# CITY OF NEW BRITAIN, CONNECTICUT

## FEDERAL SINGLE AUDIT REPORT

## JUNE 30, 2024

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**CITY OF NEW BRITAIN, CONNECTICUT**
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# INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Members of the Common Council
City of New Britain, Connecticut

## Report on Compliance for Each Major Federal Program

### *Opinion on Each Major Federal Program*

We have audited the City of New Britain, Connecticut's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of New Britain, Connecticut's major federal programs for the year ended June 30, 2024. The City of New Britain, Connecticut's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of New Britain, Connecticut complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative* Requirements*, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of New Britain, Connecticut and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of New Britain, Connecticut's compliance with the compliance requirements referred to above.

### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of New Britain, Connecticut's federal programs.

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***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of New Britain, Connecticut's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of New Britain, Connecticut's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of New Britain, Connecticut's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the City of New Britain, Connecticut's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of New Britain, Connecticut's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Britain, Connecticut, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of New Britain, Connecticut's basic financial statements. We have issued our report thereon dated March 27, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

**CliftonLarsonAllen LLP**

West Hartford, Connecticut
March 27, 2025

# CITY OF NEW BRITAIN, CONNECTICUT
# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
# YEAR ENDED JUNE 30, 2024

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures | |
|---|---|---|---|---|---|
| **United States Department of Agriculture** | | | | | |
| *Passed Through the State of Connecticut Department of Education:* | | | | | |
| Child Nutrition Cluster: | | | | | |
| National School Lunch Program (Noncash) | 10.555 | 12060-SDE64370-20560 | | $ 320,579 | |
| National School Lunch Program | 10.555 | 12060-SDE64370-20560 | | 5,116,957 | |
| School Breakfast Program | 10.553 | 12060-SDE64370-20508 | | 2,166,122 | |
| Summer Food Service Program for Children | 10.559 | 12060-SDE64370-20540 | | 200,120 | |
| Summer Food Service Program for Children | 10.559 | 12060-SDE64370-20548 | | 16,941 | |
| Fresh Fruit and Vegetable Program | 10.582 | 12060-SDE64370-22051 | | 288,900 | |
| | | | | | $ 8,109,619 |
| Child and Adult Care Food Program | 10.558 | 12060-SDE64370-20518 | | 402,195 | |
| Child and Adult Care Food Program | 10.558 | 12060-SDE64370-20544 | | 27,917 | |
| | | | | | 430,112 |
| COVID-19 State Pandemic Electronic Benefit Transfer Administrative Costs | 10.649 | 12060-SDE64370-29802 | | | 15,010 |
| Total United States Department of Agriculture | | | $ - | | 8,554,741 |
| **United States Department of Transportation** | | | | | |
| *Passed Through the State of Connecticut Department of Transportation:* | | | | | |
| Highway Safety Cluster: | | | | | |
| State and Community Highway Safety | 20.600 | 12062-DOT57513-20559 | | 25,376 | |
| National Priority Safety Programs | 20.616 | 12062-DOT57513-22600 | | 23,851 | |
| | | | | | 49,227 |
| Highway Planning and Construction | 20.205 | 12062-DOT57141-22108 | | 927,122 | |
| Highway Planning and Construction | 20.205 | 12062-DOT57191-22108 | | 171,015 | |
| | | | | | 1,098,137 |
| Alcohol Open Container Requirements | 20.607 | 12062-DOT57513-22091 | | | 86,232 |
| Total United States Department of Transportation | | | - | | 1,233,596 |
| **United States Department of Education** | | | | | |
| *Passed Through the State of Connecticut Department of Education:* | | | | | |
| Special Education Cluster (IDEA): | | | | | |
| Special Education Grants to States | 84.027 | 12060-SDE64370-20977-2024 | | 2,935,073 | |
| Special Education Grants to States | 84.027 | 12060-SDE64370-20977-2023 | | 520,835 | |
| Special Education Preschool Grants | 84.173 | 12060-SDE64370-20983-2024 | | 110,007 | |
| Special Education Preschool Grants | 84.173 | 12060-SDE64370-20983-2023 | | 15,494 | |
| Special Education Preschool Grants | 84.173 | 12060-SDE64370-20983-2022 | | - | |
| | | | | | 3,581,409 |
| Education Stabilization Fund: | | | | | |
| COVID-19 ESSERF K-12 Fund | 84.425D | 12060-SDE64370-29571-2021 | | 1,462,560 | |
| COVID-19 American Rescue Plan - ESSER | 84.425U | 12060-SDE64370-29636-2021 | | 15,000 | |
| COVID-19 American Rescue Plan - ESSER | 84.425U | 12060-SDE64370-29636-2021 | | 27,898,283 | |
| COVID-19 Elementary & Secondary School | 84.425W | 12060-SDE64370-29650-2021 | | 89,248 | |
| | | | | | 29,465,091 |
| Title I Grants to Local Educational Agencies | 84.010 | 12060-SDE64370-20679-2024 | | 6,227,260 | |
| Title I Grants to Local Educational Agencies | 84.010 | 12060-SDE64370-20679-2023 | | 95,497 | |
| Title I Grants to Local Educational Agencies | 84.010 | 12060-SDE64370-20679-2024 | | 727,624 | |
| Title I Grants to Local Educational Agencies | 84.010 | 12060-SDE64370-20679-2023 | | 285,633 | |
| | | | | | 7,336,014 |

