



## Quarterly Financial Status Report

*As of December 31, 2024*





# Quarterly Financial Status Report

Finance Department



## Overview

This report summarizes the City's financial performance for the three months ended December 31, 2024. 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 the City Council as of December 31, 2024. 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.

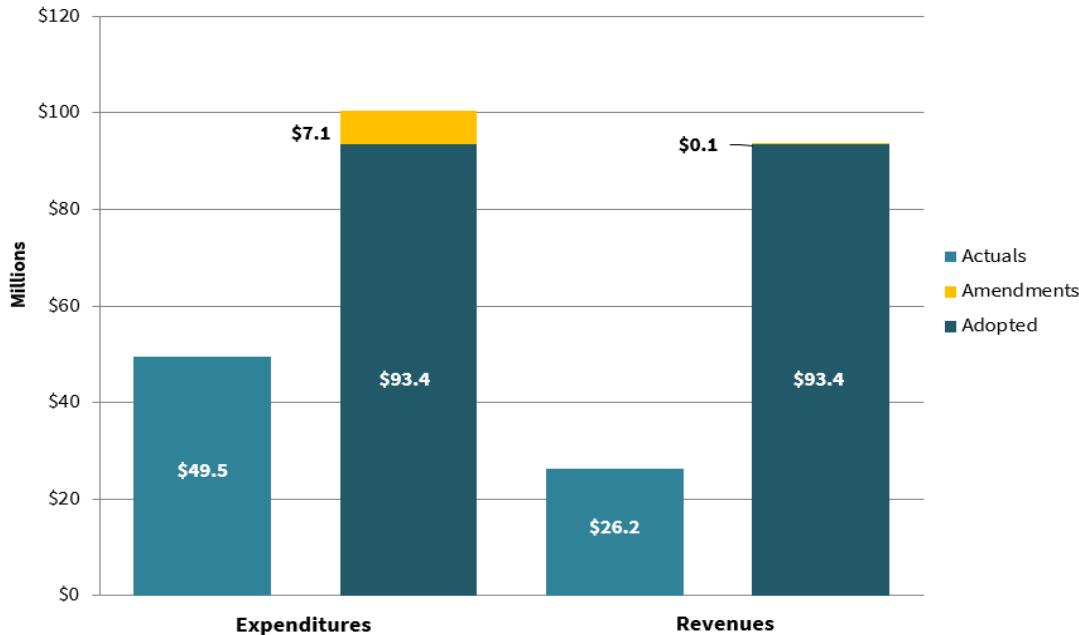
The Fiscal Year 2024-25 adopted budget for revenues is \$93.4M and the Fiscal Year 2024-25 adopted budget for operating expenses \$93.4M.

The operating expenditure budget has been increased by \$7.1M due to carryover appropriations and encumbered contracts from prior year and budget adjustments in the current fiscal year. The operating revenue budget has added \$130K due to additional grant funding for Fire operations.

General Fund revenues are 28.0% of budget, which is typical for this time of year due to the cyclical receipt of most revenues. Expenditures are 49.3%, which is trending on track at this time. The second quarter budget and actual revenue and expenses figures are illustrated side by side in Figure 1, below.

FIGURE 1: GENERAL FUND BUDGET VS. ACTUAL AS OF DECEMBER 31, 2024.

### General Fund - FY 2024-25 Budget vs. Actual as of December 31, 2024





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## General Fund Revenues

As of December 31, 2024, approximately \$26.2M or 28.0% of the General Fund operating revenue budget has been received as detailed in Figure 2, below.

