

COMMISSIONERS

1st Division

Larry Doss

2nd Division

Greg Dale

3rd Division

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4th Division

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5th Division

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STAFF REPORT
HARBOR DISTRICT MEETING
June 10, 2021

TO: Honorable Board President and Harbor District Board Members

FROM: Larry Oetker, Executive Director

DATE: May 28, 2021

TITLE: Preliminary Budget Adoption for Fiscal Year 2021-2022

STAFF RECOMMENDATION: It is recommended that the Board: Adopt the Preliminary Budget for FY 2021-2022, Review the Budget Process and Policies, and Review the Preliminary Cash Flow Analysis.

SUMMARY: The Budget is prepared annually under direction of the Executive Director. In accordance with CA Harbors and Navigation Code Section 6093, on or before June 15, the District Board shall estimate and determine the amount of money required by the Harbor District and shall adopt a preliminary budget. Per Section 6093.3, the final budget shall be reported to the Board of Supervisors not later than August 1st.

DISCUSSION: Because of the uncertainties of the Nordic Aquafarms and RTI cable landing lease income, Staff has prepared four alternative cash flow analysis. The preliminary budget is based on Scenario 1 which is that the District receives no income from either Nordic Aquafarms or RTI during fiscal year 2021-22. The Nordic Aquafarms lease agreement includes rental income to the District of \$374,000 annually, with a one-time payment for the use of the electrical substation of \$545,000. These payments begin when Coastal Development Permits are received for the project. For cash flow purposes, Scenarios 2 and 4 show the rental income for Nordic Aquafarms starting January 31, 2022. Scenarios 1 and 3 show no rental income from Nordic Aquafarms for FY 2021-22.

RTI lease agreement outlines a one-time payment where RTI pays ½ of the \$1,250,000 payment for the first cable at cable landing as follows: (\$200,000 payment at signing lease; \$425,000 due upon issuance of Coastal Development Permit; and \$625,000 at cable landing). RTI pays an additional \$333,000 for each subsequent cable landing. RTI is authorized to land up to 4 cables and have given indications that they intend to install three cables initially. However, for budget purposes Scenarios 2 and 3 include cable landing revenues in FY 2021-22 where Scenarios 1 and 4 show no RTI income.

The District entered into an amended Note with Coast Seafoods that requires the District to repay Coast Seafoods first with any lump sum proceeds from the Nordic Aquafarms and/or RTI leases. The District currently pays \$13,000 per month with an annual payment of an additional \$40,000 (\$196,000 annually). The District currently has an outstanding principal balance of approximately \$700,000 on the loan. If either or both of the Nordic Aquafarms or RTI lease payments begin as scheduled, the Coast Seafood Note will be fully repaid in FY 2021-22.

The Budget Policies and Procedures (Attachment C) will return on the July 8, 2021 agenda for final review and adoption.

ATTACHMENTS:

- A.** Preliminary Budget
- B.** Preliminary Cash Flow Analysis
- C.** Budget Process and Policies

	General	WIM	RMT2	RW Dock	FLBY	Tidelands	SC	Grants	Grand Total
Ordinary Income/Expense									
Income									
Donations									
45709 · Donations - Sea Scouts									\$ -
46519 · Donations - Lighthouse		\$ 100.00							\$ 100.00
Total Donations	\$ -	\$ 100.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100.00
Dredging Revenue									
41308.4 · Dredging Revenue - Other									\$ -
41318 · Dredging Surcharge - T		\$ 150,000.00			\$ 20,000.00				\$ 170,000.00
Total Dredging Revenue	\$ -	\$ 150,000.00	\$ -	\$ -	\$ 20,000.00	\$ -	\$ -	\$ -	\$ 170,000.00
Fees									
40108 · PERMITS-T		\$ 3,000.00							\$ 3,000.00
40509 · Travel Lift Fees - T									\$ -
40609 · Haul Out Fees - T									\$ -
40618 · Boat Launch Fees - T									\$ -
40808 · Pilotage Services - T									\$ -
41308.1 · Poundage - T				\$ 1,000.00					\$ 1,000.00
41818 · Late Charges/Interest - T		\$ 10,000.00		\$ 40.00					\$ 10,040.00
41819 · Late Charges/Interest - NT		\$ 700.00							\$ 700.00
45608 · Chevron - Ports O&M - T						\$ 32,350.00			\$ 32,350.00
Total Fees	\$ -	\$ 13,700.00	\$ -	\$ 1,040.00	\$ -	\$ 32,350.00	\$ -	\$ -	\$ 47,090.00
Float Replacement Account									
41418 · Float Replacement		\$ 70,000.00							\$ 70,000.00
Total Float Replacement Account	\$ -	\$ 70,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000.00
Grant Revenue									
Conservation Grants									\$ -
45208.3 · Conservation Grants, Gov't - T							\$ 194,000.00		\$ 194,000.00
Total Conservation Grants									
Facilities Grants									
45300 · Facilities Grants, Other - NT									\$ -
Total Facilities Grants									
Harbor Grants									
45208.1 · Harbor Grants, Gov't - T									\$ -
Total Harbor Grants									
Recreation Grants									
45208.2 · Recreation Grants, Gov't - T									\$ -
Total Recreation Grants									
Total Grant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,000.00	\$ -	\$ 194,000.00
Harbor Surcharge									
40908 · Harbor Improvement Surcharge-T						\$ 210,000.00			\$ 210,000.00
Total Harbor Surcharge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,000.00	\$ -	\$ -	\$ 210,000.00
Interest Revenue									
43108 · Interest Income - T			\$ 160,800.00						\$ 160,800.00
43109 · Interest Income - NT	\$ 3,000.00					\$ 1,000.00			\$ 4,000.00
43309 · Interest On Del Accts - NT									\$ -
43318 · Interest On Del Accts - T									\$ -
Total Interest Revenue	\$ 3,000.00	\$ -	\$ 160,800.00	\$ -	\$ -	\$ 1,000.00	\$ -	\$ -	\$ 164,800.00
Other Revenue									
45908 · Other Revenue - T						\$ 2,650.00			\$ 2,650.00
45909 · Other Revenue - NT	\$ 36,000.00				\$ 18,972.00	\$ 1,550.00			\$ 56,522.00
Total Other Revenue	\$ 36,000.00	\$ -	\$ -	\$ -	\$ 18,972.00	\$ 4,200.00	\$ -	\$ -	\$ 59,172.00
Rent Income									
40218 · Slip Rents - T		\$ 508,000.00							\$ 508,000.00
40318.1 · Transient Rentals - T		\$ 43,000.00							\$ 43,000.00
40519 · Equipment Rent - NT		\$ 4,500.00							\$ 4,500.00

