

VILLAGE OF RYE BROOK, NEW YORK
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED MAY 31, 2010
WITH INDEPENDENT AUDITORS' REPORT

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	18
Statement of Assets and Liabilities - Fiduciary Fund	19
Notes to Financial Statements	20
Required Supplementary Information - Other Post Employment Benefits - Schedule of Funding Progress - Last Three Fiscal Years	37
Individual Fund Financial Statements and Schedules:	
Major Governmental Funds:	
General Fund:	
Comparative Balance Sheet	38
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	39
Schedule of Revenues and Other Financing Sources Compared to Budget	41
Schedule of Expenditures and Other Financing Uses Compared to Budget	44
Capital Projects Fund:	
Comparative Balance Sheet	47
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	48
Project Length Schedule	49
Non-Major Governmental Fund:	
Special Purpose Fund:	
Comparative Balance Sheet	51
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	52

(This page intentionally left blank.)



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, 2010, 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, 2010 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 and the Schedule of Funding Progress – Other Post Employment Benefits are not required parts of the basic financial statements, but are 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.

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.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP
November 19, 2010

**Village of Rye Brook, New York
Management's Discussion and Analysis (MD&A)
May 31, 2010**

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, 2010. 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 2010 by \$25,689,206. Of this amount, a net unrestricted deficit of \$1,284,790 exists.
- ❖ As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$5,842,494. Exclusive of the Capital Projects Fund, the unreserved fund balance was \$2,912,595. Of this amount, the undesignated portion was \$2,471,595, which is available for spending at the Village's discretion. The fund balance of all governmental funds increased by \$2,097,130, primarily attributable revenues and other financing sources exceeding expenditures and other financing uses.
- ❖ At the end of the fiscal years 2010 and 2009, unreserved fund balance for the General Fund was \$2,912,595 or 18% and \$2,592,226 or 15% respectively of total General Fund expenditures and other financing uses.
- ❖ During the current fiscal year, the Village issued \$2,200,000 in serial bonds with interest ranging from 2.125% to 5.0%. The proceeds were used for various Village purposes. Other long-term liabilities were reduced by \$440,000 in scheduled payments. Additional information on the bond refinancing can be found in Note G in the notes to the financial statements.
- ❖ During the current fiscal year, the Village issued no new short-term obligations (bond anticipation notes). Existing bond anticipation notes used to finance the cost of various capital projects were reduced by \$1,350,750.

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.

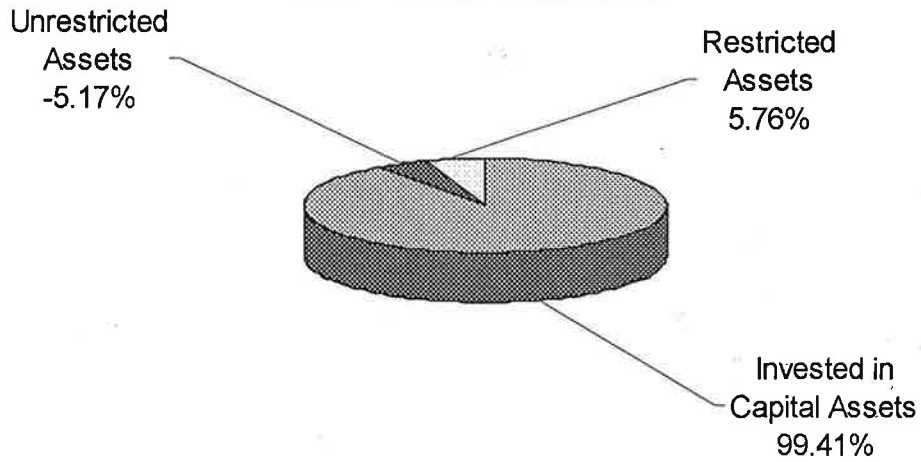
Government-wide Financial Analysis

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 \$25,689,206 at the close of the fiscal year 2009-2010. 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:

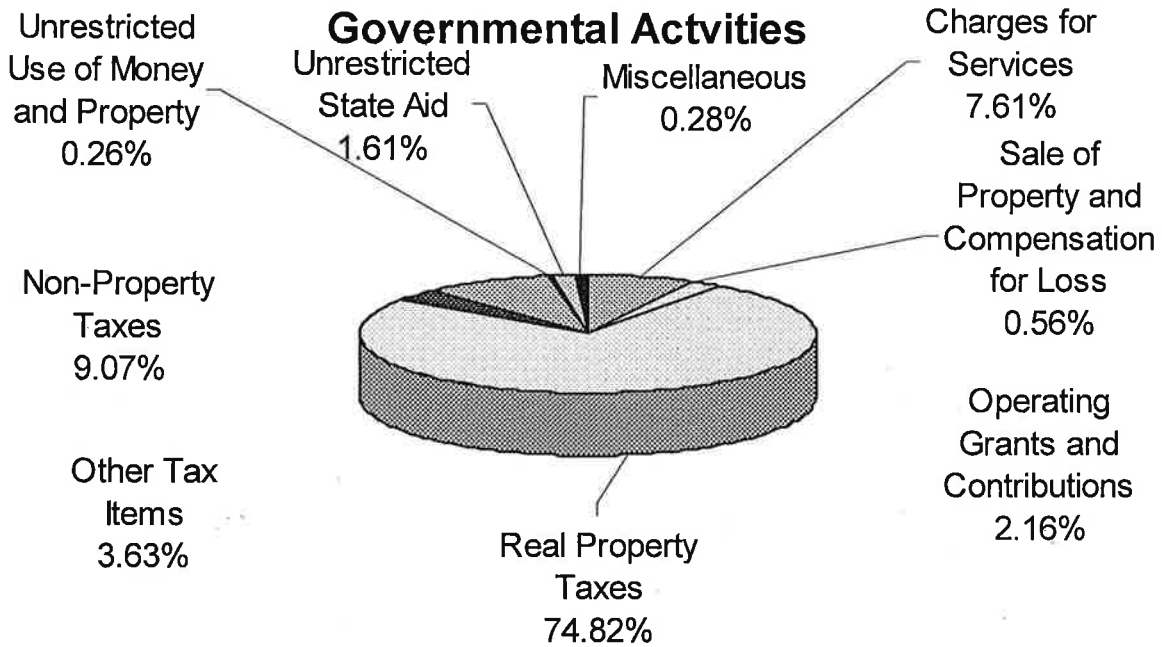
	Net Assets	
	May 31,	
	June 30,	
	2010	2009
Current Assets	\$ 7,142,224	\$ 6,071,538
Capital Assets, net	30,663,104	29,746,799
Total Assets	37,805,328	35,818,337
Current Liabilities	1,262,777	2,300,273
Long-term Liabilities	10,853,345	7,051,249
Total Liabilities	12,116,122	9,351,522
Net Assets:		
Invested in Capital Assets, Net of Related Debt	25,538,227	24,632,919
Restricted	1,479,743	1,841,558
Unrestricted	(1,328,764)	(7,662)
Total Net Assets	\$ 25,689,206	\$ 26,466,815

