



Quarterly Financial Status Report

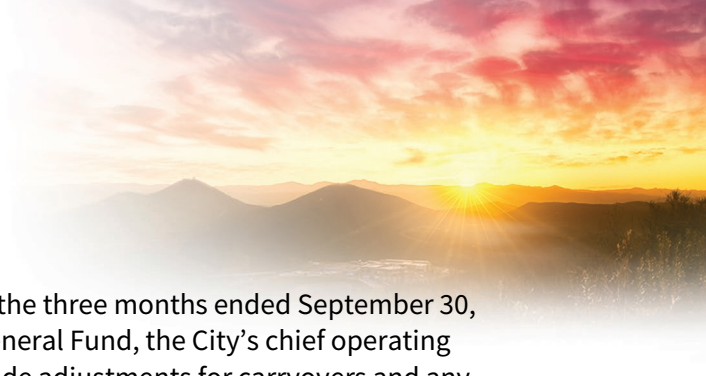
As of September 30, 2022





Quarterly Financial Status Report

Finance Department



Overview

This report summarizes the City's financial performance for the three months ended September 30, 2022. Financial analysis for this report is provided for the General Fund, the City's chief operating fund. The revenue projections and expenditure figures include adjustments for carryovers and any supplemental appropriations approved by City Council as of September 30, 2022. The figures presented are unaudited.

General Fund

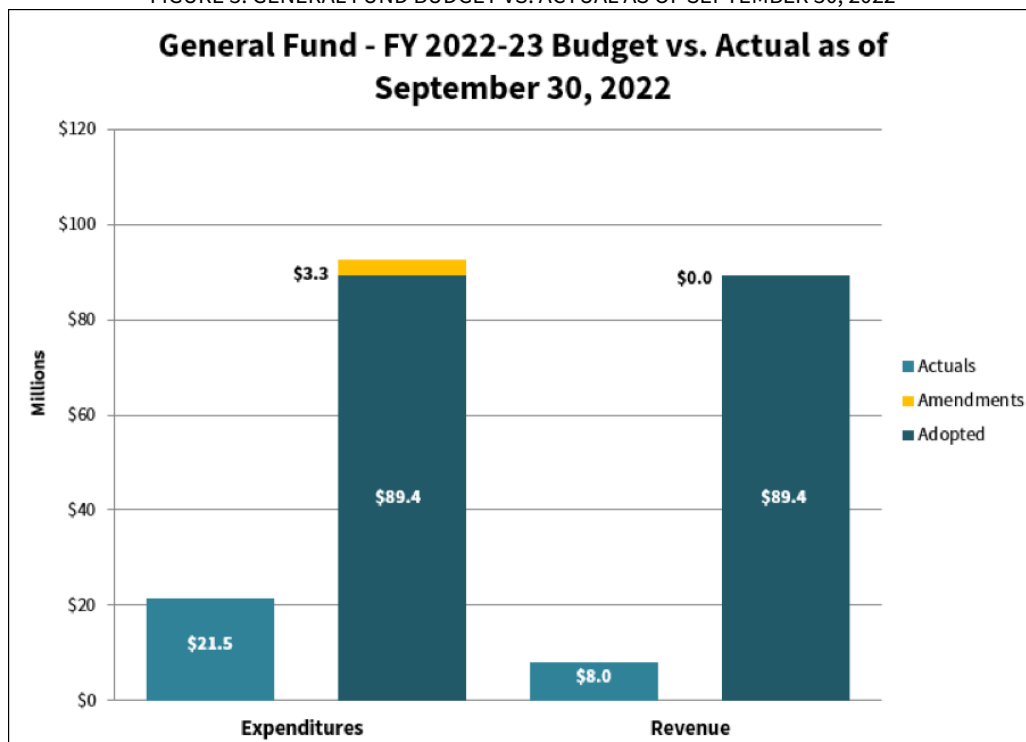
The General Fund is the chief operating fund for the City and includes multiple programs, services, and activities for the citizens of San Marcos.

The Fiscal Year 2022-23 adopted budget for revenues and operating expenses is balanced, at \$89.4M anticipated expenses and revenues.

The operating expenditure budget has been increased by \$3.3M due to carryover appropriations and encumbered contracts from prior year and budget adjustments in the current fiscal year.

