Office of the Mayor

ARTHUR G. PAPPAS

August 8, 2020

NYS Comptroller Audit Response

NORTH TONAWANDA- This is our statement from the Mayor and North Tonawanda City Council in response to the recent NYS Comptroller's audit:

1. The audit contains many suggestions which have and will be implemented.
2. NT has paid its bills and made all payrolls.
3. NT has seen unprecedented growth of business in the past decade by holding the line on taxes while maintaining services including police and fire.
4. Home values in NT have increased tremendously (20-50%) in the past five years in all areas of the city.
5. Auditors issue with moving funds between accounts was done to avoid incurring interest on short term tax anticipation loans.
6. The city has made proactive steps to balance the budget without raising taxes by restructuring leases on cell towers, etc.
7. The city has reduced the fund balance as opposed to raising taxes, while it cannot go on indefinitely, it has kept taxes from going up for many years.
8. NT has not raised water and sewer rates for 10 years.
9. As noted by the auditors, the accountant position was vacant during their field work, making it difficult for them to obtain accurate information.
10. Also noted in the auditor's report "The Mayor, Treasurer and Council Members were not fully aware of the City's deteriorating financial condition or it's significant cash flow issues," all due to a vacant accountant position.
11. Also noted in the auditor's report "The Mayor and Council did not receive monthly financial reports, which hindered their ability to actively monitor the City's financial position. Without guidance and timely monitoring, the Mayor and Council could not effectively manage the City's financial condition."

We acknowledge that throughout the years covered in the audit there were various budgetary practices that need to be improved and that we currently are, and will continue to take the appropriate actions which will address the specific recommendations noted in the report.

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