

**CITY OF OCEANSIDE
FINANCIAL STATUS REPORT
Fiscal Year 2016-2017
First Quarter Ending September 30, 2016**

This report summarizes the activities of the major operating funds and 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. This is the report for the quarter ending September 30, 2016.

GENERAL FUND BUDGET POSITION

The City Council adopted the FY 2016-2017 budgets on June 1, 2016, with approved General Fund revenues of \$138.8 million and expenditures of \$138.1 million. In the following sections, the amounts in the tables listed as Amended Budget include supplemental appropriations approved by Council throughout the year.

GENERAL FUND REVENUES

Table 1 highlights the amount and percentage of revenues received in each of the major classifications as of September 30, 2016. The first quarter results for fiscal year 2016-2017 show General Fund revenues coming in at 12% of budget. This is typical at this time of year due to the cyclical nature of when revenue receipts are received.

**Table 1
GENERAL FUND REVENUES
As of September 30, 2016
In Thousands**

	2016-2017 Adopted Budget	2016-2017 Amended Budget	2016-2017 Year-To-Date Actuals	YTD % of Amended Budget
Revenue Type				
Property Taxes	\$ 54,575	\$ 54,575	\$ 960	2%
Sales Taxes	21,880	21,880	2,314	11%
Transient Occupancy Tax (TOT)	6,060	6,060	725	12%
All Other Taxes	3,780	3,780	722	19%
Licenses & Permits	4,498	4,498	1,489	33%
Franchise Fees	4,193	4,193	-	0%
Fines/Forfeitures	3,595	3,623	598	17%
Use of Money & Property	4,912	4,912	1,651	34%
Intergovernmental	568	568	162	29%
Ambulance Billing	3,876	3,876	878	23%
Charges for Services	10,529	10,501	2,361	22%
Other Revenue & Transfers	20,309	20,485	5,243	26%
Total Revenues	\$ 138,775	\$ 138,950	\$ 17,105	12%

Property Taxes comprise 39% of the total General Fund annual revenues and are primarily received in the December/January and April/May timeframes. Property tax revenues through September 30 are at 2% of the annual budget.

Sales Taxes comprise 16% of the total annual General Fund revenues. Revenues received through September 30 came in at 11% of the adopted 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. The City also collects a 1.5% assessment of the room rent which is passed through to Visit Oceanside. The majority of the receipts for the first quarter will be received in October. This is consistent with prior years.

Licenses and permits are at 33% of the adopted budget due an increase in building permits, parking permits and collections.

Use of money and property is at 34% of the adopted budget due to higher investment earnings and lease revenues.

GENERAL FUND EXPENDITURES

Table 2 highlights the amount and percentage expended by each department. As of September 30, the General Fund departments combined have expended 24% of the amended budget which is typical for the first quarter. Non-Departmental expenditures are higher than the other departments due to the majority of budgeted items come due at the beginning of the year.

**Table 2
GENERAL FUND EXPENDITURES
Fiscal Year 2016-2017
In Thousands**

Department Expenditures	2016-2017 Adopted Budget	2016-2017 Amended Budget	2016-2017 Year-To-Date Actuals	YTD % of Amended Budget
General Government				
City Council	981	981	201	20%
City Clerk	1,273	1,273	292	23%
City Treasurer	321	321	71	22%
City Manager	2,245	2,354	525	22%
City Attorney	1,690	1,690	382	23%
Financial Services	5,632	5,664	1,107	20%
Human Resources	690	708	173	24%
Non-Departmental	6,299	7,779	2,912	37%
Public Safety				
Fire	28,978	29,075	7,489	26%
Police	55,107	55,818	13,365	24%
Public Works				
Public Works	13,914	14,347	2,912	20%
Community Development				
Development Services	9,289	9,420	1,806	19%
Community/Cultural Services				
Neighborhood Services	6,601	6,626	1,405	21%
Library	5,160	5,117	1,170	23%
Total Expenditures	\$ 138,179	\$ 141,173	\$ 33,810	24%

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 through 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 27% of the adopted budget at the end of the first quarter of fiscal year 2016-2017 as noted in Table 3.

WATER FUND EXPENDITURES

Table 3 highlights the amount and percentage expended by each water program. As of September 30, the Water Combined Funds have expended 14% of the adopted operating budget. Operating revenues exceed operating expenditures by \$8.0 million. As of September 30, Capital project expenses are 3% of total budget. Expenditures for capital projects can vary depending on which stage each construction project is at.

