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UPPER DARBY TOWNSHIP

Financial Presentation

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September 21, 2022



PURPOSE OF THE PRESENTATION

- ❑ Comment on Special Solicitor's Report issued September 14, 2022
- ❑ Finance Update
 - ❑ New Hire – Diane Scutti
 - ❑ ERP Update
 - ❑ Audit update
- ❑ Moving Forward

ARPA/COMINGLING OF FUNDS

- ❑ Reports states Violation 3: Failure to Segregate ARPA Proceeds.
- ❑ There was/is NO REQUIREMENT from the United States Treasury to establish a separate fund or to put the funds in a separate bank account.
- ❑ FIFO analysis is not an accounting methodology for cash.
- ❑ Report states that there could have been violations if a different accounting method is used? What is the different accounting method?

PAYROLL ACCOUNT


- ❑ Purpose of a separate payroll account is for internal controls, fraud prevention, and to separate the payroll transactions from other business expenses.
- ❑ The funds in the Payroll account are from the General Fund.
- ❑ There is no restriction on using money in the payroll fund

HIGHWAY ACCOUNTS

WELLS FARGO 9427/SANTANDER 5202

- ❑ The entire section VI.C on page 19 of the Special Solicitor's Report is not correct.
- ❑ The accounts referenced DID NOT contain LFF from PADot.
- ❑ The funds in these accounts had no restrictions and were reimbursements from grants and from Aqua
- ❑ The LFF from PADot are deposited into TD Bank.

SNAPSHOT of the MS-965 REPORT

 <p>MS-965 (Rev 9/13)</p>	DEPOSITORIES CONTACT AND BONDING	MS-965 <u>2021</u> YEAR
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ACCOUNT NUMBER	DEPOSITORY NAME	YEAR END BALANCE
1. 36-0718043	TD Bank	\$1,328,834.59
2. 36-0718043	TD Bank	\$0.00
3.		

Overspending the 2021 Budget

- ❑ This statement is premature and has not been confirmed.
- ❑ The \$6M of lost revenue will be recognized in 2021; therefore there will be a surplus.
- ❑ The presentation states that “CAO Rongione had worked with Council to authorize budgetary changes in November 2021 to resolve overspending in several departments, but without authorization to increase overall spending.”
 - ❑ Most employees received 3% increases
 - ❑ There were no real estate tax increases
 - ❑ Still recovering from a pandemic
 - ❑ Purpose of the ARPA funds was to assist municipalities in recovering from the pandemic
- ❑ \$1.7M deficit on a \$90M budget is 1.9%.

FINANCE UPDATES

- ❑ Diane Scutti – Controller
 - ❑ Over 30 years experience in finance and accounting operations, previously serving as the Controller at Cabrini University.
 - ❑ Manages the day to day accounting and finance operations and helping with the ERP implementation.
 - ❑ Currently focused on internal training, documentation, updating policies and procedures and implementing efficiencies.

- ❑ ERP Implementation
 - ❑ On target for January 1st go live date
 - ❑ Enable greater transparency and reporting
 - ❑ Will improve internal controls

- ❑ Audit
 - ❑ We are continuing to work with Chris Herr to finalize the 2021 audit and hope to have it completed asap.
 - ❑ Audits will be more timely, especially when we are using the new ERP system.

- ❑ Budget
 - ❑ We are working on finalizing the 2023 budget so the Mayor can give her budget address.
 - ❑ The 2023 budget will not have a deficit in the General Fund that is funded by the Sewer Fund as it did in 2021 and 2022.

Moving Forward

- ▶ Continue to work with the ERP Implementation team to ensure the January 1, 2023 live date is accomplished.
- ▶ Work with Council and the Administration to approve a realistic and accurate budget.
- ▶ Work with Council and the Administration to approve a Budget Amendment for 2022 based on changes that occurred during the year.
- ▶ Work with Council and the Administration to approve the lost revenue and the use of the ARPA funds outlined in the previous presentation.

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