CITY OF DUBOIS, PENNSYLVANIA

Compliance Audit Reporting Package

For the Year Ended December 31, 2024

CITY OF DUBOIS, PENNSYLVANIA
COMPLIANCE AUDIT REPORTING PACKAGE
DECEMBER 31, 2024

WESSEL & COMPANY
ACCOUNTANTS & ADVISORS

215 Main Street
Johnstown, PA 15901
814-536-7864
Fax: 814-535-4332
www.wesselcpa.com

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of DuBois
DuBois, Pennsylvania

Report on the Audit of the Schedule of Expenditures of Federal Awards

Opinion

We have audited the schedule of expenditures of federal awards of the City of DuBois for the year ended December 31, 2024, and the related notes (the schedule).

In our opinion, the accompanying schedule of expenditures of federal awards presents fairly, in all material respects, the expenditures of federal awards of the City of DuBois for the year ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report.

We are required to be independent of the City of DuBois 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 opinion.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the schedule 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 the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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, *Government Auditing Standards,* and Uniform Guidance 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 schedule.

In performing an audit in accordance with GAAS, GAGAS and Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule, 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 schedule.
- 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 of DuBois' 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 schedule.

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2026 on our consideration of the City of DuBois' internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. 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 of DuBois' 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 of DuBois' internal control over financial reporting and compliance.

Wessel & Company

WESSEL & COMPANY
Certified Public Accountants

June 30, 2026

CITY OF DUBOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Grantor Program Title	Federal AL Number	Direct/ Indirect D / I	Pass Through Grantor's Number	Grant Period Period Beginning/ Ending Dates	Total Received For the Year	Accrued or (Deferred) Revenue at 12/31/2023	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue at 12/31/2024	Expenditures to Subrecipients
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT										
CDBG Entitlement Cluster										
CDBG Entitlement Cluster	14.228	D	C000075817	01/01/22 - 12/31/22	$ 282,089	$ -	$ 282,089	$ 282,089	$ -	$ -
Total CDBG Entitlement Cluster					282,089	-	282,089	282,089	-	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					282,089	-	282,089	282,089	-	-
U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY										
Passed through Pennsylvania Infrastructure Investment Authority										
Capitalization Grants for Clean Water State Revolving Funds	66.458	I	75388	01/01/23 - 12/31/25	1,380,227	316,373	1,231,503	1,231,503	167,649	-
Total Passed through Pennsylvania Infrastructure Investment Authority					1,380,227	316,373	1,231,503	1,231,503	167,649	-
TOTAL U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY					1,380,227	316,373	1,231,503	1,231,503	167,649	-
U.S. DEPARTMENT OF TREASURY										
COVID19 - Coronavirus State and Local Fiscal Relief Fund	21.027	D	N/A	3/21 - 12/24	-	(155,225)	155,225	155,225	-	-
TOTAL U.S. DEPARTMENT OF TREASURY					-	(155,225)	155,225	155,225	-	-
		Total Federal Awards			$ 1,662,316	$ 161,148	$ 1,668,817	$ 1,668,817	$ 167,649	$ -

N/A = Information not available
D = Direct Federal Funding
I = Indirect Federal Funding

See Independent Auditor's Report and Notes to the Schedule of Expenditures of Federal Awards

CITY OF DUBOIS, PENNSYLVANIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2024

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of DuBois and is presented on the accrual basis of accounting. The information in this 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*.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedule of expenditures of federal awards are reported in accordance with generally accepted accounting principles (GAAP).

Indirect Costs

The City of DuBois did not elect to use the ten percent (10%) de minimis indirect cost rate.

Subrecipients

The City of DuBois did not utilize any subrecipients.

