

VILLAGE OF SUFFERN, NEW YORK

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED MAY 31, 2008

WITH INDEPENDENT AUDITORS' REPORT



O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS

BENNETT KIELSON STORCH DESANTIS DIVISION

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O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees of the
Village of Suffern, New York:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Suffern, New York as of and for the year ended May 31, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Suffern, New York as of May 31, 2008 and the respective changes in financial position, thereof, and the respective budgetary comparison for the General, Water and Sewer funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and the Required Supplementary Information for the Fire Service Awards programs are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Bennett Kielson Storch DeSantis Division

One Barker Avenue, White Plains, New York 10601 914.421.5600 tel 914.421.5099 fax www.odmd.com

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Suffern, New York's basic financial statements. The accompanying financial information listed as combining and individual fund financial statements and schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Village of Suffern, New York. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP
Bennett Kielson Storch DeSantis Division
August 20, 2009

**Village of Suffern, New York
Management's Discussion and Analysis
May 31, 2008**

Introduction

This discussion and analysis of the Village of Suffern, New York's financial statements provides an overview of the financial activities of the Village of Suffern for the fiscal year ended May 31, 2008. Please read it in conjunction with the basic financial statements and the accompanying notes to those statements that follow this section.

Financial Highlights for Fiscal Year 2008

- On the government-wide financial statements, the assets of the Village exceeded its liabilities at the close of fiscal year 2008 by \$3,568,151. Of this amount, the unrestricted net assets are a deficit of \$1,917,815. This deficit is primarily the result of compensated absences and claims that will be funded in future years.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$1,122,747, an increase of \$1,641,405 from fiscal year 2007. Exclusive of the Capital Projects Fund, the combined ending fund balances were \$652,755.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$305,041. The General Fund reported an ending fund balance of \$852,023, which represents a decrease of \$264,612 from fiscal year 2007, however as \$275,000 was budgeted as an appropriation of fund balance to balance the budget, this resulted with a favorable budget variance of \$10,388.
- During the fiscal year the Village issued bonds totaling \$3,450,000 of which \$520,000 was used to pay off an outstanding BAN, \$280,000 was used to upgrade the water meter reading system and \$2,650,000 is being used to fund the Roadway Improvement Project. This project consists of reclaiming and paving of 14 roads throughout the Village along with new curbing.
- During the current fiscal year, the Village retired \$505,000 of general obligation debt. The Village's total outstanding general obligation bonds payable at May 31, 2008 totaled \$6,085,000.

Overview of the Financial Statements

The Village's financial statements are composed of this Management 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: the Statement of Net Assets and Statement of Activities.

The *Statement of Net Assets* presents the Village's total assets and liabilities with the difference reported as *net assets*. Over time, increases or decreases in net assets 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 assets 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 in future fiscal periods such as uncollected taxes, certain retirement costs 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, culture and recreation, home and community services and interest.

The government-wide financial statements can be found immediately following this discussion and analysis.

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 assets, 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 the 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 - Most of the basic services provided by the Village are financed and accounted for through governmental funds. Governmental fund financial statements focus on current inflows and outflows of spendable resources as well as the available balances of these 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 flow of current financial resources measurement focus and the modified accrual basis of accounting.

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 governmental fund balance sheet and the governmental 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 maintains four major funds; the General Fund, the Water Fund, the Sewer Fund and the Capital Projects Fund. Major funds have their information presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. The Special Purpose Fund and the Debt Service Fund are grouped together as non-major governmental funds.

A budgetary comparison statement is provided for the General, Water, and Sewer funds within the basic financial statements to demonstrate compliance with their 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. The Village maintains two types of fiduciary funds that are known as an Agency Fund and Pension Trust Funds. Resources are held in these funds by the Village purely in a custodial capacity. The activity in these funds is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization or government and the activities of the Fire Service Awards Program.

The financial statements for the Fiduciary Funds can be found in the basic financial statements section of this report.

Notes to Financial Statements

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the Village's financial position. In the case of the Village of Suffern, assets exceeded liabilities by \$3,568,151 for fiscal year 2008.

The following table reflects the condensed Statement of Net Assets:

Statement of Net Assets

	May 31,	
	2008	2007
Current Assets	\$ 4,606,435	\$ 2,113,619
Capital Assets, net	10,279,415	8,746,424
Total Assets	14,885,850	10,860,043
Current Liabilities	3,569,010	2,699,018
Long-Term Liabilities	7,748,689	4,657,522
Total Liabilities	11,317,699	7,356,540
Net Assets:		
Invested in capital assets, net of related debt	4,768,322	4,107,996
Restricted	717,644	798,714
Unrestricted	(1,917,815)	(1,403,207)
Total Net Assets	\$ 3,568,151	\$ 3,503,503

The largest component of the Village's net assets are Invested in Capital Assets (net of related debt) of \$4,768,322 which reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

The restricted net assets of \$717,644 represent resources that are subject to external restrictions on their use. The restrictions are:

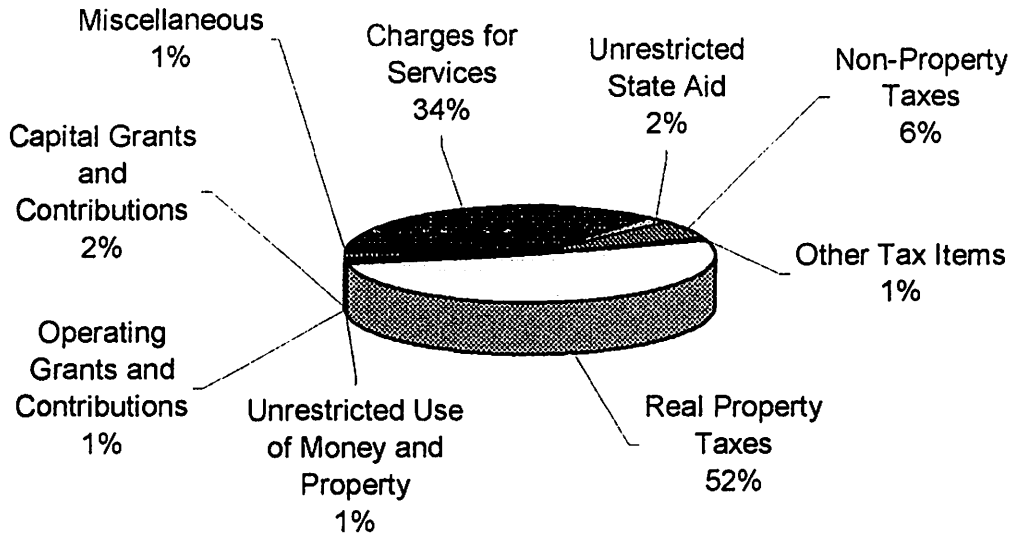
	May 31,	
	2008	2007
Capital Projects	\$ 183,955	\$ 528,828
Debt Service	87,098	75,242
Law Enforcement	62,148	4,799
Dare	46,196	45,280
Sewer	126,515	98,351
Special Purpose	211,732	46,214
Restricted Net Assets	<u>\$ 717,644</u>	<u>\$ 798,714</u>

The remaining balance is an unrestricted net deficit of \$1,917,815.

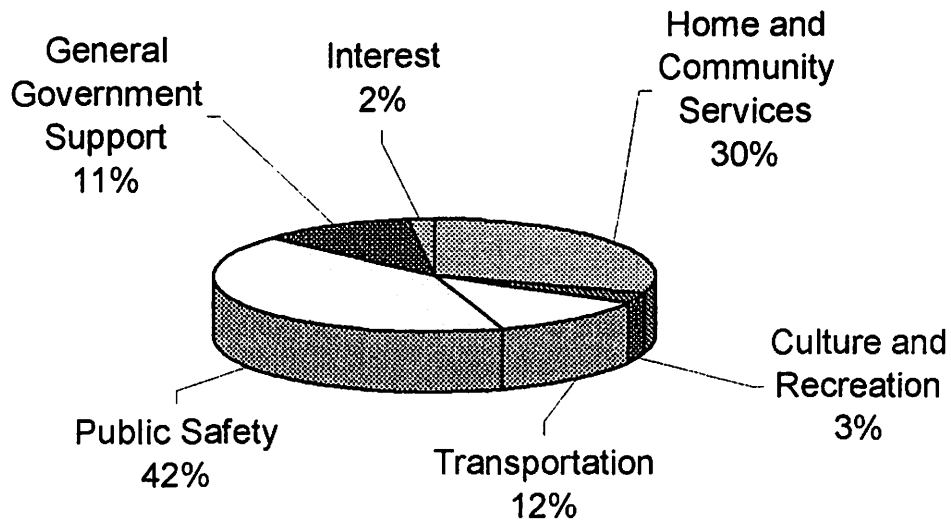
Changes in Net Assets

	Year Ended May 31,	
	2008	2007
Program Revenues:		
Charges for Services	\$ 4,751,759	\$ 4,625,995
Operating Grants and Contributions	97,626	88,225
Capital Grants and Contributions	277,216	114,448
General Revenues:		
Real Property Taxes	7,375,706	7,401,311
Other Tax Items	160,804	171,934
Non-Property Taxes	822,872	575,550
Unrestricted Use of Money and Property	155,904	165,059
Sale of Property and Compensation for Loss	28,160	92,676
Unrestricted State Aid	337,663	437,527
Miscellaneous	87,022	101,641
Total Revenues	<u>14,094,732</u>	<u>13,774,366</u>
Program Expenses:		
General Government Support	1,473,732	1,357,262
Public Safety	5,868,749	5,947,426
Health	20,223	22,055
Transportation	1,695,078	1,658,288
Culture and Recreation	440,943	433,306
Home and Community Services	4,181,449	3,898,159
Interest	263,333	180,728
Total Expenses	<u>13,943,507</u>	<u>13,497,224</u>
Change in Net Assets	151,225	277,142
Prior Period Adjustment	(86,577)	-
Net Assets - Beginning	<u>3,503,503</u>	<u>3,226,361</u>
Net Assets - Ending	<u>\$ 3,568,151</u>	<u>\$ 3,503,503</u>

Sources of Revenue for Fiscal Year 2008 Governmental Activities



Sources of Expenses for Fiscal Year 2008 Governmental Activities



Governmental Activities: Governmental activities increased the Village's net assets by \$64,648.

For the fiscal year ended May 31, 2008, revenues from governmental activities totaled \$14,094,732. Tax revenues of \$8,359,382 comprised of real property taxes, other tax items and non-property taxes represented the largest revenue source at 59%.

The largest components of governmental activities' expenses are public safety (42%), transportation (12%) and home and community services (30%).

Financial Analysis of the Government's Funds

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

Governmental Funds - The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Village's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village's governmental funds reported a combined ending fund balance of \$1,122,747, an increase of \$1,641,405 from the prior year. Of the total combined fund balance (excluding the Capital Projects Fund balance), \$(294,435) constitutes unreserved fund deficit balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to encumbrances (\$119,266), and advances (\$420,750), dare (\$46,196), debt service (\$87,098), parklands (\$206,031), law enforcement (\$62,148) and trusts (\$5,701).

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, the total fund balance of the General Fund was \$852,023. Of this amount, \$305,041 was unreserved, composed of \$217,500 of designations and \$87,541 of undesignated.

Capital Asset and Debt Administration

Capital Assets: The Village's investment in capital assets for its governmental activities as of May 31, 2008, amounted to \$10,279,415 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment and infrastructure.