Table 3
WATER COMBINED FUNDS (excluding debt service)
Fiscal Year 2016-17
In Thousands

Operating	2016-2017 Adopted Budget	2016-2017 Amended Budget	2016-2017 Year-To-Date Actuals	YTD % of Amended Budget
Revenues				
Water Sales	\$ 62,209	\$ 62,209	\$ 16,853	27%
Developer Fees	862	862	372	43%
Other Revenue	1,372	1,372	344	25%
Total Operating Revenues	\$ 64,444	\$ 64,444	\$ 17,569	27%
Expenditures				
Administration & General	\$ 37,796	\$ 37,841	\$ 4,822	13%
Flood Control/Storm Drains	704	716	176	25%
Water Distribution	1,472	1,472	275	19%
Water Filtration Plant	1,715	1,715	304	18%
Desalting Plant	2,392	2,421	439	18%
Water Maintenance	2,323	2,323	510	22%
Water Meter Services	2,852	2,852	611	21%
Clean Water Program	1,158	1,292	145	11%
Other Water Programs	3,118	3,073	513	17%
Miscellaneous Projects	328	338	19	6%
Total Operating Expenditures	\$ 53,858	\$ 54,042	\$ 7,814	14%
Depreciation/GASB 31 Expenses	\$ -	\$ -	\$ 1,339	
Total Expenditures	\$ 53,858	\$ 54,042	\$ 9,153	17%
Transfers In	\$ 21	\$ 21	\$ 6	27%
Transfers Out	2,353	2,353	450	19%
Operating Income/Loss	\$ 8,253	\$ 8,069	\$ 7,972	
Capital Projects				
Capital Projects	2016-2017 Adopted Budget	2016-2017 Amended Budget	2016-2017 Year-To-Date Actuals	YTD % of Amended Budget
Transfer In	\$ -	\$ -	\$ 392	
Total Capital Revenues	-	-	392	
Replacement Projects	\$ 19,471	\$ 42,168	\$ 1,375	3%
Connection Projects	9,550	34,760	148	0%
Total Capital Expenditures	\$ 29,021	\$ 76,927	\$ 1,522	3%

SEWER FUND REVENUES

Table 4 shows overall revenue and expenditures for the Sewer Fund as of September 30. Sewer Combined Fund revenues are at 22% of budget.

SEWER FUND EXPENDITURES

Table 4 highlights the amount and percentage expended by each sewer program. At the end of the first quarter, Sewer Combined Funds have expended 18% of the amended operating budget. Capital Project expenses are at 2% of budget. As in the Water Fund, most of the capital projects are 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 2016-2017
In Thousands

Operating	2016-2017 Adopted Budget	2016-2017 Amended Budget	2016-2017 Year-To-Date Actuals	YTD % of Amended Budget
Revenues				
Sewer Service & Flow Fees	\$ 37,749	\$ 37,749	\$ 8,133	22%
Developer Fees	385	385	387	100%
Other Revenue	1,078	1,078	170	16%
Total Operating Revenues	\$ 39,212	\$ 39,212	\$ 8,690	22%
Expenditures				
Administration & General	\$ 5,903	\$ 5,948	\$ 1,382	23%
Facilities Maintenance	2,160	2,160	381	18%
Sewer Collections	3,438	3,438	734	21%
La Salina Wastewater	3,027	3,184	587	18%
San Luis Rey Wastewater	7,372	7,397	1,185	16%
Sewer Laboratory	728	784	153	20%
SCADA Program	532	532	77	15%
GIS Program	313	313	60	19%
Miscellaneous Projects	1,582	1,600	125	8%
Total Operating Expenditures	\$ 25,056	\$ 25,356	\$ 4,684	18%
Depreciation/GASB 31 Expense	\$ -	\$ -	\$ 2,134	
Total Expenditures	25,056	25,356	6,818	27%
Transfers In	\$ -	\$ -	\$ -	
Transfer Out	-	-	-	
Operating Income/Loss	\$ 14,156	\$ 13,856	\$ 1,873	
Capital Projects				
2016-2017 Adopted Budget				
Transfer In	\$ -	\$ -	\$ -	
Miscellaneous Income	833	833	-	0%
Total Capital Revenues	\$ 833	\$ 833	\$ -	0%
2016-2017 Amended Budget				
Replacement Projects	\$ 18,550	\$ 54,449	\$ 1,243	2%
Expansion Projects	300	1,220	3	0%
Total Capital Expenditures	\$ 18,850	\$ 55,669	\$ 1,246	2%

SOLID WASTE DISPOSAL FUND REVENUES

Overall revenues for the Solid Waste Disposal Fund are at 27% of the amended budget as of September 30.

