

DATE: June 21, 2018

TO: Watershed Conservation Authority Governing Board

FROM: Salian Garcia, Fiscal Manager

THROUGH: Mark Stanley, Executive Officer

SUBJECT: Item 14: Consideration of a resolution to accept the FY 16/17 WCA Financial Compliance Audit and related findings.

RECOMMENDATION: That the Watershed Conservation Authority Governing Board accept the FY 2016/2017 WCA Financial Compliance Audit and related findings.

BACKGROUND: Attached are the results of the FY 16/17 WCA Financial Compliance Audit, including the Management Report and Auditor's Communication Letter (Exhibit A) and the Annual Financial Report (Exhibit B).

SUMMARY/FINANCIAL HIGHLIGHTS:

- Moss, Levy & Hartzheim, LLP conducted the audit with the cooperation of the County of Los Angeles Auditor-Controller's Office and WCA staff.
- During the current fiscal year, the Authority's net position increased by \$0.36 million to \$27.95 million. The increase in net position is primarily related to the Authority's acquisition of land and related capital assets. Cash deposited in the County Treasury Pool decreased by \$0.19 million to \$2.98 million.
- Operating revenues increased by \$0.49 million to \$1.84 million and subsequently operating expenses increased by \$0.46 million to \$1.52 million. The increase in revenue was primarily due to an increase in grant funding.
- Capital asset activity included the Authority acquiring land valued at \$619,000 during the fiscal year. The Authority also had construction in progress costs of \$46,500 during the fiscal year.
- The Authority continues to have no long-term debt.
- No material weaknesses or deficiencies in internal control were found.
- No findings noted in the current fiscal year.

FISCAL INFORMATION: Acceptance of the FY 16/17 audit has no financial impact.

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RESOLUTION NO. 2018-15

**RESOLUTION OF THE WATERSHED CONSERVATION AUTHORITY TO ACCEPT
THE FY 16/17 WCA FINANCIAL COMPLIANCE AUDIT AND RELATED FINDINGS.**

WHEREAS, The Watershed Conservation Authority has been established as a joint powers agency between the Rivers and Mountains Conservancy (RMC) and the Los Angeles County Flood Control District (District); and

WHEREAS, the Watershed Conservation Authority (WCA) has further been established to focus on projects which will provide open space, habitat restoration, and watershed improvement projects in both the San Gabriel and Lower Los Angeles Rivers watershed; and

WHEREAS, this action will accept the FY 16/17 WCA Financial Compliance Audit and related findings; and

WHEREAS, the proposed action is exempt from the provisions of the California Environmental Quality Act; NOW

Therefore be it resolved that the WCA hereby:

1. **FINDS** that this action is consistent with the purposes and objectives of the WCA.
2. **FINDS** that the actions contemplated by this resolution are exempt from the environmental impact report requirements of the California Environmental Quality Act (CEQA).
3. **ADOPTS** the staff report dated June 21, 2018.
4. **ACCEPTS** the FY 16/17 WCA Compliance Audit and corresponding audit findings.

~ End of Resolution ~

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Motion: _____ Second: _____

Ayes: _____ Nays: _____ Abstentions: _____

Passed and Adopted by the Board of the
WATERSHED CONSERVATION AUTHORITY
On June 21, 2018

M. Janet Chin, Governing Board Chair

ATTEST: _____
David Edsall
Deputy Attorney General