

VILLAGE OF NYACK
MAY 31, 2012

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VILLAGE OF NYACK
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Gentlemen:

We have audited the accompanying general purpose financial statements of the Village of Nyack as of and for the year ended May 31, 2012. These general purpose financial statements are the responsibility of the Village of Nyack's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 opinion.

The scope of our audit was limited by the fact that we did not verify the accuracy of the general fund fixed assets by physical inspection, nor were we able to confirm the balances due from other local governments.

As the Village of Nyack did not obtain detailed valuation and accumulated depreciation totals on its infrastructure assets, we are unable to meet the reporting requirements of G.A.S.B. 34

Management discussion and analysis are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

In our opinion, except for the significant fact that we were unable to obtain the necessary fixed asset information as mandated by G.A.S.B. 34, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Nyack as at May 31, 2012 and the results of its operation and cash-flows of its proprietary fund types for the year then ended.

Yours truly,

Neil T. O'Sullivan
Certified Public Accountant

August 23, 2012

VILLAGE OF NYACK
SCHEDULE #1
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
MAY 31, 2012

	Governmental Fund Types			Non-Current Assets	Account Groups			Memorandum Total
	General	Enterprise Fund	Capital Projects		Long-term Debt	Special Revenue	Trust and Agency Fund	
ASSETS								
Cash	\$ 142,540	\$ 276,635	\$ 568,213	\$ -	\$ -	\$ -	\$ 43,603	\$ 1,030,991
Due from component units	\$ 438,847	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 438,847
Other state receivables	\$ 83,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,401
Water rents receivables	\$ -	\$ 684,245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 684,245
Investments in securities	\$ -	\$ 74,461	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,461
Accounts receivable	\$ 25,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,921
Due from other funds	\$ -	\$ 56,000	\$ -	\$ -	\$ -	\$ -	\$ 1,333	\$ 57,333
Buildings	\$ -	\$ 2,594,598	\$ -	\$ 890,417	\$ -	\$ -	\$ -	\$ 3,485,015
Equipment	\$ -	\$ 1,185,637	\$ -	\$ 1,963,597	\$ -	\$ -	\$ -	\$ 3,149,234
Accumulated depreciation	\$ -	\$ (2,193,883)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,193,883)
Land	\$ -	\$ 558,678	\$ -	\$ 1,337,436	\$ -	\$ -	\$ -	\$ 1,896,114
Improvements other than buildings	\$ -	\$ 1,562,000	\$ -	\$ 6,579,150	\$ -	\$ -	\$ -	\$ 8,141,150
Amounts to be provided for long-term debt	\$ -	\$ -	\$ -	\$ -	\$ 2,637,919	\$ -	\$ -	\$ 2,637,919
TOTAL ASSETS	\$ 690,709	\$ 4,798,371	\$ 568,213	\$ 10,770,600	\$ 2,637,919	\$ -	\$ 44,936	\$ 19,510,748
LIABILITIES AND FUND EQUITY								
<u>Liabilities</u>								
Accounts payable	\$ 225,863	\$ 41,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 267,458
Bond anticipation notes	\$ -	\$ -	\$ 1,737,500	\$ -	\$ -	\$ -	\$ -	\$ 1,737,500
Due to other funds	\$ 8,214	\$ 47,806	\$ 1,513	\$ -	\$ -	\$ -	\$ -	\$ 57,333
Due to retirement funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Compensated absences	\$ -	\$ 188,273	\$ -	\$ -	\$ 171,919	\$ -	\$ -	\$ 360,192
Bonds payable	\$ -	\$ 1,160,000	\$ -	\$ -	\$ 2,466,000	\$ -	\$ -	\$ 3,626,000
Collections in advance, deferred revenues	\$ 119,886	\$ 511,000	\$ -	\$ -	\$ -	\$ -	\$ 44,936	\$ 675,822
TOTAL LIABILITIES	\$ 353,963	\$ 1,948,474	\$ 1,739,013	\$ -	\$ 2,637,919	\$ -	\$ 44,936	\$ 6,724,305
<u>Fund Equity</u>								
Investment in general fixed assets	\$ -	\$ -	\$ -	\$ 10,770,600	\$ -	\$ -	\$ -	\$ 10,770,600
Reserve for encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve for future	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributed capital	\$ -	\$ 3,018,546	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,018,546
Unreserved fund balance	\$ 336,746	\$ (168,649)	\$ (1,170,800)	\$ -	\$ -	\$ -	\$ -	\$ (1,002,703)
Total Fund Equity	\$ 336,746	\$ 2,849,897	\$ (1,170,800)	\$ 10,770,600	\$ -	\$ -	\$ -	\$ 12,786,443
TOTAL LIABILITIES AND FUND EQUITY	\$ 690,709	\$ 4,798,371	\$ 568,213	\$ 10,770,600	\$ 2,637,919	\$ -	\$ 44,936	\$ 19,510,748

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
SCHEDULE #2
COMBINED SCHEDULE OF REVENUES AND EXPENSES AND CHANGE IN FUND BALANCE
MAY 31, 2012

