

ENTERPRISE FUNDS

The Recreation, Hazardous Disposal, Fire Paramedic, Parking, Sewer, Refuse Disposal, Electric and Water operations make up the Enterprise section of the budget. These activities primary source of revenues are charges for services, and reflect characteristics that are more properly accounted for as enterprise operations. Summarized below are the 2006-07 budgets compared to 2005-06:

	2005-06 <u>Appropriation</u>	2006-07 <u>Appropriation</u>	<u>\$ Change</u>	<u>% Change</u>
Recreation	\$ 2,135,025	\$ 1,971,917	\$ (163,108)	(8.3 %)
Hazardous Disposal	1,726,804	1,801,235	74,431	4.1 %
Parking	9,267,004	9,645,576	378,572	3.9 %
Sewer	28,832,252	22,139,223	(6,693,029)	(30.2 %)
Refuse Disposal	14,669,980	15,686,651	1,016,671	6.5 %
Electric	223,878,600	247,662,300	23,783,700	9.6 %
Water	46,552,100	46,464,300	(87,800)	(0.2 %)
TOTAL	<u>\$ 327,061,765</u>	<u>\$ 345,371,202</u>	<u>\$ 18,309,437</u>	<u>5.3 %</u>

The 2006-07 Enterprise Budgets show an approximate \$18.3 million, or an overall 5.3% increase, compared to the 2005-06 budget.

The Recreation Fund shows an expected net income of \$236,083 for 2006-07.

The Hazardous Disposal Fund shows an expected net loss of \$201,235 for 2006-07.

The Parking Fund continues to operate at a net loss in 2006-07 of approximately \$909,576. We have invested well approximately \$30 million in three garages {Glendale Urban Garage, Marketplace Garage and Orange Street Garage}. However, we are not recovering our investment in these three structures. With a negative net income, the depreciation on these three garages is not being provided for, even though we depreciate these garages over 40 years. We have a budgeted net loss in this fund; therefore, we are not saving for the replacement of these garages. Since the Parking Fund is accounted for as a business we need to set aside funds to replace all of our capital purchases, including these garages.

The Sewer Fund continues to post strong net income in the range of \$8-\$12 million each year. The decrease from the prior year shown above is primarily due to a \$7.1 million decrease in capital projects expenditures.

As of 2002-03 year, the Refuse Disposal Fund became responsible for the street sweeping operations of the City. The last rate increase was 10%, effective July 1, 2006, which was the sixth rate increase in six years. The rate increase will help balance the Refuse Fund budget. Before July 2001, it had been a decade since the last rate increase. Even with the rate increases we still provide our customers with one of the lowest fees in southern California.

The Electric Fund shows an increase of \$23.8 million, or 9.6%, due primarily to a \$25.6 million increase in operating expenses compared to last year.

The Water Fund shows no significant difference from the prior year.

ENTERPRISE FUNDS
SUMMARY OF THE BUDGET FOR THE YEAR ENDED JUNE 30, 2007

	Recreation Fund	Hazardous Disposal Fund	Parking Fund	Sewer Fund	Refuse Disposal Fund	Electric Works Fund	Water Works Fund	TOTAL
ESTIMATED FINANCING RESOURCES								
<i>REVENUE</i>								
Operating Revenues	1,743,000	1,430,000	7,535,000	18,000,000	15,600,000	181,001,000	31,800,000	257,109,000
Non - Operating Revenues	465,000	105,000	100,000	1,700,000	90,000	6,675,000	2,080,000	11,215,000
Total Revenue	<u>\$2,208,000</u>	<u>\$ 1,535,000</u>	<u>\$ 7,635,000</u>	<u>\$ 19,700,000</u>	<u>\$ 15,690,000</u>	<u>\$ 187,676,000</u>	<u>\$ 33,880,000</u>	<u>\$ 268,324,000</u>
Contribution in Aid	-	-	-	-	-	1,000,000	300,000	1,300,000
Fund Balance - Prior Year	-	224,480	823,840	297,299	-	41,815,300	8,934,300	52,095,219
TOTAL	<u><u>\$2,208,000</u></u>	<u><u>\$ 1,759,480</u></u>	<u><u>\$ 8,458,840</u></u>	<u><u>\$ 19,997,299</u></u>	<u><u>\$ 15,690,000</u></u>	<u><u>\$ 230,491,300</u></u>	<u><u>\$ 43,114,300</u></u>	<u><u>\$ 321,719,219</u></u>
ESTIMATED REQUIREMENTS								
<i>EXPENDITURES</i>								
Operating expenses	1,971,917	1,736,235	6,644,576	11,009,223	14,071,651	177,710,100	25,898,100	239,041,802
Non - Operating Expenses	-	-	-	-	-	4,500,000	-	4,500,000
Capital Outlay	-	65,000	151,000	90,000	1,615,000	25,000	250,900	2,196,900
Capital Projects	-	-	950,000	10,020,000	-	46,160,200	16,365,300	73,495,500
Transfers to Other Funds	-	-	1,900,000	1,020,000	-	17,782,000	3,950,000	24,652,000
Revenue Bond Requirements	-	-	-	-	-	1,485,000	-	1,485,000
Total Appropriations	<u>\$1,971,917</u>	<u>\$ 1,801,235</u>	<u>\$ 9,645,576</u>	<u>\$ 22,139,223</u>	<u>\$ 15,686,651</u>	<u>\$ 247,662,300</u>	<u>\$ 46,464,300</u>	<u>\$ 345,371,202</u>
Depreciation	(7,538)	(41,755)	(1,186,736)	(2,141,924)	(1,029,876)	(17,171,000)	(3,350,000)	(24,928,829)
Unallocated	243,621	-	-	-	1,033,225	-	-	1,276,846
TOTAL	<u><u>\$2,208,000</u></u>	<u><u>\$ 1,759,480</u></u>	<u><u>\$ 8,458,840</u></u>	<u><u>\$ 19,997,299</u></u>	<u><u>\$ 15,690,000</u></u>	<u><u>\$ 230,491,300</u></u>	<u><u>\$ 43,114,300</u></u>	<u><u>\$ 321,719,219</u></u>

