



VILLAGE OF SUFFERN, NEW YORK
AUDITED ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED MAY 31, 2017

**Village of Suffern, New York
Audited Financial Statements
Fiscal Year Ended May 31, 2017**

**Prepared by the
Office of the Village Treasurer
April 30, 2018**

**VILLAGE OF SUFFERN, NEW YORK
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INTRODUCTORY SECTION



Village of Suffern

61 Washington Avenue, Suffern, New York 10901
Telephone: (845) 357-2600 • Fax: (845) 357-0649
www.suffernny.gov

April 30, 2018

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

In accordance with Securities and Exchange Commission (SEC) Rule 15c2-12 ("continuing disclosure rule") and as desired by the Board of Trustees, submitted herewith is the audited financial report for the Village of Suffern, New York (Village) for the fiscal year ended May 31, 2017.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Berard & Associates, CPA's P.C., a firm of licensed certified public accountants, has issued an unmodified opinion on the Village's financial statements for the fiscal year ended May 31, 2017. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements and should be read in conjunction with this letter of transmittal.

The Village is compliant with the provisions of all applicable Governmental Accounting Standards Board (GASB) statements and takes pride in its early implementation of GASB Statement No. 84, *Fiduciary Activities* in fiscal year ended May 31, 2017.

PROFILE OF THE GOVERNMENT

The Village was incorporated in 1896 and is situated within the borders of the Town of Ramapo (Town), in the southwest portion of Rockland County (County) in the State of New York (State), about 30 miles north of New York City. It is comprised of about 2.1 square miles and is bounded by the Township of Mahwah, Bergen County in the State of New

Jersey and the Villages of Hillburn, Airmont and Montebello.

The Village is essentially suburban residential in character and is comprised mostly of single and multi-family homes and several apartment condominium complexes. The Village also has some moderate commercial development. Avon Products Corporation (a cosmetics research and development facility) and Good Samaritan Hospital are the major employers located in the Village.

The Village was established as a municipal government by the State and is vested with such powers and responsibilities inherent in the operation of municipal government, including the adoption of rules and regulations to govern its affairs. In addition, the Village may tax real property situated in its boundaries and issue debt subject to the provision of the State's Local Finance Law.

The Suffern Central School District (School District) is the one independent school district operating in the Village that possesses powers with respect to taxation and debt issuance. Village residents also pay real property taxes to the Town and County to support programs administered by those governmental entities.

Government operations of the Village are subject to the provisions of the State Constitution and various statutes including the Village Law, the General Municipal Law and the Local Finance Law. Real property assessment, collection and enforcement procedures are governed by the Real Property Tax Law.

The Village Board of Trustees (Board) is the legislative, appropriating, governing and policy determining body of the Village and consists of a Mayor and four trustees, all of whom are elected at large to serve two-year terms. The number of terms which may be served is not limited. It is the responsibility of the Board of Trustees to enact, by resolution, all legislation including ordinances and local laws. Annual operating budgets for the Village must be authorized by the Board. All Village indebtedness is authorized by the Board of Trustees. Certain authority regarding issuance of indebtedness is generally delegated by the Board to the Village Treasurer, as chief fiscal officer. The executive responsibility for the Village is vested in the Mayor. The Mayor is elected for a two-year term of office with the right to succeed himself. In addition, the Mayor is a full member of and the presiding officer of the Village Board. Subject to Board approval, the Mayor appoints the Village Clerk, Village Treasurer and Village Attorney.

The Village provides its residents with police and fire protection; public works services that include street and sidewalk maintenance, refuse and recycling, municipal water and wastewater system treatment; cultural and recreational activities; building code enforcement; planning and zoning administration, and general government services such as birth and death certificates and business licenses and permits. Ambulance services and additional recreational services are provided by the Town. The County provides a variety of social services. Public educational services K-12 are provided by the Suffern Central School District.

The Village employs approximately 71 full-time employees and 23 part-time employees. Most employees, other than officers and administrative employees, are represented by the Civil Service Employees' Association (CSEA). Police officers are represented by the Suffern Policemen's Benevolent Association (PBA) and police dispatchers and records clerks are represented by the United Federation of Police (UFP).

ASSESSING ECONOMIC CONDITION

Local Economy

The Village serves as a major commuter hub due to its close proximity and accessibility to New York City. Access to New York City and the tri-state area is readily available by car, train, or bus. Major interstate highways such as I-287, I-95 and I-87, and a number of state and local parkways and highways go through, or are a short drive from, the Village center. The Village is close to three major international airports: LaGuardia (34 miles), Newark-Liberty (39 miles) and John F. Kennedy (45 miles), and four local airports: Teterboro (20 miles), Westchester County (30 miles), Morristown Municipal (36 miles) and Stewart International (39 miles).

According to the U.S. Census Bureau, the Village has a diverse population of 10,948 (July 1, 2016; V2017) comprised of individuals who identify themselves as White (69.8%); Hispanic or Latino (18.7%); Black or African-American (5.3%), or Asian (5%).

The Village compares quite favorably with the County, State and nation in a number of demographic and economic areas:

<u>Fact</u>	<u>Village of Suffern</u>	<u>Rockland County</u>	<u>New York State</u>	<u>United States</u>
Per capita income	\$38,439	\$35,557	\$34,212	\$28,829
Median household income	\$85,395	\$86,134	\$60,741	\$55,322
Owner-occupied housing	71.0%	68.9%	53.6%	63.6%
Median value of owner-occupied housing	\$309,200	\$420,700	\$286,300	\$184,700
High school degree or higher	92.2%	87.3%	85.9%	87.0%
Bachelor's degree or higher	43.8%	40.4%	34.7%	30.3%
Mean travel time to work (minutes)	31.4	30.7	32.6	26.1

Source: U.S. Census Bureau 2012-2016 American Community Survey 5-Year Estimates

The U.S. Census Bureau 2012 *Survey of Business Owners* reports that 265 firms located in the Village provide employment for 4,568 employees. Per the U.S. Department of Labor Statistics, the (not seasonally adjusted) *Consumer Price Index – All Urban Consumers, All Items for New York–Northern New Jersey–Long Island, NY- NJ-CT-PA* rose 1.8% from May 2016 to May 2017, which compares favorably to the 1.9% increase for the U.S. Village average.

<u>Consumer Price Index - All Urban Consumers</u>	<u>May, 2017</u>	<u>May, 2016</u>	<u>Change</u>
U.S. City average	244.733	240.229	1.9%
New York-Newark-Jersey City, NY-NJ-PA	268.183	263.312	1.8%

The smallest unit of government for which unemployment rates (not seasonally adjusted) are available from the U.S. Bureau of Labor Statistics is cities or towns above 25,000 population. While the year-to-year increase in the unemployment rate of the Town is above the County, State and national levels, the rate of unemployment itself is favorable:

<u>Area</u>	<u>May, 2017</u>	<u>May, 2016</u>	<u>Change</u>
United States	4.1%	4.5%	-8.9%
New York State	4.4%	4.3%	2.3%
Rockland County	4.1%	3.8%	7.9%
Town of Ramapo	3.8%	3.5%	8.6%

Commerce within the Village itself consists of small shops, stores, restaurants, a bank and professional offices. Good Samaritan Hospital is located within the Village borders and there are several health care facilities and medical providers in Rockland County and neighboring Bergen County, New Jersey. Four colleges are located within Rockland County, including State University of New York Rockland Community College, Dominican College, Nyack College and St. Thomas Aquinas College, and several other colleges and universities are a short drive to Westchester County, New York City and Bergen County.

A listing of major capital improvements that support the community can be found in the Capital Projects Fund Project-Length Schedule presented in the Financial Section of this report. The Village's economic base is further strengthened by high quality bus and train transportation and an easy commute to New York City, Westchester County, Orange County, and the State of New Jersey.

Long-Term Financial Planning and Major Initiatives

In addition to its economic development, the Village has invested in its public infrastructure to make the Village a vibrant, attractive and active community both day and night. The Village identifies and quantifies the operational costs associated with its capital projects and budgets the necessary resources. Funding for these projects includes tax-supported debt; self-liquidating (user fee based) debt and cash and grants.

Financial Policies

The Village operates under a host of comprehensive financial policies. The Village maintains an investment policy adopted by the Board of Trustees that complies with Sections 10 and 11 of New York State General Municipal Law, which emphasizes a conservative financial approach to the investment of municipal funds and collateralization of deposits in excess of FDIC insurance coverage. The Village's investment policy is reviewed at least annually and amended as needed or desired. The Village maintains a procurement policy adopted by the Board of Trustees in accordance with Section 104-b of New York State General Municipal Law. This policy outlines all bidding and procurement procedures that Village departments must adhere to when purchasing goods and services

The Village purchases insurance for general liability, automobile, Workers Compensation and other risks. The Village continuously assesses and reviews its risks in conjunction with its insurance brokers to determine, and adjust if necessary, its levels of insurance.

The Village continuously monitors its budget and prepares quarterly trial balances and budgetary reports that are submitted to the Board of Trustees and the Office of the State Comptroller. As a result, the Village is able to plan for all of its projects and purchases in accordance with available financial resources.

ACKNOWLEDGMENTS

The preparation of this report would not have been possible without the dedicated services of Maria Duffy, Senior Account Clerk and the assistance of all Village departments concerning information specific to their operations. Our gratitude is extended to our Mayor and Board of Trustees, who continuously strive to enhance the quality of life for our citizens. The input from our independent auditor was invaluable and we commend them on their timely and professional completion of our audit. Most importantly, our heartfelt thanks go to our citizens and residents, for giving us the opportunity to serve our fine Village.

Respectfully Submitted,
VILLAGE OF SUFFERN

A handwritten signature in blue ink, appearing to read "Michael A. Genito".

Michael A. Genito
Village Treasurer

MAG/pc

**VILLAGE OF SUFFERN, NEW YORK
VILLAGE OFFICIALS**

Elected Officials

Edward Markunas, Mayor

Frank Hagen, Deputy Mayor

Moiria Hertzman, Trustee

Joseph Russo, Trustee

Ernest S. Buonocore, Village Justice

Appointed Officials

Virginia Menschner, Village Clerk

Michael A. Genito, Village Treasurer

Daniel Kraushaar, Village Attorney

Charles Sawicki, Superintendent of Public Works

Clarke Osborn, Chief of Police

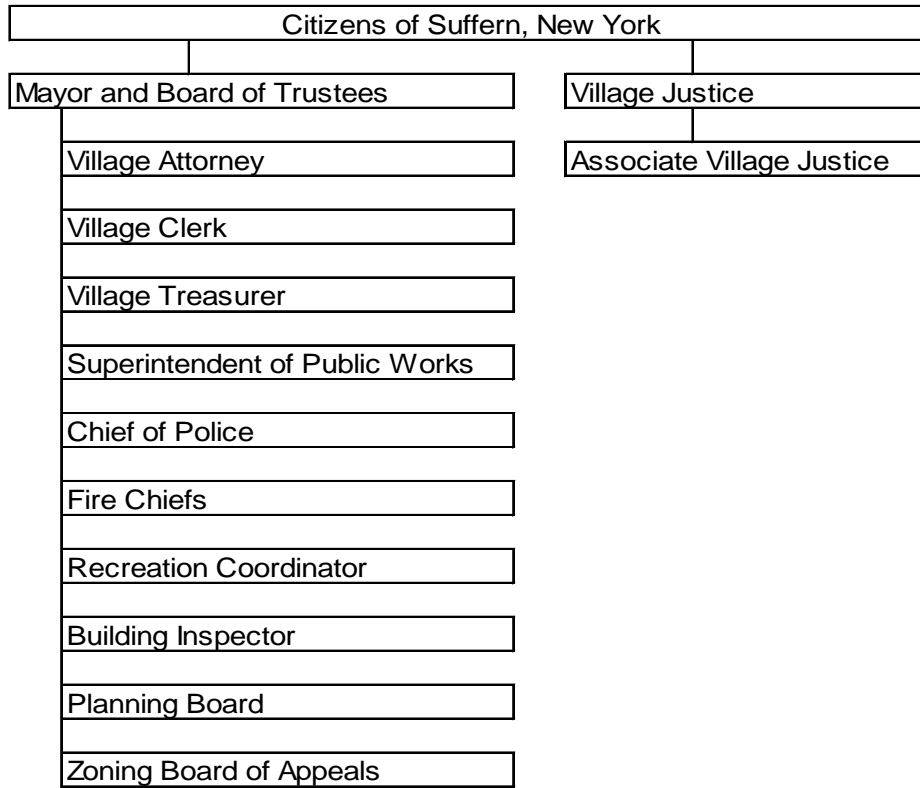
Cathy Mills, Recreation Coordinator

Steve Conlee, Building Inspector

Vincent Altieri, Associate Village Justice

Christine Andersen, Justice Court Clerk

**VILLAGE OF SUFFERN, NEW YORK
ORGANIZATIONAL CHART**



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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Suffern, as of and for the year ended May 31, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

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44 Park Ave, Suffern NY 10901	32 Ball St., P.O. Box 3108, Port Jervis NY 12771
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significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, each major fund, and the aggregate remaining fund information of the Village of Suffern as of May 31, 2017, and the respective changes in financial position, and the respective budgetary information for the General, Water and Sewer funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 2 to the financial statements, in 2017, the Village of Suffern adopted new accounting guidance, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion, the budgetary comparison information and the schedules included under Required Supplementary Information in the accompanying table of contents 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 the 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 response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Suffern's basic financial statements. The introductory section, combining, and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2018, on our consideration of the Village of Suffern's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Suffern's internal control over financial reporting and compliance.

Prior Period Financial Statements

The financial statements of the Village of Suffern as of May 31, 2016 were audited by other auditors whose report dated February 27, 2017, expressed an unmodified opinion on those statements.

A handwritten signature in dark ink that reads "Berard & Associates CPAs P.C." followed by a stylized monogram or initials.

Berard & Associates CPAs, P.C.
Suffern, New York
April 30, 2018



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Village of Suffern as of and for the year ended May 31, 2017, and the related notes to the financial statements, which collectively comprise the Village of Suffern's basic financial statements, and have issued our report thereon dated April 30, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Suffern's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of the report

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

A handwritten signature in dark ink that reads "Berard & Associates CPAs PC". The signature is written in a cursive, flowing style.

Berard & Associates, CPAs, P.C.
Suffern, New York
April 30, 2018

VILLAGE OF SUFFERN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
MAY 31, 2017

Introduction

This management's discussion and analysis ("MD&A") of the Village of Suffern, New York ("Village") financial statements provides an overview of the financial activities of the Village for the fiscal year ended May 31, 2017 ("fiscal year 2017" and "current fiscal year"). Please read it in conjunction with the basic financial statements and the accompanying notes to those statements that follow this MD&A.

Executive Overview

On the government-wide financial statements, the liabilities of the Village exceeded its assets at the close of fiscal year 2017 by \$3,369,329. Of this amount, the unrestricted net position is a deficit of \$11,695,336. This deficit is primarily the result of other post-employment benefits ("OPEB") obligations (\$6.5 million), pension obligations (\$2.7 million) and compensated absences (\$1.3 million).

