



VILLAGE OF SUFFERN, NEW YORK
AUDITED ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED MAY 31, 2018

**Village of Suffern, New York
Audited Financial Statements
Fiscal Year Ended May 31, 2018**

**Prepared by the
Office of the Village Treasurer
April 16, 2019**

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	1
List of Village Officials	5
Organizational Chart	6

FINANCIAL SECTION

Independent Auditor's Report	7
Independent Auditor's Report on Compliance and on Internal Controls over Financial Reporting	10

Management's Discussion and Analysis (<i>unaudited</i>)	12
--	----

Basic Financial Statements

Statement of Net Position	18
Statement of Activities	19
Balance Sheet – Governmental Funds	20
Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	26
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Water, and Sewer Funds	28
Notes to the Financial Statements	30

Required Supplementary Information (*unaudited*)

Schedule of Funding Progress - Other Postemployment Benefits Plan	64
Schedule of Changes in Total Pension Liability - Fire Service Awards Program	64
Schedule of the Village's Proportionate Share of the Net Pension Liability and Contributions	65

Other Supplementary Information

General Fund	
Comparative Balance Sheet	66
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual	68

Water Fund	
Comparative Balance Sheet	75
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual	76
Sewer Fund	
Comparative Balance Sheet	79
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual	80
Capital Projects Fund	
Comparative Balance Sheet	82
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance	83
Project-Length Schedule – Inception of Project to Date	84
Non-Major Fund – Debt Service Fund	
Comparative Balance Sheet	87
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual	88
Fiduciary Fund	
Statement of Fiduciary Net Position	90
Statement of Changes in Fiduciary Net Position	91

INTRODUCTORY SECTION



Village of Suffern

61 Washington Avenue, Suffern, New York 10901

Telephone: (845) 357-2600 • Fax: (845) 357-0649

www.suffernny.gov

April 16, 2019

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"), submitted herewith is the audited financial report for the Village of Suffern, New York (Village) for the fiscal year ended May 31, 2018.

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, 2018. 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 the following GASB Statements in fiscal year ended May 31, 2018:

- GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- GASB Statement No. 86, *Certain Debt Extinguishment Issues*
- GASB Statement No. 85, *Omnibus 2017*
- GASB Statement No. 83, *Certain Asset Retirement Obligations*

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 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 tax general government services such as birth, death and marriage 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 10,995 (July 1, 2017; V2017) comprised of individuals who identify themselves as White (77.6%); Hispanic or Latino (11.7%); Asian (7.1%), or Black or African-American (3.6%).

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

<u>Fact</u>	<u>Village of Suffern</u>	<u>Rockland County</u>	<u>New York State</u>	<u>United States</u>
Per capita income	\$39,887	\$36,898	\$35,752	\$31,177
Median household income	\$87,554	\$88,571	\$62,765	\$57,652
Owner-occupied housing	72.0%	68.9%	54.0%	63.8%
Median value of owner-occupied housing	\$311,000	\$425,100	\$293,000	\$193,500
High school degree or higher	92.3%	87.3%	86.1%	87.3%
Bachelor's degree or higher	42.8%	40.4%	35.3%	30.9%
Mean travel time to work (minutes)	32.9	31	33	26.4

Source: U.S. Census Bureau 2017 American Community Survey 5-Year Estimates

All dollar amounts presented in 2017 dollars

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–Newark-Jersey City, NY-NJ-PA* rose 2.2% from May 2017 to May 2018, which compares favorably to the 2.8% increase for the U.S. City average.

<u>Area</u>	<u>May 2018</u>	<u>May 2017</u>	<u>Change</u>
U.S. City	251.588	244.733	2.8%
New York-Newark-Jersey City, NY-NJ-PA	274.001	268.183	2.2%

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 of government, the rate of unemployment itself is still favorable:

<u>Area</u>	<u>May 2018</u>	<u>May 2017</u>	<u>Change</u>
United States	3.6%	4.1%	-12.2%
New York State	3.7%	4.4%	-15.9%
Rockland County	3.6%	4.1%	-12.2%
Town of Ramapo	3.2%	3.8%	-15.8%

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 transportation systems and an easy commute to New York City, Westchester County, Orange County and Bergen County.

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 emphasize 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 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

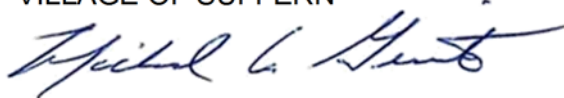
The Village purchases insurance for general liability, automobile, Workers Compensation and other risks. The Village continuously assesses its risks and annually reviews and in conjunction with its insurance brokers, determines the appropriate levels of insurance.

The Village continuously monitors its budget and prepares quarterly trial balance 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



Michael A. Genito
Village Treasurer

**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

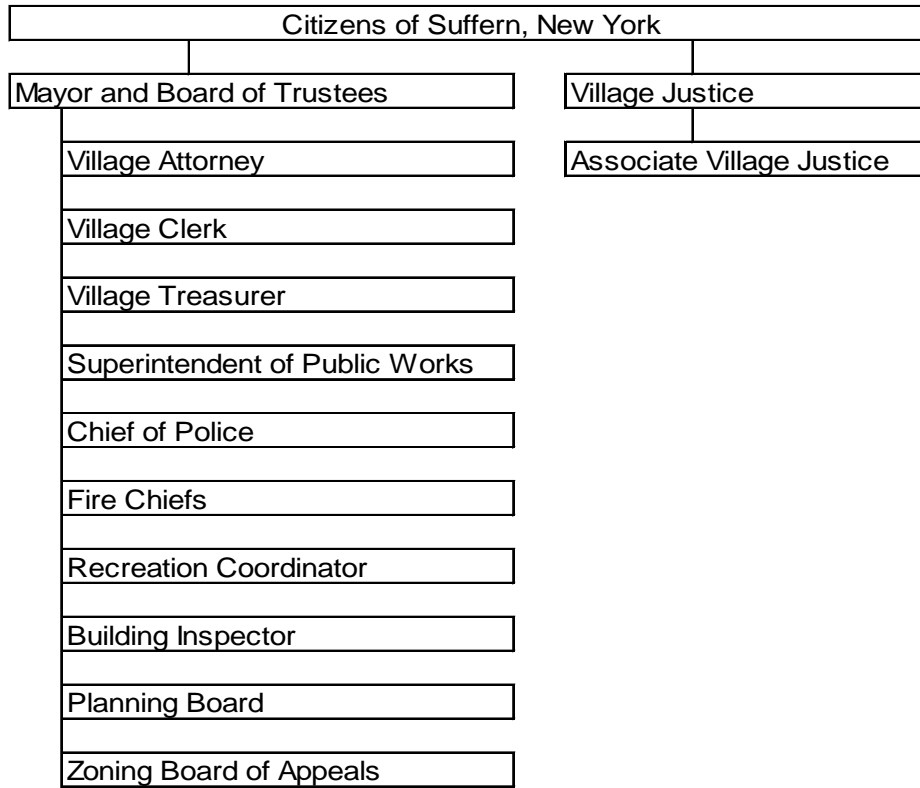
Cathy Mills, Recreation Coordinator

Steve Conlee, Building Inspector

Vincent Altieri, Associate Village Justice

Christine Andersen, Justice Court Clerk

VILLAGE OF SUFFERN, NEW YORK ORGANIZATIONAL CHART



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, 2018, 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

www.berardcpas.com

44 Park Ave, Suffern NY 10901	32 Ball St., P.O. Box 3108, Port Jervis NY 12771
Suffern T. 845-357-5668 F. 845-357-5637	Port Jervis T. 845-856-5237 F. 845-856-5239

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, 2018, 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 1 to the financial statements, in 2018, the Village of Suffern adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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 November 15, 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.

Berard & Associates CPAs P.C.

Berard & Associates CPAs, P.C.
Suffern, New York
November 15, 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 Mayor 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, 2018, 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 November 15, 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.

www.berardcpas.com

44 Park Ave, Suffern NY 10901	32 Ball St., P.O. Box 3108, Port Jervis NY 12771
Suffern T. 845-357-5668 F. 845-357-5637	Port Jervis T. 845-856-5237 F. 845-856-5239

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.

Berard & Associates CPAs P.C.

Berard & Associates, CPAs, P.C.
Suffern, New York
November 15, 2018

VILLAGE OF SUFFERN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
MAY 31, 2018

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, 2018 ("fiscal year 2018" 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 2018 by \$29,531,009. Of this amount, the unrestricted net position is a deficit of \$40,483,024. This deficit is primarily the result of other post-employment benefits ("OPEB") obligations (\$33.8 million), retirement incentives (\$2.8 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 \$4,284,609, an increase of \$2,643,222 from fiscal year 2017. Exclusive of the Capital Projects Fund, the combined ending fund balances were \$5,329,007.

At the end of the current fiscal year, the General Fund reported an ending fund balance of \$5,140,770, which represents an increase of \$2,451,292 from fiscal year 2017.

During the current fiscal year, the Village retired \$790,000 of general obligation debt. The Village's total outstanding general obligation bonds payable at May 31, 2018 totaled \$9,064,395.

Overview of the Financial Statements

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

Government-wide Financial Statements

The government-wide financial statements are presented in a manner similar to private-sector business financial statements. The statements are prepared using the accrual basis of accounting. The government-wide financial statements include two statements: 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, 2018

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 one fiduciary fund, a custodial fund used to account for payroll withholdings. Resources are held in the custodial funds by the Village purely in a custodial capacity. The activity

VILLAGE OF SUFFERN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
MAY 31, 2018

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 \$29,531,009 at the end of fiscal year 2018.

The following table reflects the condensed Statement of Net Position for fiscal years ended May 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Current Assets	\$ 6,326,801	\$ 4,422,421
Capital Assets, net	<u>14,768,744</u>	<u>14,128,348</u>
Total Assets	21,095,545	18,350,769
Deferred Outflows of Resources	<u>3,294,810</u>	<u>2,402,965</u>
Current Liabilities	3,136,197	3,531,451
Long-Term Liabilities	<u>48,035,322</u>	<u>20,005,195</u>
Total Liabilities	51,171,519	23,536,646
Deferred Inflows of Resources	<u>2,749,845</u>	<u>586,417</u>
Net Investment in Capital Assets	9,358,744	8,253,348
Restricted	1,593,271	72,659
Unrestricted	<u>(40,483,024)</u>	<u>(11,695,336)</u>
Total Net Position	<u>\$ (29,531,009)</u>	<u>\$ (3,639,329)</u>

The largest component of the Village's net position is its \$9,538,744 net investment in capital assets, which reflects its investment in capital assets, less any related accumulated depreciation

VILLAGE OF SUFFERN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
MAY 31, 2018

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 \$1,593,271 represents resources that are subject to external restrictions on their use. The restrictions are for debt service (\$1,065), law enforcement purposes (\$19,054 crime forfeitures and \$64,477 for Drugs and Alcohol Resistance Education), and Fire Service Awards program (\$1,508,675).

