

CITY OF OCEANSIDE



Financial Status Report

Second Quarter ended December 31, 2025

Financial Services Department

EXECUTIVE SUMMARY

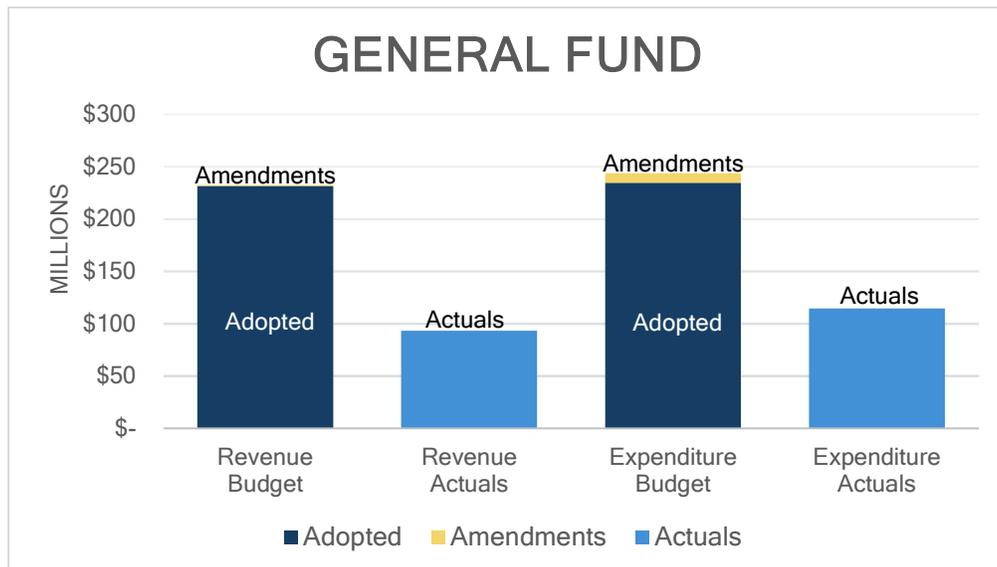
This preliminary report summarizes the financial activity of the City's major operating funds for the fiscal year 2025-26 second quarter ending December 31, 2025. It is not intended to capture all finance and accounting transactions, but rather to provide the City Council and the public with an overview of the City's general fiscal condition.

GENERAL FUND

The General Fund is the City's primary operating fund, supporting essential municipal services such as public safety, parks and recreation, library services, and general government operations. It is largely funded by local taxes, including property tax, sales tax, and transient occupancy tax (TOT).

On June 4, 2025, the City Council adopted a General Fund budget of \$231.49 million in revenues, \$230.16 million in recurring expenditures, and \$4.38 million in one-time costs, for a total expenditure budget of \$234.54 million.

Amendments during the year added \$1.08 million in revenues and \$9.1 million in expenditures. Revenue amendments in the second quarter are \$0.2 million, which includes \$0.16 million in Council-approved adjustments. Expenditure amendments in the second quarter are \$2.14 million which includes \$1.9 million in Council-approved adjustments including \$622,500 for 3 Fire Captains at Fire Station 9, \$150,000 to support the g'Oside electric vehicle (EV) shuttle program and \$240,000 in other adjustments included in Attachment A.



GENERAL FUND REVENUES

As of December 31, General Fund revenues reached \$93 million, or 40 percent of the amended annual budget. Revenues are up 15 percent compared to the second quarter of the prior year, reflecting stronger revenue performance and the timing of several key revenue sources.