**Capital Assets
(Net of Depreciation)**

	May 31,	
	2008	2007
Land	\$ 440,815	\$ 440,815
Construction-in-Progress	1,655,873	32,680
Buildings and Improvements	5,608,513	5,716,216
Machinery and Equipment	2,271,297	2,316,372
Infrastructure	302,917	240,341
Total	<u>\$ 10,279,415</u>	<u>\$ 8,746,424</u>

Additional information on the Village's capital assets can be found in Note 3 of this report.

Long-term Debt: At the end of the current fiscal year, the Village had total bonded indebtedness of \$6,085,000. The Village's general obligation bonded debt increased by \$2,945,000 due to the Village's borrowing of \$3,450,000 for the road improvement project, the new water meter reading system and to pay off a \$520,000 short term note. As required by New York State law all bonds issued by the Village are General Obligation bonds backed by the full faith and credit of the Village.

Additional information on the Village's long-term debt can be found in Note 3 of this report.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Thomas Zordan, Treasurer, Village of Suffern, 61 Washington Avenue, Suffern, New York 10901.

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VILLAGE OF SUFFERN, NEW YORK

STATEMENT OF NET ASSETS

MAY 31, 2008

ASSETS

Cash and equivalents	\$ 3,124,038
Receivables:	
Accounts	344,844
Water rents	443,169
Sewer rents	334,610
State and Federal aid	359,774
Capital assets (net of accumulated depreciation):	
Land	440,815
Construction-in-process	1,655,873
Buildings and improvements	5,608,513
Machinery and equipment	2,271,297
Infrastructure	302,917
Total Assets	14,885,850

LIABILITIES

Accounts payable	1,483,307
Accrued liabilities	505,916
Unearned revenues	226,349
Retainage payable	76,823
Bond anticipation notes payable - Capital projects	1,027,318
Bond anticipation notes payable - Judgments and claims	40,020
Due to retirement systems	123,955
Accrued interest payable	85,322
Non-current liabilities:	
Due within one year:	
Bonds payable	675,000
Claims payable	17,560
Compensated absences	118,430
Due in more than one year:	
Bonds payable	5,410,000
Claims payable	158,042
Compensated absences	1,065,872
Net pension obligation	303,785
Total Liabilities	11,317,699

NET ASSETS

Invested in capital assets, net of related debt	4,768,322
Restricted for:	
Capital projects	183,955
Debt service	87,098
Law enforcement	62,148
DARE	46,196
Special Revenue Funds:	
Sewer	126,515
Special purpose	211,732
Unrestricted	(1,917,815)
Total Net Assets	\$ 3,568,151

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

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STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government support	\$ 1,473,732	\$ 133,161	\$ 1,135	\$ -	\$ (1,339,436)
Public safety	5,868,749	570,219	74,704	29,921	(5,193,905)
Health	20,223	66,350	-	-	46,127
Transportation	1,695,078	-	4,811	50,000	(1,640,267)
Culture and recreation	440,943	255,497	7,072	9,043	(169,331)
Home and community services	4,181,449	3,726,532	9,904	107,262	(337,751)
Interest	263,333	-	-	80,990	(182,343)
Total Governmental Activities	\$ 13,943,507	\$ 4,751,759	\$ 97,626	\$ 277,216	(8,816,906)
General Revenues:					
Real property taxes					7,375,706
Other tax items:					
Payments in lieu of taxes					145,509
Interest and penalties on real property taxes					15,295
Non-property taxes:					
Franchise fees					101,792
Non-property tax distribution from County					424,710
Utilities gross receipts taxes					296,370
Unrestricted use of money and property					155,904
Sale of property and compensation for loss					28,160
Unrestricted State aid					337,663
Miscellaneous					87,022
Total General Revenues					8,968,131
Change in Net Assets					151,225
Net Assets - Beginning, as reported					3,503,503
Prior Period Adjustment					(86,577)
Net Assets - Beginning, as restated					3,416,926
Net Assets - Ending					\$ 3,568,151

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

BALANCE SHEET
GOVERNMENTAL FUNDS
MAY 31, 2008

	General	Water	Sewer
<u>ASSETS</u>			
Cash and Equivalents	\$ 329,105	\$ 209,774	\$ 156,063
Receivables:			
Accounts	205,950	7,106	2,767
Water rents	-	443,169	-
Sewer rents	-	-	334,610
State and Federal aid	309,774	-	-
Due from other funds	990,210	-	706,080
Advances to other funds	309,750	-	111,000
	<u>1,815,684</u>	<u>450,275</u>	<u>1,154,457</u>
Total Assets	<u>\$ 2,144,789</u>	<u>\$ 660,049</u>	<u>\$ 1,310,520</u>
<u>LIABILITIES AND FUND BALANCES (DEFICITS)</u>			
Liabilities:			
Accounts payable	\$ 239,558	\$ 5,087	\$ 7,123
Accrued liabilities	386,053	59,898	59,965
Due to other funds	434,004	787,386	1,091,173
Deferred revenues	86,349	-	-
Retainage payable	-	-	-
Bond anticipation notes payable	40,020	-	-
Due to retirement systems	106,782	8,650	8,523
Advances from other funds	-	420,750	-
Total Liabilities	<u>1,292,766</u>	<u>1,281,771</u>	<u>1,166,784</u>
Fund Balances (Deficits):			
Reserved for advances	309,750	-	111,000
Reserved for encumbrances	108,776	10,490	-
Reserved for trusts	-	-	-
Reserved for parklands	-	-	-
Reserved for debt service	20,112	-	-
Reserved for law enforcement	62,148	-	-
Reserved for DARE	46,196	-	-
Unreserved, reported in:			
General Fund	305,041	-	-
Special Revenue Funds	-	(632,212)	32,736
Capital Projects Fund	-	-	-
Total Fund Balances (Deficits)	<u>852,023</u>	<u>(621,722)</u>	<u>143,736</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 2,144,789</u>	<u>\$ 660,049</u>	<u>\$ 1,310,520</u>

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

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 2,211,653	\$ 217,443	\$ 3,124,038
116,305	12,716	344,844
-	-	443,169
-	-	334,610
50,000	-	359,774
573,773	53,096	2,323,159
-	-	420,750
740,078	65,812	4,226,306
<u>\$ 2,951,731</u>	<u>\$ 283,255</u>	<u>\$ 7,350,344</u>
\$ 1,227,002	\$ 4,537	\$ 1,483,307
-	-	505,916
10,596	-	2,323,159
140,000	-	226,349
76,823	-	76,823
1,027,318	-	1,067,338
-	-	123,955
-	-	420,750
2,481,739	4,537	6,227,597
-	-	420,750
-	-	119,266
-	5,701	5,701
-	206,031	206,031
-	66,986	87,098
-	-	62,148
-	-	46,196
-	-	305,041
-	-	(599,476)
469,992	-	469,992
469,992	278,718	1,122,747
<u>\$ 2,951,731</u>	<u>\$ 283,255</u>	<u>\$ 7,350,344</u>

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VILLAGE OF SUFFERN, NEW YORK

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT - WIDE STATEMENT OF NET ASSETS
MAY 31, 2008

Fund Balances - Total Governmental Funds \$ 1,122,747

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

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds 10,279,415

Long-term liabilities that are not due and payable in the current
period and, therefore, are not reported in the funds.

Bonds payable	(6,085,000)
Claims payable	(175,602)
Accrued interest payable	(85,322)
Compensated absences	(1,184,302)
Net pension obligation	<u>(303,785)</u>

(7,834,011)

Net Assets of Governmental Activities

\$ 3,568,151

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED MAY 31, 2008

	General	Water	Sewer	Capital Projects
Revenues:				
Real property taxes	\$ 7,375,706	\$ -	\$ -	\$ -
Other tax items	160,804	-	-	-
Non-property taxes	822,872	-	-	-
Departmental income	1,322,869	1,472,204	1,074,934	-
Use of money and property	156,870	7,658	2,246	-
Licenses and permits	213,002	-	-	-
Fines and forfeitures	296,487	-	-	-
Sale of property and compensation for loss	28,160	1,549	-	-
State aid	379,153	-	-	79,921
Federal aid	43,817	-	-	-
Miscellaneous	249,323	5,696	2,297	116,305
Total Revenues	11,049,063	1,487,107	1,079,477	196,226
Expenditures:				
Current:				
General government support	1,241,024	-	-	-
Public safety	4,171,238	-	-	-
Health	15,000	-	-	-
Transportation	1,287,204	-	-	-
Culture and recreation	369,221	-	-	-
Home and community services	1,024,735	997,877	950,292	-
Employee benefits	2,445,107	261,899	161,854	-
Debt service:				
Principal	-	-	-	-
Interest	49,110	11,194	2,389	-
Capital outlay	-	-	-	2,101,547
Total Expenditures	10,602,639	1,270,970	1,114,535	2,101,547
Excess (Deficiency) of Revenues Over Expenditures	446,424	216,137	(35,058)	(1,905,321)
Other Financing Sources (Uses):				
Bonds issued	-	-	-	3,450,000
Transfers in	16,134	83,351	139,775	391,597
Transfers out	(640,593)	(289,440)	(82,364)	(239,260)
Total Other Financing Sources (Uses)	(624,459)	(206,089)	57,411	3,602,337
Net Change in Fund Balances	(178,035)	10,048	22,353	1,697,016
Fund Balances - Beginning of Year, as reported	1,116,635	(631,770)	121,383	(1,227,024)
Prior Period Adjustment	(86,577)	-	-	-
Fund Balances - Beginning of Year, as restated	1,030,058	(631,770)	121,383	(1,227,024)
Fund Balances (Deficits) - End of Year	\$ 852,023	\$ (621,722)	\$ 143,736	\$ 469,992

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

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 7,375,706
-	160,804
-	822,872
201,969	4,071,976
80,890	247,664
-	213,002
-	296,487
-	29,709
-	459,074
-	43,817
-	373,621
<u>282,859</u>	<u>14,094,732</u>
-	1,241,024
-	4,171,238
-	15,000
-	1,287,204
-	369,221
-	2,972,904
-	2,868,860
545,000	545,000
182,059	244,752
-	2,101,547
<u>727,059</u>	<u>15,816,750</u>
<u>(444,200)</u>	<u>(1,722,018)</u>
-	3,450,000
657,925	1,288,782
<u>(37,125)</u>	<u>(1,288,782)</u>
<u>620,800</u>	<u>3,450,000</u>
<u>176,600</u>	<u>1,727,982</u>
102,118	(518,658)
-	(86,577)
<u>102,118</u>	<u>(605,235)</u>
<u>\$ 278,718</u>	<u>\$ 1,122,747</u>

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RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2008

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

Net Change in Fund Balances - Total Governmental Funds	\$ 1,727,982
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlay expenditures	2,180,641
Depreciation expense	<u>(647,650)</u>
	<u>1,532,991</u>

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Bonds issued	(3,450,000)
Principal paid on bonds	<u>545,000</u>
	<u>(2,905,000)</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Claims	(67,123)
Compensated absences	184,741
Net pension obligation	(303,785)
Accrued interest	<u>(18,581)</u>
	<u>(204,748)</u>

Change in Net Assets of Governmental Activities	<u>\$ 151,225</u>
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The notes to the financial statements are an integral part of this statement.

