

Town of Rye, New York

Financial Statements And
Supplementary Information

Year Ended December 31, 2015

Town of Rye, New York

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statement	
Balance Sheet - Governmental Funds	5
Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	9
Notes to Financial Statements	10
Required Supplementary Information	
Other Post Employment Benefits	
Schedule of Funding Progress - Last Three Fiscal Years	32
New York State and Local Employees Retirement System	
Schedule of the Town's Proportionate Share of the Net Pension Liability	33
Schedule of Contributions	34
Combining and Individual Fund Financial Statements and Schedules	
General Fund	
Comparative Balance Sheet	35
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	36
Schedule of Revenues and Other Financing Sources Compared to Budget	38
Schedule of Expenditures and Other Financing Uses Compared to Budget	40
Capital Projects Fund	
Comparative Balance Sheet	42
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	43

(This page intentionally left blank)



Independent Auditors' Report

**The Honorable Supervisor and Town Board
of the Town of Rye, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Rye, New York ("Town") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town'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 entity'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 entity'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 and each major fund of the Town, as of December 31, 2015, and the respective changes in financial position, thereof, 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 2F and Note 3F in the notes to financial statements which disclose the effects of the Town's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement Nos. 68 "Accounting and Financial Reporting for Pensions" and 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date". 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 the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. 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.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by the missing information.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. Individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 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 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.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

August 26, 2016

Town of Rye, New York

Statement of Net Position
December 31, 2015

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 5,663,653
Receivables	
Taxes, net	53,556,090
Accounts	108,076
Due from other governments	49,457
Prepaid expenses	47,989
Capital assets	
Not being depreciated	844,850
Being depreciated, net	3,499,623
	<hr/>
Total Assets	63,769,738
	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	155,587
	<hr/>
LIABILITIES	
Accounts payable	389,555
Due to other governments	54,625,704
Bond anticipation notes payable	1,800,000
Unearned revenues	108,076
Accrued interest payable	13,529
Non-current liabilities	
Due within one year	87,000
Due in more than one year	1,230,899
	<hr/>
Total Liabilities	58,254,763
	<hr/>
DEFERRED INFLOWS OF RESOURCES	10,530
	<hr/>
NET POSITION	
Net investment in capital assets	2,366,130
Unrestricted	3,293,902
	<hr/>
Total Net Position	\$ 5,660,032
	<hr/> <hr/>

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

Town of Rye, New York

Statement of Activities
Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position
Governmental activities			
General government support	\$ 2,499,785	\$ 332,943	\$ (2,166,842)
Transportation	3,159	-	(3,159)
Culture and recreation	256,364	57,163	(199,201)
Home and community services	20,099	-	(20,099)
Interest	51,643	-	(51,643)
Total Governmental Activities	<u>\$ 2,831,050</u>	<u>\$ 390,106</u>	<u>(2,440,944)</u>
General Revenues			
Real property taxes			401,685
Other tax items			
Interest and penalties on real property taxes			877,728
Payment in lieu of taxes			8,241
Gain on sale of tax acquired property			297,154
Unrestricted use of money and property			14,607
Unrestricted State aid			1,197,484
Miscellaneous			126,014
			<u>2,922,913</u>
			<u>481,969</u>
NET POSITION			
Beginning of Year, as reported			4,843,769
Cumulative Effect of Change in Accounting Principle			(46,120)
Prior Period Adjustment			380,414
			<u>5,178,063</u>
Beginning of Year, as restated			
Ending of Year			<u>\$ 5,660,032</u>

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

Town of Rye, New York

Balance Sheet
 Governmental Funds
 December 31, 2015

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and equivalents	\$ 5,525,234	\$ 138,419	\$ 5,663,653
Taxes receivable, net of allowance for uncollectible amounts	53,556,090	-	53,556,090
Other receivables			
Accounts	-	108,076	108,076
Due from other funds	-	48,238	48,238
Due from other governments	49,457	-	49,457
	<u>49,457</u>	<u>156,314</u>	<u>205,771</u>
Prepaid expenditures	47,989	-	47,989
Total Assets	<u>\$ 59,178,770</u>	<u>\$ 294,733</u>	<u>\$ 59,473,503</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 389,555	\$ -	\$ 389,555
Due to other funds	48,238	-	48,238
Due to other governments	54,625,704	-	54,625,704
Bond anticipation notes payable	-	1,800,000	1,800,000
Unearned revenues	-	108,076	108,076
Total Liabilities	<u>55,063,497</u>	<u>1,908,076</u>	<u>56,971,573</u>
Fund balances (deficits)			
Nonspendable	856,936	-	856,936
Assigned	160,000	-	160,000
Unassigned	3,098,337	(1,613,343)	1,484,994
Total Fund Balances (Deficits)	<u>4,115,273</u>	<u>(1,613,343)</u>	<u>2,501,930</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 59,178,770</u>	<u>\$ 294,733</u>	<u>\$ 59,473,503</u>

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

Town of Rye, New York

Reconciliation of the Governmental Funds
Balance Sheet to the Government-Wide Statement of Net Position
December 31, 2015

Fund Balances - Total Governmental Funds	<u>\$ 2,501,930</u>
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>4,344,473</u>
Governmental funds do not report the effect of 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 assets (liabilities)	<u>145,057</u>
Long-term liabilities and other liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(13,529)
Bonds payable	(365,000)
Net pension liability	(67,677)
Compensated absences	(169,039)
Other post employment benefit obligations payable	<u>(716,183)</u>
	<u>(1,331,428)</u>
Net Position of Governmental Activities	<u><u>\$ 5,660,032</u></u>

