

VILLAGE OF RYE BROOK, NEW YORK

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED MAY 31, 2008

WITH INDEPENDENT AUDITORS' REPORT

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O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees
of the Village of Rye Brook, New York:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Rye Brook, New York as of and for the year ended May 31, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Rye Brook, New York as of May 31, 2008 and the respective changes in financial position, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Bennett Kielson Storch DeSantis Division

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Rye Brook, New York's basic financial statements. The accompanying financial information listed as individual fund financial statements and schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Village of Rye Brook, New York. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Bennett Kielson Storch DeSantis

The Government Services Division of
O'Connor Davies Munns & Dobbins, LLP
October 20, 2008

**Village of Rye Brook, New York
Management's Discussion and Analysis (MD&A)
May 31, 2008**

Introduction

The management of the Village of Rye Brook, New York ("Village"), offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2008. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the Village's financial performance.

Financial Highlights

- ❖ On the government-wide financial statements, the assets of the Village exceeded its liabilities at the close of fiscal year 2008 by \$28,371,219. Of this amount, \$2,269,011 may be used to meet the Village's ongoing obligations to its citizens and creditors.
- ❖ As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$3,340,572. Exclusive of the Capital Projects Fund, the unreserved fund balance was \$3,063,930. Of this amount, the undesignated portion was \$2,463,930, which is available for spending at the Village's discretion. The fund balance of all governmental funds increased by \$317,713, primarily attributable revenues and other financing sources exceeding expenditures and other financing uses.
- ❖ At the end of the fiscal years 2008 and 2007, unreserved fund balance for the General Fund was \$3,063,930 or 19% and \$2,790,366 or 18% respectively of total General Fund expenditures and other financing uses.
- ❖ During the current fiscal year, the Village issued no new serial bonds. Long-term liabilities were reduced by \$365,000 in scheduled payments.
- ❖ During the current fiscal year, the Village issued \$1,062,000 in short-term obligations (bond anticipation notes) to finance the cost of the various capital projects.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator as to whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Village include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on

near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains two major governmental funds: the General Fund and the Capital Projects Fund. This information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. The Friends of Rye Brook and the Recreation Trust Fund are grouped together as a Special Purpose non-major governmental fund.

Budgetary comparison statements have been provided for the General Fund within the basic financial statements to demonstrate compliance with the respective budget.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Village programs. The Village maintains one type of fiduciary fund, an Agency Fund. Resources in the Agency Fund are held by the Village purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization, or government.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements and include combining and individual fund financial statements and schedules of budgets to actual comparisons.

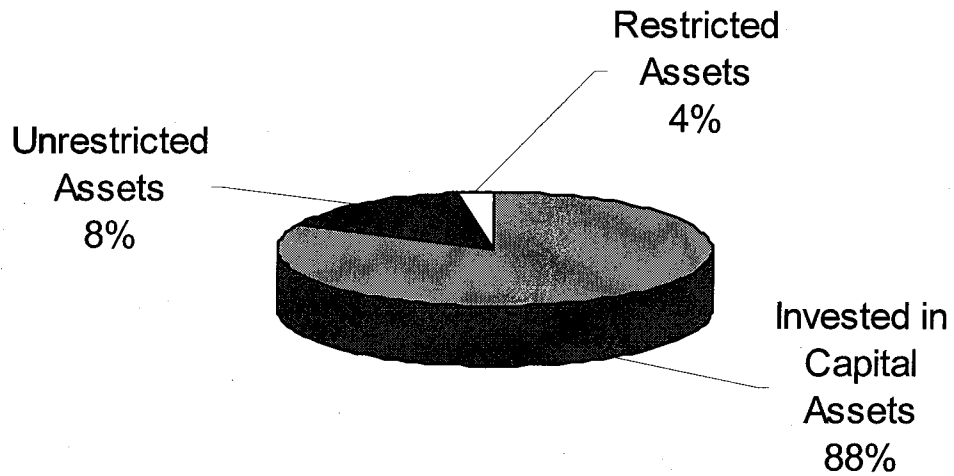
Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the Village, assets exceeded liabilities by \$28,371,219 at the close of the fiscal year 2007-2008. The largest portion of the Village's net assets is its investment in capital assets (land, land improvements, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress), less any related debt outstanding that was used to acquire those assets. The Village uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Village's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

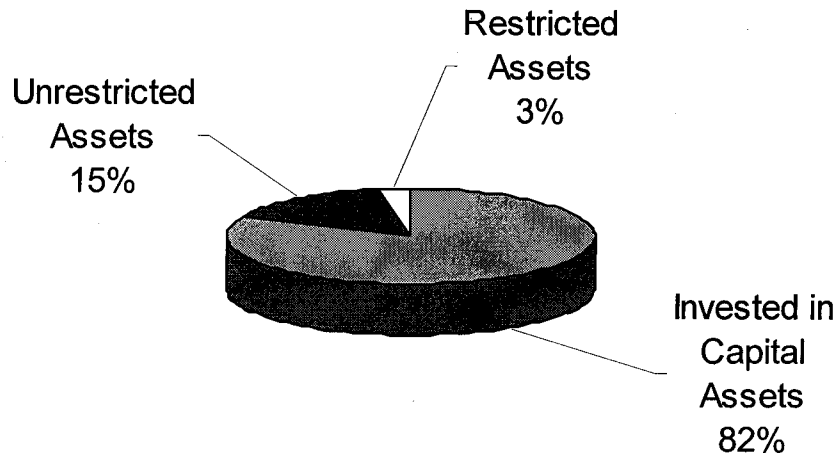
The following table reflects the condensed Statement of Net Assets:

		June 30,	
		2008	2007
Current Assets	\$	6,222,073	\$ 5,821,452
Capital Assets, net		30,596,383	24,479,435
Total Assets		36,818,456	30,300,887
Current Liabilities		2,931,463	2,848,620
Long-term Liabilities		5,515,774	5,782,077
Total Liabilities		8,447,237	8,630,697
Net Assets:			
Invested in Capital Assets, Net of Related Debt		24,892,030	17,774,726
Restricted		1,210,178	626,831
Unrestricted		2,269,011	3,268,633
Total Net Assets	\$	28,371,219	\$ 21,670,190

