

**Village of Rye Brook, New York**

**Financial Statements and  
Supplementary Information**

**Year Ended May 31, 2016**

# Village of Rye Brook, New York

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## Independent Auditors' Report

**The Honorable Mayor and Board of Trustees  
of the Village of Rye Brook , New York**

### **Report on the Financial Statements**

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, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2016, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

We draw attention to Note 2C and Note 3F in the notes to the financial statements which disclose the effects of the Village's adoption of the provisions of Governmental Accounting Standards Board Statement Nos. 68 "Accounting and Financial Reporting for Pensions" and 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date". Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

March 8, 2017

# **Village of Rye Brook, New York**

## **Management's Discussion and Analysis (MD&A) May 31, 2016**

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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, 2016. 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 and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2016 by \$18,568,243. Of this amount, a net unrestricted deficit of \$11,386,800 exists.
- ❖ As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$7,139,618 of which \$4,875,732 is unassigned, which is available for spending at the Village's discretion. The fund balance of all governmental funds decreased by \$156,093 primarily attributable expenditures and other financing uses exceeding revenues and other financing sources.
- ❖ At the end of the fiscal years 2016 and 2015, the unassigned fund balance for the General Fund was 5,641,949 or 30% and \$4,437,719 or 23% respectively of total General Fund expenditures and other financing uses.
- ❖ During the current fiscal year, the Village did not issue new long-term obligations. Other long-term liabilities were reduced by \$625,000 in scheduled payments.
- ❖ During the current fiscal year, the Village issued short-term obligations (bond anticipation notes) in the amount of \$1,082,500 at interest rates ranging from 0.74% to 1.56%. Existing bond anticipation notes used to finance the cost of various capital projects were reduced by \$476,445.
- ❖ For the year ended May 31, 2016, the Village implemented the provisions of the Governmental Accounting Standards Board ("GASB") Statement No. 68, "Accounting and Financial Reporting for Pensions". This pronouncement established new accounting and financial reporting requirements associated with the Village's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employee's Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS"). Under the new standards, cost-sharing employers are required to report in the government-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At May 31, 2016 the Village reported in its Statement of Net

Position a liability of \$5,388,505 for its proportionate share of the ERS and PFRS net pension liabilities. More detailed information about the Village's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in the notes to the financial statements.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements, which consist of three components: 1) the government-wide financial statements, 2) the fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information, which is intended to give the reader additional detail in support of 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 position* presents information on all of the Village's assets and liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes, earned but unused vacation leave and other post-employment benefit obligations ("OPEB")).

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 defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The Village, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Village's funds 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.

Since 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 Village'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 report assets held in a trustee or agency capacity for others. 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 fiduciary fund: The Agency Fund. The resources of the Agency Fund are held by the Village in a custodial capacity for individuals, private organizations and other governments.

## **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential for fair presentation and that is not otherwise displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements and should be read in conjunction with the financial statements. The notes focus on the primary government – specifically, its governmental activities, major funds and non-major funds in the aggregate.

## **Other Information**

In addition to the basic financial statements and notes to the financial statements, this report also presents required supplementary information (RSI) concerning the Village's progress in funding its obligation to provide other post-employment benefits (OPEB) to its employees and its proportionate share of the net pension liability for its participation in the NYSLRS. RSI immediately follows the notes to the financial statements.



This report also includes supplementary information (SI), which immediately follows RSI and gives the reader further detail on the information presented in the basic financial statements. Included in SI are the individual and combining non-major governmental fund financial statements and schedules; the project length schedule for the Capital Projects Fund.

### Government-wide Financial Analysis

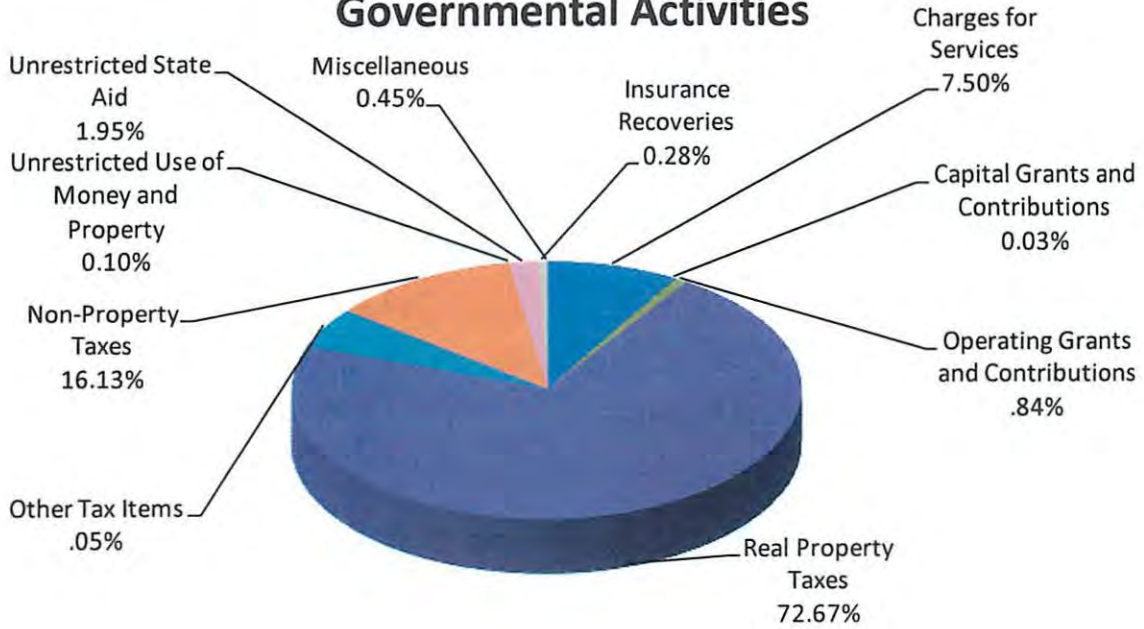
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Village, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$18,568,243 at the close of the fiscal year 2015-2016. The largest portion of the Village's net position 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 Position:

	May 31,	
	2016	2015
Current Assets	\$ 11,602,548	\$ 11,195,070
Capital Assets, net	31,620,864	30,360,957
Total Assets	43,223,412	41,556,027
Deferred outflows of resources	5,382,752	2,767
Current Liabilities	4,490,890	3,926,504
Long-term Liabilities	24,710,032	17,618,182
Total Liabilities	29,200,922	21,544,686
Deferred inflows of resources	836,999	-
Net Position		
Net Investment in Capital Assets	26,406,524	25,115,233
Restricted	3,548,519	4,103,899
Unrestricted	(11,386,800)	(9,205,024)
Total Net Position	\$ 18,568,243	\$ 20,014,108

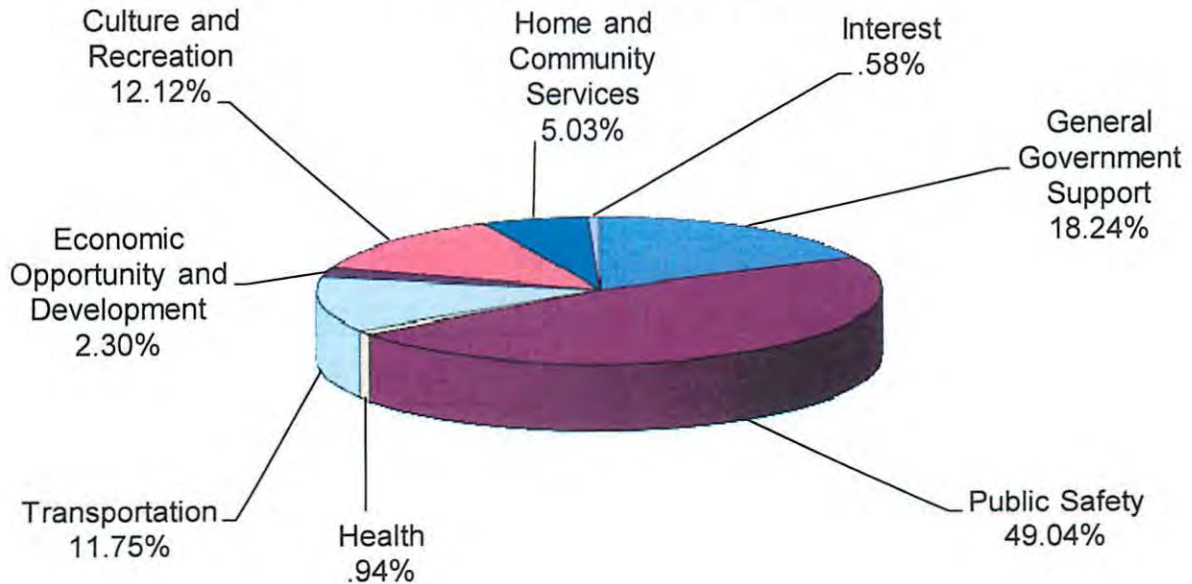
## Sources of Revenue for Fiscal Year 2016

