



Legislation Details (With Text)

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On agenda: 11/20/2019 **Final action:**
Title: City Council consideration to receive and file the auditor's reports related to the Fiscal Year 2018-19 Annual Financial Audits, Auditor's Communication, Comprehensive Annual Financial Report, Development Impact Fees Annual Report, and the Annual Report on Voter Approved Debt for fiscal year ended June 30, 2019

Sponsors:

Indexes:

Code sections:

Attachments: 1. Staff Report, 2. 1. Appropriations Limit AUP- 2019, 3. 2. Investment Portfolio AUP Report- 2019, 4. 3. Report on Internal Control- 2019, 5. 4. Housing Successor Compliance Report- 2019, 6. 5. Trip Reduction Fund Audit Report- 2019, 7. 6. Audit Communication Letter- 2019, 8. 7. City of Corona CAFR- 2019, 9. 8. AB1600 Report- 2019, 10. 9. Annual Report on Voter Approved Debt- 2019

Date	Ver.	Action By	Action	Result
11/20/2019	1	City Council	accepted	Pass

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 11/20/2019

TO: Honorable Mayor and City Council Members

FROM: Administrative Services Department

SUBJECT:

City Council consideration to receive and file the auditor's reports related to the Fiscal Year 2018-19 Annual Financial Audits, Auditor's Communication, Comprehensive Annual Financial Report, Development Impact Fees Annual Report, and the Annual Report on Voter Approved Debt for fiscal year ended June 30, 2019

RECOMMENDED ACTION:

That the City Council:

1. Receive and file the Auditor's Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets for the fiscal year ended June 30, 2019.

2. Receive and file the Auditor's Report on Agreed-Upon Procedures Applied to the Investment Portfolio Report for the month ended June 30, 2019.
3. Receive and file the Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements dated November 7, 2019.
4. Receive and file the Auditor's Report on Compliance with Applicable Requirement and on Internal Control over Compliance for the Housing Successor dated November 7, 2019.
5. Receive and file the transmittal of the Trip Reduction Fund Audit Report for fiscal year ended June 30, 2019.
6. Receive and file the Auditor's Communication letter to the City Council from the City's audit firm, Lance, Soll & Lunghard, LLP, dated November 7, 2019.
7. Receive and file the transmittal of the Comprehensive Annual Financial Report of the City of Corona for fiscal year ended June 30, 2019.
8. Receive and file the transmittal of the Development Impact Fees Annual Report for fiscal year ended June 30, 2019.
9. Receive and file the transmittal of the Annual Report on Voter Approved Debt for fiscal year ended June 30, 2019.

ANALYSIS:

The annual audits of the financial statements of the City of Corona ("City") and its component units were completed on November 7, 2019. The Comprehensive Annual Financial Report ("CAFR") was prepared in accordance with all applicable accounting standards and financial reporting requirements outlined by the Governmental Accounting Standards Board. The City contracted an independent audit firm, Lance, Soll & Lunghard, LLP ("LSL"), to perform an annual audit. LSL has issued an unmodified opinion of the City's financial statements for the fiscal year ended June 30, 2019. An unmodified opinion concludes that the financial statements of the City are presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The independent audit of the financial statements of the City is part of a broader, federally mandated audit of state and local governments ("Single Audit") designed to meet the special needs of federal granting agencies. The standards governing the Single Audit require the auditor to report not only on the fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements.

The CAFR is also a required component of continuing disclosure to the bond holders as covenanted by certain bond issues.

The Auditor's Report on Compliance with Applicable Requirement and on Internal Control over Compliance for the Housing Successor has been prepared and will be submitted in accordance with the requirements of Senate Bill No. 341.

The Annual Report of Developer Impact Fees has been prepared as required by Government Code

Section 66006, also known as AB1600.

The Annual Report of Voter Approved Debt provides information on voter approved debt issued on or after January 1, 2001 and has been prepared and submitted in accordance with Government Section Code Section 53411.

COMMITTEE ACTION:

Not applicable

STRATEGIC PLAN:

This item supports the City's Strategic Plan Goal 6: Improve Communications with Our Community; Objective a: Commit to transparency in all City actions. The recommended action will help achieve these goals by communicating the annual audit results to the City Council and the public.

FISCAL IMPACT:

There are no fiscal impacts related to receiving and filing the auditor's reports and various annual financial reports. The fees for the City's annual financial audit services are provided for in the annual operating budgets of the General Fund, the Department of Water and Power funds and various special revenue and debt service funds.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the receipt and filing of the various annual financial reports, communication from the City's auditor, and other compliance reports may have a significant effect on the environment, the action is not subject to CEQA.

PREPARED BY: JENNIFER SCHAEFER, FINANCE MANAGER III

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

SUBMITTED BY: MITCHELL LANSDELL, INTERIM CITY MANAGER