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$1,641,387, an increase of \$702,208 from fiscal year 2016. Exclusive of the Capital Projects Fund, the combined ending fund balances were \$2,594,913.

At the end of the current fiscal year, the General Fund reported an ending fund balance of \$2,689,478, which represents an increase of \$807,550 from fiscal year 2016.

During the current fiscal year, the Village retired \$746,000 of general obligation debt. The Village's total outstanding general obligation bonds payable at May 31, 2017 totaled \$9,435,000.

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 Position and Statement of Activities.

The Statement of Net Position presents the Village's total assets and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing the change in the Village's net position during the current fiscal year. All revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus,

VILLAGE OF SUFFERN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
MAY 31, 2017

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.

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; deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues and expenditures/expenses. Government resources are allocated to and accounted for in an individual fund based upon the purpose for which they are to be spent and 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 balance 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. The Debt Service Fund is a non-major governmental fund. 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

Fiduciary 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 fiduciary funds: 1) a custodial fund used to account for payroll withholdings and 2) a custodial fund used to account for the activities of the Village's volunteer firefighters'

VILLAGE OF SUFFERN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
MAY 31, 2017

length of service award program (LOSAP). Resources are held in the custodial funds by the Village purely in a custodial capacity. The activity in the custodial funds is limited to the receipt, temporary investment and remittance of resources to the appropriate individual, organization or government. 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 immediately following the basic financial statements.

Other Information

Additional schedules and information can be found immediately following the notes to the financial statements. These include required supplementary information ("RSI") and comparative governmental fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Village's financial position. In the case of the Village of Suffern, liabilities exceeded assets by \$3,369,329 at the end of fiscal year 2017.

The following table reflects the condensed Statement of Net Position for fiscal years ended May 31, 2017 and 2016.

Statement of Net Position		
	May 31,	
	2017	2016
Current Assets	\$ 4,222,421	\$ 3,722,565
Capital Assets, net	14,128,348	14,510,038
Total Assets	<u>18,350,769</u>	<u>18,232,603</u>
Deferred Outflows of Resources	<u>2,402,965</u>	<u>4,546,684</u>
Current Liabilities	3,531,451	2,929,128
Long-Term Liabilities	20,005,195	22,481,018
Total Liabilities	<u>23,536,646</u>	<u>25,410,146</u>
Deferred Inflows of Resources	<u>586,417</u>	<u>726,612</u>
Net Investment in Capital Assets	8,253,348	7,051,595
Restricted	72,659	81,658
Unrestricted	<u>(11,695,336)</u>	<u>(10,490,724)</u>
Total Net Position	<u>\$ (3,369,329)</u>	<u>\$ (3,357,471)</u>

VILLAGE OF SUFFERN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
MAY 31, 2017

The largest component of the Village's net position is its \$8,253,348 net investment in capital assets, which reflects its investment in capital assets, less any related accumulated depreciation and debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

The restricted net position of \$72,659 represents resources that are subject to external restrictions on their use. The restrictions are for debt service (\$1,065) and law enforcement purposes (\$18,524 crime forfeitures and \$53,070 for Drugs and Alcohol Resistance Education).

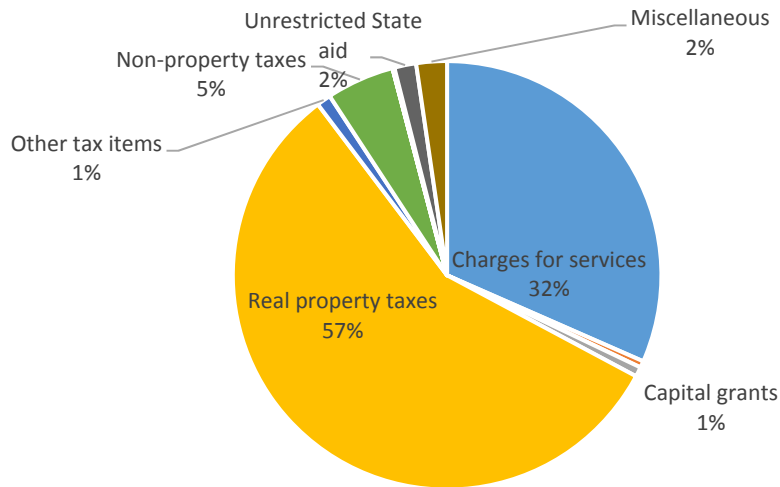
Changes in Net Position

	May 31,	
	2017	2016
Revenues		
Program Revenues		
Charges for services	\$ 5,759,792	\$ 5,531,744
Operating grants	91,679	66,925
Capital grants	134,784	211,158
General Revenues		
Real property taxes	10,378,175	10,554,030
Other tax items	195,161	154,701
Non-property taxes	408,489	393,288
Unrestricted use of money and property	56	43
Sale of property and compensation for loss	25,752	87,692
Unrestricted State aid	300,381	283,893
Miscellaneous	948,977	1,080,654
Total Revenues	<u>18,243,246</u>	<u>18,364,128</u>
Expenses		
Program Expenses		
General Government	1,952,321	1,836,943
Public Safety	8,359,709	8,972,878
Health	9,200	17,006
Transportation	2,112,909	2,052,763
Culture and Recreation	536,297	503,828
Home and Community Services	4,890,402	4,454,130
Interest	394,267	361,636
Total Expenses	<u>18,255,105</u>	<u>18,199,184</u>
Change in Net Position	(11,859)	164,944
Net Position - Beginning	<u>(3,227,633)</u>	<u>(3,392,577)</u>
Net Position - Ending	<u>\$ (3,239,492)</u>	<u>\$ (3,227,633)</u>

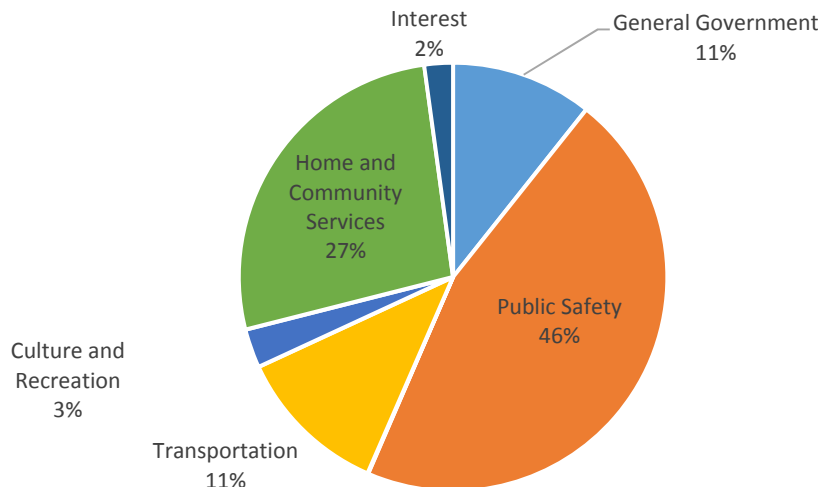
VILLAGE OF SUFFERN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
MAY 31, 2017

Governmental activities decreased the Village's net position by \$11,859. For the fiscal year ended May 31, 2017, revenues from governmental activities totaled \$18,243,246. Tax revenues of \$10,981,825 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 (46%), and home and community services (27%).

Governmental Activities Revenues
Fiscal Year Ended May 31, 2017



Governmental Activities Expenses
Fiscal Year Ended May 31, 2017



VILLAGE OF SUFFERN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
MAY 31, 2017

Financial Analysis of the Governmental Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related requirements. 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, unrestricted 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 combined ending fund balances of \$1,641,387, an increase of \$702,208 in comparison with 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 \$2,689,478.

Capital Assets

The Village's investment in capital assets for its governmental activities as of May 31, 2017, amounted to \$14,128,348 (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,	
	2017	2016
Land	\$ 309,994	\$ 309,994
Construction in Progress	3,286,899	2,992,609
Buildings and Improvements	4,122,662	4,368,431
Machinery and Equipment	3,412,884	3,899,927
Infrastructure	2,995,909	2,939,077
Total	<u>\$ 14,128,348</u>	<u>\$ 14,510,038</u>

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

Debt Administration

Long-term Debt: At the end of the current fiscal year, the Village had total bonded indebtedness of \$9,435,000. The Village's general obligation bonded debt decreased by \$746,000 due to the Village's payment of \$746,000 of debt principal. As required by New York State law, all bonds issued by the Village are general obligation (GO) 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 3H of this report.

Requests for Information

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

VILLAGE OF SUFFERN, NEW YORK
STATEMENT OF NET POSITION
MAY 31 ,2017

ASSETS

Cash and cash equivalents	\$ 2,436,724
Restricted cash and cash equivalents	77,030
Receivables	
Accounts, net	320,439
Water rents	542,190
Sewer rents	574,985
State and Federal aid	121,803
Due from other governments	149,250
Capital assets	
Not being depreciated	3,596,893
Being depreciated, net	10,531,455
<u>TOTAL ASSETS</u>	<u>18,350,769</u>

DEFERRED OUTFLOWS OF RESOURCES

2,402,965

LIABILITIES

Accounts payable	560,113
Accrued liabilities	180,573
Retainage payable	85,206
Security deposits	69,548
Bond anticipation notes payable - Capital projects	1,172,265
Bond anticipation notes payable - Judgments and claims	102,000
State loan payable	176,428
Due to retirement systems	234,901
Accrued interest payable	47,704
Noncurrent liabilities	
Due within one year	902,713
Due in more than one year	20,005,195
<u>TOTAL LIABILITIES</u>	<u>23,536,646</u>

DEFERRED INFLOWS OF RESOURCES

586,417

NET POSITION

Net investment in capital assets	8,253,348
Restricted for	
Debt service	1,065
Law enforcement	18,524
DARE	53,070
Unrestricted	(11,695,336)
<u>TOTAL NET POSITION</u>	<u>\$ (3,369,329)</u>

The accompanying notes and independent auditor's report are an integral part of the financial statements.

VILLAGE OF SUFFERN, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2017

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
General governmental support	\$ 1,952,321	\$ 349,416	\$ -	\$ -	\$ (1,602,905)
Public safety	8,359,709	300,635	22,800	-	(8,036,274)
Health	9,200	49,460	-	-	40,260
Transportation	2,112,909	229,799	13,267	134,784	(1,735,059)
Culture and recreation	536,297	55,144	-	-	(481,153)
Home and community services	4,890,402	4,775,338	55,612	-	(59,452)
Interest	394,266	-	-	-	(394,266)
<u>Total Governmental Activities</u>	\$ 18,255,104	\$ 5,759,792	\$ 91,679	\$ 134,784	(12,268,849)
<u>GENERAL REVENUES</u>					
					10,378,175
Real property taxes					195,161
Other tax items					408,489
Non-property taxes					56
Unrestricted use of money and property					25,752
Sale of property and compensation for loss					526,977
Sales tax distribution from County					300,381
Unrestricted State aid					422,000
Miscellaneous revenue					
<u>TOTAL GENERAL REVENUES</u>					12,256,991
<u>CHANGE IN NET POSITION</u>					
					(11,858)
Net Position - Beginning					(3,357,471)
Net Position - Ending					\$ (3,369,329)

The accompanying notes and independent auditor's report are an integral part of the financial statements.

VILLAGE OF SUFFERN, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF MAY 31, 2017

	General	Water	Sewer
<u>ASSETS</u>			
Cash and cash equivalents	\$ 629,709	\$ 1,354,516	\$ 171,542
Restricted cash and cash equivalents	71,594	-	-
<u>RECEIVABLES</u>			
Accounts, net	286,558	12,108	21,773
Water rents	-	542,190	-
Sewer rents	-	-	574,985
State and Federal aid	121,803	-	-
Due from other funds	2,602,220	152,858	1,684,485
Advances to other funds	365,000	-	-
Due from other governments	149,250	-	-
<u>TOTAL ASSETS</u>	<u>\$ 4,226,134</u>	<u>\$ 2,061,672</u>	<u>\$ 2,452,785</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts payable	\$ 437,706	\$ 39,353	\$ 41,252
Accrued liabilities	154,099	15,119	11,355
Due to other funds	496,038	1,817,244	2,651,375
Advances from other funds	-	-	-
Retainage payable	76,753	-	-
Security deposits	69,548	-	-
Bond anticipation notes payable	102,000	-	-
State loan payable	-	-	-
Due to retirement systems	200,512	18,916	15,473
<u>TOTAL LIABILITIES</u>	<u>1,536,656</u>	<u>1,890,632</u>	<u>2,719,455</u>
<u>FUND BALANCES</u>			
Nonspendable	365,000	-	-
Restricted	71,594	-	-
Committed	4,735	-	-
Assigned	34,239	171,040	-
Unassigned	2,213,910	-	(266,670)
<u>TOTAL FUND BALANCES</u>	<u>2,689,478</u>	<u>171,040</u>	<u>(266,670)</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 4,226,134</u>	<u>\$ 2,061,672</u>	<u>\$ 2,452,785</u>

The accompanying notes and independent auditor's report are an integral part of the financial statements.

Capital Projects	Non-Major Debt Service Fund	Total Governmental Funds
\$ 280,957	\$ -	\$ 2,436,724
-	5,436	77,030
-	-	320,439
-	-	542,190
-	-	574,985
-	-	121,803
529,465	24,831	4,993,859
-	-	365,000
-	-	149,250
<u>\$ 810,422</u>	<u>\$ 30,267</u>	<u>\$ 9,581,280</u>

\$ 41,802	\$ -	\$ 560,113
-	-	180,573
-	29,202	4,993,859
365,000	-	365,000
8,453	-	85,206
-	-	69,548
1,172,265	-	1,274,265
176,428	-	176,428
-	-	234,901
<u>1,763,948</u>	<u>29,202</u>	<u>7,939,893</u>
-	-	365,000
-	1,065	72,659
-	-	4,735
-	-	205,279
(953,526)	-	993,714
<u>(953,526)</u>	<u>1,065</u>	<u>1,641,387</u>
<u>\$ 810,422</u>	<u>\$ 30,267</u>	<u>\$ 9,581,280</u>

VILLAGE OF SUFFERN, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
MAY 31, 2017

Fund Balances - Total Governmental Funds	\$ <u>1,641,387</u>
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>14,128,348</u>
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Governmental funds do not report the effect of assets or liabilities related to net pension assets (liabilities), whereas these amounts are deferred and amortized in the statement of activities - deferred amounts on net pension assets.	<u>1,816,548</u>
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued interest payable	(47,704)
Bonds payable	(9,435,000)
Installment purchase debt payable	(496,039)
Retirement incentives and other pension obligations	(572,700)
Compensated absences	(1,252,141)
Net pension liability	(2,657,247)
Net other post employment benefit liability	<u>(6,494,781)</u>
	<u>(20,955,612)</u>

Net Position of Governmental Activities	\$ <u>(3,369,329)</u>
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The accompanying notes and independent auditor's report are an integral part of the financial statements.

