

CITY OF HEALDSBURG, CALIFORNIA
BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

City of Healdsburg
Basic Financial Statements
For the year ended June 30, 2024
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Healdsburg (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, as of June 30, 2024, 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.

We did not audit the financial statements of the Northern California Power Agency, which represent 13 percent, 15 percent, and 35 percent, respectively, of the assets, net position, and operating revenues of the Electric Fund. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City's equity in Northern California Power Agency is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing 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 our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the 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 financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, 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 a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the General Fund and major special revenue fund, and the required pension and OPEB schedules on pages 5-16 and 101-110 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

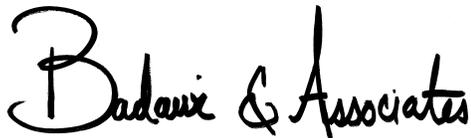
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison schedule for the streets capital project fund, the combining and individual nonmajor governmental fund statements, the budgetary comparison schedules for the nonmajor governmental funds and the combining General Fund Activities, Water Fund Activities, Sewer Fund Activities, Electric Fund Activities, Internal Service Funds, and Fiduciary Funds are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The budgetary comparison schedule for the streets capital project fund, the combining and individual nonmajor governmental fund statements, the budgetary comparison schedules for the nonmajor governmental funds and the combining General Fund Activities, Water Fund Activities, Sewer Fund Activities, Electric Fund Activities, Internal Service Funds, and Fiduciary Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, The budgetary comparison schedule for the streets capital project fund, the combining and individual nonmajor governmental fund statements, the budgetary comparison schedules for the nonmajor governmental funds and the combining General Fund Activities, Water Fund Activities, Sewer Fund Activities, Electric Fund Activities, Internal Service Funds, and Fiduciary Funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Honorable Mayor and Members of the City Council
of the City of Healdsburg
Healdsburg, California
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Berkeley, California
February 3, 2025

CITY OF HEALDSBURG
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2024

As management of the City of Healdsburg ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the accompanying Independent Auditor's Report, the financial statements, and the accompanying notes to the financial statements.

Financial Highlights

- Total City assets exceeded liabilities by \$254.18 million (net position) at June 30, 2024, an increase of \$15.10 million, or 6.32% over the prior fiscal year net position.
- The City's current fiscal year change in net position of \$15.10 million was 18.47% greater than the prior fiscal year change in net position of \$12.75 million. Citywide revenues increased \$13.33 million from the previous fiscal year while expenses increased \$10.98 million.
 - The revenue increases were driven by a \$6.73 increase in capital grants and contributions, \$5.27 million increase in charges for services, \$2.06 million increase in use of money and property, \$425 thousand increase in property and other taxes, offset by \$718 thousand decrease in operating grants and contributions and \$437 thousand decrease in transient occupancy taxes. The increase in capital grants and contributions was attributed to the receipt of \$3.4 million in developer contributions toward the construction of a new fire station, \$1.03 million in American Rescue Plan Act funds also largely supporting the fire station construction and \$1.15 million in Coastal Conservancy Grants for the Fitch Mountain Park and Open Space Preserve Project. The increase in charges for services was largely associated with the scheduled utility rate increases for Electric, Water and Sewer Services. The increase in use of money and property reflects the increase in interest earnings.
 - The expense increase of \$10.98 million was comprised of governmental activities totaling \$7.57 million and business type activities totaling \$3.41 million. The increase in governmental activity expenses were driven by \$2.60 million in general government activity, \$3.12 million in public safety activity, \$2.02 million in streets and road activity, \$1.93 million in community services activity, and \$817 thousand in community development activity. In fiscal year 2022-2023, depreciation totaled \$2.89 million and was unallocated for governmental activities. During the current fiscal year depreciation totaled \$3.12 million and was allocated among the six major governmental activity programs. Expenses for streets and roads activity were impacted the most by this allocation, with depreciation expense representing 49.68% of the current year expense. The increase in business type activity expenses were driven by \$1.12 million in water fund activity, \$1.55 million in sewer fund activity, and \$1.01 million in airport fund activity. The increases in both governmental and business type expenses were primarily the result of on-going large project expenditures during the current year, most notably the Fire Substation, Fitch Mountain Open Space Preserve, and the Municipal Recycled Water Pipeline.
- At the close of fiscal year 2023-24, City governmental funds reported combined ending fund balance of \$34.94 million, an increase of \$3.01 million or 9.43% from the prior fiscal year.

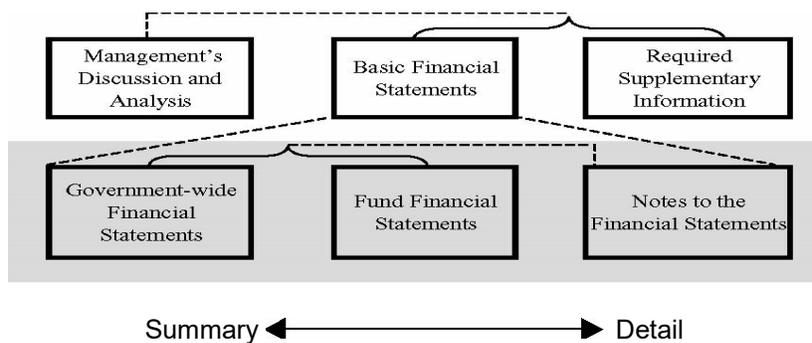
CITY OF HEALDSBURG
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2024

- At the end of fiscal year 2023-24, unassigned fund balance for the General Fund was \$10.86 million, or 47.57% of total General Fund expenditures. This represents a \$2.1 million growth in the unassigned fund balance from the prior year largely associated with Measure T funds allocated to support the fire station project and several street infrastructure projects that have not been expended yet. The General Fund Balance sheet is on page 27.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

REQUIRED COMPONENTS OF THE ANNUAL FINANCIAL REPORT



Government-wide Financial Statements. The government-wide financial statements are comprised of the Statement of Net Position and Statement of Activities. These two statements are designed to provide readers with a broad overview of the City's finances utilizing the full accrual method of accounting, in a manner similar to a private-sector business. Under the full accrual method of accounting, transactions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, assets, liabilities, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected revenues and accrued but unpaid interest expense).

The Statement of Net Position presents information on all of the City's assets and liabilities, including capital assets and long-term liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. Functional activities are highlighted in this statement, whereby direct and indirect functional costs are shown net of related program revenue. This statement shows the extent to which the various functions depend on general taxes and non-program revenues for support.

CITY OF HEALDSBURG
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2024

Both the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, community development and housing, community services and streets capital projects. The business-type activities of the City include the water, sewer and electric utilities, and other programs.

Fund Financial Statements. The fund financial statements focus on current available resources and are organized and operated on the basis of funds, each of which is defined as a fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The City adopts an annual appropriated budget for all governmental and proprietary funds. Budgetary comparison statements for the General Fund and all major special revenue funds are required and included in the basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – General Fund on page 101, reflect both the original and final budget figures for the General Fund. Additionally, budgetary schedules for the other governmental funds have been provided as required to demonstrate compliance with the budget.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements utilize the modified accrual method of accounting, which focuses on near-term inflow and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

The City maintains twenty-three individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Community Services, and Capital Projects as they are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of supplementary combining statements.

Proprietary Funds. Proprietary funds are generally used to account for services for which the City charges outside customers, or internal departments of the City. Proprietary funds provide the same type of information as shown in the government-wide statements, only in more detail. The City maintains the following two types of proprietary funds:

- **Enterprise Funds.** These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations of water, sewer, electric, and airport.

CITY OF HEALDSBURG
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2024

- **Internal Service Funds.** These funds are used to report activities that provide internal services for the City. The City uses internal service funds to account for its insurance and benefits, vehicle maintenance, information systems, and building maintenance. Because internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the government-wide and fund financial statements.

Other Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents combining statements referred to earlier in connection with other governmental funds and the internal service funds. Also included are the budgetary comparison Statement of Revenues, Expenditures, and Changes in Fund Balances for all other special revenue funds, capital project funds and all debt service funds.

Government-Wide Financial Analysis. Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed net position for both governmental and business-type activities.

CITY OF HEALDSBURG
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2024

NET POSITION
June 30, 2024 and 2023

ASSETS	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 59,383,660	\$ 56,486,974	\$ 45,302,937	\$ 40,473,447	\$ 104,686,597	\$ 96,960,421
Capital assets	122,445,549	116,407,669	103,103,093	103,068,284	225,548,642	219,475,953
Total assets	181,829,209	172,894,643	148,406,030	143,541,731	330,235,239	316,436,374
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amounts on Refundings	-	-	602,136	656,876	602,136	656,876
Deferred Pension Related Items	13,634,088	13,752,602	5,295,785	5,278,010	18,929,873	19,030,612
Deferred OPEB Related Items	104,889	120,012	70,995	55,031	175,884	175,043
Total deferred outflows	13,738,977	13,872,614	5,968,916	5,989,917	19,707,893	19,862,531
LIABILITIES						
Current Liabilities	13,672,228	16,091,393	5,239,071	3,255,721	18,911,299	19,347,114
Long-term liabilities	38,469,879	36,719,400	35,636,212	36,624,578	74,106,091	73,343,978
Total liabilities	52,142,107	52,810,793	40,875,283	39,880,299	93,017,390	92,691,092
DEFERRED INFLOWS OF RESOURCES						
Lease	286,420	301,930	-	-	286,420	301,930
Deferred Pension Related Items	1,332,265	2,572,948	749,374	1,224,087	2,081,639	3,797,035
Deferred OPEB Related Items	224,971	295,645	152,281	135,568	377,252	431,213
Total deferred inflows	1,843,656	3,170,523	901,655	1,359,655	2,745,311	4,530,178
NET POSITION						
Net Investment						
in Capital Assets	122,297,964	115,992,639	81,619,006	79,775,942	203,916,970	195,768,581
Restricted	18,150,194	17,857,947	17,792,791	15,221,782	35,942,985	33,079,729
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unrestricted	1,134,255	(3,064,646)	13,186,211	13,293,970	14,320,466	10,229,324
Total net position	\$ 141,582,413	\$ 130,785,940	\$ 112,598,008	\$ 108,291,694	\$ 254,180,421	\$ 239,077,634

By far the largest portion of the City's net position (80.23%) reflects its net investment in capital assets (e.g. land, buildings, utility plants, machinery, equipment, vehicles, and infrastructure), net of any related outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not normally used to liquidate these liabilities.

Another portion of the City's net position (\$35.94 million or 14.14%) represents resources that are subject to external restrictions on how they may be used, noted above as restricted and committed net position.

The following table reflects the change in net position for both governmental and business-type activities.

CITY OF HEALDSBURG
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2024

CHANGE IN NET POSITION FOR THE FISCAL YEARS ENDED JUNE 30, 2024 and 2023						
	Government Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
PROGRAM REVENUES						
Charges for Services	\$ 4,820,219	\$ 4,421,908	\$ 34,854,058	\$ 29,981,566	\$ 39,674,277	\$ 34,403,474
Operating Grants and Contributions	3,263,373	3,981,680	-	-	3,263,373	3,981,680
Capital Grants and Contributions	6,915,053	1,048,884	2,026,319	1,163,423	8,941,372	2,212,307
GENERAL REVENUES						
Property and Other Taxes	3,520,106	3,094,769	-	-	3,520,106	3,094,769
Sales and Use Taxes	9,126,222	9,277,749	-	-	9,126,222	9,277,749
Motor Vehicle in Lieu	2,011,172	1,868,973	-	-	2,011,172	1,868,973
Franchise Fees	846,932	789,088	-	-	846,932	789,088
Business License Taxes	314,129	302,636	-	-	314,129	302,636
Transient Occupancy Taxes	9,367,408	9,804,566	-	-	9,367,408	9,804,566
Use of Money and Property	2,273,836	900,543	1,404,420	716,338	3,678,256	1,616,881
Other Revenues (Misc)	1,688,068	1,746,298	-	-	1,688,068	1,746,298
TOTAL REVENUES	\$ 44,146,518	\$ 37,237,094	\$ 38,284,797	\$ 31,861,327	\$ 82,431,315	\$ 69,098,421
EXPENSES						
Governmental Activities						
General Government	\$ 6,348,178	\$ 3,744,233	\$ -	\$ -	\$ 6,348,178	\$ 3,744,233
Public Safety	14,158,629	11,039,857	-	-	14,158,629	11,039,857
Community Development	2,250,564	1,433,300	-	-	2,250,564	1,433,300
Community Services	7,505,885	5,577,915	-	-	7,505,885	5,577,915
Streets and Roads	3,224,688	1,199,594	-	-	3,224,688	1,199,594
Interest on Long Term Debt	3,560	36,703	-	-	3,560	36,703
Unallocated Depreciation	-	2,893,849	-	-	-	2,893,849
Business Type Activities						
Water	-	-	5,948,010	4,826,995	5,948,010	4,826,995
Sewer	-	-	10,506,689	8,959,877	10,506,689	8,959,877
Electric	-	-	15,951,109	16,216,357	15,951,109	16,216,357
Non-Major Enterprise Funds (Airport)	-	-	1,431,216	421,495	1,431,216	421,495
TOTAL EXPENSES	\$ 33,491,504	\$ 25,925,451	\$ 33,837,024	\$ 30,424,724	\$ 67,328,528	\$ 56,350,175
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE TRANSFERS	\$ 10,655,014	\$ 11,311,643	\$ 4,447,773	\$ 1,436,603	\$ 15,102,787	\$ 12,748,246
Transfers						
Transfers In (Out)	\$ 141,459	\$ 159,920	\$ (141,459)	\$ (159,920)	\$ -	\$ -
TOTAL TRANSFERS	\$ 141,459	\$ 159,920	\$ (141,459)	\$ (159,920)	\$ -	\$ -
CHANGE IN NET POSITION	\$ 10,796,473	\$ 11,471,563	\$ 4,306,314	\$ 1,276,683	\$ 15,102,787	\$ 12,748,246
NET POSITION JULY 1	130,785,940	119,314,377	108,291,694	107,015,011	239,077,634	226,329,388
RESTATEMENT OF NET POSITION	-	-	-	-	-	-
NET POSITION JUNE 30	\$ 141,582,413	\$ 130,785,940	\$ 112,598,008	\$ 108,291,694	\$ 254,180,421	\$ 239,077,634

The Change in Net Position shows how the government's net position changed during fiscal year 2023-24 as compared to fiscal year 2022-23. The City's current fiscal year change in net position of \$15.10 million, compared to the prior fiscal year change in net position of \$12.75 million, resulted in an increase of \$2.35 million (18.47%).

Governmental Activities. Net Governmental activities (before transfers) decreased \$657 thousand during the fiscal year ended June 30, 2024. Revenue increased 6.91 million or 18.56%, and expenses increased \$7.57 million or 29.18%. Factors contributing to the current fiscal year increase in revenue include:

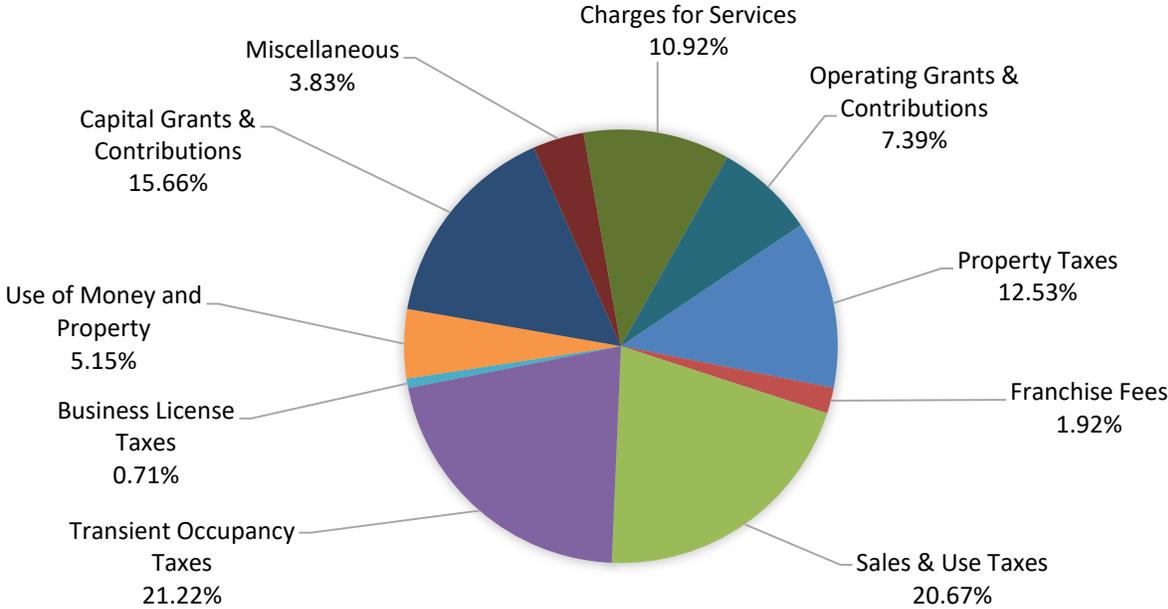
- Capital grants and contributions increased \$5.87 million
- Use of money and property increased \$1.37 million
- Operating grants and contributions decreased \$718 thousand

CITY OF HEALDSBURG
Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2024

- Transient occupancy tax decreased \$437 thousand
- Property and other taxes increased \$425 thousand
- Charges for services increased \$398 thousand

The chart below reflects information from the Statement of Activities, page 11 of the Financial Statements. The largest revenue source for governmental activities is transient occupancy taxes (21.22%), followed by sales and use tax (20.67%), Capital Grants & Contributions (15.66%), and property taxes (12.53%).

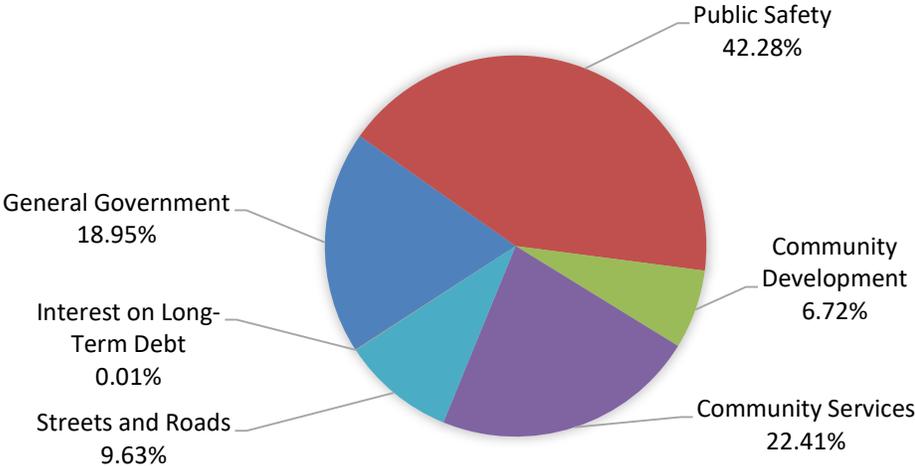
**REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2024**



As for expenditures, public safety expenses including both police and fire services are the most significant (42.28%) of all governmental activity expenses, followed by community services (22.41%), general government (18.95%), streets and roads (9.63%) and community development (6.72%). Interest on long term debt is 0.01% of the total expenses for governmental activities. The chart below reflects information from the Financial Statements, Statement of Activities on page 11.

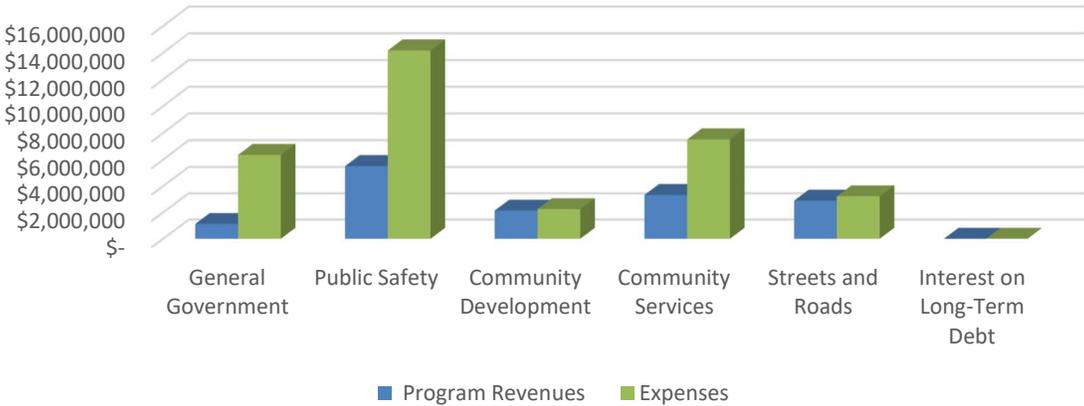
CITY OF HEALDSBURG
Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2024

EXPENSES BY FUNCTION/PROGRAM – GOVERNMENTAL ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2024



The chart below is a side-by-side comparison of program expenses and revenue for governmental activities. For the fiscal year 2023-2024, program expenses exceeded program revenues for all six of the major governmental activity programs.

COMPARISON OF EXPENSES AND PROGRAM REVENUES
GOVERNMENTAL ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2024



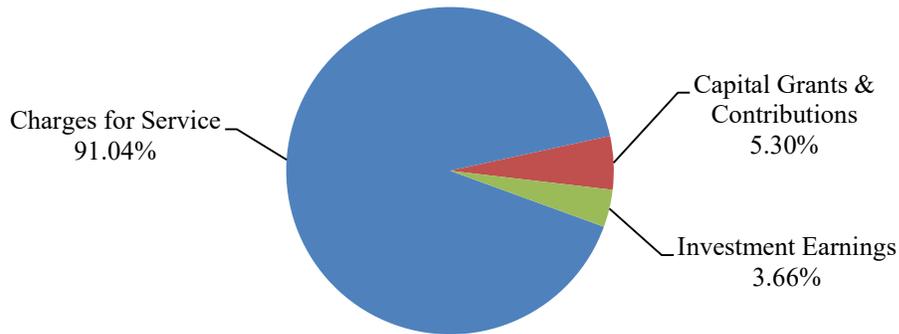
Business-Type Activities. As of June 30, 2024, the total net position of business-type activities was \$112.60 million.

- Total revenue of \$38.28 million is mainly comprised of charges for services of \$34.85 million, capital grants and contributions of \$2.03 million associated largely with the Municipal Recycled Water Pipeline Project and use of money and property of \$1.40 million representing interest earnings on investments.

CITY OF HEALDSBURG
Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2024

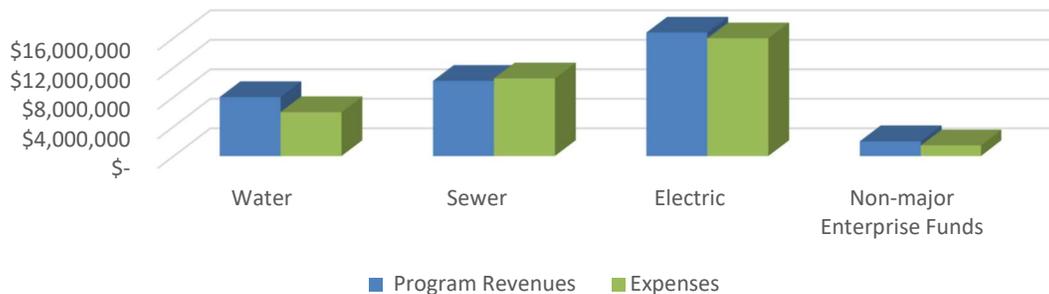
- Revenue exceeded operating expenses of \$33.84 million, resulting in a current fiscal year net position increase of \$4.30 million.

REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2024



The chart below is a side-by-side comparison of program expense and revenue for business-type activities. For the fiscal year 2023-24, program revenue exceeded program expenses for Water, Electric, and Non-major Airport Fund.

EXPENSES AND PROGRAM REVENUES
BUSINESS-TYPE ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2024



Governmental Funds. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of June 30, 2024, the City’s governmental funds Balance Sheet on page 27, reported total ending fund balances of \$34.94 million, an increase of \$3.01 million from the prior fiscal year.

Approximately 30.76% of the total ending fund balances (\$10.75 million) is unassigned and

CITY OF HEALDSBURG
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2024

available for spending in the future at the government's discretion. It is important to note that in the General Fund a significant portion of this unassigned fund balance is specifically held as an operating reserve to support essential services programs during periods of economic downturn or unforeseen catastrophic events. The remainder of the fund balance is either non-spendable, restricted, or assigned. The most significant of these reserved fund balances are restricted for affordable housing (\$9.72 million), pension stabilization (\$5.62 million), community services (\$4.34 million), and streets and roads (\$3.01 million).

