



Agenda Item

Audit Advisory Committee

Item #: 3.1.

2/5/2026

File #: 26-0061

TO: Chair and Members of the Audit Advisory Committee

FROM: Trang Nguyen, Finance Director

1. SUBJECT

Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2025.

2. SUMMARY

The Fiscal Year 2024-25 (FY25) audit has been completed with one finding, and the City received a “clean” or unmodified opinion.

The FY25 audit started with the audit planning meeting with staff and the audit subcommittee on May 8, 2025, follow by the interim audit on June, 2 2025, and the final audit on October 27, 2025. The City received a clean opinion with one material deficiency for FY25.

During the fiscal year, the Finance Department experienced key staff turnover while simultaneously implementing a new ERP system and chart of accounts. These overlapping changes increased workload and disrupted normal closing processes, which delayed reconciliations and reviews. As a result, additional journal entries were required after the trial balance was provided to the auditors, contributing to Audit Finding 2025-001 related to financial closing and reporting.

Additionally, the Finance Department has been preparing the FY25 ACFR in accordance with GFOA standards and plans to submit the report for consideration prior to the applicable deadline. The Certificate of Achievement for Excellence in Financial Reporting is a nationally recognized program established by the GFOA to promote transparency, full disclosure, and excellence in state and local government financial reporting.

3. RECOMMENDED ACTION

Receive and file.

4. ATTACHMENTS

- FY 2024-25 Annual Comprehensive Financial Report
- Independent Auditors’ Report on Internal Control Over Financial Reporting