

FILE NUMBER: 2025-062

DATE: Tuesday, February 11, 2025

SUBJECT: Mid-Year Financial Presentation

DESCRIPTION: Presentation on the Remaining Unrestricted Fund Balance of \$5.5 Million and FY 2025 Projected Year- Financial Results.

EXECUTIVE SUMMARY:

This presentation includes the remaining unrestricted fund balance and a mid-year forecast of the projected FY 2025 surplus compared to the budget.

FY 2024 Actual Results:

As of June 30, 2024, the unrestricted fund balance totaled \$5.5M. Of this amount, \$3.8M was approved at the December 10, 2024 Board meeting to fund both the Lease Termination and Buyout of the Coronado Cays Boat Storage Yard Lease (\$3.0M) and the District Wayfinding and Regulatory Signage Improvements at Harbor Island and Tidelands Park project (\$815k). This leaves \$1.7M in the remaining unrestricted fund balance.

FY 2025 Projected Results:

The projection for FY 2025 is expected to result in Unrestricted Sources Over Uses of Funds (or surplus) of approximately \$6.5M to \$8.5M. The primary drivers of the projected surplus are detailed in the discussion below.

RECOMMENDATION:

This is an informational update, and no action will be taken.

FISCAL IMPACT:

There is no fiscal impact.

COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goals.

- A Port that the public understands and trusts.
- A thriving and modern maritime seaport.
- A vibrant waterfront destination where residents and visitors converge.
- A Port with a healthy and sustainable bay and its environment.
- A Port with a comprehensive vision for Port land and water uses integrated to regional plans.
- A Port that is a safe place to visit, work and play.
- A Port with an innovative and motivated workforce.

- A financially sustainable Port that drives job creation and regional economic vitality.

DISCUSSION:

REMAINING UNRESTRICTED FUND BALANCE

As of June 30, 2024, the unrestricted fund balance totaled \$5.5M. Of this amount, \$3.8M was approved at the December 10, 2024 Board meeting to fund both the Lease Termination and Buyout of the Coronado Cays Boat Storage Yard Lease (\$3.0M) and the District Wayfinding and Regulatory Signage Improvements at Harbor Island and Tidelands Park project (\$815k). This leaves \$1.7M in the remaining unrestricted fund balance.

Amount shown in Millions

Unrestricted Fund Balance as of June 30, 2023		\$ 10.1
FY 2024 Mid-Year Funding of District-wide Needs	\$	(3.0)
FY 2024 Unrestricted Sources over Uses of Funds		38.0
Increase to FY 2025 Operating Reserves		(8.3)
Appropriated Funds from FY 2024 Surplus		(31.4)
Sub-total		\$ (4.6)
Unrestricted Fund Balance as of June 30, 2024		\$ 5.5
FY 2025 Funding of Lease Termination and Buyout Boat Storage Yard Lease	\$	(3.0)
FY 2025 Funding of District Wayfinding and Regulatory Signage Improvements		(0.8)
Remaining Unrestricted Fund Balance		\$ 1.7

