



**CITY OF NAPA, CALIFORNIA**  
FOR THE YEAR ENDED JUNE 30, 2024

SINGLE AUDIT REPORT

Focused  
on YOU



CITY OF NAPA, CALIFORNIA

Single Audit Report

For the Year Ended June 30, 2024

CITY OF NAPA, CALIFORNIA

Single Audit Report

For the Year Ended June 30, 2024

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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

To the Honorable Mayor and Members of the City Council  
City of Napa, California

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 Napa, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 20, 2025.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 material weaknesses 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 2024-001 to be a material weakness.

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 deficiency described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City'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*.



To the Honorable Mayor and Members of the City Council  
City of Napa, California

**City's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City'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 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.

LSL, LLP

Irvine, California  
March 20, 2025



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

To the Honorable Mayor and Members of the City Council  
City of Napa, California

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

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

We have audited the City of Napa, California's (the "City") 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's major federal programs for the year ended June 30, 2024. The City'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 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 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; 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 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'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'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'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,



To the Honorable Mayor and Members of the City Council  
City of Napa, California

*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'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 the City'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'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'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**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

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.



To the Honorable Mayor and Members of the City Council  
City of Napa, California

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 30, 2025, which contained unmodified opinions on those financial statements. Our audit was performed 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 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.

LSL, LLP

Irvine, California

March 20, 2025 (Except for the *Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance*, which is dated January 30, 2025)



# ATTACHMENT 1

**CITY OF NAPA, CALIFORNIA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Passed-Through to Subrecipients</i>	<i>Total Federal Expenditures</i>
<b>CDBG - Entitlement Grants Cluster *</b>				
Department of Housing and Urban Development Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 115,375	\$ 1,008,617
Total Department of Housing and Urban Development Programs			<u>115,375</u>	<u>1,008,617</u>
<b>Total CDBG - Entitlement Grants Cluster</b>			<b><u>115,375</u></b>	<b><u>1,008,617</u></b>
<b>Housing Voucher Cluster</b>				
Department of Housing and Urban Development Direct Programs:				
Section 8 Housing Choice Vouchers	14.871	N/A	-	19,512,133
Mainstream Vouchers	14.879	N/A	-	830,488
Total Department of Housing and Urban Development Programs			<u>-</u>	<u>20,342,621</u>
<b>Total Housing Voucher Cluster</b>			<b><u>-</u></b>	<b><u>20,342,621</u></b>
<b>Highway Safety Cluster</b>				
Department of Transportation Pass-Through Programs from:				
California Department of Transportation				
National Priority Safety Programs	20.616	DWM8CCUYQTZ4	-	84,118
State and Community Highway Safety	20.600	DWM8CCUYQTZ4	-	31,055
Total Department of Transportation Programs			<u>-</u>	<u>115,173</u>
<b>Total Highway Safety Cluster</b>			<b><u>-</u></b>	<b><u>115,173</u></b>
<b>Other Programs</b>				
Department of Commerce Direct Programs:				
Economic Adjustment Assistance	11.307	N/A	-	12,901
Total Department of Commerce Programs			<u>-</u>	<u>12,901</u>
Department of Homeland Security Pass-Through Programs from:				
California Governor's Office of Emergency Services				
Disaster Grants - Public Assistance *	97.036	PS4RBZRWY7U5	-	1,921,317
Assistance to Firefighters Grant	97.044	PS4RBZRWY7U5	-	66,563
Homeland Security Grant Program	97.067	PS4RBZRWY7U5	-	48,575
Total Department of Homeland Security Programs			<u>-</u>	<u>2,036,455</u>
Department of Housing and Urban Development Pass-Through Programs from:				
California Department of Housing and Community Development				
HOME Investment Partnerships Program	14.239	L4JQPJ7N5NT4	-	174,764
Department of Housing and Urban Development Direct Programs:				
Community Development Block Grants/Entitlement Grants - Disaster Recovery	14.228	N/A	66,880	67,730
Continuum of Care Program	14.267	N/A	-	117,815
Family Self-Sufficiency Program	14.896	N/A	-	114,044
Total Department of Housing and Urban Development Programs			<u>66,880</u>	<u>474,353</u>
Department of Justice Pass-Through Programs from:				
California Bureau of Justice Assistance				
Violence Against Women Formula Grants	16.588	J9PFKF2X88D1	-	257,612
Department of Justice Direct Programs:				
Bulletproof Vest Partnership Program	16.607	N/A	-	5,166
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	-	3,921
Total Department of Justice Programs			<u>-</u>	<u>266,699</u>
Department of Transportation Pass-Through Programs from:				
California Department of Transportation				
Highway Planning and Construction	20.205	EHEGWCLJEVJ4	-	248,418
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	EHEGWCLJEVJ4	-	152,893
Total Department of Transportation Programs			<u>-</u>	<u>401,311</u>
Department of Treasury Pass-Through Programs from:				
State of California Department of Finance				
COVID-19 State and Local Fiscal Recovery Funds *	21.027	RN15SP9CPJE6	35,000	4,123,012
Total Department of Treasury Programs			<u>35,000</u>	<u>4,123,012</u>
<b>Total Other Programs</b>			<b><u>101,880</u></b>	<b><u>7,314,731</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 217,255</u></b>	<b><u>\$ 28,781,142</u></b>

