

CITY OF BOULDER CITY, NEVADA
SINGLE AUDIT ACT REPORT
FISCAL YEAR ENDED JUNE 30, 2024

CITY OF BOULDER CITY, NEVADA

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HINTONBURDICK
CPAs & ADVISORS

**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***

The Honorable Mayor and
City Council
City of Boulder City, Nevada

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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boulder City, Nevada, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Boulder City, Nevada's basic financial statements and have issued our report thereon dated December 2, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Boulder City, Nevada's internal control over 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 of Boulder City, Nevada's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Boulder City, Nevada'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* as item 2024-001 Year End Accounting and Financial Statement Controls that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Boulder City, Nevada'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. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HintonBurdick, PLLC

Mesquite, Nevada

December 2, 2024



HINTONBURDICK
CPAs & ADVISORS

**Independent Auditors' Report on Compliance for
Each Major Program and on Internal Control Over
Compliance Required by the Uniform Guidance**

The Honorable Mayor and
City Council
City of Boulder City, Nevada

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Boulder City, Nevada's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Boulder City, Nevada complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance 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 each major federal 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 federal programs.

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 GAAS, *Government Auditing Standards*, and the Uniform Guidance 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 the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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 and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2024, and have issued our report thereon dated December 2, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

HintonBurdick, PLLC

Mesquite, Nevada

January 10, 2025



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CITY OF BOULDER CITY, NEVADA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified
Internal control over financial reporting:

- Material weakness (es) identified? yes no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal Control over major programs:

- Material weakness (es) identified? yes no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major programs.

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	U.S. Department of Treasury Coronavirus Relief Program

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes no

CITY OF BOULDER CITY, NEVADA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section II - Financial Statement Findings

INTERNAL CONTROL OVER FINANCIAL REPORTING

Material Weaknesses:

No material weaknesses noted in fiscal year 2024.

Significant Deficiencies:

2024-001 Year End Accounting and Financial Statement Controls

Criteria: Auditing standards indicate that the identification by the auditor of accounting adjustments that were not initially identified by the City's internal controls prior to the annual audit may be a control deficiency in the City's internal controls.

Condition: A number of significant adjustments to the general ledger were required that were not initially identified by the City's internal control.

Cause: Turnover in the accounting manager position and internal controls over year-end adjustments may not be properly designed and implemented to identify and correct accounting adjustments prior to the annual audit.

Effect: The City's financial statements may not have been fairly stated in all material respects without the adjustments.

Recommendation: Management should review and understand the adjustments proposed by the auditor for the fiscal period. The City should continue to improve its internal controls over year-end adjustments to a level where the internal controls will identify and correct these accounting issues prior to the annual audit.

COMPLIANCE AND OTHER MATTERS

Compliance:

No compliance items noted in fiscal year 2024.

Other Matters:

No other matters noted in fiscal year 2024.

CITY OF BOULDER CITY, NEVADA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section III - Federal Award Findings and Questioned Costs

INTERNAL CONTROL OVER FEDERAL AWARDS

No internal control items noted in fiscal year 2024.

COMPLIANCE AND OTHER MATTERS

Compliance:

No compliance items noted in fiscal year 2024.

Other Matters:

No other matters noted in fiscal year 2024.

Section IV - Summary Schedule of Prior Audit Findings

No prior year federal award findings or questioned costs reported.

CITY OF BOULDER CITY, NEVADA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Pass-Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U. S. Department of Commerce</u>				
Passed-through State of Nevada, Department of Conservation and Natural Resources				
Economic Development Cluster				
Economic Adjustment Assistance	11.307	07-79-07867; URI 119578	\$ -	\$ 372,604
<u>U. S. Department of Housing and Urban Development</u>				
Passed through Clark County, Nevada				
CDBG - Entitlement/Special Purpose Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	None provided	-	256,469
<u>U. S. Department of Justice</u>				
Congressionally Recommended Awards	16.753		-	392,587
<u>U. S. Department of Transportation</u>				
Passed through FAA Phoenix ADO				
Airport Improvement Program	20.106	AIG 3-32-0003-030-2022	-	30,540
Airport Improvement Program	20.106	AIG 3-32-0003-031-2022	-	16,461
Airport Improvement Program	20.106	AIG 3-32-0003-032-2022	-	6,109,820
			-	6,156,821
Passed through State of Nevada, Department of Public Safety, Office of Traffic Safety				
Highway Safety Cluster				
State and Community Highway Safety	20.600	JF-2023-BCPD-00030	-	36,031
Total U. S. Department of Transportation			-	6,192,852
<u>U. S. Department of Treasury</u>				
COVID-19, Coronavirus State and Local Fiscal Recovery Funds	21.027		-	6,186,462
<u>U. S. Department of Homeland Security</u>				
Assistance to Firefighters Grant	97.044		-	128,958
TOTAL FEDERAL ASSISTANCE EXPENDED			\$ -	\$ 13,529,933

CITY OF BOULDER CITY, NEVADA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Boulder City, Nevada under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position, changes therein, or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The City has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



January 13, 2025

Hinton Burdick, PLLC
63 South 300 East Suite 100
St. George, UT 84770

We are providing this letter in response to the Findings and Recommendations for the Year Ended June 30, 2024. Our response and correction plan are outlined below for your review and consideration.

INTERNAL CONTROL OVER FINANCIAL REPORTING

2024-001 Year End Accounting and Financial Statement Controls

Criteria: Auditing standards indicate that the identification by the auditor of accounting adjustments that were not initially identified by the City's internal controls prior to the annual audit may be a control deficiency in the City's internal controls.

Condition: A number of significant adjustments to the general ledger were required that were not initially identified by the City's internal control.

Cause: Turnover in the accounting manager positions and internal control over year-end adjustments may not be properly designed and implemented to identify and correct accounting adjustments prior to the annual audit.

Effect: The City's financial statements may not have been fairly stated in all material respects without the adjustments.

Recommendation: Management should review and understand the adjustment proposed by the auditor for the fiscal period. The City should continue to improve internal controls over year-end adjustments to a level where the internal controls will identify and correct these accounting issues prior to the annual audit.

City's Response: The finance department experienced turnover in a key position, at a key time for year-end preparation and execution of year-end adjustments. A detailed procedure and timeline will be executed for year-end processes and cross training will be instituted to ensure timely and accurate adjustments are made prior to the annual audit.

Sincerely,

Cynthia Sneed, Finance Director