



**CITY OF OCEANSIDE
FINANCIAL STATUS REPORT
Fiscal Year 2015-2016
Third Quarter Ending March 31, 2016**

The City has completed the third quarter of the 2015-16 fiscal year. This report summarizes the activities of the operating funds, but is not meant to be inclusive of all finance and accounting transactions and excludes encumbrances. 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 2015-16 budget on June 3, 2015, with approved General Fund revenues of \$131.8 million and expenditures of \$131.1. In the following sections, the amounts in the tables listed as Amended Budget include supplemental appropriations.

GENERAL FUND REVENUES

Table 1 highlights the amount and percentage of revenues received in each of the major classifications. General Fund revenues as of March 31 are 65% of budget, which is consistent with the prior year and is typical at this time of year due to the cyclical nature of revenue receipts.

**Table 1
GENERAL FUND REVENUES
Fiscal Year 2015-2016
In Thousands**

Funding Sources	2015-2016 Adopted Budget	2015-2016 Amended Budget	2015-2016 Year-To-Date Actuals	YTD % of Amended Budget
Revenue Type				
Property Taxes	52,300	52,300	30,980	59%
Sales Taxes	21,690	20,681	11,022	53%
Transient Occupancy Tax (TOT)	4,950	6,000	3,862	64%
All Other Taxes	3,800	3,730	2,466	66%
Licenses & Permits	3,625	3,964	3,147	79%
Franchise Fees	4,120	4,120	1,373	33%
Fines/Forfeitures	3,680	3,640	2,347	64%
Use of Money & Property	4,623	4,623	3,658	79%
Intergovernmental	569	569	967	170%
Ambulance Billing	3,490	3,490	3,007	86%
Charges for Services	9,263	9,927	8,259	83%
Other Revenue & Transfers	19,698	19,805	14,893	75%
TOTAL REVENUES	131,808	132,849	85,980	65%

Property Taxes comprise 40% of the total General Fund annual revenues and are primarily received in the December/January and April/May timeframes. Revenues through the end of the third quarter are at 59% of the annual budget.

Sales Taxes comprise 16% of the total annual General Fund revenues. Revenues received through March 31 are 53% of the amended budgeted amount.



Transient Occupancy Tax – the City collects 10% of the room rent charged by a hotel or vacation rental operator to tourists occupying a room within the City for a period of less than 30 days. TOT receipts through March 31 are at 64% of the amended budget.

GENERAL FUND EXPENDITURES

Table 2 highlights the amount and percentage expended by each department. As of March 31, the General Fund departments, combined, have expended 72% of the amended budget which is 3% below the expected 75% spend.

**Table 2
GENERAL FUND EXPENDITURES
Fiscal Year 2015-2016
In Thousands**

Department Expenditures	2015-2016 Adopted Budget	2015-2016 Amended Budget	2015-2016 Year-To-Date Actuals	YTD % of Amended Budget
General Government				
City Council	922	922	676	73%
City Clerk	1,162	1,164	734	63%
City Treasurer	331	361	311	86%
City Manager	2,109	2,159	1,301	60%
City Attorney	1,551	1,551	1,156	75%
Financial Services	5,474	5,576	3,614	65%
Human Resources	714	714	453	63%
Non-Departmental	6,543	6,124	4,004	65%
Public Safety				
Fire	27,064	27,126	20,834	77%
Police	52,800	55,063	40,119	73%
Public Works				
Public Works	13,205	13,551	9,191	68%
Community Development				
Development Services	8,210	8,410	5,618	67%
Community/Cultural Services				
Neighborhood Services	6,164	6,248	4,249	68%
Library	4,857	4,880	3,560	73%
TOTAL EXPENDITURES	131,106	133,851	95,821	72%



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 and developer connection). Debt service is not included. Generally accepted accounting principles (GAAP) call for fiscal analysis of Enterprise Funds to reflect a roll up of all funds into one report.

WATER FUND REVENUES

Overall revenues for the Combined Water Funds are at 69% of the amended budget at the end of the third quarter as noted in Table 3. Water sales revenue continues to be impacted by conservation related to State mandated drought restrictions.

