



**VILLAGE OF SUFFERN, NEW YORK
AUDITED ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED MAY 31, 2019**

**Village of Suffern, New York
Audited Annual Financial Report
Fiscal Year Ended May 31, 2019**

**Prepared by the
Office of the Village Treasurer
December 13, 2019**

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Village of Suffern

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December 13, 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, 2019.

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, 2019. 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, 2019:

- 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. 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 64 full-time employees and 48 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 Teamsters Local 445 (Teamsters).

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. The year-to-year decrease in the unemployment rate of the Town compares favorably to the national and state levels, and the rate of unemployment itself favorable in comparison to the national, state and county levels:

| <u>Area</u> | <u>May 2019</u> | <u>May 2018</u> | <u>Change</u> |
|-----------------|-----------------|-----------------|---------------|
| United States | 3.4% | 3.6% | -5.6% |
| New York State | 3.8% | 3.7% | 2.7% |
| Rockland County | 3.2% | 3.6% | -11.1% |
| Town of Ramapo | 3.0% | 3.2% | -6.3% |

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

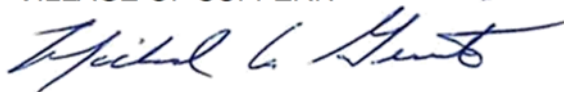
The Village purchases insurance for general liability, automobile, cybersecurity, Workers Compensation and other risks. The Village continuously assesses its risks and annually reviews and determines in conjunction with its insurance brokers the appropriate levels of insurance.

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

Steven Alpert, Trustee

Paul Girard, Trustee

Moira Hertzman, Trustee

Ernest S. Buonocore, Village Justice

Appointed Officials

Michael A. Genito, Village Treasurer

Amy Paffenroth, Village Clerk

Clarke Osborn, Chief of Police

Charles Sawicki, Superintendent of Public Works

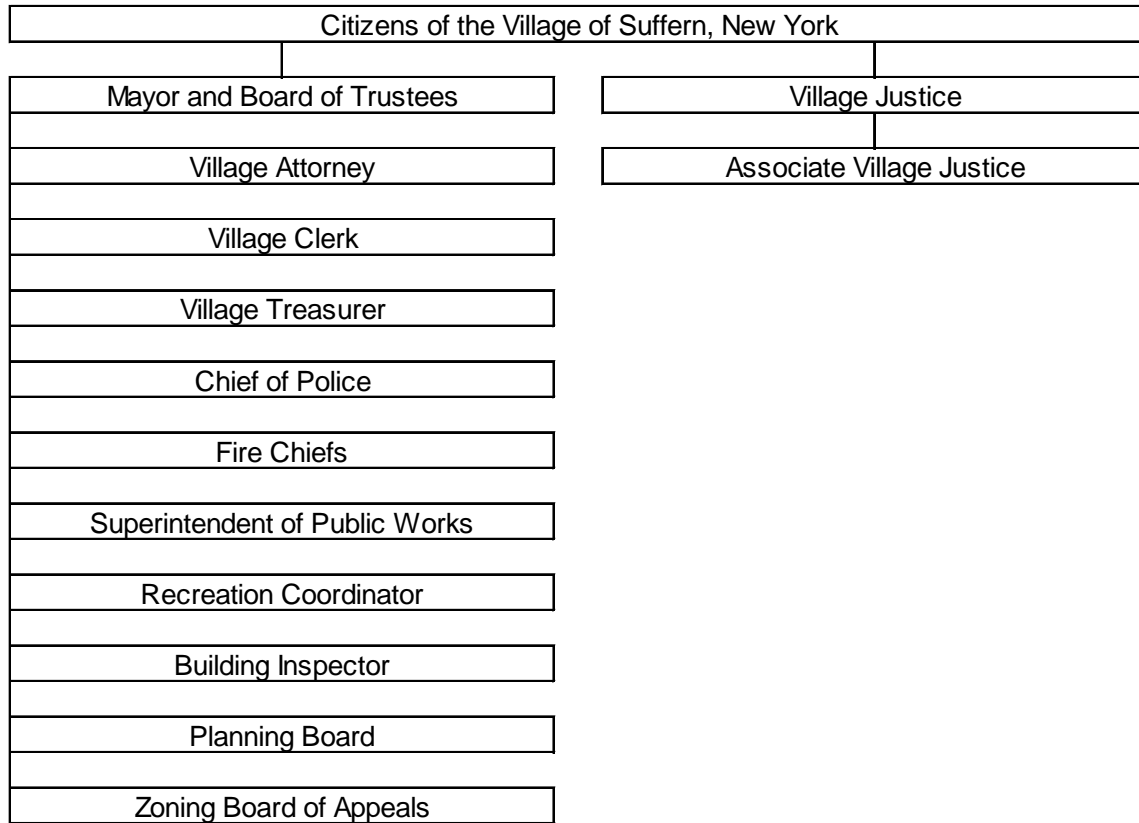
Cathy Mills, Recreation Coordinator

Steve Conlee, Building Inspector

Vincent Altieri, Associate Village Justice

Christine Andersen, Justice Court Clerk

VILLAGE OF SUFFERN, NEW YORK ORGANIZATIONAL CHART





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, 2019, 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

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, 2019, 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.

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 December 13, 2019, 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
December 13, 2019



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, 2019, 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 December 13, 2019.

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.

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
December 13, 2019

VILLAGE OF SUFFERN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
MAY 31, 2019

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, 2019 ("fiscal year 2019" 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 and deferred inflows of the Village exceeded its assets at the close of fiscal year 2019 by \$28.2 million. Of this amount, the unrestricted net position is a deficit of \$39.7 million. This deficit is primarily the result of other post-employment benefits ("OPEB") obligations (\$49.1 million), net pension liabilities (\$2.0 million) and Length of Service Awards Program liability (\$2.8 million).

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$5.9 million, an increase of \$1.7 million from fiscal year 2018. Exclusive of the Capital Projects Fund, the combined ending fund balances were \$6.5 million.

At the end of the current fiscal year, the General Fund reported an ending fund balance of \$6 million, which represents an increase of \$880,254 from fiscal year 2018.

During the current fiscal year, the Village retired \$820,000 of general obligation debt. The Village's total outstanding general obligation bonds payable at May 31, 2019 totaled \$8.2 million.

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 the Statement of Activities.

The Statement of Net Position presents the Village's assets and deferred outflows, and the Village's liabilities and deferred inflows, 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

VILLAGE OF SUFFERN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
MAY 31, 2019

event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods such as claims and earned but unused vacation and sick leave. The focus of this statement is on the net cost of providing various services to the citizens of the Village.

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.

VILLAGE OF SUFFERN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
MAY 31, 2019

Resources are held in the custodial funds by the Village purely in a custodial capacity. The activity in the custodial funds is limited to the receipt, temporary investment and remittance of resources to the appropriate individual, organization, or government. The financial statements for the Fiduciary Funds can be found in the basic financial statements section of this report.

Notes to Financial Statements

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

Other Information

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Village's financial position. In the case of the Village of Suffern, liabilities exceeded assets by \$28.2 million at the end of fiscal year 2019.

The following table reflects the condensed Statement of Net Position for fiscal years ended May 31, 2019 and 2018:

| | <u>2019</u> | <u>2018</u> |
|------------------------------------|-----------------------------------|-----------------------------------|
| Current Assets | \$ 8,368,704 | \$ 6,268,256 |
| Capital Assets, net | <u>14,910,530</u> | <u>14,768,744</u> |
| Total Assets | <u>23,279,234</u> | <u>21,037,000</u> |
| Deferred Outflows of Resources | <u>16,696,048</u> | <u>3,294,810</u> |
| Current Liabilities | 5,805,256 | 3,136,197 |
| Long-Term Liabilities | <u>61,345,992</u> | <u>48,035,322</u> |
| Total Liabilities | <u>67,151,248</u> | <u>51,171,519</u> |
| Deferred Inflows of Resources | <u>981,100</u> | <u>2,749,845</u> |
| Net Investment in Capital Assets | 9,970,530 | 9,358,744 |
| Restricted | 1,603,855 | 1,593,271 |
| Unrestricted | (39,731,451) | (40,483,024) |
| Restatement GASB No. 73 | <u>-</u> | <u>(58,545)</u> |
| Total Net Position | <u><u>\$ (28,157,066)</u></u> | <u><u>\$ (29,589,554)</u></u> |

VILLAGE OF SUFFERN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
MAY 31, 2019

The largest component of the Village's net position is its \$10 million net investment in capital assets, which reflects its investment in capital assets, less any related accumulated depreciation and debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

The restricted net position of \$1.6 million represents resources that are subject to external restrictions on their use. The restrictions are for debt service (\$22,571), law enforcement purposes (\$19,074), Drugs and Alcohol Resistance Education (\$71,489), and Fire Service Awards program (\$1,490,721).

The following table reflects the condensed Changes in Net Position for fiscal years ended May 31, 2019 and 2018:

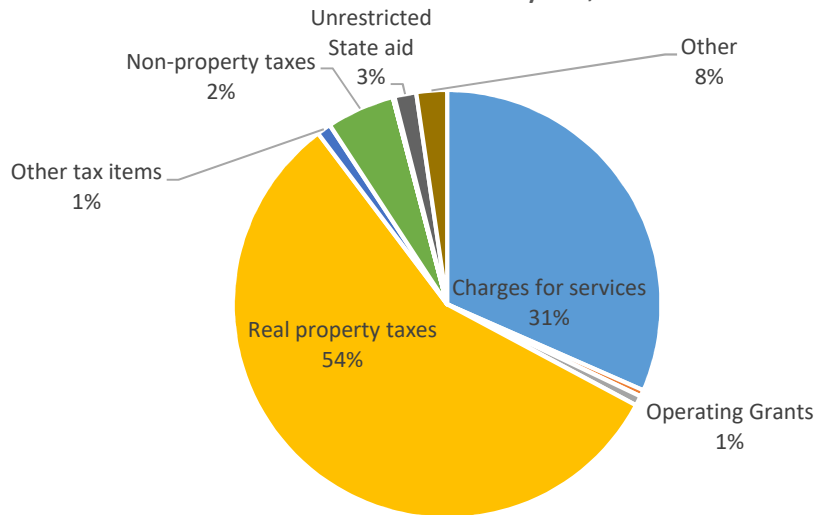
| | <u>2019</u> | <u>2018</u> |
|--|------------------------|------------------------|
| <u>Revenues</u> | | |
| Program Revenues: | | |
| Charges for services | \$ 6,123,770 | \$ 5,796,938 |
| Operating grants | 254,805 | 255,803 |
| Capital grants | - | |
| General Revenues: | | |
| Real property taxes | 10,898,791 | 10,623,502 |
| Other tax items | 234,299 | 228,550 |
| Non-property taxes | 393,192 | 502,386 |
| Unrestricted use of money and property | 126,638 | 622,116 |
| Sale of property and compensation for loss | 225,470 | 53,991 |
| Sales Tax Distribution from County | 559,677 | 526,222 |
| Unrestricted state aid | 677,793 | 403,961 |
| Unrestricted federal aid | 86,588 | - |
| Miscellaneous | <u>768,228</u> | <u>388,807</u> |
| Total Revenues | 20,349,251 | 19,402,276 |
| <u>Expenses</u> | | |
| Program Expenses: | | |
| General government | 2,090,129 | 1,941,642 |
| Public safety | 8,262,797 | 7,728,445 |
| Health | 9,680 | 9,720 |
| Transportation | 2,977,290 | 2,753,741 |
| Culture and community services | 581,070 | 655,954 |
| Home and community services | 4,689,876 | 5,025,814 |
| Interest | <u>305,921</u> | <u>399,759</u> |
| Total Expenses | 18,916,763 | 18,515,075 |
| Change in Net Position | 1,432,488 | 887,201 |
| Net Position – Beginning | (29,589,554) | (3,369,329) |
| Change in Accounting Principle | - | (27,107,426) |
| Net Position - Ending | <u>\$ (28,157,066)</u> | <u>\$ (29,589,554)</u> |

VILLAGE OF SUFFERN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
MAY 31, 2019

Governmental activities increased the Village's net position by \$1.4 million for the fiscal year ended May 31, 2019. Revenues from governmental activities totaled \$20.3 million. Tax revenues of \$11.5 million comprised of real property taxes, other tax items and non-property taxes represented the largest revenue source at 57%. Charges for services represented 31% of revenues. The largest components of governmental activities' expenses are public safety (44%), and home and community services (25%).

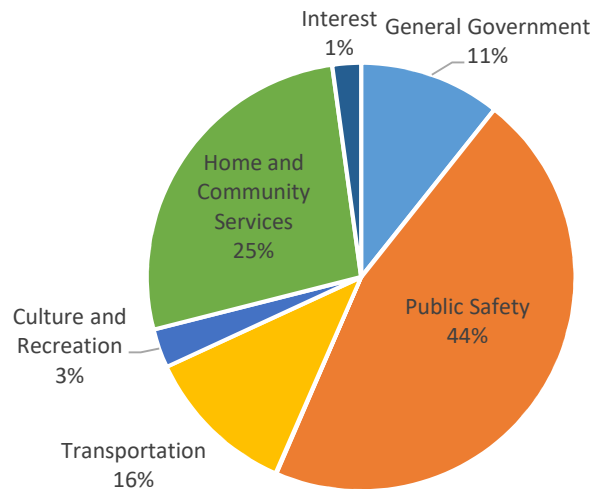
Governmental Activities Revenues

Fiscal Year Ended May 31, 2019



Governmental Activities Expenses

Fiscal Year Ended May 31, 2019



VILLAGE OF SUFFERN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
MAY 31, 2019

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 \$5.9 million, an increase of \$1.6 million 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 \$6 million.