General Fund revenues are 8.91% of budget which typical for this time of year due to the cyclical receipt of most revenues. Expenditures are 23.21%, which is trending on track at this time. The first quarter budget and actual revenue and expenses figures are illustrated side by side in Figure 3, below.

FIGURE 3: GENERAL FUND BUDGET VS. ACTUAL AS OF SEPTEMBER 30, 2022





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General Fund Revenues

As of September 30, 2022, approximately \$7.9 million or 8.91% of the General Fund operating revenue budget has been received as detailed in Figure 4, below.

FIGURE 4: GENERAL FUND REVENUE OVERVIEW AND COMPARISON BY TYPE
GENERAL FUND REVENUES - OVERVIEW AND COMPARISON BY TYPE

BUDGET CATEGORY	FISCAL YEAR 2022-23				REVENUE COMPARISON		
	AS ADOPTED	AS AMENDED	ACTUAL 9/30/2022	PERCENTAGE BUDGET USED	ACTUAL 9/30/2021	CHANGE FROM PRIOR YEAR	PERCENT CHANGE
TAXES & SPECIAL ASSESSMENTS							
Sales Tax	\$21,889,401	\$21,889,401	\$1,849,874	8.45%	\$1,572,297	\$277,578	17.65%
Property Tax	\$27,358,117	\$27,358,117	\$364,453	1.33%	\$422,655	(\$58,202)	-13.77%
Special Assessments	\$6,337,000	\$6,337,000	\$5,219	0.08%	\$25,280	(\$20,061)	-79.36%
Transient Occupancy Tax	\$738,856	\$738,856	\$0	0.00%	\$0	\$0	0.00%
Total Taxes & Special Assessments	\$56,323,374	\$56,323,374	\$2,219,546	3.94%	\$2,020,232	\$199,314	9.87%
LICENSES & PERMITS							
Franchise Fees	\$4,259,027	\$4,259,027	\$0	0.00%	\$0	\$0	0.00%
Storm Drain Fees	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Building Permit Fees	\$418,000	\$418,000	\$108,649	25.99%	\$110,477	(\$1,828)	-1.65%
Business License Fees	\$239,200	\$239,200	\$61,460	25.69%	\$60,079	\$1,381	2.30%
Other Licenses & Permits	\$722,150	\$722,150	\$229,182	31.74%	\$336,226	(\$107,044)	-31.84%
Total Licenses & Permits	\$5,638,377	\$5,638,377	\$399,291	7.08%	\$506,781	(\$107,491)	-21.21%
INTERGOVERNMENTAL							
State	\$151,000	\$151,000	\$45,856	30.37%	\$57,623	(\$11,767)	-20.42%
State Grants	\$339,635	\$339,635	\$0	0.00%	\$0	\$0	0.00%
County	\$277,000	\$277,000	\$91,919	33.18%	\$81,236	\$10,683	13.15%
Federal Grants	\$6,424,508	\$6,424,508	\$0	0.00%	\$0	\$0	0.00%
Total Intergovernmental	\$7,192,143	\$7,192,143	\$137,775	1.92%	\$138,858	(\$1,083)	-0.78%
CHARGES FOR SERVICES							
Departmental Services	\$8,083,060	\$8,083,060	\$2,844,657	35.19%	\$3,291,082	(\$446,424)	-13.56%
Reimbursements	\$3,493,770	\$3,493,770	\$223,005	6.38%	\$514,124	(\$291,120)	-56.62%
Total Charges For Services	\$11,576,830	\$11,576,830	\$3,067,662	26.50%	\$3,805,206	(\$737,544)	-19.38%
FINES & FORFEITURES							
Fines & Forfeitures	\$293,800	\$293,800	\$18,929	6.44%	\$4,143	\$14,785	356.84%
Total Fines & Forfeitures	\$293,800	\$293,800	\$18,929	6.44%	\$4,143	\$14,785	356.84%
USE OF MONEY & PROPERTY							
Rental Income	\$60,000	\$60,000	\$14,400	24.00%	\$12,187	\$2,213	18.16%
Partnership Income	\$900,000	\$900,000	(\$480,000)	-53.33%	\$0	(\$480,000)	0.00%
Interest Income	\$831,000	\$831,000	\$940,240	113.15%	(\$232,441)	\$1,172,681	-504.51%
Total Use Of Money & Property	\$1,791,000	\$1,791,000	\$474,640	26.50%	(\$220,254)	\$694,894	-315.50%
DEVELOPER FEES							
Developer Fees	\$11,500	\$11,500	\$13,045	113.43%	\$0	\$13,045	0.00%
Total Developer Fees	\$11,500	\$11,500	\$13,045	113.43%	\$0	\$13,045	0.00%
MISCELLANEOUS REVENUES							
Donations	\$1,500	\$1,500	\$0	0.00%	\$0	\$0	0.00%
Other Miscellaneous Revenue	\$115,560	\$115,560	\$18,590	16.09%	\$36,477	(\$17,886)	-49.03%
Total Miscellaneous Revenues	\$117,060	\$117,060	\$18,590	15.88%	\$36,477	(\$17,886)	-49.03%
OTHER SOURCES							
Sales Of Fixed Assets	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Operating Transfer In – CM/Other	\$6,479,300	\$6,479,300	\$1,614,700	24.92%	\$1,541,250	\$73,450	4.77%
Total Other Sources	\$6,479,300	\$6,479,300	\$1,614,700	24.92%	\$1,541,250	\$73,450	4.77%
TOTAL GENERAL FUND	\$89,423,384	\$89,423,384	\$7,964,178	8.91%	\$7,832,694	\$131,484	1.68%