WATER FUND EXPENDITURES

Table 3 highlights the amount and percentage expended by each water program. As of March 31, the Water Combined Funds have expended 62% of the amended operating budget. Operating revenues exceed operating expenditures by \$6.2 million. As of March 31, Capital project expenses are 16% of total budget. Expenditures for replacement projects were significantly lower than anticipated since many of the projects are still in the planning and design stages.



Table 3
WATER COMBINED FUNDS (excluding debt service)
Fiscal Year 2015-16
In Thousands

Operating	2015-2016 Adopted Budget	2015-2016 Amended Budget	2015-2016 Year-To-Date Actuals	YTD % of Amended Budget
REVENUES				
Water Sales	55,883	55,883	37,947	68%
Developer Fees	527	527	675	128%
Other Revenue	1,157	1,236	1,239	100%
TOTAL OPERATING REVENUES	57,567	57,646	39,860	69%
EXPENDITURES				
Administration & General	37,188	38,229	21,316	56%
Flood Control/Storm Drains	675	675	516	76%
Water Distribution	1,518	1,567	1,119	71%
Water Filtration Plant	1,759	1,770	993	56%
Desalting Plant	2,598	2,610	1,547	59%
Water Maintenance	2,396	2,449	1,734	71%
Water Meter Services	2,826	2,854	1,850	65%
Clean Water Program	1,168	1,211	703	58%
Other Water Programs	1,905	1,943	1,026	53%
Miscellaneous Projects	1,023	1,211	423	35%
TOTAL OPERATING EXPENDITURES	53,056	54,518	31,226	57%
Depreciation/GASB 31 Expenses	-	-	2,484	
TOTAL EXPENDITURES	53,056	54,518	33,710	62%
Transfers In	1,931	1,931	1,933	100%
Transfers Out	2,950	2,950	2,940	100%
OPERATING INCOME/(LOSS)	3,492	2,109	5,143	
Capital Projects				
	2015-2016 Adopted Budget	2015-2016 Amended Budget	2015-2016 Year-To-Date Actuals	YTD % of Amended Budget
Transfer In	-	300	6,877	2292%
TOTAL CAPITAL REVENUES	-	300	6,877	2292%
Replacement Projects	11,732	37,105	9,338	25%
Connection Projects	13,865	26,687	992	4%
TOTAL CAPITAL EXPENDITURES	25,597	63,791	10,329	16%



SEWER FUND REVENUES

Overall revenues for the Sewer Combined Funds are at 74% at March 31 as noted in Table 4. Sewer revenues are down as they are calculated based on water consumption which is down as well due to continued customer conservation efforts related to the drought.

SEWER FUND EXPENDITURES

Table 4 highlights the amount and percentage expended by each sewer program. As of the end of the third quarter, Sewer Combined Funds have expended 62% of the amended operating budget. Capital Project expenses are at 18% of budget. As in the Water Fund, most of the replacement projects were in the planning and design phase and the majority of funds have yet to be expended.



Table 4
SEWER COMBINED FUNDS (excluding debt service)
Fiscal Year 2015-2016
In Thousands

Operating	2015-2016 Adopted Budget	2015-2016 Amended Budget	2015-2016 Year-To-Date Actuals	YTD % of Amended Budget
REVENUES				
Sewer Service & Flow Fees	37,353	37,353	27,177	73%
Developer Fees	464	484	678	140%
Other Revenue	1,139	1,139	960	84%
TOTAL OPERATING REVENUES	38,956	38,976	28,815	74%
EXPENDITURES				
Administration & General	5,220	6,235	3,596	58%
Facilities Maintenance	2,360	2,400	1,654	69%
Sewer Collections	3,480	3,631	2,554	70%
La Salina Wastewater	3,424	3,444	2,033	59%
San Luis Rey Wastewater	7,563	7,587	5,073	67%
Sewer Laboratory	874	881	613	70%
SCADA Program	373	374	140	37%
GIS Program	269	271	135	50%
Miscellaneous Projects	1,004	1,214	475	39%
TOTAL OPERATING EXPENDITURES	24,567	26,037	16,273	62%
Depreciation/GASB 31 Expense	-	-	4,138	
TOTAL EXPENDITURES	24,567	26,037	20,411	78%
Transfers In	5,279	5,279	5,407	102%
Transfer Out	5,279	8,369	8,369	100%
OPERATING INCOME/(LOSS)	14,389	9,849	5,442	
Capital Projects				
	2015-2016 Adopted Budget	2015-2016 Amended Budget	2015-2016 Year-To-Date Actuals	YTD % of Amended Budget
Transfer In	500	500	1,462	292%
Miscellaneous Income	374	374	-	0%
TOTAL CAPITAL REVENUES	874	874	1,462	167%
Replacement Projects	12,391	46,049	8,448	18%
Expansion Projects	300	1,323	15	1%
TOTAL CAPITAL EXPENDITURES	12,691	47,372	8,462	18%