Capital Assets

The Village's investment in capital assets for its governmental activities as of May 31, 2019, amounted to \$14.9 million (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, 2019 and 2018:

| | <u>2019</u> | <u>2018</u> |
|----------------------------|----------------------|----------------------|
| Land | \$ 309,994 | \$ 309,994 |
| Construction in Progress | 834,816 | 662,095 |
| Buildings and Improvements | 3,631,128 | 3,876,895 |
| Machinery and Equipment | 3,095,320 | 3,073,539 |
| Infrastructure | <u>7,039,272</u> | <u>6,846,221</u> |
| Total | <u>\$ 14,910,530</u> | <u>\$ 14,768,744</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 \$8.2 million. The Village's general obligation bonded debt decreased by \$820,000 due to the Village's payment of \$820,000 of debt principal. As required by New York State law, all bonds issued by the Village are general obligation (GO) bonds backed by the full faith and credit of the Village. Additional information on the Village's long-term debt can be found in Note 3H of this report.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

VILLAGE OF SUFFERN, NEW YORK
STATEMENT OF NET POSITION
MAY 31, 2019

ASSETS

| | |
|--------------------------------------|-------------------|
| Cash and cash equivalents | \$ 5,068,365 |
| Restricted cash and cash equivalents | 22,871 |
| Investments - Restricted | 1,490,721 |
| Receivables | |
| Accounts, net | 114,957 |
| Water rents | 640,231 |
| Sewer rents | 723,909 |
| State and Federal aid | 149,761 |
| Due from other governments | 152,603 |
| Due from agency fund | 17 |
| Advance to agency fund | 5,269 |
| Capital assets | |
| Not being depreciated | 1,144,810 |
| Being depreciated, net | 13,765,720 |
| <u>TOTAL ASSETS</u> | <u>23,279,234</u> |

DEFERRED OUTFLOWS OF RESOURCES

16,696,048

LIABILITIES

| | |
|--|-------------------|
| Accounts payable | 244,171 |
| Accrued liabilities | 280,274 |
| Retainage payable | 100,983 |
| Security deposits | 216,083 |
| Bond anticipation notes payable - Capital projects | 1,383,450 |
| Bond anticipation notes payable - Judgments and claims | 51,000 |
| Due to retirement systems | 214,448 |
| Noncurrent liabilities | |
| Due within one year | 3,314,847 |
| Due in more than one year | 61,345,992 |
| <u>TOTAL LIABILITIES</u> | <u>67,151,248</u> |

DEFERRED INFLOWS OF RESOURCES

981,100

NET POSITION

| | |
|----------------------------------|------------------------|
| Net investment in capital assets | 9,970,530 |
| Restricted for | |
| Debt service | 22,571 |
| Fire service awards | 1,490,721 |
| Law enforcement | 19,074 |
| DARE | 71,489 |
| Unrestricted | (39,731,451) |
| <u>TOTAL NET POSITION</u> | <u>\$ (28,157,066)</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, 2019

| 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 | \$ 2,090,129 | \$ - | \$ - | \$ - | \$ (2,090,129) |
| Public safety | 8,262,797 | 91,500 | 254,805 | - | (7,916,492) |
| Health | 9,680 | 48,601 | - | - | 38,921 |
| Transportation | 2,977,290 | 225,053 | - | - | (2,752,237) |
| Culture and recreation | 581,070 | 64,861 | - | - | (516,209) |
| Home and community services | 4,689,876 | 5,693,755 | - | - | 1,003,879 |
| Interest | 305,921 | - | - | - | (305,921) |
| <u>Total Governmental Activities</u> | \$ 18,916,763 | \$ 6,123,770 | \$ 254,805 | \$ - | (12,538,188) |
| <u>GENERAL REVENUES</u> | | | | | |
| Real property taxes | | | | | 10,898,791 |
| Other tax items | | | | | 234,299 |
| Non-property taxes | | | | | 393,192 |
| Unrestricted use of money and property | | | | | 126,638 |
| Sale of property and compensation for loss | | | | | 225,470 |
| Sales tax distribution from County | | | | | 559,677 |
| Unrestricted State aid | | | | | 677,793 |
| Unrestricted Federal aid | | | | | 86,588 |
| Miscellaneous revenue | | | | | <u>768,228</u> |
| <u>TOTAL GENERAL REVENUES</u> | | | | | <u>13,970,676</u> |
| <u>CHANGE IN NET POSITION</u> | | | | | |
| Net Position - Beginning | | | | | (29,531,009) |
| Prior Year Restatement - GASB No. 73 | | | | | <u>(58,545)</u> |
| Net Position - Ending | | | | | <u>\$ (28,157,066)</u> |

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, 2019

| | <u>General</u> | <u>Water</u> | <u>Sewer</u> |
|--|---------------------|---------------------|---------------------|
| <u>ASSETS</u> | | | |
| <u>CASH AND CASH EQUIVALENTS</u> | | | |
| Cash and cash equivalents | \$ 3,006,241 | \$ 428,730 | \$ 813,489 |
| Restricted cash and cash equivalents | 300 | - | - |
| <u>INVESTMENTS - RESTRICTED</u> | 1,490,721 | - | - |
| <u>RECEIVABLES</u> | | | |
| Accounts, net | 114,957 | - | - |
| Water rents | - | 640,231 | - |
| Sewer rents | - | - | 723,909 |
| State and Federal aid | 149,761 | - | - |
| Due from other funds | 89,061 | - | 188,696 |
| Due from agency funds | 17 | - | - |
| Advances to other funds | 1,900,000 | - | - |
| Advances to agency funds | 5,269 | - | - |
| Due from other governments | 152,603 | - | - |
| <u>TOTAL ASSETS</u> | <u>\$ 6,908,930</u> | <u>\$ 1,068,961</u> | <u>\$ 1,726,094</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| <u>LIABILITIES</u> | | | |
| Accounts payable | \$ 188,408 | \$ 24,755 | \$ 27,507 |
| Accrued liabilities | 248,669 | 23,595 | 8,010 |
| Due to other funds | - | 209,520 | 42,661 |
| Advances from other funds | - | - | 1,900,000 |
| Retainage payable | 62,000 | - | - |
| Security deposits | 216,083 | - | - |
| Bond anticipation notes payable | 51,000 | - | - |
| Due to retirement systems | 180,291 | 18,490 | 15,667 |
| <u>TOTAL LIABILITIES</u> | <u>946,451</u> | <u>276,360</u> | <u>1,993,845</u> |
| <u>FUND BALANCES</u> | | | |
| <u>Nonspendable</u> | | | |
| Advance to Sewer Fund | 1,900,000 | - | - |
| <u>Restricted</u> | | | |
| Law Enforcement | 19,074 | - | - |
| DARE | 71,489 | - | - |
| Fire Service Awards Program | 1,490,721 | - | - |
| Debt Service | - | - | - |
| <u>Committed</u> | | | |
| Suffern Day | 3,251 | - | - |
| Assigned | 96,591 | 792,601 | - |
| Unassigned | 2,381,353 | - | (267,751) |
| <u>TOTAL FUND BALANCES</u> | <u>5,962,479</u> | <u>792,601</u> | <u>(267,751)</u> |
| <u>TOTAL LIABILITIES AND FUND BALANCES</u> | <u>\$ 6,908,930</u> | <u>\$ 1,068,961</u> | <u>\$ 1,726,094</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 |
|---------------------|-----------------------------------|--------------------------------|
| \$ 819,905 | \$ - | \$ 5,068,365 |
| - | 22,571 | 22,871 |
| - | - | 1,490,721 |
| - | - | 114,957 |
| - | - | 640,231 |
| - | - | 723,909 |
| - | - | 149,761 |
| 25,000 | - | 302,757 |
| - | - | 17 |
| - | - | 1,900,000 |
| - | - | 5,269 |
| - | - | 152,603 |
| <u>\$ 844,905</u> | <u>\$ 22,571</u> | <u>\$ 10,571,461</u> |

| | | |
|------------------|----------|------------------|
| \$ 3,501 | \$ - | \$ 244,171 |
| - | - | 280,274 |
| 50,576 | - | 302,757 |
| - | - | 1,900,000 |
| 38,983 | - | 100,983 |
| - | - | 216,083 |
| 1,383,450 | - | 1,434,450 |
| - | - | 214,448 |
| <u>1,476,510</u> | <u>-</u> | <u>4,693,166</u> |

| | | |
|-------------------|------------------|----------------------|
| - | - | 1,900,000 |
| - | - | 19,074 |
| - | - | 71,489 |
| - | - | 1,490,721 |
| - | 22,571 | 22,571 |
| - | - | 3,251 |
| - | - | 889,192 |
| (631,605) | - | 1,481,997 |
| <u>(631,605)</u> | <u>22,571</u> | <u>5,878,295</u> |
| <u>\$ 844,905</u> | <u>\$ 22,571</u> | <u>\$ 10,571,461</u> |

VILLAGE OF SUFFERN, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
MAY 31, 2019

Fund Balances - Total Governmental Funds \$ 5,878,295

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. 14,910,530

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

Deferred amounts on Pensions 16,696,048

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

| | |
|---|---------------------|
| Accrued interest payable | 112,876 |
| Bonds payable | (8,244,395) |
| Fire Service Awards Program Payable | (2,816,147) |
| Installment purchase debt payable | (614,992) |
| Retirement incentives and other pension obligations | (406,674) |
| Compensated absences | (1,585,024) |
| Net pension liability | (2,000,279) |
| Net other post employment benefit liability | <u>(49,106,204)</u> |
| | <u>(64,660,839)</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 (981,100)

Net Position of Governmental Activities \$ (28,157,066)

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

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VILLAGE OF SUFFERN, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MAY 31, 2019

| | <u>General</u> | <u>Water</u> | <u>Sewer</u> |
|---|---------------------|-------------------|---------------------|
| REVENUES | | | |
| Real property taxes | \$ 10,898,791 | \$ - | \$ - |
| Other tax items | 234,299 | - | - |
| Non-property taxes | 393,192 | - | - |
| Departmental income | 1,799,782 | 1,981,043 | 2,068,786 |
| Use of money and property | 126,311 | - | 320 |
| Licenses and permits | 274,159 | - | - |
| Fines and forfeitures | 254,805 | - | - |
| Sale of property and compensation for loss | 225,502 | - | - |
| Miscellaneous revenue | 1,089,524 | 12,234 | 5,468 |
| State aid | 346,913 | - | - |
| Federal aid | 4,125 | - | - |
| <u>Total Revenues</u> | <u>15,647,403</u> | <u>1,993,277</u> | <u>2,074,574</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government support | 1,218,719 | - | - |
| Public safety | 4,997,354 | - | - |
| Health | 9,680 | - | - |
| Transportation | 1,476,384 | - | - |
| Culture and recreation | 361,356 | - | - |
| Home and community services | 992,187 | 1,094,946 | 1,155,081 |
| Employee benefits | 4,374,072 | 498,665 | 339,454 |
| Debt service | | | |
| Principal | 63,948 | - | - |
| Interest | 35,232 | 632 | 5,489 |
| Capital outlay | - | - | - |
| <u>Total Expenditures</u> | <u>13,528,932</u> | <u>1,594,243</u> | <u>1,500,024</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>2,118,471</u> | <u>399,034</u> | <u>574,550</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Installment purchase debt issued | - | - | - |
| Transfers in | 4,391 | - | - |
| Transfers out | (1,242,608) | (81,219) | (554,687) |
| <u>Total Other Financing Sources (Uses)</u> | <u>(1,238,217)</u> | <u>(81,219)</u> | <u>(554,687)</u> |
| Net Change in Fund Balances | 880,254 | 317,815 | 19,863 |
| Cumulative Effect of Change in Accounting Principle | - | - | - |
| Fund Balances (Deficits) - Beginning | 5,082,225 | 474,786 | (287,614) |
| Fund Balances (Deficits) - Ending | <u>\$ 5,962,479</u> | <u>\$ 792,601</u> | <u>\$ (267,751)</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 |
|---------------------|-----------------------------------|--------------------------------|
| \$ - | \$ - | \$ 10,898,791 |
| - | - | 234,299 |
| - | - | 393,192 |
| - | - | 5,849,611 |
| - | 7 | 126,638 |
| - | - | 274,159 |
| - | - | 254,805 |
| - | - | 225,502 |
| 220,679 | - | 1,327,905 |
| 330,880 | - | 677,793 |
| 82,463 | - | 86,588 |
| <u>634,022</u> | <u>7</u> | <u>20,349,283</u> |
| - | - | 1,218,719 |
| - | - | 4,997,354 |
| - | - | 9,680 |
| - | - | 1,476,384 |
| - | - | 361,356 |
| - | - | 3,242,214 |
| - | - | 5,212,191 |
| - | 820,000 | 883,948 |
| - | 367,768 | 409,121 |
| <u>1,034,854</u> | <u>-</u> | <u>1,034,854</u> |
| <u>1,034,854</u> | <u>1,187,768</u> | <u>18,845,821</u> |
| <u>(400,832)</u> | <u>(1,187,761)</u> | <u>1,503,462</u> |
| 148,769 | - | 148,769 |
| 693,552 | 1,209,267 | 1,907,210 |
| <u>(28,696)</u> | <u>-</u> | <u>(1,907,210)</u> |
| <u>813,625</u> | <u>1,209,267</u> | <u>148,769</u> |
| 412,793 | 21,506 | 1,652,231 |
| - | - | - |
| <u>(1,044,398)</u> | <u>1,065</u> | <u>4,226,064</u> |
| <u>\$ (631,605)</u> | <u>\$ 22,571</u> | <u>\$ 5,878,295</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, 2019

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

| | |
|--|---------------------|
| Net Change in Fund Balances - Total Governmental Funds | <u>\$ 1,652,231</u> |
|--|---------------------|

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

| | |
|----------|-------------------|
| Pensions | <u>13,401,238</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 | 919,140 |
| Loss on Disposal | (32) |
| Depreciation expense | <u>(777,322)</u> |
| | <u>141,786</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 | 63,948 |
| Proceeds from installment purchase debt | (125,105) |
| Bonds issued | - |
| Principal paid on bonds | <u>820,000</u> |
| | <u>758,843</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 | 103,200 |
| Compensated absences | (232,171) |
| Retirement incentives and other pension obligations | 84,459 |
| Fire Service Awards Program | (34,184) |
| Pension assets (liabilities) | (902,995) |
| Other post employment benefit obligations payable | <u>(15,308,664)</u> |
| | <u>(16,290,355)</u> |

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

| | |
|----------|------------------|
| Pensions | <u>1,768,745</u> |
|----------|------------------|

| | |
|---|---------------------|
| Change in Net Position of Governmental Activities | <u>\$ 1,432,488</u> |
|---|---------------------|

