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**O'CONNOR
DAVIES**

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**Village of Briarcliff Manor, New York
Auditors' Report to the
Audit Committee/Board**

H. Chris Kopf
Partner
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December 2, 2015

Our Responsibility Under Professional Standards

- Form and express an opinion about whether the financial statements, which are the responsibility of management, are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America (US GAAP).
- With respect to supplementary information, we made certain inquiries of management and evaluated the content to determine that the information complies with US GAAP.
 - ❖ Required Supplementary Information
 - Management Discussion and Analysis
 - OPEB - Schedule of funding progress
 - ❖ Supplementary and Other Information
 - Combining and individual fund financial statements and schedules

Our Responsibility Under Professional Standards *(Continued)*

- Advise management of appropriateness of accounting policies and their application—*appear appropriate for the Village*
- Communicate any fraud or illegal acts that was noted during the course of our audit, however, our audit cannot be relied upon to identify all instances of fraud or illegal acts—*no instances/suspicion or allegations of fraud were noted*

Communications of Other Matters

- Planned scope and timing of audit – consistent with the planned scope and timing previously communicated
- Qualitative aspects of significant accounting practices
 - ❖ Significant accounting policies
 - ❖ Significant accounting estimates
 - ❖ Financial statement disclosures
- Significant difficulties encountered during the audit – no significant difficulties in dealing with management
- Uncorrected and Corrected Misstatements – no uncorrected adjustments and no passed journal entry adjustments

Communications of Other Matters *(Continued)*

- No disagreements with management
- Representations requested from management – we have requested certain written representations from management as documented in the management representation letter.
- Managements consultations with other accountants – no consultation by Management with other accountants.
- Other Matters discussed with management
 - ❖ Generally discuss business conditions affecting the Village, application of accounting principles and auditing standards and plans and strategies that may affect the risks of material misstatement.
- Auditor Independence
 - ❖ Independence not impaired
 - ❖ Independent with respect to the Village in accordance with professional standards

Financial Statement Highlights – General Fund

Revenue and Expenditures Summary

Year Ended May 31, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Total Revenues	\$ 15,002,253	\$ 15,211,408	\$ 14,731,148	\$ (480,260)
EXPENDITURES				
Total Expenditures	12,667,113	12,961,146	12,710,772	250,374
Excess (Deficiency) of Revenues Over Expenditures	2,335,140	2,250,262	2,020,376	(229,886)
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	6,000	6,000	47,225	41,225
Transfers in	360,000	715,373	710,873	(4,500)
Transfers Out	(2,758,136)	(2,747,658)	(2,747,658)	-
Total Other Financing Uses	(2,392,136)	(2,026,285)	(1,989,560)	36,725
Net Change in Fund Balance	(56,996)	223,977	30,816	\$ (193,161)
Fund Balance - Beginning of Year	56,996	(223,977)	1,847,685	
Fund Balance - End of Year	\$ -	\$ -	\$ 1,878,501	

General Fund Comparative Balance Sheet May 31, 2015 and 2014

**O'CONNOR
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	2015	2014
ASSETS		
Cash and equivalents	\$ 2,612,213	\$ 2,605,718
Taxes receivable		
Liens	62,553	57,855
Other Receivables		
Accounts	138,329	47,137
Due from State and Federal governments	2,349	38,563
Due from other governments	403,466	442,313
	544,144	528,013
Prepaid expenditures	99,271	98,432
Total Assets	\$ 3,318,181	\$ 3,290,018

General Fund

Comparative Balance Sheet (Continued)

May 31, 2015 and 2014

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

Liabilities

Accounts payable	\$	242,186	\$	201,435
Accrued liabilities		422,057		338,559
Due to other funds		1,491		49
Due to retirement systems		214,689		335,783
Unearned revenues		516,975		532,809

Total Liabilities		1,397,398		1,408,635
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Deferred inflows of resources

Deferred tax revenues		42,282		33,698
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Total Liabilities and Deferred Inflows of Resources		1,439,680		1,442,333
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Fund balance

Nonspendable		99,271		98,432
Assigned		124,469		56,996
Unassigned		1,654,761		1,692,257

Total Fund Balance		1,878,501		1,847,685
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Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$	3,318,181	\$	3,290,018
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Fund Balance Categories (Continued)

	2015					Total
	General Fund	Water Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	
Nonspendable						
Prepaid expenditures	\$ 99,271	\$ 1,150	\$ -	\$ -	\$ -	\$ 100,421
Restricted						
Capital projects	-	-	8,326,074	-	-	8,326,074
Future capital projects	-	601,546	-	-	-	601,546
Debt service	-	-	-	59,398	-	59,398
Special purpose	-	-	-	-	41,160	41,160
Total Restricted	-	601,546	8,326,074	59,398	41,160	9,028,178
Assigned						
Purchases on order						
General government support	41,318	-	-	-	-	41,318
Public safety	83,151	-	-	-	-	83,151
	124,469	-	-	-	-	124,469
Subsequent years' expenditures	-	-	-	50,000	-	50,000
Water Fund	-	1,895,129	-	-	-	1,895,129
Library Fund	-	-	-	-	10,379	10,379
Total Assigned	124,469	1,895,129	-	50,000	10,379	2,079,977
Unassigned	1,654,761	-	-	-	-	1,654,761
Total Fund Balances	\$ 1,878,501	\$ 2,497,825	\$ 8,326,074	\$ 109,398	\$ 51,539	\$ 12,863,337

Communications of Internal Control Related Matters

- **Control deficiency** — A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.
- **Significant deficiency** — A deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
- **Material weakness** — A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Internal Control Deficiencies Identified During our Audit

Formal letter issued and discussed in detail with management

- *Capital Assets*
 - *Full inventory of machinery and equipment recommended*

Questions/Discussion



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