Preliminary Budget FY 2021/2022

	General	WIM	RMT2	RW Dock	FLBY	Tidelands	SC	Grants	Grand Total
40809 · Yard Rent - NT		\$ 10,000.00		\$ 19,500.00	\$ 32,858.00				\$ 62,358.00
41108 · Rents, Tidelands Leases - T						\$ 430,000.00			\$ 430,000.00
41309 · Storage - NT		\$ 25,000.00		\$ 11,200.00	\$ 3,702.00				\$ 39,902.00
Rent Income Subtotal	\$ -	\$ 590,500.00	\$ -	\$ 30,700.00	\$ 36,560.00	\$ 430,000.00	\$ -	\$ -	\$ 1,087,760.00
41409 · Upland Rent - NT									\$ -
41409.2 · Redwood Terminal 2 - NMTC									\$ -
41409 · Upland Rent - NT - Other		\$ 140,000.00	\$ 620,050.00		\$ 21,000.00				\$ 781,050.00
Total 41409 · Upland Rent - NT	\$ -	\$ 140,000.00	\$ 620,050.00		\$ 21,000.00	\$ -	\$ -	\$ -	\$ 781,050.00
Total Rent Income	\$ -	\$ 730,500.00	\$ 620,050.00	\$ 30,700.00	\$ 57,560.00	\$ 430,000.00	\$ -	\$ -	\$ 1,868,810.00
Sales									
40109 · Sales, Retail - NT		\$ 300.00							\$ 300.00
40119 · Concession Sales - NT		\$ 6,100.00							\$ 6,100.00
Total Sales	\$ -	\$ 6,400.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,400.00
Tax Revenue									
43509 · Property Tax Revenues	\$ 1,267,078.00								\$ 1,267,078.00
43609 · HOMEOWNERS EXEMPT G/NT	\$ 6,000.00								\$ 6,000.00
43809 · TIMBER YIELD TAX GUAR G/NT	\$ 5,100.00								\$ 5,100.00
45009 · Other Federal Tax Revenue									\$ -
Total Tax Revenue	\$ 1,278,178.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,278,178.00
Utility Surcharge									
40409 · Utility Surcharge - NT		\$ 4,300.00	\$ 37,000.00	\$ 13,000.00	\$ 27,800.00				\$ 82,100.00
40418 · Utility Surcharge, Marina Dock		\$ 47,500.00	\$ 650.00						\$ 48,150.00
Total Utility Surcharge		\$ 51,800.00	\$ 37,650.00	\$ 13,000.00	\$ 27,800.00	\$ -	\$ -	\$ -	\$ 130,250.00
47019 · Returned Check Charges		\$ -					\$ -		\$ -
52708.1 · Discount		\$ -					\$ -		\$ -
Total Income	\$ 1,317,178.00	\$ 1,022,500.00	\$ 818,500.00	\$ 44,740.00	\$ 124,332.00	\$ 677,550.00	\$ 194,000.00	\$ -	\$ 4,198,800.00
Gross Profit	\$ 1,317,178.00	\$ 1,022,500.00	\$ 818,500.00	\$ 44,740.00	\$ 124,332.00	\$ 677,550.00	\$ 194,000.00	\$ -	\$ 4,198,800.00
Expense									
Accounting/Auditing Services									
52500 · Accounting Fees - T	\$ 44,000.00								\$ 44,000.00
52508 · Accounting Fees - NT	\$ 17,500.00								\$ 17,500.00
Total Accounting/Auditing Services	\$ 61,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,500.00
Advertising & Promotion									
51000 · Advertising & Promotion - NT	\$ 2,700.00		\$ 450.00						\$ 3,150.00
51008 · Advertising & Promotion - T	\$ 400.00	\$ 1,000.00							\$ 1,400.00
Total Advertising & Promotion	\$ 3,100.00	\$ 1,000.00	\$ 450.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,550.00
Bad Debts									
51308 · Bad Debts - T									\$ -
51309 · Bad Debts - NT									\$ -
Total Bad Debts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay									
53608 · Expenses Pending Transfer - Ves									\$ -
53609 · Expenses Pending Transfer-Bldg		\$ 52,000.00		\$ 6,500.00			\$ 32,000.00		\$ 90,500.00
53618 · Expenses Pending Transfer-Auto									\$ -
53619 · Expenses Pending Transfer - Eq									\$ -
Total Capital Outlay	\$ -	\$ 52,000.00	\$ -	\$ 6,500.00	\$ -	\$ -	\$ 32,000.00	\$ -	\$ 90,500.00
Communications									
51400 · Communications - NT	\$ 8,700.00	\$ 6,400.00	\$ 11,200.00						\$ 26,300.00
51408 · Communications - T	\$ 500.00	\$ 6,600.00							\$ 7,100.00
Total Communications	\$ 9,200.00	\$ 13,000.00	\$ 11,200.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,400.00
Conference & Meetings									
51500 · Conferences & Meetings - NT	\$ 5,000.00	\$ 2,000.00	\$ 1,500.00						\$ 8,500.00
51508 · Conferences & Meetings - T		\$ 2,000.00							\$ 2,000.00
Conference & Meetings - Other	\$ 2,000.00								\$ 2,000.00
Total Conference & Meetings	\$ 7,000.00	\$ 4,000.00	\$ 1,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,500.00

