

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED MAY 31, 2011

WITH INDEPENDENT AUDITORS' REPORT

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees
of the Village of Briarcliff Manor, 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 Briarcliff Manor, New York ("Village") as of and for the year ended May 31, 2011, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village as of May 31, 2011 and the respective changes in financial position, thereof, and the respective budgetary comparison for the General and Water funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2011 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Funding Progress - Other Post Employment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information

and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is also not a required part of the financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP

Harrison, New York

October 13, 2011

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

Introduction

The management of the Village of Briarcliff Manor, New York ("Village"), offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2011. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance the understanding of the Village's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2011 are as follows:

- ❖ On the government-wide financial statements, the assets of the Village exceeded its liabilities at the close of the fiscal year 2011 by \$11,009,769. Of the amount, the unrestricted portion is (\$465,141). The Villages total net assets increases by \$2,211,327 for the year ended May 31, 2011. For the year ending May 31, 2011, the Village's OPEB obligations of \$2,270,000 are reflected as a liability on the entity-wide financial statements.
- ❖ As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$4,152,297. Exclusive of the Capital Projects Fund, the unreserved fund balance was \$6,073,188. Of this amount, the undesignated portion was \$4,093,841, which is available for spending at the Village's discretion.
- ❖ At the end of the fiscal years 2011 and 2010, unreserved fund balance for the General Fund was \$2,159,011 or 15.49% and \$2,050,992 or 14.9% respectively of total General Fund expenditures and other financing uses.
- ❖ During the current fiscal year 2010-2011, the Village continued to expend an EFC / ARRA award of \$18,799,238 for a full supply water project. This is shown as a loan payable of \$18,781,938. In 2010-2011 a principal payment of \$17,300 reduced this liability.
- ❖ Bonds payable were reduced by \$1,395,000 in scheduled payments and in an advance refunding of the 2002 Bonds. In addition, the advance refunding will save \$142,721 in future debt service payments.
- ❖ During the current fiscal year 2010-2011, the Village issued \$2,265,267 in new short-term obligations (bond anticipation notes) to finance the cost of the various capital projects, ending May 31, 2011 with BANS outstanding of \$6,245,240.

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 and other post employments benefit obligations, "OPEB").

The **government-wide financial statements** distinguish the 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, 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 four major governmental funds: the General Fund, Water Fund, Capital Projects Fund and Debt Service 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 Public Library Fund and Special Purpose Fund are grouped together as non-major governmental funds.

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

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 two types of fiduciary funds, an Agency Fund and a Pension Trust 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. The Pension Trust Fund accounts for the Service Award Program for volunteer firefighters.

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 \$11,009,769 at the close of the fiscal year 2010-2011. The largest portion of the Village's net assets is its investment in capital assets (land, land improvements, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress), less any related debt outstanding that was used to acquire or develop those assets. The Village uses these capital assets to provide services to its 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 debt.

The following table reflects the condensed Statement of Net Assets

Net Assets		May 31,	
		<u>May 31,</u>	
		<u>2011</u>	<u>2010</u>
Current Assets		\$ 13,860,895	\$ 19,965,996
Capital Assets, net		<u>51,054,356</u>	<u>42,737,928</u>
Total Assets		<u>64,915,251</u>	<u>62,703,924</u>
Current Liabilities		9,809,821	7,146,816
Long-Term Liabilities		<u>44,095,661</u>	<u>44,758,870</u>
Total Liabilities		<u>53,905,482</u>	<u>51,905,686</u>
Net Assets:			
Invested in Capital Assets, net of related debt		7,869,726	7,512,708
Restricted		3,605,184	3,206,674
Unrestricted		<u>(465,141)</u>	<u>78,856</u>
Total Net Assets		<u>\$ 11,009,769</u>	<u>\$ 10,798,238</u>

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

	May 31,	
	2011	2010
Revenues:		
Program Revenues:		
Charges for Services	\$ 6,878,251	\$ 6,045,436
Operating Grants and Contributions	515,853	394,158
Capital Grants and Contributions	265,043	185,342
General Revenues:		
Real Property Taxes	9,582,780	9,502,788
Other Tax Items	39,503	38,214
Non-Property Taxes	1,387,909	1,311,960
Unrestricted Use of Money and Property	10,166	10,643
Sale of Property and Compensation for Loss	65,187	127,135
Unrestricted State Aid	193,029	253,383
Miscellaneous	172,245	119,746
Total Revenues	19,109,966	17,988,805
Program Expenses:		
General Government Support	3,093,397	2,975,949
Public Safety	4,384,849	4,285,467
Health	293,127	277,104
Transportation	2,473,751	2,363,765
Culture and Recreation	2,609,509	2,532,929
Home and Community Services	5,107,092	5,054,540
Interest	936,710	1,141,387
Total Expenses	18,898,435	18,631,141
Change in Net Assets	211,531	(642,336)
Net Assets - Beginning of Year, As Restated	10,798,238	11,440,474
Net Assets - Ending	\$ 11,009,769	\$ 10,798,138

Governmental Activities

Governmental activities increased the Villages net assets by \$211,531 in 2011, and decreased the Village's net assets by \$642,336 in 2010 respectively. This 2011 increase results primarily from general revenue increases, mainly in utilities gross receipt taxes.

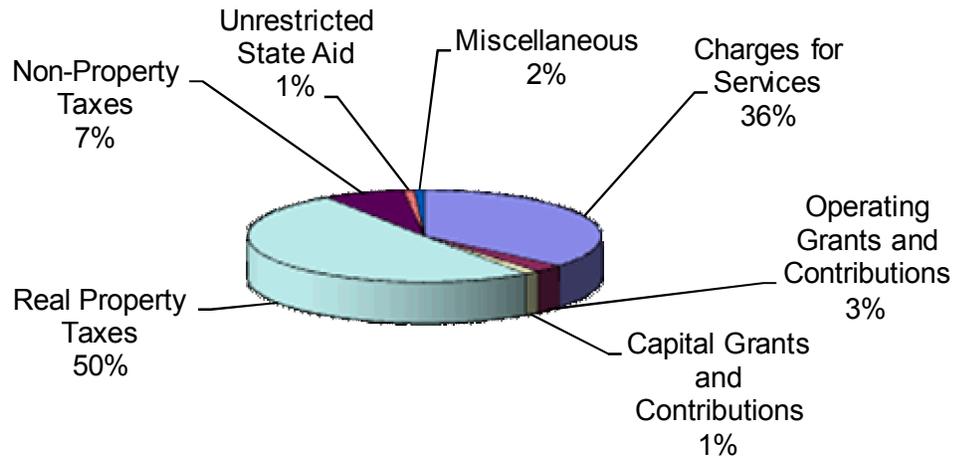
For the fiscal years ended May 31, 2011 and 2010, revenues from governmental activities totaled \$19,109,966 and \$17,988,805, respectively. Tax revenues (\$11,010,192, in 2011 and \$10,852,962 in 2010), comprised of real property taxes, other tax items and non-property taxes; represent the largest revenue source (58% in 2011 and 60% in 2010).

For the year ending May 31, 2011, the Village's OPEB obligations of \$2,270,000 are reflected as a liability on the district-wide financial statements. This was an increase of \$840,000 from May 31, 2010. The following functions were changes as follows:

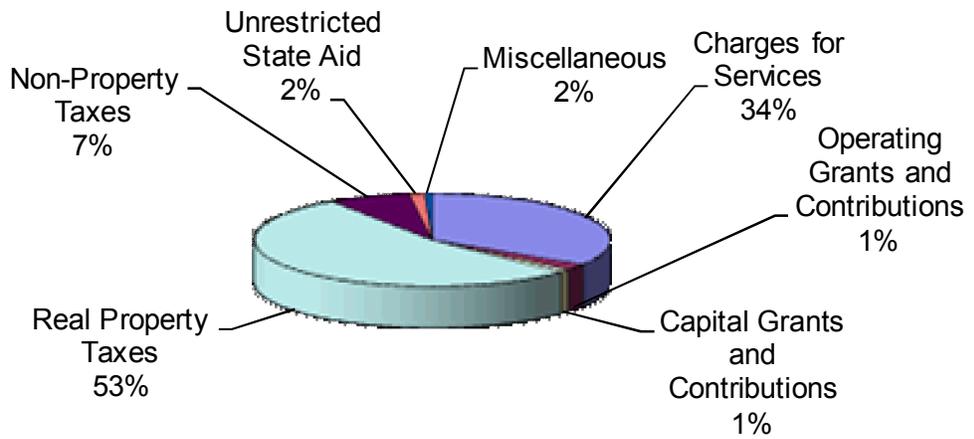
<u>Functions 2011</u>	
Governmental activities:	
General government support	\$ 479,051
Public safety	732,886
Transportation	178,686
Culture & recreation	366,804
Home and community services	<u>512,573</u>
Total OPEB obligation	<u><u>\$ 2,270,000</u></u>

The largest components of 2011 governmental activities' expenses are Home and Community (\$5,107,092, 27% in 2011 and \$5,054,540, 27% in 2010), Public Safety (\$4,384,849, 23% in 2011 and \$4,285,467, 23% in 2010) General Government Support (\$3,093,397, 16% in 2011 and \$2,975,949, 16% in 2010).