GENERAL, WATER AND SEWER FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 YEAR ENDED MAY 31, 2008

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 7,378,028	\$ 7,378,028	\$ 7,375,706	\$ (2,322)
Other tax items	159,509	159,509	160,804	1,295
Non-property taxes	602,000	602,000	822,872	220,872
Departmental income	1,330,709	1,330,709	1,322,869	(7,840)
Use of money and property	146,000	146,000	156,870	10,870
Licenses and permits	177,600	177,600	213,002	35,402
Fines and forfeitures	240,200	240,200	296,487	56,287
Sale of property and compensation for loss	44,000	44,000	28,160	(15,840)
State aid	738,027	738,027	379,153	(358,874)
Federal aid	10,000	10,000	43,817	33,817
Miscellaneous	198,816	198,813	249,323	50,510
Total Revenues	11,024,889	11,024,886	11,049,063	24,177
Expenditures:				
Current:				
General government support	1,127,158	1,242,110	1,241,024	1,086
Public safety	4,073,153	4,198,151	4,171,238	26,913
Health	15,000	15,000	15,000	-
Transportation	1,352,734	1,293,435	1,287,204	6,231
Culture and recreation	359,071	369,261	369,221	40
Home and community services	1,087,082	1,024,735	1,024,735	-
Employee benefits	2,418,921	2,445,107	2,445,107	-
Debt service - Interest	56,853	49,110	49,110	-
Total Expenditures	10,489,972	10,636,909	10,602,639	34,270
Excess (Deficiency) of Revenues Over Expenditures	534,917	387,977	446,424	58,447
Other Financing Sources (Uses):				
Obligation authorized	235,000	235,000	-	(235,000)
Transfers in	-	-	16,134	16,134
Transfers out	(1,145,382)	(1,018,443)	(640,593)	377,850
Total Other Financing Sources (Uses)	(910,382)	(783,443)	(624,459)	158,984
Net Change in Fund Balances	(375,465)	(395,466)	(178,035)	217,431
Fund Balances (Deficits) - Beginning of Year, as reported	375,465	395,466	1,116,635	721,169
Prior Period Adjustment	-	-	(86,577)	(86,577)
Fund Balances (Deficits) - Beginning of Year, as restated	375,465	395,466	1,030,058	634,592
Fund Balances (Deficits) - End of Year	\$ -	\$ -	\$ 852,023	\$ 852,023

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

Water Fund				Sewer Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,748,069	1,630,469	1,472,204	(158,265)	1,260,415	1,260,415	1,074,934	(185,481)
7,255	7,255	7,658	403	2,200	2,200	2,246	46
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,549	1,549	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,000	49,760	5,696	(44,064)	847	847	2,297	1,450
1,761,324	1,687,484	1,487,107	(200,377)	1,263,462	1,263,462	1,079,477	(183,985)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,071,925	1,075,061	997,877	77,184	1,040,629	1,027,285	950,292	76,993
275,738	272,601	261,899	10,702	156,365	161,854	161,854	-
11,323	11,323	11,194	129	2,389	2,389	2,389	-
1,358,986	1,358,985	1,270,970	88,015	1,199,383	1,191,528	1,114,535	76,993
402,338	328,499	216,137	(112,362)	64,079	71,934	(35,058)	(106,992)
-	-	-	-	-	-	-	-
-	-	83,351	83,351	-	-	139,775	139,775
(414,915)	(341,076)	(289,440)	51,636	(74,509)	(82,364)	(82,364)	-
(414,915)	(341,076)	(206,089)	134,987	(74,509)	(82,364)	57,411	139,775
(12,577)	(12,577)	10,048	22,625	(10,430)	(10,430)	22,353	32,783
12,577	12,577	(631,770)	(644,347)	10,430	10,430	121,383	110,953
-	-	-	-	-	-	-	-
12,577	12,577	(631,770)	(644,347)	10,430	10,430	121,383	110,953
\$ -	\$ -	\$ (621,722)	\$ (621,722)	\$ -	\$ -	\$ 143,736	\$ 143,736

STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
MAY 31, 2008

	Pension Trust Fund - Fire Service Awards Program	Agency Fund	Total
ASSETS			
Cash - Demand deposits	\$ -	\$ 101,127	\$ 101,127
Investments, at fair value:			
Money market funds	26,631	-	26,631
Mutual funds	564,042	-	564,042
	590,673	-	590,673
Accounts Receivable	117,182	-	117,182
Total Assets	707,855	101,127	808,982
LIABILITIES			
Accounts Payable	12,716	77,701	90,417
Employee Payroll Deductions	-	6,647	6,647
Deposits	-	16,779	16,779
Total Liabilities	12,716	101,127	113,843
NET ASSETS			
Held in Trust for Pension Benefits (Schedule of funding progress for the plan is presented in the Required Supplementary Information)	\$ 695,139	\$ -	\$ 695,139

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

VILLAGE OF SUFFERN, NEW YORK

STATEMENT OF CHANGES IN NET ASSETS - FIDUCIARY FUNDS
PENSION TRUST FUND - SERVICE AWARDS PROGRAM
YEAR ENDED MAY 31, 2008

Additions:

Pension contributions	\$ 117,182
Earnings on investments	29,110
Net change in fair value of investments	<u>(8,411)</u>

Total Additions	137,881
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Deductions - Pension benefits	<u>31,587</u>
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Change in Net Assets	<u>106,294</u>
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Net Assets Held in Trust for Pension Benefits - Beginning of Year, as reported	502,268
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Prior Period Adjustment	<u>86,577</u>
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Net Assets Held in Trust for Pension Benefits - Beginning of Year, as restated	<u>588,845</u>
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Net Assets Held in Trust for Pension Benefits - End of Year	<u><u>\$ 695,139</u></u>
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The notes to the financial statements are an integral part of this statement.

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Note 1 - Summary of Significant Accounting Policies

The Village of Suffern, New York was established in 1896 and operates in accordance with Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body responsible for overall operation. The Mayor serves as the chief executive officer and the Village Treasurer serves as the chief financial officer. The Village provides the following services to its residents: public safety, health, transportation, culture and recreation, home and community services and general and administrative support.

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

A. Financial Reporting Entity

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

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

The following organization is related to the Village:

The Village of Suffern Parking Authority (Authority) is a public benefit corporation created to service and operate the Village's parking facilities. Members of the Authority are appointed by the Mayor for a specified term. While the Village does provide some accounting services, Authority members have complete responsibility for management of the Authority and accountability for fiscal matters. The Village is not liable for Authority bonds or notes.

B. Government-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Assets presents the financial position of the Village at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Village does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, liabilities, fund balances/net assets, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Village maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Village's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Village's major governmental funds:

General Fund - The General Fund constitutes the primary operating fund of the Village in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain defined purposes. The major special revenue funds of the Village are as follows:

Water Fund - The Water Fund is used to record the water utility operations of the Village which render services on a user charge basis to the general public.

Sewer Fund - The Sewer Fund is used to record the sewer utility operations of the Village which render services on a user charge basis to the general public.

Capital Projects Fund - The Capital Projects Fund is utilized to account for financial resources to be used for the acquisition or construction of major capital facilities.

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

Special Revenue Fund -

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Village in accordance with the terms of a trust agreement.

Debt Service Fund - The Debt Service Fund is provided to account for the accumulation of resources to be used for the redemption of principal and interest on long-term debt.

- b. Fiduciary Funds (Not Included in Government-wide Financial Statements) - Fiduciary Funds are used to account for assets held by the Village in an agency capacity on behalf of others. These include Pension Trust and Agency Funds. The Pension Trust Fund accounts for the Village's Fire Service Awards Program. The Agency Fund is used to account for employee payroll tax withholdings and various other deposits that are payable to other jurisdictions or individuals.

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

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

The government-wide financial statements and the Pension Trust Fund are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus and utilizes the accrual basis of accounting. Revenues

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, certain claims and certain pension obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities and Net Assets or Fund Balances**Deposits, Investments and Risk Disclosure**

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

The Village's investment policies are governed by State statutes. The Village has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Village is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2008.

The Village was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

Investments - Investments of the Pension Trust Fund - Fire Service Awards Program are held on deposit with an insurance company. The funds are invested along with the company's other assets in a variety of instruments. These investments are not subject to risk categorization.

Taxes Receivable - Property taxes attached as an enforceable lien on real property as of June 1st and are payable in June. The Village is responsible for the billing and collection of its taxes through November 1st of the tax year, at which time the responsibility for uncollected taxes is transferred to the County of Rockland. On or about April 1st, the County remits to the Village the balance of all uncollected taxes. The County has the responsibility for conducting in-rem foreclosure proceedings.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Village. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of May 31, 2008, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Advances To/From Other Funds - Advances to/from other funds represent loans to other funds, which are not expected to be repaid within the subsequent annual operating cycle. The advances are offset by a fund balance reserve in the fund financial statements, which indicates that the funds are not "available" for appropriation and are not expendable available financial resources.

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the Village. Purchases of inventoriable items at various locations are

Note 1 - Summary of Significant Accounting Policies (Continued)

recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Land and construction-in-progress are not depreciated. Property, plant and equipment of the Village are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and improvements	20-50
Machinery and equipment	5-20
Infrastructure	20-60

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

Unearned/Deferred Revenues - Unearned/deferred revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In government-wide financial statements, unearned revenue consists of amounts received in advance.

Deferred revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported deferred revenues of \$86,349 for solid waste collection charges received in advance in the General Fund and \$140,000 for State aid received in advance in the Capital Projects Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

Net Assets - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets on the Statement of Net Assets include, invested in capital assets, net of related debt, restricted for capital projects, debt service, law enforcement, DARE and special revenue funds. The balance is classified as unrestricted.

Fund Balances - Reserves and Designations - Portions of fund balance are segregated for future use and are, therefore, not available for future appropriation or expenditure. Amounts reserved for advances, encumbrances, trusts, parklands, debt service, law enforcement and DARE represent portions of fund balance which are required to be segregated in accordance with State law or generally accepted accounting principles. Designation of unreserved fund balances in governmental funds indicates the utilization of these resources in the ensuing year's budget or tentative plans for future use.

F. Encumbrances

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

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

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

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) On or before March 20th, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes the proposed expenditures and the means of financing.
- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- c) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for General, Water, Sewer and Debt Service funds.
- f) Budgets for General, Water, Sewer and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not adopted by the Board for the Special Purpose Fund.
- g) The Village Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Trustees. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- h) Appropriations in General, Water, Sewer and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2008

Note 2 - Stewardship, Compliance and Accountability (Continued)

Budgeted amounts are as originally adopted, or as amended by the Board of Trustees. Individual amendments for the current year were not material in relation to the original appropriations which were amended.

B. Property Tax Limitation

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for the 2007-2008 fiscal year was \$19,035,213, which exceeded the actual levy by \$11,657,185.

C. Fund Deficits

The Water Fund has an undesignated deficit of \$632,212 as of May 31, 2008. The Village plans to address this deficit in the ensuing years.

D. Capital Projects Fund Deficit

The deficits in individual capital projects arises in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. These deficits will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits, where no bond anticipation notes were issued or outstanding to the extent of the deficit, arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

E. Excess of Actual Expenditures Over Budget

Expenditures of the following capital projects exceeded their authorized budgets by the amounts indicated:

<u>Project</u>	<u>Amount</u>
2005 Building Improvements	\$ 35,768
Recreation Improvements	28,831
Water Supply Improvements	60,260
Pavilion Pump Station	74,676
Curb on Various Streets	30,934

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2008

Note 2 - Stewardship, Compliance and Accountability (Continued)**F. Prior Period Adjustment**

In the current year, the Village determined that there were additional amounts owed from the General Fund to the Pension Trust Funds. Accordingly, a prior period adjustment of \$86,577 was made to the fund balance of the General Fund, the net assets of the Pension Trust Fund and the government-wide Statement of Net Assets.

