

CITY OF SCRANTON, PENNSYLVANIA
SINGLE AUDIT REPORT
YEAR ENDED DECEMBER 31, 2024



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**CITY OF SCRANTON, PENNSYLVANIA
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024**

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 <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	9
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	11



**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 and Members of City Council
City of Scranton, 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 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 Scranton, Pennsylvania as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Scranton, Pennsylvania's basic financial statements, and have issued our report thereon dated . Our report includes a reference to other auditors who audited the financial statements of the Redevelopment Authority of the City of Scranton, the Sewer Authority of the City of Scranton and the City of Scranton Parking Authority as described in our report on City of Scranton, Pennsylvania's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Scranton Parking Authority were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Scranton, Pennsylvania'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 City of Scranton, Pennsylvania's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Scranton, Pennsylvania'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.

Honorable Mayor and Members of City Council
City of Scranton, Pennsylvania

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Scranton, Pennsylvania'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

New York, New York
September 29, 2005



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

Honorable Mayor and Members of City Council
City of Scranton, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Scranton, Pennsylvania'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 City of Scranton, Pennsylvania's major federal programs for the year ended December 31, 2024. City of Scranton, Pennsylvania's 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 Scranton, Pennsylvania 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; 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 Scranton, Pennsylvania 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 Scranton, Pennsylvania'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 City of Scranton, Pennsylvania's 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 Scranton, Pennsylvania'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 City of Scranton, Pennsylvania'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 City of Scranton, Pennsylvania'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 City of Scranton, Pennsylvania'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 City of Scranton, Pennsylvania'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.

Honorable Mayor and Members of City Council
City of Scranton, Pennsylvania

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Scranton, Pennsylvania as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City of Scranton, Pennsylvania's basic financial statements. We have issued our report thereon, dated September 29, 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 basic 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

New York, New York
September 29, 2025

**CITY OF SCRANTON, PENNSYLVANIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024**

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed through to Subrecipients
Department of Housing and Urban Development				
Direct Programs				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grant/Entitlement Grants	14.218	B-18-MC-42-0205	\$ 1,809	\$ 1,809
Community Development Block Grant/Entitlement Grants	14.218	B-19-MC-42-0205	36,553	1,151
Community Development Block Grant/Entitlement Grants	14.218	B-20-MC-42-0205	148,623	-
Community Development Block Grant/Entitlement Grants	14.218	B-21-MC-42-0205	279,238	23,790
Community Development Block Grant/Entitlement Grants	14.218	B-22-MC-42-0205	416,255	5,159
Community Development Block Grant/Entitlement Grants	14.218	B-23-MC-42-0205	1,276,840	279,094
Community Development Block Grant/Entitlement Grants	14.218	B-24-MC-42-0205	152,938	7,231
Total CDBG - Entitlement Grants Cluster			2,312,256	318,234
HOME Investment Partnership Program	14.239	M-16-MC-42-0205	55,726	55,726
HOME Investment Partnership Program	14.239	M-18-MC-42-0205	45,124	44,274
HOME Investment Partnership Program	14.239	M-19-MC-42-0205	46,509	44,959
HOME Investment Partnership Program	14.239	M-20-MC-42-0205	20,541	20,541
HOME Investment Partnership Program	14.239	M-21-MC-42-0205	15,215	-
HOME Investment Partnership Program	14.239	M-22-MC-42-0205	43,046	-
HOME Investment Partnership Program	14.239	M-23-MC-42-0205	145,171	143,200
HOME Investment Partnership Program	14.239	M-24-MC-42-0205	82,300	82,300
Total HOME Investment Partnership Program			453,632	391,000
Emergency Solutions Grant Program	14.231	E-20-MC-42-0014	10,349	10,349
Emergency Solutions Grant Program	14.231	E-22-MC-42-0014	54,438	38,123
Emergency Solutions Grant Program	14.231	E-23-MC-42-0014	204,249	188,821
Emergency Solutions Grant Program	14.231	E-24-MC-42-0014	374	-
Total Emergency Solutions Grant Program			269,410	237,293
Total Department of Housing and Urban Development Direct Programs			3,035,298	946,527
Department of Homeland Security				
Pass-Through Grant from Pennsylvania Department of Emergency Management:				
Fire Prevention Grant	97.044	EMW-2022-FG-08673	19,677	-
Total Fire Prevention Grant			19,677	-
Federal Emergency Management Agency				
Pass-Through Grant from Pennsylvania Department of Emergency Management:				
Disaster Grants - Public Assistance	97.036	FEMA-4408-DR-PA	2,023,623	-
Department of Commerce Direct Program				
Economic Adjustment Assistance	11.307	Not Available	99,041	-
General Service Administration				
Pass-Through Grant from Pennsylvania Department of General Services:				
Donation of Federal Surplus Property Program	39.003	N/A	223,409	-
Department of the Treasury Direct Program				
Covid-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	OMB 1505-0271	13,700,590	2,693,298
Total Expenditures of Federal Awards			\$ 19,101,638	\$ 3,639,825

