

MaherDuessel

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Borough of Green Tree

PRESENTATION OF THE RESULTS OF THE 2022 AUDIT

June 5, 2023

Audit Deliverables

- ❑ Independent Auditor's Report on the Financial Statements, including Required Supplementary and Supplementary Information – *in process*
- ❑ DCED – *filed on 3/31/23*
- ❑ Summary Financial Statements (Legal Ad) – *filed on 3/31/23*
- ❑ Communication to Those Charged with Governance Letter – *in process*
- ❑ Management Recommendation Letter – *in process*



Required Audit Communications

Required Audit Communications

- ❑ Our responsibilities under U.S. generally accepted auditing standards are to perform procedures to provide a reasonable basis for our opinion.
- ❑ Our audit does not relieve you or management of your responsibilities to ensure the financial statements are fairly presented.
 - While we do assist in drafting the financial statements, including the DCED and legal advertisement, the information is reviewed and approved by management to demonstrate their approval of the content.

Required Audit Communications (cont.)

- ❑ Significant Accounting Policies
 - GASB Statement Nos. 87 (Leases), 91 (Conduit Debt Obligations), 92 (Omnibus 2020), 97 (Deferred Compensation Plans), and 99 (Omnibus 2022 – paragraphs 26 through 32) adopted in 2022.
 - No significant impact to the Borough’s financial statements.
 - No other accounting policies were adopted or changed.

- ❑ Sensitive Accounting Estimates
 - Earned income tax receivable
 - Pension and other postemployment benefits

Required Audit Communications (cont.)

- ❑ Sensitive Disclosures
 - Pension and other postemployment benefits
 - The financial statement disclosures are neutral, consistent, and clear.
- ❑ No difficulties in performing and completing the audit.
- ❑ Corrected Misstatements
 - Restatements: Capital assets (government-wide) and sewer fund unavailable revenue
 - Various adjustments (accruals, interfund activity, pension plan activity) posted as part of the audit based on information provided by management
- ❑ No disagreements with management, no consultations with other accountants, and no issues discussed prior to retention as auditors.



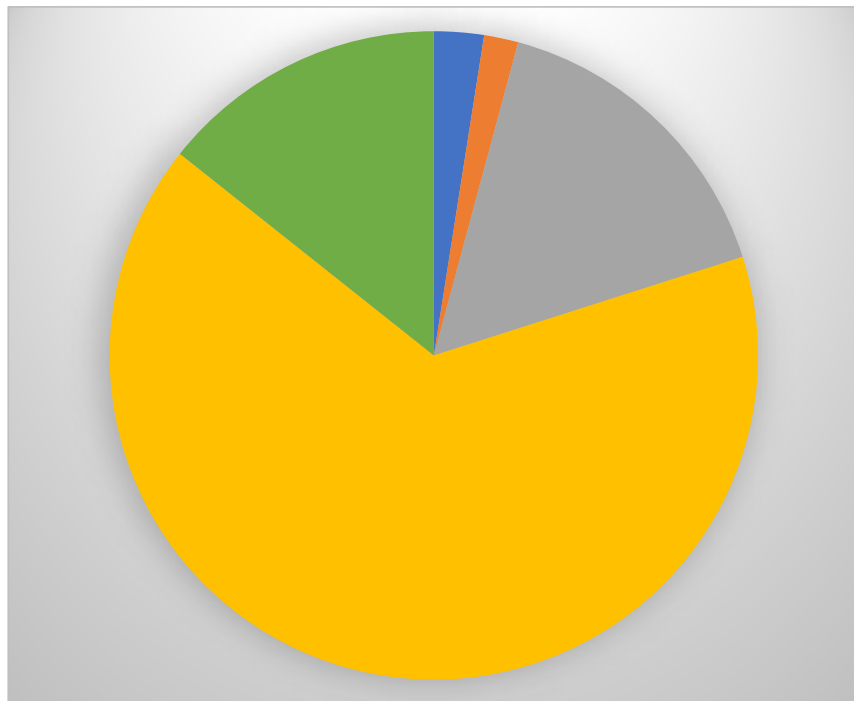
Financial Highlights

YEAR ENDED DECEMBER 31, 2022

Financial Highlights

- ❑ Tax revenue of \$6.7 million
 - Property taxes were levied at 4.61 mills
- ❑ ARPA revenue of \$500,000
- ❑ General Fund transfer of \$1.2 million to Capital Improvements Fund
- ❑ New fire truck loan (approximately \$250,000)