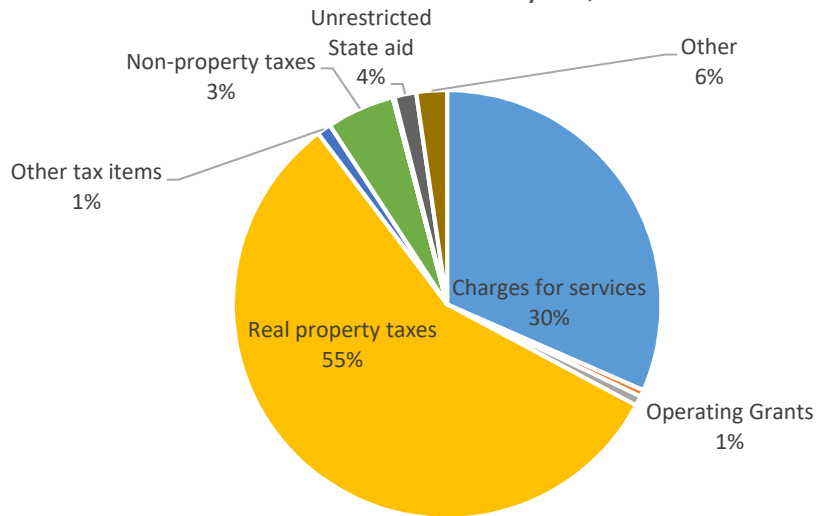
The following table reflects the condensed Changes in Net Position for fiscal years ended May 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
<u>Revenues</u>		
Program Revenues:		
Charges for services	\$ 5,796,938	\$ 5,759,792
Operating Grants	255,803	91,679
Capital Grants	-	134,784
General Revenues:		
Real property taxes	10,623,502	10,378,175
Other tax items	228,550	195,161
Non-property taxes	502,386	408,489
Unrestricted use of money and property	622,116	56
Sale of property and compensation for loss	53,991	25,752
Unrestricted State aid	403,961	300,381
Miscellaneous	<u>915,029</u>	<u>948,977</u>
Total Revenues	19,402,276	18,243,246
<u>Expenses</u>		
Program Expenses:		
General government	1,941,642	1,952,321
Public safety	7,728,445	8,359,709
Health	9,720	9,200
Transportation	2,753,741	2,112,909
Culture and community services	655,954	536,297
Home and community services	5,025,814	4,890,402
Interest	<u>399,759</u>	<u>394,266</u>
Total Expenses	18,515,075	18,255,104
Change in Net Position	887,201	(11,858)
Net Position – Beginning	(3,369,329)	(3,357,471)
Change in Accounting Principle	<u>(27,048,881)</u>	<u>-</u>
Net Position - Ending	<u>\$ (29,531,009)</u>	<u>\$ (3,369,329)</u>

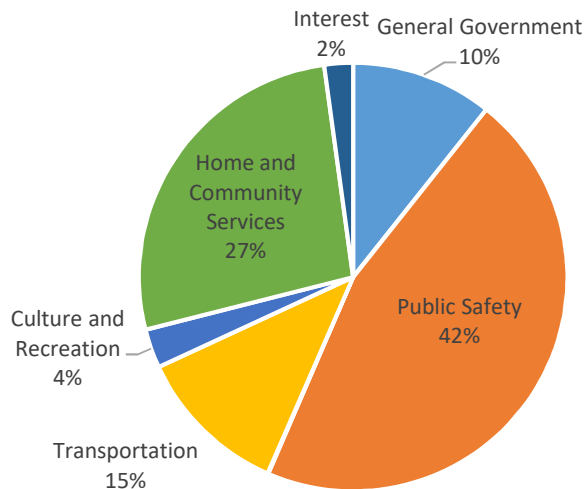
VILLAGE OF SUFFERN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
MAY 31, 2018

Governmental activities increased the Village's net position by \$887,201. For the fiscal year ended May 31, 2018, revenues from governmental activities totaled \$19,402,276. Tax revenues of \$11,354,438 comprised of real property taxes, other tax items and non-property taxes represented the largest revenue source at 59%. The largest components of governmental activities' expenses are public safety (42%), and home and community services (27%).

Governmental Activities Revenues
Fiscal Year Ended May 31, 2018



Governmental Activities Expenses
Fiscal Year Ended May 31, 2018



VILLAGE OF SUFFERN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
MAY 31, 2018

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 \$4,284,609, an increase of \$2,643,222 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 \$5,140,770.

Capital Assets

The Village's investment in capital assets for its governmental activities as of May 31, 2018, amounted to \$14,768,744 (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and improvements, machinery and equipment and infrastructure.

The following table reflects the condensed Capital Assets, Net of Deprecation for fiscal years ended May 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Land	\$ 309,994	\$ 309,994
Construction in Progress	662,095	3,286,899
Buildings and Improvements	3,876,895	4,122,662
Machinery and Equipment	3,073,539	3,412,884
Infrastructure	<u>6,846,221</u>	<u>2,995,909</u>
Total	<u>\$ 14,768,744</u>	<u>\$ 14,128,348</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 \$9,064,395. The Village's general obligation bonded debt decreased by \$370,605 due to the Village's payment of \$790,000 of debt principal, offset by the issuance of new bonds in the amount of \$419,395. 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 mgenito@suffernny.gov.

VILLAGE OF SUFFERN, NEW YORK
STATEMENT OF NET POSITION
MAY 31, 2018

ASSETS

Cash and cash equivalents	\$ 2,755,744
Restricted cash and cash equivalents	121,575
Investments	1,481,605
Receivables	
Accounts, net	153,713
Water rents	719,343
Sewer rents	845,799
State and Federal aid	118,769
Due from other governments	130,253
Capital assets	
Not being depreciated	972,089
Being depreciated, net	13,796,655
<u>TOTAL ASSETS</u>	<u>21,095,545</u>

<u>DEFERRED OUTFLOWS OF RESOURCES</u>	<u>3,294,810</u>
---------------------------------------	------------------

LIABILITIES

Accounts payable	583,329
Accrued liabilities	267,050
Retainage payable	79,255
Security deposits	73,148
Bond anticipation notes payable - Capital projects	726,283
Bond anticipation notes payable - Judgments and claims	76,500
State loan payable	-
Due to retirement systems	236,627
Noncurrent liabilities	
Due within one year	1,094,005
Due in more than one year	48,035,322
<u>TOTAL LIABILITIES</u>	<u>51,171,519</u>

<u>DEFERRED INFLOWS OF RESOURCES</u>	<u>2,749,845</u>
--------------------------------------	------------------

NET POSITION

Net investment in capital assets	9,358,744
Restricted for	
Debt service	1,065
Fire service awards	1,508,675
Law enforcement	19,054
DARE	64,477
Unrestricted	(40,483,024)
<u>TOTAL NET POSITION</u>	<u>\$ (29,531,009)</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, 2018

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	\$ 1,941,642	\$ -	\$ -	\$ -	\$ (1,941,642)
Public safety	7,728,445	93,614	255,803	-	(7,379,028)
Health	9,720	51,905	-	-	42,185
Transportation	2,753,741	198,993	-	-	(2,554,748)
Culture and recreation	655,954	62,290	-	-	(593,664)
Home and community services	5,025,814	5,390,136	-	-	364,322
Interest	399,759	-	-	-	(399,759)
<u>Total Governmental Activities</u>	\$ 18,515,075	\$ 5,796,938	\$ 255,803	\$ -	(12,462,334)
<u>GENERAL REVENUES</u>					
					10,623,502
Real property taxes					228,550
Other tax items					502,386
Non-property taxes					622,116
Unrestricted use of money and property					53,991
Sale of property and compensation for loss					526,222
Sales tax distribution from County					403,961
Unrestricted State aid					388,807
Miscellaneous revenue					
<u>TOTAL GENERAL REVENUES</u>					13,349,535
<u>CHANGE IN NET POSITION</u>					
					887,201
Net Position - Beginning					(3,369,329)
Cumulative Effect of Change in Accounting Principle					(27,048,881)
Net Position - Ending					\$ (29,531,009)

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, 2018

	<u>General</u>	<u>Water</u>	<u>Sewer</u>
<u>ASSETS</u>			
<u>CASH AND CASH EQUIVALENTS</u>			
Cash and cash equivalents	\$ 709,811	\$ 1,060,236	\$ 263,274
Restricted cash and cash equivalents	94,730	-	-
<u>INVESTMENTS</u>	1,481,605	-	-
<u>RECEIVABLES</u>			
Accounts, net	151,990	779	944
Water rents	-	719,343	-
Sewer rents	-	-	845,799
State and Federal aid	118,769	-	-
Due from other funds	3,333,952	188,352	1,290,875
Advances to other funds	365,000	-	-
Due from other governments	130,253	-	-
<u>TOTAL ASSETS</u>	<u>\$ 6,386,110</u>	<u>\$ 1,968,710</u>	<u>\$ 2,400,892</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts payable	\$ 401,326	\$ 31,982	\$ 71,674
Accrued liabilities	238,526	18,449	5,075
Due to other funds	188,353	1,423,634	2,595,476
Advances from other funds	-	-	-
Unearned Revenue	5,000	-	-
Retainage payable	62,000	-	-
Security deposits	73,148	-	-
Bond anticipation notes payable	76,500	-	-
State loan payable	-	-	-
Due to retirement systems	200,487	19,859	16,281
<u>TOTAL LIABILITIES</u>	<u>1,245,340</u>	<u>1,493,924</u>	<u>2,688,506</u>
<u>FUND BALANCES</u>			
<u>Nonspendable</u>			
Advance to Capital Projects Fund	365,000	-	-
<u>Restricted</u>			
Law Enforcement	19,054	-	-
DARE	64,477	-	-
Fire Service Awards Program	1,508,675	-	-
Debt Service	-	-	-
<u>Committed</u>			
Suffern Day	6,039	-	-
Assigned	37,014	474,786	-
Unassigned	3,140,511	-	(287,614)
<u>TOTAL FUND BALANCES</u>	<u>5,140,770</u>	<u>474,786</u>	<u>(287,614)</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 6,386,110</u>	<u>\$ 1,968,710</u>	<u>\$ 2,400,892</u>

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

<u>Capital Projects</u>	<u>Non-Major Debt Service Fund</u>	<u>Total Governmental Funds</u>
\$ 722,423	\$ -	\$ 2,755,744
21,499	5,346	121,575
-	-	1,481,605
-	-	153,713
-	-	719,343
-	-	845,799
-	-	118,769
186,285	24,831	5,024,295
-	-	365,000
-	-	130,253
<u>\$ 930,207</u>	<u>\$ 30,177</u>	<u>\$ 11,716,096</u>

\$ 78,347	\$ -	\$ 583,329
-	-	262,050
787,720	29,112	5,024,295
365,000	-	365,000
-	-	5,000
17,255	-	79,255
-	-	73,148
726,283	-	802,783
-	-	-
-	-	236,627
<u>1,974,605</u>	<u>29,112</u>	<u>7,431,487</u>

-	-	365,000
-	-	19,054
-	-	64,477
-	-	1,508,675
-	1,065	1,065
-	-	-
-	-	6,039
-	-	511,800
<u>(1,044,398)</u>	<u>-</u>	<u>1,808,499</u>
<u>(1,044,398)</u>	<u>1,065</u>	<u>4,284,609</u>
<u>\$ 930,207</u>	<u>\$ 30,177</u>	<u>\$ 11,716,096</u>

VILLAGE OF SUFFERN, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
MAY 31, 2018

Fund Balances - Total Governmental Funds \$ 4,284,609

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. 14,768,744

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Deferred amounts on Pensions 3,294,810

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

Accrued interest payable	9,676
Bonds payable	(9,064,395)
Fire Service Awards Program Payable	(2,781,963)
Installment purchase debt payable	(553,835)
Retirement incentives and other pension obligations	(491,133)
Compensated absences	(1,352,853)
Net pension liability	(1,097,284)
Net other post employment benefit liability	<u>(33,797,540)</u>
	<u>(49,129,327)</u>

Governmental funds report the effects of premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.

