

March 15, 2023

To Honorable Mayor  
and Members of the City Council  
City of Greeley, Colorado

We have audited the financial statements of the City of Greeley, Colorado (the "City") as of and for the year ended December 31, 2021 and have issued our report thereon dated March 15, 2023. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility Under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated June 23, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

We have noted the following instances of noncompliance with laws and regulations during the course of our audit with the following impact on the financial statements. The City's Annual Comprehensive Financial Report for the year ended December 31, 2021 will be filed after the deadline mandated by the State of Colorado. This will have no impact on the numbers and disclosures within the financial report.

Our audit of the City's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the City, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated March 15, 2023 regarding our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

**Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters dated February 10, 2023.

## **Significant Audit Findings**

### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note 2 to the financial statements.

No new significant accounting policies were adopted, and the application of existing policies was not changed during 2021.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were the assumptions used by the actuaries to calculate the required contributions for pension and the net pension liability. The net pension liabilities are based on actuarial valuations obtained from a third-party actuary. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

### ***Difficulties Encountered in Performing the Audit***

We are required to inform those charged with governance of any significant difficulties encountered in the performance and completion of the audit. There were significant delays in the timing of the audit due to the City not being able to reconcile and record all general ledger activity in a timely manner.

### ***Disagreements with Management***

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

The following material misstatements detected as a result of audit procedures were corrected by management. The City recorded the entire ARPA grant receipt amount as revenue without an unearned revenue liability for the amounts that were not spent on eligible expenditures by fiscal year end. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. However, uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future period financial statements to be materially misstated.

To Honorable Mayor  
and Members of the City Council  
City of Greeley, Colorado

March 15, 2023

***Significant Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the City, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated March 15, 2023.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

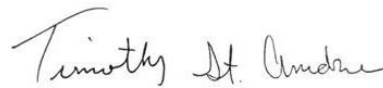
**Other Information Included in Annual Reports**

Our responsibility for other information included in annual reports does not extend beyond the financial statements, and we do not express an opinion or any form of assurance on the other information. However, we read the Annual Comprehensive Financial Report, and nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially misstated or materially inconsistent with the information or manner of its presentation appearing in the financial statements.

This information is intended solely for the use of the honorable mayor, members of the City Council, and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

**Plante & Moran, PLLC**



Timothy St. Andrew

## Attachment

Client: **City of Greeley, Colorado**  
 Opinion Unit: **Governmental Activities**  
 Y/E: **12/31/2021**

### SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS

The effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

Ref. #	Description of Misstatement	Current Assets	Long-term Assets	Deferred Outflows of Resources	Current Liabilities	Long-term Liabilities	Deferred Inflows of Resources	Equity	Revenue	Expenses	Net income statement impact
<b>FACTUAL MISSTATEMENTS:</b>											
A1	None										
<b>JUDGMENTAL ADJUSTMENTS:</b>											
B1											
<b>PROJECTED ADJUSTMENTS</b>											
C1	None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

### PASSED DISCLOSURES AND FINANCIAL STATEMENT PRESENTATION ISSUES

D1 The HUD Grants Fund has a deferred inflows of resources balance of \$4,091,719 related to economic development loans. This balance should be presented as restricted net position on the Statement of Net Position but is presented within the unrestricted net position balance on the Statement of Net Position.

Client: **City of Greeley, Colorado**  
 Opinion Unit: **Sales and Use Tax Fund**  
 Y/E: **12/31/2021**

### SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS

The effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

Ref. #	Description of Misstatement	Current Assets	Long-term Assets	Deferred Outflows of Resources	Current Liabilities	Long-term Liabilities	Deferred Inflows of Resources	Equity	Revenue	Expenses	Net income statement impact
<b>FACTUAL MISSTATEMENTS:</b>											
A1	None										
<b>JUDGMENTAL ADJUSTMENTS:</b>											
B1	None										
<b>PROJECTED ADJUSTMENTS:</b>											
C1	None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

### PASSED DISCLOSURES AND FINANCIAL STATEMENT PRESENTATION ISSUES:

D1 The financial reporting presentation of the Sales and Use Tax Fund is not consistent with GAAP (GASB 54, para. 30)

Client: **City of Greeley, Colorado**  
 Opinion Unit: **Aggregate Remaining Fund Info**  
 Y/E: **12/31/2021**

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Ref. #	Description of Misstatement	Current Assets	Long-term Assets	Deferred Outflows of Resources	Current Liabilities	Long-term Liabilities	Deferred Inflows of Resources	Equity	Revenue	Expenses	Net income statement impact
<b>FACTUAL MISSTATEMENTS:</b>											
A1	Deferral of revenue not received within period of availability						\$ 1,113,594		\$ (1,113,594)		\$ (1,113,594)
<b>JUDGMENTAL ADJUSTMENTS:</b>											
B1	None										
<b>PROJECTED ADJUSTMENTS:</b>											
C1	None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,113,594	\$ -	\$ (1,113,594)	\$ -	\$ (1,113,594)

### PASSED DISCLOSURES AND FINANCIAL STATEMENT PRESENTATION ISSUES:

D1 None