



## Quarterly Financial Status Report

*As of June 30, 2023*





# Quarterly Financial Status Report

Finance Department

## Overview

This report summarizes the City’s financial performance for the twelve months ended June 30, 2023. 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 June 30, 2023. The figures presented are unaudited.

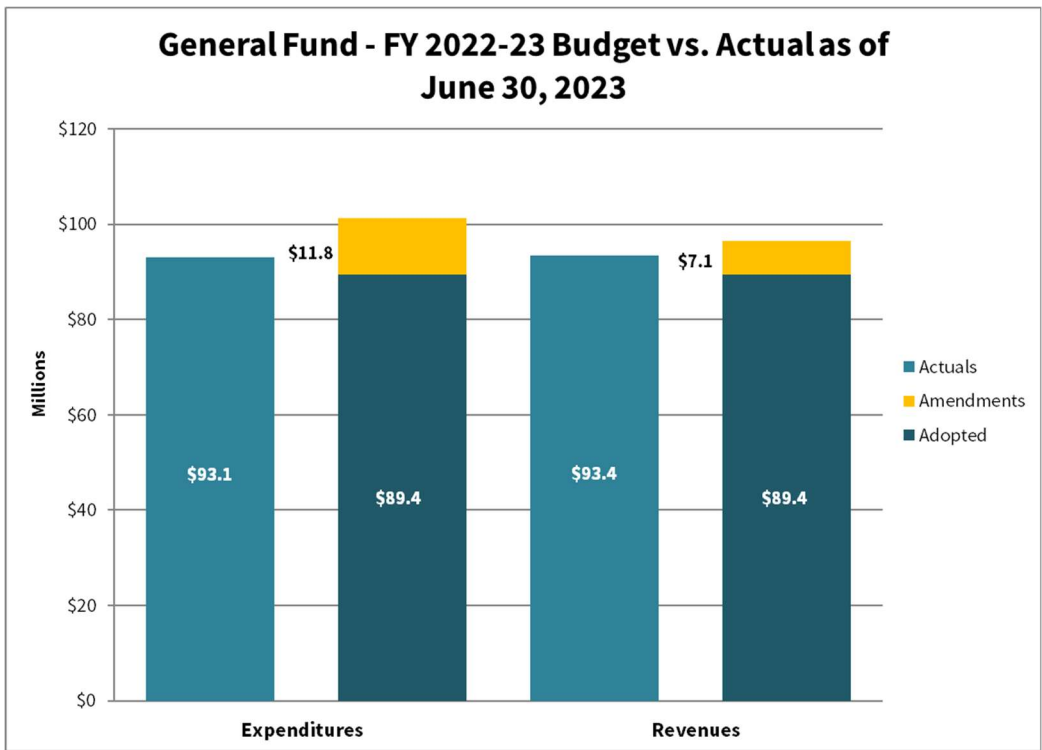
## General Fund

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 was balanced at \$89.4 anticipated expenses and revenues. On February 14, 2023, the City Council approved the mid-year expense budget of \$97.9 million and the revenue budget of \$96.4 million. Fiscal Year 2022-23 expense actuals were \$93.1 million, and revenue actuals were \$93.4 million.

Revenue is 6.1% higher than the prior fiscal year, primarily due to the final tranche of American Rescue Plan Act funds in Fiscal Year 2022-23. Expenditures are 7.6% higher than the prior fiscal year due to staff continuing to return to City service and activity levels after the COVID-19 pandemic decreases. The fourth 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 JUNE 30, 2023