### Governmental Activities



## Sources of Expenses for Fiscal Year 2016

### Governmental Activities



## Statement of Activities

	2016	2015
<b>Revenues:</b>		
<b>Program Revenues:</b>		
Charges for Services	\$ 1,500,569	\$ 1,705,222
Operating Grants and Contributions	167,873	145,812
Capital Grants and Contributions	5,081	4,208
<b>Total Program Revenues</b>	<b>1,673,523</b>	<b>1,855,242</b>
<b>General Revenues:</b>		
Real Property Taxes	14,534,433	13,987,981
Other Tax Items	10,434	313,743
Non-Property Taxes	3,226,976	2,398,878
Unrestricted Use of Money and Property	20,965	22,787
Unrestricted State Aid	390,623	322,572
Insurance Recoveries	56,757	95,022
Miscellaneous	90,748	15,067
<b>Total General Revenues</b>	<b>18,330,936</b>	<b>17,156,050</b>
<b>Total Revenues</b>	<b>20,004,459</b>	<b>19,011,292</b>
<b>Program Expenses:</b>		
General Government Support	3,852,583	3,392,086
Public Safety	10,363,091	10,076,624
Health	198,842	198,842
Transportation	2,482,153	2,394,179
Economic Opportunity and Development	486,704	455,320
Culture and Recreation	2,560,305	2,451,274
Home and Community Services	1,061,911	1,176,574
Interest	121,606	136,201
<b>Total Expenses</b>	<b>21,127,195</b>	<b>20,281,100</b>
<b>Change in Net Position</b>	<b>(1,122,736)</b>	<b>(1,269,808)</b>
<b>NET POSITION</b>		
Beginning, as reported	20,014,108	21,283,916
Cumulative Effect of Change in Accounting Principle	(323,129)	-
Beginning, as restated	19,690,979	21,283,916
Ending	<b>\$ 18,568,243</b>	<b>\$ 20,014,108</b>

## Governmental Activities

Governmental activities decreased the Village's net position by \$1,122,736 and \$1,269,808 in 2016 and 2015 respectively.

For the fiscal years ended May 31, 2016 and 2015, revenues from governmental activities totaled \$20,004,459 and \$19,011,292, respectively. Tax revenues (\$17,771,843, in 2016 and \$16,700,602, in 2015), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (89% in 2016 and 88% in 2015 respectively).

The largest components of governmental activities' expenses are public safety (49% in 2016 and 50% in 2015), general government support (18% in 2016 and 17% in 2015) and culture and recreation (12% in 2016 and 2015 respectively). The major changes are as follows:

### Revenues:

- Total general revenues increased \$1,174,886 or 6.8% with real property taxes increasing by \$546,452 due to an increase in the tax levy and the inclusion of the Doral-Arrowood property, other tax items decreasing by \$303,309, mainly due to the removal of the Doral-Arrowood property from the PILOT program and entered on the tax assessment roll, non-property taxes increasing by \$828,098 mainly due to an increase in hotel occupancy tax and the recognition of the deferred revenue. All other revenue sources increased by \$103,645.

### Expenses:

- Total general expenses increased by \$846,095 or 4.17% mainly due to increases in public safety of \$286,467 and \$460,497 in general government support respectively. All other functions/programs had a net increase by a total of \$99,131.

## Financial Analysis of the Village's Funds

### **Fund Balance Reporting**

Governmental Accounting Standards Board ("GASB") issued its Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in February 2009. GASB Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

**Nonspendable fund balance** includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables, advances) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

**Restricted fund balance** is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board of Trustees is the highest level of decision making authority for the Village that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Village removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Trustees.

Assigned fund balance, in the General Fund, will represent amounts constrained either by the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds, other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Village's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Village's policy to use fund balance in the following order: committed, assigned, and unassigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

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, unassigned 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 \$7,139,618. Of this amount \$33,481 has been classified as non-spendable, \$1,057,557 has been classified as restricted, \$1,172,848 has been classified as assigned and \$4,875,732 has been classified as unassigned.

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$5,641,949, representing 74% of the total General Fund balance of \$7,662,972. Revenues and other financing sources were \$19,968,563,

which was \$1,272,493 greater than the final budget. The major areas where revenues exceeded the budget were non-property taxes, departmental income and state aid. Expenditures and other financing uses were \$18,991,452, which was \$799,245 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, 2016, net of \$23,542,348 of accumulated depreciation, was \$31,620,864. 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:

Class	<b>Capital Assets May 31,</b>	
	2016	2015
Land	\$ 13,660,376	\$ 13,094,447
Land Improvements	6,200,677	5,972,942
Building and Improvements	7,977,465	7,688,148
Machinery and Equipment	5,411,464	4,541,868
Infrastructure	21,564,716	20,666,207
Construction-in-Progress	348,514	796,158
Less - accumulated depreciation	(23,542,348)	(22,398,813)
Total (net of depreciation)	\$ 31,620,864	\$ 30,360,957

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 \$2,035,000. As required by New York State Law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village.

During the current fiscal year, the Village issued \$1,082,500 of short-term debt (bond anticipation notes/BAN's), and paid down \$476,445 (all from General Fund appropriations) on existing BAN's 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, 2016, the Village has the authority to issue \$175,860,429 of general obligation long-term debt.

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

### **Requests for Information**

This financial report is designed to provide a general overview of the Village of Rye Brook, New York's finances. Questions and comments concerning any of the information provided in this report should be addressed to Diane DiSanto, Treasurer, Village of Rye Brook, 938 King Street, Rye Brook, New York 10573.

Village of Rye Brook, New York

Statement of Net Position  
May 31, 2016

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 10,548,428
Investments	211,323
Receivables	
Taxes	51,186
Accounts	278,730
Due from other governments	479,400
Prepaid expenses	33,481
Capital assets	
Not being depreciated	14,008,890
Being depreciated, net	<u>17,611,974</u>
Total Assets	<u>43,223,412</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>5,382,752</u>
<b>LIABILITIES</b>	
Accounts payable	818,389
Accrued liabilities	274,654
Deposits and other liabilities	4,590
Due to retirement systems	222,911
Bond anticipation notes payable	3,142,386
Accrued interest payable	27,960
Non-current liabilities	
Due within one year	510,000
Due in more than one year	<u>24,200,032</u>
Total Liabilities	<u>29,200,922</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>836,999</u>
<b>NET POSITION</b>	
Net investment in capital assets	26,406,524
Restricted	
Capital projects	2,490,962
Debt service	814,694
Special purposes	242,863
Unrestricted	<u>(11,386,800)</u>
Total Net Position	<u>\$ 18,568,243</u>

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



Village of Rye Brook, New York

Statement of Activities  
Year Ended May 31, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities</b>				
General government support	\$ 3,852,583	\$ 49,740	\$ -	\$ -
Public safety	10,363,091	874,964	5,097	-
Health	198,842	-	-	-
Transportation	2,482,153	40,000	124,384	-
Economic opportunity and development	486,704	-	-	-
Culture and recreation	2,560,305	379,310	36,892	-
Home and community services	1,061,911	156,555	1,500	-
Interest	121,606	-	-	5,081
<b>Total Governmental Activities</b>	<b>\$ 21,127,195</b>	<b>\$ 1,500,569</b>	<b>\$ 167,873</b>	<b>\$ 5,081</b>

General revenues  
Real property taxes  
Other tax items  
Interest and penalties on real property taxes  
Non-property taxes  
Non-property tax distribution from County  
Utilities gross receipts taxes  
Hotel occupancy tax  
Franchise fees  
Unrestricted use of money and property  
Unrestricted State aid  
Miscellaneous  
Insurance recoveries

Total General Revenues

Change in Net Position

**NET POSITION**

Beginning, as reported

Cumulative Effect of Change in Accounting Principle

Beginning, as restated

Ending

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

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Net (Expense)  
Revenue and  
Changes in  
Net Position

---

\$ (3,802,843)  
(9,483,030)  
(198,842)  
(2,317,769)

(486,704)  
(2,144,103)

(903,856)  
(116,525)

---

(19,453,672)

14,534,433

10,434

1,368,979

249,405

1,343,527

265,065

20,965

390,623

90,748

56,757

---

18,330,936

(1,122,736)

20,014,108

(323,129)

