



**End of Year and
Annual
Comprehensive
Financial Report
(ACFR)
FY 2024/25**



PURPOSE

- Update Council & Community on the Financial Status of the City as of June 30, 2025
- Present to Council and the Community on the City's Annual Comprehensive Financial Report (ACFR) as of Fiscal Year Ended June 30, 2025
- Council to accept and file the ACFR for Fiscal Year Ended June 30, 2025
- 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, 2025 was completed by independent certified public accounting firm Lance, Soll and Lunghard (LSL), LLP
 - Second year of the agreement
 - Auditors' Opinion: Unmodified (clean)



GFOA AWARD

Certificate of Achievement for Excellence in Financial Reporting:

- Received the award for **11th** consecutive year
- Submitted for FYE 2024/25



OVERVIEW OF FY 2024/25

- General Fund numbers shown include Measure G Sales Tax revenue and expenditures
- Overall City revenues higher than originally projected
 - Non-Measure G General Fund revenues end the year \$3.7 million overbudget
 - Measure G General Fund revenues end the year \$0.6 overbudget
- General Fund expenditures were under budget
 - Non-Measure G General Fund expenditures end the year \$3.7 million under budget after reserve contributions
 - Measure G General Fund expenditures end year \$5.0 million under budget, however, are reserved for capital projects



ECONOMIC OUTLOOK

- Sales Tax
 - Projected lower growth rate for Sales Tax than budgeted in future years provided by consultant
- Transient Occupancy Tax (TOT)
 - Grew strongly in 4th Quarter of FY 2024/25 which was projected to remain flat to prior fiscal year amounts
- Property Tax
 - Came in at the projected budgeted amount in FY 2024/25 in line with future budgeted year growth rates
- Economic Uncertainty
 - Potential loss of Vehicle License Fees (VLF)
 - Reduction of federal and state funding levels



FINANCIAL STATUS REPORT

FY 2024/25 AUDITED



GENERAL FUND



General Fund Revenue

FY 2024/25

(in thousands)

	Budget	Actual	YTD %
Taxes:			
Property Tax	\$ 47,234	\$ 47,240	100%
Excess ERAF	3,000	3,000	100%
Sales Tax	23,285	22,787	98%
Sales Tax - Measure G	5,140	5,696	111%
Transient Occupancy Tax	29,453	30,913	105%
Business License Tax	5,982	5,372	90%
Other Taxes	2,692	2,644	98%
License and Permits	3,841	3,963	103%
Charges for Services	7,716	7,969	103%
Investment Earnings	2,800	4,763	170%
Intergovernmental	1,912	1,556	81%
Misc revenue (adjusted for GASB 87 and 96)	306	1,789	585%
Transfer In	5,095	5,095	100%
Total Operating Revenue	\$ 138,454	\$ 142,787	103%



General Fund Revenue

FY 2024/25

Excluding Period 13
(in thousands)

	Budget	Actual	YTD %
Taxes:			
Property Tax	\$ 47,234	\$ 47,240	100%
Excess ERAF	3,000	3,000	100%
Sales Tax	23,285	22,787	98%
Sales Tax - Measure G	5,140	5,696	111%
Transient Occupancy Tax	29,453	30,913	105%
Business License Tax	5,982	5,372	90%
Other Taxes	2,692	2,644	98%
License and Permits	3,841	3,963	103%
Charges for Services	7,716	7,945	103%
Investment Earnings	2,800	3,638	130%
Intergovernmental	1,912	1,556	81%
Misc Revenue	306	274	89%
Transfer In	5,095	5,095	100%
Total Operating Revenue	\$ 138,454	\$ 140,122	101%



General Fund Expenditures

FY 2024/25

(in thousands)

	Budget	Actual	YTD %
Salaries, Wages, and Benefits	\$ 93,518	\$ 92,038	98.42%
Materials, Supplies, Services, Misc	35,963	30,627	85.16%
Debt Service	219	1,743	795.10%
Capital Outlay (adjusted for GASB 96)	6	1,572	28585.01%
Transfer Out	7,714	7,714	100.00%
Transfer Out - Measure G	5,000	-	0.00%
Transfer Out - Operating Reserves	2,129	-	0.00%
Total Operating Revenue	\$ 144,549	\$ 133,693	92.49%



General Fund Expenditures

FY 2024/25

Excluding Period 13
(in thousands)

	Budget	Actual	YTD %
Salaries, Wages, and Benefits	\$ 93,518	\$ 92,063	98%
Materials, Supplies, Services, Misc	35,963	32,079	89%
Debt Service	219	219	100%
Capital Outlay	6	0	0%
Transfer Out	7,714	7,714	100%
Transfer Out - Measure G	5,000	-	0%
Transfer Out - Operating Reserves	2,129	-	0%
	\$ 144,549	\$ 132,075	91%



General Fund Reserves

FY 2024/25

- Operating Reserve: \$6.49 million
 - Target: 5% of operating expenditures
- Emergency Reserve: \$18.16 million
 - Target: 14% of operating expenditures
- Contingency Reserve: \$1.30 million
 - Target: 1% of operating expenditures



CASH AND INVESTMENTS



ALL FUNDS

FY 2024/25

Fund	City of Napa as of 6/30/25	Fiduciary Funds as of 6/30/25	Grand Total as of 6/30/25
General Fund	\$21,808,895		\$21,808,895
General Non-Recurring	\$8,909,361		\$8,909,361
Measure G	\$1,305,849		\$1,305,849
American Rescue Plan Act	\$1,315,821		\$1,315,821
Special Revenue Funds	\$112,132,052		\$112,132,052
CIP Funds	\$38,922,522		\$38,922,522
Enterprise Funds	\$98,590,454		\$98,590,454
Fiduciary Funds		\$2,362,475	\$2,362,475
Housing Funds	\$9,907,140		\$9,907,140
Internal Service Funds	\$58,892,881		\$58,892,881
Payroll Clearing Account	\$1,000,767		\$1,000,767
TOTAL CITY CASH & INVESTED FUNDS	\$352,785,742	\$ 2,362,475	\$355,148,217