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

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VILLAGE OF SUFFERN, NEW YORK
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MAY 31, 2019

| | General Fund | | | |
|---|--------------------|--------------------|---------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget |
| <u>REVENUES</u> | | | | |
| Real property taxes | \$ 10,890,625 | \$ 10,890,625 | \$ 10,898,791 | \$ 8,166 |
| Other tax items | 209,072 | 209,072 | 234,299 | 25,227 |
| Non-property taxes | 420,000 | 420,000 | 393,192 | (26,808) |
| Departmental income | 1,824,993 | 1,824,993 | 1,799,782 | (25,211) |
| Use of money and property | 56,000 | 56,000 | 126,311 | 70,311 |
| Licenses and permits | 120,750 | 120,750 | 274,159 | 153,409 |
| Fines and forfeitures | 270,000 | 270,000 | 254,805 | (15,195) |
| Sale of property and compensation for loss | 49,000 | 179,000 | 225,502 | 46,502 |
| Miscellaneous revenue | 825,000 | 873,122 | 1,089,524 | 216,402 |
| State aid | 299,859 | 312,573 | 346,913 | 34,340 |
| Federal aid | - | 4,125 | 4,125 | - |
| <u>Total Revenues</u> | <u>14,965,299</u> | <u>15,160,260</u> | <u>15,647,403</u> | <u>487,143</u> |
| <u>EXPENDITURES</u> | | | | |
| Current | | | | |
| General government support | 1,594,468 | 1,435,304 | 1,218,719 | 216,585 |
| Public safety | 4,552,582 | 5,023,082 | 4,997,354 | 25,728 |
| Health | 9,600 | 9,680 | 9,680 | - |
| Transportation | 1,722,572 | 1,720,199 | 1,476,384 | 243,815 |
| Culture and recreation | 345,364 | 384,349 | 361,356 | 22,993 |
| Home and community services | 1,088,544 | 1,088,947 | 992,187 | 96,760 |
| Employee benefits | 4,691,251 | 4,706,024 | 4,374,072 | 331,952 |
| Debt service | | | | |
| Principal | 30,973 | 63,948 | 63,948 | - |
| Interest | 31,751 | 35,232 | 35,232 | - |
| <u>Total Expenditures</u> | <u>14,067,105</u> | <u>14,466,765</u> | <u>13,528,932</u> | <u>937,833</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>898,194</u> | <u>693,495</u> | <u>2,118,471</u> | <u>1,424,976</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers in | - | 4,391 | 4,391 | - |
| Transfers out | (898,194) | (1,268,108) | (1,242,608) | 25,500 |
| <u>Total Other Financing Sources (Uses)</u> | <u>(898,194)</u> | <u>(1,263,717)</u> | <u>(1,238,217)</u> | <u>25,500</u> |
| Net Change in Fund Balances | - | (570,222) | 880,254 | 1,450,476 |
| Cumulative Effect of Change in Accounting Principle | - | - | - | - |
| Fund Balances (Deficits) - Beginning | - | 570,222 | 5,082,225 | 1,336,176 |
| Fund Balances (Deficits) - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,962,479</u> | <u>\$ 2,786,652</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 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 2,051,300 | 2,051,300 | 1,981,043 | (70,257) | 2,241,548 | 2,241,548 | 2,068,786 | (172,762) |
| - | - | - | - | - | - | 320 | 320 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 6,600 | 6,020 | 12,234 | 6,214 | 9,200 | 9,200 | 5,468 | (3,732) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>2,057,900</u> | <u>2,057,320</u> | <u>1,993,277</u> | <u>(64,043)</u> | <u>2,250,748</u> | <u>2,250,748</u> | <u>2,074,574</u> | <u>(176,174)</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 1,445,473 | 1,515,580 | 1,094,946 | 420,634 | 1,302,937 | 1,340,457 | 1,155,081 | 185,376 |
| 530,574 | 537,825 | 498,665 | 39,160 | 387,635 | 354,635 | 339,454 | 15,181 |
| - | - | - | - | - | - | - | - |
| 633 | 632 | 632 | - | 5,489 | 5,489 | 5,489 | - |
| <u>1,976,680</u> | <u>2,054,037</u> | <u>1,594,243</u> | <u>459,794</u> | <u>1,696,061</u> | <u>1,700,581</u> | <u>1,500,024</u> | <u>200,557</u> |
| <u>81,220</u> | <u>3,283</u> | <u>399,034</u> | <u>395,751</u> | <u>554,687</u> | <u>550,167</u> | <u>574,550</u> | <u>24,383</u> |
| - | - | - | - | - | - | - | - |
| (81,220) | (81,219) | (81,219) | - | (554,687) | (554,687) | (554,687) | - |
| <u>(81,220)</u> | <u>(81,219)</u> | <u>(81,219)</u> | <u>-</u> | <u>(554,687)</u> | <u>(554,687)</u> | <u>(554,687)</u> | <u>-</u> |
| - | (77,936) | 317,815 | 395,751 | - | (4,520) | 19,863 | 24,383 |
| - | - | - | - | - | - | - | - |
| - | 77,936 | 474,786 | 396,850 | - | 4,520 | (287,614) | (292,134) |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 792,601</u> | <u>\$ 792,601</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (267,751)</u> | <u>\$ (267,751)</u> |

VILLAGE OF SUFFERN, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
MAY 31, 2019

| | <u>Payroll Fund</u> |
|---------------------------|-------------------------|
| <u>ASSETS</u> | |
| Cash and cash equivalents | \$ 6,631 |
| <u>TOTAL ASSETS</u> | <u>6,631</u> |
| <u>LIABILITIES</u> | |
| Accounts payable | 5,269 |
| Advances from other funds | 1,345 |
| Due to other funds | <u>17</u> |
| <u>TOTAL LIABILITIES</u> | <u>6,631</u> |
| <u>NET POSITION</u> | <u>\$ -</u> |

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

VILLAGE OF SUFFERN, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED MAY 31, 2019

| | Payroll Fund |
|--|------------------|
| <u>ADDITIONS</u> | |
| Employees contributions and withholdings | |
| State retirement contributions | \$ 122,954 |
| Payroll taxes | 1,870,010 |
| Income executions | 62,403 |
| Union dues | 74,560 |
| Health care | 100,523 |
| Deferred compensation plan | 276,650 |
| <u>TOTAL ADDITIONS</u> | <u>2,507,100</u> |
| <u>DEDUCTIONS</u> | |
| Payments made for employees | |
| State retirement | 122,954 |
| Payroll taxes | 1,870,010 |
| Income executions | 62,403 |
| Union dues | 74,560 |
| Health care insurance | 100,523 |
| Deferred compensation plan | 276,650 |
| <u>TOTAL DEDUCTIONS</u> | <u>2,507,100</u> |
| NET CHANGE IN NET POSITION | - |
| Net Position - Beginning | - |
| Net Position - Ending | <u>\$ -</u> |

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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2019

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, 2019

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, 2019

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, 2019

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 (serial bonds and installment purchase contracts) is 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, 2019

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, 2019.

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, 2019, 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, 2019

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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2019

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts have been deemed to be measurable but not available pursuant to generally accepted accounting principles.

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Village has reported deferred outflows of resources and deferred inflows of resources in relation to its pension obligations 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.

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2019

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

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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2019

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

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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2019

date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

1H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 13, 2019.

1I. New Accounting Standards

The Village has adopted and implemented the following current Statements of the Governmental Accounting Standards Board (GASBS):

- GASBS 83, *Certain Asset Retirement Obligations*. (Early implemented in fiscal year ended May 31, 2018)
- GASBS 85, *Omnibus 2017*. (Early implemented in fiscal year ended May 31, 2018)
- GASBS 86, *Certain Debt Extinguishment Issues*. (Early implemented in fiscal year ended May 31, 2018)
- GASBS 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. (Early implemented in fiscal year ended May 31, 2018)
- GASBS 89, *Accounting for Interest Cost Incurred before the end of a construction period*. (Early implemented in fiscal year ended May 31, 2018)
- GASBS 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. (Early implemented in fiscal year ended May 31, 2018)

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.
- GASBS 91, *Conduit Debt Obligations*, effective fiscal year ending May 31, 2022.

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.

1K. Reclassifications

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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2019

Note 2 - Stewardship, Compliance and Accountability

2A. Budgetary Data

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

- a) On or before March 20th, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes the proposed expenditures and the means of financing.
- b) On or before March 31st, the Board of Trustees meets to discuss and review the tentative budget.
- c) On or before April 15th, the Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments.
- d) After the public hearing and on or before May 1st, the Board of Trustees meets to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for the General, Water, Sewer and Debt Service funds.
- f) Budgets for General, Water, Sewer and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis.
- g) The Office of the State Comptroller has established the function and object of expenditure or expense level as the legal level of budgetary control. Approval by the Board of Trustees is required for transfers between appropriation accounts at the object level and any 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 2018-2019 fiscal year was \$19,598,972, which exceeded the actual levy by \$9,646,723.

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

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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: (1) 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 (2) the average of the CPI with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board of Trustees may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board of Trustees first enacts, by a vote of at least sixty percent of the total voting power of the Village Board of Trustees, a local law to override the limit.

2C. Fund Deficits

The Sewer Fund had an unassigned deficit of \$267,751 as of May 31, 2019. The Village plans to address this deficit in the ensuing years.

2D. Capital Projects Fund Deficit

The deficit in the Capital Projects Fund of \$631,605 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

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because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

2E. Capital Projects Excess of Actual Expenditures Over Budget

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

| | Project | Amount |
|----------|--------------------------------|-----------------|
| 2005-007 | 2005 Water Supply Improvements | \$ 2,276 |
| Total | | <u>\$ 2,276</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, 2019 were as follows:

| Fund | Due From | Due To |
|-----------------|-------------------|-------------------|
| General | \$ 114,078 | \$ 0 |
| Water | - | 209,520 |
| Sewer | 188,696 | 42,661 |
| Capital Project | 25,000 | 50,576 |
| Debt Service | - | - |
| Subtotal | <u>327,774</u> | <u>327,757</u> |
| Trust & Agency | - | 17 |
| Total | <u>\$ 327,774</u> | <u>\$ 327,774</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.

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3B. Advances To/From Other Funds

An advance of \$1,900,000 from the General Fund to the Sewer Fund, and an advance of \$5,269 to the Trust & Agency Fund were outstanding at May 31, 2019. 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, 2018 | Additions | Deletions | Balance May 31, 2019 |
|---|-------------------------|-------------------|------------------|-------------------------|
| Capital Assets, not being depreciated | | | | |
| Land | \$ 309,994 | \$ - | \$ - | \$ 309,994 |
| Construction work in progress | 662,095 | 199,591 | 26,870 | 834,816 |
| Total Capital Assets, not being depreciated | 972,089 | 199,591 | 26,870 | 1,144,810 |
| Capital Assets being depreciated | | | | |
| Buildings and improvements | 10,900,672 | - | - | 10,900,672 |
| Machinery and equipment | 16,102,494 | 350,983 | 6,631 | 16,446,846 |
| Infrastructure | 8,158,709 | 395,436 | - | 8,554,145 |
| Total capital assets being depreciated | 35,161,875 | 746,419 | 6,631 | 35,901,663 |
| Less Accumulated Depreciation for: | | | | |
| Buildings and improvements | (7,023,777) | (245,767) | - | (7,269,544) |
| Machinery and equipment | (13,028,955) | (329,170) | (6,599) | (13,351,526) |
| Infrastructure | (1,312,488) | (202,385) | - | (1,514,873) |
| Total Accumulated Depreciation | (21,365,220) | (777,322) | (6,599) | (22,135,943) |
| Capital Assets being depreciated, net | 13,796,655 | (30,903) | 32 | 13,765,720 |
| | <u>\$ 14,768,744</u> | <u>\$ 168,688</u> | <u>\$ 26,902</u> | <u>\$ 14,910,530</u> |

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

| | |
|-----------------------------|-------------------|
| General Government | \$ 31,714 |
| Public Safety | 176,608 |
| Transportation | 224,254 |
| Culture and Recreation | 12,764 |
| Home and Community Services | 331,982 |
| | <u>\$ 777,322</u> |

3D. Accrued Liabilities

Accrued payroll and employee benefits at May 31, 2019 were \$248,679 for the General Fund, \$23,595 for the Water Fund and \$8,010 for the Sewer Fund.

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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 30 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 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.

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Participants covered by the benefit terms

At the December 31, 2018 measurement date, the following participants were covered by the benefit terms:

| | |
|--|------------|
| Inactive participants currently receiving benefit payments | 25 |
| Inactive participants entitled to but not yet receiving benefit payments | 19 |
| Active participants | 89 |
| Total | <u>133</u> |

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, 2018 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2018 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 3.64%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018. 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.

VILLAGE OF SUFFERN, NEW YORK
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Changes in the Total Pension Liability

| | |
|---|---------------------|
| Balance as of 12/31/17 measurement date | \$ 2,781,963 |
| Service Cost | 86,816 |
| Interest | 89,070 |
| Changes of benefit terms | 145,806 |
| Changes of assumptions or other inputs | (214,884) |
| Difference between expected and actual experience | 27,608 |
| Benefit payments | (100,232) |
| Net changes | <u>34,184</u> |
| Balance as of 12/31/18 measurement date | <u>\$ 2,816,147</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, 2018 measurement date, calculated using the discount rate of 3.64 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 (2.64 percent) or 1-percentage point higher (4.64 percent) than the current rate:

| | 1% Decrease (2.64%) | Current Discount Rate (3.64%) | 1% Increase (4.64%) |
|-------------------------|---------------------------|-------------------------------------|---------------------------|
| Total Pension Liability | \$3,291,543 | \$2,816,147 | \$2,434,577 |

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

For the year ended May 31, 2019, the Village recognized pension expense of \$329,382.

Components of Pension Expense

| | |
|---|-------------------|
| Service cost | \$ 86,816 |
| Interest on total pension liability | 89,070 |
| Changes of benefit terms | 145,806 |
| Changes of assumptions or other inputs | 2,693 |
| Difference between expected and actual experience | (68) |
| Benefit payments | 5,065 |
| Total pension expense | <u>\$ 329,382</u> |

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At May 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Outflows of Resources</u> |
|---|---|---|
| Differences between expected and actual experience | \$ 25,677 | \$ 21,190 |
| Changes of assumptions or other inputs | 187,835 | 199,857 |
| Benefit payments & administrative expenses subsequent to the measurement date | 41,534 | - |
| Total | <u>\$ 255,046</u> | <u>\$ 221,047</u> |

\$41,534 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, 2020.

