



CITY OF IRWINDALE, CALIFORNIA
SAFE, CLEAN WATER PROGRAM
FOR THE THREE YEAR PERIOD ENDING JUNE 30, 2023 FINANCIAL STATEMENTS

Focused
on YOU



CITY OF IRWINDALE, CALIFORNIA

SAFE, CLEAN WATER PROGRAM

Financial Statements

For the Three Year Period Ending June 30, 2023

CITY OF IRWINDALE, CALIFORNIA

SAFE, CLEAN WATER PROGRAM

Financial Statements

For the Three Year Period Ending June 30, 2023

Table of Contents

Page
Number

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT 1

BASIC FINANCIAL STATEMENTS

Balance Sheet 4

Statement of Revenues, Expenditures, and Changes in Fund Balance 5

Notes to Basic Financial Statements 6

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule for the Year Ended June 30, 2023 8

Budgetary Comparison Schedule for the Year Ended June 30, 2022 9

Budgetary Comparison Schedule for the Year Ended June 30, 2021 10

OTHER REPORTS

Independent Auditors' Report on Compliance..... 11

Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards*..... 13



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Irwindale, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Measure W Fund, a special revenue fund, which reports the Safe, Clean Water Program ("SCW Program") of the City of Irwindale, California (the "City"), as of and for the year ended ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the SCW Program's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SCW Program of the City, as of June 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the SCW Program are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, each major fund, and the aggregate remaining fund information of the City that is attributable to the transactions of the SCW Program. They do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2023, the changes in its financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To the Honorable Mayor and Members of the City Council
City of Irwindale, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting



To the Honorable Mayor and Members of the City Council
City of Irwindale, California

Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Summarized Comparative Information

We have previously audited the financial statements of the City for the years ended June 30, 2022, and June 30, 2021, and expressed an unmodified audit opinion on those financial statements in our reports dated January 19, 2023, and March 11, 2022, respectively. In our opinion, the summarized comparative information presented herein as of and for the years ended June 30, 2022, and June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2024, on 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 and other matters, including compliance with Los Angeles County Flood Control District Code Chapter Sections 16.05 and 18.05 through 18.07. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California
February 12, 2024

CITY OF IRWINDALE, CALIFORNIA
SAFE, CLEAN WATER PROGRAM
Balance Sheet
As of June 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>
ASSETS			
Cash and investments	\$ 1,143,383	\$ 846,741	\$ 432,857
Receivables:			
Accrued interest	6,386	1,083	223
Total assets	<u><u>\$ 1,149,769</u></u>	<u><u>\$ 847,824</u></u>	<u><u>\$ 433,080</u></u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	25,707	-	-
Total liabilities	<u>25,707</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Restricted:			
Public works	1,124,062	847,824	433,080
Total fund balance	<u>1,124,062</u>	<u>847,824</u>	<u>433,080</u>
Total liabilities and fund balance	<u><u>\$ 1,149,769</u></u>	<u><u>\$ 847,824</u></u>	<u><u>\$ 433,080</u></u>

CITY OF IRWINDALE, CALIFORNIA
SAFE, CLEAN WATER PROGRAM
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>
REVENUES			
Intergovernmental	\$ 431,670	\$ 445,790	\$ 432,742
Use of money and property	19,207	2,974	338
Total revenues	<u>450,877</u>	<u>448,764</u>	<u>433,080</u>
EXPENDITURES			
Current:			
Public works	155,517	34,020	-
Total expenditures	<u>155,517</u>	<u>34,020</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>295,360</u>	<u>414,744</u>	<u>433,080</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(19,122)</u>	-	-
Total other financing sources (uses)	<u>(19,122)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	276,238	414,744	433,080
Fund balance, beginning	847,824	433,080	-
Fund balance - ending	<u><u>\$ 1,124,062</u></u>	<u><u>\$ 847,824</u></u>	<u><u>\$ 433,080</u></u>

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Measure W special revenue fund (the "Fund"), which reports the Safe, Clean Water Program ("SCW Program") of the City of Irwindale (the "City") conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. These financial statements present only the financial position of the Fund and do not present nor purport to present the financial position of the City as a whole. The following is a summary of the significant policies.

A. Reporting Entity

The Fund was set up to administer resources received from the Los Angeles County Flood Control District (the District) pursuant to the SCW Program. The purpose of the SCW program is to fund projects and programs to increase stormwater and urban runoff capture and reduce stormwater and urban runoff pollution in the District. Forty percent (40%) of the annual SCW Program tax revenues is allocated to Municipalities within the District, in the same proportion as the amount of revenues collected within each Municipality, and is expended by these cities within their respective jurisdictions for the implementation, operation and maintenance, and administration of projects and programs, in accordance with the criteria and procedures established in Chapters 16 and 18 of the Los Angeles County Flood Control District Code.

B. Measurement Focus, Basis of Presentation, And Financial Statement Presentation

The Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance.

The Fund is accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual are recognized when due. The primary sources susceptible to accrual are property tax, sales tax, transient occupancy tax, investment income, and grant revenues. Generally, revenues are subject to accrual if anticipated to be received within 180 days after year-end. The exception to this general rule is that property taxes are subject to accrual if received within 60 days after year-end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

C. Stewardship, Compliance, and Accountability

The legal level of budgetary control is at the fund level. For the year ended June 30, 2023, there were no violations of expenditures over appropriations.

