



**Independent Auditor Presentation**  
**For fiscal year ended June 30, 2020**  
**City of Los Altos**

Grace Zhang, CPA  
Audit Partner

# Annual Audit

- Background:

- Independent of the City

- Conducted according to:

- Auditing standards generally accepted in the USA

- *Government Auditing Standards* issued by the Comptroller General of the United States of America

# Audit Results

- Unmodified opinions:
  - City financial audit
  
- No exception noted:
  - FY 2020 Appropriations Limit calculation AUP



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**City of Los Altos  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Merrill*

Executive Director/CEO

# New Accounting Pronouncement

- **Governmental Accounting Standards Board Statement No. 95**
- In May 2020, the Government Accounting Standards Board (GASB) issued statement No. 95, “Postponement of the Effective Date of Certain Authoritative Guidance.”
- This statement provides temporary relief in light of the Covid-19 pandemic by delaying the effective dates of various statements by one year in most cases, to as long as eighteen months, in the case of GASB No. 87, Leases.

# Entity-wide vs. Fund Financial Statements

	Entity-wide Level	Fund Level
Current Assets	✓	✓
Long-Term Assets	✓	
Current Liabilities	✓	✓
Long-Term Liabilities	✓	
Equity	Net Position	Fund Balance

# Financial Highlights: Entity-wide

	Governmental Activities	Business- Type Activities
Total Net Position	\$101m	\$28m
Net Investment in Capital Assets	\$81m (19%)	\$11m (9%)
Restricted	\$15m (27%)	\$ -
Unrestricted	\$5m (77%)	\$15m (15%)
Total Assets	\$151m	\$29m
Total Liabilities	\$56m	\$2m

# Financial Highlights:

## General Purpose Subfund

	Amount	# of Months
Average monthly expenditures	\$3.4m	
Months of expenditures that can be covered by:		
• Unrestricted fund balance	\$33.6m	9.9 months
• Unassigned + emergency and operating assigned fund balances	\$15.1m	4.5 months
• Unassigned fund balance	\$7.8m	2.3 months



# Financial Highlights:

## Other Governmental Major Funds

### ■ Ending Fund Balances

- In-Lieu Park Land Fund – \$5.5m ↑ \$207k
- Capital Projects Fund – \$3.8m ↑ \$3.4m

# Financial Highlights: Utility Funds

	Sewer	Solid Waste	Storm Drain
Working capital (Cash and Investment)	\$11.7m	\$5.m	(\$0k)
Average daily operating expenses	\$15,143	\$1,167	\$0
# of days working capital can cover average daily operating expenses	775 days	4,367 days	0 day

# Memorandum on Internal Control and Required Communications

- Not yet finalized
  - Potential Significant Deficiencies related to Bank Reconciliations and Journal Entries

**QUESTIONS?**



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