

CITY OF SOMERVILLE, MASSACHUSETTS

REPORTS ON FEDERAL AWARD PROGRAMS

YEAR ENDED JUNE 30, 2024

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REPORTS ON FEDERAL AWARD PROGRAMS
YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

PAGE

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditure of Federal Awards Required by the Uniform Guidance.....	1
Schedule of Expenditure of Federal Awards	4
Notes to schedule of expenditures of federal awards.....	7
Schedule of Findings and Questioned Costs.....	8
Corrective Action Plan.....	10

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditure of Federal Awards Required by the Uniform Guidance

To the Honorable Mayor and City Council
City of Somerville, Massachusetts

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Somerville, Massachusetts' ("City") 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, 2024. 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 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 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 *Governmental 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.

Auditors' Responsibility 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 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, each major fund, and the aggregate remaining fund information of the City of Somerville, Massachusetts (City), as of and for the year ended June 30, 2024, and the related notes of the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 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 the 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. 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 GAAS. 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.

CBIZ CPAs P.C.

Merrimack, NH
August 13, 2025

City of Somerville, Massachusetts

Schedule of Expenditure of Federal Awards

Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Expenditures
CHILD NUTRITION CLUSTER:				
U.S. DEPARTMENT OF AGRICULTURE:				
<u>Passed through Massachusetts Department of Elementary and Secondary Education:</u>				
Non-Cash Assistance (Commodities):				
National School Lunch Program.....	10.555	09-274	\$ - \$	219,181
Cash Assistance:				
National School Lunch Program.....	10.555	09-274	-	2,417,365
COVID-19 National School Lunch Program.....	10.555	09-274	-	177,421
Total National School Lunch Program.....			-	2,813,967
Cash Assistance:				
School Breakfast Program.....	10.553	09-274	-	552,075
Summer Food Service Program for Children.....	10.559	09-274	-	153,327
Fresh Fruit and Vegetable Program.....	10.582	09-274	-	61,227
TOTAL CHILD NUTRITION CLUSTER.....			-	3,580,596
COMMUNITY DEVELOPMENT BLOCK GRANT CLUSTER:				
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
<u>Direct Programs:</u>				
Community Development Block Grants/Entitlement Grants.....	14.218	Not applicable	512,967	4,032,792
COVID-19 Community Development Block Grants/Entitlement Grants.....	14.218	Not applicable	132,534	132,534
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT CLUSTER.....			645,501	4,165,326
HIGHWAY SAFETY CLUSTER:				
U.S. DEPARTMENT OF TRANSPORTATION:				
<u>Passed through the Massachusetts Department of Transportation:</u>				
State and Community Highway Safety (Fiscal Year 2024).....	20.600	2024MRSPSOMERVILLEXX	-	355
State and Community Highway Safety (Fiscal Year 2023).....	20.600	2023MRSPSOMERVILLEXX	-	42,522
TOTAL HIGHWAY SAFETY CLUSTER.....			-	42,877
DRINKING WATER STATE REVOLVING FUND CLUSTER:				
U.S. ENVIRONMENTAL PROTECTION AGENCY:				
<u>Passed through Massachusetts Clean Water Trust:</u>				
Capitalization Grants for Drinking Water State Revolving Funds.....	66.468	DWPLC-23-42	-	855,679
SPECIAL EDUCATION CLUSTER:				
U.S. DEPARTMENT OF EDUCATION:				
<u>Passed through Massachusetts Department of Elementary and Secondary Education:</u>				
Special Education Grants to States (IDEA, Part B) (Fiscal Year 2024).....	84.027	240-000558-2024-0274	-	1,209,063
Special Education Grants to States (IDEA, Part B) (Fiscal Year 2023).....	84.027	240-718861-2023-0274	-	282,621
COVID-19 - Special Education Grants to States (IDEA, Part B).....	84.027	252-582102-2022-0274	-	54,012
Special Education - Grants to States (IDEA, Part B).....	84.027	274-000662-2024-0274	-	2,007
Total Special Education Grants to States (IDEA, Part B).....			-	1,547,703
Special Education Preschool Grants (IDEA, Preschool) (Fiscal Year 2024).....	84.173	262-000559-2024-0274	-	62,541
Special Education Preschool Grants (IDEA, Preschool) (Fiscal Year 2023).....	84.173	262-718862-2023-0274	-	909
COVID-19 - Special Education Preschool Grants (IDEA, Preschool).....	84.173	264-582104-2022-0274	-	2,646
Total Special Education Preschool Grants (IDEA, Preschool).....			-	66,096
TOTAL SPECIAL EDUCATION CLUSTER.....			-	1,613,799
AGING CLUSTER:				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
<u>Passed through Massachusetts Executive Office of Health and Human Services:</u>				
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers (Fiscal Year 2024).....	93.044	04-2515-020	-	1,928
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers (Fiscal Year 2023).....	93.044	04-2515-020	-	5,573
TOTAL AGING CLUSTER.....			-	7,501

