

CITY OF CENTRAL, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES

For the year ended June 30, 2014

1) Summary of Auditors' Results:

- A) The type of report issued on the financial statements: **Unqualified opinion.**
- B) Significant deficiencies in internal control were disclosed by the audit of financial statements: **2014-1.**
Material weaknesses: **None.**
- C) Noncompliance that is material to the financial statements: **None.**
- D) Findings relating to the financial statements reported in accordance with *Government Auditing Standards*: **2014-1.**

2) Findings – Financial Statement Audit

2014-1 Preparation of Financial Statements

Criteria: The City does not maintain a system of internal controls over reporting to ensure that external financial statement presentation and footnote disclosures are in conformity with generally accepted accounting principles.

Observation: The City relies on its auditors to assist in the preparation of external financial statements and related disclosures. Under U.S. generally accepted auditing standards, the auditors cannot be considered part of the City's internal control structure; however, design of the internal control structure does not otherwise include procedures to prepare external financial statements and related disclosures in conformity with U.S. generally accepted accounting principles.

Recommendation: Since, the City is satisfied with using its auditing firm to prepare the external financial statements, no change is recommended. However, this matter will continue to be reported.

Management's corrective action plan: Management understands that this deficiency results from professional standards that have been adopted by the accounting profession. The City generates the appropriate financial information to effectively manage and plan operations in a timely manner and does not consider their current situation to be deficient. However, management will review the resources necessary to prepare financial statements in accordance with generally accepted accounting principles, with full footnote disclosures, to determine if it would represent responsible financial stewardship.