

VILLAGE OF RYE BROOK, NEW YORK

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

YEAR ENDED MAY 31, 2011

WITH INDEPENDENT AUDITORS' REPORT



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

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Rye Brook, New York ("Village") as of and for the year ended May 31, 2011, 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 as of May 31, 2011 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.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Funding Progress - Other Post Employment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*O'Connor Davies Munns & Dobbins, LLP*

**O'Connor Davies Munns & Dobbins, LLP**  
Harrison, New York  
December 15, 2011

**Village of Rye Brook, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2011**

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**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, 2011. 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 2011 by \$24,739,007. Of this amount, a net unrestricted deficit of \$2,617,157 exists.
- ❖ As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$7,223,862. Exclusive of the Capital Projects Fund, the unreserved fund balance was \$4,056,503. Of this amount, the undesignated portion was \$3,193,503, which is available for spending at the Village's discretion. The fund balance of all governmental funds increased by \$1,381,368, primarily attributable to revenues and other financing sources exceeding expenditures and other financing uses.
- ❖ At the end of the fiscal years 2011 and 2010, unreserved fund balance for the General Fund was \$4,056,503 or 25% and \$2,912,595 or 18% respectively of total General Fund expenditures and other financing uses.
- ❖ During the current fiscal year, the Village issued no new long-term obligations. Other long-term liabilities were reduced by \$745,000 in scheduled payments.
- ❖ 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 \$195,500.

## **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**

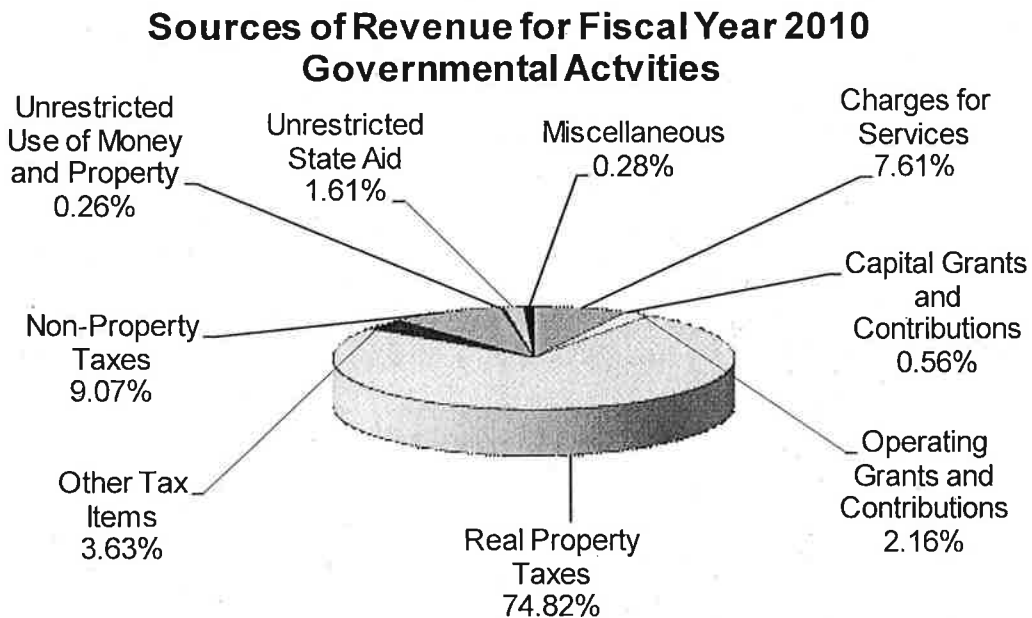
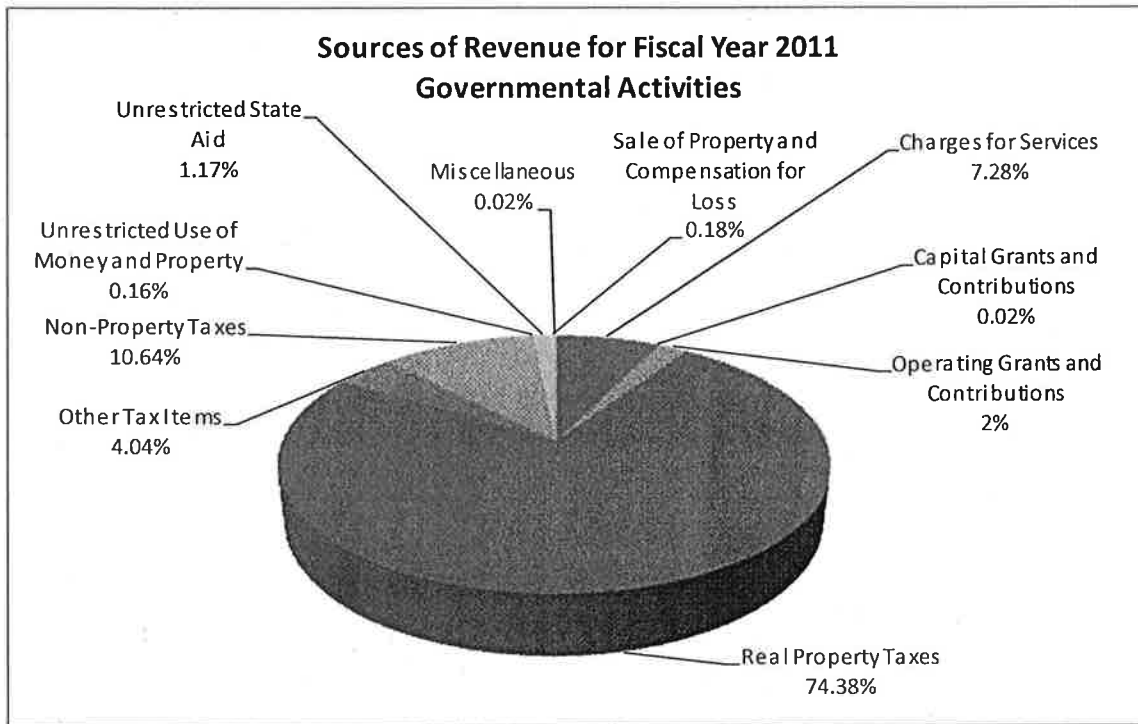
Additional statements and schedules can be found immediately following the notes to the financial statements and include combining and individual fund financial statements and schedules of budgets to actual comparisons.

## Government-wide Financial Analysis

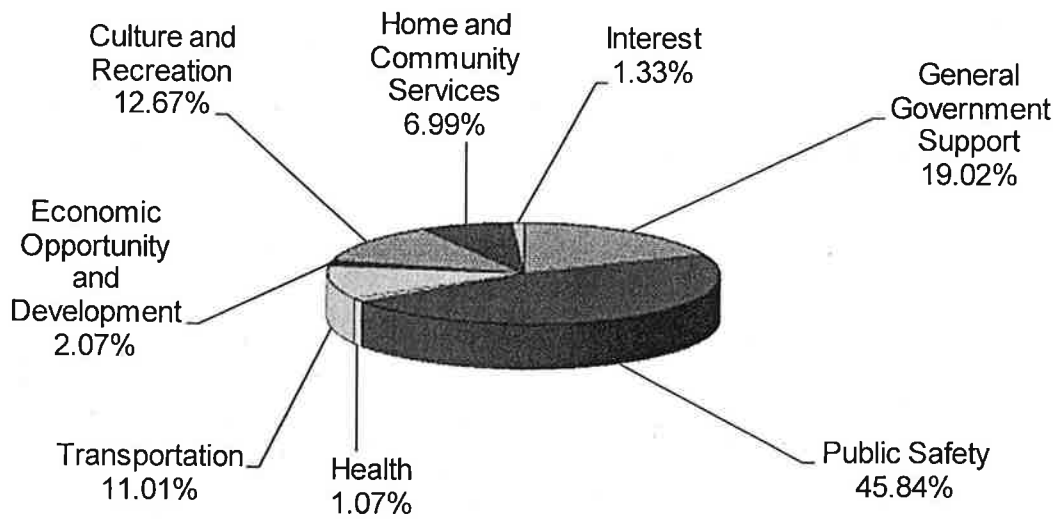
As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the Village, assets exceeded liabilities by \$24,739,007 at the close of the fiscal year 2010-2011. The largest portion of the Village's net assets is its investment in capital assets (land, land improvements, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress), less any related debt outstanding that was used to acquire those assets. The Village uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Village's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

