

City of Pacific Grove



FISCAL YEAR 17/18  
ANNUAL AUDIT REPORT AND  
FINANCIAL UPDATE

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# Financial Calendar

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- Audit Results and Year-End Financial Update
  - General Fund
  - Internal Service and Enterprise Funds
  - Capital Assets and Debt
  - General Fund Unassigned Fund Balance
  
- Financial Calendar

Month	Topic
February	Mid-Year Budget Presentation
	Long-Term Forecast
	Other Post Employment Benefits Actuarial Report
April	Capital Improvement Plan
May	GANN Appropriation Limit
	Proposed Budget, First Reading of Ordinance
June	Budget Adoption, Second Reading of Ordinance



# General Fund – Financial Statement Purposes

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- Combines the following minor funds
  - Hyperbaric Chamber
  - Civic Center
  - Drug Awareness
  - Asset Seizure
  - Lovers Point Pool
  - Recreation Donation
  - Operating Donation
  - Koo Estate Donation
  
- Annual Financial Activity – Combined Minor Funds
  - Revenues: \$92,500
  - Expenses: \$273,200
    - Includes transfers





# General Fund Overview

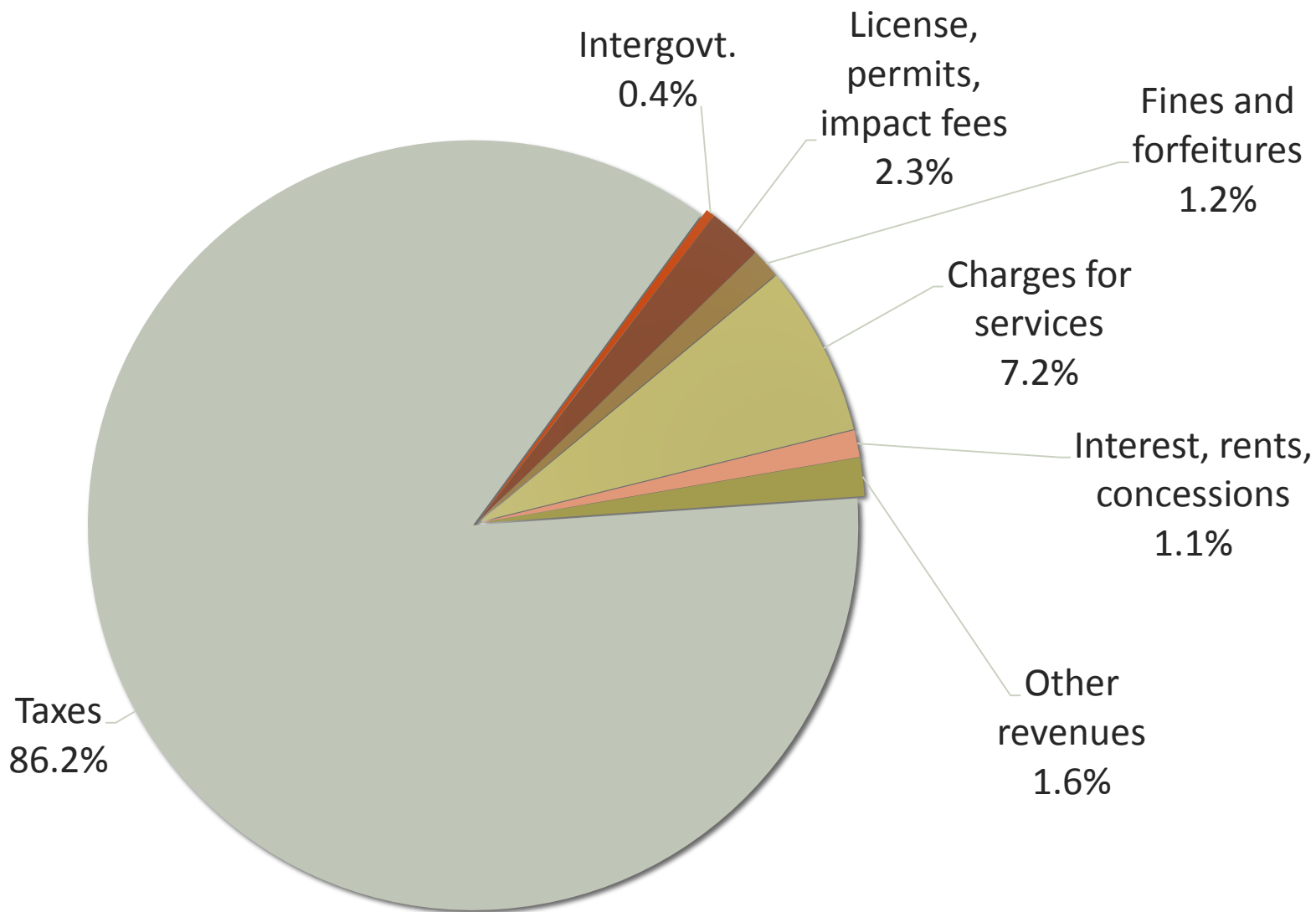
(In millions)