Note 3 - Detailed Notes on All Funds**A. Due From/To Other Funds**

The balances reflected as due from/to other funds at May 31, 2008 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 990,210	\$ 434,004
Water	-	787,386
Sewer	706,080	1,091,173
Capital Projects	573,773	10,596
Non-Major Governmental Funds	53,096	-
	<u>\$ 2,323,159</u>	<u>\$ 2,323,159</u>

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

B. Capital Assets

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

<u>Class</u>	<u>Balance June 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance May 31, 2008</u>
Capital Assets, not being depreciated:				
Land	\$ 440,815	\$ -	\$ -	\$ 440,815
Construction-in-process	32,680	1,655,873	32,680	1,655,873
Total Capital Assets, not being depreciated	<u>\$ 473,495</u>	<u>\$ 1,655,873</u>	<u>32,680</u>	<u>\$ 2,096,688</u>
Capital Assets, being depreciated:				
Buildings and improvements	\$ 10,377,143	\$ 116,102	\$ -	\$ 10,493,245
Machinery and equipment	8,862,488	374,846	137,312	9,100,022
Infrastructure	248,246	66,500	-	314,746
Total Capital Assets, being depreciated	<u>19,487,877</u>	<u>557,448</u>	<u>137,312</u>	<u>19,908,013</u>

VILLAGE OF SUFFERN, NEW YORK

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)

Class	Balance June 1, 2007	Additions	Deletions	Balance May 31, 2008
Less Accumulated Depreciation for:				
Buildings and improvements	\$ 4,660,927	\$ 223,805	\$ -	\$ 4,884,732
Machinery and equipment	6,546,116	419,921	137,312	6,828,725
Infrastructure	7,905	3,924	-	11,829
Total Accumulated Depreciation	11,214,948	647,650	137,312	11,725,286
Total Capital Assets, being depreciated, net	<u>\$ 8,272,929</u>	<u>\$ (90,202)</u>	<u>\$ -</u>	<u>\$ 8,182,727</u>
Capital Assets, net	<u>\$ 8,746,424</u>	<u>\$ 1,565,671</u>	<u>\$ 32,680</u>	<u>\$ 10,279,415</u>

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

Governmental Activities:	
General Government Support	\$ 11,929
Public Safety	249,367
Transportation	137,954
Culture and Recreation	13,994
Home and Community Services	234,406
Total Depreciation Expense	<u>\$ 647,650</u>

C. Accrued Liabilities

Accrued liabilities at May 31, 2008 were as follows:

	Fund			
	General	Water	Sewer	Total
Payroll and Employee Benefits	\$ 189,309	\$ 13,704	\$ 12,654	\$ 215,667
Other	196,744	46,194	47,311	290,249
	<u>\$ 386,053</u>	<u>\$ 59,898</u>	<u>\$ 59,965</u>	<u>\$ 505,916</u>

D. Pension Plans

The Village of Suffern, New York participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire

NOTES TO FINANCIAL STATEMENTS (Continued)

MAY 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)

Retirement System (PFRS) (Systems). These Systems are cost-sharing multiple-employer defined benefit pension plans. The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The Systems are non-contributory except for employees who joined ERS after July 27, 1976 and have less than ten years of service, who contribute 3% of their salary. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion (GTLI) and regular pension contributions. Contribution rates for the plans' year ended March 31, 2008 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	12.0 %
	2 75I	11.0
	3 A14	8.8
	4 A15	8.8
PFRS	1 375I	18.0
	1 384D	20.0
	2 375I	10.9
	2 384D	14.7

Contributions made to the Systems for the current and two preceding years were as follows:

	<u>ERS</u>	<u>PFRS</u>
2008	\$ 276,841	\$ 392,613
2007	348,017	447,483
2006	261,531	350,854

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

The current ERS contribution for the Village was charged to various functional categories and employee benefits within the funds identified below:

<u>Fund</u>	<u>Amount</u>
General	\$ 198,905
Water	46,860
Sewer	31,076
	<u>\$ 276,841</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

MAY 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)

The current PFRS contribution was charged to the General Fund.

E. Pension Trust - Service Awards Program

The Village, pursuant to Article 11-A of General Municipal Law and legislative resolution, has established a Service Awards Program (Program) for volunteer firefighters. This Program is a single employer defined benefit plan. Active volunteer firefighters, upon attainment of age 18, and upon earning a year of service credit, under the Suffern Fire Department Service Awards Program Point System, during a calendar year, are eligible to become participants in the Program. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit. A participant, upon attainment of entitlement age (the later of age 65 or the participant's age after earning a year of service credit), shall be able to receive their service award, payable in the form of a ten-year certain and continuous monthly payment life annuity. The monthly benefits are \$20 for each year of service credit, up to a maximum monthly service award of \$500 for 25 or more years of earned service credits. The Program also provides disability and death benefits. The trustees of the Program, who are the members of the Village's Board, are authorized to invest the funds in authorized investment vehicles. Separate financial statements are not issued by the Program.

Current membership in the Program is comprised of the following:

<u>Group</u>	<u>December 31, 2007</u>
Retirees and beneficiaries currently receiving benefits	11
Terminated members entitled to but not yet receiving benefits	18
Active - nonvested	35
Active - vested	43

The Village is required to contribute the amounts necessary to finance the plan as actuarially determined using the attained age normal frozen initial liability cost method. The asset valuation method is fair value. The assumed investment rate of return is 6.5% and there are no cost of living adjustments.

Contributions made to the Program for the current and two preceding years were as follows:

2008	\$ 117,182
2007	86,577
2006	89,828

These contributions were equal to 100% of the actuarial required amounts. These contributions were charged to the General Fund - Fire Department budget line.

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2008**Note 3 - Detailed Notes on All Funds (Continued)****F. Short-Term Non-Capital Borrowings**

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

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance June 1, 2007	Redemptions	Balance May 31, 2008
Tax Certiorari	2004	03/06/09	2.21 %	\$ 35,000	\$ 20,000	\$ 15,000
Tax Certiorari	2005	10/03/08	3.58	37,710	12,690	25,020
				<u>\$ 72,710</u>	<u>\$ 32,690</u>	<u>\$ 40,020</u>

Interest expenditures of \$2,636 were recorded in the fund financial statements in the General Fund. Interest expense of \$2,162 was recorded in the government-wide financial statements for governmental activities.

G. Short-Term Capital Borrowings

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

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance June 1, 2007	New Issues	Redemptions	Balance May 31, 2008
Sewer Department Improvements	2003	-	- %	\$ 21,184	\$ -	\$ 21,184	\$ -
Sewer Department Improvements	2003	-	-	2,066	-	2,066	-
Water Well Repairs	2003	-	-	50,000	-	50,000	-
Cash Register and Software	2004	10/31/08	3.35	6,146	-	2,608	3,538
Police Cars and Computers	2004	10/31/08	3.35	15,665	-	6,647	9,018
Fire Equipment	2004	10/31/08	3.35	25,500	-	10,820	14,680
Sanitation Truck	2004	10/31/08	3.35	19,824	-	8,412	11,412
2004 Sewer Department Improvements	2004	10/31/08	3.35	36,985	-	15,693	21,292
Water Department Improvements	2004	03/06/09	2.21	143,600	-	64,125	79,475
Street Improvements	2004	10/31/08	3.35	6,380	-	2,707	3,673
2005 Building Improvements	2005	10/03/08	3.58	86,268	-	19,295	66,973
Police Car and Equipment	2005	10/03/08	3.58	23,793	-	5,322	18,471
Fire Equipment	2005	10/03/08	3.58	76,766	-	17,170	59,596
Steel Maintenance Equipment	2005	10/03/08	3.58	54,414	-	12,170	42,244
Recreation Improvements	2005	10/03/08	3.58	22,371	-	5,003	17,368
Water Supply Improvements	2005	10/03/08	3.58	85,444	-	26,667	58,777
Water Transportation Improvements	2005	10/03/08	3.58	21,225	-	4,747	16,478
Salt Spreader	2005	10/03/08	3.58	4,153	-	929	3,224
Vehicle Repairs	2005	10/03/08	3.58	7,856	-	1,757	6,099
2006 Fire Truck	2006	-	-	541,000	-	541,000	-
Land Purchase	2007	03/20/09	1.89	375,000	-	-	375,000
Road improvements	2007	07/08/08	3.79	-	220,000	-	220,000
				<u>\$ 1,625,640</u>	<u>\$ 220,000</u>	<u>\$ 818,322</u>	<u>\$ 1,027,318</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

MAY 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)

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

Interest expenditures of \$46,474, \$11,194, and \$2,389 were recorded in the fund financial statements in the General, Water and Sewer Funds, respectively. Interest expense of \$45,287 was recorded in the government-wide financial statements for governmental activities.

H. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2008:

	Balance June 1, 2007	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2008	Due Within One Year
Bonds payable	\$ 3,140,000	\$ 3,450,000	\$ 505,000	\$ 6,085,000	\$ 675,000
Bond anticipation notes payable	40,000	-	40,000	-	-
Claims payable	108,479	705,486	638,363	175,602	17,560
Compensated absences	1,369,043	-	184,741	1,184,302	118,430
Net pension obligation	-	303,785	-	303,785	-
	<u>\$ 4,657,522</u>	<u>\$ 4,459,271</u>	<u>\$ 1,368,104</u>	<u>\$ 7,748,689</u>	<u>\$ 810,990</u>

Each governmental fund's liability for compensated absences, claims and net pension obligation is liquidated by the respective fund. The Village's indebtedness for bonds and certain bond anticipation notes is satisfied by the Debt Service Fund, which is funded primarily from the General, Water and Sewer Funds.

Bonds Payable

Bonds payable at May 31, 2008 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2008
Various General and Water Improvements	1997	\$ 1,935,000	July, 2012	5.00-5.20 %	\$ 625,000
Various General, Water and Sewer Improvements	2003	1,988,000	October, 2014	3.25-4.00	1,280,000
Various General and Water Improvements	2004	1,625,000	February, 2012	2.50-3.50	730,000
Various General and Water Improvements	2007	3,450,000	August, 2022	3.75-4.20	3,450,000
					<u>\$ 6,085,000</u>

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$180,603 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$215,819 was recorded in the government-wide financial statements for governmental activities.

Bond Anticipation Note Payable

The Village, in fiscal year 2002-03, issued a bond anticipation note to finance tax certiorari refunds. The note is due one year from date of issuance but may be renewed up to five years pursuant to Local Finance Law, provided that stipulated annual reductions of principal are made.

The Village, pursuant to Financial Accounting Standards Board Statement No. 6, in a prior year, had recorded this bond anticipation note as an other financing source in the fund financial statements since it had demonstrated an ability to consummate refinancing. The ability to consummate refinancing was evidenced by obtaining permanent financing or a renewal of the note prior to the issuance of the financial statements. The note was paid in full in June 2007. Interest expenditures of \$1,456 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$65 was recorded in the government-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonds at May 31, 2008, including interest payments of \$1,469,584 are as follows:

<u>Year Ending May 31,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 675,000	\$ 229,291
2010	660,000	205,504
2011	670,000	180,799
2012	675,000	154,804
2013	475,000	128,708
2014-2018	1,535,000	421,012
2019-2023	<u>1,395,000</u>	<u>149,466</u>
	<u>\$ 6,085,000</u>	<u>\$ 1,469,584</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)**Prior Year Defeasance of Debt**

In prior years, the Village defeased certain various purpose bonds by placing the proceeds of new bonds or certain defined revenues in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Village's financial statements. At May 31, 2008, \$740,000 of bonds outstanding are considered defeased.

