

Memorandum Financial Services Department

TO:

Honorable Mayor and City Councilmembers

THROUGH:

Peter Weiss, City Manager

FROM:

Teri Ferro, Director of Financial Services

DATE:

April 19, 2011

SUBJECT:

Financial Status Report

Attached please find a copy of the Financial Status Report for the third quarter ending March 31, 2011.

General Fund revenues as of March 31st came in at 62% which is typical at this time of year due to cyclical receipts of revenues. Overall General Fund expenditures are below 71% of the amended budget.

The following is a snapshot of General Fund revenues vs. expenditures as of March 31st.

Description	Amended Budget	YTD as of 3 rd Quarter	YTD % of Amended Budget
Revenues	\$114,789,910	\$71,206,609	62.03%
Expenditures	\$115,302,109	\$81,780,930	70.93%
Surplus/(Shortfall)	(\$512,199)	(\$10,574,321)	

From a budgetary perspective, the General Fund's Unassigned Fund Balance is expected to decrease \$512,199 to balance the budget. From a cash flow basis, the General Fund has expended/committed \$10.6 million over revenues received as of March 31st. As noted in the financial report, many of the taxes such as property taxes, sales taxes and franchise taxes will be received in the fourth quarter.

I am available to answer any questions you may have.

CC:

City Clerk

City Treasurer

Department Directors



CITY OF OCEANSIDE FINANCIAL STATUS REPORT Fiscal Year 2010-11 Third Quarter Ending March 31, 2011

The City has completed the third 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.

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	85.9		
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	10.15		
Revenues			
Expenditures	-	=	-

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 \$114,789,910 includes an additional \$1,601,438 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 \$74,423 from miscellaneous grants..

Revenues received as of March 31, 2011 are approximately 62% of total projections. Historically, revenues for the third quarter are in this range. Many of the taxes such as property taxes, sales taxes and franchise



taxes are received either biannually or annually.

Table 2 highlights the amount and percentage received in each of the major revenue types. A discussion follows below on any trending or concerns noted.

Property Taxes comprise 41% of the total General Fund revenues and are primarily received in the December/January and April/May timeframes. Revenues recognized at the end of the third quarter are at 53.94%, and consist of the following components:

<u>Current Taxes</u> – according to the County's tax apportionment schedule, the City can expect to receive 56% of the current "secured" portion by December, along with 97% of the current "unsecured". The City received 57% of the secured, and 78% of unsecured respectively as of March 31st.

<u>Supplemental Taxes</u> – 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 \$249k or 78% of projections as of March 31st.

<u>In-Lieu of VLF</u> – approximately 50% of the total property tax revenue (\$13.4 million) comes from In-Lieu of VLF which is distributed in January and May.

Prior Year Property Taxes — the City budgeted \$1,108,000 for collection of prior year taxes (which includes penalties and interest). This amount has decreased to only 6% collected, or \$191k, (compared to 33% last quarter) due to the County granting appeals with property owners, resulting in reversal of revenues received. As of January 2011, the County still has over 1,700 applications for appeals that could result in potential loss of \$721,000 in revenue if they are all granted in the future. This is an area of concern that will be closely monitored for next fiscal year budget estimates.

Table 2
GENERAL FUND REVENUES
Fiscal Year 2010-2011

Revenue Type	Adopted Budget	Amended Budget	YTD as of 3rd Quarter	YTD % of Amended Budget
Property Taxes	46,377,000	46,377,000	25,018,059	53.94%
Sales Taxes	17,307,800	17,307,800	10,663,381	61.61%
All Other Taxes	10,960,300	10,960,300	6,098,302	55.64%
Licenses & Permits	838,600	838,600	588,193	70.14%
Fines/Forfeitures	4,670,600	4,670,600	2,844,507	60.90%
Use of Money & Property	4,635,984	4,635,984	2,854,004	61.56%
Intergovernmental	1,590,000	1,664,422	1,002,021	60.20%
Charges for Services	16,853,539	17,995,254	14,857,134	82.56%
Other Revenue & Transfers	9,492,651	9,791,513	7,281,008	74.36%
Use of Reserves	548,437	548,437	n/a	n/a
Total	113,274,911	114,789,910	71,206,609	62.03%

Sales Taxes comprise 15% of the total General Fund revenues, and consist of three components. Revenues recognized at the end of the third quarter are at 61.61%.

