

# CITY OF Douglas

Presentation to the City Council  
For the Fiscal Year Ended June 30, 2024

June 11, 2025



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# Scope of Work

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- **Financial Audit**
  - Annual Comprehensive Financial Report
- **Single Audit (Uniform Guidance)**
- **Other Reports**
  - Annual Expenditure Limitation Report
  - Highway User Revenue Fund Report
- **Other Non-Audit Services**
  - Assistance in Preparing Financial Statements

# Required Communications (AU-C 260)

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- **Significant Accounting Policies**

- The City disclosed the summary of significant accounting policies in Note 1 to the financial statements.
- The City implemented GASB Statements No. 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62.

- **Significant Estimates**

- Fair Value on Investments
- Depreciation on Capital Assets
- Net Pension Liability/(Asset)
- Net OPEB Liability/(Asset)

# Required Communications (AU-C 260)

- **Sensitive Disclosures**
  - Note 1 – Summary of Significant Accounting Policies
  - Note 9 – Pension Plans and Other Postemployment Benefits
  - Note 13 – Other Required Disclosures
  - Note 14 – Commitments and Contingencies
  - Note 16 – Special Item

# Required Communications (AU-C 260)

- **Misstatements**

- There were eight corrected misstatements and no uncorrected misstatements reported.

- **Consultation with Other Accountants**

- Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and other matters.

- **Significant Difficulties**

- We encountered no significant difficulties in dealing with management.

- **Disagreement with Management**

- We did not have any disagreement with management in terms of accounting treatments nor audit procedures performed.



# OVERVIEW OF THE FINANCIAL STATEMENTS

# Net Position @ June 30

	<u>2024</u>	<u>2023</u>	<u>Change</u>
<b>Assets</b>	<u>\$ 62,573,608</u>	<u>\$ 51,887,440</u>	<u>\$ 10,686,168</u>
<b>Deferred Outflows of Resources</b>	<u>5,849,749</u>	<u>7,295,890</u>	<u>(1,446,141)</u>
<b>Liabilities</b>	<u>54,146,104</u>	<u>48,475,593</u>	<u>5,670,511</u>
<b>Deferred Inflows of Resources</b>	<u>1,427,171</u>	<u>1,916,681</u>	<u>(489,510)</u>
<b>Net Position:</b>			
Net investments in capital assets	24,812,166	19,420,873	5,391,293
Restricted	6,988,917	6,658,365	330,552
Unrestricted	<u>(18,951,001)</u>	<u>(17,288,182)</u>	<u>(1,662,819)</u>
<b>Total Net Position</b>	<u><u>\$ 12,850,082</u></u>	<u><u>\$ 8,791,056</u></u>	<u><u>\$ 4,059,026</u></u>

# Change in Net Position

	<u>2024</u>	<u>2023</u>	<u>Total</u>
<b>Program Revenues</b>			
Charges for services	\$ 2,656,853	\$ 2,721,034	\$ (64,181)
Operating grants and contributions	4,839,169	7,741,364	(2,902,195)
<b>Total program revenues</b>	<u>7,496,022</u>	<u>10,462,398</u>	<u>(2,966,376)</u>
<b>Expenses</b>	<u>\$ 26,323,706</u>	<u>\$ 22,817,363</u>	<u>\$ 3,506,343</u>
<b>Net Cost of Services</b>	(18,827,684)	(12,354,965)	(6,472,719)
General Revenues	<u>22,671,829</u>	<u>19,429,595</u>	<u>3,242,234</u>
<b>Transfers</b>	<u>214,881</u>	<u>217,611</u>	<u>(2,730)</u>
<b>Change in Net Position</b>	<u><u>\$ 4,059,026</u></u>	<u><u>\$ 7,292,241</u></u>	<u><u>\$ (3,233,215)</u></u>

# General Fund – Fund Balance @ June 30

	<u>2024</u>	<u>2023</u>	<u>Change</u>
<b>Assets</b>	<u>\$ 23,854,318</u>	<u>\$ 25,645,926</u>	<u>\$ (1,791,608)</u>
<b>Liabilities</b>	<u>\$ 2,168,967</u>	<u>\$ 2,112,308</u>	<u>\$ 56,659</u>
<b>Deferred Inflows of Resources</b>	<u>\$ 445,623</u>	<u>\$ 760,769</u>	<u>\$ (315,146)</u>
<b>Fund Balance</b>			
Nonspendable	173,245	894,369	(721,124)
Restricted	3,335,862	4,198,068	(862,206)
Unassigned	<u>17,730,621</u>	<u>17,680,412</u>	<u>50,209</u>
<b>Total Fund Balance</b>	<u>21,239,728</u>	<u>22,772,849</u>	<u>(1,533,121)</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<u>\$ 23,854,318</u>	<u>\$ 25,645,926</u>	<u>\$ (1,791,608)</u>

# General Fund – Change in Fund Balance

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Revenues	<u>\$ 26,415,188</u>	<u>\$ 25,827,671</u>	<u>\$ 587,517</u>
Expenditures	<u>(19,278,835)</u>	<u>(14,885,300)</u>	<u>(4,393,535)</u>
Revenues over Expenditures	7,136,353	10,942,371	(3,806,018)
Other Financing Sources and Uses	<u>(8,669,474)</u>	<u>(5,075,625)</u>	<u>(3,593,849)</u>
Change in Fund Balance	<u><u>\$ (1,533,121)</u></u>	<u><u>\$ 5,866,746</u></u>	<u><u>\$ (7,399,867)</u></u>

# Financial Indicators

# Unassigned Fund Balance to Annual Expenditures (General Fund)

	<u>2024</u>	<u>2023</u>
Unassigned Fund Balance	<u>\$ 17,730,621</u>	<u>\$ 17,680,412</u>
Annual Expenditures	<u>19,278,835</u>	<u>14,885,300</u>
Ratio	<u>92%</u>	<u>119%</u>

# Audit Results



# Audit Results

- Unmodified Opinions – By Opinion Unit
  - Financial Statements are fairly presented in all material respects
    - In conformity with GAAP
    - Significant accounting policies have been consistently applied
    - Estimates are reasonable
    - Disclosures are properly reflected in the financial statements
- Highway User Revenue Fund – In Compliance
- Annual Expenditure Limit Report – In Compliance
- Single Audit – Unmodified Opinions
  - The City complied, in all material respect, with the types of compliance requirements that could have a direct and material effect



#### **HQ - ORANGE COUNTY**

200 E. Sandpointe Avenue  
Suite 600  
Santa Ana, CA 92707

#### **SAN DIEGO**

4365 Executive Drive  
Suite 710  
San Diego, CA 92121

#### **BAY AREA**

2121 North California Blvd.  
Suite 290  
Walnut Creek, CA 94596

#### **LAS VEGAS**

1050 Indigo Drive  
Suite 110  
Las Vegas, NV 89145

#### **PHOENIX**

4742 North 24th Street  
Suite 300  
Phoenix, AZ 85016