	General	WIM	RMT2	RW Dock	FLBY	Tidelands	SC	Grants	Grand Total
Depreciation									
53509 · Depreciation - NT									\$ -
Total Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dredging Expense									
55608 · Dredging Expense - T		\$ 218,000.00							\$ 218,000.00
56708 · Dredging - GT									\$ -
56718 · Dredging - MT		\$ 100,000.00							\$ 100,000.00
Dredging Expense - Other									\$ -
Total Dredging Expense	\$ -	\$ 318,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318,000.00
Dues, Subscriptions & Licences									
51600 · Dues & Subscriptions - NT	\$ 51,000.00								\$ 51,000.00
51608 · Dues & Subscriptions - T	\$ 10,000.00					\$ 100.00			\$ 10,100.00
Total Dues, Subscriptions & Licences	\$ 61,000.00	\$ -	\$ -	\$ -	\$ -	\$ 100.00	\$ -	\$ -	\$ 61,100.00
Elections & Government Fees									
51700 · Elections & Prop Tax Assess-NT	\$ 4,800.00		\$ 44,000.00						\$ 48,800.00
Total Elections & Government Fees	\$ 4,800.00	\$ -	\$ 44,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,800.00
Engineering Services									
52400 · Engineering Fees - NT	\$ 48,000.00		\$ 20,000.00		\$ 500.00				\$ 68,500.00
52408 · Engineering Fees - T	\$ 12,000.00				\$ 5,700.00				\$ 17,700.00
Total Engineering Services	\$ 60,000.00	\$ -	\$ 20,000.00	\$ -	\$ 6,200.00	\$ -	\$ -	\$ -	\$ 86,200.00
Fuel									
50400 · IMPUTED AUTO VALUE G/A	\$ 1,300.00								\$ 1,300.00
51200 · Automotive, Fuel- NT	\$ 4,100.00	\$ 300.00							\$ 4,400.00
51208 · Vessel Fuel	\$ 6,500.00								\$ 6,500.00
51218 · Automotive, Fuel - T	\$ 5,400.00								\$ 5,400.00
Total Fuel	\$ 17,300.00	\$ 300.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,600.00
Grant Expenses									
Conservation Grant Expenses									\$ -
54408.3 · Conservation Grant Exp							\$ 194,000.00		\$ 194,000.00
Total Conservation Grant Expenses	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 194,000.00	\$ -	\$ 194,000.00
Harbor Grant Expenses									
54408.1 · Harbor Grant Exp	\$ -	\$ -							\$ -
Total Harbor Grant Expenses									
Recreation Grant Expenses									
54408.2 · Recreation Grant Exp	\$ -	\$ -							\$ -
Total Recreation Grant Expenses									
55000 · Overhead - Grant	\$ -	\$ -							\$ -
Total Grant Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,000.00	\$ -	\$ 194,000.00
Insurance									
51800 · Insurance - NT	\$ 10,000.00	\$ 44,500.00	\$ 19,000.00		\$ 12,000.00		\$ 7,500.00		\$ 93,000.00
51808 · Insurance - T	\$ -					\$ 14,550.00			\$ 14,550.00
Total Insurance	\$ 10,000.00	\$ 44,500.00	\$ 19,000.00		\$ 12,000.00	\$ 14,550.00	\$ 7,500.00		\$ 107,550.00
Interest Expense									
55108 · Interest Expense - T						\$ 55,000.00			\$ 55,000.00
55109 · Interest Expense - NT	\$ 1,900.00	\$ 32,600.00	\$ 87,200.00						\$ 121,700.00
55119 · INTEREST EXPENSE M/NT									\$ -
Total Interest Expense	\$ 1,900.00	\$ 32,600.00	\$ 87,200.00			\$ 55,000.00	\$ -		\$ 176,700.00
Legal Services									
52300 · Legal Fees - NT	\$ 43,000.00						\$ -		\$ 43,000.00
52308 · Legal Fees - T	\$ 10,000.00								\$ 10,000.00
Total Legal Services	\$ 53,000.00						\$ -		\$ 53,000.00
Maintenance - Equipment									
51209 · Automotive, Repairs - NT	\$ 650.00	\$ 1,000.00	\$ 3,000.00						\$ 4,650.00
52710 · Repairs & Maint, Equip - NT	\$ 250.00	\$ -	\$ 7,000.00	\$ 1,500.00	\$ 25,500.00				\$ 34,250.00
52718 · Repairs & Maint, Equip - T		\$ 7,500.00							\$ 7,500.00
Total Maintenance - Equipment	\$ 900.00	\$ 8,500.00	\$ 10,000.00	\$ 1,500.00	\$ 25,500.00	\$ -			\$ 46,400.00

Preliminary Budget FY 2021/2022

	General	WIM	RMT2	RW Dock	FLBY	Tidelands	SC	Grants	Grand Total
Maintenance - Facilities									
52708 · Repairs & Maint, Facilities - T	\$	52,500.00	\$ 8,700.00	\$ 23,500.00		\$ 13,500.00	\$ 2,500.00		\$ 100,700.00
52709 · REPAIRS & MAINTENANCE G/NT	\$	46,000.00		\$ 5,000.00					\$ 51,000.00
52719 · Repairs & Maint, Facilities - N	\$	4,500.00	\$ 40,100.00	\$ 14,500.00					\$ 59,100.00
Total Maintenance - Facilities	\$ -	\$ 103,000.00	\$ 48,800.00	\$ 43,000.00	\$ -	\$ 13,500.00	\$ 2,500.00	\$ -	\$ 210,800.00
Maintenance - IT									
57008 · Maintenance, IT Equip - T	\$ 700.00								\$ 700.00
57009 · Maintenance, IT Equip - NT	\$ 100.00	\$ 1,300.00	\$ 2,500.00						\$ 3,900.00
Maintenance - IT - Other									\$ -
Total Maintenance - IT	\$ 800.00	\$ 1,300.00	\$ 2,500.00						\$ 4,600.00
Maintenance Supplies									
52008 · Maintenance Supplies - T	\$	2,100.00							\$ 2,100.00
52010 · Maintenance Supplies - NT	\$	7,100.00	\$ 4,150.00						\$ 11,250.00
Maintenance Supplies - Other									\$ -
Total Maintenance Supplies	\$ -	\$ 9,200.00	\$ 4,150.00	\$ -	\$ -				\$ 13,350.00
Office Supplies									
51900 · Office Supplies - NT	\$ 16,000.00		\$ 180.00						\$ 16,180.00
51908 · Office Supplies - T	\$ 6,000.00	\$ 1,000.00							\$ 7,000.00
51918 · OFFICE EXPENSE M/T									\$ -
52100 · Outside Services - NT									\$ -
Total Office Supplies	\$ 22,000.00	\$ 1,000.00	\$ 180.00		\$ -	\$ -		\$ -	\$ 23,180.00
Other Expenses									
54109 · Sea Scouts Expense - NT									\$ -
55418 · Other Expenses - T									\$ -
55419 · Other Expenses - NT	\$ 7,500.00						\$ -		\$ 7,500.00
Total Other Expenses	\$ 7,500.00	\$ -		\$ -	\$ -		\$ -		\$ 7,500.00
Other Professional/Outside Serv									
52109 · Outside Services, Other - NT				\$ 7,500.00			\$ 35,000.00		\$ 42,500.00
52110 · OUTSIDE SERVICES M/A		\$ 3,000.00							\$ 3,000.00
52118 · Outside Services, Other - T						\$ 100,000.00			\$ 100,000.00
Total Other Professional/Outside Serv	\$ -	\$ 3,000.00	\$ -	\$ 7,500.00	\$ -	\$ 100,000.00	\$ 35,000.00	\$ -	\$ 145,500.00
Permits									
51610 · Permits - NT									\$ -
51618 · Permits - T									\$ -
Total Permits		\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Personnel Expenses									
Commissioners Fees									
50200 · Commissioner's Salaries - NT	\$ 17,640.00								\$ 17,640.00
50208 · Commissioner's Salaries - T	\$ 7,560.00								\$ 7,560.00
Total Commissioners Fees	\$ 25,200.00								\$ 25,200.00
Contract Temporary Services									
50310 · Contract Temporary Services - N									\$ -
Total Contract Temporary Services									\$ -
Payroll Burden									
50500 · Payroll Benefits, Other - NT	\$ 155,336.00	\$ 231,127.00	\$ 98,402.00	\$ 46,541.00	\$ 21,844.00				\$ 553,250.00
50508 · Payroll Benefits, Other - T									\$ -
50510 · PAYROLL BENEFITS M/A									\$ -
6560 · Workers' Comp				\$ -					\$ -
Total Payroll Burden	\$ 155,336.00	\$ 231,127.00	\$ 98,402.00	\$ 46,541.00	\$ 21,844.00		\$ -		\$ 553,250.00
Salaries/Wages									
50100 · Salaries & Wages - NT	\$ 275,429.00	\$ 368,580.00	\$ 123,045.00	\$ 67,755.00	\$ 31,147.00				\$ 865,956.00
50108 · Salaries & Wages - T									\$ -
50119 · Sal. & Wages, Part-time - NT									\$ -
Salaries/Wages - Other									\$ -
Total Salaries/Wages	\$ 275,429.00	\$ 368,580.00	\$ 123,045.00	\$ 67,755.00	\$ 31,147.00	\$ -	\$ -		\$ 865,956.00
Total Personnel Expenses	\$ 455,965.00	\$ 599,707.00	\$ 221,447.00	\$ 114,296.00	\$ 52,991.00	\$ -	\$ -		\$ 1,444,406.00

