



CITY COUNCIL STAFF REPORT



July 13, 2021

ITEM TITLE

Single Audit Report for Fiscal Year 2019/20

Report Number: 21-0090

Location: No specific geographic location

Department: Finance

Environmental Notice: The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Recommended Action

Council receive and file Single Audit Report for Fiscal Year 2019/20.

SUMMARY

Presented for City Council for information and acceptance is the Single Audit Report for the fiscal year ended June 30, 2020, as prepared by the independent audit firm of Lance Soll & Lunghard, LLP (LSL). The audit report indicates the City complied in all material respects with the types of compliance requirements referred to below on each of its major federal programs for the year ended June 30, 2020.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because the activity consists of a governmental fiscal/administrative activity which does not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable

DISCUSSION

LSL conducted an audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

LSL audited the City's basic financial statements and issued the audit report dated January 29, 2021, which contained an unmodified (clean) opinion. This report was included in the Comprehensive Annual Financial Report and went to Council earlier this year. The Single Audit Report includes the schedule of expenditures of federal awards for purposes of additional analysis as required by the Uniform Guidance. The auditor's opinion on the schedule is that it is fairly stated in all material respects in relation to the basic financial statements as a whole.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the 500-foot rule found in California Code of Regulations Title 2, section 18702.2(a)(11), is not applicable to this decision for purposes of determining a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any City Councilmember, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

There is no fiscal impact as a result of accepting the Fiscal Year 2019-20 Comprehensive Annual Financial Report.

CURRENT-YEAR FISCAL IMPACT

There is no fiscal impact as a result of accepting the Fiscal Year 2019-20 Single Audit Report.

ONGOING FISCAL IMPACT

There is no ongoing fiscal impact as result of this action.

ATTACHMENTS

1. Single Audit Report

Staff Contact: Pascal Saghbini, Finance Manager