



Quarterly Financial Status Report

As of June 30, 2025





Quarterly Financial Status Report

Finance Department



Overview

This report summarizes the City's financial performance for the twelve months ended June 30, 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 City Council as of June 30, 2025. The figures presented are unaudited.

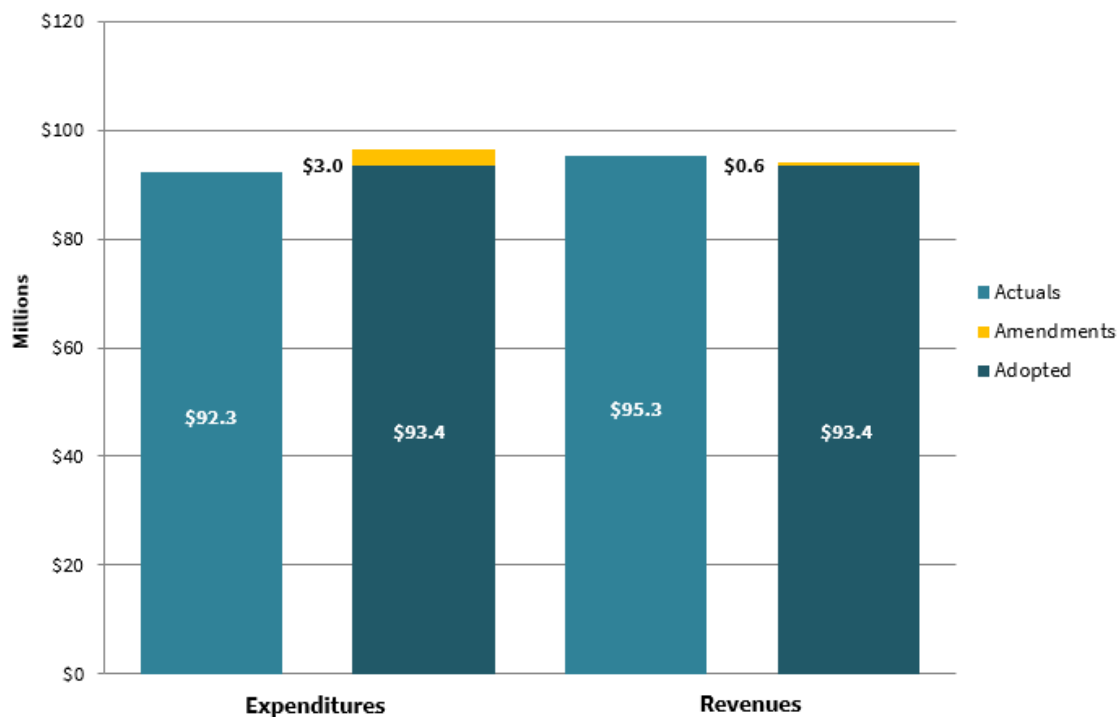
General Fund

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 is \$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, excluding carryover appropriations. Fiscal Year 2024-25 expense actuals were \$92.3M, and revenue actuals were \$95.3M.

Revenue is 4.3% higher than the prior fiscal year, primarily due to an increase in property tax, licenses & permits, staff time and project reimbursements in the prior fiscal year. Expenditures are 3.1% higher than the prior fiscal year, primarily due to rising costs of goods/services, labor and personnel costs for increased service levels to the community. 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, 2025





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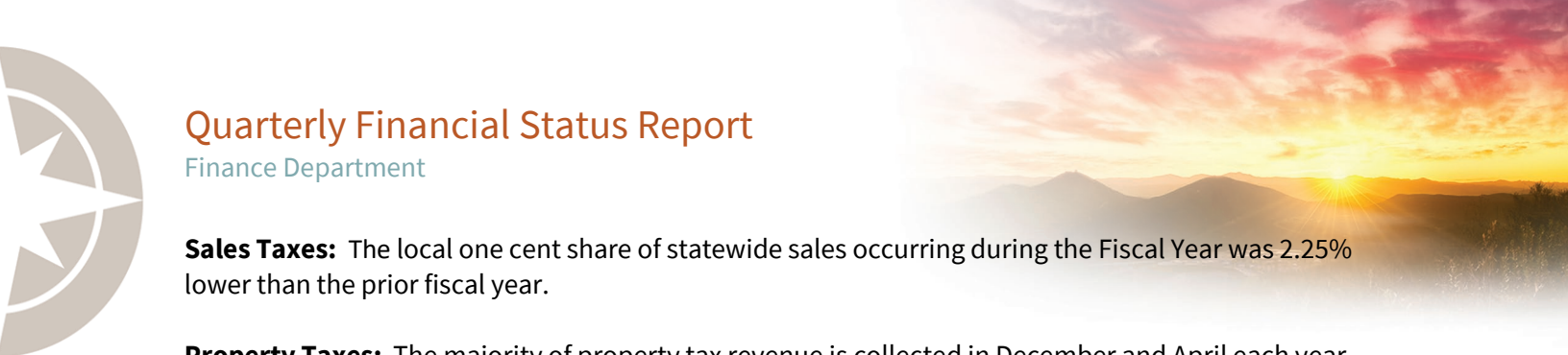
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General Fund Revenues