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VILLAGE OF SUFFERN, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MAY 31 ,2017

	General	Water	Sewer
<u>REVENUES</u>			
Real property taxes	\$ 10,378,175	\$ -	\$ -
Other tax items	195,161	-	-
Non-property taxes	408,489	-	-
Departmental income	1,760,060	1,742,256	1,658,690
Use of money and property	53,021	-	5
Licenses and permits	249,680	-	-
Fines and forfeitures	273,951	-	-
Sale of property and compensation for loss	29,394	-	-
Miscellaneous revenue	948,977	7,560	10,983
State aid	336,448	-	-
Federal aid	-	-	-
<u>Total Revenues</u>	<u>14,633,356</u>	<u>1,749,816</u>	<u>1,669,678</u>
<u>EXPENDITURES</u>			
Current			
General government support	1,334,829	-	-
Public safety	4,400,425	-	-
Health	9,200	-	-
Transportation	1,357,391	-	-
Culture and recreation	336,101	-	-
Home and community services	969,333	1,141,650	1,081,425
Employee benefits	4,333,267	458,545	317,574
Debt service			
Principal	28,618	-	-
Interest	53,727	1,908	3,321
Capital outlay	-	-	-
<u>Total Expenditures</u>	<u>12,822,891</u>	<u>1,602,103</u>	<u>1,402,320</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,810,465</u>	<u>147,713</u>	<u>267,358</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	-	-	-
Transfers out	(1,002,915)	(97,077)	(479,314)
<u>Total Other Financing Sources (Uses)</u>	<u>(1,002,915)</u>	<u>(97,077)</u>	<u>(479,314)</u>
Net Change in Fund Balances	807,550	50,636	(211,956)
Fund Balances (Deficits) - Beginning	1,881,928	120,404	(54,714)
Fund Balances (Deficits) - Ending	<u>\$ 2,689,478</u>	<u>\$ 171,040</u>	<u>\$ (266,670)</u>

The accompanying notes and independent auditor's report are an integral part of the financial statements.

Capital Projects	Non-Major Debt Service Fund	Total Governmental Funds
\$ -	\$ -	\$ 10,378,175
-	-	195,161
-	-	408,489
-	-	5,161,006
-	-	53,026
-	-	249,680
-	-	273,951
-	-	29,394
4,300	-	971,820
134,784	-	471,232
51,312	-	51,312
<u>190,396</u>	<u>-</u>	<u>18,243,246</u>
-	-	1,334,829
-	-	4,400,425
-	-	9,200
-	-	1,357,391
-	-	336,101
-	-	3,192,408
-	-	5,109,387
-	746,000	774,618
-	433,349	492,305
534,375	-	534,375
<u>534,375</u>	<u>1,179,349</u>	<u>17,541,039</u>
<u>(343,979)</u>	<u>(1,179,349)</u>	<u>702,207</u>
399,957	1,179,349	1,579,306
-	-	(1,579,306)
<u>399,957</u>	<u>1,179,349</u>	<u>-</u>
55,978	-	702,208
(1,009,504)	1,065	939,179
<u>\$ (953,526)</u>	<u>\$ 1,065</u>	<u>\$ 1,641,387</u>

VILLAGE OF SUFFERN, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
MAY 31, 2017

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 702,208</u>
--	-------------------

Governmental funds report capital outlays as expenditures. However, in the
statement of activities, the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital outlay expenditures	439,216
Depreciation expense	<u>(820,906)</u>
	<u>(381,690)</u>

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

Principal paid on installment purchase debt	28,618
Principal paid on bonds	<u>746,000</u>
	<u>774,618</u>

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

Accrued interest	98,038
Compensated absences	64,869
Retirement incentives and other pension obligations	75,951
Pension assets (liabilities)	(374,929)
Other post employment benefit obligations payable	<u>(970,923)</u>
	<u>(1,106,994)</u>

Change in Net Position of Governmental Activities	<u>\$ (11,858)</u>
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The accompanying notes and independent auditor's report are an integral part of the financial statements.

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VILLAGE OF SUFFERN, NEW YORK
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED MAY 31, 2017

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 10,391,202	\$ 10,391,202	\$ 10,378,175	\$ (13,027)
Other tax items	197,302	197,302	195,161	(2,141)
Non-property taxes	393,000	393,000	408,489	15,489
Departmental income	1,570,031	1,570,031	1,760,060	190,029
Use of money and property	58,970	58,970	53,021	(5,949)
Licenses and permits	104,600	124,600	249,680	125,080
Fines and forfeitures	260,500	260,500	273,951	13,451
Sale of property and compensation for loss	91,000	91,000	29,394	(61,606)
Miscellaneous revenue	730,275	801,166	948,977	147,811
State aid	352,300	352,300	336,448	(15,852)
<u>Total Revenues</u>	<u>14,149,180</u>	<u>14,240,071</u>	<u>14,633,356</u>	<u>393,285</u>
EXPENDITURES				
Current				
General government support	1,553,089	1,350,913	1,334,829	16,084
Public safety	4,611,060	4,549,791	4,400,425	149,366
Health	9,600	9,600	9,200	400
Transportation	1,585,132	1,410,963	1,357,391	53,572
Culture and recreation	357,880	349,734	336,101	13,633
Home and community services	977,425	987,867	969,333	18,534
Employee benefits	3,919,135	4,445,342	4,333,267	112,075
Debt service				
Principal	28,618	28,619	28,618	1
Interest	54,313	54,312	53,727	585
<u>Total Expenditures</u>	<u>13,096,252</u>	<u>13,187,141</u>	<u>12,822,891</u>	<u>364,250</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,052,928</u>	<u>1,052,930</u>	<u>1,810,465</u>	<u>757,535</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,052,928)	(1,052,930)	(1,002,915)	50,015
<u>Total Other Financing Sources (Uses)</u>	<u>(1,052,928)</u>	<u>(1,052,930)</u>	<u>(1,002,915)</u>	<u>50,015</u>
Net Change in Fund Balances	-	-	807,550	807,550
Fund Balances (Deficits) - Beginning	-	-	1,881,928	1,881,928
Fund Balances (Deficits) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,689,478</u>	<u>\$ 2,689,478</u>

The accompanying notes and independent auditor's report are an integral part of the financial statements.

Water Fund				Sewer Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,965,747	1,965,747	1,742,256	(223,491)	1,912,094	1,912,094	1,658,690	(253,404)
-	-	-	-	9,500	9,500	5	(9,495)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,020	6,020	7,560	1,540	8,889	8,889	10,983	2,094
-	-	-	-	-	-	-	-
<u>1,971,767</u>	<u>1,971,767</u>	<u>1,749,816</u>	<u>(221,951)</u>	<u>1,930,483</u>	<u>1,930,483</u>	<u>1,669,678</u>	<u>(260,805)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,417,504	1,395,163	1,141,650	253,513	1,110,901	1,093,128	1,081,425	11,703
455,247	477,588	458,545	19,043	331,931	345,219	317,574	27,645
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,939	1,939	1,908	31	3,229	3,322	3,321	1
<u>1,874,690</u>	<u>1,874,690</u>	<u>1,602,103</u>	<u>272,587</u>	<u>1,446,061</u>	<u>1,441,669</u>	<u>1,402,320</u>	<u>39,349</u>
<u>97,077</u>	<u>97,077</u>	<u>147,713</u>	<u>50,636</u>	<u>484,422</u>	<u>488,814</u>	<u>267,358</u>	<u>(221,456)</u>
<u>(97,077)</u>	<u>(97,077)</u>	<u>(97,077)</u>	<u>-</u>	<u>(474,922)</u>	<u>(479,314)</u>	<u>(479,314)</u>	<u>-</u>
<u>(97,077)</u>	<u>(97,077)</u>	<u>(97,077)</u>	<u>-</u>	<u>(474,922)</u>	<u>(479,314)</u>	<u>(479,314)</u>	<u>-</u>
-	-	50,636	50,636	9,500	9,500	(211,956)	(221,456)
-	-	120,404	120,404	(9,500)	(9,500)	(54,714)	(54,714)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,040</u>	<u>\$ 171,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (266,670)</u>	<u>\$ (276,170)</u>

VILLAGE OF SUFFERN, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
MAY 31, 2017

	<u>Payroll Fund</u>	<u>Firefighter Service Award Program</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 227,535	\$ -
Money market funds	-	28,243
Mutual funds	-	1,339,318
Accounts receivable	507	636
<u>TOTAL ASSETS</u>	<u>228,042</u>	<u>1,368,197</u>
<u>LIABILITIES</u>		
Accounts payable	228,042	-
<u>TOTAL LIABILITIES</u>	<u>228,042</u>	<u>-</u>
<u>NET POSITION</u>	<u>\$ -</u>	<u>\$ 1,368,197</u>

The accompanying notes and independent auditor's report are an integral part of the financial statements.

VILLAGE OF SUFFERN, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED MAY 31, 2017

	<u>Payroll Fund</u>	<u>Firefighter Service Award Program</u>
<u>ADDITIONS</u>		
Employees contributions and withholdings		
State retirement contributions	\$ 116,961	\$ -
Payroll taxes	1,986,414	-
Income executions	60,784	-
Union dues	78,229	-
Health care	182,770	-
Deferred compensation plan	278,289	-
Firefighter service award program		
Employer contributions	-	133,141
Interest and dividends	-	44,206
Increase in value of investments	-	79,037
<u>TOTAL ADDITIONS</u>	<u>2,703,447</u>	<u>256,384</u>
<u>DEDUCTIONS</u>		
Payments made for employees		
State retirement	116,961	-
Payroll taxes	1,986,414	-
Income executions	60,784	-
Union dues	78,229	-
Health care insurance	182,770	-
Deferred compensation plan	278,289	-
Firefighter service award program		
Administrative fees and charges	-	16,219
Payments to beneficiaries	-	83,450
<u>TOTAL DEDUCTIONS</u>	<u>2,703,447</u>	<u>99,669</u>
NET CHANGE IN NET POSITION	-	156,715
Net Position - Beginning	-	1,211,482
Net Position - Ending	<u>\$ -</u>	<u>\$ 1,368,197</u>

The accompanying notes and independent auditor's report are an integral part of the financial statements.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

Note 1 - Summary of Significant Accounting Policies

The Village of Suffern, New York (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 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:

1A. Financial Reporting Entity

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

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

1B. Government-Wide Financial Statements

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

The Statement of Net Position 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.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

1C. 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. 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 the governmental funds statements, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Village's resources are reflected in the fund financial statements in two broad fund categories, governmental funds and fiduciary funds, in accordance with generally accepted accounting principles.

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 as follows

General Fund - The General Fund constitutes the primary operating fund of the Village in that it includes all revenues and expenditures not required 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 restricted, committed or assigned to expenditures for certain defined purposes. The major special revenue funds of the Village are the Water Fund and the Sewer Fund, as follows:

Water Fund - The Water Fund is used to record the water utility operations of the Village, the costs of which are recovered primarily through water rents billed to customers on a user charge basis.

Sewer Fund - The Sewer Fund is used to record the sewer utility operations of the Village, the costs of which are recovered primarily through sewer rents billed to customers on a user charge basis.

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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

The Village also reports the Debt Service Fund, which is a non-major governmental fund. The Debt Service Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditures for debt principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

Fiduciary Funds, which are not included in the government-wide financial statements, are used to account for assets held by the Village in an agency or custodial capacity on behalf of others. The Village maintains two custodial funds, one of which is used to account for employee payroll withholdings and the other to account for the activities of the Village's volunteer firefighter service awards program (LOSAP).

1D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets and current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements, such as the cash basis (revenues and expenditures/expenses are recorded when cash is received or paid), the accrual basis (revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows), or the modified accrual basis (revenues are recorded when measurable and available and expenditures are recorded when a liability becomes due and payable).

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The custodial funds have no measurement focus but utilize the accrual basis of accounting. 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. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety-day availability period is generally used for revenue recognition for most other governmental fund revenues. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to retirement incentives and other pension obligations, compensated absences, net pension liability and other post-employment benefit 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.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

1E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Deposits, Investments and Risk Disclosure

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

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

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Village has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United 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, 2017.

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

Investments of the volunteer firefighters' local service awards program reflected in the custodial fund are held with an insurance company. The funds are invested along with the company's other assets in a variety of instruments. The amounts are invested in various portfolios by the trustee. These investments are not subject to risk categorization.

Taxes Receivable - Property taxes attach as an enforceable lien on real property as of June 1st and are payable without penalty through June 30. The Village is responsible for the billing and collection of its taxes through November 1st of the tax year, at which time the responsibility for uncollected taxes is transferred to the County of Rockland, New York (County). 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.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

Due To/From 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, 2017, 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 nonspendable fund balance 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 inventory 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, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$10,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Class</u>	<u>Life (Years)</u>
Buildings and improvements	20-50
Machinery and equipment	5-20

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 sheets.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In the government-wide financial statements, unearned

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

revenues consist of amounts received in advance and/or amounts from grants received before the eligibility requirements have been met.

Unearned 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. Such amounts have been deemed to be measurable but not available pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Village has reported deferred outflows of resources and deferred inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the Village's pension plans in Note 3H.

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 Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expended as incurred. In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation of service. The liability for such accumulated leave is reflected in the government-wide financial statement as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Pension Liability - The net pension liability represents the Village's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System. The financial reporting of these amounts is presented in accordance with the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

Net Position - Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

Village Board or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes net investment in capital assets, restricted net position, and unrestricted net position.

Fund Balances - Generally, fund balance represents the difference between current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

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

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

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board of Trustees is the highest level of decision making authority for the Village that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Trustees.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the entity's highest level of decision making authority or a person with delegated authority from the highest level of decision making authority to assign amounts for a specific intended purpose. On January 5, 2015, the Board of Trustees adopted a resolution establishing a fund balance policy that authorizes the Village Treasurer to assign fund balance. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted and committed fund balance amounts.

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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Village's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Village's policy to use fund balance in the following order: committed, assigned and unassigned.

1F. 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 generally reported as assigned or unassigned fund balance since they do not constitute expenditures or liabilities.

1G. Use of Estimates

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

1H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 30, 2018.

1I. New Accounting Standards

The Village has adopted and implemented the following current Statements of the Governmental Accounting Standards Board (GASBS) that are applicable as of May 31, 2017:

- GASBS 72, *Fair Value Measurement and Application*.
- GASBS 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*.
- GASBS 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.
- GASBS 77, *Tax Abatement Disclosures*.

In fiscal year ended May 31, 2017, the Village early implemented GASBS 84, *Fiduciary Activities* prior to the required fiscal year ending May 31, 2020 implementation date.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

1J. Future Changes in Accounting Standards

GASB has issued the following Statements:

- GASBS 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective fiscal year ending May 31, 2018.
- GASBS 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective fiscal year ending May 31, 2019.
- GASBS 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, effective fiscal year ending May 31, 2018.
- GASBS 81, *Irrevocable Split-Interest Agreements*, effective fiscal year ending May 31, 2018.
- GASBS 82, *Pension Issues – an amendment of GASB Statements No. 67, No.68, and No. 73*, effective fiscal year ending May 31, 2019.
- GASBS 83, *Certain Asset Retirement Obligations*, effective fiscal year ending May 31, 2020.
- GASBS 85, *Omnibus 2017*, effective fiscal year ending May 31, 2019.
- GASBS 86, *Certain Debt Extinguishment Issues*, effective fiscal year ending May 31, 2019.
- GASBS 87, *Leases*, effective fiscal year ending May 31, 2021.
- GASBS 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective fiscal year ending May 31, 2020.

