



Quarterly Financial Status Report

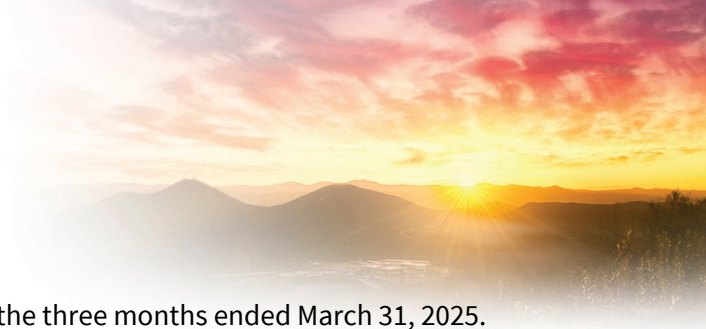
As of March 31, 2025





Quarterly Financial Status Report

Finance Department



Overview

This report summarizes the City's financial performance for the three months ended March 31, 2025. 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 March 31, 2025. The figures presented are unaudited.

General Fund

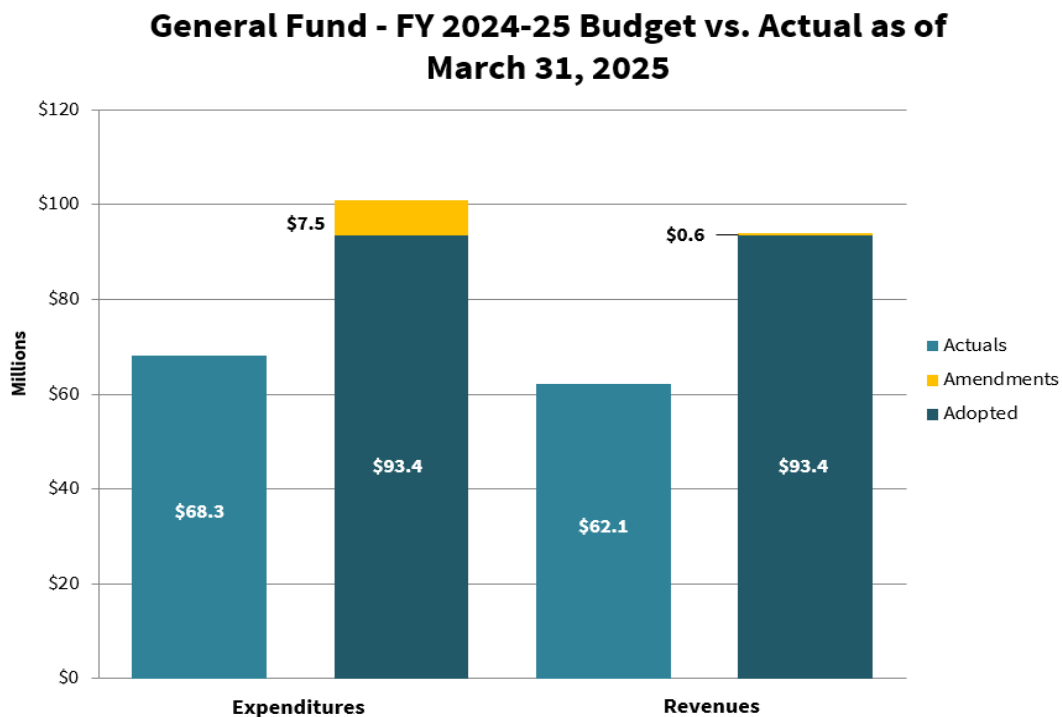
The General Fund is the chief operating fund for the City and includes multiple programs, services, and activities for the citizens of San Marcos.

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.

On February 11, 2025, the City Council approved the mid-year expense budget of \$93,885,957 and the revenue budget of \$93,897,310. This, combined with carryover appropriations and encumbered contracts from prior year, results in the operating expenditures budget being increased by \$7.5M.

General Fund revenues are 66.0% of budget, which is typical for this time of year due to the cyclical receipt of most revenues. Expenditures are 67.6%, 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 BUDGET VS. ACTUAL AS OF MARCH 31, 2025.