Net Asset Distribution For Fiscal Year 2010



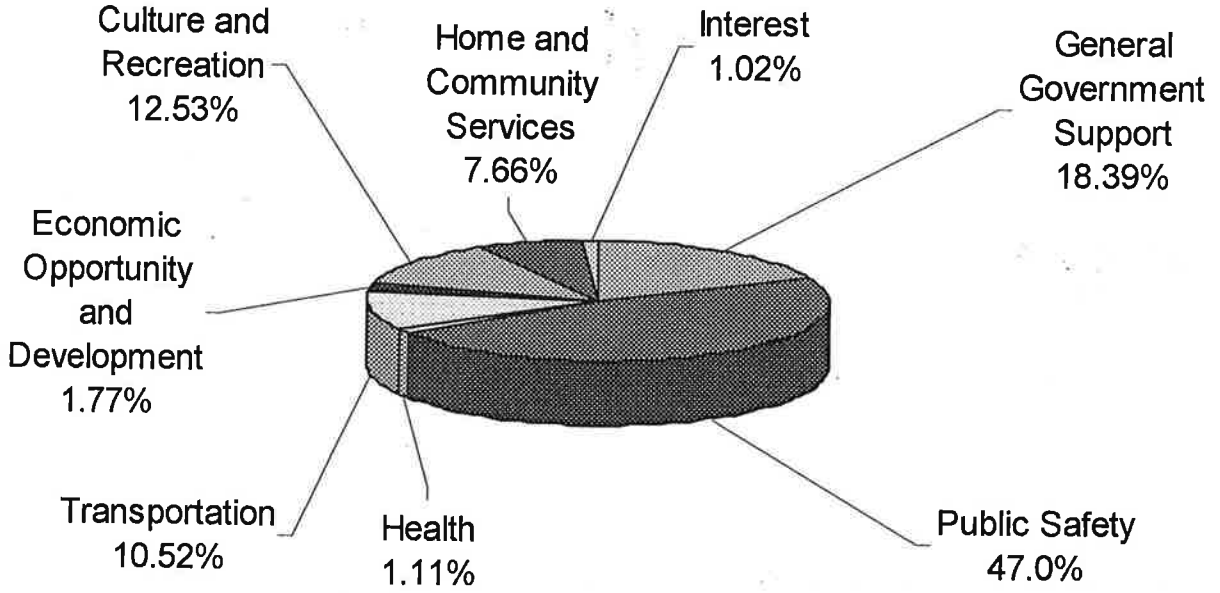
Sources of Revenue for Fiscal Year 2010

Governmental Activities



Sources of Expenses for Fiscal Year 2010

Governmental Activities



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

	<u>2010</u>	<u>2009</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,304,235	\$ 1,208,457
Operating Grants and Contributions	369,837	136,727
Capital Grants and Contributions	<u>1,838</u>	<u>3,910</u>
Total Program Revenues	<u>1,675,910</u>	<u>1,349,094</u>
General Revenues:		
Real Property Taxes	12,820,690	12,398,404
Other Tax Items	622,370	512,745
Non-Property Taxes	1,553,798	1,669,947
Unrestricted Use of Money and Property	44,574	114,940
Unrestricted State Aid	276,285	340,555
Sale of Property and Compensation for Loss	95,114	35,026
Miscellaneous	<u>47,570</u>	<u>11,884</u>
Total General Revenues	<u>15,460,401</u>	<u>15,083,501</u>
Total Revenues	<u>17,136,311</u>	<u>16,432,595</u>
Program Expenses:		
General Government Support	3,294,405	3,015,425
Public Safety	8,418,916	8,412,803
Health	198,842	195,464
Transportation	1,884,002	2,289,624
Economic Opportunity and Development	317,771	385,482
Culture and Recreation	2,245,418	2,290,405
Home and Community Services	1,372,452	1,519,010
Interest	<u>182,114</u>	<u>228,786</u>
Total Expenses	<u>17,913,920</u>	<u>18,336,999</u>
Change in Net Assets	(777,609)	(1,904,404)
Net Assets - Beginning	<u>26,466,815</u>	<u>28,371,219</u>
Net Assets - Ending	<u>\$ 25,689,206</u>	<u>\$ 26,466,815</u>

Governmental Activities

Governmental activities decreased the Village's net assets by \$777,609 and \$1,904,404 in 2010 and 2009 respectively.

For the fiscal years ended May 31, 2010 and 2009, revenues from governmental activities totaled \$17,136,311 and \$16,432,595, respectively. Tax revenues (\$14,996,858, in 2010 and \$14,581,096 in 2009), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (88% in 2010 and 89% in 2009).

The largest components of governmental activities' expenses are public safety (47% in 2010 and 46% in 2009), general government support (18% in 2010 and 16% in 2009) and culture and recreation (13% in 2010 and 12% 2009). The major changes are as follows:

Revenues:

- Total general revenues increased \$376,900 or 2.5% with real property taxes increasing by \$422,286, PILOT income increasing by \$113,212 interest earnings, franchise fees and gross receipts taxes decreasing by \$70,366, \$59,840 and \$53,756 respectively due to the weak economy.
- Unrestricted State aid decreased by \$70,366 mainly due to reductions in mortgage tax and per-capita receipts.

Expenses:

- Total general expenses decreased by \$423,079 or 2.3% mainly due to decreases in transportation of \$405,622, home and community services of \$146,558, an increase in public safety of \$278,980 and all other functions/programs decreasing by a total of \$149,879.

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 \$5,842,494. Of the unreserved fund balance, \$441,000 has been designated leaving an undesignated fund balance of \$4,571,044. 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, \$264,082, to liquidate contracts and purchase orders of the prior period

\$122,772, debt service \$185,658, trusts \$15,133 and reserved for parklands \$242,805.

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 \$2,594,775, representing 72% of the total General Fund balance of \$3,608,287. Revenues and other financing sources were \$17,089,074, which was \$657,360 greater than the final budget. The major areas where revenues exceeded the budget were non-property taxes, intergovernmental charges and departmental income. Expenditures and other financing uses were \$16,543,865, which was \$574,615 less than the final budget.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for governmental activities at May 31, 2010, net of \$18,265,585 of accumulated depreciation, was \$30,663,104. 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,

Class	2010	2009
Land	\$ 12,112,871	\$ 12,112,871
Land Improvements	5,242,550	4,980,932
Building and Improvements	7,355,881	7,223,169
Machinery and Equipment	4,212,450	4,065,649
Infrastructure	19,442,969	18,597,017
Construction-in-Progress	561,969	40,783
Less - accumulated depreciation	(18,265,586)	(17,273,622)
Total (net of depreciation)	\$ 30,663,104	\$ 29,746,799

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 \$6,120,000. 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 \$2,200,000 in serial bonds with interest ranging from 2.125% to 5.0%. The proceeds were used to fund various Village projects. Other long-term liabilities were reduced by \$440,000 in scheduled payments. Additional information on the bond refinancing can be found in **Note G** in the notes to the financial statements.