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: | |
| 2020 | \$ 2,625 |
| 2021 | 2,625 |
| 2022 | 2,625 |
| 2023 | 2,625 |
| 2024 | 2,625 |
| Thereafter | (20,660) |

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

A bond anticipation note issued on November 16, 2017 for the payment of a tax certiorari settlement in the amount of \$76,500 and at the rate of 2.375% matured on November 16, 2018. On November 15, 2018, the Village redeemed the note with a principal payment of \$25,500 and a new bond anticipation note issued on November 15, 2018 in the amount of \$51,000 at the rate of 2.94% per annum, maturing on November 15, 2019.

Interest expenditures of \$1,817 were recorded in the General Fund. Interest expense of \$1,621 was recorded in the government-wide financial statements for governmental activities.

VILLAGE OF SUFFERN, NEW YORK
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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, 2018 | New Issues | Redeemed | Balance May 31, 2019 |
|---------------------------------|------------|---------------|------------------|----------------------|------------|------------|----------------------|
| 2014 Fire Equipment | 11/16/18 | 11/16/19 | 2.375% | \$ 18,308 | \$ - | \$ 18,308 | \$ - |
| 2014 Hose Company Roof | 11/16/18 | 11/16/19 | 2.375% | 15,000 | - | 15,000 | - |
| 2014 Sewer INI Study | 11/16/18 | 11/16/19 | 2.375% | 12,500 | - | 12,500 | - |
| 2014 Police Patrol Vehicle | 11/16/18 | 11/16/19 | 2.375% | 9,250 | - | 9,250 | - |
| 2014 Road Improvements | 11/16/18 | 11/16/19 | 2.375% | 69,750 | - | 69,750 | - |
| 2015 Fire Equipment | 11/16/18 | 11/16/19 | 2.375% | 40,500 | - | 20,250 | 20,250 |
| 2015 Refurbish Well 3 | 11/16/18 | 11/16/19 | 2.375% | 7,500 | - | 3,750 | 3,750 |
| 2016 Computer Systems | 11/16/18 | 11/16/19 | 2.375% | 65,250 | - | 21,750 | 43,500 |
| 2016 Fire Equipment | 11/16/18 | 11/16/19 | 2.375% | 39,375 | - | 13,125 | 26,250 |
| 2016 Road Resurfacing | 11/16/18 | 11/16/19 | 2.375% | 45,750 | - | 15,250 | 30,500 |
| 2016 DPW Heavy Duty Vehicles | 11/16/18 | 11/16/19 | 2.375% | 81,000 | - | 27,000 | 54,000 |
| 2016 LED Street Lighting | 11/16/18 | 11/16/19 | 2.375% | 19,125 | - | 6,375 | 12,750 |
| 2016 Sewer Systems Improvements | 11/16/18 | 11/16/19 | 2.375% | 69,000 | - | 23,000 | 46,000 |
| 2016 Water System Improvements | 11/16/18 | 11/16/19 | 2.375% | 19,125 | - | 6,375 | 12,750 |
| 2016 Village Hall Improvements | 11/16/18 | 11/16/19 | 2.375% | 65,250 | - | 21,750 | 43,500 |
| 2017 Sewer System Improvements | 11/16/18 | 11/16/19 | 2.375% | 149,600 | - | 37,400 | 112,200 |
| 2018 Sewer System Improvements | 04/01/19 | 06/28/19 | 2.540% | - | 405,000 | - | 405,000 |
| 2019 Phase II Sewer Abatement | 04/01/19 | 06/28/19 | 2.540% | - | 142,000 | - | 142,000 |
| 2019 WWTP Modifications | 04/01/19 | 06/28/19 | 2.540% | - | 431,000 | - | 431,000 |
| | | | | \$ 726,283 | \$978,000 | \$ 320,833 | \$1,383,450 |

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 \$17,249 were recorded in the fund financial statements in the funds identified below. Interest expense of \$18,585 was recorded in the government-wide financial statements for governmental activities.

| <u>Fund</u> | <u>Amount</u> |
|-------------|------------------|
| General | \$ 11,128 |
| Water | 5,489 |
| Sewer | 632 |
| | <u>\$ 17,249</u> |

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2019

3H. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2019:

| | Balance May 31, 2018 | New Issues/ Additions | Maturities/ Payments | Balance May 31, 2019 | Due Within One Year |
|--|-------------------------|--------------------------|-------------------------|-------------------------|------------------------|
| <u>Bonds payable:</u> | | | | | |
| Capital construction | \$ 5,410,000 | \$ - | \$ 470,000 | \$ 4,940,000 | \$ 490,000 |
| Deficit Financing | 3,235,000 | - | 340,000 | 2,895,000 | 355,000 |
| EFC Bond | 419,395 | - | 10,000 | 409,395 | 14,395 |
| Total bonds payable | 9,064,395 | - | 820,000 | 8,244,395 | 859,395 |
| Installment purchase debt | 530,171 | 148,769 | 63,948 | 614,992 | 96,962 |
| Retirement incentives and other pension obligations | 491,133 | - | 84,459 | 406,674 | 87,448 |
| Compensated absences | 1,352,853 | 259,016 | 26,845 | 1,585,024 | 22,350 |
| Net pension liability | 1,097,284 | 902,995 | - | 2,000,279 | 903,000 |
| LOSAP Payable | 2,781,963 | 134,416 | 100,232 | 2,816,147 | 148,568 |
| Other postemployment benefits obligation payable | 33,797,540 | 16,617,895 | 1,309,231 | 49,106,204 | 1,310,000 |
| | <u>\$ 49,115,339</u> | <u>\$ 18,063,091</u> | <u>\$2,404,715</u> | <u>\$ 64,773,715</u> | <u>\$ 3,427,723</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, 2019 are comprised of the individual issues presented on the following page.

| <u>Purpose</u> | <u>Year of Issue</u> | <u>Original Issue Amount</u> | <u>Final Maturity</u> | <u>Interest Rates</u> | <u>Amount Outstanding May 31, 2019</u> |
|---|--------------------------|--------------------------------------|---------------------------|---------------------------|--|
| General and Water Improvements | 2007 | \$ 3,450,000 | 08/15/2022 | 4.00-4.20% | \$ 1,140,000 |
| General, Water and Sewer Improvements | 2012 | 3,857,000 | 01/01/2032 | 2.50-4.00% | 2,655,000 |
| Sewer Improvements | 2015 | 1,261,000 | 11/15/2035 | 3.50-4.00% | 1,145,000 |
| Deficit Financing – General, Water and Sewer Funds | 2016 | 3,880,000 | 03/15/2026 | 5.00% | 2,895,000 |
| EFC Clean Water Bonds | 2017 | 419,395 | 08/01/2047 | 1.03-3.98% | 409,395 |
| | | | | | <u>\$ 8,244,395</u> |

Interest expenditures of \$367,767 were recorded in the fund financial statements in the Debt Service Fund for serial bonds. Interest expense of \$359,300 was recorded in the government-wide financial statements for governmental activities.

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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. In fiscal year ended May 31, 2018, the Village entered into a \$87,568 capital lease for the purchase of two police interceptor vehicles. The annual payments include interest at 5.45%. In fiscal year ended May 31, 2019, the Village entered into two capital leases in the amount of \$47,025 for the purchase of a police interceptor vehicle and in the amount of \$101,744 for the purchase of passenger vehicles for the Parking Department, Building Department, and the Fire Department. The annual payments include interest at 5.95% and 3.665%, respectively.

The balance due at May 31, 2019 for all capital leases is \$614,992. Interest expenditures/expense of \$22,287 was recorded in the General Fund financial statements. Interest expense of \$1,239 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 \$84,459 and interest payments totaling \$14,443. At May 31, 2019, the outstanding principal balance was \$406,674.

VILLAGE OF SUFFERN, NEW YORK
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Payments to Maturity

The annual requirements to amortize all outstanding bonds, installment purchase debt and retirement incentives and other pension obligations at May 31, 2019 are as follows:

| 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 |
| 2020 | \$ 859,395 | \$ 334,066 | \$ 96,962 | \$ 25,704 | \$ 87,448 | \$ 14,443 | \$ 1,043,805 | \$ 374,213 |
| 2021 | 890,000 | 298,874 | 101,260 | 21,406 | 90,547 | 11,345 | 1,081,807 | 331,625 |
| 2022 | 930,000 | 261,565 | 82,091 | 16,911 | 93,755 | 8,137 | 1,105,846 | 286,613 |
| 2023 | 960,000 | 222,038 | 36,279 | 13,498 | 76,714 | 4,814 | 1,072,993 | 240,350 |
| 2024-2028 | 2,725,000 | 646,978 | 204,560 | 44,325 | 58,210 | 2,136 | 2,987,770 | 693,439 |
| 2029-2033 | 1,365,000 | 237,704 | 93,840 | 5,714 | - | - | 1,458,840 | 243,418 |
| 2034-2038 | 330,000 | 58,070 | - | - | - | - | 330,000 | 58,070 |
| 2039-2043 | 85,000 | 28,508 | - | - | - | - | 85,000 | 28,508 |
| 2044-2048 | 100,000 | 9,940 | - | - | - | - | 100,000 | 9,940 |
| | <u>\$8,244,395</u> | <u>\$ 2,097,743</u> | <u>\$614,992</u> | <u>\$127,558</u> | <u>\$ 406,674</u> | <u>\$ 40,875</u> | <u>\$ 9,266,061</u> | <u>\$ 2,266,176</u> |

The above general obligation bonds 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 dispatchers and records clerks, 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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
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position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the sole trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Obligations of 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 | 19.4% |
| ERS | 3 | A14 | 15.7% |
| ERS | 4 | A15 | 15.7% |
| ERS | 5 | A15 | 12.9% |
| ERS | 6 | A15 | 9.2% |
| PFRS | 2 | 375I | 17.2% |
| PFRS | 2 | 384D | 24.0% |
| PFRS | 5 | 384D | 22.9% |
| PFRS | 6 | 384D | 14.4% |

Pension expenditures of \$552,970 for ERS and \$695,245 for PFRS were recorded in the fund financial statements as follows:

| <u>Fund</u> | <u>ERS</u> | <u>PFRS</u> |
|-------------|-------------------|-------------------|
| General | \$ 349,897 | \$ 695,245 |
| Water | 109,633 | - |
| Sewer | <u>93,440</u> | <u>-</u> |
| | <u>\$ 552,970</u> | <u>\$ 695,245</u> |

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

| | ERS | | | PFRS | | |
|--|-------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| | 2019 | 2018 | Change | 2019 | 2018 | Change |
| Allocation percentage | 0.0114928 | 0.0121370 | | 0.0707175 | 0.0698059 | |
| Measurement date | 3/13/2019 | 3/13/2018 | | 3/13/2019 | 3/13/2018 | |
| Actuarial valuation date | 4/01/2018 | 4/01/2017 | | 4/01/2018 | 4/01/2017 | |
| Net pension liability – ending | <u>\$ 814,303</u> | <u>\$ 391,716</u> | <u>\$ 422,587</u> | <u>\$ 1,185,976</u> | <u>\$ 705,568</u> | <u>\$ 480,408</u> |
| <u>Deferred outflows</u> | | | | | | |
| Differences between expected and actual experience | \$ 160,353 | \$ 139,712 | \$ 20,641 | \$ 288,106 | \$ 290,405 | \$ (2,299) |
| Changes of assumptions | 204,683 | 259,740 | (55,057) | 430,897 | 534,596 | (103,699) |
| Net difference between projected and actual investment earnings on pension plan investments | - | 568,937 | (568,937) | - | 571,075 | (571,075) |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 138,171 | 140,126 | (1,955) | 259,912 | 299,654 | (39,742) |
| Employer contributions subsequent to measurement date | <u>93,226</u> | <u>99,930</u> | <u>(6,704)</u> | <u>121,222</u> | <u>136,697</u> | <u>(15,475)</u> |
| Total deferred outflows | <u>\$ 596,433</u> | <u>\$ 1,208,445</u> | <u>\$ (612,012)</u> | <u>\$ 1,100,137</u> | <u>\$ 1,832,427</u> | <u>\$ (732,290)</u> |
| <u>Deferred Inflows:</u> | | | | | | |
| Differences between expected and actual experience | \$ 54,663 | \$ 115,453 | \$ (60,790) | \$ 126,623 | \$ 187,486 | \$ (60,863) |
| Changes of assumptions | - | - | | - | - | |
| Net difference between projected and actual investment earnings on pension plan investments | 208,995 | 1,123,024 | (914,029) | 237,522 | 1,150,114 | (912,592) |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | <u>49,108</u> | <u>34,001</u> | <u>15,107</u> | <u>83,142</u> | <u>116,578</u> | <u>(33,436)</u> |
| Total deferred inflows | <u>\$ 312,766</u> | <u>\$ 1,272,478</u> | <u>\$ (959,712)</u> | <u>\$ 447,287</u> | <u>\$ 1,454,178</u> | <u>\$ (1,006,891)</u> |
| <u>Pension Expense:</u> | | | | | | |
| Proportionate share of plan pension expense | \$ 533,340 | \$ 473,576 | \$ 59,764 | \$ 779,569 | \$ 678,663 | \$ 100,906 |
| Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportional share of contributions | <u>42,284</u> | <u>37,240</u> | <u>5,044</u> | <u>72,178</u> | <u>61,199</u> | <u>10,979</u> |
| Total pension expense | <u>\$ 575,624</u> | <u>\$ 510,816</u> | <u>\$ 64,808</u> | <u>\$ 851,747</u> | <u>\$ 739,862</u> | <u>\$ 111,885</u> |

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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.

| Year Ending March 31 | <u>ERS</u> | <u>PFRS</u> |
|----------------------------|------------|-------------|
| 2019 | \$ 201,214 | \$ 311,972 |
| 2020 | (133,275) | (25,440) |
| 2021 | 8,322 | 45,709 |
| 2022 | 114,180 | 161,901 |
| 2023 | - | 37,486 |
| Thereafter | - | - |

The total pension liability for the March 31, 2019 measurement date was determined by using an actuarial valuation as of April 1, 2018, with update procedures used to roll forward the total pension liabilities to March 31, 2019. The actuarial valuation used the following actuarial assumptions:

| | <u>ERS</u> | <u>PFRS</u> |
|---|------------|-------------|
| Inflation | 2.5% | 2.5% |
| Salary increases | 4.2% | 5.0% |
| 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, 2019 are summarized as follows:

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| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------|--------------------------|---|
| 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 | <u>4.00%</u> | <u>1.50%</u> |
| | <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:

| <u>Village's Proportionate Share of</u> | <u>One Percent Decrease (6%)</u> | <u>Current Assumption (7%)</u> | <u>One Percent Increase (8%)</u> |
|---|----------------------------------|--------------------------------|----------------------------------|
| ERS net pension liability (asset) | \$ 3,560,263 | \$ 814,303 | \$ (1,492,498) |
| PFRS net pension liability (asset) | \$ 4,285,941 | \$ 1,185,941 | \$ (1,402,854) |

VILLAGE OF SUFFERN, NEW YORK
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FOR THE FISCAL YEAR ENDED MAY 31, 2019

The components of the collective net pension liability as of the March 31, 2019 measurement date were as follows:

| | (Dollars in Thousands) | | |
|---|------------------------|---------------------|---------------------|
| | <u>ERS</u> | <u>PFRS</u> | <u>Total</u> |
| Employers' total pension liability | \$189,803,429 | \$34,128,100 | \$223,931,529 |
| Fiduciary net position | <u>182,718,124</u> | <u>32,451,037</u> | <u>215,169,161</u> |
| Employers' net pension liability | <u>\$ 7,085,305</u> | <u>\$ 1,677,063</u> | <u>\$ 8,762,368</u> |
| Ratio of fiduciary net position to the employers' total pension liability | 96.27% | 95.09% | 96.09% |

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, 2019 represent the employer contribution for the period of April 1, 2019 through May 31, 2019 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, 2019 were \$93,226 and \$121,222 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 and Village work rules 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, 2019, the following employees were covered by the benefit terms:

| | |
|-------------------|-----------|
| Retired Employees | 66 |
| Active Employees | <u>65</u> |
| Total Employees | 131 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2019

The Village's total OPEB liability of \$49,106,204 was measured as of May 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other inputs – The total OPEB liability in the May 31, 2019 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 | 3.1% |
| Healthcare Cost Trend Rates | 8.0% in year 2020 with decrease of 0.5% per year |
| 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 June 30, 2019 with rates rounded to the nearest 0.1%.

