

VILLAGE OF RYE BROOK, NEW YORK
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED MAY 31, 2007
WITH INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Rye Brook, New York as of and for the year ended May 31, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Rye Brook, New York as of May 31, 2007 and the respective changes in financial position, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

Bennett Kjelson Storch DeSantis

The Government Services Division of
O'Connor Davies Munns & Dobbins, LLP
October 4, 2007

Village of Rye Brook, New York
Management's Discussion and Analysis (MD&A)
May 31, 2007

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, 2007. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the Village's financial performance.

Financial Highlights

- ❖ On the government-wide financial statements, the assets of the Village exceeded its liabilities at the close of fiscal year 2007 by \$21,670,190. Of this amount, \$2,742,221 may be used to meet the Village's ongoing obligations to its citizens and creditors.
- ❖ As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$3,022,859. Exclusive of the Capital Projects Fund, the unreserved fund balance was \$2,790,366. Of this amount, the undesignated portion was \$2,311,366, which is available for spending at the Village's discretion. The fund balance of all governmental funds increased by approximately \$1,031,298, primarily attributable revenues exceeding expenditures and other financing uses.
- ❖ At the end of the fiscal years 2007 and 2006, unreserved fund balance for the General Fund was \$2,790,366 or 18% and \$2,252,765 or 15% respectively of total General Fund expenditures and other financing uses.
- ❖ During the current fiscal year, the Village issued no new serial bonds. Long-term liabilities were reduced by \$355,000 in scheduled payments.
- ❖ During the current fiscal year, the Village issued \$378,000 in short-term obligations (bond anticipation notes) to finance the cost of the various capital projects.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

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

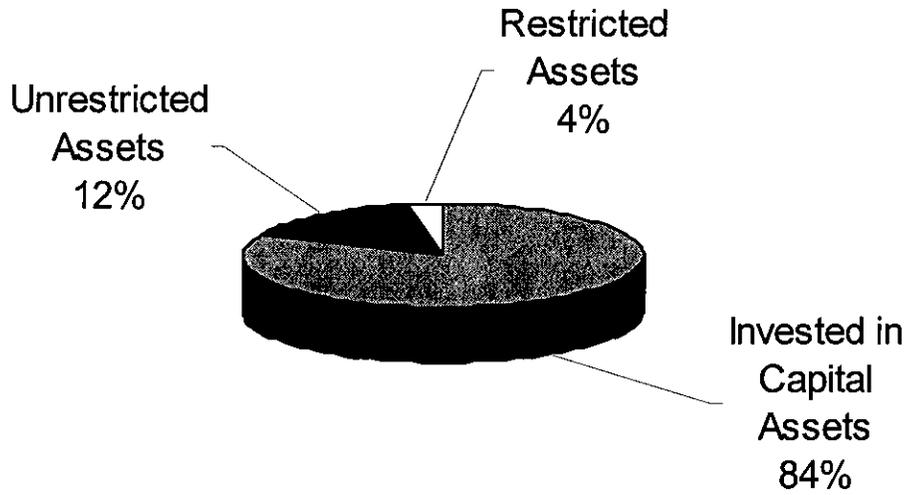
Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the Village, assets exceeded liabilities by \$21,670,190 at the close of the fiscal year 2006-2007. The largest portion of the Village's net assets is its investment in capital assets (land, land improvements, buildings and improvements, machinery and equipment and construction-in-progress), less any related debt outstanding that was used to acquire those assets. The Village uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Village's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

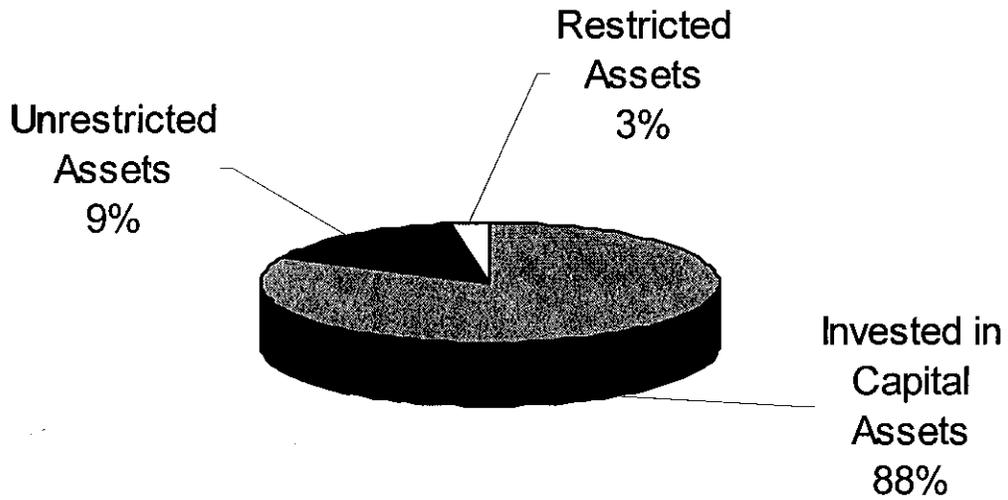
The following table reflects the condensed Statement of Net Assets:

	Net Assets	
	May 31,	
	June 30,	
	2007	2006
Current Assets	\$ 5,821,452	\$ 4,328,507
Capital Assets, net	24,479,435	22,736,895
Total Assets	30,300,887	27,065,402
Current Liabilities	2,848,620	2,474,725
Long-term Liabilities	5,782,077	6,106,135
Total Liabilities	8,630,697	8,580,860
Net Assets:		
Invested in Capital Assets, Net of Related Debt	18,156,523	16,338,484
Restricted	946,446	475,370
Unrestricted	2,567,221	1,670,868
Total Net Assets	\$ 21,670,190	\$ 18,484,722

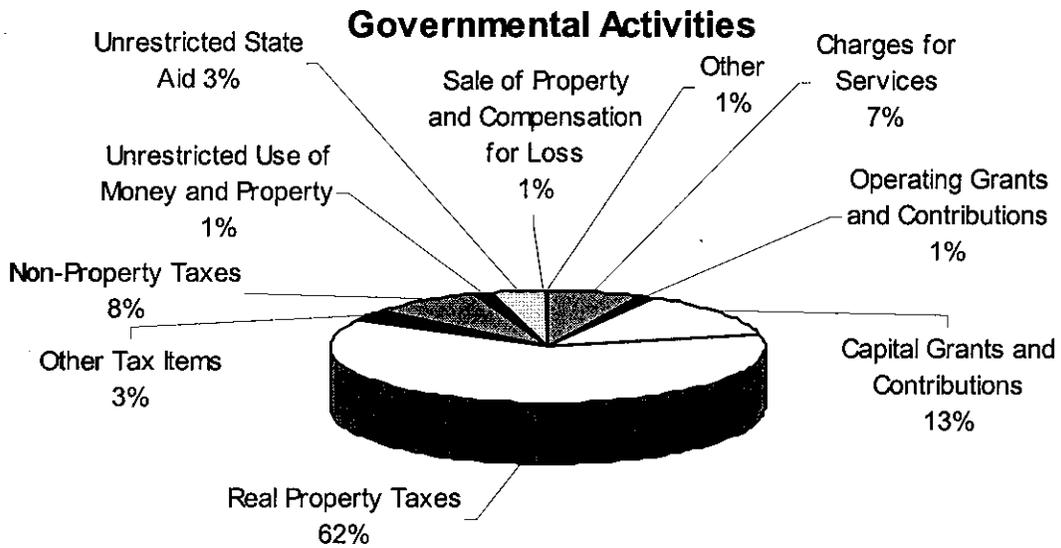
**Net Asset Distribution
For Fiscal Year 2007**



