

Town of Tuxedo

December 31, 2019

ANDREW J. ARIAS, CPA, CRFAC



Town of Tuxedo

- ✓ Government Auditing Standards:
 - Financials
 - Assessment of internal controls
 - Compliance with laws and regulations.
- ✓ Single Audit required if federal expenditures exceed \$750,000
 - Internal controls and compliance over federal programs
 - Not required in 2019
- ✓ Opinion on the fair presentation of the financial statements to an outside user

Town of Tuxedo

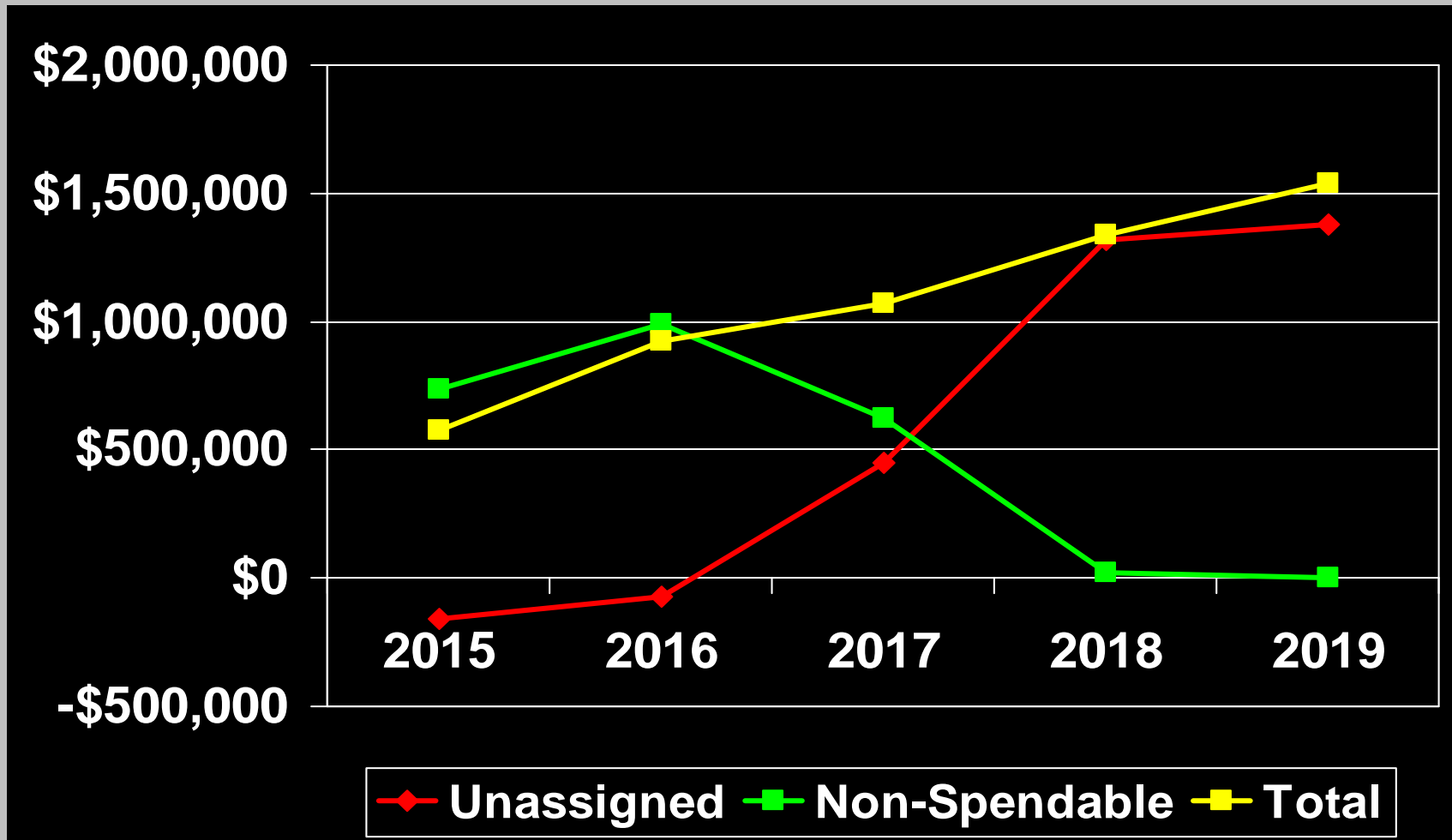
- ✓ COVID - 19 Issues
 - ✓ We were at the Town early to perform much of our preliminary work. Helped to avoid many of the delays associated with the shutdowns.
 - ✓ Did a significant portion of the remaining audit work remotely
 - ✓ Used reports provided to us remotely to perform analytical and substantive procedures
 - ✓ Town personnel provided us with scanned documents as needed