Claims Payable

The government-wide financial statements reflect the liability for self-insured workers' compensation and general liability claims. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred, but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities is as follows:

	May 31, 2008	May 31, 2007	
	Workers' Compensation and General Liability	Health	Workers' Compensation and General Liability
Balance - Beginning of Year	\$ 108,479	\$ 97,370	\$ 89,826
Provision for Claims and Claims Adjustment Expenses	705,486	132,995	811,712
Claims and Claims Adjustment Expenses Paid	(638,363)	(230,365)	(793,059)
	<u>\$ 175,602</u>	<u>\$ -</u>	<u>\$ 108,479</u>
Due Within One Year	<u>\$ 17,560</u>	<u>\$ -</u>	<u>\$ 10,848</u>

Note 3 - Detailed Notes on All Funds (Continued)**Compensated Absences**

Pursuant to collective bargaining agreements and the Board of Trustees, employees of the Village are permitted to accumulate varying amounts of sick leave. Police officers may accumulate up to 180 days, and upon retirement, may be paid for one half of the amount accumulated at current salary levels. Employees covered under the United Federation of Police Officers, representing police department radio dispatchers, record clerks and typists, may accumulate up to 130 days, and upon separation of service, may be paid one half of the amount accumulated at current salary levels. Other Village employees may accumulate a maximum of 200 days. Upon retirement, those employees with 35 or more years of service will be compensated for one half of the accumulated days, to a maximum of 90 days. Employees with less than 35 years of service will be compensated for one quarter of the accumulated days, to a maximum of 50 days. With the exception of police, all employees, upon separation of service, are compensated for unused vacation leave. The value of the compensated absences has been reflected in the government -wide financial statements.

Net Pension Obligation

As of December 31, 2007, the most recent actuarial valuation date, The Suffern Fire Department Service Award Program was 70.26% funded. The actuarial accrued liability for benefits was \$1,021,628, and the actuarial value of assets was \$717,843, resulting in an unfunded actuarial accrued liability of \$303,785.

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 liability for benefits.

I. Revenues and Expenditures**Interfund Transfers**

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

Transfers Out	Transfers In					Total
	General Fund	Water Fund	Sewer Fund	Capital Projects Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ -	\$ -	\$ 121,762	\$ 518,831	\$ 640,593
Water Fund	-	-	-	168,292	121,148	289,440
Sewer Fund	-	-	-	64,418	17,946	82,364
Capital Projects Fund	16,134	83,351	139,775	-	-	239,260
Non-Major Governmental Funds	-	-	-	37,125	-	37,125
	<u>\$ 16,134</u>	<u>\$ 83,351</u>	<u>\$ 139,775</u>	<u>\$ 391,597</u>	<u>\$ 657,925</u>	<u>\$ 1,288,782</u>

Note 3 - Detailed Notes on All Funds (Continued)

Transfers are used to 1) move funds from the operating funds to the Capital Projects Fund to finance various projects, 2) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due and 3) move unused amounts from the Capital Projects Fund back to the operating funds.

Post-Employment Health Care Benefits

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to length of service. Substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The cost of retiree health care benefits is recognized as an expenditure as claims are paid. During the year, \$342,584 was paid on behalf of 42 retirees and this amount has been recorded as an expenditure and expense.

J. Net Assets

The components of net assets are detailed below:

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

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

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

Restricted for Law Enforcement - the component of net assets that has been established pursuant to State authorization for unexpended forfeitures of seized crime properties restricted to use for law enforcement purposes.

Restricted for DARE - the component of net assets that has been established pursuant to State authorization for unexpended gifts and donations restricted to use for the Village's drug awareness program.

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

Unrestricted - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Note 3 - Detailed Notes on All Funds (Continued)

K. Fund Balances

Certain elements of reserved fund balance are described above. Those additional elements which are not reflected in the statement of net assets but are reported in the governmental funds balance sheet are described below. The unreserved components of fund balance are also detailed below.

The Reserve for Advances has been established to indicate the long-term nature of funds advanced to the Water and Capital Projects Funds. The funds do not represent "available" spendable resources even though they are a component of current assets.

Encumbrances outstanding have been reserved as it is the Village's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transactions.

The Reserve for Trusts has been established to set aside funds in accordance with the terms of the grants.

The Reserve for Parklands has been established pursuant to New York State Law. These funds may be used only for recreational purposes.

Unreserved – Designations

Designated for Subsequent Year's Expenditures - Designations of fund balance are not legally required segregations, but represent intended use for a specific purpose. At May 31, 2008 the Village Board has designated that \$217,500 of the fund balance of the General Fund be appropriated for the ensuing year's budget.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

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

Note 4 - Summary Disclosure of Significant Contingencies

B. Contingencies

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 applicable grant requirements may be established at a future date. The amount of expenditures, which may be disallowed by the granting agencies cannot be determined at this time, although the Village anticipates such amounts, if any, to be immaterial.

C. Risk Management

The Village purchases various insurance coverages to reduce its exposure to loss. The Village maintains workers' compensation and general liability policies of \$100,000 per occurrence and \$500,000 in the aggregate for workers' compensation and \$1 million per occurrence and \$3 million in the aggregate for general liability. The Village also has an umbrella policy which provides an additional \$5 million in coverage. The Village purchases conventional medical insurance coverage.

Note 5 - Subsequent Event

- A. The Village, in July 2008, issued a bond anticipation note in the amount of \$220,000. The note is due on July 8, 2009 with interest at 2.62%. The note is a renewal of the 2007 bond anticipation note issued to finance road improvements.

SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS
 PENSION TRUST FUND - SERVICE AWARDS PROGRAM
 LAST SIX FISCAL YEARS

Actuarial Valuation Date December 31,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio
2002	\$ 198,972	\$ 547,786	\$ 348,814	36.32 %
2003	278,341	612,834	334,492	45.42
2004	345,286	659,943	314,657	52.32
2005	416,638	703,592	286,954	59.22
2006	505,365	763,716	258,351	66.17
2007	717,843	1,021,628	303,785	70.26

VILLAGE OF SUFFERN, NEW YORK

SUPPLEMENTARY INFORMATION - SCHEDULE OF CONTRIBUTIONS
 PENSION TRUST FUND - SERVICE AWARDS PROGRAM
 LAST SIX FISCAL YEARS

<u>Year Ended May 31,</u>	<u>Annual Required Contributions</u>	<u>Actual Contributions</u>	<u>Percentage Contributed</u>
2003	\$ 85,517	\$ 87,767	100.00 %
2004	86,872	86,872	105.69
2005	87,446	87,446	102.63
2006	89,828	89,828	100.00
2007	86,577	86,577	100.00
2008	117,182	117,182	100.00

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VILLAGE OF SUFFERN, NEW YORK

GENERAL FUND
BALANCE SHEET
MAY 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 328,705	\$ 435,746
Petty cash	400	100
	<u>329,105</u>	<u>435,846</u>
Receivables:		
Accounts	205,950	244,319
State and Federal aid	309,774	340,720
Due from other funds	990,210	801,402
Advances to other funds	<u>309,750</u>	<u>219,015</u>
	<u>1,815,684</u>	<u>1,605,456</u>
Prepaid Expenditures	-	125,444
Total Assets	<u>\$ 2,144,789</u>	<u>\$ 2,166,746</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 239,558	\$ 60,355
Accrued liabilities	386,053	386,293
Due to other funds	434,004	356,703
Deferred revenues	86,349	86,349
Bond anticipation notes payable	40,020	72,710
Due to retirement systems	<u>106,782</u>	<u>87,701</u>
Total Liabilities	<u>1,292,766</u>	<u>1,050,111</u>
Fund Balance:		
Reserved for prepaid expenditures	-	125,444
Reserved for advances	309,750	219,015
Reserved for encumbrances	108,776	100,465
Reserved for debt service	20,112	19,338
Reserved for law enforcement	62,148	4,799
Reserved for DARE	46,196	45,280
Unreserved:		
Designated for subsequent year's expenditures	217,500	275,000
Undesignated	<u>87,541</u>	<u>327,294</u>
Total Fund Balance	<u>852,023</u>	<u>1,116,635</u>
Total Liabilities and Fund Balance	<u>\$ 2,144,789</u>	<u>\$ 2,166,746</u>

GENERAL FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED MAY 31, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 7,378,028	\$ 7,378,028	\$ 7,375,706	\$ (2,322)
Other tax items	159,509	159,509	160,804	1,295
Non-property taxes	602,000	602,000	822,872	220,872
Departmental income	1,330,709	1,330,709	1,322,869	(7,840)
Use of money and property	146,000	146,000	156,870	10,870
Licenses and permits	177,600	177,600	213,002	35,402
Fines and forfeitures	240,200	240,200	296,487	56,287
Sale of property and compensation for loss	44,000	44,000	28,160	(15,840)
State aid	738,027	738,027	379,153	(358,874)
Federal aid	10,000	10,000	43,817	33,817
Miscellaneous	198,816	198,813	249,323	50,510
Total Revenues	11,024,889	11,024,886	11,049,063	24,177
Expenditures:				
Current:				
General government support	1,127,158	1,242,110	1,241,024	1,086
Public safety	4,073,153	4,198,151	4,171,238	26,913
Health	15,000	15,000	15,000	-
Transportation	1,352,734	1,293,435	1,287,204	6,231
Culture and recreation	359,071	369,261	369,221	40
Home and community services	1,087,082	1,024,735	1,024,735	-
Employee benefits	2,418,921	2,445,107	2,445,107	-
Debt service - Interest	56,853	49,110	49,110	-
Total Expenditures	10,489,972	10,636,909	10,602,639	34,270
Excess of Revenues Over Expenditures	534,917	387,977	446,424	58,447
Other Financing Sources (Uses):				
Obligations authorized	235,000	235,000	-	(235,000)
Transfers in	-	-	16,134	16,134
Transfers out	(1,145,382)	(1,018,443)	(640,593)	377,850
Total Other Financing Uses	(910,382)	(783,443)	(624,459)	158,984
Net Change in Fund Balance	(375,465)	(395,466)	(178,035)	217,431
Fund Balance - Beginning of Year, as reported	375,465	395,466	1,116,635	721,169
Prior Period Adjustment	-	-	(86,577)	(86,577)
Fund Balance - Beginning of Year, as restated	375,465	395,466	1,030,058	634,592
Fund Balance - End of Year	\$ -	\$ -	\$ 852,023	\$ 852,023

2007			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 7,382,750	\$ 7,382,750	\$ 7,401,311	\$ 18,561
158,509	158,509	171,934	13,425
452,200	452,200	575,550	123,350
1,360,111	1,360,111	1,379,759	19,648
112,000	112,000	165,944	53,944
124,250	124,250	181,807	57,557
223,700	223,700	228,489	4,789
43,750	43,750	92,676	48,926
676,401	676,401	482,182	(194,219)
10,000	10,000	21,904	11,904
160,650	259,274	235,521	(23,753)
10,704,321	10,802,945	10,937,077	134,132
1,098,814	1,063,047	1,058,305	4,742
3,804,716	3,837,709	3,784,312	53,397
15,000	15,000	15,000	-
1,351,590	1,240,433	1,202,947	37,486
344,814	326,302	317,117	9,185
1,080,410	1,016,686	1,014,026	2,660
2,317,003	2,533,117	2,691,678	(158,561)
31,454	31,378	31,378	-
10,043,801	10,063,672	10,114,763	(51,091)
660,520	739,273	822,314	83,041
225,000	225,000	-	(225,000)
-	-	23,917	23,917
(1,069,554)	(1,148,307)	(947,317)	200,990
(844,554)	(923,307)	(923,400)	(93)
(184,034)	(184,034)	(101,086)	82,948
184,034	184,034	1,217,721	1,033,687
-	-	-	-
184,034	184,034	1,217,721	1,033,687
\$ -	\$ -	\$ 1,116,635	\$ 1,116,635