REVENUE TYPE	FISCAL YEAR 2025-26				COMPARISON		
	ADOPTED BUDGET	AMENDMENTS	AMENDED BUDGET	YTD ACTUALS	% OF AMENDED BUDGET	PRIOR YEAR ACTUALS	% CHANGE
Property Taxes	95,685,750	(55,377)	95,630,373	28,071,446	29%	25,783,845	9%
Sales & Use Taxes	32,977,317	-	32,977,317	10,922,703	33%	10,395,317	5%
Transient Occupancy Tax	16,883,137	45,000	16,928,137	7,085,837	42%	5,458,862	30%
All Other Taxes	5,491,304	-	5,491,304	2,306,658	42%	2,296,599	0%
Ambulance Billing	9,800,000	106,024	9,906,024	5,736,031	58%	5,237,781	10%
Charges for Svcs	26,341,834	212,739	26,554,573	12,647,438	48%	10,231,952	24%
Fines & Forfeitures	4,276,000	9,156	4,285,156	1,873,028	44%	1,794,491	4%
Intergovernmental	556,500	66,000	622,500	177,371	28%	188,753	-6%
Licenses/Permits/Fees	5,048,250	-	5,048,250	2,365,736	47%	2,345,353	1%
Other Revenue & Transfer	20,747,339	1,366,843	22,114,182	13,777,891	62%	10,481,476	31%
Franchise Fees	4,563,000	-	4,563,000	380,623	8%	385,289	-1%
Use of Money & Property	9,121,039	(668,700)	8,452,339	7,841,884	93%	6,157,259	27%
Total Revenues	\$231,491,470	\$1,081,685	\$232,573,155	\$93,186,647	40%	\$80,756,976	15%

Property Taxes

Property taxes represent 41 percent of total General Fund revenues and are primarily received in the December/January and April/May time frames. As of December 31, revenues reflect the first installment of secured property tax payments and received 29 of the amended budget. Compared to the prior year, property tax revenue increased 9 percent. Growth continues to be driven by the annual Proposition 13 inflation factor (2 percent CPI growth), prior-year transfers of ownership that reset assessed values to market levels, parcel additions and drops (including parcels with plans), and ongoing new construction in both residential and non-residential categories. Based on collections to date, property tax revenues remain consistent with budget expectations.

Sales Taxes

Sales taxes represent 14 percent of total General Fund revenues. Revenues received through December 31 total 33 of the amended budget and are higher by 5 percent compared to the prior year. Year-to-date performance reflects improvement over the first quarter and is consistent with budget expectations. Staff will continue to monitor statewide and local taxable sales trends during the second half of the fiscal year.

Transient Occupancy Tax (TOT)

TOT revenues through December 31 total \$7.0 million, representing 42 percent of the amended budget and an increase of 30 percent compared to the same period last fiscal year. With two quarters of activity recorded, collections reflect solid lodging performance and typical seasonal patterns. Based on year-to-date results, revenues are trending favorably at mid-year.

GENERAL FUND EXPENDITURES

General Fund expenditure reached 47 percent of the amended budget as of December 31. Actual spending totaled \$114.5 million, an increase of \$5.3 million, or 5 percent, compared to the same period in the prior year. All departments are on track to remain within budgeted levels.

