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May 11, 2016

Ms. Carmella Mantello, President
City Council
City of Troy, New York
433 River Street
Troy, New York 12180

Dear Ms. Mantello:

In aiding the City in its response to two New York State Comptroller's audits we noted the following:

Executive Summary

- As of December 31, 2015, Operating Total Fund Balances have decreased by \$5.4 million over the past four years or an average of \$1.3 million per year.
- As of December 31, 2015, general fund unrestricted fund balance is a deficit of \$92,000, which is under funded by \$11.4 million when compared to Government Finance Officers Association's minimum balance recommendation.
- For the year ended December 31, 2015, the operating funds had a gain of \$442,000 after properly adjusting for the change in pension reporting.
- The New York State Comptroller's Office believes the 2016 budget contains \$3.9 million in unrealizable revenues and/or expense reductions.
- The 2016 budget includes a \$1.2 million increase in sewer rents over 2014 actual sewer rents, but this increase is largely restricted for the combined sewer overflow costs which were not reflected in the budget.
- Had the City not opted to bond current pension costs, the City's cumulative loss would have been \$8.6 million higher (2014 balance as 2015 not yet available).
- Capital projects have not been reconciled and the negative effect that may result has not been quantified.

- Union contracts have not been settled for four to six years and the negative effect that may result has not been quantified.
- The combined sewer overflow project will require \$31 million in expenditures over the next 13 years, including \$2.7 million in 2016.
- The financial report for the first quarter of 2016 indicates an operating loss of \$5.2 million versus a \$4.6 million loss for the first quarter of 2015.

Conclusion

Recent results have been unfavorable to say the least. The near term outlook is also bleak. Borrowing will eventually become more costly to the City as a result of its condition. Structural changes must be made.

Detailed Discussion Items

1. Current Fund Balance Position

Our review concentrated on operating funds (general, water and sewer funds) while sometimes focusing on the general fund alone.

Operating Total Fund Balances - December 31, 2011	\$ 23.4 million
Operating Total Fund Balances - December 31, 2015	\$ 18.0 million
Change in Four Years	\$ (5.4) million

In the past four years the City’s operating funds have averaged losses of \$1.3 million per year.

While total fund balances of December 31, 2015 were \$18 million, \$12.7 million of that were restricted and non-spendable. Therefore the City had a \$5.3 million unrestricted fund balance at December 31, 2015 which represented 6.2% of its \$85.2 million 2016 budget.

2. Where We Should Be

It has long been asked, “What is the minimum amount of unrestricted fund balance that a government should maintain in the general fund?” The Government Finance Officers Association in a 2009 publication indicated that “as a general rule, unrestricted fund balance in the general fund should represent no less than two months of operating expenditures” or 16.66%

That standard applied to the City’s general fund results in the following:

Unrestricted General Fund Balance - December 31, 2015	\$ (.1) million
GFOA Recommended Fund Balance	\$ 11.3 million
Underfunded	\$ 11.4 million

Bond rating agencies are aware of this situation and will make borrowing for the City more and more expensive.

3. **Current Year Operating Loss**

The operating income for the year ended December 31, 2015 was \$2.3 million. The income would have been reduced by \$.8 million had current pension costs been paid instead of bonded. Additionally, the income would have been \$1.8 million lower had the recording of pension expense been properly reflected as a prior period adjustment to fund balance.

4. **2016 Budget**

The 2016 budget established estimated revenues \$1.9 million higher than 2015 actual. As the sewer rate increases have been restricted to pay for the combined sewer overflow projects, an offsetting expense for this increase should have been budgeted, but was not. The New York State Comptroller's Office has questioned \$3.9 million in unrealized revenue and/or expense reductions. Coupled with \$1.1 million not budgeted in combined sewer overflow expenditures, the 2016 budget may contain \$5.0 in unrecoverable revenues and/or expense reductions.

5. **Retirement Costs**

From 2010 to 2014 (2015 not yet available) the contribution stabilization program was made available for pension costs. Since that time, the City has in effect borrowed \$8.6 million in current pension costs and elected to pay them in the future. Had these costs been recognized in the period incurred the City's losses would have been \$8.6 million higher. Instead, future taxpayers will have to pay these costs and the related interest costs, and it appears they will continue to grow.