FIGURE 2: GENERAL FUND REVENUE OVERVIEW AND COMPARISON BY TYPE

### GENERAL FUND REVENUES - OVERVIEW AND COMPARISON BY TYPE

BUDGET CATEGORY	FISCAL YEAR 2024-25				REVENUE COMPARISON		
	AS ADOPTED	AS AMENDED	ACTUAL 12/31/2024	PERCENTAGE BUDGET USED	ACTUAL 12/31/2023	CHANGE FROM PRIOR YEAR	PERCENT CHANGE
<strong>TAXES &amp; SPECIAL ASSESSMENTS</strong>							
Sales Tax	\$22,577,794	\$22,577,794	\$6,847,593	30.33%	\$7,240,358	(\$392,766)	-5.42%
Property Tax	\$32,189,593	\$32,189,593	\$4,279,461	13.29%	\$4,263,869	\$15,593	0.37%
Special Assessments	\$7,347,600	\$7,347,600	\$1,827,825	24.88%	\$1,715,256	\$112,568	6.56%
Transient Occupancy Tax	\$1,570,000	\$1,570,000	\$530,739	33.81%	\$463,352	\$67,387	14.54%
<strong>Total Taxes &amp; Special Assessments</strong>	<strong>\$63,684,987</strong>	<strong>\$63,684,987</strong>	<strong>\$13,485,618</strong>	<strong>21.18%</strong>	<strong>\$13,682,836</strong>	<strong>(\$197,218)</strong>	<strong>-1.44%</strong>
<strong>LICENSES &amp; PERMITS</strong>							
Franchise Fees	\$5,800,000	\$5,800,000	\$1,110,171	19.14%	\$1,073,041	\$37,129	3.46%
Building Permit Fees	\$710,000	\$710,000	\$204,955	28.87%	\$535,387	(\$330,432)	-61.72%
Business License Fees	\$251,500	\$251,500	\$119,316	47.44%	\$115,022	\$4,295	3.73%
Other Licenses & Permits	\$1,042,350	\$1,042,350	\$581,952	55.83%	\$403,592	\$178,361	44.19%
<strong>Total Licenses &amp; Permits</strong>	<strong>\$7,803,850</strong>	<strong>\$7,803,850</strong>	<strong>\$2,016,394</strong>	<strong>25.84%</strong>	<strong>\$2,127,041</strong>	<strong>(\$110,647)</strong>	<strong>-5.20%</strong>
<strong>INTERGOVERNMENTAL</strong>							
State	\$175,000	\$175,000	\$91,713	52.41%	\$162,433	(\$70,721)	-43.54%
State Grants	\$480,856	\$480,856	\$169,316	35.21%	\$185,886	(\$16,571)	-8.91%
County	\$300,000	\$300,000	\$206,655	68.89%	\$394,473	(\$187,818)	-47.61%
Federal Grants	\$0	\$127,008	\$0	0.00%	\$96,394	(\$96,394)	-100.00%
<strong>Total Intergovernmental</strong>	<strong>\$955,856</strong>	<strong>\$1,082,864</strong>	<strong>\$467,683</strong>	<strong>43.19%</strong>	<strong>\$839,186</strong>	<strong>(\$371,503)</strong>	<strong>-44.27%</strong>
<strong>CHARGES FOR SERVICES</strong>							
Departmental Services	\$10,147,458	\$10,147,458	\$5,700,534	56.18%	\$5,388,329	\$312,205	5.79%
Reimbursements	\$2,889,100	\$2,889,100	\$1,589,670	55.02%	\$1,424,082	\$165,588	11.63%