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

Town of Rye, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year Ended December 31, 2015

	General	Capital Projects	Total Governmental Funds
REVENUES			
Real property taxes	\$ 401,685	\$ -	\$ 401,685
Other tax items	1,183,123	-	1,183,123
Departmental income	271,142	-	271,142
Use of money and property	14,607	-	14,607
Fines and forfeitures	111,884	-	111,884
State aid	1,197,484	-	1,197,484
Miscellaneous	133,094	-	133,094
Total Revenues	3,313,019	-	3,313,019
EXPENDITURES			
Current			
General government support	1,786,640	-	1,786,640
Transportation	3,159	-	3,159
Culture and recreation	242,946	-	242,946
Home and community services	20,099	-	20,099
Employee benefits	584,288	-	584,288
Debt service			
Principal	65,000	-	65,000
Interest	54,244	-	54,244
Capital outlay	-	455,107	455,107
Total Expenditures	2,756,376	455,107	3,211,483
Excess (Deficiency) of Revenues Over Expenditures	556,643	(455,107)	101,536
Other Financing Sources (Uses)			
Transfers in	-	213,611	213,611
Transfers out	(213,611)	-	(213,611)
Total Other Financing Sources (Uses)	(213,611)	213,611	-
Net Change in Fund Balances	343,032	(241,496)	101,536
FUND BALANCES (DEFICITS)			
Beginning of Year, as reported	3,391,827	(1,371,847)	2,019,980
Prior Period Adjustment	380,414	-	380,414
Beginning of Year, as restated	3,772,241	(1,371,847)	2,400,394
End of Year	<u>\$ 4,115,273</u>	<u>\$ (1,613,343)</u>	<u>\$ 2,501,930</u>

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

Town of Rye, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2015

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

Net Change in Fund Balances - Total Governmental Funds \$ 101,536

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	455,107
Depreciation expense	<u>(178,225)</u>
	<u>276,882</u>

The issuance of long-term debt 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 is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position

Principal paid on bonds	<u>65,000</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	2,601
Pension assets (obligations)	123,500
Compensated absences	(34,364)
Other post employment benefit obligations	<u>(53,186)</u>
	<u>38,551</u>

Change in Net Position of Governmental Activities \$ 481,969

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

Town of Rye, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General Fund
Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 265,445	\$ 265,445	\$ 401,685	\$ 136,240
Other tax items	1,240,000	1,240,000	1,183,123	(56,877)
Departmental income	281,000	281,000	271,142	(9,858)
Use of money and property	30,000	30,000	14,607	(15,393)
Fines and forfeitures	90,000	90,000	111,884	21,884
State aid	973,500	973,500	1,197,484	223,984
Miscellaneous	75,000	75,000	133,094	58,094
Total Revenues	2,954,945	2,954,945	3,313,019	358,074
EXPENDITURES				
Current				
General government support	1,852,321	1,852,321	1,786,640	65,681
Transportation	7,500	7,500	3,159	4,341
Culture and recreation	260,600	260,600	242,946	17,654
Home and community services	49,000	49,000	20,099	28,901
Employee benefits	629,200	629,200	584,288	44,912
Debt service				
Principal	65,000	65,000	65,000	-
Interest	54,324	54,324	54,244	80
Total Expenditures	2,917,945	2,917,945	2,756,376	161,569
Excess (Deficiency) of Revenues Over Expenditures	37,000	37,000	556,643	519,643
OTHER FINANCING SOURCES (USES)				
Transfers out	(207,000)	(207,000)	(213,611)	(6,611)
Net Change in Fund Balance	(170,000)	(170,000)	343,032	513,032
FUND BALANCE				
Beginning of Year, as reported	170,000	170,000	3,391,827	3,221,827
Prior Period Adjustment	-	-	380,414	380,414
Beginning of Year, as restated	170,000	170,000	3,772,241	3,602,241
End of Year	\$ -	\$ -	\$ 4,115,273	\$ 4,115,273

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

(This page intentionally left blank)

Town of Rye, New York

Notes to Financial Statements
December 31, 2015

Note 1 - Summary of Significant Accounting Policies

The Town of Rye, New York ("Town") was established in 1813 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as both the chief executive and chief financial officer. The Town provides the following services to its residents: transportation, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Town 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 Town's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the Town, b) organizations for which the Town is financially accountable and c) other organizations for which the nature and significance of their relationship with the Town 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 Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town'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

The Town participates in a joint venture for the operation of the Rye Town Park ("Park"). The Park was established in 1907 by the New York State Legislature pursuant to Chapter 711 of the Laws of 1907. The Park provides recreational activities to the public, and is governed by a Commission, which has full charge and supervision over the capital improvements, operations, and maintenance of the Park. The Commission consists of six members: the Supervisor of the Town of Rye, the Mayor of the City of Rye, the Mayor of the Village of Port Chester, the Mayor of the Village of Rye Brook, one Commissioner appointed by the City Council of the City of Rye, and one Commissioner appointed by the Town Board of the Town of Rye. The Town has an ongoing financial responsibility in that the annual income or loss resulting from the Park's activities is shared proportionally by the Town of Rye and the City of Rye, using a calculation based on their equalized assessed valuation. Complete separate financial statements for the Park may be obtained from the Town of Rye, 222 Grace Church Street, 3rd Floor, Port Chester, New York 10573.

