

Financial Status Report

YTD Through Second Quarter 2024



The Financial Status Report provides a summary budget-to-actual comparison of revenues and expenditures for the City’s general operating funds (General Fund and Street Fund). Information for the same YTD period from prior years is also shown.

The last page shows Citywide FTE vacancy information and information on capital budgets.

	2024 Budget	2024 Year-to-date
Revenues	\$ 56,498,624	\$ 29,829,537
Expenditures	57,492,388	20,903,938
Capital Transfers	1,650,000	825,000
Net Revenues Less Expenditures	\$ (2,643,764)	\$ 8,100,599
Beginning Fund Balance	\$ 44,585,171	\$ 54,005,456
Ending Fund Balance (EFB)	\$ 41,941,407	\$ 62,106,055
Strategic Operating Reserves*	\$ 13,960,597	

General Fund includes the Street Fund

Overall highlights

Through the second quarter, the City’s revenues are at 53% of the annual budget and the City’s expenditures are only 36% of the annual budget.

Revenues are budgeted conservatively and miscellaneous revenues, primarily investment interest, and to a lesser extent, property taxes have exceeded half the annual budget.

The City has not received any invoices on the \$10 million annual police contract yet and the first invoice is typically received early in the third quarter.

Additionally, many expenditures are seasonal and therefore it is typical that expenditures are less than 50% of the annual budget half way through the year. It is doubtful these expenditures will reach the annual budgeted amount.

There are also position vacancies resulting in the General Fund ‘s personnel budget being underspent by approximately \$0.9 million through the first half of 2024. The overall City’s vacancy rate at the end of June was 10%.

The beginning fund balance was substantially above budget as revenues in 2023 were higher than budget and 2023 expenditures were below budget.

*Current City Council policy sets the strategic operating reserve at 25% of the General Fund’s expenditures, excluding transfers.

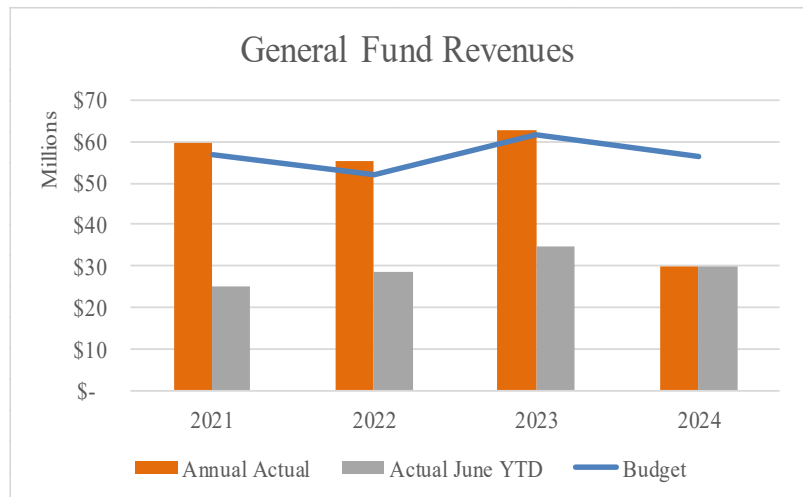
Revenues

Historical YTD 2nd Quarter Actual Revenues					Budget
	2021	2022	2023	2024	2024
Property Tax	\$ 16,950,255	\$ 17,928,538	\$ 18,365,047	\$ 18,866,181	\$ 34,500,000
Sales Tax	4,476,915	4,798,558	4,821,319	4,791,834	9,507,000
Other Tax	1,937	4,055	2,886	3,177	2,000
<i>Other Revenues</i>					
Licenses and Permits	950,633	1,471,460	1,153,483	1,218,810	2,426,000
Intergovernmental	1,305,494	1,492,456	7,298,677	1,492,310	3,328,665
Charges for Service	1,086,216	1,677,512	1,588,683	1,549,324	3,547,759
Fines & Forfeits	1,487	50,650	33,623	100	415,000
Miscellaneous	441,637	989,109	1,546,377	1,907,802	2,772,200
Transfers In	25,000	-	-	-	-
Total Revenues	\$ 25,239,574	\$ 28,412,338	\$ 34,810,094	\$ 29,829,537	\$ 56,498,624

