

**CITY OF OCEANSIDE
FINANCIAL STATUS REPORT
Fiscal Year 2018-19
Second Quarter Ending December 31, 2018**

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 report is for the quarter ending December 31, 2018.

GENERAL FUND BUDGET POSITION

The City Council adopted the FY 2018-19 budgets on June 6, 2018, with approved General Fund revenues of \$152.86 million and expenditures of \$151.74 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 December 31, 2018. The first quarter results show General Fund revenues coming in at 38 percent 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 December 31, 2018
Preliminary Results
In Thousands**

	2018-19 Adopted Budget	2018-19 Amended Budget	2018-19 Year-To-Date Actuals	YTD % of Amended Budget
Revenue Type				
Property Taxes	\$ 62,669	\$ 62,669	\$ 17,561	28%
Sales & Use Taxes	22,986	22,986	8,634	38%
Transient Occupancy Tax	7,419	7,419	3,246	44%
All Other Taxes	3,930	3,930	1,734	44%
Ambulance Billing	4,648	4,648	2,044	44%
Charges for Service	11,167	12,020	5,243	44%
Fines and Forfeitures	3,510	3,510	1,479	42%
Intergovernmental	420	420	124	29%
Licenses and Permits	5,189	5,189	2,950	57%
Other Revenue and Transfers	20,934	21,873	11,814	54%
Franchise Fees	4,071	4,071	566	14%
Use of Money & Property	5,912	5,912	3,218	54%
Total Revenues	\$ 152,856	\$ 154,648	\$ 58,612	38%

Property Taxes comprise 41 percent of the total General Fund revenues and are primarily received in the December/January and April/May timeframes. Property tax revenues through December 31 are 28 percent of the adopted budget which is consistent with this time period last year.

Sales Taxes comprise 15 percent of the total annual General Fund revenues. Revenues received through December 31 are at 38 percent of the adopted budget, compared to 36 percent at this time last year. Revenues have increased \$500,000 over the same period last year.

Transient Occupancy Tax is 4.8 percent of total General Fund revenues. The City collects 10 percent 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 percent assessment of the room rent, which is passed through to Visit Oceanside for marketing purposes. As of December 31, TOT is at 44 percent of adopted budget which is slightly lower than the 50 percent of budget in the prior year. The year to date actual is consistent with the prior year actual at \$3.3 million.

Licenses and permits are at 44 percent of the adopted budget at December 31. Actual revenues are \$782,000 lower than the same time prior year. The reduction in revenue is due to lower permit fees for right of way and Fire building permit reviews.

GENERAL FUND EXPENDITURES

Table 2 highlights the amount and percentage expended by each department. As of December 31, the General Fund expended 50 percent of the amended budget. There were 3 divisions that exceeded 50 percent of the budget due to annual payments made at the beginning of the year.

Table 2
GENERAL FUND EXPENDITURES
As of December 31, 2018
In Thousands

Department	2018-19 Adopted Budget	2018-19 Amended Budget	2018-19 Year-To-Date Actuals	YTD % of Amended Budget
General Government				
City Council	\$ 975	\$ 974	\$ 455	47%
City Clerk	1,395	1,409	519	37%
City Treasurer	345	345	171	50%
City Manager	834	691	308	45%
City Attorney	1,801	1,801	875	49%
Non Departmental	6,181	6,260	3,064	49%
Non Depart CALPERS Add'l Payment	3,706	5,022	4,634	92%
Financial Services	5,831	5,964	2,723	46%
Human Resources	691	691	292	42%
Economic Development	666	666	354	53%
Public Safety				
Police	59,029	60,005	29,839	50%
Fire	31,879	34,304	17,059	50%
Public Works				
Property Mgmt	968	1,008	555	55%
Public Works	11,884	12,266	5,839	48%
Harbor & Beaches	3,726	3,774	2,093	55%
Community Development				
Development Services	9,149	9,553	4,137	43%
Community/Cultural Svcs				
Library	5,466	5,513	2,618	47%
Neighborhood Services	7,217	7,307	3,183	44%
Total Expenditures	\$ 151,742	\$ 157,554	\$ 78,720	50%

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. It is important to note that any end of year surplus revenues are set aside in reserves for infrastructure repairs and improvements. The 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 50 percent of the adopted budget as of December 31 as shown in Table 3.

