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City of Littleton  
December 31, 2024  
Audit Presentation to City Council  
July 15, 2025  
William Brickey and Josh Yde





# Agenda

- Financial Statement Audit
- Required Post-Audit Communications
- Federal Single Audit



# Key Components of the Annual Comprehensive Financial Report

- Auditor's Report Letters (page 14-16)
- Management's Discussion and Analysis (pages 17-27)
  - Provides a summary of the City's financial activities
- Basic financial statements, including footnote disclosures (pages 28 - 66)
- Required and other supplemental information (starts on page 67)
  - Includes budgetary comparison schedules and combining financial statements
- Statistical Section (starts on page 110)
  - Provides detailed information on financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information



# Financial Statement Audit

- Unmodified opinion
- Implementation of new standards:
  - GASB Statement No. 100, *Accounting Changes and Error Corrections*
  - GASB Statement No. 101, *Compensated Absences*



# Required Post-Audit Communications

- **Significant Audit Findings**
  - No transactions entered into by the City lacking authoritative guidance
  - No significant transactions that have been recognized in a different period than when the transaction occurred
  - No difficulties encountered in performing the audit
  - No disagreements with management



# Required Post-Audit Communications

- **Material Weakness**
  - Our audit testing revealed that bank reconciliations were not completed in a timely manner, contained errors, and did not fully reconcile to the accounting records. In addition, the allocation of cash between the cash pool and other city funds did not net to zero.
- **Significant Deficiency**
  - The City's accounting system contains numerous accounts, most notably related to accrued benefits and payroll taxes payable, as well as many other accounts. Transactions recorded in these accounts are not clearing properly, resulting in large debit and credit balances at year end that net against each other.



# Required Post-Audit Communications

- **Corrected Misstatements**
  - Accounts payable was adjusted to increase for a capital expenditure incurred prior to December 31, 2024
- **Uncorrected Misstatements**
  - Building Fund presentation as an enterprise fund
  - \$94,732 recorded in accounts payable that related to 2025
  - The City's equity in pooled cash did not sum to zero





# Federal Single Audit

- Federal expenditures of \$7.1 million
- Two major programs tested in 2024
  - ALN 21.027 –Coronavirus State and Local Fiscal Recovery Funds (\$4,411,278)
  - ALN 97.036 – Federal Emergency Management Agency (\$1,457,972)
- Unmodified opinions
- Federal award findings - None





# Thank you

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