General Fund revenues were \$3.58 million (15.52%) more than in the prior fiscal year, and expenditures were \$1.96 million (9.39%) more than the prior year. The increase in revenues was the result of an increase in other, donations and reimbursements of \$3.49 million, associated largely with the receipt of \$3.4 million in developer contributions towards the construction of a new fire station, use of money and property of \$548 thousand representing additional interest earnings, intergovernmental of \$453 thousand largely associated with American Rescue Plan Act funds, property tax of \$312 thousand, license and permits of \$299 thousand, offset by a decrease in sales and other taxes of \$1.55 million. The decrease in sales and other taxes was a result of a change in the classification for the Transient Occupancy Tax Housing Fund (TOT Housing); moving the fund from General Fund, page 140, to a Special Revenue Fund on the Nonmajor Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances, page 120. The change in sales and other taxes excluding the TOT Housing fund was nominal, only decreasing 1.3% in the current fiscal year.

Proprietary Funds. The City's proprietary funds Revenues, Expenses, and Changes in Net Position, page 34, provide the same type of information found in the government-wide financial statements, but in more detail. The City's major enterprise funds are Water, Sewer, and Electric. The major changes in enterprise net position are an increase in the Water Fund of \$2.25 million to \$24.12 million, an increase in the Sewer Fund of \$123 thousand to \$46.65 million and an increase in the Electric Fund of \$1.36 million to \$37.48 million.

The Internal Service Funds had an increase in net position of \$516 thousand during the fiscal year, ending with a net position of \$10.39 million. This increase is attributable to contributions and transfers of \$1.30 million offset by an operating loss of \$787 thousand, largely driven by vehicle purchases. The operating revenue is made up of the service fees charged to each operating fund.

CAPITAL ASSET AND LONG-TERM LIABILITIES

Capital Assets. The City's investment in capital assets for its governmental and business-type activities at June 30, 2024, amounted to \$225.32 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, vehicles, infrastructure, and construction in progress. Depreciation expenses for the fiscal year 2023-2024 totaled \$8.67 million.

CITY OF HEALDSBURG
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2024

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land and Land Rights	\$ 20,193,298	\$ 20,193,298	\$ 1,245,877	\$ 1,245,877
Right of Way	6,681,379	6,681,379	-	-
Construction in Progress	9,941,579	2,063,109	4,000,830	2,059,348
Land Improvements	5,193,018	5,103,414	-	-
Streets	78,256,967	77,070,760	-	-
Buildings	40,852,248	40,337,604	3,040,870	3,040,870
Machinery and Equipment	12,998,574	12,468,525	3,675,412	3,317,312
Infrastructure	1,515,614	1,515,614	-	-
Utility Systems	-	-	142,776,156	141,878,471
Drainage	-	-	12,064,262	12,006,300
Operations	-	-	4,866,910	4,046,891
Lease Assets	151,864	232,135	-	-
Total	<u>\$ 175,784,541</u>	<u>\$ 165,665,838</u>	<u>\$ 171,670,317</u>	<u>\$ 167,595,069</u>
Less Accumulated Depreciation	<u>(53,566,563)</u>	<u>(49,258,169)</u>	<u>(68,567,224)</u>	<u>(64,526,785)</u>
Net Capital Assets	<u>\$ 122,217,978</u>	<u>\$ 116,407,669</u>	<u>\$ 103,103,093</u>	<u>\$ 103,068,284</u>

Additional information on the City's capital assets can be found in Note 8 of the basic financial statements.

Long-Term Liabilities. The City's outstanding long-term liabilities, including bonds, loans payable, net pension liability, claims, capital leases, OPEB, and compensated absences totaled \$74.14 million at June 30, 2024. Of this total, \$38.47 million (51.91%) was in governmental activities and \$35.64 million (48.09%) was in business-type activities.

Long-Term Liabilities

Footnote 10

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Net Pension Liability	34,807,395	32,546,984	13,756,857	12,903,870
Certificates of Participation	-	-	1,070,000	1,220,000
HUSD Capital Lease Payable	-	-	-	-
Equipment Finance Purchase	-	-	-	-
Revenue Bonds	-	-	19,157,219	20,840,600
Compensated Absences	1,706,698	2,025,725	-	-
Successor Agency Payable	1,063,108	1,167,966	1,212,452	1,332,040
Capital Leases	24,225	56,381	-	-
Claims Payable	218,319	206,903	-	-
OPEB	650,134	715,442	439,684	328,068
Total	<u>\$ 38,469,879</u>	<u>\$ 36,719,401</u>	<u>\$ 35,636,212</u>	<u>\$ 36,624,578</u>

Additional information on the City's long-term liabilities can be found in Notes 10-14 of the basic financial statements.

CITY OF HEALDSBURG
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The financial outlook of the City is cautiously optimistic as we continue to operate in an uncertain economy. While the Consumer Price Index (CPI) for All Urban Consumers in the San Francisco Area was at 3.7% in June of 2024 the federal funds target rate remained at 5.25-5.5%. The Fiscal Year 2024-25 budget reflects conservative growth projections of major general fund revenue sources that are historically more vulnerable to economic conditions including Sales Tax and Transient Occupancy Tax. Property Tax, which is considerably more stable, is projected to continue to increase with anticipated development, providing sufficient revenues to support operational cost increases associated with inflation. Interest earnings are expected to remain meaningful due to strong market performance and a sound investment strategy. City Council approved a series of rate increases for Water, Sewer, and Electric utilities representing a path forward towards meaningful investment in capital infrastructure and operating stability. The City has many large capital projects included in the upcoming budget funded in large part by grants and developer contributions. The City remains committed to evaluating our governmental practices, opportunities for greater operational efficiencies, and ensuring the best possible utilization of taxpayer provided resources.

The City prepares a biennial budget based on long-term financial viability which allows decision makers to understand the on-going impact of current policy decisions. Through the budget, the council sets the direction of the City, including allocating resources and establishing priorities. The biennial budget 2024-25 and 2025-26 was adopted June 2024. The 2024-25 budget had approved expenditures totaling \$109.41 million and the 2025-26 budget has approved expenditures totaling \$127.70 million.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Katie Edgar, Finance Director, City of Healdsburg, kedgar@healdsburg.gov or at 401 Grove Street, Healdsburg, CA 95448-4723.

BASIC FINANCIAL STATEMENTS

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**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

City of Healdsburg
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 38,631,378	\$ 26,786,481	\$ 65,417,859
Cash and investments with fiscal agent	312,247	2,220	314,467
Pension stabilization investments	5,619,517	2,372,514	7,992,031
Investment in NCPA Reserves	-	5,729,441	5,729,441
Accounts receivable	3,318,253	4,787,260	8,105,513
Loans and notes receivable	9,569,267	-	9,569,267
Interest receivable	189,792	157,275	347,067
Intergovernmental receivable	3,276,650	1,070,355	4,347,005
Lease receivable	68,251	-	68,251
Internal balances	(1,629,634)	1,629,634	-
Inventory	24,688	2,767,757	2,792,445
Prepaid items	3,251	-	3,251
Total current assets	59,383,660	45,302,937	104,686,597
Noncurrent assets:			
Lease receivable	227,613	-	227,613
Capital assets:			
Nondepreciable	36,816,256	5,246,707	42,062,963
Depreciable	138,968,243	166,423,610	305,391,853
Less accumulated depreciation	(53,566,563)	(68,567,224)	(122,133,787)
Total noncurrent assets	122,445,549	103,103,093	225,548,642
Total assets	181,829,209	148,406,030	330,235,239
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	602,136	602,136
Pension related	13,634,088	5,295,785	18,929,873
OPEB related	104,889	70,995	175,884
Total deferred outflows of resources	13,738,977	5,968,916	19,707,893

City of Healdsburg
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	2,928,727	2,295,758	5,224,485
Retentions payable	91,204	59,224	150,428
Interest payable	-	205,776	205,776
Unearned revenue	7,492,983	-	7,492,983
Deposits payable	1,601,477	743,705	2,345,182
Compensated absences - due within one year	1,306,007	-	1,306,007
Claims and judgements - due within one year	96,126	-	96,126
Other post-employment benefits liability - due within one	18,690	13,020	31,710
Other long-term liabilities - due within one year	137,014	1,921,588	2,058,602
Total current liabilities	13,672,228	5,239,071	18,911,299
Noncurrent liabilities:			
Compensated absences, due in more than one year	1,706,698	-	1,706,698
Claims payable, due in more than one year	218,319	-	218,319
Net pension liability	34,807,395	13,756,857	48,564,252
Other long-term liabilities, due in more than one year	1,087,333	21,439,671	22,527,004
Other post-employment benefits liability	650,134	439,684	1,089,818
Total noncurrent liabilities	38,469,879	35,636,212	74,106,091
Total liabilities	52,142,107	40,875,283	93,017,390
DEFERRED INFLOWS OF RESOURCES			
Lease	286,420	-	286,420
Pension related	1,332,265	749,374	2,081,639
OPEB related	224,981	152,281	377,262
Total deferred inflows of resources	1,843,666	901,655	2,745,321
NET POSITION			
Net investment in capital assets	122,297,964	81,619,006	203,916,970
Restricted for:			
Lighting and landscaping	396,998	-	396,998
Pension	-	-	-
Capital projects	430,536	17,792,791	18,223,327
Community services	4,345,445	-	4,345,445
Nonexpendable permanent endowments	312,247	-	312,247
Debt service	164,943	-	164,943
Streets and roads	2,598,394	-	2,598,394
Public safety	184,017	-	184,017
Housing	9,717,614	-	9,717,614
Total restricted	18,150,194	17,792,791	35,942,985
Unrestricted	1,134,255	13,186,211	14,320,466
Total net position	\$ 141,582,413	\$ 112,598,008	\$ 254,180,421

City of Healdsburg
Statement of Activities
For the year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 6,348,178	\$ 337,788	\$ -	\$ 789,978
Public safety	14,158,629	704,194	370,807	4,431,978
Streets and roads	3,224,688	360,176	1,445,395	333,263
Community development	2,250,564	2,142,678	1,184,550	-
Community services	7,505,885	1,275,383	262,621	1,359,834
Interest and fiscal charges	3,560	-	-	-
Total governmental activities	33,491,504	4,820,219	3,263,373	6,915,053
Business-type Activities:				
Water	5,948,010	7,736,487	-	241,603
Sewer	10,506,689	9,485,148	-	694,161
Electric	15,951,109	16,461,465	-	270,533
Airport	1,431,216	1,170,958	-	820,022
Total business-type activities	33,837,024	34,854,058	-	2,026,319
Total primary government	\$ 67,328,528	\$ 39,674,277	\$ 3,263,373	\$ 8,941,372

General Revenues:

Taxes:

Transient occupancy taxes

Sales taxes

Property taxes

Franchise taxes

Business license taxes

Motor vehicle in lieu, unrestricted

Use of money and property

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year

Net position - end of year

Net (Expense) Revenue
and Changes in Net Position

Total	Governmental Activities	Business-Type Activities	Total
\$ 1,127,766	\$ (5,220,412)	\$ -	\$ (5,220,412)
5,506,979	(8,651,650)	-	(8,651,650)
2,138,834	(1,085,854)	-	(1,085,854)
3,327,228	1,076,664	-	1,076,664
2,897,838	(4,608,047)	-	(4,608,047)
-	(3,560)	-	(3,560)
14,998,645	(18,492,859)	-	(18,492,859)
7,978,090	-	2,030,080	2,030,080
10,179,309	-	(327,380)	(327,380)
16,731,998	-	780,889	780,889
1,990,980	-	559,764	559,764
36,880,377	-	3,043,353	3,043,353
\$ 51,879,022	(18,492,859)	3,043,353	(15,449,506)
	9,367,408	-	9,367,408
	9,126,222	-	9,126,222
	3,520,106	-	3,520,106
	846,932	-	846,932
	314,129	-	314,129
	2,011,172	-	2,011,172
	2,273,836	1,404,420	3,678,256
	1,688,068	-	1,688,068
	141,459	(141,459)	-
	29,289,332	1,262,961	30,552,293
	10,796,473	4,306,314	15,102,787
	130,785,940	108,291,694	239,077,634
\$ 141,582,413	\$ 112,598,008	\$ 254,180,421	

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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City of Healdsburg

Balance Sheet

Governmental Funds

June 30, 2024

	General	Special Revenue Fund Community Services	Capital Projects Fund Streets	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 11,793,546	\$ 10,622,111	\$ 1,905,632	\$ 4,649,664	\$ 28,970,953
Cash and investments with fiscal agents	-	-	-	312,247	312,247
Pension stabilization investments	4,945,288	485,296	188,933	-	5,619,517
Accounts receivable	1,040,126	1,874,080	10,912	270,013	3,195,131
Loans and notes receivable	93,157	-	-	9,472,702	9,565,859
Interest receivable	78,355	63,227	9,335	12,720	163,637
Intergovernmental receivable	2,168,628	824,956	199,682	83,384	3,276,650
Lease receivable	295,864	-	-	-	295,864
Due from other funds	1,523,626	-	-	-	1,523,626
Inventory	-	-	9,048	-	9,048
Prepaid items	3,251	-	-	-	3,251
Total assets	\$ 21,941,841	\$ 13,869,670	\$ 2,323,542	\$ 14,800,730	\$ 52,935,783
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 829,102	\$ 743,288	\$ 141,188	\$ 151,101	\$ 1,864,679
Due to other funds	321,195	-	646,737	145,694	1,113,626
Deposits payable	1,569,176	6,931	19,358	6,012	1,601,477
Retention payable	-	91,204	-	-	91,204
Unearned revenue	670,001	6,631,475	109,780	81,727	7,492,983
Advances from other funds	2,039,634	-	-	-	2,039,634
Total liabilities	5,429,108	7,472,898	917,063	384,534	14,203,603
Deferred Inflows of Resources					
Lease	286,420	-	-	-	286,420
Unavailable revenue - others	-	1,570,070	-	-	1,570,070
Unavailable revenue - interest	-	-	-	1,931,775	1,931,775
Total deferred inflows of resources	286,420	1,570,070	-	1,931,775	3,788,265
Fund Balances:					
Nonspendable	3,251	-	9,048	312,247	324,546
Restricted	4,945,288	4,826,702	1,397,431	12,288,043	23,457,464
Committed	39,389	-	-	-	39,389
Assigned	373,785	-	-	-	373,785
Unassigned	10,864,600	-	-	(115,869)	10,748,731
Total fund balances	16,226,313	4,826,702	1,406,479	12,484,421	34,943,915
Total liabilities, deferred inflows of resources and fund balances	\$ 21,941,841	\$ 13,869,670	\$ 2,323,542	\$ 14,800,730	\$ 52,935,783

See accompanying Notes to Basic Financial Statements.

City of Healdsburg

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position

June 30, 2024

Total Fund Balances - Total Governmental Funds \$ 34,943,915

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:

	Government- Wide Statement of Net Position	Internal Service Funds	Total
Nondepreciable	\$ 36,816,256	\$ -	\$ 36,816,256
Depreciable, net	85,401,680	(5,011,477)	80,390,203
Total capital assets	<u>\$ 122,217,936</u>	<u>\$ (5,011,477)</u>	<u>117,206,459</u>

Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position.

10,392,648

Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.

3,501,845

In the Government-Wide Financial Statements, deferred employer contributions for pension and OPEB, certain differences between actuarial estimates and actual results, and other adjustments resulting from changes in assumptions and benefits are deferred in the current year.

	Government- Wide Statement of Net Position	Internal Service Funds	
Deferred outflows of resources related to pension	\$ 13,634,088	\$ -	13,634,088
Deferred outflows of resources related to OPEB	104,889	-	104,889
Deferred inflows of resources related to pension	(1,332,265)	-	(1,332,265)
Deferred inflows of resources related to OPEB	(224,981)	-	(224,981)

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

	Government- Wide Statement of Net Position	Internal Service Funds	Total
Compensated absences - due within one year	\$ (1,306,007)	\$ 1,306,007	\$ -
Compensated absences - due in more than one year	(1,706,698)	1,706,698	-
Long-term debt - due within one year	(137,014)	32,156	(104,858)
Long-term debt - due in more than one year	(1,087,333)	24,225	(1,063,108)
Net pension liability	(34,807,395)	-	(34,807,395)
OPEB liability - due within one year	(18,690)	-	(18,690)
OPEB liability - due in more than one year	(650,134)	-	(650,134)
Total long-term liabilities	<u>\$ (39,713,271)</u>	<u>\$ 3,069,086</u>	<u>(36,644,185)</u>

Net Position of Governmental Activities

\$ 141,582,413

City of Healdsburg
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2024

	General	Special Revenue Fund Community Services	Capital Projects Fund Streets	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Property taxes	\$ 5,275,497	\$ -	\$ -	\$ 255,781	\$ 5,531,278
Sales and other taxes	11,012,930	6,855,779	133,651	1,338,201	19,340,561
Development fees	439,967	20,376	158,437	27,383	646,163
Intergovernmental	1,805,784	1,398,109	280,903	607,164	4,091,960
Fines and forfeitures	43,008	-	-	-	43,008
Licenses and permits	1,973,447	-	-	-	1,973,447
Use of money and property	959,800	550,316	81,685	159,017	1,750,818
Charges for services	1,014,985	1,255,007	4,276	-	2,274,268
Other, donations, and reimbursements	4,117,612	258,845	584,375	116,613	5,077,445
Total revenues	26,643,030	10,338,432	1,243,327	2,504,159	40,728,948
EXPENDITURES:					
Current:					
General government	9,427,439	-	-	-	9,427,439
Public safety	12,642,318	-	-	37,238	12,679,556
Streets and roads	-	-	2,076,853	2,700	2,079,553
Community development	766,536	-	-	1,067,272	1,833,808
Community services	-	11,217,986	-	-	11,217,986
Debt service:					
Principal retirement	-	-	-	104,597	104,597
Interest and fiscal charges	-	-	-	3,181	3,181
Total expenditures	22,836,293	11,217,986	2,076,853	1,214,988	37,346,120
REVENUES OVER (UNDER) EXPENDITURES	3,806,737	(879,554)	(833,526)	1,289,171	3,382,828
OTHER FINANCING SOURCES (USES):					
Transfers in	226,437	-	1,842,038	125,124	2,193,599
Transfers out	(1,825,349)	(125,124)	-	(615,285)	(2,565,758)
Total other financing sources (uses)	(1,598,912)	(125,124)	1,842,038	(490,161)	(372,159)
Net change in fund balances	2,207,825	(1,004,678)	1,008,512	799,010	3,010,669
FUND BALANCES:					
Beginning of year, as previously presented	16,291,955	4,717,348	397,967	10,525,976	31,933,246
Change within financial reporting entity	(2,273,467)	1,114,032	-	1,159,435	-
Beginning of year, as restated	14,018,488	5,831,380	397,967	11,685,411	31,933,246
End of year	\$ 16,226,313	\$ 4,826,702	\$ 1,406,479	\$ 12,484,421	\$ 34,943,915

City of Healdsburg

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities For the year ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 3,010,669
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Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:

Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated lives as depreciation expense. This was the amount of capital assets recorded in the current period, net of the amount related to internal service funds.	9,086,349
Donated capital assets was reported in the Government-Wide Statement of Activities as revenues, whereas, donated capital assets was not reported as revenues in the governmental funds	510,410
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds, net of the amount related to internal service funds.	(3,118,049)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position. Long-term debt repayments	104,597
Current year employer pension contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	5,404,952
Pension income/(expense) is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.	(6,543,194)
OPEB expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.	102,159
Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.	1,722,299
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities.	516,281
Change in Net Position of Governmental Activities	\$ 10,796,473

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City of Healdsburg
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities					Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Electric Fund	Non-major	Totals	
				Airport Fund		
ASSETS						
Current Assets:						
Cash and investments	\$ 4,527,621	\$ 8,976,677	\$ 12,883,123	\$ 399,060	\$ 26,786,481	\$ 9,660,425
Cash and investments with fiscal agents	56	2,164	-	-	2,220	-
Pension stabilization investments	566,776	830,925	974,813	-	2,372,514	-
Investment in NCPA reserves	-	-	5,729,441	-	5,729,441	-
Accounts receivable	1,146,967	1,287,373	2,341,260	11,660	4,787,260	123,122
Loans and notes receivable	-	-	-	-	-	3,408
Interest receivable	26,884	51,768	76,225	2,398	157,275	26,155
Intergovernmental receivable	965,024	914	-	104,417	1,070,355	-
Due from other funds	-	291,343	15,000	57,745	364,088	-
Inventory	103,930	20,089	2,598,795	44,943	2,767,757	15,640
Total current assets	7,337,258	11,461,253	24,618,657	620,223	44,037,391	9,828,750
Noncurrent:						
Advances to other funds	-	1,019,817	1,019,817	-	2,039,634	-
Capital assets:						
Land	310,781	766,902	48,360	119,834	1,245,877	-
Construction in progress	2,515,265	409,003	1,076,559	3	4,000,830	-
Depreciable buildings and improvements	1,443,869	258,359	447,835	890,807	3,040,870	-
Depreciable utility systems	36,686,712	86,470,891	31,682,816	-	154,840,419	-
Depreciable operations	-	-	-	4,866,909	4,866,909	-
Depreciable equipment	655,480	1,808,823	1,001,599	209,510	3,675,412	15,432,803
Accumulated depreciation	(16,380,021)	(34,331,850)	(15,672,867)	(2,182,486)	(68,567,224)	(10,421,326)
Net capital assets	25,232,086	55,382,128	18,584,302	3,904,577	103,103,093	5,011,477
Total noncurrent assets	25,232,086	56,401,945	19,604,119	3,904,577	105,142,727	5,011,477
Total assets	32,569,344	67,863,198	44,222,776	4,524,800	149,180,118	14,840,227
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on debt refunding	-	602,136	-	-	602,136	-
Pension related	1,564,664	1,564,664	2,166,457	-	5,295,785	-
OPEB related	24,110	33,662	13,223	-	70,995	-
Total deferred outflows of resources	1,588,774	2,200,462	2,179,680	-	5,968,916	-

See accompanying Notes to Basic Financial Statements.

City of Healdsburg
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities					Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Electric Fund	Non-major	Totals	
				Airport Fund		
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	1,243,782	122,835	831,360	97,781	2,295,758	1,064,048
Due to other funds	-	716,343	-	57,745	774,088	-
Deposits payable	14,133	150	710,704	18,718	743,705	-
Retention payable	59,224	-	-	-	59,224	-
Interest payable	45,308	157,138	3,330	-	205,776	-
Bonds payable - current	612,000	1,190,000	-	-	1,802,000	-
Loans payable - current	-	-	119,588	-	119,588	-
Lease liabilities - current	-	-	-	-	-	32,156
Compensated absences - current	-	-	-	-	-	1,306,007
OPEB liability - current	4,422	6,173	2,425	-	13,020	-
Claims payable - current	-	-	-	-	-	96,126
Total current liabilities	1,978,869	2,192,639	1,667,407	174,244	6,013,159	2,498,337
Noncurrent liabilities:						
Bonds payable	3,572,000	16,655,219	-	-	20,227,219	-
Loan payable	-	-	1,212,452	-	1,212,452	-
Lease liabilities	-	-	-	-	-	24,225
Compensated absences	-	-	-	-	-	1,706,698
Claims payable	-	-	-	-	-	218,319
Net pension liability	4,064,526	4,064,526	5,627,805	-	13,756,857	-
Net OPEB liability	149,317	208,473	81,894	-	439,684	-
Total noncurrent liabilities	7,785,843	20,928,218	6,922,151	-	35,636,212	1,949,242
Total liabilities	9,764,712	23,120,857	8,589,558	174,244	41,649,371	4,447,579
DEFERRED INFLOWS OF RESOURCES						
Pension related	221,406	221,406	306,562	-	749,374	-
OPEB related	51,715	72,203	28,363	-	152,281	-
Total deferred inflows of resources	273,121	293,609	334,925	-	901,655	-
NET POSITION						
Net investment in capital assets	20,988,918	38,141,209	18,584,302	3,904,577	81,619,006	4,955,096
Restricted	2,191,638	8,703,326	6,897,827	-	17,792,791	-
Unrestricted	939,729	(195,341)	11,995,844	445,979	13,186,211	5,437,552
Total net position	\$ 24,120,285	\$ 46,649,194	\$ 37,477,973	\$ 4,350,556	\$ 112,598,008	\$ 10,392,648

City of Healdsburg

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the year ended June 30, 2024

	Business-Type Activities					Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Electric Fund	Non-major Airport Fund	Totals	
OPERATING REVENUES:						
Charges for services	\$ 6,235,537	\$ 8,425,663	\$ 15,065,604	\$ 213,120	\$ 29,939,924	\$ 7,391,643
Development fees	112,059	336,592	82,841	6,097	537,589	-
Rental income	-	-	-	209,214	209,214	-
Intergovernmental	1,347,012	914	-	742,184	2,090,110	-
Other	41,879	721,979	1,313,020	343	2,077,221	112,301
Total operating revenues	7,736,487	9,485,148	16,461,465	1,170,958	34,854,058	7,503,944
OPERATING EXPENSES:						
Purchase of power	-	-	5,312,034	-	5,312,034	-
Salaries and benefits	2,689,757	3,467,616	3,208,219	13,245	9,378,837	3,207,491
Maintenance and operations	1,195,472	2,657,813	5,121,912	1,247,370	10,222,567	3,505,921
Administration	1,011,329	1,316,112	1,652,847	44,865	4,025,153	431,610
Amortization	-	-	-	-	-	31,971
Depreciation	860,091	2,401,842	652,768	125,736	4,040,437	1,508,770
Total operating expenses	5,756,649	9,843,383	15,947,780	1,431,216	32,979,028	8,685,763
Operating income (loss)	1,979,838	(358,235)	513,685	(260,258)	1,875,030	(1,181,819)
NONOPERATING REVENUES (EXPENSES):						
Investment income (loss)	217,272	405,133	769,259	12,756	1,404,420	387,983
Interest expense	(191,361)	(663,306)	(3,329)	-	(857,996)	(379)
Gain (loss) on sale of fixed assets	-	-	-	-	-	6,900
Total nonoperating revenues (expenses)	25,911	(258,173)	765,930	12,756	546,424	394,504
Income before contributions and transfers	2,005,749	(616,408)	1,279,615	(247,502)	2,421,454	(787,315)
CONTRIBUTIONS AND TRANSFERS:						
Transfers in	-	44,978	-	-	44,978	513,618
Transfers out	-	-	(186,437)	-	(186,437)	-
Capital contributions	241,603	694,161	270,533	820,022	2,026,319	789,978
Total contributions and transfers	241,603	739,139	84,096	820,022	1,884,860	1,303,596
Change in net position	2,247,352	122,731	1,363,711	572,520	4,306,314	516,281
NET POSITION:						
Beginning of year	21,872,933	46,526,463	36,114,262	3,778,036	108,291,694	9,876,367
End of year	\$ 24,120,285	\$ 46,649,194	\$ 37,477,973	\$ 4,350,556	\$ 112,598,008	\$ 10,392,648

See accompanying Notes to Basic Financial Statements.