*See accompanying Notes to Schedule of Expenditures of Federal Awards.*

# CITY OF NEW BRITAIN, CONNECTICUT
# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
# YEAR ENDED JUNE 30, 2024

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures |
|---|---|---|---|---|
| Career and Technical Education - Basic Grants to States | 84.048 | 12060-SDE64370-20742-2024 | | $ 316,098 |
| Improving Teacher Quality State Grants | 84.367 | 12060-SDE64370-20858-2024 | $ 515,352 | |
| Improving Teacher Quality State Grants | 84.367 | 12060-SDE64370-20858-2023 | 29,200 | |
| | | | | 544,552 |
| Twenty-First Century Community Learning Centers | 84.287 | 12060-SDE64370-20863-2024 | | 86,700 |
| Title IV - Student Support | 84.424 | 12060-SDE64370-22854-2024 | 427,888 | |
| Title IV - Student Support | 84.424 | 12060-SDE64370-22854-2023 | 41,179 | |
| | | | | 469,067 |
| English Language Acquisition State Grants | 84.365 | 12060-SDE64370-20868-2023 | 59,695 | |
| English Language Acquisition State Grants | 84.365 | 12060-SDE64370-20868-2024 | 137,133 | |
| English Language Acquisition State Grants | 84.365 | 12060-SDE64370-20868-2023 | 126,988 | |
| | | | | 323,816 |
| Education for Homeless Children and Youth | 84.196 | 12060-SDE64370-20770-2023 | 30,000 | |
| Education for Homeless Children and Youth | 84.196 | 12060-SDE64370-20770-2022 | 30,000 | |
| | | | | 60,000 |
| Total United States Department of Education | | | $ - | 42,182,747 |
| **United States Department of Justice** | | | | |
| *Direct:* | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | | | 233,815 |
| *Passed Through the State of Connecticut Department of Emergency Services and Public Protection:* | | | | |
| Missing Children's Assistance | 16.543 | 12060-DPS32353-21917 | | 2,165 |
| Total United States Department of Justice | | | - | 235,980 |
| **United States Department of Housing and Urban Development** | | | | |
| *Direct:* | | | | |
| CDBG - Entitlement/Special Purpose Grants Cluster: | | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | | 181,084 | 1,481,284 |
| | | | | 1,481,284 |
| Home Investment Partnerships Program | 14.239 | | | 22,978 |
| Lead Hazard Reduction Demonstration Grant Program | 14.905 | | | 652,004 |
| Total United States Department of Housing and Urban Development | | | 181,084 | 2,156,266 |
| **United States Department of Health and Human Services** | | | | |
| *Passed Through the State of Connecticut Department of Public Health:* | | | | |
| Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF) | 93.758 | 12060-DPH48873-22664 | | 32,995 |
| Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | 93.323 | 12060-DPH48551-29582 | | 388,732 |
| Immunization Cooperative Agreements (Noncash) | 93.268 | | 41,580 | |
| Immunization Cooperative Agreements | 93.268 | 12060-DPH48664-20911 | 58,862 | |
| Immunization Cooperative Agreements | 93.268 | 12060-DPH48664-29627 | 155,328 | |
| | | | | 255,770 |
| Injury Prevention and Control Research and State and Community Based Programs | 93.136 | 12060-DPH48882-22954 | | 12,850 |
| Total United States Department of Health and Human Services | | | - | 690,347 |

