

Town of Ossining, New York
Report to Those Charged with Governance
December 31, 2021

June 2, 2022

Prepared by

Robert A. Daniele, CPA

Partner

rdaniele@pkfod.com



**KNOW
GREATER
VALUE**

June 2, 2022

The Honorable Supervisor and
Members of the Town Board
Town of Ossining, New York
16 Croton Avenue
Ossining, New York 10709

We have audited the financial statements of the Town of Ossining, New York) ("Town") as of and for the year ended December 31, 2021 and have issued our report thereon dated June 2, 2022.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated December 10, 2018. Professional standards also require that we communicate to you the following information related to our audit.

We are pleased to be of service to you and the Town and appreciate the opportunity to present our audit findings to you. We are also pleased to discuss other matters which may be of interest to you and to answer any questions you may have.

This information is intended solely for the information and use of Those Charged with Governance and management of the Town and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP

(This page intentionally left blank)

Contents

Status of the Audit	4
Required Communications and Other Matters.....	5
Internal Control Over Financial Reporting	10
On the Horizon.....	13

Appendices

- 1 – Corrected Misstatements
- 2 – Management Representation Letter
- 3 – About PKF O'Connor Davies, LLP

(This page intentionally left blank)

Status of the Audit

Audit of Financial Statements

- Audit fieldwork is complete.
- The financial statements have been drafted and reviewed by management.
- We have issued an unmodified report on the financial statements.

Required Communications and Other Matters

Required Item	Comments
Auditor's responsibility under professional standards and planned scope and timing of the audit	<p>We have communicated such information in our engagement letter to you dated December 10, 2018. Generally, these responsibilities include:</p> <ul style="list-style-type: none"> • Forming and expressing an opinion on the financial statements. • Obtaining <i>reasonable assurance</i> that the financial statements are <i>free of material misstatements</i>, whether caused by error or fraud. • Accumulating and communicating uncorrected misstatements to Those Charged with Governance ("TCWG"). • Maintaining professional skepticism. • Communicating audit related matters that are, in our professional judgment, significant to TCWG.
Supplementary information accompanying the financial statements	<p>Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.</p>

Required Item	Comments
Required supplementary information accompanying the financial statements	We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.
Other information in documents containing audited financial statements	Our responsibility as auditors for other information in documents containing the audited financial statements does not extend beyond the financial information identified in the auditors' report, and we are not required to perform any procedures to determine that such other information is properly stated.
Responsibilities of management and TCWG	<p>Management's responsibilities include:</p> <ul style="list-style-type: none"> • The fair presentation of the financial statements, including the selection of appropriate accounting policies. • Establishing and maintaining effective internal control. • Complying with laws, regulations, grants and contracts. • Providing the auditors with all financial records and related information and a signed representation letter. • Evaluate if there are any conditions or events, considered in the aggregate that raise substantial doubt about the Entity's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter. • Setting the proper tone at the top. • Designing and implementing policies and controls to prevent and detect fraud. <p>TCWG are responsible for communicating with the auditors and overseeing the financial reporting process.</p>

Required Item	Comments
Qualitative aspects of accounting practices - Accounting Policies	<p>Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.</p> <p>The accounting policies of the Entity conform to U.S. generally accepted accounting principles as applicable to state and local governments. The Entity's reports are based on all applicable GASB pronouncements.</p>
Qualitative aspects of accounting practices – Significant Unusual Transactions	<p>No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.</p>
Qualitative aspects of accounting practices - Accounting Estimates and Management's Judgment	<p>Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.</p> <p>Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Town's financial statements were:</p> <ul style="list-style-type: none"> • Actuarial assumptions related to the Other Postemployment Benefit Liability ("OPEB") • Actuarial assumptions and proportionate share calculations related to pension liabilities • Asset lives for depreciable capital assets • Estimates of certain receivable balances and allowances for uncollectible amounts • Estimates for certain operating and long-term liabilities