Bradley Burns Uniform Sales & Use Tax – this law provides for city/county rate of 1% to support local government general funds. (Effective July 1, 2004, ¼ of the one percent



was confiscated by the State to guarantee state deficit bonds approved by Proposition 57 – also known as the Triple Flip.) The City receives a monthly "advance" of this portion from SBOE, with a "true up" each quarter. However, it should be noted that SBOE is several months in arrears in remitting payment to the City. As of March 31st, the City has received July-January payments totaling 63% of projections.

<u>Prop 172 Safety Funds</u> – the 0.5% Public Safety Tax was approved by voters in 1993 to permanently extend a temporary state tax that had been enacted to offset the state's fiscal crisis, and can only be used for specified public safety purposes. Remittance comes from the County each month, and as of March 31st, the City has received July-January payments totaling 75% of projections.

Sales Tax Compensation Funds – this constitutes the Triple Flip payment of the ¼ of one percent that is withheld by the State. Payment is remitted in January and May from County property taxes, and the City has received 54% of budgeted projections in January.

All Other Taxes comprise 10% of the total General Fund revenues, with third quarter remittance totaling 56% 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 March 31st is at 65% which represents receipts through February 2011 (hotel operators have 30 days after month or quarter end to remit their tax return and check to the City.) The majority of businesses remit their tax returns on a quarterly basis.

<u>Card Room Tax</u> – this tax is 5% on gross revenues for the Ocean's 11 card room, with 80% of projected revenues received as of March 31st.

<u>Business License Tax</u> – the business license tax is \$0.50 per \$1,000 gross revenues. The City has received 68% as of March 31st.

Franchise Tax – the City receives franchise taxes from Cox Communications on a quarterly basis with a one-month delay and from SDG&E on an annual basis in April. The amount received as of March 31st is 34% which includes receipts for two quarters.

Licenses & Permits comprise less than 1% of the total General Fund revenues, and is on target with approximately 70% received during the third quarter.

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 administrative fines. citations. citations and other miscellaneous fines. Approximately 61% of these revenues were received through the third quarter. largest component of Fines & Forfeitures is parking citations, of which the City budgeted an additional \$200,000 this year due to a proactive effort by the Revenue Division to collect on outstanding parking citations. This effort commenced in October due to timing of awarding a contract to a new collection agency in September. As of March 31st, this revenue has generated 66% of projections.

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. Over 61% has been received at March 31st. Revenues received on cell tower ROW are at 53% of projections. Revenues received for the Municipal Golf Course are at 21% of projections, with the City receiving monthly remittances through the end of March. Revenues from parking machines and meters are cyclical due to the tourist season, and as of March 31st over 71% have been received.

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 60% has been received as of March 31st with over \$104,000



received from the State for prior year mandate reimbursements that were not budgeted. The VLF revenues received by the State are at 81% of projections. Several public safety reimbursement revenues are below projections (POST, OUSD, RATT, JUDGE, NTF, RTF, etc.).

Charges for Services comprise 15% of the total General Fund revenues. approximately 82% being received as of March 31st. Ambulance billing is a large component of this revenue type. Finance staff has been proactive in getting billings out within 10 days, and consequently has invoiced 118% of revenue projections as of March 31st (note: these invoices are considered Accounts Receivable with appropriate processes in place to collect the payments). Development related revenues are coming in higher than anticipated at approximately 65% for the third quarter due to the submittal of several developer projects. The City is cautious on these submittals. which may need to be refunded if the developer scales back the projects. The \$1,000,000 "contract fee" from Waste Management has been received. Inspection Fees were increased \$100,000 based on Council adoption in October and approximately \$5k has been received to date. However, Council has subsequently repealed this fee, so no additional revenues are expected.