The following table reflects the condensed Statement of Net Assets:

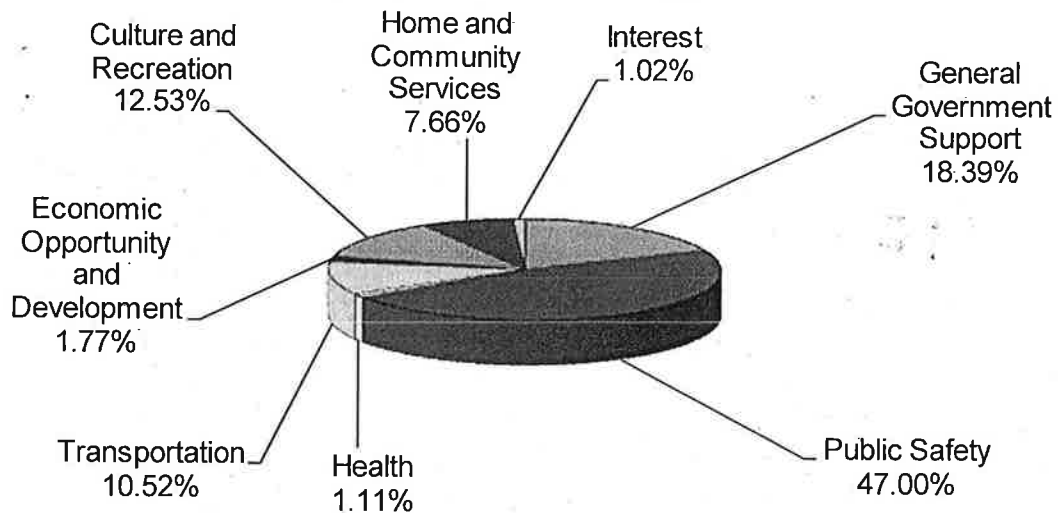
	June 30,	
	2011	2010
Current Assets	\$ 8,159,067	\$ 7,142,224
Capital Assets, net	<u>30,009,432</u>	<u>30,663,104</u>
 Total Assets	 <u>38,168,499</u>	 <u>37,805,328</u>
 Current Liabilities	 909,250	 1,262,777
Long-term Liabilities	<u>12,520,242</u>	<u>10,853,345</u>
 Total Liabilities	 <u>13,429,492</u>	 <u>12,116,122</u>
 Net Assets:		
Invested in Capital Assets,		
Net of Related Debt	25,383,607	25,538,227
Restricted	1,972,557	1,479,743
Unrestricted	<u>(2,617,157)</u>	<u>(1,328,764)</u>
 Total Net Assets	 <u>\$ 24,739,007</u>	 <u>\$ 25,689,206</u>



**Sources of Expenses for Fiscal Year 2011  
Governmental Activities**



**Sources of Expenses for Fiscal Year 2010  
Governmental Activities**



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

	2011	2010
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,284,303	\$ 1,304,235
Operating Grants and Contributions	371,117	369,837
Capital Grants and Contributions	3,106	1,838
Total Program Revenues	<u>1,658,526</u>	<u>1,675,910</u>
General Revenues:		
Real Property Taxes	13,113,079	12,820,690
Other Tax Items	712,633	622,370
Non-Property Taxes	1,876,028	1,553,798
Unrestricted Use of Money and Property	28,434	44,574
Unrestricted State Aid	205,896	276,285
Sale of Property and Compensation for Loss	32,307	95,114
Miscellaneous	3,012	47,570
Total General Revenues	<u>15,971,389</u>	<u>15,460,401</u>
Total Revenues	<u>17,629,915</u>	<u>17,136,311</u>
Program Expenses:		
General Government Support	3,534,051	3,294,405
Public Safety	8,518,204	8,418,916
Health	198,842	198,842
Transportation	2,045,566	1,884,002
Economic Opportunity and Development	384,150	317,771
Culture and Recreation	2,354,346	2,245,418
Home and Community Services	1,298,577	1,372,452
Interest	246,378	182,114
Total Expenses	<u>18,580,114</u>	<u>17,913,920</u>
Change in Net Assets	(950,199)	(777,609)
Net Assets - Beginning	<u>25,689,206</u>	<u>26,466,815</u>
Net Assets - Ending	<u>\$ 24,739,007</u>	<u>\$ 25,689,206</u>

## **Governmental Activities**

Governmental activities decreased the Village's net assets by \$950,199 and \$777,609 in 2011 and 2010 respectively.

For the fiscal years ended May 31, 2011 and 2010, revenues from governmental activities totaled \$17,629,915 and \$17,136,311, respectively. Tax revenues (\$15,701,740, in 2011 and \$14,996,858 in 2010), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (89% in 2011 and 88% in 2010).

The largest components of governmental activities' expenses are public safety (46% in 2011 and 47% in 2010), general government support (19% in 2011 and 18% in 2010) and culture and recreation (13% in 2011 and 13% 2010). The major changes are as follows:

### **Revenues:**

- Total general revenues increased \$511,000 or 3.3% with real property taxes increasing by \$292,389, non-property taxes increasing by \$322,230 unrestricted state aid, sale of property and compensation for loss and unrestricted use of money and property decreasing by \$70,389, \$62,807 and \$16,140 respectively due to the weak economy.
- Unrestricted State aid decreased by \$70,389 mainly due to reductions in mortgage tax receipts.

### **Expenses:**

- Total general expenses increased by \$666,194 or 3.7% mainly due to increases in general government support of \$239,646, transportation of \$161,564, culture and recreation of \$108,928 and all other functions/programs increasing by a total of \$156,056.

## **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 \$7,223,862. Of the unreserved fund balance, \$863,000 (\$369,000 for tax certiorari's and \$494,000 for subsequent years budget) has been designated leaving an undesignated fund balance of \$5,431,764. 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, \$296,967, to liquidate contracts and purchase orders of the prior period, \$95,114, debt service \$311,944, trusts \$11,866 and reserved for parklands \$213,207.

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 \$3,193,503, representing 67% of the total General Fund balance of \$4,760,528. Revenues and other financing sources were \$17,637,071, which was \$977,543 greater than the final budget. The major areas where revenues exceeded the budget were non-property taxes, state aid and departmental income. Expenditures and other financing uses were \$16,484,830, which was \$738,470 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, 2011, net of \$19,253,962 of accumulated depreciation, was \$30,009,432. 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	2011	2010
Land	\$ 12,112,871	\$ 12,112,871
Land Improvements	5,768,619	5,242,550
Building and Improvements	7,408,951	7,355,881
Machinery and Equipment	4,350,444	4,212,450
Infrastructure	19,442,969	19,442,969
Construction-in-Progress	179,540	561,969
Less - accumulated depreciation	<u>(19,253,962)</u>	<u>(18,265,586)</u>
Total (net of depreciation)	<u>\$ 30,009,432</u>	<u>\$ 30,663,104</u>

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

### **Long-Term Debt /Short-Term Debt**

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$5,375,000. 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 did not issue any short-term debt (bond anticipation notes), but did pay down \$195,500 (all 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, 2011, the Village's five year average full valuation was \$2,840,864,452, thereby establishing a constitutional debt limit of \$198,860,512.

