

VILLAGE OF SUFFERN, NEW YORK
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
Years Ended May 31, 2012 and 2011
WITH
INDEPENDENT AUDITORS' REPORT

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May 31, 2012

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic 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, 2012, 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* became effective in 2010. This pronouncement requires measurement and disclosures in the financial statements of information about other post employment benefits other than pensions ("OPEBs") including the type of benefits, eligibility, the number of employees and retirees are covered, the actuarially determined liability for OPEB benefits and the assets (if any) that are available to offset the liability and the portion of the liability that must be reported as an annual accounting expense on the financial statements, and a cumulative accounting of the extent to which the plan sponsor actually makes contributions to offset its annual expense. The Village has not adopted GASB No. 45, which is a departure from generally accepted accounting principles in the United States of America. Management is unable to quantify the effects, if any, of the failure to adopt this pronouncement.

GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions* became effective in 2011. This pronouncement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The Village has not adopted GASB No. 54, which is a departure from generally accepted accounting principles in the United States of America.



In our opinion, except for the effects of not adopting GASB No. 45 and 54 as discussed in the preceding paragraphs, 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, 2012 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.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Required Supplementary Information for the Fire Service Awards programs be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the Village of Suffern, New York's basic financial statements as a whole. 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 financial statements taken as a whole.

Rosen Seymour Shapss Martin & Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
September 23, 2013

Village of Suffern, New York
Management's Discussion and Analysis
May 31, 2012

Introduction

This discussion and analysis of the Village of Suffern, New York's (the "Village") financial statements provides an overview of the financial activities of the Village of Suffern for the fiscal year ended May 31, 2012. 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 2012

On the government-wide financial statements, the assets of the Village exceeded its liabilities at the close of fiscal year 2012 by \$2,306,143. Of this amount, the unrestricted net assets are a deficit of \$494,433. This deficit is primarily the result of compensated absences claims that will be funded in future years and the deficit in the Water Fund.

As of the close of the current fiscal year, the Village's governmental funds reported a combined ending fund balance of \$(1,222,964), an increase of \$3,314,014 from fiscal year 2011. Exclusive of the Capital Projects Fund, the combined ending fund balances were \$(1,298,221).

At the end of the current fiscal year the General Fund reported an ending fund balance of \$60,847 which represents an increase of \$87,885 from fiscal year 2011.

During the current fiscal year, the Village retired \$675,000 of general obligation debt and issued \$3,857,000 of new bonds. The Village's total outstanding general obligation bonds payable at May 31, 2012 totaled \$7,262,000.

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 claims 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 during the fiscal year.

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; General Fund, Water Fund, Sewer Fund and the Capital Projects Fund. Financial information for the Major funds is 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 a Pension Trust Fund. 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 \$2,306,143 at the end of fiscal year 2012.

The following table reflects the condensed Statement of Net Assets:

Statement of Net Assets

| | May 31, | |
|--|---------------------|---------------------|
| | 2012 | 2011 |
| Current Assets | \$ 3,640,304 | \$ 2,425,572 |
| Capital Assets, net | <u>12,261,738</u> | <u>13,113,767</u> |
| Total Assets | <u>15,902,042</u> | <u>15,539,339</u> |
| Current Liabilities | 4,970,948 | 7,032,132 |
| Long-Term Liabilities | <u>8,624,951</u> | <u>5,645,731</u> |
| Total Liabilities | <u>13,595,899</u> | <u>12,677,863</u> |
| Net Assets: | | |
| Invested in capital assets, net of related debt | 2,628,302 | 4,651,027 |
| Restricted | 172,274 | 178,114 |
| Unrestricted | <u>(494,433)</u> | <u>(1,967,665)</u> |
| Total Net Assets | <u>\$ 2,306,143</u> | <u>\$ 2,861,476</u> |

The largest component of the Village's net assets are Invested in Capital Assets (net of related debt) of \$2,628,302 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. The capital assets consist of buildings, equipment, infrastructure and other assets that are not meant 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 \$172,274 represent resources that are subject to external restrictions on their use. The restrictions are:

| | May 31, | |
|-----------------------|-------------------|-------------------|
| | 2012 | 2011 |
| Debt Service | \$ - | \$ - |
| Trust | - | - |
| Law Enforcement | 15,337 | 15,991 |
| DARE | 45,808 | 50,994 |
| Special Purpose | <u>111,129</u> | <u>111,129</u> |
| Restricted Net Assets | <u>\$ 172,274</u> | <u>\$ 178,114</u> |

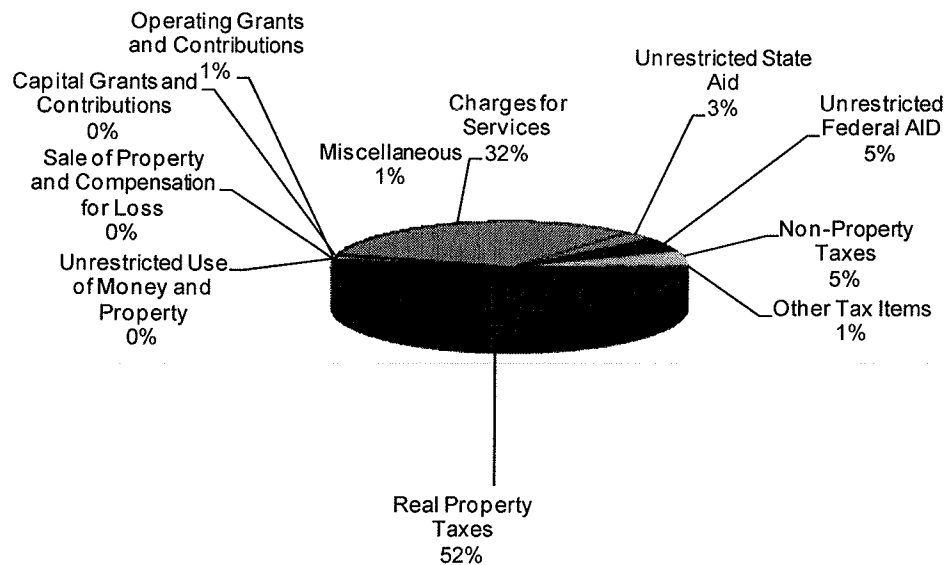
The remaining balance is an unrestricted net deficit of \$494,433.

Changes in Net Assets

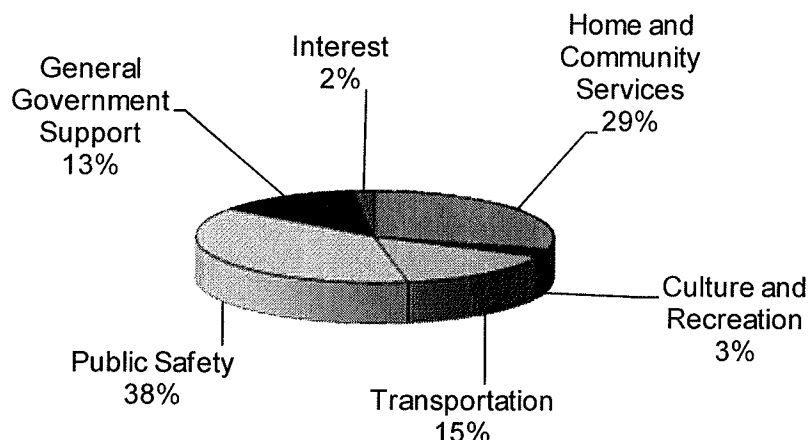
| | May 31, | |
|--|-------------------|-------------------|
| | 2012 | 2011 |
| Program Revenues: | | |
| Charges for Services | \$ 5,029,639 | \$ 4,633,474 |
| Operating Grants and Contributions | 154,075 | 176,825 |
| Capital Grants and Contributions | - | 766 |
| General Revenues: | | |
| Real Property Taxes | 8,493,231 | 8,328,681 |
| Other Tax Items | 163,983 | 167,454 |
| Non-Property Taxes | 852,911 | 1,067,168 |
| Unrestricted Use of Money and Property | 1,462 | 4,427 |
| Sale of Property and Compensation for Loss | 75,948 | 4,774 |
| Unrestricted State Aid | 418,657 | 539,210 |
| Unrestricted Federal Aid | 723,917 | 246,238 |
| Miscellaneous | <u>84,226</u> | <u>58,760</u> |
| Total Revenues | <u>15,998,049</u> | <u>15,227,777</u> |

| | May 31, | |
|-----------------------------|--------------|--------------|
| | 2012 | 2011 |
| Program Expenses: | | |
| General Government Support | \$ 2,256,360 | \$ 1,860,267 |
| Public Safety | 6,236,341 | 6,707,624 |
| Health | 11,139 | 16,425 |
| Transportation | 2,476,789 | 2,050,494 |
| Culture and Recreation | 496,861 | 523,095 |
| Home and Community Services | 4,809,913 | 4,158,369 |
| Interest | 265,979 | 234,980 |
| Total Expenses | 16,553,382 | 15,551,254 |
| Change in Net Assets | (555,333) | (323,477) |
| Net Assets - Beginning | 2,861,476 | 3,184,953 |
| Net Assets - Ending | \$ 2,306,143 | \$ 2,861,476 |

**Sources of Revenue for Fiscal Year 2012
Governmental Activities**



Sources of Expenses for Fiscal Year 2012 Governmental Activities



Governmental Activities: Since the Village's expenses exceeded its revenues, governmental activities decreased the Village's net assets by \$555,333.

For the fiscal year ended May 31, 2012, revenues from governmental activities totaled \$15,998,049. Tax revenues of \$9,510,125 comprised of real property taxes, other tax items and non-property taxes represented the largest revenue source at 60%.

The largest components of governmental activities' expenses are public safety (38%), transportation (15%) and home and community services (29%).

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 \$(1,222,964), a decrease of \$3,314,014 from the prior year.

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 \$60,847.

Capital Asset and Debt Administration

Capital Assets: The Village's investment in capital assets for its governmental activities as of May 31, 2012, amounted to \$12,261,738 (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and improvements, machinery and equipment and infrastructure.

Capital Assets (Net of Depreciation)

| | May 31, | |
|---------------------------|----------------------|----------------------|
| | 2012 | 2011 |
| Land | \$ 440,815 | \$ 440,815 |
| Construction-in-Progress | 1,672,317 | 1,975,907 |
| Building and Improvements | 6,005,792 | 6,332,691 |
| Machinery and Equipment | 3,853,465 | 4,070,063 |
| Infrastructure | 289,349 | 294,291 |
| Total | <u>\$ 12,261,738</u> | <u>\$ 13,113,767</u> |

Additional information on the Village's capital assets can be found in Note 3 to the basic financial statement in this report.

Long-term Debt: At the end of the current fiscal year, the Village had total bonded indebtedness of \$7,262,000. The Village's general obligation bonded debt decreased by \$675,000 due to the Village's payment of principal; however the Village issued \$3,875,000 of general obligation bonds on January 4, 2012. 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 to the basic financial statement in 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.

VILLAGE OF SUFFERN, NEW YORK

STATEMENT OF NET ASSETS

May 31, 2012

Assets

| | |
|--|-------------------|
| Cash and equivalents | \$ 1,017,843 |
| Receivables: | |
| Accounts | 756,957 |
| Water rents | 737,025 |
| Sewer rents | 514,679 |
| Due from other governments (including State and Federal aid of \$54,886) | 613,800 |
| Capital assets, net of accumulated depreciation: | |
| Land | 440,815 |
| Construction-in-process | 1,672,317 |
| Buildings and improvements | 6,005,792 |
| Machinery and equipment | 3,853,465 |
| Infrastructure | 289,349 |
| Total assets | <u>15,902,042</u> |

Liabilities

| | |
|--|-------------------|
| Accounts payable | 731,069 |
| Accrued liabilities | 206,317 |
| Deferred revenues | 90,032 |
| Revenue anticipation notes payable | 1,300,000 |
| Bond anticipation notes payable – capital projects | 2,371,436 |
| Due to retirement systems | 164,414 |
| Accrued interest payable | 107,680 |
| Non-current liabilities: | |
| Due within one year: | |
| Bonds payable | 647,000 |
| Compensated absences | 110,778 |
| Due in more than one year: | |
| Bonds payable | 6,615,000 |
| Compensated absences | 997,000 |
| Net pension obligation | 255,173 |
| Total liabilities | <u>13,595,899</u> |

Net Assets

| | |
|---|---------------------|
| Invested in capital assets, net of related debt | 2,628,302 |
| Restricted for: | |
| Law enforcement | 15,337 |
| DARE | 45,808 |
| Special Revenue Funds: | 74,928 |
| Unrestricted | <u>(458,232)</u> |
| Total net assets | <u>\$ 2,306,143</u> |

The accompanying notes are an integral part of these financial statements.