Changes in the Total OPEB Liability:

| | |
|---|----------------------|
| Balances as of June 1, 2018 | <u>\$ 33,797,540</u> |
| <u>Changes For The Year</u> | |
| Service Cost | 388,955 |
| Interest | 1,484,508 |
| Difference between expected and actual expenses | - |
| Changes of benefit terms | - |
| Changes of assumptions | 14,744,432 |
| Benefit payments | <u>(1,309,231)</u> |
| Net Changes | <u>15,308,664</u> |
| Balances as of May 31, 2019 | <u>\$ 49,106,204</u> |

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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 discount rate that is 1 percentage point lower (2.1%) or 1 percentage point higher (4.1%) than the current discount rate:

| | 1% Decrease (2.1%) | Discount Rate (3.1%) | 1% Increase (4.1%) |
|----------------------|-----------------------|-------------------------|-----------------------|
| Total OPEB Liability | \$62,057,482 | \$ 49,106,204 | \$ 40,011,467 |

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 | \$39,385,633 | \$49,106,204 | \$63,742,944 |

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

For the year ended May 31, 2019, the Village recognized OPEB expense of \$2,856,425. At May 31, 2019, 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 | \$ - | \$ - |
| Impact Due to Changes in Assumptions | 14,744,432 | - |
| Net Difference Between Expected and Actual Earnings on OPEB Investments | - | - |
| | <u>\$ 14,744,432</u> | <u>\$ -</u> |

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2019

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 | \$ 4,391 | \$1,242,608 |
| Water Fund | - | 81,219 |
| Sewer Fund | - | 554,687 |
| Capital Projects Fund | 693,552 | 28,696 |
| Debt Service Fund | 1,209,267 | - |
| Total | <u>\$1,907,210</u> | <u>\$1,907,210</u> |

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

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FOR THE FISCAL YEAR ENDED MAY 31, 2019

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.

Restricted for Fire Service Awards Program - the component of net position that has been established to record the net assets or liabilities related to the Village's Length of Service Awards Program for its volunteer firefighters.

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 Sewer Fund is not in spendable form because the advance is not expected to be repaid in sufficient time to satisfy liabilities of the current year.

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

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

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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2019

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 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 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, 2019 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 | \$81.30 | \$553,799 | \$152,483 | \$401,316 | 72.5% |

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

VILLAGE OF SUFFERN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2019

accordance with the agreement, Orange Avenue Apartments LLC demolished buildings and remediated a brownfield in a blighted area of the Village and developed a transit-oriented 92-unit residential complex on the site. The development improves the economic viability of the Village and provides 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 was 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 was issued August 22, 2019, so the end date will be August 22, 2054. 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, 2019, 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, 2019.

Note 4 - Summary Disclosure of Significant Contingencies

4A. Litigation

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

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the Village if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of the possible refunds cannot be determined 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.

VILLAGE OF SUFFERN, NEW YORK
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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 July 26, 2019, the Village purchased a cybersecurity insurance policy of \$1 million per occurrence and \$1 million in the aggregate.

On August 26, 2019, the Village entered into an installment purchase contract for the financing of two police vehicles in the principal amount of \$95,000 at the interest rate of 3.19% and a maturity date of August 26, 2022.

On November 14, 2019 the Village issued a bond anticipation note for various purposes in the amount of \$1,309,925 at the rate of 2.94% and a maturity date of November 13, 2020.

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REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF SUFFERN, NEW YORK

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE VILLAGE'S TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST TWO FISCAL YEARS

| Measurement Date | <u>5/31/2019</u> | <u>5/31/2018</u> |
|---|----------------------|----------------------|
| <u>TOTAL OPEB LIABILITY</u> | | |
| Service Cost | \$ 388,955 | \$ 915,117 |
| Interest | 1,484,508 | 1,184,993 |
| Changes in benefit terms | - | - |
| Differences between expected and actual experience in the measurement of the total OPEB liability | - | - |
| Changes of assumptions | 14,744,432 | - |
| Benefit payments | (1,309,231) | (658,820) |
| Net change in Total OPEB Liability | 15,308,664 | 1,441,290 |
| TOTAL OPEB LIABILITY - BEGINNING | 33,797,540 | 32,356,250 |
| <u>TOTAL OPEB LIABILITY - ENDING</u> | <u>\$ 49,106,204</u> | <u>\$ 33,797,540</u> |
| Covered-Employee Payroll | \$ 6,013,912 | \$ 6,199,720 |
| Total OPEB liability as a % of covered payroll | 816.54% | 545.15% |

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

| Measurement Date | <u>12/31/2018</u> | <u>12/31/2017</u> |
|--|---------------------|---------------------|
| <u>TOTAL PENSION LIABILITY</u> | | |
| Service Cost | \$ 86,816 | \$ 68,117 |
| Interest | 89,070 | 94,259 |
| Changes of Benefit Terms | 145,806 | - |
| Changes of Assumptions or Other Inputs | (214,884) | 223,277 |
| Differences Between Expected and Actual Experience | 27,608 | (25,188) |
| Benefit Payments | (100,232) | (102,090) |
| Net Change in Total Pension Liability | 34,184 | 258,375 |
| Total Pension Liability - Beginning | 2,781,963 | 2,523,588 |
| <u>TOTAL PENSION LIABILITY - ENDING</u> | <u>\$ 2,816,147</u> | <u>\$ 2,781,963</u> |
| Covered-Employee Payroll | N/A | N/A |
| Total Pension Liability as a % of Covered Payroll | N/A | 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% |
| December 31, 2018: | 3.64% |

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.

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

| | 2019 | 2018 | 2017 |
|---|--------------|--------------|--------------|
| <u>Employees Retirement System</u> | | | |
| Proportion of the net pension liability | 0.0114928% | 0.0121370% | 0.0116346% |
| Proportionate share of the net pension liability | \$ 814,303 | \$ 391,716 | \$ 1,093,208 |
| Covered employee payroll * | \$ 3,548,588 | \$ 3,711,867 | \$ 3,463,920 |
| Net pension liability as percentage of covered employee payroll | 22.95% | 10.55% | 31.56% |
| Fiduciary net position as percentage of total pension liability | 96.3% | 98.2% | 94.7% |
| Contractually required contribution | \$ 507,856 | \$ 546,504 | \$ 516,606 |
| Contributions made | (507,856) | (546,504) | (516,606) |
| (Excess) deficiency of contributions | \$ - | \$ - | \$ - |
| Covered payroll ** | \$ 3,548,013 | \$ 3,595,893 | \$ 3,669,985 |
| Contributions as percentage of covered employee payroll | 14.31% | 15.20% | 14.08% |
| <u>Police and Fire Retirement System</u> | | | |
| Proportion of the net pension liability | 0.0707175% | 0.0698059% | 0.0754608% |
| Proportionate share of the net pension liability | \$ 1,185,976 | \$ 705,568 | \$ 1,564,039 |
| Covered employee payroll * | \$ 3,031,428 | \$ 3,358,171 | \$ 3,265,551 |
| Net pension liability as percentage of covered employee payroll | 39.12% | 21.01% | 47.90% |
| Fiduciary net position as percentage of total pension liability | 95.1% | 96.9% | 93.5% |
| Contractually required contribution | \$ 661,464 | \$ 761,081 | \$ 733,265 |
| Contributions made | (661,464) | (761,081) | (733,265) |
| (Excess) deficiency of contributions | \$ - | \$ - | \$ - |
| Covered payroll ** | \$ 3,301,421 | \$ 3,341,454 | \$ 3,545,701 |
| Contributions as percentage of covered employee payroll | 20.04% | 22.78% | 20.68% |

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 May 31.

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|--------------|------|------|------|------|------|------|------|
| 0.0126191% | | N/A | N/A | N/A | N/A | N/A | N/A |
| \$ 2,025,395 | | N/A | N/A | N/A | N/A | N/A | N/A |
| \$ 3,470,246 | | N/A | N/A | N/A | N/A | N/A | N/A |
| 58.36% | | N/A | N/A | N/A | N/A | N/A | N/A |
| 90.7% | | N/A | N/A | N/A | N/A | N/A | N/A |
| \$ 599,702 | | N/A | N/A | N/A | N/A | N/A | N/A |
| (599,702) | | N/A | N/A | N/A | N/A | N/A | N/A |
| \$ - | | N/A | N/A | N/A | N/A | N/A | N/A |
| \$ 3,617,070 | | N/A | N/A | N/A | N/A | N/A | N/A |
| 16.58% | | N/A | N/A | N/A | N/A | N/A | N/A |
| 0.0763461% | | N/A | N/A | N/A | N/A | N/A | N/A |
| \$ 2,260,447 | | N/A | N/A | N/A | N/A | N/A | N/A |
| \$ 2,835,592 | | N/A | N/A | N/A | N/A | N/A | N/A |
| 79.72% | | N/A | N/A | N/A | N/A | N/A | N/A |
| 90.2% | | N/A | N/A | N/A | N/A | N/A | N/A |
| \$ 455,277 | | N/A | N/A | N/A | N/A | N/A | N/A |
| (455,277) | | N/A | N/A | N/A | N/A | N/A | N/A |
| \$ - | | N/A | N/A | N/A | N/A | N/A | N/A |
| \$ 3,723,500 | | N/A | N/A | N/A | N/A | N/A | N/A |
| 12.23% | | N/A | N/A | N/A | N/A | N/A | N/A |

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OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF SUFFERN, NEW YORK
GENERAL FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2019 AND 2018

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 3,006,241 | \$ 682,741 |
| Restricted cash and cash equivalents | 300 | 90,830 |
| Investments - Restricted | 1,490,721 | 1,450,130 |
| Receivables | | |
| Accounts, net | 114,957 | 151,990 |
| State and Federal aid | 149,761 | 118,769 |
| Due from other funds | 89,061 | 3,333,952 |
| Due from agency funds | 17 | - |
| Advances to other funds | 1,900,000 | 365,000 |
| Advances to agency funds | 5,269 | - |
| Due from other governments | 152,603 | 130,253 |
| <u>TOTAL ASSETS</u> | <u>\$ 6,908,930</u> | <u>\$ 6,323,665</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts payable | \$ 188,408 | \$ 397,426 |
| Accrued liabilities | 248,669 | 238,526 |
| Due to other funds | - | 188,353 |
| Retainage payable | 62,000 | 62,000 |
| Security deposits | 216,083 | 78,148 |
| Bond anticipation notes payable | 51,000 | 76,500 |
| Due to retirement systems | 180,291 | 200,487 |
| <u>TOTAL LIABILITIES</u> | <u>946,451</u> | <u>1,241,440</u> |
| <u>FUND BALANCE</u> | | |
| <u>Nonspendable</u> | | |
| Advance to Capital Projects Fund | - | 365,000 |
| Advance to Sewer Fund | 1,900,000 | - |
| <u>Restricted</u> | | |
| Law Enforcement | 19,074 | 19,054 |
| DARE | 71,489 | 64,477 |
| Fire Service Awards Program | 1,490,721 | 1,450,130 |
| <u>Committed</u> | | |
| Suffern Day | 3,251 | 6,039 |
| Assigned | 96,591 | 37,014 |
| Unassigned | 2,381,353 | 3,140,511 |
| <u>TOTAL FUND BALANCE</u> | <u>5,962,479</u> | <u>5,082,225</u> |
| <u>TOTAL LIABILITIES AND FUND BALANCE</u> | <u>\$ 6,908,930</u> | <u>\$ 6,323,665</u> |