19,690,979

\$ 18,568,243

**Village of Rye Brook, New York**

Balance Sheet  
 Governmental Funds  
 May 31, 2016

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
<b>ASSETS</b>				
Cash and equivalents	\$ 9,537,085	\$ 758,560	\$ 252,783	\$ 10,548,428
Investments	211,323	-	-	211,323
Taxes receivable	51,186	-	-	51,186
Other receivables				
Accounts	278,730	-	-	278,730
Due from other governments	479,400	-	-	479,400
Due from other funds	-	2,026,571	-	2,026,571
Prepaid expenditures	33,481	-	-	33,481
<b>Total Assets</b>	<b>\$ 10,591,205</b>	<b>\$ 2,785,131</b>	<b>\$ 252,783</b>	<b>\$ 13,629,119</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>				
<b>Liabilities</b>				
Accounts payable	\$ 407,535	\$ 408,962	\$ 1,892	\$ 818,389
Accrued liabilities	274,654	-	-	274,654
Deposits and other liabilities	4,590	-	-	4,590
Due to retirement systems	222,911	-	-	222,911
Due to other funds	2,018,543	-	8,028	2,026,571
Bond anticipation notes payable	-	3,142,386	-	3,142,386
<b>Total Liabilities</b>	<b>2,928,233</b>	<b>3,551,348</b>	<b>9,920</b>	<b>6,489,501</b>
<b>Fund balances (deficits)</b>				
Nonspendable	33,481	-	-	33,481
Restricted	814,694	-	242,863	1,057,557
Assigned	1,172,848	-	-	1,172,848
Unassigned	5,641,949	(766,217)	-	4,875,732
<b>Total Fund Balances (Deficits)</b>	<b>7,662,972</b>	<b>(766,217)</b>	<b>242,863</b>	<b>7,139,618</b>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b>\$ 10,591,205</b>	<b>\$ 2,785,131</b>	<b>\$ 252,783</b>	<b>\$ 13,629,119</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 Position  
May 31, 2016**

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

Fund Balances - Total Governmental Funds	<u>\$ 7,139,618</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>31,620,864</u>
Governmental funds do not report the effect of assets or liabilities related to net pension liabilities whereas these amounts are deferred and amortized in the statement of activities. Deferred amounts on net pension liabilities	<u>4,545,753</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(27,960)
Bonds payable	(2,071,954)
Compensated absences	(1,425,613)
Net pension liability	(5,388,505)
Other post employment benefit obligations payable	<u>(15,823,960)</u>
	<u>(24,737,992)</u>
Net Position of Governmental Activities	<u><u>\$ 18,568,243</u></u>

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, 2016

	General	Capital Projects	Non-Major Governmental
<b>REVENUES</b>			
Real property taxes	\$ 14,534,433	\$ -	\$ -
Other tax items	10,434	-	-
Non-property taxes	3,226,976	-	-
Departmental income	1,265,769	-	-
Intergovernmental charges	198,055	-	-
Use of money and property	26,046	-	-
Fines and forfeitures	38,245	-	-
State aid	521,100	-	-
Miscellaneous	90,748	-	35,896
<b>Total Revenues</b>	<b>19,911,806</b>	<b>-</b>	<b>35,896</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
General government support	2,565,543	-	-
Public safety	5,765,787	-	472
Health	198,842	-	-
Transportation	1,151,634	-	-
Economic opportunity and development	296,819	-	-
Culture and recreation	1,600,799	-	37,176
Home and community services	963,676	-	-
Employee benefits	4,319,502	-	-
<b>Debt service</b>			
Principal	625,000	-	-
Interest	133,230	-	-
Capital outlay	-	2,502,072	-
<b>Total Expenditures</b>	<b>17,620,832</b>	<b>2,502,072</b>	<b>37,648</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>2,290,974</b>	<b>(2,502,072)</b>	<b>(1,752)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Insurance recoveries	56,757	-	-
Transfers in	-	1,370,620	-
Transfers out	(1,370,620)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,313,863)</b>	<b>1,370,620</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>977,111</b>	<b>(1,131,452)</b>	<b>(1,752)</b>
<b>FUND BALANCES (DEFICITS)</b>			
Beginning of Year	6,685,861	365,235	244,615
End of Year	<u>\$ 7,662,972</u>	<u>\$ (766,217)</u>	<u>\$ 242,863</u>

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

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Total  
Governmental  
Funds

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\$ 14,534,433  
10,434  
3,226,976  
1,265,769  
198,055  
26,046  
38,245  
521,100  
126,644

---

19,947,702

---

2,565,543  
5,766,259  
198,842  
1,151,634  
296,819  
1,637,975  
963,676  
4,319,502

625,000  
133,230  
2,502,072

---

20,160,552

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(212,850)

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56,757  
1,370,620  
(1,370,620)

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56,757

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(156,093)

7,295,711

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\$ 7,139,618

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**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, 2016**

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

Net Change in Fund Balances - Total Governmental Funds \$ (156,093)

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.

Capital outlay expenditures	2,403,442
Depreciation expense	<u>(1,143,535)</u>
	<u>1,259,907</u>

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of 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	625,000
Amortization of premium/loss	<u>12,439</u>
	<u>637,439</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	(815)
Compensated absences	(119,333)
Pension liabilities	(519,623)
Other post employment benefit obligations	<u>(2,224,218)</u>
	<u>(2,863,989)</u>

Change in Net Position of Governmental Activities \$ (1,122,736)

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, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Real property taxes	\$ 14,534,433	\$ 14,534,433	\$ 14,534,433	\$ -
Other tax items	6,000	6,000	10,434	4,434
Non-property taxes	2,374,000	2,374,000	3,226,976	852,976
Departmental income	1,134,250	1,134,250	1,265,769	131,519
Intergovernmental charges	197,516	197,516	198,055	539
Use of money and property	16,000	16,000	26,046	10,046
Fines and forfeitures	40,000	40,000	38,245	(1,755)
Sale of property and compensation for loss	15,000	15,000	-	(15,000)
State aid	356,271	356,271	521,100	164,829
Miscellaneous	7,600	7,600	90,748	83,148
<b>Total Revenues</b>	<b>18,681,070</b>	<b>18,681,070</b>	<b>19,911,806</b>	<b>1,230,736</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government support	2,737,444	2,847,617	2,565,543	282,074
Public safety	5,885,466	5,866,890	5,765,787	101,103
Health	198,842	198,842	198,842	-
Transportation	1,349,709	1,278,989	1,151,634	127,355
Economic opportunity and development	308,883	310,383	296,819	13,564
Culture and recreation	1,656,874	1,659,174	1,600,799	58,375
Home and community services	1,086,038	1,093,108	963,676	129,432
Employee benefits	4,424,300	4,371,853	4,319,502	52,351
<b>Debt service</b>				
Principal	625,000	625,000	625,000	-
Interest	126,666	133,232	133,230	2
<b>Total Expenditures</b>	<b>18,399,222</b>	<b>18,385,088</b>	<b>17,620,832</b>	<b>764,256</b>
<b>Excess of Revenues Over Expenditures</b>	<b>281,848</b>	<b>295,982</b>	<b>2,290,974</b>	<b>1,994,992</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	15,000	15,000	56,757	41,757
Transfers out	(1,381,675)	(1,405,609)	(1,370,620)	34,989
<b>Total Other Financing Uses</b>	<b>(1,366,675)</b>	<b>(1,390,609)</b>	<b>(1,313,863)</b>	<b>76,746</b>
<b>Net Change in Fund Balance</b>	<b>(1,084,827)</b>	<b>(1,094,627)</b>	<b>977,111</b>	<b>2,071,738</b>
<b>FUND BALANCE</b>				
Beginning of Year	1,084,827	1,094,627	6,685,861	5,591,234
End of Year	\$ -	\$ -	\$ 7,662,972	\$ 7,662,972

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, 2016

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	<u>Agency</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 342,481
Cash and equivalents - senior services	17,662
Accounts receivable	<u>55,829</u>
 Total Assets	 <u>\$ 415,972</u>
 <b>LIABILITIES</b>	
Accounts payable	\$ 16,569
Deposits	386,395
Deposits - senior services	<u>13,008</u>
 Total Liabilities	 <u>\$ 415,972</u>

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

## **Village of Rye Brook, New York**

Notes to Financial Statements  
May 31, 2016

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### **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 Position 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 Position 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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 and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

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

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The non-major 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 statements.

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 but 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 generally used for revenue recognition for most other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liability 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.

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position 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 Village 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, 2016.

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.

**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, 2016, 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 insurance and other costs which have been satisfied prior to the end of the fiscal year, but represent items

**Village of Rye Brook, New York**

Notes to Financial Statements (Continued)

May 31, 2016

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

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

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

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

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

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

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Village reports deferred outflows of resources and deferred inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the Village's pension plans in Note 3F.

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

**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 Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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 Position 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 Pension Liability** - The net pension liability represents the Village's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and GASB Statement No. 71, "*Pension Transition for Contributions made Subsequent to the Measurement Date*".

**Net Position** - Net position represent the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its 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 position on the Statement of Net Position includes, net investment in capital assets, restricted for capital projects, debt service and special purposes. The balance is classified as unrestricted.

**Fund Balance** - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as

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

provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained the General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board of Trustees is the highest level of decision making authority for the Village that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Trustees.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Village's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Village's policy to use fund balance in the following order: committed, assigned, and unassigned.

**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 generally reported as assigned fund balance since they do not constitute expenditures or liabilities.



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

**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, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**H. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 8, 2017.

**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.

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

- 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.

**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 2015-2016 was \$50,245,837 which exceeded the actual levy by \$35,711,404.

