FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

VILLAGE OF NYACK, NEW YORK
For the Year Ended May 31, 2017

Audited for:
The Mayor and Members of the Board of Trustees
VILLAGE OF NYACK, NEW YORK

Audited By:
RBT CPAs, LLP
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Newburgh, New York 12550
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To the Mayor and
Members of the Village Board of Trustees
Village of Nyack, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Village of Nyack, New York as of and for the year ended May 31, 2017, and the related notes to the financial statements, which collectively comprise the Village of Nyack, New York'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 did not audit the financial statements of the Nyack Housing Authority (a component unit), which represents 27% and 29%, respectively, of the assets and revenues of the Component Units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for such component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's 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.

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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.

Basis for Qualified Opinion on Governmental Activities

The Statement of Net Position does not include a liability for the Village's postemployment health insurance benefits and the Statement of Activities does not include an expense related to postemployment health insurance benefits earned and expensed for the year ended May 31, 2017. Accounting principles generally accepted in the United States of America require that the government wide financial statements include a liability and expense for postemployment health insurance benefits calculated and disclosed in accordance with Government Accounting Standards Board Statement No. 45 and that the required supplementary information include a Schedule of Finding Progress – Other Postemployment Benefits. Further, we were unable to obtain sufficient audit evidence pertaining to fixed assets. The amount by which these departures could affect the statement of net position and statement of activities has not been determined.

Qualified Opinion on Governmental Activities

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements of the governmental activities present fairly, in all material respects, the respective financial position of the governmental activities of the Village of Nyack, New York, as of May 31, 2017, and the changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of the Village of Nyack, New York, as of May 31, 2017, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-8, the Budgetary Comparison information on page 46, and the Schedule of the Proportionate Share of the Net Pension Liability and Schedule of Contributions on pages 47 and 48, 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Nyack, New York's basic financial statements. The Village of Nyack Parking Authority's statement of net position, statement of activities and cash flows are presented for purposes of additional analysis. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* These statements and schedules are not a required part of the basic financial statements.

The Village of Nyack's Parking Authority financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 Village of Nyack Parking Authority statements of net position, activities and cash flows, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2018, on our consideration of the Village of Nyack, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Nyack, New York's internal control over financial reporting and compliance.

RBT CPAs, LLP

Newburgh, New York
July 27, 2018

INTRODUCTION

This discussion and analysis of the Village of Nyack, New York's ("Village") financial statements provides an overview of the financial activities of the Village of Nyack for the fiscal year ended May 31, 2017. Please read the discussion and analysis in conjunction with the basic financial statements and the accompanying notes to those statements which immediately follows this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2017

For the year ended May 31, 2017 the Village implemented the provisions of the Governmental Accounting Standards Board ("GASB") Statement No. 68 "Accounting and Financial Reporting for Pensions". This pronouncement established new accounting and financial reporting requirements associated with the Village's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System ("ERS"). At May 31, 2017, the Village reported in its Statement of Net Position a liability of $894,382 for its proportionate share of the ERS net pension liabilities. More detailed information about the Village's pension plan reporting in accordance with the provisions of the 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.

As of the close of the fiscal year 2017, the Village's governmental funds reported combined ending fund balance of $2,475,908. Exclusive of the Capital Projects Fund, the combined ending fund balances was $3,236,817. Of this latter amount the unassigned fund balance was $2,088,888 or 65% of the total fund balance. This amount is available for spending at the discretion of the Board of Trustees.

At the end of the current fiscal year, unassigned fund balance for the General Fund was $2,088,888 or 37% of total General Fund expenditures and other financing uses. The General Fund reported a total ending fund balance of $2,088,888 on May 31, 2017 which represents an increase of $52,028 from the fiscal year 2016.

During the 2017 fiscal year, the Village had payments of $697,500 of general obligation debt. The Village's total outstanding general obligation bonds payable at May 31, 2017 totaled $4,860,000.

The Water Fund reported a total ending fund balance of $1,147,929 a decrease of $43,886 from the prior year. It is important to note that effective June 1, 2015 the Water Fund changed its accounting method from the Enterprise Fund to a Governmental Fund.

The Capital Projects Fund reported an ending fund deficit balance of $760,909, a decrease of $852,231 from the fiscal year 2016. There was $2,007,092 expended during the year end May 31, 2017 on capital projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Village's financial statements are composed of this Management's Discussion and Analysis ("MD&A") and the basic financial statements. This discussion and analysis serves as an introduction to the basic financial statements. The MD&A provides analysis and overview of the Village's financial activities. The basic financial statements include three components: 1) Government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also includes other supplementary information as listed in the table of contents.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government-wide financial statements* are presented in a manner similar to private-sector business financial statements. The statements are prepared using the accrual basis of accounting. The government-wide financial statements include two statements; Statement of Net Position and Statement of Activities. Fiduciary activities, the resources from which are not available to fund the Village's programs, are excluded from these statements.

The *Statement of Net Position* presents the Village's total assets and deferred inflows/outflows of resources and liabilities with the difference 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 showing the change in the Village's net position during the current fiscal year. All revenues and expenses 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 result in cash flows from future fiscal periods such as uncollected taxes and earned but unused vacation and sick leave. The focus of this statement is on the net cost of providing various services to the citizens of the Village.

The government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues *("governmental activities")* The governmental activities of the Village include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

FUND FINANCIAL STATEMENTS

A fund is an accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances/net position, revenues, and expenditures/expenses. Government resources are allocated to and accounted for in an individual fund based upon the purpose for which they are to be spent and means by which spending activities are controlled. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary 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 funds focus on *near-term inflows* and *outflows* of *spendable resources* as well as on *balances of spendable resources* at the end of the fiscal year. This information is useful in determining the Village's financing requirements for the subsequent fiscal period. Governmental funds use the modified accrual basis of accounting which measures the current flow of financial resources.

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. From this comparison, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the government fund balance sheet and the government fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The village adopts a budget for General and Water funds. A budgetary comparison statement has been provided for the General and Water funds within the basic financial statements to demonstrate compliance with the respective budgets.

Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are *not* reflected in the government-wide financial statements because the assets of these funds are *not* available to support the activities of the Village. Trust and Agency Funds - are used to account for money and/or property held in the capacity of a trustee, custodian or agent. These include expendable trusts, non-expendable trusts and agency funds.

NOTES TO FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the date provided in the government-wide and fund financial statements. The notes can be found following the basic financial statements section in this report.

OTHER INFORMATION

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the combining statements for the non-major governmental funds and schedules of budget to actual comparisons. Also included are financials for the Housing Authority and the Parking Authority. They are both separate legal entities from the Village, but the Village is ultimately financially accountable for the Authorities.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Following is the summary of the Village's Statement of Net Position:

	2017	2016
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets:		
Non-capital	$ 6,612,089	$ 4,366,934
Capital	9,748,377	8,761,299
	16,360,466	13,128,233
Deferred outflows of resources	551,099	106,356
Total assets and deferred outflows of resources	$ 16,911,565	$ 13,234,589
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Liabilities:		
Current	$ 4,783,944	$ 3,272,536
Non-current	5,543,939	5,662,382
	10,327,883	8,934,918
Deferred outflows of resources	203,822	-
Net position:		
Net investment in capital assets	1,563,377	2,633,564
Unrestricted	4,816,483	1,666,107
	6,379,860	4,299,671
Total liabilities, deferred inflows of resources and net position	$ 16,911,565	$ 13,234,589

Following is the summary of the Village's Statement of Activities:

	2017	2016
Revenues		
Program revenues		
Charges for services	$ 4,764,775	$ 5,124,872
Operating grants and contributions	142,133	
Capital grants and contributions	1,224,852	-
General Revenues		
Property taxes	3,446,521	3,436,844
Other taxes	411,598	258,926
Federal and state aid	113,815	2,146,841
Investment earnings	7,114	6,392
Other revenue	166,775	721,151
Total revenues	10,277,583	11,695,026
Expenses		
Program		
General government and support	2,280,471	2,331,823
Public safety	637,736	370,409
Health	9,189	6,323
Transportation	1,555,849	726,135
Economic assistance and oppurtunity	55,835	-
Culture and recreation	265,379	577,029
Home and community service	4,650,948	4,234,779
Debt Service	231,695	178,156
Total expenses	9,687,102	8,424,654
Change in net position	590,481	3,270,372
Net position, beginning of year, as previously stated	4,299,671	1,029,299
Prior period adjustments	1,489,708	-
Net position - beginning, as adjusted	5,789,379	1,029,299
Net position, end of year	$ 6,379,860	$ 4,299,671

Governmental Funds

GENERAL FUND

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, the total fund balance in the General Fund was $2,088,088. Of this amount, $2,088,888 was unassigned.

CAPITAL ASSETS

The Village's net investment in capital assets for its governmental activities as of May 31, 2017, amounted to $5,190,851. This investment in capital assets includes land, buildings and improvements, machinery and equipment and infrastructure, net of accumulated depreciation and associated debt. Additional information on the Village's capital assets can be found in Note C of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the Village had total bonded debt outstanding of $4,860,000. The Village's general obligation bonded debt decreased by payments of $697,500. All of this debt is backed by the full faith and credit of the Village.

Additional information on the Village's long-term debt can be found in Note E of this report.

REQUEST FOR INFORMATION

This Management's Discussion and Analysis 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 Jennifer Hetling, Village Treasurer, 9 North Broadway, Nyack, New York 10960.

