

**CITY OF MANDAN  
MANDAN, NORTH DAKOTA**

FEDERAL AWARDS REPORT IN ACCORDANCE  
WITH THE UNIFORM GUIDANCE

FOR THE YEAR ENDED DECEMBER 31, 2023

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**INDEPENDENT AUDITOR'S 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**

To the Honorable Mayor and  
City Commissioners  
City of Mandan  
Mandan, North Dakota

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 Mandan, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Mandan's basic financial statements and have issued our report thereon dated July 17, 2024.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Mandan'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 City of Mandan's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Mandan's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-003 to be a material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be significant deficiencies.

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

As part of obtaining reasonable assurance about whether City of Mandan'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 Mandan's Response to Findings**

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

### **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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**BRADY, MARTZ & ASSOCIATES, P.C.  
BISMARCK, NORTH DAKOTA**

July 17, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE  
UNIFORM GUIDANCE**

To the Honorable Mayor and  
City Commissioners  
City of Mandan  
Mandan, North Dakota

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Mandan's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City of Mandan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Mandan, North Dakota complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

***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; 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Mandan, North Dakota 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 Mandan, North Dakota'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 City of Mandan, North Dakota's federal programs.

## ***Auditor's 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 Mandan, North Dakota'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 generally accepted auditing standards, *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 City of Mandan, North Dakota's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 City of Mandan, North Dakota'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 City of Mandan, North Dakota'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 City of Mandan, North Dakota'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 first paragraph of this section 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 City of Mandan, North Dakota as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise City of Mandan, North Dakota's basic financial statements. We issued our report thereon, dated July 17, 2024, 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.



**BRADY, MARTZ & ASSOCIATES, P.C.**  
**BISMARCK, NORTH DAKOTA**

July 17, 2024

**CITY OF MANDAN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Pass-Through Grant Number</u>	<u>Federal AL Number</u>	<u>Federal Expenditures</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed through ND Forestry Service Cooperative Forestry Assistance	2022S-ATBPD-UPP009	10.664	\$ 10,000
Total U.S. Department of Agriculture			<u>10,000</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed through ND Department of Public Instruction COVID-19: Education Stabilization Fund	S425D210007	84.425D	<u>50,000</u>
Total U.S. Department of Education			<u>50,000</u>
<b>U.S. DEPARTMENT OF COMMERCE</b>			
Passed through the ND Department of Commerce Economic Development Cluster: Economic Adjustment Assistance	3122	11.307	<u>100,000</u>
Total Economic Development Cluster			<u>100,000</u>
Total U.S. Department of Commerce			<u>100,000</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program		16.590	104,076
Public Safety Partnership and Community Policing		16.710	20,995
Body Worn Camera Policy and Implementation		16.835	36,918
Passed through ND Office of Attorney General Edward Byrne Memorial Justice Assistance Coronavirus Emergency Supplemental Funding	21216 / 22216 / SN25003 / 22207 40442	16.738 16.034	121,153 <u>31,851</u>
Total U.S. Department of Justice			<u>314,993</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Airport Improvement Program		20.106	304,776
Passed through ND Department of Transportation: Highway Planning and Construction Cluster:	NHU-1-806(052)071 TAU-1-988(046) TAU-1-988(047) UGP-NHU-1-094(202)915 NHU-1-806(055)069 BRS-BRC-BRU- 0099(013)	20.205	<u>1,450,623</u> <u>1,450,623</u>
Total Highway Planning and Construction Cluster			<u>1,450,623</u>
Total U.S. Department of Transportation			<u>1,755,399</u>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>			
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	95815010	66.818	64,235
Passed through ND Environmental Quality: Drinking Water State Revolving Fund Cluster: Capitalization Grants for Drinking Water State Revolving Funds	3000596-09	66.468	<u>902,395</u>
Total Environmental Protection Agency			<u>966,630</u>
<b>EXECUTIVE OFFICE OF THE PRESIDENT</b>			
Passed through ND Attorney General: High Intensity Drug Trafficking Areas Program	59422 / 59423	95.001	<u>91,705</u>
Total Executive Office of the President			<u>91,705</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through ND Department of Emergency Services Hazard Mitigation Grant (HMGP)	FEMA-DR-4553-ND	97.039	<u>21,933</u>
Total Department of Homeland Security			<u>21,933</u>
<b>Total Federal Expenses</b>			<u>\$ 3,310,660</u>

See Notes to the Schedule of Expenditures of Federal Awards

**CITY OF MANDAN**  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the accompanying schedule of expenditures of federal awards (the Schedule) are reported on the accrual basis of accounting. Such expenditures are recognized following Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 2 INDIRECT COST RATE**

The City of Mandan has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 BASIS OF PRESENTATION**

The Schedule includes the federal award grant activity of the City of Mandan under programs of the federal government for the year ended December 31, 2023. The information in this 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 operations of the City of Mandan it is not intended to and does not present the financial position, change in net position, or cash flows of the City of Mandan.