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF SCRANTON, 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 (the Schedule) includes the federal award activity of the City of Scranton, Pennsylvania, (the City) under programs of the federal government for the year ended December 31, 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 or changes in financial position of the City.

NOTE 2 REPORTING ENTITY

The accompanying Schedule presents the expenditures of all the federal award programs of the City. The City's reporting entity is defined in Note 1 to the City's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

NOTE 3 BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented on the accrual basis of accounting. Expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 4 INDIRECT COSTS

The City has elected not to use the ten percent de minimis indirect cost rate. Indirect costs are allocated to programs based on applicable criteria relative to the federal program.

NOTE 5 ECONOMIC ADJUSTMENT ASSISTANCE (ALN 11.307)

During the year ended December 31, 1991, the City was awarded a \$600,000 Economic Adjustment Assistance grant from the U.S. Department of Commerce for the purpose of assisting businesses with economic development. EDA revolving loan fund (RLF) Grant 1 was matched \$200,000 at the City level.

Total Grant Awarded

	<u>Grant Amount</u>	<u>City Match</u>	<u>Total Grant Awarded</u>	<u>Federal Share</u>
EDA RLF Grant 1	<u>\$ 600,000</u>	<u>\$ 200,000</u>	<u>\$ 800,000</u>	75.00 %

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

NOTE 5 ECONOMIC ADJUSTMENT ASSISTANCE (ALN 11.307) (CONTINUED)

Federal Awards Expended

RLF Loans Outstanding - December 31, 2024	\$ 110,647
Cash and Investment Balance in RLF - December 31, 2024	21,408
Administrative Expenses Paid from RLF Income During the Year Ended December 31, 2024	-
Unpaid Principal of All Loans Written Off During the Year Ended December 31, 2024	-
Total	<u>132,055</u>
Federal Share of The RLF	<u>75%</u>
Federal Awards Expended	<u><u>\$ 99,041</u></u>

**CITY OF SCRANTON, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. 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

Covid-19 Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? _____ yes X no

**CITY OF SCRANTON, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**CITY OF SCRANTON, PENNSYLVANIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2024**

The City of Scranton, Pennsylvania, respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2024.

Audit period: Year ended December 31, 2023.

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2023 – 001 Accounting System – Special Cities Fund

Condition: The accounting system for the special cities fund records cash receipts and disbursements in a separate account for each grant or revenue stream. At year-end, excel spreadsheets are used to create a trial balance which includes reporting for revenues earned and the related expenditures. However, this system is prone to errors and difficult to reconcile.

Status: This finding is closed.

2023 – 002 Submission of Data Collection Form

Condition: The submission of the Data Collection Form to the Federal Audit Clearing House was not completed by its required due date.

Status: This finding is closed.