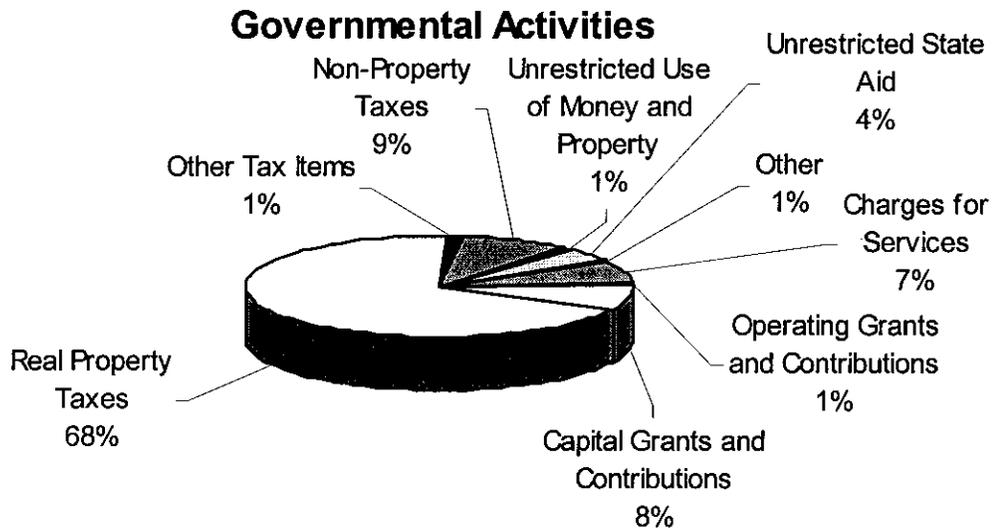
**Net Asset Distribution
For Fiscal Year 2006**



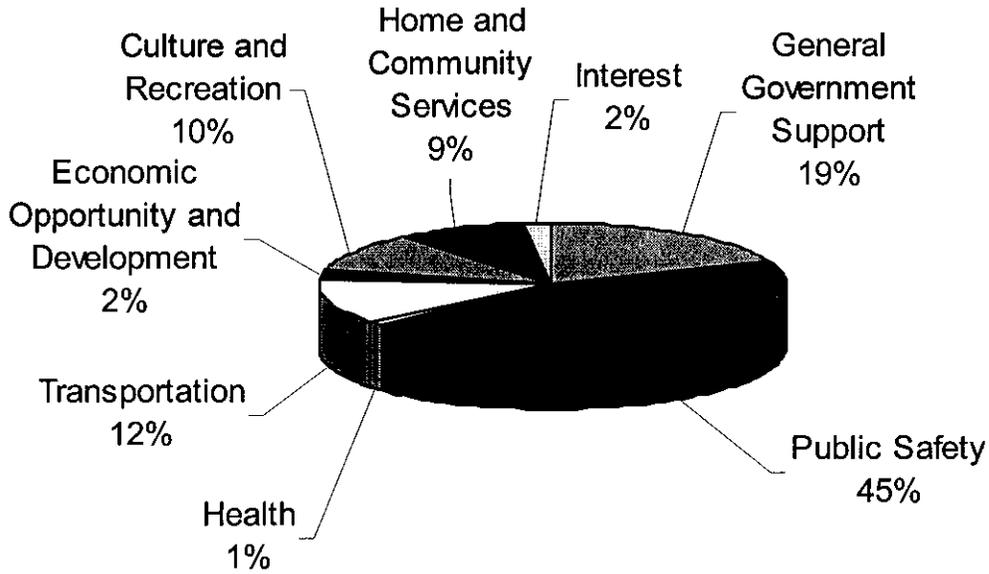
Sources of Revenue for Fiscal Year 2007



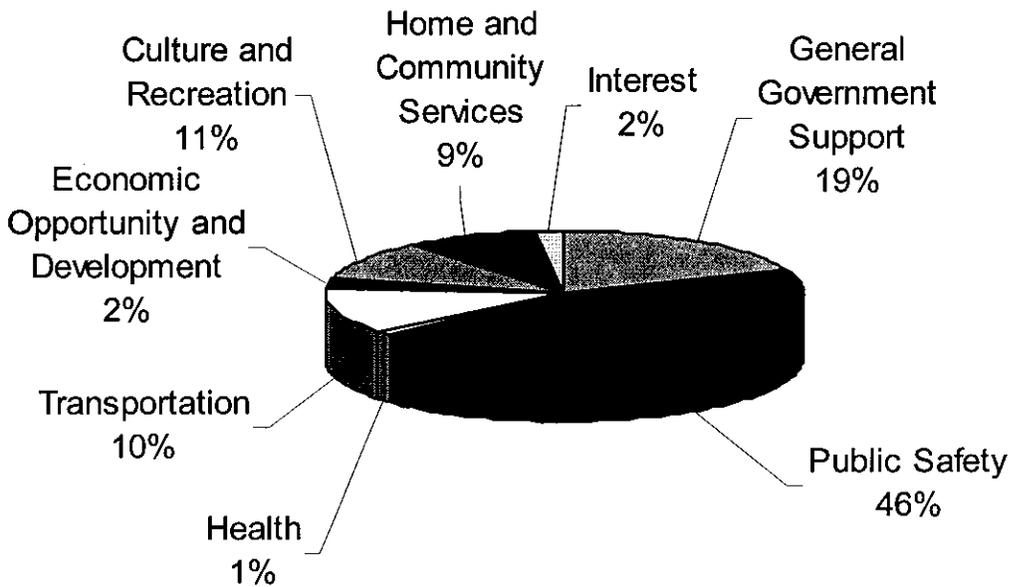
Sources of Revenue for Fiscal Year 2006



Sources of Expenses for Fiscal Year 2007 Governmental Activities



Sources of Expenses for Fiscal Year 2006 Governmental Activities



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

	2007	2006
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,281,323	\$ 1,131,210
Operating Grants and Contributions	196,735	62,793
Capital Grants and Contributions	2,394,414	1,252,481
Total Program Revenues	3,872,472	2,446,484
General Revenues:		
Real Property Taxes	11,383,169	10,670,394
Other Tax Items	558,725	213,681
Non-Property Taxes	1,537,753	1,461,992
Unrestricted Use of Money and Property	269,132	175,861
Unrestricted State Aid	685,279	636,947
Sale of Property and Compensation for Loss	63,104	75,476
Miscellaneous	6,785	41,820
Total General Revenues	14,503,947	13,276,171
Total Revenues	18,376,419	15,722,655
Program Expenses:		
General Government Support	2,874,095	2,694,202
Public Safety	6,690,699	6,664,175
Health	187,200	124,800
Transportation	1,839,970	1,386,721
Economic Opportunity and Development	330,955	326,686
Culture and Recreation	1,586,404	1,527,774
Home and Community Services	1,394,324	1,234,292
Interest	287,304	291,321
Total Expenses	15,190,951	14,249,971
Change in Net Assets	3,185,468	1,472,684
Net Assets - Beginning	18,484,722	17,012,038
Net Assets - Ending	\$ 21,670,190	\$ 18,484,722

Governmental Activities

Governmental activities increased the Village's net assets by \$3,185,468 in 2007 and increased the Villages net assets by \$1,472,684 in 2006.

For the fiscal years ended May 31, 2007 and 2006, revenues from governmental activities totaled \$18,376,419 and \$15,722,655, respectively. Tax revenues (\$13,479,647, in 2007 and \$12,346,067 in 2006), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (73% in 2007 and 78% in 2006).