During the current fiscal year, the Village did not issue any short-term debt (bond anticipation notes), but did pay down \$1,350,750 (\$800,000 from serial bond proceeds and \$550,750 from General Fund appropriations) 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, 2010, the Village exhausted 3.31% of its constitutional debt capacity, and accordingly has the authority to issue up to an additional \$181,118,797 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, 2010

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 6,135,280
Receivables:	
Taxes	91,692
Accounts	153,529
State and Federal aid	15,866
Due from other governments	425,485
Prepaid expenses	264,082
Deferred charges	56,290
Capital assets (net of accumulated depreciation):	
Land	12,112,871
Land improvements	4,316,441
Buildings and improvements	5,773,431
Machinery and equipment	870,372
Infrastructure	7,028,020
Construction-in-progress	561,969
	<u>37,805,328</u>
Total Assets	<u>37,805,328</u>
LIABILITIES	
Accounts payable	626,279
Accrued liabilities	71,621
Retainages payable	72,741
Deposits and other liabilities	3,215
Due to retirement systems	135,834
Bond anticipation notes payable	333,750
Accrued interest payable	19,337
Non-current liabilities:	
Due within one year:	
Bonds payable	745,000
Compensated absences	94,643
Due in more than one year:	
Bonds payable	5,487,153
Compensated absences	851,791
Other post employment benefit obligations payable	3,674,758
	<u>12,116,122</u>
Total Liabilities	<u>12,116,122</u>
NET ASSETS	
Invested in capital assets, net of related debt	25,371,073
Restricted for:	
Capital projects	1,036,147
Debt service	308,838
Special purposes	257,938
Unrestricted	(1,284,790)
	<u>\$ 25,689,206</u>
Total Net Assets	<u>\$ 25,689,206</u>

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

VILLAGE OF RYE BROOK, NEW YORK

STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2010

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	\$ 3,294,405	\$ 66,756	\$ -	\$ -	\$ (3,227,649)
Public safety	8,418,916	418,167	10,652	-	(7,990,097)
Health	198,842	6,340	-	-	(192,502)
Transportation	1,884,002	40,000	158,768	-	(1,685,234)
Economic opportunity and development	317,771	-	-	-	(317,771)
Culture and recreation	2,245,418	-	200,417	-	(2,045,001)
Home and community services	1,372,452	772,972	-	-	(599,480)
Interest	182,114	-	-	1,838	(180,276)
Total Governmental Activities	\$ 17,913,920	\$ 1,304,235	\$ 369,837	\$ 1,838	(16,238,010)
General Revenues:					
Real property taxes					12,820,690
Other tax items:					
Payments in lieu of taxes					611,296
Interest and penalties on real property taxes					11,074
Non-property taxes:					
Non-property tax distribution from County					1,103,789
Utilities gross receipts taxes					236,942
Franchise fees					213,067
Unrestricted use of money and property					44,574
Sale of property and compensation for loss					95,114
Unrestricted State aid					276,285
Miscellaneous					47,570
Total General Revenues					15,460,401
Change in Net Assets					(777,609)
Net Assets - Beginning					26,466,815
Net Assets - Ending					\$ 25,689,206

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

VILLAGE OF RYE BROOK, NEW YORK

BALANCE SHEET
GOVERNMENTAL FUNDS
MAY 31, 2010

	General	Capital Projects	Other Governmental Fund	Total Governmental Funds
ASSETS				
Cash and Equivalents	\$ 4,754,090	\$ 1,131,381	\$ 249,809	\$ 6,135,280
Taxes Receivable	91,692	-	-	91,692
Other Receivables:				
Accounts	153,529	-	-	153,529
State and Federal aid	15,866	-	-	15,866
Due from other governments	425,485	-	-	425,485
Due from other funds	145,715	1,414,729	16,157	1,576,601
Prepaid Expenditures	264,082	-	-	264,082
Total Assets	\$ 5,850,459	\$ 2,546,110	\$ 265,966	\$ 8,662,535
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 462,929	\$ 163,350	\$ -	\$ 626,279
Accrued liabilities	71,621	-	-	71,621
Retainages payable	-	72,741	-	72,741
Deposits and other liabilities	3,215	-	-	3,215
Due to retirement systems	135,834	-	-	135,834
Due to other funds	1,568,573	-	8,028	1,576,601
Bond anticipation notes payable	-	333,750	-	333,750
Total Liabilities	2,242,172	569,841	8,028	2,820,041
Fund Balances:				
Reserved for encumbrances	122,772	-	-	122,772
Reserved for prepaid expenditures	264,082	-	-	264,082
Reserved for debt service	308,838	-	-	308,838
Reserved for trusts	-	-	15,133	15,133
Reserved for parklands	-	-	242,805	242,805
Unreserved, reported in:				
General Fund	2,912,595	-	-	2,912,595
Capital Projects Fund	-	1,976,269	-	1,976,269
Total Fund Balances	3,608,287	1,976,269	257,938	5,842,494
Total Liabilities and Fund Balances	\$ 5,850,459	\$ 2,546,110	\$ 265,966	

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. 30,663,104

Government funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Deferred charges 56,290

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

Accrued interest payable (19,337)
Bonds payable (6,232,153)
Compensated absences (946,434)
Other post employment benefit obligation payable (3,674,758)

Net Assets of Governmental Activities **\$ 25,689,206**

The notes to the 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, 2010

	General	Capital Projects	Other Governmental Fund	Total Governmental Funds
REVENUES				
Real property taxes	\$ 12,820,690	\$ -	\$ -	\$ 12,820,690
Other tax items	622,370	-	-	622,370
Non-property taxes	1,553,798	-	-	1,553,798
Departmental income	932,343	-	-	932,343
Intergovernmental charges	307,421	-	-	307,421
Use of money and property	46,412	-	310	46,722
Fines and forfeitures	64,471	-	-	64,471
Sale of property and compensation for loss	95,114	-	-	95,114
State aid	445,705	-	-	445,705
Miscellaneous	47,570	-	200,107	247,677
Total Revenues	16,935,894	-	200,417	17,136,311
EXPENDITURES				
Current:				
General government support	2,368,939	-	-	2,368,939
Public safety	5,238,762	-	1,991	5,240,753
Health	198,842	-	-	198,842
Transportation	995,991	-	-	995,991
Economic opportunity and development	214,380	-	-	214,380
Culture and recreation	1,466,033	-	12,185	1,478,218
Home and community services	1,272,435	-	-	1,272,435
Employee benefits	2,822,657	-	-	2,822,657
Debt service:				
Principal	440,000	-	-	440,000
Interest	215,953	-	-	215,953
Capital outlay	-	2,114,193	-	2,114,193
Total Expenditures	15,233,992	2,114,193	14,176	17,362,361
Excess (Deficiency) of Revenues Over Expenditures	1,701,902	(2,114,193)	186,241	(226,050)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	2,200,000	-	2,200,000
Premium on bonds issued	123,180	-	-	123,180
Transfers in	30,000	1,309,873	-	1,339,873
Transfers out	(1,309,873)	-	(30,000)	(1,339,873)
Total Other Financing Sources (Uses)	(1,156,693)	3,509,873	(30,000)	2,323,180
Net Change in Fund Balances	545,209	1,395,680	156,241	2,097,130
Fund Balances - Beginning of Year	3,063,078	580,589	101,697	3,745,364
Fund Balances - End of Year	\$ 3,608,287	\$ 1,976,269	\$ 257,938	\$ 5,842,494

The notes to the 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, 2010

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

Net Change in Fund Balances - Total Governmental Funds \$ 2,097,130

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 may be 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	1,908,269
Depreciation expense	<u>(991,964)</u>
	<u>916,305</u>

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. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bonds issued	(2,200,000)
Principal paid on bonds	440,000
Premium on bonds issued	(123,180)
Amortization of issuance costs, loss on refunding and premium	<u>2,317</u>
	<u>(1,880,863)</u>

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	21,287
Compensated absences	(53,677)
Other post employment benefit obligations	<u>(1,877,791)</u>
	<u>(1,910,181)</u>

Change in Net Assets of Governmental Activities \$ (777,609)