The Village will evaluate the impact each of these pronouncements may have on its accounting and financial reporting and will implement them as applicable and when material.

Note 2 - Stewardship, Compliance and Accountability

2A. Budgetary Data

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

- a) On or before March 20th, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes the proposed expenditures and the means of financing.
- b) On or before March 31st, the Board of Trustees meets to discuss and review the tentative budget.
- c) On or before April 15th, the Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments.
- d) After the public hearing and on or before May 1st, the Board of Trustees meets to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for the 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.
- g) The Office of the State Comptroller has established the function and object of expenditure or expense level as the legal level of budgetary control. Approval by the Board of Trustees is required for transfers between appropriation accounts at the object level and any

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

budgetary amendments that would increase or decrease the total appropriations or total estimated revenues at the fund level.

- h) Appropriations in the General, Water, Sewer and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-appropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.
- i) 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 appropriation that was amended.

2B. 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 2016-2017 fiscal year was \$19,352,981, which exceeded the actual levy by \$10,289,601.

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 (Tax Levy Limitation Law). This applies to all local governments. The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Village in a particular year. The original legislation that established the Tax levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extended the Tax Levy Limitation Law through June 2020. Following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. This summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementation thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the Allowable Levy Growth Factor, which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor, provided, however, that in no case shall the levy growth factor be less than one. The Inflation Factor is the quotient of: (i) the average of the National Consumer Price Indexes (CPI) determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the CPI for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the CPI with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board of Trustees may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board of Trustees first enacts, by a vote of at least sixty percent of the total voting power of the Village Board of Trustees, a local law to override the limit.

2C. Fund Deficits

The Sewer Fund had an unassigned deficit of \$266,670 as of May 31, 2017. The Village plans to address this deficit in the ensuing years.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

2D. Capital Projects Fund Deficit

The deficit in the Capital Projects Fund of \$953,526 arises in part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as a revenue or other financing source. Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund and 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.

2E. Capital Projects Excess of Actual Expenditures Over Budget

The following capital projects exceeded their budgetary provision by the amounts indicated:

	Project	Amount
2005-007	2005 Water Supply Improvements	\$ 1,672
2009-007	2009 Crosswalks	8,878
2010-003	2010 Wastewater Plant Upgrades	29,257
2010-005	2010 Street Lighting	39,132
2011-006	2011 Fire Truck Hook & Ladder	7,544
2012-001	2012 Fire Equipment	5,120
2012-004	2012 DPW-Loader Truck	14,914
2012-005	2012 Road Improvements	144,903
2013-007	2013 Well No. 1 Pump Modification	2,774
2014-002	2014 Roof Hose Company	8,062
2014-004	2014 Police Vehicles	1,116
Total		<u>\$ 263,372</u>

Note 3 - Detailed Notes on All Funds

3A. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2017 were as follows:

Fund	Due From	Due To
General	\$ 2,602,220	\$ 496,038
Water	152,858	1,817,244
Sewer	1,684,485	2,651,375
Capital Projects	529,465	-
Debt Service	24,831	29,202
	<u>\$ 4,993,859</u>	<u>\$ 4,993,859</u>

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

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.

3B. Advances To/From Other Funds

An advance of \$365,000 from the General Fund to the Capital Projects fund was outstanding at May 31, 2017. Advances between funds represent loans that are not expected to be repaid within the subsequent operating cycle. The amount of the advance is offset by nonspendable fund balance in the General Fund.

3C. Capital Assets – Changes in the Village's capital assets are as follows:

Class	Balance May 31, 2016	Additions	Deletions	Balance May 31, 2017
Capital Assets , not being depreciated				
Land	\$ 309,994	\$ -	\$ -	\$ 309,994
Construction work in progress	2,992,609	294,290	-	3,286,899
Total Capital Assets, not being depreciated	3,302,603	294,290	-	3,596,893
Capital Assets being depreciated				
Buildings and improvements	10,900,672	-	-	10,900,672
Machinery and equipment	15,929,218	10,142	-	15,939,360
Infrastructure	4,088,830	134,784	-	4,223,614
Total Capital Assets being depreciated	30,918,720	144,926	-	31,063,646
Less Accumulated Depreciation for				
Buildings and improvements	6,532,241	245,769	-	6,778,010
Machinery and equipment	12,029,291	552,562	55,377	12,526,476
Infrastructure	1,149,753	77,952	-	1,227,705
Total Accumulated Depreciation	19,711,285	876,283	55,377	20,532,191
Capital Assets being depreciated, net	11,207,435	(731,357)	(55,377)	10,531,455
Capital Assets, Net	\$ 14,510,038	\$ (437,067)	\$ (55,377)	\$ 14,128,348

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

General Government	\$ 32,822
Public Safety	384,983
Transportation	125,978
Culture and Recreation	13,985
Home and Community Services	<u>318,515</u>
	<u><u>\$ 876,283</u></u>

3D. Accrued Liabilities

Accrued payroll and employee benefits at May 31, 2017 were \$154,099 for the General Fund, \$15,119 for the Water Fund and \$11,355 for the Sewer Fund.

3E. Pension Trust – Length of Service Awards Program (LOSAP)

The Village of Suffern financial statements are for the fiscal year ended May 31, 2017. The information contained in this note is based on information for the Suffern Fire Department Length of Service Awards Program (LOSAP) for the LOSAP year ended December 31, 2016, which is the most recent information available.

Effective January 1, 1998 and pursuant to Article 11-A of the New York State General Municipal Law and Section 457(e)(1) of the Internal Revenue Code, the Village established a defined benefit LOSAP for the active volunteer firefighter members of the Suffern Fire Department, to provide Village-funded deferred compensation to volunteer firefighters as a means of facilitating the recruitment and retention of active volunteer firefighters. The Village is the sponsor and program administrator of the LOSAP.

Participation, Vesting and service credit

In a defined benefit LOSAP, participating volunteers begin to be paid a service award upon attainment of the LOSAP's entitlement age. An eligible LOSAP participant is defined by the Village to be an active volunteer firefighter who is at least 18 years of age and has earned one year of LOSAP service credit. The amount of the service award paid to a participant is based upon the number of years of service credit the volunteer earned under the LOSAP for performing active volunteer firefighter activities.

Participants acquire a non-forfeitable right to be paid a service award after earning five years of service credit or upon attaining the entitlement age while an active volunteer. The LOSAP's entitlement age is age 62. An active volunteer firefighter earns a year of service credit for each calendar year after the establishment of the LOSAP in which he or she accumulates 50 points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the Village on the basis of a statutory list of activities and point values. A participant may also receive service credit for five years of active volunteer firefighting service rendered prior to the establishment of the LOSAP as an active volunteer firefighter member of the Suffern Fire Department.

Benefits

A participant's service award benefit is paid as a ten-year certain and continuous monthly payment life annuity. The amount payable each month equals \$20.00 multiplied by the total number of

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years of service credit earned by the participant under the point system. The maximum number of years of service credit a participant may earn under the Program is 25 years. Currently, there are no other forms of payment of a volunteer's earned service award under the LOSAP.

Except in the case of pre-entitlement age death or total and permanent disablement, a participant's service award will not be paid until he or she attains the entitlement age. Volunteers who are active after attaining the entitlement age and who may have commenced receiving a service award have the opportunity to earn service credit and thereby increase their service award payments.

The pre-entitlement age death and disability benefits are equal to the actuarial value of the participant's earned service award at the time of death or disablement. The LOSAP does not provide extra line-of-duty death or disability benefits. All death and disability benefits are self-insured and are paid from the LOSAP Trust Fund.

A copy of the LOSAP annual report may be obtained from the Village Treasurer, 61 Washington Avenue, Suffern, NY 10901.

Fiduciary Investment and Control

After the end of each calendar year, the Suffern Fire Department prepares and certifies a list of names of all persons who were active volunteer members of the fire department during the year and indicating which volunteers earned fifty points. The certified list is delivered to the Village Board for its review and approval. The fire department must maintain the point system records to verify each volunteer's points on forms provided and/or approved by the Village Board.

The Village has retained Penflex, Inc. to assist in the administration of the LOSAP. The services provided by Penflex, Inc. are described in an agreement between Penflex, Inc. and the Village.

Based on the certified calendar year volunteer firefighter listings, Penflex determines and certifies in writing to the Village Board the amount of the service award to be paid to a participant or to a participant's designated beneficiary. As authorized by the Village Board, Penflex then directs the paying agent to pay the service award. No service award benefit payment is made without the written certification and confirmation from Penflex to the Village. Penflex bills the Village for the services it provides. Penflex invoices are authorized for payment by the Village Board in the same manner as any other invoice presented for payment. The Village pays Penflex invoices from the LOSAP Trust Fund and then reimburses the Trust Fund for the amount paid.

Program assets are required to be held in trust by Article 11-A for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the LOSAP. The Village Board created a LOSAP Trust Fund through the adoption of a trust document, a copy of which is available from the Village. The Village Board is the LOSAP trustee. Authority to invest the LOSAP assets is vested in the Village Board. LOSAP assets are invested in accordance with a statutory prudent person rule and in accordance with an investment policy adopted by the Village Board. The Village Board has retained RBC Wealth Management to provide investment management and custodial services and Comerica Bank as paying agent to pay benefits to participants.

The Village Board is required to retain an actuary to determine the amount of the contributions to the LOSAP. The actuarial firm retained by the Village Board for this purpose is Penflex, Inc.

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Portions of the following information are derived from the January 1, 2017 LOSAP Annual Report prepared by the actuary.

Actuarial accrued liability	\$ 1,960,803
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	Percent of Total	Amount
Less: Assets available for benefits		
Cash and money market accounts	2.07%	27,771
U.S. equities	21.60%	289,430
International equities	10.00%	133,971
Fixed income	46.67%	625,447
Mixed assets	19.22%	257,568
Accounts receivable	0.44%	5,889
Net Program Assets	100.00%	
Less: Liabilities		-
Total unfunded liability		620,727
Less: Unfunded liability for separately amortized costs		(540,820)
Unfunded normal benefits		<u>\$ 79,907</u>

Separately Amortized Costs

The remaining unfunded program liability as of January 1, 2015 is being amortized over 13 years at 5.50%. The unfunded liability for additional service awards earned after attainment of the entitlement age is being amortized over three years at 5.50% from the year they are accrued

Receipts and Disbursements

Net Program Assets - Beginning of Year	\$ 1,224,513
Changes during the year:	
Village contributions	\$ 132,505
Investment income earned	43,685
Changes in fair market value of investments	32,637
Investment expense	(9,546)
Administrative fees	(7,018)
Benefits paid and payable	(76,700)
Net Program Assets - End of Year	<u>\$ 1,340,076</u>

Contributions	
Contribution recommended by actuary	<u>\$ 132,505</u>
Actual contribution made by the Village	<u>\$ 132,505</u>

Administrative fees	
Paid to administrative/actuarial services provider	\$ 6,194
Paid to paying agent	824
	<u>\$ 7,018</u>

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Note: Mutual funds have internal expenses charged for operating the mutual fund. These expenses are paid from the fund and are reflected in the fund earnings. All questions concerning the LOSAP investments, including questions about expenses paid from mutual funds, should be directed to David Rogers of RBC Wealth Management at dave.rogers@rbc.com or (518) 432-5083.

Funding Methodology and Actuarial Assumptions – Normal Costs

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is the Attained Age Normal Cost Method. For LOSAP cost calculation purposes, all pre-entitlement age active volunteer firefighter participants are assumed to survive to the entitlement age and begin to be paid service awards upon attainment of the entitlement age. The assumptions used by the actuary to determine the Village's contribution and the actuarial present value of benefits are as follows:

Assumed rate of return on LOSAP investments: 5.50%

Tables Used:

Post-entitlement age mortality:	RP-2014 Male Mortality Table without projection
Pre-entitlement age mortality:	None
Pre-entitlement age disability:	None
Pre-entitlement age withdrawal:	None
Pre-entitlement age service credit accruals:	100% to entitlement age for active participants who have earned at least one year of service credit in the prior three years; 0% otherwise

The Village's annual LOSAP cost, the percentage of the annual LOSAP cost contributed to the plan and the net pension obligation for the current and two preceding fiscal years were as follows:

			Percentage	
Fiscal Year	Annual Required Contribution	Actual Contribution	of Annual Program Cost Contributed	Net Pension Obligation
2017	\$ 133,141	\$ 133,141	100%	\$ -
2016	132,505	132,505	100%	-
2015	138,023	-	0%	-

The schedule of funding progress for the defined benefit pension plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time. The current contributions were charged to the General Fund.

3F. Short-Term Non-Capital Borrowings - Bond Anticipation Note

A bond anticipation note originally issued on October 28, 2011 in the amount of \$200,000 for the payment of a legal settlement, with a balance of \$50,000 and at the rate of 2.5% matured and was paid in full on October 22, 2016.

A bond anticipation note originally issued November 19, 2015 for the payment of a tax certiorari settlement in the amount of \$102,000 and at the rate of 2.5% matured on November 18, 2016. A

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new bond anticipation note was issued November 17, 2016 in the amount of \$102,000 and at the rate of 3.5%, with a maturity date of November 17, 2017.

Interest expenditures of \$3,643 were recorded in the General Fund. Interest expense of \$3,172 was recorded in the government-wide financial statements for governmental activities.