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Capital Projects</u>	<u>Special Revenue</u>
REVENUES				
Real Property Taxes	\$ 3,133,173	\$ -	\$ -	\$ -
Non property tax	\$ 233,166	\$ -	\$ -	\$ -
Charges for services	\$ 1,046,107	\$ 3,293,043	\$ -	\$ -
Use of money and property	\$ 9,635	\$ 17	\$ -	\$ -
Forfeitures, fines	\$ 103,737	\$ -	\$ -	\$ -
Sale of property, compensation for loss	\$ 76,440	\$ -	\$ -	\$ -
Miscellaneous	\$ 5,136	\$ 17,828	\$ 71,382	\$ -
Interfund transfers	\$ 180,000	\$ -	\$ 306,557	\$ -
State sources	\$ 634,585	\$ -	\$ 329,990	\$ -
TOTAL REVENUES	\$ 5,421,979	\$ 3,310,888	\$ 707,929	\$ -
Proceeds of obligations	\$ -	\$ -	\$ 47,500	\$ -
TOTAL REVENUES AND OTHER SOURCES	\$ 5,421,979	\$ 3,310,888	\$ 755,429	\$ -
EXPENDITURES				
General support	\$ 1,134,764	\$ 634,822	\$ -	\$ -
Culture and recreation	\$ 405,505	\$ -	\$ -	\$ -
Home and community services	\$ 500,760	\$ 1,680,480	\$ -	\$ -
Transportation	\$ 1,052,139	\$ -	\$ -	\$ -
Employee benefits	\$ 1,069,910	\$ 679,898	\$ -	\$ -
Debt service	\$ 516,893	\$ 62,345	\$ -	\$ -
Public safety	\$ 290,940	\$ -	\$ -	\$ -
Health	\$ 6,359	\$ -	\$ -	\$ -
Capital outlay	\$ -	\$ -	\$ 1,702,436	\$ -
Interfund transfers	\$ 306,557	\$ 180,000	\$ -	\$ -
TOTAL EXPENDITURES	\$ 5,283,827	\$ 3,237,545	\$ 1,702,436	\$ -
EXCESS OF REVENUES	\$ 138,152	\$ 73,343	\$ (947,007)	\$ -
Other changes in fund balance	\$ -	\$ -	\$ -	\$ -
Net increase (decrease)	\$ 138,152	\$ 73,343	\$ (947,007)	\$ -
Fund Equity - Beginning of year	\$ 198,594	\$ 2,776,554	\$ (223,793)	\$ -
Fund Equity - End of year	\$ 336,746	\$ 2,849,897	\$ (1,170,800)	\$ -

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
SCHEDULE #3
COMBINED STATEMENT OF REVENUES AND EXPENDITURES
FOR YEAR ENDED MAY 31, 2012

	<u>General Fund</u>			<u>Enterprise Fund</u>		
	Amended Budget	Actual	Variance Fav. (Unf.)	Amended Budget	Actual	Variance Fav. (Unf.)
REVENUES						
Real property taxes	\$ 3,133,173	\$ 3,133,173	\$ -	\$ -	\$ -	\$ -
Non property taxes	\$ 233,166	\$ 233,166	\$ -	\$ -	\$ -	\$ -
Charges for services	\$ 1,046,107	\$ 1,046,107	\$ -	\$ 3,293,043	\$ 3,293,043	\$ -
Use of money and property	\$ 9,635	\$ 9,635	\$ -	\$ 17	\$ 17	\$ -
Forfeitures	\$ 83,618	\$ 83,618	\$ -	\$ -	\$ -	\$ -
Sale of property and compensation for loss	\$ 76,440	\$ 76,440	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ 25,255	\$ 25,255	\$ -	\$ 17,828	\$ 17,828	\$ -
Interfund revenues	\$ 180,000	\$ 180,000	\$ -	\$ -	\$ -	\$ -
State sources	\$ 634,585	\$ 634,585	\$ -	\$ -	\$ -	\$ -
Proceeds of Obligations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 5,421,979	\$ 5,421,979	\$ -	\$ 3,310,888	\$ 3,310,888	\$ -
EXPENDITURES						
General government	\$ 1,272,916	\$ 1,134,764	\$ 138,152	\$ 708,165	\$ 634,822	\$ (73,343)
Public safety	\$ 290,940	\$ 290,940	\$ -	\$ -	\$ -	\$ -
Transportation	\$ 1,052,139	\$ 1,052,139	\$ -	\$ -	\$ -	\$ -
Culture and recreation	\$ 405,505	\$ 405,505	\$ -	\$ -	\$ -	\$ -
Home and community	\$ 500,760	\$ 500,760	\$ -	\$ 1,680,480	\$ 1,680,480	\$ -
Employee benefit	\$ 1,069,910	\$ 1,069,910	\$ -	\$ 679,898	\$ 679,898	\$ -
Debt service	\$ 516,893	\$ 516,893	\$ -	\$ 62,345	\$ 62,345	\$ -
Health	\$ 6,359	\$ 6,359	\$ -	\$ -	\$ -	\$ -
Interfund transfers	\$ 306,557	\$ 306,557	\$ -	\$ 180,000	\$ 180,000	\$ -
TOTAL EXPENDITURES	\$ 5,421,979	\$ 5,283,827	\$ 138,152	\$ 3,310,888	\$ 3,237,545	\$ (73,343)
EXCESS (DEFICIT) REVENUES	\$ -	\$ 138,152	\$ (138,152)	\$ -	\$ 73,343	\$ 73,343

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
 COMPARATIVE BALANCE SHEETS - GENERAL FUND
 AS AT MAY 31, 2011 AND 2012

	<u>2011</u>	<u>2012</u>
<u>ASSETS</u>		
<u>Cash</u>		
Cash	\$ 102,668	\$ 22,379
Cash in time deposits	\$ 426,444	\$ 119,886
Petty Cash	\$ 275	\$ 275
Total Cash	\$ 529,387	\$ 142,540
<u>Taxes Receivable</u>		
Tax sale certificates	\$ -	
Allowance for uncollected taxes	\$ -	
Net Taxes Receivable	\$ -	
Due from Parking Authority	\$ 476,697	\$ 438,847
State Aid Receivables	\$ 58,501	\$ 83,401
Accounts Receivable	\$ 30,892	\$ 25,921
Due from Other Funds	\$ 12,268	\$ -
Net Receivables	\$ 578,358	\$ 548,169
<u>Other Assets</u>		
Prepaid expenses	\$ -	\$ -
Total Other Assets	\$ -	\$ -
TOTAL ASSETS	\$ 1,107,745	\$ 690,709

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
 COMPARATIVE BALANCE SHEETS - GENERAL FUND
 AS AT MAY 31, 2011 AND 2012

	<u>2011</u>	<u>2012</u>
<u>LIABILITIES AND FUND EQUITY</u>		
<u>Other Liabilities</u>		
Accounts payable	\$ 369,099	\$ 225,863
Deferred revenues	\$ 426,444	\$ 119,886
Collections in advance	\$ -	\$ -
Due to employee's retirement	\$ 44,668	\$ -
Due to other funds	\$ 68,940	\$ 8,214
Bond anticipation note payable	\$ -	\$ -
Total Other Liabilities	\$ 909,151	\$ 353,963
<u>Fund Equity</u>		
Reserve for encumbrances	\$ -	\$ -
Unreserved fund balance	\$ 198,594	\$ 336,746
Total Fund Equity	\$ 198,594	\$ 336,746
 TOTAL LIABILITIES AND FUND EQUITY	 \$ 1,107,745	 \$ 690,709