STATEMENT OF NET POSITION

For the Year Ended May 31, 2017

	GOVERNMENTAL ACTIVITIES	COMPONENT UNITS
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and cash equivalents	$ 2,204,596	$ 770,743
Receivables (net)	4,407,493	173,805
Prepaid expenses	-	146,330
Inventories (net)	-	10,000
Investments	-	2,054,113
Total current assets	6,612,089	3,154,991
Capital Assets:		
Land	1,896,114	235,443
Infrastructure, net of depreciation	1,940,603	-
Buildings, improvements, machinery and equipment, net of depreciation	4,165,961	3,254,300
Construction in process	1,745,699	-
Total capital assets (Note C)	9,748,377	3,489,743
DEFERRED OUTFLOWS OF RESOURCES (Note F)	551,099	295,982
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 16,911,565	$ 6,940,716
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities:		
Accounts payable	$ 362,590	$ 144,737
Accrued liabilities	213,749	63,114
Other liabilities	80,875	1,617,454
Collections in advance	90,000	15,793
Bond anticipation notes payable	3,325,000	35,915
Current portion of long-term liabilities:		
Bond interest payable	61,730	-
Bonds payable (Note E)	650,000	-
Total current liabilities	4,783,944	1,877,013
Non-Current Liabilities:		
Compensated absences (Note A5E)	439,557	64,000
Bonds payable (Note E)	4,210,000	-
Net pension liability - ERS (Note F)	894,382	260,138
Other postemployment benefits	-	63,622
Total non-current liabilities	5,543,939	387,760
Total Liabilities	10,327,883	2,264,773
DEFERRED INFLOWS OF RESOURCES (Note F)	203,822	61,840
NET POSITION		
Net investment in capital assets	1,563,377	3,440,717
Restricted	-	51,495
Unrestricted	4,816,483	1,121,891
Total Net Position	6,379,860	4,614,103
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 16,911,565	$ 6,940,716

See notes to the financial statements

VILLAGE OF NYACK, NEW YORK

STATEMENT OF ACTIVITIES

For the Year Ended May 31, 2017

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: GOVERNMENTAL ACTIVITIES	COMPONENT UNITS
Governmental Activities:						
General government support	$ 2,280,471	$ 1,350	$ 142,133	112,989	$ (2,023,999)	$ -
Public safety	637,736	142,105	-	-	(495,631)	-
Health	9,189	47,835	-	-	38,646	-
Transportation	1,555,849	5,500	-	90,624	(1,459,725)	-
Economic assistance and opportunity	55,835	-	-	-	(55,835)	-
Culture and recreation	265,379	4,959	-	967,487	707,067	-
Home and community services	4,650,948	4,563,026	-	53,752	(34,170)	-
Interest on long-term debt	231,695	-	-	-	(231,695)	-
Total Governmental Activities	$ 9,687,102	$ 4,764,775	$ 142,133	$ 1,224,852	(3,555,342)	-
Component Units:						
Nyack Housing Authority	4,059,158	1,437,776	2,202,569	1,038,650	-	619,837
Parking Authority	1,202,211	1,243,630	-	-	-	41,419
Total component units	$ 5,261,369	$ 2,681,406	$ 2,202,569	$ 1,038,650	-	661,256
			General revenues			
			Taxes:			
			Real property taxes		3,446,521	-
			Real property tax items		14,615	-
			Non property tax items		251,102	-
			Franchise and utility taxes		145,881	-
			Grants and contributions not restricted to specific programs:			
			State aid - mortgage tax		113,815	-
			Earning on investments		7,114	10,835
			Licenses and permits		53,505	-
			Gain on sale of property and compensation for loss		67,366	-
			Miscellaneous		45,904	115,913
			Total general revenues		4,145,823	126,748
			Change in net position		590,481	788,004
			Net position - beginning, as reported		4,299,671	3,851,863
			Prior period adjustments (Note I)		1,489,708	(25,764)
			Net position - beginning, as adjusted		5,789,379	3,826,099
			Net position - ending		$ 6,379,860	$ 4,614,103

See notes to the financial statements

BALANCE SHEET
GOVERNMENTAL FUNDS

As of May 31, 2017

	GENERAL FUND	WATER FUND	CAPITAL PROJECTS FUND	TOTAL FUNDS
ASSETS				
Cash and cash equivalents	$ 323,471	$ 540,061	$ 1,341,064	$ 2,204,596
Receivables:				
Other	59,842	-	-	59,842
Charges for services	-	959,357	-	959,357
Due from other funds (Note B)	1,832,918	-	1,338,332	3,171,250
Due from other governments	116,371	-	-	116,371
Due from related party (Note G)	1,528,951	-	-	1,528,951
Federal and state aid receivable	-	-	1,742,972	1,742,972
Total assets	$ 3,861,553	$ 1,499,418	$ 4,422,368	$ 9,783,339
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	$ 182,892	$ 92,985	$ 86,713	$ 362,590
Accrued liabilities	173,792	103,924	-	277,716
Other liabilities	77,649	-	3,226	80,875
Bond anticipation notes payable	-	-	3,325,000	3,325,000
Deferred revenue	-	90,000	-	90,000
Due to other funds (Note B)	1,338,332	64,580	1,768,338	3,171,250
Total liabilities	1,772,665	351,489	5,183,277	7,307,431
FUND EQUITY				
Fund balance (deficit):				
Assigned	-	1,147,929	-	1,147,929
Unassigned	2,088,888	-	(760,909)	1,327,979
Total fund equity	2,088,888	1,147,929	(760,909)	2,475,908
Total liabilities and fund equity	$ 3,861,553	$ 1,499,418	$ 4,422,368	$ 9,783,339

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

As of May 31, 2017

	Total Governmental Funds	Long-Term Assets and Liabilities	Reclassifications and Eliminations	Statement of Net Position
ASSETS				
Cash and cash equivalents	$ 2,204,596	$ -	$ -	$ 2,204,596
Receivables:				
Charges for services	959,357	-		959,357
Other	59,842	-	-	59,842
Due from other funds	3,171,250	-	(3,171,250)	-
Due from other governments	116,371	-	-	116,371
State and federal aid receivable	1,742,972	-	-	1,742,972
Due from related party	1,528,951	-	-	1,528,951
Capital assets	-	9,748,377	-	9,748,377
Deferred outflows of resources	-	551,099	-	551,099
Total assets and deferred outflows of resources	$ 9,783,339	$ 10,299,476	$ (3,171,250)	$ 16,911,565
LIABILITIES				
Accounts payable	$ 362,590	$ -	$ -	$ 362,590
Accrued liabilities	277,716	(63,967)	-	213,749
Other liabilities	80,875	-	-	80,875
Bond anticipation notes payable	3,325,000	-	-	3,325,000
Due to other funds	3,171,250	-	(3,171,250)	-
Deferred revenues	90,000	-	-	90,000
Compensated absence liabilities	-	439,557	-	439,557
Bond interest payable	-	61,730	-	61,730
Bonds payable	-	4,860,000	-	4,860,000
Net employee retirement system liability	-	894,382	-	894,382
Deferred inflows of resources	-	203,822	-	203,822
Total liabilities and deferred inflows of resources	7,307,431	6,395,524	(3,171,250)	10,531,705
Total fund balances	2,475,908	3,903,952	-	6,379,860
Total liabilities, deferred inflows of resources, and fund balances	$ 9,783,339	$ 10,299,476	$ (3,171,250)	$ 16,911,565

See notes to the financial statements

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended May 31, 2017

	GENERAL FUND	WATER FUND	PROJECTS FUND	TOTAL FUNDS
REVENUES				
Real property taxes	$ 3,446,521	$ -	$ -	$ 3,446,521
Real property tax items	14,615	-	-	14,615
Non property tax items	396,983	-	-	396,983
Departmental income	1,042,792	3,634,898	125	4,677,815
Use of money and property	6,799	315	-	7,114
Licenses and permits	53,505	-	-	53,505
Fines and forfeitures	86,960	-	-	86,960
Sale of property and compensation for loss	67,366	-	-	67,366
Miscellaneous local sources	10,310	35,586	8	45,904
State and federal aid	384,949	-	1,095,851	1,480,800
Total revenues	5,510,800	3,670,799	1,095,984	10,277,583
EXPENDITURES				
General government support	1,385,520	256,846	67,746	1,710,112
Public safety	402,238	-	-	402,238
Health	5,501	-	-	5,501
Transportation	848,592	-	552,257	1,400,849
Economic assistance and opportunity	43,447	-	-	43,447
Culture and recreation	366,906	-	1,386,938	1,753,844
Home and community services	604,162	2,348,949	151	2,953,262
Employee benefits	1,264,080	720,874	-	1,984,954
Debt service	701,449	166,016	-	867,465
Total expenditures	5,621,895	3,492,685	2,007,092	11,121,672
Excess of revenues over/(under) expenditures	(111,095)	178,114	(911,108)	(844,089)
Other financing sources/(uses):				
Operating transfers in	222,000	-	410,581	632,581
Operating transfers out	(58,877)	(222,000)	(351,704)	(632,581)
Total other financing sources/(uses)	163,123	(222,000)	58,877	-
Excess (deficiency) of revenue and other sources over expenditures and other uses	52,028	(43,886)	(852,231)	(844,089)
Fund Balance, May 31, 2016, as Reported	1,943,251	656,476	(819,032)	1,780,695
Prior Period Adjustment (Note H)	93,609	535,339	910,354	1,539,302
Restated Fund Balance - May 31, 2016	2,036,860	1,191,815	91,322	3,319,997
Fund Balance, May 31, 2017	$ 2,088,888	$ 1,147,929	$ (760,909)	$ 2,475,908

See notes to the financial statements

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended May 31, 2017

	Total Governmental Funds	Long-Term Revenue and Expenses	Capital Related Items	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Activities
REVENUES						
Real property taxes	$ 3,446,521	$ -	$ -	$ -	$ -	$ 3,446,521
Real property tax items	14,615	-	-	-	-	14,615
Non property tax items	396,983	-	-	-	-	396,983
Departmental income	4,677,815	-	-	-	-	4,677,815
Use of money and property	7,114	-	-	-	-	7,114
Licenses and permits	53,505	-	-	-	-	53,505
Fines and forfeitures	86,960	-	-	-	-	86,960
Sale of property and compensation for loss	67,366	-	-	-	-	67,366
Miscellaneous local sources	45,904	-	-	-	-	45,904
State and federal aid	1,480,800	-	-	-	-	1,480,800
Total revenues	10,277,583	-	-	-	-	10,277,583
EXPENDITURES / EXPENSES						
General government support	1,710,112	42,951	72,853	-	454,555	2,280,471
Public safety	402,238	20,329	-	-	215,169	637,736
Health	5,501	314	-	-	3,374	9,189
Transportation	1,400,849	27,981	(169,136)	-	296,155	1,555,849
Economic assistance & opportunity	43,447	1,073	-	-	11,314	55,835
Culture and recreation	1,753,844	1,541	(1,506,282)	-	16,277	265,379
Home and community services	2,953,262	94,089	615,487	-	988,110	4,650,948
Employee benefits	1,984,954	-	-	-	(1,984,954)	-
Debt service	867,465	61,730	-	(697,500)	-	231,695
Total expenditures / expenses	11,121,672	250,008	(987,078)	(697,500)	-	9,687,102
Excess/(deficiency) of revenues over expenditures	(844,089)	(250,008)	987,078	697,500	-	590,481
Other financing sources/(uses):						
Operating transfers in	632,581	-	-	-	(632,581)	-
Operating transfers out	(632,581)	-	-	-	632,581	-
Total financing sources/(uses)	-	-	-	-	-	-
Change in fund balances	$ (844,089)	$ (250,008)	$ 987,078	$ 697,500	$ -	$ 590,481

FIDUCIARY FUND
STATEMENT OF NET POSITION

As of May 31		2017
ASSETS		
Cash and cash equivalents	$	722,083
Total assets	$	722,083
LIABILITIES		
Escrow funds returnable and other liabilities	$	722,083
Total liabilities		722,083
NET POSITION		-
Total liabilities and net position	$	722,083

See notes to the financial statements

NOTE A - Summary of Accounting Policies

The Village of Nyack, New York ("the Village") was established in 1872, 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 Mayor serves as the Chief Executive Officer and the Village Treasurer as the Chief Financial Officer. The Village provides the following services: road maintenance, zoning, building and safety inspection, culture and recreation, home and community services, refuse collection and general administrative services.