# Quarterly Financial Status Report

Finance Department

## General Fund Revenues

As of June 30, 2023, approximately \$93.4 million or 97% of the General Fund operating budget revenue 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 6/30/2023	PERCENTAGE BUDGET USED	ACTUAL 6/30/2022	CHANGE FROM PRIOR YEAR	PERCENT CHANGE
<b>TAXES &amp; SPECIAL ASSESSMENTS</b>							
Sales Tax	\$21,889,401	\$22,554,372	\$21,935,697	97.26%	\$21,966,581	(\$30,883)	-0.14%
Property Tax	\$27,358,117	\$27,495,615	\$28,629,629	104.12%	\$26,695,907	\$1,933,722	7.24%
Special Assessments	\$6,337,000	\$6,337,000	\$7,090,860	111.90%	\$6,751,367	\$339,493	5.03%
Transient Occupancy Tax	\$738,865	\$738,856	\$1,615,411	218.64%	\$1,416,495	\$198,916	14.04%
<b>Total Taxes &amp; Special Assessments</b>	<b>\$56,323,383</b>	<b>\$57,125,843</b>	<b>\$59,271,598</b>	<b>103.76%</b>	<b>\$56,830,350</b>	<b>\$2,441,248</b>	<b>4.30%</b>
<b>LICENSES &amp; PERMITS</b>							
Franchise Fees	\$4,259,027	\$4,259,027	\$5,256,055	123.41%	\$4,644,009	\$612,046	13.18%
Storm Drain Fees	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Building Permit Fees	\$418,000	\$418,000	\$452,628	108.28%	\$494,967	(\$42,339)	-8.55%
Business License Fees	\$239,200	\$239,200	\$242,725	101.47%	\$241,672	\$1,054	0.44%
Other Licenses & Permits	\$722,150	\$722,150	\$952,397	131.88%	\$1,214,278	(\$261,880)	-21.57%
<b>Total Licenses &amp; Permits</b>	<b>\$5,638,377</b>	<b>\$5,638,377</b>	<b>\$6,903,805</b>	<b>122.44%</b>	<b>\$6,594,925</b>	<b>\$308,880</b>	<b>4.68%</b>
<b>INTERGOVERNMENTAL</b>							
State	\$151,000	\$151,000	\$176,537	116.91%	\$219,233	(\$42,696)	-19.48%
State Grants	\$339,635	\$212,000	\$278,837	131.53%	\$416,640	(\$137,803)	-33.07%
County	\$277,000	\$277,000	\$380,193	137.25%	\$473,961	(\$93,769)	-19.78%
Federal Grants	\$6,424,508	\$6,942,667	\$6,478,476	120.51%	\$3,929,156	\$2,549,320	64.88%
<b>Total Intergovernmental</b>	<b>\$7,192,143</b>	<b>\$7,582,667</b>	<b>\$7,314,043</b>	<b>96.46%</b>	<b>\$5,038,990</b>	<b>\$2,275,053</b>	<b>45.15%</b>
<b>CHARGES FOR SERVICES</b>							
Departmental Services	\$8,083,060	\$8,671,535	\$9,074,281	104.64%	\$9,178,370	(\$104,089)	-1.13%
Reimbursements	\$3,493,770	\$5,990,499	\$4,605,633	76.88%	\$4,505,108	\$100,525	2.23%
<b>Total Charges For Services</b>	<b>\$11,576,830</b>	<b>\$14,662,034</b>	<b>\$13,679,913</b>	<b>93.30%</b>	<b>\$13,683,478</b>	<b>(\$3,565)</b>	<b>-0.03%</b>
<b>FINES &amp; FORFEITURES</b>							
Fines & Forfeitures	\$293,800	\$293,800	\$197,362	67.18%	\$65,482	\$131,880	201.40%
<b>Total Fines &amp; Forfeitures</b>	<b>\$293,800</b>	<b>\$293,800</b>	<b>\$197,362</b>	<b>67.18%</b>	<b>\$65,482</b>	<b>\$131,880</b>	<b>201.40%</b>
<b>USE OF MONEY &amp; PROPERTY</b>							
Rental Income	\$60,000	\$60,000	\$46,800	78.00%	\$47,587	(\$787)	-1.65%
Partnership Income	\$900,000	\$900,000	\$1,042,151	115.79%	\$509,161	\$532,990	104.68%
Interest Income	\$831,000	\$831,000	\$1,034,795	124.52%	(\$1,554,193)	\$2,588,988	-166.58%
<b>Total Use Of Money &amp; Property</b>	<b>\$1,791,000</b>	<b>\$1,791,000</b>	<b>\$2,123,745</b>	<b>118.58%</b>	<b>(\$997,445)</b>	<b>\$3,121,191</b>	<b>-79.46%</b>
<b>DEVELOPER FEES</b>							
Developer Fees	\$11,500	\$11,500	\$24,413	212.29%	\$16,981	\$7,432	43.77%
<b>Total Developer Fees</b>	<b>\$11,500</b>	<b>\$11,500</b>	<b>\$24,413</b>	<b>212.29%</b>	<b>\$16,981</b>	<b>\$7,432</b>	<b>43.77%</b>
<b>MISCELLANEOUS REVENUES</b>							
Donations	\$1,500	\$1,500	\$0	0.00%	\$4,000	(\$4,000)	-100.00%
Other Miscellaneous Revenue	\$115,560	\$120,060	\$133,389	111.10%	\$231,317	(\$97,928)	-42.33%
<b>Total Miscellaneous Revenues</b>	<b>\$117,060</b>	<b>\$121,560</b>	<b>\$133,389</b>	<b>109.73%</b>	<b>\$235,317</b>	<b>(\$101,928)</b>	<b>-43.32%</b>
<b>OTHER SOURCES</b>							
Sales Of Fixed Assets	\$0	\$1,000,000	\$1,000,000	100.00%	\$396,367	\$603,633	152.29%
Operating Transfer In - CM/Other	\$6,479,300	\$8,252,639	\$2,751,890	33.35%	\$6,120,708	(\$3,368,818)	-55.04%
<b>Total Other Sources</b>	<b>\$6,479,300</b>	<b>\$9,252,639</b>	<b>\$3,751,890</b>	<b>40.55%</b>	<b>\$6,517,074</b>	<b>(\$2,765,185)</b>	<b>-42.43%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$89,423,393</b>	<b>\$96,479,420</b>	<b>\$93,400,159</b>	<b>96.81%</b>	<b>\$87,985,152</b>	<b>\$5,415,007</b>	<b>6.15%</b>