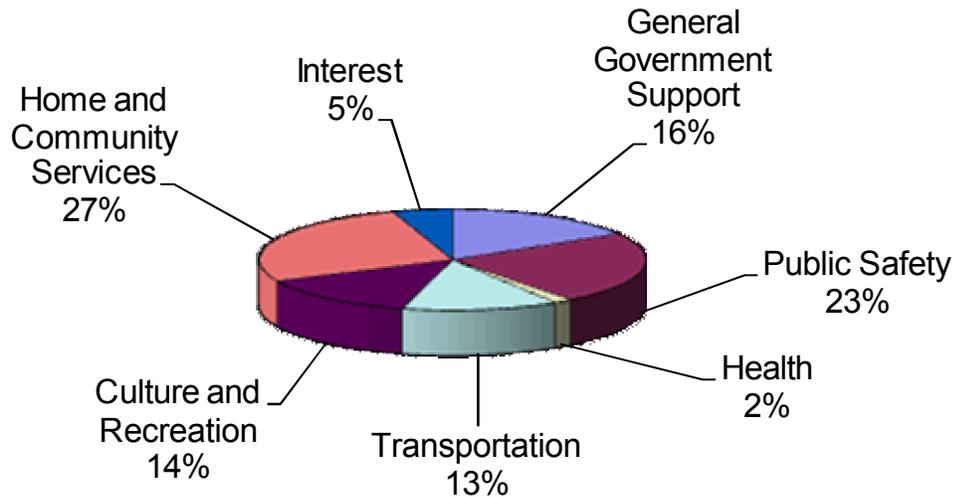
2011 Sources of Revenues



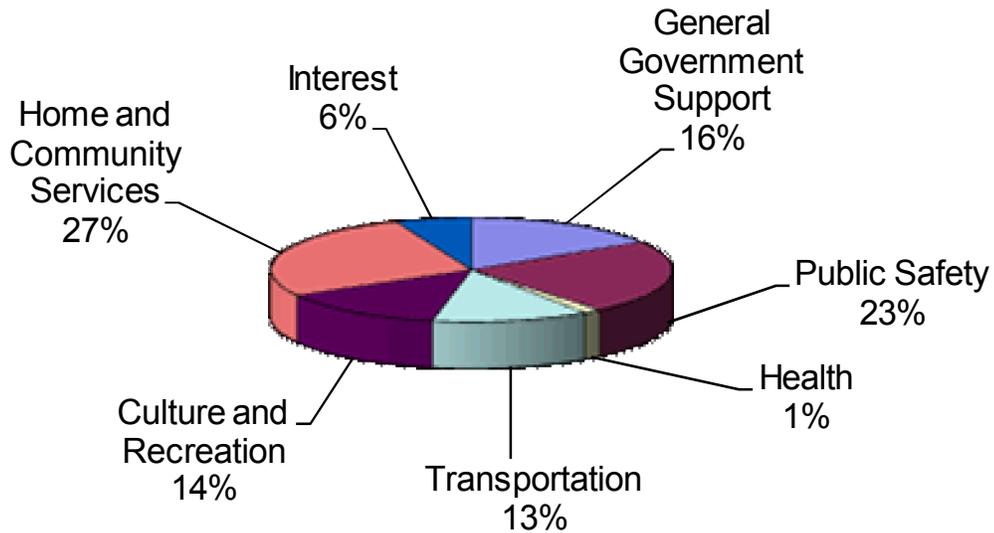
2010 Sources of Revenues



2011 Sources of Expenditures



2010 Sources of Expenditures



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 years 2011 and 2010, the Village's governmental funds reported combined ending fund balances of \$4,152,297 and \$13,005,556, respectively. Of the unreserved fund balance, \$564,335 in 2011 and \$758,868 in 2010 has been designated for subsequent year's expenditures. 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 (\$108,936 in 2011, \$20,702 in 2010), to liquidate contracts and purchase orders of the prior period (\$97,525 in 2011, \$38,221 in 2010), for debt service (\$81,643 in 2011, and \$177,435 in 2010) and trusts (\$346,545 in 2011, and \$181,821 in 2010).

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year ended May 31, 2011, unreserved undesignated fund balance of the General Fund was \$2,159,011, representing 92% of the total General Fund balance of \$2,352,845. Revenues and other financing sources were \$14,178,633 which was \$192,037 less than the final budget. The major area where revenues were less than budgeted was \$136,470 in departmental income. The major areas where spending was less than budgeted was in general government support, representing a positive variance of \$520,225.

The Water Fund reflects a fund balance of \$3,133,476 in 2011 and \$1,987,071 in 2010. The Village designated a portion of fund balance to a capital project reserve. The reserve balance is \$1,326,894 in 2011 from \$1,321,541 in 2010 and is designated for use on special water projects (Full Supply). The Village expects to designate additional fund balance to the reserve in 2011-2012 to cover debt expense through the New York State Environmental Facilities loan program. The Village designated \$267,000 in Water Fund fund balance for 2011-2012 expenditures. They also designated \$150,000 of Debt Service Fund fund balance for 2011-2012 expenditures.

The Capital Projects Fund has an undesignated fund balance deficit of (\$1,920,891 in 2011 and fund balance of \$8,271,652 in 2010). In 2011 the deficit is due to the issuance of \$6,245,240 in Bond Anticipation Notes. 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, 2011, net of \$19,795,169 of accumulated depreciation, was \$51,054,356. This investment in capital assets includes land, land improvements, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress.

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

**Capital Assets
May 31,**

	2011	2010
Asset:		
Land	\$ 855,947	\$ 855,947
Buildings and improvements	13,182,635	12,417,439
Infrastructure	27,463,943	27,463,943
Machinery and equipment	8,903,719	8,336,702
Construction-in-Progress	20,443,281	11,824,156
Less - accumulated depreciation	(19,795,169)	(18,160,259)
Total (Net of Depreciation)	\$ 51,054,356	\$ 42,737,928

Additional information on the Village's capital assets can be found in Note 3, C 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 \$22,640,000; \$1,395,000 in principal matured or was included in an advance refunding during 2011. 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.

At May 31, 2011 the bond anticipation notes outstanding are \$6,245,240. During the current fiscal year 2010-2011, the Village issued \$2,265,267 and redeemed (paid) \$55,471 in bond anticipation notes. Additional information on the Village's long-term and short-term debt can be found in Notes 3, F, G & H in the notes to the financial statements.

The Village designated \$150,000 in Debt Service Fund Balance for 2011-2012 expenditures. They also designated \$267,000 as a Water Fund Transfer. The General Fund ERS Reserve was designated for next year in the amount of \$147,335.

The tax rate for the 2012 Village General Fund is \$89.00 per \$1,000 of taxable assessed in Ossining and \$325.552 per \$1,000 if taxable assessed in Mt. Pleasant, an increase of 1.937% and a decrease of 4.597% over the prior year tax rate.

Requests for Information

This financial report is designed to provide a general overview of the Village of Briarcliff Manor, New York's. Questions and comments concerning any of the information provided in this report should be addressed to Robin L. Rizzo, Treasurer, Village of Briarcliff Manor, 1111 Pleasantville Road, Briarcliff Manor, New York 10510.

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

STATEMENT OF NET ASSETS
MAY 31, 2011

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 8,407,274
Restricted investments	4,176,090
Receivables:	
Taxes	38,710
Accounts	137,823
Water rents	422,166
Due from State and Federal governments	15,211
Due from other governments	440,841
Prepaid expenses	108,936
Deferred charges	113,844
Capital assets (net of accumulated depreciation):	
Land	855,947
Buildings and improvements	9,096,248
Infrastructure	18,415,239
Machinery and equipment	2,243,641
Construction-in-progress	20,443,281
	<u>64,915,251</u>
Total Assets	
LIABILITIES	
Accounts payable	1,955,431
Accrued liabilities	156,010
Retainages payable	593,793
Due to retirement systems	96,636
Unearned revenues	547,644
Bond anticipation notes payable	6,245,240
Accrued interest payable	215,067
Non-current liabilities:	
Due within one year:	
Bonds payable - Capital construction	1,594,156
Bonds payable - Judgments and claims	5,844
Compensated absences	47,000
Loans payable	230,212
Due in more than one year:	
Bonds payable - Capital construction	20,853,230
Bonds payable - Judgments and claims	125,756
Compensated absences	417,737
Loans payable	18,551,726
Other post employment benefit obligations payable	2,270,000
	<u>53,905,482</u>
Total Liabilities	
NET ASSETS	
Invested in capital assets, net of related debt	7,869,726
Restricted for:	
Capital projects	148,259
Debt service	231,643
Future capital projects	1,326,894
Retirement contributions	17,804
Special Revenue Funds:	
Water	1,534,039
Special purposes	346,545
Unrestricted	(465,141)
	<u>\$ 11,009,769</u>
Total Net Assets	

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

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government support	\$ 3,093,397	\$ 274,193	\$ -	\$ 174,756
Public safety	4,384,849	305,568	65,923	-
Health	293,127	-	-	-
Transportation	2,473,751	331,723	154,598	13,896
Culture and recreation	2,609,509	826,132	59,467	15,246
Home and community services	5,107,092	5,140,635	235,865	-
Interest	936,710	-	-	61,145
Total Governmental Activities	\$ 18,898,435	\$ 6,878,251	\$ 515,853	\$ 265,043

General Revenues:

Real property taxes

Other tax items - Interest and penalties on real property taxes

Non-property taxes:

Franchise fees

Utilities gross receipts taxes

Non-property tax distribution from County

Unrestricted use of money and property

Sale of property and compensation for loss

Unrestricted State aid

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets - Beginning of Year

Net Assets - Ending

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

Net (Expense)
Revenue and
Changes in
Net Assets

\$ (2,644,448)
(4,013,358)
(293,127)
(1,973,534)
(1,708,664)

269,408
(875,565)

(11,239,288)

9,582,780
39,503

163,819
200,649
1,023,441
10,166
65,187
193,029
172,245

11,450,819

211,531

10,798,238

\$ 11,009,769

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

BALANCE SHEET
GOVERNMENTAL FUNDS
MAY 31, 2011

	General	Water	Capital Projects	Debt Service
ASSETS				
Cash and Equivalents	\$ 2,650,803	\$ 2,803,854	\$ 2,346,366	\$ 223,531
Restricted Investments	-	-	4,176,090	-
Taxes Receivable	38,710	-	-	-
Other Receivables:				
Accounts	137,823	-	-	-
Water rents	-	422,166	-	-
Due from State and Federal governments	-	-	15,211	-
Due from other governments	440,841	-	-	-
Due from other funds	35,897	4,814	-	8,112
Prepaid Expenditures	103,906	5,030	-	-
	<u>\$ 3,407,980</u>	<u>\$ 3,235,864</u>	<u>\$ 6,537,667</u>	<u>\$ 231,643</u>
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities:				
Accounts payable	\$ 266,871	\$ 84,278	\$ 1,590,871	\$ -
Accrued liabilities	151,294	-	-	-
Retainages payable	-	-	593,793	-
Due to other funds	4,814	9,521	28,654	-
Due to retirement systems	84,512	8,589	-	-
Deferred revenues	547,644	-	-	-
Bond anticipation notes payable	-	-	6,245,240	-
	<u>1,055,135</u>	<u>102,388</u>	<u>8,458,558</u>	<u>-</u>
Fund Balances (Deficits):				
Reserved for debt service	-	-	-	81,643
Reserved for trusts	-	-	-	-
Reserved for prepaid expenditures	103,906	5,030	-	-
Reserved for encumbrances	89,928	7,597	-	-
Reserved for future capital projects	-	1,326,894	-	-
Reserved for retirement contributions	-	17,804	-	-
Unreserved, reported in:				
General Fund	2,159,011	-	-	-
Capital Projects Fund	-	-	(1,920,891)	-
Debt Service Fund	-	-	-	150,000
Special Revenue Funds	-	1,776,151	-	-
	<u>2,352,845</u>	<u>3,133,476</u>	<u>(1,920,891)</u>	<u>231,643</u>
Total Fund Balances (Deficit)	<u>2,352,845</u>	<u>3,133,476</u>	<u>(1,920,891)</u>	<u>231,643</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 3,407,980</u>	<u>\$ 3,235,864</u>	<u>\$ 6,537,667</u>	<u>\$ 231,643</u>

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

Other Governmental	Total Governmental Funds
\$ 382,720	\$ 8,407,274
-	4,176,090
-	38,710
-	137,823
-	422,166
-	15,211
-	440,841
-	48,823
-	108,936
<u>\$ 382,720</u>	<u>\$ 13,795,874</u>

\$ 13,411	\$ 1,955,431
4,716	156,010
-	593,793
5,834	48,823
3,535	96,636
-	547,644
-	6,245,240
<u>27,496</u>	<u>9,643,577</u>

-	81,643
346,545	346,545
-	108,936
-	97,525
-	1,326,894
-	17,804
-	2,159,011
-	(1,920,891)
-	150,000
8,679	1,784,830
<u>355,224</u>	<u>4,152,297</u>
<u>\$ 382,720</u>	<u>\$ 13,795,874</u>

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

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

Fund Balances - Total Governmental Funds	<u>\$ 4,152,297</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.	<u>51,054,356</u>
Governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred charges	<u>113,844</u>
Long-term liabilities that are not due and payable in the current period and are not reported in the funds.	
Accrued interest payable	(215,067)
Bonds payable	(22,578,986)
Compensated absences	(464,737)
Loans payable	(18,781,938)
Other post employment benefit obligations payable	<u>(2,270,000)</u>
	<u>(44,310,728)</u>
Net Assets of Governmental Activities	<u>\$ 11,009,769</u>