Deferred amounts on Pensions (2,749,845)

Net Position of Governmental Activities \$ (29,531,009)

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

THIS PAGE INTENTIONALLY LEFT BLANK

VILLAGE OF SUFFERN, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MAY 31, 2018

	<u>General</u>	<u>Water</u>	<u>Sewer</u>
<u>REVENUES</u>			
Real property taxes	\$ 10,623,502	\$ -	\$ -
Other tax items	228,550	-	-
Non-property taxes	502,386	-	-
Departmental income	1,702,060	1,914,606	2,012,041
Use of money and property	202,719	-	2
Licenses and permits	168,231	-	-
Fines and forfeitures	255,803	-	-
Sale of property and compensation for loss	53,991	-	-
Miscellaneous revenue	882,980	10,464	16,045
State aid	387,991	-	-
<u>Total Revenues</u>	<u>15,008,213</u>	<u>1,925,070</u>	<u>2,028,088</u>
<u>EXPENDITURES</u>			
Current			
General government support	1,295,300	-	-
Public safety	4,361,301	-	-
Health	9,720	-	-
Transportation	1,418,566	-	-
Culture and recreation	359,456	-	-
Home and community services	978,602	1,054,076	1,140,255
Employee benefits	4,345,831	468,551	353,919
Debt service			
Principal	29,772	-	-
Interest	52,136	1,829	15,766
Capital outlay	-	-	-
<u>Total Expenditures</u>	<u>12,850,684</u>	<u>1,524,456</u>	<u>1,509,940</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,157,529</u>	<u>400,614</u>	<u>518,148</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Installment purchase debt issued	-	-	-
Transfers in	-	-	-
Transfers out	(1,042,413)	(96,868)	(539,092)
<u>Total Other Financing Sources (Uses)</u>	<u>(1,042,413)</u>	<u>(96,868)</u>	<u>(539,092)</u>
Net Change in Fund Balances	1,115,116	303,746	(20,944)
Cumulative Effect of Change in Accounting Principle	1,336,176	-	-
Fund Balances (Deficits) - Beginning	<u>2,689,478</u>	<u>171,040</u>	<u>(266,670)</u>
Fund Balances (Deficits) - Ending	<u>\$ 5,140,770</u>	<u>\$ 474,786</u>	<u>\$ (287,614)</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
\$ -	\$ -	\$ 10,623,502
-	-	228,550
-	-	502,386
-	-	5,628,707
419,395	-	622,116
-	-	168,231
-	-	255,803
-	-	53,991
5,540	-	915,029
435,365	-	823,356
<u>860,300</u>	<u>-</u>	<u>19,821,671</u>
-	-	1,295,300
-	-	4,361,301
-	-	9,720
-	-	1,418,566
-	-	359,456
-	-	3,172,933
-	-	5,168,301
-	790,000	819,772
-	387,408	457,139
1,539,705	-	1,539,705
<u>1,539,705</u>	<u>1,177,408</u>	<u>18,602,193</u>
<u>(679,405)</u>	<u>(1,177,408)</u>	<u>1,219,478</u>
87,568	-	87,568
500,965	1,177,408	1,678,373
-	-	(1,678,373)
<u>588,533</u>	<u>1,177,408</u>	<u>87,568</u>
(90,872)	-	1,307,046
-	-	1,336,176
(953,526)	1,065	1,641,387
<u>\$ (1,044,398)</u>	<u>\$ 1,065</u>	<u>\$ 4,284,609</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, 2018

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 1,307,046</u>
--	---------------------

Other long-term assets are not available to pay for current-period expenditures
and therefore, are deferred in the funds.

Pensions	<u>891,845</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	1,473,425
Depreciation expense	<u>(833,029)</u>
	<u>640,396</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	29,772
Proceeds from installment purchase debt	(87,568)
Bonds issued	(419,395)
Principal paid on bonds	<u>790,000</u>
	<u>312,809</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	57,380
Compensated absences	(100,712)
Retirement incentives and other pension obligations	81,567
Fire Service Awards Program	(258,375)
Pension assets (liabilities)	1,559,963
Other post employment benefit obligations payable	<u>(1,441,290)</u>
	<u>(101,467)</u>

Deferred inflows of resources related to pensions are not reported in
governmental funds.

Pensions	<u>(2,163,428)</u>
----------	--------------------

Change in Net Position of Governmental Activities	<u>\$ 887,201</u>
---	-------------------

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

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2018

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 10,648,171	\$ 10,612,997	\$ 10,623,502	\$ 10,505
Other tax items	201,726	201,726	228,550	26,824
Non-property taxes	390,000	390,000	502,386	112,386
Departmental income	1,727,837	1,688,837	1,702,060	13,223
Use of money and property	36,019	54,019	202,719	148,700
Licenses and permits	119,750	119,750	168,231	48,481
Fines and forfeitures	228,570	228,570	255,803	27,233
Sale of property and compensation for loss	68,000	89,000	53,991	(35,009)
Miscellaneous revenue	767,000	767,500	882,980	115,480
State aid	254,359	254,359	387,991	133,632
<u>Total Revenues</u>	<u>14,441,432</u>	<u>14,406,758</u>	<u>15,008,213</u>	<u>601,455</u>
EXPENDITURES				
Current				
General government support	1,489,418	1,399,160	1,295,300	103,860
Public safety	4,379,000	4,297,225	4,361,301	(64,076)
Health	9,600	9,600	9,720	(120)
Transportation	1,637,697	1,611,808	1,418,566	193,242
Culture and recreation	361,822	362,665	359,456	3,209
Home and community services	1,005,459	1,007,120	978,602	28,518
Employee benefits	4,463,598	4,603,598	4,345,831	257,767
Debt service				
Principal	29,772	29,772	29,772	-
Interest	52,136	52,136	52,136	-
<u>Total Expenditures</u>	<u>13,428,502</u>	<u>13,373,084</u>	<u>12,850,684</u>	<u>522,400</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,012,930</u>	<u>1,033,674</u>	<u>2,157,529</u>	<u>1,123,855</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,012,930)	(1,067,913)	(1,042,413)	25,500
<u>Total Other Financing Sources (Uses)</u>	<u>(1,012,930)</u>	<u>(1,067,913)</u>	<u>(1,042,413)</u>	<u>25,500</u>
Net Change in Fund Balances	-	(34,239)	1,115,116	1,149,355
Cumulative Effect of Change in Accounting Principle	-	-	1,336,176	1,336,176
Fund Balances (Deficits) - Beginning	-	34,239	2,689,478	1,336,176
Fund Balances (Deficits) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,140,770</u>	<u>\$ 3,821,707</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,015,268	2,015,268	1,914,606	(100,662)	2,148,787	2,148,787	2,012,041	(136,746)
-	-	-	-	-	-	2	2
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,020	6,020	10,464	4,444	11,900	11,900	16,045	4,145
-	-	-	-	-	-	-	-
<u>2,021,288</u>	<u>2,021,288</u>	<u>1,925,070</u>	<u>(96,218)</u>	<u>2,160,687</u>	<u>2,160,687</u>	<u>2,028,088</u>	<u>(132,599)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,496,112	1,496,112	1,054,076	442,036	1,219,807	1,219,807	1,140,255	79,552
513,232	513,232	468,551	44,681	380,648	380,648	353,919	26,729
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,829	1,829	1,829	-	21,140	21,140	15,766	5,374
<u>2,011,173</u>	<u>2,011,173</u>	<u>1,524,456</u>	<u>486,717</u>	<u>1,621,595</u>	<u>1,621,595</u>	<u>1,509,940</u>	<u>111,655</u>
-	-	-	-	-	-	-	-
<u>10,115</u>	<u>10,115</u>	<u>400,614</u>	<u>390,499</u>	<u>539,092</u>	<u>539,092</u>	<u>518,148</u>	<u>(20,944)</u>
-	-	-	-	-	-	-	-
(96,868)	(96,868)	(96,868)	-	(539,092)	(539,092)	(539,092)	-
<u>(96,868)</u>	<u>(96,868)</u>	<u>(96,868)</u>	<u>-</u>	<u>(539,092)</u>	<u>(539,092)</u>	<u>(539,092)</u>	<u>-</u>
(86,753)	(86,753)	303,746	390,499	-	-	(20,944)	(20,944)
-	-	-	-	-	-	-	-
86,753	86,753	171,040	84,287	-	-	(266,670)	(266,670)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 474,786</u>	<u>\$ 474,786</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (287,614)</u>	<u>\$ (287,614)</u>

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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)

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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.

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.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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.

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 one custodial fund to account for employee payroll withholdings.

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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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.

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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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, 2018.

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 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.

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, 2018, 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,

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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 and other post-employment benefits. 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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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 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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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 classified as nonspendable, restricted, assigned 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.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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 November 15, 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, 2018:

- GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective for the year ending May 31, 2019. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The Village has elected to early implement in the current year.
- GASB Statement No. 82, *Pension Issues* – This statement is an amendment of Statements No. 67, No. 68 and No. 73
- GASBS 83, *Certain Asset Retirement Obligations*.
- GASBS 85, *Omnibus 2017*
- GASBS 86, *Certain Debt Extinguishment Issues*
- GASBS 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- GASBS 89, *Accounting for Interest Cost Incurred before the end of a construction period*
- GASBS 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*

1J. Future Changes in Accounting Standards

GASB has issued the following Statements:

- GASBS 84, *Fiduciary Activities*, effective fiscal year ending May 31, 2020.
- GASBS 87, *Leases*, effective fiscal year ending May 31, 2021.

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.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

1K. Changes in Accounting Principle

For the fiscal year ending May 31, 2018, the Village implemented 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*. The implementation of the statement requires the Village to report its Length of Service Award Program (LOSAP) Total Pension Liability (TPL), LOSAP expenses, deferred outflow of resources and deferred inflow of resources related to LOSAP. See Note 3E for the financial statement impact of the implementation of the statement.

For the fiscal year ending May 31, 2018, the Village implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of the statement requires Villages to report Other Post-Employment Benefits (OPEB) liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. See Note 3H for the financial statement impact of the implementation of the statement.

1L. Reclassifications

When applicable, certain prior year data has been reclassified to conform to the current year's presentation.

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.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

- 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 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 2017-2018 fiscal year was \$19,265,641, which exceeded the actual levy by \$9,535,293.

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. On March 31, 2019, the Tax Levy Limitation Law was made permanent. 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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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 \$287,614 as of May 31, 2018. The Village plans to address this deficit in the ensuing years.

2D. Capital Projects Fund Deficit

The deficit in the Capital Projects Fund of \$1,065,897 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.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

2E. Capital Projects Excess of Actual Expenditures Over Budget

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

	Project	Amount
2010-003	2010 Wastewater Plant Upgrades	29,257
2010-005	2010 Street Lighting	39,132
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>\$ 240,158</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, 2018 were as follows:

Fund	Due From	Due To
General	\$3,346,795	\$188,353
Water	189,132	1,423,634
Sewer	1,291,819	2,595,476
Capital Project	186,285	787,720
Debt Service	24,831	29,113
Subtotal	<u>5,038,862</u>	<u>5,024,296</u>
Trust & Agency	-	14,566
Total	<u>\$5,038,862</u>	<u>\$5,038,862</u>

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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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, 2018. 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, 2017	Additions	Deletions	Balance May 31, 2018
Capital Assets , not being depreciated				
Land	\$ 309,994	\$ -	\$ -	\$ 309,994
Construction work in progress	3,286,899	662,096	3,286,900	662,095
Total Capital Assets, not being depreciated	3,596,893	662,096	3,286,900	972,089
Capital Assets being depreciated				
Buildings and improvements	10,900,672	-	-	10,900,672
Machinery and equipment	15,939,360	163,134	-	16,102,494
Infrastructure	4,223,614	3,935,095	-	8,158,709
Total Capital Assets being depreciated	31,063,646	4,098,229	-	35,161,875
Less Accumulated Depreciation for				
Buildings and improvements	6,778,010	245,767	-	7,023,777
Machinery and equipment	12,526,476	502,479	-	13,028,955
Infrastructure	1,227,705	84,783	-	1,312,488
Total Accumulated Depreciation	20,532,191	833,029	-	21,365,220
Capital Assets being depreciated, net	10,531,455	3,265,200	-	13,796,655
Capital Assets, Net	<u>\$ 14,128,348</u>	<u>\$ 3,927,296</u>	<u>\$ 3,286,900</u>	<u>\$ 14,768,744</u>

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

General Government	\$ 32,410
Public Safety	336,233
Transportation	136,237
Culture and Recreation	13,438
Home and Community Services	314,711
	<u>\$ 833,029</u>

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

3D. Accrued Liabilities

Accrued payroll and employee benefits at May 31, 2018 were \$238,536 for the General Fund, \$18,449 for the Water Fund and \$5,075 for the Sewer Fund.

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

General Information about the Pension Plan

Plan Description

The Village of Suffern established a defined benefit Service Award Program (referred to as a “LOSAP” - Length of Service Award Program - under Section 457(e)(11) of the Internal Revenue Code) effective January 1, 1998 for the active volunteer firefighter members of the Suffern Fire Department. The Program was established pursuant to Article 11-A of the New York State General Municipal Law. The Program provides municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The Village of Suffern is the Sponsor of the Program and the Program administrator.

An eligible Program Participant is defined to be an active volunteer firefighter who is at least 18 years of age and has earned one year of Service Award Program Service Credit. An active volunteer firefighter earns a year of Service Credit for each calendar year after the establishment of the Program 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 Sponsor 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 Program.

Participants acquire a non-forfeitable right to be paid a Service Award after earning five years of Service Credit, becoming totally and permanently disabled, dying while an active volunteer or upon attaining the Program’s Entitlement Age while an active volunteer. The Program’s Entitlement Age is age 62, and is the age at which benefits begin to be paid to Participants.

Benefits provided

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 multiplied by the total number of years of Service Credit earned by the Participant. 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 Program.

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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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 benefit is equal to the actuarial value of the Participant's earned Service Award at the time of death or disablement. All death and disability benefits are self-insured by the fund. The Program does not provide extra line-of-duty death or disability benefits.

