



Air Pollution Control District
San Luis Obispo County

TO: Board of Directors, Air Pollution Control District

FROM: Gary E. Willey, Air Pollution Control Officer *GEW*

DATE: May 22, 2019

SUBJECT: Independent Audit of the Air Pollution Control District's Financial Statements for the Fiscal Year Ended June 30, 2018

SUMMARY

An independent audit of the District's financial statements for the fiscal year (FY) that ended June 30, 2018 has been completed; the audit report is available in the Clerk's File. It is the independent auditor's opinion that the District's financial statements fairly present its financial position for the year that ended June 30, 2018 in conformity with generally accepted accounting principles (GAAP).

RECOMMENDATION

That your Board receive and file the audit report of the District financial statements for the fiscal year that ended June 30, 2018.

DISCUSSION

Attached for your review is a report on the recently completed financial statements audit of the District for FY 2017-2018, performed by the independent audit firm of CliftonLarsonAllen LLP. The financial statements and management report contained in the audit document are self-explanatory.

This report meets the requirements of the Governmental Accounting Standards Board (GASB) Statement 34, and constitutes a Comprehensive Annual Financial Report (CAFR). The intent of the GASB 34 requirements is for public agencies to report their finances in the fashion that a member of the public might expect from a private enterprise (called Government-Wide Financials), as well as the traditional format used by governmental entities (called Government Fund Financials).

It is the independent auditor's opinion that the District's financial statements fairly present its financial position for the year ended June 30, 2018 in conformity with generally accepted accounting principles (GAAP).

OTHER AGENCY INVOLVEMENT

The San Luis Obispo County Auditor-Controller-Treasurer-Tax Collector’s Office provided support to both District and CliftonLarsonAllen LLP staff and made all requested records available. We appreciate their assistance.

FINANCIAL CONSIDERATIONS

The subject audit examined the District’s two funds, consisting of the General Fund (operating accounts) and the Special Revenue Fund (grant and mitigation accounts). At the end of FY 2017-2018, the Special Revenue Fund included 19 specific grant and mitigation accounts, as detailed on page 21 of the audit report. The grant and mitigation accounts are maintained separate from the District’s operating budget, with a separate budget, typically adopted each June. However, with your Board’s approval, annual interest earnings of \$3,500 from the non-state grant accounts were transferred into the District’s operating budget in FY 2017-2018 as revenue to help partially offset the significant staff costs to administer the grant and mitigation fund programs, as well as seek out new grant funding opportunities.

Funding for the audit report is included in the District’s approved budget, and its completion enables the District to comply with state reporting requirements.