Required Item	Comments
Qualitative aspects of accounting practices - Financial Statement Disclosures	<p>Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements are:</p> <ul style="list-style-type: none"> • Other postemployment benefit liabilities payable • Pension plan information • Outstanding bonded indebtedness • Fund balances <p>The financial statement disclosures are neutral, consistent and clear.</p>
Going concern	<p>The auditor is required to communicate with TCWG events or conditions that, when considered in the aggregate; indicate a substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.</p> <p>Management has completed their assessment of going concern and has concluded that a going concern uncertainty does not exist.</p>
Significant risks	<p>We have identified the following significant risks in connection with our audit:</p> <p>Management override of internal controls</p> <p>Improper revenue recognition to due to fraud</p> <p>The audit procedures applied as a result of the aforementioned significant risk were designed to and have used the risk of material misstatement to low.</p>
Difficulties encountered in performing the audit	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>

Required Item	Comments
Corrected and uncorrected misstatements	<p>Professional standards require us to accumulate all known and likely misstatements identified during the audit (including passed adjustments and omitted financial statement disclosures), other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.</p> <p>In addition, corrected misstatements that were brought to the attention of management as a result of our audit procedures are also included in Appendix 1.</p> <p>The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.</p>
Disagreements with management	<p>For purposes of this communication, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of the audit.</p>
Management representations	<p>We have requested certain representations from management that are included in the management representation letter (see Appendix 2).</p>
Auditor independence	<p>We affirm that PKF O'Connor Davies, LLP is independent with respect to the Entity in accordance with relevant professional standards.</p>
Significant issues discussed with management prior to retention	<p>We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Entity's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Ossining, New York's (the "Entity") internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, we express no such opinion.

Professional standards require that we communicate to you, in writing, all significant deficiencies and/or material weaknesses in internal control that we identify in performing our audit. For this purpose, deficiencies in internal control are categorized as follows:

- A **deficiency in internal control** 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.
- A **material weakness** is 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.
- A **significant deficiency** is a deficiency, or a 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, we share for your consideration on the following pages other observations about the internal control and operations.

This communication is intended solely for the information and use of management and others charged with governance and is not intended to be and should not be used by anyone other than these specified parties. We will be pleased to discuss these communications and comments in further detail at your convenience, or to assist you in implementing the recommendations.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
June 2, 2022

Town of Ossining, New York

Control Deficiencies

- **Special Purpose Fund**

Inactive Trust Accounts

The Special Purpose fund is provided to account for assets held by the Town as trustee or agent for individuals, private organizations, other governmental units, and/or other funds. During the course of our audit, we noted that five trust accounts, although with immaterial balances, (Flower/Walk, Hockey, Senior Net, and Earth Day) remained inactive, with the exception of interest earnings, for the entire year.

Recommendation

We recommend that the Town analyze the balance and review the purpose of these bequests so that a determination may be made as to the proper disposition of the funds. Should it be determined that these amounts are no longer required to be held in trust, a Board resolution should be approved transferring these amounts to the General Fund.

- **Capital Projects Fund**

Inactive Projects

The lack of financial activity in a capital project over an extended period of time may be an indication of the project's completion. Our audit of the Capital Projects Fund indicated that there are several projects which had no financial activity in the past fiscal year. Upon determination that a capital project has been completed, the governing board should pass a resolution noting this and direct the disposition of unexpended proceeds. If the unexpended balance of the project consists of money provided from obligations, its use will be restricted to the payment of outstanding indebtedness. If the remaining balance consists of a return of contribution from an operating fund, it should be returned to that fund to be used for a lawful purpose.

Recommendation

We recommend that management continue to review all capital projects to determine the status of completion and the proper disposition of unspent funds.