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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, 2019 AND 2018

| | 2019 | | | |
|---|----------------------|----------------------|----------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget |
| <u>REAL PROPERTY TAXES</u> | <u>\$ 10,890,625</u> | <u>\$ 10,890,625</u> | <u>\$ 10,898,791</u> | <u>\$ 8,166</u> |
| <u>OTHER TAX ITEMS</u> | | | | |
| Payments in lieu of taxes | 189,072 | 189,072 | 189,052 | (20) |
| Interest and penalties on real property taxes | 20,000 | 20,000 | 45,247 | 25,247 |
| <u>Total Other Tax Items</u> | <u>209,072</u> | <u>209,072</u> | <u>234,299</u> | <u>25,227</u> |
| <u>NON-PROPERTY TAXES</u> | | | | |
| Utilities gross receipts tax | 170,000 | 170,000 | 164,048 | (5,952) |
| Franchise fees | | | | |
| | 250,000 | 250,000 | 229,144 | (20,856) |
| <u>Total Non-property Taxes</u> | <u>420,000</u> | <u>420,000</u> | <u>393,192</u> | <u>(26,808)</u> |
| <u>DEPARTMENTAL INCOME</u> | | | | |
| Fire inspection fees | 54,000 | 54,000 | 40,955 | (13,045) |
| Certificate of occupancy search fees | 16,000 | 16,000 | 21,225 | 5,225 |
| Public safety fees | 20,000 | 20,000 | 28,880 | 8,880 |
| Vital statistics fees | 48,000 | 48,000 | 48,601 | 601 |
| Public Works services | - | - | 6,927 | 6,927 |
| Parking permits | 225,000 | 225,000 | 218,126 | (6,874) |
| Pool fees | 45,000 | 45,000 | 49,574 | 4,574 |
| Other culture and recreation fees | 15,000 | 15,000 | 15,287 | 287 |
| Zoning fees | 2,500 | 2,500 | 2,450 | (50) |
| Planning board fees | 35,000 | 35,000 | 12,250 | (22,750) |
| Refuse and garbage charges | 1,358,155 | 1,358,155 | 1,355,067 | (3,088) |
| Police services | 750 | 750 | 440 | (310) |
| Snow removal | 5,588 | 5,588 | - | (5,588) |
| <u>Total Departmental Income</u> | <u>1,824,993</u> | <u>1,824,993</u> | <u>1,799,782</u> | <u>(25,211)</u> |
| <u>USE OF MONEY AND PROPERTY</u> | | | | |
| Earnings on investments | | | | |
| | - | - | 27,360 | 27,360 |
| Rental of real property | 56,000 | 56,000 | 53,800 | (2,200) |
| Filming Fees | - | - | 45,151 | 45,151 |
| <u>Total Use of Money and Property</u> | <u>56,000</u> | <u>56,000</u> | <u>126,311</u> | <u>70,311</u> |
| <u>LICENSES AND PERMITS</u> | | | | |
| Business and occupational licenses | 750 | 750 | - | (750) |
| Building permits | 80,000 | 80,000 | 232,000 | 152,000 |
| Garage sale permits | 40,000 | 40,000 | 42,159 | 2,159 |
| <u>Total Licenses and Permits</u> | <u>120,750</u> | <u>120,750</u> | <u>274,159</u> | <u>153,409</u> |
| <u>FINES AND FORFEITURES</u> | <u>270,000</u> | <u>270,000</u> | <u>254,805</u> | <u>(15,195)</u> |
| <u>SALE OF PROPERTY AND COMPENSATION FOR LOSS</u> | | | | |
| Sale of recyclables | 24,000 | 24,000 | 7,337 | (16,663) |
| Sale of equipment | - | - | 75 | 75 |
| Insurance recoveries | 25,000 | 155,000 | 218,090 | 63,090 |
| <u>Total Sale of Property and Compensation for Loss</u> | <u>49,000</u> | <u>179,000</u> | <u>225,502</u> | <u>46,502</u> |

| 2018 | | | |
|--------------------|-----------------|---------------|-------------------------------|
| Original Budget | Final Budget | Actual | Variance with Final Budget |
| \$ 10,648,171 | \$ 10,612,997 | \$ 10,623,502 | \$ 10,505 |
| 184,526 | 184,526 | 184,526 | - |
| 17,200 | 17,200 | 44,024 | 26,824 |
| 201,726 | 201,726 | 228,550 | 26,824 |
| 150,000 | 150,000 | 174,689 | 24,689 |
| 240,000 | 240,000 | 327,697 | 87,697 |
| 390,000 | 390,000 | 502,386 | 112,386 |
| 53,500 | 53,500 | 43,350 | (10,150) |
| 18,500 | 18,500 | 23,776 | 5,276 |
| 20,000 | 20,000 | 20,000 | - |
| 48,000 | 48,000 | 51,905 | 3,905 |
| - | - | 7,553 | 7,553 |
| 196,400 | 178,400 | 190,605 | 12,205 |
| 46,500 | 46,500 | 45,962 | (538) |
| 10,300 | 10,300 | 16,328 | 6,028 |
| 2,600 | 2,600 | 2,720 | 120 |
| 31,000 | 31,000 | 19,637 | (11,363) |
| 1,294,699 | 1,273,699 | 1,272,901 | (798) |
| 750 | 750 | 6,488 | 5,738 |
| 5,588 | 5,588 | 835 | (4,753) |
| 1,727,837 | 1,688,837 | 1,702,060 | 13,223 |
| - | - | 141,969 | 141,969 |
| 36,019 | 54,019 | 54,019 | - |
| - | - | 99,348 | 99,348 |
| 36,019 | 54,019 | 295,336 | 241,317 |
| 750 | 750 | - | (750) |
| 85,000 | 85,000 | 52,963 | (32,037) |
| 34,000 | 34,000 | 22,651 | (11,349) |
| 119,750 | 119,750 | 75,614 | (44,136) |
| 228,570 | 228,570 | 255,803 | 27,233 |
| 3,000 | 24,000 | 6,724 | (17,276) |
| - | - | - | - |
| 65,000 | 65,000 | 47,267 | (17,733) |
| 68,000 | 89,000 | 53,991 | (35,009) |

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, 2019 AND 2018

| | 2019 | | | |
|---|--------------------|-------------------|-------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget |
| <u>MISCELLANEOUS REVENUE</u> | | | | |
| County sales tax distribution | 525,000 | 525,000 | 559,677 | 34,677 |
| Refund of prior years' expenditures | - | - | 26,252 | 26,252 |
| Gifts and donations | 71,500 | 119,622 | 153,485 | 33,863 |
| Premiums on obligations | - | - | - | - |
| Other miscellaneous revenues | | | | |
| | <u>228,500</u> | <u>228,500</u> | <u>350,110</u> | <u>121,610</u> |
| <u>Total Miscellaneous Revenue</u> | <u>825,000</u> | <u>873,122</u> | <u>1,089,524</u> | <u>216,402</u> |
| <u>STATE AID</u> | | | | |
| Aid and Incentive for Municipalities | 99,859 | 99,859 | 88,416 | (11,443) |
| Mortgage tax | 200,000 | 200,000 | 217,375 | 17,375 |
| Public Safety | - | 10,714 | 16,241 | 5,527 |
| Transportation | - | - | 22,881 | 22,881 |
| Recreation | - | 2,000 | 2,000 | - |
| Water Project | - | - | - | - |
| <u>Total State Aid</u> | <u>299,859</u> | <u>312,573</u> | <u>346,913</u> | <u>34,340</u> |
| <u>FEDERAL AID</u> | <u>-</u> | <u>4,125</u> | <u>4,125</u> | <u>-</u> |
| <u>TOTAL REVENUES</u> | <u>14,965,299</u> | <u>15,160,260</u> | <u>15,647,403</u> | <u>487,143</u> |
| <u>EXPENDITURES</u> | | | | |
| <u>GENERAL GOVERNMENT</u> | | | | |
| Board of Trustees | 53,250 | 53,250 | 45,157 | 8,093 |
| Justice Court | 277,646 | 277,646 | 259,306 | 18,340 |
| Mayor | 30,050 | 30,050 | 28,421 | 1,629 |
| Auditor | 38,000 | 38,000 | 21,768 | 16,232 |
| Treasurer | 138,550 | 138,550 | 107,969 | 30,581 |
| Assessment | 13,103 | 13,153 | 13,153 | - |
| Municipal financial advisor | 2,500 | 2,500 | 2,500 | - |
| Clerk | 233,324 | 222,743 | 222,534 | 209 |
| Attorney | | | | |
| | 164,151 | 233,257 | 233,257 | - |
| Shared services | | | | |
| | 203,434 | 204,595 | 142,119 | 62,476 |
| Unallocated insurance | 155,460 | 136,560 | 136,523 | 37 |
| Municipal association dues | 5,000 | 5,000 | - | 5,000 |
| Judgments and claims | | | | |
| | 80,000 | 80,000 | 6,012 | 73,988 |
| Contingency | 200,000 | - | - | - |
| <u>Total General Government</u> | <u>1,594,468</u> | <u>1,435,304</u> | <u>1,218,719</u> | <u>216,585</u> |
| <u>PUBLIC SAFETY</u> | | | | |
| Police | 3,991,932 | 4,459,348 | 4,456,250 | 3,098 |
| Fire | 317,175 | 320,259 | 317,313 | 2,946 |
| Safety Inspection | 243,475 | 243,475 | 223,791 | 19,684 |
| <u>Total Public Safety</u> | <u>4,552,582</u> | <u>5,023,082</u> | <u>4,997,354</u> | <u>25,728</u> |
| <u>HEALTH - REGISTRAR OF VITAL STATISTICS</u> | | | | |
| | <u>9,600</u> | <u>9,680</u> | <u>9,680</u> | <u>-</u> |
| <u>TRANSPORTATION</u> | | | | |
| Street administration | 26,542 | 26,542 | 15,641 | 10,901 |
| Street maintenance | 1,233,283 | 1,215,009 | 1,059,419 | 155,590 |
| Snow removal | 114,000 | 122,012 | 107,035 | 14,977 |
| Street lighting | 235,700 | 235,700 | 173,353 | 62,347 |
| Parking | 113,047 | 120,936 | 120,936 | - |
| <u>Total Transportation</u> | <u>1,722,572</u> | <u>1,720,199</u> | <u>1,476,384</u> | <u>243,815</u> |

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

| 2018 | | | |
|--------------------|-------------------|-------------------|-------------------------------|
| Original Budget | Final Budget | Actual | Variance with Final Budget |
| 500,000 | 500,000 | 526,222 | 26,222 |
| - | - | 26,034 | 26,034 |
| 79,000 | 79,500 | 110,204 | 30,704 |
| - | - | 1,626 | 1,626 |
| <u>188,000</u> | <u>188,000</u> | <u>218,894</u> | <u>30,894</u> |
| <u>767,000</u> | <u>767,500</u> | <u>882,980</u> | <u>115,480</u> |
| 99,859 | 99,859 | 98,736 | (1,123) |
| 154,500 | 154,500 | 195,361 | 40,861 |
| - | - | - | - |
| - | - | 44,588 | 44,588 |
| - | - | - | - |
| - | - | 49,306 | 49,306 |
| <u>254,359</u> | <u>254,359</u> | <u>387,991</u> | <u>133,632</u> |
| - | - | - | - |
| <u>14,441,432</u> | <u>14,406,758</u> | <u>15,008,213</u> | <u>601,455</u> |
| 41,250 | 42,191 | 46,938 | (4,747) |
| 269,444 | 267,765 | 237,781 | 29,984 |
| 29,750 | 29,930 | 29,270 | 660 |
| 38,000 | 38,000 | 24,336 | 13,664 |
| 126,988 | 126,177 | 114,124 | 12,053 |
| 13,103 | 13,103 | 13,557 | (454) |
| - | - | 2,500 | (2,500) |
| 170,519 | 171,607 | 234,516 | (62,909) |
| 159,500 | 159,680 | 271,658 | (111,978) |
| 204,934 | 204,934 | 173,447 | 31,487 |
| 160,930 | 160,930 | 141,429 | 19,501 |
| 5,000 | 5,000 | 4,846 | 154 |
| 70,000 | 34,826 | 898 | 33,928 |
| 200,000 | 145,017 | - | 145,017 |
| <u>1,489,418</u> | <u>1,399,160</u> | <u>1,295,300</u> | <u>103,860</u> |
| 3,694,906 | 3,748,315 | 3,737,418 | 10,897 |
| 445,511 | 310,429 | 303,519 | 6,910 |
| <u>238,583</u> | <u>238,481</u> | <u>218,274</u> | <u>20,207</u> |
| <u>4,379,000</u> | <u>4,297,225</u> | <u>4,259,211</u> | <u>38,014</u> |
| 9,600 | 9,600 | 9,720 | (120) |
| 39,149 | 38,432 | 33,049 | 5,383 |
| 1,132,338 | 1,106,912 | 968,289 | 138,623 |
| 115,500 | 115,500 | 116,036 | (536) |
| 227,700 | 227,700 | 176,490 | 51,210 |
| 123,010 | 123,264 | 124,702 | (1,438) |
| <u>1,637,697</u> | <u>1,611,808</u> | <u>1,418,566</u> | <u>193,242</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, 2019 AND 2018

| | 2019 | | | |
|---|--------------------|--------------------|--------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget |
| <u>CULTURE AND RECREATION</u> | | | | |
| Parks and playgrounds | 254,402 | 293,387 | 274,611 | 18,776 |
| Youth recreation | 86,381 | 86,381 | 82,631 | 3,750 |
| Historian | 4,581 | 4,581 | 4,114 | 467 |
| <u>Total Culture and Recreation</u> | <u>345,364</u> | <u>384,349</u> | <u>361,356</u> | <u>22,993</u> |
| <u>HOME AND COMMUNITY SERVICES</u> | | | | |
| Zoning Board | 5,863 | 5,863 | 4,680 | 1,183 |
| Planning Board | 22,116 | 18,459 | 9,925 | 8,534 |
| Refuse and garbage | 1,060,565 | 1,064,625 | 977,582 | 87,043 |
| <u>Total Home and Community Services</u> | <u>1,088,544</u> | <u>1,088,947</u> | <u>992,187</u> | <u>96,760</u> |
| <u>EMPLOYEE BENEFITS</u> | | | | |
| NYS Employee Retirement System | 367,603 | 367,603 | 349,897 | 17,706 |
| NYS Police & Fire Retirement System | 854,593 | 848,766 | 695,245 | 153,521 |
| Firefighter service award program | 129,000 | 129,000 | 112,998 | 16,002 |
| Firefighter cancer insurance | - | 11,400 | 11,385 | 15 |
| Social Security and Medicare | 446,787 | 458,587 | 439,944 | 18,643 |
| MTA Commuter tax | 20,000 | 20,295 | 20,295 | - |
| Disability insurance | 200 | 200 | 137 | 63 |
| Flexible spending plan fees | 800 | 1,200 | 1,200 | - |
| Workers' compensation insurance | 506,000 | 505,600 | 478,988 | 26,612 |
| Life insurance | 77,500 | 77,500 | 76,683 | 817 |
| Unemployment insurance | 6,000 | 3,400 | 425 | 2,975 |
| Health insurance | 2,185,400 | 2,177,035 | 2,082,998 | 94,037 |
| Dental insurance | 97,368 | 105,438 | 103,877 | 1,561 |
| <u>Total Employee Benefits</u> | <u>4,691,251</u> | <u>4,706,024</u> | <u>4,374,072</u> | <u>331,952</u> |
| <u>DEBT SERVICE</u> | | | | |
| Principal - Installment purchase debt | 30,973 | 63,948 | 63,948 | - |
| Interest | | | | |
| Bond anticipation notes | 12,946 | 12,945 | 12,945 | - |
| Installment purchase debt | 18,805 | 22,287 | 22,287 | - |
| <u>Total Interest</u> | <u>31,751</u> | <u>35,232</u> | <u>35,232</u> | <u>-</u> |
| <u>Total Debt Service</u> | <u>62,724</u> | <u>99,180</u> | <u>99,180</u> | <u>-</u> |
| <u>Total Expenditures</u> | <u>14,067,105</u> | <u>14,466,765</u> | <u>13,528,932</u> | <u>937,833</u> |
| Excess of Revenues Over Expenditures | 898,194 | 693,495 | 2,118,471 | 1,424,976 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfer In - Capital Projects Fund | - | 4,391 | 4,391 | - |
| Transfer Out - Debt Service Fund | (634,886) | (634,886) | (634,886) | - |
| Transfer Out - Capital Projects Fund | (263,308) | (633,222) | (607,722) | 25,500 |
| <u>Total Other Financing Sources (Uses)</u> | <u>(898,194)</u> | <u>(1,263,717)</u> | <u>(1,238,217)</u> | <u>25,500</u> |
| NET CHANGE IN FUND BALANCE | - | (570,222) | 880,254 | 1,450,476 |
| Prior Year Restatement - GASB No. 73 | - | - | - | - |
| Fund Balance (Deficit) - Beginning | - | 570,222 | 5,082,225 | 4,512,003 |
| Fund Balance - Ending | \$ - | \$ - | \$ 5,962,479 | \$ 5,962,479 |