DEPARTMENT	FISCAL YEAR 2025-26				COMPARISON		
	ADOPTED BUDGET	AMENDMENTS	AMENDED BUDGET	YTD ACTUALS	% OF AMENDED BUDGET	PRIOR YEAR ACTUALS	% CHANGE
City Council	1,269,547	-	1,269,547	529,191	42%	500,444	6%
City Clerk	1,804,400	-	1,804,400	671,442	37%	615,619	9%
City Treasurer	475,765	55,000	530,765	225,603	43%	212,312	6%
City Manager	2,305,008	-	2,305,008	1,057,149	46%	667,199	58%
City Attorney	2,790,748	-	2,790,748	1,281,686	46%	1,373,860	-7%
Non Departmental	20,374,804	1,830,005	22,204,809	10,878,305	49%	9,918,325	10%
CALPERS Unfunded Liability	600,000	1,290,264	1,890,264	1,890,264	100%	699,960	170%
Personnel Vacancy Factor	(2,906,945)	-	(2,906,945)	-	-	-	-
Financial Services	7,741,432	773,384	8,514,816	3,524,108	41%	3,229,124	9%
Human Resources	1,016,966	-	1,016,966	471,840	46%	395,522	19%
Economic Development	724,092	256,497	980,589	417,693	43%	459,373	-9%
Police	79,317,987	587,573	79,905,560	37,877,818	47%	37,026,096	2%
Fire	54,508,313	753,176	55,261,489	27,783,751	50%	26,858,991	3%
Property Mgmt	1,925,525	321,097	2,246,622	720,711	32%	730,589	-1%
Public Works	24,186,242	967,984	25,154,226	10,659,273	42%	10,420,757	2%
Development Services	19,062,833	2,694,831	21,757,664	7,991,051	37%	7,874,912	1%
Neighborhood Services	2,983,548	99,044	3,082,592	1,349,637	44%	1,279,068	6%
Parks & Rec	8,998,871	116,878	9,115,749	4,159,361	46%	3,817,752	9%
Library	7,358,730	-	7,358,730	3,341,517	45%	3,193,128	5%
Total Expenditures	\$234,537,866	\$9,105,469	\$243,643,335	\$114,546,066	47%	\$109,284,394	5%
One-time use of reserves	4,377,352						
Total Recurring Expenditures	\$230,160,514	\$9,105,469	\$243,643,335	\$114,546,066	47%	\$109,284,394	5%

MEASURE X - GENERAL FUND

As of December 31, the City has received \$113.19 million in Measure X revenues since the program's inception. The table below summarizes the current quarter's budgets, expenditures, and project activity for Measure X-funded programs and initiatives.

On April 1, 2019, Measure X, the temporary one-half percent transaction and use tax became effective. In November 2024, Oceanside voters approved a 10-year extension of Measure X, which will now remain in effect through April 2036. The Capital expenditure budgets will be partially offset with prior year's revenue in reserves. Detailed in the following table are the activities and projects programmed for these funds.

	ADOPTED BUDGET	AMENDMENTS	AMENDED BUDGET	YTD ACTUALS	YTD ENCUMBRANCE	% OF AMENDED BUDGET
Measure X Admin	18,795,917	-	18,795,917	6,381,219	-	34%
Total Revenues	18,795,917	-	18,795,917	6,381,219	-	34%
Measure X Admin	5,500,000	-	5,500,000	2,791,110	-	51%
Enhanced Emergency SvcDelivery	2,965,001	-	2,965,001	1,400,547	1,318	47%
DownTown Security Presence	1,366,108	125,451	1,491,559	683,054	125,454	54%
Navigation Center Operations	1,250,000	-	1,250,000	113,943	1,136,057	100%
Community Service Officer	1,020,896	-	1,020,896	313,116	-	31%
Paramedic Squad	1,000,001	-	1,000,001	472,611	-	47%
Youth Prgrmgng/Gang Diversion	1,000,001	497,909	1,497,910	435,968	749,062	79%
Homeless Outreach Team	666,378	-	666,378	151,493	115,870	40%
Police Equipment and Studies	650,000	174,411	824,411	177,905	68,517	30%
Homeless Diversion/Prevention	620,000	-	620,000	48,808	249,801	48%
Fire Battalion Chiefs	587,154	-	587,154	164,282	-	28%
Crime Suppression Team	500,000	-	500,000	232,051	-	46%
Hand Crew Program	300,000	-	300,000	-	-	0%
Fire Equipment	250,000	32,533	282,533	93,656	35,050	46%
OFD Health & Wellness	150,000	-	150,000	5,829	-	4%
Homelessness Strategy Implmntn	100,000	-	100,000	18,734	-	19%
Teen Work Program	45,000	-	45,000	7,763	-	17%
Total Operating Expenditure	17,970,539	830,303	18,800,842	7,110,870	2,481,129	51%
St Restoration/Asphalt Overlay	2,800,000	1,127,543	3,927,543	28,820	344,717	10%
Pier Rehab/Concrete Design	1,000,000	9,437,915	10,437,915	286,519	804,995	10%
Road Repairs/Slurry Seal	700,000	263,994	963,994	30,438	9,522	4%
Shoreline Restoration Program	500,000	-	500,000	-	-	0%
Traffic Calming	500,000	801,719	1,301,719	176,934	423,831	46%
OPD Training Cntr/Firing Range	-	4,990,000	4,990,000	-	-	0%
Training Tower/Draft Pit/Asphalt	-	92,269	92,269	-	75,503	82%
Buccaneer Beach Restrooms	-	2,312,486	2,312,486	8,050	130,534	6%
New Fire Stnt #1/EOC Relctn	-	87,660	87,660	-	-	0%
South Strand Rehab Study	-	1,098,045	1,098,045	25,500	-	2%
Police HQ Expansion	-	1,726,029	1,726,029	197,437	949,630	66%
EI Corazon Park Site 1	-	1,725,000	1,725,000	46,548	1,258,426	76%
Total Capital Expenditures	\$5,500,000	\$23,662,661	\$29,162,661	\$800,245	\$3,997,158	16%
Total Expenditures	\$23,470,539	\$24,492,964	\$47,963,503	\$7,911,115	\$6,478,287	30%
Total Ending	(4,674,622)		(\$29,167,586)	(\$1,529,896)		

