



VILLAGE OF DEPEW, NEW YORK

PRESENTATION TO THE
BOARD OF TRUSTEES
NOVEMBER 13, 2018

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AUDIT SCOPE AND RESULTS

DELIVERABLES

- Unmodified Independent Auditors' Opinion on Financial Statements
 - New accounting principle GASB 73
- Agreed-Upon Procedures Report on Village Justice Cash Activity
- Communication with those Charged with Governance
- Management Letter Communications and Observations
- Annual Update Document and Footnotes



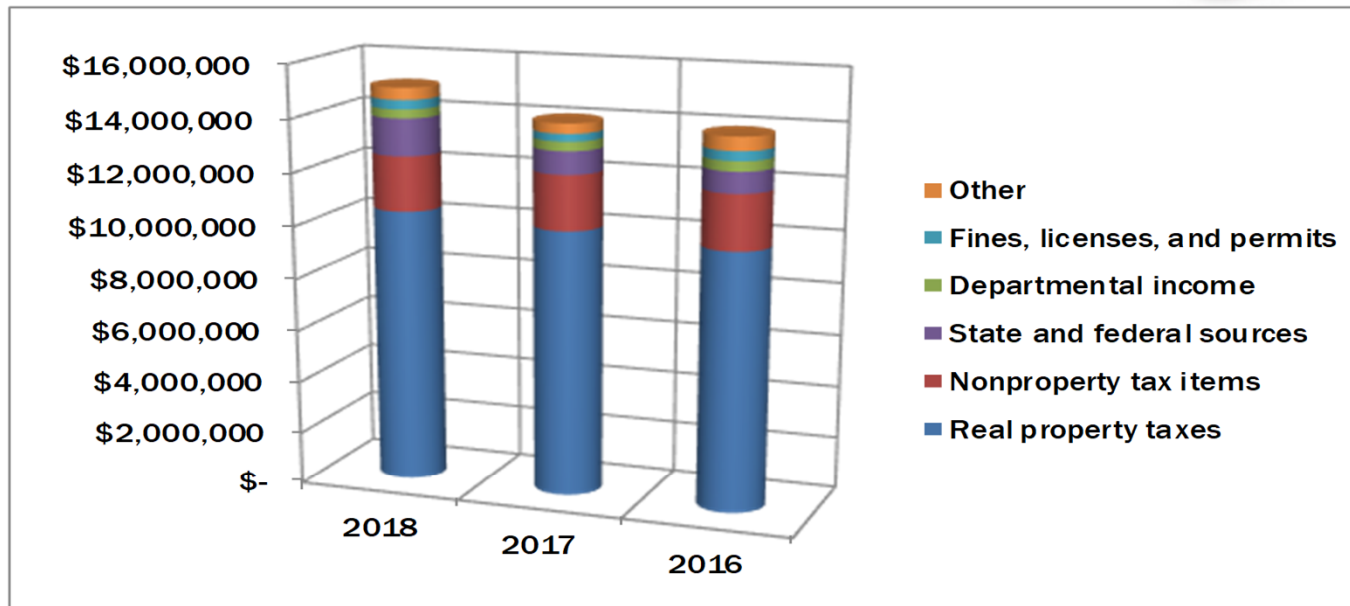
SELECT SUMMARY OF FUND BALANCES



May 31,	2018	2017	2016
Change in fund balance - general fund	\$ 463,000	\$ 637,000	\$ 700,000
Cumulative effect adjustment	3,270,000	-	-
Total change in fund balance	\$ 3,733,000	\$ 637,000	\$ 700,000
General fund			
Nonspendable fund balance	\$ 38,000	\$ 62,000	\$ 73,000
Restricted fund balance	3,415,000	-	-
Assigned fund balance	634,000	685,000	734,000
Unassigned fund balance	2,858,000	2,465,000	1,768,000
Total fund balance	\$ 6,945,000	\$ 3,212,000	\$ 2,575,000
Capital projects fund			
Restricted (unassigned) fund balance	\$ 140,000	\$ 718,000	\$ (4,865,000)
Sewer fund			
Restricted fund balance	\$ 526,000	\$ 495,000	\$ 516,000