Preliminary Budget FY 2021/2022

	General	WIM	RMT2	RW Dock	FLBY	Tidelands	SC	Grants	Grand Total
Planning Services									
52200 · Planning Fees - NT	\$ 61,600.00								\$ 61,600.00
52208 · Planning Fees - T	\$ 8,400.00								\$ 8,400.00
Total Planning Services	\$ 70,000.00	\$ -	\$ -	\$ -	\$ -		\$ -		\$ 70,000.00
Rent Expense									
54308 · Redwood Terminal 2 Lease Expense			\$ 211,800.00						\$ 211,800.00
54409 · Lease Expense - RT2									\$ -
Total Rent Expense			\$ 211,800.00			\$ -			\$ 211,800.00
Small Tools									
52800 · Small Tools - NT	\$ 700.00		\$ 2,500.00						\$ 3,200.00
52808 · Small Tools - T									\$ -
Small Tools - Other									\$ -
Total Small Tools	\$ 700.00	\$ -	\$ 2,500.00	\$ -	\$ -		\$ -		\$ 3,200.00
Utilities									
52909 · Utilities - NT	\$ 12,000.00		\$ 216,000.00	\$ 7,000.00	\$ 24,000.00				\$ 259,000.00
52918 · Utilities - T									\$ -
53000 · Water, Sewer, & Refuse - NT	\$ 80.00		\$ 16,000.00	\$ 150.00	\$ 3,800.00				\$ 20,030.00
53008 · Water, Sewer, & Refuse - T									\$ -
Total Utilities	\$ 12,080.00	\$ -	\$ 232,000.00	\$ 7,150.00	\$ 27,800.00		\$ -		\$ 279,030.00
57018 · Bank Service Charges									\$ -
66900 · Reconciliation Discrepancies									\$ -
Total Expense	\$ 858,745	\$ 1,191,107	\$ 916,727	\$ 179,946	\$ 124,491	\$ 183,150	\$ 271,000	\$ -	\$ 3,725,166
Net Ordinary Income	\$ 458,433	\$ (168,607)	\$ (98,227)	\$ (135,206)	\$ (159)	\$ 494,400	\$ (77,000)	\$ -	\$ 473,634
Net Income									
Debt Principal Payments:									
Bond		81,800				138,200			220,000
Coast Seafoods		176,500							176,500
BBVA Loan			93,100						93,100
Total	-	258,300	93,100	-	-	138,200	-	-	489,600
Other Debt (including interest):									
CalPERS Unf. Liab.	87,767								87,767
									87,767
Reserve Deposit									
General Reserve									-
Dredge Fund									-
Float Replacement		42,500							42,500
	-	42,500	-	-	-	-	-	-	42,500
Net Income - Debt -Reserve Deposit	458,433	(469,407)	(191,327)	(135,206)	(159)	356,200	(77,000)	-	(146,233)
Reserve Withdrawl									171,767
General Reserve									-
Dredge Fund		148,000							148,000
Float Replacement									-
	-	148,000	-	-	-	-	-	-	148,000
Grand Total: Income Minus Expense	458,433	(321,407)	(191,327)	(135,206)	(159)	356,200	(77,000)	-	1,767

Need \$
Dredge Expense

HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT

Scenario 1

Projected Cash Balances - Assuming no Nordic Aquafarms or RTI Cable Landing Revenue in 2021-22
FYE 6/30/2022