General Fund includes the Street Fund

Highlights for Operating Revenues

- **Property tax revenues** are primarily received in the April/May and October/November timeframes. YTD the City has received 54% of the annual budget and is on pace to slightly exceed budget.
- **Sales tax revenues** are at 50% of the annual budget and very similar to the amounts through June for the last couple of years.
- **Licenses & Permits and Charges for Services** categories had some re-classifications in 2022, so comparisons to the budget and prior years, should be done as one group. For YTD 2024 these categories of revenue are 46% of the annual budget, slightly higher than 2023 levels.
- **Intergovernmental** revenues are lower than 2023 due to the receipt of the \$4.6 million ARPA grant and a DOT grant, both in 2023.
- **Miscellaneous revenues** exceed half of the annual budget as interest income has already reached 65% of the annual budget, with interest rates remaining higher than budgeted.

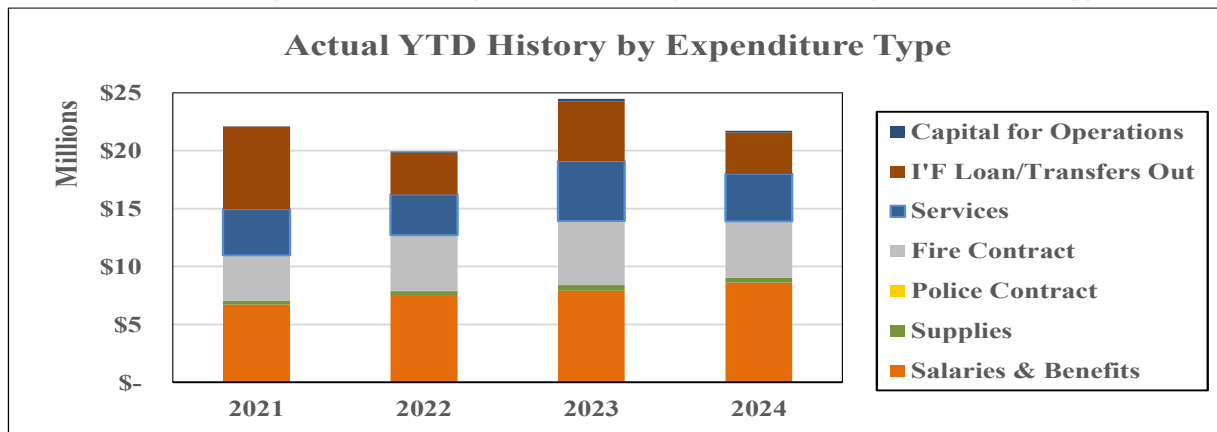


Note: 2021 full year budget and actual include the Street fund balance transfer into the General Fund

Expenditures

Historical YTD Through 2nd Quarter Actual Expenditures by Type					Budget
	2021	2022	2023	2024	2024
Salaries & Benefits	\$ 6,700,043	\$ 7,468,900	\$ 7,914,071	\$ 8,597,341	\$ 19,040,150
Supplies	322,668	412,488	496,028	446,460	1,334,500
Police Contract	-	-	-	-	10,081,000
Fire Contract	3,954,156	4,828,626	5,527,118	4,868,059	9,403,484
Services	3,961,265	3,498,773	5,161,309	4,092,580	12,499,052
I'F Loan/Transfers Out	7,163,578	3,621,396	5,172,192	3,571,101	6,379,102
Capital for Operations	27,688	93,107	211,063	153,398	405,100
Total Expenditures	\$22,129,398	\$19,923,290	\$24,481,781	\$21,728,938	\$ 59,142,388