ENTERPRISE FUNDS
SUMMARY OF THE BUDGET FOR THE YEAR ENDED JUNE 30, 2008

	Recreation Fund	Hazardous Disposal Fund	Parking Fund	Sewer Fund	Refuse Disposal Fund	Electric Works Fund	Water Works Fund	TOTAL
ESTIMATED FINANCING RESOURCES								
<i>REVENUE</i>								
Operating Revenues	1,823,000	1,430,000	7,535,000	18,000,000	15,600,000	190,001,000	31,800,000	266,189,000
Non - Operating Revenues	545,000	105,000	100,000	1,700,000	90,000	6,675,000	1,580,000	10,795,000
Total Revenue	<u>\$ 2,368,000</u>	<u>\$ 1,535,000</u>	<u>\$ 7,635,000</u>	<u>\$ 19,700,000</u>	<u>\$ 15,690,000</u>	<u>\$ 196,676,000</u>	<u>\$ 33,380,000</u>	<u>\$ 276,984,000</u>
Contribution in Aid	-	-	-	-	-	1,000,000	300,000	1,300,000
Fund Balance - Prior Year	-	204,972	474,114	3,698,938	-	25,073,200	18,890,100	48,341,324
TOTAL	<u>\$ 2,368,000</u>	<u>\$ 1,739,972</u>	<u>\$ 8,109,114</u>	<u>\$ 23,398,938</u>	<u>\$ 15,690,000</u>	<u>\$ 222,749,200</u>	<u>\$ 52,570,100</u>	<u>\$ 326,625,324</u>
ESTIMATED REQUIREMENTS								
<i>EXPENDITURES</i>								
Operating expenses	2,026,771	1,782,562	6,760,850	11,555,862	14,441,540	175,215,400	31,095,200	242,878,185
Non - Operating Expenses	-	-	-	-	-	4,400,000	-	4,400,000
Capital Outlay	-	-	105,000	325,000	2,225,000	-	428,000	3,083,000
Capital Projects	-	-	530,000	12,620,000	-	41,899,800	20,576,900	75,626,700
Transfers to Other Funds	-	-	1,900,000	1,040,000	-	18,254,000	4,070,000	25,264,000
Revenue Bond Requirements	-	-	-	-	-	1,485,000	-	1,485,000
Total Appropriations	<u>\$ 2,026,771</u>	<u>\$ 1,782,562</u>	<u>\$ 9,295,850</u>	<u>\$ 25,540,862</u>	<u>\$ 16,666,540</u>	<u>\$ 241,254,200</u>	<u>\$ 56,170,100</u>	<u>\$ 352,736,885</u>
Depreciation	(7,538)	(42,590)	(1,186,736)	(2,141,924)	(1,029,876)	(18,505,000)	(3,600,000)	(26,513,664)
Unallocated	348,767	-	-	-	53,336	-	-	402,103
TOTAL	<u>\$ 2,368,000</u>	<u>\$ 1,739,972</u>	<u>\$ 8,109,114</u>	<u>\$ 23,398,938</u>	<u>\$ 15,690,000</u>	<u>\$ 222,749,200</u>	<u>\$ 52,570,100</u>	<u>\$ 326,625,324</u>