VILLAGE OF SUFFERN, NEW YORK

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2008

(With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
REAL PROPERTY TAXES	\$ 7,378,028	\$ 7,378,028	\$ 7,375,706	\$ (2,322)	\$ 7,401,311
OTHER TAX ITEMS					
Payments in lieu of taxes	145,509	145,509	145,509	-	145,509
Interest and penalties on real property taxes	14,000	14,000	15,295	1,295	26,425
	159,509	159,509	160,804	1,295	171,934
NON-PROPERTY TAXES					
Franchise fees	143,000	143,000	101,792	(41,208)	162,133
Non-property tax distribution from County	325,000	325,000	424,710	99,710	210,011
Utilities gross receipts taxes	134,000	134,000	296,370	162,370	203,406
	602,000	602,000	822,872	220,872	575,550
DEPARTMENTAL INCOME					
Inspection fees	94,000	94,000	70,125	(23,875)	68,153
Certificate of occupancy fees	25,000	25,000	12,850	(12,150)	20,975
Police services	4,000	4,000	7,894	3,894	42,221
Other public safety	4,000	4,000	3,285	(715)	12,566
Vital statistics fees	54,500	54,500	66,350	11,850	65,533
Zoning fees	6,000	6,000	2,640	(3,360)	7,290
Planning board fees	26,000	26,000	20,338	(5,662)	39,381
Pool fees	38,000	38,000	39,048	1,048	39,023
Other culture and recreation fees	7,500	7,500	12,276	4,776	11,844
Snow removal	12,000	12,000	17,941	5,941	7,195
Refuse and garbage charges	1,059,709	1,059,709	1,070,122	10,413	1,065,578
	1,330,709	1,330,709	1,322,869	(7,840)	1,379,759

USE OF MONEY AND PROPERTY

Earnings on investments	<u>146,000</u>	<u>146,000</u>	<u>156,870</u>	<u>10,870</u>	<u>165,944</u>
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LICENSES AND PERMITS

Business and occupational licenses	600	600	400	(200)	25
Bingo fees	2,500	2,500	1,937	(563)	2,204
Building permits	<u>174,500</u>	<u>174,500</u>	<u>210,665</u>	<u>36,165</u>	<u>179,578</u>
	<u>177,600</u>	<u>177,600</u>	<u>213,002</u>	<u>35,402</u>	<u>181,807</u>

FINES AND FORFEITURES

Fines and forfeited bail	<u>240,200</u>	<u>240,200</u>	<u>296,487</u>	<u>56,287</u>	<u>228,489</u>
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of equipment	3,000	3,000	15,222	12,222	180
Sale of recyclables	1,000	1,000	2,616	1,616	8,782
Insurance recoveries	<u>40,000</u>	<u>40,000</u>	<u>10,322</u>	<u>(29,678)</u>	<u>83,714</u>
	<u>44,000</u>	<u>44,000</u>	<u>28,160</u>	<u>(15,840)</u>	<u>92,676</u>

STATE AID

Per capita	93,227	93,227	93,227	-	90,512
Mortgage tax	370,000	370,000	244,436	(125,564)	347,015
Records management	3,000	3,000	-	(3,000)	2,551
Public safety	5,000	5,000	11,824	6,824	2,297
Other transportation	8,300	8,300	4,811	(3,489)	8,378
Youth programs	2,500	2,500	4,849	2,349	2,297
Consolidated Highway Improvement Program	6,000	6,000	-	(6,000)	-
State emergency management assistance	-	-	18,871	18,871	-
County recycling	100,000	100,000	-	(100,000)	-
Other	<u>150,000</u>	<u>150,000</u>	<u>1,135</u>	<u>(148,865)</u>	<u>29,132</u>
	<u>738,027</u>	<u>738,027</u>	<u>379,153</u>	<u>(358,874)</u>	<u>482,182</u>

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VILLAGE OF SUFFERN, NEW YORK

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET (Continued)

YEAR ENDED MAY 31, 2008

(With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
FEDERAL AID					
Emergency management assistance	\$ 10,000	\$ 10,000	\$ 43,817	\$ 33,817	\$ 21,904
MISCELLANEOUS					
Refund of prior year's expenditures	6,000	6,000	1,617	(4,383)	4,107
Gifts and donations	37,770	37,770	60,360	22,590	47,974
Parking Authority reimbursements	98,013	98,013	101,941	3,928	85,906
Other	57,033	57,030	85,405	28,375	97,534
	<u>198,816</u>	<u>198,813</u>	<u>249,323</u>	<u>50,510</u>	<u>235,521</u>
TOTAL REVENUES	<u>11,024,889</u>	<u>11,024,886</u>	<u>11,049,063</u>	<u>24,177</u>	<u>10,937,077</u>
OTHER FINANCING SOURCES					
Obligations authorized	235,000	235,000	-	(235,000)	-
Transfers in - Capital Projects Fund	-	-	16,134	16,134	23,917
TOTAL OTHER FINANCING SOURCES	<u>235,000</u>	<u>235,000</u>	<u>16,134</u>	<u>(218,866)</u>	<u>23,917</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 11,259,889</u>	<u>\$ 11,259,886</u>	<u>\$ 11,065,197</u>	<u>\$ (194,689)</u>	<u>\$ 10,960,994</u>

VILLAGE OF SUFFERN, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2008

(With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 44,800	\$ 50,340	\$ 49,344	\$ 996	\$ 45,558
Village Justice	187,878	173,811	173,811	-	170,306
Mayor	32,400	34,889	34,889	-	26,907
Auditor	21,000	21,000	21,000	-	22,500
Treasurer	99,629	99,636	99,636	-	98,031
Clerk	160,307	180,353	180,353	-	164,151
Financial consultant	6,000	4,806	4,806	-	5,734
Assessment	10,706	5,765	5,765	-	9,882
Village Attorney	63,931	136,965	136,965	-	102,086
Shared services	114,407	159,970	159,880	90	162,447
Unallocated insurance	241,500	256,523	256,523	-	214,768
Municipal association dues	4,600	4,524	4,524	-	4,435
Judgments and claims	90,000	113,528	113,528	-	31,500
Contingency	50,000	-	-	-	-
	<u>1,127,158</u>	<u>1,242,110</u>	<u>1,241,024</u>	<u>1,086</u>	<u>1,058,305</u>
PUBLIC SAFETY					
Police Department	3,462,560	3,534,989	3,531,069	3,920	3,223,395
Fire Department	361,421	382,996	364,042	18,954	289,912
DARE	25,000	38,572	34,657	3,915	36,432
Bingo inspectors	565	611	611	-	563
Safety inspection	223,607	240,983	240,859	124	234,010
	<u>4,073,153</u>	<u>4,198,151</u>	<u>4,171,238</u>	<u>26,913</u>	<u>3,784,312</u>
HEALTH					
Registrar of Vital Statistics	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>

TRANSPORTATION

Street administration	28,522	27,762	27,762	-	23,170
Street maintenance	1,001,894	958,237	956,552	1,685	871,962
Snow removal	117,118	70,768	66,222	4,546	47,489
Street lighting	122,000	141,364	141,364	-	158,522
Parking	83,200	95,304	95,304	-	101,804
	<u>1,352,734</u>	<u>1,293,435</u>	<u>1,287,204</u>	<u>6,231</u>	<u>1,202,947</u>

CULTURE AND RECREATION

Parks and playgrounds	274,491	279,643	279,603	40	221,679
Library	5,000	5,000	5,000	-	5,000
Youth recreation	76,229	77,679	77,679	-	84,045
Historian	3,351	6,939	6,939	-	6,393
	<u>359,071</u>	<u>369,261</u>	<u>369,221</u>	<u>40</u>	<u>317,117</u>

HOME AND COMMUNITY SERVICES

Zoning Board	7,330	5,110	5,110	-	5,299
Planning Board	17,373	12,200	12,200	-	24,762
Refuse and garbage	1,062,379	1,007,425	1,007,425	-	983,965
	<u>1,087,082</u>	<u>1,024,735</u>	<u>1,024,735</u>	<u>-</u>	<u>1,014,026</u>

EMPLOYEE BENEFITS

State retirement	186,805	172,410	172,410	-	169,624
Police and fire retirement	444,086	392,613	392,613	-	447,483
Social security	340,558	393,210	393,210	-	376,184
Workers' compensation	268,000	308,786	308,786	-	351,361
Life insurance	22,384	29,049	29,049	-	27,199
Unemployment benefits	4,000	3,072	3,072	-	9,853
Hospital and medical insurance	1,153,088	1,145,967	1,145,967	-	1,309,974
	<u>2,418,921</u>	<u>2,445,107</u>	<u>2,445,107</u>	<u>-</u>	<u>2,691,678</u>

(Continued)

VILLAGE OF SUFFERN, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)

YEAR ENDED MAY 31, 2008

(With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
DEBT SERVICE					
Interest - Bond anticipation notes	\$ 56,853	\$ 49,110	\$ 49,110	\$ -	\$ 31,378
TOTAL EXPENDITURES	10,489,972	10,636,909	10,602,639	34,270	10,114,763
OTHER FINANCING USES					
Transfers out:					
Debt Service Fund	518,830	518,831	518,831	-	512,227
Capital Projects Fund	626,552	499,612	121,762	377,850	435,090
TOTAL OTHER FINANCING USES	1,145,382	1,018,443	640,593	377,850	947,317
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 11,635,354	\$ 11,655,352	\$ 11,243,232	\$ 412,120	\$ 11,062,080

VILLAGE OF SUFFERN, NEW YORK

WATER FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 209,724	\$ 305,357
Petty cash	50	50
	<u>209,774</u>	<u>305,407</u>
Receivables:		
Accounts	7,106	10,127
Water rents	443,169	332,058
Due from other funds	-	6,474
	<u>450,275</u>	<u>348,659</u>
Total Assets	<u>\$ 660,049</u>	<u>\$ 654,066</u>
<u>LIABILITIES AND FUND DEFICIT</u>		
Liabilities:		
Accounts payable	\$ 5,087	\$ 973
Accrued liabilities	59,898	26,291
Due to other funds	787,386	1,029,459
Due to retirement systems	8,650	10,098
Advances from other funds	420,750	219,015
Total Liabilities	<u>1,281,771</u>	<u>1,285,836</u>
Fund Balance (Deficit):		
Reserved for encumbrances	10,490	12,577
Unreserved and undesignated	(632,212)	(644,347)
Total Fund Deficit	<u>(621,722)</u>	<u>(631,770)</u>
Total Liabilities and Fund Deficit	<u>\$ 660,049</u>	<u>\$ 654,066</u>

VILLAGE OF SUFFERN, NEW YORK

WATER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED MAY 31, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Departmental income	\$ 1,748,069	\$ 1,630,469	\$ 1,472,204	\$ (158,265)
Use of money and property	7,255	7,255	7,658	403
Sale of property and compensation for loss	-	-	1,549	1,549
Miscellaneous	6,000	49,760	5,696	(44,064)
Total Revenues	<u>1,761,324</u>	<u>1,687,484</u>	<u>1,487,107</u>	<u>(200,377)</u>
Expenditures:				
Current:				
Home and community services	1,071,925	1,075,061	997,877	77,184
Employee benefits	275,738	272,601	261,899	10,702
Debt service - Interest	11,323	11,323	11,194	129
Total Expenditures	<u>1,358,986</u>	<u>1,358,985</u>	<u>1,270,970</u>	<u>88,015</u>
Excess of Revenues Over Expenditures	<u>402,338</u>	<u>328,499</u>	<u>216,137</u>	<u>(112,362)</u>
Other Financing Source (Uses):				
Transfers in	-	-	83,351	83,351
Transfers out	(414,915)	(341,076)	(289,440)	51,636
Total Other Financing Uses	<u>(414,915)</u>	<u>(341,076)</u>	<u>(206,089)</u>	<u>134,987</u>
Net Change in Fund Balance	(12,577)	(12,577)	10,048	22,625
Fund Balance (Deficit) - Beginning of Year	<u>12,577</u>	<u>12,577</u>	<u>(631,770)</u>	<u>(644,347)</u>
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (621,722)</u>	<u>\$ (621,722)</u>

