



**Annual
Comprehensive
Financial Report
(ACFR)
FY 2023/24**

PURPOSE

- Present to Council and the Community on the City's Annual Comprehensive Financial Report (ACFR) as of Fiscal Year Ended June 30, 2024
- Council to accept and file the ACFR for Fiscal Year Ended June 30, 2024
- Council to provide direction to staff to return to a future meeting regarding the allocation of the available General Fund unassigned fund balance



AUDITORS' OPINION

- The City's financial audit for fiscal year ended June 30, 2024 was completed by independent certified public accounting firm Lance, Soll and Lunghard (LSL), LLP
 - First year of the agreement
 - Auditors' Opinion: Unmodified (clean)



GFOA AWARD

Certificate of Achievement for Excellence in Financial Reporting:

- Received the award for **10th** consecutive years
- Submitted for FYE 2024



FINANCIAL STATUS REPORT

FY 2023/24 AUDITED



GENERAL FUND



General Fund Revenue

FY 2023/24

(in thousands)

	Budget	Actual	YTD%
Taxes:			
Property Tax	\$ 46,138	\$ 45,856	99.39%
Excess ERAF	2,250	2,250	100.00%
Sales Tax	22,407	22,659	101.12%
Transient Occupancy Tax	30,109	29,481	97.91%
Business License Tax	4,399	4,643	105.55%
Other Taxes	2,603	2,733	104.99%
License and Permits	2,976	3,747	125.91%
Charges for Services	6,667	8,083	121.24%
Investment Earnings	800	4,946	618.25%
Intergovernmental	1,089	905	83.10%
Misc Revenue (adjusted for GASB 87 and 96)	411	428	104.14%
Transfer In	4,900	4,900	100.00%
Total Operating Revenue	\$ 124,749	\$ 130,631	104.72%



General Fund Expenditures FY 2023/24 (in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>YTD%</u>
Salaries, Wages, and Benefits	\$ 86,466	\$ 85,362	98.72%
Materials, Supplies, Services, Misc	32,122	29,331	91.31%
Debt Service	129	129	100.00%
Capital Outlay (adjusted for GASB 96)	101	172	170.30%
Transfer Out	12,734	11,123	87.35%
Total Operating Expenditures	\$ 131,552	\$ 126,117	95.87%



General Fund Reserves

FY 2023/24

- Operating Reserve: \$5.94 million
 - Target: 5% of operating expenditures
- Emergency Reserve: \$16.63 million
 - Target: 14% of operating expenditures
- Contingency Reserve: \$1.19 million
 - Target: 1% of operating expenditures



CASH AND INVESTMENTS



General Fund FY 2023-24

Cash & Investments	\$11,152,798
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AMERICAN RESCUE PLAN ACT (ARPA) FUNDS



ARPA Funds

Total Received	Total Obligations	Total Expenditures	Unexpended
\$15,118,910	\$15,118,910	\$6,625,942	\$8,492,968



CIP PROJECT FUND



CIP Reserves

FY 2023-24

- CIP Facilities Reserve
 - \$8.17 million ending balance for current and future projects
 - Per Fiscal Policy, will also receive end of year available fund balance from General Fund and Non-Recurring General Fund
- CIP General Reserve
 - \$4.34 million ending balance for current and future projects