**CITY OF MANDAN**  
**SCHEDULE OF FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Section I – Summary of Auditor’s Results**

Financial Statements

Type of auditor’s report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u>  x  </u> yes	<u>      </u> no	
Significant deficiency(ies) identified?	<u>  x  </u> yes	<u>      </u> none reported	
Noncompliance material to financial statements noted?	<u>      </u> yes	<u>  x  </u> no	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	<u>      </u> yes	<u>  x  </u> no	
Significant deficiency(ies) identified?	<u>      </u> yes	<u>  x  </u> none reported	

Type of auditor’s report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are Required to be reported in accordance with 2 CFR 200.516(a)?	<u>      </u> yes	<u>  x  </u> no
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<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:	<u>  \$750,000  </u>
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Auditee qualified as a low-risk auditee?	<u>      </u> yes	<u>  x  </u> no
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**CITY OF MANDAN**  
SCHEDULE OF FINDINGS - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2023

**Section II – Financial Statement Findings**

**2023-001: Segregation of Duties – Airport – Significant Deficiency**

Condition

The Airport has a lack of segregation of duties due to a limited number of employees.

Criteria

An effective system of internal control depends on an adequate segregation of duties with respect to the execution and recording of transactions, as well as the custody of an entity's assets. Accordingly, an effective system of internal control will be designed such that these functions are performed by different employees, so that no one individual handles a transaction from its inception to its completion.

Cause

The limited number of employees at the Airport prevents a proper segregation of accounting functions necessary to ensure effective internal control.

Effect

The lack of segregation of duties increases the risk of fraud related to misappropriation of assets, financial statement misstatement, or both.

Recommendation

We recommend the Airport review their internal controls over the accounting functions to determine if additional procedures can be implemented that are cost effective. The board should constantly be aware of this condition. Compensating controls that mitigate the related risks could be (or are) provided through appropriate oversight of the performance of these functions and review of the financial reports by individuals with knowledge of current operations and accounting principles.

Views of Responsible Officials

The Airport's board has implemented some mitigating controls and also has a CPA that sits on the board that assists in the review of the financial functions of the Airport. City staff reviews the financials of the Airport throughout the year and at year end. Any concerns or discrepancies are brought to the Airport's attention.

Indication of Repeat Finding

This is a repeat finding of prior year finding 2022-001.

**CITY OF MANDAN**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2023

**2023-002: Preparation of Financial Statements– Significant Deficiency**

Criteria

An appropriate system of internal controls requires that the City make a determination that financial statements and underlying general ledger accounts are properly stated in compliance with accounting principles generally accepted in the United States of America.

Condition

The City's auditors prepared the financial statements, including all note disclosures, as of December 31, 2023.

Cause

The City elected to not allocate resources for the preparation of the financial statements.

Effect

There is an increased risk of material misstatement or omission of material disclosures to the City's financial statements.

Recommendation

We recommend the City consider the additional risk of having the auditors assist in the preparation of the financial statements and note disclosures and consider preparing them in the future. As a compensating control the City should establish an internal control policy to document the annual review of the financial statements and schedules and to review a financial statement disclosure checklist.

Views of Responsible Officials and Planned Corrective Actions

Due to the cost benefit, the City has elected to have the auditors prepare the financial statements. The City has one CPA on staff who keeps current with the new accounting standards. City staff currently review the financial statements and schedules prior to finalization of the financial statements.

Current Status:

This is a repeat finding of prior year finding 2022-002.

**CITY OF MANDAN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**2023-003: Material Adjusting Journal Entry – Material Weakness**

Criteria

The City is required to maintain internal controls at a level where underlying support for general ledger accounts can be developed and a determination can be made that the general ledger accounts are properly reflected in accordance with GAAP.

Condition

During our audit, adjusting entries to the financial statements were proposed in order to properly reflect the financial statements in accordance with GAAP. These included an adjustment to record unearned revenue for prepaid expenses that were requested for federal reimbursement and a prior period adjustment to increase fund balance and prepaid expenses as of December 31, 2022.