# Quarterly Financial Status Report

Finance Department

**Sales Taxes:** The local one cent share of statewide sales occurring during the Fiscal Year was 0.14% lower than 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% over the prior fiscal year, 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 and resulted in revenue actuals being 7.2% above prior fiscal year.

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 1<sup>st</sup> and June 1<sup>st</sup>.

**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. This includes the final tranche of American Rescue Plan Act funds.

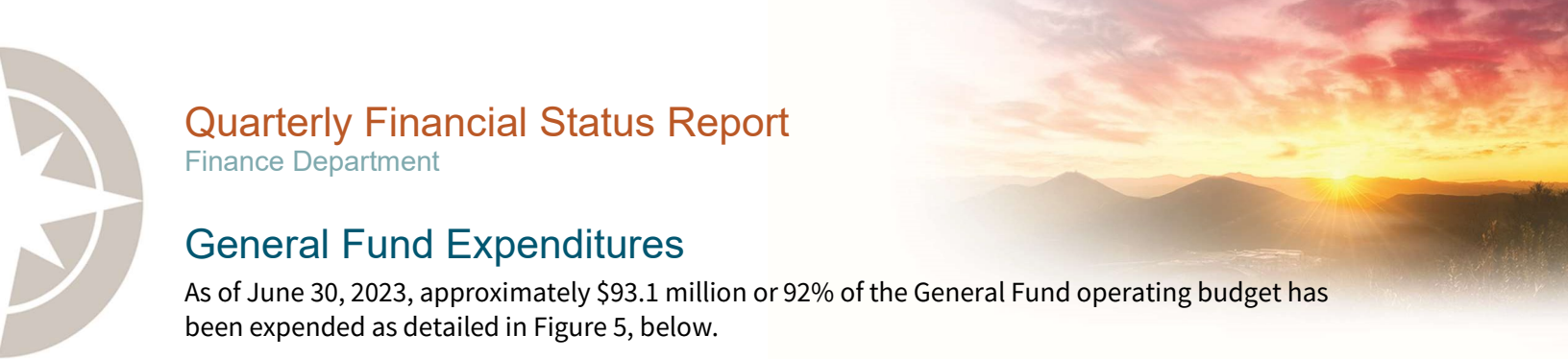
**Charges for Services:** Includes various plan check and zoning related fees, administrative fees, ambulance billings, and community service revenue from various recreational activities. These revenues ended slightly above the adopted budgeted amount for the fiscal year.