SOLID WASTE DISPOSAL FUND REVENUES

Overall revenues for the Solid Waste Disposal Fund are at 76% of the amended budget at March 31 as noted in Table 5.

Trash Pick-Up Fees – these fees are collected to provide all the costs associated with solid waste disposal.

Waste Management Collector Payment – contract with Waste Management, the annual collector payment remitted is the greater of nine percent of gross receipts for the prior year or \$1.7 million.

SOLID WASTE DISPOSAL FUND EXPENDITURES

Table 5 highlights the amount and percentage expended by expenditure category. As of March 31, the Solid Waste Disposal Fund has expended 64% of the amended budget.

**Table 5
SOLID WASTE DISPOSAL FUND 731
Fiscal Year 2015-2016
In Thousands**

Operating	2015-2016 Adopted Budget	2015-2016 Amended Budget	2015-2016 Year-To-Date Actuals	YTD % of Amended Budget
REVENUES				
Trash P/U Fees	19,733	19,733	15,076	76%
Waste Mgmt Collector Payment	1,780	1,780	1,422	80%
City Waste Services	3,976	3,976	2,828	71%
Other Revenue	10	10	1	5%
TOTAL OPERATING REVENUES	25,499	25,499	19,326	76%
EXPENDITURES				
Personnel	18,712	18,633	11,878	64%
Maintenance & Operations	492	662	240	36%
Internal Services Charges	1,458	1,458	1,094	75%
Capital Outlay	-	29	-	0%
Inter-fund Transfers Out	5,185	6,111	3,889	64%
TOTAL OPERATING EXPENDITURES	25,848	26,893	17,101	64%
OPERATING INCOME/(LOSS)	(349)	(1,394)	2,225	

HARBOR FUND REVENUES

Overall revenues for the Harbor Fund are at 75% of amended budget as of March 31 as noted in Table 6. The Harbor Fund has received 75% of slip rental amended budget as of March 31. Leases and other revenue (parking meters) are on track to meet or exceed the budget.



HARBOR FUND EXPENDITURES

Table 6 highlights the amount and percentage expended by expenditure category. As of March 31, the Harbor Fund has transferred 75% of the budget to the General and Risk Management Funds for services provided to the Harbor.

Table 6
HARBOR FUND 751
Fiscal Year 2015-2016
In Thousands

Operating	2015-2016 Adopted Budget	2015-2016 Amended Budget	2015-2016 Year-To-Date Actuals	YTD % of Amended Budget
REVENUES				
Slip Rental Revenue	5,075	5,076	3,806	75%
Harbor Leases	990	990	706	71%
Interest	26	26	25	98%
Other Revenue (parking meters & misc.)	727	727	609	84%
TOTAL OPERATING REVENUES	6,818	6,818	5,146	75%
EXPENSES				
Transfer - Harbor Police	2,090	2,090	1,568	75%
Transfer - Harbor Admin	878	917	698	76%
Transfer - Harbor Maint	2,581	2,581	1,936	75%
Transfer - Prop Mgmt	38	38	29	75%
Transfer - Harbor Lifeguard	158	158	119	75%
Transfer - Risk Management	42	42	32	75%
Transfer - Tideland Lease	586	586	465	79%
Capital Outlay	-	-	258	
Debt Service	400	400	401	100%
TOTAL OPERATING EXPENDITURES	6,775	6,814	5,505	81%
Depreciation/GASB 31 Expenses	-	0	468	
TOTAL EXPENDITURES	6,775	6,814	5,973	88%
OPERATING INCOME/(LOSS)	43	4	(827)	
Capital Projects				
Harbor Capital Projects	-	90	0	0%
TOTAL CAPITAL EXPENDITURES	-	90	-	0%