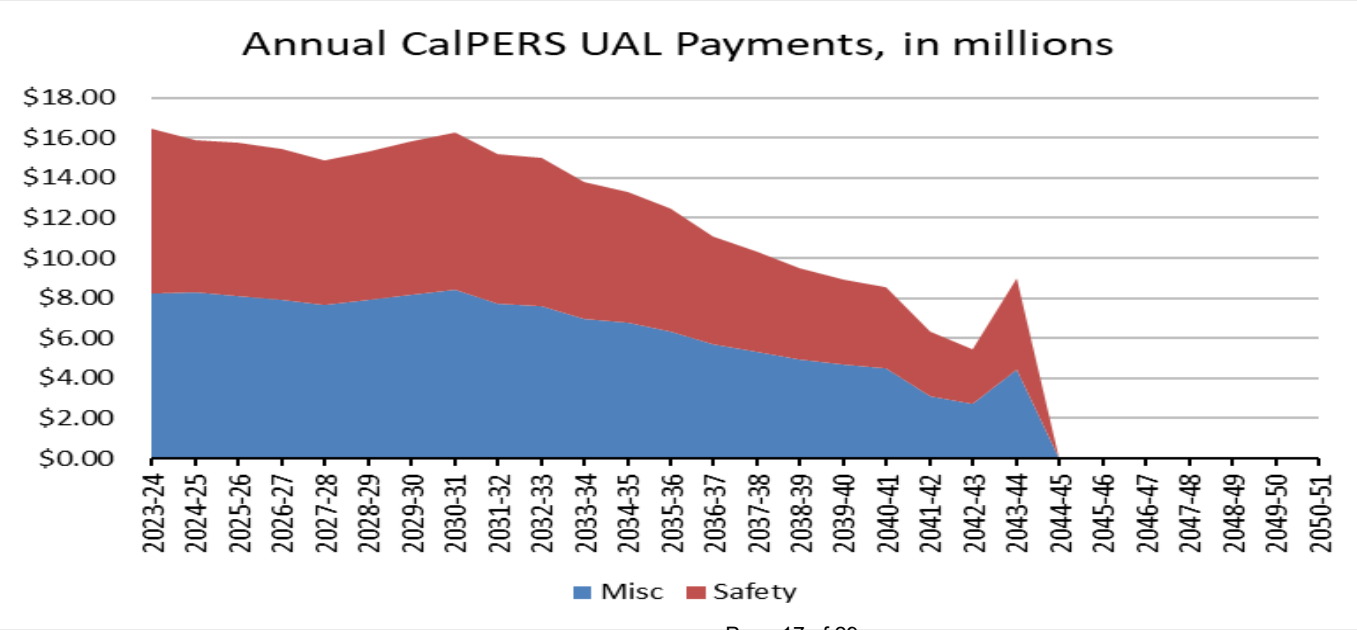


PENSION & POST- EMPLOYMENT BENEFITS FUND



Section 115 Trust

- Created to help mitigate increases in future pension costs
- Balance at 6/30/24: \$8.3 million
- Planned usage in FY25 to offset UAL Payment



PENSION AND OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITIES



Pension and OPEB FY 2023-24

Net Pension Liability	Governmental	Business-Type	Total
CalPERS Misc.	\$ 93,917,466	\$ 23,672,799	\$ 117,590,265
CalPERS Safety	113,043,001	-	113,043,001
Total:	\$ 206,960,467	\$ 23,672,799	\$ 230,633,266

Net OPEB Liability	\$1,462,072
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ENTERPRISE FUNDS



Solid Waste and Recycling

FY 2023-24

(in thousands)

	Budget	Actual	YTD%
Charges for Services	\$ 42,738	\$ 43,160	100.99%
Intergovernmental	239	287	120.08%
Investment Earnings	125	644	515.20%
Misc Revenues	57	73	128.07%
Transfers In	1,183	1,183	100.00%
Total Revenues	\$ 44,342	\$ 45,347	102.27%
Salaries, Wages, and Benefits	\$ 1,691	\$ 2,012	118.98%
Materials, Supplies, and Services	41,698	39,510	94.75%
Debt Service	874	293	33.52%
Capital Outlay	3,082	1,653	53.63%
Transfers Out	3,282	3,282	100.00%
Total Expenses	\$ 50,627	\$ 46,750	92.34%



Water Utility

FY2023-34

(in thousands)

	Budget	Actual	YTD%
Charges for Services	\$ 36,739	\$ 41,439	112.79%
Intergovernmental	7,011	237	3.38%
Investment Earnings	572	3,472	606.99%
Misc Revenues	347	203	58.50%
Transfers In	15,296	15,296	100.00%
Total Revenues	\$ 59,965	\$ 60,647	101.14%
Salaries, Wages, and Benefits	\$ 12,824	\$ 12,728	99.25%
Materials, Supplies, and Services	21,128	18,025	85.31%
Debt Service	3,328	1,122	33.71%
Capital Outlay	25,231	6,419	25.44%
Transfers Out	18,467	18,467	100.00%
Total Expenses	\$ 80,978	\$ 56,761	70.09%



**OPERATING POSITION:
GENERAL FUND
&
NON-RECURRING GENERAL FUND**



General Fund Operating Position FY 2023/24

	FY 2023/24 Budget	FY 2023/24 Actual
General Fund (\$ in millions)		
Total Revenues	124.7	130.6
- Operating Expenditures	131.6	126.1
- Contributions to General Fund Reserves	-	1.6
Operating Surplus/ Deficit	(6.8)	2.9
+ FY 22/23 Fund Balance Appropriation	6.8	6.8
- Mark-to-Market Adjustment	-	2.7
- Encumbrances	-	1.7
Available Fund Balance	0.0	5.3



NR General Fund Operating Position FY 2023/24

	FY 2023/24 Budget	FY 2023/24 Actual
Non-Recurring General Fund (<i>\$ in millions</i>)		
Beginning Fund Balance	6.5	6.5
+ Revenues	7.9	7.5
- Expenditures	14.3	5.3
Ending Fund Balance	0.1	8.7



Recommendations

- Parks (4th of July Event) - \$155K
- Utility Increase (PG&E) - \$253K
- Homeless Services and Vehicle Code Changes (Kennedy Park) - \$850K
- Parks
 - \$1M to CIP Project PK18PR07
 - Playground Equipment Replacement - Fuller Park
- PERS UAL
 - \$2M to Section 115 Trust
- Labor Costs (MOU Implementation)
 - \$1M



Questions and Comments



Recommendation to Council

- Accept and file the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2024
- Provide direction to staff to return to a future Council meeting regarding the allocation of the available General Fund unassigned fund balance





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