The largest components of governmental activities' expenses are public safety (44% in 2007 and 47% in 2006), general government support (19% in 2007 and 19% in 2006) and transportation (10% in 2006 and 12% in 2007). The major changes are as follows:

Revenues:

- Total general revenues increased \$1,227,776 or 9.2% with real property taxes increasing by \$712,775 and payments in lieu of taxes increasing by \$344,602

Expenses:

- Total general expenses increased by \$940,980 or 6.6% mainly due to increases in transportation of \$453,244, general government support of \$179,898 and all other functions/programs by a total of \$307,838.

Financial Analysis of the Village's Funds

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

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$3,022,859. Of the unreserved fund balance, \$479,000 has been designated leaving an undesignated fund deficit of \$696,862. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for: prepaid expenditures \$160,793, to liquidate contracts and purchase orders of the prior period \$1,279,134, debt service \$175,000, trusts \$3,808 and reserved for parklands \$228,262.

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, unreserved and undesignated fund balance of the General Fund was \$2,311,366, representing 72% of the total General Fund balance of \$3,174,538. Revenues and other financing sources were \$16,339,412, which was \$1,225,551 greater than the final budget. The major areas where revenues exceeded the budget were the non-property taxes, department income, interest earnings and State aid (mortgage taxes). Expenditures and other financing uses were \$15,682,134, which was \$23,364 less than the final budget.

The Capital Projects Fund has an undesignated deficit of \$383,749 due to \$1,432,000 in bond anticipation notes payable. Bond anticipation notes are recognized as revenue only when they are redeemed and or converted to permanent financing.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for governmental activities at May 31, 2007, net of \$3,945,803 of accumulated depreciation, was \$24,479,435. This investment in capital assets includes land, land improvements, buildings and improvements, machinery and equipment and construction-in-progress.

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

Capital Assets May 31,

Class	2007	2006
Land	\$ 12,112,871	\$ 12,112,871
Building and Improvements	684,913	669,913
Machinery and Equipment	7,278,871	7,213,887
Infrastructure	3,648,230	3,320,453
Construction-in-Progress	4,700,353	2,890,214
Less - accumulated depreciation	(3,945,803)	(3,470,443)
Total (net of depreciation)	\$ 24,479,435	\$ 22,736,895

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

Long-Term Debt /Short-Term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$5,045,000. As required by New York State Law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village.

During the current fiscal year, the Village issued bond anticipation notes totaling \$378,000 for various capital projects. The Village paid \$431,250 on bond anticipation notes for capital projects.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the Village is subject to a "constitutional debt limit". This debt limit is calculated by taking 7% of the latest five-year average of the full valuation of all taxable real property within the Village. At May 31, 2007, the Village exhausted 3.1% of its constitutional debt capacity, and accordingly has the authority to issue up to an additional \$153,839,599 of general obligation long-term debt.

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

Requests for Information

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

VILLAGE OF RYE BROOK, NEW YORK

STATEMENT OF NET ASSETS
MAY 31, 2007

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 4,713,799
Receivables:	
Taxes	39,175
Accounts	139,897
Due from other governments	767,788
Prepaid expenses	160,793
Capital assets (net of accumulated depreciation):	
Land	12,112,871
Land improvements	407,157
Buildings and improvements	6,119,349
Machinery and equipment	1,139,705
Construction-in-progress	4,700,353
	<u>30,300,887</u>
Total Assets	
LIABILITIES	
Accounts payable	525,251
Accrued liabilities	545,669
Retainages payable	161,970
Deposits and other liabilities	2,898
Due to retirement systems	130,805
Bond anticipation notes payable	1,432,000
Accrued interest payable	50,027
Non-current liabilities:	
Due within one year:	
Bonds payable	365,000
Compensated absences	73,708
Due in more than one year:	
Bonds payable	4,680,000
Compensated absences	663,369
	<u>8,630,697</u>
Total Liabilities	
NET ASSETS	
Invested in capital assets, net of related debt	18,539,822
Restricted for capital projects	539,376
Restricted for debt service	175,000
Restricted for parklands	60,000
Restricted for special purposes	172,070
Unrestricted	2,183,922
	<u>21,670,190</u>
Total Net Assets	<u>\$ 21,670,190</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, 2007

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental activities:					
General government support	\$ 2,874,095	\$ 68,944	\$ -	\$ -	\$ (2,805,151)
Public safety	6,690,699	693,822	11,509	400,000	(5,585,368)
Health	187,200	6,260	-	-	(180,940)
Transportation	1,839,970	57,535	139,524	-	(1,642,911)
Economic opportunity and development	330,955	-	-	-	(330,955)
Culture and recreation	1,586,404	352,840	45,702	1,993,329	805,467
Home and community services	1,394,324	101,922	-	-	(1,292,402)
Interest	287,304	-	-	1,085	(286,219)
Total Governmental Activities	\$ 15,190,951	\$ 1,281,323	\$ 196,735	\$ 2,394,414	(11,318,479)
General Revenues:					
Real property taxes					11,383,169
Other tax items:					
Payments in lieu of taxes					547,055
Interest and penalties on real property taxes					11,670
Non-property taxes:					
Non-property tax distribution from County					1,157,058
Utilities gross receipts taxes					235,897
Franchise fees					144,798
Unrestricted use of money and property					269,132
Sale of property and compensation for loss					63,104
Unrestricted State aid					685,279
Miscellaneous					6,785
Total General Revenues					14,503,947
Change in Net Assets					3,185,468
Net Assets - Beginning					18,484,722
Net Assets - Ending					\$ 21,670,190

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

VILLAGE OF RYE BROOK, NEW YORK

BALANCE SHEET
GOVERNMENTAL FUNDS
MAY 31, 2007

	General	Capital Projects	Other Governmental Fund	Total Governmental Funds
ASSETS				
Cash and Equivalents	\$ 4,121,840	\$ 302,573	\$ 289,386	\$ 4,713,799
Taxes Receivable	39,175	-	-	39,175
Other Receivables:				
Accounts	139,897	-	-	139,897
Due from other governments	622,354	145,434	-	767,788
Due from other funds	7,528	1,273,403	16,157	1,297,088
Prepaid Expenditures	160,793	-	-	160,793
Total Assets	<u>\$ 5,091,587</u>	<u>\$ 1,721,410</u>	<u>\$ 305,543</u>	<u>\$ 7,118,540</u>
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities:				
Accounts payable	\$ 233,386	\$ 511,189	\$ 5,945	\$ 750,520
Accrued liabilities	320,400	-	-	320,400
Retainages payable	-	161,970	-	161,970
Deposits and other liabilities	2,898	-	-	2,898
Due to retirement systems	130,805	-	-	130,805
Due to other funds	1,229,560	-	67,528	1,297,088
Bond anticipation notes payable	-	1,432,000	-	1,432,000
Total Liabilities	<u>1,917,049</u>	<u>2,105,159</u>	<u>73,473</u>	<u>4,095,681</u>
Fund Balances (Deficits):				
Reserved for encumbrances	48,379	1,230,755	-	1,279,134
Reserved for prepaid expenditures	160,793	-	-	160,793
Reserved for debt service	175,000	-	-	175,000
Reserved for trusts	-	-	3,808	3,808
Reserved for parklands	-	-	228,262	228,262
Unreserved, reported in:				
General Fund	2,790,366	-	-	2,790,366
Capital Projects Fund	-	(1,614,504)	-	(1,614,504)
Total Fund Balances (Deficits)	<u>3,174,538</u>	<u>(383,749)</u>	<u>232,070</u>	<u>3,022,859</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 5,091,587</u>	<u>\$ 1,721,410</u>	<u>\$ 305,543</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds 24,479,435

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

Accrued interest payable (50,027)
Bonds payable (5,045,000)
Compensated absences (737,077)

