

**CITY OF NEW BRITAIN, CONNECTICUT**

**STATE SINGLE AUDIT REPORT**

**YEAR ENDED JUNE 30, 2025**



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**CITY OF NEW BRITAIN, CONNECTICUT**  
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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT

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

### **Report on Compliance for Each Major State Program**

#### ***Opinion on Each Major State 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 Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the City of New Britain, Connecticut's major state programs for the year ended June 30, 2025. City of New Britain, Connecticut's major state 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 state programs for the year ended June 30, 2025.

#### ***Basis for Opinion on Each Major State 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 the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act 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 state 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 state programs.

### ***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 State Single Audit 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 state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, 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 State Single Audit Act, 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 state 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 state 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 state 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.

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

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 State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

#### **Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act**

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, 2025, 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 December 26, 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 state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act 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 state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
December 26, 2025

**CITY OF NEW BRITAIN, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2025**

<b>State Grantor/Pass-Through Grantor/ Program Title</b>	<b>State Grant Program Core-CT Number</b>	<b>Expenditures</b>
<b>Department of Public Health</b>		
Non-cash Vaccines	12004-DPH48500-12563	\$ 2,941
Total Department of Public Health		<u>2,941</u>
<b>Department of Social Services</b>		
DSS Medicaid	11000-DSS60000-16020	586,426
Total Department of Social Services		<u>586,426</u>
<b>Department of Education</b>		
Other Expenses	11000-SDE64370-10020	10,015
Primary Mental Health	11000-SDE64370-12198	20,000
Commissioner's Network	11000-SDE64370-12547	1,320,011
Talent Development	11000-SDE64370-12552	10,818
School-Based Diversion Initiat	11000-SDE64370-12587	30,000
Non Sheff Transportation	11000-SDE64370-12632	5,330
Family Resource Centers	11000-SDE64370-16110	334,089
Child Nutrition State Match	11000-SDE64370-16211	56,021
Health Foods Initiative	11000-SDE64370-16212	105,363
Adult Education	11000-SDE64370-17030	\$ 47,880
Adult Education	11000-SDE64370-17030	<u>598,634</u>
		646,514
Two Percent Education Cost Share Program	11000-SDE64370-17041-82002	1,478,586
Alliance District	11000-SDE64370-17041-82164	41,538,394
Education Equalization Grants	11000-SDE64370-17041	348,039
Bilingual Education	11000-SDE64370-17042	150,978
Priority School Districts	11000-SDE64370-17043-82052	1,625,653
School Breakfast Program	11000-SDE64370-17046	41,839
After School Programs	11000-SDE64370-17084	338,800
Extended School Hours	11000-SDE64370-17108	196,330
School Accountability	11000-SDE64370-17109	233,468
Low Performing Schools SB1502	12052-SDE64370-43728	<u>327,915</u>
Total Department of Education		<u>48,818,163</u>
<b>Board of Regents</b>		
Board For State Academy Award Opportunity Fund	12060-BOR77840-35186	<u>22,420</u>
Total Board of Regents		<u>22,420</u>
<b>Connecticut State Library</b>		
Public Library Repairs	12052-CSL66051-43648	250,000
Historic Document Preservation	12060-CSL66094-35150	<u>10,500</u>
Total Connecticut State Library		<u>260,500</u>
<b>Department of Administrative Services</b>		
Rents & Moving	11000-DAS27350-12179	<u>138,600</u>
Total Department of Administrative Services		<u>138,600</u>
<b>Department of Children and Families</b>		
Community Based Prevention Program	11000-DCF91185-16092	22,417
Youth Service Bureaus	11000-DCF91185-17052	60,338
Youth Service Bureau Enhancement	11000-DCF91185-17107	<u>12,992</u>
Total Department of Children and Families		<u>95,747</u>
<b>Department of Energy and Environmental Protection</b>		
Non-Budgeted Operating Appropriation	21014-DEP43720-40001	<u>744,578</u>
Total Department of Energy and Environmental Protection		<u>744,578</u>

See accompanying Notes to Schedule of Expenditures of State Financial Assistance.

