

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 2005-06 budgets compared to 2004-05:

	2004-05 <u>Appropriation</u>	2005-06 <u>Appropriation</u>	<u>\$ Change</u>	<u>% Change</u>
Recreation	\$ 2,380,398	\$ 2,135,025	\$ (245,373)	(11.5 %)
Hazardous Disposal	1,649,861	1,728,712	78,851	4.6 %
Parking	8,787,951	9,267,004	479,053	5.2 %
Sewer	43,185,066	28,802,252	(14,382,814)	(49.9 %)
Refuse Disposal	14,850,283	14,419,980	(430,303)	(3.0 %)
Electric	216,027,800	218,643,200	2,615,400	1.2 %
Water	40,291,700	45,568,900	5,277,200	11.6 %
TOTAL	<u>\$ 327,173,059</u>	<u>\$ 320,565,073</u>	<u>(\$ 6,607,986)</u>	<u>(2.1 %)</u>

The 2005-06 Enterprise Budgets show an approximate \$6.6 million decrease compared to the 2004-05 budget or an overall 2.1% decrease.

The Recreation Fund shows an expected net income of \$157,975 for 2005-06.

The Hazardous Disposal Fund shows an expected net loss of \$165,712 for 2005-06.

The Parking Fund continues to operate at a net loss in 2005-06 of approximately \$3.2 million. 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 an \$11.2 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 effective August 1, 2004, which was the fourth rate increase in four years. Before July 2001, it had been a decade since the last rate increase. A rate increase is necessary next year to balance the Refuse Fund budget. 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 over \$2.6 million or 1.2% due primarily to a \$4.5 million increase in operating expenses compared to last year.

The Water Fund shows an increase compared to last year due primarily to a \$3.0 million increase in capital expenditures and almost a \$2.3 million increase in operating expenses.

ENTERPRISE FUNDS
SUMMARY OF THE BUDGET FOR THE YEAR ENDED JUNE 30, 2006

	Recreation Fund	Hazardous Disposal Fund	Parking Fund	Sewer Fund	Refuse Disposal Fund	Electric Works Fund	Water Works Fund	Total Electric & Water	TOTAL
ESTIMATED FINANCING RESOURCES									
<i>REVENUE</i>									
Operating Revenues	1,878,500	1,455,000	5,885,000	17,850,000	14,510,000	149,478,000	31,453,000	180,931,000	222,509,500
Non - Operating Revenues	414,500	108,000	100,000	2,000,000	90,000	9,377,000	2,473,000	11,850,000	14,562,500
Total Revenue	<u>\$ 2,293,000</u>	<u>\$ 1,563,000</u>	<u>\$ 5,985,000</u>	<u>\$ 19,850,000</u>	<u>\$ 14,600,000</u>	<u>\$ 158,855,000</u>	<u>\$ 33,926,000</u>	<u>\$ 192,781,000</u>	<u>\$ 237,072,000</u>
Contribution in Aid	-	-	-	-	-	1,000,000	200,000	1,200,000	1,200,000
Fund Balance - Prior Year	-	60,275	1,304,341	7,352,356	-	46,288,200	8,302,900	54,591,100	63,308,072
TOTAL	<u><u>\$ 2,293,000</u></u>	<u><u>\$ 1,623,275</u></u>	<u><u>\$ 7,289,341</u></u>	<u><u>\$ 27,202,356</u></u>	<u><u>\$ 14,600,000</u></u>	<u><u>\$ 206,143,200</u></u>	<u><u>\$ 42,428,900</u></u>	<u><u>\$ 248,572,100</u></u>	<u><u>\$ 301,580,072</u></u>
ESTIMATED REQUIREMENTS									
<i>EXPENDITURES</i>									
Operating expenses	2,135,025	1,728,712	7,352,004	10,419,252	14,404,980	146,904,800	26,840,000	173,744,800	209,784,773
Non - Operating Expenses	-	-	-	-	-	3,700,000	-	3,700,000	3,700,000
Capital Outlay	-	-	-	233,000	15,000	-	-	-	248,000
Capital Projects	-	-	115,000	17,150,000	-	50,283,400	14,893,900	65,177,300	82,442,300
Transfers to Other Funds	-	-	1,800,000	1,000,000	-	16,270,000	3,835,000	20,105,000	22,905,000
Revenue Bond Requirements	-	-	-	-	-	1,485,000	-	1,485,000	1,485,000
Total Appropriations	<u><u>\$ 2,135,025</u></u>	<u><u>\$ 1,728,712</u></u>	<u><u>\$ 9,267,004</u></u>	<u><u>\$ 28,802,252</u></u>	<u><u>\$ 14,419,980</u></u>	<u><u>\$ 218,643,200</u></u>	<u><u>\$ 45,568,900</u></u>	<u><u>\$ 264,212,100</u></u>	<u><u>\$ 320,565,073</u></u>
Depreciation	(11,877)	(105,437)	(1,977,663)	(1,599,896)	(1,446,784)	(12,500,000)	(3,140,000)	(15,640,000)	(20,781,657)
Unallocated	169,852	-	-	-	1,626,804	-	-	-	1,796,656
TOTAL	<u><u>\$ 2,293,000</u></u>	<u><u>\$ 1,623,275</u></u>	<u><u>\$ 7,289,341</u></u>	<u><u>\$ 27,202,356</u></u>	<u><u>\$ 14,600,000</u></u>	<u><u>\$ 206,143,200</u></u>	<u><u>\$ 42,428,900</u></u>	<u><u>\$ 248,572,100</u></u>	<u><u>\$ 301,580,072</u></u>