As of June 30, 2025, approximately \$95.3M or 101% 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

BUDGET CATEGORY	FISCAL YEAR 2024-25				REVENUE COMPARISON		
	AS ADOPTED	AS AMENDED	ACTUAL 6/30/2025	PERCENTAGE BUDGET USED	ACTUAL 6/30/2024	CHANGE FROM PRIOR YEAR	PERCENT CHANGE
TAXES & SPECIAL ASSESSMENTS							
Sales Tax	\$22,577,794	\$21,203,672	\$21,081,416	99.42%	\$21,567,605	(\$486,189)	-2.25%
Property Tax	\$32,189,593	\$33,417,645	\$33,211,869	99.38%	\$31,183,549	\$2,028,320	6.50%
Special Assessments	\$7,347,600	\$7,506,075	\$7,535,814	100.40%	\$7,194,120	\$341,694	4.75%
Transient Occupancy Tax	\$1,570,000	\$1,928,000	\$1,792,415	92.97%	\$1,728,507	\$63,908	3.70%
Total Taxes & Special Assessments	\$63,684,987	\$64,055,392	\$63,621,514	99.32%	\$61,673,781	\$1,947,733	3.16%
LICENSES & PERMITS							
Franchise Fees	\$5,800,000	\$5,800,000	\$5,677,289	97.88%	\$5,825,364	(\$148,075)	-2.54%
Building Permit Fees	\$710,000	\$390,076	\$495,915	127.13%	\$652,765	(\$156,850)	-24.03%
Business License Fees	\$251,500	\$251,500	\$280,301	111.45%	\$244,188	\$36,113	14.79%
Other Licenses & Permits	\$1,042,350	\$1,257,350	\$2,032,729	161.67%	\$837,104	\$1,195,625	142.83%
Total Licenses & Permits	\$7,803,850	\$7,698,926	\$8,486,234	110.23%	\$7,559,421	\$926,813	12.26%
INTERGOVERNMENTAL							
State	\$175,000	\$226,000	\$267,076	118.18%	\$296,000	(\$28,924)	-9.77%
State Grants	\$480,856	\$480,856	\$523,321	108.83%	\$576,927	(\$53,606)	-9.29%
County	\$300,000	\$300,000	\$633,991	211.33%	\$435,891	\$198,100	45.45%
Federal Grants	\$0	\$127,008	\$337,259	265.54%	\$255,612	\$81,647	31.94%
Total Intergovernmental	\$955,856	\$1,133,864	\$1,761,647	155.37%	\$1,564,430	\$197,217	12.61%
CHARGES FOR SERVICES							
Departmental Services	\$10,147,458	\$9,967,713	\$10,967,627	110.03%	\$10,704,950	\$262,677	2.45%
Reimbursements	\$2,889,100	\$4,251,859	\$4,378,977	102.99%	\$2,806,148	\$1,572,829	56.05%
Total Charges For Services	\$13,036,558	\$14,219,572	\$15,346,604	107.93%	\$13,511,098	\$1,835,507	13.59%
FINES & FORFEITURES							
Fines & Forfeitures	\$393,200	\$413,200	\$531,064	128.52%	\$426,613	\$104,451	24.48%
Total Fines & Forfeitures	\$393,200	\$413,200	\$531,064	128.52%	\$426,613	\$104,451	24.48%
USE OF MONEY & PROPERTY							
Rental Income	\$47,600	\$47,600	\$28,300	59.45%	\$48,555	(\$20,255)	-41.72%
Partnership Income	\$1,480,000	\$480,000	\$420,000	87.50%	\$997,939	(\$577,939)	-57.91%
Interest Income	\$1,075,000	\$1,075,000	\$1,337,880	124.45%	\$1,048,140	\$289,740	27.64%
Total Use Of Money & Property	\$2,602,600	\$1,602,600	\$1,786,180	111.46%	\$2,094,634	(\$308,454)	-14.73%
DEVELOPER FEES							
Developer Fees	\$18,000	\$18,000	\$8,711	48.39%	\$25,216	(\$16,505)	-65.45%
Total Developer Fees	\$18,000	\$18,000	\$8,711	48.39%	\$25,216	(\$16,505)	-65.45%
MISCELLANEOUS REVENUES							
Donations	\$6,000	\$16,317	\$12,035	73.76%	\$9,787	\$2,248	22.97%
Other Miscellaneous Revenue	\$119,500	\$136,647	\$196,901	144.09%	\$91,079	\$105,822	116.19%
Total Miscellaneous Revenues	\$125,500	\$152,964	\$208,936	136.59%	\$100,866	\$108,070	107.14%
OTHER SOURCES							
Sales Of Fixed Assets	\$0	\$0	\$9,129	0.00%	\$152,340	(\$143,210)	-94.01%
Operating Transfer In – CM/Other	\$4,804,800	\$4,732,800	\$3,524,000	74.46%	\$4,273,271	(\$749,271)	-17.53%
Total Other Sources	\$4,804,800	\$4,732,800	\$3,533,129	74.65%	\$4,425,611	(\$892,481)	-20.17%
TOTAL GENERAL FUND	\$93,425,351	\$94,027,318	\$95,284,020	101.34%	\$91,381,670	\$3,902,350	4.27%



