

FY 2020/21 AUDIT & ACFR REVIEW

Presented by: Christie Donnelly
Acting Management Services Director

TONIGHT'S AGENDA



1 AUDIT REVIEW

**2 ANNUAL COMPREHENSIVE
FINANCIAL REPORT (ACFR) REVIEW**

3 MID-YEAR OPERATING BUDGET

4 AMERICAN RESCUE PLAN UPDATE





BRYAN S. GRUBER, CPA

Managing Partner, LSL

ACFR REVIEW

INTRODUCTORY SECTION

NOTES TO THE BASIC FINANCIAL STATEMENTS

FINANCIAL INTRODUCTION

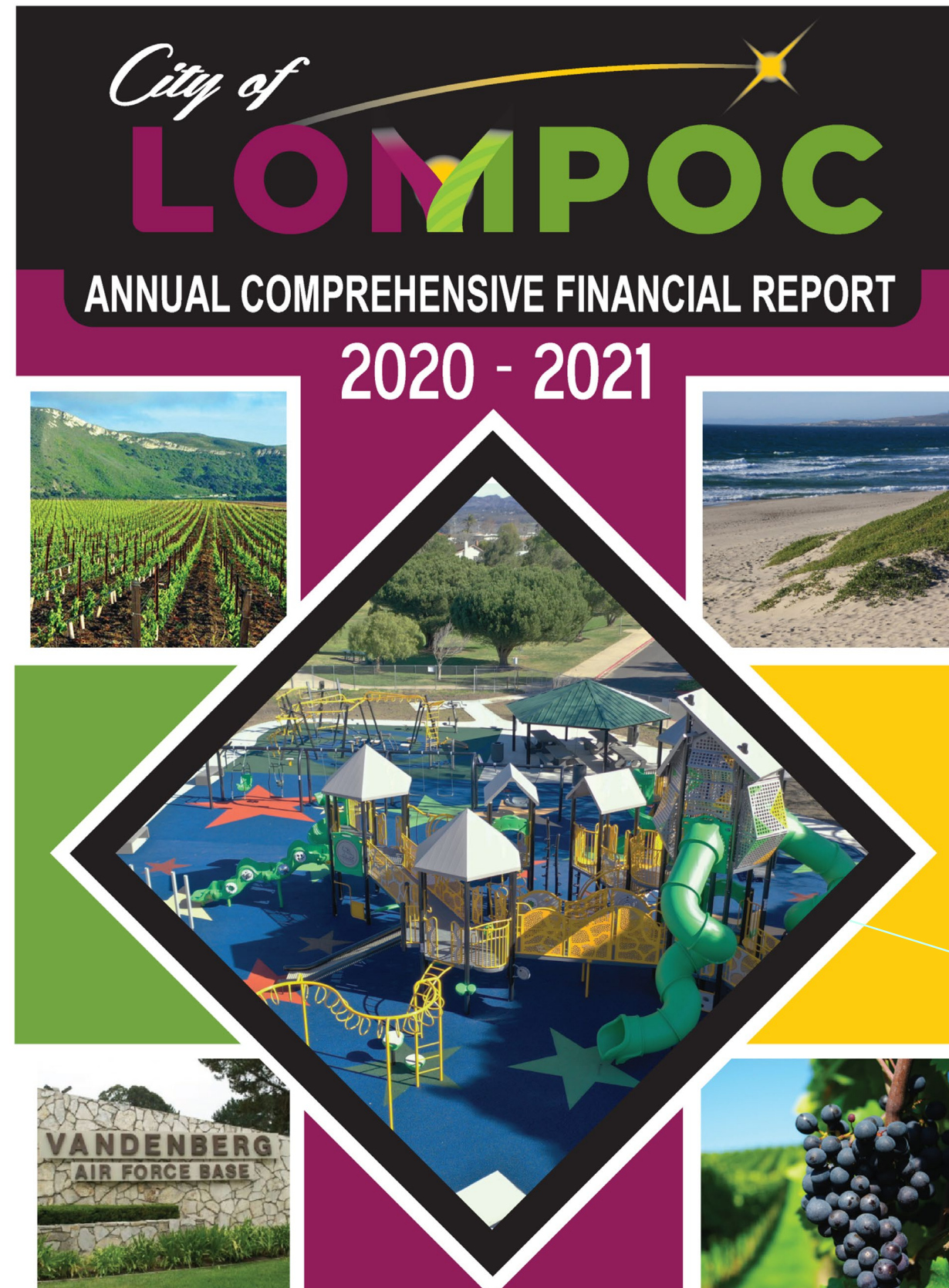
- AUDITOR REPORT
- MD & A

FINANCIAL SECTION

- BASIC FINANCIAL STATEMENTS

SUPPLEMENTARY INFORMATION

STATISTICAL SECTION
(unaudited)





Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lompoc California

For its Comprehensive Annual Financial Report For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

HIGHLIGHTS



“Financial Statements referred to above present fairly, in all material respects”



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council City of Lompoc, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lompoc, California, (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lompoc, California, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with the standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the date of the financial statements.

