Auditors' Report
Presentation to Management

John Cosgrove, Partner
Leslie Tillotson, Manager

O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS
BENNETT KIELSON STORCH DESANTIS DIVISION

Agenda

- SAS 114 Communications
- Reports to be Issued
- Financial Statement Highlights
- SAS 112 Management Comments

SAS 114 Communication

- **Auditor's responsibility**
  - To form an opinion that the financial statements are presented fairly in accordance with GAAP
  - Financial statements are the responsibility of management
  - Independence not impaired
  - Internal control reviewed in context of audit
  - Consideration of fraud during audit process
  - Calculation of materiality
- **Material accounting estimates**
  - Evaluated significant judgments and found them to be reasonable
- **Significant accounting policies**
  - Appropriate for Village of Rye Brook

SAS 114 Communication (continued)

- Unqualified opinion on financial statements
- No change in scope of audit
- No material errors, fraud, or illegal acts identified
- No immaterial frauds or illegal acts identified
- No instances/suspicion or allegations of fraud were noted during conduct of audit

SAS 114 Communication (continued)

- **Management representations**
  - received
- **Consultation with other accountants ("opinion shopping")**
  - None of which we became aware
- **Significant difficulties encountered**
  - Nothing to report

Reports to be Issued

- Unqualified opinion on 2008 basic financial statements (Pgs 1&2)

- SAS 112 Communication and Report of Internal Control Matters Identified in the Audit (Separate Cover) otherwise known as the “Management Letter”

Statement of Net Assets
May 31, 2008

ASSETS	
Cash and equivalents	$ 5,272,293
Receivables:	791,164
Prepaid expenses	158,616
Capital assets, net	30,596,383
Total Assets	36,818,456
LIABILITIES	
Accounts payable	519,479
Accrued liabilities	77,642
Retainages payable	108,120
Deposits and other liabilities	3,565
Due to retirement systems	134,195
Bond anticipation notes payable	2,038,500
Accrued interest payable	49,962
Non-current liabilities:	5,515,774
Total Liabilities	8,447,237
NET ASSETS	
Invested in capital assets, net of related debt	24,892,030
Restricted assets	1,210,178
Unrestricted	2,269,011
Total Net Assets	$ 28,371,219

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General Fund-Balance Sheet
May 31, 2008

ASSETS	
Cash:	
Demand deposits	$ 4,630,287
Petty cash	200
Taxes Receivable	82,377
Other Receivables:	
Accounts	220,301
Due from other governments	488,486
Due from other funds	7,528
Prepaid Expenditures	158,616
Total Assets	$ 5,587,795
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	$ 519,479
Accrued liabilities	77,642
Deposits and other liabilities	3,565
Due to retirement systems	134,195
Due to other funds	1,373,934
Total Liabilities	2,108,815
Fund Balance:	
Reserved for encumbrances	74,434
Reserved for prepaid expenditures	158,616
Reserved for debt service	182,000
Unreserved:	
Designated for subsequent years expenditures	600,000
Undesignated	2,463,930
Total Fund Balance	3,478,980
Total Liabilities and Fund Balance	$ 5,587,795

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General Fund-Revenues, Expenditures & Changes in Fund Balance-Budget and Actual
May 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Real property taxes	$ 11,911,410	$ 11,911,410	$ 11,911,410	$ -
Other tax items	503,500	503,500	532,596	29,096
Non-property taxes	1,430,000	1,430,000	1,585,599	155,599
Use of money and property	120,000	120,000	308,031	188,031
State aid	573,307	573,307	610,561	37,254
Other	1,178,925	1,208,162	1,319,947	111,785
Total Revenues	15,717,142	15,746,379	16,268,144	521,765
Expenditures:				
Current:				
General government support	2,431,643	2,476,756	2,457,707	19,049
Public safety	4,897,035	4,895,320	4,887,690	7,630
Home and community services	1,510,040	1,344,779	1,292,088	52,691
Employee benefits	3,081,768	2,829,848	2,797,132	32,716
Others	3,502,035	3,535,064	3,510,421	24,643
Total Expenditures	15,422,521	15,081,767	14,945,038	136,729
Excess of Revenues Over Expenditures	294,621	664,612	1,323,106	658,494
Other Financing Sources (Uses):				
Transfers in	-	-	181,919	181,919
Transfers out	(822,000)	(1,200,584)	(1,200,583)	1
Net Change in Fund Balance	(527,379)	(535,972)	304,442	840,414
Fund Balance - Beginning of Year	527,379	535,972	3,174,538	2,638,566
Fund Balance - End of Year	$ -	$ -	$ 3,478,980	$ 3,478,980

SAS 112 - Internal Control Matters

- **Control Deficiency**
  - A control deficiency 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 misstatements on a timely basis.
- **Significant Deficiency**
  - A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

SAS 112 - Internal Control Matters (continued)

- **Material Weakness—none noted**
  - A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.
- **Other Internal Control Observations**

Thank You

Questions???

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