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

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Village in a particular year. The original legislation that established the Tax levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Board first enacts, by a vote of at least sixty percent of the total voting power of the Board, a local law to override such limit for such coming fiscal year.

**Village of Rye Brook, New York**

Notes to Financial Statements (Continued)  
May 31, 2016

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**Note 2 - Stewardship, Compliance and Accountability (Continued)**

**C. Cumulative Effect of Change in Accounting Principle**

For the year ended May 31, 2016, the Village implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". These statements seek to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expenses/expenditures. These statements also require the identification of the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. As a result of adopting these standards, the government-wide financial statements reflect a cumulative effect for the change in accounting principle of \$(323,129).

**D. Capital Projects Fund Deficits**

The unassigned deficit in the Capital Projects Fund of \$766,217 arises in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. The deficit will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits, where no bond anticipation notes were issued or outstanding to the extent of the deficit, arise either because of expenditures exceeding current financing on the projects or from capital projects exceeding their budgetary authorization. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

**E. Expenditures in Excess of Budget**

The following capital projects exceeded their budgetary provisions by the amounts indicated:

Comprehensive Plan	\$	10,000
Land - Garibaldi Place and Parking Lot		6,785
Laser fiche Project		14,326
Pine Ridge Park Tennis Court Resurfacing		7,200
Highway Equipment		35,193
Pine Ridge Park Tennis Wall Reconstruction		2,418
Police Desk Renovations		6,466

**Note 3 - Detailed Notes on All Funds**

**A. Taxes Receivable**

Taxes receivable at May 31, 2016 consisted of the following:

Current Year	\$	<u>51,186</u>
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Village of Rye Brook, New York

Notes to Financial Statements (Continued)

May 31, 2016

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

**B. Due From/To Other Funds**

The balances reflected as due from/to other funds at May 31, 2016 were as follows:

Fund	Due From	Due To
General	\$ -	\$ 2,018,543
Capital Projects	2,026,571	-
Non-Major Governmental	-	8,028
	\$ 2,026,571	\$ 2,026,571

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

**C. Capital Assets**

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

Class	Balance June 1, 2015	Additions	Deletions	Balance May 31, 2016
Capital Assets, not being depreciated				
Land	\$ 13,094,447	\$ 565,929	\$ -	\$ 13,660,376
Construction-in-Progress	796,158	6,504	454,148	348,514
	\$ 13,890,605	\$ 572,433	\$ 454,148	\$ 14,008,890
Total Capital Assets, not being depreciated				
Capital Assets, being depreciated				
Land Improvements	\$ 5,972,942	\$ 227,735	\$ -	\$ 6,200,677
Buildings and Improvements	7,688,148	289,317	-	7,977,465
Machinery and Equipment	4,541,868	869,596	-	5,411,464
Infrastructure	20,666,207	898,509	-	21,564,716
	38,869,165	2,285,157	-	41,154,322
Total Capital Assets, being depreciated				
Less Accumulated Depreciation for				
Land Improvements	2,401,615	318,676	-	2,720,291
Buildings and Improvements	2,437,000	180,272	-	2,617,272
Machinery and Equipment	3,405,104	196,799	-	3,601,903
Infrastructure	14,155,094	447,788	-	14,602,882
	22,398,813	1,143,535	-	23,542,348
Total Accumulated Depreciation				
Total Capital Assets, being depreciated, net	\$ 16,470,352	\$ 1,141,622	\$ -	\$ 17,611,974
Capital Assets, net	\$ 30,360,957	\$ 1,714,055	\$ 454,148	\$ 31,620,864

**Village of Rye Brook, New York**

Notes to Financial Statements (Continued)  
 May 31, 2016

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

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

General Government Support	\$ 69,875
Public Safety	169,129
Transportation	456,746
Culture and Recreation	349,550
Home and Community Services	<u>98,235</u>
<b>Total Depreciation Expense</b>	<b><u>\$ 1,143,535</u></b>

**D. Accrued Liabilities**

The Village has reported accrued liabilities for payroll and employee benefits of \$274,654 in the General Fund.

**E. 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, 2015	New Issues	Redemptions	Balance May 31, 2016
Various Capital Projects	2012	01/17	1.49 %	\$ 919,831	\$ -	\$ 288,945	\$ 630,886
Land and Highway Garage	2013	10/16	1.15	750,000	-	187,500	562,500
Various Capital Projects	2015	08/16	1.56	491,500	-	-	491,500
Various Capital Projects	2015	03/17	1.24	375,000	-	-	375,000
Various Capital Projects	2016	10/16	0.74	-	1,082,500	-	1,082,500
				<u>\$ 2,536,331</u>	<u>\$ 1,082,500</u>	<u>\$ 476,445</u>	<u>\$ 3,142,386</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 \$32,655 were recorded in the fund financial statements in the General Fund. Interest expense of \$35,574 was recorded in the government-wide financial statements for governmental activities.

**Village of Rye Brook, New York**

Notes to Financial Statements (Continued)  
 May 31, 2016

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

**F. Long-Term Liabilities**

The following table summarizes changes in the Village's long-term liabilities for the year ended May 31, 2016:

	Balance as Reported June 1, 2015	Cumulative Effect of Change in Accounting Principle	Balance as Restated June 1, 2015	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2016	Due Within One-Year
Bonds Payable	\$ 2,660,000	\$ -	\$ 2,660,000	\$ -	\$ 625,000	\$ 2,035,000	\$ 370,000
Add - Unamortized premium on bonds	52,160	-	52,160	-	15,206	36,954	-
	<u>2,712,160</u>	<u>-</u>	<u>2,712,160</u>	<u>-</u>	<u>640,206</u>	<u>2,071,954</u>	<u>370,000</u>
Other Non-current Liabilities							
Compensated Absences	1,306,280	-	1,306,280	249,333	130,000	1,425,613	140,000
Net Pension Liability	-	323,129	323,129	5,065,376	-	5,388,505	-
Other Post Employment Benefit Obligations Payable	13,599,742	-	13,599,742	3,063,563	839,345	15,823,960	-
Total Non-current Liabilities	<u>14,906,022</u>	<u>323,129</u>	<u>15,229,151</u>	<u>8,378,272</u>	<u>969,345</u>	<u>22,638,078</u>	<u>140,000</u>
Total Long-Term Liabilities	<u>\$ 17,618,182</u>	<u>\$ 323,129</u>	<u>\$ 17,941,311</u>	<u>\$ 8,378,272</u>	<u>\$ 1,609,551</u>	<u>\$ 24,710,032</u>	<u>\$ 510,000</u>

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

**Bonds Payable**

Bonds payable at May 31, 2016 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2016
Various Village Purposes	2003	\$ 3,100,000	September, 2018	4.00-4.50 %	\$ 1,215,000
Various Village Purposes	2010	2,200,000	November, 2023	3.00-5.00	820,000
					<u>\$ 2,035,000</u>

Interest expenditures of \$100,575 were recorded in the fund financial statements in the General Fund. Interest expense of \$86,032 was recorded in the government-wide financial statements.

**Village of Rye Brook, New York**

Notes to Financial Statements (Continued)  
May 31, 2016

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

**Payments to Maturity**

The annual requirements to amortize all bonded debt outstanding as of May 31, 2016 including interest payments of \$270,559 are as follows:

Year Ending May 31,	Principal	Interest	Total
2017	\$ 370,000	\$ 79,388	\$ 449,388
2018	375,000	63,388	438,388
2019	375,000	50,138	425,138
2020	400,000	34,513	434,513
2021	175,000	21,669	196,669
2022-2024	340,000	21,463	361,463
	<u>\$ 2,035,000</u>	<u>\$ 270,559</u>	<u>\$ 2,305,559</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.

**Pension Plans**

*New York State and Local Retirement System*

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") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the Public Employees' Group Life

**Village of Rye Brook, New York**

Notes to Financial Statements (Continued)  
May 31, 2016

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

Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2016 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A14/41J	18.8 %
	5 A15/41J	15.5
	6 A15/41J1	10.5
PFRS	2 384D	24.7
	5 384D	20.1
	6 384D	14.3

At May 31, 2016, the Village reported a liability of \$2,117,674 for its proportionate share of the net pension liability of ERS and a liability of \$3,270,831 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At March 31, 2016, the Village's proportion was 0.0131940% for ERS and 0.1104717% for PFRS. For this first year of implementation, the System reported no change in the allocation percentage measured as of March 31, 2015.

For the year ended May 31, 2016, the Village recognized pension expense in the government-wide financial statements of \$731,194 for ERS and \$1,216,626 for PFRS. Pension expenditures of \$542,185 for ERS and \$886,012 for PFRS were recorded in the General Fund.