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Sales Taxes: The local one cent share of statewide sales occurring during the Fiscal Year was 2.25% 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 an improvement in the housing market and new construction and resulted in revenue actuals being 6.5% 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 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 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. This fiscal year experienced more favorable interest income rates and an increase in gains on investments in real estate than prior year.

Other Revenues: Developer Fees and Miscellaneous Revenues are often one-time revenues and vary year to year. Other Financing Sources are transfers from 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.



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General Fund Expenditures

As of June 30, 2025, approximately \$92.4M or 96% of the General Fund operating budget has been expended as detailed in Figure 5, below.

FIGURE 5: GENERAL FUND EXPENDITURES BY FUND & FUNCTION

BUDGET CATEGORY	FISCAL YEAR 2024-25				EXPENDITURE COMPARISON		
	AS ADOPTED	AS AMENDED	ACTUAL 6/30/2025	PERCENTAGE BUDGET USED	ACTUAL 6/30/2024	CHANGE FROM PRIOR YEAR	PERCENT CHANGE
GENERAL GOVERNMENT							
City Council	\$270,321	\$274,821	\$265,023	96.4%	\$243,787	\$21,237	8.7%
Administration	\$9,703,566	\$9,942,023	\$9,960,226	100.2%	\$8,974,643	\$985,583	11.0%
Communications & Marketing	\$326,154	\$430,606	\$344,311	80.0%	\$475,903	(\$131,591)	-27.7%
Economic Development	\$204,408	\$316,909	\$316,808	100.0%	\$210,786	\$106,022	50.3%
City Attorney	\$855,000	\$855,000	\$890,227	104.1%	\$844,657	\$45,570	5.4%
City Clerk	\$823,541	\$894,529	\$782,887	87.5%	\$422,677	\$360,209	85.2%
Human Resources/Risk Management	\$4,284,625	\$4,299,129	\$4,272,069	99.4%	\$4,137,274	\$134,795	3.3%
Finance	\$1,885,102	\$1,980,641	\$1,748,143	88.3%	\$1,752,444	(\$4,301)	-0.2%
Information Systems	\$2,526,398	\$2,695,601	\$2,778,613	103.1%	\$2,275,938	\$502,675	22.1%
Real Property Services	\$50,000	\$52,640	\$149,438	283.9%	\$170,650	(\$21,212)	-12.4%
Total General Government	\$20,929,115	\$21,741,898	\$21,507,745	98.9%	\$19,508,758	\$1,998,986	10.2%
PUBLIC WORKS							
Operations	\$11,969,402	\$12,129,072	\$11,512,116	94.9%	\$12,359,322	(\$847,206)	-6.9%
Total Public Works	\$11,969,402	\$12,129,072	\$11,512,116	94.9%	\$12,359,322	(\$847,206)	-6.9%
DEVELOPMENT SERVICES							
Administration	\$1,499,802	\$1,768,626	\$1,313,956	74.3%	\$1,408,318	(\$94,362)	-6.7%
Planning	\$1,484,370	\$1,717,888	\$1,570,907	91.4%	\$1,298,277	\$272,630	21.0%
Building	\$1,844,719	\$2,074,980	\$2,477,223	119.4%	\$2,175,027	\$302,196	13.9%
Engineering	\$2,584,034	\$3,328,327	\$2,000,898	60.1%	\$1,919,336	\$81,563	4.2%
Storm Water Program Management	\$963,157	\$961,830	\$628,266	65.3%	\$1,021,915	(\$393,649)	-38.5%
Total Development Services	\$8,376,082	\$9,851,651	\$7,991,250	81.1%	\$7,822,872	\$168,378	2.2%
PUBLIC SAFETY							
Fire Department	\$22,679,607	\$23,377,450	\$22,033,084	94.2%	\$20,921,530	\$1,111,554	5.3%
Law Enforcement	\$24,144,180	\$24,151,681	\$24,210,795	100.2%	\$23,360,513	\$850,281	3.6%
Total Public Safety	\$46,823,787	\$47,529,131	\$46,243,879	97.3%	\$44,282,044	\$1,961,835	4.4%
PARKS AND RECREATION							
Parks & Recreation	\$4,495,965	\$4,360,204	\$4,250,738	97.5%	\$4,625,758	(\$375,020)	-8.1%
Total Parks And Recreation	\$4,495,965	\$4,360,204	\$4,250,738	97.5%	\$4,625,758	(\$375,020)	-8.1%
OTHER USES							
Transfers Out	\$831,000	\$831,000	\$843,600	101.5%	\$998,219	(\$154,619)	-15.5%
Annual Replacement/Rehab Transfers	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%
Total Other Uses	\$831,000	\$831,000	\$843,600	101.5%	\$998,219	(\$154,619)	-15.5%
TOTAL GENERAL FUND	\$93,425,351	\$96,442,956	\$92,349,328	95.8%	\$89,596,972	\$2,752,356	3.1%