Net Asset Distribution For Fiscal Year 2008

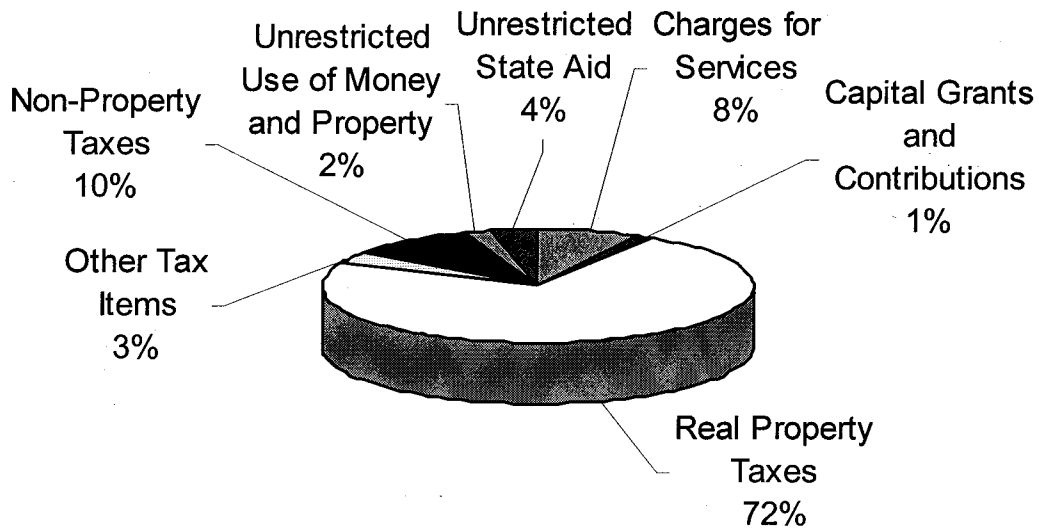


Net Asset Distribution For Fiscal Year 2007



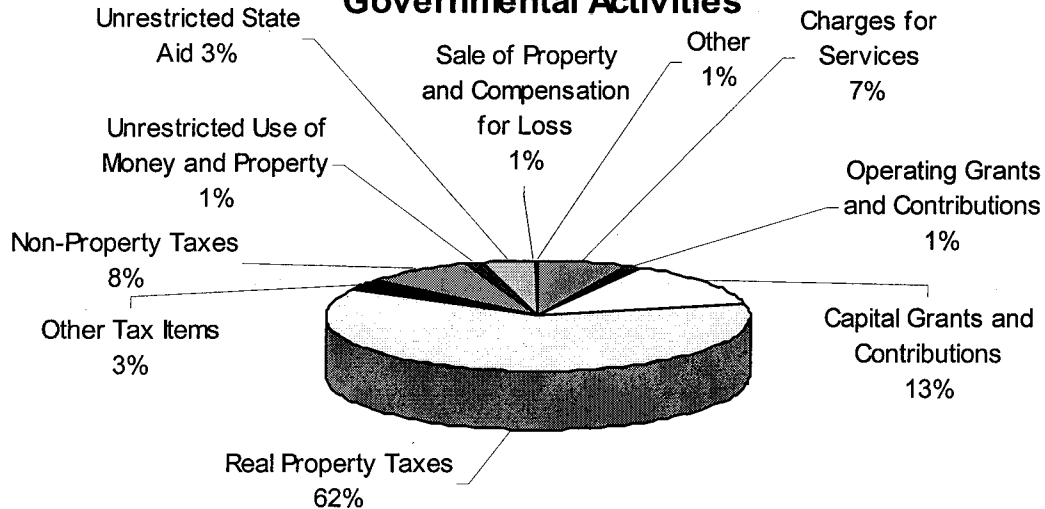
Sources of Revenue for Fiscal Year 2008

Governmental Activities

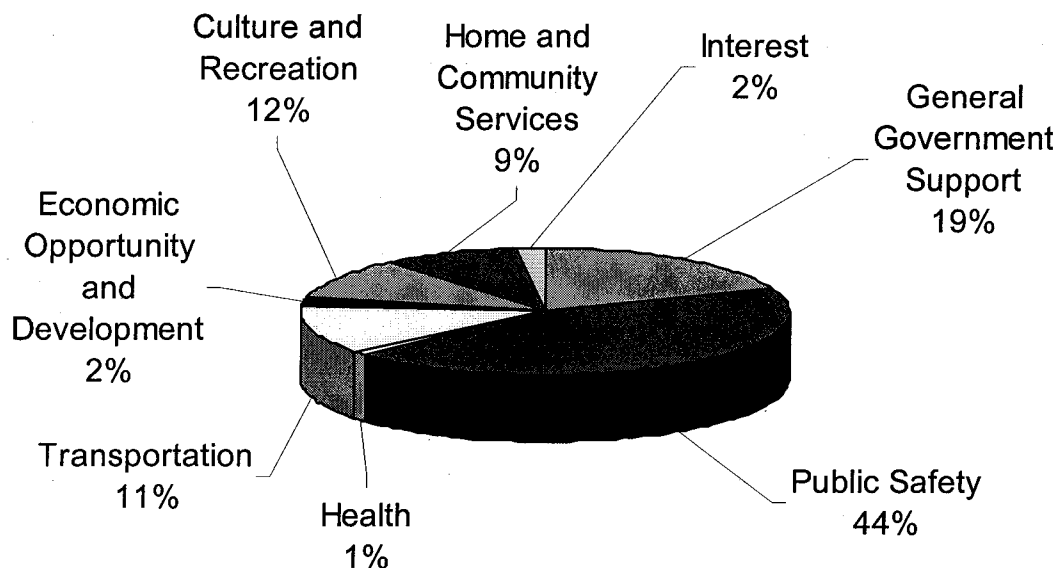


Sources of Revenue for Fiscal Year 2007

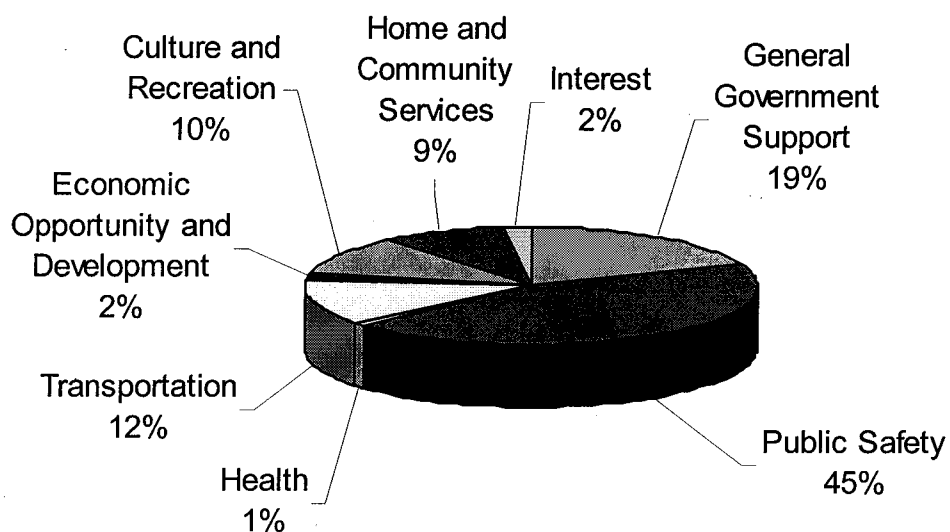
Governmental Activities



Sources of Expenses for Fiscal Year 2008 Governmental Activities



Sources of Expenses for Fiscal Year 2007 Governmental Activities



**Change in Net Assets
Fiscal Year Ended May 31,**

	<u>2008</u>	<u>2007</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,255,119	\$ 1,281,323
Operating Grants and Contributions	63,030	196,735
Capital Grants and Contributions	206,000	2,394,414
Total Program Revenues	<u>1,524,149</u>	<u>3,872,472</u>
General Revenues:		
Real Property Taxes	11,911,410	11,383,169
Other Tax Items	532,596	558,725
Non-Property Taxes	1,585,599	1,537,753
Unrestricted Use of Money and Property	301,031	269,132
Unrestricted State Aid	589,115	685,279
Sale of Property and Compensation for Loss	62,241	63,104
Miscellaneous	2,587	6,785
Total General Revenues	<u>14,984,579</u>	<u>14,503,947</u>
Total Revenues	<u>16,508,728</u>	<u>18,376,419</u>
Program Expenses:		
General Government Support	2,933,274	2,874,095
Public Safety	7,050,442	6,690,699
Health	189,637	187,200
Transportation	1,766,161	1,839,970
Economic Opportunity and Development	326,750	330,955
Culture and Recreation	1,888,900	1,586,404
Home and Community Services	1,415,085	1,394,324
Interest	274,528	287,304
Total Expenses	<u>15,844,777</u>	<u>15,190,951</u>
Change in Net Assets	<u>663,951</u>	<u>3,185,468</u>
Net Assets - Beginning as reported	21,670,190	18,484,722
Prior Period Adjustment	<u>6,037,078</u>	<u>-</u>
Net Assets - Beginning as restated	<u>27,707,268</u>	<u>18,484,722</u>
Net Assets - Ending	<u>\$ 28,371,219</u>	<u>\$ 21,670,190</u>

Governmental Activities

Governmental activities increased the Village's net assets by \$663,951 in 2008 and increased the Villages net assets by \$3,185,468 in 2007.

For the fiscal years ended May 31, 2008 and 2007, revenues from governmental activities totaled \$16,508,728 and \$18,376,419, respectively. Tax revenues (\$14,029,605, in 2008 and \$13,479,647 in 2007), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (85% in 2008 and 73% in 2007).

The largest components of governmental activities' expenses are public safety (44% in 2008 and 44% in 2007), general government support (19% in 2008 and 19% in 2007) and transportation (11% in 2008 and 12% in 2007). The major changes are as follows:

Revenues:

- Total general revenues increased \$480,632 or 3.3% with real property taxes increasing by \$527,241 and payments in lieu of taxes decreasing by \$23,404.
- Capital grants and contributions decreased by \$2,188,414, mainly due to the completion and reimbursement of expenses connected with the improvements made to various parks within the Village.

Expenses:

- Total general expenses increased by \$653,826 or 4.3% mainly due to increases in public safety of \$359,743, general government support of \$59,179 and all other functions/programs by a total of \$234,904.

Financial Analysis of the Village's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$3,340,572. Of the unreserved fund balance, \$600,000 has been designated leaving an undesignated fund balance of \$866,592. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for: prepaid expenditures \$158,616, to liquidate contracts and purchase orders of the prior period \$74,434, debt service \$182,000, trusts \$10,719 and reserved for parklands \$217,456.

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, unreserved and undesignated fund balance of the General Fund was \$2,463,930, representing 71% of the total General Fund balance of \$3,478,980. Revenues and other financing sources were \$16,450,063, which was \$703,684 greater than the final budget. The major areas where revenues exceeded the budget were interest earnings, non-property taxes, department income and State aid (mortgage taxes). Expenditures and other financing uses were \$16,145,621, which was \$136,730 less than the final budget.

