



TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Curtis Yakimow, Town Manager
Sharon Cisneros, Senior Accountant
Date: November 10, 2014
For Council Meeting: November 18, 2014
Subject: Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014

Prior Council Review: At the Council meeting on September 16, 2014, staff presented the FY 2013-14 Year-end Budget Report and Council allocated the Positive Net Change in Fund Balance of \$590,000 in the general fund.

Recommendation: It is recommended that the Council:
• Receive and file the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014

Order of Procedure: Request Staff Report
Request Public Comment
Council Discussion / Questions of Staff
Motion/Second
Discussion on Motion
Call the Question (Voice Vote)

Discussion: State and local legislation require the Town to have an audit of its annual financial statements. The 2013-14 fiscal year audit was conducted by Rogers, Anderson, Malody and Scott, LLP, a firm of independent CPAs appointed by and reporting to the Town Council. The purpose of the audit is to state an opinion with regards to the accuracy of the Town's financial statements and results of operations. Additionally, if the Town participates in major federal programs with expenditures in excess of \$500,000, the Town is required to complete the Single Audit Report on Federal Award Programs, pursuant to federal guidelines identified in U.S. Office of

Reviewed By: [Signature] Town Manager [Signature] Town Attorney [Signature] Admin Services [Signature] Finance

X Department Report \_\_\_ Ordinance Action \_\_\_ Resolution Action \_\_\_ Public Hearing
\_\_\_ Consent \_\_\_ Minute Action X Receive and File \_\_\_ Study Session

Management and Budget (OMB) Circular A-133. The Town is required to complete a Single Audit Report for the 2013-14 fiscal year. Preparation will begin in January 2015, and the report summary will be presented to Council in the spring of 2015.

A representative of Rogers, Anderson, Malody and Scott, LLP, is presenting the FY 2013-14 audit report, including a brief summary of the audit process and related findings, and will be available to answer any questions. There has been no change to the results presented in September by Town staff.

After completing their audit of the Town's records, Rogers, Anderson, Malody and Scott, LLP has issued the opinion that the Town's financial statements:

*"..present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Yucca Valley (Town), California, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America."*

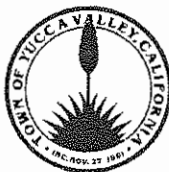
This represents an unqualified audit opinion and is a result of Council's sound fiscal policies, procedures, and financial management at the Town of Yucca Valley. Town staff will once again submit the current annual report for consideration in the Government Finance Officers Association financial reporting award program. The Town has received the Association's award for the past nine years.

**Alternatives:** None.

**Fiscal impact:** While there is no direct fiscal impact, receiving an unqualified audit opinion and reporting award is an indicator to external parties such as bond underwriters, granting agencies, and vendors of the Town's financial policies and practices.

**Attachments:**

Fiscal Year 2013-14 Comprehensive Annual Financial Report (under separate cover)



## TOWN COUNCIL STAFF REPORT

**To:** Honorable Mayor & Town Council

**From:** Curtis Yakimow, Town Manager  
Sharon Cisneros, Senior Accountant

**Date:** November 10, 2014

**For Council Meeting:** November 18, 2014

**Subject:** Audit of the Low and Moderate Income Housing Asset Fund of the Town of Yucca Valley for the fiscal year ended June 30, 2014


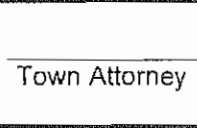


**Recommendation:** It is recommended that the Council receives and files the Audit of the Low and Moderate Income Housing Asset Fund of the Town of Yucca Valley for the fiscal year ended June 30, 2014, which is included in the independent financial audit as presented in the Comprehensive Annual Financial Report (CAFR)

**Order of Procedure:**

Request Staff Report  
Request Public Comment  
Council Discussion / Questions of Staff  
Motion/Second  
Discussion on Motion  
Call the Question (Voice Vote)

**Discussion:** Senate Bill 341 (Chapter 796, Statutes of 2013, effective January 2014) amended Health & Safety Code Section 34176 to address particular provisions and functions relating to former redevelopment agencies and new housing successor entities allowed to elect to assume particular functions of redevelopment agencies (RDAs) after being dissolved in 2012. The Town elected to act as the Low and Moderate Income Housing Successor and therefore is required to adhere to the requirements.

SB 341 changed the former annual report requirement due to both the State Controller and Department of Housing and Community Development (HCD) while RDAs were

Reviewed By:	 Town Manager	 Town Attorney	 Admin Services	 Finance
<input checked="" type="checkbox"/> Department Report	<input type="checkbox"/> Ordinance Action	<input type="checkbox"/> Resolution Action	<input type="checkbox"/> Public Hearing	
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active until 2012. All successor housing entities now have an annual report requirement within six months after the end of each fiscal year (FY), starting with the FY ending in 2014, to provide an independent financial audit to the legislative body.

Annual report requirements as described in H&SC section 34176.1(f) states that the audit may be included in the independent financial audit of the host jurisdiction and therefore, the required audit was performed as part of the 2013-14 fiscal year audit conducted by Rogers, Anderson, Malody and Scott, LLP.

A representative of Rogers, Anderson, Malody and Scott, LLP, is presenting the FY 2013-14 audit report, including the Low and Moderate Income Housing Asset Fund.

**Alternatives:** None.

**Fiscal impact:** While there is no direct fiscal impact, receiving an unqualified audit opinion and complying with filing requirements is an indicator to external parties such as bond underwriters, granting agencies, and vendors of the Town's financial policies and practices.

**Attachments:**

Fiscal Year 2013-14 Comprehensive Annual Financial Report (under separate cover)