



# City of Oceanside

300 North Coast Highway,  
Oceanside, California 92054

## Staff Report

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**File #:** 25-1147

**Agenda Date:** 12/17/2025

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**DATE:** December 17, 2025

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Financial Services Department

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

### **RECOMMENDATION**

Staff submits the First 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 September 30, 2025, representing 25 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 first quarter of the current fiscal year.

As of September 30, 2025, General Fund revenues totaled \$31.77 million, representing 14 percent of the annual revenue budget. This reflects a 21 percent increase compared to the first quarter of FY 2024-25, when revenues accounted for 12 percent of that 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 14 percent of budgeted revenues in the first quarter is expected and consistent with prior-year trends.

Total GF expenditures as of September 30 amount to \$60.79 million, or 25 percent of the total expenditure budget. This reflects an increase of \$5.31 million, or 10 percent, compared to the same quarter of the prior year. Departments are on track to remain within budgeted levels, although some may appear above the 25 percent benchmark due to the timing of contract encumbrances recorded early in the fiscal year.

Revenues for the Water Fund are trending ahead of expectations, supported by strong developer fee activity early in the fiscal year, while operating expenditures remain on track. Capital spending is higher in the first quarter due to the timing of encumbrances for major water infrastructure projects currently in design or construction.

Revenues for the Sewer Fund are performing as expected, with developer fee receipts already exceeding full-year projections and service fees remaining stable. Operating costs are below benchmark, and capital expenditures appear higher early in the fiscal year as encumbrances are recorded for several large sewer projects moving into construction.

Revenues for the Solid Waste Disposal Fund are slightly below the quarterly benchmark but were supplemented this quarter by a one-time remittance of unspent Public Education and Outreach funds, helping to stabilize collections. Operating expenditures are elevated due to early-year contract encumbrances, although revenues continue to cover operating costs.

Revenues for the Harbor Fund are ahead of expectations 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. Staff Report
2. 2025-26 Quarterly Financial Status Report - Q1
3. Attachment A