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Sales Taxes: The local one cent share of statewide sales occurring April through June, for which San Marcos receives revenue in July, August, and September, was 17.65% higher than the comparable quarter of the prior fiscal year.

Property Taxes: The majority of property tax revenue is collected in December and April each year. According to the County of San Diego Assessor's Office, assessed values in San Marcos increased by 3.7% for fiscal year 2021-22, which is just above the county overall increase rate of 3.6%. The increase in this year's assessed values is mostly attributable to increases in residential and commercial properties which reflect a continued improvement in the housing market and new construction.

Other property taxes in this category include the ABX1 26 Real Property Transfer Trust Fund residual revenue which is from former Redevelopment tax increment revenue and pass through. These revenues are received twice a year, January 1st and June 1st.

Licenses & Permits: Licenses and Permits revenue consist of franchise fees, business license fees, building permits, and other building and planning permits and fees. Franchise fees are generated from public utility sources such as San Diego Gas and Electric, trash collections, and cable franchises conducting business within City limits. This revenue is collected quarterly and yearly starting in the second quarter of the fiscal year.

Intergovernmental: Includes federal, state, and local grant revenue, fire mitigation fees, recycling revenue, motor vehicle fees, and state mandate reimbursement. The majority of this revenue is collected quarterly and yearly starting in the second quarter of the fiscal year.

Charges for Services: Includes various plan check and zoning related fees, administrative fees, ambulance billings, and community service revenue from various recreational activities. These revenues are trending in line with budget.

Fines & Forfeitures: Includes vehicle, parking, and court fines as well as miscellaneous penalty fines. Predicting when the revenue is recognized in this category can be challenging, and while these revenues are trending low proportionately for the first quarter, they are in-line with the same time last year.

Use of Money & Property: Includes realized and unrealized investment income and rental income. Recurring rental income is on target with budget for this fiscal year.

Other Revenues: Developer Fees and Miscellaneous Revenues are often one-time revenues and vary year to year. Other Financing Sources are transfers from other City funds for general fund reimbursements for operations related to Community Facilities District 98-02, the Creekside Marketplace Fund, and Real Property Management Fund. These transfers typically take place at the end of the fiscal year. A detailed schedule of General Fund revenues is provided in Figure 4.



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General Fund Expenditures

As of September 30, 2022, approximately \$21.5 million or 23.21% of the General Fund operating budget has been expended as detailed in Figure 5, below.

