

Independent Auditors' Report**The Honorable Mayor and Common Council
of the City of White Plains, New York****Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of White Plains, New York ("City") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Funding Progress – Other Post Employment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

October 28, 2013

**CITY OF WHITE PLAINS, NEW YORK
STATEMENT OF NET POSITION
JUNE 30, 2013**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 54,548,150	\$ 3,870,307	\$ 58,418,457
Investments	7,121,661	-	7,121,661
Taxes receivable	3,548,867	-	3,548,867
Other receivables (net of allowance for uncollectibles)	7,459,612	6,383,743	13,843,355
Due from other governments and agencies	3,182,708	-	3,182,708
Internal balances	194,976	(194,976)	-
Inventory of supplies, at cost	842,194	-	842,194
Prepaid items	64,804	-	64,804
Capital assets, not being depreciated:			
Land	51,140,142	712,806	51,852,948
Construction-in-progress	16,238,332	3,599,742	19,838,074
Capital assets, net of accumulated depreciation:			
Buildings and facilities	124,259,274	3,784,922	128,044,196
Machinery and equipment	1,752,428	21,876	1,774,304
Rolling stock	8,420,744	491,381	8,912,125
Infrastructure	60,098,926	29,826,331	89,925,257
Total Assets	<u>338,872,818</u>	<u>48,496,132</u>	<u>387,368,950</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding bonds	<u>1,024,213</u>	<u>131,563</u>	<u>1,155,776</u>
LIABILITIES			
Accounts payable	3,743,399	1,433,758	5,177,157
Contract retainage payable	637,132	12,482	649,614
Accrued liabilities	2,753,475	61,818	2,815,293
Accrued interest payable	730,409	139,104	869,513
Deposits	2,285,203	24,749	2,309,952
Due to other governments and agencies	16,276,980	-	16,276,980
Unearned revenue	3,637,969	-	3,637,969
Due to retirement systems	4,510,211	140,359	4,650,570
Noncurrent liabilities:			
Due within one year	12,855,034	937,666	13,792,700
Due in more than one year	184,066,051	14,302,453	198,368,504
Total Liabilities	<u>231,495,863</u>	<u>17,052,389</u>	<u>248,548,252</u>
DEFERRED INFLOWS OF RESOURCES			
Real property taxes received in advance of lien date	<u>721,820</u>	<u>-</u>	<u>721,820</u>
NET POSITION			
Net investment in capital assets	173,961,957	25,513,639	199,475,596
Restricted for:			
Capital projects	948,441	-	948,441
Debt service	1,680,991	-	1,680,991
Public safety	318,670	-	318,670
Community services	3,075,345	-	3,075,345
Nonrecurring repairs	626,822	-	626,822
Tax stabilization	5,048,663	-	5,048,663
Permanent Fund:			
Expendable	1,066	-	1,066
Nonexpendable	10,000	-	10,000
Unrestricted	<u>(77,992,607)</u>	<u>6,061,667</u>	<u>(71,930,940)</u>
Total Net Position	<u>\$ 107,679,348</u>	<u>\$ 31,575,306</u>	<u>\$ 139,254,654</u>

The notes to the financial statements are and integral part of this statement

Component Units	
Urban Renewal Agency	Cable Television
\$ -	\$ 430,085
5,013,306	-
-	-
-	232,719
-	-
-	-
-	-
2,743,760	-
-	-
-	62,207
-	13,908
-	24,989
-	-
<u>7,757,066</u>	<u>763,908</u>
-	-
4,841,894	7,736
-	-
-	10,728
-	-
-	11,260
-	-
-	100,000
-	19,148
-	415
-	257,349
<u>4,841,894</u>	<u>406,636</u>
-	-
2,743,760	101,104
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
171,412	256,168
<u>\$ 2,915,172</u>	<u>\$ 357,272</u>

**CITY OF WHITE PLAINS, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs:				
Primary government:				
Governmental activities:				
Council and boards	\$ 644,007	\$ -	\$ -	\$ -
General government	28,761,320	3,686,259	4,840,219	65,000
Public works	43,592,762	1,593,371	1,518,928	650,528
Parking department	15,140,993	21,476,133	43,113	-
Public safety	75,140,524	3,275,538	184,183	145,888
Community services	28,644,014	7,217,084	8,555,852	-
Interest	3,275,204	-	-	17,912
Total Governmental Activities	<u>195,198,824</u>	<u>37,248,385</u>	<u>15,142,295</u>	<u>879,328</u>
Business-type activities:				
Water	11,691,872	11,981,058	80,519	-
Sewer	1,942,482	2,179,960	4,707	-
Total Business-type Activities	<u>13,634,354</u>	<u>14,161,018</u>	<u>85,226</u>	<u>-</u>
Total Primary Government	<u>\$ 208,833,178</u>	<u>\$ 51,409,403</u>	<u>\$ 15,227,521</u>	<u>\$ 879,328</u>
Component units:				
Urban Renewal Agency	\$ 5,119,765	\$ -	\$ -	\$ -
Cable Television	724,199	603,829	-	-
Total Component Units	<u>\$ 5,843,964</u>	<u>\$ 603,829</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes and related items:

