



FY 2022 Audit Results

December 7, 2022

Agenda

1. FY 22 Highlights

2. Other Funds

3. General Fund

4. Framework

**5. FY 22 Excess
Fund Balance**



Financial Highlights

Unqualified Opinion

- Independent External Auditors

Award for Excellence in Financial Reporting

- Government Finance Officers Association (GFOA)

Triple A Bond Rating

- Moody's and Standard & Poors

Other Fund FY 22 Results



- **Debt Fund** – addition of \$3.6 million in fund balance (return of \$3.4 million loan for initial LOBS expenditures)
- **Transit Fund** – addition of \$13.3 million in fund balance (ARPA \$, return of SMAP & personnel savings)
- **Parking Fund** – addition of \$383K in fund balance
- **Housing Fund** – addition of \$157K in fund balance
- **Stormwater Fund** – addition of \$947K in fund balance
- **OPEB Liability** – addition in net OPEB liability of \$704K

General Fund (GF)– Fund Balance Results

- Incredibly strong end to FY 2022 attributed to:
 - Conservative budgeting
 - Sales tax growth
 - Personnel savings from vacant positions
- Overall fund balance is up by \$1,937,965 (\$36.3 million)
- Available fund balance is up by \$1,251,831 (\$22.2 million)
- Available fund balance percent is 31.5%

GF - Available Fund Balance

- Available Fund Balance calculation

$$\text{\$22,241,270} / \text{\$70,701,396} = \mathbf{31.5\%}$$

(unassigned fund balance/total expenditures)

- Amount Available to Appropriate per calculation

$\text{\$ 22,241,270}$ unassigned fund balance @ 31.5%

$(\text{\$ 15,554,307})$ unassigned fund balance @ 22%

$\text{\$ 6,686,963} *$

* Not the amount we are recommending to appropriate

GF– Fund Balance Recommendation

- Things to consider when determining amount to appropriate:
 - Each year, budget gets bigger (larger denominator)
 - FY 2022 expenditures were still lower than normal
 - Higher than typical carryforward
- Recommendation
 - Reduce the amount available to appropriate to \$4.0 million

GF– Fund Balance Recommendation

Calculation: $\$18.2 \text{ million} / \$81.3 \text{ million} = 22.4\%$
(estimated unassigned fund balance/total expenditures)

Numerator: $\$22.2 \text{ million}$ FY 2022 unassigned fund balance
 $(4.0) \text{ million}$ Recommended excess fund balance appropriation
 $\$18.2 \text{ million}$

Denominator: $\$76.7 \text{ million}$ FY 2023 General Fund adopted budget
 $(2.5) \text{ million}$ Typical year-end savings
 3.1 million FY 2022 carryforward
 4.0 million Recommended excess fund balance appropriation
 $\$81.3 \text{ million}$

Strategic Use of Fund Balance

- Here tonight to introduce topic to Council
- Tie back to needs identified in 5-year budget strategy
- Funding provides ability to address:
 - Council & community interests
 - Organizational needs
 - Recovery & restoration from pandemic

Strategic Use of Fund Balance

- Capital Needs:
 - Parks & Recreation projects identified as interests during ARPA conversations
 - Public Safety Radios (gap from 2/3 bonds)
- Building Maintenance
- Fleet Replacement
- Affordable Housing



Next Steps –

Follow up at work session
to discuss possible uses

Questions ?