

Single Audit FAQs for the Extended Arrearage Program

1. What is the Single Audit Requirement?

The Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards (Uniform Guidance) requires non-Federal entities that expend/receive federal awards of \$750,000 or more during a fiscal year to have a single or program-specific audit conducted for that fiscal year. (2 C.F.R § 200.501.)

2. Is there a Single Audit Requirement for funding received from the California Extended Water and Wastewater Arrearage Payment Program (Extended Arrearage Program)?

Yes, the requirement exists for this program. The State Water Resources Control Board (State Water Board) is a pass-through entity awarding funding to entities from the federal American Rescue Plan Act (ARPA) funds.

3. Does the Single Audit Requirement apply to my entity?

- If your entity expends/receives federal awards of \$750,000 or more during a fiscal year, then your entity is required to submit a Single Audit Reporting Package.
- If your entity expends/receives federal awards of less than \$750,000 during a fiscal year, then your entity is not required to submit a Single Audit Reporting Package; however, your entity must provide written notification to the State Water Board of your entity's exempt status.

4. How does the State Water Board notify funding recipients of the Single Audit Requirement?

As a pass-through entity, the State Water Board is required to notify recipients of all federal awards received. For funding disbursed from the Extended Arrearage Program, the Single Audit Requirement is referenced originally in the Program's Payment Letter sent to the funding recipient when the payment is approved for check issuance. Additionally, funding recipients also will receive a Single Audit Letter a few months after the State's Fiscal Year ends detailing the amount received from the Program.

5. If my entity has not expended/received federal awards of \$750,000 or more during a fiscal year, what do I do?

If your entity determines that it is exempt per the Single Audit and Uniform Guidance rules, your entity must provide written notification to the State Water Board of your entity's exempt status.

6. What is included in a Single Audit Reporting Package?

The single audit reporting package is a collection of several documents. A complete single audit reporting package includes up to nine key parts. All applicable parts must be submitted before the State Water Board can process the reporting package.

These parts are summarized below:

- Independent Auditor's Report
- Basic Financial Statements
- Required Supplementary Information
- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards
- Schedule of Expenditures of Federal Awards
- Schedule of Findings and Questioned Costs
- Summary Schedule of Prior Audit Findings (if no prior audit findings, please indicate)
- Corrective Action Plan (if applicable)
- Management Letter (required if issued by the entity's CPA)

The Annual Comprehensive Financial Report (or if applicable, Financial Statement Report) is required. If the Comprehensive Annual Financial Report and Single Audit Report are separate reports, then both reports must be submitted to the State Controller's Office (SCO). If both reports are not submitted, the single audit reporting package will be considered incomplete. Reporting packages may be submitted to the SCO on a CD, provided the report is a PDF and includes the independent auditor's electronic signature.

7. What is the Federal Catalog Number for the federal funding associated with the California Extended Water and Wastewater Arrearage Payment Program?

Federal Catalog 21.027 (Coronavirus State & Local Fiscal Recovery Funds)

8. When do I submit my Single Audit Reporting Package?

After receiving the Single Audit Letter from the State Water Board, submit your single audit reporting package by March 31 of each year (or nine months after the end of the local entities fiscal year, whichever comes first).

9. Where do I submit my Single Audit Reporting Package or Written Exemption?

State Water Resources Control Board
Division of Administrative Services
Accounting Office – Single Audit Reporting
1001 I Street, 18th Floor
Sacramento, CA 95814

If you also are required to submit the reporting package to the State Controller’s Office (SCO), you may submit your reporting package to the SCO via the SCO’s Data Exchange Portal (DEP), or by U.S. Postal Service or private carrier. Reports submitted via DEP must be uploaded as unsecured PDFs.

The DEP is a secure web-based portal for uploading documents to the SCO Division of Audits. If your entity does not have an account in DEP, please contact the SCO at singleaudits@sco.ca.gov to request an Account Passcode and instructions. Additional information about the DEP can be found at <https://dep.sco.ca.gov>.

Mailing Address:
State Controller’s Office
Division of Audits
Financial Audits Bureau/Single Audits Unit
P.O. Box 942850
Sacramento, CA 94250-5874

Street Address for Fed Ex:
State Controller’s Office
Division of Audits
Financial Audits Bureau/Single Audits Unit
3301 C Street, Suite 700
Sacramento, CA 95816

10. In what format should I submit my Single Audit Reporting Package?

Reporting packages may be submitted on a CD, provided that the report is in a PDF file format and includes the independent auditor’s electronic signature.