| 2018 | | | |
|--------------------|-----------------|--------------|-------------------------------|
| Original Budget | Final Budget | Actual | Variance with Final Budget |
| 272,058 | 272,793 | 274,862 | (2,069) |
| 85,183 | 85,183 | 80,791 | 4,392 |
| 4,581 | 4,689 | 3,803 | 886 |
| 361,822 | 362,665 | 359,456 | 3,209 |
| 5,863 | 5,863 | 5,330 | 533 |
| 21,616 | 21,616 | 27,294 | (5,678) |
| 977,980 | 979,641 | 945,978 | 33,663 |
| 1,005,459 | 1,007,120 | 978,602 | 28,518 |
| 395,432 | 395,432 | 368,732 | 26,700 |
| 870,434 | 870,434 | 812,094 | 58,340 |
| - | 140,000 | 97,668 | 42,332 |
| - | - | - | - |
| 425,400 | 425,400 | 425,879 | (479) |
| 25,500 | 25,500 | 18,545 | 6,955 |
| 200 | 200 | 103 | 97 |
| 800 | 800 | 1,300 | (500) |
| 505,032 | 505,032 | 519,117 | (14,085) |
| 58,300 | 58,300 | 76,820 | (18,520) |
| 3,000 | 3,000 | 1,700 | 1,300 |
| 2,081,300 | 2,081,300 | 2,027,347 | 53,953 |
| 98,200 | 98,200 | 98,616 | (416) |
| 4,463,598 | 4,603,598 | 4,447,921 | 155,677 |
| 29,772 | 29,772 | 29,772 | - |
| 32,131 | 32,131 | 32,131 | - |
| 20,005 | 20,005 | 20,005 | - |
| 52,136 | 52,136 | 52,136 | - |
| 81,908 | 81,908 | 81,908 | - |
| 13,428,502 | 13,373,084 | 12,850,684 | 522,400 |
| 1,012,930 | 1,033,674 | 2,157,529 | 1,123,855 |
| - | - | - | - |
| (639,973) | (639,973) | (639,973) | - |
| (372,957) | (427,940) | (402,440) | 25,500 |
| (1,012,930) | (1,067,913) | (1,042,413) | 25,500 |
| - | (34,239) | 1,115,116 | 1,149,355 |
| - | - | (58,545) | 58,545 |
| - | 34,239 | 4,025,654 | 3,991,415 |
| \$ - | \$ - | \$ 5,082,225 | \$ 5,199,315 |

VILLAGE OF SUFFERN, NEW YORK
WATER FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2019 AND 2018

| | <u>2019</u> | <u>2018</u> |
|---|-------------------------|-------------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 428,730 | \$ 1,060,236 |
| <u>RECEIVABLES</u> | | |
| Accounts, net | - | 779 |
| Water rents | 640,231 | 719,343 |
| Due from other funds | - | 188,352 |
| <u>TOTAL ASSETS</u> | <u>\$ 1,068,961</u> | <u>\$ 1,968,710</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts payable | \$ 24,755 | \$ 31,982 |
| Accrued liabilities | 23,595 | 18,449 |
| Due to other funds | 209,520 | 1,423,634 |
| Due to retirement systems | 18,490 | 19,859 |
| <u>TOTAL LIABILITIES</u> | <u>276,360</u> | <u>1,493,924</u> |
| <u>FUND BALANCE</u> | <u>792,601</u> | <u>474,786</u> |
| <u>TOTAL LIABILITIES AND FUND BALANCE</u> | <u>\$ 1,068,961</u> | <u>\$ 1,968,710</u> |

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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, 2019 AND 2018

| | 2019 | | | |
|--|--------------------|------------------|-------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget |
| <u>REVENUES</u> | | | | |
| <u>DEPARTMENTAL INCOME</u> | | | | |
| Metered water sales | \$ 2,037,800 | \$ 2,037,800 | \$ 1,928,484 | \$ (109,316) |
| Water service charges | 1,500 | 1,500 | 2,150 | 650 |
| Interest and penalties on water rents | 12,000 | 12,000 | 50,409 | 38,409 |
| <u>Total Departmental Income</u> | <u>2,051,300</u> | <u>2,051,300</u> | <u>1,981,043</u> | <u>(70,257)</u> |
| <u>MISCELLANEOUS REVENUE</u> | <u>6,600</u> | <u>6,020</u> | <u>12,234</u> | <u>6,214</u> |
| <u>Total Revenues</u> | <u>2,057,900</u> | <u>2,057,320</u> | <u>1,993,277</u> | <u>(64,043)</u> |
| <u>EXPENDITURES</u> | | | | |
| <u>HOME AND COMMUNITY SERVICES</u> | | | | |
| Water administration | 313,003 | 329,972 | 305,825 | 24,147 |
| Source of supply, power and pumping | 833,770 | 921,458 | 698,038 | 223,420 |
| Transmission and distribution | 98,700 | 98,700 | 91,083 | 7,617 |
| Contingency | 200,000 | 165,450 | - | 165,450 |
| <u>Total Home and Community Services</u> | <u>1,445,473</u> | <u>1,515,580</u> | <u>1,094,946</u> | <u>420,634</u> |
| <u>EMPLOYEE BENEFITS</u> | | | | |
| NYS Employees Retirement System | 115,067 | 115,067 | 109,633 | 5,434 |
| Social Security and Medicare | 60,492 | 60,492 | 56,038 | 4,454 |
| MTA Commuter Tax | 2,700 | 2,700 | 1,711 | 989 |
| Workers' compensation insurance | 48,665 | 48,665 | 44,686 | 3,979 |
| Health & dental insurance | 301,450 | 308,508 | 284,204 | 24,304 |
| Life insurance | 2,200 | 2,393 | 2,393 | - |
| <u>Total Employee Benefits</u> | <u>530,574</u> | <u>537,825</u> | <u>498,665</u> | <u>39,160</u> |
| <u>DEBT SERVICE</u> | | | | |
| Bond anticipation notes - Interest | 633 | 632 | 632 | - |
| <u>Total Debt Service</u> | <u>633</u> | <u>632</u> | <u>632</u> | <u>-</u> |
| <u>TOTAL EXPENDITURES</u> | <u>1,976,680</u> | <u>2,054,037</u> | <u>1,594,243</u> | <u>459,794</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 81,220 | 3,283 | 399,034 | 395,751 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfer out - Debt Service Fund | (71,095) | (71,094) | (71,094) | - |
| Transfer out - Capital Projects Fund | (10,125) | (10,125) | (10,125) | - |
| <u>Total Other Financing Sources (Uses)</u> | <u>(81,220)</u> | <u>(81,219)</u> | <u>(81,219)</u> | <u>-</u> |
| <u>NET CHANGE IN FUND BALANCE</u> | <u>-</u> | <u>(77,936)</u> | <u>317,815</u> | <u>395,751</u> |
| Fund Balance (Deficit) - Beginning | - | 77,936 | 474,786 | 396,850 |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 792,601</u> | <u>\$ 792,601</u> |

2018

| Original Budget | Final Budget | Actual | Variance with Final Budget |
|--------------------|-----------------|--------------|-------------------------------|
| \$ 2,001,768 | \$ 2,001,768 | \$ 1,855,879 | \$ (145,889) |
| 1,500 | 1,500 | 32,900 | 31,400 |
| 12,000 | 12,000 | 25,827 | 13,827 |
| 2,015,268 | 2,015,268 | 1,914,606 | (100,662) |
| 6,020 | 6,020 | 10,464 | 4,444 |
| 2,021,288 | 2,021,288 | 1,925,070 | (96,218) |
| 289,340 | 289,340 | 295,086 | (5,746) |
| 902,872 | 902,872 | 679,475 | 223,397 |
| 103,900 | 103,900 | 79,515 | 24,385 |
| 200,000 | 200,000 | - | 200,000 |
| 1,496,112 | 1,496,112 | 1,054,076 | 442,036 |
| 123,106 | 123,106 | 116,246 | 6,860 |
| 61,700 | 61,700 | 36,118 | 25,582 |
| - | - | 1,637 | (1,637) |
| 39,626 | 39,626 | 41,775 | (2,149) |
| 286,600 | 286,600 | 270,389 | 16,211 |
| 2,200 | 2,200 | 2,386 | (186) |
| 513,232 | 513,232 | 468,551 | 44,681 |
| 1,829 | 1,829 | 1,829 | - |
| 1,829 | 1,829 | 1,829 | - |
| 2,011,173 | 2,011,173 | 1,524,456 | 486,717 |
| 10,115 | 10,115 | 400,614 | 390,499 |
| (71,243) | (71,243) | (71,243) | - |
| (25,625) | (25,625) | (25,625) | - |
| (96,868) | (96,868) | (96,868) | - |
| (86,753) | (86,753) | 303,746 | 390,499 |
| 86,753 | 86,753 | 171,040 | 84,287 |
| \$ - | \$ - | \$ 474,786 | \$ 474,786 |

VILLAGE OF SUFFERN, NEW YORK
COMPARATIVE BALANCE SHEET
SEWER FUND
MAY 31, 2019 AND 2018

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 813,489 | \$ 263,274 |
| <u>RECEIVABLES</u> | | |
| Accounts, net | - | 944 |
| Sewer rents | 723,909 | 845,799 |
| Due from other funds | 188,696 | 1,290,875 |
| <u>TOTAL ASSETS</u> | <u>\$ 1,726,094</u> | <u>\$ 2,400,892</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts payable | \$ 27,507 | \$ 71,674 |
| Accrued liabilities | 8,010 | 5,075 |
| Due to other funds | 42,661 | 2,595,476 |
| Advances from other funds | 1,900,000 | - |
| Due to retirement systems | 15,667 | 16,281 |
| <u>TOTAL LIABILITIES</u> | <u>1,993,845</u> | <u>2,688,506</u> |
| <u>TOTAL FUND BALANCE</u> | <u>(267,751)</u> | <u>(287,614)</u> |
| <u>TOTAL LIABILITIES AND FUND BALANCE</u> | <u>\$ 1,726,094</u> | <u>\$ 2,400,892</u> |

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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, 2019 AND 2018

| | 2019 | | | |
|---|--------------------|------------------|---------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget |
| <u>REVENUES</u> | | | | |
| <u>DEPARTMENTAL INCOME</u> | | | | |
| Sewer fees | \$ 2,232,048 | \$ 2,232,048 | \$ 2,025,403 | \$ (206,645) |
| Penalties | 9,500 | 9,500 | 43,383 | 33,883 |
| <u>USE OF MONEY AND PROPERTY</u> | - | - | 320 | 320 |
| <u>MISCELLANEOUS REVENUE</u> | 9,200 | 9,200 | 5,468 | (3,732) |
| <u>TOTAL REVENUES</u> | <u>2,250,748</u> | <u>2,250,748</u> | <u>2,074,574</u> | <u>(176,174)</u> |
| <u>EXPENDITURES</u> | | | | |
| <u>HOME AND COMMUNITY SERVICES</u> | | | | |
| Wastewater administration | 303,503 | 315,503 | 306,171 | 9,332 |
| Wastewater treatment | 899,434 | 938,154 | 848,910 | 89,244 |
| Contingency | 100,000 | 86,800 | - | 86,800 |
| <u>Total Home and Community Services</u> | <u>1,302,937</u> | <u>1,340,457</u> | <u>1,155,081</u> | <u>185,376</u> |
| <u>EMPLOYEE BENEFITS</u> | | | | |
| NYS Employees Retirement System | 97,498 | 97,498 | 93,440 | 4,058 |
| Social Security and Medicare | 51,256 | 30,256 | 29,443 | 813 |
| MTA Commuter Tax | 2,300 | 2,300 | 463 | 1,837 |
| Workers' compensation insurance | 40,665 | 40,665 | 37,343 | 3,322 |
| Health & dental insurance | 194,116 | 182,116 | 177,979 | 4,137 |
| Life insurance | 1,800 | 1,800 | 786 | 1,014 |
| <u>Total Employee Benefits</u> | <u>387,635</u> | <u>354,635</u> | <u>339,454</u> | <u>15,181</u> |
| <u>DEBT INTEREST</u> | | | | |
| State loan | - | - | - | - |
| Bond anticipation notes | 5,489 | 5,489 | 5,489 | - |
| <u>Total Debt Interest</u> | <u>5,489</u> | <u>5,489</u> | <u>5,489</u> | <u>-</u> |
| Total Expenditures | <u>1,696,061</u> | <u>1,700,581</u> | <u>1,500,024</u> | <u>200,557</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>554,687</u> | <u>550,167</u> | <u>574,550</u> | <u>24,383</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfer In - General Fund | - | - | - | - |
| Transfer out - Debt Service Fund | (481,787) | (481,787) | (481,787) | - |
| Transfer out - Capital Projects Fund | (72,900) | (72,900) | (72,900) | - |
| <u>Total Other Financing Sources (Uses)</u> | <u>(554,687)</u> | <u>(554,687)</u> | <u>(554,687)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | - | (4,520) | 19,863 | 24,383 |
| Fund Deficit - Beginning | - | 4,520 | (287,614) | (292,134) |
| Fund Deficit - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (267,751)</u> | <u>\$ (267,751)</u> |