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Fiscal Year 17/18	Adopted	Amend.	Actual	Diff.
Beginning Fund Bal.	\$11.63	\$11.63	\$11.63	-
Revenues	22.05	22.95	22.92	(0.03)
Expenses				
Depart. Expenses	19.46	19.35	19.06	(0.30)
Capital Outlay	2.75	2.76	1.18	(1.58)
Debt Service	1.97	1.95	1.97	0.01
Total Expenses	24.18	24.06	22.20	1.87
Excess/(Deficiency)	(2.13)	(1.12)	0.72	1.84
Net Transfers	(.76)	(.64)	(.49)	.15
Net Change.	(2.89)	(1.76)	.23	1.99
Ending Fund Bal.	\$8.74	\$9.87	\$11.86	1.99



# General Fund Revenues: \$22.9 Million

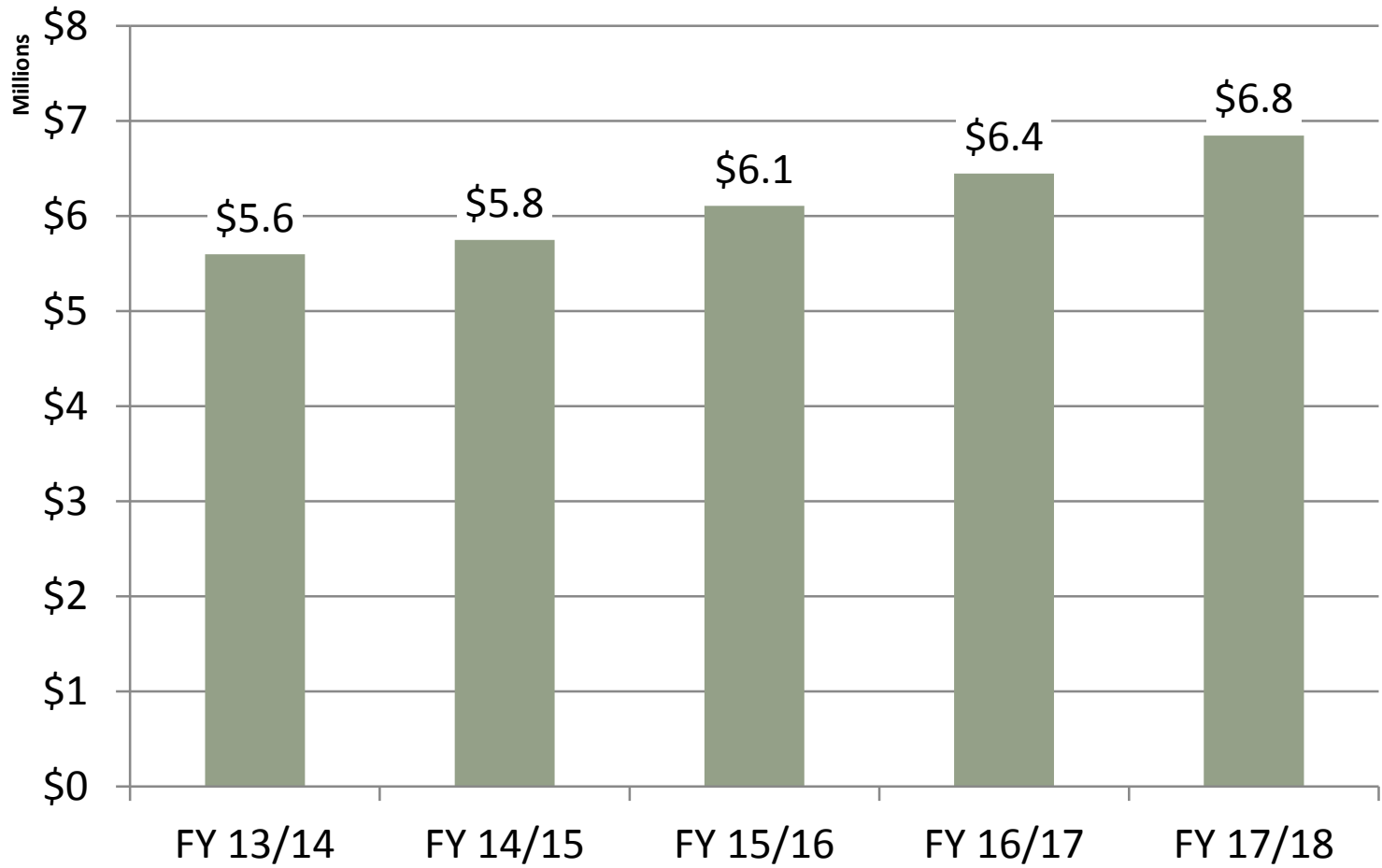


# General Fund Revenues

Source	Amended	Actual	Difference Positive (Negative)	Prior Year
Property Taxes	\$6,893,000	\$6,848,000	(45,000)	\$6,447,000
Sales & Use Tax	3,636,000	3,555,000	(81,000)	4,075,000
Franchise, Utility Tax	2,671,000	2,717,000	46,000	2,452,000
TOT Tax	5,774,000	6,161,000	387,000	5,351,000
Business licenses	344,000	353,000	9,000	355,000
Other Taxes	156,000	121,000	(35,000)	125,000
Intergovernmental	34,000	87,000	53,000	111,000
License,permits,imp fee	464,000	521,000	57,000	577,000
Fines, Forfeiture	131,000	283,000	152,000	111,000
Charges for Services	1,543,000	1,643,000	100,000	1,546,000
Interest, rents, conc.	258,000	260,000	2,000	266,000
Other revenues	1,044,000	370,000	(674,000)	562,000
<b>Total</b>	<b>\$22,948,000</b>	<b>\$22,919,000</b>	<b>(\$29,000)</b>	<b>\$21,978,000</b>