Projects with Deficit Fund Balances

During our audit, we noted that the 2018 Municipal Restructuring (\$15,314) and the 2020 Comprehensive Plan (\$90,121) capital projects had deficit fund balances at December 31, 2021. These deficits are due to a lack of funding as of year-end, however these projects are in the process of being claimed for reimbursement from the State after they are fully expended.

Recommendation

Capital projects with deficits should be funded by future debt borrowings or by the approved transfers from the operating funds to the Capital Projects Fund.

Town of Ossining, New York

Control Deficiencies

- **Missing Approval for Journal Entries**

One journal entry we tested from our sample of 20 did not have evidence of supervisory approval.

Recommendation

We recommend that upon management's review and approval of journal entries, a signature or other form of approval be documented. This process would improve internal control over adjustments to the general ledger.

- **Justice Court**

Outstanding Parking Tickets

During the course of our audit of the Town Justice Court, we noted that the Town had outstanding parking tickets totaling approximately \$1,408,571 that were outstanding for more than five years.

Recommendation

We recommend that the Town review the outstanding parking tickets to ensure their collectability. If found that the parking tickets are not likely to be collected, the Town should consider writing off the respective balances.

Timeliness of Reports

Auditor examination of the monthly reports that were submitted to the State for fines collected found that Justice Leavitt did not submit the State Report on time for 2 months of the year, and that Justice Resiman did not submit the State Report on time for 4 months of the year.

Compliance with State requirements are outlined in the Handbook for Town and Village Justice Courts and Court Clerks published by the New York State Office of the State Comptroller. Justices are required to submit a report on cash receipts no later than the 10th day of the following month.

Recommendation

We recommend that the client file the State report within 10 days of the subsequent month. Reconciliation of the prior month's balances need to be completed as quickly as possible so the Justices can prepare and submit their reports in compliance with the State.

On the Horizon

GASB Statement No. 87 – *Leases*

Potentially pervasive changes are coming to lease accounting. Under the provisions of GASB Statement No. 87, nearly every lease will be considered a capital lease. While local governments and school districts would most likely be lessees in these kinds of transactions, some might also be involved in transactions where they are the lessor of these assets.

Under this standard, lessees will now be required to recognize in their entity-wide Statement of Net Position a lease liability and an intangible right-to-use lease asset when the lease begins. The intangible asset will be similar to other capital assets by requiring amortization over the life of the lease term, similar to depreciation of tangible capital assets. Also similar to other capital assets, leases will need to be assessed for impairment.

Lessors will do the opposite. Lessors will recognize a lease receivable and a deferred inflow of resources at the start of a lease. The receivable will be reduced and revenue recognized as lease payments are received each year. The lessor will continue to report the capital asset on its own Statement of Net Position.

Governments should review this standard early to anticipate what changes might need to be made to policies, accounting procedures, laws and regulations. GASB Statement No. 95 postponed by eighteen months the effective date of this statement. Accordingly, the provisions of this Statement are **effective for fiscal years beginning after June 15, 2021 (i.e., the Town's financial statements for the year ended December 31, 2022).**

Appendix 1

Corrected Misstatements

Town of Ossining, New York

Corrected Misstatements December 31, 2021

Account	Description	Debit	Credit
General Fund			
Adjusting Journal Entries JE # 1			
To adjust taxes receivable deferral and allowance to agree to calculation for the fiscal year ended December 31, 2021.			
100-0000-069100-	DEFERRED REVENUES	56,405.00	
100-0000-034200-	TAX ALLOWANCE FOR UNCOLLECTBL		56,405.00
Total		56,405.00	56,405.00
Debt Service Fund			
Adjusting Journal Entries JE # 2			
To record bond refunding that occurred in 2021.			
0-0270-138040-0000-	Bond Issuance Costs	26,705.00	
0-0270-999140-0000-	Payment to Bond Escrow Agent	1,213,295.00	
0-0270-579100-0000-	Proceeds from Advance Refunding Bond		1,240,000.00
Total		1,240,000.00	1,240,000.00