**Village of Rye Brook, New York**

Notes to Financial Statements (Continued)  
 May 31, 2016

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

At May 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,700	\$ 251,015	\$ 29,336	\$ 494,510
Changes of assumptions	564,720	-	1,410,045	-
Net difference between projected and actual earnings on pension plan investments	1,256,320	-	1,833,036	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	-	91,474	55,684	-
Village contributions subsequent to the measurement date	70,468	-	152,443	-
	<u>\$ 1,902,208</u>	<u>\$ 342,489</u>	<u>\$ 3,480,544</u>	<u>\$ 494,510</u>

\$70,468 and \$152,443 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Village's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS	PFRS
2017	\$ 373,214	\$ 668,523
2018	373,214	668,523
2019	373,214	668,523
2020	369,610	643,000
2021	-	185,022

The total pension liability for the March 31, 2016 measurement date was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liabilities to March 31, 2016. Significant actuarial assumptions used in the April 1, 2015 valuation were as follows:

Actuarial cost method	Entry age normal
Inflation	2.5%
Salary scale	3.8% in ERS, 4.5% in PFRS indexed by service
Investment rate of return	7.0% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.3% annually

**Village of Rye Brook, New York**

Notes to Financial Statements (Continued)  
May 31, 2016

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

Annuitant mortality rates are based on the April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2015 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38 %	7.30 %
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return Strategies	3	6.75
Opportunistic Portfolio	3	8.60
Real Assets	3	8.65
Bonds and Mortgages	18	4.00
Cash	2	2.25
Inflation Indexed Bonds	2	4.00
	<u>100 %</u>	

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

**Village of Rye Brook, New York**

Notes to Financial Statements (Continued)

May 31, 2016

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

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Village's proportionate share of the ERS net pension liability (asset)	\$ 4,775,201	\$ 2,117,674	\$ (127,823)
Village's proportionate share of the PFRS net pension liability (asset)	\$ 7,305,746	\$ 3,270,831	\$ (111,301)

The components of the collective net pension liability as of the March 31, 2016 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 172,303,544,000	\$ 30,347,727,000	\$ 202,651,271,000
ERS fiduciary net position	156,253,265,000	27,386,940,000	183,640,205,000
Employers' net pension liability	\$ 16,050,279,000	\$ 2,960,787,000	\$ 19,011,066,000
ERS fiduciary net position as a percentage of total pension liability	90.7%	90.2%	90.6%

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31<sup>st</sup>. Retirement contributions as of May 31, 2016 represent the employer contribution for the period of April 1, 2016 through May 31, 2016 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the two months ended May 31, 2016 were \$70,468 and \$152,443, respectively.

*Voluntary Defined Contribution Plan*

The Village also offers a defined contribution plan to all non-union employees hired on or after June 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Village will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

**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.

**Village of Rye Brook, New York**

Notes to Financial Statements (Continued)  
 May 31, 2016

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

The Village's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. GASB Statement 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

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

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

The assumed rate increase in postretirement benefits is as follows:

Year	Non-Medicare Eligible Medical & Rx	Medicare Eligible Medical	Medicare Part B Reimbursement	Dental
2017	7.5 %	5.0 %	5.0 %	5.0 %
2018	7.0	5.0	5.0	5.0
2019	6.5	5.0	5.0	5.0
2020	6.0	5.0	5.0	5.0
2021	5.5	5.0	5.0	5.0
2022+	5.0	5.0	5.0	5.0

The amortization basis is the level percentage of payroll method with a closed group amortization approach with 24 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, 2016 was as follows:

Active Employees	68
Retired Employees	<u>46</u>
Total	<u><u>114</u></u>

**Village of Rye Brook, New York**

Notes to Financial Statements (Continued)  
 May 31, 2016

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

Amortization Component:	
Actuarial Accrued Liability as of June 1, 2015	\$ 38,016,131
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability	<u>\$ 38,016,131</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 6,099,869</u>
UAAL as a Percentage of Covered Payroll	<u>623.23%</u>
Annual Required Contribution	\$ 3,197,443
Adjustment on annual required contribution	(677,869)
Interest on Net OPEB Obligation	<u>543,989</u>
Annual OPEB Cost	3,063,563
Contributions Made	<u>(839,345)</u>
Increase in Net OPEB Obligation	2,224,218
Net OPEB Obligation - Beginning of Year	<u>13,599,742</u>
Net OPEB Obligation - End of Year	<u>\$ 15,823,960</u>

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>
2016	\$ 3,063,563	27.40 %	\$ 15,823,960
2015	2,928,018	26.65	13,599,742
2014	2,822,259	28.93	11,452,113

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.

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

**G. Revenues and Expenditures**

**Interfund Transfers**

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

<u>Transfers Out</u>	<u>Transfers In</u> Capital Projects Fund
General Fund	<u>\$ 1,370,620</u>

Transfers are used to move amounts earmarked in the General Fund to fulfill commitments for Capital Projects Fund expenditures.

**H. Net Position**

The components of net position are detailed below:

*Net Investment in Capital Assets* - the component of net position 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 position that reports the amounts restricted for capital projects, exclusive of unexpended bonds proceeds and unrestricted interest earnings.

*Restricted for Debt Service* - the component of net position 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 position 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 amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Village of Rye Brook, New York

Notes to Financial Statements (Continued)  
 May 31, 2016

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

**I. Fund Balances**

	2016				2015			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
<b>Nonspendable</b>								
Prepaid expenditures	\$ 33,481	\$ -	\$ -	\$ 33,481	\$ 353,702	\$ -	\$ -	\$ 353,702
<b>Restricted</b>								
Capital projects	-	-	-	-	-	365,235	-	365,235
Debt service	814,694	-	-	814,694	809,613	-	-	809,613
Parklands	-	-	183,601	183,601	-	-	183,601	183,601
Trusts	-	-	59,262	59,262	-	-	61,014	61,014
<b>Total Restricted</b>	<b>814,694</b>	<b>-</b>	<b>242,863</b>	<b>1,057,557</b>	<b>809,613</b>	<b>365,235</b>	<b>244,615</b>	<b>1,419,463</b>
<b>Assigned</b>								
Purchases on order								
General government support	73,052	-	-	73,052	33,802	-	-	33,802
Public safety	6,533	-	-	6,533	7,896	-	-	7,896
Transportation	9,443	-	-	9,443	23,474	-	-	23,474
Economic opportunity and development	-	-	-	-	2,067	-	-	2,067
Culture and recreation	26,191	-	-	26,191	47,223	-	-	47,223
Home and community services	88,167	-	-	88,167	76,190	-	-	76,190
	203,386	-	-	203,386	190,652	-	-	190,652
Subsequent years' expenditures	969,462	-	-	969,462	894,175	-	-	894,175
<b>Total Assigned</b>	<b>1,172,848</b>	<b>-</b>	<b>-</b>	<b>1,172,848</b>	<b>1,084,827</b>	<b>-</b>	<b>-</b>	<b>1,084,827</b>
<b>Unassigned</b>	<b>5,641,949</b>	<b>(766,217)</b>	<b>-</b>	<b>4,875,732</b>	<b>4,437,719</b>	<b>-</b>	<b>-</b>	<b>4,437,719</b>
<b>Total Fund Balances</b>	<b>\$ 7,662,972</b>	<b>\$ (766,217)</b>	<b>\$ 242,863</b>	<b>\$ 7,139,618</b>	<b>\$ 6,685,861</b>	<b>\$ 365,235</b>	<b>\$ 244,615</b>	<b>\$ 7,295,711</b>

**Village of Rye Brook, New York**

Notes to Financial Statements (Continued)  
May 31, 2016

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

Certain elements of fund balance are described above. Those additional elements which are not reflected in the statement of net position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been provided to account for certain payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

The Restriction for Parklands 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.

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

Purchases on order are assigned and represent the Village's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

Subsequent year's expenditures represent that at May 31, 2016, the Board of Trustees has assigned the above amounts to be appropriated for the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as non-spendable, restricted or assigned. Unassigned fund balance in the Capital Projects Funds represents deficit balances.

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

**A. Litigation**

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

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

**B. Contingencies**

The Village participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Uniform Guidance. 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.



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

**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.

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**Village of Rye Brook, New York**

**Required Supplementary Information - Schedule of the  
Village's Proportionate Share of the Net Pension Liability  
New York State and Local Employees' Retirement System  
Last Ten Fiscal Years (1)**

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	<u>2016</u>
Village's proportion of the net pension liability (asset)	<u>0.0131940%</u>
Village's proportionate share of the net pension liability (asset)	<u>\$ 2,117,674</u>
Village's covered-employee payroll	<u>\$ 2,948,292</u>
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>71.83%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>90.70%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date.

(1) Data not available prior to fiscal year 2016 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

**Village of Rye Brook, New York**

**Required Supplementary Information - Schedule of Contributions  
New York State and Local Employees' Retirement System  
Last Ten Fiscal Years (1)**

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	<u>2016</u>
Contractually required contribution	\$ 550,949
Contributions in relation to the contractually required contribution	<u>(550,949)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Village's covered-employee payroll	<u>\$ 2,925,051</u>
Contributions as a percentage of covered-employee payroll	<u>18.84%</u>

(1) Data not available prior to fiscal year 2016 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

**Village of Rye Brook, New York**

**Required Supplementary Information - Schedule of the  
Village's Proportionate Share of the Net Pension Liability  
New York State and Local Police and Fire Retirement System  
Last Ten Fiscal Years (1)**

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	<u>2016</u>
Village's proportion of the net pension liability (asset)	<u>0.1104717%</u>
Village's proportionate share of the net pension liability (asset)	<u>\$ 3,270,831</u>
Village's covered-employee payroll	<u>\$ 3,798,173</u>
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>86.12%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>90.20%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date.

