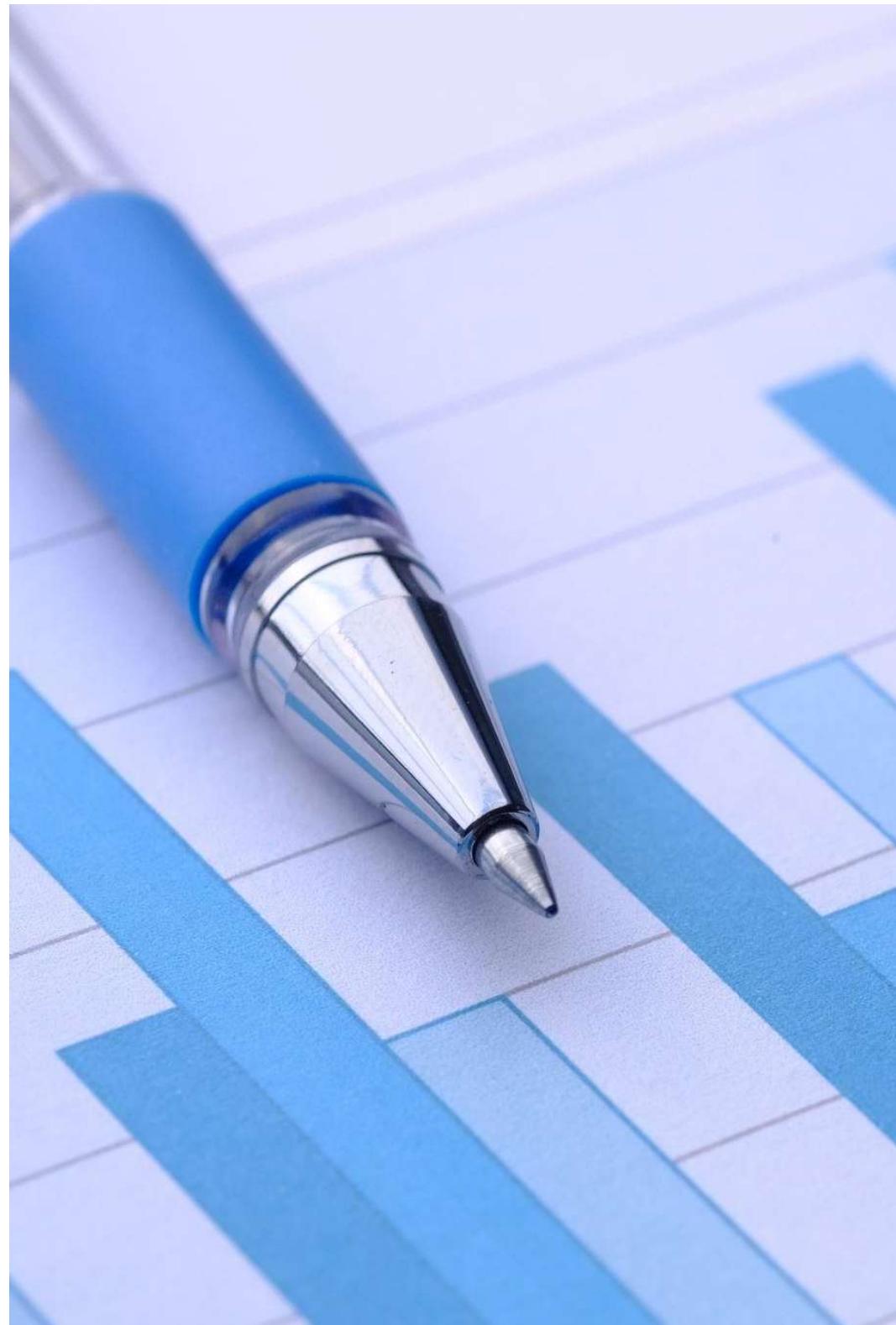




# Audit Requirement & Compliance

- Prepared in accordance with Generally Accepted Accounting Principles (GAAP)
- Audited by independent licensed Certified Public Accounting (CPA) firm
- Meets all state & federal requirements