The Village's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units (GAAP) and the Uniform System of Accounting as prescribed by the State of New York. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The more significant accounting policies established by GAAP and used by the Village in preparing its government-wide and fund financial statements are discussed below:

1. The 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, the following component units were included in the Village's reporting entity because of their operational or financial relationship with the Village:

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

   Of the seven members who serve as the governing board, five are appointed by the Mayor, which causes the Housing Authority to meet the criteria for inclusion as a component unit. The Housing Authority’s financial information is shown as a discretely presented component unit of the Village. See Note J.

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

NOTE A - Summary of Accounting Policies (Continued)

2. Basic Financial Statements – Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type activities. The Village's parks and recreation, public works, and general administrative services are classified as governmental activities. The Village's water services are also classified as governmental activities since user fees are not intended to cover all costs including depreciation.

In the government-wide Statement of Net Position, the governmental activities columns is presented on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations. The Village's net position is reported in three parts—net investment in capital assets; restricted net position; and unrestricted net position. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and the net cost of each of the Village's functions or activities. The functions are also supported by general government revenues (property and sales taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public works, community and youth services, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs are normally covered by general revenue (property, sales or mortgage taxes, intergovernmental revenues, interest income, etc.). This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

3. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and,

b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

NOTE A - Summary of Accounting Policies (Continued)

3. Basic Financial Statements – Fund Financial Statements (Continued)

The following fund types are used by the Village:

A. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The following is a description of the governmental funds of the Village:

1. **General Fund** is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is considered a major fund and is presented separately.

2. **Water Fund** is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Water Fund is considered a major fund and is presented separately.

3. **Capital Projects Funds** are used to account for financial resources to be used for the acquisition and construction of major capital facilities. The Capital Projects Fund is considered a major fund and is presented separately.

B. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

The Village's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

C. Fund Balance

Fund balance is broken down into five different classifications: non-spendable, restricted, committed, assigned, and unassigned.

Non-spendable consists of assets that are inherently non-spendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.

Restricted consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Board is the decision-making authority that can, prior to the end of the fiscal year, commit fund balance.

NOTE A - Summary of Accounting Policies (Continued)

3. Basic Financial Statements – Fund Financial Statements (Continued)

Assigned consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When resources are available from multiple classifications, the Village spends funds in the following order: restricted, committed, assigned, unassigned.

4. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

A. Accrual

The governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

B. Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the "modified accrual basis" of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; (2) principal and interest on general long-term debt which is recognized when due; and (3) expenditures for inventory-type items which are recognized at the time of purchase.

5. Financial Statement Amounts

A. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposit accounts, time deposit accounts, as well as short-term investments with original maturities of less than three months. The State statutes govern the Village's investment policies. The Village has adopted its own written investment policy which provides for the deposits of funds in FDIC insured commercial banks or trust companies located within the State.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by FDIC. The Village has entered into custodial agreements with the local bank that holds 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.

NOTE A - Summary of Accounting Policies (Continued)

5. Financial Statement Amounts (Continued)

A. Cash and Cash Equivalents

The cash of the Village at May 31, 2017, is as follows:

	GENERAL FUND	WATER FUND	CAPITAL PROJECTS FUND	TOTAL
Total	$ 323,471	$ 540,061	$ 1,341,064	$ 2,204,596

Custodial credit risk is the risk that, in the event of a bank failure, the Village's deposits may not be returned to it. While the Village does not have a specific policy for custodial credit risk, New York State statues govern the Village's investment policies, as discussed previously in these Notes. Governmental Accounting Standards Board Statement No. 40 *Deposit and Investment Risk Disclosure,* directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, or collateralized by securities held by the Village or its agent in the Village's name. The Village's cash balances were fully collateralized with securities held by the Village's third party custodian and were not subject to custodial credit risk.

B. Capital Assets

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Costs associated with capital projects that are not complete are capitalized as construction in progress. No depreciation is recorded until the project is complete and the asset is placed in service. Depreciation on all other assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-40 years
Improvements	15 years
Water Infrastructure	15-50 years
Roads	30 years
Machinery and Equipment	5-25 years

C. 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 outflows and inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the Village's pension plans in Note F.

NOTE A - Summary of Accounting Policies (Continued)

5. Financial Statement Amounts (Continued)

D. 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. 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".

E. Accumulated Compensated Absences

The Village employees are granted sick and vacation leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and unused compensatory absences at various rates, subject to limitation. The Village accrues a liability for future payment of these compensated absences when the following criteria are met:

1. The Village's obligations relating to employees' rights to compensation for future absences are attributable to employee's services already rendered;
2. The obligation relates to rights that vest or accumulate;
3. Payment of the compensation is probable;
4. The amount can be reasonably estimated.

In accordance with the above criteria, the Village has accrued a liability for vacation pay, which has been earned and not taken by Village employees as of May 31, 2017, in the amount of $439,557. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations. It is anticipated that none of these liabilities will be liquidated with expendable available financial resources.

F. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

G. Budgetary Policies

Budgetary policies are as follows:

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

NOTE A - Summary of Accounting Policies (Continued)

5. Financial Statement Amounts (Continued)

H. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed as a control in preventing over expenditure of established appropriations. Open encumbrances are reported as reservations of fund balance since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

I. Postemployment Benefits

The Village provides health insurance coverage to retirees. The premiums are funded on a pay-as-you-go basis. The Village has not calculated nor disclosed the cost of the postemployment health care benefit earned by its employees through the year ended May 31, 2017. This omission is a departure from Governmental Accounting Standards Board Statement No. 45.

J. Property Taxes

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

K. Insurance

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

L. Long-Term Liabilities

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is only reported in the statement of net position as long-term liabilities.

M. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

N. Subsequent Events

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 July 27, 2018.

NOTE B - Interfund Receivables and Payables

The following is a summary of amounts due from and due to other funds, as of May 31, 2017. These interfund balances have been eliminated as part of the aggregation of fund balances. Such balances arise through the use of a pooled cash disbursement account and the temporary funding of capital projects. Interfund receivables and payables as of May 31, 2017 were as follows:

Fund Type	Interfund Receivables	Interfund Payables
General	$ 1,832,918	$ 1,338,332
Capital	1,338,332	1,768,338
Water Fund	-	64,580
TOTALS	$ 3,171,250	$ 3,171,250

NOTE C - Capital Assets

The following is a summary of changes to the capital assets for the year ended May 31, 2017:

	Balance May 31, 2016	Additions	(Disposals)	Balance May 31, 2017
Land	$ 1,896,114	$ -	$ -	$ 1,896,114
Buildings	3,485,015	-	-	3,485,015
Improvements Other Than Buildings	8,558,539	31,814	-	8,590,353
Infrastructure:				
Roads	4,594,720	185,295	-	4,780,015
Water	2,274,909	-	-	2,274,909
Machinery and Equipment	3,588,269	170,923	-	3,759,192
Construction in Progress	-	1,745,699	-	1,745,699
Total Cost	24,397,566	2,133,731	-	26,531,297
Less accumulated depreciation				
Buildings	2,150,650	87,125	-	2,237,775
Improvements Other Than Buildings	5,536,053	573,751	-	6,109,804
Infrastructure:				
Roads	4,177,544	159,334	-	4,336,878
Water	701,613	75,830	-	777,443
Machinery and Equipment	3,070,407	250,613	-	3,321,020
Total Accumulated Depreciation	15,636,267	1,146,653	-	16,782,920
Governmental Activities capital assets, net	$ 8,761,299	$ 987,078	$ -	$ 9,748,377

*Depreciation was charged to governmental activities as follows:

General government support	$ 72,853
Transportation	218,896
Culture and recreation	239,417
Home and community services	615,487
Total depreciation expense	$ 1,146,653

NOTE D – Short Term Debt

Liabilities for bond anticipation notes (BANs) and revenue anticipation notes (RANs) are generally accounted for in the Capital Projects Fund, since maturities cannot exceed one year. Local finance law allows the notes to be renewed, up to five years for capital purposes and up to the period of probable usefulness for assessable improvements, provided that stipulated annual reductions of principal are made.

The bond anticipation notes outstanding as of May 31, 2017, are as follows:

Purpose	Original Issue Date	Maturity Date	Original Amount	Interest Maturity Rate	Outstanding Amount
Marina Improvements	12/16/2016	6/16/2017	$ 600,000	3.54%	$ 600,000
Marina Improvements	2/17/2017	8/17/2017	400,000	3.60%	400,000
Marina Improvements	2/28/2017	8/17/2017	600,000	3.43%	600,000
Public Improvement	4/6/2017	8/17/2017	1,725,000	2.00%	1,725,000
Total					$ 3,325,000

Changes in the revenue anticipation and bond anticipation notes payable as of May 31, 2017, are as follows:

	Balance at May 31, 2016	Additions	Payments	Balance at May 31, 2017
Public Improvements - 2017	$ -	$ 1,725,000	$ -	$ 1,725,000
Marina Improvements - 2017A	-	600,000	-	600,000
Marina Improvements - 2017	-	400,000	-	400,000
Marina Improvements - 2017		600,000	-	600,000
Marina Improvements - RAN 2016	600,000	-	600,000	-
Total	**$ 600,000**	**$ 3,325,000**	**$ 600,000**	**$ 3,325,000**

NOTE E – Long-Term Liabilities

The Village borrows money in order to acquire or construct buildings and public improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are backed by the full faith and credit of the Village, are recorded in the appropriate benefiting fund. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of long-term liabilities.

