

Village of Ardsley, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2017

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Independent Auditors' Report

**The Honorable Mayor and Village Board
of the Village of Ardsley, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Ardsley, New York ("Village") as of and for the year ended May 31, 2017 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village, as of May 31, 2017 and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 2E and 3E in the notes to financial statements which disclose the effects of the Village's adoption of the provisions of Governmental Accounting Standards Board Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit for the year ended May 31, 2017 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules for the year ended May 31, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended May 31, 2017 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended May 31, 2017.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village as of and for the year ended May 31, 2016 (not presented herein), and have issued our report thereon dated March 16, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended May 31, 2016 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2016 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2016 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended May 31, 2016.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

November 28, 2017

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Village of Ardsley, New York

Management's Discussion and Analysis May 31, 2017

Introduction

The Village of Ardsley, New York ("Village"), presents this Management's Discussion and Analysis ("MD&A") as an overview of the Village's financial activities for the fiscal year ended May 31, 2017. This MD&A focuses on current year activities, resulting changes, and currently known facts and should be read in conjunction with the basic financial statements and the notes to the Village's financial statements which immediately follow this section.

The following is a brief outline of other noteworthy changes and events that took place in this fiscal year:

- Work on the Ashford Avenue Bridge replacement continued and may be completed by the end of 2017.
- The Village began investigating the possibility of purchasing property for the purposes of siting a new highway garage. Conceptual drawings were done and initial investigations were begun.

The Village looks forward to these activities and to taking a fresh look at its operations and infrastructure needs.

Financial Highlights

- For the year ended May 31, 2016, the Village implemented the provisions of the Governmental Accounting Standards Board ("GASB") Statement No. 68, "Accounting and Financial Reporting for Pensions". This pronouncement established new accounting and financial reporting requirements associated with the Village's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employee's Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS"). Under the new standards, cost-sharing employers are required to report in the government-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At May 31, 2017 the Village reported in its Statement of Net Position a liability of \$2,214,956 for its proportionate share of the ERS and PFRS net pension liabilities. More detailed information about the Village's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in the notes to the financial statements.
- On the government-wide financial statements, the liabilities and deferred inflows of resources of the Village exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$1,291,755. Of this amount, the unrestricted amount is a deficit of \$5,135,987.

- At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$5,099,654, inclusive of the Capital Projects Fund balance of \$637,687. The General Fund's unassigned fund balance is \$2,578,778 and is available for spending at the Village's discretion. This represents 16.8% of the total General Fund expenditures and other financing uses.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to 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 present the Village as a single, unified entity and are intended to give the reader a broad perspective of the Village's financial condition. These statements closely resemble the financial statements of a private sector entity.

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

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

The governmental activities of the Village include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other 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 assessing 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 funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains two major governmental funds: the General Fund and the Capital Projects Fund. Major funds have their information presented separately in the governmental funds balance sheet and in the governmental funds 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.

The Village adopts annual budgets for the General Fund and the Public Library Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the respective budget.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Village programs. The Village maintains one type of fiduciary fund, the Agency Fund. The Pension Trust Fund which accounts for the Service Awards Program for volunteer firefighters, was previously reported as a Fiduciary Fund, see Note 2E. Resources are held in the Agency Fund by the Village purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment and remittance of resources to the appropriate individual, organization or government.

Notes to Financial Statements

The notes to financial statements 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 financial statements and include individual fund financial statements and schedules of budget to actual comparisons.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Village, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$1,291,755 at the close of the most recent fiscal year.

The largest portion of the Village's net position, \$2,003,037 is its net investment in capital assets (land, buildings and improvements, machinery and equipment and infrastructure), less any related debt outstanding that was used to acquire those assets. The Village uses these capital assets to provide services to its citizens and as a result these assets are not available for future spending. Although the Village's investment in 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 these liabilities.

Net Position

	Governmental Activities	
	2017	2016
Current Assets	\$ 7,006,866	\$ 5,445,018
Capital Assets, net	9,588,196	10,142,335
	<u>16,595,062</u>	<u>15,587,353</u>
Deferred Outflows of Resources	<u>2,144,864</u>	<u>3,544,953</u>
Current Liabilities	1,803,785	2,185,647
Long-term Liabilities	<u>17,843,880</u>	<u>18,250,560</u>
Total Liabilities	<u>19,647,665</u>	<u>20,436,207</u>
Deferred Inflows of Resources	<u>384,016</u>	<u>484,751</u>
Net Position		
Net Investment in Capital Assets	2,003,037	1,092,765
Restricted	1,841,195	2,280,052
Unrestricted	<u>(5,135,987)</u>	<u>(5,161,469)</u>
Total Net Position	<u>\$ (1,291,755)</u>	<u>\$ (1,788,652)</u>

A portion of the Village's net position is restricted and represents resources that are subject to external restrictions on how they may be used. The restricted net position is to be used for the following purposes:

	May 31,	
	2017	2016
Capital Projects	\$ -	\$ 1,722,583
Pension Benefits	1,313,884	-
Debt Service	462,512	528,774
Special Purpose	<u>64,799</u>	<u>28,695</u>
	<u>\$ 1,841,195</u>	<u>\$ 2,280,052</u>

Change in Net Position

	Year Ended May 31,	
	2017	2016
REVENUES		
Program Revenues		
Charges for Services	\$ 1,431,942	\$ 1,108,871
Operating Grants and Contributions	590,719	145,678
Capital Grants and Contributions	296,686	236,690
Total Program Revenues	2,319,347	1,491,239
General Revenues		
Real Property Taxes	9,723,969	9,560,201
Other Tax Items	30,714	35,877
Non-Property Taxes	913,134	857,782
Unrestricted Use of Money and Property	1,643	1,240
Sale of Property and Compensation for Loss	42,176	81,254
Unrestricted State Aid	156,000	242,188
Miscellaneous	205,314	247,248
Total General Revenues	11,072,950	11,025,790
Total Revenues	13,392,297	12,517,029
PROGRAM EXPENSES		
General Government Support	2,623,252	2,248,963
Public Safety	6,791,443	6,395,351
Health	114,037	143,371
Transportation	2,286,196	1,960,537
Economic Opportunity and Development	10,404	7,944
Culture and Recreation	1,193,656	858,615
Home and Community Services	816,222	912,797
Interest	198,494	248,535
Total Expenses	14,033,704	12,776,113
Change in Net Position	(641,407)	(259,084)
NET POSITION		
Beginning, as reported	(1,788,652)	(1,268,146)
Cumulative Effect of Change in Accounting Principle	1,138,304	(261,422)
Beginning, as restated	(650,348)	(1,529,568)
Ending	\$ (1,291,755)	\$ (1,788,652)

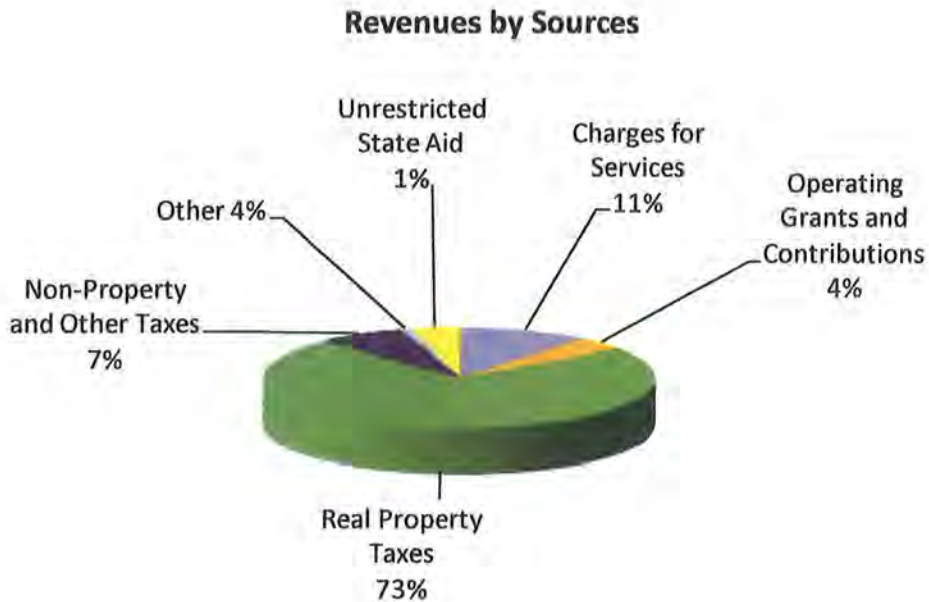
Governmental Activities

Governmental activities decreased the Village's net position by \$641,407.

For the fiscal year ended May 31, 2017, revenues from governmental activities totaled \$13,292,297. Program revenues are 17% of this total and 83% is attributable to taxes and other sources. The major changes are as follows:

Revenues:

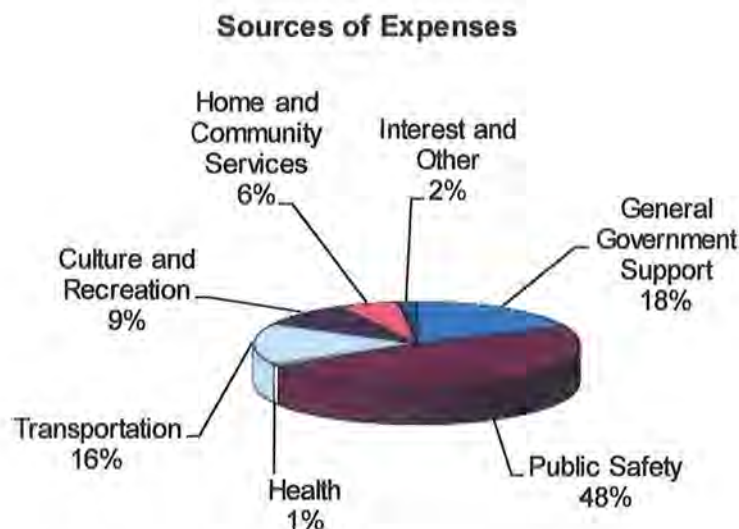
- Real property tax revenues increased by \$163,768. This was the result of a higher tax levy.
- Operating grants and contributions increased by \$445,041.
- Capital grants and contributions increased by \$59,996.



