We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

# Village of Kronenwetter

## Audit Presentation

## Year ended December 31, 2024

# *Agenda*

- Audit scope and process
- Audit opinions and communications
- Internal control deficiencies
- Recommendations
- Conclusion

# Audit Scope

Report on the organization's financial statements

Internal control letter

Required governance communications letter

# Audit Process

RISK-BASED APPROACH

- Understanding the Entity
- Internal controls
- Risk Evaluation
- Substantive Audit Testing
- Regulatory Reporting
- Financial Statements

## AUDIT OPINIONS

### Financial statement

Financial statement audit opinion is **unmodified**.

## AUDIT RESULTS

### Material Weaknesses

- Segregation of Duties
- Preparation of Annual Financial Report
- Bank Account Reconciliations
- Journal Entry Approval and Documentation
- Other Account Reconciliations

### Significant Deficiency

- Adjustments to the Village's Financial Records

# Material Weaknesses

- 2024-001 Segregation of Duties
  - Limited personnel to perform and oversee the financial responsibilities
  - Increased risk to preventing and detecting errors
  - Potential of increased impact due to turnover
- 2024-002 Preparation of Annual Financial Report
  - Related to preparation of the financial statements themselves
  - Prior Period Adjustment pertaining to Capital Assets

# Material Weaknesses (Continued)

- 2024-003 Bank Account Reconciliations
  - Monthly bank reconciliations not completed timely
    - Unreconciled differences on the reconciliations that had been completed were left unaddressed for months
  - December 2024 reconciliation completed in February 2026
    - Required adjustments to cash and other general ledger accounts
  - January 2025 reconciliation completed in May 2026
- 2024-004 Journal Entry Approval and Documentation
  - Lack of documented review and approval
  - Supporting documentation not maintained

# Material Weaknesses (Continued)

- 2024-005 Other Account Reconciliations
    - Lack of periodic reconciliation of other trial balance accounts
        - Receivable accounts
        - Payroll liabilities
        - Various payable accounts
        - Revenue

# Significant Deficiency

- 2024-006 Adjustments to the Village’s Financial Records
  - During the audit, errors were identified that required adjustments

# Recommendations

- Risk Assessment
  - A process for identifying what could go wrong, understanding how likely it is, and deciding how big of an impact it could have on the community or your finances. Once you understand those risks, you decide what actions you should take to reduce or manage them.
- Role Evaluation
  - Identify who does what
  - Segregate recordkeeping, custody and authorization
  - Documented review and approval separate from preparation

# Recommendations (continued)

- Staffing Assessment
  - Are there enough positions to maintain accurate financial records?
  - Evaluate cross-training for absences
- Documentation
  - Evaluate accounting and financial policies
  - Develop accounting procedures manual
  - Help reduce the impact of turnover

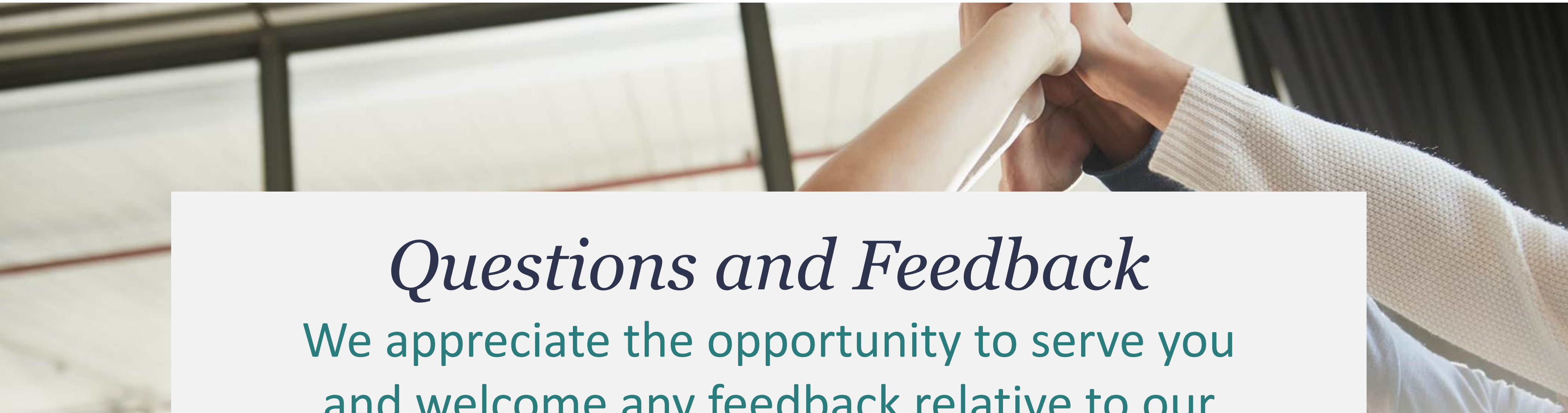
# 2025 Audit Completion

- Dependent on the Village closing the 2025 books
  - Cash reconciliations for the year
  - Year end balance sheet reconciliations
  - Capital asset schedules
- CLA is available to assist

# Financial Statement Discussion

# Find support at *every* turn

Benefit from guidance on all aspects of your business.



# *Questions and Feedback*

We appreciate the opportunity to serve you and welcome any feedback relative to our performance and to the engagement.

Amber Danielski, CPA, CMA
Signing Director
amber.danielski@CLAconnect.com
920-455-4304

Stuart Randall, CPA
Manager
stuart.randall@CLAconnect.com
920-455-4257

CLAconnect.com

CPAs | CONSULTANTS | WEALTH ADVISORS

The information herein has been provided by CliftonLarsonAllen LLP for general information purposes only. The presentation and related materials, if any, do not implicate any client, advisory, fiduciary, or professional relationship between you and CliftonLarsonAllen LLP and neither CliftonLarsonAllen LLP nor any other person or entity is, in connection with the presentation and/or materials, engaged in rendering auditing, accounting, tax, legal, medical, investment, advisory, consulting, or any other professional service or advice. Neither the presentation nor the materials, if any, should be considered a substitute for your independent investigation and your sound technical business judgment. You or your entity, if applicable, should consult with a professional advisor familiar with your particular factual situation for advice or service concerning any specific matters.

CliftonLarsonAllen LLP is not licensed to practice law, nor does it practice law. The presentation and materials, if any, are for general guidance purposes and not a substitute for compliance obligations. The presentation and/or materials may not be applicable to, or suitable for, your specific circumstances or needs, and may require consultation with counsel, consultants, or advisors if any action is to be contemplated. You should contact your CliftonLarsonAllen LLP or other professional prior to taking any action based upon the information in the presentation or materials provided. CliftonLarsonAllen LLP assumes no obligation to inform you of any changes in laws or other factors that could affect the information contained herein.