

RESULTS OF THE AUDIT OF THE 2021 FINANCIAL STATEMENTS

Presentation to the City Council May 3, 2022

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Big firm capability. Small firm personality.

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Deliverables

- **Required Communications Letter**
- **Basic Financial Statements**
- **Management Letter**
- **Uniform Guidance Single audit – In process**
- **New York State DOT Audit – In process**

Required Communications Letter

- **Required to be put in writing and provided to the board of governance for all audits**
- **Some noteworthy items**
 - **Implementation of GASB 84**
 - **Significant estimates and disclosures were identified and described**
 - **We encountered no disagreements with management related to any financial accounting, reporting or auditing matters**

Audit of the Financial Statements

- **Independent Auditor's Opinion**
 - **Unmodified**
 - **Prior period adjustment**
 - **Related to the reconciliation of capital projects**
 - **Various projects 20 years old**
 - **Large projects covering multiple years**
 - **Transfers needed in order to close the capital projects**
- **Government Auditing Standards Report**
 - **A material weakness was identified**
 - **No significant deficiencies noted**
 - **No issues with compliance with laws and regulations were noted**

Audit of the Financial Statements

- **Financial Highlights**

- **Government wide net position went from (\$338.6) million to (\$264.7) million.**
 - Increase of \$73.9 million mainly due to the reduction in judgments and claims
- **Fund Balance for all governmental funds increased \$13.2 million**
 - General fund increased \$6.1 million resulting in an increase in unassigned fund balance to \$3.9 million from a deficit of \$5.3 million in the prior year

Audit of the Financial Statements

- **Financial Highlights (Continued)**
 - **Prior Period Adjustment**
 - **Capital projects reconciliation**
 - **Reduced fund balance in general fund \$2.3 million**
 - **Revenues over budget by approximately \$3 million mainly due to the receipt of American Rescue Plan Act Funds**
 - **Expenditures were under budget by approximately \$1.5 million mainly due to the impact of COVID-19 and better budget management**
 - **Other postemployment benefits increased approximately \$2.4 million**
 - **Net pension liability was reduced approximately \$30 million.**
 - **Reduction of judgments and claims approximately \$57 million**
 - **Haberman settlement agreement in process**

Capital Projects Reconciliation

With the help of an outside consultant the City reconciled open projects within the capital projects fund. Bonadio analyzed the information and provided recommendations

- **Analyzed over 100 projects dating back 20 years that remained unclosed within the Capital Projects Fund**
- **Determined what the funding source for the project was**
- **Determined which fund the project was related to**
- **Recorded amounts due to and from the general, water, sewer, capital and debt service funds**

Thank You!

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