

**VILLAGE OF NYACK  
ANNUAL FINANCIAL AUDIT  
FOR YEAR ENDING  
MAY 31, 2013**

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VILLAGE OF NYACK  
12 North Broadway  
Nyack, New York 10960

Gentlemen:

September 20, 2013

We have audited the accompanying general purpose financial statements of the Village of Nyack as of and for the year ended May 31, 2013. These general purpose financial statements are the responsibility of the Village of Nyack's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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

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

In our opinion, except for the significant fact that we were unable to obtain the necessary fixed asset information as mandated by G.A.S.B. 34, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Nyack as at May 31, 2013 and the results of its operation and cash-flows of its proprietary fund types for the year then ended.

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

Yours truly,

Neil T. O'Sullivan  
Certified Public Accountant

Neil T. O'Sullivan, CPA / PLLC

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VILLAGE OF NYACK  
SCHEDULE #1  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
MAY 31, 2013

	Governmental Fund Types			Non-Current Assets	Account Groups			Memorandum Total
	General	Enterprise Fund	Capital Projects		Long-term Debt	Special Revenue	Trust and Agency Fund	
<b>ASSETS</b>								
Cash	\$ 327,700	\$ 868,859	\$ 654,640	\$ -	\$ -	\$ -	\$ 28,838	\$ 1,880,037
Due from component units	\$ 708,669	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 708,669
Other state receivables	\$ 75,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,472
Water rents receivables	\$ -	\$ 788,852	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 788,852
Investments in securities	\$ -	\$ 74,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,486
Accounts receivable	\$ 76,442	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,442
Due from other funds	\$ 39,894	\$ 56,000	\$ -	\$ -	\$ -	\$ -	\$ 1,333	\$ 97,227
Buildings	\$ -	\$ 2,594,598	\$ -	\$ 890,417	\$ -	\$ -	\$ -	\$ 3,485,015
Equipment	\$ -	\$ 1,311,760	\$ -	\$ 2,010,420	\$ -	\$ -	\$ -	\$ 3,322,180
Accumulated depreciation	\$ -	\$ (2,368,255)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,368,255)
Land	\$ -	\$ 558,678	\$ -	\$ 1,337,436	\$ -	\$ -	\$ -	\$ 1,896,114
Improvements other than buildings	\$ -	\$ 1,820,092	\$ -	\$ 7,741,664	\$ -	\$ -	\$ -	\$ 9,561,756
Amounts to be provided for long-term debt	\$ -	\$ -	\$ -	\$ -	\$ 4,189,134	\$ -	\$ -	\$ 4,189,134
<b>TOTAL ASSETS</b>	<b>\$ 1,228,177</b>	<b>\$ 5,705,070</b>	<b>\$ 654,640</b>	<b>\$ 11,979,937</b>	<b>\$ 4,189,134</b>	<b>\$ -</b>	<b>\$ 30,171</b>	<b>\$ 23,787,129</b>
<b>LIABILITIES AND FUND EQUITY</b>								
<u>Liabilities</u>								
Accounts payable	\$ 241,529	\$ 12,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 254,396
Bond anticipation notes	\$ -	\$ -	\$ 640,000	\$ -	\$ -	\$ -	\$ -	\$ 640,000
Due to other funds	\$ -	\$ 92,207	\$ 5,020	\$ -	\$ -	\$ -	\$ -	\$ 97,227
Due to retirement funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Compensated absences	\$ -	\$ 175,134	\$ -	\$ -	\$ 175,134	\$ -	\$ -	\$ 350,268
Bonds payable	\$ -	\$ 1,642,000	\$ -	\$ -	\$ 4,014,000	\$ -	\$ -	\$ 5,656,000
Collections in advance, deferred revenues	\$ 119,940	\$ 537,000	\$ -	\$ -	\$ -	\$ -	\$ 30,171	\$ 687,111
<b>TOTAL LIABILITIES</b>	<b>\$ 361,469</b>	<b>\$ 2,459,208</b>	<b>\$ 645,020</b>	<b>\$ -</b>	<b>\$ 4,189,134</b>	<b>\$ -</b>	<b>\$ 30,171</b>	<b>\$ 7,685,002</b>
<u>Fund Equity</u>								
Investment in general fixed assets	\$ -	\$ -	\$ -	\$ 11,979,937	\$ -	\$ -	\$ -	\$ 11,979,937
Reserve for encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve for future	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributed capital	\$ -	\$ 3,018,546	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,018,546
Unreserved fund balance	\$ 866,708	\$ 227,316	\$ 9,620	\$ -	\$ -	\$ -	\$ -	\$ 1,103,644
Total Fund Equity	\$ 866,708	\$ 3,245,862	\$ 9,620	\$ 11,979,937	\$ -	\$ -	\$ -	\$ 16,102,127
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 1,228,177</b>	<b>\$ 5,705,070</b>	<b>\$ 654,640</b>	<b>\$ 11,979,937</b>	<b>\$ 4,189,134</b>	<b>\$ -</b>	<b>\$ 30,171</b>	<b>\$ 23,787,129</b>