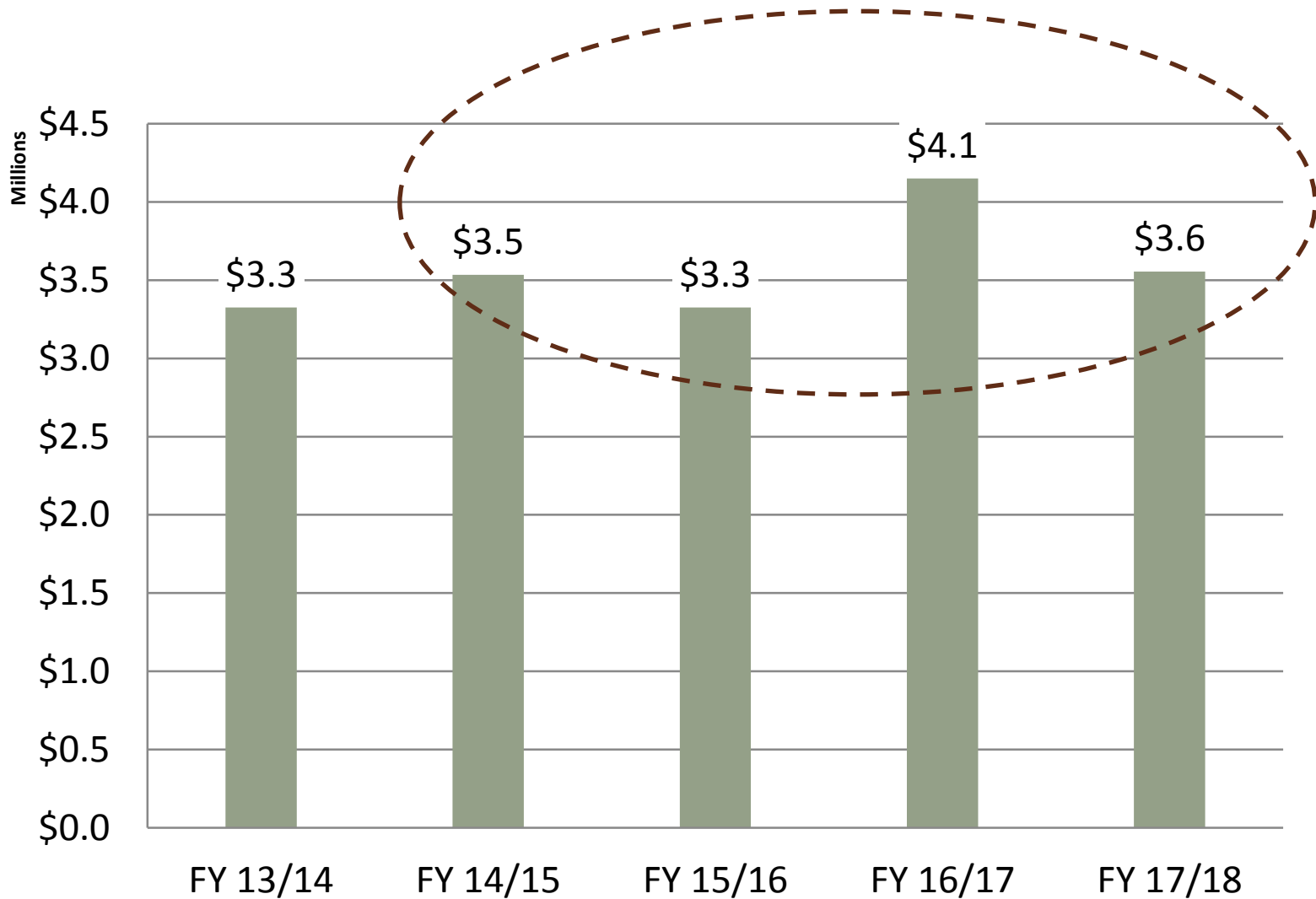


# Property Tax Trends





# Sales and Use Tax Trends

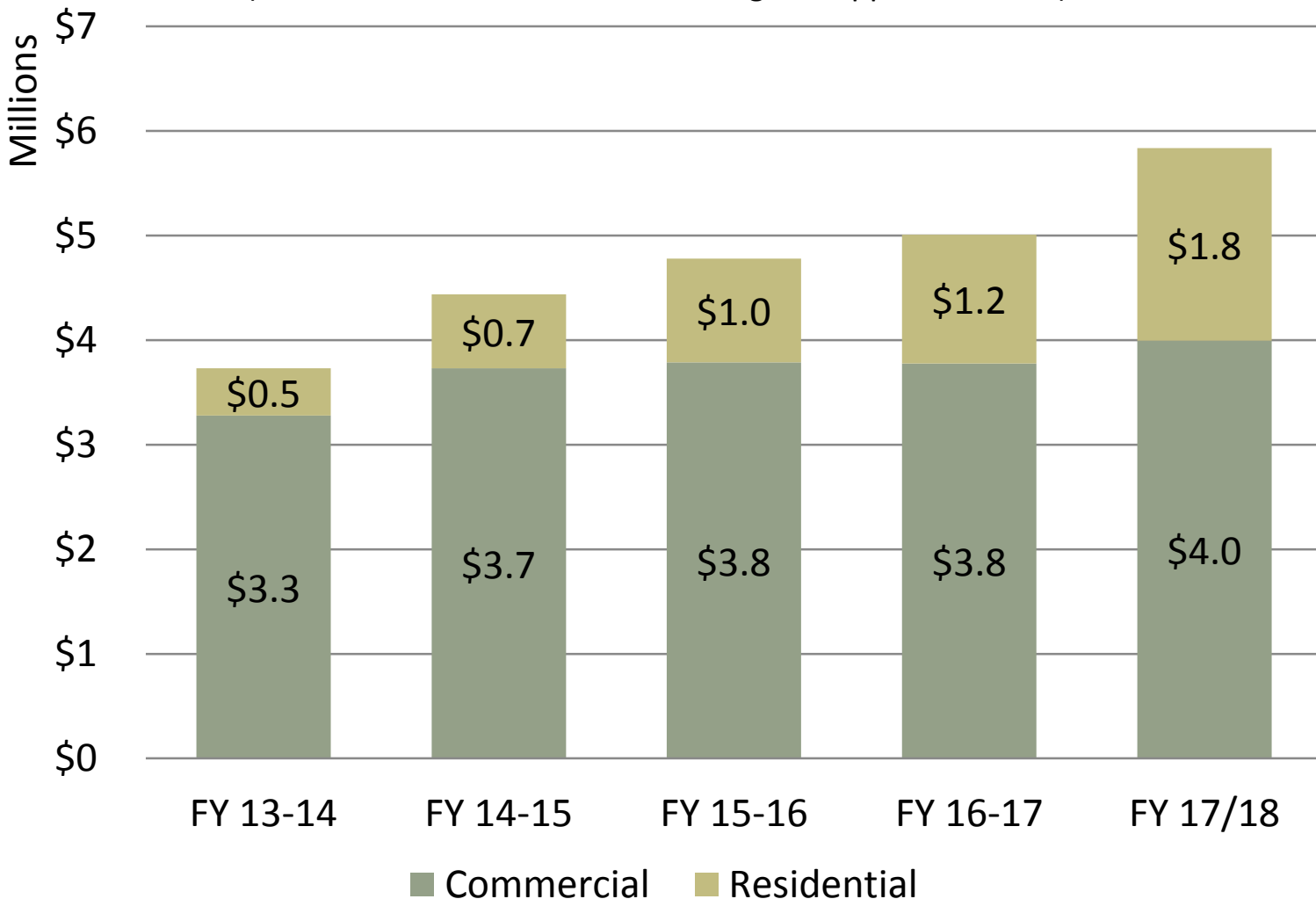






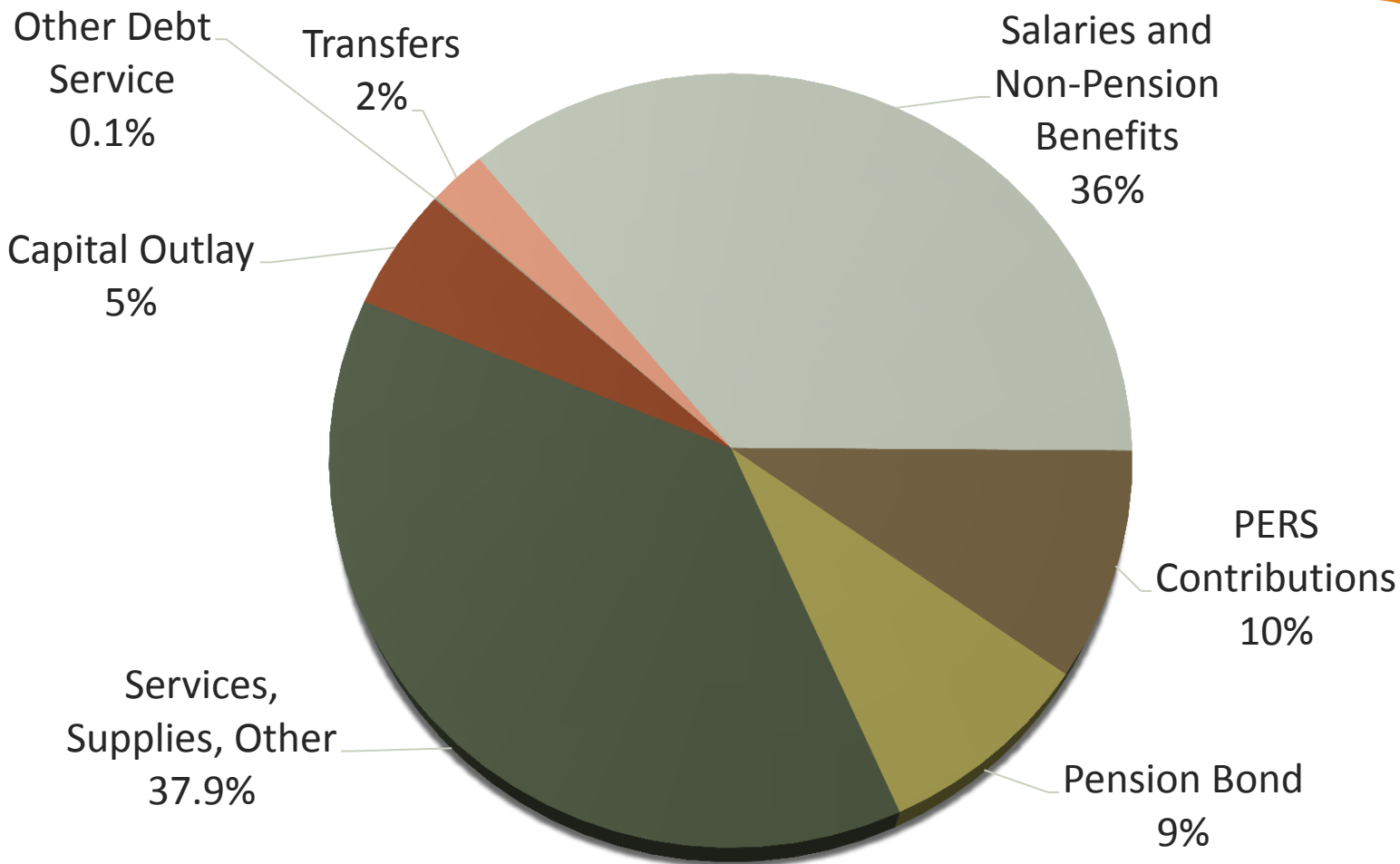
# Transient Occupancy Tax Trends

(Excludes short-term rental licensing and application fees)





# General Fund Expenditures: \$22.7 Million



General Fund Expenditures				
Departments	Amended	Actual	Diff. Pos./ (Neg.)	Prior Year
General Government	\$3,061,000	\$2,961,000	100,000	\$2,453,000
Police	5,991,000	5,953,000	38,000	5,651,000
Fire	3,387,000	3,343,000	44,000	2,992,000
Public Works	3,074,000	3,219,000	(145,000)	2,618,000
Recreation	609,000	650,000	(41,000)	521,000
Library	1,036,000	914,000	122,000	872,000
