

Supplemental Items for the December 10, 2019
Board of Trustees Regular Meeting
for Vallejo Flood & Wastewater District

AGENDA ITEM #7A –
COMPREHENSIVE ANNUAL
FINANCIAL REPORT (CAFR)



COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

December 10, 2019

Presented by Chas Ann Fadrigio, Finance Supervisor

Reports presented to Board

Comprehensive Annual Financial Report - 67 pages

- Operating and Capital results
- Note Disclosures
- Required Supplemental Information (RSI)
- Statistical Data

Single Audit and Related Reports – 11 pages

- Schedule of Expenditures of Federal Award (Grants)
- Schedule of Audit Findings & Questioned Costs



Financial Reporting

Required by Government Code

- Annual audit (26909)
- Financial statements (53890-53897)
- State Controller's Financial Transactions Report (53891)
- State Controller's Local Government Compensation (53892)

Title 2 U.S. Federal Regulations, Part 200 (2 CFR 200)

- Schedule of Expenditures of Federal Awards (SEFA)

Best Practice

- Comprehensive Annual Financial Report (CAFR)
- Popular Annual Financial Report (PAFR)



Sections- CAFR

Introductory – *Pages I - XIII*

- Profile, Governance, Mission/Vision/Values/Goals, Leadership

Financial – *Pages 1-51*

- Auditor's Report, Management Discussion & Analysis, Statements, Notes

Required Supplemental Information & Statistical - *Pages 52-67*

- Financial, Revenue, Debt, Demographic, Operating indicators over 10 yrs.



Sections- Single Audit & Related Reports

Internal Controls and Compliance Letter – Pages 3-5

- Summary of Auditors Results

Schedule of Expenditures of Federal Award (SEFA) – Pages 7-8

- FEMA and EPA grants

Schedule of Findings and Questioned Costs – Pages 9-11

- Current year and Prior year findings



Financial Highlights of FY 2018-2019

Operating & non-operating

- Revenues increased \$3.8M (12%)
- Connection fees increased \$551K (181%)
- Expenses increased \$3.6M (11%) due to \$1.6M increase in Materials, Supplies & Services and non-cash transactions OPEB & Pension

Capital

- \$18.7M completed this year
 - City cost contribution received \$7M
 - Federal Grants received \$1.2M

Cash

- Use of \$3.4M in operating income and \$4.2M connection fee reserves for capital projects
- Cash \$33M and \$7M in debt service reserves
- Compliance with the minimum reserve policy

Budget

- \$1.5M over budget due to completion of some FY17-18 capital projects
- \$15.6M in capital project budget to be carried over into FY19-20



Single Audit and Related Reports - *Findings*

CAFR

- Material weakness..... None
- Significant Deficiencies..... One, *page 9*
- Other Matters..... None

Schedule Expenditures of Federal Award

- Material weakness..... None
- Significant Deficiencies..... None
- Other Matters..... None



Summary of CAFR and Single Audit & Related Reports

- ✓ *Finance completed yearend, audit and CAFR on time*
- ✓ *CAFR prepared in conformance with GAAP and GAAS,*
- ✓ *CAFR and SEFA compliant with regulatory requirements*
- ✓ *MUN CPA's issued an Unqualified Opinion*
- ✓ *Audit finding was for one bank reconciliation that was 8-days late*
- ✓ *District meets Operating & Capital Reserves Policy minimum*
- ✓ *Prior Year CAFR Received GFOA Award for Excellence in Financial Reporting*
- ✓ *PAFR pending and working with City Finance department to align presentation of information for consistency*



Staff recommends that the Board accept the
FY2018-2019 CAFR as submitted.

Questions?