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

VILLAGE OF NYACK  
SCHEDULE #2  
COMBINED SCHEDULE OF REVENUES AND EXPENSES AND CHANGE IN FUND BALANCE  
MAY 31, 2013

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Capital Projects</u>	<u>Special Revenue</u>
<b>REVENUES</b>				
Real Property Taxes	\$ 3,241,626	\$ -	\$ -	\$ -
Non property tax	\$ 296,304	\$ -	\$ -	\$ -
Charges for services	\$ 1,102,496	\$ 3,534,070	\$ -	\$ -
Use of money and property	\$ 10,735	\$ -	\$ -	\$ -
Forfeitures, fines	\$ 96,571	\$ -	\$ -	\$ -
Sale of property, compensation for loss	\$ 81,963	\$ -	\$ -	\$ -
Miscellaneous	\$ 6,170	\$ 14,818	\$ -	\$ -
Interfund transfers	\$ 192,000	\$ -	\$ -	\$ -
State and Federal sources	\$ 457,884	\$ -	\$ 401,300	\$ -
<b>TOTAL REVENUES</b>	<b><u>\$ 5,485,749</u></b>	<b><u>\$ 3,548,888</u></b>	<b><u>\$ 401,300</u></b>	<b><u>\$ -</u></b>
Proceeds of obligations	\$ -	\$ -	\$ 1,945,500	\$ -
<b>TOTAL REVENUES AND OTHER SOURCES</b>	<b><u>\$ 5,485,749</u></b>	<b><u>\$ 3,548,888</u></b>	<b><u>\$ 2,346,800</u></b>	<b><u>\$ -</u></b>
<b>EXPENDITURES</b>				
General support	\$ 1,097,664	\$ 804,264	\$ -	\$ -
Culture and recreation	\$ 427,644	\$ -	\$ -	\$ -
Home and community services	\$ 467,908	\$ 1,401,291	\$ -	\$ -
Transportation	\$ 882,809	\$ -	\$ -	\$ -
Employee benefits	\$ 1,218,711	\$ 695,763	\$ -	\$ -
Debt service	\$ 514,939	\$ 59,605	\$ -	\$ -
Public safety	\$ 336,972	\$ -	\$ -	\$ -
Health	\$ 9,140	\$ -	\$ -	\$ -
Capital outlay	\$ -	\$ -	\$ 1,166,380	\$ -
Interfund transfers	\$ -	\$ 192,000	\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 4,955,787</u></b>	<b><u>\$ 3,152,923</u></b>	<b><u>\$ 1,166,380</u></b>	<b><u>\$ -</u></b>
<b>EXCESS OF REVENUES</b>	<b><u>\$ 529,962</u></b>	<b><u>\$ 395,965</u></b>	<b><u>\$ 1,180,420</u></b>	<b><u>\$ -</u></b>
Other changes in fund balance	\$ -	\$ -	\$ -	\$ -
<b>Net increase (decrease)</b>	<b><u>\$ 529,962</u></b>	<b><u>\$ 395,965</u></b>	<b><u>\$ 1,180,420</u></b>	<b><u>\$ -</u></b>
<b>Fund Equity - Beginning of year</b>	<b><u>\$ 336,746</u></b>	<b><u>\$ 2,849,897</u></b>	<b><u>\$ (1,170,800)</u></b>	<b><u>\$ -</u></b>
<b>Fund Equity - End of year</b>	<b><u>\$ 866,708</u></b>	<b><u>\$ 3,245,862</u></b>	<b><u>\$ 9,620</u></b>	<b><u>\$ -</u></b>

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

VILLAGE OF NYACK  
SCHEDULE #3  
COMBINED STATEMENT OF REVENUES AND EXPENDITURES  
FOR YEAR ENDED MAY 31, 2013

	<u>General Fund</u>			<u>Enterprise Fund</u>		
	Amended <u>Budget</u>	<u>Actual</u>	Variance <u>Fav. (Unf.)</u>	Amended <u>Budget</u>	<u>Actual</u>	Variance <u>Fav. (Unf.)</u>
<b>REVENUES</b>						
Real property taxes	\$ 3,241,626	\$ 3,241,626	\$ -	\$ -	\$ -	\$ -
Non property taxes	\$ 296,304	\$ 296,304	\$ -	\$ -	\$ -	\$ -
Charges for services	\$ 1,102,496	\$ 1,102,496	\$ -	\$ 3,534,079	\$ 3,534,079	\$ -
Use of money and property	\$ 10,735	\$ 10,735	\$ -	\$ -	\$ -	\$ -
Forfeitures	\$ 96,571	\$ 96,571	\$ -	\$ -	\$ -	\$ -
Sale of property and compensation for loss	\$ 81,963	\$ 81,963	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ 6,170	\$ 6,170	\$ -	\$ 14,810	\$ 14,810	\$ -
Interfund revenues	\$ 192,000	\$ 192,000	\$ -	\$ -	\$ -	\$ -
State and Federal sources	\$ 457,884	\$ 457,884	\$ -	\$ -	\$ -	\$ -
Proceeds of Obligations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<b><u>\$ 5,485,749</u></b>	<b><u>\$ 5,485,749</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,548,889</u></b>	<b><u>\$ 3,548,889</u></b>	<b><u>\$ -</u></b>
<b>EXPENDITURES</b>						
General government	\$ 1,627,626	\$ 1,097,664	\$ 529,962	\$ 1,200,230	\$ 804,264	\$ 395,966
Public safety	\$ 336,972	\$ 336,972	\$ -	\$ -	\$ -	\$ -
Transportation	\$ 882,809	\$ 882,809	\$ -	\$ -	\$ -	\$ -
Culture and recreation	\$ 427,644	\$ 427,644	\$ -	\$ -	\$ -	\$ -
Home and community	\$ 467,908	\$ 467,908	\$ -	\$ 1,401,291	\$ 1,401,291	\$ -
Employee benefits	\$ 1,218,711	\$ 1,218,711	\$ -	\$ 695,763	\$ 695,763	\$ -
Debt service	\$ 514,939	\$ 514,939	\$ -	\$ 59,605	\$ 59,605	\$ -
Health	\$ 9,140	\$ 9,140	\$ -	\$ -	\$ -	\$ -
Interfund transfers	\$ -	\$ -	\$ -	\$ 192,000	\$ 192,000	\$ -
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 5,485,749</u></b>	<b><u>\$ 4,955,787</u></b>	<b><u>\$ 529,962</u></b>	<b><u>\$ 3,548,889</u></b>	<b><u>\$ 3,152,923</u></b>	<b><u>\$ 395,966</u></b>
<b>EXCESS (DEFICIT) REVENUES</b>	<b><u>\$ -</u></b>	<b><u>\$ 529,962</u></b>	<b><u>\$ (529,962)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 395,966</u></b>	<b><u>\$ (395,966)</u></b>

