

February 21, 2023

To: Members of the Budget and Finance Committee 202300668
From: Sheryl M.M. Long, City Manager
Subject: City of Cincinnati Fiscal Year 2022 Audit Overview/Results

On January 31, 2023, the Ohio Auditor of State released the City of Cincinnati's fiscal year 2022 financial audit, single audit report, and the Auditor's management letter. These documents are attached. The single audit report is presented in the first 23 pages of the file, and the financial audit begins on page 24.

The Ohio Auditor of State has issued an unmodified opinion regarding the financial statements that they "present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America."

During the process of the audit a finding related to how Leases Receivable, Deferred Inflow of Resources, Revenue Bonds Payable and Deferred Outflow of Resources were recorded was noted by the Auditor. In response, the Finance Department revised the financial statements to correct the entries in question. Finance is also adding additional instructions and notes to the supporting documentation and will investigate additional procedures to prevent the occurrence of this error in the future.

The Auditor's Management Letter includes comments regarding the City's compliance with applicable laws, regulations, grant agreements, contract provisions, and internal control. These comments represent matters for which the auditors believe improvements in compliance, internal controls, or operational efficiencies might be achieved. The Finance Department has coordinated with the impacted departments to provide responses to the Management Letter comments, which can be found in blue type on the City's Response to the Management Letter. The Finance Department will also work with these departments to revise procedures and/or make corrections as necessary.

I want to thank the staff in the Finance Department for their diligent work to provide timely financial statements and their efforts to coordinate the audit process with the State Auditor's Office. The Administration remains committed to providing financial statements that accurately reflect the financial position of the City.

Attachments

c: Karen Alder, Finance Director
William "Billy" Weber, Assistant City Manager