(This page intentionally left blank)

Appendix 2

Management Representation Letter



TOWN OF OSSINING

The Volunteer Spirited Town

16 CROTON AVENUE
OSSINING, N.Y. 10562

PHONE: 914-762-6000 FAX: 914-762-0833

www.townofossining.com

Dana A. Levenberg
Supervisor

Elizabeth R. Feldman
Council Member

Jennifer Fields-Tawil
Council Member

Angelo A. Manicchio
Council Member

Gregory G. Meyer
Council Member

June 2, 2022

PKF O'Connor Davies, LLP
500 Mamaroneck Avenue Suite 301
Harrison, New York 10528

This representation letter is provided in connection with your audit of the basic financial statements of Town of Ossining, New York, which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of December 31, 2021, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, (having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves) as of the date of this letter, the following representations made to you during your audit.

Our Responsibilities

- 1) We acknowledge that we have fulfilled our responsibilities as set forth in the terms of the engagement letter dated December 10, 2018 for:
 - a) The preparation and fair presentation of the financial statements in accordance with US GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity. The combining and individual fund financial statements have been prepared and presented in conformity with the accounting principles used to prepare the basic financial statements.
 - b) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
 - c) The design, implementation, and maintenance of internal control to prevent and detect fraud.
- 2) We understand that the term "fraud" refers to intentional acts by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in financial statements. Two types of intentional misstatements are relevant to your audit – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Fraudulent financial reporting involves

intentional misstatements, including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misappropriation of assets involves the theft of an entity's assets.

- 3) In regard to the financial statement preparation non-attest services performed by you, we have:
 - a) Assumed all management responsibilities.
 - b) Designated individuals within senior management, who have suitable skill, knowledge, or experience to oversee the services.
 - c) Evaluated the adequacy and results of the services performed.
 - d) Accepted responsibility for the result of the services.
- 4) We are further responsible for reviewing, accepting and processing the standard, adjusting, or correcting journal entries that you proposed during the course of your engagement. We confirm that we designated a suitably qualified individual who understands the nature and impact of the proposed entries to the financial statements, and we accept responsibility for the proposed entries that we authorized and processed.
- 5) We acknowledge our responsibility for presenting the combining and individual fund financial statements in accordance with US GAAP, and we believe the combining and individual fund financial statements and schedules, including its form and content, is fairly presented in accordance with US GAAP. The methods of measurement and presentation of the combining and individual fund financial statements and schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Financial Statements

- 6) The financial statements referred to above are fairly presented in conformity with US GAAP and include all disclosures necessary for such fair presentation. In that connection, we specifically confirm that:
 - a) The Town's accounting policies, and the practices and methods followed in applying them, are appropriate and are as disclosed in the financial statements.
 - b) There have been no changes during the period audited in the Town's accounting policies and practices.
 - c) Except as made known to you, all material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 7) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 8) The following, where they exist, have been appropriately disclosed to you and accounted for and/or disclosed in the financial statements in accordance with the requirements of US GAAP:
 - a) The identity of all related parties and related party relationships and transactions including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b) Guarantees, whether written or oral, under which the Town is contingently liable, if any.
 - c) The effects of all known actual or possible litigation, claims, and assessments.
- 9) We have evaluated events subsequent to the date of the financial statements through the date of this letter, and (except as discussed in Note 6 to the financial statements,) no such events have occurred which would require adjustment or disclosure in the financial statements. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 10) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Town's accounts.

