

# Village of Scarsdale, New York Audit Presentation

**KNOW  
GREATER  
VALUE**

H. Chris Kopf, Partner  
Lawrence Feldman, Sr. Manager  
September 13, 2018





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- **Management & Those Charged With Governance Responsibility**
  - Selecting and implementing appropriate account policies
  - Fairly presenting the financial statements in accordance with U.S. GAAP
  - Establishing and maintaining effective internal control over financial reporting
  - Compliance with laws, regulations and provisions of contracts and agreements
  - Providing all financial records and related information to the auditors
  - Setting proper tone at the top



# Overview & Required Communications (Cont'd)

- **Timeline**

- Prelims (June 13<sup>th</sup> – 15<sup>th</sup>, 2018)
- Fieldwork (July 2<sup>nd</sup> - 13<sup>th</sup>, 2018)
- Completed (September 4<sup>th</sup>, 2018)

- **Our Responsibility**

- Deliverables

- Independent Auditor's Report
- Justice Court Audit
- Required Communications to TCWG
- Management Letter

- Communicate any fraud or illegal acts that are noted during the audit
- We encountered no significant difficulties in the conduct of our audit
- Uncorrected and corrected misstatements-no uncorrected differences
- No disagreements with management

# 2018 General Fund Revenues & Expenditures Compared to Budget

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>        | <u>Variance With<br/>Final Budget</u> |
|---|----------------------------|-------------------------|----------------------|---------------------------------------|
| Revenues                                | \$ 55,199,806              | \$ 55,199,806           | \$ 55,689,946        | \$ 490,140                            |
| Expenditures                            | <u>51,720,755</u>          | <u>51,720,755</u>       | <u>49,216,386</u>    | <u>2,504,369</u>                      |
| Excess of Revenues<br>Over Expenditures | <u>3,479,051</u>           | <u>3,479,051</u>        | <u>6,473,560</u>     | <u>2,994,509</u>                      |
| Other Financing Sources(Uses)           | <u>(5,074,325)</u>         | <u>(6,725,287)</u>      | <u>(5,196,085)</u>   | <u>1,529,202</u>                      |
| Net Change in Fund Balance              | (1,595,274)                | (3,246,236)             | 1,277,475            | <u>\$ 4,523,711</u>                   |
| Fund Balance - Beginning                | <u>1,595,274</u>           | <u>3,246,236</u>        | <u>15,054,719</u>    |                                       |
| Fund Balance - Ending                   | <u>\$ -</u>                | <u>\$ -</u>             | <u>\$ 16,332,194</u> |                                       |

# Major General Fund Revenues

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>        | <u>Variance With<br/>Final Budget</u> | <u>2017</u>          |
|--|----------------------------|-------------------------|----------------------|---------------------------------------|----------------------|
| Property Tax   | \$ 39,297,482              | \$ 39,297,482           | \$ 39,146,629        | \$ (150,853)                          | \$ 38,438,962        |
| Other tax items  | 733,413                    | 733,413                 | 290,893              | (442,520)                             | 258,802              |
| Non-property tax distribution from County                  | 2,500,000                  | 2,500,000               | 2,646,315            | 146,315                               | 2,572,487            |
| Parking fees   | 2,334,418                  | 2,334,418               | 2,388,720            | 54,302                                | 2,326,505            |
| Parks and recreation fees                                  | 2,080,371                  | 2,080,371               | 1,705,769            | (374,602)                             | 1,865,143            |
| Interfund revenues   | 530,630                    | 530,630                 | 530,630              | -                                     | 530,630              |
| Rental income  | 738,386                    | 738,386                 | 761,629              | 23,243                                | 718,999              |
| Building permits   | 1,550,000                  | 1,550,000               | 1,532,294            | (17,706)                              | 1,602,983            |
| Mortgage tax   | 1,800,000                  | 1,800,000               | 1,006,352            | (793,648)                             | 955,709              |
| Transfers in - Town Fund                                   | -                          | -                       | 1,435,437            | 1,435,437                             | 1,459,468            |
|  | <u>51,564,700</u>          | <u>51,564,700</u>       | <u>51,444,668</u>    | <u>(120,032)</u>                      | <u>50,729,688</u>    |
| Other  | <u>3,655,106</u>           | <u>3,655,106</u>        | <u>5,794,480</u>     | <u>2,139,374</u>                      | <u>11,303,908</u>    |
|  | <u>\$ 55,219,806</u>       | <u>\$ 55,219,806</u>    | <u>\$ 57,239,148</u> | <u>\$ 2,019,342</u>                   | <u>\$ 62,033,596</u> |
| <b>% of Total Revenues and Other<br/>Financing Sources</b> | <u>93.38%</u>              | <u>93.38%</u>           | <u>89.88%</u>        |                                       |                      |