D. Investments and Interest Income on Investments

Cash and investments of the City are managed on a pooled basis, and the Fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income from the pool is allocated quarterly to the Fund based on its average cash balance in relation to the pool's total balance. The primary components of investment earnings are interest earnings and distributions, unrealized gains or losses from changes in fair value, and realized gains or losses from the liquidation or sale of investments. All pooled investments are controlled by an investment policy that is adopted by the City Council and further controlled by State legislation.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Fund Balance

In the governmental fund financial statements, fund balance is made up of the following categories:

- **Restricted** fund balance includes amounts that can be spent only for specific purposes imposed by creditors, grantors, contributors, or laws or regulations of other governments or through enabling legislation.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City's policy is to consider restricted fund balance to have been depleted before using any components of unrestricted fund balance. Further, when expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City's policy is to first deplete committed fund balance, then assigned fund balance, and finally unassigned fund balance.

NOTE 2: CASH AND INVESTMENTS

The Fund participates in the City's pooled cash and investments (the pool). Information relating to the City's cash and investments can be found in the City's financial statements.

NOTE 3: SUBSEQUENT EVENTS

The City evaluated subsequent events for recognition and disclosure through March 26, 2024, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2023, that required recognition or disclosure in these financial statements.

CITY OF IRWINDALE, CALIFORNIA
 SAFE, CLEAN WATER PROGRAM
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 432,700	\$ 432,700	\$ 431,670	\$ (1,030)
Use of money and property	-	-	19,207	19,207
Total revenues	432,700	432,700	450,877	18,177
EXPENDITURES				
Current:				
Public works	129,810	174,325	155,517	18,808
Total expenditures	129,810	174,325	155,517	18,808
Excess (deficiency) of revenues over (under) expenditures	\$ 302,890	\$ 258,375	295,360	\$ 36,985
OTHER FINANCING SOURCES (USES)				
Transfers out	302,890	(873,685)	(19,122)	854,563
Total other financing sources (uses)			(19,122)	
Net change in fund balance			276,238	
Fund balance - beginning			847,824	
Fund balance - ending			\$ 1,124,062	

CITY OF IRWINDALE, CALIFORNIA
 SAFE, CLEAN WATER PROGRAM
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 432,700	\$ 432,700	\$ 445,790	\$ 13,090
Use of money and property	-	-	2,974	2,974
Total revenues	432,700	432,700	448,764	16,064
EXPENDITURES				
Current:				
Public works	129,810	129,810	34,020	95,790
Total expenditures	129,810	129,810	34,020	95,790
Net change in fund balance	\$ 302,890	\$ 302,890	414,744	\$ 111,854
Fund balance - beginning			433,080	
Fund balance - ending			\$ 847,824	

CITY OF IRWINDALE, CALIFORNIA
 SAFE, CLEAN WATER PROGRAM
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 440,000	\$ 432,742	\$ (7,258)
Use of money and property	-	-	338	338
Total revenues	-	440,000	433,080	(6,920)
EXPENDITURES				
Current:				
Public works	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 440,000	433,080	\$ (6,920)
Fund balance - beginning			-	
Fund balance - ending			\$ 433,080	



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

To the Honorable Mayor and Members of the City Council
City of Irwindale, California

Opinion

We have audited City of Irwindale, California (the "City")'s compliance with the compliance requirements identified as subject to audit in Los Angeles County Flood Control District Code Chapter Sections 16.05 and 18.05 through 18.07 that could have a direct and material effect on the City's Safe, Clean Water Program ("SCW Program") for the three-year period ended June 30, 2023.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the SCW Program for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the SCW Program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's SCW Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City's compliance with the requirements of the SCW Program as a whole.



To the Honorable Mayor and Members of the City Council
City of Irwindale, California

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Lance, Solt & Lughard, LLP

Brea, California
March 26, 2024



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Members of the City Council
City of Irwindale, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Safe, Clean Water Program ("SCW Program") of the City of Irwindale, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the SCW Program's basic financial statements, and have issued our report thereon dated February 12, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over SCW Program's financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified one deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the SCW Program's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements, including Los Angeles County Flood Control District Code Chapter Sections 16.05 and 18.05 through 18.07. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Honorable Mayor and Members of the City Council
City of Irwindale, California

City of Irwindale's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit as described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Solt & Lughard, LLP

Brea, California
February 12, 2024



To the Honorable Mayor and Members of the City Council
City of Irwindale, California

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Reference Number

2023-001 – Failure to Maintain Internal Controls and Accuracy of Financial Reporting Due to Insufficient Financial Systems

Evaluation of Finding

Material Weakness

Condition

During the audit, the City identified the following condition relating to the financial accounting system of capital assets that resulted in significant audit adjustments to the financial statements.

Reconciling Differences between Underlying Capital Asset Records and Previously Issued Financial Statements

The City currently utilizes a manual Excel spreadsheet for the maintenance, monitoring, and accounting for all capital asset types and annual depreciation. By not implementing an accounting system that is integrated with the City's trial balance and general ledger, there is a significant risk of manipulation and unforeseen errors in the capital asset accounting and information. It was further noted that previously issued financial statements were reconciled to inaccurate City capital asset records as a result of the current accounting system.

Criteria

An important element of control over financial reporting is for management to ensure that sufficient systems and processes are in place to alleviate inaccuracies of ongoing maintenance and recording of annual capital asset activity.

Cause of Condition

The City's current capital asset accounting system is manual in nature and susceptible to manipulation and unforeseen errors.

Effect or Potential Effect of Condition

Adjustments were made to accurately reflect beginning capital asset figures, that if not corrected, would materially misstate the City's financial statements.

Recommendation

Efforts should be made to integrate the capital asset records with the City's general ledger and operational accounting software.

Management Response

We agree with the finding. Management will evaluate potential solutions to implement an integrated system between the City's general ledger and capital asset accounting system with the goal of having the issue remedied by June 30, 2025.