# Audit Opinion

- Unmodified (Clean) Opinion
- Financial statements fairly presented
- Auditor: Chavan and Associates, LLP
- 2<sup>nd</sup> year of 5-year contract

# Awards & Recognition

- Submitted to Government Finance Officers of America (GFOA)
  - Excellence in Financial Reporting since 2012
  - Anticipate award for FY 2024-25
- California Society of Municipal Finance Officers (CSMFO) Award recipient FY 2000 – 2011
  - Only eligible to receive one award annually



# FY 2024–25 Financial Snapshot

- Clean (Unmodified) Audit Opinion
- Total Revenues: \$25.2M | Total Expenses: \$25.6M
- Change in Net Position: (\$400,000)
- Ending Net Position: \$43.9M
- General Fund Balance: \$6.0M
- Capital Assets (Net): \$52.8M
- Long-Term Liabilities: \$35.2M
- No audit findings or management concerns



# Net Position Highlights

**Total Assets: \$72.6 million**

- Deferred outflows of resources: \$9.8 million

**Total Liabilities: \$36.8 million**

- Deferred inflows of resources: \$1.6 million

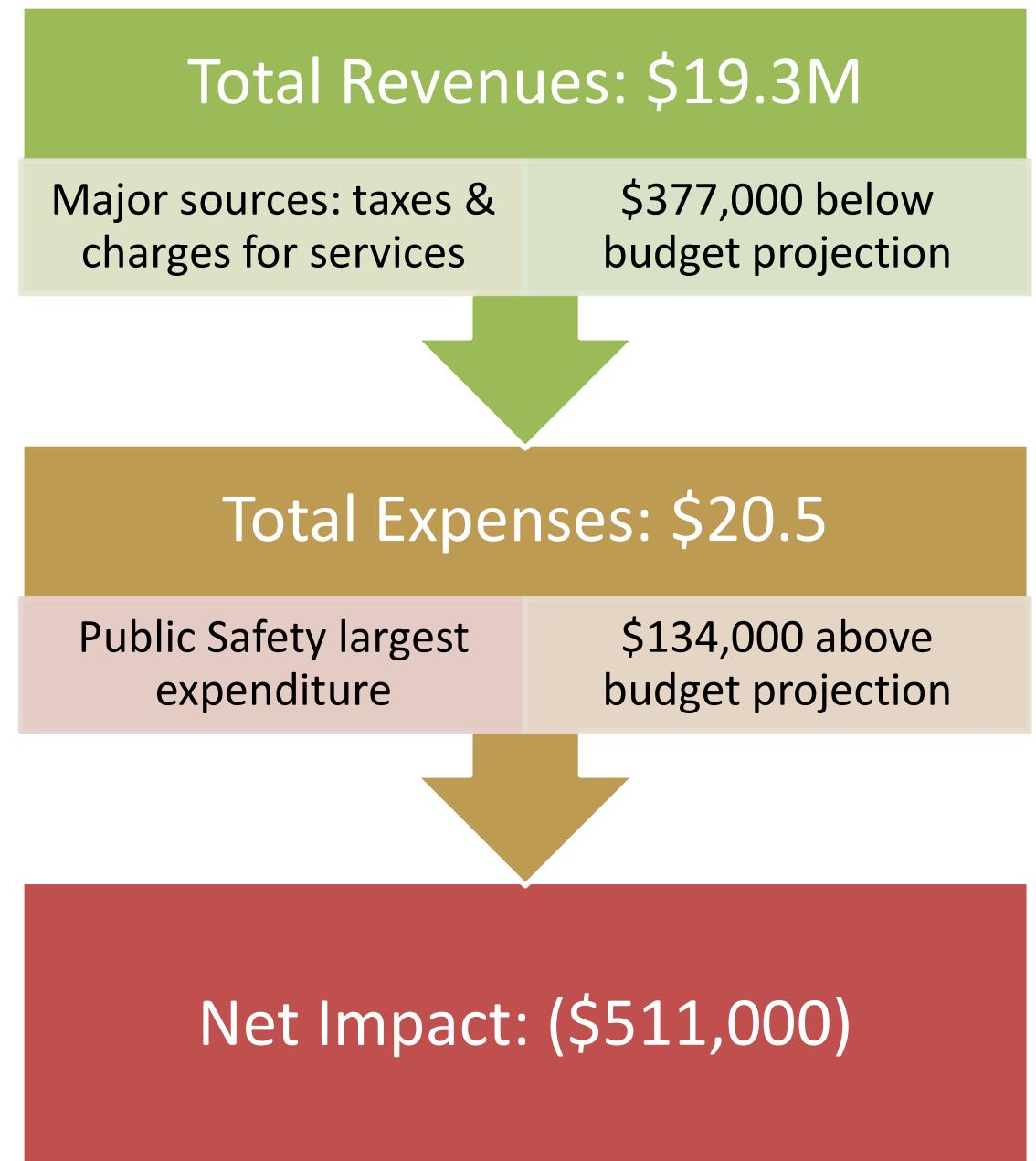
**Ending Net Position: \$43.9 million**

## General Fund Balance

- Total Fund Balance: \$6.0M
  - Emergency Reserve: \$1.6 million
  - Contingency Reserve: \$2.4 million
  - CalPERS Retirement Trust: \$1.7 million
  - Unassigned: \$300,000



# FY 2024–25 General Fund Operations



# Main Drivers of \$377,000 Revenue Shortfall

- Total sales tax: (\$150,000)
- TOT: (\$100,000)
- Parking citations: (\$168,000)
- Parking revenue: (\$80,000)
- Cannabis Tax: (\$45,000)
- Net of all other revenue:  
\$166,000

