



# Agenda Item

## Orange City Council

---

**Item #:** 3.29.

4/28/2026

**File #:** 26-0202

---

**TO:** Honorable Mayor and Members of the City Council

**THRU:** Jarad Hildenbrand, City Manager

**FROM:** Trang Nguyen, Finance Director

### 1. SUBJECT

Single Audit Report of Federally Assisted Grant Programs for the Fiscal Year ended June 30, 2025

### 2. SUMMARY

Financial and Compliance Reports provided by LSL, LLP, independent auditors, as a result of their audit of federally funded grant programs for the fiscal year ended June 30, 2025.

### 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

LSL, LLP (LSL), an independent certified public accounting firm, provided audit services to the City for the fiscal year ended June 30, 2025. Following the receive and file of the Annual Comprehensive Financial Report (ACFR) and related audit reports on February 24<sup>th</sup>, the Single Audit Report has been completed by the auditor and filed with Federal Audit Clearinghouse and California State Controller's Office ahead of the March 31<sup>st</sup> deadline.

The Single Audit is a federally mandated compliance audit required when an entity expends \$750,000 or more in federal grant funds during a fiscal year, in accordance with the U.S. Office of Management and Budget (OMB) 2 CFR Part 200, Uniform Guidance.

The audit evaluates compliance with federal program requirements and the effectiveness of internal controls over grant administration. Key procedures include reviewing internal controls, testing a sample of grant transactions for compliance, monitoring subrecipients, and reporting any findings or recommendations for corrective action. For the Fiscal Year 2025, the Single Audit was completed with no findings identified specifically to the federally funded grant programs. However, because the Single Audit relies extensively on the financial data and internal control framework established in the ACFR, auditing standards require the inclusion of applicable findings reported in the ACFR.

Accordingly, while there were no standalone Single Audit findings, any relevant matters noted in the ACFR are incorporated by reference to ensure consistency and completeness in reporting.

The completion of the Single Audit provides assurance that the City has properly managed federal funds and remains in compliance with applicable requirements.

## **7. ATTACHMENTS**

- Single Audit of Federally Assisted Grant Programs