



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

**Finance Commission Meeting  
January 15, 2025**

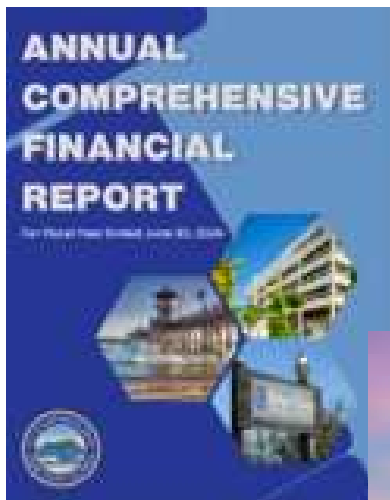
# Presentation Overview

- **FY 2023/24 Year-End Audit and Annual Comprehensive Financial Report (ACFR)**
  - **Presentation given by Auditor Jonathan Foster CPA, Partner – DavisFarr**
- **Finance Commission Overview / Proposed 2025 Calendar**



# Key City Financial Documents

## PAST



ACFR /  
PAFR

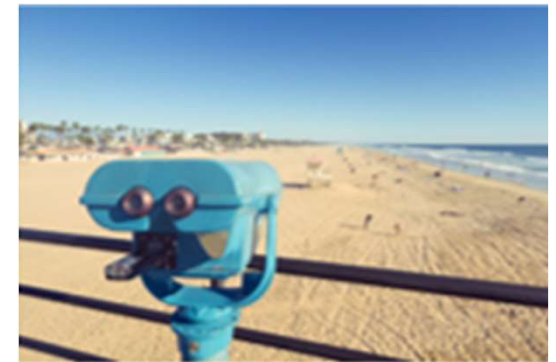


## PRESENT



Budget

## FUTURE



Long-Range  
Financial Plan

# City FY 2023/24 Year-End Audit and Annual Comprehensive Financial Report (ACFR)



# Reports Issued

- **Audited Opinion**
  - Unmodified
- **Communication to those in Governance**
- **Internal Control Letter – issued in conjunction with Single Audit Report**
  - One material audit adjustment noted
- **In progress**
  - Single Audit over Federal Expenditures



# Areas of Audit Focus

Pension Obligations

OPEB Obligations

Revenue and  
Expenditure testing

Testing of Capital  
Asset Activities

Single Audit

# FY 2023/24 Performance (Audited)

## Government-Wide Highlights:

| Description                         | In Thousands     |
|-------------------------------------|------------------|
| <u>ASSETS</u>                       |                  |
| Current and Other Assets            | \$523,525        |
| Non-Current Assets                  | 5,207            |
| Capital Assets                      | 932,745          |
| <b>Total Assets</b>                 | <b>1,461,477</b> |
| Deferred Outflows – Pensions & OPEB | 135,090          |
| <u>LIABILITIES</u>                  |                  |
| Current and Other Liabilities       | 75,969           |
| Long-Term Obligations*              | 604,946          |
| <b>Total Liabilities</b>            | <b>680,915</b>   |
| Deferred Inflows – Pension & OPEB   | 18,868           |
| <b>TOTAL NET POSITION</b>           | <b>\$896,784</b> |

\* Reflects GASB 68 recording of Net Pension Liability of \$193,451 million

# FY 2023/24 General Fund (Audited) (Fund 100)

| Description   | In Thousands     |
|---|------------------|
| Revenue (Recurring)                                 | \$290,289        |
| Revenue (One-Time) *                                | 2,276            |
| Planned Use of Reserves                             | 4,900            |
| <b>Total Sources of Funds</b>                       | <b>\$297,465</b> |
| Expenditures less UAL                               | 266,694          |
| CalPERS UAL   | 4,643            |
| POB Payment   | 13,255           |
| One-Time Expenditures**                             | 6,038            |
| <b>Total Expenditures</b>                           | <b>\$290,630</b> |
| Other Restricted Changes in General Fund Balance*** | 4,119            |
| <b>General Fund (Fund 100) Surplus</b>              | <b>\$2,716</b>   |

\* FY 23/24 one-time revenue consists of \$2.3M for Emerald Cove Superior Court Judgment

\*\* Includes \$4.9M for AES Transfer and \$1.1M Transfer of 50% of Emerald Cove settlement to the General Liability Fund

\*\*\* Includes adjustments to YE Market Value and set-asides for Ocean View Estates and General Plan Maintenance



# General Fund Surplus Allocation

| Description  | Amount             |
|--|--------------------|
| <b>FY 2023/24 General Fund (Fund 100) Surplus</b>      | <b>\$2,715,730</b> |
| Pension Rate Stabilization                             | 1,357,865          |
| Economic Uncertainties                                 | 678,932            |
| Capital Improvement Reserve                            | 339,466            |
| Other Capital Projects (Infrastructure)                | 339,466            |
| <b>Total Allocated Surplus per Fund Balance Policy</b> | <b>\$2,715,730</b> |

**General Fund Reserve Policy requires the following:**

- 50% to Pension Rate Stabilization Reserve (per Unfunded Accrued Liability Pension Funding Policy)

**Remaining surplus allocated as follows (until Economic Uncertainties is fully funded):**

- 50% to Economic Uncertainties Reserve
- 25% for Infrastructure Fund
- 25% to Capital Improvement Reserve

**Questions?**



# Finance Commission Overview



# Finance Commission

## § 2.109.030 Purpose.

The Finance Commission shall act in an advisory capacity to the City Council in matters pertaining to financial planning.



# Finance Commission

## § 2.109.040 Duties.

The Finance Commission may review and may make recommendations to the City Council on its citizen-driven oversight, deemed necessary. Matters may include, but not be limited to:

- A. Fiscal policies, financial planning and funding;
- B. Annual adopted budget;
- C. Proposals related to financial matters;
- D. Fiscal impacts of major projects;
- E. Service contracts on an as-needed basis; and/or
- F. Proposed State and Federal Legislation which impacts the City's finances.

The Finance Commission also will perform such other duties or studies as may be directed by the City Council.



# Finance Commission - - Proposed 2025 Calendar

1. **January** – Fiscal Year End Audit / Review of ACFR
2. **February** - Mid-Year Budget Review / Budget Adjustments / LRFP Overview
3. **March** – City Service Priorities
4. **April** - Proposed Budget Review
5. **May** – Proposed CIP and Infrastructure Projects
6. **June** - Single Audit, and overview of new GASB Standard Requirements
7. **July** - Adopted Budget Review / Long Range Plan Review
8. **August** – Investment Review
9. **September** - Economic Development Review
10. **October** – Pension Update / Debt and Refinancing Opportunities
11. **November** - Finance / Budget Policy Review / Reserves
12. **December** – Legislative Update / Review and Update on CIP Projects



**Questions?**





# TENTATIVE BUDGET CALENDAR

| Date             | Event  |
|------------------|--|
| January 31, 2025 | All Budget Forms Due back from Departments     |
| February 2025    | Department Meetings with the CFO / Budget Team |
| March 2025       | Department Meetings with the City Manager      |
| May 20, 2025     | FY 2025/26 Proposed Budget Study Session       |
| June 3, 2025     | FY 2025/26 Budget City Council Public Hearing  |
| June 17, 2025    | FY 2025/26 Budget Adoption (Tentative)         |
| July 1, 2025     | Fiscal Year Begins                             |