WATER FUND EXPENDITURES

Table 3 highlights the amount and percentage expended and encumbered by each water program. As of December 31, the Water Combined Funds have expended and encumbered 47 percent of the amended operating budget. Operating revenues exceed operating expenditures by \$11.17 million. As of December 31, capital project expenses and encumbrances are 58 percent of the total budget. Expenditures for capital projects can vary depending on the stage of the project.

**Table 3
WATER COMBINED FUNDS
As of December 31, 2018
In Thousands**

Operating	2018-19 Adopted Budget	2018-19 Amended Budget	2018-19 Year-To-Date Actuals	2018-19 Year-To-Date Encumbrances	YTD % of Amended Budget
Revenues					
Water Sales	\$ 65,394	\$ 65,394	\$ 33,471	N/A	51%
Developer Fees	2,491	2,491	665	N/A	27%
Other Revenue	1,938	1,938	841	N/A	43%
Total Operating Revenues	\$ 69,822	\$ 69,822	\$ 34,976	N/A	50%
Expenditures					
Administration & General	\$ 37,349	\$ 37,438	\$ 15,598	\$ 208	42%
Flood Control/Storm Drains	765	765	383	-	50%
Water Distribution	1,577	1,577	718	31	47%
Water Filtration Plant	1,848	1,848	849	116	52%
Desalting Plant	2,302	2,319	1,340	166	65%
Water Maintenance	2,389	2,404	1,107	215	55%
Water Meter Services	2,787	2,787	1,226	355	57%
Clean Water Program	1,270	1,405	514	413	66%
Recycled Water	709	709	105	-	15%
Other Water Programs	3,462	3,462	1,266	1,000	65%
Miscellaneous Projects	360	100	-	50	50%
CALPERS Add'l Payment	276	331	204	-	62%
Total Operating Expenditures	\$ 55,096	\$ 55,147	\$ 23,309	\$ 2,553	47%
Depreciation/GASB 31 Expenses	\$ -	\$ -	\$ 2,068	N/A	
Total Expenditures	\$ 55,096	\$ 55,147	\$ 25,377	\$ 2,553	51%
Transfers In	\$ 21	\$ 91	\$ 89	N/A	98%
Transfers Out	553	553	277	N/A	50%
Operating Income/Loss	\$ 14,194	\$ 14,212	\$ 9,411	N/A	
Capital Projects					
Capital Projects	2018-19 Adopted Budget	2018-19 Amended Budget	2018-19 Year-To-Date Actuals	2018-19 Year-To-Date Encumbrances	YTD % of Amended Budget
Transfer In	\$ -	\$ -	\$ -	N/A	-
Other Revenue	-	-	-	N/A	-
Total Capital Revenues	\$ -	\$ -	\$ -	N/A	0%
Replacement Projects	\$ 5,119	\$ 16,820	\$ 4,982	\$ 3,314	49%
Connection Projects	3,900	20,777	4,521	8,916	65%
Total Capital Expenditures	\$ 9,019	\$ 37,597	\$ 9,503	\$ 12,230	58%

SEWER FUND REVENUES

Table 4 shows overall revenue and expenditures for the Sewer Fund as of December 31. Sewer Combined Fund revenues are at 49 percent of budget.

SEWER FUND EXPENDITURES

Table 4 also highlights the amount and percentage expended and encumbered by each sewer program. As of December 31, Sewer Combined Funds have expended 56 percent of the amended expenditure budget. Capital Project expenses and encumbrances are at 38 percent 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 December 31, 2018
In Thousands**