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, 2011

	Governmental Activities
<b>ASSETS</b>	
Cash and equivalents	\$ 5,751,016
Investments	1,107,709
Receivables:	
Taxes	70,487
Accounts	325,070
State and Federal aid	185,361
Due from other governments	376,402
Prepaid expenses	296,967
Deferred charges	46,055
Capital assets (net of accumulated depreciation):	
Land	12,112,871
Land improvements	4,566,254
Buildings and improvements	5,604,549
Machinery and equipment	861,408
Infrastructure	6,684,810
Construction-in-progress	179,540
<b>Total Assets</b>	<b>38,168,499</b>
<b>LIABILITIES</b>	
Accounts payable	371,746
Accrued liabilities	108,493
Deposits and other liabilities	4,065
Due to retirement systems	176,396
Unearned revenues	90,200
Bond anticipation notes payable	138,250
Accrued interest payable	20,100
Non-current liabilities:	
Due within one year:	
Bonds payable	705,000
Claims payable	369,000
Compensated absences	104,000
Due in more than one year:	
Bonds payable	4,769,601
Compensated absences	931,984
Other post employment benefit obligations payable	5,640,657
<b>Total Liabilities</b>	<b>13,429,492</b>
<b>NET ASSETS (DEFICIT)</b>	
Invested in capital assets, net of related debt	25,383,607
Restricted for:	
Capital projects	1,435,540
Debt service	311,944
Special purposes	225,073
Unrestricted	(2,617,157)
<b>Total Net Assets</b>	<b>\$ 24,739,007</b>

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, 2011

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	\$ 3,534,051	\$ 39,182	\$ -	\$ -	\$ (3,494,869)
Public safety	8,518,204	447,860	14,460	-	(8,055,884)
Health	198,842	-	-	-	(198,842)
Transportation	2,045,566	36,667	332,306	-	(1,676,593)
Economic opportunity and development	384,150	-	-	-	(384,150)
Culture and recreation	2,354,346	559,025	24,351	-	(1,770,970)
Home and community services	1,298,577	201,569	-	-	(1,097,008)
Interest	246,378	-	-	3,106	(243,272)
<b>Total Governmental Activities</b>	<b>\$ 18,580,114</b>	<b>\$ 1,284,303</b>	<b>\$ 371,117</b>	<b>\$ 3,106</b>	<b>(16,921,588)</b>
General Revenues:					
Real property taxes					13,113,079
Other tax items:					
Payments in lieu of taxes					695,133
Interest and penalties on real property taxes					17,500
Non-property taxes:					
Non-property tax distribution from County					1,172,040
Utilities gross receipts taxes					242,058
Hotel occupancy tax					245,725
Franchise fees					216,205
Unrestricted use of money and property					28,434
Sale of property and compensation for loss					32,307
Unrestricted State aid					205,896
Miscellaneous					3,012
<b>Total General Revenues</b>					<b>15,971,389</b>
<b>Change in Net Assets</b>					<b>(950,199)</b>
<b>Net Assets - Beginning</b>					<b>25,689,206</b>
<b>Net Assets - Ending</b>					<b>\$ 24,739,007</b>

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, 2011

	General	Capital Projects	Other Governmental	Total Governmental Funds
<b>ASSETS</b>				
Cash and Equivalents	\$ 4,570,729	\$ 963,343	\$ 216,944	\$ 5,751,016
Investments	1,107,709	-	-	1,107,709
Taxes Receivable	70,487	-	-	70,487
Other Receivables:				
Accounts	325,070	-	-	325,070
State and Federal aid	185,361	-	-	185,361
Due from other governments	376,402	-	-	376,402
Due from other funds	8,028	1,413,168	16,157	1,437,353
Prepaid Expenditures	296,967	-	-	296,967
<b>Total Assets</b>	<b>\$ 6,940,753</b>	<b>\$ 2,376,511</b>	<b>\$ 233,101</b>	<b>\$ 9,550,365</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 371,746	\$ -	\$ -	\$ 371,746
Accrued liabilities	108,493	-	-	108,493
Deposits and other liabilities	4,065	-	-	4,065
Due to retirement systems	176,396	-	-	176,396
Due to other funds	1,429,325	-	8,028	1,437,353
Deferred revenues	90,200	-	-	90,200
Bond anticipation notes payable	-	138,250	-	138,250
<b>Total Liabilities</b>	<b>2,180,225</b>	<b>138,250</b>	<b>8,028</b>	<b>2,326,503</b>
<b>Fund Balances:</b>				
Reserved for encumbrances	95,114	-	-	95,114
Reserved for prepaid expenditures	296,967	-	-	296,967
Reserved for debt service	311,944	-	-	311,944
Reserved for trusts	-	-	11,866	11,866
Reserved for parklands	-	-	213,207	213,207
Unreserved	4,056,503	2,238,261	-	6,294,764
<b>Total Fund Balances</b>	<b>4,760,528</b>	<b>2,238,261</b>	<b>225,073</b>	<b>7,223,862</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,940,753</b>	<b>\$ 2,376,511</b>	<b>\$ 233,101</b>	<b>\$ 9,550,365</b>

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

VILLAGE OF RYE BROOK, NEW YORK

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO  
THE GOVERNMENT - WIDE STATEMENT OF NET ASSETS  
MAY 31, 2011

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Fund Balances - Total Governmental Funds	\$ 7,223,862
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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.	30,009,432
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Governmental 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	46,055
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Long-term liabilities that are not due and payable in the current  
period are not reported in the funds.

Accrued interest payable	(20,100)
Bonds payable	(5,474,601)
Claims payable	(369,000)
Compensated absences	(1,035,984)
Other post employment benefit obligations payable	(5,640,657)
	(12,540,342)

Net Assets of Governmental Activities	\$ 24,739,007
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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, 2011

	General	Capital Projects	Other Governmental	Total Governmental Funds
<b>REVENUES</b>				
Real property taxes	\$ 13,113,079	\$ -	\$ -	\$ 13,113,079
Other tax items	712,633	-	-	712,633
Non-property taxes	1,876,028	-	-	1,876,028
Departmental income	1,026,152	-	-	1,026,152
Intergovernmental charges	227,351	-	-	227,351
Use of money and property	31,540	-	402	31,942
Fines and forfeitures	30,800	-	-	30,800
Sale of property and compensation for loss	32,307	-	-	32,307
State aid	458,798	-	-	458,798
Federal aid	95,371	-	-	95,371
Miscellaneous	3,012	-	22,442	25,454
Total Revenues	17,607,071	-	22,844	17,629,915
<b>EXPENDITURES</b>				
Current:				
General government support	2,286,292	-	-	2,286,292
Public safety	5,201,698	-	345	5,202,043
Health	198,842	-	-	198,842
Transportation	1,072,012	-	-	1,072,012
Economic opportunity and development	246,209	-	-	246,209
Culture and recreation	1,495,879	-	25,364	1,521,243
Home and community services	1,211,985	-	-	1,211,985
Employee benefits	3,132,246	-	-	3,132,246
Debt service:				
Principal	745,000	-	-	745,000
Interest	258,167	-	-	258,167
Capital outlay	-	374,508	-	374,508
Total Expenditures	15,848,330	374,508	25,709	16,248,547
Excess (Deficiency) of Revenues Over Expenditures	1,758,741	(374,508)	(2,865)	1,381,368
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	30,000	636,500	-	666,500
Transfers out	(636,500)	-	(30,000)	(666,500)
Total Other Financing Sources (Uses)	(606,500)	636,500	(30,000)	-
Net Change in Fund Balances	1,152,241	261,992	(32,865)	1,381,368
Fund Balances - Beginning of Year	3,608,287	1,976,269	257,938	5,842,494
Fund Balances - End of Year	\$ 4,760,528	\$ 2,238,261	\$ 225,073	\$ 7,223,862

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, 2011

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

Net Change in Fund Balances - Total Governmental Funds \$ 1,381,368

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 amount may be less than the total capital outlay since capital outlay includes amounts under the capitalization threshold. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital outlay expenditures	334,704
Depreciation expense	<u>(988,376)</u>
	<u>(653,672)</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.