City of Healdsburg
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2024

	Business-Type Activities				Totals	Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Electric Fund	Airport Fund		
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$ 5,634,677	\$ 8,691,650	\$ 15,041,011	\$ 209,415	\$ 29,576,753	\$ 7,347,185
Receipts from other operating activities	1,388,891	722,893	1,313,020	951,741	4,376,545	112,301
Payments to suppliers	(1,020,912)	(3,984,870)	(11,756,882)	(1,242,479)	(18,005,143)	(4,540,125)
Payments to employees	(2,521,118)	(3,262,664)	(3,095,926)	(13,245)	(8,892,953)	(3,027,287)
Net cash provided (used) by operating activities	3,481,538	2,167,009	1,501,223	(94,568)	7,055,202	(107,926)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Interfund borrowing	-	425,000	-	-	425,000	-
Transfers in	-	44,978	-	-	44,978	557,416
Transfers out	-	-	(186,437)	-	(186,437)	(43,798)
Net cash provided (used) by non-capital financing activities	-	469,978	(186,437)	-	283,541	513,618
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Interest paid	(199,440)	(674,709)	(3,627)	-	(877,776)	(379)
Principal payment on debt	(749,000)	(1,171,381)	(119,290)	-	(2,039,671)	(31,992)
Cash received from sale of capital assets	-	-	-	-	-	6,900
Acquisition and construction of capital assets	(1,818,656)	109,860	(209,500)	150,735	(1,767,561)	(82,320)
Net cash provided (used) by capital and related financing activities	(2,767,096)	(1,736,230)	(332,417)	150,735	(4,685,008)	(107,791)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment income (loss)	202,326	378,241	765,792	11,414	1,357,773	375,627
Net cash provided (used) by investing activities	202,326	378,241	765,792	11,414	1,357,773	375,627
Increase (Decrease) in cash and cash equivalents	916,768	1,278,998	1,748,161	67,581	4,011,508	673,528
CASH AND INVESTMENTS - Beginning of Fiscal Year	4,177,685	8,530,768	12,109,775	331,479	25,149,707	8,986,897
CASH AND INVESTMENTS - End of Fiscal Year	\$ 5,094,453	\$ 9,809,766	\$ 13,857,936	\$ 399,060	\$ 29,161,215	\$ 9,660,425
RECONCILIATION OF CASH & CASH EQUIVALENTS						
Cash and investments	\$ 4,527,621	\$ 8,976,677	\$ 12,883,123	\$ 399,060	\$ 26,786,481	\$ 9,660,425
Cash and investments with fiscal agents	56	2,164	-	-	2,220	-
Pension stabilization investments	566,776	830,925	974,813	-	2,372,514	-
	\$ 5,094,453	\$ 9,809,766	\$ 13,857,936	\$ 399,060	\$ 29,161,215	\$ 9,660,425

City of Healdsburg
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2024

	Business-Type Activities				Totals	Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Electric Fund	Airport Fund		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating income (loss)	1,979,838	(358,235)	513,685	(260,258)	1,875,030	(1,181,819)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating operating activities:						
Depreciation and amortization	860,091	2,401,842	652,768	125,736	4,040,437	1,540,741
Changes in assets and liabilities:					-	
(Increase) decrease in receivable	(705,922)	(69,805)	(365,860)	(9,802)	(1,151,389)	(44,458)
(Increase) decrease in inventories	(5,765)	377	(237,133)	(29,051)	(271,572)	(6,457)
Increase (decrease) in prepaid items	-	-	-	-	-	54,063
Increase (decrease) in deferred outflows of resources - OPEB related	(8,054)	(12,821)	4,911	-	(15,964)	-
Increase (decrease) in deferred outflows of resources - pension related	(5,252)	(5,252)	(7,271)	-	(17,775)	-
Increase (decrease) in accounts payable and accrued liabilities	1,132,430	(11,322)	567,044	78,807	1,766,959	(650,200)
Increase (decrease) in in deposits payable	(6,997)	(800)	258,426	-	250,629	-
Increase (decrease) in retention payable	59,224	-	-	-	59,224	-
Increase (decrease) in claims payable	-	-	-	-	-	16,460
Increase (decrease) in OPEB	58,021	90,401	(23,786)	-	124,636	-
Increase (decrease) in net pension liability	252,019	252,019	348,949	-	852,987	-
Increase (decrease) in compensated absences	-	-	-	-	-	163,744
Increase (decrease) in deferred inflows of resources - OPEB related	12,161	20,861	(16,309)	-	16,713	-
Increase (decrease) in deferred inflows of resources - pension related	(140,256)	(140,256)	(194,201)	-	(474,713)	-
Net cash provided by operating activities	\$ 3,481,538	\$ 2,167,009	\$ 1,501,223	\$ (94,568)	\$ 7,055,202	\$ (107,926)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contribution	\$ 241,603	\$ 694,161	\$ 270,533	\$ 820,022	\$ 2,026,319	\$ 789,978
Amortization related to deferred loss on debt refunding	\$ -	\$ 54,740	\$ -	\$ -	\$ 54,740	\$ -

City of Healdsburg
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Private Purpose Trust Fund	Custodial Fund Cultural Center
ASSETS		
Cash and investments	\$ 3,793,142	\$ 82,437
Cash and investments with fiscal agents	2,618,775	-
Loans and notes receivable	2,609,931	-
Interest receivable	26,398	479
Nondepreciable capital assets	528,300	-
Total assets	9,576,546	82,916
LIABILITIES		
Interest payable	535,362	-
Long-term liabilities:		-
Long-term debt - due within one year	2,496,800	-
Long-term debt - due in more than one year	29,545,729	-
Total liabilities	32,577,891	-
NET POSITION		
Net position held for private purposes	(23,001,345)	-
Net position held for Individuals, organizations, and other governments	-	82,916
Total Net Position	\$ (23,001,345)	\$ 82,916

City of Healdsburg
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2024

	Private Purpose Trust Fund	Custodial Fund Cultural Center
ADDITIONS:		
Property taxes	\$ 3,914,620	\$ -
Use of money and property	291,316	3,741
Total additions	4,205,936	3,741
DEDUCTIONS:		
Community development	5,350	-
Interest expense	1,136,641	-
Administrative expense	250,000	-
Total deductions	1,391,991	-
Change in net position	2,813,945	3,741
NET POSITION:		
Beginning of year	(25,815,290)	79,175
End of year	<u>\$ (23,001,345)</u>	<u>\$ 82,916</u>

NOTES TO BASIC FINANCIAL STATEMENTS

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City of Healdsburg

Notes to Basic Financial Statements

For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Healdsburg (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. *Reporting Entity*

The basic financial statements of the City of Healdsburg (City) include the financial activities of the City and its component unit: the Healdsburg Public Financing Authority (HPFA).

The criteria used in determining the scope of the reporting entity are based on the provisions of Governmental Accounting Standards Board Statement (GASB) No.14 as amended by GASB No. 39, No. 61 and No. 80. The City of Healdsburg is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component units' Board or because the component unit will provide a financial benefit or impose a financial burden on the City.

The component unit has been accounted for as a "blended" component unit of the City. Despite being legally separate, the HPFA is so intertwined with the City that it is, in substance, part of the City's operations. Accordingly, the balances and transactions of this component unit are reported within the funds of the City. HPFA transactions are recorded in the Sewer Enterprise Fund. The following criteria were used in determining that the component unit was blended:

The members of the City Council or other members appointed by the City Council act as governing body of the HPFA. In addition, the HPFA provide services, which benefit the City. No separate financial statements are issued for HPFA.

The City participates in one joint power activity and one pooled arrangement through formally organized and separate entities. The financial activities of the Northern California Power Agency and the Redwood Empire Municipal Insurance Fund are not included in the accompanying basic financial statements as they are administered by boards separate from and independent of the City.

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Certain eliminations have been made as prescribed by GASB Statement No. 34 regarding interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grant and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Government-wide and Fund Financial Statement

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the reporting government as a whole except for its fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government (including its blended component units) is reported separately from discretely presented component units for which the primary government is financially accountable. The City has no discretely presented component units. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for all proprietary funds.

Internal service funds are also presented in these statements. Internal service balances and activities have been allocated between governmental activities and business-type activities in the government-wide financial statements. These internal service funds account for charges to other funds and departments for insurance, maintenance, and information services.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements and fiduciary fund statements. Under the economic resources measurement focus, all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year in which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all the eligibility requirements have been satisfied.

Proprietary funds distinguish operating revenues from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources, as they are needed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets despite their spending measurement focus.

However, special reporting treatments are used to indicate that they should not be considered available spendable resources" since they do not represent net current assets. Recognition of governmental fund type revenue represented by noncurrent receivables is deferred until they become current receivables.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued

Under the modified accrual basis of accounting, revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on long-term liabilities, claims payable, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds and proceeds of long-term liabilities are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is susceptible to accrual as revenue of the current period. All other revenue items are measurable and available only when cash is received by the government.

Fiduciary funds focus on net position and changes in net position. Trust funds use the flow of economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans. Custodial funds also use the accrual basis of accounting, but, since they are custodial in nature and do not involve the measurement of results of operations, they do not have a measurement focus.

Fund Classifications - The funds designated as major funds are determined by a mathematical calculation consistent with GASB Statement No. 34.

Major Governmental Funds

The General Fund is the primary operating fund of the City. It is used to account for all revenues and expenditures that are not required to be accounted for in another fund.

The Community Services Special Revenue Fund accounts for Transient Occupancy Tax funds received that are restricted for community services.

The Street Capital Project Fund accounts for the acquisition and construction of major streets and roads capital projects throughout the City.

Major Enterprise Funds

The Water Fund accounts for the activities of providing water utilities to the residents of the City.

The Sewer Fund accounts for the activities of providing sewer utilities to the residents of the City.

The Electric Fund accounts for the activities of the electric distribution operations.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued

The City's fund structure includes the following fund types:

Governmental Fund Types

Special Revenue Funds are used to account for, and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds are required by statute or ordinance to finance particular functions or activities of government.

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal, interest, and related costs on long-term obligations.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

Permanent Funds are used to account for and report financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support City programs.

Proprietary Fund Types

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Internal Service Funds are used to account for the financing of special activities that provide services within the City. These activities include insurance and benefits, vehicle maintenance, information services, and building maintenance.

Fiduciary Fund Types

Private Purpose Trust Funds are used to report trust arrangements under which principal and income benefits to support private organizations or other governments.

Custodial Funds are used to account for assets held by the City as an agent for individuals, private organizations, or other governments.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Net Position, or Equity

Cash and Investments

The City pools idle cash from all funds for the purpose of increasing income through investment. Earnings from such investments are allocated to the respective funds based on applicable cash balances of each fund.

In compliance with the applicable State statute, the Statement of Investment Policy is adopted annually by the City Council. Investments authorized under the Investment Policy include:

- Local Agency Investment Fund (LAIF) - State of California Investment Pool
- Sonoma County Pooled Fund
- U.S. Treasury Obligations
- U.S. Government Agency Issues
- Certificates of Deposit
- Money Market Funds
- Medium-term Notes
- Commercial Paper
- Repurchase Agreements

The City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Pools", which require governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the year in which the change occurred.

The City's investments are carried at fair value which approximates cost. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. LAIF determines the fair value of its portfolio quarterly and reports a factor to the City; the City applies that factor to convert its share of LAIF from amortized cost to fair value. Changes in fair value are allocated to each participating fund.

For purposes of the statement of cash flows for the proprietary fund, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered cash equivalents.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as interfund receivables or interfund payables.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Net Position, or Equity, Continued

Encumbrances

Encumbrance accounting is employed as an extension of the budgetary process. This method records purchase orders, contracts, and other commitments for the expenditure of funds to reserve that portion of the applicable appropriation. The City Council honors encumbrances outstanding at fiscal year-end.

Receivables and Payables

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and tax receivables are shown net of an allowance for uncollectible accounts if applicable, and estimated refunds due.

Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Inventory

Inventory is valued at cost using the weighted average method. Inventory of the Enterprise Funds consists primarily of materials and supplies for utility operations.

Pensions

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/ deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. For this report, the following timeframes are used:

- Valuation Date: June 30, 2022
- Measurement Date: June 30, 2023
- Measurement Period: July 1, 2022 through June 30, 2023

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Net Position, or Equity, Continued

Other Postemployment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Date: June 30, 2024
- Measurement Date: June 30, 2024
- Measurement Period: July 1, 2023 through June 30, 2024

Property Taxes

Property Tax Levy, Collection and Maximum Rates - The State of California (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for general obligation debt has been approved by voters.

Assessed value is calculated at 100 percent of market value as defined by Article XIII A and may be adjusted by no more than two percent per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a one percent tax levy among the counties, cities, school districts, and other districts.

Sonoma County assesses properties, bills for, and collects secured and unsecured property taxes as follows:

	Secured	Unsecured
Lien dates	January 1	January 1
Levy dates	July 1	July 1
Due dates	50% on November 1, 50% on February 1	July 1
Delinquent as of	December 10 (for Nov.), April 10 (for Feb)	August 1

The term “unsecured” refers to taxes on personal property. These taxes are secured by liens on the property being taxed. The City accrues only those taxes, which are levied for the tax year and received within sixty days after fiscal year-end.

Property Tax Administration Fees – The State of California FY 1990-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administrative fees withheld during the fiscal year.

Prepaid Items

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Net Position, or Equity, Continued

Claims Payable

The City reports its risk activities in the Insurance and Benefit Service Fund for its workers compensation and Building Maintenance Fund for its general liability. When it is probable that a claim liability has been incurred at fiscal year-end, and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage under its self-insurance program. Estimated claims losses, if any, include an accrual for IBNR (“incurred but not reported”) claims. Small dollar claims are recorded as expenditures when paid.

Capital Assets

Capital Assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Donated capital assets received prior to the implementation of GASB Statement No. 72 were recorded at fair value on the date of donation. Donated capital assets received after the implementation of GASB Statement No. 72 are recorded at acquisition value as of the date received. Generally, capital asset purchases more than \$5,000 are capitalized if they have an expected useful life of 3 years or more.

Capital assets include additions to public domain (infrastructure) including certain improvements such as pavement, curb and gutter, sidewalks, traffic control devices, bridges, and right-of-way corridors within the City.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the Government-wide Financial Statements and in the Fund Financial Statements of the Proprietary Funds. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the statement of net position. The lives used for depreciation purposes of each capital asset class are:

Buildings	10 -30 years
Improvements other than buildings	10 years
Water distribution lines	10 - 50 years
Vehicles	3 - 7 years
Machinery and equipment	10 years
Office furniture, computers, and equipment	3 -10 years
Leased property	5 - 10 years
Infrastructure	50 years

Right to Use Assets

The City has recorded right to use lease assets as a result of implementing GASB Statement No.87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Net Position, or Equity, Continued

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

Vested Vacation and Sick Leave obligations are fully funded and recorded in the Insurance and Benefit Internal Service Fund as accrued compensated absences.

Long-Term Obligations

In the government-wide financial statements, and proprietary type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount. Amortization of bond premiums and discounts are included in interest expense. Debt from direct placements and direct borrowings are disclosed as such in the notes to the financial statements.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Net Position, or Equity, Continued

Net Position

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

In the government-wide financial statements, proprietary fund financial statements, and fiduciary fund financial statements, net position is reported in three categories: net investment in capital assets, restricted, and unrestricted. Net position that is net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position represents the portion of net position that has external constraints placed on it by parties outside of the City, such as creditors, grantors, contributors, or laws and regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Net Position, or Equity, Continued

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the City Council, as resolutions and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the fiscal year.

The City's policy is to apply restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

E. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. New Accounting Pronouncements

In 2024, the City adopted new account standards in order to conform with the following Government Accounting Standards Board Statements:

GASB Statement No. 100 – *Accounting Changes and Error Corrections* – The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. The City restated its beginning fund balances as part of implementing this standard.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Control and Accounting

General Budget Policies

The City Council reviews and adopts an annual budget for the General, Special Revenue, Debt Service, and Capital Projects Funds. The City Council holds public hearings and may modify the appropriations by general approval. Budgeted amounts may be transferred between departments with the City Manager’s approval. The legal level of expenditure control is at the fund level. Operating appropriations lapse at the end of each fiscal year.

The budget is reported on the same basis as the fund types and on a basis consistent with accounting principles generally accepted in the United States of America. Additional appropriations or other changes during the fiscal year may be submitted by each department for Council review and approval.

B. Excess Expenditures over Appropriations

Excess of expenditures over appropriations in individual funds are as follows:

	Final Budget	Expenditures	Excess
Nonmajor Funds:			
Senior Trust Center fund			
Community development	\$ 4,000	\$ 4,466	\$ (466)

C. Deficit Fund Balances

The North Area Special Revenue Fund and the Fire Impact Special Revenue Fund, both classified as non-major governmental funds, currently have a deficit fund balance of \$13,338 and \$102,531 respectively. These deficits are expected to be alleviated as additional development contributions and benefit assessments are received

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS

Cash and investments as of June 30, 2024 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 65,417,859
Restricted cash and investments with fiscal agents	314,467
Pension stabilization investments	7,992,031
Investment in NCPA Reserves	5,729,441
Fiduciary funds:	
Cash investments	3,875,579
Restricted cash and investments with fiscal agents	<u>2,618,775</u>
Total cash and investments	<u>\$ 85,948,152</u>

Cash and investments as of June 30, 2024 consist of the following:

Cash on hand	\$ 2,780
Deposits with financial institutes	7,098,141
Pension stabilization investments	7,992,031
Investment in NCPA Reserves	5,729,441
Investments	<u>65,125,759</u>
Total cash and investments	<u>\$ 85,948,152</u>

The table below identifies the investment types that are authorized for the City of Healdsburg by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California government Code or the City's investment policy.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS, Continued

A. Investments Authorized by the California Government Code and the City's Investment Policy

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio*	Maximum Investment in One Issuer	Credit/Minimum Quality Requirements
US Treasury Bills, Bonds and Notes	None	100%	None	N/A
Federal Agency Securities	None	100%	None	N/A
Local Agency Bonds	None	30%	5% per single issuer	A or its equivalent
State of California Obligations	None	30%	5% per single issuer	A or its equivalent
CA Local Agency Obligations	None	30%	5% per single issuer	A or its equivalent
Obligations of other 49 States	None	30%	5% per single issuer	A or its equivalent
U.S Government Money Market Funds	90 Days	20%	10% per single issuer	N/A
Commercial Paper	270 Days	25%	5% per single issuer	A-1, P-1
Negotiable Certificates of Deposit	5 years	30%	5% per single issuer	A or its equivalent
Repurchase Agreements	92 Days	20%	5% per single issuer	N/A
Medium-term Corporate Bonds	5 years	30%	5% per single issuer	A or its equivalent
Mortgage Pass-Through Securities and Collateralized Mortgage Obligations	5 years	10%	5% per single issuer	AA or its equivalent
Supranationals	5 years	30%	10% per single issuer	AA or its equivalent
Joint Powers Authority (Local Government Investment Pools)	N/A	100%	None	Multiple requirements
Local Agency Investment Fund	N/A	100%	State maximum	N/A
Sonoma County Pooled Fund	N/A	10%	10% of total portfolio	N/A

*Excluding amounts held by bond trustee and the Pension Stabilization trustee that are not restricted by the California Government Code.

The investment policy allows for the above investments which have equal safety and liquidity as all other allowed investments. Maturity depends on the cash needs of the City.

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the Investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS, Continued

B. Investments Authorized by Debt Agreements, Continued

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Government Sponsored Enterprise Securities	None	None	None
Bankers Acceptances	180 days	40%	10%
Commercial Paper	270 days	25%	5%
Money Market Funds	N/A	20%	10%
Investment Contracts	30 years	None	None
Sonoma County Pooled Fund	N/A	10%	None
State of California Local Agency Investment Fund (State Pool)	N/A	Unlimited	\$75,000,000

C. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Totals	(Remaining maturity in Months)			
		12 Months or Less	13 to 24 Months	25 - 60 Months	More than 60 Months
Corporate Issues	16,629,510	\$ 3,330,743	\$ 454,393	5,407,832	\$ 7,436,542
Commercial Paper	2,296,384	2,296,384	-	-	-
Municipal Bonds	540,664	-	-	540,664	-
U.S. Treasury Securities	9,180,934	3,339,368	1,215,760	2,381,281	2,244,525
Federal Agency Bonds	4,494,775	748,995	3,745,780	-	-
Federal Agency Mortgage-Backed Security	8,198,733	-	1,233,572	1,776,988	5,188,173
State Investment Pool (LAIF)	20,851,516	20,851,516	-	-	-
Held by Fiscal Agents:					
County Investment Pool	312,247	312,247	-	-	-
Money Market Mutual Funds	2,620,996	2,620,996	-	-	-
Total	\$ 65,125,759	\$ 33,500,249	\$ 6,649,505	\$ 10,106,765	\$ 14,869,240

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS, Continued

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Rating as of Fiscal Year End			Not Rated
			AAA	AA	A	
Corporate Issues	\$ 16,629,510	A	\$ 997,016	\$ -	\$ 2,316,602	\$ 13,315,892
Commercial Paper	2,296,384	A1, P1	-	-	-	2,296,384
Municipal Bonds	540,664	A	-	-	-	540,664
U.S. Treasury Securities	9,180,934	N/A	-	9,180,934	-	-
Federal Agency Bonds	4,494,775	N/A	-	-	-	-
Federal Agency Mortgage-Backed Security	8,198,733	AA	-	8,198,733	-	-
State Investment Pool (LAIF)	20,851,516	N/A	-	-	-	20,851,516
Held by Fiscal Agents:			-	-	-	-
County Investment Pool	312,247	N/A	-	-	-	312,247
Money Market Mutual Funds	2,620,996	N/A	-	-	-	2,620,996
Total	<u>\$ 65,125,759</u>		<u>\$ 997,016</u>	<u>\$ 17,379,667</u>	<u>\$ 2,316,602</u>	<u>\$ 39,937,699</u>

F. Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS, Continued

G. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits; the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the City’s deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The City’s deposits with financial institutions in excess of federal depository insurance limits are legally required by the California Government Code, to be collateralized as noted above.