6. **Capital Projects Fund Deficits**

The New York State Comptroller's report indicates that the capital project fund has not been reconciled in several years. The result is that any projects which have had deficits and require the general fund to transfer money to the Capital Projects Fund have not been recognized. The Comptroller reviewed just one project and found the general fund owed \$774,000 to other funds as a result. This liability could be substantial and represents an unrecorded liability/deficit to the general fund. The City's Comptroller's Office has indicated that they will be reconciling capital projects accounts in the near future.

7. **Unsettled Union Contracts**

It is our understanding that all Union Contracts have expired (PBA December 31, 2012, COATS December 31, 2012, UFCA December 31, 2010, CSEA December 31, 2011 and UFA December 31, 2012). The potential settlement of contracts for four to six years could have a significant negative effect on operations and fund equity.

8. **Combined Sewer Overflows Project (“CSO”)**

The CSO is anticipated to require the following payments:

2016	\$ 2,711,280
2017	1,336,522
2018	2,749,516
2019	2,499,244
2020	2,367,156
2021	7,056,280
2022	8,636,122
2023	1,251,360
2024	928,092
2025	823,812
2026	987,184
2027	912,450
	<u>\$ 32,259,018</u>

The City has increased its sewer rates to partially pay for the CSO which is projected to provide \$900,000 to \$1,000,000 per year. As these amounts are not sufficient to meet the projected payment schedule, additional revenues will be required.

9. **First Quarter 2016 Results**

The first quarter of 2016 financial results indicate a \$5.2 million loss. The narrative which accompanies the report correctly indicates that many timing differences exist. We estimated the effects of the timing difference and projected, based on the first quarter actual results, that the annual loss would approximate \$2.0 million.

Action Items for Consideration

Given the City’s past four year history of losses of \$5.4 million in the operating funds, the expected 2016 projected loss of \$3.9 million, and the City’s minimum amount of remaining fund equity, The City recognizes that drastic and immediate steps must be taken. The City also recognizes that it has been several years of failed budgets that has taken us to where we are and it will take several years of successful budgets to bring us to where we want to be. A list of areas that should be currently considered follows: We understand that no one step can likely be taken to eliminate this deficit, but some combination of these will be required.

1. Increase Real Estate Taxes: To eliminate a deficit of \$3.9 million in its entirety a tax increase of approximately 19% would be required.
2. Decrease Salaries and Benefits: Salaries and benefits comprise 75% of budgeted expenditures (excluding debt service which is fixed). Therefore, any meaningful reduction in expense would have to come from a decrease in salaries and benefits. To eliminate a deficit of \$3.9 million in its entirety, salary and benefits would have to be reduced by approximately 7%.
 - Implement a hiring freeze
 - Reorganize all departments
 - Manage overtime costs

- Outsource (golf operations, ambulance operations, other)
 - Evaluate healthcare costs, dependent status and employee contributions
3. Increase Other Revenues:
- Implement parking ticket amnesty plan (done)
 - Increase water rates
 - Public safety fee for colleges
 - Settle franchise agreement
 - Sell taxes receivable
 - Establish a Refuse Fund to be funded by multiple-unit user fees
 - Justify and properly quantify operating transfers
 - Review reasonableness of all fees and permits
 - Sell surplus property
4. Decrease Other Expenses:
- Control legal expenses
 - Evaluate all other expenses for need (e.g. celebrations)
 - Relocate City Hall to reduce occupancy costs
 - Personal use of City vehicles eliminated
 - Gain access to restricted funds to reduce current debt service requirements
 - Coordinate City buying to obtain better prices
5. Efficiencies and Other
- Hire a strong CFO
 - Adopt a fund balance policy (including repair and replacement funds for Water and Sewer Funds)
 - Implement an electronic time clock system (potentially funded by the New York Financial Restructuring Board of Governments)
 - Update/unify technology (potentially funded by the New York Financial Restructuring Board of Governments)
 - Seek out shared services arrangements
 - Incentives for department heads to manage better

Should you have any questions regarding this information contained in this letter or any other issues please don't hesitate to contact us.

Very truly yours,

CUSACK & COMPANY, CPAS LLC



James M. Cusack, CPA

May 11, 2016

Office of the State Comptroller
Division of Local Government &
School Accountability
PSV-CAP Submission
110 State Street, 12th Floor
Albany, NY 12236

Re: Corrective Action Plan - Office of State Comptroller's Report
Dated November 10, 2015 - City of Troy's 2016 Budget

Thank you for the opportunity for the City Council to communicate how your findings and recommendations will be used positively to improve operations and internal controls of the City. We believe the City Council's oversight of the Corrective Action Plan process is important because it sends a positive message to the public and to City employees about the "tone at the top" regarding the Council's commitment to safeguarding assets and making government operations more effective.

