

Village of Ardsley, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2018

Village of Ardsley, New York

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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, 2018 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, 2018 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 3F 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, 2018 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, 2018 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, 2018 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, 2018.

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, 2017 (not presented herein), and have issued our report thereon dated November 28, 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, 2017 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 2017 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2017 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, 2017.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 30, 2018

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Village of Ardsley, New York

Management's Discussion and Analysis May 31, 2018

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, 2018. 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 was completed.
- The Village purchased property for the purposes of siting a new highway garage. Conceptual drawings were done and initial investigations were begun.
- Work on the Village's Comprehensive Plan and Local Waterfront Revitalization Plan began and includes a series of meetings with stakeholders.
- The Village also completed various road improvements during 2017-2018.
- The Village's bond rating has been upgraded by Moody's to Aa2.

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

Financial Highlights

- The Village, for the year ended May 31, 2018 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 Award Program ("LOSAP") pensions. As a result of adopting this standard, a cumulative effect of change in accounting principle of \$2,190,967 was recorded in the Statement of Activities in the government-wide financial statements.
- At May 31, 2018 the Village reported in its Statement of Net Position a liability of \$927,865 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 \$5,020,054. Of this amount, the unrestricted amount is a deficit of \$7,584,297.

- At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$3,171,096, inclusive of the Capital Projects Fund deficit of \$1,912,100. The General Fund's unassigned fund balance is \$2,869,867 and is available for spending at the Village's discretion. This represents 23% 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 \$5,020,054 at the close of the most recent fiscal year.

The deficit of the net position is common among many municipalities due to the changes in GASB pronouncements (OPEB, net pension liability and length of service award program).

A portion of the Village's net position is its net investment in capital assets of \$1,843,611 (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	
	2018	2017
Current Assets	\$ 7,873,968	\$ 7,006,866
Capital Assets, net	10,494,298	9,588,196
Total Assets	18,368,266	16,595,062
Deferred Outflows of Resources	2,674,427	2,144,864
Current Liabilities	4,549,857	1,803,785
Long-term Liabilities	19,323,168	17,843,880
Total Liabilities	23,873,025	19,647,665
Deferred Inflows of Resources	2,189,722	384,016
Net Position		
Net Investment in Capital Assets	1,843,611	2,003,037
Restricted	720,632	1,841,195
Unrestricted	(7,584,297)	(5,135,987)
Total Net Position	\$ (5,020,054)	\$ (1,291,755)

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,	
	2018	2017
Pension Benefits	\$ -	\$ 1,313,884
Debt Service	632,812	462,512
Special Purpose	87,820	64,799
	\$ 720,632	\$ 1,841,195

Change in Net Position

	Year Ended May 31,	
	2018	2017
REVENUES		
Program Revenues		
Charges for Services	\$ 1,314,754	\$ 1,431,942
Operating Grants and Contributions	347,110	590,719
Capital Grants and Contributions	9,401	296,686
Total Program Revenues	1,671,265	2,319,347
General Revenues		
Real Property Taxes	10,005,264	9,723,969
Other Tax Items	30,219	30,714
Non-Property Taxes	1,001,443	913,134
Unrestricted Use of Money and Property	21,046	1,643
Sale of Property and Compensation for Loss	195,769	42,176
Unrestricted State Aid	197,018	156,000
Miscellaneous	214,348	205,314
Total General Revenues	11,665,107	11,072,950
Total Revenues	13,336,372	13,392,297
PROGRAM EXPENSES		
General Government Support	2,579,950	2,623,252
Public Safety	6,577,249	6,791,443
Health	142,683	114,037
Transportation	3,417,609	2,286,196
Economic Opportunity and Development	12,070	10,404
Culture and Recreation	1,111,739	1,193,656
Home and Community Services	810,290	816,222
Interest	222,114	198,494
Total Expenses	14,873,704	14,033,704
Change in Net Position	(1,537,332)	(641,407)
NET POSITION		
Beginning, as reported	(1,291,755)	(1,788,652)
Cumulative Effect of Change in Accounting Principle	(2,190,967)	1,138,304
Beginning, as restated	(3,482,722)	(650,348)
Ending	\$ (5,020,054)	\$ (1,291,755)

Governmental Activities

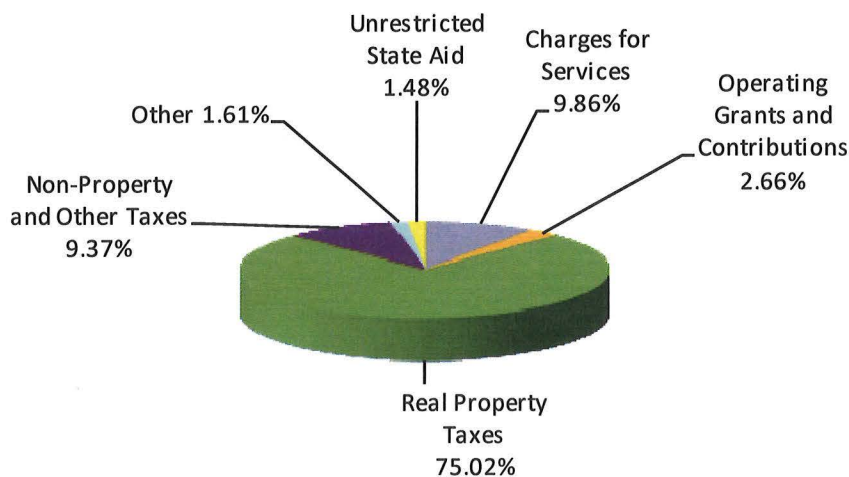
Governmental activities decreased the Village's net position by \$1,537,332.

For the fiscal year ended May 31, 2018, revenues from governmental activities totaled \$13,336,372. Program revenues are 13% of this total and 87% is attributable to taxes and other sources. The major changes are as follows:

Revenues:

- Real property tax revenues increased by \$281,295. This was the result of a higher tax levy.
- Operating grants and contributions decreased by \$243,609. The decrease was due to a decrease in federal aid of approximately \$83,000 and a decrease in contributions in the special purpose fund (Trust Fund).
- Capital grants and contributions decreased by \$287,285. The decrease was due to a decrease in money the Village received from CHIPS.

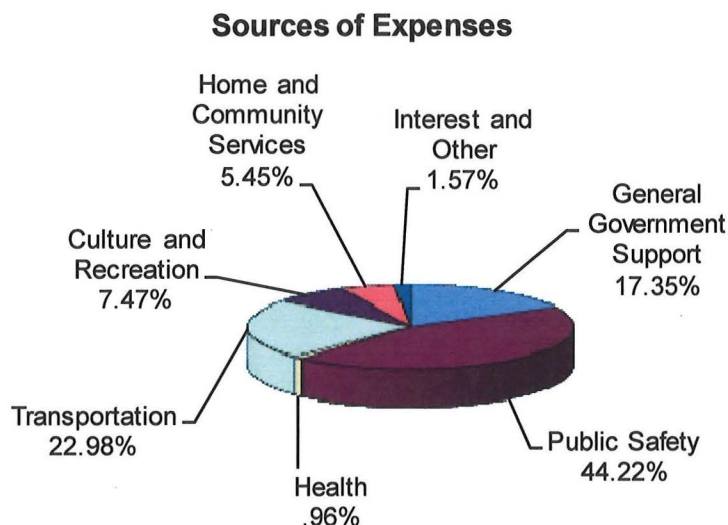
Revenues by Sources



Total expenses for governmental activities were \$14,873,704.

Expenses:

- General government support expenses decreased by \$43,302. The decrease is largely attributed to the decrease in the ERS net pension liability.
- Public safety expenses decreased by \$214,194.



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.

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 \$4,968,420. When the FY 2017-2018 General Fund budget was adopted, it anticipated to use \$70,000 of the fund balance. Actual results of operations resulted in an increase of Fund Balance of \$470,672.

Revenues and other financing sources were \$13,163,017 which was \$477,863 or 3.8% more than the final budget. Expenditures and other financing uses were \$12,692,345 which was \$62,809 or 0.49%, less than the final budget.

The major areas where revenues were more than budget were: non-property taxes by \$102,443, licenses and permits by \$117,058, sale of property and compensation for loss by \$146,860 and miscellaneous sources by \$197,348.

The major area where the spending was less than budgeted was in general government support by \$31,484.

The Capital Projects Fund has an unassigned fund deficit of \$1,912,100. Liabilities for bond anticipation notes payable in the amount of \$3,463,317 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 as of May 31, 2018.

