



## Quarterly Financial Status Report

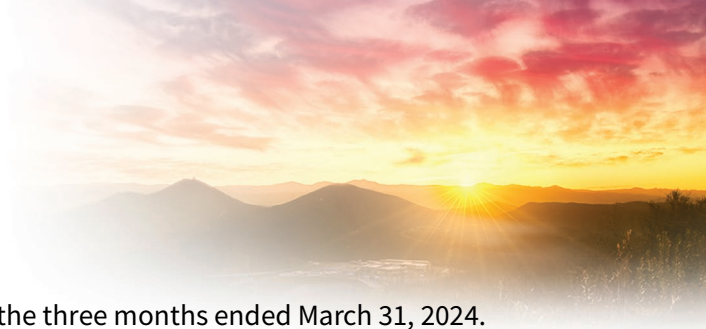
*As of March 31, 2024*





# Quarterly Financial Status Report

Finance Department



## Overview

This report summarizes the City's financial performance for the three months ended March 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 City Council as of March 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.

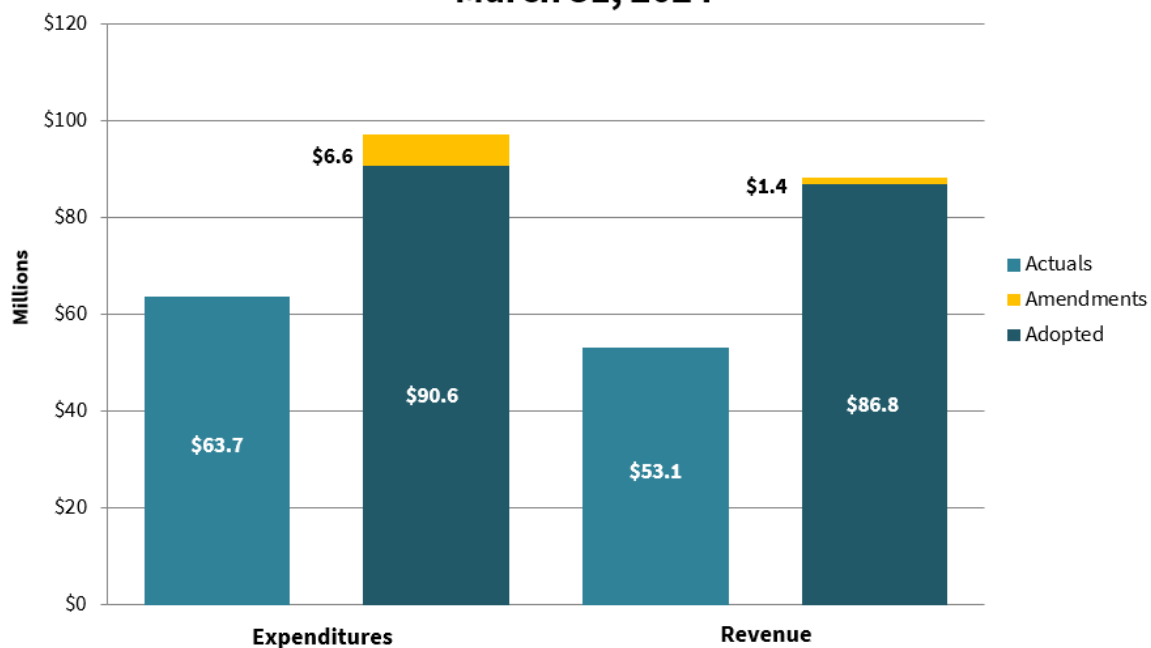
The Fiscal Year 2023-24 adopted budget for revenues is \$86.8M and the Fiscal Year 2023-24 adopted budget for operating expenses is \$90.6M.

On February 13, 2024, the City Council approved the mid-year expense budget of \$97.2 million and the revenue budget of \$88.2 million. This, combined with carryover appropriations and encumbered contracts from prior year, results in the operating expenditure budget being increased by \$6.6 million.

General Fund revenues are 60.2% of projections which is typical for this time of year due to the cyclical receipt of most revenues. Expenditures are 64.8%, which is trending on track at this time. The third quarter budget and actual revenue and expenses figures are illustrated side by side in Figure 1, below.