Serial bonds payable as of May 31, 2017, are recorded as follows:

Payable From	Original Issue Date	Maturity Date	Original Amount	Interest Maturity Rate	Outstanding Amount
Village Marina	9/15/1997	7/1/2017	$ 990,000	5.95%	$ 65,000
Water Systems	1/30/2003	9/1/2032	950,000	5.70%	670,000
Water	3/1/2005	3/1/2020	612,000	4.09%	155,000
Public Improvements	12/1/2010	8/1/2023	2,285,000	2.56%	895,000
Water Improvements	12/13/2012	8/1/2031	542,000	2.18%	439,000
Public Improvements	12/13/2012	8/1/2031	1,898,000	2.18%	1,416,000
Public Improvements	3/26/2015	8/1/2028	1,433,785	1.05%	1,220,000
Total					$ 4,860,000

NOTE E – Long-Term Liabilities (Continued)

The annual requirements to amortize bonded debt, as of May 31, 2017, are as follows:

Maturity Years	Bonds	Interest	Total
2018	$ 650,000	$ 135,675	$ 785,675
2019	525,000	121,223	646,223
2020	485,000	107,504	592,504
2021	410,000	93,696	503,696
2022	400,000	82,294	482,294
2023-2027	1,535,000	263,931	1,798,931
2028-2032	795,000	85,151	880,151
2033	60,000	1,710	61,710
	$ 4,860,000	$ 891,184	$ 5,751,184

The changes in the Village's long-term liabilities during the year ended May 31, 2017, are summarized as follows:

	Balance at May 31, 2016	Additions	Payments	Balance at May 31, 2017	Amount due within one Year
Water Supply	$ 695,000	$ -	$ 25,000	$ 670,000	$ 25,000
Water - Various	205,000	-	50,000	155,000	50,000
Water Improvements - 2012	473,000	-	34,000	439,000	34,000
Subtotal - Water	1,373,000	-	109,000	1,264,000	109,000
Memorial Park Improvements	47,500	-	47,500	-	-
Village Marina	130,000	-	65,000	65,000	65,000
Public Improvements - 2010	1,105,000	-	210,000	895,000	210,000
Public Improvements - 2012	1,547,000	-	131,000	1,416,000	131,000
Public Improvements - 2015	1,355,000	-	135,000	1,220,000	135,000
Subtotal - General	4,184,500	-	588,500	3,596,000	541,000
Total	**$ 5,557,500**	**$ -**	**$ 697,500**	**$ 4,860,000**	**$ 650,000**

NOTE F – Pension Plans

1. Plan Description

The Village of Nyack participates in the New York State and Local Employees' Retirement System (ERS) (the System). ERS is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of the funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244.

NOTE F – Pension Plans (Continued)

2. Funding Policy

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Village of Nyack is required to contribute at an actuarially determined rate. The required contributions for the current and two preceding years were:

2017	$	407,848
2016		502,794
2015		613,258

The Village's contributions made to the Systems were equal to or in excess of 100 percent of the contributions required for each year.

3. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At May 31, 2017, the Village reported a liability of $894,382 for its proportionate share of the net pension liability. This amount is recorded as a long-term liability due to the NYS Retirement System. The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2017, the Village's proportion was .0095185 percent of the ERS liability, which was a decrease of 0.0000177 percent from its proportion measured at March 31, 2016.

For the year ended May 31, 2017, the Village recognized pension expense of $508,957. At May 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ -	$ -
Changes of assumptions	305,554	-
Difference between expected and actual experience	22,412	135,817
Net difference between projected and actual earnings on investments	178,644	-
Changes in proportion and difference between employer actual and proportionate share of contributions	44,489	68,005
Total	$ 551,099	$ 203,822

NOTE F – Pension Plans (Continued)

3. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Amounts reported as deferred outflows of resources related to pensions resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended May 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended May 31	ERS
2018	$ 165,922
2019	165,922
2020	143,532
2021	(128,099)

4. Actuarial Assumptions

The total pension liability at May 31, 2016, was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liability to March 31, 2017. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2016, valuation were as follows:

Inflation	2.5%
Salary increases	3.8%
Investment rate of return	7.0%
Cost of living adjustments	1.3%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on the 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 returns net of investment expense 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 of the target asset allocation percentage and by adding expected inflation.

NOTE F – Pension Plans (Continued)

4. Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2017 are summarized below:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	7.30%
International equity	8.55%
Private equity	11.00%
Real estate	8.25%
Absolute return strategies	6.75%
Opportunistic portfolio	8.60%
Real assets	8.65%
Bonds and mortgages	4.00%
Cash	2.25%
Inflation-indexed bonds	4.00%

5. Discount Rate

The discount rate used to calculate the total pension liability was 7.0 percent. 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. Based upon these 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.

6. Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

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

	1% Decrease (6%)	Current Discount (7%)	1% Increase (8%)
Village's proportionate share of the ERS net pension liability (asset)	$ 2,856,480	$ 894,382	$ (764,567)

The components of the current-year net pension liability of all employers as of March 31, 2017, were as follows:

	ERS
Employers' total pension liability	$ 172,303,544
Plan net position	156,253,265
Employers' net pension liability	$ 16,050,279
Ratio of plan net position to the employers' total pension liability	90.7%

NOTE G – Related Party Transactions – Due from Related Party

Nyack Parking Authority

The Village of Nyack provides both metered street parking as well as municipal lots to residents and visitors through the systems managed by the Nyack Parking Authority. The Village charges the Nyack Parking Authority a monthly lease fee. As of May 31, 2017, $1,528,951 was receivable from the Nyack Parking Authority for unpaid lease fees.

Note H - Contingent Liabilities

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

NOTE I – Prior Period Adjustments

In fiscal year ended May 31, 2017, a mortgage tax payment was received relating to fiscal year 2016 activity. A prior period adjustment of $16,312, was recorded to properly state revenue and fund balance at May 31, 2016.

In fiscal year ended May 31, 2017, a payment for aid was received that related to fiscal year 2016 expenditures. A prior period adjustment of $134,869, was recorded to properly state receivables and fund balance at May 31, 2016.

An adjustment was recorded to correct opening fund balance based on prior year audit entries that were not recorded in the general ledger for those years. A prior period adjustment of $1,388,121, was recorded to properly state payables, deferred revenues, revenues and fund balance at May 31, 2016.

An adjustment was recorded to correct opening net position based on prior year GASB 68 entries that were not recorded appropriately on the government-wide financials. A prior period adjustment of $49,594, was recorded to properly state deferred outflows, deferred inflows, pension liability and net position at May 31, 2016.

NOTE J – Component Units

This note presents a reprint of the note disclosures from the audited financial statements of the Village's major component unit, the Nyack Housing Authority.

NYACK HOUSING AUTHORITY

1. Description of Organization and Summary of Significant Accounting Policies

a. Organization

The Village of Nyack Housing Authority (the Authority) was organized pursuant to the Housing Statutes of the State of New York. The Authority's purpose is to provide low rent housing to qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development, other federal agencies, and the New York State Division of Housing and Community Renewal.

NOTE J – Component Units (Continued)

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

b. Reporting Entity

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 14, of the Governmental Accounting Standards Board, The Financial Reporting Entity as amended by GASB 61. These criteria include manifestation of oversight responsibility: including financial accountability; appointment of a voting majority; imposition of will; financial benefit to or burden on a primary organization; financial accountability as a result of fiscal dependency; potential for dual inclusion; and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity is composed of the following programs which do not include any component units:

VILLAGE OF NYACK HOUSING AUTHORITY

The financial statements of the Authority include New York State Housing under Annual Contributions Contract NY-1 lSA & B, and Housing Choice Voucher (14.811).

The Authority's policy for defining operating activities in The Statement of Revenues, Expenses, and Changes in Net Position are those that generally result from exchange transactions such as the payment received for services and payment made for the purchase of goods and services. Certain other transactions are reported as non-operating activities. These non-operating activities include net investment income.

GASB Statement No. 63 requires that resources be classified for accounting and financial reporting purposes into the following four net asset categories:

Invested in capital assets. net of related debt: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets.

Restricted - nonexpendable: Net assets subject to externally imposed conditions that the Authority must maintain in perpetuity.

Restricted - expendable: Net assets whose use is subject to externally imposed conditions that can be fulfilled by the actions of the Authority or by the passage of time.

Unrestricted: All other categories of net assets. Included in unrestricted net assets are amounts not available for other purposes.

The Authority had adopted a policy of generally utilizing restricted-expendable funds, when available, prior to unrestricted funds.

NOTE J – Component Units (Continued)

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

c. Basis of Accounting

Under GAAP methodology, operations of the Authority are recorded in the Proprietary Fund type. Proprietary Funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

The Authority has also implemented GASB Statement No. 34 - "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments;" GASB Statement No. 3 7 - "Basic Financial Statements Management's Discussion and Analysis for State and Local Governments: Omnibus," required portions of GASB Statement No. 38 - "Certain Financial Statement Note Disclosures" and GASB Statement No. 45 - "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions."

Beginning in 2014, the Authority adopted the provisions of GASB Statement No. 61 - "The Financial Reporting Entity". This statement was an amendment of GASB Statement 14 and GASB Statement 34.

The Authority has adopted GASB 33 and, as such, grant revenues for both hard and soft costs accounted for in the comprehensive grant programs and capital fund programs are treated as operating revenues and flow through the income statement.

Beginning in 2013, the Authority adopted the provisions of GASB Statement No. 62 - "Codification of Accounting and Financial Reporting Guidance Contained in Pre- November 30, 1989 F ASB and AICP A Pronouncements." This statement codified all sources of accounting principles generally accepted in the United States of America into the GASB's authoritative literature.