	Annual	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
INCOME													
Dredge/Float/Harb. Surcharges	450,000	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
Grants	194,000	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167
Taxes	1,192,000			36,000			560,000				566,000		30,000
Interest Income	164,800	338	338	40,525	338	338	40,525	338	338	40,525	338	338	40,524
Slip Rents	551,000	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917
Upland Rent	875,810	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984
Tidelands Rent	430,000	27,147	27,147	27,147	27,147	27,147	27,147	47,329	27,147	111,197	27,147	27,147	27,147
Fees, Sales, and Other Income	243,012	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251
RTI Cable Landing	-	-	-	-	-	-	-	-	-	-	-	-	-
Nordic Aquafarm Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	4,100,622	220,304	220,304	296,491	220,304	220,304	820,491	240,486	220,304	344,541	786,304	220,304	290,490
EXPENSE													
Salaries & Wages	891,156	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263
Payroll Burden	553,250	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104
Insurance	107,550	107,550											
Utilities	279,030	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253
Repairs & Maintenance	228,750	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063
Professional Services	270,700	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558
Outside Services	345,500	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792
Capital Outlay, excluding dredging	90,500	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542
HBDA Lease Payments	211,800		52,167			52,167			53,733			53,733	
Grant Expenses	194,000	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167
Interest Expense	176,700	1,625	1,625	1,625	1,625	1,625	80,225	1,625	1,625	1,625	1,625	1,625	80,225
All Other Expenses	258,230	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519
Debt Principal Payments:													
Bond	220,000						110,000						110,000
Coast Seafoods	176,500	11,375	11,375	11,375	11,375	11,375	11,375	11,375	51,375	11,375	11,375	11,375	11,375
BBVA Loan	93,100						46,550						46,550
CalPERS Unfunded Liab.	87,767	87,767											
Total Expense Before Dredging	4,184,533	467,577	324,427	272,260	272,260	324,427	507,410	272,260	365,993	272,260	272,260	325,993	507,410
Dredging Expense	318,000		159,000	159,000									
Total Expense	4,502,533	467,577	483,427	431,260	272,260	324,427	507,410	272,260	365,993	272,260	272,260	325,993	507,410
Increase (Decrease) in Cash	(401,911)	(247,273)	(263,123)	(134,769)	(51,956)	(104,123)	313,081	(31,774)	(145,689)	72,281	514,044	(105,689)	(216,920)
Projected Beginning Cash Balance	950,000	950,000	702,727	439,604	304,835	252,879	148,756	461,837	430,062	284,373	356,654	870,698	765,009
Projected Ending Cash	548,089	702,727	439,604	304,835	252,879	148,756	461,837	430,062	284,373	356,654	870,698	765,009	548,089

ASSUMPTIONS

HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT

Scenario 1

Projected Cash Balances - Assuming no Nordic Aquafarms or RTI Cable Landing Revenue in 2021-22
FYE 6/30/2022

	Annual	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
1. Income and expenses are per 2021/22 budget except:													
a) Nordic Aquafarms Revenue:													
i. One-time revenue for use of electrical substation	-												
revenue,													
beginning 1/31/22	-												
b) RTI Cable Landings Revenue:													
landing	-												
ii. Final installment for 1st cable landing	-												
iii. Payment for 2nd cable landing	-												
c) Additional expense for Coast Seafoods one-time debt payments	-												
d) Tax revenue was reduced from \$1,278,178 to \$1,192,000.													
e) Beginning cash balance, 7/1/21	\$ 950,000												
2. Income and expenses are incurred evenly throughout the year except for:													
a) Taxes are received mainly in December and April.													
b) Quarterly NMTC interest income of \$40,187 is received in Sept, Dec, March, and June.													
c) CalPERS unfunded liability is paid in July rather than paid in monthly installments.													
d) Insurance expense is paid in July.													
e) Lease payments to HBDA are paid in August, November, February, and May.													
f) Debt payments for bond and BBVA loan are paid in December and June, and extra \$40,000 principal payment for Coast Seafoods is paid in February.													
g) Dredging expense is all incurred in August and September.													
3. No large unusual, one-time 6/30/21 accounts or grants receivable that are expected to be collected in 2021/2022.													

Reconciliation to Budget

Increase (Decrease) in Cash per above	(401,911)
Less: RTI Cable landing income not included in prelim budget	-
Less: Nordic Aquafarms income not included in prelim budget	-
Add: Additional debt principal payments not in prelim budget	-
Transfer to reserves	(42,500)
Transfer from reserves	148,000
Budgeted Net Income	<u>(296,411)</u>

HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT

Scenario 2

Projected Cash Balances - Assuming Revenues for Both Nordic Aquafarms and RTI Cable Landing in 2021-22
FYE 6/30/2022

	Annual	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
INCOME													
Dredge/Float/Harb. Surcharges	450,000	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
Grants	194,000	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167
Taxes	1,192,000			36,000			560,000				566,000		30,000
Interest Income	164,800	338	338	40,525	338	338	40,525	338	338	40,525	338	338	40,524
Slip Rents	551,000	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917
Upland Rent	875,810	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984
Tidelands Rent	430,000	27,147	27,147	27,147	27,147	27,147	27,147	47,329	27,147	111,197	27,147	27,147	27,147
Fees, Sales, and Other Income	243,012	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251
RTI Cable Landing	1,383,000	-	-	425,000	-	-	958,000	-	-	-	-	-	-
Nordic Aquafarm Payments	687,002	-	-	-	-	-	-	531,167	31,167	31,167	31,167	31,167	31,167
Total Income	6,170,624	220,304	220,304	721,491	220,304	220,304	1,778,491	771,653	251,471	375,708	817,471	251,471	321,657
EXPENSE													
Salaries & Wages	891,156	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263
Payroll Burden	553,250	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104
Insurance	107,550	107,550											
Utilities	279,030	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253
Repairs & Maintenance	228,750	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063
Professional Services	270,700	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558
Outside Services	345,500	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792
Capital Outlay, excluding dredging	90,500	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542
HBDA Lease Payments	211,800		52,167			52,167			53,733			53,733	
Grant Expenses	194,000	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167
Interest Expense	176,700	1,625	1,625	1,625	1,625	1,625	80,225	1,625	1,625	1,625	1,625	1,625	80,225
All Other Expenses	258,230	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519
Debt Principal Payments:													
Bond	220,000						110,000						110,000
Coast Seafoods	674,028	11,375	11,375	436,375	11,375	11,375	192,153	-	-	-	-	-	-
BBVA Loan	93,100						46,550						46,550
CalPERS Unfunded Liab.	87,767	87,767											
Total Expense Before Dredging	4,682,061	467,577	324,427	697,260	272,260	324,427	688,188	260,885	314,618	260,885	260,885	314,618	496,035
Dredging Expense	318,000		159,000	159,000									
Total Expense	5,000,061	467,577	483,427	856,260	272,260	324,427	688,188	260,885	314,618	260,885	260,885	314,618	496,035
Increase (Decrease) in Cash	1,170,563	(247,273)	(263,123)	(134,769)	(51,956)	(104,123)	1,090,303	510,768	(63,147)	114,823	556,586	(63,147)	(174,378)
Projected Beginning Cash Balance	950,000	950,000	702,727	439,604	304,835	252,879	148,756	1,239,059	1,749,826	1,686,679	1,801,502	2,358,088	2,294,941
Projected Ending Cash	#####	702,727	439,604	304,835	252,879	148,756	1,239,059	1,749,826	1,686,679	1,801,502	2,358,088	2,294,941	2,120,563

HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT

Scenario 2

Projected Cash Balances - Assuming Revenues for Both Nordic Aquafarms and RTI Cable Landing in 2021-22
FYE 6/30/2022

	Annual	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
ASSUMPTIONS													
1. Income and expenses are per 2021/22 budget except:													
a) Nordic Aquafarms Revenue:													
i. One-time revenue for use of electrical substation revenue,	500,000							500,000					
beginning 1/31/22	187,002							31,167	31,167	31,167	31,167	31,167	31,167
b) RTI Cable Landings Revenue: landing	425,000			425,000									
ii. Final installment for 1st cable landing	625,000						625,000						
iii. Payment for 2nd cable landing	333,000						333,000						
c) Change in Coast Seafoods debt payments	497,528			425,000			180,778	(11,375)	(51,375)	(11,375)	(11,375)	(11,375)	(11,375)
d) Tax revenue was reduced from \$1,278,178 to \$1,192,000.	(86,178)												
e) Beginning cash balance, 7/1/21	\$ 950,000												

2. Income and expenses are incurred evenly throughout the year except for:

- Taxes are received mainly in December and April.
- Quarterly NMTC interest income of \$40,187 is received in Sept, Dec, March, and June.
- CalPERS unfunded liability is paid in July rather than paid in monthly installments.
- Insurance expense is paid in July.
- Lease payments to HBDA are paid in August, November, February, and May.
- Debt payments for bond and BBVA loan are paid in December and June, and extra \$40,000 principal payment for Coast Seafoods is paid in February.
- Dredging expense is all incurred in August and September.

3. No large unusual, one-time 6/30/21 accounts or grants receivable that are expected to be collected in 2021/2022.

Reconciliation to Budget

Increase (Decrease) in Cash per above	1,170,563
Less: RTI Cable landing income not included in prelim budget	(1,383,000)
Less: Nordic Aquafarms income not included in prelim budget	(687,002)
Add: Additional debt principal payments not in prelim budget	497,528
Transfer to reserves	(42,500)
Transfer from reserves	148,000
Budgeted Net Income	<u>(296,411)</u>

HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT

Scenario 3

Projected Cash Balances - Assuming RTI Cable Landing Revenue But No Nordic Aquafarms Revenues in 2021-22
FYE 6/30/2022

	Annual	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
INCOME													
Dredge/Float/Harb. Surcharges	450,000	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
Grants	194,000	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167
Taxes	1,192,000			36,000			560,000				566,000		30,000
Interest Income	164,800	338	338	40,525	338	338	40,525	338	338	40,525	338	338	40,524
Slip Rents	551,000	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917
Upland Rent	875,810	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984
Tidelands Rent	430,000	27,147	27,147	27,147	27,147	27,147	27,147	47,329	27,147	111,197	27,147	27,147	27,147
Fees, Sales, and Other Income	243,012	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251
RTI Cable Landing	1,383,000	-	-	425,000	-	-	958,000	-	-	-	-	-	-
Nordic Aquafarm Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	5,483,622	220,304	220,304	721,491	220,304	220,304	1,778,491	240,486	220,304	344,541	786,304	220,304	290,490
EXPENSE													
Salaries & Wages	891,156	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263
Payroll Burden	553,250	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104
Insurance	107,550	107,550											
Utilities	279,030	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253
Repairs & Maintenance	228,750	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063
Professional Services	270,700	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558
Outside Services	345,500	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792
Capital Outlay, excluding dredging	90,500	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542
HBDA Lease Payments	211,800		52,167			52,167			53,733			53,733	
Grant Expenses	194,000	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167
Interest Expense	176,700	1,625	1,625	1,625	1,625	1,625	80,225	1,625	1,625	1,625	1,625	1,625	80,225
All Other Expenses	258,230	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519
Debt Principal Payments:													
Bond	220,000						110,000						110,000
Coast Seafoods	674,028	11,375	11,375	436,375	11,375	11,375	192,153	-	-	-	-	-	-
BBVA Loan	93,100						46,550						46,550
CalPERS Unfunded Liab.	87,767	87,767											
Total Expense Before Dredging	4,682,061	467,577	324,427	697,260	272,260	324,427	688,188	260,885	314,618	260,885	260,885	314,618	496,035
Dredging Expense	318,000		159,000	159,000									
Total Expense	5,000,061	467,577	483,427	856,260	272,260	324,427	688,188	260,885	314,618	260,885	260,885	314,618	496,035
Increase (Decrease) in Cash	483,561	(247,273)	(263,123)	(134,769)	(51,956)	(104,123)	1,090,303	(20,399)	(94,314)	83,656	525,419	(94,314)	(205,545)
Projected Beginning Cash Balance	950,000	950,000	702,727	439,604	304,835	252,879	148,756	1,239,059	1,218,659	1,124,345	1,208,001	1,733,420	1,639,106
Projected Ending Cash	1,433,561	702,727	439,604	304,835	252,879	148,756	1,239,059	1,218,659	1,124,345	1,208,001	1,733,420	1,639,106	1,433,561

HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT

Scenario 3

Projected Cash Balances - Assuming RTI Cable Landing Revenue But No Nordic Aquafarms Revenues in 2021-22
FYE 6/30/2022

	Annual	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
ASSUMPTIONS													
1. Income and expenses are per 2021/22 budget except:													
a) Nordic Aquafarms Revenue:													
i. One-time revenue for use of electrical substation	-												
revenue,													
beginning 1/31/22	-												
b) RTI Cable Landings Revenue:													
landing	425,000			425,000									
ii. Final installment for 1st cable landing	625,000						625,000						
iii. Payment for 2nd cable landing	333,000						333,000						
c) Additional expense for Coast Seafoods one-time debt payments	497,528			425,000			180,778	(11,375)	(51,375)	(11,375)	(11,375)	(11,375)	(11,375)
d) Tax revenue was reduced from \$1,278,178 to \$1,192,000.	(86,178)												
e) Beginning cash balance, 7/1/21	\$ 950,000												

2. Income and expenses are incurred evenly throughout the year except for:

- a) Taxes are received mainly in December and April.
- b) Quarterly NMTC interest income of \$40,187 is received in Sept, Dec, March, and June.
- c) CalPERS unfunded liability is paid in July rather than paid in monthly installments.
- d) Insurance expense is paid in July.
- e) Lease payments to HBDA are paid in August, November, February, and May.
- f) Debt payments for bond and BBVA loan are paid in December and June, and extra \$40,000 principal payment for Coast Seafoods is paid in February.
- g) Dredging expense is all incurred in August and September.