ENTERPRISE FUND

Enterprise funds, also known as business-type activities, are used to account for the acquisition, operation and maintenance of governmental facilities and services that are entirely or predominantly self-supporting through user charges. These funds are structured to reflect operations in a manner similar to private enterprises, showing a net profit or loss. The financial status of operating funds for Water, Sewer and Solid Waste Disposal is discussed in this section. Water and Sewer budgets consist of multiple funds such as operating, replacement and developer connection. Debt service is not included. Generally accepted accounting principles (GAAP) call for fiscal analysis of Enterprise Funds to reflect a roll up of all funds into one report.

WATER FUND

Overall revenues for the Combined Water Funds are at 54 percent of the amended budget as of December 31. Developer fee revenues have already exceeded full-year projections due to higher-than-anticipated activity early in the fiscal year. Expenditures are at 49 percent of the amended operating budget, and operating revenues exceed operating expenditures—including transfers and depreciation—by \$7.5 million. Capital project expenditures are at 49 percent of the amended budget, reflecting the timing of encumbrances for several major projects currently in construction or design, including the Water Pipeline Replacement Project, the Fire Mountain Recycled Pump Station and Reservoir Project, and the Water Engie Project. Capital spending levels can vary widely depending on the stage and schedule of each project. The following table highlights the amount and percentage expended by each water program.

OPERATING	ADOPTED BUDGET	AMENDMENTS	AMENDED BUDGET	YTD ACTUALS	YTD ENCUMBRANCE	% OF AMENDED BUDGET
Water Sales	84,473,909	-	84,473,909	41,993,145	-	50%
Other Revenue	2,346,582	-	2,346,582	2,325,614	-	99%
Developer Fees	1,811,128	-	1,811,128	3,271,230	-	181%
Transfer In	-	-	-	39,131	-	0%
Total Revenues	88,631,619	-	88,631,619	47,629,120	-	54%
Administration/General	57,694,424	-	57,694,424	25,390,531	113,299	44%
Water Maintenance	5,906,429	214,281	6,120,710	2,322,353	835,193	52%
Pure Water	5,760,004	-	5,760,004	2,031,940	659,493	47%
Other Water Programs	5,558,417	12,878	5,571,295	1,945,999	753,107	48%
Desalting Plant	2,992,040	-	2,992,040	1,171,271	493,258	56%
Water Meter Services	2,967,882	61,073	3,028,955	1,179,724	623,368	60%
Water Filtration Plant	2,908,772	35,000	2,943,772	1,165,221	329,299	51%
Water Distribution	2,903,780	-	2,903,780	1,284,241	337,960	56%
Recycled Water	1,171,622	-	1,171,622	309,359	134,722	38%
Water Compliance Activities	317,028	-	317,028	39,173	-	12%
CALPERS Unfunded Liability	-	653,879	653,879	653,879	-	100%
Total Operating Expenditures	88,180,398	658,232	88,838,630	37,493,692	4,279,699	47%
Transfer to General Fund	1,007,949	-	1,007,949	503,975	-	50%
Depreciation	-	-	-	2,133,674	-	0%
Total Expenditures	\$89,188,347	\$658,232	\$89,846,579	\$40,131,340	\$4,279,699	49%
Total Ending	(556,728)		(\$1,214,960)	7,497,780		