Net Assets of Governmental Activities \$ 21,670,190

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, 2007

	General	Capital Projects	Other Governmental Fund	Total Governmental Funds
REVENUES				
Real property taxes	\$ 11,383,169	\$ -	\$ -	\$ 11,383,169
Other tax items	558,725	-	-	558,725
Non-property taxes	1,537,753	-	-	1,537,753
Departmental income	703,907	-	-	703,907
Culture and recreation	352,840	-	-	352,840
Intergovernmental charges	159,457	-	-	159,457
Use of money and property	269,132	1,085	14,907	285,124
Fines and forfeitures	65,119	-	-	65,119
Sale of property and compensation for loss	63,104	-	-	63,104
State aid	1,239,421	1,493,329	-	2,732,750
Miscellaneous	6,785	500,000	27,686	534,471
	<u>16,339,412</u>	<u>1,994,414</u>	<u>42,593</u>	<u>18,376,419</u>
Total Revenues				
EXPENDITURES				
Current:				
General government support	2,553,429	-	-	2,553,429
Public safety	4,754,305	-	675	4,754,980
Health	187,200	-	-	187,200
Transportation	1,087,023	-	-	1,087,023
Economic opportunity and development	249,442	-	-	249,442
Culture and recreation	1,224,783	-	36,101	1,260,884
Home and community services	1,475,996	-	-	1,475,996
Employee benefits	2,699,240	-	-	2,699,240
Debt Service:				
Principal	355,000	-	-	355,000
Interest	286,806	-	-	286,806
Capital Outlay	-	2,435,121	-	2,435,121
	<u>14,873,224</u>	<u>2,435,121</u>	<u>36,776</u>	<u>17,345,121</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>1,466,188</u>	<u>(440,707)</u>	<u>5,817</u>	<u>1,031,298</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	868,911	-	868,911
Transfers out	(808,911)	-	(60,000)	(868,911)
	<u>(808,911)</u>	<u>868,911</u>	<u>(60,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	657,277	428,204	(54,183)	1,031,298
Fund Balances (Defecits) - Beginning of Year	<u>2,517,261</u>	<u>(811,953)</u>	<u>286,253</u>	<u>1,991,561</u>
Fund Balances (Deficits) - End of Year	<u>\$ 3,174,538</u>	<u>\$ (383,749)</u>	<u>\$ 232,070</u>	<u>\$ 3,022,859</u>

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

VILLAGE OF RYE BROOK, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED MAY 31, 2007

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 1,031,298</u>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. This amount is less than the total capital outlay since capital outlay includes amounts that are under the capitalization threshold and, therefore, were not capitalized.</p>	
Capital outlay expenditures	2,217,900
Depreciation expense	<u>(475,360)</u>
	<u>1,742,540</u>
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>	
Principal paid on bonds	<u>355,000</u>
<p>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.</p>	
Accrued interest	(498)
Compensated absences	(31,122)
Judgments and claims	85,681
Claims payable	<u>2,569</u>
	<u>56,630</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 3,185,468</u></u>

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

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED MAY 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Real property taxes	\$ 11,383,169	\$ 11,383,169	\$ 11,383,169	\$ -
Other tax items	473,500	473,500	558,725	85,225
Non-property taxes	1,300,000	1,361,500	1,537,753	176,253
Departmental income	425,850	525,850	703,907	178,057
Culture and recreation	365,655	365,655	352,840	(12,815)
Intergovernmental charges	136,000	136,000	159,457	23,457
Use of money and property	100,000	200,000	269,132	69,132
Fines and forfeitures	50,000	50,000	65,119	15,119
Sale of property and compensation for loss	42,500	42,500	63,104	20,604
State aid	561,187	572,187	1,239,421	667,234
Miscellaneous	3,500	3,500	6,785	3,285
Total Revenues	14,841,361	15,113,861	16,339,412	1,225,551
Expenditures:				
Current:				
General government support	2,236,522	2,410,682	2,553,429	(142,747)
Public safety	4,753,288	4,768,471	4,754,305	14,166
Health	165,000	202,800	187,200	15,600
Transportation	1,057,658	1,091,358	1,087,023	4,335
Economic opportunity and development	254,113	252,238	249,442	2,796
Culture and recreation	1,162,892	1,232,077	1,224,783	7,294
Home and community services	1,521,710	1,475,999	1,475,996	3
Employee benefits	2,870,500	2,834,774	2,699,240	135,534
Debt Service:				
Principal	355,000	355,000	355,000	-
Interest	278,905	290,462	286,806	3,656
Total Expenditures	14,655,588	14,913,861	14,873,224	40,637
Excess of Revenues Over Expenditures	185,773	200,000	1,466,188	1,266,188
Other Financing Uses - Transfers out	(777,411)	(791,638)	(808,911)	(17,273)
Net Change in Fund Balance	(591,638)	(591,638)	657,277	1,248,915
Fund Balance - Beginning of Year	591,638	591,638	2,517,261	1,925,623
Fund Balance - End of Year	\$ -	\$ -	\$ 3,174,538	\$ 3,174,538

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, 2007

	<u>Agency</u>
ASSETS	
Cash - Demand deposits	\$ 157,283
Accounts Receivable	<u>35,263</u>
Total Assets	<u><u>\$ 192,546</u></u>
LIABILITIES	
Accounts Payable	\$ 18,605
Deposits	<u>173,941</u>
Total Liabilities	<u><u>\$ 192,546</u></u>

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

Note 1 - Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government which is the Village of Rye Brook, b) organizations for which the Village is financially accountable and c) other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 14.

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 in GASB Statement No. 14, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

B. Government-Wide Financial Statements

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

C. Fund Financial Statements

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

Fund Categories

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Net Assets or Fund Balances

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.

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.

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

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 January. 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, 2007, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 and equipment 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

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

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

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

F. Encumbrances

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

G. Use of Estimates

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

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2007

- 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. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- h) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Property Tax Limitation

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for 2006-2007 was \$45,781,600 which exceeded the actual levy by \$34,404,431.

C. Capital Projects Fund Deficit

The undesignated deficit in the Capital Projects Fund of \$1,614,504 arises in part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. The deficit will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits, where no bond anticipation notes were issued or outstanding to the extent of the project deficit, arise because of expenditures and encumbrances exceeding current financing on the projects. These deficits will be eliminated with the receipt or issuance of subsequent authorized financing.

C. Expenditures in Excess of Budget

The following capital project exceeded its' budgetary authorization by the amount indicated:

Highway Improvements – 2007	\$	28,512
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Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at May 31, 2007 consisted of the following:

Current Year	\$ 39,175
Allowance for Uncollectible Taxes	<u> -</u>
	<u>\$ 39,175</u>

B. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2006 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 7,528	\$ 1,229,560
Capital Projects	1,273,403	-
Non-Major Governmental Fund	<u>16,157</u>	<u>67,528</u>
	<u>\$ 1,297,088</u>	<u>\$ 1,297,088</u>

C. Capital Assets

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

<u>Class</u>	<u>Balance June 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance May 31, 2007</u>
Capital Assets, not being depreciated:				
Land	\$ 12,112,871	\$ -	\$ -	\$ 12,112,871
Construction-in-Progress	<u>2,890,214</u>	<u>1,826,684</u>	<u>16,545</u>	<u>4,700,353</u>
Total Capital Assets, not being depreciated	<u>\$ 15,003,085</u>	<u>\$ 1,826,684</u>	<u>\$ 16,545</u>	<u>\$ 16,813,224</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2007

Note 3 - Detailed Notes on All Funds (Continued)

Class	Balance June 1, 2006	Additions	Deductions	Balance May 31, 2007
Capital Assets, being depreciated:				
Buildings and Improvements	\$ 669,913	\$ 15,000	\$ -	\$ 684,913
Machinery and Equipment	7,213,887	64,984	-	7,278,871
Infrastructure	3,320,453	327,777	-	3,648,230
Total Capital Assets, being depreciated	<u>11,204,253</u>	<u>407,761</u>	<u>-</u>	<u>11,612,014</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	242,910	34,846	-	277,756
Machinery and Equipment	993,186	166,336	-	1,159,522
Infrastructure	2,234,347	274,178	-	2,508,525
Total Accumulated Depreciation	<u>3,470,443</u>	<u>475,360</u>	<u>-</u>	<u>3,945,803</u>
Total Capital Assets, being depreciated, net	<u>\$ 7,733,810</u>	<u>\$ (67,599)</u>	<u>\$ -</u>	<u>\$ 7,666,211</u>
Capital Assets, net	<u>\$ 22,736,895</u>	<u>\$ 1,759,085</u>	<u>\$ 16,545</u>	<u>\$ 24,479,435</u>

The Village has not yet determined the cost of its infrastructure assets acquired prior to June 1, 2007.

