



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
July 19, 2022

TOPIC: Receive and file the Single Audit Report for the Fiscal Year Ended June 30, 2021

AGENDA TITLE:

Receive and File Single Audit Report for the Fiscal Year Ended June 30, 2021

RECOMMENDED ACTION

Receive and file Single Audit Report for the Fiscal Year Ended June 30, 2021.

DISCUSSION

All non-Federal entities that expend \$750,000 or more of Federal awards each fiscal year are required to obtain a Single Audit to comply with the regulations of the Federal Office of Management and Budget (OMB). The Single Audit for the fiscal year ended June 30, 2021 and has been completed by the City's independent auditor, CliftonLarsonAllen LLP.

During the fiscal year 2020-21, the City administered twenty-four (24) Federal grant programs and expended \$105.6 million, representing an increase of \$46.5 million from the prior fiscal year. The increase was primarily due to \$31.8 million in Coronavirus Relief Fund expenditures, \$3.7 million in COVID-19 Community Development Block Grant (CDBG), \$3.6 million in COVID-19 Emergency Solutions Grant, \$2.4 million in COVID-19 Housing Assistance programs, and \$4.0 million additional Highway Planning & Construction capital expenditures.

Of the twenty-four (24) programs administered by the City, the auditors identified four major programs for the audit: Emergency Solutions Grant Program (\$4.0 million), Workforce Innovation and Opportunity Act (WIOA) Cluster (\$2.3 million), Coronavirus Relief Fund (\$31.8 million), and Emergency Rental Assistance Program (\$3.4 million).

The Finance and Management Agency is pleased to report that the City received an unmodified opinion commonly known as a clean opinion; which is considered the most favorable conclusion for the audit. The unmodified opinion indicates that the City has complied, in all material respects, with the compliance requirements for the fiscal year ended June 30, 2021. However, the auditors disclosed one compliance finding related to WIOA Youth Activity program for not meeting the minimum expenditure requirements. The noncompliance was due to various restrictions and limitations during the COVID-19 pandemic, such as closed worksites and not accepting remote work for youth. Program

Approve the recognition of revenue in the General Fund for certain unclaimed funds
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staff plans to restructure subrecipient agreements and encourage meeting enrollment goals to prevent future findings.

The report (Exhibit 1) is posted and available on the City's website (<https://www.santa-ana.org/financial-reports>) along with prior fiscal years. In addition, the report has been submitted for certification as part of the Single Audit Data Collection Form process. The Single Audit Report is normally required to be submitted by March 31. However, OMB extended the deadline to September 30 to provide administrative relief to recipients of federal financial assistance impacted by COVID-19.

ENVIRONMENTAL IMPACT

There is no environmental impact associated with this action.

FISCAL IMPACT

There is no fiscal impact associated with this action.

EXHIBIT

1. FY20-21 Single Audit Report

Submitted By: Kathryn Downs, FMSA Executive Director

Approved By: Kristine Ridge, City Manager