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

VILLAGE OF RYE BROOK, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED MAY 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Real property taxes	\$ 12,820,690	\$ 12,820,690	\$ 12,820,690	\$ -
Other tax items	574,500	574,500	622,370	47,870
Non-property taxes	1,410,000	1,410,000	1,553,798	143,798
Departmental income	840,500	840,500	932,343	91,843
Intergovernmental charges	164,952	164,952	307,421	142,469
Use of money and property	80,000	80,000	46,412	(33,588)
Fines and forfeitures	70,000	70,000	64,471	(5,529)
Sale of property and compensation for loss	40,000	40,000	95,114	55,114
State aid	421,572	421,572	445,705	24,133
Miscellaneous	9,500	9,500	47,570	38,070
Total Revenues	16,431,714	16,431,714	16,935,894	504,180
Expenditures:				
Current:				
General government support	2,408,396	2,433,406	2,368,939	64,467
Public safety	5,366,593	5,257,183	5,238,762	18,421
Health	201,328	198,842	198,842	-
Transportation	1,047,951	1,007,457	995,991	11,466
Economic opportunity and development	294,134	220,778	214,380	6,398
Culture and recreation	1,524,714	1,515,666	1,466,033	49,633
Home and community services	1,401,682	1,341,059	1,272,435	68,624
Employee benefits	3,040,200	2,906,992	2,822,657	84,335
Debt service:				
Principal	410,000	440,000	440,000	-
Interest	252,232	222,232	215,953	6,279
Total Expenditures	15,947,230	15,543,615	15,233,992	309,623
Excess of Revenues Over Expenditures	484,484	888,099	1,701,902	813,803
Other Financing Sources (Uses):				
Premium on bond	-	-	123,180	123,180
Transfers out	(1,171,250)	(1,574,865)	(1,309,873)	264,992
Total Other Financing Uses	(1,171,250)	(1,574,865)	(1,156,693)	418,172
Net Change in Fund Balance	(686,766)	(686,766)	545,209	1,231,975
Fund Balance - Beginning of Year	686,766	686,766	3,063,078	2,376,312
Fund Balance - End of Year	\$ -	\$ -	\$ 3,608,287	\$ 3,608,287

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

VILLAGE OF RYE BROOK, NEW YORK

STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
MAY 31, 2010

	<u>Agency</u>
ASSETS	
Cash - Demand deposits	\$ 67,347
Accounts Receivable	<u>61,434</u>
Total Assets	<u>\$ 128,781</u>
LIABILITIES	
Accounts Payable	\$ 4,024
Deposits	<u>124,757</u>
Total Liabilities	<u>\$ 128,781</u>

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

(This page intentionally left blank.)

Note 1 - Summary of Significant Accounting Policies

The Village of Rye Brook, New York ("Village") 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 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, 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 and other post employment benefit obligations payable 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, 2010.

The Village was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate 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, 2010, 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 financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 19, 2010.

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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- 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 2009-2010 was \$53,748,228 which exceeded the actual levy by \$40,927,538.

C. Expenditures in Excess of Budget

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

Capital Fund:		
Pine Ridge Park Sprinkler System	\$	2,502

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at May 31, 2010 consisted of the following -

Current Year \$ 91,692

B. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2010 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 145,715	\$ 1,568,573
Capital Projects	1,414,729	0.00
Non-Major Governmental	<u>16,157</u>	<u>8,028</u>
	<u>\$ 1,576,601</u>	<u>\$ 1,576,601</u>

C. Capital Assets

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

<u>Class</u>	<u>Balance June 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance May 31, 2010</u>
Capital Assets, not being depreciated:				
Land	\$ 12,112,871	\$ -	\$ -	\$ 12,112,871
Construction-in-Progress	<u>40,783</u>	<u>552,954</u>	<u>31,768</u>	<u>561,969</u>
Total Capital Assets, not being depreciated	<u>\$ 12,153,654</u>	<u>\$ 552,954</u>	<u>\$ 31,768</u>	<u>\$ 12,674,840</u>
Capital Assets, being depreciated:				
Land Improvements	\$ 4,980,932	\$ 261,618	\$ -	\$ 5,242,550
Buildings and Improvements	7,223,169	132,712	-	7,355,881
Machinery and Equipment	4,065,649	146,801	-	4,212,450
Infrastructure	<u>18,597,017</u>	<u>845,952</u>	<u>-</u>	<u>19,442,969</u>
Total Capital Assets, being depreciated	<u>34,866,767</u>	<u>1,387,083</u>	<u>-</u>	<u>36,253,850</u>

Note 3 - Detailed Notes on All Funds (Continued)

Class	Balance June 1, 2009	Additions	Deletions	Balance May 31, 2010
Less Accumulated Depreciation for:				
Land Improvements	\$ 669,546	\$ 256,563	\$ -	\$ 926,109
Buildings and Improvements	1,417,340	165,110	-	1,582,450
Machinery and Equipment	3,154,224	187,854	-	3,342,078
Infrastructure	12,032,512	382,437	-	12,414,949
 Total Accumulated Depreciation	 <u>17,273,622</u>	 <u>991,964</u>	 <u>-</u>	 <u>18,265,586</u>
 Total Capital Assets, being depreciated, net	 <u>\$ 17,593,145</u>	 <u>\$ 395,119</u>	 <u>\$ -</u>	 <u>\$ 17,988,264</u>
 Capital Assets, net	 <u>\$ 29,746,799</u>	 <u>\$ 948,073</u>	 <u>\$ 31,768</u>	 <u>\$ 30,663,104</u>

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

Governmental Activities:	
General Government Support	\$ 79,390
Public Safety	192,072
Transportation	310,675
Home and Community Services	99,717
Culture and Recreation	<u>310,110</u>
 Total Depreciation Expense	 <u>\$ 991,962</u>

D. Accrued Liabilities

The Village has reported accrued liabilities for payroll and employee benefits of \$71,621 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.

Note 3 - Detailed Notes on All Funds (Continued)

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 and regular pension contributions. Contribution rates for the plans' year ended March 31, 2010 are as follows:

	<u>Tier/Plan/Option</u>	<u>Rate</u>
ERS	3/A14/41J	11.3 %
	4/A15/41J	11.3
	5/A15	9.10
PFRS	2/384D	16.8

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

	<u>ERS</u>	<u>PFRS</u>
2010	\$ 226,677	\$ 530,864
2009	225,597	476,596
2008	248,897	460,355

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.

<u>Purpose</u>	<u>Year of Original Issue</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Balance June 1, 2009</u>	<u>Redemptions</u>	<u>Balance May 31, 2010</u>
Light Dump Truck	2004	-	-	\$ 11,500	\$ 11,500	\$ -
King Street Athletic Field	2004	-	-	125,000	125,000	-
Dump Truck and Plow Attachments	2005	-	-	31,500	31,500	-
King Street Athletic Field	2005	08/10	3.39	100,000	50,000	50,000
Street Light Replacement	2006	03/11	2.41	50,000	25,000	25,000
Garibaldi Park Sprinkler System	2006	10/10	4.5	25,000	12,500	12,500
Police and Maintenance Vehicles and Pine Ridge Park Sprinkler System	2006	09/10	2.17	144,500	79,000	65,500
Sidewalk Improvement Project	2007	03/11	1.99	112,500	37,500	75,000
Base Station Radio Replacement	2007	04/11	3.39	22,500	7,500	15,000
Purchase of Dump Truck	2007	09/10	2.17	121,000	30,250	90,750
Various Village Projects	2007	-	-	341,000	341,000	-
Loch Lane/King Street Drainage Project	2008	-	-	600,000	600,000	-
				<u>\$ 1,684,500</u>	<u>\$ 1,350,750</u>	<u>\$ 333,750</u>

Note 3 - Detailed Notes on All Funds (Continued)

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.