As of June 30, 2024, the City investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the City to buy securities:

Investment Type	Amount
Corporate Issues	\$ 16,629,510
Commercial Paper	2,296,384
Municipal Bonds	540,664
Taxable Municipal Issues	540,664
U.S. Treasury Securities	9,180,934
Federal Agency Bonds	4,494,775
Federal Agency Mortgage-Backed Security	8,198,733

H. Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City’s investment in this pool is reported in the accompanying financial statements at amounts based upon the City’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS, Continued

I. Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The City has the following recurring fair value measurements as of June 30, 2024:

Investments by fair value	Totals	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate Issues	\$ 16,629,510	\$ -	\$ 16,629,510	\$ -
Commercial Paper	2,296,384	-	2,296,384	-
Municipal Bonds	540,664	-	540,664	-
US Treasury Securities	9,180,934	-	9,180,934	-
Federal Agency Bonds	4,494,775	-	4,494,775	-
Federal Agency Mortgage-Backed Securities	8,198,733	-	8,198,733	-
Total	41,341,000	\$ -	\$ 41,341,000	\$ -
<i>Investments not subject to leveling disclosure:</i>				
Money Market Mutual Funds	2,620,996			
State Investment Pool (LAIF)	20,851,516			
County Investment Pool	312,247			
	<u>65,125,759</u>			

The City investments in LAIF, money market mutual funds, and the Sonoma County Investment Pool are not required to be measured under Level 1, 2, or 3.

J. Pension Stabilization Investment Program

Investments of funds held in the Pension Stabilization Investment Program are governed by the Investment Guidelines Document for the investment account and by the agreement for administrative services with the Public Agency Retirement Services (PARS), rather than the general provisions of the California Government Code or the City’s investment policy. The Pension Stabilization Investment Program’s investment policy is established and can be modified by the City. The goal of the Pension’s investment program is to provide a reasonable level of growth which, will result in sufficient assets to pay the present and future obligations of the City’s retirement Plan. The assets in this program will eventually be used to fund Pension Plan obligations for assets managed in the CalPERS Trust. The assets are also available to mitigate the potential negative impact of future rate hikes from CalPERS. The account’s risk tolerance has been rated moderately conservative, which demonstrates that the account can accept some price fluctuations to pursue its investment objectives.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS, Continued

J. Pension Stabilization Investment Program, Continued

As for duration, the investment manager will maintain the portfolio duration within +/- 25% of the benchmark duration at all times. The benchmark duration is the BC Aggregate Bond benchmark. At June 30, 2024, the benchmark duration was 6.14 years, and the plan's overall duration was 5.99. The target asset allocation of the portfolio is 20-40% to equity investments, 50-80% to fixed income investments, and 0-20% to cash. Specifically identifiable investments are recorded by the Trustee in its records. All investments are either held by the counterparty or the counterparty's trust department or agent, but not in the City's name directly.

Pension volatility mitigation-contributions from the Fund can be either transferred to CalPERS or the City at the City's discretion to offset fluctuations in the required annual contributions. Assets can be accessed anytime to fund the City's pension obligations and defray reasonable expenses associated therewith.

The table below identifies the investment types that are authorized for investments held in the pension stabilization investment program. The table also identifies certain provisions of policy that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Investment
Mortgage-backed Securities	80%
Asset-back Securities	80%
Collateral Mortgage Obligations	80%
Commercial Mortgage Obligations	40%
Corporate Debt Securities - U.S. or Foreign	None
Eligible Instruments Issued Pursuant to SEC Rule 144(a)	40%
Municipal Bonds	80%

Pension stabilization investments held and the percentage of the pension investment portfolio at June 30, 2024 was as follows:

Pension Stabilization Investments	Fair Value	% of Portfolio
Federal Agency Securities		
F.H.L.M.C	\$ 1,053,896	13.19%
F.N.M.A	873,515	10.93%
U.S Treasury Securities	1,191,563	14.91%
Corporate Bonds	1,858,797	23.26%
Mutual Funds	2,708,990	33.90%
Municipal Issues	55,872	0.70%
Foreign Issues	81,940	1.03%
Money Market Mutual Funds	167,458	2.10%
Total Pension Stabilization Investments	\$ 7,992,031	100%

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS, Continued

J. Pension Stabilization Investment Program, Continued

Information about the sensitivity of the fair values of the City's pension stabilization investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Totals	Remaining maturity (in Months)			
		12 Months or Less	13 to 24 Months	26-60 Months	More Than 60 Months
Federal Agency Securities					
F.H.L.M.C	\$ 1,053,896	\$ -	\$ -	\$ 40,506	\$ 1,013,390
F.N.M.A	873,515	-	-	3,964	869,551
U.S Treasury Securities	1,191,563	-	231,792	65,125	894,646
Corporate Bonds	1,858,797	88,935	56,255	646,349	1,067,258
Mutual Funds	2,708,990	2,708,990	-	-	-
Municipal Issues	55,872	-	-	-	55,872
Foreign Issues	81,940	-	-	-	81,939
Money Market Mutual Funds	167,458	167,458	-	-	-
	<u>\$ 7,992,031</u>	<u>\$ 2,965,383</u>	<u>\$ 288,047</u>	<u>\$ 755,944</u>	<u>\$ 3,982,656</u>

Generally, credit risk is the risk that an issuer of an investment will not fulfil its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the City's pension stabilization investment policy and the actual rating, by Standard and Poor's, as of fiscal year end for each investment type:

Investment Type	Amount	Minimum Legal Rating	Minimum Rating				Not Rated
			AAA	AA	A	BBB	
Federal Agency Securities							
F.H.L.M.C	1,053,896	BBB-	\$ -	\$ -	\$ -	\$ -	\$1,053,896
F.N.M.A	873,515	BBB-	-	-	-	-	873,515
U.S Treasury Securities	1,191,563	N/A	-	-	-	-	1,191,563
Corporate Bonds	1,858,797	BBB-	190,314	144,781	572,837	643,917	306,948
Mutual Funds	2,708,990	N/A	-	-	-	-	2,708,990
Municipal Issues	55,872	BBB-	-	26,806	-	-	29,066
Foreign Issues	81,940	N/A	-	-	37,268	44,672	-
Money Market Mutual Funds	167,458	N/A	-	-	-	-	167,458
Total	<u>7,992,031</u>		<u>\$ 190,314</u>	<u>\$ 171,587</u>	<u>\$ 610,105</u>	<u>\$ 688,589</u>	<u>\$6,331,436</u>

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. CASH AND INVESTMENTS, Continued

J. Pension Stabilization Investment Program, Continued

The pension stabilization investment policy of the City contains limitations on the amount that can be invested in any one issuer. Pension stabilization investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City's pension stabilization investments are as follows:

Investment Type	Issuer	Fair Value	Interest Rate	Percentage of Portfolio
Federal Agency Securities	F.H.L.M.C	\$ 1,053,896	2.50% - 5.50%	13.19%
Federal Agency Securities	F.N.M.A	873,515	2.50% - 5.00%	10.93%

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City's pension stabilization investments have the following recurring fair value measurements as of June 30, 2024:

	Totals	Level 1	Level 2	Level 3
Federal Agency Securities	\$1,927,411	\$ -	\$ 1,927,411	\$ -
U.S. Treasury Securities	1,191,563	-	1,191,563	-
Corporate Bonds	1,858,797	-	1,858,797	-
Mutual Funds	2,708,990	-	2,708,990	-
Municipal Issues	55,872	-	55,872	-
Foreign Issues	81,940	-	81,940	-
	<u>7,824,573</u>	<u>\$ -</u>	<u>\$ 7,824,573</u>	<u>\$ -</u>
<i>Investments not subject to leveling disclosure:</i>				
Money Market Mutual Funds	<u>167,458</u>			
	<u>7,992,031</u>			

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

4. ACCOUNTS RECEIVABLE

The following is a list of accounts receivable at June 30, 2024:

	Governmental Activities	Business-type Activities	Total
Accounts receivable	\$ 3,318,253	\$ 4,787,260	\$ 8,105,513
Intergovernmental	3,276,650	1,070,355	4,347,005
Interest receivable	189,792	157,275	347,067
	<u>\$ 6,784,695</u>	<u>\$ 6,014,890</u>	<u>\$ 12,799,585</u>

5. LEASE RECEIVABLE

Metro PCS

In November 2007, the City entered into a lease with Metro PCS to allow a portion of their property to be utilized for a cellular tower. The lease term is 5 years and includes four additional optional 5 year terms which are exercised unless written notification of cancellation occurs within 90 days prior to the expiration of the existing lease term. Annual rent shall be adjusted as of the fifth (5th) anniversary of the Commencement date of the term and of any five (5) year renewal term by an increase of 15% of the annual rent paid during the previous term of five (5) year renewal term. Payments received during the current fiscal year were \$34,853. The current 5 year term will expire in August 2027.

Verizon

In May 2023, the City entered into a lease with Metro PCS to allow a portion of their property to be utilized for a cellular tower. The lease term is for a period of 5 years. Monthly rent for the first year shall be \$2,157 commencing on May 2023 and increasing by 3 percent each year thereafter.

Sonic.Net

In April 2024, the City entered into a lease with Sonic Telecom, LLC to allow a portion of their property to be utilized for installation of fiber optic cable. The lease term is for a period of 5 years. Monthly rent for the first year shall be \$300 commencing on April 2024.

The City's lease receivable activities for the year ended June 30, 2024 were as follows:

	Lease Receivable			Balance at 6/30/2024	Deferred Inflows of Resources
	Balance at 7/1/2023	Additions	Deletions		Balance at At 6/30/2024
Governmental Activities					
Metro PCS	\$ 184,378	\$ -	\$ (40,199)	\$ 144,179	\$ 137,739
Verison	125,344	-	(23,241)	102,103	99,009
Sonic.net	-	50,208	(626)	49,582	49,672
	<u>\$ 309,722</u>	<u>\$ 50,208</u>	<u>\$ (64,066)</u>	<u>\$ 295,864</u>	<u>\$ 286,420</u>

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

6. NOTES AND LOANS RECEIVABLE

The following schedule summarizes notes and loans receivable as of June 30, 2024:

Funds	Amount
Major governmental funds	
General Fund	\$ 93,157
Nonmajor governmental fund	
Housing Successor Agency special revenue fund	8,694,275
TOT Housing Fund	778,427
Internal service funds	
Information Services fund	3,408
	<u>\$ 9,569,267</u>

Notes receivable in the amount of \$9,569,267 consists of the combination of the following:

Notes Receivable	Amount
Governmental Activities:	
Individuals	\$ 2,192,653
Business Stabilization Loans	97,257
Riverfield Homes	298,540
Healdsburg Family Limited Partnership	4,692,995
Healdsburg Pacific Associates	2,246,477
Burbank Housing	1,516,663
Eden Mill District LP	258,660
Monte Vina	4,455,362
Subtotal	15,758,607
Less: Allowances for uncollectible loans	(6,192,748)
Mutual Agreement loan	
Employee computer loans	3,408
Total net notes and loan receivable	<u>\$ 9,569,267</u>

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

7. INTERFUND ACTIVITY

A. Due To/From Other Funds

Current interfund balances arise in the normal course of business and to assist funds with negative cash balance at the fiscal year end. They are expected to be repaid shortly after the end of the fiscal year. The City allocates negative interest to funds that have a negative cash balance.

The following represents the interfund activity of the City for the fiscal year ended June 30, 2024:

Fund	Due From Other Funds	Due to Other Funds
Major governmental funds		
General fund	\$ 1,523,626	\$ 321,195
Capital projects fund	-	646,737
Major enterprise funds		
Sewer Fund	-	425,000
Nonmajor governmental funds		
Gas Tax fund	-	23,062
Media Center special revenue fund	-	4,945
Fire Impact Fees Fund	-	102,687
Sub-total	1,523,626	1,523,626
Major enterprise funds		
Sewer Fund	291,343	291,343
Sub-total	291,343	291,343
Major enterprise funds		
Electric Fund	15,000	-
Nonmajor governmental funds		
North Area special revenue fund	-	15,000
Sub-total	15,000	15,000
Nonmajor enterprise fund		
Airport fund	57,745	57,745
Totals	\$ 1,887,714	\$ 1,887,714

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

7. INTERFUND ACTIVITY, Continued

B. Transfers

With council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made expenditures on behalf of another fund.

Transfers Out	Transfers In					
	Governmental Funds			Proprietary Funds		
	General Fund	Streets	Non-Major Governmental Funds	Sewer Fund	Internal Service Funds	Total Transfers Out
Governmental Funds:						
General Fund	\$ -	\$ 1,432,038	\$ -	\$ 44,978	\$ 348,333	\$ 1,825,349
Community Services	-	-	125,124	-	-	125,124
Non-Major Governmental Funds	40,000	410,000	-	-	165,285	615,285
Proprietary Funds:						
Electric Fund	186,437	-	-	-	-	186,437
Total Transfers In	\$ 226,437	\$ 1,842,038	\$ 125,124	\$ 44,978	\$ 513,618	\$ 2,752,195

C. Advances To/From Other Funds

At June 30, 2024, advances to/advances from other funds were as follows:

Advance From Other Funds (Funds receiving loans)	Advance To Other Funds (Funds making loans)		
	Proprietary Funds		
	Sewer Fund	Electric Fund	Total
Governmental Funds:			
General Fund	\$ 1,019,817	\$ 1,019,817	\$ 2,039,634
Total	\$ 1,019,817	\$ 1,019,817	\$ 2,039,634

On January 7, 2017, the Sewer Enterprise Fund and the Electric Enterprise Fund advanced each in the amounts \$1,587,500 to the General Fund for the City Hall renovation. The advance bears interest rate adjusted on July 1 of each year to equal the then LAIF rate on May 31 of the prior fiscal year. The principal and interest payments are due in 15 equal installments. As of June 30, 2024, the outstanding amount of the advance was \$2,039,634.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

8. CAPITAL ASSETS

The City has reported all capital assets including infrastructure in the government-wide Statement of Net Position. The City elected to use the basic approach as defined by GASB Statement No. 34 for all infrastructure reporting, whereby depreciation expense and accumulated depreciation have been recorded.

A summary of changes in capital assets for the City’s governmental activities for the fiscal year ended June 30, 2024 is as follows:

	Balance at July 1, 2023	Additions	Deletions	Transfers	Balance at June 30, 2024
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 20,193,298	\$ -	\$ -	\$ -	\$ 20,193,298
Right of ways	6,681,379	-	-	-	6,681,379
Construction in progress	2,063,109	9,068,872	(1,190,402)	-	9,941,579
Total capital assets not being depreciated	28,937,786	9,068,872	(1,190,402)	-	36,816,256
Capital assets, being depreciated:					
Land improvements	5,103,414	89,601	-	-	5,193,015
Streets	77,070,760	1,186,168	-	-	78,256,928
Buildings	40,337,604	514,645	-	-	40,852,249
Machinery and equipment	12,468,525	800,175	(270,126)	-	12,998,574
Infrastructure	1,515,614	-	-	-	1,515,614
Lease assets	232,135	-	(80,271)	-	151,864
Total capital assets, being depreciated	136,728,052	2,590,589	(350,397)	-	138,968,244
Less accumulated depreciation for:					
Land improvements	(1,988,982)	(42,281)	-	-	(2,031,263)
Streets	(19,939,994)	(1,601,970)	-	-	(21,541,964)
Buildings	(18,026,880)	(1,317,078)	-	-	(19,343,958)
Machinery and equipment	(8,716,990)	(1,623,435)	270,126	-	(10,070,299)
Infrastructure	(441,109)	(42,056)	-	-	(483,165)
Less accumulated amortization for:					
Lease assets	(144,214)	(31,971)	80,271	-	(95,914)
Total accumulated depreciation & Amortization	(49,258,169)	(4,658,791)	350,397	-	(53,566,563)
Total capital assets, being depreciated, net	87,469,883	(2,068,202)	-	-	85,401,681
Governmental activities capital assets, net	\$ 116,407,669	\$ 7,000,670	\$ (1,190,402)	\$ -	\$ 122,217,937

Depreciation and amortization were charged to functions/ programs of the primary government as follows:

Governmental Activities	Depreciation	Amortization	Total
General government	\$ 566,285	\$ -	\$ 566,285
Public safety	147,058	-	147,058
Streets and roads	1,602,153	-	1,602,153
Community development	481,070	-	481,070
Community services	321,484	-	321,484
Internal service funds	1,508,770	31,971	1,540,741
Total	\$ 4,626,820	\$ 31,971	\$ 4,658,791

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

8. CAPITAL ASSETS, Continued

A summary of changes in property, improvements, and equipment in the Enterprise Funds for the fiscal year ended June 30, 2024 is as follows:

	Balance at July 1, 2023	Additions	Deletions	Transfers	Balance at June 30, 2024
Business-types activities:					
Capital assets, not being depreciated:					
Land	\$ 1,245,877	\$ -	\$ -	\$ -	\$ 1,245,877
Construction in progress	2,059,348	3,282,687	(1,341,205)	-	4,000,830
Total capital assets not being depreciated	3,305,225	3,282,687	(1,341,205)	-	5,246,707
Capital assets, being depreciated:					
Buildings and improvements	3,040,870	-	-	-	3,040,870
Utility systems	141,878,471	897,683	-	-	142,776,154
Drainage	12,006,300	57,963	-	-	12,064,263
Machinery & equipment	3,317,312	358,098	-	-	3,675,410
Operations	4,046,891	820,022	-	-	4,866,913
Total capital assets, being depreciated	164,289,844	2,133,766	-	-	166,423,610
Less accumulated depreciation for:					
Buildings and improvements	(2,360,022)	(80,590)	-	-	(2,440,612)
Utility systems	(52,739,756)	(3,391,978)	-	-	(56,131,734)
Drainage	(5,720,270)	(257,886)	-	-	(5,978,156)
Machinery & equipment	(2,312,725)	(214,900)	-	-	(2,527,625)
Operations	(1,394,012)	(95,085)	-	-	(1,489,097)
Total accumulated depreciation	(64,526,785)	(4,040,439)	-	-	(68,567,224)
Total capital assets, being depreciated, net	99,763,059	(1,906,673)	-	-	97,856,386
Business-type activities capital assets, net	\$ 103,068,284	\$ 1,376,014	\$ (1,341,205)	\$ -	\$ 103,103,093

Depreciation expense was charged to the following functions:

Business-type activities	Amount
Water	\$ 860,091
Sewer	2,401,842
Electric	652,768
Airport	125,738
	<u>\$ 4,040,439</u>

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

9. RIGHT TO USE LEASE ASSETS

The City has recorded one right to use leased asset. The asset is right to use asset for leased equipment. The related lease is discussed in the Leases subsection of the Liabilities section of this note. The right to use lease asset is reported in the capital assets schedule and is amortized on a straight-line basis over the term of the related lease.

10. LONG-TERM LIABILITY

A. Changes in Long-term Liability

Summary of changes in long-term liabilities for governmental activities is as follows:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024	Due Within One Year
Governmental activities:					
Other debt					
Lease liabilities	\$ 88,373	\$ -	\$ (31,992)	\$ 56,381	\$ 32,156
Successor Agency payable	1,272,563	-	(104,597)	1,167,966	104,858
Total governmental long-term debt	<u>\$ 1,360,936</u>	<u>\$ -</u>	<u>\$ (136,589)</u>	<u>\$ 1,224,347</u>	<u>\$ 137,014</u>

Summary of changes in long-term liabilities for business-type activities is as follows:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024	Due Within One Year
Business-type activities:					
Direct borrowings and direct placements					
2005D - CSCDA Water/Sewer	\$ 1,365,000	\$ -	\$ (145,000)	\$ 1,220,000	\$ 150,000
2014 Water Refunding Bonds	3,568,000	-	(604,000)	2,964,000	462,000
2015 Wastewater Refunding Bonds	18,640,000	-	(1,140,000)	17,500,000	1,190,000
Premium on Bonds	376,600	-	(31,381)	345,219	-
Total direct borrowings and direct placements	<u>23,949,600</u>	<u>-</u>	<u>(1,920,381)</u>	<u>22,029,219</u>	<u>1,802,000</u>
Other debt					
Successor Agency payable	1,451,330	-	(119,290)	1,332,040	119,588
Total other debt	<u>1,451,330</u>	<u>-</u>	<u>(119,290)</u>	<u>1,332,040</u>	<u>119,588</u>
Total business-type long-term debt	<u>\$ 25,400,930</u>	<u>\$ -</u>	<u>\$ (2,039,671)</u>	<u>\$ 23,361,259</u>	<u>\$ 1,921,588</u>

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

10. LONG-TERM LIABILITY, Continued

E. Payable to the Successor Agency

In 2008, the former Redevelopment Agency of the City of Healdsburg (RDA) loaned the City of Healdsburg \$4,495,000 (\$2,395,000 to the Electric Fund for upgrades to Badger Substation and \$2,100,000 to the Community Services Fund for long-term lease of a school facility) in accordance with executed loan agreements. In January 2012, the Board of Directors for the RDA adopted a resolution forgiving the loans between the RDA and the City. In June 2015, the California Department of Finance disallowed the forgiveness of the loans. The Successor Agency to the former RDA is now responsible for the collection of this loan payment. The loans are payable annually over a period of 20 years at an interest rate of .25%. As of June 30, 2024, the amount due from Governmental Activities and the Electric Fund was \$1,167,966 and \$1,332,040, respectively. The Community Services Special Revenue fund is expected to be responsible for principal and interest payments for the portion related to Governmental Activities.

Successor Agency Payable			
Fiscal Year	Principal	Interest	Total
2025	\$ 224,446	\$ 6,250	\$ 230,696
2026	225,007	5,689	230,696
2027	225,570	5,126	230,696
2028	226,133	4,563	230,696
2029	226,699	3,997	230,696
2030-2034	1,142,024	11,456	1,153,480
2035-2036	230,127	576	230,703
Totals	\$ 2,500,006	\$ 37,657	\$ 2,537,663
Reported as:			
Governmental activities	\$ 1,167,966		
Business-type activities	1,332,040		
	\$ 2,500,006		

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

10. LONG-TERM LIABILITY, Continued

F. Leases

The City has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB Statement No. 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On April 1, 2021, the City entered into an agreement to lease seven copy machines which requires 60 monthly payments of \$2,698. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 0.51% based on the Sonoma County discount rate as of 7/1/2021. As a result of the lease, the City has recorded a right to use asset with a net book value of \$55,949 at June 30, 2024. The right to use asset is discussed in more detail in Note 1.D.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

Lease Liabilities			
Fiscal Year	Principal	Interest	Total
2025	\$ 32,156	\$ 214	\$ 32,370
2026	24,225	52	24,277
Totals	<u>\$ 56,381</u>	<u>\$ 266</u>	<u>\$ 56,647</u>

Business-type Activities:

G. 2005 Series D CSCDA Water/Sewer Revenue Bonds

In October 2005, the City, through the California Statewide Communities Development Authority, issued \$6,505,000 in bonds to provide funds to defease the 1996 Sewer Improvement Certificates and the 2000 Series B Water and Sewer CSDA Certificates, which were originally issued to finance sewer improvements. Interest on the 2005 bonds is payable semiannually, on April 1 and October 1, with the principal payments due annually on October 1 of each year. Net revenues of the water and wastewater utilities are pledged as security for the bonds. Upon and during the continuance of an event of default, the principal of and interest accrued on all bonds may be declared to be due and payable immediately.

