PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Pound Ridge

Town of Pound Ridge, New York
Report to the Town Board
December 31, 2025

Robert A. Daniele, Partner
Lawrence Feldman, Director

July 21, 2026

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Agenda

Summary Overview/Deliverables

General Fund

- 2025 Budget to Actual Summary
- 2025 Budget to Actual – Revenues Summary
- 2025 Selected Major Revenues
- 2025 Budget to Actual – Expenditures Summary
- 2025 Selected Major Expenditures
- Fund Balance Analysis – 3 Year Comparison

Highway Fund

- 2025 Budget to Actual Summary
- 2025 Budget to Actual Revenues and Expenditures Summary
- Fund Balance Analysis – 3 Year Comparison

Other Funds (Capital Projects, Special Purpose and Public Parking funds)

Other Considerations – Outstanding Debt – Bonds and BANS

Summary – Closing Points

Summary Overview

- Deliverables
  - Independent Auditors' Report on the basic financial statements
  - Required communications to those charged with governance
  - Management letter

- We did not identify deficiencies that we consider to be material weaknesses or significant deficiencies, control deficiencies over financial reporting were noted
- No uncorrected differences
- Audit results – Independent Auditors' Report - PKFOD anticipates the issuance of an **unmodified opinion** on the basic financial statements

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

General Fund

General Fund –
2025 Budget to Actual Summary

Pages 63-68 - Draft Basic Financial Statements

	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues	$ 7,983,694	$ 7,983,694	$ 8,926,254	$ 942,560
Total Expenditures	7,980,591	7,980,591	7,948,650	31,941
Excess of Revenues Over Expenditures	3,103	3,103	977,604	974,501
Total Other Financing Uses - Transfers out	(512,115)	(512,115)	(130,000)	382,115
Net Change in Fund Balance	(509,012)	(509,012)	847,604	1,356,616
Fund Balance - Beginning of Year	509,012	509,012	7,264,661	6,755,649
Fund Balance - End of Year	$ -	$ -	$ 8,112,265	$ 8,112,265

General Fund – 2025 Budget to Actual Revenues Summary

Pages 63, 65-66 Draft Basic Financial Statements

	Budget Original	Budget Final	Actual	Variance with Final Budget
REVENUES				
Real Property Taxes	$ 4,395,442	$ 4,395,442	$ 4,404,923	$ 9,481
Other Tax Items	235,000	235,000	216,189	(18,811)
Non-property taxes	1,625,000	1,625,000	1,755,602	130,602
Departmental Income	717,000	717,000	860,445	143,445
Intergovernmental Charges	9,000	9,000	10,150	1,150
Use of Money and Property	189,000	189,000	482,713	293,713
Licenses and permits	261,000	261,000	288,173	27,173
Fines and Forfeitures	40,000	40,000	90,992	50,992
Sale of property and compensation for loss	28,000	28,000	61,925	33,925
State aid	344,252	344,252	604,806	260,554
Federal aid	100,000	100,000	126,332	26,332
Miscellaneous	40,000	40,000	24,004	(15,996)
Total Revenues	$ 7,983,694	$ 7,983,694	$ 8,926,254	$ 942,560

General Fund – 2025 Selected Major Revenues

Pages 65-66 in Draft Basic Financial Statements

	Original Budget	Final Budget	2025 Actual	Variance With Final Budget	2024 Actual	2023 Actual
Real property taxes	$ 4,395,442	$ 4,395,442	$ 4,404,923	$ 9,481	$ 4,408,118	$ 4,152,950
Non-property tax distribution from County	1,340,000	1,340,000	1,424,446	84,446	1,363,595	1,320,807
Parks and recreation charges	448,000	448,000	556,556	108,556	477,314	390,939
Use of Money & Property	135,000	135,000	433,113	298,113	483,253	207,354
Licenses and Permits	261,000	261,000	288,173	27,173	364,081	300,786
Fines and forfeited bail	40,000	40,000	90,992	50,992	77,979	69,811
State aid - Mortgage tax	300,000	300,000	449,554	149,554	275,798	372,431
Federal aid	100,000	100,000	126,332	26,332	40,576	238,018
	$ 7,019,442	$ 7,019,442	$ 7,774,089	$ 754,647	$ 7,490,714	$ 7,053,096
% of Total Revenues	88%	88%	87%			