General Fund Budgetary Highlights

There was an increase between the original adopted budget and the final budget of \$325,985. This increase was due to additional unanticipated expenditures. Expenditures and other financing uses were \$62,809 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, 2018, net of \$7,112,168 of accumulated depreciation, was \$10,494,298. 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 –

- Highway Garage
- Vehicle/Truck purchases
- Street paving

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

Capital Assets

	Government Activities	
	2018	2017
Capital Assets, Not Being Depreciated		
Land	\$ 1,226,906	\$ 121,550
Capital Assets Being Depreciated		
Building and Improvements	9,053,966	9,053,966
Machinery and Equipment	5,243,949	5,287,196
Infrastructure	2,081,645	2,081,645
Total assets being depreciated	16,379,560	16,422,807
Less Accumulated Depreciation for		
Building and Improvements	3,790,467	3,492,643
Machinery and Equipment	2,958,210	3,152,256
Infrastructure	363,491	311,262
Total accumulated depreciation	7,112,168	6,956,161
Total Capital Assets being Depreciated, net	\$ 9,267,392	\$ 9,466,646
Capital Assets, net	\$ 10,494,298	\$ 9,588,196

Long-term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$6,535,000. 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, 2018, the Village's five year average full valuation was \$936,552,220, thereby establishing a constitutional debt limit of \$65,558,655.

The Village's underlying rating on its outstanding bonds by Moody's Investors Service is Aa2.

Other Post Employment Benefits

The Government Accounting Standard Board Statement No. 45 required municipalities to account for Post Employment Benefits ("OPEB"), 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 2017-18 was \$1,650,000. Contributions made on the pay as you go basis were \$410,000, leaving an increase of net OPEB obligation of \$1,240,000 for fiscal year 2018 and a total of \$9,290,000 net OPEB obligation as of May 31, 2018. This amount is reflected in the government-wide financial statements.

Economic Factors and Next Year's Budgets and Rates

Increases for Police and Fire personnel 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 2018-2019 budget.

The Village appropriated \$315,052 of the general fund balance for expenditures in FY 2018-2019 (\$215,052 from debt service and \$100,000 from fund balance).

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.

Village of Ardsley, New York

Statement of Net Position

May 31, 2018

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 5,534,677
Investments	1,452,380
Receivables	
Taxes	261,370
Accounts	118,276
State and Federal aid	65,878
Due from other governments	438,970
Prepaid expenses	2,417
Capital assets	
Not being depreciated	1,226,906
Being depreciated, net	9,267,392
Total Assets	18,368,266
DEFERRED OUTFLOWS OF RESOURCES	2,674,427
LIABILITIES	
Accounts payable	590,557
Accrued liabilities	237,218
Due to retirement systems	166,585
Bond anticipation notes payable	3,463,317
Accrued interest payable	92,180
Non-current liabilities	
Due within one year	555,000
Due in more than one year	18,768,168
Total Liabilities	23,873,025
DEFERRED INFLOWS OF RESOURCES	2,189,722
NET POSITION	
Net investment in capital assets	1,843,611
Restricted	
Debt service	632,812
Special purpose	87,820
Unrestricted	(7,584,297)
Total Net Position	\$ (5,020,054)

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, 2018

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	\$ 2,579,950	\$ 14,292	\$ -	\$ -	\$ (2,565,658)
Public safety	6,577,249	551,362	150,487	-	(5,875,400)
Health	142,683	-	77,795	-	(64,888)
Transportation	3,417,609	55,061	23,900	-	(3,338,648)
Economic opportunity and development	12,070	-	-	-	(12,070)
Culture and recreation	1,111,739	336,266	78,916	-	(696,557)
Home and community services	810,290	357,773	16,012	5,929	(430,576)
Interest	222,114	-	-	3,472	(218,642)
Total Governmental Activities	\$ 14,873,704	\$ 1,314,754	\$ 347,110	\$ 9,401	(13,202,439)
General revenues					
Real property taxes					10,005,264
Other tax items					
Interest and penalties on real property taxes					30,219
Non-property taxes					
Non-property tax distribution from County					702,437
Hotel occupancy tax					79,249
Franchise fees					110,239
Utilities gross receipts taxes					109,518
Unrestricted use of money and property					21,046
Sale of property and compensation for loss					195,769
Unrestricted State aid					197,018
Miscellaneous					214,348
Total General Revenues					11,665,107
Change in Net Position					(1,537,332)
NET POSITION					
Beginning, as reported					(1,291,755)
Cumulative Effect of Change in Accounting Principle					(2,190,967)
Beginning, as restated					(3,482,722)
Ending					\$ (5,020,054)

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

Village of Ardsley, New York

Balance Sheet
Governmental Funds
May 31, 2018

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 3,878,959	\$ 1,512,889	\$ 142,829	\$ 5,534,677
Investments	1,452,380	-	-	1,452,380
Taxes receivable	261,370	-	-	261,370
Other receivables				
Accounts	118,276	-	-	118,276
State and Federal aid	65,878	-	-	65,878
Due from other governments	438,970	-	-	438,970
Due from other funds	262,072	519,455	-	781,527
	885,196	519,455	-	1,404,651
Prepaid expenditures	2,417	-	-	2,417
Total Assets	<u>\$ 6,480,322</u>	<u>\$ 2,032,344</u>	<u>\$ 142,829</u>	<u>\$ 8,655,495</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 340,685	\$ 221,819	\$ 28,053	\$ 590,557
Accrued liabilities	237,218	-	-	237,218
Due to other funds	522,219	259,308	-	781,527
Due to retirement systems	166,585	-	-	166,585
Bond anticipation notes payable	-	3,463,317	-	3,463,317
Total Liabilities	1,266,707	3,944,444	28,053	5,239,204
Deferred inflows of resources				
Deferred tax revenues	245,195	-	-	245,195
Total Liabilities and Deferred Inflows of Resources	<u>1,511,902</u>	<u>3,944,444</u>	<u>28,053</u>	<u>5,484,399</u>
Fund balances				
Nonspendable	2,417	-	-	2,417
Restricted	1,960,054	138,653	87,820	2,186,527
Assigned	136,082	-	26,956	163,038
Unassigned	2,869,867	(2,050,753)	-	819,114
Total Fund Balances	<u>4,968,420</u>	<u>(1,912,100)</u>	<u>114,776</u>	<u>3,171,096</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,480,322</u>	<u>\$ 2,032,344</u>	<u>\$ 142,829</u>	<u>\$ 8,655,495</u>

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, 2018

Fund Balances - Total Governmental Funds	<u>\$ 3,171,096</u>
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>10,494,298</u>
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	404,957
Deferred amounts on refunding bonds	139,275
Deferred amounts on fire service awards	<u>(59,527)</u>
	<u>484,705</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>245,195</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(92,180)
Bonds payable	(6,748,065)
Compensated absences	(151,635)
Net pension liability	(927,865)
Total pension liability - fire service awards	(2,205,603)
Other post employment benefit obligations payable	<u>(9,290,000)</u>
	<u>(19,415,348)</u>
Net Position of Governmental Activities	<u>\$ (5,020,054)</u>

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, 2018

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
REVENUES				
Real property taxes	\$ 9,942,305	\$ -	\$ -	\$ 9,942,305
Other tax items	30,219	-	-	30,219
Non-property taxes	1,001,443	-	-	1,001,443
Departmental income	622,637	-	275,646	898,283
Net change in fair value of investments	146,202	-	-	146,202
Use of money and property	22,675	1,843	153	24,671
Licenses and permits	289,058	-	-	289,058
Fines and forfeitures	127,413	-	-	127,413
Sale of property and compensation for loss	195,769	-	-	195,769
State aid	241,215	-	1,404	242,619
Federal aid	77,795	-	-	77,795
Miscellaneous	214,348	5,929	77,359	297,636
Total Revenues	12,911,079	7,772	354,562	13,273,413
EXPENDITURES				
Current				
General government support	1,967,263	-	-	1,967,263
Public safety	3,839,962	-	-	3,839,962
Health	137,811	-	-	137,811
Transportation	1,219,982	-	-	1,219,982
Economic opportunity and development	12,070	-	-	12,070
Culture and recreation	281,076	-	449,917	730,993
Home and community services	505,374	-	-	505,374
Employee benefits	3,158,352	-	150,245	3,308,597
Debt service				
Principal	660,000	-	-	660,000
Interest	213,952	-	-	213,952
Capital outlay	-	2,605,967	-	2,605,967
Total Expenditures	11,995,842	2,605,967	600,162	15,201,971
Excess (Deficiency) of Revenues Over Expenditures	915,237	(2,598,195)	(245,600)	(1,928,558)
OTHER FINANCING SOURCES (USES)				
Transfers in	398,140	446,548	244,146	1,088,834
Transfers out	(690,694)	(398,140)	-	(1,088,834)
Total Other Financing Sources (Uses)	(292,554)	48,408	244,146	-
Net Change in Fund Balances	622,683	(2,549,787)	(1,454)	(1,928,558)
FUND BALANCES (DEFICITS)				
Beginning of Year	4,345,737	637,687	116,230	5,099,654
End of Year	\$ 4,968,420	\$ (1,912,100)	\$ 114,776	\$ 3,171,096

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, 2018

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (1,928,558)</u>
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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	1,571,630
Depreciation expense	<u>(665,528)</u>
	<u>906,102</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>62,959</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.