<strong>Total Charges For Services</strong>	<strong>\$13,036,558</strong>	<strong>\$13,036,558</strong>	<strong>\$7,290,205</strong>	<strong>55.92%</strong>	<strong>\$6,812,412</strong>	<strong>\$477,793</strong>	<strong>7.01%</strong>
<strong>FINES &amp; FORFEITURES</strong>							
Fines & Forfeitures	\$393,200	\$393,200	\$223,586	56.86%	\$89,487	\$134,099	149.85%
<strong>Total Fines &amp; Forfeitures</strong>	<strong>\$393,200</strong>	<strong>\$393,200</strong>	<strong>\$223,586</strong>	<strong>56.86%</strong>	<strong>\$89,487</strong>	<strong>\$134,099</strong>	<strong>149.85%</strong>
<strong>USE OF MONEY &amp; PROPERTY</strong>							
Rental Income	\$47,600	\$47,600	\$18,700	39.29%	\$25,765	(\$7,065)	-27.42%
Partnership Income	\$1,480,000	\$1,480,000	\$120,000	8.11%	\$0	\$120,000	0.00%
Interest Income	\$1,075,000	\$1,075,000	\$282,506	26.28%	\$881,811	(\$599,305)	-67.96%
<strong>Total Use Of Money &amp; Property</strong>	<strong>\$2,602,600</strong>	<strong>\$2,602,600</strong>	<strong>\$421,206</strong>	<strong>16.18%</strong>	<strong>\$907,576</strong>	<strong>(\$486,370)</strong>	<strong>-53.59%</strong>
<strong>DEVELOPER FEES</strong>							
Developer Fees	\$18,000	\$18,000	\$2,401	13.34%	\$10,197	(\$7,795)	-76.45%
<strong>Total Developer Fees</strong>	<strong>\$18,000</strong>	<strong>\$18,000</strong>	<strong>\$2,401</strong>	<strong>13.34%</strong>	<strong>\$10,197</strong>	<strong>(\$7,795)</strong>	<strong>-76.45%</strong>
<strong>MISCELLANEOUS REVENUES</strong>							
Donations	\$6,000	\$6,000	\$3,552	59.20%	\$3,256	\$295	9.07%
Other Miscellaneous Revenue	\$119,500	\$122,500	\$76,176	62.18%	\$34,728	\$41,448	119.35%
<strong>Total Miscellaneous Revenues</strong>	<strong>\$125,500</strong>	<strong>\$128,500</strong>	<strong>\$79,728</strong>	<strong>62.05%</strong>	<strong>\$37,985</strong>	<strong>\$41,743</strong>	<strong>109.90%</strong>
<strong>OTHER SOURCES</strong>							
Sales Of Fixed Assets	\$0	\$0	\$0	0.00%	\$66,686	(\$66,686)	-100.00%
Operating Transfer In - CM/Other	\$4,804,800	\$4,804,800	\$2,229,400	46.40%	\$2,229,400	\$0	0.00%
<strong>Total Other Sources</strong>	<strong>\$4,804,800</strong>	<strong>\$4,804,800</strong>	<strong>\$2,229,400</strong>	<strong>46.40%</strong>	<strong>\$2,296,086</strong>	<strong>(\$66,686)</strong>	<strong>-2.90%</strong>
<strong>TOTAL GENERAL FUND</strong>	<strong>\$93,425,351</strong>	<strong>\$93,555,359</strong>	<strong>\$26,216,221</strong>	<strong>28.02%</strong>	<strong>\$26,802,806</strong>	<strong>(\$586,584)</strong>	<strong>-2.19%</strong>