Total expenses for governmental activities were \$14,033,704.

Expenses:

- General government support expenses increased by \$374,289. The increase is largely attributed to an increase in other post employment benefits ("OPEB") and refunds of real property taxes.
- Public safety expenses increased by \$396,092. Increase in this area was largely due to OPEB and the accrued for compensated absences.



Financial Analysis of the Village's Funds

Fund Balance Reporting

Governmental Accounting Standards Board ("GASB") issued its Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the Village's fiscal period ending May 31, 2012; GASB Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

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

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

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

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

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

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

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

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, assigned and unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year the Village's governmental funds reported combined ending fund balances of \$5,099,654. \$2,578,778 of the total ending fund balance constitutes unassigned fund balance in the General Fund. \$70,000 of the fund balance (from debt reserve) has been appropriated for use in the 2017-2018 budget. A portion of fund balance is restricted to indicate that it is not available for new spending because it has already been restricted for debt service (\$462,512), capital projects (\$500,877), special purpose (\$64,799) and pension benefits (\$1,313,884).

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, fund balance of the General Fund was \$4,345,737. When the FY 2016-2017 General Fund budget was adopted, it anticipated not to use any of the fund balance. Actual results of operations resulted in an increase of Fund Balance of \$592,846, inclusive of the cumulative effect of change in accounting principle for the Service Awards program of \$175,580.

Revenues and other financing sources were \$15,737,781 which was \$385,301 or 2.5% more than the final budget. Expenditures and other financing uses were \$15,320,515 which was \$129,225 or 0.84%, less than the final budget.

The major areas where revenues were more than budget were: non-property taxes by \$59,134, licenses and permits by \$183,894 and miscellaneous sources by \$188,314.

The major area where the spending was less than budgeted was in public safety by \$63,745.

The Capital Projects Fund has no unassigned value and a restricted balance of \$637,687. Liabilities for bond anticipation notes payable in the amount of \$1,063,089 are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. A majority of capital projects are financed by short and long term debt and State aid as of May 31, 2017.

General Fund Budgetary Highlights

There was an increase between the original adopted budget and the final budget of \$39,503. Actual expenditures and other financing uses were \$129,225 less than the final budget.

Capital Asset and Debt Administration

Capital Assets

The Village's investment in capital assets for governmental activities at May 31, 2017, net of \$6,956,161 of accumulated depreciation, was \$9,588,196. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

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

- Curbing throughout the Village
- Road improvements throughout the Village
- Parks improvements

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

Capital Assets

	Government Activities	
	2017	2016
Capital Assets, Not Being Depreciated		
Land	\$ 121,550	\$ 121,550
Capital Assets Being Depreciated		
Building and Improvements	9,053,966	9,053,966
Machinery and Equipment	5,287,196	5,220,976
Infrastructure	2,081,645	2,081,645
Total assets being depreciated	16,422,807	16,356,587
Less Accumulated Depreciation for		
Building and Improvements	3,492,643	3,193,146
Machinery and Equipment	3,152,256	2,883,623
Infrastructure	311,262	259,033
Total accumulated depreciation	6,956,161	6,335,802
Total Capital Assets being Depreciated, net	\$ 9,466,646	\$ 10,020,785
Capital Assets, net	\$ 9,588,196	\$ 10,142,335

Long-term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$7,195,000. In accordance with New York State Law, the Village issues general obligation bonds, backed by the full faith and credit of the Village.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the Village is subject to a "constitutional debt limit". This debt limit is calculated by taking 7% of the latest five-year average full valuation of all taxable real property within the Village. At May 31, 2017, the Village's five year average full valuation was \$909,148,994, thereby establishing a constitutional debt limit of \$9,429,351.

Other Post Employment Benefits

The Government Accounting Standard Board Statement No. 45 required municipalities to account for Post Employment Benefits other than pensions such as health insurance coverage. The fiscal year ending May 31, 2009 was the implementation date for the Village of Ardsley. An actuarial firm was hired by the Village to compute the present value of the liability, which measures the value of OPEB benefits earned by employees during their tenure and likely to be paid during their retirement. This amount is substantial, however, under the present laws of the State of New York, there is no legal mechanism set up that would enable the funding of this obligation.

The Village's annual OPEB cost for 2016-17 was \$1,610,000. Contributions made on the pay as you go basis were \$350,000, leaving an increase of net OPEB obligation of \$1,260,000 for fiscal year 2017 and a total of \$8,050,000 net OPEB obligation as of May 31, 2017. This amount is reflected in the government-wide financial statements.

Economic Factors and Next Year's Budgets and Rates

Increases for Police and Fire personal services due to a contractual raise in grades, contractual and supply expenses, increases in Employee Benefits and increased Debt Service costs, were all factors that were taken into consideration in development and preparation of the FY 2017-2018 budget.

The Village appropriated \$70,000 of the general fund balance (reserve for debt service) for expenditures in FY 2017-2018.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Meredith S. Robson, Village of Ardsley, 507 Ashford Avenue, Ardsley, New York 10502.

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Village of Ardsley, New YorkStatement of Net Position
May 31, 2017

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 4,888,270
Investments	1,205,680
Receivables	
Taxes	188,466
Accounts	184,915
State and Federal aid	117,297
Due from other governments	422,238
Capital assets	
Not being depreciated	121,550
Being depreciated, net	9,466,646
Total Assets	16,595,062
DEFERRED OUTFLOWS OF RESOURCES	2,144,864
LIABILITIES	
Accounts payable	362,375
Accrued liabilities	168,591
Due to retirement systems	130,921
Bond anticipation notes payable	1,063,089
Accrued interest payable	78,809
Non-current liabilities	
Due within one year	676,000
Due in more than one year	17,167,880
Total Liabilities	19,647,665
DEFERRED INFLOWS OF RESOURCES	384,016
NET POSITION	
Net investment in capital assets	2,003,037
Restricted	
Pension benefits	1,313,884
Debt service	462,512
Special purpose	64,799
Unrestricted	(5,135,987)
Total Net Position	\$ (1,291,755)

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

Village of Ardsley, New York

Statement of Activities
Year Ended May 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government support	\$ 2,623,252	\$ 55,950	\$ -	\$ -	\$ (2,567,302)
Public safety	6,791,443	482,410	169,577	-	(6,139,456)
Health	114,037	-	161,159	-	47,122
Transportation	2,286,196	50,860	-	287,688	(1,947,648)
Economic opportunity and development	10,404	-	-	-	(10,404)
Culture and recreation	1,193,656	345,882	247,963	-	(599,811)
Home and community services	816,222	496,840	12,020	7,029	(300,333)
Interest	198,494	-	-	1,969	(196,525)
Total Governmental Activities	<u>\$ 14,033,704</u>	<u>\$ 1,431,942</u>	<u>\$ 590,719</u>	<u>\$ 296,686</u>	<u>(11,714,357)</u>
General revenues					
Real property taxes					9,723,969
Other tax items					
Interest and penalties on real property taxes					30,714
Non-property taxes					
Non-property tax distribution from County					657,290
Hotel occupancy tax					20,477
Franchise fees					124,384
Utilities gross receipts taxes					110,983
Unrestricted use of money and property					1,643
Sale of property and compensation for loss					42,176
Unrestricted State aid					156,000
Miscellaneous					205,314
Total General Revenues					<u>11,072,950</u>
Change in Net Position					<u>(641,407)</u>
NET POSITION					
Beginning, as reported					(1,788,652)
Cumulative Effect of Change in Accounting Principle					<u>1,138,304</u>
Beginning, as restated					<u>(650,348)</u>
Net Position - Ending					<u>\$ (1,291,755)</u>

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

Village of Ardsley, New York

Balance Sheet
 Governmental Funds
 May 31, 2017

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 3,160,956	\$ 1,589,737	\$ 137,577	\$ 4,888,270
Investments	1,205,680	-	-	1,205,680
Taxes receivable	188,466	-	-	188,466
Other receivables				
Accounts	184,915	-	-	184,915
State and Federal aid	117,297	-	-	117,297
Due from other governments	422,238	-	-	422,238
Due from other funds	2,190	125,230	-	127,420
	726,640	125,230	-	851,870
Total Assets	\$ 5,281,742	\$ 1,714,967	\$ 137,577	\$ 7,134,286
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 329,027	\$ 12,001	\$ 21,347	\$ 362,375
Accrued liabilities	168,591	-	-	168,591
Due to other funds	125,230	2,190	-	127,420
Due to retirement systems	130,921	-	-	130,921
Bond anticipation notes payable	-	1,063,089	-	1,063,089
Total Liabilities	753,769	1,077,280	21,347	1,852,396
Deferred inflows of resources				
Deferred tax revenues	182,236	-	-	182,236
Total Liabilities and Deferred Inflows of Resources	936,005	1,077,280	21,347	2,034,632
Fund balances				
Restricted	1,639,586	637,687	64,799	2,342,072
Assigned	127,373	-	51,431	178,804
Unassigned	2,578,778	-	-	2,578,778
Total Fund Balances	4,345,737	637,687	116,230	5,099,654
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,281,742	\$ 1,714,967	\$ 137,577	\$ 7,134,286

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

Village of Ardsley, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
Year Ended May 31, 2017

Fund Balances - Total Governmental Funds	<u>\$ 5,099,654</u>
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Amounts Reported for Governmental Activities in the Statement of Net
Position is Different Because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>9,588,196</u>
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Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension assets (liabilities) whereas these amounts are deferred and amortized in the statement of activities	
Deferred amounts on net pension liabilities	1,611,742
Deferred amounts on refunding bonds	<u>149,106</u>
	<u>1,760,848</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>182,236</u>

Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(78,809)
Bonds payable	(7,423,105)
Compensated absences	(155,819)
Net pension liability	(2,214,956)
Other post employment benefit obligations payable	<u>(8,050,000)</u>
	<u>(17,922,689)</u>

Net Position of Governmental Activities	<u><u>\$ (1,291,755)</u></u>
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The notes to the financial statements are an integral part of this statement.