The Capital Projects Fund has an undesignated deficit of \$366,583 due to \$2,038,500 in bond anticipation notes payable. Bond anticipation notes are recognized as revenue only when they are redeemed and or converted to permanent financing.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for governmental activities at May 31, 2008, net of \$16,141,874 of accumulated depreciation, was \$30,596,383. This investment in capital assets includes land, land improvements, buildings and improvements, machinery and equipment and construction-in-progress.

Major capital asset activity during the current fiscal year included the following:

Capital Assets May 31,

<u>Class</u>	<u>2008</u>	<u>2007</u>
Land	\$ 12,112,871	\$ 12,112,871
Land Improvements	4,963,856	684,913
Building and Improvements	7,223,169	7,181,173
Machinery and Equipment	3,982,671	3,745,928
Infrastructure	18,448,490	17,249,257
Construction-in-Progress	7,200	4,700,353
Less - accumulated depreciation	<u>(16,141,874)</u>	<u>(15,157,982)</u>
Total (net of depreciation)	<u>\$ 30,596,383</u>	<u>\$ 30,516,513</u>

Additional information on the Village's capital assets can be found in Note 3 in the notes to the financial statements.

Long-Term Debt /Short-Term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$4,680,000. As required by New York State Law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village.

During the current fiscal year, the Village issued bond anticipation notes totaling \$1,062,000 for various capital projects. The Village paid \$455,500 on bond anticipation notes for capital projects.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the Village is subject to a "constitutional debt limit". This debt limit is calculated by taking 7% of the latest five-year average of the full valuation of all taxable real property within the Village. At May 31, 2008, the Village exhausted 2.9% of its constitutional debt capacity, and accordingly has the authority to issue up to an additional **\$155,576,599** of general obligation long-term debt.

Additional information on the Village's long-term and short-term debt can be found in Note 3 in the notes to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Village of Rye Brook, New York's finances. Questions and comments concerning any of the information provided in this report should be addressed to Diane DiSanto, Treasurer, Village of Rye Brook, 940 King Street, Rye Brook, New York 10573.

VILLAGE OF RYE BROOK, NEW YORK

STATEMENT OF NET ASSETS

MAY 31, 2008

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 5,272,293
Receivables:	
Taxes	82,377
Accounts	220,301
Due from other governments	488,486
Prepaid expenses	158,616
Capital assets (net of accumulated depreciation):	
Land	12,112,871
Land improvements	4,543,905
Buildings and improvements	5,969,549
Machinery and equipment	1,126,704
Infrastructure	6,836,154
Construction-in-progress	7,200
	<hr/>
Total Assets	36,818,456
	<hr/>
LIABILITIES	
Accounts payable	519,479
Accrued liabilities	77,642
Retainages payable	108,120
Deposits and other liabilities	3,565
Due to retirement systems	134,195
Bond anticipation notes payable	2,038,500
Accrued interest payable	49,962
Non-current liabilities:	
Due within one year:	
Bonds payable	390,000
Compensated absences	83,577
Due in more than one year:	
Bonds payable	4,290,000
Compensated absences	752,197
	<hr/>
Total Liabilities	8,447,237
	<hr/>
NET ASSETS	
Invested in capital assets, net of related debt	24,892,030
Restricted for:	
Capital projects	800,003
Debt service	182,000
Special purposes	10,719
Parklands	217,456
Unrestricted	2,269,011
	<hr/>
Total Net Assets	\$ 28,371,219
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The notes to financial statements are an integral part of this statement.

VILLAGE OF RYE BROOK, NEW YORK

STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government support	\$ 2,933,274	\$ 85,216	\$ -	\$ -	\$ (2,848,058)
Public safety	7,050,442	578,520	3,450	-	(6,468,472)
Health	189,637	5,810	-	-	(183,827)
Transportation	1,766,161	66,311	17,996	150,000	(1,531,854)
Economic opportunity and development	326,750	-	-	-	(326,750)
Culture and recreation	1,888,900	400,651	41,584	49,000	(1,397,665)
Home and community services	1,415,085	118,611	-	-	(1,296,474)
Interest	274,528	-	-	7,000	(267,528)
Total Governmental Activities	\$ 15,844,777	\$ 1,255,119	\$ 63,030	\$ 206,000	(14,320,628)
General Revenues:					
Real property taxes					11,911,410
Other tax items:					
Payments in lieu of taxes					523,651
Interest and penalties on real property taxes					8,945
Non-property taxes:					
Non-property tax distribution from County					1,199,007
Utilities gross receipts taxes					254,401
Franchise fees					132,191
Unrestricted use of money and property					301,031
Sale of property and compensation for loss					62,241
Unrestricted State aid					589,115
Miscellaneous					2,587
Total General Revenues					14,984,579
Change in Net Assets					663,951
Net Assets - Beginning, as reported					21,670,190
Prior Period Adjustment					6,037,078
Net Assets - Beginning, as restated					27,707,268
Net Assets - Ending					\$ 28,371,219

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

BALANCE SHEET
GOVERNMENTAL FUNDS
MAY 31, 2008

	General	Capital Projects	Other Governmental Fund	Total Governmental Funds
ASSETS				
Cash and Equivalents	\$ 4,630,487	\$ 422,260	\$ 219,546	\$ 5,272,293
Taxes Receivable	82,377	-	-	82,377
Other Receivables:				
Accounts	220,301	-	-	220,301
Due from other governments	488,486	-	-	488,486
Due from other funds	7,528	1,357,777	16,157	1,381,462
Prepaid Expenditures	158,616	-	-	158,616
Total Assets	\$ 5,587,795	\$ 1,780,037	\$ 235,703	\$ 7,603,535
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities:				
Accounts payable	\$ 519,479	\$ -	\$ -	\$ 519,479
Accrued liabilities	77,642	-	-	77,642
Retainages payable	-	108,120	-	108,120
Deposits and other liabilities	3,565	-	-	3,565
Due to retirement systems	134,195	-	-	134,195
Due to other funds	1,373,934	-	7,528	1,381,462
Bond anticipation notes payable	-	2,038,500	-	2,038,500
Total Liabilities	2,108,815	2,146,620	7,528	4,262,963
Fund Balances (Deficits):				
Reserved for encumbrances	74,434	-	-	74,434
Reserved for prepaid expenditures	158,616	-	-	158,616
Reserved for debt service	182,000	-	-	182,000
Reserved for trusts	-	-	10,719	10,719
Reserved for parklands	-	-	217,456	217,456
Unreserved, reported in:				
General Fund	3,063,930	-	-	3,063,930
Capital Projects Fund	-	(366,583)	-	(366,583)
Total Fund Balances (Deficits)	3,478,980	(366,583)	228,175	3,340,572
Total Liabilities and Fund Balances (Deficits)	\$ 5,587,795	\$ 1,780,037	\$ 235,703	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds 30,596,383

Long-term and other liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued interest payable (49,962)
Bonds payable (4,680,000)
Compensated absences (835,774)

Net Assets of Governmental Activities \$ 28,371,219

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

VILLAGE OF RYE BROOK, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED MAY 31, 2008

	General	Capital Projects	Other Governmental Fund	Total Governmental Funds
REVENUES				
Real property taxes	\$ 11,911,410	\$ -	\$ -	\$ 11,911,410
Other tax items	532,596	-	-	532,596
Non-property taxes	1,585,599	-	-	1,585,599
Departmental income	586,039	-	-	586,039
Culture and recreation	400,651	-	-	400,651
Intergovernmental charges	184,922	-	-	184,922
Use of money and property	308,031	-	5,580	313,611
Fines and forfeitures	83,507	-	-	83,507
Sale of property and compensation for loss	62,241	-	-	62,241
State aid	610,561	199,000	-	809,561
Miscellaneous	2,587	-	38,004	38,591
Total Revenues	16,268,144	199,000	41,584	16,508,728
EXPENDITURES				
Current:				
General government support	2,457,707	-	-	2,457,707
Public safety	4,887,690	-	-	4,887,690
Health	189,637	-	-	189,637
Transportation	1,039,961	-	-	1,039,961
Economic opportunity and development	253,285	-	-	253,285
Culture and recreation	1,387,945	-	29,093	1,417,038
Home and community services	1,292,088	-	-	1,292,088
Employee benefits	2,797,132	-	-	2,797,132
Debt Service:				
Principal	365,000	-	-	365,000
Interest	274,593	-	-	274,593
Capital Outlay	-	1,216,884	-	1,216,884
Total Expenditures	14,945,038	1,216,884	29,093	16,191,015
Excess (Deficiency) of Revenues Over Expenditures	1,323,106	(1,017,884)	12,491	317,713
OTHER FINANCING SOURCES (USES)				
Transfers in	181,919	1,216,969	-	1,398,888
Transfers out	(1,200,583)	(181,919)	(16,386)	(1,398,888)
Total Other Financing Sources (Uses)	(1,018,664)	1,035,050	(16,386)	-
Net Change in Fund Balances	304,442	17,166	(3,895)	317,713
Fund Balances (Defecits) - Beginning of Year	3,174,538	(383,749)	232,070	3,022,859
Fund Balances (Deficits) - End of Year	\$ 3,478,980	\$ (366,583)	\$ 228,175	\$ 3,340,572

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

VILLAGE OF RYE BROOK, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2008

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds	\$ 317,713
--	------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. This amount is less than the total capital outlay since capital outlay includes amounts that are under the capitalization threshold and, therefore, were not capitalized.

