



CITY OF LOMITA CITY COUNCIL REPORT

TO: City Council **Item No.**
FROM: Andrew Vialpando, City Manager **{{section.number}}k**
PREPARED BY: Susan Kamada, Administrative Services Director
MEETING DATE: December 17, 2024
SUBJECT: Consideration of the Acceptance of the City's Audit Report and Annual Comprehensive Financial Report for Fiscal Year 2023-2024

RECOMMENDATION

Receive and file the Fiscal Year 2023-2024 Annual Comprehensive Financial Report (ACFR).

BACKGROUND

Attached is the City of Lomita's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. These reports are in full compliance with the most recent financial reporting model developed by the Governmental Accounting Standards Board (GASB) Statement No. 34, Generally Accepted Accounting Principles (GAAP), and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The most recent financial reporting model is intended to improve financial accountability by adding significant information not previously available in local government financial statements. The City's implementation of the most recent model enables the City Council and residents of Lomita to become more aware of the City's financial condition and the information contained in its annual financial statements.

During the year ended June 30, 2024, the City adopted Statement on Governmental Accounting Standards (GASB Statement) No. 100, *Accounting Changes and Error Corrections*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes (such as changes in accounting principles and estimates) and error corrections to provide more understandable, reliable, consistent, and comparable information for making decisions or assessing accountability. Statements can be found in Note 1 of the City's Annual Comprehensive Financial Report.

The goal of the annual audit is to provide reasonable assurance that the City's financial statements are free of material misstatement. The City's independent auditor, Gruber and Lopez, Inc., found no "material misstatements" or "reportable conditions" during the audit.

The City has once again submitted the ACFR for consideration for the Certificate of Achievement for Excellence in Financial Reporting to the Government Finance Officers Association (GFOA). To receive this award, a government agency must publish an easily readable and efficiently organized comprehensive annual financial report. If the City receives the Certificate of Achievement as expected, this will be the 21st consecutive year that the City has received this award. While this effort was coordinated by the Administrative Services Department, it required the cooperation and participation of all City departments. We would like to thank the Mayor and members of the City Council for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Below are the financial highlights of the Annual Comprehensive Financial Report:

- The City ended Fiscal Year 2023-2024 with a total net position \$67,060,687. Of this amount, \$15,310,282 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors within fund-specific guidelines.
- As of the close of business of the current fiscal year, the City of Lomita's governmental funds reported a combined ending balance of \$25,763,343.
- Property Taxes, Sales Tax, Motor Vehicle-in-Lieu Fees, Refuse Taxes, Business License Taxes, Franchise Taxes, and Transient Occupancy Taxes financed approximately 83% of all governmental activities for the fiscal year.

OPTIONS:

None. Information only. Receive and file.

FISCAL IMPACT

None. Information only. Receive and file.

ATTACHMENT

1. Audit Communication Letter
2. Fiscal Year 2023-2024 Annual Comprehensive Financial Report

Reviewed by:

Approved by:



Gary Y. Sugano
Assistant City Manager



Andrew Vialpando
City Manager

Prepared by:



Susan Kamada
Administrative Services Director