General Fund – 2025 Budget to Actual Expenditures

Pages 63, 67 - 68 Draft Basic Financial Statements

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES				
Current:				
General Government Support	$ 2,336,398	$ 2,496,938	$ 2,496,288	$ 650
Public safety	1,749,855	1,601,655	1,582,784	18,871
Health	226,762	226,762	213,762	13,000
Transportation	184,564	177,374	174,992	2,382
Economic opportunity and development	6,100	6,160	6,159	1
Culture and Recreation	1,413,112	1,404,902	1,421,395	(16,493)
Home and community services	186,500	155,900	146,506	9,394
Employee Benefits	1,849,300	1,841,200	1,837,080	4,120
Debt Service				
Interest	28,000	69,700	69,684	16
Sub-Total Expenditures	7,980,591	7,980,591	7,948,650	31,941
OTHER FINANCING USES				
Transfers out	512,115	512,115	130,000	382,115
Total Expenditures	$ 8,492,706	$ 8,492,706	$ 8,078,650	$ 414,056

General Fund – 2025 Selected Major Expenditures

Pages 67-68 in Draft Basic Financial Statements

	Original Budget	Final Budget	2025 Actual	Variance With Final Budget	2024 Actual	2023 Actual
Public Safety -Police and other	$ 1,749,855	$ 1,601,655	$ 1,582,784	$ 18,871	$ 1,565,414	$ 1,765,945
Health - Ambulance and addiction control	226,762	226,762	213,762	13,000	198,588	166,488
Transportation	184,564	177,374	174,992	2,382	173,232	147,744
Culture and rec - Parks, Pool, admin	1,413,112	1,404,902	1,421,395	(16,493)	1,126,243	1,086,459
Planning Board	72,500	63,100	60,564	2,536	65,482	62,907
Employee/Police and Fire Retirement	410,000	424,400	424,377	23	358,725	362,598
Health Insurance	1,085,000	1,059,600	1,059,580	20	1,081,151	1,076,795
Debt Service- Bonds, BANS	28,000	69,700	69,684	16	96,782	68,522
Transfers Out - Capital Projects /Open Space Reserve	512,115	512,115	130,000	382,115	166,150	319,126
	$ 5,681,908	$ 5,539,608	$ 5,137,138	$ 402,470	$ 4,831,767	$ 5,056,584
% of Total Expenditures	67%	65%	64%			

Fund Balance – General Fund Retrospective

Page 53 Draft Basic Financial Statements	Increase (Decrease) 2025 vs 2024	2025	2024	2023
Nonspendable- Prepaid expenditures	$ 74,130	$ 522,796	$ 448,666	$ 374,697
Restricted- Open Space	578,583	5,832,079	5,253,496	4,705,812
Assigned-				
Purchases on order	(234,012)	-	234,012	-
Subsequent year's expenditures	(47,000)	228,000	275,000	550,000
Total Assigned Fund Balances	(281,012)	228,000	509,012	550,000
Unassigned	475,903	1,529,390	1,053,487	785,199
Total Fund Balances	$ 847,604	$ 8,112,265	$ 7,264,661	$ 6,415,708

Unassigned	1,529,390	=	18.0 %
2026 adopted Budget	8,519,635		

HighwayFund

Highway Fund – 2025 Budget to Actual Summary

Page 70 - Draft Basic Financial Statements

	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues	$ 2,765,483	$ 2,765,483	$ 2,928,067	$ 162,584
Total Expenditures	2,565,483	2,565,483	2,812,713	(247,230)
Excess of Revenues Over Expenditures	200,000	200,000	115,354	(84,646)
Other Financing Uses - Transfers Out	(200,000)	(200,000)	(200,000)	-
Net Change in Fund Balance	-	-	(84,646)	(84,646)
Fund Balance (Deficit) - Beginning of Year	-	-	54,215	54,215
Fund Balance (Deficit) - End of Year	$ -	$ -	$ (30,431)	$ (30,431)

Highway Fund – Budget to Actual Revenues and Expenditures

Pages 70 Draft Basic Financial Statements

	2025			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	$ 2,416,983	$ 2,416,983	$ 2,416,983	$ -
Departmental income	12,500	12,500	12,105	(395)
Use of money and property	1,000	1,000	976	(24)
Sale of Property & Comp for loss	35,000	35,000	19,327	(15,673)
State aid	300,000	300,000	475,804	175,804
Miscellaneous	-	-	2,872	2,872
Total Revenues	2,765,483	2,765,483	2,928,067	162,584
EXPENDITURES				
Current				
Transportation	1,894,683	1,894,683	2,083,586	(188,903)
Employee benefits	585,800	585,800	624,601	(38,801)
Debt service				
Interest	85,000	85,000	104,526	(19,526)
Total Expenditures	2,565,483	2,565,483	2,812,713	(247,230)
Excess (Deficiency) of Revenues Over Expenditures	200,000	200,000	115,354	(84,646)
OTHER FINANCING SOURCES (USES)				
Transfers out	(200,000)	(200,000)	(200,000)	-
Net Change in Fund Balance	-	-	(84,646)	(84,646)
FUND BALANCE (DEFICIT)				
Beginning of Year	-	-	54,215	54,215
End of Year	$ -	$ -	$ (30,431)	$ (30,431)