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

Governmental Activities:	
General Government Support	\$ 110,372
Public Safety	244,502
Transportation	57,383
Culture and Recreation	<u>63,103</u>
Total Depreciation Expense	<u>\$ 475,360</u>

Construction Commitments

The Village has active construction projects as of May 31, 2007. These projects include new construction and renovations to existing properties.

Note 3 - Detailed Notes on All Funds (Continued)

D. Accrued Liabilities

The Village has reported accrued liabilities for payroll and employee benefits of \$47,938 and contractual obligations of \$272,462 in the General Fund.

E. Pension Plans

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

Funding Policy - The Systems are non-contributory except for employees who joined ERS after July 27, 1976 and have less than ten years of service, who contribute 3% of their salary. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion (GTLI) and regular pension contributions. Contribution rates for the plans' year ended March 31, 2007 are as follows:

	<u>Tier/Plan/Option</u>	<u>Rate</u>
ERS	1/75I/41J	13.3 %
	3/A14/41J	9.8
	4/A15/41J	9.8
PFRS	1/375I/3029D	18.3
	1/384D/3029D	20.2
	2/384D	15.0

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

	<u>ERS</u>	<u>PFRS</u>
2007	\$ 258,266	\$ 476,669
2006	271,380	430,437
2005	270,783	437,974

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

Note 3 - Detailed Notes on All Funds (Continued)

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

F. Short-Term Capital Borrowings

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

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance June 1, 2006	New Issues	Redemptions	Balance May 31, 2007
Purchase of Fire Rescue Pumper	2001	10/06	3.29	\$ 75,750	\$ -	\$ 75,750	\$ -
Pine Ridge Red Roof Field	2001	07/06	2.99	75,000	-	75,000	-
Soccer/Baseball Field Renovation	2002	10/07	3.66	50,000	-	25,000	25,000
Fire House Cleanup	2003	11/07	3.68	262,500	-	87,500	175,000
Purchase of Dump Truck	2004	08/07	3.87	46,000	-	11,500	34,500
King Street Playing Field	2004	10/07	3.87	500,000	-	125,000	375,000
Purchase of Dump Truck and Plow	2005	05/08	3.55	126,000	-	31,500	94,500
King Street Playing Field	2005	08/07	3.87	200,000	-	-	200,000
Street Lighting Replacement	2006	03/08	3.56	100,000	-	-	100,000
Improvements to Village Parks	2006	10/07	3.84	50,000	-	-	50,000
Police and Maintenance Vehicles and Pine Ridge Park	2006	09/07	3.70	-	198,000	-	198,000
Improvements to Village Sidewalks	2007	07/07	3.63	-	150,000	-	150,000
Police Department Base Station Radio Replacement	2007	04/08	3.55	-	30,000	-	30,000
				<u>\$ 1,485,250</u>	<u>\$ 378,000</u>	<u>\$ 431,250</u>	<u>\$ 1,432,000</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 \$49,074 were recorded in the fund financial statements in the General Fund. Interest expense of \$51,292 was recorded in the government-wide financial statements for governmental activities.

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2007

Note 3 - Detailed Notes on All Funds (Continued)

G. Long-Term Liabilities

The following table summarizes changes in the Village's long-term liabilities for the year ended May 31, 2007:

	Balance June 1, 2006	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2007	Due Within One-Year
Bonds Payable	\$ 5,400,000	\$ -	\$ 355,000	\$ 5,045,000	\$ 365,000
Compensated Absences	706,135	101,538	70,596	737,077	73,708
Retirement Incentives and Liabilities	<u>\$ 6,106,135</u>	<u>\$ 101,538</u>	<u>\$ 425,596</u>	<u>\$ 5,782,077</u>	<u>\$ 438,708</u>

Each governmental fund's liability for bonds, compensated absences and claims is liquidated by the respective fund.

Bonds Payable

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2007
Various Village Purposes	1987	\$ 824,557	December, 2008	6.875 %	\$ 25,000
Various Village Purposes	1995	3,200,000	November, 2015	4.80 - 5.250	1,825,000
Various Village Purposes	1998	896,000	April, 2014	4.900	480,000
Various Village Purposes	2003	3,100,000	September, 2018	3.25 - 4.500	<u>2,715,000</u>
					<u>\$ 5,045,000</u>

Interest expenditures of \$237,731 were recorded in the fund financial statements. Interest expense of \$236,011 was recorded in the government-wide financial statements.

The annual requirements to amortize all bonded debt outstanding as of May 31, 2007 including interest payments of \$1,521,547 are as follows:

Note 3 - Detailed Notes on All Funds (Continued)

Year Ending May 31,	Principal	Interest	Total
2008	\$ 365,000	\$ 221,748	\$ 586,748
2009	390,000	205,109	595,109
2010	420,000	187,391	607,391
2011	435,000	168,551	603,551
2012	445,000	148,806	593,806
2013-2017	1,950,000	439,146	2,389,146
2018-2022	875,000	143,783	1,018,783
2023	165,000	7,013	172,013
	<u>\$ 5,045,000</u>	<u>\$ 1,521,547</u>	<u>\$ 6,566,547</u>

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

Compensated Absences

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

H. Revenues and Expenditures

Interfund Transfers

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

<u>Transfers Out</u>	<u>Transfers In</u>	
	<u>Capital Projects</u>	<u>Total</u>
General	\$ 808,911	\$ 808,911
Non-Major Govern- mental	60,000	60,000
	<u>\$ 868,911</u>	<u>\$ 868,911</u>

Note 3 - Detailed Notes on All Funds (Continued)

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

I. Post-Employment Health Care Benefits

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of the contribution. Contributions by the Village may vary according to length of service. Substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The cost of retiree health care benefits is recognized as an expenditure as claims are paid. During the year, \$213,038 was paid on behalf of 33 retirees. This amount has been recorded as an expenditure and expense.

J. Net Assets

The components of net assets are detailed below:

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

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

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

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

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

K. Fund Balances

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

Note 3 - Detailed Notes on All Funds (Continued)

Reserved

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

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

The Reserve for Debt Service represents a segregation of the fund balance for debt service in accordance with the provisions of the Local Finance Law of the State of New York.

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

The Reserve 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.

