City of Mattoon, Illinois

SINGLE AUDIT REPORT

FOR THE YEAR ENDED

APRIL 30, 2025

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City of Mattoon, Illinois
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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*

Honorable Mayor
Members of the City Council
City of Mattoon, Illinois

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Mattoon, Illinois, as of and for the year ended April 30, 2025, and the related notes to the financial statements, which collectively comprise City of Mattoon, Illinois' basic financial statements and have issued our report thereon dated October 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Mattoon, Illinois' 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 City of Mattoon, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Mattoon, Illinois' 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 a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Mattoon, Illinois' 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*.

City of Mattoon, Illinois' Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City of Mattoon, Illinois' response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. City of Mattoon, Illinois' 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 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.

Roth & Company LLP

Chicago, Illinois
October 30, 2025

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor
Members of the City Council
City of Mattoon, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Mattoon, Illinois' 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 City of Mattoon, Illinois' major federal programs for the year ended April 30, 2025. City of Mattoon, Illinois' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Mattoon, Illinois complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2025.

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; the standards applicable to financial audits contained *in Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Mattoon, Illinois 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 City of Mattoon, Illinois' compliance with the compliance requirements referred to above.

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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 City of Mattoon, Illinois' federal programs.

Auditors' 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 City of Mattoon, Illinois' 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, *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 City of Mattoon, Illinois' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 City of Mattoon, Illinois' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of City of Mattoon, Illinois' 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 City of Mattoon, Illinois' 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 Auditors' 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.

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.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Mattoon, Illinois as of and for the year ended April 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Mattoon, Illinois' basic financial statements. We issued our report thereon dated October 30, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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 basic 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 basic financial statements or to the basic 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 basic financial statements as a whole.

Roth & Company LLP

Chicago, Illinois
October 30, 2025

City of Mattoon, Illinois
Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title		Assistance Listing Number	Pass-Through/ Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Justice					
Bullet Proof Vest Partnership Program		16.607		$ 1,928	$ -
Passed through Illinois Criminal Justice Info Authority					
Edward Byrne Memorial Justice Assistance Grant Program		16.738	420003	93,271	-
Total U.S. Department of Justice				**95,199**	**-**
National Highway Traffic Safety Administration					
Passed through Illinois Department of Transportation					
State and Community Highway Safety		20.600	AL23625053	38,678	-
Total National Highway Traffic Safety Administration				**38,678**	**-**
Department of the Treasury					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	**(M)**	21.027		1,511,275	-
Passed through Illinois Department of Commerce and Economic Opportunity					
American Rescue Plan Act/State Fiscal Recovery Fund Program	**(M)**	21.027	Unknown	525,000	-
Total Department of the Treasury				**2,036,275**	**-**
U.S. Department of Homeland Security					
Passed through Illinois Emergency Management Agency passed through Mutual Aid Box Alarm System					
Homeland Security Grant Program		97.067	Unknown	35,871	-
Total U.S. Department of Homeland Security				**35,871**	**-**
U.S. Environmental Protection Agency					
Passed through Illinois Environmental Protection Agency					
Clean Water State Revolving Fund		66.458	L175118	48,422	-
Total U.S. Environmental Protection Agency				**48,422**	**-**
U.S. Department of Transportation					
Safe Streets and Roads for All		20.939		30,196	-
Total U.S. Department of Transportation				**30,196**	**-**
TOTAL EXPENDITURES OF FEDERAL AWARDS				**$ 2,284,641**	**$ -**

(M) Program was audited as a major program.

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Mattoon, Illinois (City) under programs of the federal government for the year ended April 30, 2025. 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* (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 in net position, or cash flows of the City.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified 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. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 FEDERAL LOANS

The City had the following loan balances or loan guarantees at April 30, 2025.

	Loan Balance
Project L174844	$ 3,842,274
Project L175118	3,749,495
Total	$ 7,591,769

NOTE 4 NONMONETARY ASSISTANCE

During the period, the City did not receive any nonmonetary assistance.

