Work Session Agenda Summary

February 28, 2023

John Karner, Finance Director
Tammy Hitchens, Deputy Finance Director

Title:
Fiscal Year 2021 Financial Audit Update

Background:
Due to several challenges with the original configuration and implementation of the City's new ERP system in 2021, the City's first year of financial reporting data on the new ERP system required significant manual adjustments and corrections resulting in a delayed submission of the City's 2021 audit. The delayed filing has resulted in a temporary withholding of the State's grant from the Conservation Trust, as well as revenues collected on behalf of the City by Weld County which include property taxes and certain specialty revenues such as auto use tax and road/bridge funding. All funds on this temporary hold will be immediately released upon submission of the City's 2021 to the State.

The City's accounting team is in the final process of completing the 2021 audit. All documentation and information have been provided to the City's external auditor, Plante Moran, who is in its final review of the documentation. Plante Moran anticipates its review to be completed in the coming weeks, at which point the City will compile the final audit file for submission to the State. Based on discussions with the City's financial advisor, no impact on the City's credit rating is anticipated. The City has communicated this updated timeline to the rating agencies as well as any holders of City debt by posting an updated notice to the Electronic Municipal Market Access (EMMA) website. City staff has also been in communication with both the State and County notifying them that the 2021 audit will be submitted in coming weeks in anticipation of the temporary hold of funding be released next month.

City Council will be provided with an update on the 2021 audit status and also provide insight on the early planning and additional resource support being brought on to support the 2022 audit process.

Strategic Focus Area:

High-Performance Government

Attachments:
PowerPoint Presentation.