Capital outlay expenditures	1,063,761
Depreciation expense	(983,891)

79,870

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal paid on bonds	365,000
-------------------------	---------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	65
Compensated absences	(98,697)

(98,632)

Change in Net Assets of Governmental Activities	\$ 663,951
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The notes to financial statements are an integral part of this statement.

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MAY 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Real property taxes	\$ 11,911,410	\$ 11,911,410	\$ 11,911,410	\$ -
Other tax items	503,500	503,500	532,596	29,096
Non-property taxes	1,430,000	1,430,000	1,585,599	155,599
Departmental income	548,725	548,725	586,039	37,314
Culture and recreation	376,700	376,700	400,651	23,951
Intergovernmental charges	153,500	182,737	184,922	2,185
Use of money and property	120,000	120,000	308,031	188,031
Fines and forfeitures	50,000	50,000	83,507	33,507
Sale of property and compensation for loss	45,000	45,000	62,241	17,241
State aid	573,307	573,307	610,561	37,254
Miscellaneous	5,000	5,000	2,587	(2,413)
Total Revenues	15,717,142	15,746,379	16,268,144	521,765
Expenditures:				
Current:				
General government support	2,431,643	2,476,756	2,457,707	19,049
Public safety	4,897,035	4,895,320	4,887,690	7,630
Health	190,000	205,725	189,637	16,088
Transportation	1,087,124	1,039,853	1,039,961	(108)
Economic opportunity and development	267,386	258,827	253,285	5,542
Culture and recreation	1,333,563	1,390,803	1,387,945	2,858
Home and community services	1,510,040	1,344,779	1,292,088	52,691
Employee benefits	3,081,768	2,829,848	2,797,132	32,716
Debt Service:				
Principal	365,000	365,000	365,000	-
Interest	258,962	274,856	274,593	263
Total Expenditures	15,422,521	15,081,767	14,945,038	136,729
Excess of Revenues Over Expenditures	294,621	664,612	1,323,106	658,494
Other Financing Sources (Uses):				
Transfers in	-	-	181,919	181,919
Transfers out	(822,000)	(1,200,584)	(1,200,583)	1
Total Other Financing Uses	(822,000)	(1,200,584)	(1,018,664)	181,920
Net Change in Fund Balance	(527,379)	(535,972)	304,442	840,414
Fund Balance - Beginning of Year	527,379	535,972	3,174,538	2,638,566
Fund Balance - End of Year	\$ -	\$ -	\$ 3,478,980	\$ 3,478,980

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

VILLAGE OF RYE BROOK, NEW YORK

STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
MAY 31, 2008

	<u>Agency</u>
ASSETS	
Cash - Demand deposits	\$ 160,272
Accounts Receivable	<u>38,937</u>
Total Assets	<u><u>\$ 199,209</u></u>
LIABILITIES	
Accounts Payable	\$ 14,289
Deposits	<u>184,920</u>
Total Liabilities	<u><u>\$ 199,209</u></u>

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

Note 1 - Summary of Significant Accounting Policies

The Village of Rye Brook, New York was incorporated in 1982 and operates in accordance with Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body responsible for overall operation. The Village Administrator serves as the chief administrative officer and the Village Treasurer serves as the chief financial officer. The Village provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Village of Rye Brook, New York conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Village's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government which is the Village of Rye Brook, b) organizations for which the Village is financially accountable and c) other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Village's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Assets presents the financial position of the Village at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Village does not allocate indirect expenses to functions in the Statement of Activities.

Note 1 - Summary of Significant Accounting Policies (Continued)

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, liabilities, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Village maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the statements or page following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Village's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. **Governmental Funds** - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Village's major governmental funds:

General Fund - The General Fund constitutes the primary operating fund of the Village in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The Village also reports the following non-major governmental fund:

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain defined purposes. The special revenue fund of the Village is as follows:

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Village in accordance with the terms of a trust agreement.

Note 1 - Summary of Significant Accounting Policies (Continued)

- b. Fiduciary Funds - (Not Included in Government-wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the Village in an agency capacity on behalf of others.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial reports.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus and utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities and Net Assets or Fund Balances

Deposits and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Village's investment policies are governed by State statutes. The Village has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Village is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions, and accordingly, the Village's policy provides for no credit risk on investments.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Village has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2008.

The Village was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate risk or credit risk.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of May 1st and are levied and payable in two installments due in June and February. The Town of Rye is responsible for the billing and collection of the Village's real property taxes.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Village. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of May 31, 2008, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Prepaid Expenses/Expenditures - Prepaid expenses/expenditures consist of insurance and other costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in governmental funds are equally offset by a reservation of fund balance

Note 1 - Summary of Significant Accounting Policies (Continued)

which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure of the Village are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Land improvements	20
Buildings and improvements	15 - 45
Machinery and equipment	5 - 20
Infrastructure	

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide Statement of Net Assets as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other

Note 1 - Summary of Significant Accounting Policies (Continued)

financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets on the Statement of Net Assets include, invested in capital assets, net of related debt, restricted for capital projects, debt service, special purposes and parklands. The balance is classified as unrestricted.

Fund Balances - Reserves and Designations - Portions of fund balance are segregated for future use and are therefore not available for future appropriation or expenditure. Amounts reserved for encumbrances, prepaid expenditures, debt service, trusts and parklands represent portions of fund balance which are required to be segregated in accordance with State law or generally accepted accounting principles. Designations of unreserved fund balance in governmental funds indicates the utilization of these resources in the ensuing year's budget or tentative plans for future use.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General and Capital Projects funds. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The Village generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) On or before March 20th, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes proposed expenditures and the means of financing for all funds.
- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- c) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for the General Fund.
- f) The budget for the General Fund is legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not legally adopted by the Board for the Special Purpose Fund.
- g) The Village Board of Trustees has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Village Administrator. However, any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations require a majority vote by the Board.
- h) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Board of Trustees. Individual amendments for the current year were not material in relation to the original appropriations which were amended.

B. Property Tax Limitation

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for 2007-2008 was \$45,787,600 which exceeded the actual levy by \$33,876,190.

C. Capital Projects Fund Deficit

The undesignated deficit in the Capital Projects Fund of \$1,597,338 arises in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. The deficit will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits, where no bond anticipation notes were issued or outstanding to the extent of the project deficit, arise because of expenditures and encumbrances exceeding current financing on the projects. These deficits will be eliminated with the receipt or issuance of subsequent authorized financing.

Note 2 - Stewardship, Compliance and Accountability (Continued)**D. Expenditures in Excess of Budget**

The following functional expenditures categories exceeded their budgetary authorization by the amount indicated:

General Fund:

Public Safety-

Police Department

\$ 6,491

Transportation-

Highway Maintenance

109

E. Prior Period Adjustment

The Village, during the 2007-08 fiscal year, determined that certain capital assets had been excluded from the previous years financial statement. As a result, an increase to the net assets reported as of June 1, 2007 of \$6,037,078 was required. The components of this adjustment are detailed in Note 3,C.

F. Future Application of Accounting Standard

Retiree health care costs have traditionally been accounted for and financed on the pay-as-you-go basis. Each year's budget has included an appropriation for the current year's cost of retiree health care. Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions ("OPEB"), requires that retiree health care costs be treated on an accrual basis, on the Village's "government-wide" financial statements. Presently, New York State has not established a vehicle to fund this liability. Recently, the New York State Comptroller announced legislation to authorize the creation of trust funds to help State and local governments plan for the costs of OPEB.

The Village's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC") of the employer, which is an actuarially determined amount. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be recognized under the "pay-as-you-go" approach. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The Village has not yet determined the impact of GASB Statement No. 45 on the financial statements. GASB Statement No. 45 is effective for the Village's fiscal year ending May 31, 2009.