The Authority has implemented GASB Statement No. 63 - "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position." This statement provides guidance on presenting deferred outflows, deferred inflows and net position. The implementation of GASB Statement No. 63 incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

GASB has issued Statement 68 - Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statement 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement and Statement 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement-determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. The Authority has adopted the Statement.

NOTE J – Component Units (Continued)

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

c. Basis of Accounting

GASB has issued Statement 71 - Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68 - This statement addresses the transition provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Statement 71 eliminates a potential source of understatement of restated beginning net position and expense in a government's first year of implementing GASB Statement No. 68. The provisions are effective simultaneously with the provisions of Statement 68, and have been applied in the these financial statements.

GASB Statement No. 72 - "Fair Value Measurement and Application" establishes a hierarchy of inputs to valuation techniques to determine fair value measurement for financial statement purposed. This Statement is not expected to have a material effect on the financial statements of the Authority.

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 Statements 67 and 68." This Statement, issued in June 2015, establishes requirements for defined benefit pensions and defined contribution pensions that are not with the scope of Statement No. 68, "Accounting and Financial Reporting for Pensions," as well as requirements for the assets accumulated for the purposed of providing those pensions. The requirements of this Statement for pensions that are not within the scope of Statement 68 are effective for fiscal years beginning June 15, 2015. Requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions as well as the requirements for pension plans within the scope of Statement 67 and 68 are effective for fiscal years beginning after June 15, 2015, which is the fiscal year beginning April I, 2016.

GASB Statement No. 76 - "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." This Statement, issued in June 2015, supersedes Statement No. 55. "The Hierarchy of Generally Accepted Accounting Principles of State and Local Governments," and reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements for this Statement are effective for financial statement periods beginning after June 15, 2015, which is the fiscal year beginning April I, 2016 for the Authority. This Statement is not expected to have a material effect on the financial statements of the Authority.

GASB Statement No. 77 - "Tax Abatement Disclosures." This Statement, issued in August 2015, increases disclosure requirements for governments that enter into tax abatement agreements. This Statement is effective for fiscal years beginning after December 15, 2015, which is the fiscal year beginning April I, 2016 for the Authority. This Statement is not expected to have a material effect on the financial statements of the Authority.

NOTE J – Component Units (Continued)

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

c. Basis of Accounting

Accounting Statements Issued but Not Yet Implemented

GASB Statement No. 74 - "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This Statement, issued in June 2015, replaces existing standards of accounting and financial reporting for postemployment benefit plans other than pension plans and also replaces existing requirements for defined contribution OPEB plans. The provisions of this Statement are effective for financial statements for fiscal years beginning after June 15, 2016, which is the fiscal year beginning April I, 2017, for the Authority. Management is evaluating the potential impact of this statement.

GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This Statement, issued in June 2015, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement is effective for fiscal years beginning after June 15, 2017, which is the fiscal year beginning April 1, 2018, for the Authority. Management is evaluating the potential impact of this Statement.

The Authority's Proprietary Fund Type consists of the Enterprise Fund. This fund is used to account for those operations that are financed and operated in a manner similar to private business, or where the board had decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. The intent of the governing body is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

1. The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The Authority had elected not to use the 10% deminimis indirect cost rate allowed under the Uniform Guidance applied to overall expenditures.

a. Budgets
Budgets are prepared on an annual basis for each major program and are used as a management tool throughout the accounting cycle. Budgets are not, however, legally adopted nor legally required for financial statements presentation.

b. Inventory

Inventory of supplies is recorded at the lower of cost (determined by using the "first-in-first-out" method) or market. All inventory on hand is expected to be consumed in the coming year(s).

c. Property and Equipment

Property and equipment are recorded at cost or estimated cost or, in the case of gifts, at market value at the date of the gift, and depreciated on the straight line basis over the estimated useful lives of the respective assets. The Authority's policy is to capitalize all expenditures over $1,000 with an estimated useful life exceeding 1 year, buildings and improvement are being depreciated over 15-40 years and furniture, fixtures and equipment are being depreciated over 5-7 years.

NOTE J – Component Units (Continued)

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

c. Basis of Accounting

d. Tenant Accounts Receivable

Tenant accounts receivable are reflected at the amount management deems to be collectible. An allowance for doubtful accounts has been provided for those amounts deemed uncollectible.

e. Use of Estimates

Management of the Authority has made estimates and assumptions relating to the reporting of the assets and liabilities and the disclosure of contingencies to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

f. Cash/Cash Equivalents

On the basic financial statements, the Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

g. Investments

The Authority is required to invest in Department of Housing and Urban Development approved investments. Those investments include certificates of deposits and savings accounts. Investments are reported at market value.

h. Revenue Recognition

Revenues are recognized in the accounting period when earned. State and local appropriations are recognized when they are legally available for expenditure. Revenues and expenses arising from non-exchange transactions are recognized when all eligibility requirements, including time requirements, are met.

i. Interfund Activity

Inter-program receivables and payables and other significant inter-program activities are eliminated in the accompanying financial statements.

2. Accounts Receivable

Accounts receivable at March 31, 2017, represents the following:

Tenant accounts receivables	$ 189,307
Allowance for doubtful accounts - dwelling rents	(82,503)
Fraud recoverable	4,186
Allowance	(419)
Other receivables	39,504
	$ 150,075

NOTE J – Component Units (Continued)

3. Property and Equipment

Property and equipment and the related depreciation as of March 31, 2017, are summarized as follows:

Housing Authority	Housing Choice Voucher	State/Local	Accumulated Depreciation	Net Book Value
Land	$ -	$ 235,443	$ -	$ 235,443
Buildings	-	6,221,574	4,358,670	1,862,904
Furniture, equipment & machinery-dwellings	-	77,278	75,140	2,138
Furniture, equipment & machinery-admin	24,714	201,713	183,212	43,215
Leasehold improvements	-	2,142,070	845,053	1,297,017
	$ 24,714	$ 8,878,078	$ 5,462,075	$ 3,440,717

Accumulated Depreciation	Balance March 31, 2016	Additions	Deletions	Balance March 31, 2017
Buildings	$ 4,110,023	$ 248,642	$ -	$ 4,358,665
Furniture, equipment & machinery-dwellings	74,038	1,651	548	75,141
Furniture, equipment & machinery-admin	174,998	8,217	-	183,215
Leasehold improvements	764,705	80,349	-	845,054
	$ 5,123,764	$ 338,859	$ 548	$ 5,462,075

Changes in land, buildings, furniture, equipment and machinery, and leasehold improvements are as follows:

	Balance March 31, 2016	**Additions**	**(Disposals)**	**Balance March 31, 2017**
Land	$ 235,443	$ -	$ -	$ 235,443
Buildings	6,153,505	68,069	-	6,221,574
Furniture, equipment & machinery-dwellings	77,278	-	-	77,278
Furniture, equipment & machinery-admin	226,427	-	-	226,427
Leasehold improvements	1,038,463	1,103,607	-	2,142,070
	$ 7,731,116	$ 1,171,676	$ -	$ 8,902,792

4. Prepaid Expenses and Other Assets

Prepaid expenses at March 31, 2017 consisted of the following:

Prepaid HAP	$103,249
Prepaid insurance	21.928
Prepaid taxes	21,153
	$146,330

NOTE J – Component Units (Continued)

5. Pension Plan

a. Plan Description and Benefits Provided

The Authority participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing, multiple-employer retirement system. 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 (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. 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. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2014, he was elected for a new term commencing January I, 2015.

System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). 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 Authority also participates in the Public Employees' Group Life Insurance Plan (GLIP), 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 regards 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.

b. Contributions

The System is noncontributory except for employees who joined after July 26, 1976, who contribute 3% of their salary for the first 10 years of membership, and employees who joined on or after January I, 2010 who generally contribute 3.0 % 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 Systems' fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100 percent of the actuarially determined contributions required, and were as follows:

	ERS
2016	$ 70,968
2015	77,413
2014	70,705

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

NOTE J – Component Units (Continued)

5. Pension Plan (Continued)

c. Pension Liabilities. Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At March 31, 2017, the Authority reported a liability of $70,968 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2016, and the total pension liability was determined by an actuarial valuation as of April 1, 2015. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At the March 31, 2016, measurement date, the Authority's proportion was 0.0016208%.

For the year ended March 31, 2017, the Authority's recognized pension expense of $77,414. At March 31, 2017, the Authority's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 1,315	$ 30,835
Changes of assumptions	69,371	-
Difference between expected and actual experience	-	-
Net difference between projected and actual earnings on investments	154,328	-
Authority's contributions subsequent to the measurement date	70,968	31,005
Total	$ 295,982	$ 61,840

Deferred outflows of resources related to pensions reported as $295,982 resulting from authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending March 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS
2016	$ 40,430
2017	40,430
2018	40,430
2019	41,884
2020	-
Thereafter	-
	$ 163,174

NOTE J – Component Units (Continued)

5. Pension Plan (Continued)

d. Actuarial Assumptions

The total pension liability at March 31, 2017, was determined by using an actuarial valuation as of April I, 2015, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following assumptions.

Significant actuarial assumptions used in the April 1, 2015, valuation were as follows:

Measurement Date	March 31, 2016
Actuarial Valuation Date	April, 2015
Interest rate	7 .60%
Salary scale	3.80%
Cost of living adjustment	1.30%
Decrement Tables	April I, 2005 – March 31, 2010 System's Experience
Inflation Rate	2.70%

Annuitant mortality rates are based on April I, 2011-March 31, 2015, System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April I, 2011, 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 the best estimate ranges of expected future real rates of return (expected returns net of investment expense 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 each of the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2016, are summarized below:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	7.30%
International equity	8.55%
Private equity	11.00%
Real estate	8.25%
Absolute return strategies	6.75%
Opportunistic portfolio	8.60%
Real assets	8.65%
Bonds and mortgages	4.00%
Cash	2.25%
Inflation-indexed bonds	4.00%

NOTE J – Component Units (Continued)

5. Pension Plan (Continued)

e. Discount Rate

The discount rate used to calculate the total pension liability was 7 .00%. 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. Based upon the assumptions, the Systems' 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.

d. Sensitivity of the Proportionate Share of the Net Pension to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of7.0%, as well as what the Authority's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is I-percentage point lower (6.0 percent) or I-percentage point higher (8.0 percent) than the current rate:

	1% Decrease (6%)	Current Discount (7%)	1% Increase (8%)
Employer's proportionate share of the ERS net pension liability (asset)	$ 586,592	$ 260,138	$ (15,702)

e. Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of March 31, 2017, were as follows:

	ERS
Employers' total pension liability	$ 172,303,544
Plan net position	156,253,265
Employers' net pension liability	$ 16,050,279
Ratio of plan net position to the employers' total pension liability	90.7%

f. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of March 31, 2017 represent the projected employer contribution for the period of April 1, 2015 through March 31, 2015 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of March 31, 2017, amounted to $0.

