

The background of the slide is a blurred image of a financial market display. It features various stock indices and their values in different colors (green for up, red for down). A line chart is visible in the center, showing a fluctuating trend. The text is overlaid on this background.

# Annual Comprehensive Financial Report (ACFR) for FY 2022-23

Finance Committee

April 24, 2024

# Annual Comprehensive Financial Report

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- Set of financial statements that comply with accounting standards set by Government Accounting Standard Board (GASB)
- Contains final actual results of prior fiscal year's financial activities
- Must be audited by an independent auditor
- Accompanied by a Memorandum on Internal Control laying out any major issues



# Financial Highlights



- Ended FY23 with a net position of \$257.5 M
  - Assets and Deferred Outflows of Resources increased by \$63.2 M
  - Liabilities and Deferred Inflows of Resources decreased by \$21.5 M
- Pension liability increased by \$83.1 M (59%)
  - Revised actuarial valuations
  - CalPERS reducing discount rate from 7.15% to 6.9%



# Revenues

- Total revenue for FY23: \$204.9 M
  - Compared to FY22:
    - Property Tax revenue increased by \$1.4 M (5.2%)
    - Sales Tax revenue decreased by \$1.8 M (-3.2%)
    - Property Transfer Tax revenue decreased by \$5.6 M (-37.5%)
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# Expenditures

- Total expenses for FY23: \$163.2 M
  - Compared to FY22:
    - Police Department had a \$9.4 M decrease (-11.1%)
      - Staffing shortages and safety pension decrease compared to prior year
    - Community Development Department had an increase of \$1.6M (12.6%)
      - Resumption of projects after delay in 2022
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# General Fund

- 80.0% of all revenues
  - 83.4% of all expenditures
  - FY23 ended with \$11.9 M surplus
  - Strong liquidity in fund balance
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# Other Funds

- All Enterprise Funds: ended FY23 with \$75.8 M fund balance
  - All Internal Service Funds: ended FY23 with \$18.0 M
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# Five Deficiencies Identified

- Turnover strained the ability to perform accounting functions
  1. Lack of timely and accurate year-end close
  2. Lack of timely bank reconciliation
  3. Lack of timely posting of journal entries
  4. Loan receivable was not recorded properly
  5. Fair value adjustment of investment income not recorded properly
- Finance Management acknowledges these deficiencies
  - Accounting Unit is almost fully staffed
    - Newest member is a CPA
  - Will be hiring an Assistant Finance Director soon
  - Will contract for additional CPA to lead ACFR process



# Questions and Comments