# 5 Year Revenue History

|  | <u>2018</u>          | <u>2017</u>          | <u>2016</u>          | <u>2015</u>          | <u>2014</u>          |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Property Tax                                 | \$ 39,146,629        | \$ 38,438,962        | \$ 37,269,905        | \$ 36,198,748        | \$ 34,657,733        |
| Other tax items                              | 290,893              | 258,802              | 775,069              | 90,347               | 85,327               |
| Non-property tax distribution<br>from County | 2,646,315            | 2,572,487            | 2,496,514            | 2,471,496            | 2,426,632            |
| Parking fees                                 | 2,388,720            | 2,326,505            | 2,278,174            | 2,175,123            | 2,183,545            |
| Parks and recreation fees                    | 1,705,769            | 1,865,143            | 2,045,603            | 1,836,878            | 1,647,175            |
| Interfund revenues                           | 530,630              | 530,630              | 980,630              | 875,630              | 890,630              |
| Rental income                                | 761,629              | 718,999              | 699,249              | 755,257              | 860,690              |
| Building permits                             | 1,532,294            | 1,602,983            | 1,742,521            | 1,898,560            | 1,815,202            |
| Mortgage tax                                 | 1,006,352            | 955,709              | 957,737              | 898,641              | 973,409              |
| Transfers in - Town Fund                     | 1,435,437            | 1,459,468            | 1,544,452            | 1,514,502            | 1,684,201            |
| Other  | 5,794,480            | 11,303,908           | 3,943,375            | 6,532,290            | 4,623,144            |
|  | <u>\$ 57,239,148</u> | <u>\$ 62,033,596</u> | <u>\$ 54,733,229</u> | <u>\$ 55,247,472</u> | <u>\$ 51,847,688</u> |

# Major General Fund Expenditures

|  | <u>Original Budget</u> | <u>Final Budget</u>  | <u>Actual</u>        | <u>Variance With Final Budget</u> | <u>2017</u>          |
|--|------------------------|----------------------|----------------------|-----------------------------------|----------------------|
| Police                                       | \$ 7,093,570           | \$ 7,161,987         | \$ 7,051,100         | \$ 110,887                        | \$ 6,796,146         |
| Fire   | 6,192,806              | 6,193,852            | 5,906,253            | 287,599                           | 6,281,081            |
| Highway                                      | 3,376,223              | 3,317,717            | 3,147,053            | 170,664                           | 2,833,054            |
| Sanitation                                   | 2,440,050              | 2,514,403            | 2,304,062            | 210,341                           | 2,339,379            |
| Retirement (ERS & PFRS)                      | 4,056,434              | 4,160,212            | 4,160,212            | -                                 | 3,818,738            |
| Hospital and medical insurance               | 8,447,288              | 8,445,332            | 7,996,924            | 448,408                           | 7,267,457            |
| Transfers out - Capital Projects Fund        | 1,500,000              | 3,150,962            | 3,150,962            | -                                 | 3,096,358            |
| Transfers out - Non-Major Governmental Funds | 3,594,325              | 3,594,325            | 3,594,325            | -                                 | 3,790,544            |
|  | 36,700,696             | 38,538,790           | 37,310,891           | 1,227,899                         | 36,222,757           |
| Other  | 20,114,384             | 19,927,252           | 18,650,782           | 1,276,470                         | 25,504,907           |
|  | <u>\$ 56,815,080</u>   | <u>\$ 58,466,042</u> | <u>\$ 55,961,673</u> | <u>\$ 2,504,369</u>               | <u>\$ 61,727,664</u> |
| <b>% of Total Expenditures</b>               | <u>64.60%</u>          | <u>65.92%</u>        | <u>66.67%</u>        |                                   |                      |