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 primary government as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities are supported by taxes, departmental income and intergovernmental revenues.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the financial position of the Town 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 Town does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the Town 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 Town 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. 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 Town's resources are reflected in the fund financial statements in one broad fund category, 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 Town's major governmental funds.

General Fund - The General Fund constitutes the primary fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Deposits and Risk Disclosure

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

The Town's investment policies are governed by State statutes. The Town 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 Town is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Town of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2015

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 Town 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.

Custodial credit risk is the risk that in the event of a bank failure, the Town'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 Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2015.

Taxes Receivable - Real property taxes attach as an enforceable lien and are levied on January 1st. The Town collects county, town and special district taxes, which are due April 1st and payable without penalty to April 30th. School taxes for the period July 1st to June 30th levied on July 1st and are due on September 1st, with the first half payable without penalty until September 30th and the second half due the following January 1st and payable without penalty until January 31st. The Town guarantees the full payment of the County and school district warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting tax lien sales and in rem foreclosure proceedings.

The Town functions in both a fiduciary and guarantor relationship with the County of Westchester and the various school districts located within the Town with respect to the collection and payment of real property taxes levied by such jurisdictions. County taxes are included in the Town's levy and are payable without penalty for thirty days. The County Charter provides for the Town to collect County and school districts taxes and remit them as collected to the respective municipality. However, the Town must remit to the County sixty percent of the amount levied by May 25th and the balance of forty percent on October 15th. With respect to school districts taxes, the Charter provides that the Town satisfy the warrant of each school district by April 5th. Thus, the Town's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town must satisfy its obligation to the municipalities regardless of the amounts collected. The County tax warrant is due in October and uncollected County taxes have been accounted for in a manner similar to Town taxes. The collection of school districts taxes is deemed a financing transaction until the warrants are satisfied.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. 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 Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2015, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Town of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the Town. 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 nonspendable 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 applicable governmental or business type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Land is not depreciated. Property, plant and equipment of the primary government, as well as the component unit, are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and land improvements	35-60
Machinery and equipment	5-25
Infrastructure	7-50

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Town has reported deferred outflows/inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the Town's pension plans in Note 3F.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term liabilities 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. Bond 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 from service. The liability for such accumulated leave is reflected in the government-wide and proprietary fund financial statements 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 (Asset) - Net Pension Liability (Asset) represents the Town's proportionate share of the Net Pension Liability (asset) of the New York State and Local Employees' Retirement System. The financial reporting of these amounts are presented in accordance with the provision 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 represent 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 Town 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. The balance is classified as unrestricted.

Fund Balance - 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 Town is bound to honor constraints on the

Note 1 - Summary of Significant Accounting Policies (Continued)

specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows

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

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

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Town is the highest level of decision making authority for the Town 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 Town Board removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Town Supervisor for amounts assigned for encumbrances. 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 other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

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

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 Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned, and unassigned.

Note 1 - Summary of Significant Accounting Policies (Continued)

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. The Town has not yet 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 August 26, 2016.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) Between November 10th and December 5th, the Town Board shall prepare and approve a preliminary budget. The preliminary budget includes the estimated revenues and expenditures for the ensuing fiscal year.
- b) Immediately after the preliminary budget has been prepared and approved, the Town Board shall file the original copy with the Town Clerk where it shall be available for inspection by the public. In addition, the Town Board shall adopt a resolution specifying the time and place of a public hearing, which shall be held on or before December 10th.
- c) At the public hearing, taxpayers may comment on the preliminary budget.
- d) Within five days after the hearing, the Town Board shall adopt the preliminary budget as originally compiled or it may, by a majority vote, diminish or reject certain items contained therein as prescribed by law.
- e) Formal budgetary integration is employed during the year as a management control device for the General Fund.
- f) The budget for the General Fund is legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- g) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- h) Appropriations in the General Fund 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 Town Board.

B. Property Tax Limitation

The Town is not limited as to the maximum amount of real property taxes which may be raised. However, 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 Town 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 Town 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 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 Town 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 Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

Town of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. Excess of Actual Expenditures Over Budget

The following departments in the General Fund exceeded their budgetary authorization by the amounts indicated:

General Government Support	
Auditor	\$ 24,000
Central communications	3,784
Executive	48,833
Elections	186
Law	2,019
Operation of building	15,718
Tax collection	3,183
Bad debt expenditures	41,187
Culture and Recreation	
Parks	22,854
Celebrations	3,000
Employee Benefits	
Employees' retirement	17,467
Social security	4,106
Workers' compensation	12,960
Transfers Out	
Capital Projects Fund	6,611

D. Fund Deficits

The unassigned deficit in the Capital Projects Fund of \$1,613,343 arises 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. These deficits will be reduced or eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

E. Cumulative Effect of Change in Accounting Principle

For the year ended December 31, 2015, the Town implemented 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". These statements seek to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expenses/expenditures. These statements also require the identification of the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. As a result of adopting these standards, the government-wide financial statements reflect a cumulative effect for the change in accounting principle of \$46,120.

