



Memorandum

Financial Services Department

TO: Honorable Mayor and City Councilmembers

THROUGH: Peter Weiss, City Manager

FROM: Teri Ferro, Director of Financial Services

DATE: October 5, 2011

SUBJECT: Financial Status Report

Attached please find a copy of the Financial Status Report for the fourth quarter ending June 30, 2011. This data is based on **unaudited** Period 13 entries and does not take into consideration auditor adjustments.

The following table provides a quick snapshot of the year end standing of the General Fund based on the Amended Budget.

General Fund as of June 30, 2011				
	Amended Budget	Actual @ 6/30/11	Variance	%
Revenues	\$114,792,410	\$113,753,161	(\$1,039,249)	99%
Expenditures	\$115,412,109	\$115,998,665	(\$586,556)	101%
Shortfall (Use of Fund Balance)		(\$2,245,504)		

General Fund revenues came in at 99% of projections, with a \$1,039,249 shortfall primarily due to reduced property taxes, interest earnings, and parking citations.

Overall, the General Fund departmental operating expenditures were at or below budget, with overages in Human Resources, Library and Fire departments.

The “shortfall” of \$2,245,504 was funded by the General Fund Balance (i.e. reserves). This amount is comprised of:

\$548,437 for Council approved one-time use of Fire Station 8 funds to balance the budget (capital reserves)

\$725,928 for prior year Council approved continuing appropriations for incomplete FY 09/10 programs and infrastructure (assigned reserves)

\$413,374 for Council approved use of reserves for year-end financial work, OFA labor agreement, OJJDP Gang Model, management review of city services and CAM renovations (unassigned reserves)

\$557,765 for earned leave payouts for retired employees as well as settlement agreements (economic stabilization reserves)

I am available to answer any questions or concerns you may have.

cc: City Manager
City Clerk
City Treasurer
Department Directors



**CITY OF OCEANSIDE
FINANCIAL STATUS REPORT
Fiscal Year 2010-11
Fourth Quarter Ending June 30, 2011
(unaudited)**

The City has completed the fourth quarter of the 2010-11 fiscal year. This report summarizes the activities of the operating funds, but is not meant to be inclusive of all finance and accounting transactions. It is intended only to provide Council and the public with an overview of the state of the City's general fiscal condition.

GENERAL FUND BUDGET POSITION

The City Council adopted the FY 10/11 budget on June 23, 2010 with approved General Fund revenues of \$113,274,911 and expenditures of \$113,274,957. Table 1 delineates the year-to-date changes to the General Fund budget as of March 31, 2011.

The amended budget for the First Quarter reflects an increase of \$1,049,488 over the adopted budget. This is comprised of the following components:

- \$690,814 carry-forward from FY 09/10 for incomplete projects and programs in accordance with Administrative Directive 20. This amount has been set aside in the General Fund Balance as Assigned and Committed reserves.
- \$80,000 for year-end financial services work approved by City Council on August 25, 2010. This amount will be funded from Unassigned Fund Balance.
- \$143,374 for OFA labor agreement approved by City Council on September 22, 2010. This amount will be funded from Unassigned Fund Balance.
- \$135,300 for Fire modular buildings at the training center approved by City Council on September 22, 2010. This amount will be funded from a corresponding increase to the revenues as a transfer from Fund 503.

The amended budget for the Second Quarter reflects an increase of \$910,258 above the First Quarter amendments. This is comprised of the following components:

- \$35,114 carry-forward from FY 09/10 for incomplete projects and programs in accordance with Administrative Directive 20. This amount has been set aside in the General Fund Balance as Assigned and Committed reserves.
- \$80,000 for a draft EIR for the Interstate 5 North Coast Corridor project approved by City Council on September 22, 2010. This amount is funded from a corresponding increase to the revenues as a transfer from Fund 561 (Major Thoroughfare Fund).
- \$600,000 for the SANDAG Regional Beach Sand Project II approved by City Council on October 20, 2010. The amount was funded from new revenue from the Waste Management contract fee.
- \$41,715 for Police system upgrade at the evidence storage facility approved by City Council on November 10, 2010. This amount was funded from a corresponding increase to revenues from the evidence trust fund.
- \$250,000 for Harbor Police "Operation Stonegarden" grant expenses approved by City Council on November 10, 2010. This amount is funded from a corresponding increase to the revenues as a transfer from the Harbor Unrestricted Fund Balance.
- Reduction of \$17,521 for OFMA contract approved by City Council on December 1, 2010.
- Reduction of \$79,050 for OPOA contract approved by City Council on December 1, 2010.