(1) Data not available prior to fiscal year 2016 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

**Village of Rye Brook, New York**

**Required Supplementary Information - Schedule of Contributions  
New York State and Local Police and Fire Retirement System  
Last Ten Fiscal Years (1)**

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	<u>2016</u>
Contractually required contribution	\$ 884,771
Contributions in relation to the contractually required contribution	<u>(884,771)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Village's covered-employee payroll	<u>\$ 4,043,564</u>
Contributions as a percentage of covered-employee payroll	<u>21.88%</u>

(1) Data not available prior to fiscal year 2016 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

**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, 2013	\$ -	\$ 34,350,519	\$ 34,350,519	- %	\$ 5,854,584	586.73 %
June 1, 2014	-	36,081,549	36,081,549	-	5,951,092	606.30
June 1, 2015	-	38,016,131	38,016,131	-	6,099,869	623.23

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Village of Rye Brook, New York

General Fund  
Comparative Balance Sheet  
May 31,

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 9,537,085	\$ 7,644,591
Investments	211,323	211,323
Taxes receivable	51,186	65,836
Other receivables		
Accounts	278,730	278,981
State and Federal aid	-	9,515
Due from other governments	479,400	494,078
Due from other funds	-	8,028
	<u>758,130</u>	<u>790,602</u>
Prepaid expenditures	33,481	353,702
Total Assets	<u>\$ 10,591,205</u>	<u>\$ 9,066,054</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 407,535	\$ 187,928
Accrued liabilities	274,654	259,013
Deposits and other liabilities	4,590	4,590
Due to retirement systems	222,911	232,792
Due to other funds	2,018,543	1,116,771
Unearned revenues	-	579,099
Total Liabilities	<u>2,928,233</u>	<u>2,380,193</u>
Fund balance		
Nonspendable	33,481	353,702
Restricted	814,694	809,613
Assigned	1,172,848	1,084,827
Unassigned	5,641,949	4,437,719
Total Fund Balance	<u>7,662,972</u>	<u>6,685,861</u>
Total Liabilities and Fund Balance	<u>\$ 10,591,205</u>	<u>\$ 9,066,054</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,

2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Real property taxes	\$ 14,534,433	\$ 14,534,433	\$ 14,534,433	\$ -
Other tax items	6,000	6,000	10,434	4,434
Non-property taxes	2,374,000	2,374,000	3,226,976	852,976
Departmental income	1,134,250	1,134,250	1,265,769	131,519
Intergovernmental charges	197,516	197,516	198,055	539
Use of money and property	16,000	16,000	26,046	10,046
Fines and forfeitures	40,000	40,000	38,245	(1,755)
Sale of property and compensation for loss	15,000	15,000	-	(15,000)
State aid	356,271	356,271	521,100	164,829
Miscellaneous	7,600	7,600	90,748	83,148
<b>Total Revenues</b>	<b>18,681,070</b>	<b>18,681,070</b>	<b>19,911,806</b>	<b>1,230,736</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government support	2,737,444	2,847,617	2,565,543	282,074
Public safety	5,885,466	5,866,890	5,765,787	101,103
Health	198,842	198,842	198,842	-
Transportation	1,349,709	1,278,989	1,151,634	127,355
Economic opportunity and development	308,883	310,383	296,819	13,564
Culture and recreation	1,656,874	1,659,174	1,600,799	58,375
Home and community services	1,086,038	1,093,108	963,676	129,432
Employee benefits	4,424,300	4,371,853	4,319,502	52,351
<b>Debt service</b>				
Principal	625,000	625,000	625,000	-
Interest	126,666	133,232	133,230	2
<b>Total Expenditures</b>	<b>18,399,222</b>	<b>18,385,088</b>	<b>17,620,832</b>	<b>764,256</b>
<b>Excess of Revenues Over Expenditures</b>	<b>281,848</b>	<b>295,982</b>	<b>2,290,974</b>	<b>1,994,992</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	15,000	15,000	56,757	41,757
Transfers out	(1,381,675)	(1,405,609)	(1,370,620)	34,989
<b>Total Other Financing Uses</b>	<b>(1,366,675)</b>	<b>(1,390,609)</b>	<b>(1,313,863)</b>	<b>76,746</b>
<b>Net Change in Fund Balance</b>	<b>(1,084,827)</b>	<b>(1,094,627)</b>	<b>977,111</b>	<b>2,071,738</b>
<b>FUND BALANCE</b>				
Beginning of Year	1,084,827	1,094,627	6,685,861	5,591,234
End of Year	\$ -	\$ -	\$ 7,662,972	\$ 7,662,972

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 13,987,981	\$ 13,987,981	\$ 13,987,981	\$ -
308,723	308,723	313,743	5,020
2,401,500	2,401,500	2,398,878	(2,622)
1,040,405	1,040,405	1,442,126	401,721
158,442	158,442	231,176	72,734
16,000	16,000	26,995	10,995
40,000	40,000	31,920	(8,080)
10,000	10,000	-	(10,000)
390,397	390,397	445,305	54,908
5,600	5,600	15,067	9,467
<u>18,359,048</u>	<u>18,359,048</u>	<u>18,893,191</u>	<u>534,143</u>
2,623,855	2,565,309	2,391,763	173,546
5,696,818	5,733,848	5,767,062	(33,214)
198,842	198,842	198,842	-
1,319,324	1,340,802	1,190,673	150,129
295,208	295,208	271,602	23,606
1,722,880	1,725,630	1,552,894	172,736
1,192,847	1,193,833	1,073,745	120,088
4,366,300	4,356,299	4,341,141	15,158
610,000	610,000	610,000	-
144,052	144,053	144,009	44
<u>18,170,126</u>	<u>18,163,824</u>	<u>17,541,731</u>	<u>622,093</u>
<u>188,922</u>	<u>195,224</u>	<u>1,351,460</u>	<u>1,156,236</u>
23,000	23,000	95,022	72,022
<u>(1,619,266)</u>	<u>(1,620,266)</u>	<u>(1,431,766)</u>	<u>188,500</u>
<u>(1,596,266)</u>	<u>(1,597,266)</u>	<u>(1,336,744)</u>	<u>260,522</u>
<u>(1,407,344)</u>	<u>(1,402,042)</u>	<u>14,716</u>	<u>1,416,758</u>
<u>1,407,344</u>	<u>1,402,042</u>	<u>6,671,145</u>	<u>5,269,103</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,685,861</u>	<u>\$ 6,685,861</u>

Village of Rye Brook, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
<b>REAL PROPERTY TAXES</b>	\$ 14,534,433	\$ 14,534,433	\$ 14,534,433	\$ -	\$ 13,987,981
<b>OTHER TAX ITEMS</b>					
Payments in lieu of taxes	-	-	-	-	304,613
Interest and penalties on real property taxes	6,000	6,000	10,434	4,434	9,130
	<u>6,000</u>	<u>6,000</u>	<u>10,434</u>	<u>4,434</u>	<u>313,743</u>
<b>NON-PROPERTY TAXES</b>					
Non-property tax distribution from County	1,342,000	1,342,000	1,368,979	26,979	1,339,612
Utilities gross receipts taxes	250,000	250,000	249,405	(595)	265,720
Hotel occupancy tax	552,000	552,000	1,343,527	791,527	551,734
Franchise fees	230,000	230,000	265,065	35,065	241,812
	<u>2,374,000</u>	<u>2,374,000</u>	<u>3,226,976</u>	<u>852,976</u>	<u>2,398,878</u>
<b>DEPARTMENTAL INCOME</b>					
Clerk fees	2,100	2,100	11,495	9,395	13,051
Police fees	1,800	1,800	1,962	162	2,768
Safety inspection fees	505,000	505,000	766,092	261,092	812,022
Alarm permits	90,000	90,000	106,910	16,910	120,677
Parks and recreation charges	526,350	526,350	364,620	(161,730)	483,638
Senior center rental	9,000	9,000	14,690	5,690	9,970
	<u>1,134,250</u>	<u>1,134,250</u>	<u>1,265,769</u>	<u>131,519</u>	<u>1,442,126</u>
<b>INTERGOVERNMENTAL CHARGES</b>					
Airport revenue	40,000	40,000	40,000	-	40,000
Other governmental services					
Home and community services	157,516	157,516	158,055	539	191,176
	<u>197,516</u>	<u>197,516</u>	<u>198,055</u>	<u>539</u>	<u>231,176</u>