Unreserved - Designated for Subsequent Year's Expenditures

General Fund - Designations of fund balance are not legally required segregations but represent intended use for a specific purpose. At May 31, 2007, the Village Board has designated that \$479,000 of the fund balance of the General Fund be appropriated for ensuing year's budget.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

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

The Village participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. The Village's compliance with applicable grant requirements will 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 various providers except for members of the Teamsters Union. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

Note 5 - Subsequent Events

As follows, the Village issued/renewed various bond anticipation notes subsequent to May 31, 2007:

<u>Issue/ Renewal Date</u>	<u>Amount</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Purpose</u>
August 2007	\$ 23,000	August 22, 2008	3.94 %	Purchase of Dump Truck
August 2007	150,000	August 22, 2008	3.94	King Street Playing Field
September 2007	121,000	September 18, 2008	3.65	Purchase of Dump Truck
September 2007	198,000	September 19, 2008	3.62	Vehicles, Equipment and Land Improvements
	<u>\$ 492,000</u>			

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 4,121,640	\$ 2,858,762
Petty cash	200	200
	<u>4,121,840</u>	<u>2,858,962</u>
Taxes Receivable	<u>39,175</u>	<u>38,164</u>
Other Receivables:		
Accounts	139,897	187,627
Due from other governments	622,354	495,795
Due from other funds	7,528	7,528
	<u>769,779</u>	<u>690,950</u>
Prepaid Expenditures	<u>160,793</u>	<u>147,860</u>
Total Assets	<u>\$ 5,091,587</u>	<u>\$ 3,735,936</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 233,386	\$ 219,586
Accrued liabilities	320,400	48,965
Deposits and other liabilities	2,898	2,632
Due to retirement systems	130,805	132,291
Due to other funds	1,229,560	815,201
Total Liabilities	<u>1,917,049</u>	<u>1,218,675</u>
Fund Balance:		
Reserved for encumbrances	48,379	113,977
Reserved for prepaid expenditures	160,793	147,860
Reserved for debt service	175,000	2,659
Unreserved:		
Designated for subsequent years expenditures	479,000	477,661
Designated for health insurance	-	268,000
Undesignated	2,311,366	1,507,104
Total Fund Balance	<u>3,174,538</u>	<u>2,517,261</u>
Total Liabilities and Fund Balance	<u>\$ 5,091,587</u>	<u>\$ 3,735,936</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, 2007 AND 2006

	2007			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 11,383,169	\$ 11,383,169	\$ 11,383,169	\$ -
Other tax items	473,500	473,500	558,725	85,225
Non-property taxes	1,300,000	1,361,500	1,537,753	176,253
Departmental income	425,850	525,850	703,907	178,057
Culture and recreation	365,655	365,655	352,840	(12,815)
Intergovernmental charges	136,000	136,000	159,457	23,457
Use of money and property	100,000	200,000	269,132	69,132
Fines and forfeitures	50,000	50,000	65,119	15,119
Sale of property and compensation for loss	42,500	42,500	63,104	20,604
State aid	561,187	572,187	1,239,421	667,234
Miscellaneous	3,500	3,500	6,785	3,285
Total Revenues	14,841,361	15,113,861	16,339,412	1,225,551
Expenditures:				
Current:				
General government support	2,236,522	2,410,682	2,553,429	(142,747)
Public safety	4,753,288	4,768,471	4,754,305	14,166
Health	165,000	202,800	187,200	15,600
Transportation	1,057,658	1,091,358	1,087,023	4,335
Economic opportunity and development	254,113	252,238	249,442	2,796
Culture and recreation	1,162,892	1,232,077	1,224,783	7,294
Home and community services	1,521,710	1,475,999	1,475,996	3
Employee benefits	2,870,500	2,834,774	2,699,240	135,534
Debt Service:				
Principal	355,000	355,000	355,000	-
Interest	278,905	290,462	286,806	3,656
Total Expenditures	14,655,588	14,913,861	14,873,224	40,637
Excess (Deficiency) of Revenues Over Expenditures	185,773	200,000	1,466,188	1,266,188
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(777,411)	(791,638)	(808,911)	(17,273)
Total Other Financing Uses	(777,411)	(791,638)	(808,911)	(17,273)
Net Change in Fund Balance	(591,638)	(591,638)	657,277	1,248,915
Fund Balance - Beginning of Year	591,638	591,638	2,517,261	1,925,623
Fund Balance - End of Year	\$ -	\$ -	\$ 3,174,538	\$ 3,174,538

2006			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 10,686,566	\$ 10,686,566	\$ 10,670,394	\$ (16,172)
223,500	223,500	213,681	(9,819)
1,235,000	1,320,000	1,461,992	141,992
354,980	629,980	676,480	46,500
302,155	302,155	295,554	(6,601)
70,000	70,000	104,573	34,573
80,000	80,000	175,861	95,861
45,000	45,000	54,603	9,603
57,500	57,500	75,476	17,976
521,989	621,989	650,700	28,711
3,500	3,500	41,820	38,320
<u>13,580,190</u>	<u>14,040,190</u>	<u>14,421,134</u>	<u>380,944</u>
2,102,612	2,210,894	2,114,087	96,807
4,638,374	4,721,906	4,720,067	1,839
113,600	124,800	124,800	-
1,071,396	1,025,039	1,022,701	2,338
236,036	243,134	238,778	4,356
1,083,241	1,150,436	1,145,578	4,858
1,632,149	1,350,031	1,324,791	25,240
2,438,700	2,809,075	2,802,959	6,116
345,000	345,000	345,000	-
281,694	281,588	281,587	1
<u>13,942,802</u>	<u>14,261,903</u>	<u>14,120,348</u>	<u>141,555</u>
<u>(362,612)</u>	<u>(221,713)</u>	<u>300,786</u>	<u>522,499</u>
-	-	71,889	71,889
<u>(843,850)</u>	<u>(984,749)</u>	<u>(983,032)</u>	<u>1,717</u>
<u>(843,850)</u>	<u>(984,749)</u>	<u>(911,143)</u>	<u>73,606</u>
(1,206,462)	(1,206,462)	(610,357)	596,105
<u>1,206,462</u>	<u>1,206,462</u>	<u>3,127,618</u>	<u>1,921,156</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,517,261</u>	<u>\$ 2,517,261</u>

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2007

(With Comparative Actuals for 2006)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2006 Actual
REAL PROPERTY TAXES	\$ 11,383,169	\$ 11,383,169	\$ 11,383,169	\$ -	\$ 10,670,394
OTHER TAX ITEMS					
Payments in lieu of taxes	470,000	470,000	547,055	77,055	202,453
Interest and penalties on real property taxes	3,500	3,500	11,670	8,170	11,228
	473,500	473,500	558,725	85,225	213,681
NON-PROPERTY TAXES					
Non-property tax distribution from County	980,000	1,041,500	1,157,058	115,558	1,104,244
Utilities gross receipts taxes	200,000	200,000	235,897	35,897	222,968
Franchise fees	120,000	120,000	144,798	24,798	134,780
	1,300,000	1,361,500	1,537,753	176,253	1,461,992
DEPARTMENTAL INCOME					
Clerk fees	2,500	2,500	3,825	1,325	735
Police fees	1,850	1,850	12,869	11,019	14,114
Vital statistics	6,500	6,500	6,260	(240)	7,730
Safety inspection fees	325,000	425,000	603,848	178,848	571,424
Alarm permits	90,000	90,000	77,105	(12,895)	82,477
	425,850	525,850	703,907	178,057	676,480

CULTURE AND RECREATION

Parks and recreation charges	345,655	345,655	335,260	(10,395)	275,054
Senior center rental	20,000	20,000	17,580	(2,420)	20,500
	<u>365,655</u>	<u>365,655</u>	<u>352,840</u>	<u>(12,815)</u>	<u>295,554</u>

INTERGOVERNMENTAL CHARGES

Snow removal	-	-	17,535	17,535	37,380
Airport revenue	40,000	40,000	40,000	-	40,000
Other governmental services - Home and community services	96,000	96,000	101,922	5,922	27,193
	<u>136,000</u>	<u>136,000</u>	<u>159,457</u>	<u>23,457</u>	<u>104,573</u>

