174,135	1,034,337	139,798	14%
Library	21,010,646	37,630,664	19,916,788	18,903,802	1,012,986	5%
Park and Recreation	46,738,226	87,520,141	44,223,409	42,411,923	1,811,486	4%
Special Events ¹	271,044	497,980	276,000	538,659	(262,659)	-49%
Office of Ethics and Integrity						
Office of Ethics and Integrity ^{1,3}	1,356,097	2,400,537	909,463	507,111	402,352	79%
Public Safety and Homeland Security						
Family Justice Center	293,494	537,358	266,450	301,981	(35,531)	-12%
Office of Homeland Security	1,074,571	1,781,242	858,546	665,401	193,145	29%
Police	210,659,687	392,336,695	204,262,212	192,406,484	11,855,728	6%
Public Safety ¹	903,613	3,053,186	678,896	237,305	441,591	186%
San Diego Fire-Rescue	97,782,371	179,943,098	104,078,275	93,166,284	10,911,991	12%
Public Works						
Engineering and Capital Projects	19,775,698	35,424,428	17,873,644	16,245,956	1,627,688	10%
Environmental Services	22,110,856	40,793,354	21,668,488	20,400,367	1,268,121	6%
General Services	53,126,736	108,049,461	33,342,250	31,262,948	2,079,302	7%
Public Works ¹	465,070	854,530	398,437	191,620	206,817	108%
Other						
Mayor	338,181	627,891	275,667	125,890	149,777	119%
Tax and Revenue Anticipation Notes ¹	561,000	5,109,000	604,578	4,521,664	(3,917,086)	-87%
Non-Mayoral						
City Attorney	20,254,704	36,911,174	19,989,912	18,743,798	1,246,114	7%
City Clerk	2,434,889	4,408,261	2,241,155	1,960,115	281,040	14%
City Council - District 1	533,029	990,000	454,021	507,453	(53,432)	-11%
City Council - District 2	533,008	990,000	471,723	444,499	27,224	6%
City Council - District 3	533,022	990,000	500,903	521,759	(20,856)	-4%
City Council - District 4	533,022	990,000	499,990	483,074	16,916	4%
City Council - District 5	533,029	990,000	438,973	443,230	(4,257)	-1%
City Council - District 6	533,008	990,000	464,486	460,243	4,243	1%
City Council - District 7	532,448	990,000	484,575	480,899	3,676	1%
City Council - District 8	533,008	990,000	477,201	523,689	(46,488)	-9%
Council Administration	997,316	1,849,471	839,858	1,288,767	(448,909)	-35%
Ethics Commission	525,723	1,021,106	414,921	296,000	118,921	40%
Office of the IBA ¹	707,529	1,316,334	703,631	-	703,631	100%
Miscellaneous ²	-	-	11,557	1,712,015	(1,700,458)	-99%
Total General Fund Expenditures	\$ 606,754,970	\$ 1,121,108,292	\$ 569,549,510	\$ 519,503,789	\$ 50,045,721	10%

¹ Year-to-year changes are a result of either structural changes or the timing differences of transactions.

² Miscellaneous programs defined as those departments unbudgeted in Fiscal Year 2008.

³ Increase in Fiscal Year 2008 expenditures due to the filling of vacant positions.

CityWide Program Expenditure Status Report (Schedule 3)
For the Period Ending January 11, 2008
(Unaudited)