In July 2015, the City issued the 2015 Wastewater Revenue Refunding Bonds, which defeased the remaining Sewer Bonds of the 2005 CSDA Bonds of \$2,440,000. The 2005 CSDA Sewer Bonds are considered to be defeased and the liability has been removed from long-term debt. See the 2015 Wastewater Revenue Refunding Bonds, Series A for more information on the refunding.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

10. LONG-TERM LIABILITY, Continued

G. 2005 Series D CSCDA Water/Sewer Revenue Bonds, continued

The following represents the future debt service requirements for the 2005 Series D CSCDA Water Revenue Bonds:

2005 Series D CSCDA Water/Sewer Revenue Bonds			
Fiscal Year	Principal	Interest	Total
2025	\$ 150,000	\$ 54,475	\$ 204,475
2026	160,000	46,725	206,725
2027	170,000	38,475	208,475
2028	170,000	30,294	200,294
2029	180,000	22,200	202,200
2030-2031	390,000	18,269	408,269
Totals	<u>\$ 1,220,000</u>	<u>\$ 210,438</u>	<u>\$ 1,430,438</u>

H. 2014 Water Refunding Bonds

In February 2014, the City issued \$7,965,000 in Water Revenue Refunding Bonds, to refund the 2001 A and 2002 C outstanding bonds (current refunding). Proceeds from the 2014 bonds were placed in escrow to refund in full the 2001 A and 2002 C bonds, and to pay costs of issuance. The bonds carry interest rates in the range from 4.30% to 5%. The final maturity is October 1, 2032. Semi-annual payments of principal and interest are due each April 1 and October 1. Upon and during the continuance of an event of default, the principal of and interest accrued on all bonds may be declared to be due and payable immediately. The following represents the future debt service requirements:

2014 Water Refunding Bonds			
Fiscal Year	Principal	Interest	Total
2025	\$ 462,000	\$113,420	\$ 575,420
2026	484,000	93,790	577,790
2027	347,000	76,547	423,547
2028	253,000	64,097	317,097
2029	262,000	53,411	315,411
2030-2033	1,156,000	98,397	1,254,397
Totals	<u>\$ 2,964,000</u>	<u>\$499,662</u>	<u>\$ 3,463,662</u>

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

10. LONG-TERM LIABILITY, Continued

I. 2015 Wastewater Revenue Refunding Bonds, Series A

In July 2015, the City issued \$26,625,000 in Wastewater Revenue Refunding Bonds, Series A, to refund the 2005 and 2006 Wastewater Revenue bonds (current refunding). Proceeds from the 2015 bonds were placed in escrow to refund in full the 2005 and 2006 bonds, and to pay costs of issuance. The bonds carry interest rates in the range from 2.0% to 3.75%. The final maturity is October 1, 2035. Semi-annual payments of principal and interest are due each April 1 and October 1. Upon and during the continuance of an event of default, the principal of and interest accrued on all bonds may be declared to be due and payable immediately. The following represents the future minimum debt service requirements for the 2015 Wastewater Revenue Refunding Bonds:

<u>2015 Wastewater Revenue Refunding Bond, Series A</u>			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,190,000	\$ 604,750	\$ 1,794,750
2026	1,235,000	556,250	1,791,250
2027	1,290,000	505,750	1,795,750
2028	1,335,000	459,925	1,794,925
2029	1,375,000	418,416	1,793,416
2030-2034	7,620,000	1,354,041	8,974,041
2035-2036	3,455,000	130,781	3,585,781
Totals	<u>\$ 17,500,000</u>	<u>\$ 4,029,913</u>	<u>\$ 21,529,913</u>

J. Compensated Absences:

Compensated absences are liquidated by the Insurance and Benefit Internal Service Fund and are reported as a liability of the governmental activities. As of June 30, 2024, the City's compensated absences activity was as follows:

	<u>At 7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>At 6/30/2024</u>	<u>Due in one year</u>
Compensated Absences	\$ 2,480,695	\$ 1,797,164	\$ (1,265,154)	\$ 3,012,705	\$ 1,306,007
Totals	<u>\$ 2,480,695</u>	<u>\$ 1,797,164</u>	<u>\$ (1,265,154)</u>	<u>\$ 3,012,705</u>	<u>\$ 1,306,007</u>

11. PENSION PLAN

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Pension liabilities are typically liquidated in the General Fund for governmental activities or in the respective enterprise fund.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

11. PENSION PLAN, Continued

A. General Information about the Pension Plan

Plan Descriptions - All qualified employees are eligible to participate in the City's Miscellaneous (all other) Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous Classic Member	Miscellaneous 2nd Tier	Miscellaneous PEPRA
Hire Date	16, 2012	On and after December 16, 2012	January 1, 2013
Benefit Formula	2.5% @ 55	2% @ 62	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	60	62
Monthly benefits, as a % of eligible compensation	2.5%	2%	2%
Required employee contribution rates	8%	7%	7%
Required employer contribution rates	14.92%	10.87%	8.00%
Unfunded liability	\$2,111,563	\$0	\$0
	Safety	Safety PEPRA	
Hire Date	Prior to January 1, 2013	On and after January 1, 2013	
Benefit Formula	3% @ 50	2.7% @ 57	
Benefit vesting schedule	5 years service	5 years service	
Benefit payments	Monthly for life	Monthly for life	
Retirement age	50	57	
Monthly benefits, as a % of eligible compensation	3%	2.7%	
Required employee contribution rates	9%	11.5%	
Required employer contribution rates	27.11%	13.54%	
Unfunded liability	\$1,167,750	\$12,388	

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

11. PENSION PLAN, Continued

A. General Information about the Pension Plan, Continued

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the measurement period June 30, 2023, the City's contribution for the plan was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Contributions - employer	\$ 3,313,403	\$ 1,755,203	\$ 5,068,606

B. Pension Liability, Pension Expenses, and Deferred Outflow/Inflows of Resources Related to Pensions

As of June 30, 2024, the City reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Cost sharing plan	\$ 48,564,252

C. Net Pension Liability

The City's net pension liability of the Plan is measured as the proportionate share of net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2022 and 2023 was as follows:

Proportion - June 30, 2022	0.39349%
Proportion - June 30, 2023	<u>0.38928%</u>
Change - Increase (Decrease)	<u>-0.00420%</u>

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

11. PENSION PLAN, Continued

C. Net Pension Liability, Continued

For the fiscal year ended June 30, 2024, the City recognized pension expense/(income) of \$6,894,693, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows of Resources
Changes of Assumptions	\$ 2,897,217	\$ -
Differences between Expected and Actual Experience	2,867,256	356,495
Net differences between projected and actual earnings on plan investments	7,429,498	-
Difference between employer's contributions and the employer's proportionate share on contributions	339,950	1,000,806
Change in Employer's Proportion		724,338
Pension Contributions Made Subsequent to Measurement Date	5,395,952	-
Total	<u>\$ 18,929,873</u>	<u>\$ 2,081,639</u>

Deferred outflows of resources reported as \$5,395,952 related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and will be recognized as pension expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2025	\$ 3,086,692
2026	2,330,208
2027	5,824,051
2028	211,331
Total	<u>\$ 11,452,282</u>

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

11. PENSION PLAN, Continued

C. Net Pension Liability, Continued

Actuarial Assumptions - The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Methods	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increase	Varies by Entry Age and Service Derived using CalPERS' Membership
Mortality Rate	Data for all Funds The Lesser of Contract COLA or 2.30% until
Post Retirement Benefit Increase	Purchasing Power Projection Allowance floor on purchasing power applies, 2.30% thereafter

The mortality rate was developed based on CalPERS specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, refer to the 2021 experience study report that can be found on the CalPERS website.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

The expected real rates of return by asset class are on the next page:

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

11. PENSION PLAN, Continued

C. Net Pension Liability, Continued

Asset Class (1)	Assumed Asset Allocation	Real Return (1,2)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.00%	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability as of the measurement date of June 30, 2023 for the Plan was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. A detailed report testing these projections can be obtained from the CalPERS website.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Discount Rate - 1% 5.90%	Rate 6.90%	Discount Rate +1% 7.90%
Net Pension Liability	\$ 70,444,791	\$ 48,564,252	\$ 30,596,892

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS' financial reports.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

12. RISK MANAGEMENT (CIRA)

Risk Management

The City is exposed to various risk of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City currently reports all of its risk management activities in its Insurance and Benefit internal service fund.

Risk Pool Arrangements

The City is an associate member of the California Intergovernmental Risk Authority (CIRA), a public entity pool comprised of forty-nine northern California member cities/towns and one fire district. CIRA is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of CIRA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage and provide risk management services.

For each of its insurance programs, CIRA has a multilevel risk-sharing arrangement. Each individual member participating in a program initially assumes its own losses up to a predetermined deductible/retention level. Losses and claims in excess of the deductibles and within CIRA's stated retention limits are paid out of a central pool maintained by CIRA. This central pool is funded by all of the participating members in that program through premiums and contributions. CIRA purchases excess loss insurance policies (reinsurance) to provide coverage for losses and claims in excess of CIRA's stated retention limits up to specified amounts. Losses and claims ceded to reinsurers would represent a contingent liability to CIRA if the reinsurers were unable to meet their existing obligations under the reinsurance agreements. Losses and claims which surpass the limits of the excess of loss insurance policies are the responsibility of the individual City in which the loss or claim originates.

CIRA programs do not insure the losses resulting from events that occurred prior to July 1, 2021. Losses from March 1, 1993, the date on which the City became an associate member of REMIF, through June 30, 2021, are covered by the Redwood Empire Municipal Fund (REMIF).

Effective July 1, 2021, REMIF merged with the Public Agency Risk Sharing Authority of California (PARSAC) to form CIRA.

The City of Healdsburg participates in the following CIRA programs:

General Liability Insurance - Annual premiums are paid by the member cities and are adjusted retrospectively to cover costs. The City of Healdsburg self-insures for the first \$5,000 of each loss and pays 100% of all losses incurred under \$5,000. The City does not share or pay for the losses of other members within their deductible/retention levels. Participating members share in losses above their deductible/retention levels up to the pool retention level. Specific coverage includes comprehensive and general automotive liability, personal injury, contractual liability, professional liability, and certain other coverage. CIRA is a member of the Public Risk Innovation, Solution, and Management (PRISM) pool, which provides CIRA with an additional \$39,000,000 liability insurance coverage over and above CIRA's retention level of \$1,000,000.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

12. RISK MANAGEMENT (CIRA), Continued

Worker’s Compensation – Contributions are paid by members and are adjusted retrospectively to cover costs. The City of Healdsburg is self-insured for the first \$25,000 of each loss and pays 100% of all losses incurred under \$25,000.

Losses about the member’s deductible/retention levels are shared among all members. Losses in excess of \$1,000,000 are covered by excess insurance purchased by participating cities, as part of the pool, to State statutory limits.

Property Insurance – The City participates in CIRA’s property insurance program. The annual premiums paid by participating member cities are based on deductible levels and are not subject to retroactive adjustments. The City of Healdsburg has a deductible level of \$10,000. The City purchases additional earthquake coverage.

The City participates in Cyber Liability, Pollution Liability, Crime/Fidelity, and Deadly Weapons Response Coverage pass-through programs. Members are charged a premium for coverage, and each loss is subject to a member deductible. There is no risk-sharing component to these coverages.

The year-end financial statements and audit for CIRA are currently in process and once complete will be available online at www.cira-jpa.org.

The June 30, 2024 financial statements for REMIF are available online at www.remif.com. The assets of each pool remain separate from CIRA and those assets will be used to pay any liabilities of the respective organizations.

Changes in the Internal Service Funds claims liabilities amounts in fiscal year 2024, 2023, and 2022 were as follows:

	2024	2023	2022
Balance, beginning of fiscal year	\$ 297,985	\$ 390,404	\$ 441,634
Claims and adjustments	16,460	817,809	1,812,088
Claims payments	-	(910,228)	(1,863,318)
Balance, end of fiscal year	<u>\$ 314,445</u>	<u>\$ 297,985</u>	<u>\$ 390,404</u>
Due within one year	<u>\$ 96,126</u>	<u>\$ 91,082</u>	<u>\$ 137,942</u>
Due in more than one year	<u>\$ 218,319</u>	<u>\$ 206,903</u>	<u>\$ 252,462</u>

The total claims liability of \$311,445 includes the assessments of \$171,000 and \$143,445, Liability and Worker’s Compensation programs, respectively.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

13. NORTHERN CALIFORNIA POWER AGENCY

Background

The City is a member of the Northern California Power Agency (NCPA), headquartered in Roseville, California. NCPA is a joint exercise of powers agency formed in 1968 under the Joint Exercise of Powers Act, Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"). NCPA's Members currently consist of twelve cities with publicly owned electric utility distribution systems, a public utility district, a city port department, a transit district and a rural electric cooperative as Members. Under the terms of the NCPA Joint Powers Agreement entered into by all Members, NCPA possesses the general powers to acquire, purchase, generate, transmit, distribute and sell electrical capacity and energy. Specific powers include the power to enter into contracts, acquire and construct electric generating facilities, issue revenue bonds and notes and acquire property by eminent domain.

The member Services Agreements, dated as of February 12, 1981, and the Facilities Agreement, dated as of September 22, 1993, provide for the development of projects undertaken by NCPA in three separate phases: (i) the initial phase of general investigation funded by NCPA's general fund; (ii) the second phase whereby Members of NCPA electing to participate in the project execute a project agreement to provide for the cost of development of the project (now referred to as an "NCPA Project"); and (iii) the third phase during which all remaining aspects, including financing, construction and operation of the NCPA Project are undertaken.

Organization and Management

NCPA's governing body (the "Commission") is composed of one representative from each Member, each such representative being designated a Commissioner. The Commission is given the general management of the affairs, property and business of NCPA and is vested with all powers of NCPA.

The management of NCPA is responsible for various areas of administration and planning of NCPA's operations and affairs. The overall management is under the direction of NCPA's General Manager, who serves at the discretion of the Commission. NCPA is organized into four separate divisions: (i) generation services, (ii) power management, (iii) legislative and regulatory, and (iv) administrative services.

Today, the organization is guided by an ethic of environmental stewardship, fiscal responsibility, and community service, coupled with a strong sense of mission to advance the state of the art in renewable energy. Each NCPA Member has agreed to fund a pro rata share of certain assessments by NCPA and enter into power supply contract with NCPA to purchase power in support of bearing the costs of NCPA operations, energy and facilities. While governed by its Members, none of NCPA's obligations are those of its Members unless expressly assumed by them. As computed by NCPA amounts paid by the City to NCPA during the fiscal year ending June 30, 2024 were \$5.3 million for electric power acquisition charges and are reported as an expense of the Electric Utility Fund.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

13. NORTHERN CALIFORNIA POWER AGENCY, Continued

Additionally, the NCPA Commission identified and approved the funding of specific reserves for working capital, accumulated employee's post-retirement medical benefits, and billed property taxes for the geothermal project. The Commission also identified a number of contingent liabilities that may or may not be realized, the cost of which in most cases is difficult to estimate at this time. One such contingent liability is the steam filed depletion which will require funding to cover debt service and operational cost in excess of the expected value of the electric power. The General Operating Reserve (the "GOR") is intended to minimize the number and amount of individual reserves needed for each project, protect NCPA's financial condition and maintain its credit worthiness. These funds are available on demand, but the City has left them with NCPA as a reserve against these contingencies identified by NCPA. The City's GOR balance as computed by NCPA was \$5,729,441 as of June 30, 2024. The most recent estimated funding recommended by NCPA equaled \$1,763,149.

NCPA Power Pool

The City is a member of a power pool operated by NCPA that also includes the following Members: Alameda, Biggs, Gridley, Lodi, Lompoc, Palo Alto, Plumas Sierra Rural Electric Cooperative, the Port of Oakland and Ukiah (each, an "NCPA Pool Member"). The ten NCPA Pool Members' service areas are connected to the CAISO-controlled grid. NCPA operates a central dispatch facility at NCPA's headquarters. The Central Dispatch Center balances loads and resources pursuant to CAISO tariff rules, for the ten NCPA Pool Members, and Santa Clara.

NCPA Geothermal Project

NCPA has developed a geothermal project (the "Geothermal Project") located on federal land in certain areas of Sonoma and Lake Counties, California (the "Geysers Area"). NCPA formed two not-for-profit corporations controlled by its Members to own the generating plants of the Geothermal Project. NCPA manages the Geothermal Project for the corporations and is entitled to all the capacity and energy generated by the Geothermal Project.

Combustion Turbine Project

The original project consisted of five combustion turbine units, each nominally rated at approximately 25 megawatts. Concurrent with the final project bond maturity, two units located in Roseville were acquired by an NCPA member. The remaining project consists of two units in Alameda and one in Lodi. The project provides capacity during peak load periods and emergency capacity reserves. Excess capacity and energy from the project are also sold to other entities from time to time. The City is obligated to pay 3.5% of the debt service and operating costs.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

13. NORTHERN CALIFORNIA POWER AGENCY, Continued

Lodi Energy Center

The project is a 296 MW base load, combined cycle, natural gas-fired combustion turbine generating station (one gas turbine and one steam turbine) located in Lodi, California, next to the Capital Facilities Project discussed above. Pursuant to the Lodi Energy Center Power Sales Agreement, the NCPA agreed to operate the LEC and has sold all of the capacity and energy of the LEC to thirteen participants (including four non-members) in accordance with their respective Generation Entitlements Share (GES). Each participant has agreed to unconditionally provide for its share of the operation and maintenance expenses and all capital improvements based on its GES.

Hydroelectric Project

The NCPA contracted to finance, manage, construct, and operate Hydroelectric Project Number One for the licensed owner, Calaveras County Water District. In exchange, the Agency has the right to the electric output of the project for 50 years from February 1982. The Agency also has an option to purchase power from the project in excess of the District's requirements for the subsequent Federal Energy Regulatory Commission project license term of 30 to 50 years.

As part of a refinancing plan in November 2004, the Agency entered into two forward starting interest rate swaps in an initial notional amount of \$85,160,000 and \$1,574,000. Payments under the swap agreements with Citigroup Financial Products, Inc. began on April 2, 2008. To complete the refinancing transaction and realize the debt service savings under the 2004 swap agreement, on April 2, 2008 the Agency completed a bond refunding of 2023 to 2032 maturities of the 1998 Hydroelectric Refunding Series A bonds. These fixed rate bonds were refinanced through the issuance of tax-exempt 2008 Hydroelectric Refunding Series A (\$85,160,000) bonds and taxable 2008 Hydroelectric Refunding Series B (\$3,165,000) bonds. Both issues were variable interest rate bonds bearing interest at weekly interest rates, payable semi-annually on July 1 and January 1 each year.

To support this financing, the NCPA entered into two irrevocable direct pay letter of credit agreements with Citibank that have since expired, being substituted with letters of credit with the Bank of Montreal in 2014. On April 30, 2019, the NCPA terminated the 2008 Hydroelectric, Series B swap with Citigroup, and on May 14, the outstanding principal of \$910,000 on the 2008 Hydroelectric, Series B bonds was called for redemption. On June 24, 2019 the NCPA completed a Letter of Credit substitution for the 2008 Hydroelectric, Series A bonds replacing the Bank of Montreal with Bank of America. The Letter of Credit expires on June 21, 2024.

The remaining swap for the 2008 Hydroelectric Refunding Series A (\$85,160,000) was a separate pay-fixed, receive-variable interest rate swap to produce savings or to result in lower costs over the life of the transaction than what the Agency would have paid using fixed-rate debt. While the swap was a derivative instrument and carried additional risks, the Agency's swap policy and favorable negotiations helped to reduce such risks.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

13. NORTHERN CALIFORNIA POWER AGENCY, Continued

On May 5, 2022, the Agency redeemed the outstanding 2008 Hydroelectric Refunding Series A variable rate bonds with proceeds from the 2022 Hydroelectric Refunding Series A fixed rate bonds. In conjunction with this redemption, NCPA terminated the remaining 2008 Hydroelectric Refunding Series A swap with Citigroup and made a swap termination payment fee of \$11,928,000. The termination fee payment was funded with proceeds from the 2022 Hydroelectric Refunding Series B fixed rate bonds in addition to \$630,322 paid directly by NCPA from the Hydroelectric Project revenue account. Concurrently, NCPA terminated the Letter of Credit with Bank of America.

The payment of principal and interest on the outstanding 2008 Hydroelectric Refunding Series A (\$85,160,000) bonds are not covered by any financial guaranty insurance policies. This 2008 Hydroelectric Refunding and the associated interest rate swaps are estimated to have reduced project debt service by \$11.8 million over the life of the debt providing the NCPA with an estimated economic gain (difference between the present values of the old and new debt service payments) of approximately \$5.9 million. The actual total savings at the time of the variable rate bond redemption and the termination of the swap and letter of credit was \$14,300,000.

The NCPA deferred the loss on the swap termination and recorded \$11,928,000 in deferred outflows that will be amortized over the ten-year life of the 2022 Hydroelectric Refunding Series B fixed rate bonds when the amounts will be recovered through rates.

As noted, the swap was terminated on May 5, 2022 and as a result, there was no remaining notional value or fair value due from (to) the counterparty at June 30, 2022.

NCPA Financial Information

NCPA's financial statements are available on their website at www.ncpa.com.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

14. OTHER POST-RETIREMENT PLAN

The City reports the following total OPEB liability as of the June 30, 2024 measurement date:

	Governmental Activities	Business-type Activities	Total
OPEB liability	\$ 668,824	\$ 452,704	\$ 1,121,528
Deferred outflows of resources	\$ 104,889	\$ 70,995	\$ 175,884
Deferred inflows of resources:	\$ 224,981	\$ 152,281	\$ 377,262

Description

The City’s defined benefit OPEB plan, (the Plan), provides OPEB for all eligible miscellaneous and public safety employees of the City. The plan is a single-employer defined benefit OPEB plan administered by the City. The benefit terms are defined in the applicable Memorandum’s of Understanding for each bargaining unit and may be amended by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The City funds the benefits on a pay-as-you-go basis. No assets are accumulated in a trust.

At retirement, employees can elect to receive Blue Cross, Sutter, or Kaiser medical coverage through the City medical plan at the retiree’s expense. Retirees (service or disability retiring through CalPERS directly through the City who are age 50 or over and who have a minimum of 10 years of service) are eligible to obtain medical coverage. While the City does not directly contribute towards the cost of insurance premiums for retirees, the ability to obtain coverage at an active employee rate constitutes a significant economic benefit to the retirees, called an ‘implicit subsidy’ under GASB Statement No. 75. Medical coverage is provided for the surviving spouse of retired employees and the surviving spouse of active employees who upon death had attained age 50 and who had a minimum of 10 years of service with a City. The Plan does not provide a publicly available financial report.

As of measurement date June 30, 2024, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	136
Inactive employees or beneficiaries currently receiving benefits	15
	<u>151</u>

Contributions

The City’s adopted policy is to contribute an amount sufficient to pay the current fiscal year’s premium. See above section “Description” for more information.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

14. OTHER POST-RETIREMENT PLAN, Continued

Total OPEB Liability

The City's total OPEB liability was measured and determined based on the following dates, actuarial methods, and assumptions:

Actuaial Assumptions:

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Contribution Policy	No pre-funding
Discount Rate	3.93% (Bond Buyer 20-Bond Index)
Inflation	2.50% annually
Salary Increases	2.75% per annum, in aggregate
Mortality Rate	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected full generational with Scale MP-2021
Medical Trent	7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
Healthecare Participation at Retirement	Currently covered - 50% Currently waived - 0%

Discount Rate

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets for funded plans. The rate used for a funded plan is the real rate of return expected for plan assets plus long-term inflation assumption. For an unfunded plan, the discount rate is based on an index of 20-year General Obligation municipal bonds. For partially funded plans, the discount rate is a blend of the funded and unfunded rates. The discount rate used to measure the total OPEB liability was 3.65 percent.

Changes in Total OPEB Liability

The Changes in the total OPEB liability were as follows:

	Total OPEB Liability
Balance at June 30, 2023 (Measurement date)	\$ 1,043,510
Service Cost	44,822
Interest	39,070
Assumption Changes	4,939
Actual vs. expected experience	25,008
Benefit Payments	(35,821)
Net Change during 2023-24	78,018
Balance at June 30, 2024 (Measurement date)	\$ 1,121,528

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

14. OTHER POST-RETIREMENT PLAN, Continued

Sensitivity to the total OPEB Liability to Changes in the Discount Rate and Healthcare Trend Rate

The following presents the total OPEB liability of the City if it were calculated using discount rate that is one percentage point lower or one percentage point higher than the current rate:

Total OPEB Liability		
Current		
1% Lower (2.93%)	Discount Rate (3.93%)	1% Higher (4.93%)
\$ 1,279,254	\$ 1,121,528	\$ 987,987

The following presents the total OPEB liability of the City if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

Total OPEB Liability		
Current		
1% Lower	Trend Rate	1% Higher
\$ 968,945	\$ 1,121,528	\$ 1,306,685

Recognition of Deferred Outflows and Deferred Inflows of Resources and OPEB expense

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$59,047. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumption	\$ 153,304	\$ 216,828
Differences between expected and actual experience	22,580	160,434
Total	\$ 175,884	\$ 377,262

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

14. OTHER POST-RETIREMENT PLAN, Continued

Recognition of Deferred Outflows and Deferred Inflows of Resources and OPEB expense, Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB and will be recognized as pension expense as follows:

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (Inflows) of Resources
2025	\$ (24,845)
2026	(24,845)
2027	(23,845)
2028	(20,845)
2029	(22,845)
Thereafter	(84,153)
Total	<u>\$ (201,378)</u>

15. COMMITMENTS AND CONTINGENCIES

There are pending claims and litigation against the City, which are considered normal to the City’s operation. City management is of the opinion that potential claims against the City not covered by insurance resulting from such litigation would not materially affect the basic financial statements of the City beyond funded reserves.