Interest expenditures of \$54,246 were recorded in the fund financial statements in the General Fund. Interest expense of \$35,732 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, 2010:

	<u>Balance June 1, 2009</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance May 31, 2010</u>	<u>Due Within One-Year</u>
Bonds Payable	\$ 4,360,000	\$ 2,200,000	\$ 440,000	\$ 6,120,000	\$ 745,000
Add - Deferred amounts on refunding	<u>1,525</u>	<u>-</u>	<u>234</u>	<u>1,291</u>	<u>-</u>
	<u>4,361,525</u>	<u>2,200,000</u>	<u>440,234</u>	<u>6,121,291</u>	<u>745,000</u>
Other Non-current Liabilities:					
Compensated Absences	892,757	142,953	89,276	946,434	94,643
Other Post Employment Benefit Obligations Payable	<u>1,796,967</u>	<u>2,424,335</u>	<u>546,544</u>	<u>3,674,758</u>	<u>-</u>
Total Non-current Liabilities	<u>2,689,724</u>	<u>2,567,288</u>	<u>635,820</u>	<u>4,621,192</u>	<u>94,643</u>
Total Long-Term Liabilities	<u>\$ 7,051,249</u>	<u>\$ 4,767,288</u>	<u>\$ 1,076,054</u>	<u>\$ 10,742,483</u>	<u>\$ 839,643</u>

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

Note 3 - Detailed Notes on All Funds (Continued)

Bonds Payable

Bonds payable at May 31, 2010 are comprised of the following individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at May 31, 2010</u>
Various Village Purposes-Refunding	2009	1,560,000	November, 2016	2.00-6.00	1,360,000
Various Village Purposes	1998	896,000	April, 2014	4.900	295,000
Various Village Purposes	2003	3,100,000	September, 2018	3.25 - 4.500	2,265,000
Various Village Purposes	2009	2,200,000	November, 2019	2.0-5.0	2,200,000
					<u>\$ 6,120,000</u>

Interest expenditures of \$161,707 were recorded in the fund financial statements. Interest expense of \$158,934 was recorded in the government-wide financial statements.

The annual requirements to amortize all bonded debt outstanding as of May 31, 2010 including interest payments of \$1,232,443 are as follows:

<u>Year Ending May 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 745,000	\$ 249,849	\$ 994,849
2012	705,000	185,019	890,019
2013	720,000	162,902	882,902
2014	680,000	141,588	821,588
2015	610,000	121,950	731,950
2015-20120	2,145,000	328,003	2,473,003
2021-2023	515,000	43,132	558,132
	<u>\$ 6,120,000</u>	<u>\$ 1,232,443</u>	<u>\$ 7,352,443</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.

Advance Refunding

During the 2008 - 2009 fiscal year, the Village issued \$1,560,000 in serial bonds with interest ranging from 2.25% to 6%. The proceeds were used to advance refund \$1,490,000 of outstanding 1995 serial bonds for public improvements. The net proceeds of \$1,528,764 (including \$40,406 premium and net of \$71,642 in issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow

Note 3 - Detailed Notes on All Funds (Continued)

agent to provide for all future debt service payments on the 1995 serial bonds. As a result, the 1995 serial bonds are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Assets. The reacquisition price exceeded the net carrying amount of the old debt by \$71,642. These amounts are being netted against the new debt and amortized over the remaining life of the refunded debt.

The Village advance refunded the 1995 serial bonds to reduce its total debt service payments over 6 years and to obtain a gross and net present value economic gain of \$104,056 and \$98,692, respectively.

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>Transfer In</u> Capital Projects Fund
General Fund	\$ 1,309,873
Non-Major Govern- mental Fund	<u>30,000</u>
	<u>\$ 1,339,873</u>

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. Other Post Employment Benefit Obligations Payable

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 contribution. Contributions by the Village may vary according to length of service. The cost of providing post-employment health care benefits is shared between the Village and the retired employee. Substantially all of the Village's employees may become

Note 3 - Detailed Notes on All Funds (Continued)

eligible for these benefits if they reach normal retirement age while working for the Village. The cost of retiree health care benefits is recognized as an expenditure/expense as claims are paid.

The Village's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. GASB Statement 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 done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. 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.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The Village is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis.

The assumed rate increase in postretirement benefits is as follows

<u>Year</u>	<u>Rates</u>	<u>Rates</u>
2008	10.0%	5.0%
2009	9.5%	5.0%
2010	9.0%	5.0%
2011	8.5%	5.0%
2012	8.0%	5.0%
2013	7.5%	5.0%
2014	7.0%	5.0%
2015	6.5%	5.0%
2016	6.0%	5.0%
2017	5.5%	5.0%
2018	5.0%	5.0%

The amortization basis is the level percentage of payroll method with a closed group amortization approach with 28 years remaining in the amortization period. The actuarial assumptions include a 4% rate of return. The entry age method was used to determine the actuarial value of the assets of the OPEB plan, however, the Village currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the entry age method.

Note 3 - Detailed Notes on All Funds (Continued)

The number of participants as of May 31, 2010 was as follows:

Active Employees	73
Retired Employees	<u>37</u>
Total	<u><u>110</u></u>

Amortization Component:

Actuarial Accrued Liability as of June 1, 2009	\$ 24,668,269
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability	<u>\$ 24,668,269</u>
Funded ratio	<u>0.00%</u>
Covered payroll (active plan members)	\$ 5,665,024
UAAL as a percentage of covered payroll	<u>435.45%</u>
Annual Required Contribution	2,427,839
Adjustment on annual required contribution	(75,383)
Interest on Net OPEB Obligation	<u>71,879</u>
Annual OPEB Cost	2,424,335
Contributions Made	<u>(546,544)</u>
Increase in Net OPEB Obligation	1,877,791
Net OPEB Obligation - beginning of year	<u>1,796,967</u>
Net OPEB Obligation - end of year	<u>\$ 3,674,758</u>

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.

Note 3 - Detailed Notes on All Funds (Continued)

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.

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, 2010, the Village Board has designated that \$441,000 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.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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.

VILLAGE OF RYE BROOK, NEW YORK

SCHEDULE OF FUNDING PROGRESS
 OTHER POST EMPLOYMENT BENEFITS
 LAST THREE FISCAL YEARS

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
June 1, 2008	\$ -	\$ 24,668,269	\$ 24,668,269	- %	\$ 5,526,853	446.33 %
June 1, 2009	-	24,668,269	24,668,269	-	5,665,024	435.45

Note - The Village implemented the provisions of Governmental Accounting Standards Board Statement No. ended May 31, 2009.