FIGURE 1

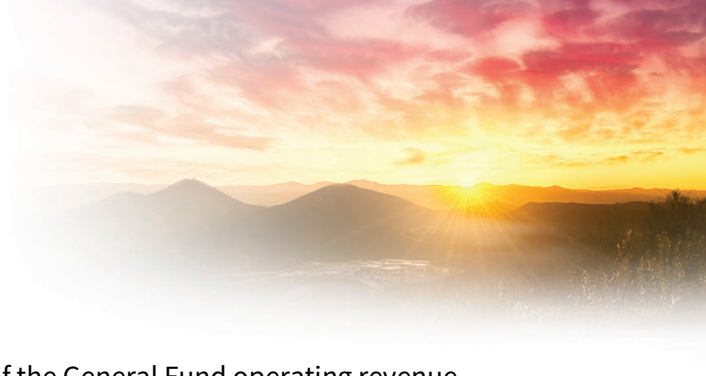
### General Fund - FY 2023-24 Budget vs. Actual as of March 31, 2024





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## General Fund Revenues

As of March 31, 2024, approximately \$53.1 million or 60.2% of the General Fund operating revenue budget has been received as detailed in Figure 2, below.

FIGURE 2

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

BUDGET CATEGORY	FISCAL YEAR 2023-24				REVENUE COMPARISON		
	AS ADOPTED	AS AMENDED	ACTUAL 3/31/2024	PERCENTAGE BUDGET USED	ACTUAL 3/31/2023	CHANGE FROM PRIOR YEAR	PERCENT CHANGE
<b>TAXES &amp; SPECIAL ASSESSMENTS</b>							
Sales Tax	\$22,713,452	\$21,610,806	\$12,841,839	59.42%	\$13,157,607	(\$315,768)	-2.40%
Property Tax	\$29,253,790	\$29,841,163	\$15,923,186	53.36%	\$14,835,479	\$1,087,707	7.33%
Special Assessments	\$6,867,600	\$7,027,600	\$4,106,615	58.44%	\$4,110,931	(\$4,316)	-0.10%
Transient Occupancy Tax	\$1,500,420	\$1,500,420	\$823,443	54.88%	\$857,993	(\$34,550)	-4.03%
<b>Total Taxes &amp; Special Assessments</b>	<b>\$60,335,262</b>	<b>\$59,979,989</b>	<b>\$33,695,083</b>	<b>56.18%</b>	<b>\$32,962,009</b>	<b>\$733,073</b>	<b>2.22%</b>
<b>LICENSES &amp; PERMITS</b>							
Franchise Fees	\$4,301,617	\$5,480,000	\$2,039,650	37.22%	\$1,929,383	\$110,267	5.72%
Storm Drain Fees	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Building Permit Fees	\$420,000	\$646,000	\$596,667	92.36%	\$343,123	\$253,544	73.89%
Business License Fees	\$239,000	\$239,000	\$179,677	75.18%	\$178,350	\$1,327	0.74%
Other Licenses & Permits	\$858,917	\$1,027,917	\$615,303	59.86%	\$749,300	(\$133,997)	-17.88%
<b>Total Licenses &amp; Permits</b>	<b>\$5,819,534</b>	<b>\$7,392,917</b>	<b>\$3,431,296</b>	<b>46.41%</b>	<b>\$3,200,156</b>	<b>\$231,141</b>	<b>7.22%</b>
<b>INTERGOVERNMENTAL</b>							
State	\$187,543	\$187,543	\$285,911	152.45%	\$166,211	\$119,700	72.02%
State Grants	\$238,000	\$412,200	\$256,942	62.33%	\$219,502	\$37,440	17.06%
County	\$260,000	\$617,000	\$413,289	66.98%	\$316,088	\$97,200	30.75%
Federal Grants	\$267,790	\$346,470	\$102,132	29.48%	\$202,142	(\$100,009)	-49.47%
<b>Total Intergovernmental</b>	<b>\$953,333</b>	<b>\$1,563,213</b>	<b>\$1,058,274</b>	<b>67.70%</b>	<b>\$903,943</b>	<b>\$154,331</b>	<b>17.07%</b>