Operating	2018-19 Adopted Budget	2018-19 Amended Budget	2018-19 Year-To-Date Actuals	2018-19 Year-To-Date Encumbrances	YTD % of Amended Budget
Revenues					
Sewer Service & Flow Fees	\$ 41,264	\$ 41,264	\$ 19,409	N/A	47%
Developer Fees	1,341	1,341	686	N/A	51%
Other Revenue	1,179	1,179	1,251	N/A	106%
Total Operating Revenues	\$ 43,784	\$ 43,784	\$ 21,346	N/A	49%
Expenditures					
Administration & General	\$ 5,605	\$ 5,605	\$ 2,844	\$ 199	54%
Facilities Maintenance	1,926	1,926	876	327	62%
Sewer Collections	3,746	3,746	1,827	89	51%
La Salina Wastewater	3,144	3,144	1,481	222	54%
San Luis Rey Wastewater	6,876	6,876	3,089	884	58%
Sewer Laboratory	777	777	299	3	39%
SCADA Program	740	740	318	90	55%
GIS Program	298	298	129	-	43%
Miscellaneous Projects	2,022	2,022	491	834	66%
CALPERS Add'l Payment	180	237	211	-	89%
Total Operating Expenditures	\$ 25,312	\$ 25,369	\$ 11,564	\$ 2,649	56%
Depreciation/GASB 31 Expense	\$ -	\$ -	\$ 3,562	N/A	
Total Expenditures	\$ 25,312	\$ 25,369	\$ 15,126	\$ 2,649	70%
Transfers In	\$ -	\$ 57	\$ 57	N/A	100%
Transfer Out	-	-	-	N/A	0%
Operating Income/Loss	\$ 18,472	\$ 18,472	\$ 6,276	N/A	
Capital Projects					
	2018-19 Adopted Budget	2018-19 Amended Budget	2018-19 Year-To-Date Actuals	2018-19 Year-To-Date Encumbrances	YTD % of Amended Budget
Transfer In	\$ -	\$ -	\$ -	N/A	0%
Miscellaneous Income	436	436	-	N/A	0%
Total Capital Revenues	\$ 436	\$ 436	\$ -	N/A	0%
Replacement Projects	\$ 19,795	\$ 38,128	\$ 4,048	\$ 10,637	39%
Expansion Projects	-	750	-	-	0%
Total Capital Expenditures	\$ 19,795	\$ 38,878	\$ 4,048	\$ 10,637	38%

SOLID WASTE DISPOSAL FUND REVENUES

Overall revenues for the Solid Waste Disposal Fund are at 52 percent of the amended budget as of December 31.

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 greatest 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 December 31, the Solid Waste Disposal Fund has expended 46 percent of the amended operating budget and has expended or encumbered 33 percent of the budgeted capital projects.

**Table 5
SOLID WASTE DISPOSAL FUND 731
As of December 31, 2018
In Thousands**

Operating	2018-19 Adopted Budget	2018-19 Amended Budget	2018-19 Year-To-Date Actuals	2018-19 Year-To-Date Encumbrances	YTD % of Amended Budget
Revenues					
Trash P/U Fees	\$ 21,116	\$ 21,116	\$ 11,089	N/A	53%
Waste Mgmt Collector Payment	2,003	2,003	1,059	N/A	53%
City Waste Services	4,056	4,056	1,914	N/A	47%
Other Revenue	58	58	0	N/A	1%
Interfund Transfers In	-	4	4	N/A	100%
Total Operating Revenues	\$ 27,232	\$ 27,236	\$ 14,066	N/A	52%
Expenditures					
Personnel	\$ 623	\$ 623	\$ 217	\$ -	35%
Maintenance & Operations	19,401	19,401	8,007	474	44%
Internal Service Charges	1,297	1,297	649	-	50%
Interfund Transfers Out	6,144	5,544	2,922	-	53%
CALPERS Add'l Payment	-	4	14	-	371%
Total Operating Expenditures	\$ 27,465	\$ 26,869	\$ 11,809	\$ 474	46%
Depreciation/GASB 31 Expense	\$ -	\$ -	\$ 8	N/A	
Operating Income/(Loss)	\$ (232)	\$ 368	\$ 2,250	N/A	
Capital Projects					
Solid Waste Projects	\$ 390	\$ 1,870	\$ 63	\$ 555	33%
Total Capital Expenditures	\$ 390	\$ 1,870	\$ 63	\$ 555	33%

HARBOR FUND REVENUES

Overall revenues for the Harbor Fund are at 53 percent of amended budget as of December 31 as noted in Table 6. Slip rental revenue is at 53 percent of budget and parking revenue is at 59 percent of budget. The parking revenue flow is seasonal with the peak of collections in the first quarter of the year.

HARBOR FUND EXPENDITURES

Table 6 highlights the amount and percentage expended by expenditure category. As of December 31, the Harbor Fund has expended 50 percent of the operating expenditure budget. Operating revenues exceed operating expenditures by \$.3 million. As of December 31, capital project expenses spent 7 percent of the total budget. Expenditures for capital projects can vary depending on the stage of each construction project.