*See accompanying Notes to Schedule of Expenditures of Federal Awards.*

# CITY OF NEW BRITAIN, CONNECTICUT
# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
# YEAR ENDED JUNE 30, 2024

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures |
|---|---|---|---|---|
| **United States Department of Homeland Security** | | | | |
| *Passed Through the State of Connecticut Department of Emergency Services and Public Protection:* | | | | |
| Emergency Management Performance Grants | 97.042 | 12060-DPS32981-21881 | | $ 36,279 |
| Total United States Department of Homeland Security | | | $ - | 36,279 |
| **United States Department of the Treasury** | | | | |
| *Passed Through the State of Connecticut Office of Policy and Management:* | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 21.027 | | $ | 8,433,387 |
| *Passed Through the State of Connecticut Department of Education:* | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds (FAFSA Completion) | 21.027 | 12060-SDE64370-28092-2024 | | 8,348 |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Magnets - 1 Year Tuition) | 21.027 | 12060-SDE64370-28112-2023 | | 527,150 |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Magnet Schools) | 21.027 | 12060-SDE64370-28297-2024 | | 306,105 |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Right to Read) | 21.027 | 12060-SDE64370-29732-2023 | | 374,479 |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Faith Acts PSDs) | 21.027 | 12060-SDE64370-29733-2021 | | 466,586 |
| *Passed Through the State of Connecticut Department of Public Health:* | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Lead-Safe Homes) | 21.027 | 12060-DPH48766-28159 | | 45,760 |
| *Passed Through the State of Connecticut Department of Emergency Services and Public Protection:* | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Violent Crimes Task Force) | 21.027 | 12060-DPS32521-28125 | | 33,576 |
| *Passed Through the State of Connecticut Office of Early Childhood:* | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds (School Readiness) | 21.027 | 12060-OEC64845-28227 | | 602,401 |
| | | | | 10,797,792 |
| Total United States Department of the Treasury | | | - | 10,797,792 |
| **United States Environmental Protection Agency** | | | | |
| *Passed Through the State of Connecticut Department of Public Health:* | | | | |
| Capitalization Grants for Drinking Water State Revolving Funds | 66.468 | 12060-DPH48770-22467 | | 316,281 |
| Capitalization Grants for Drinking Water State Revolving Funds | 66.468 | 21018-DPH48770-42319 | | 969,898 |
| | | | | 1,286,179 |
| Total United States Environmental Protection Agency | | | - | 1,286,179 |
| **Total Expenditures of Federal Awards** | | | $ 181,084 | $ 67,173,927 |

*See accompanying Notes to Schedule of Expenditures of Federal Awards.*

**CITY OF NEW BRITAIN, CONNECTICUT**
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**YEAR ENDED JUNE 30, 2024**

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of New Britain, Connecticut, under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the City of New Britain, Connecticut, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of the City of New Britain, Connecticut.

### Basis of Accounting

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance. Under these principles certain types of expenditures are not allowable or are limited as to reimbursement.