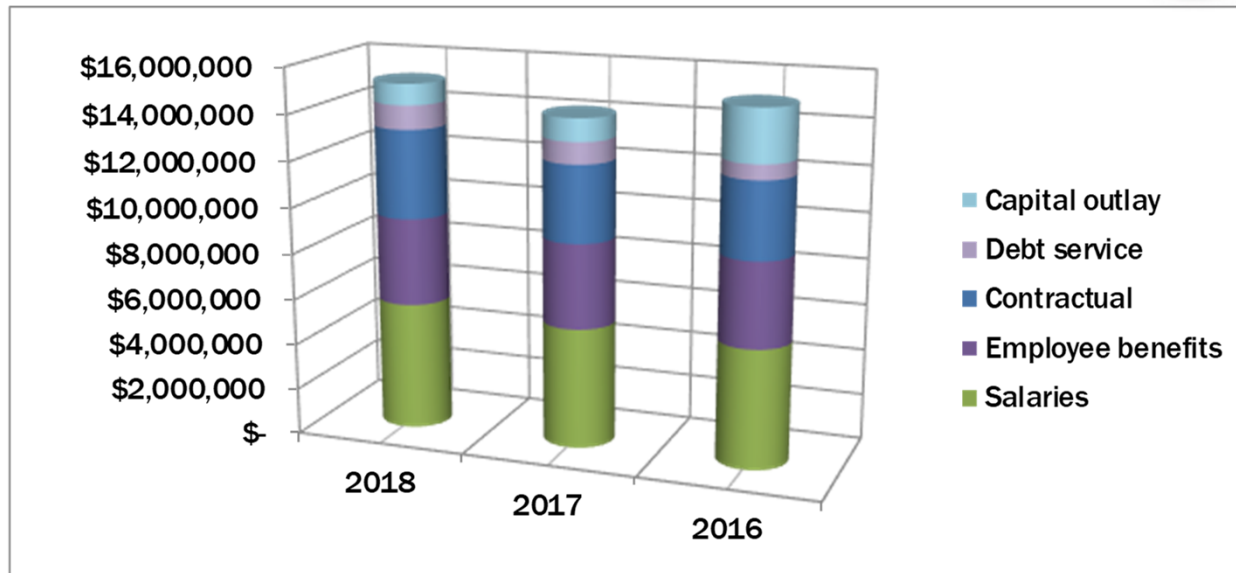
FUND BASIS REVENUE



For the years ended May 31,	2018	2017	2016
Real property taxes	\$ 10,451,000	\$ 10,141,000	\$ 9,840,000
Nonproperty tax items	2,080,000	2,075,000	2,080,000
State and federal sources	1,404,000	860,000	788,000
Departmental income	332,000	346,000	374,000
Fines, licenses, and permits	351,000	285,000	355,000
Other	451,000	372,000	508,000
	<u>\$ 15,069,000</u>	<u>\$ 14,079,000</u>	<u>\$ 13,945,000</u>



FUND BASIS EXPENDITURES



For the years ended May 31,	2018		2017		2016	
Salaries	\$	5,555,000	\$	5,234,000	\$	5,185,000
Employee benefits						
Retirement systems		949,000		942,000		973,000
Social security and medicare		431,000		388,000		384,000
Health insurance		1,496,000		1,422,000		1,388,000
Workers' compensation and other		922,000		938,000		939,000
Contractual		3,867,000		3,340,000		3,305,000
Debt service		1,039,000		939,000		642,000
Capital outlay		910,000		982,000		2,262,000
	\$	15,169,000	\$	14,185,000	\$	15,078,000



SUMMARY: GOVERNMENT-WIDE



May 31,	2018	2017	2016
Current assets and investments	\$ 7,935,000	\$ 5,026,000	\$ 5,030,000
Capital assets	10,555,000	10,514,000	10,428,000
	<u>\$ 18,490,000</u>	<u>\$ 15,540,000</u>	<u>\$ 15,458,000</u>
Pension, LOSAP, OPEB, and deferred resources, net	(6,690,000)	(309,000)	343,000
Long-term liabilities	(9,345,000)	(10,142,000)	(4,553,000)
Other liabilities	(372,000)	(634,000)	(6,868,000)
	<u>(9,717,000)</u>	<u>(10,776,000)</u>	<u>(11,421,000)</u>
Net position	<u>\$ 2,083,000</u>	<u>\$ 4,455,000</u>	<u>\$ 4,380,000</u>
For the years ended May 31,	2018	2017	2016
Total revenues	\$ 14,884,000	\$ 13,920,000	\$ 13,904,000
Total expenses	(14,922,000)	(13,845,000)	(13,366,000)
Cumulative effect adjustment	(2,334,000)	-	484,000
Increase (decrease) in net position	<u>\$ (2,372,000)</u>	<u>\$ 75,000</u>	<u>\$ 1,022,000</u>



COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE



- Significant Accounting Practices
 - Implementation of GASB 73
 - Accounting estimates - recognition and depreciation of capital assets, compensated absences (vacation and sick pay liabilities), other postemployment benefits, net pension liability, length of service awards program pension liability
 - Footnote disclosures – Note 2 – Change in Accounting Principle, Note 7 - Long-Term Liabilities, Note 8 – Pension Plans, Note 9 – Length of Service Awards Program, and Note 10 - Postemployment Benefits Other Than Pensions
- Difficulties Encountered in Performing the Audit (none)
- Corrected and Uncorrected Misstatements (all corrected)
- Disagreements with Management (none)
- Management Representations (received)
- Management Consultations with Other Independent Accountants (none)
- Other Audit Findings or Issues (none)



MANAGEMENT LETTER

CURRENT YEAR COMMENTS AND OBSERVATIONS

- Financial accounting and external reporting
- Segregation of duties
 - Continue having two trustees review payroll reports
 - Continued Board oversight over cash disbursements

INFORMATIONAL POINTS

- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- GASB 84, *Fiduciary Activities*
- GASB 87, *Leases*
- GASB 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

PRIOR YEAR RECOMMENDATION

- Purchases of capital assets were properly recorded



QUESTIONS AND DISCUSSION