The City has entered into long-term electric power purchase generation assets and electric transmission contracts. These contracts were entered into by NCPA on behalf of various members (see Note 13) including the City. Under the terms of its NCPA joint venture agreement, the City is contingently liable for a portion of the bonded indebtedness issued by these agencies under take-or-pay or similar agreements. The City’s estimated share of such debt outstanding at June 30, 2024 was \$8.1 million.

Under certain circumstances, such as default or bankruptcy of other participants, the City may also be liable to pay a portion of the debt of these joint ventures on behalf of the other participants.

California-Oregon Transmission Project

The City is a member of the Transmission Agency of Northern California (TANC), a California joint powers agency. TANC, a combination of cities, Western Area Power Administration, and four other California Districts and authorities are participants in the California-Oregon Transmission Project (COTP). The COTP is a transmission project between southern Oregon and Central California. COTP provides a transmission path between the electric systems of the Pacific Northwest and those in California. The City’s share is 0.2456%. Each member of TANC is responsible for developing its own uses for its share of the COTP transfer capability

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

15. COMMITMENTS AND CONTINGENCIES, Continued

Western Area Power Administration

In addition to commitments for power acquisitions through NCPA, the City has entered into a contract with the Western Area Power Administration (Western). Western is a federal Power Management Agency of the U.S. Department of Energy, which among other things is responsible for marketing electricity generated by the Central Valley Project. The contract with Western was renewed for the period January 1, 2005, through December 31, 2024. The City further renewed the contract with Western to acquire power from 2025 through 2054.

Construction Commitments

The estimated amount of remaining construction contract obligations at fiscal year-end is \$15,655,206.

16. NET POSITION AND FUND BALANCES

GASB Statement No. 34, modified by GASB Statement No. 63, adds the concept of Net Position, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

Net Position

Net position is divided into three captions under GASB Statement No. 34. These captions apply only to net position as determined at the government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of net assets which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include debt service requirements, and redevelopment funds restricted to low and moderate income housing purposes.

Unrestricted describes the portion of net position which is not restricted as to use.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

16. NET POSITION AND FUND BALANCES, Continued

Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Fund Balances	General	Community Services	Streets Capital Project Fund	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>					
Prepaid expenditures	\$ 3,251	\$ -	\$ -	\$ -	\$ 3,251
Inventory	-	-	9,048	-	9,048
Legally Contractually required to be maintained intact	-	-	-	312,247	312,247
Total Nonspendable	3,251	-	9,048	312,247	324,546
<u>Restricted for:</u>					
Lighting and landscaping	-	-	-	396,998	396,998
Community services	-	4,341,406	-	4,038	4,345,444
Affordable housing	-	-	-	9,717,614	9,717,614
Parking expansion	-	-	-	430,536	430,536
Public safety	-	-	-	175,853	175,853
Pension rate stabilization	4,945,288	485,296	188,933	-	5,619,517
Streets and roads	-	-	1,208,498	1,389,896	2,598,394
Strong motion	-	-	-	8,165	8,165
Deb service	-	-	-	164,943	164,943
Total Restricted	4,945,288	4,826,702	1,397,431	12,288,043	23,457,464
<u>Committed for:</u>					
Community benefit grant	39,389	-	-	-	39,389
Total Committed	39,389	-	-	-	39,389
<u>Assigned for:</u>					
Plaza Flowers	4,472	-	-	-	4,472
General plan update	369,313	-	-	-	369,313
Total Assigned	373,785	-	-	-	373,785
Unassigned	10,864,600	-	-	(115,869)	10,748,731
Total Fund Balances	\$ 16,226,313	\$4,826,702	\$ 1,406,479	\$ 12,484,421	\$ 34,943,915

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

17. SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Healdsburg that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or other unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 17, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolution number 12.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence as the date of the dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the state Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

17. SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY, Continued

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (current financial resources measurement focus) and the measurement focus of the trust funds (economic resources measurement focus), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

Capital asset activities for the fiscal year ended June 30, 2024 were as follows:

Fiduciary Activities:	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 528,300	\$ -	\$ -	\$ 528,300
Total Capital Assets, not being depreciated	528,300			528,300
Fiduciary activities capital assets, net	\$ 528,300	\$ -	\$ -	\$ 528,300

The following is a schedule of long-term liabilities for the fiscal year ended June 30, 2024:

	Balance at July 1, 2023	Additions	Reductions	Balance at June 30, 2024	Due Within One Year
2022 Series B	\$ 860,000	\$ -	\$ (80,000)	\$ 780,000	\$ 80,000
2014 Series A	6,187,100	-	(599,000)	5,588,100	619,400
2014 Series B	2,431,700	-	(235,400)	2,196,300	241,600
2015 Series A	6,177,000	-	(468,200)	5,708,800	481,300
2015 Series B	2,880,200	-	(273,700)	2,606,500	289,500
2017 Refunding	14,180,000	-	(740,000)	13,440,000	785,000
Unamortized bond premium	1,879,450	-	(156,621)	1,722,829	-
Total other Long-term debt	\$34,595,450	\$ -	\$ (2,552,921)	\$32,042,529	\$ 2,496,800

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

17. SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY, Continued

A. 2002 Series B

In August 2004, the Agency issued \$1,800,000 Series B 2002 Tax Allocation Bonds. The Bonds were issued for the purpose of providing funds to finance the construction of the Alliance Medical Clinic, which the Agency determined is a benefit to the Sotoyome Project Area. Interest on the bonds is at 4.75% with semiannual debt service payments due February 1 and August 1, with principal maturing annually August 1, 2005 through 2031. Upon and during the continuance of an event of default, the principal of and interest accrued on all bonds may be declared to be due and payable immediately. Debt service payments will be made from tax increment revenue received by the Trust. Future debt service on these bonds is as follows:

2002 Tax Allocation Bond Series B			
Fiscal Year	Principal	Interest	Total
2025	\$ 80,000	\$ 35,150	\$ 115,150
2026	85,000	31,231	116,231
2027	90,000	27,075	117,075
2028	95,000	22,681	117,681
2029	100,000	18,050	118,050
2030-2032	330,000	23,988	353,988
Totals	<u>\$ 780,000</u>	<u>\$ 158,175</u>	<u>\$ 938,175</u>

B. 2014 Series A and B

In May 2014, the Successor Agency issued \$10,876,000 in 2014 Tax Allocation Refunding Bonds, Series A, to refund the outstanding 2002 Tax Allocation Bonds, Series A (current refunding). Proceeds from the 2014 Series A bonds were used to refund in full the 2002 Series A bonds, to establish a reserve fund, and to pay costs of issuance. As a result, the 2002 Series A bonds are considered defeased and the liability has been removed from these financial statements.

In May 2014, the Successor Agency issued \$4,279,400 in 2014 Tax Allocation Refunding Bonds, Series B, to refund the outstanding 2002 Tax Allocation Bonds, Series C (current refunding). Proceeds from the 2014 Series B bonds were used to refund in full the 2002 Series C bonds, to establish a reserve fund, and to pay costs of issuance. As a result, the 2002 Series C bonds are considered defeased. Interest on the bonds is set at 3.4% with semi-annual debt service payments due on February 1 and August 1 of each year, with principal maturing annually August 1, 2014 through 2031. Upon and during the continuance of an event of default, the principal of and interest accrued on all bonds may be declared to be due and payable immediately.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

17. SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY, Continued

B. 2014 Series A and B, Continued

Debt service payments will be made from tax increment revenue received by the Trust. The following represents the future minimum debt service requirements:

2014 Tax Allocation Bond Series A			
Fiscal Year	Principal	Interest	Total
2025	\$ 619,400	\$ 179,466	\$ 798,866
2026	639,000	158,073	797,073
2027	662,600	135,946	798,546
2028	685,300	113,031	798,331
2029	707,000	89,362	796,362
2030-2033	2,274,800	117,803	2,392,603
Totals	\$ 5,588,100	\$ 793,681	\$ 6,381,781

2014 Tax Allocation Bond Series B			
Fiscal Year	Principal	Interest	Total
2025	\$ 241,600	\$ 70,567	\$ 312,167
2026	252,500	62,167	314,667
2027	263,100	53,402	316,502
2028	268,200	44,370	312,570
2029	277,900	35,086	312,986
2030-2032	893,000	46,302	939,302
Totals	\$ 2,196,300	\$ 311,894	\$ 2,508,194

C. 2015 Series A and B

In January 2015, the Successor Agency issued \$9,568,200 in 2015 Tax Allocation Refunding Bonds, Series A, and \$4,750,800 in 2015 Tax Allocation Refunding Bonds, Series B, to refund the outstanding 2003 Tax Allocation Bonds, Series A and B (current refunding). Interest on the 2015 bonds is 4.25% with semi-annual debt service payments due on February 1 and August 1 of each year, with principal maturing annually August 1, 2015 through 2031. Upon and during the continuance of an event of default, the principal of and interest accrued on all bonds may be declared to be due and payable immediately.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

17. SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY, Continued

C. 2015 Series A and B, Continued

Future debt service payments will be made from tax increment revenue received by the Trust, and is as follows:

2015 Tax Allocation Bond Series A			
Fiscal Year	Principal	Interest	Total
2025	\$ 481,300	\$ 232,396	\$ 713,696
2026	493,800	211,676	705,476
2027	740,500	185,447	925,947
2028	762,600	153,506	916,106
2029	788,200	120,551	908,751
2030-2032	2,442,400	155,588	2,597,988
Totals	<u>\$ 5,708,800</u>	<u>\$ 1,059,164</u>	<u>\$ 6,767,964</u>

2015 Tax Allocation Bond Series B			
Fiscal Year	Principal	Interest	Total
2025	\$ 289,500	\$ 104,624	\$ 394,124
2026	294,800	92,208	387,008
2027	304,800	79,467	384,267
2028	319,200	66,207	385,407
2029	328,000	52,454	380,454
2030-2032	1,070,200	69,669	1,139,869
Totals	<u>\$ 2,606,500</u>	<u>\$ 464,629</u>	<u>\$ 3,071,129</u>

D. 2017 Tax Allocation Refunding Bonds

In December 2017, the Successor Agency issued \$17,150,000 in 2017 Tax Allocation Refunding Bonds to refund the outstanding 2010 Tax Allocation Bonds (advanced refunding). Proceeds from the 2017 Bonds were used to refund in full the 2010 Bonds and to pay issuance costs. As a result, the 2010 bonds are considered defeased and the liability has been removed from these financial statements. As of June 30, 2018, \$21,103,793 was held in escrow to refund the 2010 Bonds. Interest on the 2017 bonds ranges from 2% to 5% with semi-annual debt service payments due on February 1 and August 1 of each year, with principal maturing annually August 1, 2018 through 2034.

The Successor Agency refunded the 2010 Bonds to reduce total debt service by approximately \$3.6 million, and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$3 million. Upon and during the continuance of an event of default, the principal of and interest accrued on all bonds may be declared to be due and payable immediately.

City of Healdsburg
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

17. SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY, Continued

D. 2017 Tax Allocation Refunding Bonds, Continued

Future debt service payments will be made from tax increment revenue received by the Trust, and is as follows:

2017 Tax Allocation Refunding Bond			
Fiscal Year	Principal	Interest	Total
2025	\$ 785,000	\$ 610,125	\$ 1,395,125
2026	835,000	569,625	1,404,625
2027	645,000	532,625	1,177,625
2028	685,000	499,375	1,184,375
2029	730,000	464,000	1,194,000
2030-2034	8,495,000	1,554,250	10,049,250
2035-2035	1,265,000	18,975	1,283,975
Totals	<u>\$ 13,440,000</u>	<u>\$ 4,248,975</u>	<u>\$ 17,688,975</u>

18. RESTATEMENTS

In accordance with the provisions of GASB Statement No. 100, the City has restated its financial statement for the prior period due to changes in the classification of the following funds:

- Measure S Fund – Previously reported as part of the General Fund, the Measure S Fund is now reclassified as a nonmajor governmental fund due to enabling legislation.
- Fire Impact Fee Fund – Previously reported in the General Fund, the Fire Impact Fee Fund is now reclassified as a nonmajor governmental fund. This fund accounts for development impact fees collected for the sole purpose of replacing and maintaining an aerial ladder truck
- Park Development Impact Fee Fund – Previously reported as a nonmajor governmental fund, the Park Development Impact Fee Fund is now grouped with the Community Services Major Governmental Fund.

Summary of the restatements are as follows:

	Reporting Units Affected by Restatements of Beginning Balances			
	Funds			Government-Wide
	General Fund	Community Services	Nonmajor Governmental	Governmental Activities
Fund balance/net position as previously reported at June 30, 2023	\$ 16,291,955	\$ 4,717,348	\$ 10,525,976	\$ 130,785,940
Movement of existing operations	(2,273,467)	1,114,032	1,159,435	-
Fund balance/net position as restated at June 30, 2023	<u>\$ 14,018,488</u>	<u>\$ 5,831,380</u>	<u>\$ 11,685,411</u>	<u>\$ 130,785,940</u>

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**REQUIRED
SUPPLEMENTARY INFORMATION**

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City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 4,819,597	\$ 5,289,606	\$ 5,275,497	\$ (14,109)
Sales and other taxes	11,492,958	11,019,537	11,012,930	(6,607)
Development fees	348,333	348,333	439,967	91,634
Intergovernmental	636,884	1,156,106	1,805,784	649,678
Fines and forfeitures	60,000	60,000	43,008	(16,992)
Licenses and permits	1,445,236	1,315,236	1,973,447	658,211
Use of money and property	186,219	394,423	959,800	565,377
Charges for services	578,208	833,131	1,014,985	181,854
Other, donations, and reimbursements	148,432	3,702,993	4,117,612	414,619
Total revenues	19,715,867	24,119,365	26,643,030	2,523,665
EXPENDITURES:				
Current:				
General government	4,930,632	13,299,752	9,427,439	3,872,313
Public safety	12,463,291	12,892,204	12,642,318	249,886
Community development	990,084	1,049,832	766,536	283,296
Total expenditures	18,384,007	27,241,788	22,836,293	4,405,495
REVENUES OVER (UNDER) EXPENDITURES	1,331,860	(3,122,423)	3,806,737	6,929,160
OTHER FINANCING SOURCES (USES):				
Transfers in	1,569,222	5,621,693	226,437	(5,395,256)
Transfers out	(3,555,343)	(8,442,074)	(1,825,349)	6,616,725
Total other financing sources (uses)	(1,986,121)	(2,820,381)	(1,598,912)	1,221,469
Net change in fund balances	\$ (654,261)	\$ (5,942,804)	2,207,825	\$ 8,150,629
FUND BALANCES:				
Beginning of year, as previously presented			16,291,955	
Change within financial reporting entity			(2,273,467)	
Beginning of year, as restated			14,018,488	
End of year			<u>\$ 16,226,313</u>	

City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Community Services

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Sales and other taxes	\$ 8,387,571	\$ 7,189,223	\$ 6,855,779	\$ (333,444)
Development fees	-	-	20,376	20,376
Intergovernmental	477,500	2,312,850	1,398,109	(914,741)
Use of money and property	25,638	185,840	550,316	364,476
Charges for services	549,325	674,325	1,255,007	580,682
Other, donations, and reimbursements	7,582,280	8,335,989	258,845	(8,077,144)
Total revenues	17,022,314	18,698,227	10,338,432	(8,359,795)
EXPENDITURES:				
Current:				
Community services	14,869,765	22,495,118	11,217,986	11,277,132
Total expenditures	14,869,765	22,495,118	11,217,986	11,277,132
REVENUES OVER (UNDER) EXPENDITURES	2,152,549	(3,796,891)	(879,554)	2,917,337
OTHER FINANCING SOURCES (USES):				
Transfers in	2,433,720	3,975,955	-	(3,975,955)
Transfers out	(2,541,498)	(3,691,079)	(125,124)	3,565,955
Total other financing sources (uses)	(107,778)	284,876	(125,124)	(410,000)
Net change in fund balances	\$ 2,044,771	\$ (3,512,015)	(1,004,678)	\$ 2,507,337
FUND BALANCES:				
Beginning of year, as previously presented			4,717,348	
Change within financial reporting entity			1,114,032	
Beginning of year, as restated			5,831,380	
End of year			\$ 4,826,702	

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City of Healdsburg
Required Supplementary Information
For the year ended June 30, 2024

*Schedule of the Local Government's Proportionate Share of the Net Pension Liability -
Last 10 Years*

Miscellaneous

Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
proportion of the Net pension liability	0.28460%	0.33530%	0.33897%	0.33985%
proportionate share of the net pension liability	\$ 17,713,031	\$ 23,014,464	\$ 29,331,189	\$ 33,703,985
Plan's covered payroll	\$ 7,808,757	\$ 8,299,645	\$ 9,243,834	\$ 9,958,349
Plan's proportionate share of the net pension liability as percentage of its covered payroll	226.84%	277.29%	317.31%	338.45%
Fiduciary net position as a percentage of the total pension liability	82.46%	77.62%	72.92%	71.61%

Notes to the schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016, decreased from 7.65% to 7.15% in fiscal year 2018, and then decreased from 7.15% to 6.9% in fiscal year 2023

The CalPERS mortality assumptions were adjusted in fiscal year 2019

<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>
0.34843%	0.35464%	0.36105%	0.46138%	0.39349%	0.38928%
\$ 33,575,940	\$ 36,340,001	\$ 39,284,228	\$ 24,952,824	\$ 45,450,854	\$ 48,564,252
\$ 10,170,288	\$ 11,027,420	\$ 14,438,000	\$ 16,188,697	\$ 16,715,521	\$ 17,847,293
330.14%	329.54%	272.09%	154.14%	271.91%	272.11%
72.96%	72.41%	71.82%	69.89%	76.68%	76.21%

City of Healdsburg
Required Supplementary Information
For the year ended June 30, 2024

Schedule of Pension Plan Contributions - Last 10 Fiscal Years

Miscellaneous

Fiscal Year Ended	2015	2016	2017	2018
Contractually Required Contributions	\$ 1,707,064	\$ 2,208,239	\$ 2,494,953	\$ 2,791,313
Contributions in relation to actuarially Determined contributions	(1,707,064)	(2,208,239)	(2,494,953)	(2,791,313)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 8,299,645	\$ 9,243,834	\$ 9,958,349	\$ 10,170,288
Contributions as a percentage of covered payroll	20.57%	23.89%	25.05%	27.45%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation date	6/30/2021
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Asset valuation method	Market value
Inflation	2.50%
Salary increase	Depending on age, service, and type of employment
Investment rate of return	7.00%
Retirement age	Depending on age, service, and type of employment
Mortality	Based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board

	2019	2020	2021	2022	2023	2024
\$	3,263,776	\$ 3,824,645	\$ 3,321,038	\$ 4,808,270	\$ 5,068,606	\$ 5,395,952
	(3,263,776)	(3,824,645)	(3,321,038)	(4,808,270)	(5,068,606)	(5,395,952)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	11,027,420	\$ 14,438,000	\$ 16,188,697	\$ 16,715,521	\$ 17,847,293	\$ 18,913,932
	29.60%	26.49%	20.51%	28.77%	28.40%	28.53%

City of Healdsburg
Required Supplementary Information
For the year ended June 30, 2024

Schedule of the Change in Total OPEB Liability and Related Ratios - Last 10 Fiscal Years

Measurement Date	6/30/2018	6/30/2019	6/30/2020	6/30/2021
TOTAL OPEB LIABILITY				
Service cost	\$ 52,000	\$ 51,000	\$ 56,673	\$ 70,471
Interest on the Total OPEB Liability	33,000	36,000	37,159	29,725
Difference between Expected and Actual Experience	-	-	(31,683)	-
Changes of Assumptions	(39,000)	53,000	220,458	10,405
Benefit payments	(15,000)	(16,000)	(16,000)	(10,000)
Net change in the total OPEB liability	31,000	124,000	266,607	100,601
Total OPEB liability - beginning	858,000	889,000	1,013,000	1,279,607
Total OPEB liability - ending (a)	\$ 889,000	\$ 1,013,000	\$ 1,279,607	\$ 1,380,208
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	n/a	n/a	n/a	n/a
Covered employee payroll ¹	\$ 10,170,288	\$ 11,027,420	\$ 14,438,000	\$ 16,188,697
Total OPEB liability as a percentage of covered payroll	8.74%	9.19%	8.86%	8.53%

Notes to the Schedule:

Changes in Assumptions:

For fiscal year ended June 30, 2018, the discount rate changed from 3.58% to 3.87%

For fiscal year ended June 30, 2020, the discount rate changed from 3.50% to 2.21%

For fiscal year ended June 30, 2019, the discount rate changed from 3.87% to 3.50%

For fiscal year ended June 30, 2021, the discount rate changed from 2.21% to 2.16%

For fiscal year ended June 30, 2022, the discount rate changed from 2.16% to 3.54%

For fiscal year ended June 30, 2022, the discount rate changed from 2.16% to 3.54%

For fiscal year ended June 30, 2024, the discount rate changed from 3.54% to 3.65%

Mortality improvement scale was updated to Scale MP-2021

*Fiscal year 2018 was the first year of implementation, therefore only five years are shown.

<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>
\$ 73,355	\$ 44,669	\$ 44,822
31,288	36,570	39,070
(201,375)	-	25,008
(273,231)	(14,231)	4,939
(10,000)	(23,743)	(35,821)
(379,963)	43,265	78,018
1,380,208	1,000,245	1,043,510
<u>\$ 1,000,245</u>	<u>\$ 1,043,510</u>	<u>\$ 1,121,528</u>
n/a	n/a	n/a
\$ 16,715,251	\$ 17,847,293	\$ 18,913,932
5.98%	5.85%	5.93%

City of Healdsburg

Notes to Required Supplementary Information

For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgetary Data

Through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The Annual Budget assures the efficient and effective uses of the City's economic resources, as well as establishing that the highest priority objectives are accomplished.

The Annual Budget serves from July 1 to June 30, and is a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees, and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the City's performance.

The City collects and records revenue and expenditures within the following categories:

- Governmental Activities
- Business-Type Activities

The Governmental Funds include the General Fund, Special Revenue, Debt Service, and Capital Projects funds. All funding sources are kept separate for both reporting and the use of money. The General Fund is where most City services are funded that are not required to be segregated.

Budgets and Budgetary Accounting

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 30 of each fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the City Hall to obtain citizen input.
3. Prior to July 1, the budget is adopted through passage of a resolution and is not included herein but is published separately.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund. However, any revision that increases the total appropriations of any fund must be approved by the City Council. The appropriated budget is prepared by fund, function, and department.
5. Formal budgetary integration is employed as a management control device during the fiscal year for all funds.
6. Budgets for General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. The City does not formally adopt budgets for the North Area, Park Development fees, Parking Impact Fees, and Misc. Projects non-major governmental funds.
8. The City does not formally adopt budgets for the permanent fund.