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

VILLAGE OF NYACK  
 COMPARATIVE BALANCE SHEETS - GENERAL FUND  
 AS AT MAY 31, 2012 AND 2013

<u>ASSETS</u>	<u>2012</u>	<u>2013</u>
<u>Cash</u>		
Cash	\$ 22,379	\$ 207,485
Cash in time deposits	\$ 119,886	\$ 119,940
Petty Cash	\$ 275	\$ 275
<b>Total Cash</b>	<b>\$ 142,540</b>	<b>\$ 327,700</b>
<u>Taxes Receivable</u>		
Tax sale certificates		
Allowance for uncollected taxes		
<b>Net Taxes Receivable</b>		
Due from Parking Authority	\$ 438,847	\$ 708,669
State Aid Receivables	\$ 83,401	\$ 75,472
Accounts Receivable	\$ 25,921	\$ 76,442
Due from Other Funds	\$ -	\$ 39,894
<b>Net Receivables</b>	<b>\$ 548,169</b>	<b>\$ 900,477</b>
<u>Other Assets</u>		
Prepaid expenses	\$ -	\$ -
<b>Total Other Assets</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL ASSETS</b>	<b>\$ 690,709</b>	<b>\$ 1,228,177</b>

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

VILLAGE OF NYACK  
 COMPARATIVE BALANCE SHEETS - GENERAL FUND  
 AS AT MAY 31, 2012 AND 2013

	<u>2012</u>	<u>2013</u>
<u>LIABILITIES AND FUND EQUITY</u>		
<u>Other Liabilities</u>		
Accounts payable	\$ 225,863	\$ 241,529
Deferred revenues	\$ 119,886	\$ 119,940
Collections in advance	\$ -	\$ -
Due to employee's retirement	\$ -	\$ -
Due to other funds	\$ 8,214	\$ -
Bond anticipation note payable	<u>\$ -</u>	<u>\$ -</u>
<b>Total Other Liabilities</b>	<b>\$ 353,963</b>	<b>\$ 361,469</b>
<u>Fund Equity</u>		
Reserve for encumbrances	\$ -	\$ -
Unreserved fund balance	\$ 336,746	\$ 866,708
<b>Total Fund Equity</b>	<b><u>\$ 336,746</u></b>	<b><u>\$ 866,708</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 690,709</u></b>	<b><u>\$ 1,228,177</u></b>

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

VILLAGE OF NYACK  
 COMPARATIVE FUND BALANCES - GENERAL FUND  
 AS AT MAY 31, 2012 AND MAY 31, 2013

	<u>2012</u>	<u>2013</u>
Beginning Balance	\$ 198,594	\$ 336,746
Add: Revenues	<u>\$ 5,421,979</u>	<u>\$ 5,485,749</u>
Subtotal	\$ 5,620,573	\$ 5,822,495
Less: Expenditures	<u>\$ 5,283,827</u>	<u>\$ 4,955,787</u>
<b>ENDING BALANCE</b>	<b><u>\$ 336,746</u></b>	<b><u>\$ 866,708</u></b>

UNAPPROPRIATED FUND BALANCE  
 AT MAY 31, 2012

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

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

VILLAGE OF NYACK  
 COMPARATIVE STATEMENT OF GENERAL FUND REVENUES AND EXPENSES  
 FOR YEAR ENDED MAY 31, 2012 AND 2013

	<u>2012</u>	<u>2013</u>
<b><u>REVENUES</u></b>		
Real property tax	\$ 3,123,992	\$ 3,241,626
Real property tax items	\$ 9,181	\$ 14,651
Departmental income	\$ 1,046,107	\$ 1,102,496
Use of money and property	\$ 9,635	\$ 10,735
Non property tax items	\$ 233,166	\$ 281,653
Licenses, permits	\$ 22,345	\$ 25,375
Fines and forfeitures	\$ 103,737	\$ 71,196
Sale of property, compensation for loss	\$ 54,095	\$ 81,963
Miscellaneous local sources	\$ 5,136	\$ 6,170
State aid	\$ 634,585	\$ 338,245
Interfund revenues	\$ 180,000	\$ 192,000
Proceeds of Federal aid	\$ -	\$ 119,639
<b>Total Revenues</b>	<b><u>\$ 5,421,979</u></b>	<b><u>\$ 5,485,749</u></b>
 <b><u>EXPENDITURES</u></b>		
General governmental support	\$ 1,134,764	\$ 1,098,864
Culture and recreation	\$ 405,505	\$ 427,644
Home and community services	\$ 500,760	\$ 467,908
Health	\$ 6,359	\$ 9,140
Transportation	\$ 1,052,139	\$ 881,609
Employee benefits	\$ 1,069,910	\$ 1,218,711
Debt principal	\$ 401,500	\$ 350,000
Debt interest	\$ 115,393	\$ 164,939
Public safety	\$ 290,940	\$ 336,972
Interfund transfers	\$ 306,557	\$ -
<b>Total Expenditures</b>	<b><u>\$ 5,283,827</u></b>	<b><u>\$ 4,955,787</u></b>
 <b>EXCESS OF REVENUES OVER EXPENDITURES</b>	 <b><u>\$ 138,152</u></b>	 <b><u>\$ 529,962</u></b>

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

VILLAGE OF NYACK  
 PARKING AUTHORITY BALANCE SHEET  
 AS OF MAY 31, 2013

ASSETS

Cash on Hand	\$ 31,859
Accounts receivable	\$ -
Capital equipment (net of depreciation)	<u>\$ 195,438</u>