3G. Short-Term Capital Borrowings - Bond Anticipation Notes

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

Purpose	Issue Date	Maturity Date	Rate of Interest	Balance June 1, 2016	New Issues	Redeemed	Balance May 31, 2017
2012 Fire Equipment	04/08/16	04/07/17	2.01%	20,978	-	20,978	-
2012 Police Car	04/08/16	04/07/17	2.01%	8,356	-	8,356	-
2012 Snow Pusher & Plow	04/08/16	04/07/17	2.01%	2,754	-	2,754	-
2012 Loader Truck	04/08/16	04/07/17	2.01%	25,043	-	25,043	-
2012 Road Improvements	04/08/16	04/07/17	2.01%	62,607	-	62,607	-
2012 Water Utility Truck	04/08/16	04/07/17	2.01%	6,260	-	6,260	-
2013 Fire Equipment	11/17/16	11/17/17	3.50%	33,740	-	16,870	16,870
2013 DPW Superintendent Vehicle	11/17/16	11/17/17	3.50%	15,000	-	7,500	7,500
2013 Street Garage Roof	11/17/16	11/17/17	3.50%	55,000	-	27,500	27,500
2013 Rolloff Truck	11/17/16	11/17/17	3.50%	47,500	-	23,750	23,750
2013 Road Improvements	11/17/16	11/17/17	3.50%	47,500	-	23,750	23,750
2013 VFD Well No. 4	11/17/16	11/17/17	3.50%	6,000	-	3,000	3,000
2013 Well No. 1 Modification	11/17/16	11/17/17	3.50%	25,000	-	12,500	12,500
2013 Digital Cameras Police Cars	11/17/16	11/17/17	3.50%	20,560	-	10,280	10,280
2014 Fire Equipment	11/17/16	11/17/17	3.50%	54,922	-	18,307	36,615
2014 Hose Company Roof	11/17/16	11/17/17	3.50%	45,000	-	15,000	30,000
2014 Sewer INI Study	11/17/16	11/17/17	3.50%	37,500	-	12,500	25,000
2014 Police Patrol Vehicle	11/17/16	11/17/17	3.50%	27,750	-	9,250	18,500
2014 Road Improvements	11/17/16	11/17/17	3.50%	209,250	-	69,750	139,500
2015 Fire Equipment	11/17/16	11/17/17	3.50%	81,000	-	20,250	60,750
2015 Refurbish Well 3	11/17/16	11/17/17	3.50%	15,000	-	3,750	11,250
2016 Computer Systems	11/17/16	11/17/17	3.50%	87,000	-	-	87,000
2016 Fire Equipment	11/17/16	11/17/17	3.50%	52,500	-	-	52,500
2016 Road Improvements	11/17/16	11/17/17	3.50%	61,000	-	-	61,000
2016 DPW Vehicles	11/17/16	11/17/17	3.50%	108,000	-	-	108,000
2016 LED Street Lighting	11/17/16	11/17/17	3.50%	25,500	-	-	25,500
2016 Sewer System Improvements	11/17/16	11/17/17	3.50%	92,000	-	-	92,000
2016 Water System Improvements	11/17/16	11/17/17	3.50%	25,500	-	-	25,500
2016 Village Hall Improvements	11/17/16	11/17/17	3.50%	87,000	-	-	87,000
2017 Sewer System Improvements	11/17/16	11/17/17	3.50%	-	187,000	-	187,000
				\$ 1,385,220	\$187,000	\$399,955	\$ 1,172,265

Liabilities for bond anticipation notes issued for capital acquisitions or construction are accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are accounted for in the fund paying the judgment or claim. State law requires that principal payments on bond anticipation notes must be made annually, starting within two years of the original issue date, and that bond anticipation notes 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.

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Interest expenditures of \$33,937 were recorded in the fund financial statements in the funds identified below. Interest expense of \$35,693 was recorded in the government-wide financial statements for governmental activities.

<u>Fund</u>	<u>Amount</u>
General	\$ 28,925
Water	1,783
Sewer	3,229
	<u>\$ 33,937</u>

3H. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2017:

	<u>Balance June 1, 2016</u>	<u>New Issues/ Additions</u>	<u>Maturities/ Payments</u>	<u>Balance May 31, 2017</u>	<u>Due Within One Year</u>
Bonds payable:					
Capital construction	\$ 6,301,000	\$ -	\$ 426,000	\$ 5,875,000	\$ 465,000
Deficit financing	3,880,000	-	320,000	3,560,000	325,000
Total bonds payable	10,181,000	-	746,000	9,435,000	790,000
Installment purchase debt	524,657	-	28,618	496,039	29,772
Retirement incentives and other pension obligations	648,651	-	75,951	572,700	81,567
Compensated absences	1,317,010	-	64,867	1,252,143	1,374
Net pension liability	4,285,842	-	1,628,595	2,657,247	-
Other postemployment benefits obligation payable	5,523,858	1,624,807	653,884	6,494,781	-
	<u>\$ 22,481,018</u>	<u>\$ 1,624,807</u>	<u>\$ 3,197,915</u>	<u>\$ 20,907,910</u>	<u>\$ 902,713</u>

Each governmental fund's liability for compensated absences, retirement incentives and other pension obligations, net pension liability and other postemployment benefit obligations is liquidated by the respective fund. The Village's indebtedness for bonds 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, 2017 are comprised of the individual issues presented on the following page.

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Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding May 31 2017
General and Water Improvements	2007	\$3,450,000	08/15/2022	4.00-4.20%	\$ 1,640,000
General, Water and Sewer Improvements	2012	3,857,000	01/01/2032	2.50-4.00%	2,995,000
Sewer Improvements	2015	1,261,000	11/15/2035	3.50-4.00%	1,240,000
Deficit Financing - General, Water and Sewer Funds	2016	3,880,000	03/15/2026	5.00%	<u>3,560,000</u>
					<u>\$ 9,435,000</u>

Interest expenditures of \$433,349 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$481,251 was recorded in the government-wide financial statements for governmental activities.

On July 30, 2015, the Governor signed into law Chapter 99 of the Laws of 2015, authorizing the Village to issue serial bonds to liquidate certain accumulated deficits in the Village's General Fund, Water Fund, Sewer Fund, and Capital Projects Fund as of the fiscal year ended May 31, 2015. On March 31, 2016, the Village issued \$3,880,000 of General Obligation Deficit Bonds. The bonds mature on March 15 in each year, beginning March 15, 2017 and ending March 15, 2026, with an average coupon rate of 5.00% and a true interest cost of 3.64%. The bonds maturing on or after March 15, 2022 are subject to redemption prior to maturity at the option of the Village.

Installment Purchase Debt

In fiscal year ended May 31, 2016, the Village entered into a \$557,084 capital lease for the purchase of a fire rescue vehicle and related equipment. The annual payments include interest at 4.033% and mature in December 2029. The balance due at May 31, 2017 is \$496,039. Interest expenditures/expense of \$21,159 was recorded in the General Fund financial statements. Interest expense of \$20,961 was recorded in the government-wide financial statements for governmental activities.

Retirement Incentives and Other Pension Obligations

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS and PFRS contributions beginning in 2010. The maximum amortization amount each year is determined by the difference between each employer's effective contribution rates as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest is charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and is adjusted annually. The Village elected to amortize the maximum allowable ERS contribution for fiscal years 2012 and 2014, and the maximum allowable PFRS contribution for fiscal years 2013 and 2014. The total amount amortized for ERS and PFRS was \$845,526. Principal and interest payments are charged to the General Fund retirement expenditures. In the current year, the Village made principal payments totaling \$78,781 and interest payments totaling \$23,111. At May 31, 2017, the outstanding principal balance was \$572,700.

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Payments to Maturity

The annual requirements to amortize all outstanding bonds, installment purchase debt and retirement incentives and other pension obligations at May 31, 2017 are as follows:

Fiscal Year End	Bonds Payable		Installment Purchase Debt		Retirement Incentives and Other Pension Obligations		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
May 31								
2018	\$ 790,000	\$ 387,408	\$ 29,772	\$ 20,005	\$ 81,567	\$ 20,323	\$ 901,339	\$ 427,736
2019	810,000	355,056	30,972	18,805	84,459	17,433	925,431	391,294
2020	845,000	321,483	32,222	17,556	87,448	14,442	964,670	353,481
2021	880,000	286,423	33,521	16,256	90,547	11,345	1,004,068	314,024
2022-2026	3,995,000	894,511	189,008	59,878	228,679	15,087	4,412,687	969,476
2027-2031	1,455,000	301,169	180,544	18,564	-	-	1,635,544	319,733
2032-2036	660,000	52,400	-	-	-	-	660,000	52,400
	<u>\$ 9,435,000</u>	<u>\$ 2,598,449</u>	<u>\$ 496,039</u>	<u>\$ 151,064</u>	<u>\$ 572,700</u>	<u>\$ 78,630</u>	<u>\$ 10,503,739</u>	<u>\$ 2,828,143</u>

The above general obligation bonds and installment purchase debt 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.

Pension Plans

New York State and Local Retirement System

The Village 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) which are collectively referred to as the New York State and Local Retirement System (System). These are cost-sharing multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the sole trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Obligations of

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employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be obtained at <https://www.osc.state.ny.us/pension/cafr.htm>.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2017 are as follows:

<u>System</u>	<u>Tier</u>	<u>Plan</u>	<u>Rate</u>
ERS	2	75I	19.6%
ERS	3	A14	15.8%
ERS	4	A15	15.8%
ERS	5	A15	13.0%
ERS	6	A15	9.2%
PFRS	2	375I	17.3%
PFRS	2	384D	24.1%
PFRS	5	384D	22.9%
PFRS	6	384D	14.5%

Pension expenditures of \$575,812 for ERS and \$801,520 for PFRS were recorded in the fund financial statements as follows:

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General	\$ 378,632	\$ 801,520
Water	107,861	-
Sewer	89,319	-
	<u>\$ 575,812</u>	<u>\$ 801,520</u>

The Village's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation paid by the Village to its employees relative to the total of all participating plan members. Information concerning the Village's allocated percentage, measurement date, actuarial valuation date, net pension liability, deferred outflows, deferred inflows and pension expense is presented on the following page.

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	ERS			PFRS		
	2017	2016	Change	2017	2016	Change
Allocation percentage	0.0116346	0.0126191	-0.0009845	0.0754608	0.0763461	-0.0008853
Measurement date	03/31/2017	03/31/2016		03/31/2017	03/31/2016	
Actuarial valuation date	04/01/2016	04/01/2015		04/01/2016	04/01/2015	
Net pension liability - ending	<u>\$ 1,093,208</u>	<u>\$ 2,025,395</u>	<u>\$ (932,187)</u>	<u>\$ 1,564,039</u>	<u>\$ 2,260,447</u>	<u>\$ (696,408)</u>
Deferred outflows						
Differences between expected and actual experience	\$ 27,395	\$ 10,235	\$ 17,160	\$ 205,175	\$ 20,274	\$ 184,901
Changes of assumptions	373,480	540,112	(166,632)	770,536	974,471	(203,935)
Net difference between projected and actual investment earnings on pension plan investments	218,358	1,201,576	(983,218)	233,587	1,266,798	(1,033,211)
Changes in proportion and differences between employer contributions and proportionate share of contributions	95,614	69,823	25,791	243,918	210,858	33,060
Employer contributions subsequent to measurement date	99,822	108,649	(8,827)	135,080	143,888	(8,808)
Total deferred outflows	<u>\$ 814,669</u>	<u>\$ 1,930,395</u>	<u>\$ (1,115,726)</u>	<u>\$ 1,588,296</u>	<u>\$ 2,616,289</u>	<u>\$ (1,027,993)</u>
Deferred inflows						
Differences between expected and actual experience	\$ 166,010	\$ 240,077	\$ (74,067)	\$ 270,231	\$ 341,752	\$ (71,521)
Changes of assumptions	-	-	-	-	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	-	-	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	46,996	19,923	27,073	103,180	124,860	(21,680)
Total deferred inflows	<u>\$ 213,006</u>	<u>\$ 260,000</u>	<u>\$ (46,994)</u>	<u>\$ 373,411</u>	<u>\$ 466,612</u>	<u>\$ (93,201)</u>
Pension expense						
Proportionate share of plan pension expense	\$ 626,033	\$ 723,566	\$ (97,533)	\$ 920,065	\$ 831,512	\$ 88,553
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	18,290	14,889	3,401	43,776	27,524	16,252
Total pension expense	<u>\$ 644,323</u>	<u>\$ 738,455</u>	<u>\$ (94,132)</u>	<u>\$ 963,841</u>	<u>\$ 859,036</u>	<u>\$ 104,805</u>

Other amounts reported as deferred outflows and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense are presented on the following page.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

Year Ending March 31	ERS	PFRS
2018	\$ 225,031	\$ 353,993
2019	225,031	353,993
2020	195,164	336,559
2021	(143,384)	(20,023)
2022	-	55,283
Thereafter	-	-

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

	ERS	PFRS
Inflation	2.5%	2.5%
Salary increases	3.8%	4.5%
Investment rate of return, net of investment expense, including inflation	7.0%	7.0%
Cost-of-living adjustments	1.3%	1.3%

Annuitant mortality rates are based on the April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2014. The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2017 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	36.00%	4.55%
International equity	14.00%	6.35%
Private equity	10.00%	7.75%
Real estate	10.00%	5.80%
Absolute return strategies	2.00%	4.00%
Opportunistic portfolio	3.00%	5.89%
Real assets	3.00%	5.54%
Bonds and mortgages	17.00%	1.31%
Cash	1.00%	-0.25%
Inflation-indexed bonds	4.00%	1.50%
	<u>100.00%</u>	

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

The discount rate used to calculate the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

<u>Village's Proportionate Share of</u>	<u>One Percent Decrease (6%)</u>	<u>Current Assumption (7%)</u>	<u>One Percent Increase (8%)</u>
ERS net pension liability (asset)	\$ 3,491,491	\$ 1,093,208	\$ (934,535)
PFRS net pension liability (asset)	\$ 4,433,961	\$ 1,564,039	\$ (843,122)

The components of the collective net pension liability as of the March 31, 2017 measurement date were as follows:

	(Dollars in Thousands)		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Employers' total pension liability	\$ 177,400,586	\$ 31,670,483	\$ 209,071,069
Fiduciary net position	168,004,363	29,597,830	197,602,193
Employers' net pension liability	<u>\$ 9,396,223</u>	<u>\$ 2,072,653</u>	<u>\$ 11,468,876</u>
Ratio of fiduciary net position to the employers' total pension liability	94.7%	93.5%	94.5%

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of May 31, 2017 represent the employer contribution for the period of April 1, 2017 through May 31, 2017 based on paid ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions to ERS and PFRS as of May 31, 2017 were \$99,822 and \$135,080, respectively.

Voluntary Defined Contribution Plan

The Village also offers the New York State Voluntary Defined Contribution Plan (VDC). All non-union employees who earn \$75,000 or more on an annual basis and are not already a member of the System are eligible to participate in the VDC. Currently, there are no Village employees participating in the VDC.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

Other Post Employment Benefit Obligations

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution.

Contributions by the Village may vary according to length of service. The cost of providing post-employment health care benefits is shared between the Village and the retired employee. Substantially all of the Village's full-time employees may become eligible for these benefits if they reach normal retirement age while working for the Village. The cost of retiree health care benefits is recognized as an expenditure/expense as claims are paid.

The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

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

The Village is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The healthcare inflation assumptions reflect 9% beginning in 2017 and decrease 0.5% per year until an ultimate trend rate of 5% by 2025.

The amortization basis is the level dollar method with an open amortization approach with 25 years remaining in the amortization period. The actuarial assumptions include a 4.0% investment rate of return.

The Village currently has no assets set aside for the purpose of paying post-employment benefits. The actuarial cost method utilized was the projected unit credit method.

There were 72 active employees and 61 retirees participating in the plan as of May 31, 2017. The net OPEB obligation was determined by the actuary as presented on the following page.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

Unfunded accrued liability as of June 1, 2016	\$ 24,853,622
Assets at market value	-
Unfunded accrued actuarial liability ("UAAL")	<u>\$ 24,853,622</u>
Funded ratio	0.00%
Covered payroll (active plan members)	\$ 7,215,686
UAAL as percentage of covered payroll	344.44%
Annual required contribution ("ARC")	\$ 1,500,412
Interest on net OPEB obligation	220,954
Adjustments to ARC	<u>(96,559)</u>
Annual OPEB cost	1,624,807
Contributions made	<u>(653,884)</u>
Increase in net OPEB obligation	970,923
Net OPEB obligation - beginning	5,523,858
Net OPEB obligation - ending	<u>\$ 6,494,781</u>

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

Fiscal Year Ended May 31	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 1,624,807	40.2%	\$ 6,494,781
2016	1,561,144	41.5%	5,523,858
2015	1,425,418	50.1%	4,609,927

3I. 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 In</u>
	Debt Service Fund
<u>Transfers Out</u>	
General Fund	\$ 640,968
Water Fund	71,567
Sewer Fund	466,814
Total	<u>\$ 1,179,349</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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

debt service principal and interest payments become due and 3) move amounts from the Capital Projects Fund to the governmental funds as projects are completed.