UPDATE ON FY 2025 PROJECTED YEAR-END FINANCIAL RESULTS

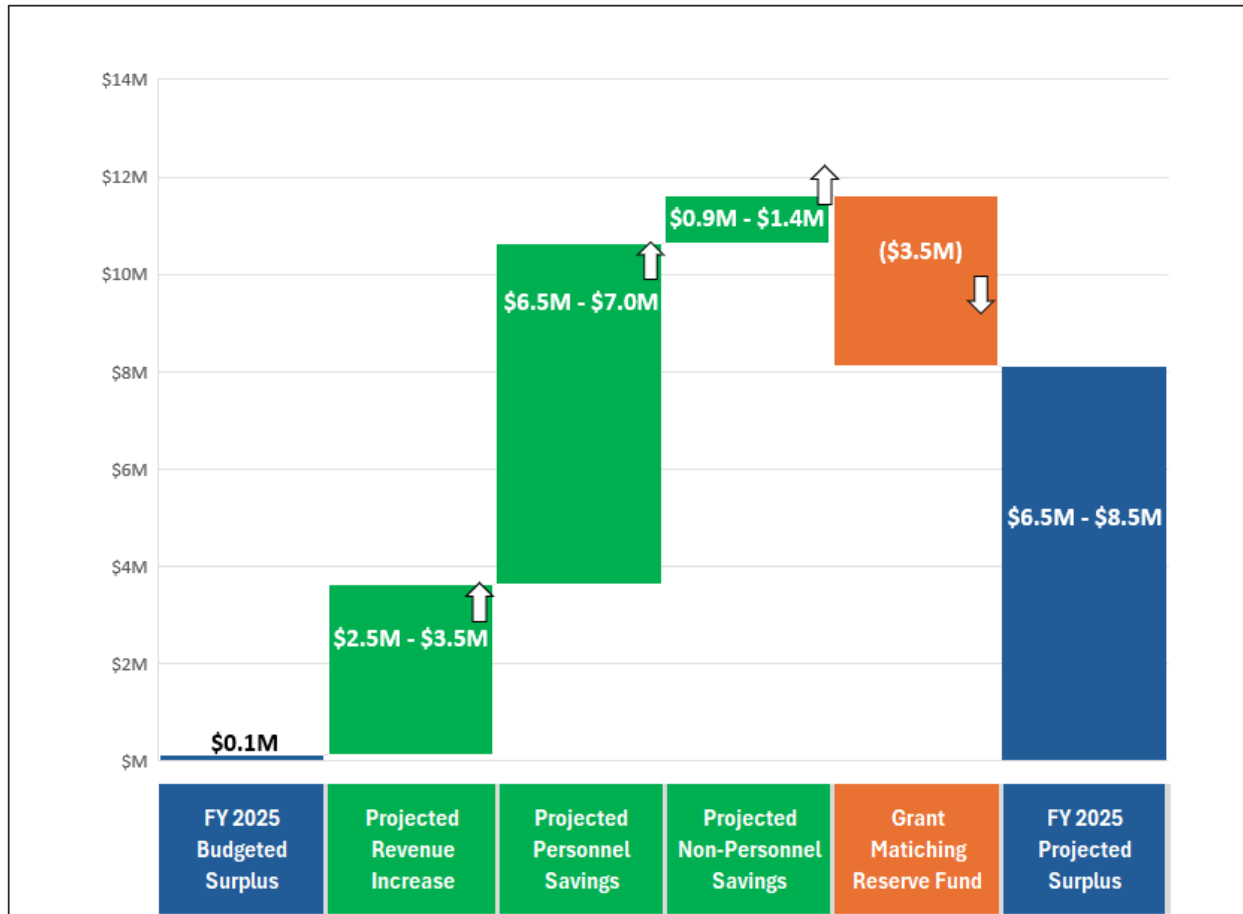
FY 2025 had a budgeted surplus of \$128k when it was adopted.

The FY 2025 revenue projection is expected to result in a positive variance of approximately \$2.5M to \$3.5M compared to the FY 2025 Board Adopted Budget. This projection is based on fiscal year-to-date (YTD) actual results through December 2024 and estimated activity through the end of the fiscal year.

Personnel expense savings for FY 2025 are estimated to be approximately \$6.5M to \$7.0M, based on YTD actual results through December 2024 and projected personnel expenses for the remainder of the year.

Non-personnel expense savings for FY 2025 are estimated to be approximately \$900k to \$1.4M, based on YTD actual results through December 2024 and projected non-personnel expenses for the remainder of the year.

Overall, the projection for the year is expected to result in Unrestricted Sources Over Uses of Funds (or surplus) of approximately \$6.5M to \$8.5M. This includes the funding of \$3.5M from the YTD surplus forecasted above, which will increase the District's Grant Matching Reserve Account to provide matching funds for grants awarded in FY 2025.



General Counsel's Comments:

The Office of the General Counsel has reviewed this agenda sheet, as presented to it, and approves the same as to form and legality.

Environmental Review:

The proposed Board action, including without limitation a presentation on the Remaining Unrestricted Fund Balance of \$5.5 Million and FY 2025 Projected Year Financial Results, does not constitute a project under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because there is not a potential to result in a direct or indirect physical change in the environment. Therefore, the proposed Board action is not subject to CEQA and no further action under CEQA is required.

The proposed Board action complies with Section 35 of the Port Act which allow for the Board to do all acts necessary and convenient for the exercise of its powers. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine. The proposed Board action does not allow for development, as defined in Section 30106 of the California Coastal Act, or new development, pursuant to Section 1.a. of the District's Coastal Development Permit Regulations. Therefore, issuance of a Coastal Development Permit or an exclusion finding is not required.

Diversity, Equity, and Inclusion Program:

This agenda sheet has no direct DEI impact on District workforce or contract reporting at this time.

PREPARED BY:

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