Village of Ardsley, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended May 31, 2017

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
REVENUES				
Real property taxes	\$ 9,696,319	\$ -	\$ -	\$ 9,696,319
Other tax items	30,714	-	-	30,714
Non-property taxes	913,134	-	-	913,134
Departmental income	645,736	-	273,073	918,809
Net change in fair value of investments	164,826	-	-	164,826
Use of money and property	2,758	854	674	4,286
Licenses and permits	427,498	-	-	427,498
Fines and forfeitures	85,635	-	-	85,635
Sale of property and compensation for loss	42,176	-	-	42,176
State aid	173,338	287,688	4,264	465,290
Federal aid	161,159	-	-	161,159
Miscellaneous	205,314	7,029	242,458	454,801
Total Revenues	12,548,607	295,571	520,469	13,364,647
EXPENDITURES				
Current				
General government support	1,814,957	-	-	1,814,957
Public safety	3,913,732	-	-	3,913,732
Health	114,037	-	-	114,037
Transportation	1,139,408	-	-	1,139,408
Economic opportunity and development	10,404	-	-	10,404
Culture and recreation	268,243	-	615,630	883,873
Home and community services	479,926	-	-	479,926
Employee benefits	2,802,396	-	143,236	2,945,632
Debt service				
Principal	679,370	-	-	679,370
Interest	243,865	-	-	243,865
Refunding bond issuance costs	78,339	-	-	78,339
Capital outlay	-	402,717	-	402,717
Total Expenditures	11,544,677	402,717	758,866	12,706,260
Excess (Deficiency) of Revenues Over Expenditures	1,003,930	(107,146)	(238,397)	658,387
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	2,945,000	-	-	2,945,000
Payment to refunded bond escrow agent	(3,107,299)	-	-	(3,107,299)
Issuance premium	240,638	-	-	240,638
Transfers in	168,362	397,733	260,052	826,147
Transfers out	(657,785)	(168,362)	-	(826,147)
Total Other Financing Sources (Uses)	(411,084)	229,371	260,052	78,339
Net Change in Fund Balances	592,846	122,225	21,655	736,726
FUND BALANCES (DEFICITS)				
Beginning of Year, as reported	2,614,587	515,462	94,575	3,224,624
Cumulative Effect of Change in Accounting Principle	1,138,304	-	-	1,138,304
Beginning of Year, as restated	3,752,891	515,462	94,575	4,362,928
End of Year	\$ 4,345,737	\$ 637,687	\$ 116,230	\$ 5,099,654

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

Village of Ardsley, 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, 2017

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

Net Change in Fund Balances - Total Governmental Funds	\$ 736,726
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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.

Capital outlay expenditures	110,419
Depreciation expense	<u>(664,558)</u>
	<u>(554,139)</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Real property taxes	<u>27,650</u>
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Long-term debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized on the statement of activities.

Refunding Bonds issued	(2,945,000)
Payment to refunded bond escrow agent	3,107,299
Issuance premium	(240,638)
Amortization of premium and loss on refunding bonds	4,340
Principal paid on serial bonds	<u>679,370</u>
	<u>605,371</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	41,030
Compensated absences	57,475
Pension liabilities	(295,520)
Other post employment benefit obligations	<u>(1,260,000)</u>
	<u>(1,457,015)</u>

Change in Net Position of Governmental Activities	<u>\$ (641,407)</u>
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The notes to the financial statements are an integral part of this statement.

Village of Ardsley, New York

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
Year Ended May 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 9,723,969	\$ 9,723,969	\$ 9,696,319	\$ (27,650)
Other tax items	31,500	31,500	30,714	(786)
Non-property taxes	854,000	854,000	913,134	59,134
Departmental income	593,800	649,231	645,736	(3,495)
Net change in fair value of investments	-	-	164,826	164,826
Use of money and property	3,000	3,000	2,758	(242)
Licenses and permits	243,604	243,604	427,498	183,894
Fines and forfeitures	95,000	95,000	85,635	(9,365)
Sale of property and compensation for loss	12,300	12,300	42,176	29,876
State aid	234,804	243,876	173,338	(70,538)
Federal aid	125,000	125,000	161,159	36,159
Miscellaneous	17,000	17,000	205,314	188,314
Total Revenues	11,933,977	11,998,480	12,548,607	550,127
EXPENDITURES				
Current				
General government support	1,791,856	1,836,584	1,814,957	21,627
Public safety	3,721,629	3,918,231	3,913,732	4,499
Health	158,040	143,567	114,037	29,530
Transportation	1,220,133	1,139,942	1,139,408	534
Economic opportunity and development	11,400	11,534	10,404	1,130
Culture and recreation	307,929	268,464	268,243	221
Home and community services	492,163	489,129	479,926	9,203
Employee benefits	2,913,924	2,875,631	2,802,396	73,235
Debt service				
Principal	649,370	679,370	679,370	-
Interest	300,370	243,865	243,865	-
Refunding bond issuance costs	-	78,339	78,339	-
Total Expenditures	11,566,814	11,684,656	11,544,677	139,979
Excess of Revenues Over Expenditures	367,163	313,824	1,003,930	690,106
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	2,945,000	2,945,000	-
Payment to refunded bond escrow agent	-	(3,107,299)	(3,107,299)	-
Issuance premium	-	240,638	240,638	-
Transfers in	-	168,362	168,362	-
Transfers out	(367,163)	(657,785)	(657,785)	-
Total Other Financing Uses	(367,163)	(411,084)	(411,084)	-
Net Change in Fund Balance	-	(97,260)	592,846	690,106
FUND BALANCE				
Beginning of Year, as reported	-	97,260	2,614,587	2,517,327
Cumulative Effect of Change in Accounting Principle	-	-	1,138,304	1,138,304
Beginning of Year, as restated	-	97,260	3,752,891	3,655,631
End of Year	\$ -	\$ -	\$ 4,345,737	\$ 4,345,737

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

Village of Ardsley, New York

Statement of Assets on Liabilities

Fiduciary Funds

May 31, 2017

	<u>Agency</u>
ASSETS	
Cash and equivalents	<u>\$ 107,057</u>
LIABILITIES	
Deposits	<u>\$ 107,057</u>

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

Village of Ardsley, New York

Statement of Changes in Plan Net Position
Pension Trust Fund - Service Awards Program
Year Ended May 31, 2017

ADDITIONS	\$ -
DEDUCTIONS	<u>-</u>
Change in Plan Net Position	<u>-</u>
NET POSITION	
Beginning of Year, as reported	1,138,304
Cumulative Effect of Change in Accounting Principle	<u>(1,138,304)</u>
Beginning of Year, as restated	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

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Note 1 - Summary of Significant Accounting Policies

The Village of Ardsley, New York ("Village") was established in 1896 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 Administrative Officer and the Chief Budget Officer and the Village Treasurer serves as the chief financial officer. The Village provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

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

A. Financial Reporting Entity

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

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

B. Government-Wide Financial Statements

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

The Statement of Net Position presents the financial position of the Village at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment 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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, 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.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

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

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

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

- b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the Village in an agency capacity on behalf of others. This includes the Agency Fund. The Agency Fund accounts for employee payroll tax withholdings and deposits that are payable to other jurisdictions or individuals.

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to net pension liability, 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.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, 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

Note 1 - Summary of Significant Accounting Policies (Continued)

authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

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

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Investments of the Service Award Program are held with an insurance company. The funds are invested along with the company's other assets in a variety of investments. The amounts are invested in various portfolios by the trustee. These investments are not subject to risk categorization.

The Village follows the provisions of GASB Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Village does not invest in any long-term investment obligations.

Custodial Credit Risk - 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, 2017.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Village does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Note 1 - Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Village's investment policy limits the amount on deposit at each of its banking institutions.

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/expenses 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 May 31, 2017, 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.

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 acquisition value at the date of donation.

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 historical cost for the initial reporting period of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and used an appropriate price-level index to deflate the cost to the acquisition year).

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

Land is 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
Machinery and equipment	5-10
Infrastructure	20-50

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

The Village reported deferred inflows of resources of \$182,236 for real property taxes in the General Fund. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The Village reported deferred outflows of resources of \$149,106 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or refunded debt.

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes net investment in capital assets, restricted for capital projects, pension benefits, debt service and special purpose. The balance is classified as unrestricted.

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

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

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

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 28, 2017.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) On or before March 20th, the budget officer submits to the Village 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.
- b) The Village Board of Trustees may meet to discuss and review the tentative budget in a series of budget work sessions after March 20th and up to April 30th.
- c) The Village Board of Trustees must conduct a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for the General and Public Library funds.
- f) Budgets for the General and Public Library 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 Village Board of Trustees for the Special Purpose Fund.
- g) The Village Board of Trustees has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Village Board of Trustees. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Village Board of Trustees.
- h) Appropriations in the General and Public Library 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 Village 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 2016-2017 fiscal year was \$18,182,980 which exceeded the actual levy by \$8,459,011.

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

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Village in a particular year. The original legislation that established the Tax levy Limitation Law was

Note 2 - Stewardship, Compliance and Accountability (Continued)

set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

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

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board of Trustees may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board of Trustees first enacts, by a vote of at least sixty percent of the total voting power of the Village Board of Trustees, a local law to override such limit for such coming fiscal year.