PASS



GOVERNMENTAL ACTIVITIES

GENERAL FUND

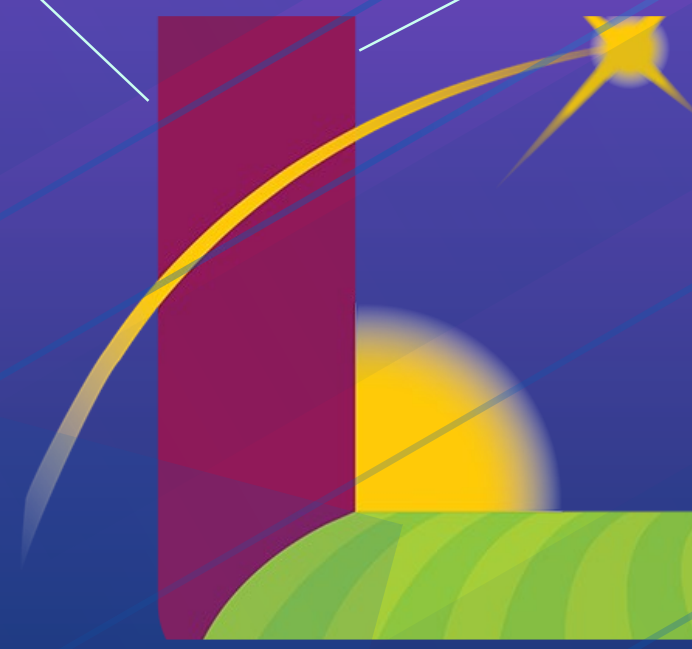
- General Government
 - Police
 - Fire
 - Parks
 - Recreation
 - Facilities
- Community Development
 - Building (Inspection)
 - Library

SPECIAL REVENUE FUNDS

CDBG, Measure A
Transportation Improvement

CAPITAL PROJECTS & DEBT SERVICE FUNDS

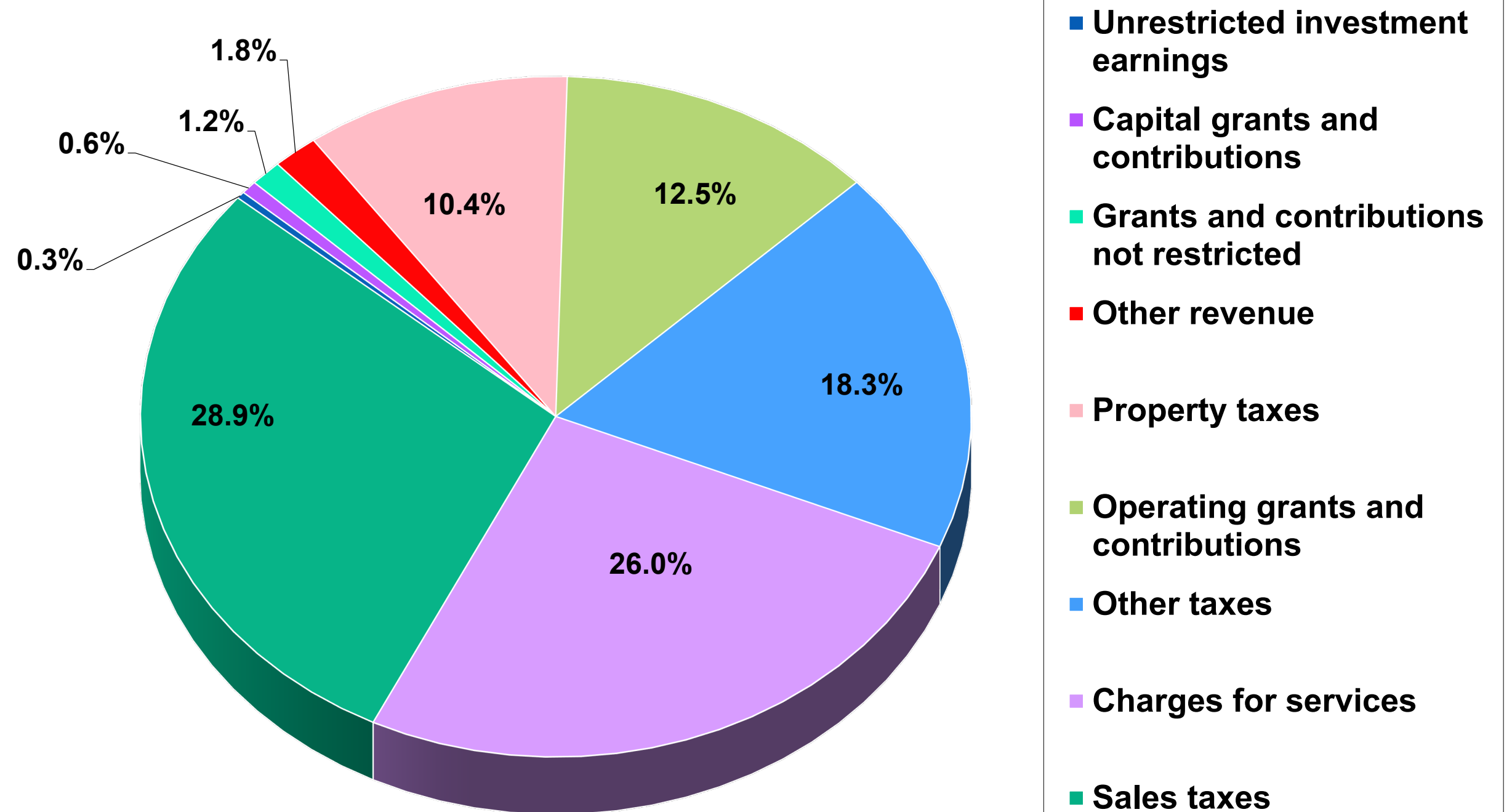
Impact Fees, CIP Projects, Street Development