See notes to schedule of expenditures of federal awards.

City of Somerville, Massachusetts

Schedule of Expenditure of Federal Awards

Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Expenditures
OTHER PROGRAMS:				
U.S. DEPARTMENT OF AGRICULTURE:				
<u>Direct Programs:</u>				
National School Lunch Program Equipment Assistance	10.579	Not applicable	-	15,282
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
<u>Direct Programs:</u>				
Emergency Shelters Grant Program Program.....	14.231	Not applicable	119,695	249,377
COVID-19 Emergency Shelters Grant Program.....	14.231	Not applicable	-	49,401
Total Emergency Shelter Grants Program.....			119,695	298,778
HOME Investment Partnerships Program.....	14.239	Not applicable	88,457	1,375,052
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.....			208,152	1,673,830
U.S. DEPARTMENT OF JUSTICE:				
<u>Passed through Massachusetts Executive Office of Public Safety and Security:</u>				
Edward Byrne Memorial Justice Assistance Grant.....	16.738	Not available	-	791
U.S. DEPARTMENT OF TREASURY:				
<u>Direct Program:</u>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds.....	21.027	Not applicable	14,509,778	35,029,409
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds.....	21.027	Not applicable	-	10,215
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds.....	21.027	Not applicable	-	44,198
			14,509,778	35,083,822
<u>Passed through Massachusetts Department of Housing and Community Development:</u>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds.....	21.027	Not available	-	25,000
<u>Passed through Massachusetts Executive Office of Housing and Livable Communities:</u>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds.....	21.027	Not available	-	15,132
Total COVID-19 - Coronavirus State and Local Fiscal Recovery Funds.....			14,509,778	35,123,954
PASS-THROUGH PROGRAMS:				
U.S. DEPARTMENT OF EDUCATION:				
<u>Passed through Massachusetts Department Elementary and Secondary Education:</u>				
Adult Education - Basic Grants to States (Fiscal Year 2024).....	84.002	340-000600-2024-0274	-	95,246
Title I Grants to Local Educational Agencies (Fiscal Year 2024).....	84.010	305-000549-2024-0274	-	702,991
Title I Grants to Local Educational Agencies (Fiscal Year 2023).....	84.010	305-697893-2023-0274	-	248,372
Title I Grants to Local Educational Agencies (Fiscal Year 2022).....	84.010	305-554083-2022-0274	-	100,776
Total Title I Grants to Local Educational Agencies.....			-	1,052,139
Career and Technical Education-Basic Grants to States (Fiscal Year 2024).....	84.048	400-000552-2024-0274	-	69,541
Career and Technical Education-Basic Grants to States (Fiscal Year 2023).....	84.048	400-701615-2023-0274	-	26,633
Career and Technical Education-Basic Grants to States (Fiscal Year 2023).....	84.048	422-677599-2023-0274	-	9,856
Total Career and Technical Education-Basic Grants to States.....			-	106,030
English Language Acquisition Grants (Fiscal Year 2024).....	84.365	180-000547-2024-0274	-	4,116
English Language Acquisition Grants (Fiscal Year 2023).....	84.365	180-697888-2023-0274	-	122,380
English Language Acquisition Grants (Fiscal Year 2023).....	84.365	186-000516-2023-0274	-	17,498
Total English Language Acquisition Grants.....			-	143,994
Supporting Effective Instruction State Grants (Fiscal Year 2024).....	84.367	140-000546-2024-0274	-	144,794
Supporting Effective Instruction State Grants (Fiscal Year 2023).....	84.367	140-697884-2023-0274	-	10,945
Total Supporting Effective Instruction State Grants.....			-	155,739
Comprehensive Literacy Development (Fiscal Year 2024).....	84.371	508-784203-2024-0274	-	60,497
Comprehensive Literacy Development (Fiscal Year 2023).....	84.371	508-678106-2023-0274	-	71,059
Total Comprehensive Literacy Development.....			-	131,556

See notes to schedule of expenditures of federal awards.

