



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council **Item No.** _____

FROM: City Manager

SUBJECT: Comprehensive Annual Financial Report (CAFR) and Single Audit Report on Federal Awards for Fiscal Year Ended June 30, 2019

MEETING DATE: May 19, 2020

RECOMMENDATION:

Receive and file the Comprehensive Annual Financial Report (CAFR) and Single Audit Report on Federal Awards for fiscal year ended June 30, 2019.

BACKGROUND/ANALYSIS:

The following June 30, 2019, financial reports for the City of Commerce are presented herein under separate cover:

1. Comprehensive Annual Financial Report (CAFR)
2. Single Audit Report on Federal Awards (Single Audit Report)

Finance Staff is happy to report that the CAFR for the year ended June 30, 2019 (2019 CAFR), received an unqualified opinion (clean) from our auditors. The annual audit of the City's CAFR is a collaborative effort, and the clean audit opinion is a reflection of the hard work and dedication of staff, management and the City Council. As we do every year, the 2019 CAFR will be submitted to the Government Finance Officers Association for possible qualifications in obtaining a Certificate of Achievement for Excellence in Financial Reporting. Staff fully expects to receive this certificate for the 2019 CAFR as we have for prior year reports.

The Single Audit Report was required for the year ended June 30, 2019, for the first time in several years. The report is only required when federal expenditures exceed \$750,000 in a year. No material weaknesses or significant deficiencies were identified by the auditors.

As with previous audits, our auditors have identified a few areas for staff to make improvements. Many of these improvements have already been implemented and others are currently being worked on by staff. Finance staff is always available if any City Council member would like to review any of the particulars in the CAFR or the Single Audit Report.

ALTERNATIVES:

1. Approve staff recommendation
2. Provide staff with further direction

FISCAL IMPACT:

This activity can be carried out without additional impact on the current operating budget.

RELATIONSHIP TO STRATEGIC GOALS:

This report is associated with Council's Fiscal Sustainability Guiding Principle 1: Demonstrate fiscal responsibility through establishing financial policies, budgeting practices that meet the Financial Standards of Excellence requirements, which meet the benchmarks for financial reporting established by the Governmental Finance Officer Association (GFOA).

Recommended by: Josh Brooks, Acting Director of Finance

Reviewed by: Vilko Domic, Assistant City Manager

Approved as to form: Noel Tapia, City Attorney

Respectfully submitted: Edgar P. Cisneros, City Manager

DS/staff reports, city council/CAFR & Single Audit 2019 5-19-20 JB