Town of Tuxedo

- ✓ General A Fund
 - ✓ Total fund balance increased \$207,000
 - ✓ Total fund balance of \$1.54 million at December 31, 2019
 - ✓ \$160,000 appropriated towards 2020 Budget
 - ✓ No non-spendable fund balances
 - ✓ All deficit fund balances eliminate
 - ✓ ERS bill paid after year end. Consider prepaying in future for discount
 - ✓ Unassigned fund balance of \$1.38 million
 - ✓ 46% of the subsequent year's budgeted expenditures
 - ✓ 47% in 2018
 - ✓ NYS Comptroller considers 10-20% as reasonable

Town of Tuxedo

GENERAL TOWNWIDE FUND BALANCE

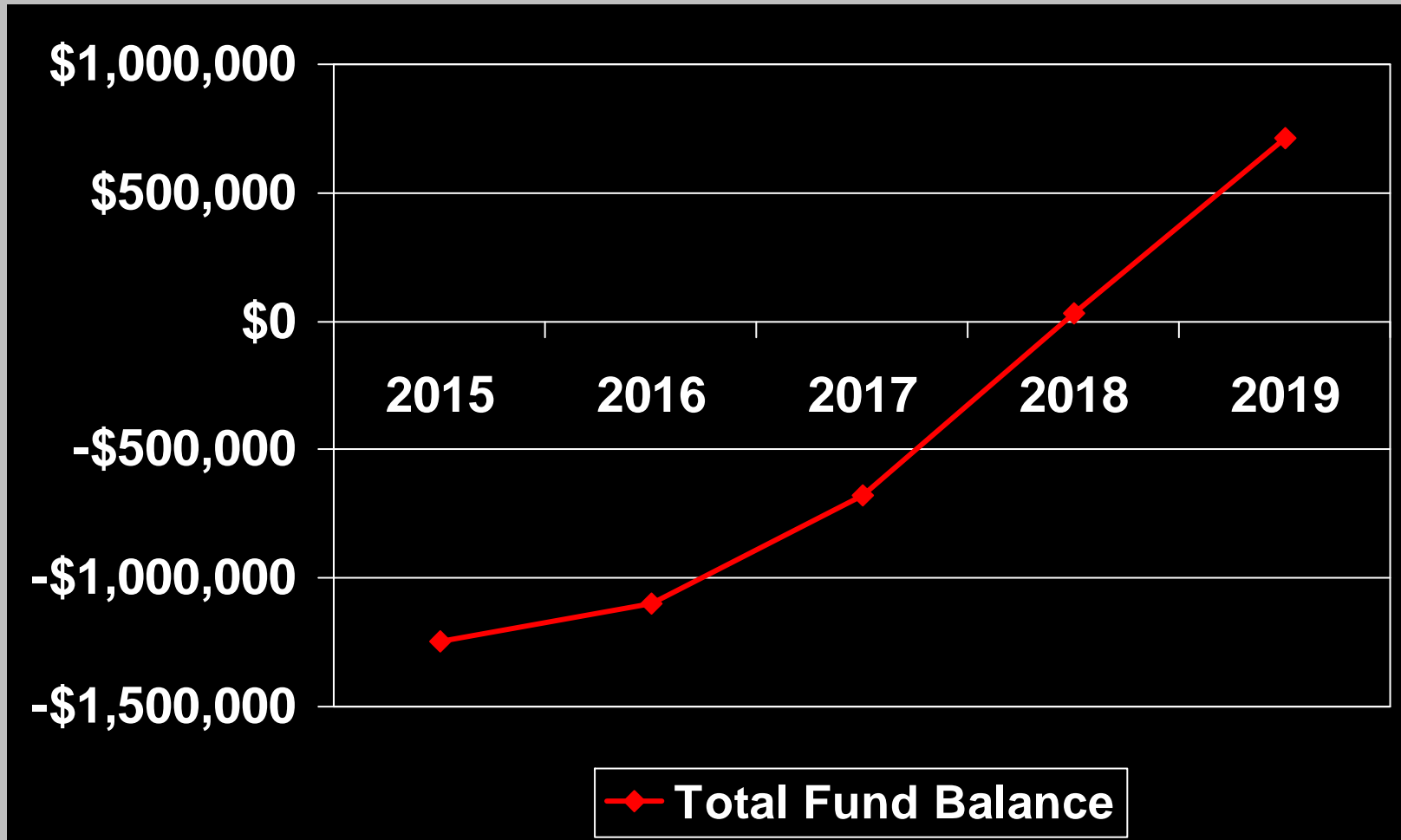


Town of Tuxedo

- ✓ General B Fund
 - ✓ Total fund balance increased \$719,000
 - ✓ Total fund balance of \$752,000 at December 31, 2019
 - ✓ Non-spendable fund balance of \$40,000