The amended budget for the Third Quarter reflects an increase of \$67,406 above the Second Quarter amendments, comprised of the following:

- \$5,223 for US-DOJ bulletproof vest partnership program approved by City Council on January 5, 2011. This amount is funded from a corresponding increase to the revenues as a grant.
- \$5,000 to implement the Office of Juvenile Justice & Delinquency Prevention Comprehensive Gang Model approved by City Council on January 5, 2011. This amount will be funded from Unassigned Fund Balance.
- \$75,000 for a management review of city services by PFM Group approved by City Council on January 26, 2011. This amount will be funded from Unassigned Fund Balance.
- \$435 appropriated to Library from revenue generated by sale of surplus

property approved by City Council on February 2, 2011.

- \$69,200 re-appropriated for OPSG grant program from 2009, approved by City Council on February 2, 2011. This amount is funded from a corresponding increase to the revenues as a grant.
- Reduction of \$87,452 for SLESF COPS grant based on revisions from State, approved by City Council on February 2, 2011.

The amended budget for the Fourth Quarter reflects an increase of \$110,000 above the Third Quarter amendments, comprised of the following:

- \$110,000 appropriated to as a transfer to the Police/Library Building Maintenance Account for CAM renovations to fund the City's fair-share cost of renovations, approved by City Council on May 4, 2011. This amount will be funded from Unassigned Fund Balance.

Table 1
CHANGES TO GENERAL FUND BUDGET
Fiscal Year 2010-2011

	Adopted Budget	Amended Budget	Increase (Decrease)
FIRST QUARTER			
Revenues	113,274,911	113,410,211	+135,300
Expenditures	113,274,957	114,324,445	+1,049,488
SECOND QUARTER			
Revenues	-	114,801,926	+1,391,715
Expenditures	-	115,234,703	+910,258
THIRD QUARTER			
Revenues	-	114,789,910	-12,016
Expenditures	-	115,302,109	+67,406
FOURTH QUARTER			
Revenues	-	114,792,410	+2,500
Expenditures	-	115,412,109	+110,000

GENERAL FUND REVENUES

Fiscal Year 2010-2011 General Fund revenues were adopted to be \$113,274,911 which represents a \$9.6 million or 7.8 percent

decrease from the prior fiscal year. Included in the revenue projection is the use of one-time "capital project" reserves in the amount of \$548,437. The amended revenue budget of \$114,792,410 includes an additional



\$1,517,499 consisting of \$1,000,000 contract fee from Waste Management, \$100,000 fire inspection fees, \$41,715 miscellaneous revenue from police evidence fund, \$135,300 transfer in from public facilities fund, \$250,000 transfer in from harbor fund, and (\$9,516) adjustments from grants.

Revenues received as of June 30, 2011 are approximately 99% of total projections, with a total of \$113,753,161 received for FY 10/11.

Table 2 highlights the amount and percentage received in each of the major revenue types. A discussion follows below on significant variances.

Property Taxes comprise 41% of the total General Fund revenues, of which revenues recognized at the end of the fiscal year are at 96.8%, consisting of the following components:

Current Taxes – this component is the current year's "ad valorem" property tax of which Oceanside receives 19.64% of every \$100 collected. The City's consultant, HdL Companies, provided preliminary revenue projections in May 2010 for inclusion in the FY 10/11 budget which reflected estimated Assessor Prop 8 reductions. The County Assessor finalizes their assessment amount

in time for the December tax bill, approximately six months after the City adopts its budget. As a result of this timing delay, the City did not include in its revenue projection the final Assessor Prop 8 calculations. Revenues from current taxes came in at 97% or about \$900,000 less than projections.