VILLAGE OF SUFFERN, NEW YORK

STATEMENT OF ACTIVITIES

Year Ended May 31, 2012

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets |
|---|----------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Government activities: | | | | | |
| General government support | \$ 2,256,360 | \$ 119,673 | \$ 99,357 | \$ - | \$ (2,037,330) |
| Public safety | 6,236,341 | 499,747 | 39,732 | - | (5,696,862) |
| Health | 11,139 | 51,440 | - | - | 40,301 |
| Transportation | 2,476,789 | 25,644 | - | - | (2,451,145) |
| Culture and recreation | 496,861 | 64,615 | 1,126 | - | (431,120) |
| Home and community services | 4,809,913 | 4,268,520 | 13,860 | - | (527,533) |
| Interest | 265,979 | - | - | - | (265,979) |
| Total governmental activities | <u>\$ 16,553,382</u> | <u>\$ 5,029,639</u> | <u>\$ 154,075</u> | <u>\$ -</u> | <u>(11,369,668)</u> |
| General revenues: | | | | | |
| Real property taxes | | | | | 8,493,231 |
| Other tax items: | | | | | |
| Payments in lieu of taxes | | | | | 145,509 |
| Interest and penalties on real property taxes | | | | | 18,474 |
| Non-property taxes: | | | | | |
| Franchise fees | | | | | 30,090 |
| Non-property tax distribution from County | | | | | 423,357 |
| County recycling grant | | | | | - |
| Utilities gross receipts taxes | | | | | 399,464 |
| Unrestricted use of money and property | | | | | 1,462 |
| Sale of property and compensation for loss | | | | | 75,948 |
| Unrestricted State aid | | | | | 418,657 |
| Unrestricted Federal aid | | | | | 723,917 |
| Miscellaneous | | | | | 84,226 |
| Total general revenues | | | | | <u>10,814,335</u> |
| Change in net assets | | | | | (555,333) |
| Net assets – beginning, as reported | | | | | <u>2,861,476</u> |
| Net assets – ending | | | | | \$ 2,306,143 |

The accompanying notes are an integral part of these financial statements.

BALANCE SHEET

Governmental Funds

May 31, 2012

| | General | Water | Sewer | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|--------------|------------|------------|---------------------|--------------------------------|--------------------------------|
| Assets | | | | | | |
| Cash and equivalents | \$ 180,304 | \$ 55,063 | \$ 9,626 | \$ 611,267 | \$ 161,583 | \$ 1,017,843 |
| Receivables: | | | | | | |
| Accounts | 715,660 | 11,079 | 16,833 | - | 13,385 | 756,957 |
| Water rents | - | 737,025 | - | - | - | 737,025 |
| Sewer rents | - | - | 514,679 | - | - | 514,679 |
| State and Federal aid | 952 | - | 53,934 | - | - | 54,886 |
| Due from other governments | 558,914 | - | - | - | - | 558,914 |
| Due from other funds | 1,268,573 | 35,619 | 59,581 | 1,746,293 | 3,055 | 3,113,121 |
| | 2,544,099 | 783,723 | 645,027 | 1,746,293 | 16,440 | 5,735,582 |
| Total assets | \$ 2,724,403 | \$ 838,786 | \$ 654,653 | \$ 2,357,560 | \$ 178,023 | \$ 6,753,425 |
| Liabilities and Fund Balances (Deficits) | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 588,509 | \$ 20,499 | \$ 71,620 | \$ 50,441 | \$ - | \$ 731,069 |
| Accrued liabilities | 163,354 | 15,980 | 26,983 | - | - | 206,317 |
| Due to other funds | 1,482,405 | 634,337 | 841,211 | 60,426 | 94,742 | 3,113,121 |
| Deferred revenues | 90,032 | - | - | - | - | 90,032 |
| Revenue anticipation notes payable | - | 750,000 | 550,000 | - | - | 1,300,000 |
| Bond anticipation notes payable | 200,000 | - | - | 2,171,436 | - | 2,371,436 |
| Due to retirement systems | 139,256 | 12,833 | 12,325 | - | - | 164,414 |
| Total liabilities | 2,663,556 | 1,433,649 | 1,502,139 | 2,282,303 | 94,742 | 7,976,389 |
| Fund balances (deficits): | | | | | | |
| Reserved for encumbrances | 114,894 | 13,175 | - | - | - | 128,069 |
| Reserved for parklands | - | - | - | - | 74,928 | 74,928 |
| Reserved for law enforcement | 15,337 | - | - | - | - | 15,337 |
| Reserved for DARE | 45,808 | - | - | - | - | 45,808 |
| Unreserved, reported in: | | | | | | |
| General Fund | (115,192) | - | - | - | - | (115,192) |
| Special Revenue Funds | - | (608,038) | (847,486) | - | - | (1,455,524) |
| Designated for subsequent year's expenditures | - | - | - | - | - | - |
| Capital Projects Fund | - | - | - | 75,257 | 8,353 | 83,610 |
| Total fund balances (deficits) | 60,847 | (594,863) | (847,486) | 75,257 | 83,281 | (1,222,964) |
| Total liabilities and fund balances (deficits) | \$ 2,724,403 | \$ 838,786 | \$ 654,653 | \$ 2,357,560 | \$ 178,023 | \$ 6,753,425 |

The accompanying notes are an integral part of these financial statements.

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS**

May 31, 2012

| | |
|--|---------------------|
| Fund balances – total government funds | \$ (1,222,964) |
| 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. | <u>12,261,738</u> |
| Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds: | |
| Bonds payable | (7,262,000) |
| Accrued interest payable | (107,680) |
| Compensated absences | (1,107,778) |
| Net pension obligation | <u>(255,173)</u> |
| | <u>(8,732,631)</u> |
| Net assets of governmental activities | <u>\$ 2,306,143</u> |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Governmental Funds

Year Ended May 31, 2012

| | General | Water | Sewer | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|--------------|--------------|--------------|---------------------|--------------------------------|--------------------------------|
| Revenues: | | | | | | |
| Real property taxes | \$ 8,493,231 | \$ - | \$ - | \$ - | \$ - | \$ 8,493,231 |
| Other tax items | 163,983 | - | - | - | - | 163,983 |
| Non-property taxes | 852,911 | - | - | - | - | 852,911 |
| Departmental income | 1,717,147 | 1,700,157 | 1,187,683 | - | - | 4,604,987 |
| Use of money and property | 1,194 | 229 | 39 | - | 1,126 | 2,588 |
| Licenses and permits | 12,036 | - | - | - | - | 12,036 |
| Fines and forfeitures | 292,943 | - | - | - | - | 292,943 |
| Sale of property and compensation for loss | 37,675 | 366 | - | - | - | 38,041 |
| State aid | 281,895 | - | - | 136,762 | - | 418,657 |
| Federal aid | 669,983 | - | 53,934 | - | - | 723,917 |
| Miscellaneous | 321,339 | 6,609 | 6,885 | - | - | 334,833 |
| Total revenues | 12,844,337 | 1,707,361 | 1,248,541 | 136,762 | 1,126 | 15,938,127 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government support | 1,368,174 | - | - | - | - | 1,368,174 |
| Public safety | 4,392,372 | - | - | - | - | 4,392,372 |
| Health | 9,200 | - | - | - | - | 9,200 |
| Transportation | 1,546,200 | - | - | - | - | 1,546,200 |
| Culture and recreation | 364,874 | - | - | - | 36,447 | 401,321 |
| Home and community services | 1,068,039 | 1,222,984 | 1,037,873 | - | - | 3,328,896 |
| Employee benefits | 2,909,688 | 342,281 | 255,234 | - | - | 3,507,203 |
| Debt service: | | | | | | |
| Principal | - | - | - | - | 675,000 | 675,000 |
| Interest | 44,394 | 10,658 | 18,025 | - | 154,804 | 227,881 |
| Capital outlay | - | - | - | 1,084,788 | - | 1,084,788 |
| Total expenditures | 11,702,941 | 1,575,923 | 1,311,132 | 1,084,788 | 866,251 | 16,541,035 |
| Excess (deficiency) of revenues over expenditures | 1,141,396 | 131,438 | (62,591) | (948,026) | (865,125) | (602,908) |
| Other financing sources (uses): | | | | | | |
| Insurance recoveries | 59,922 | - | - | - | - | 59,922 |
| Proceeds from obligations | - | - | - | 3,857,000 | - | 3,857,000 |
| Transfers in | - | - | - | 516,646 | 829,804 | 1,346,450 |
| Transfers out | (1,113,433) | (202,495) | (30,522) | - | - | (1,346,450) |
| Total other financing sources (uses) | (1,053,511) | (202,495) | (30,522) | 4,373,646 | 829,804 | 3,916,922 |
| Net change in fund balances | 87,885 | (71,057) | (93,113) | 3,425,620 | (35,321) | 3,314,014 |
| Fund balances – beginning of year | (27,038) | (523,806) | (754,373) | (3,350,363) | 118,602 | (4,536,978) |
| Fund balances (deficits) – end of year | \$ 60,847 | \$ (594,863) | \$ (847,486) | \$ 75,257 | \$ 83,281 | \$ (1,222,964) |

The accompanying notes are an integral part of these financial statements.

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

Year Ended May 31, 2012

Amounts reported for governmental activities in the
statement of activities are different because:

Net change in fund balances – total government funds \$ 3,314,014

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 | 115,710 |
| Depreciation expense | <u>(967,740)</u> |
| | <u>(852,030)</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.

| | |
|---------------------------------|--------------------|
| Proceeds from issuance of bonds | (3,857,000) |
| Principal paid on bonds | <u>675,000</u> |
| | <u>(3,182,000)</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 or (recoveries) in governmental funds.

| | |
|------------------------|-----------------|
| Compensated absences | 243,605 |
| Net pension obligation | (40,824) |
| Accrued interest | <u>(38,098)</u> |
| | <u>164,683</u> |

| | |
|---|---------------------|
| Change in net assets of governmental activities | <u>\$ (555,333)</u> |
|---|---------------------|