**CITY OF NEW BRITAIN, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**

<b>State Grantor/Pass-Through Grantor/ Program Title</b>	<b>State Grant Program Core-CT Number</b>	<b>Expenditures</b>
<b>Department of Housing</b>		
Urban Act Grant-DOH	13019-DOH46911-43598	\$ 1,500,000
Total Department of Housing		<u>1,500,000</u>
<b>Department of Transportation</b>		
Pay-As-You-Go Transportation Projects	12001-DOT57124-12518	2
Town Aid Road Grants	12001-DOT57131-17036	773,153
Bus Operations	12001-DOT57342-12175	\$ 46,827
Bus Operations	12001-DOT57931-12175	<u>8,371</u>
		55,198
Local Transportation Capital Program	13033-DOT57197-43584	1,318,046
Let's Go CT Ramp-Up Program	13033-DOT57551-43667	<u>219,962</u>
Total Department of Transportation		<u>2,366,361</u>
<b>Department of Public Health</b>		
Loc & District Deptmnts Of Hlth	11000-DPH48558-17009	\$ 151,764
X-Ray Screen & Tubrculss Care	12004-DPH48666-16112	<u>22,154</u>
Total Department of Public Health		<u>173,917</u>
<b>Department of Emergency Services and Public Protection</b>		
Enhanced 911 Telecommunication Fund	12060-DPS32741-35190	<u>183,097</u>
Total Department of Emergency Services and Public Protection		<u>183,097</u>
<b>Economic and Community Development</b>		
Brownfield Remediation & Development	12060-ECD46260-35533	41,125
New Britain Arts Council	12069-ECD46820-12413	38,055
Urban Act Grant-OPM	13019-ECD46250-41240	<u>2,881,109</u>
Total Economic and Community Development		<u>2,960,289</u>
<b>Office of Early Childhood</b>		
Child Care Quality Enhancement	11000-OEC64845-16158	36,549
Early Care and Education	11000-OEC64845-16274	<u>7,258,928</u>
Total Office of Early Childhood		<u>7,295,477</u>
<b>Office of Policy and Management</b>		
Reimbursement of Property Tax-Disability Exemption	11000-OPM20600-17011	5,498
Property Tax Relief For Veterans	11000-OPM20600-17024	9,620
Tiered PILOT	12002-OPM20600-17111	13,364,766
Local Capital Improvement	12050-OPM20600-40254	2,193,987
Body and Dash Cameras	12052-OPM20350-43760	131,260
Municipal Purposes & Projects	12052-OPM20600-43587	2,864,920
Distressed Municipalities	12052-OPM20600-43750	<u>55,077</u>
Total Office of Policy and Management		<u>18,625,128</u>
<b>Office of State Comptroller</b>		
Paraeducator Healthcare Subsidy	12060-OSC15301-35710	5,773
Total Office of State Comptroller		<u>5,773</u>
<b>Total State Financial Assistance Before Exempt Programs</b>		83,779,417

See accompanying Notes to Schedule of Expenditures of State Financial Assistance.

**CITY OF NEW BRITAIN, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**

<b>State Grantor/Pass-Through Grantor/ Program Title</b>	<b>State Grant Program Core-CT Number</b>	<b>Expenditures</b>
<b>Exempt Programs</b>		
<b>Department of Education</b>		
Education Cost Sharing	11000-SDE64370-17041-82010	\$ 72,682,246
Excess Cost - Student Based	11000-SDE64370-17047	\$ 429,958
Excess Cost - Student Based	11000-SDE64370-17047	<u>7,701,005</u>
		8,130,963
Excess Cost funds per SA 25-1	12060-SDE64370-34822	<u>1,797,515</u>
Total Department of Education		<u>82,610,724</u>
<b>Department of Administrative Services</b>		
School Construction Progress	13010-DAS27635-43744	<u>13,213,024</u>
Total Department of Administrative Services		<u>13,213,024</u>
<b>Office of Policy and Management</b>		
Supplemental Revenue Sharing	12002-OPM20600-17102	2,176,332
Motor Vehicle Tax Grants	12002-OPM20600-17103	2,926,509
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005-13045	<u>1,979,822</u>
Total Office of Policy and Management		<u>7,082,663</u>
Total Exempt Programs		<u>102,906,411</u>
<b>Total State Financial Assistance</b>		<b><u>\$ 186,685,828</u></b>