New York State Finding 1: Revenues - Sale of Real Property

New York State Comptroller's Finding: The City's 2016 budget includes two revenues from the sale of real property. The first sale of \$650,000 has been included in the 2013, 2014 and 2015 budgets and has yet to close. The second sale for \$500,000 is in the preliminary stages as requests for proposals had not been sent at the time of this finding.

Corrective Action Plan - Revenues from the sale of real property will not be included in future budgets unless a signed contract exists and closing is virtually assured for the period in which it is budgeted.

New York State Finding 2: Revenues - Franchise Fees

New York State Comptroller's Finding: The City's 2016 budget includes \$250,000 for franchise fees related to a potential settlement of a new franchise agreement. The agreement has been in the process of being negotiated since 2011.

Corrective Action Plan - Revenues from franchise fees will be included in future budgets at current estimates for current contracts in effect.

New York State Finding 3: Revenues- Sales Tax

New York State Comptroller's Finding: The City's 2016 budget includes a \$520,000 increase in sales tax revenues. Given recent trends, the Comptroller's office estimates that this is overstated by approximately \$300,000.

Corrective Action Plan - The City's recent history has shown that aggressive revenue projections have not been realized, and the result has been several years of substantial losses. The Council recognizes and commits that future budgets for revenue will be based on conservative and realistic estimates.

New York State Finding 4: Revenues - Advanced Life Support (Ambulances) Charges

New York State Comptroller's Finding: The City's 2016 budget includes a \$200,000 increase for ambulance charges. The New York State Comptroller's office estimates that to be overstated by approximately \$200,000 based on anticipated revenues remaining virtually the same from prior years.

Corrective Action Plan - Based on actual ambulance charges collected in 2015 (\$1.9 million) the budgeted amount of \$1.7 million for 2016 appears conservative. An increase in rates and the engagement of a new billing company resulting in 2015 revenues increasing \$412,000 over 2014 or 27.6%. Regardless, the Council recognizes and commits that future budgets for revenue will be based on conservative and realistic estimates.

New York State Finding 5: Revenues - Sewer Rents

New York State Comptroller's Finding: The City's 2016 budget includes sewer rents estimated revenues of \$3,952,000. The New York State Comptroller's office estimates that amount to be \$3,720,000 and so overstated by approximately \$230,000.

Corrective Action Plan - The 2016 budget actually included sewer rents at \$4.2 million. Actual 2015 sewer rents were \$3.6 million so it appears the budget may be overstated by \$600,000. The City's recent history has shown that aggressive projections have not been realized, and the result has been several years of substantial losses. The Council recognizes and commits that future budgets for revenue will be based on conservative and realistic estimates.

New York State Finding 6: Appropriations - Retirement System Contributions

New York State Comptroller's Finding: The City's 2016 budget includes retirement contributions of \$7.1 million. The New York State Comptroller's office estimates the contributions will be \$7.65 million and so understated by approximately \$550,000.

Corrective Action Plan - We agree with the New York State Comptroller's estimate. While current rate trends have decreased slightly, the City's continued participation in the contribution stabilization program (from 2010 to 2014, the City has "paid" current year pension costs of \$9.85 million dollars by agreeing to installment payments over ten years) will result in ever increasing pension payments. The Council recognizes and commits that future budgets for pension expenditures will be based on conservative and realistic estimates, including installment pension payments.

New York State Finding 7: Appropriations - Contingency Accounts

New York State Comptroller's Finding: The City's 2016 budget includes a contingency appropriation of less than 1%. Given the City's history of high estimates of revenues and low estimates for expenses, the City has no flexibility built into the budget, making the contingency appropriation especially important.

Corrective Action Plan - The City Council's vision for future budgets will be that all expenses are conservative and realistic estimates. In this manner budgetary control over departments can be implemented. The Council also recognizes that provisions must be made for funding unexpected events. While it may be the Council's hope that the contingency amount not be needed, realistically, transfers will be made throughout the year from contingencies to other budget line items. This highlights potential areas for Council concern and allow their oversight through the budget amendment process. The Council commits that future budgets will include a reasonable allocation for contingencies.