C. Expenditures in Excess of Budget

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

Flood Control	\$ 7,183
Pascon Park	3,000

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 2 - Stewardship, Compliance and Accountability (Continued)

E. Cumulative Effect of Change in Accounting Principle

The Village, for the year ended May 31, 2017 implemented the requirements of GASB Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68" that address financial reporting for assets accumulated for purposes of providing the Length of Service Awards Program ("LOSAP") pensions. As a result of adopting this standard, a cumulative effect for the change in accounting principle of \$1,138,304 was recorded in the Pension Trust Fund, governmental activities and in the General Fund.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at May 31, 2017 consisted of the following:

Current Year	\$	82,312
Prior Years		<u>106,154</u>
	\$	<u><u>188,466</u></u>

B. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2017 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 2,190	\$ 125,230
Capital Projects	<u>125,230</u>	<u>2,190</u>
	<u><u>\$ 127,420</u></u>	<u><u>\$ 127,420</u></u>

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

C. Capital Assets

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

	<u>Balance June 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance May 31, 2017</u>
Capital Assets, not being depreciated				
Land	<u>\$ 121,550</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,550</u>

Note 3 - Detailed Notes on All Funds (Continued)

	Balance June 1, 2016	Additions	Deletions	Balance May 31, 2017
Capital Assets, being depreciated				
Buildings and improvements	\$ 9,053,966	\$ -	-	\$ 9,053,966
Machinery and equipment	5,220,976	110,419	44,199	5,287,196
Infrastructure	2,081,645	-	-	2,081,645
Total Capital Assets, being depreciated	16,356,587	110,419	44,199	16,422,807
Less Accumulated Depreciation for				
Buildings and improvements	3,193,146	299,497	-	3,492,643
Machinery and equipment	2,883,623	312,832	44,199	3,152,256
Infrastructure	259,033	52,229	-	311,262
Total Accumulated Depreciation	6,335,802	664,558	44,199	6,956,161
Total Capital Assets, being depreciated, net	\$ 10,020,785	\$ (554,139)	\$ -	\$ 9,466,646
Capital Assets, net	\$ 10,142,335	\$ (554,139)	\$ -	\$ 9,588,196

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

General Government Support	\$ 33,627
Public Safety	256,253
Transportation	216,646
Culture and Recreation	158,032
Total Depreciation Expense	\$ 664,558

D. Short-Term Capital Borrowings - Bond Anticipation Notes

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

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance June 1, 2016	Redemptions	Balance May 31, 2017
Police Vehicles	2014	-	- %	\$ 14,000	\$ 14,000	\$ -
Highway Equipment	2014	08/03/17	0.93	136,200	45,400	90,800
Highway Garage	2016	08/03/17	0.93	1,020,000	47,711	972,289
				\$ 1,170,200	\$ 107,111	\$ 1,063,089

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

Note 3 - Detailed Notes on All Funds (Continued)

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 \$10,883 were recorded in the fund financial statements in the General Fund. Interest expense of \$12,906 was recorded in the government-wide financial statements.

E. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2017:

	Balance June 1, 2016	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2017	Due Within One Year
Bonds Payable	\$ 7,879,370	\$ 2,945,000	\$ 3,629,370	\$ 7,195,000	\$ 660,000
Plus					
Unamortized premium on bonds	-	240,638	12,533	228,105	-
	<u>7,879,370</u>	<u>3,185,638</u>	<u>3,641,903</u>	<u>7,423,105</u>	<u>660,000</u>
Compensated Absences	213,294	-	57,475	155,819	16,000
Net Pension Liability	3,367,896	-	1,152,940	2,214,956	-
Other Post Employment Benefit Obligations Payable	<u>6,790,000</u>	<u>1,610,000</u>	<u>350,000</u>	<u>8,050,000</u>	<u>-</u>
	<u>\$ 18,250,560</u>	<u>\$ 4,795,638</u>	<u>\$ 5,202,318</u>	<u>\$ 17,843,880</u>	<u>\$ 676,000</u>

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

Bonds Payable

Bonds payable at May 31, 2017 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2017
Public Improvements	1997	\$ 2,206,000	October, 2017	4.8 - 5.125 %	\$ 100,000
Public Improvements	2006	5,219,200	August, 2017	4.0 - 5.000	225,000
Public Improvements	2012	1,211,500	March, 2027	2.0 - 2.750	840,000
Public Improvements	2016	3,364,370	August, 2035	2.0 - 3.375	3,115,000
Public Improvements	2017	2,945,000	August, 2031	2.0 - 5.000	2,915,000
					<u>\$ 7,195,000</u>

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$232,982 was recorded in the fund financial statements in the General Fund. Interest expense of \$185,588 was recorded in the government-wide financial statements for governmental activities.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of May 31, 2017 including interest payments of \$1,530,758 are as follows:

Year Ended May 31,	Principal	Interest
2018	\$ 660,000	\$ 318,987
2019	540,000	180,276
2020	555,000	162,551
2021	520,000	144,901
2022	500,000	129,001
2023-2027	2,400,000	436,351
2028-2032	2,020,000	158,691
	<u>\$ 7,195,000</u>	<u>\$ 1,530,758</u>

Advance Refunding

During the 2016-2017 fiscal year, the Village issued \$2,945,000 in serial bonds with interest rates ranging from 2.0% to 5.0%, depending on maturity. The proceeds were used to refund \$2,950,000 of the outstanding 2006 public improvement serial bond bearing interest at rates from 4.00% to 5.00%. The net proceeds of \$3,107,299 (net of the receipt of a \$240,638 reoffering premium and after payment of \$78,339 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 2006 serial bond. As a result, the 2006 serial bond are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$157,299 and the premium received was \$240,638. These amounts are being amortized over the remaining life of the refunded debt. The Village advance refunded the 2006 serial bond to reduce its total debt service payments over 16 years by \$387,850 and to obtain a net present value economic gain of \$340,809. As of May 31, 2017, \$225,000 of the bonds have not yet been called and are still outstanding.

Pension Plans

New York State and Local Retirement System

The Village participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves

Note 3 - Detailed Notes on All Funds (Continued)

as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2017 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	16.0 %
	4 A15	16.0
	5 A15	13.1
	6 A15	9.3
PFRS	2 384D	24.1
	6 384D	14.5

At May 31, 2017, the Village reported a liability of \$775,591 for its proportionate share of the net pension liability of ERS and a liability of \$1,439,365 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At March 31, 2017, the Village's proportion was 0.0082543% for ERS and 0.0694456% for PFRS, which was an increase 0.0003124% and a decrease 0.0012519%, respectively, from its proportion measured as of March 31, 2016.

For the year ended May 31, 2017, the Village recognized pension expense in the government-wide financial statements of \$485,600 for ERS and \$885,184 for PFRS. Pension expenditures of \$383,756 for ERS and \$691,508 for PFRS were recorded in the fund financial statements and were charged to the following funds:

Note 3 - Detailed Notes on All Funds (Continued)

	ERS	PFRS
General Fund	\$ 345,362	\$ 691,508
Library Fund	38,394	-
	<u>\$ 383,756</u>	<u>\$ 691,508</u>

At May 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,436	\$ 117,778	\$ 188,820	\$ 248,690
Changes of assumptions	264,970	-	709,115	-
Net difference between projected and actual earnings on pension plan investments	154,917	-	214,967	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	126,723	5,413	185,889	12,135
Village contributions subsequent to the measurement date	36,626	-	94,295	-
	<u>\$ 602,672</u>	<u>\$ 123,191</u>	<u>\$ 1,393,086</u>	<u>\$ 260,825</u>

\$36,626 and \$94,295 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Village's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS	PFRS
2018	\$ 188,127	\$ 323,950
2019	188,127	323,950
2020	156,651	307,906
2021	(90,050)	29,747
2022	-	52,413

The total pension liability for the March 31, 2017 measurement date was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liabilities to March 31, 2017. Significant actuarial assumptions used in the April 1, 2016 valuation were as follows:

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

Note 3 - Detailed Notes on All Funds (Continued)

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

The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

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

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.75
Real Estate	10	5.80
Absolute Return Strategies	2	4.00
Opportunistic Portfolio	3	5.89
Real Assets	3	5.54
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.50
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5%.

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

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

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Village's proportionate share of the ERS net pension liability (asset)	\$ 2,477,084	\$ 775,591	\$ (663,018)
Village's proportionate share of the PFRS net pension liability (asset)	\$ 4,080,516	\$ 1,439,365	\$ (775,914)

The components of the collective net pension liability as of the March 31, 2017 measurement date were as follows:

	(In Thousands)		
	ERS	PFRS	Total
Total pension liability	\$ 177,400,586	\$ 31,670,483	\$ 209,071,069
ERS fiduciary net position	168,004,363	29,597,831	197,602,194
Employers' net pension liability	\$ 9,396,223	\$ 2,072,652	\$ 11,468,875
ERS fiduciary net position as a percentage of total pension liability	94.7%	93.5%	94.5%

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of May 31, 2017 represent the employer contribution for the period of April 1, 2017 through May 31, 2017 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the two months ended May 31, 2017 were \$36,626 and \$94,295, respectively.

Voluntary Defined Contribution Plan

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

F. Service Awards Program

The Village, pursuant to Article 11-A of the General Municipal Law of the State of New York and legislative resolution, has established a Length of Service Awards Program ("Program") for volunteer firefighters. This Program is a single employer defined benefit plan established as a grantor/rabbi trust and, as such, the assets are subject to the claims of the Village's general creditors. The Program is accounted for in the Village's financial statements within the General Fund.

Note 3 - Detailed Notes on All Funds (Continued)

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. Points are granted for the performance of certain activities in accordance with a system established by the Village on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the Program. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit. A participant, upon attainment of entitlement age (the later of age 62 or the participant's age after earning 50 program points), shall be able to receive their service award, payable in the form of a ten-year certain and continuous monthly payment life annuity. The monthly benefits are \$20 for each year of service credit, up to a maximum of 40 years. The benefits and refunds of the plan are recognized when due and payable in accordance with the terms of the plan. The Program also provides disability and death benefits. The trustees of the Program, which are the members of the Village's Board, are authorized to invest the funds in authorized investment vehicles. Administrative costs are paid by the Village from the General Fund. Separate financial statements are not issued by the Program.