2007			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,654,172 5,200	\$ 1,654,172 5,200	\$ 1,436,631 12,344	\$ (217,541) 7,144
-	-	1,027	1,027
100	100	129,172	129,072
<u>1,659,472</u>	<u>1,659,472</u>	<u>1,579,174</u>	<u>(80,298)</u>
1,021,805	959,375	976,307	(16,932)
245,988	306,120	446,560	(140,440)
12,459	15,030	15,030	-
<u>1,280,252</u>	<u>1,280,525</u>	<u>1,437,897</u>	<u>(157,372)</u>
379,220	378,947	141,277	(237,670)
-	-	6,474	6,474
<u>(383,671)</u>	<u>(383,398)</u>	<u>(383,398)</u>	<u>-</u>
<u>(383,671)</u>	<u>(383,398)</u>	<u>(376,924)</u>	<u>-</u>
(4,451)	(4,451)	(235,647)	(231,196)
<u>4,451</u>	<u>4,451</u>	<u>(396,123)</u>	<u>(400,574)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (631,770)</u>	<u>\$ (631,770)</u>

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VILLAGE OF SUFFERN, NEW YORK

WATER FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2008

(With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
DEPARTMENTAL INCOME					
Metered water sales	\$ 1,712,069	\$ 1,594,469	\$ 1,412,548	\$ (181,921)	\$ 1,389,010
Water service charges	24,000	24,000	41,625	17,625	21,575
Interest and penalties on water rents	12,000	12,000	18,031	6,031	26,045
	<u>1,748,069</u>	<u>1,630,469</u>	<u>1,472,204</u>	<u>(158,265)</u>	<u>1,436,631</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	<u>7,255</u>	<u>7,255</u>	<u>7,658</u>	<u>403</u>	<u>12,344</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Minor sales	-	-	1,549	1,549	181
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>846</u>
	<u>-</u>	<u>-</u>	<u>1,549</u>	<u>1,549</u>	<u>1,027</u>
MISCELLANEOUS					
Refund of prior year's expenditures	-	43,761	207	(43,554)	123,987
Other	<u>6,000</u>	<u>5,999</u>	<u>5,489</u>	<u>(510)</u>	<u>5,185</u>
	<u>6,000</u>	<u>49,760</u>	<u>5,696</u>	<u>(44,064)</u>	<u>129,172</u>
TOTAL REVENUES	<u>1,761,324</u>	<u>1,687,484</u>	<u>1,487,107</u>	<u>(200,377)</u>	<u>1,579,174</u>
OTHER FINANCING SOURCES					
Transfers In - Capital Projects Fund	<u>-</u>	<u>-</u>	<u>83,351</u>	<u>83,351</u>	<u>6,474</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 1,761,324</u>	<u>\$ 1,687,484</u>	<u>\$ 1,570,458</u>	<u>\$ (117,026)</u>	<u>\$ 1,585,648</u>

VILLAGE OF SUFFERN, NEW YORK

WATER FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2008

(With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
HOME AND COMMUNITY SERVICES					
Water administration	\$ 266,011	\$ 259,555	\$ 259,555	\$ -	\$ 255,154
Source of supply, power and pumping	694,214	703,708	655,574	48,134	614,127
Transmission and distribution	111,700	111,798	82,748	29,050	107,026
	<u>1,071,925</u>	<u>1,075,061</u>	<u>997,877</u>	<u>77,184</u>	<u>976,307</u>
EMPLOYEE BENEFITS					
State retirement	51,368	46,860	46,860	-	69,888
Social security	35,656	35,288	34,182	1,106	34,836
Workers' compensation	33,800	33,546	23,950	9,596	169,853
Hospital and medical insurance	153,147	154,202	154,202	-	170,981
Life insurance	1,767	2,705	2,705	-	1,002
	<u>275,738</u>	<u>272,601</u>	<u>261,899</u>	<u>10,702</u>	<u>446,560</u>
DEBT SERVICE					
Interest - Bond anticipation notes	<u>11,323</u>	<u>11,323</u>	<u>11,194</u>	<u>129</u>	<u>15,030</u>
TOTAL EXPENDITURES	<u>1,358,986</u>	<u>1,358,985</u>	<u>1,270,970</u>	<u>88,015</u>	<u>1,437,897</u>

OTHER FINANCING USES

Transfers out:

Debt Service Fund	121,148	121,148	121,148	-	218,342
Capital Projects Fund	<u>293,767</u>	<u>219,928</u>	<u>168,292</u>	<u>51,636</u>	<u>165,056</u>

TOTAL OTHER FINANCING USES

<u>414,915</u>	<u>341,076</u>	<u>289,440</u>	<u>51,636</u>	<u>383,398</u>
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TOTAL EXPENDITURES AND OTHER FINANCING USES

<u>\$ 1,773,901</u>	<u>\$ 1,700,061</u>	<u>\$ 1,560,410</u>	<u>\$ 139,651</u>	<u>\$ 1,821,295</u>
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VILLAGE OF SUFFERN, NEW YORK

SEWER FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash - Demand deposits	\$ 156,063	\$ 30,200
Receivables:		
Accounts	2,767	-
Sewer rents	334,610	243,891
Due from other funds	706,080	871,643
Advances to other funds	111,000	-
	<u>1,154,457</u>	<u>1,115,534</u>
Total Assets	<u>\$ 1,310,520</u>	<u>\$ 1,145,734</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 7,123	\$ -
Accrued liabilities	59,965	20,420
Due to other funds	1,091,173	995,261
Due to retirement systems	8,523	8,670
Total Liabilities	<u>1,166,784</u>	<u>1,024,351</u>
Fund Balance:		
Reserved for encumbrances	-	10,430
Reserved for advances	111,000	-
Unreserved and undesignated	32,736	110,953
Total Fund Balance	<u>143,736</u>	<u>121,383</u>
Total Liabilities and Fund Balance	<u>\$ 1,310,520</u>	<u>\$ 1,145,734</u>

SEWER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED MAY 31, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Departmental income:				
Sewer fees	\$ 1,257,415	\$ 1,257,415	\$ 1,074,774	\$ (182,641)
Penalties	3,000	3,000	160	(2,840)
	1,260,415	1,260,415	1,074,934	(185,481)
Use of money and property	2,200	2,200	2,246	46
Miscellaneous	847	847	2,297	1,450
Total Revenues	1,263,462	1,263,462	1,079,477	(183,985)
Expenditures:				
Current:				
Home and community services	1,040,629	1,027,285	950,292	76,993
Employee benefits	156,365	161,854	161,854	-
Debt service - Interest	2,389	2,389	2,389	-
Total Expenditures	1,199,383	1,191,528	1,114,535	76,993
Excess (Deficiency) of Revenues Over Expenditures	64,079	71,934	(35,058)	(106,992)
Other Financing Sources (Uses):				
Transfers in	-	-	139,775	139,775
Transfers out	(74,509)	(82,364)	(82,364)	-
Total Other Financing Sources (Uses)	(74,509)	(82,364)	57,411	139,775
Net Change in Fund Balance	(10,430)	(10,430)	22,353	32,783
Fund Balance - Beginning of Year	10,430	10,430	121,383	110,953
Fund Balance - End of Year	\$ -	\$ -	\$ 143,736	\$ 143,736

2007			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,252,995 3,000	\$ 1,252,995 3,000	\$ 1,121,984 11,773	\$ (131,011) 8,773
1,255,995 1,500 -	1,255,995 1,500 -	1,133,757 2,340 -	(122,238) 840 -
1,257,495	1,257,495	1,136,097	(121,398)
944,445 178,636 3,180	977,972 185,500 3,180	935,530 185,500 3,180	42,442 - -
1,126,261	1,166,652	1,124,210	42,442
131,234	90,843	11,887	(78,956)
- (368,462)	- (368,462)	12,307 (357,457)	12,307 11,005
(368,462)	(368,462)	(345,150)	23,312
(237,228)	(277,619)	(333,263)	(55,644)
237,228	277,619	454,646	177,027
\$ -	\$ -	\$ 121,383	\$ 121,383

VILLAGE OF SUFFERN, NEW YORK

SEWER FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2008

(With Comparative Actuals for 2007)

25

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
HOME AND COMMUNITY SERVICES					
Sewage treatment and disposal	\$ 1,040,629	\$ 1,027,285	\$ 950,292	\$ 76,993	\$ 935,530
EMPLOYEE BENEFITS					
State retirement	33,202	31,076	31,076	-	63,426
Social security	21,527	24,706	24,706	-	24,244
Workers' compensation	18,800	15,231	15,231	-	13,921
Hospital and medical insurance	81,510	89,795	89,795	-	82,956
Life insurance	1,326	1,046	1,046	-	953
	156,365	161,854	161,854	-	185,500
DEBT SERVICE					
Interest - Bond anticipation notes	2,389	2,389	2,389	-	3,180
TOTAL EXPENDITURES	1,199,383	1,191,528	1,114,535	76,993	1,124,210
OTHER FINANCING USES					
Transfers out:					
Debt Service Fund	17,946	17,946	17,946	-	21,524
Capital Projects Fund	56,563	64,418	64,418	-	335,933
TOTAL OTHER FINANCING USES	74,509	82,364	82,364	-	357,457
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 1,273,892	\$ 1,273,892	\$ 1,196,899	\$ 76,993	\$ 1,481,667

VILLAGE OF SUFFERN, NEW YORK

CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash - Demand deposits	\$ 1,186,161	\$ 3,536
Investments	1,025,492	-
Receivables:		
Accounts	116,305	-
State and Federal aid	50,000	-
Due from other funds	573,773	655,147
	740,078	655,147
Total Assets	<u>\$ 2,951,731</u>	<u>\$ 658,683</u>
<u>LIABILITIES AND FUND BALANCE (DEFICIT)</u>		
Liabilities:		
Accounts payable	\$ 1,227,002	\$ 225,418
Due to other funds	10,596	13,290
Deferred revenues	140,000	-
Retainage payable	76,823	21,359
Bond anticipation notes payable	1,027,318	1,625,640
Total Liabilities	2,481,739	1,885,707
Fund Balance (Deficit):		
Reserved for encumbrances	-	65,298
Unreserved and undesignated	469,992	(1,292,322)
Total Fund Balance (Deficit)	469,992	(1,227,024)
Total Liabilities and Fund Balance (Deficit)	<u>\$ 2,951,731</u>	<u>\$ 658,683</u>

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VILLAGE OF SUFFERN, NEW YORK

CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
YEARS ENDED MAY 31, 2008 AND 2007

	2008	2007
Revenues:		
State aid	\$ 79,921	\$ 106,456
Miscellaneous	116,305	-
Total Revenues	196,226	106,456
Expenditures - Capital outlay	2,101,547	1,008,441
Deficiency of Revenues Over Expenditures	(1,905,321)	(901,985)
Other Financing Sources (Uses):		
Bonds issued	3,450,000	-
Transfers in	391,597	936,079
Transfers out	(239,260)	(42,698)
Total Other Financing Sources	3,602,337	893,381
Net Change in Fund Balance	1,697,016	(8,604)
Fund Deficit - Beginning of Year	(1,227,024)	(1,218,420)
Fund Balance (Deficit) - End of Year	\$ 469,992	\$ (1,227,024)

