



## **AGENDA ITEM ANALYSIS**

Project/Issue Name: 20-R-22 A Resolution of the City Council of the City of Republic, Missouri, Approving the Audit Report for the Fiscal Year Ended December 31, 2019.

Submitted By: Debbie Parks, Finance Director and presented by Jon Cummings, CPA, CGMA/KPM CPAs & Advisors

Date: June 10, 2020

### **Issue Statement**

Then City of Republic is required to undergo an independent audit at least once per annum.

### **Discussion and/or Analysis**

KPM CPAs, PC, conducted the audit of the City's financial accounting and reporting practices for the fiscal year-ended December 31, 2019. The auditor's opinion is that the city's financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Republic, Missouri as of December 31, 2019, and the respective changes in financial position, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The audit report is designed to report on the financial condition of the City and demonstrates the city's financial accountability to its citizenry. Included in the document is the "Independent Auditor's Report", otherwise known as the auditor's opinion. The basic financial statements are presented through two views: 1) government-wide statements, which focus on the City of Republic as a whole entity, and 2) major individual funds, through the presentation of fund financial statements. This report also includes the Management Discussion & Analysis, which provides an extensive overview of the accompanying financial statements.

In addition to the Financial Statement Audit, the fiscal year 2019 qualified for a Single Audit. The City received more than \$750,000 in federal grant funds and triggered the Single Audit. The two major projects that were audited included the Oakwood/Hines Intersection through the Highway Planning and Construction Grant and the Owen Park Trail through the Recreational Trails Program Grant. The Single Audit did not have any material deficiencies and received an unmodified opinion.

### **Recommended Action**

City Staff recommends that City Council approve the audit report for the fiscal year-ended December 31, 2019, as presented.