Museum	249,000	251,000	(2,000)	241,000
CEDD	1,947,000	1,764,000	183,000	1,707,000
Capital Outlay	2,757,000	1,175,000	1,582,000	680,000
Debt Service	1,954,000	1,969,000	(15,000)	2,003,000
Subtotal	\$24,065,000	\$22,199,000	\$1,866,000	19,738,000
Net Transfers	643,000	489,000	154,000	610,000
Total	\$24,708,000	\$22,688,000	\$2,020,000	\$20,348,000



# Internal Service Funds

Fiscal Yr. 17/18 <sup>(1)</sup>	Employee Benefit	Workers Comp.	Liability	OPEB
Beg. Net Position	\$149,000	\$(234,000)	\$143,000	\$323,000
Revenues	186,000	1,402,000	656,000	2,000
Expenses				
Services, Utilities	38,000	960,000	137,000	-
Personnel	204,000	16,000	29,000	-
Transfers	-	-	-	101,000
Total Expenses	242,000	976,000	166,000	101,000
Net Change	(56,000)	426,000	490,000	(99,000)
End Net Position	\$93,000	\$192,000	\$632,000	\$224,000

(1) Net investment of income of approx. \$10,200 incorporated into revenue category



# Enterprise Funds

FY 17/18 <sup>(1)</sup>	Cemetery	LW Project	Sewer	Golf
Beg. Net Position	\$342,000	-	\$16,607,000	\$2,670,000
Revenues	453,000	2,547,000	3,304,000	434,000
Expenses				
Services, Utilities	172,000	155,000	969,000	50,000
Personnel	134,000	1,000	711,000	2,000
Supplies, Materials	35,000	-	304,000	23,000
Depreciation, Other	30,000	35,000	739,000	296,000
Total Expenses	371,000	191,000	2,723,000	371,000
Net Change	82,000	2,356,000	581,000	63,000
End Net Position	\$424,000	\$2,356,000	\$17,188,000	\$2,733,000