Note 3 - Detailed Notes on All Funds**A. Taxes Receivable**

Taxes receivable at May 31, 2008 consisted of the following -

Current Year

\$ 82,377

VILLAGE OF RYE BROOK, NEW YORK

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)
B. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2008 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 7,528	\$ 1,373,934
Capital Projects	1,357,777	-
Non-Major Governmental	16,157	7,528
	<u>\$ 1,381,462</u>	<u>\$ 1,381,462</u>

C. Capital Assets

Changes in the Village's capital assets are as follows:

<u>Class</u>	<u>Balance June 1, 2007 as reported</u>	<u>Prior Period Adjustment</u>	<u>Balance June 1, 2007 as restated</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance May 31, 2008</u>
Capital Assets, not being depreciated:						
Land	\$ 12,112,871	\$ -	\$ 12,112,871	\$ -	\$ -	\$ 12,112,871
Construction-in-Progress	4,700,353	-	4,700,353	7,200	4,700,353	7,200
Total Capital Assets, not being depreciated	<u>\$ 16,813,224</u>	<u>\$ -</u>	<u>\$ 16,813,224</u>	<u>\$ 7,200</u>	<u>\$ 4,700,353</u>	<u>\$ 12,120,071</u>
Capital Assets, being depreciated:						
Land Improvements	\$ -	\$ 684,914	\$ 684,914	\$ 4,278,942	\$ -	\$ 4,963,856
Buildings and Improvements	684,913	6,496,260	7,181,173	41,996	-	7,223,169
Machinery and Equipment	7,278,871	(3,532,943)	3,745,928	236,743	-	3,982,671
Infrastructure	3,648,230	13,601,027	17,249,257	1,199,233	-	18,448,490
Total Capital Assets, being depreciated	<u>11,612,014</u>	<u>17,249,258</u>	<u>28,861,272</u>	<u>5,756,914</u>	<u>-</u>	<u>34,618,186</u>
Less Accumulated Depreciation for:						
Land Improvements	-	277,756	277,756	142,195	-	419,951
Buildings and Improvements	277,756	813,544	1,091,300	162,320	-	1,253,620
Machinery and Equipment	1,159,522	1,417,226	2,576,748	279,219	-	2,855,967
Infrastructure	2,508,525	8,703,654	11,212,179	400,157	-	11,612,336
Total Accumulated Depreciation	<u>3,945,803</u>	<u>11,212,180</u>	<u>15,157,983</u>	<u>983,891</u>	<u>-</u>	<u>16,141,874</u>
Total Capital Assets, being depreciated, net	<u>\$ 7,666,211</u>	<u>\$ 6,037,078</u>	<u>\$ 13,703,289</u>	<u>\$ 4,773,023</u>	<u>\$ -</u>	<u>\$ 18,476,312</u>
Capital Assets, net	<u>\$ 24,479,435</u>	<u>\$ 6,037,078</u>	<u>\$ 30,516,513</u>	<u>\$ 4,780,223</u>	<u>\$ 4,700,353</u>	<u>\$ 30,596,383</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2008**Note 3 - Detailed Notes on All Funds (Continued)**

Depreciation expense was charged to the Village's functions and programs as follows:

Governmental Activities:	
General Government Support	\$ 88,046
Public Safety	257,987
Transportation	312,603
Home and Community Services	122,997
Culture and Recreation	<u>202,258</u>
Total Depreciation Expense	<u>\$ 983,891</u>

D. Accrued Liabilities

The Village has reported accrued liabilities for payroll and employee benefits of \$77,642 in the General Fund.

E. Pension Plans

The Village of Rye Brook, New York participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") ("Systems"). These Systems are cost-sharing multiple-employer defined benefit pension plans. The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The Systems are non-contributory except for employees who joined ERS after July 27, 1976 and have less than ten years of service, who contribute 3% of their salary. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion ("GTLI") and regular pension contributions. Contribution rates for the plans' year ended March 31, 2008 are as follows:

	<u>Tier/Plan/Option</u>	<u>Rate</u>
ERS	1/75I/41J	12.1 %
	3/A14/41J	8.9
	4/A15/41J	8.9
PFRS	1/375I/3029D	20.0
	1/384D/3029D	14.7
	2/384D	14.7

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2008**Note 3 - Detailed Notes on All Funds (Continued)**

Contributions made or accrued to the Systems for the current and two preceding years were as follows:

	ERS	PFRS
2008	\$ 248,897	\$ 460,355
2007	258,266	476,669
2006	271,380	430,437

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

The current year ERS and PFRS contributions were charged to the General Fund.

F. Short-Term Capital Borrowings

The schedule below details the changes in short-term capital borrowings.

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance June 1, 2007	New Issues	Redemptions	Balance May 31, 2008
Soccer/Baseball Field Renovation	2002	10/07	3.66	\$ 25,000	\$ -	\$ 25,000	\$ -
Fire House Cleanup	2003	11/07	3.68	175,000	-	175,000	-
Light Dump Truck	2004	08/08	3.87	34,500	-	11,500	23,000
King Street Athletic Field	2004	10/08	3.87	375,000	-	125,000	250,000
Dump Truck and Plow Attachments	2005	05/09	3.55	94,500	-	31,500	63,000
King Street Athletic Field	2005	08/08	3.87	200,000	-	50,000	150,000
Street Light Replacement	2006	03/09	3.56	100,000	-	25,000	75,000
Garibaldi Park Sprinkler System	2006	10/08	3.84	50,000	-	12,500	37,500
Police and Maintenance Vehicles and Pine Ridge Park Sprinkler System	2006	09/08	3.70	198,000	-	-	198,000
Sidewalk Improvement Project	2007	07/08	3.63	150,000	-	-	150,000
Base Station Radio Replacement	2007	04/09	3.55	30,000	-	-	30,000
Purchase of Dump Truck	2007	09/08	3.65	-	121,000	-	121,000
Various Village Projects	2007	11/08	3.58	-	341,000	-	341,000
Loch Lane/King Street Drainage Project	2008	03/09	1.98	-	600,000	-	600,000
				<u>\$ 1,432,000</u>	<u>\$ 1,062,000</u>	<u>\$ 455,500</u>	<u>\$ 2,038,500</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2008**Note 3 - Detailed Notes on All Funds (Continued)**

Interest expenditures of \$52,845 were recorded in the fund financial statements in the General Fund. Interest expense of \$54,546 was recorded in the government-wide financial statements for governmental activities.

G. Long-Term Liabilities

The following table summarizes changes in the Village's long-term liabilities for the year ended May 31, 2008:

	Balance June 1, 2007	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2008	Due Within One-Year
Bonds Payable	\$ 5,045,000	\$ -	\$ 365,000	\$ 4,680,000	\$ 390,000
Compensated Absences	737,077	172,405	73,708	835,774	83,577
Total Long-Term Liabilities	<u>\$ 5,782,077</u>	<u>\$ 172,405</u>	<u>\$ 438,708</u>	<u>\$ 5,515,774</u>	<u>\$ 473,577</u>

Each governmental fund's liability for bonds and compensated absences is liquidated by the General Fund.

Bonds Payable

Bonds payable at May 31, 2008 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2008
Various Village Purposes	1987	\$ 824,557	December, 2008	6.875 %	\$ 10,000
Various Village Purposes	1995	3,200,000	November, 2015	4.80 - 5.250	1,660,000
Various Village Purposes	1998	896,000	April, 2014	4.900	420,000
Various Village Purposes	2003	3,100,000	September, 2018	3.25 - 4.500	2,590,000
					<u>\$ 4,680,000</u>

Interest expenditures of \$221,748 were recorded in the fund financial statements. Interest expense of \$219,982 was recorded in the government-wide financial statements.

The annual requirements to amortize all bonded debt outstanding as of May 31, 2008 including interest payments of \$1,299,799 are as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2008**Note 3 - Detailed Notes on All Funds (Continued)**

<u>Year Ending May 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 390,000	\$ 205,109	\$ 595,109
2010	420,000	187,391	607,391
2011	435,000	168,551	603,551
2012	445,000	148,806	593,806
2013	460,000	128,926	588,926
2014-2018	1,665,000	353,108	2,018,108
2019-2023	865,000	107,908	972,908
	<u>\$ 4,680,000</u>	<u>\$ 1,299,799</u>	<u>\$ 5,979,799</u>

The above general obligation bonds are direct obligations of the Village for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Village.