Principal paid on serial bonds	745,000
Amortization of issuance costs, loss on refunding and premium	<u>2,317</u>
	<u>747,317</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	(763)
Claims payable	(369,000)
Compensated absences	(89,550)
Other post employment benefit obligations	<u>(1,965,899)</u>
	<u>(2,425,212)</u>

Change in Net Assets of Governmental Activities	<u>\$ (950,199)</u>
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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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Real property taxes	\$ 13,113,079	\$ 13,113,079	\$ 13,113,079	\$ -
Other tax items	596,000	596,000	712,633	116,633
Non-property taxes	1,470,000	1,470,000	1,876,028	406,028
Departmental income	855,050	872,050	1,026,152	154,102
Intergovernmental charges	163,264	163,264	227,351	64,087
Use of money and property	45,000	45,000	31,540	(13,460)
Fines and forfeitures	55,000	55,000	30,800	(24,200)
Sale of property and compensation for loss	40,000	40,000	32,307	(7,693)
State aid	298,135	298,135	458,798	160,663
Federal aid	-	-	95,371	95,371
Miscellaneous	7,000	7,000	3,012	(3,988)
Total Revenues	16,642,528	16,659,528	17,607,071	947,543
Expenditures:				
Current:				
General government support	2,488,366	2,397,378	2,286,292	111,086
Public safety	5,259,181	5,276,486	5,201,698	74,788
Health	203,016	203,016	198,842	4,174
Transportation	1,083,754	1,133,266	1,072,012	61,254
Economic opportunity and development	272,808	272,808	246,209	26,599
Culture and recreation	1,524,818	1,541,816	1,495,879	45,937
Home and community services	1,355,207	1,354,380	1,211,985	142,395
Employee benefits	3,404,300	3,404,300	3,132,246	272,054
Debt service:				
Principal	745,000	745,000	745,000	-
Interest	258,350	258,350	258,167	183
Total Expenditures	16,594,800	16,586,800	15,848,330	738,470
Excess of Revenues Over Expenditures	47,728	72,728	1,758,741	1,686,013
Other Financing Sources (Uses):				
Transfers in	-	-	30,000	30,000
Transfers out	(611,500)	(636,500)	(636,500)	-
Total Other Financing Uses	(611,500)	(636,500)	(606,500)	30,000
Net Change in Fund Balance	(563,772)	(563,772)	1,152,241	1,716,013
Fund Balance - Beginning of Year	563,772	563,772	3,608,287	3,044,515
Fund Balance - End of Year	\$ -	\$ -	\$ 4,760,528	\$ 4,760,528

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, 2011

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	<u>Agency</u>
<b>ASSETS</b>	
Cash - Demand deposits	\$ 66,083
Accounts Receivable	<u>61,854</u>
Total Assets	<u><u>\$ 127,937</u></u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 5,978
Employee Payroll Deductions	5,075
Deposits	<u>116,884</u>
Total Liabilities	<u><u>\$ 127,937</u></u>

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



**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 Village 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 pages following, which briefly explain 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 certain claims, compensated absences and other post employment benefit obligations 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, Investments 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, 2011.

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

**Investments** - All investments are stated at fair value and/or amortized cost, which approximates fair value. The detail of these investments and their related risks are described in Note 3.A.

**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, 2011, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

**Prepaid Expenses/Expenditures** - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the district-wide and fund financial statements. Prepaid expenses/expenditures consist of

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

**Deferred Charges** - Deferred charges in the government-wide financial statements represent the unamortized portion of the cost of issuance of bonds. These costs are being amortized over the term of the respective bond issue.

**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	15 - 50

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.

**Unearned/Deferred Revenues** - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In district-wide financial statements, unearned revenues consist of revenue received in advance and/or revenue from grants received before the eligibility requirements have been met.

Deferred revenues in fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported deferred revenues of \$90,200 within the General Fund for hotel tax. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

**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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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.

**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.

**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 and special purposes. 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 Fund. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

**G. Use of Estimates**

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**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 December 15, 2011.

**Note 2 - Stewardship, Compliance and Accountability**

**A. Budgetary Data**

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2011**Note 2 - Stewardship, Compliance and Accountability (Continued)****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 2010-2011 was \$56,817,289 which exceeded the actual levy by \$43,704,210.

**C. Expenditures in Excess of Budget**

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

General Fund-		
Debt Service-Serial bond-Interest	\$	870

**D. Fund Deficits**

The deficits in individual capital projects arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

**Note 3 - Detailed Notes on All Funds****A. Deposits and Investments**

Investments of the primary government consist of the following:

General	\$ 1,107,709
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The certificates of deposit are fixed rate investments that have maturities that are due more than three months of the issue date and are secured by FDIC coverage and collateral posted by the respective depository. Accordingly, this group of investments is not subject to custodial credit risk, interest rate risk or foreign currency risk.

**B. Taxes Receivable**

Taxes receivable at May 31, 2011 consisted of the following -

Current Year	\$ 70,487
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**C. Due From/To Other Funds**

The balances reflected as due from/to other funds at May 31, 2011 were as follows:

Fund	Due From	Due To
General	\$ 8,028	\$ 1,429,325
Capital Projects	1,413,168	-
Non-Major Governmental	16,157	8,028
	<u>\$ 1,437,353</u>	<u>\$ 1,437,353</u>



VILLAGE OF RYE BROOK, NEW YORK

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2011

**Note 3 - Detailed Notes on All Funds (Continued)**

**D. Capital Assets**

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

Class	Balance June 1, 2010	Additions	Deletions	Balance May 31, 2011
Capital Assets, not being depreciated:				
Land	\$ 12,112,871	\$ -	\$ -	\$ 12,112,871
Construction-in-Progress	561,969	170,525	552,954	179,540
Total Capital Assets, not being depreciated	<u>\$ 12,674,840</u>	<u>\$ 170,525</u>	<u>\$ 552,954</u>	<u>\$ 12,292,411</u>
Capital Assets, being depreciated:				
Land Improvements	\$ 5,242,550	\$ 526,069	\$ -	\$ 5,768,619
Buildings and Improvements	7,355,881	53,070	-	7,408,951
Machinery and Equipment	4,212,450	137,994	-	4,350,444
Infrastructure	19,442,969	-	-	19,442,969
Total Capital Assets, being depreciated	<u>36,253,850</u>	<u>717,133</u>	<u>-</u>	<u>36,970,983</u>
Less Accumulated Depreciation for:				
Land Improvements	926,109	276,256	-	1,202,365
Buildings and Improvements	1,582,450	170,209	-	1,752,659
Machinery and Equipment	3,342,078	198,701	-	3,540,779
Infrastructure	12,414,949	343,210	-	12,758,159
Total Accumulated Depreciation	<u>18,265,586</u>	<u>988,376</u>	<u>-</u>	<u>19,253,962</u>
Total Capital Assets, being depreciated, net	<u>\$ 17,988,264</u>	<u>\$ (271,243)</u>	<u>\$ -</u>	<u>\$ 17,717,021</u>
Capital Assets, net	<u>\$ 30,663,104</u>	<u>\$ (100,718)</u>	<u>\$ 552,954</u>	<u>\$ 30,009,432</u>

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

General Government Support	\$ 79,555
Public Safety	197,014
Transportation	310,047
Culture and Recreation	320,258
Home and Community Services	81,502
Total Depreciation Expense	<u>\$ 988,376</u>

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2011**Note 3 - Detailed Notes on All Funds (Continued)****E. Accrued Liabilities**

The Village has reported accrued liabilities for payroll and employee benefits of \$108,493 in the General Fund.