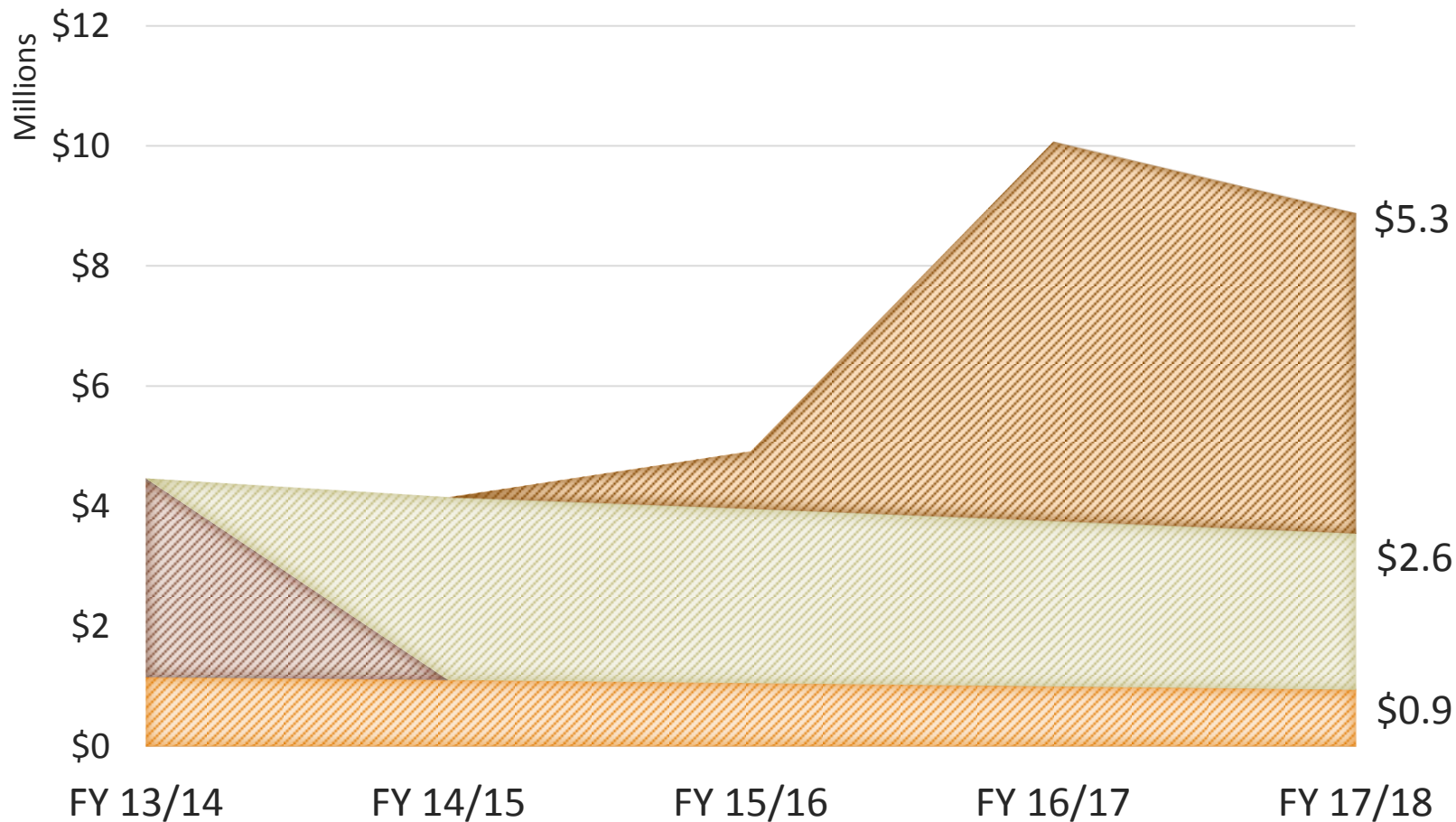
(1) Non-operating expenses incorporated into the Depreciation, Other category for presentation purposes



# Outstanding Debt

## Business-Type Activities

- Clean Water State Revolving Loan, Retires 2047
- Golf Course Site Lease, Retires 2030
- Golf Course Certificates of Participation, Refunded
- Wastewater Revenue Bonds, Retires 2031