# 5 Year Expenditure History

|   | <u>2018</u>          | <u>2017</u>          | <u>2016</u>          | <u>2015</u>          | <u>2014</u>          |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Police  | \$ 7,051,100         | \$ 6,796,146         | \$ 6,415,563         | \$ 6,128,564         | \$ 5,980,229         |
| Fire  | 5,906,253            | 6,281,081            | 5,539,171            | 5,831,759            | 5,685,436            |
| Highway   | 3,147,053            | 2,833,054            | 2,848,256            | 2,935,899            | 3,215,238            |
| Sanitation                                      | 2,304,062            | 2,339,379            | 2,342,511            | 2,164,905            | 2,188,080            |
| Retirement (ERS & PFRS)                         | 4,160,212            | 3,818,738            | 4,072,233            | 4,358,266            | 4,925,752            |
| Hospital and medical insurance                  | 7,996,924            | 7,267,457            | 6,556,348            | 6,139,818            | 5,814,897            |
| Transfers out - Capital<br>Projects Fund        | 3,150,962            | 3,096,358            | 3,046,085            | 2,370,000            | 2,019,276            |
| Transfers out - Non-Major<br>Governmental Funds | 3,594,325            | 3,790,544            | 3,730,964            | 3,657,808            | 3,503,058            |
| Other   | <u>18,650,782</u>    | <u>25,504,907</u>    | <u>18,249,949</u>    | <u>20,569,648</u>    | <u>17,403,876</u>    |
|   | <u>\$ 55,961,673</u> | <u>\$ 61,727,664</u> | <u>\$ 52,801,080</u> | <u>\$ 54,156,667</u> | <u>\$ 50,735,842</u> |

# 5 Year General Fund – Fund Balance Analysis

|  | <u>2018</u>          | <u>2017</u>          | <u>2016</u>          | <u>2015</u>          | <u>2014</u>          |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Nonspendable                             |                      |                      |                      |                      |                      |
| Prepaid expenditures                     | \$ 666,171           | \$ 617,147           | \$ 554,639           | \$ 471,654           | \$ 459,763           |
| Assigned                                 |                      |                      |                      |                      |                      |
| Purchases on order                       |                      |                      |                      |                      |                      |
| General government support               | 152,221              | 229,665              | 263,942              | 250,900              | 263,562              |
| Public safety                            | 84,460               | 99,212               | 99,637               | 161,694              | 161,694              |
| Culture and recreation                   | 75,179               | 32,897               | 38,486               | 59,106               | 59,106               |
| Home and community services              | -                    | 20,500               | -                    | -                    | -                    |
|  | <u>311,860</u>       | <u>382,274</u>       | <u>402,065</u>       | <u>471,700</u>       | <u>484,362</u>       |
| Subsequent year's expenditures           | 1,023,000            | 1,213,000            | 1,023,000            | 1,600,000            | 1,173,000            |
| Contractual obligations                  | 585,000              | 585,000              | 585,000              | 115,000              | 215,000              |
| Capital projects                         | 4,990,000            | 3,660,000            | 3,575,000            | 1,235,000            | 695,000              |
| Workers' compensation claims             | -                    | -                    | -                    | 60,626               | 60,626               |
| Retirement obligations                   | 452,000              | 452,000              | 452,000              | 52,000               | 52,000               |
| Other post employment benefit obligation | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              |
| Total Assigned                           | <u>7,461,860</u>     | <u>6,392,274</u>     | <u>6,137,065</u>     | <u>3,634,326</u>     | <u>2,779,988</u>     |
| Unassigned                               | <u>8,204,163</u>     | <u>8,045,298</u>     | <u>8,057,083</u>     | <u>8,710,658</u>     | <u>8,486,082</u>     |
| Total Fund Balances                      | <u>\$ 16,332,194</u> | <u>\$ 15,054,719</u> | <u>\$ 14,748,787</u> | <u>\$ 12,816,638</u> | <u>\$ 11,725,833</u> |

# Water Fund – 5 Year History

|                                   | <u>2018<br/>Actual</u>     | <u>2017<br/>Actual</u>     | <u>2016<br/>Actual</u>     | <u>2015<br/>Actual</u>     | <u>2014<br/>Actual</u>     |
|-----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Revenues                          | \$ 7,172,940               | \$ 7,416,810               | \$ 6,118,794               | \$ 5,486,557               | \$ 5,260,434               |
| Expenditures                      | <u>6,514,146</u>           | <u>7,158,905</u>           | <u>6,991,198</u>           | <u>6,045,400</u>           | <u>5,684,792</u>           |
| Income (Loss) From Operations     | <u>658,794</u>             | <u>257,905</u>             | <u>(872,404)</u>           | <u>(558,843)</u>           | <u>(424,358)</u>           |
| Non-Operating Revenues (Expenses) | <u>(177,419)</u>           | <u>(177,939)</u>           | <u>(182,553)</u>           | <u>(222,022)</u>           | <u>(108,822)</u>           |
| Income (Loss) Before Transfers    | <u>481,375</u>             | <u>79,966</u>              | <u>(1,054,957)</u>         | <u>(780,865)</u>           | <u>(533,180)</u>           |
| Transfers                         | <u>(171,000)</u>           | <u>(171,000)</u>           | <u>(171,000)</u>           | <u>(171,000)</u>           | <u>(171,000)</u>           |
| Change in Net Postion             | 310,375                    | (91,034)                   | (1,225,957)                | (951,865)                  | (704,180)                  |
| Net Position - Beginning          | <u>3,119,520</u>           | <u>3,210,554</u>           | <u>4,436,511</u>           | <u>5,442,858</u>           | <u>6,147,038</u>           |
| Net Position - Ending             | <u><u>\$ 3,429,895</u></u> | <u><u>\$ 3,119,520</u></u> | <u><u>\$ 3,210,554</u></u> | <u><u>\$ 4,490,993</u></u> | <u><u>\$ 5,442,858</u></u> |



