



FY 2022/23 Budgetary Year-End Financial Report, Annual Comprehensive Financial Report and other Year-end Financial Reporting

Tim Kirby, Director of Finance

FY 2022/23 Budgetary Year End Report

- Budgetary Year-End Report
 - Budgetary Basis, looking at current resources
 - Cash flow – Cash available for spending
- Accounting Basis – Recorded when revenues earned and expenditures incurred, regardless of when cash is received or paid



Major General Fund Revenues

Major Revenue Category	Budget	Actuals	Variance
Property Tax*	\$ 107.2 M	\$ 109.1 M	1.9%
Sales Tax	34.9	38.4	9.9%
Other Taxes	8.0	7.3	(8.7%)
Transient Occupancy Tax	14.3	17.0	20.1%
Service Fees	7.3	7.1	(2.4%)
Utility Users Tax & Franchise Fees	16.8	18.1	7.4%
Rents & Concessions	4.8	6.2	27.5%
Other Revenue**	29.6	30.0	0.6%
Total Revenue***	\$ 222.9 M	\$ 233.9 M	4.7%
Net Revenue		\$ 10.4 M	4.7%

* Excludes Excess ERAF Payment of \$10.9 M

** Other Revenue = interfund, transfers, fines and penalties, interest, grants, intergovernmental, etc.; excludes Sale of Property

*** May not total exactly due to rounding

FY 2022/23 General Fund Expenditures and Transfers Out

Final Budget vs. Actual

Description	Final Budget *	Actual Expenditures	Variance to Final Budget Favorable (Unfavorable)	Percent Variance
Equipment	\$ 661,253	\$ 260,603	█ \$ 400,650	60.6 %
Operations	160,476,932	155,687,118	4,789,814	3.0 %
Projects	55,407,807	17,809,414	37,598,393	67.9 %
Debt Service/Lease Payments	5,082,425	5,346,083	(263,658)	(5.2)%
Transfers	61,821,176	61,872,771	(51,595)	(0.1)%
Total Expenditures	283,449,593	240,975,989	42,473,604	15.0 %
Equipment Carryover	-	328,055	(328,055)	
Project Carryover	-	21,668,168	(21,668,168)	
Budget Modification No. 8				
<i>Special & Outside Group Funding Projects</i>				
<i>Carryover</i>	-	11,200,847	(11,200,847)	
Total Carryovers	-	33,197,070	(33,197,070)	
Grand Total	283,449,593	274,173,059	9,276,534	3.3 %

* Final Budget includes budget modifications that occurred after adoption of the FY 2023/24 Budget

Net General Fund Position

Higher than Estimated Revenue*	\$14,150,597
Lower than Estimated Expenditures	\$9,276,534
<i>Less: ERAF</i>	<i>(\$3,791,109)</i>
Net Available FY2020/21 Fund Balance For Re-appropriation	\$19,636,022

Budget Modification No. 8 – Clean up items

General Fund Clean-up

- \$411,376 to Project 836140 – Stormwater Outfall Emergency Repair
 - \$308,532 in anticipated FEMA reimbursement
 - \$102,844 in City funds to match
 - Final reimbursement still subject to FEMA audit
- \$137,760 in revenue from Opioid Settlement Funds and the corresponding expenditures – no net impact on General Fund

Budget Modification No. 8 – Service Delivery Items

Reallocation of General Fund Savings

- \$1,851,977 in savings from completed DPS Recruitment Project 834130 to DPS Recruitment Project 834150 to fund three additional recruits
- \$23,400 – Project 835260 for Tasman Dr. Temporary Lane Closure
- \$15,000 for Wordly translation software for public meetings
- \$686,000 for retention of surveillance camera footage at the new City Hall and the additional equipment needed to convert all conference rooms in the new City Hall to accommodate hybrid meetings and council chamber A/V support
- \$175,419 for a new analyst in Human Resources to help meet recruitment service levels

Budget Modification No. 8 – ERP Stabilization

Reallocation of General Fund Savings – \$3,472,187 to Enterprise Resource Planning System Stabilization

- \$540,000 to provide consultant support after an RFP process for configuration refinements and quarterly testing automation
- \$122,000 for mid-term support with the current implementation vendor
- \$275,000 to implement the Performance Management Module for Human Resources
- \$2,535,187 for five term limited staff to support stabilization over a 27-month period

Budget Modification No. 8 – Pension Liabilities

Reallocation of General Fund Savings – \$9,116,998 to pay down future pension liabilities

- Two payments to CalPERS to be applied to specific amortized losses from prior years
 - \$2,661,368 to the Miscellaneous Plan (52% General Fund)
 - \$2,664,521 to the Safety Plan (100% General Fund)
- Excess ERAF - \$3,791,109 to City controlled Pension Trust

Budget Modification No. 8 – Other Funds

Appropriations affecting other funding sources

- \$7,350,000 in Housing Mitigation Funds appropriated as clean up item for Purchase of 295 S. Mathilda property
- \$430,000 in savings from Sunnyvale Cleanwater projects appropriated to Project 835500 – Cleanwater Program Reserve to offset future needs.
- \$1,252,589 in pension contributions across nine other funds

Budget Modification No. 8 – Contribution to BSF

Remaining \$7,983,306 to Budget Stabilization Fund

- Staff is mid-process in preparing the FY 2024/25 Recommended Budget
- Significant requests from all departments being received currently to address increasing demands for services across the board
- Anticipated significant increase in fleet funding to comply with the California Air Resources Board Advanced Clean Fleets Regulation, including significant unfunded charging infrastructure needs

Annual Comprehensive Financial Report

- Independently audited by Maze and Associates
- Prepared based on the format prescribed by the Governmental Accounting Standard Board (GASB)
- Received an unmodified (“clean”) opinion which is the ideal result from the independent audit
- Management’s Discussion & Analysis (MD&A) provides a narrative introduction, overview and analysis of the basic financial statements
- Prior Year ACFR received the Certificate of Achievement for Excellence in Financial Reporting



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Sunnyvale
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
For the Fiscal Year Ended June 30, 2022



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CALIFORNIA

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Other Items

- FY 2022/23 Sunnyvale Financing Authority Financial Report
- Agreed Upon Procedure (AUP) Reports (FY 2022/23):
 - Sunnyvale Investment Reconciliations
 - General checking account reconciliation
 - Utility fee cash receipts





Grace Zheng, Partner
Maze and Associates

Recommendation

City Council

- Receive and File the FY 2022/23 Budgetary Year-End Financial Report, Annual Comprehensive Financial Report (ACFR), the Sunnyvale Financing Authority Financial Report, Agreed Upon Procedure Reports, and the Report to the City Council Issued by the Independent Auditors and Approve Budget Modification No. 8 in the Amount of \$32,787,289

Sunnyvale Financing Authority

- Receive and file the FY 2022/23 Sunnyvale Financing Authority Financial Report