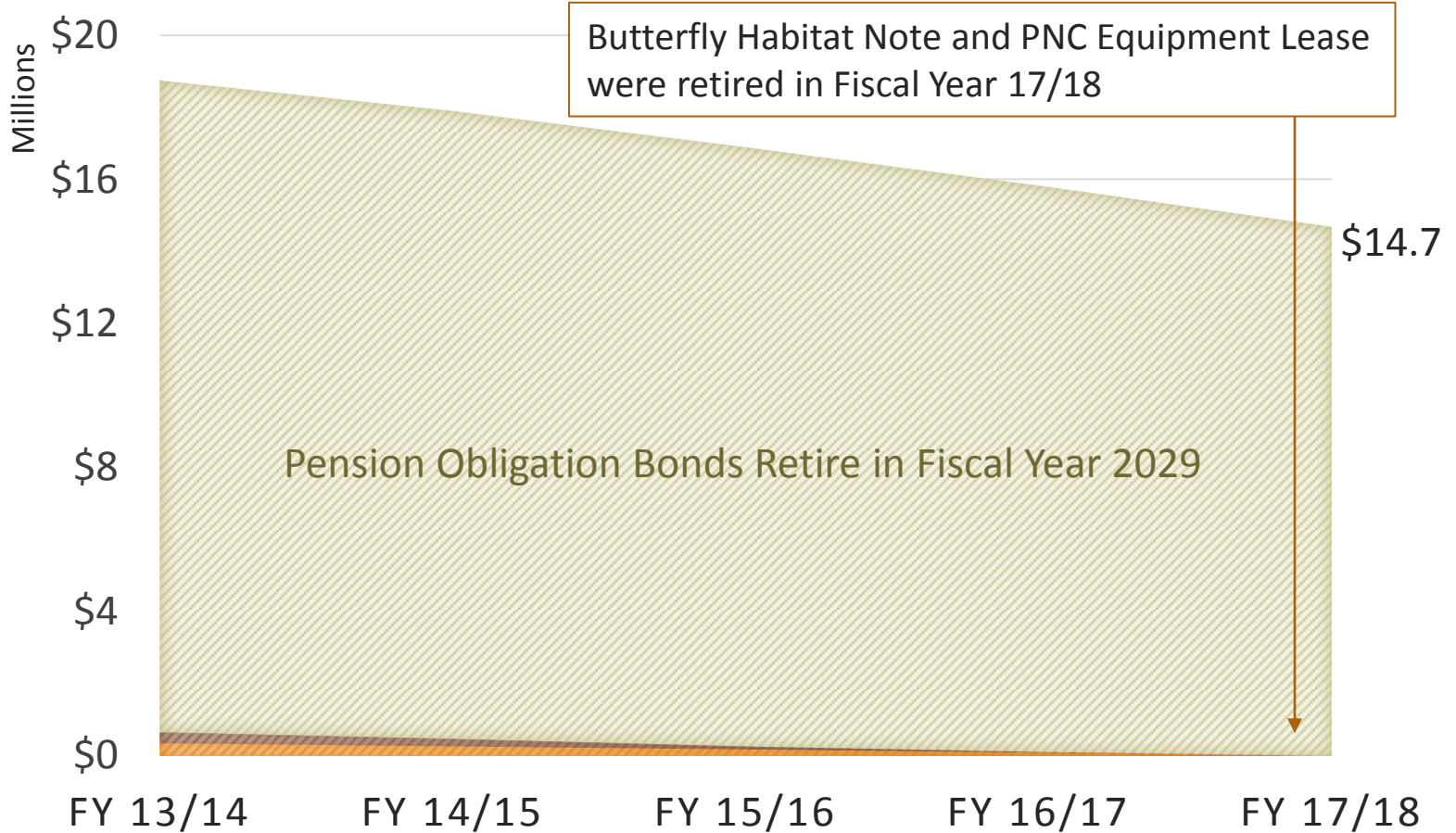




# Outstanding Debt

## Governmental Funds

2003 Butterfly Habitat Note   PNC Equipment Lease   Pension Obligation Bonds





# Capital Assets

Fiscal Year 17/18 Total: \$52.4 Million  
Fiscal Year 16/17 Total: \$49.1 Million