**Total Assets** **\$ 227,297**

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 6,790
Notes payable	\$ 217,048
Due to Village of Nyack	<u>\$ 708,669</u>

**Total Liabilities** **\$ 932,507**

Unreserved fund balance **\$ (705,210)**

**Total Liabilities and Fund balance** **\$ 227,297**

Analysis of Changes in Fund Balance  
 For the Year ended May 31, 2013

Beginning Balance	\$ (403,185)
Add Excess of Expenses	<u>\$ (302,025)</u>
<b>Ending Balance</b>	<b><u>\$ (705,210)</u></b>

Reconciliation of Balance Due  
 to Village of Nyack  
 as at May 31, 2013

Beginning Balance	\$ 438,847
Add:	
Budget for Lease	\$ 705,000
Payroll Accrual	\$ 112,366
Contractual Accrual	<u>\$ 37,456</u>
Total increases	<u>\$ 854,822</u>
Sub-total	\$ 1,293,669
Less payments to lease	<u>\$ 585,000</u>
<b>Ending Balance</b>	<b><u>\$ 708,669</u></b>

VILLAGE OF NYACK ENTERPRISE FUND  
 PARKING AUTHORITY STATEMENT OF REVENUES AND EXPENDITURES  
 FOR YEAR ENDED MAY 31, 2013

Revenues

Parking lot/meter revenue	\$ 1,316,294
Boat slip and fees	<u>\$ 21,599</u>

**Total revenues** **\$ 1,337,893**

Expenditures

Personal services	\$ 389,275
Leasing expense	\$ 705,000
Office, Sundry	\$ 53,004
Bank Charges	\$ 18,151
Minor Equipment	\$ 18,720
Telephone	\$ 6,741
Meter Repairs & Maintenance	\$ 104,952
Professional Services	\$ 16,783
Insurances	\$ 20,883
Uniforms	\$ 4,807
Auto	\$ 11,729
Muni-Meter Leases	\$ 91,335
Employee Benefits	\$ 120,437
Depreciation	\$ 45,081
Interest Expenses	\$ 4,405
Marina Maintenance	<u>\$ 28,615</u>

**Total expenditures** **\$ 1,639,918**

**Excess of expenditures** **\$ (302,025)**

VILLAGE OF NYACK  
CASH-FLOW STATEMENT-PARKING AUTHORITY  
FOR YEAR ENDED MAY 31, 2013

Cash-Flows From Operating Activities

Cash received from operations	\$ 1,337,893
Cash payments-personal service and employee benefits	\$ (410,266)
Cash payments-contractual expenses	\$ (325,491)
Cash payments-leasing expense	\$ (585,000)

Net cash provided by operating activities \$ 17,136

Cash-Flows from Capital Activities

Principal debt payments	\$ (44,724)
Interest on debt payments	\$ (4,405)

Cash used for capital activities \$ (49,129)

Net cash decrease \$ (31,993)

Cash at beginning of year \$ 63,852

Cash balance at end of year \$ 31,859

VILLAGE OF NYACK  
SPECIAL REVENUE FUND  
COMMUNITY DEVELOPMENT BLOCK GRANT  
MAY 31, 2013

ASSETS \$ -

LIABILITIES \$ -

VILLAGE OF NYACK  
SPECIAL REVENUE FUND  
COMMUNITY DEVELOPMENT BLOCK GRANT.  
FOR TWELVE MONTH ENDED 2013

REVENUES

Community Development Block Grant \$ -

EXPENSES

Home and community services - Capital Outlay \$ -

EXCESS OF REVENUES OVER EXPENSES \$ -

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

VILLAGE OF NYACK  
HOUSING AUTHORITY  
BALANCE SHEET  
FOR YEAR ENDED MARCH 31, 2012

**ASSETS**

Current Assets

Cash	\$	1,558,683
Receivables	\$	111,576
Inventories	\$	10,000
Other current assets	\$	<u>31,094</u>

Total Current assets \$ 1,711,353

Non-Current assets

Restricted Investments	\$	760,025
Fixed assets-net of accumulated depreciation	\$	<u>2,961,638</u>

Total Non-Current assets \$ 3,721,663

**TOTAL ASSETS**

**\$ 5,433,016**

**LIABILITIES**

Current Liabilities

Accounts payable	\$	9,420
Security deposits	\$	81,932
Other current liabilities	\$	26,832
Deferred Revenue	\$	<u>64,579</u>

Total current liabilities \$ 182,763

Other long-term liabilities

\$ 124,125

Total liabilities

\$ 306,888

**EQUITY**

Contributed capital	\$	2,961,638
Reserved fund	\$	678,036
Unreserved fund	\$	<u>1,486,454</u>

Total equity \$ 5,126,128

**TOTAL LIABILITIES AND EQUITY**

**\$ 5,433,016**

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

VILLAGE OF NYACK  
HOUSING AUTHORITY  
COMBINED STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN EQUITY  
MARCH 31, 2012

**REVENUES**

Tenant revenue	\$	1,187,753	
Program grants/subsidies	\$	2,522,439	
Interest	\$	4,600	
Other income	\$	<u>71,185</u>	
<b><u>Total Revenue</u></b>			<b>\$ 3,785,977</b>

**EXPENSES**

Operating Expenses	\$	1,165,030	
Housing assistance payments	\$	2,704,517	
Depreciation	\$	<u>300,327</u>	
<b><u>Total expenses</u></b>			<b>\$ <u>4,169,874</u></b>

Excess of operating revenues	\$	(383,897)	
Beginning equity as adjusted	\$	5,510,025	
Prior year adjustment	\$	<u>-</u>	

<b><u>ENDING EQUITY</u></b>		<b>\$ <u><u>5,126,128</u></u></b>
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The accompanying notes are an integral part of these financial statements and should be so interpreted.