Information Provided

- 11) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, if applicable.
 - c) Additional information that you have requested from us for the purpose of the audit.
 - d) Unrestricted access to persons within the Town from whom you determined it necessary to obtain audit evidence.
 - e) Completeness and availability of all minutes of the meetings of the Town Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - f) All significant contracts and agreements.
 - g) All documents and records provided electronically are accurate and complete reproductions of the original documents and records.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. Based on our assessment, we did not identify any fraud risks that we believe would result in a material misstatement of the financial statements.
- 13) There are no deficiencies in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Town's ability to initiate, authorize, record, process, and report financial data reliably in accordance with US GAAP.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Town and involves
- a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Town's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

Hosting Services

- 17) We acknowledge that electronic portals used during the audit are only a method of transferring data and the data may be deleted by at any time.
- 18) We are responsible for maintaining our financial and non-financial information, licensing and hosting of any applications, and downloading and retaining anything you uploaded to such portal in a timely manner.

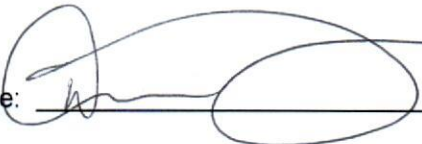
Government—specific

- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 22) We have provided our views on findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

- 23) The Town has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balance or net position.
- 24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 25) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statements.
- 26) There are no violations or possible violations of budget ordinances/violations, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably with senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and to accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures. We also understand that as part of your audit, you prepared various adjusting journal entries, both on the fund and entity-wide level, and acknowledge that we have reviewed and approved those entries and accepted responsibility for them.
- 28) The Town has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The Town has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 31) The financial statements include all fiduciary activities required by GASB Statement No. 84.
- 32) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.
- 33) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
- 35) Investments and land are properly valued.
- 36) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date have been to their estimated net realizable value.
- 37) Provisions for uncollectible receivables have been properly identified and recorded.
- 38) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 39) We agree with the findings of specialists in evaluating the other postemployment benefit obligation and any other specialists utilized and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the

values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

- 40) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 41) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 42) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 43) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 44) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 45) Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.
- 46) We have appropriately disclosed the Town's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 47) We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.
- 48) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 49) Tax abatement agreements have been properly disclosed in the notes to the financial statements, including the names of all governments involved, the gross amount and specific taxes abated, and additional commitments.
- 50) We have not completed the process of evaluating the impact that will result from adopting the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 87, "Leases", as discussed in Note 7. The County is therefore unable to disclose the impact that adopting GASB Statement No. 87 will have on its financial position and the results of its operations when the Statement is adopted.
- 51) Expenditures of federal awards were below the \$750,000 threshold for the year ended December 31, 2021, and we were not required to have an audit in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance").

Signature: 

Title: Town Supervisor

Signature: 

Title: Town Comptroller

(This page intentionally left blank)

Appendix 3

About PKF O'Connor Davies, LLP

FIRM OVERVIEW

Founded in 1891, PKF O'Connor Davies has evolved from an accounting firm to a corps of high-caliber professionals that delivers to a global and growing client base a complete range of audit, tax and advisory services as well as insights and expertise at the highest level. As our business has grown, our commitment to active value creation has allowed us to connect our clients to sound business advice, key players and resources across diverse industries.

An Acknowledged Global Leader

Not only are we one of the nation's most rapidly growing accounting and advisory firms, we are also the lead North American firm in the growing PKF global network of independent accounting and advisory firms. This enables us to provide clients with preferred access to top-tier experts and firms in over 400 locations, in 150 countries around the world. It also establishes us as the primary referral point for international businesses with needs in North America, an advantage for our domestic clients seeking connections outside the U.S.

Active Partner Involvement Dedicated Engagement Teams

We have built strong relationships with our clients by being proactive, thorough and efficient. Firm partners are involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. Multi-disciplinary teams ensure solutions are customized to address specific needs and integrated for greater efficiency.

A Higher Standard: Beyond Passive Value Calculation to Active Value Creation

Our focus on value has driven our growth, propelling PKF O'Connor Davies to the Top 26 on *Accounting Today's* 2022 "Top 100 Firms" list and gaining us acclaim as one of the country's fastest-growing firms. With unmatched client focus, we unlock genuine value hidden at key connection points in every engagement within regional, national and international arenas. Through these connections, our team of specialists continually drives efficiencies, uncovers opportunities and manages risk – delivering value where others can't.