Town of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 2 - Stewardship, Compliance and Accountability (Continued)

F. Prior Period Adjustment

The Town, in a prior year had recorded a liability to various municipalities. This liability has been determined to be invalid, therefore a prior period adjustment of \$380,414 was recorded as of January 1, 2015 as an increase to both the net position and fund balance in the General Fund.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2015 consisted of the following:

Town, County and Village taxes - Current	\$	342,599
School districts taxes - Current		50,317,143
Tax liens		2,896,348
Property acquired for taxes		<u>234,074</u>
		53,790,164
Allowance for uncollectable taxes		<u>(234,074)</u>
	\$	<u>53,556,090</u>

School district and village taxes are offset by liabilities to the school districts and villages which will be paid no later than April 2016. Taxes receivable, at the fund level, represent an estimate of the receivable which will not be collected within the first sixty days of the subsequent year. School district and village taxes receivable in the amount of \$808,947 are also classified as nonspendable fund balance in the fund financial statements, which represents an estimate of taxes receivable that will not be collected within the subsequent year.

B. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2015 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ -	\$ 48,238
Capital Projects	48,238	-
	<u>\$ 48,238</u>	<u>\$ 48,238</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.

Town of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

C. Capital Assets

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

	Balance January 1, 2015	Additions	Balance December 31, 2015
Capital Assets, not being depreciated			
Land	\$ 844,850	\$ -	\$ 844,850
Capital Assets, being depreciated			
Building and land improvements	\$ 3,317,853	\$ 455,107	\$ 3,772,960
Machinery and equipment	390,870	-	390,870
Infrastructure	835,039	-	835,039
Total Capital Assets, being depreciated	4,543,762	455,107	4,998,869
Less Accumulated Depreciation for			
Building and land improvements	771,560	135,484	907,044
Machinery and equipment	365,750	26,040	391,790
Infrastructure	183,711	16,701	200,412
Total Accumulated Depreciation	1,321,021	178,225	1,499,246
Total Capital Assets, being depreciated, net	\$ 3,222,741	\$ 276,882	\$ 3,499,623
Capital Assets, net	\$ 4,067,591	\$ 276,882	\$ 4,344,473

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

Total Depreciation Expense \$ 178,225

D. Short-Term Capital Borrowings

	Date of Original Issue	Maturity Date	Rate of Interest	Balance January 1, 2015	Redemptions	Balance December 31, 2015
Capital Projects Fund						
Various purposes	10/18/2012	10/14/2016	2.000 %	\$ 1,907,000	\$ 107,000	\$ 1,800,000

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

Town of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$28,526 were recorded in the fund financial statements in the General Fund. Interest expense of \$30,146 was recorded in the government-wide financial statements.

E. Short-Term Non-Capital Borrowings

	Date of Original Issue	Balance January 1, 2015	Redemptions	Balance December 31, 2015
Revenue Anticipation Note	10/30/2014	\$ 1,000,000	\$ 1,000,000	\$ -

The Town, on October 30, 2014, issued a revenue anticipation note payable. The note, in the amount of \$1 million was satisfied on April 30, 2015 with interest at 2.010%. The \$1 million proceeds were in anticipation of the receipt of proceeds from the sale of Town owned property that is no longer required for public use. Interest expenditures of \$10,050 were recorded in the General Fund. Interest expense of \$6,700 was recorded in the government-wide financial statements.

F. Long-Term Indebtedness

The following table summarizes changes in the primary governments and component unit's long-term indebtedness for the year ended December 31, 2015:

	Balance, as Reported January 1, 2015	Cumulative Effect of Change in Accounting Principle	Balance, as Restated December 31, 2015	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2015	Due Within One Year
Bonds Payable	\$ 430,000	\$ -	\$ 430,000	\$ -	\$ 65,000	\$ 365,000	\$ 70,000
Compensated Absences	134,675	-	134,675	47,364	13,000	169,039	17,000
Net Pension Liability	-	90,526	90,526	-	22,849	67,677	-
Other Post Employment Benefit Obligations Payable	662,997	-	662,997	205,155	151,969	716,183	-
	<u>\$ 1,227,672</u>	<u>\$ 90,526</u>	<u>\$ 1,318,198</u>	<u>\$ 252,519</u>	<u>\$ 252,818</u>	<u>\$ 1,317,899</u>	<u>\$ 87,000</u>

Each governmental fund's liability for compensated absences, net pension liability and other post employment benefit obligations payable is liquidated primarily by the General Fund. The Town's indebtedness for bonds is satisfied by the General Fund.

Bonds Payable

Bonds payable at December 31, 2015 are comprised of the following individual issue:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2015
Rye Town Park Roof Renovations	2010	\$ 658,000	February, 2020	4.25 %	\$ 365,000

Town of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$15,668 was recorded in the General Fund fund financial statements. Interest expense of \$14,797 was recorded in the government-wide financial statements.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2015, including interest payments of \$37,856 are as follows:

Year Ended December 31,	Principal	Interest
2016	\$ 70,000	\$ 13,300
2017	70,000	10,587
2018	75,000	7,688
2019	75,000	4,687
2020	75,000	1,594
	<u>\$ 365,000</u>	<u>\$ 37,856</u>

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

Compensated Absences

The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. Vacation time earned by CSEA employees is paid out at separation. CSEA employees, who have completed at least five (5) years of service, can also receive payment for any unused sick leave credits up to 65 days. The value of this accumulated time is payable upon separation of service. The value of all compensated absences has been reflected in the government-wide financial statements.

