



Quarterly Financial Status Report

As of September 30, 2024





Quarterly Financial Status Report

Finance Department



Overview

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

General Fund

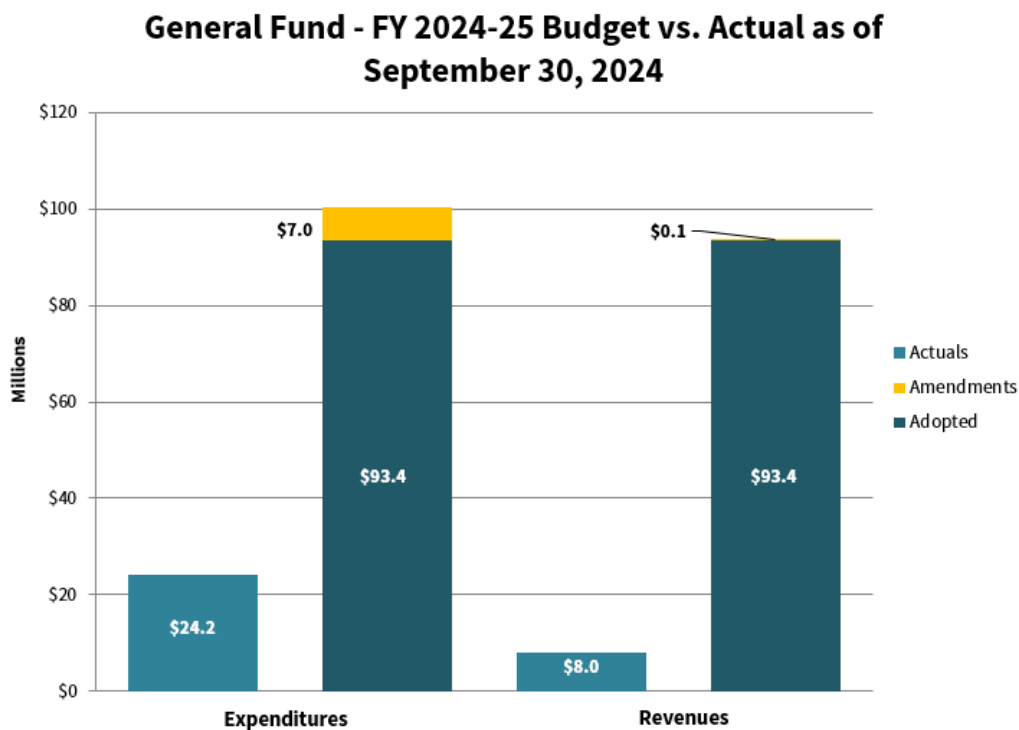
The General Fund is the chief operating fund for the City and includes multiple programs, services, and activities for the citizens of San Marcos.

The Fiscal Year 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 \$7.0M due to carryover appropriations and encumbered contracts from prior year and budget adjustments in the current fiscal year. The operating revenue budget has added \$127,000 due to anticipated federal grants.

General Fund revenues are 8.6% of budget which typical for this time of year due to the cyclical receipt of most revenues. Expenditures are 24.1%, 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, 2024.