**USE OF MONEY AND PROPERTY**

Interest earnings	<u>16,000</u>	<u>16,000</u>	<u>26,046</u>	<u>10,046</u>	<u>26,995</u>
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**FINES AND FORFEITURES**

Fines and forfeited bail	<u>40,000</u>	<u>40,000</u>	<u>38,245</u>	<u>(1,755)</u>	<u>31,920</u>
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**SALE OF PROPERTY AND COMPENSATION FOR LOSS**

Sale of equipment	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>
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**STATE AID**

Per capita	55,271	55,271	55,283	12	55,271
Mortgage tax	225,000	225,000	335,340	110,340	267,301
Consolidated highway improvement aid	70,000	70,000	81,783	11,783	80,124
Youth funding	-	-	996	996	991
Snow removal	-	-	42,601	42,601	35,976
Speed and alcohol enforcement	<u>6,000</u>	<u>6,000</u>	<u>5,097</u>	<u>(903)</u>	<u>5,642</u>
	<u>356,271</u>	<u>356,271</u>	<u>521,100</u>	<u>164,829</u>	<u>445,305</u>

**MISCELLANEOUS**

Unclassified	<u>7,600</u>	<u>7,600</u>	<u>90,748</u>	<u>83,148</u>	<u>15,067</u>
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**TOTAL REVENUES**

	18,681,070	18,681,070	19,911,806	1,230,736	18,893,191
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**OTHER FINANCING SOURCES**

Insurance recoveries	<u>15,000</u>	<u>15,000</u>	<u>56,757</u>	<u>41,757</u>	<u>95,022</u>
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**TOTAL REVENUES AND OTHER FINANCING SOURCES**

	<u>\$ 18,696,070</u>	<u>\$ 18,696,070</u>	<u>\$ 19,968,563</u>	<u>\$ 1,272,493</u>	<u>\$ 18,988,213</u>
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**Village of Rye Brook, New York**

**General Fund**

**Schedule of Expenditures and Other Financing Uses Compared to Budget**

**Year Ended May 31, 2016**

**(With Comparative Actuals for 2015)**

57

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Board of Trustees	\$ 20,220	\$ 19,549	\$ 18,591	\$ 958	\$ 18,296
Administrator	274,498	274,498	272,822	1,676	250,920
Treasurer	515,190	531,628	464,675	66,953	508,971
Village office	89,668	92,168	80,257	11,911	60,116
Clerk	78,189	78,189	76,210	1,979	83,435
Village attorney	195,000	205,534	192,624	12,910	172,941
Engineering	108,450	131,768	120,108	11,660	109,407
Management information systems	261,222	338,469	314,549	23,920	221,821
Central communications	56,500	56,500	54,653	1,847	56,415
Central garage	577,507	526,769	486,526	40,243	495,188
Central supplies	32,000	32,000	24,998	7,002	22,327
Central printing and mailing	15,000	15,000	14,992	8	7,543
Unallocated insurance	205,000	246,422	225,711	20,711	229,004
Consulting fees	90,000	167,563	140,563	27,000	87,119
Bonding fees	5,000	8,930	8,930	-	7,000
Judgments and claims	5,000	31,701	21,480	10,221	17,843
Tax on property	-	22,679	22,679	-	18,692
Contingency account	182,000	43,075	-	43,075	-
Metropolitan commuter transportation mobility tax	27,000	25,175	25,175	-	24,725
	<u>2,737,444</u>	<u>2,847,617</u>	<u>2,565,543</u>	<u>282,074</u>	<u>2,391,763</u>
<b>PUBLIC SAFETY</b>					
Police Department	3,573,975	3,553,264	3,467,039	86,225	3,526,663
Control of animals	13,969	13,969	13,824	145	12,419
Fire protection	1,972,875	1,975,010	1,973,503	1,507	1,911,825
Safety inspection	324,647	324,647	311,421	13,226	316,155
	<u>5,885,466</u>	<u>5,866,890</u>	<u>5,765,787</u>	<u>101,103</u>	<u>5,767,062</u>

**HEALTH**

Ambulance services	<u>198,842</u>	<u>198,842</u>	<u>198,842</u>	<u>-</u>	<u>198,842</u>
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**TRANSPORTATION**

Highway maintenance	1,044,709	989,577	941,606	47,971	880,376
Snow removal	145,000	129,412	101,442	27,970	201,703
Street lighting	160,000	160,000	108,586	51,414	108,594
	<u>1,349,709</u>	<u>1,278,989</u>	<u>1,151,634</u>	<u>127,355</u>	<u>1,190,673</u>

**ECONOMIC OPPORTUNITY AND DEVELOPMENT**

Community services - Programs for the aging	<u>308,883</u>	<u>310,383</u>	<u>296,819</u>	<u>13,564</u>	<u>271,602</u>
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**CULTURE AND RECREATION**

Recreation	1,085,908	1,087,935	1,039,426	48,509	989,587
Teen center	4,500	4,500	-	4,500	2,374
Public library	559,085	559,358	553,992	5,366	546,171
Handicapped	7,381	7,381	7,381	-	14,762
	<u>1,656,874</u>	<u>1,659,174</u>	<u>1,600,799</u>	<u>58,375</u>	<u>1,552,894</u>

**HOME AND COMMUNITY SERVICES**

Part-time videotaping	4,900	5,001	5,000	1	5,703
Planning board	275	400	400	-	1,000
Hydrant rental	-	-	-	-	54,141
Disposal fees	90,000	92,020	91,950	70	89,609
Recycling and refuse collection	693,673	694,048	694,047	1	818,782
Shade trees	78,192	82,641	67,449	15,192	52,053
Sewer district	218,998	218,998	104,830	114,168	52,457
	<u>1,086,038</u>	<u>1,093,108</u>	<u>963,676</u>	<u>129,432</u>	<u>1,073,745</u>

**EMPLOYEE BENEFITS**

State retirement	560,000	551,468	542,185	9,283	573,027
State retirement - Police	1,075,000	906,426	886,012	20,414	1,071,494
Social security	540,000	540,000	535,123	4,877	525,597
Worker's compensation benefits	230,000	281,096	281,096	-	243,716
Life insurance	-	-	-	-	21,060
Unemployment insurance	20,000	20,000	9,309	10,691	13,353
Disability insurance	3,500	3,500	903	2,597	1,996
Health and dental insurance	1,990,800	2,064,363	2,063,196	1,167	1,889,918
Other benefits	5,000	5,000	1,678	3,322	980
	<u>4,424,300</u>	<u>4,371,853</u>	<u>4,319,502</u>	<u>52,351</u>	<u>4,341,141</u>

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**Village of Rye Brook, New York**

General Fund  
 Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)  
 Year Ended May 31, 2016  
 (With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
<b>DEBT SERVICE</b>					
Principal					
Serial bonds	\$ 625,000	\$ 625,000	\$ 625,000	\$ -	\$ 610,000
Interest					
Serial bonds	100,576	100,576	100,575	1	121,950
Bond anticipation notes	26,090	32,656	32,655	1	22,059
	<u>126,666</u>	<u>133,232</u>	<u>133,230</u>	<u>2</u>	<u>144,009</u>
	<u>751,666</u>	<u>758,232</u>	<u>758,230</u>	<u>2</u>	<u>754,009</u>
<b>TOTAL EXPENDITURES</b>	<b>18,399,222</b>	<b>18,385,088</b>	<b>17,620,832</b>	<b>764,256</b>	<b>17,541,731</b>
<b>OTHER FINANCING USES</b>					
Transfers out					
Capital Projects Fund	1,381,675	1,405,609	1,370,620	34,989	1,431,766
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b><u>\$ 19,780,897</u></b>	<b><u>\$ 19,790,697</u></b>	<b><u>\$ 18,991,452</u></b>	<b><u>\$ 799,245</u></b>	<b><u>\$ 18,973,497</u></b>



Village of Rye Brook, New York

Capital Projects Fund  
Comparative Balance Sheet  
May 31,

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 758,560	\$ 1,884,401
Due from other funds	2,026,571	1,116,771
<b>Total Assets</b>	<u>\$ 2,785,131</u>	<u>\$ 3,001,172</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>		
<b>Liabilities</b>		
Accounts payable	\$ 408,962	\$ 99,606
Bond anticipation notes payable	3,142,386	2,536,331
<b>Total Liabilities</b>	<u>3,551,348</u>	<u>2,635,937</u>
<b>Fund balance (deficit)</b>		
Restricted	-	365,235
Unassigned	(766,217)	-
<b>Total Fund Balance (Deficit)</b>	<u>(766,217)</u>	<u>365,235</u>
<b>Total Liabilities and Fund Balance (Deficit)</b>	<u>\$ 2,785,131</u>	<u>\$ 3,001,172</u>

**Village of Rye Brook, New York**

**Capital Projects Fund  
 Comparative Statement of Revenues, Expenditures and Changes  
 in Fund Balance  
 Years Ended May 31,**