NOTE 3 MAJOR PROGRAM DETERMINATION

In order to determine that at least 40% of federal expenditures were tested in accordance with the single audit requirements, the following calculation was made:

Programs	AL #	Expenditures
Total federal expenditures per the SEFA		$ 1,668,817
		x 40%
40% of federal expenditures		667,527
Programs selected for testing:		
Clean Water State Revolving Fund (CWSRF) Cluster	66.458	1,231,503
Total Programs selected for testing		1,231,503
Percentage of total federal expenditures tested		74%

215 Main Street
Johnstown, PA 15901
814-536-7864
Fax: 814-535-4332
www.wesselcpa.com

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

To the City Council
City of DuBois
DuBois, Pennsylvania

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 schedule of expenditures of federal awards (the schedule) of the City of DuBois, as of December 31, 2024, and the related notes to the schedule, and have issued our report thereon dated June 30, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the schedule, we considered the City of DuBois' 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 opinion on the schedule, but not for the purpose of expressing an opinion on the effectiveness of the City of DuBois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of DuBois' 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 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 the 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we considered to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of DuBois' schedule is free of 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 schedule. 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001.

City of DuBois' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of DuBois' response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City of DuBois' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 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.

Wessel & Company

WESSEL & COMPANY
Certified Public Accountants

June 30, 2026

WESSEL & COMPANY
ACCOUNTANTS & ADVISORS

215 Main Street
Johnstown, PA 15901
814-536-7864
Fax: 814-535-4332
www.wesselcpa.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the City Council
City of DuBois
DuBois, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of DuBois'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 of DuBois' major federal programs for the year ended December 31, 2024. The City of DuBois' 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 DuBois 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 December 31, 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 of DuBois 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 of DuBois' 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 of DuBois' 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 of DuBois' 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 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 of DuBois' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and 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 of DuBois' 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 of DuBois' 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 of DuBois' 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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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 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.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the City of DuBois' response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The City of DuBois' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wessel & Company

WESSEL & COMPANY
Certified Public Accountants

June 30, 2026

CITY OF DUBOIS, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2024

Summary of Auditor's Results

Schedule of Expenditures of Federal Awards

Type of report the auditor issued on whether the schedule audited was prepared in accordance with GAAP	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	_X_ Yes ____ No
• Significant deficiency(ies) identified?	____ Yes _X_ None reported
Noncompliance material to schedule noted?	____ Yes _X_ No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	____ Yes _X_ No
• Significant deficiency(ies) identified?	____ Yes _X_ None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_X_ Yes ____ No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
66.458	Clean Water State Revolving Fund (CWSRF) Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ Yes _X_ No

FINDINGS – FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL – MATERIAL WEAKNESS

FINDING 2024-001: Financial Reporting Duties of the City (Material Weakness)

Criteria: Internal control over financial reporting includes controls over financial statement preparation, which would prevent or detect material misstatements in the financial statements, including note disclosures.

Condition: The personnel responsible for the accounting and reporting functions of the City, who have the level of knowledge and experience to review, approve, and accept responsibility for the financial statements, do not currently possess an appropriate level of technical knowledge and experience of generally accepted principles and Government Accounting Standards Board's pronouncements to prepare the City's financial statements in accordance with the reporting requirements of those principles and pronouncements. Additionally, material journal entries were required during the year end audit to adjust the financial statements to be in accordance with the cash basis of accounting.

Cause: Those responsible for the accounting and reporting functions of the City do not currently possess an appropriate level of technical knowledge and experience of generally accepted principles and GASB's pronouncements to prepare the City's financial statements in accordance with the reporting requirements of those principles and pronouncements.

Effect: This condition increases the risk of possible misstatements in the financial statements.

Questioned Cost: None noted.

Recommendation: We recommend the City establish a formal financial reporting closing process to ensure material journal entries are captured prior to the start of the audit. An ideal internal control system over financial reporting would include an individual within an organization that would have technical knowledge and experience of the reporting requirements of generally accepted accounting principles and the Government Accounting Standards Board.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

CITY OF DUBOIS, PENNSYLVANIA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
DECEMBER 31, 2023

INTERNAL CONTROL – MATERIAL WEAKNESS

FINDING 2023-001: Checks Containing Only One Signature

Criteria: The City of DuBois requires two (2) signatures to be present on each check that is written and paid out.

