

**CITY OF TEMECULA  
AGENDA REPORT**

**TO:** City Manager/City Council

**FROM:** Jennifer Hennessy, Director of Finance

**DATE:** December 12, 2023

**SUBJECT:** Approve Financial Statements for the 4<sup>th</sup> Quarter Ended June 30, 2023

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**PREPARED BY:** Jennifer Hennessy, Director of Finance

**RECOMMENDATION:** That the City Council:

1. Receive and file the financial statements for the 4<sup>th</sup> quarter ended June 30, 2023; and
2. Approve the following Fiscal Year 2022-23 Budget Adjustments:
  - a. Increase the Operating Transfers In revenue account (001.199.000.4090) by \$5,324 to reflect a higher transfer than anticipated from the Supplemental Law Enforcement Grant Fund (\$5,264) and from the Gas Tax Fund (\$60).
  - b. Increase the Operating Transfer Out operating account (100.164.999.5901) by \$60 to reflect a higher transfer than anticipated to the General Fund.
  - c. Increase the Operating Transfer Out operating account (160.199.999.5901) by \$5,264 to reflect a higher transfer than anticipated to the General Fund.
  - d. Increase the Workers' Compensation Claims operating account (305.199.999.5206) by \$65,300 to reflect higher than anticipated claims expense.
  - e. Increase the Support Services Replacement Fund Depreciation account (335.199.999.5360) by \$34,000 to cover the costs of depreciating assets within this Fund; and
3. Appropriate the following Fiscal Year 2023-24 Expenditures:
  - a. Appropriate \$2,000,000 of the year-end General Fund surplus to the Pension Trust (PARS), in accordance with Budget Policy XII in Fiscal Year 2022-23.
  - b. Remit a \$2 million Additional Discretionary Payment (ADP) towards the CalPERS Pension Unfunded Liability from surplus General Fund Balance.
  - c. Transfer \$1,230,474 in surplus General Fund Balance into the CERBT Other Post-Employment Benefits Trust to pay down the unfunded liability.

**BACKGROUND:** The attached Financial Statements reflect the preliminary results for Fiscal Year Ended June 30, 2023.

**FISCAL IMPACT:** The General Fund is anticipated to close Fiscal Year 2022-23 with approximately \$7.5 million in surplus Fund Balance, over and above the \$38.5 million assumed in the Fiscal Year 2022-23 Budget. The above request will appropriate \$5,230,474 of this surplus

to achieve the goals of the City's Debt/Liability Paydown Strategy, adopted by Council in December 2022.

**ATTACHMENTS:**            City Fund Summaries