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
 COMPARATIVE FUND BALANCES - GENERAL FUND
 AS AT MAY 31, 2011 AND MAY 31, 2012

	<u>2011</u>	<u>2012</u>
Beginning Balance	\$ (189,208)	\$ 198,594
Add: Revenues	<u>\$ 7,318,297</u>	<u>\$ 5,421,979</u>
Subtotal	\$ 7,129,089	\$ 5,620,573
Less: Expenditures	<u>\$ 6,930,495</u>	<u>\$ 5,283,827</u>
ENDING BALANCE	<u>\$ 198,594</u>	<u>\$ 336,746</u>

UNAPPROPRIATED FUND BALANCE
 AT MAY 31, 2011

Beginning fund balance	\$ -
Less: Appropriated for ensuing year's budget	<u>\$ -</u>
Unappropriated Fund Balance	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
 COMPARATIVE STATEMENT OF GENERAL FUND REVENUES AND EXPENSES
 FOR YEAR ENDED MAY 31, 2011 AND 2012

	<u>2011</u>	<u>2012</u>
<u>REVENUES</u>		
Real property tax	\$ 3,047,867	\$ 3,123,992
Real property tax items	\$ 15,863	\$ 9,181
Departmental income	\$ 993,104	\$ 1,046,107
Use of money and property	\$ 9,559	\$ 9,635
Non property tax items	\$ 261,405	\$ 233,166
Licenses, permits	\$ 26,168	\$ 22,345
Fines and forfeitures	\$ 91,651	\$ 103,737
Sale of property, compensation for loss	\$ 125,486	\$ 54,095
Miscellaneous local sources	\$ 57,745	\$ 5,136
State aid	\$ 468,234	\$ 634,585
Interfund revenues	\$ 186,215	\$ 180,000
Proceeds of Obligations	\$ 2,035,000	\$ -
Total Revenues	<u>\$ 7,318,297</u>	<u>\$ 5,421,979</u>
 <u>EXPENDITURES</u>		
General governmental support	\$ 1,185,079	\$ 1,134,764
Culture and recreation	\$ 396,201	\$ 405,505
Home and community services	\$ 483,987	\$ 500,760
Health	\$ 7,967	\$ 6,359
Transportation	\$ 1,022,449	\$ 1,052,139
Employee benefits	\$ 1,097,573	\$ 1,069,910
Debt principal	\$ 2,333,650	\$ 401,500
Debt interest	\$ 124,434	\$ 115,393
Public safety	\$ 279,155	\$ 290,940
Interfund transfers	\$ -	\$ 306,557
Total Expenditures	<u>\$ 6,930,495</u>	<u>\$ 5,283,827</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 <u>\$ 387,802</u>	 <u>\$ 138,152</u>

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
 PARKING AUTHORITY BALANCE SHEET
 AS OF MAY 31, 2012

ASSETS

Cash on Hand	\$ 63,852
Accounts receivable	\$ -
Capital equipment (net of depreciation)	<u>\$ 240,519</u>

Total Assets **\$ 304,371**

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 6,937
Notes payable	\$ 261,772
Due to Village of Nyack	<u>\$ 438,847</u>

Total Liabilities **\$ 707,556**

Unreserved fund balance **\$ (403,185)**

Total Liabilities and Fund balance **\$ 304,371**

Analysis of Changes in Fund Balance
 For the Year ended May 31, 2012

Beginning Balance	\$ (449,576)
Add Excess of Revenue	<u>\$ 46,391</u>
Ending Balance	<u>\$ (403,185)</u>

VILLAGE OF NYACK ENTERPRISE FUND
PARKING AUTHORITY STATEMENT OF REVENUES AND EXPENDITURES
FOR YEAR ENDED MAY 31, 2012

Revenues

Parking lot/meter revenue	\$ 1,417,764
Boat slip and fees	\$ 12,768

Total revenues **\$ 1,430,532**

Expenditures

Personal services	\$ 305,129
Leasing expense	\$ 705,000
Office, Sundry	\$ 7,894
Bank Charges	\$ 21,429
Minor Equipment	\$ 5,258
Telephone	\$ 6,048
Meter Repairs & Maintenance	\$ 75,503
Professional Services	\$ 11,135
Insurances	\$ 22,766
Uniforms	\$ 4,520
Auto	\$ 3,488
Muni-Meter Leases	\$ 73,025
Employee Benefits	\$ 85,001
Depreciation	\$ 45,081
Interest Expenses	\$ 12,864

Total expenditures **\$ 1,384,141**

Excess of expenditures **\$ 46,391**

VILLAGE OF NYACK
CASH-FLOW STATEMENT-PARKING AUTHORITY
FOR YEAR ENDED MAY 31, 2012

Cash-Flows From Operating Activities

Cash received from operations	\$ 1,430,532
Cash payments-personal service and employee benefits	\$ (390,130)
Cash payments-contractual expenses	\$ (223,589)
Cash payments-leasing expense	\$ (705,000)

Net cash provided by operating activities \$ 111,813

Cash-Flows from Capital Activities

Principal debt payments	\$ (45,051)
Interest on debt payments	\$ (12,864)

Cash used for capital activities \$ (57,915)

Cash-flows from Financing activities

Due to Village of Nyack \$ (30,913)

Net cash increase \$ 22,985

Cash at beginning of year \$ 40,867

Cash balance at end of year **\$ 63,852**

VILLAGE OF NYACK
SPECIAL REVENUE FUND
COMMUNITY DEVELOPMENT BLOCK GRANT
MAY 31, 2012

<u>ASSETS</u>	\$ <u> -</u>
<u>LIABILITIES</u>	\$ <u> -</u>

VILLAGE OF NYACK
SPECIAL REVENUE FUND
COMMUNITY DEVELOPMENT BLOCK GRANT.
FOR TWELVE MONTH ENDED 2012

<u>REVENUES</u>	
Community Development Block Grant	\$ <u> -</u>
<u>EXPENSES</u>	
Home and community services - Capital Outlay	\$ <u> -</u>
EXCESS OF REVENUES OVER EXPENSES	\$ <u> -</u>

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
HOUSING AUTHORITY
BALANCE SHEET
FOR YEAR ENDED MARCH 31, 2011

ASSETS

Current Assets

Cash	\$ 1,347,820
Investments	\$ 376,445
Receivables	\$ 187,063
Inventories	\$ 10,000
Other current assets	<u>\$ 33,518</u>

