



## Quarterly Financial Status Report

*As of June 30, 2024*





# Quarterly Financial Status Report

Finance Department



## Overview

This report summarizes the City's financial performance for the twelve months ended June 30, 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 June 30, 2024. The figures presented are unaudited.

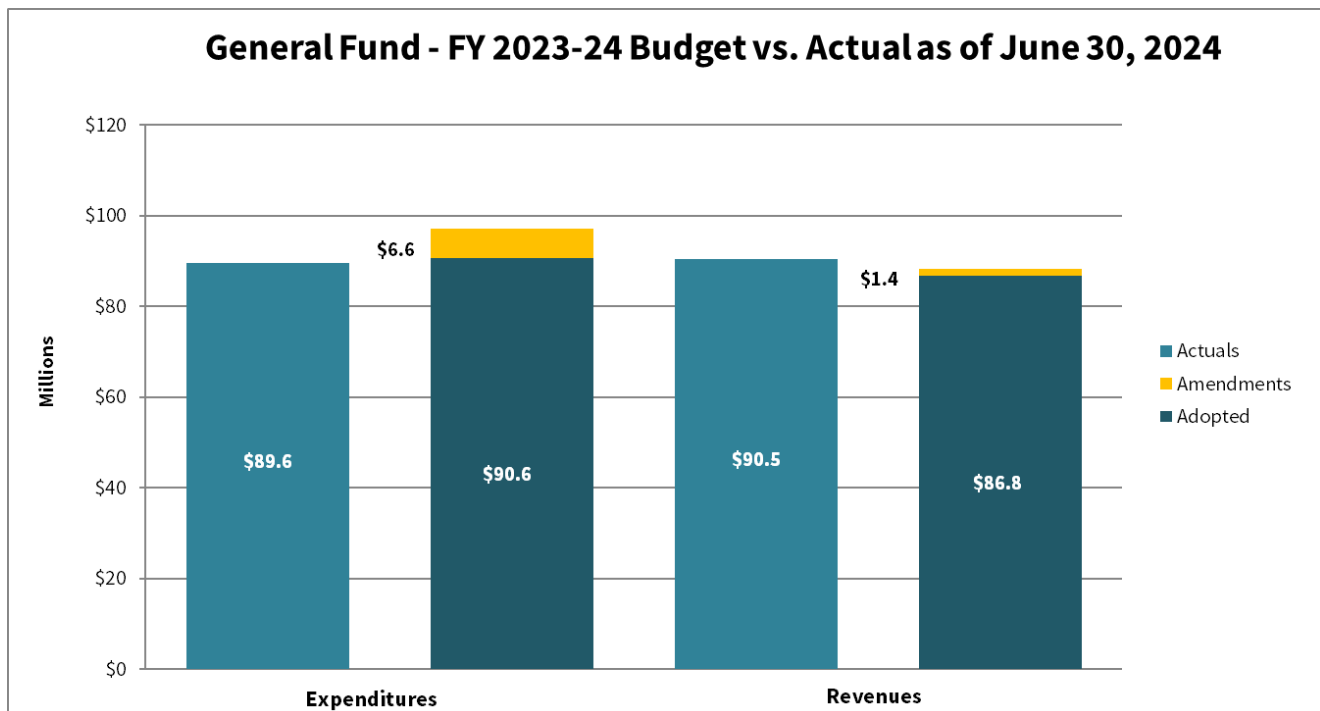
## General Fund

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 and operating expenses is \$86.8 million and \$90.6 million, respectively. On February 13, 2024, the City Council approved the mid-year expense budget of \$90.6 million and the revenue budget of \$88.2 million. Fiscal Year 2023-24 expense actuals were \$89.6 million, and revenue actuals were \$90.5 million.

