CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA

Agenda Date:	January 21, 2025
Action Required:	No Action Required
Presenter:	Chris Cullinan, Director of Finance
Staff Contacts:	Chris Cullinan, Director of Finance
Title:	**Report regarding the FY24 Financial Audit results**

Background

At City Council's December 16, 2024 meeting, the City's auditors (Robinson, Farmer, Cox and Associates) gave a verbal confirmation of an unmodified (i.e. clean) opinion regarding the accounting and reporting of the City's finances for the fiscal year ending June 30, 2024 (FY24). They have since issued written confirmation of this opinion. The Finance Department has completed all required disclosures to various regulatory agencies and published the Annual Comprehensive Financial Report (ACFR). The ACFR is available on the Finance Department's webpage with hard copies available upon request. The Finance Department has also submitted the ACFR to the Government Finance Officers Association (GFOA) for the "Certificate of Achievement for Excellence in Financial Reporting" program

Discussion

For FY24, the General Fund ended $22,386,718 in excess of the 17% fund balance policy. This amount represents 9.8% of the Adopted FY24 Budget.

Revenues performed better than expected. Total GF revenues were approximately $12.5M over budget. The big drivers for this number include:

- Real Estate Taxes = $3.5M
- Interest Income = $2.9M
- Personal Property Taxes = $1.7M
- Business Licenses = $1.2M
- Meals Taxes = $1.0M
- Sales Taxes = $0.8M

Expenditures were approximately $9.2M under budget.

The majority of this number is the result of total salary and benefits coming in $5.9M under budget. A secondary effect of this is that a number of non-personnel line-items were also under budget likely due to positions not being filled.

Another source of underspending is the result of funds from prior year's surplus being added to departments for one-time uses in anticipation of their current year's budget not being sufficient. These departments budget came in under budget with the additional funds from prior year's surpluses added in.

Alignment with City Council's Vision and Strategic Plan
This report aligns with the Strategic Outcome Area of Organizational Excellence.

Community Engagement
None at this time. The forthcoming year-end appropriation will include a public hearing.

Budgetary Impact
No budgetary impact with this agenda item. For purposes of the forthcoming year-end appropriation, funds from the year-end surplus are considered to be a one-time revenue and should be limited to one-time uses or projects.

Recommendation
There is no recommendation at this time. The forthcoming year-end appropriation will include a recommendation to adhere to existing financial policy which states the surplus in excess of the fund balance should be placed in the CIP Contingency account.

Alternatives
N/A.

Attachments
None