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General Fund Revenues

As of March 31, 2025, approximately \$62.1M or 66.0% 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 3/31/2025	PERCENTAGE BUDGET USED	ACTUAL 3/31/2024	CHANGE FROM PRIOR YEAR	PERCENT CHANGE
TAXES & SPECIAL ASSESSMENTS							
Sales Tax	\$22,577,794	\$21,203,672	\$12,398,614	58.47%	\$12,841,839	(\$443,225)	-3.45%
Property Tax	\$32,189,593	\$33,417,645	\$16,425,375	49.15%	\$15,923,186	\$502,189	3.15%
Special Assessments	\$7,347,600	\$7,506,075	\$4,195,737	55.90%	\$4,106,615	\$89,122	2.17%
Transient Occupancy Tax	\$1,570,000	\$1,928,000	\$951,065	49.33%	\$823,443	\$127,622	15.50%
Total Taxes & Special Assessments	\$63,684,987	\$64,055,392	\$33,970,791	53.03%	\$33,695,083	\$275,709	0.82%
LICENSES & PERMITS							
Franchise Fees	\$5,800,000	\$5,800,000	\$2,099,037	36.19%	\$2,039,650	\$59,387	2.91%
Building Permit Fees	\$710,000	\$390,076	\$307,819	78.91%	\$596,667	(\$288,847)	-48.41%
Business License Fees	\$251,500	\$251,500	\$186,870	74.30%	\$179,677	\$7,193	4.00%
Other Licenses & Permits	\$1,042,350	\$1,257,350	\$907,517	72.18%	\$615,303	\$292,214	47.49%
Total Licenses & Permits	\$7,803,850	\$7,698,926	\$3,501,243	45.48%	\$3,431,296	\$69,946	2.04%
INTERGOVERNMENTAL							
State	\$175,000	\$226,000	\$262,080	115.96%	\$285,911	(\$23,830)	-8.33%
State Grants	\$480,856	\$480,856	\$276,280	57.46%	\$256,942	\$19,338	7.53%
County	\$300,000	\$300,000	\$363,675	121.22%	\$413,289	(\$49,614)	-12.00%
Federal Grants	\$0	\$127,008	\$42,151	33.19%	\$102,132	(\$59,981)	-58.73%
Total Intergovernmental	\$955,856	\$1,133,864	\$944,186	83.27%	\$1,058,274	(\$114,088)	-10.78%
CHARGES FOR SERVICES							
Departmental Services	\$10,147,458	\$9,990,736	\$8,112,904	81.20%	\$7,786,921	\$325,983	4.19%
Reimbursements	\$2,889,100	\$4,234,000	\$2,580,494	60.95%	\$1,987,661	\$592,833	29.83%
Total Charges For Services	\$13,036,558	\$14,224,736	\$10,693,399	75.17%	\$9,774,582	\$918,816	9.40%
FINES & FORFEITURES							
Fines & Forfeitures	\$393,200	\$413,200	\$371,889	90.00%	\$208,899	\$162,990	78.02%
Total Fines & Forfeitures	\$393,200	\$413,200	\$371,889	90.00%	\$208,899	\$162,990	78.02%
USE OF MONEY & PROPERTY							
Rental Income	\$47,600	\$47,600	\$23,500	49.37%	\$37,160	(\$13,660)	-36.76%
Partnership Income	\$1,480,000	\$480,000	\$420,000	87.50%	\$360,000	\$60,000	16.67%
Interest Income	\$1,075,000	\$1,075,000	\$490,324	45.61%	\$1,014,855	(\$524,531)	-51.69%
Total Use Of Money & Property	\$2,602,600	\$1,602,600	\$933,824	58.27%	\$1,412,015	(\$478,191)	-33.87%
DEVELOPER FEES							
Developer Fees	\$18,000	\$18,000	\$8,711	48.39%	\$22,374	(\$13,663)	-61.07%
Total Developer Fees	\$18,000	\$18,000	\$8,711	48.39%	\$22,374	(\$13,663)	-61.07%
MISCELLANEOUS REVENUES							
Donations	\$6,000	\$13,300	\$11,856	89.14%	\$4,150	\$7,706	185.71%
Other Miscellaneous Revenue	\$119,500	\$134,500	\$106,737	79.36%	\$72,742	\$33,996	46.73%
Total Miscellaneous Revenues	\$125,500	\$147,800	\$118,593	80.24%	\$76,891	\$41,702	54.23%
OTHER SOURCES							
Sales Of Fixed Assets	\$0	\$0	\$6,429	0.00%	\$152,340	(\$145,910)	-95.78%
Operating Transfer In – CM/Other	\$4,804,800	\$4,732,800	\$3,344,100	70.66%	\$3,344,100	\$0	0.00%
Total Other Sources	\$4,804,800	\$4,732,800	\$3,350,529	70.79%	\$3,496,440	(\$145,910)	-4.17%
TOTAL GENERAL FUND	\$93,425,351	\$94,027,318	\$62,058,316	66.00%	\$53,175,853	\$8,882,462	16.70%