Supplemental Taxes – these taxes are assessed when there is new construction to property or change of ownership. They are distributed monthly based on a county-wide "pooled" formula. The City has received \$495k or 115% of projections at June 30th.

In-Lieu of VLF – this is the component that was enacted via state legislation in 2004. The City has received 100% of this revenue.

Prior Year Property Taxes – the City budgeted \$1,000,000 for collection of prior year taxes (which includes penalties and interest). This amount has decreased to only 36% collected due to the County granting appeals with property owners, resulting in reversal of revenues received. As of July 6, 2011, the County granted 82% of the appeals resulting in an approximate revenue loss of \$470,000. An additional 893 appeals remain pending.

**Table 2
GENERAL FUND REVENUES
Fiscal Year 2010-2011**

Revenue Type	Adopted Budget	Amended Budget	YTD as of 4 TH Quarter	YTD % of Amended Budget
Property Taxes	46,377,000	46,377,000	44,894,609	96.80%
Sales Taxes	17,307,800	17,307,800	17,237,282	99.59%
All Other Taxes	10,960,300	10,960,300	11,280,384	102.92%
Licenses & Permits	838,600	838,600	917,745	109.44%
Fines/Forfeitures	4,670,600	4,670,600	3,994,421	85.52%
Use of Money & Property	4,635,984	4,635,984	4,240,280	91.46%
Intergovernmental	1,590,000	1,664,422	1,993,286	119.76%
Charges for Services	16,853,539	17,995,254	20,181,107	112.15%
Other Revenue & Transfers	9,492,651	9,794,013	9,014,047	92.04%
Use of Reserves	548,437	548,437	n/a	n/a
Total	113,274,911	114,792,410	113,753,161	99.09%



Sales Taxes comprise 15% of the total General Fund revenues, and consist of three components. Revenues received for the year met projections.

All Other Taxes comprise 10% of the total General Fund revenues, with year-end remittances totaling 103% of projections.

Transient Occupancy Tax – the City collects 10% of the room rent charged by a hotel operator to tourists occupying a hotel room within the City for a period of less than 30 days. TOT receipts as of June 30th came in 5% over projections.

Card Room Tax – this tax is 5% on gross revenues for the Ocean's 11 card room, with year-end receipts coming in 9% higher than projections.

Business License Tax – the business license tax is \$0.50 per \$1,000 gross revenues. The City received 98% of projections.

Franchise Tax – the City receives franchise taxes from Cox Communications, SDGE, ATT, Kinder Morgan, and Southern CA Gas Company. The total received for FYE 10/11 was 3% higher than projections due to an extra FY 09/10 receipt posted to this year in error.

Licenses & Permits comprise less than 1% of the total General Fund revenues, and came in at 9% higher than projections, with building permits generating an additional \$102,000.

Fines & Forfeitures comprise 4% of the total General Fund revenues and includes revenue from abandoned vehicle abatements (AVA), impound fees, false alarms, red light photo fines, administrative citations, parking citations and other miscellaneous fines. These revenues fell short of projections with receipts at 85%. The largest component of Fines & Forfeitures is parking citations which generated \$311,000 less than projections. Other fines that fell short of projections include OPD false alarms and red light photo fines.

Use of Money and Property comprise 4% of the total General Fund revenues and includes

interest earnings on the City's investment portfolio, as well as general rents and leases, cell towers in right-of way and City property, Municipal Golf Course, Harbor Tidelands, and parking machines collections. As of June 30th, the City has received 91% of projections. Underperforming accounts include parking machine collections, investment earnings, and municipal golf course revenues. Cell tower revenues for FY 10/11 were erroneously posted to FY 09/10 which led to a shortfall in the current fiscal year. This practice has been remedied for FY 11/12. Shortfalls in the Use of Money & Property category were offset from the receipt of Tideland Lease funds which were not budgeted in FY 10/11.