Compensated Absences

Pursuant to the terms of existing collective bargaining agreements, certain employees are permitted to accumulate sick and personal leave. The maximum accumulation varies with each agreement. Upon termination, employees will be compensated for such accumulated leave at varying amounts according to the terms of each agreement. The value of the compensated absences has been reflected in the government-wide financial statements.

H. Revenues and Expenditures**Interfund Transfers**

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers:

<u>Transfers Out</u>	<u>Transfers In</u>		<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	
General Fund	\$ -	\$ 1,200,583	\$ 1,200,583
Capital Projects Fund	181,919	-	181,919
Non-Major Govern- mental Fund	-	16,386	16,386
	<u>\$ 181,919</u>	<u>\$ 1,216,969</u>	<u>\$ 1,398,888</u>

Note 3 - Detailed Notes on All Funds (Continued)

Transfers are used to 1) move amounts earmarked in the General Fund to fulfill commitments for Capital Projects Fund expenditures and 2) move unexpended bond proceeds from completed capital projects to the General Fund for repayment of outstanding debt.

I. Post-Employment Health Care Benefits

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of the contribution. Contributions by the Village may vary according to length of service. Substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The cost of retiree health care benefits is recognized as an expenditure as claims are paid. During the year, \$232,400 was paid on behalf of 35 retirees. This amount has been recorded as an expenditure and expense.

J. Net Assets

The components of net assets are detailed below:

Invested in Capital Assets, net of Related Debt - the component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Capital Projects - the component of net assets that reports the amounts restricted for capital projects, less unexpended bond proceeds and unrestricted interest earnings.

Restricted for Debt Service - the component of net assets that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

Restricted for Special Purposes - the component of net assets that reports the difference between assets and liabilities of certain programs that consist of assets with constraints placed on their use by either external parties and/or statute.

Restricted for Parklands - the component of net assets that has been established to account for funds received by the Village in lieu of parklands as a condition precedent to the approval of a parcel of land by the Planning Board. These funds may be used only for recreation purposes.

Unrestricted - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of restricted debt".

K. Fund Balances

Certain elements of reserved fund balance are described above. Those additional elements which are not reflected in the statement of net assets but are reported in the governmental funds balance sheet are described below. The unreserved components of fund balance are also detailed below.

Note 3 - Detailed Notes on All Funds (Continued)

Reserved

Encumbrances outstanding have been reserved as it is the Village's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transactions.

The Reserve for Prepaid Expenditures has been provided to account for certain payments made in advance. This reserve indicates that the funds are not "available" for appropriation or expenditure even though they are a component of current assets.

The Reserve for Trusts has been established to set aside funds in accordance with the terms of the grants.

Unreserved - Designated for Subsequent Year's Expenditures

General Fund - Designations of fund balance are not legally required segregations but represent intended use for a specific purpose. At May 31, 2008, the Village Board has designated that \$600,000 of the fund balance of the General Fund be appropriated for the ensuing year's budget.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Village, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, property damage or personal injury. Of the claims currently pending, none are expected to have a material effect on the financial position of the Village, if adversely settled.

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the Village, if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

B. Risk Management

The Village purchases various conventional insurance coverages to reduce its exposure to loss. The Village maintains a general liability policy, public official's liability and law enforcement liability with coverage up to \$1 million per occurrence and \$2 million in the aggregate. In addition, the Village also maintains an umbrella policy with coverage up to \$20 million. The Village purchases conventional workers' compensation insurance with coverage at statutory limits. The Village also purchases conventional health insurance from various providers except for members of the Teamsters Union. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

Note 5 - Subsequent Events

As follows, the Village issued/renewed various bond anticipation notes subsequent to May 31, 2008:

<u>Issue/ Renewal Date</u>	<u>Amount</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Purpose</u>
August 2008	\$ 11,500	August 21, 2009	3.39 %	Purchase of Dump Truck
September 2008	121,000	August 18, 2009	3.17	Purchase of Dump Truck
September 2008	<u>144,000</u>	September 18, 2009	2.40	Vehicles, Equipment and Land Improvements
	<u>\$ 276,500</u>			

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 4,630,287	\$ 4,121,640
Petty cash	200	200
	<u>4,630,487</u>	<u>4,121,840</u>
Taxes Receivable	<u>82,377</u>	<u>39,175</u>
Other Receivables:		
Accounts	220,301	139,897
Due from other governments	488,486	622,354
Due from other funds	<u>7,528</u>	<u>7,528</u>
	<u>716,315</u>	<u>769,779</u>
Prepaid Expenditures	<u>158,616</u>	<u>160,793</u>
Total Assets	<u>\$ 5,587,795</u>	<u>\$ 5,091,587</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 519,479	\$ 233,386
Accrued liabilities	77,642	320,400
Deposits and other liabilities	3,565	2,898
Due to retirement systems	134,195	130,805
Due to other funds	<u>1,373,934</u>	<u>1,229,560</u>
Total Liabilities	<u>2,108,815</u>	<u>1,917,049</u>
Fund Balance:		
Reserved for encumbrances	74,434	48,379
Reserved for prepaid expenditures	158,616	160,793
Reserved for debt service	182,000	175,000
Unreserved:		
Designated for subsequent years expenditures	600,000	479,000
Undesignated	<u>2,463,930</u>	<u>2,311,366</u>
Total Fund Balance	<u>3,478,980</u>	<u>3,174,538</u>
Total Liabilities and Fund Balance	<u>\$ 5,587,795</u>	<u>\$ 5,091,587</u>

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEARS ENDED MAY 31, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 11,911,410	\$ 11,911,410	\$ 11,911,410	\$ -
Other tax items	503,500	503,500	532,596	29,096
Non-property taxes	1,430,000	1,430,000	1,585,599	155,599
Departmental income	548,725	548,725	586,039	37,314
Culture and recreation	376,700	376,700	400,651	23,951
Intergovernmental charges	153,500	182,737	184,922	2,185
Use of money and property	120,000	120,000	308,031	188,031
Fines and forfeitures	50,000	50,000	83,507	33,507
Sale of property and compensation for loss	45,000	45,000	62,241	17,241
State aid	573,307	573,307	610,561	37,254
Miscellaneous	5,000	5,000	2,587	(2,413)
Total Revenues	15,717,142	15,746,379	16,268,144	521,765
Expenditures:				
Current:				
General government support	2,431,643	2,476,756	2,457,707	19,049
Public safety	4,897,035	4,895,320	4,887,690	7,630
Health	190,000	205,725	189,637	16,088
Transportation	1,087,124	1,039,853	1,039,961	(108)
Economic opportunity and development	267,386	258,827	253,285	5,542
Culture and recreation	1,333,563	1,390,803	1,387,945	2,858
Home and community services	1,510,040	1,344,779	1,292,088	52,691
Employee benefits	3,081,768	2,829,848	2,797,132	32,716
Debt Service:				
Principal	365,000	365,000	365,000	-
Interest	258,962	274,856	274,593	263
Total Expenditures	15,422,521	15,081,767	14,945,038	136,729
Excess of Revenues Over Expenditures	294,621	664,612	1,323,106	658,494
Other Financing Sources (Uses):				
Transfers in	-	-	181,919	181,919
Transfers out	(822,000)	(1,200,584)	(1,200,583)	1
Total Other Financing Uses	(822,000)	(1,200,584)	(1,018,664)	181,920
Net Change in Fund Balance	(527,379)	(535,972)	304,442	840,414
Fund Balance - Beginning of Year	527,379	535,972	3,174,538	2,638,566
Fund Balance - End of Year	\$ -	\$ -	\$ 3,478,980	\$ 3,478,980

2007

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 11,383,169	\$ 11,383,169	\$ 11,383,169	\$ -
473,500	473,500	558,725	85,225
1,300,000	1,361,500	1,537,753	176,253
425,850	525,850	703,907	178,057
365,655	365,655	352,840	(12,815)
136,000	136,000	159,457	23,457
100,000	200,000	269,132	69,132
50,000	50,000	65,119	15,119
42,500	42,500	63,104	20,604
561,187	572,187	1,239,421	667,234
3,500	3,500	6,785	3,285
14,841,361	15,113,861	16,339,412	1,225,551
2,236,522	2,410,682	2,553,429	(142,747)
4,753,288	4,768,471	4,754,305	14,166
165,000	202,800	187,200	15,600
1,057,658	1,091,358	1,087,023	4,335
254,113	252,238	249,442	2,796
1,162,892	1,232,077	1,224,783	7,294
1,521,710	1,475,999	1,475,996	3
2,870,500	2,834,774	2,699,240	135,534
355,000	355,000	355,000	-
278,905	290,462	286,806	3,656
14,655,588	14,913,861	14,873,224	40,637
185,773	200,000	1,466,188	1,266,188
(777,411)	(791,638)	(808,911)	(17,273)
(777,411)	(791,638)	(808,911)	(17,273)
(591,638)	(591,638)	657,277	1,248,915
591,638	591,638	2,517,261	1,925,623
\$ -	\$ -	\$ 3,174,538	\$ 3,174,538