	Period-to-Date Budget	Revised Budget	FY08 YTD Actuals	FY07 YTD Actuals	FY07/ FY08 Change	% Change
Citywide Program Expenditures						
Annual Audit ¹	\$ 490,230	\$ 1,369,805	\$ 1,111,038	\$ -	\$ 1,111,038	100%
Assessments To Public Property	-	300,500	198,727	166,402	32,325	19%
Citywide Elections	5,925	2,700,000	-	330,730	(330,730)	-100%
Deferred Maintenance	-	5,000,000	-	4,025,284	(4,025,284)	-100%
Employee Personal Prop Claims	2,725	5,000	2,972	1,410	1,562	111%
Financial Services	-	-	99	31,243	(31,144)	-100%
Health	-	-	-	40,262	(40,262)	-100%
Insurance	1,425,073	1,840,000	1,269,157	1,072,232	196,925	18%
Memberships	493,982	630,000	581,202	471,701	109,501	23%
Outside Office Space	3,350,000	6,688,027	3,612,169	3,833,911	(221,742)	-6%
Property Tax Administration ¹	1,375,000	3,027,643	293,321	-	293,321	100%
Public Liability Claims Fund ¹	18,000,000	19,980,340	19,980,340	12,327,325	7,653,015	62%
Reserve Contribution	-	-	-	-	-	-
Special Consulting Services	2,849,434	2,883,169	663,228	197,424	465,804	236%
TRANS Interest Expense Transfer	1,224,500	2,449,000	-	-	-	-
Transportation Subsidy	139,038	278,077	69,500	69,500	-	-
Miscellaneous ²	-	3,328,641	1,331	4,821,017	(4,819,686)	-100%
Total Citywide Program Expenditures	<u>\$ 29,355,907</u>	<u>\$ 50,480,202</u>	<u>\$ 27,783,084</u>	<u>\$ 27,388,441</u>	<u>\$ 394,643</u>	<u>1%</u>

¹ Year-to-year changes are a result of either structural changes or the timing differences of transactions.

² Miscellaneous programs defined as those departments unbudgeted in Fiscal Year 2008.

Other Budgeted Funds Revenue Status Report (Schedule 4)
For the Period Ending January 11, 2008
(Unaudited)