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

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED MAY 31, 2011

	General	Water	Capital Projects
REVENUES			
Real property taxes	\$ 9,582,780	\$ -	\$ -
Other tax items	39,503	-	-
Non-property taxes	1,387,909	-	-
Departmental income	1,600,708	4,899,771	-
Use of money and property	259,979	7,339	-
Licenses and permits	20,933	-	-
Fines and forfeitures	93,089	-	-
Sale of property and compensation for loss	65,187	2,360	-
State aid	366,683	-	15,246
Federal aid	48,638	-	174,756
Miscellaneous	173,245	5,888	13,896
	<u>13,638,654</u>	<u>4,915,358</u>	<u>203,898</u>
Total Revenues			
EXPENDITURES			
Current:			
General government support	2,456,519	215,857	-
Public safety	4,027,297	-	-
Health	161,697	-	-
Transportation	1,782,796	-	-
Culture and recreation	1,630,255	-	-
Home and community services	1,751,532	2,336,827	-
Debt service:			
Principal	-	-	-
Interest	57,485	2,708	-
Refunding bond issuance costs	-	-	-
Capital outlay	-	-	10,451,912
	<u>11,867,581</u>	<u>2,555,392</u>	<u>10,451,912</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>1,771,073</u>	<u>2,359,966</u>	<u>(10,248,014)</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	-	-
Premium on bonds issued	-	-	-
Payment to refunded bond escrow agent	-	-	-
Transfers in	539,979	-	55,471
Transfers out	(2,066,893)	(1,213,561)	-
	<u>(1,526,914)</u>	<u>(1,213,561)</u>	<u>55,471</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	244,159	1,146,405	(10,192,543)
Fund Balances - Beginning of Year	<u>2,108,686</u>	<u>1,987,071</u>	<u>8,271,652</u>
Fund Balances (Deficits) - End of Year	<u>\$ 2,352,845</u>	<u>\$ 3,133,476</u>	<u>\$ (1,920,891)</u>

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

Debt Service	Other Governmental	Total Governmental Funds
\$ -	\$ -	\$ 9,582,780
-	-	39,503
-	-	1,387,909
-	13,937	6,514,416
61,145	278	328,741
-	-	20,933
-	-	93,089
-	-	67,547
-	53,823	435,752
-	-	223,394
-	222,873	415,902
61,145	290,911	19,109,966
-	13,157	2,685,533
-	-	4,027,297
-	39,512	201,209
-	-	1,782,796
-	551,620	2,181,875
-	-	4,088,359
1,592,300	-	1,592,300
891,751	-	951,944
83,049	-	83,049
-	-	10,451,912
2,567,100	604,289	28,046,274
(2,505,955)	(313,378)	(8,936,308)
3,305,000	-	3,305,000
97,497	-	97,497
(3,319,448)	-	(3,319,448)
2,484,051	473,932	3,553,433
(256,937)	(16,042)	(3,553,433)
2,310,163	457,890	83,049
(195,792)	144,512	(8,853,259)
427,435	210,712	13,005,556
\$ 231,643	\$ 355,224	\$ 4,152,297

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2011

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

Net Change in Fund Balances - Total Governmental Funds \$ (8,853,259)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. This amount may be less than the total capital outlay since capital outlay includes amounts that are under the capitalization threshold.

Capital outlay expenditures	9,951,338
Depreciation expense	<u>(1,634,910)</u>
	<u>8,316,428</u>

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Refunding bonds issued	(3,305,000)
Premium on bonds issued	(97,497)
Payment to refunded bond escrow agent	3,319,448
Refunding bond issuance costs	83,049
Principal paid on serial bonds	1,575,000
Amortization of issuance costs, loss on refunding and issuance premium	(20,858)
Principal paid on loans	<u>17,300</u>
	<u>1,571,442</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	19,098
Compensated absences	(2,178)
Other post employment benefit obligations	<u>(840,000)</u>
	<u>(823,080)</u>

Change in Net Assets of Governmental Activities \$ 211,531

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

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL AND WATER FUNDS
 YEAR ENDED MAY 31, 2011

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 9,631,655	\$ 9,631,655	\$ 9,582,780	\$ (48,875)
Other tax items	35,550	35,550	39,503	3,953
Non-property taxes	1,326,000	1,326,000	1,387,909	61,909
Departmental income	1,700,116	1,737,178	1,600,708	(136,470)
Use of money and property	285,590	285,604	259,979	(25,625)
Licenses and permits	11,700	11,700	20,933	9,233
Fines and forfeitures	75,300	75,300	93,089	17,789
Sale of property and compensation for loss	43,000	45,923	65,187	19,264
State aid	479,378	496,663	366,683	(129,980)
Federal aid	-	45,000	48,638	3,638
Miscellaneous	98,427	140,118	173,245	33,127
Total Revenues	13,686,716	13,830,691	13,638,654	(192,037)
EXPENDITURES				
Current:				
General government support	2,922,569	2,976,744	2,456,519	520,225
Public safety	4,088,267	4,122,195	4,027,297	94,898
Health	163,200	162,988	161,697	1,291
Transportation	1,739,213	1,783,878	1,782,796	1,082
Culture and recreation	1,659,566	1,694,676	1,630,255	64,421
Home and community services	1,777,355	1,761,887	1,751,532	10,355
Debt service - Interest	42,729	57,485	57,485	-
Total Expenditures	12,392,899	12,559,853	11,867,581	692,272
Excess of Revenues Over Expenditures	1,293,817	1,270,838	1,771,073	500,235
OTHER FINANCING SOURCES (USES)				
Transfers in	517,000	539,979	539,979	-
Transfers out	(2,090,906)	(2,090,906)	(2,066,893)	24,013
Total Other Financing Uses	(1,573,906)	(1,550,927)	(1,526,914)	24,013
Net Change in Fund Balances	(280,089)	(280,089)	244,159	524,248
Fund Balances - Beginning of Year	280,089	280,089	2,108,686	1,828,597
Fund Balances - End of Year	\$ -	\$ -	\$ 2,352,845	\$ 2,352,845

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

Water Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
3,646,441	3,696,513	4,899,771	1,203,258
-	-	7,339	7,339
-	-	-	-
-	-	-	-
3,000	3,000	2,360	(640)
-	-	-	-
-	-	-	-
3,513	3,513	5,888	2,375
<u>3,652,954</u>	<u>3,703,026</u>	<u>4,915,358</u>	<u>1,212,332</u>
248,307	337,783	215,857	121,926
-	-	-	-
-	-	-	-
-	-	-	-
2,457,601	2,415,974	2,336,827	79,147
1,235	2,708	2,708	-
<u>2,707,143</u>	<u>2,756,465</u>	<u>2,555,392</u>	<u>201,073</u>
<u>945,811</u>	<u>946,561</u>	<u>2,359,966</u>	<u>1,413,405</u>
-	-	-	-
<u>(1,212,811)</u>	<u>(1,213,561)</u>	<u>(1,213,561)</u>	<u>-</u>
<u>(1,212,811)</u>	<u>(1,213,561)</u>	<u>(1,213,561)</u>	<u>-</u>
(267,000)	(267,000)	1,146,405	1,413,405
<u>267,000</u>	<u>267,000</u>	<u>1,987,071</u>	<u>1,720,071</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,133,476</u>	<u>\$ 3,133,476</u>

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

STATEMENT OF NET ASSETS
 FIDUCIARY FUNDS
 MAY 31, 2011

	Agency	Pension Trust
ASSETS		
Cash and Equivalents	\$ 97,019	\$ -
Investments, at fair value:		
Money market	-	268,827
Mutual funds	-	623,876
	-	892,703
Accounts Receivable	23,135	49,700
Total Assets	120,154	942,403
LIABILITIES		
Accounts Payable	18,227	-
Payroll Taxes Payable	21,492	-
Deposits	80,435	-
Total Liabilities	120,154	-
NET ASSETS		
Held in Trust for Pension Benefits	\$ -	\$ 942,403

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

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND
YEAR ENDED MAY 31, 2011

Additions:

Interest income	\$	13,569
Pension contributions		49,700
Unrealized gain on investments		<u>98,999</u>

Total Additions 162,268

Deductions -

Pension benefits		<u>10,244</u>
------------------	--	---------------

Net Increase in Plan Net Assets 152,024

Net Assets Held in Trust for Pension Benefits - Beginning of Year 790,379

Net Assets Held in Trust for Pension Benefits - End of Year \$ 942,403

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

Note 1 - Summary of Significant Accounting Policies

The Village of Briarcliff Manor, New York (the "Village") was incorporated pursuant to an act of the New York State Legislature in December 1902 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 Manager serves as the chief executive officer and the Village Treasurer serves as the chief financial officer. The Village provides the following services to its residents: public safety, health, transportation, culture and recreation, home and community services and general and administrative support.

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

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the Village, b) organizations for which the Village is financially accountable and c) other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Village's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

B. Government-Wide Financial Statements

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

The Statement of Net Assets presents the financial position of the Village at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are 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/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Village maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Village's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

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

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

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 major special revenue fund of the Village is as follows:

Water Fund - The Water Fund is used to record the water utility operations of the Village, which renders services on a user charge basis to the general public.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Debt Service Fund - The Debt Service Fund is provided to account for the accumulation of resources to be used for the redemption of principal and interest on long-term debt.

The Village also reports the following non-major governmental funds.

Special Revenue Funds:

Public Library Fund - The Public Library Fund is used to account for the activities of the Village's Public Library.

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) - Fiduciary Funds are used to account for assets held by the Village in agency capacity on behalf of others. These include Pension Trust and Agency funds. The Agency Fund is used to account for employee payroll tax withholdings that are payable to other jurisdictions. The Pension Trust Fund is utilized to account for the Village's Fire Service Awards program.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

Note 1 - Summary of Significant Accounting Policies (Continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

E. Assets, Liabilities and Net Assets or Fund Balances

Deposits, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The Village's deposits and investment policies are governed by State statutes. The Village has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Village is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions, and accordingly, the Village's policy provides for no credit risk on investments.

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

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2011.

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

Investments - Investments of the Pension Trust Fund are funds that are held on deposit with an insurance company. The funds are invested along with the company's other assets in a variety of instruments. All investments are stated at fair value.

Note 1 - Summary of Significant Accounting Policies (Continued)

Restricted Investments - Restricted investments of the Capital Projects Fund consist of loan proceeds held by a State agency. These funds are to be used for the Village's Capital Projects Fund water supply construction project.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of June 1st and are levied and payable in two installments due in June and December. The Village has the responsibility for the billing and collection of its own taxes.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Village. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of May 31, 2011, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the Village. Purchases of inventoriable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of insurance and other costs which have been satisfied prior to the end of the fiscal year, but represent items 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, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Village chose to include all such items regardless of their acquisition date or amount. The Village was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

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

<u>Class</u>	<u>Life in Years</u>
Buildings and improvements	10-40
Infrastructure	40
Machinery and equipment	5-15

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

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

Deferred revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported deferred revenues of \$547,644 for pool, tennis and other recreation fees received in advance in the General Fund. These amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the 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 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 or Debt Service funds expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation of 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Fund Balances - Reserves and Designations - Portions of fund balance are segregated for future use and are, therefore, not available for future appropriation or expenditure. Amounts reserved for debt service, trusts, prepaid expenditures, encumbrances, future capital projects and retirement contributions represent portions of fund balance which are required to be segregated in accordance with State law or generally accepted accounting principles. Designation of unreserved fund balances 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, Water and Public Library funds. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

The Village has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 13, 2011.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The Village 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 the proposed expenditures and the means of financing.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- c) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for General, Water, Public Library and Debt Service funds.
- f) Budgets for General, Water, Public Library and Debt Service funds are 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 adopted by the Board for the Special Purpose Fund.
- g) The Village Board 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 Board of Trustees. Any modifications to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- h) Appropriations in General, Water, Public Library and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Board of Trustees.

