

Los Cerritos Wetlands Authority

Date: September 24, 2020
To: Governing Board Members
From: Salian Garcia, Fiscal Manager
Subject: Item 8: Receive and file the FY 18/19 LCWA Financial Compliance Audit and related findings.

RECOMMENDATION: That the Los Cerritos Wetlands Authority Government Board receive and file the Fiscal Year 2018/2019 LCWA Financial Compliance and related findings as submitted and detailed in the attached Exhibit A.

BACKGROUND: Attached are the results of the FY 18/19 WCA Financial Compliance Audit, including the Management Report and Auditor's Communication Letter (Exhibit A) and the Annual Financial Report (Exhibit B).

SUMMARY/FINANCIAL HIGHLIGHTS:

- Fedak & Brown LLP conducted the audit with the cooperation of the City of Long Beach and LCWA staff.
- During the FY 2018/2019, the Authority's net position decreased by 0.76% or \$85,654 to \$11,289,593 million. The decrease in net position is primarily related to the Authority's operations.
- Total revenues increased by 4.57% or \$27,625 to \$632,526 primarily due to an increase in program and grants, especially state revenue. Total expenses increased 23.58% or \$137,028 to \$718,180 primarily due to an increase in consulting and grant management expenditures from the prior year.
- Capital assets amount to \$11,000,000 with no change from the previous fiscal year.
- The Authority continues to have no long-term debt.
- No material weaknesses or deficiencies in internal control were found or identified.
- No findings noted in the current fiscal year.

FISCAL INFORMATION: Receive and file of the Fiscal Year 2018/2019 audit has no financial impact.