Condition: During our testing, we noted that six (6) out of thirty-seven (37) individual checks contained only one (1) signature. Additionally, auditor was unable to access four (4) out of thirty-seven (37) individual checks that were selected for testing to determine whether two (2) signatures were obtained.

Cause: Multiple checks that were selected for testing did not contain the required two (2) signatures.

Effect: The City of DuBois was not in compliance with the internal control process which requires two (2) signatures on every check, which could lead to unauthorized checks being disbursed.

Questioned Cost: None noted.

Recommendation: We recommend the City of DuBois follow the internal control process in place to ensure that each check has the required two (2) signatures prior to mailing.

Status: *This finding has been resolved in the current year.*

INTERNAL CONTROL – MATERIAL WEAKNESS

FINDING 2023-002: Financial Reporting Duties of the City (Material Weakness)

Criteria: Internal control over financial reporting includes controls over financial statement preparation, which would prevent or detect material misstatements in the financial statements, including note disclosures.

Condition: The personnel responsible for the accounting and reporting functions of the City, who have the level of knowledge and experience to review, approve, and accept responsibility for the financial statements, do not currently possess an appropriate level of technical knowledge and experience of generally accepted principles and Government Accounting Standards Board's pronouncements to prepare the City's financial statements in accordance with the reporting requirements of those principles and pronouncements. Additionally, material journal entries were required during the year end audit to adjust the financial statements to be in accordance with the cash basis of accounting.

Cause: Those responsible for the accounting and reporting functions of the City do not currently possess an appropriate level of technical knowledge and experience of generally accepted principles and GASB's pronouncements to prepare the City's financial statements in accordance with the reporting requirements of those principles and pronouncements.

Effect: This condition increases the risk of possible misstatements in the financial statements.

Questioned Cost: None noted.

Recommendation: We recommend the City establish a formal financial reporting closing process to ensure material journal entries are captured prior to the start of the audit. An ideal internal control system over financial reporting would include an individual within an organization that would have technical knowledge and experience of the reporting requirements of generally accepted accounting principles and the Government Accounting Standards Board.

Status: *This finding has not been resolved in the current year and is repeated as 2024-001.*

CITY OF DUBOIS, PENNSYLVANIA

CORRECTIVE ACTION PLAN

DECEMBER 31, 2024

CITY OF DuBOIS, PENNSYLVANIA

P.O. BOX 408 16 W. SCRIBER AVE. DuBois, PENNSYLVANIA 15801

TELEPHONE: (814) 371-2000
FAX: (814) 371-1290

CORRECTIVE ACTION PLAN

The City of DuBois, Pennsylvania, respectfully submits the following corrective action plan for the year ended December 31, 2024.

Name and address of independent public accounting firm: Wessel & Company, 215 Main Street, Johnstown, PA 15901

Audit period: Fiscal Year Ending December 31, 2024

The finding from the December 31, 2024, schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL – MATERIAL WEAKNESS

2024-001 – Financial Reporting Duties of the City

Contact Person: Finance Director
Date for completion: December 31, 2026

Recommendation: We recommend the City establish a formal financial reporting closing process to ensure material journal entries are captured prior to the start of the audit. An ideal internal control system over financial reporting would include an individual within an organization that would have technical knowledge and experience of the reporting requirements of generally accepted accounting principles and the Government Accounting Standards Board.

Views of Responsible Officials and Planned Corrective Action: The City underwent significant personnel changes in 2024 which contributed to the details noted in the finding. The City's Finance department will work with the auditors to review the material audit entries and develop a financial closing process to mitigate future audit adjustments. The City will also look for continuing education opportunities to enhance the technical knowledge and expertise of staff to further support the City's financial reporting needs.

If there are any questions regarding this plan, please contact the City Manager at 814-371-2000.

Respectfully,

Lisa M. Hagberg

Lisa M. Hagberg
City Manager