Amortization of premium and loss on refunding bonds	5,209
Principal paid on serial bonds	<u>660,000</u>
	<u>665,209</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	(13,371)
Compensated absences	4,184
Pension liabilities	6,143
Other post employment benefit obligations	<u>(1,240,000)</u>
	<u>(1,243,044)</u>

Change in Net Position of Governmental Activities	<u><u>\$ (1,537,332)</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 Balance - Budget and Actual
General Fund
Year Ended May 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 10,082,143	\$ 10,082,143	\$ 9,942,305	\$ (139,838)
Other tax items	36,500	36,500	30,219	(6,281)
Non-property taxes	899,000	899,000	1,001,443	102,443
Departmental income	612,460	612,460	622,637	10,177
Net change in fair value of investments	-	-	146,202	146,202
Use of money and property	3,000	3,000	22,675	19,675
Licenses and permits	172,000	172,000	289,058	117,058
Fines and forfeitures	90,000	90,000	127,413	37,413
Sale of property and compensation for loss	17,250	48,909	195,769	146,860
State aid	304,816	441,066	241,215	(199,851)
Federal aid	125,000	125,000	77,795	(47,205)
Miscellaneous	17,000	17,000	214,348	197,348
Total Revenues	12,359,169	12,527,078	12,911,079	384,001
EXPENDITURES				
Current				
General government support	2,014,176	1,998,747	1,967,263	31,484
Public safety	3,705,187	3,841,889	3,839,962	1,927
Health	155,779	155,779	137,811	17,968
Transportation	1,219,133	1,220,528	1,219,982	546
Economic opportunity and development	11,680	12,070	12,070	-
Culture and recreation	311,099	290,110	281,076	9,034
Home and community services	486,417	506,522	505,374	1,148
Employee benefits	3,079,123	3,164,863	3,158,352	6,511
Debt service				
Principal	660,000	660,000	660,000	-
Interest	329,812	213,952	213,952	-
Total Expenditures	11,972,406	12,064,460	11,995,842	68,618
Excess of Revenues Over Expenditures	386,763	462,618	915,237	452,619
OTHER FINANCING SOURCES (USES)				
Transfers in	-	158,076	398,140	240,064
Transfers out	(456,763)	(690,694)	(690,694)	-
Total Other Financing Uses	(456,763)	(532,618)	(292,554)	240,064
Net Change in Fund Balance	(70,000)	(70,000)	622,683	692,683
FUND BALANCE				
Beginning of Year	70,000	70,000	4,345,737	4,275,737
End of Year	\$ -	\$ -	\$ 4,968,420	\$ 4,968,420

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

Village of Ardsley, New York

Statement of Assets and Liabilities

Fiduciary Funds

May 31, 2018

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 105,059
Account Receivable	<u>2,844</u>
	<u>\$ 107,903</u>
 LIABILITIES	
Deposits	<u>\$ 107,903</u>

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

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. 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 compensated absences, net pension liability, total pension liabilities 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 short-term investments with original maturities of less than three months from the date of acquisition.

The Village's deposits and investment policies are governed by State statutes. The Village has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Village is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 (except Service Awards Investments which are discussed in Note 3A) - The Village's investment policies are governed by State statutes. The Village has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. 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 Length of Service Awards Program are invested in accordance with a statutory prudent person rule and in accordance with an investment policy adopted by the Village.

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, 2018.

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, 2018, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by a reservation of fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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 \$245,195 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 \$139,275 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.

Deferred outflows and inflows of resources have been reported on the government-wide Statement of Net Position for the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
New York State and Local Employees' Retirement System	\$ 809,347	\$ 806,211
New York State and Local Police and Fire Retirement System	1,718,908	1,317,087
Deferred Loss on Refunding Bonds	139,275	-
Fire Service Awards Program	6,897	66,424
	<u>\$ 2,674,427</u>	<u>\$ 2,189,722</u>

Note 1 - Summary of Significant Accounting Policies (Continued)

The amounts reported as deferred outflows of resources and deferred inflows of resources in relation to the Village's pension obligations are detailed in Note 3G.

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.

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 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).

Note 1 - Summary of Significant Accounting Policies (Continued)

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. 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 Fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance

Note 1 - Summary of Significant Accounting Policies (Continued)

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 October 30, 2018.

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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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 2017-2018 fiscal year was \$18,731,044 which exceeded the actual levy by \$8,648,901.

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 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

Note 2 - Stewardship, Compliance and Accountability (Continued)

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 project exceeded its budgetary provision by the amount indicated:

Highway garage - Land 2017-18	\$	8,856
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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.

E. Cumulative Effect of Change in Accounting Principle

The Village, for the year ended May 31, 2018 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 (\$2,190,967) was recorded in the government-wide financial statements.

Note 3 - Detailed Notes on All Funds

A. Investments

The Village had the following investments and average maturities in its Service Awards Program:

Type of Investment	Fair Value	N/A	1-5 Years	5-10 Years
Bond Funds	\$ 181,806	\$ -	\$ -	\$ 181,806
Short -Term Treasury Securities	99,983	-	99,983	-
U.S and International Equities funds	1,090,877	1,090,877	-	-
Life insurance policies	79,714	79,714	-	-
	<u>\$ 1,452,380</u>	<u>\$ 1,170,591</u>	<u>\$ 99,983</u>	<u>\$ 181,806</u>

Village of Ardsley, New York

Notes to Financial Statements (Continued)
 May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

These investments had the following average credit ratings:

Type of Investment	Fair Value	N/A	A or better	B or less	Not Rated
Bond Funds	\$ 181,806	\$ 94,721	\$ 39,452	\$ 47,633	\$ -
Short -Term Treasury Securities	99,983	93,384	-	-	6,599
U.S and International Equities funds	1,090,877	1,090,877	-	-	-
Life insurance policies	79,714	79,714	-	-	-
	<u>\$ 1,452,380</u>	<u>\$ 1,358,696</u>	<u>\$ 39,452</u>	<u>\$ 47,633</u>	<u>\$ 6,599</u>

These investments are considered to be Level 1 inputs which have the highest reliability and are related to assets with unadjusted quoted prices in active markets.

B. Taxes Receivable

Taxes receivable at May 31, 2018 consisted of the following:

Current Year	\$ 107,476
Prior Years	<u>153,894</u>
	<u>\$ 261,370</u>

C. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2018 were as follows:

Fund	Due From	Due To
General	\$ 262,072	\$ 522,219
Capital Projects	<u>519,455</u>	<u>259,308</u>
	<u>\$ 781,527</u>	<u>\$ 781,527</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.

Village of Ardsley, New York

Notes to Financial Statements (Continued)
 May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)**D. Capital Assets**

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

	Balance June 1, 2017	Additions	Deletions	Balance May 31, 2018
Capital Assets, not being depreciated				
Land	\$ 121,550	\$ 1,105,356	\$ -	\$ 1,226,906
Capital Assets, being depreciated				
Buildings and improvements	\$ 9,053,966	\$ -	\$ -	\$ 9,053,966
Machinery and equipment	5,287,196	466,274	509,521	5,243,949
Infrastructure	2,081,645	-	-	2,081,645
Total Capital Assets, being depreciated	16,422,807	466,274	509,521	16,379,560
Less Accumulated Depreciation for				
Buildings and improvements	3,492,643	297,824	-	3,790,467
Machinery and equipment	3,152,256	315,475	509,521	2,958,210
Infrastructure	311,262	52,229	-	363,491
Total Accumulated Depreciation	6,956,161	665,528	509,521	7,112,168
Total Capital Assets, being depreciated, net	\$ 9,466,646	\$ (199,254)	\$ -	\$ 9,267,392
Capital Assets, net	\$ 9,588,196	\$ 906,102	\$ -	\$ 10,494,298

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

General Government Support	\$ 32,286
Public Safety	262,966
Transportation	220,512
Culture and Recreation	149,764
Total Depreciation Expense	\$ 665,528

E. Accrued Liabilities

Accrued liabilities of \$237,218 at May 31, 2018 were for payroll and employee benefits recorded in the General Fund.