New York State Finding 8: Appropriations - Equipment and Capital Outlay

New York State Comptroller's Finding: The City's 2016 budget includes appropriations of \$306,000 for equipment and capital outlay. The City's capital plan included in the 2016 budget anticipates \$1,523,000 in expenditures for equipment and capital outlay. Consequently, approximately \$1.2 million of the City's 2016 capital plan remains unfunded. In recent years the City has been financing capital expenditures by issuing debt. The New York State Comptroller's office is concerned that the City is deferring capital expenditures that it will be forced to incur in the future, possibly at a higher cost, at a time when the City is inadequately prepared to fund such costs.

Corrective Action Plan - The Council recognizes that recent financial stress has led the City (and many other governments) to acquire equipment with debt. This has the effect of pushing current costs to the future as well as increasing the overall costs due to the borrowing costs incurred. While there are capital outlay costs that should be bonded so that the costs are borne by future taxpayers that benefit from the asset (e.g. a water plant), typically equipment should be appropriated in current year budgets as required. The Council will put procedures in place to generate a multi-year capital plan that is periodically updated. From this plan, decisions can be made as to annual purchases, appropriations and/or other funding.

New York State Finding 9: Appropriations - Combined Sewer Overflows ("CSO") Long-Term Control Plan Debt

New York State Comptroller's Finding: The City's share of the CSO plan will be approximately \$31 million over the next 12 years. The City's 2016 budget includes \$1.5 million debt payment that will not be required. Additionally, it is the City's intent to restrict a portion of the additional revenues that the City has realized from a 2015 sewer rate increase to fund future debt service payments related to the CSO plan. The City should adopt a resolution to establish this reserve. There is a need for the City to develop an adequate strategy to finance the short and long-term liabilities related to the CSO plan.

Corrective Action Plan - The \$1.5 million debt payment will be transferred to the debt service fund to be used to pay future CSO plan debt service. The Council will propose a resolution to establish a reserve for CSO debt service to be funded annually by the amount of the increase in sewer rates

(approximately \$900,000 annually). Given this revenue source, the Council will be able to develop a strategy to fund the CSO plan.

New York State Finding 10: Tax Cap Compliance/Supervisory Board Act

New York State Comptroller's Finding: As of the date of this letter, the City Council had not adopted a local law to override the tax cap and had not made modifications to the Mayor's proposed budget to reduce the tax levy to a level within the City's tax limit. Without taking action to adopt a tax cap override or making cuts to the budget, the City will be left with an unbalanced 2016 budget that will not have sufficient revenues to fund operations. If this occurs, the City risks triggering the reimposition of the emergency period under the City of Troy Supervisory Board Act.

Corrective Action Plan - The 2015 City Council did take formal action to adopt a tax cap override for the 2016 budget.

Overall Finding

The cumulative effect of the New York State Comptroller's findings conclude that the 2016 budget will have a shortfall of approximately \$3.9 million, without consideration of additional expenses for contingencies and without consideration of paying all current pension and equipment costs currently, which could easily double that amount.

Given the City's past four year history of losses of \$5.4 million in the operating funds, the expected 2016 projected loss of at least \$3.9 million, and the City's minimum amount of remaining fund equity, the City recognizes that drastic and immediate steps must be taken. The City also recognizes that it has been several years of failed budgets that has taken us to where we are and it will take several years of successful budgets to bring us to where we want to be. The time requirements for this response limits our ability to detail specific steps that will be taken, but we can share the list of areas we are currently considering:

1. Increase Real Estate Taxes: To eliminate a deficit of \$3.9 million in its entirety a tax increase of approximately 19% would be required.
2. Decrease Salaries and Benefits: Salaries and benefits comprise 75% of budgeted expenditures (excluding debt service which is fixed). Therefore, any meaningful reduction in expense would have to come from a decrease in salaries and benefits. To eliminate a deficit of \$3.9 million in its entirety, salary and benefits would have to be reduced by approximately 7%.
 - Implement a hiring freeze
 - Reorganize all departments
 - Manage overtime costs
 - Outsource (golf operations, ambulance operations, other)
 - Evaluate healthcare costs, dependent status and employee contributions
3. Increase Other Revenues:
 - Implement parking ticket amnesty plan (done)
 - Increase water rates
 - Public safety fee for colleges
 - Settle franchise agreement

- Sell taxes receivable
- Establish a Refuse Fund to be funded by multiple-unit user fees
- Justify and properly quantify operating transfers
- Review reasonableness of all fees and permits
- Sell surplus property