VILLAGE OF NYACK  
HOUSING AUTHORITY  
CONDENSED STATEMENT OF CASH-FLOWS  
FOR THE YEAR ENDED MARCH 31, 2013

Cash Flows from Operating Activities	\$ (9,391)
Cash flows from Capital and Related Financing Activities	(24,306)
Cash Flows from Investing Activities	<u>1,004,585</u>
Net Increase in Cash and Cash Equivalents	\$ 970,888
Cash Balance at Beginning of Year	<u>\$ 1,347,820</u>
Cash Balance as at March 31, 2012	<u>\$ 2,318,708</u>
Unrestricted	\$ 1,558,683
Restricted	<u>760,025</u>
Cash as Above	<u>\$ 2,318,708</u>

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

VILLAGE OF NYACK  
 COMPARATIVE WATER FUND BALANCE SHEET - WATER FUND  
 AS AT MAY 31, 2012 AND MAY 31, 2013

	<u>2012</u>	<u>2013</u>
<b><u>ASSETS</u></b>		
<b><u>Cash</u></b>		
Cash	\$ 276,085	\$ 868,309
Petty cash	\$ 550	\$ 550
<b>Total cash</b>	<b><u>\$ 276,635</u></b>	<b><u>\$ 868,859</u></b>
<b><u>Receivables</u></b>		
Water rents and other receivables	\$ 684,245	\$ 780,770
Allowance for receivables	\$ -	\$ 8,082
Due from other funds	\$ 56,000	\$ 56,000
<b>Net other receivables</b>	<b><u>\$ 740,245</u></b>	<b><u>\$ 844,852</u></b>
<b>Investments in securities - CLASS</b>	<b><u>\$ 74,461</u></b>	<b><u>\$ 74,486</u></b>
<b><u>Fixed assets</u></b>		
Land	\$ 558,678	\$ 558,678
Buildings	\$ 2,594,598	\$ 2,594,598
Equipment	\$ 1,185,637	\$ 1,311,760
Improvements to distribution system	\$ 1,562,000	\$ 1,820,092
Sub-total	\$ 5,900,913	\$ 6,285,128
Accumulated depreciation	\$ (2,193,883)	\$ (2,368,255)
<b>Net fixed assets</b>	<b><u>\$ 3,707,030</u></b>	<b><u>\$ 3,916,873</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$ 4,798,371</u></b>	<b><u>\$ 5,705,070</u></b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b><u>Liabilities</u></b>		
Accounts payable	\$ 41,595	\$ 12,867
Compensated absences	\$ 188,273	\$ 175,134
Bonds payable	\$ 1,160,000	\$ 1,642,000
Due to other funds	\$ 47,606	\$ 92,207
Deferred revenues	\$ 511,000	\$ 537,000
Bond anticipation notes	\$ -	\$ -
<b>Total liabilities</b>	<b><u>\$ 1,948,474</u></b>	<b><u>\$ 2,459,208</u></b>
<b><u>Fund Equity</u></b>		
Reserve for future capital expenditures	\$ -	\$ -
Contributed capital	\$ 3,018,576	\$ 3,018,546
Unreserved fund balance	\$ (168,679)	\$ 227,316
<b>Total fund equity</b>	<b><u>\$ 2,849,897</u></b>	<b><u>\$ 3,245,862</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 4,798,371</u></b>	<b><u>\$ 5,705,070</u></b>

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

VILLAGE OF NYACK  
RECONCILIATION OF FUND BALANCE - WATER FUND - ENTERPRISE FUND  
FOR YEAR ENDED MAY 31, 2012 AND MAY 31, 2013

	<u>2012</u>	<u>2013</u>
Beginning balance	\$ 2,776,554	\$ 2,849,897
Prior year adjustments	\$ -	\$ -
Total revenues and other sources	<u>\$ 3,310,888</u>	<u>\$ 3,548,888</u>
Subtotal	\$ 6,087,442	\$ 6,398,785
Less: Expenditures	<u>\$ 3,237,545</u>	<u>\$ 3,152,923</u>
<b>ENDING BALANCE</b>	<b><u>\$ 2,849,897</u></b>	<b><u>\$ 3,245,862</u></b>

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

VILLAGE OF NYACK  
 COMPARATIVE STATEMENT OF REVENUES AND EXPENSES - WATER FUND  
 AS AT MAY 31, 2012 AND MAY 31, 2013

	<u>2012</u>	<u>2013</u>
<u>REVENUES</u>		
Water service charges	\$ 3,293,043	\$ 3,534,079
Interest and earnings	\$ 17	\$ 24
Compensation for loss	\$ 17,828	\$ 14,651
Miscellaneous	\$ -	\$ 135
<b>Total revenues</b>	<b><u>\$ 3,310,888</u></b>	<b><u>\$ 3,548,889</u></b>
<u>EXPENDITURES</u>		
Depreciation	\$ 169,451	\$ 174,372
Interfund transfers	\$ 180,000	\$ 192,000
Personal services	\$ 1,165,815	\$ 1,164,291
Contractual expenses	\$ 980,036	\$ 866,892
Employee benefits	\$ 679,898	\$ 695,763
Debt interest	\$ 62,345	\$ 59,605
<b>Total expenditures</b>	<b><u>\$ 3,237,545</u></b>	<b><u>\$ 3,152,923</u></b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b><u>\$ 73,343</u></b>	<b><u>\$ 395,966</u></b>

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

VILLAGE OF NYACK  
STATEMENT OF CASH-FLOWS-WATER FUND-ENTERPRISE FUND  
FOR YEAR ENDED MAY 31, 2013

Cash-flows from operating activities

Cash received from providing services	\$ 3,463,554
Cash payments - contractual expenses agreements	\$ (682,495)
Cash payments - personal services, benefits	\$ (1,863,054)
<b>Net cash provided by operating activities</b>	<b>\$ 918,005</b>

