



## City of Gardner - *Executive Department*

Mayor Michael J. Nicholson

September 19, 2022

Hon. Elizabeth J. Kazinskas, Council President  
And City Councilors  
Gardner City Hall, Rm 121  
95 Pleasant Street  
Gardner, MA 01440

RE: Notification of Independent Auditor's Report – FY2022 Federal Single Audit: No Findings

Dear Madam President and Councilors,

As you are aware, pursuant to both federal and state law, the City is required to have a third party, independent auditor review our financial records periodically. There are two (2) types of audits that the City must undertake as a result of these statutes –

- 1) An audit known as a **"federal single audit"** that solely reviews how all federal grants were received and spent. This must be conducted annually unless a municipality receives an audit with no findings for three (3) consecutive years. If this later qualification is met, the audit must be done once every three (3) years. The Federal Single Audit Act of 1984 sets these requirements for all municipalities that receive over \$750,000 in federal funding in a single fiscal year.
- 2) An audit known as a **"full audit"** that reviews the entirety of the City's financial records for the fiscal year. This must be done on an annual basis.

Last year, for the first time in the City's history, we received a perfect score on both our single audit and our full audit by our third-party auditors.

**I am happy to report that for the second year in a row, the City has received a perfect score, with no finding, nor suggestions, on our Federal Single Audit for the 2022 Fiscal Year (July 1, 2020 to June 30, 2021).**

This is especially significant due to the significant amount of federal grant funding that was released during that time frame as a result of the COVID-19 Pandemic, with the CARES Act, the ESSR Funds, COVID-19 FEMA Assistance Grant, FEMA Vaccination Grants, and the ARPA Funds, to name a few. (Full listing can be found on page 6 of the attached report).

In total, in FY2022, the City received \$7,709,920 in Federal Grant Funding- approximately ten percent (10%) of the City's annual operating budget.

I would like to thank our City Auditor, John Richard, and everyone on our Finance Team for helping to ensure that the City remains in a strong and stable financial standing.

Respectfully Submitted,

Michael J. Nicholson  
Mayor, City of Gardner

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