Fund Balance (General Fund)



| | | |
|---|-----------|--------------------------------|
| ■ Nonspendable: | | |
| Prepays | \$ | 92,765 |
| ■ Restricted: | | |
| Cemetery maintenance | | 63,936 |
| ■ Committed: | | |
| Future fiscal emergencies | | 593,733 |
| ■ Assigned: | | |
| Future solid waste expenditure | | 222,726 |
| Reimbursement of employee health co-payments | | 240,200 |
| Potential real estate tax refunds | | 611,802 |
| Future workers' compensation rate increases | | 1,376,470 |
| ■ Unassigned | | <u>535,173</u> |
| Total General Fund Fund Balance | \$ | <u><u>3,736,805</u></u> |

Fund Balance (Other Governmental Funds)

Restricted

- Capital Expenditures - \$7,331,894
- Highway Maintenance, Rebuilding, and Construction - \$127,464
- Storm Sewer - \$26,585
- Public Safety - \$2,607

Committed

- Sewer Expenditures - \$1,803,739
- Fire Department Apparatus - \$676,622
- Public Works - \$44,091

Assigned

- Capital Expenditures - \$3,259,709

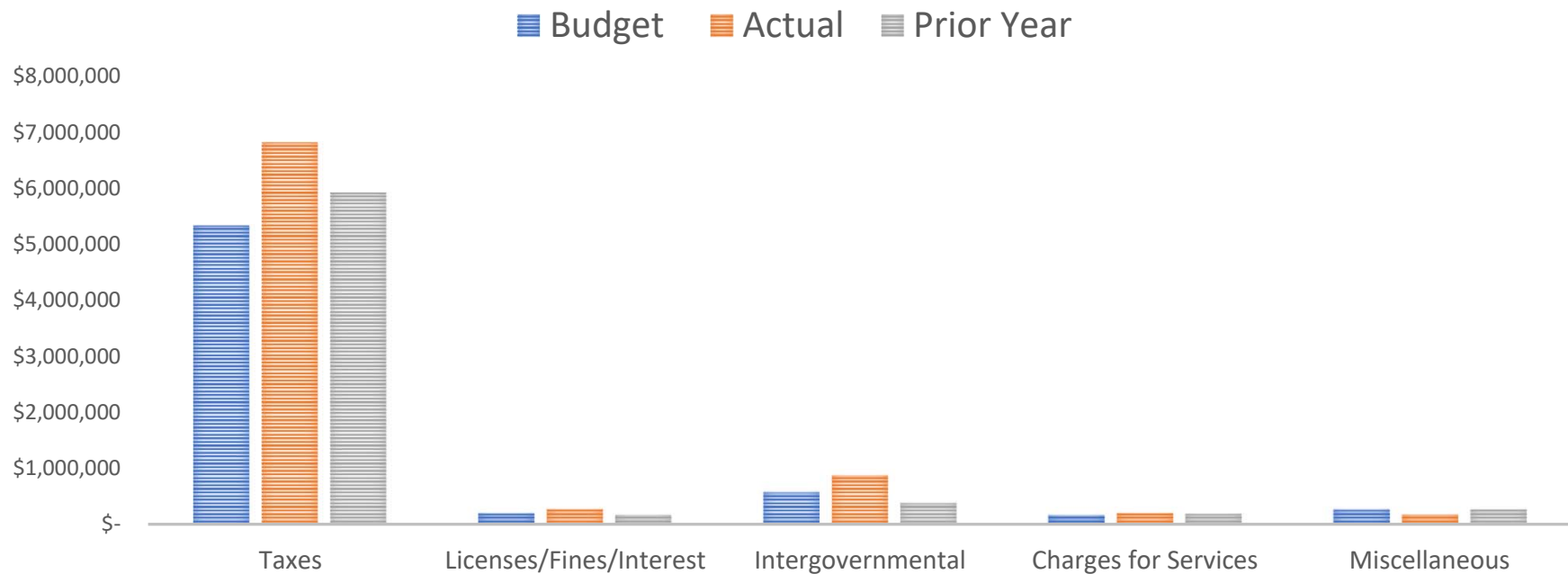
Change in Fund Balance

| Fund | Net Change in Fund Balance |
|--------------------------|----------------------------|
| General Fund | \$1,281,606 |
| Sanitary Sewer | \$221,821 |
| Capital Improvement | (\$8,882) |
| 2021 Capital Improvement | (\$97,772) |
| Other Funds* | \$316,958 |