\* Major Program  
There was no federal awards expended in the form of noncash assistance and insurance in effect during the year.

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**CITY OF NAPA, CALIFORNIA  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024**

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**NOTE 1: REPORTING ENTITY**

The City of Napa, California (the "City") was incorporated on March 23, 1872, under the laws of the State of California. The City's Charter was filed on October 27, 1914. The City operates under a council-manager form of government. As required by generally accepted accounting principles, these financial statements present the City and its component units. The following component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with that of the City.

*The Housing Authority of the City of Napa (the Housing Authority)* was established on May 8, 1942. On July 7, 1969, the City Council declared itself to be the Board of Commissioners of the Housing Authority in accordance with Section 34920 of the Health and Safety Code of the State of California. The City of Napa has operational responsibility for the component unit.

*The Parking Authority of the City of Napa (the Parking Authority)* was established pursuant to the Streets and Highways Code of the State of California. The City Council established the Parking Authority on April 27, 1970 and designated itself the governing body. The primary purpose of the Parking Authority is to acquire, maintain and operate off-street parking facilities within the City. The Parking Authority reported no financial transactions during the year ended June 30, 2024.

**NOTE 2: BASIS OF ACCOUNTING**

The City utilizes the modified accrual basis of accounting for the governmental funds and the accrual basis of accounting for the enterprise funds to prepare its basic financial statements. The accompanying Schedule of Expenditures of Federal Awards (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* (the Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in or used in the presentation of the City's basic financial statements.

**NOTE 3: SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The accompanying Schedule presents the activity of all federal financial assistance programs of the City. Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through the California Bureau of Justice Assistance, California Department of Transportation, California Department of Housing and Community Development, and California Governor's Office of Emergency Services are included in the Schedule. The Schedule was prepared from only the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the City.

**CITY OF NAPA, CALIFORNIA  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024**

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**NOTE 4: SUBRECIPIENTS**

During the year ended June 30, 2024, the City provided federal funds to the following subrecipients:

Assistance Listing Number	Program Name/ Subrecipient Names	Amount Provided to Subrecipients
14.218	Community Development Block Grants/Entitlement Grants	
	Abode Services	\$ 4,000
	Fair Housing Napa Valley	81,375
	NEWS Domestic Violence and Sexual Abuse Services	30,000
	Subtotal	<u>115,375</u>
14.228	Community Development Block Grants/Disaster Recovery	
	Catholic Charities of Northwest California	16,880
	Fair Housing Napa Valley	50,000
	Subtotal	<u>66,880</u>
21.027	Coronavirus State and Local Fiscal Recovery Fund	
	MENTIS	35,000
	Subtotal	<u>35,000</u>
	Total Amount Provided to Subrecipients	<u>\$ 217,255</u>

**NOTE 5: INDIRECT COST RATE**

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

**CITY OF NAPA, CALIFORNIA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

- Material weaknesses identified?  yes  no
- Significant deficiencies identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

Federal Awards

Internal control over major programs:

- Material weaknesses identified?  yes  no
- Significant deficiencies identified?  yes  none reported

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)?  yes  no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants Cluster
97.036	Disaster Grants – Public Assistance
21.027	COVID-19 State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B program \$809,729

Auditee qualified as low-risk auditee?  yes  no

**CITY OF NAPA, CALIFORNIA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Reference Number**

2024-001 – Grant Program Activity

**Evaluation of Finding**

Material Weakness

**Criteria**

The City failed to record \$10,147,680 of unearned revenue related to the Encampment Resolution Grant Program in addition to \$484,874 of accrued revenue related to the City Capital Projects Fund state grant activity.