USE OF MONEY AND PROPERTY

Interest earnings	100,000	200,000	269,132	69,132	175,861
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FINES AND FORFEITURES

Fine and forfeited bail	50,000	50,000	65,119	15,119	54,603
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of equipment	2,500	2,500	-	(2,500)	-
Insurance recoveries	40,000	40,000	63,104	23,104	75,476
	<u>42,500</u>	<u>42,500</u>	<u>63,104</u>	<u>20,604</u>	<u>75,476</u>

(Continued)

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND

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

YEAR ENDED MAY 31, 2007

(With Comparative Actuals for 2006)

	Original Budget	Final Budget	Actual	Variance with Final Budget (Negative)	2006 Actual
STATE AID					
Per capita	\$ 38,687	\$ 38,687	\$ 46,410	\$ 7,723	\$ 38,687
Mortgage tax	470,000	481,000	638,869	157,869	598,260
Records management	-	-	-	-	3,450
Consolidated highway improvement aid	40,000	40,000	139,524	99,524	4,232
Youth funding	2,500	2,500	4,165	1,665	-
Soil remediation	-	-	400,000	400,000	-
Speed and alcohol enforcement	10,000	10,000	10,453	453	6,071
	<u>561,187</u>	<u>572,187</u>	<u>1,239,421</u>	<u>667,234</u>	<u>650,700</u>
MISCELLANEOUS					
Unclassified	<u>3,500</u>	<u>3,500</u>	<u>6,785</u>	<u>3,285</u>	<u>41,820</u>
TOTAL REVENUES	14,841,361	15,113,861	16,339,412	1,225,551	14,421,134
OTHER FINANCING SOURCES					
Transfers in - Capital Projects Fund	-	-	-	-	71,889
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 14,841,361	\$ 15,113,861	\$ 16,339,412	\$ 1,225,551	\$ 14,493,023

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET
 YEAR ENDED MAY 31, 2007
 (With Comparative Actuals for 2006)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2006 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 10,000	\$ 11,128	\$ 11,128	\$ -	\$ 8,233
Administrator	190,594	201,375	201,375	-	190,962
Treasurer	361,834	436,160	382,725	53,435	381,273
Village office	113,405	120,243	120,239	4	128,481
Clerk	76,949	84,803	84,799	4	95,145
Village attorney	150,250	217,363	217,362	1	156,990
Management information systems	149,491	172,923	166,092	6,831	156,677
Central communications	45,000	40,354	40,354	-	52,006
Central garage	390,999	444,348	418,973	25,375	385,741
Central supplies	38,000	27,457	27,457	-	38,483
Central printing and mailing	45,000	44,129	44,128	1	47,188
Unallocated insurance	350,000	342,975	342,684	291	339,242
Consulting fees	100,000	131,011	131,011	-	98,464
Bonding expenses	7,000	4,678	4,677	1	8,902
Judgments and claims	15,000	131,735	360,425	(228,690)	26,300
Contingency account	193,000	-	-	-	-
	<u>2,236,522</u>	<u>2,410,682</u>	<u>2,553,429</u>	<u>(142,747)</u>	<u>2,114,087</u>
PUBLIC SAFETY					
Police Department	2,805,895	2,812,980	2,807,835	5,145	2,672,010
Control of animals	17,673	14,378	14,378	-	17,673
Fire protection	1,532,086	1,526,840	1,517,826	9,014	1,674,306
Safety inspection	397,634	414,273	414,266	7	356,078
	<u>4,753,288</u>	<u>4,768,471</u>	<u>4,754,305</u>	<u>14,166</u>	<u>4,720,067</u>

HEALTH

Ambulance service 165,000 202,800 187,200 15,600 124,800

TRANSPORTATION

Highway maintenance 762,658 805,697 802,533 3,164 730,458
 Snow removal 115,000 99,661 99,137 524 169,353
 Street lighting 180,000 186,000 185,353 647 122,890
1,057,658 1,091,358 1,087,023 4,335 1,022,701

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Community services, programs for the aging 254,113 252,238 249,442 2,796 238,778

CULTURE AND RECREATION

Recreation 792,932 862,117 857,953 4,164 782,142
 Teen center 10,000 10,000 8,885 1,115 6,535
 Public library 351,320 351,320 351,320 - 348,592
 Handicapped 8,640 8,640 6,625 2,015 8,309
1,162,892 1,232,077 1,224,783 7,294 1,145,578

HOME AND COMMUNITY SERVICES

Part-time videotaping 5,000 2,692 2,691 1 -
 Planning board 3,000 3,049 3,048 1 1,971
 Hydrant rental 140,000 164,467 164,467 - 91,459
 Disposal fees 105,000 147,064 147,064 - 103,421
 Recycling and refuse collection 830,700 859,951 859,951 - 861,062
 Shade trees 50,000 48,497 48,496 1 49,516
 Sewer district 388,010 250,279 250,279 - 217,362
1,521,710 1,475,999 1,475,996 3 1,324,791

(Continued)

VILLAGE OF RYE BROOK, NEW YORK

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)
 YEAR ENDED MAY 31, 2007
 (With Comparative Actuals for 2006)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2006 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 735,000	\$ 736,244	\$ 734,935	\$ 1,309	\$ 701,817
Social security	420,000	433,012	433,011	1	419,846
Worker's compensation	175,000	133,600	133,600	-	163,619
Life insurance	24,000	21,792	21,792	-	21,010
Unemployment insurance	18,000	22,809	22,809	-	18,447
Disability insurance	3,000	3,833	3,832	1	1,326
Health and dental insurance	1,491,500	1,482,584	1,348,361	134,223	1,476,402
Other benefits	4,000	900	900	-	492
	<u>2,870,500</u>	<u>2,834,774</u>	<u>2,699,240</u>	<u>135,534</u>	<u>2,802,959</u>
DEBT SERVICE					
Principal - Serial bonds	355,000	355,000	355,000	-	345,000
Interest:					
Serial bonds	237,732	240,779	237,731	3,048	253,105
Bond anticipation notes	41,173	49,683	49,075	608	28,482
	<u>278,905</u>	<u>290,462</u>	<u>286,806</u>	<u>3,656</u>	<u>281,587</u>
	<u>633,905</u>	<u>645,462</u>	<u>641,806</u>	<u>3,656</u>	<u>626,587</u>
TOTAL EXPENDITURES	14,655,588	14,913,861	14,873,224	40,637	14,120,348
OTHER FINANCING USES					
Transfers out - Capital Projects Fund	777,411	791,638	808,911	(17,273)	983,032
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 15,432,999</u>	<u>\$ 15,705,499</u>	<u>\$ 15,682,135</u>	<u>\$ 23,364</u>	<u>\$ 15,103,380</u>

VILLAGE OF RYE BROOK, NEW YORK

CAPITAL PROJECTS FUND
 COMPARATIVE BALANCE SHEET
 MAY 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 302,573	\$ 267,291
Receivables:		
Due from other governments	145,434	283,347
Due from other funds	<u>1,273,403</u>	<u>565,069</u>
	<u>1,418,837</u>	<u>848,416</u>
Total Assets	<u>\$ 1,721,410</u>	<u>\$ 1,115,707</u>
<u>LIABILITIES AND FUND DEFICIT</u>		
Liabilities:		
Accounts payable	\$ 511,189	\$ 355,705
Retainages payable	161,970	86,705
Bond anticipation notes payable	<u>1,432,000</u>	<u>1,485,250</u>
Total Liabilities	<u>2,105,159</u>	<u>1,927,660</u>
Fund Balance (Deficit):		
Reserved for encumbrances	1,230,755	1,230,755
Unreserved and undesignated	<u>(1,614,504)</u>	<u>(2,042,708)</u>
Total Fund Deficit	<u>(383,749)</u>	<u>(811,953)</u>
Total Liabilities and Fund Deficit	<u>\$ 1,721,410</u>	<u>\$ 1,115,707</u>