**F. Pension Plans**

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

**Funding Policy** - The Systems are non-contributory except for employees in tiers 3 and 4 that joined ERS in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary and employees in tier 5 who also contribute 3% of their salary without regard to years of service. 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, 2011 are as follows:

	<u>Tier/Plan/Option</u>	<u>Rate</u>
ERS	3/A14/41J	11.3 %
	4/A15/41J	11.3
	5/A15	9.1
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>
2011	\$ 308,608	\$ 611,112
2010	226,677	530,864
2009	225,597	476,596

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.

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2011**Note 3 - Detailed Notes on All Funds (Continued)****G. Short-Term Capital Borrowings - Bond Anticipation Notes**

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

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance June 1, 2010	Redemptions	Balance May 31, 2011
King Street Athletic Field	2005	-	- %	\$ 50,000	\$ 50,000	\$ -
Street Light Replacement	2006	-	-	25,000	25,000	-
Garibaldi Park Sprinkler System	2006	-	-	12,500	12,500	-
Police Vehicles- 2007	2006	09/11	1.73	42,250	32,750	9,500
Highway Vehicles	2006	09/11	1.73	23,250	-	23,250
Sidewalk Improvement Project	2007	03/12	1.80	75,000	37,500	37,500
Base Station Radio Replacement	2007	04/12	3.01	15,000	7,500	7,500
Purchase of Dump Truck	2007	09/11	1.73	90,750	30,250	60,500
				<u>\$ 333,750</u>	<u>\$ 195,500</u>	<u>\$ 138,250</u>

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

Interest expenditures of \$8,318 were recorded in the fund financial statements in the General Fund. Interest expense of \$5,030 was recorded in the government-wide financial statements for governmental activities.

**H. Long-Term Liabilities**

The following table summarizes changes in the Village's long-term liabilities for the year ended May 31, 2011:

	Balance June 01, 2010	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2011	Due Within One-Year
Bonds Payable	\$ 6,120,000	\$ -	\$ 745,000	\$ 5,375,000	\$ 705,000
Add - Unamortized premium on bonds	142,610	-	18,090	124,520	-
Add - Deferred amounts on refunding	(30,457)	-	(5,538)	(24,919)	-
	<u>6,232,153</u>	<u>-</u>	<u>757,552</u>	<u>5,474,601</u>	<u>705,000</u>

VILLAGE OF RYE BROOK, NEW YORK

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2011

**Note 3 - Detailed Notes on All Funds (Continued)**

	Balance June 01, 2010	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2011	Due Within One-Year
Other Non-current Liabilities:					
Claims payable	\$ -	\$ 369,000	\$ -	\$ 369,000	\$ 369,000
Compensated Absences	946,434	184,193	94,643	1,035,984	104,000
Other Post Employment Benefit Obligations Payable	3,674,758	2,556,512	590,613	5,640,657	-
Total Non-current Liabilities	4,621,192	3,109,705	685,256	7,045,641	473,000
Total Long-Term Liabilities	\$ 10,853,345	\$ 3,109,705	\$ 1,442,808	\$ 12,520,242	\$ 1,178,000

Each governmental fund's liability for bonds, claims payable, compensated absences and other post employment benefit obligations are liquidated by the General Fund.

**Bonds Payable**

Bonds payable at May 31, 2011 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2011
Various Village Purposes	1998	\$ 896,000	April, 2023	4.90 %	\$ 225,000
Various Village Purposes	2003	3,100,000	September, 2018	3.25-4.50	2,090,000
Various Village Purposes-Refunding	2009	1,560,000	November, 2016	2.00-6.00	1,150,000
Various Village Purposes	2010	2,200,000	November, 2020	2.00-5.00	1,910,000
					<u>\$ 5,375,000</u>

Interest expenditures of \$249,849 were recorded in the fund financial statements. Interest expense of \$241,348 was recorded in the government-wide financial statements.

The annual requirements to amortize all bonded debt outstanding as of May 31, 2011 including interest payments of \$982,594 are as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2011**Note 3 - Detailed Notes on All Funds (Continued)**

Year Ending May 31,	Principal	Interest	Total
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
2016	625,000	100,576	725,576
2017-2021	1,695,000	249,096	1,944,096
2022-2023	340,000	21,463	361,463
	<u>\$ 5,375,000</u>	<u>\$ 982,594</u>	<u>\$ 6,357,594</u>

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

**Compensated Absences**

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

**Claims Payable**

Claims payable includes a liability of \$369,000 for court ordered tax certiorari refunds which were not due and payable at year end. These amounts have been recorded as an expense in the government-wide financial statements.

**I. 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:

Transfers Out	Transfer In		Total
	General Fund	Capital, Projects Fund	
General Fund	\$ -	\$ 636,500	\$ 636,500
Non-Major Governmental Fund	30,000	-	30,000
	<u>\$ 30,000</u>	<u>\$ 636,500</u>	<u>\$ 666,500</u>

**Note 3 - Detailed Notes on All Funds (Continued)**

Transfers are used to 1) move amounts earmarked in the General Fund to fulfill commitments for Capital Projects Fund expenditures. 2) move amounts earmarked in the Special Purpose Fund to fulfill commitments in the General Fund.

**J. 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 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 expenditure as claims are paid in the fund financial statements. The Village has recognized revenues and expenditures of \$3,197 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

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.

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2011**Note 3 - Detailed Notes on All Funds (Continued)**

The assumed rate increase in postretirement benefits is as follows

Year	Medical Rates	Dental Rates
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 27 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.

The number of participants as of May 31, 2011 was as follows:

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

## Amortization Component:

Actuarial Accrued Liability as of June 1, 2010	\$ 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)	<u>\$ 5,806,650</u>
UAAL as a Percentage of Covered Payroll	<u>424.83%</u>
Annual Required Contribution	\$ 2,567,804
Adjustment on annual required contribution	(158,282)
Interest on Net OPEB Obligation	<u>146,990</u>
Annual OPEB Cost	2,556,512
Contributions Made	<u>(590,613)</u>
Increase in Net OPEB Obligation	1,965,899
Net OPEB Obligation - beginning of year	<u>3,674,758</u>
Net OPEB Obligation - end of year	<u>\$ 5,640,657</u>

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2011**Note 3 - Detailed Notes on All Funds (Continued)**

The Village annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and two preceding year is as follows:

<u>Fiscal Year Ended May 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2011	\$ 2,556,512	23.10 %	\$ 5,640,657
2010	2,424,335	22.54	3,674,758
2009	2,294,893	21.70	1,796,967

The Schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actual accrued liability for the benefits over time.

