



Agenda Item No: 3.a

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: April 15, 2025

Submitted by: Jennifer Lampman

From: Finance

Subject:

Annual Comprehensive Financial Report and Single Audit of Federally Assisted Grant Programs for the Period Ending June 30, 2024

Financial Impact:

Fiscal Impact:

No fiscal impact.

Summary:

The annual audit of the City's financial records has been completed by the City's audit firm, Clifton Allen Larson (CLA). Part of the audit contract includes working with Staff to complete the Annual Comprehensive Financial Report ("ACFR") and the Single Audit of Federally Assisted Grant Programs (Single Audit). The ACFR and the Single Audit were reviewed by the Financial Audit Oversight Committee ("FAOC") on April 7, 2025. The FAOC approved the report and recommended for the City Council to receive and file without any material modifications.

Recommendation:

Recommended Action: It is recommended that the City Council take the following actions to:

1. Receive and file the Annual Comprehensive Financial Report for the period ending June 30, 2024, as recommended by the Financial Audit Oversight Committee; and
2. Receive and file the Single Audit of Federally Assisted Grant Programs for the period ending June 30, 2024, as recommended by the Financial Audit Oversight Committee.

Strategic Plan Statement:

This action is not related to any Strategic Plan goal or objective.

Discussion:

Each year the City has an external audit performed by an independent auditing firm. At the conclusion of the audit process, the auditors and the City's Finance Department complete the Annual Comprehensive Financial Report (ACFR). As required by the Government Accounting Standards Board (GASB), the report's format includes standardized reporting information such as the Management Discussion and Analysis (MD&A), Required Supplementary Information, and Government-wide Financial Statements including the Statement of Net Position and Statement of Activities.

Also included in the report is the Independent Auditors' Report. In the opinion of the auditors (CLA), the financial statements are presented fairly in all material respects. The audit of the City's financial records was completed in accordance with generally accepted auditing standards applicable to financial audits contained in Government Audit Standards issued by the Government Accountability Office. The City received a "clean" or unmodified opinion for the audit this year with one material weakness noted. The weakness identified were misstatements that if not corrected, would cause the City's financial statements to be materially misstated. The misstatements included moving some capital projects from "construction in progress" into a non-depreciating "capital assets" category instead of depreciating asset category and inadvertently including the employee share of CalPERS for pension related deferred inflow of resources when it should have just been the employer paid portion. All misstatements were corrected, and Finance has updated its year-end checklist to ensure these misstatements will not be repeated.

In addition to the ACFR, the auditors also prepared the Single Audit of Federally Assisted Grant Programs (Single Audit) after auditing the City's federally funded programs such as Community Development Block Grants (CDBG) and Coronavirus State and Local Fiscal Recovery funds. The auditors gave the City a clean, unmodified opinion for the Single Audit as well with no findings.

The ACFR and the Single Audit were presented to the Financial Audit Oversight Committee at its meeting on April 7, 2025, at which time the report was approved and recommended for the City Council to receive and file.

Fiscal Impact Summary:

There is no fiscal impact to the recommended action.

Attachments

[City of Placentia Results Presentation FY 2024.pptx](#)

[FY 24 City of Placentia ACFR.pdf](#)

[FY23-24 Single Audit.pdf](#)

[FY 24 Final Signed Governance Communication.pdf](#)

[FY 24 Signed Internal Control Communication.pdf](#)