6. Income Taxes

The Authority is a non-profit entity which is subsidized by the federal government and the State of New York. The Authority is not subject to federal or state income taxes, nor is it required to file federal or state income tax returns.

NOTE J – Component Units (Continued)

7. Cash and Cash Equivalents - Custodial Credit, Concentration of Credit, Interest Rate, and Foreign Currency Risks

Cash
Custodial credit risk is the risk that in the event of a bank failure, the Authority deposits may not be returned to it. As of March 31, 2017, none of the Authority's bank balance of $508,434 was exposed to custodial risk.

8. Investment

		Category
Certificate of Deposits yielding . 70% -1.40% , maturing 4/28/17-10/19/18	$ 1,895,071	1
Money Market Accounts yielding .01 %	159,042	1
	$ 2,054,113	

Investments held at a financial institution can be categorized according to three levels of risk. These three levels are:

Category 1
Insured, registered, or securities held by the Authority or its agent in the Authority's name.

Category 2
Uninsured and unregistered, with securities held by the counter-party' s trust department, or agent in the Authority's name.

Category 3
Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the Authority's name.

Investments in securities are stated at fair value. The fair value of securities is based on quotations obtained from national securities exchanges. In accordance with the policy of carrying investments at fair value, the change in net unrealized appreciation or depreciation is included in investment income in the combined statement of revenues, expenditures, and changes in net assets. Certain investments may not be federally insured which may subject the Authority to a concentration of credit risk. Although certain financial instruments may be at risk, no loss due to credit risk is anticipated as management does not expect nonperformance by the financial institution.

9. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

NOTE J – Component Units (Continued)

10. Accrued Liabilities

Accrued liabilities consisted of the following as of March 31, 2017:

Accrued Utilities	$ 39,743
Accrued compensated absences - current	7,112
Accrued payroll and taxes	12,181
	$ 59,036

11. Economic Dependency

For the year ended March 31, 2017, the Authority's revenues were primarily received from federal awards which are subject to availability of funds. The Authority operations are concentrated in the low income housing real estate market. In addition, the Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules and regulations are subject to change by an act of congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

The Authority also periodically receives significant modernization grant monies from New York State. For the year ended March 31, 2017, the Authority recognized several Modernization Grants. Total financial support by HUD was $2,202,569 for the year ending March 31, 2017.

12. Risk Management

The Authority is exposed to various risks of loss related to torts, damage to, and theft or destruction of assets; errors and omissions; injuries to employees, and natural disaster. During the 2017 fiscal year, the Authority contracted with Authority Insurance Group for liability, property and auto coverage. The Authority has had no significant reduction in insurance coverage from prior years. Because this is a public entity risk pool there is potential loss to members of the risk pool.

13. Related Parties

The Village of Nyack considers the Authority to be a related party. Water costs incurred by the Authority to the Village of Nyack for the fiscal year ended March 31, 2017, amounted to $32, 100. Of this amount $32,100 was due at March 31, 2017.

14. Restricted Net Assets

The $51,495 in restricted net assets represented the Housing Assistance Payment Equity in the Housing Choice Voucher Program.

NOTE J – Component Units (Continued)

15. Noncurrent Liabilities

Non-current liability activity for the year ended March 31, 2017, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount due within one Year	Amount due greater than one year
Compensated Absences	$ 68,449	$ 2,663	$ -	$ 71,112	$ 7,112	$ 64,000
Accrued OPEB and pension obligation	141,069	182,691	-	323,760	-	323,760
Total	**$ 209,518**	**$ 185,354**	**$ -**	**$ 394,872**	**$ 7,112**	**$ 387,760**

16. Post-Employment (Health Insurance) Benefits

The Authority implemented GASB Statement #45, Accounting and Financial Reporting by employers for Post-Employment Benefits Other than Pensions, in the fiscal year ended March 31, 2010. This required the Authority to calculate and record a net other post-employment benefit obligation at year end. The net other post-employment benefit obligation is basically the cumulative difference between the actuarially required contributions and the actual contributions made.

Results were value based on census information provided in May 2016. This is based on a total of 2 retired employees. The active population was excluded since none of these individuals will be eligible in the future for retiree medical coverage.

a. Plan Description

The Authority provides post-employment health insurance coverage to retired employees in accordance with the provisions of various employment contracts.

The Authority recognizes the cost of providing health insurance annually as expenditures in the applicable programs as payments are made. For the year ended 2017, the Authority recognized $8,193 for its share of insurance premiums for 2 currently enrolled retirees.

b. Funding Policy

The contribution requirements of Plan members and the Authority are established by the Board of Directors. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as may be determined annually by the Board. For fiscal year March 31, 2017, the Authority contributed $8,193 to the plan, representing 100% of the current premiums. No contributions to prefund benefits were made.

NOTE J – Component Units (Continued)

16. Post-Employment (Health Insurance) Benefits (Continued)

c. Annual OPEB Cost and Net OPEB Obligation

The Authority's annual other post employrnent benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. 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 (or funding excess) over a period not to exceed 10 years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation:

Annual required contribution (ARC)	$ 8,712
Interest on net OPEB obligation	2,186
Adjustment to ARC	(12,225)
Annual OPEB cost	(1,327)
Contribution made	(7,931)
Increase in net OPEB cost	(9,258)
Net OPEB obligation - beginning of year	72,880
Net OPEB obligation - end of year	$ 63,622

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years were as follows:

Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
3/31/2015	$ 38,148	53.82%	$ 81,561
3/31/2016	9,290	87.25%	72,880
3/31/2017	8,712	91.04%	63,622

d. Funded Status and Funding Progress

The calculations for fiscal year April 1, 2015, to March 31, 2017, are based upon the April 1, 2015, valuation report with results rolled forward to year end March 31, 2017. The plan continues to be 0% funded. The actuarial accrued liability for benefits was $79,072 at March 31, 2017, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $79,072. The covered payroll (annual payroll of active employees covered by the plan) was $511,395 and the ratio of the UAAL to the covered payroll was 15.46%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future.

Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE J – Component Units (Continued)

16. Post-Employment (Health Insurance) Benefits (Continued)

e. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 1, 2012, actuarial valuation, the Projected Unit Credit method was used. The actuarial assumptions included a 3% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of9% initially, reduced by decrements to an ultimate rate of5% by 2018. Both rates included a 3.5% inflation assumption. The actuarial value of assets was not determined as the plan is not currently funded. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at March 31, 2017, was 3 years.

17. Conduit Debt Obligation

New York State has guaranteed serial bonded debt which, under GASB Interpretation Number 2, the Authority has classified as conduit debt obligation. Beginning April 15, 1981, the Low Rent Public Housing State Subsidy was applied directly to the payment of each Housing Authority's debt service as the payments became due. This eliminated the previous procedure by which the Authorities requested advances of Subsidy for them to make the payments.

The outstanding principal and interest balance as of March 31, 2017, was $369,571 and $38,013, respectively.

18. Pine Street Homes Management Plan

As of May 22, 2012, Village of Nyack Housing Authority has agreed to act as an agent to Pine Street Homes Limited Partnership, outlined in a Management Plan for the affordable housing project. Pine Street Homes employs the Authority to handle the daily property management of the Project, for which they will be paid a fee. Total management fees received from Pine Street Homes for the year ended March 31, 2017, was $13,610.

The total amount due from Pine Street Homes as of March 31, 2017, was $38,328. Village of Nyack Housing Authority has no ownership interest in Pine Street Homes Limited Partnership.

19. Land Lease Agreement

There exists a land lease agreement between Nyack Housing Assistance Corp (NHAC) and the Village of Nyack Housing Authority whereby the Authority will receive a base rent of$2000./yr plus additional amounts based upon rental income earned by the NHAC. During the year ended March 31, 2017, $10,515 was received by the Village of Nyack Housing Authority. This amount included $8,515 for prior year back rent.

NOTE J – Component Units (Continued)

20. Contingencies

There remains an action against the Authority. Counsel to the Authority has indicated that any judgment as to the outcome of this proceeding or an estimate of the amount or range of potential loss, if any, cannot be determined at this time.

21. Restatement of Net Position

For the fiscal year ended March 31, 2017, the Authority implemented GASB Statement No. 68 Accounting and Financial Reporting/or Pensions -Amendment to GASB Statement 27. The implementation of Statement No. 68 resulted in the reporting of an asset, deferred outflow of resources, liability and deferred inflow of resources related to the Authority's participation in the New York State Employees' retirement systems. The Authority's net position has been restated as follows:

Net Position Beginning ofY ear, as previously stated	$	4,970,406
GASB Statement No. 68 Implementation and Employees' Retirement System beginning deferred outflow ofresources fur contributions subsequent to the measurement date		(19,024)
Net Position Beginning ofY ear, as Restated	$	4,951,382

22. Subsequent Events

Subsequent events have been evaluated to December 20, 2017, the date of this report.

NOTE K - New Reporting Standards

GASB issued Statement 72, *Fair Value Measurement and Application*, which addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements. GASB Statement 72 is effective for fiscal year 2017. The Village determined that implementation of this standard did not have a significant impact on its financial reporting.

GASB has issued Statement 73, *Accounting and Financial Reporting for Pension and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, which improves the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement also amends Statement 67, Financial Reporting for Pension Plans. GASB Statement 73 is effective for fiscal year 2017. The Village determined that implementation of this standard did not have a significant impact on its financial reporting.

GASB has issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions. It also improves the information provided by state and local governmental employers about support for OPEB that is provided by other entities. The Village is required to implement this standard for the year ending May 31, 2019. The implementation of this standard is expected to have a substantive effect on the Village's net position.

NOTE K – New Reporting Standards (Continued)

GASB has issued Statement 77, *Tax Abatement Disclosures*. This Statement requires governments to disclose in the notes certain information related to tax abatement agreements. GASB Statement 77 is effective for fiscal year 2017. The Village has implemented Statement 77 as required; however, there were no tax abatements to disclose.