3J. Net Position

The components of net position are detailed below:

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

Restricted net position – the component of net position that reports amounts where constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Village reports the following restrictions on net position:

Restricted for Debt Service - the component of net position 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 position 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 position that has been established pursuant to State authorization for unexpended gifts and donations restricted to use for the Village's Drug Awareness and Resistance Education (DARE) program.

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

3K. Fund Balances

Fund balance for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The *nonspendable* fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The advance from the General Fund to the Capital Projects fund is not in spendable form because the advance is not expected to be repaid in sufficient time to satisfy liabilities of the current year.

The *restricted* fund balance classification has the same constraints as restricted net position, and the restricted components of fund balance in the governmental funds are the same as those for net position (debt service, law enforcement and DARE).

The *unrestricted* fund balance classification includes three sub-classifications: 1) committed, 2) assigned and 3) unassigned fund balance.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

The *committed* fund balance classification can only be used for specific purposes pursuant to constraints imposed by local law or resolution of the Village Board prior to the end of the fiscal year, and such commitment can only be removed by a local law or resolution of the Village Board. The committed fund balance for Suffern Day represents the balance of donations received and not yet spent by the Village for the purpose of promoting the Village.

The *assigned* fund balance classification is used to report amounts that are constrained by the Village Board and/or the Village Treasurer for specific purposes but are neither restricted nor committed. The assigned fund balance in the General Fund represents purchases on order. The assigned fund balance in the Water Fund represents the difference between the fund's assets and liabilities.

Unassigned fund balance is the residual classification for the general fund. Other governmental funds (Water, Sewer, Debt Service and Capital Projects Funds) can only report a negative unassigned (deficit) fund balance. Unassigned fund balances in the Sewer and Capital Projects Funds represent the deficit balances in those funds.

Purchases on order are assigned or unassigned and represent 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. Fund balances at May 31, 2017 were as follows:

Fund Balance Classification	General Fund	Water Fund	Sewer Fund	Capital Projects Fund	Debt Service Fund	Total
Nonspendable - Advance to Capital Projects Fund	\$ 365,000	\$ -	\$ -	\$ -	\$ -	\$ 365,000
Restricted						
Law enforcement	18,524	-	-	-	-	18,524
DARE	53,070	-	-	-	-	53,070
Debt service	-	-	-	-	1,065	1,065
Total Restricted	71,594	-	-	-	1,065	72,659
Committed - Suffern Day	4,735	-	-	-	-	4,735
Assigned	34,239	171,040	-	-	-	205,279
Unassigned	2,213,910	-	(266,670)	(953,526)	-	993,714
Total Fund Balance (Deficit)	<u>\$2,689,478</u>	<u>\$ 171,040</u>	<u>\$ (266,670)</u>	<u>\$ (953,526)</u>	<u>\$ 1,065</u>	<u>\$1,641,387</u>

3L. Tax Abatements

The Village currently has tax abatement agreements with two entities. Copies of the agreements may be obtained from the Village Treasurer by contacting sufferntreasurer@suffernvillage.com or 845-357-2600.

On September 12, 2003, the Village of Suffern, together with the Rockland County Industrial Development Agency, the County of Rockland, the Town of Ramapo and the Ramapo Central School District, entered into a tax abatement agreement with Avon Capital Corporation and Avon Products Inc. (Avon). Authorization to enter into the agreement is provided by the New York State Industrial Development Agency Act, constituting Title I of Article 18-A of the General Municipal Law of the State of New York, Chapter 24 of the Consolidated Laws of the State of New York and Chapter 564 of the 1980 Laws of New York. In accordance with the agreement, Avon constructed

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

and staffed a research and development facility in the Village of Suffern to advance job opportunities, the general prosperity and the economic welfare of the Village and surrounding area. In return, the County, Town, Village and School District agreed to accept a payment in lieu of taxes (PILOT) for a period of 21 years, pursuant to a payment schedule provided for in the agreement. Payments to the Village began with the Village's fiscal year ended May 31, 2005 and end with the Village's fiscal year ending May 31, 2025. There are no other commitments on the part of the Village as regards the agreement. In the event of a default or early termination of the agreement, Avon is required to pay a percentage, pursuant to a schedule provided in the agreement, of the real property taxes that would have been paid, less the PILOTs paid. The Village real property taxes abated in fiscal year ended May 31, 2017 were as follows:

Taxable Assessed Value	Tax Rate	Tax Value	PILOT Received	Taxes Abated	
\$6,811,800	\$74.84	\$509,795	\$143,713	\$366,082	71.8%

On December 31, 2015, the Village of Suffern entered into a tax abatement agreement with Orange Avenue Apartments LLC. Authorization to enter into the agreement is provided by Article V of the Private Housing Finance Law of the State of New York. In accordance with the agreement, Orange Avenue Apartments LLC demolished buildings and remediated a brownfield in a blighted area of the Village and will develop a transit-oriented 92-unit residential complex on the site. The development will improve the economic viability of the Village and provide alternative housing for individuals who work in nearby New York City, but find the city housing to be unaffordable. In return, the Village agreed to accept a PILOT for a period of 35 years from the date that a permanent certificate of occupancy is issued and pursuant to a payment schedule provided for in the agreement. Payments to the Village began with the Village's fiscal year ended May 31, 2016. A permanent certificate of occupancy has not yet been issued, so the end date is yet to be determined. There are no other commitments on the part of the Village as regards the agreement. In the event of a default or early termination of the agreement by Orange Avenue Apartments LLC, the Village is authorized to enforce and collect the payments in the same manner as provided for in Real Property Tax Law, which includes foreclosure. The PILOT to be made prior to the issuance of a permanent certificate of occupancy, which includes the fiscal year ended May 31, 2017, are equivalent to the real property taxes that would have been levied absent the PILOT agreement. Therefore, there were no Village real property taxes abated in fiscal year ended May 31, 2017.

Note 4 - Summary Disclosure of Significant Contingencies

4A. 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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

at the present time. Any payments resulting from adverse decisions will be funded in the year in which the payment is made.

4B. Federal Grant Programs

The Village participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Uniform Guidance. 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.

4C. Risk Management

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

Note 5 - Subsequent Events

On October 25, 2017, the Village issued a statutory installment bond through the New York State Environmental Facilities Corporation (EFC Bond) in the principal amount of \$419,395 to finance improvements to the Village's sanitary sewer system. Principal payments are due August 1, beginning on August 1, 2018 and mature on August 1, 2047, with annual interest rates ranging from 1.061% to 3.976%.

On November 16, 2017, the Village issued a bond anticipation note for various purposes in the amount of \$802,783 at the rate of 2.375% and a maturity date of November 16, 2018.

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REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF SUFFERN, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFITS
LAST THREE FISCAL YEARS

Actuarial Valuation Date	Value of Assets	Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
6/1/2015	-	\$ 24,853,622	\$ 24,853,622	0.00%	\$ 7,215,686	344.44%
6/1/2015	-	23,880,886	23,880,886	0.00%	7,498,173	318.49%
6/1/2014	-	24,501,563	24,501,563	0.00%	7,091,644	345.50%

SCHEDULE OF FUNDING PROGRESS - FIREFIGHTER SERVICE AWARD PROGRAM
LAST SIX FISCAL YEARS

Actuarial Valuation Date	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Actuarial Accrued Liability	Funded Ratio
1/1/2017	\$ 1,340,076	\$ 1,960,803	\$ 620,727	68.34%
1/1/2016	1,224,513	1,793,149	568,636	68.29%
1/1/2015	1,224,513	1,793,149	568,636	68.29%
1/1/2014	1,245,231	1,766,155	520,924	70.51%
1/1/2013	1,303,202	1,604,282	301,080	81.23%
1/1/2012	1,237,231	1,534,208	296,977	80.64%

SCHEDULE OF CONTRIBUTIONS - FIREFIGHTER SERVICE AWARD PROGRAM
LAST SIX FISCAL YEARS

Fiscal Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
5/31/2017	\$ 133,141	\$ 133,141	100.00%
5/31/2016	132,505	132,505	100.00%
5/31/2015	138,023	- *	0.00%
5/31/2014	139,971	139,971	100.00%
5/31/2013	136,934	136,934	100.00%
5/31/2012	139,964	139,964	100.00%

*Note: No contribution was made in fiscal year 2015. The amount required for that year was factored into future required contributions.

VILLAGE OF SUFFERN, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY AND CONTRIBUTIONS
LAST TWO FISCAL YEARS

	<u>2017</u>	<u>2016</u>
<u>Employees Retirement System</u>		
Proportion of the net pension liability	0.0116346%	0.0126191%
Proportionate share of the net pension liability	\$ 1,093,208	\$ 2,025,395
Covered employee payroll *	\$ 3,463,920	\$ 3,470,246
Net pension liability as percentage of covered employee payroll	31.56%	58.36%
Fiduciary net position as percentage of total pension liability	94.7%	90.7%
Contractually required contribution	\$ 516,606	\$ 599,702
Contributions made	<u>(516,606)</u>	<u>(599,702)</u>
(Excess) deficiency of contributions	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll **	\$ 3,669,985	\$ 3,617,070
Contributions as percentage of covered employee payroll	14.08%	16.58%
<u>Police and Fire Retirement System</u>		
Proportion of the net pension liability	0.0754608%	0.0763461%
Proportionate share of the net pension liability	\$ 1,564,039	\$ 2,260,447
Covered employee payroll *	\$ 3,265,551	\$ 2,835,592
Net pension liability as percentage of covered employee payroll	47.90%	79.72%
Fiduciary net position as percentage of total pension liability	93.5%	90.2%
Contractually required contribution	\$ 733,265	\$ 455,277
Contributions made	<u>(733,265)</u>	<u>(455,277)</u>
(Excess) deficiency of contributions	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll **	\$ 3,545,701	\$ 3,723,500
Contributions as percentage of covered employee payroll	20.68%	12.23%

Amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. Data not available prior to fiscal year 2016 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

* Represents the Village's covered payroll for period 4/1/16 through 3/31/17.

** Represents the Village's covered payroll for period 6/1/16 through 5/31/17.

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OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF SUFFERN, NEW YORK
GENERAL FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 629,709	\$ 234,667
Restricted cash and cash equivalents	71,594	80,593
Receivables		
Accounts, net	286,558	274,735
State and Federal aid	121,803	99,979
Due from other governments	149,250	274,123
Due from other funds	2,602,220	2,325,419
Advances to other funds	365,000	365,000
<u>TOTAL ASSETS</u>	<u>\$ 4,226,134</u>	<u>\$ 3,654,516</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 437,706	\$ 459,114
Accrued liabilities	154,099	148,340
Due to other funds	496,038	638,801
Unearned revenues	-	99,168
Retainage payable	76,753	62,539
Security deposits	69,548	-
Bond anticipation notes payable	102,000	152,000
Due to retirement systems	200,512	212,626
<u>TOTAL LIABILITIES</u>	<u>1,536,656</u>	<u>1,772,588</u>
 <u>FUND BALANCE</u>		
Nonspendable	365,000	365,000
Restricted	71,594	80,593
Committed	4,735	2,820
Assigned	34,239	60,489
Unassigned	2,213,910	1,373,026
<u>TOTAL FUND BALANCE</u>	<u>2,689,478</u>	<u>1,881,928</u>
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	 <u>\$ 4,226,134</u>	 <u>\$ 3,654,516</u>

VILLAGE OF SUFFERN, NEW YORK
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEARS ENDED MAY 31, 2017 AND 2016

	2017			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REAL PROPERTY TAXES</u>	<u>\$ 10,391,202</u>	<u>\$ 10,391,202</u>	<u>\$ 10,378,175</u>	<u>\$ (13,027)</u>
<u>OTHER TAX ITEMS</u>				
Payments in lieu of taxes	180,302	180,302	180,282	(20)
Interest and penalties on real property taxes	17,000	17,000	14,879	(2,121)
<u>Total Other Tax Items</u>	<u>197,302</u>	<u>197,302</u>	<u>195,161</u>	<u>(2,141)</u>
<u>NON-PROPERTY TAXES</u>				
Utilities gross receipts tax	150,000	150,000	163,628	13,628
Franchise fees	243,000	243,000	244,861	1,861
<u>Total Non-property Taxes</u>	<u>393,000</u>	<u>393,000</u>	<u>408,489</u>	<u>15,489</u>
<u>DEPARTMENTAL INCOME</u>				
Fire inspection fees	55,000	55,000	55,400	400
Certificate of occupancy search fees	19,000	19,000	15,600	(3,400)
Public safety fees	20,000	20,000	20,000	-
Vital statistics fees	50,000	50,000	49,460	(540)
Public Works services	-	-	1,537	1,537
Parking permits	150,000	150,000	205,575	55,575
Pool fees	40,000	40,000	40,147	147
Other culture and recreation fees	10,000	10,000	14,997	4,997
Zoning fees	2,400	2,400	2,185	(215)
Planning board fees	20,000	20,000	40,064	20,064
Refuse and garbage charges	1,198,343	1,198,343	1,309,958	111,615
Police services	-	-	450	450
Snow removal	5,288	5,288	4,687	(601)
<u>Total Departmental Income</u>	<u>1,570,031</u>	<u>1,570,031</u>	<u>1,760,060</u>	<u>190,029</u>
<u>USE OF MONEY AND PROPERTY</u>				
Earnings on investments	-	-	51	51
Rental of real property	58,970	58,970	52,970	(6,000)
<u>Total Use of Money and Property</u>	<u>58,970</u>	<u>58,970</u>	<u>53,021</u>	<u>(5,949)</u>
<u>LICENSES AND PERMITS</u>				
Business and occupational licenses	600	600	100	(500)
Building permits	84,000	104,000	209,185	105,185
Garage sale permits	20,000	20,000	40,395	20,395
<u>Total Licenses and Permits</u>	<u>104,600</u>	<u>124,600</u>	<u>249,680</u>	<u>125,080</u>
<u>FINES AND FORFEITURES</u>	<u>260,500</u>	<u>260,500</u>	<u>273,951</u>	<u>13,451</u>
<u>SALE OF PROPERTY AND COMPENSATION FOR LOSS</u>				
Sale of recyclables	26,000	26,000	3,642	(22,358)
Sale of equipment	-	-	-	-
Insurance recoveries	65,000	65,000	25,752	(39,248)
Other compensation for loss	-	-	-	-
<u>Total Sale of Property and Compensation for Loss</u>	<u>91,000</u>	<u>91,000</u>	<u>29,394</u>	<u>(61,606)</u>