**Fines & Forfeitures:** Includes vehicle, parking, and court fines as well as miscellaneous penalty fines. Because of the nature of this type of revenue, predicting when the revenue will be recognized can be difficult. Therefore, the revenue in this category is above the same point last fiscal 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. This fiscal year experienced more favorable interest income rates.

**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 quarterly. A detailed schedule of General Fund revenues is provided in Figure 4.





# Quarterly Financial Status Report

Finance Department

## General Fund Expenditures

As of June 30, 2023, approximately \$93.1 million or 92% 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 6/30/2023	PERCENTAGE BUDGET USED	ACTUAL 6/30/2022	CHANGE FROM PRIOR YEAR	PERCENT CHANGE
<b>GENERAL GOVERNMENT</b>							
City Council	\$283,294	\$283,294	\$271,047	95.7%	\$257,055	\$13,992	5.4%
Administration	\$9,757,732	\$10,668,284	\$8,950,921	90.0%	\$7,530,208	\$1,420,713	-31.9%
Communications & Marketing	\$508,491	\$508,491	\$444,232	87.4%	\$337,054	\$107,178	31.8%
Economic Development	\$335,894	\$341,499	\$240,466	70.4%	\$226,922	\$13,544	6.0%
City Attorney	\$940,000	\$1,040,000	\$851,673	81.9%	\$1,035,582	(\$183,909)	-17.8%
City Clerk	\$1,165,490	\$922,495	\$656,425	71.2%	\$715,400	(\$58,975)	-8.2%
Human Resources/Risk Management	\$4,096,247	\$4,239,669	\$3,363,491	79.3%	\$3,636,856	(\$273,366)	-7.5%
Finance	\$1,920,249	\$2,327,700	\$2,021,196	86.8%	\$1,806,545	\$214,651	11.9%
Information Systems	\$2,442,924	\$2,788,182	\$2,960,378	101.6%	\$2,208,352	\$752,026	28.2%
Real Property Services	\$141,607	\$145,686	\$107,903	74.1%	\$579,688	(\$471,784)	-81.4%
<b>Total General Government</b>	<b>\$21,591,931</b>	<b>\$23,265,300</b>	<b>\$19,867,733</b>	<b>87.6%</b>	<b>\$18,333,664</b>	<b>\$1,534,069</b>	<b>8.4%</b>
<b>PUBLIC WORKS</b>							
Operations	\$10,259,077	\$13,044,698	\$12,093,229	92.7%	\$9,290,844	\$2,802,385	30.2%
<b>Total Public Works</b>	<b>\$10,259,077</b>	<b>\$13,044,698</b>	<b>\$12,093,229</b>	<b>92.7%</b>	<b>\$9,290,844</b>	<b>\$2,802,385</b>	<b>30.2%</b>
<b>DEVELOPMENT SERVICES</b>							
Administration	\$1,494,468	\$1,478,984	\$1,399,257	94.6%	\$1,037,317	\$361,940	34.9%
Planning	\$1,484,910	\$2,539,517	\$1,199,007	47.2%	\$1,003,392	\$195,615	19.5%
Building	\$1,491,629	\$1,894,535	\$1,806,852	95.4%	\$1,360,087	\$446,765	32.8%
Engineering	\$2,386,017	\$2,600,866	\$2,082,908	80.1%	\$2,088,388	(\$5,480)	-0.3%
<b>Total Development Services*</b>	<b>\$7,780,427</b>	<b>\$13,087,924</b>	<b>\$11,066,039</b>	<b>84.6%</b>	<b>\$6,559,228</b>	<b>\$4,506,810</b>	<b>68.7%</b>
<b>PUBLIC SAFETY</b>							
Fire Department	\$20,086,339	\$20,898,704	\$19,635,363	94.0%	\$19,554,864	\$80,499	0.4%
Law Enforcement	\$23,374,137	\$23,204,137	\$23,057,516	99.4%	\$22,637,478	\$420,039	1.9%
<b>Total Public Safety</b>	<b>\$43,460,476</b>	<b>\$44,102,841</b>	<b>\$42,692,880</b>	<b>96.8%</b>	<b>\$42,192,342</b>	<b>\$500,538</b>	<b>1.2%</b>
<b>PARKS AND RECREATION</b>							
Parks & Recreation	\$4,135,137	\$4,528,795	\$4,065,950	89.8%	\$3,690,546	\$375,404	10.2%
<b>Total Parks And Recreation</b>	<b>\$4,135,137</b>	<b>\$4,528,795</b>	<b>\$4,065,950</b>	<b>89.8%</b>	<b>\$3,690,546</b>	<b>\$375,404</b>	<b>10.2%</b>
<b>OTHER USES</b>							
Transfers Out	\$931,000	\$1,931,000	\$1,094,767	25.4%	\$6,490,615	(\$5,395,848)	-83.1%
Annual Replacement/Rehab Transfers	\$1,265,345	\$1,265,345	\$2,265,345	100.0%	\$0	\$2,265,345	0.0%
<b>Total Other Uses</b>	<b>\$2,196,345</b>	<b>\$3,196,345</b>	<b>\$3,360,112</b>	<b>35.5%</b>	<b>\$6,490,615</b>	<b>(\$3,130,503)</b>	<b>-48.2%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$89,423,393</b>	<b>\$101,225,903</b>	<b>\$93,145,942</b>	<b>92.0%</b>	<b>\$86,557,240</b>	<b>\$6,588,703</b>	<b>7.6%</b>

