

**DEPARTMENT MEMO**

**DEPARTMENT:** Finance  
**FROM:** Martin Avila, Finance Director  
**MEETING:** March 13, 2023

**SUBJECT:**

Receive a report, hold a discussion and give staff direction regarding fiscal year 2021-2022 Annual Comprehensive Financial Report (ACFR), Single Audit Report and the annual audit. *(Staff Presenter: Martin Avila, Director of Finance)*

**BACKGROUND:**

Each year, the City hires an independent accounting firm to conduct an audit of the City's basic financial statements. The purpose of the audit is to express an opinion as to whether the City's financial statements present fairly, in all material respects, the financial position of the City. On June 21, 2021, Council approved a 3-year professional service agreement and two 1-year options with Weaver LLP for audit services.

The ACFR represents the financial position of the City for the fiscal year ending September 30, 2022. The document includes the independent auditor's opinion of management's representations within the annual report. The auditors have provided the City a clean opinion (unmodified), which means that in the opinion of Weaver, the City's financial statements present fairly, in all material respects, the financial position of the City. A "clean" or "unmodified opinion" is the best opinion that may be rendered in an audit of the financial statements.

The audit specifically included the following items:

- Audit of the City's ACFR in accordance with generally accepted auditing standards.
- An evaluation of the City's internal control over financial reporting.
- Single Audit in accordance with generally accepted auditing standards and compliance with U.S Office of Management and budget (OMB) Compliance Supplement

The auditor's examination of internal controls was conducted at a level sufficient to gain an understanding of the internal control structure to determine the nature, timing, and extent of audit procedures. The auditors did not perform an audit of internal controls, but performed limited tests of internal controls for the purpose of providing an opinion on the financial statements.

Additionally, the auditors examined, on a test basis, evidence supporting amounts and disclosures in the combined financial statements. The City did not receive a management letter as there were no material weaknesses or recommendations for strengthening controls identified.

Jackie Gonzalez, Audit Partner, Weaver will be providing a presentation regarding the results of the audit, and answer any questions City Council may have.

**RECOMMENDATION:**

Recommend approval to accept ACFR, Single Audit, and annual audit as presented.

**PRIOR ACTION/INPUT (Council, Boards, Citizens):**

**FISCAL IMPACT:**

NA

**STAFF CONTACT:**

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