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**DEPARTMENT OF
FINANCE**

ACCOUNTING DIVISION

MICHAEL H. STAMPER
ACCOUNTING MANAGER

**CITY OF SACRAMENTO
CALIFORNIA**

January 29, 1991
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CITY HALL
ROOM 12
915 I STREET
SACRAMENTO, CA
95814-2608

916-449-5676

FAX: 916-449-1236

TAX IDENTIFICATION:
FEDERAL 94-6000410
STATE 800-38498

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

**SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR
ENDED JUNE 30, 1990**

SUMMARY

This is an informational report relating to the Comprehensive Financial Report (CAFR) for the City of Sacramento for the fiscal year ended June 30, 1990. It is hereby requested that the Budget and Finance Committee direct the transmittal of this report to the City Council.

BACKGROUND

The independent certified public accounting firm of Deloitte and Touche has rendered its unqualified opinion on this year's combined financial statements. This indicates that the information as reported fairly represents the financial condition of the City as of June 30, 1990.

This action is in conformance with City Charter Article IX, Section 117 which requires an annual audit of the City records. The following exhibit represents a comparison of the amended budget to actual expenditures for the operating departments in the General Fund. A brief explanation for the various budget savings and budget over run is listed on the following page. The available fund balances for the fiscal year ended June 30, 1990 will be reported during the FY91 midyear review that will be heard by Committee in February 1991. The CAFR is submitted for your review and analysis. I will be happy to answer any questions that you may have.

General Fund

Data Management ended the fiscal year with a budget savings of \$207,000. This was due in part to reimbursements for training courses provided by Data Management to other City Departments. In addition, at the Midyear Review, Council approved a restoration for equipment which is planned for FY91.

The Finance department ended the fiscal year with a favorable budget savings of \$369,000. This was largely due to the reorganization which is planned for FY91. As part of the adopted Midyear Review, Council approved the changes including the addition of 5.0 FTE, in lieu of restoring items which were originally reduced.

Personnel department ended the fiscal year with a budget savings of \$117,000. This was largely due to vacant positions and the timing in filing these positions.

The Police department over ran their budget by \$344,000. The \$344,000 represents an over run of less than 1%. The additional expenditures were a result of higher than anticipated use of overtime.

Public Works department realized a budget savings of \$1,417,000. The savings is due to the high number of vacant positions within the department. The department averaged 32 vacant positions during the year.

Planning and Development ended the fiscal year with a budget savings of \$1,666,000. The savings is due to the high number of vacant positions in the Planning and Environmental units. Also the use of outside consultants was minimized due to the slow down in development and construction. These savings were offset by lower revenues from development and construction related fees.

The Library ended the fiscal year with a budget under run of \$341,000. The savings is due mainly from employee vacancies.

| | General Fund (000) | | Variance Favorable (Unfavorable) | Variance % |
|---------------------------------------|-----------------------|------------------|--|---------------|
| | Amended Budget | Total | | |
| General government: | | | | |
| Mayor/Council | \$840 | \$834 | \$6 | 0.7% |
| City manager | 1,535 | 1,483 | 52 | 3.4% |
| City attorney | 1,669 | 1,637 | 32 | 1.9% |
| City clerk | 827 | 824 | 3 | 0.4% |
| City treasurer | 863 | 862 | 1 | 0.1% |
| Data management | 2,919 | 2,712 | 207 | 7.1% |
| Finance | 4,465 | 4,096 | 369 | 8.3% |
| Personnel | 1,831 | 1,714 | 117 | 6.4% |
| Employee relations | 334 | 326 | 8 | 2.4% |
| General services | 8,571 | 8,005 | 566 | 6.6% |
| Total general government | <u>\$23,854</u> | <u>\$22,493</u> | <u>\$1,361</u> | <u>5.7%</u> |
| Public safety: | | | | |
| Police | \$56,065 | \$56,409 | (\$344) | -0.6% |
| Fire | 34,287 | 33,560 | 727 | 2.1% |
| Total public safety | <u>\$90,352</u> | <u>\$89,969</u> | <u>\$383</u> | <u>0.4%</u> |
| Public works and development: | | | | |
| Public works | \$13,005 | \$11,588 | \$1,417 | 10.9% |
| Planning and development | 10,027 | 8,361 | 1,666 | 16.6% |
| Total public works and development | <u>\$23,032</u> | <u>\$19,949</u> | <u>\$3,083</u> | <u>13.4%</u> |
| Culture and leisure: | | | | |
| Library | \$5,791 | \$5,450 | \$341 | 5.9% |
| Parks and community services | 22,150 | 22,064 | 86 | 0.4% |
| Total culture and leisure | <u>\$27,941</u> | <u>\$27,514</u> | <u>\$427</u> | <u>1.5%</u> |
| Total General Fund | <u>\$165,179</u> | <u>\$159,925</u> | <u>\$5,254</u> | <u>3.2%</u> |