 - ✓ Represents prepaid expenses
 - ✓ Consider prepaying ERS/PFRS bill for discount
 - ✓ Unappropriated fund balance of \$712,000
 - ✓ 25% of subsequent year's budgeted expenditures
 - ✓ (2%) in 2018
 - ✓ Large fund deficit was eliminated through the budget process

Town of Tuxedo

GENERAL TOWN OUTSIDE FUND BALANCE



Town of Tuxedo

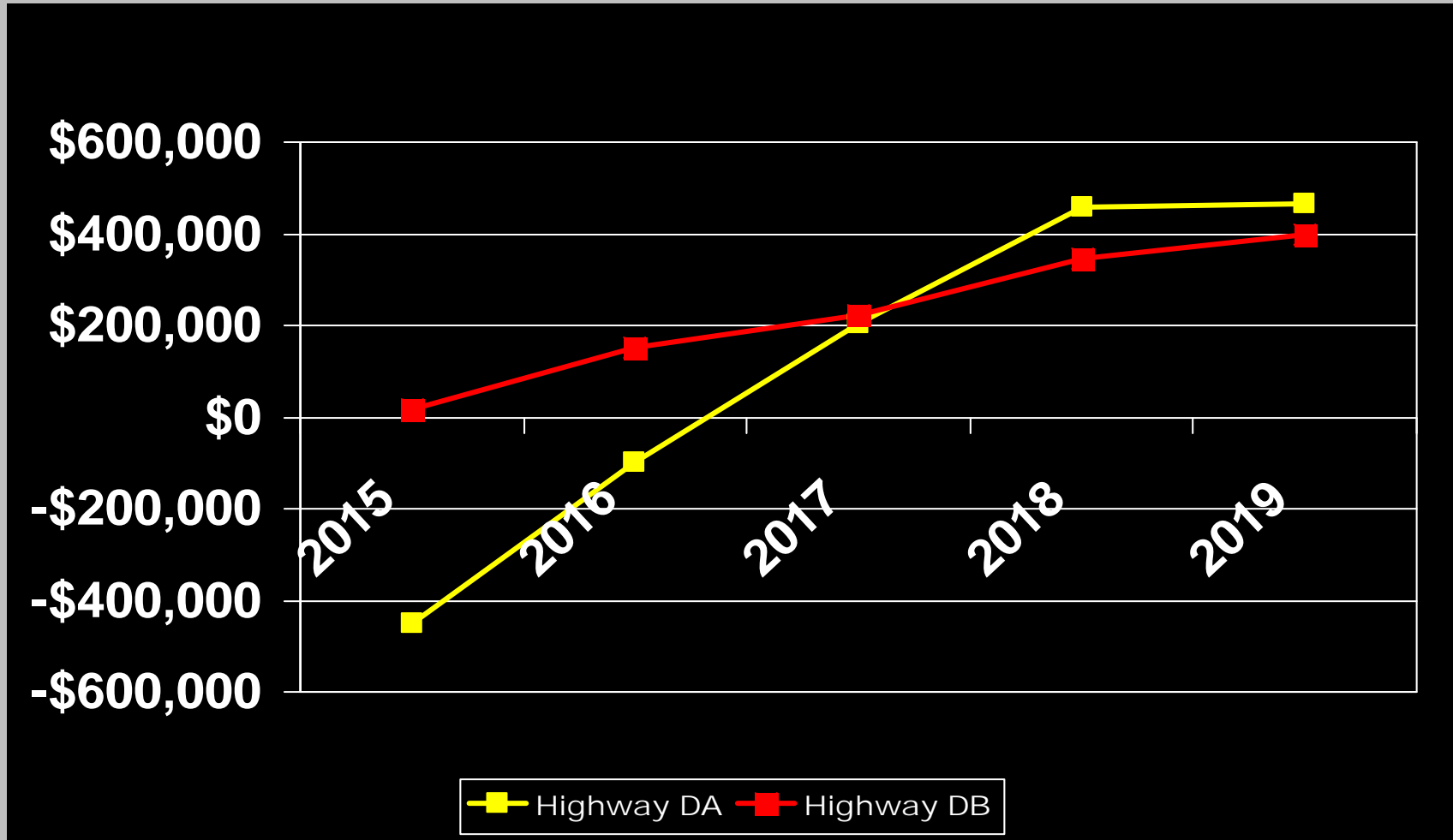
- ✓ Highway DA Fund
 - ✓ Total fund balance increased \$5,800
 - ✓ Total fund balance of \$464,000 at December 31, 2019
 - ✓ \$35,000 appropriated towards the 2020 Budget
 - ✓ No non-spendable fund balances
 - ✓ Consider prepaying ERS bill for discount
 - ✓ Unappropriated fund balance of \$429,000
 - ✓ 54% of subsequent year's budgeted expenditures
 - ✓ 60% in 2018
 - ✓ Decrease due to use of fund balance in 2020 Budget

