City of Fullerton, California Comprehensive Annual Financial Report (CAFR) FY 2018-19 December 17, 2019

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Highlights – Government Wide

- Statement of Net Position indicates the City's overall financial condition
- The City's net position (total assets minus total liabilities) has a net increase of \$32.3 million (7.8%) from \$414.7 million at June 30, 2018 to \$447.1 million at June 30, 2019
- The increase in net position is primarily due to the increase in capital assets

Highlights – Governmental Funds

- Governmental Funds include General, Special Revenue, Debt Service, and Capital Projects
- Total Governmental Fund Balance has a net decrease of \$7.8 million
 (-15.5%) from \$50.2 million at June 30, 2018 to \$42.4 million at June 30, 2019
- The net increase in Total Governmental Fund Balance is primarily due to the timing of capital projects

Highlights – General Fund

- The General Fund is the main operating fund for the City (Police, Fire, Parks/Rec, Library, Community Development, Public Works/Facilities)
 - General Fund revenues and other financing sources have a net increase of \$9.8 million (10.6%) from \$93.5 million at June 30, 2018 to \$103.3 million at June 30, 2019
- The increase in General Fund revenues is primarily due to revenue from the one-time sale of City owned property and increased property and sales tax revenue

Highlights – General Fund (Continued)

- General Fund expenditures and other financing uses have a net increase of \$5.2 million (5.8%) from \$89.9 million at June 30, 2018 to \$95.1 million at June 30, 2019
- The increase in General Fund expenditures is primarily related to the change in the ambulance contract structure
- General Fund Balance has a net increase of \$8.2 million (57.4%) from \$14.3 million at June 30, 2018 to \$22.5 million at June 30, 2019, including \$9.5 million committed in accordance with the 10% General Fund reserve policy, \$1.4 million of non-spendable or restricted funding, and \$6.1 million of additionally assigned funding.

Highlights – Enterprise Funds

- Enterprise Funds are business-type activities where the cost for services is intended to be primarily paid for by user charges (Water, Sewer, Airport, Brea Dam, Parking Facilities, CNG)
- Enterprise Funds Total Net Position has a net increase of \$6.7 million (5.8%)
 from \$116.0 million at June 30, 2018 to \$122.7 million at June 30, 2019

Highlights – Internal Service Funds

- Internal Service Funds are similar to Enterprise Funds, but provide goods and services to other funds and departments on a cost reimbursement basis (Liability, Vehicle Replacement, Workers' Comp, Group Insurance, Equipment Maintenance, IT, Building Maintenance, Facility Capital Repair)
 - Internal Service Funds Total Net Position has a net increase of \$4.1 million (20.7%) from \$19.5 million at June 30, 2018 to \$23.6 million at June 30, 2019

Highlights – Pension Liabilities

- PERS Miscellaneous Plan Net Pension Liability has a decrease of \$1.7 million (-2.3%) from \$73.0 million at June 30, 2018 to \$71.3 million at June 30, 2019, with a funded ratio increasing from 74.55% to 75.75%
- PERS Safety Plan Net Pension Liability has an increase of \$2.4 million (1.4%) from \$169.1 million at June 30, 2018 to \$171.5 million at June 30, 2019, with a funded ratio increasing from 64.82% to 65.43%
- The net increase in Net Pension Liability is primarily due to changes by PERS in its actuarial and investment assumptions
- Total Net Pension Liability is \$242.8 million at June 30, 2019, an increase from \$242.1 million at June 30, 2018

Highlights – OPEB Liabilities

- OPEB Liability has a decrease of \$5.9 million (-16.4%) from \$36.0 million at June 30, 2018 to \$30.1 million at June 30, 2019, with a funded ratio of 0.18%
- The decrease in OPEB Liability is primarily due to changes in economic, demographic, and medical premium rate actuarial assumptions

Additional CAFR/Audit Information

- In addition to CAFR, the auditor's Audit Communication Letter and Report on Internal Controls are presented to City Council for receive and file. These additional attachments describe any significant audit findings or control deficiencies for the year, of which none were noted
- The CAFR will be posted online, submitted to the GFOA for consideration in their award program and provided to bond holders/government agencies/interested parties
- The CAFR will be the basis for the creation of a Popular Annual Financial Report (PAFR)
- Significant effort on the part of staff and the auditors to produce the CAFR in accordance with all Generally Accepted Accounting Principles

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Questions?