VILLAGE OF RYE BROOK, NEW YORK

CAPITAL PROJECTS FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 YEARS ENDED MAY 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Revenues:		
Use of money and property	\$ 1,085	\$ 1,118
State aid	1,493,329	-
Miscellaneous	<u>500,000</u>	<u>1,251,363</u>
Total Revenues	1,994,414	1,252,481
Expenditures - Capital outlay	<u>2,435,121</u>	<u>2,532,660</u>
Deficiency of Revenues Over Expenditures	<u>(440,707)</u>	<u>(1,280,179)</u>
Other Financing Sources (Uses):		
Transfers in	868,911	983,032
Transfers out	<u>-</u>	<u>(71,889)</u>
Total Other Financing Sources	<u>868,911</u>	<u>911,143</u>
Net Change in Fund Balance	428,204	(369,036)
Fund Deficit - Beginning of Year	<u>(811,953)</u>	<u>(442,917)</u>
Fund Deficit - End of Year	<u>\$ (383,749)</u>	<u>\$ (811,953)</u>

VILLAGE OF RYE BROOK, NEW YORK

CAPITAL PROJECTS FUND
 PROJECT LENGTH SCHEDULE
 INCEPTION OF PROJECT THROUGH MAY 31, 2007

<u>Project</u>	<u>Authorization</u>	<u>Expenditures and Transfers</u>	<u>Unexpended Balance</u>
GIS System	\$ 80,000	\$ 22,369	\$ 57,631
Firehouse	3,450,000	3,334,601	115,399
King Street Athletic Fields	3,908,278	3,602,195	306,083
Fire Rescue Pumper	303,000	303,000	-
Upgrade AS400 Computer System	75,000	27,416	47,584
Fingerprint Card Scan System	29,000	27,250	1,750
ICOP Network	15,000	13,052	1,948
Parks Garage Fire Bays Conversion	12,000	8,983	3,017
Resurface Garibaldi Tennis Courts	12,000	12,000	-
Light Dump Truck	46,000	-	46,000
Dump Truck and Plow Attachments	126,000	58,620	67,380
Pine Ridge Park Bathroom Facilities	150,000	53,044	96,956
Police Vehicles	52,000	46,266	5,734
Staff Vehicle	21,000	-	21,000
Lead Loader Vacuum Truck	35,000	34,156	844
Portable Police Radios	13,600	13,600	-
Curb Machine	12,000	-	12,000
John Deere 935 Mower	20,000	13,981	6,019
AJP Community Center Roof	61,000	45,897	15,103
Pine Ridge Tennis Courts Resurfacing	30,000	15,000	15,000
Rye Hills Basketball Court Resurfacing	40,000	7,480	32,520
Harkness Park Fencing	30,000	14,000	16,000
Highway Improvements - 2006	300,000	291,394	8,606
Replace 1992 Ford Dump Truck	125,000	120,985	4,015
Garibaldi Park Sprinkler System	50,000	40,615	9,385
Street Light Replacement	100,000	100,000	-
Base Station Radio Replacement	30,000	30,000	-
Police Vehicles - 2007	78,000	75,648	2,352
Highway Vehicles	50,000	47,669	2,331
Highway Improvements - 2007	325,000	353,512	(28,512)
Parks Pickup Truck	30,000	30,000	-
Replace AJP Community Center Tile Floor	24,461	19,087	5,374
Resurface Pine Ridge Park Tennis Courts	15,000	15,000	-
Sidewalk Improvement Project	150,000	-	150,000
Building Violations Software	13,200	-	13,200
Pine Ridge Park Sprinkler System	100,000	86,468	13,532
TOTALS	\$ 9,911,539	\$ 8,863,288	\$ 1,048,251

Methods of Financing				Fund Balance (Deficit) at May 31, 2007	Bond
Proceeds of Obligations	Interfund Transfers	Other	Total		Anticipation Notes Out- standing at May 31, 2007
\$ -	\$ 80,000	\$ -	\$ 80,000	\$ 57,631	\$ -
3,275,000	-	-	3,275,000	(59,601)	175,000
200,000	126,000	2,982,278	3,308,278	(293,917)	600,000
303,000	-	-	303,000	-	-
75,000	-	-	75,000	47,584	-
-	29,000	-	29,000	1,750	-
-	15,000	-	15,000	1,948	-
-	12,000	-	12,000	3,017	-
-	12,000	-	12,000	-	-
11,500	-	-	11,500	11,500	34,500
31,500	-	-	31,500	(27,120)	94,500
150,000	-	-	150,000	96,956	-
-	52,000	-	52,000	5,734	-
-	21,000	-	21,000	21,000	-
-	35,000	-	35,000	844	-
-	13,600	-	13,600	-	-
-	12,000	-	12,000	12,000	-
-	20,000	-	20,000	6,019	-
-	61,000	-	61,000	15,103	-
-	30,000	-	30,000	15,000	-
-	40,000	-	40,000	32,520	-
-	30,000	-	30,000	16,000	-
-	300,000	-	300,000	8,606	-
-	125,000	-	125,000	4,015	-
-	-	-	-	(40,615)	50,000
-	-	-	-	(100,000)	100,000
-	-	-	-	(30,000)	30,000
-	-	-	-	(75,648)	78,000
-	-	-	-	(47,669)	50,000
-	325,000	-	325,000	(28,512)	-
-	-	-	-	(30,000)	30,000
-	24,461	-	24,461	5,374	-
-	15,000	-	15,000	-	-
-	-	-	-	-	150,000
-	13,200	-	13,200	13,200	-
-	60,000	-	60,000	(26,468)	40,000
<u>\$ 4,046,000</u>	<u>\$ 1,451,261</u>	<u>\$ 2,982,278</u>	<u>\$ 8,479,539</u>	<u>\$ (383,749)</u>	<u>\$ 1,432,000</u>

VILLAGE OF RYE BROOK, NEW YORK

COMPARATIVE BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUND - SPECIAL PURPOSE FUND
 MAY 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 289,386	\$ 49,461
Due from Other Funds	16,157	250,132
	<u> </u>	<u> </u>
Total Assets	<u>\$ 305,543</u>	<u>\$ 299,593</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ 5,945	\$ 5,812
Due to other funds	67,528	7,528
	<u> </u>	<u> </u>
Total Liabilities	73,473	13,340
Fund Balance:		
Reserved for trusts	3,808	12,898
Reserved for parklands	228,262	273,355
	<u> </u>	<u> </u>
Total Fund Balance	<u>232,070</u>	<u>286,253</u>
	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	<u>\$ 305,543</u>	<u>\$ 299,593</u>

VILLAGE OF RYE BROOK, NEW YORK

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUND - SPECIAL PURPOSE FUND
 YEARS ENDED MAY 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Revenues:		
Use of money and property	\$ 14,907	\$ 6,148
Miscellaneous	27,686	42,892
Total Revenues	<u>42,593</u>	<u>49,040</u>
Expenditures		
Current -		
Public safety	675	2,338
Culture and recreation	36,101	27,886
Total Expenditures	<u>36,776</u>	<u>30,224</u>
Excess of Revenues Over Expenditures	5,817	18,816
Other Financing Uses - Transfers out	<u>(60,000)</u>	<u>-</u>
Net Change in Fund Balance	(54,183)	18,816
Fund Balance - Beginning of Year	<u>286,253</u>	<u>267,437</u>
Fund Balance - End of Year	<u>\$ 232,070</u>	<u>\$ 286,253</u>