



# City of Oceanside

300 North Coast Highway,  
Oceanside, California 92054

## Staff Report

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**File #:** 26-1477

**Agenda Date:** 6/3/2026

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**DATE:** June 3, 2026

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Financial Services Department

**TITLE:** FY 2025-26 THIRD QUARTER FINANCIAL STATUS REPORT

### **RECOMMENDATION**

Staff submits the Third Quarter Financial Status Report and recommends that the City Council accept the report and approve the proposed budget adjustments.

### **BACKGROUND AND ANALYSIS**

The City Council adopted the FY 2025-26 budgets on June 4, 2025. The approved General Fund (GF) includes \$231.49 million in revenues, with recurring expenditures totaling \$230.16 million and an additional \$4.38 million allocated for one-time costs, for a total GF expenditure budget of \$234.54 million. Across all funds, the City adopted a budget of \$624.65 million in revenues and \$626.56 million in expenditures.

This report summarizes the preliminary General Fund and major operating fund results as of March 31, 2026, representing 75 percent of the fiscal year. It is not intended to capture all transactions but instead provides a high-level comparison of budgeted versus actual revenues and expenditures. The financial status of the Water Utilities and Harbor enterprise funds is also included. The report is designed to give the City Council and the public an early overview of the City's general fiscal condition as of the end of the third quarter of the current fiscal year.

As of March 31, General Fund revenues totaled \$157.18 million, representing 68 percent of the annual revenue budget. This reflects a 7 percent increase compared to the same quarter of the prior year, when revenues accounted for 67 percent of previous year's total revenue budget. The General Fund's largest revenue source, Property Tax, is primarily received in December/January and April/May; therefore, receiving only 68 percent of budgeted revenues in the third quarter is expected and consistent with prior-year trends.

Total GF expenditures as of March 31 amount to \$180.82 million, or 72 percent of the total expenditure budget. This reflects an increase of \$3.5 million, or 2 percent, compared to the same quarter of the prior year. Departments are on track to remain within budgeted levels.

Revenues for the Water Fund are trending ahead of expectations, supported by strong developer fee

activity early in the fiscal year, while operating expenditure remains on track. Capital spending is higher in the third quarter due to the timing of encumbrances for major water infrastructure projects currently in design or construction.

Revenues for the Sewer Fund are performing slightly higher than expected, with developer fee receipts already exceeding full-year projections and service fees remaining stable. Operating costs are slightly higher than benchmark levels, primarily due to \$4.1 million in encumbrances recorded to date. Capital expenditure also appear higher as encumbrances have been established for several large sewer projects that are moving into the construction phase. These timing-related encumbrances are typical for projects of this scale.

Revenues for the Solid Waste Disposal Fund are slightly below the quarterly benchmark but were supplemented last quarter by a one-time remittance of unspent Public Education and Outreach funds, helping to stabilize collections. Operating expenditures are tracking as expected and revenues continue to cover operating costs.

Revenues for the Harbor Fund are slightly above the quarterly benchmark primarily due to interest earnings recognized early in the fiscal year, while operating expenditures remain in line with budgeted levels. Capital spending is higher in the first quarter as a result of early encumbrances for ongoing harbor capital improvement projects.

### **FISCAL IMPACT**

There is no fiscal impact.

### **COMMISSION OR COMMITTEE REPORT**

Does not apply.

### **CITY ATTORNEY'S ANALYSIS**

Does not apply.

Prepared by: Jill Moya, Financial Services Director  
Reviewed by: Michael Gossman, Assistant City Manager  
Submitted by: Jonathan Borrego, City Manager

### **ATTACHMENTS:**

1. 2025-26 Quarterly Financial Status Report - Q3
2. Attachment A