

CITY OF ADAK, ALASKA

RESOLUTION NO. 15-2015-008

A RESOLUTION CERTIFYING THE CONSOLIDATED FINANCIAL STATEMENT OF ACTIVITIES AND BALANCE SHEET FOR THE FISCAL YEAR ENDING JUNE 30, 2015.

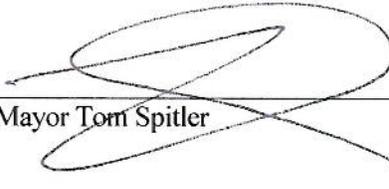
WHEREAS, the City of Adak, Alaska is a recognized second class city; and

WHEREAS, the State of Alaska Department of Commerce, Community and Economic Development provides funding for second class cities under the State Revenue Sharing Program; and

WHEREAS, second class cities, as a condition of eligibility for the State Revenue Sharing Program, are required by statute to submit a Certified Financial Statement of income and expenditures for the year ending June 30, 2015, to the Department of Commerce, Community and Economic Development; and

NOW THEREFORE BE IT RESOLVED the City Council by this resolution affirms the attached Consolidated Financial Statement of Activities and Balance Sheet for the fiscal year ending June 30, 2015, and prepared by Layton J. Lockett, City Manager, are true and complete to the best of our knowledge.

PASSED AND APPROVED by a duly constituted quorum of the City Council this 29th day of June, 2016.



Mayor Tom Spittler



ATTEST:



Debra Sharrah, City Clerk

City of Adak, Alaska
Consolidated Statement of Activities
July 2014 through June 2015

	Jul '14 - Jun 15	Annual Budget	\$ Over Budget	% of Budget
Fund 100 - General Fund Revenues				
Operating Revenues				
Local Revenues				
Taxes				
Sales	\$ 348,145.21	\$ 324,000.00	\$ 24,145.21	107.45%
Fish Resource	65,349.37	115,500.00	(50,150.63)	56.58%
Lodging	8,284.80	6,000.00	2,284.80	138.08%
Penalties & Fines	9,866.94	2,000.00	7,866.94	493.35%
Total Taxes	431,646.32	447,500.00	(15,853.68)	96.46%
Licensing	1,400.00	1,500.00	(100.00)	93.33%
Leases				
Facilities				
City Hall	147,089.00	189,756.00	(42,667.00)	77.52%
Airport Terminal	20,700.00	28,200.00	(7,500.00)	73.40%
Power Plant 3	12,000.00	12,000.00	-	100.00%
Total Facilities	179,789.00	229,956.00	(50,167.00)	78.18%
Utility Reimbursements	15,000.00	7,500.00	7,500.00	200.00%
Real Property	2,120.00	1,000.00	1,120.00	212.00%
Total Leases	196,909.00	238,456.00	(41,547.00)	82.58%
Usage				
Equipment Rentals	5,162.50	10,000.00	(4,837.50)	51.63%
Small Boat Harbor Moorage	1,114.50	1,800.00	(685.50)	61.92%
Contracted Services	1,327.75	9,000.00	(7,672.25)	14.75%
ATM Surcharge Fees, Net	2,574.66	3,360.00	(785.34)	76.63%
Total Usage	10,179.41	24,160.00	(13,980.59)	42.13%
Total Local Revenues	640,134.73	711,616.00	(71,481.27)	89.96%
State Revenues				
Fisheries Taxes				
DOR Shared Fishery Business	122,489.34	130,000.00	(7,510.66)	94.22%
DOR Shared Fishery Landing	54,659.60	60,000.00	(5,340.40)	91.10%
DCRA Regional Fishery Business	108,404.75	135,000.00	(26,595.25)	80.30%
DCRA Regional Fishery Landing	40,443.14	110,000.00	(69,556.86)	36.77%
Total Fisheries Taxes	325,996.83	435,000.00	(109,003.17)	74.94%
General Aid				
Community Revenue Sharing	109,666.00	109,309.00	357.00	100.33%
Alcohol Permitting Fees	2,100.00	2,500.00	(400.00)	84.00%
Total General Aid	111,766.00	111,809.00	(43.00)	99.96%
Contract Services	469.82	32,280.00	(31,810.18)	1.46%
Total State Revenues	438,232.65	579,089.00	(140,856.35)	75.68%
Federal Revenues				
Payment in Lieu of Taxes	49,031.00	49,031.00	-	100.00%
Administration & Indirect Cost Revenue	69,904.00	-	69,904.00	100.00%
Total Federal Revenues	118,935.00	49,031.00	69,904.00	242.57%
Public Support	3,183.00	6,300.00	(3,117.00)	50.52%
Investments	70,242.00	12,000.00	58,242.00	585.35%
Refund Previous FY Expenditures	39,770.00	-	39,770.00	100.00%
Total Operating Revenue	\$ 1,310,497.38	\$ 1,358,036.00	\$ (47,538.62)	96.50%
Operating Expenditures				
Administration/Finance Department				
Salaries	\$ 74,004.28	\$ 81,929.00	\$ (7,924.72)	90.33%
Fringe	9,528.28	9,436.00	92.28	100.98%
Insurance	11,371.78	14,190.00	(2,818.22)	80.14%
Office Expense	12,639.62	16,904.00	(4,264.38)	74.77%
Equipment	3,350.20	2,400.00	950.20	139.59%
Fees	3,819.61	3,025.00	794.61	126.27%
Travel, Meetings, Training	7,704.36	12,600.00	(4,895.64)	61.15%
Professional Services	52,182.55	52,800.00	(617.45)	98.83%
Bad Debt/Uncollectable Revenue	3,437.20	-	3,437.20	100.00%
Total Administration/Finance Department	178,037.88	193,284.00	(15,246.12)	92.11%