Cause

The City did not detect two timing issues and record the adjustments necessary to properly reflect the financial statements in accordance with GAAP. The adjustment to record unearned revenue was due to a timing difference of a payment that is typically consistent, and the federal reimbursements were requested based on amounts paid, including prepaid amounts, which were included in receivables accordingly.

Effect

The City's financial statements were materially misstated prior to adjustments detected as a result of audit procedures.

Recommendation

Accounting personnel will need to determine the proper balance in each general ledger account prior to the audit.

Views of Responsible Officials and Planned Corrective Actions

Based on the results from the City's prior audits, the finance department was not aware the two timing issues noted above were to be recorded as adjustments to the financial statements in accordance with GAAP. Consequently, the finance department will record these adjustments to the financial statements.

Current Status:

This is a new finding during the current fiscal year.

**CITY OF MANDAN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Section III – Federal Award Findings and Questioned Costs**

There were no findings to be reported under this section.

**CITY OF MANDAN**  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**2022-001 Segregation of Duties – Airport – Significant Deficiency**

Condition

The Airport has a lack of segregation of duties due to a limited number of employees.

Criteria

An effective system of internal control depends on an adequate segregation of duties with respect to the execution and recording of transactions, as well as the custody of an entity's assets. Accordingly, an effective system of internal control will be designed such that these functions are performed by different employees, so that no one individual handles a transaction from its inception to its completion.

Cause

The limited number of employees at the Airport prevents a proper segregation of accounting functions necessary to ensure effective internal control.

Effect

The lack of segregation of duties increases the risk of fraud related to misappropriation of assets, financial statement misstatement, or both.

Recommendation

We recommend the organization review their internal controls over the accounting functions to determine if additional procedures can be implemented that are cost effective. The board should constantly be aware of this condition. Compensating controls that mitigate the related risks could be (or are) provided through appropriate oversight of the performance of these functions and review of the financial reports by individuals with knowledge of current operations and accounting principles.

Views of Responsible Officials

The Airport's board has implemented some mitigating controls and also has a CPA that sits on the board that assists in the review of the financial functions of the Airport. City staff reviews the financials of the Airport throughout the year and at year end. Any concerns or discrepancies are brought to the Airport's attention.

Current Status: Finding was repeated during the current fiscal year as 2023-001.

**CITY OF MANDAN**  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS – CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2023

**2022-002: Preparation of Financial Statements– Significant Deficiency**

Criteria

An appropriate system of internal controls requires that the City make a determination that financial statements and underlying general ledger accounts are properly stated in compliance with accounting principles generally accepted in the United States of America.

Condition

The City's auditors prepared the financial statements, including all note disclosures, as of December 31, 2022.

Cause

The City elected to not allocate resources for the preparation of the financial statements.

Effect

There is an increased risk of material misstatement or omission of material disclosures to the City's financial statements.

Recommendation

We recommend the City consider the additional risk of having the auditors assist in the preparation of the financial statements and note disclosures and consider preparing them in the future. As a compensating control the City should establish an internal control policy to document the annual review of the financial statements and schedules and to review a financial statement disclosure checklist.

Views of Responsible Officials and Planned Corrective Actions

Due to the cost benefit, the City has elected to have the auditors prepare the financial statements. The City has two CPA's on staff who keep current with the new accounting standards. City staff currently reviews the financial statements and schedules prior to finalization of the financial statements.

Current Status: Finding was repeated during the current fiscal year as 2023-002.



CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2023

2023-001

Contact Person – Lindsay Gerhardt, Airport Manager

Corrective Action Plan – The Airport’s board has implemented some mitigating controls and also has a CPA that sits on the board that assists in the review of the financial functions of the Airport. City staff reviews the financials of the Airport throughout the year and at year end. Any concerns or discrepancies are brought to the Airport’s attention.

Completion Date – Ongoing. Accounting functions will be reviewed throughout the year to determine if additional segregation is feasible.

2023-002

Contact Person – Greg Welch, Finance Director

Corrective Action Plan – Due to the cost benefit, the City has elected to have the auditors prepare the financial statements. The City has one CPA on staff who keeps current with the new accounting standards. City staff currently review the financial statements and schedules prior to finalization of the financial statements.

Completion Date – Ongoing. The City will continue to review the financial statements and schedules.

2023-003

Contact Person – Greg Welch, Finance Director

Corrective Action Plan – Based on the results from the City's prior audits, the finance department was not aware the two timing issues noted above were to be recorded as adjustments to the financial statements in accordance with GAAP. Consequently, the finance department will record these adjustments to the financial statements.

Completion Date – Ongoing. The City will record these adjustments to the financial statements.