	<u>2016</u>	<u>2015</u>
<b>REVENUES</b>	\$ -	\$ -
<b>EXPENDITURES</b>		
Capital outlay	<u>2,502,072</u>	<u>1,658,028</u>
Deficiency of Revenues Over Expenditures	(2,502,072)	(1,658,028)
<b>OTHER FINANCING SOURCES</b>		
Transfers in	<u>1,370,620</u>	<u>1,431,766</u>
Net Change in Fund Balance	(1,131,452)	(226,262)
<b>FUND BALANCE (DEFICIT)</b>		
Beginning of Year	<u>365,235</u>	<u>591,497</u>
End of Year	<u>\$ (766,217)</u>	<u>\$ 365,235</u>

**Village of Rye Brook, New York**

Capital Projects Fund  
 Project Length Schedule  
 Inception of Project Through May 31, 2016

<u>Project</u>	<u>Authorization</u>	<u>Expenditures and Transfers</u>	<u>Unexpended Balance</u>
Purchase of Dump Truck	\$ 121,000	\$ 97,631	\$ 23,369
Various Village Projects	341,000	31,087	309,913
Windows/FACIA Trim/Fire Department	15,000	-	15,000
Comprehensive Plan	130,000	140,000	(10,000)
Capital Reserve - Ballfield	150,000	-	150,000
Jacqueline Lane Drainage	90,000	55,745	34,255
Parks and Recreation Maintenance Vehicle	62,500	60,696	1,804
Pine Ridge Park - Basketball Hoops	15,000	12,780	2,220
Accounting and Records Retention Software	40,000	-	40,000
Village Administration Passenger Vehicle	28,000	23,781	4,219
Land - Garibaldi Place and Parking Lot	446,500	453,285	(6,785)
Village Hall Improvements	290,000	290,000	-
Laser Fiche Project	319,365	333,691	(14,326)
Leaf Loader with Attachments	38,000	38,000	-
Pick-up Truck	24,500	24,095	405
Police Car Video System	25,275	25,275	-
AJP Community Center Renovations	105,000	80,268	24,732
Pine Ridge Park Tennis Court Resurfacing	20,000	27,200	(7,200)
King Street Sidewalks	80,000	64,640	15,360
John Deere Mower	40,000	40,000	-
Highway Equipment	298,000	333,193	(35,193)
Talcott Road Street Lighting Replacement	42,000	41,658	342
Pine Ridge Park Tennis Wall Reconstruction	40,000	42,418	(2,418)
Land and Highway Garage	750,000	696,549	53,451
Air Compressor	18,000	17,209	791
Add/Extend Water Main on Upper Lincoln	155,000	-	155,000
Village Hall/AJP Center/Firehouse/Central Station	23,000	-	23,000
Resurface Basketball Courts at Rye Hills Park	20,000	19,500	500
Storage Shed at Rye Hills Park	20,000	-	20,000
Magnolia Road Street Lighting Replacement	20,000	18,350	1,650
Police Vehicles	225,804	94,417	131,387
Police Vehicles - Radar Trailer/New Server	32,000	23,793	8,207
Highway Design Study	50,000	-	50,000
Financial Software	90,000	81,548	8,452
High Street Full Depth Reclamation	250,000	-	250,000
Road Resurfacing - 2015	500,000	198,167	301,833
Trailer for Parks	12,300	-	12,300
Resurface Basketball/Tennis Courts - Pine Ridge	40,000	39,000	1,000
Construct Drain Line - Pine Ridge Basketball Court	12,000	-	12,000
Playground Equipment - Pine Ridge	125,524	125,524	-
Salter And Dump Body For Hook Lift Truck	43,500	43,500	-

<u>Total Revenues</u>	<u>Fund Balance (Deficit) at May 31, 2016</u>	<u>Bond Anticipation Notes Out- standing at May 31, 2016</u>
\$ 90,750	\$ (6,881)	\$ -
341,000	309,913	-
15,000	15,000	-
130,000	(10,000)	-
150,000	150,000	-
50,000	(5,745)	12,500
43,750	(16,946)	18,750
15,000	2,220	-
30,000	30,000	10,000
21,000	(2,781)	7,000
19,000	(434,285)	427,500
278,750	(11,250)	11,250
189,365	(144,326)	130,000
19,000	(19,000)	19,000
12,250	(11,845)	12,250
12,639	(12,636)	12,636
105,000	24,732	-
20,000	(7,200)	-
40,000	(24,640)	40,000
20,000	(20,000)	20,000
74,500	(258,693)	223,500
10,500	(31,158)	31,500
10,000	(32,418)	30,000
187,500	(509,049)	562,500
18,000	791	-
155,000	155,000	-
23,000	23,000	-
20,000	500	-
20,000	20,000	-
20,000	1,650	-
225,804	131,387	-
32,000	8,207	-
50,000	50,000	-
90,000	8,452	-
250,000	250,000	-
500,000	301,833	-
12,300	12,300	-
40,000	1,000	-
12,000	12,000	-
-	(125,524)	100,000
-	(43,500)	43,500

(Continued)

**Village of Rye Brook, New York****Capital Projects Fund****Project Length Schedule****Inception of Project Through May 31, 2016 (Continued)**

<u>Project</u>	<u>Authorization</u>	<u>Expenditures and Transfers</u>	<u>Unexpended Balance</u>
Street Sweeper	\$ 185,000	\$ 184,887	\$ 113
Backhoe Loader	104,200	100,751	3,449
Bobcat	60,000	59,717	283
528 Ellendale Avenue - Highway Garage	585,000	565,929	19,071
Replace 2002 Ford F550 (Recreation)	75,000	-	75,000
Replace Playground Equipment - Garibaldi Park	75,000	21,333	53,667
Replace Freightliner Large Dump Truck	215,000	166,076	48,924
Replace Fork lift	27,500	-	27,500
Replace Tire Changer and Balancer	30,000	29,740	260
Replace Ford F550 Dump truck	75,000	-	75,000
Road Resurfacing - 2016	500,000	-	500,000
Staff Vehicles - 2016	46,852	21,942	24,910
Fire Department Renovations	17,500	-	17,500
Purchase of Community Sign	15,000	-	15,000
Cameras - Pine Ridge and Garibaldi Parks	20,000	-	20,000
Police Equipment	40,976	31,012	9,964
Police Desk Renovations	30,000	36,466	(6,466)
<b>TOTALS</b>	<b>\$ 7,250,296</b>	<b>\$ 4,790,853</b>	<b>\$ 2,459,443</b>

Total Revenues	Fund Balance (Deficit) at May 31, 2016	Bond Anticipation Notes Out- standing at May 31, 2016
\$ -	\$ (184,887)	\$ 185,000
1,200	(99,551)	103,000
-	(59,717)	60,000
-	(565,929)	585,000
-	-	75,000
-	(21,333)	75,000
-	(166,076)	215,000
-	-	27,500
-	(29,740)	30,000
-	-	75,000
500,000	500,000	-
46,852	24,910	-
17,500	17,500	-
15,000	15,000	-
20,000	20,000	-
40,976	9,964	-
30,000	(6,466)	-
<u>\$ 4,024,636</u>	<u>\$ (766,217)</u>	<u>\$ 3,142,386</u>

**Village of Rye Brook, New York**

Combining Balance Sheet - Sub Funds  
 Non-Major Governmental Fund - Special Purpose Fund  
 May 31, 2016  
 (With Comparative Totals for 2015)

	Recreation Trust	Friends of Rye Brook	Totals	
			2016	2015
<b>ASSETS</b>				
Cash and equivalents	<u>\$ 183,601</u>	<u>\$ 69,182</u>	<u>\$ 252,783</u>	<u>\$ 252,643</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 1,892	\$ 1,892	\$ -
Due to other funds	-	8,028	8,028	8,028
<b>Total Liabilities</b>	-	9,920	9,920	8,028
<b>Fund balances</b>				
Restricted	<u>183,601</u>	<u>59,262</u>	<u>242,863</u>	<u>244,615</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 183,601</u>	<u>\$ 69,182</u>	<u>\$ 252,783</u>	<u>\$ 252,643</u>

**Village of Rye Brook, New York**

**Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances - Sub Funds  
Non-Major Governmental Fund - Special Purpose Fund  
Year Ended May 31, 2016  
(With Comparative Totals for 2015)**

	Recreation Trust	Friends of Rye Brook	Totals	
			2016	2015
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ 35
Miscellaneous	-	35,896	35,896	23,044
<b>Total Revenues</b>	<b>-</b>	<b>35,896</b>	<b>35,896</b>	<b>23,079</b>
<b>EXPENDITURES</b>				
Current				
Public safety	-	472	472	-
Culture and recreation	-	37,176	37,176	14,489
<b>Total Expenditures</b>	<b>-</b>	<b>37,648</b>	<b>37,648</b>	<b>14,489</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>(1,752)</b>	<b>(1,752)</b>	<b>8,590</b>
<b>FUND BALANCES</b>				
Beginning of Year	183,601	61,014	244,615	236,025
End of Year	\$ 183,601	\$ 59,262	\$ 242,863	\$ 244,615