Cash-flows for financing activities

Insurance	\$ (105,011)
Transfers to other funds	\$ (192,000)
Real property taxes	\$ (81,736)
Insurance refunds, prior year refunds	\$ 135
<b>Net cash used for financing activities</b>	<b>\$ (378,612)</b>

Cash-flows from capital activities

Principal debt payments	\$ (60,000)
Interest on debt payments	\$ (59,605)
Sale of equipment	\$ 14,651
Sale of Bonds	\$ 542,000
Purchase of fixed assets	\$ (384,215)
<b>Cash used for capital activities</b>	<b>\$ 52,831</b>

Cash-flows from investing activities

Interest	\$ 24
<b>Net cash provided by investing activities</b>	<b>\$ 24</b>

Net cash increase \$ 592,248

Cash at beginning of year \$ 351,097

**CASH BALANCE** **(1) \$ 943,345**

**(1) Analysis of Cash Balance**

Cash in checking	\$ 868,309
Petty cash	\$ 550
CLASS	\$ 74,486
Total as per above	<u>\$ 943,345</u>

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

VILLAGE OF NYACK  
 COMPARATIVE CAPITAL PROJECTS FUND BALANCE SHEETS  
 AS AT MAY 31, 2012 AND 2013

	<u>2012</u>	<u>2013</u>
<b><u>ASSETS</u></b>		
<u>Cash</u>		
Cash	\$ 568,213	\$ 654,640
Investment in securities - CLASS	\$ -	\$ -
<b>Total cash</b>	<b>\$ 568,213</b>	<b>\$ 654,640</b>
Due from other funds	\$ -	\$ -
<b>Total Assets</b>	<b><u>\$ 568,213</u></b>	<b><u>\$ 654,640</u></b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
<u>Liabilities</u>		
Liabilities	\$ -	
Installment bond payable	\$ 237,500	\$ 640,000
Bond anticipation notes payable	\$ 1,500,000	\$ -
Due to other funds	\$ 1,513	\$ 5,020
<b>Total Liabilities</b>	<b><u>\$ 1,739,013</u></b>	<b><u>\$ 645,020</u></b>
<u>Fund Equity</u>		
Reserve for encumbrances	\$ -	\$ -
Unreserved fund balance	\$ (1,170,800)	\$ 9,620
<b>Total Fund Equity</b>	<b><u>\$ (1,170,800)</u></b>	<b><u>\$ 9,620</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 568,213</u></b>	<b><u>\$ 654,640</u></b>

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

VILLAGE OF NYACK  
 RECONCILIATION OF FUND BALANCE  
 CAPITAL PROJECTS FUND  
 FOR YEAR ENDED MAY 31, 2012 AND 2013

	<u>2012</u>	<u>2013</u>
Beginning Balance	\$ (223,793)	\$ (1,170,800)
Add: Prior year adjustment	\$ -	\$ -
Revenues and other sources	\$ 755,429	\$ 401,300
B.A.N's redeemed from appropriations and serial bonds	<u>\$ -</u>	<u>\$ 1,945,500</u>
Subtotal	\$ 531,636	\$ 1,176,000
Less: Interfund transfers	\$ -	
Capital Outlay	<u>\$ 1,702,436</u>	<u>\$ 1,166,380</u>
Total Expenditures	<u>\$ (1,702,436)</u>	<u>\$ 1,166,380</u>
<b>ENDING BALANCE</b>	<u><b>\$ (1,170,800)</b></u>	<u><b>\$ 9,620</b></u>

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

VILLAGE OF NYACK  
 COMPARATIVE STATEMENT OF REVENUES AND EXPENSES  
 CAPITAL PROJECTS FUND  
 FOR YEARS ENDING MAY 31, 2012 AND 2013

	<u>2012</u>	<u>2013</u>
<u>REVENUES</u>		
Insurance Recoveries	\$ 71,382	\$ -
State aid	<u>\$ 329,990</u>	<u>\$ 401,300</u>
<b>Total Revenues</b>	<b><u>\$ 401,372</u></b>	<b><u>\$ 401,300</u></b>
<u>OTHER SOURCES</u>		
Interfund transfers	\$ 306,557	\$ -
Obligations redeemed from appropriations and serial bonds	\$ 47,500	\$ 1,945,500
Prior year refund	<u>\$ -</u>	<u>\$ -</u>
<b>Total Revenues and Other Sources</b>	<b><u>\$ 755,429</u></b>	<b><u>\$ 2,346,800</u></b>
<u>EXPENDITURES</u>		
Capital outlay	\$ 1,702,436	\$ 1,166,380
Interfund Transfers	<u>\$ -</u>	<u>\$ -</u>
<b>Total Expenditures</b>	<b><u>\$ 1,702,436</u></b>	<b><u>\$ 1,166,380</u></b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b><u>\$ (947,007)</u></b>	<b><u>\$ 1,180,420</u></b>

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

VILLAGE OF NYACK  
COMPARATIVE TRUST AND AGENCY FUND BALANCE SHEETS  
AS AT MAY 31, 2012 AND 2013

	<u>2012</u>	<u>2013</u>
<u>ASSETS</u>		
Cash	\$ 43,603	\$ 28,838
Due from other funds	<u>\$ 1,333</u>	<u>\$ 1,333</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 44,936</u></b>	<b><u>\$ 30,171</u></b>
 <u>LIABILITIES AND FUND EQUITY</u>		
Liabilities		
Agency Liabilities	<u>\$ 44,936</u>	<u>\$ 30,171</u>
Due to other funds		
Total Liabilities	<u>\$ 44,936</u>	<u>\$ 30,171</u>
Fund Equity		
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 44,936</u></b>	<b><u>\$ 30,171</u></b>