Participants covered by the benefit terms

At the December 31, 2017 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	23
Inactive participants entitled to but not yet receiving benefit payments	19
Active participants	88
Total	130

Contributions

New York State General Municipal Law §219(d) requires the Village to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Village.

Trust Assets

Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Village. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73.

Measurement of Total Pension Liability

The total pension liability at the December 31, 2017 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Salary Scale:	None assumed

Mortality rates were based on the RP-2014 Male Mortality Table without projection for mortality improvement.

Discount Rate

The discount rate used to measure the total pension liability was 3.16%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

December 31, 2017. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

Changes in the Total Pension Liability

Balance as of 12/31/16 measurement date	\$ 2,523,588
Service Cost	68,117
Interest	94,259
Changes of assumptions or other inputs	223,277
Differences between expected and actual experience	(25,188)
Benefit Payments	<u>(102,090)</u>
Net Changes	258,375
Balance as of 12/31/17 measurement date	<u><u>\$ 2,781,963</u></u>

Sensitivity of the Total Pension Liability to changes in the discount rate

The following presents the total pension liability of the Village as of the December 31, 2017 measurement date, calculated using the discount rate of 3.16 percent, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.16 percent) or 1-percentage point higher (4.16 percent) than the current rate:

	1% Decrease <u>(2.16%)</u>	Current Discount Rate <u>(3.16%)</u>	1% Increase <u>(4.16%)</u>
Total Pension Liability	\$3,266,388	\$2,781,963	\$2,394,989

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended May 31, 2018, the Village recognized pension expense of \$185,522.

Components of Pension Expense

Service Cost	\$ 68,117
Interest	94,259
Changes of assumptions or other inputs	17,720
Differences between expected and actual experience	(1,999)
Benefit Payments	<u>7,425</u>
Total Pension Expense	\$ 185,522

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

At May 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	23,189
Changes of assumptions or other inputs	205,556	-
Benefit payments & administrative expenses subsequent to the measurement date	48,382	-
Total	<u>\$ 253,938</u>	<u>\$ 23,189</u>

\$48,382 reported as deferred outflows of resources related to pensions resulting from Village transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended May 31, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended May 31:		
2019	\$	15,721
2020		15,721
2021		15,721
2022		15,721
2023		15,721
Thereafter		103,761

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

A bond anticipation note issued on November 17, 2016 for the payment of a tax certiorari settlement in the amount of \$102,000 and at the rate of 3.5% matured on November 16, 2017. On November 16, 2017, the Village redeemed the note with a principal payment of \$25,500 and the issuance of a new bond anticipation note in the amount of \$76,500 at the rate of 2.375% per annum, maturing on November 16, 2018.

Interest expenditures of \$3,570 were recorded in the General Fund. Interest expense of \$2,904 was recorded in the government-wide financial statements for governmental activities.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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, 2017	New Issues	Redeemed	Balance May 31, 2018
2013 Fire Equipment	11/16/17	11/16/18	3.50%	16,870	-	16,870	-
2013 DPW Superintendent Vehicle	11/16/17	11/16/18	3.50%	7,500	-	7,500	-
2013 Street Garage Roof	11/16/17	11/16/18	3.50%	27,500	-	27,500	-
2013 Rolloff Truck	11/16/17	11/16/18	3.50%	23,750	-	23,750	-
2013 Road Improvements	11/16/17	11/16/18	3.50%	23,750	-	23,750	-
2013 VFD Well No. 4	11/16/17	11/16/18	3.50%	3,000	-	3,000	-
2013 Well No. 1 Modification	11/16/17	11/16/18	3.50%	12,500	-	12,500	-
2013 Digital Cameras Police Cars	11/16/17	11/16/18	3.50%	10,280	-	10,280	-
2014 Fire Equipment	11/16/17	11/16/18	3.50%	36,615	-	18,307	18,308
2014 Hose Company Roof	11/16/17	11/16/18	3.50%	30,000	-	15,000	15,000
2014 Sewer INI Study	11/16/17	11/16/18	3.50%	25,000	-	12,500	12,500
2014 Police Patrol Vehicle	11/16/17	11/16/18	3.50%	18,500	-	9,250	9,250
2014 Road Improvements	11/16/17	11/16/18	3.50%	139,500	-	69,750	69,750
2015 Fire Equipment	11/16/17	11/16/18	3.50%	60,750	-	20,250	40,500
2015 Refurbish Well 3	11/16/17	11/16/18	3.50%	11,250	-	3,750	7,500
2016 Computer Systems	11/16/17	11/16/18	3.50%	87,000	-	21,750	65,250
2016 Fire Equipment	11/16/17	11/16/18	3.50%	52,500	-	13,125	39,375
2016 Road Improvements	11/16/17	11/16/18	3.50%	61,000	-	15,250	45,750
2016 DPW Vehicles	11/16/17	11/16/18	3.50%	108,000	-	27,000	81,000
2016 LED Street Lighting	11/16/17	11/16/18	3.50%	25,500	-	6,375	19,125
2016 Sewer System Improvements	11/16/17	11/16/18	3.50%	92,000	-	23,000	69,000
2016 Water System Improvements	11/16/17	11/16/18	3.50%	25,500	-	6,375	19,125
2016 Village Hall Improvements	11/16/17	11/16/18	3.50%	87,000	-	21,750	65,250
2017 Sewer System Improvements	11/16/17	11/16/18	3.50%	187,000	-	37,400	149,600
				\$ 1,172,265	\$ -	\$ 445,982	\$ 726,283

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.

Interest expenditures of \$42,751 were recorded in the fund financial statements in the funds identified below. Interest expense of \$33,044 was recorded in the government-wide financial statements for governmental activities.

<u>Fund</u>	<u>Amount</u>
General	\$ 28,560
Water	1,829
Sewer	12,362
	<u>\$ 42,751</u>

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

3H. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2018:

	Balance May 31, 2017	New Issues/ Additions	Maturities/ Payments	Balance May 31, 2018	Due Within One Year
Bonds payable:					
Capital construction	\$ 5,875,000	\$ -	\$ 465,000	\$ 5,410,000	\$ 470,000
Deficit Financing	3,560,000	-	325,000	3,235,000	340,000
EFC Bond	-	419,395	-	419,395	10,000
Total bonds payable	9,435,000	419,395	790,000	9,064,395	820,000
 Installment purchase debt	496,039	87,568	53,436	530,171	51,154
Retirement incentives and other pension obligations	572,700	-	81,567	491,133	84,459
Compensated absences	1,252,143	123,042	22,332	1,352,853	22,350
Net pension liability	2,657,247	-	1,559,963	1,097,284	-
LOSAP Payable	2,523,588	360,465	102,090	2,781,963	125,718
Other postemployment benefits obligation payable	32,356,250	2,100,110	658,820	33,797,540	-
	<u>\$ 49,292,967</u>	<u>\$ 3,090,580</u>	<u>\$ 3,268,208</u>	<u>\$ 49,115,339</u>	<u>\$ 1,103,681</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, 2018 are comprised of the individual issues presented on the following page.

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%	\$ 1,395,000
General, Water and Sewer Improvements	2012	3,857,000	01/01/2032	2.50-4.00%	2,820,000
Sewer Improvements	2015	1,261,000	11/15/2035	3.50-4.00%	1,195,000
Deficit Financing - General, Water and Sewer Funds	2016	3,880,000	03/15/2026	5.00%	3,235,000
EFC Clean Water Bonds	2017	419,395	08/01/2047	1.03-3.98%	419,395
					<u>\$ 9,064,395</u>

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

Interest expenditures of \$390,811 were recorded in the fund financial statements in the Debt Service Fund for serial bonds. Interest expense of \$394,080 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, 2018 is \$530,171. Interest expenditures/expense of \$20,005 was recorded in the General Fund financial statements. Interest expense of \$17,434 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 \$81,567 and interest payments totaling \$17,434. At May 31, 2018, the outstanding principal balance was \$491,133.

Payments to Maturity

The annual requirements to amortize all outstanding bonds, installment purchase debt and retirement incentives and other pension obligations at May 31, 2018 are as follows:

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

Fiscal Year End May 31	Bonds Payable		Installment Purchase Debt		Retirement Incentives and Other Pension Obligations		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 820,000	\$ 367,766	\$ 51,154	\$ 22,287	\$ 84,459	\$ 17,434	\$ 955,613	\$ 407,487
2020	859,395	334,066	53,503	19,938	87,448	14,443	1,000,346	368,447
2021	890,000	298,874	55,962	17,479	90,547	11,345	1,036,509	327,698
2022	930,000	261,565	34,873	14,904	93,755	8,137	1,058,628	284,606
2023-2027	3,395,000	786,039	196,630	52,255	134,924	6,950	3,726,554	845,244
2028-2032	1,565,000	298,998	138,049	11,282	-	-	1,703,049	310,280
2033-2037	405,000	72,317	-	-	-	-	405,000	72,317
2038-2042	80,000	31,584	-	-	-	-	80,000	31,584
2043-2047	100,000	13,902	-	-	-	-	100,000	13,902
2048-2052	20,000	398	-	-	-	-	20,000	398
	<u>\$ 9,064,395</u>	<u>\$ 2,465,509</u>	<u>\$ 530,171</u>	<u>\$ 138,145</u>	<u>\$ 491,133</u>	<u>\$ 58,309</u>	<u>\$ 10,085,699</u>	<u>\$ 2,661,963</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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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 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 2018 are as follows:

<u>System</u>	<u>Tier</u>	<u>Plan</u>	<u>Rate</u>
ERS	2	75I	19.5%
ERS	3	A14	15.8%
ERS	4	A15	15.8%
ERS	5	A15	13.0%
ERS	6	A15	9.2%
PFRS	2	375I	17.7%
PFRS	2	384D	24.6%
PFRS	5	384D	23.4%
PFRS	6	384D	14.8%

Pension expenditures of \$599,044 for ERS and \$812,094 for PFRS were recorded in the fund financial statements as follows:

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General	\$ 368,732	\$ 812,094
Water	116,246	-
Sewer	114,066	-
	<u>\$ 599,044</u>	<u>\$ 812,094</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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

date, net pension liability, deferred outflows, deferred inflows and pension expense is presented on the following page.

	ERS			PFRS		
	2018	2017	Change	2018	2017	Change
Allocation percentage	0.0121370	0.0116346	-0.0005024	0.0698059	0.0754608	-0.0056549
Measurement date	3/13/2018	3/31/2017		3/13/2018	3/31/2017	
Actuarial valuation date	4/01/2017	4/01/2016		4/01/2017	4/01/2016	
Net pension liability – ending	<u>\$ 391,716</u>	<u>\$ 1,093,208</u>	<u>\$ (858,471)</u>	<u>\$ 705,568</u>	<u>\$ 1,564,039</u>	<u>\$ (858,471)</u>
<u>Deferred outflows</u>						
Differences between expected and actual experience	\$ 139,712	\$ 27,395	\$ 112,317	\$ 290,405	\$ 205,175	\$ 85,230
Changes of assumptions	259,740	373,480	(113,740)	534,596	770,536	(235,940)
Net difference between projected and actual investment earnings on pension plan investments	568,937	218,358	350,579	571,075	233,587	337,488
Changes in proportion and differences between employer contributions and proportionate share of contributions	140,126	95,614	44,512	299,654	243,918	55,736
Employer contributions subsequent to measurement date	<u>99,930</u>	<u>99,822</u>	<u>108</u>	<u>136,697</u>	<u>135,080</u>	<u>1,617</u>
Total deferred outflows	<u>\$ 1,208,445</u>	<u>\$ 814,669</u>	<u>\$ 393,776</u>	<u>\$ 1,832,427</u>	<u>\$ 1,588,296</u>	<u>\$ 244,131</u>
<u>Deferred Inflows:</u>						
Differences between expected and actual experience	\$ 115,453	\$ 166,010	\$ (50,557)	\$ 187,486	\$ 270,231	\$ (82,745)
Changes of assumptions	-	-	-	-	-	-
Net difference between projected and actual investment earnings on pension plan investments	1,123,024	-	1,123,024	1,150,114	-	1,150,114
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>34,001</u>	<u>46,996</u>	<u>(12,995)</u>	<u>116,578</u>	<u>103,180</u>	<u>13,398</u>
Total deferred inflows	<u>\$ 1,272,478</u>	<u>\$ 213,006</u>	<u>\$ 1,059,472</u>	<u>\$ 1,454,178</u>	<u>\$ 373,411</u>	<u>\$ 1,080,767</u>
<u>Pension Expense:</u>						
Proportionate share of plan pension expense	\$ 473,576	\$ 626,033	\$ (152,457)	\$ 678,663	\$ 920,065	\$ (241,402)
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportional share of contributions	<u>37,240</u>	<u>18,290</u>	<u>18,950</u>	<u>61,199</u>	<u>43,776</u>	<u>17,423</u>
Total pension expense	<u>\$ 510,816</u>	<u>\$ 644,323</u>	<u>\$ (133,507)</u>	<u>\$ 739,862</u>	<u>\$ 963,841</u>	<u>\$ (223,979)</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, 2018