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**Sales Taxes:** The local one cent share of statewide sales occurring July through September, for which San Marcos receives revenue in October, November and December, was 5.42% lower 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 7.5% over the prior fiscal year, which is just above the county overall increase rate of 5.5%. 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 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. Most of this revenue is collected quarterly and yearly, typically starting in the second quarter of the fiscal year. However, it is significantly less than anticipated compared to the prior year. Funding is expected to catch up in the subsequent quarter.

**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 fluctuates year over year. Revenues are trending higher than at this point last year.

**Use of Money & Property:** Includes realized and unrealized investment income and rental income. Recurring rental income slightly behind in the second quarter but is on target with budget for this fiscal year. Investment income has decreased due to a combination of factors including lower interest rates and rising service costs.

**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 2.



# Quarterly Financial Status Report

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## General Fund Expenditures

As of December 31, 2024, approximately \$49.5M or 49.3% of the General Fund operating budget has been expended as detailed in Figure 3, below.

FIGURE 3: GENERAL FUND EXPENDITURES BY FUND & FUNCTION

### GENERAL FUND EXPENDITURES - OVERVIEW BY FUND AND FUNCTION

BUDGET CATEGORY	FISCAL YEAR 2024-25				EXPENDITURE COMPARISON		
	AS ADOPTED	AS AMENDED	ACTUAL 12/31/2024	PERCENTAGE BUDGET USED	ACTUAL 12/31/2023	CHANGE FROM PRIOR YEAR	PERCENT CHANGE
<strong>GENERAL GOVERNMENT</strong>							
City Council	\$270,321	\$270,321	\$151,604	56.08%	\$132,843	\$18,761	14.12%
Administration	\$9,703,566	\$9,937,170	\$8,307,330	83.60%	\$7,421,384	\$885,946	11.94%
Communications & Marketing	\$326,154	\$326,154	\$142,503	43.69%	\$217,525	(\$75,022)	-34.49%
Economic Development	\$204,408	\$204,408	\$129,369	63.29%	\$100,597	\$28,772	28.60%
City Attorney	\$855,000	\$855,000	\$373,783	43.72%	\$340,400	\$33,383	9.81%
City Clerk	\$823,541	\$842,529	\$423,512	50.27%	\$192,849	\$230,663	119.61%
Human Resources/Risk Management	\$4,284,625	\$4,274,224	\$3,672,752	85.93%	\$2,794,427	\$878,325	31.43%
Finance	\$1,885,102	\$2,005,546	\$711,928	35.50%	\$825,864	(\$113,936)	-13.80%
Information Systems	\$2,526,398	\$2,590,350	\$1,292,755	49.91%	\$1,110,305	\$182,450	16.43%
Real Property Services	\$50,000	\$52,640	\$61,908	117.61%	\$10,126	\$51,781	511.36%
<strong>Total General Government</strong>	<strong>\$20,929,115</strong>	<strong>\$21,358,341</strong>	<strong>\$15,267,443</strong>	<strong>71.48%</strong>	<strong>\$13,146,319</strong>	<strong>\$2,121,125</strong>	<strong>16.13%</strong>
<strong>PUBLIC WORKS</strong>							
Operations	\$11,969,402	\$12,881,522	\$5,563,794	43.19%	\$5,358,907	\$204,887	3.82%
<strong>Total Public Works</strong>	<strong>\$11,969,402</strong>	<strong>\$12,881,522</strong>	<strong>\$5,563,794</strong>	<strong>43.19%</strong>	<strong>\$5,358,907</strong>	<strong>\$204,887</strong>	<strong>3.82%</strong>
<strong>DEVELOPMENT SERVICES</strong>							
Administration	\$1,499,802	\$1,716,141	\$562,312	32.77%	\$670,558	(\$108,245)	-16.14%
Planning	\$1,484,370	\$1,615,597	\$710,801	44.00%	\$564,750	\$146,051	25.86%
Building	\$1,844,719	\$1,899,719	\$914,102	48.12%	\$898,800	\$15,302	1.70%
Engineering	\$2,584,034	\$3,134,602	\$802,726	25.61%	\$780,239	\$22,487	2.88%
Storm Water Program Management	\$963,157	\$972,831	\$291,361	30.25%	\$263,724	\$27,637	10.48%
<strong>Total Development Services</strong>	<strong>\$8,376,082</strong>	<strong>\$9,338,890</strong>	<strong>\$3,281,302</strong>	<strong>39.17%</strong>	<strong>\$3,178,070</strong>	<strong>\$103,232</strong>	<strong>3.25%</strong>
<strong>PUBLIC SAFETY</strong>							
Fire Department	\$22,679,607	\$23,018,820	\$10,882,480	47.28%	\$9,489,842	\$1,392,639	14.68%
Law Enforcement	\$24,144,180	\$24,144,181	\$8,166,527	33.82%	\$7,843,358	\$323,169	4.12%
<strong>Total Public Safety</strong>	<strong>\$46,823,787</strong>	<strong>\$47,163,001</strong>	<strong>\$19,049,007</strong>	<strong>40.39%</strong>	<strong>\$17,333,200</strong>	<strong>\$1,715,807</strong>	<strong>9.90%</strong>
<strong>PARKS AND RECREATION</strong>							
Parks & Recreation	\$4,495,965	\$4,409,596	\$2,151,706	48.80%	\$2,152,710	(\$1,004)	-0.05%
<strong>Total Parks And Recreation</strong>	<strong>\$4,495,965</strong>	<strong>\$4,409,596</strong>	<strong>\$2,151,706</strong>	<strong>48.80%</strong>	<strong>\$2,152,710</strong>	<strong>(\$1,004)</strong>	<strong>-0.05%</strong>
<strong>OTHER USES</strong>							
Transfers Out	\$831,000	\$5,325,019	\$4,216,131	79.18%	\$341,944	\$3,874,187	1132.99%
Annual Replacement/Rehab Transfers	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
<strong>Total Other Uses</strong>	<strong>\$831,000</strong>	<strong>\$5,325,019</strong>	<strong>\$4,216,131</strong>	<strong>79.18%</strong>	<strong>\$341,944</strong>	<strong>\$3,874,187</strong>	<strong>1132.99%</strong>
<strong>TOTAL GENERAL FUND</strong>	<strong>\$93,425,351</strong>	<strong>\$100,476,369</strong>	<strong>\$49,529,385</strong>	<strong>49.29%</strong>	<strong>\$41,511,150</strong>	<strong>\$8,018,235</strong>	<strong>19.32%</strong>