SUPPLEMENTARY INFORMATION

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City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Streets

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Sales and other taxes	\$ 145,006	\$ 145,006	\$ 133,651	\$ (11,355)
Development fees	-	-	158,437	158,437
Intergovernmental	125,000	1,215,682	280,903	(934,779)
Use of money and property	13,797	13,797	81,685	67,888
Charges for services	-	-	4,276	4,276
Other, donations, and reimbursements	250,000	901,858	584,375	(317,483)
Total revenues	533,803	2,276,343	1,243,327	(1,033,016)
EXPENDITURES:				
Current:				
Streets and roads	2,802,324	5,179,696	2,076,853	3,102,843
Total expenditures	2,802,324	5,179,696	2,076,853	3,102,843
REVENUES OVER (UNDER) EXPENDITURES	(2,268,521)	(2,903,353)	(833,526)	2,069,827
OTHER FINANCING SOURCES (USES):				
Transfers in	2,801,247	3,631,985	1,842,038	(1,789,947)
Total other financing sources (uses)	2,801,247	3,631,985	1,842,038	(1,789,947)
Net change in fund balances	\$ 532,726	\$ 728,632	1,008,512	\$ 279,880
FUND BALANCES:				
Beginning of year			397,967	
End of year			\$ 1,406,479	

City of Healdsburg
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Gas Tax	North Area	Benjamin Way Maintenance District	Public Safety
ASSETS				
Cash and investments	\$ 1,318,274	\$ 1,662	\$ 8,244	\$ 120,197
Cash and investments with fiscal agents	-	-	-	-
Accounts receivable	-	53,300	-	-
Loans and notes receivable	-	-	-	-
Interest receivable	8,453	-	48	-
Intergovernmental receivable	77,939	-	-	5,445
Total assets	\$ 1,404,666	\$ 54,962	\$ 8,292	\$ 125,642
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	23,062	15,000	-	-
Deposits payable	-	-	-	5,656
Unearned revenue	-	53,300	-	-
Total liabilities	23,062	68,300	-	5,656
Deferred Inflows of Resources				
Unavailable revenue - interest	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	1,381,604	-	8,292	119,986
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(13,338)	-	-
Total fund balances	1,381,604	(13,338)	8,292	119,986
Total liabilities, deferred inflows of resources and fund balances	\$ 1,404,666	\$ 54,962	\$ 8,292	\$ 125,642

Special Revenue Funds

Strong Motion Education and Data	Area A Lighting and Landscaping	Media Center	Park Development Fees	Parking Impact Fees	Housing Successor Agency	Opioid Settlement
\$ 8,118	\$ 411,533	\$ -	\$ -	\$ 428,052	\$ 160,260	\$ 59,249
-	-	-	-	-	-	-
-	4,624	8,984	-	-	16,976	-
-	-	-	-	-	8,694,275	-
47	2,282	-	-	2,484	-	-
-	-	-	-	-	-	-
<u>\$ 8,165</u>	<u>\$ 418,439</u>	<u>\$ 8,984</u>	<u>\$ -</u>	<u>\$ 430,536</u>	<u>\$ 8,871,511</u>	<u>\$ 59,249</u>
\$ -	\$ 21,441	\$ -	\$ -	\$ -	\$ -	\$ 3,383
-	-	4,945	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	21,441	4,945	-	-	-	3,383
-	-	-	-	-	1,931,775	-
-	-	-	-	-	1,931,775	-
-	-	-	-	-	-	-
8,165	396,998	4,039	-	430,536	6,939,736	55,866
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>8,165</u>	<u>396,998</u>	<u>4,039</u>	<u>-</u>	<u>430,536</u>	<u>6,939,736</u>	<u>55,866</u>
<u>\$ 8,165</u>	<u>\$ 418,439</u>	<u>\$ 8,984</u>	<u>\$ -</u>	<u>\$ 430,536</u>	<u>\$ 8,871,511</u>	<u>\$ 59,249</u>

City of Healdsburg
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds		Permanent Fund	Capital Projects Fund
	TOT Housing Fund	Fire Impact Fees	Senior Trust Center	Misc. Projects
ASSETS				
Cash and investments	\$ 1,967,578	\$ 750	\$ -	\$ -
Cash and investments with fiscal agents	-	-	312,247	-
Accounts receivable	186,577	-	-	-
Loans and notes receivable	778,427	-	-	-
Interest receivable	-	(594)	-	-
Intergovernmental receivable	-	-	-	-
Total assets	\$ 2,932,582	\$ 156	\$ 312,247	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 126,277	\$ -	\$ -	\$ -
Due to other funds	-	102,687	-	-
Deposits payable	-	-	-	-
Unearned revenue	28,427	-	-	-
Total liabilities	154,704	102,687	-	-
Deferred Inflows of Resources				
Unavailable revenue - interest	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable			312,247	-
Restricted	2,777,878	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(102,531)	-	-
Total fund balances	2,777,878	(102,531)	312,247	-
Total liabilities, deferred inflows of resources and fund balances	\$ 2,932,582	\$ 156	\$ 312,247	\$ -

Debt Service Fund	
General Debt Service	Total Nonmajor Governmental Funds
\$ 165,747	\$ 4,649,664
-	312,247
(448)	270,013
-	9,472,702
-	12,720
-	83,384
\$ 165,299	\$ 14,800,730
\$ -	\$ 151,101
-	145,694
356	6,012
-	81,727
356	384,534
-	1,931,775
-	1,931,775
-	312,247
164,943	12,288,043
-	-
-	-
-	(115,869)
164,943	12,484,421
\$ 165,299	\$ 14,800,730

City of Healdsburg

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2024

	Special Revenue Funds			
	Gas Tax	North Area	Benjamin Way Maintenance District	Public Safety
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes	-	-	-	-
Development fees	-	-	-	-
Intergovernmental	607,164	-	-	-
Use of money and property	56,684	-	374	-
Other, donations, and reimbursements	-	-	-	35,917
Total revenues	663,848	-	374	35,917
EXPENDITURES:				
Current:				
Public safety	-	-	-	20,056
Streets and roads	2,700	-	-	-
Community development	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
interest and fiscal charges	-	-	-	-
Total expenditures	2,700	-	-	20,056
REVENUES OVER (UNDER) EXPENDITURES	661,148	-	374	15,861
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(410,000)	-	-	-
Total other financing sources (uses)	(410,000)	-	-	-
Net change in fund balances	251,148	-	374	15,861
FUND BALANCES:				
Beginning of year, as previously presented	1,130,456	(13,338)	7,918	104,125
Change within financial reporting entity	-	-	-	-
Beginning of year, as restated	1,130,456	(13,338)	7,918	104,125
End of year	\$ 1,381,604	\$ (13,338)	\$ 8,292	\$ 119,986

Special Revenue Funds

Strong Motion Education and Data	Area A Lighting and Landscaping	Media Center	Park Development Fees	Parking Impact Fees	Housing Successor Agency	Opioid Settlement
\$ -	\$ 256,229	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
338	16,067	-	-	19,658	28,340	-
902	-	36,667	-	-	-	39,270
1,240	272,296	36,667	-	19,658	28,340	39,270
-	-	-	-	-	-	17,182
-	-	-	-	-	-	-
-	230,698	-	-	-	4,102	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	230,698	-	-	-	4,102	17,182
1,240	41,598	36,667	-	19,658	24,238	22,088
-	17,346	-	-	-	-	-
-	-	(40,000)	-	-	-	(26,913)
-	17,346	(40,000)	-	-	-	(26,913)
1,240	58,944	(3,333)	-	19,658	24,238	(4,825)
6,925	338,054	7,372	1,114,032	410,878	6,915,498	60,691
-	-	-	(1,114,032)	-	-	-
6,925	338,054	7,372	-	410,878	6,915,498	60,691
\$ 8,165	\$ 396,998	\$ 4,039	\$ -	\$ 430,536	\$ 6,939,736	\$ 55,866

City of Healdsburg

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2024

	Special Revenue Funds		Permanent Fund	Capital Projects Fund
	TOT Housing Fund	Fire Impact Fees	Senior Trust Center	Misc. Projects
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and other taxes	1,338,201	-	-	-
Development fees	-	27,383	-	-
Intergovernmental	-	-	-	-
Use of money and property	122	(1,305)	38,739	-
Other, donations, and reimbursements	3,857	-	-	-
Total revenues	1,342,180	26,078	38,739	-
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Streets and roads	-	-	-	-
Community development	828,006	-	4,466	-
Debt service:				
Principal retirement	-	-	-	-
interest and fiscal charges	-	-	-	-
Total expenditures	828,006	-	4,466	-
REVENUES OVER (UNDER) EXPENDITURES	514,174	26,078	34,273	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(138,372)	-	-
Total other financing sources (uses)	-	(138,372)	-	-
Net change in fund balances	514,174	(112,294)	34,273	-
FUND BALANCES:				
Beginning of year	-	-	277,974	-
Change within financial reporting entity	2,263,704	9,763	-	-
Beginning of year, as restated	2,263,704	9,763	277,974	-
End of year	\$ 2,777,878	\$ (102,531)	\$ 312,247	\$ -

Debt Service	
<u>Fund</u>	
<u>General Debt</u>	<u>Total Nonmajor</u>
<u>Service</u>	<u>Governmental</u>
	<u>Funds</u>
\$ (448)	\$ 255,781
-	1,338,201
-	27,383
-	607,164
-	159,017
-	116,613
<u>(448)</u>	<u>2,504,159</u>
-	37,238
-	2,700
-	1,067,272
104,597	104,597
3,181	3,181
<u>107,778</u>	<u>1,214,988</u>
<u>(108,226)</u>	<u>1,289,171</u>
107,778	125,124
-	(615,285)
<u>107,778</u>	<u>(490,161)</u>
(448)	799,010
165,391	10,525,976
-	1,159,435
<u>165,391</u>	<u>11,685,411</u>
<u>\$ 164,943</u>	<u>\$ 12,484,421</u>

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City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Gas Tax

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 635,822	\$ 635,822	\$ 607,164	\$ (28,658)
Use of money and property	8,296	8,296	56,684	48,388
Total revenues	644,118	644,118	663,848	19,730
EXPENDITURES:				
Current:				
Streets and roads	2,900	2,900	2,700	200
Total expenditures	2,900	2,900	2,700	200
REVENUES OVER (UNDER) EXPENDITURES	641,218	641,218	661,148	19,930
OTHER FINANCING SOURCES (USES):				
Transfers out	(736,000)	(736,000)	(410,000)	326,000
Total other financing sources (uses)	(736,000)	(736,000)	(410,000)	326,000
Net change in fund balances	\$ (94,782)	\$ (94,782)	251,148	\$ 345,930
FUND BALANCES:				
Beginning of year			1,130,456	
End of year			\$ 1,381,604	

City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

North Area

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
FUND BALANCES:				
Beginning of year			(13,338)	
End of year			<u>\$ (13,338)</u>	

City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Benjamin Way Maintenance District

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 39	\$ 39	\$ 374	\$ 335
Total revenues	39	39	374	335
Net change in fund balances	\$ 39	\$ 39	374	\$ 335
FUND BALANCES:				
Beginning of year			7,918	
End of year			<u>\$ 8,292</u>	

City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Public Safety

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other, donations, and reimbursements	\$ -	\$ -	\$ 35,917	\$ 35,917
Total revenues	-	-	35,917	35,917
EXPENDITURES:				
Current:				
Public safety	-	24,000	20,056	3,944
Total expenditures	-	24,000	20,056	3,944
Net change in fund balances	\$ -	\$ (24,000)	15,861	\$ 39,861
FUND BALANCES:				
Beginning of year			104,125	
End of year			<u>\$ 119,986</u>	

City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Strong Motion Education and Data

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 26	\$ 26	\$ 338	\$ 312
Other, donations, and reimbursements	200	200	902	702
Total revenues	<u>226</u>	<u>226</u>	<u>1,240</u>	<u>1,014</u>
Net change in fund balances	<u>\$ 226</u>	<u>\$ 226</u>	<u>1,240</u>	<u>\$ 1,014</u>
FUND BALANCES:				
Beginning of year			<u>6,925</u>	
End of year			<u>\$ 8,165</u>	

City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Area A Lighting and Landscaping

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 254,374	\$ 254,374	\$ 256,229	\$ 1,855
Use of money and property	1,049	1,049	16,067	15,018
Total revenues	255,423	255,423	272,296	16,873
EXPENDITURES:				
Current:				
Community development	209,441	298,086	230,698	67,388
Total expenditures	209,441	298,086	230,698	67,388
REVENUES OVER (UNDER) EXPENDITURES	45,982	(42,663)	41,598	84,261
OTHER FINANCING SOURCES (USES):				
Transfers in	-	17,346	17,346	-
Total other financing sources (uses)	-	17,346	17,346	-
Net change in fund balances	\$ 45,982	\$ (25,317)	58,944	\$ 84,261
FUND BALANCES:				
Beginning of year			338,054	
End of year			<u>\$ 396,998</u>	

City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Media Center

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other, donations, and reimbursements	\$ 40,000	\$ 40,000	\$ 36,667	\$ (3,333)
Total revenues	40,000	40,000	36,667	(3,333)
OTHER FINANCING SOURCES (USES):				
Transfers out	(40,000)	(40,000)	(40,000)	-
Total other financing sources (uses)	(40,000)	(40,000)	(40,000)	-
Net change in fund balances	\$ -	\$ -	(3,333)	\$ (3,333)
FUND BALANCES:				
Beginning of year			7,372	
End of year			<u>\$ 4,039</u>	

City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Parking Impact Fees

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 2,019	\$ 2,019	\$ 19,658	\$ 17,639
Total revenues	2,019	2,019	19,658	17,639
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(410,000)	-	410,000
Total other financing sources (uses)	-	(410,000)	-	427,639
Net change in fund balances	\$ 2,019	\$ (407,981)	19,658	\$ 427,639
FUND BALANCES:				
Beginning of year			410,878	
End of year			\$ 430,536	

City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Housing Successor Agency

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 28,340	\$ 28,340
Total revenues	-	-	28,340	28,340
EXPENDITURES:				
Current:				
Community development	1,016	4,516	4,102	414
Total expenditures	1,016	4,516	4,102	414
Net change in fund balances	\$ (1,016)	\$ (4,516)	24,238	\$ 28,754
FUND BALANCES:				
Beginning of year			6,915,498	
End of year			<u>\$ 6,939,736</u>	

City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Opioid Settlement

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other, donations, and reimbursements	\$ -	\$ -	\$ 39,270	\$ 39,270
Total revenues	-	-	39,270	39,270
EXPENDITURES:				
Current:				
Public safety	-	19,300	17,182	2,118
Total expenditures	-	19,300	17,182	2,118
REVENUES OVER (UNDER) EXPENDITURES	-	(19,300)	22,088	41,388
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(26,913)	(26,913)	-
Total other financing sources (uses)	-	(26,913)	(26,913)	-
Net change in fund balances	\$ -	\$ (46,213)	(4,825)	\$ 41,388
FUND BALANCES:				
Beginning of year			60,691	
End of year			\$ 55,866	

City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

TOT Housing

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Sales and other taxes	\$ 1,640,161	\$ 1,400,652	\$ 1,338,201	\$ (62,451)
Use of money and property	-	-	122	122
Other, donations, and reimbursements	-	-	3,857	3,857
Total revenues	<u>1,640,161</u>	<u>1,400,652</u>	<u>1,342,180</u>	<u>(58,472)</u>
EXPENDITURES:				
Current:				
Community development	560,076	850,133	828,006	22,127
Total expenditures	<u>560,076</u>	<u>850,133</u>	<u>828,006</u>	<u>22,127</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,080,085</u>	<u>550,519</u>	<u>514,174</u>	<u>(36,345)</u>
Net change in fund balances	<u>\$ 1,080,085</u>	<u>\$ 550,519</u>	<u>514,174</u>	<u>\$ (36,345)</u>
FUND BALANCES:				
Beginning of year, as previously presented			-	
Change within financial reporting entity (major to nonmajor fund)			<u>2,263,704</u>	
Beginning of year, as restated			<u>2,263,704</u>	
End of year			<u>\$ 2,777,878</u>	

City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Fire Impact Fees

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Development fees	\$ -	\$ -	\$ 27,383	\$ 27,383
Use of money and property	1,178	1,178	(1,305)	(2,483)
Total revenues	1,178	1,178	26,078	24,900
OTHER FINANCING SOURCES (USES):				
Transfers out	(138,372)	(138,372)	(138,372)	-
Total other financing sources (uses)	(138,372)	(138,372)	(138,372)	-
Net change in fund balances	\$ (137,194)	\$ (137,194)	(112,294)	\$ 24,900
FUND BALANCES:				
Beginning of year, as previously restated				-
Change within financial reporting entity (major to nonmajor fund)			9,763	
Beginning of year, as restated			9,763	
End of year			\$ (102,531)	

City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Senior Trust Center

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 11,749	\$ 11,749	\$ 38,739	\$ 26,990
Total revenues	11,749	11,749	38,739	26,990
EXPENDITURES:				
Current:				
Community development	4,000	4,000	4,466	(466)
Total expenditures	4,000	4,000	4,466	(466)
REVENUES OVER (UNDER) EXPENDITURES	7,749	7,749	34,273	26,524
Net change in fund balances	\$ 7,749	\$ 7,749	34,273	\$ 26,524
FUND BALANCES:				
Beginning of year			277,974	
End of year			\$ 312,247	

City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Misc. Projects

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

City of Healdsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Debt Service

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ (448)	\$ (448)
Total revenues	-	-	(448)	(448)
EXPENDITURES:				
Debt service:				
Principal retirement	104,597	104,597	104,597	-
interest and fiscal charges	8,181	8,181	3,181	5,000
Total expenditures	112,778	112,778	107,778	5,000
REVENUES OVER (UNDER) EXPENDITURES	(112,778)	(112,778)	(108,226)	4,552
OTHER FINANCING SOURCES (USES):				
Transfers in	107,778	107,778	107,778	-
Total other financing sources (uses)	107,778	107,778	107,778	-
Net change in fund balances	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	(448)	<u>\$ 4,552</u>
FUND BALANCES:				
Beginning of year			165,391	
End of year			<u>\$ 164,943</u>	

City of Healdsburg
Combining Balance Sheet
General Fund Activities
June 30, 2024

	General	Capital Replacement	Transaction & Use Tax	Economic Development	TOT Housing
ASSETS					
Cash and investments	\$ 6,152,947	\$ 313,836	\$ 4,862,060	\$ 50,981	\$ -
Pension stabilization investments	4,945,288	-	-	-	-
Accounts receivable	991,006	-	49,120	-	-
Loans and notes receivable	-	-	93,157	-	-
Interest receivable	43,348	-	34,484	296	-
Intergovernmental receivable	1,248,388	-	515,528	-	-
Lease receivable	295,864	-	-	-	-
Due from other funds	1,523,626	-	-	-	-
Prepaid items	3,251	-	-	-	-
Total assets	\$ 15,203,718	\$ 313,836	\$ 5,554,349	\$ 51,277	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 530,897	\$ 56,181	\$ 119,783	\$ -	\$ -
Due to other funds	-	-	-	-	-
Deposits payable	1,569,176	-	-	-	-
Unearned revenue	670,001	-	-	-	-
Advances from other funds	-	2,039,634	-	-	-
Total liabilities	2,770,074	2,095,815	119,783	-	-
Deferred Inflows of Resources					
Lease related	286,420	-	-	-	-
Total deferred inflows of resources	286,420	-	-	-	-
Fund Balances:					
Nonspendable	3,251	-	-	-	-
Restricted	4,945,288	-	-	-	-
Committed	-	-	-	-	-
Assigned	369,313	-	-	-	-
Unassigned	6,829,372	(1,781,979)	5,434,566	51,277	-
Total fund balances	12,147,224	(1,781,979)	5,434,566	51,277	-
Total liabilities, deferred inflows of resources and fund balances	\$ 15,203,718	\$ 313,836	\$ 5,554,349	\$ 51,277	\$ -

Tree Mitigation	Fire Facilities Impact Fees	L&M Village	Plaza Flowers Veterans	Community Benefit	Long Range Planning Fund	Total General Funds
\$ -	\$ -	\$ -	\$ 4,815	\$ 39,162	\$ 369,745	\$ 11,793,546
-	-	-	-	-	-	4,945,288
-	-	-	-	-	-	1,040,126
-	-	-	-	-	-	93,157
-	-	-	-	227	-	78,355
-	-	404,712	-	-	-	2,168,628
-	-	-	-	-	-	295,864
-	-	-	-	-	-	1,523,626
-	-	-	-	-	-	3,251
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 404,712</u>	<u>\$ 4,815</u>	<u>\$ 39,389</u>	<u>\$ 369,745</u>	<u>\$ 21,941,841</u>
\$ -	\$ -	\$ 121,467	\$ 343	\$ -	\$ 431	\$ 829,102
-	-	321,195	-	-	-	321,195
-	-	-	-	-	-	1,569,176
-	-	-	-	-	-	670,001
-	-	-	-	-	-	2,039,634
-	-	442,662	343	-	431	5,429,108
-	-	-	-	-	-	286,420
-	-	-	-	-	-	286,420
-	-	-	-	-	-	3,251
-	-	-	-	-	-	4,945,288
-	-	-	-	39,389	-	39,389
-	-	-	4,472	-	-	373,785
-	-	(37,950)	-	-	369,314	10,864,600
-	-	(37,950)	4,472	39,389	369,314	16,226,313
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 404,712</u>	<u>\$ 4,815</u>	<u>\$ 39,389</u>	<u>\$ 369,745</u>	<u>\$ 21,941,841</u>

City of Healdsburg

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

General Fund Activities

For the year ended June 30, 2024

	General	Capital Replacement	Transaction & Use Tax	Economic Development	TOT Housing
REVENUES:					
Property taxes	\$ 5,275,497	\$ -	\$ -	\$ -	\$ -
Sales and other taxes	8,197,258	-	2,815,672	-	-
Development fees	439,967	-	-	-	-
Intergovernmental	1,365,429	-	-	-	-
Fines and forfeitures	43,008	-	-	-	-
Licenses and permits	1,973,447	-	-	-	-
Use of money and property	729,273	-	226,438	2,313	-
Charges for services	971,590	-	-	-	-
Other, donations, and reimbursements	672,895	3,401,438	-	-	-
Total revenues	19,668,364	3,401,438	3,042,110	2,313	-
EXPENDITURES:					
Current:					
General government	4,738,463	4,273,397	415,579	-	-
Public safety	12,642,318	-	-	-	-
Community development	-	-	-	-	-
Total expenditures	17,380,781	4,273,397	415,579	-	-
REVENUES OVER (UNDER) EXPENDITURES	2,287,583	(871,959)	2,626,531	2,313	-
OTHER FINANCING SOURCES (USES):					
Transfers in	1,085,257	1,118,097	-	-	-
Transfers out	(1,771,448)	-	(2,030,818)	-	-
Total other financing sources (uses)	(686,191)	1,118,097	(2,030,818)	-	-
Net change in fund balances	1,601,392	246,138	595,713	2,313	-
FUND BALANCES:					
Beginning of year, as previously presented	10,545,832	(2,028,117)	4,838,853	48,964	2,263,704
Change within financial reporting entity	-	-	-	-	(2,263,704)
Beginning of year, as restated	10,545,832	(2,028,117)	4,838,853	48,964	-
End of year	\$ 12,147,224	\$ (1,781,979)	\$ 5,434,566	\$ 51,277	\$ -

Tree Mitigation	Fire Facilities Impact Fees	L&M Village	Plaza Flowers Veterans	Community Benefit	Long Range Planning Fund	Total General Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,275,497
-	-	-	-	-	-	11,012,930
-	-	-	-	-	-	439,967
-	-	440,355	-	-	-	1,805,784
-	-	-	-	-	-	43,008
-	-	-	-	-	-	1,973,447
-	-	-	-	1,776	-	959,800
-	-	-	-	-	43,395	1,014,985
-	-	-	5,666	37,613	-	4,117,612
-	-	440,355	5,666	39,389	43,395	26,643,030
-	-	-	-	-	-	9,427,439
-	-	-	-	-	-	12,642,318
-	-	765,342	1,194	-	-	766,536
-	-	765,342	1,194	-	-	22,836,293
-	-	(324,987)	4,472	39,389	43,395	3,806,737
-	-	-	-	-	-	2,203,354
-	-	-	-	-	-	(3,802,266)
-	-	-	-	-	-	(1,598,912)
-	-	(324,987)	4,472	39,389	43,395	2,207,825
-	9,763	287,037	-	-	325,919	16,291,955
-	(9,763)	-	-	-	-	(2,273,467)
-	-	287,037	-	-	325,919	14,018,488
\$ -	\$ -	\$ (37,950)	\$ 4,472	\$ 39,389	\$ 369,314	\$ 16,226,313

City of Healdsburg
Combining Statement of Net Position
Water Fund Activities
June 30, 2024

	Water Operations	Water Capital Replacement	Water Debt Service	Water Capacity	Totals
ASSETS					
Current Assets:					
Cash and investments	\$ 2,065,214	\$ 1,034,802	\$ -	\$ 1,427,605	\$ 4,527,621
Cash and investments with fiscal agents	56	-	-	-	56
Pension stabilization investments	566,776	-	-	-	566,776
Accounts receivable	1,133,825	-	-	13,142	1,146,967
Interest receivable	18,446	-	-	8,438	26,884
Intergovernmental receivable	6,403	958,621	-	-	965,024
Inventory	103,930	-	-	-	103,930
Total current assets	3,894,650	1,993,423	-	1,449,185	7,337,258
Noncurrent:					
Capital assets:					
Land	310,781	-	-	-	310,781
Construction in progress	-	2,515,265	-	-	2,515,265
Depreciable buildings and improvements	1,443,869	-	-	-	1,443,869
Depreciable utility systems	36,686,712	-	-	-	36,686,712
Depreciable equipment	655,480	-	-	-	655,480
Accumulated depreciation	(16,380,021)	-	-	-	(16,380,021)
Net capital assets	22,716,821	2,515,265	-	-	25,232,086
Total noncurrent assets	22,716,821	2,515,265	-	-	25,232,086
Total assets	26,611,471	4,508,688	-	1,449,185	32,569,344
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	1,564,664	-	-	-	1,564,664
OPEB related	24,110	-	-	-	24,110
Total deferred outflows of resources	1,588,774	-	-	-	1,588,774
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	51,980	1,191,802	-	-	1,243,782
Deposits payable	14,133	-	-	-	14,133
Retention payable	-	59,224	-	-	59,224
Interest payable	45,308	-	-	-	45,308
Bonds payable - current	612,000	-	-	-	612,000
OPEB liability - current	4,422	-	-	-	4,422
Total current liabilities	727,843	1,251,026	-	-	1,978,869
Noncurrent liabilities:					
Bonds payable	3,572,000	-	-	-	3,572,000
Net pension liability	4,064,526	-	-	-	4,064,526
Net OPEB liability	149,317	-	-	-	149,317
Total noncurrent liabilities	7,785,843	-	-	-	7,785,843
Total liabilities	8,513,686	1,251,026	-	-	9,764,712
DEFERRED INFLOWS OF RESOURCES					
Pension related	221,406	-	-	-	221,406
OPEB related	51,715	-	-	-	51,715
Total deferred inflows of resources	273,121	-	-	-	273,121
NET POSITION					
Net investment in capital assets	18,532,877	2,456,041	-	-	20,988,918
Restricted	56	742,397	-	1,449,185	2,191,638
Unrestricted	880,505	59,224	-	-	939,729
Total net position	\$ 19,413,438	\$ 3,257,662	\$ -	\$ 1,449,185	\$ 24,120,285

