

**CITY OF OCEANSIDE  
FINANCIAL STATUS REPORT  
Fiscal Year 2017-18  
First Quarter Ending September 30, 2017**

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 a preliminary report for the quarter ending September 30, 2017.

**GENERAL FUND BUDGET POSITION**

The City Council adopted the FY 2017-18 budgets on June 7, 2017, with approved General Fund revenues of \$145.99 million and expenditures of \$145.24 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, 2017. The preliminary first quarter results show General Fund revenues coming in at 12% of budget which is consistent with prior year revenues. Revenue receipts are cyclical in nature and they are not received evenly throughout the year.

**Table 1  
GENERAL FUND REVENUES  
As of September 30, 2017  
Preliminary Results  
In Thousands**

	2017-2018 Adopted Budget	2017-2018 Amended Budget	2017-2018 Year-To-Date Actuals	YTD % of Amended Budget
<b>Revenue Type</b>				
Property Taxes	\$ 58,038	\$ 58,038	\$ 1,102	2%
Sales Taxes	22,287	22,287	2,433	11%
Transient Occupancy Tax (TOT)	6,695	6,695	796	12%
All Other Taxes	3,802	3,802	755	20%
Licenses & Permits	5,022	5,022	1,590	32%
Franchise Fees	4,477	4,477	-	0%
Fines/Forfeitures	3,485	3,485	685	20%
Use of Money & Property	5,228	5,328	1,855	35%
Intergovernmental	410	410	69	17%
Ambulance Billing	4,519	4,519	1,097	24%
Charges for Services	11,233	11,233	2,506	22%
Other Revenue & Transfers	20,792	20,819	5,212	25%
<b>Total Revenues</b>	<b>\$ 145,988</b>	<b>\$ 146,115</b>	<b>\$ 18,100</b>	<b>12%</b>

*Property Taxes* comprise 40% of the total General Fund revenues and are primarily received in the December/January and April/May timeframes. Property tax revenues through September 30 are at 2% of the adopted budget.

*Sales Taxes* comprise 15% of the total annual General Fund revenues. Revenues received through September 30 are at 11% of the adopted budget.

*Transient Occupancy Tax* comprise 4.6% of total General Fund revenues. 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 for marketing purposes. As of September 30, TOT is at 12% of adopted budget. Increased revenues are due, in large part, to increased collection efforts of online vacation rentals.

Licenses and permits are at 32% of the adopted budget at September 30 due to an increase in building permits, parking permits, and collections. This rate of increase is not sustainable over time.

**GENERAL FUND EXPENDITURES**

Table 2 highlights the amount and percentage expended by each department. As of September 30, the General Fund expended 28% of the amended budget. The expenditures exceed the benchmark of 25% due to the pay down of CalPERS unfunded liability.

**Table 2  
GENERAL FUND EXPENDITURES  
As of September 30, 2017  
Preliminary Results  
In Thousands**

Department	2017-2018 Adopted Budget	2017-2018 Amended Budget	2017-2018 Year-To-Date Actuals	YTD % of Amended Budget
<b>General Government</b>				
City Council	\$ 952	\$ 958	\$ 218	23%
City Clerk	1,205	1,201	242	20%
City Treasurer	323	323	76	23%
City Manager	775	821	105	13%
City Attorney	1,749	1,770	394	22%
Non Departmental	7,331	7,772	1,452	19%
Non Depart CALPERS Additional	0	0	7,755	NA
Financial Services	5,781	5,812	1,137	20%
Human Resources	714	714	159	22%
Economic Development	654	714	178	25%
<b>Public Safety</b>				
Police	58,054	59,003	13,815	23%
Fire	30,438	30,437	7,648	25%
<b>Public Works</b>				
Property Mgmt	918	996	191	19%
Public Works	11,494	11,687	2,369	20%
Harbor & Beaches	3,610	3,653	709	19%
<b>Community Development</b>				
Development Services	8,852	8,880	1,644	19%
<b>Community/Cultural Svcs</b>				
Library	5,231	5,306	1,240	23%
Neighborhood Services	7,157	7,437	1,542	21%
<b>Total Expenditures</b>	<b>\$ 145,238</b>	<b>\$ 147,484</b>	<b>\$ 40,873</b>	<b>28%</b>

### ***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 26% of the adopted budget as of September 30 as shown in Table 3.