CAPITAL PROJECTS	ADOPTED BUDGET	AMENDMENTS	AMENDED BUDGET	YTD ACTUALS	YTD ENCUMBRANCE	% OF AMENDED BUDGET
Replacement Projects	5,188,227	20,413,322	25,601,549	1,687,921	4,957,769	26%
Connection Projects	1,013,465	12,748,371	13,761,836	2,435,003	9,959,034	90%
Engie Project	293,632	895,466	1,189,098	-	897,712	75%
Total Capital Expenditures	\$6,495,324	\$34,057,159	\$40,552,483	\$4,122,924	\$15,814,515	49%

SEWER FUND

Sewer Fund revenues are at 55 percent of the amended budget as of December 31. Developer fee revenues have already exceeded full-year projections by \$1.2 million, while Sewer Service and Flow fees are tracking as expected. The following table highlights the amount and percentage expended by each sewer program.

Operating expenditures are at 53 percent of the amended operating budget, and operating revenues exceed operating expenses after depreciation by \$10.4 million.

Capital project expenditures are at 31 percent of the amended budget. This reflects the timing of encumbrances for several major projects beginning early in the fiscal year, including the Downtown Sewer Replacement Project, Phase 2, the construction phase of the Sewer Consolidation Project, and the Sewer Engie Project. Capital spending levels can vary widely depending on the stage and schedule of each project.

OPERATING	ADOPTED BUDGET	AMENDMENTS	AMENDED BUDGET	YTD ACTUALS	YTD ENCUMBRANCE	% OF AMENDED BUDGET
Sewer Service & Flow Fees	43,286,274	-	43,286,274	23,106,513	-	53%
Other Revenue	7,096,459	-	7,096,459	2,721,926	-	38%
Developer Fees	1,936,776	-	1,936,776	3,166,315	-	163%
Total Revenues	\$52,319,509	\$0	\$52,319,509	\$28,994,754	\$0	55%
San Luis Rey Wastewater	11,222,618	-	11,222,618	4,458,656	1,948,197	57%
Administration & General	9,999,723	69,464	10,069,187	4,365,105	162,202	45%
Sewer Collections	5,268,296	147,321	5,415,617	2,343,833	805,151	58%
La Salina Wastewater	4,875,692	-	4,875,692	1,765,720	740,439	51%
Miscellaneous Projects	1,749,532	280	1,749,812	458,310	202,090	38%
Facilities Maintenance	1,475,614	-	1,475,614	636,971	51,750	47%
SCADA Program	1,461,695	37,788	1,499,483	616,157	217,070	56%
Sewer Laboratory	873,883	20,525	894,408	378,609	36,631	46%
GIS Program	425,840	-	425,840	153,408	1,388	36%
Industrial Waste Program	359,055	-	359,055	113,095	-	31%
CALPERS Unfunded Liability	-	904,063	904,063	904,063	-	100%
Total Operating Expenditure	\$37,711,948	\$730,378	\$38,442,326	\$16,193,929	\$4,164,918	53%
Depreciation	-	-	-	2,392,793	-	0%
Total Expenditures	\$37,711,948	\$730,378	\$38,442,326	\$18,586,721	\$4,164,918	59%
Total Ending	\$14,607,561		\$13,877,183	\$10,408,033		