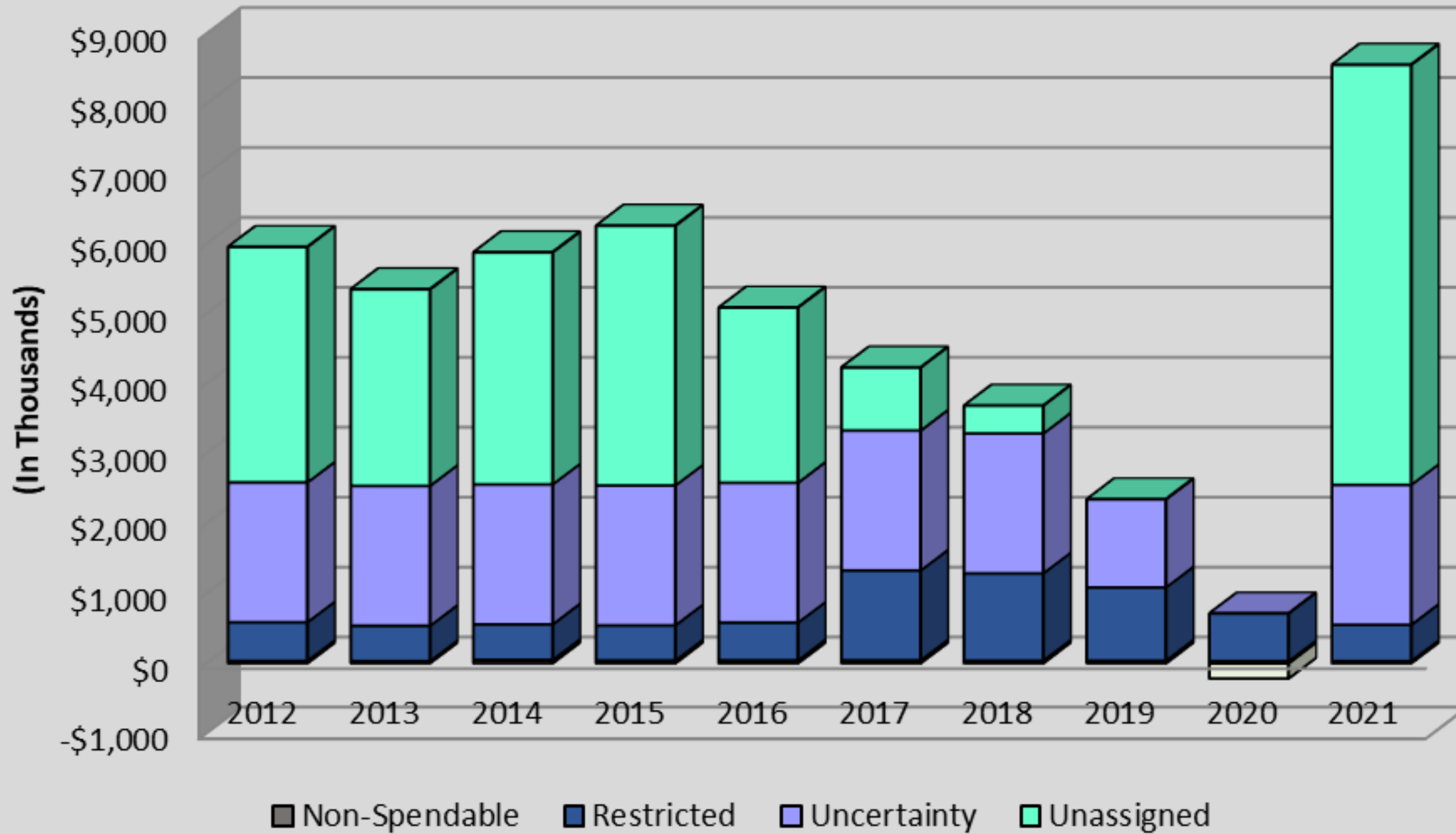
GOVERNMENTAL ACTIVITIES: Revenues

- 58% from taxes
- Net Position Increased → \$12.8M
- Unassigned General Fund Balance → \$8.0M