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

•	Material weakness(es) identified?	☑Yes	☐No
•	Significant deficiency(ies) identified?	☐Yes	☑None Reported

Noncompliance material to the financial statements noted?	☐Yes	☑No

Federal Awards

Internal control over major federal programs:

•	Material weakness(es) identified?	☐Yes	☑No
•	Significant deficiency(ies) identified?	☐Yes	☑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 C.F.R. § 200.516(a)?	☐Yes	☑No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
21.027	American Rescue Plan Act/State Fiscal Recovery Fund Program

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

Auditee qualified as a low-risk auditee?	☐Yes	☑No

FINDING NO. 2025-001 - Controls Over Financial Statement Preparation (Repeat of 2024-001, 2023-001, 2022-001 2021-001, 2020-001, 2019-001, 2018-01, 2017-001, 2016-01, 2015-01, 2014-01)

Criteria/Specific Requirement:

The City of Mattoon, Illinois (City) is required to maintain a system of controls over the preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP). The City's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP-based financial statements to ensure they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* (Statement), requires governments to present government-wide and fund financial statements as well as a summary reconciliation of the (a) total governmental funds balances to net position of governmental activities in the Statement of Net Position, and (b) total change in governmental fund balances to the change in net position of governmental activities in the Statement of Activities. In addition, the Statement requires information about the government's major and nonmajor funds in the aggregate, to be provided in the fund financial statements.

Condition:

The City does not have sufficient internal controls over the financial reporting process. The City maintains its accounting records on accrual basis accounting. While the City maintains controls over the processing of most accounting transactions, there are no sufficient controls over the preparation of GAAP-based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During the review of the trial balance and the City's financial transactions the following were noted:

- Numerous material adjustments were required to present the financial statements in accordance with GAAP.

- The City was unable to prepare the government-wide financial statements in accordance with GAAP.

FINDING NO. 2025-001 - Controls Over Financial Statement Preparation (Repeat of 2024-001, 2022-001 2021-001, 2020-001, 2019-001, 2018-01, 2017-001, 2016-01, 2015-01, 2014-01) (Continued)

Effect:

The City management or its employees, in the normal course of performing their assigned functions, may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Cause:

The City has limited resources to prepare GAAP-based financial statements including all disclosures.

Recommendation:

As part of internal control over the preparation of financial statements, the City of Mattoon, Illinois should implement a comprehensive preparation and review process, supported by an effective system of controls, to ensure that the financial statements are complete, accurate, and free from material misstatements. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP, GASB pronouncements, and knowledge of the City of Mattoon, Illinois' activities and operations.

Management's Response:

The City's Finance Department consists of only two individuals, so it is unlikely that the City will be able to prepare its own financial statements in the near future. However, there is a plan in place to hire another accountant who will be trained to perform this work. In the meantime, the City will continue to work closely with the audit team and carefully review the financial statements before they are issued.

Instances of Noncompliance

None

Significant Deficiencies

None

Material Weaknesses

None

FINDING NO. 2025-001 - Controls Over Financial Statement Preparation (Repeat of 2024-001, 2023-001, 2022-001 2021-001, 2020-001, 2019-001, 2018-01, 2017-001, 2016-01, 2015-01, 2014-01)

Condition:

The City does not have sufficient internal controls over the financial reporting process. The City maintains its accounting records on accrual basis accounting. While the City maintains controls over the processing of most accounting transactions, there are no sufficient controls over the preparation of GAAP-based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During the review of the trial balance and the City's financial transactions the following were noted:

- Numerous material adjustments were required to present the financial statements in accordance with GAAP.

- The City was unable to prepare the government-wide financial statements in accordance with GAAP.

Plan:

The City's Finance Department consists of only two individuals, so it is unlikely that the City will be able to prepare its own financial statements in the near future. However, there is a plan in place to hire another accountant who will be trained to perform this work. In the meantime, the City will continue to work closely with the audit team and carefully review the financial statements before they are issued.

Anticipated Date of Completion:

December 31, 2026

Contact Person:

Beth Wright, Finance Director

None