Quarterly Financial Status Report

Finance Department

General Fund Revenues

As of September 30, 2024, approximately \$8.0 million or 8.6% 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 2024-25				REVENUE COMPARISON		
	AS ADOPTED	AS AMENDED	ACTUAL 9/30/2024	PERCENTAGE BUDGET USED	ACTUAL 9/30/2023	CHANGE FROM PRIOR YEAR	PERCENT CHANGE
TAXES & SPECIAL ASSESSMENTS							
Sales Tax	\$22,577,794	\$22,577,794	\$1,813,354	8.03%	\$1,798,519	\$14,836	0.82%
Property Tax	\$32,189,593	\$32,189,593	\$475,565	1.48%	\$514,037	(\$38,473)	-7.48%
Special Assessments	\$7,347,600	\$7,347,600	\$7,116	0.10%	\$6,897	\$219	3.17%
Transient Occupancy Tax	\$1,570,000	\$1,570,000	\$0	0.00%	\$0	\$0	0.00%
Total Taxes & Special	\$63,684,987	\$63,684,987	\$2,296,035	3.61%	\$2,319,452	(\$23,418)	-1.01%
LICENSES & PERMITS							
Franchise Fees	\$5,800,000	\$5,800,000	\$0	0.00%	\$0	\$0	0.00%
Storm Drain Fees	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Building Permit Fees	\$710,000	\$710,000	\$79,195	11.15%	\$493,230	(\$414,035)	-83.94%
Business License Fees	\$251,500	\$251,500	\$62,866	25.00%	\$62,314	\$552	0.89%
Other Licenses & Permits	\$1,042,350	\$1,042,350	\$251,841	24.16%	\$298,929	(\$47,088)	-15.75%
Total Licenses &	\$7,803,850	\$7,803,850	\$393,902	5.05%	\$854,473	(\$460,571)	-53.90%
INTERGOVERNMENTAL							
State	\$175,000	\$175,000	\$83,018	47.44%	\$154,117	(\$71,098)	-46.13%
State Grants	\$480,856	\$480,856	\$0	0.00%	\$0	\$0	0.00%
County	\$300,000	\$300,000	\$69,208	23.07%	\$390,147	(\$320,939)	-82.26%
Federal Grants	\$0	\$127,008	\$0	0.00%	\$0	\$0	0.00%
Total	\$955,856	\$1,082,864	\$152,226	15.93%	\$544,263	(\$392,037)	-72.03%
CHARGES FOR SERVICES							
Departmental Services	\$10,147,458	\$10,147,458	\$3,497,041	34.46%	\$3,533,478	(\$36,437)	-1.03%
Reimbursements	\$2,889,100	\$2,889,100	\$370,776	12.83%	\$499,761	(\$128,985)	-25.81%
Total Charges For	\$13,036,558	\$13,036,558	\$3,867,816	29.67%	\$4,033,239	(\$165,422)	-4.10%
FINES & FORFEITURES							
Fines & Forfeitures	\$393,200	\$393,200	\$76,976	19.58%	\$38,460	\$38,516	100.15%
Total Fines &	\$393,200	\$393,200	\$76,976	19.58%	\$38,460	\$38,516	100.15%
USE OF MONEY & PROPERTY							
Rental Income	\$47,600	\$47,600	\$6,800	14.29%	\$10,800	(\$4,000)	-37.04%
Partnership Income	\$1,480,000	\$1,480,000	\$0	0.00%	\$0	\$0	0.00%
Interest Income	\$1,075,000	\$1,075,000	\$366,878	34.13%	\$574,440	(\$207,562)	-36.13%
Total Use Of Money &	\$2,602,600	\$2,602,600	\$373,678	14.36%	\$585,240	(\$211,562)	-36.15%
DEVELOPER FEES							
Developer Fees	\$18,000	\$18,000	\$0	0.00%	\$234	(\$234)	-100.00%
Total Developer Fees	\$18,000	\$18,000	\$0	0.00%	\$234	(\$234)	-100.00%
MISCELLANEOUS REVENUES							
Donations	\$6,000	\$6,000	\$3,325	55.42%	\$250	\$3,075	1230.20%
Other Miscellaneous	\$119,500	\$119,500	\$35,177	29.44%	\$13,736	\$21,441	156.09%
Total Miscellaneous	\$125,500	\$125,500	\$38,503	30.68%	\$13,986	\$24,516	175.29%
OTHER SOURCES							
Sales Of Fixed Assets	\$0	\$0	\$0	0.00%	\$66,686	(\$66,686)	-100.00%
Operating Transfer In -	\$4,804,800	\$4,804,800	\$875,000	18.21%	\$1,114,700	(\$239,700)	-21.50%
Total Other Sources	\$4,804,800	\$4,804,800	\$875,000	18.21%	\$1,181,386	(\$306,386)	-25.93%
TOTAL GENERAL FUND	\$93,425,351	\$93,552,359	\$8,074,136	8.64%	\$9,570,734	(\$1,496,598)	-15.64%



Quarterly Financial Status Report

Finance Department

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 0.82% 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 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 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 fluctuates year over year. At this point last fiscal year, revenues are trending in-line with the first quarter of the fiscal year.