City of Adak, Alaska
Consolidated Statement of Activities
July 2014 through June 2015

	Jul '14 - Jun 15	Annual Budget	\$ Over Budget	% of Budget
Clerk Department				
Salaries	49,327.05	50,540.00	(1,212.95)	97.60%
Fringe	7,265.02	6,928.00	337.02	104.87%
Insurance	285.07	288.00	(2.93)	98.98%
Office Expense	8,390.32	8,639.00	(248.68)	97.12%
Travel, Meetings, Training	-	-	-	0.00%
Professional Services	532.88	600.00	(67.12)	88.81%
Total Clerk Department	65,800.34	66,995.00	(1,194.66)	98.22%
City Council				
Insurance	-	202.00	(202.00)	0.00%
Office Expense	8,521.66	9,119.00	(597.34)	93.45%
Travel, Meetings, Training	2,284.70	2,000.00	284.70	114.24%
Council Directed	96,186.48	134,924.00	(38,737.52)	71.29%
Council Contingency	2,946.52	20,000.00	(17,053.48)	14.73%
Total City Council	109,939.36	166,245.00	(56,305.64)	66.13%
Public Safety Department				
Salaries	61,126.36	60,638.00	488.36	100.81%
Fringe	12,908.94	11,728.00	1,180.94	110.07%
Insurance	13,054.31	14,031.00	(976.69)	93.04%
Office Expense	8,864.35	8,959.00	(94.65)	98.94%
Equipment	-	480.00	(480.00)	0.00%
Travel, Meetings, Training	2,132.20	3,500.00	(1,367.80)	60.92%
911 Emergency Services	1,452.35	1,500.00	(47.65)	96.82%
EMS Department	483.61	2,779.00	(2,295.39)	17.40%
Fire Department	1,346.60	2,932.00	(1,585.40)	45.93%
Police Department	3,477.06	6,600.00	(3,122.94)	52.68%
Total Public Safety Department	104,845.78	113,147.00	(8,301.22)	92.66%
Public Works Department				
Salaries	93,322.79	124,242.00	(30,919.21)	75.11%
Fringe	16,595.33	20,784.00	(4,188.67)	79.85%
Insurance	10,268.59	16,009.00	(5,740.41)	64.14%
Office Expense	9,106.87	8,169.00	937.87	111.48%
Equipment	12,893.26	27,000.00	(14,106.74)	47.75%
Supplies	13,631.10	18,000.00	(4,368.90)	75.73%
Professional Services	16,730.00	-	16,730.00	100.00%
Total Public Works Department	172,547.94	214,204.00	(41,656.06)	80.55%
Municipal Facilities				
City Hall (Bob Reeves High School)	138,667.71	211,187.00	(72,519.29)	65.66%
Pat Kelly Airport Terminal	54,847.23	71,342.00	(16,494.77)	76.88%
City Shop	43,192.91	49,800.00	(6,607.09)	86.73%
Emergency Management Services Building	3,947.98	4,320.00	(372.02)	91.39%
Municipal Housing Units	448.35	6,000.00	(5,551.65)	7.47%
Municipal Small Boat Harbor	166.68	35,000.00	(34,833.32)	0.48%
Tsunami Shelter (Bering Hill Chapel)	125.00	1,200.00	(1,075.00)	10.42%
Total Municipal Facilities	241,395.86	378,849.00	(137,453.14)	63.72%
General Fund Appropriations				
Capital Projects Fund	-	17,000.00	(17,000.00)	0.00%
Debt Service Fund	92,075.00	112,750.00	(20,675.00)	81.66%
Reserves Fund	298,394.58	88,362.00	210,032.58	337.70%
Total General Fund Appropriations	390,469.58	218,112.00	172,357.58	179.02%
Community Events	6,604.24	7,200.00	(595.76)	91.73%
Total Operating Expenditures	\$ 1,269,640.98	\$ 1,358,036.00	\$ (88,395.02)	93.49%
Net General Fund Surplus/(Deficit)	\$ 40,856.40	\$ -	\$ 40,856.40	100.00%
Fund 200 - Capital Projects Fund				
Fund Revenues				
Appropriations, General Fund	\$ 17,000.00	\$ 17,000.00	\$ -	100.00%
Intra-Govt Transfer, Grants Fund	-	30,000.00	(30,000.00)	0.00%
Total Fund Revenues	\$ 17,000.00	\$ 47,000.00	\$ (30,000.00)	36.17%

