



Agenda Item

City Council

Item #: 3.16.

5/13/2025

File #: 25-0214

TO: Honorable Mayor and Members of the City Council

THRU: Tom Kisela, City Manager

FROM: Trang Nguyen, Finance Director

1. SUBJECT

Single Audit Report for the Fiscal Year Ended June 30, 2024.

2. SUMMARY

Single Audit Report for the Fiscal Year ended June 30, 2024 provided by the City's independent auditors, Lance, Soll, Lunghard, LLP.

3. RECOMMENDED ACTION

Receive and file.

4. FISCAL IMPACT

None.

5. STRATEGIC PLAN GOALS

Goal 2: Enhance Economic Development and Achieve Fiscal Sustainability

Objective 2.9: Create a fiscal sustainability plan

6. DISCUSSION AND BACKGROUND

For the fiscal year ended June 30, 2024, Lance, Soll, and Lunghard, LLP (LSL), an independent certified public accounting firm, conducted the City's audit services, including the single audit. While the City's financial reports and statements were presented to the City Council on March 11, 2025, the auditors had not yet finalized the single audit report.

A single audit is mandated when federal grant expenditures exceed \$750,000 in any fiscal year. The City's federal grant expenditures for fiscal year ended June 30, 2024, was \$3.4 million. Included in the Single Audit Report is a Report of Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance. The Uniform Guidance includes federal regulations and audit requirements for federal awards.

The auditors reported one internal control deficiency in the Community Development Block Grants (CDBG)/Entitlement Grants program. The CDBG Grants program requires a quarterly Cash on Hand report be submitted to the U.S. Department of Housing and Urban Development (HUD) within 30 days after the end of each quarter. The City's consultant prepares and submits the reports. The auditors identified three quarterly reports that were submitted past the deadline due to the consultant's staff turnover. In response, staff have established improved processes to ensure future reports are filed in a timely manner. Details of the findings and management's response can be found

in the attached Single Audit Report for the Fiscal Year Ended June 30, 2024.

7. ATTACHMENTS

- Single Audit Report for the Fiscal Year Ended June 30, 2024