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

General, Water and Sewer Funds

Year Ended May 31, 2012

| | General Fund | | | | 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) | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | | | | | | | | | |
| Real property taxes | \$ 8,479,542 | \$ 8,479,542 | \$ 8,493,231 | \$ 13,689 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other tax items | 160,509 | 160,509 | 163,983 | 3,474 | - | - | - | - | - | - | - | - |
| Non-property taxes | 840,000 | 840,000 | 852,911 | 12,911 | - | - | - | - | - | - | - | - |
| Departmental income | 1,970,331 | 1,970,331 | 1,717,147 | (253,184) | 1,791,243 | 1,791,243 | 1,700,157 | (91,086) | 1,414,803 | 1,414,803 | 1,187,683 | (227,120) |
| Use of money and property | 20,000 | 20,000 | 1,194 | (18,806) | 900 | 900 | 229 | (671) | 1,000 | 1,000 | 39 | (961) |
| Licenses and permits | 11,500 | 11,500 | 12,036 | 536 | - | - | - | - | - | - | - | - |
| Fines and forfeitures | 362,000 | 362,000 | 292,943 | (69,057) | - | - | - | - | - | - | - | - |
| Sale of property and compensation for loss | 314,200 | 314,200 | 37,675 | (276,525) | 150 | 150 | 366 | 216 | - | - | - | - |
| State aid | 295,999 | 295,999 | 281,895 | (14,104) | - | - | - | - | - | - | - | - |
| Federal aid | - | - | 669,983 | 669,983 | - | - | - | - | - | - | 53,934 | 53,934 |
| Miscellaneous | 335,509 | 335,509 | 321,339 | (14,170) | 7,480 | 7,480 | 6,609 | (871) | 3,690 | 3,690 | 6,885 | 3,195 |
| Total revenues | 12,789,590 | 12,789,590 | 12,844,337 | 54,747 | 1,799,773 | 1,799,773 | 1,707,361 | (92,412) | 1,419,493 | 1,419,493 | 1,248,541 | (170,952) |
| Expenditures: | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | |
| General government support | 1,209,377 | 1,169,841 | 1,368,174 | 198,333 | - | - | - | - | - | - | - | - |
| Public safety | 4,316,618 | 4,405,033 | 4,392,372 | (12,661) | - | - | - | - | - | - | - | - |
| Health | 9,600 | 9,200 | 9,200 | - | - | - | - | - | - | - | - | - |
| Transportation | 1,402,759 | 1,533,975 | 1,546,200 | 12,225 | - | - | - | - | - | - | - | - |
| Culture and recreation | 370,674 | 355,903 | 364,874 | 8,971 | - | - | - | - | - | - | - | - |
| Home and community services | 1,124,569 | 1,155,407 | 1,068,039 | (87,368) | 1,230,221 | 1,244,339 | 1,222,984 | (21,355) | 974,572 | 1,040,710 | 1,037,873 | (2,837) |
| Employee benefits | 3,037,637 | 2,986,404 | 2,909,688 | (76,716) | 344,828 | 342,281 | 342,281 | - | 254,624 | 255,234 | 255,234 | - |
| Debt service – interest | 43,676 | 44,394 | 44,394 | - | 12,229 | 12,229 | 10,658 | (1,571) | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - | 16,650 | 18,025 | 18,025 | - |
| Total expenditures | 11,514,910 | 11,660,157 | 11,702,941 | 42,784 | 1,587,278 | 1,598,849 | 1,575,923 | (22,926) | 1,245,846 | 1,313,969 | 1,311,132 | (2,837) |
| Excess (deficiency) of revenues over expenditures | 1,274,680 | 1,129,433 | 1,141,396 | 11,963 | 212,495 | 200,924 | 131,438 | (69,486) | 173,647 | 105,524 | (62,591) | (168,115) |
| Other financing sources (uses): | | | | | | | | | | | | |
| Insurance recoveries | 45,000 | 45,000 | 59,922 | 14,922 | - | - | - | - | - | - | - | - |
| Transfers out | (1,257,680) | (1,113,433) | (1,113,433) | - | (212,495) | (202,495) | (202,495) | - | (173,647) | (106,062) | (30,522) | 75,540 |
| Total other financing sources (uses) | (1,212,680) | (1,068,433) | (1,053,511) | 14,922 | (212,495) | (202,495) | (202,495) | - | (173,647) | (106,062) | (30,522) | 75,540 |
| Net change in fund balances | 62,000 | 61,000 | 87,885 | 26,885 | - | (1,571) | (71,057) | (69,486) | - | (538) | (93,113) | (92,575) |
| Fund balances (deficits) – beginning of year, as reported | (62,000) | (61,000) | (27,038) | 33,962 | - | 1,571 | (523,806) | (525,377) | - | 538 | (754,373) | (754,911) |
| Fund balances (deficits) – end of year | \$ - | \$ - | \$ 60,847 | \$ 60,847 | \$ - | \$ - | \$ (594,863) | \$ (594,863) | \$ - | \$ - | \$ (847,486) | \$ (847,486) |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF NET ASSETS

Fiduciary Funds

Year Ended May 31, 2012

| | Pension Trust Fund – Fire Service Awards Program | Agency Fund | Total |
|---|---|----------------|--------------|
| <u>Assets</u> | | | |
| Cash – demand deposits | \$ - | \$ 12,549 | \$ 12,549 |
| Investments, at fair value: | | | |
| Money market funds | 17,222 | - | 17,222 |
| Mutual funds | 1,040,512 | - | 1,040,512 |
| | 1,057,734 | - | 1,057,734 |
| Accounts receivable | 139,964 | 1,000 | 140,964 |
| Total assets | 1,197,698 | 13,549 | 1,211,247 |
| <u>Liabilities</u> | | | |
| Accounts payable | 13,385 | 10,064 | 23,449 |
| Employee payroll deductions | - | 3,485 | 3,485 |
| Total liabilities | 13,385 | 13,549 | 26,934 |
| <u>Net Assets</u> | | | |
| Held in Trust for Pension Benefits (schedule of funding progress for the plan is presented in the required supplementary information) | \$ 1,184,313 | \$ - | \$ 1,184,313 |

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF CHANGES IN NET ASSETS – FIDUCIARY FUNDS
PENSION TRUST FUND – SERVICE AWARDS PROGRAM**

Year Ended May 31, 2012

Additions:

| | |
|---|-----------------|
| Pension contributions | \$ 139,964 |
| Earnings on investments | 55,448 |
| Return on principal | - |
| Net change in fair value of investments | <u>(79,187)</u> |
| Total additions | <u>116,225</u> |

Deductions:

| | |
|---------------------|---------------|
| Pension benefits | 69,071 |
| Administrator costs | <u>5,897</u> |
| | <u>74,968</u> |

| | |
|--|----------------------------|
| Change in net assets | 41,257 |
| Net assets held in trust for pension benefits – beginning of year, as reported | <u>1,143,056</u> |
| Net assets held in trust for pension benefits – end of year | <u><u>\$ 1,184,313</u></u> |

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

May 31, 2012

1. Summary of Significant Accounting Policies

The Village of Suffern, New York (the "Village") was established in 1896 and operates in accordance with Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body responsible for overall operation. The 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; however it is not part of the reporting entity:

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

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.

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

- 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 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

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 is to deposit 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 its deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, the 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, 2012.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

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 1 and are payable in June. The Village is responsible for the billing and collection of its taxes through November 1 of the tax year, at which time the responsibility for uncollected taxes is transferred to the County of Rockland. On or about April 1, 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, 2012, 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 inventorial items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Capital Assets – Capital assets include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items). 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. 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

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

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:

| Class | Life in Years |
|----------------------------|------------------|
| 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 \$90,032 of which approximately \$86,000 was for solid waste collection charges received in advance in the General Fund. Such amounts have been deemed to be measureable but not “available” pursuant to generally accepted accounting principles.

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

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 balances 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

G. Use of Estimates

The preparation of 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.

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 20, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1. The tentative budget includes the proposed expenditures and the means of financing.
- (b) The Board of Trustees, on or before March 31, 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 15.
- (d) After the public hearing and on or before May 1, 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 appropria-

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

tions 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.

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 2011-2012 fiscal year was \$22,692,020, which exceeded the actual levy by \$14,790,501.

C. Fund Deficits

The General Water and Sewer Funds have undesignated deficits of \$115,192, \$608,038 and \$847,486, respectively, as of May 31, 2012. The Village plans to address these deficits in the ensuing years.

D. Capital Projects Fund Deficit

The deficits in individual capital projects arise in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as "other financing sources." 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

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 | \$ 40,978 |
| Water supply improvements | 60,260 |
| Pavilion pump station | 74,675 |
| Curb on various streets | 30,934 |
| Road improvements | 15,225 |
| Building repairs operational center | 32,935 |
| Crosswalks | 8,877 |
| Waste water plant upgrades | 29,257 |
| Street lighting | 89,492 |
| Fire department equipment | 1,241 |
| Fire truck H & L | 7,544 |
| Equipment public works truck | 14,999 |
| Road improvements | 2,439 |

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

The balances reflected as due from/to other funds at May 31, 2012 were as follows:

| <u>Fund</u> | <u>Due From</u> | <u>Due To</u> |
|------------------------------|---------------------|---------------------|
| General | \$ 1,268,573 | \$ 1,482,405 |
| Water | 35,619 | 634,337 |
| Sewer | 59,581 | 841,211 |
| Capital projects | 1,746,293 | 60,426 |
| Non-major Governmental Funds | 3,055 | 94,742 |
| | <u>\$ 3,113,121</u> | <u>\$ 3,113,121</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.

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

B. Capital Assets

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

| Class | Balance June 1, 2011 | Additions | Deletions | Balance May 31, 2012 |
|---|-------------------------|---------------------|-------------------|-------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 440,815 | \$ - | \$ - | \$ 440,815 |
| Construction-in-process | 1,975,907 | - | 303,590 | 1,672,317 |
| Total capital assets, not being depreciated | <u>\$ 2,416,722</u> | <u>\$ -</u> | <u>\$ 303,590</u> | <u>\$ 2,113,132</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | \$ 12,191,115 | \$ - | \$ - | \$ 12,191,115 |
| Machinery and equipment | 12,205,924 | 419,301 | - | 12,625,225 |
| Infrastructure | 321,356 | - | - | 321,356 |
| Total capital assets, being depreciated | <u>24,718,395</u> | <u>419,301</u> | <u>-</u> | <u>25,137,696</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 5,858,424 | 326,899 | - | 6,185,323 |
| Machinery and equipment | 8,135,861 | 635,899 | - | 8,771,760 |
| Infrastructure | 27,065 | 4,942 | - | 32,007 |
| Total accumulated depreciation | <u>14,021,350</u> | <u>967,740</u> | <u>-</u> | <u>14,989,090</u> |
| Total capital assets, being depreciated, net | <u>\$ 10,697,045</u> | <u>\$ (548,439)</u> | <u>\$ -</u> | <u>\$ 10,148,606</u> |
| Capital assets, net | <u>\$ 13,113,767</u> | <u>\$ (548,439)</u> | <u>\$ 303,590</u> | <u>\$ 12,261,738</u> |

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

| | |
|-----------------------------|-------------------|
| Government activities: | |
| General government support | \$ 15,680 |
| Public safety | 415,723 |
| Transportation | 189,130 |
| Culture and recreation | 13,086 |
| Home and community services | 334,121 |
| Total depreciation expense | <u>\$ 967,740</u> |

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

C. Accrued Liabilities

Accrued liabilities at May 31, 2012 were as follows:

| | Fund | | | Total |
|-------------------------------|-------------------|------------------|------------------|-------------------|
| | General | Water | Sewer | |
| Payroll and employee benefits | \$ 86,166 | \$ 15,980 | \$ 26,983 | \$ 129,129 |
| Other | 77,188 | - | - | 77,188 |
| | <u>\$ 163,354</u> | <u>\$ 15,980</u> | <u>\$ 26,983</u> | <u>\$ 206,317</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 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, 2012 are as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

| | <u>Tier / Plan</u> | <u>Rate</u> |
|------|--------------------|-------------|
| ERS | 1 75I | 21.3% |
| | 2 75I | 19.5 |
| | 3 A14 | 15.6 |
| | 4 A15 | 15.6 |
| | 5 A15 | 12.6 |
| PFRS | 2 375I | 14.6 |
| | 2 384D | 20.9 |
| | 5 384D | 20.0 |

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

| | <u>ERS</u> | <u>PFRS</u> |
|------|------------|-------------|
| 2012 | \$ 369,209 | \$ 627,112 |
| 2011 | 386,204 | 600,271 |
| 2010 | 230,790 | 426,374 |

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 | \$ 220,038 |
| Water | 78,333 |
| Sewer | 70,838 |
| | <u>\$ 369,209</u> |

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

NOTES TO FINANCIAL STATEMENTS (Continued)May 31, 2012

service credit. A participant, upon attainment of entitlement age (the later of age 62 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:

| Group | December 31, 2011 |
|--|----------------------|
| Retirees and beneficiaries currently receiving benefits | 15 |
| Terminated members entitled to but not yet receiving benefits | 20 |
| Active – nonvested | 45 |
| 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:

| | |
|------|------------|
| 2012 | \$ 139,964 |
| 2011 | 140,196 |
| 2010 | 139,290 |

