

SUMMARY OF AUDIT RESULTS

- The auditor's report expresses an unmodified opinion on the financial statements.
- Deficiencies disclosed during the audit of the financial statements and/or major federal awards are reported.
 1. 2014-001 Finding: Internal Controls ó Significant Deficiency (material weakness in 2013)
 - a. In 2014, year-end reconciling schedules and related adjustments were prepared and reviewed more timely. However, the Finance Officer did not timely review the financial statements due to lack of adequate available time. We identified and corrected errors in the government-wide adjustments and statements, and the statements of cash flows that may have been identified by the Finance Officer's review.
 - b. The Deputy Finance Officer has access to the general ledger, has access to enter and modify purchase order and check information within the accounting software, prepares and posts journal entries, and handles signed checks of the primary checking account of the City. The Deputy Finance Officer also maintains the manual check stock, maintains the signature stamp for such bank accounts, and has access to the general ledger.
 2. 2014-002 Finding: Audit Adjustments ó Significant Deficiency (material weakness in 2013)

The City finance office has experienced significant turnover during the past several years. The Grants Manager, who prepared many of the year-end reconciliation and adjustments, is still gaining experience with the City's financial records. During the 2014 audit process, we recorded several audit adjustments, but the number of audit adjustments was substantially less than in 2013.
 3. 2014-003 Finding: Budgetary Overdraft ó Significant Deficiency

Due to a lack of proper budgetary controls, the City has budget overdrafts in numerous departments of several funds in violation of South Dakota Codified Law 9-21-9. The City did not follow state law.
- The Finding 2013-004 regarding Federal Grant Monitoring and Reporting, which was reported as a material weakness over major federal awards is not repeated. The Grants Manager had all documentation organized and had an awareness of compliance requirements and processes to track such.
- No instances of noncompliance material to the financial statements were disclosed during the audit.
- The auditor's report on compliance for the major federal awards expresses an unmodified opinion.