B. Property Tax Limitation

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for the 2010-11 fiscal year was \$42,810,614, which exceeded the actual levy by \$33,178,959.

C. Excess of Actual Expenditures Over Budget

The following functional expenditure categories exceeded their budgetary authorization by the amounts indicated:

Debt Service Fund:	
Principal - EFC Loans	\$ 17,300
Transfers out	6,937

In addition, total expenditures and other financing uses in the Debt Service Fund exceeded the budgetary authorization by \$9,917.

Note 2 - Stewardship, Compliance and Accountability (Continued)

D. Capital Projects Fund Deficits

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

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

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

Tax Liens	\$ <u>38,710</u>
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B. Due From/To Other Funds

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

Fund	Due From	Due To
General	\$ 35,897	\$ 4,814
Water	4,814	9,521
Capital Projects	-	28,654
Debt Service	8,112	-
Non-Major Governmental	-	5,834
	\$ 48,823	\$ 48,823

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

Note 3 - Detailed Notes on All Funds (Continued)

C. Capital Assets

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

	Balance June 1, 2010	Additions	Balance May 31, 2011
	<u> </u>	<u> </u>	<u> </u>
Capital assets, not being depreciated:			
Land	\$ 855,947	\$ -	\$ 855,947
Construction-in-progress	<u>11,824,156</u>	<u>8,619,125</u>	<u>20,443,281</u>
Total Capital Assets, not being depreciated	<u>\$ 12,680,103</u>	<u>\$ 8,619,125</u>	<u>\$ 21,299,228</u>
Capital assets, being depreciated:			
Buildings and improvements	\$ 12,417,439	\$ 765,196	\$ 13,182,635
Infrastructure	27,463,943	-	27,463,943
Machinery and equipment	<u>8,336,702</u>	<u>567,017</u>	<u>8,903,719</u>
Total Capital Assets, being depreciated	<u>48,218,084</u>	<u>1,332,213</u>	<u>49,550,297</u>
Less Accumulated Depreciation for:			
Buildings and improvements	3,406,702	679,685	4,086,387
Infrastructure	8,793,229	255,475	9,048,704
Machinery and equipment	<u>5,960,328</u>	<u>699,750</u>	<u>6,660,078</u>
Total Accumulated Depreciation	<u>18,160,259</u>	<u>1,634,910</u>	<u>19,795,169</u>
Total Capital Assets, being depreciated, net	<u>\$ 30,057,825</u>	<u>\$ (302,697)</u>	<u>\$ 29,755,128</u>
Governmental Activities Capital Assets, net	<u>\$ 42,737,928</u>	<u>\$ 8,316,428</u>	<u>\$ 51,054,356</u>

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

Governmental Activities:	
General Government Support	\$ 63,350
Public Safety	97,606
Health	91,919
Transportation	490,951
Culture and Recreation	130,648
Home and Community Services	<u>760,436</u>
Total Depreciation Expense	<u>\$ 1,634,910</u>

Note 3 - Detailed Notes on All Funds (Continued)

D. Accrued Liabilities

Accrued liabilities at May 31, 2011 were as follows:

	General Fund	Other Governmental Fund	Total
Payroll and Employee Benefits	\$ 151,294	\$ 4,716	\$ 156,010

E. Pension Plans

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

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary and employees in tier 5 who also contribute 3% of their salary without regard to their years of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plans' year ended March 31, 2011 are as follows:

	Tier/Plan	Rate
ERS	1 75I	15.3 %
	3 A14	11.3
	4 A15	11.3
PFRS	2 384D	16.8

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

	ERS	PFRS
2011	\$ 508,776	\$ 343,401
2010	284,371	259,654
2009	357,308	333,354

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 ERS contribution for the Village was charged to the funds identified below. The PFRS contribution was charged to the General Fund.

<u>Fund</u>	<u>Amount</u>
General	\$ 371,952
Water	98,928
Public Library	<u>37,896</u>
	<u>\$ 508,776</u>

Pension Trust - Service Awards Program

The Village, pursuant to Article 11-A of General Municipal Law and legislative resolution, has established a Service Awards Program ("Program") for volunteer firefighters. This Program is a single employer defined contribution plan. Active volunteer firefighters, upon attainment of age 18, and upon earning 50 or more points, in a calendar year after 1990, under the provisions of the Program point system, are eligible to become participants in the Program. Participants are fully vested upon attainment of entitlement age, upon death or general disablement and after earning five years of service credit. A participant upon attainment of entitlement age (the later of age 65 or the participant's age after earning 50 program points) shall be able to receive their service award. The maximum annual contribution is \$480 per individual for each year of service. The Program also provides disability and death benefits. Contributions are not required by participants. The Trustees of the Program, which are the members of the Village's Board, are authorized to invest the funds in authorized investment vehicles.

The Village's obligation to continue funding is governed by New York State Law and Program provisions. The Village's contribution for the calendar year was \$49,700. This amount was charged to General Fund expenditures.

F. Short-Term Capital Borrowings

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

<u>Purpose</u>	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 1, 2010</u>	<u>New Issues</u>	<u>Redemptions</u>	<u>Balance May 31, 2011</u>
Village Garage	1/23/2009	9/9/2011	1.50 %	\$ 127,500	\$ -	\$ 1,500	\$ 126,000
Building Construction and Reconstruction	1/23/2009	9/9/2011	1.50	395,500	-	9,500	386,000
Acquisition of Vehicles and Police Department Equipment	1/23/2009	9/9/2011	1.50	124,814	-	29,221	95,593
Improvements to Village Streets and Sidewalks	1/23/2009	9/9/2011	1.50	387,600	-	10,600	377,000
Sanitary System Sewer Improvements	1/23/2009	9/9/2011	1.50	127,500	-	2,500	125,000
Village Water System Improvements	1/23/2009	9/9/2011	1.50	71,400	-	1,400	70,000
Police Vehicle Replacement	9/24/2009	9/9/2011	1.50	60,000	-	-	60,000
Fire Chief Vehicle	9/24/2009	9/9/2011	1.50	41,250	-	-	41,250
Fire Equipment	9/24/2009	9/9/2011	1.50	10,300	-	-	10,300
Road Paving	9/24/2009	9/9/2011	1.50	103,000	-	-	103,000
Sidewalk Replacement	9/24/2009	9/9/2011	1.50	61,800	-	-	61,800
Sanitation Truck	9/24/2009	9/9/2011	1.50	185,000	-	-	185,000
Scarborough Road Sewer System Collection	9/24/2009	9/9/2011	1.50	272,000	-	-	272,000
CCRC Playing Field Irrigation	9/24/2009	9/9/2011	1.50	30,900	-	-	30,900
Tennis Courts Law #4 Improvements	9/24/2009	9/9/2011	1.50	14,000	-	-	14,000
Platform Court Improvements	9/24/2009	9/9/2011	1.50	8,250	-	-	8,250

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2011

Note 3 - Detailed Notes on All Funds (Continued)

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance June 1, 2010	New Issues	Redemptions	Balance May 31, 2011
Scarborough Firehouse	9/24/2009	9/9/2011	1.50 %	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Brookwood Sanitary Sewer II	9/24/2009	9/9/2011	1.50	32,640	-	-	32,640
Senior Bus	9/24/2009	9/9/2011	1.50	30,600	-	-	30,600
Police Vehicle Replacement	9/9/2010	9/9/2011	1.50	-	31,467	-	31,467
Police Surveillance Equipment	9/9/2010	9/9/2011	1.50	-	15,300	-	15,300
Road Paving	9/9/2010	9/9/2011	1.50	-	122,400	-	122,400
Village Wide Drainage Projects	9/9/2010	9/9/2011	1.50	-	117,300	-	117,300
Epoxy Painted Traffic Lines	9/9/2010	9/9/2011	1.50	-	48,960	-	48,960
Salt Brine Tank Applicator System	9/9/2010	9/9/2011	1.50	-	12,240	-	12,240
Brookwood Sewer Generator Replacement	9/9/2010	9/9/2011	1.50	-	40,800	-	40,800
Village Hall Windows, Doors & Garage Door Replacement	9/9/2010	9/9/2011	1.50	-	204,000	-	204,000
Village Hall Roof Replacement	9/9/2010	9/9/2011	1.50	-	229,500	-	229,500
Municipal Building Exterior Lighting Upgrade	9/9/2010	9/9/2011	1.50	-	76,500	-	76,500
Municipal Building Mechanical System Survey	9/9/2010	9/9/2011	1.50	-	10,200	-	10,200
Replace/Upgrade Backhoe Bucket	9/9/2010	9/9/2011	1.50	-	127,500	-	127,500
Long Hill Pump House Pumps - Water	9/9/2010	9/9/2011	1.50	-	153,000	-	153,000
Long Hill Pump House Generator Tie In - Water	9/9/2010	9/9/2011	1.50	-	51,000	-	51,000
Sleepy Hollow Pump House Generator - Water	9/9/2010	9/9/2011	1.50	-	25,500	-	25,500
Scarborough Firehouse	3/24/2010	9/9/2011	1.25	545,590	-	-	545,590
Village Wide Drainage Projects	3/24/2010	9/9/2011	1.25	206,000	-	-	206,000
Annual Guide Rail Repair and Installation	3/24/2010	9/9/2011	1.25	22,500	-	-	22,500
Scarborough Train and Water Main	3/24/2010	9/9/2011	1.25	35,500	-	-	35,500
Sleepy Hollow Road Pump/ Water Transmission	3/24/2010	9/9/2011	1.25	40,800	-	-	40,800
Village Lighting Renovations 07/08	3/24/2010	9/9/2011	1.25	51,000	-	-	51,000
Delaware Aqueduct Engineering Services	3/24/2010	9/9/2011	1.25	50,000	-	750	49,250
Traffic Lights	3/22/2011	9/9/2011	1.25	-	81,600	-	81,600
Village Wide Drainage Projects	3/22/2011	9/9/2011	1.25	-	91,800	-	91,800
Sewer Improvements	3/22/2011	9/9/2011	1.25	-	40,800	-	40,800
Recreations -Design & Relocation	3/22/2011	9/9/2011	1.25	-	51,000	-	51,000
Scarborough Park Construction	3/22/2011	9/9/2011	1.25	-	204,000	-	204,000
Scarborough Park Study	3/22/2011	9/9/2011	1.25	-	35,700	-	35,700
Solar Project Study	3/22/2011	9/9/2011	1.25	-	76,500	-	76,500
Water Tank Cleaning & Inspection	3/22/2011	9/9/2011	1.25	-	10,200	-	10,200
Department of Public Works Roof Replacement	3/22/2011	9/9/2011	1.25	-	408,000	-	408,000
				<u>\$ 4,035,444</u>	<u>\$ 2,265,267</u>	<u>\$ 55,471</u>	<u>\$ 6,245,240</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 \$60,193 were recorded in the fund financial statements in the following funds:

<u>Fund</u>	<u>Amount</u>
General	\$ 57,485
Water	<u>2,708</u>
	<u>\$ 60,193</u>

Interest expense of \$75,133 was recorded in the government-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

G. Long-Term Liabilities

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

	Balance June 1, 2010	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2011	Due Within One Year
Bonds Payable:					
General Fund	\$ 16,726,947	\$ 3,305,000	\$ 4,053,161	\$ 15,978,786	\$ 947,435
Water Fund	7,308,053	-	646,839	6,661,214	652,565
	24,035,000	3,305,000	4,700,000	22,640,000	1,600,000
Add -					
Deferred amounts on refunding	32,073	(96,951)	(3,864)	(61,014)	-
	24,067,073	3,208,049	4,696,136	22,578,986	1,600,000
Other Non-Current Liabilities:					
Compensated Absences	462,559	48,178	46,000	464,737	47,000
Loans Payable	18,799,238	-	17,300	18,781,938	230,212
Other Post Employment Benefit Obligations Payable	1,430,000	1,480,000	640,000	2,270,000	-
Total Long-Term Liabilities	<u>\$ 44,758,870</u>	<u>\$ 4,736,227</u>	<u>\$ 5,399,436</u>	<u>\$ 44,095,661</u>	<u>\$ 1,877,212</u>

Each governmental fund's liability for compensated absences and other port employment benefit obligations is liquidated by the General, Water and Library funds. The Village's indebtedness for bonds and loans is liquidated by the Debt Service Fund, which is funded primarily by the General and Water Funds.

Bonds Payable

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at May 31, 2011
Water Improvements	1987	\$ 4,000,000	September, 2013	6.00 %	\$ 525,000
Public Improvements	2004	5,445,880	November, 2024	2.50-4.25	2,590,000
Public Improvements	2006	9,626,000	October, 2027	3.75-4.00	8,445,000
Public Improvements	2008	7,295,000	September, 2029	3.00-5.00	6,960,000
Refunding Bonds	2008	1,585,000	October, 2015	3.00-4.00	1,120,000
Refunding Bonds	2010	3,305,000	March , 2020	4.00-5.00	3,000,000
					<u>\$ 22,640,000</u>

Interest expenditures of \$891,751 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$861,577 was recorded in the government-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt as of May 31, 2011, including interest payments of \$7,168,087 are as follows:

Year Ended May 31,	Bonds		Loans	Total	
	Principal	Interest	Principal	Principal	Interest
2012	\$ 1,600,000	\$ 854,539	\$ 230,212	\$ 1,830,212	\$ 854,539
2013	1,635,000	798,045	18,551,726	20,186,726	798,045
2014	1,680,000	733,220	-	1,680,000	733,220
2015	1,475,000	673,550	-	1,475,000	673,550
2016	1,505,000	619,020	-	1,505,000	619,020
2017-2021	6,565,000	2,412,031	-	6,565,000	2,412,031
2022-2026	5,900,000	961,701	-	5,900,000	961,701
2027-2030	2,280,000	115,981	-	2,280,000	115,981
	<u>\$ 22,640,000</u>	<u>\$ 7,168,087</u>	<u>\$ 18,781,938</u>	<u>\$ 41,421,938</u>	<u>\$ 7,168,087</u>

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

Advance Refunding

During the 2010-2011 fiscal year, the Village issued \$3,305,000 in serial bonds with interest rates ranging from 2.0% to 5.0%, depending on maturity. The proceeds were used to advance refund \$3,125,000 of outstanding 2002 public improvement serial bonds bearing interest at rates ranging from 4.0% to 5%, depending on maturity. The net proceeds of \$3,319,448 (including \$97,497 of issuance premium and after \$83,049 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the 2002 serial bond is considered defeased and the liability for the serial bond has been removed from the Statement of Net Assets. The reacquisition price exceeded the net carrying amount of the old debt by \$194,448. This amount and the premium are being netted against the new debt and amortized over the remaining life of the refunded debt. The Village advance refunded the 2002 serial bond to reduce its total debt service payments over 10 years by \$142,721 and to obtain a net present value economic gain of \$130,153.

Compensated Absences

Pursuant to collective bargaining agreements, the Village is required to pay employees their accumulated vacation and compensatory time. Upon termination of employment, any unused vacation and compensatory time shall be paid to the employee at the current rate of pay. Police Department employees hired on or before May 31, 1997 are paid upon retirement for accumulated sick leave at the rate of 2 days for every 3 days, up to a maximum of 195 days. Employees hired after June 1, 1997 are paid upon retirement for accumulated sick leave at the rate of one day for every 2 days up to a maximum of 195 days. The value of the compensated absences has been reflected in the government-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Loans Payable

The Village entered into a loan agreement with the New York State Environmental Facilities Corporation (“EFC”) in the amount of \$18,799,238 for the financing of the Full Water Supply Project. The loan is due, without interest, on November, 2012.

The Village is eligible for forgiveness up to an amount equal to fifty percent of the principal amount of the loan provided that the Village has complied with all terms of the agreement. The funding for the loan forgiveness will be provided through the American Recovery and Reinvestment Act (“ARRA”).

The Village anticipates that the principal forgiveness on the loan will occur on or around November 2012, at which time the remaining loan balance will be refinanced with serial bonds through EFC.

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to length of service. The cost of providing post employment health care benefits is shared between the Village and the retired employee. Substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The cost of retiree health care benefits is recognized as expenditure as claims are paid in the fund financial statements. The Village has recognized revenues and expenditures of \$32,131 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

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

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The Village is required to accrue on the government-wide financial statements the amounts necessary to finance the Plan as actuarially determined, which is equal to the balance

Note 3 - Detailed Notes on All Funds (Continued)

not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed rates of increase in postretirement benefits are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Rate</u>
2012	9.00 %
2013	8.00
2014	7.00
2015	6.00
2016	6.00
2017+	5.00

The amortization basis is the level percentage of payroll method with an open amortization approach with 27 years remaining in the amortization period. The actuarial assumptions included a 4.5% investment rate of return and a 3.0% inflation rate. The Village currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the unit credit method.

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

Active Employees	77
Retired Employees	<u>52</u>
	<u><u>129</u></u>

Amortization Component:

Actuarial Accrued Liability as of June 1, 2010	\$ 19,360,000
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u><u>\$ 19,360,000</u></u>
Funded Ratio	<u><u>0.00%</u></u>
Covered Payroll (active plan members)	<u><u>\$ 6,850,000</u></u>
UAAL as a Percentage of Covered Payroll	<u><u>282.63%</u></u>
Annual Required Contribution	\$ 1,470,000
Interest on Net OPEB Obligation	70,000
Adjustment to Annual Required Contribution	<u>(60,000)</u>
Annual OPEB Cost	1,480,000
Contributions Made	<u>(640,000)</u>
Increase in Net OPEB Obligation	840,000
Net OPEB Obligation - Beginning of Year	<u>1,430,000</u>
Net OPEB Obligation - End of Year	<u><u>\$ 2,270,000</u></u>

Note 3 - Detailed Notes on All Funds (Continued)

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

Fiscal Year Ended May 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 1,480,000	43.24 %	\$ 2,270,000
2010	1,390,000	43.17	1,430,000
2009	1,290,000	50.39	640,000

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

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.

Transfers Out	Transfers in				Total
	General Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 53,321	\$ 1,539,640	\$ 473,932	\$ 2,066,893
Water Fund	267,000	2,150	944,411	-	1,213,561
Debt Service Fund	256,937	-	-	-	256,937
Non-Major Govern- mental Funds	16,042	-	-	-	16,042
	<u>\$ 539,979</u>	<u>\$ 55,471</u>	<u>\$ 2,484,051</u>	<u>\$ 473,932</u>	<u>\$ 3,553,433</u>

Transfers are used to 1) move funds earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures, 2) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due and 3) move amounts earmarked in the operating funds to fulfill commitments of the General and Library funds.

I. 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

Note 3 - Detailed Notes on All Funds (Continued)

balance of debt, excluding unexpended bond 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, exclusive of 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 Future Capital Projects – the component of net assets that has been established in accordance with General Municipal Law to set aside funds to be used for future capital projects.

Restricted for Retirement Contributions - the component of net assets that reports the amounts set aside to be used for the Village's payment of retirement contributions to the New York State and Local Employee's Retirement System in accordance with Section 6-r of the General Municipal Law of the State of New York.

Restricted for Special Revenue Funds - the component of net assets that represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

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

J. 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 described below:

Reserved

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

The Reserve for Prepaid Expenditures has been established to account for 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.

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 transaction.

Unreserved - Designated for Subsequent Year's Expenditures

Designations of fund balance are not legally required segregations, but represent intended use for a specific purpose. At May 31, 2011, the Village Board has designated that \$147,335 of the fund balance of the General Fund, \$150,000 of the fund balance of the Debt Service Fund and \$267,000 of the fund balance of the Water Fund be appropriated for the ensuing year's budget.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

There are currently pending tax 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, in common with other municipalities, receives numerous notices of claims for money damages arising generally from false arrest, malicious prosecution, false imprisonment 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.

B. Contingencies

The Village participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the Village's compliance with applicable grant requirements 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.

C. Risk Management

The Village purchases various insurance coverages to reduce its exposure to loss. The Village maintains a general liability policy with coverage up to \$1 million. The Village also maintains a public officials liability policy with coverage up to \$1 million, a law enforcement liability policy with coverage up to \$1 million and an excess liability policy with coverage up to \$10 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Village purchases conventional medical and workers' compensation coverage.

Note 5 - Subsequent Event

The Village, on September 8, 2011 issued Serial Bonds in the amount of \$6,173,017. The bonds mature serially through September 2031, with interest at 2%-4% per annum. The proceeds were used to redeem bond anticipation notes.

Note 6 - Other Matters

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

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

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

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS
 OTHER POST EMPLOYMENT BENEFITS
 LAST THREE FISCAL YEARS

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
June 1, 2008	\$ -	\$ 17,480,000	\$ 17,480,000	- %	\$ 7,070,000	247.24 %
June 1, 2009	-	18,420,000	18,420,000	-	7,130,000	258.35
June 1, 2010	-	19,360,000	19,360,000	-	6,850,000	282.63

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

GENERAL FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2011 AND 2010

	<u>ASSETS</u>	<u>2011</u>	<u>2010</u>
Cash:			
Demand deposits		\$ 2,650,013	\$ 2,216,445
Petty cash		790	790
		<u>2,650,803</u>	<u>2,217,235</u>
Taxes Receivable - Liens		<u>38,710</u>	<u>39,083</u>
Other Receivables:			
Accounts		137,823	123,819
Due from State and Federal governments		-	181,076
Due from other governments		440,841	376,460
Due from other funds		35,897	644,889
		<u>614,561</u>	<u>1,326,244</u>
Prepaid Expenditures		<u>103,906</u>	<u>19,473</u>
Total Assets		<u>\$ 3,407,980</u>	<u>\$ 3,602,035</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts payable		\$ 266,871	\$ 719,026
Accrued liabilities		151,294	110,745
Due to other funds		4,814	18,783
Due to retirement systems		84,512	96,892
Deferred revenues		547,644	547,903
Total Liabilities		<u>1,055,135</u>	<u>1,493,349</u>
Fund Balance:			
Reserved for prepaid expenditures		103,906	19,473
Reserved for encumbrances		89,928	38,221
Unreserved:			
Designated for subsequent year's expenditures		147,335	241,868
Undesignated		2,011,676	1,809,124
Total Fund Balance		<u>2,352,845</u>	<u>2,108,686</u>
Total Liabilities and Fund Balance		<u>\$ 3,407,980</u>	<u>\$ 3,602,035</u>

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

GENERAL FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED MAY 31, 2011 AND 2010