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 4,753,890	\$ 4,203,282
Petty cash	200	200
	<u>4,754,090</u>	<u>4,203,482</u>
Taxes Receivable	<u>91,692</u>	<u>63,283</u>
Other Receivables:		
Accounts	153,529	229,531
State and Federal aid	15,866	-
Due from other governments	425,485	383,799
Due from other funds	<u>145,715</u>	<u>8,487</u>
	<u>740,595</u>	<u>621,817</u>
Prepaid Expenditures	<u>264,082</u>	<u>156,266</u>
Total Assets	<u>\$ 5,850,459</u>	<u>\$ 5,044,848</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 462,929	\$ 356,028
Accrued liabilities	71,621	77,451
Deposits and other liabilities	3,215	1,565
Due to retirement systems	135,834	126,056
Due to other funds	<u>1,568,573</u>	<u>1,420,670</u>
Total Liabilities	<u>2,242,172</u>	<u>1,981,770</u>
Fund Balance:		
Reserved for encumbrances	122,772	130,766
Reserved for prepaid expenditures	264,082	156,266
Reserved for debt service	308,838	183,820
Unreserved:		
Designated for subsequent years expenditures	441,000	556,000
Undesignated	<u>2,471,595</u>	<u>2,036,226</u>
Total Fund Balance	<u>3,608,287</u>	<u>3,063,078</u>
Total Liabilities and Fund Balance	<u>\$ 5,850,459</u>	<u>\$ 5,044,848</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, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 12,820,690	\$ 12,820,690	\$ 12,820,690	\$ -
Other tax items	574,500	574,500	622,370	47,870
Non-property taxes	1,410,000	1,410,000	1,553,798	143,798
Departmental income	840,500	840,500	932,343	91,843
Intergovernmental charges	164,952	164,952	307,421	142,469
Use of money and property	80,000	80,000	46,412	(33,588)
Fines and forfeitures	70,000	70,000	64,471	(5,529)
Sale of property and compensation for loss	40,000	40,000	95,114	55,114
State aid	421,572	421,572	445,705	24,133
Miscellaneous	9,500	9,500	47,570	38,070
Total Revenues	16,431,714	16,431,714	16,935,894	504,180
Expenditures:				
Current:				
General government support	2,408,396	2,433,406	2,368,939	64,467
Public safety	5,366,593	5,257,183	5,238,762	18,421
Health	201,328	198,842	198,842	-
Transportation	1,047,951	1,007,457	995,991	11,466
Economic opportunity and development	294,134	220,778	214,380	6,398
Culture and recreation	1,524,714	1,515,666	1,466,033	49,633
Home and community services	1,401,682	1,341,059	1,272,435	68,624
Employee benefits	3,040,200	2,906,992	2,822,657	84,335
Debt service:				
Principal	410,000	440,000	440,000	-
Interest	252,232	222,232	215,953	6,279
Refunding bond issuance costs	-	-	-	-
Total Expenditures	15,947,230	15,543,615	15,233,992	309,623
Excess of Revenues Over Expenditures	484,484	888,099	1,701,902	813,803
Other Financing Sources (Uses):				
Refunding bonds issued	-	-	-	-
Premium on bonds issued	-	-	123,180	123,180
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	-	-	30,000	30,000
Transfers out	(1,171,250)	(1,574,865)	(1,309,873)	264,992
Total Other Financing Uses	(1,171,250)	(1,574,865)	(1,156,693)	418,172
Net Change in Fund Balance	(686,766)	(686,766)	545,209	1,231,975
Fund Balance - Beginning of Year	686,766	686,766	3,063,078	2,376,312
Fund Balance - End of Year	\$ -	\$ -	\$ 3,608,287	\$ 3,608,287

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 12,398,404	\$ 12,398,404	\$ 12,398,404	\$ -
543,500	543,500	512,745	(30,755)
1,440,000	1,440,000	1,669,947	229,947
874,403	874,403	997,678	123,275
155,500	155,500	159,470	3,970
160,000	160,000	116,760	(43,240)
55,000	55,000	51,309	(3,691)
40,000	40,000	35,026	(4,974)
590,911	590,911	458,334	(132,577)
5,000	5,000	11,884	6,884
<u>16,262,718</u>	<u>16,262,718</u>	<u>16,411,557</u>	<u>148,839</u>
2,614,205	2,346,343	2,315,677	30,666
4,965,477	5,238,868	5,237,036	1,832
196,000	195,464	195,464	-
1,120,741	1,152,697	1,147,081	5,616
279,481	271,280	258,029	13,251
1,384,665	1,490,428	1,486,502	3,926
1,593,222	1,444,531	1,388,576	55,955
3,119,400	2,895,743	2,788,091	107,652
385,000	390,000	390,000	-
268,961	259,961	238,241	21,720
-	71,642	71,642	-
<u>15,927,152</u>	<u>15,756,957</u>	<u>15,516,339</u>	<u>240,618</u>
<u>335,566</u>	<u>505,761</u>	<u>895,218</u>	<u>389,457</u>
-	1,560,000	1,560,000	-
-	40,406	40,406	-
-	(1,528,764)	(1,528,764)	-
-	-	-	-
<u>(1,010,000)</u>	<u>(1,251,837)</u>	<u>(1,382,762)</u>	<u>(130,925)</u>
<u>(1,010,000)</u>	<u>(1,180,195)</u>	<u>(1,311,120)</u>	<u>(130,925)</u>
(674,434)	(674,434)	(415,902)	258,532
<u>674,434</u>	<u>674,434</u>	<u>3,478,980</u>	<u>2,804,546</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,063,078</u>	<u>\$ 3,063,078</u>

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET
 YEAR ENDED MAY 31, 2010
 (With Comparative Actuals for 2009)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2009 Actual
REAL PROPERTY TAXES	\$ 12,820,690	\$ 12,820,690	\$ 12,820,690	\$ -	\$ 12,398,404
OTHER TAX ITEMS					
Payments in lieu of taxes	570,000	570,000	611,296	41,296	498,084
Interest and penalties on real property taxes	4,500	4,500	11,074	6,574	14,661
	574,500	574,500	622,370	47,870	512,745
NON-PROPERTY TAXES					
Non-property tax distribution from County	1,050,000	1,050,000	1,103,789	53,789	1,106,342
Utilities gross receipts taxes	220,000	220,000	236,942	16,942	290,698
Franchise fees	140,000	140,000	213,067	73,067	272,907
	1,410,000	1,410,000	1,553,798	143,798	1,669,947
DEPARTMENTAL INCOME					
Clerk fees	3,000	3,000	2,285	(715)	2,344
Police fees	4,000	4,000	9,953	5,953	17,437
Vital statistics	6,500	6,500	6,340	(160)	6,060
Safety inspection fees	317,000	317,000	313,569	(3,431)	422,535
Alarm permits	75,000	75,000	94,645	19,645	88,150
Parks and recreation charges	422,000	422,000	496,071	74,071	448,127
Senior center rental	13,000	13,000	9,480	(3,520)	13,025
	840,500	840,500	932,343	91,843	997,678

INTERGOVERNMENTAL CHARGES

Snow removal	-	-	-	-	-	13,876
Airport revenue	40,000	40,000	40,000	-	-	40,000
Other governmental services - Home and community services	124,952	124,952	267,421	142,469	142,469	105,594
	164,952	164,952	307,421	142,469	142,469	159,470

USE OF MONEY AND PROPERTY

Interest earnings	80,000	80,000	46,412	(33,588)		116,760
-------------------	--------	--------	--------	----------	--	---------

FINES AND FORFEITURES

Fines and forfeited bail	70,000	70,000	64,471	(5,529)		51,309
--------------------------	--------	--------	--------	---------	--	--------

SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of equipment	5,000	5,000	9,363	4,363		-
Insurance recoveries	35,000	35,000	85,751	50,751		35,026
	40,000	40,000	95,114	55,114		35,026

STATE AID

Per capita	49,236	49,236	49,236	-		58,074
Mortgage tax	300,000	300,000	227,049	(72,951)		282,481
Consolidated highway improvement aid	59,000	59,000	119,331	60,331		103,333
Youth funding	2,012	2,012	-	(2,012)		1,784
Soil remediation	-	-	-	-		2,090
Snow removal	-	-	39,437	39,437		-
Speed and alcohol enforcement	11,324	11,324	10,652	(672)		10,572
	421,572	421,572	445,705	24,133		458,334

(Continued)

(This page intentionally left blank.)

