

City of Richmond files annual finance report 11 months late

BY K. BURNELL EVANS Richmond Times-Dispatch | Posted: Thursday, November 3, 2016 10:45 pm

The administration of Mayor Dwight C. Jones on Thursday announced the filing — 11 months late — of a mandatory annual financial report to the state wielded in recent years by his detractors as a reoccurring symbol of municipal dysfunction.

The audited, technical snapshot of Richmond finances was due to the state Auditor of Public Accounts last November; the report was submitted Oct. 31, according to a release.

A few forms needed to technically finalize the city's obligations have yet to be submitted, according to Rachel Reamy, the local government audit manager for the state auditor. Among them are an internal control and compliance report and a single audit of the city's use of federal funds.

“They informed me that those are soon forthcoming once they have received (them) from their auditors,” Reamy said in an email.

This year's delay exceeds last year's by three weeks, and marks the third consecutive year in which officials have said employee turnover and challenges migrating financial systems snarled the process.

As of September the company working on the 2015 report had not yet said whether they would again partner with the city to prepare 2016's, which is due to the state Nov. 30.

All localities must submit a Comprehensive Annual Financial Report annually. As of last month, Richmond and the city of Hopewell were the last localities with reports overdue.

Jones in a statement expressed confidence in city finance workers brought in to replace the initial turnaround team of a half-dozen workers brought in to improve operations in 2014.

“I am more confident than ever in the personnel that we have assembled for our financial operations,” Jones stated. “Now that we have closed this chapter on FY15 with a clean opinion, we will be moving forward aggressively to have the FY16 CAFR completed as quickly as possible and to set future CAFR's on track for consistent timely reporting.”

City officials last month told members of the city council that the 2015 report was delayed in part because of an illness at the outside auditing firm hired to scrutinize the city's books.



Richmond City Hall

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The 2015 report has been uploaded to the city's website. Its cover page is anchored by photos of the city skyline, Huguenot High School, cyclists and a smiling Jones.

In a release he touted a \$4.6 million increase in the city's unassigned fund balance as proof Richmond is moving in the right direction.

The city's bond health as graded by Moody's, Standards and Poor's and Fitch held steady at Aa2, AA+ and AA+, respectively, which are regarded as stable ratings.

Grant Thornton LLP audited Richmond's financials for the 2015 report after the city's previous contractor, Cherry Bekaert, declined the work in March 2015, citing a high-risk, dysfunction working environment that had "continually gotten worse every year."

Council members have complained openly about having to conduct budget deliberations without having access to audited financial statements.

It is likely to be the last comprehensive annual financial report filed during Jones' tenure, as voters head to the polls next week to elect his replacement.