Pension Plans

New York State and Local Retirement System

The Town participates in the New York State and Local Employees' Retirement System ("ERS") ("System"). The System is a 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 Town 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

Town of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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 2016 are as follows:

	<u>Tier/Plan/Option</u>	<u>Rate</u>
ERS	1 75I	21.6 %
	4 A15	15.8
	5 A15	13.0

At December 31, 2015, the Town's reported a liability of \$67,677 for its proportionate share of the net pension liability of ERS. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town'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 December 31, 2015, the Town's proportion was .0020033% for ERS. For this first year of implementation, the System reported no change in the allocation percentage measured as of March 31, 2015.

For the year ended December 31, 2015, the Town recognized pension expense in the government-wide financial statements of \$77,380 for ERS. Pension expenditures of \$182,467 for ERS was recorded in the fund financial statements in the General Fund.

At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,167	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	11,755	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	10,530
Town contributions subsequent to the measurement date	141,665	-
	<u>\$ 155,587</u>	<u>\$ 10,530</u>

Town of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

\$141,665 reported as deferred outflows of resources related to ERS, resulting from the Town's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

<u>Year Ended March 31,</u>	<u>ERS</u>
2016	\$ 848
2017	848
2018	848
2019	848

The total pension liability for the March 31, 2015 measurement date was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liabilities to March 31, 2015. The total pension liabilities for the March 31, 2014 measurement date were determined by using an actuarial valuation as of April 1, 2014. Significant actuarial assumptions used in the April 1, 2014 valuation were as follows:

Actuarial cost method	Entry age normal
Inflation	2.7%
Salary scale	4.9% in ERS, 6.0% in PFRS indexed by service
Investment rate of return	7.5% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.4% annually

Annuitant mortality rates are based on the April 1, 2005 - March 31, 2010 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 - March 31, 2010.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice ("ASOP") No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 and 2014 are summarized below.

Town of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38 %	7.30 %
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return Strategies	3	6.75
Opportunistic Portfolio	3	8.60
Real Assets	3	8.65
Bonds and Mortgages	18	4.00
Cash	2	2.25
Inflation Indexed Bonds	2	4.00
	<u>100 %</u>	

The discount rate used to calculate the total pension liability was 7.5%. 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 Town's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Town'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 (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Assumption (7.5%)</u>	<u>1% Increase (8.5%)</u>
Town's proportionate share of the ERS net pension liability (asset)	<u>\$ 451,093</u>	<u>\$ 67,677</u>	<u>\$ (256,022)</u>

Town of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

The components of the net pension liability as of the March 31, 2015 measurement date were as follows:

	<u>ERS</u>
Total pension liability	\$ 164,591,504,000
Fiduciary net position	<u>161,213,259,000</u>
Employers' net pension liability	<u>\$ 3,378,245,000</u>
Fiduciary net position as a percentage of total pension liability	<u>97.9%</u>

Employer contributions to ERS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2015 represent the employer contribution for the period of April 1, 2015 through December 31, 2015 based on prior year ERS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS for the nine months ended December 31, 2015 were \$141,665.

Voluntary Defined Contribution Plan

The Town also offers a defined contribution plan to all non-union employees hired on or after July 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 Town will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Post Employment Benefit Obligations

In addition to providing pension benefits, the Town 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 Town may vary according to length of service. Substantially all of the Town's employees may become eligible for those benefits if they reach normal retirement age while working for the Town.

The Town'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 the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Town of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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

The Town is required to accrue on the government-wide and proprietary fund financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the expected rate of return on the Town'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:

Fiscal Year	Healthcare Inflation Assumption	
	Pre-65 Medical	Post-65 Medical
2016	9.0 %	9.0 %
2017	8.5	8.5
2018	8.0	8.0
2019	7.5	7.5
2020	7.0	7.0
2021	6.5	6.5
2022	6.0	6.0
2023	5.5	5.5
2024+	5.0	5.0

The amortization basis is the level dollar method with an open amortization approach with 23 years remaining in the amortization period. The actuarial assumptions include a 4.5% investment rate of return. The Town currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the projected unit credit method. A separate postemployment benefit plan report is not available.

The number of participants as of December 31, 2015 was as follows:

Active Employees	11
Retired Employees	18
Total	<u>29</u>

Town of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2015	\$ 3,677,354
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 3,677,354</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 1,030,513</u>
UAAL as a Percentage of Covered Payroll	<u>357%</u>
Annual Required Contribution/Annual OPEB Cost	\$ 277,193
Interest on Net OPEB Obligation	29,835
Adjustments to Annual Required Contribution	<u>(101,873)</u>
Annual OPEB Cost	205,155
Contributions Made	<u>(151,969)</u>
Increase in Net OPEB Obligation	53,186
Net OPEB Obligation - Beginning of Year	<u>662,997</u>
Net OPEB Obligation - End of Year	<u>\$ 716,183</u>

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

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 205,155	74.1 %	\$ 716,183
2014	198,161	73.8	662,997
2013	200,781	65.6	611,175

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

G. Revenues and Expenditures

Interfund Transfers

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

Town of Rye, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

	Transfers In
	<u>Capital Projects Fund</u>
<u>Transfers Out</u>	
General Fund	<u>\$ 213,611</u>