**K. Net Assets**

The components of net assets are detailed below:

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

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

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

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

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

**L. Fund Balances**

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



**Note 3 - Detailed Notes on All Funds (Continued)**

**Reserved**

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

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

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

The Reserve 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.

**Unreserved - Designated**

Designations of fund balance are not legally required segregations, but represent intended use for a specific purpose. The Village's designations are described below.

Designations of fund balance are not legally required segregations but represent intended use for a specific purpose. At May 31, 2011, the Village Board has designated that \$494,000 of the fund balance of the General Fund be appropriated for the ensuing year's budget.

Designated for Tax Certiorari - This designation has been established by the Village to set aside funds to be used to pay future court ordered tax certiorari refunds.

**Note 4 - Summary Disclosure of Significant Contingencies**

**A. Litigation**

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

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

**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

**B. Contingencies**

The Village participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the Village's compliance with applicable grant requirements may be established at a future date. The amount of expenditures, which may be disallowed by the granting agencies cannot be determined at this time, although the Village anticipates such amounts, if any, to be immaterial.

**C. 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 one provider. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

**Note 5 - Other Matters**

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This law applies to all local governments, including Villages.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Village in a particular year, beginning with the 2012-2013 fiscal year. It expires on June 16, 2016.

Pursuant to the Tax Levy Limitation Law, the tax levy of a Village can not increase by more than the lesser of two percent or the annual increase in the consumer price index. Certain adjustments would be permitted as defined by Section 1220 of the Real Property Tax Law. A Village could exceed the tax levy limitation only if the budget is approved by at least 60% of the board. There are certain exemptions to the tax levy limitation, such as expenditures made on account of certain tort settlements and certain increases in the actuarial contribution rates of the various public employee retirement systems.

VILLAGE OF RYE BROOK, NEW YORK

REQUIRED SUPPLEMENTARY INFORMATION - 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
June 1, 2010	-	24,668,269	24,668,269	-	5,806,650	424.83

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VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND  
COMPARATIVE BALANCE SHEET  
MAY 31, 2011 AND 2010

	2011	2010
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 4,570,529	\$ 3,686,203
Petty cash	200	200
	<u>4,570,729</u>	<u>3,686,403</u>
Investments	<u>1,107,709</u>	<u>1,067,687</u>
Taxes Receivable	<u>70,487</u>	<u>91,692</u>
Other Receivables:		
Accounts	325,070	153,529
State and Federal aid	185,361	15,866
Due from other governments	376,402	425,485
Due from other funds	8,028	145,715
	<u>894,861</u>	<u>740,595</u>
Prepaid Expenditures	<u>296,967</u>	<u>264,082</u>
Total Assets	<u>\$ 6,940,753</u>	<u>\$ 5,850,459</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 371,746	\$ 462,929
Accrued liabilities	108,493	71,621
Deposits and other liabilities	4,065	3,215
Due to retirement systems	176,396	135,834
Due to other funds	1,429,325	1,568,573
Deferred revenues	90,200	-
Total Liabilities	<u>2,180,225</u>	<u>2,242,172</u>
Fund Balance:		
Reserved for encumbrances	95,114	122,772
Reserved for prepaid expenditures	296,967	264,082
Reserved for debt service	311,944	308,838
Unreserved:		
Designated for tax certiorari	369,000	-
Designated for subsequent year's expenditures	494,000	441,000
Undesignated	3,193,503	2,471,595
Total Fund Balance	<u>4,760,528</u>	<u>3,608,287</u>
Total Liabilities and Fund Balance	<u>\$ 6,940,753</u>	<u>\$ 5,850,459</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, 2011 AND 2010

	2011			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 13,113,079	\$ 13,113,079	\$ 13,113,079	\$ -
Other tax items	596,000	596,000	712,633	116,633
Non-property taxes	1,470,000	1,470,000	1,876,028	406,028
Departmental income	855,050	872,050	1,026,152	154,102
Intergovernmental charges	163,264	163,264	227,351	64,087
Use of money and property	45,000	45,000	31,540	(13,460)
Fines and forfeitures	55,000	55,000	30,800	(24,200)
Sale of property and compensation for loss	40,000	40,000	32,307	(7,693)
State aid	298,135	298,135	458,798	160,663
Federal aid	-	-	95,371	95,371
Miscellaneous	7,000	7,000	3,012	(3,988)
Total Revenues	16,642,528	16,659,528	17,607,071	947,543
Expenditures:				
Current:				
General government support	2,488,366	2,397,378	2,286,292	111,086
Public safety	5,259,181	5,276,486	5,201,698	74,788
Health	203,016	203,016	198,842	4,174
Transportation	1,083,754	1,133,266	1,072,012	61,254
Economic opportunity and development	272,808	272,808	246,209	26,599
Culture and recreation	1,524,818	1,541,816	1,495,879	45,937
Home and community services	1,355,207	1,354,380	1,211,985	142,395
Employee benefits	3,404,300	3,404,300	3,132,246	272,054
Debt service:				
Principal	745,000	745,000	745,000	-
Interest	258,350	258,350	258,167	183
Total Expenditures	16,594,800	16,586,800	15,848,330	738,470
Excess of Revenues Over Expenditures	47,728	72,728	1,758,741	1,686,013
Other Financing Sources (Uses):				
Premium on bonds issued	-	-	-	-
Transfers in	-	-	30,000	30,000
Transfers out	(611,500)	(636,500)	(636,500)	-
Total Other Financing Uses	(611,500)	(636,500)	(606,500)	30,000
Net Change in Fund Balance	(563,772)	(563,772)	1,152,241	1,716,013
Fund Balance - Beginning of Year	563,772	563,772	3,608,287	3,044,515
Fund Balance - End of Year	\$ -	\$ -	\$ 4,760,528	\$ 4,760,528

2010

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 12,820,690	\$ 12,820,690	\$ 12,820,690	\$ -
574,500	574,500	622,370	47,870
1,410,000	1,410,000	1,553,798	143,798
840,500	840,500	932,343	91,843
164,952	164,952	307,421	142,469
80,000	80,000	46,412	(33,588)
70,000	70,000	64,471	(5,529)
40,000	40,000	95,114	55,114
421,572	421,572	445,705	24,133
-	-	-	-
9,500	9,500	47,570	38,070
16,431,714	16,431,714	16,935,894	504,180
2,408,396	2,433,406	2,368,939	64,467
5,366,593	5,257,183	5,238,762	18,421
201,328	198,842	198,842	-
1,047,951	1,007,457	995,991	11,466
294,134	220,778	214,380	6,398
1,524,714	1,515,666	1,466,033	49,633
1,401,682	1,341,059	1,272,435	68,624
3,040,200	2,906,992	2,822,657	84,335
410,000	440,000	440,000	-
252,232	222,232	215,953	6,279
15,947,230	15,543,615	15,233,992	309,623
484,484	888,099	1,701,902	813,803
-	-	123,180	123,180
-	-	30,000	30,000
(1,171,250)	(1,574,865)	(1,309,873)	264,992
(1,171,250)	(1,574,865)	(1,156,693)	418,172
(686,766)	(686,766)	545,209	1,231,975
686,766	686,766	3,063,078	2,376,312
\$ -	\$ -	\$ 3,608,287	\$ 3,608,287