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET (Continued)
 YEAR ENDED MAY 31, 2010
 (With Comparative Actuals for 2009)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2009 Actual
MISCELLANEOUS					
Refund of prior year expenditures Unclassified	\$ - 9,500	\$ - 9,500	\$ 5,121 42,449	\$ 5,121 32,949	\$ 8,112 3,772
TOTAL REVENUES	16,431,714	16,431,714	16,935,894	504,180	16,411,557
OTHER FINANCING SOURCES					
Refunding bonds issued	-	-	-	-	1,560,000
Premium on bonds issued	-	-	123,180	123,180	40,406
Transfers In - Special Purpose Fund	-	-	30,000	30,000	-
TOTAL OTHER FINANCING SOURCES	-	-	153,180	153,180	1,600,406
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 16,431,714	\$ 16,431,714	\$ 17,089,074	\$ 657,360	\$ 18,011,963

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET
 YEAR ENDED MAY 31, 2010
 (With Comparative Actuals for 2009)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2009 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 10,000	\$ 13,798	\$ 13,797	\$ 1	\$ 19,859
Administrator	224,944	233,139	233,133	6	225,195
Treasurer	430,260	437,161	437,153	8	424,532
Village office	111,700	96,037	94,136	1,901	108,953
Clerk	87,361	86,161	86,158	3	89,368
Village attorney	161,200	175,256	175,255	1	193,206
Management information systems	165,419	197,193	195,761	1,432	170,641
Central communications	68,900	62,554	62,553	1	43,886
Central garage	497,512	548,974	506,256	42,718	482,680
Central supplies	30,000	31,245	31,245	-	28,929
Central printing and mailing	17,800	16,578	16,578	-	20,667
Unallocated insurance	320,000	312,656	312,655	1	315,921
Consulting fees	111,000	186,907	168,514	18,393	105,437
Bonding expenses	12,300	7,135	7,134	1	9,973
Judgments and claims	15,000	-	-	-	76,430
Contingency account	145,000	-	-	-	-
Metropolitan commuter transportation mobility tax	-	28,612	28,611	1	-
	<u>2,408,396</u>	<u>2,433,406</u>	<u>2,368,939</u>	<u>64,467</u>	<u>2,315,677</u>
PUBLIC SAFETY					
Police Department	3,193,014	3,170,690	3,156,697	13,993	3,097,884
Control of animals	12,090	12,270	12,270	-	12,077
Fire protection	1,686,784	1,688,370	1,683,948	4,422	1,645,605
Safety inspection	474,705	385,853	385,847	6	481,470
	<u>5,366,593</u>	<u>5,257,183</u>	<u>5,238,762</u>	<u>18,421</u>	<u>5,237,036</u>

HEALTH

Ambulance services 201,328 198,842 198,842 - 195,464

TRANSPORTATION

Highway maintenance 767,951 740,898 740,898 11,463 816,846
 Snow removal 150,000 144,388 144,388 2 209,670
 Street lighting 130,000 110,705 110,705 1 120,565
1,047,951 1,007,457 995,991 11,466 1,147,081

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Community services - Programs for the aging 294,134 220,778 214,380 6,398 258,029

CULTURE AND RECREATION

Recreation 1,036,116 981,997 981,997 49,633 1,019,827
 Teen center 5,000 607 607 - 5,432
 Public library 474,048 474,048 474,048 - 452,077
 Handicapped 9,550 9,381 9,381 - 9,166
1,524,714 1,515,666 1,466,033 49,633 1,486,502

HOME AND COMMUNITY SERVICES

Part-time videotaping 4,500 4,209 4,209 1 5,103
 Planning board 3,000 3,443 3,443 - 1,990
 Hydrant rental 135,000 123,989 123,989 - 122,479
 Disposal fees 115,000 87,157 87,156 1 97,484
 Recycling and refuse collection 818,610 818,610 818,610 - 915,660
 Shade trees 69,787 59,951 50,415 9,536 69,731
 Sewer district 255,785 243,699 184,613 59,086 176,129
1,401,682 1,341,059 1,272,435 68,624 1,388,576

(Continued)

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)
 YEAR ENDED MAY 31, 2010
 (With Comparative Actuals for 2009)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2009 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 772,000	\$ 757,541	\$ 757,541	\$ -	\$ 702,193
Social security	500,000	489,088	489,087	1	476,310
Worker's compensation benefits	129,000	138,127	138,127	-	124,503
Life insurance	24,000	21,458	21,457	1	21,876
Unemployment insurance	20,000	16,711	16,710	1	13,883
Disability insurance	3,900	1,089	1,088	1	1,585
Health and dental insurance	1,588,300	1,480,460	1,396,129	84,331	1,446,241
Other benefits	3,000	2,518	2,518	-	1,500
	<u>3,040,200</u>	<u>2,906,992</u>	<u>2,822,657</u>	<u>84,335</u>	<u>2,788,091</u>
DEBT SERVICE					
Principal - Serial bonds	410,000	440,000	440,000	-	390,000
Interest:					
Serial bonds	198,857	167,986	161,707	6,279	176,421
Bond anticipation notes	53,375	54,246	54,246	-	61,820
	<u>252,232</u>	<u>222,232</u>	<u>215,953</u>	<u>6,279</u>	<u>238,241</u>
Refunding bond issuance costs	-	-	-	-	71,642
	<u>662,232</u>	<u>662,232</u>	<u>655,953</u>	<u>6,279</u>	<u>699,883</u>
TOTAL EXPENDITURES	<u>15,947,230</u>	<u>15,543,615</u>	<u>15,233,992</u>	<u>309,623</u>	<u>15,516,339</u>
OTHER FINANCING USES					
Payment to refunded bond escrow agent	-	-	-	-	1,528,764
Transfers out - Capital Projects Fund	1,171,250	1,574,865	1,309,873	264,992	1,382,762
TOTAL OTHER FINANCING USES	<u>1,171,250</u>	<u>1,574,865</u>	<u>1,309,873</u>	<u>264,992</u>	<u>2,911,526</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 17,118,480</u>	<u>\$ 17,118,480</u>	<u>\$ 16,543,865</u>	<u>\$ 574,615</u>	<u>\$ 18,427,865</u>

VILLAGE OF RYE BROOK, NEW YORK

CAPITAL PROJECTS FUND
 COMPARATIVE BALANCE SHEET
 MAY 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 1,131,381	\$ 875,083
Due from Other Funds	<u>1,414,729</u>	<u>1,404,055</u>
Total Assets	<u>\$ 2,546,110</u>	<u>\$ 2,279,138</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 163,350	\$ -
Retainages payable	72,741	14,049
Bond anticipation notes payable	<u>333,750</u>	<u>1,684,500</u>
Total Liabilities	569,841	1,698,549
Fund Balance -		
Unreserved and undesignated	<u>1,976,269</u>	<u>580,589</u>
Total Liabilities and Fund Balance	<u>\$ 2,546,110</u>	<u>\$ 2,279,138</u>

(This page intentionally left blank.)