Village of Ardsley, New York

Notes to Financial Statements (Continued) May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

F. 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, 2017	New Issues	Redemptions	Balance May 31, 2018
Highway Equipment	2014	08/02/18	1.20 %	\$ 90,800	\$ -	\$ 45,400	\$ 45,400
Highway Garage	2016	08/02/18	1.20	972,289	-	243,072	729,217
Various Village Purposes	2017	08/02/18	1.25	-	1,592,200	-	1,592,200
Land for Garage	2017	08/02/18	1.53	-	1,096,500	-	1,096,500
				<u>\$ 1,063,089</u>	<u>\$ 2,688,700</u>	<u>\$ 288,472</u>	<u>\$ 3,463,317</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$13,289 were recorded in the fund financial statements in the General Fund. Interest expense of \$33,209 was recorded in the government-wide financial statements.

G. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2018:

	Balance as Reported June 1, 2017	Cumulative Effect of Change in Accounting Principle *	Balance as Restated June 1, 2017	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2018	Due Within One Year
Bonds Payable	\$ 7,195,000	\$ -	\$ 7,195,000	\$ -	\$ 660,000	\$ 6,535,000	\$ 540,000
Plus							
Unamortized premium on bonds	228,105	-	228,105	-	15,040	213,065	-
	<u>7,423,105</u>	<u>-</u>	<u>7,423,105</u>	<u>-</u>	<u>675,040</u>	<u>6,748,065</u>	<u>540,000</u>
Net Pension Liability	2,214,956	-	2,214,956	-	1,287,091	927,865	-
Total Pension Liability - Length of service award program	-	2,190,967	2,190,967	14,636	-	2,205,603	-
Compensated Absences	155,819	-	155,819	-	4,184	151,635	15,000
Other Post Employment Benefit Obligations Payable	<u>8,050,000</u>	<u>-</u>	<u>8,050,000</u>	<u>1,650,000</u>	<u>410,000</u>	<u>9,290,000</u>	<u>-</u>
	<u>\$ 17,843,880</u>	<u>\$ 2,190,967</u>	<u>\$ 20,034,847</u>	<u>\$ 1,664,636</u>	<u>\$ 2,376,315</u>	<u>\$ 19,323,168</u>	<u>\$ 555,000</u>

*See Note 2E.

Village of Ardsley, New York

Notes to Financial Statements (Continued) May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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

Bonds Payable

Bonds payable at May 31, 2018 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2018
Public Improvements	2012	\$ 1,211,500	March, 2027	2.0 - 2.750 %	\$ 765,000
Public Improvements	2016	3,364,370	August, 2035	2.0 - 3.375	2,860,000
Public Improvements	2017	2,945,000	August, 2031	2.0 - 5.000	2,910,000
					<u>\$ 6,535,000</u>

Interest expenditures of \$200,663 was recorded in the fund financial statements in the General Fund. Interest expense of \$188,905 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, 2018 including interest payments of \$1,211,771 are as follows:

Year Ended May 31,	Principal	Interest
2019	\$ 540,000	\$ 180,276
2020	555,000	162,551
2021	520,000	144,901
2022	500,000	129,001
2023	475,000	114,689
2024-2028	2,325,000	370,925
2029-2033	1,465,000	101,881
2033-2036	155,000	7,547
	<u>\$ 6,535,000</u>	<u>\$ 1,211,771</u>

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

Note 3 - Detailed Notes on All Funds (Continued)

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 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 2018 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	24.6
	6 384D	14.8

At May 31, 2018, the Village reported a liability of \$244,339 for its proportionate share of the net pension liability of ERS and a liability of \$683,526 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2018, 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, 2018, the Village's proportion was 0.0075707% for ERS and 0.0676252% for PFRS, which was a decrease of 0.0006836% and 0.0018204%, respectively, from its proportion measured as of March 31, 2017.

For the year ended May 31, 2018, the Village recognized pension expense in the government-wide financial statements of \$348,510 for ERS and \$723,997 for PFRS, in governmental activities. Pension expenditures of \$392,436 for ERS and \$749,396 for PFRS were recorded in the fund financial statements and were charged to the following funds:

Village of Ardsley, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

	ERS	PFRS
General Fund	\$ 354,966	\$ 749,396
Library Fund	37,470	-
	<u>\$ 392,436</u>	<u>\$ 749,396</u>

At May 31, 2018 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	\$ 87,148	\$ 72,016	\$ 281,333	\$ 181,629
Changes of assumptions	162,017	-	517,895	-
Net difference between projected and actual earnings on pension plan investments	354,883	700,503	553,234	1,114,184
Changes in proportion and differences between Village contributions and proportionate share of contributions	148,384	33,692	256,776	21,274
Village contributions subsequent to the measurement date	56,915	-	109,670	-
	<u>\$ 809,347</u>	<u>\$ 806,211</u>	<u>\$ 1,718,908</u>	<u>\$ 1,317,087</u>

\$56,915 and \$109,670 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 plan's year ended March 31, 2019. 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
2019	\$ 102,473	\$ 202,981
2020	72,185	187,357
2021	(154,931)	(83,444)
2022	(73,506)	(61,991)
2023	-	47,248

The total pension liability for the March 31, 2018 measurement date was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liabilities to March 31, 2018. 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	7.50
Real Estate	10	5.55
Absolute Return Strategies	2	3.75
Opportunistic Portfolio	3	5.68
Real Assets	3	5.29
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.25
	<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:

Village of Ardsley, New York

Notes to Financial Statements (Continued)
May 31, 2018

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)	<u>\$ 1,848,735</u>	<u>\$ 244,339</u>	<u>\$ (1,112,916)</u>
Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 3,348,097</u>	<u>\$ 683,526</u>	<u>\$ (1,551,423)</u>

The components of the collective net pension liability as of the March 31, 2018 measurement date were as follows:

	(In Thousands)		
	ERS	PFRS	Total
Total pension liability	\$ 183,400,590	\$ 32,914,423	\$ 216,315,013
ERS fiduciary net position	<u>180,173,145</u>	<u>31,903,666</u>	<u>212,076,811</u>
Employers' net pension liability	<u>\$ 3,227,445</u>	<u>\$ 1,010,757</u>	<u>\$ 4,238,202</u>
ERS fiduciary net position as a percentage of total pension liability	<u>98.24%</u>	<u>96.93%</u>	<u>98.04%</u>

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, 2018 represent the employer contribution for the period of April 1, 2018 through May 31, 2018 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, 2018 were \$56,915 and \$109,670, 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.

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.

At the May 31, 2018 measurement date, the following participants were covered by the benefit terms:

Inactive participants entitled to but not yet receiving benefits payments	33
Active participants	<u>39</u>
Total	<u><u>72</u></u>

The General Municipal Law of the State of New York requires the Village to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Village's Board of Trustees.

The total pension liability at the May 31, 2018 measurement date was determined using an actuarial valuation as of that date.

The total pension liability in the May 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method: Entry Age Normal
Inflation: 3.00%
Salary Scale: None assumed
Mortality rates were based on the RP-2000-Unisex Mortality Table

The discount rate of 3.57% used to measure the total pension liability was based upon the Fidelity 20 Year- GO AA Bond Index. The Village's change in the total pension liability of the LOSAP program for the program year ended May 31, 2018 is as follows:

Village of Ardsley, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Total Pension Liability - Beginning of Period	\$ 2,190,967
Service cost	47,873
Interest	76,669
Changes of assumptions or other inputs	(66,424)
Differences between expected and actual experience	6,897
Benefit payments	<u>(50,379)</u>
Total Pension Liability - End of Period	<u>\$ 2,205,603</u>

The following presents the total pension liability of the Village as of the May 31, 2018 measurement date, calculated using the discount rate of 3.57 percent, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.57%) or 1-percentage point higher (4.57%) than the current rate:

	1% Decrease (2.57%)	Current Assumption (3.57%)	1% Increase (4.57%)
Total Pension Liability	<u>\$ 2,556,000</u>	<u>\$ 2,205,603</u>	<u>\$ 1,917,000</u>

For the year ended May 31, 2018, the Village recognized pension expense of \$75,000 in the General Fund. At May 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,897	\$ -
Changes of assumptions or other inputs	<u>-</u>	<u>66,424</u>
	<u>\$ 6,897</u>	<u>\$ 66,424</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LOSAP plan will be recognized in pension expense as follows:

Year Ended December 31,	
2019	\$ (4,604)
2020	(4,604)
2021	(4,604)
2022	(4,604)
2023	(4,604)
2024	(4,604)
2025 and Thereafter	(31,903)

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.