Intergovernmental comprise 1% of the total General Fund revenues and includes Motor Vehicle In-Lieu (VLF), Homeowner Property Tax Exemptions, POST reimbursement, and other grants and inter-agency reimbursements. Over 120% has been received as of June 30th, with \$104,000 received from the State for prior year mandate reimbursements that were not budgeted. The City also received a "one-time" VLF payment from the State for prior year allotments. These one-time payments offset several public safety reimbursement revenues that were over projected in FY 10/11.

Charges for Services comprise 15% of the total General Fund revenues, with approximately 112% being received as of June 30th. Ambulance billing is a large component of this revenue type and while revenue billings appear to be \$2.3 million higher than the \$2.9 million budget, this is offset by \$2.9 million in bad debt. Development related revenues for plan checks and inspections came in higher due to the submittal of several developer projects. A one-time \$1,000,000 "contract fee" from Waste Management has been received.

Other Revenues and Transfers comprise 8% of the total General Fund revenues, of which 92% has been received as of June 30th. Transfer from the Harbor Fund has been reduced to equal actual expenditures.



**Table 3
GENERAL FUND EXPENDITURES
Fiscal Year 2010-2011**

Department	Adopted Budget	Amended Budget	YTD Actual as of 4th Quarter	YTD % of Amended Budget
GENERAL GOVERNMENT				
City Council	890,314	890,314	877,566	98.57%
City Clerk	1,059,024	1,085,672	1,029,440	94.82%
City Treasurer	318,847	318,847	318,127	99.77%
City Manager	717,746	792,746	662,243	83.54%
City Attorney	1,522,054	1,522,054	1,458,795	95.84%
Financial Services	4,405,163	4,935,592	4,681,955	94.86%
Human Resources	811,103	811,103	922,149	113.69%
Non-Departmental	5,208,564	5,213,564	8,822,181	169.22%
PUBLIC SAFETY				
Fire	23,101,544	23,403,697	23,942,539	102.30%
Police	46,315,035	46,539,068	46,405,051	99.71%
PUBLIC WORKS				
Public Works	10,651,214	11,411,789	9,303,528	81.53%
COMMUNITY DEVELOPMENT				
Development Services	7,365,457	7,486,266	6,671,701	89.12%
COMMUNITY/CULTURAL SERVICES				
Neighborhood Services	4,939,703	4,944,625	4,811,872	97.32%
Library	4,752,663	4,789,026	4,897,918	102.27%
Economic Development	1,216,526	1,267,746	1,193,600	94.15%
Total	113,274,957	115,412,109	115,998,665	100.51%

GENERAL FUND EXPENDITURES

Fiscal Year 2010-2011 General Fund expenditures were adopted to be \$113,274,857 which represents an 8.3 percent reduction or \$10.3 million from the prior fiscal year. The amended budget as of June 30th has been increased to \$115,412,109 as noted in Table 1.

Table 3 highlights the amount and percentage expended by each department. As of June 30th, the General Fund has expended or committed 100.5% of the amended budget. Most departments remained below 100% of budgeted expenditures, with exceptions noted as follows:

Human Resources: this budget is at 113% as of June 30th, which includes the final compensation for the prior H/R Director who retired in December 2010.

Non-Departmental: this budget is at 169% as of June 30th, predominantly due to \$2.9 million "bad debt" expense of ambulance billings that offset increased revenues as noted in "Charges for Services" above. In addition, the administrative charges from the County of San Diego and State Board of Equalization for property taxes and sales taxes respectively, were also higher than budgeted.

Fire: this budget is at 102% as of June 30th, with overages in personnel costs due to grievance payout, division chief retirement, unbudgeted FLSA overtime, and reduced savings from the hiring of 14 personnel to fill existing vacancies.

Library: this budget is at 102% as of June 30th, with overages predominantly due to the library remodel costs and materials.