3. No large unusual, one-time 6/30/21 accounts or grants receivable that are expected to be collected in 2021/2022.

Reconciliation to Budget	
Increase (Decrease) in Cash per above	483,561
Less: RTI Cable landing income not included in prelim budget	(1,383,000)
Less: Nordic Aquafarms income not included in prelim budget	-
Add: Additional debt principal payments not in prelim budget	497,528
Transfer to reserves	(42,500)
Transfer from reserves	148,000
Budgeted Net Income	<u>(296,411)</u>

HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT

Scenario 4

Projected Cash Balances - Assuming Nordic Aquafarms Revenues But No RTI Cable Landing Revenue in 2021-22
FYE 6/30/2022

	Annual	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
INCOME													
Dredge/Float/Harb. Surcharges	450,000	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
Grants	194,000	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167
Taxes	1,192,000			36,000			560,000				566,000		30,000
Interest Income	164,800	338	338	40,525	338	338	40,525	338	338	40,525	338	338	40,524
Slip Rents	551,000	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917
Upland Rent	875,810	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984	72,984
Tidelands Rent	430,000	27,147	27,147	27,147	27,147	27,147	27,147	47,329	27,147	111,197	27,147	27,147	27,147
Fees, Sales, and Other Income	243,012	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251	20,251
RTI Cable Landing	-	-	-	-	-	-	-	-	-	-	-	-	-
Nordic Aquafarm Payments	687,002	-	-	-	-	-	-	531,167	31,167	31,167	31,167	31,167	31,167
Total Income	4,787,624	220,304	220,304	296,491	220,304	220,304	820,491	771,653	251,471	375,708	817,471	251,471	321,657
EXPENSE													
Salaries & Wages	891,156	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263	74,263
Payroll Burden	553,250	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104	46,104
Insurance	107,550	107,550											
Utilities	279,030	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253	23,253
Repairs & Maintenance	228,750	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063
Professional Services	270,700	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558	22,558
Outside Services	345,500	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792
Capital Outlay, excluding dredging	90,500	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542	7,542
HBDA Lease Payments	211,800		52,167			52,167			53,733			53,733	
Grant Expenses	194,000	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167
Interest Expense	176,700	1,625	1,625	1,625	1,625	1,625	80,225	1,625	1,625	1,625	1,625	1,625	80,225
All Other Expenses	258,230	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519	21,519
Debt Principal Payments:													
Bond	220,000						110,000						110,000
Coast Seafoods	668,550	11,375	11,375	11,375	11,375	11,375	11,375	511,375	51,375	11,375	11,375	11,375	3,425
BBVA Loan	93,100						46,550						46,550
CalPERS Unfunded Liab.	87,767	87,767											
Total Expense Before Dredging	4,676,583	467,577	324,427	272,260	272,260	324,427	507,410	772,260	365,993	272,260	272,260	325,993	499,460
Dredging Expense	318,000		159,000	159,000									
Total Expense	4,994,583	467,577	483,427	431,260	272,260	324,427	507,410	772,260	365,993	272,260	272,260	325,993	499,460
Increase (Decrease) in Cash	(206,959)	(247,273)	(263,123)	(134,769)	(51,956)	(104,123)	313,081	(607)	(114,522)	103,448	545,211	(74,522)	(177,803)
Projected Beginning Cash Balance	950,000	950,000	702,727	439,604	304,835	252,879	148,756	461,837	461,229	346,707	450,155	995,366	920,844
Projected Ending Cash	743,041	702,727	439,604	304,835	252,879	148,756	461,837	461,229	346,707	450,155	995,366	920,844	743,041

HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT

Scenario 4

Projected Cash Balances - Assuming Nordic Aquafarms Revenues But No RTI Cable Landing Revenue in 2021-22
FYE 6/30/2022

	Annual	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
ASSUMPTIONS													
1. Income and expenses are per 2021/22 budget except:													
a) Nordic Aquafarms Revenue:													
i. One-time revenue for use of electrical substation revenue,	500,000							500,000					
beginning 1/31/22	187,002							31,167	31,167	31,167	31,167	31,167	31,167
b) RTI Cable Landings Revenue: landing	-												
ii. Final installment for 1st cable landing	-												
iii. Payment for 2nd cable landing	-												
c) Additional expense for Coast Seafoods one-time debt payments	492,050							500,000					(7,950)
d) Tax revenue was reduced from \$1,278,178 to \$1,192,000.	(86,178)												
e) Beginning cash balance, 7/1/21	\$ 950,000												

2. Income and expenses are incurred evenly throughout the year except for:

- a) Taxes are received mainly in December and April.
- b) Quarterly NMTC interest income of \$40,187 is received in Sept, Dec, March, and June.
- c) CalPERS unfunded liability is paid in July rather than paid in monthly installments.
- d) Insurance expense is paid in July.
- e) Lease payments to HBDA are paid in August, November, February, and May.
- f) Debt payments for bond and BBVA loan are paid in December and June, and extra \$40,000 principal payment for Coast Seafoods is paid in February.
- g) Dredging expense is all incurred in August and September.

3. No large unusual, one-time 6/30/21 accounts or grants receivable that are expected to be collected in 2021/2022.

Reconciliation to Budget	
Increase (Decrease) in Cash per above	(206,959)
Less: RTI Cable landing income not included in prelim budget	-
Less: Nordic Aquafarms income not included in prelim budget	(687,002)
Add: Additional debt principal payments not in prelim budget	492,050
Transfer to reserves	(42,500)
Transfer from reserves	148,000
Budgeted Net Income	<u>(296,411)</u>

Attachment A

BUDGET PROCESS AND POLICIES

With the adoption of the annual budget, the Board recognizes that the appropriations for the many operating activities and capital budgets are based upon estimates of the District's needs for the fiscal year. In order to establish reasonable flexibility in the administration of the budget, the following policies have been adopted. These policies are intended to provide the authority necessary for the Executive Director to administer the budget during the course of the fiscal year in light of varying conditions which may occur.

