

## REQUIRED COMMUNICATION

June 14, 2022

City Manager and City Council of the  
City of Long Beach  
1 West Chester Street  
Long Beach, NY 11561

Dear City Manager and Council Members:

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of Long Beach, New York (the City) for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements.

***During the year, the City adopted the Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities.***

***We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.***

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the City's financial statements were:

- Management's estimate of depreciation expense is based on the useful lives of each asset capitalized.
- Management's estimate of other post-employment benefits is based on actuarial assumptions used by an actuary.
- Management's estimate of compensated absences is based on accumulated leave time and employees' pay rates.

- Management's estimate of the net pension liability and related deferred outflows of resources is based on actuarial assumptions utilized by an actuary applied to the pension plans' census information.

***We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.***

#### **Financial Statement Disclosures**

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was (were):

- The disclosures of long term liabilities outstanding at year end reflect the ending balances of long term liabilities and include the current year activity along with future maturities.
- The disclosures of commitments and contingencies reflect the City's significant commitments and contingencies at year end.
- The disclosures of the City's OPEB liability in the footnotes to the financial statements describes the overall outstanding unfunded actuarial accrued liability and the outstanding net OPEB obligation at year end.

***The financial statement disclosures are neutral, consistent, and clear.***

#### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. During the year the City recorded prior period adjustments related to the reconciliation of capital projects. This resulted in restatements of the General, Water, Sewer, Capital and Debt Service funds assets and fund balance as it related to amounts for underfunded projects and remaining funds left in old capital projects.

#### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated the date of this letter.

#### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

## **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to management's discussion and analysis, budgetary comparison information, schedule of changes in the total other postemployment benefit (OPEB) liability and related ratios, schedule of pension liability - length of service award program (LOSAP), schedule of proportionate share of the net pension liability, and the schedule of pension contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on schedule of expenditures of federal awards, the schedule of state transportation assistance expended, and the combining nonmajor governmental fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the schedules of revenues, expenditures and changes in fund balances – budget and actual, water, sewer and debt service fund, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### Restriction on Use

This information is intended solely for the information and use of the City Manager, City Council, and management of City of Long Beach, New York, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bonadio & Co., LLP