



City of Sweet Home
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May 26, 2026

During the City of Sweet Home's Financial Audit for Fiscal Year 2024, two material weaknesses were found. Please accept this letter as acknowledgement and as our corrective action plan moving into the future.

Weakness One – Account Reconciliations

During the process, auditors noted that periodic reconciliations on accounts were not performed in a timely manner. The reason for this was mainly due to turnover and a loss of staff at the Finance Director position. Our corrective action has already been put in place with the hiring of a new Finance Director and additional consulting support to ensure that reconciliations for all bank accounts are done in a timely manner. This has been noted in the final auditor's report.

Weakness Two – Failure to Submit Financial Statements Timely

According to the Oregon state regulations, the city should have submitted audited financial statements for Fiscal Year 2024 no later than December 31st, 2025. These statements are being submitted to the state as of May 2026. As noted in the previous weakness, the City lost its Finance Director during the FY 2023 year and did not previously have the 2022 Financial Statements submitted. The City hired a consultant as their Finance Director and additional staff to begin working on getting caught up. To date, Fiscal Years 2022 and 2023 were completed and FY 2024 has now been submitted. Work has already begun for Fiscal Year 2025 with anticipation of completion mid-year 2026. The desire and hope of the City is to then have the current Fiscal Year 2026 audited by the end of 2026 which would put the City back on track for timely audits and creation of Financial Statements.

If you have any questions or concerns, please contact me at your convenience.

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