FIGURE 5: GENERAL FUND EXPENDITURES BY FUND & FUNCTION
GENERAL FUND EXPENDITURES - OVERVIEW BY FUND AND FUNCTION

BUDGET CATEGORY	FISCAL YEAR 2022-23				EXPENDITURE COMPARISON		
	AS ADOPTED	AS AMENDED	ACTUAL 9/30/2022	PERCENTAGE BUDGET USED	ACTUAL 9/30/2021	CHANGE FROM PRIOR YEAR	PERCENT CHANGE
GENERAL GOVERNMENT							
City Council	\$283,294	\$283,294	\$113,058	39.91%	\$101,868	\$11,190	10.98%
Administration	\$9,757,732	\$10,077,159	\$7,279,712	72.24%	\$11,344,704	(\$4,064,992)	-35.83%
Communications & Marketing	\$508,491	\$508,491	\$57,192	11.25%	\$53,209	\$3,983	7.49%
Economic Development	\$335,894	\$677,499	\$57,935	8.55%	\$59,552	(\$1,617)	-2.72%
City Attorney	\$940,000	\$940,000	\$164,907	17.54%	\$169,520	(\$4,613)	-2.72%
City Clerk	\$1,165,490	\$884,170	\$169,410	19.16%	\$142,682	\$26,728	18.73%
Human Resources/Risk Management	\$4,096,247	\$4,273,669	\$1,932,133	45.21%	\$2,091,218	(\$159,085)	-7.61%
Finance	\$1,920,249	\$2,017,700	\$363,314	18.01%	\$337,908	\$25,406	7.52%
Information Systems	\$2,442,924	\$2,483,943	\$679,660	27.36%	\$589,993	\$89,667	15.20%
Real Property Services	\$141,607	\$145,686	\$14,283	9.80%	\$248,198	(\$233,915)	-94.25%
Total General Government	\$21,591,927	\$22,291,611	\$10,831,605	48.59%	\$15,138,852	(\$4,307,247)	-28.45%
PUBLIC WORKS							
Operations	\$10,259,075	\$10,643,281	\$1,950,159	18.32%	\$1,803,774	\$146,386	8.12%
Engineering	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Storm Water Program Management	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Total Public Works	\$10,259,075	\$10,643,281	\$1,950,159	18.32%	\$1,803,774	\$146,386	8.12%
DEVELOPMENT SERVICES							
Administration	\$1,494,468	\$1,511,522	\$243,914	16.14%	\$138,615	\$105,300	75.97%
Planning	\$1,484,910	\$2,800,377	\$261,554	9.34%	\$179,728	\$81,825	45.53%
Building	\$1,491,629	\$1,499,414	\$295,825	19.73%	\$246,780	\$49,044	19.87%
Engineering	\$2,386,017	\$3,024,985	\$308,852	10.21%	\$430,096	(\$121,244)	-28.19%
Total Development Services	\$6,857,024	\$8,836,299	\$1,110,145	12.56%	\$995,219	\$114,926	11.55%
PUBLIC SAFETY							
Fire Department	\$20,086,338	\$20,201,286	\$4,122,842	20.41%	\$5,217,072	(\$1,094,230)	-20.97%
Law Enforcement	\$23,374,137	\$23,374,137	\$1,929,599	8.26%	\$1,890,725	\$38,874	2.06%
Total Public Safety	\$43,460,475	\$43,575,423	\$6,052,441	13.89%	\$7,107,797	(\$1,055,356)	-14.85%
PARKS AND RECREATION							
Parks & Recreation	\$4,135,134	\$4,235,958	\$996,511	23.53%	\$936,982	\$59,529	6.35%
Total Parks And Recreation	\$4,135,134	\$4,235,958	\$996,511	23.53%	\$936,982	\$59,529	6.35%
OTHER USES							
Transfers Out	\$931,000	\$931,000	\$277,663	29.82%	\$165,000	\$112,663	68.28%
Annual Replacement/Rehab Transfers	\$1,265,345	\$1,265,345	\$0	0.00%	\$0	\$0	0.00%
Total Other Uses	\$2,196,345	\$2,196,345	\$277,663	12.64%	\$165,000	\$112,663	68.28%
TOTAL GENERAL FUND	\$89,423,382	\$92,730,541	\$21,524,826	23.21%	\$26,259,395	(\$4,734,569)	-18.03%