In March 2016, GASB issued Statement 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Village is required to implement this standard for the year ending May 31, 2018. The implementation of this standard is not expected to have a substantive effect on the Village's net position.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. GASB 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. The Village has not evaluated the effect of GASB 83 on its financial statements.

In January of 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Village is required to implement this standard for the year ending May 31, 2020. The Village has not evaluated the effect of GASB 84 on its financial statements.

In March 2017, GASB issued Statement 85, *Omnibus 2017*. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The Village is required to implement this standard for the year ending May 31, 2019. The implementation of this standard is not expected to have a substantive effect on the Village's net position.

GASB has also issued Statements 74, 76, 78-81, and 86, none of which are expected to have any substantive effects on the Village's net position.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF NYACK, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
GENERAL FUND
FOR THE YEAR ENDED MAY 31, 2017

	GENERAL FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Real property taxes	$ 3,446,521	$ 3,446,521	$ 3,446,521	$ -
Real property tax items	6,500	6,500	14,615	8,115
Non property tax items	270,000	270,000	396,983	126,983
Departmental income	477,300	477,300	1,042,792	565,492
Use of money and property	6,500	6,500	6,799	299
Licenses and permits	42,040	42,040	53,505	11,465
Fines and forfeitures	115,000	115,000	86,960	(28,040)
Sale of property and compensation for loss	16,560	16,560	67,366	50,806
Miscellaneous local sources	37,500	37,500	10,310	(27,190)
State and federal aid	415,600	415,600	384,949	(30,651)
Total revenues	4,833,521	4,833,521	5,510,800	677,279
EXPENDITURES AND ENCUMBRANCES				
General government support	1,361,856	1,361,856	1,385,520	(23,664)
Public safety	370,898	370,898	402,238	(31,340)
Public health	10,248	10,248	5,501	4,747
Transportation	1,003,230	1,003,230	848,592	154,638
Economic assistance & opportunity	-	-	43,447	(43,447)
Culture and recreation	423,098	423,098	366,906	56,192
Home and community service	571,729	571,729	604,162	(32,433)
Employee benefits	1,371,631	1,371,631	1,264,080	107,551
Debt service	713,853	713,853	701,449	12,404
Total expenditures and encumbrances	5,826,543	5,826,543	5,621,895	204,648
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(993,022)	(993,022)	(111,095)	881,927
Other financing sources (uses)				
Operating transfers in	836,500	836,500	222,000	(614,500)
Operating transfers out	-	-	(58,877)	(58,877)
Total other financing sources	836,500	836,500	163,123	(673,377)
Excess (deficiency) of revenues over (under) expenditures and encumbrances	(156,522)	(156,522)	52,028	208,550
Net change in fund balance	(156,522)	(156,522)	52,028	208,550
Appropriated fund balance	156,522	156,522	-	(156,522)
Total	$ -	$ -	$ 52,028	$ 52,028

VILLAGE OF NYACK, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND RELATED RATIOS
NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS (1)

	2017	2016
Proportion of the net pension liability (asset)	0.00952%	0.01129%
Proportionate Share of the net pension liability (asset)	$ 894,382	$ 1,811,480
Covered - employee payroll	$ 2,589,311	$ 3,190,888
Proportionate Share of the net pension liability (asset) as percentage of covered-employee payroll	34.54%	56.77%

(1) Data not available prior to fiscal year 2016 implementation of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. The data will be accumulated and presented on a go-forward basis.

VILLAGE OF NYACK, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF CONTRIBUTIONS
NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS (1)

	2017	2016
Contractually required contribution	$ 407,848	$ 502,794
Contributions in relation to the actuarially required contribution	(407,848)	(502,794)
Contribution deficiency (excess)	-	-
Covered-employee payroll	$ 2,589,311	$ 3,190,888
Contributions as a percentage of covered-employee payroll	15.75%	15.76%

(1) *Data not available prior to fiscal year 2016 implementation of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. The data will be accumulated and presented on a go-forward basis.*

OTHER SUPPLEMENTARY INFORMATION

STATEMENT OF NET POSITION
PARKING AUTHORITY

For the Year Ended May 31, 2017

ASSETS		
Cash	$	294,046
Accounts receivable		23,730
Capital equipment (net of depreciation)		49,026
Total assets	$	366,802
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Accounts payable	$	24,798
Accrued liabilities		4,078
Bond anticipation note payable		35,915
Due to related party		1,528,951
Total liabilities		1,593,742
NET POSITION		
Net position (deficit):		
Unreserved net position (deficit)		(1,226,940)
Total liabilities and net position	$	366,802

STATEMENT OF ACTIVITIES
PARKING AUTHORITY

For the Year Ended May 31, 2017

Operating Revenues:		
Parking lot/meter revenue	$	960,015
Boat slip and fees		45,968
Fines		237,647
Other operating income		15,406
Total Operating Revenues		1,259,036
Operating Expenses:		
Personal services		314,989
Related party lease expense		456,500
Office expense		7,350
Minor equipment		12,388
Telephone		1,787
Meter repairs & maintenance		60,015
Meter operations		101,290
Professional services		9,950
Insurance		29,496
Interest expense		12,772
Uniforms		4,068
Auto		4,284
Meter collection fees		47,036
Employee benefits		114,450
Depreciation		25,836
Total Operating Expenses		1,202,211
Operating Income		56,825
Net position - beginning, as reported		(1,277,025)
Prior period adjustment		(6,740)
Net position - beginning, as restated		**(1,283,765)**
Net position, ending	**$**	**(1,226,940)**

STATEMENT OF CASH FLOWS
PARKING AUTHORITY

For the Year Ended May 31, 2017

Cash flows from operating activities		
Cash received from operations	$	1,274,027
Cash payments-personal service and employment benefits		(432,102)
Cash payments-contractual expenses		(293,896)
Cash payments-leasing expense		(262,905)
Net cash provided by operating activities		285,124
Cash flows from capital and related financing activities		
Principal debt payments		(49,036)
Net Cash used for capital and related financing activities		(49,036)
Net increase in cash		236,088
Cash at beginning of year		**57,958**
Cash at end of year	**$**	**294,046**

Reconciliation of Operating Income to Net Cash Provided By Operating Activities		
Operating Income	$	56,825
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by Operating Activities:		
Depreciation		25,836
Changes in Assets and Liabilities:		
(Increase)/Decrease in Accounts receivable		14,991
Increase/(Decrease) in Accounts payable		(3,460)
Increase/(Decrease) in Accrued liabilities		(2,663)
Increase/(Decrease) in Due to related party		193,595
Net Cash Provided by Operating Activities	**$**	**285,124**

FEDERAL SINGLE AUDIT

VILLAGE OF NYACK, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Homeland Security:				
Federal Emergency Management Agency (FEMA):				
* Disaster Grants - Public Assistance	97.036	N/A	$ -	$ 1,216,112
Total U.S. Department of Homeland Security			-	1,216,112
U.S. Department of Transportation:				
Pass-Thru Program From:				
New York State Department of Transportation (NYSDOT):				
Federal Transit - Formula Grants	20.205	N/A	-	42,814
Total U.S. Department of Transportation			-	42,814
Total Federal Awards Expended			$ -	$ 1,258,926

* Major Program

N/A Pass through entity identifying number not applicable or not available.

VILLAGE OF NYACK, NEW YORK
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2017

Note A. Basis of Presentation
The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Village under programs of the federal government for the year ended May 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position or changes in net position of the Village.

Note B. Summary of Significant Accounting Policies
Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note C. Indirect Cost Rate
The Village has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note D. Reconciliation to Financial Statements
The federal expenditures presented in the Schedule of Expenditures of Federal Awards reconcile to the Federal revenue reported in the Statement of Revenues, Expenditures and Changes in Fund Balance as follows:

Federal expenditures as reported in the SEFA	$ 1,258,926
Reconciling items:	
SEFA is reported on the basis of expenditures	(194,872)
Federal aid as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances	1,064,054
State aid as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances	416,746
State and Federal aid as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances	$ 1,480,800

RBT
LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

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

To the Mayor and
Members of the Village Board of Trustees
Village of Nyack, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Nyack, New York, as of and for the year ended May 31, 2017, and the related notes to the financial statements, which collectively comprise the Village of Nyack, New York's basic financial statements, and have issued our report thereon dated July 27, 2018. Our report includes a reference to other auditors who audited the financial statements of the Nyack Housing Authority, as described in our report on the Village of Nyack, New York's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Nyack, New York's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Nyack, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Nyack, New York's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings, questioned costs and corrective action plan, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

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We consider the deficiencies described in the accompanying schedule of findings, questioned costs and corrective action plan as Findings 2017-01 and 2017-02 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings, questioned costs and corrective action plan as Findings 2017-03 – 2017-06 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Nyack, New York's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings, questioned costs and corrective action plan as Finding 2017-07.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Nyack's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Nyack's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RBT CPAs, LLP

Newburgh, New York
July 27, 2018

LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

To the Mayor and
Members of the Village Board of Trustees
Village of Nyack, New York

Report on Compliance for Each Major Federal Program

We have audited the Village of Nyack, New York's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Village of Nyack's major federal programs for the year ended May 31, 2017. The Village of Nyack's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The Village of Nyack, New York's basic financial statements include the operations of the Nyack Housing Authority, which expended $2,202,569 in federal awards that are not included in the Village of Nyack, New York's schedule of expenditures of federal awards for the year ended May 31, 2017. Our audit, described below, did not include the operations of the Nyack Housing Authority because the component unit engaged other auditors to perform an audit of compliance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Village of Nyack, New York's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village of Nyack, New York's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Village of Nyack, New York’s compliance.

Opinion on Each Major Federal Program

In our opinion, the Village of Nyack, New York, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2017.

Report on Internal Control Over Compliance

Management of the Village of Nyack, New York is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Village of Nyack, New York's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village of Nyack, New York's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RBT CPAs, LLP

Poughkeepsie, New York
July 27, 2018

Section II – Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*

None reported.

Section III – Findings and Questioned Costs Related to Federal Awards

None reported.