CAPITAL PROJECTS	ADOPTED BUDGET	AMENDMENTS	AMENDED BUDGET	YTD ACTUALS	YTD ENCUMBRANCE	% OF AMENDED BUDGET
Other Revenue	42,327	-	42,327	-	-	0%
Total Revenues	\$42,327	\$0	\$42,327	\$0	\$0	0%
Replacement Projects	8,178,393	70,819,266	78,997,659	3,219,457	21,015,872	31%
Total Capital Expenditures	\$8,178,393	\$70,819,266	\$78,997,659	\$3,219,457	\$21,015,872	

SOLID WASTE DISPOSAL FUND

Overall revenues for the Solid Waste Disposal Fund are 42 percent of the amended budget as of December 31.

The following table highlights the amount and percentage expended by each expenditure category. Operating expenditures are at 59 percent of the amended operating budget, and operating revenues exceeded operating expenditures after transfers and depreciation by approximately \$0.026 million. Encumbrances for contracted services recorded early in the fiscal year contribute to the higher expenditure percentage at this point in the year.

OPERATING	ADOPTED BUDGET	AMENDMENTS	AMENDED BUDGET	YTD ACTUALS	YTD ENCUMBRANCE	% OF AMENDED BUDGET
Solid Waste Revenue	2,734,457	-	2,734,457	1,143,554	-	42%
Other Revenue	3,000	-	3,000	-	-	0%
City Waste Services	-	-	-	20,127	-	0%
Total Revenues	2,737,457	-	2,737,457	1,163,681	-	43%
Personnel	996,589	-	996,589	435,127	-	44%
Maintenance & Operations	782,608	4,658	787,266	148,604	490,404	81%
Internal Service Charges	392,757	-	392,757	196,368	-	50%
Total Operating Expenditures	2,171,954	4,658	2,176,612	780,099	490,404	58%
Transfers Out & Internal Services	267,166	-	267,166	133,583	-	50%
Depreciation	-	-	-	43,984	-	0%
Total Expenditures	\$2,439,120	\$4,658	\$2,443,778	\$957,667	\$490,404	59%
Total Ending	\$298,337		\$293,679	\$206,014		

HARBOR FUND

Harbor Fund revenues came in at 52 percent of the amended budget as of December 31. Operating expenditure after depreciation is on track at 50 percent, and operating revenues exceeded operating expenditure after depreciation by approximately \$0.14 million.

Harbor capital project expenditures are at 91 percent of the amended budget. This higher percentage is primarily due to early-year encumbrances for ongoing capital projects, which are recorded upfront and can cause spending levels to appear elevated in the first quarter even though construction activity will occur throughout the year.

OPERATING	ADOPTED BUDGET	AMENDMENTS	AMENDED BUDGET	YTD ACTUALS	YTD ENCUMBRANCE	% OF AMENDED
Slip Rental Revenue	6,700,000	-	6,700,000	3,522,594	-	53%
Harbor Leases	1,928,634	-	1,928,634	788,230	-	41%
Parking	1,225,600	-	1,225,600	732,449	-	60%
Transfer and Waitlist Fees	92,000	-	92,000	38,960	-	42%
Other Fees & Income (i.e. Late, Key, Dump)	82,061	-	82,061	38,877	-	47%
Interest	76,000	-	76,000	142,939	-	188%
Inspection & Service Fees	14,432	-	14,432	6,120	-	42%
Total Revenues	10,118,727	-	10,118,727	5,270,168	-	52%
Transfer - Harbor Maintenance	3,606,390	-	3,606,390	1,803,195	-	50%
Transfer - Harbor Fire/Lifeguard	3,001,572	-	3,001,572	1,500,786	-	50%
Transfer - Harbor & Beaches Admin	1,425,080	-	1,425,080	712,540	-	50%
Transfer - Tideland Lease	840,000	-	840,000	469,250	-	56%
Transfer - Beach Lifeguards	325,816	-	325,816	162,908	-	50%
Transfers - Engie	234,291	-	234,291	117,144	-	50%
Transfer - Risk Management	156,160	-	156,160	78,078	-	50%
Transfer - Property Management	38,110	-	38,110	19,055	-	50%
Debt Service	28,003	-	28,003	-	-	0%
Total Operating Expenditures	9,655,422	-	9,655,422	4,862,956	-	50%
Depreciation	538,667	-	538,667	269,334	-	50%
Total Expenditures	\$10,194,089	-	\$10,194,089	\$5,132,289	-	50%
Total Ending	-\$75,362	-	-\$75,362	\$137,878	-	