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures

H. Net Position

The components of net position are detailed below

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

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

I. Fund Balances

	<u>2015</u>			<u>2014</u>		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Nonspendable						
Long term receivables	\$ 808,947	\$ -	\$ 808,947	\$ 1,122,315	\$ -	\$ 1,122,315
Prepaid expenditures	47,989	-	47,989	57,518	-	57,518
Total Nonspendable	<u>856,936</u>	<u>-</u>	<u>856,936</u>	<u>1,179,833</u>	<u>-</u>	<u>1,179,833</u>
Assigned						
Subsequent year's expenditures	160,000	-	160,000	170,000	-	170,000
Unassigned	<u>3,098,337</u>	<u>(1,613,343)</u>	<u>1,484,994</u>	<u>2,041,994</u>	<u>(1,371,847)</u>	<u>670,147</u>
Total Fund Balances	<u>\$ 4,115,273</u>	<u>\$ (1,613,343)</u>	<u>\$ 2,501,930</u>	<u>\$ 3,391,827</u>	<u>\$ (1,371,847)</u>	<u>\$ 2,019,980</u>

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.

Long-term receivables represents funds set aside to indicate the long-term nature of taxes receivable collected for other governments. These funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Town of Rye, New York

Notes to Financial Statements (Concluded)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Prepaid expenditures has been established to account for payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Subsequent year's expenditures represent that at December 31, 2015, the Town Board has assigned the above amounts to be appropriated from the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned. Unassigned fund balance in the Capital Projects Fund represent the deficit balance in the projects.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town, in common with other municipalities, receives numerous notices of claims for money damages occurring from false arrest, property damage or personal injury. All of the claims currently pending have been referred to the insurance carrier and none are expected to have a material effect on the Town's financial position, if adversely settled.

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the Town if existing assessment rolls are modified based upon the outcome of the litigation proceedings. However, the amount of possible refunds cannot be determined at the present time. Any refunds resulting from adverse settlements will be funded in the year in which the payments are made.

B. Risk Management

The Town purchases various insurance coverages to reduce its exposure to loss. The Town maintains general liability and public entity management liability insurance coverage, with policy limits of \$2 million. The Town also maintains an umbrella policy which provides coverage up to \$10 million. Workers' compensation is secured with statutory coverages. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Town also purchases conventional health insurance from various providers.

C. Contingencies

The Town participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, to be immaterial.

Town of Rye, 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				
January 1, 2015	\$ -	\$ 3,677,354	\$ 3,677,354	- %	\$ 1,030,513	356.85 %
January 1, 2014	-	3,563,059	3,563,059	-	1,004,902	354.57
January 1, 2013	-	3,625,607	3,625,607	-	1,051,275	344.88

Town of Rye, New York

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

	<u>2015</u>
Town's proportion of the net pension liability (asset)	<u>0.0020033%</u>
Town's proportionate share of the net pension liability (asset)	<u>\$ 67,677</u>
Town's covered employee payroll	<u>\$ 868,846</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	<u>7.79%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>97.90%</u>

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

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Town of Rye, New York

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

	<u>2015</u>
Contractually required contribution	\$ 188,856
Contributions in relation to the contractually required contribution	<u>(188,856)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Town's covered employee payroll	<u>\$ 888,467</u>
Contributions as a percentage of covered-employee payroll	<u>21.26%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

(This page intentionally left blank)

Town of Rye, New York

General Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 5,525,234	\$ 10,091,816
Taxes receivable		
Town, County and Village taxes	342,599	449,705
School districts taxes	50,317,143	46,619,344
Tax liens	2,896,348	2,862,610
Property acquired for taxes	234,074	370,305
	<u>53,790,164</u>	<u>50,301,964</u>
Allowance for uncollectible taxes	(234,074)	(370,305)
	<u>53,556,090</u>	<u>49,931,659</u>
Other receivables		
Accounts, net of allowance of \$41,187 in 2015	-	41,187
Due from other governments	49,457	396,144
	<u>49,457</u>	<u>437,331</u>
Prepaid expenditures	<u>47,989</u>	<u>57,518</u>
Total Assets	<u>\$ 59,178,770</u>	<u>\$ 60,518,324</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 389,555	\$ 231,588
Revenue anticipation notes payable	-	1,000,000
Due to other funds	48,238	535,153
Due to other governments	54,625,704	55,359,756
	<u>55,063,497</u>	<u>57,126,497</u>
Fund balance		
Nonspendable	856,936	1,179,833
Assigned	160,000	170,000
Unassigned	3,098,337	2,041,994
	<u>4,115,273</u>	<u>3,391,827</u>
Total Fund Balance	<u>4,115,273</u>	<u>3,391,827</u>
Total Liabilities and Fund Balance	<u>\$ 59,178,770</u>	<u>\$ 60,518,324</u>