Industry Recognition

- **Ranked 26 of "2022's Top 100 Firms"**
– *Accounting Today*, 2022
- **Ranked 6 of the "Top Firms in the Mid-Atlantic"**
– *Accounting Today*, 2022
- **"America's Best Tax and Accounting Firms"**
– *Forbes*, 2022
- **"Best Business Consulting Firm for Family Offices"**
– *Private Asset Management Awards*, 2022
- **"Best Accountancy Advisor"**
– *Family Wealth Report Awards*, 2021
- **"Best Family Office Management Consultancy"**
– *Family Wealth Report Awards*, 2021
- **"Best Accounting Firms to Work For"**
– *Accounting Today*, 2021
- **"Best Places to Work in New Jersey"**
– *NJBIZ*, 2021
- **Ranked #2 "Best Accounting Internship"**
– *Vault*, 2021
- **Ranked 15 of the 50 "Best Accounting Employers to Work for in North America"**
– *Vault*, 2022

Agility, Responsiveness and Recognition

Since our founding, PKF O'Connor Davies has maintained its commitment to gaining a deep understanding of each client's operations and financial history in order to help meet their every challenge and objective. We fulfill this mission by providing resources that match those of larger firms in scope – but with the agility only a mid-sized firm such as ours can demonstrate...and yet, we still rank among them. Our services include:

Accounting and Assurance Services

- Accounting Outsourcing
- Agreed-Upon Procedures (AUPs)
- Audits, Reviews and Compilations
- Elite Accounting Services
- Employee Benefit Plans
- Endowment Fund Accounting
- International Financial Reporting Standards (IFRS)
- IT Audit & Cybersecurity Reviews
- Public Company Accounting Oversight Board (PCAOB)
- Public Sector Audits & Compliance

International Services

- China Desk
- General Data Protection Regulation (GDPR)
- German Desk
- Transfer Pricing

Investment Banking Services

- Acquisition Advisory
- Exit Readiness and Transaction Planning
- Sell-Side Advisory

Tax Compliance and Planning Services

- Employee Benefit Planning & Tax Compliance
- International Tax Services
- IRS Representation & Tax Controversies
- Personal Financial Planning
- Private Foundation Services
- State and Local Tax (SALT)
- Tax Compliance & Reporting
- Tax Research and Strategic Planning
- Tax-Exempt Organizations
- Trust and Estate Planning

Advisory Services

- Bankruptcy & Restructuring
- Cybersecurity & Privacy Advisory Services
- Dark Web Monitoring Services
- Digital Forensic Services
- Family Advisory Services
- Forensic, Litigation and Valuation Services
- Matrimonial Services
- Management Advisory Services
- PPP Loan Forgiveness Services
- Risk Advisory Services
- Specialty Industry Advisory Services
 - Business Solutions
 - Employee Benefit Plan Services
 - Healthcare Advisory Services
 - Hospitality Advisory Services
 - Medical and Dental Advisory Services
 - Public Sector Advisory Services
- Transaction & Financial Advisory Services
- Virtual Chief Information Security Officer Services
- Wealth Services

Family Office Services

- Accounting & Reporting
- Advisory
- Charitable Giving
- Family Advisory Services
- Investment Monitoring & Oversight
- Lifestyle Support
- Personal Financial Management
- Tax Planning
- Wealth Planning



Bethesda, MD | Boston, MA | Cranford, NJ | Harrison, NY | Hauppauge, NY | Livingston, NJ |
Middletown, NY | Mumbai, India | New York, NY | Newburgh, NY (Two Locations) |
Palm Beach Gardens, FL | Poughkeepsie, NY | Providence, RI | Shelton, CT | Stamford, CT |
Wethersfield, CT | Woburn, MA | Woodcliff Lake, NJ

www.pkfod.com