



# City of Hartford \* County of Van Buren \* State of Michigan

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**TO:** Mayor Hall and the Hartford Commission

**FROM:** Nicol Brown, City Manager

**DATE:** February 24, 2025

**RE:** ACCEPTANCE OF FISCAL YEAR JULY 2023 – JUNE 2024 AUDIT

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**ITEM BEFORE THE COMMISSION:**

The item before the Commission is to approve the acceptance of the fiscal year July 2023 – June 2024 audit.

**DISCUSSION:**

Hungerford presented the financial statement and the single audit to the city manager. Both audits presented a total of three Findings. The city manager and treasurer worked together to present the corrective action plan to the Findings. The Findings consisted of:

- Material Weakness in Internal Controls over Financial Reporting - Account reconciliations were not performed or were otherwise ineffective in correcting necessary misstatements in the financial records of the City during the fiscal year, and as part of year-end closing. This led to a significant number of auditor-proposed adjustments during the audit.
- Noncompliance with Laws and Regulations - Late Audit Submission - The City failed to submit its annual financial audit report for the fiscal year ending June 30, 2024, to the Michigan Department of Treasury (MDT) before the required deadline of December 31, 2024.
- Material Weakness in Internal Controls over Compliance - Schedule of Expenditures of Federal Awards - The City did not provide a Schedule of Expenditures of Federal Awards (SEFA) for the fiscal year ending June 30, 2024.

The corrective action plan will be included in the final audit and attached to the city manager's monthly report.

**RECOMMENDATION:**

The City of Hartford Commission accepts the audit report for the fiscal year ending June 30, 2024, from Hungerford. The acceptance of the audit will officially mark the conclusion of the fiscal year-end June 30, 2024 audit.