



# CITY COUNCIL STAFF REPORT



**May 17, 2022**

## **ITEM TITLE**

Annual Audit Report: Accept the Single Audit Report for the Fiscal Year that Ended June 30, 2021

**Report Number:** 22-0136

**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**

Receive and file the Single Audit Report for Fiscal Year Ended June 30, 2021.

## **SUMMARY**

Presented for City Council for information and acceptance is the Single Audit Report for the fiscal year ended June 30, 2021, as prepared by the independent audit firm of Lance Soll & Lunghard, LLP (LSL). In LSL's opinion, the City complied, in all material respects, with the types of compliance requirements described in the OMB Compliance Supplement on each of its major federal programs, and the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statement as a whole for the fiscal year ended June 30, 2021.

## **ENVIRONMENTAL REVIEW**

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.

## **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 for the fiscal year ended June 30, 2021 and issued the audit report dated December 28, 2021, which contained an unmodified (clean) opinion. This report was included in the Annual Comprehensive Financial Report (ACFR) and was accepted by Council on February 15, 2022. For the Single Audit, LSL identified and audited the major federal programs and rendered an opinion that the City complied, in all material respects, with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect for the year ended June 30, 2021. 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 real property holdings of the City Council members do not create 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 Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

## **CURRENT-YEAR FISCAL IMPACT**

There is no fiscal impact as a result of accepting the Single Audit Report for Fiscal Year Ended June 30, 2021.

## **ONGOING FISCAL IMPACT**

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

## **ATTACHMENTS**

Attachment 1: Single Audit Report for Fiscal Year Ended June 30, 2021

*Staff Contacts: Sarah Schoen, Finance Director/Treasure and Stacey Tang, Finance Manager*