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.



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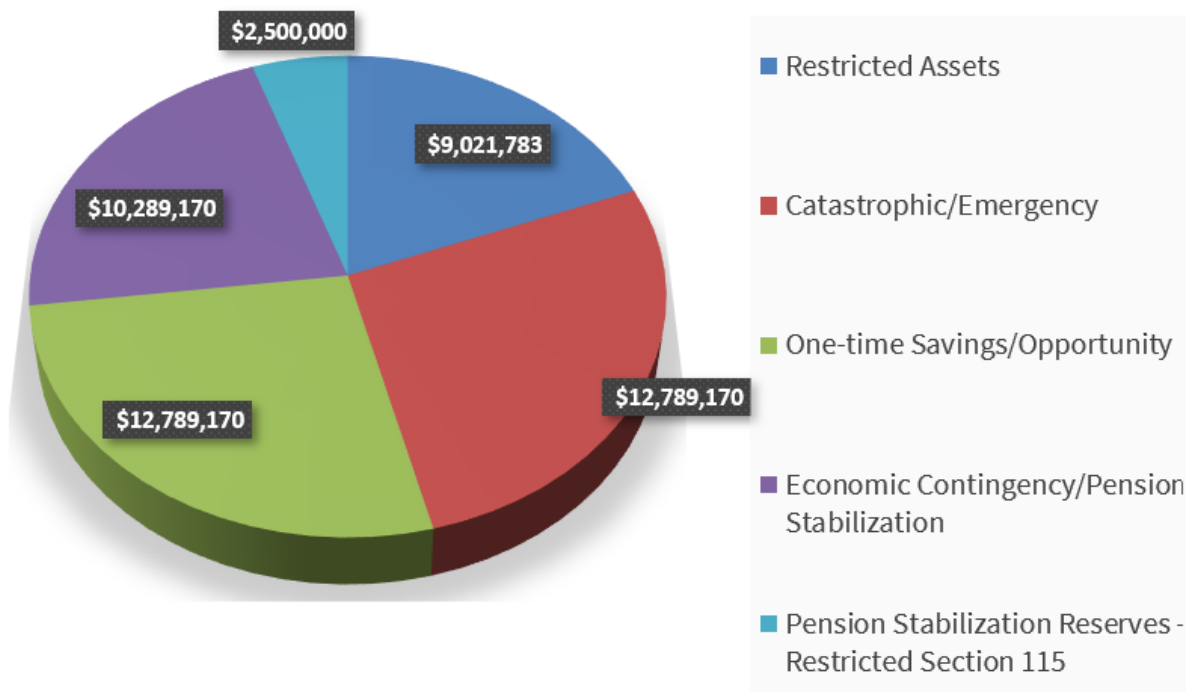
Fund Balance and Reserves

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 6, below.

FIGURE 6: BUDGETED GENERAL FUND RESERVE BY CATEGORY

General Fund Reserve Categories- FY 2024-25 Projection - \$47.4M



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.