Town of Rye, New York

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

2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 265,445	\$ 265,445	\$ 401,685	\$ 136,240
Other tax items	1,240,000	1,240,000	1,183,123	(56,877)
Departmental income	281,000	281,000	271,142	(9,858)
Use of money and property	30,000	30,000	14,607	(15,393)
Fines and forfeitures	90,000	90,000	111,884	21,884
State aid	973,500	973,500	1,197,484	223,984
Miscellaneous	75,000	75,000	133,094	58,094
Total Revenues	2,954,945	2,954,945	3,313,019	358,074
EXPENDITURES				
Current				
General government support	1,852,321	1,852,321	1,786,640	65,681
Transportation	7,500	7,500	3,159	4,341
Culture and recreation	260,600	260,600	242,946	17,654
Home and community services	49,000	49,000	20,099	28,901
Employee benefits	629,200	629,200	584,288	44,912
Debt service				
Principal	65,000	65,000	65,000	-
Interest	54,324	54,324	54,244	80
Total Expenditures	2,917,945	2,917,945	2,756,376	161,569
Excess (Deficiency) of Revenues Over Expenditures	37,000	37,000	556,643	519,643
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	-	-
Transfers out	(207,000)	(207,000)	(213,611)	(6,611)
Total Other Financing Sources (Uses)	(207,000)	(207,000)	(213,611)	(6,611)
Net Change in Fund Balance	(170,000)	(170,000)	343,032	513,032
FUND BALANCE				
Beginning of Year, as reported	170,000	170,000	3,391,827	3,221,827
Prior Period Adjustment	-	-	380,414	380,414
Beginning of Year, as restated	170,000	170,000	3,772,241	3,602,241
End of Year	\$ -	\$ -	\$ 4,115,273	\$ 4,115,273

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 300,659	\$ 300,659	\$ 370,037	\$ 69,378
875,000	875,000	869,816	(5,184)
280,000	280,000	262,107	(17,893)
68,000	68,000	55,732	(12,268)
125,000	125,000	84,307	(40,693)
1,037,000	1,037,000	954,312	(82,688)
50,000	50,000	158,391	108,391
<u>2,735,659</u>	<u>2,735,659</u>	<u>2,754,702</u>	<u>19,043</u>
1,819,099	1,819,099	1,940,743	(121,644)
7,500	7,500	3,101	4,399
268,200	268,200	252,958	15,242
8,000	8,000	27,155	(19,155)
650,300	650,300	553,210	97,090
130,000	130,000	130,000	-
52,560	52,560	52,372	188
<u>2,935,659</u>	<u>2,935,659</u>	<u>2,959,539</u>	<u>(23,880)</u>
<u>(200,000)</u>	<u>(200,000)</u>	<u>(204,837)</u>	<u>(4,837)</u>
1,500,000	1,500,000	1,813,694	313,694
(525,000)	(525,000)	(773,428)	(248,428)
<u>975,000</u>	<u>975,000</u>	<u>1,040,266</u>	<u>65,266</u>
<u>775,000</u>	<u>775,000</u>	<u>835,429</u>	<u>60,429</u>
(775,000)	(775,000)	2,556,398	3,331,398
-	-	-	-
<u>(775,000)</u>	<u>(775,000)</u>	<u>2,556,398</u>	<u>3,331,398</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,391,827</u>	<u>\$ 3,391,827</u>

Town of Rye, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended December 31, 2015
 (With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
REAL PROPERTY TAXES	\$ 265,445	\$ 265,445	\$ 401,685	\$ 136,240	\$ 370,037
OTHER TAX ITEMS					
Interest and penalties on real property taxes	800,000	800,000	877,728	77,728	788,152
Payment in lieu of taxes	40,000	40,000	8,241	(31,759)	81,664
Gain on sale of tax acquired property	400,000	400,000	297,154	(102,846)	-
	<u>1,240,000</u>	<u>1,240,000</u>	<u>1,183,123</u>	<u>(56,877)</u>	<u>869,816</u>
DEPARTMENTAL INCOME					
Crawford Park fees	75,000	75,000	57,163	(17,837)	55,143
Tax Collections fees	185,000	185,000	185,333	333	182,079
Town Clerk fees	21,000	21,000	28,646	7,646	24,885
	<u>281,000</u>	<u>281,000</u>	<u>271,142</u>	<u>(9,858)</u>	<u>262,107</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	30,000	30,000	14,607	(15,393)	15,212
Rental of real property	-	-	-	-	40,520
	<u>30,000</u>	<u>30,000</u>	<u>14,607</u>	<u>(15,393)</u>	<u>55,732</u>
FINES AND FORFEITURES					
Fines and forfeited bail	90,000	90,000	111,884	21,884	84,307
STATE AID					
Per capita	323,500	323,500	321,516	(1,984)	345,499
Mortgage tax	650,000	650,000	851,371	201,371	608,813
Other	-	-	24,597	24,597	-
	<u>973,500</u>	<u>973,500</u>	<u>1,197,484</u>	<u>223,984</u>	<u>954,312</u>

MISCELLANEOUS

Election costs reimbursement

Other

	-	-	7,080	7,080	-
	<u>75,000</u>	<u>75,000</u>	<u>126,014</u>	<u>51,014</u>	<u>158,391</u>
	<u>75,000</u>	<u>75,000</u>	<u>133,094</u>	<u>58,094</u>	<u>158,391</u>
TOTAL REVENUES	2,954,945	2,954,945	3,313,019	358,074	2,754,702
OTHER FINANCING SOURCES					
Sale of property	-	-	-	-	<u>1,813,694</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 2,954,945</u>	<u>\$ 2,954,945</u>	<u>\$ 3,313,019</u>	<u>\$ 358,074</u>	<u>\$ 4,568,396</u>

