

# Staff Report

## Regular Board Meeting

**TO:** Governing Board Members

**FROM:** General Manager/CEO

**SUBJECT:** Consider Approval of the Annual Comprehensive Financial Report for Year Ended June 30, 2024

## RECOMMENDATION

That the Board of Directors approve the attached draft Annual Comprehensive Financial Report and audit reports for fiscal year 2023-24.

## BACKGROUND / ANALYSIS

The Finance and Human Resources Committee recommended, at their November 4, 2024 meeting, that the Board of Directors (Board) approve the attached draft Annual Comprehensive Financial Report and audit reports for fiscal year 2023-24. Each year, the District contracts with an external audit firm to conduct an annual audit of the District's books and records for the current fiscal year in compliance with California Water Code §30540(b)(2). The audit is both an industry best practice and a requirement of the State Controller Minimum Audit Requirements for California Special Districts.

On July 9, 2024, the audit partner from Rogers, Anderson, Malody & Scott, LLP (RAMS) met with the District's Finance and Human Resources Committee to review the auditing services provided during the audit for fiscal year ended June 30, 2024. In addition, RAMS described the procedures that were to be used to perform their audit in accordance with generally accepted auditing standards (GAAS).

Once the audit is complete, the final requirement under Statement of Auditing Standards 114 (SAS 114) is for the auditors to communicate to those charged with governance:

- *Their views about qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures;*
- *Significant difficulties, if any, encountered during the audit;*
- *Uncorrected misstatements, other than those the auditor believes are trivial, if any;*
- *Disagreements with management, if any; and*

- *Other findings or issues, if any, arising from the audit that are, in the auditor's professional judgement, significant and relevant to those charged with governance regarding their oversight of the financial reporting process.*

Attached is the draft 2023-24 Annual Comprehensive Financial Report (Annual Report) that was reviewed by the Finance & Human Resources Committee on November 4, 2024. The Annual Report includes the District's annual financial statements with accompanying note disclosures, management discussion and analysis, and statistical information compiled by staff.

The 2023-24 Annual Report received an unmodified opinion from RAMS. An unmodified opinion indicates the financial data of the District is presented fairly. RAMS conducted an audit in accordance with auditing standards generally accepted in the United States of America and guidelines established by the California State Controller for Special Districts.

On July 10, 2024 the District received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence award for the 12<sup>th</sup> consecutive year; and will once again apply for this prestigious award in December.

## **AGENCY GOALS AND OBJECTIVES**

- II - Maintain a Commitment To Sustainability, Transparency, and Accountability
  - A. Practice Transparent and Accountable Fiscal Management

## **REVIEW BY OTHERS**

This agenda item has been reviewed by the Finance Department and the Finance and Human Resources Committee.

## **FISCAL IMPACT**

There is no fiscal impact associated with this agenda item.

Recommended by:

Respectfully submitted:



Michael Moore  
General Manager/CEO



Brian Tompkins  
Chief Financial Officer

**ATTACHMENTS**

1. EVWD Presentation
2. Draft Annual Report for FY 2023-24
3. Internal Controls Report
4. SAS 114
5. Independent Auditors Report