### ***WATER FUND EXPENDITURES***

Table 3 highlights the amount and percentage expended and encumbered by each water program. As of September 30, the Water Combined Funds have expended and encumbered 21% of the amended budget. Operating revenues exceed operating expenditures by \$7.8 million. As of September 30, capital project expenses and encumbrances are 69% of the total budget. Expenditures for capital projects can vary depending on which stage the project is in.

**Table 3**  
**WATER COMBINED FUNDS**  
**As of September 30, 2017**  
**Preliminary Results**  
**In Thousands**

Operating	2017-2018 Adopted Budget	2017-2018 Amended Budget	2017-2018 Year-To-Date Actuals	2017-2018 Year-To-Date Encumbrances	YTD % of Amended Budget
<b>Revenues</b>					
Water Sales	\$ 62,331	\$ 62,331	\$ 16,543		27%
Developer Fees	2,491	2,491	398		16%
Other Revenue	1,882	1,882	408		22%
<b>Total Operating Revenues</b>	<b>\$ 66,703</b>	<b>\$ 66,703</b>	<b>\$ 17,349</b>		<b>26%</b>
<b>Expenditures</b>					
Administration & General	\$ 37,991	\$ 38,005	\$ 5,287	\$ 195	14%
Flood Control/Storm Drains	765	765	191	-	25%
Water Distribution	1,403	1,429	274	71	24%
Water Filtration Plant	1,742	1,750	236	78	18%
Desalting Plant	2,365	2,373	413	81	21%
Water Maintenance	2,438	2,463	546	213	31%
Water Meter Services	2,880	2,895	608	491	38%
Clean Water Program	1,215	1,224	148	230	31%
Other Water Programs	3,680	3,681	478	743	33%
Miscellaneous Projects	100	100	-	78	78%
<b>Total Operating Expenditures</b>	<b>\$ 54,579</b>	<b>\$ 54,685</b>	<b>\$ 8,181</b>	<b>\$ 2,181</b>	<b>19%</b>
Depreciation/GASB 31 Expenses	\$ -		\$ 1,237	\$ -	
<b>Total Expenditures</b>	<b>\$ 54,579</b>	<b>\$ 54,685</b>	<b>\$ 9,418</b>	<b>\$ 2,181</b>	<b>21%</b>
Transfers In	\$ 77	\$ 112	\$ 34		30%
Transfers Out	553	553	138		25%
<b>Operating Income/Loss</b>	<b>\$ 11,648</b>	<b>\$ 11,577</b>	<b>\$ 7,827</b>		
<b>Capital Projects</b>					
	2017-2018 Adopted Budget	2017-2018 Amended Budget	2017-2018 Year-To-Date Actuals	2017-2018 Year-To-Date Encumbrances	YTD % of Amended Budget
Transfer In	\$ -	\$ -	\$ -		-
Other Revenue	500	500	-		-
<b>Total Capital Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		
Replacement Projects	\$ 20,300	\$ 23,430	\$ 1,135	\$ 14,065	65%
Connection Projects	11,900	26,221	571	18,372	72%
<b>Total Capital Expenditures</b>	<b>\$ 32,200</b>	<b>\$ 49,651</b>	<b>\$ 1,706</b>	<b>\$ 32,436</b>	<b>69%</b>

## SEWER FUND REVENUES

Table 4 shows overall revenue and expenditures for the Sewer Fund as of September 30. Sewer Combined Fund revenues are at 21% of budget.