Year Ending March 31	<u>ERS</u>	<u>PFRS</u>
2018	\$ 121,105	\$ 210,336
2019	90,365	194,208
2020	(262,579)	(139,521)
2021	(112,855)	(68,978)
2022	-	45,507
Thereafter	-	-

The total pension liability for the March 31, 2018 measurement date was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liabilities to March 31, 2018. The actuarial valuation used the following actuarial assumptions:

	<u>ERS</u>	<u>PFRS</u>
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, 2018 are summarized as follows:

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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%	7.50%
Real estate	10.00%	5.55%
Absolute return strategies	2.00%	3.75%
Opportunistic portfolio	3.00%	5.68%
Real assets	3.00%	5.29%
Bonds and mortgages	17.00%	1.31%
Cash	1.00%	-0.25%
Inflation-indexed bonds	4.00%	1.50%
	<u>100.00%</u>	

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:

Village's Proportionate Share of	One Percent Decrease (6%)	Current Assumption (7%)	One Percent Increase (8%)
ERS net pension liability (asset)	\$ 2,963,830	\$ 391,716	\$ (1,784,189)
PFRS net pension liability (asset)	\$ 3,456,064	\$ 705,568	\$ (1,601,453)

The components of the collective net pension liability as of the March 31, 2018 measurement date were as follows:

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

	(Dollars in Thousands)		
	ERS	PFRS	Total
Employers' total pension liability	\$ 183,400,590	\$ 32,914,423	\$ 216,315,013
Fiduciary net position	180,173,145	31,903,666	212,076,811
Employers' net pension liability	<u>\$ 3,227,445</u>	<u>\$ 1,010,757</u>	<u>\$ 4,238,202</u>
Ratio of fiduciary net position to the employers' total pension liability	98.24%	96.93%	98.04%

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, 2018 represent the employer contribution for the period of April 1, 2018 through May 31, 2018 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, 2018 were \$99,930 and \$136,697, 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.

Other Post Employment Benefit Obligations

Plan Description and Benefits Provided - 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.

At May 31, 2018, the following employees were covered by the benefit terms:

Retired Employees	61
Active Employees	<u>72</u>
Total Employees	133

The Village's total OPEB liability of \$33,797,540 was measured as of May 31, 2018, and was determined by an actuarial valuation as of that date.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

Actuarial Assumptions and Other inputs – The total OPEB liability in the May 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry age normal as a percentage of payroll
Salary Increases	N/A
Discount Rate	3.7%
Healthcare Cost Trend Rates	9.0% in 2017, decreasing 0.5% per year to an ultimate rate of 5.0% in 2025
Retiree Contribution Rates	Hired prior to March 1, 1997: 0% Hired after March 1, 1997: 14% of premium for single coverage, 12% of premium for family coverage, 50% of premium for surviving spouses

The discount rate is based on the prescribed discount interest rate methodology under GASB 75 based on an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years) as of March 28, 2018 with rates rounded to the nearest 0.1%.

Changes in the Total OPEB Liability:

Balance as of June 1, 2017	<u>\$ 32,356,250</u>
<u>Changes For The Year</u>	
Service Cost	915,117
Interest	1,184,993
Differences between expected and actual expe	-
Changes of benefit terms	-
Changes of assumptions	-
Benefit payments	<u>(658,820)</u>
Net Changes	<u>1,441,290</u>
Balance as of May 31, 2018	<u>\$ 33,797,540</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate –
The following presents the total OPEB liability of the District, as well as what the Village's total OPEB liability would be if it were calculated using a

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

discount rate that is 1 percentage point lower (2.7%) or 1 percentage point higher (4.7%) than the current discount rate:

	1% Decrease (2.7%)	Discount Rate (3.7%)	1% Increase (4.7%)
Total OPEB Liability	\$41,469,311	\$ 33,797,540	\$ 28,071,226

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rate:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$26,119,327	\$33,797,540	\$45,493,932

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended May 31, 2018, the Village recognized OPEB expense of \$2,100,110. This fiscal year is the first year of implementation for GASB No. 75, thus no deferred inflows or outflows of resources are anticipated.

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.

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$1,042,413
Water Fund	-	96,868
Sewer Fund	-	539,092
Capital Projects Fund	500,965	-
Debt Service Fund	1,177,408	-
Total	<u>\$1,678,373</u>	<u>\$1,678,373</u>

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

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.

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.

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 mgenito@suffernny.gov 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 Suffern 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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

York. In accordance with the agreement, Avon constructed 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, 2018 were as follows:

<u>Taxable Assessed Value</u>	<u>Tax Rate</u>	<u>Tax Value</u>	<u>PILOT Received</u>	<u>Taxes Abated</u>
\$6,811,800	\$78.06	\$531,729	\$147,957	\$383,772 72.2%

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, 2018, 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, 2018.

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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2018

claims currently pending, none are expected to have a material effect on the financial position of the Village if adversely settled.

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

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 June 8, 2018 the Village entered into an installment purchase contract for the financing of a police vehicle in the principal amount of \$47,025 at the interest rate of 5.95% and a maturity date of June 8, 2021.

On November 15, 2018 the Village issued a bond anticipation note for various purposes in the amount of \$456,450 at the rate of 2.94% and a maturity date of November 15, 2019.

On November 16, 2018 the Village was awarded three New York State Water Infrastructure Improvement Act (WIIA) grants totaling \$565,096 for improvements to the Village wastewater treatment plant and sanitary sewer system.

THIS PAGE INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF SUFFERN, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS -
OTHER POST EMPLOYMENT BENEFITS PLAN
LAST ONE FISCAL YEAR

Measurement Date	<u>5/31/2018</u>
<u>TOTAL OPEB LIABILITY</u>	
Service Cost	\$ 915,117
Interest	1,184,993
Changes in benefit terms	-
Differences between expected and actual experience in the measurement of the total OPEB liability	-
Changes of assumptions	-
Benefit payments	<u>(658,820)</u>
Net change in Total OPEB Liability	1,441,290
TOTAL OPEB LIABILITY - BEGINNING	<u>32,356,250</u>
<u>TOTAL OPEB LIABILITY - ENDING</u>	<u>\$ 33,797,540</u>
Covered-Employee Payroll	\$ 6,199,720
Total OPEB liability as a % of covered payroll	545.15%

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF CHANGES IN
THE VILLAGE'S TOTAL PENSION LIABILITY - FIRE SERVICE AWARDS PROGRAM
LAST ONE FISCAL YEAR

Measurement Date	<u>5/31/2018</u>
<u>TOTAL PENSION LIABILITY</u>	
Service Cost	\$ 68,117
Interest	94,259
Changes of Assumptions or Other Inputs	223,277
Differences Between Expected and Actual Experience	(25,188)
Benefit Payments	<u>(102,090)</u>
Net Change in Total Pension Liability	258,375
Total Pension Liability - Beginning	<u>2,523,588</u>
<u>TOTAL PENSION LIABILITY - ENDING</u>	<u>\$ 2,781,963</u>
Covered-Employee Payroll	N/A
Total Pension Liability as a % of Covered Payroll	N/A

Notes to Required Supplementary Information

Changes of assumptions or other inputs. The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2017: 3.16%

Trust Assets. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.

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

	2018	2017	2016
<u>Employees Retirement System</u>			
Proportion of the net pension liability	0.0121370%	0.0116346%	0.0126191%
Proportionate share of the net pension liability	\$ 391,716	\$ 1,093,208	\$ 2,025,395
Covered employee payroll *	\$ 3,711,867	\$ 3,463,920	\$ 3,470,246
Net pension liability as percentage of covered employee payroll	10.55%	31.56%	58.36%
Fiduciary net position as percentage of total pension liability	98.2%	94.7%	90.7%
Contractually required contribution	\$ 546,504	\$ 516,606	\$ 599,702
Contributions made	(546,504)	(516,606)	(599,702)
(Excess) deficiency of contributions	\$ -	\$ -	\$ -
Covered payroll **	\$ 3,595,893	\$ 3,669,985	\$ 3,617,070
Contributions as percentage of covered employee payroll	15.20%	14.08%	16.58%
<u>Police and Fire Retirement System</u>			
Proportion of the net pension liability	0.0698059%	0.0754608%	0.0763461%
Proportionate share of the net pension liability	\$ 705,568	\$ 1,564,039	\$ 2,260,447
Covered employee payroll *	\$ 3,358,171	\$ 3,265,551	\$ 2,835,592
Net pension liability as percentage of covered employee payroll	21.01%	47.90%	79.72%
Fiduciary net position as percentage of total pension liability	96.9%	93.5%	90.2%
Contractually required contribution	\$ 761,081	\$ 733,265	\$ 455,277
Contributions made	(761,081)	(733,265)	(455,277)
(Excess) deficiency of contributions	\$ -	\$ -	\$ -
Covered payroll **	\$ 3,341,454	\$ 3,545,701	\$ 3,723,500
Contributions as percentage of covered employee payroll	22.78%	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 April 1 through March 31.

** Represents the Village's covered payroll for period June 1 through March 31.

THIS PAGE INTENTIONALLY LEFT BLANK

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF SUFFERN, NEW YORK
GENERAL FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 682,741	\$ 629,709
Restricted cash and cash equivalents	90,830	71,594
Receivables		
Accounts, net	151,990	286,558
State and Federal aid	118,769	121,803
Due from other funds	3,333,952	2,602,220
Advances to other funds	365,000	365,000
Due from other governments	130,253	149,250
<u>TOTAL ASSETS</u>	<u>\$ 4,873,535</u>	<u>\$ 4,226,134</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 397,426	\$ 437,706
Accrued liabilities	238,526	154,099
Due to other funds	188,353	496,038
Unearned revenues	5,000	-
Retainage payable	62,000	76,753
Security deposits	73,148	69,548
Bond anticipation notes payable	76,500	102,000
Due to retirement systems	200,487	200,512
<u>TOTAL LIABILITIES</u>	<u>1,241,440</u>	<u>1,536,656</u>
 <u>FUND BALANCE</u>		
<u>Nonspendable</u>		
Advance to Capital Projects Fund	365,000	365,000
<u>Restricted</u>		
Law Enforcement	19,054	18,524
DARE	64,477	53,070
<u>Committed</u>		
Suffern Day	6,039	4,735
Assigned	37,014	34,239
Unassigned	3,140,511	2,213,910
<u>TOTAL FUND BALANCE</u>	<u>3,632,095</u>	<u>2,689,478</u>
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	 <u>\$ 4,873,535</u>	 <u>\$ 4,226,134</u>