Village of Ardsley, New York

Notes to Financial Statements (Continued) May 31, 2018

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:

<u>Year Ended May 31,</u>	
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 21 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, 2018 was as follows:

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

Amortization Component:	
Actuarial Accrued Liability as of June 1, 2017	\$ 18,900,000
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 18,900,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 5,430,000</u>
UAAL as a Percentage of Covered Payroll	<u>348.07%</u>
Annual Required Contribution	\$ 1,760,000
Interest on Net OPEB Obligation	360,000
Adjustment to Annual Required Contribution	<u>(470,000)</u>
Annual OPEB Cost	1,650,000
Contributions Made	<u>(410,000)</u>
Increase in Net OPEB Obligation	1,240,000
Net OPEB Obligation - Beginning of Year	<u>8,050,000</u>
Net OPEB Obligation - End of Year	<u>\$ 9,290,000</u>

Village of Ardsley, New York

Notes to Financial Statements (Continued)
May 31, 2018

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>
2018	\$ 1,650,000	21.21 %	\$ 9,290,000
2017	1,610,000	21.74	8,050,000
2016	1,560,000	20.51	6,790,000

H. Revenues and Expenditures

Interfund Transfers

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

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	
General Fund	\$ -	\$ 446,548	\$ 244,146	\$ 690,694
Capital Projects Fund	398,140	-	-	398,140
	<u>\$ 398,140</u>	<u>\$ 446,548</u>	<u>\$ 244,146</u>	<u>\$ 1,088,834</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.

I. 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.

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, 2018

Note 3 - Detailed Notes on All Funds (Continued)

J. Fund Balances

	2018				2017			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable -								
Prepaid expenditures	\$ 2,417	\$ -	\$ -	\$ 2,417	\$ -	\$ -	\$ -	\$ -
Restricted:								
Pension benefit	1,465,895	-	-	1,465,895	1,313,884	-	-	1,313,884
Special purpose	-	-	87,820	87,820	-	-	64,799	64,799
Capital projects	-	-	-	-	-	500,877	-	500,877
Debt service	279,107	138,653	-	417,760	325,702	136,810	-	462,512
Debt service - for subsequent year's expenditures	215,052	-	-	215,052	-	-	-	-
Total Restricted	1,960,054	138,653	87,820	2,186,527	1,639,586	637,687	64,799	2,342,072
Assigned:								
Contractual obligations	36,082	-	-	36,082	57,373	-	-	57,373
Subsequent year's expenditures	100,000	-	-	100,000	70,000	-	30,000	100,000
Non-Major Governmental Fund Public Library	-	-	26,956	26,956	-	-	21,431	21,431
Total Assigned	136,082	-	26,956	163,038	127,373	-	51,431	178,804
Unassigned	2,869,867	(2,050,753)	-	819,114	2,578,778	-	-	2,578,778
Total Fund Balances	\$ 4,968,420	\$ (1,912,100)	\$ 114,776	\$ 3,171,096	\$ 4,345,737	\$ 637,687	\$ 116,230	\$ 5,099,654

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.

Restricted for Pension Benefits represents funds 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.

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, 2018, 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. Unassigned fund balance in the Capital Projects Fund represents the deficit balances in various capital projects.

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 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.

Village of Ardsley, New York

Notes to Financial Statements (Concluded)
May 31, 2018

Note 5 - Subsequent Events

The Village, in August 2018, renewed a bond anticipation note ("note"), in the amount of \$3,091,045 to finance the costs of the construction, maintenance and purchase of equipment, road reconstruction and the acquisition of land. The note is due on August 1, 2019, with interest at 2.75%.

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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, 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
June 1, 2017	-	18,900,000	18,900,000	-	5,430,000	348.07

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)

	2018	2017	2016 (2)
Village's proportion of the net pension liability	<u>0.0075707%</u>	<u>0.0082543%</u>	<u>0.0079419%</u>
Village's proportionate share of the net pension liability	<u>\$ 244,339</u>	<u>\$ 775,591</u>	<u>\$ 1,274,695</u>
Village's covered payroll	<u>\$ 2,505,643</u>	<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>9.75%</u>	<u>31.22%</u>	<u>51.30%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>98.24%</u>	<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.

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>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 380,179	\$ 383,756	\$ 405,434
Contributions in relation to the contractually required contribution	<u>(380,179)</u>	<u>(383,756)</u>	<u>(405,434)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 2,644,314</u>	<u>\$ 2,617,427</u>	<u>\$ 2,414,425</u>
Contributions as a percentage of covered payroll	<u>14.38%</u>	<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)

	2018	2017	2016 (2)
Village's proportion of the net pension liability	<u>0.0676252%</u>	<u>0.0694456%</u>	<u>0.0706975%</u>
Village's proportionate share of the net pension liability	<u>\$ 683,526</u>	<u>\$ 1,439,365</u>	<u>\$ 2,093,201</u>
Village's covered payroll	<u>\$ 3,017,455</u>	<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>22.65%</u>	<u>49.16%</u>	<u>79.40%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>96.93%</u>	<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)

	2018	2017	2016
Contractually required contribution	\$ 725,989	\$ 691,508	\$ 696,155
Contributions in relation to the contractually required contribution	(725,989)	(691,508)	(696,155)
Contribution excess	\$ -	\$ -	\$ -
Village's covered payroll	\$ 2,966,466	\$ 2,950,095	\$ 2,850,335
Contributions as a percentage of covered payroll	24.47%	23.44%	24.42%

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

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Village of Ardsley, New York

Required Supplementary Information - Schedule of Changes in the Village's Total Pension Liability - Fire Service Awards Program Last Ten Fiscal Years (1)

	* 2018
Total Pension Liability - Beginning of Period	\$ 2,190,967
Service cost	47,873
Interest	76,669
Changes of assumptions or other inputs	(66,424)
Differences between expected and actual experience	6,897
Benefit payments	(50,379)
Total Pension Liability - End of Period	<u>\$ 2,205,603</u>
Village's covered payroll	N/A
Total pension liability as a percentage of covered payroll	N/A

*Schedule is intended to show information for 10 years. Additional information will be displayed as it becomes available.

Notes to Schedule:

Changes in assumptions or other inputs. The discount rate used to measure the total pension liability was based upon the Fidelity 20-Year GO AA Bond Index and was as follows:

May 31, 2017	3.54%
May 31, 2018	3.57%

(1) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68 to pay related benefits.

See independent auditors' report.

Village of Ardsley, New York

General Fund
Combining Balance Sheet - Sub-Funds
May 31, 2018
(With Comparative Totals for 2017)

	General	Fire Service Awards Program
ASSETS		
Cash and equivalents	\$ 3,865,444	\$ 13,515
Investments	-	1,452,380
Taxes receivable	261,370	-
Other receivables		
Accounts	118,276	-
State and Federal aid	65,878	-
Due from other governments	438,970	-
Due from other funds	262,072	-
	885,196	-
Prepaid expenditures	2,417	-
Total Assets	\$ 5,014,427	\$ 1,465,895
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 340,685	-
Accrued liabilities	237,218	-
Due to other funds	522,219	-
Due to retirement systems	166,585	-
Total Liabilities	1,266,707	-
Deferred inflows of resources		
Deferred tax revenues	245,195	-
Total Liabilities and Deferred Inflows of Resources	1,511,902	-
Fund balance		
Nonspendable	2,417	-
Restricted	494,159	1,465,895
Assigned	136,082	-
Unassigned	2,869,867	-
Total Fund Balance	3,502,525	1,465,895
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 5,014,427	\$ 1,465,895

See independent auditors' report.