<b>CHARGES FOR SERVICES</b>							
Departmental Services	\$9,834,462	\$10,084,832	\$7,786,921	77.21%	\$6,854,028	\$932,893	13.61%
Reimbursements	\$3,157,911	\$3,157,911	\$1,877,987	59.47%	\$3,758,730	(\$1,880,743)	-50.04%
<b>Total Charges For Services</b>	<b>\$12,992,373</b>	<b>\$13,242,743</b>	<b>\$9,664,908</b>	<b>72.98%</b>	<b>\$10,612,758</b>	<b>(\$947,850)</b>	<b>-8.93%</b>
<b>FINES &amp; FORFEITURES</b>							
Fines & Forfeitures	\$277,455	\$277,455	\$208,899	75.29%	\$94,699	\$114,200	120.59%
<b>Total Fines &amp; Forfeitures</b>	<b>\$277,455</b>	<b>\$277,455</b>	<b>\$208,899</b>	<b>75.29%</b>	<b>\$94,699</b>	<b>\$114,200</b>	<b>120.59%</b>
<b>USE OF MONEY &amp; PROPERTY</b>							
Rental Income	\$44,000	\$44,000	\$37,160	84.45%	\$36,000	\$1,160	3.22%
Partnership Income	\$900,000	\$240,000	\$360,000	150.00%	\$480,000	(\$120,000)	-25.00%
Interest Income	\$840,000	\$840,000	\$1,014,855	120.82%	\$1,405,543	(\$390,688)	-27.80%
<b>Total Use Of Money &amp; Property</b>	<b>\$1,784,000</b>	<b>\$1,124,000</b>	<b>\$1,412,015</b>	<b>125.62%</b>	<b>\$1,921,543</b>	<b>(\$509,528)</b>	<b>-26.52%</b>
<b>DEVELOPER FEES</b>							
Developer Fees	\$18,000	\$18,000	\$22,374	124.30%	\$17,071	\$5,303	31.06%
<b>Total Developer Fees</b>	<b>\$18,000</b>	<b>\$18,000</b>	<b>\$22,374</b>	<b>124.30%</b>	<b>\$17,071</b>	<b>\$5,303</b>	<b>31.06%</b>
<b>MISCELLANEOUS REVENUES</b>							
Donations	\$2,500	\$6,000	\$4,150	69.16%	\$2	\$4,148	207377.50%
Other Miscellaneous Revenue	\$117,652	\$117,652	\$72,742	61.83%	\$80,820	(\$8,079)	-10.00%
<b>Total Miscellaneous Revenues</b>	<b>\$120,152</b>	<b>\$123,652</b>	<b>\$76,891</b>	<b>62.18%</b>	<b>\$80,822</b>	<b>(\$3,931)</b>	<b>-4.86%</b>
<b>OTHER SOURCES</b>							
Sales Of Fixed Assets	\$0	\$0	\$152,340	0.00%	\$1,000,000	(\$847,661)	-84.77%
Operating Transfer In - CM/Other	\$4,458,800	\$4,458,800	\$3,344,100	75.00%	\$4,344,100	(\$1,000,000)	-23.02%
<b>Total Other Sources</b>	<b>\$4,458,800</b>	<b>\$4,458,800</b>	<b>\$3,496,440</b>	<b>78.42%</b>	<b>\$5,344,100</b>	<b>(\$1,847,661)</b>	<b>-34.57%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$86,758,909</b>	<b>\$88,180,769</b>	<b>\$53,066,179</b>	<b>60.18%</b>	<b>\$55,137,101</b>	<b>(\$2,070,922)</b>	<b>-3.76%</b>