VILLAGE OF SUFFERN, NEW YORK
COMBINING BALANCE SHEET - GENERAL FUND
AS OF MAY 31, 2018

		Fire Service	Total	
	General	Awards Program	2018	2017
<u>ASSETS</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 682,741	\$ 27,070	\$ 709,811	\$ 629,709
Restricted cash and cash equivalents	90,830	3,900	94,730	71,594
Investments - Restricted	-	1,481,605	1,481,605	-
Receivables				
Accounts, net	151,990	-	151,990	286,558
State and Federal aid	118,769	-	118,769	121,803
Due from other governments	130,253	-	130,253	149,250
Due from other funds	3,333,952	-	3,333,952	2,602,220
Advances to other funds	365,000	-	365,000	365,000
<u>TOTAL ASSETS</u>	<u>\$ 4,873,535</u>	<u>\$ 1,512,575</u>	<u>\$ 6,386,110</u>	<u>\$ 4,226,134</u>
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Accounts payable	\$ 397,426	\$ 3,900	\$ 401,326	\$ 437,706
Accrued liabilities	238,526	-	238,526	154,099
Due to other funds	188,353	-	188,353	496,038
Unearned revenues	5,000	-	5,000	-
Retainage payable	62,000	-	62,000	76,753
Security deposits	73,148	-	73,148	69,548
Bond anticipation notes payable	76,500	-	76,500	102,000
Due to retirement systems	200,487	-	200,487	200,512
<u>TOTAL LIABILITIES</u>	<u>1,241,440</u>	<u>3,900</u>	<u>1,245,340</u>	<u>1,536,656</u>
<u>FUND BALANCE</u>				
<u>Nonspendable</u>				
Advance to Capital Projects Fund	365,000	-	365,000	365,000
<u>Restricted</u>				
Law Enforcement	19,054	-	19,054	18,524
DARE	64,477	-	64,477	53,070
Fire Service Awards Program	-	1,508,675	1,508,675	-
<u>Committed</u>				
Suffern Day	6,039	-	6,039	4,735
Assigned	37,014	-	37,014	34,239
Unassigned	3,140,511	-	3,140,511	2,213,910
<u>TOTAL FUND BALANCE</u>	<u>3,632,095</u>	<u>1,508,675</u>	<u>5,140,770</u>	<u>2,689,478</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 4,873,535</u>	<u>\$ 1,512,575</u>	<u>\$ 6,386,110</u>	<u>\$ 4,226,134</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, 2018 AND 2017

	2018			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REAL PROPERTY TAXES</u>	<u>\$ 10,648,171</u>	<u>\$ 10,612,997</u>	<u>\$ 10,623,502</u>	<u>\$ 10,505</u>
<u>OTHER TAX ITEMS</u>				
Payments in lieu of taxes	184,526	184,526	184,526	-
Interest and penalties on real property taxes	17,200	17,200	44,024	26,824
<u>Total Other Tax Items</u>	<u>201,726</u>	<u>201,726</u>	<u>228,550</u>	<u>26,824</u>
<u>NON-PROPERTY TAXES</u>				
Utilities gross receipts tax	150,000	150,000	174,689	24,689
Franchise fees	240,000	240,000	327,697	87,697
<u>Total Non-property Taxes</u>	<u>390,000</u>	<u>390,000</u>	<u>502,386</u>	<u>112,386</u>
<u>DEPARTMENTAL INCOME</u>				
Fire inspection fees	53,500	53,500	43,350	(10,150)
Certificate of occupancy search fees	18,500	18,500	23,776	5,276
Public safety fees	20,000	20,000	20,000	-
Vital statistics fees	48,000	48,000	51,905	3,905
Public Works services	-	-	7,553	7,553
Parking permits	196,400	178,400	190,605	12,205
Pool fees	46,500	46,500	45,962	(538)
Other culture and recreation fees	10,300	10,300	16,328	6,028
Zoning fees	2,600	2,600	2,720	120
Planning board fees	31,000	31,000	19,637	(11,363)
Refuse and garbage charges	1,294,699	1,273,699	1,272,901	(798)
Police services	750	750	6,488	5,738
Snow removal	5,588	5,588	835	(4,753)
<u>Total Departmental Income</u>	<u>1,727,837</u>	<u>1,688,837</u>	<u>1,702,060</u>	<u>13,223</u>
<u>USE OF MONEY AND PROPERTY</u>				
Earnings on investments	-	-	521	521
Rental of real property	36,019	54,019	54,019	-
Filming Fees	-	-	99,348	99,348
<u>Total Use of Money and Property</u>	<u>36,019</u>	<u>54,019</u>	<u>153,888</u>	<u>99,869</u>
<u>LICENSES AND PERMITS</u>				
Business and occupational licenses	750	750	-	(750)
Building permits	85,000	85,000	52,963	(32,037)
Garage sale permits	34,000	34,000	22,651	(11,349)
<u>Total Licenses and Permits</u>	<u>119,750</u>	<u>119,750</u>	<u>75,614</u>	<u>(44,136)</u>
<u>FINES AND FORFEITURES</u>	<u>228,570</u>	<u>228,570</u>	<u>255,803</u>	<u>27,233</u>
<u>SALE OF PROPERTY AND COMPENSATION FOR LOSS</u>				
Sale of recyclables	3,000	24,000	6,724	(17,276)
Insurance recoveries	65,000	65,000	47,267	(17,733)
<u>Total Sale of Property and Compensation for Loss</u>	<u>68,000</u>	<u>89,000</u>	<u>53,991</u>	<u>(35,009)</u>

2017

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 10,391,202	\$ 10,391,202	\$ 10,378,175	\$ (13,027)
180,302	180,302	180,282	(20)
17,000	17,000	14,879	(2,121)
197,302	197,302	195,161	(2,141)
150,000	150,000	163,628	13,628
243,000	243,000	244,861	1,861
393,000	393,000	408,489	15,489
55,000	55,000	55,400	400
19,000	19,000	15,600	(3,400)
20,000	20,000	20,000	-
50,000	50,000	49,460	(540)
-	-	1,537	1,537
150,000	150,000	205,575	55,575
40,000	40,000	40,147	147
10,000	10,000	14,997	4,997
2,400	2,400	2,185	(215)
20,000	20,000	40,064	20,064
1,198,343	1,198,343	1,309,958	111,615
-	-	450	450
5,288	5,288	4,687	(601)
1,570,031	1,570,031	1,760,060	190,029
-	-	51	51
58,970	58,970	52,970	(6,000)
-	-	-	-
58,970	58,970	53,021	(5,949)
600	600	100	(500)
84,000	104,000	209,185	105,185
20,000	20,000	40,395	20,395
104,600	124,600	249,680	125,080
260,500	260,500	273,951	13,451
26,000	26,000	3,642	(22,358)
65,000	65,000	25,752	(39,248)
91,000	91,000	29,394	(61,606)

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, 2018 AND 2017

	2018			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>MISCELLANEOUS REVENUE</u>				
County sales tax distribution	500,000	500,000	526,222	26,222
Refund of prior years' expenditures	-	-	26,034	26,034
Gifts and donations	79,000	79,500	110,204	30,704
Premiums on obligations	-	-	1,626	1,626
Other miscellaneous revenues	188,000	188,000	218,894	30,894
<u>Total Miscellaneous Revenue</u>	<u>767,000</u>	<u>767,500</u>	<u>882,980</u>	<u>115,480</u>
<u>STATE AID</u>				
Aid and Incentive for Municipalities	99,859	99,859	98,736	(1,123)
Mortgage tax	154,500	154,500	195,361	40,861
Public Safety	-	-	-	-
Transportation	-	-	44,588	44,588
Water Project	-	-	49,306	49,306
<u>Total State Aid</u>	<u>254,359</u>	<u>254,359</u>	<u>387,991</u>	<u>133,632</u>
<u>TOTAL REVENUES</u>	<u>14,441,432</u>	<u>14,406,758</u>	<u>14,866,765</u>	<u>460,007</u>
<u>EXPENDITURES</u>				
<u>GENERAL GOVERNMENT</u>				
Board of Trustees	41,250	42,191	46,938	(4,747)
Justice Court	269,444	267,765	237,781	29,984
Mayor	29,750	29,930	29,270	660
Auditor	38,000	38,000	24,336	13,664
Treasurer	126,988	126,177	114,124	12,053
Assessment	13,103	13,103	13,557	(454)
Municipal financial advisor	-	-	2,500	(2,500)
Clerk	170,519	171,607	234,516	(62,909)
Attorney	159,500	159,680	271,658	(111,978)
Shared services	204,934	204,934	173,447	31,487
Unallocated insurance	160,930	160,930	141,429	19,501
Municipal association dues	5,000	5,000	4,846	154
Judgments and claims	70,000	34,826	898	33,928
Contingency	200,000	145,017	-	145,017
<u>Total General Government</u>	<u>1,489,418</u>	<u>1,399,160</u>	<u>1,295,300</u>	<u>103,860</u>
<u>PUBLIC SAFETY</u>				
Police	3,694,906	3,748,315	3,737,418	10,897
Fire	445,511	310,429	303,519	6,910
Safety Inspection	238,583	238,481	218,274	20,207
<u>Total Public Safety</u>	<u>4,379,000</u>	<u>4,297,225</u>	<u>4,259,211</u>	<u>38,014</u>
<u>HEALTH - REGISTRAR OF VITAL STATISTICS</u>	<u>9,600</u>	<u>9,600</u>	<u>9,720</u>	<u>(120)</u>
<u>TRANSPORTATION</u>				
Street administration	39,149	38,432	33,049	5,383
Street maintenance	1,132,338	1,106,912	968,289	138,623
Snow removal	115,500	115,500	116,036	(536)
Street lighting	227,700	227,700	176,490	51,210
Parking	123,010	123,264	124,702	(1,438)
<u>Total Transportation</u>	<u>1,637,697</u>	<u>1,611,808</u>	<u>1,418,566</u>	<u>193,242</u>

2017

Original Budget	Final Budget	Actual	Variance with Final Budget
495,000	495,000	526,977	31,977
-	-	17,603	17,603
83,500	154,391	167,655	13,264
-	-	10,169	10,169
151,775	151,775	226,573	74,798
730,275	801,166	948,977	147,811
99,800	99,800	99,859	59
140,000	140,000	200,522	60,522
-	-	22,800	22,800
112,500	112,500	13,267	(99,233)
-	-	-	-
352,300	352,300	336,448	(15,852)
14,149,180	14,240,071	14,633,356	393,285
90,750	86,703	86,521	182
270,871	258,142	254,345	3,797
28,000	28,767	28,767	-
37,800	36,800	36,800	-
114,418	163,550	160,974	2,576
12,753	13,104	13,103	1
18,000	9,393	9,392	1
179,752	207,296	203,582	3,714
94,650	201,273	198,999	2,274
195,195	175,990	167,487	8,503
236,000	145,986	145,985	1
4,900	4,900	4,696	204
70,000	19,009	24,178	(5,169)
200,000	-	-	-
1,553,089	1,350,913	1,334,829	16,084
3,925,722	3,981,405	3,861,897	119,508
442,837	302,837	292,359	10,478
242,501	265,549	246,169	19,380
4,611,060	4,549,791	4,400,425	149,366
9,600	9,600	9,200	400
37,949	43,604	36,170	7,434
1,092,983	957,216	913,438	43,778
98,500	98,500	94,488	4,012
215,700	177,214	182,149	(4,935)
140,000	134,429	131,146	3,283
1,585,132	1,410,963	1,357,391	53,572

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, 2018 AND 2017

	2018			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>CULTURE AND RECREATION</u>				
Parks and playgrounds	272,058	272,793	274,862	(2,069)
Youth recreation	85,183	85,183	80,791	4,392
Historian	4,581	4,689	3,803	886
<u>Total Culture and Recreation</u>	<u>361,822</u>	<u>362,665</u>	<u>359,456</u>	<u>3,209</u>
<u>HOME AND COMMUNITY SERVICES</u>				
Zoning Board	5,863	5,863	5,330	533
Planning Board	21,616	21,616	27,294	(5,678)
Refuse and garbage	977,980	979,641	945,978	33,663
<u>Total Home and Community Services</u>	<u>1,005,459</u>	<u>1,007,120</u>	<u>978,602</u>	<u>28,518</u>
<u>EMPLOYEE BENEFITS</u>				
NYS Employee Retirement System	395,432	395,432	368,732	26,700
NYS Police & Fire Retirement System	870,434	870,434	812,094	58,340
Firefighter service award program	-	140,000	128,719	11,281
Social Security and Medicare	425,400	425,400	425,879	(479)
MTA Commuter tax	25,500	25,500	18,545	6,955
Disability insurance	200	200	103	97
Flexible spending plan fees	800	800	1,300	(500)
Workers' compensation insurance	505,032	505,032	519,117	(14,085)
Life insurance	58,300	58,300	76,820	(18,520)
Unemployment insurance	3,000	3,000	1,700	1,300
Health insurance	2,081,300	2,081,300	2,027,347	53,953
Dental insurance	98,200	98,200	98,616	(416)
<u>Total Employee Benefits</u>	<u>4,463,598</u>	<u>4,603,598</u>	<u>4,478,972</u>	<u>124,626</u>
<u>DEBT SERVICE</u>				
Principal - Installment purchase debt	29,772	29,772	29,772	-
Interest				
Bond anticipation notes	32,131	32,131	32,131	-
Installment purchase debt	20,005	20,005	20,005	-
<u>Total Interest</u>	<u>52,136</u>	<u>52,136</u>	<u>52,136</u>	<u>-</u>
<u>Total Debt Service</u>	<u>81,908</u>	<u>81,908</u>	<u>81,908</u>	<u>-</u>
<u>Total Expenditures</u>	<u>13,428,502</u>	<u>13,373,084</u>	<u>12,881,735</u>	<u>491,349</u>
Excess of Revenues Over Expenditures	1,012,930	1,033,674	1,985,030	951,356
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out - Debt Service Fund	(639,973)	(639,973)	(639,973)	-
Transfer Out - Capital Projects Fund	(372,957)	(427,940)	(402,440)	25,500
<u>Total Other Financing Sources (Uses)</u>	<u>(1,012,930)</u>	<u>(1,067,913)</u>	<u>(1,042,413)</u>	<u>25,500</u>
NET CHANGE IN FUND BALANCE	-	(34,239)	942,617	976,856
Fund Balance (Deficit) - Beginning	-	34,239	2,689,478	2,655,239
Fund Balance - Ending	\$ -	\$ -	\$ 3,632,095	\$ 3,632,095