Use of Money & Property: Includes realized and unrealized investment income and rental income. Recurring rental income slightly behind in the first quarter but 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.



Quarterly Financial Status Report

Finance Department

General Fund Expenditures

As of September 30, 2024, approximately \$24.2 million or 24.1% 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 2024-25				EXPENDITURE COMPARISON		
	AS ADOPTED	AS AMENDED	ACTUAL 9/30/2024	PERCENTAGE BUDGET USED	ACTUAL 9/30/2023	CHANGE FROM PRIOR YEAR	PERCENT CHANGE
GENERAL GOVERNMENT							
City Council	\$270,321	\$270,321	\$112,446	41.60%	\$100,970	\$11,476	11.37%
Administration	\$9,703,566	\$9,937,063	\$7,804,129	78.54%	\$6,843,330	\$960,800	14.04%
Communications & Marketing	\$326,154	\$326,154	\$53,405	16.37%	\$106,284	(\$52,879)	-49.75%
Economic Development	\$204,408	\$204,408	\$84,744	41.46%	\$63,111	\$21,634	34.28%
City Attorney	\$855,000	\$855,000	\$151,951	17.77%	\$141,679	\$10,272	7.25%
City Clerk	\$823,541	\$842,529	\$116,154	13.79%	\$84,040	\$32,115	38.21%
Human Resources/Risk Management	\$4,284,625	\$4,274,224	\$2,844,248	66.54%	\$2,231,400	\$612,848	27.46%
Finance	\$1,885,102	\$2,005,546	\$272,369	13.58%	\$382,112	(\$109,743)	-28.72%
Information Systems	\$2,526,398	\$2,590,350	\$734,074	28.34%	\$673,239	\$60,835	9.04%
Real Property Services	\$50,000	\$52,640	\$23,940	45.48%	\$1,975	\$21,965	1112.23%
Total General Government	\$20,929,115	\$21,358,235	\$12,197,459	57.11%	\$10,628,139	\$1,569,321	14.77%
PUBLIC WORKS							
Operations	\$11,969,402	\$12,791,657	\$2,470,619	19.31%	\$2,382,992	\$87,627	3.68%
Total Public Works	\$11,969,402	\$12,791,657	\$2,470,619	19.31%	\$2,382,992	\$87,627	3.68%
DEVELOPMENT SERVICES							
Administration	\$1,499,802	\$1,716,141	\$259,196	15.10%	\$328,983	(\$69,786)	-21.21%
Planning	\$1,484,370	\$1,615,597	\$289,425	17.91%	\$267,275	\$22,149	8.29%
Building	\$1,844,719	\$1,899,719	\$340,469	17.92%	\$269,083	\$71,386	26.53%
Engineering	\$2,584,034	\$3,134,602	\$345,606	11.03%	\$322,172	\$23,435	7.27%
Storm Water Program Management	\$963,157	\$972,831	\$130,611	13.43%	\$73,000	\$57,611	78.92%
Total Development Services	\$8,376,082	\$9,338,890	\$1,365,307	14.62%	\$1,260,513	\$104,794	8.31%
PUBLIC SAFETY							
Fire Department	\$22,679,607	\$23,015,820	\$4,674,492	20.31%	\$4,474,899	\$199,592	4.46%
Law Enforcement	\$24,144,180	\$24,144,181	\$2,130,018	8.82%	\$2,022,652	\$107,366	5.31%
Total Public Safety	\$46,823,787	\$47,160,001	\$6,804,510	14.43%	\$6,497,552	\$306,958	4.72%
PARKS AND RECREATION							
Parks & Recreation	\$4,495,965	\$4,499,461	\$1,184,019	26.31%	\$1,230,619	(\$46,600)	-3.79%
Total Parks And Recreation	\$4,495,965	\$4,499,461	\$1,184,019	26.31%	\$1,230,619	(\$46,600)	-3.79%
OTHER USES							
Transfers Out	\$831,000	\$5,325,019	\$207,750	3.90%	\$171,215	\$36,535	21.34%
Annual Replacement/Rehab Transfers	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Total Other Uses	\$831,000	\$5,325,019	\$207,750	3.90%	\$171,215	\$36,535	21.34%
TOTAL GENERAL FUND	\$93,425,351	\$100,473,263	\$24,229,665	24.12%	\$22,171,030	\$2,058,634	9.29%