Consolidated Statement of Activities
July 2014 through June 2015

	<u>Jul '14 - Jun 15</u>	<u>Annual Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Fund Expenditures				
Grant Project: LED Ext Lighting/Streetlights	-	30,000.00	(30,000.00)	0.00%
Roads: Safety & Street Signage	-	6,000.00	(6,000.00)	0.00%
Facilities: Signage	-	6,000.00	(6,000.00)	0.00%
EMS/Public Works: Marine VHF Radios	-	2,400.00	(2,400.00)	0.00%
Miscellaneous Capital Equipment	-	2,600.00	(2,600.00)	0.00%
Return of Appropriations, General Fund	17,000.00	-	17,000.00	100.00%
Total Fund Expenditures	\$ 17,000.00	\$ 47,000.00	\$ (30,000.00)	36.17%
Net Capital Projects Fund Surplus/(Deficit)	\$ -	\$ -	\$ -	0.00%
Fund 300 - Debt Service Fund				
Fund Revenues				
Appropriations, General Fund	\$ 92,075.00	\$ 112,750.00	\$ (20,675.00)	81.66%
Debt Issued	825,000.00	-	825,000.00	100.00%
Debt Issuance Premium/(Discount)	125,985.55	-	125,985.55	100.00%
Total Fund Revenues	\$ 1,043,060.55	\$ 112,750.00	\$ 930,310.55	925.11%
Fund Expenditures				
Bonded Debt Service, Principal	-	-	-	0.00%
Bonded Debt Service, Interest	36,687.39	42,750.00	(6,062.61)	85.82%
Bonded Debt Service, Retirement	980,000.00	70,000.00	910,000.00	1,400.00%
Bonded Debt Issuance Costs, Inclusive	19,364.30	-	19,364.30	100.00%
Total Fund Expenditures	\$ 1,036,051.69	\$ 112,750.00	\$ 923,301.69	918.89%
Net Debt Service Fund Surplus/(Deficit)	\$ 7,008.86	\$ -	\$ 7,008.86	100.00%
Fund 400 - Grants/Restricted Fund				
Fund Revenues				
Appropriations				
General Fund Directed Appropriations	\$ -	\$ -	\$ -	0.00%
General Fund Non-Directed Appropnts	537.88	-	537.88	100.00%
Fund Carry-Forward/Prev FY				
State DLG: LED Ext Lighting/Streetlights	-	30,000.00	(30,000.00)	0.00%
Federal: Denali Comssn: MSBH Dredging	124,411.34	256,422.77	(132,011.43)	48.52%
Federal: EDA: Hydropower Feas Study	82,923.30	-	82,923.30	100.00%
Total Fund Revenues	\$ 207,872.52	\$ 286,422.77	\$ (78,550.25)	72.58%
Fund Expenditures				
Appropriations				
Intra-Govt Transfer, Capital Projects Fund	-	30,000.00	(30,000.00)	0.00%
Direct Expenditures				
Federal: Denali Comssn: MSBH Dredging	120,058.34	256,422.77	(136,364.43)	46.82%
Federal: EDA: Hydropower Feas Study	8,475.03	-	8,475.03	100.00%
Total Fund Expenditures	\$ 128,533.37	\$ 286,422.77	\$ (157,889.40)	44.88%
Net Grants/Restricted Fund Surplus/(Deficit)	\$ 79,339.15	\$ -	\$ 79,339.15	100.00%
Fund 500 - Municipal Utility/Enterprise Fund				
Solid Waste Utility (501)				
Operating Revenues				
Residential	\$ 19,245.00	\$ 17,100.00	\$ 2,145.00	112.54%
Commercial	3,515.00	6,720.00	(3,205.00)	52.31%
Total Operating Revenues	\$ 22,760.00	\$ 23,820.00	\$ (1,060.00)	95.55%
Operating Expenditures				
Maintenance	651.87	1,000.00	(348.13)	65.19%
Personnel Allocation	12,264.35	16,251.00	(3,986.65)	75.47%
Workers Compensation Insurance	2,189.29	-	2,189.29	100.00%
Equipment, Fuel	2,316.72	2,400.00	(83.28)	96.53%
Equipment, Maintenance	-	1,000.00	(1,000.00)	0.00%
Permitting, Licensing	150.00	600.00	(450.00)	25.00%
Utilities, Internet	897.85	1,212.00	(314.15)	74.08%