**Condition**

The City is currently implementing internal controls surrounding the tracking of various grant activity utilizing specified accounting structures. During transitional preparation of those internal controls, revenue and expenditures relating to the Encampment Resolution Grant Program were inadvertently recognized in their entirety during the year ended June 30, 2024. Additionally, \$484,874 of accrued revenue was inadvertently omitted within the City Capital Projects Fund state grant activity.

**Cause of Condition**

Management oversight due to the commencement of transitioning to a new internal control structure.

**Effect or Potential Effect of Condition**

The City did not have in place a systematic method for ensuring all grant activity properly utilizes the correct revenue recognition policy.

**Recommendation**

The City should put in place formalized grant tracking structures to ensure each individual grant program has sufficient oversight and properly adheres to the correct revenue recognition policies.

**Management Response**

Management appreciates the recommendation to formalize grant tracking structures to ensure sufficient oversight and adherence to proper revenue recognition policies. We recognize the critical importance of ensuring that each grant program is properly tracked and managed in compliance with applicable accounting standards.

In response to this recommendation, the following actions will be taken:

- We will review and update our internal Grant Management policies and procedures to ensure that all grants are recognized in accordance with the appropriate revenue recognition guidelines and accounting standards, such as US GAAP and GASB.
- We will establish a centralized grant management system to ensure that each individual grant program is tracked throughout its lifecycle. This system will be designed to monitor key milestones, disbursements, and compliance requirements. The system will also include specific fields for capturing key details related to revenue recognition, such as grant terms, funding sources, and conditions that affect revenue recognition.
- A dedicated team will be assigned to manage and oversee all grant programs, ensuring that there is appropriate oversight and accountability for each grant. This team will work closely with program managers to ensure grants are being spent in accordance with both grant agreements and City policies.

**CITY OF NAPA, CALIFORNIA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2024**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**  
**(CONTINUED)**

**Reference Number**

2024-002 – Inadequate Controls Over Financial Reporting

**Evaluation of Finding**

Significant Deficiency

**Criteria**

Management is responsible for the preparation and fair presentation, as well as the accuracy of its financial statements, including disclosures in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

**Condition**

During the audit, we noted the following conditions that resulted in audit adjustments to the financial statements:

Accuracy in External Financial Reporting

The year-end closing process did not ensure that account balances were reconciled to internal accounting records in advance of the audit requiring multiple correcting entries provided by the City. It appears these errors were primarily caused by clerical errors between Funds, reclassifications of prior reported information, and certain correcting entries resulting from subsequent trial balance review by City personnel.

**Cause of Condition**

Due to necessary adjustments and reclassifications identified by City personnel, correcting entries for the aforementioned items were necessary to ensure proper presentation for financial statement purposes.

**Effect or Potential Effect of Condition**

The City did not have in place a systematic method for ensuring that timely and complete year end closing procedures were in operation before presenting the final trial balance to the auditors, resulting in a number of journal entries made to correct or to reclassify balances in the financial statements that should have been captured through the closing process. Those adjustments have been reported and posted by the City.

**Recommendation**

The City should put in place formalized year end closing procedures to ensure the close is complete and reduce the number of journal entries needed and errors found internally after the closing process has been completed. We suggest management also establish effective review policies and procedures, including but not limited to, apply analytical procedures on the trial balance numbers and perform reconciliations of all significant accounts.

**Management Response**

Management appreciates the recommendation to formalize year-end closing procedures to ensure the completeness and accuracy of the close. We understand the importance of a streamlined and error-free closing process to ensure financial reporting integrity.

In response to this recommendation, the following actions will be taken:

- We will implement a comprehensive year-end closing checklist that includes detailed steps for each phase of the closing process.
- We will conduct a review of the current journal entry process to identify and eliminate any unnecessary entries. We will also provide additional training for staff to reduce the occurrence of manual errors.
- We will enhance the reconciliation process for all significant accounts, ensuring that reconciliations are completed in a timely manner and reviewed by senior finance staff.
- We will implement analytical review procedures to identify any unusual fluctuations or discrepancies in the trial balance and investigate them thoroughly before the close is finalized.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.



**Summary Schedule of Prior Year Findings and Questioned Costs  
For the Year Ended June 30, 2023**

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**Finding 2023-001 Significant Deficiency - Internal Controls Over Financial Reporting**

This item was corrected as of June 30, 2024