2016

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 10,541,244	\$ 10,541,244	\$ 10,554,030	\$ 12,786
155,509	155,509	139,470	(16,039)
17,000	17,000	15,231	(1,769)
172,509	172,509	154,701	(17,808)
290,000	290,000	150,120	(139,880)
110,000	110,000	243,168	133,168
400,000	400,000	393,288	(6,712)
62,400	62,400	58,076	(4,324)
19,000	19,000	19,800	800
20,000	20,000	20,000	-
53,000	53,000	47,670	(5,330)
-	-	-	-
150,000	150,000	196,433	46,433
40,000	40,000	40,276	276
7,000	7,000	14,407	7,407
2,600	2,600	2,605	5
23,000	23,000	36,650	13,650
1,192,942	1,192,942	1,220,550	27,608
10,000	10,000	1,132	(8,868)
-	-	5,587	5,587
1,579,942	1,579,942	1,663,186	83,244
1,500	1,500	43	(1,457)
56,000	56,000	33,951	(22,049)
57,500	57,500	33,994	(23,506)
600	600	425	(175)
84,000	84,000	83,028	(972)
20,000	20,000	27,334	7,334
104,600	104,600	110,787	6,187
260,500	260,500	224,023	(36,477)
30,000	30,000	2,015	(27,985)
23,000	23,000	25,005	2,005
50,000	50,000	94,803	44,803
-	-	1,390	1,390
103,000	103,000	123,213	20,213

VILLAGE OF SUFFERN, NEW YORK
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEARS ENDED MAY 31, 2017 AND 2016

	2017			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>MISCELLANEOUS REVENUE</u>				
County sales tax distribution	495,000	495,000	526,977	31,977
Refund of prior years' expenditures	-	-	17,603	17,603
Gifts and donations	83,500	154,391	167,655	13,264
Premiums on obligations	-	-	10,169	10,169
Other miscellaneous revenues	151,775	151,775	226,573	74,798
<u>Total Miscellaneous Revenue</u>	<u>730,275</u>	<u>801,166</u>	<u>948,977</u>	<u>147,811</u>
<u>STATE AID</u>				
Aid and Incentive for Municipalities	99,800	99,800	99,859	59
Mortgage tax	140,000	140,000	200,522	60,522
Public Safety	-	-	22,800	22,800
Transportation	112,500	112,500	13,267	(99,233)
Recreation	-	-	-	-
<u>Total State Aid</u>	<u>352,300</u>	<u>352,300</u>	<u>336,448</u>	<u>(15,852)</u>
<u>TOTAL REVENUES</u>	<u>14,149,180</u>	<u>14,240,071</u>	<u>14,633,356</u>	<u>393,285</u>
<u>EXPENDITURES</u>				
<u>GENERAL GOVERNMENT</u>				
Board of Trustees	90,750	86,703	86,521	182
Justice Court	270,871	258,142	254,345	3,797
Mayor	28,000	28,767	28,767	-
Auditor	37,800	36,800	36,800	-
Treasurer	114,418	163,550	160,974	2,576
Assessment	12,753	13,104	13,103	1
Municipal financial advisor	18,000	9,393	9,392	1
Clerk	179,752	207,296	203,582	3,714
Attorney	94,650	201,273	198,999	2,274
Shared services	195,195	175,990	167,487	8,503
Unallocated insurance	236,000	145,986	145,985	1
Municipal association dues	4,900	4,900	4,696	204
Judgments and claims	70,000	19,009	24,178	(5,169)
Contingency	200,000	-	-	-
<u>Total General Government</u>	<u>1,553,089</u>	<u>1,350,913</u>	<u>1,334,829</u>	<u>16,084</u>
<u>PUBLIC SAFETY</u>				
Police	3,925,722	3,981,405	3,861,897	119,508
Fire	442,837	302,837	292,359	10,478
Safety Inspection	242,501	265,549	246,169	19,380
<u>Total Public Safety</u>	<u>4,611,060</u>	<u>4,549,791</u>	<u>4,400,425</u>	<u>149,366</u>
<u>HEALTH - REGISTRAR OF VITAL STATISTICS</u>				
	9,600	9,600	9,200	400
<u>TRANSPORTATION</u>				
Street administration	37,949	43,604	36,170	7,434
Street maintenance	1,092,983	957,216	913,438	43,778
Snow removal	98,500	98,500	94,488	4,012
Street lighting	215,700	177,214	182,149	(4,935)
Parking	140,000	134,429	131,146	3,283
<u>Total Transportation</u>	<u>1,585,132</u>	<u>1,410,963</u>	<u>1,357,391</u>	<u>53,572</u>

2016

Original Budget	Final Budget	Actual	Variance with Final Budget
460,000	460,000	515,391	55,391
-	-	169,069	169,069
61,300	61,800	129,838	68,038
-	-	167,791	167,791
114,000	114,000	98,565	(15,435)
635,300	635,800	1,080,654	444,854
96,717	96,717	99,829	3,112
120,000	120,000	184,064	64,064
-	7,725	9,153	1,428
90,000	90,000	12,557	(77,443)
-	-	1,776	1,776
306,717	314,442	307,379	(7,063)
14,161,312	14,169,537	14,645,255	475,718
41,250	41,250	125,642	(84,392)
261,269	268,994	259,450	9,544
31,500	31,500	32,491	(991)
33,200	33,200	33,300	(100)
108,333	108,333	185,247	(76,914)
12,753	12,753	13,103	(350)
18,000	18,000	63,272	(45,272)
172,241	172,241	186,141	(13,900)
97,182	97,182	85,660	11,522
180,463	180,463	176,619	3,844
225,000	225,000	159,777	65,223
4,900	4,900	4,996	(96)
70,000	70,000	84,423	(14,423)
60,000	60,000	-	60,000
1,316,091	1,323,816	1,410,121	(86,305)
4,253,589	4,259,089	4,200,167	58,922
405,973	410,974	342,992	67,982
233,140	233,140	222,323	10,817
4,892,702	4,903,203	4,765,482	137,721
9,600	9,600	9,600	-
32,378	32,378	35,503	(3,125)
1,028,834	1,028,834	931,745	97,089
98,755	98,755	50,342	48,413
215,000	215,000	190,416	24,584
137,230	137,230	119,725	17,505
1,512,197	1,512,197	1,327,731	184,466

VILLAGE OF SUFFERN, NEW YORK
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEARS ENDED MAY 31, 2017 AND 2016

	2017		
	Original Budget	Final Budget	Variance with Final Budget
<u>CULTURE AND RECREATION</u>			
Parks and playgrounds	267,627	268,486	7,901
Youth recreation	85,372	76,367	4,613
Historian	4,881	4,881	1,119
<u>Total Culture and Recreation</u>	<u>357,880</u>	<u>349,734</u>	<u>13,633</u>
<u>HOME AND COMMUNITY SERVICES</u>			
Zoning Board	5,863	5,863	435
Planning Board	20,891	31,379	51
Refuse and garbage	950,671	950,625	18,048
<u>Total Home and Community Services</u>	<u>977,425</u>	<u>987,867</u>	<u>18,534</u>
<u>EMPLOYEE BENEFITS</u>			
NYS Employee Retirement System	387,622	387,622	8,990
NYS Police & Fire Retirement System	732,926	861,319	59,799
Firefighter service award program	-	140,000	6,859
Social Security and Medicare	461,422	443,392	34,200
MTA Commuter tax	25,500	18,030	1
Disability insurance	360	360	223
Flexible spending plan fees	720	1,000	-
Workers' compensation insurance	375,322	509,077	-
Life insurance	48,100	55,806	1
Unemployment insurance	3,000	5,362	1
Health insurance	1,789,163	1,911,140	-
Dental insurance	95,000	112,234	2,001
<u>Total Employee Benefits</u>	<u>3,919,135</u>	<u>4,445,342</u>	<u>112,075</u>
<u>DEBT SERVICE</u>			
Principal - Installment purchase debt	28,618	28,619	1
Interest			
Bond anticipation notes	33,153	33,153	585
Revenue deficiency notes	-	-	-
Budget notes	-	-	-
Installment purchase debt	21,160	21,159	-
<u>Total Interest</u>	<u>54,313</u>	<u>54,312</u>	<u>585</u>
<u>Total Debt Service</u>	<u>82,931</u>	<u>82,931</u>	<u>586</u>
Total Expenditures	13,096,252	13,187,141	364,250
Excess of Revenues Over Expenditures	1,052,928	1,052,930	757,535
<u>OTHER FINANCING SOURCES (USES)</u>			
Bonds issued	-	-	-
Sale of real property	-	-	-
Transfer in - Capital Projects Fund	-	-	-
Transfers out			
Debt Service Fund	(640,983)	(640,983)	15
Capital Projects Fund	(411,945)	(411,947)	50,000
<u>Total Other Financing Sources (Uses)</u>	<u>(1,052,928)</u>	<u>(1,052,930)</u>	<u>50,015</u>
NET CHANGE IN FUND BALANCE	-	-	807,550
Fund Balance (Deficit) - Beginning	-	-	1,881,928
Fund Balance - Ending	\$ -	\$ -	\$ 2,689,478

2016

Original Budget	Final Budget	Actual	Variance with Final Budget
217,900	222,900	264,554	(41,654)
72,729	72,728	70,108	2,620
1,981	1,981	3,459	(1,478)
292,610	297,609	338,121	(40,512)
4,863	4,863	5,980	(1,117)
15,616	15,616	25,464	(9,848)
1,213,942	1,213,942	1,085,182	128,760
1,234,421	1,234,421	1,116,626	117,795
421,020	421,020	344,385	76,635
1,128,290	1,128,290	507,376	620,914
-	-	-	-
424,490	424,490	443,882	(19,392)
22,000	22,000	-	22,000
-	-	-	-
-	-	-	-
369,443	369,443	385,958	(16,515)
47,000	47,000	45,850	1,150
4,080	4,080	7,188	(3,108)
1,665,000	1,665,000	1,733,238	(68,238)
-	-	-	-
4,081,323	4,081,323	3,467,877	613,446
28,498	28,498	32,427	(3,929)
25,514	25,514	28,727	(3,213)
17,951	17,951	17,950	1
17,951	17,951	17,950	1
20,479	20,479	17,350	3,129
81,895	81,895	81,977	(82)
110,393	110,393	114,404	(4,011)
13,449,337	13,472,562	12,549,962	922,600
711,975	696,975	2,095,293	1,398,318
-	-	2,112,234	2,112,234
-	-	292,000	292,000
-	318,756	318,756	-
(381,690)	(381,690)	(367,652)	14,038
(391,702)	(710,458)	(650,566)	59,892
(773,392)	(773,392)	1,704,772	2,478,164
(61,417)	(76,417)	3,800,065	3,876,482
61,417	76,417	(1,918,137)	(1,994,554)
\$ -	\$ -	\$ 1,881,928	\$ 1,881,928

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VILLAGE OF SUFFERN, NEW YORK
WATER FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,354,516	\$ 1,203,813
Receivables		
Accounts, net	12,108	5,479
Water rents	542,190	529,816
Due from other funds	152,858	-
<u>TOTAL ASSETS</u>	<u>\$ 2,061,672</u>	<u>\$ 1,739,108</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 39,353	\$ 30,637
Accrued liabilities	15,119	14,205
Due to other funds	1,817,244	1,552,394
Due to retirement systems	18,916	21,468
<u>TOTAL LIABILITIES</u>	<u>1,890,632</u>	<u>1,618,704</u>
 <u>FUND BALANCE</u>	<u>171,040</u>	<u>120,404</u>
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	 <u>\$ 2,061,672</u>	 <u>\$ 1,739,108</u>

VILLAGE OF SUFFERN, NEW YORK
WATER FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEARS ENDED MAY 31, 2017 AND 2016

	2017			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
DEPARTMENTAL INCOME				
Metered water sales	\$ 1,952,247	\$ 1,952,247	\$ 1,729,302	\$ (222,945)
Water service charges	1,500	1,500	3,374	1,874
Interest and penalties on water rents	12,000	12,000	9,580	(2,420)
<u>Total Departmental Income</u>	<u>1,965,747</u>	<u>1,965,747</u>	<u>1,742,256</u>	<u>(223,491)</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS	-	-	-	-
MISCELLANEOUS REVENUE	6,020	6,020	7,560	1,540
<u>Total Revenues</u>	<u>1,971,767</u>	<u>1,971,767</u>	<u>1,749,816</u>	<u>(221,951)</u>
EXPENDITURES				
HOME AND COMMUNITY SERVICES				
Water administration	510,045	479,933	298,315	181,618
Source of supply, power and pumping	812,959	820,730	776,224	44,506
Transmission and distribution	94,500	94,500	67,111	27,389
<u>Total Home and Community Services</u>	<u>1,417,504</u>	<u>1,395,163</u>	<u>1,141,650</u>	<u>253,513</u>
EMPLOYEE BENEFITS				
NYS Employees Retirement System	112,056	109,504	107,861	1,643
Social Security and Medicare	61,114	58,634	44,599	14,035
MTA Commuter Tax	-	2,480	2,476	4
Workers' compensation insurance	35,890	42,715	42,715	-
Health insurance	244,227	261,863	258,862	3,001
Life insurance	1,960	2,392	2,032	360
<u>Total Employee Benefits</u>	<u>455,247</u>	<u>477,588</u>	<u>458,545</u>	<u>19,043</u>
DEBT SERVICE				
Interest				
Bond anticipation notes	1,939	1,939	1,908	31
Revenue anticipation notes	-	-	-	-
<u>Total Debt Service</u>	<u>1,939</u>	<u>1,939</u>	<u>1,908</u>	<u>31</u>
TOTAL EXPENDITURES	<u>1,874,690</u>	<u>1,874,690</u>	<u>1,602,103</u>	<u>272,587</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>97,077</u>	<u>97,077</u>	<u>147,713</u>	<u>50,636</u>
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Transfer in - Capital Projects Fund	-	-	-	-
Transfer out - Debt Service Fund	(71,567)	(71,567)	(71,567)	-
Transfer out - Capital Projects Fund	(25,510)	(25,510)	(25,510)	-
<u>Total Other Financing Sources (Uses)</u>	<u>(97,077)</u>	<u>(97,077)</u>	<u>(97,077)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	50,636	50,636
Fund Balance (Deficit) - Beginning	-	-	120,404	120,404
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,040</u>	<u>\$ 171,040</u>

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 1,921,142	\$ 1,921,142	\$ 1,685,080	\$ (236,062)
1,500	1,500	31,942	30,442
12,000	12,000	21,357	9,357
<u>1,934,642</u>	<u>1,934,642</u>	<u>1,738,379</u>	<u>(196,263)</u>
-	-	43,437	43,437
-	-	41,893	41,893
<u>1,934,642</u>	<u>1,934,642</u>	<u>1,823,709</u>	<u>(110,933)</u>
535,811	535,811	308,377	227,434
744,846	747,745	779,462	(31,717)
99,221	101,821	65,522	36,299
<u>1,379,878</u>	<u>1,385,377</u>	<u>1,153,361</u>	<u>232,016</u>
159,815	159,815	129,509	30,306
56,559	56,559	47,622	8,937
-	-	-	-
35,890	35,890	42,355	(6,465)
229,900	229,900	230,487	(587)
1,960	1,960	1,676	284
<u>484,124</u>	<u>484,124</u>	<u>451,649</u>	<u>32,475</u>
-	-	-	-
2,014	2,014	1,907	107
17,308	17,308	17,284	24
19,322	19,322	19,191	131
<u>1,883,324</u>	<u>1,888,823</u>	<u>1,624,201</u>	<u>264,622</u>
51,318	45,819	199,508	153,689
-	-	453,298	453,298
-	7,383	7,383	-
(12,430)	(12,430)	(12,429)	1
(45,430)	(52,813)	(51,141)	1,672
<u>(57,860)</u>	<u>(57,860)</u>	<u>397,111</u>	<u>454,971</u>
(6,542)	(12,041)	596,619	608,660
6,542	12,041	(476,215)	(488,256)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,404</u>	<u>\$ 120,404</u>