Totals	
2018	2017
\$ 3,878,959	\$ 3,160,956
1,452,380	1,205,680
261,370	188,466
118,276	184,915
65,878	117,297
438,970	422,238
262,072	2,190
885,196	726,640
2,417	-
<u>\$ 6,480,322</u>	<u>\$ 5,281,742</u>

340,685	\$ 329,027
237,218	168,591
522,219	125,230
166,585	130,921
1,266,707	753,769
245,195	182,236
1,511,902	936,005
2,417	-
1,960,054	1,639,586
136,082	127,373
2,869,867	2,578,778
4,968,420	4,345,737
<u>\$ 6,480,322</u>	<u>\$ 5,281,742</u>

Village of Ardsley, New York

General Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Sub-Funds
Year Ended May 31, 2018
(With Comparative Totals for 2017)

	General	Fire Service Awards Program	Eliminations	2018	2017
REVENUES					
Real property taxes	\$ 9,942,305	\$ -	\$ -	\$ 9,942,305	\$ 9,696,319
Other tax items	30,219	-	-	30,219	30,714
Non-property taxes	1,001,443	-	-	1,001,443	913,134
Departmental income	622,637	75,000	(75,000)	622,637	645,736
Net change in fair value of investments	-	146,202	-	146,202	164,826
Use of money and property	22,675	-	-	22,675	2,758
Licenses and permits	289,058	-	-	289,058	427,498
Fines and forfeitures	127,413	-	-	127,413	85,635
Sale of property and compensation for loss	195,769	-	-	195,769	42,176
State aid	241,215	-	-	241,215	173,338
Federal aid	77,795	-	-	77,795	161,159
Miscellaneous	214,348	-	-	214,348	205,314
Total Revenues	12,764,877	221,202	(75,000)	12,911,079	12,548,607
EXPENDITURES					
Current					
General government support	1,967,263	-	-	1,967,263	1,814,957
Public safety	3,839,962	-	-	3,839,962	3,913,732
Health	137,811	-	-	137,811	114,037
Transportation	1,219,982	-	-	1,219,982	1,139,408
Economic opportunity and development	12,070	-	-	12,070	10,404
Culture and recreation	281,076	-	-	281,076	268,243
Home and community services	505,374	-	-	505,374	479,926
Employee benefits	3,164,161	69,191	(75,000)	3,158,352	2,802,396
Debt service					
Principal	660,000	-	-	660,000	679,370
Interest	213,952	-	-	213,952	243,865
Refunding bond issuance costs	-	-	-	-	78,339
Total Expenditures	12,001,651	69,191	(75,000)	11,995,842	11,544,677
Excess of Revenues Over Expenditures	763,226	152,011	-	915,237	1,003,930
OTHER FINANCING SOURCES (USES)					
Refunding bonds issued	-	-	-	-	2,945,000
Payment to refunded bond escrow agent	-	-	-	-	(3,107,299)
Issuance premium	-	-	-	-	240,638
Transfers In	398,140	-	-	398,140	168,362
Transfers out	(690,694)	-	-	(690,694)	(657,785)
Total Other Financing Uses	(292,554)	-	-	(292,554)	(411,084)
Net Change in Fund Balance	470,672	152,011	-	622,683	592,846
FUND BALANCE					
Beginning of Year, as reported	3,031,853	1,313,884	-	4,345,737	2,614,587
Cumulative Effect of Change in Accounting Principle	-	-	-	-	1,138,304
Beginning of Year, as restated	3,031,853	1,313,884	-	4,345,737	3,752,891
End of Year	\$ 3,502,525	\$ 1,465,895	\$ -	\$ 4,968,420	\$ 4,345,737

See independent auditors' report.

Village of Ardsley, New York

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

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 3,865,444	\$ 3,052,752
Taxes receivable	<u>261,370</u>	<u>188,466</u>
Other receivables		
Accounts	118,276	184,915
State and Federal aid	65,878	117,297
Due from other governments	438,970	422,238
Due from other funds	<u>262,072</u>	<u>2,190</u>
	<u>885,196</u>	<u>726,640</u>
Prepaid expenditures	<u>2,417</u>	<u>-</u>
Total Assets	<u><u>\$ 5,014,427</u></u>	<u><u>\$ 3,967,858</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 340,685	\$ 329,027
Accrued liabilities	237,218	168,591
Due to other funds	522,219	125,230
Due to retirement systems	<u>166,585</u>	<u>130,921</u>
Total Liabilities	1,266,707	753,769
Deferred inflows of resources		
Deferred tax revenues	<u>245,195</u>	<u>182,236</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,511,902</u>	<u>936,005</u>
Fund balance		
Nonspendable	2,417	-
Restricted	494,159	325,702
Assigned	136,082	127,373
Unassigned	<u>2,869,867</u>	<u>2,578,778</u>
Total Fund Balance	<u>3,502,525</u>	<u>3,031,853</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u><u>\$ 5,014,427</u></u>	<u><u>\$ 3,967,858</u></u>

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,

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 10,082,143	\$ 10,082,143	\$ 9,942,305	\$ (139,838)
Other tax items	36,500	36,500	30,219	(6,281)
Non-property taxes	899,000	899,000	1,001,443	102,443
Departmental income	612,460	612,460	622,637	10,177
Use of money and property	3,000	3,000	22,675	19,675
Licenses and permits	172,000	172,000	289,058	117,058
Fines and forfeitures	90,000	90,000	127,413	37,413
Sale of property and compensation for loss	17,250	48,909	195,769	146,860
State aid	304,816	441,066	241,215	(199,851)
Federal aid	125,000	125,000	77,795	(47,205)
Miscellaneous	17,000	17,000	214,348	197,348
Total Revenues	12,359,169	12,527,078	12,764,877	237,799
EXPENDITURES				
Current				
General government support	2,014,176	1,998,747	1,967,263	31,484
Public safety	3,705,187	3,841,889	3,839,962	1,927
Health	155,779	155,779	137,811	17,968
Transportation	1,219,133	1,220,528	1,219,982	546
Economic opportunity and development	11,680	12,070	12,070	-
Culture and recreation	311,099	290,110	281,076	9,034
Home and community services	486,417	506,522	505,374	1,148
Employee benefits	3,079,123	3,164,863	3,164,161	702
Debt service				
Principal	660,000	660,000	660,000	-
Interest	329,812	213,952	213,952	-
Refunding bond issuance costs	-	-	-	-
Total Expenditures	11,972,406	12,064,460	12,001,651	62,809
Excess of Revenues Over Expenditures	386,763	462,618	763,226	300,608
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Issuance premium	-	-	-	-
Transfers In	-	158,076	398,140	240,064
Transfers out	(456,763)	(690,694)	(690,694)	-
Total Other Financing Uses	(456,763)	(532,618)	(292,554)	240,064
Net Change in Fund Balance	(70,000)	(70,000)	470,672	540,672
FUND BALANCE				
Beginning of Year	70,000	70,000	3,031,853	2,961,853
End of Year	\$ -	\$ -	\$ 3,502,525	\$ 3,502,525

See independent auditors' report.

2017			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 9,723,969	\$ 9,723,969	\$ 9,696,319	\$ (27,650)
31,500	31,500	30,714	(786)
854,000	854,000	913,134	59,134
593,800	649,231	645,736	(3,495)
3,000	3,000	2,758	(242)
243,604	243,604	427,498	183,894
95,000	95,000	85,635	(9,365)
12,300	12,300	42,176	29,876
234,804	243,876	173,338	(70,538)
125,000	125,000	161,159	36,159
17,000	17,000	205,314	188,314
11,933,977	11,998,480	12,383,781	385,301
1,791,856	1,836,584	1,814,957	21,627
3,721,629	3,918,231	3,854,486	63,745
158,040	143,567	114,037	29,530
1,220,133	1,139,942	1,139,408	534
11,400	11,534	10,404	1,130
307,929	268,464	268,243	221
492,163	489,129	479,926	9,203
2,913,924	2,875,631	2,872,396	3,235
649,370	679,370	679,370	-
300,370	243,865	243,865	-
-	78,339	78,339	-
11,566,814	11,684,656	11,555,431	129,225
367,163	313,824	828,350	514,526
-	2,945,000	2,945,000	-
-	(3,107,299)	(3,107,299)	-
-	240,638	240,638	-
-	168,362	168,362	-
(367,163)	(657,785)	(657,785)	-
(367,163)	(411,084)	(411,084)	-
-	(97,260)	417,266	514,526
-	97,260	2,614,587	2,517,327
\$ -	\$ -	\$ 3,031,853	\$ 3,031,853

