SUMMARY OF 2019 AUDIT RESULTS

- The auditor’s report expresses an unmodified opinion on the financial statements.
- Deficiencies disclosed during the audit of the financial statements and/or major federal awards are reported.

   a. The Deputy Finance Officer has access to the general ledger, can prepare and post journal entries, has access to the manual check stock, and maintains the signature stamp for such accounts.
   b. The financial statements contained errors in the government-wide adjustments and fund statements requiring correction.
   c. The bank reconciliations prepared monthly are not agreed to the general ledger except at December 31. The bank reconciliation at December 31, 2019 did not agree to the general ledger by $82,458. Without further investigation, the actual cause of the bank reconciliation variance is unknown.
   d. An electrical permit was not calculated correctly and the contractor was charged $510 less than approved rates per city ordinance.

   During the audit process, we recorded material audit adjustments. Additionally, we posted several reclassification entries with no effect on net income. Furthermore, other entries were proposed as part of the audit, but were not recorded due to the overall insignificance on the financial statements. The Finance Officer has a lack of adequate review over the year-end process.

3. 2019-003 Finding: Compliance with State Laws – Significant Deficiency
   The City is invested in participating and negotiable certificates of deposit, which violates state law.

4. 2019-004 Finding: Suspension and Debarment – Significant Deficiency
   The City does not have an internal control process in place to meet the compliance requirements of suspension and debarment related to vendors the City utilizes in multiples departments of the City. Expenditures to such vendors are allocated to federal programs. Actual vendors charged to the major federal program were not suspended or debarred.

5. 2019-005 Finding: Lack of Supporting Payroll Documentation – Significant Deficiency
   Transit employees filling in as temporary supervisors were paid a higher rate than the documented rate in their signed contracts.

   The City expended funds from a Federal Transit grant in 2019 outside the allowed period of performance. No extension was requested or received from the Department of Transportation.

- No instance of noncompliance material to the financial statements was disclosed during the audit.
- The auditor’s report on compliance for the major federal awards expresses an unmodified opinion.