GENERAL FUND BALANCE

Actual expenditures exceeded revenues by \$2,245,504 resulting in the reduction of fund balance (i.e. reserves) in this amount. The use of \$1,687,739 from reserves has been approved by City Council for FY 10/11 as follows:

- \$548,437 – one-time use of Fire Station 8 funds to balance budget (Capital Reserves)
- \$725,928 - FY 09/10 Continued Appropriations (Assigned Reserves)
- \$413,374 – Council approved use of reserves for year-end financial work, OFA labor agreement, OJJDPC Gang Model, management review of city services, and CAM renovations (Unassigned Reserves)

With the retirement of 40 employees in FY 10/11, the earned leave payouts, which were not budgeted, totaled approximately \$800,000. That amount will be deducted from the Economic Stabilization Reserve account (Assigned Reserves). *NOTE: Due to the growing liability of employee leave balances, a policy will be brought forth to Council in FY 11/12 to address funding for leave payouts.*

Unaudited year-end General Fund Balances are:

<i>Non-Spendable</i>	<i>\$ 9,834,900</i>
<i>Committed</i>	<i>\$15,394,200</i>
<i>Assigned</i>	<i>\$ 7,778,400</i>
<i>Unassigned</i>	<i>\$ <u>0</u></i>
<i>Total</i>	<i>\$32,967,500</i>

ENTERPRISE FUNDS

Enterprise funds, also known as business-type activities, are used to account for the acquisition, operation and maintenance of governmental facilities and services that are entirely or predominantly self-supporting by user charges. The operations of Enterprise Funds are accounted for in such a manner as to show a profit or loss similar to comparable private enterprise. The financial status of operating funds for Water, Sewer and Solid Waste Disposal are discussed below. Please note that Water and Sewer budgets consist of multiple funds (operating, replacement, debt service and developer connection), and generally accepted accounting principles (GAAP) call for fiscal analysis of Enterprise Funds to reflect a roll up all funds into one report.



Table 4
WATER COMBINED FUNDS
Fiscal Year 2010-2011

	Adopted Budget	Amended Budget	YTD as of 4th Quarter	YTD % of Amended Budget
Water Sales	45,472,000	45,472,000	45,149,053	99.29%
Developer Fees	385,000	385,000	560,831	145.67%
Other Revenue	1,547,774	1,931,937	3,442,433	178.19%
Inter-fund Transfers In	2,821,998	7,658,568	7,686,760	100.00%
TOTAL OPERATING REVENUES	50,226,772	55,447,505	56,839,077	102.51%
Use of Reserves	6,697,653	6,697,653	0	n/a
TOTAL FUNDING SOURCES	56,924,425	62,145,158	56,839,077	n/a
EXPENDITURES				
Administration & General	4,481,204	4,481,204	4,189,025	93.48%
Flood Control/Storm Drains	872,962	872,962	876,776	100.44%
Water Source of Supply	25,210,401	25,210,401	22,312,006	88.50%
Water Pumping	110,800	110,800	75,634	68.26%
Water Treatment	1,605,964	1,605,964	1,372,168	85.44%
Desalting Plant	2,106,228	2,106,228	1,882,045	89.36%
Transport & Distribution	1,795,048	1,795,048	1,706,726	95.08%
Meter Service	2,102,803	2,102,803	1,969,786	93.67%
Clean Water Program	1,202,593	1,202,593	1,020,567	84.86%
Other Water Programs	1,211,026	1,211,026	1,595,919	131.78%
Inter-fund Transfers Out	3,999,235	8,835,805	8,844,644	100.10%
Replacement Projects (capital)	4,984,512	4,984,512	1,788,823	35.89%
Connection Projects (capital)	2,831,083	2,831,083	862,561	30.47%
Debt Service	2,353,557	2,353,557	593,795	25.23%
TOTAL EXPENDITURES	54,867,416	54,867,416	49,090,475	89.47%
OPERATING INCOME/(LOSS)			7,748,602	

WATER FUND REVENUES

Overall operating revenues for the Water Combined Funds are at 102% at the end of the fiscal year as noted in Table 4 above.