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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 3.45% 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 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. Revenues are significantly higher than at the same time last year due to increased activity in parking enforcement.

Use of Money & Property: Includes realized and unrealized investment income and rental income. Recurring rental income and investment income are slightly behind in the third quarter of the prior year, but partnership income is above the same time last year and slightly ahead of budget for this time in the 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 2.



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General Fund Expenditures

As of March 31, 2025, approximately \$68.3M or 67.6% 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 3/31/2025	PERCENTAGE BUDGET USED	ACTUAL 3/31/2024	CHANGE FROM PRIOR YEAR	PERCENT CHANGE
GENERAL GOVERNMENT							
City Council	\$270,321	\$274,821	\$224,515	81.69%	\$204,004	\$20,511	10.05%
Administration	\$9,703,566	\$9,980,523	\$9,198,584	92.17%	\$8,298,632	\$899,952	10.84%
Communications & Marketing	\$326,154	\$444,106	\$217,402	48.95%	\$339,014	(\$121,612)	-35.87%
Economic Development	\$204,408	\$281,778	\$188,710	66.97%	\$164,625	\$24,085	14.63%
City Attorney	\$855,000	\$855,000	\$584,330	68.34%	\$533,039	\$51,291	9.62%
City Clerk	\$823,541	\$842,529	\$567,653	67.37%	\$297,633	\$270,020	90.72%
Human Resources/Risk Management	\$4,284,625	\$4,274,224	\$3,667,092	85.80%	\$3,371,154	\$295,939	8.78%
Finance	\$1,885,102	\$2,005,546	\$1,188,706	59.27%	\$1,256,757	(\$68,051)	-5.41%
Information Systems	\$2,526,398	\$2,661,215	\$1,897,832	71.31%	\$1,528,945	\$368,887	24.13%
Real Property Services	\$50,000	\$52,640	\$82,448	156.63%	\$14,217	\$68,230	479.91%
Total General Government	\$20,929,115	\$21,672,381	\$17,817,271	82.21%	\$16,008,018	\$1,809,253	11.30%
PUBLIC WORKS							
Operations	\$11,969,402	\$12,198,589	\$7,985,864	65.47%	\$8,372,490	(\$386,626)	-4.62%
Total Public Works	\$11,969,402	\$12,198,589	\$7,985,864	65.47%	\$8,372,490	(\$386,626)	-4.62%
DEVELOPMENT SERVICES							
Administration	\$1,499,802	\$1,733,641	\$839,863	48.45%	\$1,040,513	(\$200,650)	-19.28%
Planning	\$1,484,370	\$1,640,597	\$1,055,876	64.36%	\$918,583	\$137,293	14.95%
Building	\$1,844,719	\$2,074,980	\$1,277,239	61.55%	\$1,297,176	(\$19,936)	-1.54%
Engineering	\$2,584,034	\$3,419,602	\$1,367,191	39.98%	\$1,339,952	\$27,239	2.03%
Storm Water Program Management	\$963,157	\$982,831	\$577,730	58.78%	\$611,119	(\$33,389)	-5.46%
Total Development Services	\$8,376,082	\$9,851,651	\$5,117,900	51.95%	\$5,207,343	(\$89,443)	-1.72%
PUBLIC SAFETY							
Fire Department	\$22,679,607	\$23,377,450	\$15,740,970	67.33%	\$14,790,167	\$950,803	6.43%
Law Enforcement	\$24,144,180	\$24,151,681	\$14,185,214	58.73%	\$15,609,265	(\$1,424,051)	-9.12%
Total Public Safety	\$46,823,787	\$47,529,131	\$29,926,184	62.96%	\$30,399,432	(\$473,248)	-1.56%
PARKS AND RECREATION							
Parks & Recreation	\$4,495,965	\$4,360,204	\$2,978,254	68.31%	\$3,218,551	(\$240,298)	-7.47%
Total Parks And Recreation	\$4,495,965	\$4,360,204	\$2,978,254	68.31%	\$3,218,551	(\$240,298)	-7.47%
OTHER USES							
Transfers Out	\$831,000	\$5,325,019	\$4,428,986	83.17%	\$514,819	\$3,914,167	760.30%
Annual Replacement/Rehab Transfers	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Total Other Uses	\$831,000	\$5,325,019	\$4,428,986	83.17%	\$514,819	\$3,914,167	760.30%
TOTAL GENERAL FUND	\$93,425,351	\$100,936,975	\$68,254,459	67.62%	\$63,720,653	\$4,533,805	7.12%