Town of Rye, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
GENERAL GOVERNMENT SUPPORT					
Auditor	\$ 27,500	\$ 27,500	\$ 51,500	\$ (24,000)	\$ 47,500
Assessment	495,337	495,337	458,070	37,267	423,856
Clerk	157,068	157,068	151,291	5,777	146,167
Central communications	21,900	21,900	25,684	(3,784)	24,557
Executive	140,125	140,125	188,958	(48,833)	154,828
Elections	18,750	18,750	18,936	(186)	20,782
Finance	88,070	88,070	73,725	14,345	71,398
Judicial	237,860	237,860	237,015	845	187,581
Law	137,140	137,140	139,159	(2,019)	155,792
Legislative Board	17,400	17,400	16,662	738	33,025
Operation of building	47,025	47,025	62,743	(15,718)	88,073
Special items	63,500	63,500	27,286	36,214	7,137
Public information	20,500	20,500	3,654	16,846	12,931
Tax collection	227,646	227,646	230,829	(3,183)	211,938
Unallocated insurance	62,500	62,500	59,941	2,559	93,595
Guarantee of School and Village taxes	-	-	-	-	261,583
Bad debt expenditures	-	-	41,187	(41,187)	-
Contingency	90,000	90,000	-	90,000	-
	<u>1,852,321</u>	<u>1,852,321</u>	<u>1,786,640</u>	<u>65,681</u>	<u>1,940,743</u>
TRANSPORTATION					
Highway	7,500	7,500	3,159	4,341	3,101
CULTURE AND RECREATION					
Parks	194,100	194,100	216,954	(22,854)	192,362
Celebrations	4,500	4,500	7,500	(3,000)	6,000
Rye Town Park	62,000	62,000	18,492	43,508	54,596
	<u>260,600</u>	<u>260,600</u>	<u>242,946</u>	<u>17,654</u>	<u>252,958</u>
HOME AND COMMUNITY SERVICES					
Model American Community	49,000	49,000	20,099	28,901	27,155

EMPLOYEE BENEFITS

Employees' retirement	165,000	165,000	182,467	(17,467)	113,151
Social security	73,500	73,500	77,606	(4,106)	77,520
Hospitalization, medical and dental insurance	360,400	360,400	292,595	67,805	335,563
Life insurance	2,300	2,300	1,660	640	1,653
Disability insurance	1,000	1,000	-	1,000	-
Workers' compensation	17,000	17,000	29,960	(12,960)	24,833
Unemployment benefits	10,000	10,000	-	10,000	490
	<u>629,200</u>	<u>629,200</u>	<u>584,288</u>	<u>44,912</u>	<u>553,210</u>

DEBT SERVICE

Principal					
Serial bonds	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>	<u>130,000</u>
Interest					
Serial bonds	15,669	15,669	15,668	1	20,461
Revenue anticipation note	10,050	10,050	10,050	-	-
Bond anticipation note	<u>28,605</u>	<u>28,605</u>	<u>28,526</u>	<u>79</u>	<u>31,911</u>
	<u>54,324</u>	<u>54,324</u>	<u>54,244</u>	<u>80</u>	<u>52,372</u>
	<u>119,324</u>	<u>119,324</u>	<u>119,244</u>	<u>80</u>	<u>182,372</u>

41

TOTAL EXPENDITURES

	<u>2,917,945</u>	<u>2,917,945</u>	<u>2,756,376</u>	<u>161,569</u>	<u>2,959,539</u>
--	------------------	------------------	------------------	----------------	------------------

OTHER FINANCING USES

Transfers out					
Capital Projects Fund	<u>207,000</u>	<u>207,000</u>	<u>213,611</u>	<u>(6,611)</u>	<u>773,428</u>

TOTAL EXPENDITURES AND OTHER FINANCING USES

	<u>\$ 3,124,945</u>	<u>\$ 3,124,945</u>	<u>\$ 2,969,987</u>	<u>\$ 154,958</u>	<u>\$ 3,732,967</u>
--	---------------------	---------------------	---------------------	-------------------	---------------------

Town of Rye, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 138,419	\$ -
Accounts receivable	108,076	-
Due from other funds	<u>48,238</u>	<u>535,153</u>
 Total Assets	 <u>\$ 294,733</u>	 <u>\$ 535,153</u>
 LIABILITIES AND FUND DEFICIT		
Liabilities		
Bond anticipation notes payable	\$ 1,800,000	\$ 1,907,000
Unearned revenues	<u>108,076</u>	<u>-</u>
 Total Liabilities	 <u>1,908,076</u>	 <u>1,907,000</u>
 Fund deficit		
Unassigned	<u>(1,613,343)</u>	<u>(1,371,847)</u>
 Total Liabilities and Fund Deficit	 <u>\$ 294,733</u>	 <u>\$ 535,153</u>

Town of Rye, New York

Capital Projects Fund

Comparative Statement of Revenues, Expenditures and Changes

in Fund Balance

Years Ended December 31,

	<u>2015</u>	<u>2014</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Capital outlay	<u>455,107</u>	<u>691,816</u>
Deficiency of Revenues Over Expenditures	(455,107)	(691,816)
Other Financing Sources		
Transfers in	<u>213,611</u>	<u>773,428</u>
Net Change in Fund Balance	(241,496)	81,612
FUND DEFICIT		
Beginning of Year	<u>(1,371,847)</u>	<u>(1,453,459)</u>
End of Year	<u><u>\$ (1,613,343)</u></u>	<u><u>\$ (1,371,847)</u></u>