Current membership in the Program is comprised of the following:

<u>Group</u>	<u>January 1, 2017</u>
Retirees and beneficiaries	
currently receiving benefits	12
Terminated members entitled to	
but not yet receiving benefits	32
Active	42

The Village's Board has retained and designated BPAS, Inc. to assist in the administration of the Program. Based on the certified calendar year volunteer firefighter listings, BPAS, Inc. determines and certifies in writing the amount of the service award to be paid to a participant or to a participant's designated beneficiary. As authorized by the Village, BPAS, Inc. then directs the paying agent to pay the service award. No service award benefit payment is made without the written certification from BPAS, Inc. and written confirmation to the Village.

Program assets are required to be held in trust by Article 11-A of the General Municipal Law of the State of New York, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the Program. Authority to invest the Program's assets is vested in the Trustee. Program assets are invested in accordance with a statutory prudent person rule and in accordance with an investment policy adopted by the Village.

The Village is required to retain an actuary to determine the amount of the Village's contributions to the Program. The actuarial firm retained for this purpose is BPAS, Inc. Portions of the following information are derived from a report prepared by the actuary dated December 31, 2016.

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial Present Value of Benefits at December 31, 2016			<u>\$ 1,691,563</u>
Less: Assets Available for Benefits			
	<u>% of total</u>		
Cash	8.70 %	\$	108,204
Fixed income mutual funds	73.32		912,237
International equities	11.35		141,158
U.S. government obligations	6.64		82,579
Total Net Assets Available for Benefits			<u>1,244,178</u>
Total Funded (Unfunded) Benefits			<u>(447,385)</u>
Less: Unfunded Liability for Prior Service			<u>(447,385)</u>
Funded (Unfunded) Normal Benefits		\$	<u>-</u>

The above investments in fixed income mutual funds, international equities and U.S. government obligations are valued using level one inputs.

Prior service costs are being amortized over a range of 10 to 17 years at a discount rate of 5.00%.

The Village is required to contribute the amounts necessary to finance the Program as actuarially determined using the unit credit cost method. The assumed investment rate of return is 5.00% and there are no cost of living adjustments.

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

	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage of Annual Program Cost Contributed</u>
2017	\$ 63,000	\$ 63,000	100 %
2016	70,000	70,000	100
2015	60,000	60,000	100

The schedule of funding progress for the defined benefit pension 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.

The current contributions were charged to the General Fund.

Note 3 - Detailed Notes on All Funds (Continued)

Compensated Absences

Pursuant to collective bargaining agreements, employees of the Department of Public Works and non-union full-time employees may accumulate up to 175 days of sick time. Upon retirement, these employees will be compensated for 50% of unused sick time at their current salary level. Effective June 1, 1994, police employees have unlimited sick leave. Prior to this date, police employees could accumulate up to 150 days of sick time. Days accumulated as of June 1, 1994 were frozen and police employees, at retirement, separation of service or upon written notification, may receive payment for 50% of these accumulated days at their hourly rate. Compensatory time for overtime hours may be accumulated by police employees. At the option of the employee, payment will be made either through additional compensation or compensatory time. Payment is limited to 150 hours. Compensatory time for police officers may accumulate without limit. Employees will be paid for this time, at their option. However, requests for payment must be made prior to February 1st of each year. Vacation time for employees of the Department of Public Works may be carried over to the subsequent year, and upon separation of service, employees will be compensated for any unused days from the prior year. Vacation time for police and non-union employees is generally taken in the year earned and may not be accumulated.

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. Substantially all of the Village's employee's may become eligible for those benefits if they reach normal retirement age while working for the Village. The cost of retiree health care benefits is recognized as an expenditure as claims are paid in the fund financial statements.

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 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.

Note 3 - Detailed Notes on All Funds (Continued)

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 expected rate of return on the Village's general assets. Funding for the Plan has been established on a pay-as-you-go basis. The assumed rates of increase in post-retirement benefits are as follows:

Year Ended May 31,	
2018	8.00 %
2019	7.50
2020	7.00
2021	6.50
2022	6.00
2023	5.50
2024 +	5.00

The amortization basis is the level percentage of payroll basis with an open amortization approach with 22 years remaining in the amortization period. The actuarial assumptions included a 4.5% investment rate of return. The Village currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of May 31, 2017 was as follows:

Active Employees	42
Retired Employees	21
	<u>63</u>

Amortization Component:	
Actuarial Accrued Liability as of June 1, 2016	\$ 18,290,000
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 18,290,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 5,500,000</u>
UAAL as a Percentage of Covered Payroll	<u>332.55%</u>
Annual Required Contribution	\$ 1,700,000
Interest on Net OPEB Obligation	310,000
Adjustment to Annual Required Contribution	<u>(400,000)</u>
Annual OPEB Cost	1,610,000
Contributions Made	<u>(350,000)</u>
Increase in Net OPEB Obligation	1,260,000
Net OPEB Obligation - Beginning of Year	<u>6,790,000</u>
Net OPEB Obligation - End of Year	<u>\$ 8,050,000</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 preceding year is as follows:

<u>Fiscal Year Ended May 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2017	\$ 1,610,000	21.74 %	\$ 8,050,000
2016	1,560,000	20.51	6,790,000
2015	1,560,000	19.87	5,550,000

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.

G. Revenues and Expenditures

Interfund Transfers

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

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	
General Fund	\$ -	\$ 397,733	\$ 260,052	\$ 657,785
Capital Projects Fund	168,362	-	-	168,362
	<u>\$ 168,362</u>	<u>\$ 397,733</u>	<u>\$ 260,052</u>	<u>\$ 826,147</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures, 2) move amounts earmarked in the operating funds to fulfill commitments for the Public Library Fund and 3) move funds from the Capital Projects Fund to the General Fund as capital projects are closed.

H. Net Position

The components of net position are detailed below:

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

Note 3 - Detailed Notes on All Funds (Continued)

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

Restricted for Pension Benefits - The component of net position that has been set aside to be used for LOSAP pension benefits in accordance with Article 11-A of the General Municipal Law of the State of New York.

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

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

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Village of Ardsley, New York

Notes to Financial Statements (Continued)

May 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2017				2016			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable								
Prepaid expenditures	\$ -	\$ -	\$ -	\$ -	\$ 96,150	\$ -	\$ -	\$ 96,150
Restricted								
Pension benefit	1,313,884	-	-	1,313,884	-	-	-	-
Special purpose	-	-	64,799	64,799	-	-	28,695	28,695
Capital projects	-	500,877	-	500,877	-	379,506	-	379,506
Debt service	325,702	136,810	-	462,512	393,733	135,956	-	529,689
Total Restricted	1,639,586	637,687	64,799	2,342,072	393,733	515,462	28,695	937,890
Assigned								
Contractual obligations	57,373	-	-	57,373	120,659	-	-	120,659
Subsequent year's debt service expenditures	70,000	-	-	70,000	-	-	-	-
Non-Major Governmental Fund Public Library	-	-	51,431	51,431	-	-	65,880	65,880
Total Assigned	127,373	-	51,431	178,804	120,659	-	65,880	186,539
Unassigned	2,578,778	-	-	2,578,778	2,004,045	-	-	2,004,045
Total Fund Balances	\$ 4,345,737	\$ 637,687	\$ 116,230	\$ 5,099,654	\$ 2,518,437	\$ 515,462	\$ 94,575	\$ 3,224,624

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been established to account for the purchase of day camp supplies made in advance. This amount is classified as nonspendable to indicate that the funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Assigned for Contractual Obligations - This is used to segregate a portion of fund balance of the General Fund for contractual obligations.

Subsequent year's expenditures represent that at May 31, 2017, the Board of Trustees has assigned the above amounts to be appropriated for the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as restricted or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the Village, if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of the 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.

Contingencies

The Village participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act in accordance with the Uniform Guidance. Accordingly, the Village's compliance with applicable grant requirements may be established at a future date. The amount of expenditures, which may be disallowed by the granting agencies cannot be determined at this time, although the Village anticipates such amounts, if any, to be immaterial.

B. Risk Management

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

Note 5 - Subsequent Events

The Village, on August 2, 2017, issued bond anticipation notes in the amount of \$2,366,817 due August 2, 2018 and bearing interest at 1.20%.

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Village of Ardsley, New York

Required Supplementary Information - Schedule of Funding Progress

Service Awards Program

Last Six Fiscal Years

<u>Actuarial Valuation Date January 1,</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>
2012	\$ 720,345	\$ 1,255,336	\$ 534,991	57.38 %
2013	848,060	1,312,760	464,700	64.60
2014	1,074,145	1,392,701	318,556	77.13
2015	1,161,682	1,504,788	343,106	77.20
2016	1,137,569	1,555,557	417,988	73.13
2017	1,244,178	1,691,563	447,385	73.55

See independent auditors' report.

Village of Ardsley, New York

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

	2017	2016 (2)
Village's proportion of the net pension liability	<u>0.0082543%</u>	<u>0.0079419%</u>
Village's proportionate share of the net pension liability	<u>\$ 775,591</u>	<u>\$ 1,274,695</u>
Village's covered payroll	<u>\$ 2,483,991</u>	<u>\$ 2,484,759</u>
Village's proportionate share of the net pension liability as a percentage of its covered payroll	<u>31.22%</u>	<u>51.30%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>94.70%</u>	<u>90.70%</u>

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

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

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement.

See independent auditors' report.

Village of Ardsley, New York

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

	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 383,756	\$ 405,434
Contributions in relation to the contractually required contribution	<u>(383,756)</u>	<u>(405,434)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 2,617,427</u>	<u>\$ 2,414,425</u>
Contributions as a percentage of covered payroll	<u>14.66%</u>	<u>16.79%</u>

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

See independent auditors' report.