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 September 30, the Solid Waste Disposal Fund has expended 19% of the amended budget.

**Table 5
SOLID WASTE DISPOSAL FUND 731
Fiscal Year 2016-2017
In Thousands**

Operating	2016-2017 Adopted Budget	2016-2017 Amended Budget	2016-2017 Year-To-Date Actuals	YTD % of Amended Budget
Revenues				
Trash P/U Fees	\$ 20,743	\$ 20,743	\$ 5,586	27%
Waste Mgmt Collector Payment	1,800	1,800	491	27%
City Waste Services	3,659	3,659	836	23%
Other Revenue	15	15	60	390%
Total Operating Revenues	\$ 26,218	\$ 26,218	\$ 6,972	27%
Expenditures				
Personnel	\$ 543	\$ 543	\$ 114	21%
Maintenance & Operations	18,301	18,323	3,029	17%
Internal Services Charges	1,246	1,246	311	25%
Capital Outlay	-	51	110	217%
Inter-fund Transfers Out	5,491	5,535	1,406	25%
Total Operating Expenditures	\$ 25,580	\$ 25,697	\$ 4,971	19%
Depreciation/GASB 31 Expense			\$ 1	
Operating Income/(Loss)	\$ 637	\$ 520	\$ 2,001	
Capital Projects				
Solid Waste Projects	\$ 400	\$ 400	\$ -	0%
Total Capital Expenditures	\$ 400	\$ 400	\$ -	0%

HARBOR FUND REVENUES

Overall revenues for the Harbor Fund are at 28% of amended budget as of September 30 as noted in Table 6. Slip rental revenue is at 26% of budget and parking revenue is at 48% of budget. 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 September 30, the Harbor Fund has expended 28% of the budget.

**Table 6
HARBOR FUND 751
Fiscal Year 2016-2017
In Thousands**

Business Unit	2016-2017 Amended Budget	2016-2017 Year-To-Date Actuals	YTD % of Amended Budget
Revenues			
Slip Rental Revenue	5,162	1,322	26%
Harbor Leases	1,111	279	25%
Interest	26	10	38%
Other Revenue (parking & misc.)	738	357	48%
Total Operating Revenues	\$7,035	\$1,968	28%
Expenditures			
Transfer - Harbor Police	2,252	563	25%
Transfer - Harbor Admin	925	231	25%
Transfer - Harbor Maint	2,990	747	25%
Transfer - Prop Mgmt	38	10	25%
Transfer - Harbor Lifeguard	197	49	25%
Transfer - Risk Management	77	19	25%
Transfer - Tideland Lease	607	161	26%
Debt Service	335	323	96%
Total Operating Expenditures	\$7,421	\$2,103	28%
Depreciation/GASB 31 Expense		132	
Operating Income/(Loss)	(\$386)	(\$268)	
CAPITAL PROJECTS			
Harbor Projects	\$ 61	\$ -	0%
Total Capital Expenditures	\$ 61	\$ -	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
July through September 2016**

Description of Business Unit or Project	From Account	To Account	Reason	Amount
Canyon Maintenance	Mission Cove CHDO Req	Property Management Professional Svcs	Reallocation of Budget	40,701
OPD Administration	Field Operations Personnel	OPD Administration Personnel	Reallocation of Budget	59,785
Sewer Laboratory	Water Laboratory Personnel	Sewer Laboratory Personnel	Reallocation of Budget	44,738
Misc. Street Projects	Repairs & Maintenance	Regular Employees	Reallocation of Budget	40,000
OPD Administration	Machinery & Equipment <\$10k	Machinery & Equipment	Properly Classify Budget	25,000
Desalter Facility Major Imprv	Bldg/Treatment Plants	Professional Services	Reallocation of Budget	28,000
Desalter Facility Major Imprv	Bldg/Treatment Plants	Materials & Supplies	Reallocation of Budget	50,000
DwnTwn Water Pipeline Phs 1	Infrastructure	Professional Services	Reallocation of Budget	60,130
Lake Ave Sewer Replacement	Professional Services	Infrastructure	Reallocation of Budget	26,000