

Agenda Report

ATTN: FINANCE COMMITTEE

TO: CITY COUNCIL

DATE: APRIL 26, 1999

FROM: CITY MANAGER

SUBJECT: FY 1998 AUDITED ANNUAL FINANCIAL REPORTS

RECOMMENDATION:

It is recommended that the following audited reports for the year ending June 30, 1998 be received by the City Council:

- Comprehensive Annual Financial Report
- Single Audit Reports
- Pasadena Community Development Commission Annual Financial Report
- Management Letter
- Finance Committee Letter

BACKGROUND:

Comprehensive Annual Financial Report

Section 907.5 of the City Charter requires that within four months after the close of each fiscal year, the Director of Finance shall compile and deliver a financial report to the Council, which shall be available to the public. This report was delivered to the Council on October 30, 1998.

In addition, Section 912 of the City Charter requires that an independent audit of the City's records, books, and inventories be conducted and a report issued thereon. Attached please find the audited Comprehensive Annual Financial Report for the year ending June 30, 1998.

Single Audit Reports

The Single Audit Act of 1984 and Single Audit Act Amendments of 1996 establish uniform audit requirements for local governments expending federal awards greater \$300,000 in a year. The audit is on an "entity-wide" basis and imposes additional requirements in relation to testing of, and reporting on, internal control and compliance with laws and regulations. Attached, please find the Single Audit Reports for the year ended June 30, 1998.

Pasadena Community Development Commission Financial Statements

In accordance with the California Health and Safety Code Section 33080.1, a redevelopment agency shall present to its legislative body an annual independent financial audit report for the previous fiscal year. The report should present the results of the operations and financial

Pasadena Community Development Commission Financial Statements

position of the agency, including all financial activities with moneys required to be held in a separate Low and Moderate Income Housing Fund pursuant to Section 33334.3. Attached, please find the Pasadena Community Development Commission Annual Financial Report for the year ended June 30, 1998. The bound report also includes the *Report of Independent Auditors On State Compliance* and the *Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed in Accordance With Government Auditing Standards*.

Management Letter

The management letter identifies certain matters involving the internal control structure and other operational matters and includes comments and recommendations for improvement. These comments and recommendations have been discussed with the appropriate members of management.

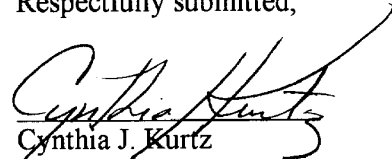
Finance Committee Letter

Under generally accepted auditing standards, the City's auditors', KPMG LLP, have prepared a letter to assist management in discharging its responsibility for overseeing financial reporting. The letter is required to address such topics as the auditor responsibility, accounting policies, estimates, disagreements, opinion shopping and difficulties.

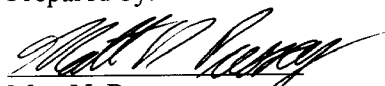
FISCAL IMPACT:

There is no fiscal impact as result of this report. Particular attention should be paid to the transmittal letter and the Notes to the Financial Statements.

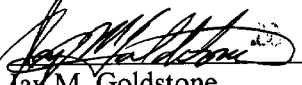
Respectfully submitted,


Cynthia J. Kurtz
City Manager

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