	2011			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 9,631,655	\$ 9,631,655	\$ 9,582,780	\$ (48,875)
Other tax items	35,550	35,550	39,503	3,953
Non-property taxes	1,326,000	1,326,000	1,387,909	61,909
Departmental income	1,700,116	1,737,178	1,600,708	(136,470)
Use of money and property	285,590	285,604	259,979	(25,625)
Licenses and permits	11,700	11,700	20,933	9,233
Fines and forfeitures	75,300	75,300	93,089	17,789
Sale of property and compensation for loss	43,000	45,923	65,187	19,264
State aid	479,378	496,663	366,683	(129,980)
Federal aid	-	45,000	48,638	3,638
Miscellaneous	98,427	140,118	173,245	33,127
Total Revenues	13,686,716	13,830,691	13,638,654	(192,037)
Expenditures:				
Current:				
General government support	2,922,569	2,976,744	2,456,519	520,225
Public safety	4,088,267	4,122,195	4,027,297	94,898
Health	163,200	162,988	161,697	1,291
Transportation	1,739,213	1,783,878	1,782,796	1,082
Culture and recreation	1,659,566	1,694,676	1,630,255	64,421
Home and community services	1,777,355	1,761,887	1,751,532	10,355
Employee benefits	-	-	-	-
Debt service - Interest	42,729	57,485	57,485	-
Total Expenditures	12,392,899	12,559,853	11,867,581	692,272
Excess of Revenues Over Expenditures	1,293,817	1,270,838	1,771,073	500,235
Other Financing Sources (Uses):				
Transfers in	517,000	539,979	539,979	-
Transfers out	(2,090,906)	(2,090,906)	(2,066,893)	24,013
Total Other Financing Uses	(1,573,906)	(1,550,927)	(1,526,914)	24,013
Net Change in Fund Balance	(280,089)	(280,089)	244,159	524,248
Fund Balance - Beginning of Year	280,089	280,089	2,108,686	1,828,597
Fund Balance - End of Year	\$ -	\$ -	\$ 2,352,845	\$ 2,352,845

2010

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 9,638,236	\$ 9,638,236	\$ 9,502,788	\$ (135,448)
32,600	32,600	38,214	5,614
1,267,500	1,267,500	1,311,960	44,460
1,696,460	1,709,648	1,934,856	225,208
192,733	192,733	184,259	(8,474)
9,700	9,700	11,614	1,914
75,000	75,000	92,372	17,372
62,500	97,548	127,135	29,587
542,470	542,470	434,323	(108,147)
-	25,000	180,208	155,208
93,330	104,065	119,746	15,681
<u>13,610,529</u>	<u>13,694,500</u>	<u>13,937,475</u>	<u>242,975</u>
2,833,734	2,925,787	2,489,860	435,927
3,952,568	3,967,742	3,875,080	92,662
159,750	151,996	149,059	2,937
1,723,241	1,762,203	1,762,203	-
1,708,529	1,699,501	1,640,713	58,788
1,740,860	1,729,758	1,725,433	4,325
-	5,200	5,200	-
24,992	24,992	24,992	-
<u>12,143,674</u>	<u>12,267,179</u>	<u>11,672,540</u>	<u>594,639</u>
1,466,855	1,427,321	2,264,935	837,614
517,559	517,559	517,000	559
(2,093,975)	(2,093,975)	(2,093,975)	-
<u>(1,576,416)</u>	<u>(1,576,416)</u>	<u>(1,576,975)</u>	<u>559</u>
(109,561)	(149,095)	687,960	837,055
109,561	149,095	1,420,726	1,271,631
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,108,686</u>	<u>\$ 2,108,686</u>

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2010 Actual
REAL PROPERTY TAXES	\$ 9,631,655	\$ 9,631,655	\$ 9,582,780	\$ (48,875)	\$ 9,502,788
OTHER TAX ITEMS					
Interest and penalties on real property taxes	35,550	35,550	39,503	3,953	38,214
NON - PROPERTY TAXES					
Franchise fees	147,000	147,000	163,819	16,819	148,007
Utilities gross receipts taxes	187,000	187,000	200,649	13,649	192,626
Non - property tax distribution from County	992,000	992,000	1,023,441	31,441	971,327
	1,326,000	1,326,000	1,387,909	61,909	1,311,960
DEPARTMENTAL INCOME					
Clerk fees	2,200	2,200	3,447	1,247	5,859
Police fees	7,000	9,467	14,439	4,972	23,836
Building permit fees	286,300	286,300	218,533	(67,767)	542,464
Parking fees	265,000	265,000	266,662	1,662	266,142
Parks and recreation charges	501,850	513,546	515,961	2,415	499,621
Pool and tennis fees	271,836	294,735	296,234	1,499	265,035
Planning board fees	5,000	5,000	9,830	4,830	4,000
Zoning board fees	4,400	4,400	4,987	587	5,500
Sale of leaf bags	6,000	6,000	4,814	(1,186)	4,442
Sewer charges	2,500	2,500	2,500	-	2,500
Alarm system service	54,480	54,480	44,656	(9,824)	48,210
Sanitation fees	-	-	200	200	-
Fire protection services to other governments	145,350	145,350	153,384	8,034	135,663
Sale of unleaded/diesel fuel	132,000	132,000	47,551	(84,449)	113,730
Snow removal charges to other governments	16,200	16,200	17,510	1,310	17,854
	1,700,116	1,737,178	1,600,708	(136,470)	1,934,856

USE OF MONEY AND PROPERTY

Earnings on investments	10,000	10,000	10,166	166	10,643
Rental of real property	275,590	275,604	249,813	(25,791)	173,616

	<u>285,590</u>	<u>285,604</u>	<u>259,979</u>	<u>(25,625)</u>	<u>184,259</u>
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LICENSES AND PERMITS

Street opening permits	10,000	10,000	18,400	8,400	9,800
Dog licenses	1,700	1,700	2,533	833	1,814

	<u>11,700</u>	<u>11,700</u>	<u>20,933</u>	<u>9,233</u>	<u>11,614</u>
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FINES AND FORFEITURES

Fines and forfeited bail	75,300	75,300	93,089	17,789	92,372
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of equipment	15,000	15,000	-	(15,000)	15,389
Sale of scrap	18,000	18,000	21,447	3,447	19,750
Insurance recoveries	10,000	12,923	43,740	30,817	91,996

	<u>43,000</u>	<u>45,923</u>	<u>65,187</u>	<u>19,264</u>	<u>127,135</u>
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STATE AID

Per capita	37,587	37,587	37,174	(413)	39,565
Mortgage tax	287,000	287,000	155,855	(131,145)	213,818
Consolidated highway aid	153,000	153,000	153,992	992	153,023
Public safety grant	-	17,285	17,285	-	-
Youth programs	1,791	1,791	1,771	(20)	2,049
State Emergency Management Office	-	-	606	606	25,868

	<u>479,378</u>	<u>496,663</u>	<u>366,683</u>	<u>(129,980)</u>	<u>434,323</u>
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FEDERAL AID

Department of Justice Grant	-	45,000	45,000	-	25,000
Federal Emergency Management Agency	-	-	3,638	3,638	155,208

	<u>-</u>	<u>45,000</u>	<u>48,638</u>	<u>3,638</u>	<u>180,208</u>
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(Continued)

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2010 Actual
MISCELLANEOUS					
Refund of prior year's expenditures	\$ 14,795	\$ 14,795	\$ 14,795	\$ -	\$ 14,795
Gifts and donations	-	1,000	1,000	-	1,300
Reimbursement Medicare Part D	35,000	35,000	32,131	(2,869)	36,502
Other	48,632	89,323	125,319	35,996	67,149
	<u>98,427</u>	<u>140,118</u>	<u>173,245</u>	<u>33,127</u>	<u>119,746</u>
TOTAL REVENUES	<u>13,686,716</u>	<u>13,830,691</u>	<u>13,638,654</u>	<u>(192,037)</u>	<u>13,937,475</u>
OTHER FINANCING SOURCES					
Transfers in:					
Water Fund	267,000	267,000	267,000	-	267,000
Debt Service Fund	250,000	256,937	256,937	-	250,000
Special Purpose Fund	-	16,042	16,042	-	-
TOTAL OTHER FINANCING SOURCES	<u>517,000</u>	<u>539,979</u>	<u>539,979</u>	<u>-</u>	<u>517,000</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 14,203,716</u>	<u>\$ 14,370,670</u>	<u>\$ 14,178,633</u>	<u>\$ (192,037)</u>	<u>\$ 14,454,475</u>

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2010 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 66,612	\$ 97,433	\$ 79,889	\$ 17,544	\$ 107,554
Village Justice Manager	151,008	168,972	164,161	4,811	181,407
Auditor	195,510	241,649	241,073	576	166,968
Treasurer	31,754	31,131	29,909	1,222	27,419
Clerk	252,953	256,099	254,615	1,484	258,128
Law	269,732	262,186	255,072	7,114	264,507
Engineer	168,125	246,220	245,905	315	132,991
Elections	108,647	82,260	81,231	1,029	97,964
Records management	3,595	3,595	2,400	1,195	2,491
Buildings	6,490	6,490	3,090	3,400	5,460
Central garage	200,694	194,638	194,187	451	198,692
Central data processing	592,042	625,853	566,518	59,335	582,373
Unallocated insurance	47,899	48,636	35,945	12,691	61,354
Municipal association dues	347,000	257,832	230,017	27,815	249,267
Taxes and assessments	3,963	3,963	3,268	695	8,196
Refunds of real property taxes	21,000	21,000	20,245	755	19,763
Fiscal agent fees	40,000	40,000	18,331	21,669	2,026
Metropolitan commuter transportation mobility tax	2,700	2,700	2,325	375	1,853
Other	20,030	20,030	19,415	615	20,399
Contingency	6,000	8,923	8,923	-	101,048
	386,815	357,134	-	357,134	-
	2,922,569	2,976,744	2,456,519	520,225	2,489,860
PUBLIC SAFETY					
Police department	3,401,499	3,417,566	3,345,291	72,275	3,212,505
Fire department	452,360	469,589	448,987	20,602	439,139
Control of animals	9,360	9,360	7,779	1,581	9,335
Safety inspection	225,048	225,680	225,240	440	214,101
	4,088,267	4,122,195	4,027,297	94,898	3,875,080

HEALTH						
Ambulance	163,200	162,988	161,697	1,291	149,059	
TRANSPORTATION						
Administration	417,856	408,248	408,248	-	390,342	
Street maintenance	789,946	805,263	804,924	339	828,585	
Road construction	152,905	152,905	152,905	-	152,905	
Snow removal	166,830	197,685	197,285	400	171,753	
Street lighting	211,676	219,777	219,434	343	218,618	
	<u>1,739,213</u>	<u>1,783,878</u>	<u>1,782,796</u>	<u>1,082</u>	<u>1,762,203</u>	
CULTURE AND RECREATION						
Administration	556,974	532,901	511,818	21,083	540,788	
Parks and playgrounds	344,314	349,653	349,222	431	325,910	
Recreation programs	163,491	184,878	172,369	12,509	190,936	
Youth programs	456,353	456,974	436,939	20,035	429,419	
After school programs	24,287	55,363	55,363	-	42,299	
Celebrations	16,850	18,133	18,133	-	19,138	
Adult recreation	32,322	34,835	29,274	5,561	29,726	
Senior citizens	64,975	61,939	57,137	4,802	62,497	
	<u>1,659,566</u>	<u>1,694,676</u>	<u>1,630,255</u>	<u>64,421</u>	<u>1,640,713</u>	
HOME AND COMMUNITY SERVICES						
Zoning board	5,105	5,105	2,691	2,414	2,873	
Planning board	15,355	15,355	9,608	5,747	47,597	
Recycling	386,077	292,377	291,600	777	327,612	
Sanitary sewers	191,243	206,421	205,829	592	196,043	
Refuse and garbage	737,320	757,717	757,598	119	714,492	
Construction projects	246,414	252,147	251,491	656	238,923	
Community beautification	195,841	232,765	232,715	50	197,893	
	<u>1,777,355</u>	<u>1,761,887</u>	<u>1,751,532</u>	<u>10,355</u>	<u>1,725,433</u>	