Total Current assets \$ 1,954,846

Non-Current assets

Restricted Investments	\$ 623,540
Fixed assets-net of accumulated depreciation	<u>\$ 3,237,659</u>

Total Non-Current assets \$ 3,861,199

TOTAL ASSETS

\$ 5,816,045

LIABILITIES

Current Liabilities

Accounts payable	\$ 38,433
Security deposits	\$ 80,258
Other current liabilities	\$ 16,010
Deferred Revenue	<u>\$ 8,800</u>

Total current liabilities \$ 143,501

Other long-term liabilities

\$ 162,519

Total liabilities

\$ 306,020

EQUITY

Contributed capital	\$ 3,237,659
Reserved fund	\$ 1,033,477
Unreserved fund	<u>\$ 1,238,889</u>

Total equity \$ 5,510,025

TOTAL LIABILITIES AND EQUITY

\$ 5,816,045

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
HOUSING AUTHORITY
COMBINED STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN EQUITY
MARCH 31, 2011

REVENUES

Tenant revenue	\$	1,097,597	
Program grants/subsidies	\$	2,859,555	
Interest	\$	13,394	
Other income	\$	99,588	
<u>Total Revenue</u>			\$ 4,070,134

EXPENSES

Administrative	\$	365,133	
Utilities	\$	257,482	
Maintenance	\$	401,537	
General	\$	80,130	
Housing assistance payments	\$	2,600,467	
Depreciation	\$	305,289	
Tenant Services	\$	14,941	
<u>Total expenses</u>			\$ 4,024,979

Excess of operating revenues	\$	45,155	
Beginning equity as adjusted	\$	5,642,203	
Prior year adjustment	\$	(177,333)	
			\$ 5,510,025

ENDING EQUITY

\$ 5,510,025

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
HOUSING AUTHORITY
CONDENSED STATEMENT OF CASH-FLOWS
FOR THE YEAR ENDED MARCH 31, 2011

Cash Flows from Operating Activities	\$ 276,429
Cash flows from Capital and Related Financing Activities	(34,975)
Cash Flows from Investing Activities	<u>1,049,107</u>
Net Increase in Cash and Cash Equivalents	\$ 1,290,561
Cash Balance at Beginning of Year	<u>\$ 57,259</u>
Cash Balance as at March 31, 2011	<u><u>\$ 1,347,820</u></u>

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
COMPARATIVE WATER FUND BALANCE SHEET - WATER FUND
AS AT MAY 31, 2011 AND MAY 31, 2012

	<u>2011</u>	<u>2012</u>
<u>ASSETS</u>		
<u>Cash</u>		
Cash	\$ 36,646	\$ 276,085
Petty cash	\$ 550	\$ 550
Total cash	<u>\$ 37,196</u>	<u>\$ 276,635</u>
 <u>Receivables</u>		
Water rents and other receivables	\$ 669,532	\$ 684,245
Allowance for receivables	\$ -	\$ -
Due from other funds	\$ 56,000	\$ 56,000
Net other receivables	<u>\$ 725,532</u>	<u>\$ 740,245</u>
 Investments in securities - CLASS	 <u>\$ 279,444</u>	 <u>\$ 74,461</u>
 <u>Fixed assets</u>		
Land	\$ 558,678	\$ 558,678
Buildings	\$ 2,594,598	\$ 2,594,598
Equipment	\$ 1,185,637	\$ 1,185,637
Improvements to distribution system	\$ 1,562,000	\$ 1,562,000
Sub-total	\$ 5,900,913	\$ 5,900,913
Accumulated depreciation	\$ (2,024,432)	\$ (2,193,883)
 Net fixed assets	 <u>\$ 3,876,481</u>	 <u>\$ 3,707,030</u>
 TOTAL ASSETS	 <u>\$ 4,918,653</u>	 <u>\$ 4,798,371</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
<u>Liabilities</u>		
Accounts payable	\$ 130,187	\$ 41,595
Compensated absences	\$ 213,240	\$ 188,273
Bonds payable	\$ 1,220,000	\$ 1,160,000
Due to other funds	\$ 56,672	\$ 47,606
Deferred revenues	\$ 522,000	\$ 511,000
Bond anticipation notes	\$ -	\$ -
 Total liabilities	 <u>\$ 2,142,099</u>	 <u>\$ 1,948,474</u>
 <u>Fund Equity</u>		
Reserve for future capital expenditures	\$ -	\$ -
Contributed capital	\$ 3,018,546	\$ 3,018,576
Unreserved fund balance	\$ (241,992)	\$ (168,679)
 Total fund equity	 <u>\$ 2,776,554</u>	 <u>\$ 2,849,897</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 4,918,653</u>	 <u>\$ 4,798,371</u>

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
RECONCILIATION OF FUND BALANCE - WATER FUND - ENTERPRISE FUND
FOR YEAR ENDED MAY 31, 2011 AND MAY 31, 2012

	<u>2011</u>	<u>2012</u>
Beginning balance	\$ 2,843,602	\$ 2,776,554
Prior year adjustments	\$ -	\$ -
Total revenues and other sources	<u>\$ 3,043,579</u>	<u>\$ 3,310,888</u>
 Subtotal	 \$ 5,887,181	 \$ 6,087,442
Less: Expenditures	<u>\$ 3,110,627</u>	<u>\$ 3,237,545</u>
 ENDING BALANCE	 <u>\$ 2,776,554</u>	 <u>\$ 2,849,897</u>

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
 COMPARATIVE STATEMENT OF REVENUES AND EXPENSES - WATER FUND
 AS AT MAY 31, 2011 AND MAY 31, 2012

	<u>2011</u>	<u>2012</u>
<u>REVENUES</u>		
Water service charges	\$ 3,006,613	\$ 3,293,043
Interest and earnings	\$ 434	\$ 17
Compensation for loss	\$ 35,876	\$ 17,828
Miscellaneous	\$ 656	\$ -
	<hr/>	<hr/>
Total revenues	<u>\$ 3,043,579</u>	<u>\$ 3,310,888</u>
 <u>EXPENDITURES</u>		
Depreciation	\$ 169,451	\$ 169,451
Interfund transfers	\$ 180,000	\$ 180,000
Personal services	\$ 1,186,103	\$ 1,165,815
Contractual expenses	\$ 913,857	\$ 980,036
Employee benefits	\$ 592,799	\$ 679,898
Debt interest	\$ 68,417	\$ 62,345
	<hr/>	<hr/>
Total expenditures	<u>\$ 3,110,627</u>	<u>\$ 3,237,545</u>
 EXCESS OF EXPENDITURES OVER REVENUES	 <u>\$ (67,048)</u>	 <u>\$ 73,343</u>