## SEWER FUND EXPENDITURES

Table 4 also highlights the amount and percentage expended and encumbered by each sewer program. As of September 30, Sewer Combined Funds have expended 36% of the amended expenditure budget. Capital Project expenses and encumbrances are at 34% 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**  
**As of September 30, 2017**  
**Preliminary Results**  
**In Thousands**

Operating	2017-2018 Adopted Budget	2017-2018 Amended Budget	2017-2018 Year-To-Date Actuals	2017-2018 Year-To-Date Encumbrances	YTD % of Amended Budget
<b>Revenues</b>					
Sewer Service & Flow Fees	\$ 38,236	\$ 38,236	\$ 8,092		21%
Developer Fees	1,341	1,341	345		26%
Other Revenue	1,039	1,039	223		21%
<b>Total Operating Revenues</b>	<b>\$ 40,616</b>	<b>\$ 40,616</b>	<b>\$ 8,660</b>		<b>21%</b>
<b>Expenditures</b>					
Administration & General	\$ 5,889	\$ 5,903	\$ 1,341	\$ 147	25%
Facilities Maintenance	2,277	2,278	399	510	40%
Sewer Collections	3,590	3,634	796	87	24%
La Salina Wastewater	3,012	3,028	503	395	30%
San Luis Rey Wastewater	7,547	7,596	1,217	697	25%
Sewer Laboratory	722	725	148	22	23%
SCADA Program	529	531	91	34	23%
GIS Program	326	327	65	8	22%
Miscellaneous Projects	1,702	1,716	143	681	48%
<b>Total Operating Expenditures</b>	<b>\$ 25,594</b>	<b>\$ 25,738</b>	<b>\$ 4,703</b>	<b>\$ 2,581</b>	<b>28%</b>
Depreciation/GASB 31 Expense	\$ -	\$ -	\$ 2,034	\$ -	
<b>Total Expenditures</b>	<b>\$ 25,594</b>	<b>\$ 25,738</b>	<b>\$ 6,737</b>	<b>\$ 2,581</b>	<b>36%</b>
Transfers In	\$ -	\$ -	\$ -		
Transfer Out	-	1,483	1,483		100%
<b>Operating Income/Loss</b>	<b>\$ 15,022</b>	<b>\$ 13,395</b>	<b>\$ 440</b>		
<b>Capital Projects</b>					
Transfer In	\$ -	\$ -	\$ -		
Miscellaneous Income	1,500	1,500			0%
<b>Total Capital Revenues</b>	<b>\$ 1,500</b>	<b>\$ 1,500</b>	<b>\$ -</b>		<b>0%</b>
Replacement Projects	\$ 26,850	\$ 37,635	\$ 593	\$ 12,412	35%
Expansion Projects	4,750	750	-	-	0%
<b>Total Capital Expenditures</b>	<b>\$ 31,600</b>	<b>\$ 38,385</b>	<b>\$ 593</b>	<b>\$ 12,412</b>	<b>34%</b>

**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 20% of the amended budget and has collected 27% of budgeted revenues.

**Table 5  
SOLID WASTE DISPOSAL FUND 731  
As of September 30, 2017  
Preliminary Results  
In Thousands**

Operating	2017-2018 Adopted Budget	2017-2018 Amended Budget	2017-2018 Year-To-Date Actuals	2017-2018 Year-To-Date Encumbrances	YTD % of Amended Budget
<b>Revenues</b>					
Trash P/U Fees	\$ 20,831	\$ 20,831	\$ 5,765		28%
Waste Mgmt Collector Payment	1,994	1,994	425		21%
City Waste Services	3,673	3,673	841		23%
Other Revenue	8	8	-		0%
<b>Total Operating Revenues</b>	<b>\$ 26,506</b>	<b>\$ 26,506</b>	<b>\$ 7,031</b>		<b>27%</b>
<b>Expenditures</b>					
Personnel	\$ 656	\$ 663	\$ 127	\$ 368	75%
Maintenance & Operations	18,741	18,745	3,038	-	18%
Internal Service Charges	1,402	1,402	350	-	25%
Interfund Transfers Out	5,720	5,720	1,430	-	25%
<b>Total Operating Expenditures</b>	<b>\$ 26,519</b>	<b>\$ 26,530</b>	<b>\$ 4,945</b>	<b>\$ 368</b>	<b>20%</b>
Depreciation/GASB 31 Expense	\$ -	\$ -	\$ 1		
<b>Operating Income/(Loss)</b>	<b>\$ (13)</b>	<b>\$ (24)</b>	<b>\$ 2,085</b>		
<b>Capital Projects</b>					
Capital Projects	2017-2018 Adopted Budget	2017-2018 Amended Budget	2017-2018 Year-To-Date Actuals	2017-2018 Year-To-Date Encumbrances	YTD % of Amended Budget
Solid Waste Projects	\$ 450	\$ 834	\$ 7	\$ 39	6%
<b>Total Capital Expenditures</b>	<b>\$ 450</b>	<b>\$ 834</b>	<b>\$ 7</b>	<b>\$ 39</b>	<b>6%</b>