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, 2012

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, 2011 | New Issues | Redemptions | Balance May 31, 2012 |
|----------------------------|------------------------------|------------------|---------------------|----------------------------|---------------------|---------------------|----------------------------|
| Revenue anticipation notes | 2011 | 07/15/11 | 1.81 | \$ 675,000 | \$ - | \$ 675,000 | \$ - |
| Revenue anticipation notes | 2011 | 06/24/11 | 1.36 | 1,300,000 | - | 1,300,000 | - |
| Revenue anticipation notes | 2012 | 07/10/12 | 1.77 | - | 1,300,000 | - | 1,300,000 |
| | | | | <u>\$ 1,975,000</u> | <u>\$ 1,300,000</u> | <u>\$ 1,975,000</u> | <u>\$ 1,300,000</u> |

There was \$44,394 of interest expenditures recorded in the fund financial statements in the General Fund. Interest expense of \$36,638 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, 2011 | New Issues | Redemptions | Balance May 31, 2012 |
|-------------------------------------|------------------------------|------------------|---------------------|----------------------------|-------------------|---------------------|----------------------------|
| Land purchase | 2007 | 03/16/12 | 2.02 | \$ 115,000 | \$ - | \$ 115,000 | \$ - |
| Road improvements | 2007 | 07/08/11 | 1.75 | 110,000 | - | 55,000 | 55,000 |
| Ramapo avenue curb repaving | 2009 | 04/22/12 | 1.44 | 71,232 | - | 20,408 | 50,824 |
| Building repairs operational center | 2009 | 04/22/12 | 1.44 | 263,000 | - | 87,980 | 175,020 |
| Fire equipment | 2009 | 04/22/12 | 1.44 | 26,500 | - | 7,592 | 18,908 |
| Generator street department | 2009 | 04/22/12 | 1.44 | 7,480 | - | 2,143 | 5,337 |
| Police car | 2009 | 04/22/12 | 1.44 | 22,520 | - | 6,453 | 16,067 |
| Water fund equipment | 2009 | 04/22/12 | 1.44 | 17,400 | - | 5,820 | 11,580 |
| Road repairs and firehouse | 2010 | 05/11/12 | 1.96 | 176,250 | - | 58,750 | 117,500 |
| Fire truck | 2010 | 11/04/11 | 1.35 | 630,000 | - | 157,500 | 472,500 |
| Water tower painting | 2010 | 09/23/11 | 2.47 | 94,700 | - | - | 94,700 |
| Digester cover | 2011 | 12/07/11 | 1.75 | 650,000 | - | - | 650,000 |
| Fire department equipment | 2011 | 03/09/12 | 1.87 | 134,000 | - | 134,000 | - |
| Police car | 2011 | 03/09/12 | 1.87 | 33,000 | - | 33,000 | - |
| Sewer pumps | 2011 | 03/09/12 | 1.87 | 190,000 | - | 190,000 | - |
| Utility truck | 2011 | 03/09/12 | 1.87 | 50,000 | - | 50,000 | - |
| Fire truck H&L | 2011 | 01/06/12 | 1.98 | 950,000 | - | 950,000 | - |
| Utility truck | 2012 | 04/13/12 | 2.24 | - | 25,000 | - | 25,000 |
| Equipment fire/police | 2012 | 04/13/12 | 2.24 | - | 479,000 | - | 479,000 |
| Legal settlement | 2012 | 10/26/12 | 1.87 | - | 200,000 | - | 200,000 |
| | | | | <u>\$ 3,541,082</u> | <u>\$ 704,000</u> | <u>\$ 1,873,646</u> | <u>\$ 2,371,436</u> |

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are 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

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

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 \$44,394, \$10,658 and \$18,025 were recorded in the fund financial statements in the General, Water and Sewer Funds, respectively. Interest expense of 54,464 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, 2012:

| | Balance June 1, 2011 | New Issues / Additions | Maturities and / or Payments | Balance May 31, 2012 | Due Within One Year |
|------------------------|----------------------------|---------------------------|------------------------------------|----------------------------|------------------------|
| Bonds payable | \$ 4,080,000 | \$ 3,857,000 | \$ 675,000 | \$ 7,262,000 | \$ 647,000 |
| Compensated absences | 1,351,383 | - | 243,605 | 1,107,778 | 110,778 |
| Net pension obligation | 214,348 | 40,824 | - | 255,172 | - |
| | <u>\$ 5,645,731</u> | <u>\$ 3,897,824</u> | <u>\$ 918,605</u> | <u>\$ 8,624,950</u> | <u>\$ 757,778</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, 2012 are comprised of the following individual issues:

| Purpose | Year of Issue | Original Issues Amount | Final Maturity | Interest Rates | Amount Outstanding at May 31, 2012 |
|---|------------------|------------------------------|-------------------|-------------------|---|
| Various general and water improvements | 1997 | \$ 1,935,000 | July, 2012 | 5.00-5.20% | \$ 85,000 |
| Various general, water and sewer improvements | 2003 | 1,988,000 | October, 2014 | 3.25-4.00 | 590,000 |
| Various general and water improvements | 2007 | 3,450,000 | August, 2022 | 3.75-4.20 | 2,730,000 |
| Various general water and sewer improvements | 2012 | 3,857,000 | January, 2032 | 2.50-4.00 | 3,857,000 |
| | | | | | <u>\$ 7,262,000</u> |

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

Interest expenditures of \$154,804 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$200,658 was recorded in the government-wide financial statements for governmental activities.

Payments to Maturity

The annual requirements to amortize all outstanding bonds at May 31, 2012, including interest payments of \$2,424,799 are as follows:

| Year Ending May 31, | Principal | Interest |
|------------------------|---------------------|---------------------|
| 2013 | \$ 647,000 | \$ 258,646 |
| 2014 | 575,000 | 240,193 |
| 2015 | 600,000 | 221,468 |
| 2016 | 400,000 | 205,668 |
| 2017 | 405,000 | 193,073 |
| 2018-2022 | 2,205,000 | 746,804 |
| 2023-2027 | 1,275,000 | 393,675 |
| 2028-2032 | 1,155,000 | 165,272 |
| | <u>\$ 7,262,000</u> | <u>\$ 2,424,799</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.

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

Net Pension Obligation

As of December 31, 2011, the most recent actuarial valuation date, The Suffern Fire Department Service Award Program was 71.92% funded. The actuarial accrued liability for benefits was \$1,476,940, and the actuarial value of assets was \$1,062,251, resulting in an unfunded actuarial accrued liability of \$414,689. Of this amount, the net pension obligation was \$255,172 which did not include the prior service cost being amortized over a 15-year period.

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.

| <u>Transfers Out</u> | <u>Capital Projects Fund</u> | <u>Non-Major Governmental Funds</u> | <u>Total</u> |
|----------------------|--------------------------------------|---|---------------------|
| General Fund | \$ 423,346 | \$ 690,087 | \$ 1,113,433 |
| Water Fund | 93,300 | 109,195 | 202,495 |
| Sewer Fund | - | 30,522 | 30,522 |
| | <u>\$ 516,646</u> | <u>\$ 829,804</u> | <u>\$ 1,346,450</u> |

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

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

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, \$491,507 was paid on behalf of 47 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.

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

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.

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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2012

umbrella policy which provides an additional \$5 million in coverage. The Village purchases conventional medical insurance coverage.

5. Subsequent Events

Subsequent events have been evaluated through September 23, 2013, which is the date the financial statements were available to be issued. The Village had no material subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION – SCHEDULE OF FUNDING PROGRESS

Pension Trust Fund – Service Awards Program

Last Six Fiscal Years

| <u>Actuarial Valuation Date December 31,</u> | <u>Actuarial Value of Assets</u> | <u>Actuarial Accrued Liability</u> | <u>Unfunded Actuarial Accrued Liability</u> | <u>Funded Ratio</u> |
|--|--------------------------------------|--|---|---------------------|
| 2006 | \$ 505,365 | \$ 763,716 | \$ 258,351 | 66.17% |
| 2007 | \$ 717,843 | \$ 1,021,628 | \$ 303,785 | 70.26% |
| 2008 | \$ 757,989 | \$ 1,095,669 | \$ 337,680 | 69.18% |
| 2009 | \$ 936,278 | \$ 1,284,453 | \$ 348,175 | 72.89% |
| 2010 | \$ 985,612 | \$ 1,372,560 | \$ 386,948 | 71.81% |
| 2011 | \$ 1,062,251 | \$ 1,476,940 | \$ 414,689 | 71.92% |

See independent auditors' report.

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> |
|-------------------------------|--|---------------------------------|-----------------------------------|
| 2007 | \$ 86,577 | \$ 86,577 | 100.00% |
| 2008 | \$ 117,182 | \$ 117,182 | 100.00% |
| 2009 | \$ 131,392 | \$ 131,392 | 100.00% |
| 2010 | \$ 139,290 | \$ 139,290 | 100.00% |
| 2011 | \$ 140,196 | \$ 140,196 | 100.00% |
| 2012 | \$ 139,964 | \$ 139,964 | 100.00% |

See independent auditors' report.

VILLAGE OF SUFFERN, NEW YORK

GENERAL FUND

COMPARATIVE BALANCE SHEETS

May 31, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--|-------------------------|-------------------------|
| <u>Assets</u> | | |
| Cash: | | |
| Demand deposits | \$ 179,904 | \$ 160,975 |
| Petty cash | 400 | 400 |
| | <u>180,304</u> | <u>161,375</u> |
| Receivables: | | |
| Accounts receivable | 715,660 | 706,866 |
| State and Federal aid | 952 | - |
| Due from other funds | 1,268,573 | 1,282,405 |
| Due from other government | 558,914 | - |
| | <u>2,544,099</u> | <u>1,989,271</u> |
| Prepaid expenses | <u>-</u> | <u>11,527</u> |
| Total assets | <u>\$ 2,724,403</u> | <u>\$ 2,162,173</u> |
| <u>Liabilities and Fund Balance</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 588,509 | \$ 694,579 |
| Accrued liabilities | 163,354 | 327,574 |
| Due to other funds | 1,482,405 | 262,845 |
| Deferred revenues | 90,032 | 89,957 |
| Revenue anticipation note payable | - | 675,000 |
| Bond anticipation note payable | 200,000 | - |
| Due to retirement systems | 139,256 | 139,256 |
| Total liabilities | <u>2,663,556</u> | <u>2,189,211</u> |
| Fund balance: | | |
| Reserved for encumbrances | 114,894 | 123,122 |
| Reserve for law enforcement | 15,337 | 15,991 |
| Reserved for DARE | 45,808 | 50,994 |
| Unreserved: | | |
| Undesignated | <u>(115,192)</u> | <u>(217,145)</u> |
| Total fund balance | <u>60,847</u> | <u>(27,038)</u> |
| Total liabilities and fund balance | <u>\$ 2,724,403</u> | <u>\$ 2,162,173</u> |

See independent auditors' report.