2017

Original Budget	Final Budget	Actual	Variance with Final Budget
267,627	268,486	260,585	7,901
85,372	76,367	71,754	4,613
4,881	4,881	3,762	1,119
357,880	349,734	336,101	13,633
5,863	5,863	5,428	435
20,891	31,379	31,328	51
950,671	950,625	932,577	18,048
977,425	987,867	969,333	18,534
387,622	387,622	378,632	8,990
732,926	861,319	801,520	59,799
-	140,000	133,141	6,859
461,422	443,392	409,192	34,200
25,500	18,030	18,029	1
360	360	137	223
720	1,000	1,000	-
375,322	509,077	509,077	-
48,100	55,806	55,805	1
3,000	5,362	5,361	1
1,789,163	1,911,140	1,911,140	-
95,000	112,234	110,233	2,001
3,919,135	4,445,342	4,333,267	112,075
28,618	28,619	28,618	1
33,153	33,153	32,568	585
21,160	21,159	21,159	-
54,313	54,312	53,727	585
82,931	82,931	82,345	586
13,096,252	13,187,141	12,822,891	364,250
1,052,928	1,052,930	1,810,465	757,535
(640,983)	(640,983)	(640,968)	15
(411,945)	(411,947)	(361,947)	50,000
(1,052,928)	(1,052,930)	(1,002,915)	50,015
-	-	807,550	807,550
-	-	1,881,928	1,881,928
\$ -	\$ -	\$ 2,689,478	\$ 2,689,478

VILLAGE OF SUFFERN, NEW YORK
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEARS ENDED MAY 31, 2018 AND 2017

				<u>Total</u>	
	<u>General</u>	<u>Fire Service Awards Program</u>	<u>Eliminations</u>	<u>2018</u>	<u>2017</u>
<u>REVENUES</u>					
Real property taxes	\$ 10,623,502	\$ -	\$ -	\$ 10,623,502	\$ 10,378,175
Other tax items	228,550	-	-	228,550	195,161
Non-property taxes	502,386	-	-	502,386	408,489
Departmental income	1,702,060	133,141	(133,141)	1,702,060	1,760,060
Use of money and property	153,888	48,831	-	202,719	53,021
Licenses and permits	75,614	92,617	-	168,231	249,680
Fines and forfeitures	255,803	-	-	255,803	273,951
Sale of property and compensation for loss	53,991	-	-	53,991	29,394
Miscellaneous revenue	882,980	-	-	882,980	948,977
State aid	387,991	-	-	387,991	336,448
<u>Total Revenues</u>	<u>14,866,765</u>	<u>274,589</u>	<u>(133,141)</u>	<u>15,008,213</u>	<u>14,633,356</u>
<u>EXPENDITURES</u>					
Current					
General government support	1,295,300	-	-	\$ 1,295,300	1,334,829
Public safety	4,259,211	102,090	-	4,361,301	4,400,425
Health	9,720	-	-	9,720	9,200
Transportation	1,418,566	-	-	1,418,566	1,357,391
Culture and recreation	359,456	-	-	359,456	336,101
Home and community services	978,602	-	-	978,602	969,333
Employee benefits	4,478,972	-	(133,141)	4,345,831	4,333,267
Debt service					
Principal	29,772	-	-	29,772	28,618
Interest	52,136	-	-	52,136	53,727
<u>Total Expenditures</u>	<u>12,881,735</u>	<u>102,090</u>	<u>(133,141)</u>	<u>12,850,684</u>	<u>12,822,891</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,985,030</u>	<u>172,499</u>	<u>-</u>	<u>2,157,529</u>	<u>1,810,465</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	-	-	-	-	-
Transfers out	(1,042,413)	-	-	(1,042,413)	(1,002,915)
<u>Total Other Financing Sources (Uses)</u>	<u>(1,042,413)</u>	<u>-</u>	<u>-</u>	<u>(1,042,413)</u>	<u>(1,002,915)</u>
Net Change in Fund Balances	942,617	172,499	-	1,115,116	807,550
Cumulative Effect of Change in Accounting Principle	-	1,336,176	-	1,336,176	-
Fund Balances (Deficits) - Beginning	2,689,478	-	-	2,689,478	1,881,928
Fund Balances (Deficits) - Ending	<u>\$ 3,632,095</u>	<u>\$ 1,508,675</u>	<u>\$ -</u>	<u>\$ 5,140,770</u>	<u>\$ 2,689,478</u>

VILLAGE OF SUFFERN, NEW YORK
WATER FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,060,236	\$ 1,354,516
<u>RECEIVABLES</u>		
Accounts, net	779	12,108
Water rents	719,343	542,190
Due from other funds	188,352	152,858
<u>TOTAL ASSETS</u>	<u>\$ 1,968,710</u>	<u>\$ 2,061,672</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
 <u>LIABILITIES</u>		
Accounts payable	\$ 31,982	\$ 39,353
Accrued liabilities	18,449	15,119
Due to other funds	1,423,634	1,817,244
Due to retirement systems	19,859	18,916
<u>TOTAL LIABILITIES</u>	<u>1,493,924</u>	<u>1,890,632</u>
 <u>FUND BALANCE</u>	 <u>474,786</u>	 <u>171,040</u>
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	 <u>\$ 1,968,710</u>	 <u>\$ 2,061,672</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, 2018 AND 2017

	2018			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES</u>				
<u>DEPARTMENTAL INCOME</u>				
Metered water sales	\$ 2,001,768	\$ 2,001,768	\$ 1,855,879	\$ (145,889)
Water service charges	1,500	1,500	32,900	31,400
Interest and penalties on water rents	12,000	12,000	25,827	13,827
<u>Total Departmental Income</u>	<u>2,015,268</u>	<u>2,015,268</u>	<u>1,914,606</u>	<u>(100,662)</u>
<u>MISCELLANEOUS REVENUE</u>	<u>6,020</u>	<u>6,020</u>	<u>10,464</u>	<u>4,444</u>
<u>Total Revenues</u>	<u>2,021,288</u>	<u>2,021,288</u>	<u>1,925,070</u>	<u>(96,218)</u>
<u>EXPENDITURES</u>				
<u>HOME AND COMMUNITY SERVICES</u>				
Water administration	289,340	289,340	295,086	(5,746)
Source of supply, power and pumping	902,872	902,872	679,475	223,397
Transmission and distribution	103,900	103,900	79,515	24,385
Contingency	200,000	200,000	-	200,000
<u>Total Home and Community Services</u>	<u>1,496,112</u>	<u>1,496,112</u>	<u>1,054,076</u>	<u>442,036</u>
<u>EMPLOYEE BENEFITS</u>				
NYS Employees Retirement System	123,106	123,106	116,246	6,860
Social Security and Medicare	61,700	61,700	36,118	25,582
MTA Commuter Tax	-	-	1,637	(1,637)
Workers' compensation insurance	39,626	39,626	41,775	(2,149)
Health insurance	286,600	286,600	270,389	16,211
Life insurance	2,200	2,200	2,386	(186)
<u>Total Employee Benefits</u>	<u>513,232</u>	<u>513,232</u>	<u>468,551</u>	<u>44,681</u>
<u>DEBT SERVICE</u>				
Bond anticipation notes - Interest	1,829	1,829	1,829	-
<u>Total Debt Service</u>	<u>1,829</u>	<u>1,829</u>	<u>1,829</u>	<u>-</u>
<u>TOTAL EXPENDITURES</u>	<u>2,011,173</u>	<u>2,011,173</u>	<u>1,524,456</u>	<u>486,717</u>
Excess (Deficiency) of Revenues Over Expenditures	10,115	10,115	400,614	390,499
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer out - Debt Service Fund	(71,243)	(71,243)	(71,243)	-
Transfer out - Capital Projects Fund	(25,625)	(25,625)	(25,625)	-
<u>Total Other Financing Sources (Uses)</u>	<u>(96,868)</u>	<u>(96,868)</u>	<u>(96,868)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(86,753)</u>	<u>(86,753)</u>	<u>303,746</u>	<u>390,499</u>
Fund Balance (Deficit) - Beginning	86,753	86,753	171,040	84,287
Fund Balance - Ending	\$ -	\$ -	\$ 474,786	\$ 474,786

2017

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 1,952,247	\$ 1,952,247	\$ 1,729,302	\$ (222,945)
1,500	1,500	3,374	1,874
12,000	12,000	9,580	(2,420)
1,965,747	1,965,747	1,742,256	(223,491)
6,020	6,020	7,560	1,540
1,971,767	1,971,767	1,749,816	(221,951)
510,045	479,933	298,315	181,618
812,959	820,730	776,224	44,506
94,500	94,500	67,111	27,389
-	-	-	-
1,417,504	1,395,163	1,141,650	253,513
112,056	109,504	107,861	1,643
61,114	58,634	44,599	14,035
-	2,480	2,476	4
35,890	42,715	42,715	-
244,227	261,863	258,862	3,001
1,960	2,392	2,032	360
455,247	477,588	458,545	19,043
1,939	1,939	1,908	31
1,939	1,939	1,908	31
1,874,690	1,874,690	1,602,103	272,587
97,077	97,077	147,713	50,636
(71,567)	(71,567)	(71,567)	-
(25,510)	(25,510)	(25,510)	-
(97,077)	(97,077)	(97,077)	-
-	-	50,636	50,636
-	-	120,404	120,404
\$ -	\$ -	\$ 171,040	\$ 171,040

THIS PAGE INTENTIONALLY LEFT BLANK

VILLAGE OF SUFFERN, NEW YORK
COMPARATIVE BALANCE SHEET
SEWER FUND
MAY 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 263,274	\$ 171,542
<u>RECEIVABLES</u>		
Accounts, net	944	21,773
Sewer rents	845,799	574,985
Due from other funds	1,290,875	1,684,485
<u>TOTAL ASSETS</u>	<u>\$ 2,400,892</u>	<u>\$ 2,452,785</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 71,674	\$ 41,252
Accrued liabilities	5,075	11,355
Due to other funds	2,595,476	2,651,375
Due to retirement systems	16,281	15,473
<u>TOTAL LIABILITIES</u>	<u>2,688,506</u>	<u>2,719,455</u>
 <u>TOTAL FUND BALANCE</u>	<u>(287,614)</u>	<u>(266,670)</u>
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 2,400,892</u>	<u>\$ 2,452,785</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, 2018 AND 2017