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
STATEMENT OF CASH-FLOWS-WATER FUND-ENTERPRISE FUND
FOR YEAR ENDED MAY 31, 2012

Cash-flows from operating activities

Cash received from providing services	\$ 3,240,198
Cash payments - contractual expenses agreements	\$ (894,794)
Cash payments - personal services, benefits	<u>\$ (1,866,712)</u>
Net cash provided by operating activities	<u>\$ 478,692</u>

Cash-flows for financing activities

Insurance	\$ (96,077)
Transfers to other funds	\$ (180,000)
Real property taxes	\$ (77,712)
Insurance refunds, prior year refunds	<u>\$ 17,828</u>
Net cash used for financing activities	<u>\$ (335,961)</u>

Cash-flows from capital activities

Principal debt payments	\$ (60,000)
Interest on debt payments	\$ (62,345)
Sale of equipment	\$ 14,054
Purchase of fixed assets	<u>\$ -</u>
Cash used for capital activities	<u>\$ (108,291)</u>

Cash-flows from investing activities

Interest	<u>\$ 17</u>
Net cash provided by investing activities	<u>\$ 17</u>

Net cash increase	\$ 34,457
Cash at beginning of year	<u>\$ 316,640</u>
CASH BALANCE	(1) <u>\$ 351,097</u>

(1) Analysis of Cash Balance

Cash in checking	\$ 276,085
Petty cash	\$ 550
Class	<u>\$ 74,462</u>
Total as per above	<u><u>\$ 351,097</u></u>

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
 COMPARATIVE CAPITAL PROJECTS FUND BALANCE SHEETS
 AS AT MAY 31, 2011 AND 2012

	<u>2011</u>	<u>2012</u>
<u>ASSETS</u>		
<u>Cash</u>		
Cash	\$ 5,196	\$ 568,213
Investment in securities - CLASS	\$ -	\$ -
Total cash	\$ 5,196	\$ 568,213
Due from other funds	\$ 56,011	\$ -
Total Assets	\$ 61,207	\$ 568,213
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities	\$ -	\$ -
Installment bond payable	\$ 285,000	\$ 237,500
Bond anticipation notes payable	\$ -	\$ 1,500,000
Due to other funds		\$ 1,513
Total Liabilities	\$ 285,000	\$ 1,739,013
Fund Equity		
Reserve for encumbrances	\$ -	\$ (1,170,800)
Unreserved fund balance	\$ (223,793)	\$ (1,170,800)
Total Fund Equity	\$ (223,793)	\$ (1,170,800)
TOTAL LIABILITIES AND FUND EQUITY	\$ 61,207	\$ 568,213

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
 RECONCILIATION OF FUND BALANCE
 CAPITAL PROJECTS FUND
 FOR YEAR ENDED MAY 31, 2011 AND 2012

	<u>2011</u>	<u>2012</u>
Beginning Balance	\$ (2,400,520)	\$ (223,793)
Add: Prior year adjustment	\$ -	\$ -
Revenues and other sources	\$ 78,425	\$ 755,429
B.A.N's redeemed from appropriations and serial bonds	<u>\$ 2,223,650</u>	<u>\$ -</u>
 Subtotal	 \$ (98,445)	 \$ 531,636
Less: Interfund transfers	\$ (6,215)	\$ -
Capital Outlay	<u>\$ (119,133)</u>	<u>\$ 1,702,436</u>
 Total Expenditures	 \$ (125,348)	 \$ (1,702,436)
 ENDING BALANCE	 <u>\$ (223,793)</u>	 <u>\$ (1,170,800)</u>

The accompanying note are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
 COMPARATIVE STATEMENT OF REVENUES AND EXPENSES
 CAPITAL PROJECTS FUND
 FOR YEARS ENDING MAY 31, 2011 AND 2012

	<u>2011</u>	<u>2012</u>
<u>REVENUES</u>		
Insurance Recoveries		\$ 71,382
State aid	\$ -	\$ 329,990
Total Revenues	\$ -	\$ 401,372
<u>OTHER SOURCES</u>		
Interfund transfers	\$ -	\$ 306,557
Obligations redeemed from appropriations and serial bonds	\$ 2,223,650	\$ 47,500
Prior year refund	\$ 78,425	\$ -
Total Revenues and Other Sources	\$ 2,302,075	\$ 755,429
<u>EXPENDITURES</u>		
Capital outlay	\$ 119,133	\$ 1,702,436
Interfund Transfers	\$ 6,215	\$ -
Total Expenditures	\$ 125,348	\$ 1,702,436
EXCESS OF EXPENSES OVER REVENUES	\$ 2,176,727	\$ (947,007)

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
 COMPARATIVE TRUST AND AGENCY FUND BALANCE SHEETS
 AS AT MAY 31, 2011 AND 2012

	<u>2011</u>	<u>2012</u>
<u>ASSETS</u>		
Cash	\$ 16,009	\$ 43,603
Due from other funds	\$ 1,333	\$ 1,333
TOTAL ASSETS	<u>\$ 17,342</u>	<u>\$ 44,936</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Liabilities		
Agency Liabilities	\$ 17,342	\$ 44,936
Due to other funds	\$ -	
Total Liabilities	\$ 17,342	\$ 44,936
Fund Equity	\$ -	
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 17,342</u>	<u>\$ 44,936</u>

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
 COMPARATIVE BALANCE SHEETS
 NON-CURRENT ASSETS GROUP OF ACCOUNTS
 AS AT MAY 31, 2011 AND 2012

	<u>2011</u>	<u>2012</u>
<u>ASSETS</u>		
Land	\$ 1,337,436	\$ 1,337,436
Buildings	\$ 890,417	\$ 890,417
Improvements other than buildings	\$ 5,071,439	\$ 6,579,150
Machinery and equipment	\$ 1,892,113	\$ 1,963,597
	<u>\$ 9,191,405</u>	<u>\$ 10,770,600</u>
 <u>INVESTMENTS IN GENERAL FIXED ASSETS</u>		
Bonds and notes	\$ 7,510,573	\$ 9,010,573
Current appropriations	\$ 1,680,832	\$ 1,760,027
	<u>\$ 9,191,405</u>	<u>\$ 10,770,600</u>