Village of Ardsley, New York

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

	<u>2017</u>	<u>2016 (2)</u>
Village's proportion of the net pension liability	<u>0.0694456%</u>	<u>0.0706975%</u>
Village's proportionate share of the net pension liability	<u>\$ 1,439,365</u>	<u>\$ 2,093,201</u>
Village's covered payroll	<u>\$ 2,927,982</u>	<u>\$ 2,636,208</u>
Village's proportionate share of the net pension liability as a percentage of its covered payroll	<u>49.16%</u>	<u>79.40%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.50%</u>	<u>90.20%</u>

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

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

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement.

Village of Ardsley, New York

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

	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 691,508	\$ 696,155
Contributions in relation to the contractually required contribution	<u>(691,508)</u>	<u>(696,155)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 2,950,095</u>	<u>\$ 2,850,335</u>
Contributions as a percentage of covered payroll	<u>23.44%</u>	<u>24.42%</u>

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

See independent auditors' report.

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Village of Ardsley, 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, 2014	\$ -	\$ 16,310,000	\$ 16,310,000	- %	\$ 4,470,000	364.88 %
June 1, 2015	-	17,210,000	17,210,000	-	4,830,000	356.31
June 1, 2016	-	18,290,000	18,290,000	-	5,500,000	332.55

See independent auditors' report.

Village of Ardsley, New York

General Fund

Combining Balance Sheet - Sub-Funds

May 31, 2017

(With Comparative Totals for 2016)

	General	Fire Service Awards Program
ASSETS		
Cash and equivalents	\$ 3,052,752	\$ 108,204
Investments	-	1,205,680
Taxes receivable	188,466	-
Other receivables		
Accounts	184,915	-
State and Federal aid	117,297	-
Due from other governments	422,238	-
Due from other funds	2,190	-
	726,640	-
Prepaid expenditures	-	-
Total Assets	\$ 3,967,858	\$ 1,313,884
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 329,027	-
Accrued liabilities	168,591	-
Due to other funds	125,230	-
Due to retirement systems	130,921	-
Total Liabilities	753,769	-
Deferred inflows of resources		
Deferred tax revenues	182,236	-
Total Liabilities and Deferred Inflows of Resources	936,005	-
Fund balance		
Nonspendable	-	-
Restricted	325,702	1,313,884
Assigned	127,373	-
Unassigned	2,578,778	-
Total Fund Balance	3,031,853	1,313,884
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 3,967,858	\$ 1,313,884

See independent auditors' report.

Totals	
2017	2016
\$ 3,160,956	\$ 2,281,361
1,205,680	-
188,466	164,397
184,915	139,167
117,297	88,350
422,238	877,839
2,190	67,469
726,640	1,172,825
-	96,150
\$ 5,281,742	\$ 3,714,733

329,027	\$ 434,028
168,591	147,242
125,230	233,369
130,921	130,921
753,769	945,560
182,236	154,586
936,005	1,100,146
-	96,150
1,639,586	393,733
127,373	120,659
2,578,778	2,004,045
4,345,737	2,614,587
\$ 5,281,742	\$ 3,714,733

Village of Ardsley, New York

General Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Sub-Funds
Year Ended May 31, 2017
(With Comparative Totals for 2016)

	General	Fire Service Awards Program	Eliminations	2017	2016
REVENUES					
Real property taxes	\$ 9,696,319	\$ -	\$ -	\$ 9,696,319	\$ 9,491,323
Other tax items	30,714	-	-	30,714	35,877
Non-property taxes	913,134	-	-	913,134	857,782
Departmental income	645,736	70,000	(70,000)	645,736	588,550
Net change in fair value of investments	-	164,826	-	164,826	-
Use of money and property	2,758	-	-	2,758	2,274
Licenses and permits	427,498	-	-	427,498	163,168
Fines and forfeitures	85,635	-	-	85,635	83,769
Sale of property and compensation for loss	42,176	-	-	42,176	81,254
State aid	173,338	-	-	173,338	275,035
Federal aid	161,159	-	-	161,159	98,349
Miscellaneous	205,314	-	-	205,314	247,248
Total Revenues	12,383,781	234,826	(70,000)	12,548,607	11,924,629
EXPENDITURES					
Current					
General government support	1,814,957	-	-	1,814,957	1,577,162
Public safety	3,854,486	59,246	-	3,913,732	3,623,019
Health	114,037	-	-	114,037	143,371
Transportation	1,139,408	-	-	1,139,408	1,039,837
Economic opportunity and development	10,404	-	-	10,404	7,944
Culture and recreation	268,243	-	-	268,243	222,361
Home and community services	479,926	-	-	479,926	568,014
Employee benefits	2,872,396	-	(70,000)	2,802,396	2,755,140
Debt service					
Principal	679,370	-	-	679,370	400,000
Interest	243,865	-	-	243,865	209,936
Refunding bond issuance costs	78,339	-	-	78,339	-
Total Expenditures	11,555,431	59,246	(70,000)	11,544,677	10,546,784
Excess of Revenues Over Expenditures	828,350	175,580	-	1,003,930	1,377,845
OTHER FINANCING SOURCES (USES)					
Refunding bonds issued	2,945,000	-	-	2,945,000	-
Payment to refunded bond escrow agent	(3,107,299)	-	-	(3,107,299)	-
Issuance premium	240,638	-	-	240,638	-
Transfers In	168,362	-	-	168,362	1,111
Transfers out	(657,785)	-	-	(657,785)	(236,852)
Total Other Financing Uses	(411,084)	-	-	(411,084)	(235,741)
Net Change in Fund Balance	417,266	175,580	-	592,846	1,142,104
FUND BALANCE					
Beginning of Year, as reported	2,614,587	-	-	2,614,587	1,472,483
Cumulative Effect of Change in Accounting Principle	-	1,138,304	-	1,138,304	-
Beginning of Year, as restated	2,614,587	1,138,304	-	3,752,891	1,472,483
End of Year	\$ 3,031,853	\$ 1,313,884	\$ -	\$ 4,345,737	\$ 2,614,587

See independent auditors' report.

Village of Ardsley, New York

General Fund - Sub - Fund
Comparative Balance Sheet
May 31,

	2017	2016
ASSETS		
Cash and equivalents	\$ 3,052,752	\$ 2,281,361
Taxes receivable	188,466	164,397
Other receivables		
Accounts	184,915	139,167
State and Federal aid	117,297	88,350
Due from other governments	422,238	877,839
Due from other funds	2,190	67,469
	726,640	1,172,825
Prepaid expenditures	-	96,150
Total Assets	\$ 3,967,858	\$ 3,714,733
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 329,027	\$ 434,028
Accrued liabilities	168,591	147,242
Due to other funds	125,230	233,369
Due to retirement systems	130,921	130,921
Total Liabilities	753,769	945,560
Deferred inflows of resources		
Deferred tax revenues	182,236	154,586
Total Liabilities and Deferred Inflows of Resources	936,005	1,100,146
Fund balance		
Nonspendable	-	96,150
Restricted	325,702	393,733
Assigned	127,373	120,659
Unassigned	2,578,778	2,004,045
Total Fund Balance	3,031,853	2,614,587
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 3,967,858	\$ 3,714,733

See independent auditors' report.

Village of Ardsley, New York

General Fund - Sub - Fund
Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended May 31,

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 9,723,969	\$ 9,723,969	\$ 9,696,319	\$ (27,650)
Other tax items	31,500	31,500	30,714	(786)
Non-property taxes	854,000	854,000	913,134	59,134
Departmental income	593,800	649,231	645,736	(3,495)
Use of money and property	3,000	3,000	2,758	(242)
Licenses and permits	243,604	243,604	427,498	183,894
Fines and forfeitures	95,000	95,000	85,635	(9,365)
Sale of property and compensation for loss	12,300	12,300	42,176	29,876
State aid	234,804	243,876	173,338	(70,538)
Federal aid	125,000	125,000	161,159	36,159
Miscellaneous	17,000	17,000	205,314	188,314
Total Revenues	11,933,977	11,998,480	12,383,781	385,301
EXPENDITURES				
Current				
General government support	1,791,856	1,836,584	1,814,957	21,627
Public safety	3,721,629	3,918,231	3,854,486	63,745
Health	158,040	143,567	114,037	29,530
Transportation	1,220,133	1,139,942	1,139,408	534
Economic opportunity and development	11,400	11,534	10,404	1,130
Culture and recreation	307,929	268,464	268,243	221
Home and community services	492,163	489,129	479,926	9,203
Employee benefits	2,913,924	2,875,631	2,872,396	3,235
Debt service				
Principal	649,370	679,370	679,370	-
Interest	300,370	243,865	243,865	-
Refunding bond issuance costs	-	78,339	78,339	-
Total Expenditures	11,566,814	11,684,656	11,555,431	129,225
Excess of Revenues Over Expenditures	367,163	313,824	828,350	514,526
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	2,945,000	2,945,000	-
Payment to refunded bond escrow agent	-	(3,107,299)	(3,107,299)	-
Issuance premium	-	240,638	240,638	-
Transfers in	-	168,362	168,362	-
Transfers out	(367,163)	(657,785)	(657,785)	-
Total Other Financing Uses	(367,163)	(411,084)	(411,084)	-
Net Change in Fund Balance	-	(97,260)	417,266	514,526
FUND BALANCE				
Beginning of Year	-	97,260	2,614,587	2,517,327
End of Year	\$ -	\$ -	\$ 3,031,853	\$ 3,031,853

See independent auditors' report.