GENERAL FUND

COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

Years Ended May 31, 2012 and 2011

| | 2012 | | | | 2011 | | | |
|--|--------------------|-----------------|------------------|---|--------------------|-----------------|--------------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | | | | | |
| Real property taxes | \$ 8,479,542 | \$ 8,479,542 | \$ 8,493,231 | \$ 13,689 | \$ 8,309,166 | \$ 8,309,166 | \$ 8,328,681 | \$ 19,515 |
| Other tax items | 160,509 | 160,509 | 163,983 | 3,474 | 160,509 | 160,509 | 167,454 | 6,945 |
| Non-property taxes | 840,000 | 840,000 | 852,911 | 12,911 | 1,000,000 | 1,000,000 | 1,067,168 | 67,168 |
| Departmental income | 1,970,331 | 1,970,331 | 1,717,147 | (253,184) | 1,510,800 | 1,510,800 | 1,441,648 | (69,152) |
| Use of money and property | 20,000 | 20,000 | 1,194 | (18,806) | 35,000 | 35,000 | 4,134 | (30,866) |
| Licenses and permits | 11,500 | 11,500 | 12,036 | 536 | 11,500 | 11,500 | 12,462 | 962 |
| Fines and forfeitures | 362,000 | 362,000 | 292,943 | (69,057) | 281,000 | 281,000 | 213,858 | (67,142) |
| Sale of property and compensation for loss | 314,200 | 314,200 | 37,675 | (276,525) | 4,200 | 4,200 | 23,058 | 18,858 |
| State aid | 295,999 | 295,999 | 281,895 | (14,104) | 341,823 | 341,823 | 276,547 | (65,276) |
| Federal aid | - | - | 669,983 | 669,983 | - | - | 85,878 | 85,878 |
| Miscellaneous | 335,509 | 335,509 | 321,339 | (14,170) | 306,629 | 306,629 | 286,814 | (19,815) |
| Total revenues | 12,789,590 | 12,789,590 | 12,844,337 | 54,747 | 11,960,627 | 11,960,627 | 11,907,702 | (52,925) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government support | 1,209,377 | 1,169,841 | 1,368,174 | (198,333) | 1,209,888 | 1,213,785 | 1,120,624 | 93,161 |
| Public safety | 4,316,618 | 4,405,033 | 4,392,372 | 12,661 | 4,252,492 | 4,250,827 | 4,496,823 | (245,996) |
| Health | 9,600 | 9,200 | 9,200 | - | 15,000 | 15,000 | 13,350 | 1,650 |
| Transportation | 1,402,759 | 1,533,975 | 1,546,200 | (12,225) | 1,414,531 | 1,427,331 | 1,360,608 | 66,723 |
| Culture and recreation | 370,674 | 355,903 | 364,874 | (8,971) | 363,737 | 366,158 | 357,025 | 9,133 |
| Home and community services | 1,124,569 | 1,155,407 | 1,068,039 | 87,368 | 1,071,538 | 1,064,230 | 1,025,513 | 38,717 |
| Employee benefits | 3,037,637 | 2,986,404 | 2,909,688 | 76,716 | 2,834,237 | 2,834,237 | 2,825,460 | 8,777 |
| Debt service – interest | 43,676 | 44,394 | 44,394 | - | 38,045 | 38,045 | 36,396 | 1,649 |
| Total expenditures | 11,514,910 | 11,660,157 | 11,702,941 | (42,784) | 11,199,468 | 11,209,613 | 11,235,799 | (26,186) |
| Excess of revenues over expenditures | 1,274,680 | 1,129,433 | 1,141,396 | 97,531 | 761,159 | 751,014 | 671,903 | (79,111) |
| Other financing sources (uses): | | | | | | | | |
| Proceeds from obligations | - | - | - | - | 186,963 | 186,963 | - | (186,963) |
| Insurance recoveries | 45,000 | 45,000 | 59,922 | 14,922 | 45,000 | 45,000 | 64,156 | 19,156 |
| Transfers out | (1,257,680) | (1,113,433) | (1,113,433) | - | (1,016,522) | (1,016,522) | (968,813) | 47,709 |
| Total other financing uses | (1,212,680) | (1,068,433) | (1,053,511) | 14,922 | (784,559) | (784,559) | (904,657) | (120,098) |
| Net change in fund balance | 62,000 | 61,000 | 87,885 | 112,453 | (23,400) | (33,545) | (232,754) | (199,209) |
| Fund balance – beginning of year | (62,000) | (61,000) | (27,038) | 33,962 | 23,400 | 33,545 | 205,716 | 172,171 |
| Fund balance – end of year | \$ - | \$ - | \$ 60,847 | \$ 146,415 | \$ - | \$ - | \$ (27,038) | \$ (27,038) |

See independent auditors' report.

VILLAGE OF SUFFERN, NEW YORK

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET

Year Ended May 31, 2012 (With Comparative Actuals for 2011)

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) | 2011 Actual |
|---|---------------------|---------------------|---------------------|---|---------------------|
| Real property taxes | <u>\$ 8,479,542</u> | <u>\$ 8,479,542</u> | <u>\$ 8,493,231</u> | <u>\$ 13,689</u> | <u>\$ 8,328,681</u> |
| Other tax items: | | | | | |
| Payments in lieu of taxes | 145,509 | 145,509 | 145,509 | - | 145,509 |
| Interest and penalties on real property taxes | <u>15,000</u> | <u>15,000</u> | <u>18,474</u> | <u>3,474</u> | <u>21,945</u> |
| | <u>160,509</u> | <u>160,509</u> | <u>163,983</u> | <u>3,474</u> | <u>167,454</u> |
| Non-property taxes: | | | | | |
| Franchise fees | 140,000 | 140,000 | 110,452 | (29,548) | 195,458 |
| Non-property tax distribution from County | 420,000 | 420,000 | 423,357 | 3,357 | 485,526 |
| County recycling grant | - | - | - | - | 150,000 |
| Utilities gross receipts taxes | <u>280,000</u> | <u>280,000</u> | <u>319,102</u> | <u>39,102</u> | <u>236,184</u> |
| | <u>840,000</u> | <u>840,000</u> | <u>852,911</u> | <u>12,911</u> | <u>1,067,168</u> |
| Departmental income: | | | | | |
| Inspection fees | 90,000 | 90,000 | 55,065 | (34,935) | 56,580 |
| Certificate of Occupancy fees | 20,000 | 20,000 | 24,125 | 4,125 | 19,000 |
| Police services | 110,000 | 110,000 | 103,532 | (6,468) | 48,671 |
| Other public safety | 8,000 | 8,000 | 12,046 | 4,046 | 13,944 |
| Vital statistics fees | 60,000 | 60,000 | 51,440 | (8,560) | 53,457 |
| Other public works | - | - | 25,644 | 25,644 | - |
| Zoning fees | 5,000 | 5,000 | 3,560 | (1,440) | 2,500 |
| Planning board fees | 22,000 | 22,000 | 56,997 | 34,997 | 21,090 |
| Pool fees | 47,500 | 47,500 | 54,681 | 7,181 | 68,927 |
| Other culture and recreation fees | 18,000 | 18,000 | 9,934 | (8,066) | 5,322 |
| Snow removal | 10,000 | 10,000 | 23,950 | 13,950 | 9,694 |
| Building Permits | 483,000 | 483,000 | 212,330 | (270,670) | 88,409 |
| Refuse and garbage charges | <u>1,096,831</u> | <u>1,096,831</u> | <u>1,083,843</u> | <u>(12,988)</u> | <u>1,054,054</u> |
| | <u>1,970,331</u> | <u>1,970,331</u> | <u>1,717,147</u> | <u>(253,184)</u> | <u>1,441,648</u> |
| Use of money and property: | | | | | |
| Earnings on investments | <u>20,000</u> | <u>20,000</u> | <u>1,194</u> | <u>(18,806)</u> | <u>4,134</u> |
| Licenses and permits: | | | | | |
| Business and occupational licenses | 500 | 500 | 575 | 75 | 1,510 |
| Bingo fees | 2,000 | 2,000 | 1,434 | (566) | 1,457 |
| Permits | <u>9,000</u> | <u>9,000</u> | <u>10,027</u> | <u>1,027</u> | <u>9,495</u> |
| | <u>11,500</u> | <u>11,500</u> | <u>12,036</u> | <u>536</u> | <u>12,462</u> |

(Continued)

VILLAGE OF SUFFERN, NEW YORK

GENERAL FUND

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

Year Ended May 31, 2012 (With Comparative Actuals for 2011)

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) | 2011 Actual |
|--|----------------------|----------------------|----------------------|---|----------------------|
| Fines and forfeitures: | | | | | |
| Fines and forfeited bail | \$ 362,000 | \$ 362,000 | \$ 292,943 | \$ (69,057) | \$ 213,858 |
| Sale of property and compensation for loss: | | | | | |
| Sale of equipment | 313,000 | 313,000 | 21,649 | (291,351) | 18,284 |
| Sale of recyclables | 1,200 | 1,200 | 16,026 | 14,826 | 4,774 |
| | <u>314,200</u> | <u>314,200</u> | <u>37,675</u> | <u>(276,525)</u> | <u>23,058</u> |
| State aid: | | | | | |
| Per capita | 89,399 | 89,399 | 88,416 | (983) | 90,220 |
| Mortgage tax | 110,000 | 110,000 | 107,971 | (2,029) | 98,294 |
| Public safety | 12,000 | 12,000 | 14,142 | 2,142 | 16,993 |
| Other transportation | 12,000 | 12,000 | 0 | (12,000) | 1,132 |
| Youth programs | 2,600 | 2,600 | 2,919 | 319 | - |
| Consolidated Highway Improvement Program | 60,000 | 60,000 | 60,000 | - | 65,000 |
| Other | 10,000 | 10,000 | 8,447 | (1,553) | 4,908 |
| | <u>295,999</u> | <u>295,999</u> | <u>281,895</u> | <u>(14,104)</u> | <u>276,547</u> |
| Federal aid: | | | | | |
| Emergency Management Assistance | - | - | 669,983 | 669,983 | 85,878 |
| Miscellaneous: | | | | | |
| Refund of prior year's expenditures | 5,000 | 5,000 | 5,782 | 782 | 2,470 |
| Gifts and donations | 52,700 | 52,700 | 63,336 | 10,636 | 40,012 |
| Parking Authority reimbursements | 149,500 | 149,500 | 119,673 | (29,827) | 145,547 |
| Other | 128,309 | 128,309 | 132,548 | 4,239 | 98,785 |
| | <u>335,509</u> | <u>335,509</u> | <u>321,339</u> | <u>(14,170)</u> | <u>286,814</u> |
| Total revenues | <u>12,789,590</u> | <u>12,789,590</u> | <u>12,844,337</u> | <u>54,747</u> | <u>11,907,702</u> |
| Other financing sources: | | | | | |
| Proceeds from obligations | - | - | - | - | - |
| Insurance recoveries | 45,000 | 45,000 | 59,922 | 14,922 | 64,156 |
| Total other financing sources | <u>45,000</u> | <u>45,000</u> | <u>59,922</u> | <u>14,922</u> | <u>64,156</u> |
| Total revenues and other financing sources | <u>\$ 12,834,590</u> | <u>\$ 12,834,590</u> | <u>\$ 12,904,259</u> | <u>\$ 69,669</u> | <u>\$ 11,971,858</u> |

See independent auditors' report.