Village of Ardsley, New York

General Fund - Sub - Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended May 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
REAL PROPERTY TAXES	<u>\$ 10,082,143</u>	<u>\$ 10,082,143</u>	<u>\$ 9,942,305</u>	<u>\$ (139,838)</u>	<u>\$ 9,696,319</u>
OTHER TAX ITEMS					
Interest and penalties on real property taxes	<u>36,500</u>	<u>36,500</u>	<u>30,219</u>	<u>(6,281)</u>	<u>30,714</u>
NON-PROPERTY TAXES					
Non-property tax distribution from County	640,000	640,000	702,437	62,437	657,290
Hotel occupancy taxes	45,000	45,000	79,249	34,249	20,477
Franchise fees	112,000	112,000	110,239	(1,761)	124,384
Utilities gross receipts taxes	<u>102,000</u>	<u>102,000</u>	<u>109,518</u>	<u>7,518</u>	<u>110,983</u>
	<u>899,000</u>	<u>899,000</u>	<u>1,001,443</u>	<u>102,443</u>	<u>913,134</u>
DEPARTMENTAL INCOME					
Tax advertising	300	300	456	156	456
Clerk fees	100	100	63	(37)	105
Police fees	300	300	280	(20)	285
Prisoner transportation	10,000	10,000	21,508	11,508	14,720
Special events	5,000	5,000	10,093	5,093	50,289
Safety inspection fees	2,000	2,000	1,925	(75)	1,850
Stop DWI fees	8,400	8,400	600	(7,800)	5,700
Occupant restraint fees	1,500	1,500	-	(1,500)	-
Registrar of Vital Statistics	1,500	1,500	1,680	180	1,400
Parking	44,000	44,000	51,272	7,272	48,860
Parks and recreation charges	60,800	60,800	60,620	(180)	72,809
Zoning fees	2,000	2,000	2,000	-	3,700
Planning board fees	1,000	1,000	3,500	2,500	2,000
Refuse removal	91,680	91,680	79,635	(12,045)	82,425
Fire protection	383,620	383,620	388,716	5,096	361,137
Snow removal	<u>260</u>	<u>260</u>	<u>289</u>	<u>29</u>	<u>-</u>
	<u>612,460</u>	<u>612,460</u>	<u>622,637</u>	<u>10,177</u>	<u>645,736</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	<u>3,000</u>	<u>3,000</u>	<u>22,675</u>	<u>19,675</u>	<u>2,758</u>

LICENSES AND PERMITS

Permit fees	163,000	163,000	278,138	115,138	414,398
Alarm fees	9,000	9,000	10,920	1,920	13,100

	172,000	172,000	289,058	117,058	427,498
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FINES AND FORFEITURES

Fines and forfeited bail	90,000	90,000	127,413	37,413	85,635
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**SALE OF PROPERTY AND COMPENSATION
FOR LOSS**

Sale of equipment	-	-	47,160	47,160	4,335
Other minor sales	2,250	2,250	13,946	11,696	18,849
Insurance recoveries	15,000	46,659	134,663	88,004	18,992

	17,250	48,909	195,769	146,860	42,176
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STATE AID

Per capita	32,760	32,760	28,009	(4,751)	28,009
Mortgage tax	115,000	115,000	169,009	54,009	127,991
Consolidated Highway Improvement Aid	100,000	100,000	23,900	(76,100)	-
Youth programs	556	556	-	(556)	567
Other Public Safety	-	-	4,285	4,285	4,751
Community projects	56,500	192,750	16,012	(176,738)	12,020

	304,816	441,066	241,215	(199,851)	173,338
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FEDERAL AID

Substance Abuse and Mental Health Services	125,000	125,000	77,795	(47,205)	161,159
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MISCELLANEOUS

Other	17,000	17,000	214,348	197,348	205,314
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TOTAL REVENUES

	12,359,169	12,527,078	12,764,877	237,799	12,383,781
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OTHER FINANCING SOURCES

Refunding bonds issued	-	-	-	-	2,945,000
Issuance premium	-	-	-	-	240,638
Transfers in					
Capital Projects Fund	-	158,076	398,140	240,064	-
Special Purpose Fund	-	-	-	-	168,362

	-	158,076	398,140	240,064	3,354,000
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TOTAL REVENUES AND OTHER FINANCING SOURCES

	\$ 12,359,169	\$ 12,685,154	\$ 13,163,017	\$ 477,863	\$ 15,737,781
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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, 2018

(With Comparative Actuals for 2017)

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 10,000	\$ 10,114	\$ 10,114	\$ -	\$ 9,600
Justice	120,768	133,809	127,949	5,860	130,911
Mayor	169,900	71,747	71,368	379	32,720
Village Manager	230,472	216,094	215,394	700	231,668
Auditor	48,100	47,493	47,475	18	48,375
Treasurer	198,395	255,024	254,944	80	213,594
Village Clerk	119,996	118,636	117,436	1,200	137,352
Law	91,622	126,270	124,162	2,108	83,296
Buildings	113,000	111,228	110,104	1,124	107,584
Central data processing	43,600	48,083	48,083	-	51,955
Central garage	351,064	489,611	472,810	16,801	315,210
Unallocated insurance	157,500	142,493	142,493	-	133,413
Municipal association dues	4,167	4,167	4,167	-	2,750
Refund of real property taxes	100,000	166,466	166,466	-	265,789
Metropolitan commuter transportation mobility tax	20,970	20,970	17,756	3,214	18,214
Other	34,622	36,542	36,542	-	32,526
Contingency	200,000	-	-	-	-
	<u>2,014,176</u>	<u>1,998,747</u>	<u>1,967,263</u>	<u>31,484</u>	<u>1,814,957</u>
PUBLIC SAFETY					
Police	3,173,069	3,328,521	3,328,136	385	3,245,697
Traffic control	3,700	875	875	-	4,586
Fire department	359,629	338,740	338,739	1	440,145
Safety inspection	168,789	173,753	172,212	1,541	164,058
	<u>3,705,187</u>	<u>3,841,889</u>	<u>3,839,962</u>	<u>1,927</u>	<u>3,854,486</u>
HEALTH					
Youth Council	155,779	155,779	137,811	17,968	114,037

TRANSPORTATION

Street administration	250,821	257,102	257,102	-	250,701
Street maintenance	764,312	790,151	790,151	-	772,319
Snow removal	123,000	141,011	141,011	-	64,946
Street lighting	81,000	32,264	31,718	546	51,442
	<u>1,219,133</u>	<u>1,220,528</u>	<u>1,219,982</u>	<u>546</u>	<u>1,139,408</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Programs for the aging	<u>11,680</u>	<u>12,070</u>	<u>12,070</u>	<u>-</u>	<u>10,404</u>
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CULTURE AND RECREATION

Parks	230,688	211,310	208,228	3,082	191,237
Community center	51,685	53,536	49,614	3,922	50,241
Historian	1,500	1,688	1,509	179	2,390
Celebrations	4,450	3,665	3,494	171	4,571
CATV committee	22,776	19,911	18,231	1,680	19,804
	<u>311,099</u>	<u>290,110</u>	<u>281,076</u>	<u>9,034</u>	<u>268,243</u>

HOME AND COMMUNITY SERVICES

Planning	6,300	4,472	4,372	100	200
Zoning	2,200	6,367	6,367	-	2,745
Sanitary sewers	7,000	15,478	15,478	-	4,617
Storm sewers	25,176	23,432	22,384	1,048	26,526
Refuse and garbage	418,741	430,767	430,767	-	422,122
Shade trees	20,000	18,800	18,800	-	16,492
Community beautification	7,000	7,206	7,206	-	6,954
Street cleaning	-	-	-	-	270
	<u>486,417</u>	<u>506,522</u>	<u>505,374</u>	<u>1,148</u>	<u>479,926</u>

EMPLOYEE BENEFITS

State retirement	381,242	354,966	354,966	-	345,362
State retirement - Police	711,538	749,396	749,396	-	691,508
Service awards program	75,000	75,000	75,000	-	70,000
Social security	376,915	395,328	394,626	702	347,718
Workers' compensation benefits	250,217	243,113	243,113	-	226,695
Unemployment benefits	-	2,198	2,198	-	-
Life insurance	9,651	10,890	10,890	-	5,772
Disability insurance	1,910	2,620	2,620	-	1,353
Medical and dental insurance	1,272,650	1,331,352	1,331,352	-	1,183,988
	<u>3,079,123</u>	<u>3,164,863</u>	<u>3,164,161</u>	<u>702</u>	<u>2,872,396</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, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
DEBT SERVICE					
Principal					
Serial bonds	\$ 660,000	\$ 660,000	\$ 660,000	\$ -	\$ 679,370
Interest					
Serial bonds	316,524	200,663	200,663	-	232,982
Bond anticipation notes	13,288	13,289	13,289	-	10,883
	329,812	213,952	213,952	-	243,865
Refunding bond issuance costs	-	-	-	-	78,339
	989,812	873,952	873,952	-	1,001,574
TOTAL EXPENDITURES	11,972,406	12,064,460	12,001,651	62,809	11,555,431
OTHER FINANCING USES					
Payment to refunded bond escrow agent	-	-	-	-	3,107,299
Transfers out					
Capital Projects Fund	212,617	446,548	446,548	-	397,733
Public Library Fund	244,146	244,146	244,146	-	260,052
TOTAL OTHER FINANCING USES	456,763	690,694	690,694	-	3,765,084
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 12,429,169	\$ 12,755,154	\$ 12,692,345	\$ 62,809	\$ 15,320,515

See independent auditors' report.