	2018			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES</u>				
<u>DEPARTMENTAL INCOME</u>				
Sewer fees	\$ 2,139,287	\$ 2,139,287	\$ 1,984,213	\$ (155,074)
Penalties	9,500	9,500	27,828	18,328
<u>USE OF MONEY AND PROPERTY</u>	-	-	2	2
<u>MISCELLANEOUS REVENUE</u>	11,900	11,900	16,045	4,145
<u>TOTAL REVENUES</u>	<u>\$ 2,160,687</u>	<u>\$ 2,160,687</u>	<u>\$ 2,028,088</u>	<u>\$ (132,599)</u>
<u>EXPENDITURES</u>				
<u>HOME AND COMMUNITY SERVICES</u>				
Wastewater administration	\$ 284,673	\$ 284,673	\$ 281,751	\$ 2,922
Wastewater treatment	835,134	835,134	858,504	(23,370)
Contingency	100,000	100,000	-	100,000
<u>Total Home and Community Services</u>	<u>1,219,807</u>	<u>1,219,807</u>	<u>1,140,255</u>	<u>79,552</u>
<u>EMPLOYEE BENEFITS</u>				
NYS Employees Retirement System	100,922	100,922	114,065	(13,143)
Social Security and Medicare	50,700	50,700	22,013	28,687
MTA Commuter Tax	-	-	998	(998)
Workers' compensation insurance	39,626	39,626	34,148	5,478
Health insurance	188,100	188,100	180,852	7,248
Life insurance	1,300	1,300	1,843	(543)
<u>Total Employee Benefits</u>	<u>380,648</u>	<u>380,648</u>	<u>353,919</u>	<u>26,729</u>
<u>DEBT INTEREST</u>				
State loan	10,500	10,500	3,404	7,096
Bond anticipation notes	10,640	10,640	12,362	(1,722)
<u>Total Debt Interest</u>	<u>21,140</u>	<u>21,140</u>	<u>15,766</u>	<u>5,374</u>
<u>Total Expenditures</u>	<u>1,621,595</u>	<u>1,621,595</u>	<u>1,509,940</u>	<u>111,655</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>539,092</u>	<u>539,092</u>	<u>518,148</u>	<u>(20,944)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer out - Debt Service Fund	(466,192)	(466,192)	(466,192)	-
Transfer out - Capital Projects Fund	(72,900)	(72,900)	(72,900)	-
<u>Total Other Financing Sources (Uses)</u>	<u>(539,092)</u>	<u>(539,092)</u>	<u>(539,092)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>-</u>	<u>-</u>	<u>(20,944)</u>	<u>(20,944)</u>
Fund Deficit - Beginning	-	-	(266,670)	(266,670)
Fund Deficit - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (287,614)</u>	<u>\$ (287,614)</u>

2017

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 1,902,594	\$ 1,902,594	\$ 1,658,690	\$ (243,904)
9,500	9,500	-	(9,500)
-	-	5	5
8,889	8,889	10,983	2,094
<u>\$ 1,920,983</u>	<u>\$ 1,920,983</u>	<u>\$ 1,669,678</u>	<u>\$ (251,305)</u>
\$ 307,330	\$ 299,291	\$ 296,010	\$ 3,281
803,571	793,837	785,415	8,422
-	-	-	-
<u>1,110,901</u>	<u>1,093,128</u>	<u>1,081,425</u>	<u>11,703</u>
91,663	91,663	89,319	2,344
49,992	47,997	23,755	24,242
-	1,995	1,994	1
35,788	35,788	34,918	870
152,488	165,776	166,347	(571)
2,000	2,000	1,241	759
<u>331,931</u>	<u>345,219</u>	<u>317,574</u>	<u>27,645</u>
-	93	92	1
<u>3,229</u>	<u>3,229</u>	<u>3,229</u>	<u>-</u>
<u>3,229</u>	<u>3,322</u>	<u>3,321</u>	<u>1</u>
<u>1,446,061</u>	<u>1,441,669</u>	<u>1,402,320</u>	<u>39,349</u>
<u>474,922</u>	<u>479,314</u>	<u>267,358</u>	<u>(211,956)</u>
(462,422)	(466,814)	(466,814)	-
(12,500)	(12,500)	(12,500)	-
<u>(474,922)</u>	<u>(479,314)</u>	<u>(479,314)</u>	<u>-</u>
-	-	(211,956)	(211,956)
-	-	(54,714)	(54,714)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (266,670)</u>	<u>\$ (266,670)</u>

VILLAGE OF SUFFERN, NEW YORK
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 722,423	\$ 280,957
Cash with fiscal agent	21,499	-
Receivables		
State and Federal aid	-	-
Due from other funds	186,285	529,465
<u>TOTAL ASSETS</u>	<u>\$ 930,207</u>	<u>\$ 810,422</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 78,347	\$ 41,802
Due to other funds	787,720	-
Advances from other funds	365,000	365,000
Retainage payable	17,255	8,453
Bond anticipation notes payable	726,283	1,172,265
State loan payable	-	176,428
<u>TOTAL LIABILITIES</u>	<u>1,974,605</u>	<u>1,763,948</u>
 <u>TOTAL FUND BALANCE</u>	 <u>(1,044,398)</u>	 <u>(953,526)</u>
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	 <u>\$ 930,207</u>	 <u>\$ 810,422</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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>REVENUES</u>		
State aid	\$ 435,365	\$ 134,784
Federal Aid	-	51,312
Bond Proceeds	419,395	-
Miscellaneous	5,540	4,300
<u>TOTAL REVENUES</u>	<u>\$ 860,300</u>	<u>\$ 190,396</u>
 <u>EXPENDITURES</u>		
Capital outlay	\$ 1,539,705	\$ 534,375
Deficiency of Revenues Over Expenditures	<u>(679,405)</u>	<u>(343,979)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>		
Installment purchase debt issued	87,568	-
Transfer in	500,965	399,957
Transfers out	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>588,533</u>	<u>399,957</u>
 NET CHANGE IN FUND BALANCE	(90,872)	55,978
Fund Balance (Deficit) - Beginning	<u>(953,526)</u>	<u>(1,009,504)</u>
Fund Balance (Deficit) - Ending	<u>\$ (1,044,398)</u>	<u>\$ (953,526)</u>

VILLAGE OF SUFFERN, NEW YORK
CAPITAL PROJECTS FUND
PROJECT-LENGTH SCHEDULE
INCEPTION OF PROJECT THROUGH MAY 31, 2018

<u>Project</u>	<u>Authorization</u>	<u>Revenues</u>	<u>Expenditures</u>
2005-007 2005 Water Supply Imp	\$ 179,589	\$ -	\$ 181,865
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	2,379,259
2011-006 2011 Fire Truck Hook & Ladder	950,000	950,000	957,544
2011-008 2011 Façade improvement Program	504,900	412,400	456,449
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	1,084,171
2016-001 2016 Computer Systems	87,000	-	54,944
2016-002 2016 Fire Equipment	52,500	-	48,380
2016-003 2016 Road Resurfacing	61,000	-	27,230
2016-004 2016 Heavy Duty Vehicles	108,000	-	86,916
2016-005 2016 LED Street Lighting	25,500	-	363
2016-006 2016 Sewer System Improvements	92,000	-	7,712
2016-007 2016 Water System Improvements	25,500	-	363
2016-008 2016 CDBG Sidewalks and Curbs	247,260	247,181	247,181
2016-009 2016 Village Hall Improvements	87,000	-	1,452
2016-010 2016 Sewer Abatement	700,000	554,245	534,766
2017-001 2017 Sewer System Improvements	187,000	-	75,313
2018-001 2018 Sewer System Improvements	895,000	-	588,013
2018-002 2018 Roadway Improvements	350,000	300,515	300,515
2018-003 2018 Wayne Avenue Sidewalks	313,192	-	-
2018-004 2018 Police Vehicles	87,568	87,568	87,568
Totals	<u>\$ 11,787,003</u>	<u>\$ 7,417,928</u>	<u>\$ 10,513,947</u>

Transfers In	Fund Balance		BANs
	05/31/2018	05/31/2017	Outstanding
\$ 180,727	\$ (1,138)	\$ (2,810)	\$ -
53,964	-	(38)	-
78,565	-	(18,640)	-
-	(48,000)	(48,000)	-
110,700	-	(6,000)	-
518	(38,634)	(38,634)	-
-	(29,257)	(29,257)	-
-	(39,132)	(39,132)	-
-	120,741	130,120	-
7,544	-	(7,544)	-
8,750	(35,299)	(13,581)	-
88,950	-	(5,113)	-
31,682	-	-	-
11,001	-	-	-
100,092	(14,907)	(14,907)	-
250,234	(144,884)	(144,884)	-
24,421	-	-	-
68,548	-	(16,870)	-
28,830	-	(7,500)	-
102,528	-	(27,500)	-
95,000	-	(23,750)	-
89,413	-	(23,750)	-
10,929	-	(3,000)	-
52,774	-	(15,274)	-
40,861	-	(10,280)	-
4,026	-	(4,026)	-
54,921	(15,888)	(34,195)	18,308
53,062	(15,000)	(38,062)	15,000
37,463	(12,500)	(25,000)	12,500
28,866	(9,250)	(19,616)	9,250
207,229	(69,750)	(139,500)	69,750
10,000	7,100	7,100	-
40,500	(22,745)	(42,995)	40,500
7,500	7,500	3,750	7,500
-	15,829	57,659	-
21,750	(33,194)	(35,348)	65,250
13,125	(35,255)	(47,720)	39,375
15,250	(11,980)	(286)	45,750
27,000	(59,916)	(9,704)	81,000
6,375	6,012	(143)	19,125
23,000	15,288	(6,831)	69,000
6,373	6,010	(143)	19,125
-	-	-	-
21,750	20,298	(571)	65,250
-	19,479	(201,876)	-
37,400	(37,913)	(49,675)	149,600
-	(588,013)	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 2,051,621</u>	<u>\$ (1,044,398)</u>	<u>\$ (953,526)</u>	<u>\$ 726,283</u>

THIS PAGE INTENTIONALLY LEFT BLANK

VILLAGE OF SUFFERN, NEW YORK
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 5,346	\$ 5,436
Due from other funds	<u>24,831</u>	<u>24,831</u>
<u>TOTAL ASSETS</u>	<u>\$ 30,177</u>	<u>\$ 30,267</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
 <u>LIABILITIES</u>		
Liabilities - due to other funds	\$ 29,112	\$ 29,202
<u>TOTAL LIABILITIES</u>	<u>29,112</u>	<u>29,202</u>
 <u>TOTAL FUND BALANCE</u>	 <u>1,065</u>	 <u>1,065</u>
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	 <u>\$ 30,177</u>	 <u>\$ 30,267</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, 2018 AND 2017

	2018			
	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	790,000	790,000	790,000	-
Serial bonds - interest	387,408	387,408	387,408	-
<u>Total Expenditures</u>	1,177,408	1,177,408	1,177,408	-
Excess (Deficiency) of Revenues Over Expenditures	(1,177,408)	(1,177,408)	(1,177,408)	-
<u>OTHER FINANCING SOURCES</u>				
Transfer in - General Fund	639,973	639,973	639,973	-
Transfer in - Water Fund	71,243	71,243	71,243	-
Transfer in - Sewer Fund	466,192	466,192	466,192	-
<u>Total Other Financing Sources</u>	1,177,408	1,177,408	1,177,408	-
<u>NET CHANGE IN FUND BALANCE</u>	-	-	-	-
Fund Balance - Beginning	-	-	1,065	1,065
Fund Balance - Ending	\$ -	\$ -	\$ 1,065	\$ 1,065

2017			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
746,000	746,000	746,000	-
428,957	433,349	433,349	-
1,174,957	1,179,349	1,179,349	-
(1,174,957)	(1,179,349)	(1,179,349)	-
640,968	640,968	640,968	-
71,567	71,567	71,567	-
462,422	466,814	466,814	-
1,174,957	1,179,349	1,179,349	-
-	-	-	-
-	-	1,065	1,065
\$ -	\$ -	\$ 1,065	\$ 1,065

VILLAGE OF SUFFERN, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
MAY 31, 2018

	<u>Payroll Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 15,633
Money market funds	-
Mutual funds	-
Accounts receivable	-
<u>TOTAL ASSETS</u>	<u>15,633</u>
<u>LIABILITIES</u>	
Accounts payable	<u>15,633</u>
<u>TOTAL LIABILITIES</u>	<u>15,633</u>
<u>NET POSITION</u>	<u>\$ -</u>

VILLAGE OF SUFFERN, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED MAY 31, 2018

	Payroll Fund
<u>ADDITIONS</u>	
Employees contributions and withholdings	
State retirement contributions	\$ 113,089
Payroll taxes	1,749,544
Income executions	61,066
Union dues	73,145
Health care	98,466
Deferred compensation plan	260,921
<u>TOTAL ADDITIONS</u>	<u>2,356,231</u>
<u>DEDUCTIONS</u>	
Payments made for employees	
State retirement	113,089
Payroll taxes	1,749,544
Income executions	61,066
Union dues	73,145
Health care insurance	98,466
Deferred compensation plan	260,921
<u>TOTAL DEDUCTIONS</u>	<u>2,356,231</u>
NET CHANGE IN NET POSITION	-
Net Position - Beginning	-
Net Position - Ending	<u>\$ -</u>