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2008

(With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
REAL PROPERTY TAXES	\$ 11,911,410	\$ 11,911,410	\$ 11,911,410	\$ -	\$ 11,383,169
OTHER TAX ITEMS					
Payments in lieu of taxes	500,000	500,000	523,651	23,651	547,055
Interest and penalties on real property taxes	3,500	3,500	8,945	5,445	11,670
NON-PROPERTY TAXES	503,500	503,500	532,596	29,096	558,725
Non-property tax distribution from County	1,100,000	1,100,000	1,199,007	99,007	1,157,058
Utilities gross receipts taxes	205,000	205,000	254,401	49,401	235,897
Franchise fees	125,000	125,000	132,191	7,191	144,798
	1,430,000	1,430,000	1,585,599	155,599	1,537,753
DEPARTMENTAL INCOME					
Clerk fees	2,500	2,500	1,709	(791)	3,825
Police fees	4,000	4,000	12,105	8,105	12,869
Vital statistics	6,500	6,500	5,810	(690)	6,260
Safety inspection fees	450,000	450,000	481,395	31,395	603,848
Alarm permits	85,725	85,725	85,020	(705)	77,105
	548,725	548,725	586,039	37,314	703,907

CULTURE AND RECREATION

Parks and recreation charges	364,700	364,700	387,126	22,426	335,260
Senior center rental	12,000	12,000	13,525	1,525	17,580
	<u>376,700</u>	<u>376,700</u>	<u>400,651</u>	<u>23,951</u>	<u>352,840</u>

INTERGOVERNMENTAL CHARGES

Snow removal	-	-	26,311	26,311	17,535
Airport revenue	40,000	40,000	40,000	-	40,000
Other governmental services -					
Home and community services	113,500	142,737	118,611	(24,126)	101,922
	<u>153,500</u>	<u>182,737</u>	<u>184,922</u>	<u>2,185</u>	<u>159,457</u>

USE OF MONEY AND PROPERTY

Interest earnings	120,000	120,000	308,031	188,031	269,132
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FINES AND FORFEITURES

Fines and forfeited bail	50,000	50,000	83,507	33,507	65,119
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of equipment	5,000	5,000	15,909	10,909	-
Insurance recoveries	40,000	40,000	46,332	6,332	63,104
	<u>45,000</u>	<u>45,000</u>	<u>62,241</u>	<u>17,241</u>	<u>63,104</u>

(Continued)

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET (Continued)

YEAR ENDED MAY 31, 2008

(With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
STATE AID					
Per capita	\$ 47,802	\$ 47,802	\$ 128,087	\$ 80,285	\$ 46,410
Mortgage tax	475,000	475,000	461,028	(13,972)	638,869
Consolidated highway improvement aid	40,000	40,000	17,996	(22,004)	139,524
Youth funding	2,105	2,105	-	(2,105)	4,165
Soil remediation	-	-	-	-	400,000
Speed and alcohol enforcement	8,400	8,400	3,450	(4,950)	10,453
	573,307	573,307	610,561	37,254	1,239,421
MISCELLANEOUS					
Unclassified	5,000	5,000	2,587	(2,413)	6,785
TOTAL REVENUES	15,717,142	15,746,379	16,268,144	521,765	16,339,412
OTHER FINANCING SOURCES					
Transfers in - Capital Projects Fund	-	-	181,919	181,919	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 15,717,142	\$ 15,746,379	\$ 16,450,063	\$ 703,684	\$ 16,339,412

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET
YEAR ENDED MAY 31, 2008
(With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 10,000	\$ 9,654	\$ 9,020	\$ 634	\$ 11,128
Administrator	201,800	215,856	215,848	8	201,375
Treasurer	385,789	396,536	390,602	5,934	382,725
Village office	116,200	114,711	111,883	2,828	120,239
Clerk	83,750	85,812	85,809	3	84,799
Village attorney	176,250	252,800	252,800	-	217,362
Management information systems	155,235	167,144	157,679	9,465	166,092
Central communications	47,000	37,593	37,593	-	40,354
Central garage	450,619	505,052	504,879	173	418,973
Central supplies	40,000	38,219	38,218	1	27,457
Central printing and mailing	47,000	39,362	39,361	1	44,128
Unallocated insurance	350,000	334,957	334,957	-	342,684
Consulting fees	110,000	109,083	109,082	1	131,011
Bonding expenses	8,000	12,243	12,243	-	4,677
Judgments and claims	15,000	157,733	157,733	-	360,425
Contingency account	235,000	1	-	1	-
	2,431,643	2,476,756	2,457,707	19,049	2,553,429
PUBLIC SAFETY					
Police Department	2,817,546	2,824,523	2,831,014	(6,491)	2,807,835
Control of animals	11,612	10,860	10,676	184	14,378
Fire protection	1,636,904	1,593,977	1,580,049	13,928	1,517,826
Safety inspection	430,973	465,960	465,951	9	414,266
	4,897,035	4,895,320	4,887,690	7,630	4,754,305

HEALTH

Ambulance service	190,000	205,725	189,637	16,088	187,200
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TRANSPORTATION

Highway maintenance	797,124	778,589	778,698	(109)	802,533
Snow removal	130,000	136,334	136,334	-	99,137
Street lighting	160,000	124,930	124,929	1	185,353

	1,087,124	1,039,853	1,039,961	(108)	1,087,023
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ECONOMIC OPPORTUNITY AND DEVELOPMENT

Community services, programs for the aging	267,386	258,827	253,285	5,542	249,442
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CULTURE AND RECREATION

Recreation	910,802	998,169	995,313	2,856	857,953
Teen center	13,789	11,676	11,675	1	8,885
Public library	400,000	370,001	370,000	1	351,320
Handicapped	8,972	10,957	10,957	-	6,625

	1,333,563	1,390,803	1,387,945	2,858	1,224,783
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HOME AND COMMUNITY SERVICES

Part-time videotaping	5,000	8,834	8,834	-	2,691
Planning board	3,000	2,756	2,755	1	3,048
Hydrant rental	140,000	134,589	120,294	14,295	164,467
Disposal fees	110,000	100,557	97,896	2,661	147,064
Recycling and refuse collection	872,040	843,851	843,850	1	859,951
Shade trees	80,000	104,446	88,184	16,262	48,496
Sewer district	300,000	149,746	130,275	19,471	250,279

	1,510,040	1,344,779	1,292,088	52,691	1,475,996
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(Continued)

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)
YEAR ENDED MAY 31, 2008
(With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 760,000	\$ 727,567	\$ 709,252	\$ 18,315	\$ 734,935
Social security	432,000	444,818	444,818	-	433,011
Worker's compensation	180,000	162,092	162,053	39	133,600
Life insurance	24,000	21,277	21,276	1	21,792
Unemployment insurance	22,000	14,225	14,225	-	22,809
Disability insurance	3,325	1,595	1,595	-	3,832
Health and dental insurance	1,656,443	1,456,874	1,442,513	14,361	1,348,361
Other benefits	4,000	1,400	1,400	-	900
	3,081,768	2,829,848	2,797,132	32,716	2,699,240
DEBT SERVICE					
Principal - Serial bonds	365,000	365,000	365,000	-	355,000
Interest:					
Serial bonds	226,925	222,010	221,748	262	237,731
Bond anticipation notes	32,037	52,846	52,845	1	49,075
	258,962	274,856	274,593	263	286,806
	623,962	639,856	639,593	263	641,806
TOTAL EXPENDITURES	15,422,521	15,081,767	14,945,038	136,729	14,873,224
OTHER FINANCING USES					
Transfers out - Capital Projects Fund	822,000	1,200,584	1,200,583	1	808,911
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 16,244,521	\$ 16,282,351	\$ 16,145,621	\$ 136,730	\$ 15,682,135

VILLAGE OF RYE BROOK, NEW YORK

CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 422,260	\$ 302,573
Receivables:		
Due from other governments	-	145,434
Due from other funds	<u>1,357,777</u>	<u>1,273,403</u>
	<u>1,357,777</u>	<u>1,418,837</u>
Total Assets	<u>\$ 1,780,037</u>	<u>\$ 1,721,410</u>
<u>LIABILITIES AND FUND DEFICIT</u>		
Liabilities:		
Accounts payable	\$ -	\$ 511,189
Retainages payable	108,120	161,970
Bond anticipation notes payable	<u>2,038,500</u>	<u>1,432,000</u>
Total Liabilities	<u>2,146,620</u>	<u>2,105,159</u>
Fund Deficit -		
Unreserved and undesignated	<u>(366,583)</u>	<u>(383,749)</u>
Total Liabilities and Fund Deficit	<u>\$ 1,780,037</u>	<u>\$ 1,721,410</u>

