

Financial Update

April 14, 2025



Agenda

- FY 2024 Audit Summary
- Balance Sheet Highlights
- Budget-to-Actual Performance for FY 2024
- Budget-to-Actual Performance for six months ended December 31, 2024
- Credit Rating
- Timeline for future reporting





Financial Reporting Process Update



Improve underlying processes of financial reporting

Decrease close time

Revise standard reporting template

Incorporate results of operating reviews



Incorporate meaningful analysis of budget-to-actual and operating developments in period reporting



Provide assessments of completed and in-progress major projects

Change in Fiscal Year-End

- In 2024, the City changed its fiscal year end from June 30 to December 31.
- As a result, the City completed:
 - Audited results for FYE ended June 30, 2024
 - Six-month transition report for December 31, 2024, currently under audit
- The City's next full year end will be December 31, 2025
- Benefits of this change include:
 - Better alignment with City stakeholders, including taxpayers and bondholders
 - Streamlined budgeting and planning cycle



FY 2024 Audit Overview

- Audit of the financial statements for the year ended June 30, 2024
- Unmodified (clean) opinion from external auditors
- No material weaknesses or significant deficiencies
- No instances of noncompliance
- Completed and filed timely
- Available on the City's website



Balance Sheet Highlights

June 30, 2024

	FY 2024	FY 2023	Change
Cash and investments	\$270 million	\$266 million	+1.5%
Total assets	\$594 million	\$563 million	+5.5%
Current liabilities	\$37 million	\$37 million	0.0%
Bonds and other debt	\$115 million	\$118 million	-2.5%
Net position (net assets)	\$415 million	\$387 million	+7.2%
Key Ratios			
Cash to current liabilities	730%	719%	
Bonds and other debt to assets	19%	21%	
Net position to total assets	70%	69%	

Budget Highlights – General Fund

Year ended June 30, 2024

	Final Budget	Actual	Variance
Tax revenues	\$86.3 million	\$87.0 million	\$0.7 million
Other revenue	\$11.9 million	\$12.7 million	\$0.8 million
Total revenues	\$98.2 million	\$99.7 million	\$1.5 million
Expenditures, net of debt service	\$95.0 million	\$89.3 million	\$5.7 million
Debt service	\$1.4 million	\$1.4 million	\$0.0 million
Total expenditures	\$96.4 million	\$90.7 million	\$5.7 million
Net excess over budget	\$1.8 million	\$9.0 million	\$7.2 million

Budget Highlights – General Fund

Six months ended December 31, 2024

	Amended Budget	Actual	Variance
Property taxes	\$29.7 million	\$30.7 million	\$1.0 million
Sales and use taxes	\$15.8 million	\$16.3 million	\$0.5 million
Other revenue	<u>\$16.4 million</u>	<u>\$17.5 million</u>	<u>\$1.1 million</u>
Total revenues	<u>\$61.9 million</u>	<u>\$64.5 million</u>	<u>\$2.6 million</u>
Salaries and benefits	\$34.9 million	\$33.3 million	\$1.6 million
Operating	\$13.3 million	\$11.6 million	\$1.7 million
Transfers and other	<u>\$18.1 million</u>	<u>\$18.1 million</u>	<u>\$0.0 million</u>
Total expenditures	<u>\$66.3 million</u>	<u>\$63.0 million</u>	<u>\$3.3 million</u>
Excess over (under) budget	(\$4.4 million)	\$1.5 million	\$5.9 million
Encumbrances at end of year	<u>\$0.0 million</u>	<u>\$1.4 million</u>	<u>(\$1.4 million)</u>
Net excess over (under) budget	<u>\$(4.4 million)</u>	<u>\$0.1 million</u>	<u>\$4.5 million</u>
Results are unaudited			

Credit Rating

- The City's credit rating is AAA
- Factors that support our rating include:
 - Strong balance sheet
 - High liquidity
 - History of clean audits
 - Favorable budget to actual results



Timeline for Regular Reporting

- The audit for six-month period expected to be issued before June 30, 2025
- Quarterly reporting will occur on the second Committee Meeting following quarter-end
- First quarter results to be provided at April 29, 2025 meeting
- Monthly and quarterly financial results to be posted on website