See accompanying Notes to Schedule of Expenditures of State Financial Assistance.

**CITY OF NEW BRITAIN, CONNECTICUT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the City of New Britain, Connecticut, under programs of the State of Connecticut for the year ended June 30, 2025. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. 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**

The accounting policies of the City of New Britain, Connecticut, conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule.

**NOTE 2 LOAN PROGRAMS**

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the schedule of expenditures of state financial assistance shall include loans and loan activities. The following is a summary of the various loan program activity for the year ended June 30, 2025:

Department of Energy and Environmental Protection / Department of Public Health

Clean Water Funds:

Issue Date	Interest Rate	Original Amount	Beginning Balance	Issued	Retired	Ending Balance
1/31/2008	2.00 %	\$ 1,173,344	\$ 163,601	\$ -	\$ 63,330	\$ 100,271
5/31/2013	2.00	686,179	296,569	-	34,890	261,679
10/27/2016	2.00	3,022,188	1,788,128	-	151,110	1,637,018
6/30/2020	2.00	846,121	668,942	-	43,391	625,551
6/30/2023	2.00	604,824	585,874	-	31,812	554,062
11/30/2023	2.00	1,685,966	1,628,326	-	86,460	1,541,866
6/30/2024	2.00	1,294,126	1,288,595	-	66,365	1,222,230
Total		\$ 6,420,035	\$ -	\$ 477,358	\$ 5,942,677	



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND REPORT ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and the 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 City of New Britain, Connecticut, as of and for the year ended June 30, 2025, 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 December 26, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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 certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be significant deficiency.

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

### **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**

West Hartford, Connecticut  
December 26, 2025

**CITY OF NEW BRITAIN, CONNECTICUT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2025**

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

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***Financial Statements***

1. Type of auditors' report issued:	Unmodified		
2. Internal control over financial reporting:			
• Material weakness(es) identified?	_____	yes	<input checked="" type="checkbox"/> no
• Significant deficiency(ies) identified?	<input checked="" type="checkbox"/>	yes	_____ none reported
3. Noncompliance material to financial statements noted?	_____	yes	<input checked="" type="checkbox"/> no

***State Financial Assistance***

1. Internal control over major programs:			
• Material weakness(es) identified?	_____	yes	<input checked="" type="checkbox"/> no
• Significant deficiency(ies) identified?	_____	yes	<input checked="" type="checkbox"/> none reported
2. Type of auditors' report issued on compliance for major programs:	Unmodified		
3. Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?	_____	yes	<input checked="" type="checkbox"/> no

The following schedule reflects the major programs included in the audit:

State Grantor and Program	State Core-CT Number	Expenditures
Department of Education: Alliance District	11000-SDE64370-17041-82164	\$ 41,538,394
Economic and Community Development: Urban Act Grant	13019-ECD46250-41240	2,881,109
Office of Policy and Management: Tiered PILOT	12002-OPM20600-17111	13,364,766
Local Capital Improvement	12050-OPM20600-40254	2,193,987
Municipal Purposes and Projects	12052-OPM20600-43587	2,864,920
Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>1,675,588</u>	

**CITY OF NEW BRITAIN, CONNECTICUT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**

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***Section II – Financial Statement Findings***

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**Finding No. 2025-001**

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, 2024-001.

**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.

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***Section III – Findings and Questioned Costs – State Financial Assistance***

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Our audit did not disclose any matters required to be reported in accordance with the State Single Audit Act.



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