Village of Ardsley, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	2018	2017
ASSETS		
Cash and equivalents	\$ 1,512,889	\$ 1,589,737
Due from other funds	519,455	125,230
Total Assets	<u>\$ 2,032,344</u>	<u>\$ 1,714,967</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 221,819	\$ 12,001
Due to other funds	259,308	2,190
Bond anticipation notes payable	3,463,317	1,063,089
Total Liabilities	3,944,444	1,077,280
Fund balance		
Restricted	138,653	637,687
Unassigned	(2,050,753)	-
Total Fund Balance	<u>(1,912,100)</u>	<u>637,687</u>
Total Liabilities and Fund Balance	<u>\$ 2,032,344</u>	<u>\$ 1,714,967</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,

	2018	2017
REVENUES		
Use of money and property	\$ 1,843	\$ 854
State aid	-	287,688
Miscellaneous	5,929	7,029
Total Revenues	7,772	295,571
EXPENDITURES		
Capital outlay	2,605,967	402,717
Deficiency of Revenues Over Expenditures	(2,598,195)	(107,146)
OTHER FINANCING SOURCES (USES)		
Transfers in	446,548	397,733
Transfers out	(398,140)	(168,362)
Total Other Financing Sources	48,408	229,371
Net Change in Fund Balance	(2,549,787)	122,225
FUND BALANCE (DEFICIT)		
Beginning of Year	637,687	515,462
End of Year	\$ (1,912,100)	\$ 637,687

See independent auditors' report.

Village of Ardsley, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through May 31, 2018

Project	Authorization	Expenditures and Transfers	Unexpended Balance
Acquisition of Cable Equipment	\$ 212,825	\$ 173,236	\$ 33,659
Street Reconstruction	140,483	71,293	69,190
Safe Route to School	475,000	322,923	152,077
Highway Equipment 2014-15	230,324	230,324	-
Planning - Drainage	27,280	-	27,280
Planning - Drainage 2016-17	51,000	-	51,000
Purchase and Installation - Parking Meters 2016-17	23,015	2,000	21,015
Pascon Park 2017-2018	50,200	49,850	350
Highway Garage-Engineering costs 2015-16	972,289	41,588	930,701
Highway Garage - Land 2017-18	1,096,500	1,105,356	(8,856)
Pickup Truck 2017-18	115,000	98,747	16,253
Dump Truck 2017-18	225,000	217,000	8,000
Street Paving 2017-18	1,202,000	1,141,703	60,297
Totals	<u>\$ 4,811,663</u>	<u>\$ 3,454,021</u>	<u>\$ 1,357,642</u>

See independent auditors' report.

Total Revenues	Fund Balance (Deficit) at May 31, 2018	Bond Anticipation Notes Out- standing at May 31, 2018
\$ 212,825	\$ 39,589	\$ -
140,483	69,190	-
446,567	123,644	-
184,924	(45,400)	45,400
27,280	27,280	-
51,000	51,000	-
23,015	21,015	-
12,850	(37,000)	50,200
304,323	262,735	729,217
-	(1,105,356)	1,096,500
-	(98,747)	115,000
-	(217,000)	225,000
-	(1,141,703)	1,202,000
<u>\$ 1,403,267</u>	<u>\$ (2,050,753)</u>	<u>\$ 3,463,317</u>

Village of Ardsley, New York

Non-Major Governmental Funds

Combining Balance Sheet

May 31, 2018

(With Comparative Totals for 2017)

	Public Library Fund	Special Purpose Fund	Total Non-Major Governmental Funds	
			2018	2017
ASSETS				
Cash and equivalents	<u>\$ 38,255</u>	<u>\$ 104,574</u>	<u>\$ 142,829</u>	<u>\$ 137,577</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	<u>\$ 11,299</u>	<u>\$ 16,754</u>	<u>\$ 28,053</u>	<u>\$ 21,347</u>
Fund balances				
Restricted	-	87,820	87,820	64,799
Assigned	<u>26,956</u>	<u>-</u>	<u>26,956</u>	<u>51,431</u>
Total Fund Balances	<u>26,956</u>	<u>87,820</u>	<u>114,776</u>	<u>116,230</u>
Total Liabilities and Fund Balances	<u>\$ 38,255</u>	<u>\$ 104,574</u>	<u>\$ 142,829</u>	<u>\$ 137,577</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, 2018

(With Comparative Totals for 2017)

	Public Library Fund	Special Purpose Fund	Total Non-Major Governmental Funds	
			2018	2017
REVENUES				
Departmental income	\$ 275,646	\$ -	\$ 275,646	\$ 273,073
Use of money and property	125	28	153	674
State aid	1,404	-	1,404	4,264
Miscellaneous	-	77,359	77,359	242,458
Total Revenues	277,175	77,387	354,562	520,469
EXPENDITURES				
Current				
Culture and recreation	395,551	54,366	449,917	615,630
Employee benefits	150,245	-	150,245	143,236
Total Expenditures	545,796	54,366	600,162	758,866
Excess (Deficiency) of Revenues Over Expenditures	(268,621)	23,021	(245,600)	(238,397)
OTHER FINANCING SOURCES				
Transfers in	244,146	-	244,146	260,052
Net Change in Fund Balances	(24,475)	23,021	(1,454)	21,655
FUND BALANCES				
Beginning of Year	51,431	64,799	116,230	94,575
End of Year	\$ 26,956	\$ 87,820	\$ 114,776	\$ 116,230

See independent auditors' report.

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Village of Ardsley, New York

Public Library Fund
Comparative Balance Sheet
May 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	<u>\$ 38,255</u>	<u>\$ 62,353</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 11,299	\$ 10,922
Fund balance		
Assigned	<u>26,956</u>	<u>51,431</u>
Total Liabilities and Fund Balance	<u>\$ 38,255</u>	<u>\$ 62,353</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,

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 277,397	\$ 277,397	\$ 275,646	\$ (1,751)
Use of money and property	50	50	125	75
State aid	1,264	1,264	1,404	140
Miscellaneous	-	-	-	-
Total Revenues	278,711	278,711	277,175	(1,536)
EXPENDITURES				
Current				
Culture and recreation	398,181	400,773	395,551	5,222
Employee benefits	154,676	152,084	150,245	1,839
Total Expenditures	552,857	552,857	545,796	7,061
Deficiency of Revenues Over Expenditures	(274,146)	(274,146)	(268,621)	5,525
OTHER FINANCING SOURCES				
Transfers in	244,146	244,146	244,146	-
Net Change in Fund Balance	(30,000)	(30,000)	(24,475)	5,525
FUND BALANCE				
Beginning of Year	30,000	30,000	51,431	21,431
End of Year	\$ -	\$ -	\$ 26,956	\$ 26,956

See independent auditors' report.

2017			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 274,740	\$ 274,740	\$ 273,073	\$ (1,667)
50	50	674	624
1,780	1,780	4,264	2,484
30,000	30,000	3,718	(26,282)
306,570	306,570	281,729	(24,841)
413,537	421,503	412,994	8,509
153,085	145,119	143,236	1,883
566,622	566,622	556,230	10,392
(260,052)	(260,052)	(274,501)	(14,449)
260,052	260,052	260,052	-
-	-	(14,449)	(14,449)
-	-	65,880	65,880
\$ -	\$ -	\$ 51,431	\$ 51,431

Village of Ardsley, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	<u>\$ 104,574</u>	<u>\$ 75,224</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 16,754	\$ 10,425
Fund balance		
Restricted	<u>87,820</u>	<u>64,799</u>
Total Liabilities and Fund Balance	<u>\$ 104,574</u>	<u>\$ 75,224</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>2018</u>	<u>2017</u>
REVENUES		
Use of money and property	\$ 28	\$ -
Miscellaneous	<u>77,359</u>	<u>238,740</u>
Total Revenues	<u>77,387</u>	<u>238,740</u>
EXPENDITURES		
Current		
Culture and recreation	<u>54,366</u>	<u>202,636</u>
Excess of Revenues Over Expenditures	23,021	36,104
FUND BALANCE		
Beginning of Year	<u>64,799</u>	<u>28,695</u>
End of Year	<u>\$ 87,820</u>	<u>\$ 64,799</u>

See independent auditors' report.