

COUNCIL MEMBERS PRESENT: Harness, Hinesly, Gonzalez

COUNCIL MEMBLERS ABSENT: Morales, Smith

STAFF MEMBERS PRESENT: Anderson, Barkley, Beltran, Carrillo, Cook, Nunes, Popovich,  
Thompson

#### CALL TO ORDER

The meeting was called to order at 6:07 p.m.

#### CITY MANAGER

##### 2.1. FY 2012-2013 Comprehensive Financial Report – Adoption

Finance Manager Cook introduced Auditor Craig Hartzheim, a partner with Moss, Levy, Hartzheim, who was present via telephone to report the information in the FY 2012-2013 Comprehensive Financial Report.

Hartzheim said the audit firm performed an audit which resulted in the information provided in the City's CAFR. The document is written mostly by City staff and some by the audit firm. He stated everything is being reported correctly by City staff.

He reviewed several highlights within the CAFR with the City Council and he reviewed how the document can be read and interpreted.

Council Member Gonzalez asked about the viability of the golf course.

Hartzheim said the golf course fund and general fund are very important funds. Many government cities have been operating at a deficit because of the recession. The two funds operated in a deficit this year. Because the general fund operates more on modified accrual it's more like a cash in/ cash out fund. He reported that some of the cash reserves were used.

He explained that the golf course, an enterprise fund, depreciated its assets at just a little under \$1 million. The cash flow in that fund could be counted as a \$20,000 positive. He explained how you have to make up future capital to make up for the depreciation so you have enough in reserves when you have to start to replace infrastructure at the golf course.

Hartzheim said yes, there was a \$633,000 loss in the general fund. The original budget amount was a deficit of \$700,000 so you actually did \$100,000 better so it was kind of a positive.

Hartzheim said as far as the staff is concerned, they are wonderful to work with because they understand the accounting side and what auditors look for.

Finance Director Cook further explained the golf course fund and said we are doing well with the golf course.

Mayor Hinesly asked if the fund is doing what staff projected.

City Manager Nunes said we are doing better than we projected. She said the manager expects the golf course will continue to do well.

Discussion followed.

## 2.2. Information Sharing

None

## ADJOURNMENT

The meeting was adjourned at 6:25 pm.

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Janet C. Hinesly, Mayor

ATTEST:

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Linda Barkley, Deputy City Clerk