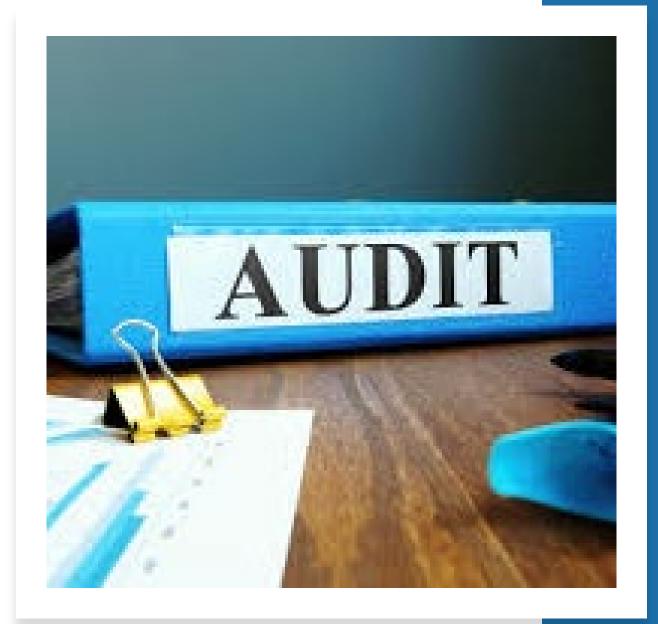


Annual Comprehensive Financial Report

- 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%)

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

General Fund

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

Other Funds

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

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