



City of Colusa California

STAFF REPORT

DATE: February 4th, 2025
TO: Mayor and Members of the City Council
FROM: Ishrat Aziz-Khan, through Jesse Cain, City Manager

AGENDA ITEM:

Consideration of Resolution approving the Fiscal Year 2023-2024 Annual audit and Single audit reports.

Recommendation: Council to approve the annual and single audit reports prepared by Smith & Newell, the City contracted audit firm.

BACKGROUND ANALYSIS:

The Financial statements, Annual Audit, and Single Audit reports were prepared by SMITH & NEWELL the audit firm, for the City of Colusa in accordance with auditing standards generally accepted accounting principles.

In the auditor's opinion, all requested information was presented fairly, without any material errors.

The Audit report concluded with a \$809,466 deficit in general funds, and a \$640,414 surplus in CDBG and other city funds, which resulted in a net deficit of \$169,052 in governmental funds. The retail tax revenue received was 163k less than the adopted budget, and 280k less than the prior year. The Transaction tax (Measure B) was also \$362k lower than the adopted budget. Overall, the assets for governmental funds increased by \$2.5 million due to the Purchase of Perilli building with grants/loans, and the equipment purchased utilizing special funds.

Enterprise funds, water fund had a \$318,818 surplus while the Sewer fund ended the year with a \$797,753 deficit due to the projects under construction. The enterprise funds ended with net assets of \$17.84 million.

The single Audit report is required to be prepared whenever the city meets the threshold of \$750,000 from federally awarded funds. It is one of the requirements to apply for CDBG loans, and other federal grants.

The grants included in the 2023-24 Single Audit Report were CDBG for Perilli Building, CDBG Home Rehabilitation and First Time Home Buyers, Safe Street for All (SS4), and SLFRF.

BUDGET IMPACT:

None

STAFF RECOMMENDATION:

Approve Resolution 25-

ATTACHMENT:

- Financial Statements together with Independent Auditor's Report for the Year Ended June 2024, and
- Single Audit Act Reports and Schedules for the Year Ended June 30th, 2024.