



Legislation Text

File #: 22-0467, Version: 1

Recommendation to receive and file the Annual Comprehensive Financial Report (ACFR) and Separately Issued Financial Statements for the Fiscal Year Ended September 30, 2021. (Citywide)

Annual Comprehensive Financial Report

The Annual Comprehensive Financial Report (ACFR), prepared by the Financial Management Department, contains audited financial information on all City of Long Beach (City) funds for the fiscal year ended September 30, 2021 (FY 21) in accordance with generally accepted accounting principles. In accordance with Section 302(e) of the City Charter, the ACFR is submitted annually to the City Council. It is important to note that the ACFR is designed to report historical financial information only and is not designed to report financial projections or budgetary priorities.

We are pleased to report that the Independent Auditor's Report concluded that the City's financial statements present fairly, in all material respects, the financial position of the City and its related cash flow and budgetary information. The audit was conducted by KPMG, LLP, a certified public accounting firm, under contract with the City Auditor.

The ACFR provides Basic Financial Statements that combine all City assets and liabilities in one consolidated statement. The City's total net position, as shown on page 25 of the ACFR, was \$5.8 billion as of September 30, 2021. Of this amount, \$272 million was recorded in governmental activities and \$5.5 billion was recorded in enterprise funds such as the Harbor Fund, Water Utility Fund, and Tidelands Operating Fund. Total net position increased by \$431.9 million from FY 20.

Separately Issued Financial Reports and Statements

In addition to the ACFR, certain City funds are also required to submit audited annual financial statements separately, including the Harbor and Water Departments. These separate reports are attached and are issued annually to meet distinct legal and financial requirements. Also provided is the ACFR for Long Beach Transit, a discretely presented component unit of the City.

Finally, because of the professionalism and dedication of the Financial Management, Harbor, and Water Departments, as well as finance professionals throughout the City, the ACFR and the separately issued financial reports of the Harbor and Water Departments have been awarded the Government Finance Officers Association Certificate of Achievement for

Excellence in Financial Reporting for their FY 20 annual financial reports. The receipt of the Certificate of Achievement attests to the City's desire to be fully accountable to our residents. In addition, this recognition can be viewed as a positive factor by credit rating agencies.

This matter was reviewed by Deputy City Attorney Erin Weesner-McKinley and Revenue Management Officer Geraldine Alejo on April 11, 2022.

City Council action on this item is not time critical.

There is no fiscal or local job impact associated with this recommendation. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities.

Approve recommendation.

KEVIN RIPER
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER