



# Long Beach Water

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## Board of Water Commissioners

CHRISTOPHER J. GARNER, General Manager

May 26, 2022

### Subject

Receive and file the Annual Comprehensive Financial Report for the period ended September 30, 2021.

### Executive Summary

The Annual Comprehensive Financial Report (ACFR) comprises the audited financial statements of the Water and Sewer Funds, which collectively represent the Water Department's financial position and results of operations for the fiscal year 2021.

The ACFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes a letter of transmittal with pertinent Department background information. The Financial Section includes the Independent Auditors' Report issued by KPMG LLP, the City's external independent certified public accounting firm; a Management Discussion and Analysis which provides a narrative introduction, overview, and analysis of the financial statements; and the financial statements with related footnotes. The Statistical Section includes relevant Department financial and operational data covering ten-year historical trends where applicable. KPMG LLP has issued an unqualified ("clean") opinion on the Department's financial statements for the fiscal year ended September 30, 2021.

In addition, KPMG LLP has issued a separate "Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards." The results of their audit tests did not identify any deficiencies in internal control considered to be material weaknesses and disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. This report is also included as a separate attachment.

Summaries of preliminary unaudited Department financial information and results of operations for the fiscal year were presented to the Board on a quarterly basis throughout the fiscal year. There were no material adjustments to those figures as a result of the financial audit.

Annually, the Water Department submits its ACFR to the Government Finance Officers Association for review; if the document meets rigorous standards, a Certificate of Achievement for Excellence in Financial Reporting is awarded. This Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements.

B. Anatole Falagan  
Assistant General Manager

Christopher J. Garner  
General Manager