

Agenda Report

April 26, 2021

TO: Honorable Mayor and City Council

THROUGH: Finance/Audit Committee (April 26, 2021)

FROM: Director of Finance

SUBJECT: FISCAL YEAR JUNE 30, 2020 SINGLE AUDIT REPORT

RECOMMENDATION:

It is recommended that the Single Audit Report on Federal Awards for the year ending June 30, 2020 be received and filed by the City Council.

BACKGROUND:

This action is to receive and file the City's Single Audit Report on Federal Awards for the fiscal year ended June 30, 2020. This report was not available in time for the other financial report presentations to the Finance/Audit Committee and the City Council.

The Single Audit Act of 1984, Single Audit Act Amendments of 1996 and more recent Uniform Guidance or "2 CFR Part 200" establish uniform audit requirements for local governments expending federal awards greater than \$750,000 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. The Single Audit Report for Fiscal Year ended June 30, 2020 contains two reports and three schedules.

The first report reiterates the "Independent Auditors 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*," which was presented to the Finance/Audit Committee on March 4, 2021 and City Council on March 8, 2021. When presented as part of the Single Audit, this report adds numbering to each of the findings and shows them in Section II-Financial Statement Findings. The financial statement audit

identified one material weakness, four significant deficiencies, and no instances of noncompliance. There were no new findings specific to the Single Audit.

The second report entitled "Independent Auditors Report on Compliance For Each Major Program and on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance" found that the City complied in all material respects with the requirements that have a direct and material effect on each of the City's major federal programs. Additionally, the audit did not identify any deficiencies in internal control over compliance that would be material weaknesses, significant deficiencies, or instances of noncompliance.

The Single Audit Report also contains a summary of all federally funded activity of the City in the Schedule of Expenditures of Federal Awards (SEFA). The SEFA identifies five programs as Major Programs and that \$31,439,413 of federal funding was expended in Fiscal Year 2020.

The last schedule of the report discloses the status of the prior year findings and questioned costs and the results of the auditors required review of all prior year findings. In fiscal year 2019, one significant deficiency was an instance of noncompliance. This finding was reviewed and determined to be "resolved," with corrective action taken.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced through the receipt and review of these reports.

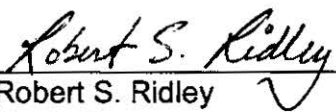
FISCAL IMPACT:

There is no fiscal impact as a result of this action nor will it have any indirect or support cost requirements. There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,


MATTHEW E. HAWKESWORTH
Director of Finance

Prepared by:


Robert S. Ridley
Controller

Approved by:


STEVE MERMELL
City Manager

Attachment: (1)
1) Single Audit Report