BUDGET TRANSFERS

In compliance with Section OB-2 of Council Policy 200-13 “Financial Policies”, the City Manager has the authority to transfer monies appropriated within the same fund for the same department provided the total amount within a fund has not changed.

Budget transfers in excess of \$25,000 are presented to the City Council on a quarterly basis for notification purposes. Table 7 below highlights the budget transfers.

**Table 7
BUDGET TRANSFERS IN EXCESS OF \$25,000
January through March 2016**

Description of Business Unit or Project	From Account	To Account	Reason	Amount
Desalter Facility Major Imprv	Bldgs/Treatment Plants	Studies & Reports	Reallocation of Budget	72,000
DwnTwn Sewer Pipeline Phs 1	Infrastructure	Professional Svcs	Reallocation of Budget	200,000
El Corazon Maintenance	Repair & Maintenance	Silica Reclamation Matl Supplies & Services	Correct Budget	55,196
Lake Ave Sewer Replacement	Studies & Reports	Professional Svcs	Reallocation of Budget	48,000
Misc. Sewer Projects	Infrastructure < \$100K	Professional Svcs	Reallocation of Budget	425,000
Misc. Sewer Projects	Studies & Reports	Professional Svcs and Repairs & Maintenance	Reallocation of Budget	400,000
Misc. Water Projects	Infrastructure < \$100K	Professional Svcs	Reallocation of Budget	500,000
Non-Departmental Expenses	Contrib-Community Svc	Project REACH-Libby Lake	Properly Classify Expenditures	80,000
Parks Maint/Upgrades	Matl Supplies & Services	Repair & Maintenance	Reallocation of Budget	64,832
Parks Maint/Upgrades	Matl Supplies & Services	Rents & Leases - Equip,Bldg	Reallocation of Budget	35,168
Segaze DtnTwn Mobility-City	Adaptive Signals/Tmosp Mgmt Matl Supplies & Services	Segaze DtnTwn Mobility-City Matl Supplies & Services	Properly Classify Expenditures	35,000
Segaze DtnTwn Mobility-City	Neighborhood Traffic Sfty Impr Matl Supplies & Services	Segaze DtnTwn Mobility-City Matl Supplies & Services	Properly Classify Expenditures	28,000
Sewer SCADA Upgrades	Bldgs/Treatment Plants	Professional Svcs	Reallocation of Budget	200,000
Sewer SCADA Upgrades	Bldgs/Treatment Plants	Professional Svcs	Reallocation of Budget	132,000
Sewer SCADA Upgrades	Bldgs/Treatment Plants	Matl Supplies & Services	Reallocation of Budget	58,000
SLRR Maintenance	Repair & Maintenance	Professional Svcs	Reallocation of Budget	44,598
Waste & Recycling Admin	Professional Svcs - Waste Mgmt	Professional Svcs	Reallocation of Budget	53,000
Waste & Recycling Admin	Professional Svcs - Waste Mgmt	Matl Supplies & Services	Reallocation of Budget	100,000
Waste & Recycling Admin	Professional Svcs - Waste Mgmt	Auto Equipment	Reallocation of Budget	29,000
Water SCADA Upgrades	Professional Svcs	Studies & Reports	Reallocation of Budget	50,000
Water SCADA Upgrades	Bldgs/Treatment Plants	Professional Svcs	Reallocation of Budget	150,000
Water SCADA Upgrades	Infrastructure	Professional Svcs	Reallocation of Budget	270,000
Water SCADA Upgrades	Infrastructure	Matl Supplies & Services	Reallocation of Budget	60,000