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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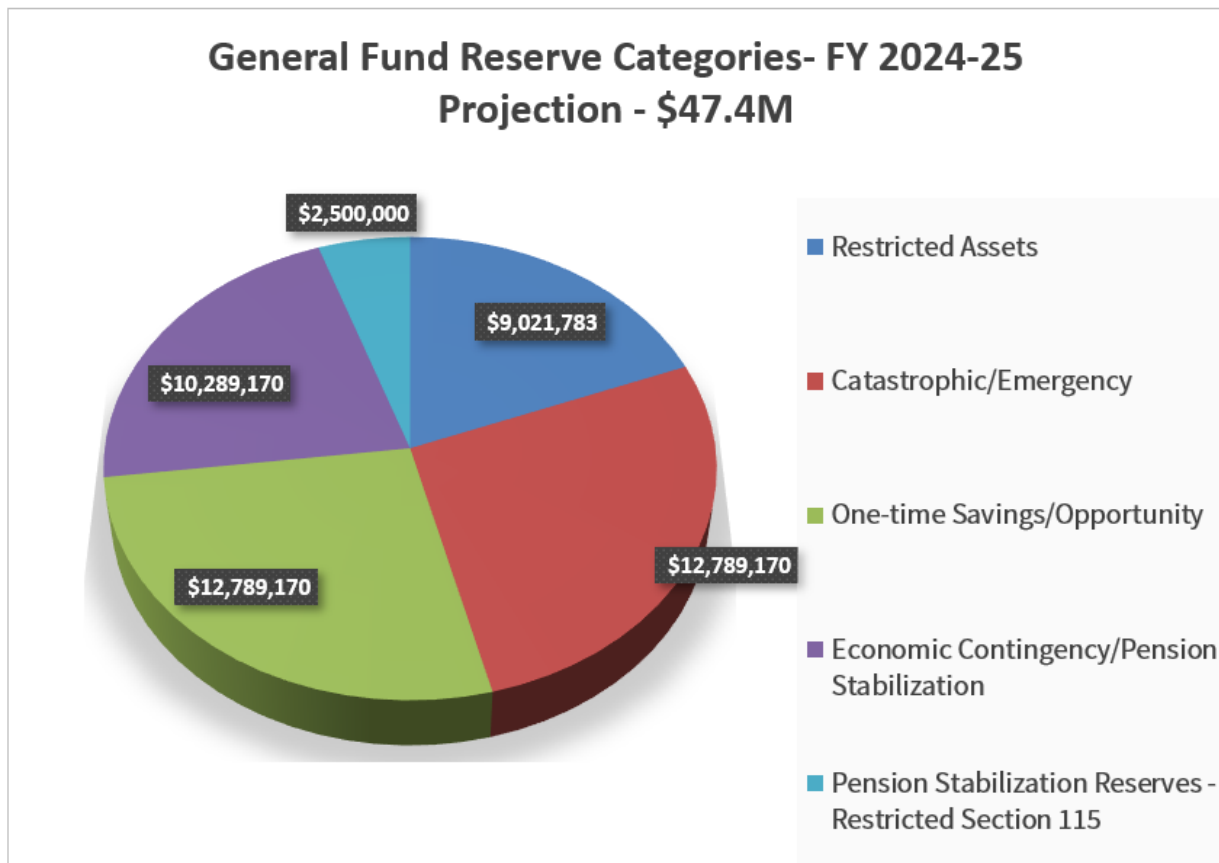


Fund Balance and Reserves

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.