**Table 6
HARBOR FUND 751
As of December 31, 2018
In Thousands**

Operating	2018-19 Adopted Budget	2018-19 Amended Budget	2018-19 Year-To-Date Actuals	YTD % of Amended Budget
Revenues				
Slip Rental Revenue	\$ 5,232	\$ 5,192	\$ 2,737	53%
Harbor Leases	1,254	1,254	562	45%
Parking	997	997	590	59%
Interest	15	15	46	307%
Other Revenue	117	156	110	71%
Total Operating Revenues	\$ 7,615	\$ 7,614	\$ 4,045	53%
Expenditures				
Transfer - Harbor Police	\$ 2,288	\$ 2,288	\$ 1,144	50%
Transfer - Harbor Admin	956	956	478	50%
Transfer - Harbor Maint	2,770	2,770	1,385	50%
Transfer - Prop Mgmt	38	38	19	50%
Transfer - Harbor Lifeguard	172	203	86	42%
Transfer - Risk Management	7	7	3	43%
Transfer - Tideland Lease	699	699	351	50%
Debt Service	137	137	104	76%
Total Operating Expenditures	\$ 7,067	\$ 7,098	\$ 3,570	50%
Depreciation/GASB 31 Expense	\$ 160	\$ 160	\$ 199	124%
Operating Income/(Loss)	\$ 388	\$ 356	\$ 276	
CAPITAL PROJECTS				
Harbor Projects	\$ 1,100	\$ 1,264	\$ 85	7%
Total Capital Expenditures	\$ 1,100	\$ 1,264	\$ 85	7%

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
October through December 2018**

Description of Business Unit or Project	Account	Reason	Amount
Barrier @ College/N River Rd	Infrastructure	Reallocate Expenditures	(\$30,000)
Barrier @ College/N River Rd	Professional Svcs		\$30,000
Harbor	Harbor SlipRntl-Perm	Properly Classify Revenues	(\$39,353)
Harbor	Late Fee		\$39,353
Lift Stations Upgrade	Infrastructure	Reallocate Expenditures	(\$175,000)
Lift Stations Upgrade	Professional Svcs		\$175,000
Fire Suppression	Regular Employees & Fringe Benefit Burden	Reallocate Expenditures	(\$248,367)
Fire Suppression	Overtime		\$248,367
Mission Branch & Support Services	Regular Employees & Fringe Benefit Burden	Reallocate Expenditures	(\$111,001)
Library Admin & Reader Services-Adult	Regular Employees & Fringe Benefit Burden		\$111,001
Employee Benefits Adm	Regular Employees & Fringe Benefit Burden	Reallocate Expenditures	(\$40,000)
Employee Benefits Adm	Professional Svc w/IT alloc		\$40,000
Personnel Administration	Regular Employees	Reallocate Expenditures	(\$30,000)
Personnel Administration	Professional Services & Matl Supplies&Services		\$30,000
Council Member-Sanchez	Various Personnel, M&O, and Internal Services	Reallocate Expenditures	(\$97,292)
Cmbr - District 1	Various Personnel, M&O, and Internal Services		\$97,292
Council Member-Kern	Various Personnel, M&O, and Internal Services	Reallocate Expenditures	(\$93,707)
Cmbr - District 2	Various Personnel, M&O, and Internal Services		\$93,707
Council Member-Lowery	Various Personnel, M&O, and Internal Services	Reallocate Expenditures	(\$98,259)
Council Member-Keim	Various Personnel, M&O, and Internal Services		\$98,259
Public Safety Communications	Regular Employees	Reallocate Expenditures	(\$165,000)
Public Safety Communications	Temporary/Part Time Employees, Overtime, Travel &		\$165,000
OPD-Investigations	Regular Employees	Reallocate Expenditures	(\$140,000)
OPD-Investigations	Overtime		\$140,000
OPD-Investigations	Radio Network Operating Cost	Reallocate Expenditures	(\$126,902)
OPD-Patrol & OPD-Support Operations	Radio Network Operating Cost		\$126,902
OPD-Support Operations	Regular Employees	Reallocate Expenditures	(\$1,000,000)
OPD-Support Operations	Overtime, Various M&O, Furniture, Fixtures, Software		\$314,000
OPD-Patrol	Overtime, Various M&O		\$681,000
OPD-Investigations	Various M&O		\$5,000