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## Governmental

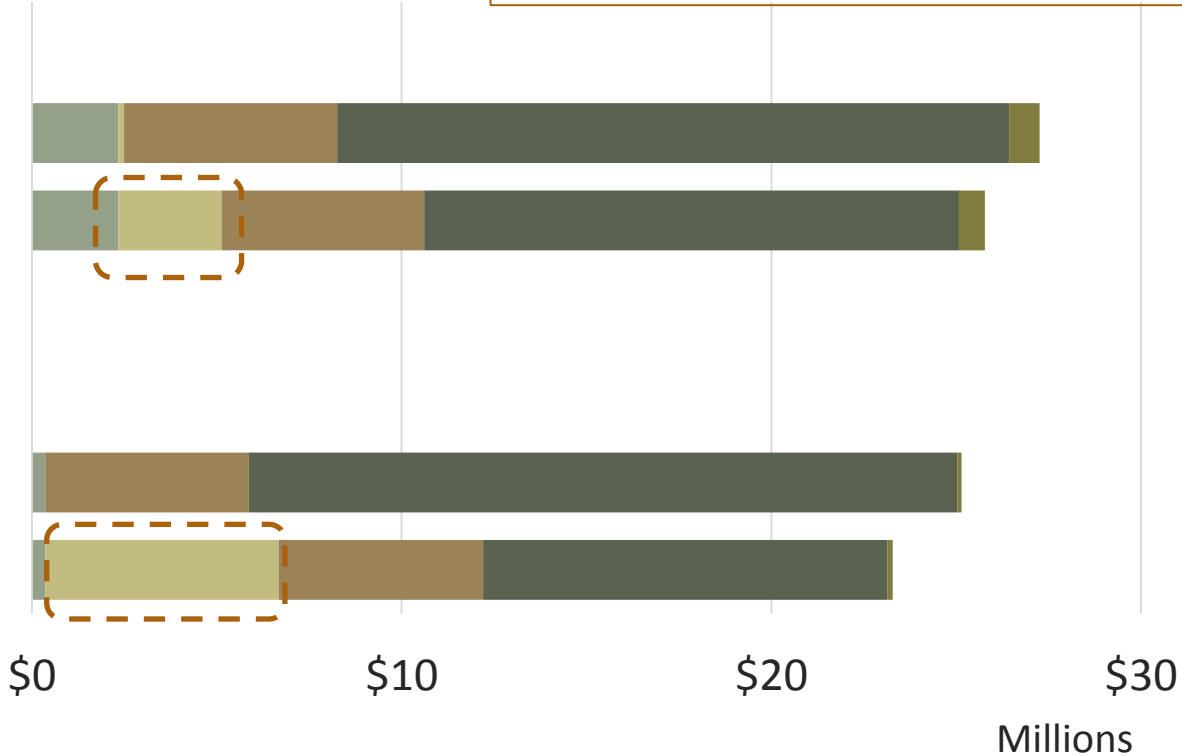
FY 17/18

FY 16/17

## Business-Type

FY 17/18

FY 16/17



Land

Buildings and Improvement

Machinery & Equipment

Construction in Progress

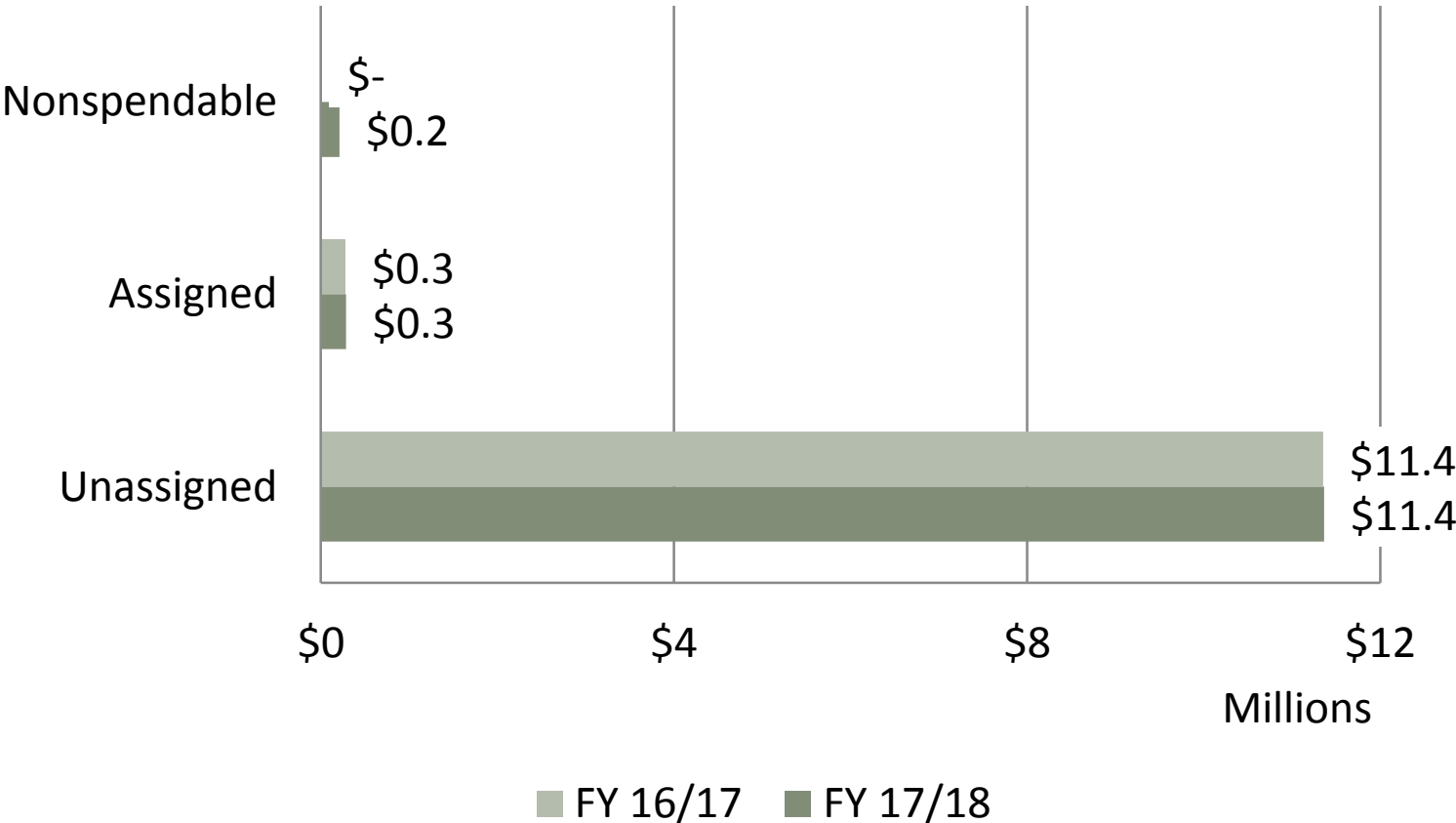
Infrastructure





# Components of General Fund Balance

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# Planning Considerations

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## ■ Challenges

- Rising PERS employer contribution rates
- Pending loss of short-term rentals
- Deferred maintenance and capital improvements
  - Streets, shorelines, forests
  - Meeting maintenance of effort requirement
- Technology projects
- Economic uncertainty

## ■ Opportunities

- Evaluate multi-year projections
  - Fee schedule implementation
  - New information
- Consider allocating or reserving FY 17/18 residual fund balance
- Evaluate any additional revenues sources