AMERICAN RESCUE PLAN ACT (ARPA) FUNDS



ARPA Funds

Total Received	Total Obligations	Total Expenditures	Unexpended
\$15,118,910	\$15,118,910	\$13,666,911	\$1,451,999



CIP PROJECT FUND



CIP Reserves

FY 2024-25

- CIP Facilities Reserve
 - \$8.1 million ending balance for current and future projects
- CIP General Reserve
 - \$3.3 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 6/30/25: \$10.1 million
- Peak UAL Payment in FY 30/31 - \$24.3 million

CalPERS UAL Projection
All City Funds



PENSION AND OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITIES



Pension

FY 2024-25

Net Pension Liability	Governmental	Business-Type	Total
CalPERS Misc.	\$92,378,001	\$23,929,484	\$116,307,485
CalPERS Safety	\$109,338,152		\$109,338,152
Total	\$ 201,716,153	\$ 23,929,484	\$ 225,645,637



ENTERPRISE FUNDS



Solid Waste and Recycling Operating FY 2024-25

Excluding Period 13

(in thousands)

	Budget	Actual	YTD %
Charges for Services	\$ 47,392	\$ 48,426	102%
Intergovernmental	32	11	35%
Investment Earnings	125	830	664%
Financing Revenues	-	-	0%
Misc Revenues	59	59	100%
Transfers In	-	-	0%
Total Revenues	\$ 47,608	\$ 49,326	
Salaries, Wages & Benefits	\$ 1,822	\$ 1,734	95%
Materials, Supplies, and Services	42,540	39,525	93%
Debt Service	872	865	99%
Capital Outlay	164	(0)	0%
Transfers Out	4,426	4,931	111%
Total Expenses	\$ 49,824	\$ 47,055	94%



Water Utility Operating FY2024-25

Excluding Period 13

(in thousands)

	Budget	Actual	YTD %
Charges for Services	\$ 42,985	\$ 48,094	112%
Intergovernmental	200	200	100%
Investment Earnings	572	4,051	708%
Financing Revenues	96	-	0%
Misc Revenues	162	138	85%
Total Revenues	\$ 44,015	\$ 52,483	
Salaries, Wages & Benefits	\$ 13,480	\$ 11,242	83%
Materials, Supplies, and Services	19,733	17,386	88%
Debt Service	3,332	3,238	97%
Capital Outlay	290	145	50%
Transfers Out	7,537	18,124	240%
Total Expenses	\$ 44,372	\$ 50,135	113%



Water CIP Fund

FY2024-25

Excluding Period 13

(in thousands)

	Budget	Actual	YTD %
Charges for Services	\$ 1,700	\$ 470	28%
Intergovernmental	6,017	60	1%
Investment Earnings	-	(446)	0%
Misc Revenues	360	-	0%
Transfers In	4,300	14,887	346%
Total Revenues	\$ 12,377	\$ 14,971	
Salaries, Wages & Benefits	\$ -	\$ 308	0%
Materials, Supplies, and Services	39	80	207%
Capital Outlay	52,563	17,103	33%
Transfers Out	34	4,898	14367%
Total Expenses	\$ 52,635	\$ 22,388	43%



OPERATING POSITION: GENERAL FUND & NON-RECURRING GENERAL FUND



General Fund Operating Position FY 2024/25

		FY 2024/25 Budget	FY 2024/25 Actual
General Fund (\$ in millions)			
	Total Revenues	138.5	142.8
	- Operating Expenditures	(144.6)	(133.7)
	- <i>Contributions to General Fund Reserves</i>	(2.1)	(2.1)
Operating Surplus / Deficit		(6.1)	7.0
	+ Fund Balance	7.0	6.4
	- Fund Balance - Measure G		(0.7)
	- Fund Balance for Carryforwards		(1.8)
	- Fund Balance for Harvest Middle School Project		(2.0)
Available Fund Balance		0.9	8.9



Measure G

Operating Position

FY 2024/25

		FY 2024/25 Budget	FY 2024/25 Actual
Measure G General Fund (<i>\$ in millions</i>)			
	Total Revenues	5.1	5.7
	- Operating Expenditures	(5.0)	-
	- Committed for CIP		(5.0)
Operating Surplus / Deficit		0.1	0.7
	+ Fund Balance Appropriation	-	-
	- Encumbrances		-
Available Fund Balance		0.1	0.7



NR General Fund Operating Position FY 2024/25

		FY 2024/25 Budget	FY 2024/25 Actual
Non-Recurring General Fund (<i>\$ in millions</i>)			
	Beginning Fund Balance	8.7	8.7
	+ Revenues	8.0	7.9
	- Expenditures	(12.0)	(6.2)
Ending Fund Balance		4.7	10.4



Recommendations

- Harvest Recreational Site
 - \$5.0 million for demolition & preliminary project planning
- PERS UAL Mitigation
 - \$3.5 million to Section 115 Trust
- Reserves
 - \$0.4 million true up for current revised budget



Questions and Comments



Recommendation to Council

- Accept and file the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2025
- Provide direction to staff to return to a future Council meeting regarding the allocation of the available General Fund unassigned fund balance