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2011

(With Comparative Actuals for 2010)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2010 Actual
REAL PROPERTY TAXES	\$ 13,113,079	\$ 13,113,079	\$ 13,113,079	\$ -	\$ 12,820,690
OTHER TAX ITEMS					
Payments in lieu of taxes	590,000	590,000	695,133	105,133	611,296
Interest and penalties on real property taxes	6,000	6,000	17,500	11,500	11,074
NON-PROPERTY TAXES	596,000	596,000	712,633	116,633	622,370
Non-property tax distribution from County	1,040,000	1,040,000	1,172,040	132,040	1,103,789
Utilities gross receipts taxes	250,000	250,000	242,058	(7,942)	236,942
Hotel occupancy tax	-	-	245,725	245,725	-
Franchise fees	180,000	180,000	216,205	36,205	213,067
DEPARTMENTAL INCOME	1,470,000	1,470,000	1,876,028	406,028	1,553,798
Clerk fees	3,000	3,000	3,262	262	2,285
Police fees	13,000	13,000	6,244	(6,756)	9,953
Vital statistics	6,500	6,500	5,120	(1,380)	6,340
Safety inspection fees	320,000	320,000	341,066	21,066	313,569
Alarm permits	66,000	66,000	100,550	34,550	94,645
Parks and recreation charges	433,550	450,550	559,025	108,475	496,071
Senior center rental	13,000	13,000	10,885	(2,115)	9,480
	855,050	872,050	1,026,152	154,102	932,343



# INTERGOVERNMENTAL CHARGES

Airport revenue	40,000	40,000	36,667	(3,333)	40,000
Other governmental services -					
Home and community services	123,264	123,264	190,684	67,420	267,421
	163,264	163,264	227,351	64,087	307,421

# USE OF MONEY AND PROPERTY

Interest earnings	45,000	45,000	31,540	(13,460)	46,412
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# FINES AND FORFEITURES

Fines and forfeited bail	55,000	55,000	30,800	(24,200)	64,471
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# SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of equipment	5,000	5,000	-	(5,000)	9,363
Insurance recoveries	35,000	35,000	32,307	(2,693)	85,751
	40,000	40,000	32,307	(7,693)	95,114

# STATE AID

Per capita	46,774	46,774	46,259	(515)	49,236
Mortgage tax	180,000	180,000	159,637	(20,363)	227,049
Consolidated highway improvement aid	59,000	59,000	72,739	13,739	119,331
Youth funding	1,485	1,485	1,507	22	-
State Emergency Management Assistance	-	-	18,650	18,650	-
Snow removal	-	-	20,546	20,546	39,437
Dormitory Authority	-	-	125,000	125,000	-
Speed and alcohol enforcement	10,876	10,876	14,460	3,584	10,652
	298,135	298,135	458,798	160,663	445,705

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VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND  
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET (Continued)  
 YEAR ENDED MAY 31, 2011  
 (With Comparative Actuals for 2010)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2010 Actual
FEDERAL AID					
Federal Emergency Management Assistance	\$ -	\$ -	\$ 95,371	\$ 95,371	\$ -
MISCELLANEOUS					
Refund of prior year expenditures Unclassified	7,000	7,000	3,012	(3,988)	5,121 42,449
	7,000	7,000	3,012	(3,988)	47,570
TOTAL REVENUES	16,642,528	16,659,528	17,607,071	947,543	16,935,894
OTHER FINANCING SOURCES					
Premium on bonds issued	-	-	-	-	123,180
Transfers in - Special Purpose Fund	-	-	30,000	30,000	30,000
TOTAL OTHER FINANCING SOURCES	-	-	30,000	30,000	153,180
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 16,642,528	\$ 16,659,528	\$ 17,637,071	\$ 977,543	\$ 17,089,074

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2011

(With Comparative Actuals for 2010)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2010 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Board of Trustees	\$ 10,000	\$ 10,000	\$ 8,397	\$ 1,603	\$ 13,797
Administrator	233,687	247,826	247,822	4	233,133
Treasurer	428,719	446,765	439,293	7,472	437,153
Village office	87,000	87,000	77,726	9,274	94,136
Clerk	82,322	82,322	74,958	7,364	86,158
Village attorney	161,200	161,200	158,739	2,461	175,255
Engineering	75,500	75,597	75,597	-	-
Management information systems	151,736	157,598	157,596	2	195,761
Central communications	54,400	54,400	51,808	2,592	62,553
Central garage	530,409	530,408	526,784	3,624	506,256
Central supplies	29,000	34,518	33,826	692	31,245
Central printing and mailing	16,000	10,482	10,482	-	16,578
Unallocated insurance	315,000	315,000	278,065	36,935	312,655
Consulting fees	118,393	120,392	119,690	702	168,514
Bonding expenses	10,000	10,000	1,170	8,830	7,134
Judgments and claims	15,000	15,000	1,226	13,774	-
Contingency account	135,000	5,870	-	5,870	-
Metropolitan commuter transportation mobility tax	35,000	33,000	23,113	9,887	28,611
	2,488,366	2,397,378	2,286,292	111,086	2,368,939
<b>PUBLIC SAFETY</b>					
Police Department	3,229,432	3,234,432	3,170,965	63,467	3,156,697
Control of animals	12,371	12,552	12,552	-	12,270
Fire protection	1,734,831	1,734,832	1,723,516	11,316	1,683,948
Safety inspection	282,547	294,670	294,665	5	385,847
	5,259,181	5,276,486	5,201,698	74,788	5,238,762

## HEALTH

Ambulance services 203,016 203,016 198,842 4,174 198,842

## TRANSPORTATION

Highway maintenance 808,254 822,252 784,555 37,697 740,898  
 Snow removal 150,000 180,000 156,443 23,557 144,388  
 Street lighting 125,500 131,014 131,014 - 110,705  
 1,083,754 1,133,266 1,072,012 61,254 995,991

## ECONOMIC OPPORTUNITY AND DEVELOPMENT

Community services - Programs for the aging 272,808 272,808 246,209 26,599 214,380

## CULTURE AND RECREATION

Recreation 1,035,255 1,051,358 1,007,591 43,767 981,997  
 Teen center 2,500 3,395 3,394 1 607  
 Public library 477,513 477,513 477,513 - 474,048  
 Handicapped 9,550 9,550 7,381 2,169 9,381  
 1,524,818 1,541,816 1,495,879 45,937 1,466,033

## HOME AND COMMUNITY SERVICES

Part-time videotaping 7,000 7,000 4,454 2,546 4,209  
 Planning board 2,500 2,500 1,190 1,310 3,443  
 Hydrant rental 135,000 144,168 144,168 - 123,989  
 Disposal fees 105,000 105,000 86,626 18,374 87,156  
 Recycling and refuse collection 818,610 818,616 818,425 191 818,610  
 Shade trees 59,535 74,535 69,047 5,488 50,415  
 Sewer district 227,562 202,561 88,075 114,486 184,613  
 1,355,207 1,354,380 1,211,985 142,395 1,272,435

(Continued)

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)