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



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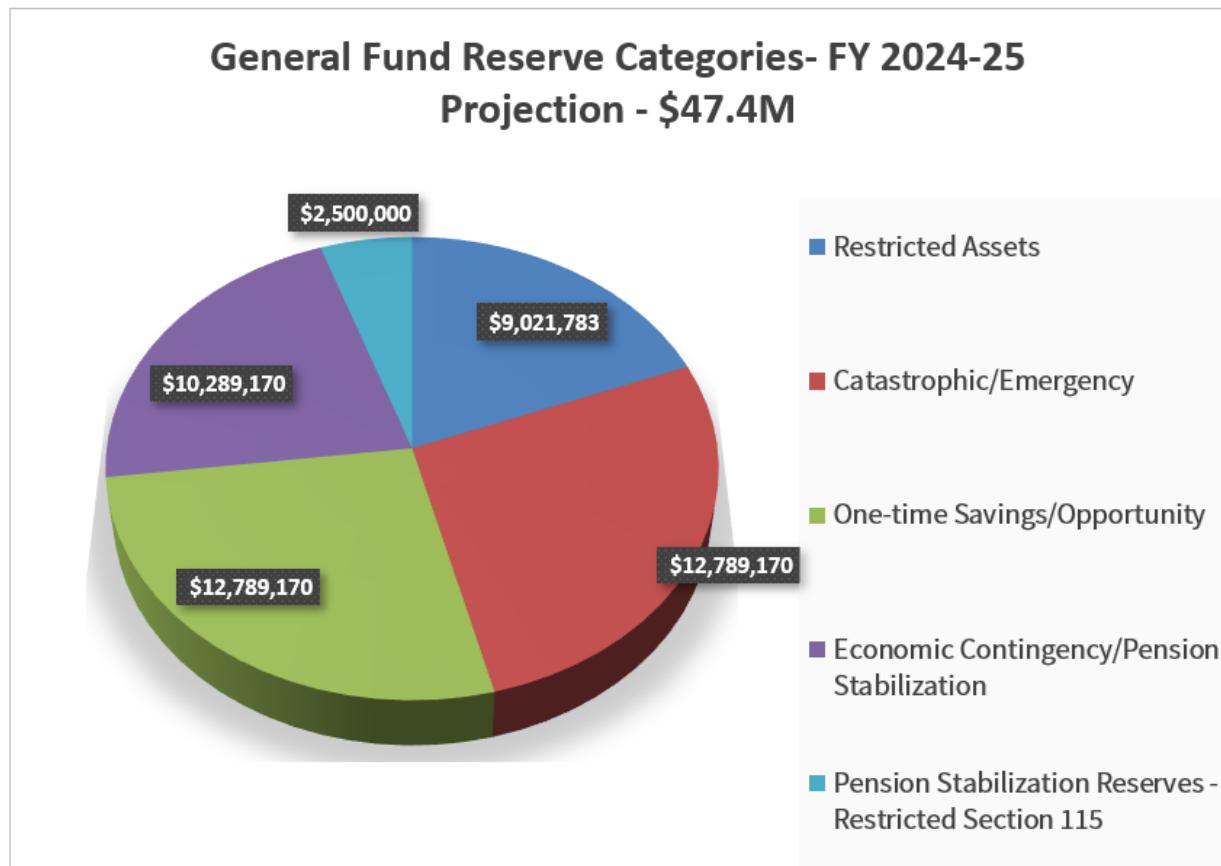


## Fund Balance and Reserves

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 4, below.

FIGURE 4: 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.