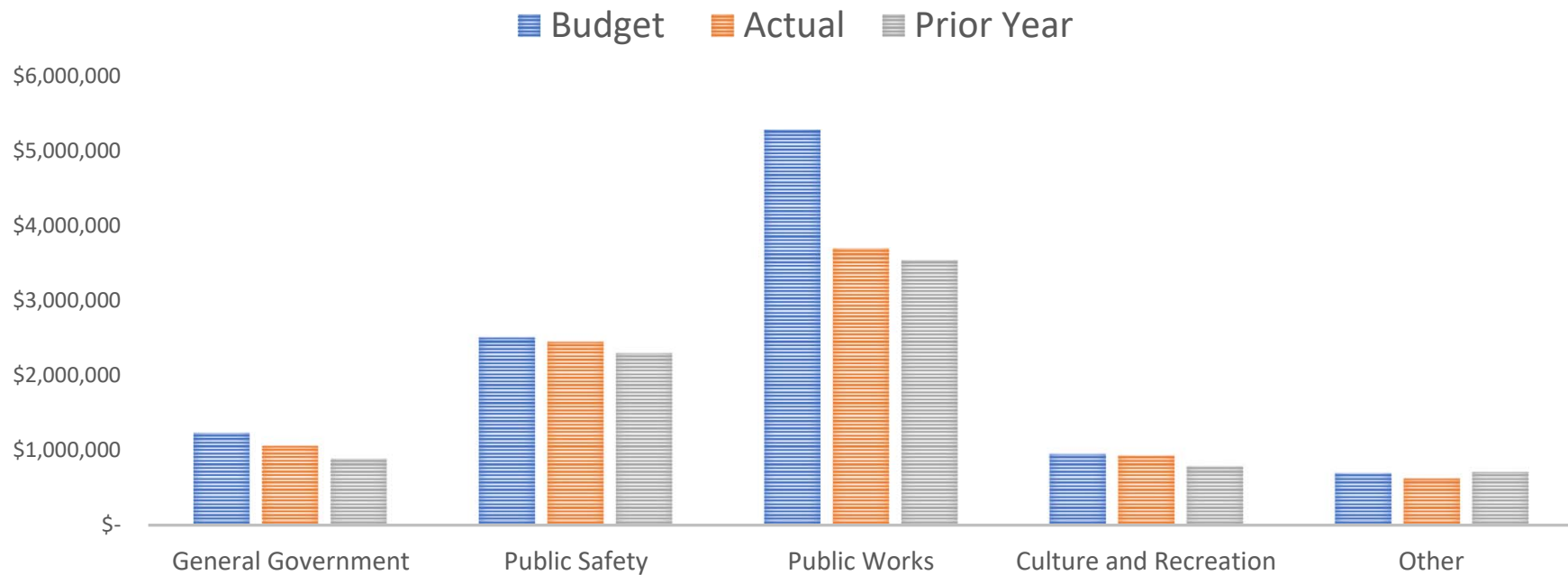
* Other Funds Include:

- Highway Aid
- Storm Sewer
- Drug Enforcement
- Fire Dept. Apparatus – *includes debt issuance*
- Public Works Dept. Equipment

General Fund Revenues: Budget vs. Actual – Budgetary Basis




General Fund Expenditures: Budget vs. Actual – Budgetary Basis



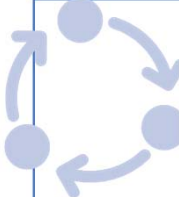


Future Considerations


Considerations/Changes for Next Year




Budget constraints



Internal control and procedural improvements



Cybersecurity risks



Pending accounting standards (IT Arrangements)

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