VILLAGE OF SUFFERN, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET

Year Ended May 31, 2012 (With Comparative Actuals for 2011)

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) | 2011 Actual |
|------------------------------------|--------------------|------------------|------------------|---|------------------|
| General government support: | | | | | |
| Board of Trustees | \$ 43,500 | \$ 43,189 | \$ 43,190 | \$ (1) | \$ 42,208 |
| Village Justice | 218,664 | 198,184 | 198,186 | (2) | 184,838 |
| Mayor | 30,000 | 30,000 | 30,000 | - | 32,079 |
| Auditor | 21,000 | 19,800 | 19,800 | - | 17,550 |
| Treasurer | 120,142 | 130,117 | 130,117 | - | 125,835 |
| Clerk | 140,434 | 180,575 | 180,575 | - | 188,323 |
| Financial consultant | 6,500 | 34,512 | 34,512 | - | 16,174 |
| Assessment | 12,050 | 12,036 | 12,036 | - | 11,686 |
| Village attorney | 75,016 | 100,210 | 100,210 | - | 95,082 |
| Shared services | 158,271 | 145,657 | 143,987 | 1,670 | 141,704 |
| Unallocated insurance | 237,000 | 122,157 | 122,157 | - | 126,839 |
| Municipal association dues | 4,800 | 4,846 | 4,846 | - | 4,800 |
| Judgments and claims | 97,000 | 48,619 | 248,619 | (200,000) | 54,274 |
| Contingency | 45,000 | 99,939 | 99,939 | - | 79,232 |
| | <u>1,209,377</u> | <u>1,169,841</u> | <u>1,368,174</u> | <u>(198,333)</u> | <u>1,120,624</u> |
| Public safety: | | | | | |
| Police Department | 3,794,832 | 3,850,807 | 3,839,773 | 11,034 | 3,961,857 |
| Fire Department | 325,180 | 347,228 | 345,601 | 1,627 | 350,142 |
| DARE | 27,000 | 34,839 | 34,839 | - | 22,831 |
| Bingo inspectors | 650 | 551 | 551 | - | 529 |
| Safety inspection | 168,956 | 171,608 | 171,608 | - | 161,464 |
| | <u>4,316,618</u> | <u>4,405,033</u> | <u>4,392,372</u> | <u>12,661</u> | <u>4,496,823</u> |
| Health | | | | | |
| Registrar of Vital Statistics | 9,600 | 9,200 | 9,200 | - | 13,350 |
| Transportation: | | | | | |
| Street administration | 33,158 | 33,828 | 33,828 | - | 36,824 |
| Street maintenance | 996,601 | 1,182,159 | 1,201,057 | (18,898) | 1,009,072 |
| Snow removal | 110,500 | 45,940 | 39,267 | 6,673 | 76,198 |
| Street lighting | 164,000 | 190,488 | 190,488 | - | 146,498 |
| Parking | 98,500 | 81,560 | 81,560 | - | 92,016 |
| | <u>1,402,759</u> | <u>1,533,975</u> | <u>1,546,200</u> | <u>(12,225)</u> | <u>1,360,608</u> |

(Continued)

VILLAGE OF SUFFERN, NEW YORK

GENERAL FUND

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

Year Ended May 31, 2012 (With Comparative Actuals for 2011)

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) | 2011 Actual |
|--|----------------------|----------------------|----------------------|---|----------------------|
| Culture and recreation: | | | | | |
| Parks and playgrounds | \$ 277,654 | \$ 271,732 | \$ 280,219 | \$ (8,487) | \$ 271,390 |
| Youth recreation | 88,988 | 80,045 | 80,045 | - | 80,181 |
| Historian | 4,032 | 4,126 | 4,610 | (484) | 5,454 |
| | <u>370,674</u> | <u>355,903</u> | <u>364,874</u> | <u>(8,971)</u> | <u>357,025</u> |
| Home and community services: | | | | | |
| Zoning board | 7,419 | 7,160 | 7,160 | - | 5,326 |
| Planning board | 21,319 | 52,416 | 52,416 | - | 34,482 |
| Refuse and garbage | 1,095,831 | 1,095,831 | 1,008,463 | 87,368 | 985,705 |
| | <u>1,124,569</u> | <u>1,155,407</u> | <u>1,068,039</u> | <u>87,368</u> | <u>1,025,513</u> |
| Employee benefits: | | | | | |
| State retirement | 188,558 | 178,700 | 178,700 | - | 195,252 |
| Commuter tax | 15,000 | 5,260 | 5,260 | - | 0 |
| Police and fire retirement | 621,801 | 628,288 | 628,288 | - | 600,271 |
| Social security | 403,718 | 424,056 | 424,056 | - | 436,199 |
| Workers' compensation | 280,000 | 321,538 | 321,538 | - | 285,255 |
| Life insurance | 31,341 | 26,383 | 26,383 | - | 25,059 |
| Unemployment benefits | 4,170 | 10,773 | 10,773 | - | 2,732 |
| Hospital and medical insurance | 1,493,049 | 1,391,406 | 1,314,690 | 76,716 | 1,280,692 |
| | <u>3,037,637</u> | <u>2,986,404</u> | <u>2,909,688</u> | <u>76,716</u> | <u>2,825,460</u> |
| Debt service: | | | | | |
| Interest – revenue anticipation note | 43,676 | 44,394 | 44,394 | - | 36,396 |
| Total expenditures | <u>11,514,910</u> | <u>11,660,157</u> | <u>11,702,941</u> | <u>(42,784)</u> | <u>11,235,799</u> |
| Other financing uses: | | | | | |
| Transfers out: | | | | | |
| Debt Service Fund | 818,862 | 690,087 | 690,087 | - | 702,495 |
| Capital Projects Fund | 438,818 | 423,346 | 423,346 | - | 266,318 |
| Total other financing uses | <u>1,257,680</u> | <u>1,113,433</u> | <u>1,113,433</u> | <u>-</u> | <u>968,813</u> |
| Total expenditures and other financing uses | <u>\$ 12,772,590</u> | <u>\$ 12,773,590</u> | <u>\$ 12,816,374</u> | <u>\$ (42,784)</u> | <u>\$ 12,204,612</u> |

See independent auditors' report.

VILLAGE OF SUFFERN, NEW YORK

WATER FUND

COMPARATIVE BALANCE SHEETS

May 31, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--|-----------------------|-----------------------|
| <u>Assets</u> | | |
| Cash: | | |
| Demand deposits | \$ 55,013 | \$ 170,762 |
| Petty cash | <u>50</u> | <u>50</u> |
| | <u>55,063</u> | <u>170,812</u> |
| Receivables: | | |
| Accounts | 11,079 | 12,448 |
| Water rents | 737,025 | 667,319 |
| Due from other funds | <u>35,619</u> | <u>-</u> |
| | <u>783,723</u> | <u>679,767</u> |
| Total assets | <u>\$ 838,786</u> | <u>\$ 850,579</u> |
| <u>Liabilities and Fund Deficit</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 20,499 | \$ 26,043 |
| Accrued liabilities | 15,980 | 25,700 |
| Due to other funds | 634,337 | 559,809 |
| Revenue anticipation notes payable | 750,000 | 750,000 |
| Due to retirement systems | <u>12,833</u> | <u>12,833</u> |
| Total liabilities | <u>1,433,649</u> | <u>1,374,385</u> |
| Fund balance (deficit): | | |
| Reserved for encumbrances | 13,175 | 530 |
| Unreserved and undesignated | <u>(608,038)</u> | <u>(524,336)</u> |
| Total fund deficit | <u>(594,863)</u> | <u>(523,806)</u> |
| Total liabilities and fund deficit | <u>\$ 838,786</u> | <u>\$ 850,579</u> |

See independent auditors' report.

WATER FUND

COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

Years Ended May 31, 2012 and 2011

| | 2012 | | | | 2011 | | | |
|--|--------------------|-----------------|--------------|---|--------------------|-----------------|--------------|---|
| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
| Revenues: | | | | | | | | |
| Departmental income | \$ 1,791,243 | \$ 1,791,243 | \$ 1,700,157 | \$ (91,086) | \$ 1,760,401 | \$ 1,760,401 | \$ 1,735,898 | \$ (24,503) |
| Use of money and property | 900 | 900 | 229 | (671) | 1,000 | 1,000 | 229 | (771) |
| Sale of property and compensation for loss | 150 | 150 | 366 | 216 | 150 | 150 | 752 | 602 |
| Miscellaneous | 7,480 | 7,480 | 6,609 | (871) | 6,543 | 6,543 | 6,712 | 169 |
| Total revenues | 1,799,773 | 1,799,773 | 1,707,361 | (92,412) | 1,768,094 | 1,768,094 | 1,743,591 | (24,503) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Home and community services | 1,230,221 | 1,244,339 | 1,222,984 | 21,355 | 1,218,953 | 1,226,254 | 1,127,418 | 98,836 |
| Employee benefits | 344,828 | 342,281 | 342,281 | - | 320,743 | 320,743 | 330,046 | (9,303) |
| Debt service – interest | 12,229 | 12,229 | 10,658 | 1,571 | 14,121 | 14,121 | 14,809 | 688 |
| Total expenditures | 1,587,278 | 1,598,849 | 1,575,923 | 22,926 | 1,553,817 | 1,561,118 | 1,472,273 | 90,221 |
| Excess of revenues over expenditures | 212,495 | 200,924 | 131,438 | (69,486) | 214,277 | 206,976 | 271,318 | 65,718 |
| Other financing uses - | | | | | | | | |
| Transfers out | (212,495) | (202,495) | (202,495) | - | (214,277) | (214,277) | (215,068) | (791) |
| Total other financing uses | (212,495) | (202,495) | (202,495) | - | (214,277) | (214,277) | (215,068) | (791) |
| Net change in fund balance | - | (1,571) | (71,057) | (69,486) | - | (7,301) | 56,250 | 64,927 |
| Fund balance (deficit) – beginning of year | - | 1,571 | (523,806) | (525,377) | - | 7,301 | (580,056) | (587,357) |
| Fund balance (deficit) – end of year | \$ - | \$ - | \$ (594,863) | \$ (594,863) | \$ - | \$ - | \$ (523,806) | \$ (522,430) |

See independent auditors’ report.

VILLAGE OF SUFFERN, NEW YORK

WATER FUND

**SCHEDULE OF REVENUES AND OTHER FINANCING
SOURCES COMPARED TO BUDGET**

Year Ended May 31, 2012 (With Comparative Actuals for 2011)

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> | <u>2011 Actual</u> |
|--|----------------------------|-------------------------|---------------------|---|------------------------|
| Departmental income: | | | | | |
| Metered water sales | \$ 1,764,243 | \$ 1,764,243 | \$ 1,681,229 | \$ (83,014) | \$ 1,710,440 |
| Water service charges | 15,000 | 15,000 | 10,500 | (4,500) | 1,389 |
| Interest and penalties on water rents | <u>12,000</u> | <u>12,000</u> | <u>8,428</u> | <u>(3,572)</u> | <u>24,069</u> |
| | <u>1,791,243</u> | <u>1,791,243</u> | <u>1,700,157</u> | <u>(91,086)</u> | <u>1,735,898</u> |
| Use of money and property: | | | | | |
| Earnings on investments | <u>900</u> | <u>900</u> | <u>229</u> | <u>(671)</u> | <u>229</u> |
| Sale of property and compensation for loss: | | | | | |
| Minor sales | <u>150</u> | <u>150</u> | <u>366</u> | <u>216</u> | <u>752</u> |
| Miscellaneous: | | | | | |
| Other | <u>7,480</u> | <u>7,480</u> | <u>6,609</u> | <u>(871)</u> | <u>6,712</u> |
| | <u>7,480</u> | <u>7,480</u> | <u>6,609</u> | <u>(871)</u> | <u>6,712</u> |
| Total revenues | <u>\$ 1,799,773</u> | <u>\$ 1,799,773</u> | <u>\$ 1,707,361</u> | <u>\$ (92,412)</u> | <u>\$ 1,743,591</u> |

See independent auditors' report.

VILLAGE OF SUFFERN, NEW YORK

WATER FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET

Year Ended May 31, 2012 (With Comparative Actuals for 2011)

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) | 2011 Actual |
|---|---------------------|---------------------|---------------------|---|---------------------|
| Home and community services: | | | | | |
| Water administration | \$ 276,506 | \$ 285,423 | \$ 285,423 | \$ - | \$ 285,613 |
| Source of supply, power and pumping | 846,815 | 876,096 | 854,741 | 21,355 | 767,864 |
| Transmission and distribution | 106,900 | 82,820 | 82,820 | - | 73,941 |
| | <u>1,230,221</u> | <u>1,244,339</u> | <u>1,222,984</u> | <u>21,355</u> | <u>1,127,418</u> |
| Employee benefits: | | | | | |
| State retirement | 78,333 | 78,333 | 78,333 | - | 76,999 |
| Social security | 37,937 | 39,420 | 39,420 | - | 41,912 |
| Workers' compensation | 35,700 | 35,700 | 35,700 | - | 35,100 |
| Hospital and medical insurance | 190,641 | 187,505 | 187,505 | - | 174,781 |
| Life insurance | 2,217 | 1,323 | 1,323 | - | 1,254 |
| | <u>344,828</u> | <u>342,281</u> | <u>342,281</u> | <u>-</u> | <u>330,046</u> |
| Debt service: | | | | | |
| Interest – revenue anticipation notes | <u>12,229</u> | <u>12,229</u> | <u>10,658</u> | <u>1,571</u> | <u>14,809</u> |
| Total expenditures | <u>1,587,278</u> | <u>1,598,849</u> | <u>1,575,923</u> | <u>22,926</u> | <u>1,472,273</u> |
| Other financing uses: | | | | | |
| Transfers out: | | | | | |
| Debt Service Fund | 109,195 | 109,195 | 109,195 | - | 111,768 |
| Capital Projects Fund | <u>103,300</u> | <u>93,300</u> | <u>93,300</u> | <u>-</u> | <u>103,300</u> |
| Total other financing uses | <u>212,495</u> | <u>202,495</u> | <u>202,495</u> | <u>-</u> | <u>215,068</u> |
| Total expenditures and other financing uses | <u>\$ 1,799,773</u> | <u>\$ 1,801,344</u> | <u>\$ 1,778,418</u> | <u>\$ 22,926</u> | <u>\$ 1,687,341</u> |

See independent auditors' report.

