

From: [Phil Koen](#)
To: [Gitta Ungvari](#); [Wendy Wood](#)
Cc: [Laurel Prevetti](#)
Subject: FC - Agenda item #9
Date: Saturday, December 9, 2023 7:24:05 AM

[EXTERNAL SENDER]

Gitta,

Looks like significant progress on the MD&A. After reviewing the markup, there are a number of points perhaps you could consider (all references are to the ACFR page numbers):

1. Page 29 - please provide the detail that explains the \$18.3m year over year decline in capital grants and contributions
2. Page 31 - please add a sentence or two which would compare adjusted FY 23 vs adjusted FY 22 Total expenses as reported in the Statement of Activities removing the impact of the known one time events - \$6.9m fire safety grant in FY 22, pension expense for both years (FY 23 \$5.8m vs FY 22 \$3.3m), OPEB expense for both years (FY 23 \$1m vs FY 22 \$.5m), and \$1.2m BMP loan expense in FY 22. After these adjustments Adjusted Total Expense increased in FY 23. Let's make sure the reader understands the underlying trend. This can be done in a few sentences.
3. Page 35 - add total column
4. Page 37 - add total column
5. Page 38- please add the original adopted revenue budget to the graph and a Total column
6. Page 39 - please add the original adopted expenses budget to the graph and a Total Column.
7. Page 41 - please drop the reference to an out dated 5 Year Financial Forecast. We don't know the 5 year outlook until a new plan is adopted leveraging off FY 23 actual. The last 5 Year Forecast has FY 24 Property Tax revenues the same as FY 23 actual when we know a reasonable forecast is for 6.5% increase year over year.
8. Page 81 - Footnote 10 - please explain the rational for establishing an assigned ERAF fund reserve if there is no risk of future litigation as disclosed in Footnote 14? If this is a real liability, why isn't it recorded as a liability vs an assigned fund reserve?

Overall, very solid progress. Thank you for the effort.

Will the auditor attend the up coming meeting on Monday? It might be helpful just in case there are audited disclosure issues that might come up.

Thanks.

Phil