Although expenditures were less than projected, changes such as capital improvements, changes in reserves and actual revenues recognized were less than anticipated. The General Fund ended the FY90 with an available fund balance of \$2,726,000. This was approximately \$100,000 higher than projected at midyear.

Enterprise Fund

In the Enterprise Funds there are three measures to determine a funds financial position. The Retained Earnings represents accumulated earnings for the fund from inception to date. Another measure is the Available Fund Balance, which represents those resources available as a result of all current requirements, against current resources, including obligations and commitments. Net Working Capital is a measure of the current operating activities and indicates the funds ability to meet current obligations. Surplus amounts could be used for additional programs.

| | Enterprise Funds (in thousands) | | | | | | | Marina Fund |
|--|------------------------------------|------------------|------------------------|----------------|-----------------|-----------------------------|---------------------------|----------------|
| | Water Fund | Sewer Fund | Solid Waste Fund | Golf Fund | Parking Fund | Community Center Fund | Storm Drainage Fund | |
| Net income for the year | \$2,107 | (\$1,275) | \$1,123 | (\$244) | \$616 | \$2,174 | \$5,169 | \$60 |
| Retained earnings at beginning of year | 34,107 | (71) | 9,594 | 4,144 | 13,842 | 6,340 | 9,719 | 2,104 |
| Equity transfers out | | | (3,529) | | | | | |
| Retained earnings at end of year | <u>\$36,214</u> | <u>(\$1,346)</u> | <u>\$7,188</u> | <u>\$3,900</u> | <u>\$14,458</u> | <u>\$8,514</u> | <u>\$14,888</u> | <u>\$2,164</u> |
| Available Fund Balance | \$3,436 | \$373 | \$2,094 | \$140 | \$4,088 | \$1,772 | \$1,784 | \$224 |
| Net Working Capital | \$4,432 | \$2,184 | \$2,014 | \$1,801 | \$4,110 | \$4,182 | \$11,689 | \$582 |

MBE/WBE EFFORTS

We are pleased to report that this contract was awarded to Deloitte & Touche which co-ventured with a women-owned audit firm. They performed the principal portion of the audit. It is my estimation that 5 percent was performed by the women-owned firm. We also contracted with a minority audit firm which performed the Bingo compliance audit and conducted a complete audit of the Child Development Program.

Budget and Finance Committee
January 29, 1991
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RECOMMENDATION

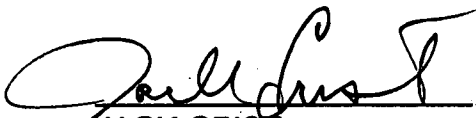
It is recommended that the Budget and Finance Committee direct staff to transmit the attached FY90 Comprehensive Annual Financial Report to the City Council for its information.

Respectfully submitted,



Lydia Lara
Assistant Accounting Manager

FOR COMMITTEE INFORMATION:



JACK CRIST
Deputy City Manager

Contact Person:

Lydia Lara
449-5832

January 29, 1991
All Districts