Water Sales – this revenue comprises 80% of the total revenues for the Water Department, and the City has received over 99% as of June 30th.

Developer Fees – this revenue is collected from developers for future connection of their projects into the City's water system. These funds are segregated for connection projects, and the City has received 145% June 30th.

Other Revenue – this category includes interest earnings, grants, fines and other miscellaneous revenue. The actual revenue received includes a one-time unbudgeted settlement of \$1.7 million, which puts the total category at 178% as of June 30th. The Water Fund ended the fiscal year with a surplus of \$7,748,602 (excluding depreciation and other non-cash expenses).

WATER FUND EXPENDITURES

Table 4 also highlights the amount and percentage expended by each water program. As of June 30th, the Water Department has expended 89% of the amended budget.



Table 5
SEWER COMBINED FUNDS
Fiscal Year 2010-2011

	Adopted Budget	Amended Budget	YTD as of 4 th Quarter	YTD % of Amended Budget
Sewer Service Fees	30,476,604	30,476,604	32,054,389	105.18%
Developer Fees	450,000	450,000	707,045	157.12%
Other Revenue	150,000	150,000	1,047,042	698.03%
Inter-fund Transfers In	5,738,137	7,129,578	7,134,925	100.00%
Use of Reserves	1,197,941	0	0	n/a
TOTAL REVENUES	38,012,682	38,206,182	40,943,401	107.16%
EXPENDITURES				
Administration & General	4,739,551	4,739,551	4,648,787	98.08%
Transport & Collection	4,732,248	4,732,248	4,730,367	99.96%
La Salina Wastewater	3,078,386	3,078,386	2,774,664	90.14%
San Luis Rey Wastewater	7,217,234	7,217,234	6,067,522	84.07%
Laboratory	680,247	680,247	543,001	79.82%
SCADA Program	319,208	319,208	293,830	92.05%
GIS Program	315,119	315,119	265,771	84.34%
Inter-fund Transfers Out	6,325,297	7,523,238	7,523,238	100.00%
Replacement Projects (capital)	1,197,942	1,197,942	624,647	52.14%
Debt Service	5,438,137	5,631,637	1,936,665	34.39%
TOTAL EXPENDITURES	34,043,369	35,434,810	29,408,492	82.99%
OPERATING INCOME/(LOSS)			11,534,909	

SEWER FUND REVENUES

Overall revenues for the Sewer Operating Fund are at 107% at the end of the fiscal year as noted in Table 5 above.

Sewer Service Fees – this revenue comprises 80% of the total revenues for the Sewer Department, and the City has received 105% as of June 30th.

Developer Fees – this revenue is collected from developers for future expansion of their projects into the City's wastewater system. These funds are segregated for expansion projects, and the City has received 157% of projections as of June 30th.

Other Revenues – this revenue includes payments for sewer services that were performed in previous years. The amount includes collection of back and current charges for sewer outfall use from Camp Pendleton and Fallbrook Public Utilities District, Rainbow Water District's share of the Land Outfall CIP, settlement proceeds, and sale of surplus inventory. The Sewer Fund ended the year with surplus of \$11,534,909 (excluding depreciation and other non-cash expenses).

SEWER FUND EXPENDITURES

Table 5 highlights the amount and percentage expended by each sewer program. At fiscal year-end, the Sewer Department has expended 83% of the amended budget.