Budget Process

The budget process begins with meetings of key management Staff to informally discuss underlying fiscal policies, goals and objectives of the Board, Contracts and Sub-Contracts, and material changes in anticipated revenue/income and expenditures/expenses. The meetings include a brief message from the Executive Director along with general instructions for completing the budget template documents which, when completed, include proposed expenditures, capital outlay, departmental descriptions, activity accomplishments and future objectives, and other budget data.

Departmental requests are consolidated, and the Executive Director discusses or will discuss each departmental request with the applicable department head. Adjustments are made as appropriate and required to meet the Board's goals and objectives. The next step in the budget process involves preparation of a preliminary budget document and the scheduling of a series of Study Sessions with the Board which typically begin in late March/early April and conclude with the adoption of the preliminary budget and final budget. As required by the CA Harbors and Navigation Code Section 6093, the preliminary budget must be adopted on or before June 15, and per Section 6093.3, the final budget shall be adopted and reported to the Board of Supervisors no later than August 1st.

The District uses the modified accrual basis for budgeting in governmental funds. Proprietary funds are budgeted using accrual concepts. All operating and capital expenses and income are identified in the budgeting process because of the need for appropriation authority. All annual appropriations lapse at year-end.

Budget Policies

The Board recognizes a need to create budget and fiscal policies that assure delivery of products and services as efficiently and effectively as possible.

Operating Budget – General

The operating budget will be based on the principle that current operating expenditures shall be funded with current revenues. Unappropriated fund balances/working capital in enterprise and reserve funds may be used by the Board to meet one-time special project/program expenses. The operating expenses of the Board will be supported by recurring revenues and will not be funded through long-term debt. The enterprise expenses will be funded through current revenues excluding interest income. Expenditures shall include funding adequate maintenance and replacement of capital and operating assets.

Budgetary control is maintained through monthly reports of all revenue and expenditure accounts. The Executive Director, Director of Administrative Services, District Treasurer and each department head review the monthly reports. The reports are placed on a noticed Board agenda for public and Board review within 60 days.

General Revenue Management

The following summarizes the Board's general revenue management policies:

1. The Board will strive to maintain a diversified and stable revenue system to shelter the government from short-term fluctuations in any revenue source and to ensure its ability to provide ongoing services.
2. The Board will make all current expenditures with current revenues, avoiding procedures that balance current budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt.
3. In order to achieve important public policy goals, the Board has established various special revenue, capital project, debt service and enterprise funds to account for revenues whose use should be restricted to certain activities. Accordingly, each fund exists as a separate financing entity from other funds, with its own revenue sources, expenditures and fund equity.
4. Any transfers between funds for operating purposes are clearly set forth in the Financial Plan and can only be made by the District Treasurer and the Director of Administrative Services in accordance with the adopted budget.
5. Fees will be reviewed and updated on an ongoing basis to ensure that they keep pace with the changes in the cost of living as well as changes in methods or level of service delivery.
6. User fees will be developed and annually reviewed to insure they adequately recover the cost of services. In Enterprise Funds, user fees will provide full coverage of direct and indirect costs including depreciation and interest expense; subject to the limits imposed by the State.

Appropriations

The term "appropriations" means the amount approved for expenditure by the Board with the adoption of the annual budget, along with subsequent budget modifications and adjustments. Appropriations will be based on the best estimates of Department Heads and the Executive Director. Differing operating requirements, price changes, emergency situations and similar factors may require variation from the approved appropriations. Therefore, the Executive Director has authority to adjust the appropriations so long as the changes do not exceed the total approved appropriations of an activity, except in case of emergency. The Executive Director has the authority to meet emergency requirements and subsequently report to the Board and secure Board approval for an appropriate budget modification.

FISCAL POLICIES

Financial Reserve Policy

To maintain the fund balance and retained earnings of the various operating funds at levels sufficient to protect the District's creditworthiness as well as its financial positions from unforeseeable emergencies, the Board will strive to maintain the following minimum fund and working capital balances:

Minimum Fund and Working Capital Balances

1. The Board will maintain fund balances or working capital balances of at least twenty percent (20%) of operating expenditures in the General Fund and all Enterprise Funds and Internal Service Funds. This is considered the minimum level necessary to maintain the District's credit worthiness and to adequately provide for -
 - a. Economic uncertainties and other financial hardships or downturns in the local or national

- economy.
 - b. Local disasters or catastrophic events
 - c. Contingencies for unseen operating or capital needs.
 - d. Cash flow requirements.
2. In order to assure that the Board has some discretion in their financial decision making options, these reserve may be reduced with a majority Board vote in order to fund unforeseeable financial conditions such as one-time expenditures, or as transition funding in a recessionary economy, or other budget shortfall stop gap measure of a temporary nature.

Service Level Policy

Service levels will be provided with the constraints of available resources. Services will be provided only at the most efficient and effective level to meet the needs of our constituents, customers, and businesses as determined by the Board. Board financial planning will provide for adequate maintenance and replacement of capital items.

Investment Policy

The Board invests its temporary pooled idle cash in accordance with California Government Code Section 53601 and has an investment policy which is adopted annually. Investment and cash management will be the responsibility of the Executive Director in consultation with the District Treasurer and the Director of Administrative Services. The Board's primary investment objective is to achieve a reasonable rate of return while minimizing the potential for capital losses arising from market changes or issuer default. Accordingly, the following factors will be considered in priority order in determining individual investment placements:

1. *Safety* – The safety and risk associated with an investment refers to the potential loss of principal, interest, or a combination of these amounts. The Board only purchases investments that are considered safe.
2. *Liquidity* – This refers to the ability to “cash in” at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality which ensures cash will be available when an unexpected need arises.
3. *Yield* – This refers to the potential dollar earnings an investment can provide and is described as the rate of return.

The Board will strive to keep all idle cash balances fully invested through daily projections of cashflow requirements. In order to maximize yields from its overall portfolio, the Board will consolidate cash balances from all funds for investment purposes and will allocate investment earnings to each fund in accordance with generally accepted accounting principles.

Debt Policy

The Board will consider the use of debt financing for one-time capital improvement projects only when the project's useful life will exceed the term of the financing and when project revenues or specific resources will be insufficient to service the debt. Debt financing will not be considered appropriate for any recurring purpose. An internal feasibility study will be prepared for each long-term financing which analyzes the impact on current and future budgets for debt service and operations. This analysis will also address the reliability of revenues to support debt service.