\*All "Total Development Services" amounts include Watershed Program Management.

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.

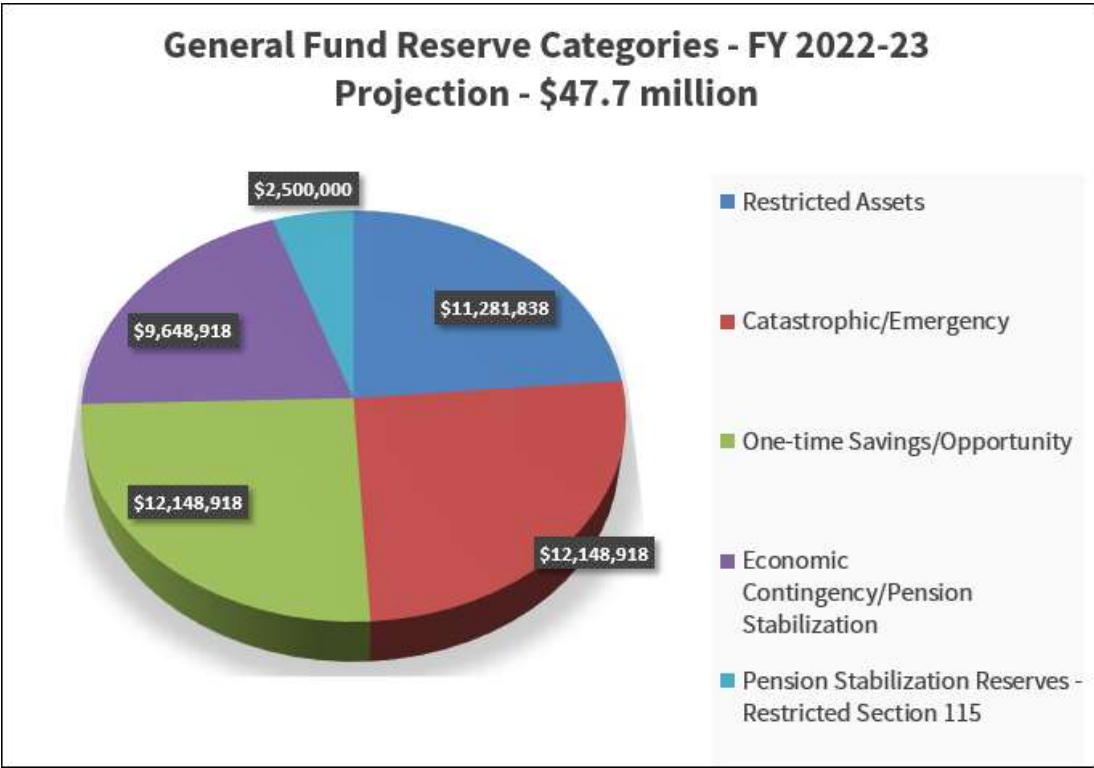


Fund Balance and Reserves

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.