City of Adak, Alaska
Consolidated Statement of Activities
July 2014 through June 2015

	Jul '14 - Jun 15	Annual Budget	\$ Over Budget	% of Budget
Total Operating Expenditures	18,470.08	22,463.00	(3,992.92)	82.22%
Intra-Government Transfer, Out				
Solid Waste R&R Reserve Fund	4,289.92	1,357.00	2,932.92	316.13%
Water/Sewer Utility	-	-	-	0.00%
Budgetary Reserve Fund	-	-	-	0.00%
Total Intra-Government Transfer, Out	\$ 4,289.92	\$ 1,357.00	\$ 2,932.92	316.13%
Net Solid Waste Utility Income	\$ -	\$ -	\$ -	0.00%
Water/Sewer Utility (502)				
Operating Revenues				
Water, Residential	\$ 26,670.00	\$ 30,000.00	\$ (3,330.00)	88.90%
Water, Commercial	5,070.00	5,040.00	30.00	100.60%
Water, Industrial	-	46,284.00	(46,284.00)	0.00%
Sewer, Residential	19,245.00	18,000.00	1,245.00	106.92%
Sewer, Commercial	10,070.00	10,220.00	(150.00)	98.53%
Sewer, Industrial	-	3,600.00	1,245.00	106.92%
Customer Services	23,366.75	16,680.00	6,686.75	140.09%
Total Operating Revenues	84,421.75	129,824.00	(45,402.25)	65.03%
Intra-Government Transfer, In				
Solid Waste Utility	-	-	-	0.00%
General Fund	-	-	-	0.00%
Budgetary Reserve Fund	-	-	-	0.00%
Total Intra-Government Transfer, In	-	-	-	0.00%
Total Utility Revenues	\$ 84,421.75	\$ 129,824.00	\$ (45,402.25)	65.03%
Operating Expenditures				
Personnel Allocation	24,565.44	24,133.00	432.44	101.79%
Workers Compensation Insurance	449.31	1,105.00	(655.69)	40.66%
Electricity	19,433.61	25,560.00	(6,126.39)	76.03%
Fuel	577.75	1,200.00	(622.25)	48.15%
Maintenance/Repair	4,711.52	6,000.00	(1,288.48)	78.53%
Certifications	298.00	230.00	68.00	129.57%
Lab Testing/Analysis	4,974.94	16,800.00	(11,825.06)	29.61%
Chemical Treatment	5,794.42	14,400.00	(8,605.58)	40.24%
Office Expense	11,029.89	15,929.00	(4,899.11)	69.24%
Total Operating Expenditures	71,834.88	105,357.00	(33,522.12)	68.18%
Intra-Government Transfer, Out				
W/S Bad Debt Reserve Fund	3,600.00	3,600.00	-	100.00%
W/S R&R Reserve Fund	8,986.87	12,000.00	(3,013.13)	74.89%
Total Intra-Government Transfer, Out	\$ 12,586.87	\$ 15,600.00	\$ (3,013.13)	80.69%
Total Utility Expenditures	\$ 84,421.75	\$ 120,957.00	\$ (36,535.25)	69.80%
Net Water/Sewer Utility Income	\$ -	\$ 8,867.00	\$ (8,867.00)	0.00%
Net Municipal Utility/Enterprise Fund Surplus/(Deficit)	-	8,867.00	(8,867.00)	0.00%
Fund 900 - Municipal Reserves				
Budgetary Reserve Fund				
Beginning Balance	\$ 886,948.28	\$ 600,000.00	\$ 286,948.28	147.83%
General Fund Contribution/(Draw)	298,391.55	88,362.00	210,029.55	337.69%
Fund Contributions	-	12,000.00	(12,000.00)	0.00%
Transfer to Permanent Fund	(50,000.00)	(50,000.00)	-	100.00%
Ending Balance	\$ 1,135,339.83	\$ 650,362.00	\$ 484,977.83	174.57%
Undesignated Permanent Fund				
Beginning Balance	\$ 5.69	\$ -	\$ 5.69	100.00%
General Fund Contribution	3.03	-	3.03	100.00%
Budgetary Reserve Fund Contribution	50,000.00	50,000.00	-	100.00%
Ending Fund Balance	\$ 50,008.72	\$ 50,000.00	\$ 8.72	100.02%

