



03/19/2024
City Council Regular Meeting

**Handouts received after
agenda posted**



Utility Billing Software Implementation Update



UTILITY BILLING ISSUES

▶ Misapplied Payments:

- ▶ Continuing to see a reduction in misapplied payments.
- ▶ 600 accounts out of 900 were reviewed
 - ▶ 92 accounts were identified with a possible issue and staff is currently working through those accounts.

▶ Payments Online:

- ▶ Since conversion, the payment processing portal (Paymentus) has been unable to link with customer accounts. Resulting in balances not being updated.
- ▶ Notices have been posted on the website and a work order has been established to correct the system link.
- ▶ All customers need their old account numbers to access paymentus online.
- ▶ **Legal is reviewing options for early termination of the payment processing portal (Paymentus) or the ability for multiple payment processing providers.**



UTILITY BILLING ISSUES

- ▶ Late Fees on credit balance accounts or zero balance accounts:
 - ▶ An unknown processing issue has resulted in some credit accounts receiving a late fee.
 - ▶ Staff is proactively reviewing all accounts with credit balances – approximately 900 accounts.
 - ▶ Removing any late fees that have been applied incorrectly.
 - ▶ Staff will be opening a ticket once the review is complete to fix the processing issue.
 - ▶ **Staff met with City of Coalinga Finance staff to collaborate – a solution was found for the late fees that have been misapplied.**



UTILITY BILLING ISSUES

► Payment Plan Applications:

- ▶ Some payments on accounts with payment plans have resulted in erroneous late fees applied.
- ▶ 3 tickets are currently open with Munis to review the application of the payment plans
- ▶ Currently reviewing all payment plans and proactively fixing these accounts.
- ▶ **Staff spoke with a Tyler Support Tech and it appears to be a development issues with the software.**

UTILITY BILLING FIXES

- ▶ Traffic in the Utility Billing office has decreased significantly.
 - ▶ If citizens have concerns, the best way to communicate them with staff is via email at finance@lemoore.com
 - ▶ We appreciate your patience as we work through the transition.
 - ▶ Phone system has been updated to reflect office hours and days of operation.

AUTOPAY UPDATE

▶ Autopay is now live for customers effective today

- ▶ Customers need to sign in to Customer Self Service (CSS), create their account if they haven't already, and enter their banking information on the EFT Automatic Payments page.
- ▶ Enrolling in autopay will only be available on CSS.
- ▶ It is a free service that customers can use to avoid any service fees.
- ▶ Staff is working on flyers and instructions to be posted to the website and social media to inform the public.

CITY OF LEMOORE
MANAGEMENT REPORT
AND
AUDITOR'S
COMMUNICATION LETTER

FOR THE YEAR ENDED JUNE 30, 2023

**CITY OF LEMOORE
MANAGEMENT REPORT AND AUDITOR’S COMMUNICATION LETTER
FOR THE YEAR ENDED JUNE 30, 2023**

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BRYANT L. JOLLEY

CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley C.P.A.
Ryan P. Jolley C.P.A.
Darryl L. Smith C.P.A.
Luis A. Perez C.P.A.
Lan T. Kimoto

To the City Council of the
City of Lemoore
Lemoore, California

We have audited the financial statements of the City of Lemoore (City), for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated October 3, 2023. Professional standards require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. The City adopted GASB Statement No. 96 – Subscription-Based Information Technology Arrangements and the application of other existing policies was not changed during 2023. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Accounting estimates are used in determining the depreciable lives and methods used for capital assets, compensated absences, funding progress of CalPERS pension liability, certain lease terms not explicitly stated in lease agreements, and certain terms not explicitly stated in subscription-based information technology arrangements. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures about the employee retirement plan disclosed in Note 16 to the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We did not identify any significant audit adjustments.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 8, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings and Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

A handwritten signature in black ink, appearing to be "Michael J. [unclear]", written in a cursive style.

March 8, 2024

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the City Council of the
City of Lemoore
Lemoore, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lemoore, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated March 8, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to be "Michael J. [unclear]", written in a cursive style.

March 8, 2024

CITY OF LEMOORE

**SUMMARY SCHEDULE OF PRIOR AUDIT
FINDINGS FOR THE YEAR ENDED JUNE 30, 2023**

None