

VILLAGE OF WASHINGTONVILLE

Financial Review Update

April 3, - May 31, 2023

- ▶ ISSUE IDENTIFIED
- ▶ Previous Board findings to-date
- ▶ Previous year invoices from Budget years 2021 and 2022 approximate Year To Date amount paid out of the 2023 Budget – 1.3M in General A fund, 427K out of Sewer fund, and 38K out of water fund Total 1.8M check written in 2 weeks.
- ▶ All invoices were approved and paid by the previous Mayor with no resolutions to approve payments
- ▶ No Treasurer or accountant for 6 years
- ▶ The financial computer system was abandoned approximately 6 years ago for paper documentation and Quick Books for printing checks. Paper trail accounting practices not followed.
- ▶ The lack of documentation is delaying the annual audits for General and water and sewer funds and AUD submission to NYS comptrollers. We are looking for 2016,17,18,19 audits and AUD's. if they were submitted to NYS comptrollers' office. We have calls into NYS for answers
- ▶ Audits and Annual Update Document (AUD's) left to be done 2021,22,23 Priority is 2022/23, fiscal YE 2/28/2023.
- ▶ Lack of budgets and AUD's submitted to NYS Moody's had removed our bond rating in 2020. Basically, saying we are not credit worthy due to no financial data reported.
- ▶ Currently we have no Bond/credit rating.
- ▶ Could not obtain a credit card from our local bank due to no financials over 3 years.

VILLAGE OF WASHINGTONVILLE

FINANCIAL UPDATE MAY 31, 2023

- ▶ Investigating currently what is our beginning fund balance as of April 1, 2023
- ▶ Road Improvement (BAN) borrowing 1M. After 3 roads were completed cannot locate balance.
- ▶ Department heads were not part of the budget process entire annual budget was completed by the previous mayor/budget officer.
- ▶ Our 2023/24 Budget increase was 3%, our Treasurer recommended a minimum starting increase of 15%. For the reason of no increase over the past 6 years.
- ▶ Revenue amounts were over inflated on certain revenue codes inflating total revenues.
- ▶ Planning board escrow account does not balance and not up to date.
- ▶ Grant monies were co-mingled in the general fund. Separate accounts should be created. FEMA fund \$435,000, Police fund \$50,000
- ▶ General, water and sewer funds have been co-mingled. Example water fund invoices paid from sewer fund.
- ▶ No Bidding on road capital projects. Procurement policy rules not enforced.

VILLAGE OF WASHINGTONVILLE

FINANCIAL UPDATE MAY 31, 2023

- ▶ Based on inquiries with department heads and re-analyzing projections for fiscal year 2023/2024 the adopted budget could potentially be short approximately \$1.291 million in the general fund, \$38,000 in water fund and \$303,000 in sewer fund for a total of \$1.632 million. This is due to under estimating expenditures as well as over estimating on revenues.
- ▶ Additional items that should have been budgeted for in 2023/2024 approximate \$243,000. These items include a new police vehicle, dump truck and a generator for the sewer plant.
- ▶ Approximately \$1.615 million of checks processed the last 2 weeks in March were related to the 2022/2023 budget. Another \$50,000 of checks being paid in April and May related to the 2022/2023 or prior budgets.
- ▶ The Village has inquired with our attorneys on other alternatives for financing however since the Village is behind on having external audits performed (last audit completed was for FYE 2/28/2019) deficit financing is the only option.
- ▶ Based on the information above we are working with NYS to request deficit financing for an amount not to exceed \$4.5 million. **The Village will only borrow what is needed.**

VILLAGE OF WASHINGTONVILLE

FINANCIAL UPDATE MAY 31, 2023

- ▶ Mayor has handwritten checks to vendors and not entered into Quick book desktop application
- ▶ 1M borrowed for road pavement projects money was deposited into our General Fund. Only three road were paved Decker Dr, Smith Ct, and Hayes Pl. Cannot locate Balance of unused funds
- Constitutional Tax Limit Filing is four years delinquent in both Constitutional Tax Limit and Property Tax Cap Filing. NYS Auditor have been asking for this information since November.
- ARPA (covid) monies received in two check 7/19/22 295,896.54 and 7/21/21 294,693.38 Total 580,589.92. Monies were deposited in the Multi Fund and cannot find what it was spent on.

VILLAGE OF WASHINGTONVILLE
FINANCIAL UPDATE MAY 31, 2023

▶ ACTION TAKEN TO DATE

- ▶ The Office of the State Comptroller is ordering a risk analysis of our 2022/23 and previous budgets financial practices
- ▶ We are in the process of hiring a firm to complete the budget years 2021,22,23
- ▶ The priority budget year to audit is 2022/23.
- ▶ Contacted the State Comptroller Office to request an Audit. Last audit estimate 2012/13
- ▶ Process of interviewing accounting firms for a forensic financial audits 2017-2022/23
- ▶ Modified our Treasurer responsibilities to handle all daily financial activities.
- ▶ Purchased the Edmund financial software suite – Implementation kick-off May 12th.
- ▶ Department Heads are now responsible for approving all invoices for payment
- ▶ Weekly department head meetings to review financials and priorities
- ▶ Analyzing Water and sewer billing system for data entry and policy software inconsistencies
- ▶ Findings – Excessive estimated meter readings, inaccurate data entry into the billing system, lack of processing quarterly exception reports before bills are created. Software parameters inaccurate
- ▶ Met with our bond counsel regarding our Sewer Bond payments and approximately \$300,000 of overdue past invoices from 2016-2019. Remaining loan balance 1.2 Million
- ▶ Scheduled meeting with H2M Sewer plant designer and Project Mgmt to review all contractor(s) that walked off the job to due lack payments by the village (2016-2020). There is incomplete work for electrical as possible other areas. Researching open issues list.
- ▶ Currently reviewing all vendor contracts for any possible savings.
- ▶ To prevent co-mingle of grants and revenue deposits separate account will be created.

VILLAGE OF WASHINGTONVILLE

FINANCIAL UPDATE MAY 31, 2023