

Independent Auditor Presentation for the  
Fiscal Year Ended June 30, 2024

Annual Comprehensive Financial Report and  
Other Related Annual Audit Reports

City of South San Francisco  
City Council

January 22, 2025


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Partner

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## Annual Audit

- Maze and Associates – we are an independent CPA firm, independent from the City of South San Francisco and its component units.
- Audit was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States of America.



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## We Audit

- City (Annual Comprehensive Financial Report)
- Compliance Testing for Measures A and W programs
- Single Audit required in current year - *later* (federal award programs)

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## Results of Audit

- Independent Auditor's Report (pg 1 of ACFR)
  - Unmodified/clean opinions...fairly stated, in all material respects...in conformity with accounting principles generally accepted (GAAP) in the USA.
- Measures A and W
  - Unmodified/clean opinions
  - No compliance findings

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## Results of Audit

- Management’s Discussion and Analysis

(prepared by Finance Staff – pg 5 of ACFR)

- Discusses significant activity for the fiscal year

- Major Events Include

- Purchased Grand Ave Property - \$6.8m
- Major Sewer Projects Completed (South San Francisco/San Bruno Water Quality Control Plant Wet Weather and Digester Improvements and Secondary Clarifiers Projects) - \$72.1m
- Various Street Rehab, Improvement and Safety Projects Completed \$11.2m
- ARPA Funding – spent \$4.99m and \$1.28m left at YE
- Employee downpayment assistance program - \$100k loan
- Pension – liability increased only \$10m after PY increase of \$86m
- OPEB – liability decreased \$11.2m after PY increase of \$6.8m



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## Results of Audit

- Memorandum on Internal Control

- Three possible categories for comments:
  - Material Weakness
  - Significant Deficiency
  - Other Matters



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## Results of Audit

- Memorandum on Internal Control
  - No material weaknesses noted
  - One significant deficiency
  - Three other matters (one repeat of PY)
  - Other informational items
  - Current status of prior year comments



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## Results of Audit

- Required Communications
  - Changes in Accounting Policies
    - None – Two GASBs effective, but only one had small impact
  - Unusual Transactions, Controversial or Emerging Areas
    - None
  - Significant Accounting Estimates Include
    - Pension and OPEB Liabilities and Related Def Outflows/Inflows
    - Fair Value of Investments
    - Depreciation
    - Leases Receivable, Leases Payable and Related Def Inflows
    - Compensated Absences
    - Claims Liabilities




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## Results of Audit


- Required Communications (Continued)
  - No difficulties encountered or disagreements with management
  - No material adjustments
  - No uncorrected misstatements to report (deemed trivial)

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## Other Reports

- Agreed Upon Procedures – recalculation of the Gann Limit (Appropriations Limit)
  - City – no errors noted

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**QUESTIONS?**

**M MAZE**  
& ASSOCIATES

*"We are in the business to help our clients succeed"*

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