City of Somerville, Massachusetts

Schedule of Expenditure of Federal Awards

Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Expenditures
Student Support and Academic Enrichment (Fiscal Year 2024).....	84.424	309-000548-2024-0274	-	41,813
Student Support and Academic Enrichment (Fiscal Year 2023).....	84.424	309-697886-2023-0274	-	5,320
Total Student Support and Academic Enrichment Grants.....			-	47,133
COVID-19 Education Stabilization Fund.....	84.425D	115-527775-2022-0274	-	64,690
COVID-19 Education Stabilization Fund.....	84.425U	119-650252-2022-0274	-	3,775,723
Total Education Stabilization Fund.....			-	3,840,413
TOTAL DEPARTMENT OF EDUCATION.....			-	5,572,250
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Passed through City of Cambridge, Massachusetts				
Low Income Household Water Assistance Program.....	93.499	Not Available	-	71,681
Passed through Massachusetts Executive Office of Health and Human Services:				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC).....	93.323	4512-0194	-	234,982
Substance Abuse and Mental Health Services Projects of Regional and National Significance.....	93.243	INTF2330MM3234730275	-	26,078
Block Grants for Prevention and Treatment of Substance Abuse (Fiscal Year 2024).....	93.959	INTF2903P01190128214	-	257,365
Block Grants for Prevention and Treatment of Substance Abuse (Fiscal Year 2023).....	93.959	INTF2354M78220129158	-	9,799
Total Block Grants for Prevention and Treatment of Substance Abuse.....			-	267,164
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES.....			-	599,905
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through Massachusetts Emergency Management Agency:				
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters).....	97.036	CTFEMA4496SOMEV00973	-	149,622
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters).....	97.036	CTFEMA4496SOMEV01929	-	98,984
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters).....			-	248,606
Passed through the City of Boston, Massachusetts:				
Homeland Security Grant Program.....	97.067	BOSTONUASIFFY21	-	127,453
Homeland Security Grant Program.....	97.067	BOSTONUASIFFY22	-	67,801
Homeland Security Grant Program.....	97.067	BOSTONUASIFFY23	-	105,140
Total Homeland Security Grant Program.....			-	300,394
TOTAL DEPARTMENT OF HOMELAND SECURITY.....			-	549,000
TOTAL.....			\$ 2,961,055	\$ 53,800,790

See notes to schedule of expenditures of federal awards.

City of Somerville, Massachusetts

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the City of Somerville, Massachusetts (City), under programs of the federal government for the year ended June 30, 2024. 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 - Significant Accounting Policies

The accounting and reporting policies of the City of Somerville, Massachusetts are set forth below:

- (a) Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting. Accordingly, expenditures are recognized when the liability is incurred. 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.
- (b) Cash Assistance – National School Lunch Program and School Breakfast Program - Program expenditures represent federal reimbursement for meals provided during the year.
- (c) Non-Cash Assistance (Commodities) – National School Lunch Program - Program expenditures represent the value of donated foods received during the year.
- (d) Disaster Grants have been recorded the year the grant was received.
- (e) The City of Somerville, Massachusetts has not elected to use the 10-percent de minimis indirect rate as allowed under the Uniform Guidance.

Note 3 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)

After a presidentially declared disaster, the Federal Emergency Management Agency (FEMA) provides disaster grants to reimburse eligible costs related to the disaster. The federal government makes reimbursements in the form of cost-shared grants that require state matching funds. Of the \$248,606 reported as expenditures under Federal Assistance Listing Number 97.036, these expenditures were incurred in 2022.

