



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: December 19, 2017

DEPARTMENT: FINANCE DEPARTMENT

FROM: Matt N. Pressey, CPA, Finance Director

TITLE: AUDITED BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT
REPORT ON FEDERAL FUNDED PROGRAMS FOR THE YEAR ENDED
JUNE 30, 2017

RECOMMENDED MOTION:

A motion to accept the audited Basic Financial Statements and Single Audit Report on federal funded programs for fiscal year ended June 30, 2017.

RECOMMENDATION:

Staff recommends that City Council accept the audited Basic Financial Statements and Single Audit Report on federal funded programs for fiscal year ended June 30, 2017.

DISCUSSION:

Audited Basic Financial Statements

The Finance Department is pleased to present the audited financial statements for the fiscal year ended June 30, 2017. The transmittal letter in the Basic Financial Statements beginning on page “i” and the Management Discussion and Analysis beginning on page F-5 provide an overview of the City’s financial activities for the fiscal year.

McGilloway, Ray, Brown & Kaufman, the City Council's independent auditor, has completed their annual audit of City affairs. Their Independent Auditors Opinion Report is included in the Basic Financial Statements on page F-1 and is a “clean audit” opinion stating, “In our opinion, the financial statements... present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2017.”

Single Audit Report on Federal Funded Programs

The Finance Department is also pleased to present the Single Audit Report of federal funded programs for the fiscal year ended June 30, 2017. The report includes a summary of the federal financial awards, internal control, compliance and schedule of findings and questioned costs for the fiscal year ending June 30, 2017.

McGilloway, Ray, Brown & Kaufman has completed their annual audit of City of Salinas compliance requirements. During the audit, they noted no instance of non-compliance.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project.

STRATEGIC PLAN INITIATIVE:

The proposed budgets promote the Council Goal of Effective Sustainable Government.

FISCAL AND SUSTAINABILITY IMPACT:

Costs associated with the audit are included in the City's FY 2017-18 budget.

ATTACHMENTS:

Basic Financial Statements

Single Audit Report on Federal Funded Programs