City of Adak, Alaska
Consolidated Statement of Activities
July 2014 through June 2015

	<u>Jul '14 - Jun 15</u>	<u>Annual Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Solid Waste, Renewal & Replacement Fund				
Beginning Balance	\$ 20,000.00	\$ 20,000.00	\$ -	100.00%
Fund Contribution	4,289.92	1,357.00	2,932.92	316.13%
Fund Draws	-	-	-	0.00%
Ending Fund Balance	<u>\$ 24,289.92</u>	<u>\$ 21,357.00</u>	<u>\$ 2,932.92</u>	<u>113.73%</u>
Water/Sewer, Renewal & Replacement Fund				
Beginning Balance	\$ 57,271.43	\$ 42,271.00	\$ 15,000.43	135.49%
Fund Contribution	8,986.87	12,000.00	(3,013.13)	74.89%
Fund Draws	-	-	-	0.00%
Ending Fund Balance	<u>\$ 66,258.30</u>	<u>\$ 54,271.00</u>	<u>\$ 11,987.30</u>	<u>122.09%</u>

City of Adak, Alaska
Balance Sheet
As of June 30, 2015

Funds 100-900

	<u>Jun 30, 15</u>	<u>Jun 30, 14</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	831,500.15	1,092,986.42	-261,486.27	-23.9%
Accounts Receivable, General	93,638.13	43,048.05	50,590.08	117.5%
Utility Accounts Receivable (1)	17,073.08	0.00	17,073.08	100.0%
Other Current Assets				
Undeposited Funds	0.00	185.29	-185.29	-100.0%
Cash Equivalents/Trust Accounts	550,076.24	43.66	550,032.58	1,259,808.9%
Employee Advances	2,912.14	4,912.14	-2,000.00	-40.7%
Prepaid Expenses	17,614.14	21,829.51	-4,215.37	-19.3%
Total Other Current Assets	<u>570,602.52</u>	<u>26,970.60</u>	<u>543,631.92</u>	<u>2,015.6%</u>
Total Current Assets	<u>1,512,813.88</u>	<u>1,163,005.07</u>	<u>349,808.81</u>	<u>30.1%</u>
Fixed Assets				
Furniture and Equipment	65,778.16	63,058.66	2,719.50	4.31%
Buildings - Operating (2)	11,137.00	11,137.00	0.00	0.0%
Facility Construction	1,159.35	1,159.35	0.00	0.0%
Leasehold Improvements	16,775.88	16,775.88	0.00	0.0%
Vehicles	365,864.69	365,864.69	0.00	0.0%
Accumulated Depreciation (3)	0.00	0.00	0.00	0.0%
Total Fixed Assets	<u>460,715.08</u>	<u>457,995.58</u>	<u>2,719.50</u>	<u>0.59%</u>
Other Assets				
Notes Receivable	1,457,016.46	1,456,870.69	145.77	0.0%
Security Deposits Asset	15,325.00	12,525.00	2,800.00	22.4%
Total Other Assets	<u>1,472,341.46</u>	<u>1,469,395.69</u>	<u>2,945.77</u>	<u>0.2%</u>
TOTAL ASSETS	<u><u>3,445,870.42</u></u>	<u><u>3,090,396.34</u></u>	<u><u>355,474.08</u></u>	<u><u>11.5%</u></u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	3,769.61	100,679.15	-96,909.54	-96.3%
Credit Cards	-3,563.41	508.87	-4,072.28	-800.3%
Payroll Liabilities	1,227.31	1,366.85	-139.54	-10.2%
Total Other Current Liabilities (4)	0.00	0.00	0.00	0.0%
Total Current Liabilities	<u>1,433.51</u>	<u>102,554.87</u>	<u>-101,121.36</u>	<u>-98.6%</u>
Long Term Liabilities				
Other Liabilities	0.00	0.00	0.00	0.0%
Bonds Payable	825,000.00	980,000.00	-155,000.00	-15.8%
Total Long Term Liabilities	<u>825,000.00</u>	<u>980,000.00</u>	<u>-155,000.00</u>	<u>-15.8%</u>