Other Revenues and Transfers comprise 8% of the total General Fund revenues, of which 74% has been received as of March 31st. The Finance Department has established a mechanism to automatically transfer 1/12th of the budgeted transfers each month.



Table 3 GENERAL FUND EXPENDITURES Fiscal Year 2010-2011

Department	Adopted Budget	Amended Budget	YTD Actual and PO's as of 3 rd Quarter	YTD % of Amended Budget
GENERAL GOVERNMENT				
City Council	890,314	890,314	623,148	69.99%
City Clerk	1,059,024	1,085,672	769,780	70.90%
City Treasurer	318,847	318,847	228,563	71.68%
City Manager	717,746	792,746	476,253	60.08%
City Attorney	1,522,054	1,522,054	1,043,094	68.35%
Financial Services	4,405,163	4,935,592	3,590,269	72.74%
Human Resources	811,103	811,103	700,109	86.32%
Non-Departmental	5,208,564	5,213,564	3,980,608	76.35%
PUBLIC SAFETY				
Fire	23,101,544	23,403,697	17,347,344	74.12%
Police	46,315,035	46,539,068	33,709,989	72.43%
PUBLIC WORKS				
Public Works	10,651,214	11,301,789	6,715,272	59.42%
COMMUNITY DEVELOPMENT				
Development Services	7,365,457	7,486,266	4,817,975	64.36%
COMMUNITY/CULTURAL SERVICES				
Neighborhood Services	4,939,703	4,944,625	3,418,746	69.14%
Library	4,752,663	4,789,026	3,500,293	73.09%
Economic Development	1,216,526	1,267,746	859,487	67.80%
Total	113,274,957	115,302,109	81,780,930	70.93%

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 March 31st has been increased to \$115,302,109 as noted in Table 1.

Table 3 highlights the amount and percentage expended by each department. Please note that YTD Actual & PO's now include outstanding encumbered Purchase Orders in the total. This provides a better representation of monies expended or

committed for the third quarter compared to the amended budget.

As of March 31st, the General Fund has expended or committed 70.9% of the amended budget. Most departments are below 75% of budgeted expenditures. One exception is noted as follows:

<u>Human Resources</u>: this budget is at 86% as of March 31st, which includes the final compensation for the prior H/R Director who retired in December 2010.



ENTERPRISE FUNDS

Enterprise funds, also known as businesstype 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 3 rd Quarter	YTD % of Amended Budget
Water Sales	45 472 000	45 472 000	20.744.022	07.550
Developer Fees	45,472,000 385,000	45,472,000	30,714,622	67.55%
Other Revenue	THE RESERVE THE PERSON NAMED IN COLUMN 2 I	385,000	356,265	92.54%
Inter-fund Transfers In	1,547,774	1,547,774	3,069,304	198.30%
Use of Reserves	2,821,998	2,821,998	6,778,441	204.20%
TOTAL REVENUES	6,697,653	6,697,653	n/a	n/a
TOTAL REVENUES	56,924,425	56,924,425	40,918,632	71.88%
EXPENDITURES				
Administration & General	4,481,204	4,481,204	3,043,000	67.91%
Flood Control/Storm Drains	872,962	872,962	658,476	75.43%
Water Source of Supply	25,210,401	25,210,401	12,537,496	49.73%
Water Pumping	110,800	110,800	37,147	33.53%
Water Treatment	1,605,964	1,605,964	1,395,079	86.87%
Desalting Plant	2,106,228	2,106,228	1,608,905	76.39%
Transport & Distribution	1,795,048	1,795,048	1,259,848	70.18%
Meter Service	2,102,803	2,102,803	1,421,244	67.59%
Clean Water Program	1,202,593	1,202,593	765,060	63.62%
Other Water Programs	1,211,026	1,211,026	1,198,289	98.95%
Inter-fund Transfers Out	3,999,235	3,999,235	7,647,188	191.22%
Replacement Projects (capital)	4,984,512	4,984,512	2,588,754	51.94%
Connection Projects (capital)	2,831,083	2,831,083	804,107	28.40%
Debt Service	2,353,557	2,353,557	2,060,615	87.55%
TOTAL EXPENDITURES	54,867,416	54,867,416	37,025,208	67.48%
		Internación establica		31.4370
INCOME/(LOSS)	2,057,009	2,057,009	3,893,424	



WATER FUND REVENUES

Overall revenues for the Water Combined Funds are at 71.88% at the end of the third quarter 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 67% as of March 31st. Based on historical water use, typically 74% of the annual water sales are realized during the period of July – March. Actual use (sales) of 67% is less than historical trending due to, in part, unseasonably wet weather conditions.