City of Healdsburg

Combining Statement of Revenues, Expenses and Changes in Net Position

Water Fund Activities

For the year ended June 30, 2024

	Water Operations	Water Capital Replacement	Debt Service	Water Capacity	Totals
OPERATING REVENUES:					
Charges for services	\$ 6,235,537	\$ -	\$ -	\$ -	\$ 6,235,537
Development fees	39,100	-	-	72,959	112,059
Intergovernmental	10,632	1,336,380	-	-	1,347,012
Other	41,879	-	-	-	41,879
Total operating revenues	6,327,148	1,336,380	-	72,959	7,736,487
OPERATING EXPENSES:					
Salaries and benefits	2,689,757	-	-	-	2,689,757
Maintenance and operations	1,195,472	-	-	-	1,195,472
Administration	1,011,329	-	-	-	1,011,329
Depreciation	860,091	-	-	-	860,091
Total operating expenses	5,756,649	-	-	-	5,756,649
Operating income (loss)	570,499	1,336,380	-	72,959	1,979,838
NONOPERATING REVENUES (EXPENSES):					
Investment income (loss)	153,021	-	-	64,251	217,272
Interest expense	(191,361)	-	-	-	(191,361)
Total nonoperating revenues (expenses)	(38,340)	-	-	64,251	25,911
Income before contributions and transfers	532,159	1,336,380	-	137,210	2,005,749
CONTRIBUTIONS AND TRANSFERS:					
Transfers in	21,534	48,541	-	-	70,075
Transfers out	(37,895)	-	-	(32,180)	(70,075)
Capital contributions	241,603	-	-	-	241,603
Total contributions and transfers	225,242	48,541	-	(32,180)	241,603
Change in net position	757,401	1,384,921	-	105,030	2,247,352
NET POSITION:					
Beginning of year	18,656,037	1,872,741	-	1,344,155	21,872,933
End of year	\$ 19,413,438	\$ 3,257,662	\$ -	\$ 1,449,185	\$ 24,120,285

City of Healdsburg
Combining Statement of Net Position
Sewer Fund Activities
June 30, 2024

	Sewer Operations	Drainage	Sewer Capital Replacement	Sewer Capacity	Drainage Capacity	Totals
ASSETS						
Current Assets:						
Cash and investments	\$ 2,327,889	\$ -	\$ 1,537,513	\$ 3,612,597	\$ 1,498,678	\$ 8,976,677
Cash and investments with fiscal agents	2,164	-	-	-	-	2,164
Pension stabilization investments	682,559	148,366	-	-	-	830,925
Accounts receivable	1,197,574	61,559	-	21,796	6,444	1,287,373
Interest receivable	21,417	-	-	21,613	8,738	51,768
Intergovernmental receivable	653	261	-	-	-	914
Due from other funds	291,343	-	-	-	-	291,343
Inventory	20,089	-	-	-	-	20,089
Total current assets	4,543,688	210,186	1,537,513	3,656,006	1,513,860	11,461,253
Noncurrent:						
Advances to other funds	-	-	1,019,817	-	-	1,019,817
Capital assets:						
Land	682,880	84,022	-	-	-	766,902
Construction in progress	-	-	409,003	-	-	409,003
Depreciable buildings and Depreciable utility systems	258,359	-	-	-	-	258,359
Depreciable equipment	74,406,629	12,064,262	-	-	-	86,470,891
Accumulated depreciation	1,808,823	-	-	-	-	1,808,823
	(28,353,712)	(5,978,138)	-	-	-	(34,331,850)
Net capital assets	48,802,979	6,170,146	409,003	-	-	55,382,128
Total noncurrent assets	48,802,979	6,170,146	1,428,820	-	-	56,401,945
Total assets	53,346,667	6,380,332	2,966,333	3,656,006	1,513,860	67,863,198
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on debt refunding	602,136	-	-	-	-	602,136
Pension related	1,564,664	-	-	-	-	1,564,664
OPEB related	33,662	-	-	-	-	33,662
Total deferred outflows	2,200,462	-	-	-	-	2,200,462
LIABILITIES						
Current liabilities:						
Accounts payable and Due to other funds	68,582	8,402	45,851	-	-	122,835
Deposits payable	425,000	291,343	-	-	-	716,343
Interest payable	150	-	-	-	-	150
Bonds payable - current	157,138	-	-	-	-	157,138
OPEB liability - current	1,190,000	-	-	-	-	1,190,000
	6,173	-	-	-	-	6,173
Total current liabilities	1,847,043	299,745	45,851	-	-	2,192,639
Noncurrent liabilities:						
Bonds payable	16,655,219	-	-	-	-	16,655,219
Net pension liability	4,064,526	-	-	-	-	4,064,526
Net OPEB liability	208,473	-	-	-	-	208,473
Total noncurrent liabilities	20,928,218	-	-	-	-	20,928,218
Total liabilities	22,775,261	299,745	45,851	-	-	23,120,857
DEFERRED INFLOWS OF RESOURCES						
Pension related	221,406	-	-	-	-	221,406
OPEB related	72,203	-	-	-	-	72,203
Total deferred inflows	293,609	-	-	-	-	293,609
NET POSITION						
Net investment in capital assets	31,562,060	6,170,146	409,003	-	-	38,141,209
Restricted	2,164	-	3,531,296	3,656,006	1,513,860	8,703,326
Unrestricted	914,035	(89,559)	(1,019,817)	-	-	(195,341)
Total net position	\$ 32,478,259	\$ 6,080,587	\$ 2,920,482	\$ 3,656,006	\$ 1,513,860	\$ 46,649,194

City of Healdsburg

Combining Statement of Revenues, Expenses and Changes in Net Position

Sewer Fund Activities

For the year ended June 30, 2024

	Sewer Operations	Drainage	Sewer Capital Replacement	Sewer Capacity	Drainage Capacity	Totals
OPERATING REVENUES:						
Charges for services	\$ 7,686,280	\$ 739,383	\$ -	\$ -	\$ -	\$ 8,425,663
Development fees	39,356	19,858	-	219,866	57,512	336,592
Intergovernmental	653	261	-	-	-	914
Other	20,200	701,779	-	-	-	721,979
Total operating revenues	7,746,489	1,461,281	-	219,866	57,512	9,485,148
OPERATING EXPENSES:						
Salaries and benefits	3,070,750	396,866	-	-	-	3,467,616
Maintenance and operations	2,275,929	131,233	250,651	-	-	2,657,813
Administration	1,152,287	163,825	-	-	-	1,316,112
Depreciation	2,143,956	257,886	-	-	-	2,401,842
Total operating expenses	8,642,922	949,810	250,651	-	-	9,843,383
Operating income (loss)	(896,433)	511,471	(250,651)	219,866	57,512	(358,235)
NONOPERATING REVENUES (EXPENSES):						
Investment income (loss)	165,675	9,277	-	163,158	67,023	405,133
Interest expense	(663,306)	-	-	-	-	(663,306)
Total nonoperating revenues (expenses)	(497,631)	9,277	-	163,158	67,023	(258,173)
Income before contributions and transfers	(1,394,064)	520,748	(250,651)	383,024	124,535	(616,408)
CONTRIBUTIONS AND TRANSFERS:						
Transfers in	107,448	-	69,747	-	-	177,195
Transfers out	-	(1,704)	-	(114,544)	(15,969)	(132,217)
Capital contributions	636,198	57,963	-	-	-	694,161
Total contributions and transfers	743,646	56,259	69,747	(114,544)	(15,969)	739,139
Change in net position	(650,418)	577,007	(180,904)	268,480	108,566	122,731
NET POSITION:						
Beginning of year	33,128,677	5,503,580	3,101,386	3,387,526	1,405,294	46,526,463
End of year	\$ 32,478,259	\$ 6,080,587	\$ 2,920,482	\$ 3,656,006	\$ 1,513,860	\$ 46,649,194

City of Healdsburg
Combining Statement of Net Position
Electric Fund Activities
June 30, 2024

	Electric Operations	Capital Replacement	Electric Public Benefit	Electric Cap & Trade	Electric Capacity	Totals
ASSETS						
Current Assets:						
Cash and investments	\$ 7,415,923	\$ 798,149	\$ 1,598,321	\$ 2,865,510	\$ 205,220	\$ 12,883,123
Cash and investments with fiscal agents	-	-	-	-	-	-
Pension stabilization investments	974,813	-	-	-	-	974,813
Investment in NCPA reserves	5,729,441	-	-	-	-	5,729,441
Accounts receivable	2,340,654	-	-	606	-	2,341,260
Loans and notes receivable	-	-	-	-	-	-
Interest receivable	48,875	-	26,157	-	1,193	76,225
Intergovernmental receivable	-	-	-	-	-	-
Lease receivable	-	-	-	-	-	-
Due from other funds	15,000	-	-	-	-	15,000
Inventory	2,598,795	-	-	-	-	2,598,795
Total current assets	19,123,501	798,149	1,624,478	2,866,116	206,413	24,618,657
Noncurrent:						
Advances to other funds	-	1,019,817	-	-	-	1,019,817
Capital assets:						
Land	48,360	-	-	-	-	48,360
Construction in progress	-	1,076,559	-	-	-	1,076,559
Depreciable buildings and improvements	447,835	-	-	-	-	447,835
Depreciable utility systems	31,682,816	-	-	-	-	31,682,816
Depreciable equipment	1,001,599	-	-	-	-	1,001,599
Accumulated depreciation	(15,672,867)	-	-	-	-	(15,672,867)
Net capital assets	17,507,743	1,076,559	-	-	-	18,584,302
Total noncurrent assets	17,507,743	2,096,376	-	-	-	19,604,119
Total assets	36,631,244	2,894,525	1,624,478	2,866,116	206,413	44,222,776
DEFERRED OUTFLOWS OF RESOURCES						
Pension related	2,166,457	-	-	-	-	2,166,457
OPEB related	13,223	-	-	-	-	13,223
Total deferred outflows of resources	2,179,680	-	-	-	-	2,179,680
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	736,830	57,425	1,437	35,668	-	831,360
Deposits payable	168,271	542,433	-	-	-	710,704
Retention payable	-	-	-	-	-	-
Interest payable	3,330	-	-	-	-	3,330
Loans payable - current	119,588	-	-	-	-	119,588
OPEB liability - current	2,425	-	-	-	-	2,425
Total current liabilities	1,030,444	599,858	1,437	35,668	-	1,667,407
Noncurrent liabilities:						
Loan payable	1,212,452	-	-	-	-	1,212,452
Net pension liability	5,627,805	-	-	-	-	5,627,805
Net OPEB liability	81,894	-	-	-	-	81,894
Total noncurrent liabilities	6,922,151	-	-	-	-	6,922,151
Total liabilities	7,952,595	599,858	1,437	35,668	-	8,589,558
DEFERRED INFLOWS OF RESOURCES						
Pension related	306,562	-	-	-	-	306,562
OPEB related	28,363	-	-	-	-	28,363
Total deferred inflows of resources	334,925	-	-	-	-	334,925
NET POSITION						
Net investment in capital assets	17,507,743	1,076,559	-	-	-	18,584,302
Restricted	-	2,237,925	1,623,041	2,830,448	206,413	6,897,827
Unrestricted	13,015,661	(1,019,817)	-	-	-	11,995,844
Total net position	\$ 30,523,404	\$ 2,294,667	\$ 1,623,041	\$ 2,830,448	\$ 206,413	\$ 37,477,973

City of Healdsburg

Combining Statement of Revenues, Expenses and Changes in Net Position

Electric Fund Activities

For the year ended June 30, 2024

	Electric Operations	Capital Replacement	Electric Public Benefit	Electric Cap & Trade	Electric Capacity	Totals
OPERATING REVENUES:						
Charges for services	\$ 14,665,995	\$ -	\$ 399,609	\$ -	\$ -	\$ 15,065,604
Development fees	9,803	-	-	-	73,038	82,841
Other	292,018	244,242	772,918	3,842	-	1,313,020
Total operating revenues	14,967,816	244,242	1,172,527	3,842	73,038	16,461,465
OPERATING EXPENSES:						
Purchase of power	5,312,034	-	-	-	-	5,312,034
Salaries and benefits	3,071,404	-	104,756	32,059	-	3,208,219
Maintenance and operations	4,473,492	270,533	254,182	123,705	-	5,121,912
Administration	1,652,847	-	-	-	-	1,652,847
Depreciation	652,768	-	-	-	-	652,768
Total operating expenses	15,162,545	270,533	358,938	155,764	-	15,947,780
Operating income (loss)	(194,729)	(26,291)	813,589	(151,922)	73,038	513,685
NONOPERATING REVENUES (EXPENSES):						
Investment income (loss)	575,541	-	187,084	-	6,634	769,259
Interest expense	(3,329)	-	-	-	-	(3,329)
Total nonoperating revenues (expenses)	572,212	-	187,084	-	6,634	765,930
Income before contributions and transfers	377,483	(26,291)	1,000,673	(151,922)	79,672	1,279,615
CONTRIBUTIONS AND TRANSFERS:						
Transfers in	-	70,114	-	2,982,370	-	3,052,484
Transfers out	(219,963)	-	(3,018,958)	-	-	(3,238,921)
Capital contributions	270,533	-	-	-	-	270,533
Total contributions and transfers	50,570	70,114	(3,018,958)	2,982,370	-	84,096
Change in net position	428,053	43,823	(2,018,285)	2,830,448	79,672	1,363,711
NET POSITION:						
Beginning of year	30,095,351	2,250,844	3,641,326	-	126,741	36,114,262
Restatements	-	-	-	-	-	-
Beginning of year, as restated	30,095,351	2,250,844	3,641,326	-	126,741	36,114,262
End of year	<u>\$ 30,523,404</u>	<u>\$ 2,294,667</u>	<u>\$ 1,623,041</u>	<u>\$ 2,830,448</u>	<u>\$ 206,413</u>	<u>\$ 37,477,973</u>

City of Healdsburg
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Insurance and Benefit	Vehicle Maintenance	Information Services	Building Maintenance	Vehicle Replacement	Totals
ASSETS						
Current Assets:						
Cash and investments	\$ 5,198,470	\$ 94,385	\$ 1,659,593	\$ 468,312	\$ 2,239,665	\$ 9,660,425
Accounts receivable	20,700	3,753	2,940	95,729	-	123,122
Loans and notes receivable	-	-	3,408	-	-	3,408
Interest receivable	-	698	9,881	2,778	12,798	26,155
Inventory	-	15,640	-	-	-	15,640
Prepaid items	-	-	-	-	-	-
Total current assets	5,219,170	114,476	1,675,822	566,819	2,252,463	9,828,750
Noncurrent:						
Capital assets:						
Depreciable buildings and improvements	-	-	-	-	-	-
Depreciable equipment	-	9,251,518	2,477,725	3,703,560	-	15,432,803
Accumulated depreciation	-	(6,112,511)	(2,214,131)	(2,094,684)	-	(10,421,326)
Net capital assets	-	3,139,007	263,594	1,608,876	-	5,011,477
Total noncurrent assets	-	3,139,007	263,594	1,608,876	-	5,011,477
Total assets	5,219,170	3,253,483	1,939,416	2,175,695	2,252,463	14,840,227
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	911,506	39,989	58,499	29,998	24,056	1,064,048
Lease liabilities - current	-	-	32,156	-	-	32,156
Compensated absences - current	1,306,007	-	-	-	-	1,306,007
Claims payable - current	96,126	-	-	-	-	96,126
Total current liabilities	2,313,639	39,989	90,655	29,998	24,056	2,498,337
Noncurrent liabilities:						
Lease liabilities	-	-	24,225	-	-	24,225
Compensated absences	1,706,698	-	-	-	-	1,706,698
Claims payable	218,319	-	-	-	-	218,319
Total noncurrent liabilities	1,925,017	-	24,225	-	-	1,949,242
Total liabilities	4,238,656	39,989	114,880	29,998	24,056	4,447,579
NET POSITION						
Net investment in capital assets	-	3,139,007	207,213	1,608,876	-	4,955,096
Unrestricted	980,514	74,487	1,617,323	536,821	2,228,407	5,437,552
Total net position	\$ 980,514	\$ 3,213,494	\$ 1,824,536	\$ 2,145,697	\$ 2,228,407	\$ 10,392,648

City of Healdsburg

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

For the year ended June 30, 2024

	Insurance and Benefit	Vehicle Maintenance	Information Services	Building Maintenance	Vehicle Replacement	Totals
OPERATING REVENUES:						
Charges for services	\$ 1,756,098	\$ 1,086,403	\$ 3,071,726	\$ 914,288	\$ 563,128	\$ 7,391,643
Other	-	20,582	252	91,467	-	112,301
Total operating revenues	1,756,098	1,106,985	3,071,978	1,005,755	563,128	7,503,944
OPERATING EXPENSES:						
Salaries and benefits	1,515,046	511,965	843,632	336,848	-	3,207,491
Maintenance and operations	-	366,601	1,790,594	558,748	789,978	3,505,921
Administration	-	171,861	176,201	83,548	-	431,610
Amortization	-	-	31,971	-	-	31,971
Depreciation	-	1,010,378	142,062	356,330	-	1,508,770
Total operating expenses	1,515,046	2,060,805	2,984,460	1,335,474	789,978	8,685,763
Operating income (loss)	241,052	(953,820)	87,518	(329,719)	(226,850)	(1,181,819)
NONOPERATING REVENUES (EXPENSES):						
Investment income (loss)	-	989	70,153	208,773	108,068	387,983
Interest expense	-	-	(379)	-	-	(379)
Gain (loss) on sale of fixed assets	-	-	-	-	6,900	6,900
Total nonoperating revenues (expenses)	-	989	69,774	208,773	114,968	394,504
Income before contributions and transfers	241,052	(952,831)	157,292	(120,946)	(111,882)	(787,315)
CONTRIBUTIONS AND TRANSFERS:						
Transfers in	-	486,705	-	-	70,711	557,416
Transfers out	-	(43,798)	-	-	-	(43,798)
Capital contributions	-	789,978	-	-	-	789,978
Total contributions and transfers	-	1,232,885	-	-	70,711	1,303,596
Change in net position	241,052	280,054	157,292	(120,946)	(41,171)	516,281
NET POSITION:						
Beginning of year	739,462	2,933,440	1,667,244	2,266,643	2,269,578	9,876,367
End of year	\$ 980,514	\$ 3,213,494	\$ 1,824,536	\$ 2,145,697	\$ 2,228,407	\$ 10,392,648

City of Healdsburg
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2024

	Insurance and Benefit	Vehicle Maintenance	Information Services	Building Maintenance	Vehicle Replacement	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$ 1,755,509	\$ 1,082,650	\$ 3,069,365	\$ 876,533	\$ 563,128	\$ 7,347,185
Receipts from other operating activities	-	20,582	252	91,467	-	112,301
Payments to suppliers	27,438	(1,015,150)	(2,019,082)	(705,368)	(827,963)	(4,540,125)
Payments to employees	(1,334,842)	(511,965)	(843,632)	(336,848)	-	(3,027,287)
Net cash provided by (used) by operating activities	448,105	(423,883)	206,903	(74,216)	(264,835)	(107,926)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Interfund borrowing	-	-	-	-	-	-
Transfers in	-	486,705	-	-	70,711	557,416
Transfers out	-	(43,798)	-	-	-	(43,798)
Principal payment on debt	-	-	(31,992)	-	-	(31,992)
Net cash provided (used) by noncapital financing activities	-	442,907	(31,992)	-	70,711	481,626
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Interest paid	-	-	(379)	-	-	(379)
Cash received (loss) from sale of capital assets	-	-	-	-	6,900	6,900
Acquisition and construction of capital assets	-	1	1	(82,322)	-	(82,320)
Net cash provided (used) by capital and related financing activities	-	1	(378)	(82,322)	6,900	(75,799)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment income (loss)	-	573	64,890	207,375	102,789	375,627
Net cash provided by (used in) investing activities	-	573	64,890	207,375	102,789	375,627
Net cash flows	448,105	19,598	239,423	50,837	(84,435)	673,528
CASH AND INVESTMENTS - Beginning of year	4,750,365	74,787	1,420,170	417,475	2,324,100	8,986,897
CASH AND INVESTMENTS - End of year	\$ 5,198,470	\$ 94,385	\$ 1,659,593	\$ 468,312	\$ 2,239,665	\$ 9,660,425
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ 241,052	\$ (953,820)	\$ 87,518	\$ (329,719)	\$ (226,850)	\$ (1,181,819)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	-	1,010,378	174,033	356,330	-	1,540,741
(Increase) decrease in accounts receivables	(589)	(3,753)	(2,361)	(37,755)	-	(44,458)
(Increase) decrease in inventory	-	(6,457)	-	-	-	(6,457)
Increase (decrease) in prepaid items	-	17,717	36,346	-	-	54,063
Increase (decrease) in accounts payable and accrued liabilities	27,438	(487,948)	(88,633)	(63,072)	(37,985)	(650,200)
Increase (decrease) in claims payable	16,460	-	-	-	-	16,460
Increase (decrease) in compensated absences	163,744	-	-	-	-	163,744
Net cash provided by (used in) operating activities	\$ 448,105	\$ (423,883)	\$ 206,903	\$ (74,216)	\$ (264,835)	\$ (107,926)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contribution	\$ -	\$ 789,978	\$ -	\$ -	\$ -	\$ 789,978

City of Healdsburg
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2024

	<u>Private Purpose Trust Funds</u>		
	<u>Post RDA Successor Agency</u>	<u>Post RDA Debt Retirement Fund</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 3,793,084	\$ 58	\$ 3,793,142
Cash and investments with fiscal agents	-	2,618,775	2,618,775
Interest receivable	26,398	-	26,398
Loans and notes receivable	2,609,931	-	2,609,931
Nondepreciable capital assets	528,300	-	528,300
Total assets	<u>6,957,713</u>	<u>2,618,833</u>	<u>9,576,546</u>
LIABILITIES			
Interest payable	-	535,362	535,362
Long-term liabilities:			
Long-term debt - due within one year	-	2,496,800	2,496,800
Long-term debt - due in more than one year	-	29,545,729	29,545,729
Total liabilities	<u>-</u>	<u>32,577,891</u>	<u>32,577,891</u>
NET POSITION			
Net position held for private purposes	<u>6,957,713</u>	<u>(29,959,058)</u>	<u>(23,001,345)</u>
Total Net Position	<u>\$ 6,957,713</u>	<u>\$ (29,959,058)</u>	<u>\$ (23,001,345)</u>

City of Healdsburg
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the year ended June 30, 2024

	Private Purpose Trust Funds		
	Post RDA Successor Agency	Post RDA Debt Retirement Fund	Total
ADDITIONS:			
Property taxes	\$ 3,914,620	\$ -	\$ 3,914,620
Use of money and property	103,528	187,788	291,316
Transfers in	-	3,588,092	3,588,092
Total additions	4,018,148	3,775,880	7,794,028
DEDUCTIONS:			
Community development	5,350	-	5,350
Interest expense	-	1,136,641	1,136,641
Administrative expense	250,000	-	250,000
Transfers out	3,588,092	-	3,588,092
Total deductions	3,843,442	1,136,641	4,980,083
Change in net position	174,706	2,639,239	2,813,945
NET POSITION:			
Beginning of year	6,783,007	(32,598,297)	(25,815,290)
End of year	<u>\$ 6,957,713</u>	<u>\$ (29,959,058)</u>	<u>\$ (23,001,345)</u>