Revenue is 1.7% lower than the prior fiscal year, primarily due to the end of the American Rescue Plan Act in the prior fiscal year. Expenditures are 6.2% lower than the prior fiscal year, primarily due to non-transfers to infrastructure for replacement and rehabilitation. 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, 2024





# Quarterly Financial Status Report

Finance Department

## General Fund Revenues

As of June 30, 2024, approximately \$90.5 million or 104% 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 2023-24				REVENUE COMPARISON		
	AS ADOPTED	AS AMENDED	ACTUAL 6/30/2024	PERCENTAGE BUDGET USED	ACTUAL 6/30/2023	CHANGE FROM PRIOR YEAR	PERCENT CHANGE
<b>TAXES &amp; SPECIAL ASSESSMENTS</b>							
Sales Tax	\$22,713,452	\$21,610,806	\$21,567,605	94.96%	\$21,935,697	(\$368,093)	-1.68%
Property Tax	\$29,253,790	\$29,841,163	\$31,183,549	106.60%	\$28,629,629	\$2,553,920	8.92%
Special Assessments	\$6,867,600	\$7,027,600	\$7,194,120	104.75%	\$7,090,860	\$103,260	1.46%
Transient Occupancy Tax	\$1,500,420	\$1,500,420	\$1,728,507	115.20%	\$1,615,411	\$113,096	7.00%
<b>Total Taxes &amp; Special</b>	<b>\$60,335,262</b>	<b>\$59,979,989</b>	<b>\$61,673,781</b>	<b>102.22%</b>	<b>\$59,271,598</b>	<b>\$2,402,183</b>	<b>4.05%</b>
<b>LICENSES &amp; PERMITS</b>							
Franchise Fees	\$4,301,617	\$5,480,000	\$5,825,364	135.42%	\$5,256,055	\$569,309	10.83%
Storm Drain Fees	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Building Permit Fees	\$420,000	\$646,000	\$652,765	155.42%	\$452,628	\$200,137	44.22%
Business License Fees	\$239,000	\$239,000	\$244,188	102.17%	\$242,725	\$1,463	0.60%
Other Licenses & Permits	\$858,917	\$1,027,917	\$837,104	97.46%	\$952,397	(\$115,293)	-12.11%
<b>Total Licenses &amp; Permits</b>	<b>\$5,819,534</b>	<b>\$7,392,917</b>	<b>\$7,559,421</b>	<b>129.90%</b>	<b>\$6,903,805</b>	<b>\$655,616</b>	<b>9.50%</b>
<b>INTERGOVERNMENTAL</b>							
State	\$187,543	\$187,543	\$296,000	157.83%	\$176,537	\$119,463	67.67%
State Grants	\$238,000	\$412,200	\$354,071	148.77%	\$278,837	\$75,234	26.98%
County	\$260,000	\$617,000	\$435,891	167.65%	\$380,193	\$55,699	14.65%
Federal Grants	\$267,790	\$346,470	\$255,612	95.45%	\$6,478,476	(\$6,222,864)	-96.05%
<b>Total Intergovernmental</b>	<b>\$953,333</b>	<b>\$1,563,213</b>	<b>\$1,341,574</b>	<b>140.72%</b>	<b>\$7,314,043</b>	<b>(\$5,972,469)</b>	<b>-81.66%</b>
<b>CHARGES FOR SERVICES</b>							
Departmental Services	\$9,834,462	\$10,084,832	\$10,704,950	108.85%	\$9,074,281	\$1,630,669	17.97%
Reimbursements	\$3,157,911	\$3,157,911	\$2,806,148	88.86%	\$4,605,633	(\$1,799,485)	-39.07%
<b>Total Charges For Services</b>	<b>\$12,992,373</b>	<b>\$13,242,743</b>	<b>\$13,511,098</b>	<b>103.99%</b>	<b>\$13,679,913</b>	<b>(\$168,816)</b>	<b>-1.23%</b>
<b>FINES &amp; FORFEITURES</b>							
Fines & Forfeitures	\$277,455	\$277,455	\$426,613	153.76%	\$197,362	\$229,251	116.16%
<b>Total Fines &amp; Forfeitures</b>	<b>\$277,455</b>	<b>\$277,455</b>	<b>\$426,613</b>	<b>153.76%</b>	<b>\$197,362</b>	<b>\$229,251</b>	<b>116.16%</b>
<b>USE OF MONEY &amp; PROPERTY</b>							
Rental Income	\$44,000	\$44,000	\$48,555	110.35%	\$46,800	\$1,755	3.75%
Partnership Income	\$900,000	\$240,000	\$360,000	40.00%	\$1,042,151	(\$682,150)	-65.46%
Interest Income	\$840,000	\$840,000	\$1,048,140	124.78%	\$1,034,795	\$13,346	1.29%
<b>Total Use Of Money &amp;</b>	<b>\$1,784,000</b>	<b>\$1,124,000</b>	<b>\$1,456,696</b>	<b>81.65%</b>	<b>\$2,123,745</b>	<b>(\$667,050)</b>	<b>-31.41%</b>
<b>DEVELOPER FEES</b>							
Developer Fees	\$18,000	\$18,000	\$25,216	140.09%	\$24,413	\$802	3.29%
<b>Total Developer Fees</b>	<b>\$18,000</b>	<b>\$18,000</b>	<b>\$25,216</b>	<b>140.09%</b>	<b>\$24,413</b>	<b>\$802</b>	<b>3.29%</b>
<b>MISCELLANEOUS REVENUES</b>							
Donations	\$2,500	\$6,000	\$9,787	391.48%	\$0	\$9,787	0.00%
Other Miscellaneous Revenue	\$117,652	\$117,652	\$91,079	77.41%	\$133,389	(\$42,310)	-31.72%
<b>Total Miscellaneous</b>	<b>\$120,152</b>	<b>\$123,652</b>	<b>\$100,866</b>	<b>83.95%</b>	<b>\$133,389</b>	<b>(\$32,523)</b>	<b>-24.38%</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	\$4,273,271	95.84%	\$2,880,536	\$1,392,736	48.35%
<b>Total Other Sources</b>	<b>\$4,458,800</b>	<b>\$4,458,800</b>	<b>\$4,425,611</b>	<b>99.26%</b>	<b>\$3,880,536</b>	<b>\$545,075</b>	<b>14.05%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$86,758,909</b>	<b>\$88,180,769</b>	<b>\$90,520,875</b>	<b>104.34%</b>	<b>\$93,528,805</b>	<b>(\$3,007,929)</b>	<b>-3.22%</b>