<u>Developer Fees</u> – 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 approximately 92% of projections as of March 31st.

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 198% as of March 31st.

<u>Use of Reserves</u> – the adopted budget includes the use of approximately \$6.7 million

of reserves for capital projects (both replacement and connection). These are monies that have been collected in prior years and set aside for capital projects.

WATER FUND EXPENDITURES

Table 4 also highlights the amount and percentage expended by each water program. Please note that YTD Actual & PO's now include outstanding encumbered Purchase Orders in the total. This provides a better representation of monies expended or committed for the third quarter compared to the amended budget.

As of March 31st, the Water Department has expended or committed 67.5% of the amended budget. Of this amount, approximately \$2.7 million is committed via Purchase Orders not yet expended.

Reductions in water use due to mandated cutbacks have affected the amount of revenue due to water sales. Water Utilities staff is monitoring monthly revenues and expenses, and will make adjustments as necessary to ensure spending does not exceed actualized revenues.



Table 5 SEWER COMBINED FUNDS Fiscal Year 2010-2011

	Adopted Budget	Amended Budget	YTD as of 3 rd Quarter	YTD % of Amended Budget
Sewer Service Fees	30,476,604	30,476,604	21,972,195	72.10%
Developer Fees	450,000	450,000	482,935	107.32%
Other Revenue	150,000	150,000	441,560	294.37%
Inter-fund Transfers In	5,738,137	5,738,137	4,308,950	75.09%
Use of Reserves	1,197,941	1,197,941	n/a	n/a
TOTAL REVENUES	38,012,682	38,012,682	27,205,640	71.57%
EXPENDITURES				
Administration & General	4,739,551	4,739,551	3,440,673	72.59%
Transport & Collection	4,732,248	4,732,248	3,527,262	74.54%
La Salina Wastewater	3,078,386	3,078,386	2,213,503	71.90%
San Luis Rey Wastewater	7,217,234	7,217,234	5,320,553	73.72%
Laboratory	680,247	680,247	385,728	56.70%
SCADA Program	319,208	319,208	180,287	56.48%
GIS Program	315,119	315,119	189,468	60.13%
Inter-fund Transfers Out	6,025,297	6,025,297	4,518,981	75.00%
Replacement Projects (capital)	1,197,942	1,197,942	695,306	58.04%
Debt Service	5,738,137	5,738,137	4,101,205	71.47%
TOTAL EXPENDITURES	34,043,369	34,043,369	24,572,966	72.18%
INCOME/(LOSS)	3,969,313	3,969,313	2,632,674	

SEWER FUND REVENUES

Overall revenues for the Sewer Operating Fund are at approximately 72% at the end of the third quarter as noted in Table 5 above.

<u>Sewer Service Fees</u> – this revenue comprises 80% of the total revenues for the Sewer Department, and the City has received 72% as of March 31st.

<u>Developer Fees</u> – 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 approximately 107% of projections as of March 31st.

Other Revenues – this revenue includes payments for sewer services that were performed in previous years. The amount collected through March 31st 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, and sale of surplus inventory.

<u>Use of Reserves</u> – the adopted budget includes the use of approximately \$1.2 million of reserves for miscellaneous capital projects (capital replacement). These are monies that have been collected in prior years and set aside for capital projects.



SEWER FUND EXPENDITURES

Table 5 highlights the amount and percentage expended by each sewer program. Please note that YTD Actual & PO's now include outstanding encumbered Purchase Orders in the total. This provides a better representation of monies expended or committed for the third quarter compared to the amended budget.

