



STAFF REPORT

CITY of YORBA LINDA

FINANCE DEPARTMENT

DATE: FEBRUARY 4, 2025

TO: MEMBERS OF THE FINANCE COMMITTEE

FROM: SUNNY HAN, FINANCE DIRECTOR / CITY TREASURER

SUBJECT: FISCAL YEAR 2023/24 ANNUAL COMPREHENSIVE FINANCIAL REPORT

RECOMMENDATION

It is recommended that the Finance Committee:

1. Review the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024, and related reports from the City's independent auditors; and
2. Forward the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024, and related reports from the City's independent auditors to the City Council to receive and file.

BACKGROUND

The City, the Municipal Financing Authority, the Housing Authority, and the Successor Agency to the former Redevelopment Agency are audited annually by an independent auditing firm. Only the City is required to prepare financial statements under accounting standards, while the other entities are not required to prepare separate financial statements. These entities are therefore included within the audited financial statements of the City as blended component units, other than the Successor Agency, which is included as a private purpose trust fund. The audit process takes several months, beginning after the books are closed (typically in September), and concluding several months later once the financial statements have been prepared. Following Finance Committee review, the ACFR will be presented to the full City Council at their meeting on February 18, 2025.

DISCUSSION

The independent auditing firm of Rogers, Anderson, Malody & Scott, LLP (RAMS), has completed their audit of the City for the year ended June 30, 2024. This audit was the third year of a three-year contract (with the option of two additional one-year terms) with the firm. As part of the contract with RAMS, the City's financial statements have been prepared by the auditors with significant input from staff, particularly regarding the notes to the financial statements. Management's Discussion and Analysis included at the beginning of the ACFR, has been prepared by staff to summarize significant aspects of this year's financial activity and changes versus the prior year. While elements of the ACFR have been prepared by

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the auditors, it is management's responsibility to review, edit and stand behind the financial statements, as well as the related notes and other disclosures.

Within the ACFR is the Independent Auditor's Report, which includes their opinion that the financial statements are fairly presented in conformity with generally accepted accounting principles (a "clean" opinion). Also attached are: 1) the Management Report and Auditor's Communication Letter, which provides additional information regarding the results of the audit that are not contained in the Independent Auditor's Report found in the ACFR; and 2) the Auditor's Report on Internal Controls.

FISCAL IMPACT

There is no direct fiscal impact associated with this report. The cost of the annual audit is included in the adopted budget.

ATTACHMENTS

1. ACFR for Fiscal Year Ended June 30, 2024
 2. Management Report and Auditor's Communication Letter
 3. Report on Internal Controls
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