# Quarterly Financial Status Report

Finance Department



**Sales Taxes:** The local one cent share of statewide sales occurring during the Fiscal Year was 1.68% 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 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 and resulted in revenue actuals being 8.9% 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.

**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 slightly above the same point last fiscal year.

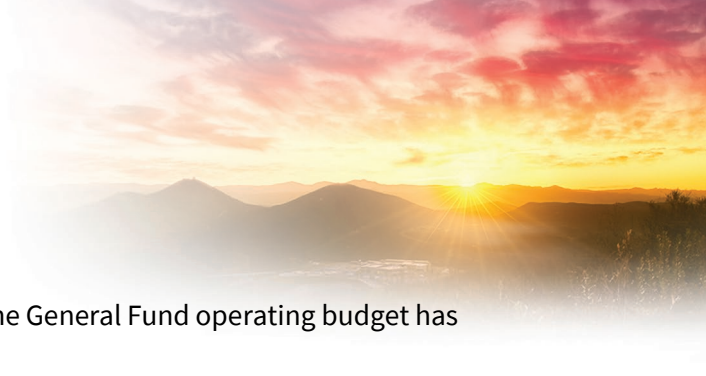
**Use of Money & Property:** Includes realized and unrealized investment income and rental income. Recurring rental income is on target with budget for this fiscal year. This fiscal year experienced more favorable interest income rates and an increase in gains on investments in real estate.