YEAR ENDED MAY 31, 2011

(With Comparative Actuals for 2010)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2010 Actual
<b>EMPLOYEE BENEFITS</b>					
State retirement	\$ 1,073,000	\$ 1,039,897	\$ 919,720	\$ 120,177	\$ 757,541
Social security	520,000	520,000	482,419	37,581	489,087
Worker's compensation benefits	145,000	153,887	153,886	1	138,127
Life insurance	24,000	24,000	20,346	3,654	21,457
Unemployment insurance	20,000	30,000	29,821	179	16,710
Disability insurance	3,500	3,500	1,767	1,733	1,088
Health and dental insurance	1,617,300	1,627,516	1,518,851	108,665	1,396,129
Other benefits	1,500	5,500	5,436	64	2,518
	<u>3,404,300</u>	<u>3,404,300</u>	<u>3,132,246</u>	<u>272,054</u>	<u>2,822,657</u>
<b>DEBT SERVICE</b>					
Principal - Serial bonds	<u>745,000</u>	<u>745,000</u>	<u>745,000</u>	-	<u>440,000</u>
Interest:					
Serial bonds	249,850	248,979	249,849	(870)	161,707
Bond anticipation notes	8,500	9,371	8,318	1,053	54,246
	<u>258,350</u>	<u>258,350</u>	<u>258,167</u>	<u>183</u>	<u>215,953</u>
	<u>1,003,350</u>	<u>1,003,350</u>	<u>1,003,167</u>	<u>183</u>	<u>655,953</u>
<b>TOTAL EXPENDITURES</b>	<u>16,594,800</u>	<u>16,586,800</u>	<u>15,848,330</u>	<u>738,470</u>	<u>15,233,992</u>
<b>OTHER FINANCING USES</b>					
Transfers out - Capital Projects Fund	<u>611,500</u>	<u>636,500</u>	<u>636,500</u>	-	<u>1,309,873</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 17,206,300</u>	<u>\$ 17,223,300</u>	<u>\$ 16,484,830</u>	<u>\$ 738,470</u>	<u>\$ 16,543,865</u>

VILLAGE OF RYE BROOK, NEW YORK

CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEET  
MAY 31, 2011 AND 2010

	2011	2010
<u>ASSETS</u>		
Cash - Demand deposits	\$ 963,343	\$ 1,131,381
Due from Other Funds	<u>1,413,168</u>	<u>1,414,729</u>
Total Assets	<u>\$ 2,376,511</u>	<u>\$ 2,546,110</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ -	\$ 163,350
Retainages payable	-	72,741
Bond anticipation notes payable	<u>138,250</u>	<u>333,750</u>
Total Liabilities	138,250	569,841
Fund Balance -		
Unreserved and undesignated	<u>2,238,261</u>	<u>1,976,269</u>
Total Liabilities and Fund Balance	<u>\$ 2,376,511</u>	<u>\$ 2,546,110</u>

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VILLAGE OF RYE BROOK, NEW YORK

CAPITAL PROJECTS FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE

YEARS ENDED MAY 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Revenues	\$ -	\$ -
Expenditures - Capital outlay	<u>374,508</u>	<u>2,114,193</u>
Deficiency of Revenues Over Expenditures	<u>(374,508)</u>	<u>(2,114,193)</u>
Other Financing Sources:		
Bonds issued	-	2,200,000
Transfers in	<u>636,500</u>	<u>1,309,873</u>
Total Other Financing Sources	<u>636,500</u>	<u>3,509,873</u>
Net Change in Fund Balance	261,992	1,395,680
Fund Balance - Beginning of Year	<u>1,976,269</u>	<u>580,589</u>
Fund Balance - End of Year	<u>\$ 2,238,261</u>	<u>\$ 1,976,269</u>

VILLAGE OF RYE BROOK, NEW YORK

CAPITAL PROJECTS FUND

PROJECT LENGTH SCHEDULE

INCEPTION OF PROJECT THROUGH MAY 31, 2011

Project	Authorization	Expenditures and Transfers	Unexpended Balance
GIS System	\$ 80,000	\$ 22,370	\$ 57,630
Firehouse	3,450,000	3,343,651	106,349
King Street Athletic Fields	3,995,513	3,642,066	353,447
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	50,000	34,700	15,300
Rye Hills Basketball Court Resurfacing	40,000	7,480	32,520
Garibaldi Park Sprinkler System	50,000	45,536	4,464
Base Station Radio Replacement	30,000	30,000	-
Police Vehicles - 2007	113,500	75,648	37,852
Highway Vehicles	50,000	47,669	2,331
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
Sidewalk Replacement Program	322,539	302,381	20,158
Purchase of Dump Truck	121,000	-	121,000
Various Village Projects	341,000	-	341,000
Loch Lane/King Street Drainage	1,000,000	596,012	403,988
Highway Equipment -Generator	45,000	27,252	17,748
Highway Improvements - 2009	500,000	3,194	496,806
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	170,525	34,475
Highway Vehicles - 2010	225,000	201,327	23,673
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
Windows/FACIA Trim/Fire Department	15,000	-	15,000
Police Vehicles	56,000	7,465	48,535
Road Resurfacing - 2011	350,000	-	350,000
TOTALS	\$ 12,079,213	\$ 9,107,917	\$ 2,971,296

Methods of Financing				Fund Balance (Deficit) at May 31, 2011	Bond Anticipation Notes Out- standing at May 31, 2011
Proceeds of Obligations	Interfund Transfers	Other	Total		
\$ -	\$ 80,000	\$ -	\$ 80,000	\$ 57,630	\$ -
3,450,000	-	-	3,450,000	106,349	-
825,500	19,945	2,982,283	3,827,728	185,662	-
-	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	-
-	50,000	-	50,000	15,300	-
-	40,000	-	40,000	32,520	-
50,000	-	-	50,000	4,464	-
22,500	-	-	22,500	(7,500)	7,500
43,000	61,000	-	104,000	28,352	9,500
26,750	-	-	26,750	(20,919)	23,250
-	24,461	-	24,461	5,374	-
112,500	-	-	112,500	112,500	37,500
-	13,200	-	13,200	13,200	-
-	172,539	150,000	322,539	20,158	-
60,500	-	-	60,500	60,500	60,500
341,000	-	-	341,000	341,000	-
600,000	-	-	600,000	3,988	-
-	30,000	-	30,000	2,748	-
-	500,000	-	500,000	496,806	-
-	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	34,475	-
225,000	-	-	225,000	23,673	-
90,000	-	-	90,000	28,294	-
205,000	-	-	205,000	5,087	-
60,000	-	-	60,000	6,930	-
-	56,000	-	56,000	1,216	-
-	15,000	-	15,000	15,000	-
-	56,000	-	56,000	48,535	-
-	350,000	-	350,000	350,000	-
<u>\$ 6,488,750</u>	<u>\$ 1,725,145</u>	<u>\$ 3,132,283</u>	<u>\$ 11,346,178</u>	<u>\$ 2,238,261</u>	<u>\$ 138,250</u>

VILLAGE OF RYE BROOK, NEW YORK

NON-MAJOR GOVERNMENTAL FUND - SPECIAL PURPOSE FUND  
COMPARATIVE BALANCE SHEET  
MAY 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 216,944	\$ 249,809
Due from Other Funds	<u>16,157</u>	<u>16,157</u>
Total Assets	<u>\$ 233,101</u>	<u>\$ 265,966</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities -		
Due to other funds	<u>\$ 8,028</u>	<u>\$ 8,028</u>
Fund Balance:		
Reserved for trusts	11,866	15,133
Reserved for parklands	<u>213,207</u>	<u>242,805</u>
Total Fund Balance	<u>225,073</u>	<u>257,938</u>
Total Liabilities and Fund Balance	<u>\$ 233,101</u>	<u>\$ 265,966</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, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Use of money and property	\$ 402	\$ 310
Departmental income	<u>22,442</u>	<u>200,107</u>
Total Revenues	<u>22,844</u>	<u>200,417</u>
Expenditures -		
Current:		
Public safety	345	1,991
Culture and recreation	<u>25,364</u>	<u>12,185</u>
Total Expenditures	<u>25,709</u>	<u>14,176</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,865)	186,241
Other Financing Uses - Transfers out	<u>(30,000)</u>	<u>(30,000)</u>
Net Change in Fund Balance	(32,865)	156,241
Fund Balance - Beginning of Year	<u>257,938</u>	<u>101,697</u>
Fund Balance - End of Year	<u>\$ 225,073</u>	<u>\$ 257,938</u>