VILLAGE OF NYACK, NEW YORK
SCHEDULE OF FINDINGS, QUESTIONED COSTS,
AND CORRECTIVE ACTION PLAN
MAY 31, 2017

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statement

Type of auditors' report issued:	**Unmodified – Major Funds and Aggregate Remaining Funds** **Qualified – Governmental Activities**
Internal control over financial reporting:	
Material weakness identified:	**Yes**
Significant deficiencies:	**Yes**
Noncompliance material to financial statements noted:	**Yes**

Federal Awards

Internal Control over major programs:	
Material weakness identified:	**None Noted**
Significant deficiencies identified that are not considered to be material weaknesses:	**None Noted**
Type of report issued on compliance for major programs:	**Unmodified**
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a):	**None Noted**

Identification of Major Programs:

CFDA NUMBER	NAME OF FEDERAL PROGRAM
97.036	Disaster Grants – Public Assistance

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee classified as a low-risk auditee:	No

SECTION II - FINANCIAL STATEMENT FINDINGS

Current Year Findings – Material Weaknesses:

Finding 2017-01: *Capital Assets*

Condition: The Village could not provide supporting documentation for its prior year capital assets and depreciation calculations.

Criteria: The Village is required to document and maintain accurate records of fixed assets.

Cause: The Village was unable to provide a depreciation schedule and therefore could not promptly identify all of the assets, their corresponding depreciation, and any new additions or disposals of fixed assets within the fiscal year.

Effect: The Village's capital assets could be under or overstated at any given point in time potentially causing a misstatement for the recording of capital assets. There is also the potential for depreciation expense misstatement on the government wide financial statements.

Recommendation: RBT recommends that the Village implement a formal system of tracking capital assets in order to be able to properly report capital assets.

Finding 2017-02: *Accruals of Receivables and Payables*

Condition: The Village did not properly accrue appropriate revenues and related receivables and expenditures and related payables.

Criteria: Under generally accepted accounting principles, the Village is required to accrue revenues earned under contracts and grants when they are measureable and available, and expenditures when they are incurred.

Cause: The information necessary to record the receivables was not readily available to the Village due to the lack of communication between the Village Accounting department and the Engineer.

Effect: RBT noted additional receivables of $1,742,000 and additional liabilities of $332,070 to be recorded. Further RBT noted $1,539,302 in adjustments to prior year amounts, representing transactions reported in an incorrect period.

The Village's unadjusted financial statements did not accurately reflect its revenues and expenditures in the appropriate period. There is also the potential for manipulation of financial results when accruals are not recorded on a consistent basis.

Recommendation: RBT recommends that the Village implement a formal system for closing the accounting year, including a review of grant programs for amounts due, verifying that expenditures are recorded in the year incurred, and inquiry of Village departments regarding pending invoices.

Current Year Findings – Significant Deficiencies:

Finding 2017-03: *Bank and General Ledger Account Reconciliations:*

Condition: Bank and general ledger account reconciliations were not completed accurately or on a timely basis.

Criteria: The Village should be reconciling its bank statement balances to its general ledger cash balances and other general ledger account balances to supporting schedules on a regular basis.

Cause: The Village does not perform monthly reconciliations of bank accounts and other general ledger accounts timely.

Effect: The Village's major revenue bank account reconciliations were not completed until audit fieldwork. Numerous outstanding stale-dated checks were identified on a General Fund bank reconciliation. Inter-fund reconciling items were not always listed on both related reconciliations. Adjusted bank balances did not always agree to the general ledger balances. One bank account was not recorded on the Village's accounting records at all.

Recommendation: The Village should implement procedures and deadlines for completing bank reconciliations and reconciling other general ledger accounts so that timely and reliable information may be obtained from the KVS Accounting software. All bank reconciliations should be prepared monthly, typically within 10 business days of receiving the statement. On a monthly basis, an informed individual and/or a member of governance should review all bank reconciliations for proper reconciliation, existence of funds, and accurate recording of receipts and disbursements.

Finding 2017-04: *Lack of Documentation: Revenue & Expenditure Support*

Condition: The Village does not maintain adequate documentation of all revenues and expenditures earned and incurred throughout the year. In several instances, the Village was unable to locate invoices incurred during the fiscal year and was unable to provide the auditors with invoices or voucher packets for disbursements made or expenditures incurred. The Village also recorded certain amounts of revenue from amounts noted on the bank statements without any other documentation, i.e. checks, deposit slips/summaries, or receipts.

Criteria: The Village is required to maintain adequate records of all receipts and disbursements occurring within the fiscal year in order to properly record and support all financial records.

Cause: The Village Clerk is responsible for the filing of all of the Village records. The policies of the Village were not being followed on a regular and consistent basis for the year ended May 31, 2017.

Effect:	Revenue could potentially be misstated in the fund deposited based on the amounts recorded from the bank statement as the bank statements alone do not provide adequate evidence of the timing and classification of the receipt. Expenses also have the potential to be misstated if the Village does not maintain adequate documentation detailing the amount paid, the fund incurring the expense, and the description/purpose of payment.
Recommendation:	RBT recommends that the Village implement and maintain stronger controls over record maintenance by adopting and following a filing policy and a documentation retention policy.

Finding 2017-05 — *Lack of Documentation: Debt and Bidding Support*

Condition:	The Village does not maintain complete and accurate records. The Village was unable to locate the following: one of the original bond documents, a capital lease that was recorded for the parking authority, and any support for the covered payroll submitted to NYSLRS. Additionally, the Village was unable to locate documentation on certain bids submitted for capital projects and did not retain the contract awarded.
Criteria:	The Village is required to maintain adequate supporting records of all transactions occurring within the fiscal year in order to properly record and support all financial records.
Cause:	The Village Clerk is responsible for the filing of all of the Village records. The policies of the Village were not being followed on a regular and consistent basis for the year ended May 31, 2017.
Effect:	The Village may be unable to substantiate conditions and dates of original debt issuance. The Village also cannot validate the terms and conditions of a lease entered into per their financial records leading to improper recording of a liability on the balance sheet. The covered payroll number submitted to the State Retirement System remains unsubstantiated and potentially inaccurate. Finally, the Village may be unable to validate inquiries for bids received per the NYS procurement policy that were submitted by vendors.
Recommendation:	We recommend that the Village maintain all original debt issuance documents and schedules, leases, and bids received, and adopt and adhere to a filing policy. We also recommend that all balances submitted to other authorities and services be supported by schedules identifying the makeup of those balance for proper reporting and accuracy.

Finding 2017-06: — *Internal Control Policies and Procedures:*

Condition:	The Village does not maintain records of current policies and procedures covering procurement and accounting functions.

Criteria:	The Village is expected to maintain current and accurate written policies and procedures covering procurement, accounting, and financial management.
Cause:	Current written policies and procedures related to procurement and other accounting functions are not maintained or monitored. Controls over certain aspects of recordkeeping and purchases are not clearly defined and enforced. The Village's written procedures do not provide a clear description of the duties and procedures that are required to be performed to ensure that financial transaction documentation is processed timely, accurately, and in accordance with governmental accounting standards.
Effect:	Lack of written guidance can lead to delayed processing or failure to comply with certain guidelines or internal controls. Inadequate controls over purchases and recordkeeping could lead to an abuse of purchasing power or payments.
Recommendation:	The Village should update written policies and procedures relating to procurement and other accounting functions. Risk assessments should be performed for purchases and other accounting functions, resulting in stronger controls being implemented for areas of higher risk.

We consider the following to be reportable instances of non-compliance:

Finding 2017-07:	*Payroll/HR*
Condition:	The Village does not maintain complete and accurate records of all personnel related documents. The Village was unable to produce completed and signed copies of I-9 forms and W-4 forms for several employees during the audit.
Criteria:	State and Federal laws require employers to maintain specific personnel related documents.
Cause:	The Village Clerk is responsible for the filing of all of the Village records. The policies of the Village were not being followed on a regular and consistent basis for the year ended May 31, 2017.
Effect:	The Village is not in compliance with tax and state laws governing payroll and human resource requirements to document, submit, and retain the above mentioned forms for employees.
Recommendation:	We recommend that all Village employees complete and submit all required forms for payroll and that the Village maintain these forms in the employee's respective personnel folder.

Village

Of

Nyack

Incorporated February 27, 1883

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September 13, 2018

RBT CPAs, LLP
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Dear Sir:

On behalf of the Village of Nyack Board of Trustees I would like to thank you and your staff for your time, dedication and professionalism in conducting the audit of our fiscal year end May 31, 2018. Please accept this letter as our official response to the Schedule of Findings, Questioned Costs and Corrective Action Plan.

Finding 2017-01 – Capital Assets
The Village plans to track all new purchases and deletions of capital assets and record depreciation accordingly. It is a long-term goal of the Village to hire an outside firm to do a complete inventory of all assets. This listing could then be maintained by Village staff.

Finding 2017-02 – Accruals of Receivables and Payables
The Village understands that accruals are required to be made under generally accepted accounting principles. Since the date of this audit, accruals are being made.

Finding 2017-03 – Bank and General Ledger Account Reconciliations
The Village has updated their procedures and bank reconciliations are now being performed monthly. General ledger account reconciliations are performed as needed with a general review being done monthly so that information in the accounting software is up to date and reliable.

Finding 2017-04 – Lack of Documentation: Revenue & Expenditures
Since the date of this audit, the Village has implemented new filing requirements for both revenues and expenditures. We believe these new procedures are adequate to ensure that all required documentation is maintained for the required timeframe and is readily available for inspection.

Finding 2017-05 – Lack of Documentation: Debt and Bidding Support
The Village is aware of the mentioned finding and is working to locate all prior year debt issuance documents in order to complete the files. Going forward, the Village will take special care to ensure that new debt records as well as capital project bidding support is maintained accurately in files that are readily accessible.

Finding 2017-06 – Internal Control Policies and Procedures
The Village is aware that internal policies and procedures are lacking. It is the intention of the Village staff to update existing policies and create new policies and procedures so that we can maintain strong procurement, accounting and financial management. This will be handled on an as needed basis and as time permits.

Finding 2017-07 – Payroll/HR
Since the date of the audit, all personnel files have been reviewed and any incomplete data has since been updated.

Again, we thank the audit team for their thorough audit and subsequent recommendations.

Yours truly,

Jennifer Hetling
Village Clerk/Treasurer

James Politi
Village Administrator