**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, 2024, approximately \$89.6 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 2023-24				EXPENDITURE COMPARISON		
	AS ADOPTED	AS AMENDED	ACTUAL 6/30/2024	PERCENTAGE BUDGET USED	ACTUAL 6/30/2023	CHANGE FROM PRIOR YEAR	PERCENT CHANGE
<b>GENERAL GOVERNMENT</b>							
City Council	\$265,389	\$265,389	\$243,787	91.86%	\$271,047	(\$27,260)	-10.1%
Administration	\$9,477,002	\$9,133,821	\$8,974,643	98.26%	\$8,950,920	\$23,723	0.3%
Communications & Marketing	\$667,797	\$685,053	\$475,903	69.47%	\$444,232	\$31,670	7.1%
Economic Development	\$346,950	\$268,645	\$210,786	78.46%	\$240,466	(\$29,680)	-12.3%
City Attorney	\$855,000	\$855,000	\$844,657	98.79%	\$851,673	(\$7,016)	-0.8%
City Clerk	\$478,316	\$425,543	\$422,677	99.33%	\$656,425	(\$233,748)	-35.6%
Human Resources/Risk Management	\$4,022,278	\$4,104,401	\$4,137,274	100.80%	\$3,363,491	\$773,784	23.0%
Finance	\$2,313,973	\$2,110,883	\$1,752,444	83.02%	\$2,021,196	(\$268,752)	-13.3%
Information Systems	\$2,272,280	\$2,427,086	\$2,275,938	93.77%	\$2,960,378	(\$684,440)	-23.1%
Real Property Services	\$94,199	\$197,210	\$170,650	86.53%	\$107,903	\$62,746	58.2%
<b>Total General Government</b>	<b>\$20,793,184</b>	<b>\$20,473,029</b>	<b>\$19,508,758</b>	<b>95.29%</b>	<b>\$19,867,733</b>	<b>(\$358,974)</b>	<b>-1.8%</b>
<b>PUBLIC WORKS</b>							
Operations	\$12,069,517	\$13,080,393	\$12,359,322	94.49%	\$12,093,229	\$266,092	2.2%
<b>Total Public Works</b>	<b>\$12,069,517</b>	<b>\$13,080,393</b>	<b>\$12,359,322</b>	<b>94.49%</b>	<b>\$12,093,229</b>	<b>\$266,092</b>	<b>2.2%</b>
<b>DEVELOPMENT SERVICES</b>							
Administration	\$1,598,379	\$1,680,377	\$1,408,318	83.81%	\$1,399,257	\$9,061	0.6%
Planning	\$1,382,353	\$1,347,006	\$1,298,277	96.38%	\$1,199,007	\$99,270	8.3%
Building	\$1,592,770	\$2,227,103	\$2,175,027	97.66%	\$1,806,852	\$368,175	20.4%
Engineering	\$2,092,472	\$2,565,658	\$1,919,336	74.81%	\$2,082,908	(\$163,572)	-7.9%
Storm Water Program Management	\$817,969	\$785,205	\$1,021,915	130.15%	\$4,578,015	(\$3,556,100)	-77.7%
<b>Total Development Services</b>	<b>\$7,483,943</b>	<b>\$8,605,348</b>	<b>\$7,822,872</b>	<b>90.91%</b>	<b>\$11,066,039</b>	<b>(\$3,243,166)</b>	<b>-29.3%</b>
<b>PUBLIC SAFETY</b>							
Fire Department	\$21,561,202	\$21,567,403	\$20,921,530	97.01%	\$19,635,363	\$1,286,167	6.6%
Law Enforcement	\$23,361,084	\$23,365,502	\$23,360,513	99.98%	\$23,057,516	\$302,997	1.3%
<b>Total Public Safety</b>	<b>\$44,922,286</b>	<b>\$44,932,905</b>	<b>\$44,282,044</b>	<b>98.55%</b>	<b>\$42,692,880</b>	<b>\$1,589,164</b>	<b>3.7%</b>
<b>PARKS AND RECREATION</b>							
Parks & Recreation	\$4,482,980	\$4,605,154	\$4,625,758	100.45%	\$4,065,950	\$559,807	13.8%
<b>Total Parks And Recreation</b>	<b>\$4,482,980</b>	<b>\$4,605,154</b>	<b>\$4,625,758</b>	<b>100.45%</b>	<b>\$4,065,950</b>	<b>\$559,807</b>	<b>13.8%</b>
<b>OTHER USES</b>							
Transfers Out	\$831,000	\$5,492,237	\$998,219	18.18%	\$1,094,767	(\$96,549)	-8.8%
Annual Replacement/Rehab Transfers	\$0	\$0	\$0	0.00%	\$2,265,345	(\$2,265,345)	-100.0%
<b>Total Other Uses</b>	<b>\$831,000</b>	<b>\$5,492,237</b>	<b>\$998,219</b>	<b>18.18%</b>	<b>\$3,360,112</b>	<b>(\$2,361,894)</b>	<b>-70.3%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$90,582,910</b>	<b>\$97,189,066</b>	<b>\$89,596,972</b>	<b>92.19%</b>	<b>\$93,145,943</b>	<b>(\$3,548,971)</b>	<b>-3.8%</b>