VILLAGE OF SUFFERN, NEW YORK

CAPITAL PROJECTS FUND

PROJECT-LENGTH SCHEDULE

INCEPTION OF PROJECT THROUGH MAY 31, 2008

Project	Authorization	Expenditures and Transfers	Unexpended Balance
Streetscape Improvements	\$ 89,000	\$ 85,525	\$ 3,475
Vehicles and Equipment	195,000	146,705	48,295
Downtown Revitalization	1,139,939	1,139,939	-
2003 Sewer Department Improvements	88,957	82,500	6,457
Cash Register and Software	11,136	11,136	-
Police Cars and Computers	64,080	64,080	-
Fire Equipment	61,700	61,700	-
Sanitation Truck	48,935	48,935	-
2004 Sewer Department Improvements	89,541	89,541	-
Water Department Improvements	287,600	270,000	17,600
Street Improvements	14,524	14,524	-
2005 Building Improvements	119,450	155,218	(35,768)
Police Car and Equipment	31,800	31,800	-
Fire Equipment	102,600	102,600	-
Street Maintenance Equipment	72,725	65,622	7,103
Recreation Improvements	67,025	95,856	(28,831)
Water Supply Improvements	121,000	181,260	(60,260)
Water Transportation Improvements	21,225	21,225	-
Sewer Plant Improvements	95,100	95,100	-
Salt Spreader	5,550	4,326	1,224
Vehicle Repairs	13,204	13,204	-
Bathroom Refurbishing	35,000	23,754	11,246
Accounting System Upgrade	35,000	34,779	221
2006 Fire Truck	561,000	541,000	20,000
2006 Infra Red Heating System	35,000	11,770	23,230
Pavilion Pump Station	157,262	231,938	(74,676)
Flat Roof for Hook and Ladder	40,000	38,584	1,416
CHIPS Street Repaving	139,000	58,256	80,744
Street Drainage	20,000	7,633	12,367
Curb on Various Streets	125,000	155,934	(30,934)
Ultra Violet Lift Pump Purchase	30,000	-	30,000
Centrifuge Scroll Assembly	60,000	53,963	6,037
Sewer Line Flusher	220,000	219,799	201
Roof Repairs	25,000	25,000	-
Land Purchase	375,000	346,408	28,592
Road Improvements	220,000	-	220,000
Variable Frequency Drive for Well #3	20,000	-	20,000
Building Repairs Operational Center	100,000	5,595	94,405
Ultra Violet Lift Pump Purchase	32,000	-	32,000
Road Improvements Equipment	50,000	-	50,000
Fire Department Cabinets	15,000	-	15,000
Community Center Doors	12,000	9,043	2,957
Dump Truck with Plow	90,000	-	90,000
Road Improvements Contractual	2,700,000	1,650,278	1,049,722
Meter Reading System Upgrade	280,000	1,311	278,689
Leaf Vacuum	45,000	30,238	14,762
Totals	\$ 8,161,353	\$ 6,226,079	\$ 1,935,274

Methods of Financing					Fund Balance (Deficit) at May 31, 2008	Bond Anticipation Notes Outstanding at May 31, 2008
Proceeds of Obligations	State and Federal Aid	Transfers	Other	Totals		
\$ 85,000	\$ 4,000	\$ -	\$ -	\$ 89,000	\$ 3,475	\$ -
195,000	-	-	-	195,000	48,295	-
-	866,304	98,634	160,000	1,124,938	(15,001)	-
82,500	-	-	-	82,500	-	-
7,598	-	-	-	7,598	(3,538)	3,538
51,482	-	3,580	-	55,062	(9,018)	9,018
47,020	-	-	-	47,020	(14,680)	14,680
37,523	-	-	-	37,523	(11,412)	11,412
68,249	-	-	-	68,249	(21,292)	21,292
208,125	-	-	-	208,125	(61,875)	79,475
10,851	-	-	-	10,851	(3,673)	3,673
48,327	-	4,150	-	52,477	(102,741)	66,973
13,329	-	-	-	13,329	(18,471)	18,471
43,004	-	-	-	43,004	(59,596)	59,596
30,481	-	-	-	30,481	(35,141)	42,244
12,532	-	37,125	-	49,657	(46,199)	17,368
62,223	-	-	-	62,223	(119,037)	58,777
4,747	-	-	-	4,747	(16,478)	16,478
-	-	95,100	-	95,100	-	-
2,326	-	-	-	2,326	(2,000)	3,224
4,401	-	2,704	-	7,105	(6,099)	6,099
-	35,000	-	-	35,000	11,246	-
-	-	35,000	-	35,000	221	-
541,000	-	-	-	541,000	-	-
-	-	35,000	-	35,000	23,230	-
-	-	50,000	107,262	157,262	(74,676)	-
-	-	40,000	-	40,000	1,416	-
-	56,456	-	-	56,456	(1,800)	-
-	-	20,000	-	20,000	12,367	-
-	-	125,000	-	125,000	(30,934)	-
-	-	30,000	-	30,000	30,000	-
-	-	50,410	-	50,410	(3,553)	-
-	-	218,585	-	218,585	(1,214)	-
-	-	25,000	-	25,000	-	-
-	-	-	-	-	(346,408)	375,000
-	-	-	-	-	-	220,000
-	-	20,000	-	20,000	20,000	-
-	-	-	-	-	(5,595)	-
-	-	32,000	-	32,000	32,000	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	9,043	9,043	-	-
-	-	-	-	-	-	-
2,650,000	50,000	-	-	2,700,000	1,049,722	-
280,000	-	-	-	280,000	278,689	-
-	-	-	-	-	(30,238)	-
<u>\$ 4,485,718</u>	<u>\$ 1,011,760</u>	<u>\$ 922,288</u>	<u>\$ 276,305</u>	<u>\$ 6,696,071</u>	<u>\$ 469,992</u>	<u>\$ 1,027,318</u>

VILLAGE OF SUFFERN, NEW YORK

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 MAY 31, 2008
 (With Comparative Totals for 2007)

<u>ASSETS</u>	Special Purpose Fund	Debt Service Fund	<u>Totals</u>	
			2008	2007
Cash - Demand deposits	\$ 201,053	\$ 16,390	\$ 217,443	\$ 42,071
Receivables:				
Accounts	12,716	-	12,716	-
Due from other funds	2,500	50,596	53,096	62,416
	15,216	50,596	65,812	62,416
Total Assets	<u>\$ 216,269</u>	<u>\$ 66,986</u>	<u>\$ 283,255</u>	<u>\$ 104,487</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 4,537	\$ -	\$ 4,537	\$ -
Due to other funds	-	-	-	2,369
	4,537	-	4,537	2,369
Fund Balances:				
Reserved for trusts	5,701	-	5,701	5,701
Reserved for parklands	206,031	-	206,031	40,513
Reserved for debt service	-	66,986	66,986	55,904
Total Fund Balances	211,732	66,986	278,718	102,118
Total Liabilities and Fund Balances	<u>\$ 216,269</u>	<u>\$ 66,986</u>	<u>\$ 283,255</u>	<u>\$ 104,487</u>

VILLAGE OF SUFFERN, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED MAY 31, 2008
(With Comparative Totals for 2007)

	Special Purpose Fund	Debt Service Fund	Totals	
			2008	2007
Revenues:				
Departmental income	\$ 201,969	\$ -	\$ 201,969	\$ 2,500
Use of money and property	674	80,216	80,890	13,062
Total Revenues	202,643	80,216	282,859	15,562
Expenditures:				
Current - Public safety	-	-	-	2,273
Debt service:				
Principal	-	545,000	545,000	620,000
Interest	-	182,059	182,059	132,093
Total Expenditures	-	727,059	727,059	754,366
Excess (Deficiency) of Revenues Over Expenditures	202,643	(646,843)	(444,200)	(738,804)
Other Financing Sources (Uses):				
Transfers in	-	657,925	657,925	752,093
Transfers out	(37,125)	-	(37,125)	-
Total Other Financing Sources (Uses)	(37,125)	657,925	620,800	752,093
Net Change in Fund Balances	165,518	11,082	176,600	13,289
Fund Balances - Beginning of Year	46,214	55,904	102,118	88,829
Fund Balances - End of Year	\$ 211,732	\$ 66,986	\$ 278,718	\$ 102,118

VILLAGE OF SUFFERN, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 201,053	\$ 37,983
Receivables:		
Accounts	12,716	-
Due from other funds	2,500	10,600
	<u>15,216</u>	<u>10,600</u>
Total Assets	<u>\$ 216,269</u>	<u>\$ 48,583</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 4,537	\$ -
Due to other funds	-	2,369
Total Liabilities	<u>4,537</u>	<u>2,369</u>
Fund Balance:		
Reserved for trusts	5,701	5,701
Reserved for parklands	206,031	40,513
Total Fund Balance	<u>211,732</u>	<u>46,214</u>
Total Liabilities and Fund Balance	<u>\$ 216,269</u>	<u>\$ 48,583</u>

VILLAGE OF SUFFERN, NEW YORK

SPECIAL PURPOSE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE

YEARS ENDED MAY 31, 2008 AND 2007

	2008	2007
Revenues:		
Departmental income	\$ 201,969	\$ 2,500
Use of money and property	674	5,814
Total Revenues	202,643	8,314
Expenditures - Current - Public safety	-	2,273
Excess of Revenues Over Expenditures	202,643	6,041
Other Financing Uses - Transfers out	(37,125)	-
Net Change in Fund Balance	165,518	6,041
Fund Balance - Beginning of Year	46,214	40,173
Fund Balance - End of Year	\$ 211,732	\$ 46,214

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VILLAGE OF SUFFERN, NEW YORK

DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 16,390	\$ 4,088
Due from Other Funds	<u>50,596</u>	<u>51,816</u>
Total Assets	<u>\$ 66,986</u>	<u>\$ 55,904</u>
<u>FUND BALANCE</u>		
Reserved for Debt Service	<u>\$ 66,986</u>	<u>\$ 55,904</u>

DEBT SERVICE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED MAY 31, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues - Use of money and property	\$ -	\$ 69,134	\$ 80,216	\$ 11,082
Expenditures - Debt Service:				
Principal:				
Serial bonds	505,000	505,000	505,000	-
Bond anticipation notes	40,000	40,000	40,000	-
	545,000	545,000	545,000	-
Interest:				
Serial bonds	111,469	180,603	180,603	-
Bond anticipation notes	1,456	1,456	1,456	-
	112,925	182,059	182,059	-
Total Expenditures	657,925	727,059	727,059	-
Deficiency of Revenues Over Expenditures	(657,925)	(657,925)	(646,843)	11,082
Other Financing Sources - Transfers in	657,925	657,925	657,925	-
Net Change in Fund Balance	-	-	11,082	11,082
Fund Balance - Beginning of Year	-	-	55,904	55,904
Fund Balance - End of Year	\$ -	\$ -	\$ 66,986	\$ 66,986

2007			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 7,248	\$ 7,248
600,000	600,000	600,000	-
20,000	20,000	20,000	-
620,000	620,000	620,000	-
130,742	130,599	130,599	-
1,494	1,494	1,494	-
132,236	132,093	132,093	-
752,236	752,093	752,093	-
(752,236)	(752,093)	(744,845)	7,248
752,236	752,093	752,093	-
-	-	7,248	7,248
-	-	48,656	48,656
\$ -	\$ -	\$ 55,904	\$ 55,904