(Continued)

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2010 Actual
EMPLOYEE BENEFITS					
Workers compensation benefits - unallocated	\$ -	\$ -	\$ -	\$ -	\$ 5,200
DEBT SERVICE					
Interest - Bond anticipation notes	42,729	57,485	57,485	-	24,992
TOTAL EXPENDITURES	12,392,899	12,559,853	11,867,581	692,272	11,672,540
OTHER FINANCING USES					
Transfers out:					
Public Library Fund	473,932	473,932	473,932	-	609,118
Debt Service Fund	1,553,960	1,553,960	1,539,640	14,320	1,484,857
Capital Projects Fund	63,014	63,014	53,321	9,693	-
TOTAL OTHER FINANCING USES	2,090,906	2,090,906	2,066,893	24,013	2,093,975
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 14,483,805	\$ 14,650,759	\$ 13,934,474	\$ 716,285	\$ 13,766,515

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

WATER FUND
 COMPARATIVE BALANCE SHEET
 MAY 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 2,803,854	\$ 1,843,104
Receivables:		
Water rents	422,166	445,731
Due from other governments	-	8,702
Due from other funds	4,814	18,783
	<u>426,980</u>	<u>473,216</u>
Prepaid Expenditures	<u>5,030</u>	<u>1,229</u>
Total Assets	<u>\$ 3,235,864</u>	<u>\$ 2,317,549</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 84,278	\$ 118,312
Accrued liabilities	-	440
Due to other funds	9,521	203,137
Due to retirement systems	8,589	8,589
Total Liabilities	<u>102,388</u>	<u>330,478</u>
Fund Balance:		
Reserved for prepaid expenditures	5,030	1,229
Reserved for encumbrances	7,597	-
Reserved for future capital projects	1,326,894	1,321,541
Reserved for retirement contributions	17,804	17,804
Unreserved:		
Designated for subsequent years' expenditures	267,000	267,000
Undesignated	1,509,151	379,497
Total Fund Balance	<u>3,133,476</u>	<u>1,987,071</u>
Total Liabilities and Fund Balance	<u>\$ 3,235,864</u>	<u>\$ 2,317,549</u>

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

WATER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED MAY 31, 2011 AND 2010

	2011			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Departmental income	\$ 3,646,441	\$ 3,696,513	\$ 4,899,771	\$ 1,203,258
Use of money and property	-	-	7,339	7,339
Sale of property and compensation for loss	3,000	3,000	2,360	(640)
Miscellaneous	3,513	3,513	5,888	2,375
Total Revenues	3,652,954	3,703,026	4,915,358	1,212,332
Expenditures:				
Current:				
General government support	248,307	337,783	215,857	121,926
Home and community services	2,457,601	2,415,974	2,336,827	79,147
Employee benefits	-	-	-	-
Debt service - Interest	1,235	2,708	2,708	-
Total Expenditures	2,707,143	2,756,465	2,555,392	201,073
Excess of Revenues Over Expenditures	945,811	946,561	2,359,966	1,413,405
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(1,212,811)	(1,213,561)	(1,213,561)	-
Total Other Financing Uses	(1,212,811)	(1,213,561)	(1,213,561)	-
Net Change in Fund Balance	(267,000)	(267,000)	1,146,405	1,413,405
Fund Balance - Beginning of Year	267,000	267,000	1,987,071	1,720,071
Fund Balance - End of Year	\$ -	\$ -	\$ 3,133,476	\$ 3,133,476

2010

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,014,033	\$ 4,014,033	\$ 3,818,757	\$ (195,276)
21,800	21,800	7,043	(14,757)
3,000	3,000	3,200	200
4,766	4,766	17,171	12,405
4,043,599	4,043,599	3,846,171	(197,428)
262,938	218,237	196,807	21,430
2,519,581	2,532,782	2,120,269	412,513
-	3,157	3,157	-
47,144	128,299	128,299	-
2,829,663	2,882,475	2,448,532	433,943
1,213,936	1,161,124	1,397,639	236,515
-	61,312	39,159	(22,153)
(1,217,386)	(1,225,886)	(1,225,328)	558
(1,217,386)	(1,164,574)	(1,186,169)	(21,595)
(3,450)	(3,450)	211,470	214,920
3,450	3,450	1,775,601	1,772,151
\$ -	\$ -	\$ 1,987,071	\$ 1,987,071

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2010 Actual
DEPARTMENTAL INCOME					
Metered water sales	\$ 3,587,141	\$ 3,637,213	\$ 4,792,269	\$ 1,155,056	\$ 3,735,721
Water service charges	3,000	3,000	6,655	3,655	2,975
Interest and penalties on water rents	50,000	50,000	94,247	44,247	74,961
Water services for other governments	6,300	6,300	6,600	300	5,100
	<u>3,646,441</u>	<u>3,696,513</u>	<u>4,899,771</u>	<u>1,203,258</u>	<u>3,818,757</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	-	-	7,339	7,339	7,043
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Sale of equipment	3,000	3,000	2,360	(640)	3,200
MISCELLANEOUS					
Other	3,513	3,513	5,888	2,375	17,171
TOTAL REVENUES	<u>3,652,954</u>	<u>3,703,026</u>	<u>4,915,358</u>	<u>1,212,332</u>	<u>3,846,171</u>
OTHER FINANCING SOURCES					
Transfers in - Debt Service Fund	-	-	-	-	39,159
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 3,652,954</u>	<u>\$ 3,703,026</u>	<u>\$ 4,915,358</u>	<u>\$ 1,212,332</u>	<u>\$ 3,885,330</u>

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

WATER FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2011

(With Comparative Actuals for 2010)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2010 Actual
GENERAL GOVERNMENT SUPPORT					
Auditor	\$ 7,371	\$ 7,371	\$ 7,371	\$ -	\$ 6,001
Law	20,996	30,723	30,723	-	18,399
Central garage	105,206	104,720	103,408	1,312	100,805
Unallocated insurance	68,000	71,899	63,599	8,300	66,074
Municipal association dues	4,843	4,319	3,713	606	-
Taxes and assessments on municipal property	3,750	3,750	3,482	268	979
Fiscal agent fees	1,000	1,050	1,050	-	1,748
Metropolitan commuter transportation mobility tax	2,903	2,903	2,511	392	2,801
Contingency	34,238	111,048	-	111,048	-
	<u>248,307</u>	<u>337,783</u>	<u>215,857</u>	<u>121,926</u>	<u>196,807</u>
HOME AND COMMUNITY SERVICES					
Water administration	579,096	530,192	514,676	15,516	500,784
Pumping, supply and power	1,340,155	1,323,981	1,288,693	35,288	1,068,781
Transmission and distribution	538,350	561,801	533,458	28,343	550,704
	<u>2,457,601</u>	<u>2,415,974</u>	<u>2,336,827</u>	<u>79,147</u>	<u>2,120,269</u>
EMPLOYEE BENEFITS					
Workers compensation benefits - unallocated	-	-	-	-	3,157
DEBT SERVICE					
Interest - Bond anticipation notes	1,235	2,708	2,708	-	128,299
TOTAL EXPENDITURES	<u>2,707,143</u>	<u>2,756,465</u>	<u>2,555,392</u>	<u>201,073</u>	<u>2,448,532</u>

OTHER FINANCING USES:

Transfers out:							
General Fund	267,000	267,000	267,000	267,000	-	267,000	
Capital Projects Fund	18,700	2,150	2,150	2,150	-	8,500	
Debt Service Fund	927,111	944,411	944,411	944,411	-	949,828	
	<u>1,212,811</u>	<u>1,213,561</u>	<u>1,213,561</u>	<u>1,213,561</u>	<u>-</u>	<u>1,225,328</u>	
TOTAL OTHER FINANCING USES							
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 3,919,954</u>	<u>\$ 3,970,026</u>	<u>\$ 3,768,953</u>	<u>\$ 201,073</u>	<u>\$ 3,673,860</u>		

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

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

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 2,346,366	\$ 2,509,856
Restricted Investments	4,176,090	11,491,537
Due from State and Federal Governments	<u>15,211</u>	<u>41,484</u>
Total Assets	<u>\$ 6,537,667</u>	<u>\$ 14,042,877</u>
 <u>LIABILITIES AND FUND BALANCE (DEFICIT)</u>		
Liabilities:		
Accounts payable	\$ 1,590,871	\$ 1,383,486
Retainages payable	593,793	313,412
Due to other funds	28,654	38,883
Bond anticipation notes payable	<u>6,245,240</u>	<u>4,035,444</u>
Total Liabilities	8,458,558	5,771,225
Fund Balance (Deficit) - Unreserved and undesignated	<u>(1,920,891)</u>	<u>8,271,652</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 6,537,667</u>	<u>\$ 14,042,877</u>

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

CAPITAL PROJECTS FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 YEARS ENDED MAY 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
State aid	\$ 15,246	\$ 7,739
Federal aid	174,756	75,557
Miscellaneous	<u>13,896</u>	<u>18,173</u>
Total Revenues	203,898	101,469
Expenditures - Capital outlay	<u>10,451,912</u>	<u>10,389,137</u>
Deficiency of Revenues Over Expenditures	<u>(10,248,014)</u>	<u>(10,287,668)</u>
Other Financing Sources (Uses):		
Loans issued	-	18,799,238
Transfers in	55,471	8,500
Transfers out	<u>-</u>	<u>(4,471)</u>
Total Other Financing Sources	<u>55,471</u>	<u>18,803,267</u>
Net Change in Fund Balance	(10,192,543)	8,515,599
Fund Balance (Deficit) - Beginning of Year	<u>8,271,652</u>	<u>(243,947)</u>
Fund Balance (Deficit) - End of Year	<u>\$ (1,920,891)</u>	<u>\$ 8,271,652</u>

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

DEBT SERVICE FUND
 COMPARATIVE BALANCE SHEET
 MAY 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 223,531	\$ 395,712
Due from Other Funds	<u>8,112</u>	<u>31,723</u>
Total Assets	<u>\$ 231,643</u>	<u>\$ 427,435</u>
<u>FUND BALANCE</u>		
Reserved for Debt Service	\$ 81,643	\$ 177,435
Unreserved - Designated for subsequent year's expenditures	<u>150,000</u>	<u>250,000</u>
Total Fund Balance	<u>\$ 231,643</u>	<u>\$ 427,435</u>

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

DEBT SERVICE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED MAY 31, 2011 AND 2010