Revenue by Source - Governmental Activities



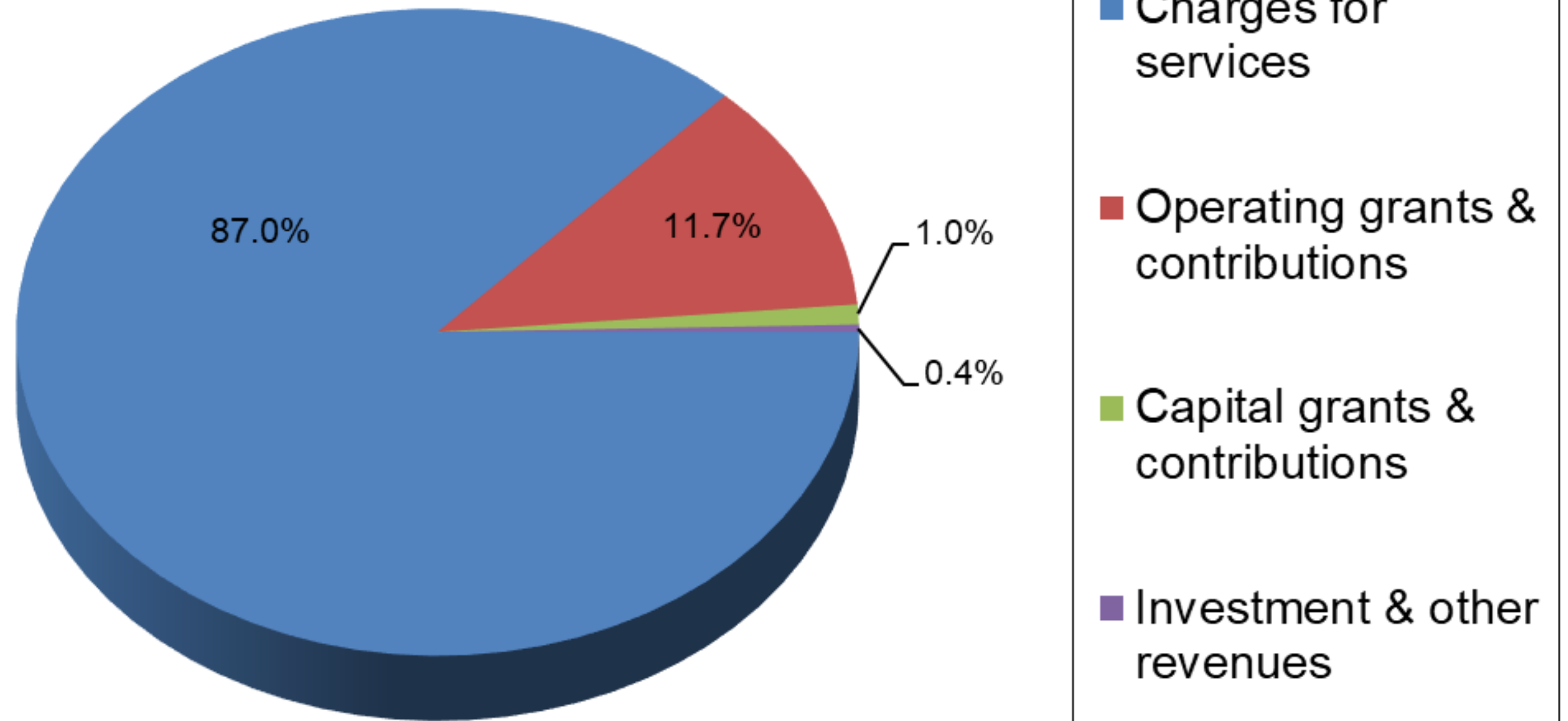
GOVERNMENTAL ACTIVITIES: GEN FUND



BUSINESS-TYPE ACTIVITIES

- Combined Net Position *increased* \$1.9M
- 94% of B-T Activities are from 4 major utilities: WATER, ELECTRIC, WW & SW