Property tax
Sales tax
Hotel occupancy tax
Utilities gross receipts tax
Intergovernmental - unrestricted
Franchise taxes
Unrestricted investment earnings
Gain on sale of capital assets
Miscellaneous
Gain on sale of property
Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Primary Government</u>			<u>Component Units</u>	
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Urban Renewal Agency</u>	<u>Cable Television</u>
\$ (644,007)	\$ -	\$ (644,007)	\$ -	\$ -
(20,169,842)	-	(20,169,842)	-	-
(39,829,935)	-	(39,829,935)	-	-
6,378,253	-	6,378,253	-	-
(71,534,915)	-	(71,534,915)	-	-
(12,871,078)	-	(12,871,078)	-	-
(3,257,292)	-	(3,257,292)	-	-
<u>(141,928,816)</u>	<u>-</u>	<u>(141,928,816)</u>	<u>-</u>	<u>-</u>
-	369,705	369,705	-	-
-	242,185	242,185	-	-
-	<u>611,890</u>	<u>611,890</u>	-	-
<u>(141,928,816)</u>	<u>611,890</u>	<u>(141,316,926)</u>	-	-
-	-	-	(5,119,765)	-
-	-	-	-	(120,370)
-	-	-	<u>(5,119,765)</u>	<u>(120,370)</u>
55,005,614	-	55,005,614	-	-
49,913,997	-	49,913,997	-	-
997,932	-	997,932	-	-
1,264,420	-	1,264,420	-	-
7,013,667	-	7,013,667	-	-
729,899	-	729,899	-	-
120,486	20,807	141,293	335,243	1,999
47,900	-	47,900	-	-
1,904,367	334,989	2,239,356	41,018	11,483
-	-	-	4,600,004	-
<u>116,998,282</u>	<u>355,796</u>	<u>117,354,078</u>	<u>4,976,265</u>	<u>13,482</u>
(24,930,534)	967,686	(23,962,848)	(143,500)	(106,888)
<u>132,609,882</u>	<u>30,607,620</u>	<u>163,217,502</u>	<u>3,058,672</u>	<u>464,160</u>
<u>\$ 107,679,348</u>	<u>\$ 31,575,306</u>	<u>\$ 139,254,654</u>	<u>\$ 2,915,172</u>	<u>\$ 357,272</u>

**Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
Government Auditing Standards**

Independent Auditors' Report

**The Honorable Mayor and Common Council
of the City of White Plains, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of White Plains, New York ("City") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 28, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 a 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 of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the City in a separate letter.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
October 28, 2013

**Report on Compliance For Each Major Federal Program and on
Internal Control Over Compliance**

Independent Auditors' Report

**The Honorable Mayor and Common Council
of the City of White Plains, New York**

Report on Compliance for Each Major Federal Program

We have audited the City of White Plains, New York's ("City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2013. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

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Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
October 28, 2013

**CITY OF WHITE PLAINS, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013**

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>		
Direct Programs:		
Community Development Block Grants	14.218	\$ 805,645
Section 8 Housing Choice Vouchers	14.871	<u>4,680,608</u>
Total U.S. Department of Housing and Urban Development		<u>5,486,253</u>
<u>U.S. Department of Homeland Security</u>		
Direct Programs:		
Assistance to Firefighters Grant	97.044	97,693
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	641,685
Indirect Programs - Passed through New York State Emergency Management Office:		
Disaster Grants - Public Assistance	97.036	1,703,739
Pre-Disaster Mitigation	97.047	<u>54,540</u>
Total U.S. Department of Homeland Security		<u>2,497,657</u>
<u>U.S. Department of Labor</u>		
Indirect Program - Passed through Westchester County -		
Workforce Investment Act - Youth Activities	17.259	209,268
Workforce Investment Act - National Emergency Grant	17.277	<u>12,635</u>
Total U.S. Department of Labor		<u>221,903</u>

(Continued)

**CITY OF WHITE PLAINS, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Concluded)
YEAR ENDED JUNE 30, 2013**

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Education</u>		
Indirect Program - Passed through New York State Department of Education - 21st Century Community Learning Center	84.287	<u>1,289,140</u>
<u>U.S. Department of Health and Human Services</u>		
Direct Program -		
Drug - Free Communities Support Program Grants	93.276	<u>\$ 116,925</u>
Indirect Programs - Passed through Westchester County:		
<i>Aging Cluster:</i>		
Aging - Title III - Part B - Grants for Supportive Services and Senior Centers	93.044	16,566
Aging - Title III - Part C - Nutrition Services	93.045	<u>35,780</u>
Subtotal Aging Cluster		<u>52,346</u>
Total U.S. Department of Health and Human Services		<u>169,271</u>
<u>U.S. Department of Justice</u>		
Direct Programs:		
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	38,713
Edward Byrne Memorial Justice Assistance Grant Program	16.738	3,000
Public Safety Partnership and Community Policing Grant	16.710	<u>19,115</u>
Total U.S. Department of Justice		<u>60,828</u>
Total Expenditures of Federal Awards		<u>\$ 9,725,052</u>

(1) Catalog of Federal Domestic Assistance Number

The accompanying notes are an integral part of this schedule.