VILLAGE OF RYE BROOK, NEW YORK

CAPITAL PROJECTS FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE

YEARS ENDED MAY 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Revenues	\$ -	\$ -
Expenditures - Capital outlay	<u>2,114,193</u>	<u>555,590</u>
Deficiency of Revenues Over Expenditures	<u>(2,114,193)</u>	<u>(555,590)</u>
Other Financing Sources:		
Bonds issued	2,200,000	-
Transfers in	<u>1,309,873</u>	<u>1,502,762</u>
Total Other Financing Sources	<u>3,509,873</u>	<u>1,502,762</u>
Net Change in Fund Balance	1,395,680	947,172
Fund Balance (Deficit) - Beginning of Year	<u>580,589</u>	<u>(366,583)</u>
Fund Balance - End of Year	<u>\$ 1,976,269</u>	<u>\$ 580,589</u>

VILLAGE OF RYE BROOK, NEW YORK

CAPITAL PROJECTS FUND
 PROJECT LENGTH SCHEDULE
 INCEPTION OF PROJECT THROUGH MAY 31, 2010

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	3,628,466	367,047
ICOP Network	15,000	13,052	1,948
Light Dump Truck	46,000	-	46,000
Dump Truck and Plow Attachments	126,000	58,620	67,380
Staff Vehicle	21,000	-	21,000
Curb Machine	12,000	-	12,000
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
Garibaldi Park Sprinkler System	50,000	45,536	4,464
Street Light Replacement	100,000	100,000	-
Base Station Radio Replacement	30,000	30,000	-
Police Vehicles - 2007	87,750	75,648	12,102
Highway Vehicles	50,000	47,669	2,331
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	124,250	113,502	10,748
Human Resources Software	12,000	9,015	2,985
Police Vehicles - 2008	50,000	48,780	1,220
Village Hall Vehicles - 2008	64,000	62,062	1,938
Sidewalk Replacement Program	322,539	302,381	20,158
Pavement Management Software	36,800	29,900	6,900
Purchase of Dump Truck	121,000	-	121,000
Various Village Projects	341,000	-	341,000
Loch Lane/King Street Drainage	1,000,000	589,527	410,473
Storage Shed With Electric	12,000	8,261	3,739
Police Vehicles - 2009	78,000	77,840	160
Highway Equipment -Generator	45,000	27,252	17,748
Highway Improvements - 2009	500,000	-	500,000
Salt Shed Cover	13,000	8,641	4,359
Replace Cathodic Protection System	12,000	11,969	31
Parks Equipment - Trailer	15,000	6,826	8,174
Rye Hills Park Drainage	75,000	-	75,000
Garibaldi Park Path Cameras	45,000	17,076	27,924
Partial Reconstruction - Posillipo Center	205,000	-	205,000
Highway Vehicles - 2010	225,000	56,838	168,162
AJP Diesel Generator	150,000	103,387	46,613
AJP Electrical Upgrade	47,575	29,325	18,250
Harkness Park Storm Lines	90,000	61,706	28,294
Harkness Park Tennis Court	205,000	199,913	5,087
Bellfair and Village Hall Pump Stations	60,000	53,070	6,930
Police Vehicles - 2010	56,000	54,784	1,216
Road Resurfacing - 2010	530,671	530,671	-
TOTALS	\$ 12,847,759	\$ 9,876,152	\$ 2,971,607

Methods of Financing				Fund Balance (Deficit) at May 31, 2010	Bond Anticipation Notes Out- standing at May 31, 2010
Proceeds of Obligations	Interfund Transfers	Other	Total		
\$ -	\$ 80,000	\$ -	\$ 80,000	\$ 57,630	\$ -
3,450,000	-	-	3,450,000	115,399	-
775,500	19,945	2,982,283	3,777,728	149,262	24,500
-	15,000	-	15,000	1,948	-
46,000	-	-	46,000	46,000	-
126,000	-	-	126,000	67,380	-
-	21,000	-	21,000	21,000	-
-	12,000	-	12,000	12,000	-
-	61,000	-	61,000	15,103	-
-	30,000	-	30,000	15,000	-
-	40,000	-	40,000	32,520	-
37,500	-	-	37,500	(8,036)	12,500
75,000	-	-	75,000	(25,000)	25,000
15,000	-	-	15,000	(15,000)	15,000
26,750	61,000	-	87,750	12,102	51,250
26,750	-	-	26,750	(20,919)	23,250
26,750	-	-	26,750	(3,250)	3,250
-	24,461	-	24,461	5,374	-
75,000	-	-	75,000	75,000	75,000
-	13,200	-	13,200	13,200	-
26,750	73,502	-	100,252	(13,250)	13,250
-	9,015	-	9,015	-	-
-	48,780	-	48,780	-	-
-	62,062	-	62,062	-	-
-	172,539	150,000	322,539	20,158	-
-	29,900	-	29,900	-	-
30,250	-	-	30,250	30,250	90,750
341,000	-	-	341,000	341,000	-
600,000	-	-	600,000	10,473	-
-	8,261	-	8,261	-	-
-	77,840	-	77,840	-	-
-	30,000	-	30,000	2,748	-
-	500,000	-	500,000	500,000	-
-	9,000	-	9,000	359	-
-	12,000	-	12,000	31	-
-	7,000	-	7,000	174	-
-	75,000	-	75,000	75,000	-
-	45,000	-	45,000	27,924	-
205,000	-	-	205,000	205,000	-
225,000	-	-	225,000	168,162	-
-	103,387	-	103,387	-	-
-	29,325	-	29,325	-	-
90,000	-	-	90,000	28,294	-
205,000	-	-	205,000	5,087	-
60,000	-	-	60,000	6,930	-
-	56,000	-	56,000	1,216	-
-	530,671	-	530,671	-	-
<u>\$ 6,463,250</u>	<u>\$ 2,256,888</u>	<u>\$ 3,132,283</u>	<u>\$ 11,852,421</u>	<u>\$ 1,976,269</u>	<u>\$ 333,750</u>

VILLAGE OF RYE BROOK, NEW YORK

NON-MAJOR GOVERNMENTAL FUND - SPECIAL PURPOSE FUND
 COMPARATIVE BALANCE SHEET
 MAY 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 249,809	\$ 93,569
Due from Other Funds	<u>16,157</u>	<u>16,157</u>
 Total Assets	 <u>\$ 265,966</u>	 <u>\$ 109,726</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities -		
Due to other funds	<u>\$ 8,028</u>	<u>\$ 8,029</u>
Fund Balance:		
Reserved for trusts	15,133	3,772
Reserved for parklands	<u>242,805</u>	<u>97,925</u>
 Total Fund Balance	 <u>257,938</u>	 <u>101,697</u>
 Total Liabilities and Fund Balance	 <u>\$ 265,966</u>	 <u>\$ 109,726</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, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Revenues:		
Use of money and property	\$ 310	\$ 469
Departmental income	<u>200,107</u>	<u>20,569</u>
Total Revenues	<u>200,417</u>	<u>21,038</u>
Expenditures -		
Current:		
Public safety	1,991	980
Culture and recreation	<u>12,185</u>	<u>26,536</u>
Total Expenditures	<u>14,176</u>	<u>27,516</u>
Excess (Deficiency) of Revenues Over Expenditures	186,241	(6,478)
Other Financing Uses - Transfers out	<u>(30,000)</u>	<u>(120,000)</u>
Net Change in Fund Balance	156,241	(126,478)
Fund Balance - Beginning of Year	<u>101,697</u>	<u>228,175</u>
Fund Balance - End of Year	<u>\$ 257,938</u>	<u>\$ 101,697</u>