VILLAGE OF SUFFERN, NEW YORK

SEWER FUND

COMPARATIVE BALANCE SHEETS

May 31, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--|-------------------|-------------------|
| <u>Assets</u> | | |
| Cash – demand deposits | \$ 9,626 | \$ 17,290 |
| Receivables: | | |
| Accounts | 16,833 | 12,554 |
| Federal and state aid | 53,934 | - |
| Sewer rents | 514,679 | 427,871 |
| Due from other funds | <u>59,581</u> | <u>135,178</u> |
| | <u>645,027</u> | <u>575,603</u> |
| Total assets | <u>\$ 654,653</u> | <u>\$ 592,893</u> |
| <u>Liabilities and Fund Balance (Deficit)</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 71,620 | \$ 73,043 |
| Accrued liabilities | 26,983 | 15,603 |
| Due to other funds | 841,211 | 696,294 |
| Revenue anticipation notes payable | 550,000 | 550,000 |
| Due to retirement systems | <u>12,325</u> | <u>12,325</u> |
| Total liabilities | <u>1,502,139</u> | <u>1,347,265</u> |
| Fund balance (deficit): | | |
| Unreserved and undesignated | <u>(847,486)</u> | <u>(754,372)</u> |
| Total fund balance (deficit) | <u>(847,486)</u> | <u>(754,372)</u> |
| Total liabilities and fund balance (deficit) | <u>\$ 654,653</u> | <u>\$ 592,893</u> |

See independent auditors' report.

SEWER FUND

COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

Years Ended May 31, 2012 and 2011

| | 2012 | | | | 2011 | | | |
|---|--------------------|-----------------|---------------------|---|--------------------|-----------------|---------------------|---|
| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
| Revenues: | | | | | | | | |
| Departmental income: | | | | | | | | |
| Sewer fees | \$ 1,414,803 | \$ 1,414,803 | \$ 1,187,683 | \$ (227,120) | \$ 1,393,144 | \$ 1,393,144 | \$ 1,084,061 | \$ (309,083) |
| Federal aid | - | - | 53,934 | 53,934 | - | - | - | - |
| Use of money and property | 1,000 | 1,000 | 39 | (961) | 1,200 | 1,200 | 64 | (1,136) |
| Miscellaneous | 3,690 | 3,690 | 6,885 | 3,195 | 3,222 | 3,222 | 3,295 | 73 |
| Total revenues | 1,419,493 | 1,419,493 | 1,248,541 | (170,952) | 1,397,566 | 1,397,566 | 1,087,420 | (310,146) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Home and community services | 974,572 | 1,040,710 | 1,037,873 | 2,837 | 1,063,972 | 1,080,758 | 1,090,155 | (9,397) |
| Employee benefits | 254,624 | 255,234 | 255,234 | - | 248,252 | 248,252 | 246,104 | 2,148 |
| Debt service – interest | 16,650 | 18,025 | 18,025 | - | - | - | 4,525 | (4,525) |
| Total expenditures | 1,245,846 | 1,313,969 | 1,311,132 | 2,837 | 1,312,224 | 1,329,010 | 1,340,784 | (11,774) |
| Excess (deficiency) of revenues over expenditures | 173,647 | 105,524 | (62,591) | (168,115) | 85,342 | 68,556 | (253,364) | (321,920) |
| Other financing uses: | | | | | | | | |
| Transfers out | (173,647) | (106,062) | (30,522) | 75,540 | (83,842) | (83,842) | (30,717) | 53,125 |
| Total other financing uses | (173,647) | (106,062) | (30,522) | 75,540 | (83,842) | (83,842) | (30,717) | 53,125 |
| Net change in fund balance | - | (538) | (93,113) | (92,575) | 1,500 | (15,286) | (284,081) | (268,795) |
| Fund balance (deficit) – beginning of year | - | 538 | (754,373) | (754,911) | (1,500) | 15,286 | (470,292) | (485,578) |
| Fund balance (deficit) – end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (847,486)</u> | <u>\$ (847,486)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (754,373)</u> | <u>\$ (754,373)</u> |

See independent auditors' report.

VILLAGE OF SUFFERN, NEW YORK

SEWER FUND

SCHEDULE OF EXPENDITURES AND OTHER
FINANCING USES COMPARED TO BUDGET

Year Ended May 31, 2012 (With Comparative Actuals for 2011)

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) | 2011 Actual |
|--|---------------------|---------------------|---------------------|---|---------------------|
| Home and community services: | | | | | |
| Sewage treatment and disposal | \$ 974,572 | \$ 1,040,710 | \$ 1,037,873 | \$ 2,837 | \$ 1,090,155 |
| Employee benefits: | | | | | |
| State retirement | 70,838 | 70,838 | 70,838 | - | 73,953 |
| Social security | 25,482 | 21,294 | 21,294 | - | 22,936 |
| Workers' compensation | 19,500 | 19,500 | 19,500 | - | 19,500 |
| Hospital and medical insurance | 137,031 | 143,005 | 143,005 | - | 128,977 |
| Life insurance | 1,773 | 597 | 597 | - | 738 |
| | <u>254,624</u> | <u>255,234</u> | <u>255,234</u> | <u>-</u> | <u>246,104</u> |
| Debt service: | | | | | |
| Interest – bond anticipation notes | <u>16,650</u> | <u>18,025</u> | <u>18,025</u> | <u>-</u> | <u>4,525</u> |
| Total expenditures | <u>1,245,846</u> | <u>1,313,969</u> | <u>1,311,132</u> | <u>2,837</u> | <u>1,340,784</u> |
| Other financing uses: | | | | | |
| Transfers out: | | | | | |
| Debt Service Fund | <u>173,647</u> | <u>106,062</u> | <u>30,522</u> | <u>75,540</u> | <u>30,717</u> |
| Total other financing uses | <u>173,647</u> | <u>106,062</u> | <u>30,522</u> | <u>75,540</u> | <u>30,717</u> |
| Total expenditures and other financing uses | <u>\$ 1,419,493</u> | <u>\$ 1,420,031</u> | <u>\$ 1,341,654</u> | <u>\$ 78,377</u> | <u>\$ 1,371,501</u> |

See independent auditors' report.

VILLAGE OF SUFFERN, NEW YORK

CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEETS

May 31, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--|---------------------|--------------------|
| <u>Assets</u> | | |
| Cash – demand deposits | \$ 611,267 | \$ 35,047 |
| Investments | - | 2,856 |
| Receivables: | | |
| Due from other funds | 1,746,293 | 412,174 |
| | <u>1,746,293</u> | <u>412,174</u> |
| Total assets | <u>\$ 2,357,560</u> | <u>\$ 450,077</u> |
| <u>Liabilities and Fund Deficit</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 50,441 | \$ 29,554 |
| Due to other funds | 60,426 | 229,804 |
| Bond anticipation notes payable | <u>2,171,436</u> | <u>3,541,082</u> |
| Total liabilities | <u>2,282,303</u> | <u>3,800,440</u> |
| Fund deficit: | | |
| Unreserved and undesignated | <u>75,257</u> | <u>(3,350,363)</u> |
| Total fund deficit | <u>75,257</u> | <u>(3,350,363)</u> |
| Total liabilities and fund deficit | <u>\$ 2,357,560</u> | <u>\$ 450,077</u> |

See independent auditors' report.

CAPITAL PROJECTS FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

Years Ended May 31, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--|-------------------------|------------------------------|
| Revenues: | | |
| State aid | \$ 136,762 | \$ 262,663 |
| Federal aid | - | 160,360 |
| Miscellaneous | <u>-</u> | <u>3</u> |
| Total revenues | <u>136,762</u> | <u>423,026</u> |
| Expenditures – capital outlay | <u>1,084,788</u> | <u>2,732,547</u> |
| Deficiency of revenues over expenditures | <u>(948,026)</u> | <u>(2,309,521)</u> |
| Other financing sources: | | |
| Proceeds from obligations | 3,857,000 | - |
| Transfers in | <u>516,646</u> | <u>369,618</u> |
| Total other financing sources | <u>4,373,646</u> | <u>369,618</u> |
| Net change in fund balance | 3,425,620 | (1,939,903) |
| Fund deficit – beginning of year | <u>(3,350,363)</u> | <u>(1,410,460)</u> |
| Fund deficit – end of year | <u><u>\$ 75,257</u></u> | <u><u>\$ (3,350,363)</u></u> |

See independent auditors' report.