City of Somerville, Massachusetts

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Section I – Summary of Auditors’ Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? X Yes No

Significant deficiency(ies) identified? Yes X No

Noncompliance material to financial statements 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 No

Type of auditors’ report issued on compliance for major federal programs: *Unmodified Opinion*

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

Identification of Major Federal Programs

Assistance Listing Number(s) Name of Federal Program or Cluster

21.027 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between

Type A and B programs: \$1,614,024

Auditee qualified as low-risk auditee? Yes X No

City of Somerville, Massachusetts

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Section II – Findings – Financial Statement Audit

Finding 2024-001: Financial Reporting – Errors Noted – Material Weakness

Criteria: Proper internal control procedures should be designed and implemented to ensure that financial statements are prepared in accordance with Accounting Principles generally accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board.

Condition: A judgement rendered against the City was not recorded in the proper period resulting in the understatement of expenditures, capital assets and liabilities as of June 30, 2023. Restatements of beginning net position of governmental activities and fund balance of the general fund were necessary to correct for such misstatements.

Cause: The lack of an established process to evaluate judgements against the City at year end to determine whether accruals or disclosures are necessary in accordance with GAAP.

Effect: The errors as a result of not recording the noted liability in the proper period resulted in misstatements in the governmental activities and general fund financial statements.

Recommendation: The City should implement a formal process for identifying and communicating all material claims and judgements against the City. This process will involve working with the City Solicitor's Office to ensure that complete and accurate information is provided to the finance department when completing a legal confirmation request and list of status of outstanding litigations.

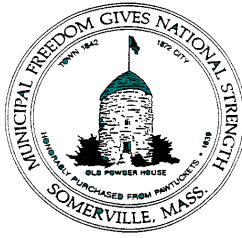
Views of Responsible Officials: In the opinion of the City Solicitor, the judgement was rendered against the Somerville Redevelopment Authority, not the City of Somerville. Hence, the City Solicitor believed no reason to disclose as a liability of the City of Somerville. City Management will work with the City Solicitor's Office to assure that complete and accurate information regarding all outstanding material claims and judgements against the City are disclosed in accordance with Accounting Principles Generally Accepted (GAAP) as promulgated by the Government Accounting Standards Board.

Section III – Findings and Questioned Costs – Major Federal Award Program Audit

None.

Section IV – Prior Year Findings

None.



City of Somerville, Massachusetts
Katjana Ballantyne
Mayor

CORRECTIVE ACTION PLAN

Oversight Agency for Audit: U.S. Department of Education

The City of Somerville, Massachusetts respectfully submits the following corrective action plans for the year ended June 30, 2024.

Name and address of the independent public accounting firm:
CBIZ CPAs P.C.
9 Executive Park Drive, Suite 100
Merrimack, NH 03054

Audit Period: July 1, 2023, through June 30, 2024

The findings from the June 30, 2024, schedule of findings and responses are discussed below. The findings are numbered consistently with the number assigned in the schedule.

FINDINGS – FINANCIAL STATEMENTS AUDIT

Finding 2024-001: – Material Weakness

Criteria: Proper internal control procedures should be designed and implemented to ensure that financial statements are prepared in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board.

Condition: A judgement rendered against the City was not recorded in the proper period resulting in the understatement of expenditures, capital assets and liabilities as of June 30, 2023. Restatements of beginning net position of governmental activities and fund balance of the general fund were necessary to correct for such misstatements.

Cause: The lack of an established process to evaluate judgements against the City at year end to determine whether accruals or disclosures are necessary in accordance with GAAP.

Effect: The errors as a result of not recording the noted liability in the proper period resulted in misstatements in the governmental activities and general fund financial statements.

Recommendation: The City should implement a formal process for identifying and communicating all material claims and judgements against the City. This process will involve working with the City Solicitor's Office to ensure that complete and accurate information is provided to the finance department when completing a legal confirmation request and list of the status of outstanding litigations.

Views of Responsible Officials: In the opinion of the City Solicitor, the judgement was rendered against the Somerville Redevelopment Authority, not the City of Somerville. Hence, the City Solicitor believed no reason to disclose as a liability of the City of Somerville. City Management will work with the City Solicitor's Office to assure that complete and accurate information regarding all outstanding material claims and judgements against the City are disclosed in accordance with Accounting Principles Generally Accepted (GAAP) as promulgated by the Government Accounting Standards Board.