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 9,474,086	\$ 9,474,086	\$ 9,491,323	\$ 17,237
31,500	31,500	35,877	4,377
841,000	841,000	857,782	16,782
606,487	606,487	588,550	(17,937)
3,000	3,000	2,274	(726)
163,000	163,000	163,168	168
95,000	95,000	83,769	(11,231)
2,400	2,400	81,254	78,854
232,804	236,804	275,035	38,231
125,000	125,000	98,349	(26,651)
15,000	15,000	247,248	232,248
11,589,277	11,593,277	11,924,629	331,352
1,698,487	1,907,325	1,577,162	330,163
3,568,891	3,675,662	3,623,019	52,643
152,169	152,209	143,371	8,838
1,239,162	1,151,593	1,039,837	111,756
6,400	9,083	7,944	1,139
224,711	234,499	222,361	12,138
577,833	595,062	568,014	27,048
2,908,108	2,922,208	2,755,140	167,068
400,000	400,000	400,000	-
218,764	218,764	209,936	8,828
-	-	-	-
10,994,525	11,266,405	10,546,784	719,621
594,752	326,872	1,377,845	1,050,973
-	-	-	-
-	-	-	-
-	-	-	-
1,000	1,000	1,111	111
(595,752)	(327,872)	(236,852)	91,020
(594,752)	(326,872)	(235,741)	91,131
-	-	1,142,104	1,142,104
-	-	1,472,483	1,472,483
\$ -	\$ -	\$ 2,614,587	\$ 2,614,587

Village of Ardsley, New York

General Fund - Sub - Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended May 31, 2017
 (With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
REAL PROPERTY TAXES	\$ 9,723,969	\$ 9,723,969	\$ 9,696,319	\$ (27,650)	\$ 9,491,323
OTHER TAX ITEMS					
Interest and penalties on real property taxes	31,500	31,500	30,714	(786)	35,877
NON-PROPERTY TAXES					
Non-property tax distribution from County	640,000	640,000	657,290	17,290	648,341
Hotel occupancy taxes	-	-	20,477	20,477	-
Franchise fees	112,000	112,000	124,384	12,384	109,999
Utilities gross receipts taxes	102,000	102,000	110,983	8,983	99,442
	854,000	854,000	913,134	59,134	857,782
DEPARTMENTAL INCOME					
Tax advertising	300	300	456	156	396
Clerk fees	100	100	105	5	107
Police fees	300	300	285	(15)	430
Prisoner transportation	10,000	10,000	14,720	4,720	17,789
Special events	2,800	58,231	50,289	(7,942)	12,289
Safety inspection fees	2,000	2,000	1,850	(150)	1,925
Stop DWI fees	8,400	8,400	5,700	(2,700)	8,720
Occupant restraint fees	1,500	1,500	-	(1,500)	(2,356)
Registrar of Vital Statistics	2,070	2,070	1,400	(670)	1,340
Parking	44,000	44,000	48,860	4,860	46,222
Parks and recreation charges	57,000	57,000	72,809	15,809	68,797
Zoning fees	1,000	1,000	3,700	2,700	2,250
Planning board fees	1,000	1,000	2,000	1,000	-
Refuse removal	91,680	91,680	82,425	(9,255)	83,500
Fire protection	371,390	371,390	361,137	(10,253)	347,141
Snow removal	260	260	-	(260)	-
	593,800	649,231	645,736	(3,495)	588,550
USE OF MONEY AND PROPERTY					
Earnings on investments	3,000	3,000	2,758	(242)	2,274

LICENSES AND PERMITS

Permit fees	235,604	235,604	414,398	178,794	155,268
Alarm fees	8,000	8,000	13,100	5,100	7,900

	243,604	243,604	427,498	183,894	163,168
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FINES AND FORFEITURES

Fines and forfeited bail	95,000	95,000	85,635	(9,365)	83,769
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**SALE OF PROPERTY AND COMPENSATION
FOR LOSS**

Sale of equipment	-	-	4,335	4,335	40,955
Other minor sales	2,300	2,300	18,849	16,549	13,692
Insurance recoveries	10,000	10,000	18,992	8,992	26,607

	12,300	12,300	42,176	29,876	81,254
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STATE AID

Per capita	32,748	32,748	28,009	(4,739)	32,276
Mortgage tax	110,000	110,000	127,991	17,991	209,912
Consolidated Highway Improvement Aid	85,000	85,000	-	(85,000)	4,230
Youth programs	556	556	567	11	567
Other Public Safety	-	-	4,751	4,751	-
Community projects	6,500	15,572	12,020	(3,552)	28,050

	234,804	243,876	173,338	(70,538)	275,035
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FEDERAL AID

Substance Abuse and Mental Health Services	125,000	125,000	161,159	36,159	98,349
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MISCELLANEOUS

Other	17,000	17,000	205,314	188,314	247,248
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TOTAL REVENUES

	11,933,977	11,998,480	12,383,781	385,301	11,924,629
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OTHER FINANCING SOURCES

Refunding bonds issued	-	2,945,000	2,945,000	-	-
Issuance premium	-	240,638	240,638	-	-
Transfers in					
Capital Projects Fund	-	168,362	168,362	-	-
Special Purpose Fund	-	-	-	-	1,111

	-	3,354,000	3,354,000	-	1,111
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TOTAL OTHER FINANCING SOURCES**TOTAL REVENUES AND OTHER FINANCING SOURCES**

	\$ 11,933,977	\$ 15,352,480	\$ 15,737,781	\$ 385,301	\$ 11,925,740
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See independent auditors' report.

Village of Ardsley, New York

General Fund - Sub - Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2017

(With Comparative Actuals for 2016)

65

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 10,100	\$ 9,600	\$ 9,600	\$ -	\$ 9,600
Justice	137,384	132,499	130,911	1,588	126,895
Mayor	44,900	32,720	32,720	-	6,081
Village Manager	232,172	231,868	231,668	200	189,174
Auditor	48,450	48,450	48,375	75	46,983
Treasurer	199,870	214,056	213,594	462	209,245
Village Clerk	153,261	137,835	137,352	483	125,547
Law	71,622	85,404	83,296	2,108	77,543
Buildings	107,920	109,240	107,584	1,656	106,332
Central data processing	48,900	51,955	51,955	-	34,452
Central garage	346,714	316,327	315,210	1,117	285,521
Unallocated insurance	150,000	133,413	133,413	-	132,762
Municipal association dues	4,167	4,167	2,750	1,417	3,167
Refund of real property taxes	35,000	276,654	265,789	10,865	174,189
Metropolitan commuter transportation mobility tax	19,396	19,396	18,214	1,182	18,331
Other	33,000	33,000	32,526	474	31,340
Contingency	149,000	-	-	-	-
	<u>1,791,856</u>	<u>1,836,584</u>	<u>1,814,957</u>	<u>21,627</u>	<u>1,577,162</u>
PUBLIC SAFETY					
Police	3,189,021	3,254,908	3,245,697	9,211	3,120,160
Traffic control	3,000	4,586	4,586	-	2,348
Fire department	361,969	494,587	440,145	54,442	339,319
Safety inspection	167,639	164,150	164,058	92	161,192
	<u>3,721,629</u>	<u>3,918,231</u>	<u>3,854,486</u>	<u>63,745</u>	<u>3,623,019</u>
HEALTH					
Youth Council	<u>158,040</u>	<u>143,567</u>	<u>114,037</u>	<u>29,530</u>	<u>143,371</u>

TRANSPORTATION

Street administration	250,821	250,821	250,701	120	245,409
Street maintenance	742,312	772,513	772,319	194	676,218
Snow removal	145,000	64,947	64,946	1	61,290
Street lighting	82,000	51,661	51,442	219	56,920
	<u>1,220,133</u>	<u>1,139,942</u>	<u>1,139,408</u>	<u>534</u>	<u>1,039,837</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Programs for the aging	<u>11,400</u>	<u>11,534</u>	<u>10,404</u>	<u>1,130</u>	<u>7,944</u>
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CULTURE AND RECREATION

Parks	229,528	191,458	191,237	221	151,955
Community center	50,075	50,241	50,241	-	44,112
Historian	1,100	2,390	2,390	-	1,100
Celebrations	4,450	4,571	4,571	-	6,480
CATV committee	22,776	19,804	19,804	-	18,714
	<u>307,929</u>	<u>268,464</u>	<u>268,243</u>	<u>221</u>	<u>222,361</u>

HOME AND COMMUNITY SERVICES

Planning	6,300	300	200	100	594
Zoning	2,200	2,745	2,745	-	2,033
Sanitary sewers	7,000	7,000	4,617	2,383	88,077
Storm sewers	24,922	27,189	26,526	663	18,956
Refuse and garbage	418,241	428,179	422,122	6,057	429,193
Shade trees	26,500	16,492	16,492	-	17,840
Community beautification	7,000	6,954	6,954	-	6,715
Street cleaning	-	270	270	-	4,606
	<u>492,163</u>	<u>489,129</u>	<u>479,926</u>	<u>9,203</u>	<u>568,014</u>

EMPLOYEE BENEFITS

State retirement	362,112	345,363	345,362	1	330,081
State retirement - Police	669,373	691,508	691,508	-	650,697
Service awards program	70,000	70,000	70,000	-	70,000
Social security	368,601	348,535	347,718	817	355,003
Workers' compensation benefits	221,350	226,695	226,695	-	191,740
Life insurance	9,651	5,772	5,772	-	8,710
Disability insurance	1,910	1,910	1,353	557	809
Medical and dental insurance	1,210,927	1,185,848	1,183,988	1,860	1,148,100
	<u>2,913,924</u>	<u>2,875,631</u>	<u>2,872,396</u>	<u>3,235</u>	<u>2,755,140</u>

(Continued)

Village of Ardsley, New York

General Fund - Sub - Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended May 31, 2017

(With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
DEBT SERVICE					
Principal					
Serial bonds	\$ 649,370	\$ 679,370	\$ 679,370	\$ -	\$ 400,000
Interest					
Serial bonds	289,488	232,982	232,982	-	181,786
Bond anticipation notes	10,882	10,883	10,883	-	28,150
	300,370	243,865	243,865	-	209,936
Refunding bond issuance costs	-	78,339	78,339	-	-
	949,740	1,001,574	1,001,574	-	609,936
TOTAL EXPENDITURES	11,566,814	11,684,656	11,555,431	129,225	10,546,784
OTHER FINANCING USES					
Payment to refunded bond escrow agent	-	3,107,299	3,107,299	-	-
Transfers out					
Capital Projects Fund	107,111	397,733	397,733	-	-
Public Library Fund	260,052	260,052	260,052	-	236,852
TOTAL OTHER FINANCING USES	367,163	3,765,084	3,765,084	-	236,852
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 11,933,977	\$ 15,449,740	\$ 15,320,515	\$ 129,225	\$ 10,783,636

See independent auditors' report.

