

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Jennifer Hennessy, Director of Finance

DATE: November 12, 2024

SUBJECT: Approve Financial Statements for the 4th Quarter Ended June 30, 2024

PREPARED BY: Catlin Dorset, Management Analyst

RECOMMENDATION: That the City Council:

1. Receive and file the Financial Statements for the 4th Quarter Ended June 30, 2024; and
2. Approve the following Fiscal Year 2023-24 Budget Adjustments:
 - a. Transfer \$5,900 from Continuity Staffing Reserve operating account (001.199.999.5353) to the Economic Development Department's Salaries & Wages operating account (001.111.406.5100) to reflect a backfilled position.
 - b. Increase the Economic Development Department's Insurance Internal Service Fund Allocation operating accounts by \$30,716 to reflect higher than anticipated Insurance charges (\$6,505 in 001.111.406.5530 and \$24,212 in 001.111.999.5530).
 - c. Transfer \$97,928 to the Land Development Department Salaries & Wages operating account (001.163.999.5100) from other Public Works Departments' Salaries & Wages operating accounts (\$26,114 from 001.164.601.5100), (\$13,057 from 001.164.602.5100), (\$32,643 from 001.165.999.5100), (\$16,974 from 001.167.999.5100), and (\$9,140 from 340.199.164.5100) to realign the budget based on personnel allocation charges.
 - d. Increase the Gas Tax revenue account (100.199.000.4706) by \$100,035 to reflect higher than anticipated revenue.
 - e. Increase the General Fund's Operating Transfers In revenue account (001.199.000.6100) by \$100,035 to reflect a higher transfer than anticipated from the Gas Tax Fund.
 - f. Increase the Gas Tax Fund's Operating Transfer Out account (100.164.999.7001) by \$100,035 to reflect a higher transfer than anticipated to the General Fund.
 - g. Increase the CDBG Fund's Operating Transfer Out account (140.199.999.7210) by

\$285,931 to reflect a higher transfer than anticipated to the CIP Fund.

- h. Increase the Supplemental Law Enforcement Services revenue account (160.199.000.4085) by \$37,602 to reflect higher than anticipated revenue.
- i. Increase the General Fund's Operating Transfers In revenue account (001.199.000.6160) by \$37,602 to reflect a higher transfer than anticipated from the Supplemental Law Enforcement Services Fund.
- j. Increase the Supplemental Law Enforcement Services Fund's Operating Transfer Out account (160.199.999.7001) by \$37,602 to reflect a higher transfer than anticipated to the General Fund.
- k. Increase the Retiree Medical Contribution operation account (001.199.999.5387) by \$643,733 to reflect higher than anticipated OPEB costs.
- l. Decrease the Operating Transfer In revenue account (210.265.000.6001) by \$27,767 to reflect the reconciled budget amount that matches the corresponding Transfer Out from the General Fund.
- m. Increase the Insurance Fund's Reimbursements revenue account (300.199.000.4076) by \$396,641 to reflect a liability claim reimbursement received on 5/29/24.
- n. Increase the Insurance Fund's Claims operating account (300.199.999.5207) by \$317,955 to reflect higher than anticipated claims expenses.
- o. Increase the Insurance Fund's Incurred but Not Reported (IBNR) operating account (300.199.999.5431) by \$580,353 to cover the costs of the anticipated claims expenses.
- p. Increase the Support Services Replacement Fund Depreciation account (335.199.999.5360) by \$32,394 to cover the costs of depreciating assets within this Fund.

BACKGROUND: The attached Financial Statements reflect the preliminary results for Fiscal Year Ended June 30, 2024. The General Fund is anticipated to have a budgetary surplus of \$7,362,763 in Ending Fund Balance. Per Budget Policy, the Council may transfer 30% of the surplus, up to \$2 million, to the PARS Pension Trust. However, because the PARS Pension Trust has sufficient funding to meet the City's Debt/Liability Paydown Strategy, it is not necessary to transfer the surplus funds to PARS at this time. It is recommended to keep the surplus in Fund Balance, until such time as the City's financial obligations related to the LA28 Olympics events are determined. The available funds, once this obligation is known, will be evaluated for potential transfer to the PARS Pension Trust.

FISCAL IMPACT: Noted in the attached Fund Summaries.

ATTACHMENTS: City Fund Summaries