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VILLAGE OF SUFFERN, NEW YORK
COMPARATIVE BALANCE SHEET
SEWER FUND
MAY 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 171,542	\$ 108,917
Receivables		
Accounts, net	21,773	11,495
Sewer rents	574,985	546,328
Due from other funds	<u>1,684,485</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>\$ 2,452,785</u>	<u>\$ 666,740</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
 <u>LIABILITIES</u>		
Accounts payable	\$ 41,252	\$ 49,805
Accrued liabilities	11,355	9,345
Due to other funds	2,651,375	643,861
Due to retirement systems	<u>15,473</u>	<u>18,443</u>
<u>TOTAL LIABILITIES</u>	<u>2,719,455</u>	<u>721,454</u>
 <u>TOTAL FUND BALANCE</u>	<u>(266,670)</u>	<u>(54,714)</u>
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 2,452,785</u>	<u>\$ 666,740</u>

VILLAGE OF SUFFERN, NEW YORK
SEWER FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEARS ENDED MAY 31, 2017 AND 2016

	2017			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
DEPARTMENTAL INCOME				
Sewer fees	\$ 1,902,594	\$ 1,902,594	\$ 1,658,690	\$ (243,904)
Penalties	9,500	9,500	-	(9,500)
USE OF MONEY AND PROPERTY	-	-	5	5
Miscellaneous revenue	8,889	8,889	10,983	2,094
Total Revenues	\$ 1,920,983	\$ 1,920,983	\$ 1,669,678	\$ (251,305)
EXPENDITURES				
HOME AND COMMUNITY SERVICES				
Wastewater administration	\$ 307,330	\$ 299,291	\$ 296,010	\$ 3,281
Wastewater treatment	803,571	793,837	785,415	8,422
Total Home and Community Services	1,110,901	1,093,128	1,081,425	11,703
EMPLOYEE BENEFITS				
NYS Employees Retirement System	91,663	91,663	89,319	2,344
Social Security and Medicare	49,992	47,997	23,755	24,242
MTA Commuter Tax	-	1,995	1,994	1
Workers' compensation insurance	35,788	35,788	34,918	870
Health insurance	152,488	165,776	166,347	(571)
Life insurance	2,000	2,000	1,241	759
Total Employee Benefits	331,931	345,219	317,574	27,645
DEBT INTEREST				
State loan	-	93	92	1
Bond anticipation notes	3,229	3,229	3,229	-
Revenue anticipation notes	-	-	-	-
Total Debt Interest	3,229	3,322	3,321	1
Total Expenditures	1,446,061	1,441,669	1,402,320	39,349
Excess (Deficiency) of Revenues Over Expenditures	474,922	479,314	267,358	(211,956)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Transfer in - Capital Projects Fund	-	-	-	-
Transfer out - Debt Service Fund	(462,422)	(466,814)	(466,814)	-
Transfer out - Capital Projects Fund	(12,500)	(12,500)	(12,500)	-
Total Other Financing Sources (Uses)	(474,922)	(479,314)	(479,314)	-
NET CHANGE IN FUND BALANCE	-	-	(211,956)	(211,956)
Fund Deficit - Beginning	-	-	(54,714)	(54,714)
Fund Deficit - Ending	\$ -	\$ -	\$ (266,670)	\$ (266,670)

2016

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
\$ 1,723,735	\$ 1,723,735	\$ 1,467,737	\$ (255,998)
9,500	9,500	10,426	926
-	1	2	1
10,000	10,000	111,524	101,524
<u>\$ 1,743,235</u>	<u>\$ 1,743,236</u>	<u>\$ 1,589,689</u>	<u>\$ (153,547)</u>
\$ 332,909	\$ 332,909	\$ 328,289	\$ 4,620
792,829	792,830	662,619	130,211
<u>1,125,738</u>	<u>1,125,739</u>	<u>990,908</u>	<u>134,831</u>
137,298	137,298	111,262	26,036
49,950	49,950	24,263	25,687
35,946	35,946	23,128	12,818
144,050	144,050	149,039	(4,989)
2,000	2,000	1,017	983
<u>369,244</u>	<u>369,244</u>	<u>308,709</u>	<u>60,535</u>
-	-	-	-
29,644	29,644	30,146	(502)
21,684	21,684	21,668	16
<u>51,328</u>	<u>51,328</u>	<u>51,814</u>	<u>(486)</u>
<u>1,546,310</u>	<u>1,546,311</u>	<u>1,351,431</u>	<u>194,880</u>
<u>196,925</u>	<u>196,925</u>	<u>238,258</u>	<u>41,333</u>
1,262,500	1,262,500	1,314,468	51,968
-	136	136	-
(197,151)	(197,151)	(211,189)	(14,038)
<u>(1,275,000)</u>	<u>(1,275,136)</u>	<u>(14,099)</u>	<u>1,261,037</u>
<u>(209,651)</u>	<u>(209,651)</u>	<u>1,089,316</u>	<u>1,298,967</u>
(12,726)	(12,726)	1,327,574	1,340,300
12,726	12,726	(1,382,288)	(1,395,014)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (54,714)</u>	<u>\$ (54,714)</u>

VILLAGE OF SUFFERN, NEW YORK
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 280,957	\$ 234,787
Receivables		
State and Federal aid	-	112,397
Due from other funds	<u>529,465</u>	<u>552,993</u>
<u>TOTAL ASSETS</u>	<u>\$ 810,422</u>	<u>\$ 900,177</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 41,802	\$ 112,022
Due to other funds	-	38,985
Advances from other funds	365,000	365,000
Retainage payable	8,453	8,452
Bond anticipation notes payable	1,172,265	1,385,222
State loan payable	<u>176,428</u>	<u>-</u>
<u>TOTAL LIABILITIES</u>	<u>1,763,948</u>	<u>1,909,681</u>
 <u>TOTAL FUND BALANCE</u>	<u>(953,526)</u>	<u>(1,009,504)</u>
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 810,422</u>	<u>\$ 900,177</u>

VILLAGE OF SUFFERN, NEW YORK
CAPITAL PROJECTS FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED MAY 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>REVENUES</u>		
State aid	\$ 134,784	\$ 110,406
Federal Aid	51,312	100,000
Miscellaneous	<u>4,300</u>	750
<u>TOTAL REVENUES</u>	<u>\$ 190,396</u>	<u>\$ 211,156</u>
 <u>EXPENDITURES</u>		
Capital outlay	<u>\$ 534,375</u>	<u>\$ 725,865</u>
Deficiency of Revenues Over Expenditures	<u>(343,979)</u>	<u>(514,709)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>		
Bonds issued	-	1,261,000
Installment purchase debt issued	-	557,084
Transfer in	399,957	715,806
Transfers out	<u>-</u>	<u>(326,275)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>399,957</u>	<u>2,207,615</u>
 NET CHANGE IN FUND BALANCE	55,978	1,692,906
Fund Balance (Deficit) - Beginning	<u>(1,009,504)</u>	<u>(2,702,410)</u>
Fund Balance (Deficit) - Ending	<u>\$ (953,526)</u>	<u>\$ (1,009,504)</u>

VILLAGE OF SUFFERN, NEW YORK
CAPITAL PROJECTS FUND
PROJECT-LENGTH SCHEDULE
INCEPTION OF PROJECT THROUGH MAY 31, 2017

Project	Authorization	Revenues	Expenditures
2005-007 2005 Water Supply Imp	\$ 179,589	\$ -	\$ 181,261
2007-005 2007 Centrifuge Scroll Assembly	60,000	-	53,964
2009-007 2009 Crosswalks	129,687	60,000	138,565
2009-009 2009 Equipment Street Sweeper	148,000	100,000	148,000
2010-001 2010 Water Tower Painting	110,700	-	110,700
2010-002 2010 Fire Equipment	40,350	-	39,152
2010-003 2010 Wastewater Plant Upgrades	-	-	29,257
2010-005 2010 Street Lighting	50,360	50,360	89,492
2011-005 2011 Sewer Plant Improvements	2,500,000	2,500,000	2,370,484
2011-006 2011 Fire Truck Hook & Ladder	950,000	950,000	957,544
2011-008 2011 Façade improvement Program	504,900	406,860	429,191
2012-001 2012 Fire Equipment	83,830	-	88,950
2012-002 2012 Police Car	33,840	-	31,682
2012-003 2012 Snow Pusher & Plow	11,010	-	11,001
2012-004 2012 DPW-Loader Truck	100,085	-	114,999
2012-005 2012 Road Improvements	250,215	-	395,118
2012-006 2012 Utility Truck	25,020	-	24,421
2013-001 2013 Fire Equipment	68,548	-	68,548
2013-002 2013 DPW Admin Vehicle	30,000	-	28,830
2013-003 2013 Street Garage Roof	110,000	-	102,528
2013-004 2013 Roll-off truck	95,000	-	95,000
2013-005 2013 Roadway improvements	95,000	-	89,413
2013-006 2013 VFD Well No.4	12,000	-	10,929
2013-007 2013 Well No. 1 Pump Modification	50,000	-	52,774
2013-008 2013 Digital Cameras Police Cars	41,120	-	40,861
2013-009 2013 Loneragan Dr Reconstruction	1,084,000	1,055,659	1,059,685
2014-001 2014 Fire Equipment	73,229	-	70,809
2014-002 2014 Roof Hose Company	60,000	-	68,062
2014-003 2014 Sewer INI Study	50,000	-	49,963
2014-004 2014 Police Vehicles	37,000	-	38,116
2014-005 2014 Roadway Improvements	279,000	-	276,979
2014-006 2014 Lafayette Theater Drainage	10,000	-	2,900
2015-001 2015 Fire Equipment	81,000	-	63,245
2015-002 2015 Water Well No. 3 Refurbish	15,000	-	-
2015-009 2015 Sewer System Improvements	1,100,000	1,100,000	1,042,341
2016-001 2016 Computer Systems	87,000	-	35,348
2016-002 2016 Fire Equipment	52,500	-	47,720
2016-003 2016 Road Resurfacing	61,000	-	286
2016-004 2016 Heavy Duty Vehicles	108,000	-	9,704
2016-005 2016 LED Street Lighting	25,500	-	143
2016-006 2016 Sewer System Improvements	92,000	-	6,831
2016-007 2016 Water System Improvements	25,500	-	143
2016-008 2016 CDBG Sidewalks and Curbs	247,260	247,181	247,181
2016-009 2016 Village Hall Improvements	87,000	-	571
2016-010 2016 Sewer Abatement	700,000	-	201,876
2017-001 2017 Sewer System Improvements	187,000	-	49,675
Totals	\$ 10,141,243	\$ 6,470,060	\$ 8,974,241

Transfers In	Fund Balance	
	05/31/2017	05/31/2016
\$ 179,589	\$ (1,672)	\$ (1,672)
53,926	(38)	(38)
59,925	(18,640)	(18,640)
-	(48,000)	(48,000)
104,700	(6,000)	(6,000)
518	(38,634)	(38,634)
-	(29,257)	(29,257)
-	(39,132)	(39,132)
-	129,516	145,831
-	(7,544)	(7,544)
8,750	(13,581)	(6,385)
83,837	(5,113)	(26,091)
31,682	-	(8,356)
11,001	-	(2,754)
100,092	(14,907)	(39,950)
250,234	(144,884)	(207,493)
24,421	-	(6,260)
51,144	(17,404)	(34,274)
21,330	(7,500)	(15,000)
75,028	(27,500)	(55,000)
71,250	(23,750)	(47,500)
65,663	(23,750)	(47,500)
7,929	(3,000)	(6,000)
37,500	(15,274)	(27,774)
30,581	(10,280)	(20,560)
-	(4,026)	(4,026)
36,614	(34,195)	(52,502)
30,000	(38,062)	(53,062)
24,963	(25,000)	(37,500)
18,500	(19,616)	(28,866)
137,479	(139,500)	(209,250)
30,250	27,350	7,100
3,750	(59,495)	(63,245)
-	-	-
-	57,659	84,084
-	(35,348)	(1,846)
-	(47,720)	(47,720)
-	(286)	(286)
-	(9,704)	(714)
-	(143)	(143)
-	(6,831)	(6,831)
-	(143)	(143)
-	-	-
-	(571)	(571)
-	(201,876)	-
-	(49,675)	-
<u>\$ 1,550,656</u>	<u>\$ (953,526)</u>	<u>\$ (1,009,504)</u>

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VILLAGE OF SUFFERN, NEW YORK
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 5,436	\$ 5,436
Due from other funds	<u>24,831</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>\$ 30,267</u>	<u>\$ 5,436</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
 <u>LIABILITIES</u>		
Liabilities - due to other funds	\$ 29,202	\$ 4,371
<u>TOTAL LIABILITIES</u>	<u>29,202</u>	<u>4,371</u>
 <u>TOTAL FUND BALANCE</u>	 <u>1,065</u>	 <u>1,065</u>
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	 <u>\$ 30,267</u>	 <u>\$ 5,436</u>

VILLAGE OF SUFFERN, NEW YORK
DEBT SERVICE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEARS ENDED MAY 31, 2017 AND 2016

	2017			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
<u>Total Revenues</u>	-	-	-	-
<u>EXPENDITURES</u>				
Serial bonds - principal	746,000	746,000	746,000	-
Serial bonds - interest	428,957	433,349	433,349	-
<u>Total Expenditures</u>	1,174,957	1,179,349	1,179,349	-
Excess (Deficiency) of Revenues Over Expenditures	(1,174,957)	(1,179,349)	(1,179,349)	-
<u>OTHER FINANCING SOURCES</u>				
Transfer in - General Fund	640,968	640,968	640,968	-
Transfer in - Water Fund	71,567	71,567	71,567	-
Transfer in - Sewer Fund	462,422	466,814	466,814	-
<u>Total Other Financing Sources</u>	1,174,957	1,179,349	1,179,349	-
<u>NET CHANGE IN FUND BALANCE</u>	-	-	-	-
Fund Balance - Beginning	-	-	1,065	1,065
Fund Balance - Ending	\$ -	\$ -	\$ 1,065	\$ 1,065

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ 2	\$ 2
-	-	2	2
400,000	400,000	400,000	-
191,270	191,270	191,270	-
591,270	591,270	591,270	-
(591,270)	(591,270)	(591,268)	2
381,690	367,652	367,652	-
12,429	12,429	12,429	-
197,151	211,189	211,189	-
591,270	591,270	591,270	-
-	-	2	2
-	-	1,063	1,063
\$ -	\$ -	\$ 1,065	\$ 1,065