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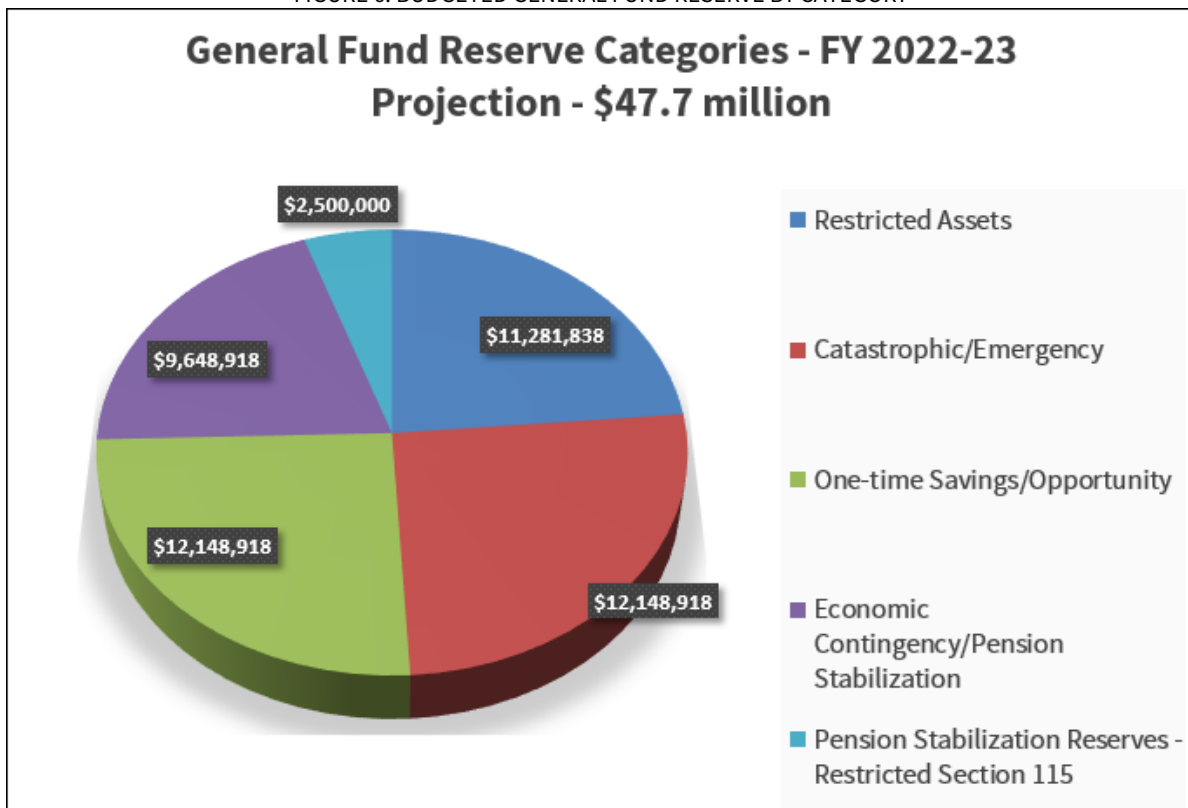
Other Uses of the General Fund includes transfers to the Infrastructure Replacement/Rehabilitation, Facilities Replacement & Rehabilitation, and Vehicle Acquisition/Replacement funds as required by City Council's Fiscal Management Policy.

Fund Balance and Reserves

No additional uses of reserves have been considered for this reporting period. The General Fund Reserve Policy is reviewed by the City Council as part of the annual operating budget review and adoption process. Reserve levels reflected in this reporting period are consistent with the approved budget.

The City commits to maintaining these reserves (total unassigned fund balance) at a minimum of 40% of General Fund annual operating expenditures allocated between Catastrophic/Emergency Reserve ($33\frac{1}{3}\%$), One-time Recurring Savings/Opportunity Reserve ($33\frac{1}{3}\%$) and Economic Contingency/Pension Stabilization Reserve ($33\frac{1}{3}\%$) as demonstrated in Figure 6, below.

FIGURE 6: BUDGETED GENERAL FUND RESERVE BY CATEGORY



For More Information

This summary report is derived from detailed financial information generated by the City's Finance Department. For questions or more information on this report, please contact the City's Finance Department at (760) 744-1050.