Revenues by Source - Business-type Activities



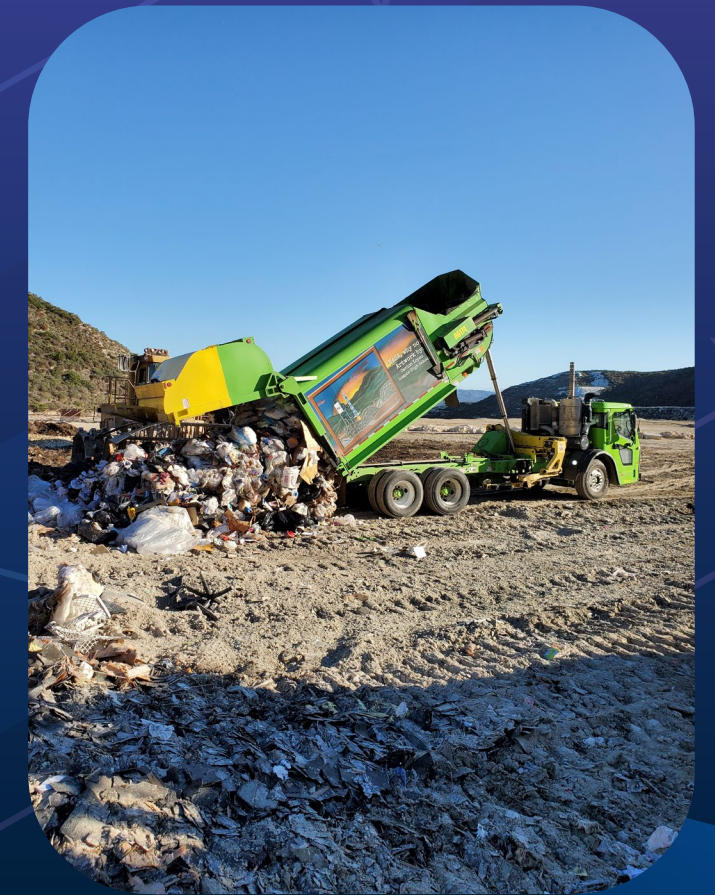
THE 4 MAJOR UTILITIES

ELECTRIC



WASTEWATER

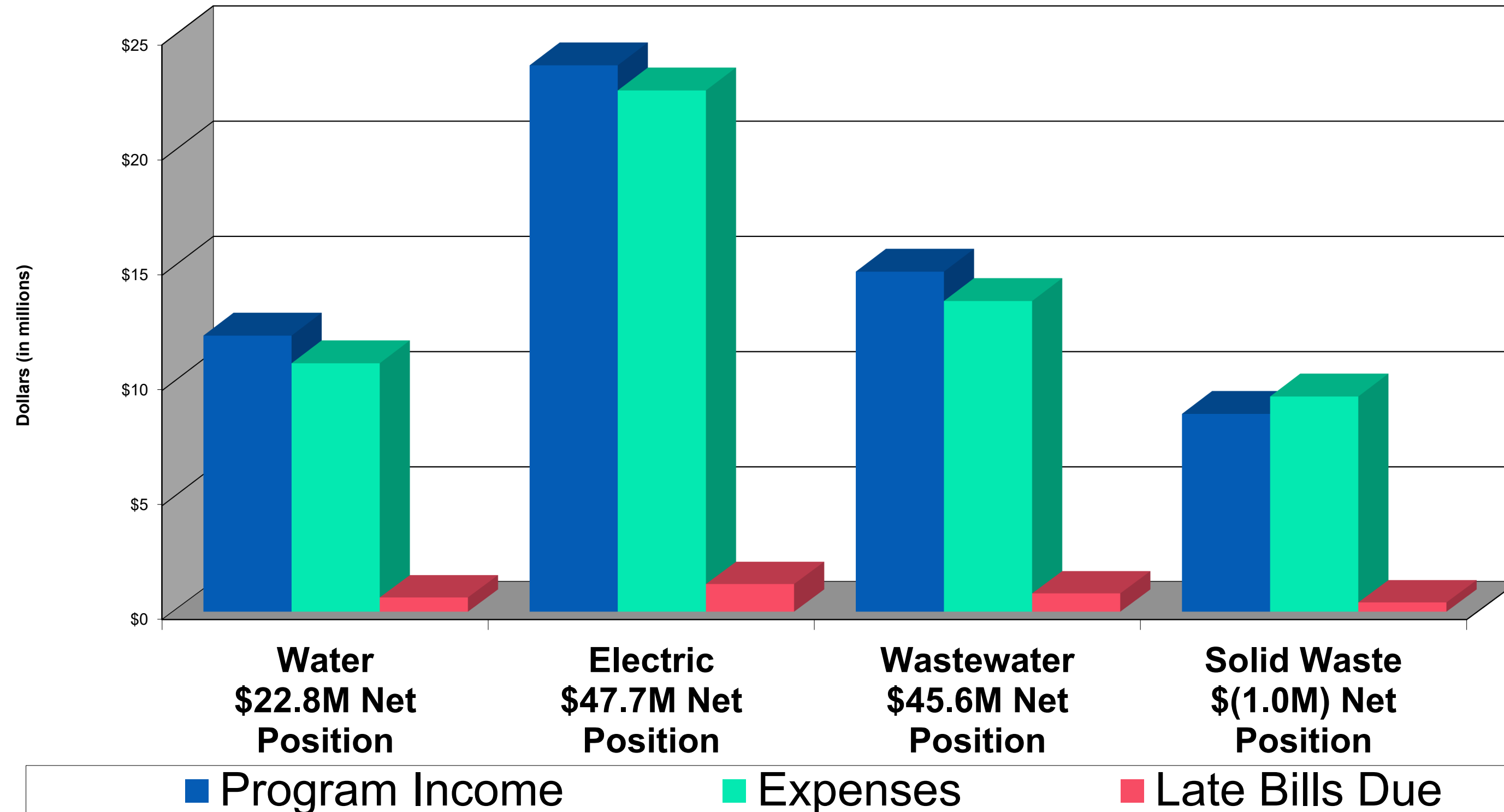
SOLID WASTE



WATER

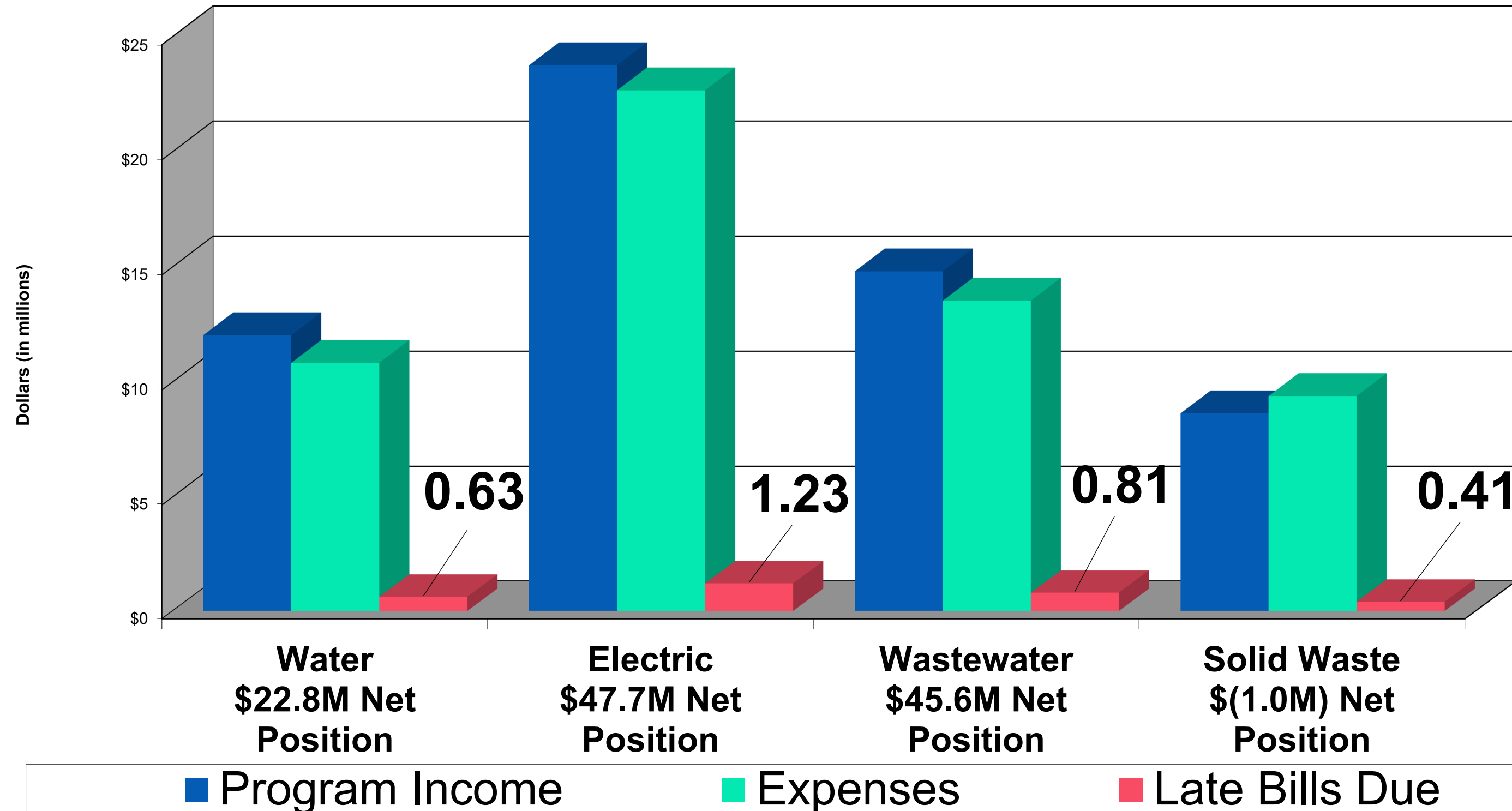
4 MAJOR UTILITIES: How Are They Doing?

REVENUES, EXPENSES & LATE BILLS DUE FROM CUSTOMERS



4 MAJOR UTILITIES: How Are They Doing?

REVENUES, EXPENSES & LATE BILLS DUE FROM CUSTOMERS



AUDIT & ACFR REVIEW SUMMARY

- **AUDIT PROCESS & RESULTS**
- **ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)**
- **GOVERNMENTAL ACTIVITIES & MD&A**
- **BUSINESS-TYPE ACTIVITIES & 4 MAJOR UTILITIES**

AUDIT & ACFR REVIEW

QUESTIONS??