Town of Tuxedo

- ✓ Highway DB Fund
 - ✓ Total fund balance increased \$71,000
 - ✓ Total fund balance of \$415,000 at December 31, 2019
 - ✓ \$50,000 appropriated towards the 2020 Budget
 - ✓ No non-spendable fund balances
 - ✓ Consider prepaying ERS bill for discount
 - ✓ Unappropriated fund balance of \$365,000
 - ✓ 61% of subsequent year's budgeted expenses
 - ✓ 60% in 2018

Town of Tuxedo

HIGHWAY FUND BALANCES



Town of Tuxedo

Fund Balance Trends

Fund	2019	2018	2017	2016	2015
General A	1,356,839	1,340,384	1,070,707	922,585	577,059
General B	752,404	33,674	(680,732)	(1,095,986)	(1,247,397)
Highway DA	463,755	457,951	201,976	(100,070)	(452,180)
Highway DB	414,944	344,049	220,838	151,803	14,978
Refuse	276,859	278,087	286,292	316,938	325,113
Sewer	428,405	467,496	462,765	479,957	481,828
Drainage	60,295	60,295	60,295	48,760	37,225
TOTALS	3,753,501	2,981,936	1,622,141	723,987	(263,374)

Town of Tuxedo

- ✓ Fund balances
 - ✓ Town has done a great job of improving its financial position
 - ✓ All deficits have been eliminated
- ✓ Continue to monitor fund balance levels
- ✓ Consider funding reserves with excess fund balance to further strengthen the Town's financial position
- ✓ Budgeting
 - ✓ Realistic adopted budgets with deficit reduction lines included
 - ✓ Activity monitored closely throughout the year
 - ✓ Modifications made as needed

Town of Tuxedo

- ✓ Other Items
 - ✓ Prepay retirement bills in December for discount
 - ✓ Higher cash balances provide opportunity for interest earnings moving forward
- ✓ Tuxedo Farms Local Development Corporation
 - ✓ Sewer system construction and operation
 - ✓ Reported in the Town's financial statements as a blended component unit
 - ✓ Town Supervisor appoints board members of the Corporation with the consent of the Town Board
 - ✓ Town is the sole member of the Corporation
 - ✓ GASB 80 reporting requirement
 - ✓ Separately issued financial statements available

Town of Tuxedo

- ✓ Management Letter
 - ✓ Recommendations for improvement
 - ✓ Two written comments in current year
 - ✓ Management responses included in Letter
 - ✓ Other minor issues discussed verbally with the Business Office
- ✓ Unmodified opinion on financial statements
 - ✓ Everything in financial statements presented in accordance with Generally Accepted Accounting Standards (GAAP)