CAPITAL PROJECTS FUND

PROJECT LENGTH SCHEDULE

Inception of Project Through May 31, 2012

| Project | Authorization | Expenditures and Transfers | Unexpended Balance | Methods of Financing | | | | | Fund Balance (Deficit) at May 31, 2012 | Bond Anticipation Notes Outstanding at May 31, 2012 |
|--|---------------|-------------------------------|-----------------------|----------------------------|--------------------------|--------------|------------|---------------|--|---|
| | | | | Proceeds of Obligations | State and Federal Aid | Transfers | Other | Totals | | |
| Downtown revitalization | \$ 1,139,939 | \$ 1,139,939 | \$ - | \$ - | \$ 866,304 | \$ 98,634 | \$ 160,000 | \$ 1,124,938 | \$ (15,001) | \$ - |
| Water Department improvements | 287,600 | 270,000 | 17,600 | 208,125 | - | 79,475 | - | 287,600 | 17,600 | - |
| 2005 building improvements | 119,450 | 160,428 | (40,978) | 48,327 | - | 71,123 | - | 119,450 | (40,978) | - |
| Street maintenance equipment | 72,725 | 65,622 | 7,103 | 30,481 | - | 42,244 | - | 72,725 | 7,103 | - |
| Recreation improvements | 97,025 | 95,856 | 1,169 | 12,532 | 30,000 | 54,493 | - | 97,025 | 1,169 | - |
| Water supply improvements | 121,000 | 181,260 | (60,260) | 62,223 | - | 58,777 | - | 121,000 | (60,260) | - |
| 2006 infrared heating system | 35,000 | 11,770 | 23,230 | - | - | 35,000 | - | 35,000 | 23,230 | - |
| Pavilion pump station | 157,262 | 231,937 | (74,675) | - | 355 | 50,000 | 107,262 | 157,617 | (74,320) | - |
| Flat roof for hook and ladder | 40,000 | 38,584 | 1,416 | - | - | 40,000 | - | 40,000 | 1,416 | - |
| Street drainage | 20,000 | 7,633 | 12,367 | - | - | 20,000 | - | 20,000 | 12,367 | - |
| Curb on various streets | 125,000 | 155,934 | (30,934) | - | 30,934 | 125,000 | - | 155,934 | - | - |
| Centrifuge scroll assembly | 60,000 | 53,963 | 6,037 | - | - | 50,410 | - | 50,410 | (3,553) | - |
| Sewer line flusher | 220,000 | 219,799 | 201 | - | - | 218,585 | - | 218,585 | (1,214) | - |
| Land purchase | 375,000 | 361,719 | 13,281 | - | - | 375,000 | - | 375,000 | 13,281 | - |
| Road improvements | 220,000 | 194,559 | 25,441 | - | - | 165,000 | - | 165,000 | (29,559) | 55,000 |
| Variable frequency drive for Well #3 | 20,000 | 7,585 | 12,415 | - | - | 20,000 | - | 20,000 | 12,415 | - |
| Building repairs Operational Center – 2008 | 100,000 | 5,595 | 94,405 | - | - | - | - | - | (5,595) | - |
| Ultraviolet lift pump purchase | 32,000 | 11,898 | 20,102 | - | - | 32,000 | - | 32,000 | 20,102 | - |
| Fire Department cabinets | 15,000 | 14,496 | 504 | - | - | 12,500 | - | 12,500 | (1,996) | 7,500 |
| Road improvements contractual | 2,970,000 | 2,985,225 | (15,225) | 2,650,000 | 280,119 | 105,000 | - | 3,035,119 | 49,894 | 110,000 |
| Meter reading system upgrade | 280,000 | 277,153 | 2,847 | 280,000 | - | - | - | 280,000 | 2,847 | - |
| Leaf vacuum | 45,000 | 30,238 | 14,762 | - | - | 265 | - | 265 | (29,973) | - |
| Ramapo Avenue curb repaving | 145,000 | 68,158 | 76,842 | - | 50,000 | 42,028 | - | 92,028 | 23,870 | 53,500 |
| Building repairs Operational Center – 2009 | 350,000 | 382,935 | (32,935) | - | - | 180,800 | - | 180,800 | (202,135) | 186,600 |
| Fire equipment | 35,300 | 34,852 | 448 | - | - | 17,600 | - | 17,600 | (17,252) | 17,600 |
| Generator Street Department | 10,000 | - | 10,000 | - | - | 5,040 | - | 5,040 | 5,040 | 5,040 |
| Police car | 30,000 | 29,337 | 663 | - | - | 14,996 | - | 14,996 | (14,341) | 14,996 |
| Water Fund equipment | 23,700 | 21,254 | 2,446 | - | - | 5,800 | - | 5,800 | (15,454) | - |
| Crosswalks | 129,687 | 138,564 | (8,877) | - | 5,829 | 63,124 | - | 68,953 | (69,611) | - |
| Equipment street sweeper | 148,000 | 148,000 | - | - | 100,000 | - | - | 100,000 | (48,000) | - |
| Water tower painting | 94,700 | - | 94,700 | - | - | 10,000 | - | 10,000 | 10,000 | 94,700 |
| Fire Department equipment | 40,350 | 39,152 | 1,198 | - | - | - | - | - | (39,152) | - |
| Waste water plant upgrades | - | 29,257 | (29,257) | - | - | - | - | - | (29,257) | - |
| Fire truck pumper | 630,000 | 615,448 | 14,552 | - | - | 157,500 | - | 157,500 | (457,948) | 472,500 |
| Street Lighting | - | 89,492 | (89,492) | - | 50,360 | - | - | 50,360 | (39,132) | - |
| Fire department equipment | 133,300 | 134,541 | (1,241) | 133,300 | - | - | - | 133,300 | (1,241) | - |
| Police car | 32,784 | 32,534 | 250 | 32,784 | - | - | - | 32,784 | 250 | - |
| pumps sewer dept | 190,000 | 188,128 | 1,872 | 190,000 | - | - | - | 190,000 | 1,872 | - |
| Utility truck box | 50,000 | 49,374 | 626 | 50,916 | - | - | - | 50,916 | 1,542 | - |
| improvements sewer plant | 1,850,000 | 360,851 | 1,489,149 | 1,850,000 | - | - | - | 1,850,000 | 1,489,149 | 650,000 |
| Fire Truck H & L | 950,000 | 957,544 | (7,544) | 950,000 | - | - | - | 950,000 | (7,544) | - |
| digester cover | 650,000 | 482,393 | 167,607 | 650,000 | - | - | - | 650,000 | 167,607 | - |
| Façade improvement Program | 75,000 | 64,712 | 10,288 | - | - | - | - | - | (64,712) | - |
| Fire equipment | 83,755 | 82,727 | 1,028 | - | - | - | - | - | (82,727) | 84,000 |
| Police car | 38,812 | 31,683 | 7,129 | - | - | - | - | - | (31,683) | 34,000 |
| Snow removal equipment | 11,000 | 11,000 | - | - | - | - | - | - | (11,000) | 11,000 |
| Equipment public works truck | 100,000 | 114,999 | (14,999) | - | - | - | - | - | (114,999) | 100,000 |
| Road improvements | 250,000 | 252,439 | (2,439) | - | - | - | - | - | (252,439) | 250,000 |
| Equipment utility truck | 25,000 | 24,421 | 579 | - | - | - | - | - | (24,421) | 25,000 |
| Totals | \$ 12,628,389 | \$ 10,904,988 | \$ 1,723,401 | \$ 7,148,688 | \$ 1,413,901 | \$ 2,150,394 | \$ 267,262 | \$ 10,980,245 | \$ 75,257 | \$ 2,171,436 |

See independent auditors’ report.

VILLAGE OF SUFFERN, NEW YORK

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEETS

May 31, 2012 (With Comparative Totals for 2011)

| | Special Purpose Fund | Debt Service Fund | Totals | |
|---|----------------------------|-------------------------|------------|------------|
| | | | 2012 | 2011 |
| <u>Assets</u> | | | | |
| Cash – demand deposits | \$ 156,285 | \$ 5,298 | \$ 161,583 | \$ 185,918 |
| Receivables: | | | | |
| Accounts | 13,385 | - | 13,385 | 13,689 |
| Due from other funds | - | 3,055 | 3,055 | 1,569 |
| | 13,385 | 3,055 | 16,440 | 15,258 |
| Total assets | \$ 169,670 | \$ 8,353 | \$ 178,023 | \$ 201,176 |
| <u>Liabilities and Fund Balances</u> | | | | |
| Liabilities: | | | | |
| Due to other funds | \$ 94,742 | \$ - | \$ 94,742 | \$ 82,574 |
| | 94,742 | - | 94,742 | 82,574 |
| Fund balances: | | | | |
| Reserved for parklands | 74,928 | - | 74,928 | 111,129 |
| Reserved for debt service | - | 8,353 | 8,353 | 7,473 |
| Total fund balances | 74,928 | 8,353 | 83,281 | 118,602 |
| Total liabilities and fund balances | \$ 169,670 | \$ 8,353 | \$ 178,023 | \$ 201,176 |

See independent auditors' report.

NON-MAJOR GOVERNMENTAL FUNDS

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

Year Ended May 31, 2012 (With Comparative Totals for 2011)

| | Special Purpose Fund | Debt Service Fund | Totals | |
|---|----------------------------|-------------------------|------------------|-------------------|
| | | | 2012 | 2011 |
| Revenues: | | | | |
| Use of money and property | \$ 246 | \$ 880 | \$ 1,126 | \$ 1,882 |
| Total revenues | 246 | 880 | 1,126 | 1,882 |
| Expenditures: | | | | |
| Current – culture and recreation | 36,447 | - | 36,447 | 71,100 |
| Debt service: | | | | |
| Principal | - | 675,000 | 675,000 | 670,000 |
| Interest | - | 154,804 | 154,804 | 180,799 |
| Total expenditures | 36,447 | 829,804 | 866,251 | 921,899 |
| Deficiency of revenues over expenditures | (36,201) | (828,924) | (865,125) | (920,017) |
| Other financing sources: | | | | |
| Transfers in | - | 829,804 | 829,804 | 844,980 |
| Total other financing sources | - | 829,804 | 829,804 | 844,980 |
| Net change in fund balances | (36,201) | 880 | (35,321) | (75,037) |
| Fund balances – beginning of year | 111,129 | 7,473 | 118,602 | 193,639 |
| Fund balances – end of year | <u>\$ 74,928</u> | <u>\$ 8,353</u> | <u>\$ 83,281</u> | <u>\$ 118,602</u> |

See independent auditors' report.

VILLAGE OF SUFFERN, NEW YORK

SPECIAL PURPOSE FUND

COMPARATIVE BALANCE SHEETS

May 31, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--|-------------------|-------------------|
| <u>Assets</u> | | |
| Cash – demand deposits | \$ 156,285 | \$ 180,014 |
| Receivables: | | |
| Accounts | <u>13,385</u> | <u>13,689</u> |
| Total assets | <u>\$ 169,670</u> | <u>\$ 193,703</u> |
| <u>Liabilities and Fund Balance</u> | | |
| Liabilities: | | |
| Due to other funds | <u>\$ 94,742</u> | <u>\$ 82,574</u> |
| Total liabilities | <u>94,742</u> | <u>82,574</u> |
| Fund balance: | | |
| Reserved for parklands | <u>74,928</u> | <u>111,129</u> |
| Total fund balance | <u>74,928</u> | <u>111,129</u> |
| Total liabilities and fund balance | <u>\$ 169,670</u> | <u>\$ 193,703</u> |

See independent auditors' report.

SPECIAL PURPOSE FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

Years Ended May 31, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--|------------------|-------------------|
| Revenues: | | |
| Use of money and property | \$ 246 | \$ 1,116 |
| Total revenues | 246 | 1,116 |
| Expenditures – current – culture and recreation | <u>36,447</u> | <u>71,100</u> |
| Deficiency of revenues over expenditures | (36,201) | (69,984) |
| Fund balance – beginning of year | <u>111,129</u> | <u>181,113</u> |
| Fund balance – end of year | <u>\$ 74,928</u> | <u>\$ 111,129</u> |

See independent auditors' report.

VILLAGE OF SUFFERN, NEW YORK

DEBT SERVICE FUND

COMPARATIVE BALANCE SHEETS

May 31, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|----------------------------|-----------------|-----------------|
| <u>Assets</u> | | |
| Cash – demand deposits | \$ 5,298 | \$ 5,904 |
| Due from other funds | <u>3,055</u> | <u>1,569</u> |
| Total assets | <u>\$ 8,353</u> | <u>\$ 7,473</u> |
| <u>Fund Balance</u> | | |
| Reserved for debt service | <u>\$ 8,353</u> | <u>\$ 7,473</u> |

See independent auditors' report.

DEBT SERVICE FUND

COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

Years Ended May 31, 2012 and 2011

| | 2012 | | | | 2011 | | | |
|--|--------------------|-----------------|-----------|---|--------------------|-----------------|-----------|---|
| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
| Revenues – use of money and property | \$ - | \$ - | \$ 880 | \$ 880 | \$ - | \$ - | \$ 766 | \$ 766 |
| Expenditures – debt service: | | | | | | | | |
| Principal – serial bonds | 850,000 | 850,000 | 675,000 | 175,000 | 670,000 | 670,000 | 670,000 | - |
| Interest – serial bonds | 251,704 | 251,704 | 154,804 | 96,900 | 277,699 | 277,699 | 180,799 | 96,900 |
| Total expenditures | 1,101,704 | 1,101,704 | 829,804 | 271,900 | 947,699 | 947,699 | 850,799 | 96,900 |
| Deficiency of revenues over expenditures | (1,101,704) | (1,101,704) | (828,924) | 272,780 | (947,699) | (947,699) | (850,033) | 97,666 |
| Other financing sources – transfers in | 1,101,704 | 1,101,704 | 829,804 | (271,900) | 947,699 | 947,699 | 844,980 | (102,719) |
| Net change in fund balance | - | - | 880 | 880 | - | - | (5,053) | (5,053) |
| Fund balance – beginning of year | - | - | 7,473 | 7,473 | - | - | 12,526 | 12,526 |
| Fund balance – end of year | \$ - | \$ - | \$ 8,353 | \$ 8,353 | \$ - | \$ - | \$ 7,473 | \$ 7,473 |

See independent auditors’ report.