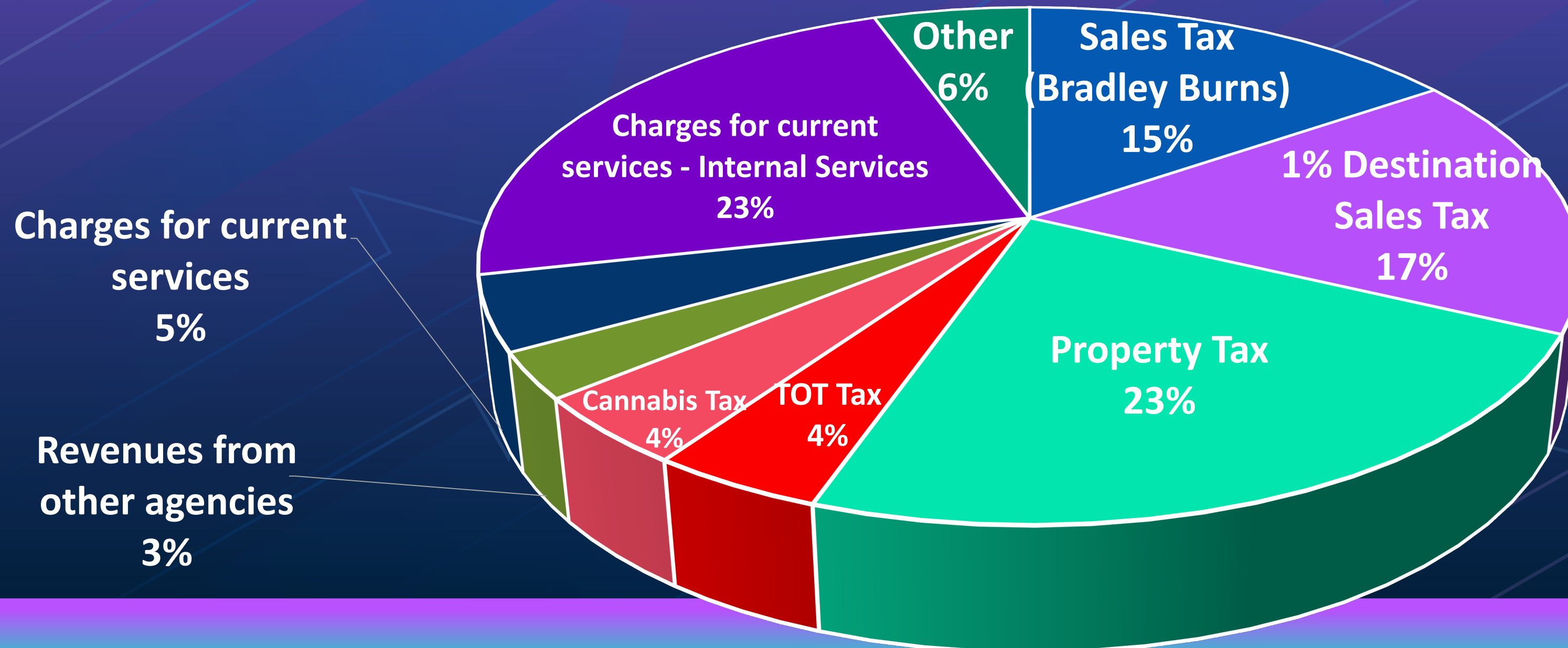
***FY 2021/22
MID-YEAR
GENERAL FUND
BUDGET
UPDATE***



MID-YEAR REVIEW: PLAN

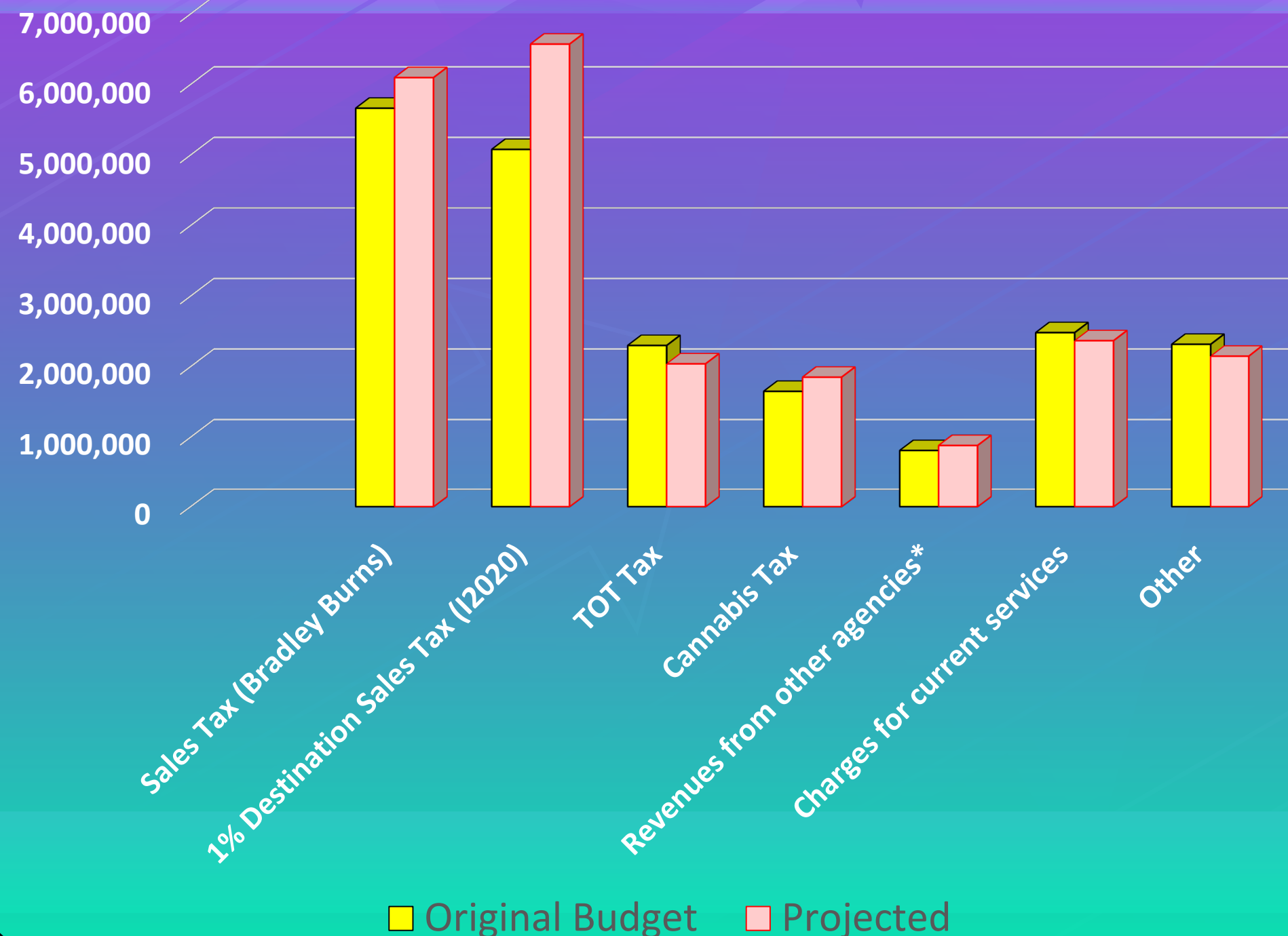
- **Revenue Sources & Variances**
- **Expenditure Types & Variances**
- **Summary of Operating Year – End**
- **Anticipated One-time Revenues**
- **General Fund Combined Projection**