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

VILLAGE OF NYACK  
 COMPARATIVE BALANCE SHEETS  
 NON-CURRENT ASSETS GROUP OF ACCOUNTS  
 AS AT MAY 31, 2012 AND 2013

	<u>2012</u>	<u>2013</u>
<b><u>ASSETS</u></b>		
Land	\$ 1,337,436	\$ 1,337,436
Buildings	\$ 890,417	\$ 890,417
Improvements other than buildings	\$ 6,579,150	\$ 7,741,664
Machinery and equipment	\$ <u>1,963,597</u>	\$ <u>2,010,420</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>10,770,600</u></b>	<b>\$ <u>11,979,937</u></b>
 <b><u>INVESTMENTS IN GENERAL FIXED ASSETS</u></b>		
Bonds and notes	\$ 9,010,573	\$ 10,219,910
Current appropriations	\$ <u>1,760,027</u>	\$ <u>1,760,027</u>
<b>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</b>	<b>\$ <u>10,770,600</u></b>	<b>\$ <u>11,979,937</u></b>

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

VILLAGE OF NYACK  
 COMPARATIVE BALANCE SHEETS  
 NON-CURRENT GOVERNMENT LIABILITIES  
 AS AT MAY 31, 2012 AND 2013

	<u>2012</u>	<u>2013</u>
<u>ASSETS</u>		
Amounts to be provided for long-term debt	\$ 2,637,919	\$ 4,189,134
<b>TOTAL ASSETS</b>	<b><u>\$ 2,637,919</u></b>	<b><u>\$ 4,189,134</u></b>
 <u>LIABILITIES AND FUND EQUITY</u>		
<u>Liabilities</u>		
Compensated absences	\$ 171,919	\$ 175,134
Due to Employees' Retirement System	\$ -	\$ -
Bonds payable	<u>\$ 2,466,000</u>	<u>\$ 4,014,000</u>
Total Liabilities	\$ 2,637,919	\$ 4,189,134
<u>Fund Equity</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 2,637,919</u></b>	<b><u>\$ 4,189,134</u></b>

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

VILLAGE OF NYACK  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED MAY 31, 2013

**SECTION I.**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. FINANCIAL REPORTING ENTITY**

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

The following basic services are provided:

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

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

The financial reporting entity consists of:

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

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

**I. Include in the Reporting Entity**

The Village of Nyack Housing Authority was organized pursuant to the Housing Statutes of the State of New York. The Authority's purpose is to provide low-income housing. Revenues are derived from "rentals", "sales and services to tenants", and "subsidies" received from the Department of Housing and Urban Development. This Authority is considered a component unit of the Village and is discreetly presented. For report purposes, we are utilizing the last available report, which is dated March 31, 2012.

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

## **B. BASIS OF PRESENTATION**

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

### **1. FUND CATEGORIES**

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

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

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

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

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

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

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

## **C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS**

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

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

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

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

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

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

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

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

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

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

#### **D. BUDGETARY DATA**

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

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

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

#### **3. BUDGET BASIS OF ACCOUNTING**

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

## **E. PROPERTY TAXES**

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

## **F. PENSION PLANS**

### Plan Description

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

### Funding Policy

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

**G. INVESTMENTS** are stated at cost in all instances.

## **H. PROPERTY, PLANT and EQUIPMENT - GENERAL**

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

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

System improvements	40 years
Buildings	50 years
Equipment	15 years

## **I. POST EMPLOYMENT BENEFITS**

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

## **J. INSURANCE**

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

## **K. VACATION and SICK LEAVE and COMPENSATED ABSENCES**

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

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

Payment of vacation and sick leave recorded in the non-current government liabilities account group is dependent upon many factors, therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payment of vacation and compensatory absences when such payment becomes due. The general fund non-current government liability for compensated absences totaled \$175,134 as at May 31, 2013.

## **L. SHORT-TERM DEBT**

Liabilities for bond anticipation notes (B.A.N.'s) and revenue anticipation notes (R.A.N.'s) are generally accounted for in either the capital projects funds or in the enterprise fund. Interest payments on B.A.N.'s must be made annually. State law mandates that B.A.N.'s issued for capital purposes be converted to long-term debt obligations within five years after the original issue date. A total of \$450,000 in BAN's were issued during the past fiscal year. An installment bond of \$190,000 remained outstanding on the capital fund set of books.

**M. LONG-TERM DEBT**

1. As at May 31, 2013, the total outstanding indebtedness of the Village aggregated \$5,656,000 in serial bonds, and \$190,000 in installment bonds payable.

2. **Serial bonds (and Capital Notes)** - the Village borrows money in order to acquire land or construct buildings and improvements. This enables the costs of these capital assets to be borne by the present and future taxpayers receiving the benefits of the capital assets. These long-term liabilities, which carry the full faith and credit of the local government, are recorded in both the non-current liability account group, and in the enterprise fund. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

3. **Other long-term debt** - in addition to the above long-term debt, the local government had the following non-current liability:

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

4. **Summary of long-term serial bonds** - the following is a summary of long term serial bonds outstanding at May 31, 2013, which are accounted for in both the non-current government liability account group and the enterprise fund. Serial bonds totaling \$2,440,000 were issued during the past fiscal year.

<b>Payable</b>	<b>Original Issue</b>	<b>Original</b>	<b>Interest Maturity</b>	<b>Outstanding</b>
<b>From</b>	<b>Date</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>
Village Marina	9/1/1997	\$ 990,000	5.95	\$ 315,000
Water System	9/1/2002	\$ 950,000	5.7	\$ 765,000
Village Hall	5/1/2003	\$ 550,000	4.15	\$ -
Water	3/1/2005	\$ 6,120,000	4.0937	\$ 335,000
Public Improvements	12/1/2010	\$ 2,285,000	2.56	\$ 1,801,000
Public Improvements	12/12/2013	\$ 1,898,000	2.18	\$ 1,898,000
Water Improvements	12/1/2013	\$ 542,000	2.18	\$ 542,000

5. The following is a summary of changes in long-term indebtedness for the period ended May 31, 2013, for both the general fund and the capital fund.