VILLAGE OF RYE BROOK, NEW YORK

CAPITAL PROJECTS FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE

YEARS ENDED MAY 31, 2008 AND 2007

	2008	2007
Revenues:		
Use of money and property	\$ -	\$ 1,085
State aid	199,000	1,493,329
Miscellaneous	-	500,000
Total Revenues	199,000	1,994,414
Expenditures - Capital outlay	1,216,884	2,435,121
Deficiency of Revenues Over Expenditures	(1,017,884)	(440,707)
Other Financing Sources (Uses):		
Transfers in	1,216,969	868,911
Transfers out	(181,919)	-
Total Other Financing Sources	1,035,050	868,911
Net Change in Fund Balance	17,166	428,204
Fund Deficit - Beginning of Year	(383,749)	(811,953)
Fund Deficit - End of Year	<u>\$ (366,583)</u>	<u>\$ (383,749)</u>

VILLAGE OF RYE BROOK

CAPITAL PROJECTS FUND

PROJECT LENGTH SCHEDULE

INCEPTION OF PROJECT THROUGH MAY 31, 2008

Project	Authorization	Expenditures and Transfers	Unexpended Balance
GIS System	\$ 80,000	\$ 22,370	\$ 57,630
Firehouse	3,450,000	3,334,601	115,399
King Street Athletic Fields	3,995,513	3,614,933	380,580
Upgrade AS400 Computer System	75,000	75,000	-
Fingerprint Card Scan System	29,000	29,000	-
ICOP Network	15,000	13,052	1,948
Parks Garage Fire Bays Conversion	12,000	12,000	-
Light Dump Truck	46,000	-	46,000
Dump Truck and Plow Attachments	126,000	58,620	67,380
Pine Ridge Park Bathroom Facilities	150,000	150,000	-
Police Vehicles	52,000	52,000	-
Staff Vehicle	21,000	-	21,000
Leaf Loader Vacuum Truck	35,000	35,000	-
Curb Machine	12,000	-	12,000
John Deere 935 Mower	20,000	20,000	-
AJP Community Center Roof	61,000	45,897	15,103
Pine Ridge Tennis Courts Resurfacing	30,000	15,000	15,000
Rye Hills Basketball Court Resurfacing	40,000	7,480	32,520
Harkness Park Fencing	30,000	30,000	-
Highway Improvements - 2006	300,000	291,394	8,606
Replace 1992 Ford Dump Truck	125,000	125,000	-
Garibaldi Park Sprinkler System	50,000	40,615	9,385
Street Light Replacement	100,000	100,000	-
Base Station Radio Replacement	30,000	30,000	-
Police Vehicles - 2007	78,000	75,648	2,352
Highway Vehicles	50,000	47,669	2,331
Highway Improvements - 2007	353,512	353,512	-
Parks Pickup Truck	30,000	30,000	-
Replace AJP Community Center Tile Floor	24,461	19,087	5,374
Sidewalk Improvement Project	150,000	-	150,000
Building Violations Software	13,200	-	13,200
Pine Ridge Park Sprinkler System	100,000	118,423	(18,423)
Human Resources Software	12,000	7,200	4,800
Female Locker Room	41,996	41,996	-
Police Vehicles - 2008	50,000	48,780	1,220
Village Hall Vehicles - 2008	64,000	62,062	1,938
Seniors Bus	75,376	75,376	-
Highway Improvements - 2008	595,528	144,295	451,233
Sidewalk Replacement Program	322,539	302,381	20,158
Pavement Management Software	36,800	29,900	6,900
Pine Ridge Basketball Court Resurfacing	20,000	19,500	500
Purchase of Dump Truck	121,000	-	121,000
Various Village Projects	341,000	-	341,000
Loch Lane/King Street Drainage	300,000	268,612	31,388
Loch Lane Drainage Project	300,000	172,088	127,912
TOTALS	\$ 11,963,925	\$ 9,918,491	\$ 2,045,434

Methods of Financing				Fund Balance (Deficit) at May 31, 2008	Bond Anticipation Notes Out- standing at May 31, 2008
Proceeds of Obligations	Interfund Transfers	Other	Total		
\$ -	\$ 80,000	\$ -	\$ 80,000	\$ 57,630	\$ -
3,450,000	-	-	3,450,000	115,399	-
400,000	213,230	2,982,283	3,595,513	(19,420)	400,000
75,000	-	-	75,000	-	-
-	29,000	-	29,000	-	-
-	15,000	-	15,000	1,948	-
-	12,000	-	12,000	-	-
23,000	-	-	23,000	23,000	23,000
63,000	-	-	63,000	4,380	63,000
150,000	-	-	150,000	-	-
-	52,000	-	52,000	-	-
-	21,000	-	21,000	21,000	-
-	35,000	-	35,000	-	-
-	12,000	-	12,000	12,000	-
-	20,000	-	20,000	-	-
-	61,000	-	61,000	15,103	-
-	30,000	-	30,000	15,000	-
-	40,000	-	40,000	32,520	-
-	30,000	-	30,000	-	-
-	291,394	-	291,394	-	-
-	125,000	-	125,000	-	-
12,500	-	-	12,500	(28,115)	37,500
25,000	-	-	25,000	(75,000)	75,000
-	-	-	-	(30,000)	30,000
-	-	-	-	(75,648)	78,000
-	-	-	-	(47,669)	50,000
-	353,512	-	353,512	-	-
-	-	-	-	(30,000)	30,000
-	24,461	-	24,461	5,374	-
-	-	-	-	-	150,000
-	13,200	-	13,200	13,200	-
-	60,000	-	60,000	(58,423)	40,000
-	7,200	-	7,200	-	-
-	41,996	-	41,996	-	-
-	3,026	-	3,026	(45,754)	-
-	16,062	-	16,062	(46,000)	-
-	-	49,000	49,000	(26,376)	-
-	369,785	-	369,785	225,490	-
-	172,539	150,000	322,539	20,158	-
-	24,220	-	24,220	(5,680)	-
-	19,500	-	19,500	-	-
-	-	-	-	-	121,000
-	-	-	-	-	341,000
-	-	-	-	(268,612)	300,000
-	-	-	-	(172,088)	300,000
<u>\$ 4,198,500</u>	<u>\$ 2,172,125</u>	<u>\$ 3,181,283</u>	<u>\$ 9,551,908</u>	<u>\$ (366,583)</u>	<u>\$ 2,038,500</u>

VILLAGE OF RYE BROOK, NEW YORK

NON-MAJOR GOVERNMENTAL FUND - SPECIAL PURPOSE FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 219,546	\$ 289,386
Due from Other Funds	<u>16,157</u>	<u>16,157</u>
Total Assets	<u>\$ 235,703</u>	<u>\$ 305,543</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ -	\$ 5,945
Due to other funds	<u>7,528</u>	<u>67,528</u>
Total Liabilities	<u>7,528</u>	<u>73,473</u>
Fund Balance:		
Reserved for trusts	10,719	3,808
Reserved for parklands	<u>217,456</u>	<u>228,262</u>
Total Fund Balance	<u>228,175</u>	<u>232,070</u>
Total Liabilities and Fund Balance	<u>\$ 235,703</u>	<u>\$ 305,543</u>

VILLAGE OF RYE BROOK, NEW YORK

NON-MAJOR GOVERNMENTAL FUND - SPECIAL PURPOSE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
YEARS ENDED MAY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Revenues:		
Use of money and property	\$ 5,580	\$ 14,907
Miscellaneous	<u>36,004</u>	<u>27,686</u>
Total Revenues	<u>41,584</u>	<u>42,593</u>
Expenditures -		
Current:		
Public safety	-	675
Culture and recreation	<u>29,093</u>	<u>36,101</u>
Total Expenditures	<u>29,093</u>	<u>36,776</u>
Excess of Revenues Over Expenditures	12,491	5,817
Other Financing Uses - Transfers out	<u>(16,386)</u>	<u>(60,000)</u>
Net Change in Fund Balance	(3,895)	(54,183)
Fund Balance - Beginning of Year	<u>232,070</u>	<u>286,253</u>
Fund Balance - End of Year	<u>\$ 228,175</u>	<u>\$ 232,070</u>