2018

| Original Budget | Final Budget | Actual | Variance with Final Budget |
|--------------------|------------------|---------------------|-------------------------------|
| \$ 2,139,287 | \$ 2,139,287 | \$ 1,984,213 | \$ (155,074) |
| 9,500 | 9,500 | 27,828 | 18,328 |
| - | - | 2 | 2 |
| 11,900 | 11,900 | 16,045 | 4,145 |
| <u>2,160,687</u> | <u>2,160,687</u> | <u>2,028,088</u> | <u>(132,599)</u> |
| 284,673 | 284,673 | 281,751 | 2,922 |
| 835,134 | 835,134 | 858,504 | (23,370) |
| 100,000 | 100,000 | - | 100,000 |
| <u>1,219,807</u> | <u>1,219,807</u> | <u>1,140,255</u> | <u>79,552</u> |
| 100,922 | 100,922 | 114,065 | (13,143) |
| 50,700 | 50,700 | 22,013 | 28,687 |
| - | - | 998 | (998) |
| 39,626 | 39,626 | 34,148 | 5,478 |
| 188,100 | 188,100 | 180,852 | 7,248 |
| 1,300 | 1,300 | 1,843 | (543) |
| <u>380,648</u> | <u>380,648</u> | <u>353,919</u> | <u>26,729</u> |
| 10,500 | 10,500 | 3,404 | 7,096 |
| 10,640 | 10,640 | 12,362 | (1,722) |
| <u>21,140</u> | <u>21,140</u> | <u>15,766</u> | <u>5,374</u> |
| <u>1,621,595</u> | <u>1,621,595</u> | <u>1,509,940</u> | <u>111,655</u> |
| <u>539,092</u> | <u>539,092</u> | <u>518,148</u> | <u>(20,944)</u> |
| - | - | - | - |
| (466,192) | (466,192) | (466,192) | - |
| (72,900) | (72,900) | (72,900) | - |
| <u>(539,092)</u> | <u>(539,092)</u> | <u>(539,092)</u> | <u>-</u> |
| - | - | (20,944) | (20,944) |
| - | - | (266,670) | (266,670) |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ (287,614)</u> | <u>\$ (287,614)</u> |

VILLAGE OF SUFFERN, NEW YORK
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2019 AND 2018

| | <u>2019</u> | <u>2018</u> |
|---|-------------------|--------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 819,905 | \$ 722,423 |
| Cash with fiscal agent | - | 21,499 |
| Receivables | | |
| State and Federal aid | - | - |
| Due from other funds | 25,000 | 186,285 |
| <u>TOTAL ASSETS</u> | <u>\$ 844,905</u> | <u>\$ 930,207</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts payable | 3,501 | 78,347 |
| Due to other funds | 50,576 | 787,720 |
| Advances from other funds | - | 365,000 |
| Retainage payable | 38,983 | 17,255 |
| Bond anticipation notes payable | 1,383,450 | 726,283 |
| State loan payable | - | - |
| <u>TOTAL LIABILITIES</u> | <u>1,476,510</u> | <u>1,974,605</u> |
| <u>TOTAL FUND BALANCE</u> | <u>(631,605)</u> | <u>(1,044,398)</u> |
| <u>TOTAL LIABILITIES AND FUND BALANCE</u> | <u>\$ 844,905</u> | <u>\$ 930,207</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, 2019 AND 2018

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|-----------------------|
| <u>REVENUES</u> | | |
| State aid | \$ 330,880 | \$ 435,365 |
| Federal Aid | 82,463 | - |
| Bond Proceeds | - | 419,395 |
| Miscellaneous | 220,679 | 5,540 |
| <u>TOTAL REVENUES</u> | <u>634,022</u> | <u>860,300</u> |
| <u>EXPENDITURES</u> | | |
| Capital outlay | <u>1,034,854</u> | <u>\$ 1,539,705</u> |
| Deficiency of Revenues Over Expenditures | <u>(400,832)</u> | <u>(679,405)</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | |
| Installment purchase debt issued | 148,769 | 87,568 |
| Transfer in | 693,552 | 500,965 |
| Transfers out | <u>(28,696)</u> | <u>-</u> |
| <u>Total Other Financing Sources (Uses)</u> | <u>813,625</u> | <u>588,533</u> |
| NET CHANGE IN FUND BALANCE | 412,793 | (90,872) |
| Fund Balance (Deficit) - Beginning | <u>(1,044,398)</u> | <u>(953,526)</u> |
| Fund Balance (Deficit) - Ending | <u>\$ (631,605)</u> | <u>\$ (1,044,398)</u> |

VILLAGE OF SUFFERN, NEW YORK
CAPITAL PROJECTS FUND
PROJECT-LENGTH SCHEDULE
INCEPTION OF PROJECT THROUGH MAY 31, 2019

| | | | | | | Fund Balance | | |
|----------|---------------------------------|---------------|--------------|--------------|--------------|--------------|----------------|---------------------|
| Project | | Authorization | Revenues | Expenditures | Transfers In | 05/31/2019 | 05/31/2018 | BANs Outstanding |
| 2005-007 | 2005 Water Supply Imp | \$ 179,589 | \$ - | \$ 181,865 | \$ 180,727 | \$ (1,138) | \$ (1,138) | \$ - |
| 2009-009 | 2009 Equipment Street Sweeper | 148,000 | 100,000 | 148,000 | 48,000 | - | (48,000) | - |
| 2010-002 | 2010 Fire Equipment | 40,350 | - | 39,152 | 39,152 | - | (38,634) | - |
| 2010-003 | 2010 Wastewater Plant Upgrades | 29,257 | - | 29,257 | 29,257 | - | (29,257) | - |
| 2010-005 | 2010 Street Lighting | 89,492 | 50,360 | 89,492 | 39,132 | - | (39,132) | - |
| 2011-005 | 2011 Sewer Plant Improvements | 2,500,000 | 2,500,000 | 2,385,834 | - | 114,166 | 120,741 | - |
| 2011-008 | 2011 Façade improvement Program | 504,900 | 494,713 | 504,249 | 9,536 | - | (35,299) | - |
| 2012-004 | 2012 DPW-Loader Truck | 114,992 | - | 114,999 | 114,999 | - | (14,907) | - |
| 2012-005 | 2012 Road Improvements | 395,099 | - | 395,118 | 395,118 | - | (144,884) | - |
| 2014-001 | 2014 Fire Equipment | 73,229 | - | 73,179 | 73,179 | - | (15,888) | - |
| 2014-002 | 2014 Roof Hose Company | 68,062 | - | 68,062 | 68,062 | - | (15,000) | - |
| 2014-003 | 2014 Sewer INI Study | 50,000 | - | 49,963 | 49,963 | - | (12,500) | - |
| 2014-004 | 2014 Police Vehicles | 38,116 | - | 38,116 | 38,116 | - | (9,250) | - |
| 2014-005 | 2014 Roadway Improvements | 279,000 | - | 276,979 | 276,979 | - | (69,750) | - |
| 2014-006 | 2014 Lafayette Theater Drainage | 10,000 | - | 2,900 | 2,900 | - | 7,100 | - |
| 2015-001 | 2015 Fire Equipment | 81,000 | - | 80,999 | 60,749 | (20,250) | (22,745) | 20,250 |
| 2015-002 | 2015 Water Well No. 3 Refurbish | 15,000 | - | - | 11,250 | 11,250 | 7,500 | 3,750 |
| 2015-009 | 2015 Sewer System Improvements | 1,100,000 | 1,100,000 | 1,084,171 | - | 15,829 | 15,829 | - |
| 2016-001 | 2016 Computer Systems | 87,000 | - | 85,664 | 43,500 | (42,164) | (33,194) | 43,500 |
| 2016-002 | 2016 Fire Equipment | 52,500 | - | 52,456 | 26,206 | (26,250) | (35,255) | 26,250 |
| 2016-003 | 2016 Road Resurfacing | 61,000 | - | 27,500 | 30,500 | 3,000 | (11,980) | 30,500 |
| 2016-004 | 2016 Heavy Duty Vehicles | 108,000 | - | 99,055 | 54,000 | (45,055) | (59,916) | 54,000 |
| 2016-005 | 2016 LED Street Lighting | 25,500 | - | 498 | 12,750 | 12,252 | 6,012 | 12,750 |
| 2016-006 | 2016 Sewer System Improvements | 92,000 | - | 8,252 | 46,000 | 37,748 | 15,288 | 46,000 |
| 2016-007 | 2016 Water System Improvements | 25,500 | - | 498 | 12,748 | 12,250 | 6,010 | 12,750 |
| 2016-009 | 2016 Village Hall Improvements | 87,000 | - | 1,992 | 43,500 | 41,508 | 20,298 | 43,500 |
| 2016-010 | 2016 Sewer Abatement | 700,000 | 554,245 | 534,766 | (19,479) | - | 19,479 | - |
| 2017-001 | 2017 Sewer System Improvements | 187,000 | - | 112,573 | 74,797 | (37,776) | (37,913) | 112,200 |
| 2018-001 | 2018 Sewer System Improvements | 903,780 | 250,000 | 547,969 | - | (297,969) | (410,371) | 405,000 |
| 2018-003 | 2018 Wayne Avenue Sidewalks | 313,192 | - | - | - | - | - | - |
| 2019-001 | 2019 Phase II Sewer Abatement | 1,500,000 | - | 47,187 | - | (47,187) | - | 142,000 |
| 2019-002 | 2019 Roadway Improvements | 487,458 | 301,709 | 368,566 | 30,100 | (36,757) | - | - |
| 2019-003 | 2019 DPW Multi-Purpose Truck | 250,000 | - | - | - | - | - | - |
| 2019-004 | 2019 Passenger Vehicles | 101,744 | 101,744 | 101,744 | - | - | - | - |
| 2019-005 | 2019 Fire Dept SCBA | 175,000 | - | 157,614 | - | (157,614) | - | - |
| 2019-006 | 2019 DPW Backhoe | 150,000 | - | - | 25,000 | 25,000 | - | - |
| 2019-007 | 2019 WWTP Modifications | 9,240,000 | - | 192,448 | - | (192,448) | (177,642) | 431,000 |
| 2019-008 | 2019 Police Vehicle | 47,025 | 47,025 | 47,025 | - | - | - | - |
| Totals | | \$ 20,309,785 | \$ 5,499,796 | \$ 7,948,142 | \$ 1,816,741 | \$ (631,605) | \$ (1,044,398) | \$ 1,383,450 |

VILLAGE OF SUFFERN, NEW YORK
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2019 AND 2018

| | <u>2019</u> | <u>2018</u> |
|---|------------------|------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 1,072 | \$ 5,346 |
| Cash with fiscal agent | 21,499 | - |
| Due from other funds | - | 24,831 |
| <u>TOTAL ASSETS</u> | <u>\$ 22,571</u> | <u>\$ 30,177</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | |
| <u>LIABILITIES</u> | | |
| Liabilities - due to other funds | \$ - | \$ 29,112 |
| <u>TOTAL LIABILITIES</u> | - | 29,112 |
| <u>TOTAL FUND BALANCE</u> | <u>22,571</u> | <u>1,065</u> |
| <u>TOTAL LIABILITIES AND FUND BALANCE</u> | <u>\$ 22,571</u> | <u>\$ 30,177</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, 2019 AND 2018

| | 2019 | | | |
|--|--------------------|-----------------|-------------|-------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget |
| <u>REVENUES</u> | | | | |
| Use of money and property | \$ - | \$ - | \$ 7 | \$ 7 |
| <u>Total Revenues</u> | - | - | 7 | 7 |
| <u>EXPENDITURES</u> | | | | |
| Serial bonds - principal | 820,000 | 820,000 | 820,000 | - |
| Serial bonds - interest | 367,768 | 367,768 | 367,768 | - |
| <u>Total Expenditures</u> | 1,187,768 | 1,187,768 | 1,187,768 | - |
| Excess (Deficiency) of Revenues Over Expenditures | (1,187,768) | (1,187,768) | (1,187,761) | 7 |
| <u>OTHER FINANCING SOURCES</u> | | | | |
| Transfer in - General Fund | 634,886 | 634,886 | 634,886 | - |
| Transfer in - Water Fund | 71,095 | 71,095 | 71,095 | - |
| Transfer in - Sewer Fund | 481,787 | 481,787 | 481,787 | - |
| Transfer in - Capital Fund | - | 21,499 | 21,499 | - |
| <u>Total Other Financing Sources</u> | 1,187,768 | 1,209,267 | 1,209,267 | - |
| <u>NET CHANGE IN FUND BALANCE</u> | - | 21,499 | 21,506 | 7 |
| Fund Balance - Beginning | - | (21,499) | 1,065 | 22,564 |
| Fund Balance - Ending | \$ - | \$ - | \$ 22,571 | \$ 22,571 |

| 2018 | | | |
|--------------------|-----------------|-------------|-------------------------------|
| Original Budget | Final Budget | Actual | Variance with Final Budget |
| \$ - | \$ - | \$ - | \$ - |
| - | - | - | - |
| 790,000 | 790,000 | 790,000 | - |
| 387,408 | 387,408 | 387,408 | - |
| 1,177,408 | 1,177,408 | 1,177,408 | - |
| (1,177,408) | (1,177,408) | (1,177,408) | - |
| 639,973 | 639,973 | 639,973 | - |
| 71,243 | 71,243 | 71,243 | - |
| 466,192 | 466,192 | 466,192 | - |
| - | - | - | - |
| 1,177,408 | 1,177,408 | 1,177,408 | - |
| - | - | - | - |
| - | - | 1,065 | 1,065 |
| \$ - | \$ - | \$ 1,065 | \$ 1,065 |