## NOTE 2 INDIRECT COST RECOVERY

The City of New Britain, Connecticut, has elected not to use the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance

## NOTE 3 NONCASH AWARDS

Donated commodities in the amount of $320,579 are included in the Department of Agriculture's National School Lunch Program, Assistance Listing #10.555. The amount represents the market value of commodities received.

Noncash assistance vaccines in the amount of $41,580 are included in the Department of Health and Human Services Immunization Cooperative Agreements Assistance Listing #93.268.

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# INDEPENDENT AUDITORS' 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*

Honorable Mayor and Members of the Common Council
City of New Britain, Connecticut

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Britain, Connecticut, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of New Britain, Connecticut's basic financial statements, and have issued our report thereon dated March 27, 2025.

## *Report on Internal Control Over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the City of New Britain, Connecticut's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of New Britain, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of New Britain, Connecticut's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be significant deficiency.

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***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City of New Britain, Connecticut's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

***City of New Britain, Connecticut's Response to Finding***

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of New Britain, Connecticut's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. City of New Britain, Connecticut's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

CliftonLarsonAllen LLP

**CliftonLarsonAllen LLP**

West Hartford, Connecticut
March 27, 2025

**CITY OF NEW BRITAIN, CONNECTICUT**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**YEAR ENDED JUNE 30, 2024**

## *Section I – Summary of Auditors' Results*

### *Financial Statements*

| | | | |
|---|---|---|---|
| 1. | Type of auditors' report issued: | Unmodified | |
| 2. | Internal control over financial reporting: | | |
| | • Material weakness(es) identified? | _____ yes | ____x____ no |
| | • Significant deficiency(ies) identified? | ____x____ yes | _____ none reported |
| 3. | Noncompliance material to financial statements noted? | _____ yes | ____x____ no |

### *Federal Awards*

| | | | |
|---|---|---|---|
| 1. | Internal control over major federal programs: | | |
| | • Material weakness(es) identified? | _____ yes | ____x____ no |
| | • Significant deficiency(ies) identified? | _____ yes | ____x____ none reported |
| 2. | Type of auditors' report issued on compliance for federal programs: | Unmodified | |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | _____ yes | ____x____ no |

### *Identification of Major Federal Programs*

| **Assistance Listing Number(s)** | **Name of Federal Program or Cluster** |
|---|---|
| 84.425D / 84.425U / 84.425W | COVID -19 Education Stabilization Fund |
| 21.027 | COVID -19 Coronavirus State and Local Fiscal Recovery Funds |
| 10.555/10.553/10.559/10.582 | Child Nutrition Cluster |
| 14.218 | Community Development Block Grants Entitlement/Special Purpose Grants Cluster |

Dollar threshold used to distinguish between Type A and Type B programs: $ 2,013,970

Auditee qualified as low-risk auditee? _____ yes ____x____ no

## *Section II – Financial Statement Findings*

**Finding No. 2024-001**

Fiscal Year-End Close Procedures

**Type of Finding:**

Significant Deficiency in Internal Control over Financial Reporting

**Condition**

The financial close process of the City did not include a timely final review of funds to record adjustments to account balances in accordance with generally accepted accounting principles. This lack of final review caused delays in audit work and a number of client entries being prepared during the audit process as well as audit adjustments processed.

**Criteria**

Generally accepted accounting principles (GAAP) requires that revenue be recognized when it is both measurable and available and receivables and revenue within an Enterprise Fund should be recorded in accordance with full accrual basis of accounting.

**Cause**

Shortage in staffing within the finance department to review balances and lack of a formal financial close process.

**Effect**

Increased risk of material misstatement within the financial statements.

**Repeat Finding**

Yes, 2023-002.

**Recommendation**

We recommend that the City develop a formal financial close process to ensure each fund's year-end balances are analyzed timely and corrected appropriately.

**Views of Responsible Officials**

Management agrees with this finding

## *Section III – Findings and Questioned Costs – Major Federal Programs*

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

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