4. Decrease Other Expenses:

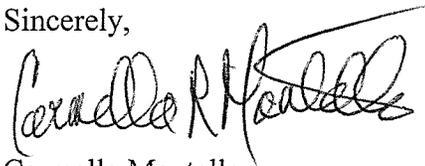
- Control legal expenses
- Evaluate all other expenses for need (e.g. celebrations)
- Relocate City Hall to reduce occupancy costs
- Personal use of City vehicles eliminated
- Gain access to restricted funds to reduce current debt service requirements
- Coordinate City buying to obtain better pricing

5. Efficiencies and Other

- Hire a strong CFO
- Adopt a fund balance policy (including repair and replacement funds for Water and Sewer Funds)
- Implement an electronic time clock system (potentially funded by the New York Financial Restructuring Board of Governments)
- Update/unify technology (potentially funded by the New York Financial Restructuring Board of Governments)
- Seek out shared services arrangements
- Incentives for department heads to manage better

Should you have any further questions please don't hesitate to contact us. We look forward to the continued assistance of the New York State Comptroller's office as we all work to bring the City of Troy to fiscal stability.

Sincerely,



Carmella Mantello
City Council President

May 11, 2016

Office of the State Comptroller
Division of Local Government &
School Accountability
PSV-CAP Submission
110 State Street, 12th Floor
Albany, NY 12236

Re: Corrective Action Plan - Office of State Comptroller's Report
Dated February 2016 - City of Troy's Financial Condition, Report 2015 M-185

Thank you for the opportunity for the City Council to communicate how your findings and recommendations will be used positively to improve operations and internal controls of the City. We believe the City Council's oversight of the Corrective Action Plan process is important because it sends a positive message to the public and to City employees about the "tone at the top" regarding the Council's commitment to safeguarding assets and making government operations more effective.

New York State Finding 1: General Fund Financial Condition

New York State Comptroller's Finding: The Council adopted budgets for the general fund that were not structurally balanced, but instead the Council routinely relied on appropriating significant amounts of reserves to finance operations. As a result, the general fund realized planned operating deficits, and declining fund and cash balance from 2012 through 2014. The general fund's unassigned fund balance was \$1.1 million at the end of 2014, or only 1.6 percent of the 2015 general fund adopted appropriations. The general fund's financial condition will likely decline further during 2015 because the adopted budget for the fund was again not structurally balanced.

New York State Finding 2: Water Fund Financial Condition

New York State Comptroller's Finding: The Council-adopted budgets for the water fund were not realistic because revenue estimates for metered water sales could not be realized based on the water rates in effect. In addition, the budgets contained increasing amounts of interfund transfers to the general fund to subsidize the general fund's operations and did not include interfund transfers that were made to the capital projects fund totaling nearly \$4.4 million and more than \$1.6 million during 2013 and 2014, respectively. As a result, the water fund realized operating deficits of \$4.8 million and \$1.3 million during 2013 and 2014, respectively, and declining fund balance and cash from 2012 through 2014. The total fund balance in the City's water fund has decreased by more than \$6.1 million or 67 percent over the last three years, from nearly \$9.2 million at the start of the 2012 fiscal year to \$3 million at the end of the 2014 fiscal year. The adopted budget for the water fund for 2015

again did not include funding to finance water improvements totaling \$1.2 million that were included in the City's capital plan. If the Council decides to make interfund transfers to the capital projects fund to finance these water improvements, this could significantly impact the financial condition of the water fund during 2015.

New York State Finding 3: Sewer Fund Financial Condition

New York State Comptroller's Finding: The Council also adopted budgets for the sewer fund that were not realistic because revenue estimates for sewer rents could not be realized based on the sewer rates in effect. However, the City realized operating surpluses during 2013 and 2014 because the revenue shortfalls were offset by the City not expending the amount of budgeted appropriations in 2013 and 2014 and because the City received an unbudgeted revenue of \$352,147 in 2014 for an emergency disaster assistance reimbursement. As a result, the sewer fund's fund balance and cash balance increased from 2012 through 2014. However, the sewer fund's cash balances at the end of the last three fiscal years were not sufficient to repay the amounts owed to the general and water funds. As a result, although the financial condition of the sewer fund improved, the sewer fund is still not fiscally healthy. The adopted budget for the sewer fund for 2015 again does not contain realistic estimates for sewer rents but will likely be offset again by overestimated appropriations.