	Revised Budget	FY 08 YTD Actuals	FY 07 YTD Actuals	FY07 / FY08 Change	% Change
Business and Support Services					
Enterprise Resource Planning (ERP) ¹	\$ 17,142,500	\$ 58,483	\$ -	\$ 58,483	100%
Information Technology Fund	15,776,599	9,978,663	8,904,287	1,074,376	12%
Risk Management Administration Fund	9,073,934	4,804,337	6,479,985	(1,675,648)	-26%
Department of Finance					
Central Stores Internal Service Fund	23,927,238	13,673,451	14,173,017	(499,566)	-4%
Land Use and Economic Development					
City Airport Fund	4,867,958	3,118,042	2,954,097	163,945	6%
Development Services Enterprise Fund	45,557,453	25,727,371	24,788,909	938,462	4%
Facilities Financing Fund	2,403,569	1,079,098	1,120,547	(41,449)	-4%
Municipal Parking Garages Fund	3,257,035	1,993,215	1,493,140	500,075	33%
PETCO Park Fund ¹	15,668,826	5,135,743	5,210,798	(75,055)	-1%
QUALCOMM Stadium Operating Fund	16,203,448	9,110,318	7,861,074	1,249,244	16%
Redevelopment Fund	3,661,696	1,122,146	1,023,472	98,674	10%
Solid Waste Local Enforcement Agency Fund	846,028	457,913	524,154	(66,241)	-13%
Neighborhood and Customer Services					
Environmental Growth Fund 1/3	4,767,242	1,083,905	983,235	100,670	10%
Environmental Growth Fund 2/3	9,480,985	2,169,772	1,974,101	195,671	10%
Golf Course Enterprise Fund	15,430,800	9,128,376	8,934,511	193,865	2%
Library Grants Fund ²	753,000	3,436	(585)	4,021	-687%
Los Penasquitos Canyon Preserve Fund	176,000	73,674	39,901	33,773	85%
Open Space Park Facilities Fund	490,525	14,743	8,473	6,270	74%
Public Art Fund ¹	30,000	-	30,000	(30,000)	-100%
Public Safety and Homeland Security					
Emergency Medical Services Fund	7,375,472	2,929,418	3,052,294	(122,876)	-4%
Fire and Lifeguard Facilities Fund	1,621,208	565,995	367,363	198,632	54%
Police Decentralization Fund	7,897,799	-	9,060,507	(9,060,507)	-100%
Seized and Forfeited Assets Funds	800,000	1,224,367	860,032	364,335	42%
Unlicensed Driver Vehicle Impound Fees	1,200,000	360,402	559,506	(199,104)	-36%
Public Works					
E&CP-Water/Wastewater Fund	25,487,865	7,676,792	9,552,261	(1,875,469)	-20%
Energy Conservation Program Fund	2,244,984	2,175,600	2,002,100	173,500	9%
Equipment Operating Fund	50,080,035	26,139,727	15,245,355	10,894,372	71%
Equipment Replacement Fund	34,863,607	20,376,758	12,717,640	7,659,118	60%
Publishing Services Internal Fund	4,500,000	2,172,678	1,634,871	537,807	33%
Recycling Fund	21,000,700	11,285,986	10,547,640	738,346	7%
Refuse Disposal Funds	37,230,149	20,677,840	23,021,272	(2,343,432)	-10%
Sewer Funds	354,030,423	220,735,736	176,038,833	44,696,903	25%
Utilities Undergrounding Program Fund	1,540,602	624,357	399,541	224,816	56%
Water Department Fund	462,174,462	207,450,952	181,776,508	25,674,444	14%
Other					
AB 2928 - Transportation Relief Fund ¹	-	76,913	11,405,087	(11,328,174)	-99%
Balboa Park/Mission Bay Park Imprv Funds	6,949,448	6,948,448	6,948,990	(542)	-
Bond Interest and Redemption Fund	2,097,999	1,010,063	952,530	57,533	6%
Convention Center Complex Funds	14,309,385	2,527,874	2,512,821	15,053	1%
Gas Tax Fund	24,358,245	12,273,262	10,447,456	1,825,806	17%
Mission Bay Improvements Fund ²	2,500,000	42,142	6,660	35,482	533%
Regional Park Improvements Fund ²	2,500,000	33,715	4,335	29,380	678%
Storm Drain Fund	6,046,746	3,448,334	2,588,683	859,651	33%
TOT - Convention Center Fund	4,339,198	4,305,920	4,317,139	(11,219)	-
Transient Occupancy Tax Fund	77,553,848	35,039,931	36,836,565	(1,796,634)	-5%
TransNet (1/2% Sales Tax) Fund	36,543,000	16,179,604	16,737,085	(557,481)	-3%
Trolley Extension Reserve Fund	4,079,882	1,081,759	1,068,975	12,784	1%
Zoological Exhibits Fund	8,946,525	3,830,804	3,433,689	397,115	12%

¹ Year-to-year changes are a result of either structural changes or the timing differences of transactions.

² Increased revenue is due to the improvement in investment returns.

Other Budgeted Funds Expenditure Status Report (Schedule 5)
For the Period Ending January 11, 2008
(Unaudited)