As of March 31st, the Sewer Department has expended or committed 72% of the amended budget. Of this amount, approximately \$2.1 million is committed via Purchase Orders not yet expended.

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

	Adopted Budget	Amended Budget	YTD as of 3 rd Quarter	YTD % of Amended Budget
REVENUES				
Trash P/U Fees	21,330,061	21,330,061	13,935,328	65.33%
Miscellaneous Revenues	0	0	1,702,031	
Use of Reserves	292,583	292,583	n/a	n/a
TOTAL REVENUES	21,622,644	21,622,644	15,637,359	72.32%
EXPENDITURES				
Personnel	1,795,524	1,809,765	1,203,609	66.51%
Maintenance & Operations	16,871,858	16,871,858	11,200,845	66.39%
Internal Service Charges	1,582,589	1,568,348	1,176,255	75.00%
Inter-Fund Transfers Out	716,673	716,673	537,507	75.00%
Rate Stabilization Set-Aside	656,000	656,000	492,003	75.00%
TOTAL EXPENDITURES	21,622,644	21,622,644	14,610,219	67.57%
INCOME/(LOSS)	0	0	1,027,141	

SOLID WASTE DISPOSAL FUND REVENUES

Overall revenues for the Solid Waste Disposal Fund are at 72% at the end of the third quarter as noted in Table 6 above.

<u>Trash Pick-Up Fees</u> – these fees are collected to provide all the costs associated with solid waste disposal. Approximately 65% has been received as of March 31st. There are no concerns at this time.

SOLID WASTE DISPOSAL FUND EXPENDITURES

Table 6 highlights the amount and percentage expended by expenditure category. Please note that YTD Actual & PO's now include outstanding encumbered Purchase Orders in the total. This provides a better representation of monies expended or committed for the third quarter compared to the amended budget.

As of March 31st, the Solid Waste Disposal Fund has expended or committed 67% of the amended budget. All categories are within 75% of budgeted expenditures.



Table 7 HARBOR FUND 751 Fiscal Year 2010-2011

	Adopted Budget	Amended Budget	YTD as of 3 rd Quarter	YTD % of Amended Budget
REVENUES				
Slip Rental Revenue	4,100,000	4,100,000	3,039,473	74.13%
Harbor Leases	1,180,000	1,180,000	778,691	65.99%
Other Revenue	550,000	550,000	331,696	60.31%
Use of Reserves	4,254,896	4,254,896	n/a	n/a
TOTAL REVENUES	10,084,896	10,084,896	4,149,859	41.15%
EXPENDITURES				
Transfer – Harbor Police	1,579,068	1,579,068	1,184,301	75.00%
Transfer – Harbor Admin	1,389,497	1,389,497	1,042,123	75.00%
Transfer – Harbor Maint	2,150,893	2,150,893	1,613,170	75.00%
Transfer – Prop Mgmt	38,110	38,110	28,582	75.00%
Transfer – Risk Management	24,749	24,749	18,567	75.02%
Capital Projects	4,491,267	5,286,267	4,476,061	84.67%
Debt Service	411,312	411,312	274,462	66.73%
TOTAL EXPENDITURES	10,084,896	10,879,896	8,637,266	79.39%
INCOME/(LOSS)	0	(795,000)	(4,487,407)	

HARBOR FUND REVENUES

Overall revenues for the Harbor Fund are at 41% at the end of the third quarter as noted in Table 7 above, which does not take into consideration the Use of Reserves for Capital Projects.

The Harbor Fund has received approximately 74% in slip rental revenue at March 31st. 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.

HARBOR FUND EXPENDITURES

Table 7 highlights the amount and percentage expended by expenditure category. Please note that YTD Actual & PO's now include outstanding encumbered Purchase Orders in the total. This provides a better representation of monies expended or

committed for the third quarter compared to the amended budget.

As of March 31st, the Harbor Fund has transferred 75% of the budget to the General and Risk Management Funds for those services. Debt service is paid bi-annually and includes principal and interest costs. 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.