GENERAL FUND: WHERE DO OUR REVENUES COME FROM?



2021/22 PROJECTED VS. BUDGETED REVENUES

Revenues - Variance to Budget



Revenues	Variance	Percentage Difference
Sales Tax (Bradley Burns)	\$ 434,245	8%
1% Destination Sales Tax (I2020)	1,492,692	29%
Property Tax	-	0%
TOT Tax	(260,412)	-11%
Cannabis Tax	199,996	12%
Revenues from other agencies*	71,637	9%
Charges for current services	(114,266)	-5%
Charges for current services - Internal Services	-	0%
Other	(168,801)	-7%

2021/22 EXPENDITURE VARIANCES

Division	Salaries - Variance	Other Exp - Variance	Net Variance
General government	\$ 110,400	\$ (27,953)	\$ 82,447
Police	87,878	79,548	167,426
Fire	(292,766)	108,102	(184,664)
Parks	35,217	17,783	53,000
Recreation	156,965	107,218	264,183
Facilities	23,901	(6,667)	17,233
Community Development	25,974	(26,619)	(645)
Building (Insp)	21,760	(6,837)	14,922
Library	51,557	21,431	72,988
Transfers out (vehicles)	-	(643,390)	(643,390)
Total	\$ 220,885	\$ (377,385)	\$ (156,500)

\$(156,500) =
0.38% of \$41.7M

\$(643,390)
projected
transfers out:

- 1st Fire Truck
- PD Patrol Vehicles
- PD Motorcycle
- Park Mower
- Parks Tractor

2021/22 Mid-Year Operations Summary

2021-22 Mid-Year Budget Projection - Operations

	Original Budget	Projected Actuals	Variance
Revenues	\$ 44,454,252	\$ 46,109,343	\$ 1,655,091
Expenditures	44,519,248	44,675,748	(156,500)
Net change in Fund Balance from Operations	<u>\$ (64,996)</u>	<u>\$ 1,433,595</u>	<u>\$ 1,498,591</u>

Surplus Available for:

- Filling Vacancies
- COVID-related Overtime
- Future operational adjustments

ONE-TIME REVENUES UPDATE: American Rescue Plan Act

\$ 12,908,901 TOTAL Award

- **\$ 4.08M Expended in FY 2020/21 – Health & Safety Personnel COVID-19 Response Payroll**
- **\$ 8.83M Expected be Expended **this Fiscal Year** – Health & Safety Personnel COVID-19 Response Payroll**
 - **Second Tranche available May 3, 2022**
- **Budget Workshop March/April to Discuss in Depth**

2021/22 Mid-Year Budget Summary

2021-22 Mid Year

2021-22 Mid-Year Projection

	Operations		
	Original Budget	Projected	Variance
Revenues	\$ 44,454,252	\$ 46,109,343	\$ 1,655,091
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Net change in fund balance from Operations	<u>\$ (64,996)</u>	<u>\$ 1,433,595</u>	<u>\$ 1,498,591</u>

Add: One-time Revenues

One-time / unbudgeted Revenues			
American Recue Plan Act (ARPA)	\$ -	\$ 8,833,686	\$ 8,833,686
Net change in fund balance from One-time Revenues	<u>\$ -</u>	<u>\$ 8,833,686</u>	<u>\$ 8,833,686</u>

	All Activity		
	Original Budget	Projected	Variance
Revenues	\$ 44,454,252	\$ 54,943,029	\$ 10,488,777
Expenditures	44,519,248	44,675,748	(156,500)
Excess of revenues (under) expenditures	<u>\$ (64,996)</u>	<u>\$ 10,267,281</u>	<u>\$ 10,332,277</u>





MID-YEAR BUDGET UPDATE

QUESTIONS??

THANK YOU!