

CITY OF SANTA ANA

September 30, 2013 marked the end of the 1st quarter of fiscal year 2013-14. Total General Fund (GF) revenues received amounted to \$20.8M. The amount, which is approximately \$1.3M lower when compared to 1st Quarter 2012, reflects a reduction in overhead charges, end of the gas tax exchange program as well as the timing of certain revenues. However GF Major Tax revenues which equate to almost 70% of the City's revenue sources continue to show signs of growth (see below). A major risk factor to continued economic growth is the federal government shutdown and spending limits (debt ceiling). Staff will continue to monitor the Fed's actions and local impacts. Currently we are continuing to receive all revenue drawdowns as scheduled.

GF total expenditures reached \$46.6M and is approximately \$1.6M lower than originally projected. When compared to 1st Quarter 2012, total expenditures were \$925K or 2% higher as a result of higher labor costs tied to PERS rates, end of concessions (i.e. furloughs) and filling of vacancies.

GF Major Tax Revenues

FY2013-14 Variances vs. Projections

Sales Tax		17.5%	\$459K
Property Tax		3.1%	\$24K
Property Tax In-Lieu VLF		234%	\$80K
UUT		3.8%	\$169K
Business License		9.3%	\$65K
Hotel Visitors Tax		17.4%	\$249K

BOTTOM LINE: WHAT THE NUMBERS MEAN

Two main factors make it difficult to predict where the Finances are headed:

1) First quarter revenues typically represent 10-11% of the City's GF revenue while the majority arrives in the 3rd and 4th quarters.

2) The upcoming Fed actions may drive the direction of the economy which is the primary driver of the City's major tax revenue sources.

At this point, Santa Ana's fiscal position is improving but still too early to tell if the trends will continue throughout the fiscal year.

2013/14 1st Quarter Update

(July to September)