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
 COMPARATIVE BALANCE SHEETS
 NON-CURRENT GOVERNMENT LIABILITIES
 AS AT MAY 31, 2011 AND 2012

	<u>2011</u>	<u>2012</u>
<u>ASSETS</u>		
Amounts to be provided for long-term debt	\$ 2,995,969	\$ 2,637,919
TOTAL ASSETS	<u>\$ 2,995,969</u>	<u>\$ 2,637,919</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
<u>Liabilities</u>		
Compensated absences	\$ 175,969	\$ 171,919
Due to Employees' Retirement System	\$ -	\$ -
Bonds payable	\$ 2,820,000	\$ 2,466,000
Total Liabilities	\$ 2,995,969	\$ 2,637,919
<u>Fund Equity</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 2,995,969</u>	<u>\$ 2,637,919</u>

The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED MAY 31, 2012

SECTION I.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Nyack have been prepared to conform with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for the establishment of governmental accounting and financial reporting principles. The more significant of the government's accounting principles are described below:

A. FINANCIAL REPORTING ENTITY

The Village of Nyack is governed by the general laws of the State of New York and the various local laws and ordinances. The mayor serves as chief executive officer and the treasurer serves as chief fiscal officer of the village.

The following basic services are provided:

Registration of vital statistics, street maintenance, snow removal, lighting, culture and recreation, home and community services, and refuse collection.

The financial reporting entity includes organizations, functions, and activities over which the elected officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

The financial reporting entity consists of:

- a. The primary government, which is the Village of Nyack;
- b. Organizations for which the primary government is financially accountable; and
- c. Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement Fourteen.

Based on the application of these criteria, the following is a brief review of certain entities considered in determining the Village of Nyack reporting entity:

1. Include in the Reporting Entity

The Village of Nyack Housing Authority was organized pursuant to the Housing Statutes of the State of New York. The Authority's purpose is to provide low-income housing. Revenues are derived from "rentals", "sales and services to tenants", and "subsidies" received from the Department of Housing and Urban Development. This Authority is considered a component unit of the Village and is discreetly presented.

The Nyack Parking Authority was established July, 1991 by the State of New York as provided for in Chapter 489, A.3411-B, Title 22 of the Public Authorities Law of the State of New York. The Village of Nyack Parking Authority manages, improves, and leases property as a component unit of the Village and is discreetly presented.

B. BASIS OF PRESENTATION

The accounts of the local government are organized on the basis of fund or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances/retained earnings, revenues, and expenditures which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The various funds are summarized by type in the financial statements. (certain funds from the local government are utilized to account for resources derived from and/or expenditures applicable to an area less than the entire government.) The following fund types and account groups are used:

1. FUND CATEGORIES

a. Governmental Funds - are those through which most governmental functions of the Village of Nyack are financed. The acquisition, use and balances of the Village's expendable financial resources and the related liabilities are accounted for through the use of governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. The following are the Village's fund types:

General Fund - is the principal fund and includes all operations (including those areas outside the incorporated village) not required to be recorded in other funds.

Special Revenue Funds - are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - are used to account for financial resources to be used for the acquisition or construction of major facilities (other than those financed by the enterprise, special assessment or internal service funds), and the purchase of depreciable-type equipment.

b. Fiduciary Funds - are used to account for assets held by the local government in a trustee or custodial capacity.

Trust and Agency Funds - are used to account for money and/or property held in the capacity of trustee, custodian, or agent. These include expendable trusts, non-expendable trusts, and agency funds.

c. Enterprise Fund - is used to account for all transactions of the Nyack Water Fund. The measurement focus is upon determination of net income, financial position, and changes in financial position.

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

Basis of accounting refers to when revenues and expenditures/expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus. Measurement focus is the determination of what should be measured, i.e. expenditures or expenses.

Modified Accrual Basis - is the method used to account for all governmental funds and expendable trust funds.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Material revenues that are accrued include real estate taxes, state and federal aid, and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

1. **EXPENDITURES** are recorded when the fund liability is incurred except that:

- a. Expenditures for prepaid expenses and inventory type items are recognized at the time of disbursement.
- b. Principal and interest on indebtedness are not recognized as expenditures until due.
- c. Compensated absences, such as vacation and sick leave which vests or accumulates, are charged as expenditures when paid.

2. **ACCOUNT GROUPS** are used to establish accounting control and accountability for non-current assets and non-current government liabilities. The account groups are not "funds", as they are concerned with measurement of financial position and not results of operations. General fixed assets are recorded at actual or estimated cost, with no provision being made for depreciation in the governmental funds. General long-term debt liabilities are recorded at the par value of the principal amount. No liability is recorded for interest payable to maturity.

The non-current government account asset group is used to account for land, buildings, improvements, and equipment utilized for general government purposes, except for those fixed assets accounted for in proprietary funds.

The non-current government liabilities account group is used to account for all long-term debt except that which is accounted for in proprietary and special assessments funds.

Accrual Basis - Proprietary funds are accounted for on the accrual basis of accounting whereby revenues are recognized when earned and liabilities are recorded when incurred. Fixed assets and long-term liabilities related to these activities are recorded within the funds. (Depreciation is accounted for on the straight-line basis of accounting.)

D. BUDGETARY DATA

1. **BUDGET POLICIES** are as follows;

- a. No later than April 15, the budget officer submits a tentative budget to the Village Board for the fiscal year commencing the following June 1.
- b. The Board must adopt the fiscal budget no later than May 1. The budget includes all proposed expenditures and the proposed means of financing all funds.
- c. All modifications of the budget must be approved by the Village Board. However, the treasurer is authorized to transfer certain budgeted amounts within departments.

2. **ENCUMBRANCES** are purchase orders, contracts, and other commitments for the expenditure of monies and are recorded for budgetary control purposes in the governmental funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

3. BUDGET BASIS OF ACCOUNTING

Budgets are adopted annually on a basis consistent with prior years and in conformity with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

E. PROPERTY TAXES

Village and real property taxes are levied annually no later than June 1 and become a lien on November 1. Taxes are collected during the period of June 1 to October 31. Unpaid Village taxes are turned over to the County of Rockland for enforcement by November 15. Any such taxes remaining unpaid at year-end are relieved as county taxes in the subsequent year.