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**Sales Taxes:** The local one cent share of statewide sales occurring October through December, for which San Marcos receives revenue in January, February and March, was 2.4% 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 7.3% over the prior fiscal year, which is just under the county overall increase rate of 8.4%. 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. Franchise fees continue to perform well in this category, and higher volume of development permits have also increased building permits revenue compared to last 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 and is currently higher than anticipated through the third quarter due to higher fire mitigation activity, as required for compliance with county fire safety standards.

**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 the 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, however they are significantly higher than the same time last year due to increased activity in parking enforcement and code compliance efforts

**Use of Money & Property:** Includes realized and unrealized investment income and rental income. Recurring partnership income is below original budget targets as this time due to unexpected vacancies in partner properties.

**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 March 31, 2024, approximately \$63.7 million or 64.8% of the General Fund operating budget has been expended as detailed in Figure 3, below.

FIGURE 3

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

BUDGET CATEGORY	FISCAL YEAR 2023-24				EXPENDITURE COMPARISON		
	AS ADOPTED	AS AMENDED	ACTUAL 3/31/2024	PERCENTAGE BUDGET USED	ACTUAL 3/31/2023	CHANGE FROM PRIOR YEAR	PERCENT CHANGE
<b>GENERAL GOVERNMENT</b>							
City Council	\$265,389	\$265,389	\$204,004	76.87%	\$225,057	(\$21,053)	-9.35%
Administration	\$9,477,002	\$9,094,164	\$8,298,632	81.34%	\$8,550,107	(\$251,476)	-2.94%
Communications & Marketing	\$667,797	\$671,018	\$339,380	50.58%	\$241,552	\$97,828	40.50%
Economic Development	\$346,950	\$266,871	\$164,258	61.55%	\$183,470	(\$19,211)	-10.47%
City Attorney	\$855,000	\$855,000	\$533,039	62.34%	\$560,286	(\$27,247)	-4.86%
City Clerk	\$478,316	\$484,543	\$297,633	61.43%	\$536,305	(\$238,672)	-44.50%
Human Resources/Risk Management	\$4,022,278	\$4,110,841	\$3,371,154	82.01%	\$2,804,324	\$566,830	20.21%
Finance	\$2,313,973	\$2,199,358	\$1,256,757	57.14%	\$1,467,217	(\$210,460)	-14.34%
Information Systems	\$2,272,280	\$2,416,530	\$1,528,945	63.27%	\$1,908,742	(\$379,797)	-19.90%
Real Property Services	\$94,199	\$108,735	\$14,217	13.08%	\$85,304	(\$71,087)	-83.33%
<b>Total General Government</b>	<b>\$20,793,184</b>	<b>\$20,472,447</b>	<b>\$16,008,018</b>	<b>74.18%</b>	<b>\$16,562,363</b>	<b>(\$554,345)</b>	<b>-3.35%</b>
<b>PUBLIC WORKS</b>							
Operations	\$12,069,517	\$13,193,771	\$8,372,490	63.46%	\$8,545,476	(\$172,986)	-2.02%
Engineering	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Storm Water Program Management	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
<b>Total Public Works</b>	<b>\$12,069,517</b>	<b>\$13,193,771</b>	<b>\$8,372,490</b>	<b>63.46%</b>	<b>\$8,545,476</b>	<b>(\$172,986)</b>	<b>-2.02%</b>
<b>DEVELOPMENT SERVICES</b>							
Administration	\$1,598,379	\$1,739,559	\$1,040,513	59.81%	\$937,933	\$102,580	10.94%
Planning	\$1,382,353	\$1,495,130	\$918,583	61.44%	\$853,206	\$65,377	7.66%
Building	\$1,592,770	\$1,942,770	\$1,297,176	66.77%	\$1,189,563	\$107,613	9.05%
Engineering	\$2,092,472	\$2,605,904	\$1,339,952	51.42%	\$1,301,202	\$38,750	2.98%
Watershed Program Management	\$817,969	\$831,986	\$611,119	73.45%	\$4,250,315	(\$3,639,196)	-85.62%
<b>Total Development Services</b>	<b>\$7,483,943</b>	<b>\$8,615,348</b>	<b>\$5,207,343</b>	<b>60.44%</b>	<b>\$8,532,219</b>	<b>(\$3,324,876)</b>	<b>-38.97%</b>
<b>PUBLIC SAFETY</b>							
Fire Department	\$21,561,202	\$21,561,519	\$14,790,167	68.60%	\$13,826,058	\$964,109	6.97%
Law Enforcement	\$23,361,084	\$23,361,968	\$15,609,265	66.81%	\$13,495,337	\$2,113,929	15.66%
<b>Total Public Safety</b>	<b>\$44,922,286</b>	<b>\$44,923,487</b>	<b>\$30,399,432</b>	<b>67.67%</b>	<b>\$27,321,395</b>	<b>\$3,078,037</b>	<b>11.27%</b>
<b>PARKS AND RECREATION</b>							
Parks & Recreation	\$4,482,980	\$4,491,776	\$3,218,551	71.65%	\$2,698,850	\$519,701	19.26%
<b>Total Parks And Recreation</b>	<b>\$4,482,980</b>	<b>\$4,491,776</b>	<b>\$3,218,551</b>	<b>71.65%</b>	<b>\$2,698,850</b>	<b>\$519,701</b>	<b>19.26%</b>
<b>OTHER USES</b>							
Transfers Out	\$831,000	\$5,492,237	\$506,944	9.23%	\$1,755,735	(\$1,248,791)	-71.13%
Annual Replacement/Rehab Transfers	\$0	\$0	\$0	0.00%	\$1,265,345	(\$1,265,345)	-100.00%
<b>Total Other Uses</b>	<b>\$831,000</b>	<b>\$5,492,237</b>	<b>\$506,944</b>	<b>9.23%</b>	<b>\$3,021,080</b>	<b>(\$2,514,136)</b>	<b>-83.22%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$90,582,910</b>	<b>\$97,189,066</b>	<b>\$63,712,778</b>	<b>64.82%</b>	<b>\$66,681,383</b>	<b>(\$2,968,605)</b>	<b>-4.45%</b>