Fund Balance – Highway Fund - Retrospective

Page 53 Draft Basic Financial Statements	Increase (Decrease) 2025 vs 2024	2025	2024	2023
Nonspendable- Prepaid expenditures	$ 29,185	$ 163,944	$ 134,759	$ 118,087
Unassigned	(113,831)	(194,375)	(80,544)	(141,697)
Total Fund Balances	$ (84,646)	$ (30,431)	$ 54,215	$ (23,610)

Other Funds

- Capital Projects Fund (Pages 72-73) - Deficit of $2,532,510, currently $2,020,000 in short-term Bond anticipation Notes. Town must fund project deficit in 2026 and 2027.
- Special Purpose Fund (Pages 76-77) – Ending fund balance of $226,454, restricted for Trusts.
- Public Parking Fund (Pages 78 - 80) – Expenditures exceeded revenues by $173,012 resulting in an ending fund balance is $20,081 restricted for public parking, down from fund balance of $193,093 in 2024.

	Capital Projects	Special Purpose	Public Parking Fund
Restricted-			
Trusts	$ -	$ 226,454	$ -
Total Restricted	-	226,454	-
Assigned-			
Subsequent year's expenditures	-	-	-
Public Parking	-	-	20,081
	-	-	20,081
Unassigned	(2,532,510)	-	-
Total Fund Balances	$ (2,532,510)	$ 226,454	$ 20,081

Other Considerations (Cont'd)

– Debt Service requirements (Page 43-44 Draft Basic Financial Statements) – Short-term Bond Anticipation Notes and General Obligation Bonds outstanding at 12/31/2025, $1,800,000.

	Original Issue Date	Maturity Date	Rate of Interest	Bond Anticipation Notes Balance January 1, 2025	Amount Issued	Redemptions	Balance December 31, 2025
Capital Projects Fund							
Various purposes	6/15/2018	-	- %	$ 855,000	$ -	$ 855,000	$ -
Various purposes	6/14/2019	-	-	50,000	-	50,000	-
Various purposes	6/12/2020	6/5/2026	3.99	1,825,000	-	805,000	1,020,000
Various purposes	6/10/2022	-	-	500,000	-	500,000	-
Various purposes	6/7/2024	6/5/2026	3.99	250,000	-	-	250,000
Various purposes	6/6/2025	6/5/2026	3.99	-	750,000	-	750,000
				$ 3,480,000	$ 750,000	$ 2,210,000	$ 2,020,000

Page 43-44 Draft Notes to Financial statements

Statutory Installment Bonds

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2025
Various Purposes	2025	1,880,000	May, 2032	4.46%	$ 1,880,000

Year Ended December 31,	Payments to Maturity Principal	Interest
2026	$ 268,571	$ 83,848
2027	268,571	71,870
2028	268,571	59,891
2029	268,571	47,913
2030	268,571	35,935
2031-2032	537,145	35,935
	$ 1,880,000	$ 335,392

Summary – Closing Points

The Town has:

- Remained within the 2% tax cap "Tax levy Limitation Law", at least for the past five years.
- The Towns overall financial position improved.
- General Fund produced strong operating results and remains in good financial health. Revenues exceeded the final budget by approximately $943,000; expenditures were approximately $32,000 below budget and General Fund balance increased by approximately $848,000. Unassigned fund balance was $1.53 million, providing for flexibility for operations, emergencies and future capital needs
- Continued attention is needed in the Highway and Capital Projects Funds. The Highway Fund reported an unassigned deficit of approximately $194,000, while the Capital Projects Fund reported a deficit of approximately $2.53 million. Formal multi-year funding and financing plans should continue to be developed.
- Looking ahead, conservative budgeting remains important. The Town should continue monitoring interest earnings, mortgage and sales tax revenues, health-insurance and retirement costs, fuel and infrastructure costs, and the effect of the NYS tax cap on future operating flexibility.

Issued Our Communication to Those Charged With Governance

"Management letter", No material weaknesses or significant deficiencies identified, control deficiencies were noted.

On the Horizon - New GASB Pronouncements

GASB Statement No. 103 – Financial Reporting Model Improvements – 2026
GASB Statement No. 104 – Disclosure of Certain Capital Assets
GASB Statement No. 105 – Subsequent Events

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