Table 6
SOLID WASTE DISPOSAL FUND 731
Fiscal Year 2010-2011

	Adopted Budget	Amended Budget	YTD as of 4 th Quarter	YTD % of Amended Budget
REVENUES				
Trash P/U Fees	21,330,061	21,330,061	21,419,456	100.42%
Miscellaneous Revenues	0	0	1,703,123	--
Use of Reserves	292,583	292,583	n/a	n/a
TOTAL REVENUES	21,622,644	21,622,644	23,122,579	106.94%
EXPENDITURES				
Personnel	1,795,524	1,809,765	1,704,105	94.16%
Maintenance & Operations	16,871,858	16,871,858	16,763,192	99.36%
Internal Service Charges	1,582,589	1,568,348	1,568,348	100.00%
Inter-Fund Transfers Out	716,673	716,673	716,676	100.00%
Rate Stabilization Set-Aside	656,000	656,000	656,004	100.00%
TOTAL EXPENDITURES	21,622,644	21,622,644	21,408,325	99.01%
INCOME/(LOSS)	0	0	1,714,254	--

**SOLID WASTE DISPOSAL FUND
REVENUES**

Overall revenues for the Solid Waste Disposal Fund are at 107% at the end of the fiscal year as noted in Table 6 above.

Trash Pick-Up Fees – these fees are collected to provide all the costs associated with solid waste disposal. All revenues have been received as of June 30th.

Miscellaneous Revenues – in compliance with the new Waste Management contract, a \$1.7 million franchise payment has been remitted to the City and deposited in the Solid Waste Fund.

Note: the \$1.7 million “surplus” has been deposited into Fund 731 Fund Balance at June 30, 2011, and appropriated to the General Fund for the FY 11/12 budget.

**SOLID WASTE DISPOSAL FUND
EXPENDITURES**

Table 6 highlights the amount and percentage expended by expenditure category. As of June 30th, the Solid Waste Disposal Fund has expended 99% of the amended budget.



**Table 7
HARBOR FUND 751
Fiscal Year 2010-2011**

	Adopted Budget	Amended Budget	YTD as of 4 th Quarter	YTD % of Amended Budget
REVENUES				
Slip Rental Revenue	4,100,000	4,100,000	4,055,461	98.92%
Harbor Leases	1,180,000	1,180,000	948,524	80.38%
Interest	120,000	120,000	58,036	48.36%
Other Revenue (parking meters)	430,000	430,000	428,279	99.60%
TOTAL OPERATING REVENUES	5,830,000	5,830,000	5,490,300	94.17%
Use of Reserves	4,254,896	4,254,896	1,000,797	n/a
TOTAL FUNDING SOURCES	10,084,896	10,084,896	6,491,097	n/a
EXPENSES				
Transfer – Harbor Police	1,579,068	1,829,068	1,829,068	100.00%
Transfer – Harbor Admin	765,697	765,697	689,109	90.00%
Transfer – Harbor Maint	2,150,893	2,150,893	1,834,089	85.27%
Transfer – Prop Mgmt	38,110	38,110	38,113	100.00%
Transfer – Risk Management	24,749	24,749	24,756	100.00%
Transfer – Harbor Lifeguard	237,500	237,500	160,537	67.59%
Transfer – Tideland Lease	386,300	386,300	408,879	105.84%
Debt Service	411,312	411,312	125,528	30.52%
TOTAL OPERATING EXPENSES	5,593,629	5,843,629	5,110,079	87.45%
Capital Projects	4,491,267	5,286,267	1,000,797	18.93%
TOTAL FUND EXPENSES	10,084,896	11,129,896	6,110,876	54.91%
INCOME/(LOSS)			380,221	

HARBOR FUND REVENUES

Overall revenues for the Harbor Fund are at 94% at the end of the fiscal year as noted in Table 7 above.

The Harbor Fund has received approximately 99% in slip rental revenue. Leases and other revenue (interest earnings and parking meters) are slightly below budget expectations. Leases reflect the economic impact on businesses' gross receipts; while parking meters are received cyclically based on the time of year. The Harbor Fund ended the year with a \$380,221 surplus.

HARBOR FUND EXPENDITURES

Table 7 highlights the amount and percentage expended by expenditure category. As of June 30th, Harbor Administration, Harbor Maintenance, and Harbor Lifeguards came in under budget, with overall operating expenses at 87% of budget projections. Capital projects are funded from the Harbor Fund "reserves" and include the following projects: Replace Lots 11B Restroom, Force Main Harbor Lift Station, and the Harbor and Aquatics Center.