Corrective Action Plan Findings 1, 2 and 3:

Given the City's past four year history of losses of \$5.4 million in the operating funds, the expected 2016 projected loss of at least \$3.9 million, and the City's minimum amount of remaining fund equity, the City recognizes that drastic and immediate steps must be taken. The City also recognizes that it has been several years of failed budgets that has taken us to where we are and it will take several years of successful budgets to bring us to where we want to be. The time requirements for this response limits our ability to detail specific steps that will be taken, but we can share the list of areas we are currently considering. We understand that no one step can likely be taken to eliminate this deficit, but some combination of these will be required:

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2. Decrease Salaries and Benefits: Salaries and benefits comprise 75% of budgeted expenditures (excluding debt service which is fixed). Therefore, any meaningful reduction in expense would have to come from a decrease in salaries and benefits. To eliminate a deficit of \$3.9 million in its entirety, salary and benefits would have to be reduced by approximately 7%.
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4. Decrease Other Expenses:

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- Incentives for department heads to manage better

New York State Finding 4: Retirement Costs

New York State Comptroller's Finding: The City is changing its method of accounting for retirement expenditures during 2015, which will result in the City recognizing only three quarters of its transitional retirement expenditures in 2015. As a result, the 2015 budget includes only three quarters, or approximately \$5.7 million, of the City's estimated retirement costs and excludes the approximate \$1.9 million in costs associated with the period January through March, 2016. However, in 2016 and in future years, the City will be required to recognize 100 percent of their retirement costs each year. As a result, if retirement costs remain at 2015 levels, the 2016 budget must include an increase of approximately \$1.9 million in retirement appropriations, an amount which represents approximately 10 percent of the 2015 tax levy.

Corrective Action Plan:

In 2016 the City did budget \$7.1 million or a \$1.4 million increase over the \$5.7 million budgeted in 2015. As actual 2015 expense was \$7.4 million, the budget may be understated. The Council recognize and commits that future budgets for pension expenditures will be based on conservative and realistic estimates.

New York State Finding 5: Capital Projects Fund Financial Condition

New York State Comptroller's Finding: The City Comptroller's Office failed to maintain individual accounting records for each capital project and the Council did not monitor the financial activity of projects. As a result, one project that we reviewed was overspent by \$425,261, project expenditures were funded through the use of other projects' funds, debt proceeds have been improperly

commingled with other City funds and \$85,334 in debt proceeds were used for an unauthorized purpose. Consequently, as of May 31, 2015, the general fund owed \$688,929 to the capital projects fund and \$85,334 to the special revenue fund, and the water fund owed \$466,753 to the capital projects fund, which will negatively impact the financial condition of these funds. In addition, the Council did not authorize the closing out of any completed projects during our audit period, resulting in at least 13 completed projects not being closed out in a timely manner. When the City closes out all of its completed projects, it is the responsibility of the operating funds to fund any deficits, which could significantly impact the financial condition of the operating funds.

Corrective Action Plan:

The corrective action plan consists of two parts; first to properly account for capital projects and second to properly monitor capital projects. The City's Comptroller's Office has implemented a requirement that each new capital project require its own cash account as opposed to a comingled account utilized in the past. In this manner the accounting for each capital project will be simplified and the audit trail more transparent. In April 2016, the City's Comptroller's Office began the project of reconciling all capital projects. Once complete, the appropriate transfers will be made to correct the funding of all projects. After the individual capital projects have been reconciled, the Council will require a fiscal report of all capital projects quarterly as a part of the Interim Reporting Process. During that process capital projects will be formally closed by the Council as appropriate.

New York State Finding 6: Timely Interim Financial Reporting

New York State Comptroller's Finding: The Council also did not receive quarterly financial reports of the City's operating funds during 2012 through 2014 and did not receive budget status reports for the City's projects during our audit period. In addition, the City's annual financial reports for the 2012 through 2014 fiscal years were not filed with the Office of the State Comptroller within the established time frame and the independent audits of the City's financial statements for the 2012 through 2014 fiscal years were not completed timely. Furthermore, the Council and City officials had not developed a multi-year financial plan and a comprehensive capital plan that was in accordance with the Charter. As a result, the Council's ability to effectively monitor the financial operations and financial condition of the City and to make informed financial decisions has been hindered.

Corrective Action Plan:

The Council has required the preparation of quarterly financial reports and received a report for the quarter ended March 31, 2016 on April 30, 2016. The Council will continue to require timely quarterly financial reports.

Should you have any further questions please don't hesitate to contact us. We look forward to the continued assistance of the New York State Comptroller's office as we all work to bring the City of Troy to fiscal stability.

Sincerely,



Carmella Mantello
City Council President