Fiscal Year 2025 Single Audit CFO Overview

February 24, 2026

THE CITY OF ASHEVILLE



Key Takeaways

- The fiscal 2025 year-end financial statements were issued on November 14, 2025 and the City's external auditors from Cherry Bekaert LLP presented the financial audit results to City Council at the December 9, 2025 Policy, Finance, and Infrastructure (PFI) meeting.

- The Audit Opinion issued by Cherry Bekaert LLP for the financial statements was Unmodified or "Clean" which is the Highest Level of Assurance.

- As reported at PFI, completion of the single audit (grant) portion of the audit was delayed as a result of the federal government shutdown which led to auditors not getting the required compliance information from the federal government.

- Cherry Bekaert completed the single audit on January 23, 2026 and are here to present the results of that audit, which includes two findings related to the Home Investment Partnership Program (HOME) and the Community Development Block Grant (CDBG).

- Staff from Community and Economic Development (CED) and Finance have developed and are implementing corrective action plans related to both findings.

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Cherry Bekaert Report

City Response to Audit Findings

- Management agrees with both the HOME and CDBG findings and are implementing procedures to correct both in the current fiscal year.
- Corrective Action Plans - HOME & CDBG.
- Staff from Community and Economic Development (CED) and Finance are here to answer any questions that Council may have about either finding.

CED Next Steps - Audit Findings

- CED takes our role as stewards of these funds seriously and we recognize that our administrative oversight of HOME monitoring and CDBG reporting did not meet standards for FY24-25.
    - Monitoring is a key step to document that agencies who receive this funding maintain proper records and compliance (e.g. income verification standards) and we have developed a corrective action plan to update our process.
    - CED provides several financial reports to HUD and will include the required reports to FFATA into SAMS.gov as part of our reporting process.
- CED staff has communicated this information to HUD and we have verified that the proposed corrective action meets their standards.
- CED acknowledges that FY24-25 was an extraordinary year as we undertook recovery initiatives, and we now have the capacity to ensure that monitoring and timely reporting are completed.

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