General Fund includes the Street Fund

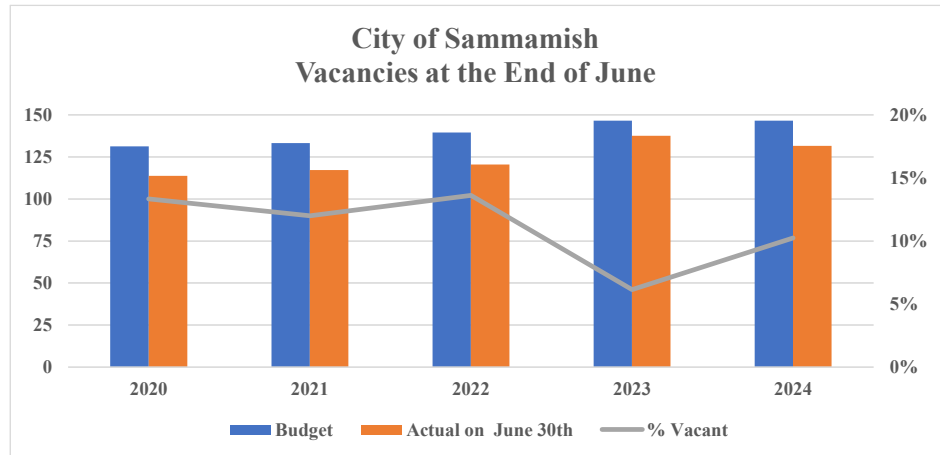


Highlights for Operating Expenditures:

- **Salaries & benefits** are at 45% of the annual budget, halfway through the year, due to savings from vacant positions. Personnel expenditures are higher than last year due to cost of living increases in salaries and higher medical insurance costs.
- **Police Contract** expenditures have not yet been invoiced, as invoices on the police contract are typically not received until early in the second half of the year.
- **Fire Contract** expenditures are at 52% of the annual budget YTD, as year to date includes six monthly payments and the full annual contribution to capital replacement.
- **Services expenditures** are only at 33% of the annual budget, which is similar to past years at this time. There are a variety of reasons for this underspend, including seasonality of expenditures. Individual accounts may be viewed in the complete June Financial Management Report (FMR).
- **Interfund Transfers** are to the internal service funds paying for items like information technology services, fleet maintenance and replacement, citywide insurance through the risk management fund and transfers to capital funds as budgeted. These transfers have increased over time as the cost of providing these services has increased. The transfer to the Risk Management Fund is done in full at the beginning of the year to cover the annual premium due in February.

Personnel Vacancy Information

The 2024 budget includes 146.5 Full Time Equivalents (FTEs) and on June 30th, 2024 there were 131.5 FTEs employed at the City, representing a vacancy rate of 10%. Additional headcount data is available in the monthly Financial Management Report (FMR).



FTE's	2020	2021	2022	2023	2024
Budget	131.25	133.25	139.50	146.50	146.50
Actual on June 30th	113.75	117.25	120.50	137.50	131.50
# Vacant	17.50	16.00	19.00	9.00	15.00
% Vacant	13%	12%	14%	6%	10%

Capital Projects

The annual capital budget for all funds is \$28.4 million, with the largest amounts budgeted in the Surface Water Capital Fund. At the end of the second quarter only \$7.8 million has been spent.

Here's some information on the larger capital projects in the budget:

General Government Capital Fund- only \$1.7 million is budgeted in 2024 for this fund's expenditures, primarily for the Fire Station #82 improvements. However the money budgeted for this project in 2023 may still be spent in 2024.

Parks Capital Fund - has an annual budget of \$6.6 million and has spent \$4.9 million so far this year. The spending has primarily been on Inglewood Middle School fields and the Community Center. In 2023, very little of the capital budget was spent, so it will likely be spent in 2024.

Transportation Capital Fund - this fund has a budget of just under \$5.3 million in 2024 on a variety of projects and has spent \$0.5 million YTD.

Surface Water Capital Fund - has a budget of \$14.0 million in 2024 and has spent less than \$100 thousand.