F. PENSION PLANS

Plan Description

The Village of Nyack participates in the New York State and Local Employees Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS) and the Public Employee's Group Life Insurance Plan. These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee of the State of New York Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith Office Building, Albany, N.Y. 12244.

Funding Policy

The Systems are noncontributory except for employees who joined the New York State and Local Employee's Retirement System after July 27, 1976, who contribute 3% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as a proportion of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund. The Village of Nyack is required to contribute at an actuarially determined rate.

G. INVESTMENTS are stated at cost in all instances.

H. PROPERTY, PLANT and EQUIPMENT - GENERAL

1. Fixed assets acquisitions for general governmental purposes are recorded as expenditures in the various governmental funds and are capitalized at cost (or estimated historical cost for assets purchased prior to May 31, 1985) in the non-current government assets account group. No depreciation has been provided on the general fund fixed assets nor has the interest on general fixed assets construction in progress been capitalized.

2. Property, plant, and equipment acquired by the proprietary fund are stated at cost. Contributed fixed assets are recorded at fair market value on the date received. Depreciation has been provided using the straight line method over the following useful lives:

System improvements	40 years
Buildings	50 years
Equipment	15 years

I. POST EMPLOYMENT BENEFITS

In addition to providing pension benefits, the Village provides health insurance coverage and survivor's benefits for retired employees and their survivors. The Village recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. Substantially all the Village's employees may become eligible for these benefits if they reach normal retirement age while working for the Village.

J. INSURANCE

The Village assumes the liability for most risks, including, but not limited to property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

K. VACATION and SICK LEAVE and COMPENSATED ABSENCES

Village of Nyack employees are granted sick and vacation leave and earned compensatory absences in varying amounts. In the event of termination upon retirement, an employee is entitled to payment for accumulated vacation and unused compensatory absences at various rates, subject to certain limitations.

Estimated vacation and compensatory absences accumulated by governmental fund type employees have been recorded in the non-current government liabilities account group for general fund employees and directly on the enterprise fund balance sheet for water department employees.

Payment of vacation and sick leave recorded in the non-current government liabilities account group is dependent upon many factors, therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payment of vacation and compensatory absences when such payment becomes due. The general fund non-current government liability for compensated absences totaled \$171,919 as at May 31, 2012.

L. SHORT-TERM DEBT

Liabilities for bond anticipation notes (B.A.N.'s) and revenue anticipation notes (R.A.N.'s) are generally accounted for in either the capital projects funds or in the enterprise fund. Interest payments on B.A.N.'s must be made annually. State law mandates that B.A.N.'s issued for capital purposes be converted to long-term debt obligations within five years after the original issue date. A total of \$1,500,000 in BAN's were issued during the past fiscal year which are to be used for public improvements. An installment bond of \$237,500 remained outstanding on the capital fund set of books.

M. LONG-TERM DEBT

1. As at May 31, 2012, the total outstanding indebtedness of the Village aggregated \$3,626,000 in serial bonds, and \$237,500 in installment bonds payable.
2. **Serial bonds (and Capital Notes)** - the Village borrows money in order to acquire land or construct buildings and improvements. This enables the costs of these capital assets to be borne by the present and future taxpayers receiving the benefits of the capital assets. These long-term liabilities, which carry the full faith and credit of the local government, are recorded in both the non-current liability account group, and in the enterprise fund. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.
3. **Other long-term debt** - in addition to the above long-term debt, the local government had the following non-current liability:

a. **Compensated absences** - represents the value of the earned and unused portion of the liability for compensated absences. Vested vacation and sick leave is recorded in the propriety funds as a liability expense, and in the government funds as a long-term liability in the non-current liability account group.

4. **Summary of long-term serial bonds** - the following is a summary of long-term serial bonds outstanding at May 31, 2012, which are accounted for in both the non-current government liability account group and the enterprise fund. These bonds had been outstanding as at June 1, 2011.

Payable Issue From:	Original Date	Original Amount	Interest Maturity Rate	Final Date	Outstanding Amount
Village Marina	09/97	\$ 990,000	5.95	07/01/2017	\$ 370,000
Water System	09/02	\$ 950,000	5.70	09/01/2032	\$ 785,000
Village Hall	05/03	\$ 550,000	4.15	05/13/2013	\$ 55,000
Water	03/05	\$ 612,000	4.0937	03/01/2020	\$ 375,000
Public Improvements	12/10	\$2,285,000	2.56	08/01/2023	\$ 2,041,000

5. The following is a summary of changes in long-term indebtedness for the period ended May 31, 2012 for both the general fund and the enterprise fund.

	Bonds and Capital Notes	Compensated Absences
Payable at beginning of fiscal year	\$ 4,325,000	\$ 175,969
Additions	\$ 1,500,000	\$ 0
Deletions	<u>\$ 461,500</u>	<u>\$ 4,050</u>
Payable at end of fiscal year	<u>\$ 5,363,500</u>	<u>\$ 171,919</u>

Additions and deletions to compensated absences are shown at net since it is impractical to determine these amounts separately.

6. The following table summarizes the Village of Nyack’s future serial bond and installment service requirements as of May 31, 2012 to May 31, 2022.

FROM YEAR ENDING:	SERIAL BONDS	
	PRINCIPAL	INTEREST
2012-2022	<u>\$ 3,626,000</u>	<u>\$ 1,122,367</u>

N. CONTRIBUTED CAPITAL

Proprietary fund types contributed capital is recorded at the fair market value of the related assets as of the date received. Depreciation on fixed assets is charged by utilizing the straight-line method of accounting.

SECTION II

STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

A. DEFICIT FUND BALANCES

The capital fund reported a deficit fund balance of \$(1,170,800) at May 31, 2012. This is primarily attributable to the fact that an installment bond with a principal balance of \$237,500 and a B.A.N. of \$1,500,000 are being reflected as a current liability on the May 31st capital fund balance sheet.

B. OVERDRAWN APPROPRIATIONS

There were no overdrawn appropriations for the year ended May 31, 2012 in the general fund, after adjusting of all budgetary accounts.