## HARBOR FUND REVENUES

Overall revenues for the Harbor Fund are at 26% of amended budget as of September 30 as noted in Table 6. Slip rental revenue is at 23% of budget and parking revenue is at 46% of budget. The parking revenue increase is due to seasonal use.

## HARBOR FUND EXPENDITURES

Table 6 highlights the amount and percentage expended by expenditure category. As of September 30, the Harbor Fund has expended 24% of the operating expenditure budget.

**Table 6**  
**HARBOR FUND 751**  
**As of September 30, 2017**  
**Preliminary Results**  
**In Thousands**

Operating	2017-2018 Adopted Budget	2017-2018 Amended Budget	2017-2018 Year-To-Date Actuals	YTD % of Amended Budget
<b>Revenues</b>				
Slip Rental Revenue	\$ 5,200	\$ 5,200	\$ 1,213	23%
Harbor Leases	1,172	1,172	272	23%
Parking	914	914	419	46%
Interest	15	15	15	100%
Other Revenue	108	108	40	37%
<b>Total Operating Revenues</b>	<b>\$ 7,409</b>	<b>\$ 7,409</b>	<b>\$ 1,959</b>	<b>26%</b>
<b>Expenditures</b>				
Transfer - Harbor Police	\$ 2,351	\$ 2,351	\$ 514	22%
Transfer - Harbor Admin	903	903	154	17%
Transfer - Harbor Maint	2,707	2,707	554	20%
Transfer - Prop Mgmt	38	38	10	26%
Transfer - Harbor Lifeguard	197	197	57	29%
Transfer - Risk Management	6	6	2	33%
Transfer - Tideland Lease	654	654	170	26%
Capital Outlay	-	258	-	0%
Debt Service	367	367	329	90%
<b>Total Operating Expenditures</b>	<b>\$ 7,223</b>	<b>\$ 7,481</b>	<b>\$ 1,790</b>	<b>24%</b>
Depreciation/GASB 31 Expense	\$ 160	\$ 160	\$ 107	1%
<b>Operating Income/(Loss)</b>	<b>\$ 186</b>	<b>\$ (72)</b>	<b>\$ 62</b>	
<b>CAPITAL PROJECTS</b>				
Harbor Projects	\$ 350	\$ 560	\$ 146	0%
<b>Total Capital Expenditures</b>	<b>\$ -</b>	<b>\$ 560</b>	<b>\$ 146</b>	<b>0%</b>

## **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 2017**

Description of Business Unit or Project	From Account	To Account	Reason	Amount
<b>Injctn Wells/Perc Ponds-Phs 1</b>	Infrastructure	Professional Svcs	Reallocation of Budget	\$320,000
<b>Sewer Laboratory</b>	Professional Services	Laboratory Operations	Reallocation of Budget	\$45,000
<b>Fire Suppression</b>	Reimb for Services	Reciprocal Mutual Aid Reimb for Services	Properly Classify Revenues	\$115,000
<b>Employee Benefits Admin</b>	PERS Retirement	PERS Unfunded Retirement	Properly Classify Expenditure	\$11,985,763
<b>Non Departmental Expense</b>	Contrib-Community Svc	Project REACH - Libby Lake	Reallocation of Budget	\$75,000