	2011			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues -				
Use of money and property	\$ -	\$ -	\$ 61,145	\$ 61,145
Expenditures -				
Debt service:				
Principal:				
Serial bonds	1,520,000	1,575,000	1,575,000	-
EFC Loans	-	-	17,300	(17,300)
	1,520,000	1,575,000	1,592,300	(17,300)
Interest - Serial bonds	961,071	906,071	891,751	14,320
Refunding bond issuance costs	-	83,049	83,049	-
Total Expenditures	2,481,071	2,564,120	2,567,100	(2,980)
Deficiency of Revenues Over Expenditures	(2,481,071)	(2,564,120)	(2,505,955)	58,165
Other Financing Sources (Uses):				
Refunding bonds issued	-	3,305,000	3,305,000	-
Premium on bonds issued	-	97,497	97,497	-
Payment to refunded bond escrow agent	-	(3,319,448)	(3,319,448)	-
Transfers in	2,481,071	2,481,071	2,484,051	2,980
Transfers out	(250,000)	(250,000)	(256,937)	(6,937)
Total Other Financing Sources	2,231,071	2,314,120	2,310,163	(3,957)
Net Change in Fund Balance	(250,000)	(250,000)	(195,792)	54,208
Fund Balance - Beginning of Year	250,000	250,000	427,435	177,435
Fund Balance - End of Year	\$ -	\$ -	\$ 231,643	\$ 231,643

2010

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 83,873	\$ 83,873
1,340,000	1,340,000	1,340,000	-
-	-	-	-
1,340,000	1,340,000	1,340,000	-
1,176,666	1,176,666	1,168,119	8,547
-	-	-	-
2,516,666	2,516,666	2,508,119	8,547
(2,516,666)	(2,516,666)	(2,424,246)	92,420
-	-	-	-
-	-	-	-
2,434,685	2,434,685	2,439,156	4,471
(250,000)	(311,312)	(289,159)	22,153
2,184,685	2,123,373	2,149,997	26,624
(331,981)	(393,293)	(274,249)	119,044
331,981	393,293	701,684	308,391
\$ -	\$ -	\$ 427,435	\$ 427,435

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 MAY 31, 2011
 (With Comparative Totals for 2010)

	Public Library	Special Purpose	Total Non-Major Governmental Funds	
			2011	2010
<u>ASSETS</u>				
Cash and Equivalents	\$ 36,175	\$ 346,545	\$ 382,720	\$ 223,706
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 13,411	\$ -	\$ 13,411	\$ 2,605
Accrued liabilities	4,716	-	4,716	-
Due to other funds	5,834	-	5,834	6,854
Due to retirement systems	3,535	-	3,535	3,535
Total Liabilities	27,496	-	27,496	12,994
Fund Balances:				
Reserved for trusts	-	346,545	346,545	181,821
Unreserved and undesignated	8,679	-	8,679	28,891
Total Fund Balances	8,679	346,545	355,224	210,712
Total Liabilities and Fund Balances	\$ 36,175	\$ 346,545	\$ 382,720	\$ 223,706

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED MAY 31, 2011
 (With Comparative Totals for 2010)

	Public Library	Special Purpose	Total Non-Major Governmental Funds	
			2011	2010
Revenues:				
Departmental income	\$ 13,937	\$ -	\$ 13,937	\$ 14,221
Use of money and property	-	278	278	549
State aid	53,823	-	53,823	2,057
Miscellaneous	2,873	220,000	222,873	2,990
Total Revenues	<u>70,633</u>	<u>220,278</u>	<u>290,911</u>	<u>19,817</u>
Expenditures -				
Current:				
General government support	13,157	-	13,157	17,474
Culture and recreation	551,620	-	551,620	610,702
Home and community services	-	39,512	39,512	32,308
Total Expenditures	<u>564,777</u>	<u>39,512</u>	<u>604,289</u>	<u>660,484</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(494,144)</u>	<u>180,766</u>	<u>(313,378)</u>	<u>(640,667)</u>
Other Financing Sources (Uses):				
Transfers in	473,932	-	473,932	609,118
Transfers out	-	(16,042)	(16,042)	-
Total Other Financing Sources (Uses)	<u>473,932</u>	<u>(16,042)</u>	<u>457,890</u>	<u>609,118</u>
Net Change in Fund Balances	(20,212)	164,724	144,512	(31,549)
Fund Balances - Beginning of Year	<u>28,891</u>	<u>181,821</u>	<u>210,712</u>	<u>242,261</u>
Fund Balances - End of Year	<u>\$ 8,679</u>	<u>\$ 346,545</u>	<u>\$ 355,224</u>	<u>\$ 210,712</u>

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

PUBLIC LIBRARY FUND
 COMPARATIVE BALANCE SHEET
 MAY 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 36,050	\$ 41,760
Petty cash	125	125
	<u> </u>	<u> </u>
Total Assets	<u>\$ 36,175</u>	<u>\$ 41,885</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 13,411	\$ 2,605
Accounts liabilities	4,716	-
Due to other funds	5,834	6,854
Due to retirement systems	3,535	3,535
	<u> </u>	<u> </u>
Total Liabilities	27,496	12,994
Fund Balance -		
Unreserved and undesignated	<u>8,679</u>	<u>28,891</u>
	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	<u>\$ 36,175</u>	<u>\$ 41,885</u>

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

PUBLIC LIBRARY FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED MAY 31, 2011 AND 2010

	2011			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Departmental income	\$ 17,000	\$ 17,000	\$ 13,937	\$ (3,063)
State aid	58,048	58,048	53,823	(4,225)
Miscellaneous	3,000	3,000	2,873	(127)
Total Revenues	<u>78,048</u>	<u>78,048</u>	<u>70,633</u>	<u>(7,415)</u>
Expenditures -				
Current:				
General government support	18,546	17,345	13,157	4,188
Culture and recreation	533,434	563,316	551,620	11,696
Total Expenditures	<u>551,980</u>	<u>580,661</u>	<u>564,777</u>	<u>15,884</u>
Deficiency of Revenues Over Expenditures	(473,932)	(502,613)	(494,144)	8,469
Other Financing Sources - Transfers in	<u>473,932</u>	<u>473,932</u>	<u>473,932</u>	<u>-</u>
Net Change in Fund Balance	-	(28,681)	(20,212)	8,469
Fund Balance - Beginning of Year	<u>-</u>	<u>28,681</u>	<u>28,891</u>	<u>210</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,679</u>	<u>\$ 8,679</u>

2010

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 24,820	\$ 24,820	\$ 14,221	\$ (10,599)
2,347	2,347	2,057	(290)
2,400	2,400	2,990	590
<u>29,567</u>	<u>29,567</u>	<u>19,268</u>	<u>(10,299)</u>
15,924	26,925	17,474	9,451
<u>622,761</u>	<u>611,760</u>	<u>610,702</u>	<u>1,058</u>
<u>638,685</u>	<u>638,685</u>	<u>628,176</u>	<u>10,509</u>
(609,118)	(609,118)	(608,908)	210
<u>609,118</u>	<u>609,118</u>	<u>609,118</u>	<u>-</u>
-	-	210	210
<u>-</u>	<u>-</u>	<u>28,681</u>	<u>28,681</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,891</u>	<u>\$ 28,891</u>

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash - Demand deposits	<u>\$ 346,545</u>	<u>\$ 181,821</u>
<u>FUND BALANCE</u>		
Reserved for Trusts	<u>\$ 346,545</u>	<u>\$ 181,821</u>

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

SPECIAL PURPOSE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 YEARS ENDED MAY 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Use of money and property	\$ 278	\$ 549
Miscellaneous	<u>220,000</u>	<u>-</u>
Total Revenues	220,278	549
Expenditures - Current		
Home and community services	<u>39,512</u>	<u>32,308</u>
Excess (Deficiency) of Revenues Over Expenditures	180,766	(31,759)
Other Financing Uses -		
Transfers out	<u>(16,042)</u>	<u>-</u>
Net Change in Fund Balance	164,724	(31,759)
Fund Balance - Beginning of Year	<u>181,821</u>	<u>213,580</u>
Fund Balance - End of Year	<u><u>\$ 346,545</u></u>	<u><u>\$ 181,821</u></u>



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

To the Honorable Mayor and Board of Trustees
of the Village of Briarcliff Manor, New York:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Briarcliff, New York ("Village") as of and for the year ended May 31, 2011, which collectively comprise the Village's basic financial statements and have issued our report thereon dated October 13, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Village is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the Village in a separate letter.

This report is intended solely for the information and use of Management, Mayor and Board of Trustees, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP

Harrison, New York

October 13, 2011



**REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees
of the Village of Briarcliff Manor, New York:

Compliance

We have audited the compliance of the Village of Briarcliff Manor, New York ("Village") with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Village's major federal programs for the year ended May 31, 2011. The Village's major federal programs are identified in the summary of auditor's results sections of the accompanying schedule of findings and questions costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Village's management. Our responsibility is to express an opinion on the Village's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Village's compliance with those requirements.

In our opinion, the Village complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2011.

Internal Control Over Compliance

Management of the Village is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Village's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Village Trustees, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP
Harrison, New York
October 13, 2011

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED MAY 31, 2011

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Non ARRA (2)</u>	<u>ARRA (2)</u>	<u>Federal Program Expenditures</u>
<u>U.S Department of Homeland Security</u>				
Indirect Program - Passed through New York State Office of Emergency Management:				
Disaster Grants - Public Assistance	97.036	3,638	-	\$ 3,638
<u>U.S Department of Justice</u>				
Indirect Program - Passed through Westchester County				
Public Safety Partnership and Community Policing Grants	16.710	\$ 45,000	\$ -	\$ 45,000
<u>U.S. Department of Environmental Protection</u>				
Indirect Program - Passed through New York State Department of Environmental Facilities Corporation:				
Congressionally Mandated Projects	66.202	174,756	-	174,756
Indirect Program - Passed through New York State Department of Environmental Facilities Corporation:				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	-	7,990,611	7,990,611
Total		<u>\$ 223,394</u>	<u>\$ 7,990,611</u>	<u>\$ 8,214,005</u>

(1) Catalog of Federal Domestic Assistance number.

(2) American Recovery and Reinvestment Act

NOTE A - SUMMARY OF ACCOUNTING POLICIES

1. *General*

The accompanying Schedule of Expenditures of Federal Awards presents all activity of all Federal award programs for the year ended May 31, 2011. Federal awards received directly from Federal agencies as well as Federal awards passed through other government agencies are included on the Schedule.

2. *Basis of Accounting*

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.

3. *Relationship to Financial Statements*

The Village's fund financial statements are presented using the modified accrual basis of accounting.

4. *Financing Available under the American Recovery and Reinvestment Act for CFDA 66.458 Capitalization Grants For Clean Water State Revolving Funds (CWSRF)*

Financial assistance was made available to Village of Briarcliff Manor, New York under the American Recovery and Reinvestment Act of 2009 ("ARRA") for the Full Water Supply Project passed through the New York State Environmental Facilities Corporation ("EFC"). The Village has been advanced \$14,623,148 of the available \$18,799,238 in loans as of May 31, 2011. In addition, \$675,163 had been spent but not yet drawn down as of May 31, 2011. Of the \$15,298,311 spent, \$7,990,611 represented expenditures incurred during the year ended May 31, 2011.

The Village is eligible for principal forgiveness up to an amount equal to fifty percent of the principal amount of the loan provided that the Village has complied with all the terms of the agreement.

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED MAY 31, 2011

NONE

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MAY 31, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified yes no
- Significant deficiency(ies) identified? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes no

Identification of major programs:

CFDA

Number Federal Program or Cluster

66.468 Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes no

VILLAGE OF BRIARCLIFF MANOR, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

Section II - Financial Statement Findings

None.

Section III - Federal Awards Findings and Questioned Costs

None.

Section IV - Summary of Prior Audit Findings

None.