



## AGENDA ITEM ANALYSIS

Project/Issue Name: 23-R-37 A Resolution of the City Council Approving the Independent Audit Report for the Fiscal Year Ending December 31, 2022.

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

Date: June 20, 2023

### **Issue Statement**

The City of Republic is required to undergo an independent audit at least once per year.

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

KPM CPAs, PC, conducted two separate engagements for the City of Republic for the fiscal year ended December 31, 2022 ("FY 2022").

1. The audit of the City's financial accounting and reporting practices for FY 2022.
2. The examination of the City's compliance with regards to "Requirements That Would Otherwise be Required to Undergo a Single audit or Program-Specific audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds."

### **Audit**

The audit report is designed to report on the financial condition of the City and demonstrates the city's financial accountability to its citizens. Included in the document is the "Independent Auditor's Report," (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.

Additionally, this report includes the Management Discussion & Analysis, which provides a preview of the FY 2023 Budget.

**Opinion** - 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, 2022, 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.

### **CSLFRF Compliance Examination**

KPM also performed an examination of the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2022 OMB Compliance Supplement, including Addendum 1 and Addendum 2 (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") as of December 31, 2022, for the purpose of expressing an opinion about whether the City of Republic, Missouri, complied with the above-mentioned compliance requirements, in all material respects.

**Opinion** - KPM found that the City complied, in all material respects, with the specified requirements as outlined in the "Requirements That Would Otherwise be Required to Undergo a Single audit or Program-Specific audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds."

### **Recommended Action**

City Staff recommends that City Council approve the Audit Report and the CSLFRF Compliance Examination for the fiscal year-end for December 31, 2022, as presented.