



Agenda Report

June 9, 2025

TO: Honorable Mayor and City Council

THROUGH: Finance/Audit Committee

FROM: Department of Finance

SUBJECT: FISCAL YEAR JUNE 30, 2024, SINGLE AUDIT REPORT

RECOMMENDATION:

This agenda report is provided for information only.

BACKGROUND:

The Single Audit Act establishes 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 2024 contains two reports and three schedules.

All financial statements received an unmodified (or clean) opinion. The Single Audit Report reiterates that there was one financial statement finding and reports one grant related finding. The financial statement finding was related to the number of post-closing journal entries made by City staff, after the start of the audit. On the grant finding, the City was unable to provide proof of insurance and/or residency compliance requirements for the Community Development Block Grant loan.

Due to the significant age of the selected loans, City staff were unable to confirm the compliance requirements to be performed by the grant administrator. City staff contacted the U.S. Department of Housing and Urban Development (HUD) for clarification on the need for continuing compliance; however, a timely response was not received. HUD confirmed there were no insurance and residency compliance requirements related to the selected loans after the conclusion of the Single Audit.

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:



for Armine Trashian
Controller

Approved by:



MIGUEL MÁRQUEZ
City Manager

Attachments: (1)

A. Single Audit Report on Federal Awards