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.



# Quarterly Financial Status Report

Finance Department

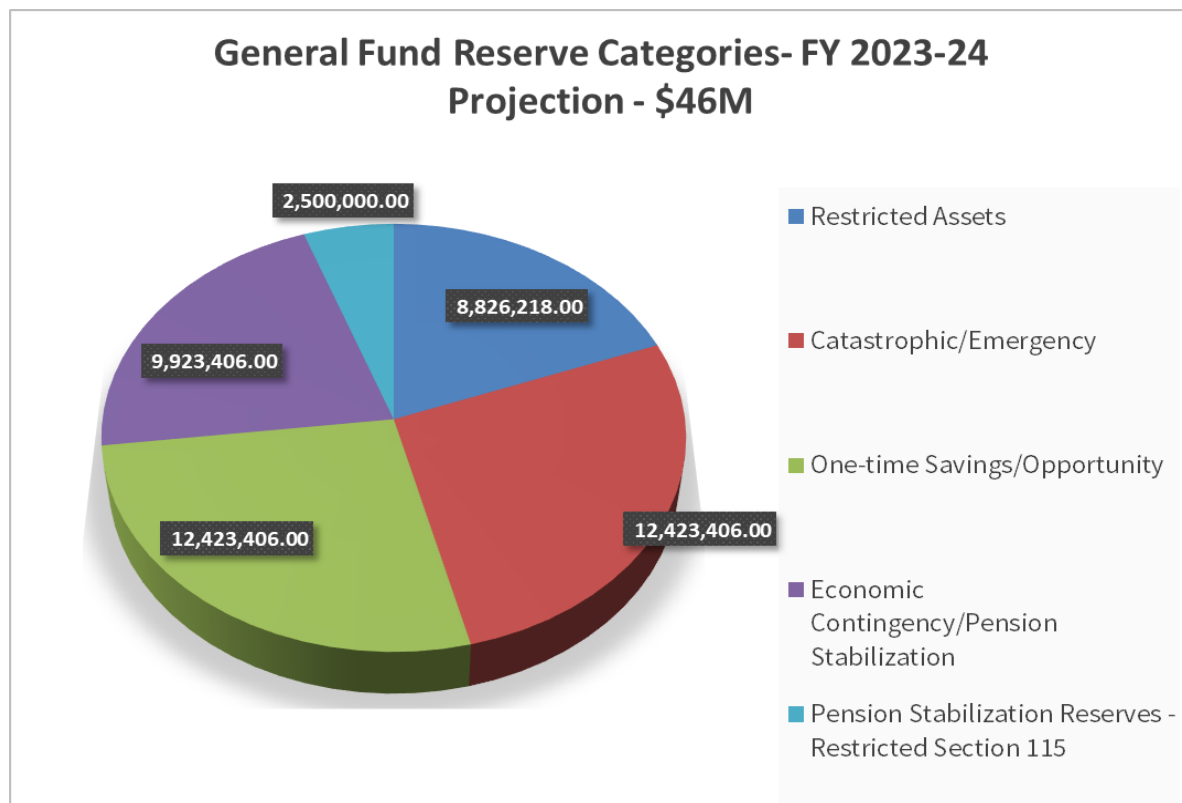


## Fund Balance and Reserves

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.