



City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☒ Regular ☐ Special

Meeting Date: August 12, 2025

Title: City Annual Financial Report and Single Audit Report for the Fiscal Year Ended June 30, 2023

Background: Vasquez & Company LLP completed the audits of the City of Needles Annual Financial Report and the Single Audit Report for the fiscal year ended June 30, 2023. The audits were conducted in accordance with Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards (GAS). Roger Martinez, Audit Relationship Manager, will present the audit results via Zoom at the Council Meeting.

Summary of Audit Results:

City Audit Opinion: Unmodified ("clean") opinion. The financial statements fairly present the financial position and results of operations for the City, including its two component units, NPUA and HACN.

City Internal Controls: Material Weaknesses and significant deficiencies on internal control over financial reporting were noted. These occurred primarily due to the Finance Director vacancy. The findings will be discussed by the Audit Relationship Manager in his presentation.

City Audit Compliance: No instances of noncompliance were reported.

Single Audit Findings: The Single Audit also identified other material weaknesses and significant deficiencies that occurred primarily due to errors in grant reporting. The findings will be also discussed by the Audit Relationship Manager in his presentation.

Fiscal Impact: None.

Environmental Impact: None.

Recommended Action: Receive a presentation from the City's Audit Engagement Partner; and, Accept and file the City Annual Financial Report and Single Audit Report for the Fiscal Year Ended June 30, 2023.

Submitted By: Jill Taura, Interim Finance Director

City Manager Approval: Patrick J. Martinez

Date: 8/8/2025

Other Department Approval (when required): _____

Date: _____

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