# Main Drivers of \$134,000 Expenditure Overage

## City Attorney (\$55k)

- Complex projects and Public Records

## Community Services and Recreation (\$52k)

- Offset by higher revenue

## General Government (\$27k)

- City-wide

# FY 2024–25 General Fund Tax Revenues by Source

- Total Tax Revenue: \$15.6 million
  - Sales Tax: \$8.6 million
    - 9.9% increase over last 10 years
  - Property Tax: \$3.3 million
    - 52.3% increase over last 10 years
  - Transient Occupancy Tax (TOT): \$2.3 million
    - 55.5% increase over last 10 years
  - Franchise Tax: \$742,000
  - Business License: \$334,000
  - Cannabis Tax: \$255,000

# FY 2024–25 General Fund Expenses by Function

- General Government: \$4.6 million
  - City Council, City Manager Dept., City Attorney's Office, Administrative Services Dept. & Community Grants
- Public Safety: \$7.9 million
- Community Development: \$844,000
- Culture and Recreation: \$2.9 million
- Public Works: \$3.9 million
- Capital Outlay: \$315,000



## Capital Assets

- Net Capital Assets: \$52.8M
  - Land: \$4.9 million
  - Buildings & Improvements: \$15.0 million
  - Infrastructure: \$24.1 million
  - Equipment: \$1.8 million
  - Construction in Progress: \$7.0 million

# Long-Term Liabilities

- Total Long-Term Liabilities: \$35.2M
  - CalPERS Pension Liability: \$31.8 million
  - Other Post Employment Benefits (OPEB): \$1.6 million
  - Compensated Absences: \$1.1 million
  - Beach & Village Parking Lease: \$694,000

# Next Steps

Financial  
updates

FY 2025-26 mid-year budget review  
FY 2026–27 budget hearings



Recommended  
Action

Receive report