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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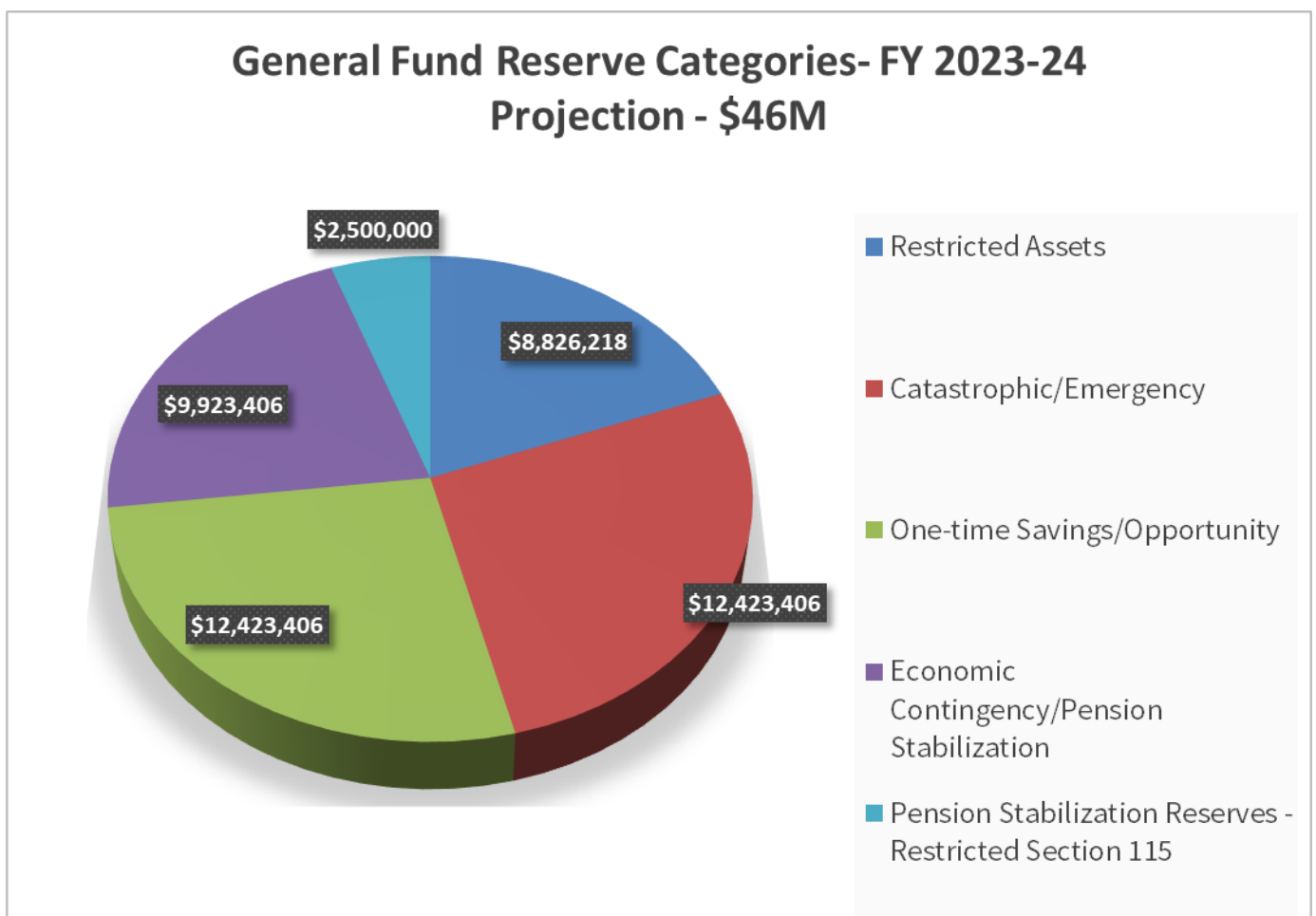


## Fund Balance and Reserves

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



## 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.