	<b>Bonds and Capital Notes</b>	<b>Compensated Absences</b>
Payable at beginning of fiscal year	\$ 4,256,000	\$ 171,919
Additions	\$ 1,898,000	\$ 3,215
Deletions	<u>\$ 1,500,000</u>	<u>\$ 0</u>
Payable at end of fiscal year	<u>\$ 4,654,000</u>	<u>\$ 175,134</u>

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

6. The following table summarizes the Village of Nyack's future serial bond and installment bond requirements as of May 31, 2013 to May 31, 2022.

<b>FROM YEAR ENDING:</b>	<b>SERIAL BONDS</b>	
	<b>PRINCIPAL</b>	<b>INTEREST</b>
2013-2022	<u>\$ 4,204,000</u>	<u>\$ 1,122,367</u>

#### **N. CONTRIBUTED CAPITAL**

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

### **SECTION II**

#### **STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY**

##### **A. DEFICIT FUND BALANCES**

The capital fund reported has a positive fund balance of \$9,620 at May 31, 2013. This is primarily attributable to the fact that an installment bond with a principal balance of \$190,000 and a B.A.N. of \$450,000 are being reflected as a current liabilities on the May 31<sup>st</sup> capital fund balance sheet.

##### **B. OVERDRAWN APPROPRIATIONS**

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

##### **C. DEPARTURES FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**

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

**SECTION III**

**DETAIL NOTES ON ALL FUNDS AND ACCOUNTS GROUPS**

**A. ASSETS**

**1. Cash and Investments**

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

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

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

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

**COLLATERAL:**

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

## 2. Property Taxes Receivable

As at May 31, 2013, there were no outstanding receivables on current tax levies.

## 3. Changes in Non-Current and Government Assets

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

Type	Balance 6/1/2012	Additions	Deletions	Balance 5/31/2013
Land	\$ 1,337,436	\$ -	\$ -	\$ 1,337,436
Buildings	\$ 890,417	\$ -	\$ -	\$ 890,417
Machinery & Equipment	\$ 1,963,597	\$ 46,823	\$ -	\$ 2,010,420
Improvements other than buildings	\$ 6,579,150	\$ 1,162,514	\$ -	\$ 7,741,664
	<u>\$ 10,770,600</u>	<u>\$ 1,209,337</u>	<u>\$ -</u>	<u>\$ 11,979,937</u>

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

Improvements to water distribution system	\$ 1,820,092
Land	\$ 558,678
Building	\$ 2,594,598
Equipment	<u>\$ 1,311,760</u>
Sub-Total	\$ 6,285,128
Less: Accumulated Depreciation	<u>\$ (2,368,255)</u>
<b>TOTALS</b>	<u>\$ 3,916,873</u>

## 4. Interfund Receivables and Payables

Interfund receivables and payables as of May 31, 2013 were as follows:

Fund Type	Interfund Receivables	Interfund Payables
General	\$ 39,894	\$ -
Capital	\$ -	\$ 5,020
Enterprise - Water	\$ 56,000	\$ 92,207
Agency Fund	\$ 1,333	\$ -
	<u>\$ 97,227</u>	<u>\$ 97,227</u>

## **5. Appropriation Expenses**

A summary of the functional general fund expenditure account follows:

<b>Function</b>	<b>Amended Budget</b>	<b>Expenditures</b>	<b>Variances</b>
General Government	\$ 1,739,939	\$ 1,098,864	\$ 641,075
Public Safety	\$ 336,972	\$ 336,972	\$ -
Transportation	\$ 882,809	\$ 882,809	\$ -
Culture and Recreation	\$ 427,644	\$ 427,644	\$ -
Home and Community	\$ 467,908	\$ 467,908	\$ -
Employee Benefits	\$ 1,218,711	\$ 1,218,711	\$ -
Debt Service	\$ 514,939	\$ 514,939	\$ -
Public Health	\$ 9,140	\$ 9,140	\$ -
Inter-fund transfers	\$ -	\$ -	\$ -
<b>TOTALS</b>	<b><u>\$ 5,598,062</u></b>	<b><u>\$ 4,956,987</u></b>	<b><u>\$ 641,075</u></b>

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

Yours Truly,

Neil T. O'Sullivan  
Certified Public Accountant

**VILLAGE OF NYACK  
MANAGEMENT DISCUSSION AND ANALYSIS  
AS AT MAY 31, 2013**

1. Management Discussion and Analysis

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

2. Financial Statements

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

3. Notes to Financial Statements

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

4. Budgeting Analysis

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

5. Capital Asset and Debt Administration

As at May 31, 2013, the net investment in capital assets for the enterprise fund totaled \$3,916,873 after deducting accumulated depreciation of \$2,368,255. In addition to the enterprise fund investment in capital assets, a total of \$11,979,937 is being reflected in the general fixed asset group of accounts. A balance of \$640,000, primarily relating to short term B.A.N. indebtedness, was outstanding in the capital fund as at May 31, 2013. During the past fiscal year, a total of \$12,440,000 in serial bonds was issued in the month of December 2012. It is extremely important to emphasize that all required bond principal and interest payments were timely made.

6. Contacting the Villages Financial Management

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

	Year Ended <u>May 31, 2012</u>	Year Ended <u>May 31, 2013</u>
Total Assets	\$ 690,709	\$ 1,228,177
Less: Total Liabilities	<u>\$ 353,963</u>	<u>\$ 361,349</u>
Change in Net Assets	<u>\$ 336,746</u>	<u>\$ 886,708</u>

In summation, the net assets for the general fund improved by \$ 529,962.00.

1a) It should be noted that the combined Village cash balance increased from \$1,030,991 to \$1,880,037 as May 31, 2013.

7. The Village established a new budgeting account in order to meet current and future employee buy-back compensation per the CBA.