# Debt Service

| Purpose                  | Year of Issue | Original Issue Amount | Final Maturity  | Interest Rate   | Amount Outstanding at May 31, 2018 |
|--------------------------|---------------|-----------------------|-----------------|-----------------|------------------------------------|
| Various Village Purposes | 2011          | \$ 1,000,000          | September, 2023 | 1.500 - 2.450 % | \$ 575,000                         |
| Various Village Purposes | 2013          | 8,300,000             | January, 2039   | 3.000 - 4.000   | 7,385,000                          |
| Refunding                | 2015          | 3,470,000             | September, 2028 | 2.000 - 4.000   | 3,015,000                          |
| Refunding                | 2017          | 6,295,000             | June, 2025      | 2.000 - 5.000   | 5,605,000                          |
|                          |               |                       |                 |                 | <u>\$ 16,580,000</u>               |

## Bonds Payable

| Year Ending<br>May 31, | Governmental Activities |                     | Business-Type Activities |                     | Total Primary Government |                     |
|------------------------|-------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|
|                        | Principal               | Interest            | Principal                | Interest            | Principal                | Interest            |
| 2019                   | \$ 1,077,805            | \$ 370,175          | \$ 217,195               | \$ 165,631          | \$ 1,295,000             | \$ 535,806          |
| 2020                   | 1,130,472               | 330,661             | 224,528                  | 159,071             | 1,355,000                | 489,732             |
| 2021                   | 1,173,209               | 283,887             | 231,791                  | 153,120             | 1,405,000                | 437,007             |
| 2022                   | 1,212,356               | 247,271             | 237,644                  | 146,950             | 1,450,000                | 394,221             |
| 2023                   | 1,245,092               | 213,187             | 244,908                  | 140,650             | 1,490,000                | 353,837             |
| 2024-2028              | 3,572,204               | 562,475             | 1,337,796                | 598,919             | 4,910,000                | 1,161,394           |
| 2029-2033              | 864,587                 | 307,854             | 1,105,413                | 421,196             | 1,970,000                | 729,050             |
| 2034-2038              | 931,928                 | 156,361             | 1,278,072                | 214,439             | 2,210,000                | 370,800             |
| 2039                   | 208,734                 | 8,349               | 286,266                  | 11,451              | 495,000                  | 19,800              |
|                        | <u>\$ 11,416,387</u>    | <u>\$ 2,480,220</u> | <u>\$ 5,163,613</u>      | <u>\$ 2,011,427</u> | <u>\$ 16,580,000</u>     | <u>\$ 4,491,647</u> |



# Contact Information

**[www.pkfod.com](http://www.pkfod.com)**

*H. Chris Kopf, Partner*

[ckopf@pkfod.com](mailto:ckopf@pkfod.com)

*Lawrence Feldman, Sr.  
Manager*

[lfeldman@pkfod.com](mailto:lfeldman@pkfod.com)

665 Fifth Avenue  
New York, NY 10022  
T: 212.286.2600

20 Commerce Drive  
Suite 301  
Cranford, NJ 07016  
T: 908.272.6200

293 Eisenhower Pkwy  
Suite 270  
Livingston, NJ 07039  
T: 973.535.2880

32 Fostertown Rd  
Newburgh, NY 12550  
T: 845.565.5400

2 Bethesda Metro Center  
Suite 420  
Bethesda, MD 20814  
T: 301.652.3464

**500 Mamaroneck Avenue  
Harrison, NY 10528  
T: 914.381.8900**

300 Tice Boulevard  
Suite 315  
Woodcliff Lake, NJ 07677  
T: 201.712.9800

3001 Summer Street  
5<sup>th</sup> Floor East  
Stamford, CT 06905  
T: 203.323.2400

100 Great Meadow Road  
Wethersfield, CT 06109  
T: 860.257.1870