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

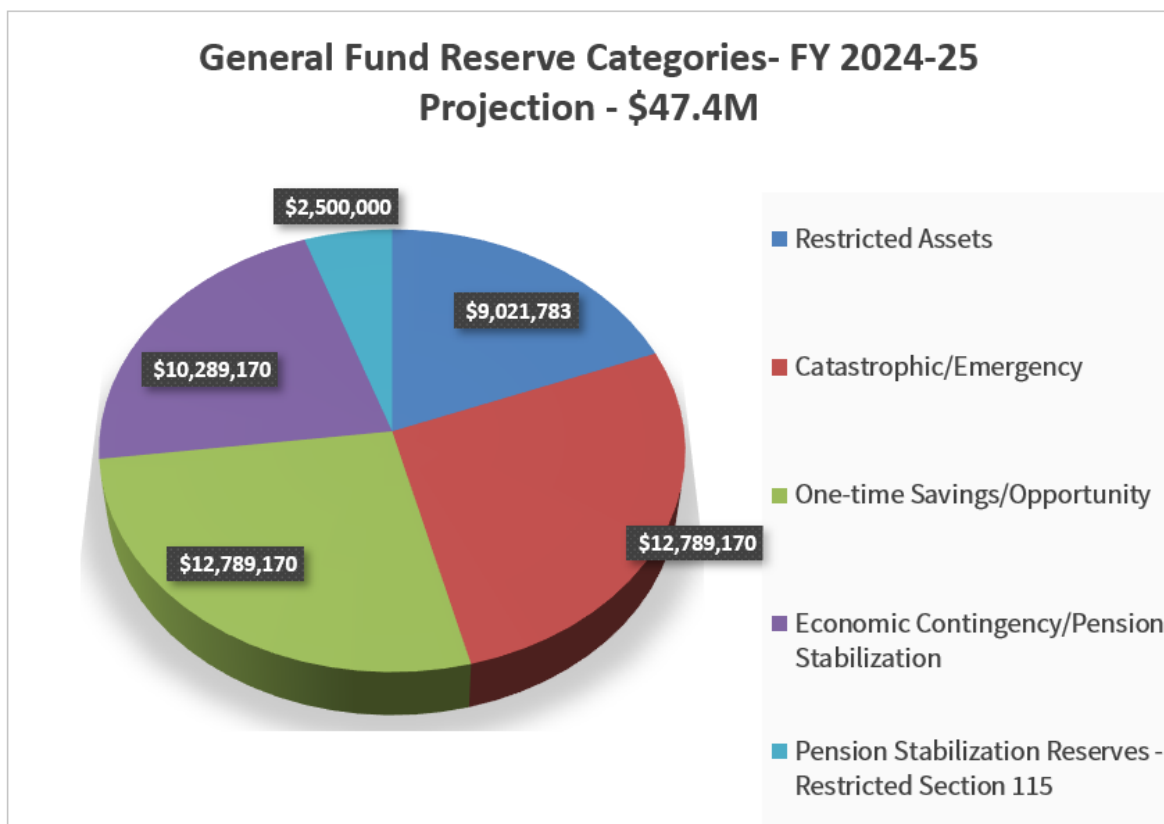


Fund Balance and Reserves

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.