C. DEPARTURES FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Non-current government assets had been reported at appraised value, rather than historical cost, through fiscal year 1985. Since June 1, 1985, the non-current government assets account group has been reported on a historical cost accounting basis, in compliance with generally accepted accounting principles.

SECTION III

DETAIL NOTES ON ALL FUNDS AND ACCOUNTS GROUPS

A. ASSETS

1. Cash and Investments

The Village of Nyack investment policies are governed by state statutes. In addition, the Village has its own written investment policy. Village monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, re-purchase agreements and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit at 102 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are notes issued by municipalities and school districts.

Deposits and investments at year-end were fully collateralized and consisted of the following:

Total cash on hand	\$ 825
Total cash in demand and time deposits	\$ 1,030,166
Investment in CLASS	\$ 74,461
TOTAL TO BE COLLATERALIZED	\$ 1,105,452

COLLATERAL:

Held by third party banks and by CLASS	\$ 571,781
FDIC insurance	\$ 544,883
TOTAL AVAILABLE COLLATERAL	\$ 1,116,664

2. Property Taxes Receivable

As at May 31, 2012, there were no outstanding receivables on current tax levies.

3. Changes in Non-Current and Government Assets

A summary of changes in general fixed assets follows (not including proprietary type property):

Type	Balance 6/1/2011	Additions	Deletions	Balance 5/31/2012
Land	\$ 1,337,436	\$ -	\$ -	\$ 1,337,436
Buildings	\$ 890,417	\$ -	\$ -	\$ 890,417
Machinery & Equipment	\$ 1,892,113	\$ 71,484	\$ -	\$ 1,963,597
Improvements other than buildings	\$ 5,071,439	\$ 1,507,711	\$ -	\$ 6,579,150
	<u>\$ 9,191,405</u>	<u>\$ 1,579,195</u>	<u>\$ -</u>	<u>\$ 10,770,600</u>

A summary of proprietary fund type property, plant and equipment follows:

Improvements to water distribution system	\$ 1,562,000
Land	\$ 558,678
Building	\$ 2,594,598
Equipment	\$ 1,185,637
Sub-Total	\$ 5,900,913
Less: Accumulated Depreciation	\$ (2,193,883)
TOTALS	<u>\$ 3,707,030</u>

4. Interfund Receivables and Payables

Interfund receivables and payables as of May 31, 2012 were as follows:

Fund Type	Interfund Receivables	Interfund Payables
General	\$ -	\$ 8,214
Capital	\$ -	\$ 1,513
Enterprise - Water	\$ 56,000	\$ 47,606
Agency Fund	\$ 1,333	\$ -
	<u>\$ 57,333</u>	<u>\$ 57,333</u>

5. Appropriation Expenses

A summary of the functional general fund expenditure account follows:

Function	Amended Budget	Expenditures	Variances
General Government	\$ 1,272,916	\$ 1,134,764	\$ 138,152
Public Safety	\$ 290,940	\$ 290,940	\$ -
Transportation	\$ 1,052,139	\$ 1,052,139	\$ -
Culture and Recreation	\$ 405,505	\$ 405,505	\$ -
Home and Community	\$ 500,760	\$ 500,760	\$ -
Employee Benefits	\$ 1,069,910	\$ 1,069,910	\$ -
Debt Service	\$ 516,893	\$ 516,893	\$ -
Public Health	\$ 6,359	\$ 6,359	\$ -
Inter-fund transfers	\$ 306,557	\$ 306,557	\$ -
TOTALS	<u>\$ 5,421,979</u>	<u>\$ 5,283,827</u>	<u>\$ 138,152</u>

We thank all employees of the Village of Nyack for their courtesies extended during the course of the audit.

Yours Truly,

Neil T. O'Sullivan
Certified Public Accountant

**VILLAGE OF NYACK
MANAGEMENT DISCUSSION AND ANALYSIS
AS AT MAY 31, 2012**

1. Management Discussion and Analysis

The management discussion and analysis is intended to serve as an introduction to the Village's financial statements. Nyack's financial statements and notes to financial statements included in this report were prepared in accordance with generally accepted accounting principles applicable to governmental entities in the United States of America.

2. Financial Statements

The financial statements are designed to provide readers with a broad overview of the Village's finances. They consist of balance sheets, revenues and expenditures, statements of cash flow, and changes in fund equity. The statement of revenues, expenses and changes in fund equity present information showing how the Village of Nyack net assets changed during the most recent fiscal year.

3. Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to financial statements can be found in the audit report after the financial statement disclosures.

4. Budgeting Analysis

The Village budgets were primarily used as a management tool, and were prepared in accordance with generally accepted accounting principles.

5. Capital Asset and Debt Administration

As at May 31, 2012, the net investment in capital assets for the enterprise fund totaled \$3,707,000 after deducting accumulated depreciation of \$2,193,883. In addition to the enterprise fund investment in capital assets, a total of \$10,770,600 is being reflected in the general fixed asset group of accounts. A total of \$1,737,500 primarily relating to short term B.A.N indebtedness remained outstanding in the capital fund also, a grand total of \$3,626,000 of previously issued serial bonds was included as part of the Village indebtedness. It is extremely important to emphasize that all required bond principal and interest payments were timely made.

6. Contacting the Villages Financial Management

The financial report is designed to provide a general overview of the Village of Nyack's finances. The general public questions concerning any of the information provided in this report should be addressed to the Village Treasurer, Village Hall, Nyack, New York 10960. A review of changes in net assets for the general fund is herewith presented;

	Year Ended <u>May 31, 2011</u>	Year Ended <u>May 31, 2012</u>
Total Assets	\$ 1,107,745	\$ 690,709
Less: Total Liabilities	<u>\$ 909,157</u>	<u>\$ 353,963</u>
Change in Net Assets	<u>\$ 198,594</u>	<u>\$ 336,746</u>

In summation, the net assets for the general fund improved by \$138,152.

7. The Village of Nyack administration should be commended for the various cost saving procedures implemented during the past year. A brief synopsis of these measures is herewith listed:

- a) Electric, oil, and gas rates were locked in for a three year period, which saved the Village approximately \$50,000 annually.
- b) A change in classifications of Village employees for medical insurance purposes saved the Village about \$25,000 per annum.
- c) Nyack negotiated its lease on the parking muni-meters for a reduction of nearly \$2,000 in annual lease costs.