Village of Ardsley, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$ 1,589,737	\$ 1,555,726
Due from other funds	<u>125,230</u>	<u>233,369</u>
Total Assets	<u>\$ 1,714,967</u>	<u>\$ 1,789,095</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 12,001	\$ 6,765
Due to other funds	2,190	64,618
Deposit payable	-	32,050
Bond anticipation notes payable	<u>1,063,089</u>	<u>1,170,200</u>
Total Liabilities	1,077,280	1,273,633
Fund balance		
Restricted	<u>637,687</u>	<u>515,462</u>
Total Liabilities and Fund Balance	<u>\$ 1,714,967</u>	<u>\$ 1,789,095</u>

See independent auditors' report.

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

	<u>2017</u>	<u>2016</u>
REVENUES		
Use of money and property	\$ 854	\$ 915
State aid	287,688	231,312
Miscellaneous	<u>7,029</u>	<u>3,429</u>
Total Revenues	295,571	235,656
EXPENDITURES		
Capital outlay	<u>402,717</u>	<u>2,080,294</u>
Deficiency of Revenues Over Expenditures	<u>(107,146)</u>	<u>(1,844,638)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	-	3,364,370
Transfers in	397,733	-
Transfers out	<u>(168,362)</u>	<u>-</u>
Total Other Financing Sources	<u>229,371</u>	<u>3,364,370</u>
Net Change in Fund Balance	122,225	1,519,732
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>515,462</u>	<u>(1,004,270)</u>
End of Year	<u>\$ 637,687</u>	<u>\$ 515,462</u>

See independent auditors' report.

Village of Ardsley, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through May 31, 2017

Project	Authorization	Expenditures and Transfers	Unexpended Balance
Acquisition of Cable Equipment	\$ 206,896	\$ 168,014	\$ 38,882
Flood Control	159,000	166,183	(7,183)
Street Reconstruction	140,483	71,293	69,190
Refuse Truck	185,000	184,756	244
Reconstruction of King Street Culvert	205,350	205,350	-
Safe Route to School	475,000	322,923	152,077
Highway Equipment	229,500	229,500	-
Village Hall Roof	24,000	21,910	2,090
Village Hall HVAC	9,180	7,880	1,300
Fire Vehicle	715,000	714,389	611
Maintenance Equipment and Sweeper	682,662	323,691	358,971
Planning - Drainage	78,280	-	78,280
Reconstruction of Community Hall Center Roof	43,810	7,000	36,810
Purchase and Installation - Parking Meters	23,015	2,000	21,015
Equipment - Scot Packs	114,240	110,921	3,319
Pascon Park	12,850	15,850	(3,000)
Highway Garage	1,020,000	41,588	978,412
Street Paving 2016-2017	311,497	311,497	-
Totals	<u>\$ 4,635,763</u>	<u>\$ 2,904,745</u>	<u>\$ 1,731,018</u>

See independent auditors' report.

Total Revenues	Fund Balance (Deficit) at May 31, 2017	Bond Anticipation Notes Out- standing at May 31, 2017
\$ 206,896	\$ 38,882	\$ -
159,000	(7,183)	-
140,483	69,190	-
185,000	244	-
129,700	(75,650)	-
446,567	123,644	-
90,800	(138,700)	90,800
19,200	(2,710)	-
9,180	1,300	-
715,000	611	-
682,662	358,971	-
78,280	78,280	-
43,810	36,810	-
23,015	21,015	-
114,240	3,319	-
12,850	(3,000)	-
61,251	19,663	972,289
287,688	(23,809)	-
<u>\$ 3,405,622</u>	<u>\$ 500,877</u>	<u>\$ 1,063,089</u>

Village of Ardsley, New York

Non-Major Governmental Funds

Combining Balance Sheet

May 31, 2017

(With Comparative Totals for 2016)

	Public Library Fund	Special Purpose Fund	Total Non-Major Governmental Funds	
			2017	2016
ASSETS				
Cash and equivalents	\$ 62,353	\$ 75,224	\$ 137,577	\$ 242,028
Due from other funds	-	-	-	6,651
Total Assets	<u>\$ 62,353</u>	<u>\$ 75,224</u>	<u>\$ 137,577</u>	<u>\$ 248,679</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 10,922	\$ 10,425	\$ 21,347	\$ 144,602
Due to other funds	-	-	-	9,502
Total Liabilities	<u>10,922</u>	<u>10,425</u>	<u>21,347</u>	<u>154,104</u>
Fund balances				
Restricted	-	64,799	64,799	28,695
Assigned	<u>51,431</u>	<u>-</u>	<u>51,431</u>	<u>65,880</u>
Total Fund Balances	<u>51,431</u>	<u>64,799</u>	<u>116,230</u>	<u>94,575</u>
Total Liabilities and Fund Balances	<u>\$ 62,353</u>	<u>\$ 75,224</u>	<u>\$ 137,577</u>	<u>\$ 248,679</u>

See independent auditors' report.

Village of Ardsley, New York**Non-Major Governmental Funds****Combining Statement of Revenues, Expenditures and Changes
in Fund Balances**

Year Ended May 31, 2017

(With Comparative Totals for 2016)

	Public Library Fund	Special Purpose Fund	Total Non-Major Governmental Funds	
			2017	2016
REVENUES				
Departmental income	\$ 273,073	\$ -	\$ 273,073	\$ 273,384
Use of money and property	674	-	674	86
State aid	4,264	-	4,264	1,211
Miscellaneous	3,718	238,740	242,458	13,185
Total Revenues	281,729	238,740	520,469	287,866
EXPENDITURES				
Current				
Culture and recreation	412,994	202,636	615,630	394,395
Employee benefits	143,236	-	143,236	145,549
Total Expenditures	556,230	202,636	758,866	539,944
Excess (Deficiency) of Revenues Over Expenditures	(274,501)	36,104	(238,397)	(252,078)
OTHER FINANCING SOURCES (USES)				
Transfers in	260,052	-	260,052	236,852
Transfers out	-	-	-	(1,111)
Total Other Financing Sources	260,052	-	260,052	235,741
Net Change in Fund Balances	(14,449)	36,104	21,655	(16,337)
FUND BALANCES				
Beginning of Year	65,880	28,695	94,575	110,912
End of Year	\$ 51,431	\$ 64,799	\$ 116,230	\$ 94,575

See independent auditors' report.

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Village of Ardsley, New York

Public Library Fund
Comparative Balance Sheet
May 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	<u>\$ 62,353</u>	<u>\$ 81,962</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 10,922	\$ 6,580
Due to other funds	<u>-</u>	<u>9,502</u>
Total Liabilities	10,922	16,082
Fund balance		
Assigned	<u>51,431</u>	<u>65,880</u>
Total Liabilities and Fund Balance	<u>\$ 62,353</u>	<u>\$ 81,962</u>

See independent auditors' report.

Village of Ardsley, New York**Public Library Fund
Comparative Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Years Ended May 31,**

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 274,740	\$ 274,740	\$ 273,073	\$ (1,667)
Use of money and property	50	50	674	624
State aid	1,780	1,780	4,264	2,484
Miscellaneous	30,000	30,000	3,718	(26,282)
Total Revenues	306,570	306,570	281,729	(24,841)
EXPENDITURES				
Current				
Culture and recreation	413,537	421,503	412,994	8,509
Employee benefits	153,085	145,119	143,236	1,883
Total Expenditures	566,622	566,622	556,230	10,392
Deficiency of Revenues Over Expenditures	(260,052)	(260,052)	(274,501)	(14,449)
OTHER FINANCING SOURCES				
Transfers in	260,052	260,052	260,052	-
Net Change in Fund Balance	-	-	(14,449)	(14,449)
FUND BALANCE				
Beginning of Year	-	-	65,880	65,880
End of Year	\$ -	\$ -	\$ 51,431	\$ 51,431

See independent auditors' report.

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 274,740	\$ 274,740	\$ 273,384	\$ (1,356)
50	50	86	36
1,780	1,780	1,211	(569)
15,172	15,172	-	(15,172)
291,742	291,742	274,681	(17,061)
383,016	383,016	365,550	17,466
145,578	145,578	145,549	29
528,594	528,594	511,099	17,495
(236,852)	(236,852)	(236,418)	434
236,852	236,852	236,852	-
-	-	434	434
-	-	65,446	65,446
\$ -	\$ -	\$ 65,880	\$ 65,880

Village of Ardsley, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$ 75,224	\$ 160,066
Due from other funds	<u>-</u>	<u>6,651</u>
Total Assets	<u><u>\$ 75,224</u></u>	<u><u>\$ 166,717</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 10,425	\$ 138,022
Fund balance		
Restricted	<u>64,799</u>	<u>28,695</u>
Total Liabilities and Fund Balance	<u><u>\$ 75,224</u></u>	<u><u>\$ 166,717</u></u>

See independent auditors' report.

Village of Ardsley, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balance
Years Ended May 31,

	<u>2017</u>	<u>2016</u>
REVENUES		
Miscellaneous	<u>\$ 238,740</u>	<u>\$ 13,185</u>
EXPENDITURES		
Current		
Culture and recreation	<u>202,636</u>	<u>28,845</u>
Excess (Deficiency) of Revenues Over Expenditures	36,104	(15,660)
OTHER FINANCING USES		
Transfers out	<u>-</u>	<u>(1,111)</u>
Net Change in Fund Balance	36,104	(16,771)
FUND BALANCE		
Beginning of Year	<u>28,695</u>	<u>45,466</u>
End of Year	<u><u>\$ 64,799</u></u>	<u><u>\$ 28,695</u></u>

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