CAPITAL PROJECTS	ADOPTED BUDGET	AMENDMENTS	AMENDED BUDGET	YTD ACTUALS	YTD ENCUMBRANCE	% OF AMENDED BUDGET
Harbor Projects	-	-	-	50,000	-	0%
Total Revenues	-	-	-	50,000	-	0%
Harbor Projects	520,000	6,241,620	6,761,620	20,950	6,154,287	91%
Total Capital Expenditures	\$520,000	\$6,241,620	\$6,761,620	\$20,950	\$6,154,287	91%

BUDGET TRANSFERS OVER \$50,000

Pursuant to Council Policy 200-13, budget transfers exceeding \$50,000 during this period are summarized below for informational purposes.

REASON	ACCOUNT	DESCRIPTION	AMOUNT
Reclass revenue from Support and Comm Svc business units	OPD-Support Services	Revenue	(\$61,064)
Reclass revenue to Patrol	OPD-Patrol	Revenue	61,064
Reclass from Capital to M&O	Buccaneer Lift Station	Maintenance & Operations	475,000
	Buccaneer Lift Station	Capital Outlay	(475,000)
Reclass Bicycle master Plan to Bicycle Safety Operating Business Unit	Bicycle Master Plan/Bike Sfty	Maintenance & Operations	(295,944)
	Bicycle Safety/Master Plan	Maintenance & Operations	295,944

ADMINISTRATIVELY APPROVED PURCHASE ORDERS

The following purchase orders between \$25,000 and \$100,000 were approved during this reporting period. This summary is provided for transparency.

Vendor Name	Department	PO Number	PO Amount
Aaron Ford of Escondido	Public Works	1007110	44,093
Black Sage Environmental, Inc	Public Works	1007071	45,000
Bluewater Marine & Dock Specialties	Harbor & Beaches	1007064	41,900
California Product Stewardship Council	Water	1005713	40,000
Carahsoft Technology Corporation	Police	1007034	55,968
Center for Internet Security, Inc	Information Technologies	1007123	25,560
CF M San Diego Inc.	Water	1007029	29,231
Chronicle Heritage	Development Services	1007112	25,809
Core-Rosion Products	Water	1007041	99,434
Dell Marketing L.P.	Information Technologies	1007093	54,638
Environmental Science Associates	City Manager	1006798	49,623
GovWorx, Inc	Police	1007085	78,000
Graul Mechanical Inc	Public Works	1007063	40,980
JILK Heavy Construction, Inc.	Public Works	1007087	62,500
JTB Services	Public Works	1007122	27,003
Larry Walker Associates	Water Utilities	1007056	74,990
Leads Online LLC	Police	1007086	37,486
Mckenna Boiler Works Inc	Water	1007019	25,000
National Oilwell Varco, L.P	Sewer	1007089	29,988
Nissho of California Inc.	Water	1007091	58,620
NV5 Inc	Water	1007072	35,000
Oceanside Marine Centre Inc.	Fire	1007107	30,000
Qmerit Electrification	Public Works	1007053	67,260
RDPSoft	Information Technologies	1007075	26,999
Schwing Bioset, Inc.	Water	1007039	29,833