Total Liabilities	<u>826,433.51</u>	<u>1,082,554.87</u>	<u>-256,121.36</u>	<u>-23.7%</u>
Net Assets				
Unrestricted Net Assets (5)	-735,116.31	-735,116.31	0.00	0.0%
Net Change in Unrestricted Net Assets	3,354,553.22	2,742,957.78	611,595.44	22.3%
Total Net Assets	<u>2,619,436.91</u>	<u>2,007,841.47</u>	<u>611,595.44</u>	<u>30.5%</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>3,445,870.42</u></u>	<u><u>3,090,396.34</u></u>	<u><u>355,474.08</u></u>	<u><u>11.5%</u></u>

City of Adak, Alaska
Balance Sheet
As of June 30, 2015

Funds 100-900

Jun 30, 15	Jun 30, 14	\$ Change	% Change
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Notes to Financial Statements

- (1) In FY 2015 a new billing system for the Water, Sewer and Garbage utility was implemented. As such the amounts due the municipal utility are classified in a separate Accounts Receivable group, net of amounts reserved by the utility for uncollectable revenues.

- (2) Most buildings and property of the municipality are not recorded on the books of the city as they were acquired without a known and measurable value. Most property was acquired as part of the closure of the Naval Air Facility Adak Military Base in 2004. Property acquired after the property transfer is recorded at cost. The City owns the following property that has substantial replacement costs or other significant value, but not recorded on the books: City Hall (Bob Reeves High School), Pat Kelly Airport Terminal, Power Plant 3, Substation 1-3, Pressure Reducing Valve Station 1 & 2, Sewage Lift Stations 1-13, Sewer Treatment Plant, Playgrounds, Roads, Lake Andrew Recreation Cabin, Lake Bonnie Rose Dam, Lake DeMarie Dam, North Lake Dam, Mitt Lake Gun Range, Water Storage Tanks A, B, C, D and associated piping, Former Laundry Facility, New Bering Hill Chapel, EMS Building, Baseball Diamond, Municipal Small Boat Harbor, Former GE Maintenance Facility (also known as Old City Shop or Substation/Power Plant 4).

- (3) Accumulated depreciation has not been recorded in the books of the city since the incorporation of the city government (c. 2001).

- (4) The City does not account for accrued vacation or medical leave as a liability as accrued. Only vacation leave is payable to an employee upon termination. Leave is expensed in the fiscal year used at current rate of pay, allocated to the applicable department salary budget line item.

- (5) This amount is a carry-forward amount from the previous financial books, prior to 2011. Due to irregular accounting starting from 2006-2008 the financial records and books must be corrected from material errors. This is a multi-year effort in order to allow for a complete financial audit as required by municipal code as well as to provide Single State Audits as required per OMB Circular A-133.