	Revised Budget	FY08 YTD Actuals	FY07 YTD Actuals	FY07/FY08 Change	% Change
Business and Support Services					
Enterprise Resource Planning (ERP) ¹	\$ 20,642,500	\$ 1,186,285	\$ -	\$ 1,186,285	100%
Information Technology Fund ⁴	15,137,320	7,096,181	4,739,054	2,357,127	50%
Risk Management Administration Fund ^{1,3}	9,073,934	4,493,543	3,061,883	1,431,660	47%
Department of Finance					
Central Stores Internal Service Fund	23,829,301	14,303,444	14,374,735	(71,291)	-
Land Use and Economic Development					
City Airport Fund	4,664,304	1,337,589	1,163,376	174,213	15%
Development Services Enterprise Fund	53,047,886	26,816,781	28,085,285	(1,268,504)	-5%
Facilities Financing Fund	2,687,127	1,026,157	1,061,874	(35,717)	-3%
Municipal Parking Garages Fund	2,826,170	926,341	746,184	180,157	24%
PETCO Park Fund	17,617,011	6,460,718	7,176,499	(715,781)	-10%
QUALCOMM Stadium Operating Fund	18,491,579	9,513,254	6,901,736	2,611,518	38%
Redevelopment Fund	3,661,696	1,678,433	1,498,291	180,142	12%
Solid Waste Local Enforcement Agency Fund	931,929	234,674	327,718	(93,044)	-28%
Neighborhood and Customer Services					
Environmental Growth Fund 1/3	5,068,068	1,404,580	1,259,205	145,375	12%
Environmental Growth Fund 2/3 ²	11,103,895	(171,530)	270,133	(441,663)	-163%
Golf Course Enterprise Fund	12,846,992	5,666,894	5,187,444	479,450	9%
Library Grants Fund	731,373	329,892	282,106	47,786	17%
Los Penasquitos Canyon Preserve Fund	226,695	115,255	100,582	14,673	15%
Open Space Park Facilities Fund	437,025	413,513	438,300	(24,787)	-6%
Public Art Fund ¹	30,000	15,849	2,897	12,952	447%
Public Safety and Homeland Security					
Emergency Medical Services Fund	6,667,968	3,336,981	3,404,952	(67,971)	-2%
Fire and Lifeguard Facilities Fund	1,667,420	572,587	582,809	(10,222)	-2%
Police Decentralization Fund ¹	9,096,768	180,180	1,039,475	(859,295)	-83%
Seized and Forfeited Assets Funds	1,521,105	840,804	1,145,483	(304,679)	-27%
Unlicensed Driver Vehicle Impound Fees	1,327,904	446,614	460,438	(13,824)	-3%
Public Works					
E&CP-Water/Wastewater Fund	25,487,865	9,917,320	9,873,334	43,986	-
Energy Conservation Program Fund	2,244,984	935,552	659,401	276,151	42%
Equipment Operating Fund ¹	49,772,502	23,571,602	15,352,436	8,219,166	54%
Equipment Replacement Fund	48,551,994	8,842,145	6,981,013	1,861,132	27%
Publishing Services Internal Fund	4,193,823	2,920,770	2,113,670	807,100	38%
Recycling Fund	24,005,762	10,870,462	11,279,606	(409,144)	-4%
Refuse Disposal Funds	33,832,489	13,022,293	13,200,935	(178,642)	-1%
Sewer Funds	538,846,109	141,931,506	133,248,093	8,683,413	7%
Utilities Undergrounding Program Fund ¹	1,540,602	715,586	2,680,792	(1,965,206)	-73%
Water Department Fund	603,834,166	169,393,911	153,843,595	15,550,316	10%
Other					
AB 2928 - Transportation Relief Fund ¹	4,106,043	1,344,870	-	1,344,870	100%
Balboa Park/Mission Bay Park Imprv Funds	6,949,448	6,061,321	5,960,838	100,483	2%
Bond Interest and Redemption Fund	2,328,947	2,060,168	2,329,935	(269,767)	-12%
Convention Center Complex Funds	14,589,812	6,844,892	6,855,646	(10,754)	-
Gas Tax Fund ¹	24,354,057	13,223,875	8,563,698	4,660,177	54%
Mission Bay Improvements Fund ¹	4,432,118	1,457	-	1,457	100%
Regional Park Improvements Fund ¹	4,244,953	264,108	-	264,108	100%
Storm Drain Fund ¹	6,046,746	3,085,462	1,812,478	1,272,984	70%
TOT - Convention Center Fund	9,393,005	4,339,198	4,339,198	-	-
Transient Occupancy Tax Fund	77,553,848	33,462,010	29,008,927	4,453,083	15%
TransNet (1/2% Sales Tax) Fund ¹	67,240,059	16,193,786	11,070,579	5,123,207	46%
Trolley Extension Reserve Fund	4,110,150	394,458	467,517	(73,059)	-16%
Zoological Exhibits Fund	8,946,525	5,000,000	4,700,000	300,000	6%

¹ Either a new budgeted fund or time difference on transaction recording.

² Project over expended in Fiscal Year 2007, credited in Fiscal Year 2008.

³ Increase in Fiscal Year 2008 expenditures due to the filling of vacant positions.

⁴ Master Lease Payment is now budgeted to Information Technology Fund.